

Financial Report

Group Management Report _____	58
Consolidated Financial Statements _____	78
General information _____	78
Consolidated Statement of Financial Position _____	80
Consolidated Income Statement _____	81
Consolidated Statement of Comprehensive Income _____	82
Consolidated Statement of Cash Flows _____	83
Consolidated Statement of Changes in Equity _____	84
Segment Reporting _____	87
Notes to the Consolidated Financial Statements _____	98
Investments _____	98
Technical items _____	109
Other non-current assets _____	121
Other current assets _____	129
Taxes _____	131
Social capital _____	133
Equity _____	136
Subordinated liabilities _____	137
Other current and non-current liabilities _____	138
Other non-technical income and expenses _____	140
Other disclosures _____	140
Significant events after the reporting date _____	155
Risk report _____	156
Approval for publication _____	173
Declaration of the legal representatives _____	174
Audit opinion _____	175

Group Management Report

Economic environment

Although the period of economic expansion is continuing, the outlook for global growth has become somewhat bleaker. Global GDP growth stood at 3.7 per cent in 2018 and was therefore just under the growth rate of the previous year (2017: 3.8 per cent). Although the prospects for growth have deteriorated somewhat compared with the previous year, they still remain positive. Economists forecast annual global growth of 3.5 per cent for both 2019 and 2020. Political risks are the main reason for the worsening situation. Protectionist tendencies in global trade, particularly between the United States and China, as well as increasing uncertainty regarding the future relationship between the United Kingdom and the European Union are putting a strain on the global business climate.

Growth has slowed in the eurozone, yet the foundations for continued economic expansion remain intact. Following the strong economic momentum in 2017 (average quarterly growth of 0.7 per cent), growth in GDP fell to 0.4 per cent in the first half of 2018 before falling to 0.2 per cent in the second half of the year. The economy is predominantly being slowed by weaker external demand, while demand in Austria from private consumers and investors is having a stabilising effect. Consumption by private households is expected to continue supporting the economy through positive developments on the labour market, with the unemployment rate falling to 7.9 per cent in December 2018.

Austria recorded very robust performance in 2018 with economic growth of 2.7 per cent. However, a slight slowdown in the economy is also looming in Austria as compared with the eurozone as a whole. Economists expect growth in GDP of 1.6 per cent for the current year 2019. The recovery of the Austrian labour market has so far continued unabated, with the unemployment rate falling to 4.7 per cent in December 2018 (2017: 5.5 per cent).

In the USA, economic development accelerated once again. Following growth of 2.2 per cent in 2017, the US economy is projected to have expanded by 2.9 per cent in 2018. Growth in GDP will fall gradually in 2019 and the following year and is expected to reach a long-term sustainable level in 2020. The positive momentum for growth from the tax reforms, which at least supported domestic demand in the short term, and the looser monetary policy will increasingly decline. The US Federal Reserve continued its cycle of interest rate hikes with four increases in 2018. The bandwidth for US key interest rates increased in December 2018 to between 2.25 and 2.50 per cent. The Federal Reserve has signalled a wait and see approach regarding any further interest rate rises for 2019, emphasising the importance of the economic developments that have taken place and those still expected for the time and scope of any future changes to monetary policy. There was a return to normality in monetary policy in the eurozone in 2018. The ECB's quantitative easing programme expired as of the end of the year. However, the redemptions from maturing bonds will be reinvested until further notice – in any case until after any initial interest rate rise at least – meaning that monetary policy will continue to support the economy. The ECB has announced the prospect of starting a cycle of interest rate hikes for the period following summer 2019. However, the return to normal monetary policy would be delayed in the event of a further deterioration in economic performance. Any return to normal interest rates will therefore be a slow process.

Central and Eastern Europe (CEE) managed to continue the process of catching up with the eurozone economies in 2018. The economy remained consistently dynamic in 2018 and was able to break free from the slower performance within the eurozone. Economic growth for CEE (not including Russia) is expected to be at 4.3 per cent in 2018, with solid growth of 3.6 per cent forecast for 2019.

The economic environment remains a congenial one, particularly in the countries of Central Europe. With

the exception of the Czech Republic, where the economic highpoint has already been passed, economic momentum accelerated further. Domestic demand is the essential driver of this performance, and unemployment rates reached all-time lows last year. The central banks in those countries that have their own currencies are signalling a return to normal interest rates, albeit at differing speeds. The Czech National Bank tightened its monetary policy considerably in 2018 and implemented five interest rate hikes. The key interest rate in Hungary has remained unchanged so far, although a gradual return to normal monetary policy is in preparation. The Polish Central Bank has had little incentive so far to change its loose monetary policy given the restrained price developments in Poland.

Macroeconomic stability remains high in Russia even though economic momentum fell. It is difficult for the Russian economy currently to generate economic growth substantially above long-term potential growth. The significant fall in the price of oil is also playing a part in this. Economic recovery is continuing in Ukraine, and the agreement with the International Monetary Fund for a new credit programme for macroeconomic stability is contributing to this.

The high point of business activity was reached in South-eastern Europe in 2018 with growth expected to be at 3.4 per cent. The situation on the labour markets in the region also improved significantly thanks to the positive economic performance. Overall economic conditions will therefore also remain favourable in 2019.

Property and casualty insurance remains the driver for growth in Austria

Premium revenues in Austrian property and casualty insurance were strong in 2018 with 3.5 per cent growth to €9.5 billion. The comprehensive vehicle insurance and casualty insurance lines were drivers for growth with premium increases of 6.1 per cent and 4.4 per cent respectively. The vehicle liability insurance line, on the other hand, only achieved a slight premium increase of 1.4 per cent.

Premium attrition weakened in life insurance as compared with the previous year. For example, premiums only shrank by around 3.6 per cent year-on-year to just under €5.6 billion. As in the previous year, the main reason for this fall was a drop in single premiums by 14.7 per cent to €0.7 billion. The life insurance business with recurring premiums also experienced a decline, although this was

much more moderate at around 1.7 per cent to just under €4.9 billion.

Health insurance performed slightly stronger in 2018 than in the previous year with growth in premiums of 4.3 per cent to €2.2 billion.

Insurance markets in Central and Eastern Europe on course for sustained growth

CEE is one of the fastest-growing economic regions around the world. The convergence process with Western Europe is also continuing thanks to the persistent strength of the economy there. Longer-term growth forecasts also show an annual difference in growth between the markets in Central and Eastern Europe and the eurozone of up to 2 per cent.

As in the previous year, the insurance markets in the CEE region also benefited in 2018 from the positive economic conditions overall. According to the results currently available, premium volumes rose in Central and Eastern Europe (not including Russia) by around 4 per cent to an estimated €34 billion.

Demand for insurance products was particularly high once again in property insurance, where the strongest growth was achieved in CEE since the financial crisis at more than 8 per cent. With the exception of Romania, all markets in Central and Eastern Europe recorded a significant increase in premiums in 2018 in the non-life insurance sector. Stimulus for growth came in particular from the household and homeowner sectors as well as from the vehicle insurance lines. Higher vehicle inventories as a result of a significant rise in new registrations in particular led to substantial premium increases in the vehicle sectors. The exception to this was in Romania, where premium volumes fell in vehicle insurance as a whole, particularly as a result of price dumping by regional motor vehicle liability insurance providers, in addition to the difficult regulatory environment.

