Notes to the Consolidated Financial Statements

GENERAL INFORMATION

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

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

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

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

UNIQA's reporting date is 31 December.

Accounting principles

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

Use of judgements and estimates

The Consolidated Financial Statements require the Group Management Board to make judgements, estimates and assumptions that relate to the application of accounting policies and the amounts stated for the assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recorded prospectively. Risks related to the consequences of climate change were taken into account in the measurement of assets and liabilities, such as in the context of the impairment test for assets as well as in the calculation of technical provisions.

Discretionary judgements and assumptions regarding the future which could have a significant impact on these Consolidated Financial Statements are described in the following notes:

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

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

Note 3: Other investments and unit-linked and index-linked life insurance investments (determination of fair values)

Note 5 and Note 43: Technical provisions (assumptions and models used in calculating actuarial provisions)

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

Note 17: Deferred taxes (assessment of the ability to realise deferred tax assets)

Note 18: Defined benefit plans (calculation of the present value of the defined benefit obligations)

The following table provides a summary of the measurement standards for the individual asset and liability items:

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

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AS WELL AS NEW AND AMENDED STANDARDS

With the exception of the following changes, the outlined accounting policies were consistently applied to all periods presented in these Consolidated Financial Statements.

Amendments and standards to be applied for the first time

The Group adopted the following adjustments to standards with the initial application date of 1 January 2022. None of the new regulations arising from this have a significant impact on UNIQA's assets, liabilities, financial position and profit or loss.

	Changes to standards
Miscellaneous	Annual improvements to the IFRS cycle 2018 – 2020
IFRS 3, IAS 16, IAS 37	Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets

New and amended standards to be applied in the future

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

		First-time application by UNIQA	Endorsement by the EU
New standards			
IFRS 9	Financial Instruments	1 January 2023	Yes
IFRS 17	Insurance Contracts	1 January 2023	Yes
Amended standards			
IAS 1	Amendments to IAS 1 Presentation of Financial Statements and to IFRS Practice Statement 2: Making Materiality Judgements	1 January 2023	Yes
IAS 8	Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023	Yes
IAS 12	Amendments to IAS 12 Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023	Yes
IFRS 17, IFRS 9	Amendments to IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative Information	1 January 2023	Yes
IFRS 16	Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024	No
IAS 1	Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024	No

IFRS 9 – Financial Instruments

Since UNIQA's business is predominantly insurance-related and UNIQA has not yet adopted IFRS 9 in any other version, a deferral to adopt IFRS 9 for the first time is permitted until 1 January 2023. Utilisation of UNIQA's deferral approach requires the publication of additional information in the notes for the period up to initial application of IFRS 9.

The classification and measurement of financial assets under IFRS 9 results from the business model and the SPPI criterion (Solely Payments of Principal and Interest).

To assess the relevant business models, UNIQA focuses in particular on the strategic management of the investments. As an insurance company, UNIQA holds financial assets mainly to finance liabilities from insurance contracts.

Under other investments, UNIQA divides the business models into "hold and sell" and "hold". Financial assets under other investments are mainly allocated to the "hold and sell" business model. Only other investments without the intention to sell, such as time deposits and loans, are allocated to the "hold" business model.

The unit-linked and index-linked life insurance investments are allocated to the "other" IFRS 9 business model.

When the SPPI criterion is reviewed, the characteristics of the contractual cash flows are analysed. To analyse the cash flows, UNIQA uses both the specific contracts (such as securities prospectuses) and (semi-)automated IT support from external information systems. The external information systems are usually relied upon for exchange-traded securities such as government bonds and corporate bonds because these exchanges record the characteristics of the contractual cash flows in standardised databases.

Of the other investments, in future UNIQA will measure fixed-income securities that meet the SPPI criterion at fair value through other comprehensive income (FVOCI). Variable-income securities, in particular fund certificates, will in future be measured at fair value through profit or loss because they normally do not satisfy the SPPI criterion.

UNIQA will use the FVOCI option to measure selected equity instruments.

All investments of unit-linked and index-linked life insurance investments will continue to be classified and measured at fair value through profit or loss, unchanged from the current accounting under IAS 39.

Other investments that fulfil the criteria of the SPPI test[1)]

based on carrying amounts in per cent

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts
Available-for-sale financial assets	0.0	83.2	-	-	-
Loans and receivables	-	0.4	99.9	-	-
Total	**0.0**	**83.6**	**99.9**	**0.0**	**0.0**

1) The classification occurs in accordance with IAS 39. Investments classified as financial assets at fair value through profit or loss do not meet the requirements of the SPPI test.

Asset allocation of other investments that fulfil the criteria of the SPPI test

In € thousand

	At amortised cost or at fair value through other comprehensive income			At fair value through profit or loss		
	Carrying amount	Fair value	Change in fair value over the period	Carrying amount	Fair value	Change in fair value over the period
Government bonds	7,904,984	7,790,892	–2,677,658	0	0	–6,812
Corporate bonds	2,923,460	2,892,073	–253,736	398,225	395,048	73,431
Covered bonds	1,136,799	1,134,757	–684,943	0	0	0
Loans	172,891	172,891	28,668	3,743	3,743	–6,814
Other	0	0	–282	1,955,050	1,954,862	–137,590
Total	**12,138,134**	**11,990,612**	**–3,587,952**	**2,357,017**	**2,353,653**	**–77,785**

Impairment

In future, the calculation of expected credit losses according to the three-level model is to be carried out exclusively for financial assets measured at amortised cost or at fair value through other comprehensive income. Instruments with a low default risk (investment grade) are regularly allocated by UNIQA to Level 1 of the impairment model.

Financial instruments by rating

In € thousand

	Government bonds	Corporate bonds	Covered bonds	Loans	Other	Total
AAA	1,672,754	6,502	810,537	45,889	0	2,535,682
AA	2,569,267	246,934	254,590	0	0	3,070,791
A	1,943,965	1,367,402	41,866	10,111	0	3,363,344
BBB	1,078,215	928,505	6,720	5,012	0	2,018,453
BB	205,412	89,134	0	0	0	294,545
B	126,854	8,834	0	0	0	135,688
≤ CCC	83,154	1,161	0	0	0	84,315
Not rated	225,363	274,988	23,086	111,879	0	635,316
Total	**7,904,984**	**2,923,460**	**1,136,799**	**172,891**	**0**	**12,138,134**

The fair value of the instruments which have an increased default risk (non-investment grade) amounts to € 671 million.

The model that UNIQA uses to determine expected credit losses aims to come up with an undistorted and scenario-weighted sum. It does this by taking into account the time value of money as well as data on current economic conditions and their future forecasts that are available at the measurement date without unreasonable time and cost. The probabilities of default take into account the macroeconomic development of the unemployment rate as well as the high-yield spreads.

The expected credit losses are determined as at each measurement date based on the difference between the discounted contractual and risk-weighted cash flows. The scenario-based risk weighting of the cash flows is carried out using the probability of default and the loss given default.

The probability of default is the probability that debtors will be unable to meet their payment obligations, either within the next twelve months or over the entire remaining term. The loss given default corresponds to the average expectation of how much the loss of a financial asset will be.

UNIQA obtains most of the data used to calculate the probability of default and the loss given default from external data sources. The probability of default is determined at issuer level and the loss given default is allocated on the basis of long-term averages of individual classes of financial instruments. In cases where specific input data is not completely available from external data sources (e.g. financial assets that are not externally rated), the risk parameters were allocated on the basis of benchmarks of comparable instruments and expert assessments.

The time value of money (which is needed to determine the expected credit losses) is the effective interest rate of the respective financial asset, determined at the time when the financial asset was acquired.

At each measurement date, all financial assets within the scope of the impairment model are assigned to one of three impairment levels. UNIQA regularly allocates instruments with a low default risk to Level 1 of the impairment model. If there is no indication of a low default risk at the measurement date, the level is assigned based on an assessment of a significant increase in credit risk.

UNIQA assesses a significant increase in credit risk mainly on the basis of a quantitative criterion. To make this quantitative assessment, the probability-of-default curve over the total maturity at the assessment date is compared with the forward-looking probability-of-default curve over the total maturity at the time of initial recognition. A significant increase in credit risk is normally assumed whenever there is a relative doubling of the probability of default since the time of purchase. If a significant increase in credit risk is determined on the measurement date, an allocation to "Level 2" is made. In individual cases, a qualitative assessment of the level allocation for Level 1 or Level 2 may be made based on external market indicators and subject matter experts. In the qualitative assessment, particular consideration is given to factors such as a significant change in contractual terms, a borrower's ability to repay their other exposures, as well as external factors with a potentially significant influence on the borrower's ability to repay.

An allocation to "Level 3" (credit-impaired financial assets) of the impairment model is made if one or more events with an adverse effect on the expected future cash flows of the financial asset occur. Among others, UNIQA considers the following events to be indicators:

- significant financial difficulties on the part of the issuer or borrower;
- default of or overdue contractual cash flows;
- financial concessions by lenders ;
- increased likelihood of insolvency or restructuring proceedings;
- disappearance of an active market due to the financial difficulties of the financial asset; and
- financial assets with a large discount that already reflects the credit losses incurred.

To assess whether a financial asset is credit-impaired, the indicators are considered both individually and collectively.

IFRS 17 – Insurance Contracts

On 25 June 2020, the IASB (International Accounting Standards Board) published the final accounting standard for insurance contracts – IFRS 17. The effective date of IFRS 17 was set for 1 January 2023. For insurance companies, the effective date of IFRS 9 is linked to that of IFRS 17. IFRS 17 was transposed into EU law through the adoption of Regulation (EU) No. 2021/2036 of 19 November 2021 by the European Commission.

