UNIQA Group / UNIQA Insurance Group AG / UNIQA Österreich Versicherungen AG

Solvency and Financial Condition Report 2017

Think UNIQA

UNIQA Group / UNIQA Insurance Group AG / UNIQA Österreich Versicherungen AG

Solvency and Financial Condition Report 2017

Think UNIQA

Solvency and Financial Condition Report

Introduction[1)]

Single Solvency and Financial Condition Report

[1)] Additional voluntary and unaudited publication

Ladies and Gentlemen, Dear Shareholders,

This report on our solvency and financial condition is intended to provide you with transparent and detailed information on the way we work and our profits in the areas of risk and capital management, without neglecting the overall view of our company.

A sound solvency position and proactive approach to risks continue to form the basis of all our business actions and are ultimately the foundation for our mission to support "safer, better, longer living" for our customers, employees and shareholders.

In the 2017 financial year two topics were influential in the further development of our risk management: on the one hand, the significant improvement in the regulatory solvency position by approving a partial internal model for property and casualty insurance to calculate risk capital requirements – and on the other, the increasing focus on operational risk management as part of our newly defined strategy for the internal control system.

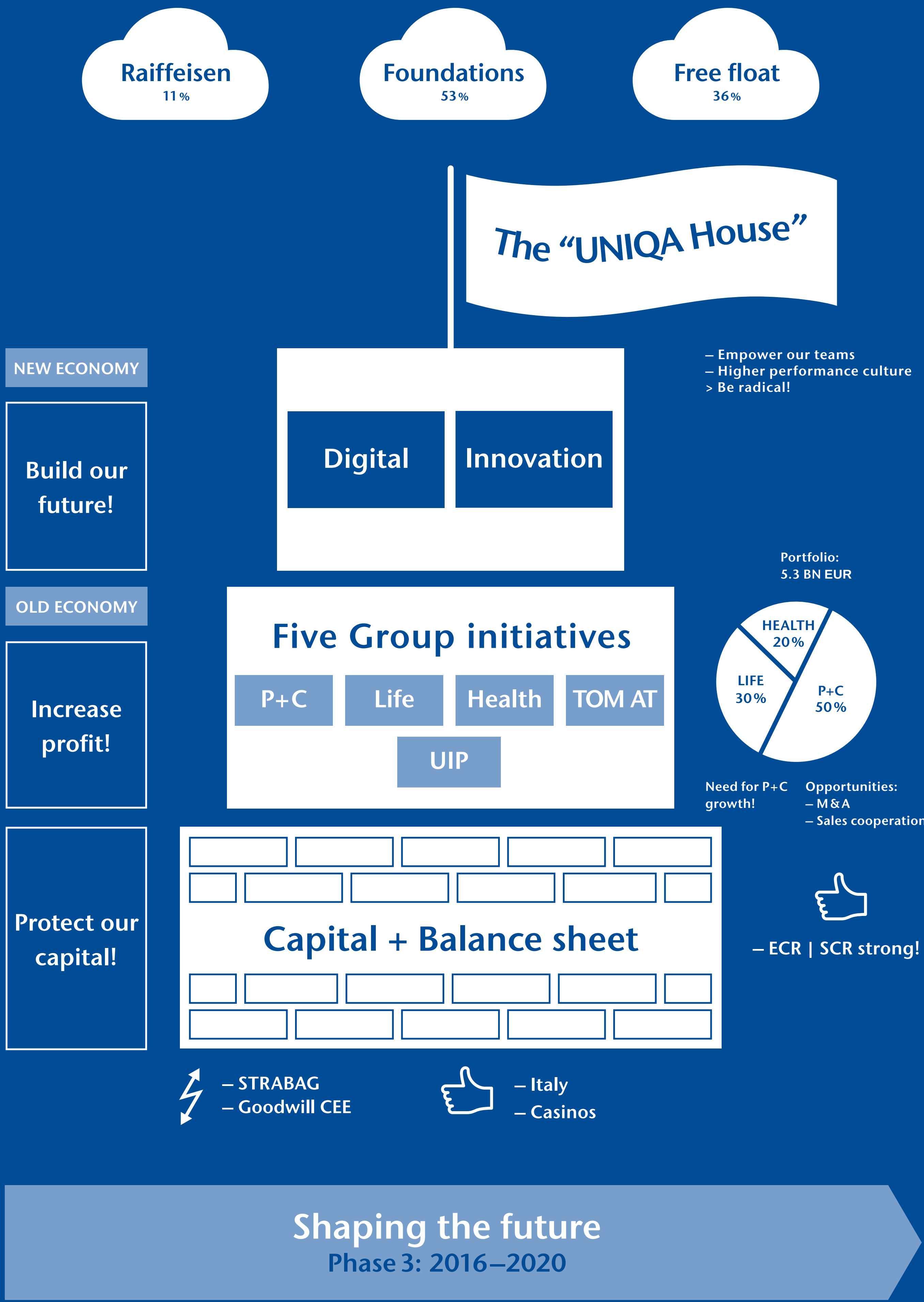
Under Solvency II, insurance companies have the option of applying an internal model for calculating risk capital requirements in addition to the regulatory standard approach. The UNIQA Group has developed such a model for the technical risk in property/casualty insurance and submitted this to the College of Supervisors for the UNIQA Group under the direction of the Austrian Financial Market Authority (FMA) for approval. It was approved in December 2017. This model enables the UNIQA Group, UNIQA Österreich Versicherungen AG and some of the larger international Group companies to state the regulatory risk capital requirements for the first time at 31 December 2017, using the partial internal model.

UNIQA is currently in a process of transformation that – derived from the corporate strategy – affects basically all areas of the Group. However, major transformations usually also involve a higher level of operational risks. We have taken this fact into account in our risk strategy, both by changing our risk preference and by taking measures to further improve the management of operational risks. These are recognised, recorded and proactively managed faster by our integrated internal control system.

We hope that this report on the solvency and financial condition of our company for 2017 helps to further strengthen your trust in UNIQA and our products and services.

Yours sincerely,

Kurt Svoboda
CFRO UNIQA Insurance Group AG


Raiffeisen
11 %
Foundations
53 %
Free float
36 %
The "UNIQA House"
NEW ECONOMY
Build our future!
OLD ECONOMY
Increase profit!
Protect our capital!
Digital
Innovation
– Empower our teams
– Higher performance culture
> Be radical!
Five Group initiatives
P+C
Life
Health
TOM AT
UIP
Portfolio:
5.3 BN EUR
HEALTH
20 %
LIFE
30 %
P+C
50 %
Need for P+C growth!
Opportunities:
– M & A
– Sales cooperations
Capital + Balance sheet
– ECR | SCR strong!
– STRABAG
– Goodwill CEE
– Italy
– Casinos
Shaping the future
Phase 3: 2016–2020

UNIQA 2.0 – ambitious objectives, clear strategy

In 2011, UNIQA launched an ambitious strategic programme entitled "UNIQA 2.0", featuring multiple phases. After a first implementation phase during 2011 and 2012 where we concentrated on "getting ready", we were able to achieve initial successes in the second phase (2013 to 2015). On page 8, you can find a summary of the key objectives for these two phases and our progress regarding their implementation.

Due to fundamental changes in customer expectations and behaviour, as well as disruptive developments to our market environment, in 2016 UNIQA began to rethink the business model as well as the underlying products and processes from the customer's point of view. The result was an adjustment to the objectives for the third phase of the strategy programme, entitled "Shaping the future". During this third phase, the symbolic representation of a house – the "UNIQA House", which can be found on page 6 – was developed as a memorable image for the programme's objectives and strategic actions.

UNIQA launched the largest innovation programme in the company's history in 2016 in order to trigger the innovation boost necessary for a successful future, in particular the digitalisation of our business. By 2025, the Group will have invested around €500 million into the future of the company. Most of it flows into the redesign of our business model, the creation of expertise in terms of personnel and into the necessary IT systems required to transform UNIQA's core business from an insurance provider into an integrated service provider.

UNIQA 2.0 – Phase 3

1. Growth

We expect average growth of around 2 per cent per annum in premiums written for the period until 2020. While expectations for premium growth in life insurance in Austria are muted, we expect average growth of just under 3 per cent p. a. in health insurance and of approximately 4 per cent p.a. in property and casualty insurance for the period stated.

2. Cost ratio

The aim is to improve efficiency and the cost structure on a continuous basis. The investment programme launched in 2016 of around €500 million over ten years will lead to an increase in the cost ratio in the medium term. We expect an overall cost ratio of under 24 per cent as of 2020 as a result of these investments.[1)]

3. Combined ratio

The combined ratio in property and casualty insurance is the most important key figure for us in terms of profitability in the core business. Thus the objective of bringing the combined ratio to a level of 95 per cent on a sustainable basis by 2020 is our top priority.

4. Economic capital ratio (ECR)

We are striving to achieve an economic capital ratio of 170 per cent in the medium term with a maximum fluctuation margin (targeted range) of between 155 and 190 per cent. Everything beyond this range is opportunity capital for us.

5. Profitability

The operating return on equity is defined as the criterion for profitability.[2)] Achieving a rate of return on capital employed in line with the risk is a central prerequisite for any sustainable business model. To this end, we aim to achieve an operating return on equity of around 13.5 per cent on average in the period between 2017 and 2020.

6. Attractive dividends

Our shareholders should receive an attractive dividend in return for providing their capital. Despite extraordinary investments and persistently low interest rates, we intend to steadily increase the annual distribution of dividends per share over the coming years as part of a progressive dividend policy. We can do this because of our excellent capital base and the annual cash flow generated from operating activities.

1) This objective has been adjusted in the Group following the signing of the agreement to sell the Italian companies and the decrease in single premium business associated with this.
2) Definitions of the essential key figures can be found in the glossary.

Capital – the foundation

Customer confidence in our ability to meet our liabilities at any time forms the basis of our business. A strong and solid balance sheet and capital position are therefore a strategic must for UNIQA.

We have set ourselves the objective of attaining an economic capital ratio (ECR) within a fluctuation margin (targeted range) of between 155 and 190 per cent. This allows us to ensure that UNIQA always remains solvent, including under structural conditions that have deteriorated significantly, and is also able to make the most of any opportunities in the insurance business at all times.

With this objective in mind, we have consistently improved our capital position since 2011. As a result, UNIQA is now among the leading companies in European insurance in two aspects: not only is the achieved capital ratio very solid, the calculation used to determine it is also very conservative compared to our European competitors. For example, UNIQA doesn't apply any of the transitional regulations, and additionally backs all government bonds with risk capital.

Our strong capital position supports the existing business, but above all puts us in a position to look intensively for growth opportunities, since it is becoming increasingly difficult to invest excess capital at an appropriate rate of return. With our strong capital base we can easily finance not only the organic growth that we expect above all in CEE, we are also in a position to generate additional external growth through acquisitions. Here, however, we set strict standards and assume that potential acquisitions will strategically complement our existing business, be of a significant size, and generate economic value.

UPDATE 2017
Capital

Supported by a solid operating performance, UNIQA was able to increase the solvency capital requirement (SCR) to a very strong 250 per cent. We have recently been relying on a partial internal model (PIM) for the purposes of determining the capital requirements in property and casualty insurance. This was approved by the Financial Market Authority after intensive internal preparation and assessment at the end of the year.

The economic capital ratio (ECR) at the end of 2017 was 210 per cent, well below the regulatory rate. The reason for this is primarily the consideration of risk in conjunction with the investment in government bonds in the ECR. In the case of the SCR, however, certain government bonds are classified as risk-free.

Five Group initiatives – this is how UNIQA is increasing efficiency and profitability in the core business

Five strategic initiatives in the core underwriting business build on the foundation of this strong capital base.

A programme was developed aimed at safeguarding and increasing sustainable operating profitability in each of the three business lines of property and casualty insurance, health insurance and life insurance. This programme is now being implemented under the supervision of the relevant expert Board Member. Two further strategic initiatives are running alongside this with a Group-wide effect on the core business.

Property and casualty insurance – combined ratio below 95 per cent

Health insurance – defending market leadership

Life insurance – optimising the product portfolio

UNIQA Insurance Platform

Target Operating Model (TOM)

Property and casualty insurance: combined ratio at a level of 95 per cent

A significant increase in earnings performance is one clear objective in the property and casualty insurance segment – the segment from which UNIQA expects the largest amount of premium growth, especially in CEE. The combined ratio is the index used to measure this, i.e. the ratio of expenditures for insurance operations and benefits to premiums written.

UPDATE 2017
Property and casualty insurance

As planned, UNIQA further improved the combined ratio in 2017, especially in CEE, and with 97.5 per cent, came one step closer to the target value. Key measures to achieve this include managing the portfolio more intensely and the targeted efforts to avoid unprofitable business.

Life insurance: optimising the product portfolio

The low interest rate environment, which has been sustained for years, is particularly affecting endowment life insurance, which has traditionally predominated in Austria. The strategic initiative in this line of insurance is therefore targeted mainly at ensuring a new direction for the product portfolio and increasing the profitability of existing contracts.

UPDATE 2017
Life insurance

In 2017, UNIQA once again took the lead in the life insurance sector in the Austrian insurance industry. After we were already the first to launch a classic life insurance policy without a guaranteed interest rate in 2014, we have been offering another innovative feature in the form of a completely reworked offer in the unit-linked life insurance sector since 2017. We have thus taken an important step in the long-term optimisation of our product portfolio.

Health insurance: defending market leadership

UNIQA is the clear market leader in Austrian health insurance. This is why defending our leadership position in this profitable area is one of our most important objectives. Because of the rapid technological progress, the classic roles of the healthcare industry are being reshaped. UNIQA wants to actively play a leading role in this transformation.

UPDATE 2017
Health insurance

As a trend-setting innovation, for example, the acute care insurance project "Akut-Versorgt", in collaboration with the Döbling Private Hospital, which also belongs to the UNIQA Group, was implemented last year. Initially only available in the Vienna area, Akut-Versorgt grants UNIQA customers rapid access to medical care on weekends or at night. Additional selective investments are planned along the value chain in the areas of health advice and provision, health services as well as digital health solutions.

UNIQA Insurance Platform (UIP)

The objective of this programme is nothing less than the renewal of core systems in all sectors and the associated organisational transformation of the Group.

UPDATE 2017
UNIQA Insurance Platform (UIP)

To implement the UIP programme, UNIQA built its own organisational unit last year, which in turn is divided into 19 projects. In addition to the internal committees required for steering and decision-making, (i.e. Operative Steering Committee), a separate IT committee of the Supervisory Board was established.

TOM – Target Operating Model UNIQA Austria

Since the beginning of the UNIQA 2.0 strategy programme in 2011, the Group has been working on making all of its customer processes more efficient, faster and less expensive. This modernisation and optimisation project, referred to as the "Target Operating Model", involves internal processes that aren't visible from the outside.

UPDATE 2017
TOM – Target Operating Model UNIQA Austria

An essential focus in implementing the Target Operating Model in 2017 was the gradual shift from processing business transactions in the central service units and the regional offices to the Group Service Centre in Nitra, Slovakia. In addition to redefining the governance for cross-border cooperation between Austria and Slovakia, comprehensive quality assurance measures were also implemented.

In the field of automation, 2017 saw the launch of several diverse initiatives using new technologies such as artificial intelligence, robotics and optical character recognition (OCR).

Innovation and digitalisation – we are building the future

Building on these initiatives in the core business, UNIQA is providing additional momentum aimed at continually adapting the business model to current requirements. The overriding objective here is to be able to inspire today's customers in future as well.

Innovation – developing into a service provider: this strategic initiative is concerned with further evolution of the insurer value chain from providing just coverage, to being a fully-comprehensive service provider.

UPDATE 2017
Innovation

In 2017, UNIQA dealt intensively with the topic of newer and younger companies in the financial services sector – commonly referred to as "fintechs" and "insuretechs". The objective of these initiatives is to use the innovative strength of these emerging ecosystems and companies to develop new ideas and technology, thereby ultimately being able to offer new services and products to our customers.

UNIQA has made initial investments in young fintechs in order to cooperate and to try out new business models with them. These activities will continue as part of the UNIQA innovation programme in the years to come.

Digitalisation – rethinking our business and service model: the focus of this strategic initiative is on realigning customer contact points and downstream service processes. That's because over the next few years communication channels and customer requirements related to quality, response times and service expectations will also undergo a significant transformation in the insurance industry.

UPDATE 2017
Digitalisation

In Austria, the focus of UNIQA's 2017 digitalisation initiative was, aside from modernising core insurance systems, to set up a new Digital Team that (keeping the customer's perspective in mind) develops and implements new customer solutions. On the international level, the focus in 2017 was on the digitalisation of sales. Furthermore, the first projects for expediting customer processing in Austria as well as in international markets were implemented through the use of RPA (robotic process automation) which significantly reduced the processing times.

Risk strategy

Our principles

UNIQA's strategic objectives are directly linked with the company's risk strategy. We are conscious of our responsibility to customers, employees and shareholders and are committed – even in a turbulent market environment – to safeguarding our capital strength and profitability, as well as the reputation of our brand.

Our risk strategy is underpinned by our business strategy and the risks that this entails. A clear definition of our risk preference provides the foundation for all our business policy decisions. We actively seek to assume technical, market and operational risks when the business model requires, and attempt to avoid other accompanying risks. This builds a solid foundation on which we generate income from our core business. We aim for a balanced mix of risk to achieve the greatest possible effect from diversification.

Risk-bearing capacity and internal perspective

We take risks in full knowledge of our risk-bearing capacity. We define this as our ability to absorb potential losses from extreme events so that our medium- and long-term objectives are not put in danger. A clear perspective on our own risk situation is fundamental to all strategic and operational decisions the company makes. On this basis, the UNIQA Group has further refined the standard formula for evaluating risks and risk capital using an internal perspective, which provides stronger support for the Group's business and risk strategy. This internal perspective is different from the standard formula in two fundamental ways.

The most obvious difference is in the treatment of market risks: contrary to the regulatory requirement, here we also back all government bonds with risk capital.

This approach reflects our limited tolerance for market risks, as defined in our risk strategy. In addition, the UNIQA Group has also developed a partial internal model for property and casualty insurance – our largest business sector in terms of premium volumes – which provides a more refined picture of the risk situation.

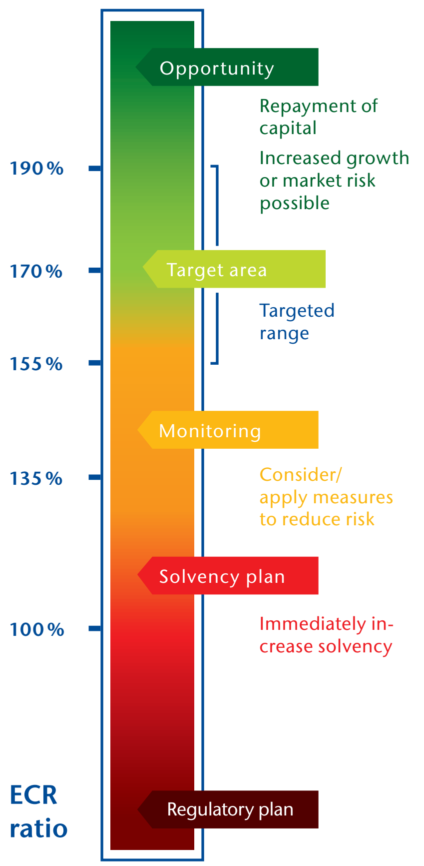
This internal perspective is described within the UNIQA Group as the economic capital model (ECM), the resulting capital requirement is known as the economic capital requirement (ECR). All our decision-making processes are based on this internal risk perspective.

Risk category

Risk category	Risk preference		
	Low	Medium	High
Underwriting risk			✓
Market risk and ALM		○	
Credit risk/default risk		○	
Liquidity risk	✗		
Concentration risk	✗		
Operational risk		○	
Strategic and reputational risk	✗		
Contagion risk	✗		
Emerging risk	✗		

Risk strategy

UNIQA defines its risk appetite on the basis of an "economic capital model" (ECM). Coverage for quantifiable risks with eligible own funds – the economic capital requirement (ECR) ratio – should lie between 155 and 190 per cent.



To reduce complexity and align the internal and regulatory perspectives, UNIQA is working towards a step-by-step formulation and authorisation[1] of the partial internal model. Until that time, the regulatory solvency capital requirement (SCR) will differ from our internal economic capital requirement (ECR).

The Solvency and Financial Condition Report is based exclusively on the regulatory requirements (SCR).

The diagram on page 12 provides an overview of UNIQA's capitalisation in terms of both requirements – ECR and SCR.

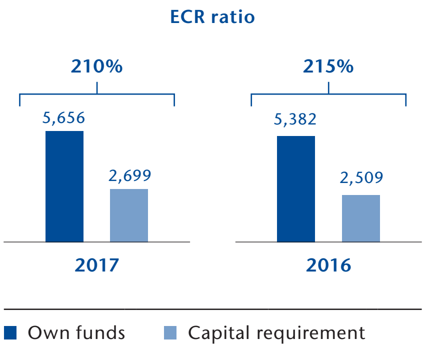
Organisation

A transparent organisational structure that takes account of the complexity of the company forms the basis for our governance model. Responsibilities are strictly divided between risk acceptance, risk supervision and an independent review process. Our risk profile is regularly validated at all levels of the hierarchy and discussed in specially instituted committees with members of the Management Board. We draw on internal and external sources to make sure we have a complete picture of our risk position, and can recognise any threats quickly.

[1] The approval of the partial internal model for underwriting risk in the property and casualty insurance business was given in December 2017. Work on the partial internal model for market risks began already in 2017 and should be completed by 2019/2020.

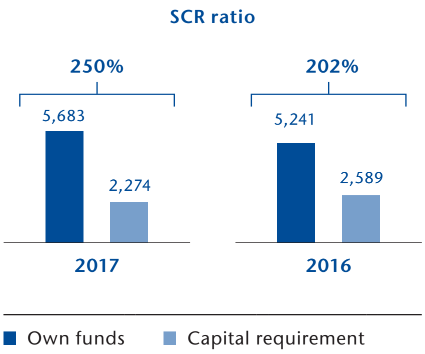
Economic capital position

In € million

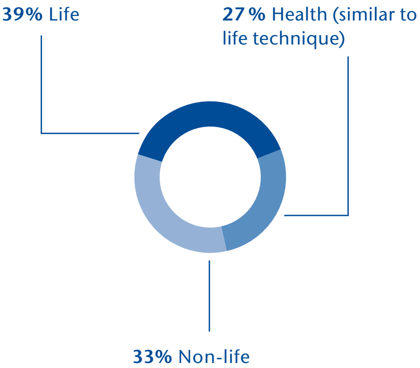


Regulatory Solvency II capital position

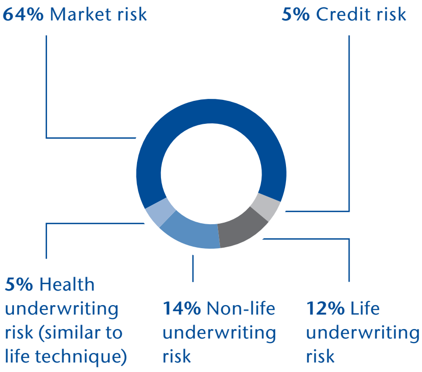
In € million



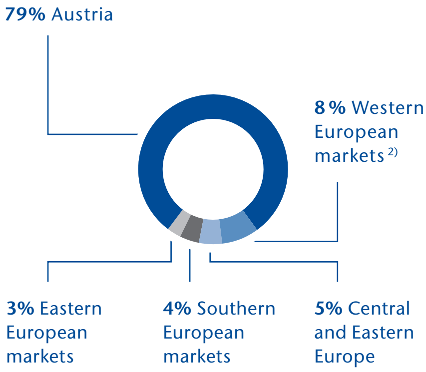
SCR by line of business



SCR by risk module



SCR by region



[2] Includes the internal risk transfer to UNIQA Re and the business in Liechtenstein.

Who we are

Around 20,000 employees work every day for 3.6 million customers in Austria and 5.9 million customers in CEE. See here what this means in figures.

€5.7
billion own funds to cover solvency capital requirement

Active in
16
countries

5.9
million customers in CEE

19.4
million insurance contracts

€1.2
billion minimum capital requirement

3.6
million customers in Austria

425,000
customers registered with myUNIQA

UNIQA Group 2017

€19.9
billion investments

250%
solvency ratio

€0.51
dividend per share[1)]

€5.3
billion in premium written

22%
market share in Austria

€242.2
million earnings before taxes

€2.3
billion solvency capital requirement

Around
20,000
employees and exclusive sales partners

1) Proposal to the Annual General Meeting

Solvency and Financial Condition Report for the UNIQA Group

Version dated: 31 December 2017

Contents

Executive Summary

The following summary is aimed at providing a compact and easy-to-read overview of the essential content of this report on the solvency and financial condition. We refer in the text to a single report on solvency and the financial condition as we have decided to consolidate the reporting for the UNIQA Group, UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG. This is driven by the governance model for the UNIQA Group which was already streamlined and significantly simplified at the Austria location in 2016. The figures presented in the summary relate in all cases to the UNIQA Group, while the information on the other companies can be found in the relevant chapters.

We present the company and its underlying business model together with the most important figures related to premium revenues, benefits and investment performance in Chapter **A Business and performance**. Overview:

1. The insurance companies in the UNIQA Group provide comprehensive products in property and casualty insurance, life insurance as well as health insurance to their customers.
2. The listed holding company UNIQA Insurance Group AG manages the Group and also provides indirect insurance (i.e. inward reinsurance).
3. UNIQA Österreich Versicherungen AG is a wholly owned subsidiary of UNIQA Insurance Group AG and has been the Group's only direct insurer on the Austrian market since 1 October 2016. Business activities include all product lines as in the UNIQA Group.

In addition, the Group's international activities are controlled via UNIQA International AG. The UNIQA Group operates in the core markets of Austria and Central and Eastern Europe as well as Western Europe. The Group is now made up of about 40 companies in 18 countries. The Management Board's decision to approve the sale of the holding in the Group company UNIQA Assicurazioni SpA (Italian Group) on 2 December 2016 resulted in a material change to the UNIQA Group's business volumes and risk profile. The transaction was completed in the second quarter of 2017.

With its comprehensive product range, UNIQA is a multiline insurance company that sells its products based on a multi-channel strategy – that means using all sales channels likely to produce successful results (exclusive sales, insurance brokers, banks and direct sales). A balanced mix is also sought between the lines of business, and a property and casualty insurance surplus is consciously managed in the current interest rate environment.

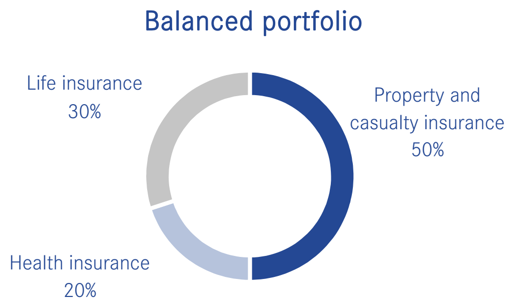


Figure 1: Distribution of premiums by business line on the UNIQA Group's balance sheet

UNIQA's total premium volume increased in 2017, including savings portions from unit-linked and index-linked life insurance in the amount of €481.6 million (2016: €405.1 million), by 4.9 per cent to €5,293.3 million (2016: €5,048.2 million). Premiums written in property and casualty insurance grew in 2017 by 4.8 per cent to €2,639.7 million (2016: €2,518.4 million). In health insurance, premiums written rose by 3.8 per cent to €1,042.0 million in the reporting period (2016: €1,003.7 million). In life insurance, the premiums written including savings portions from the unit-linked and index-linked life insurance increased by 5.6 per cent to €1,611.6 million (2016: €1,526.1 million). The reason for this was the strong rise in single premiums in Poland. Details on the individual lines of business and explanations on the developments are provided in Chapter A.2 to A.5.

As outlined in Chapter **B System of governance**, UNIQA has developed the organisational structure further within the scope of the preparations for Solvency II, resulting in a transparent system with clear assignments and an appropriate separation of responsibilities. The core of this system is the "three lines of defence" concept, with clear distinctions between those parts of the organisation that assume the risk within the scope of business activities (first line), those that monitor the assumed risk (second line) and those that carry out the independent internal reviews (third line). See Chapter B.3.2 for further details on this.

One of the key further developments at UNIQA included the efforts to establish a comprehensive committee structure (see B.1.2 for details), which is available as a strategic supervisory, advisory and decision-making body to the Holding Management Board. The topics of risk management, reserving, asset liability management (ALM), remuneration and issues related to security management are covered in these committees. Another crucial element in the system of governance is establishing key functions (see B.1.3 for details). UNIQA has also defined asset management and reinsurance as key functions in addition to the mandatory governance functions under statute (actuarial function, risk management, compliance and internal audit). Clear definitions of the remuneration principles (B.1.4) and the requirements for persons who actively run the business or hold other key functions (B.2) also form part of a fitting system of governance.

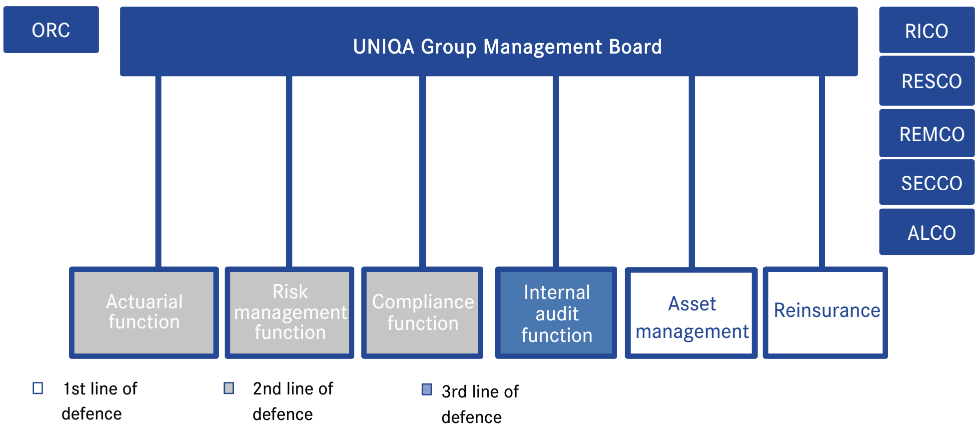


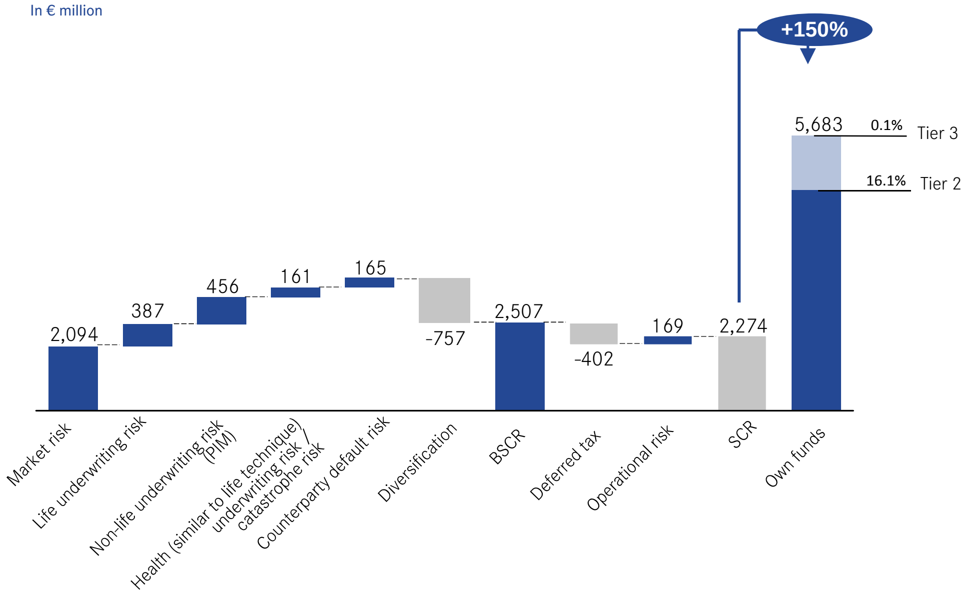
Figure 2: Key functions in the UNIQA Group

Particular attention is paid to the risk management system (Chapter B.3) as an integral part of the system of governance. It defines responsibilities, processes and general rules which allow us to manage our risks in an effective and appropriate manner. The clear objective is to allow the findings gained from the risk management system – from risk identification to risk assessment – to be used in strategic and material corporate decision making. The company's Own Risk and Solvency Assessment (ORSA) plays an important role here. The UNIQA Group has developed a partial internal model for the technical risk in property/casualty insurance which was approved by the Austrian Financial Market Authority (FMA) in December 2017. Information about the governance and validation of the model can be found in Chapter B.3.6.

The risk capital to be covered, defined as the potential economic loss within one year with a probability of occurrence of 1:200, is at the centre of the quantitative requirements under Solvency II and the Austrian Insurance Supervision Act 2016. The details on the composition and calculation of the risk capital are outlined in Chapter **C Risk profile**. This includes above all the material risks related to underwriting practice, market risks, credit risks and risks of default along with operational risks. As a multiline insurance company, UNIQA is very well diversified. The solvency capital requirement is calculated based on the partial internal model. The following overview illustrates the capital requirements for the individual risk modules, the overall solvency capital requirement (SCR), and the accompanying equity.

SCR development per risk module

In € million



Changes vs. 2016

In € million

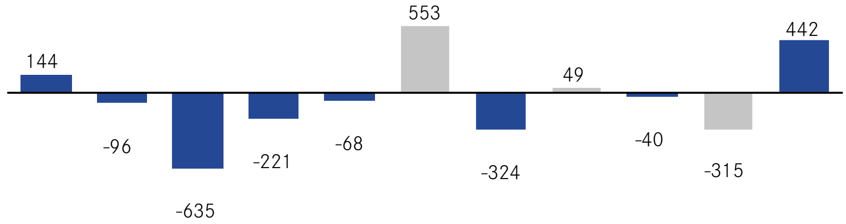


Figure 3: SCR development per risk module

As a result of the significant share of long-term liabilities from the life and health insurance business where we invest our customers' money, we set ourselves a correspondingly high risk capital requirement for market risks (64 per cent). The interest rate risk plays a subordinate role within the market risks thanks to the very consistent asset liability management approach implemented over the past few years. The essential capital requirement comes predominantly from the risk of credit spreads and a reduction in market values in the real estate portfolio (see C.3.2 for details). By using the partial internal model in the non-life underwriting risk, the actual risk capital requirement is reflected in a much clearer manner, resulting in a share of 12 per cent. UNIQA has an excellent capital position with a solvency ratio of 250 per cent. Even under various stress scenarios the UNIQA Group's solvency ratio remains well above the minimum measurement defined internally of 135 per cent (see C.7 for details). It should be explicitly mentioned here that UNIQA does not make use of any transitional measures. If the volatility adjustment is not taken into account the solvency ratio is reduced to 248 per cent.

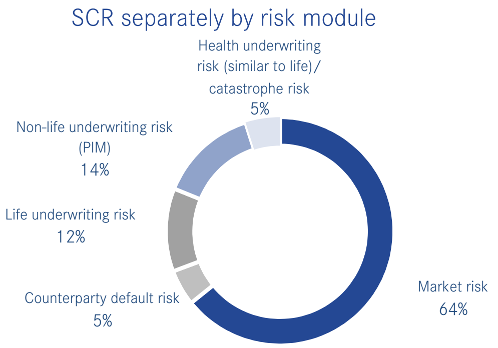


Figure 4: Distribution of the overall capital requirement across risk sub-modules

The methods used to measure individual balance sheet items in the solvency balance sheet are outlined in Chapter **D Valuation for solvency purposes** and a comparison with the IFRS consolidated financial statements is provided. When comparing, it should be noted that the values for 2016 disclosed in accordance with Solvency II include the figures for the Italian group for each balance sheet item because IFRS 5 does not apply. The surplus of assets over liabilities stated in the solvency balance sheet amounts to €4,983 million (2016: €4,526 million) and is the Group's economic capital.

Finally, in Chapter **E Capital management,** the economic capital is reconciled with the equity ultimately eligible. The eligible own funds of the UNIQA Group amount to €5,683 million (2016: €5,241 million). At around €4,763 million (2016: €4,308 million), most of the own funds consist of Tier 1 capital. This results in a SCR ratio of 250 per cent. The eligible own funds for MCR coverage amount to €5,002 million (2016: €4,587 million). At around €4,763 million (2016: €4,308 million), most of the own funds here also consist of top quality capital (Tier 1). The MCR ratio amounts to 419 per cent. The following table lists all the subsidiaries of the UNIQA Group that prepared and published a report about their solvency and financial condition at 31 December 2017 because they were requested to do so in accordance with Solvency II.

Subsidiary name	Country code	Report name	Published at
UNIQA Insurance plc.	BG	Отчет за платежоспособност и финансовото състояние 2016	www.uniqa.bg
UNIQA Life plc.	BG	Отчет за платежоспособност и финансовото състояние 2016	www.uniqa.bg
UNIQA pojišťovna, a.s	CZ	Zpráva o solventnosti a finanční situaci 2016	www.uniqa.cz
UNIQA osiguranje d.d.	HR	Izvješće o solventnosti i financijskom stanju za 2016. godinu	www.uniqa.hr
UNIQA Biztosító Zrt.	HU	Fizetőképességről és pénzügyi helyzetről szóló jelentés 2016	www.uniqa.hu
UNIQA Assicurazioni S.p.A.	IT	Relazione sulla solvibilità e condizione finanziaria (SFCR)	www.uniqagroup.it
UNIQA Previdenza S.p.A.	IT	Relazione sulla solvibilità e condizione finanziaria (SFCR)	www.uniqagroup.it
UNIQA Life S.p.A.	IT	Relazione sulla solvibilità e condizione finanziaria (SFCR)	www.uniqagroup.it
UNIQA Versicherung AG	LIE	Bericht über die Solvabilität und Finanzlage (SFCR) UNIQA Versicherung AG 2016	www.uniqa.li
UNIQA TU S.A.	PL	Sprawozdanie na temat wypłacalności i kondycji finansowej	www.uniqa.pl
UNIQA TU na Zycie S.A.	PL	Sprawozdanie na temat wypłacalności i kondycji finansowej	www.uniqa.pl
UNIQA Asigurari S.A.	RO	Raport privind Solvabilitatea și Situația Financiară 2016	www.uniqa.ro
UNIQA Life SA	RO	Raport privind Solvabilitatea și Situația Financiară 2016	www.uniqa.ro
UNIQA Poisťovňa a.s.	SK	Správa o solventnosti a finančnom stave 2016	www.uniqa.sk

Table 1: Reports on the solvency and financial condition of the subsidiaries in the UNIQA Group

A Business and performance

A.1 BUSINESS ACTIVITIES

The insurance companies in the UNIQA Group provide comprehensive products in property and casualty insurance, life insurance as well as health insurance to their customers. The listed holding company, UNIQA Insurance Group AG, manages the Group and also operates indirect insurance business (i.e. inward reinsurance). In addition, it carries out numerous service functions for UNIQA Österreich Versicherungen AG and the international insurance companies in order to take best advantage of synergy effects and to consistently implement the Group's long-term corporate strategy.

UNIQA Österreich Versicherungen AG is a wholly owned subsidiary of UNIQA Insurance Group AG and has been the Group's only direct insurer on the Austrian market since 1 October 2016.

UNIQA Insurance Group AG
Untere Donaustrasse 21
1029 Vienna
www.uniqagroup.com

UNIQA Österreich Versicherungen AG
Untere Donaustrasse 21
1029 Vienna
www.uniqa.at

UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG are subject to supervision by the Austrian Financial Market Authority (FMA).

Financial Market Authority (FMA)
Otto-Wagner-Platz 5
1090 Vienna
www.fma.gv.at

PwC Wirtschaftsprüfung GmbH has been appointed as auditor of the financial statements for the current financial year.

PwC Wirtschaftsprüfung GmbH
Donau-City-Strasse 7
1220 Vienna
www.pwc.at

Shareholder structure

The free float remained unchanged at 36.9 per cent at the end of 2017. At the end of 2017, market capitalisation based on the free float therefore amounted to approximately €1 billion.

The core shareholder UNIQA Versicherungsverein Privatstiftung (Group) holds a total of 49 per cent (Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH 41.3 per cent, UNIQA Versicherungsverein Privatstiftung 7.7 per cent). The Raiffeisen Banking Group holds 10.9 per cent via RZB Versicherungsbeteiligung GmbH as core shareholder. The core shareholder Collegialität Versicherungsverein Privatstiftung holds a 2.5 per cent stake in UNIQA.

The portfolio of treasury shares amounts to 0.7 per cent.

There is a binding voting trust applicable to the shares of UNIQA Versicherungsverein Privatstiftung, Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, Collegialität Versicherungsverein Privatstiftung and RZB Versicherungsbeteiligung GmbH.

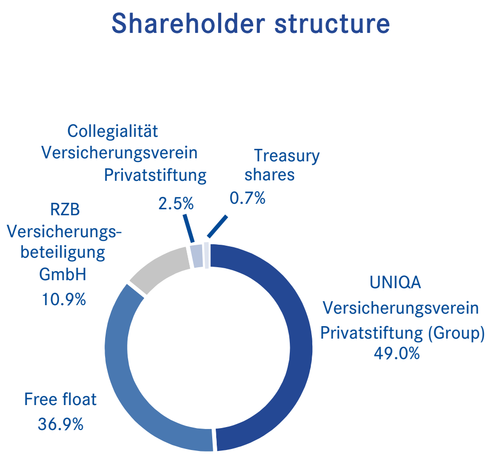


Figure 5: Shareholder structure of UNIQA Insurance Group AG

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. The UNIQA Group operates in the core markets of Austria and Central and Eastern Europe. Currently UNIQA is active in the following 16 countries: Austria, Poland, the Czech Republic, Slovakia, Hungary, Romania, Ukraine, Croatia, Serbia, Bosnia and Herzegovina, Kosovo, Montenegro, Albania, Macedonia, Bulgaria and Russia.

UNIQA Insurance Group AG prepares consolidated financial statements and a management report in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. Separate financial statements are also prepared at the UNIQA Insurance Group AG level. Likewise, UNIQA Österreich Versicherungen AG prepares separate financial statements. In Annexes 1 and 2, the information in Chapters A.2 to A.5 is presented according to the separate financial statements of UNIQA Insurance Group AG and according to the separate financial statements of UNIQA Österreich Versicherungen AG. In addition to UNIQA

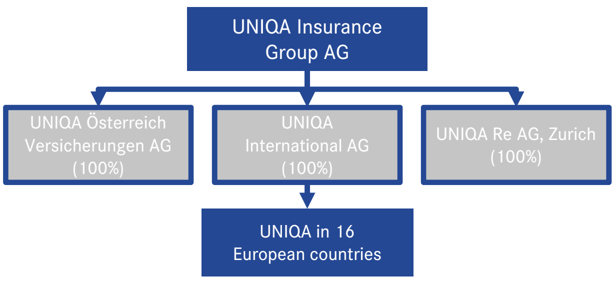


Figure 6: Group structure of UNIQA Insurance Group AG

Insurance Group AG, the UNIQA Group's 2017 IFRS consolidated financial statements also include 35 Austrian and 59 international companies. The associates relate to six domestic and one international company that were included in the consolidated financial statements using equity method accounting. Further details on the affiliated companies and associates are provided in Appendix I – "Affiliated companies and associates".

There are no material differences between the scope of the Group as applied for the consolidated financial statements and the scope of the data to be consolidated for the provisions defined in Article 335 of the Delegated Regulation (EU) 2015/35.

Discontinued operations

The closing of the sale of the 99.7 per cent holding in UNIQA Assicurazioni SpA (Italian Group) took place on 16 May 2017. In accordance with the regulations of IFRS 5, the sale of the Italian Group is presented in the consolidated financial statements as a discontinued operation. The profit/(loss) attributable to the discontinued operation is disclosed separately under Chapter A.5.

Essential business lines

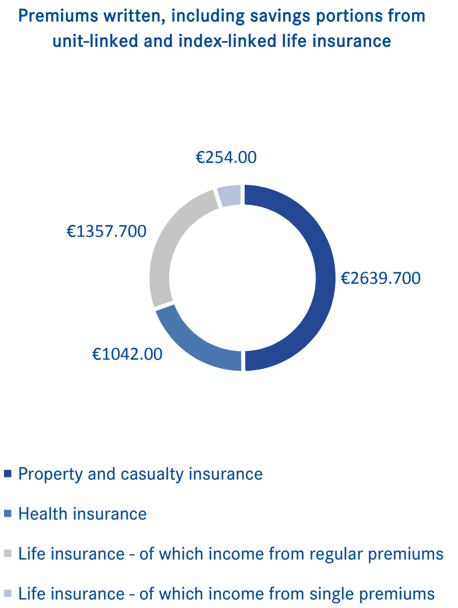


Figure 7: Premiums written, including savings portions from unit-linked and index-linked life insurance (in € million)

The UNIQA Group offers a comprehensive range of insurance and retirement products and covers property and casualty insurance, life insurance and health insurance with its services in virtually all markets.

The UNIQA Group covers different customer requirements with its multi-channel strategy. Any sales channel likely to produce successful results is utilised, e.g. exclusive sales, insurance brokers, banks and direct marketing. The banking sales channel supplements the UNIQA Group's extensive local presence.

Property and casualty insurance

Property insurance includes insurance such as fire, comprehensive motor vehicle insurance and third party liability insurance. The principle of specific fulfilment of demand applies here: the insurance benefit is determined by the insured sum, the insured value and the amount of the claim. In contrast, casualty insurance is a fixed-sum insurance product: the insurance benefit is set to a precise amount in advance.

Most property and casualty insurance contracts are taken out for a short term of up to three years. Broad distribution across a great many customers and the relatively short duration of these products enables moderate capital requirements and makes this field of business attractive.

Property and casualty insurance includes non-life insurance for private individuals and companies, as well as private casualty insurance. In property and casualty insurance, the UNIQA Group achieved a premium volume written in the amount of €2,639.7 million in 2017, i.e. 50 per cent of the total premium volume.

Life insurance

Life insurance covers economic risks that stem from the uncertainty as to how long a customer will live. The insured event is the attainment of a certain point in time, or the death of the insured during the insurance period. The customer or defined authorised beneficiary then receives a capital sum or an annuity as a benefit. The premium is calculated on the basis of the principle of equivalence, i.e. in accordance with an applicant's individual risk; its amount is based inter alia on the type of insurance, age at the time the contract was signed, the policy term and the duration of premium payments.

Life insurance includes savings products such as classic and unit-linked life insurance. There are also biometric products to secure against such risks as occupational disability, nursing, or death. In life insurance, UNIQA achieved a premium volume across the Group (including savings portions from unit-linked and index-linked life insurance) of €1,611.6 million in 2017, i.e. 30 per cent of the total premium volume.

Health insurance

Health insurance includes voluntary health insurance for private customers, commercial preventive healthcare and opt-out offers for certain independent contractors such as lawyers, architects, and chemists. In 2017, health insurance premiums written amounted to €1,042.0 million across the Group, equating to 20 per cent of total premium volume.

The UNIQA Group is the undisputed market leader in this strategically important line of insurance in Austria with a 46 per cent market share. About 94 per cent of premiums come from Austria, with the remaining 6 per cent coming from international business.

About four-fifths of health insurance benefits go to stationary care (for example, premium category), around one-fifth to out-patient care and fixed-sum insurance products such as daily benefits for hospital stays. In Austria, the UNIQA Group also operates private hospitals through the PremiQaMed Group, which is a wholly owned subsidiary of UNIQA Österreich Versicherungen AG.

Geographical concentration

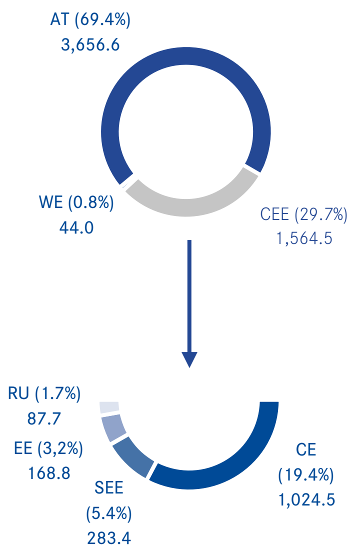


Figure 8. Premiums by geographical areas (in € million)

Main geographic areas

The UNIQA Group is one of the leading insurance groups in its two core markets of Austria and Central and Eastern Europe (CEE) with a presence that covers the entire area. The UNIQA Group also includes insurance companies in Liechtenstein and Switzerland. Around ten million customers have already placed their trust in UNIQA – 35 per cent of them in Austria, and 65 per cent in international markets.

The UNIQA Group is the second-largest insurance group in Austria, with a market share of around 22 per cent based on premium volume. In 2017 we generated around 69 per cent of Group premiums in our domestic market. UNIQA is the undisputed leader in the strategically important health insurance line, with a market share of about 46 per cent.

Aside from these core markets, the UNIQA Group is also active in Western Europe – in Liechtenstein, Switzerland as well as in Germany and in the UK with branches. The UNIQA Group and its subsidiaries are represented in 16 countries in Central and Eastern Europe. These companies operate around 1,500 service centres. In 2017 we generated around 31 per cent of Group premiums in the CEE markets. We also work together with the subsidiaries of Raiffeisen Bank International AG in Eastern Europe as part of the preferred partnership that was renewed in 2013 for a period of ten years.

In the Central Europe region (CE) – Poland, Slovakia, the Czech Republic and Hungary – the premiums written, including savings portions from unit-linked and index-linked life insurance, increased by 18.4 per cent in the 2017 financial year to €1,024.5 million (2016: €865.6 million). In Eastern Europe (EE) – comprising Romania and Ukraine – premiums written, including savings portions from the unit-linked and index-linked life insurance, increased by 2.5 per cent to €168.8 million (2016: €164.6 million). In the Southeastern Europe region (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Macedonia, Montenegro and Serbia – they also rose by 3.1 per cent to €283.4 million in 2017 (2016: €274.9 million). In Russia (RU) the premiums written, including savings portions from the unit-linked and index-linked life insurance, climbed steadily by 50.6 per cent to €87.7 million (2016: €58.2 million). In Western Europe (WE) – Italy, Liechtenstein and Switzerland – the premiums written, including savings portions from the unit-linked and index-linked life insurance, rose by 20.7 per cent to €44.0 million (2016: €36.5 million).

Significant events after the reporting date

After receiving the approval under merger law and official public sector approvals required for the transfer, and following a resolution of the Annual General Meeting of Casinos Austria Aktiengesellschaft, the sale of Medial Beteiligungs-Gesellschaft m.b.H. to CAME Holding GmbH closed on 15 January 2018. Because of the disposal, income of €47.5 million will be reported in the first quarter of 2018.

Legal structure as well as governance and organisational structure of the Group

Chapter B.1 contains a description of the legal structure as well as governance and organisational structure of the Group.

Relevant operations and transactions within the Group

Further information on this can be found in Chapter B.1.5.

A.2 UNDERWRITING PERFORMANCE

This chapter describes the UNIQA Group's underwriting performance in the reporting period. This performance is described qualitatively and quantitatively both on an aggregated basis and broken down by the essential business lines and geographical areas in which the UNIQA Group pursues its activities. The details are subsequently compared with the information submitted in the previous reporting period and contained in the company's consolidated financial statements.

Underwriting performance in non-life insurance by essential business lines (gross)

Underwriting performance in non-life insurance by essential business lines – gross

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
In € million	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Medical expense insurance	27	20	26	18	17	13	0	0	8	6	1	-0
Income protection insurance	362	363	362	363	190	196	0	0	184	193	-12	-26
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	622	688	633	680	388	516	1	-1	233	266	11	-101
Other motor insurance	519	493	512	480	362	324	0	0	225	218	-75	-62
Marine, aviation and transport insurance	56	62	56	62	23	34	0	0	21	24	12	4
Fire and other damage to property insurance	697	681	694	676	381	340	0	0	304	309	9	27
General liability insurance	251	260	255	257	204	176	0	0	118	127	-67	-46
Credit and suretyship insurance	20	16	18	16	9	3	0	0	8	8	1	5
Legal expenses insurance	89	86	89	86	56	54	0	0	28	27	5	5
Assistance	21	20	20	19	6	5	0	0	9	8	5	6
Miscellaneous financial loss	50	49	48	48	16	25	0	0	87	51	-54	-27
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	0	0	0	0	0	0	0
Total	**2,715**	**2,737**	**2,713**	**2,707**	**1,652**	**1,687**	**0**	**0**	**1,225**	**1,237**	**-164**	**-217**

Table 2: Underwriting performance in non-life insurance by essential business lines (gross)

Underwriting performance in non-life insurance by essential business lines (net)

In € million	Premiums written 2017	Premiums written 2016	Premiums earned 2017	Premiums earned 2016	Claims expenses 2017	Claims expenses 2016	Change in other technical provisions 2017	Change in other technical provisions 2016	Expenses incurred 2017	Expenses incurred 2016	Underwriting performance 2017	Underwriting performance 2016
Medical expense insurance	27	20	26	18	17	13	0	0	8	6	1	-0
Income protection insurance	361	362	361	362	190	196	0	0	127	135	44	31
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	614	679	624	672	385	496	1	-1	172	187	66	-10
Other motor insurance	514	488	506	475	358	320	0	0	155	149	-7	6
Marine, aviation and transport insurance	46	53	47	54	21	30	0	0	19	22	7	2
Fire and other damage to property insurance	616	606	614	601	369	324	0	0	229	231	15	45
General liability insurance	226	234	229	231	194	163	0	0	82	85	-48	-17
Credit and suretyship insurance	15	12	15	13	8	2	0	0	6	4	1	7
Legal expenses insurance	88	85	88	85	56	54	0	0	28	27	5	4
Assistance	15	13	14	13	5	4	0	0	7	6	3	3
Miscellaneous financial loss	47	47	46	47	15	25	0	0	81	45	-51	-23
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	0	0	0	0	0	0	0
Total	**2,570**	**2,599**	**2,570**	**2,572**	**1,618**	**1,627**	**0**	**0**	**915**	**896**	**37**	**48**

Table 3: Underwriting performance in non-life insurance by essential business lines (net)

In the motor vehicle liability insurance line, premiums earned and claims expenses declined in Austria. On the other hand, there was an increase in Austria in other motor insurance of premiums earned and claims expenses. The technical result in fire and other damage to property insurance decreased in Austria due to the rise in claims expenses.

Underwriting performance in non-life insurance by main geographic areas

Top countries (by amount of gross premiums written) – non-life insurance obligations

In € million	Austria 2017	Austria 2016	Poland 2017	Poland 2016	Czech Republic 2017	Czech Republic 2016	Hungary 2017	Hungary 2016	Slovakia 2017	Slovakia 2016	Romania 2017	Romania 2016	Total 2017	Total 2016
Premiums written														
Gross	1,639	1,588	263	255	195	175	118	102	92	87	85	106	2,393	2,313
Net	1,621	1,566	254	240	181	162	114	97	89	85	82	103	2,340	2,253
Premiums earned														
Gross	1,640	1,585	256	239	191	171	113	100	89	87	94	100	2,384	2,281
Net	1,621	1,564	247	224	177	158	108	95	87	85	90	97	2,329	2,222
Claims expenses														
Gross	1,049	1,001	152	136	110	96	63	56	46	61	54	68	1,474	1,418
Net	1,036	986	150	148	106	89	63	54	42	60	53	66	1,450	1,404
Change in other technical provisions														
Gross	0	0	0	0	-1	-1	0	-0	-0	0	0	0	-1	-1
Net	0	0	0	0	-1	-1	0	-0	-0	-0	0	0	-1	-1
Expenses incurred	527	535	85	84	60	58	30	33	46	34	37	32	784	777
Total underwriting performance – net	**58**	**43**	**12**	**-9**	**12**	**12**	**15**	**7**	**-2**	**-10**	**1**	**-1**	**95**	**40**

Table 4: Underwriting performance in non-life insurance by main geographic areas

As in the previous year, the focus of non-life business is on Austria. It was possible to improve the technical result in Austria in the 2017 financial year due to the rise in premiums. In Poland there was an increase in earned premiums, mainly due to the increased business volume and a tariff adjustment in the motor vehicle liability insurance line. The premiums earned in the Czech Republic and Hungary rose mainly in motor vehicle liability insurance and other motor vehicle insurance compared to the previous year.

Underwriting performance in life insurance by essential business lines (gross)

In € million	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Health insurance	1,024	1,017	1,022	1,017	860	846	0	-1	174	188	-12	-16
Insurance with profit participation	1,147	1,900	1,147	1,901	1,258	2,009	0	0	145	173	-256	-282
Index-linked and unit-linked insurance	49	35	48	35	2	388	0	0	44	67	2	-419
Other life insurance	233	218	234	217	89	-481	0	0	166	182	-22	517
Annuities stemming from non-life insurance contracts and relating to health insurance	0	0	0	0	0	0	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Life reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Total	**2,453**	**3,170**	**2,452**	**3,171**	**2,210**	**2,762**	**0**	**-1**	**529**	**610**	**-288**	**-202**

Table 5: Underwriting performance in life insurance by essential business lines (gross)

Underwriting performance in life insurance by essential business lines (net)

In € million	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Health insurance	1,023	1,016	1,022	1,016	858	846	0	-1	173	187	-9	-16
Insurance with profit participation	1,119	1,879	1,119	1,880	1,228	1,967	0	0	140	169	-249	-257
Index-linked and unit-linked insurance	48	35	48	35	2	388	0	0	38	64	7	-417
Other life insurance	219	178	220	178	83	-509	0	0	160	171	-23	516
Annuities stemming from non-life insurance contracts and relating to health insurance	0	0	0	0	0	0	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Life reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Total	**2,409**	**3,108**	**2,408**	**3,109**	**2,170**	**2,692**	**0**	**-1**	**511**	**591**	**-274**	**-175**

Table 6: Underwriting performance in life insurance by essential business lines (net)

The decline in insurance with profit participation is mainly due to the discontinued business in Italy. Claims expenses declined in Austria in index-linked and unit-linked insurance. In the other life insurance line in Austria, there was a rise in premiums earned and claims expenses.

Underwriting performance in life insurance by main geographic areas

In € million	Austria 2017	Austria 2016	Russia 2017	Russia 2016	Czech Republic 2017	Czech Republic 2016	Bulgaria 2017	Bulgaria 2016	Slovakia 2017	Slovakia 2016	Croatia 2017	Croatia 2016	Total 2017	Total 2016
Top countries (by amount of gross premiums written) – life insurance obligations														
Premiums written														
Gross	1,811	1,826	87	58	37	24	35	29	31	26	30	34	2,030	1,997
Net	1,781	1,794	87	58	37	24	35	29	31	26	29	34	1,999	1,964
Premiums earned														0
Gross	1,811	1,826	86	58	37	24	35	29	30	26	29	33	2,028	1,996
Net	1,781	1,793	85	58	37	24	35	29	30	26	29	33	1,997	1,963
Claims expenses														0
Gross	1,719	1,690	75	49	17	5	25	22	18	16	25	29	1,878	1,811
Net	1,694	1,665	75	49	17	5	25	22	18	16	25	29	1,853	1,786
Change in other technical provisions														0
Gross	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses incurred	396	449	14	11	17	18	9	6	14	10	12	13	461	506
Total underwriting performance – net	**-310**	**-321**	**-3**	**-2**	**3**	**0**	**1**	**2**	**-1**	**0**	**-8**	**-9**	**-317**	**-329**

Table 7: Underwriting performance in life insurance by main geographic areas

As in the previous year the focus of the life insurance business is on Austria, where premiums only saw slight fluctuations compared to the year before. In Russia premiums earned also rose compared to the previous year due to the rise in PPI policies taken out.

Comparison with the information contained in the consolidated financial statements in the previous year

Premiums by essential business lines

In € million	Property and casualty insurance 2017	Property and casualty insurance 2016	Health insurance 2017	Health insurance 2016	Life insurance 2017	Life insurance 2016
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance					1,612	1,526
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance					1,570	1,468
Savings portions in unit-linked and index-linked life insurance (gross)					482	405
Savings portions in unit-linked and index-linked life insurance (net)					476	385
Premiums written (gross)	2,640	2,518	1,042	1,004	1,130	1,121
Premiums earned (net)	2,495	2,359	1,039	1,000	1,094	1,084
Technical interest income	0	0	81	78	266	256
Other insurance income	15	18	0	2	6	4
Insurance benefits	-1,645	-1,551	-878	-844	-1,036	-991
Operating expenses	-788	-763	-168	-175	-320	-348
Other technical expenses	-34	-33	-1	-1	-21	-20
Underwriting performance	**43**	**30**	**74**	**60**	**-11**	**-16**

Table 8: Premiums, insurance benefits and operating expenses

Changes in premiums

UNIQA's total premium volume increased in 2017, including savings portions from unit-linked and index-linked life insurance in the amount of €481.6 million (2016: €405.1 million), by 4.9 per cent to €5,293.3 million (2016: €5,048.2 million).

Premiums written in property and casualty insurance grew in 2017 by 4.8 per cent to €2,639.7 million (2016: €2,518.4 million). In health insurance, premiums written in the reporting period rose by 3.8 per cent to €1,042.0 million (2016: €1,003.7 million). In life insurance, the premiums written including savings portions from the unit-linked and index-linked life insurance rose by 5.6 per cent to €1,611.6 million (2016: €1,526.1 million). The reason for this was the strong rise in single premiums in Poland.

The Group premiums earned, including savings portions from unit-linked and index-linked life insurance (after reinsurance) in the amount of €476.2 million (2016: €384.7 million), rose by 5.7 per cent to €5,104.1 million (2016: €4,827.7 million). The volume of net premiums earned (in accordance with IFRSs) grew by 4.2 per cent to €4,627.9 million (2016: €4,443.0 million).

Change in insurance benefits

Consolidated insurance benefits (net) also rose by 5.1 per cent to €3,558.6 million in the past year (2016: €3,385.6 million).

The loss ratio after reinsurance in property and casualty insurance rose in 2017 only slightly to 65.9 per cent (2016: 65.7 per cent) – despite above average damage expenditure caused by natural disasters – because the claims were settled well and there was a strong decline in the volume of major damages. However, the combined ratio after reinsurance decreased at Group level to 97.5 per cent (2016: 98.1 per cent) as a result of the improved cost ratio.

Operating expenses

Total consolidated operating expenses less reinsurance commission and share of profit from reinsurance ceded sank in the 2017 financial year by 0.8 per cent to €1,276.0 million (2016: €1,286.4 million). Expenses for the acquisition of insurance less reinsurance commission and share of profit from reinsurance ceded of €23.0 million (2016: €21.3 million) fell by 1.6 per cent to €855.7 million (2016: 869.4 million), despite the increase in acquisition costs in property and casualty insurance, due to the focus on more profitable property business with higher commissions in the UNIQA International segment as a result of the decline in commissions in health insurance and life insurance. Other operating expenses increased only minimally, by 0.8 per cent, to €420.3 million (2016: €417.0 million) despite expenses in the amount of around €41 million in connection with the innovation and investment programme.

The cost ratio after reinsurance, i.e. the ratio of total operating expenses less the amounts received from reinsurance commissions and the share of profit from reinsurance ceded to the Group premiums earned, including savings portions from the unit-linked and index-linked life insurance, improved to 25.0 per cent during the past year (2016: 26.6 per cent) as a result of the developments mentioned above. The cost ratio before reinsurance fell to 24.6 per cent (2016: 26.1 per cent).

A.3 INVESTMENT PERFORMANCE

The following chapter illustrates UNIQA Group's investment results in the reporting period as compared with the information submitted in the previous reporting period and contained in the company's financial statements.

The Group's net income from investments in 2017 amounted to €560.9 million (2016: €588.9 million) and consisted of current income in the amount of €552.0 million (2016: €573.0 million), expenses in the amount of €41.5 million (2016: €35.9 million), gains on disposals and changes in value in the amount of €438.8 million (2016: €363.5 million) as well as losses on disposals and changes in value in the amount of €388.5 million (2016: €311.8 million).

Of the current income in the amount of €552.0 million (2016: €573.0 million) in 2017, a significant part in the amount of €370.0 million (2016: €392.1 million) was from fixed-income securities. The decline in current income by €22.0 million compared to 2016 can be attributed to the low interest rate environment. From the variable-income securities the UNIQA Group recorded €27.4 million current income, mainly from other equity investments and from the UNIQA equity fund. The decline by €10.5 million compared to the previous year can be attributed to the UNIQA equity fund.

An important part of the financial assets accounted for using the equity method is STRABAG SE. Due to the recognition of the 14.3 per cent holding in STRABAG SE using the equity method accounting, there was current income in the amount of €42.4 million in 2017 (2016: €30.9 million).

Other investments increased by €5.6 million in 2017 to €41.5 million.

The gains on disposals and changes in value in the amount of €438.8 million (2016: €363.5 million) are made up of gains on disposals in the amount of €277.5 million (2016: €214.3 million) and reversals of impairment losses in the amount of €161.3 million (2016: €149.2 million).

Gains resulted mainly from the disposal of fixed-income securities in the amount €168.5 million (2016: €111.9 million), from real estate in the amount of €45.5 million (2016: €17.4 million) and from derivatives in the amount of €48.7 million (2016: €40.2 million). In 2016 gains in the amount of €37.2 million from the sale of the holding in Niederösterreichische Versicherung AG had a positive effect on income. Reversals of impairment losses in the amount of €161.3 million (2016: €149.2 million) are mainly from derivative instruments.

Losses on disposals and changes in the amount of €388.5 million (2016: €311.8 million) comprise losses on disposals of €90.2 million (2016: €89.6 million) and impairment losses of €298.3 million (2016: €222.1 million).

Losses on disposals in the amount of €90.2 million (2016: €89.6 million) resulted mainly from the disposal of fixed-income securities and derivatives. Impairment losses in the amount of €298.3 million (2016: €223.4 million) were recognised above all for derivatives, real estate and available-for-sale financial assets.

Impairment losses on available-for-sale financial assets include write-downs on fixed-interest securities of €36.1 million (2016: €27.7 million), primarily from bank securities. The impairment of available-for-sale financial assets for variable-income securities decreased from €39.4 million in 2016 to €4.3 million in 2017, mainly due to the UNIQA equity fund. Impairment losses also include write-downs of €60.0 million (2016: write-ups of €10.8 million) from foreign currency valuation.

The decline in the valuation result is attributable to negative currency effects from investments, primarily in US dollars. Depreciation of real estate amounted to €58.6 million (2016: €43.8 million). Write-downs of derivative instruments amounted to €94.7 million (2016: €41.3 million).

Investment income by type of income

In € million	Current income/ expenses		Gains on disposals and changes in value		Losses on disposals and changes in value		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Financial assets assessed at fair value through profit or loss	7	-4	193	137	-165	-135	34	-3
Variable-income securities (under the fair value option)	2	4	3	8	-14	-8	-9	4
Fixed-income securities (under the fair value option)	4	3	8	32	-8	-26	4	8
Derivative financial instruments	1	-10	181	97	-143	-101	39	-15
Income from investment contracts	0	0	0	0	0	0	0	0
Available-for-sale financial assets	383	410	184	202	-143	-125	423	487
Variable-income securities	25	34	40	45	-4	-39	62	40
Fixed-income securities	358	375	143	157	-139	-86	362	446
Loans and receivables	42	55	16	7	-17	-5	41	56
Fixed-income securities	8	14	1	0	-0	0	9	14
Loans and other investments	34	41	15	7	-17	-5	32	42
Investment property	70	73	47	17	-63	-45	54	46
Financial assets accounted for using the equity method	50	40	0	0	0	-1	50	39
Investment administration expenses, interest paid and other investment expenses	-41	-36	0	0	0	0	-41	-36
Total	511	537	439	364	-388	-312	561	589

Table 9: Investment income by type of income

Information on gains and losses recognised in other comprehensive income

The following overview shows the results from currency translation, available-for-sale financial instruments and other comprehensive income from equity-accounted financial assets in 2017, which are recognised directly in equity.

Items reclassified to profit or loss in subsequent periods

In € million	2017	2016
Currency translation		
Gains (losses) recognised in equity	0	0
Recognised in the consolidated income statement	0	-1
Valuation of financial instruments available for sale		
Gains (losses) recognised in equity	-18	344
Gains (losses) recognised in equity – deferred tax	-7	-40
Gains (losses) recognised in equity – deferred profit participation	83	-196
Recognised in the consolidated income statement	-228	-102
Recognised in the consolidated income statement – deferred tax	33	14
Recognised in the consolidated income statement – deferred profit participation	105	43
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	4	-6
Recognised in the consolidated income statement	0	1
Total	**-28**	**58**

Table 10: Excerpt from the consolidated statement of comprehensive income

A.4 PERFORMANCE OF OTHER ACTIVITIES

The volume of financing and operating leasing contracts at the UNIQA Group is not significant.

Other income fell in 2017 mainly due to lower exchange rate gains in Russian roubles (RUB) by 13.9 per cent to €36.6 million (2016: €42.6 million). Other expenses increased by 6.2 per cent to €56.5 million in the reporting year (2016: €53.1 million). The details of other income and other expenses are as follows:

Other income according to IFRSs

In € million	2017	2016
Property and casualty insurance	25	23
Health insurance	8	5
Life insurance	4	14
of which		
services	14	11
changes in exchange rates	11	21
other	12	12
Total	**37**	**43**

Table 11: Other income according to IFRSs

Other expenses according to IFRSs

In € million	2017	2016
Property and casualty insurance	37	41
Health insurance	7	6
Life insurance	12	6
of which		
services	18	10
exchange rate losses	11	10
other	28	34
Total	**56**	**53**

Table 12: Other expenses according to IFRSs

A.5 ANY OTHER INFORMATION

Expenses for the auditor of the financial statements

The expenses for the auditor of the financial statements amounted to €1,652 thousand in the financial year (2016: €1,567 thousand); of which €498 thousand (2016: €485 thousand) is attributable to expenses for the audit, €1,038 thousand (2016: €859 thousand) to other confirmation services and €116 thousand (2016: €223 thousand) to other services.

Sale of the Italian Group

The closing of the sale of the 99.7 per cent holding in UNIQA Assicurazioni SpA (Italian Group) took place on 16 May 2017. The assets and liabilities that were stated by the closing date under the item "Assets and liabilities in disposal groups held for sale" were derecognised accordingly.

The breakdown of profit/(loss) from discontinued operations is as follows:

Changes in premiums, insurance benefits and operating expenses

In € million	2017
Premiums earned (net)	349
Technical interest income	23
Other insurance income	0
Insurance benefits	-338
Operating expenses	-29
Other technical expenses	-2
Underwriting performance	**5**
Net investment income and investment property	20
Other income	2
Reclassification of technical interest income	-23
Other expenses	-1
Non-technical result	**-2**
Operating profit/(loss)	**3**
Amortisation of value of in-force business	0
Earnings before taxes	**3**
Income taxes	0
Current profit/(loss) from discontinued operations (after tax)	**3**
Impairments and cost of sales	-36
Profit/(loss) from discontinued operations (after tax)	**-33**
of which attributable to shareholders of UNIQA Insurance Group AG	-33
of which attributable to non-controlling interests	-0

Table 13: Profit/(loss) from discontinued operations

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

In addition, there is the possibility to exercise a mutual option between UNIQA and the minority shareholders of the SIGAL Group to acquire additional shares in the option period between 1 July 2020 and 30 June 2021 in accordance with an agreed purchase price formula.

B System of governance

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

Under Solvency II, insurance and reinsurance undertakings must establish an effective system of governance which guarantees sound and prudent management of the business and is appropriate to the nature, scope and complexity of the business activity. This system must at a minimum include a suitable and transparent organisational structure with a clear allocation and appropriate separation of the responsibilities, along with an effective system aimed at guaranteeing the transmission of information.

UNIQA has issued and implemented internal regulations, in particular covering the governance model, internal controls, internal audit, compliance, remuneration and risk management, in order to guarantee an effective system of governance.

The objective of this chapter is to describe the organisational structure with its clearly defined roles, responsibilities and tasks of the governing bodies, along with the governance and other key functions in the UNIQA Group.

B.1.1 Supervisory Board

The Holding Supervisory Board

The Holding Supervisory Board supervises the executive management and monitors whether the management is implementing suitable measures in order to increase the company's value over the long term.

The Holding Supervisory Board meets at least once per quarter. Duties and rights of the Holding Supervisory Board include:

- Supervision of the executive management in general (Section 95(1) of the Stock Corporation Act)
- The right to request a report from the Holding Management Board at any time on the companys affairs, including details on its relations with a Group company. An individual member can also request a report, although only for submission to the Holding Supervisory Board as such ;
- Appointment and dismissal of members of the Holding Management Board (Section 75 of the Stock Corporation Act);
- Convening of a General Meeting if the company's well-being requires this (Section 95(4) of the Stock Corporation Act);
- Appointment of the committees of the Holding Supervisory Board;
- Ensuring that the material business risks have been identified and are managed effectively
- Implementation of ethical standards and ensuring compliance and governance with due regard to the legal requirements.

The information provided by the Holding Management Board also allows the Holding Supervisory Board to form an opinion primarily on strategic issues. Without prejudice to the provisions in Section 95(5) of the Austrian Stock Corporation Act, certain transactions and activities require consent from the Holding Supervisory Board in accordance with the Rules of Procedure of the Holding Supervisory Board and the Management Board.

Committees of the Holding Supervisory Board

The Holding Supervisory Board forms committees from its own members with responsibilities determined by the Holding Supervisory Board or determined in Section 92(4)(a) of the Stock Corporation Act and Section 123(7) of the Insurance Supervision Act 2016 (mandatory Audit Committee). These serve to increase the efficiency of Supervisory Board work and to handle complex cases separately.

Audit Committee

An Audit Committee must be established pursuant to Section 92(4a) of the Stock Corporation Act and Section 123(7) to (9) of the Insurance Supervision Act 2016. The Audit Committee is currently made up of the chairman, his three deputies, two further shareholder representatives selected by the Holding Supervisory Board and three employee representatives. The Audit Committee carries out preparatory and concluding activities for the Holding Supervisory Board.