Developments in the life insurance markets in Central and Eastern Europe, on the other hand, were mixed. Aggregated premium volume fell again slightly in 2018 following solid growth in the previous year. This was mainly due to the negative performance of life insurance in Poland. As in previous years, the marked decline in business with short-term single premium products led to a decline overall in this line of business. Conversely, very high premium growth was recorded in countries where the life insurance business is still underdeveloped, such

as in Croatia, Serbia and North Macedonia. The need for supplementary personal provision for private individuals remains high in these markets due to inadequacies in the state pension systems.

CEE remains a region with high growth potential for UNIQA, as can be seen from the positive performance in the insurance markets overall over the last few years. Higher incomes and increased consumer spending by private individuals also increase demand for insurance products. Many of the people living in the countries of Central and Eastern Europe remain uninsured or significantly underinsured.

UNIQA Group

With a premium volume written (including savings portions from unit-linked and index-linked life insurance) of €5,309.5 million, the UNIQA Group is among the leading insurance groups in Central and Eastern Europe. The savings portions from unit-linked and index-linked life insurance in the amount of €320.5 million are set off against the change in insurance provision, pursuant to FAS 97 (US GAAP). Without taking the savings portions from unit-linked and index-linked life insurance into consideration, the premium volume written amounted to €4,989.0 million.

UNIQA in Europe

UNIQA offers its products and services via all distribution channels (hired sales force, general agencies, brokers, banks and direct sales) and covers virtually the entire range of insurance lines. UNIQA is the second-largest insurance group in Austria, with a presence in 15 countries of the CEE growth region: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Russia, Serbia, Slovakia and Ukraine. In addition, insurance companies in Switzerland and Liechtenstein are also part of the UNIQA Group.

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

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

Property and casualty insurance

The property and casualty insurance line includes property insurance for private individuals and companies, as well as private casualty insurance. The UNIQA Group received premiums written in property and casualty insurance in 2018 in the amount of €2,774.4 million (2017: €2,639.7 million) – which is 52.3 per cent (2017: 49.9 per cent) of total premium volume. The largest share by far in the volume of property and casualty insurance comes from private consumer business. Most property and casualty insurance policies are taken out for a limited term of up to three years. A broad spread across the different risks of a great many customers and the relatively short terms of these contracts lead to only moderate capital requirements and also make this field of business attractive as a result.

Health insurance

Health insurance in Austria includes voluntary health insurance for private customers, commercial preventive healthcare and opt-out offers for certain independent professions such as lawyers, architects, and chemists. Although health insurance is still at the early stages in CEE, increased levels of prosperity in the region make the long-term growth potential even greater. Group-wide in 2018, premiums written totalled €1,086.4 million (2017: €1,042.0 million) – 20.5 per cent (2017: 19.7 per cent) of total premium volume. UNIQA is the undisputed market leader in this strategically important line of insurance in Austria with around 46 per cent of market share. The overwhelming majority comes from Austria with around 93 per cent of premiums, with the remaining 7 per cent from international business.

Life insurance

Life insurance covers economic risks that stem from the uncertainty as to how long a customer will live. It includes savings products such as classic and unit-linked life insurance. There are also “biometric products” which hedge against risks such as occupational disability, long-term care needs or death. The life insurance business model is oriented towards the long term, with policy terms at around 25 years on average. Life insurance is still facing major challenges, as the low interest rate environment is particularly disadvantageous to all

long-term forms of saving and investment, including for life insurance. In life insurance, UNIQA reached a premium volume (including savings portions from unit-linked and index-linked life insurance) Group-wide in 2018 of €1,448.6 million (2017: €1,611.6 million) – 27.3 per cent (2017: 30.4 per cent) of total premium volume.

Rating

UNIQA has consistently been rated at least “A–” by rating agency Standard & Poor’s since 2013. Standard & Poor’s also confirmed the “A–” rating for UNIQA Insurance Group AG for 2018. The ratings of UNIQA Österreich Versicherungen AG and the Group’s reinsurer, UNIQA Re AG in Switzerland, also remained “A”. UNIQA Versicherung AG in Liechtenstein received an “A–”. Standard & Poor’s rates the outlook for all the companies as stable. UNIQA’s subordinated bonds are rated “BBB”.

Companies included in the IFRS consolidated financial statements

In addition to the annual financial statements of UNIQA Insurance Group AG, the consolidated financial statements include the financial statements of all subsidiaries in Austria and abroad as well as those of the investment funds under the Group’s control. Including UNIQA Insurance Group AG, the basis of consolidation comprised 34 Austrian (2017: 35) and 59 international (2017: 59) subsidiaries along with six Austrian (2017: 6) and one international (2017: 2) investment funds under the Group’s control. The associates are five domestic (2017: 6) and one international company (2017: 1) that were included in the consolidated financial statements using equity method accounting.

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

Error corrections

Errors were corrected in accordance with IAS 8 as part of the process for preparing the consolidated annual financial statements. This resulted in adjustments to the values for the 2017 financial year. See note 37 in the consolidated financial statements for further details.

Risk reporting

UNIQA’s comprehensive risk and opportunities report is included in the notes to the 2018 consolidated financial statements.

Corporate Governance Report

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

Consolidated non-financial statement, consolidated non-financial report

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

Group business development

- Premiums written (including savings portions from unit-linked and index-linked life insurance) rose by 0.3 per cent to €5,309.5 million
- Combined ratio improved from 97.5 per cent to 96.8 per cent
- Earnings before taxes increased to €294.6 million
- Consolidated profit of €243.3 million
- Proposed dividend increased by 2 cents to €0.53 per share for 2018
- An increase in pre-tax profit is expected for 2019 following adjustment for the one-time effect from the sale of Casinos Austria Aktiengesellschaft

UNIQA Group In € million	2018	2017	2016
Premiums written including savings portions from unit-linked and index-linked life insurance	5,309.5	5,293.3	5,048.2
Cost ratio (after reinsurance)	25.9%	25.0%	26.6%
Combined ratio (after reinsurance)	96.8%	97.5%	98.1%
Earnings before taxes	294.6	264.6	225.5
Consolidated profit/(loss) (proportion of the net profit for the period attributable to the shareholders of UNIQA Insurance Group AG)	243.3	171.8	148.1

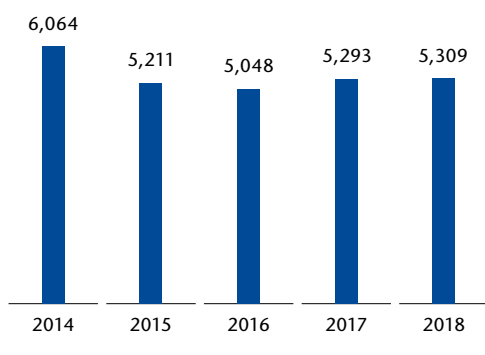
In the area of insurance policies with recurring premium payments, there was an encouraging rise of 3.1 per cent to €5,196.7 million (2017: €5,039.3 million). In the single premium business, however, the premium volume decreased by 55.6 per cent to €112.7 million (2017: €254.0 million) in line with the strategy.