IFRS 17 establishes principles relating to recognition, measurement and presentation, as well as the disclosures for insurance contracts – this includes primary insurance and reinsurance contracts the entity issues and holds as well as investment contracts with discretionary participation features. The general measurement model is applied for the long-term property and casualty insurance business as well as for life insurance contracts without profit participation. For short-term contracts – this is predominantly the case in the area of property and casualty insurance – UNIQA uses the premium allocation approach. The variable fee approach is applied for contracts in health insurance that involve profit participation and for contracts of unit-linked and index-linked life insurance.

The **general measurement model** is composed of the settlement cash flows and the contractual service margin.

Fulfilment cash flows comprise:

- estimates of future cash flows
- an adjustment to reflect the time value of money and the financial risks related to the future cash flows (discounting)
- a risk adjustment for non-financial risk

The objective of **estimating future cash flows** is to determine the expected value of a range of scenarios that reflect the full scope of all possible outcomes. The cash flows from each scenario are discounted and weighted, taking into account the estimated probability that this outcome will lead to an expected present value. UNIQA applies stochastic modelling if the cash flows are influenced by complex underlying factors and they therefore do not react linearly to changes in the economic environment. This is the case, for example, with participating contracts. If this is not the case, a deterministic calculation is used.

The estimates of future cash flows consist of unbiased use of all reasonable and supportable information available without undue cost or effort relating to the amount, timing and uncertainty of future cash flows. The information is based on company-specific data as long as the estimates do not contradict observable market data and the assumptions adequately consider future scenarios. When estimating the cash flows, UNIQA takes into account current expectations of future events that might affect those cash flows. Expectations of future changes in legislation that would change or discharge the present obligation or create new obligations under the existing insurance contract are not taken into account until the change in legislation is substantively enacted. Cash flows within the boundary of an existing insurance contract relate directly to the fulfilment of the contract, including those cash flows for which UNIQA can decide the amount or maturity at its own discretion. These cash flows include premiums, payments to (or on behalf of) a policyholder, insurance acquisition cash flows and other costs incurred to fulfil the contract.

Insurance acquisition cash flows result from the sale of insurance contracts and are directly attributable to the portfolio to which the contract belongs. Other costs recognised in the cash flows are:

- claims handling costs
- policy administration and maintenance costs, including recurring commissions
- asset management costs

Insurance acquisition cash flows and other costs also include fixed and variable overhead costs that are directly attributable to the settlement of insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics.

Insurance contracts from one group can influence the cash flows to policyholders of another group or be influenced by them (mutualisation). This is the case, for example, when the policyholder shares with policyholders of other contracts the returns on the same specified pool of underlying items and the guarantee agreement of one group leads to a reduction in the returns of another group.

Mutualisation has an impact on the measurement of the fulfilment cash flows of the groups concerned. The fulfilment cash flows of a group include all payments to policyholders from other groups resulting from the terms of the contract, while all payments to policyholders of the group that have already been included in the settlement values of another group must not be taken into account.

The contract boundaries determine which future cash flows are to be included in the measurement of a group of insurance contracts. Cash flows are within the boundary of an insurance contract if they result from substantive rights and obligations that exist during a specific period in which the Group can compel the policyholder to pay the premium or in which the entity has a substantive obligation to provide the policyholder with insurance contract services.

A key component in determining the contractual service margin is **discounting** the future cash flows. This is an adjustment for the time value of money and the financial risks associated with the future cash flows. The calculation of the underlying interest rates is based on the methodology used under Solvency II (EIOPA's technical documentation): UNIQA applies the bottom-up approach. The base yield curves in accordance with IFRS 17 correspond to the base yield curves in accordance with Solvency II, whereby these can be adjusted in the course of the annual ORSA process. To determine the illiquidity adjustments in accordance with IFRS 17, UNIQA applies a method that largely corresponds to the volatility adjustment under Solvency II, which also includes company-specific portfolio and market data.

Another component in determining the contractual service margin is the adjustment of future cash flows by a **risk adjustment for non-financial risk**. The risk adjustment is determined in life and health insurance using the cost of capital approach in accordance with the standard formula under Solvency II. In property and casualty insurance, the confidence level method from UNIQA's partial internal model pursuant to Solvency II is applied.

The contractual service margin for a group of insurance contracts is released to profit or loss in each period to reflect the insurance contract services provided under the group of insurance contracts in that period.

The insurance contract services include:

- insurance coverage (coverage for an insured event);
- investment-related service (for insurance contracts with direct participation features): concerns the management of underlying items on behalf of the policy holder; and
- investment-return service (for insurance contracts without direct participation features).

The amount recognised in profit or loss is based on the number of coverage units in a group. This number is determined by considering for each contract the volume of benefits to be provided and its expected coverage period. The coverage units are reviewed and, if necessary, adjusted for each reporting period. The coverage units are determined at the product level and in life insurance these are essentially based on the sums insured, in property and casualty insurance on the premiums written and in health insurance on the number of insurance contracts. The time value of money is taken into account for life insurance. Inflation is taken into account in property and casualty insurance as well as in health insurance.

UNIQA holds both inward and outward reinsurance contracts. The carrying amount of the portfolios from inward reinsurance (assumed reinsurance) is shown together with the carrying amount of the portfolios of primary insurance contracts.

A variation of the general measurement model is the **variable fee approach**, which governs the treatment of insurance contracts with direct participation features. Insurance contracts with direct participation features are those for which

- the insurance provisions specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the changes in fair value of the underlying items.

For insurance contracts that fulfil the aforementioned criteria, the variable fee approach is mandatory. Whether the aforementioned criteria are satisfied is assessed at the inception of the contract. A reassessment at a later point in time is only permissible in the event of a change in the insurance contract. The variable fee approach is applied to long-term health insurance contracts, participating contracts and unit- and index-linked life insurance contracts.

All other insurance contracts and reinsurance contracts held are classified as insurance contracts without direct participation features and accordingly measured using the general measurement model or, if the conditions are met, the **premium allocation approach**. This is applied if the following criteria are satisfied:

- The coverage period of each contract in the group – taking the contract boundaries into account – is one year or less.
- It is reasonable to assume that the measurement of the liability for remaining coverage does not differ significantly from that which would have resulted from the application of the general measurement model.

The second criterion is not satisfied if, on the initial recognition of a group, an entity expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period before a claim is incurred. In order to prove the applicability of the premium allocation approach, a concept was created that addresses the contract term as well as the variability of the fulfilment cash flows in property and casualty insurance. Furthermore, materiality principles are taken into account that affect the applicability of the premium allocation approach. If the criteria defined in the concept are not satisfied, measurement is carried out using the general measurement model.

The liability for remaining coverage measured using the premium allocation approach is composed of the unearned premium, less any unamortised insurance acquisition cash flows. The provision for unsettled claims includes discounting and an adjustment for non-financial risks.

The grouping for the measurement hierarchy and accounting of contracts according to IFRS 17 is as follows:

- Portfolios: insurance contracts that are exposed to a similar risk and are managed together are combined into a portfolio. In life insurance, the corresponding contract currency is taken into account when forming portfolios.
- Contract groups: portfolios are divided into contract groups according to their profitability.
- Annual cohorts: contract groups are subdivided according to underwriting years (“annual cohorts”). For contracts in health and life insurance that involve profit participation, UNIQA will adopt the option to exempt the mandatory subdivision by underwriting year.

Use of judgements and estimates

Information on judgements that, when applying the accounting methods, have a material effect on the amounts reported in the Consolidated Financial Statements is provided below:

- Identification of insurance contracts, reinsurance contracts and investment contracts with participation features: assessment of whether a significant insurance risk is transferred, thus falling within the scope of IFRS 17, and whether there are any contracts with direct participation features.
- Determination of the level of aggregation: identification of portfolios of insurance contracts as well as determination of groups of contracts that are onerous at initial recognition and groups of contracts that at initial recognition have no significant possibility of becoming onerous subsequently.
- Measurement: determining the method for calculating the risk adjustment for non-financial risk and the coverage units provided.
- Transitional regulations: determining whether the necessary reasonable information is available to perform a full or modified retrospective application.

Information about uncertainties in assumptions and estimations that have a significant risk of causing a material adjustment to the net carrying amounts in the subsequent financial year:

Changes in the key assumptions listed below could materially affect the settlement amount. These changes would adjust the contractual service margin and not the net carrying amount of the insurance contracts, unless the changes result from onerous contracts or do not relate to future benefits.

- Property and casualty insurance contracts: assumptions related to claims development and claims frequency.
- Life and health insurance contracts: assumptions for estimates of future cash flows related to mortality, longevity, disability or morbidity, customer behaviour (lapse) and profit participation rate.

Exercise of options

For both the general measurement model and the variable fee approach, the OCI option in accordance with IFRS 17.88(b) is applied where the respective allocated financial instruments on the asset side are also measured through other comprehensive income.

When applying the premium allocation approach, UNIQA does not make use of the option in accordance with IFRS 17.59 (a) to recognise insurance acquisition cash flows as expenses for insurance contracts with a term of up to one year. When measuring the liability for incurred claims, UNIQA will also not make use of the option defined in IFRS 17.59 (b) of not adjusting the estimated values of future cash flows if those cash flows are expected to be paid or received in one year or less from the date the claims are incurred.

The entire change in the risk adjustment will be presented in the technical result (IFRS 17.81).

In respect of the obligation to form annual cohorts, which prevents contracts issued more than one year apart from each other from being included together in a group of insurance contracts, an option was established as part of the transposition of IFRS 17 into EU law. According to this option, the European Commission allows users in the EU to not apply the requirement under IFRS 17.22 for certain contracts. UNIQA will make use of this option and apply it in connection with participating contracts.

UNIQA uses derivatives to mitigate the financial risk arising from interest rate guarantees in retirement savings contracts with a subsidised premium. UNIQA recognises changes in the amount of the company's share of the underlying items as well as changes in fulfilment cash flows arising from changes in the effect of the time value of money and financial risk in the income statement without adjusting the contractual service margin.

In addition, UNIQA will in principle measure at fair value those properties that are the underlying items in life and health insurance with participation features.