Key responsibilities of the Audit Committee are to address and examine in detail the annual and consolidated financial statements, the management report and group management report and the proposal for the appropriation of profit. Assigning work to the Audit Committee relieves the burden on the Holding Supervisory Board and helps the tasks assigned to be carried out in a more targeted manner. The Audit Committee also ensures that special knowledge is combined, which reduces the imbalance in information received by the Holding Management Board and the Holding Supervisory Board.

The Audit Committee meets at least three times each financial year.

Working Committee

In some cases decisions on certain matters cannot wait until the next regular meeting of the Holding Supervisory Board. The Working Committee is called upon to make decisions only if the urgency of the matter means that the decision cannot wait until the next meeting of the Holding Supervisory Board. It is the responsibility of the Chairman of the Holding Supervisory Board to assess the urgency of the matter.

The Working Committee is made up of the chairman, his three deputies, two further shareholder representatives selected by the Holding Supervisory Board and three employee representatives. The resolutions passed must be reported in the next meeting of the Holding Supervisory Board.

In accordance with the above rules, the Working Committee can take decisions on all matters for which the Holding Supervisory Board is responsible, with the exception of the matters assigned to the overall Holding Supervisory Board by statute and the articles of association.

- supervision of the executive management in general (Section 95(1) of the Stock Corporation Act);
- examination of the annual financial statements, the proposal for profit distribution and the management report as well as reporting on this to the Annual General Meeting (Section 96 of the Stock Corporation Act);

- participation in the formal adoption of the annual financial statements (Section 125 of the Stock Corporation Act);
- convening of the Annual General Meeting;
- appointment and dismissal of members of the Holding Management Board;
- election and revocation of the Holding Supervisory Board chairmanship;
- establishment, purchase and sale of equity investments and real estate with a value in each individual case exceeding €50 million;
- establishment or discontinuation of business activities outside of Austria; and
- reorganisations, amendments of the articles of association, capital measures.

Committee for Management Board Affairs ("Personnel Committee")

The Personnel Committee deals with legal employment formalities concerning the members of the Holding Management Board and with questions relating to the remuneration policy and succession planning for the Holding Management Board. It is made up of the Holding Supervisory Board chairman and his three deputies.

Investment Committee

The Investment Committee advises the Holding Management Board on its investment policy. It has no authority to take decisions.

The Investment Committee is made up of six shareholder representatives selected by the Holding Supervisory Board and three employee representatives. The Investment Committee meets at least four times a year.

IT Committee

The Holding Supervisory Board uses the IT Committee to exercise its advisory and supervisory rights within the scope of implementing a new IT core system for the UNIQA Group (UNIQA Insurance Platform, UIP). IT Committee meetings are based on the meetings by the entire Holding Supervisory Board. It is made up of three shareholder representatives and two employee representatives.

B.1.2 Management Board and committees

The Holding Management Board

1. Duties and rights of the Holding Management Board

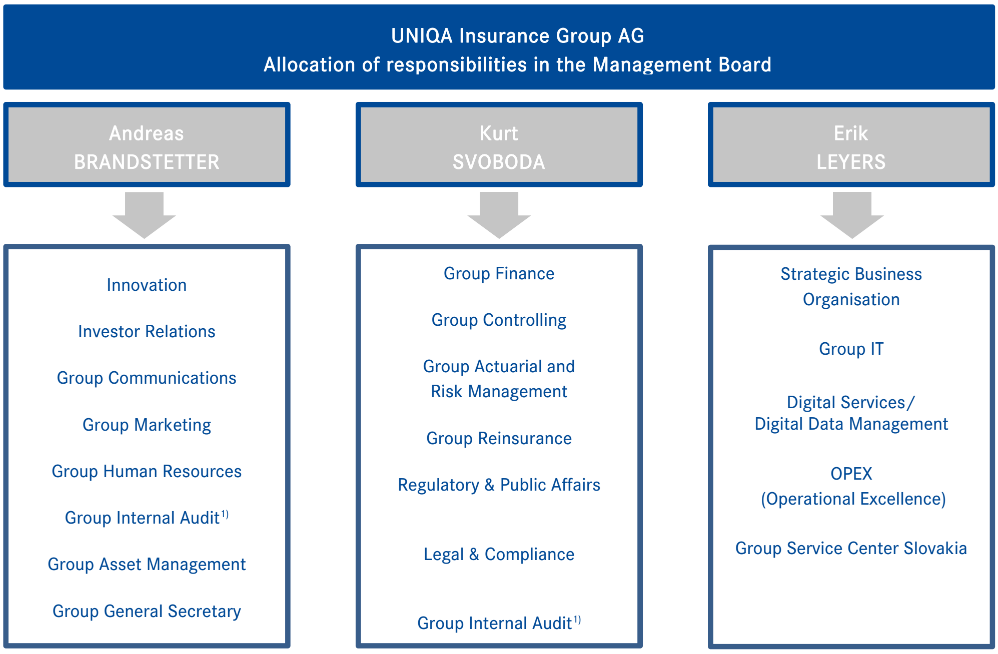
The Holding Management Board is independently responsible for managing the business of the UNIQA Group with the level of care dictated by prudent and diligent business management in accordance with the applicable statutory regulations and the articles of association and in line with the internal company rules of procedure.

It is responsible for all matters that have not been specifically assigned to the Annual General Meeting, the Holding Supervisory Board or one of its committees.

2. Allocation of responsibilities in the Holding Management Board

As can be seen from the following chart, the members of the Holding Management Board are as follows:

- Chief Executive Officer (CEO)
- Chief Finance and Risk Officer (CFRO); the CFO and CRO roles are carried out concurrently by one Board Member
- Chief Operating Officer (COO)



[1)] *The Internal Audit of UNIQA Group reports directly to the HoldingManagement Board. It's organizationally subjected to the CFRO.*

Figure 9: Allocation of responsibilities in the Management Board

The allocation of responsibilities among the members of the Holding Management Board is laid down in the plan on the allocation of responsibilities, which must be submitted by the Holding Management Board to the Holding Supervisory Board for approval. Allocation of responsibilities does not affect the collective responsibility of the members of the Holding Management Board.

The members of the Holding Management Board update each other on all important business operations on an ongoing basis independently of their departmental responsibilities. Meetings of the Holding Management Board should be held once per month. Important matters must be covered in the meetings, which may be convened at any time by any member of the Holding Management Board.

Group Executive Board

The Group Executive Board is the meeting of the Holding Management Board, together with the respective chairmen of the Management Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG, along with the member of the UNIQA Österreich Versicherungen AG

Management Board responsible for Raiffeisen Austria bank sales, as well as – starting 1 January 2018 – the members of the Management Boards responsible for digitalisation at UNIQA Österreich Versicherungen AG and UNIQA International AG, each with an advisory vote. The Group Executive Board meets on a regular basis, to the extent possible, every two weeks.

The committees of the Holding Management Board

The UNIQA Group has set up a three-level committee structure aimed at enabling efficiency and in-depth content-related discussion with the appropriate parties with functional responsibility. A Charter & Rules of Procedure has been laid down for each body with details set out here on the objectives, responsibilities, composition and organisation. The committees are under the responsibility of the members of the Holding Management Board with the relevant functional remit according to the allocation of business (with the exception of the Operations & Risk Committee, for which the entire Holding Management Board is responsible, see below).

If a required decision exceeds the competencies of the relevant party responsible from the department or of the committee member then this is escalated to the next level in the committee hierarchy. Committee resolutions are recommendations for the respective business units. However, in accordance with applicable corporate law, implementation of the decisions of a committee on the level of the other business units of the UNIQA Group requires formal adoption by virtue of an (independent) ratifying resolution of the relevant executive body.

An overview of the different levels of the UNIQA Group's committee structure is provided below. The UNIQA Group's insurance companies must each implement at least one central committee (the Risk Committee).

Level 1 committee

Operations & Risk Committee (ORC)

The ORC is under the responsibility of the entire Holding Management Board. It serves as an aggregate informational meeting and, if necessary, as an escalation level. The relevant chairs of the Level 2 committees report on relevant points of discussion, decisions taken and follow-up activities from their meetings. In this regard the ORC convenes after the Level 2 and Level 3 committees and is made up of:

- The members of the Group Executive Board;
- The CITO Life and Health (Chief Insurance Technical Officer for Life and Health) as well as CITO Non-Life (Chief Insurance Technical Officer for Non-life Insurance) members of the Management Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG;
- The holders of the governance functions in accordance with Solvency II (Actuarial, Risk, Audit, Compliance); and
- The Head of Regulatory & Public Affairs.

The Holding Management Board can pass resolutions during ORC meetings.

Level 2 committees

The Holding Management Board has defined the following separate committees (Level 2 committees) in order to cover the Holding core topics: Level 2 committees are under the responsibility of the member of the Holding Management Board with functional responsibility in accordance with the allocation of business. The following Level 2 committees are in place:

- Group Risk Committee (RICO) – headed by the CFRO
- Group Reserving Committee (RESCO) – headed by the CFRO
- Group Asset Liability Committee (ALCO) – headed by the CIO (same person as CEO since 1 June 2016)
- Group Remuneration Committee (REMCO) – headed by the CEO
- Group Security Committee (SECCO) – headed by the CFRO

The committees are strategic supervisory, advisory and decision-making bodies. At least one representative from the Holding Management Board takes part in all committees (Head of the Committee). Due to the functional organisation of the UNIQA Group – with Management Board responsibilities largely held concurrently by the same person for the UNIQA Group, UNIQA Österreich Versicherungen AG and UNIQA International AG – the RICO is largely held in each case jointly for the UNIQA Group and UNIQA Österreich Versicherungen AG. This means that there is one joint meeting date in each case upon which the committee is formally held for the UNIQA Group and for UNIQA Österreich Versicherungen AG. The formal separation (separate presentation documentation and minutes) enables clear mapping of attendees and functions.

Group Risk Committee (RICO)

The RICO focuses on risk governance and risk management issues in the broadest sense. The Committee reports on relevant quantitative (economic solvency position and risk profile) and qualitative (heat map, ICS) risk management topics. It also discusses regulatory changes and sets out action to be taken in connection with economic management (system of limits). The CFRO chairs the Committee.

Group Reserving Committee (RESCO)

The RESCO determines the UNIQA Group's reservation strategy, defines the reservation standard and reviews the adequacy of the reserves on an ongoing basis. The CFRO chairs the Committee.

Group Asset Liability Committee (ALCO)

The Group Asset Liability Committee (ALCO) focuses on market risks as well as interaction between the assets and liabilities on the Group balance sheet. The Committee decides on ALM topics relevant to the UNIQA Group. The ALCO puts forward proposals on risk preference in relation to the investment risk and strategic asset allocation (SAA) for the UNIQA Group's insurance companies. The CIO chairs the Committee.

Group Remuneration Committee (REMCO)

The REMCO defines fundamental remuneration strategies for the entire UNIQA Group which provide a framework for policies and individual decisions in relation to compensation and benefits for Group executives and managers. The REMCO takes decisions related to the structure and targets for variable salary components as well as all compensation-related systems and in relation to the amount and structure of fixed and variable salary arrangements for individual managers. The REMCO takes these decisions in compliance with applicable laws, in particular with due regard to all of the regulations under Solvency II, and thereby follows the principle of internal fairness and external appropriateness.

Group Security Committee (SECCO)

The State of Security Report on relevant security occurrences is disclosed in the SECCO. Based on this, potential measures are then discussed and decided upon. Updates are also provided here on current threats. The CFRO chairs the Committee.

Level 3 committees

The UNIQA Group committees referred to above (Level 2) can in turn set up sub-committees (Level 3) for the purpose of adequately discussing special issues with experts involved. These sub-committees are explained and defined in greater detail in the corresponding regulations (e.g. in the Group Risk Management Policy) or there are also separate committee procedures for each of them. The Level 3 committees currently in place are as follows:

- Internal Model Committee
- Data Quality Committee
- Asset Risk Committee

B.1.3 Key functions

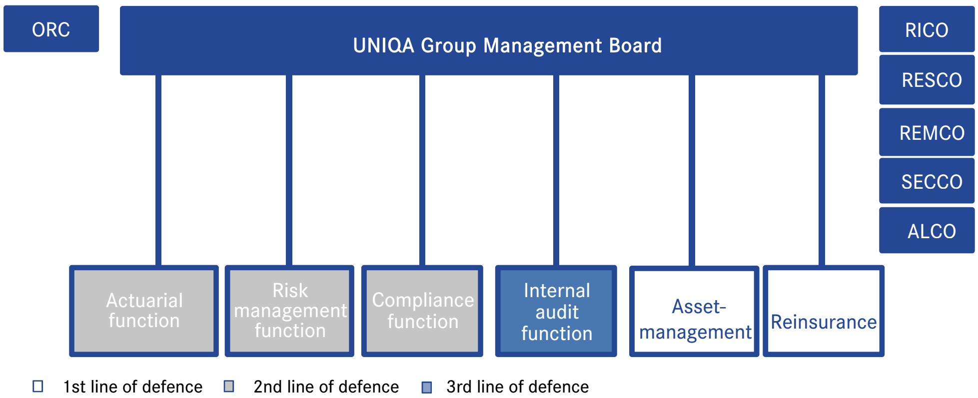


Figure 10: Presentation of the reporting lines of the key functions

Governance and other key functions

Governance functions

The system of governance includes the following governance functions in accordance with the applicable statutory regulations, in particular Solvency II and the Austrian Insurance Supervision Act 2016:

- actuarial function
- risk management function
- compliance function
- internal audit function

The governance functions stated are considered to be key functions and thereby also as important and critical functions.

Other key functions

People are also considered to be individuals holding key functions if they exercise particularly important functions for the company in view of its business activities and organisation.

The following functions have been defined as other key functions in accordance with a decision made by the Management Board of the UNIQA Group and Management Board of UNIQA Österreich Versicherungen AG:

- asset management
- reinsurance

Actuarial function

The actuarial function is organised at the level of both the UNIQA Group and on the level of each UNIQA Group insurance company.

The actuarial function in the UNIQA Group reports directly to the Holding Management Board. From an organisational point of view, it reports to the CFRO.

The actuarial function is exercised independently of any further governance or key functions. The main task involves coordination of the calculation of technical provisions in accordance with Solvency II and ensuring an appropriate assessment associated with this (on methods and data quality). The actuarial function also makes an essential contribution to the company's Own Risk and Solvency Assessment (ORSA), which records consistent fulfilment of the requirements related to technical provisions, and provides an analysis of the deviations from the assumptions of the Solvency Capital Requirement (SCR) calculation from the risk profile.

The duty to inform the Management Board is met by taking part in crucial committees and by submitting a written report prepared at least once a year. The responsibilities of the actuarial function are as follows:

- coordinating the calculation of the technical provisions
- ensuring that the methods and models used are appropriate and that the assumptions made in the calculation of the technical provisions are reasonable
- assessing whether the data is sufficient and of adequate quality
- comparing best estimates with past experience

- providing the Holding Management Board with information on whether the calculation of technical provisions is reliable and appropriate
- reviewing the general underwriting and acceptance policy
- reviewing whether reinsurance agreements are appropriate
- supervising the calculation of the technical provisions
- being involved in implementing the risk management system effectively, in particular in relation to the creation of risk models used as the basis for calculating the capital requirement.

The specific focus in 2017 was on the following points in particular:
- further establishment of the key function in existing processes and further development of reporting to the Management Board
- creating an actuarial function report for the 2016 financial year
- consistent and structured follow-up of the findings made in the actuarial function report
- ongoing reporting to the Management Board on current developments
- further development of the existing validation processes for technical provisions

Risk management function
Risk management function is organised at the level of both the UNIQA Group and on the level of each UNIQA Group insurance company. Risk management function of the UNIQA Group reports directly to the Holding Management Board. From an organisational point of view, it reports to the CFRO.

The risk management function is responsible for effective implementation of the risk management system and monitoring of this. The key function has the duty to coordinate the risks at the UNIQA Group and to assess them independently. The risk management function acts as a close support and adviser to the Management Board, and must be involved in all material business decisions. Close cooperation with the actuarial function is crucial for the purposes of fulfilling the main responsibilities. The risk management function has additional responsibilities within the framework of the internal model. The responsibilities of the risk management function are listed below:

- developing and preparing the risk strategy;
- determining risk appetite and risk preference at the level of the UNIQA Group and allocating economic capital for the operating companies
- identifying and monitoring relevant Group risks, and responsibility for the associated reporting system
- calculating the risk capital for the UNIQA Group
- execution, implementation and support of a uniform risk management process at the UNIQA Group level in accordance with Group standards
- preparing and maintaining standards for the specific risk management processes for all categories of risk
- preparing and monitoring UNIQA Group risk limits

And in the context of the internal model, the responsibilities of the risk management function are as follows:

- to design and implement the internal model;
- to test, validate and document the internal model;
- to document the model;
- to prepare summary reports; and
- to ensure that the Holding Management Board is informed on a continuous basis.

Compliance function

The compliance function is part of the internal control system (Section 117 of the Austrian Insurance Supervision Act 2016) and is responsible for monitoring compliance with the requirements and for assessing the appropriateness of the measures implemented by the company aimed at preventing non-compliance.

The compliance function is organised at the level of both the UNIQA Group and on the level of each UNIQA Group insurance company. A Compliance Officer and deputy are appointed within the scope of each compliance function. The Compliance Officer is the holder of the key function and must fulfil special professional and personal requirements. This basic structure is reproduced through the entire UNIQA Group. No distinction is made between the companies in the EU and in non-EU countries in implementing the compliance structure and the compliance regulations, and all companies in the UNIQA Group are required to establish the same structure.

Other compliance employees can also be allocated to the compliance function in addition to the Compliance Officer and deputy depending on the size of the relevant subsidiary in the UNIQA Group.

The compliance function in the UNIQA Group reports to the Holding Management Board. It reports to the CFRO from an organisational point of view.

At Group level, the responsibilities of the compliance function in the UNIQA Group are as follows:

- developing uniform minimum standards in the UNIQA Group for the compliance organisation and the associated internal requirements that are necessary in this regard
- monitoring and support of the uniform implementation of these standards and requirements in all insurance companies within the UNIQA Group
- organising and carrying out appropriate training on a regular basis covering relevant compliance issues for the benefit of compliance officers, other compliance employees and any compliance coordinators in all the insurance companies in the UNIQA Group
- preparing a compliance plan and regular compliance reports
- developing and implementing compliance tools to help ensure that the compliance tasks are carried out. These tasks include early warning, risk assessment, appropriateness evaluation, monitoring, prevention and advice

The compliance function in the UNIQA Group is also responsible for the following tasks in relation to the departments and functions reporting to UNIQA Insurance Group AG:

- recognising and assessing the potential effects of changes to the legal environment on the company’s activities and its organisation (early warning role)

- identifying and assessing the risks associated with non-compliance with the legal regulations in the essential compliance-related areas ("compliance risk") and therefore assessing the company's exposure to risk. This takes place as part of a compliance risk analysis (risk assessment)
- reviewing the adequacy of the measures implemented aimed at preventing non-compliance (adequacy function) as part of a compliance review (in accordance with the annual compliance plan)
- assessing and monitoring compliance with the regulations applicable to contract insurance and whether any compliance is encouraged by effective internal procedures within the company (monitoring function)
- ensuring that adequate preventive measures have been implemented aimed at preventing non-compliance; the most important preventive measures include internal regulations and training
- advising the Management Board and all relevant employees on all of the legal regulations applicable for contract insurance (in particular in relation to Solvency II)
- topics related to ethical and legally compliant company management (Code of Conduct) and money laundering, including the Foreign Account Tax Compliance Act (FATCA) are also evaluated within the scope of the UNIQA Insurance Group AG compliance function

Internal audit function

Internal audit is organised at the level of both the UNIQA Group and at the level of each UNIQA Group insurance company.

The internal audit in the UNIQA Group reports directly to the Holding Management Board. It reports to the CEO as well as to the CFRO from an organisational point of view. UNIQA Group Audit GmbH (UGA), a wholly owned subsidiary of the UNIQA Group, also submits a report to the relevant chair of the Supervisory Board and/or to the Audit Committee each quarter. This reporting relates to the audit areas and material audit findings for the audit projects carried out in the relevant quarter.

The UNIQA Group's internal audit has been outsourced to UGA, with the consent of the Financial Market Authority. UGA reports directly to the Holding Management Board. The internal audit function is an exclusive one and it cannot be exercised in conjunction with other functions that are not audit-related. This ensures that it remains independent and thereby guarantees strict monitoring and assessment of the effectiveness of the internal control system and other components of the system of governance. The responsibilities of internal audit, including its responsibilities in Group Audit, are summarised as follows:

- Holding overall responsibility for all the audit-specific activities of the companies in the UNIQA Group
- ensuring that the Group strategy is implemented
- determining the audit strategy and the quality criteria, and ensuring compliance
- managing escalation in relation to audit matters
- ensuring that the audit-specific reporting required by law is carried out
- preparing the risk-based multi-year audit plan for Group Audit and, where required, obtaining approval from the legally authorised governing bodies in the case of material changes to the audit plan
- carrying out scheduled audits and special audits in the companies of the UNIQA Group

- initiating special audits by Group Audit in the event of imminent danger
- reporting annually on whether the audit plan has been fulfilled
- defining and harmonising audit standards, including procedural instructions across the entire UNIQA Group
- monitoring local audit units to ensure they are effective and fully operational
- auditing compliance with Group standards

In fulfilment of the internal audit function in the UNIQA Group, UGA is responsible for the following:

- preparing the risk-based multi-year audit plan for the UNIQA Group and, if necessary, obtaining the approval of the legally authorised bodies in the event of significant changes to the audit plan
- implementing scheduled audits and special audits
- initiating special audits in the event of imminent danger
- reporting annually on whether the audit plan has been fulfilled
- ensuring that audit-specific reporting is carried out in accordance with statutory requirements

In exercising these functions, UGA supports executive management within the UNIQA Group along with the executive management teams at the UNIQA Group companies with their management and monitoring functions. It provides independent and objective audit and advisory services aimed at creating added value and improving business processes. It supports the UNIQA Group in achieving its objectives. It audits and assesses the appropriateness and effectiveness of risk management, the internal control system, the management and monitoring processes, the compliance organisation and additional components in the system of governance and helps to improve these. Reviewing the legitimacy, regularity, appropriateness, cost-effectiveness, security and goal-oriented nature of the business and operations are a fixed part of its activities.

Internal audit carries out its activities autonomously, independently, objectively and independently of other processes. It is not subject to any instructions whatsoever in carrying out its audits, reporting or assessing audit findings.

Asset management

The asset management function in the UNIQA Group reports to the Holding Management Board. It reports to the CEO from an organisational point of view.

Asset management activities have been outsourced by UNIQA Group to UNIQA Capital Markets GmbH (UCM) with the consent of the Financial Market Authority. UCM is a wholly owned subsidiary of the UNIQA Group. UCM's main responsibility involves providing financial services for domestic and foreign insurance companies in the UNIQA Group. These services relate to portfolio management and investment advice. UCM also acts as the delegated fund manager for Austrian and Luxembourg funds in which the UNIQA Group operating companies have investments. UCM's responsibilities related to asset management for the UNIQA Group are summarised as follows:

- providing advice on investments
- managing portfolios

- accepting and transferring orders/contracts
- managing equity investments
- tactical asset allocation
- carrying out research
- providing advice on strategic asset allocation
- submitting monthly reports on trends in the finance portfolio

The following activities are provided in particular within the scope of portfolio management:

- purchase and sale of securities and derivative instruments on behalf and for account of the UNIQA Group
- authority to control the financial instruments on behalf and for account of the UNIQA Group
- conversion or exchange of financial instruments
- exercise of rights related to financial instruments

The following are explicitly excluded from the scope of UCM's activities:

- acquisition and sale of real estate
- issuing and managing refinancing loans
- fund management in relation to unit-linked insurance products
- administration and deposit of securities
- financial accounting
- invoicing transactions

Reinsurance

The key function of reinsurance in the UNIQA Group reports directly to the Holding Management Board and supports the latter in developing and formulating reinsurance strategies and corresponding guidelines. It is responsible for ensuring uniform organisational measures and processes across the entire Group which enable homogeneous and effective implementation of Group regulations, and allow general compliance and governance requirements to be met.

It is also responsible for providing advice and technical support to the Group bodies and local Management Boards in relation to general reinsurance issues and the specific reinsurance-related objectives of the UNIQA Group. Consideration and monitoring of market-compliant action are of particular importance, both from an objective as well as a material point of view. The reinsurance key function is also responsible for establishing and ensuring comprehensive reporting on all reinsurance activities within the UNIQA Group.

The responsibilities of the reinsurance key function include the following:

- drawing up and implementing policies governing the handling of reinsurance in the UNIQA Group
- translating strategic objectives set by the holding company into uniform processes and the associated monitoring and control
- helping the Holding Management Board develop and draft reinsurance strategies and corresponding policies

- ensuring that uniform organisational measures and processes are put in place throughout the Group so that Group requirements are implemented efficiently and uniformly
- providing advice and specialist support for the Holding Management Board and the management boards of the insurance companies in the UNIQA Group
- ensuring that activities are in line with market requirements, both in substance and in all material respects, and carrying out associated monitoring
- ensuring that all reinsurance activities within the Group are comprehensively reported
- ensuring that the following requirements are taken into account in the structure of internal and external reinsurance relationships
- local risk capital requirement minimised through needs-based, tailored reinsurance structures
- determination on the basis of regular local risk assessments
- use of diversification maximised across the Group
- optimisation of the proportion of business retained by the Group
- reduction of volatility as far as possible
- efficient retrocession capacity purchased centrally with the aim of further reducing risk capital at Group level

B.1.4 Remuneration

Basic principles of remuneration

The objective of the remuneration strategy in the UNIQA Group is to ensure a balance between market trends, statutory and regulatory requirements, and the expectations of the shareholders and post holders. The UNIQA Group's core principles in relation to remuneration include:

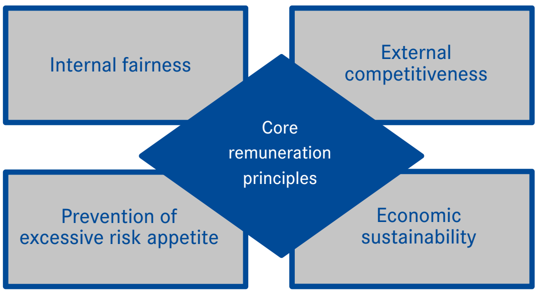


Figure 11: Core remuneration principles

Internal fairness encompasses fair remuneration for employees within a unit/department on the basis of the job concerned and individual characteristics.

External competitiveness is reviewed using external salary benchmarks in order to ensure that remuneration packages help to attract suitably skilled and qualified people to the company, motivate them and retain them over the long term.

The size and structure of remuneration packages and selected remuneration components are designed according to the types of risk to which the role is exposed with the aim of preventing an excessive risk appetite. Remuneration packages must also be economically sustainable in that they must be consistent with the staff expenses budget and facilitate control over the impact from staff expenses on short-term and long-term profit or loss.

The UNIQA Group's business strategy and long-term strategic plans are key factors in the structuring and review of salary packages. Performance and the contribution of individuals, teams, areas and companies to the success of the UNIQA Group are integrated into remuneration packages via performance-related, variable remuneration components.

Fixed remuneration

The basic annual salary is that fixed remuneration component that is determined on the basis of the responsibility, complexity and hierarchical level of the position and individual characteristics such as experience, capabilities, talent and potential, taking into account external salary benchmarks.

When determining the amount of basic annual salary, care is taken to ensure that there is an appropriate balance between the basic annual salary and variable remuneration to prevent disproportionate dependence on variable remuneration components that could otherwise encourage excessive risk-taking.

Variable remuneration

In addition to fixed remuneration, UNIQA offers Management Board members and other executive managers the prospect of a performance-related variable remuneration component. The aim is to create a direct link between economic objectives and the performance of the business on one hand and remuneration on the other.

An annual bonus and an individual bonus as short-term variable compensation (short-term incentive, STI) will be made available.

A long-term incentive (LTI) as long-term variable compensation will be granted to the board members of UNIQA Insurance Group AG, UNIQA Österreich Versicherungen AG and UNIQA International AG.

The maximum STI that members of the Managing Board can achieve is 100% of their annual gross base salary.

Short-term incentive (STI)

Annual bonus

The amount of the annual bonus depends on the attainment of the Group and regional targets specified at the beginning of a financial year.

Deferred bonus

Under the regulatory requirements in Solvency II regarding deferred variable remuneration components, a significant proportion of the annual bonus must be classified as a deferred bonus. The payment of the deferred bonus depends on the solvency ratio of the UNIQA Group over an analysis period of three years, which is determined in a sustainability review.

Individual bonus

The individual bonus is based on the achievement of individual and sector-specific goals.

Long-term variable remuneration

Share-based remuneration

The long-term incentive (LTI) is a share-based compensation 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. 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 is in line with Rule 27 of the Austrian Code of Corporate Governance in the version applicable at the reporting date.

Pension schemes and similar benefits

The board members of UNIQA Insurance Group AG, UNIQA Österreich Versicherungen AG and UNIQA International AG have agreed upon a contractual arrangement with Valida Pension AG, who will provide pension entitlements, occupational disability insurance, as well as survivor benefits. 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 years of age. 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).

Active salaries of members of the Management Board

The active salaries of the members of the Management Board at UNIQA Insurance Group AG amounted to €2,790 thousand in the reporting year (2016: €4,621 thousand). The pension funds contributions for members of the Management Board amounted to €359 thousand (2016: €3,308 thousand). The expenses for pensions in the reporting year for the former members of the Management Board and their surviving dependants amounted to €2,648 thousand (2016: €2,815 thousand).

The remuneration of the members of the Supervisory Board for their work in the 2016 financial year was €470 thousand. Provisions of €482 thousand have been recognised for the remuneration to be paid for this work in 2017. The amount paid out in attendance fees and for out-of-pocket expenses in the financial year was €61 thousand (2016: €77 thousand).

There are no advance payments or loans to, or liabilities for, members of the Management Board or the Supervisory Board.

B.1.5 Significant related party transactions with companies and individuals

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

In accordance with IAS 24, related companies are identified as those companies which exercise either a controlling or a crucial influence on UNIQA. The group of related companies also includes the non-consolidated subsidiaries, associates and joint ventures of UNIQA.

The related individuals include the members of management holding key positions for the purposes of IAS 24 along with their close family members. This also captures in particular the members of management in key positions at those companies which exercise either a controlling or a crucial influence on the UNIQA Group, along with their close family members.

Related party transactions – companies

In € million	Companies with significant influence on the UNIQA Group 2017	Unconsolidated subsidiaries 2017	Associates of the UNIQA Group 2017	Other affiliated companies 2017	Total 2017
Transactions					
Premiums written (gross)	3	0	1	57	62
Interest income and expenses arising from loans	1	1	14	1	17
with affiliated companies	0	0	0	-3	-3
with related banks and from investments in related parties	1	1	14	4	20
At 31 December 2017					
Investments at fair value	231	5	536	40	812
Bank deposits	239	0	0	150	390

Table 14: Related party transactions – companies

Related party transactions – individuals

In € million	2017
Premiums written (gross)	0
Salaries and short-term benefits 1)	4
Pension expenses	1
Post-employment benefits	0
Share-based payments	1
Other income	0

1) This item includes the fixed and variable remuneration of the Management Board that was paid out in the financial year as well as Supervisory Board remuneration.

Table 15: Related party transactions – individuals

In 2018, it is expected that the members of the Management Board of the UNIQA Insurance Group AG will be paid a variable remuneration (STI) in the amount of €1,656 thousand for the 2017 financial year (2016: €1,739 thousand).

B.2 REQUIREMENTS FOR FIT AND PROPER PERSONS

In accordance with the Solvency II Directive, the UNIQA Group has specified fit and proper requirements for persons who effectively run the business or hold other key functions.

This group of individuals comprises members of the Management Board and the Supervisory Board, holders of governance functions (risk management, compliance, internal audit and actuarial functions) and holders of other key functions in accordance with the Group Governance Policy.

The objective of these requirements is to ensure that the relevant individuals are fit and proper persons for the roles involved.

The UNIQA Group has implemented a process for carrying out suitability assessments and for documenting the results to ensure that the individuals satisfy the fit and proper requirements, both at the time they are appointed to a function and on an ongoing basis thereafter.

A distinction is made between requirements for members of the Management Board and Supervisory Board, and requirements for holders of key functions.

Members of the Management Boards and the Supervisory Boards

Requirements to ensure that Management and Supervisory Board members are fit for the position include a minimum level of expertise and experience in the following areas:

- Insurance and financial markets
- Business strategy and model
- System of governance
- Financial and actuarial analyses
- Regulatory frameworks and requirements

The principle of collective professional skills and qualifications also applies. This means that not every member of the Management Board or the Supervisory Board has to meet all of the above requirements, but rather that the Management Board and Supervisory Board members have to meet the requirements collectively. This knowledge is aimed at ensuring sound, prudent management.

The requirements to ensure that individuals are proper persons for the post include the following:

- No relevant criminal offences
- No relevant breaches of duty or administrative offences
- Honesty, reputation, integrity, freedom from conflicts of interest, good personal conduct and financial integrity

Holders of key functions

Requirements to ensure that holders of key functions are fit persons for the role include the following minimum level of qualifications, experience and knowledge:

- degrees, training and technical abilities necessary for the function
- technical knowledge required for the function
- a minimum of three years of professional experience in an area relevant to the function and/or in a similar sector
- other professional experience as stated in the job requirements profile

The requirements to ensure that individuals are proper persons for the post include the following:

- no relevant criminal offences
- no relevant breaches of duty or administrative offences
- honesty, reputation, integrity, freedom from conflicts of interest, good personal conduct and financial integrity

The following additional requirements have been specified for the governance functions in the UNIQA Group:

Actuarial function
- recognised actuary in accordance with the relevant statutory requirements
- the ability to represent the company externally and to argue for the position taken by the company in discussions with local authorities
- the ability to form a sound opinion independently of other departments within the company and advocate associated ideas
- the ability to identify irregularities in the company and report these to the Management Board

Risk management function
- actuarial or business management training
- actuarial expertise, knowledge of accounting
- very good knowledge of Solvency II calculation principles
- very good knowledge of the risk management process

Compliance function
- sufficient professional qualifications, knowledge and experience to ensure sound, prudent management
- good repute and integrity
- completed studies in law or business management

Internal audit function

- sufficient professional qualifications, knowledge and experience to ensure sound, prudent management
- independence and exclusivity
- objectivity
- ability to carry out audits to establish whether operating activities are lawful, proper and fit for purpose, and whether the internal control system and the other components of the system of governance are appropriate and effective

Process for verifying that fit and proper requirements are satisfied

The knowledge, capabilities and experience necessary for each function are set out in the job descriptions. Other criteria that an individual must satisfy to be deemed a fit and proper person are also specified.

Verification that an individual satisfies the fit and proper requirements is integrated into the internal and external recruitment process and the responsibilities of the people involved in the process are clearly assigned.

Appropriate evidence, documentation and information is gathered for verification and documentary purposes as part of the recruitment process.

An overview of the internal and external recruitment process is shown in the following diagram:

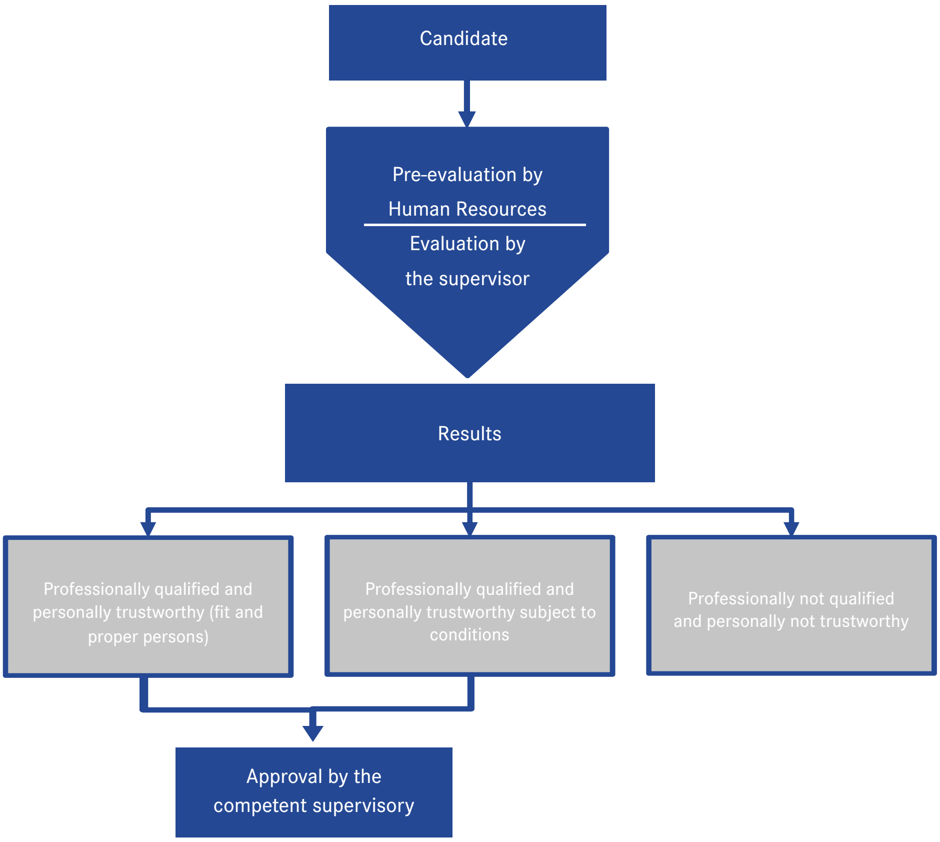


Figure 12: Process for reviewing professional qualifications and personal trustworthiness

Verification process for members of the Management Boards and the Supervisory Boards

The evidence and information necessary to assess whether fit and proper requirements are satisfied is gathered by Group Human Resources in collaboration with the relevant general secretariat and/or legal department. Following an initial assessment, Group Human Resources submits a recommendation to the relevant chair of the Supervisory Board or Supervisory Board member who is responsible for carrying out the fit and proper assessment.

Verification process for key functions

The process of assessing and verifying whether the fit and proper requirements have been satisfied in respect of key functions is carried out by the immediate line manager in question with support from the Human Resources department. The Human Resources department gathers the documentation and evidence necessary to assess whether the fit and proper requirements are satisfied. Based on an initial assessment, the Human Resources department submits a recommendation to the line manager responsible for carrying out the fit and proper assessment and for deciding on the appointment to the key function concerned.

Result of the assessment

An individual is judged to be a fit and proper person overall if the individual satisfies the specified fit and proper criteria and the statutory requirements.

If the person concerned is assessed as fit and proper, the consent of the relevant supervisory body must also be obtained.

If an individual does not satisfy all the specified requirements for a fit and proper person, an action plan can be put in place to ensure that the person concerned meets the suitability requirements as soon as possible. The extent of the deficiency is included in the assessment.

The action plan and the corresponding timescale is drawn up by the person responsible for the fit and proper assessment in conjunction with the Human Resources department.

An individual cannot take on responsibility for the function concerned if he/she does not satisfy the criteria.

Reassessment

The members of the Management Board and Supervisory Board and the holders of key functions are under an obligation to notify the person responsible for their fit and proper assessment of any material changes in their status as a fit and proper person or in the documentation, declarations or any other information that they provided as part of the initial verification process. The person responsible will then decide whether a reassessment is required. In addition, there are clearly defined events that trigger the requirement for a reassessment. The process for reassessment is the same as the process for initial verification that the fit and proper requirements are satisfied.

Ongoing fulfilment of requirements

Members of the Management Board and Supervisory Board and holders of key functions are under an obligation to undertake continuous professional development to ensure that they continue to meet the requirements on an ongoing basis. This is reviewed annually as part of the fit and proper process.

B.3 RISK MANAGEMENT SYSTEM INCLUDING THE COMPANY'S OWN RISK AND SOLVENCY ASSESSMENT (ORSA)

B.3.1 General

The risk management system is an integral part of the system of governance. Its purpose is to identify, assess and monitor short-term and long-term risks to which the UNIQA Group and its companies are exposed. The internal Group guidelines form the basis for uniform standards at various company levels within the UNIQA Group. They include a detailed description of the process and organisational structure.

B.3.2 Risk management, governance and organisational structure

The organisational structure for the risk management system reflects the "three lines of defence" concept. It will be clearly defined below.

First line of defence: risk management within the business activity

The individuals responsible for the business activities are also responsible for establishing and maintaining suitable controls. Business and litigation risks can be identified and monitored as a result of this.

Second line of defence: supervisory functions including risk management functions

The risk management function and the supervisory functions such as financial control monitor business activities without encroaching on the operational decision-making process.

Third line of defence: internal audits by internal audit department

This enables an independent review of the structure and effectiveness of the entire internal control system, including risk management and compliance.

The organisational structure for the risk management system is illustrated below along with the most crucial responsibilities within the UNIQA Group.

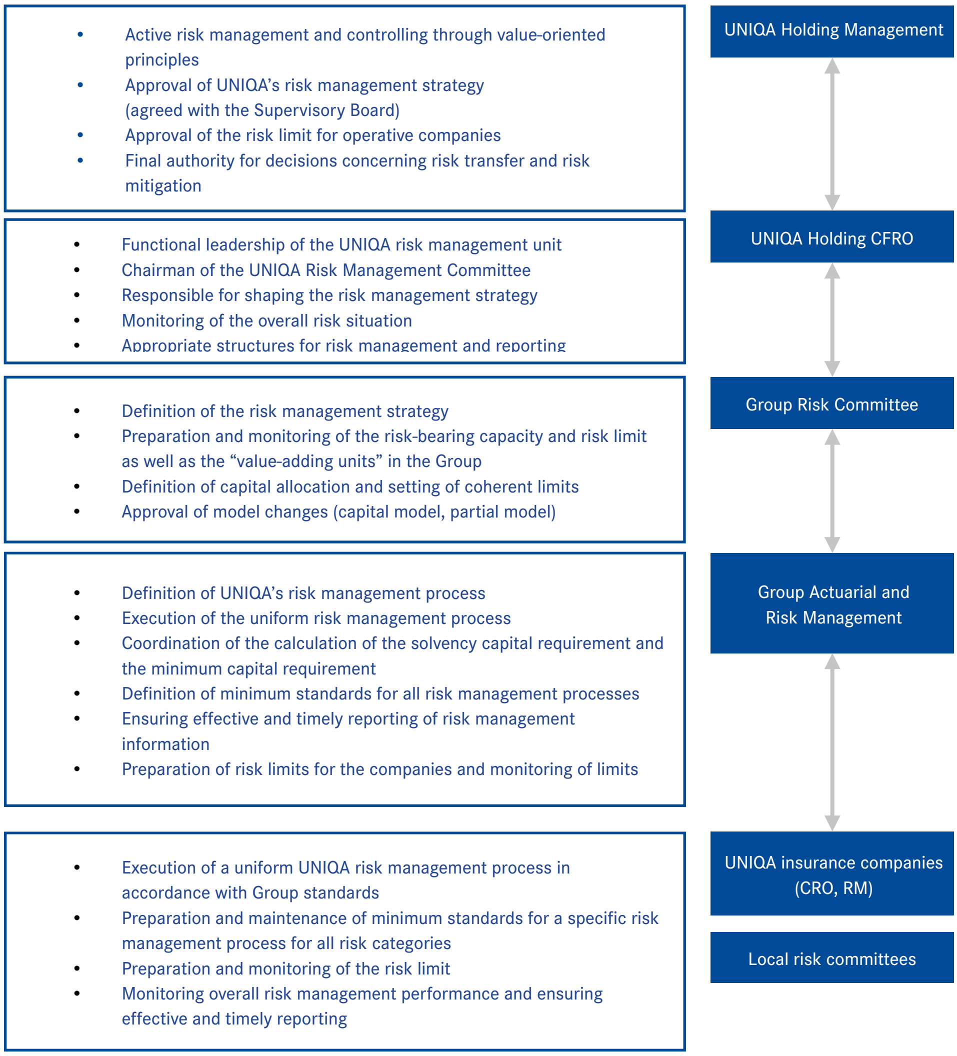


Figure 13: Organisational structure of the risk management system

Management Board and Group functions

The UNIQA Group Management Board is responsible for establishing the business policy objectives and determining the associated risk strategy. The core components of the risk management system and the associated governance are embedded in the UNIQA Group Risk Management Policy adopted by the Management Board.

The function of Chief and Financial Risk Officer (CFRO) is a separate area of responsibility at the UNIQA Group Management Board level. This ensures that the topic of risk management is represented on the Group Management Board. In fulfilling his risk management responsibilities, the CFRO receives specific support from the Group Actuarial and Risk Management area, which is responsible for implementing the risk management processes and methods at the operational level.

The Risk Management Committee is responsible for management of the UNIQA Group's risk profile and the associated specification and monitoring of risk-bearing capacity and limits.

The objective is to control and monitor both the short-term and the long-term risk profile as defined within the scope of the UNIQA Group's risk strategy. The Committee is also responsible for defining, controlling and monitoring the risk-bearing capacity and the risk limit.

UNIQA insurance companies

The CRO functions (the CFRO functions for UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG), the Risk Management Committee and the risk management function are also established within the UNIQA Group companies in the same way as with the Group itself. A consistent and uniform risk management system has therefore been set up within the UNIQA Group. To guarantee this, clear processes and procedures are defined at Group level through Group guidelines, and these must be applied by the local companies.

At its meetings, the Supervisory Board of the UNIQA Group receives comprehensive risk reports.

B.3.3 Risk strategy

The risk strategy describes how the company handles risks which represent a potential danger in terms of attaining strategic business objectives. The main objectives are maintaining and protecting the UNIQA Group's financial stability and reputation, as well as profitability in order to be able to meet our obligations towards customers, shareholders and stakeholders as a result.

The risk strategy is prepared by the UNIQA Group's risk management function and is approved by the Management Board of the UNIQA Group, and then subsequently by the Supervisory Board.

Determining risk appetite is a central element in the risk strategy. The UNIQA Group prefers risks which it can influence and can be efficiently and effectively managed in accordance with a tried and tested model. Underwriting risks are at the forefront of the risk profile.

The following figure provides an overview of the defined risk preference divided into categories of risk:

Risk category	Risk preference		
	Low	Medium	High
Underwriting risk			✓
Market risk and ALM		○	
Credit risk/default risk		○	
Liquidity risk	✗		
Concentration risk	✗		
Operational risk		○	
Strategic and reputational risk	✗		
Contagion risk	✗		
Emerging risk	✗		

Figure 14: Risk strategy

The defined risk preferences also apply to UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG.

The UNIQA Group defines its risk appetite based on an economic capital model (ECM) that corresponds with the further development of the European Insurance and Occupational Pensions Authority (EIOPA) standard formula for the solvency capital requirement (SCR). The underwriting risks within property and casualty insurance are calculated using a partial internal model. An internal approach (deposits of government bonds and asset-backed securities similar to corporate bonds) is used to ascertain the spread and concentration risk.

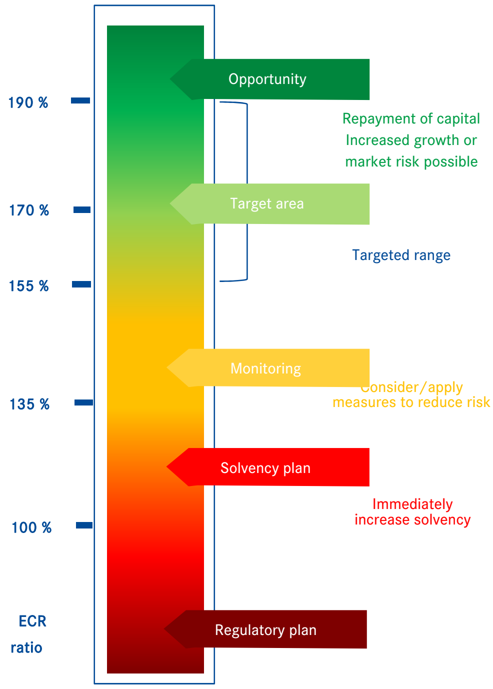


Figure 15: Target capitalisation of the UNIQA Group

The internal minimum capitalisation is defined at 135 per cent, both within the UNIQA Group as well as for UNIQA Österreich Versicherungen AG. By way of derogation from this, the internal minimum capitalisation is defined as 125 per cent for international companies. The Group's target capitalisation is defined within a range of between 155 per cent and 190 per cent. Further details can be seen in the figure below.

B.3.4 Risk management process

The UNIQA Group Actuarial and Risk Management defines the risk categories that are at the focus of the risk management processes, along with the organisational and process structure, in order to ensure a transparent and optimum risk management process.

The risk management process provides information regularly on the risk situation and allows top management to implement controls aimed at achieving the long-term strategic objectives. The process concentrates on risks relevant to the company and is defined for the following classes of risk:

- underwriting risk (property and casualty insurance, health and life insurance)
- market risk/asset-liability management risk
- credit risk/default risk
- liquidity risk
- concentration risk
- strategic risk
- reputational risk
- operational risk

- contagion risk (only relevant at Group level)
- emerging risk

A Group-wide, standardised risk management process regularly identifies, evaluates and reports on risks within these risk categories. For most of the risk categories stated above, guidelines are implemented aimed at regulating the process. The following chart illustrates the risk management process at the UNIQA Group and its companies:

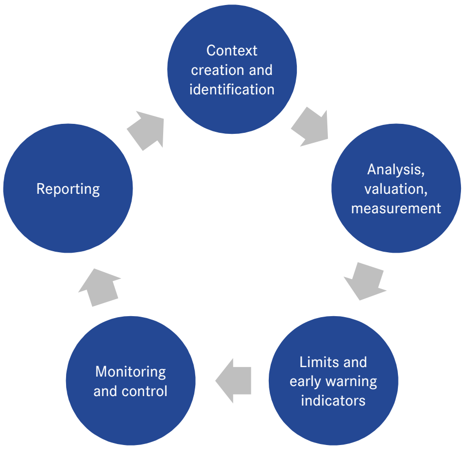


Figure 16: Risk management process

Risk identification
Risk identification is the starting point for the risk management process. All material risks are systematically captured and described 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 risk categories, lines of business/accounts departments, processes and systems are included.

Evaluation/measurement
The risk categories of market risk, underwriting risk, counterparty default risk and concentration risk are assessed using quantitative procedures based on Solvency II regulations (Delegated Regulation (EU) 2015/35) for the SCR and ECM approaches. Risk drivers are identified for the results from the standard approach and an analysis is done to assess whether the risk situation is adequately represented (in accordance with the ORSA process). All other categories of risk are evaluated quantitatively or qualitatively with their own risk scenarios.

The risks are assessed in order to ascertain particular risks which require special management and control.

Limits and early warning indicators

The limit and early warning system regularly determines risk-bearing capacity (available equity according to IFRSs and financial equity) and capital requirements on the basis of the risk situation, thereby deriving the level of coverage. If critical coverage thresholds are reached then a precisely defined process is set in motion. The objective of this is to bring the level of solvency coverage back to a non-critical level.

Management and monitoring

The process for managing and monitoring risks focuses on continuous reviews of the risk environment and on fulfilling the risk strategy. The process is implemented by the risk manager in the UNIQA Group or the corresponding company in the UNIQA Group and is supported by the Risk Management Committee.

Reporting

A risk report is created for every company in the UNIQA Group as a result of the risk analysis and monitoring. All risk reports have the same structure, providing an overview of major risk indicators as well as risk-bearing capacity, solvency requirements and risk profile. There is also a reporting form available in order to provide a monthly update on the major risks to the UNIQA Group (the heat map).

Operational and other important risks are evaluated on an ongoing basis using expert assessments in addition to the assessment in accordance with Solvency II and the Austrian Insurance Supervision Act 2016. The quantitative and qualitative risk assessments are consolidated in a risk report and presented to management.

The risk management process described above also applies in the same way to UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG.

B.3.5 Risk-related committees

An overview of the committees has already been presented in Chapter B.1.2.

The Risk Management Committee is responsible for management of the risk profile and the associated specification and monitoring of risk-bearing capacity and limits.

As at UNIQA Insurance Group AG level, each of the companies within the UNIQA Group has its own risk management committee, which forms a central element of the risk management organisation. This committee is responsible for management of the risk profile and the associated specification and monitoring of risk-bearing capacity and limits. The companies in the UNIQA Group report to central Group Risk Management, which ensures effective and timely reporting of risk management information, and prepares and monitors risk limits for the companies.

B.3.6 Governance of the partial internal model

The UNIQA Group applies a partial internal model which covers the risks for non-life and health similar to non-life technique within the scope of the solvency capital requirement. The model was submitted to the College of Supervisors for the UNIQA Group under the direction of the Austrian Financial Market Authority (FMA) for approval. Authorisation to use the model was granted as at 11 December 2017.

This means the UNIQA Group and some major Group companies can report their regulatory risk capital requirements at 31 December 2017 for the first time using the partial internal model. The partial internal model is developed and maintained by Group Actuarial and Risk Management at Group level. It is implemented within every UNIQA insurance company that writes a material level of non-life business. The general methodology and the assumptions are determined within the areas Group Actuarial and Risk Management at Group level and are included in the general model documentation. The assumptions and expert assessments required to operate the model are determined and documented at the relevant UNIQA insurance company. Independent validation of the model is guaranteed at each level.

Communication on the internal model is part of the committee structure of the UNIQA Group with varying levels of participation by the Group Management Board:

- Internal Model Committee (Level 3 committee/no regular Group Management Board or Supervisory Board participation): this is a technical committee with the objective of monitoring Group-wide implementation of the model governance standards (for example changes to the model) and providing recommendations to the CFRO and the Group Risk Committee (for example from validation of the model).
- Group Risk Committee (Level 2 Committee/Chairman: CFRO): the results of the internal model and material changes to the model are enacted in this committee based on recommendations from the Internal Model committee.
- Operations and Risk Meeting (Level 1 committee/participation by the entire Holding Management Board): important decisions regarding model governance and the official approval process are taken in this committee. Information on the results of the internal model is also provided in this committee.
- Supervisory Board: the Supervisory Board is notified regularly of the results of the internal model and other important topics (e.g. the official approval process).

The following validation activities are carried out within the UNIQA Group in order to monitor the suitability of the internal model on an ongoing basis:

- Initial validation/revalidation: This is a complete validation of all parts of the internal model aimed at reviewing the suitability of the model and its methodology for the Group's risk profile.
- Ongoing validation: The main objective of the ongoing validation is to ensure that the latest version of the model is implemented appropriately and that it is used and works as planned. This is ensured using an annual process which includes confirmation of the model by the model owner along with validation by an independent model expert. The latest model including any changes to the model implemented since the last ongoing validation forms the basis for the evaluation in all cases. As the ongoing validation is an iterative process, it is important that the annual validation is based on the results of the previous validation. This means that the results and model weaknesses identified previously are reviewed once again after a suitable period of time has passed so that the weaknesses that were identified can be improved over time by the model owner. The focus is placed on parts of the model that are normally updated during use.

Ad-hoc validation activities can also arise from the quarterly risk assessment process, with these intended to review whether the internal model covers all material risks and whether the scope is appropriate. Changes to the internal model also trigger an ad-hoc validation.

There were no material adjustments within the internal model governance in the reporting period.

B.3.7 The company's Own Risk and Solvency Assessment (ORSA)

UNIQA's own corporate risk and solvency assessment process (ORSA) is forward-looking and is an integral component of the company strategy and the planning process, and at the same time of the overall risk management concept. The results of the ORSA cover the following content:

- appropriateness of the standard formula: process, methodology, appropriateness and deviations
- assessment of the overall solvency need (OSN): process, methodology, own funds, risk capital requirements, stress and scenario analyses, risk mitigation
- assessment of ongoing compliance with the solvency/minimum capital requirements (SCR/MCR) and technical provisions: process, SCR projection, stress and scenario analyses, technical provisions
- conclusions and action plan

Integration of the ORSA process

The ORSA process is of major importance to the entire UNIQA Group. An ongoing exchange takes place between the ORSA and risk management processes which provides relevant input for the ORSA. The current risk profile along with every material strategic decision is considered against a basic and a stress scenario within the framework of the ORSA. This ensures effective and efficient management of the risks of the UNIQA Group and is thereby a fundamental element in fulfilling all regulatory capital requirements (SCR and MCR) and overall solvency needs (internal perspectives) both at the present time, as well as beyond the overall planning period. The following figure shows how the ORSA is incorporated into the general planning and strategic process.

The reporting date for the UNIQA Group is 31 December of the relevant previous year. This ensures that the ORSA is up-to-date and that the results can be used in the strategic and planning process, as well as in the specifications for the risk and strategic framework for the following year. Unscheduled ORSAs can also take place in addition to the annual ORSA. The UNIQA Group has defined different events which initiate the process for an assessment to determine the need for an unscheduled ORSA. The Management Board of the UNIQA Group and, if required, the Management Board of the relevant company in the UNIQA Group are notified once a triggering event takes place. The UNIQA Group Actuarial and Risk Management then assesses whether an unscheduled ORSA needs to be implemented in collaboration with the risk management functions of the companies affected. The result is transmitted to the Management Board in the form of a recommendation, and the Board then decides whether an unscheduled ORSA is required.

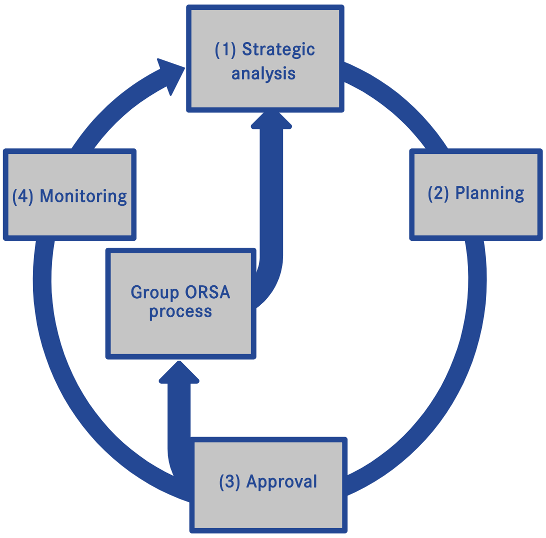


Figure 17: Strategy and planning process

The ORSA eight-step approach

The ORSA process at the UNIQA Group is based on an eight-step approach which is implemented as an integrated process between UNIQA Group Actuarial and Risk Management, the risk management functions of the different companies of the UNIQA Group, as well as the Management Board of the UNIQA Group. The UNIQA Group's eight-step ORSA approach in detail the followong steps:

1. risk identification, specification of methods and assumptions
2. implementation of risk assessment
3. risk projection (in accordance with planning horizon) together with stress and scenario analyses
4. documentation and explanation of analyses carried out
5. review of risk mitigation measures
6. overview of the risk profile
7. preparation of ORSA report
8. specification of risk limits and capital allocation

The eight-step ORSA approach outlined above is characterised by an ongoing exchange of information between the various parties involved. As such, UNIQA Group Actuarial and Risk Management is not only responsible for consolidating the results from the different companies in the UNIQA Group. It supports these at the same time with recommendations and itself receives specifications and input from the Management Board of the UNIQA Group on a continuous basis. The Management Board of the UNIQA Group bears the final responsibility for approving the ORSA and it also discusses the methods and assumptions for the ORSA process with Group Actuarial and Risk Management. The Management Board also bears responsibility for approving the ORSA results, implementing the measures derived from the ORSA and for the ORSA report itself. The involvement of the Management Board of the UNIQA Group ensures that it remains constantly up-to-date on the UNIQA Group's risk position and the equity requirements resulting from this.

Risk identification

Risk identification is used as a basis for a comprehensive risk management and ORSA process. This identification process covers the risk exposure related to all risk categories as described in Chapter C. The risks are identified by the corresponding risk owner at the operational level for every company in the UNIQA Group. Identification is based on discussions with various experts regarding the risks. This identification follows an analysis of the individual processes that generate risks. The risk owners are selected based on the scope of their room for manoeuvre within the UNIQA Group company and the organisational structure within the company.

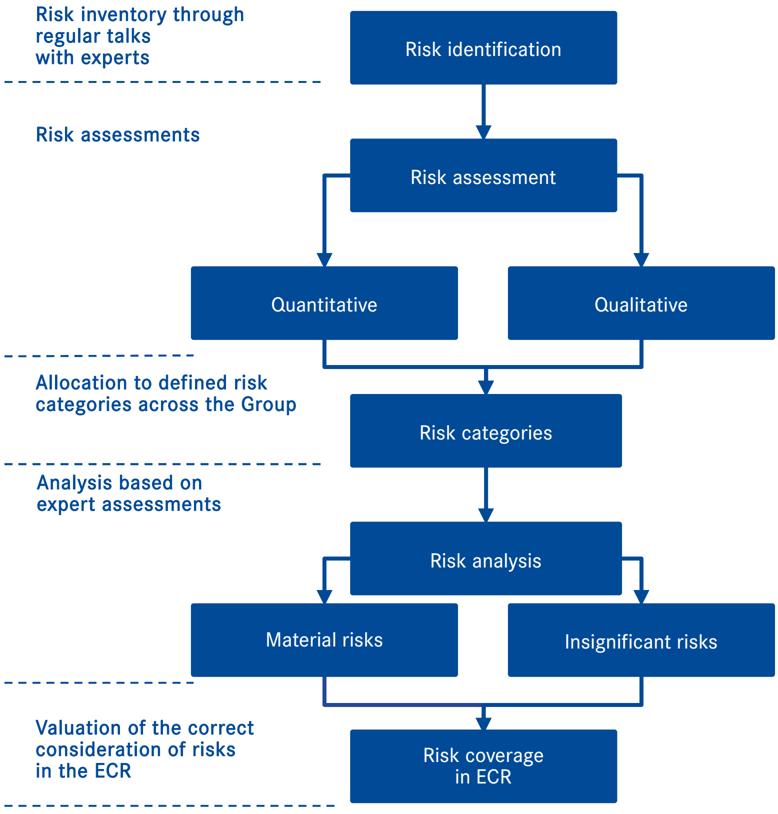


Figure 18: Risk management process

Overall solvency needs

The overall solvency needs of the UNIQA Group, which is known as economic capital requirement (ECR) under Solvency II terminology, represents the consolidated result of all capital requirements. Diversification effects in accordance with the Solvency II standard formula are also included for the individual risk modules and business areas for which the standard model is used. The risks are assessed using the following methods: Solvency II standard approach, internal economic capital requirements, partial internal model or qualitative assessment for non-quantifiable risks.

Ongoing fulfilment of solvency requirements

The UNIQA Group ensures that it can guarantee the regulatory capital requirements over the business planning period and beyond based on projections. For this reason the regulatory capital requirement SCR, the ECR and the availability of equity are projected over a forecasting period of five years. Stress tests are also carried out via scenario and sensitivity analyses. These scenario analyses are based on potential future scenarios with a material influence on the UNIQA Group's equity and/or solvency positions. The sensitivity analysis is used to test the impact on individual risk drivers using scenario tests. The UNIQA Group's entire risk budget can be determined based on the available equity and the risk appetite.

The details described apply equally to UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG as an individual company.

B.4 INTERNAL CONTROL SYSTEM

B.4.1 Internal control system

The UNIQA Group's internal control system ensures that litigation risks are minimised or eliminated using effective and efficient controls. This ensures that the effectiveness of all processes is subject to continuous improvement and clear responsibilities are assigned. At the same time, regulatory compliance is ensured.

In addition to the supervisory law requirements, special importance is also attached to transparent and efficient process design. This is why an internal control system has been implemented to prevent or to mitigate risks for all processes in which material financial and/or operational risks as well as compliance risks could arise.

A Group standard in which the minimum requirements related to organisation, methods and scope are defined is used as the basis for implementing the internal control system. An ICS standard based on the UNIQA Group ICS standard has been implemented by each of the local companies, meaning that a uniform procedure is ensured within the UNIQA Group.

The UNIQA Group defines mandatory ICS implementation across the entire Group (all companies including service companies) for the following core processes at a minimum:

- balance sheet accounting
- accounting
- capital investments
- product development
- collection and payments
- underwriting
- processing of claims
- risk management process
- reinsurance
- IT processes
- controlling

The “three lines of defence” concept is also applicable to the ICS framework (see also Chapter B.3.2). There is a process manager responsible for organising an efficient internal control system within their area of responsibility for each of the processes named.

The following activities must be carried out in accordance with the UNIQA Group ICS standard for each of the processes described above:

- process documentation
- risk identification and definition of checks
- implementation and documentation of checks
- assessment of risks and checks
- monitoring
- reporting

A monitoring system aimed at reviewing the implementation of checks, traceability and efficiency is crucial for the purposes of ensuring a continuous assessment of the quality of checks, and must be established in accordance with the criteria defined in advance for processes. These criteria should be reviewed through a standardised assessment of checks and must be defined individually for every process.

The following criteria must be taken into account with this:

- effectiveness/implementation: Are defined controls and checks reliably implemented?
- traceability: Is appropriate documentation available for the checks carried out?
- efficiency: The cost/benefit analysis and risk situation within the process play an important role in the ICS design.

Each process manager sends an ICS report on an annual basis with details on the implementation of checks and on existing weak points and actions planned. Each ICS manager within the companies of the UNIQA Group in turn creates an overall ICS report for their company. The ICS report includes an overall assessment of the processes captured in the ICS in the form of a maturity analysis (i.e. level of maturity of the ICS implementation). For UNIQA Österreich Versicherung AG and UNIQA Insurance Group AG the function of the ICS manager is identical to the Group one and as such the same requirements and processes also apply. The ICS manager in the UNIQA Group records a summary overview of the companies in the UNIQA Group in their report, supplemented by UNIQA Insurance Group AG's processes. The Group ICS Report is created annually and is provided to the Group CFRO and is also discussed in the Risk Committee.

B.4.2 Compliance function

The compliance function and its tasks and responsibilities have already been described in Chapter B.1.3.

B.5 INTERNAL AUDIT FUNCTION

The compliance function and its tasks and responsibilities have already been described in Chapter B.1.3.

B.6 ACTUARIAL FUNCTION

The compliance function and its tasks and responsibilities have already been described in Chapter B.1.3.

B.7 OUTSOURCING

In accordance with Solvency II and the 2016 Austrian Insurance Supervision Act, insurance and reinsurance companies are required to regulate the topic of outsourcing with internal directives. The Holding Management Board issued the updated Group Outsourcing Policy in May of 2017. The Group Outsourcing Policy applies group-wide and all companies within the UNIQA Group in the (re)insurance company are required to implement this policy.

In particular, the Group Outsourcing Policy includes:

- the legal definitions of outsourcing, sub-outsourcing, important and critical functions and activities;
- how to assess whether an arrangement constitutes outsourcing according to Solvency II;
- the process to determine whether the outsourcing relates to important and critical functions and activities
- the contract modules to be included in the written agreement with the service provider taking into consideration the requirements laid down in the Delegated Regulation (EU) 2015/35.

Requirements for any outsourcing arrangement

In the case of an outsourcing arrangement, a written agreement must be concluded between the (re)insurance company and the service provider ("outsourcing agreement"), which shall in particular clearly state all of the requirements listed in the Group Outsourcing Policy.

Requirements for the outsourcing of critical or important functions or activities

For the outsourcing of a critical or important function or activity, in addition to the requirements defined above, the (re)insurance company must also fulfil the following requirements prior to concluding the respective outsourcing agreement: contracts under which critical or important operational functions or activities are outsourced must be communicated to the FMA in timely manner before they are outsourced. They require prior approval by the FMA if the service provider is not an insurance or reinsurance company. In the case of outsourcing of important and critical functions or activities, a due diligence of the service provider must be conducted and emergency plans must be prepared.

Requirements for the outsourcing of a key function

When a key function is outsourced, a person within the (re)insurance company should be designated who shall have overall responsibility for the outsourced key function ("person responsible for the outsourced key function") who is fit and proper and possesses sufficient knowledge and experience regarding the outsourced key function to be able to challenge the performance and results of the service provider.

Monitoring and review of the outsourced activity or function

In order to ensure the effective control of outsourced activities and to manage the risks associated with the outsourcing arrangement, the (re)insurance company must assess whether the service provider delivers according to contract.

B.8 APPROPRIATENESS OF THE SYSTEM OF GOVERNANCE

The UNIQA Group is committed to high quality standards in the design of its system of governance. In particular, the "three lines of defence" approach is strictly observed to achieve a clear separation of responsibilities (see also Chapter B.3.2). This is underscored by the comprehensive committee system that the Holding Management Board uses for the structured incorporation of governance and key functions in the decision-making process.

The system of governance of the UNIQA Group is reviewed on an annual basis.

C Risk profile

C.1 OVERVIEW OF THE RISK PROFILE

The solvency capital requirement of the UNIQA Group is calculated using a partial internal model in accordance with Section 182(1) et seq. of the Austrian Insurance Supervision Act 2016 and is the sum of the following three components:

- basic Solvency Capital Requirement (BSCR)
- capital requirement for operational risks
- adjustments for risk-mitigating effects

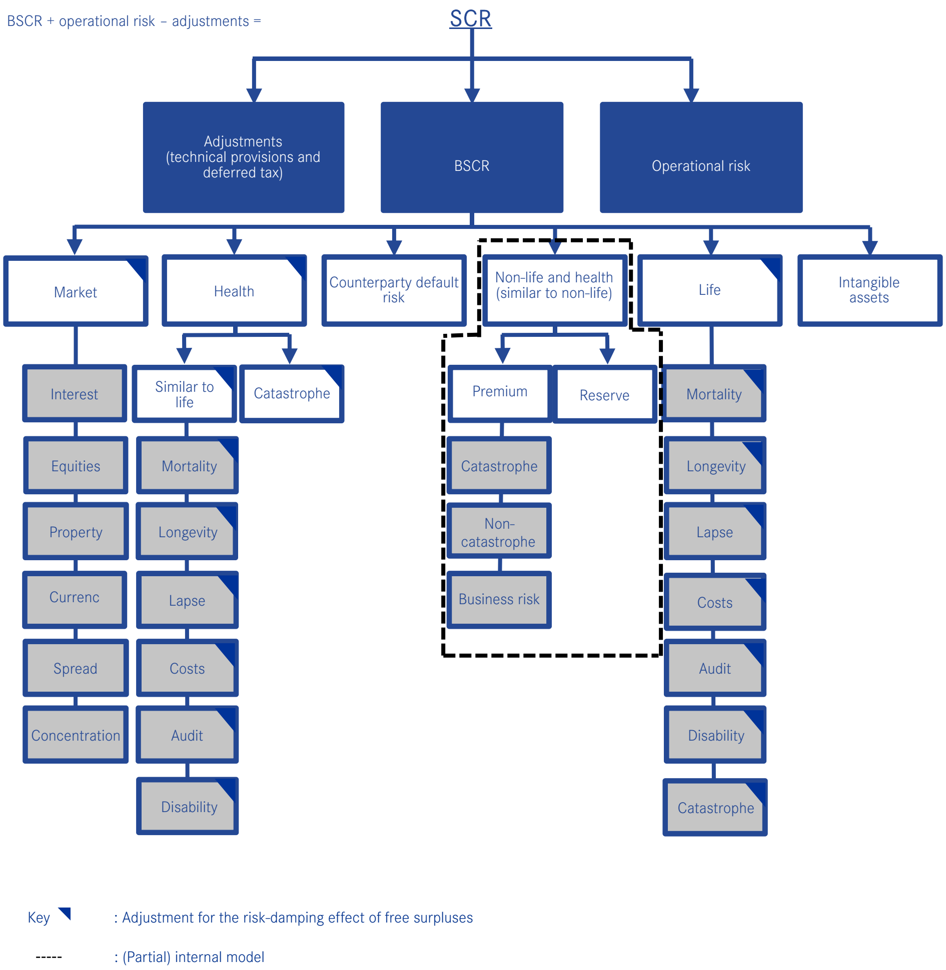


Figure 19: Structure of the standard formula

The BSCR is calculated by aggregating the different risk modules and risk sub-modules with due regard to correlation effects. The underlying risk measure is the 99.5 per cent value-at-risk (VaR) over a time horizon of one year. The result of the partial internal model is integrated into the BSCR. The basis for integration is the BSCR pursuant to Solvency II standard formula. A detailed description of the integration method for the partial internal model can be found in Chapter E.4. An adjustment is also made for the loss-absorbing capacity of free surpluses. The sum of the BSCR, the capital requirement for operational risk and adjustments for free surpluses and deferred tax is the solvency capital requirement (SCR). All of the calculations for the risk modules and risk sub-modules, together with their aggregation, are based on the methodologies or regulations specified by law in the Delegated Regulation (EU) 2015/35. The figure above shows the breakdown of the relevant risk modules and risk sub-modules presented in accordance with Solvency 2 standard formula. The modules covered by the partial internal model are highlighted.

The following table outlines the risk profile and composition of the SCR at 31 December 2017 for UNIQA Group AG. The adjustment for the loss-absorbing capacity of free surpluses is already included in the BSCR.

Solvency capital requirement per risk category

In € million

Type of underlying model that was applied	Description of the components	Sub-components	Solvency capital requirement
Solvency capital requirement			2,274
Risks that use the internal model	Non-life underwriting risk and health underwriting risk similar to non-life	Non-life underwriting risk and health underwriting risk similar to non-life, total	456
		Premium risk	392
		Reserve risk	238
		Diversification	-173
Risks that use the standard formula	Market risk	Market risk, total	2,094
		Interest rate risk	487
		Equity risk	495
		Property risk	589
		Spread risk	765
		Exchange rate risk	393
		Concentration risk	61
		Diversification	-695
	Counterparty default risk	Counterparty default risk, total	165
		Type 1 credit and default risk	143
		Type 2 credit and default risk	29
		Diversification	-6
	Life underwriting risk	Life underwriting risk, total	387
		Mortality risk	26
		Longevity risk	34
		Disability-morbidity risk	7
		Lapse risk	265
		Expense risk	150
		Revision risk	1
		Catastrophe risk	20
		Diversification	-117
	Health underwriting risk	Health underwriting risk	161
		SLT health underwriting risk, total	151
		Mortality risk	58
		Longevity risk	0
		Disability-morbidity risk	57
		Lapse risk	113
		Expense risk	9
		Revision risk	0
		Diversification	-85
		Health insurance catastrophe risk	30
		Similar to life	22
		Similar to non-life	18
		Diversification	-10
		Diversification	-20
	Operational risk		169
	Risk from intangible assets		0
Total undiversified components			4,540
Total diversification			-1,864
Diversification within the internal model			-173
Diversification from the standard model aggregation			-838
Diversification through integration of the internal model			-853
Reduction from deferred taxes			-402
Own funds to cover SCR			5,683
Solvency ratio			**250 %**
Available surplus			**3,409**

Table 16: Risk profile of the UNIQA Group

The following figure shows the composition of the SCR at 31 December 2017.