Changes in premiums

UNIQA's total premium volume, including savings portions from unit-linked and index-linked life insurance, increased in 2018 in the amount of €320.5 million (2017: €481.6 million), by 0.3 per cent to €5,309.5 million (2017: €5,293.3 million).

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

In € million



Premiums written in property and casualty insurance increased in 2018 by 5.1 per cent to €2,774.4 million (2017: €2,639.7 million). In health insurance, premiums written in the reporting period rose by 4.3 per cent to €1,086.4 million (2017: €1,042.0 million). In life insurance, premiums written including savings portions from unit-linked and index-linked life insurance fell by 10.1 per cent overall to €1,448.6 million (2017: €1,611.6 million). The strategic withdrawal from the single premium business was the reason for this.

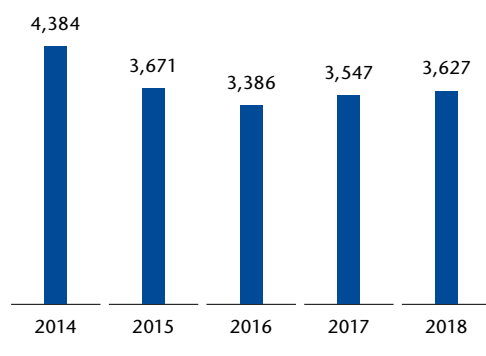
The Group premiums earned, including savings portions from unit-linked and index-linked life insurance (after reinsurance) in the amount of €320.9 million (2017: €476.2 million), fell by 0.4 per cent to €5,081.7 million (2017: €5,104.1 million). The volume of premiums earned (net, in accordance with IFRSs) increased on the other hand by 2.9 per cent to €4,760.7 million (2017: €4,627.9 million).

Changes in insurance benefits

In the 2018 financial year, insurance benefits before reinsurance (see note 8 in the consolidated financial statements) rose by 5.0 per cent to €3,793.1 million (2017: €3,611.7 million). Consolidated net insurance benefits rose by 2.2 per cent to €3,626.6 million in the past year (2017: €3,547.4 million).

Insurance benefits (net)

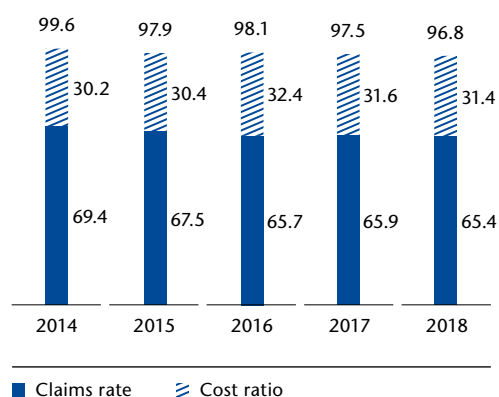
In € million



The claims rate after reinsurance in property and casualty insurance fell slightly in 2018 to 65.4 per cent (2017: 65.9 per cent) as a result of less damage from natural disasters. The combined ratio after reinsurance improved to 96.8 per cent (2017: 97.5 per cent) for this reason as well as due to the improved cost situation at Group level.

Combined ratio after reinsurance

In per cent



Operating expenses

Total consolidated operating expenses (see note 9 in the consolidated financial statements) less reinsurance commission and share of profit from reinsurance ceded rose by 3.0 per cent to €1,314.7 million in the 2018 financial year (2017: €1,276.0 million). Expenses for the acquisition of insurance less reinsurance commission and share of profit from reinsurance ceded in the amount of €13.6 million (2017: €23.0 million) fell on the other hand by 0.4 per cent to €851.9 million (2017: €855.7 million) as a result of the fall in commissions in the life insurance sector. Other operating expenses increased by 10.1 per cent to €462.7 million (2017: €420.3 million) as a result of higher staff and IT costs. This line item includes expenses amounting to around €43 million (2017: approx. €41 million) within the scope of the innovation and investment programme.

The cost ratio after reinsurance, i.e. the ratio of total operating expenses less the amounts received from reinsurance commission and share of profit from reinsurance ceded to the Group premiums earned, including savings portions from unit-linked and index-linked life insurance, increased to 25.9 per cent during the past year (2017: 25.0 per cent) as a result of the developments mentioned above. The cost ratio before reinsurance rose to 25.2 per cent (2017: 24.6 per cent).

Property and casualty insurance

In € million

	2018	2017	2016
Premiums written	2,774.4	2,639.7	2,518.4
Insurance benefits (net)	-1,690.1	-1,644.8	-1,550.6
Claims rate (after reinsurance)	65.4%	65.9%	65.7%
Operating expenses (net)	-811.0	-788.5	-763.2
Cost ratio (after reinsurance)	31.4%	31.6%	32.4%
Combined ratio (after reinsurance)	96.8%	97.5%	98.1%
Net investment income	128.1	119.7	132.6
Earnings before taxes	120.3	95.1	57.9
Technical provisions (net)	2,970.6	2,939.7	2,708.4

Health insurance

In € million	2018	2017	2016
Premiums written	1,086.4	1,042.0	1,003.7
Insurance benefits (net)	-900.8	-877.6	-843.6
Operating expenses (net)	-183.9	-168.0	-175.5
Cost ratio (after reinsurance)	17.0%	16.2%	17.5%
Net investment income	99.5	116.4	114.9
Earnings before taxes	96.2	109.7	96.1
Technical provisions (net)	3,190.9	3,037.7	2,880.1

Investments

The UNIQA Group's investment portfolio (including investment property, financial assets accounted for using the equity method and other investments) fell by €722.1 million to €19,337.1 million in the 2018 financial year (31 December 2017: €20,059.2 million).

Despite the persistent low interest rate environment and negative currency effects of around €17 million, net investment income increased by 1.6 per cent to €581.2 million (2017: €572.1 million). The main reason for this increase was the completion of the sale of the indirect holding in Casinos Austria Aktiengesellschaft in the first quarter of 2018. The UNIQA Group generated a capital gain of €47.4 million from selling this holding. Due to the recognition of the 14.3 per cent equity-accounted holding in STRABAG SE, there was a positive contribution in the amount of €51.4 million in 2018 (2017: €42.4 million). A detailed description of net investment income can be found in the consolidated financial statements (see note 4 in the consolidated financial statements).

Other income and other expenses

Other income remained stable in 2018 at €36.8 million (2017: €36.6 million). Other expenses for the period increased by 28.5 per cent to €72.5 million (2017: €56.5 million) as a result of currency losses in Russia.