UNIQA makes use of the disclosure option in accordance with IFRS 17.86 for presenting income and expenses from the reinsurance contracts held and accordingly records a single amount in the income statement.

IFRS 9 and IFRS 17 – transition options

As at the transition date to IFRS 17, a large part of UNIQA's insurance portfolio consists of contracts where the conclusion of the contract sometimes dates back decades. IFRS 17 basically stipulates that the standard must be applied fully retrospectively. This means that the items in the statement of financial position should be determined as if the new accounting policy had always been applied. Full retrospective application requires at least an annual roll-up of the contractual service margin over the entire term of the contract, since its inception.

Full retrospective application of IFRS 17 is not practicable for UNIQA for the following reasons:

- The required contract master data and data on transactions concerning the contracts are not available retrospectively with the necessary granularity.
- The determination of expected future cash flows and their adjustment in the event of non-economic changes in assumptions (e.g. mortality assumptions) is not possible retrospectively, as even in that case no better knowledge would be available ("without hindsight").
- The same applies to the determination of the required allocation of costs attributable to the insurance portfolio.
- For contracts with participation features, economic assumptions and historical IFRS 17 specifics such as the financing component are not available for stochastic modelling prior to initial application.
- In the long-term property and casualty insurance business, the historical parameters for determining the technical provisions can only be determined with disproportionate effort and a subdivision into cohorts is not possible due to the lack of historical information for tacit renewals.

If the full retrospective application of IFRS 17 is not practicable, which is the case for UNIQA, there are two alternatives available:

- modified retrospective approach; and
- fair value approach.

The aim of the modified retrospective approach is to achieve the best possible approximation to a full retrospective application. Under the fair value approach, the contractual service margin of a group of insurance contracts at the transition date is determined as the difference between the fair value in accordance with IFRS 13 and the corresponding fulfilment cash flows determined under IFRS 17. UNIQA uses both approaches.

The choice of the appropriate approach for determining the IFRS 17 opening balance is made at the level of portfolios of insurance contracts. For all groups in a portfolio, a determination is made as to whether they are onerous contracts at initial recognition or whether there is no significant probability that they could become onerous.

In connection with the modified retrospective approach, IFRS 17 allows several modifications to the full retrospective application, of which the following are applied at UNIQA. These modifications can be applied if the required detailed information from prior periods is not available. Due to the lack of availability of contract information in the required granularity, UNIQA is applying the modification IFRS 17.C10 which allows the omission of a subdivision of contract groups by underwriting years.

Application of the modified retrospective approach for contracts without discretionary participation features:

- UNIQA applies the modifications IFRS 17.C12 – C14 for contracts without discretionary participation features. These deal with the determination of the expected future cash flows, their interest, the risk adjustment and the insurance acquisition cash flows for the initial recognition of groups of insurance contracts. Based on these modifications, a contractual service margin or loss component is determined at the date of initial recognition of groups of insurance contracts.
- The modifications IFRS 17.C15 and IFRS 17.C16 are applied to adjust the carrying amount of the contractual service margin or loss component from the date of initial recognition to the date of transition to IFRS 17.
- For portfolios containing contracts with different underwriting years, UNIQA applies the modification IFRS 17.C18(b). This results in the cumulative revaluation reserve being determined as nil at the transition date, provided the OCI option in accordance with IFRS 17.88(b) applies.

For contracts with discretionary participation features, the provisions of IFRS 17.C17 can be applied, which require the contractual service margin to be determined from the following portfolio information:

- the differences between the fair value of the underlying items and the fulfilment cash flows at the date of the transition to IFRS 17;
- an adjustment for amounts charged by the company to the policyholders before that date;
- adjustments for the changes in the risk adjustment before that date;
- adjustment of the carrying amount of the contractual service margin from the date of initial recognition to the date of transition to IFRS 17.

If this results in a loss component, this must be determined as nil in accordance with IFRS 17.C17(e).

For insurance contracts with direct participation features the cumulative amount from the underlying reference values recognised in other comprehensive income was recognised in other comprehensive income at the transition date in accordance with IFRS 17 C24(c) and C18(b)ii.

Central parameters in connection with the fair value approach are, on the one hand, the solvency capital requirement and, on the other hand, the selection of a suitable capitalisation interest rate. The solvency capital requirements correspond to those under Solvency II (for companies in EU countries) as well as the corresponding local regulations. The capitalisation interest rates correspond to those of the impairment test for goodwill as at 31 December 2021. Acquisition cash flows incurred before the transition date are not taken into account in the fair value approach and are therefore not recognised in subsequent periods under technical income or technical expenses.

For the presentation of adjusted comparative information for the period prior to the initial application of IFRS 9, UNIQA will apply IFRS 9 using classification overlay. Accordingly, IFRS 9 will also be applied to those financial assets disposed of in the course of 2022. Impairments for financial assets will be determined on the basis of the IFRS 9 impairment model for expected credit losses.

IFRS 9 and IFRS 17 – effects

Based on the analyses to date, the estimated increase in equity of the opening balance due to IFRS 9 as at 1 January 2022 amounts to € 11 million. This is due to the application of the new classification and measurement rules through the remeasurement of pensions accounted for at fair values in the future. Tax effects were not taken into account here.

The effects of initial application of the new classification and measurement rules as well as the new impairment rules predominantly result in a reclassification of the revaluation reserve to retained earnings in the amount of € 7 million.

There are significant effects on the Consolidated Income of Financial Position in the context of the opening balance determined in accordance with the requirements of IFRS 17. Regardless of the measurement technique, insurance receivables and deferred acquisition costs are no longer presented separately in the statement of financial position, but are reported as part of insurance liabilities. This change in presentation will lead to a contraction of the statement of financial position under IFRS 17. The presentation in the Consolidated Income Statement will also be fundamentally changed by the introduction of the standard. In this case, IFRS 17 distinguishes between the insurance service result, comprising insurance revenue and insurance service expenses, and insurance finance income and expenses.

The technical provisions (before reinsurance), which include a contractual service margin of € 4,363 million, increase by € 110 million. Further effects result from the derecognition of deferred acquisition costs in the amount of € 1,173 million as well as operating receivables in the amount of € 340 million, which are included in technical insurance provisions in accordance with IFRS 17.
In addition, the conversion of owner-occupied and investment property accounted for at amortised acquisition cost to a fair value measurement leads to an appreciation in the amount of € 1,078 million in the opening balance in accordance with IFRS 17. This only concerns those properties that are the underlying items in life and health insurance with participation features.

Due to the ongoing parallel phase and the associated closing and analysis activities, a final quantification of the effects on the Consolidated Income of Financial Position and Consolidated Income Statement for the 2022 financial year as well as on key figures is not yet possible at this point in time.

The changes associated with the two accounting standards IFRS 9 and IFRS 17 result in a reduction in Group equity of € 747 million from € 3,323 million to € 2,576 million as at the transition date of 1 January 2022 and after taking deferred taxes into account.

IMPACT OF RUSSIA'S ATTACK ON UKRAINE

The Russian attack on Ukraine has had an impact on UNIQA at various levels.

In general, strong effects on the global financial markets and economies were observed in the form of higher inflation due to sharply increased energy prices, negative changes in share prices, a significant increase in credit spreads and an increase in credit defaults. A global increase in key interest rates was also recorded in the 2022 financial year. These developments are reflected in the decline in the net carrying amounts of the investments held by UNIQA.

In the 2022 financial year, UNIQA recognised an impairment loss on Russian bonds in the amount of € 103 million. This impairment relates to Russian government and corporate bonds with an acquisition cost of € 166 million denominated in euros, US dollars and Russian roubles and held by UNIQA in Group companies outside Russia. An impairment loss of € 39 million arose in the 2022 financial year in connection with Ukrainian government bonds. UNIQA expects that there will continue to be sufficient capitalisation and that the regulatory solvency capital requirements will be met.

With regard to the Russian market, it was necessary to evaluate UNIQA's positioning: UNIQA currently holds 75 per cent of Raiffeisen Life Insurance Company LLC, which operates under the Raiffeisen brand (the remaining 25 per cent is held by JSC Raiffeisenbank). The company in Russia is a specialist personal insurance company that focuses on the retail business, which was launched to conduct bank insurance business in bank sales with Raiffeisen. Immediately after Russia's attack on Ukraine in early 2022, UNIQA decided to stop all investments in the Russian insurance market and to discontinue key branches of new business. The existing business is managed within the framework of the contractual obligations. The premiums generated in Russia amount to € 55 million for the 2022 financial year, which corresponds to 0.8 per cent of UNIQA's premiums written.

SEGMENT REPORTING

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

UNIQA Austria – includes the Austrian insurance business.

UNIQA International – includes all international primary insurance companies and international service companies as well as investment management companies and pension funds. This segment is divided on a regional basis into the following main areas:

- Central Europe (CE – Poland, Slovakia, Czechia and Hungary)
- Eastern Europe (EE – Romania and Ukraine)
- Russia (RU)
- Southeastern Europe (SEE – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia)
- Western Europe (WE – Liechtenstein and Switzerland)
- Administration

Reinsurance – includes UNIQA Re AG (Zurich, Switzerland) and the reinsurance business of UNIQA Insurance Group AG.

Group functions – includes the remaining items for UNIQA Insurance Group AG (net investment income and administrative costs) as well as all other remaining Austrian and international service companies.