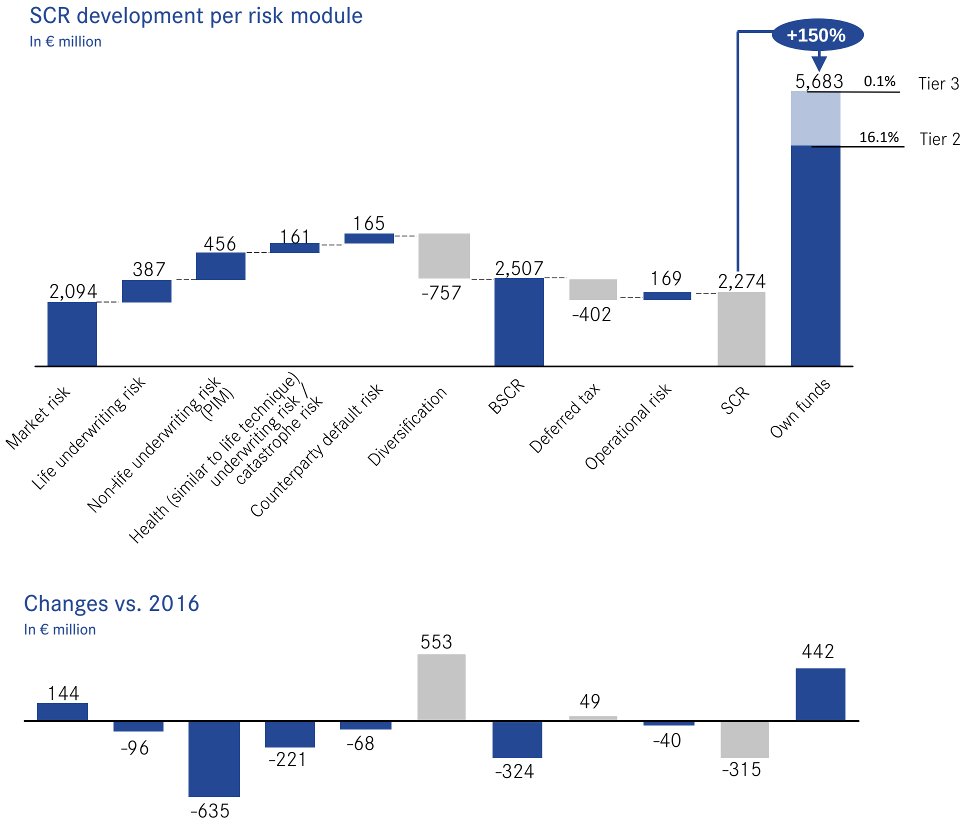


Figure 20: SCR development per risk module

Because of the use of correlation matrices and the resulting diversification effects, the percentage disclosures given in the rest of the report for the proportion of a capital requirement accounted for by a risk module or sub-module are determined on the basis of the total for the risk modules or risk sub-modules concerned taking into account the adjustment for the loss-absorbing capacity of free surpluses.

The greatest risk driver for the UNIQA Group is market risk, which accounts for 64 per cent of the BSCR (including the adjustment for the loss-absorbing capacity of free surpluses). The relevance of market risk is explained by the large portfolio of life and health insurance at UNIQA Österreich Versicherungen AG. The detailed composition of the individual risk modules is described in the following sub-sections.

The largest share of underwriting risk can be ascribed to the non-life insurance (14 per cent of the BSCR taking into account the adjustment for the loss-absorbing capacity of free surpluses).

At 31 December 2017, the solvency ratio was 250 per cent, demonstrating that the UNIQA Group is backed by an adequate level of capital.

C.2 UNDERWRITING RISK

C.2.1 Description of the risk

Underwriting risk is made up of the following risk modules in accordance with Section 179 of the Austrian Insurance Supervision Act 2016:

- non-life underwriting risk
- life underwriting risk
- health underwriting risk

At UNIQA, non-life underwriting risk and health underwriting risk (similar to non-life) is calculated based on a partial internal model. This results in the following valuation categories for the UNIQA Group:

- non-life and health (similar to non-life) underwriting risk
- life underwriting risk
- health underwriting risk (similar to life technique)

Non-life and health (similar to non-life) underwriting risk

The non-life and health (similar to non-life) underwriting risk is generally defined as the risk of loss or of detrimental changes in terms of the value of insurance liabilities. The risks are divided into the following risk sub-modules for the purposes of the internal partial model as illustrated in the following table:

Risk sub-module	Definition
Premium risk	Risk of loss through an increase in damage in the next year. The following damage types are modelled: large and very large losses, losses from natural disasters and remaining basic losses.
Reserve risk	Risk of loss through adverse changes in claims settlement, e.g. higher reporting of late claims than expected.
Business risk	The risk of a loss due to fluctuations in premium sales as well as administrative and commission expenses.

Table 17: Risk sub-modules for non-life and health (similar to non-life) underwriting risk

The business risk is simulated and reported together with the premium risk.

Life underwriting risk

Life underwriting risk is generally defined as the risk of loss or of detrimental changes in terms of the value of insurance liabilities. The risks are divided into the following risk sub-modules for the purposes of the SCR model as illustrated in the following table:

Risk sub-module	Definition
Mortality risk	The risk of fluctuations related to the mortality rates that are attributable to an increase in mortality rates.
Longevity risk	Potential detrimental effects of any incidental fluctuations related to the mortality rates that are attributable to a fall in mortality rates.
Disability-morbidity risk	The disability-morbidity risk is caused by potential fluctuations related to the invalidity, illness and morbidity rates.
Lapse risk	The risk of fluctuations related to cancellation, termination, extension, capital selection and surrender rates for insurance policies.
Expense risk	Potential detrimental effects on account of fluctuations related to the administrative costs of insurance and reinsurance contracts.
Revision risk	The revision risk arises from fluctuations related to the revision rates for annuities that are attributable to changes in the legal framework.
Catastrophe risk	The risk that arises from significant uncertainty in relation to the pricing and the assumptions used to form the provisions for extreme or extraordinary events.

Table 18: Risk sub-modules for life underwriting risk

Health underwriting risk (similar to life technique)

The risk sub-modules are based on the above subdivision of life insurance, although there are minor deviations.

C.2.2 Risk exposure

Non-life and health (similar to non-life) underwriting risk

The proportion of the risk module for non-life and health (similar to non-life) underwriting risk in the BSCR is 12 per cent. The following table shows the composition of the risk module for non-life underwriting risk. The greatest risk sub-module is the premium risk (including business risk). This is mainly attributable to the high proportion of insurance accounted for by the fire and other damage to property insurance line, followed by motor vehicle liability insurance and general liability insurance.

Capital requirement for non-life underwriting risk and health insurance similar to non-life

	2017	
	In € million	In per cent
Total requirement	456	
Premium risk	392	62 %
Reserve risk	238	38 %
Diversification	-173	

Table 19: Non-life underwriting risk

As mentioned at the beginning, at 62 per cent, the premium risk (including business risk) represents the largest portion of the non-life insurance. This is mainly driven by claims from natural disasters. The reserve risk is mainly driven by the settlement risk in the high reserve portfolios of liability insurance.

Because the Group is active in different countries and business areas there is also a significantly high level of diversification.

Life underwriting risk

The proportion of the BSCR (including the adjustment for the loss-absorbing capacity of free surpluses) accounted for by the life underwriting risk module is 12 per cent. Of the shocks for the lapse risk described in Chapter C.2.3 Risk assessment, mass lapse was the relevant shock in the year 2017.

The following table shows the composition of the solvency capital requirements of the life underwriting risk for each risk sub-module. The lapse and expense risk sub-modules are the greatest drivers of the life underwriting risk. Lapse risk was positively influenced by higher interest rates in euros compared with the previous year.

Capital requirement for life underwriting risk	2017	
	In € million	In per cent
SCR, life underwriting risk	387	
Mortality risk	26	5 %
Longevity risk	34	7 %
Disability-morbidity risk	7	1 %
Lapse risk	265	53 %
Expense risk	150	30 %
Revision risk	1	0 %
Catastrophe risk	20	4 %
Diversification	-117	

Table 20: Life underwriting risk

Health underwriting risk (similar to life technique)

As described above, health underwriting risk is broken down as follows:

- health underwriting risk (similar to life technique) which includes tariffs that are able to react promptly to changes in the calculation principles by increasing or reducing the insurance premium as a result of a clause, and
- health underwriting risk (similar to non-life technique) which includes tariffs for casualty insurance and short-term health insurance.

The following table shows the composition of the solvency capital requirements for health underwriting risk by risk sub-module. The only driver of health underwriting risk (similar to life technique) is the portfolio of local companies in UNIQA Insurance Group AG in Austria. The short-term health insurance business results primarily from the casualty insurance line.

Capital requirement for health underwriting risk	2017	
	In € million	In per cent
SCR, health underwriting risk	161	
SLT health underwriting risk	151	84 %
Health insurance catastrophe risk	30	16 %
Diversification	-20	

Table 21: Health underwriting risk

The following table shows the composition of the health underwriting risk sub-module (similar to life technique). The disability-morbidity risk, mortality risk and lapse risk are the essential risk drivers for this risk sub-module.

Capital requirement for health underwriting risk (similar to life)	2017	
	In € million	In per cent
SCR, health underwriting risk (similar to life)	151	
Mortality risk	58	24 %
Longevity risk	0	0 %
Disability-morbidity risk	57	24 %
Lapse risk	113	48 %
Expense risk	9	4 %
Revision risk	0	0 %
Diversification	-85	

Table 22: Health underwriting risk (similar to life technique)

The shock of mass lapse is the biggest shock in health underwriting risk (similar to life technique). The scenario relates primarily to younger portfolios that are progressing well, since only minor age provisions have been accumulated here.

The mortality risk also has a significant influence on the underwriting risk, as future earnings will be lower as a result of increased mortality. The morbidity risk has a significant impact on the underwriting risk as an important benefit in health insurance.

C.2.3 Risk assessment

Non-life and health (similar to non-life) underwriting risk

The non-life and health (similar to non-life) underwriting risk is made up of the following risk sub-modules:

- premium risk
- reserve risk
- business risk

Non-life and health (similar to non-life) underwriting risk is calculated based on a partial internal model. The model depicts the technical result for next year and shows an entire distribution of possible realisations. The distributions and parameters used are derived from internal company data according to recognized actuarial methods.

Calculation of the non-life and health (similar to non-life) underwriting risk also includes unexpected losses from new business that is acquired within the next twelve months. However, there are no plans to offset any potential profit or loss from this new business in the economic balance sheet.

The following loss types are modelled in premium risk modelling:

- large and major damage claims
- claims and natural disasters
- basic losses

The risk of natural disasters is assessed for each threat: storm, earthquake, flood, hail, frost and snow pressure. Where available, models from external model providers are used. If necessary, the corresponding loss distributions are also determined from internal data.

The reserve risk represents the risk of a possible negative settlement of the loss reserves held. The simulation is based on a LogNormal distribution, whereby the corresponding parameters are derived from damage triangles per business line.

The business risk covers other risks of the business process:

- risk of fluctuations in premium sales (e.g. due to cancellation or increased discounts)
- risk of fluctuation in cost expenditure: commission expenses as well as costs of general administration (e.g. due to poor planning)

Here too, the corresponding distribution assumptions and parameters are derived from internal data.

For each simulation, the individual risk sub-modules are aggregated into an overall actuarial result using correlation assumptions that are also derived from internal data. The premium risk and the business risk are simulated together and cannot be shown separately.

Risk sub-module	Shock used
Premium risk	Loss distributions for the individual loss types are parameterised from internal company data. Where available, losses from natural disasters are modelled on the basis of data from external model providers. Valuation is done by business line or by threat.
Reserve risk	The fluctuation in benefits for prior-year claims is determined on the basis of damage triangles specific to the business line.
Business risk	The fluctuation parameters and distributions are determined on the basis of internal company data.

Table 23: Shocks used for each risk sub-module

Life underwriting risk

The solvency capital requirement for life underwriting risk and the risk mitigation from future profit participation are calculated based on the application of the risk factors and methods described in the chapter on the underwriting risk module in the Austrian Insurance Supervision Act 2016 Part 8 (1) in the module on underwriting risks. The solvency capital requirement for each risk sub-module is derived from the change in the best estimates for liabilities under shock. An example of the economic capital approach is shown in the following figure.

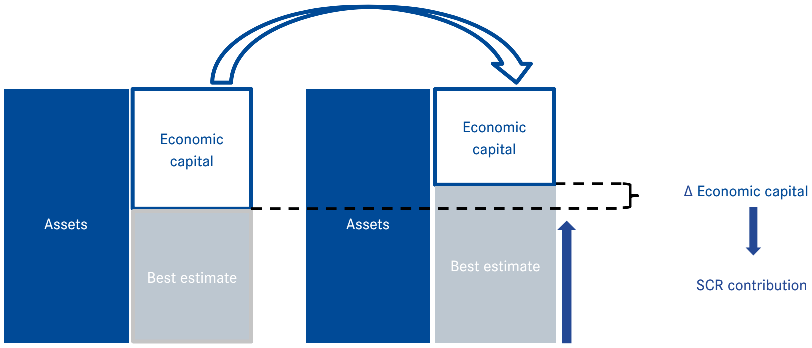


Figure 21: Presentation of the economic capital approach for underwriting risk

In the economic capital approach, the shocks presented in the table below are applied to each risk sub-module and the economic capital (also referred to as net asset value) is then determined on this basis.

The results of the risk sub-modules are aggregated for the purposes of determining the solvency capital requirement for the life underwriting risk using the correlation factors described in the Delegated Regulation (EU) 2015/35.

The calculation of the lapse risk only includes those scenarios that have the effect of increasing the best estimate (e.g. assumptions that lapse rates will fall or rise or the assumption of a mass lapse).

Risk sub-module	Shock used
Mortality risk	Immediate and permanent increase of 15 per cent in the mortality rate
Longevity risk	Immediate and permanent fall of 20 per cent in the mortality rate
Disability-morbidity risk	A combination occurs of the following immediate events: - increase in the disability and morbidity rate by 35 per cent in the next twelve months - increase of 25 per cent in the period following the next twelve months - a fall in the disability and morbidity recovery rate of 20 per cent
Lapse risk	Three different scenario calculations are carried out: - immediate and permanent fall in the exercise of option rights of 50 per cent - immediate and permanent increase in the exercise of option rights of 50 per cent - a mass lapse based on a combination of different immediate events
Expense risk	A combination of the following immediate and permanent events: - increase in expenses by 10 per cent - increase in the cost inflation rate by 1 per cent
Revision risk	An immediate and permanent increase of 3 per cent in the annual payments for annuities exposed to revision risk
Catastrophe risk	An immediate, non-permanent increase of 0.15 per cent in mortality rates (expressed in percentage points) for the next twelve months

Table 24: Shocks used for each risk sub-module

Health underwriting risk (similar to life technique)

When calculating the solvency capital requirement for the health underwriting risk, a distinction is made between the two types already mentioned as part of the definition:

- health underwriting risk (similar to life technique)
- health underwriting risk (similar to non-life technique)

The solvency capital requirement for health underwriting risk (similar to life technique) is calculated using the risk factors and methods that are described in the Austrian Insurance Supervision Act 2016, Part 8(1) on the underwriting risk sub-module. The solvency capital requirement for each sub-risk module is derived from the change in the best estimates for guaranteed benefits that are under shock.

Only those scenarios that have the effect of increasing the best estimate are used in the calculation of lapse risk.

The results of the risk sub-modules are aggregated for the health underwriting risk (similar to life technique) using the correlation factors described in the Delegated Regulation (EU) 2015/35.

There are three stress scenarios calculated for the health insurance catastrophe risk. One scenario includes the large-scale accident risk, and a concentration risk also needs to be calculated for accidents; and then, finally, there is a pandemic scenario. The results of these three scenarios are correlated into an overall catastrophe risk.

Risk sub-module	Shock used
Mortality risk	Immediate and permanent increase of 15 per cent in the mortality rate
Longevity risk	Immediate and permanent fall of 20 per cent in the mortality rate
Disability-morbidity risk	A combination of the following immediate events: - increase in payments for health treatments by 5 per cent - increase in the rate of inflation for payments for health treatments by 1 per cent
Lapse risk	Three shocks are used: - immediate and permanent fall by 50 per cent in the rate of cancellations - immediate and permanent rise by 50 per cent in the rate of cancellations - mass lapse of 40 per cent of contracts for which the technical provision would increase through the lapse
Expense risk	A combination of the following immediate and permanent events: - increase in expenses by 10 per cent - increase in the cost inflation rate by 1 per cent
Catastrophe risk	Three shocks are calculated with specified factors for each risk and tariff group: - large-scale casualty risk - casualty concentration risk - pandemic risk

Table 25: Shocks used for each risk sub-module

C.2.4 Risk concentration

In terms of underwriting risk material risk concentrations only arise for the non-life underwriting risk. These are outlined in the following chapter.

Non-life underwriting risk

The risk concentration in non-life underwriting risk results from the fact that the UNIQA Group operates in various countries that neighbour one another. Uniform guidelines and standards are used to ensure that the local companies in the UNIQA Group have implemented comprehensive risk management processes and risk mitigation measures, and to reduce to a minimum the risks to which they are exposed. However, the total sum of the risks, which consists of a large number of local companies, must be considered at the UNIQA Group level. The risk of natural disasters represents the essential concentration risk, and relates in particular to the natural hazards of storms, hail, flooding and earthquakes. All these natural hazards have the potential to affect a large geographical area. Any such natural hazard can affect multiple UNIQA companies at the same time as a result of the UNIQA Group's geographical concentration in Central and Eastern Europe. One concrete example for such a scenario is a potential flood along the Danube, which could affect a large number of the UNIQA Group's local companies.

This type of catastrophe risk is measured by using models for natural disasters from various external providers. The same models are also used in the UNIQA Group's local companies in order to measure the precise impact of the cross-border events. This means that an overall picture can be created of the impact of disasters at the UNIQA Insurance Group AG group level.

Corresponding risk measurement measures are implemented based on the results of this model. The most essential risk mitigation measures involve corresponding guidelines for underwriting (e.g. no flood insurance sold for buildings in the so-called "red zone"), and adequate reinsurance protection purchased in order to cover any possible concentrations across the entire Group. This takes place primarily based on consideration of the period for covering potential natural disasters.

C.2.5 Risk mitigation

Underwriting risk, non-life and health (similar to non-life)

Reinsurance is the essential risk-mitigation technique in terms of the non-life and health (similar to non-life) underwriting risk at the UNIQA Group. This is used in addition to the reduction in the volatility of profit or loss as a capital and risk control tool and as a replacement for risk capital. UNIQA Re AG serves as an internal reinsurer for the UNIQA Group. UNIQA Re AG is responsible for coordinating and designing the internal and external reinsurance relations and plays a part in optimising the use of risk capital. Among other things, this structure allows risks to be balanced out and effective retrocession coverage to be acquired, and is therefore of central importance in terms of the UNIQA Group's risk strategy. Reinsurance protection is organised and acquired in order to manage the required risk capital.

Establishing and acquiring external reinsurance protection (retrocession) is very important in terms of reducing the required risk capital and balancing out the volatility of the UNIQA Group's actuarial result on a sustained basis. This is ensured by the requirement to implement an effectiveness analysis for reinsurance protection for each class or each contract.

The effectiveness of the risk mitigation mechanisms described for the non-life and health (similar to non-life) insurance is monitored within the framework of the partial internal model. Quantified measurement of the reinsurance protection takes place based on key figures, such as risk-weighted profitability (also known as return on risk adjusted capital or RoRAC), as well as economic value added (EVA) both before as well as after deduction of the reinsurance protection.

Increased profitability of the UNIQA Group's non-life portfolio, with a particular focus on UNIQA Österreich Versicherungen AG, is part of the UNIQA 2.0 strategy; it also contributes towards risk mitigation. UNIQA 2.0 sets out a long-term strategy until 2020 and focuses on the core business. A targeted, ongoing portfolio management process and consistent reviews of tariffs are essential components of this. The latter component is a crucial prerequisite for calculating and selling risk adjusted premiums.

Life underwriting risk

Within the scope of life insurance, the essential risk-mitigation techniques involve the adjustment of future profit participation or corresponding premium adjustments, and taking out reinsurance, which all take place in compliance with the statutory and contractual structural conditions. These techniques are essential to the underlying risk models and include detailed disclosures and regulations, especially in relation to profit participation. Profitable new business supports the risk-bearing capacity of the existing portfolio in practice, with careful risk selection (e.g. health checks) and careful selection of the calculation principles when calculating premiums representing crucial cornerstones in terms of product design. Premium adjustment clauses increase the potential for risk mitigation, particularly in relation to the risk and occupational disability portfolio.

The risk mitigation techniques can be divided into the following strategic categories:

- Management rules: Determination of the profit participation is selected within the scope of the statutory provisions in such a way that permanent over-fulfilment of the minimum statutory contributions can be guaranteed. For the Austrian life insurance portfolio, in particular, this means maintaining buffers in the profit participation provision in order to retain adjustment options in order to be able to counteract unforeseeable loss scenarios.
- Profitability of new business: Planned new products must undergo profitability tests that demonstrate a sustainable expected value and acceptable risk profile.
- Ongoing portfolio management process: This process makes it possible to identify non-profitable segments along with potential measures for the purposes of responding to these non-profitable segments. A distinction is made here between the portfolio value (VIF) and new business value (NBV).
- Use of reinsurance: Organising and purchasing external reinsurance offers crucial benefits in terms of optimising and controlling the risk capital required. The amount of the risk transferred to UNIQA Re AG in Switzerland, and to external retrocessionaires, is determined in accordance with the planning for the solvency capital requirements defined within the scope of drawing up the risk strategy.
- The effectiveness of the risk mitigation mechanisms described for the life insurance business is monitored on an ongoing basis. A quantified measurement takes place using the key figures of embedded value and new business value/new business margin.

Health underwriting risk (similar to life technique)

As in life insurance, the main risk mitigation techniques in health insurance are the adjustment of future profit participation and/or corresponding adjustment to premiums. These adjustments are applied in accordance with statutory requirements and contractual terms and conditions. These techniques are essential to the underlying risk models and include detailed disclosures and regulations, especially in relation to profit participation. In this regard, conventional risk mitigation techniques are also relevant in practice.

In terms of health insurance these include:

- cautious determination of the discount rate at a level that can be earned over the long term;
- a risk selection involving a targeted pre-selection of clients interested in life insurance products (e.g. through health checks);
- careful selection of the termination rate probabilities (death and cancellation) in order to obtain adequate premiums for the benefits to be expected; and
- consideration of premium adjustment clauses in different health insurance products in order to be able to adjust the premiums in line with changes in expected values in the event of a change in the calculation principles.

Another significant component put in place by the UNIQA Group in addition to these traditional risk mitigation mechanisms is a continuous portfolio management process.

This process is implemented annually and involves ascertaining and assessing the need for tariff adjustments.

The effectiveness of the risk mitigation mechanisms for the health insurance business described is evaluated using comparisons of actuarial and actual benefits as well as contribution margin calculations.

The process also includes a quantitative approach using key figures such as embedded value, new business value, and new business margin.

C.3 MARKET RISK

C.3.1 Description of the risk

Pursuant to Section 179(4) of the Insurance Supervision Act 2016, the market risk reflects the sensitivity of asset, liability and financial instrument values to changes in the following factors:

Risk sub-module	Factor
Interest rate risk	Yield curve or volatility of interest rates
Equity risk	Level or volatility of equity market prices
Property risk	Level or volatility of real estate market prices
Spread risk	Level or volatility of credit spread via the risk-free yield curve
Exchange rate risk	Level or volatility of exchange rates
Concentration risk	Lack of diversification in the asset portfolio or high exposure to the default risk in an individual issuer of securities or a group of associated issuers

Table 26: Risk sub-modules for market risk

C.3.2 Risk exposure

The following table shows the composition of the SCR for the market risk module. The aggregated capital requirement is lower than the sum of the requirements for the individual risk sub-modules, based on the fact that extreme shocks do not generally occur simultaneously for individual market risks (diversification).

Capital requirement for market risk	2017	
	In € million	In per cent
SCR, market risk	2,094	
Interest rate risk	487	17 %
Equity risk	495	18 %
Property risk	589	21 %
Spread risk	765	27 %
Exchange rate risk	393	14 %
Concentration risk	61	2 %
Diversification	-695	

Table 27: SCR market risk

Investments of the portfolios managed by the UNIQA Group in accordance with the "prudent person" principle

The practical implementation of this elementary approach under Solvency II means that all investments must belong to a well-defined family. This family is defined and constantly updated to satisfy the following parameters:

- risk identification: Based on the permissible security categories, the investments are assigned to risk categories that allow risks to be assessed properly and calculated in the portfolio and risk management system.
- risk measurement: Based on the identified risk, the risk is quantified using various stress and sensitivity calculations.
- risk monitoring: The results of the risk measurements are analysed and monitored on an ongoing basis in the limit system, for example. This includes a credit rating analysis independent of rating agencies for national and corporate loans, as well as covered bonds.
- reporting: The calculation results are reported on an ongoing basis in order to determine capital requirements and calculate limits, as well as for other evaluations.

Whether investments are in line with the prudent person principle, is assessed on two levels:

1. centralised asset management: Centralising all of the corporate investment activities of UNIQA Capital Markets GmbH provides a uniform, company-wide understanding of the permissible investment portfolio; it also ensures that the trading of securities is in line with the provisions of the Austrian Securities Supervision Act.
2. independent review: Securities are reviewed by the UNIQA Group Actuarial and Risk Management Department in the inventory and risk management system. This process ensures that new securities cannot be purchased without a review that is independent of the investment.

The fund review for relevant fund investments within the meaning of Section 6(2)(1) of the Austrian Insurance Undertakings Investment Regulation is carried out on an individual position basis. By recording all investments in these fund investments in the portfolio management and risk management system, the fund portfolios can be evaluated at any time using the look-through approach.

The following table shows the credit quality of the interest-sensitive securities in the UNIQA Group based on their ratings.

Exposure by rating

In € million	2017
AAA	4,317
AA	4,063
A	4,043
BBB	2,287
BB	961
B	198
<=CCC	183
Not rated	489
Total	16,542

Table 28: Exposure by rating

C.3.3 Risk assessment

The UNIQA Group calculates the operational risk in accordance with the standard Solvency II formula. The market risk is mapped in accordance with the risk sub-modules defined in the standard formula that are aggregated using a correlation matrix. The process for determining the risk in accordance with the Solvency II standard formula is described in the following chapters in a compact and abridged format for the purpose of better understanding the risk values ascertained.

Interest rate risk

The capital requirement for interest-rate risk is determined by calculating the change in value for all assets and liabilities sensitive to interest rates based on two interest rate scenarios, as well as their impact on economic own funds. One scenario simulates a rise in interest rates and the other one simulates a fall in interest rates for all relevant currencies: the shock to be applied is specified on a relative basis and diminishes in the interest rate increase/decrease scenarios according to maturity from 70 per cent (75 per cent in the interest rate decrease scenario) for one year to 20 per cent for 90 years.

The scenario that results in the most detrimental change on the basic own funds is considered the relevant one for calculating the capital requirement. This was the scenario of a fall in interest rates for the UNIQA Group at 31 December 2017.

Equity risk

A distinction is made between type 1 equities and type 2 equities for calculation of the capital requirement for the equity risk, with the different shock scenarios applied dependent on this.

Type 1 equities are equities that are listed on regulated markets in Member States of the EEA or the OECD or are traded via multilateral trading systems that are registered or have their headquarters in an EU Member State. A direct fall in the fair value of 39 per cent is ascertained for these along with an anti-cyclical adjustment factor of up to +/– 10 per cent.

By contrast, type 2 equities are defined as equities that are listed on stock exchanges in countries other than EEA or OECD Member States, equities not listed on the stock exchange and other alternative investments that are not covered in the interest-rate risk, real estate risk or spread risk sub-modules. A direct fall in the fair value of 49 per cent is calculated for these along with an anti-cyclical adjustment factor of up to +/– 10 per cent for the purposes of determining the risk arising from these investments.

A direct fall in the fair value of 22 per cent is calculated for investments of own funds in affiliates of a strategic nature for the purposes of determining the capital requirement, irrespective of whether this involves type 1 or type 2 equity investments. Aggregation of the capital requirements for type 1 and type 2 investments takes place by aggregating these types of risk with a correlation of 0.75.

Property risk

The calculation of the capital requirement for the property risk equates to the loss of basic own funds with a direct 25 per cent fall in the value of all values for land and buildings.

Spread risk

The capital requirement for the spread risk is calculated by aggregating the total sum of the capital requirements under stress scenarios for bonds and loans, securitisation positions and credit derivatives. The capital requirement for bonds and loans (not including mortgages for residential land and buildings) is determined with a factor-based calculation under a stress scenario. The credit spreads for all bonds and loans increase in this depending on the credit rating and the modified duration of the individual instruments. There are certain special provisions in the shock factors to be applied for specific risk exposures depending on the type of security (such as mortgage bonds, infrastructure investments, structured securitisations) and the issuer (such as governments). In particular, it is worth mentioning that the risk factor for investments in bonds issued by EU Member States in their domestic currency is zero and that no capital requirement for the spread risk arises from these investments.

Exchange rate risk

The capital requirement for the exchange rate risk is calculated by applying two exchange rate shocks defined in accordance with the standard formula (25 per cent appreciation in value, 25 per cent depreciation in value) to each individual relevant foreign currency, and determining their aggregate impact on the own funds. The exchange rate risk affects all items of the assets and liabilities and equity sensitive to currency.

However, the only shock that is considered relevant for the purposes of calculating the capital requirements is the one that results in the most detrimental change. Factors that have been separately defined in accordance with the standard approach are used for currencies pegged to the euro.

Concentration risk

The capital requirements for the concentration risk are calculated by allocating a risk requirement to investment values from a threshold value dependent on the rating level and as defined in the standard formula. Once the threshold values have been exceeded, the risk factors stipulated in accordance with the standard formula are applied to the surplus of the risk exposure above the relevant threshold, and the total sum of all requirements is aggregated with due consideration of a diversification effect.

C.3.4 Risk concentration

All issuers (or groups of issuers) are monitored on an ongoing basis as part of the efforts to determine the concentration risk in accordance with the standard formula, in order to review whether the investment volumes exceed defined limits relative to the total investment volumes depending on the issuer's rating. If a limit is exceeded, then the portfolios exceeding the limit are provided with a risk premium. At 31 December 2017 this type of risk premium was applied to investment portfolios from the following issuers (listed in descending order of the risk premiums): STRABAG AG and Raiffeisen Bank International AG.

C.3.5 Risk mitigation

The use of derivative financial instruments for the purposes of reducing the market risk is permissible and is implemented in order to reduce the following risks or in practice with the following financial instruments:

- equity risk: exchange-traded futures on stock indexes
- interest rate risk: exchange-traded futures on interest rate indexes for the currencies EUR and USD
- exchange rate risk: non-exchange traded forwards

Derivatives can only be used if the base risk between the underlying security and the derivative used for risk mitigation purposes is low. A series of clearly defined conditions and requirements must be satisfied to ensure this is the case.

C.4 CREDIT RISK/DEFAULT RISK

C.4.1 Description of the risk

In accordance with Section 179(5) of the Insurance Supervision Act 2016, the credit or default risk takes account of potential losses generated from an unexpected default or deterioration in the credit rating of counterparties and debtors of insurance and reinsurance undertakings during the next twelve months. The credit risk/default risk covers risk-mitigating contracts such as reinsurance agreements, securitisations and derivatives, as well as receivables from brokers and all other credit risks that are not covered by the sub-module for the spread risk. It accounts for the accessory collateral held by or for the insurance or reinsurance undertaking and the risks associated with this. The credit risk/default risk accounts for the entire risk exposure stemming from any potential counterparty default of the relevant insurance or reinsurance company in relation to all of its counterparties, irrespective of the legal form of its contractual obligations towards this company.

The credit or default risk is made up of the following two types:

- type 1 risk exposure: These risk exposures normally feature low levels of diversification and relate to counterparties that have a high probability of being assessed using a rating. This normally includes inter alia the following: reinsurance contracts, derivatives, securitisations, bank balances, other risk-mitigating contracts, letters of credit, guarantees and products with external guarantors.
- type 2 risk exposure: This type usually includes all exposure not already covered by the spread risk sub-module and that is normally highly diversified and with no rating. This includes in particular receivables from brokers, receivables from policyholders, policy loans, letters of credit, guarantees and mortgages.

C.4.2 Risk exposure

Credit risk or default risk accounts for 5.7 per cent of the UNIQA Group's BSCR (including the adjustment for the loss-absorbing capacity of free surpluses).

Capital requirement for type 1 and type 2 credit and default risk

In € million	2017
SCR, type 1 and type 2 credit and default risk	165
Total type 1 credit and default risk	143
Total type 2 credit and default risk	29
Diversification	-6

Table 29: Type 1 and type 2 credit and default risk

The table above shows the composition of the credit or default risk at 31 December 2017. A distinction is made between type 1 and type 2 risk exposure.

Type 1 risk exposure is the essential driver with a share of about 83.3 per cent of overall default risk (excluding diversification). The solvency capital requirements for type 1 result from bank deposits, reinsurance agreements and derivatives.

Type 2 risk exposures represent the remaining 16.7 per cent of the overall default risk. The receivables from brokers and policyholders are the greatest risk drivers for this. Mortgages are also included in the solvency capital requirement for the counterparty default risk for type 2.

C.4.3 Risk assessment

The solvency capital requirement for counterparty default risk is calculated using the risk factors and methods described in the Delegated Regulation (EU) 2015/35 in the section on the counterparty default risk module.

The capital requirement for both types of credit and counterparty default risk is determined based on the loss given default (LGD). Under predefined circumstances, liabilities to counterparties to be offset in the event of counterparty default result in a reduction of the LGD. There are clear regulations for calculating the LGD in accordance with the type of exposure. Solvency II also provides clear regulations regarding the extent to which risk-mitigating effects can be used.

C.4.4 Risk concentration

The risk of potential concentrations arises from the transfer of reinsurance businesses to a few reinsurers. This can have a material impact on the UNIQA Group's results in the event that an individual reinsurer is delayed or defaults with payment. This risk is managed in the UNIQA Group using an internal reinsurance undertaking to which the business units assign their business and which is responsible for selecting external reinsurance parties. UNIQA Re AG has set out reinsurance standards for this purpose that govern the process for selecting the counterparties precisely and avoid these types of external concentrations (e.g. there is a stipulation that an individual reinsurer can only hold a maximum of 20 per cent of the contract, and that each reinsurer must have an "A" rating as a minimum in order to be selected).

Another potential source of concentration within credit/default risk arises from bank deposits. For this reason, maximum investment volumes are specified for individual credit institutions taking into account any existing ratings and financial credit rating criteria. The greatest investment volumes (listed in decreasing amount) were reported for the following banks as at the relevant reporting date: Raiffeisen Bank International AG, Erste Group Bank AG, UniCredit SpA, Credit Suisse Group AG.

No material concentrations of risk exist for these areas due to the comparatively low absolute volume of off-market derivative transactions, mortgage loans and other relevant exposure.

C.4.5 Risk mitigation

The UNIQA Group has defined the following measures aimed at minimising the credit/default risk:

- limits
- minimum ratings
- official warning processes

Limits for bank deposits are defined for each country in order to avoid concentrations related to the credit or default risk. These limits are monitored based on a two-week cycle.

Minimum ratings have been defined for external reinsurers, with upper limits defined for the exposure stated per reinsurer. Clear processes for official warnings have been implemented aimed at keeping arrears from insurance brokers and policyholders to the lowest level possible. These are reviewed regularly using precise evaluation options.

C.5 LIQUIDITY RISK

C.5.1 Description of the risk

The UNIQA Group distinguishes between two categories of liquidity risk: market liquidity risk and funding risk. Market liquidity risk exists when assets cannot be sold quickly enough, or will only be sold at a lower price than expected as a result of the market's low absorption capacity. Refinancing risk arises when an insurance company is unable to procure liquid funds – or can only do this at excessive costs – when these liquid funds are required urgently in order to meet its financial obligations.

C.5.2 Risk exposure

Ongoing liquidity planning takes place in order to ensure that the UNIQA Group is able to meet its payment obligations. Moreover, most of the securities portfolio is listed in liquid markets and can be sold quickly and without significant markdowns if cash is required.

The following table depicts the anticipated profit calculated from future premiums as required by Article 295 of Delegated Regulation (EU) 2015/35 is subject to specific limits according to the Solvency II requirements. The values presented account for the probability of occurrence, the extent of the damage, and also take into account those risks that are categorised as material and immaterial.

Expected profits in future premiums (EPIFP)

In € million	2017
Expected profits in future premiums (EPIFP)	1,267
of which in non-life insurance	0
of which in life insurance	1,266

Table 30: Expected profits in future premiums (EPIFP)

The expected profits from life insurance also include the premiums from health insurance similar to life technique. Derivation of the expected profits from future premiums for these contracts is based on net liabilities (premiums, benefits and costs) from the calculation for the technical provisions. The cash value of the profits is determined from the ratio of the future expected premiums to the associated expected costs and benefits. Significant premiums in life insurance come from the health insurance business and from endowment insurance and unit-linked life insurance business.

C.5.3 Risk assessment and risk mitigation

A distinction is made between two types of payment obligations in relation to the liquidity risk:

- payment obligations due within twelve months
- payment obligations due in more than twelve months

Payment obligations due within less than twelve months

A regular planning process aimed at guaranteeing the availability of adequate liquid funds to cover expected payments is implemented in order to ensure that the UNIQA Group is able to meet its payment obligations within the next twelve months. The essential companies in the UNIQA Group prepare liquidity plans as part of this process. In addition, a minimum amount of cash reserves that must be available daily is defined for these individual companies according to their business model. In addition to the daily reporting on an operative level, a weekly report is presented to the Management Board on the available liquidity.

Payment obligations due in more than twelve months

For longer-term payment obligations, the UNIQA Group aims to match the maturities of investments with those of liabilities to the greatest possible extent as part of the asset-liability management process. Particularly in those companies involved in life insurance, the strategic assets of individual companies are allocated based on anticipated liability-side cash flows to minimise, therefore, long-term liquidity risk. This process was established based on the fact that these companies are exposed to long-term obligations. Compliance with this approach is ensured with a regular and consistent monitoring system.

C.6 OPERATIONAL RISK

C.6.1 Description of the risk

In accordance with Section 177(3) of the Insurance Supervision Act 2016, operational risk comprises those risks not already included in the risk modules referred to above. Risk assessment details are set out in the next chapter.

Generally, operational risk is defined as the risk of loss caused by inadequacies or failures in internal processes, employees or systems, or by external events. Operational risk does not include reputational or strategic risk, as defined in Section 175(4) of the Insurance Supervision Act 2016.

Special attention is paid to the topic of preventing money laundering and financing for terrorism. Operational risk in this area is a result of missing or inadequate processes for identification and monitoring as well as reporting for the purposes of preventing potential money laundering activities.

These definitions apply to the two solo insurance companies UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG.

C.6.2 Risk exposure

The operational risk is quantified based on the standard formula and amounted to €169 million at 31 December 2017.

Capital requirement for operational risk

In € million	2017
Operational risk	169

Table 31: Solvency capital requirement for the operational risk

The operational risk is also determined using qualitative criteria within the UNIQA Group in accordance with a catalogue of threats.

Operational risks are assessed and categorised based on a risk matrix using expert assessments on the probability of occurrence and level of risk. Using this qualitative process, the following risks have been identified as being material:

- litigation risk, particularly in relation to product development and settlement of claims
- employee risks (staff shortages and dependency on holders of knowledge and expertise)
- IT risks (particularly IT security and the high complexity of the IT landscape, along with the risk of business interruptions)
- miscellaneous project risks

C.6.3 Risk assessment

The UNIQA Group, UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG calculate the operational risk quantitatively with a factor-based approach in accordance with the standard formula as described in the Solvency II Framework Directive and the Austrian Insurance Supervision Act 2016.

The operational risk is assessed regularly using qualitative criteria in six-monthly risk assessments and interviews with experts. A catalogue of threats includes potential risk scenarios which can be assessed based on the probability of occurrence and level of risk. The risk-bearing capacity or net own funds represent the classification basis for this.

C.6.4 Risk concentration

Evaluations of risk concentrations in the operational risk for the UNIQA Group, UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG are carried out on a regular basis and relate, for example, to dependencies on sales channels, essential customers or key staff. Corresponding measures are implemented in accordance with the result of the evaluation (risk acceptance, risk minimisation or similar factors). There are no substantial risk concentrations in this respect for the UNIQA Group.

C.6.5 Risk mitigation

Defining the measures that mitigate risk is a crucial step in the risk management processes for operational risks. The risk preference for taking operational risks is categorised as “low” in the risk strategy of the UNIQA Group, UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG. The objective pursued, therefore, within the UNIQA Group and the local companies is to reduce the operational risk as far as possible.

The most significant risk mitigation measures for operational risk include the following:

- implementation and maintenance of a comprehensive internal control system
- process optimisation and maintenance
- continuous education and training for employees
- preparation of emergency plans

The specific measures defined for reducing risk are constantly monitored.

C.7 STRESS AND SENSITIVITY ANALYSES

The UNIQA Group carries out stress and sensitivity calculations annually in order to determine the impact of certain unfavourable events on the solvency capital requirement, on the own funds, and subsequently on the coverage ratio. The results provide valuable indications with respect to the stability of the coverage ratio and sensitivities in relation to changes to the economic environment.

A sensitivity calculation is defined as the recalculation of a key performance indicator (KPI) based on the change to an input parameter. The change is direct, refers to a particular date, and is not generally extreme. The effects of sensitivity can be positive or negative.

A stress test is defined as the recalculation of a KPI based on a change in an input parameter. The change is more significant than in a sensitivity analysis and has a negative impact on the KPI.

The UNIQA Group focuses on interest rate sensitivities based on the results of past stress tests and sensitivity analyses and against the background of the prevailing low interest rates. These sensitivities are challenges for insurance companies in which life insurance represents a major share of their business.

The UNIQA Group uses the sensitivities shown in the following table.

Key sensitivities	Impact
Interest rate sensitivity	Direct
Equity sensitivity	Direct
Foreign exchange sensitivity	Direct
Spread sensitivity	Direct
Natural catastrophes	Direct

Table 32: Overview of sensitivities

The sensitivities presented in the above table are described in detail below.

Interest rate sensitivity

Interest is only subject to a shock within the liquid range of the yield curve (up to the last liquid point, LLP). After the LLP, the interest rates are extrapolated to the ultimate forward rate (UFR) with a convergence rate that remains the same. The UFR corresponds with the value that maps the interest rate development over the last decades, although it is supplemented by forecasts in the economic development of the eurozone.

There are three sensitivities that concentrate on interest rates:

- a parallel shift in the yield curve by +50 basis points up to the LLP followed by extrapolation at the UFR
- a parallel shift in the yield curve by –50 basis points up to the LLP followed by extrapolation at the UFR
- use of interest rates that converge against a UFR reduced by 100 basis points.

Equity sensitivity

For equity sensitivity, a general decline in fair values of 30 per cent is assumed for the entire equity portfolio. The amount of the assumed market value losses is at a level that is standard for the sector.

Foreign exchange sensitivity

For foreign currency positions, an exchange rate change of +10 per cent and –10 per cent is assumed for all currencies. There are no exceptions for currencies that are pegged to the euro. These foreign exchange shocks are applied to:

- all financial instruments with an underlying foreign currency exchange rate, and
- all securities that are quoted in a currency other than the portfolio currency.

Spread sensitivity

A widening of the spread by 100 basis points is assumed for the credit spread sensitivity. Spreads are widened irrespective of the underlying rating.

Natural disasters

The risk of an earthquake has been identified as the most significant natural disaster risk. An earthquake with an epicentre in Austria is assumed to recur every 250 years in this sensitivity analysis.

Operational risk and counterparty default risk

The UNIQA Group does not calculate any separate sensitivities for the operational risk or for the counterparty default risk. These risk modules are not assessed as material following analysis of all risk categories.

Results

The following table provides an overview of the changes to the SCR ratio as a result of the shocks defined for the individual sensitivity calculations.

Results of the sensitivity calculation

	2017		2016	
In per cent	SCR ratio	Change (pp)	SCR ratio	Change (pp)
Basic scenario	250 %		202 %	
Key sensitivities				
Interest rate sensitivity				
Parallel shift in interest rate of +50bp (up to last liquid point)	266 %	17	213 %	10
Parallel shift in interest rate of -50bp (up to last liquid point)	237 %	-13	187 %	-15
Reduction in the Ultimate Forward Rate (UFR) by 100 basis points	236 %	-14	186 %	-16
Equity sensitivity				
Fall in the fair value by 30 per cent	247 %	-2	194 %	-9
Foreign exchange sensitivity				
Foreign currency shock of +10 per cent	254 %	5	207 %	5
Foreign currency shock of -10 per cent	245 %	-5	197 %	-5
Spread sensitivity				
Widening in credit spread by 100 basis points	204 %	-46	154 %	-48
Natural catastrophes				
Natural catastrophes: earthquake	248 %	-2	201 %	-2

Table 33: Results of the sensitivity calculation

As an internationally active multiline insurer, the results of the UNIQA Group’s sensitivity analysis are significantly influenced by the life and health business, which is particularly strong in Austria. In addition, the first-time application of the partial internal model for non-life has a significant impact on risk capital and leads to a significant increase in the solvency ratio compared with the previous year.

A second major strategic step was the sale of UNIQA Assicurazioni SpA in 2017, which caused a significant change in business volume.

These effects are positively reflected in the results of the sensitivity analysis.

Interest rate sensitivity

The more favourable effects of interest rate sensitivities compared with the previous year result on the one hand from the sale of the Italian subsidiaries in 2017, and on the other hand from the partial internal model non-life that was included in the calculation of sensitivities for the first time this year.

Equity sensitivity

The muted decline in the excess coverage ratio due to a 30 per cent decline in the value of the equity portfolio is due to changes in the portfolio structure.

The impact of the other remaining sensitivities is comparable with the level from the previous year.

C.8 OTHER MATERIAL RISKS

Risk management processes are also defined for reputational, contagion and strategic risks in the UNIQA Group in addition to the risk categories described above.

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

Strategic risk describes the risk that results from management decisions or insufficient implementation of management decisions that may influence current/future income or solvency. This includes the risk that arises from management decisions that are inadequate because they ignore a changed business environment.

The most significant reputational risks along with the strategic risks are identified, assessed and reported in a process similar to the operational risks.

Reputational and strategic risks are also monitored in the same way at UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG.

UNIQA Group risk management then analyses whether the observed risk may occur in the Group or in another unit, and whether the danger of "contagion" within the Group is possible (contagion risk).

The contagion risk includes the possibility that any negative effects that arise in a company within the UNIQA Group could widen to affect other companies. There is no standardised approach for handling the contagion risk since this risk can have various sources. Establishing an understanding of the correlations between the different types of risk is essential in particular for the purposes of identifying any potential contagion risk.

C.9 ANY OTHER INFORMATION

C.9.1 Risk concentration

Aside from identification and assessment of risks in the local companies of the UNIQA Group, an additional assessment also takes place at the UNIQA Group level. The objective of this is to identify significant risk concentrations that cannot be identified on the level of the local companies but which could become material on the level of the UNIQA Group as a whole.

The following risk concentrations are considered in this chapter:

- individual counterparties
- groups of individual but affiliated counterparties (e.g. companies within the same Group)
- specific geographical areas or sectors
- natural disasters

Following a decision by the FMA, a risk is considered material if it accounts for more than ten per cent of the solvency capital requirement of the UNIQA Group. The final calculation of solvency capital at the end of the year is used to determine the threshold value. At the end of 2017, this results in a materiality threshold for risk concentrations at Group level in the amount of €227.4 million.

The most important exposures from the balance sheet are regularly checked to make sure they do not exceed the materiality threshold. In the process, the following categories are analysed and monitored:

- bonds
- own funds
- assets from reinsurance
- other assets
- liabilities from insurance
- liabilities from bonds
- liabilities from debts
- other liabilities
- contingent assets
- contingent liabilities

Individual counterparties/groups of individual but affiliated counterparties

A risk concentration was identified in the exposure category of reinsurance assets. This concentration originates from UNIQA Österreich Versicherungen AG and its reinsurance ceded to SCOR Global Life SE. Due to the high rating of this reinsurer (AA rating), the solvency capital for the default risk is not materially influenced by this item (reinsurance recoverables amounting to €286.2 million).

Risk concentrations in the asset portfolio are reviewed in accordance with the standard formula. See Chapter C.3.4 for further details on this.

Specific geographical areas or sectors

The following table shows that the UNIQA Group's asset portfolio (without assets from the unit-linked business) consists mainly of bonds and that the majority of these belong to the asset category government bonds.

Exposure by asset category

In per cent	2017
Government bonds	48.86%
Corporate bonds (incl. covered)	32.39%
Equities	1.01%
Fund investments	12.45%
Cash and term deposits	4.27%
Other	1.01%
Total	100.00%

Table 34: Exposure by asset category

The following table provides an overview of the exposures in investments by country.

Exposure by country

In per cent	2017
Austria	26.19 %
France	7.44 %
Belgium	6.05 %
Luxembourg	5.08 %
Poland	4.71 %
Netherlands	4.54 %
Germany	4.15 %
United Kingdom of Great Britain and Northern Ireland	3.83 %
United States of America	3.48 %
Slovakia	3.05 %
Ireland	2.39 %
Czech Republic	2.32 %
Italy	2.20 %
Croatia	2.17 %
Spain	1.98 %
Australia	1.85 %
Romania	1.73 %
Finland	1.68 %
Hungary	1.52 %
Slovenia	1.52 %
Canada	1.31 %
Other	10.83 %
Total	100 %

Table 35: Exposure by country

Natural disasters

UNIQA Group's portfolio does not include any catastrophe-related bonds (CAT bonds). At year-end 2017, there were also no concentrations of natural disaster risks within insurance liabilities.

C.9.2 Risk mitigation from deferred tax

The use of deferred tax is a general risk mitigation technique that can be applied to all risk categories and lines of business. It is taken into account in the calculation for the UNIQA Group's solvency capital requirements, as well as that of the business units.

Deferred tax is defined in Chapter D.1 Assets. When deferred tax is used as a risk mitigation technique, it is assumed that – in the event that an extreme scenario occurs which reduces the value of the relevant asset (or increases the value of the liability) – part of the impact can be absorbed because any potential existing and stated deferred tax liability will no longer be due following occurrence of the scenario. This reduces the overall influence of the scenario.

D Valuation for solvency purposes

The methods stated in the Framework Directive and Implementing Regulation are applied for the derivation of the solvency balance sheet. They are based on the going-concern principle as well as on individual assessment. The International Financial Reporting Standards (IFRSs) form the framework for recognition and valuation in the solvency balance sheet. Assets and liabilities are valued in accordance with Article 75 of the Solvency II Framework Directive at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction. If there are no fair values available for this purpose, then mark-to-market values must be assessed in line with the fair value hierarchy under Solvency II, or if these values are not available, then the mark-to-model valuation can be used for the valuation.

The deviations from the fair value permitted in accordance with IFRSs are not permissible under Solvency II. If individual balance sheet items are immaterial, the IFRS value deviating from the fair value is transferred to the solvency balance sheet and thus no revaluation is made in accordance with Solvency II.

The relevant IFRS balance sheet forms the basis for creating the solvency balance sheet internally within UNIQA. The principles, methods and main assumptions used at Group level for the valuation of assets, technical provisions and other liabilities are consistent with those that are used in the subsidiaries and that comply with the Solvency II calculation principles.

The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

Foreign currency translation

The following exchange rates of the European Central Bank are used for translating solvency balance sheet items denominated in foreign currencies for the reporting period:

EUR closing rates	Currency code	2017
Albanian lek	ALL	132.99
Bosnia and Herzegovina convertible mark	BAM	1.96
Bulgarian lev	BGN	1.96
Swiss franc	CHF	1.17
Czech koruna	CZK	25.54
Euro	EUR	1.00
Croatian kuna	HRK	7.44
Hungarian forint	HUF	310.33
Macedonian denar	MKD	61.53
Polish złoty	PLN	4.18
Romanian leu	RON	4.66
Serbian dinar	RSD	118.21
Russian rouble	RUB	69.39
Ukrainian hryvnia	UAH	33.68
US dollar	USD	1.20

Table 36: Foreign currency exchange rates

D.1 ASSETS

The following table shows a comparison between the determination of the total assets in accordance with Solvency II and with IFRSs at the reporting point at 31 December 2017.

Assets as at the reporting date of 31 December 2017

In € million		Solvency II	IFRS	Revaluation
1	Goodwill	0	296	-296
2	Deferred acquisition costs	0	1,133	-1,133
3	Intangible assets	0	101	-101
4	Deferred tax assets	10	5	6
5	Pension benefit surplus	0	0	0
6	Property, plant and equipment held for own use	307	120	186
7	Investments (other than assets held for index-linked and unit-linked contracts)	21,016	19,855	1,162
7.1	Property (other than for own use)	2,363	1,409	954
7.2	Shares in affiliated companies including equity investments	651	569	82
7.3	Equities	329	316	13
	Equities – listed	62	61	2
	Equities – unlisted	267	256	11
7.4	Bonds	15,029	16,188	-1,159
	Government bonds	9,034	9,692	-658
	Corporate bonds	5,809	6,202	-393
	Structured notes	184	292	-108
	Collateralised securities	1	1	0
7.5	Undertakings for collective investment	2,306	858	1,448
7.6	Derivatives	27	165	-138
7.7	Deposits other than cash equivalents	311	328	-16
7.8	Other investments	0	21	-21
7.9	Assets held for index-linked and unit-linked contracts	5,095	5,095	0
8	Loans and mortgages	33	33	0
8.1	Loans on policies	9	8	1
8.2	Loans and mortgages to individuals	18	0	18
8.3	Other loans and mortgages	6	25	-18
9	Reinsurance recoverables from:	612	608	3
9.1	Non-life insurance and health insurance similar to non-life	181	173	8
	Non-life insurance excluding health	180	173	7
	Health insurance similar to non-life	1	0	1
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	140	143	-3
	Health insurance similar to life	0	1	-1
	Life insurance, excluding health and index-linked and unit-linked	140	142	-2
9.3	Life insurance, index-linked and unit-linked	291	292	-1
10	Deposits with cedants	110	110	-1
11	Insurance and intermediaries receivables	179	251	-72
12	Reinsurance receivables	36	36	-0
13	Receivables (trade, not insurance)	213	395	-182
14	Treasury shares (held directly)	18	11	7
15	Amounts due in respect of own funds items or initial funds called up but not yet paid in	0	0	0
16	Cash and cash equivalents	646	650	-5
17	Any other assets, not shown elsewhere	53	62	-8
Total assets		**28,327**	**28,760**	**-433**

Table 37: Asset valuations according to Solvency II

The following categories of assets are not asset components of the UNIQA Group at 31 December 2017 and have not therefore been subject to comments:

- 5. Pension benefit surplus
- 15. Amounts due in respect of own funds items or initial funds called up but not yet paid in

A separate description for each class of assets is provided below of the principles, methods and main assumptions upon which the valuation is based for solvency purposes, with a quantitative and qualitative explanation of the material differences with the valuation according to IFRSs in the annual financial statements.

1. Goodwill

Assets In € million	Solvency II	IFRS	Revaluation
Goodwill	0	296	-296

Table 38: Goodwill

Goodwill arises upon acquisition of subsidiaries and represents the surplus of the consideration transferred for acquisition of the company above the fair value of UNIQA's share in the identifiable assets acquired, the liabilities assumed, contingent liabilities and all non-controlling shares in the acquired company at the time of the acquisition. Under IFRSs, this goodwill is measured at cost less accumulated impairment losses.

Under Solvency II, goodwill is valued at zero, thereby differing from statements according to IFRSs.

2. Deferred acquisition costs

Assets In € million	Solvency II	IFRS	Revaluation
Deferred acquisition costs	0	1,133	-1,133

Table 39: Deferred acquisition costs

The deferred acquisition costs comprise those costs that exist especially upon the conclusion of the policy from the underwritten insurance risks and the sale of insurance contracts.

Deferred acquisition costs are accounted for in accordance with IFRS 4 in conjunction with US GAAP. 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. The acquisition costs for long-term health insurance are amortised on the basis of the proportion of premiums earned to the present value of future expected premiums.

Under Solvency II, the deferred acquisition costs are valued at zero, which explains the difference in value.

3. Intangible assets

Assets In € million	Solvency II	IFRS	Revaluation
Intangible assets	0	101	-101

Table 40: Intangible assets

Intangible assets comprise the value of the in-force business from insurance contracts and other intangible assets.

Intangible assets are amortised in accordance with their useful lives over a defined period.

The values of life, property and casualty insurance policies relate to expected future margins from purchased operations and are recognised in the IFRS consolidated financial statements at the fair value at the acquisition date. The portfolio value in life insurance is amortised in accordance with the progression of the estimated gross margins.

No values of in-force business are assessed under Solvency II, meaning that the value that arises for the intangible assets item is zero.

Other intangible assets include both purchased and internally generated software, which is amortised on a straight-line basis in the IFRS consolidated financial statements over its useful life of 2 to 40 years. Intangible assets from both purchased and internally generated software can be recognised for Solvency II purposes provided that they can be sold separately and the fair values can be reliably determined.

4. Deferred tax assets

Assets In € million	Solvency II	IFRS	Revaluation
Deferred tax assets	10	5	6

Table 41: Deferred tax assets

Differences between the Solvency II and IFRS values arise through the different reference values used to recognise deferred tax assets. Deferred tax assets are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax base and the solvency balance sheet, whereas deferred tax assets in the IFRS consolidated financial statements are recognised for differences in carrying amounts between the tax base and the IFRS consolidated financial statements. If the difference between IFRS or solvency financial statements and the tax base means that the tax expense is too high in relation to the reference figures, and the excess tax expense will reverse in subsequent financial years, an asset must be recognised in accordance with IAS 12 for the future tax refund.

It should be noted that an overall netting approach is required in relation to the recognition of deferred tax if there are tax assets and liabilities due from/to the same tax authority and these assets and liabilities can be offset. All temporary differences that meet the relevant criteria and are expected to reverse in subsequent financial years must therefore be included and netted in the calculation of deferred tax. This then results in either a net deferred tax asset or a net deferred tax liability. This overall approach is not affected by differing maturities.

A deferred tax asset is recognised for unused tax losses, for unused tax credits, and for deductible temporary differences to the extent that it is probable that future taxable profit or deferred tax liabilities will be available for offsetting in the future.

An assessment of the ability to recover deferred tax assets requires an estimate of the amount of future taxable profits, or an estimate of the amount of deferred tax liabilities to be offset. The amount and type of these taxable earnings, the periods in which they are incurred, and the available tax planning measures are all taken into account in budget calculations.

Deferred tax assets on loss carryforwards were assessed in the amount of €14.4 million based on the regulations stated above, and these were partly offset against the deferred tax liabilities in accordance with the regulations stated. Deferred tax assets from loss carryforwards in the amount of €24.8 million were not assessed as realisation cannot be assumed within a foreseeable period with due regard to local expiration periods.

6. Property, plant and equipment held for own use

Assets In € million	Solvency II	IFRS	Revaluation
Property, plant and equipment held for own use	307	120	186

Table 42: Property, plant and equipment held for own use

For the IFRS consolidated financial statements, the property, plant and equipment held for own use is measured according to the cost model in accordance with IAS 16, meaning that there is a revaluation for the solvency balance sheet.

The property, plant and equipment held for own use is valued for Solvency II purposes based on expert reports that are prepared on a regular basis. The valuation results arise based both on mixed values as well as on a discounted cash flow valuation method, and are crucially affected by the underlying assumptions, in particular by the determination of the payment flows and the discounting factors.

The payment flows take into account the following parameters:

- standard local rental prices
- vacancy costs/loss of rental income
- management and marketing costs
- maintenance and production costs
- costs that cannot be allocated
- competitive environment
- benchmark with comparable buildings in a similar location

Since the cost model does not take into account the increased value of land and buildings, this model significantly underestimates the fair value and in many cases that explains the high revaluation in comparison to IFRSs.

7. Investments (other than assets held for index-linked and unit-linked contracts)

The valuation approaches and differences for the investments of the UNIQA Group are explained in detail in the following chapters.

7.1. Property (other than for own use)

Assets In € million	Solvency II	IFRS	Revaluation
Property (other than for own use)	2,363	1,409	954

Table 43: Property (other than for own use)

Property (other than for own use) includes investment property, buildings on third-party land held as long-term investments to generate rental income and/or for the purpose of capital appreciation. Under IFRSs, these are measured upon acquisition at cost. Subsequent measurement follows the cost model in accordance with IAS 40.56 in conjunction with IAS 16.

In preparing the economic balance sheet under Solvency II, a revaluation is performed: The investment property is valued for Solvency II purposes based on valuation models that are created by an independent expert annually as at the reference valuation date. The regulations under IAS 40 are applied for the fair value model.

The valuation results arise based both on mixed values as well as on a discounted cash flow valuation method, and are crucially affected by the underlying assumptions, in particular by the determination of the payment flows and the discounting factors.

The payment flows take into account the following parameters:

- rental income
- vacancy costs/loss of rental income
- management and marketing costs
- maintenance and production costs
- costs that cannot be allocated
- competitive environment
- benchmark with comparable buildings in a similar location

Because the cost model does not take into account the value increase for land and buildings, this model significantly underestimates the fair value in many cases, which explains the significant revaluation compared with IFRSs.

7.2 Shares in affiliated companies, including equity investments

Assets In € million	Solvency II	IFRS	Revaluation
Shares in affiliated companies including equity investments	651	569	82

Table 44: Shares in affiliated companies, including equity investments

Shares in affiliated companies, which are not included as consolidated in the Solvency II consolidated balance sheet in accordance with Article 335 of the Delegated Regulation (EU) 2015/35, are valued in accordance with the regulations under Article 13.

This category includes companies over which the Group exercises a substantial influence or that are involved in the joint control of a company in which investments are held. In agreement with IFRSs, these assets are recognised using the equity method accounting. They are initially recognised at acquisition cost, which also includes transaction costs. After the initial recognition, the consolidated financial statements include the Group's share in the total comprehensive income of the financial investments recognised using the equity method until the date the significant influence or joint control ends. Under Solvency II, these companies are valued in accordance with the valuation hierarchy in accordance with Article 13 of the Delegated Regulation (EU) 2015/35. Accordingly, the shares in STRABAG SE are valued with the current fair value of the equities, whereas the net asset value (NAV) is calculated according to the adjusted equity method.

UNIQA also has 27 equity investments that are not included in the basis of consolidation on materiality grounds according to IFRSs, and these are measured at amortised cost. All of these companies represent service companies and are valued at zero in accordance with Solvency II as per Article 13(2)(a) of the Delegated Regulation (EU) 2015/35.

By way of derogation from the IFRS basis of consolidation, UNIQA Capital Markets GmbH is not consolidated because it is a securities company; rather, it is included in the solvency balance sheet with a pro-rata investment value. The calculation is in accordance with the sectoral regulations in accordance with Article 335(1)(e) of the Delegated Regulation (EU) 2015/35.

7.3 Equities

Assets In € million	Solvency II	IFRS	Revaluation
Equities	329	316	13
Equities – listed	62	61	2
Equities – unlisted	267	256	11

Table 45: Equities

The UNIQA Group ascertains fair values in accordance with IFRS 13 for the reporting data for the IFRS consolidated financial statements. As there was a price listed on an active market at the observation date, these equities were valued with the unchanged stock exchange or market price (mark to market). The fair values ascertained correspond with the economic value in accordance with Solvency II and can therefore be used in the solvency balance sheet, meaning that there are no differences in value. The fair values for the shares that are not listed are used from the IFRS consolidated financial statements. The revaluation of unlisted equities relates to a change to the figures reported for other equity investments in which the holding equates to less than 20 per cent. Under Solvency II, profit participation rights and participation certificates are reported under unlisted equities.

7.4 Bonds

Assets In € million	Solvency II	IFRS	Revaluation
Bonds	15,029	16,188	-1,159
Government bonds	9,034	9,692	-658
Corporate bonds	5,809	6,202	-393
Structured notes	184	292	-108
Collateralised securities	1	1	0

Table 46: Bonds

In the UNIQA Group, bonds are allocated to the following categories in accordance with IAS 39: “available for sale”, “at fair value through profit or loss” and “loans and receivables”. In the event of a valuation at “available for sale” and “at fair value through profit or loss”, the fair values ascertained correspond with the economic value in accordance with Solvency II and can be used in the solvency balance sheet. The bonds stated in the loans and receivables category are reassessed at fair value for the economic balance sheet.

The UNIQA Group ascertains fair values in accordance with IFRS 13 for the IFRS consolidated financial statements. Any bonds for which there was a price listed on an active market at the observation date are valued with the unchanged stock exchange or market price (mark to market). If there are no prices available from an active market, then the economic value is derived from comparable assets, with due regard to any adjustment required to specific parameters (marking to market). If no marking to market valuation was possible, alternative valuation methods were used in order to ascertain the value (mark to model). The mark to model techniques used are described in brief below.

Valuation of illiquid fixed interest rate bonds

Non-liquid fixed interest rate bonds or other fixed-income securities for which the company is unable to determine reliable fair values are valued using the methods described below.

The first step involves identification of those securities for which no reliable fair value can be determined. The credit spread is then ascertained as follows for each security: If there is a CDS curve available for the relevant issuer, then this is used. If there is no CDS curve available, then a bond curve is used based on liquid bonds from the same issuer. If there are no liquid bonds available from this same issuer, then liquid bonds from similar issuers or spread curves for the same sector (e.g. banks, insurance companies, etc.) and seniority (subordinated, etc.) are used. The credit spreads determined using this method can be adjusted to specific situations and/or insolvency if required.

As part of the third step, these securities are valued by discounting the cash flow with the parameters described above.

Asset-backed securities (ABSs)

ABSs are presented under the item “Collateralised securities” in the solvency balance sheet and under “Bonds” in the IFRS consolidated financial statements.

The fair values ascertained correspond with the economic value in accordance with Solvency II and can therefore be used in the solvency balance sheet, meaning that there are no differences in value.

7.5 Undertakings for collective investment in transferable securities

Assets In € million	Solvency II	IFRS	Revaluation
Undertakings for collective investment	2,306	858	1,448

Table 47: Undertakings for collective investment in transferable securities

Valuation is at fair value in accordance with IFRS 13 for both the IFRS consolidated financial statements and Solvency II.

The variances arise because of a difference in treatment relating to institutional funds subject to consolidation. Under Solvency II, the funds are reported under this item whereas IFRSs specify a look-through approach.

7.6 Derivatives

Assets In € million	Solvency II	IFRS	Revaluation
Derivatives	27	165	-138

Table 48: Derivatives

Derivatives are valued in accordance with IAS 39. The UNIQA Group ascertains fair values in accordance with IFRS 13 for the IFRS consolidated financial statements. The fair values ascertained correspond with the economic value in accordance with Solvency II and can therefore be used in the solvency balance sheet. As described in the previous paragraph, variances arise as a result of the difference in treatment for institutional funds subject to consolidation. Fair values are ascertained as follows:

Any derivatives for which there was a price listed on an active market at the observation date are valued with the unchanged stock exchange or market price (mark to market). If there are no prices available from an active market, then the economic value is derived from comparable assets, with due regard to any adjustment required to specific parameters (marking to market). If no marking-to market valuation was possible either, alternative valuation methods were used in order to ascertain the value (mark to model). The mark-to-model techniques used are described in brief below:

Valuation of structured products

Structures are presented under the items “Bonds” and “Derivatives” (solvency balance sheet) or under “Bonds”, “Derivatives” and “Undertakings for collective investment”.
The method used for determining the price depends on the relevant product. Analytical models are used if these are available. If there are no such analytical models available (e.g. for exotic options), then a suitable simulation procedure is used where possible (Monte Carlo Simulation). If there are no pricing models available, a suitable model is developed using generally accepted pricing methods. In this case, a “contract-specific model” is applied.

The review is normally carried out using external pricing information so that the model calibration is as up-to-date as possible.

The valuation results are crucially affected by the underlying assumptions, in particular by the determination of the payment flows and the discounting factors.

7.7 Deposits other than cash equivalents

Assets In € million	Solvency II	IFRS	Revaluation
Deposits other than cash equivalents	311	328	-16

Table 49: Deposits other than cash equivalents

Deposits other than cash equivalents are reported in the economic balance sheet at the present value of the estimated future cash flows. This explains the difference in valuation because deposits other than cash equivalents are valued at their amortised cost under IFRSs.

7.8 Other investments

Assets In € million	Solvency II	IFRS	Revaluation
Other investments	0	21	-21

Table 50: Other investments

The other investments are stated as assets at nominal value both for the IFRS consolidated financial statements as well as for the solvency balance sheet, meaning that there are no valuation differences. The revaluation between Solvency II and IFRSs shown above relates to the carrying amounts of profit-sharing rights and participation certificates, which are reported under unlisted equities in Solvency II.

7.9 Assets held for index-linked and unit-linked contracts

Assets In € million	Solvency II	IFRS	Revaluation
Assets held for index-linked and unit-linked contracts	5,095	5,095	0

Table 51: Assets held for index-linked and unit-linked contracts

The assets held for index-linked and unit-linked contracts are recognised at fair value both for the IFRS consolidated financial statements as well as for the solvency balance sheet. There are no valuation differences because the approaches used in the IFRS and Solvency II statements are consistent.

8. Loans and mortgages

Assets In € million	Solvency II	IFRS	Revaluation
Loans and mortgages	33	33	0
Loans on policies	9	8	1
Loans and mortgages to individuals	18	0	18
Other loans and mortgages	6	25	–18

Table 52: Loans and mortgages

Loans and mortgages for private customers are valued at amortised cost for the IFRS consolidated financial statements. The IFRS values are adopted for the solvency balance sheet.

9. Recoverables from reinsurance contracts

Assets In € million		Solvency II	IFRS	Revaluation
9	**Reinsurance recoverables**	**612**	**608**	**3**
9.1	Non-life insurance and health insurance similar to non-life	181	173	8
	Non-life insurance excluding health	180	173	7
	Health insurance similar to non-life	1	0	1
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	140	143	-3
	Health insurance similar to life	0	1	-1
	Life insurance, excluding health and index-linked and unit-linked	140	142	-2
9.3	Life insurance, index-linked and unit-linked	291	292	-1

Table 53: Recoverables from reinsurance contracts

The item "Recoverables from reinsurance contracts" includes amounts outstanding based on reinsurance contracts external to the Group. In accordance with the economic assessment of the technical provisions under Solvency II, i.e. based on discounted best estimates, the claims against reinsurance companies are stated under the reinsurance receivables minus the agreed reinsurance premiums (time difference between the demands and the direct payments).

Ceded reinsurance is also subject to the application of IFRS 4 and is therefore presented in a separate item under assets.

The differences between the values assessed in the financial reporting and the solvency balance sheet arise analogously to the gross valuation from changing to the best estimate approach under Solvency II.

10. Deposits with cedants

Assets In € million	Solvency II	IFRS	Revaluation
Deposits with cedants	110	110	-1

Table 54: Deposits with cedants

The deposits with cedants from inward reinsurance business are reported under this item. For the IFRS consolidated financial statements, these are valued at the principal amount or the cost of the receivables unless a lower fair value is recognised in the case of identified individual risks. A valuation difference arises compared with IFRSs when discounting for maturities of more than one year is taken into account.

11. Insurance and intermediaries receivables

Assets In € million	Solvency II	IFRS	Revaluation
Insurance and intermediaries receivables	179	251	-72

Table 55: Insurance and intermediaries receivables

Receivables from insurance companies and insurance brokers due within twelve months are recognised at their principal amounts both for the IFRS consolidated financial statements as well as for the solvency balance sheet. Receivables due in more than twelve months are valued at the present value of the future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation.

A lapse provision is recognised for receivables from policyholders (based on fixed percentage rates for the overall portfolio per company). The receivables from brokers are written down directly, and a separate provision is therefore not recognised.

12. Reinsurance receivables

Assets In € million	Solvency II	IFRS	Revaluation
Reinsurance receivables	36	36	0

Table 56: Reinsurance receivables

This item comprises receivables from reinsurers that are not allocated to the "Deposits with cedants" item. Receivables due within twelve months are recognised at their principal amounts both for the IFRS consolidated financial statements as well as for the solvency balance sheet. Receivables due in more than twelve months are valued at the present value of the future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation.

There are no valuation differences because the approaches used in the IFRS and Solvency II statements are consistent.

13. Receivables (trade, not insurance)

Assets In € million	Solvency II	IFRS	Revaluation
Receivables (trade, not insurance)	213	395	-182

Table 57: Receivables (trade, not insurance)

This item comprises all receivables that do not originate from the insurance business. Receivables due within twelve months are recognised at their principal amounts both for the IFRS consolidated financial statements as well as for the solvency balance sheet. Receivables due in more than twelve months are valued at the present value of the future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation.

14. Treasury shares (held directly)

Assets In € million	Solvency II	IFRS	Revaluation
Treasury shares (held directly)	18	11	7

Table 58: Treasury shares (held directly)

Treasury shares comprise shares that are held by the UNIQA Group.

Treasury shares are reported in the IFRS consolidated financial statements at cost, and in the solvency balance sheet at economic value, which corresponds to the fair value.

