

**Ladies and gentlemen,
dear shareholders,**

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

1. The most important features of 2019

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

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

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

Despite these rather difficult conditions, UNIQA managed to continue with the plan for the concluding implementation of the long-term strategic programme UNIQA 2.0.

I would like to highlight three points that were already particularly important in 2018:

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

- afford to boldly and optimistically shape its future with significant investments and thus grow in every respect.

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

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

- What are our assumptions as regards the world, civil society and its ways of living for 2030?
- What role will financial service providers – and in particular insurance companies – play?
- How can UNIQA clearly differentiate itself from the competition in a tougher market environment that is increasingly characterised by digitalisation?

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

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

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

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

2. Timeline and details of our main areas of focus

During 2019 the Supervisory Board was regularly informed by the Management Board about the business performance and position of UNIQA Insurance Group AG and the Group as a whole. It also supervised the Management Board’s management of the business and fulfilled all the tasks assigned to the Supervisory Board by law and the Articles of Association. At the Supervisory Board meetings, the Management Board presented detailed quarterly reports and provided additional oral as well as written reports.

The Supervisory Board was given timely and comprehensive information about those measures requiring our approval. The members of our Supervisory Board are regularly invited to participate in informational events on relevant topics. Three seminars were held in 2019 with a special focus on “IFRS 9 and 17”, “Cherrisk” (our

Hungarian digital start-up), “Innovative, alternative forms of selling” and “UIP (UNIQA Insurance) & IT Strategy”.

Focus of our deliberations

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

- At our meeting held on 20 February, we mainly discussed the Group’s preliminary results for the 2018 financial year and the current business development.
- On 8 April the shareholder representatives on the Supervisory Board passed a resolution in writing to meet the minimum proportion of women and men on the Supervisory Board required by law separately from the employee representatives on the Supervisory Board.
- The Supervisory Board meeting on 9 April focused on the audit of the annual financial statements and consolidated financial statements for the year ended 31 December 2018 and on the reports from the Management Board with up-to-date information on the performance of the Group in the first quarter of 2019. We also discussed the agenda for the 20th Annual General Meeting held on 20 May 2019, in particular the proposal to the Annual General Meeting to elect PwC Wirtschaftsprüfung GmbH as auditors for the 2020 financial year. The report by auditors PwC Wirtschaftsprüfung GmbH and lawyers Schönherr Rechtsanwälte GmbH regarding compliance with the provisions of the Austrian Code of Corporate Governance (ÖCGK) in the 2018 financial year was also acknowledged.
- Our meeting held on 15 May was dedicated to a discussion of the Group’s earnings situation in the first quarter of 2019 as well as to discussions on the Solvency and Financial Condition Report (SFCR) 2018.
- The Supervisory Board was constituted in the meeting on 20 May based on the new election of all Supervisory Board members. Furthermore, the Executive Committee was newly elected and the committees of the Supervisory Board appointed.
- At our meeting on 27 August, we discussed the Group’s earnings situation in the first half of 2019, the developments in the ongoing third quarter of 2019 and the ORSA Report 2019 (Own Risk and Solvency Assessment) of the Management Board. Special attention was devoted for the first time to the future UNIQA 3.0 strategic programme, which will probably be presented in the third quarter of 2020. In this context, we asked the Management Board to comment on a number of open questions, which mainly related to general, long-term developments in global financial services.
- In an extraordinary meeting on 30 September, the Supervisory Board discussed exclusively and for a second time the future strategic orientation of the Group within the framework of our UNIQA 3.0 strategic programme. Among other things, several versions of a customer-centred form of organisation were presented and discussed in detail.
- In addition to receiving reports on the results of the Group for the first three quarters of 2019 and the latest information on performance in the fourth quarter of 2019, the Supervisory Board meeting on 19 November involved discussions on the forecast for the 2019 financial year, intensive planning for the 2020 financial year and the medium-term planning up to 2024. In addition, the UNIQA 3.0 strategic programme was discussed in detail for the third time. In order to define the organisational framework and to enable the future Management Board team to detail its work, the Supervisory Board’s decisions targeted the

structural and personnel future of the Group. Furthermore, the Supervisory Board evaluated its activities in accordance with the Austrian Code of Corporate Governance and dealt with the changed requirements for remuneration schemes under the European Shareholder Rights Directive.

Committees of the Supervisory Board

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

- The work of the Executive Committee of the Supervisory Board, which consists of the same members as the Committee for Board Affairs and the Nominating and Remuneration Committee for the Management Board, was particularly important in 2019. In the seven meetings which took place, the Committee dealt intensively with the development of the UNIQA 3.0 strategic programme, interviewing candidates for management positions in the Group, filling Management Board positions, discussing the remuneration strategy and succession planning.
- The Audit Committee held three meetings in 2019 and these meetings were also attended by the auditors of the (consolidated) financial statements. All of the documents relating to the financial statements and the appropriation of profit proposed by the Management Board were discussed at the meeting on 9 April, with the Compliance Manager's annual activity report for 2018 also submitted and acknowledged in particular. At the meeting held on 15 May, the auditor presented the planning for the audit of the 2019 financial statements prepared by the companies in the UNIQA Group and coordinated this planning and strategy with the Committee. The Committee also discussed its exercise of the responsibilities assigned to it under the Stock Corporation Act and the Insurance Supervision Act along with the Solvency and Financial Condition Report (SFCR) 2018. At the meeting held on 19 November, the auditor informed the Committee about the findings from its preliminary audits. In addition, the Committee received quarterly reports from Internal Audit on the areas audited by this department and any material findings that arose from these audits.
- The Investment Committee held four meetings during which the members discussed the capital investment strategy, questions concerning capital structure, and the focus of risk and asset liability management.
- The IT Committee dealt with the ongoing monitoring of the progress of the project implementing the UNIQA Insurance Platform over the course of five meetings.
- The Working Committee did not hold any meetings in the past financial year. A decision on a real estate project was made by way of circular resolution.
- The various chairs of the committees then informed the members of the Supervisory Board in detail about the meetings and their committee's work.

3. Separate and consolidated financial statements

The separate financial statements prepared by the Management Board, the Management Report of UNIQA Insurance Group AG, the consolidated financial statements prepared in accordance with International

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

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

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

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

Upon consultations held with the Management Board regarding consequences of Covid-19 pandemic, the Supervisory Board decided to diverge from the original proposal of the Management Board for appropriation of profit pursuant to Annex to the annual financial statements dated 20 March 2020, and to propose to the Annual General Meeting on 25 May 2020 the dividend of 18 cents per share.

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

Vienna, 15 April 2020

On behalf of the Supervisory Board
Walter Rothensteiner signed personally
Chairman of the Supervisory Board