Operating segments

In € thousand	UNIQA Austria 1–12/2022	UNIQA Austria 1–12/2021	UNIQA International 1–12/2022	UNIQA International 1–12/2021	Reinsurance 1–12/2022	Reinsurance 1–12/2021
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	4,086,355	3,916,574	2,506,630	2,423,271	1,461,275	1,469,540
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	3,236,380	3,113,292	1,736,909	1,671,286	1,308,285	1,229,245
Savings portions from unit-linked and index-linked life insurance (gross)	233,043	213,210	101,962	111,385	0	0
Savings portions from unit-linked and index-linked life insurance (net)	233,043	213,210	101,962	111,385	0	0
Premiums written (gross)	3,853,312	3,703,364	2,404,668	2,311,886	1,461,275	1,469,540
Premiums earned (net)	3,003,337	2,900,082	1,634,947	1,559,901	1,308,285	1,229,245
Premiums earned (net) – intragroup	–812,931	–766,653	–583,231	–565,542	1,393,483	1,323,851
Premiums earned (net) – external	3,816,268	3,666,735	2,218,178	2,125,442	–85,198	–94,605
Technical interest income	286,913	289,740	33,137	29,209	0	0
Other insurance income	4,479	5,080	29,309	33,398	279	266
Insurance benefits	–2,414,305	–2,442,288	–859,565	–874,992	–822,000	–787,981
Operating expenses	–626,850	–622,244	–632,366	–592,734	–395,772	–359,815
Other technical expenses	–12,341	–20,688	–59,564	–54,732	–17,802	–16,633
Technical result	**241,233**	**109,682**	**145,898**	**100,050**	**72,990**	**65,083**
Net investment income	223,114	567,298	67,455	72,030	–518	33,708
Income from investments	694,627	560,659	194,206	108,249	65,312	44,757
Expenses from investments	–500,095	–91,965	–129,500	–36,491	–65,830	–11,049
Financial assets accounted for using the equity method	28,581	98,604	2,748	272	0	0
Other income	4,013	2,921	234,287	146,385	11,468	4,198
Reclassification of technical interest income	–286,913	–289,740	–33,137	–29,209	0	0
Other expenses	–23,949	–11,144	–192,864	–81,462	–6,108	–4,462
Non-technical result	**–83,735**	**269,336**	**75,741**	**107,745**	**4,842**	**33,443**
Operating profit/(loss)	**157,499**	**379,017**	**221,639**	**207,795**	**77,832**	**98,526**
Amortisation of VBI and impairment of goodwill	–330	–1,786	–41,752	–69,125	0	0
Finance cost	–55,222	–38,016	–5,781	–4,995	–2,901	–2,901
Earnings before taxes	**101,946**	**339,215**	**174,106**	**133,674**	**74,931**	**95,625**
Combined ratio (property and casualty insurance, after reinsurance)[1]	92.3 %	91.7 %	90.8 %	92.9 %	92.9 %	93.8 %
Cost ratio (after reinsurance)[2]	19.4 %	20.0 %	36.4 %	35.5 %	30.3 %	29.3 %

Impairment by segment

In € thousand	UNIQA Austria 1–12/2022	UNIQA Austria 1–12/2021	UNIQA International 1–12/2022	UNIQA International 1–12/2021	Reinsurance 1–12/2022	Reinsurance 1–12/2021
Goodwill						
Impairments	0	0	–49	–12,100	0	0
Investments						
Impairments	–425,877	–20,633	–37,770	0	–44,436	0
Reversal of impairment losses	12,755	0	0	129	971	0

[1] Total of operating expenses and insurance benefits divided by the (net) premiums earned in property and casualty insurance
[2] Ratio of total 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)

Group functions		Consolidation		Group	
1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021
0	0	–1,449,022	–1,451,386	6,605,237	6,358,000
0	0	2,667	8,344	6,284,241	6,022,167
0	0	0	0	335,005	324,595
0	0	0	0	335,005	324,595
0	0	–1,449,022	–1,451,386	6,270,232	6,033,405
0	0	2,667	8,344	5,949,236	5,697,572
0	0	2,667	8,344	–11	0
0	0	0	0	5,949,247	5,697,572
0	0	0	0	320,050	318,949
280	373	–9,522	–10,836	24,825	28,281
5,075	4,892	–5,047	–3,835	–4,095,842	–4,104,204
–55,794	–67,932	–939	–5,802	–1,711,721	–1,648,527
–4,848	–7,311	18,541	16,491	–76,014	–82,874
–55,287	**–69,978**	**5,700**	**4,361**	**410,534**	**209,197**
398,023	606,776	–282,390	–631,860	405,683	647,951
746,536	752,040	–618,429	–630,647	1,082,253	835,058
–351,297	–156,274	258,033	27,585	–788,687	–268,193
2,784	11,009	78,005	–28,798	112,118	81,087
210,721	188,868	–63,682	–41,991	396,807	300,381
0	0	0	0	–320,050	–318,949
–212,348	–192,040	58,285	38,489	–376,984	–250,619
396,395	**603,603**	**–287,788**	**–635,362**	**105,456**	**378,765**
341,108	**533,625**	**–282,088**	**–631,001**	**515,990**	**587,962**
–23	0	0	0	–42,104	–70,911
–70,905	–155,772	82,651	66,923	–52,160	–134,762
270,180	**377,853**	**–199,437**	**–564,078**	**421,726**	**382,289**
n/a	n/a	n/a	n/a	92.9 %	93.7 %
n/a	n/a	n/a	n/a	27.2 %	27.4 %

Group functions		Consolidation		Group	
1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021
–23	0	0	0	–71	–12,100
–145,176	–15,845	260,045	18,694	–393,214	–17,784
0	0	0	0	13,727	129

Classified by business line

Property and casualty insurance
In € thousand

	UNIQA Austria		UNIQA International		Reinsurance	
	1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021
Premiums written (gross)	1,973,648	1,857,585	1,701,066	1,618,657	1,430,641	1,425,000
Premiums earned (net)	1,142,161	1,086,677	967,276	902,411	1,297,333	1,206,962
Technical interest income	0	0	1,638	0	0	0
Other insurance income	3,159	3,069	19,311	12,901	236	237
Insurance benefits	–747,796	–684,823	–521,624	–505,832	–812,509	–775,000
Operating expenses	–305,935	–311,854	–356,797	–332,185	–393,291	–356,610
Other technical expenses	–7,754	–13,377	–52,237	–45,434	–14,455	–13,718
Technical result	**83,835**	**79,692**	**57,568**	**31,861**	**77,314**	**61,871**
Net investment income	18,958	132,858	37,876	34,829	–5,055	28,904
Income from investments	168,367	162,308	88,310	49,471	60,775	39,953
Expenses from investments	–149,859	–31,007	–53,183	–14,915	–65,830	–11,049
Financial assets accounted for using the equity method	451	1,556	2,748	272	0	0
Other income	3,223	2,237	19,662	17,058	11,288	4,019
Reclassification of technical interest income	0	0	–1,638	0	0	0
Other expenses	–22,264	–10,284	–29,622	–19,572	–5,394	–4,259
Non-technical result	**–82**	**124,812**	**26,278**	**32,314**	**838**	**28,665**
Operating profit/(loss)	**83,753**	**204,504**	**83,846**	**64,175**	**78,152**	**90,536**
Amortisation of VBI and impairment of goodwill	0	0	–10,078	–23,365	0	0
Finance cost	–11,394	–13,218	–5,255	–4,606	–2,901	–2,901
Earnings before taxes	**72,359**	**191,286**	**68,512**	**36,204**	**75,250**	**87,635**

Health insurance
In € thousand

	UNIQA Austria		UNIQA International		Reinsurance	
	1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021
Premiums written (gross)	1,162,084	1,120,480	115,251	105,978	–45	8,729
Premiums earned (net)	1,163,153	1,111,095	106,627	93,402	–720	8,460
Technical interest income	94,183	91,100	2	2	0	0
Other insurance income	1,266	1,726	573	218	0	0
Insurance benefits	–1,031,575	–947,665	–53,540	–49,879	–278	–4,919
Operating expenses	–148,667	–151,080	–43,267	–36,119	–366	–197
Other technical expenses	–121	–1,433	–926	–616	–722	0
Technical result	**78,239**	**103,743**	**9,469**	**7,007**	**–2,085**	**3,344**
Net investment income	5,317	111,968	262	163	0	0
Income from investments	194,335	102,578	334	223	0	0
Expenses from investments	–200,941	–31,745	–72	–61	0	0
Financial assets accounted for using the equity method	11,923	41,134	0	0	0	0
Other income	646	551	3,667	3,691	0	52
Reclassification of technical interest income	–94,183	–91,100	–2	–2	0	0
Other expenses	–994	–696	–3,988	–3,715	–536	–159
Non-technical result	**–89,214**	**20,722**	**–61**	**138**	**–536**	**–107**
Operating profit/(loss)	**–10,975**	**124,466**	**9,409**	**7,145**	**–2,622**	**3,237**
Amortisation of VBI and impairment of goodwill	0	0	–149	–172	0	0
Finance cost	191	190	–1	–4	0	0
Earnings before taxes	**–10,784**	**124,656**	**9,259**	**6,969**	**–2,622**	**3,237**

Group functions		Consolidation		Group	
1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021
0	0	–1,419,334	–1,411,709	3,686,021	3,489,533
0	0	2,123	7,814	3,408,893	3,203,865
0	0	0	0	1,638	0
276	308	–6,337	–5,404	16,645	11,111
0	0	–1,336	532	–2,083,265	–1,965,123
–24,175	–31,873	–3,262	–5,240	–1,083,459	–1,037,763
–4,765	–7,204	14,076	11,579	–65,136	–68,153
–28,664	**–38,769**	**5,263**	**9,282**	**195,316**	**143,937**
301,964	467,151	–349,325	–528,547	4,418	135,195
529,306	561,625	–508,178	–545,387	338,580	267,971
–227,387	–96,031	148,019	8,523	–348,239	–144,478
44	1,557	10,834	8,318	14,077	11,703
5,483	6,568	15,685	382	55,341	30,264
0	0	0	0	–1,638	0
–7,716	–10,138	–2,787	99	–67,785	–44,153
299,730	**463,581**	**–336,427**	**–528,065**	**–9,663**	**121,306**
271,067	**424,812**	**–331,164**	**–518,784**	**185,653**	**265,243**
–23	0	0	0	–10,101	–23,365
–61,496	–141,541	29,095	27,734	–51,952	–134,532
209,548	**283,271**	**–302,069**	**–491,049**	**123,600**	**107,347**