16. Cash and cash equivalents

Assets In € million	Solvency II	IFRS	Revaluation
Cash and cash equivalents	646	650	-5

Table 59: Cash and cash equivalents

Current bank balances, cheques and cash in hand are stated under this item. They are valued at the economic value which corresponds with the nominal value. Differences between IFRS and Solvency II arise from the reporting of the business transactions in accordance with the trading day in the solvency balance sheet and in accordance with the value date in the IFRS balance sheet.

17. Any other assets, not shown elsewhere

Assets In € million	Solvency II	IFRS	Revaluation
Any other assets, not shown elsewhere	53	62	-8

Table 60: Any other assets, not shown elsewhere

Other assets include all assets that have not already been included in other asset items (e.g. prepaid expenses). They are valued at the economic value which corresponds with the nominal value.

D.2 TECHNICAL PROVISIONS

The technical provisions within at the UNIQA Group are determined almost exclusively on the basis of a best estimate plus a risk margin because of the nature of the liabilities. A replication of technical cash flows with the help of financial instruments, thus measuring these elements together, is only done on a Group level for a small unit-linked portfolio in Croatia.

Calculation of the provisions based on the best estimate involves restating technical provisions in the IFRS balance sheet to arrive at an economic valuation. According to the principle of equivalence, a provision for life insurance is defined as the difference between the present value of future benefits and the present value of future premiums. Best estimate provisions or best estimate liabilities are determined by using assumptions regarding the best estimate when calculating these future cash flows (instead of the prudent valuation assumptions). Options and guarantees (TVFOG) are included in the best estimate for the provisions where relevant.

The following table compares the Solvency II provisions with the relevant corresponding provisions in accordance with IFRSs at 31 December 2016 and 31 December 2017 for the UNIQA Group:

Valuation of technical provisions

In € million		2017 Solvency II	2017 IFRS	2017 Revaluation	2016 Solvency II	2016 IFRS	2016 Revaluation
1	Technical provisions – non-life insurance	2,625	3,113	-488	2,880	2,870	10
1.1	Technical provisions – non-life insurance (excluding health insurance)	2,341	3,113	-772	2,591	2,870	-279
	Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
	Best estimate	2,233	n.a.	2,233	2,367	n.a.	2,367
	Risk margin	108	n.a.	108	223	n.a.	223
1.2	Technical provisions – health insurance (similar to non-life)	284	0	284	289	0	289
	Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
	Best estimate	275	n.a.	275	245	n.a.	245
	Risk margin	9	n.a.	9	43	n.a.	43
2	Technical provisions – life insurance (excluding index-linked and unit-linked insurance)	11,907	14,234	-2,326	16,780	14,715	2,065
2.1	Technical provisions – health insurance (similar to life)	876	3,039	-2,163	800	2,881	-2,081
	Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
	Best estimate	638	n.a.	638	549	n.a.	549
	Risk margin	238	n.a.	238	251	n.a.	251
2.2	Technical provisions – life insurance (excluding health and index-linked and unit-linked insurance)	11,032	11,195	-163	15,980	11,833	4,147
	Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
	Best estimate	10,826	n.a.	10,826	15,641	n.a.	15,641
	Risk margin	206	n.a.	206	339	n.a.	339
3	Technical provisions – index-linked and unit-linked	5,071	5,080	-9	5,089	4,907	182
3.1	Technical provisions calculated as a whole	6	n.a.	6	3	n.a.	3
3.2	Best estimate	4,996	n.a.	4,996	5,037	n.a.	5,037
3.3	Risk margin	68	n.a.	68	48	n.a.	48
4	Other technical provisions	n.a.	0	0	n.a.	0	0
Total technical provisions		**19,603**	**22,426**	**-2,824**	**24,749**	**22,491**	**2,258**

Table 61: Valuation of technical provisions

The above table does not include IFRS figures for 2016 for the portfolio relating to the Italian subsidiaries because these subsidiaries are presented separately as discontinued operations in the IFRS consolidated financial statements on account of the sale. The Solvency II values include Italy for 2016.

A separate description for the life and non-life technical provisions is provided in the following sections of the principles, methods and main assumptions upon which the valuation is based for solvency purposes, with a quantitative and qualitative explanation of the material differences with the valuation in accordance with IFRSs in the consolidated financial statements.

The decline in technical provisions in non-life and health (similar to non-life) is primarily explained by two effects:

- disposal of the Italian subsidiaries in 2017, and
- decline in the risk margin as a result of the approval of the non-life partial model.

The fall in the technical provisions in life under Solvency II is most severely impacted by the disposal of the Italian subsidiaries. In health insurance (similar to life technique) the increase is primarily the result of changes in the assumptions for the Austrian portfolio (cost and mortality assumptions).

D.2.1 Non-life and health technical provisions (similar to non-life technique)

The methods used for valuation of the technical provisions in non-life and health (similar to non-life technique) are stipulated by the Group and governed in standards. This Group standard is applied in all operating units and business lines for non-life insurance. The non-life methods are also generally used in health insurance business pursued on a similar technical basis to that of non-life insurance (health similar to non-life technique).

A distinction is made between the following parts of the technical provisions in Solvency II:

1. claims reserve
2. premium reserve
3. risk margin

All expenses also stated in Article 31 of the Delegated Regulation (EU) 2015/35 are taken into account in calculating the technical provisions:

- expenses for new business acquisition
- administrative expenses
- expenses for claim settlements

The assumptions of the future cost ratios in the cash flow projections are based on the scheduled expenses in the business plans for the operational units and the Group.

Different methods are generally used to value the individual components:

Claims reserves

Claim triangles for each buiness line form the principles for valuing reserves for unsettled claims. General statistically recognised methods are used for valuation of the best estimate (if appropriate):

If these methods are not appropriate (e.g. for business lines where the available claims data is limited), then other best practice methods are used (e.g. based on claims frequency/amount of the claims).

Sample cash flows using the claim triangles are used to ascertain the discounted reserves best estimate with specified reference interest rates used for the discounting.

The new provisions are calculated based on a gross/net factor which is determined based on IFRS data. This means the Group-external reinsurance coverage is deducted from the gross provisions at Group level in order to ascertain the Group's net claims reserve.

Premium reserve

The following categories are taken into account in calculating the premium reserve:

- unearned premium: Based on premiums not yet earned
- unincepted premium: Based on future premiums (the boundary/lapse concept is applied here)

The estimate for this provision is based on the cash flow modelling from inflows (premiums paid) and outflows (claims, commissions, costs) which are determined based on budget data along with historical time series.

The boundaries and lapses, i.e. contractual limits and cancellations are valued based on the individual contract data as at the reference valuation date as defined in the Delegated Acts.

As opposed to the claims reserve, when modelling the premium reserve the proportional and non-proportional contracts of the reinsurance are shown separately.

Risk margin

The risk margin is calculated as the present value of all future costs of capital. The future solvency capital requirements are first updated with this, and the costs of capital are set at 6 per cent as defined by statute. There is an assumption that all market risks are hedgeable.

An assessment is used at the UNIQA Group which calculates the future SCRs via its risk drivers, i.e. future premiums and reserves.

The risk margin is calculated for each operating company on a net basis following deduction of the reinsurance. At Group level therefore the risk margin arises from the sum of all operating companies including internal reinsurance.

Degree of uncertainty

The parameters or assumptions used to calculate the technical provisions are subject to natural uncertainty based on potential fluctuations in the benefits and costs, along with economic assumptions such as discount rates.

The UNIQA Group therefore carries out continuous sensitivity analyses aimed at testing the sensitivity of the parameters and assumptions used for the provisions best estimate. The following parameters and assumptions are specifically analysed in non-life insurance:

- changes in the development of the future claims rate
- changes in the development of the future cost ratio
- changes in the claims reserve
- changes to the discount rate

The resulting changes to the amount of the technical provisions are subject to both quantitative and qualitative analyses and are also reported in the Actuarial Function Report to the Group Management Board. This report also includes back-testing in which the basic assumptions of the calculations are compared with actual results.

In non-life insurance, the following factors constitute the major sources of uncertainty when evaluating the best estimate:

- the assumed discount rate
- assumptions about future claims processing in long-term business lines (liability insurance)
- claims rate assumptions for multi-year policies

Overview of the non-life and health (similar to non-life technique) technical provisions (best estimate and risk margin) at the reporting date of 31 December 2017:

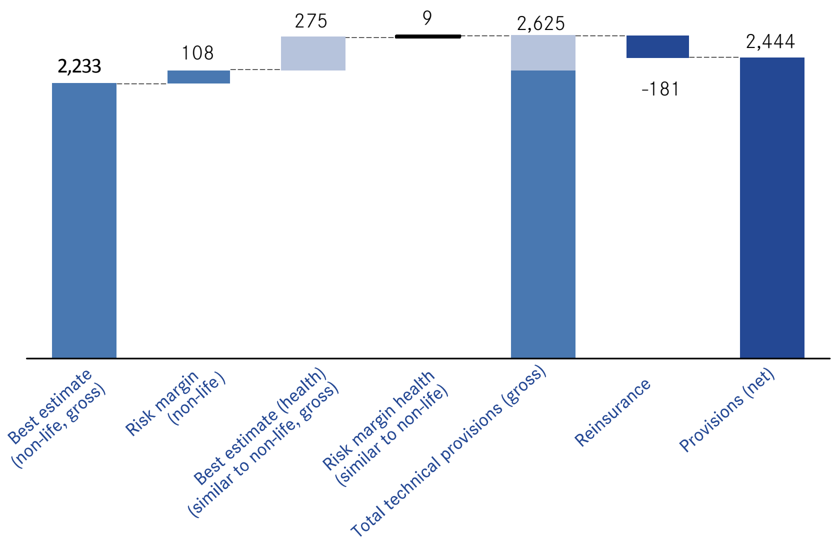


Figure 22: Non-life and health technical provisions (similar to non-life, in € million)

The reserves best estimate is largely determined by the claims reserves, with the premium reserve representing a smaller share. As the UNIQA Group does not take up external proportional reinsurance business ceded, the reinsurance shares of the reserves best estimate arise solely from the existing non-proportional reinsurance and are therefore relatively low at Group level compared with the gross provision.

No significant simplified methods were used to calculate the technical provisions. This also applies to calculation of the risk margin.

The following table shows a reconciliation between Solvency II and the IFRS balance sheet for the gross technical provisions relating to non-life and health (similar to non-life technique).

Valuation of non-life technical provisions (gross)

	2017			2016		
In € million	Solvency II	IFRS	Revaluation	Solvency II	IFRS	Revaluation
Technical provisions – non-life insurance	**2,625**	**3,113**	**-488**	**2,880**	**2,870**	**10**
Technical provisions – non-life insurance (excluding health insurance)	2,341	3,113	-772	2,591	2,870	-279
Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
Best estimate	2,233	n.a.	2,233	2,367	n.a.	2,367
Risk margin	108	n.a.	108	223	n.a.	223
Technical provisions – health insurance (similar to non-life)	284	0	284	289	0	289
Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
Best estimate	275	n.a.	275	245	n.a.	245
Risk margin	9	n.a.	9	43	n.a.	43

Table 62: Valuation of gross technical provisions

As already mentioned at the start, the decline in technical provisions for non-life and health (similar to non-life) is explained by the sale of the Italian subsidiaries and the decline in the risk margin following approval of the partial model.

The valuation of the technical provisions in property and casualty insurance is lower under Solvency II than under IFRSs. The main reasons for this are as follows:

- In Solvency II, the claims reserves are presented discounted, which primarily entails greater effects in the Austrian entities, as there are major reserves here for long-tail liability insurance business lines.
- The unearned premium reserve (UPR) represents the equivalent to the premium best estimate in accounting according to IFRSs. There is a revaluation effect here also in Solvency II, since it is not the entire UPR that is set aside but just the part for the claims and administrative costs. Initial commission has already been paid and is therefore no longer taken into account in the cash flow analysis.
- Expected profit from future contributions on multi-year agreements also reduces the best estimate. This is not taken into account under IFRSs.

The provisions for the Italian subsidiaries are still presented in the Solvency II version in the figures presented for 2016. However, these had already been excluded in IFRSs, which is why an increase is recorded here.

The following table shows the reconciliation of balance sheet values from Solvency II to IFRSs for each segment of the non-life and health (similar to non-life) insurance business:

Technical provisions

In € million	2017 Solvency II	2017 IFRS	2017 Revaluation	2016 Solvency II	2016 IFRS	2016 Revaluation
Technical provisions – non-life insurance	**2,625**	**3,113**	**-488**	**2,880**	**2,870**	**10**
Technical provisions – non-life insurance (excluding health insurance)	**2,341**	**2,761**	**-420**	**2,591**	**2,534**	**57**
Motor vehicle liability insurance	908	1,094	-186	1,112	1,050	62
Technical provisions calculated as a whole	n.a.	1,094	-1,094	n.a.	1,050	-1,050
Best estimate	887	n.a.	887	1,057	n.a.	1,057
Risk margin	21	n.a.	21	55	n.a.	55
Other motor insurance	178	213	-34	207	200	7
Technical provisions calculated as a whole	n.a.	213	-213	n.a.	200	-200
Best estimate	171	n.a.	171	184	n.a.	184
Risk margin	8	n.a.	8	24	n.a.	24
Marine, aviation and transport insurance	55	63	-8	67	72	-4
Technical provisions calculated as a whole	n.a.	63	-63	n.a.	72	-72
Best estimate	52	n.a.	52	60	n.a.	60
Risk margin	3	n.a.	3	7	n.a.	7
Fire and other damage to property insurance	404	452	-48	427	410	16
Technical provisions calculated as a whole	n.a.	452	-452	n.a.	410	-410
Best estimate	364	n.a.	364	368	n.a.	368
Risk margin	40	n.a.	40	59	n.a.	59
General liability insurance	648	729	-82	648	635	13
Technical provisions calculated as a whole	n.a.	729	-729	n.a.	635	-635
Best estimate	633	n.a.	633	600	n.a.	600
Risk margin	15	n.a.	15	48	n.a.	48
Credit and suretyship insurance	20	38	-18	18	20	-2
Technical provisions calculated as a whole	n.a.	38	-38	n.a.	20	-20
Best estimate	19	n.a.	19	16	n.a.	16
Risk margin	0	n.a.	0	1	n.a.	1
Legal expenses insurance	56	133	-77	51	112	-61
Technical provisions calculated as a whole	n.a.	133	-133	n.a.	112	-112
Best estimate	51	n.a.	51	34	n.a.	34
Risk margin	5	n.a.	5	16	n.a.	16
Assistance	7	9	-3	6	7	-1
Technical provisions calculated as a whole	n.a.	9	-9	n.a.	7	-7
Best estimate	6	n.a.	6	6	n.a.	6
Risk margin	0	n.a.	0	1	n.a.	1
Miscellaneous financial loss	39	30	9	45	28	16
Technical provisions calculated as a whole	n.a.	30	-30	n.a.	28	-28
Best estimate	28	n.a.	28	38	n.a.	38
Risk margin	11	n.a.	11	7	n.a.	7
Non-proportional fire and other damage to property insurance	12	0	12	7	0	7
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	11	n.a.	11	4	n.a.	4
Risk margin	1	n.a.	1	3	n.a.	3
Accepted non-proportional reinsurance: property	14	0	14	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	9	n.a.	9	0	n.a.	0
Risk margin	4	n.a.	4	0	n.a.	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	3	0	3
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	3	n.a.	3
Technical provisions – health insurance (similar to non-life)	**284**	**352**	**-68**	**289**	**336**	**-47**
Medical expense insurance	15	5	10	14	7	7
Technical provisions calculated as a whole	n.a.	5	-5	n.a.	7	-7

Best estimate	14	n.a.	14	13	n.a.	13
Risk margin	1	n.a.	1	1	n.a.	1
Income protection insurance	266	347	-81	273	329	-56
Technical provisions calculated as a whole	n.a.	347	-347	n.a.	329	-329
Best estimate	258	n.a.	258	230	n.a.	230
Risk margin	8	n.a.	8	43	n.a.	43
Workers' compensation insurance	2	0	2	2	0	2
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	2	n.a.	2	2	n.a.	2
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: health	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0

Table 63: Valuation of technical provisions (non-life)

Generally, a negative revaluation effect is also evident at business line level. The motor vehicle liability insurance and general liability insurance stand out in particular. The long-term nature of the liabilities in these business lines lead to discounting effects and to corresponding revaluation effects of the best estimate of premiums.

D.2.2 Life and health (similar to life technique) technical provisions

Description of the methods for valuation of the technical provisions

The assumptions for the best estimate are determined using previous, present and projected trends along with other relevant data. The assumptions for the best estimate are reviewed and updated at least once a year.

The details described apply equally to UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG.

The main assumptions used for determining the technical provisions are as follows:

- profit participation
- costs
- lapse
- commission
- mortality and disability-morbidity
- interest

Profit participation

The policyholder's assumed profit participation for the corresponding life insurance business is derived for each economic scenario with application of the management rules for each life insurance company considered. The profit participation is derived in accordance with the applicable statutory profit participation regulations.

Provisions for future profit participation in Austria which are not assigned to the contracts are classified as own funds.

Costs

Cost assumptions are based on the actual costs incurred in the years prior to the reference valuation date. There are no extraordinary costs contained in the cost schedule if these are not expected again in future. If additional costs are expected in future, then these are also included in the cost allocation.

The costs expected along the projection period are based on the performance of the portfolio, with differences in the administrative expenditure taken into account in accordance with relevant contractual features (e.g. higher administrative expenditure for contracts with mandatory premiums as compared with those that are premium-free).

Lapse

Lapse rates are based on an analysis of previous lapse rates and the average for the last three years. For new products the lapse assumptions are based on similar products from the past.

Commission

The commission estimates are based on the applicable commission agreements.

Mortality and disability-morbidity

Mortality and disability-morbidity assumptions are based on the best estimate for future events. Trends from the past are taken into account here. Trends from the sector are also used if this information is inadequate.

Interest rate assumptions

The interest rates assumed in the calculations of the reserves best estimate are derived under Solvency II based on the specified risk-free interest rates. The interest rate assumptions have the greatest influence on the value of the reserves best estimate in the traditional life insurance business. The interest rate assumptions for the latest assessment of best estimate of liabilities are shown in the following table:

Risk-free interest rates 2017 (excl. volatility adjustment)

Year	EUR	CZK	HUF	PLN	CHF	RUB	RON	HRK
1	-0.36 %	0.98 %	0.01 %	1.40 %	-0.72 %	7.47 %	2.43 %	0.20 %
5	0.21 %	1.53 %	1.08 %	2.57 %	-0.24 %	7.21 %	3.86 %	1.36 %
10	0.80 %	1.76 %	2.06 %	3.21 %	0.18 %	7.19 %	4.33 %	2.38 %
15	1.18 %	1.95 %	2.97 %	3.27 %	0.44 %	6.93 %	4.49 %	2.75 %
20	1.36 %	2.21 %	3.49 %	3.37 %	0.57 %	6.58 %	4.52 %	3.00 %
25	1.65 %	2.47 %	3.74 %	3.48 %	0.63 %	6.26 %	4.51 %	3.18 %

Table 64: Interest rate assumptions

Risk margin

The risk margin is calculated as the present value of all future costs of capital. The future SCRs are updated with this in a process similar to the development of the best estimate, and the costs of capital are set at 6 per cent. There is an assumption that all market risks are hedgeable.

The UNIQA Group uses an approach in which the future SCRs are calculated via their risk drivers. One example of a risk driver would be the history of administrative costs in order to map the development of the expense risk capital. The risk margin is calculated for each company on a net basis following deduction of the reinsurance. At Group level, therefore, the risk margin arises from the sum of all companies including internal reinsurance.

Degree of uncertainty

The degree of uncertainty for the technical provisions is reviewed within the scope of the market consistent embedded value (MCEV) calculation in the change analysis. In the change analysis, the parameters observed are compared with the assumptions in the projection. If the development of the technical provisions can be explained based on the parameters observed, then this shows that all relevant risks are adequately mapped in the model.

The change analysis reveals in particular the impact of events that have taken place as compared with the parameters originally assumed on the value of the technical provision under Solvency II. Analogous information can be obtained from the variation analysis under Solvency II.

The degree of uncertainty can be stated in the form of a confidence level for stochastic models, with the empirical distribution of the capital market simulation used forming the starting point. The greatest fluctuation bands related to the value of the technical provision depending on the assumptions for the traditional life insurance business are covered with the capital market scenarios.

The following figure gives an overview of the life and health technical provisions, similar to life (best estimate) at the reporting date of 31 December 2017.

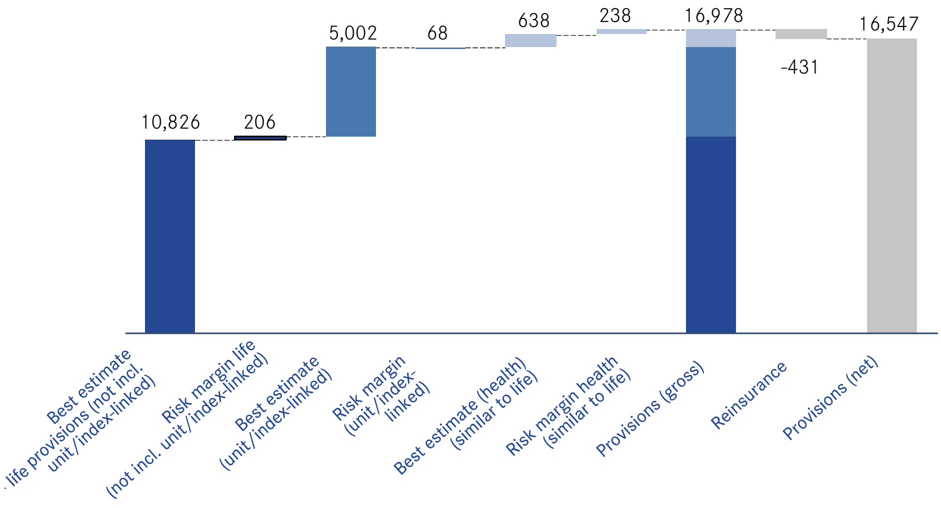


Figure 23: Life and health (similar to life technique) technical provisions (in € million)

No significant simplified methods were used to calculate the technical provisions. This also applies to calculation of the risk margin.

Reconciliation of the gross technical provisions with the IFRS balance sheet

Valuation of technical provisions (gross)

	2017			2016		
In € million	Solvency II	IFRS	Revaluation	Solvency II	IFRS	Revaluation
Technical provisions – life insurance (excluding index-linked and unit-linked)	11,907	14,234	-2,326	16,780	14,715	2,065
Technical provisions – health insurance (similar to life)	876	3,039	-2,163	800	2,881	-2,081
Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
Best estimate	638	n.a.	638	549	n.a.	549
Risk margin	238	n.a.	238	251	n.a.	251
Technical provisions – life insurance (excluding health and index-linked and unit-linked insurance)	11,032	11,195	-163	15,980	11,833	4,147
Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
Best estimate	10,826	n.a.	10,826	15,641	n.a.	15,641
Risk margin	206	n.a.	206	339	n.a.	339
Technical provisions – index-linked and unit-linked insurance	5,071	5,080	-9	5,089	4,907	182
Technical provisions calculated as a whole	6	n.a.	6	3	n.a.	3
Best estimate	4,996	n.a.	4,996	5,037	n.a.	5,037
Risk margin	68	n.a.	68	48	n.a.	48
Other technical provisions	n.a.	0	0	n.a.	0	0

Table 65: Valuation of gross technical provisions

The above table does not include IFRS figures for 2016 for the portfolio relating to the Italian subsidiaries because these subsidiaries are presented separately as discontinued operations in the IFRS consolidated financial statements on account of the sale. The Solvency II values include Italy for 2016.

For the portfolio of classic life insurance the 2017 technical provisions in accordance with Solvency II are below the values pursuant to IFRSs (not including health or index-linked and unit-linked insurance). The heavy decline in technical provisions as compared with 2016 under Solvency II is the result of Italy ceasing to apply (€–3.9 billion). Above all the rising risk-free interest rates in euros under Solvency II reduce the amount of the revaluation. The sale of profitable new business also contributes towards lower provisions under Solvency II as compared with IFRSs.

For the index-linked and unit-linked insurance, the omission of Italy (€–359 million) under Solvency II is compensated by gains in Austria, Poland and Hungary. The fall in the revaluation is primarily caused by increased cost assumptions for the portfolio in Austria under Solvency II.

The revaluation effect of IFRSs to Solvency II in the health insurance business (similar to life technique) leads to a reduction in the technical provisions, as the locked-in principle applies for IFRSs and therefore improvements following subsequent calculations in sub-portfolios with an unfavourable premium/benefit ratio are not taken into account. The provisions of adverse deviation (PADs) in the projection also have a greater effect than the safety margins in the cost-of-capital approach.

The increased revaluation effect in 2017 is attributable to increased premium portfolios, lower discount rate expectations and the higher additions to the covering capital fund associated with this under IFRSs. The increase in the technical provisions under Solvency II is influenced by changes to the assumptions (costs and mortality). The transition to a stochastic model in Austria counteracts this effect of the assumptions. The introduction of the stochastic model in Austria is based on the growth of business involving profit participation in health insurance (similar to life technique). The impact of this implementation was a reduction in the provisions, as the increase from valuation of options and guarantees was more than offset by a simultaneous revision of the modelling of the manAagdjusement rules on tments are made in order toprofit participation. prepare the solvency balance sheet (starting from the IFRS balance sheet): for reinsurance receivables (total of all outstanding receivables) based on discounted best estimates, in the same way as technical provisions; these receivables are based on reinsurance contracts with entities outside the Group; internal Group reinsurance is eliminated in the consolidation.

D.2.3 Use of volatility adjustments

Adaptation of the risk-free yield curve

The volatility adjustment in accordance with Section 167 of the Austrian Insurance Supervision Act 2016 was applied in the Solvency II calculation for all property and casualty business lines (non-life) and for health insurance.

This volatility adjustment is also added to the risk-free yield curve.

The effect of the volatility adjustment on the life, non-life and health provisions is shown in the following table:

Volatility adjustments

	Incl. volatility adjustment		Excl. volatility adjustment		Relative change	
In € million	2017	2016	2017	2016	2017	2016
Technical provisions	19,603	24,749	19,653	24,899	0 %	1 %
Economic capital	5,683	4,526	5,644	4,415	-1 %	-2 %
Own funds eligible to meet SCR	5,683	5,241	5,644	5,130	-1 %	-2 %
SCR	2,274	2,589	2,279	2,632	0 %	2 %
Own funds eligible to meet MCR	5,002	4,465	4,964	4,257	-1 %	-5 %
Minimum capital requirement	1,194	1,397	1,197	1,372	0 %	-2 %

Table 66: Volatility adjustments

The greatest absolute impact from the volatility adjustment comes from traditional life insurance and health insurance (similar to life technique) because of the long-term nature of the business and the higher interest rate sensitivity compared with non-life insurance.

D.3 OTHER LIABILITIES

The table below shows a comparison of all other liabilities at the reporting date of 31 December 2017, valued in accordance with Solvency II and IFRS:

Other liabilities

In € million		Solvency II	IFRS	Revaluation
1	Contingent liabilities	0	0	0
2	Provisions other than technical provisions	220	222	-2
3	Pension benefit obligations	587	588	0
4	Deposits from reinsurers	429	429	0
5	Deferred tax liabilities	972	308	664
6	Derivatives	15	25	-10
7	Liabilities to banks	4	4	0
8	Financial liabilities other than liabilities to banks	14	89	-76
9	Liabilities to insurance companies and intermediaries	185	188	-3
10	Liabilities to reinsurance companies	51	52	-1
11	Payables (trade, not insurance)	335	356	-22
12	Subordinated liabilities	915	846	69
12.1	Subordinated liabilities not in basic own funds	0	0	0
12.2	Subordinated liabilities in basic own funds	915	846	69
13	Any other liabilities, not shown elsewhere	16	17	-1
Total other liabilities		**3,741**	**3,124**	**617**

Table 67: Other liabilities

The following classes of liabilities were not reported at the reporting date of 31 December 2017 and were therefore not commented on:

- 1. Contingent liabilities
- 12.1 Subordinated liabilities – Subordinated liabilities not in basic own funds

The section below describes – separately for other non-technical provisions and liabilities – the principles, methods and main assumptions underlying the valuation for solvency purposes, with a quantitative and qualitative explanation of the material differences compared with the valuation according to IFRSs in the annual financial statements

2. Provisions other than technical provisions

Provisions other than technical provisions

In € million	Solvency II	IFRS	Revaluation
Provisions other than technical provisions	220	222	-2

Table 68: Provisions other than technical provisions

For the IFRS consolidated financial statements of the UNIQA Group, other non-technical provisions are measured at the expected settlement amount based on a best possible estimate in accordance with the regulations under IAS 37. Provisions with a maturity of more than one year are discounted with corresponding pre-tax discount rates in line with the risk and period until settlement with due regard to market expectations. IAS 37 is applied consistently for the valuation of other non-technical provisions in the solvency balance sheet.

This item mainly comprises provisions for jubilee benefits, customer services and marketing, legal and consulting expenses, premium adjustments from reinsurance contracts and portfolio maintenance commission.

3. Pension benefit obligations

Other liabilities

In € million	Solvency II	IFRS	Revaluation
Pension benefit obligations	587	588	0

Table 69: Pension benefit obligations

The net liability of the pension obligations as well as the severance provisions of the UNIQA Group are reported under this item. The provisions are valued for the IFRS consolidated financial statements in accordance with the regulations under IAS 19 and are correspondingly used for Solvency II purposes.

The actuarial value is ascertained in accordance with the project unit credit method, with due regard to projected future salary increases, benefits and medical expenses. The discounting factor applied reflects the market conditions at the reporting date. It is derived from corporate bonds with a rating of AA (high quality) that are consistent with the currency and maturity of the liabilities (portfolio-related).

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

Calculation factors applied

In per cent	2017
Discount rate	
Termination benefits	0.90
Pension obligations	1.64
Valorisation of remuneration	2.99
Pensions inflation adjustment	2.00
Employee turnover rate	Dependent on years of service
Calculation principles	AVÖ 2008 P – Pagler & Pagler/salaried employees

Table 70: Calculation factors applied

4. Deposits from reinsurers

Other liabilities

In € million	Solvency II	IFRS	Revaluation
Deposits from reinsurers	429	429	0

Table 71: Deposits from reinsurers

The deposits from reinsurers and settlement liabilities from ceded reinsurance are reported under this item. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet. There are no valuation differences as the same approach was applied under Solvency II.

5. Deferred tax liabilities

Other liabilities In € million	Solvency II	IFRS	Revaluation
Deferred tax liabilities	972	308	664

Table 72: Deferred tax liabilities

Differences between the Solvency II and IFRS values arise through the different reference values used to recognise deferred tax liabilities. Deferred tax liabilities are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax and solvency balance sheets, whereas deferred tax liabilities in the IFRS consolidated financial statements are recognised for differences in carrying amounts between the tax and the IFRS balance sheets. If the difference between IFRS or solvency financial statements and the tax base means that the tax expense is too low in relation to the reference figures, and the tax expense shortfall will reverse in subsequent financial years, a liability must be recognised in accordance with IAS 12 for the future tax expense.

It should be noted that an overall netting approach is required in relation to the recognition of deferred tax if there are tax assets and liabilities due from/to the same tax authority and these assets and liabilities can be offset. All temporary differences that meet the relevant criteria and are expected to reverse in subsequent financial years must therefore be included and netted in the calculation of deferred tax. This then results in either a net deferred tax asset or a net deferred tax liability. This overall approach is not affected by differing maturities.

A deferred tax asset is recognised for unused tax losses, for unused tax credits, and for deductible temporary differences to the extent that it is probable that future taxable profit or deferred tax liabilities will be available for offsetting in the future.

An assessment of the ability to recover deferred tax assets requires an estimate of the amount of future taxable profits, or an estimate of the amount of deferred tax liabilities to be offset. The amount and type of these taxable earnings, the periods in which they are incurred, and the available tax planning measures are all taken into account in budget calculations.

The deferred tax liabilities arising from the differences between the IFRS or solvency balance sheet and values assessed under tax law essentially relate to actuarial items (in the amount of €704.0 million) and property, plants and loans (in the amount of €459.5 million). The calculation was performed with an average tax rate with respect to the revaluation between the IFRS and solvency balance sheet.

6. Derivatives

Other liabilities In € million	Solvency II	IFRS	Revaluation
Derivatives	15	25	-10

Table 73: Derivatives

Derivatives with a negative economic value are stated under this item. The valuation is based on market-consistent valuation methods in line with derivatives with a positive economic value. The statements in Chapter D.1 Assets apply accordingly.

7. Liabilities to banks

Other liabilities In € million	Solvency II	IFRS	Revaluation
Liabilities to banks	4	4	0

Table 74: Liabilities to banks

The carrying amount of the liability under liabilities to banks is the same as the fair value with the result that the amounts recognised under Solvency II and IFRSs are the same. No revaluation is involved.

8. Financial liabilities other than liabilities to banks

Other liabilities In € million	Solvency II	IFRS	Revaluation
Financial liabilities other than liabilities to banks	14	89	-76

Table 75: Financial liabilities other than liabilities to banks

This item mainly comprises loan liabilities.

9. Liabilities to insurance companies and intermediaries

Other liabilities In € million	Solvency II	IFRS	Revaluation
Liabilities to insurance companies and intermediaries	185	188	-3

Table 76: Liabilities to insurance companies and intermediaries

This item includes liabilities to insurance companies and intermediaries. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

10. Liabilities to reinsurance companies

Other liabilities In € million	Solvency II	IFRS	Revaluation
Liabilities to reinsurance companies	51	52	-1

Table 77: Liabilities to reinsurance companies

This item includes other liabilities to reinsurance companies. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

11. Payables (trade, not insurance)

Other liabilities In € million	Solvency II	IFRS	Revaluation
Payables (trade, not insurance)	335	356	-22

Table 78: Payables (trade, not insurance)

This item includes other liabilities which cannot be allocated to one of the other categories. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

12. Subordinated liabilities

Other liabilities In € million	Solvency II	IFRS	Revaluation
Subordinated liabilities	915	846	69
Subordinated liabilities in basic own funds	915	846	69

Table 79: Subordinated liabilities

In July 2013, UNIQA Insurance Group AG successfully placed a supplementary capital bond with institutional investors in Europe to the value of €350 million. The bond has a term of 30 years and may only be called after ten years. The coupon equals 6.9 per cent per annum during the first ten years, after which a variable interest rate applies. The supplementary capital bond satisfies 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 Insurance Group AG'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 successfully placed a subordinated capital bond (Tier 2) with institutional investors in Europe to the value of €500 million. 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 called by UNIQA Insurance Group AG after eleven years have elapsed and under certain conditions. The coupon equals 6.0 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 Market since July 2015. The issue price was set at 100 per cent.

For UNIQA Insurance Group AG's economic balance sheet the financial liabilities were valued in accordance with the Solvency II principles. The initial measurement of the subordinated liabilities was based on a fair-value approach in accordance with the IFRS framework. Subsequent measurement will not take any changes in the company's own creditworthiness into account.

13. Any other liabilities, not shown elsewhere

Other liabilities In € million	Solvency II	IFRS	Revaluation
Any other liabilities, not shown elsewhere	16	17	–1

Table 80: Any other liabilities, not shown elsewhere

This item mainly comprises deferred income. The other liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

D.4 ALTERNATIVE METHODS FOR VALUATION

For assets and liabilities whose valuation is not based on listed market prices in active markets (mark to market) or using listed market prices for similar instruments (marking to market), the UNIQA Group uses alternative valuation methods.

The UNIQA Group uses these valuation methods mainly for bonds, investment property and unlisted shares. In the case of bonds, these are mainly loans, private equity funds, hedge funds, asset-backed securities (ABSs) and structured products. In the case of the investment property, it is real estate held as a financial investment. The unlisted shares include the shares in Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB shares) as their most relevant individual item.

The valuations using alternative valuation methods are primarily based on the discounted cash flow method, benchmark procedures with instruments for which there are observable prices, and other procedures. The inputs and pricing models for the individual assets and liabilities are set out in detail below:

Assets and liabilities	Pricing method	Valuation techniques	Inputs	Pricing model
Property (other than for own use)	Theoretical price	Capital value oriented	Construction value and base value, position, useful area, condition, current contractual leases and current vacancies with rental forecast	Income approach, intrinsic value approach, weighted income and net asset value
Bonds	Theoretical price	Capital value oriented	CDS spread, yield curves, verified net asset values (NAV), volatilities	Present value approach, discounted cash flow, NAV method
Unlisted equities	Theoretical price	Capital value oriented	WACC, (long-term) sales growth rate, (long-term) profit margin, control premium	Expert valuation report
Loans and mortgages	Theoretical price	Capital value oriented	Cash flows already fixed or determined via forward rates, yield structure curve, credit risk of contract partners, collateral, creditworthiness of debtor	Discounted cash flow
Derivatives	Theoretical price	Capital value oriented	CDS spread, yield curves, Volatilities (FX, Cap/Floor, Swaption, Constant Maturity Swap, Equities)	Contract-specific model, Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM

Table 81: Overview of inputs and pricing models for the individual assets and liabilities

D.5 ANY OTHER INFORMATION

The values disclosed in accordance with Solvency II included the figures for the Italian Group at 31 December 2016 as IFRS 5 did not apply. The Italian Group was sold in May 2017, and the associated values are therefore no longer included in the economic balance sheet at 31 December 2017.

E Capital management

E.1 OWN FUNDS

This chapter contains information on the capital management and control processes of the UNIQA Group as is also documented in the capital management guidelines. The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

Capital management at the UNIQA Group takes place with due regard to the regulatory and statutory requirements.

The UNIQA Group uses active capital management to ensure that the individual Group companies and the Group as a whole have a reasonable capital base at all times. Own funds available must suffice in order to meet both the regulatory capital requirements under Solvency II as well as UNIQA's own internal regulations. Aside from the five-year planning, another objective of active capital management is also to actively guarantee the UNIQA Group's financial capacity, including under difficult economic conditions, in order to safeguard the continued existence of the insurance business.

In addition to the solvency capital/minimum capital requirements, the UNIQA Group has set a target solvency ratio corridor for the Group of between 155 per cent and 190 per cent.

If the capital base exceeds this target solvency ratio significantly then the UNIQA Group will return any capital not required to its shareholders, provided that the strategic planning permits this. Conversely, measures aimed at re-establishing the target solvency ratio will also be implemented in the event of undercapitalisation. The solvency ratio is managed using strategic measures which result in a reduction in the capital requirements and/or increase the amount of existing capital.

The solvency of the UNIQA Group is monitored on a regular basis in order to meet the regulatory overall solvency needs. The processes for monitoring and management of own funds and solvency levels are set out in UNIQA's internal guidelines on capital management and risk management. The guidelines define inter alia the following:

- a quarterly review of the coverage of the capital requirements in Pillar 1;
- the regular reporting to the Management Board on the current overall solvency;
- measures for restoring adequate solvency in the event of undercapitalisation;
- determination of internal limits and triggers for operational implementation of a target capital ratio.

No material process adjustments were implemented in relation to management of own funds in the reporting period.

Methods for calculating consolidated own funds

The UNIQA Group's consolidated own funds are calculated based on the consolidated financial statements using Method 1 in accordance with Section 211 of the Austrian Insurance Supervision Act 2016. The consolidation method differs from IFRSs in the way the relevant group companies are included in the consolidation.

The UNIQA Group uses one of the following five methods for inclusion of affiliated companies or equity investments as consolidated own fund items:

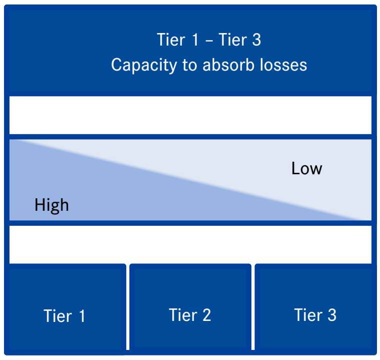


Figure 24: Loss absorption

1. In *full consolidation*, the individual own fund items of the subsidiaries are included in their entirety in the calculation of consolidated own funds.
2. In *proportionate consolidation*, the calculation of the consolidated own funds includes the individual own fund items of the relevant equity investments, but limited according to the proportion of capital held.
3. In the *adjusted equity method*, equity investments and their own funds components are included on the basis of the pro rata excess of assets over equity and liabilities.
4. Affiliated companies in other financial sectors are subject to different *sector requirements*. A relative proportion of the solvency capital requirements for the Group is determined for these companies.
5. The *risk* consolidation method covers equity investments that are not included in methods 1–4.

Categorisation of own funds into classes

Under the Solvency II Directive, own fund instruments are categorised into three different classes of quality known as tiers.

Categorisation of the own fund items depends upon whether the relevant instrument needs to be categorised as a basic own fund item or ancillary own fund item and on the relevant characteristics featured pursuant to Article 93 of the Framework Directive 2009/138/EC.

The following table shows the loss-absorbing capacity of own fund instruments in the different tier classes.

Tier 1 own fund instruments are normally judged to have greater loss-absorbing capacity than Tier 2 or Tier 3 own fund instruments.

Reconciliation of IFRS Group equity to regulatory own funds

The following table shows the reconciliation of IFRS equity including non-controlling interests to regulatory own funds.

Reconciliation of IFRS equity with regulatory own funds

In € million	2017	2016
IFRS equity	**3,193**	**3,213**
Treasury shares	17	17
Revaluation of assets	-433	-527
Goodwill	-296	-295
Deferred acquisition costs	-1,133	-1,135
Shares in affiliated companies including equity investments	82	-110
Property	1,140	1,049
Loans and mortgages	0	4
Other	-227	-39
Valuation of technical provisions	2,824	-2,258
Technical provisions – non-life and health insurance (similar to non-life)	488	-10
Technical provisions – life and health insurance (similar to life)	2,326	-2,065
Technical provisions – index-linked and unit-linked insurance	9	-182
Other technical provisions	0	0
Revaluation of other liabilities	-617	4,080
Deferred tax liabilities	-664	-535
Other	46	4,615
Total revaluation	1,773	1,296
Economic capital	**4,983**	**4,526**
Planned dividends	-159	-151
Treasury shares	-18	-15
Tier 2 – subordinated liabilities	915	929
Deduction items	-39	-48
Basic own funds	**5,683**	**5,241**

Table 82: Reconciliation of IFRS Group equity with regulatory own funds

Economic capital refers to the excess of assets over liabilities.

At the reporting date of 31 December 2017 the IFRS equity including non-controlling interests amounted to €3,193 million (2016: €3,213 million). Own funds in accordance with the regulatory valuation principles amounted to €5,683 million (2016: €5,241 million). The change in the regulatory own funds in the amount of €442 million is essentially the result of the increase in the economic capital.

The difference between the IFRS equity including treasury shares and the economic own funds amounted to a total of €1,773 million (2016: €1,296 million) and is a result of the different treatment of individual items in the relevant valuation assessment.

A solvency balance sheet is prepared in accordance with the stipulations under the Delegated Regulation (EU) 2015/35 for the calculation of the regulatory own funds. Assets are valued in accordance with mark-to-market values for this. Mark-to-model values are adopted if these are unavailable for the balance sheet items.

Liabilities are valued using a mark-to-model assessment which models the future payment flows of the existing business.

The main valuation differences in relation to regulatory own funds are in connection with the following items:

- Goodwill and intangible assets are valued at zero.
- The deferred acquisition costs are valued at zero.
- The IFRS carrying amounts for equity investments, land and buildings and investments not measured at fair value are replaced by market values under Solvency II.
- Technical provisions and reinsurance receivables are measured in regulatory own funds with a significantly lower value than under IFRSs, based on the discounted best estimate plus a risk margin.

Reconciliation of regulatory own funds to regulatory basic own funds

On a regulatory basis, the economic capital amounted to €4,983 million (2016: €4,526 million). The planned dividends in the amount of €159 million (2016: €151 million) were deducted as part of the reconciliation of the available own funds and were added to the subordinated liabilities.

The planned dividends item includes the planned dividend payments for 2018 based on the 2017 profits that have not yet been paid out and do not represent own funds.

Information on own funds

Information on own funds

In € million	2017	2016
Basic own funds	5,683	5,241
Tier 1	4,763	4,308
Share capital including capital reserves	1,991	1,991
Surplus funds (free provision for policyholder bonuses)	46	49
Initial fund	2	2
Reconciliation reserve	2,717	2,257
Eligible non-controlling interests	41	51
Deduction items	33	42
Tier 2	915	929
Subordinated liabilities	915	929
Deduction items	0	0
Tier 3	5	4
Deferred tax assets	11	10
Non-controlling interests	0	0
Deduction items	6	6
Reduction in eligibility thresholds	0	0
Own funds to cover SCR	5,683	5,241

Table 83: Information on own funds

The regulatory own funds in the UNIQA Group consisted almost exclusively of Tier 1 capital both on a consolidated basis as well as at the individual company level. The majority of the Group Tier 1 capital consists of the subscribed share capital including the allocated share premium account and the reconciliation reserve.

This is determined from the total surplus of the assets over the liabilities less treasury shares, planned dividend payments and the basic own funds. The Tier 1 instruments rose by €4,308 million to €4,763 million. The change was entirely the result of an increase in the economic capital. Reference is made here to Chapter D Valuation for solvency purposes of this Report in order to avoid redundancies.

The Tier 2 capital amounting to €915 million (2016: €929 million) consisted 100 per cent of subordinated liabilities in the 2017 financial year. The fall amounting to €14 million is the result of an increase in the interest rate level. There were no new issues of Tier 2 subordinated liabilities in the reporting year.

The following table shows the features of the subordinated liabilities:

Subordinated liabilities issued by the UNIQA Group

In € million	Interest rate 6.875%	Interest rate 6.000%
Nominal value	350	500
Solvency II fair value	385	530
Tier	2	2
Transitional regulations	No	No
Issue date	31/07/2013	27/07/2015
First cancellation date	31/07/2023	27/07/2026
Date of maturity	31/07/2043	27/07/2046
Status	Subordinated and unsecured	Subordinated and unsecured
Interest	Fixed until the first cancellation date, then variable	Fixed until the first cancellation date, then variable

Table 84: Subordinated debt securities

In the 2017 financial year there were Tier 3 own fund items in the amount of €11 million (2016: €10 million) resulting from net deferred tax assets. Taking into account transferability, €5 million of this amount (2016: €4 million) was available and eligible at Group level.

There were no ancillary own funds in the Group over the entire reporting year of 2017. No ancillary own funds had been applied for either from the national supervisory authorities by the time that the Report had been completed.

Eligible own funds (SCR and MCR cover for each tier)

Tier 1 own funds can be used in full to cover the regulatory capital requirement. The Solvency II Framework Directive provides for a limit on the eligibility of Tier 2 and Tier 3 own fund items, and therefore not all basic own funds are necessarily eligible with respect to the solvency capital requirement or the minimum capital requirement. The eligibility limits depend on the amount of the solvency capital requirement and minimum capital requirement, and on the quality of the instrument.

The following table shows the limit on coverage of the solvency capital and minimum capital requirements; the level is calculated based on the overall solvency or minimum solvency requirement.

SCR and MCR cover for each tier (equity category)

	Restriction in per cent	In € million 2017	2016
Solvency capital requirement		2,274	2,589
SCR cover			
Tier 1	Min. 50% of SCR	1,137	1,294
Tier 1 restricted	Max. 20% of total Tier 1	0	0
Tier 3	Max. 15% of SCR	341	388
Tier 2 + Tier 3	Max. 50% of SCR	1,137	1,294
Minimum capital requirement		1,194	1,397
MCR cover			
Tier 1	Min. 80% of MCR	955	1,118
Tier 1 restricted	Max. 20% of total Tier 1	0	0
Tier 2	Max. 20% of MCR	239	279

Table 85: Eligible own funds (general)

Own funds eligible for the SCR for each tier

	Basic own funds 2017	2016	Own funds eligible to cover SCR 2017	2016
Tier 1 unrestricted	4,763	4,308	4,763	4,308
Tier 1 restricted	0	0	0	0
Tier 2	915	929	915	929
Tier 3	5	4	5	4
Total	**5,683**	**5,241**	**5,683**	**5,241**

Own funds eligible for the MCR for each tier

	Basic own funds 2017	2016	Own funds eligible to MCR cover 2017	2016
Tier 1 unrestricted	4,763	4,308	4,763	4,308
Tier 1 restricted	0	0	0	0
Tier 2	915	929	241	279
Total	**5,678**	**5,236**	**5,004**	**4,587**

Table 86: Eligible own funds at the reporting date

As at 31 December 2017, there was no limitation of the eligibility of own fund items to cover the Group's solvency capital requirements. With respect to the minimum capital requirements, €674 million of the basic own funds (2016: €649 million) was not used to cover the minimum solvency capital requirement as a result of the limitation.

Additional Group information

A consolidation method is used to prepare the consolidated solvency balance sheet in a process that is similar to reporting under IFRS.

The restrictions on transferability of own funds are reviewed in order to determine own fund items that are used to cover the UNIQA Group's SCR. A total of €41 million (2016: €51 million) are eligible non-controlling interests. Of this total, an amount of €32 million (2016: €42 million) was capped for the calculation of the consolidated own funds. This change essentially results from the omission of the Italian subsidiaries.

A total of €39 million (2016: €48 million) are own fund items that are not available at Group level.

The following table shows that there were no equity investments in companies from other financial sectors deducted in the reporting year.

Information on the own funds eligible for the SCR for each tier

In € million	31/12/2017	31/12/2016	Change
Available consolidated own funds before capping own funds with restricted transferability and non-controlling interests	5,722	5,288	433
of which Tier 1	4,796	4,350	446
of which Tier 2	915	929	-13
of which Tier 3	11	10	0
- capping of own funds for which transfer is restricted	6	6	0
of which Tier 1	0	0	0
of which Tier 2	0	0	0
of which Tier 3	6	6	0
- capping of non-controlling interests	33	42	-9
of which Tier 1	33	42	-9
of which Tier 2	0	0	0
of which Tier 3	0	0	0
= available consolidated own funds after capping non-controlling interests and own funds with restricted transferability	5,683	5,241	442
+ proportion of own funds of entities in other financial sectors	0	0	0
- limitation of eligibility	0	0	0
= eligible own funds (after taking into account own funds of entities in other financial sectors)	**5,683**	**5,241**	**442**

Table 87: Restrictions on transferability at Group level

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

The UNIQA Group uses a partial internal model to calculate the solvency capital requirement at Group level.

The solvency capital requirement is calculated using Method 1 (as explained in Chapter E.1) in accordance with the applicable Solvency II regulations based on the principle of a going-concern. The solvency capital requirement is calibrated in such a way that guarantees that all quantifiable risks to which the UNIQA Group is exposed are taken into account. This includes both current operating activities and the new business expected in the subsequent twelve months. It only covers unexpected losses in relation to ongoing business activities. The solvency capital requirement corresponds with the value-at-risk of the UNIQA Group's basic own funds at a confidence level of 99.5 per cent over a one-year period.

The following overview shows the amounts for the solvency capital requirement for each risk module and for the minimum capital requirement at the end of the reporting period at 31 December 2017 at Group level.

Risk profile (in accordance with future profit distribution)

In € million	2017
Solvency capital requirement (SCR)	**2,274**
Basic solvency capital requirement	2,507
Market risk	2,094
Counterparty default risk	165
Life underwriting risk	387
Non-life underwriting risk	456
Health underwriting risk	161
Diversification	-757
Operational risk	169
Loss-absorbing capacity of deferred tax	-402
Own funds to cover the solvency capital requirement	**5,683**
Ordinary share capital (including treasury shares)	309
Share premium account related to ordinary share capital	0
Surplus funds	46
Reconciliation reserve	2,717
Excess of assets over liabilities	4,983
Own shares (held directly and indirectly)	18
Foreseeable dividends, distributions and charges	159
Other basic own fund items	2,089
Non-controlling interests	73
Subordinated liabilities	915
Amount equal to the value of net deferred tax assets	11
Total own funds eligible to meet the SCR	5,683
Solvency ratio	**250 %**
Available surplus	**3,409**
Minimum capital requirement (MCR)	**1,194**

Table 88: UNIQA Group overview

In the calculation of default risk in connection with determining the risk-mitigating effects from reinsurance (Article 196 of the Delegated Regulation (EU) 2015/35), the UNIQA Group uses the simplification specified in Article 107 of the Delegated Regulation (EU) 2015/35. None of the group-specific parameters pursuant to Section 178 of the Austrian Insurance Supervision Act 2016 are applied.

In accordance with Section 211(1) of the Austrian Insurance Supervision Act 2016, the solvency capital requirement for the Group is based on the total sum of the minimum capital requirements of the solo companies as a minimum. Provided that a solo company is subject to the Austrian Insurance Supervision Act 2016, then the minimum capital requirement is used, in accordance with Section 193 of the Insurance Supervision Act 2016. Otherwise any local capital requirement is applied which would result in a discontinuation of business operations if this requirement was not met.

The regulatory own funds, solvency capital requirement and minimum capital requirement for the UNIQA Group are shown in detail in the table above.

The diversification effects at Group level that arise in an analysis of the solvency capital requirements of the solo insurance companies compared with the solvency capital requirement for the UNIQA Group result from:

- elimination of intragroup business relationships (reinsurance, equity investments), and
- diversification as a result of the pooling of risk in a larger portfolio.

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENTS

The duration-based equity risk sub-module is not used to determine the SCR for the UNIQA Group.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODELS USED

The objective of the partial internal model at UNIQA is to ascertain the risk based capital (RBC) and therefore the amount of own funds that are to be used to absorb unforeseen losses over a certain period of time. Currently only the non-life and health similar to non-life technique (hereafter health-NSLT) are included in the scope of the RBC framework. All other risk modules (e.g. market risk, credit risk, etc.) are measured and evaluated consistently using the Solvency II standard formula.

The non-life and health-NSLT risk describes the uncertainties associated with taking out non-life and health-NSLT primary and reinsurance contracts. It also includes the uncertainties of the payment flows arising from this, i.e. premiums, receivables and expenditures. The non-life and health-NSLT risk is broken down into the following within the UNIQA Group's partial internal model as a result of the different types of sources of uncertainty:

- premium risk
    - business risk
    - catastrophe risk (CAT)
    - non-catastrophe risk (non-CAT)
- reserve risk

The following figure shows the structure of the UNIQA Group's partial internal model:

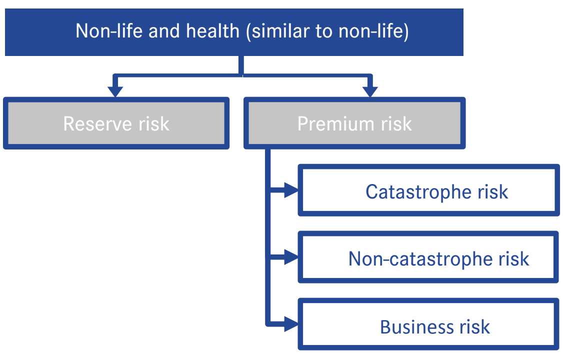


Figure 25: Structure of the partial internal model

The partial internal model is used for different purposes within the UNIQA Group. Aside from the regulatory SCR calculation, the partial internal model also provides data for the non-life and health-NSLT risk for the following processes:

- Own Risk and Solvency Assessment (ORSA)
- risk strategy and limit system
- profit testing
- planning
- monitoring the effectiveness of reinsurance

The following businesses are mapped within the framework of the UNIQA Group's partial internal model:

Name	Country	Used in the Solo SCR?	Used in the Group SCR?
UNIQA Insurance Group AG	Austria	No	Yes
UNIQA Österreich Versicherungen AG	Austria	Yes	Yes
UNIQA Re AG	Switzerland	No	Yes
UNIQA poisťovňa, a.s.	Slovakia	Yes	Yes
UNIQA pojišťovna, a.s.	Czech Republic	Yes	Yes
UNIQA osiguranje d.d.	Croatia	No	Yes
UNIQA TU S.A.	Poland	No	Yes
UNIQA Biztosító Zrt.	Hungary	Yes	Yes
UNIQA osiguranje d.d. Sarajevo	Bosnia	Not an EU country	Yes
UNIQA Insurance plc.	Bulgaria	No	Yes
UNIQA Versicherung	Ukraine	Not an EU country	Yes
UNIQA neživotno osiguranje a.d.o.	Serbia	Not an EU country	Yes
UNIQA Asigurari	Romania	Yes	Yes

Table 89: Businesses within the framework of the partial internal model

As only a part of the UNIQA Group's business is covered in the partial internal model, this part is combined with the rest of the business that is handled using the Solvency II standard assessment. This takes place with one of the integration techniques ("technique 3") for partial internal models pursuant to the Solvency II Delegated Regulation (EU) 2015/35. Diversification effects between the business covered within the framework of the partial internal model and business that is not covered are also accounted for with the selected integration technique.

The following table shows the most significant differences between the methodology used and risk categorisation in the standard formula and the partial internal model:

<table>
<tr><th>Standard formula sub-module</th><th></th><th></th><th>Partial internal model module</th><th>Partial internal model sub-module</th></tr>
<tr><td rowspan="3">Premium and reserve risk</td><td rowspan="2">Premium risk</td><td rowspan="2">=></td><td>Premium risk</td><td>Non-catastrophe risk</td></tr>
<tr><td>Premium risk</td><td>Business risk</td></tr>
<tr><td>Reserve risk</td><td>=></td><td>Reserve risk</td><td>Reserve risk</td></tr>
<tr><td rowspan="2">CAT risk</td><td>Catastrophe risk</td><td>=></td><td>Premium risk</td><td>Catastrophe risk</td></tr>
<tr><td>Catastrophe risk caused by humans ("man-made CAT")</td><td>=></td><td>Premium risk</td><td>Catastrophe risk caused by humans</td></tr>
<tr><td>Lapse risk</td><td>Lapse risk</td><td>=></td><td>Premium risk</td><td>Business risk</td></tr>
</table>

Table 90: Risk categorisation in the standard formula and the partial internal model

The most significant differences between the standard formula and the partial internal model are as follows:

- detailed structure of the model which is adjusted to the UNIQA-specific portfolio
- parameters based on UNIQA-internal data which best describes the risk profile of the businesses
- correct mapping of reinsurance contracts, especially non-proportional reinsurance

The confidence level for the partial internal model according to the RBC framework for UNIQA is set at 99.5 per cent, which equates to a recurrence interval of 1 in 200 years. The retention period is generally set at one year; the ultimate risk (i.e. the risk until maturity of the existing business and of that which is written in the year being modelled) is used instead of the one-year risk for the non-CAT premium risk. Both the premium and the reserve risk are aggregated in order to obtain the comprehensive non-life risk.

This takes place using a Gaussian copula-based approach. Compared with the standard formula, UNIQA's partial internal model explicitly includes the business risk in a separate risk module. It covers the uncertainty related to future changes in premiums and costs over the period being modelled. The following methods are applied in order to calculate the probability distribution:

Partial internal model module	Partial internal model Sub-module	Method used
Premium risk	Non-catastrophe risk	· Stochastic claims rate model for basic damage · Individual risk model for major damage
	Business risk	· Stochastic model for premiums and operating expenses · Acquisition costs in connection with actual premiums
	Catastrophe risk	· Use of models from external providers · Otherwise individual and collective risk model
	Catastrophe risk caused by humans	· Scenario approach
Reserve risk	Reserve risk	· Model for loss development

Table 91: Calculation of the probability distribution

The data used in the partial internal model is provided by various departments: Accounting, Controlling, Reinsurance, Actuarial Services, Risk Management, Claims and Underwriting. Most non-CAT models also come from external service providers.

The crucial data required depends on the risk model:

Risk categories	Data required
Premium risk – non-catastrophe	· Accounting (e.g. premiums & expenses) · Forecast data (e.g. forecast premiums & budgeted expenses) · Historical loss information per individual loss event · Historical information on total amounts insured and time in-force per individual contract · Detailed information on reinsurance contracts · Information on business performance (e.g. expected change in claims progress)
Premium risk – catastrophe	· Natural disasters (loss events tables): internal exposure and contract data at the level of granularity required for the external models · Man-made scenarios: detailed information on the insured sum and on the probable maximum loss (PML) for the contracts in force as at the valuation date
Reserve risk	· Historical loss information per individual loss event
Business risk	· Forecast data (forecast premiums, budgeted expenses, planned exposure) from historical years for the following year · Accounting data (premiums & expenses) from previous years · Historical exposure information per business line

Table 92: Risk categories and data required

Data quality is ensured using a strict governance framework with a particular focus on validation. The aim of this is to validate the accuracy, appropriateness and integrity of the data. Another objective involves ensuring that all internal and external data required for parameterisation of the partial internal model and for the validation process is available and up-to date. With external data it is also important that its use is explained and reasons are provided, and that any training carried out with the aim of ensuring understanding of the external data is documented.

The most important assumptions are those regarding diversification and dependencies. The UNIQA Group considers concentrations and dependencies between different hierarchy levels in the portfolio here (except at Group level). This takes place in order to account for the fact that not all causes of risk occur at the same time. This effect is known as the diversification effect. Managing diversification plays an important role in UNIQA's risk management approach. A separate system has been set up for the purpose of measuring diversification within the framework of the partial internal model. The objective is to structure the non-life and health-NSLT portfolio in such a way that the diversification effects are exploited to optimum effect. The diversification effect also assists here in neutralising adverse events in certain sections of the portfolio through positive developments in other parts of the portfolio. The optimum level of diversification is generally generated with a balanced portfolio without any major concentration on just a few business lines or sources of risks.

The dependency parameters are generally derived from historical data from the UNIQA Group's non-life and health-NSLT portfolio. The UNIQA Group considers all available historical years annually. These parameters are merged with a series of parameters defined previously (for each source of risk) through use of risk rankings for the purposes of damage. This approach is known as the shrinkage method. Expert assessments can be added later in order to account for local features. The UNIQA Group also does not permit any negative dependency parameters (i.e. the worst-case losses in a portfolio increase the chance of a gain in another portfolio) for the dependencies between different claims for damage.

The UNIQA Group defines the dependency parameters in such a way that the dependency of the risks is presented under adverse conditions. A Gaussian copula approach is used based on these parameters in order to determine the comprehensive dependency structure of all sources of risks and portfolios for the business covered.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT OR SOLVENCY CAPITAL REQUIREMENT

The UNIQA Group met the minimum capital requirement and solvency capital requirement at all times in the 2017 financial year.

E.6 ANY OTHER INFORMATION

No other disclosures.

UNIQA GROUP

Vienna, 9 May 2018

Andreas Brandstetter
Chairman of the
Management Board

Erik Leyers
Member of the
Management Board

Kurt Svoboda
Member of the
Management Board

Solvency and Financial Condition Report for the UNIQA Insurance Group AG

Version dated: 31 December 2017

Contents

Executive Summary

The figures presented in the summary relate in all cases to UNIQA Insurance Group AG.

We present the company and its underlying business model together with the most important figures related to premium revenues, benefits and investment performance in Chapter **A Business and performance**. Overview:

The listed holding company UNIQA Insurance Group AG handles indirect property and casualty insurance along with life insurance and functions as an administrative and marketing organisation for the operative insurance companies. The Group's international activities are controlled via UNIQA International AG.

The premium volume in indirect business amounted to €58.5 million in the financial year (2016: €63.1 million), of which €28.1 million (2016: €30.3 million) originated from acquisitions from companies outside of the Group. Details on the individual business lines and explanations of the developments are provided in Chapter A.2 to A.5 in this Annex.

The UNIQA Insurance Group AG organisational structure is illustrated in Chapter **B System of governance** and this is in line with the statutory requirements. The UNIQA Group has a uniform system of governance. Among other items it includes the fit and proper requirements, the risk management system including the company's own risk and solvency assessment and information on the internal control system.

The details on the composition and calculation of the risk capital are outlined in Chapter **C Risk profile**. This includes above all the material risks related to underwriting, market risks, credit risks or risks of default, liquidity risks along with operational risks. The solvency capital requirement at UNIQA Insurance Group AG is calculated in accordance with the Solvency II standard formula.

Given UNIQA Insurance Group AG's business model and function within the Group, its risk profile is dominated by market risk, which amounted to €1,561.5 million. The additional risk modules (credit/default risk, operational risk and underwriting risk) assume a relatively subordinate role in contrast. The following overview illustrates the capital requirements for the individual risk modules, the overall solvency capital requirement (SCR), and the accompanying equity.

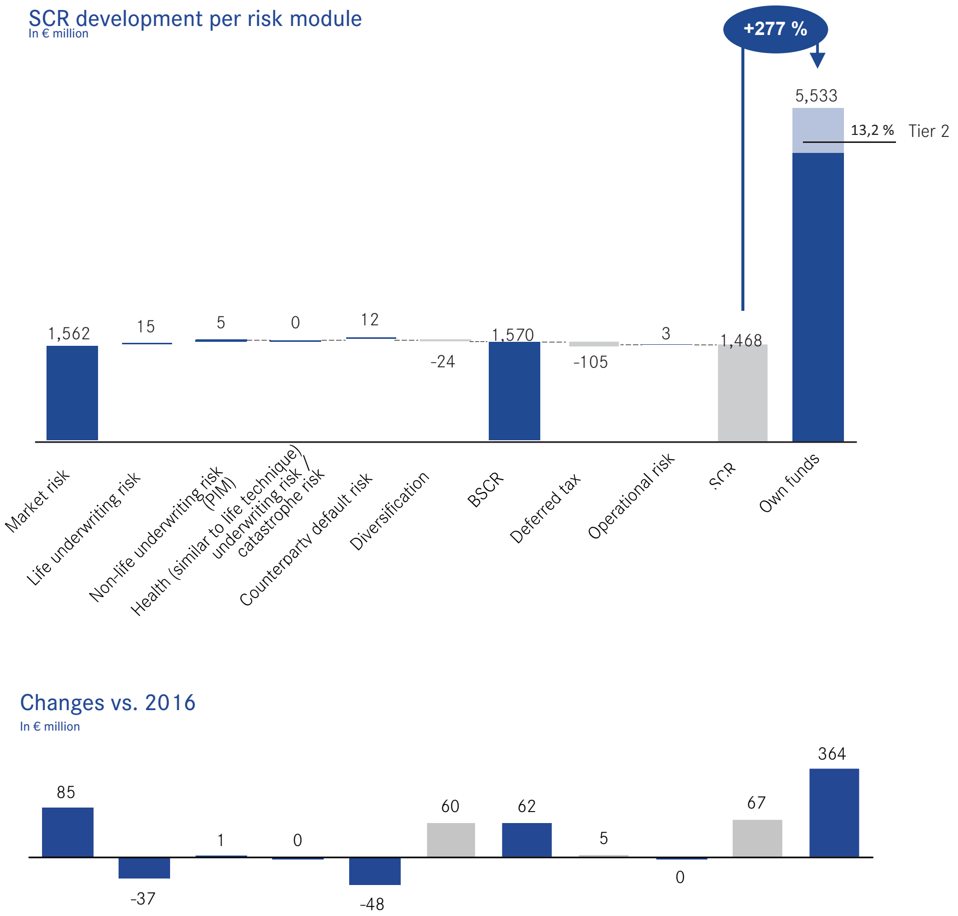


Figure 26: SCR development per risk module

UNIQA Insurance Group AG has an excellent capital position with a solvency ratio of 377 per cent.

The methods used to measure individual balance sheet items in the solvency balance sheet are outlined in Chapter **D Valuation for solvency purposes** and a comparison is provided with the items in the UNIQA Insurance Group AG separate financial statements in accordance with the Austrian Commercial Code. If the volatility adjustment is not taken into account the solvency ratio is reduced to 375 per cent.

Finally, in Chapter **E Capital management,** the economic capital is reconciled with the equity ultimately eligible**.** The eligible own funds of UNIQA Insurance Group AG amount to €5,533 million (2016: €5,169 million). At around €4,799 million (2016: €4,469 million), most of the own funds consist of Tier 1 capital. The eligible own funds for MCR coverage amount to €4,872 million (2016: €4,539 million). At around €4,799 million (2016: €4,469 million), most of the own funds here also consist of Tier 1 capital. The MCR ratio amounts to 1,328 per cent.

A Business and performance

The report for UNIQA Insurance Group AG is structured in the same way as the report for the UNIQA Group. To avoid repetition, only company-specific details and material differences compared with the UNIQA Group are addressed.

The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

A.1 BUSINESS ACTIVITIES

A detailed description of business activity can be found in Chapter A.1 of the UNIQA Group report.

UNIQA Insurance Group AG handles indirect insurance and functions as an administrative and marketing organisation for the operative insurance companies.

The company did not manage any branches in the financial year.

Property and casualty insurance

In 2017, €58.5 million of indirect business was written at UNIQA Insurance Group AG (2016: €63.1 million). The company also offers health and life insurance in the property and casualty line.

Around 65.6 per cent (2016: 67.4 per cent) of total premium volumes are generated in life insurance, i.e. €38.4 million in 2017 (2016: €42.5 million).

No premiums were written at UNIQA Insurance Group AG in the indirect business in health insurance in 2016 or 2017.

A.2 UNDERWRITING PERFORMANCE

This chapter describes the underwriting performance of UNIQA Insurance Group AG in the reporting period. This performance is described qualitatively and quantitatively both on an aggregated basis and broken down by the essential business lines and geographical areas in which the UNIQA Insurance Group AG pursues its activities. The details are then compared with the information contained in the company's separate financial statements submitted in the reporting period and compared with the previous year.

Underwriting performance in non-life insurance by essential business lines (gross)

In € million	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Medical expense insurance	0	0	0	0	0	0	0	0	0	0	0	0
Income protection insurance	0	0	0	0	0	0	0	0	0	0	0	0
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	5	5	5	5	2	2	0	0	2	2	0	0
Other motor insurance	1	1	1	1	1	1	0	0	0	1	0	0
Marine, aviation and transport insurance	0	0	0	0	0	0	0	0	0	0	0	0
Fire and other damage to property insurance	11	11	11	11	6	6	0	0	5	7	-1	-3
General liability insurance	1	1	1	1	1	1	0	0	1	1	-1	0
Credit and suretyship insurance	0	0	0	0	0	0	0	0	0	0	0	0
Legal expenses insurance	0	0	0	0	0	0	0	0	0	0	0	0
Assistance	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous financial loss	0	0	0	0	0	0	0	0	24	15	-24	-15
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	2	2	2	2	2	3	0	0	0	0	0	-1
Total	**20**	**21**	**20**	**20**	**13**	**13**	**0**	**0**	**32**	**26**	**-25**	**-18**

Table 93: Underwriting performance in non-life insurance by essential business lines (gross)

Underwriting performance in non-life insurance by essential business lines (net)[1)]

In € million	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Medical expense insurance	0	0	0	0	0	0	0	0	0	0	0	0
Income protection insurance	0	0	0	0	0	0	0	0	0	0	0	0
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	1	1	1	1	0	0	0	0	1	1	0	-1
Other motor insurance	0	0	0	0	0	0	0	0	0	0	0	0
Marine, aviation and transport insurance	0	0	0	0	0	0	0	0	0	0	0	0
Fire and other damage to property insurance	2	2	2	2	1	1	0	0	3	4	-2	-4
General liability insurance	0	0	0	0	0	0	0	0	0	0	-0	0
Credit and suretyship insurance	0	0	0	0	0	0	0	0	0	0	0	0
Legal expenses insurance	0	0	0	0	0	0	0	0	0	0	0	0
Assistance	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous financial loss	0	0	0	0	0	0	0	0	24	15	-24	-15
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	1	0	0	0	0	1	-1
Total	**4**	**4**	**4**	**4**	**2**	**3**	**0**	**0**	**28**	**21**	**-25**	**-20**

[1)] In the 2016 financial year the reinsurance share was apportioned in accordance with the reinsurance contract. In the 2017 financial year the reinsurance share was apportioned in accordance with the underlying risk. In order to make it possible to compare the two financial years, the 2016 values in the table have been adjusted to reflect the new breakdown.

Table 94: Underwriting performance in non-life insurance by essential business lines (net)

There are no essential changes on the previous year. Only with respect to the expenses incurred there is a net increase of €6.4 million as a result of a rise in overheads.

Underwriting performance in non-life insurance by main geographic areas

Premiums, claims and expenses by country	Top countries (by amount of gross premiums written) – non-life insurance obligations									
	Austria		Germany		Croatia		Spain		Total	
In € thousand	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Premiums written										
Gross	18,042	18,580	2,042	1,954	30	36	0	0	20,114	20,571
Net	3,589	3,717	406	391	6	7	0	0	4,001	4,116
Premiums earned										
Gross	17,982	18,551	1,998	1,830	30	36	-1	3	20,009	20,421
Net	3,575	3,599	397	355	6	7	0	1	3,978	3,962
Claims expenses										
Gross	13,390	12,157	607	828	12	32	-1	16	14,009	13,032
Net	1,824	2,866	83	195	2	8	0	4	1,908	3,072
Change in other technical provisions										
Gross	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0	0
Expenses incurred	24,855	19,228	2,813	2,023	42	38	1	0	27,710	21,289
Total underwriting performance – net	**-23,104**	**-18,495**	**-2,498**	**-1,863**	**-37**	**-38**	**-1**	**-3**	**-25,640**	**-20,399**

Table 95: Underwriting performance in non-life insurance by main geographic areas

As in the previous year, the focus of the business is on the domestic market of Austria. There are no essential changes related to the business in the other countries.