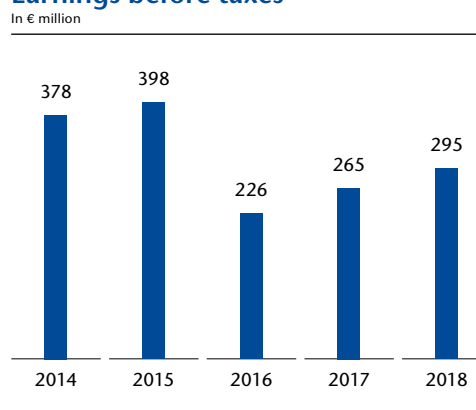
Results

The technical result of the UNIQA Group rose significantly by 26.7 per cent to €140.2 million in 2018 (2017: €110.6 million). Operating profit also increased by 8.5 per cent to €350.1 million (2017: €322.7 million).

Earnings before taxes at UNIQA likewise increased by 11.3 per cent to €294.6 million (2017: €264.6 million), primarily as a result of the improvement in the technical result. The

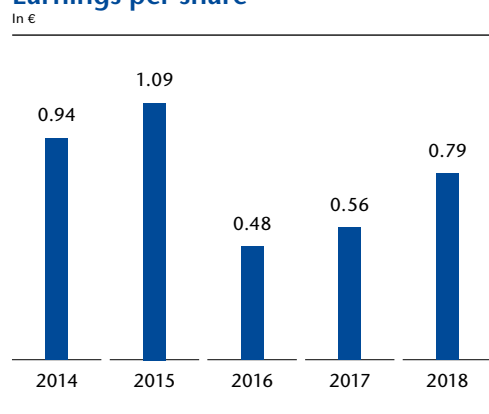
profit/(loss) for the period rose by 27.5 per cent to €235.1 million (2017: €184.4 million). However, the 2017 comparative value included the profit/(loss) from discontinued operations (after tax) of €33.1 million on account of the sale of the Italian Group companies. Income tax expense increased in 2018 to €59.5 million (2017: €47.2 million), while the tax burden was 20.2 per cent (2017: 17.8 per cent).

Earnings before taxes



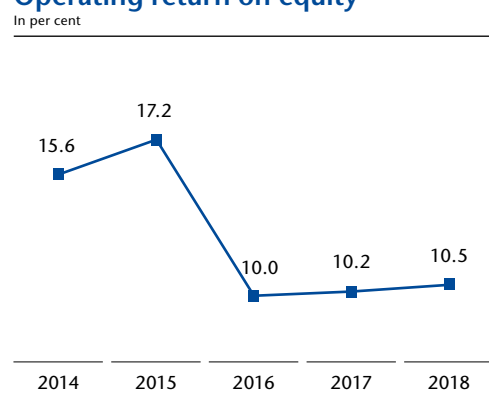
The consolidated profit/(loss), i.e. the proportion of the net profit for the period attributable to the shareholders of UNIQA Insurance Group AG, amounted to €243.3 million (2017: €171.8 million). The earnings per share rose as a result to €0.79 (2017: €0.56).

Earnings per share



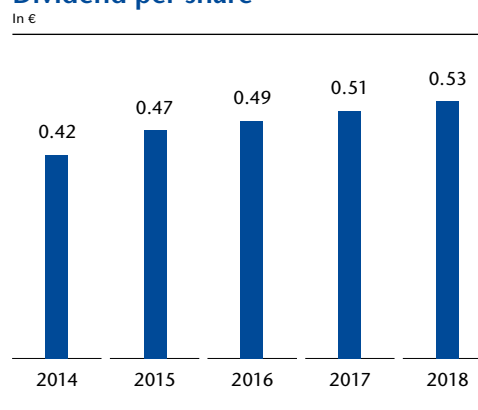
Operating return on equity (earnings before taxes and amortisation of goodwill and impairment losses in relation to average equity, including non-controlling interests and excluding the accumulated profits of the valuation of financial instruments available for sale) came to 10.5 per cent in 2018 (2017: 10.2 per cent). The return on equity (after tax and non-controlling interests) rose to 7.9 per cent in the reporting year (2017: 5.4 per cent).

Operating return on equity



On this basis, the Management Board will propose a dividend of €0.53 per share to the Supervisory Board and the Annual General Meeting (2017: €0.51 per share).

Dividend per share



Own funds and total assets

Total equity attributable to the shareholders of UNIQA Insurance Group AG fell by €185.9 million to €2,972.1 million in the past financial year (31 December 2017: €3,158.0 million). The reason for this was the drop in the measurement of financial instruments available for sale due to an increase in volatility on the international financial markets. Non-controlling interests came to €14.4 million (31 December 2017: €91.4 million). The total assets of the Group amounted to €28,616.2 million at 31 December 2018 (31 December 2017: €28,743.9 million).

Life insurance

In € million	2018	2017	2016
Premiums written including savings portions from unit-linked and index-linked life insurance	1,448.6	1,611.6	1,526.1
Insurance benefits (net)	- 1,035.7	- 1,025.0	- 991.4
Operating expenses (net)	- 319.8	- 319.5	- 347.7
Cost ratio (after reinsurance)	22.6%	20.3%	23.7%
Net investment income	353.5	336.0	341.4
Earnings before taxes	78.2	59.9	71.6
Technical provisions (net)	15,483.4	15,815.9	16,224.3

Cash flow

UNIQA's net cash flow from operating activities amounted to €4.8 million in 2018 (2017: €473.4 million, of which €258.2 million was from discontinued operations). Net cash flow from investing activities amounted to €210.0 million (2017: €-217.6 million, of which €35.3 million resulted from discontinued operations). Net cash flows from financing activities amounted to €588.9 million (2017: €-154.2 million). Overall, cash and cash equivalents increased by €794.1 million to €1,444.4 million in the 2018 financial year (2017: €650.3 million).

Employees

In 2018, the average number of employees (full-time equivalents, or FTEs) at UNIQA again fell slightly to 12,818 (2017: 12,839). These included 4,271 (2017: 4,456) field sales employees. The number of employees in administration amounted to 8,547 (2017: 8,383).

In the 2018 financial year, the Group had 2,708 FTEs in the Central Europe (CE) region of Poland, Slovakia, the Czech Republic and Hungary (2017: 2,626), with 2,242 FTEs (2017: 2,293) in the Southeastern Europe (SEE) region consisting of Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia, and 1,654 FTEs (2017: 1,779) in the Eastern Europe (EE) region of Romania and Ukraine. There were 108 FTEs (2017: 108) working in Russia (RU). The average number of FTEs in the Western European markets in 2018 was 48 (2017: 46). A total of 6,058 FTEs were employed in Austria (2017: 5,987). Including the employees of the general agencies working exclusively for UNIQA, the total number of people working for the Group amounts to about 19,000.

In 2018, 55 per cent of the staff working in administrative positions at UNIQA in Austria were women. In sales, the ratio was 83 per cent men to 17 per cent women. 14.6 per cent (2017: 15.5 per cent) of employees were working part time. The average age in the past year was 44 years (2017: 44 years).