Group functions		Consolidation		Group	
1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021
0	0	45	–8,729	1,277,335	1,226,458
0	0	485	305	1,269,545	1,213,262
0	0	0	0	94,185	91,102
0	0	0	0	1,840	1,944
5,075	4,892	–1,906	–156	–1,082,223	–997,727
–17,143	–19,237	672	9	–208,770	–206,624
2	–66	23	0	–1,744	–2,115
–12,066	**–14,411**	**–725**	**158**	**72,831**	**99,841**
71,187	88,840	63,261	–37,847	140,027	163,124
161,095	116,721	–59,020	–25,769	296,744	193,754
–89,907	–27,881	96,337	2,258	–194,584	–57,429
0	0	25,944	–14,336	37,867	26,799
202,755	181,145	–41,825	–29,538	165,243	155,902
0	0	0	0	–94,185	–91,102
–200,814	–179,839	42,229	29,655	–164,103	–154,754
73,128	**90,147**	**63,664**	**–37,730**	**46,981**	**73,170**
61,062	**75,736**	**62,939**	**–37,572**	**119,813**	**173,011**
0	0	0	0	–149	–172
–15	–42	1	1	176	146
61,047	**75,695**	**62,940**	**–37,572**	**119,840**	**172,985**

Life insurance
In € thousand

	UNIQA Austria		UNIQA International		Reinsurance	
	1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	950,623	938,508	690,314	698,637	30,679	35,811
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	931,066	915,520	663,005	675,472	11,673	13,824
Savings portions from unit-linked and index-linked life insurance (gross)	233,043	213,210	101,962	111,385	0	0
Savings portions from unit-linked and index-linked life insurance (net)	233,043	213,210	101,962	111,385	0	0
Premiums written (gross)	717,580	725,299	588,351	587,252	30,679	35,811
Premiums earned (net)	698,023	702,311	561,043	564,087	11,673	13,824
Technical interest income	192,730	198,639	31,498	29,207	0	0
Other insurance income	53	285	9,424	20,280	43	29
Insurance benefits	–634,934	–809,800	–284,401	–319,281	–9,213	–8,062
Operating expenses	–172,248	–159,310	–232,302	–224,430	–2,116	–3,008
Other technical expenses	–4,465	–5,879	–6,401	–8,682	–2,625	–2,915
Technical result	**79,159**	**–73,754**	**78,861**	**61,182**	**–2,238**	**–133**
Net investment income	198,838	322,472	29,317	37,039	4,537	4,804
Income from investments	331,925	295,772	105,562	58,554	4,537	4,804
Expenses from investments	–149,294	–29,213	–76,245	–21,516	0	0
Financial assets accounted for using the equity method	16,207	55,913	0	0	0	0
Other income	144	133	210,958	125,636	180	126
Reclassification of technical interest income	–192,730	–198,639	–31,498	–29,207	0	0
Other expenses	–691	–164	–159,253	–58,175	–177	–44
Non-technical result	**5,561**	**123,802**	**49,524**	**75,293**	**4,540**	**4,886**
Operating profit/(loss)	**84,720**	**50,048**	**128,385**	**136,475**	**2,302**	**4,753**
Amortisation of VBI and impairment of goodwill	–330	–1,786	–31,525	–45,589	0	0
Finance cost	–44,019	–24,988	–525	–385	0	0
Earnings before taxes	**40,372**	**23,274**	**96,335**	**90,501**	**2,302**	**4,753**

Group functions		Consolidation		Group	
1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021
0	0	–29,733	–30,947	1,641,882	1,642,009
0	0	60	225	1,605,804	1,605,041
0	0	0	0	335,005	324,595
0	0	0	0	335,005	324,595
0	0	–29,733	–30,947	1,306,877	1,317,414
0	0	60	225	1,270,799	1,280,446
0	0	0	0	224,228	227,846
4	65	–3,184	–5,432	6,340	15,227
0	0	–1,806	–4,212	–930,354	–1,141,354
–14,477	–16,822	1,650	–571	–419,492	–404,140
–85	–41	4,442	4,911	–9,134	–12,606
–14,557	**–16,798**	**1,162**	**–5,078**	**142,387**	**–34,581**
24,872	50,784	3,674	–65,467	261,238	349,632
56,135	73,694	–51,230	–59,491	446,929	373,333
–34,003	–32,362	13,677	16,805	–245,864	–66,286
2,740	9,453	41,227	–22,781	60,174	42,585
2,483	1,154	–37,541	–12,834	176,223	114,215
0	0	0	0	–224,228	–227,846
–3,818	–2,063	18,843	8,735	–145,096	–51,711
23,537	**49,875**	**–15,025**	**–69,567**	**68,137**	**184,289**
8,980	**33,077**	**–13,863**	**–74,645**	**210,524**	**149,708**
0	0	0	0	–31,855	–47,375
–9,395	–14,190	53,555	39,188	–384	–376
–415	**18,887**	**39,692**	**–35,457**	**178,286**	**101,957**

UNIQA International – classified by region

In € thousand	Premiums earned (net) 1–12/2022	Premiums earned (net) 1–12/2021	Net investment income 1–12/2022	Net investment income 1–12/2021
Poland	549,263	523,996	20,263	13,186
Slovakia	202,303	198,978	4,500	4,864
Czechia	336,917	300,437	8,763	5,773
Hungary	76,186	75,562	5,867	4,283
Central Europe (CE)	**1,164,668**	**1,098,972**	**39,393**	**28,107**
Romania	68,282	59,567	5,783	4,936
Ukraine	82,098	93,072	–163	4,876
Eastern Europe (EE)	**150,380**	**152,639**	**5,620**	**9,813**
Russia	54,926	72,301	18,035	16,379
Russia (RU)	**54,926**	**72,301**	**18,035**	**16,379**
Albania	41,375	36,372	–1,041	328
Bosnia and Herzegovina	33,469	31,900	1,919	2,457
Bulgaria	43,988	37,318	–632	1,683
Kosovo	16,007	13,816	359	284
Croatia	52,899	49,940	–1,380	7,744
Montenegro	11,184	10,379	844	718
North Macedonia	19,536	17,379	513	351
Serbia	41,822	37,350	4,203	4,063
Southeastern Europe (SEE)	**260,281**	**234,454**	**4,784**	**17,628**
Liechtenstein	4,690	1,535	–356	132
Switzerland	0	0	–21	–29
Western Europe (WE)	**4,690**	**1,535**	**–376**	**103**
Austria	0	0	0	0
Administration	**0**	**0**	**0**	**0**
UNIQA International	**1,634,947**	**1,559,901**	**67,455**	**72,030**
Of which:				
Earnings before taxes insurance companies				
Impairment of goodwill				

	Insurance benefits		Operating expenses		Earnings before taxes	
	1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021
	–310,067	–308,561	–184,726	–191,064	48,236	20,084
	–101,382	–106,807	–71,010	–61,566	30,281	56,181
	–185,678	–171,824	–103,133	–96,006	67,291	40,260
	–21,606	–20,574	–42,351	–33,052	–7,972	5,859
	–618,733	**–607,767**	**–401,220**	**–381,689**	**137,837**	**122,384**
	–29,593	–28,572	–31,609	–27,795	8,402	5,043
	–32,376	–45,473	–38,688	–42,780	6,023	10,519
	–61,969	**–74,046**	**–70,298**	**–70,575**	**14,426**	**15,562**
	–35,911	–61,716	–15,277	–12,179	25,793	15,651
	–35,911	**–61,716**	**–15,277**	**–12,179**	**25,793**	**15,651**
	–15,378	–15,792	–19,987	–17,007	4,841	3,928
	–20,232	–20,012	–13,366	–12,828	1,752	1,464
	–22,955	–18,451	–18,718	–17,106	1,725	–8,375
	–10,437	–8,556	–5,434	–4,490	320	1,006
	–31,939	–30,965	–24,592	–22,436	–5,939	3,156
	–5,511	–4,820	–4,867	–4,741	1,107	1,141
	–9,784	–8,736	–9,556	–8,551	1,110	475
	–24,863	–23,336	–19,176	–17,236	974	229
	–141,097	**–130,667**	**–115,695**	**–104,395**	**5,889**	**3,025**
	–1,854	–796	–3,089	–1,839	–567	–914
	0	0	0	0	4	23
	–1,854	**–796**	**–3,089**	**–1,839**	**–563**	**–891**
	0	0	–26,787	–22,057	–9,277	–22,057
	0	**0**	**–26,787**	**–22,057**	**–9,277**	**–22,057**
	–859,565	**–874,992**	**–632,366**	**–592,734**	**174,106**	**133,674**
					183,378	155,709
					–49	–12,100

Consolidated Statement of Financial Position – classified by business line

In € thousand	Property and casualty insurance 31/12/2022	Property and casualty insurance 31/12/2021	Health insurance 31/12/2022	Health insurance 31/12/2021
Assets				
Property, plant and equipment	152,910	176,900	58,628	59,584
Deferred acquisition costs and value of business in force	323,043	301,272	338,819	319,442
Intangible assets	604,623	533,838	9,226	11,700
Investments				
Investment property	174,166	183,910	243,683	236,456
Financial assets accounted for using the equity method	100,548	89,678	254,440	218,828
Other investments	5,241,994	5,533,015	3,312,574	3,876,589
Unit-linked and index-linked life insurance investments	0	0	0	0
Reinsurers' share of technical provisions	470,969	478,912	3,159	3,023
Receivables, including insurance receivables	486,605	413,861	197,417	479,347
Other assets	80,365	68,295	3,717	3,029
Deferred tax assets	122,477	71,933	730	43
Cash	363,773	245,926	64,941	73,731
Total assets by business line	**8,121,473**	**8,097,539**	**4,487,334**	**5,281,773**