Underwriting performance in life insurance by essential business lines (gross)

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
In € million	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Health insurance	0	0	0	0	0	0	0	0	20	12	-20	-12
Insurance with profit participation	0	0	0	0	0	0	0	0	0	0	0	0
Index-linked and unit-linked insurance	0	0	0	0	0	0	0	0	0	0	0	0
Other life insurance	0	0	0	0	0	0	0	0	18	24	-18	-24
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Life reinsurance	38	42	39	43	39	40	4	1	3	10	0	-6
Total	**38**	**42**	**39**	**43**	**39**	**40**	**4**	**1**	**42**	**46**	**-38**	**-42**

Table 96: Underwriting performance in life insurance by essential business lines (gross)

Underwriting performance in life insurance by essential business lines (net)

In € million	Premiums written 2017	Premiums written 2016	Premiums earned 2017	Premiums earned 2016	Claims expenses 2017	Claims expenses 2016	Change in other technical provisions 2017	Change in other technical provisions 2016	Expenses incurred 2017	Expenses incurred 2016	Underwriting performance 2017	Underwriting performance 2016
Health insurance	0	0	0	0	0	0	0	0	19	12	-19	-12
Insurance with profit participation	0	0	0	0	0	0	0	0	0	0	0	0
Index-linked and unit-linked insurance	0	0	0	0	0	0	0	0	0	0	0	0
Other life insurance	0	0	0	0	0	0	0	0	18	24	-18	-24
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Life reinsurance	16	19	17	19	20	21	2	0	3	8	-5	-10
Total	**16**	**19**	**17**	**19**	**20**	**21**	**2**	**0**	**40**	**44**	**-41**	**-46**

Table 97: Underwriting performance in life insurance by essential business lines (net)

Compared with the 2016 financial year, premiums written fell by €2.5 million to €16.5 million, while expenses incurred fell in the same period by €4.0 million to €39.7 million.

Underwriting performance in life insurance by main geographic areas

Premiums, claims and expenses by country — Top countries (by amount of gross premiums written) – life insurance obligations

In € thousand	Austria 2017	Austria 2016	Germany 2017	Germany 2016	Croatia 2017	Croatia 2016	Spain 2017	Spain 2016	Total 2017	Total 2016
Premiums written										
Gross	35,244	37,828	2,271	3,638	842	989	11	11	38,368	42,466
Net	14,885	16,648	959	1,601	356	435	5	5	16,204	18,690
Premiums earned										
Gross	35,296	37,895	2,514	3,848	888	1,029	11	11	38,709	42,783
Net	15,080	16,834	1,074	1,709	379	457	5	5	16,538	19,005
Claims expenses										
Gross	30,691	31,181	7,077	7,909	1,258	1,108	1	2	39,027	40,200
Net	15,475	16,210	3,568	4,111	634	576	0	1	19,678	20,899
Change in other technical provisions										
Gross	733	-817	2,949	2,206	53	-171	-7	-5	3,728	1,213
Net	323	8	1,299	-21	23	2	-3	0	1,641	-11
Expenses incurred	36,457	38,899	2,350	3,741	871	1,017	11	11	39,689	43,669
Underwriting performance – net	**-36,530**	**-38,268**	**-3,545**	**-6,164**	**-1,103**	**-1,135**	**-10**	**-8**	**-41,188**	**-45,574**

Table 98: Underwriting performance in life insurance by main geographic areas

As in the previous year the focus of the business is on the domestic market of Austria. There are no essential changes related to the business in the other countries.

Changes in premiums, insurance benefits and expenses

Changes in premiums, insurance benefits and expenses	Non-life	
In € million	2017	2016
Premiums earned (net)	21	23
Claims expenses (net)	-21	-24
Change in other technical provisions (net)	2	0
Expenses incurred (including asset management expenses) (net)	-67	-65
Other technical expenses	-7	-6
Technical result in accordance with reporting template S.05.01.02	-73	-72
Technical interest income	10	10
Other insurance income	1	7
Change in volatility reserve	31	-2
Asset management expenses (in financial result)	6	8
Technical result in accordance with the Austrian Commercial Code/Insurance Supervision Act	-26	-49

Table 99: Changes in premiums, insurance benefits and operating expenses

Changes in premiums

The premium volume in indirect business amounted to €58.5 million in the 2017 financial year (2016: €63.1 million), of which €28.1 million (2016: €30.3 million) originated from acquisitions from companies outside of the Group.

The reinsurance premiums ceded amounted to €38.3 million in 2017 (2016: €40.2 million).

Premiums earned (net) amounted to €20.5 million (2016: €23.0 million).

Claims expenses

Premium income was offset by payments for insurance benefits to the Group companies of €26.7 million (2016: €27.4 million) and to companies outside of the Group in the amount of €24.1 million (2016: €26.2 million).

The proportion ceded to reinsurers amounted to €28.7 million (2016: €29.8 million).

The change in provision for unsettled claims amounts to €1.2 million in the 2017 financial year (2016: €–0.2 million).

The proportion ceded to reinsurers amounted to €1.9 million (2016: €–0.5 million).

Claims expenses (net) amounted to €21.4 million (2016: €24.0 million).

Operating expenses

Operating expenses in the 2017 financial year including asset management expenses amount to €67.4 million (2016: €65.0 million).

Change in equalisation reserve

The equalisation reserve is calculated in accordance with the provisions of the Regulation of the Federal Minister of Finance Law Gazette II No. 324/2016 or the orders issued by the Financial Market Authority. In a decision dated 27 December 2017, the Financial Market Authority ordered a deviation from calculation rules of the equalisation reserve for the reinsurance sector in the fire insurance line due to special circumstances, in particular changed loss ratios for the years 2002 to 2015 in accordance with Section 154(4) of the Insurance Supervision Act. In the financial year 2017, €30.9 million were released (2016: addition of €2.1 million).

A.3 INVESTMENT PERFORMANCE

The following chapter illustrates UNIQA Insurance Group AG's investment results (separate financial statement) in the reporting period as compared with the information submitted in the previous reporting period and contained in the company's financial reports. Investments of UNIQA Insurance Group AG decreased in the reporting year by 3.9 per cent (2016: increase by 7.2 per cent) to €3,857.3 million overall (2016: €4,012.3 million). These include securities account receivables from cedants to the value of €312.9 million (2016: €321.4 million). Land and buildings recorded receipts to the value of €0.9 million (2016: €1.0 million). Depreciation, amortisation and impairment losses in the reporting year amounted to €11.5 million (2016: €6.7 million). At 31 December 2017, the carrying amount was €170.4 million (2016: €181,1 million). All real estate is located in Austria.

The investments in affiliated companies and holdings at the end of 2017 amounted to €3,171.9 million (2016: €3,188.3 million). There were no write-downs (2016: €49.3 million) on shares in affiliated companies in the financial year.

Other expenses decreased in the reporting year by €119.3 million (2016: reduction by €68.8 million) to €202.2 million (2016: €321.4 million).

Income less expenses from investments

Income from investments (net)	Property and casualty insurance	
In € million	2017	2016
Income from investments and interest	282	319
Income from equity investments	170	219
Income from land and buildings	8	8
Income from other investments	47	43
Gains on the disposal of investments	5	37
Income from reversal of impairment losses	40	0
Other income from investments and interest	12	12
Investment and interest expenses	-82	-139
Asset management expenses	-6	-8
Impairment losses on investments	-15	-57
Interest expenses	-60	-73
Losses on the disposal of investments	0	0
Other investment expenses	-1	-1
Net investment income	200	180
Capital earnings transferred to the underwriting account	-10	-10

Table 100: Investment income in accordance with the Austrian Commercial Code (net)

Net income from investments amounts to €200.0 million (2016: €180.3 million). The earnings from investments and interest amount to €282.2 million (2016: €319.4 million) and the expenses for investments and interest amount to €82.2 million (2016: €139.0 million).

The decline of €48.2 million in equity investments results mainly from UNIQA Beteiligungs-Holding GmbH. Gains on the disposal of investments decreased by €32.6 million.

The sales profit in the amount of €37.2 million from the sale of the holding in Niederösterreichische Versicherung AG was one of the factors that had a positive effect on investment income in the 2016 financial year. The increase of €39.6 million in income from reversal of impairment losses mainly from UNIQA Finanzbeteiligung GmbH. Write-downs of investments decreased by €41.6 million. In 2016, the write-down of UNIQA Beteiligungs-Holding GmbH in the amount of €40.0 million had a negative impact on profit.

No assets are measured directly in equity in accordance with the Austrian Commercial Code. These are measured exclusively through profit or loss.

Information on investments in securitisations

UNIQA Insurance Group AG has not invested in any asset-backed securities (ABSs).

A.4 PERFORMANCE OF OTHER ACTIVITIES

Other non-underwriting income of UNIQA Insurance Group AG rose in 2017 to €1.3 million (2016: €0.7 million). Other non-underwriting expenses decreased in the reporting year to €0.2 million (2016: €0.3 million). Other non-underwriting income includes trailer commissions of €0.8 million associated with unit-linked life insurance (2016: €0.6 million). Other non-underwriting expenses include securities supervision fees paid to the FMA at €0.1 million (2016: €0.1 million).

Lease expenses

Lease instalments in the amount of €3.6 million arose in 2017 in connection with the financing of the UNIQA Tower based on the capital investment costs and a specific calculation interest rate (2016: €3.6 million). The resulting liability for the next five years amounts to €8.8 million.

Other income and expenses

In € million	2017	2016
Other income	1	1
Other expenses	0	0
Net other income and expenses	**1**	**0**

Table 101: Other income and expenses in accordance with the Austrian Commercial Code

A.5 ANY OTHER INFORMATION

No other disclosures.

B System of governance

B.1 GENERAL DISCLOSURES ON THE SYSTEM OF GOVERNANCE

Under Solvency II, insurance and reinsurance undertakings must establish an effective system of governance which guarantees sound and prudent management of the business and is appropriate to the nature, scope and complexity of the business activity. This system must at a minimum include a suitable and transparent organisational structure with a clear allocation and appropriate separation of the responsibilities, along with an effective system aimed at guaranteeing the transmission of information.

A detailed description of the system of governance is contained in Chapter B.1 of the UNIQA Group report.

B.1.1 Supervisory Board

The Supervisory Board supervises the executive management and monitors whether the management is implementing suitable measures in order to increase the company's value over the long term.

A detailed description of the Supervisory Board is contained in Chapter B.1 of the UNIQA Group report.

B.1.2 Management Board and committees

The Management Board of UNIQA Insurance Group AG is independently responsible for managing the business of the company with the level of care dictated by prudent and diligent business management in accordance with the applicable statutory regulations and the articles of association and in line with its internal company regulations.

It is responsible for all matters that have not been specifically assigned to the Annual General Meeting, the Holding Supervisory Board or one of its committees.

A detailed description of the Management Board and committees is contained in Chapter B.1 of the UNIQA Group report.

B.1.3 Key functions

Governance and other key functions

As already described in Chapter B.1 of the UNIQA Group report, the system of governance includes the following governance functions:

- actuarial function
- risk management function
- compliance function
- internal audit function

In addition, UNIQA Insurance Group AG has also laid down the following functions as other key functions:

- asset management
- reinsurance

A detailed description of the key functions is contained in Chapter B.1 of the UNIQA Group report.

B.1.4 Remuneration

The objective of the remuneration strategy at UNIQA Insurance Group AG is to achieve a balance between market trends, statutory and regulatory requirements, and the expectations of shareholders and post holders. A detailed description of this can be found in Chapter B.1.4 of the UNIQA Group report.

B.1.5 Significant related party transactions with companies and individuals

A detailed description of related companies and persons is contained in Chapter B.1.5 of the UNIQA Group report.

The following two tables show the related party transactions at UNIQA Insurance Group AG in the reporting period.

Related party transactions – companies

In € thousand	Companies with significant influence on the UNIQA Group	Unconsolidated subsidiaries	Associates of the UNIQA Group	Other affiliated companies	Total
Transactions 2017					
Premiums written (gross)	0	0	0	0	0
Interest income arising from loans with related banks and from investments in related parties	0	0	146	39	185
Interest expenses arising from loans with related banks and from investments in related parties	80	0	0	0	80
Other earnings with affiliated companies	156	5,432	65	51	5,705
Other expenses with affiliated companies	801	1,247	18	1,154	3,219
At 31 December 2017					
Investments at fair value	0	37	46,836	3	46,876
Bank deposits	23,170	0	0	1,799	24,969
Other receivables from affiliated companies	156	1,617	0	0	1,773
Other liabilities with affiliated companies	0	491	0	0	491

Table 102: Related party transactions – companies

Related party transactions – individuals

In € thousand	2017
Premiums written (gross)	0
Salaries and short term benefits	3,166
Pension expenses	795
Post-employment benefits	118
Share-based payments	1,174
Other income	0

Table 103: Related party transactions – individuals

B.2 REQUIREMENTS FOR FIT AND PROPER PERSONS

In accordance with the Solvency II Directive, UNIQA Insurance Group AG has specified fit and proper requirements for persons who effectively run the business or hold other key functions. The objective of these requirements is to ensure that the relevant individuals are fit and proper persons for the roles involved.

The UNIQA Group has implemented a process for carrying out suitability assessments and for documenting the results to ensure that the individuals satisfy the fit and proper requirements, both at the time they are appointed to a function and on an ongoing basis thereafter. A detailed description of this can be found in Chapter B.2 of the UNIQA Group report.

B.3 RISK MANAGEMENT SYSTEM INCLUDING THE COMPANY'S OWN RISK AND SOLVENCY ASSESSMENT (ORSA)

B.3.1 General

The risk management system is an integral part of the system of governance. Its purpose is to identify, assess and monitor short-term and long-term risks to which UNIQA Insurance Group AG is exposed. The internal Group guidelines form the basis for uniform standards within UNIQA Insurance Group AG. They include a detailed description of the process and organisational structure.

B.3.2 Risk management, governance and organisational structure

Detailed information is set out in Chapter B.3.2 of the UNIQA Group report.

B.3.3 Risk strategy

Detailed information is set out in Chapter B.3.3 of the UNIQA Group report.

B.3.4 Risk management process

Detailed information is set out in Chapter B.3.4 of the UNIQA Group report.

B.3.5 Risk-related committees

The Risk Management Committee is responsible for management of the risk profile and the associated specification and monitoring of risk-bearing capacity and limits.

Detailed information is set out in Chapter B.1.2 of the UNIQA Group report.

B.3.6 Governance of the partial internal model

UNIQA Insurance Group AG uses the standard formula.

B.3.7 The company's Own Risk and Solvency Assessment (ORSA)

The descriptions in Chapter B.3.7 for the UNIQA Group covering the company's Own Risk and Solvency Assessment apply equally to UNIQA Insurance Group AG.

The risk management system is an integral part of the system of governance. Its purpose is to identify, assess and monitor short-term and long-term risks to which the UNIQA Group and its companies are exposed. The internal Group guidelines form the basis for uniform standards at various company levels within the UNIQA Group. They include a detailed description of the process and organisational structure.

A detailed description of the risk management system including the company's Own Risk and Solvency Assessment (ORSA) for UNIQA Insurance Group AG can be found in Chapter B.3.7 of the UNIQA Group report.

B.4 INTERNAL CONTROL SYSTEM

B.4.1 Internal control system

The internal control system at UNIQA Insurance Group AG ensures that litigation risks are minimised or eliminated by effective and efficient controls. This ensures that the effectiveness of all processes is subject to continuous improvement, clear responsibilities are assigned and there is also a guarantee at the same time that the regulations are complied with.

A detailed description can be found in Chapter B.4.1 of the UNIQA Group report.

B.4.2 Compliance function

A detailed description of the compliance function is contained in Chapter B.1.3 of the UNIQA Group report.

B.5 INTERNAL AUDIT FUNCTION

A detailed description of the internal audit function is contained in Chapter B.1.3 of the UNIQA Group report.

B.6 ACTUARIAL FUNCTION

A detailed description of the actuarial function is contained in Chapter B.1.3 of the UNIQA Group report.

B.7 OUTSOURCING

Detailed information on outsourcing can be found in Chapter B.7 of the UNIQA Group report.

Significant outsourced activities

UNIQA Insurance Group AG has outsourced the following critical or important functions or activities:

Those contracts via which the critical or important operational functions or activities were outsourced have been presented to the FMA (and have been approved by the FMA if there was a legal requirement for this).

1. outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Group Service Center Slovakia spol. s r.o. as service provider on the other hand, dated 17 March 2014 in the version of the supplement dated 6 March 2017 [administrative activities]
2. outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Capital Markets GmbH as service provider on the other hand, dated 17 March 2014 [asset management]
3. outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA IT Services GmbH as service provider on the other hand, dated 17 March 2014 [information technology, telecommunications]
4. outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Group Audit GmbH as service provider on the other hand, dated 25 July 2008 [internal controls]

All service providers except one have their head offices in Austria and are thus subject to Austrian and European law. The service provider for the cross-border service has their head office in Slovakia.

B.8 APPROPRIATENESS OF THE SYSTEM OF GOVERNANCE

UNIQA Insurance Group AG sets high quality standards for the purposes of structuring its system of governance. The “three lines of defence” approach is strictly observed to achieve a clear separation of responsibilities (see Chapter B.3.2 of the UNIQA Group report). This is underscored by the comprehensive committee system that the Management Board uses for the structured incorporation of governance and key functions in the decision-making process.

The system of governance at UNIQA Insurance Group AG is reviewed on an annual basis.

C Risk profile

C.1 OVERVIEW OF THE RISK PROFILE

The solvency capital requirement at UNIQA Insurance Group AG is calculated in accordance with the Solvency II standard formula.

The following table outlines the risk profile and composition of the SCR at 31 December 2017 for UNIQA Insurance Group AG.

Risk profile of UNIQA Insurance Group AG

In € million	2017
Solvency capital requirement (SCR)	1,467
Basic solvency capital requirement net (nBSCR)	1,570
Market risk	1,562
Counterparty default risk	12
Life underwriting risk	15
Non-life underwriting risk	5
Health underwriting risk	0
Diversification	-24
Intangible assets (associated risk)	0
Operational risk	3
Risk reduction from deferred tax	-105
Own funds to cover SCR	5,533
Solvency ratio	377 %
Available surplus	4,065

Table 104: Risk profile – solvency capital calculation for 2017

Given UNIQA Insurance Group AG's business model and function within the group, its risk profile is dominated by market risk, which amounted to €1,561.5 million. In contrast, the additional risk modules such as credit/default risk, operational risk and underwriting risk from life, non-life and health insurance assume a relatively subordinate role.

As market risk is so dominant, there is little diversification between the risk modules.

The risk capital requirement is reduced by risk mitigation in the form of an adjustment for the loss-absorbing capacity of deferred tax in an amount of €104.7 million. Details on this topic can be found in Chapter D.1 of this Annex.

For detailed information on market risk, default risk and life underwriting risk, please refer to the chapters below.

Own funds of UNIQA Insurance Group AG are derived from equity investments and subordinated liabilities. The major equity investments are intragroup investments in UNIQA Österreich Versicherungen AG, UNIQA International AG and UNIQA Re AG.

More detailed information on own funds of UNIQA Insurance Group AG can be found in Chapter E.3 of this Annex.

The resulting solvency ratio for UNIQA Insurance Group AG is 377.1 per cent.

C.2 UNDERWRITING RISK

C.2.1 Description of the risk

Non-life and health (similar to non-life) underwriting risk

Non-life underwriting risk is generally defined as the risk of loss or of detrimental changes in terms of the value of insurance liabilities. The risks are divided into the following risk sub-modules for the purposes of the SCR model as illustrated in the following table:

Sub-risk module	Definition
Premium risk	Risk of loss through an increase in damage in the next year, e.g. through a higher damage frequency or higher level of average damage than expected.
Reserve risk	Risk of loss through adverse changes in claims settlement, e.g. through higher reports of claims incurred but not reported than expected.
Lapse risk	Risk of an increase in the best estimate based on cancellation of profitable contracts.
Catastrophe risk	Risk of damage from natural catastrophes or individual major damage in the next year.

Table 105: Risk sub-modules for non-life and health (similar to non-life) underwriting risk

Life underwriting risk

For the underwriting risks of life insurance, the descriptions in the relative Chapter of the UNIQA Group report (Chapter C.2.1) apply. UNIQA Insurance Group AG does not underwrite health insurance (similar to life technique).

C.2.2 Risk exposure

The proportion of the risk module for life underwriting risk in the overall solvency capital requirement is 1 per cent. The cancellation and expense risks are the primary risk drivers for the life underwriting risk. Of the lapse risk shocks described in Chapter C.2.3 of the UNIQA Group report, the relevant shock in 2017 was the mass lapse. The reduction in underwriting risk compared with the previous year is driven by lower cost assumptions.

Underwriting risk from non-life and health (similar to non-life technique) business accounted for a total of 0.3 per cent of the total risk capital requirement of UNIQA Insurance Group AG, and was therefore immaterial. Underwriting risk in the health (similar to non-life technique) insurance line came to just €128,327. For this reason, these tables are not shown.

The following tables show the solvency capital requirement for underwriting risk, broken down by module and by sub-module:

Capital requirement for non-life underwriting risk

	2017	
	In € million	In per cent
SCR, non-life underwriting risk	5	
Premium and reserve risk	4	80 %
Catastrophe risk	1	20 %
Lapse risk	0	0 %
Diversification	-1	

Table 106: Non-life underwriting risk

Capital requirement for life underwriting risk

	2017	
	In € million	In per cent
SCR, life underwriting risk	15	
Mortality risk	1	7 %
Longevity risk	0	0 %
Disability-morbidity risk	0	0 %
Lapse risk	8	43 %
Expense risk	9	47 %
Revision risk	0	0 %
Catastrophe risk	1	3 %
Diversification	-4	

Table 107: Life underwriting risk

C.2.3 Risk assessment

Non-life and health (similar to non-life) underwriting risk

The non-life underwriting risk is made up of the following risk sub-modules:

- premium and reserve risk
- catastrophe risk
- lapse risk

The non-life underwriting risk is calculated based on the application of the risk factors and methods described in the Austrian Insurance Supervision Act, Part 8 (1) in the module on underwriting risks. The capital requirements of the various sub-modules are combined with this, based on the application of the specified correlation parameters.

Calculation of the non-life underwriting risk also includes unexpected losses from new business that is acquired within the next twelve months. However, there are no plans to offset any potential profit or loss from this new business in the economic balance sheet.

The premium and reserve risk is calculated based on premium and reserve volumes. The shocks are determined individually for each line of insurance and then aggregated into the overall risk via correlation matrices, which are described in the Delegated Regulation (EU) 2015/35.

The risk of natural disasters is assessed for each threat via the relevant exposure: the corresponding insured sums are sub-divided into individual zones (CRESTA zones) on the basis of which factor-based shocks are calculated. The following scenarios are evaluated for UNIQA Group: storms, earthquake, flooding and hail.

Different scenarios are assessed in the man-made area as stipulated in the Delegated Regulation (EU) 2015/35. The corresponding portfolio data is used as a basis for this, along with the reinsurance programme currently in place. The overall risk is also aggregated via correlation matrices in this sub-module.

A mass lapse of 40 per cent is specified by EIOPA in the lapse risk. The shock is only applied to those contracts for which the best estimate would increase in the event of a lapse or cancellation.

Risk sub-module	Shock used
Premium risk	Direct increase in damage in the next year by a percentage rate specific to the business line.
Reserve risk	Direct increase in benefits for damage from previous years by a percentage rate specific to the business line.
Lapse risk	The following shock scenario is assessed: Direct cancellation of 40% of contract with a negative best estimate.
Catastrophe risk	Damage event occurring from the natural disasters coverage, or potential major damage. The scenario applied is calculated individually for each threat and event.

Table 108: Shocks used for each risk sub-module

For the underwriting risks of life insurance, the descriptions in Chapter C.2.3 of the UNIQA Group report apply. UNIQA Insurance Group AG does not write health insurance (similar to life technique).

C.2.4 Risk concentration

In terms of underwriting risk, material risk concentrations only arise for the non-life underwriting risk. These are outlined below.

Non-life underwriting risk

The risk concentration in non-life underwriting risk results from the potential geographical accumulation of risks.

The risk of natural disasters represents the main concentration risk for UNIQA Insurance Group AG. The natural hazards of storms, hail and flooding in particular represent the biggest threats in this. All these natural hazards have the potential to affect a large geographical area. A major meteorological event can lead to many claims if there is a geographical concentration of business in Austria. However, it should be noted that UNIQA Insurance Group AG’s catastrophe risk is of minor significance in the non-life underwriting risk.

The most important risk mitigation measures are appropriate underwriting guidelines. However, the greatest risk reduction is through the reinsurance structure agreed with UNIQA Re AG. This guarantees adequate reinsurance protection in order to cover potential cumulative events. This takes place primarily based on consideration of the period for covering potential natural disasters.

C.2.5 Risk mitigation

Details of the major strategies for minimising risk in life insurance can be found in Chapter C.2.5 of the UNIQA Group report.

Non-life and health (similar to non-life) underwriting risk

Reinsurance is the principal risk mitigation tool used. This is used in addition to the reduction in the volatility of profit or loss as a capital and risk control tool and as a replacement for risk capital. UNIQA Insurance Group AG’s reinsurance partner is the Group’s internal reinsurance company UNIQA Re AG. Reinsurance protection is organised and acquired in order to manage the required risk capital.

Moreover, clearly defined underwriting guidelines and controls ensure high quality when taking on underwriting risk and guarantee appropriate risk selection. Furthermore the focus with contract renewals is clearly placed on profitable development of the portfolio.

The effectiveness of the risk mitigation mechanisms described for the non-life insurance business is monitored within the scope of the standard formula and using our own internal risk model. Quantified measurement of the reinsurance protection takes place based on key figures, such as risk-weighted profitability (also known as return on risk adjusted capital or RoRAC), as well as economic value added (EVA) both before as well as after deduction of the reinsurance protection.

C.3 MARKET RISK

C.3.1 Description of the risk

Pursuant to Section 179(4) of the Austrian Insurance Supervision Act 2016, the market risk reflects the sensitivity of asset, liability and financial instrument values to changes in certain factors. A detailed description can be found in Chapter C.3.1 of the UNIQA Group report.

C.3.2 Risk exposure

The following table shows the composition of the SCR for the market risk module. The aggregated capital requirement is lower than the sum of the requirements for the individual risk sub-modules, based on the fact that extreme shocks do not generally occur simultaneously for individual market risks (diversification).

Capital requirement for market risk

	2017	
	In € million	In per cent
SCR, market risk	1,562	
Interest rate risk	4	0 %
Equity risk	1,296	63 %
Property risk	58	3 %
Spread risk	167	8 %
Exchange rate risk	117	6 %
Concentration risk	422	20 %
Diversification	-503	

Table 109: SCR market risk

Investments of the portfolios managed by UNIQA Insurance Group AG in accordance with the prudent person principle

A detailed description can be found in Chapter C.3.2 of the UNIQA Group report.

C.3.3 Risk assessment

UNIQA Insurance Group AG calculates market risk in accordance with the Solvency II standard formula. A detailed description can be found in Chapter C.3.3 of the UNIQA Group report.

C.3.4 Risk concentration

All issuers (or groups of issuers) are monitored on an ongoing basis as part of the efforts to determine the concentration risk in accordance with the Solvency II standard formula, in order to review whether the investment volumes exceed defined limits relative to the total investment volumes depending on the issuer's rating. If a limit is exceeded, then the portfolios exceeding the limit are provided with a risk premium. At 31 December 2017 this type of risk premium was applied to investment portfolios from the following issuers (listed in descending order of the risk premiums): UNIQA Group (intragroup portfolios), Raiffeisen-Holding NÖ-Wien and Raiffeisen Bank International AG.

C.3.5 Risk mitigation

The use of derivative financial instruments for the purposes of reducing market risk is permissible. A detailed description can be found in Chapter C.3.5 of the UNIQA Group report.

C.4 CREDIT RISK/DEFAULT RISK

C.4.1 Description of the risk

In accordance with Section 179(5) of the Insurance Supervision Act 2016, the credit or default risk takes account of potential losses generated from an unexpected default or deterioration in the credit rating of counterparties and debtors of insurance and reinsurance undertakings during the next twelve months. A detailed description can be found in Chapter C.4.1 of the UNIQA Group report.

C.4.2 Risk exposure

The credit risk or default risk accounts for 0.7 per cent of UNIQA Insurance Group AG's risk profile.

Capital requirement for type 1 and type 2 credit and default risk

In € million	2017
SCR, type 1 and type 2 credit and default risk	12
Total type 1 credit and default risk	4
Total type 2 credit and default risk	8
Diversification	-1

Table 110: Type 1 and type 2 credit and default risk

The table above shows the composition of the credit or default risk at 31 December 2017. A distinction is made between type 1 and type 2 risk exposure.

Type 1 risk exposure accounts for 34.4 per cent of the total default risk (excluding diversification effects between type 1 and type 2 risk exposures). The calculated solvency capital requirement results mainly from bank deposits, reinsurance agreements and derivatives.

Type 2 risk exposure accounts for 65.6 per cent of the total default risk and is the largest risk driver of credit or default risk. The most significant exposures in this category are receivables from direct insurance business from insurance brokers, reinsurance settlement receivables and internal funding within the UNIQA Group.

C.4.3 Risk assessment

The solvency capital requirement for counterparty default risk is calculated using the risk factors and methods described in Article 189 et seq. of the Delegated Regulation (EU) 2015/35. A detailed description can be found in Chapter C.4.3 of the UNIQA Group report.

C.4.4 Risk concentration

For UNIQA Insurance Group AG there is a concentration in terms of reinsurance, which for the most part is ceded to the Group's reinsurance partner UNIQA Re AG. Due to the existing reinsurance standard (see Chapter C.4.4 of the UNIQA Group report), these intragroup reinsurance risks are retroceded according to clear and proven rules. As a result of this item, there is no concentration risk for UNIQA Insurance Group AG.

In terms of bank deposits, the greatest investment volumes at the relevant reporting date (listed in decreasing amount) were reported for the following banks: Raiffeisen Bank International AG, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Raiffeisen-Holding Niederoesterreich-Wien, Raiffeisenbankengruppe OOE Verbund eG.

No material concentrations of risk exist for these areas due to the comparatively low absolute volume of off-market derivative transactions, mortgage loans and other relevant exposure.

C.4.5 Risk mitigation

Measures have been put in place to minimise credit/default risk. A detailed description can be found in Chapter C.4.5 of the UNIQA Group report.

C.5 LIQUIDITY RISK

C.5.1 Description of the risk

A detailed description can be found in Chapter C.5.1 of the UNIQA Group report.

C.5.2 Risk exposure

Ongoing liquidity planning and control is carried out in order to ensure that UNIQA Insurance Group AG is able to meet its payment obligations.

The following table depicts the anticipated profit calculated from future premiums as required by Article 295 of Delegated Regulation (EU) 2015/35 is subject to specific limits according to the Solvency II requirements. The values presented account for the probability of occurrence, the extent of the damage, and also take into account those risks that are categorised as material and immaterial.

Expected profits in future premiums (EPIFP)

In € million	2017
Expected profits in future premiums (EPIFP)	0
of which in non-life insurance	0
of which in life insurance	0

Table 111: Expected profits in future premiums (EPIFP)

Derivation of the expected profits from future premiums for life insurance is based on net liabilities (premiums, benefits and costs) from the calculation for the technical provisions. The cash value of the profits is determined from the ratio of the future expected premiums to the associated expected costs and benefits. No profits from future premiums are expected for UNIQA Insurance Group AG as these are primarily consumed by cost expenditure.

C.5.3 Risk assessment and risk mitigation

A distinction is made between two types of payment obligations in relation to the liquidity risk:

- payment obligations due within twelve months
- payment obligations due in more than twelve months

Payment obligations due within less than twelve months

A regular planning process aimed at guaranteeing the availability of adequate liquid funds to cover expected cash flows is implemented in order to ensure that UNIQA Insurance Group AG is able to meet its payment obligations within the next twelve months. In addition, a minimum amount of cash reserves which must be available daily is also defined. In addition to the daily reporting on an operative level, a weekly report is presented to the Management Board on the available liquidity.

Payment obligations due in more than twelve months

For longer-term payment obligations, the company aims for the greatest possible level of maturity matching between assets and liabilities as part of the asset-liability management process. Compliance with this approach is ensured with a regular and consistent monitoring system.

C.6 OPERATIONAL RISK

C.6.1 Description of the risk

In accordance with Section 5(42) of the Insurance Supervision Act 2016, operational risk is defined as the risk of financial losses caused by inefficient internal processes, systems or individuals, or by external events. A detailed description can be found in Chapter C.6.1 of the UNIQA Group report.

C.6.2 Risk exposure

The operational risk is quantified based on the standard formula and amounts to €2.5 million.

The following table shows the operational risk at 31 December 2017.

Capital requirement for the operational risk

In € million	2017
Operational risk	3

Table 112: Solvency capital requirement for the operational risk

The operational risk is also determined using qualitative criteria within the UNIQA Group. Operational risks are assessed and categorised based on a risk matrix using expert assessments on the probability of occurrence and level of risk. Using this qualitative process, the following risks have been identified as being material:

- IT risks (particularly IT security and the high complexity of the IT landscape, along with the risk of business interruptions)
- miscellaneous project risks

C.6.3 Risk assessment

UNIQA Insurance Group AG calculates the operational risk on the one hand with a factor-based approach in accordance with the Solvency II standard formula, and on the other hand using interviews with experts. A detailed description of the valuation method is contained in Chapter C.6.3 of the UNIQA Group report.

C.6.4 Risk concentration

There are no substantial risk concentrations in this respect for UNIQA Insurance Group AG.

C.6.5 Risk mitigation

Defining the measures that mitigate risk is a crucial step in the risk management processes for operational risks. A detailed description can be found in Chapter C.6.5 of the UNIQA Group report.

C.7 STRESS AND SENSITIVITY ANALYSES

UNIQA Insurance Group AG carries out stress and sensitivity calculations annually in order to determine the impact of certain unfavourable events on the solvency capital requirement, on the own funds, and subsequently also on the coverage ratio. The results provide valuable indications with respect to the stability of the coverage ratio and sensitivities in relation to changes to the economic environment. A detailed description of the individual sensitivity analyses can be found in Chapter C.7 of the UNIQA Group report.

Results

The following table provides an overview of the change to the SCR ratio as a result of the shocks specified for the individual stress and sensitivity analyses.

Results of the sensitivity calculation

	2017		2016	
In per cent	SCR ratio	Change (pp)	SCR ratio	Change (pp)
Basic scenario	377 %		369 %	
Key sensitivities				
Interest rate sensitivity				
Parallel shift in interest rate of +50bp (up to last liquid point)	376 %	-1	367 %	-2
Parallel shift in interest rate of -50bp (up to last liquid point)	378 %	1	371 %	2
Reduction in the Ultimate Forward Rate (UFR) by 100 basis points	377 %	0	369 %	0
Equity sensitivity				
Fall in the fair value by 30 per cent	372 %	-5	380 %	11
Foreign exchange sensitivity				
Foreign currency shock of +10 per cent	379 %	2	371 %	2
Foreign currency shock of -10 per cent	375 %	-2	367 %	-2
Spread sensitivity				
Widening in credit spread by 100 basis points	373 %	-4	367 %	-2

Table 113: Results of the sensitivity calculation

The results of the sensitivity calculation are comparable with the level from the previous year. The decrease in the solvency ratio in equity sensitivity results from an adjustment of the underlying assumptions.

C.8 OTHER MATERIAL RISKS

Risk management processes are also defined for reputational, contagion and strategic risks in the UNIQA Group in addition to the risk categories described above. The reputational and strategic risk is also monitored in the same way at UNIQA Insurance Group AG. A detailed description can be found in Chapter C.8 of the UNIQA Group report.

C.9 ANY OTHER INFORMATION

C.9.1 Risk concentration

Information on the risk concentrations at Group level in accordance with Article 376 of the Delegated Regulation (EU) 2015/35 is described in detail in Chapter C.9.1 of the UNIQA Group report.

C.9.2 Risk mitigation

A description of the risk mitigation from deferred tax can be found in Chapter C.9.2 of the UNIQA Group report.

D Valuation for solvency purposes

A detailed description of the valuation for solvency purposes is found in Chapter D of the UNIQA Group report.

D.1 ASSETS

The following table shows a comparison between the determination of the total assets in accordance with Solvency II and the carrying amounts in accordance with the Austrian Commercial Code at the reporting date of 31 December 2017.

Valuation of assets

Assets as at the reporting date of 31 December 2017

In € million		Solvency II	Austrian Commercial Code	Revaluation
1	Goodwill	n.a.	0	0
2	Deferred acquisition costs	n.a.	0	0
3	Intangible assets	0	45	-45
4	Deferred tax assets	63	29	34
5	Pension benefit surplus	0	0	0
6	Property, plant and equipment held for own use	74	58	16
7	Investments (other than assets held for index-linked and unit-linked contracts)	5,694	2,897	2,797
7.1	Property (other than for own use)	167	123	44
7.2	Shares in affiliated companies including equity investments	5,264	2,533	2,731
7.3	Equities	38	34	4
	Equities – listed	0	0	0
	Equities – unlisted	38	34	4
7.4	Bonds	157	145	12
	Government bonds	26	22	4
	Corporate bonds	131	123	8
	Structured notes	0	0	0
	Collateralised securities	0	0	0
7.5	Undertakings for collective investment	66	62	4
7.6	Derivatives	0	0	0
7.7	Deposits other than cash equivalents	2	0	2
7.8	Other investments	0	0	0
7.9	Assets held for index-linked and unit-linked contracts	0	0	0
8	Loans and mortgages	611	600	11
8.1	Loans on policies	0	0	0
8.2	Loans and mortgages to individuals	0	0	0
8.3	Other loans and mortgages	611	600	11
9	Reinsurance recoverables from:	105	150	-45
9.1	Non-life insurance and health insurance similar to non-life	19	24	-5
	Non-life insurance excluding health	19	23	-5
	Health insurance similar to non-life	1	1	0
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	86	126	-40
	Health insurance similar to life	0	0	0
	Life insurance, excluding health and index-linked and unit-linked	86	126	-40
9.3	Life insurance, index-linked and unit-linked	0	0	0

10	Deposits with cedants	313	313	0
11	Insurance and intermediaries receivables	7	7	0
12	Reinsurance receivables	12	12	0
13	Receivables (trade, not insurance)	243	250	-7
14	Treasury shares (held directly)	7	0	7
15	Amounts due in respect of own funds items or initial funds called up but not yet paid in	0	0	0
16	Cash and cash equivalents	24	24	0
17	Any other assets, not shown elsewhere	23	23	0
Total assets		**7,177**	**4,408**	**2,768**

Table 114: Assets at the reporting date of 31 December 2017

The following categories of assets were not asset components of UNIQA Insurance Group AG at 31 December 2017 and were therefore not commented on:

- 1. Goodwill
- 2. Deferred acquisition costs
- 5. Pension benefit surplus
- 7.3.1 Equities – listed
- 7.4.3. Structured notes
- 7.4.4. Collateralised securities
- 7.6 Derivatives
- 7.8 Other investments
- 7.9 Assets held for index-linked and unit-linked contracts
- 8.1 Loans on policies
- 8.2. Loans and mortgages to individuals
- 9.2.1. Health insurance, similar to life technique
- 9.3. Life insurance, index-linked and unit-linked
- 15. Amounts due in respect of own funds items or initial funds called up but not yet paid in

A quantitative and qualitative explanation of the main differences compared with valuation in accordance with the Austrian Commercial Code in the annual financial statements is provided below, separately for each class of assets.

3. Intangible assets

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Intangible assets	0	45	-45

Table 115: Intangible assets

Intangible assets are composed of purchased computer software as well as licences and copyrights. Intangible assets are amortised in accordance with their useful lives over a defined period.

Intangible assets can be recognised for Solvency II purposes provided that they can be sold separately and the fair values can be reliably determined. These assets were not recognised in the solvency balance sheet since neither of these criteria could be met. This explains the difference in value.

4. Deferred tax assets

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Deferred tax assets	63	29	34

Table 116: Deferred tax assets

Differences between the Solvency II values and those in accordance with the Austrian Commercial Code arise through the different reference values used to recognise deferred tax assets. Deferred tax assets are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax base and the solvency balance sheet. By contrast, deferred tax assets in the financial statements in accordance with the Austrian Commercial Code are recognised for differences in carrying amounts between the tax balance sheet and the Austrian Commercial Code balance sheet. A deferred tax asset is recognised for unused tax losses, for unused tax credits, and for deductible temporary differences to the extent that it is probable that future taxable profit or deferred tax liabilities will be available for offsetting in the future.

Provided that the deferred tax assets and liabilities relate to the same tax authority and are actually offsettable then they must be offset (consideration of the overall difference; irrespective of the relevant term of the deferred tax). If the deferred tax assets can be realised in subsequent years, then deferred charges are recognised in the assets (budget calculations required).

Offsetting deferred tax assets against deferred tax liabilities results in a surplus on the assets side for the Austrian Commercial Code and the economic balance sheet. The deferred tax assets assessed essentially arise from the social capital (in the amount of €34.0 million), technical items (in the amount of €19.6 million) and tax loss carryforwards. Based on the above provisions, deferred tax assets of €6.3 million were recognised on tax loss carryforwards totalling €25.2 million.

6. Property, plant and equipment held for own use

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Property, plant and equipment held for own use	74	58	16

Table 117: Property, plant and equipment held for own use

The difference between the Solvency II value and the Austrian Commercial Code value of the property, plant and equipment and inventories held for own use results from the difference between the valuation at fair value under Solvency II and the amortised cost model in accordance with the Austrian Commercial Code.

7. Investments (other than assets held for index-linked and unit-linked contracts)

The valuation approaches and differences for the investments of the UNIQA Insurance Group AG are explained in detail below.

7.1 Property (other than for own use)

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Property (other than for own use)	167	123	44

Table 118: Property (other than for own use)

The property (other than for own use) is valued in accordance with the same valuation methodology as the accounting for the property, plant and equipment held for own use (item 6). This results in a valuation difference compared with the economic value.

7.2 Shares in affiliated companies, including equity investments

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Shares in affiliated companies including equity investments	5,264	2,533	2,731

Table 119: Shares in affiliated companies, including equity investments

Shares in affiliated companies and equity investments are valued with application of the strict lower of cost or market principle in the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

7.3.2 Equities – unlisted

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Equities – unlisted	38	34	4

Table 120: Equities – unlisted

Equities are valued in accordance with the provisions in Section 144(2) of the Austrian Insurance Supervision Act 2016. Write-downs have only been recognised if the impairment is expected to be permanent. This results in a valuation difference compared with the economic value.

7.4 Bonds

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Bonds	157	145	12
Government bonds	26	22	4
Corporate bonds	131	123	8
Structured notes	0	0	0
Collateralised securities	0	0	0

Table 121: Bonds

In accordance with local accounting principles bonds are assigned to the fixed assets (Section 204 of the Austrian Commercial Code) and are valued at the alleviated lower of cost or market principle. This results in a valuation difference compared with the economic value.

7.5 Undertakings for collective investment

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Undertakings for collective investment	66	62	4

Table 122: Undertakings for collective investment

In accordance with local accounting principles (Section 207 of the Austrian Commercial Code), undertakings for collective investment are valued in accordance with the strict lower of cost or market principle applying the valuation exemption. Write-downs of the lower fair value in the event of an expected temporary impairment can only be omitted to the extent that the overall amount of any write-down that does not take place does not exceed 50 per cent of the total or otherwise of existing hidden net reserves of the company in the relevant accounting department.

Undertakings for collective investment in bonds (subject to consolidation) represent an exception. These undertakings are valued using the alleviated lower of cost or market principle as under 7.4 Bonds.

This gives rise to a valuation difference between Solvency II and Austrian Commercial Code figures for this balance sheet item.

7.7 Deposits other than cash equivalents

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Deposits other than cash equivalents	2	0	2

Table 123: Deposits other than cash equivalents

Deposits other than cash equivalents are valued at the strict lower of cost or market principle in accordance with local accounting principles (Section 207 of the Austrian Commercial Code). This results in a valuation difference compared with the economic value.

8. Loans and mortgages

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Loans and mortgages	611	600	11
Loans on policies	0	0	0
Loans and mortgages to individuals	0	0	0
Other loans and mortgages	611	600	11

Table 124: Loans and mortgages

For the purposes of the separate financial statements in accordance with the Austrian Commercial Code, loans and mortgages are valued at their principal amounts or at the cost of the outstanding loan. In the case of identifiable individual risks the lower applicable value is used. The Austrian Commercial Code values plus the pro rata interest rates are used in the solvency balance sheet. This explains the valuation differences.

9. Recoverables from reinsurance contracts

Assets In € million		Solvency II	Austrian Commercial Code	Revaluation
9	**Reinsurance recoverables**	**105**	**150**	**-45**
9.1	Non-life insurance and health insurance similar to non-life	19	24	-5
	Non-life insurance excluding health	19	23	-5
	Health insurance similar to non-life	1	1	0
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	86	126	-40
	Health insurance similar to life	0	0	0
	Life insurance, excluding health and index-linked and unit-linked	86	126	-40
9.3	Life insurance, index-linked and unit-linked	0	0	0

Table 125: Recoverables from reinsurance contracts

The item “Recoverables from reinsurance contracts” includes amounts outstanding based on reinsurance contracts external to the company.

The differences between the values assessed in the solvency balance sheet and the valuation in accordance with the Austrian Commercial Code result from the fact that the values in accordance with the Austrian Commercial Code are assessed and valued at nominal value.

This results in a valuation difference compared with the economic value.

10. Deposits with cedants

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Deposits with cedants	313	313	0

Table 126: Deposits with cedants

The nominal values are stated for these items in accordance with the Austrian Commercial Code, and are adjusted by an allowance for the default risk if necessary. They are also recognised as economic values in accordance with Solvency II.

11. Insurance and intermediaries receivables

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Insurance and intermediaries receivables	7	7	0

Table 127: Insurance and intermediaries receivables

This item comprises receivables from insurance companies and insurance brokers. Under the Austrian Commercial Code, receivables due within twelve months are recognised at their principal amounts. Receivables due in more than twelve months are valued at the present value of the future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation. There are no valuation differences as the same approach is applied under Solvency II.

12. Reinsurance receivables

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Reinsurance receivables	12	12	0

Table 128: Reinsurance receivables

This item comprises reinsurance receivables that are not already included in the deposits with cedants. The nominal values are stated for these items in accordance with the Austrian Commercial Code. These are also reported as economic values in accordance with Solvency II if the amounts concerned are due in less than twelve months. The valuation methodology is identical to the one used for deposits with cedants (item 10). There are no differences in valuation as a result of this.

13. Receivables (trade, not insurance)

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Receivables (trade, not insurance)	243	250	-7

Table 129: Receivables (trade, not insurance)

This item comprises all receivables that do not originate from the insurance business. Receivables due within twelve months are recognised at their principal amounts both in the financial statements in accordance with the Austrian Commercial Code and in the solvency balance sheet. Receivables due in more than twelve months are valued at the present value of the future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation.

Under the Austrian Commercial Code, pro rata interest is reported in the other receivables, whereas in the solvency balance sheet this interest is reported with each asset. The solvency value also contains receivables from expenses recharged to operating subsidiaries in accordance with IFRSs.

14. Treasury shares (held directly)

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Treasury shares (held directly)	7	0	7

Table 130: Treasury shares (held directly)

Treasury shares are stated as deduction items from the share capital at the nominal value in accordance with Section 144(3) of the Insurance Supervision Act 2016. Treasury shares are valued at fair values under Solvency II. This explains the valuation differences.

16. Cash and cash equivalents

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Cash and cash equivalents	24	24	0

Table 131: Cash and cash equivalents

Current bank balances, cheques and cash in hand are stated under this item. They are valued at the economic value which corresponds with the nominal value. There are no differences compared with Solvency II.

17. Any other assets, not shown elsewhere

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Any other assets, not shown elsewhere	23	23	0

Table 132: Any other assets, not shown elsewhere

Other assets include all assets that have not already been included in other asset items (e.g. prepaid expenses). The valuation is at amortised cost under the Austrian Commercial Code. There is no revaluation for Solvency II.

D.2 TECHNICAL PROVISIONS

The technical provisions within at UNIQA Insurance Group AG are determined solely on the basis of a best estimate plus a risk margin because of the nature of the liabilities. There is no attempt to match technical cash flows with financial instruments and value these elements together on a net basis.

Calculation of the provisions based on the best estimate involves restating technical provisions in the Austrian Commercial Code balance sheet to arrive at an economic valuation. According to the principle of equivalence, a provision for life insurance is defined as the difference between the present value of future benefits and the present value of future premiums. The best estimate of provisions or the best estimate of liabilities are determined by using assumptions regarding the best estimate when calculating these future cash flows (instead of the prudent valuation assumptions). Options and guarantees (TVFOG) are included in the best estimate for the provisions where relevant.

The following table compares the Solvency II provisions with the relevant corresponding provisions in accordance with the Austrian Commercial Code at 31 December 2016 and 31 December 2017 for UNIQA Insurance Group AG:

Valuation of technical provisions

In € million		2017			2016		
		Solvency II	Austrian Commercial Code	Revaluation	Solvency II	Austrian Commercial Code	Revaluation
1	**Technical provisions – non-life insurance**	**34**	**53**	**-19**	**31**	**83**	**-52**
1.1	Technical provisions – non-life insurance (excluding health insurance)	33	52	-19	31	83	-53
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	32	n.a.	32	29	n.a.	29
	Risk margin	1	n.a.	1	2	n.a.	2
1.2	Technical provisions – health insurance (similar to non-life)	1	1	0	1	0	1
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	1	n.a.	1	1	n.a.	1
	Risk margin	0	n.a.	0	0	n.a.	0
2	**Technical provisions – life insurance (excluding index-linked and unit-linked insurance)**	**360**	**318**	**43**	**483**	**326**	**157**
2.1	Technical provisions – health insurance (similar to life)	0	0	0	0	0	0
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	0	n.a.	0	0	n.a.	0
	Risk margin	0	n.a.	0	0	n.a.	0
2.2	Technical provisions – life insurance (excluding health and unit-linked and index-linked insurance)	360	318	43	483	326	157
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	351	n.a.	351	449	n.a.	449
	Risk margin	9	n.a.	9	34	n.a.	34
3	**Technical provisions – index-linked and unit-linked life insurance**	**0**	**0**	**0**	**0**	**0**	**0**
3.1	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
3.2	Best estimate	0	n.a.	0	0	n.a.	0
3.3	Risk margin	0	n.a.	0	0	n.a.	0
4	**Other technical provisions**	**n.a.**	**0**	**0**	**n.a.**	**0**	**0**
Total technical provisions		**395**	**371**	**24**	**514**	**409**	**105**

Table 133: Valuation of technical provisions

D.2.1 Non-life and health technical provisions (similar to non-life technique)

The technical provisions for non-life and health (similar to non-life technique) are valued as stipulated in the standards of the UNIQA Group. The provisions are classified into homogeneous risk groups in accordance with the FMA's guidelines on segmenting business areas. The FMA's requirements from the guidelines relating to Pillar 1 regarding the valuation of technical provisions are also taken into account accordingly. Since there are no material holdings kept in foreign currencies, only the euro yield curve is used for discounting the provisions.

The parameters or assumptions used to calculate the technical provisions are subject both to natural uncertainty based on potential fluctuations in the benefits and costs, and economic assumptions such as discount rates.

UNIQA Insurance Group AG therefore carries out continuous sensitivity analyses aimed at testing the sensitivity of the parameters and assumptions used for the provisions best estimate.

The following parameters and assumptions are specifically analysed in non-life insurance:

- changes in the development of the future claims rate
- changes in the development of the future cost ratio
- changes in the claims reserve
- changes to the discount rate

Furthermore, the assumptions are also compared with empirical values on an ongoing basis.

The results of these calculations are subject to both quantitative and qualitative analyses and are also reported to the Management Board in the annual report on technical functions.

In non-life insurance, the following factors constitute the major sources of uncertainty when evaluating the best estimate:

- assumed discount rate
- assumptions about future claims processing in long-term business lines (liability insurance)
- claims rate assumptions for multi-year policies

The following figure gives an overview of non-life technical provisions (best estimate and risk margin) at 31 December 2017:

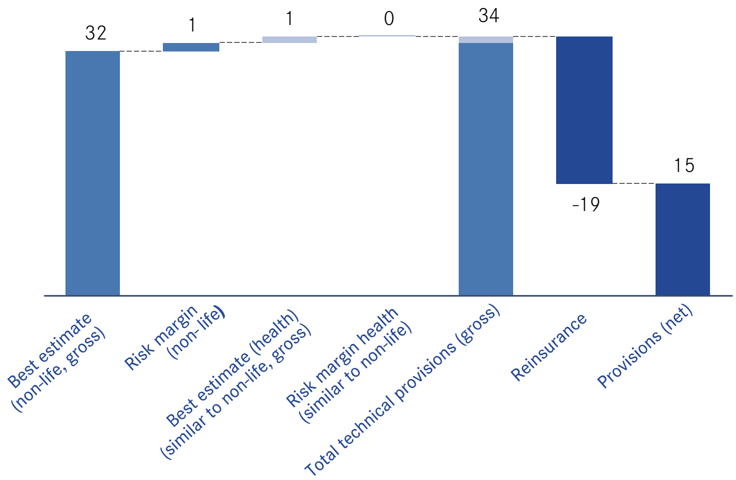


Figure 27: Non-life and health technical provisions (similar to non-life technique) (in € million)

Non-life and health (similar to non-life technique) technical provisions at UNIQA Insurance Group AG are largely determined on the basis of a best estimate. This is mainly derived from the claims reserves. The premium reserve is of minor significance in this case.

The significant reinsurance quota shares ceded result in a material reduction in the provisions on a net basis.

Valuation of non-life technical provisions (gross)

In € million	2017 Solvency II	2017 Austrian Commercial Code	2017 Revaluation	2016 Solvency II	2016 Austrian Commercial Code	2016 Revaluation
Technical provisions – non-life insurance	34	53	-19	31	83	-52
Technical provisions – non-life insurance (excluding health insurance)	33	52	-19	31	83	-53
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	32	n.a.	32	29	n.a.	29
Risk margin	1	n.a.	1	2	n.a.	2
Technical provisions – health insurance (similar to non-life)	1	1	0	1	0	1
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	1	n.a.	1	1	n.a.	1
Risk margin	0	n.a.	0	0	n.a.	0

Table 134: Valuation of gross technical provisions

The reconciliation of the non-life and health (similar to non-life technique) technical provisions to the carrying amounts recognised in accordance with the Austrian Commercial Code financial statements highlights significant differentials. The decline compared to 2016 can be explained by a decrease in the equalisation reserve. Otherwise, the same valuation differences apply as those described in Chapter D.2.1 of the UNIQA Group report.

UNIQA Insurance Group AG therefore carries out continuous sensitivity analyses aimed at testing the sensitivity of the parameters and assumptions used for the provisions best estimate. The following parameters and assumptions are specifically analysed in non-life insurance:

Technical provisions

In € million	2017 Solvency II	2017 Austrian Commercial Code	2017 Revaluation	2016 Solvency II	2016 Austrian Commercial Code	2016 Revaluation
Technical provisions – non-life insurance	34	53	-19	31	83	-52
Technical provisions – non-life insurance (excluding health insurance)	34	52	-19	31	83	-52
Motor vehicle liability insurance	8	13	-5	13	18	-5
Technical provisions calculated as a whole	n.a.	13	-13	n.a.	18	-18
Best estimate	8	n.a.	8	13	n.a.	13
Risk margin	0	n.a.	0	0	n.a.	0
Other motor insurance	1	5	-4	0	4	-4
Technical provisions calculated as a whole	n.a.	5	-5	n.a.	4	-4
Best estimate	1	n.a.	1	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Marine, aviation and transport insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Fire and other damage to property insurance	5	11	-6	6	44	-38
Technical provisions calculated as a whole	n.a.	11	-11	n.a.	44	-44
Best estimate	5	n.a.	5	6	n.a.	6
Risk margin	0	n.a.	0	0	n.a.	0
General liability insurance	7	7	-0	11	16	-5
Technical provisions calculated as a whole	n.a.	7	-7	n.a.	16	-16
Best estimate	7	n.a.	7	10	n.a.	10
Risk margin	0	n.a.	0	1	n.a.	1
Credit and suretyship insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Legal expenses insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Assistance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Miscellaneous financial loss	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Non-proportional fire and other damage to property insurance	2	3	0	0	0	0
Technical provisions calculated as a whole	n.a.	3	-3	n.a.	0	0
Best estimate	2	n.a.	2	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: property	10	13	-3	0	0	0
Technical provisions calculated as a whole	n.a.	13	-13	n.a.	0	0
Best estimate	9	n.a.	9	0	n.a.	0
Risk margin	1	n.a.	1	0	n.a.	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Technical provisions – health insurance (similar to non-life)	1	1	0	1	1	0

Medical expense insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Income protection insurance	0	0	0	1	1	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	1	-1
Best estimate	0	n.a.	0	1	n.a.	1
Risk margin	0	n.a.	0	0	n.a.	0
Workers' compensation insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: health	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0

Table 135: Valuation of technical provisions (property and casualty)

The largest differential between the Austrian Commercial Code and Solvency II figures at UNIQA Insurance Group AG is evident in the fire and other damage to property insurance line. This is where the largest proportion of the claims equalisation reserve is reported in accordance with the Austrian Commercial Code. This was reduced compared to 2016, however, which explains the decline in the revaluation.

D.2.2 Life and health (similar to life technique) technical provisions

The reserve surplus for life insurance under Solvency II compared with the Austrian Commercial Code figures is attributable to the assumed costs for the liabilities in the best estimate.

The significant reduction in underwriting provisions under Solvency II compared with the Austrian Commercial Code in life insurance is due to a reduction in cost assumptions in 2017 compared with 2016.

Valuation of technical provisions (gross)

	2017			2016		
In € million	Solvency II	Austrian Commercial Code	Revaluation	Solvency II	Austrian Commercial Code	Revaluation
Technical provisions – life insurance (excluding index-linked and unit-linked)	**360**	**318**	**43**	**483**	**326**	**157**
Technical provisions – health insurance (similar to life)	0	0	0	0	0	0
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Technical provisions – life insurance (excluding health and index-linked and unit-linked insurance)	360	318	43	483	326	157
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	351	n.a.	351	449	n.a.	449
Risk margin	9	n.a.	9	34	n.a.	34
Technical provisions – index-linked and unit-linked insurance	**0**	**0**	**0**	**0**	**0**	**0**
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Other technical provisions	**n.a.**	**0**	**0**	**n.a.**	**0**	**0**

Table 136: Valuation of gross technical provisions

The following figure shows the breakdown of the best estimate reserve under Solvency II for the life insurance business (in € million):

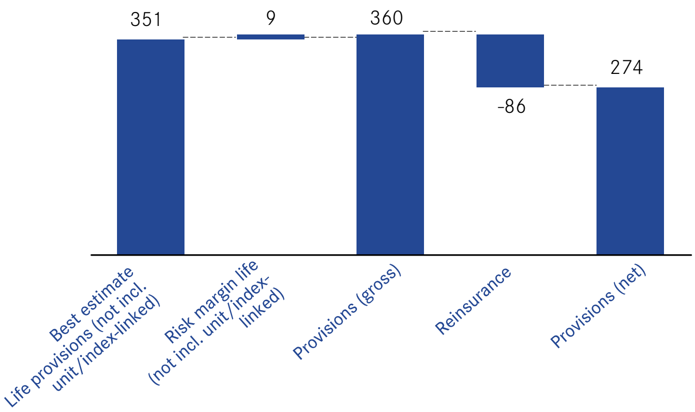


Figure 28: Technical provisions for life (in € million)

D.2.3 Use of volatility adjustments

Adaptation of the risk-free yield curve

The volatility adjustment in accordance with Section 167 of the Austrian Insurance Supervision Act 2016 was applied in the Solvency II calculation for all property and casualty business lines (non-life) as well as for the short-term health insurance business (similar to non-life technique). This volatility adjustment is also added to the risk-free yield curve.

The effect of the volatility adjustment on the life, non-life and health (similar to non-life technique) provisions is shown in the following table:

Volatility adjustments

	Incl. volatility adjustment		Excl. volatility adjustment		Relative change	
In € million	2017	2016	2017	2016	2017	2016
Technical provisions	395	514	394	515	-0%	0%
Basic own funds	5,777	5,510	5,741	5,402	-1%	-2%
Own funds eligible to meet SCR	5,533	5,169	5,496	5,061	-1%	-2%
SCR	1,467	1,400	1,467	1,400	0%	0%
Own funds eligible to meet MCR	4,872	4,539	4,836	4,431	-1%	-2%
Minimum capital requirement	367	350	367	350	0%	0%

Table 137: Volatility adjustments

The effect from the volatility adjustment is of minor significance in life insurance at UNIQA Insurance Group AG because mortality risk is the dominant risk in the portfolio. In the non-life and health (similar to non-life technique) insurance lines, the effect from the volatility adjustment could be considered immaterial because of the short-term nature of the liabilities.

D.3 OTHER LIABILITIES

The table below shows a comparison of all other liabilities at the reporting date of 31 December 2017, valued in accordance with Solvency II and with the Austrian Commercial Code.

Other liabilities

In € million		Solvency II	Austrian Commercial Code	Revaluation
1	Contingent liabilities	0	0	0
2	Provisions other than technical provisions	91	90	0
3	Pension benefit obligations	298	227	71
4	Deposits from reinsurers	122	122	0
5	Deferred tax liabilities	0	0	0
6	Derivatives	0	0	0
7	Liabilities to banks	0	0	0
8	Financial liabilities other than liabilities to banks	215	215	0
9	Liabilities to insurance companies and intermediaries	10	10	0
10	Liabilities to reinsurance companies	7	7	0
11	Payables (trade, not insurance)	92	138	-45
12	Subordinated liabilities	915	850	65
12.1	Subordinated liabilities not in basic own funds	0	0	0
12.2	Subordinated liabilities in basic own funds	915	850	65
13	Any other liabilities, not shown elsewhere	6	6	0
Total other liabilities		**1,756**	**1,664**	**91**

Table 138: Other liabilities

The following classes of liabilities were not present at the reporting date of 31 December 2017 and were therefore not commented on:

- 5. Deferred tax liabilities
- 6. Derivatives
- 7. Liabilities to banks
- 12.1 Subordinated liabilities not in basic own funds

A quantitative and qualitative explanation of the material differences compared with valuation in accordance with the Austrian Commercial Code in the separate financial statements is provided below separately for the other liabilities.

1. Contingent liabilities

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Contingent liabilities	0	0	0

Table 139: Contingent liabilities

The contingent liabilities result from letters of comfort to various reinsurance undertakings, as part of which the UNIQA Insurance Group AG undertakes to ensure that the sub-subsidiary, UNIQA Versicherung AG, Vaduz, is able to fulfil all its duties from reinsurance contracts at all times.

According to the Austrian Commercial Code, these contingent liabilities are valued at zero and only explained in the notes.

Since in all cases these are insignificant contingent liabilities, the value is also set at zero in the solvency balance sheet.

2. Provisions other than technical provisions

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Provisions other than technical provisions	91	90	0

Table 140: Provisions other than technical provisions

The other non-technical provisions include the following items:

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Jubilee benefit provision	2	1	0
Customer services and marketing provisions	60	60	0
Provision for legal and consulting expenses	0	0	0
Provision for variable remuneration components	4	4	0
Provision for premium adjustments from reinsurance contracts	0	0	0
Provision for portfolio maintenance commission	0	0	0
Provision for income taxes	0	0	0
Provision for employee leave	0	0	0
Other HR provisions	1	1	0
Other provisions	25	25	0
Total	**91**	**90**	**0**

Table 141: Provisions other than technical provisions (detailed presentation)

Other non-technical provisions have been recognised to the extent to which the provisions will probably be utilised. They take into account all identifiable risks and the amount of liabilities that has not yet been determined.

Provisions with a maturity of more than twelve months are discounted at standard market discount rates in accordance with Section 211(2) of the Austrian Commercial Code. This results in no valuation difference to Solvency II.

The jubilee payment provision values are calculated in accordance with the stipulations under Sections 198 and 211 Austrian Commercial Code in the version of the Accounting Amendment Act 2014 with due regard to the AFRAC opinion no. 27 "Provisions for pension, termination, anniversary allowances and similar obligations due over the long term in accordance with the regulations under the Austrian Commercial Code" from June 2016.

The projected unit credit method has been used to calculate the entitlements.

Based on the first-time application of Section 211 of the Austrian Commercial Code in the version of the Accounting Amendment Act 2014 and with regard to the AFRAC opinion no. 27 from June 2016, a differential amount was determined in accordance with Section 906(33) and (34) of the Austrian Commercial Code in the version of the Audit Law Amendment Act 2016 (APRÄG 2016) at the start of the financial year of the first-time application, i.e. 1 January 2016.

The differential amount was reported under prepaid expenses, i.e. the provision in the company balance sheet corresponds with the new balance sheet carrying amount in its entirety.

The Austrian Commercial Code values shown here are reduced by the differential amount for the long-service provision of €0.3 million because, in the solvency balance sheet, the differential amount is presented under the relevant provisions on the liabilities side.

The discount rate applied was the seven-year average interest rate at 31 October 2017. This arises from the rates as at the last 84 month-ends in accordance with the German Provision Discounting Regulation. The applicable average maturity of the portfolio at the current reporting date was assumed to be seven years. The discount rate applied was 1.96 per cent.

This results in valuation differences as compared with Solvency II.

The fair value was ascertained for cash-settled share-based remuneration agreements in line with the AFRAC opinion "The treatment of share-based remuneration in Austrian Commercial Code financial statements" dated September 2007. In accordance with this programme, eligible employees are conditionally awarded virtual shares effective on 1 January of the relevant financial year, conferring the right to a cash payment after the end of the benefit period of four years. The obligations from share-based remuneration are reported under the other provisions ("Provision for variable remuneration components"). This results in no valuation differences as compared with Solvency II.

3. Pension benefit obligations

Other liabilities

In € million	Solvency II	Austrian	Revaluation
Pension benefit obligations	**298**	**227**	**71**
of which termination benefit provisions	27	19	8
of which pension provisions	271	208	63

Table 142: Pension benefit obligations

Calculation factors applied

	2017
Seven-year average interest rate	
Termination benefits	2.24
Pension obligations	2.82
Valorisation of remuneration	3.00
Pensions inflation adjustment	2.00
Employee turnover rate	Dependent on years of service
Calculation principles	AVÖ 2008 P – Pagler & Pagler/salaried employees

Table 143: Calculation factors applied

This item includes the obligations for pension provisions and severance provisions at UNIQA Insurance Group AG.

The jubilee payment provision values are calculated in accordance with the stipulations under Sections 198 and 211 Austrian Commercial Code in the version of the Accounting Amendment Act 2014 with due regard to the AFRAC opinion no. 27 "Provisions for pension, termination, anniversary allowances and similar obligations due over the long term in accordance with the regulations under the Austrian Commercial Code" from June 2016.

The projected unit credit method has been used to calculate the entitlements.

Based on the first time application of Section 211 of the Austrian Commercial Code in the version of the Accounting Amendment Act 2014 and with regard to the AFRAC opinion no. 27 from June 2016, a differential amount was determined in accordance with Section 906(33) and (34) of the Austrian Commercial Code in the version of the Audit Law Amendment Act 2016 at the start of the financial year of the first-time application, i.e. 1 January 2016.

The differential amount was reported under prepaid expenses (with a positive value), i.e. the provision in the company balance sheet corresponds with the new balance sheet carrying amount in its entirety.

The Austrian Commercial Code values are reduced by the differential amounts for the severance provisions of €5.3 million and for the pension provisions of €28.8 million because, in the solvency balance sheet, the differential amounts are presented under the relevant provisions on the liabilities side.

The discount rate applied was the seven-year average interest rate at 31 October 2017. This arises from the rates as at the last 84 month-ends in accordance with the German Provision Discounting Regulation. An interest rate of 2.2 per cent was applied for the termination benefits and an interest rate of 2.8 per cent was applied for the pension obligations. The applicable average maturity of the portfolio at the current reporting date was assumed to be 8 years for the termination obligations and 13 years for the pension obligations.

This results in valuation differences as compared with Solvency II.

4. Deposits from reinsurers

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Securities account liabilities from reinsurance ceded	122	122	0

Table 144: Deposits from reinsurers

The deposits from reinsurers are reported under this item. Liabilities are measured at the settlement amount, both for the Austrian Commercial Code financial statements as well as for the solvency balance sheet. There are no valuation differences as the same approach was applied under Solvency II.

8. Financial liabilities other than liabilities to banks

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Financial liabilities other than liabilities to banks	215	215	0

Table 145: Financial liabilities other than liabilities to banks

The nominal values are stated for these items in accordance with the Austrian Commercial Code. Nominal values are also stated in accordance with Solvency II if the liabilities are due within twelve months. There are no differences in valuation as a result of this.

9. Liabilities to insurance companies and intermediaries

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to insurance companies and intermediaries	10	10	0

Table 146: Liabilities to insurance companies and intermediaries

This item includes liabilities to insurance companies and intermediaries. Liabilities are recognised and valued at the settlement amount in accordance with the Austrian Commercial Code. There are no valuation differences as the same approach is applied under Solvency II.

10. Liabilities to reinsurance companies

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to reinsurance companies	7	7	0

Table 147: Liabilities to reinsurance companies

This item comprises liabilities to reinsurance companies, which are posted at their settlement amount in accordance with the Austrian Commercial Code. There are no differences in valuation as a result of this.

11. Payables (trade, not insurance)

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Payables (trade, not insurance)	92	138	-45

Table 148: Payables (trade, not insurance)

This item includes other liabilities which cannot be allocated to one of the other categories. Liabilities are measured at the settlement amount both for the separate financial statements in accordance with the Austrian Commercial Code as well as for the solvency balance sheet.

In the financial statements in accordance with the Austrian Commercial Code, pro rata interest is reported under other liabilities, whereas in the solvency balance sheet this interest is recognised under subordinated liabilities. The solvency value also contains IFRS adjustment postings.

12. Subordinated liabilities

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Subordinated liabilities	915	850	65
Subordinated liabilities in basic own funds	915	850	65

Table 149: Subordinated liabilities

Subordinated liabilities are recognised and valued at their nominal value in accordance with the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

13. Any other liabilities, not shown elsewhere

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Any other liabilities, not shown elsewhere	6	6	0

Table 150: Any other liabilities, not shown elsewhere

This item mainly comprises deferred income. The other liabilities are measured at the settlement amount both for the Austrian Commercial Code separate financial statements as well as for the solvency balance sheet, which means there are no valuation differences.

D.4 ALTERNATIVE METHODS FOR VALUATION

For assets and liabilities whose valuation is not performed using listed market prices in active markets (mark to market) or using listed market prices for similar instruments (marking to market), the UNIQA Insurance Group AG uses alternative methods for valuation.

These methods for valuation are mainly used for bonds, investment property and shares that are not listed. In the case of bonds, these are mainly loans, private equity funds, hedge funds, asset-backed securities (ABSs) and structured products. In the case of the investment property, it is real estate held as a financial investment.

The valuations using alternative valuation methods are primarily based on the discounted cash flow method, benchmark procedures with instruments for which there are observable prices, and other procedures. The inputs and pricing models for the individual assets and liabilities are set out in detail below:

Assets and liabilities	Pricing method	Valuation techniques	Inputs	Pricing model
Property (other than for own use)	Theoretical price	Capital value-oriented	Construction value and base value, position, useful area, condition, current contractual leases and current vacancies with rental forecast	Income approach, intrinsic value approach, weighted income and net asset value
Bonds	Theoretical price	Capital value-oriented	CDS spread, yield curves, verified net asset values (NAV), volatilities	Present value approach, discounted cash flow, NAV method
Unlisted equities	Theoretical price	Capital value-oriented	WACC, (long-term) sales growth rate, (long-term) profit margin, control premium	Expert valuation report
Loans and mortgages	Theoretical price	Capital value-oriented	Cash flows already fixed or determined via forward rates, yield structure curve, credit risk of contract partners, collateral, creditworthiness of debtor	Discounted cash flow
Derivatives	Theoretical price	Capital value-oriented	CDS spread, yield curves, Volatilities (FX, Cap/Floor, Swaption, Constant Maturity Swap, Equities)	Contract-specific model, Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM

Table 151: Overview of inputs and pricing models for the individual assets and liabilities

D.5 ANY OTHER INFORMATION

The receivables, pro-rata interest rates, liabilities and provisions in foreign currencies were valued using the reference rates of the European Central Bank. Securities in foreign currencies are accounted for using the reference rates of the European Central Bank at the reporting date, or at acquisition value in relation to previous years.

E Capital management

E.1 OWN FUNDS

Please refer Chapter E.1 of the UNIQA Group in the consolidated report of UNIQA Group for further information regarding the requirements for the Solvency and Financial Condition Report. The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

Reconciliation of Austrian Commercial Code equity to regulatory own funds

At the reporting date of 31 December 2017, the Austrian Commercial Code equity amounted to €2,374 million (2016: €2,368 million). The available own funds in accordance with the regulatory valuation principles (basic own funds) amounted to €5,777 million (2016: €5,510 million). The following table shows the reconciliation of Austrian Commercial Code equity to regulatory own funds along with the essential changes in the reporting year.

Reconciliation of Austrian Commercial Code equity to regulatory own funds

In € million	2017	2016
Austrian Commercial Code equity including treasury shares	**2,374**	**2,368**
Revaluation of assets	2,768	2,664
Goodwill	0	0
Deferred acquisition costs	0	0
Shares in affiliated companies including equity investments	2,731	2,504
Property	60	61
Loans and mortgages	11	9
Other	-34	90
Revaluation of technical provisions	-24	-105
Technical provisions – non-life and health insurance (similar to non-life)	19	52
Technical provisions – life and health insurance (similar to life)	-43	-157
Technical provisions – index-linked and unit-linked insurance	0	0
Other technical provisions	0	0
Revaluation of other provisions	-91	-188
Deferred tax liabilities	0	0
Other	-91	-188
Total revaluation	2,653	2,371
Economic capital	**5,026**	**4,738**
Treasury shares	7	6
Planned dividends	157	151
Tier 1 – restricted	0	0
Tier 2 – subordinated liabilities	915	929
Basic own funds	**5,777**	**5,510**

Table 152: Reconciliation of Austrian Commercial Code equity to regulatory own funds

Economic capital refers to the excess of assets over liabilities.

The economic capital amounted to €5,026 million at 31 December 2017 (2016: €4,738 million). The planned dividends in the amount of €157 million (2016: €151 million) and treasury shares in the amount of €7 million (2016: €6 million) were deducted and added to the subordinated liabilities as part of the reconciliation of the economic capital with the basic own funds. The planned dividends item includes the planned dividend payments for 2018 based on the 2017 profits that have not yet been paid out and do not represent own funds.