In Austria, almost all employees have a share in the company's

success through some form of variable participation programme. It consists of either a bonus for managers and selected key employees, or an employee participation programme. In 2018, 14 per cent (2017: 15 per cent) of employees participated in the bonus system for managers and selected key employees – a variable remuneration system that is tied both to the success of the company and to personal performance. In 2018, a total of 76 per cent took part in the employee participation programme (2017: 77 per cent) in the form of a bonus. Everyone who has an employment relationship for the entire financial year is entitled to participate. The payment of the employee participation bonus depends on the one hand on achieving the profit target and on the other hand on the degree to which other important corporate goals have been reached.

In addition, UNIQA offers young people in training the opportunity to get to know foreign cultures and make international contacts. Currently, 55 apprentices are being trained.

Operating segments

UNIQA Austria

- Premiums written (including savings portions from unit-linked and index-linked life insurance) rose to €3,734.4 million
- Cost ratio increased slightly to 18.6 per cent
- Combined ratio further improved from 91.8 per cent to 91.6 per cent
- Earnings before taxes of €231.7 million

UNIQA Austria In € million	2018	2017	2016
Premiums written including savings portions from unit-linked and index-linked life insurance	3,734.4	3,656.6	3,631.5
Cost ratio (after reinsurance)	18.6%	18.3%	20.0%
Combined ratio (after reinsurance)	91.6%	91.8%	93.7%
Earnings before taxes	231.7	262.5	232.2

Changes in premiums

At UNIQA Austria, premiums written including savings portions from unit-linked and index-linked life insurance increased by 2.1 per cent to €3,734.4 million in 2018 (2017: €3,656.6 million). Recurring premiums rose by 2.2 per cent to €3,707.4 million (2017: €3,629.0 million). In contrast, single premiums fell slightly by 1.9 per cent to €27.0 million (2017: €27.6 million).

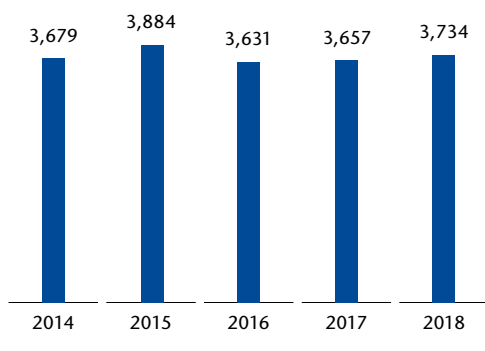
While premiums written in property and casualty insurance rose by 5.0 per cent to €1,703.5 million (2017: €1,621.8 million), in health insurance they increased by 3.0 per cent to €1,008.9 million (2017: €979.7 million). In life insurance (including savings portions from unit-linked and index-linked life insurance), they fell by 3.1 per cent to €1,022.0 million (2017: €1,055.2 million).

Including savings portions from unit-linked and index-linked life insurance, the volume of premiums earned at UNIQA Austria amounted to €3,031.8 million (2017: €2,991.3 million). The volume of premiums earned (net, in accordance with IFRSs) rose in 2018 by 1.7 per cent to €2,811.6 million (2017: €2,764.9 million).

Property and casualty insurance In € million	2018	2017	2016
Premiums written	1,703.5	1,621.8	1,568.6
Insurance benefits (net)	-691.2	-675.8	-648.0
Claims rate (after reinsurance)	66.9%	67.6%	68.9%
Operating expenses (net)	-255.4	-241.8	-233.9
Cost ratio (after reinsurance)	24.7%	24.2%	24.9%
Combined ratio (after reinsurance)	91.6%	91.8%	93.7%
Net investment income	39.0	43.0	27.6
Earnings before taxes	112.8	110.2	70.6
Technical provisions (net)	1,090.3	1,056.1	1,012.3

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

In € million



In property and casualty insurance, premiums earned (net, according to IFRSs) rose by 3.3 per cent to €1,033.1 million (2017: €999.9 million); in health insurance, they increased by 2.9 per cent to €1,008.1 million (2017: €979.4 million). However, in life insurance, they fell by 2.0 per cent to €770.4 million (2017: €785.7 million). Including savings portions from unit-linked and index-linked life insurance, the volume of premiums earned in life insurance amounted to €990.6 million (2017: €1,012.1 million).

Changes in insurance benefits

Net insurance benefits at UNIQA Austria increased by 2.2 per cent to €2,390.3 million in 2018 (2017: €2,339.8 million). In property and casualty insurance, they rose by 2.3 per cent to €691.2 million (2017: €675.8 million) and thus less strongly than premiums earned (net). As a result, the loss ratio in property and casualty insurance fell to 66.9 per cent in the 2018 financial year (2017: 67.6 per cent). The combined ratio after reinsurance improved to 91.6 per cent (2017: 91.8 per cent) in the UNIQA Austria segment. In health insurance, insurance benefits (net) rose by 1.7 per cent to €864.4 million (2017: €849.5 million); in life insurance, they increased by 2.5 per cent to €834.7 million (2017: €814.5 million).

Operating expenses

Operating expenses less reinsurance commission and share of profit from reinsurance ceded, which amounted to €183.2 million (2017: €192.1 million), increased by 3.0 per cent to €564.9 million in the 2018 financial year (2017: €548.3 million) as a result of higher staff and IT costs. In property and casualty insurance, they rose by 5.6 per cent to €255.4 million (2017: €241.8 million). In health insurance, they also grew 9.5 per cent to reach €140.9 million (2017: €128.7 million). In life insurance, however, they decreased by 5.2 per cent to €168.6 million (2017: €177.9 million) as a result of lower expenses for the acquisition of insurance.

The cost ratio of UNIQA Austria after reinsurance, i.e. the ratio of total operating expenses, less reinsurance commission and share of profit from reinsurance ceded, to premiums earned, including savings portions from unit-linked and index-linked life insurance, rose slightly to 18.6 per cent during the past year (2017: 18.3 per cent).

Net investment income

Net investment income in the UNIQA Austria segment dropped in 2018 by 7.5 per cent to €418.3 million (2017: €452.4 million) due to the continuing low interest rate environment and higher volatilities on the international financial markets.

Health insurance

In € million

	2018	2017	2016
Premiums written	1,008.9	979.7	956.3
Insurance benefits (net)	-864.4	-849.5	-821.8
Operating expenses (net)	-140.9	-128.7	-143.1
Cost ratio (after reinsurance)	14.0%	13.1%	15.0%
Net investment income	103.0	117.7	116.1
Earnings before taxes	107.0	116.8	104.6
Technical provisions (net)	3,151.4	3,005.2	2,855.3

Life insurance

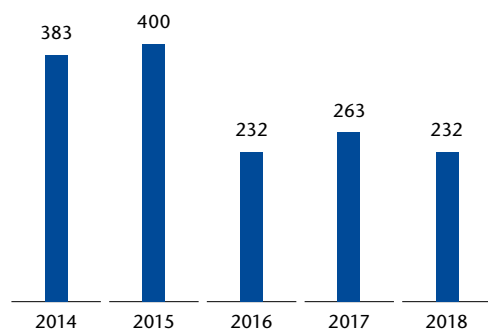
In € million	2018	2017	2016
Premiums written including savings portions from unit-linked and index-linked life insurance	1,022.0	1,055.2	1,106.5
Insurance benefits (net)	-834.7	-814.5	-822.3
Operating expenses (net)	-168.6	-177.9	-212.2
Cost ratio (after reinsurance)	17.0%	17.6%	20.3%
Net investment income	276.3	291.7	316.4
Earnings before taxes	12.0	35.6	57.0
Technical provisions (net)	13,910.8	14,089.6	14,660.8

Earnings before taxes

Earnings before taxes at UNIQA Austria fell during the reporting year by 11.7 per cent to €231.7 million (2017: €262.5 million), driven by a lower net investment income. They improved by 2.4 per cent in property and casualty insurance to €112.8 million (2017: €110.2 million). In health insurance, they decreased by 8.4 per cent to €107.0 million (2017: €116.8 million). Lastly, in life insurance, earnings before taxes dropped as well by 66.3 per cent to €12.0 million (2017: €35.6 million).