In € thousand	Property and casualty insurance 31/12/2022	Property and casualty insurance 31/12/2021	Health insurance 31/12/2022	Health insurance 31/12/2021
Liabilities				
Subordinated liabilities	1,058,631	1,057,559	0	0
Technical provisions	4,570,934	4,374,791	3,985,751	3,815,927
Technical provisions for unit-linked and index-linked life insurance	0	0	0	0
Financial liabilities	667,936	683,169	30,013	29,603
Other provisions	366,672	366,912	240,516	315,120
Liabilities and other items classified as liabilities	470,280	485,909	293,343	333,311
Income tax liabilities	67,678	95,246	5,913	5,124
Deferred tax liabilities	13,679	56,276	7,335	151,890
Total liabilities by business line	**7,215,810**	**7,119,863**	**4,562,872**	**4,650,976**

	Life insurance		Consolidation		Group	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	137,669	129,009	0	0	349,207	365,493
	779,805	841,448	–428	–75	1,441,238	1,462,087
	172,686	166,749	0	0	786,535	712,287
	881,903	821,493	0	0	1,299,752	1,241,860
	404,476	347,886	0	0	759,463	656,393
	8,367,166	10,903,753	–555,306	–426,632	16,366,428	19,886,724
	3,957,281	5,154,053	0	0	3,957,281	5,154,053
	106,684	110,505	–1,618	–770	579,194	591,671
	297,625	68,924	–199,218	–247,308	782,429	714,823
	960,138	13,576	0	0	1,044,220	84,900
	39,524	12,933	0	0	162,731	84,909
	238,960	272,925	0	0	667,675	592,583
	16,343,917	**18,843,255**	**–756,570**	**–674,784**	**28,196,153**	**31,547,783**
	382,399	419,258	–382,398	–419,258	1,058,631	1,057,559
	10,160,295	10,988,198	–5,563	–4,812	18,711,417	19,174,105
	3,878,799	5,028,507	0	0	3,878,799	5,028,507
	36,863	29,358	–34,375	–18,813	700,436	723,317
	48,130	46,379	–2,197	–2,141	653,121	726,270
	576,948	427,819	–329,286	–229,842	1,011,285	1,017,197
	4,706	15,023	0	0	78,297	115,393
	30,765	173,983	0	0	51,779	382,149
	15,118,904	**17,128,525**	**–753,820**	**–674,866**	**26,143,766**	**28,224,497**
Consolidated equity and non-controlling interests					**2,052,387**	**3,323,286**
Total equity and liabilities					**28,196,153**	**31,547,783**

The amounts indicated for each business line have been adjusted to eliminate amounts resulting from internal transactions. Therefore, the balance of business line assets and business line liabilities does not allow conclusions to be drawn with regard to the equity allocated to the respective segment.

Financial assets and liabilities

The following table provides an overview of financial assets and financial liabilities.

In € thousand	At 31 December 2022 Carrying amounts	At 31 December 2022 Fair values	At 31 December 2021 Carrying amounts	At 31 December 2021 Fair values
Financial assets				
Investments				
Investment property	1,299,752	2,948,541	1,241,860	2,757,558
Financial assets accounted for using the equity method	759,463	703,064	656,393	655,252
Other investments	16,366,428	16,365,899	19,886,724	19,896,996
Financial assets at fair value through profit or loss	550,468	550,468	293,880	293,880
Available-for-sale financial assets	15,189,240	15,189,240	19,167,965	19,167,965
Loans and receivables	626,721	626,192	424,879	435,151
Unit-linked and index-linked life insurance investments	3,957,281	3,957,281	5,154,053	5,154,053
Receivables, including insurance receivables	782,429	782,429	714,823	714,823
Cash	667,675	667,675	592,583	592,583
Financial liabilities				
Subordinated liabilities	1,058,631	922,001	1,057,559	1,150,264
Financial liabilities	700,436	582,701	723,317	752,789
Liabilities from bonds and loans	596,032	478,296	599,490	628,962
Derivative financial instruments	11,645	11,645	21,843	21,843
Lease liabilities	92,760	92,760	101,984	101,984
Liabilities and other items classified as liabilities	1,011,285	1,011,285	1,017,197	1,017,197

Investments

1. Investment property

Land and buildings, including buildings on third-party land, held as long-term investments to generate rent revenue and/or for the purpose of capital appreciation are measured in accordance with the cost model. The investment property is subject to straight line depreciation over the useful life of 15 to 80 years and is recognised under the item “Net investment income”.

The fair value is determined using reports prepared by independent experts. These expert reports are prepared based on the income approach. It requires making assumptions about the future, principally concerning the discount rate, the exit yield, the expected utilisation (vacancy rate), the development of future rental charges and the condition of the land and buildings. Property value, location, usable area and usage category for the property are also taken into account.

For this reason, all measurements of the fair value for the land and buildings come under Level 3 of the hierarchy in accordance with IFRS 13. The valuation techniques respond to the underlying assumptions and parameters. For instance, any reduction in the discount rate applied would result in an increase in the values ascertained for the land and buildings if the other assumptions and parameters remained unchanged.

Conversely, any reduction in the expected utilisation or the expected rental charges would, for instance, result in a decrease in the values ascertained for the land and buildings if the other assumptions and parameters remained unchanged. The measurement-related assumptions and parameters are ascertained at each key date based on the best estimate by management with due respect to the current prevailing market conditions.

Acquisition costs
In € thousand

At 1 January 2021	**1,919,516**
Currency translation	785
Change in basis of consolidation	49,612
Additions	10,352
Disposals	–14,178
Reclassifications	24,807
At 31 December 2021	**1,990,893**
At 1 January 2022	**1,990,893**
Currency translation	–12,004
Additions	128,018
Disposals	–48,936
Reclassifications	210
At 31 December 2022	**2,058,182**

Accumulated depreciation and impairment losses
In € thousand

At 1 January 2021	**–700,303**
Currency translation	–1,096
Change in basis of consolidation	3,007
Additions from depreciation	–41,208
Additions from impairment	–7,206
Disposals	6,525
Reclassifications	–8,815
Reversal of impairment	61
At 31 December 2021	**–749,034**
At 1 January 2022	**–749,034**
Currency translation	2,778
Additions from depreciation	–40,314
Additions from impairment	–265
Disposals	28,355
Reversal of impairment	50
At 31 December 2022	**–758,430**

Carrying amounts
In € thousand

	Property and casualty insurance	Health-insurance	Life-insurance	Total
At 1 January 2021	**196,515**	**235,293**	**787,405**	**1,219,213**
At 31 December 2021	**183,910**	**236,456**	**821,493**	**1,241,860**
At 31 December 2022	**174,166**	**243,683**	**881,903**	**1,299,752**

Fair values
In € thousand

	Property and casualty insurance	Health-insurance	Life-insurance	Total
At 31 December 2021	**444,511**	**719,560**	**1,593,486**	**2,757,558**
At 31 December 2022	**462,440**	**736,316**	**1,749,785**	**2,948,541**

2. Financial assets accounted for using the equity method

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

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

Reconciliation of summarised financial information

In € thousand

	STRABAG SE		Associated companies not material on a stand-alone basis	
	2022[1]	2021	2022	2021
Net assets at 1 January	3,767,752	3,966,748	205,165	189,059
Change in basis of consolidation	0	0	–862	–6,962
Dividends	–205,200	–707,940	–568	–4,029
Profit/(loss) after taxes	651,706	461,217	25,986	27,159
Other comprehensive income	166,384	47,726	41	–62
Net assets at 31 December	4,380,642	3,767,752	229,761	205,165
Shares in associated companies	15.29 %	15.29 %	Various investment amounts	
Carrying amount	669,584	575,903	89,880	80,490

[1] Estimate for 31 December 2022 based on financial information as at 30 June 2022 on STRABAG SE available as at the reporting date

As at 31 December 2022, UNIQA held a 15.3 per cent stake in STRABAG SE (31 December 2021: 15.3 per cent). UNIQA treats STRABAG SE as an associate due to contractual arrangements. As part of the accounting using the equity method, an assessment of the share in STRABAG SE was made, based on the financial information published at 30 June 2022, for the period up until 31 December 2022.

The fair value of the shares is based on the stock market price at 31 December 2022 and amounts to € 613,184 thousand (2021: € 574,762 thousand).

Summarised statement of comprehensive income

In € thousand

	STRABAG SE[1]	
	1–6/2022	1–6/2021
Revenue	7,246,353	6,535,483
Depreciation	–261,045	–266,095
Interest income	22,814	12,546
Interest expenses	–16,573	–15,941
Income taxes	–26,110	–45,854
Profit/(loss) for the period	43,760	90,941
Other comprehensive income	111,397	29,386
Total comprehensive income	155,157	120,327

[1] STRABAG SE Semi-Annual Report 2022 as published in August 2022

Summarised statement of financial position

In € thousand

	STRABAG SE[1]	
	30/6/2022	31/12/2021
Cash and cash equivalents	1,876,583	2,963,251
Other current assets	5,257,518	4,272,962
Current assets	7,134,101	7,236,213
Non-current assets	5,141,342	4,989,555
Total assets	12,275,443	12,225,768
Current financial liabilities	367,684	483,005
Other current liabilities	5,838,186	5,524,556
Current liabilities	6,205,870	6,007,561
Non-current financial liabilities	689,288	710,610
Other non-current liabilities	1,358,504	1,435,775
Non-current liabilities	2,047,792	2,146,385
Total liabilities	8,253,662	8,153,946
Net assets	4,021,781	4,071,822

[1] STRABAG SE Semi-Annual Report 2022 as published in August 2022

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

The financial statements of the associates most recently published have been used for the purpose of the accounting using the equity method, and have been adjusted based on any essential transactions between the relevant reporting date and 31 December 2022.