The difference between the Austrian Commercial Code equity and the economic capital valued in accordance with the Solvency II regulations amounted to a total of €2,653 million (2016: 2,371 million).

Composition of basic own funds

The basic own funds were made up as follows in the relevant tiers:

Information on own funds

In € million	2017	2016
Basic own funds	5,777	5,510
Tier 1 unrestricted	4,799	4,469
Share capital including capital reserves	1,991	1,991
Surplus funds (free provision for policyholder bonuses)	0	0
Reconciliation reserve	2,808	2,478
Tier 1 restricted – subordinated liabilities	0	0
Tier 2 – subordinated liabilities	915	929
Tier 3 – deferred tax assets	63	112
Reduction in eligibility thresholds	245	341
Own funds to cover SCR	5,533	5,169

Table 153: Information on own funds

The own fund instruments were allocated to the relevant tiers in accordance with the statutory requirements.

The largest section of own funds at around €4,799 million (2016: €4,469 million) consisted of Tier 1 (top quality) capital, which essentially comprised paid-in share capital, the associated share premium and the reconciliation reserve.

At the reporting date, UNIQA Insurance Group AG held subordinated Tier 2 liabilities with a total value of €915 million in its portfolio (2016: €929 million). The valuation of the subordinated liabilities fell as a result of an increase in interest rates. The subordinated liabilities have the following features:

Subordinated debt securities

In € million	Interest rate 6.875%	Interest rate 6.000%
Nominal value	350	500
Solvency II market value	385	530
Tier	2	2
Transitional regulations	No	No
Issue date	31/07/2013	27/07/2015
First cancellation date	31/07/2023	27/07/2026
Date of maturity	31/07/2043	27/07/2046
Status	Subordinated and unsecured	Subordinated and unsecured
Interest	Fixed until the first cancellation date, then variable	Fixed until the first cancellation date, then variable

Table 154: Subordinated liabilities

The Tier 3 capital components in the amount of €63 million (2016: €112 million) consist entirely of deferred net tax assets. The decrease in deferred tax assets resulted from a decrease in technical provisions and an increase in intangible assets.

Reconciliation with eligible own funds

Tier 1 own funds can be used in full to cover the regulatory capital requirement. The Solvency II Framework Directive provides for a limit on the eligibility of Tier 2 and Tier 3 own fund items, and therefore not all basic own funds are necessarily eligible with respect to the solvency capital requirement or the minimum capital requirement. The eligibility limits depend on the amount of the solvency capital requirement and minimum capital requirement, and on the quality of the instrument.

The following table shows the limit on coverage of the solvency capital and minimum capital requirements; the level is calculated based on the overall solvency or minimum solvency requirement.

SCR and MCR cover for each tier (equity category)

	Restriction in per cent	2017	In € million 2016
Solvency capital requirement		1,467	1,400
SCR cover			
Tier 1	Min. 50% of SCR	734	700
Tier 1 restricted	Max. 20% of total Tier 1	0	0
Tier 3	Max. 15% of SCR	220	210
Tier 2 + Tier 3	Max. 50% of SCR	734	700
Minimum capital requirement		367	350
MCR cover			
Tier 1	Min. 80% of MCR	293	280
Tier 1 restricted	Max. 20% of total Tier 1	0	0
Tier 2	Max. 20% of MCR	73	70

Table 155: Eligible own funds (general)

Own funds eligible for the SCR for each tier

	Basic own funds		Own funds eligible to cover SCR	
	2017	2016	2017	2016
Tier 1 unrestricted	4,799	4,469	4,799	4,469
Tier 1 restricted	0	0	0	0
Tier 2	915	929	734	700
Tier 3	63	112	0	0
Total	**5,777**	**5,510**	**5,533**	**5,169**

Own funds eligible for the MCR for each tier

	Basic own funds		Own funds eligible to cover MCR	
	2017	2016	2017	2016
Tier 1 unrestricted	4,799	4,469	4,799	4,469
Tier 1 restricted	0	0	0	0
Tier 2	915	929	73	70
Total	**5,715**	**5,398**	**4,872**	**4,539**

Table 156: Eligible own funds at the reporting date of 31 December 2017

Due to the limitation, €244 million of basic own funds (2016: €341 million) were not used for the minimum solvency capital requirement coverage.

With respect to the minimum capital requirements, €842 million of the basic own funds (2016: €858 million) were not used to cover the minimum solvency capital requirement as a result of the limitation.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

UNIQA Insurance Group AG uses the Solvency II standard formula to calculate the solvency capital requirement.

In the calculation of default risk in connection with determining the risk-mitigating effects from reinsurance (Article 196 of the Delegated Regulation (EU) 2015/35), the UNIQA Insurance Group AG uses the simplification specified in Article 107 of the Delegated Regulation (EU) 2015/35.

Pursuant to Section 178(4) of the Austrian Insurance Supervision Act 2016, no company-specific parameters are applied.

The minimum capital requirement is calculated in accordance with Chapter 6 of the Austrian Insurance Supervision Act 2016 (Section 193 et seq.). The input parameters are net premiums and best estimates of net provisions for all business lines.

The following table presents the solvency capital requirement amounts for each risk module and the minimum capital requirement at 31 December 2017. UNIQA Insurance Group AG satisfies both the solvency capital requirement and the minimum capital requirement.

Solvency capital requirement and own funds to cover the solvency capital requirement

In € million	2017
By risk module	
Market risk	1,562
Counterparty default risk	12
Life underwriting risk	15
Health underwriting risk	0
Non-life underwriting risk	5
Operational risk	3
Solvency capital requirement (SCR)	1,467
Minimum capital requirement (MCR)	367
Own funds to cover the solvency capital requirement	5,533

Table 157: Solvency capital requirement of UNIQA Insurance Group AG

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENTS

The duration-based equity risk sub-module is not used to determine the SCR for UNIQA Insurance Group AG.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODELS USED

UNIQA Insurance Group AG uses the standard formula.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT OR SOLVENCY CAPITAL REQUIREMENT

UNIQA Insurance Group AG met the minimum capital requirement and solvency capital requirement at all times during the 2017 financial year.

E.6 ANY OTHER INFORMATION

No other disclosures.

UNIQA INSURANCE GROUP AG

Vienna, 9 May 2018

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Solvency and Financial Condition Report for UNIQA Österreich Versicherungen AG

Version dated: 31 December 2017

Contents

Executive Summary

The figures presented in the summary relate to UNIQA Österreich Versicherungen AG in all cases.

We present the company and its underlying business model together with the most important figures related to premium revenues, benefits and investment performance in Chapter **A Business and performance**. Overview:

UNIQA Österreich Versicherungen AG is a wholly owned subsidiary of UNIQA Insurance Group AG and became the Group's only direct insurer on the Austrian market in October 2016. The company sells both direct and indirect insurance in all product lines.

UNIQA Österreich Versicherungen AG's premium volume written in the 2017 financial year before reinsurance business ceded amounts to €3,656.6 million (2016: €3,631.5 million). This corresponds with a 0.7 per cent increase on the previous year. Details on the individual business lines and explanations of the developments are provided in Chapter A.2 to A.5 in this Annex.

The UNIQA Österreich Versicherungen AG organisational structure is illustrated in Chapter **B System of governance** and this is in line with the statutory requirements. The company's system of governance is consistent with that of the UNIQA Group (including a standardised definition of key functions and the partial internal model). This also includes the fit and proper requirements, the risk management system including the company's own risk and solvency assessment and information on the internal control system.

The details on the composition and calculation of the risk capital are outlined in Chapter **C Risk profile**. This includes above all the material risks related to underwriting, market risks, credit risks or risks of default, liquidity risks along with operational risks. The solvency capital requirement of UNIQA Österreich Versicherungen AG is calculated using a partial internal model.

The following overview illustrates the capital requirements for the individual risk modules, the overall solvency capital requirement (SCR), and the accompanying equity.

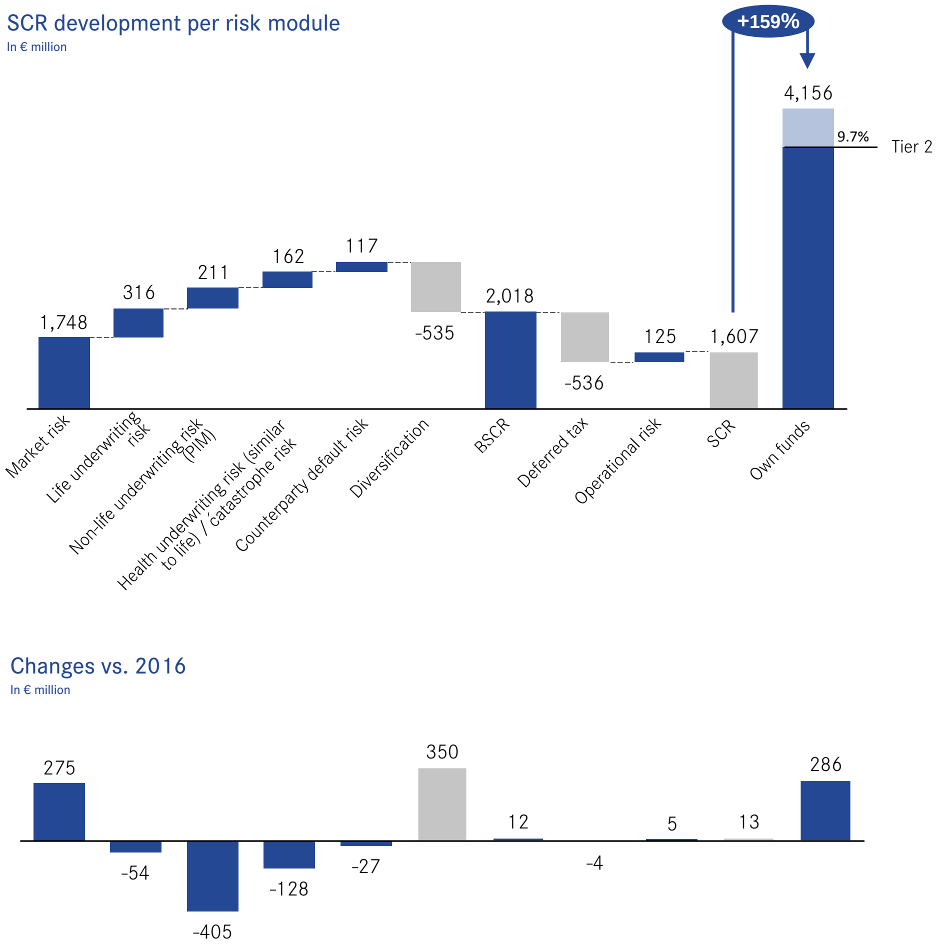

Figure 29: SCR development per risk module

The risk profile is dominated by market risk which results mainly from the large size of the portfolio of life and health insurance policies.

UNIQA has an excellent capital position with a solvency ratio of 259 per cent. It should also be explicitly mentioned here that no transitional measures are taken. If the volatility adjustment is not taken into account the solvency ratio is reduced to 255 per cent.

In Chapter **D Valuation for solvency purposes** the methods used to measure individual balance sheet items in the solvency balance sheet are outlined and compared with the items of the UNIQA Österreich Versicherungen AG separate financial statements according to the Austrian Commercial Code.

Finally, in Chapter **E Capital management,** the economic capital is reconciled with the equity ultimately eligible. The eligible own funds of UNIQA Österreich Versicherungen AG amount to €4,156 million (2016: €3,870 million). At around €3,723 million (2016: €3,436 million), most of the own funds consist of top-quality capital (Tier 1). This results in a SCR ratio of 259 per cent. The eligible own funds for MCR coverage amount to €3,857 million (2016: €3,568 million). At around €3,723 million (2016: €3,436 million), most of the own funds here also consist of top-quality capital (Tier 1). The MCR ratio amounts to 735 per cent.

A Business and performance

The report on UNIQA Österreich Versicherungen AG is set up analogously to the report on the UNIQA Group. To avoid repetition, only company-specific details and material differences compared with the UNIQA Group are addressed.

The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

A.1 BUSINESS ACTIVITIES

A detailed description of business activity can be found in Chapter A.1 of the UNIQA Group report.

UNIQA Österreich Versicherungen AG sells both direct and indirect insurance in all three departments.

The company operated branches in Italy, the United Kingdom, Germany and Switzerland during the financial year. In Italy, life insurance is sold, in the other countries non-life insurance.

Property and casualty insurance

In UNIQA Österreich Versicherungen AG, €1,621.8 million in premiums were accounted for in 2017 (2016: €1,568.7 million) – this was about 44.4 per cent (2016: 43.2 per cent) of total premium volume.

Life insurance

In UNIQA Österreich Versicherungen AG in life insurance, €1,055.2 million in premiums were accounted for in 2017 (2016: €1,106.5 million), equating to 28.9 per cent (2016: 30.5 per cent) of total premium volume.

Of this, €262.1 million came from unit- and index-linked life insurance (2016: €278.0 million); this was about 7.2 per cent of total premium volume (2016: 7.7 per cent).

Health insurance

Health insurance at UNIQA Österreich Versicherungen AG accounted for just €979.7 million in premiums in 2017 (2016: €956.3 million); this was about 26.8 per cent (2016: 26.3 per cent) of total premium volume.

A.2 UNDERWRITING PERFORMANCE

The following chapter illustrates UNIQA Österreich Versicherungen AG's underwriting performance in the reporting period. This performance is described qualitatively and quantitatively both on an aggregated basis and broken down by the essential business lines and geographical areas in which the UNIQA Österreich Versicherungen AG pursues its activities.

The details are then compared with the information contained in the company's separate financial statements submitted in the reporting period and compared with the previous year.

Underwriting performance in non-life insurance by essential business lines (gross)

In € million	Premiums written 2017	Premiums written 2016	Premiums earned 2017	Premiums earned 2016	Claims expenses 2017	Claims expenses 2016	Change in other technical provisions 2017	Change in other technical provisions 2016	Expenses incurred 2017	Expenses incurred 2016	Underwriting performance 2017	Underwriting performance 2016
Medical expense insurance	0	0	0	0	0	0	0	0	0	0	0	0
Income protection insurance	296	286	296	287	156	163	0	0	98	100	41	24
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	307	300	307	299	146	189	0	0	69	73	92	37
Other motor insurance	245	226	243	225	188	162	0	0	67	66	-12	-2
Marine, aviation and transport insurance	40	45	41	46	16	29	0	0	14	16	11	1
Fire and other damage to property insurance	428	413	427	412	260	235	0	0	140	143	27	34
General liability insurance	181	178	183	178	156	129	0	0	61	61	-33	-12
Credit and suretyship insurance	3	2	3	2	0	0	0	0	1	1	2	2
Legal expenses insurance	88	84	88	84	53	56	0	0	28	28	6	1
Assistance	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous financial loss	35	34	35	34	10	19	0	-1	11	11	13	3
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	0	0	0	0	0	0	0
Total	**1,622**	**1,569**	**1,622**	**1,566**	**986**	**981**	**0**	**-1**	**488**	**499**	**147**	**86**

Table 158: Underwriting performance in non-life insurance by essential business lines (gross)

Underwriting performance in non-life insurance by essential business lines (net)[1)]

In € million	Premiums written 2017	Premiums written 2016	Premiums earned 2017	Premiums earned 2016	Claims expenses 2017	Claims expenses 2016	Change in other technical provisions 2017	Change in other technical provisions 2016	Expenses incurred 2017	Expenses incurred 2016	Underwriting performance 2017	Underwriting performance 2016
Medical expense insurance	0	0	0	0	0	0	0	0	0	0	0	0
Income protection insurance	165	157	165	157	86	89	0	0	45	49	34	19
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	226	209	226	208	104	118	0	0	46	41	76	49
Other motor insurance	112	103	111	102	92	80	0	0	32	30	-12	-8
Marine, aviation and transport insurance	33	37	33	39	13	25	0	0	14	16	6	-3
Fire and other damage to property insurance	272	248	272	248	160	142	0	0	99	100	12	6
General liability insurance	82	81	82	81	76	71	0	0	34	29	-28	-19
Credit and suretyship insurance	2	2	2	2	0	-1	0	0	1	1	1	2
Legal expenses insurance	88	84	88	84	53	55	0	0	28	28	6	1
Assistance	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous financial loss	20	19	20	19	6	9	0	-1	6	7	7	3
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	0	0	0	0	0	0	0
Total	**1,000**	**941**	**1,000**	**941**	**591**	**590**	**0**	**-1**	**305**	**300**	**104**	**51**

1) In the 2016 financial year the reinsurance share was apportioned in accordance with the reinsurance contract. In the 2017 financial year the reinsurance share was apportioned in accordance with the underlying risk. In order to make it possible to compare the two financial years, the 2016 values in the table have been adjusted to reflect the new breakdown.

Table 159: Underwriting performance in non-life insurance by essential business lines (net)

In the area of non-life insurance there was an increase in earned premiums of 6.2 per cent to €999.7 million. Other than that there were no essential changes compared to the previous year.

Underwriting performance in non-life insurance by main geographic areas

Premiums, claims and expenses by country	Top countries (by amount of gross premiums written) – non-life insurance obligations													
	Austria		Italy		Germany		United Kingdom		Switzerland		Czech Republic		Total	
In € thousand	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Premiums written														
Gross	1,562,340	1,505,749	21,765	25,907	20,434	21,971	4,081	2,945	3,773	3,404	1,415	1,006	1,613,808	1,560,982
Net	963,431	903,542	13,422	15,546	12,601	13,184	2,516	1,767	2,327	2,042	872	604	995,169	936,685
Premiums earned														
Gross	1,559,597	1,503,238	23,550	26,912	20,691	21,217	5,079	2,818	3,745	3,552	1,403	1,023	1,614,064	1,558,760
Net	960,247	902,137	14,515	16,168	12,754	12,747	3,130	1,693	2,308	2,134	864	615	993,819	935,494
Claims expenses														
Gross	961,186	950,268	15,954	19,660	5,808	5,290	464	558	264	279	247	260	983,922	976,315
Net	575,540	571,061	9,553	11,815	3,478	3,179	278	335	158	167	148	156	589,154	586,714
Change in other technical provisions														
Gross	-425	-568	0	0	0	0	0	0	0	0	0	0	-425	-568
Net	-425	-568	0	0	0	0	0	0	0	0	0	0	-425	-568
Expenses incurred	294,143	287,942	4,096	4,954	3,845	4,202	768	563	710	651	266	192	303,827	298,504
Total underwriting performance – net	**90,139**	**42,566**	**867**	**-600**	**5,431**	**5,366**	**2,085**	**795**	**1,440**	**1,316**	**450**	**266**	**100,412**	**49,708**

Table 160: Underwriting performance in non-life insurance by main geographic areas

As in the previous year the focus of the business is on the domestic market of Austria. The underwriting result in Austria and the United Kingdom improved due to higher premiums.

Underwriting performance in life insurance by essential business lines (gross)

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
In € million	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Health insurance	979	956	979	956	667	642	-160	-148	161	137	-8	28
Insurance with profit participation	715	755	719	753	1,422	1,504	548	635	74	87	-230	-204
Index-linked and unit-linked insurance	262	278	262	278	346	895	-69	-44	48	58	-201	-719
Other life insurance	75	71	76	70	25	-420	-9	-10	45	73	-3	407
Bonds stemming from non-life insurance contracts and relating to health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Bonds stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	24	0	-23
Life reinsurance	3	2	3	2	0	0	-0	-0	3	2	-1	-0
Total	**2,035**	**2,063**	**2,039**	**2,059**	**2,460**	**2,621**	**310**	**432**	**332**	**382**	**-443**	**-512**

Table 161: Underwriting performance in life insurance by essential business lines (gross)

Underwriting performance in life by essential business lines (net)

In € million	Premiums written 2017	Premiums written 2016	Premiums earned 2017	Premiums earned 2016	Claims expenses 2017	Claims expenses 2016	Change in other technical provisions 2017	Change in other technical provisions 2016	Expenses incurred 2017	Expenses incurred 2016	Underwriting performance 2017	Underwriting performance 2016
Health insurance	979	955	979	955	665	642	-160	-148	161	137	-7	28
Insurance with profit participation	687	755	691	753	1,397	1,504	546	635	73	87	-233	-204
Index-linked and unit-linked insurance	256	257	256	257	308	868	-96	-41	42	55	-190	-707
Other life insurance	66	31	66	30	20	-452	-9	-10	44	71	-6	401
Annuities stemming from non-life insurance contracts and relating to health insurance	0	0	0	0	0	0	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	24	0	-23
Life reinsurance	3	2	3	2	0	0	0	0	3	2	-1	0
Total	**1,991**	**2,001**	**1,995**	**1,997**	**2,389**	**2,562**	**281**	**435**	**324**	**376**	**-436**	**-506**

Table 162: Underwriting performance in life insurance by essential business lines (net)

The improvement of the technical result by €69.3 million is mainly due to a decline in expenses in the amount of €52.1 million. The effects of the decline in claims expenses and the minor change in other technical provisions change the technical result compared with the previous year by €19.1 million.

Underwriting performance in life insurance by main geographic areas

Premiums, claims and expenses by country

Top countries (by amount of gross premiums written) – life insurance obligations

In € thousand	Austria 2017	Austria 2016	Germany 2017	Germany 2016	Slovenia 2017	Slovenia 2016	Italy 2017	Italy 2016	Bulgaria 2017	Bulgaria 2016	Spain 2017	Spain 2016	Total 2017	Total 2016
Premiums written														
Gross	2,026,934	2,049,788	5,679	8,328	503	605	381	453	376	323	294	319	2,034,167	2,059,816
Net	1,983,546	1,988,232	5,557	8,077	492	587	373	440	368	313	288	310	1,990,624	1,997,959
Premiums earned														
Gross	2,030,959	2,046,342	5,679	8,328	503	605	395	453	349	176	294	319	2,038,179	2,056,223
Net	1,987,575	1,984,810	5,558	8,077	492	587	387	440	341	170	288	310	1,994,640	1,994,393
Claims expenses														
Gross	2,440,699	2,613,173	18,599	6,093	289	357	570	1,422	122	23	0	0	2,460,280	2,621,068
Net	2,370,081	2,554,141	18,061	5,955	281	349	553	1,390	119	22	0	0	2,389,095	2,561,857
Change in other technical provisions														
Gross	309,594	432,035	35	-65	0	0	95	0	0	0	0	0	309,724	431,970
Net	281,219	435,038	32	-65	0	0	86	0	0	0	0	0	281,337	434,972
Expenses incurred	322,626	373,620	904	1,518	80	110	61	83	60	59	47	58	323,777	375,447
Total underwriting performance – net	**-423,913**	**-507,914**	**-13,375**	**538**	**131**	**128**	**-141**	**-1,033**	**163**	**89**	**241**	**252**	**-436,895**	**-507,939**

Table 163: Underwriting performance in life insurance by main geographic areas

As in the previous year the focus of the business is on the domestic market of Austria. The technical result in Germany is negatively influenced by the rise in claims expenses. There are no essential changes related to the business in the other countries.

Changes in premiums, insurance benefits and expenses

Changes in premiums

	Non-life		Life (incl. health)		Total	
In € million	2017	2016	2017	2016	2017	2016
Premiums earned (net)	1,000	941	1,995	1,997	2,995	2,938
Claims expenses (net)	-591	-590	-2,389	-2,562	-2,980	-3,152
Change in other technical provisions (net)	-0	-1	281	435	281	434
Expenses incurred (including asset management expenses) (net)	-305	-300	-324	-376	-629	-676
Other technical expenses	-15	-12	-27	-25	-43	-37
Technical result in accordance with reporting template S.05.01.02	**88**	**38**	**-464**	**-531**	**-376**	**-492**
Technical interest income	0	0	478	473	478	473
Unrealised gains and losses on investments	0	0	88	218	88	218
Other insurance income	3	2	2	1	5	3
Expenses for premium refunds	-23	-19	-51	-70	-74	-89
Change in volatility reserve	-13	18	0	0	-13	18
Asset management expenses (in financial result)	4	2	11	12	15	14
Technical result in accordance with the Austrian Commercial Code/Insurance Supervision Act	**59**	**42**	**63**	**103**	**122**	**145**

Table 164: Changes in premiums, insurance benefits and operating expenses

Changes in premiums

UNIQA Österreich Versicherungen AG's premium volume written in the 2017 financial year before reinsurance business ceded amounted to €3,656.6 million (2016: €3,631.5 million). This corresponds to a 0.7 per cent increase on the previous year. Total premiums include €1,621.8 million (2016: €1,568.7 million) for property and casualty insurance, €979.7 million (2016: €956.3 million) for health insurance and €1,055.2 million (2016: €1,106.5 million) for life insurance. Of this, €262.1 million came from unit-linked and index-linked life insurance (2016: €278.0 million) Premiums earned (net) from all business lines amounted to €2,995.0 million (2016: €2,938.4 million).

Claims expenses

Payments for insurance benefits increased by 0.5 per cent in the total calculation in 2017 to €3,594.5 million (2016: €3,576.8 million). The direct business accounted for €3,593.1 million (2016: €3,572.4 million and the indirect business for €1.4 million (2016: €4.4 million).

Claims expenses (net), which are reported under Solvency II without claim processing costs, stood at €2,979.6 million (2016: €3,151.6 million).

The number of claims and benefit cases for all direct business lines amounted to 1.7 million in the reporting year (2016: 1.7 million).

Operating expenses

The operating expenses (net) including the costs of asset management and claim processing amounted to €629.1 million in the reporting year (2016: €676.0 million). The total expenses for the direct and indirect business include commissions expenses of €381.9 million (2016: €421.3 million).

A.3 INVESTMENT PERFORMANCE

The following chapter illustrates UNIQA Österreich Versicherungen AG's investment results in the reporting period as compared with the information submitted in the previous reporting period and contained in the company's financial statements.

UNIQA Österreich Versicherungen AG's investments at the reporting date amounted to €14,731.6 million (2016: €14,863.9 million). The mix, diversification and profitability of the investments meet the regulations under the Austrian Insurance Supervision Act. The investments are dedicated overwhelmingly to covering technical provisions.

Land and buildings

The new acquisitions in the amount of €11.5 million (2016: €8.1 million) were accompanied by depreciation, amortisation and impairment losses of €20.0 million (2016: €19.6 million) as well as disposals in the amount of €27.9 million (2016: €7.2 million). At 31 December 2017 the carrying amount, including the additional value from reorganisations of €5.0 million (2016: €5.2 million), amounted to €602.7 million (2016: €639.1 million). All real estate is located in Austria.

Investments in affiliated companies and holdings

The investments in affiliated companies and holdings at the reporting date amounted to €1,304.8 million (2016: €1,389.1 million).

Other investments

The other investments fell in 2017 by €12.1 million (2016: an increase by €5,701.6 million) to €12,823.5 million (2016: €12,835.6 million). Of this amount, €1,905.3 million was attributable to equities and other variable-income securities (2016: €1,983.9 million) and €10,793.9 million to debt securities and other fixed-income securities (2016: €10,646.9 million). Other loans fell in 2017 to €2.7 million (2016: €3.6 million).

Unit-linked and index-linked life insurance investments

The total portfolio of investments in unit-linked life insurance amounts to €2,801.7 million (2016: €2,822.2 million). The savings premiums included in the policyholders' premiums are invested exclusively in shares in funds. Tax credits and distributed earnings were again credited to the funds. The total portfolio of investments in index-linked life insurance amounts to €1,670.9 million (2016: €1,591.8 million).

Income less expenses from investments

The company's net financial income amounted to €509.6 million in the reporting year (2016: €493.3 million). Unscheduled depreciation, amortisation and impairment losses fell by €68.7 million (2016: €68.1 million) as a result of utilising the valuation reliefs for funds and applying the alleviated lower of cost or market principle for debt securities and other fixed-income securities. The average return over the financial year was 3.4 per cent (2016: 3.2 per cent).

The following table shows a summary of the net investment income, broken down by business lines:

Income less expenses from investments (net)	Property and casualty insurance		Health insurance		Life insurance	
In € million	2017	2016	2017	2016	2017	2016
Income from investments and interest	50	72	142	145	526	541
Income from equity investments	0	-2	9	7	12	8
Income from land and buildings	4	6	8	12	24	24
Income from other investments	24	32	49	60	214	251
Income from reversal of impairment losses	2	8	5	20	31	40
Gains on the disposal of investments	18	25	52	44	209	155
Other income from investments and interest	2	2	19	1	36	63
Investment and interest expenses	-18	-51	-20	-21	-170	-193
Asset management expenses	-4	-2	-4	-2	-7	-9
Impairment losses on investments	-4	-31	-7	-7	-47	-35
Interest expenses	-8	-14	-4	-4	-28	-23
Losses on the disposal of investments	-2	-2	-5	-2	-87	-93
Other investment expenses	0	-1	0	-5	-1	-32
Net investment income	32	21	122	124	356	348
Capital earnings transferred to the underwriting account	0	0	-122	-124	-356	-348

Table 165: Investment income in accordance with the Austrian Commercial Code (net)

Property and casualty insurance

Net income from investments in property and casualty insurance amounted to €31.8 million (2016: €20.9 million). The earnings from investments and interest amounted to €49.5 million (2016: €71.9 million) and the expenses for investments and interest amounted to €17.7 million (2016: €51.0 million).

The income from other investments fell by €8.6 million as a result of the ongoing low interest rate environment. The decline in impairment losses on investments is primarily attributable to minor write-downs in the value of bank shares. Gains on the disposal of investments also fell by €7.1 million as a result of lower sales activity.

Health insurance

Net income from investments in health insurance amounted to €122.1 million (2016: €124.5 million). The earnings from investments and interest amounted to €142.1 million (2016: €145.4 million) and the expenses for investments and interest amounted to €20.0 million (2016: €20.9 million).

The income from other investments fell by €11.3 million as a result of the ongoing low interest rate environment. Other income from investments and interest increased by €17.3 million as a result of the higher profits from currency hedges and redemptions of bonds in foreign currencies, while the reversals of impairment losses were €14.9 million lower than in the previous year.

Life insurance

Net income from investments in life insurance amounted to €355.6 million (2016: €347.9 million). The earnings from investments and interest amounted to €525.7 million (2016: €540.8 million) and the expenses for investments and interest amounted to €170.2 million (2016: €192.9 million).

The income from other investments fell by €37.0 million as a result of the ongoing low interest rate environment. Gains on the disposal of investments increased by €54.1 million as a result of higher sales activity. The fall by €30.9 million in other expenses for investments is primarily the result of higher net losses from derivative financial instruments in 2016.

No assets are measured directly in equity in accordance with the Austrian Commercial Code. These are measured exclusively through profit or loss.

The investment portfolio in structured securitisations held by UNIQA Österreich Versicherungen AG amounted to €1.2 million (2016: €208.2 million) at the reporting date and consisted almost entirely of collateralised loan obligations (CLO), whose assets involve debt securities from companies from the US. Risk management for these securities includes regular monitoring of the Trustee's reports by specially qualified portfolio managers, who are in close contact with the investment managers responsible for the securitisation portfolios.

A.4 PERFORMANCE OF OTHER ACTIVITIES

Other non-underwriting income of UNIQA Österreich Versicherungen AG fell by 78.3 per cent in 2017 from €5.5 million to €1.2 million in property and casualty insurance. Other expenses decreased in the reporting year to €7.9 million (2016: €11.8 million). Other non-underwriting income in health insurance fell to €0.4 million (2016: €1.0 million). Other expenses increased in the reporting year to €0.9 million (2016: €0.2 million). Other non-underwriting income in life insurance fell to €0.2 million (2016: €1.5 million). Other expenses fell to €0.7 million in the reporting year (2016: €1.1 million). Other non-underwriting income includes €0.7 million from exchange gains (2016: €6.2 million), and other non-actuarial expenses include €2.0 million from exchange losses (2016: €5.2 million).

Sonstige Erträge und Aufwendungen

In EUR Millionen	2017	2016
Sonstige Erträge	2	8
Sonstige Aufwendungen	-9	-13
Nettoergebnis	**-8**	**-5**

Table 166: Other income and expenses in accordance with the Austrian Commercial Code

A.5 ANY OTHER INFORMATION

No other disclosures.

B System of governance

B.1 GENERAL DISCLOSURES ON THE SYSTEM OF GOVERNANCE

Under Solvency II, insurance and reinsurance undertakings must establish an effective system of governance which guarantees sound and prudent management of the business and is appropriate to the nature, scope and complexity of the business activity. This system must at a minimum include a suitable and transparent organisational structure with a clear allocation and appropriate separation of the responsibilities, along with an effective system aimed at guaranteeing the transmission of information.

A detailed description of the system of governance is contained in Chapter B.1 of the UNIQA Group report.

B.1.1 Supervisory Board

The rights and responsibilities of the Supervisory Board as set out in Chapter B.1 also apply to the Supervisory Board of UNIQA Österreich Versicherungen AG and refer in this context exclusively to UNIQA Österreich Versicherungen AG.

B.1.2 Management Board and committees

Management Board of UNIQA Österreich Versicherungen AG

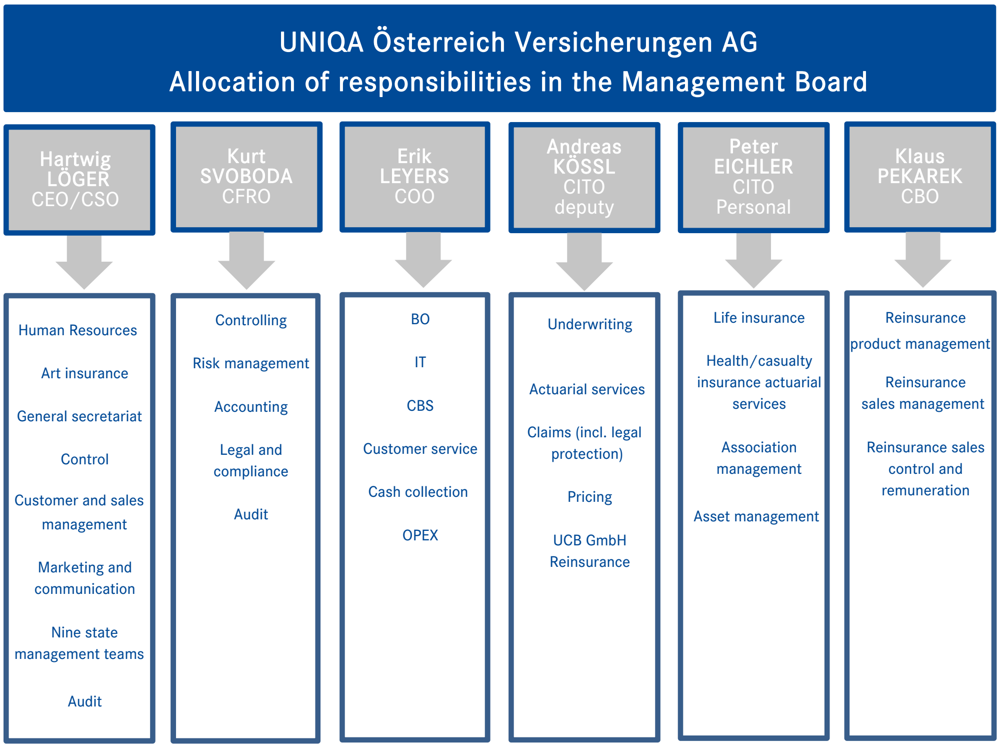

Figure 30: Business distribution

New composition of the Management Board of UNIQA Österreich Versicherungen AG as of December 2017

The Management Board of UNIQA Österreich Versicherungen AG was restructured and positioned in line with future requirements after former chairman of the Management Board of UNIQA Österreich Versicherungen AG Hartwig Löger left to join the Austrian government.

Kurt Svoboda has taken over as chairman of the Management Board at UNIQA Österreich Versicherungen AG. Kurt Svoboda also remains Chief Finance and Risk Officer on the Management Board of UNIQA Österreich Versicherungen AG.

New Management Board member Peter Humer is responsible for sales management and the federal state management teams. Klaus Pekarek remains responsible for bank sales.

Alexander Bockelmann took over as head of the newly created Management Board function "Digitalisation" at UNIQA Österreich Versicherungen AG effective 1 January 2018.

Sabine Usaty-Seewald took charge of the other new Management Board function "Customers and Market Management" at UNIQA Österreich Versicherungen AG as of the same date.

The Management Board of UNIQA Österreich Versicherungen AG is therefore composed of the following members as of 1 January 2018:

- Kurt Svoboda, CEO/Chief Financial and Risk Officer
- Alexander Bockelmann, Digitalisation
- Peter Eichler, Personal Insurance
- Peter Humer, Sales (not including bank sales)
- Andreas Kössl, Property Insurance
- Erik Leyers, Operations & IT
- Klaus Pekarek, Bank Sales
- Sabine Usaty-Seewald, Customers and Market Management

Rights and responsibilities of the Management Board of UNIQA Österreich Versicherungen AG

The rights and responsibilities of the Management Board of UNIQA Group as set out in Chapter B.1.2 also apply to the Management Board of UNIQA Österreich Versicherungen AG and refer in this context exclusively to UNIQA Österreich Versicherungen AG.

The committees of UNIQA Österreich Versicherungen AG

UNIQA Österreich Versicherungen AG has set up a committee structure aimed at enabling efficiency and in-depth content-related discussion with the appropriate parties with functional responsibility. A Charter & Rules of Procedure has been laid down for each body with details set out here on the objectives, responsibilities, composition and organisation. The committees are under the responsibility of the members of the Management Board with the relevant functional remit according to the allocation of business.

B.1.3 Key functions

Governance and other key functions

As already described in Chapter B.1 of the UNIQA Group report, the system of governance includes the following governance functions:

- actuarial function
- risk management function
- compliance function
- internal audit function

In addition, UNIQA Österreich Versicherungen AG has also laid down the following functions as other key functions:

- asset Management
- reinsurance

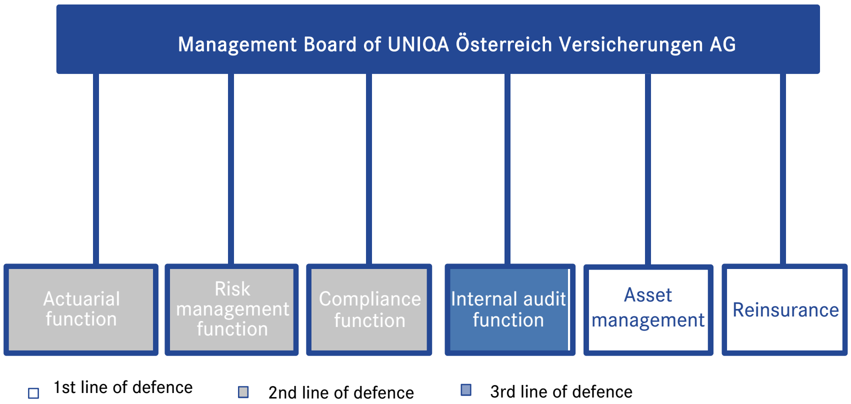

Figure 31: Key functions

Actuarial function

The actuarial function reports directly to the Management Board of UNIQA Österreich Versicherungen AG. From an organisational point of view, it reports to the CFRO.

The actuarial function is exercised within UNIQA Österreich Versicherungen AG independently of any further governance or key functions. All of the tasks of the actuarial function are identical with those listed in Chapter B.1 of the UNIQA Group report, whereby the activities are restricted to UNIQA Österreich Versicherungen AG.

Risk management function

The risk management function of UNIQA Österreich Versicherungen AG reports directly to the Management Board of UNIQA Österreich Versicherungen AG. From an organisational point of view, it reports to the CFRO.

The risk management function is exercised within UNIQA Österreich Versicherungen AG independently of any further governance or key functions. The responsibilities of the risk management function of UNIQA Österreich Versicherungen AG are generally identical to those contained in Chapter B.1 of the UNIQA Group report, with the exception that processes and models are implemented in accordance with Group standards and are not designed separately. However, it is currently reviewing the appropriateness of the processes and of the internal model.

Compliance function

The compliance function at UNIQA Österreich Versicherungen AG reports to the Management Board of UNIQA Österreich Versicherungen AG. It reports to the CFRO from an organisational point of view.

All of the tasks of the compliance function at UNIQA Österreich Versicherungen AG are identical with those listed in Chapter B.1 of the UNIQA Group report, whereby the activities are restricted to UNIQA Österreich Versicherungen AG.

Internal audit function

The internal audit at UNIQA Österreich Versicherungen AG was also outsourced to UNIQA Group Audit GmbH (UGA), a wholly owned subsidiary of UNIQA Insurance Group AG, and reports directly to the Management Board of UNIQA Österreich Versicherungen AG. The internal audit function is an exclusive one and it cannot be exercised in conjunction with other functions that are not audit-related. This ensures that it remains independent and thereby guarantees strict monitoring and assessment of the effectiveness of the internal control system and other components of the system of governance.

Asset management

Asset management activities have been outsourced by UNIQA Österreich Versicherungen AG to UNIQA Capital Markets GmbH (UCM) with the consent of the Financial Market Authority.

UCM's responsibilities for the asset management function at UNIQA Österreich Versicherungen AG are identical with those listed in Chapter B.1 of the UNIQA Group report, whereby the activities are restricted to UNIQA Österreich Versicherungen AG.

Reinsurance

The reinsurance function reports directly to the Management Board of UNIQA Österreich Versicherungen AG. This function supports the Management Board with the development of a medium and long-term reinsurance strategy for UNIQA Österreich Versicherungen AG within the scope of the general finance and risk policy as well as the Group reinsurance policy resulting from this. The key function is available to the Management Board of UNIQA Österreich Versicherungen AG as well as to any corporate bodies for professional advice and support.

Aside from compliance with the existing Group guidelines, special importance is also attached to designing and implementing effective reinsurance optimised for risk and capital purposes. Consideration and monitoring of activities that are in line with market requirements, both in substance and in all material respects, must be ensured using suitable processes and measures. Establishing comprehensive reporting with regular reports on all reinsurance activities within the company are also part of the key function's responsibilities. This involves ensuring the best possible transparency on the various asset and liability-based business segments and includes the planning processes.

Designing the substance of the internal reinsurance relations and the processes for annual coverage renewals follow regulations and guidelines resulting from an up-to-date risk management process across the entire Group. The following table summarises the responsibilities of the key reinsurance function for UNIQA Österreich Versicherungen AG:

B.1.4 Remuneration

The objective of the remuneration strategy at UNIQA Österreich Versicherungen AG is to ensure a balance between market trends, statutory and regulatory requirements, shareholder expectations and the needs of salaried employees. A detailed description of this can be found in Chapter B.1.4 of the UNIQA Group report.

B.1.5 Significant related party transactions with companies and individuals

A detailed description of related companies and persons is contained in Chapter B.1.5 of the UNIQA Group report.

The following two tables show the transactions with related companies and individuals of UNIQA Österreich Versicherungen AG in the 2017 reporting period.

Related party transactions – companies

In € thousand	Companies with significant influence on the UNIQA Group	Unconsolidated subsidiaries	Associates of the UNIQA Group	Other affiliated companies	**Total**
Transactions 2017					
Premiums written (gross)	3,238	29	353	2,015	**5,635**
Interest income arising from loans with related banks and from investments in related parties	1,606	1,100	13,659	3,808	**20,173**
Interest expenses arising from loans with related banks and from investments in related parties	775	0	0	0	**775**
Other earnings with affiliated companies	0	67	40	9	**115**
Other expenses with affiliated companies	0	0	3	0	**3**
At 31 December 2017					
Investments at fair value	208,827	5,416	485,917	0	**700,160**
Bank deposits	216,010	0	0	82,124	**298,134**
Other receivables from affiliated companies	0	67	0	9	**76**
Other liabilities with affiliated companies	0	0	0	0	**0**

Table 167: Related party transactions – companies

Related party transactions – individuals

In € thousand	2017
Premiums written (gross)	386
Salaries and short-term benefits	666
Pension expenses	156
Post-employment benefits	97
Share-based payments	270
Other income	135

Table 168: Related party transactions – individuals

B.2 REQUIREMENTS FOR FIT AND PROPER PERSONS

In accordance with the Solvency II Directive, UNIQA Österreich Versicherungen AG has specified fit and proper requirements for persons who effectively run the business or hold other key functions. The objective of these requirements is to ensure that the relevant individuals are fit and proper persons for the roles involved.

The UNIQA Group has implemented a process for carrying out suitability assessments and for documenting the results to ensure that the individuals satisfy the fit and proper requirements, both at the time they are appointed to a function and on an ongoing basis thereafter. A detailed description of this can be found in Chapter B.2 of the UNIQA Group report.

B.3 RISK MANAGEMENT SYSTEM INCLUDING THE COMPANY'S OWN RISK AND SOLVENCY ASSESSMENT (ORSA)

B.3.1 General

The risk management system is an integral part of the system of governance. Its purpose is to identify, assess and monitor short-term and long-term risks to which UNIQA Österreich Versicherungen AG is exposed. The internal Group guidelines form the basis for uniform standards within UNIQA Österreich Versicherungen AG. They include a detailed description of the process and organisational structure.

B.3.2 Risk management, governance and organisational structure

Detailed information is set out in Chapter B3.2 of the UNIQA Group report.

B.3.3 Risk strategy

Detailed information is set out in Chapter B.3.3 of the UNIQA Group report.

B.3.4 Risk management process

Detailed information is set out in Chapter B.3.4 of the UNIQA Group report.

B.3.5 Risk-related committees

The Risk Management Committee is responsible for management of the risk profile and the associated specification and monitoring of risk-bearing capacity and limits. Detailed information is set out in Chapter B.1.2 of the UNIQA Group report.

B.3.6 Governance of the partial internal model

Detailed information is set out in Chapter B.3.6 of the UNIQA Group report.

B.3.7 The company's Own Risk and Solvency Assessment (ORSA)

The descriptions in Chapter B.3.7 for the UNIQA Group covering the company's Own Risk and Solvency Assessment apply equally to UNIQA Österreich Versicherungen AG.

The risk management system is an integral part of the system of governance. Its purpose is to identify, assess and monitor short-term and long-term risks to which the UNIQA Group and its companies are exposed. The internal Group guidelines form the basis for uniform standards at various company levels within the UNIQA Group. They include a detailed description of the process and organisational structure.

A detailed description of the risk management system including the company's Own Risk and Solvency Assessment (ORSA) for UNIQA Österreich Versicherungen AG can be found in Chapter B.3.7 of the UNIQA Group report.

B.4 INTERNAL CONTROL SYSTEM

B.4.1 Internal control system

The internal control system at UNIQA Österreich Versicherungen AG ensures that litigation risks are minimised or eliminated by effective and efficient controls. This ensures that the effectiveness of all processes is subject to continuous improvement, clear responsibilities are assigned and there is also a guarantee at the same time that the regulations are complied with. A detailed description can be found in Chapter B.4.1 of the UNIQA Österreich Versicherungen AG report.

B.4.2 Compliance function

A detailed description of the compliance function can be found in Chapter B.1.3 of the UNIQA Österreich Versicherungen AG report.

B.5 INTERNAL AUDIT FUNCTION

The internal audit function as well as its tasks and responsibilities have already been described in Chapter B.1.3 of the UNIQA Österreich Versicherungen AG report.

B.6 ACTUARIAL FUNCTION

A detailed description of the actuarial function can be found in Chapter B.1.3 of the UNIQA Österreich Versicherungen AG report.

B.7 OUTSOURCING

Detailed information on the outsourcing process can be found in Chapter B.7 of the UNIQA Group report.

Significant outsourced activities

UNIQA Österreich Versicherungen AG has outsourced the following critical or important functions or activities:

Contracts via which the critical or important operational functions or activities were outsourced have been presented to the FMA (and – where legally required – have been approved by the FMA).

1. outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Group Service Center Slovakia spol. s r.o. as service provider on the other hand, dated 17 March 2014 in the version of the supplement dated 6 March 2017 [administrative activities]
2. outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Capital Markets GmbH as service provider on the other hand, dated 17 March 2014 [asset management]
3. outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA IT Services GmbH as service provider on the other hand, dated 17 March 2014 [information technology, telecommunications]
5. outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Group Audit GmbH as service provider on the other hand, dated 25 July 2008 [internal controls]
6. outsourcing contract between UNIQA Österreich Versicherungen AG as principal on the one hand, and UNIQA Insurance Group AG as service provider on the other hand, dated 17 March 2014 [accounting, controlling]
7. outsourcing contract between UNIQA Österreich Versicherungen AG as principal on the one hand, and Valida Consulting GesmbH as service provider on the other hand, dated 18 September 2008 [administrative activities, occupational group insurance]

All service providers except one have their head offices in Austria and are thus subject to Austrian and European law. The service provider for the cross-border service has their head office in Slovakia.

B.8 APPROPRIATENESS OF THE SYSTEM OF GOVERNANCE

UNIQA Österreich Versicherungen AG sets high quality standards for the purposes of structuring its system of governance. The “three lines of defence” approach is strictly observed in order to achieve a clear separation of responsibilities (see Chapter B.3.2 of the UNIQA Group report). This is underscored by the comprehensive committee system that the Management Board uses for the structured incorporation of governance and key functions in the decision-making process.

The system of governance at UNIQA Österreich Versicherungen AG is reviewed on an annual basis.

C Risk profile

C.1 OVERVIEW OF THE RISK PROFILE

The solvency capital requirement of UNIQA Österreich Versicherungen AG is calculated using a partial internal model for non-life insurance in accordance with Section 182(1) et seq. of the Austrian Insurance Supervision Act 2016. General explanations can be found in Chapter C.1 of the UNIQA Group report.

The following table outlines the risk profile and composition of the SCR at 31 December 2017 for UNIQA Österreich Versicherungen AG.

As a composite insurer, UNIQA Österreich Versicherungen AG provides life, non-life and health insurance. The risk profile is dominated by market risk which results mainly from the large size of the portfolio of life and health insurance contracts.

The underwriting risk from life insurance in the amount of €315.7 million is determined by the lapse risk and takes second place in the risk profile.

The health insurance underwriting risk amounting to €161.7 million is composed of the risk of health insurance similar to similar to life technique and the health catastrophe risk.

The non-life underwriting risk is composed of the non-life insurance and non-SLT health insurance risk. Amounting to €210.5 million it takes third place in the risk profile and is mainly determined by the premium risk.

At €116.5 million the default risk is essentially caused by bank deposits and recoverable amounts from reinsurance contracts and it plays a subordinate role in the risk profile.

The balance in the insurance portfolio in the areas of life, non-life and health insurance means that there is diversification in the amount of €534.9 million.

For detailed information on the underwriting risks and the market and default risk, please see the following chapter.

The operational risk in the amount of €125.0 million is determined by its premium-based components and is described in detail in Chapter B.3.6.

The adjustment for the loss-absorbing capacity of the deferred tax has a reduced influence on the capital requirements. This amounts to €535.7 million and is described in detail in Chapter C.9.2.

The risk capital requirements and eligible own funds in the amount of €1,607.1 million and €4,156.1 million respectively result in a solvency ratio of 258.6 per cent.

Solvency capital requirement per risk category

In € million

Type of underlying model that was applied	Description of the components	Sub-components	Solvency capital requirement
Solvency capital requirement			**1,607**
Risks that use the internal model	Non-life underwriting risk and health underwriting risk similar to non-life	Non-life underwriting risk and health underwriting risk similar to non-life, total	211
		Premium risk	207
		Reserve risk	88
		Diversification	-84
Risks that use the standard formula	Market risk	Market risk, total	1,748
		Interest rate risk	509
		Equity risk	519
		Property risk	253
		Spread risk	670
		Exchange rate risk	158
		Concentration risk	462
		Diversification	-823
	Counterparty default risk	Counterparty default risk, total	117
		Type 1 credit and default risk	100
		Type 2 credit and default risk	21
		Diversification	-4
	Life underwriting risk	Life underwriting risk, total	316
		Mortality risk	7
		Longevity risk	33
		Disability-morbidity risk	1
		Lapse risk	235
		Expense risk	108
		Revision risk	0
		Catastrophe risk	1
		Diversification	-69
	Health underwriting risk	Health underwriting risk	162
		SLT health underwriting risk, total	151
		Mortality risk	58
		Longevity risk	0
		Disability-morbidity risk	55
		Lapse risk	113
		Expense risk	9
		Revision risk	0
		Diversification	-85
		Health insurance catastrophe risk	32
		Similar to life	22
		Similar to non-life	22
		Diversification	-12
		Diversification	-21
	Operational risk		125
	Risk from intangible assets		0
Total undiversified components			3,575
Total diversification			-946
Diversification within the internal model			-84
Diversification from the standard model aggregation			-918
Diversification through integration of the internal model			-966
Reduction from deferred taxes			-536
Own funds to cover SCR			4,156
Solvency ratio			**259 %**
Available surplus			**2,549**

Table 169: Risk profile – solvency capital calculation at 31 December 2017

C.2 UNDERWRITING RISK

C.2.1 Description of the risk

The descriptions in Chapter C.2.1 of the UNIQA Group report apply to the underwriting risks of life, health and non-life insurance.

C.2.2 Risk exposure

Underwriting risk, non-life and health (similar to non-life)

The proportion of the risk module for non-life and health (similar to non-life) underwriting risk in the overall solvency capital requirement is 7 per cent. The main risk driver for the non-life underwriting risk is primarily the premium risk (including business risk). The greatest risk sub-module is the premium risk (including business risk). This is driven significantly by the natural disaster exposure in the fire and other damage to property insurance line. The reserve risk is substantially determined by the major reserves in the mandatory liability insurance lines.

The diversification effect is also at a significantly high level as a result of operating several different business areas.

Capital requirement for non-life underwriting risk and health underwriting risk (similar to non-life)

	2017	
	In € million	In per cent
SCR, non-life underwriting risk and health underwriting risk (similar to non-life)	211	
Premiums	207	70 %
Reserve risk	88	30 %
Diversification	-84	

Table 170: Underwriting risk, non-life and health (similar to non-life)

Life underwriting risk

The proportion of the risk module for life underwriting risk in the overall solvency capital requirement is 18 per cent. The cancellation and expense risks are the primary risk drivers for the life underwriting risk. Of the lapse risk shocks described in Chapter C.2.1 of the UNIQA Group report, the relevant shock in 2017 was the decline in lapses. The fall on the previous year is driven by the increase in interest rates in euros.

The following table shows the composition of the solvency capital requirements of the life underwriting risk for each risk sub-module:

Capital requirement for life underwriting risk

	2017	
	In € million	In per cent
SCR, life underwriting risk	316	
Mortality risk	7	2 %
Longevity risk	33	9 %
Disability-morbidity risk	1	0 %
Lapse risk	235	61 %
Expense risk	108	28 %
Revision risk	0	0 %
Catastrophe risk	1	0 %
Diversification	-69	

Table 171: SCR, life underwriting risk

Health underwriting risk (similar to life technique)

The biggest shock of this underwriting risk is the shock of mass lapse. The scenario relates primarily to younger portfolios that are progressing well, since only minor age provisions have been accumulated here.

The mortality risk also has a significant influence on the underwriting risk, as future earnings will be lower as a result of increased mortality. The morbidity risk has a significant impact on the underwriting risk as an important benefit in health insurance.

The following table shows the composition of the solvency capital requirements of the health underwriting risk (similar to life technique) for each risk sub-module.

Capital requirement for health underwriting risk

	2017	
	In € million	In per cent
SCR, health underwriting risk	**162**	
SLT health underwriting risk	151	82 %
Health insurance catastrophe risk	32	18 %
Diversification	-21	-12 %

Table 172: SCR, health underwriting risk

Catastrophe risk is measured in its entirety for the health insurance segment and is also shown in the table above.

Capital requirement for health underwriting risk (similar to life)

	2017	
	In € million	In per cent
SCR, health underwriting risk (similar to life)	**151**	
Mortality risk	58	24 %
Longevity risk	0	0 %
Disability-morbidity risk	55	24 %
Lapse risk	113	48 %
Expense risk	9	4 %
Revision risk	0	0 %
Diversification	-85	

Table 173: SCR, health underwriting risk (similar to life)

C.2.3 Risk assessment

The descriptions in Chapter C.2.3 of the UNIQA Group report apply to the underwriting risks of life, health and non-life insurance.

C.2.4 Risk concentration

In terms of underwriting risk, material risk concentrations only arise for the non-life underwriting risk. These are outlined below.

Non-life underwriting risk

The risk concentration in non-life underwriting risk results from the potential geographical accumulation of risks.

The risk of natural disasters represents the essential concentration risk of UNIQA Österreich Versicherungen AG, and relates in particular to the natural hazards of storms, hail, flooding and earthquakes. All these natural hazards have the potential to affect a large geographical area. A major meteorological event can lead to many claims if there is a geographical concentration of business in Austria. One concrete example for such a scenario is a potential flood along the Danube.

This type of catastrophe risk is measured by using models for natural disasters from various external providers.

Essential risk mitigation measures involve corresponding guidelines for underwriting, e.g. no flood insurance sold for buildings in the so-called “red zone”. There are special tools and also guidelines in the industrial area in particular aimed at managing the exposure accordingly. The greatest risk reduction is through the reinsurance structure agreed with UNIQA Re AG. This guarantees adequate reinsurance protection in order to cover potential cumulative events. This takes place primarily based on consideration of the period for covering potential natural disasters.

C.2.5 Risk mitigation

Details of the major strategies for minimising risk in life insurance can be found in Chapter C.2.5 of the UNIQA Group report.

Non-life and health (similar to non-life) underwriting risk

Reinsurance is the principal risk mitigation tool used. This is used in addition to the reduction in the volatility of profit or loss as a capital and risk control tool and as a replacement for risk capital. UNIQA Österreich Versicherungen AG’s essential reinsurance partner is the Group’s internal reinsurance company UNIQA Re AG. Reinsurance protection is organised and acquired in order to manage the required risk capital.

Moreover, clearly defined underwriting guidelines and controls ensure high quality when taking on underwriting risk and guarantee appropriate risk selection. Furthermore the focus with contract renewals is clearly placed on profitable development of the portfolio.

The effectiveness of the risk mitigation mechanisms described for the non-life insurance business is monitored within the framework of the internal risk model. Quantified measurement of the reinsurance protection takes place based on key figures, such as risk-weighted profitability (also known as return on risk adjusted capital or RoRAC), as well as economic value added (EVA) both before as well as after deduction of the reinsurance protection.

C.3 MARKET RISK

C.3.1 Description of the risk

Pursuant to Section 179(4) of the Austrian Insurance Supervision Act 2016, the market risk reflects the sensitivity of asset, liability and financial instrument values to changes in certain factors. A detailed description can be found in Chapter C.3.1 of the UNIQA Group report.

C.3.2 Risk exposure

The following table shows the composition of the SCR for the market risk module. The aggregated capital requirement is lower than the sum of the requirements for the individual risk sub-modules, based on the fact that extreme shocks do not generally occur simultaneously for individual market risks (diversification).

Capital requirement for market risk

	2017	
	In € million	In per cent
SCR, market risk	1,748	
Interest rate risk	509	20 %
Equity risk	519	20 %
Property risk	253	10 %
Spread risk	670	26 %
Exchange rate risk	158	6 %
Concentration risk	462	18 %
Diversification	-823	

Table 174: SCR market risk

Investments of the portfolio managed by UNIQA Österreich Versicherungen AG in accordance with the prudent person principle

A detailed description can be found in Chapter C.3.2 of the UNIQA Group report.

C.3.3 Risk assessment

UNIQA Österreich Versicherungen AG calculates the operational risk in accordance with the standard Solvency II formula. A detailed description can be found in Chapter C.3.3 of the UNIQA Group report.

C.3.4 Risk concentration

All issuers (or groups of issuers) are monitored on an ongoing basis as part of the efforts to determine the concentration risk in accordance with the standard formula, in order to review whether the investment volumes exceed defined limits relative to the total investment volumes depending on the issuer's rating. If a limit is exceeded, then the portfolios exceeding the limit are provided with a risk premium. At 31 December 2017 this type of risk premium was applied to investment portfolios from the following issuers (listed in descending order of the risk premiums): UNIQA Group (company internal portfolios) and STRABAG AG.

C.3.5 Risk mitigation

The use of derivative financial instruments for the purposes of reducing market risk is permissible. A detailed description can be found in Chapter C.3.5 of the UNIQA Group report.

C.4 CREDIT RISK/DEFAULT RISK

C.4.1 Description of the risk

In accordance with Section 179(5) of the Insurance Supervision Act 2016, the credit or default risk takes account of potential losses generated from an unexpected default or deterioration in the credit rating of counterparties and debtors of insurance and reinsurance undertakings during the next twelve months. A detailed description can be found in Chapter C.4.1 of the UNIQA Group report.

C.4.2 Risk exposure

The credit risk or default risk accounts for 4.6 per cent of UNIQA Österreich Versicherungen AG's risk profile.

Capital requirement for type 1 and type 2 credit and default risk

In € million	2017
SCR, type 1 and type 2 credit and default risk	117
Total type 1 credit and default risk	100
Total type 2 credit and default risk	21
Diversification	-4

Table 175: Type 1 and type 2 credit and default risk

The table above shows the composition of the credit or default risk at 31 December 2017. A distinction is made between type 1 and type 2 risk exposure.

Type 1 risk exposure is the essential driver with a share of about 82.4 per cent of overall default risk without taking the diversification between Type 1 and Type 2 risk exposures into consideration. The calculated solvency capital requirement results mainly from bank deposits, reinsurance agreements and derivatives.

Type 2 risk exposure has a share of about 17.6 per cent of overall default risk. In this category, the most important risk drivers are receivables from reinsurance business and intermediaries, reinsurance settlement receivables, and mortgage loans.

C.4.3 Risk assessment

The solvency capital requirement for credit/default risk is calculated using the risk factors and methods described in the Delegated Regulation (EU) 2015/35 in the section on the counterparty default risk module (Chapter V, Section 6, Article 189 et seq.). A detailed description can be found in Chapter C.4.3 of the UNIQA Group report.

C.4.4 Risk concentration

For UNIQA Österreich Versicherungen AG there is a concentration in terms of reinsurance, which for the most part is transferred to the Group's reinsurance partner UNIQA Re AG. Due to the existing reinsurance standard (see Chapter C.4.4 of the UNIQA Group report), these intragroup reinsurance risks are retroceded according to clear and proven rules. As a result of this item, there is no concentration risk for UNIQA Österreich Versicherungen AG.

In terms of bank deposits, the greatest investment volumes at the relevant reporting date (listed in decreasing amount) were reported for the following banks: Raiffeisen Bank International AG, Erste Group Bank AG, UniCredit SpA and Credit Agricole Groupe.

No material concentrations of risk exist for these areas due to the comparatively low absolute volume of off-market derivative transactions, mortgage loans and other relevant exposure.

C.4.5 Risk mitigation

Measures have been put in place to minimise credit/default risk. A detailed description can be found in Chapter C.4.5 of the UNIQA Group report.

C.5 LIQUIDITY RISK

C.5.1 Description of the risk

A detailed description can be found in Chapter C.5.1 of the UNIQA Group report.

C.5.2 Risk exposure

Ongoing liquidity planning and control is carried out in order to ensure that UNIQA Österreich Versicherungen AG is able to meet its payment obligations. Moreover, most of the securities portfolio is listed in liquid markets and can be sold quickly and without significant markdowns if cash is required.

The following table depicts the anticipated profit calculated from future premiums as required by Article 295 of Delegated Regulation (EU) 2015/35 is subject to specific limits according to the Solvency II requirements. The values presented account for the probability of occurrence, the extent of the damage, and also take into account those risks that are categorised as material and immaterial.

Expected profits in future premiums (EPIFP)

In € million	2017
Expected profits in future premiums (EPIFP)	1,520
of which in non-life insurance	253
of which in life insurance	1,266

Table 176: Expected profits in future premiums (EPIFP)

The expected profits from life insurance also include the premiums from health insurance similar to life technique. Derivation of the expected profits from future premiums for these contracts is based on net liabilities (premiums, benefits and costs) from the calculation for the technical provisions. The cash value of the profits is determined from the ratio of the future expected premiums to the associated expected costs and benefits. Significant premiums in life insurance come from the health insurance business and from endowment insurance and unit-linked life insurance business.

C.5.3 Risk assessment and risk mitigation

A distinction is made between two types of payment obligations in relation to the liquidity risk:

- payment obligations due within twelve months
- payment obligations due in more than twelve months

Payment obligations due within twelve months

A regular planning process aimed at guaranteeing the availability of adequate liquid funds to cover expected cash flows is implemented in order to ensure that UNIQA Österreich Versicherungen AG is able to meet its payment obligations within the next twelve months. In addition, a minimum amount of cash reserves which must be available daily is also defined. In addition to the daily reporting on an operational level, a report is presented weekly to the Management Board on the available liquidity, and key liquidity risk indicators are also calculated on a regular basis. These are also subjected to stress scenarios as part of the annual stress and sensitivity analyses.

Payment obligations due in more than twelve months

For longer-term payment obligations, the UNIQA Group aims to match the maturities of investments with those of liabilities to the greatest possible extent as part of the asset-liability management process. Particularly for those investments made for the life insurance business, the strategic assets are allocated based on anticipated liability cash flows to thus minimise long-term liquidity risk. This process was established based on the fact that this business model is exposed to long-term obligations. Compliance with this approach is ensured with a regular and consistent monitoring system.

C.6 OPERATIONAL RISK

C.6.1 Description of the risk

In accordance with Section 5(42) of the Insurance Supervision Act 2016, operational risk is defined as the risk of financial losses caused by inefficient internal processes, systems or individuals, or by external events. A detailed description can be found in Chapter C.6.1 of the UNIQA Group report.

C.6.2 Risk exposure

The operational risk is quantified based on the standard formula and amounts to €125.0 million.

The following table shows the operational risk at 31 December 2017.

Capital requirement for the operational risk

In € million	2017
Operational risk	125

Table 177: Solvency capital requirement for the operational risk

The operational risk is also determined using qualitative criteria within the UNIQA Group based on a catalogue of threats. Operational risks are assessed and categorised based on a risk matrix using expert assessments on the probability of occurrence and level of risk. Using this qualitative process, the following risks have been identified as being material:

- litigation risk, particularly in relation to settlement of claims
- employee risks (staff shortages and dependency on holders of knowledge and expertise)
- IT risks (particularly IT security and the high complexity of the IT landscape, along with the risk of business interruptions)
- miscellaneous project risks
- miscellaneous legal risks

C.6.3 Risk assessment

UNIQA Österreich Versicherungen AG calculates the operational risk on the one hand with a factor-based approach in accordance with the Solvency II standard formula, and on the other hand using interviews with experts. A detailed description of the valuation method is contained in Chapter C.6.3 of the UNIQA Group report.

C.6.4 Risk concentration

There are no substantial risk concentrations in this respect for UNIQA Österreich Versicherungen AG.

C.6.5 Risk mitigation

Defining the measures that mitigate risk is a crucial step in the risk management processes for operational risks. A detailed description can be found in Chapter C.6.5 of the UNIQA Group report.

C.7 STRESS AND SENSITIVITY ANALYSES

UNIQA Österreich Versicherungen AG carries out stress and sensitivity calculations annually in order to determine the impact of certain unfavourable events on the solvency capital requirement, on the own funds, and subsequently also on the coverage ratio. The results provide valuable indications with respect to the stability of the coverage ratio and sensitivities in relation to changes to the economic environment. A detailed description of the sensitivity calculation made can be found in Chapter C.7 of the UNIQA Group report.

Results

The following table provides an overview of the change to the SCR ratio as a result of the shocks specified for the individual stress and sensitivity analyses.

Results of the sensitivity calculation

	2017		2016	
In per cent	SCR ratio	Change (pp)	SCR ratio	Change (pp)
Basic scenario	259 %		243 %	
Key sensitivities				
Interest rate sensitivity				
Parallel shift in interest rate of +50bp (up to last liquid point)	280 %	21	257 %	14
Parallel shift in interest rate of -50bp (up to last liquid point)	236 %	-23	223 %	-20
Reduction in the Ultimate Forward Rate (UFR) by 100 basis points	235 %	-23	219 %	-24
Equity sensitivity				
Fall in the fair value by 30 per cent	251 %	-7	228 %	-15
Foreign exchange sensitivity				
Foreign currency shock of +10 per cent	261 %	3	245 %	2
Foreign currency shock of -10 per cent	256 %	-3	241 %	-2
Spread sensitivity				
Widening in credit spread by 100 basis points	197 %	-62	182 %	-61
Natural catastrophes				
Natural catastrophes: earthquake	257 %	-2	241 %	-1

Table 178: Results of the sensitivity calculation

Interest rate sensitivity

The changes on the previous year are as a result of the first-time adoption of the non-life model combined with a general adjustment to the level of interest rates.

Equity sensitivity

The reduction in the impact of equity sensitivity is driven by adjustments to the portfolio structure.

The impact of the other remaining sensitivities is comparable with the level from the previous year.

C.8 OTHER MATERIAL RISKS

Risk management processes are also defined for reputational, contagion and strategic risks in the UNIQA Group in addition to the risk categories described above. The reputational and strategic risk is also monitored in the same way at UNIQA Österreich Versicherungen AG. A detailed description can be found in Chapter C.8 of the UNIQA Group report.

C.9 ANY OTHER INFORMATION

C.9.1 Risk concentration

Within the scope of the identification of risk concentrations at Group level in accordance with Article 376 of the Delegated Regulation (EU) 2015/35, a concentration from UNIQA Österreich Versicherungen AG was identified which is described in detail in Chapter C.9.1 of the UNIQA Group report.

C.9.2 Risk mitigation

A description of the risk mitigation from deferred tax can be found in Chapter C.9.2 of the UNIQA Group report.

No other disclosures are necessary for UNIQA Österreich Versicherungen AG.

D Valuation for solvency purposes

A detailed description of the valuation for solvency purposes is found in Chapter D of the UNIQA Group report.

D.1 ASSETS

The following table shows a comparison between the determination of the total assets in accordance with Solvency II and the carrying amounts in accordance with the Austrian Commercial Code at the reporting date of 31 December 2017.

Valuation of assets

Assets as at the reporting date of 31 December 2017

In € million		Solvency II	Austrian Commercial Code	Revaluation
1	Goodwill	n.a.	0	0
2	Deferred acquisition costs	n.a.	0	0
3	Intangible assets	0	0	0
4	Deferred tax assets	0	51	-51
5	Pension benefit surplus	0	0	0
6	Property, plant and equipment held for own use	2	3	0
7	Investments (other than assets held for index-linked and unit-linked contracts)	16,711	14,576	2,135
7.1	Property (other than for own use)	1,324	602	721
7.2	Shares in affiliated companies including equity investments	1,075	948	127
7.3	Equities	139	117	23
	Equities – listed	73	51	22
	Equities – unlisted	66	66	1
7.4	Bonds	12,062	10,981	1,082
	Government bonds	6,749	6,051	698
	Corporate bonds	5,127	4,818	309
	Structured notes	184	111	74
	Collateralised securities	1	1	1
7.5	Undertakings for collective investment	1,983	1,833	150
7.6	Derivatives	26	0	26
7.7	Deposits other than cash equivalents	101	95	6
7.8	Other investments	0	0	0
7.9	Assets held for index-linked and unit-linked contracts	4,473	4,473	0
8	Loans and mortgages	161	161	0
8.1	Loans on policies	6	6	0
8.2	Loans and mortgages to individuals	18	0	18
8.3	Other loans and mortgages	137	155	-18
9	Reinsurance recoverables from:	1,255	1,429	-174
9.1	Non-life insurance and health insurance similar to non-life	767	925	-158
	Non-life insurance excluding health	630	764	-134
	Health insurance similar to non-life	137	161	-25
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	197	212	-15
	Health insurance similar to life	0	1	-1
	Life insurance, excluding health and index-linked and unit-linked	197	211	-15
9.3	Life insurance, index-linked and unit-linked	291	292	-1

10	Deposits with cedants	0	0	0
11	Insurance and intermediaries receivables	86	86	0
12	Reinsurance receivables	27	27	0
13	Receivables (trade, not insurance)	64	193	-129
14	Treasury shares (held directly)	0	0	0
15	Amounts due in respect of own funds items or initial funds called up but not yet paid in	0	0	0
16	Cash and cash equivalents	309	309	0
17	Any other assets, not shown elsewhere	4	4	0
Total assets		**23,092**	**21,312**	**1,780**

Table 179: Assets at the reporting date of 31 December 2017

The following categories of assets were not asset components of UNIQA Österreich Versicherungen AG at 31 December 2017, and were therefore not commented on:

- 1. Goodwill
- 2. Deferred acquisition costs
- 5. Pension benefit surplus
- 7.8 Other investments
- 14. Treasury shares
- 15. Amounts due in respect of own funds items or initial funds called up but not yet paid in

A quantitative and qualitative explanation of the main differences compared with valuation in accordance with the Austrian Commercial Code in the annual financial statements is provided below, separately for each class of assets.

3. Intangible assets

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Intangible assets	0	0	0

Table 180: Intangible assets

Intangible assets are composed of purchased computer software as well as licences and copyrights. Intangible assets are amortised in accordance with their useful lives over a defined period.

Intangible assets can be recognised for Solvency II purposes provided that they can be sold separately and the fair values can be reliably determined. These assets were not recognised in the solvency balance sheet since neither of these criteria could be met. This explains the difference in value.

4. Deferred tax assets

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Deferred tax assets	0	51	-51

Table 181: Deferred tax assets

Differences between the Solvency II values and those in accordance with the Austrian Commercial Code arise through the different reference values used to recognise deferred tax assets. Deferred tax assets are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax base and the solvency balance sheet. By contrast, deferred tax assets in the financial statements in accordance with the Austrian Commercial Code are recognised for differences in carrying amounts between the tax balance sheet and the Austrian Commercial Code balance sheet. A deferred tax asset is recognised for unused tax losses, for unused tax credits, and for deductible temporary differences to the extent that it is probable that future taxable profit or deferred tax liabilities will be available for offsetting in the future.

Provided that the deferred tax assets and liabilities relate to the same tax authority and are actually offsettable then they must be offset (consideration of the overall difference; irrespective of the relevant term of the deferred tax). If the deferred tax assets can be realised in subsequent years, then deferred charges are recognised in the assets (budget calculations required).