Earnings before taxes**UNIQA Austria**

In € million



UNIQA International

- Premiums written (including savings portions from unit-linked and index-linked life insurance) fell by 2.7 per cent to €1,564.6 million
- Combined ratio improved to 95.5 per cent
- The technical result rose to €33.6 million
- Earnings before taxes further increased to €55.1 million

UNIQA International

In € million	2018	2017	2016
Premiums written including savings portions from unit-linked and index-linked life insurance	1,564.6	1,608.5	1,399.9
Cost ratio (after reinsurance)	35.6%	31.2%	34.9%
Combined ratio (after reinsurance)	95.5%	97.1%	99.2%
Earnings before taxes	55.1	42.8	13.1

Changes in premiums

Premiums written including savings portions from unit-linked and index-linked life insurance fell by 2.7 per cent to €1,564.6 million in the 2018 financial year (2017: €1,608.5 million) in the UNIQA International segment. Recurring premiums rose strongly by 7.0 per cent to €1,479.0 million (2017: €1,382.1 million); at the same time, single premiums decreased as planned by 62.2 per cent to €85.7 million (2017: €226.4 million). This means that in 2018 the international companies contributed a total of 29.5 per cent (2017: 30.4 per cent) to total Group premiums.

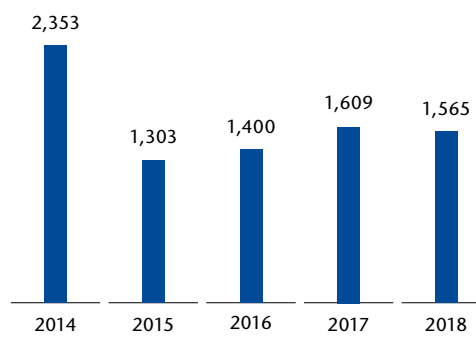
Including savings portions from unit-linked and index-linked life insurance, UNIQA International's volume of premiums earned amounted to €1,059.1 million (2017: €1,139.9 million). The volume of premiums earned (net, in accordance with IFRSs) increased in 2018 by 7.7 per cent to €958.4 million (2017: €890.0 million).

While premiums written grew in property and casualty insurance by a very satisfactory 7.0 per cent to €1,067.4 million (2017: €997.3 million), driven primarily by the good development in the Czech Republic, Hungary and Bulgaria across all business lines, in health insurance they even rose by 23.5 per cent to €77.6 million (2017: €62.8 million) as a result of good business performance in Ukraine and Russia. On the other hand, in life insurance, due to the planned withdrawal from the single premium business, premiums written including savings portions from unit-linked and index-linked life insurance fell by 23.5 per cent to €419.7 million (2017: €548.4 million).

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

UNIQA International

In € million



In property and casualty insurance, premiums earned (net, according to IFRSs) rose by 7.5 per cent to €584.8 million (2017: €544.3 million); in health insurance, they increased by 14.9 per cent to €65.8 million (2017: €57.3 million). In life insurance, they also grew by 6.7 per cent to reach €307.7 million (2017: €288.5 million). Including savings portions from unit-linked and index-linked life insurance, the volume of premiums earned in life insurance amounted to €408.4 million (2017: €538.3 million).

Property and casualty insurance

In € million	2018	2017	2016
Premiums written	1,067.4	997.3	942.3
Insurance benefits (net)	-339.2	-316.2	-308.8
Claims rate (after reinsurance)	58.0%	58.1%	59.7%
Operating expenses (net)	-219.6	-212.5	-204.4
Cost ratio (after reinsurance)	37.5%	39.0%	39.5%
Combined ratio (after reinsurance)	95.5%	97.1%	99.2%
Net investment income	23.8	28.2	32.9
Earnings before taxes	17.5	15.5	-5.9
Technical provisions (net)	653.7	631.8	635.6

In the Central Europe region (CE) – Poland, Slovakia, the Czech Republic and Hungary – premiums written including savings portions from unit-linked and index-linked life insurance decreased by 8.8 per cent to €934.0 million in the 2018 financial year (2017: €1,024.5 million) due to the planned withdrawal from business in the single premium business in Poland. In Eastern Europe (EE), comprising Romania and Ukraine, they rose by 4.9 per cent to €177.0 million (2017: €168.8 million). In Southeastern Europe (SEE), comprising Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia, the premiums written including savings portions from unit-linked and index-linked life insurance increased by 8.3 per cent to €307.0 million (2017: €283.4 million) in the 2018 financial year. In Russia (RU) they also grew by 13.1 per cent to €99.2 million (2017: €87.7 million). In Western Europe (WE) – Liechtenstein and Switzerland – they increased as well by 7.4 per cent to €47.3 million (2017: €44.0 million).

Changes in insurance benefits

Net insurance benefits at UNIQA International increased in 2018 by 4.5 per cent to €561.8 million (2017: €537.6 million). In property and casualty insurance they rose by 7.3 per cent to €339.2 million (2017: €316.2 million); in health insurance, they increased by 13.8 per cent to €41.3 million (2017: €36.3 million). At the same time, they decreased by 2.1 per cent in life insurance to €181.4 million (2017: €185.2 million). In 2018, the loss ratio in property and casualty insurance fell to 58.0 per cent (2017: 58.1 per cent). The combined ratio after reinsurance in the UNIQA International segment improved strongly to 95.5 per cent (2017: 97.1 per cent).

In the CE region, benefits rose by 3.3 per cent in 2018 to €272.2 million (2017: €263.5 million); in the EE region, however, they increased by 8.1 per cent to €62.7 million (2017: €58.0 million). Also in SEE, they increased by 2.3 per cent to €134.0 million (2017: €131.0 million). At €79.2 million (2017: €74.1 million), benefits in Russia were also above the previous year's level, and in Western Europe the volume of benefits likewise rose by 23.6 per cent to €13.7 million (2017: €11.1 million).