Summary of information on associated companies not material on a stand-alone basis In € thousand	1–12/2022	1–12/2021
Group's share of profit from continuing operations	10,121	10,588
Group's share of other comprehensive income	16	–25
Group's share of total comprehensive income	10,138	10,563

3. Other investments and unit-linked and index-linked life insurance investments

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

Financial assets are recognised for the first time on the settlement date. They are derecognised when the contractual rights to cash flows from an asset expire or the rights to receive the cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets at fair value through profit or loss

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

The fair value option is applied to structured products that are not split between the underlying transaction and the derivative but are instead accounted for as a unit. Unrealised gains and losses are recognised in profit/(loss) for the period. The maximum default risk of these products is limited to the carrying amount. Furthermore, there are no hedging relationships or credit derivatives for these financial assets. The adjustment in fair values of these securities was not due to adjustments in credit risk.

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

Available-for-sale financial assets

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

Impairment of available-for-sale financial assets is recognised in profit/(loss) for the period by reclassifying the losses accumulated in equity. The accumulated loss that is reclassified from equity to profit/(loss) for the period is the difference between the acquisition cost, net of any redemptions, amortisations and less any impairment loss previously recognised in profit or loss – and current fair value. If the fair value of an impaired, available-for-sale debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment was recognised, the impairment is reversed, with the amount of the reversal recognised in profit/loss for the period. Reversals of impairment losses of equity instruments held at fair value cannot be recognised in profit/(loss) for the period.

Loans and receivables

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

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

Objective indications that financial assets are impaired are:

- the default or delay of a debtor,
- the opening of bankruptcy proceedings for a debtor, or signs indicating that such proceedings are imminent,
- adverse changes in the rating of borrowers or issuers,
- changes in the market activity of a security, or
- other observable data that indicate a significant decrease in the expected payments from a group of financial assets.

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

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

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

Other investments At 31 December 2022
In € thousand

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
Financial assets at fair value through profit or loss	184,966	224,849	0	27,223	113,430	550,468
Available-for-sale financial assets	1,095,571	14,093,669	0	0	0	15,189,240
Loans and receivables	0	54,172	572,549	0	0	626,721
Total	**1,280,536**	**14,372,690**	**572,549**	**27,223**	**113,430**	**16,366,428**
of which fair value option	184,966	224,849	0	0	0	409,814

Other investments At 31 December 2021
In € thousand

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
Financial assets at fair value through profit or loss	52,352	182,475	0	2,792	56,260	293,880
Available-for-sale financial assets	1,331,890	17,836,075	0	0	0	19,167,965
Loans and receivables	0	62,691	362,187	0	0	424,879
Total	**1,384,242**	**18,081,241**	**362,187**	**2,792**	**56,260**	**19,886,724**
of which fair value option	52,352	182,475	0	0	0	234,827

Carrying amounts of other investments, with the exception of reclassified bonds, represent fair values. Reclassified bonds are subsumed in the item “Fixed-income securities” under “Loans and receivables”, the fair value of which amounts to € 53,644 thousand at 31 December 2022 (31 December 2021: € 72,964 thousand).

Unit-linked and index-linked life insurance investments are broken down into the following classes and categories of financial instruments:

Unit-linked and index-linked life insurance investments At 31 December 2022

In € thousand

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Total
Financial assets at fair value through profit or loss	1,965,826	1,841,753	139,160	10,543	3,957,281
Total	**1,965,826**	**1,841,753**	**139,160**	**10,543**	**3,957,281**

Unit-linked and index-linked life insurance investments At 31 December 2021

In € thousand

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Total
Financial assets at fair value through profit or loss	2,532,889	2,515,441	86,368	19,355	5,154,053
Total	**2,532,889**	**2,515,441**	**86,368**	**19,355**	**5,154,053**

Determination of fair value

A range of accounting policies and disclosures requires the determination of the fair value of financial and non-financial assets and liabilities. UNIQA has defined a control framework with regard to the determination of fair value. This includes a measurement team, which bears general responsibility for monitoring all major measurements of fair value, including Level 3 fair values, and reports directly to the respective Member of the Management Board.

A review of the major unobservable inputs and the measurement adjustments is carried out regularly. If information from third parties (e.g. price quotations from brokers or price information services) is used to determine fair values, the evidence obtained from third parties is examined in order to see whether such measurements meet the requirements of IFRSs. The level in the fair value hierarchy to which these measurements are attributable is also tested. Major items in the measurement are reported to the Audit Committee.

As far as possible, UNIQA uses data that are observable on the market when determining the fair value of an asset or a liability. Based on the inputs used in the valuation techniques, the fair values are assigned to different levels in the fair value hierarchy:

- Level 1: quoted prices (unadjusted) on active markets for identical assets and liabilities. At UNIQA these primarily involve quoted shares, quoted bonds and quoted investment funds.
- Level 2: measurement parameters that are not quoted prices included in Level 1 but which can be observed for the asset or liability either directly (i.e. as a price) or indirectly (i.e. derived from prices), or are based on prices from markets that have been classified as inactive. The parameters that can be observed here include, for example, exchange rates, yield curves and volatilities. At UNIQA, these include in particular quoted bonds that do not fulfil the conditions under Level 1, along with structured products.
- Level 3: measurement parameters for assets or liabilities that are not based or are only partly based on observable market data. The measurement here primarily involves application of the discounted cash flow method, comparative procedures with instruments for which there are observable prices and other procedures. As there are no observable parameters here in many cases, the estimates used can have a significant impact on the result of the measurement. At UNIQA, it is primarily other equity investments, private equity funds as well as structured products that do not fulfil the conditions under Level 2 that are assigned to Level 3.

If the inputs used to determine the fair value of an asset or a liability can be assigned to different levels of the fair value hierarchy, the entire fair value measurement is assigned to the respective level of the fair value hierarchy that corresponds to the lowest input significant for the measurement overall.

UNIQA recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

The measurement processes and methods are as follows:

Financial instruments measured at fair value
For the measurement of capital investments, procedures best suited for the establishment of corresponding value are applied. The following standard valuation techniques are applied for financial instruments which come under Levels 2 and 3:

- Market approach
- The measurement method in the market approach is based on prices or other applicable information from market transactions which involve identical or comparable assets and liabilities.
- Income approach
- The income approach corresponds to the method whereby the future (expected) payment flows or earnings are inferred on a current amount.
- Cost approach
- The cost approach generally corresponds to the value which would have to be applied in order to procure the asset once again.

Valuation techniques and inputs in the determination of fair values

Assets	Price method	Input factors	Price model
Fixed-income securities			
Listed bonds	Listed price	-	-
Unlisted bonds	Theoretical price	CDS spread, yield curves	Discounted cash flow
Unquoted asset-backed securities	Theoretical price	-	Discounted cash flow, single deal review, peer
Infrastructure financing	Theoretical price	-	Discounted cash flow
Variable-income securities			
Listed shares/investment funds	Listed price	-	-
Private equities	Theoretical price	Certified net asset values	Net asset value method
Hedge funds	Theoretical price	Certified net asset values	Net asset value method
Other shares	Theoretical value	WACC, (long-term) revenue growth rate, (long-term) profit margins, control premium	Expert opinion
Derivative financial instruments			
Equity basket certificate	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black-Scholes Monte Carlo N-DIM
CMS floating rate note	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	LIBOR market model, Hull-White-Garman-Kohlhagen Monte Carlo
CMS spread certificate	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Contract specific model
FX (binary) option	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM
Option (inflation, OTC, OTC FX options)	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black-Scholes Monte Carlo N-DIM, contract specific model, inflation market model NKIS
Structured bonds	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM
Swap, cross currency swap	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, Black-76-model, LIBOR market model, contract specific model
Swaption, total return swaption	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black - basis point volatility, contract specific model
Investments under investment contracts			
Listed shares/investment funds	Listed price	-	-
Unlisted investment funds	Theoretical price	Certified net asset values	Net asset value method

Measurement hierarchy of other investments

Assets and liabilities measured at fair value

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Available-for-sale financial assets								
Variable-income securities	628,510	1,019,258	88	88	466,973	312,544	1,095,571	1,331,890
Fixed-income securities	8,256,864	13,172,587	4,247,480	3,131,198	1,589,326	1,532,290	14,093,669	17,836,075
Total	**8,885,373**	**14,191,845**	**4,247,567**	**3,131,286**	**2,056,299**	**1,844,834**	**15,189,240**	**19,167,965**
Financial assets at fair value through profit or loss								
Variable-income securities	1,520	2,828	2,136	1,770	181,310	47,755	184,966	52,352
Fixed-income securities	200,092	148,953	4,312	12,552	20,445	20,970	224,849	182,475
Derivative financial instruments	0	122	23,942	2,540	3,281	131	27,223	2,792
Investments under investment contracts	108,587	47,816	0	3,602	4,843	4,843	113,430	56,260
Total	**310,200**	**199,718**	**30,390**	**20,464**	**209,878**	**73,698**	**550,468**	**293,880**

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Financial liabilities								
Derivative financial instruments	0	1,830	0	7,964	11,645	12,050	11,645	21,843
Total	**0**	**1,830**	**0**	**7,964**	**11,645**	**12,050**	**11,645**	**21,843**

Fair values of assets and liabilities measured at amortised cost

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Investment property	**0**	**0**	**0**	**0**	**2,948,541**	**2,757,558**	**2,948,541**	**2,757,558**
Loans and receivables								
Loans and other investments	0	0	442,515	271,797	130,033	90,390	572,549	362,187
Fixed-income securities	0	15,711	53,644	57,253	0	0	53,644	72,964
Total	**0**	**15,711**	**496,159**	**329,051**	**130,033**	**90,390**	**626,192**	**435,151**

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Financial liabilities								
Liabilities from bonds, loans, and leases	478,296	628,962	0	0	92,760	72,512	571,056	701,474
Total	**478,296**	**628,962**	**0**	**0**	**92,760**	**72,512**	**571,056**	**701,474**
Subordinated liabilities	**922,001**	**1,150,264**	**0**	**0**	**0**	**0**	**922,001**	**1,150,264**

Transfers between Levels 1 and 2

In the reporting period transfers from Level 1 to Level 2 were made in the amount of € 2,060,510 thousand (2021: € 285,234 thousand) and from Level 2 to Level 1 in the amount of € 170,531 thousand (2021: € 359,168 thousand). These are attributable primarily to changes in trading frequency and trading activity.