Offsetting the deferred tax assets with the deferred tax liabilities to be assessed results in a surplus on the assets side in accordance with the Austrian Commercial Code. Deferred tax liabilities were reported in the economic balance sheet.

6. Property, plant and equipment held for own use

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Property, plant and equipment held for own use	2	3	0

Table 182: Property, plant and equipment held for own use

The difference between the Solvency II value and the Austrian Commercial Code value of the property, plant and equipment held for own use results from the difference between the valuation at fair value under Solvency II and the amortised cost model in accordance with the Austrian Commercial Code.

7. Investments (other than assets held for index-linked and unit-linked contracts)

The valuation approaches and differences for the investments of the UNIQA Österreich Versicherungen AG are explained in detail below.

7.1 Property (other than for own use)

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Property (other than for own use)	1,324	602	721

Table 183: Property (other than for own use)

The property (other than for own use) is valued in accordance with the same valuation methodology as the accounting for the property, plant and equipment held for own use (item 6). This results in a valuation difference compared with the economic value.

7.2 Shares in affiliated companies, including equity investments

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Shares in affiliated companies including equity investments	1,075	948	127

Table 184: Shares in affiliated companies, including equity investments

Shares in affiliated companies and equity investments are valued with application of the strict lower of cost or market principle in the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

7.3 Equities

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Equities	139	117	23
Equities – listed	73	51	22
Equities – unlisted	66	66	1

Table 185: Equities

7.3.1 Equities – listed

Equities are valued in accordance with the provisions in Section 144(2) of the Austrian Insurance Supervision Act 2016. Write-downs have only been recognised if the impairment is expected to be permanent. This results in a valuation difference compared with the economic value.

7.3.2 Equities – unlisted

An identical valuation methodology is applied to both "Equities – listed" as well as "Equities – unlisted" in accordance with the Austrian Commercial Code. The differences arise from the valuation in accordance with Solvency II based on the economic values.

7.4 Bonds

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Bonds	12,062	10,981	1,082
Government bonds	6,749	6,051	698
Corporate bonds	5,127	4,818	309
Structured notes	184	111	74
Collateralised securities	1	1	1

Table 186: Bonds

In accordance with local accounting principles bonds are assigned to the fixed assets (Section 204 of the Austrian Commercial Code) and are valued at the alleviated lower of cost or market principle.

No distinction is made between government bonds and corporate bonds under the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

7.5 Undertakings for collective investment

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Undertakings for collective investment	1,983	1,833	150

Table 187: Undertakings for collective investment

In accordance with local accounting principles (Section 207 of the Austrian Commercial Code), undertakings for collective investment are valued in accordance with the strict lower of cost or market principle applying the valuation exemption. Write-downs of the lower fair value in the event of an expected temporary impairment can only be omitted to the extent that the overall amount of any write-down that does not take place does not exceed 50 per cent of the total or otherwise of existing hidden net reserves of the company in the relevant accounting department.

Undertakings for collective investment in bonds (subject to consolidation) represent an exception. These undertakings are valued using the alleviated lower of cost or market principle as under 7.4 Bonds.

This gives rise to a valuation difference between Solvency II and Austrian Commercial Code figures for this balance sheet item.

7.6 Derivatives

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Derivatives	26	0	26

Table 188: Derivatives

Derivative financial instruments represent pending transactions in accordance with the Austrian Commercial Code and are not accounted for on the assets side, in accordance with this Code. This results in a difference in the valuation between Solvency II and the Austrian Commercial Code for this balance sheet item.

7.7 Deposits other than cash equivalents

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Deposits other than cash equivalents	101	95	6

Table 189: Deposits other than cash equivalents

Deposits other than cash equivalents are valued at the strict lower of cost or market principle in accordance with local accounting principles (Section 207 of the Austrian Commercial Code). This results in a valuation difference compared with the economic value.

7.9 Assets held for index-linked and unit-linked contracts

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Assets held for index-linked and unit-linked contracts	4,473	4,473	0

Table 190: Assets held for index-linked and unit-linked contracts

The assets stated as unit-linked and index-linked life insurance investments for which a coverage fund has to be formed have been measured at current values in accordance with the provisions of the Insurance Supervision Act 2016. This results in no difference in the valuation between Solvency II and the Austrian Commercial Code for this balance sheet item.

8. Loans and mortgages

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Loans and mortgages	161	161	0
Loans on policies	6	6	0
Loans and mortgages to individuals	18	0	18
Other loans and mortgages	137	155	-18

Table 191: Loans and mortgages

Loans on policies are assessed and valued at nominal value in accordance with the Austrian Commercial Code. There is no revaluation.

For the purposes of the separate financial statements in accordance with the Austrian Commercial Code, loans and mortgages are valued at their principal amounts or at the cost of the outstanding loan. In the case of identifiable individual risks the lower applicable value is used. The Austrian Commercial Code values plus the pro rata interest rates are used in the solvency balance sheet. This explains the valuation differences.

9. Recoverables from reinsurance contracts

Assets In € million		Solvency II	Austrian Commercial	Revaluation
9	**Reinsurance recoverables**	**1,255**	**1,429**	**-174**
9.1	Non-life insurance and health insurance (similar to non-life)	767	925	-158
	Non-life insurance excluding health	630	764	-134
	Health insurance similar to non-life	137	161	-25
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	197	212	-15
	Health insurance similar to life	0	1	-1
	Life insurance, excluding health and index-linked and unit-linked	197	211	-15
9.3	Life insurance, index-linked and unit-linked	291	292	-1

Table 192: Recoverables from reinsurance contracts

The item “Recoverables from reinsurance contracts” includes amounts outstanding based on reinsurance contracts external to the company.

The differences between the values assessed in the solvency balance sheet and the valuation in accordance with the Austrian Commercial Code result from the fact that the values in accordance with the Austrian Commercial Code are assessed and valued at nominal value. This results in a valuation difference compared with the economic value.

10. Deposits with cedants

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Deposits with cedants	0	0	0

Table 193: Deposits with cedants

The nominal values are stated for these items in accordance with the Austrian Commercial Code, and are adjusted by an allowance for the default risk if necessary. They are also recognised as economic values in accordance with Solvency II.

11. Insurance and intermediaries receivables

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Insurance and intermediaries receivables	86	86	0

Table 194: Insurance and intermediaries receivables

This item comprises receivables from insurance companies and insurance brokers. Under the Austrian Commercial Code, receivables due within twelve months are recognised at their principal amounts. Receivables due in more than twelve months are valued at the present value of the future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation. There are no valuation differences as the same approach is applied under Solvency II.

12. Reinsurance receivables

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Reinsurance receivables	27	27	0

Table 195: Reinsurance receivables

This item comprises reinsurance receivables that are not already included in the deposits with cedants. The nominal values are stated for these items in accordance with the Austrian Commercial Code. These are also reported as economic values in accordance with Solvency II if the amounts concerned are due in less than twelve months. The valuation methodology is identical to the one used for deposits with cedants (item 10). There are no differences in valuation as a result of this.

13. Receivables (trade, not insurance)

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Receivables (trade, not insurance)	64	193	-129

Table 196: Receivables (trade, not insurance)

This item comprises all receivables that do not originate from the insurance business. Receivables due within twelve months are recognised at their principal amounts both in the financial statements in accordance with the Austrian Commercial Code and in the solvency balance sheet. Receivables due in more than twelve months are valued at the present value of the future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation.

Under the Austrian Commercial Code, pro rata interest is reported in the other receivables, whereas in the solvency balance sheet this interest is reported with each asset.

16. Cash and cash equivalents

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Cash and cash equivalents	309	309	0

Table 197: Cash and cash equivalents

Current bank balances, cheques and cash in hand are stated under this item. They are valued at the economic value which corresponds with the nominal value. There are no differences compared with Solvency II.

17. Any other assets, not shown elsewhere

Assets In € million	Solvency II	Austrian Commercial Code	Revaluation
Any other assets, not shown elsewhere	4	4	0

Table 198: Any other assets, not shown elsewhere

Other assets include all assets that have not already been included in other asset items (e.g. prepaid expenses). The valuation is at amortised cost under the Austrian Commercial Code. There is no revaluation for Solvency II.

D.2 TECHNICAL PROVISIONS

The technical provisions within UNIQA Österreich Versicherungen AG are determined solely on the basis of a best estimate plus a risk margin because of the nature of the liabilities. There is no attempt to match technical cash flows with financial instruments and value these elements together on a net basis.

Calculation of the provisions based on the best estimate involves restating technical provisions in the Austrian Commercial Code balance sheet to arrive at an economic valuation. According to the principle of equivalence, a provision for life insurance is defined as the difference between the present value of future benefits and the present value of future premiums. The best estimate of provisions or the best estimate of liabilities are determined by using assumptions regarding the best estimate when calculating these future cash flows (instead of the prudent valuation assumptions). Options and guarantees (TVFOG) are included in the best estimate for the provisions where relevant.

The following table compares the Solvency II provisions with the relevant corresponding provisions in accordance with the Austrian Commercial Code at 31 December 2016 and 31 December 2017 for UNIQA Österreich Versicherungen AG.

Valuation of technical provisions

In € million		2017 Solvency II	2017 Austrian Commercial Code	2017 Revaluation	2016 Solvency II	2016 Austrian Commercial Code	2016 Revaluation
1	Technical provisions – non-life insurance	1,538	2,288	-750	1,571	2,204	-633
1.1	Technical provisions – non-life insurance (excluding health insurance)	1,316	1,930	-615	1,357	2,204	-847
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	1,264	n.a.	1,264	1,224	n.a.	1,224
	Risk margin	52	n.a.	52	134	n.a.	134
1.2	Technical provisions – health insurance (similar to non-life)	222	358	-135	214	0	214
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	218	n.a.	218	184	n.a.	184
	Risk margin	5	n.a.	5	30	n.a.	30
2	Technical provisions – life insurance (excluding index-linked and unit-linked)	10,757	12,141	-1,384	11,650	12,481	-831
2.1	Technical provisions – health insurance (similar to life)	874	3,093	-2,220	780	2,920	-2,140
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	636	n.a.	636	531	n.a.	531
	Risk margin	238	n.a.	238	249	n.a.	249
2.2	Technical provisions – life insurance (excluding health and index-linked and unit-linked)	9,883	9,048	836	10,870	9,562	1,308
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	9,719	n.a.	9,719	10,633	n.a.	10,633
	Risk margin	164	n.a.	164	237	n.a.	237
3	Technical provisions – index-linked and unit-linked life insurance	4,511	4,457	54	4,276	4,378	-101
3.1	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
3.2	Best estimate	4,463	n.a.	4,463	4,248	n.a.	4,248
3.3	Risk margin	48	n.a.	48	29	n.a.	29
4	Other technical provisions	n.a.	0	0	n.a.	0	0
Total technical provisions		**16,806**	**18,886**	**-2,080**	**17,498**	**19,063**	**-1,566**

Table 199: Valuation of technical provisions

D.2.1 Non-life and health (similar to non-life technique) technical provisions

The technical provisions for non-life and health (similar to non-life technique) are valued as stipulated in the standards of the UNIQA Group. The provisions are classified into homogeneous risk groups in accordance with the FMA's guidelines on segmenting business areas. The FMA's requirements from the guidelines relating to Pillar 1 regarding the valuation of technical provisions are also taken into account accordingly. Since there are no material holdings kept in foreign currencies, only the euro yield curve is used for discounting the provisions.

The parameters or assumptions used to calculate the technical provisions are subject both to natural uncertainty based on potential fluctuations in the benefits and costs, and economic assumptions such as discount rates.

UNIQA Österreich Versicherungen AG therefore carries out continuous sensitivity analyses aimed at testing the sensitivity of the parameters and assumptions used for the provisions best estimate. The following parameters and assumptions are specifically analysed in non-life insurance:

- changes in the development of the future claims rate
- changes in the development of the future cost ratio
- changes in the claims reserve
- changes to the discount rate

Furthermore, the assumptions are also compared with empirical values on an ongoing basis.

The results of these calculations are subject to both quantitative and qualitative analyses and are also reported to the Management Board in the annual report on technical functions.

In non-life insurance, the following factors constitute the major sources of uncertainty when evaluating the best estimate:

- assumed discount rate
- assumptions about future claims processing in long-term business lines (liability insurance)
- claims rate assumptions for multi-year policies

The following figure gives an overview of non-life technical provisions (best estimate and risk margin) at 31 December 2017:

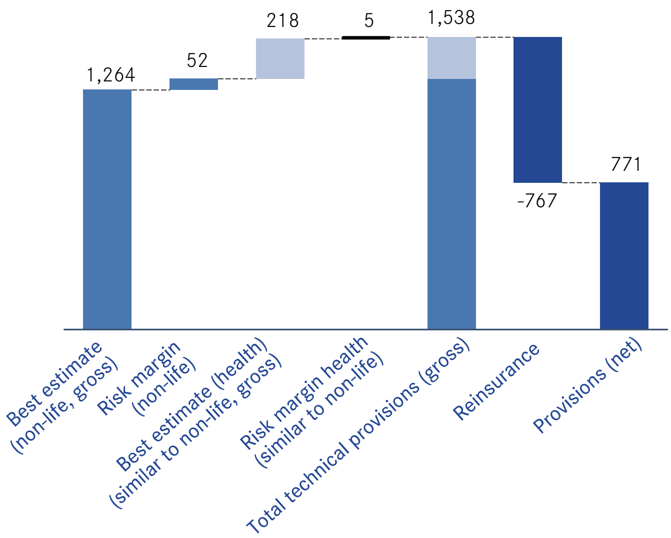

Figure 32: Non-life and health technical provisions (similar to non-life technique) (in € million)

The technical provisions of UNIQA Österreich Versicherungen AG in the lines non-life and health (similar to non-life technique) are mainly valued according to the best estimate. Due to the high quota contributions to the Group's internal reinsurer, UNIQA Re AG, there is a material reduction on a net basis. The provisions in the health insurance line (similar to non-life technique) are mainly driven by the business in casualty insurance. The following tables show the details of the technical provisions non-life and health (similar to non-life technique).

Valuation of non-life technical provisions (gross)

	2017			2016		
In € million	Solvency II	Austrian Commercial Code	Revaluation	Solvency II	Austrian Commercial Code	Revaluation
Technical provisions – non-life insurance	1,538	2,288	-750	1,571	2,204	-633
Technical provisions – non-life insurance (excluding health insurance)	1,316	1,930	-615	1,357	2,204	-847
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	1,264	n.a.	1,264	1,224	n.a.	1,224
Risk margin	52	n.a.	52	134	n.a.	134
Technical provisions – health insurance (similar to non-life)	222	358	-135	214	0	214
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	218	n.a.	218	184	n.a.	184
Risk margin	5	n.a.	5	30	n.a.	30

Table 200: Valuation of technical provisions (gross)

There is a clear redundancy compared to the provisions which are posted in accordance with the Austrian Commercial Code. This is largely based on the following valuation assumptions between the two regimes:

- The provisions in the Austrian Commercial Code are established using the principle of caution, whilst in Solvency II a best estimate is determined.
- Under Solvency II, discounted provisions are taken into consideration.
- In economic terms, future premiums of multi-year policies are also taken into account, which in profitable businesses lead to a reduction of the best estimate.

The decline in technical provisions in non-life and health (similar to non-life) is essentially explained by the fall in the risk margin. Approval of the non-life partial model means a reduction in the capital requirements and subsequently also a reduced risk margin.

This also results in an increase in the revaluation effect.

Technical provisions

In € million	2017 Solvency II	2017 Austrian Commercial Code	2017 Revaluation	2016 Solvency II	2016 Austrian Commercial Code	2016 Revaluation
Technical provisions – non-life insurance	**1,538**	**2,288**	**-750**	**1,571**	**2,204**	**-633**
Technical provisions – non-life insurance (excluding health insurance)	**1,316**	**1,930**	**-615**	**1,357**	**1,866**	**-509**
Motor vehicle liability insurance	376	581	-205	441	617	-177
Technical provisions calculated as a whole	n.a.	581	-581	n.a.	617	-617
Best estimate	372	n.a.	372	417	n.a.	417
Risk margin	5	n.a.	5	24	n.a.	24
Other motor insurance	51	76	-26	61	73	-12
Technical provisions calculated as a whole	n.a.	76	-76	n.a.	73	-73
Best estimate	49	n.a.	49	52	n.a.	52
Risk margin	2	n.a.	2	9	n.a.	9
Marine, aviation and transport insurance	44	56	-12	55	60	-5
Technical provisions calculated as a whole	n.a.	56	-56	n.a.	60	-60
Best estimate	41	n.a.	41	49	n.a.	49
Risk margin	2	n.a.	2	6	n.a.	6
Fire and other damage to property insurance	232	371	-139	227	349	-122
Technical provisions calculated as a whole	n.a.	371	-371	n.a.	349	-349
Best estimate	209	n.a.	209	183	n.a.	183
Risk margin	24	n.a.	24	44	n.a.	44
General liability insurance	520	640	-120	479	586	-107
Technical provisions calculated as a whole	n.a.	640	-640	n.a.	586	-586
Best estimate	516	n.a.	516	450	n.a.	450
Risk margin	4	n.a.	4	28	n.a.	28
Credit and suretyship insurance	2	25	-23	4	19	-15
Technical provisions calculated as a whole	n.a.	25	-25	n.a.	19	-19
Best estimate	2	n.a.	2	3	n.a.	3
Risk margin	0	n.a.	0	0	n.a.	0
Legal expenses insurance	55	145	-90	50	125	-75
Technical provisions calculated as a whole	n.a.	145	-145	n.a.	125	-125
Best estimate	51	n.a.	51	34	n.a.	34
Risk margin	5	n.a.	5	16	n.a.	16
Assistance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Miscellaneous financial loss	35	35	0	41	37	4
Technical provisions calculated as a whole	n.a.	35	-35	n.a.	37	-37
Best estimate	25	n.a.	25	35	n.a.	35
Risk margin	10	n.a.	10	6	n.a.	6
Non-proportional fire and other damage to property insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Technical provisions – health insurance (similar to non-life)	**222**	**358**	**-135**	**214**	**338**	**-124**
Medical expense insurance	0	0	0	0	0	0

Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Income protection insurance	222	358	-135	214	338	-124
Technical provisions calculated as a whole	n.a.	358	-358	n.a.	338	-338
Best estimate	218	n.a.	218	184	n.a.	184
Risk margin	5	n.a.	5	30	n.a.	30
Workers' compensation insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: health	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0

Table 201: Valuation of technical provisions (non-life)

As already mentioned, adoption of the partial model results in a significant decline in the risk margin, which is also evident in the individual business lines.

The differences between the Austrian Commercial Code and Solvency II can vary significantly due to the specific features of the business lines. The reasons for this are the high discount effects in long-term business lines (mandatory liability) on the one hand and a reduction in the best estimate in business lines with profitable multiyear contracts on the other.

D.2.2 Life and health (similar to life technique) technical provisions

For the portfolio of classic life insurance the technical provisions under Solvency II are higher compared with the Austrian Commercial Code (not including health or index-linked and unit-linked business), influenced by the average guaranteed interest rate level for the portfolio in the current environment of low interest rates. It should also be noted that the future profit participation is part of the provision under Solvency II (unlike the situation with the Austrian Commercial Code). The significant reduction in the revaluation is as a result of the increased interest rates and the lower cost assumptions under Solvency II.

For index-linked and unit-linked insurance, which features a significantly lower level of interest rate sensitivity, provisions in the solvency balance sheet excluding the risk margin under Solvency II are also comparable with the corresponding values under the Austrian Commercial Code, including in the current market environment. The strong increase under Solvency II as compared with the Austrian Commercial Code results from increased cost assumptions.

The increase in technical provisions in health insurance (similar to life technique) under Solvency II is the result of changes to assumptions (costs and mortality). The transition to a stochastic model in Austria counteracts this effect of the assumptions. The introduction of the stochastic model in Austria is based on the growth of business involving profit participation in health insurance (similar to life technique). The impact of this implementation was a reduction in the provisions, as the increase from valuation of options and guarantees was more than offset by a simultaneous revision of the modelling of the management rules on profit participation.

Valuation of technical provisions (gross)

In € million	2017 Solvency II	2017 Austrian Commercial Code	2017 Revaluation	2016 Solvency II	2016 Austrian Commercial Code	2016 Revaluation
Technical provisions – life insurance (excluding index-linked and unit-linked)	**10,757**	**12,141**	**-1,384**	**11,650**	**12,481**	**-831**
Technical provisions – health insurance (similar to life)	874	3,093	-2,220	780	2,920	-2,140
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	636	n.a.	636	531	n.a.	531
Risk margin	238	n.a.	238	249	n.a.	249
Technical provisions – life insurance (excluding health and index-linked and unit-linked insurance)	9,883	9,048	836	10,870	9,562	1,308
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	9,719	n.a.	9,719	10,633	n.a.	10,633
Risk margin	164	n.a.	164	237	n.a.	237
Technical provisions – index-linked and unit-linked insurance	**4,511**	**4,457**	**54**	**4,276**	**4,378**	**-101**
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	4,463	n.a.	4,463	4,248	n.a.	4,248
Risk margin	48	n.a.	48	29	n.a.	29
Other technical provisions	**n.a.**	**0**	**0**	**n.a.**	**0**	**0**

Table 202: Valuation of gross technical provisions

The following figure shows the breakdown of the best estimate reserve under Solvency II for the life insurance business and health (similar to life technique).

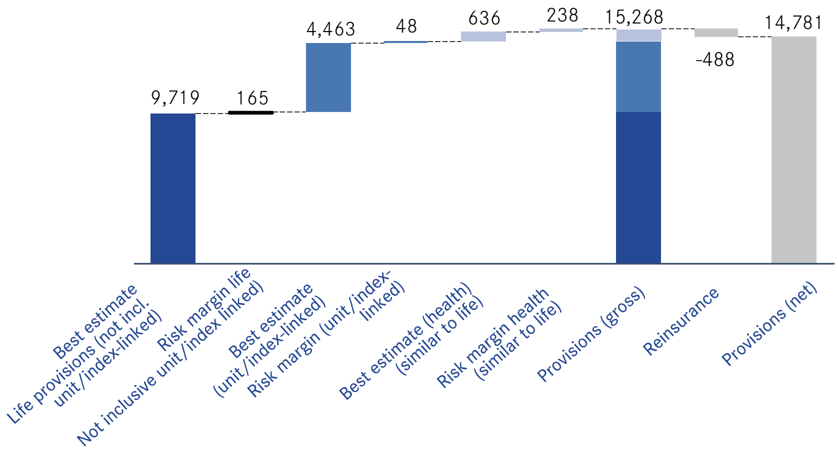

Figure 33: Life and health (similar to life technique) technical provisions (in € million)

D.2.3 Use of volatility adjustments

Adaptation of the risk-free yield curve

The volatility adjustment in accordance with Section 167 of the Austrian Insurance Supervision Act 2016 has been applied in the Solvency II calculation for all lines of life, property and casualty business (non-life) as well as for the short-term health business (similar to non-life) and health business (similar to life technique). This volatility adjustment is also added to the risk-free yield curve.

The effect of the volatility adjustment on the provisions in life, non-life and health (similar to non-life technique) as well as life insurance is shown in the following table:

Volatility adjustments

In € million	Incl. volatility adjustment		Excl. volatility adjustment		Relative change	
	2017	2016	2017	2016	2017	2016
Technical provisions	16,806	17,498	16,853	17,615	0 %	1 %
Basic own funds	4,156	3,870	4,123	3,786	-1 %	-2 %
Own funds eligible to meet SCR	4,156	3,870	4,123	3,786	-1 %	-2 %
SCR	1,607	1,594	1,618	1,634	1 %	2 %
Own funds eligible to meet MCR	3,857	3,568	3,824	3,486	-1 %	-2 %
Minimum capital requirement	525	521	528	527	1 %	1 %

Table 203: Volatility adjustments

The greatest absolute impact from the volatility adjustment comes from traditional life insurance and health insurance (similar to life technique) because of the long-term nature of the business and the higher interest rate sensitivity compared with non-life insurance.

D.3 OTHER LIABILITIES

The table below shows a comparison of all other liabilities at the reporting date of 31 December 2017, valued in accordance with Solvency II and with the Austrian Commercial Code.

Other liabilities

In € million		Solvency II	Austrian Commercial Code	Revaluation
1	Contingent liabilities	0	0	0
2	Provisions other than technical provisions	42	41	1
3	Pension benefit obligations	260	214	46
4	Deposits from reinsurers	499	499	0
5	Deferred tax liabilities	893	0	893
6	Derivatives	15	13	2
7	Liabilities to banks	0	0	0
8	Financial liabilities other than liabilities to banks	0	0	0
9	Liabilities to insurance companies and intermediaries	93	93	0
10	Liabilities to reinsurance companies	20	20	0
11	Payables (trade, not insurance)	138	141	-3
12	Subordinated liabilities	433	410	23
12.1	Subordinated liabilities not in basic own funds	0	0	0
12.2	Subordinated liabilities in basic own funds	433	410	23
13	Any other liabilities, not shown elsewhere	3	3	0
Total other liabilities		**2,395**	**1,434**	**961**

Table 204: Other liabilities

The following classes of liabilities were not present at the reporting date of 31 December 2017 and were therefore not commented on:

- 1. Contingent liabilities
- 7. Liabilities to banks
- 8. Financial liabilities other than liabilities to banks
- 12.1 Subordinated liabilities not in basic own funds

A quantitative and qualitative explanation of the material differences compared with valuation in accordance with the Austrian Commercial Code in the separate financial statements is provided below separately for the other liabilities.

2. Provisions other than technical provisions

Other liabilities

In € million	Solvency II	Commercial Code	Revaluation
Provisions other than technical provisions	42	41	1

Table 205: Provisions other than technical provisions

The other non-technical provisions include the following items:

Other liabilities

In € million	Solvency II	Austrian Commercial Code	Revaluation
Jubilee benefit provision	10	9	1
Customer services and marketing provisions	12	12	0
Provision for legal and consulting expenses	0	0	0
Provision for variable remuneration components	2	2	0
Provision for premium adjustments from reinsurance	0	0	0
Provision for portfolio maintenance commission	1	1	0
Provision for income taxes	0	0	0
Provision for employee leave	0	0	0
Other HR provisions	0	0	0
Other provisions	18	18	0
Total	**42**	**41**	**1**

Table 206: Provisions other than technical provisions (detailed presentation)

Other non-technical provisions have been recognised to the extent to which the provisions will probably be utilised. They take into account all identifiable risks and the amount of liabilities that has not yet been determined.

Provisions with a maturity of more than twelve months are discounted at standard market discount rates in accordance with Section 211(2) of the Austrian Commercial Code. This results in no valuation difference to Solvency II.

The jubilee payment provision values are calculated in accordance with the stipulations under Sections 198 and 211 Austrian Commercial Code in the version of the Accounting Amendment Act 2014 with due regard to the AFRAC opinion no. 27 “Provisions for pension, termination, anniversary allowances and similar obligations due over the long term in accordance with the regulations under the Austrian Commercial Code” from June 2016.

The projected unit credit method has been used to calculate the entitlements.

The discount rate applied was the seven-year average interest rate at 31 October 2017. This arises from the rates as at the last 84 month-ends in accordance with the German Provision

Discounting Regulation. The applicable average maturity of the portfolio at the current reporting date was assumed to be seven years. The discount rate applied was 1.96 per cent.

This results in valuation differences as compared with Solvency II.

The fair value was ascertained for cash-settled share-based remuneration agreements in line with the AFRAC opinion "The treatment of share-based remuneration in Austrian Commercial Code financial statements" dated September 2007. In accordance with this programme, eligible employees are conditionally awarded virtual shares effective on 1 January of the relevant financial year, conferring the right to a cash payment after the end of the benefit period of four years. The obligations from share-based remuneration are reported under the other provisions ("Provision for variable remuneration components"). This results in no valuation differences as compared with Solvency II.

3. Pension benefit obligations

Other liabilities

In € million	Solvency II	Austrian Commercial Code	Revaluation
Pension benefit obligations	**260**	**214**	**46**
of which termination benefit provisions	123	111	12
of which pension provisions	138	104	34

Table 207: Pension benefit obligations

Calculation factors applied

	2017
Discount rate	
Termination benefits	2.24
Pension obligations	2.82
Valorisation of remuneration	3.00
Pensions inflation adjustment	2.00
Employee turnover rate	Dependent on years of service
Calculation principles	AVÖ 2008 P – Pagler & Pagler/salaried employees

Table 208: Calculation factors applied

This item includes the obligations for pension provisions and severance provisions at UNIQA Österreich Versicherungen AG.

The jubilee payment provision values are calculated in accordance with the stipulations under Sections 198 and 211 Austrian Commercial Code in the version of the Accounting Amendment Act 2014 with due regard to the AFRAC opinion no. 27 "Provisions for pension, termination, anniversary allowances and similar obligations due over the long term in accordance with the regulations under the Austrian Commercial Code" from June 2016.

The projected unit credit method has been used to calculate the entitlements.

The discount rate applied was the seven-year average interest rate at 31 October 2017. This arises from the rates as at the last 84 month-ends in accordance with the German Provision Discounting Regulation. An interest rate of 2.2 per cent was applied for the termination benefits and an interest rate of 2.8 per cent was applied to the pension obligations.

The applicable average maturity of the portfolio as at the current reporting date was assumed to be 8 years for the termination benefits and 13 years for the pension obligations.

This results in valuation differences as compared with Solvency II.

4. Deposits from reinsurers

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Deposits from ceded reinsurance business	499	499	0

Table 209: Deposits from reinsurers

The deposits from reinsurers are reported under this item. Liabilities are measured at the settlement amount, both for the Austrian Commercial Code financial statements as well as for the solvency balance sheet. There are no valuation differences as the same approach was applied under Solvency II.

5. Deferred tax liabilities

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Deferred tax liabilities	893	0	893

Table 210: Deferred tax liabilities

Differences between the Solvency II values and those in accordance with the Austrian Commercial Code arise through the different reference values used to recognise deferred tax assets. Deferred tax assets are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax base and the solvency balance sheet. By contrast, deferred tax assets in the financial statements in accordance with the Austrian Commercial Code are recognised for differences in carrying amounts between the tax balance sheet and the Austrian Commercial Code balance sheet. A deferred tax asset is recognised for unused tax losses, for unused tax credits, and for deductible temporary differences to the extent that it is probable that future taxable profit or deferred tax liabilities will be available for offsetting in the future.

Provided that the deferred tax assets and liabilities relate to the same tax authority and are actually offsettable then they must be offset (consideration of the overall difference; irrespective of the relevant term of the deferred tax). If the deferred tax liabilities exceed the deferred tax assets, then provisions must be formed for the future tax burden (budget calculations required).

Offsetting the deferred tax liabilities with the deferred tax assets to be assessed results in a surplus on the assets side in accordance with the Austrian Commercial Code. Deferred tax liabilities were reported in the economic balance sheet.

The deferred tax liabilities assessed essentially arise from the technical items (in the amount of €625.0 million) and from property, plants and loans (in the amount of €307.3 million) offset among other items against material deferred tax assets from social capital (in the amount of €11.4 million).

6. Derivatives

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Derivatives	15	13	2

Table 211: Derivatives

Provisions for pending losses are formed at fair value under the Austrian Commercial Code for forward foreign-exchange contracts.

9. Liabilities to insurance companies and intermediaries

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to insurance companies and intermediaries	93	93	0

Table 212: Liabilities to insurance companies and intermediaries

This item includes liabilities to insurance companies and intermediaries. Liabilities are recognised and valued at the settlement amount in accordance with the Austrian Commercial Code. There are no valuation differences as the same approach was applied under Solvency II.

10. Liabilities to reinsurance companies

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to reinsurance companies	20	20	0

Table 213: Liabilities to reinsurance companies

This item comprises liabilities to reinsurance companies, which are posted at their settlement amount in accordance with the Austrian Commercial Code. There are no differences in valuation as a result of this.

11. Payables (trade, not insurance)

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Payables (trade, not insurance)	138	141	-3

Table 214: Payables (trade, not insurance)

This item includes other liabilities which cannot be allocated to one of the other categories. Liabilities are measured at the settlement amount both for the separate financial statements in accordance with the Austrian Commercial Code as well as for the solvency balance sheet.

In the financial statements in accordance with the Austrian Commercial Code, pro rata interest is reported under other liabilities, whereas in the solvency balance sheet this interest is recognised under subordinated liabilities. The solvency value also contains a liability from expenses recharged to operating subsidiaries in accordance with IFRSs.

12. Subordinated liabilities

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Subordinated liabilities	**433**	**410**	**23**
Subordinated liabilities in basic own funds	433	410	23

Table 215: Subordinated liabilities

Subordinated liabilities are recognised and valued at their nominal value in accordance with the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

13. Any other liabilities, not shown elsewhere

Other liabilities In € million	Solvency II	Austrian Commercial Code	Revaluation
Any other liabilities, not shown elsewhere	3	3	0

Table 216: Any other liabilities, not shown elsewhere

This item mainly comprises deferred income. The other liabilities are measured at the settlement amount both for the Austrian Commercial Code separate financial statements as well as for the solvency balance sheet, with no valuation differences arising.

D.4 ALTERNATIVE METHODS FOR VALUATION

UNIQA Österreich Versicherungen AG uses alternative methods for the valuation of assets and liabilities whose valuation is not performed using listed market prices in active markets (mark to market) or using listed market prices for similar instruments (marking to market).

These methods for valuation are mainly used for bonds, investment property and shares that are not listed. In the case of bonds, these are mainly loans, private equity funds, hedge funds, asset-backed securities (ABSs) and structured products. In the case of the investment property, it is real estate held as a financial investment.

The valuations using alternative valuation methods are primarily based on the discounted cash flow method, benchmark procedures with instruments for which there are observable prices, and other procedures. The inputs and pricing models for the individual assets and liabilities are set out in detail below:

Assets and liabilities	Pricing method	Valuation techniques	Inputs	Pricing model
Property (other than for own use)	Theoretical price	Capital value-oriented	Construction value and base value, position, useful area, condition, current contractual leases and current vacancies with rental forecast	Income approach, intrinsic value approach, weighted income and net asset value
Bonds	Theoretical price	Capital value-oriented	CDS spread, yield curves, verified net asset values (NAV), volatilities	Present value approach, discounted cash flow, NAV method
Unlisted equities	Theoretical price	Capital value-oriented	WACC, (long-term) sales growth rate, (long-term) profit margin, control premium	Expert valuation report
Loans and mortgages	Theoretical price	Capital value-oriented	Cash flows already fixed or determined via forward rates, yield structure curve, credit risk of contract partners, collateral, creditworthiness of debtor	Discounted cash flow
Derivatives	Theoretical price	Capital value-oriented	CDS spread, yield curves, Volatilities (FX, Cap/Floor, Swaption, Constant Maturity Swap, Equities)	Contract-specific model, Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM

Table 217: Overview of inputs and pricing models for the individual assets and liabilities

D.5 ANY OTHER INFORMATION

The receivables, pro-rata interest rates, liabilities and provisions in foreign currencies are valued using the reference rate of the European Central Bank. Securities in foreign currencies are accounted for using the reference rates of the European Central Bank at the reporting date, or at acquisition value in relation to previous years.

E Capital management

E.1 OWN FUNDS

Refer to Chapter E.1 of the UNIQA Group report for further information regarding the requirements for the Solvency and Financial Condition Report. The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

Reconciliation of Austrian Commercial Code equity to regulatory own funds

At the reporting date of 31 December 2017, the Austrian Commercial Code equity amounted to €991 million (2016: €1,038 million). Own funds in accordance with the regulatory valuation principles amounted to €4,156 million (2016: €3,870 million). The following table shows the reconciliation of Austrian Commercial Code equity with basic own funds.

Reconciliation of Austrian Commercial Code equity to regulatory own funds

In € million	2017	2016
Austrian Commercial Code equity including treasury shares	991	1,038
Revaluation of assets	1,780	1,901
Goodwill	0	0
Deferred acquisition costs	0	0
Shares in affiliated companies including equity investments	127	129
Property	721	623
Loans and mortgages	0	0
Other	932	1,149
Revaluation of technical provisions	2,080	1,566
Technical provisions – non-life and health insurance (similar to non-life)	750	633
Technical provisions – life and health insurance (similar to life)	1,384	831
Technical provisions – index-linked and unit-linked insurance	-54	101
Other technical provisions	0	0
Revaluation of other provisions	-961	-896
Deferred tax liabilities	-893	-790
Other	-68	-105
Total revaluation	2,899	2,571
Economic capital	3,891	3,609
Planned dividends	167	173
Tier 1 – restricted	28	29
Tier 2 – subordinated liabilities	405	405
Basic own funds	4,156	3,870

Table 218: Reconciliation of Austrian Commercial Code equity to regulatory own funds

Economic capital refers to the excess of assets over liabilities.

The economic capital amounted to €3,891 million at 31 December 2017 (2016: €3,609 million). The planned dividends in the amount of €167 million (2016: €173 million) were deducted and added to the subordinated liabilities as part of the reconciliation of the economic capital with the basic own funds.

The planned dividends item includes the planned dividend payments for 2018 based on the 2017 profits that have not yet been paid out and do not represent own funds.

The difference between the Austrian Commercial Code equity and the economic capital valued in accordance with the Solvency II regulations amounted to a total of €2,899 million (2016: €2,571 million) and was a result of the different treatment of individual items in the relevant valuation assessment under Solvency II.

Composition of basic own funds

The basic own funds were made up as follows in the relevant tiers:

Information on own funds

In € million	2017	2016
Basic own funds	**4,156**	**3,870**
Tier 1 unrestricted	3,723	3,436
Share capital including capital reserves	146	146
Surplus funds (free provision for policyholder bonuses)	46	49
Reconciliation reserve	3,532	3,241
Tier 1 restricted – subordinated liabilities	28	29
Tier 2 – subordinated liabilities	405	405
Tier 3 – deferred tax assets	0	0
Reduction in eligibility thresholds	**0**	**0**
Own funds to cover SCR	**4,156**	**3,870**

Table 219: Information on own funds

The own fund instruments were allocated to the relevant tiers in accordance with the statutory principles.

The largest section of own funds at around €3,723 million (2016: €3,436 million) consisted of Tier 1 capital, which essentially comprised paid-in share capital, the associated share premium and the reconciliation reserve.

At the reporting date, UNIQA Österreich Versicherungen AG held subordinated liabilities with a total value of €433 million in its portfolio (2016: €434 million). This included €28 million (2016: €29 million) in instruments classified as restricted Tier 1 and €405 million (2016: €405 million) as Tier 2 capital. The valuation of the subordinated liabilities fell in the reporting period as a result of the increase in interest rates. The subordinated liabilities have the following features:

Subordinated liabilities

In € million	Variable interest rate	Interest rate 6.875%	Interest rate 6.875%	Interest rate 5.250%
Nominal value	30	155	125	100
Solvency II market value	28	171	138	96
Tier	Restricted 1	2	2	2
Transitional regulations	Yes	No	No	No
Issue date	20/12/2006	16/12/2013	16/02/2016	30/11/2015
First cancellation date	30/12/2016	16/12/2023	16/12/2023	31/05/2026
Date of maturity	Perpetual	Perpetual	Perpetual	31/05/2046
Status	Subordinated and unsecured	Subordinated and unsecured	Subordinated and unsecured	Subordinated and unsecured
Interest	Variable	Fixed until the first cancellation date	Fixed until the first cancellation date	Fixed until the first cancellation date

Table 220: Subordinated liabilities

UNIQA Österreich Versicherung AG did not possess any Tier 3 own fund instruments at the reporting date.

Reconciliation with eligible own funds

Tier 1 own funds can be used in full to cover the regulatory capital requirement. The Solvency II Framework Directive provides for a limit on the eligibility of Tier 2 and Tier 3 own fund items, and therefore not all basic own funds are necessarily eligible with respect to the solvency capital requirement or the minimum capital requirement. The eligibility limits depend on the amount of the solvency capital requirement and minimum capital requirement, and on the quality of the instrument. The following table shows the limit on coverage of the solvency capital and minimum capital requirements; the level is calculated based on the overall solvency or minimum solvency requirement.

SCR and MCR cover for each tier (equity category)

	Restriction in per cent	2017	In € million 2016
Solvency capital requirement		1,607	1,594
SCR cover			
Tier 1	Min. 50% of SCR	804	797
Tier 1 restricted	Max. 20% of total Tier 1	6	6
Tier 3	Max. 15% of SCR	241	239
Tier 2 + Tier 3	Max. 50% of SCR	804	797
Minimum capital requirement		525	521
MCR cover			
Tier 1	Min. 80% of MCR	420	417
Tier 1 restricted	Max. 20% of total Tier 1	6	6
Tier 2	Max. 20% of MCR	105	104

Table 221: Eligible own funds (general)

Own funds eligible for the SCR for each tier

In € million	Basic own funds 2017	2016	Own funds eligible to cover SCR 2017	2016
Tier 1 unrestricted	3,723	3,436	3,723	3,436
Tier 1 restricted	28	29	28	29
Tier 2	405	405	405	405
Tier 3	0	0	0	0
Total	**4,156**	**3,870**	**4,156**	**3,870**

Own funds eligible for the MCR for each tier

In € million	Basic own funds 2017	2016	Own funds eligible to cover MCR 2017	2016
Tier 1 unrestricted	3,723	3,436	3,723	3,436
Tier 1 restricted	28	29	28	29
Tier 2	405	405	105	104
Total	**4,156**	**3,870**	**3,857**	**3,568**

Table 222: Eligible own funds at the reporting date

As at 31 December 2017, there was no limitation on the eligibility of basic own funds to cover the solvency capital requirements. With respect to the minimum capital requirements, €301 million of the basic own funds (2016: €302 million) was not used to cover the minimum solvency capital requirement as a result of the limitation.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

UNIQA Österreich Versicherungen AG uses a partial internal model to calculate the solvency capital requirement.

In the calculation of default risk in connection with determining the risk-mitigating effects from reinsurance (Article 196 of the Delegated Regulation (EU) 2015/35), UNIQA Österreich Versicherungen AG uses the simplification specified in Article 107 of the Delegated Regulation (EU) 2015/35.

Pursuant to Section 178(4) of the Austrian Insurance Supervision Act 2016, no company-specific parameters are applied.

The minimum capital requirement is calculated in accordance with Chapter 6 of the Austrian Insurance Supervision Act 2016 (Section 193 et seq.). The input parameters are net premiums and best estimates of net provisions for all lines of business.

The following table presents the solvency capital requirement amounts for each risk module and the minimum capital requirement at 31 December 2017. UNIQA Österreich Versicherungen AG satisfies both the solvency capital requirement and the minimum capital requirement.

In € million	2017
Solvency capital requirement (SCR)	**1,607**
Basic solvency capital requirement	2,018
Market risk	1,748
Counterparty default risk	117
Life underwriting risk	316
Non-life underwriting risk	211
Health underwriting risk	162
Diversification	-535
Operational risk	125
Loss-absorbing capacity of deferred tax	-536
Own funds to cover the solvency capital requirement	**4,156**
Ordinary share capital (including treasury shares)	38
Share premium account related to ordinary share capital	108
Surplus funds	46
Reconciliation reserve	3,532
Excess of assets over liabilities	3,891
Treasury shares (held directly and indirectly)	0
Foreseeable dividends, distributions and charges	167
Other basic own fund items	191
Subordinated liabilities	433
Amount equal to the value of net deferred tax assets	0
Total own funds eligible to meet the SCR	4,156
Solvency ratio	**259%**
Available surplus	**2,549**
Minimum capital requirement (MCR)	**525**

Table 223: Overview of UNIQA Österreich Versicherungen AG

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENTS

The duration-based equity risk sub-module is not used to determine the SCR for UNIQA Österreich Versicherungen AG.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODELS USED

For the non-life insurance business, UNIQA Österreich Versicherungen AG uses a non-life internal model to determine the SCR. The differences between the standard formula and the UNIQA Group non-life internal model are described in detail in Chapter E.4 and apply accordingly to the non-life internal model of UNIQA Österreich Versicherungen AG.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT OR SOLVENCY CAPITAL REQUIREMENT

UNIQA Österreich Versicherungen AG met the minimum capital requirement and solvency capital requirement at all times during the 2017 financial year.

E.6 ANY OTHER INFORMATION

No other disclosures.

UNIQA ÖSTERREICH VERSICHERUNGEN AG

Vienna, 9 May 2018

Kurt Svoboda
Chairman of the
Management Board

Peter Eichler
Member of the
Management Board

Andreas Kößl
Member of the
Management Board

Erik Leyers
Member of the
Management Board

Klaus Pekarek
Member of the
Management Board

Peter Humer
Member of the
Management Board

Sabine Usaty-Seewald
Member of the
Management Board

Alexander Bockelmann
Member of the
Management Board

Appendix I (UNIQA Group) – Affiliated companies and associates (31 December 2017)

IFRS BASIS OF CONSOLIDATION (CONSOLIDATED FINANCIAL STATEMENTS)

Company	Type	Registered office	IFRS equity interest as at 31/12/2017 in per cent
Domestic insurance companies			
UNIQA Insurance Group AG (Group Holding Company)		Vienna	
UNIQA Österreich Versicherungen AG	Consolidated	Vienna	100.00
SK Versicherung Aktiengesellschaft	Equity	Vienna	24.96
Foreign insurance companies			
UNIQA Assurances SA (transferred to UNIQA GlobalCare SA: 30/9/2017)	Consolidated	Switzerland, Geneva	0.00
UNIQA Re AG	Consolidated	Switzerland, Zurich	100.00
UNIQA Assicurazioni SpA (Deconsolidation: 16/5/2017)	Consolidated	Italy, Milan	0.00
UNIQA poisťovňa a.s.	Consolidated	Slovakia, Bratislava	98.58
UNIQA pojišťovna, a.s.	Consolidated	Czech Republic, Prague	100.00
UNIQA osiguranje d.d.	Consolidated	Croatia, Zagreb	100.00
UNIQA Towarzystwo Ubezpieczeń S.A.	Consolidated	Poland, Lodz	98.58
UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Consolidated	Poland, Lodz	99.79
UNIQA Biztosító Zrt.	Consolidated	Hungary, Budapest	100.00
UNIQA Versicherung AG	Consolidated	Liechtenstein, Vaduz	100.00
UNIQA Previdenza SpA (Deconsolidation: 16/5/2017)	Consolidated	Italy, Milan	0.00
UNIQA osiguranje d.d.	Consolidated	Bosnia and Herzegovina, Sarajevo	100.00
UNIQA Insurance plc	Consolidated	Bulgaria, Sofia	99.88
UNIQA Life Insurance plc	Consolidated	Bulgaria, Sofia	99.57
UNIQA životno osiguranje a.d.	Consolidated	Serbia, Belgrade	100.00
UNIQA Insurance company, Private Joint Stock Company	Consolidated	Ukraine, Kiev	100.00
UNIQA LIFE Private Joint Stock Company	Consolidated	Ukraine, Kiev	100.00
UNIQA životno osiguranje a.d.	Consolidated	Montenegro, Podgorica	100.00
UNIQA neživotno osiguranje a.d.	Consolidated	Serbia, Belgrade	100.00
UNIQA neživotno osiguranje a.d.	Consolidated	Montenegro, Podgorica	100.00
UNIQA Asigurari S.A.	Consolidated	Romania, Bucharest	100.00
UNIQA Asigurari De Viata S.A.	Consolidated	Romania, Bucharest	100.00
Raiffeisen Life Insurance Company LLC	Consolidated	Russia, Moscow	75.00
UNIQA Life S.p.A. (Deconsolidation: 16/5/2017)	Consolidated	Italy, Milan	0.00
SIGAL UNIQA Group AUSTRIA sh.a.	Consolidated	Albania, Tirana	86.93
UNIQA AD Skopje	Consolidated	Macedonia, Skopje	86.93
SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Consolidated	Albania, Tirana	86.93
SIGAL UNIQA Group AUSTRIA sh.a.	Consolidated	Kosovo, Pristina	86.93
UNIQA Life AD Skopje	Consolidated	Macedonia, Skopje	86.93
SIGAL LIFE UNIQA Group AUSTRIA sh.a	Consolidated	Kosovo, Pristina	86.93
SH.A.F.P SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Consolidated	Albania, Tirana	44.33
Group domestic service companies			
UNIQA Real Estate Management GmbH	Consolidated	Vienna	100.00
Versicherungsmarkt-Servicegesellschaft m.b.H.	Consolidated	Vienna	100.00
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Consolidated	Vienna	100.00
UNIQA IT Services GmbH	Consolidated	Vienna	100.00
UNIQA Capital Markets GmbH	Consolidated	Vienna	100.00
call us Assistance International GmbH	Consolidated	Vienna	50.20
UNIQA International AG	Consolidated	Vienna	100.00
UNIQA internationale Beteiligungs-Verwaltungs GmbH	Consolidated	Vienna	100.00
Assistance Beteiligungs-GesmbH	Consolidated	Vienna	64.00
UNIQA Real Estate Beteiligungsverwaltung GmbH (Merger: 1/7/2017)	Consolidated	Vienna	0.00
UNIQA Real Estate Finanzierungs GmbH	Consolidated	Vienna	100.00
UNIQA Group Audit GmbH	Consolidated	Vienna	100.00
Valida Holding AG	Equity	Vienna	40.13
RHG Management GmbH (Merger: 9/9/2017)	Consolidated	Vienna	0.00
UNIQA Finanzbeteiligung GmbH	Consolidated	Vienna	100.00

Group foreign service companies			
UNIQA Raiffeisen Software Service Kft.	Consolidated	Hungary, Budapest	60.00
InsData spol. s r.o.	Consolidated	Slovakia, Nitra	98.03
UNIPARTNER s.r.o.	Consolidated	Slovakia, Bratislava	99.90
UNIQA InsService spol. s r.o.	Consolidated	Slovakia, Bratislava	99.90
UNIQA Ingatlanhasznosító Kft.	Consolidated	Hungary, Budapest	100.00
UNIQA Számítástechnikai Szolgáltató Kft.	Consolidated	Hungary, Budapest	100.00
Vitosha Auto OOD	Consolidated	Bulgaria, Sofia	99.82
UNIQA Raiffeisen Software Service S.R.L.	Consolidated	Romania, Klausenburg	60.00
sTech d.o.o.	Consolidated	Serbia, Belgrade	100.00
DEKRA-Expert Műszaki Szakértői Kft.	Equity	Hungary, Budapest	50.00
UNIQA GlobalCare SA (Initial consolidation: 30/9/2017)	Consolidated	Switzerland, Geneva	100.00
Financial and strategic domestic shareholdings			
Medial Beteiligungs-Gesellschaft m.b.H. (classified as asset held for sale since 30/9/2015)	Equity	Vienna	29.63
UNIQA Leasing GmbH	Equity	Vienna	25.00
PremiQaMed Holding GmbH	Consolidated	Vienna	100.00
PremiQaMed Privatkliniken GmbH	Consolidated	Vienna	100.00
Ambulatorien Betriebsgesellschaft m.b.H.	Consolidated	Vienna	100.00
STRABAG SE	Equity	Villach	14.26
PremiQaMed Management GmbH	Consolidated	Vienna	100.00
UNIQA Beteiligungs-Holding GmbH	Consolidated	Vienna	100.00
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Consolidated	Vienna	100.00
Diakonissen & Wehrle Privatklinik GmbH	Consolidated	Gallneukirchen	60.00
PremiQaMed Beteiligungs GmbH	Consolidated	Vienna	100.00
Goldenes Kreuz Privatklinik BetriebsGmbH	Consolidated	Vienna	75.00
Real-estate companies			
UNIQA Real Estate CZ, s.r.o.	Consolidated	Czech Republic, Prague	100.00
UNIQA Real s.r.o.	Consolidated	Slovakia, Bratislava	100.00
UNIQA Immobilien-Projekterrichtungs GmbH	Consolidated	Vienna	100.00
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	Vienna	33.00
UNIQA Real Estate GmbH	Consolidated	Vienna	100.00
PremiQaMed Immobilien GmbH	Consolidated	Vienna	100.00
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH (Merger: 1/7/2017)	Consolidated	Vienna	0.00
Design Tower GmbH	Consolidated	Vienna	100.00
Aspernbrückengasse Errichtungs- und Betriebs GmbH (Merger: 1/7/2017)	Consolidated	Vienna	0.00
UNIQA Real Estate Holding GmbH (Merger: 27/5/2017)	Consolidated	Vienna	0.00
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Consolidated	Vienna	100.00
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH (Merger: 7/6/2017)	Consolidated	Vienna	0.00
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Consolidated	Vienna	100.00
GLM ErrichtungsGmbH (Merger: 1/7/2017)	Consolidated	Vienna	0.00
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Consolidated	Vienna	100.00
Fleischmarkt Inzersdorf Vermietungs GmbH (Merger: 9/9/2017)	Consolidated	Vienna	0.00
Praterstraße Eins Hotelbetriebs GmbH	Consolidated	Vienna	100.00
UNIQA Real Estate Inlandsholding GmbH	Consolidated	Vienna	100.00
UNIQA Plaza Irodaház és Ingatlankezelő Kft.	Consolidated	Hungary, Budapest	100.00
Floreasca Tower SRL	Consolidated	Romania, Bucharest	100.00
Pretium Ingatlan Kft.	Consolidated	Hungary, Budapest	100.00
UNIQA Szolgáltató Kft.	Consolidated	Hungary, Budapest	100.00
UNIQA poslovni centar korzo d.o.o.	Consolidated	Croatia, Rijeka	100.00
UNIQA-Invest Kft.	Consolidated	Hungary, Budapest	100.00
Knesebeckstraße 8–9 Grundstücksgesellschaft mbH	Consolidated	Germany, Berlin	100.00
UNIQA Real Estate Bulgaria EOOD	Consolidated	Bulgaria, Sofia	100.00
UNIQA Real Estate d.o.o.	Consolidated	Serbia, Belgrade	100.00
Renaissance Plaza d.o.o.	Consolidated	Serbia, Belgrade	100.00
IPM International Property Management Kft.	Consolidated	Hungary, Budapest	100.00
UNIQA Real Estate Polska Sp. z o.o.	Consolidated	Poland, Warsaw	100.00
Black Sea Investment Capital LLC	Consolidated	Ukraine, Kiev	100.00

LEGIWATON INVESTMENTS Limited Company	Consolidated	Cyprus, Limassol	100.00
UNIQA Real III, spol. s r.o.	Consolidated	Slovakia, Bratislava	100.00
UNIQA Real Estate BV	Consolidated	Netherlands, Hoofddorp	100.00
Reytarske LLC	Consolidated	Ukraine, Kiev	100.00
ALBARAMA Limited Company	Consolidated	Cyprus, Nikosia	100.00
AVE-PLAZA LLC	Consolidated	Ukraine, Kharkiv	100.00
Asena LLC	Consolidated	Ukraine, Nikolaev	100.00
Kremser Landstraße Projektentwicklung GmbH (Merger:	Consolidated	Vienna	0.00
Schöpferstrasse Projektentwicklung GmbH (Merger: 9/9/2017)	Consolidated	Vienna	0.00
"BONADEA" Immobilien GmbH (Merger: 9/9/2017)	Consolidated	Vienna	0.00
"Graben 27–28" Besitzgesellschaft m.b.H. (Merger: 9/9/2017)	Consolidated	Vienna	0.00
Hotel Burgenland Betriebs GmbH	Consolidated	Vienna	100.00
R-FMZ Immobilienholding GmbH	Consolidated	Vienna	100.00
Neue Marktgasse Einkaufspassage Stockerau GmbH (Merger: 10/10/ 2017)	Consolidated	Vienna	0.00
DEVELOP Baudurchführungs- und Stadtentwicklungs-Gesellschaft m.b.H. (Merger: 10/10/2017)	Consolidated	Vienna	0.00
Raiffeisen-Fachmarktzentrum Mercurius GmbH (Merger:	Consolidated	Vienna	0.00
Raiffeisen-Fachmarktzentrum ZWEI GmbH (Merger: 30/9/2017)	Consolidated	Vienna	0.00
Raiffeisen-Fachmarktzentrum Ivesis GmbH (Merger: 1/9/2017)	Consolidated	Vienna	0.00
Raiffeisen-Fachmarktzentrum VIER GmbH	Consolidated	Vienna	100.00
Raiffeisen-Fachmarktzentrum SIEBEN GmbH (Merger: 1/9/2017)	Consolidated	Vienna	0.00
R-FMZ "MERCATUS" Holding GmbH (Merger: 1/8/2017)	Consolidated	Vienna	0.00

EBS BASIS OF CONSOLIDATION (CONSOLIDATED FINANCIAL STATEMENTS)

Company	Type	Registered office	Economic equity interest as at 31/12/2017
UNIQA Insurance Group AG (Group Holding Company)	Insurance company	Vienna	0.00
UNIQA Österreich Versicherungen AG	Insurance company	Vienna	100.00
SK Versicherung Aktiengesellschaft	Insurance company	Vienna	24.96
UNIQA Re AG	Insurance company	Switzerland, Zurich	100.00
UNIQA Assicurazioni SpA (Deconsolidation: 16/5/2017)	Insurance company	Italy, Milan	0.00
UNIQA poisťovňa a.s.	Insurance company	Slovakia, Bratislava	100.00
UNIQA pojišťovna, a.s.	Insurance company	Czech Republic, Prague	100.00
UNIQA osiguranje d.d.	Insurance company	Croatia, Zagreb	100.00
UNIQA Towarzystwo Ubezpieczeń S.A.	Insurance company	Poland, Lodz	100.00
UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Insurance company	Poland, Lodz	100.00
UNIQA Biztosító Zrt.	Insurance company	Hungary, Budapest	100.00
UNIQA Versicherung AG	Insurance company	Liechtenstein, Vaduz	100.00
UNIQA Assurances SA (transferred to UNIQA GlobalCare SA: 30/9/2017)	Insurance company	Switzerland, Geneva	0.00
UNIQA Previdenza SpA (Deconsolidation: 16/5/2017)	Insurance company	Italy, Milan	0.00
UNIQA osiguranje d.d.	Insurance company	Bosnia and Herzegovina, Sarajevo	100.00
UNIQA INSURANCE plc	Insurance company	Bulgaria, Sofia	100.00
UNIQA Life Insurance plc	Insurance company	Bulgaria, Sofia	100.00
UNIQA životno osiguranje a.d.	Insurance company	Serbia, Belgrade	100.00
UNIQA Insurance company, Private Joint Stock Company	Insurance company	Ukraine, Kiev	100.00
UNIQA LIFE Private Joint Stock Company	Insurance company	Ukraine, Kiev	100.00
UNIQA životno osiguranje a.d.	Insurance company	Montenegro, Podgorica	100.00
SIGAL UNIQA Group AUSTRIA sh.a.	Insurance company	Albania, Tirana	100.00
UNIQA neživotno osiguranje a.d.	Insurance company	Serbia, Belgrade	100.00
UNIQA neživotno osiguranje a.d.	Insurance company	Montenegro, Podgorica	100.00
UNIQA Asigurari S.A.	Insurance company	Romania, Bucharest	100.00
UNIQA Asigurari De Viata S.A.	Insurance company	Romania, Bucharest	100.00
Raiffeisen Life Insurance Company LLC	Insurance company	Russia, Moscow	100.00
UNIQA AD Skopje	Insurance company	Macedonia, Skopje	100.00
UNIQA Life S.p.A. (Deconsolidation: 16/5/2017)	Insurance company	Italy, Milan	0.00
SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Insurance company	Albania, Tirana	100.00
SIGAL UNIQA Group AUSTRIA sh.a.	Insurance company	Kosovo, Pristina	100.00
SIGAL Life UNIQA GROUP AUSTRIA sh.a	Insurance company	Kosovo, Pristina	100.00
UNIQA Life AD Skopje	Insurance company	Macedonia, Skopje	100.00
SH.A.F.P SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Insurance company	Albania, Tirana	100.00
UNIQA Real Estate Management GmbH	Ancillary service: ownership or management of real estate	Vienna	100.00
Versicherungsmarkt-Servicegesellschaft m.b.H.	Ancillary service	Vienna	100.00
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Ancillary service	Vienna	100.00
RSG – Risiko Service und Sachverständigen	Ancillary service	Vienna	100.00
UNIQA IT Services GmbH	Ancillary service	Vienna	100.00
UNIQA Capital Markets GmbH	securities company	Vienna	100.00
UNIQA Immobilien-Projekterrichtungs GmbH	Ancillary service: ownership or management of real estate	Vienna	100.00
call us Assistance International GmbH	Ancillary service	Vienna	100.00
Medial Beteiligungs-Gesellschaft m.b.H. (classified as asset held for sale since	Ancillary service: equity investments	Vienna	29.63
UNIQA International AG	Insurance company	Vienna	100.00
UNIQA internationale Beteiligungs-Verwaltungs GmbH	Insurance holding company	Vienna	100.00
DIANA-BAD Errichtungs- und Betriebs GmbH	Ancillary service: ownership or management of real estate	Vienna	33.00

UNIQA Beteiligungs-Holding GmbH	Ancillary service: equity investments	Vienna	100.00
UNIQA Leasing GmbH	Ancillary service: leasing	Vienna	25.00
PremiQaMed Holding GmbH	Ancillary service: healthcare services	Vienna	100.00
PremiQaMed Management GmbH	Ancillary service: healthcare services	Vienna	100.00
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft	Ancillary service	Vienna	33.33
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH (Merger: 1/7/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
Assistance Beteiligungs-GesmbH	Ancillary service: equity investments	Vienna	100.00
Together Internet Services GmbH	Ancillary service	Vienna	22.59
RC RISK-CONCEPT Versicherungsmakler GmbH	Ancillary service	Vienna	100.00
Real Versicherungsvermittlung GmbH (formerly: Real Versicherungs-Makler GmbH)	Ancillary service	Vienna	100.00
STRABAG SE	Ancillary service	Villach	14.26
UNIQA Real Estate GmbH	Ancillary service: ownership or management of real estate	Vienna	100.00
Alopex Organisation von Geschäftskontakten	Ancillary service	Vienna	100.00
UNIQA HealthService – Services im Gesundheitswesen GmbH	Ancillary service: healthcare services	Vienna	100.00
Design Tower GmbH	Ancillary service: ownership or management of real estate	Vienna	100.00
UNIQA Real Estate Beteiligungsverwaltung GmbH (Merger: 1/7/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
Aspernbrückengasse Errichtungs- und Betriebs GmbH (Merger: 1/7/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
Privatklinik Grinzing GmbH	Ancillary service: healthcare services	Vienna	0.00
UNIQA Real Estate Holding GmbH (Merger: 27/5/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Ancillary service: ownership or management of real estate	Vienna	100.00
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH (Merger: 7/6/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Ancillary service: ownership or management of real estate	Vienna	100.00
UNIQA Real Estate Finanzierungs GmbH	Ancillary service	Vienna	100.00
GLM ErrichtungsGmbH (Merger: 1/7/2017)	Ancillary service: ownership or management of real estate (building and parking construction and	Vienna	0.00
UNIQA Group Audit GmbH	Ancillary service	Vienna	100.00
UNIQA Erwerb von Beteiligungen Gesellschaft	Ancillary service: equity investments	Vienna	100.00
Valida Holding AG	pension fund / occupational	Vienna	40.13
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Ancillary service: ownership or management of real estate	Vienna	100.00
PremiQaMed Immobilien GmbH	Ancillary service: ownership or management of real estate	Vienna	100.00
PremiQaMed Privatkliniken GmbH	Ancillary service: healthcare services	Vienna	100.00
Ambulatorien Betriebsgesellschaft m.b.H.	Ancillary service: healthcare services	Vienna	100.00
GENIA CONSULT Unternehmensberatungs Gesellschaft mbH	Ancillary service	Vienna	100.00
R-SKA Baden Betriebs-GmbH	Ancillary service: healthcare services	Baden	49.00
Fleischmarkt Inzersdorf Vermietungs GmbH (Merger: 9/9/ 2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
Praterstraße Eins Hotelbetriebs GmbH	Ancillary service: ownership or management of real estate	Vienna	100.00
"Graben 27–28" Besitzgesellschaft m.b.H. (Merger: 9/9/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
PremiaFIT Facility und IT Management u. Service GmbH	Ancillary service	Vienna	100.00
RHG Management GmbH (Merger: 9/9/2017)	Ancillary service: holding	Vienna	0.00
UNIQA Finanzbeteiligung GmbH	Ancillary service: holding	Vienna	100.00
UNIQA International Corporate Business GmbH	Ancillary service: insurance	Vienna	100.00
Kremser Landstraße Projektentwicklung GmbH (Merger: 9/9/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00

Schöpferstrasse Projektentwicklung GmbH (Merger: 9/9/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
"BONADEA" Immobilien GmbH (Merger: 9/9/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
Hotel Burgenland Betriebs GmbH	Ancillary service: ownership or management of real estate	Vienna	100.00
R-FMZ Immobilienholding GmbH	Ancillary service: ownership or management of real estate	Vienna	100.00
Neue Marktgasse Einkaufspassage Stockerau GmbH (Merger: 10/10/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
DEVELOP Baudurchführungs- und Stadtentwicklungs-Gesellschaft m.b.H. (Merger:	Ancillary service: ownership or management of real estate	Vienna	0.00
Raiffeisen-Fachmarktzentrum Mercurius GmbH (Merger: 30/9/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
Raiffeisen-Fachmarktzentrum ZWEI GmbH (Merger: 30/9/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
Raiffeisen-Fachmarktzentrum Ivesis GmbH (Merger: 1/9/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
Raiffeisen-Fachmarktzentrum VIER GmbH	Ancillary service: ownership or management of real estate	Vienna	100.00
Raiffeisen-Fachmarktzentrum SIEBEN GmbH (Merger: 1/9/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
R-FMZ "MERCATUS" Holding GmbH (Merger: 1/8/2017)	Ancillary service: ownership or management of real estate	Vienna	0.00
PKV Beteiligungs GmbH	Ancillary service: equity investments	Klagenfurt	35.00
Diakonissen & Wehrle Privatklinik GmbH	Ancillary service: healthcare services	Gallneukirchen	100.00
PremiQaMed Beteiligungs GmbH	Ancillary service: equity investments / healthcare services	Vienna	100.00
UNIQA Real Estate Inlandsholding GmbH	Ancillary service: equity holding	Vienna	100.00
SVA Gesundheitszentrum Betriebs-GmbH	Ancillary service	Vienna	49.00
Goldenes Kreuz Privatklinik BetriebsGmbH	Ancillary service: hospitals / private clinics	Vienna	100.00
Salzburg Institute of Actuarial Studies GmbH	Ancillary service: actuarial courses	Salzburg	50.00
UNIQA Raiffeisen Software Service Kft.	Ancillary service	Hungary, Budapest	100.00
UNIQA Plaza Irodaház és Ingatlankezelő Kft.	Office buildings and real estate management	Hungary, Budapest	100.00
UNIQA Real Estate CZ, s.r.o.	Ancillary service: ownership or management of real estate	Czech Republic, Prague	100.00
UNIQA Real s.r.o.	Ancillary service: ownership or management of real estate	Slovakia, Bratislava	100.00
ProUNIQA s.r.o.	Ancillary service: verification of car damage	Czech Republic, Prague	100.00
UNIQA InsService spol. s r.o.	Ancillary service	Slovakia, Bratislava	100.00
UNIQA Ingatlanhasznosító Kft.	Real estate development	Hungary, Budapest	100.00
UNIQA Szolgáltató Kft.	Ancillary service	Hungary, Budapest	100.00
UNIQA Claims Services International Kft.	Ancillary service	Hungary, Budapest	100.00
Elsö Közszolgalati Penzügyi Tanacsado Kft.	Ancillary service: advice, other actuarial activities, insurance	Hungary, Budapest	100.00
UNIQA Számítástechnikai Szolgáltató Kft.	Computer service	Hungary, Budapest	100.00
UNIPARTNER s.r.o.	Ancillary service: brokers for insurance, supplementary pensions	Slovakia, Bratislava	100.00
UNIQA Intermediazioni S.r.l.	Ancillary service: mediation	Italy, Milan	0.00
Vitosha Auto OOD	Ancillary service: real estate leasing – company owns several buildings that it leases to NL and L insurance	Bulgaria, Sofia	100.00
Floreasca Tower SRL	Ancillary service: ownership or management of real estate (property in Romania)	Romania, Bucharest	100.00
Pretium Ingatlan Kft.	Ancillary service: ownership or management of real estate (property in Hungary)	Hungary, Budapest	100.00

UNIQA poslovni centar Korzo d.o.o.	Ancillary service: ownership or management of real estate	Croatia, Rijeka	100.00
UNIQA-Invest Kft.	Ancillary service: investment	Hungary, Budapest	100.00
Knesebeckstraße 8–9 Grundstücksgesellschaft mbH	Ancillary service: ownership or management of real estate	Germany, Berlin	100.00
UNIQA Raiffeisen Software Service S.R.L.	Ancillary service	Romania, Klausenburg	100.00
UNIQA Real Estate Bulgaria EOOD	Ancillary service: ownership or management of real estate	Bulgaria, Sofia	100.00
UNIQA Real Estate d.o.o.	Ancillary service: ownership or management of real estate	Serbia, Belgrade	100.00
InsData spol. s r.o.	Ancillary service: IT and computing service company	Slovakia, Nitra	100.00
Renaissance Plaza d.o.o.	Ancillary service: ownership or management of real estate	Serbia, Belgrade	100.00
IPM International Property Management Kft.	Ancillary service: ownership or management of real estate	Hungary, Budapest	100.00
UNIQA Real Estate Polska Sp. z o.o.	Ancillary service: ownership or management of real estate	Poland, Warsaw	100.00
Black Sea Investment Capital LLC	Ancillary service: equity investments	Ukraine, Kiev	100.00
LEGIWATON INVESTMENTS Limited Company	Ancillary service: equity investments	Cyprus, Limassol	100.00
UNIQA Real III, spol. s r.o.	Ancillary service: ownership or management of real estate	Slovakia, Bratislava	100.00
UNIQA Real Estate BV	Ancillary service: ownership or management of real estate	Netherlands, Hoofddorp	100.00
UNIQA Software Service Bulgaria OOD	Ancillary service	Bulgaria, Plovdiv	100.00
UNIQA Software Service Ukraine GmbH	Ancillary service	Ukraine, Kiev	100.00
Reytarske LLC	Ancillary service: ownership of real estate for third-party use	Ukraine, Kiev	100.00
ALBARAMA Limited Company	Ancillary service: ownership or management of real estate (currently in liquidation)	Cyprus, Nikosia	100.00
AVE-PLAZA LLC	Ancillary service: ownership or management of real estate	Ukraine, Kharkiv	100.00
Asena LLC	Ancillary service: ownership of real estate for third-party use	Ukraine, Nikolaev	100.00
UNIQA Assistance doo Sarajevo	Ancillary service	Bosnia and Herzegovina, Sarajevo	100.00
UNIQA Agent doo za zastupanje u osiguranju Banja Luka	Ancillary service: Insurance mediation	Bosnia and Herzegovina, Banja Luka	100.00
UNIQA Agent doo za zastupanje u osiguranju Sarajevo	Ancillary service: Insurance mediation	Bosnia and Herzegovina, Sarajevo	100.00
UNIQA Software Service Kft.	Ancillary service	Hungary, Budapest	100.00
UNIPROINS CONSULTANTA SA	Ancillary service: training and advice. Company "not yet active"	Romania, Bucharest	100.00
sTech d.o.o.	Ancillary service: software	Serbia, Belgrade	100.00
UNIQA Services Sp. z o.o.	Ancillary service	Poland, Lodz	100.00
DEKRA-Expert Műszaki Szakértői Kft.	Ancillary service: risk assessment, damage expert activities, technical verifications, analyses	Hungary, Budapest	50.00
UNIQA GlobalCare SA (Initial consolidation: 30/9/2017)	Ancillary service: Insurance mediation	Switzerland, Geneva	100.00

Appendix II (UNIQA Group) – QRTs

S.02.01.02
Balance sheet
In EUR Thousand

		Solvency II value
Assets		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	10,305
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	306,881
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	21,016,207
Property (other than for own use)	R0080	2,362,841
Holdings in related undertakings, including participations	R0090	651,433
Equities	R0100	328,964
Equities - listed	R0110	62,302
Equities - unlisted	R0120	266,662
Bonds	R0130	15,028,857
Government Bonds	R0140	9,034,407
Corporate Bonds	R0150	5,809,059
Structured notes	R0160	184,247
Collateralised securities	R0170	1,145
Collective Investments Undertakings	R0180	2,306,165
Derivatives	R0190	26,658
Deposits other than cash equivalents	R0200	311,288
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	5,094,544
Loans and mortgages	R0230	33,128
Loans on policies	R0240	9,084
Loans and mortgages to individuals	R0250	17,671
Other loans and mortgages	R0260	6,374
Reinsurance recoverables from:	R0270	611,555
Non-life and health similar to non-life	R0280	180,805
Non-life excluding health	R0290	180,259
Health similar to non-life	R0300	546
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	139,802
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	139,802
Life index-linked and unit-linked	R0340	290,949
Deposits to cedants	R0350	109,685
Insurance and intermediaries receivables	R0360	179,093
Reinsurance receivables	R0370	35,583
Receivables (trade, not insurance)	R0380	213,436
Own shares (held directly)	R0390	17,946
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	645,658
Any other assets, not elsewhere shown	R0420	53,396
Total assets	R0500	**28,327,418**