Operating expenses

Operating expenses less reinsurance commission and share of profit from reinsurance ceded, which amounted to €130.6 million (2017: €120.5 million), increased by 5.8 per cent to €376.6 million in the 2018 financial year (2017: €356.0 million). In property and casualty insurance they rose by 3.3 per cent to €219.6 million (2017: €212.5 million); in health insurance, they increased by 13.1 per cent to €24.7 million (2017: €21.8 million). In life insurance, they also grew 8.8 per cent to reach €132.4 million (2017: €121.7 million).

The cost ratio of UNIQA International after reinsurance, i.e. the ratio of total operating expenses, less reinsurance commission and share of profit from reinsurance ceded, to premiums earned, including savings portions from unit-linked and index-linked life insurance, amounted to 35.6 per cent during the past year (2017: 31.2 per cent).

Health insurance

In € million	2018	2017	2016
Premiums written	77.6	62.8	47.7
Insurance benefits (net)	-41.3	-36.3	-29.3
Operating expenses (net)	-24.7	-21.8	-19.8
Cost ratio (after reinsurance)	37.5%	38.1%	45.0%
Net investment income	0.5	0.3	0.5
Earnings before taxes	0.2	-0.1	-3.1
Technical provisions (net)	37.2	32.3	24.9

Life insurance

In € million	2018	2017	2016
Premiums written including savings portions from unit-linked and index-linked life insurance	419.7	548.4	409.9
Insurance benefits (net)	-181.4	-185.2	-146.8
Operating expenses (net)	-132.4	-121.7	-112.0
Cost ratio (after reinsurance)	32.4%	22.6%	27.9%
Net investment income	57.5	42.9	30.1
Earnings before taxes	37.5	27.4	22.1
Technical provisions (net)	1,577.7	1,647.4	1,493.1

In CE, operating expenses less reinsurance commission and share of profit from reinsurance ceded rose by 6.2 per cent to €189.6 million in the reporting year (2017: €178.5 million). In EE, they rose by 2.0 per cent to €56.9 million (2017: €55.7 million), and in SEE they increased by 3.5 per cent to €93.1 million (2017: €89.9 million). In Russia, costs rose by 21.4 per cent to €13.9 million (2017: €11.5 million), while they fell in Western Europe by 16.1 per cent to €3.2 million (2017: €3.8 million). In administration (UNIQA International AG), operating expenses rose to €20.0 million (2017: €16.6 million).

Net investment income

Net investment income in the sector rose by 14.5 per cent to €81.7 million in 2018 (2017: €71.4 million).

Earnings before taxes

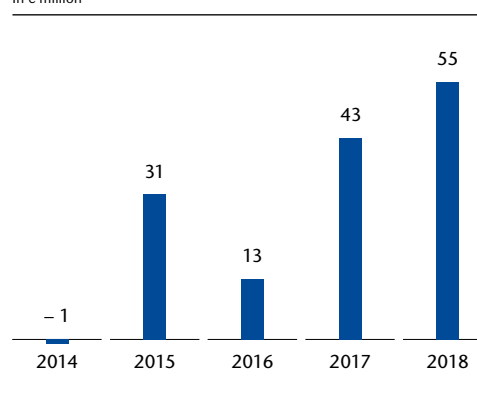
Earnings before taxes in the UNIQA International segment rose 28.9 per cent in the reporting year to €55.1 million (2017: €42.8 million) on account of the significantly improved technical result. Earnings

before taxes in property and casualty insurance improved to €17.5 million (2017: €15.5 million); in health insurance they reached €0.2 million (2017: €-0.1 million). Lastly, in life insurance, earnings before taxes increased by 36.7 per cent to €37.5 million (2017: €27.4 million).

Earnings before taxes

UNIQA International

In € million



Reinsurance

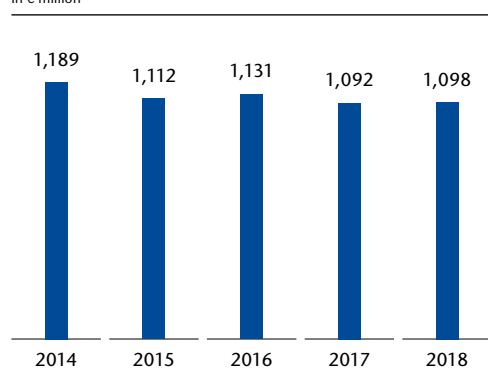
Reinsurance			
In € million	2018	2017	2016
Premiums written	1,098.3	1,091.6	1,130.8
Insurance benefits (net)	-682.4	-692.5	-694.7
Operating expenses (net)	-299.6	-320.2	-330.5
Cost ratio (after reinsurance)	30.4%	31.9%	32.3%
Earnings before taxes	20.9	3.2	18.1
Technical provisions (net)	1,352.1	1,458.2	1,461.6

In the reinsurance segment, the premium volume written rose in 2018 by 0.6 per cent to €1,098.3 million (2017: €1,091.6 million).

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

Reinsurance

In € million



The volume of premiums earned (net, in accordance with IFRSs) fell by 1.7 per cent to €985.6 million (2017: €1,003.0 million).

Net insurance benefits rose in 2018 by 1.4 per cent to €682.4 million (2017: €692.5 million).

Operating expenses less reinsurance commission and share of profit from reinsurance ceded in the amount of €8.6 million (2017: €8.3 million) fell by 6.4 per cent to €299.6 million (2017: €320.2 million).

Net investment income decreased in 2018 to €23.5 million (2017: €28.7 million).

By contrast, earnings before taxes in the reinsurance segment increased sharply to €20.9 million (2017: €3.2 million).

Group functions

Group functions

In € million

	2018	2017	2016
Operating expenses (net)	-68.4	-55.3	-49.6
Net investment income	306.0	267.2	152.8
Earnings before taxes	185.6	153.7	51.1

In the Group functions segment, operating expenses rose by 23.6 per cent to €68.4 million (2017: €55.3 million).

Net investment income amounted to €306.0 million (2017: €267.2 million).

Earnings before taxes rose to €185.6 million (2017: €153.7 million) in the 2018 financial year.

Consolidation

Consolidation

In € million	2018	2017	2016
Net investment income	-248.3	-247.6	-117.4
Earnings before taxes	-198.7	-197.6	-89.0

Net investment income in the consolidation segment in 2018 amounted to €-248.3 million (2017: €-247.6 million).

Earnings before taxes remained stable at €-198.7 million (2017: €-197.6 million).

Significant events after the reporting date

No significant events subject to mandatory reporting occurred after the reporting date.

Outlook

Economic outlook

Austria's economy has two very good years behind it. Economic momentum is expected to weaken somewhat in 2019, but still remain solid. Above all, the positive development on the Austrian labour market should continue to support private household consumption in 2019. In the eurozone, economic growth slowed mainly due to a weakening in export demand. However, the foundation for continued economic expansion is likely to remain intact due to solid domestic demand. Central and Eastern Europe (CEE) managed to continue the process of catching up with the eurozone. Economic researchers expect gross domestic product in CEE (not including Russia) to increase by 3.6 per cent in 2019. On the financial markets, political uncertainties (trade war, Brexit) and lower growth prospects have increased volatility. The ECB has announced an increase in the key interest rate for autumn 2019 at the earliest. However, the start of a cycle of interest rate hikes depends to a large extent on solid economic momentum and sustained stable inflation rates. UNIQA does not expect any significant rise in the general interest rate level in the eurozone.