In EUR Thousand		Solvency II value
Liabilities		C0010
Technical provisions – non-life	R0510	2,624,610
Technical provisions – non-life (excluding health)	R0520	2,340,731
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	2,233,208
Risk margin	R0550	107,523
Technical provisions - health (similar to non-life)	R0560	283,878
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	274,659
Risk margin	R0590	9,219
Technical provisions - life (excluding index-linked and unit-linked)	R0600	11,907,463
Technical provisions - health (similar to life)	R0610	875,639
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	637,600
Risk margin	R0640	238,039
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	11,031,824
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	10,825,962
Risk margin	R0680	205,863
Technical provisions – index-linked and unit-linked	R0690	5,070,531
Technical provisions calculated as a whole	R0700	6,423
Best Estimate	R0710	4,995,686
Risk margin	R0720	68,422
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	220,303
Pension benefit obligations	R0760	586,623
Deposits from reinsurers	R0770	428,793
Deferred tax liabilities	R0780	971,794
Derivatives	R0790	14,787
Debts owed to credit institutions	R0800	3,807
Financial liabilities other than debts owed to credit institutions	R0810	13,837
Insurance & intermediaries payables	R0820	184,610
Reinsurance payables	R0830	50,918
Payables (trade, not insurance)	R0840	334,537
Subordinated liabilities	R0850	915,472
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	915,472
Any other liabilities, not elsewhere shown	R0880	15,975
Total liabilities	R0900	23,344,061
Excess of assets over liabilities	R1000	4,983,357

S.05.01.02
Premiums, claims and expenses by line of business
In EUR Thousand

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	27,360	361,642		622,222	519,196	56,343	697,125	251,254	19,954
Gross - Proportional reinsurance accepted	R0120									
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	230	907		8,260	5,216	10,339	81,302	24,897	4,499
Net	R0200	27,130	360,735		613,961	513,980	46,004	615,823	226,357	15,455
Premiums earned										
Gross - Direct Business	R0210	26,047	362,007		632,870	511,608	56,494	694,378	254,906	18,175
Gross - Proportional reinsurance accepted	R0220									
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	154	934		8,598	5,424	9,712	80,482	25,619	3,660
Net	R0300	25,893	361,074		624,272	506,184	46,781	613,896	229,288	14,515
Claims incurred										
Gross - Direct Business	R0310	16,971	190,127		388,363	361,641	23,345	381,058	204,264	8,670
Gross - Proportional reinsurance accepted	R0320									
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	43	28		3,040	3,481	2,468	11,958	9,819	1,082
Net	R0400	16,928	190,099		385,323	358,160	20,877	369,100	194,445	7,588
Changes in other technical provisions										
Gross - Direct Business	R0410	-4	0		751		-20	27	2	-370
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500	-4	0		751		-20	27	2	-370
Expenses incurred	R0550	8,022	127,255		172,493	154,585	19,102	229,390	82,453	5,913
Other expenses	R1200									
Total expenses	R1300									

In EUR Thousand

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	88,675	20,880	50,053					2,714,704
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140	390	6,159	2,629					144,829
Net	R0200	88,285	14,721	47,424					2,569,876
Premiums earned									
Gross - Direct Business	R0210	88,590	19,663	48,145					2,712,884
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240	348	5,608	2,544					143,084
Net	R0300	88,242	14,055	45,600					2,569,799
Claims incurred									
Gross - Direct Business	R0310	55,798	5,888	15,818					1,651,944
Gross - Proportional reinsurance accepted	R0320								
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340	53	1,044	713					33,729
Net	R0400	55,746	4,844	15,105					1,618,215
Changes in other technical provisions									
Gross - Direct Business	R0410			7					393
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500			7					393
Expenses incurred	R0550	27,956	6,562	81,077					914,808
Other expenses	R1200								34,336
Total expenses	R1300								949,144

In EUR Tausend

		Geschäftsbereiche für: **Lebensversicherungsverpflichtungen**						**Lebensrückversicherungs-verpflichtungen**		**Gesamt**
		Kranken-versicherung	Versicherung mit Überschuss-beteiligung	Index- und fondsgebundene Versicherung	Sonstige Lebensversicherung	Renten aus Nichtlebensversicherungs-verträgen, die mit Krankenversicherungs-verpflichtungen im Zusammenhang stehen	Renten aus Nichtlebensversicherungs-verträgen, die mit Verpflichtungen außerhalb der Krankenversicherung in Verbindung stehen	Kranken-rückversicherung	Lebens-rückversicherung	
Gebuchte Prämien		C0210	C0220	C0230	C0240	C0250	C0260	C00270	C0280	C0300
Brutto										
Anteil der Rückversicherer	R1410	1,023,854	1,147,418	48,779	233,379					2,453,430
Netto	R1420	888	28,498	648	13,932					43,965
Verdiente Prämien	R1500	1,022,967	1,118,920	48,131	219,447					2,409,465
Brutto										
Anteil der Rückversicherer	R1510	1,022,436	1,147,036	48,441	233,609					2,451,522
Netto	R1520	873	28,498	648	13,936					43,955
Aufwendungen für Versicherungsfälle	R1600	1,021,563	1,118,539	47,793	219,673					2,407,567
Brutto										
Anteil der Rückversicherer	R1610	860,191	1,258,094	2,310	89,316					2,209,911
Netto	R1620	2,457	30,554		6,626					39,637
Veränderung sonstiger versicherungstechnischer Rückstellungen	R1700	857,734	1,227,540	2,310	82,690					2,170,274
Brutto										
Anteil der Rückversicherer	R1710		-323	38	56					-229
Netto	R1720									
Angefallene Aufwendungen	R1800		-323	38	56					-229
Sonstige Aufwendungen	R1900	172,625	140,263	38,167	160,146					511,201
Gesamtaufwendungen	R2500									22,152
	R2600									533,354

S.05.02.01
Premiums, claims and expenses by country
In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) – nonlife obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0110		Poland	Czech Republik	Hungary	Slovakia	Romania	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	1,639,481	262,915	195,305	118,243	91,500	85,180	2,392,626
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	18,808	9,166	14,423	4,700	2,414	3,605	53,116
Net	R0200	1,620,673	253,749	180,883	113,543	89,086	81,574	2,339,509
Premiums earned								
Gross - Direct Business	R0210	1,639,784	256,272	191,377	113,192	88,895	94,378	2,383,899
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	19,184	9,596	14,730	5,099	2,129	4,022	54,761
Net	R0300	1,620,599	246,676	176,647	108,093	86,766	90,356	2,329,138
Claims incurred								
Gross - Direct Business	R0310	1,048,949	152,449	109,988	62,882	45,870	53,625	1,473,762
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	12,990	2,723	3,976	264	3,391	808	24,152
Net	R0400	1,035,959	149,726	106,012	62,617	42,479	52,817	1,449,610
Changes in other technical provisions								
Gross - Direct Business	R0410			-751	-10	-28		-788
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500			-751	-10	-28		-788
Expenses incurred	R0550	526,765	84,577	59,605	30,038	46,094	36,893	783,972
Other expenses	R1200							30,414
Total expenses	R1300							814,386

In EUR Thousand		Home Country	Top 5 countries (by amount of gross premiums written) – life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R0110		Russia	Czech Republik	Bulgaria	Slovakia	Croatia	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	1,810,527	86,939	37,218	34,851	30,959	29,532	2,030,026
Reinsurers' share	R1420	29,871	421	112			131	30,535
Net	R1500	1,780,657	86,518	37,106	34,851	30,959	29,400	1,999,491
Premiums earned								
Gross	R1510	1,810,707	85,753	37,231	34,851	30,475	28,981	2,027,998
Reinsurers' share	R1520	29,875	421	112			125	30,533
Net	R1600	1,780,831	85,333	37,119	34,851	30,475	28,856	1,997,465
Claims incurred								
Gross	R1610	1,718,964	74,572	17,118	24,831	17,573	25,414	1,878,472
Reinsurers' share	R1620	24,871	70	-18			91	25,015
Net	R1700	1,694,093	74,502	17,135	24,831	17,573	25,322	1,853,457
Veränderung sonstiger versicherungstechnischer Rückstellungen								
Gross	R1710						4	4
Reinsurers' share	R1720							
Net	R1800						4	4
Expenses incurred	R1900	396,401	13,634	16,558	8,943	13,619	11,575	460,730
Other expenses	R2500							20,278
Total expenses	R2600							481,008

S.22.01.22

Impact of long term guarantees and transitional measures

In EUR Thousand

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	19,602,603			50,894	
Basic own funds	R0020	5,682,992			-38,543	
Eligible own funds to meet Solvency Capital Requirement	R0050	5,682,992			-38,543	
Solvency Capital Requirement	R0090	2,273,908			5,059	

S.23.01.22
Own funds
In EUR Thousand

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	309,000	309,000			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	1,681,668	1,681,668			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	1,743	1,743			
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070	45,554	45,554			
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	2,717,083	2,717,083			
Subordinated liabilities	R0140	915,472			915,472	
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	10,552				10,552
The amount equal to the value of net deferred tax assets not available at the group level	R0170	6,029				6,029
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200	40,608	40,608			
Non-available minority interests at group level	R0210	32,658	32,655			4
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270	38,688	32,655			6,033
Total deductions	R0280	38,688	32,655			6,033
Total basic own funds after deductions	R0290	5,682,992	4,763,000		915,472	4,520

In EUR Thousand

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	5,682,992	4,763,000		915,472	4,520
Total available own funds to meet the minimum consolidated group SCR	R0530	5,678,473	4,763,000		915,472	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	5,682,992	4,763,000		915,472	4,520
Total eligible own funds to meet the minimum consolidated group SCR	R0570	5,003,945	4,763,000		240,944	
Minimum consolidated Group SCR	R0610	1,193,599				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	419.2 %				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	5,682,992				
Group SCR	R0680	2,273,908				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	249.9 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	4,983,357
Own shares (held directly and indirectly)	R0710	17,946
Foreseeable dividends, distributions and charges	R0720	159,203
Other basic own fund items	R0730	2,089,124
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Other non available own funds	R0750	
Reconciliation reserve	R0760	2,717,083
Expected profits		
Expected profits included in future premiums (EPIFP) – Life business	R0770	1,266,497
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	253
Total EPIFP	R0790	1,266,751

S.25.02.22

Solvency Capital Requirement – for groups using the standard formula and partial internal model

In EUR Thousand

Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0070	C0090	C0120
1	Market Risk	2,094,443	0		
2	Counterparty Default Risk	165,363	0		
3	Life Underwriting Risk	386,726	0		
4	Health Underwriting Risk	161,348	0		
5	Non-Life Underwriting Risk	0	456,106		
6	Operational Risk	169,249	0		
7	LAC Technical Provisions	-373,701	0		
8	LAC Deferred Taxes	-402,331	0		

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	2,549,668
Diversification	R0060	-275,760
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	2,273,908
Capital add-ons already set	R0210	
Solvency capital requirement for undertakings under consolidated method	R0220	2,273,908
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	-373,701
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	-402,331
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	1,193,599
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
Capital requirement for other financial sectors (Non-insurance capital requirements) – Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	
Capital requirement for other financial sectors (Non-insurance capital requirements) – Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) – Capital requirement for non-regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D and A	R0560	
Solvency capital requirement	R0570	2,273,908

S.32.01.22
Undertakings in the scope of the group
In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	LEI/529900OOW8ELHOXWZP82		UNIQA Insurance Group AG	Rückversicherer	Aktiengesellschaft	zu	Österreichische Finanzmarktaufsicht - FMA
Austria	LEI/529900B0OFX1G2LS5L25		UNIQA Österreich Versicherungen AG	Kompositversicherer	Aktiengesellschaft	non mutual	Österreichische Finanzmarktaufsicht - FMA
Austria	LEI/529900DYOEB8C25L1K78		SK Versicherung Aktiengesellschaft	Nicht-Lebensversicherer	Aktiengesellschaft	non mutual	Österreichische Finanzmarktaufsicht - FMA
Switzerland	LEI/529900VLUHW11YFG6K52		UNIQA Re AG	Rückversicherer	Aktiengesellschaft	non mutual	Eidgenössische Finanzmarktaufsicht - FINMA
Slovakia	LEI/097900BFGI0000027225		UNIQA poisťovňa a.s.	Kompositversicherer	Akciová spoločnosť	non mutual	Národná banka Slovenska - NBS
Czechia	LEI/31570053VJ0RMQ3JJK93		UNIQA pojišťovna, a.s.	Kompositversicherer	Akciová společnost	non mutual	České národní banka - CNB
Croatia	LEI/74780000P058TI5YPX93		UNIQA osiguranje d.d.	Kompositversicherer	Delniška družba	non mutual	Hrvatska agencija za nadzor financijskih usluga - HANFA
Poland	LEI/259400WV4XF5OZV6N231		UNIQA Towarzystwo Ubezpieczeń S.A.	Lebensversicherer	Spółka akcyjna	non mutual	Komisji Nadzoru Finansowego - KNF
Poland	LEI/259400JPZG18Z3V8R922		UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Nicht-Lebensversicherer	Spółka akcyjna	non mutual	Komisji Nadzoru Finansowego - KNF
Hungary	LEI/549300RLBB7L1SYSG775		UNIQA Biztosító Zrt.	Kompositversicherer	Biztosító részvénytársaság	non mutual	Pénzügyi Szervezetek Állami Felügyelete - PSZAF
Liechtenstein	LEI/529900SCZKCX0WMOCC24		UNIQA Versicherung AG	Rückversicherer	Aktiengesellschaft	non mutual	Finanzmarktaufsicht Liechtenstein - FMA
Bosnia and Herzegovina	SC/LEI/529900OOW8ELHOXWZP82/BA/12290		UNIQA osiguranje d.d.	Kompositversicherer	Delniška družba	non mutual	Agencija za nadzor osiguranja Federacije Bosne i Hercegovine - NADOS
Bulgaria	LEI/529900QUFCNI937IFE22		UNIQA Insurance plc	Nicht-Lebensversicherer	акционерно дружество	non mutual	Комисията за финансов надзор (Financial Supervision Commission) - FSC
Bulgaria	LEI/529900JXZ3AOURHL8Z49		UNIQA Life Insurance plc	Lebensversicherer	акционерно дружество	non mutual	Комисията за финансов надзор (Financial Supervision Commission) - FSC
Serbia	LEI/529900NH029TVWX6PY28		UNIQA životno osiguranje a.d.	Lebensversicherer	a.d.	non mutual	National Bank Of Serbia (NBS)
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/12340		UNIQA Insurance company, Private Joint Stock Company	Nicht-Lebensversicherer	Aktiengesellschaft	non mutual	State Commission for the Regulation of Financial Services
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/12350		UNIQA LIFE Private Joint Stock Company	Lebensversicherer	Aktiengesellschaft	non mutual	State Commission for the Regulation of Financial Services
Montenegro	LEI/5299005QVZ2NKVMMW074		UNIQA životno osiguranje a.d.	Lebensversicherer	a.d.	non mutual	Agencija za nadzor osiguranja (ANO)

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
						Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
25	25	25		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
99	100	99		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Albania	LEI/529900YGZQYA423B1677		SIGAL UNIQA Group AUSTRIA sh.a.	Nicht-Lebensversicherer	Sh.A.	non mutual	Autoriteti i Mbikëqyrjes Financiare - AMF
Serbia	LEI/529900ZGQS1JZWJXCA21		UNIQA neživotno osiguranje a.d.	Nicht-Lebensversicherer	a.d.	non mutual	National Bank Of Serbia (NBS)
Montenegro	LEI/529900NCGWV3EFRJTI23		UNIQA neživotno osiguranje a.d.	Nicht-Lebensversicherer	a.d.	non mutual	Agencija za nadzor osiguranja (ANO)
Romania	LEI/529900EHBJY3Z379SR41		UNIQA Asigurari S.A.	Nicht-Lebensversicherer	Societăţi pe acţiuni	non mutual	Comisia de Supraveghere a Asigurarilor - CSA
Romania	LEI/529900L3YL1512DQN720		UNIQA Asigurari De Viata S.A.	Lebensversicherer	Societăţi pe acţiuni	non mutual	Comisia de Supraveghere a Asigurarilor - CSA
Russian Federation	LEI/529900H62411VJ4YBN69		Raiffeisen Life Insurance Company LLC	Kompositversicherer	Aktiengesellschaft	non mutual	Federal Financial Markets Service - FFMS
Macedonia, the former Yugoslav Republic of	LEI/529900OXQAQIADK93B31		UNIQA AD Skopje	Nicht-Lebensversicherer	a.d.	non mutual	National Bank of the Republic of Macedonia - NBRM
Albania	LEI/529900WVIAHY6N2PA091		SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Lebensversicherer	Sh.A.	non mutual	Autoriteti i Mbikëqyrjes Financiare - AMF
Kosovo	SC/LEI/529900OOW8ELHOXWZP82/XK/12500		SIGAL UNIQA Group AUSTRIA sh.a.	Nicht-Lebensversicherer	Sh.A.	non mutual	Banka Qendrore e Republikës së Kosovës - BQK
Kosovo	SC/LEI/529900OOW8ELHOXWZP82/XK/12510		SIGAL LIFE UNIQA Group AUSTRIA sh.a	Lebensversicherer	a.d.	non mutual	Banka Qendrore e Republikës së Kosovës - BQK
Macedonia, the former Yugoslav Republic of	LEI/529900IODZTCBBULHW72		UNIQA Life AD Skopje	Lebensversicherer	a.d.	non mutual	National Bank of the Republic of Macedonia - NBRM
Albania	SC/LEI/529900OOW8ELHOXWZP82/AL/12530		SH.A.F.P SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Institutions for occupational retirement provision	Sh.A.	non mutual	Autoriteti i Mbikëqyrjes Financiare - AMF
Austria	LEI/5299007U38CLFZMP3U51		UNIQA Real Estate Management GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	LEI/529900GHCLW1R44YWU31		Versicherungsmarkt-Servicegesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	LEI/529900SDO0BXNI4DBB46		Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	LEI/529900BMZFXD8CKPJO45		RSG – Risiko Service und Sachverständigen GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	LEI/529900PHKKKJWP5N0Y07		UNIQA IT Services GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	LEI/529900UVLVCYSELWF743		UNIQA Capital Markets GmbH	Credit institutions, investment firms and financial institutions	GmbH	non mutual	Österreichische Finanzmarktaufsicht - FMA

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
87	100	87		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
75	100	75		Dominant		Included into scope of group supervision		Method 1: Full consolidation
69	100	69		Dominant		Included into scope of group supervision		Method 1: Full consolidation
69	100	69		Dominant		Included into scope of group supervision		Method 1: Full consolidation
69	100	69		Dominant		Included into scope of group supervision		Method 1: Full consolidation
69	100	69		Dominant		Included into scope of group supervision		Method 1: Full consolidation
69	100	69		Dominant		Included into scope of group supervision		Method 1: Full consolidation
44	100	44		Significant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	0	100		Significant		Included into scope of group supervision		Other Method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Sectoral rules

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13200		UNIQA Immobilien-Projekterrichtungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	LEI/529900566VFWLWCIFU53		call us Assistance International GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13310		Medial Beteiligungs-Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13390		UNIQA International AG	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	Aktiengesellschaft	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13400		UNIQA internationale Beteiligungs-Verwaltungs GmbH	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	GmbH	non mutual	
Austria	LEI/5299007DZYFEJHVDOH86		DIANA-BAD Errichtungs- und Betriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	LEI/529900LJ0W0Y74HQ0B69		UNIQA Beteiligungs-Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	LEI/529900HMZ56PVEYFSE35		UNIQA Leasing GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13500		PremiQaMed Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13520		PremiQaMed Management GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	LEI/391200LJQOME0JLSOT24		Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13580		Assistance Beteiligungs-GesmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13610		Together Internet Services GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	LEI/529900KOIMI2AFRQRM95		RC RISK-CONCEPT Versicherungsmakler GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	LEI/529900Q95SSA0F6E6J80		Real Versicherungsvermittlung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	LEI/529900TYYSRJH2VJSP60		STRABAG SE	Other	SE	non mutual	
Austria	LEI/529900SILRELJ2C2LF08		UNIQA Real Estate GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Aktiengesellschaft	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13820		Alopex Organisation von Geschäftskontakten GmbH	Other	GmbH	non mutual	
Austria	LEI/5299009R0BCRPZWBKU46		UNIQA HealthService – Services im Gesundheitswesen GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	nicht auf Gegenseitigkeit beruhend	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
61	100	61		Dominant		Included into scope of group supervision		Method 1: Full consolidation
30	30	30		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
33	33	33		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
25	25	25		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
33	0	33		Significant		Included into scope of group supervision		Other Method
64	100	64		Dominant		Included into scope of group supervision		Method 1: Full consolidation
23	0	23		Significant		Included into scope of group supervision		Other Method
100	0	100		Dominant		Included into scope of group supervision		Other Method
100	0	100		Dominant		Included into scope of group supervision		Other Method
14	14	14		Significant		Included into scope of group supervision		Other Method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	0	100		Dominant		Included into scope of group supervision		Other Method
100	0	100		Dominant		Included into scope of group supervision		Other Method

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14000		Design Tower GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14050		Privatklinik Villach Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14130		UNIQA Real Estate Property Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14150		"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH& Co. KG	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14170		UNIQA Real Estate Finanzierungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14190		UNIQA Group Audit GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	LEI/529900JRE2FAV5WP2C28		UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14210		Valida Holding AG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Aktiengesellschaft	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14220		EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH& Co. KG	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14240		PremiQaMed Immobilien GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14250		PremiQaMed Privatkliniken GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14280		Ambulatorien Betriebsgesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14290		GENIA CONSULT Unternehmensberatungs Gesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14320		R-SKA Baden Betriebs-GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14340		Praterstraße Eins Hotelbetriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14380		PremiaFIT Facility und IT Management u. Service GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	LEI/529900DL3B1718ENGH39		UNIQA Finanzbeteiligung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14420		UNIQA Corporate Business GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14470		Hotel Burgenland Betriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
25	0	25		Significant		Included into scope of group supervision		Other Method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
40	40	40		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	0	100		Dominant		Included into scope of group supervision		Other Method
49	0	49		Significant		Included into scope of group supervision		Other Method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	0	100		Dominant		Included into scope of group supervision		Other Method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	0	100		Dominant		Included into scope of group supervision		Other Method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14480		R-FMZ Immobilienholding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14540		UNIQA Retail Property GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14580		PKV Beteiligungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14590		Diakonissen & Wehrle Privatklinik GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14600		PremiQaMed Beteiligungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14630		UNIQA Real Estate Inlandsholding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14640		SVA Gesundheitszentrum Betriebs-GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14650		Goldenes Kreuz Privatklinik BetriebsGmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14670		Salzburg Institute of Actuarial Studies GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15020		UNIQA Raiffeisen Software Service Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15050		UNIQA Plaza Irodaház és Ingatlankezelő Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
CZECHIA	SC/LEI/529900OOW8ELHOXWZP82/CZ/15060		UNIQA Real Estate CZ, s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	s.r.o. (limited liability company)	non mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15080		UNIQA Real s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	s.r.o. (limited liability company)	non mutual	
CZECHIA	SC/LEI/529900OOW8ELHOXWZP82/CZ/15110		ProUNIQA s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	s.r.o. (limited liability company)	non mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15120		UNIQA InsService spol. s r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	s.r.o. (limited liability company)	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15140		UNIQA Ingatlanhasznosító Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15180		UNIQA Szolgáltató Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15190		UNIQA Claims Services International Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15200		Elsö Közszolgalati Penzügyi Tanacsado Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
35	0	35		Significant		Included into scope of group supervision		Other Method
60	100	60		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
49	0	49		Significant		Included into scope of group supervision		Other Method
75	100	75		Dominant		Included into scope of group supervision		Method 1: Full consolidation
50	0	50		Significant		Included into scope of group supervision		Other Method
60	100	60		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	0	100		Dominant		Included into scope of group supervision		Other Method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	0	100		Dominant		Included into scope of group supervision		Other Method
92	0	92		Dominant		Included into scope of group supervision		Other Method

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15210		UNIQA Számítástechnikai Szolgáltató Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15270		UNIPARTNER s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	s.r.o. (limited liability company)	non mutual	
Bulgaria	SC/LEI/529900OOW8ELHOXWZP82/BG/15660		Vitosha Auto OOD	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	OOD	non mutual	
Romania	SC/LEI/529900OOW8ELHOXWZP82/RO/15680		Floreasca Tower SRL	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	SRL	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15690		Pretium Ingatlan Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
Croatia	SC/LEI/529900OOW8ELHOXWZP82/HR/15700		UNIQA poslovni centar korzo d.o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	d.o.o.	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15710		UNIQA-Invest Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
Germany	SC/LEI/529900OOW8ELHOXWZP82/DE/15720		Knesebeckstraße 8-9 Grundstücksgesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Romania	LEI/549300EUO7I4HNV21S11		UNIQA Raiffeisen Software Service S.R.L.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
Bulgaria	SC/LEI/529900OOW8ELHOXWZP82/BG/15740		UNIQA Real Estate Bulgaria EOOD	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	EOOD	non mutual	
Serbia	SC/LEI/529900OOW8ELHOXWZP82/RS/15790		UNIQA Real Estate d.o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	d.o.o.	non mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15810		UNIQA Group Service Center Slovakia, spol. s r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	s.r.o. (limited liability company)	non mutual	
Serbia	SC/LEI/529900OOW8ELHOXWZP82/RS/15830		Renaissance Plaza d.o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	d.o.o.	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15840		IPM International Property Management Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
Poland	SC/LEI/529900OOW8ELHOXWZP82/PL/15850		UNIQA Real Estate Polska Sp. z o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	z.o.o.	non mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/15860		Black Sea Investment Capital LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	LLC	non mutual	
Cyprus	SC/LEI/529900OOW8ELHOXWZP82/CY/15880		LEGIWATON INVESTMENTS Limited Company	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Ltd	non mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15890		UNIQA Real III, spol. s r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	s.r.o. (limited liability company)	non mutual	
Netherlands	SC/LEI/529900OOW8ELHOXWZP82/NL/15910		UNIQA Real Estate BV	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	BV (Besloten Vennootschap)	non mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
60	100	60		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
98	100	98		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Bulgaria	SC/LEI/529900OOW8ELHOXWZP82/BG/15920		UNIQA Software Service Bulgaria OOD	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	OOD	non mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/15930		UNIQA Software Service Ukraine GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	GmbH	non mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/15970		Reytarske LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	LLC	non mutual	
Cyprus	SC/LEI/529900OOW8ELHOXWZP82/CY/16040		ALBARAMA Limited Company	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Ltd	non mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/16050		AVE-PLAZA LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	LLC	non mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/16060		Asena LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	LLC	non mutual	
Bosnia and Herzegovina	SC/LEI/529900OOW8ELHOXWZP82/BA/16110		UNIQA Assistance doo Sarajevo	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	d.o.o.	non mutual	
Bosnia and Herzegovina	SC/LEI/529900OOW8ELHOXWZP82/BA/16120		UNIQA Agent doo za zastupanje u osiguranju Banja Luka	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	d.o.o.	non mutual	
Bosnia and Herzegovina	SC/LEI/529900OOW8ELHOXWZP82/BA/16130		UNIQA Agent doo za zastupanje u osiguranju Sarajevo	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	d.o.o.	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/16140		UNIQA Software Service Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
Romania	SC/LEI/529900OOW8ELHOXWZP82/RO/16150		UNIPROINS CONSULTANTA SA	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	SA	non mutual	
Serbia	SC/LEI/529900OOW8ELHOXWZP82/RS/16160		sTech d.o.o	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	d.o.o.	non mutual	
Poland	SC/LEI/529900OOW8ELHOXWZP82/PL/16180		UNIQA Services Sp. z o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	z.o.o.	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/16220		DEKRA-Expert Műszaki Szakértői Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	Kft. (limited liability company)	non mutual	
Switzerland	SC/LEI/529900OOW8ELHOXWZP82/CH/12160		UNIQA GlobalCare SA	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)	S.A.	non mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
99	0	99		Dominant		Included into scope of group supervision		Other Method
99	0	99		Dominant		Included into scope of group supervision		Other Method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	0	100		Dominant		Included into scope of group supervision		Other Method
100	0	100		Dominant		Included into scope of group supervision		Other Method
100	0	100		Dominant		Included into scope of group supervision		Other Method
100	0	100		Dominant		Included into scope of group supervision		Other Method
100	0	100		Dominant		Included into scope of group supervision		Other Method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100	0	100		Dominant		Included into scope of group supervision		Other Method
50	50	50		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100	100	100		Dominant		Included into scope of group supervision		Method 1: Full consolidation

APPENDIX III (UNIQA Insurance Group AG) –QRTs

S.02.01.02

Balance sheet

In EUR Thousand

		Solvency II value
Assets		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	62,923
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	74,028
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	5,694,081
Property (other than for own use)	R0080	167,288
Holdings in related undertakings, including participations	R0090	5,264,041
Equities	R0100	38,468
Equities - listed	R0110	
Equities - unlisted	R0120	38,468
Bonds	R0130	156,900
Government Bonds	R0140	25,915
Corporate Bonds	R0150	130,985
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	65,755
Derivatives	R0190	
Deposits other than cash equivalents	R0200	1,628
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	610,770
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	610,770
Reinsurance recoverables from:	R0270	105,273
Non-life and health similar to non-life	R0280	19,174
Non-life excluding health	R0290	18,664
Health similar to non-life	R0300	510
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	86,100
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	86,100
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	312,863
Insurance and intermediaries receivables	R0360	7,183
Reinsurance receivables	R0370	11,697
Receivables (trade, not insurance)	R0380	243,310
Own shares (held directly)	R0390	7,229
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	23,930
Any other assets, not elsewhere shown	R0420	23,417
Total assets	R0500	**7,176,704**

In EUR Thousand

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	34,180
Technical provisions – non-life (excluding health)	R0520	33,413
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	31,971
Risk margin	R0550	1,443
Technical provisions - health (similar to non-life)	R0560	767
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	733
Risk margin	R0590	34
Technical provisions - life (excluding index-linked and unit-linked)	R0600	360,464
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	360,464
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	351,440
Risk margin	R0680	9,024
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	90,893
Pension benefit obligations	R0760	297,513
Deposits from reinsurers	R0770	121,977
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	215,000
Insurance & intermediaries payables	R0820	9,851
Reinsurance payables	R0830	7,015
Payables (trade, not insurance)	R0840	92,409
Subordinated liabilities	R0850	915,472
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	915,472
Any other liabilities, not elsewhere shown	R0880	5,506
Total liabilities	R0900	2,150,280
Excess of assets over liabilities	R1000	5,026,423

S.05.01.02

Premiums, claims and expenses by line of business

In EUR Thousand

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110									
Gross - Proportional reinsurance accepted	R0120		170		4,574	1,034	0	10,825	909	
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140		136		3,659	827		8,676	734	
Net	R0200		34		915	207	0	2,149	175	
Premiums earned										
Gross - Direct Business	R0210									
Gross - Proportional reinsurance accepted	R0220		169		4,567	1,021	0	10,745	903	
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240		136		3,654	817		8,612	731	
Net	R0300		34		913	204	0	2,133	173	
Claims incurred										
Gross - Direct Business	R0310									
Gross - Proportional reinsurance accepted	R0320		43		2,346	709	-27	6,357	1,211	
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340		29		1,982	567		5,208	855	
Net	R0400		14		365	142	-27	1,149	356	
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500									
Expenses incurred	R0550		49		988	216	0	2,578	239	
Other expenses	R1200									
Total expenses	R1300									

In EUR Thousand

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				**Total**
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								0
Gross - Proportional reinsurance accepted	R0120								17,511
Gross - Non-proportional reinsurance accepted	R0130					116		2,458	2,574
Reinsurers' share	R0140					93		1,966	16,091
Net	R0200					23		492	3,994
Premiums earned									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								17,406
Gross - Non-proportional reinsurance accepted	R0230					116		2,458	2,574
Reinsurers' share	R0240					93		1,966	16,009
Net	R0300					23		492	3,972
Claims incurred									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320	-3							10,637
Gross - Non-proportional reinsurance accepted	R0330					83	1	2,273	2,356
Reinsurers' share	R0340					66		2,516	11,224
Net	R0400	-3				17	1	-243	1,770
Changes in other technical provisions									
Gross - Direct Business	R0410								
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500								
Expenses incurred	R0550			23,600					27,670
Other expenses	R1200								1,584
Total expenses	R1300								1,584

In EUR Thousand

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410								38,368	38,368
Reinsurers' share	R1420								22,163	22,163
Net	R1500								16,204	16,204
Premiums earned										
Gross	R1510								38,709	38,709
Reinsurers' share	R1520								22,172	22,172
Net	R1600								16,538	16,538
Claims incurred										
Gross	R1610								39,027	39,027
Reinsurers' share	R1620								19,348	19,348
Net	R1700								19,678	19,678
Changes in other technical provisions										
Gross	R1710								3,728	3,728
Reinsurers' share	R1720								2,087	2,087
Net	R1800								1,641	1,641
Expenses incurred	R1900	18,917			17,553				3,219	39,689
Other expenses	R2500									5,152
Total expenses	R2600									44,841

S.05.02.01

Premiums, claims and expenses by country

In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) – non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0110		Germany	Croatia	Spain			
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	15,596	1,914	30	0			17,540
Gross - Non-proportional reinsurance accepted	R0130	2,446	128					2,574
Reinsurers' share	R0140	14,454	1,636	24	0			16,114
Net	R0200	3,589	406	6	0			4,001
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	15,536	1,870	30	-1			17,435
Gross - Non-proportional reinsurance accepted	R0230	2,446	128					2,574
Reinsurers' share	R0240	14,407	1,601	24	-1			16,031
Net	R0300	3,575	397	6	0			3,978
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	10,002	949	12	-1			10,962
Gross - Non-proportional reinsurance accepted	R0330	3,388	-342					3,046
Reinsurers' share	R0340	11,567	524	11	-1			12,101
Net	R0400	1,824	83	2	0			1,908
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	24,855	2,813	42	1			27,710
Other expenses	R1200							1,586
Total expenses	R1300							29,296

In EUR Thousand		Home Country	Top 5 countries (by amount of gross premiums written) – non-life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R0110		Germany	Croatia	Switzerland			
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	35,244	2,271	842	11			38,368
Reinsurers' share	R1420	20,359	1,312	486	6			22,163
Net	R1500	14,885	959	356	5			16,204
Premiums earned								
Gross	R1510	35,296	2,514	888	11			38,709
Reinsurers' share	R1520	20,217	1,440	509	6			22,172
Net	R1600	15,080	1,074	379	5			16,538
Claims incurred								
Gross	R1610	30,691	7,077	1,258	1			39,027
Reinsurers' share	R1620	15,216	3,508	624	0			19,348
Net	R1700	15,475	3,568	634	0			19,678
Changes in other technical provisions								
Gross	R1710	733	2,949	53	-7			3,728
Reinsurers' share	R1720	410	1,651	30	-4			2,087
Net	R1800	323	1,299	23	-3			1,641
Expenses incurred	R1900	36,457	2,350	871	11			39,689
Other expenses	R2500							5,152
Total expenses	R2600							44,841

S.12.01.02
Life and Health SLT Technical Provisions
In EUR Thousand

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030									351,440	351,440
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080									86,100	86,100
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090									265,340	265,340
Risk Margin	R0100									9,024	9,024
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	R0110										
Best estimate	R0120										
Risk margin	R0130										
Technical provisions - total	R0200									360,464	360,464

In EUR Thousand

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	R0030						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090						
Risk Margin	R0100						
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
Technical provisions - total	R0200						

S.17.01.02
Non-life Technical Provisions
In EUR Tausend

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross - Total	R0060		44		545	296		1,975	406	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		15		130	93		622	131	
Net Best Estimate of Premium Provisions	R0150		29		415	203		1,353	275	
Claims provisions										
Gross - Total	R0160		288		7,429	304	21	3,365	6,179	9
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		207		5,339	235		2,498	2,948	
Net Best Estimate of Claims Provisions	R0250		81		2,090	69	21	867	3,231	9
Total Best estimate - gross	R0260		332		7,974	600	21	5,340	6,585	9
Total Best estimate - net	R0270		110		2,505	272	21	2,220	3,506	9
Risk margin	R0280		8		173	15	2	98	266	1
Amount of the transitional on Technical Provisions										
TP as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									
Technical provisions - total										
Technical provisions - total	R0320		340		8,146	615	23	5,437	6,851	10
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		222		5,469	328		3,120	3,079	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340		118		2,677	287	23	2,317	3,772	10

In EUR Thousand

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross - Total	R0060								3,266
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140								991
Net Best Estimate of Premium Provisions	R0150								2,275
Claims provisions									
Gross - Total	R0160	9			401	9,490	91	1,852	29,437
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240				288	5,293		1,375	18,183
Net Best Estimate of Claims Provisions	R0250	9			113	4,197	91	477	11,255
Total Best estimate - gross	R0260	9			401	9,490	91	1,852	32,703
Total Best estimate - net	R0270	9			113	4,197	91	477	13,530
Risk margin	R0280	1			26	635	12	241	1,477
Amount of the transitional on Technical Provisions									
TP as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								
Technical provisions - total									
Technical provisions - total	R0320	9			427	10,124	103	2,093	34,180
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330				288	5,293		1,375	19,174
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	9			139	4,832	103	718	15,007

Annex I
S.19.01.21
Non-life Insurance Claims Information
In EUR Thousand

Total Non-Life Business

Accident year / Underwriting year	Z0020	Accident year

Gross Claims Paid (non-cumulative)
(absolute amount)

	Jahr		1	2	3	4	5	6	7	8	9	10 & +
		Development year										
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											261
N-9	R0160	223,951	113,461	32,015	14,961	7,075	5,647	3,148	19	9	15	
N-8	R0170	269,281	142,955	39,262	17,313	8,474	4,880	23	73	52		
N-7	R0180	183,582	112,355	33,671	16,268	8,841	113	36	31			
N-6	R0190	192,778	124,002	51,758	23,308	-17	96	71				
N-5	R0200	165,285	108,915	40,020	616	177	91					
N-4	R0210	175,112	108,172	884	339	112						
N-3	R0220	10,023	3,664	702	320							
N-2	R0230	8,837	2,521	545								
N-1	R0240	8,572	2,611									
N	R0250	8,165										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	261	261
	R0160	15	400,301
	R0170	52	482,312
	R0180	31	354,899
	R0190	71	391,996
	R0200	91	315,104
	R0210	112	284,619
	R0220	320	14,709
	R0230	545	11,903
	R0240	2,611	11,182
	R0250	8,165	8,165
Total	R0260	12,274	4,137,104

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Jahr		1	2	3	4	5	6	7	8	9	10 & +
		Development year										
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
vorher	R0100											9,750
N-9	R0160									333	385	
N-8	R0170								1,144	1,100		
N-7	R0180							641	663			
N-6	R0190						1,373	1,176				
N-5	R0200					2,239	3,690					
N-4	R0210				1,860	1,723						
N-3	R0220			1,963	1,043							
N-2	R0230		2,639	1,807								
N-1	R0240	5,731	2,020									
N	R0250	6,551										

		Year end (discounted data)
		C0360
	R0100	9,514
	R0160	372
	R0170	1,070
	R0180	646
	R0190	1,147
	R0200	3,641
	R0210	1,700
	R0220	1,025
	R0230	1,783
	R0240	2,004
	R0250	6,535
Total	R0260	29,437

S.22.01.21
Impact of long term guarantees and transitional measures
In EUR Thousand

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	394,644			-276	
Basic own funds	R0020	5,777,494			-36,565	
Eligible own funds to meet Solvency Capital Requirement	R0050	5,532,717			-36,480	
Solvency Capital Requirement	R0090	1,467,236			7	
Eligible own funds to meet Minimum Capital Requirement	R0100	4,872,461			-36,483	
Minimum Capital Requirement	R0110	366,809			2	

S.23.01.01
Own funds
In EUR Thousand

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	309,000	309,000			
Share premium account related to ordinary share capital	R0030	1,681,668	1,681,668			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	2,478,320	2,478,320			
Subordinated liabilities	R0140	928,576			928,576	
An amount equal to the value of net deferred tax assets	R0160	112,345				112,345
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	5,509,909	4,468,988		928,576	112,345
Ergänzende Eigenmittel						
Ancillary own funds	R0300					
Unpaid and uncalled ordinary share capital callable on demand	R0310					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0320					
Unpaid and uncalled preference shares callable on demand	R0330					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0340					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0360					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0390					
Other ancillary own funds	R0400					
Total ancillary own funds						
Available and eligible own funds	R0500	5,509,909	4,468,988		928,576	
Total available own funds to meet the SCR	R0510	5,397,564	4,468,988		928,576	
Total available own funds to meet the MCR	R0540	5,168,872	4,468,988		699,884	
Total eligible own funds to meet the SCR	R0550	4,538,976	4,468,988		69,988	
Total eligible own funds to meet the MCR	R0580	1,399,767				
SCR	R0600	349,942				
MCR	R0620	369.3 %				
Ratio of Eligible own funds to MCR	R0640	1297.1 %				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	4,738,243	
Own shares (held directly and indirectly)	R0710	5,901	
Foreseeable dividends, distributions and charges	R0720	151,008	
Other basic own fund items	R0730	2,103,013	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740		
Reconciliation reserve	R0760	2,478,320	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770		
Expected profits included in future premiums (EPIFP) - Non-life business	R0780		
Total Expected profits included in future premiums (EPIFP)	R0790		

S.25.01.21

Solvency Capital Requirement – for undertakings on Standard Formula

In EUR Thousand

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	1,561,600		
Counterparty default risk	R0020	11,775		
Life underwriting risk	R0030	14,200		
Health underwriting risk	R0040	128		
Non-life underwriting risk	R0050	4,706	0	
Diversification	R0060	-22,965		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	**1,569,443**		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	2,563
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-104,770
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	**1,467,236**
Capital add-ons already set	R0210	
Solvency capital requirement for undertakings under consolidated method	R0220	**1,467,236**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01

Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

In EUR Thousand

		C0010
MCRNL Result	R00120	2,260

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030	110	
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	2,505	488
Other motor insurance and proportional reinsurance	R0060	272	192
Marine, aviation and transport insurance and proportional reinsurance	R0070	21	
Fire and other damage to property insurance and proportional reinsurance	R0080	2,220	784
General liability insurance and proportional reinsurance	R0090	3,506	16
Credit and suretyship insurance and proportional reinsurance	R0100	9	
Legal expenses insurance and proportional reinsurance	R0110	9	
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140	113	116
Non-proportional casualty reinsurance	R0150	4,197	751
Non-proportional marine, aviation and transport reinsurance	R0160	91	
Non-proportional property reinsurance	R0170	477	1,707

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	901

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		1,287,020

Overall MCR calculation

		C0070
Linear MCR	R0300	3,161
SCR	R0310	1,467,236
MCR cap	R0320	660,256
MCR floor	R0330	366,809
Combined MCR	R0340	366,809
Absolute floor of the MCR	R0350	3,600
		C0070
Minimum Capital Requirement	R0400	366,809

APPENDIX IV (UNIQA Österreich Versicherungen AG) – QRTs

S.02.01.02
Balance sheet
In EUR Thousand

		Solvency II value
Assets		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	2,151
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	16,710,964
Property (other than for own use)	R0080	1,323,706
Holdings in related undertakings, including participations	R0090	1,075,245
Equities	R0100	139,320
Equities - listed	R0110	72,915
Equities - unlisted	R0120	66,405
Bonds	R0130	12,062,250
Government Bonds	R0140	6,749,489
Corporate Bonds	R0150	5,127,370
Structured notes	R0160	184,246
Collateralised securities	R0170	1,145
Collective Investments Undertakings	R0180	1,983,459
Derivatives	R0190	25,868
Deposits other than cash equivalents	R0200	101,117
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	4,472,592
Loans and mortgages	R0230	160,619
Loans on policies	R0240	5,656
Loans and mortgages to individuals	R0250	17,533
Other loans and mortgages	R0260	137,430
Reinsurance recoverables from:	R0270	1,254,673
Non-life and health similar to non-life	R0280	767,091
Non-life excluding health	R0290	630,303
Health similar to non-life	R0300	136,788
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	196,634
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	196,634
Life index-linked and unit-linked	R0340	290,948
Deposits to cedants	R0350	468
Insurance and intermediaries receivables	R0360	85,526
Reinsurance receivables	R0370	27,417
Receivables (trade, not insurance)	R0380	63,967
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	309,317
Any other assets, not elsewhere shown	R0420	4,441
Total assets	R0500	23,092,135

In EUR Thousand

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	1,537,890
Technical provisions – non-life (excluding health)	R0520	1,315,575
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	1,263,701
Risk margin	R0550	51,874
Technical provisions - health (similar to non-life)	R0560	222,316
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	217,767
Risk margin	R0590	4,548
Technical provisions - life (excluding index-linked and unit-linked)	R0600	10,757,188
Technical provisions - health (similar to life)	R0610	873,704
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	635,665
Risk margin	R0640	238,039
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	9,883,484
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	9,718,987
Risk margin	R0680	164,497
Technical provisions – index-linked and unit-linked	R0690	4,511,255
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	4,463,035
Risk margin	R0720	48,220
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	42,121
Pension benefit obligations	R0760	260,341
Deposits from reinsurers	R0770	498,823
Deferred tax liabilities	R0780	892,867
Derivatives	R0790	14,645
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	92,692
Reinsurance payables	R0830	20,149
Payables (trade, not insurance)	R0840	137,554
Subordinated liabilities	R0850	432,946
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	432,946
Any other liabilities, not elsewhere shown	R0880	3,076
Total liabilities	R0900	19,201,549
Excess of assets over liabilities	R1000	3,890,586

S.05.01.02
Premiums, claims and expenses by line of business
In EUR Thousand

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110		295,552		306,793	244,894	40,267	422,932	180,674	2,487
Gross - Proportional reinsurance accepted	R0120		28				134	4,745	422	300
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140		130,599		80,496	132,501	7,304	155,644	99,521	419
Net	R0200		164,982		226,298	112,393	33,097	272,033	81,576	2,369
Premiums earned										
Gross - Direct Business	R0210		295,524		306,961	243,056	40,559	422,429	183,030	2,506
Gross - Proportional reinsurance accepted	R0220		28				141	4,558	381	177
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240		130,579		80,572	131,565	7,483	155,426	100,928	429
Net	R0300		164,974		226,389	111,491	33,217	271,561	82,482	2,253
Claims incurred										
Gross - Direct Business	R0310		156,172		146,209	187,936	16,072	259,552	155,338	419
Gross - Proportional reinsurance accepted	R0320		4		-265		196	345	652	0
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340		70,139		42,233	96,347	2,870	99,402	80,379	-9
Net	R0400		86,037		103,711	91,589	13,398	160,495	75,611	428
Changes in other technical provisions										
Gross - Direct Business	R0410		32							
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500		32							
Expenses incurred	R0550		44,604		46,337	31,840	13,505	99,248	34,484	690
Other expenses	R1200									
Total expenses	R1300									

In EUR Thousand		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				**Total**
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	87,688		34,844					1,616,133
Gross - Proportional reinsurance accepted	R0120								5,630
Gross - Non-proportional reinsurance accepted	R0130							-7	-7
Reinsurers' share	R0140	13		15,190					621,686
Net	R0200	87,676		19,654				-7	1,000,070
Premiums earned									
Gross - Direct Business	R0210	87,703		34,833					1,616,602
Gross - Proportional reinsurance accepted	R0220								5,285
Gross - Non-proportional reinsurance accepted	R0230							-7	-7
Reinsurers' share	R0240	13		15,196					622,191
Net	R0300	87,690		19,637				-7	999,688
Claims incurred									
Gross - Direct Business	R0310	53,443		10,230					985,372
Gross - Proportional reinsurance accepted	R0320								932
Gross - Non-proportional reinsurance accepted	R0330							36	-82
Reinsurers' share	R0340	241		4,089					395,691
Net	R0400	53,202		6,142				-82	590,531
Changes in other technical provisions									
Gross - Direct Business	R0410			-456					-425
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500			-456					-425
Expenses incurred	R0550	28,083		6,382					305,172
Other expenses	R1200								15,365
Total expenses	R1300								320,537

In EUR Thousand

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		**Total**
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	979,292	714,834	262,120	75,160			371	3,076	2,034,853
Reinsurers' share	R1420	215	27,765	6,077	9,501					43,557
Net	R1500	979,077	687,069	256,043	65,659			371	3,076	1,991,295
Premiums earned										
Gross	R1510	979,264	718,595	261,793	75,792			344	3,076	2,038,865
Reinsurers' share	R1520	215	27,765	6,077	9,493					43,550
Net	R1600	979,049	690,830	255,716	66,299			344	3,076	1,995,315
Claims incurred										
Gross	R1610	666,591	1,422,295	345,775	25,464			59	96	2,460,280
Reinsurers' share	R1620	1,882	25,130	38,237	5,921					71,169
Net	R1700	664,710	1,397,165	307,538	19,543			59	96	2,389,111
Changes in other technical provisions										
Gross	R1710	-159,659	547,993	-69,311	-8,930				-369	309,724
Reinsurers' share	R1720	76	1,938	26,677	-313					28,378
Net	R1800	-159,736	546,055	-95,988	-8,617				-369	281,345
Expenses incurred	R1900	161,419	73,004	42,094	44,063			0	3,305	323,886
Other expenses	R2500									27,496
Total expenses	R2600									351,382

S.05.02.01

Premiums, claims and expenses by country

In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) – non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0110		Italy	Germany	Great Britain	Switzerland	Czech Republik	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	1,562,514	21,772	20,014	1,921	3,773	940	1,610,934
Gross - Proportional reinsurance accepted	R0120	-173		420	2,160		475	2,881
Gross - Non-proportional reinsurance accepted	R0130		-7					-7
Reinsurers' share	R0140	598,910	8,343	7,833	1,564	1,446	542	618,639
Net	R0200	963,431	13,422	12,601	2,516	2,327	872	995,169
Premiums earned								
Gross - Direct Business	R0210	1,559,768	23,557	20,401	3,040	3,745	932	1,611,443
Gross - Proportional reinsurance accepted	R0220	-171		290	2,038		470	2,628
Gross - Non-proportional reinsurance accepted	R0230		-7					-7
Reinsurers' share	R0240	599,351	9,034	7,938	1,948	1,437	538	620,245
Net	R0300	960,247	14,515	12,754	3,130	2,308	864	993,819
Claims incurred								
Gross - Direct Business	R0310	961,216	15,954	6,286	426	264	195	984,341
Gross - Proportional reinsurance accepted	R0320	24		-479	38		52	-365
Gross - Non-proportional reinsurance accepted	R0330	-54						-54
Reinsurers' share	R0340	385,646	6,401	2,330	186	106	99	394,768
Net	R0400	575,540	9,553	3,478	278	158	148	589,154
Changes in other technical provisions								
Gross - Direct Business	R0410	-425						-425
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500	-425						-425
Expenses incurred	R0550	294,143	4,096	3,845	768	710	266	303,827
Other expenses	R1200							15,297
Total expenses	R1300							319,124

In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) – non-life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R0110		Germany	Slovania	Italy	Bulgaria	Spain	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	2,026,934	5,679	503	381	376	294	2,034,167
Reinsurers' share	R1420	43,388	122	11	8	8	6	43,543
Net	R1500	1,983,546	5,557	492	373	368	288	1,990,624
Premiums earned								
Gross	R1510	2,030,959	5,679	503	395	349	294	2,038,179
Reinsurers' share	R1520	43,385	121	11	8	7	6	43,539
Net	R1600	1,987,575	5,558	492	387	341	288	1,994,640
Claims incurred								
Gross	R1610	2,440,699	18,599	289	570	122		2,460,280
Reinsurers' share	R1620	70,619	538	8	16	4		71,185
Net	R1700	2,370,081	18,061	281	553	119		2,389,095
Changes in other technical provisions								
Gross	R1710	309,594	35		95			309,724
Reinsurers' share	R1720	28,375	3		9			28,387
Net	R1800	281,219	32		86			281,337
Expenses incurred	R1900	322,626	904	80	61	60	47	323,777
Other expenses	R2500							27,487
Total expenses	R2600							351,264

S.12.01.02
Life and Health SLT Technical Provisions
In EUR Thousand

		Insurance with profit participation	Index-linked and unit-linked insurance	Index-linked and unit-linked insurance: Contracts without options and guarantees	Index-linked and unit-linked insurance: Contracts with options or guarantees	Other life insurance	Other life insurance: Contracts without options and guarantees	Other life insurance: Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030	9,955,105		2,823,305	1,639,730		-236,118				14,182,022
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	196,314		184,053	106,895		320				487,582
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	9,758,791		2,639,252	1,532,835		-236,438				13,694,440
Risk Margin	R0100	118,055	48,220			46,443					212,718
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	R0110										
Best estimate	R0120										
Risk margin	R0130										
Technical provisions - total	R0200	10,073,160	4,511,255			-189,675					14,394,740

In EUR Thousand

		Health insurance (direct business)					
			Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	R0030		635,665				635,665
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090		635,665				635,665
Risk Margin	R0100	238,039					238,039
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
Technical provisions - total	R0200	873,704					873,704

S.17.01.02
Non-life Technical Provisions
In EUR Thousand

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross - Total	R0060		-56,394		-14,171	12,481	-2,382	6,781	-20,510	797
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		14,082		-892	7,409	1,112	61,038	-17,134	206
Net Best Estimate of Premium Provisions	R0150		-70,476		-13,279	5,072	-3,493	-54,257	-3,376	591
Claims provisions										
Gross - Total	R0160		274,162		385,767	36,158	43,866	201,753	536,061	1,230
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		122,706		152,214	18,707	12,240	83,202	295,260	95
Net Best Estimate of Claims Provisions	R0250		151,456		233,553	17,451	31,627	118,551	240,801	1,134
Total Best estimate - gross	R0260		217,767		371,596	48,639	41,485	208,534	515,551	2,027
Total Best estimate - net	R0270		80,979		220,274	22,523	28,134	64,294	237,425	1,726
Risk margin	R0280		4,548		4,867	1,901	2,045	23,965	4,300	182
Amount of the transitional on Technical Provisions										
TP as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									
Technical provisions - total										
Technical provisions - total	R0320		222,316		376,463	50,540	43,530	232,499	519,851	2,208
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		136,788		151,322	26,116	13,351	144,240	278,126	301
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340		85,528		225,141	24,424	30,179	88,259	241,725	1,907

In EUR Thousand

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross - Total	R0060	-72,217		15,078					-130,537
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	332		11,168					77,320
Net Best Estimate of Premium Provisions	R0150	-72,549		3,909					-207,858
Claims provisions									
Gross - Total	R0160	122,767		10,242					1,612,006
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	826		4,520					689,771
Net Best Estimate of Claims Provisions	R0250	121,941		5,722					922,235
Total Best estimate - gross	R0260	50,550		25,319					1,481,468
Total Best estimate - net	R0270	49,392		9,631					714,377
Risk margin	R0280	4,541		10,072					56,422
Amount of the transitional on Technical Provisions									
TP as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								
Technical provisions - total									
Technical provisions - total	R0320	55,092		35,391					1,537,890
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	1,158		15,688					767,091
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	53,933		19,703					770,799

Annex I
S.19.01.21
Non-life Insurance Claims Information
In EUR Thousand

Total Non-Life Business

Accident year / Underwriting	Z0020	Accident year

Gross Claims Paid (non-cumulative)
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		Development year										
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											22,752
N-9	R0160	403,901	218,393	69,305	31,729	18,421	12,072	7,731	7,401	6,961	3,093	
N-8	R0170	455,724	259,972	73,605	34,104	16,260	10,164	10,171	5,645	5,615		
N-7	R0180	400,120	239,685	69,655	34,402	13,773	12,496	7,015	5,857			
N-6	R0190	410,303	247,946	89,759	37,628	17,507	9,571	8,376				
N-5	R0200	467,079	246,382	83,929	36,636	18,624	10,354					
N-4	R0210	459,824	245,461	80,240	33,033	18,345						
N-3	R0220	423,936	250,048	70,876	31,855							
N-2	R0230	454,802	241,041	72,318								
N-1	R0240	458,895	234,350									
N	R0250	498,975										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	22,752	22,752
	R0160	3,093	779,007
	R0170	5,615	871,259
	R0180	5,857	783,003
	R0190	8,376	821,090
	R0200	10,354	863,005
	R0210	18,345	836,904
	R0220	31,855	776,715
	R0230	72,318	768,161
	R0240	234,350	693,246
	R0250	498,975	498,975
Total	R0260	911,892	11,089,310

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		Development year										
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											233,000
N-9	R0160	0	0	0	0	0	0	0	0	35,294	31,124	
N-8	R0170	0	0	0	0	0	0	0	43,385	38,787		
N-7	R0180	0	0	0	0	0	0	47,050	40,648			
N-6	R0190	0	0	0	0	0	58,028	48,724				
N-5	R0200	0	0	0	0	65,854	54,160					
N-4	R0210	0	0	0	99,148	70,193						
N-3	R0220	0	0	156,943	108,916							
N-2	R0230	0	239,322	157,104								
N-1	R0240	510,385	268,639									
N	R0250	551,517										

		Year end (discounted data)
		C0360
	R0100	225,193
	R0160	28,853
	R0170	35,865
	R0180	37,760
	R0190	45,510
	R0200	50,593
	R0210	66,124
	R0220	103,750
	R0230	150,845
	R0240	260,220
	R0250	541,617
Total	R0260	1,546,331

S.22.01.21
Impact of long term guarantees and transitional measures
In EUR Thousand

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	16,806,334			46,611	
Basic own funds	R0020	4,156,194			-33,478	
Eligible own funds to meet Solvency Capital Requirement	R0050	4,156,194			-33,478	
Solvency Capital Requirement	R0090	1,607,116			10,601	
Eligible own funds to meet Minimum Capital Requirement	R0100	3,856,601			-32,840	
Minimum Capital Requirement	R0110	524,608			3,193	

S.23.01.01
Own funds
In EUR Thousand

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	37,689	37,689			
Share premium account related to ordinary share capital	R0030	108,018	108,018			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070	45,554	45,554			
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	3,531,987	3,531,987			
Subordinated liabilities	R0140	432,946		28,432	404,514	
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	4,156,194	3,723,248	28,432	404,514	
Ancillary own funds	R0300					
Unpaid and uncalled ordinary share capital callable on demand	R0310					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0320					
Unpaid and uncalled preference shares callable on demand	R0330					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0340					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0360					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0390					
Other ancillary own funds	R0400					
Total ancillary own funds						
Available and eligible own funds	R0500	4,156,194	3,723,248	28,432	404,514	
Total available own funds to meet the SCR	R0510	4,156,194	3,723,248	28,432	404,514	
Total available own funds to meet the MCR	R0540	4,156,194	3,723,248	28,432	404,514	
Total eligible own funds to meet the SCR	R0550	3,856,601	3,723,248	28,432	104,922	
Total eligible own funds to meet the MCR	R0580	1,607,116				
SCR	R0600	524,608				
MCR	R0620	258.6 %				
Ratio of Eligible own funds to MCR	R0640	735.1 %				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	3,890,586	
Own shares (held directly and indirectly)	R0710		
Foreseeable dividends, distributions and charges	R0720	167,338	
Other basic own fund items	R0730	191,261	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740		
Reconciliation reserve	R0760	3,531,987	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	1,266,497	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	253,284	
Total Expected profits included in future premiums (EPIFP)	R0790	1,519,781	

S.25.02.21

Solvency Capital Requirement – for undertakings using the standard formula and partial internal model

In EUR Thousand

Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0070	C0090	C0120
1	Market Risk	1,748,144			
2	Counterparty Default Risk	116,542			
3	Life Underwriting Risk	315,770			
4	Health Underwriting Risk	161,766			
5	Non-Life Underwriting Risk	210,527	208,699		
6	Operational Risk	125,035			
7	LAC Technical Provisions	-324,054			
8	LAC Deferred Taxes	-535,705			

		C0100
Calculation of Solvency Capital Requirement		
Total undiversified components	R0110	1,741,016
Diversification	R0060	-133,900
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	1,607,116
Capital add-ons already set	R0210	
Solvency capital requirement	R0220	1,607,116
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	-324,054
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	-535,705
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.02.01.01
Minimum Capital Requirement – Both life and non-life insurance activity
In EUR Thousand

		MCR components	
		Non-life activities	Life activities
		MCR(NL, NL) Result	MCR(NL, L)Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	160,028	

		Non-life activities		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020				
Income protection insurance and proportional reinsurance	R0030	80,979	164,982		
Workers' compensation insurance and proportional reinsurance	R0040				
Motor vehicle liability insurance and proportional reinsurance	R0050	220,274	226,298		
Other motor insurance and proportional reinsurance	R0060	22,523	112,393		
Marine, aviation and transport insurance and proportional reinsurance	R0070	28,134	33,097		
Fire and other damage to property insurance and proportional reinsurance	R0080	64,294	271,865		
General liability insurance and proportional reinsurance	R0090	237,425	81,569		
Credit and suretyship insurance and proportional reinsurance	R0100	1,726	2,369		
Legal expenses insurance and proportional reinsurance	R0110	49,392	87,676		
Assistance and proportional reinsurance	R0120				
Miscellaneous financial loss insurance and proportional reinsurance	R0130	9,631	20,040		
Non-proportional health reinsurance	R0140				
Non-proportional casualty reinsurance	R0150				
Non-proportional marine, aviation and transport reinsurance	R0160				
Non-proportional property reinsurance	R0170				

In EUR Thousand

		Non-life activities	Life activities
		MCR(L, NL) Result	MCR(L, L) Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	-18,670	383,250

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210	161,624		9,416,177	
Obligations with profit participation - future discretionary benefits	R0220	474,041		342,613	
Index-linked and unit-linked insurance obligations	R0230			4,172,087	
Other life (re)insurance and health (re)insurance obligations	R0240				
Total capital at risk for all life (re)insurance obligations	R0250				33,518,396

Overall MCR calculation

		C0130
Linear MCR	R0300	524,608
SCR	R0310	1,607,116
MCR cap	R0320	723,202
MCR floor	R0330	401,779
Combined MCR	R0340	524,608
Absolute floor of the MCR	R0350	7,400
		C0130
Minimum Capital Requirement	R0400	524,608

Notional non-life and life MCR calculation

		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	141,358	383,250
Notional SCR excluding add-on (annual or latest calculation)	R0510	433,045	1,174,071
Notional MCR cap	R0520	194,870	528,332
Notional MCR floor	R0530	108,261	293,518
Notional Combined MCR	R0540	141,358	383,250
Absolute floor of the notional MCR	R0550	3,700	3,700
Notional MCR	R0560	141,358	383,250

Appendix V – regulatory requirements for the Solvency and Financial Condition Report

This appendix lists the regulatory requirements upon which this Solvency and Financial Condition Report is based and with which it corresponds and complies. In addition to these regulatory requirements this document is also in accordance with Articles 51 to 56 of Directive (EU) 2009/138/EC (Level 1) and Sections 241 to 245 of the Austrian Insurance Supervision Act 2016 (Level 4).

Chapter A

This chapter contains information on the company's business activities and performance, in accordance with Article 293 of the Delegated Regulation (EU) (Level 2) as well as guidelines 1 and 2 EIOPA-BoS-15/109 (Level 3). Article 359 (a) of the Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level, as well as guideline 14 EIOPA-BoS-15/109 (Level 3).

Chapter B

This chapter contains information on the company's governance system, in accordance with Article 294 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guidelines 3 and 4 EIOPA-BoS-15/109 (Level 3). Article 359 (b) Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level.

Chapter C

This chapter contains information on the company's risk profile, in accordance with Article 295 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guideline 5 to 5 EIOPA-BoS-15/109 (Level 3). Article 359 (c) of the Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level.

Chapter D

This chapter contains information on the valuation requirements for Solvency II, in accordance with Article 296 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guidelines 6 to 10 EIOPA-BoS-15/109 (Level 3). Article 359(d) of the Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level.

Chapter E

This chapter contains information on the company's capital management, in accordance with Articles 297 and 298 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guidelines 11 to 13 EIOPA-BoS-15/109 (Level 3). Article 359(e) of the Delegated Regulation (EU) 2015/35 (Level 2), as well as guideline 15 EIOPA-BoS-15/109 (Level 3) also apply for the reporting at Group level.

Glossary

Term	Definition
(Partial) internal model	Internally generated model developed by the insurance or reinsurance entity concerned and at the instruction of the FMA to calculate the solvency capital requirement or relevant risk modules (on a partial basis).
Reinsurance premiums ceded	Proportion of premiums to which the reinsurer is entitled for assuming certain reinsurance risks.
Premiums earned (gross)	Total gross premiums written less the change in gross premiums carried forward for the direct insurance business.
Premiums earned (net)	Total gross premiums written less the change in gross premiums carried forward in relation to the total direct insurance business and inward reinsurance business, reduced by the amount in relation to reinsurance ceded.
Deferred acquisition costs	These include the insurance company's costs associated with entering into new or extending existing insurance contracts. They include costs such as closure commissions and costs for processing applications and preparing risks assessments.
Expenses incurred	All the entity's technical expenses allocated to the reporting period.
Acquisition costs	The amount of cash or cash equivalents paid to acquire an asset or the fair value of another form of charge at the time of acquisition.
Non-controlling interests	Interests in the profit/(loss) for the period which are attributable to third parties outside of the Group that hold shares in affiliates and not to the Group.
Asset allocation	The structure of investments, i.e. the proportional composition of the overall investments from the different types of investment (e.g. equities, fixed-income securities, holdings, land and buildings, money market instruments).
Asset liability management	Management concept whereby decisions related to company assets and liabilities are matched with each other. Strategies on the assets and liabilities are formulated, implemented, monitored and revised for this in a continuous process in order to achieve the financial targets with specified risk tolerances and limitations.
Associates	Associates are all companies 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.
Operating expenses	This item includes acquisition costs, expenses for portfolio management and for implementing reinsurance. Deduction of the commissions received and profit participation from reinsurance business ceded results in operating expenses for own account.
Fair value	The fair value is the price that would be received for the sale of an asset or would be paid for assigning a debt in an orderly business transaction between market participants.
Benchmark method	An accounting and valuation method preferred in IFRS accounting.
Best Estimate	This is the probability-weighted average of future cash flows taking into account the expected present value and using the relevant risk-free yield curve.
Value Of business in-force (VBI)	Designates the cash value of future profits arising from life insurance contracts, less the cash value of the costs arising from the capital to be held in connection with this business.
Combined ratio	Combined ratio of damage claims and costs. Sum of the operating expenses and insurance benefits relative to the premiums earned, net in all cases – in property and casualty insurance.
Corporate Governance	Corporate Governance designates the legal and actual framework for managing and monitoring companies. Corporate Governance regulations are aimed at ensuring transparency and thereby at boosting confidence in responsible company management and controls based around added value.
Insurance provision	Provision at the amount of the existing liability to pay insurance benefits and reimbursements, primarily in life and health insurance. The provision is ascertained in accordance with actuarial methods as the balance of the cash value of future liabilities minus the cash value of future premiums.
Direct insurance business	This relates to the insurance contracts that a direct insurer enters into with private individuals or companies. This is in contrast with reinsurance business acquired by a direct insurer or reinsurer.
Duration	The duration describes the weighted average duration of an interest-rate sensitive investment or portfolio and is a measure of risk of the sensitivity of investments in the event of changes in interest rates.
Economic capital model (ECM)	UNIQA's assessment is based on the EIOPA standard formula for calculating the risk capital requirement with the variations of the risk exposure for EEA (European Economic Area) government bonds and handling of asset backed securities, and using the partial internal model for property and casualty insurance.
Overall solvency needs (OSN)	Designates the company's individual risk assessment and capital requirements resulting from this. Corresponds with the ECR at UNIQA.
Economic capital requirement (ECR)	Risk capital requirement that results from the economic capital model. See overall solvency needs.
Net	The part of risks assumed which the insurer/reinsurer does not reinsure.
Return on equity (ROE)	The return on equity is the ratio of the profit/(loss) to the average equity, after non-controlling interests in each case.
Own funds	In the case of stock corporations, the paid-in share capital; in the case of insurance associations (to the extent that the own funds are used to cover losses), the capital reserves, the retained earnings and the risk reserve together with the net retained profit not earmarked for distribution.

Equity method	Investments in associates are accounted for using this method. The value assessed corresponds with the Group's share in these companies' equity. With investments in companies that prepare consolidated financial statements themselves, their Group equity is assessed accordingly in each case. This value must be updated to take account of proportional changes in equity as part of ongoing valuations; the proportional profit on ordinary activities is attributed to the consolidated profit/(loss) with this.
Supplementary capital	Paid-in capital that is provided to the insurance company under an agreement for a minimum of five years with a waiver of the right of termination and for which interest can only be disbursed if this is covered in the annual net profit.
FAS	US Financial Accounting Standards which set out the details on US GAAP (Generally Accepted Accounting Principles).
Amortised cost	Amortised cost relates to acquisition costs less permanent impairment (such as ongoing amortisation).
Gross (premiums written)	The item includes details on items in the balance sheet and income statement, excluding the proportion from reinsurance.
Profit participation	In life and health insurance the policyholders with profit participation insurance contracts must be allowed under statutory and contractual provisions to participate appropriately in the company’s surpluses generated. The amount of this profit participation is determined again each year.
Hedging	Hedging against undesirable changes in rates or prices using an appropriate offsetting item, particularly using derivative financial instruments.
IASs	International Accounting Standards
IFRSs	International Financial Reporting Standards. Since 2002 the term IFRS has applied to the overall concept of the standards enacted by the International Accounting Standards Board. Standards already enacted before this continue to be known as International Accounting Standards (IASs).
Tiers	Classification of the basic own fund components into Tier 1, Tier 2 and Tier 3 capital using the own funds list in accordance with the criteria specified in the EU implementing regulation. If a component of basic own funds is not included in the list, an entity must carry out its own assessment and decide on a classification.
Cost ratio	Ratio of total insurance operating expenses (net of reinsurance commissions received and share of profit from reinsurance ceded) to consolidated premiums earned (including savings portions of unit-linked and index-linked life insurance).
Minimum capital requirement (MCR)	Minimum level of security below which the eligible basic own funds should not fall. The MCR is calculated using a formula in relation to the solvency capital requirement (SCR).
Subordinated liabilities	Liabilities that can only be repaid after the other liabilities in the event of liquidation or bankruptcy.
Revaluation reserve	Unrealised gains and losses that result from the difference between the fair value and the amortised costs are directly recognised in other comprehensive income in the item “Revaluation reserve” following deduction of deferred tax and deferred profit participation (in the area of life insurance).
Own risk and solvency assessment (ORSA)	Forward-looking risk and solvency assessment process carried out by the entity itself. It forms an integral part of corporate strategy and the planning process – but at the same time also part of the overall risk management strategy.
Economic capital	The economic capital (or net asset value, NAV) results from the residual amount between the assets assessed at fair values and the liabilities assessed at fair values and is a synonym for economic own funds.
Premiums	Total premiums written. All premiums written in the financial year from insurance contracts for direct insurance and inward reinsurance business.
Unearned premiums	The part of the premiums that represents the remuneration for the insurance period after the reporting date, and has therefore not been earned as at the reporting date. Except in the case of life insurance, unearned premiums must be stated as a separate item in the balance sheet under the technical provisions.
Retrocession	Retrocession means reinsurance of the reinsurance assumed and is used as a risk-policy tool by professional reinsurance companies and in inward reinsurance by other insurance companies.
Risk appetite	Conscious assumption and handling of risk within risk-bearing capacity.
Risk limit	Limits the level of risk and ensures that, based on a specified probability, a certain level of loss or a certain negative variance from budgeted values (estimated performance) is not exceeded.
Risk margin	Pursuant to the Section 161 of the Austrian Insurance Supervision Act 2016, the risk margin is an add-on to the best estimate to ensure that the value of technical provisions equates to the amount that insurers and reinsurers would need so that they are able to assume and satisfy their insurance and reinsurance obligations.
Provision for unsettled claims	Also known as claim provision; takes into account liabilities from claims that have already arisen as at the reporting date but which have not yet been settled or settled in full.
Provision for premium refunds and profit participation	The part of the surplus scheduled for future distribution to the policyholders is placed into the provisions for premium refunds or profit participation. Deferred amounts are also accounted for in the provision.
Reinsurance	An insurance company insures part of its risk with another insurance company.
Claims rate	Insurance benefits in property and casualty insurance in relation to the premiums earned.
Key functions	Bodies or committees that must be established under mandatory statutory requirements; they prepare regular reports to be submitted to the management board and supervisory board of an entity. The reported information is used for the purposes of review and decision-making.

Solvency capital requirement (SCR)	The eligible own funds that insurers or reinsurers must hold to enable them to absorb significant losses and give reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. It is calculated to ensure that all quantifiable risks (such as market risk, credit risk, underwriting risk) are taken into account. It covers both current operating activities and the new business expected in the subsequent twelve months.
Solvency	An insurance company's own funds.
Solvency II	The European Union Directive on publication obligations and solvency regulations in terms of insurance company's own funds.
Solvency balance sheet	Total of the assets and liabilities of an insurance or reinsurance entity (defined differently from the financial reporting requirements under IFRSs). Assets and liabilities are measured at the amount that would be agreed for exchange or settlement between independent, knowledgeable, willing parties.
Standard formula	Standard formula for calculating the solvency capital requirement in accordance with Section 177 of the Austrian Insurance Supervision Act 2016
Stress test	Stress tests are a special form of scenario analysis. The objective is to be able to make a quantitative statement on the loss potential for portfolios in the event of extreme market fluctuations.
US GAAP	US Generally Accepted Accounting Principles
Value at risk	Risk quantification method. This involves calculating the expected value of a loss which may arise following unfavourable market developments with a specified probability within a defined period.
Affiliated companies	The parent company and its subsidiaries are affiliated companies. Subsidiaries are companies controlled by UNIQA.
Premiums written (gross)	All premiums due during the financial year arising from insurance contracts under direct insurance business, regardless of whether these premiums relate (either wholly or partially) to a later financial year.
Premiums written (net)	Total premiums from direct insurance business and inward reinsurance less amounts in respect of reinsurance ceded.
Insurance benefits (gross)	Total of insurance benefit payments and changes in the claims provision during the financial year in connection with direct insurance and reinsurance contracts. This does not include claims settlement expenses and changes in the provisions for claims settlement expenses.
Insurance benefits (net)	Total of insurance benefit payments and changes in the claims provision during the financial year in relation to the total of direct insurance and inward reinsurance business, less the amount related to reinsurance ceded. This does not include claims settlement expenses and changes in the provisions for claims settlement expenses.
Available-for-sale financial assets	The available-for-sale financial assets include financial assets that are neither due to be held until final maturity, nor have they been acquired for short-term trading purposes. Available-for-sale financial assets are assessed at fair value. Fluctuations in value are recorded in other comprehensive income in the consolidated statement of comprehensive income.

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