Outlook for the insurance industry

According to forecasts by the Austrian Insurance Association, total premium revenues in Austria are expected to increase again by 1.5 per cent to around €17.6 billion in 2019. Growth of 2.9 per cent is forecast for property insurance; personal insurance is only likely to grow by 0.1 per cent. Life insurance continues to hold back performance with a decline of an estimated -2.0 per cent, especially in the area of single premiums (-6.1 per cent). Health insurance, on the other hand, is expected to grow by 3.5 per cent.

The sustained positive economic performance in Central and Eastern Europe should also lead to further increases in income over the next few years and to increased consumer spending by households. The fact that the insurance industry still needs to catch up in CEE is reflected in the so-called insurance density (per capita spending on insurance products). In Ukraine, per capita insurance spending is just €30; in the countries of Southeastern Europe this number is around €130, and in Central Europe it is around €360. In comparison, the insurance density in Austria is just under €2,000 and is at €2,200 for the EU as a whole.

UNIQA expects long-term growth dynamism in the CEE markets and therefore assumes that the insurance industry in Eastern Europe will continue to develop much more dynamically in 2019 than in Western Europe and Austria.

Group outlook

The outlook for the UNIQA Group for 2019 is subject to the following assumptions:

- The global economic upturn continues in 2019, although it is expected to weaken slightly.
- The ECB's monetary policy remains loose in 2019. UNIQA does not expect any significant rise in the general interest rate level in the eurozone.
- No major disruptions occur on the capital markets.
- There are no drastic finance policy-related, regulatory or legal interventions.
- Damages from natural disasters remain within the average of previous years.

Changes in premiums and income position

UNIQA expects moderate growth in the total premium volume of approximately 1 per cent for 2019. Premium growth of around 2 per cent is expected in property and casualty insurance in 2019. In line with the long-term trend, UNIQA also anticipates growth of around 3 per cent in health insurance, driven primarily by business in Austria. In life insurance, on the other hand, a further decline can be expected due to the continuing low interest rate environment and the subdued demand for long-term provision products.

In 2016, UNIQA began the largest investment programme in the company's history and is currently investing around €500 million in redesigning the business model and developing the required staff competencies and necessary IT systems. This significant investment in the future will continue to impact earnings before taxes in the 2019 financial year as well as in the following years.

UNIQA expects a decline in net investment income for 2019 compared to 2018, mainly due to the non-recurring effect from the sale of Casinos Austria Aktiengesellschaft.

UNIQA aims to improve the combined ratio (after reinsurance) further in 2019 compared with 2018. Increased profitability in the core technical business for property and casualty insurance should provide the basis for this.

Thus overall UNIQA expects an improvement in earnings before taxes for the 2019 financial year – adjusted for the non-recurring effect from the sale of Casinos Austria Aktiengesellschaft.

UNIQA also intends to continue increasing its annual distribution per share over the next few years as part of a progressive dividend policy.

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

1. The share capital of UNIQA Insurance Group AG is €309,000,000 and is comprised of 309,000,000 individual no par value shares in the name of the bearer. €285,356,365 of the share capital was fully paid in cash and €23,643,635 was paid in non-cash contributions. All shares confer the same rights and obligations.
2. A voting trust agreement exists for shareholdings of UNIQA Versicherungsverein Privatstiftung, Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, Collegialität Versicherungsverein Privatstiftung and RZB Versicherungsbeteiligung GmbH. Reciprocal purchase option rights have been agreed upon.
3. Raiffeisen Bank International AG holds indirectly, via RZB - BLS Holding GmbH and RZB Versicherungsbeteiligung GmbH, a total of 10.87 per cent (allocated in accordance with the Austrian Stock Exchange Act) of the company's share capital; UNIQA Versicherungsverein Privatstiftung holds directly and indirectly through Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH a total of 49.00 per cent (allocated in accordance with the Austrian Stock Exchange Act) of the company's share capital.
4. No shares with special control rights have been issued.
5. The employees who have share capital exercise their voting rights directly.
6. There are no provisions of the Articles of Association or other provisions that go beyond the statutory provisions for appointing Management Board and Supervisory Board members or for modifying the Articles of Association, with the exception of the rule that when a Supervisory Board member turns 70 years of age, they retire from the Supervisory Board at the end of the next Annual General Meeting.
7. The Management Board is authorised to increase the company's equity capital up to and including 30 June 2019 with the approval of the Supervisory Board by a total of no more than €81,000,000 by issuing up to 81,000,000 no-par voting shares in the name of the

holder or registered for payment in cash or in kind, one time or several times. The Management Board is further authorised until 29 November 2020 to buy back up to 30,900,000 treasury shares (together with other treasury shares that the company has already acquired and still possesses) through the company and/or through subsidiaries of the company (Section 66 of the Stock Corporation Act). As at 31 December 2017, the company held 2,034,739 treasury shares. 1,215,089 treasury shares are held through UNIQA Österreich Versicherungen AG. This share portfolio resulted from the merger in 2016 of BL Syndikat Beteiligungs Gesellschaft m.b.H. as the transferring company, with UNIQA Insurance Group AG as acquiring company (payment of portfolio in UNIQA shares to shareholders of BL Syndikat Beteiligungs Gesellschaft m.b.H.). This share portfolio is not to be included in the highest number of treasury shares.

8. Concerning the holding company STRABAG SE, corresponding agreements with other shareholders of this holding company exist.
9. No reimbursement agreements exist for the event of a public takeover offer.

Information according to Section 243a(2) of the Austrian Commercial Code

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

Objectives:

- a) To identify and evaluate risks that could obstruct the goal of producing (consolidated) financial statements that comply with regulations

- b) To limit recognised risks, for example by consulting with external specialists
- c) To review external risks with regard to their influence on the consolidated financial statements and the corresponding reporting of these risks

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

Organisational structure and control environment

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

Identification and control of risks

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

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

Information and communication

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

Measures to ensure effectiveness

The internal control and risk management system is not made up of static systems; instead, it is adjusted on an ongoing basis to changing requirements and the business environment. The identification of the necessity of changes requires constant monitoring of the effectiveness of all systems. The foundations for this are:

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

Reporting to the Supervisory Board/Audit Committee

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

Proposed appropriation of profit

The separate financial statements of UNIQA Insurance Group AG, prepared in accordance with the Austrian Commercial Code and the Insurance Supervisory Act, report an annual net profit for the 2018 financial year in the amount of €164,365,414.37 (2017: €158,160,654.22). The Management Board will propose to the Annual General Meeting on 20 May 2019 that this net profit be used for a dividend of €0.53 for each of the 309,000,000 dividend-entitled no-par value shares issued as at the reporting date and the remaining amount carried forward to a new account.

Vienna, 22 March 2019



Andreas Brandstetter
Chairman of the Management Board



Erik Leyers
Member of the Management Board



Kurt Svoboda
Member of the Management Board