Measurement hierarchy in unit-linked and index-linked life insurance investments

Assets and liabilities measured at fair value

In € thousand	Level 1 31/12/2022	Level 1 31/12/2021	Level 2 31/12/2022	Level 2 31/12/2021	Level 3 31/12/2022	Level 3 31/12/2021	Total 31/12/2022	Total 31/12/2021
Financial assets at fair value through profit or loss	2,732,109	3,315,599	551,969	1,072,624	673,204	765,831	3,957,281	5,154,053
Total	2,732,109	3,315,599	551,969	1,072,624	673,204	765,831	3,957,281	5,154,053

Level 3 financial instruments

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

In € thousand	Fixed-income securities 2022	Fixed-income securities 2021	Other 2022	Other 2021	Other investments total 2022	Other investments total 2021	Unit-linked and index-linked life insurance investments 2022	Unit-linked and index-linked life insurance investments 2021
At 1 January	1,532,290	1,115,750	374,193	241,560	1,906,483	1,357,310	765,831	1,193,026
Transfers from Level 3 to Level 1	–2,451	–1,659	0	0	–2,451	–1,659	0	0
Transfers from Level 3 to Level 2	–21,848	–10,379	0	0	–21,848	–10,379	0	0
Transfers to Level 3	67,948	18,314	35,484	0	103,433	18,314	205	1,860
Gains and losses recognised in profit or loss	–101,075	–31	–9,455	2,381	–110,529	2,350	–69,647	–11,769
Gains and losses recognised in other comprehensive income	–42,623	16,378	43,090	3,275	467	19,653	0	0
Additions	267,888	788,684	238,057	238,737	505,945	1,027,421	37,238	117,992
Disposals	–109,629	–395,158	–41,621	–111,595	–151,250	–506,753	–60,330	–531,762
Changes from currency translation	–1,175	391	–354	–166	–1,528	226	–94	–3,516
Change in basis of consolidation	0	0	25,812	0	25,812	0	0	0
At 31 December	1,589,326	1,532,290	665,206	374,193	2,254,532	1,906,483	673,204	765,831

Sensitivities

Fixed-income securities

The main unobservable input in the measurement of fixed-income securities is the specific credit spread. In order to be able to measure these securities in a discounted cash flow model, the spreads are derived from a selection of reference securities with comparable characteristics. For the fixed-income securities in Level 3, an increase in the discount rate by 100 basis points results in a 5.2 per cent reduction in value (2021: 7.7 per cent). A reduction in the discount rate by 100 basis points results in a 5.0 per cent increase in value (2021: 8.4 per cent).

Other

Other securities under Level 3 mainly comprise private equity funds and other equity investments. Private equity funds are measured based on the net asset values which are determined by the fund manager using specific unobservable inputs for all underlying portfolio positions. This is done in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. For other equity investments under Level 3, invested capital is considered to be an appropriate measure of fair value. In these cases, a sensitivity analysis is not applicable.

Securities lending transactions

Securities loaned within the framework of securities lending continue to be recognised in the statement of financial position, as the significant opportunities and risks are not transferred through the lending. In return, UNIQA receives collateral in the form of securities, which are accordingly not recognised in the statement of financial position. As at the reporting date, the net carrying amount of the loaned financial assets in the category of fixed-income securities available for sale from securities lending transactions amounts to €530.3 million. The fair value corresponds to the net carrying amount. The equivalent amount of the collateral received is €591.9 million. The components of these transactions recognised in profit or loss are reported under “Net investment income”.

Carrying amounts for loans and other investments

In € thousand

	31/12/2022	31/12/2021
Loans		
Mortgage loans	5,238	6,219
Loans and advance payments on policies	9,646	11,173
Other loans	107,577	66,652
Total	**122,462**	**84,044**
Other investments		
Bank deposits	442,515	271,797
Deposits retained on assumed reinsurance	7,572	6,346
Total	**450,087**	**278,143**
Total sum	**572,549**	**362,187**

Impairment of loans

In € thousand

	31/12/2022	31/12/2021
At 1 January	**–1,685**	**–2,602**
Use	470	141
Reversal	68	780
Currency translation	1	–4
At 31 December	**–1,146**	**–1,685**

Contractual maturities of loans

In € thousand

	31/12/2022	31/12/2021
Up to 1 year	35,387	14,957
More than 1 year up to 5 years	10,540	13,763
More than 5 years up to 10 years	73,588	51,309
More than 10 years	2,948	4,015
Total	**122,462**	**84,044**

The fair values of loans with maturies of more than one year amount to €74,134 thousand. The measurement is based on collateral and the creditworthiness of the debtors; for deposits with banks, it is based on quoted prices.

4. Net investment income

Classified by business line
In € thousand

	Property and casualty insurance		Health insurance		Life insurance		Total	
	1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021
Investment property	**20,960**	**–2,873**	**28,298**	**7,157**	**77,041**	**54,400**	**126,299**	**58,684**
Financial assets accounted for using the equity method	**14,077**	**11,703**	**37,867**	**26,799**	**60,174**	**42,585**	**112,118**	**81,087**
Variable-income securities	**–2,833**	**24,419**	**60,779**	**98,274**	**10,392**	**3,654**	**68,337**	**126,346**
Available for sale	–13,299	–2,796	49,373	98,009	10,410	3,781	46,483	98,994
At fair value through profit or loss	10,466	27,215	11,406	264	–18	–127	21,854	27,352
Fixed-income securities	**4,015**	**147,162**	**20,665**	**45,365**	**106,383**	**242,656**	**131,063**	**435,182**
Available for sale	4,456	147,892	22,203	46,500	106,651	242,434	133,310	436,826
At fair value through profit or loss	–442	–730	–1,537	–1,135	–268	222	–2,248	–1,643
Loans and other investments	**6,718**	**4,065**	**–552**	**2,322**	**18,571**	**19,048**	**24,737**	**25,434**
Loans	996	645	1,700	1,567	4,612	3,908	7,309	6,120
Other investments	5,722	3,420	–2,252	755	13,959	15,139	17,429	19,314
Derivative financial instruments	**–10,958**	**–23,606**	**898**	**–8,717**	**2,788**	**662**	**–7,272**	**–31,661**
Investment administration expenses, interest paid and other investment expenses	**–27,561**	**–25,674**	**–7,929**	**–8,075**	**–14,110**	**–13,373**	**–49,599**	**–47,122**
Total	**4,418**	**135,195**	**140,027**	**163,124**	**261,238**	**349,632**	**405,683**	**647,951**
Of which:								
Current income/expenses	118,705	113,945	157,496	98,338	327,688	308,957	603,889	521,241
Gains/losses from disposals and changes in value	–114,287	21,250	–17,469	64,786	–66,450	40,674	–198,206	126,710
Impairments	–140,944	–3,810	–108,283	–4,950	–143,987	–9,025	–393,214	–17,784

Classified by type of income
In € thousand

	Current income/expenses		Gains/losses from disposals and changes in value		Total		of which impairment	
	1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021	1–12/2022	1–12/2021
Financial assets at fair value through profit or loss	**–5,254**	**864**	**17,589**	**–6,816**	**12,335**	**–5,952**	**0**	**0**
Variable-income securities (within the framework of fair value option)	16,985	537	4,869	26,816	21,854	27,352	0	0
Fixed-income securities (within the framework of fair value option)	–5,429	408	3,181	–2,052	–2,248	–1,643	0	0
Derivative financial instruments	–16,811	–81	9,539	–31,580	–7,272	–31,661	0	0
Investments under investment contracts[1]	0	0	0	0	0	0	0	0
Available-for-sale financial assets	**442,253**	**386,874**	**–262,459**	**148,946**	**179,793**	**535,820**	**–392,949**	**–10,579**
Variable-income securities	43,740	37,719	2,743	61,275	46,483	98,994	–76,395	–10,549
Fixed-income securities	398,513	349,155	–265,203	87,671	133,310	436,826	–316,554	–30
Loans and receivables	**27,050**	**24,942**	**–2,312**	**493**	**24,737**	**25,434**	**0**	**0**
Fixed-income securities	2,449	2,667	364	–2	2,813	2,665	0	0
Loans and other investments	24,600	22,275	–2,676	495	21,924	22,770	0	0
Investment property	**79,753**	**74,596**	**46,546**	**–15,912**	**126,299**	**58,684**	**–265**	**–7,206**
Financial assets accounted for using the equity method	**109,688**	**81,087**	**2,430**	**0**	**112,118**	**81,087**	**0**	**0**
Investment administration expenses, interest paid and other investment expenses	**–49,599**	**–47,122**	**0**	**0**	**–49,599**	**–47,122**	**0**	**0**
Total	**603,889**	**521,241**	**–198,206**	**126,710**	**405,683**	**647,951**	**–393,214**	**–17,784**

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

Details of net investment income

In € thousand

	1–12/2022	1–12/2021
Current income/expenses from investment property		
Rent revenue	111,611	99,234
Operational expenses	–31,858	–24,637
Currency gains/losses		
Currency gains	164,518	68,029
Currency losses	–162,161	–76,798
Profit from currency gains/losses	**2,356**	**–8,769**

Positive currency effects from investments amounting to €1,272 thousand (2021: €10,116 thousand) were recognised directly in equity.

Net profit/(loss) by measurement category

In € thousand

	1–12/2022	1–12/2021
Financial assets at fair value through profit or loss		
Recognised in profit/(loss) for the period	12,335	–5,952
Available-for-sale financial assets		
Recognised in profit/(loss) for the period	179,793	535,820
of which reclassified from equity to consolidated income statement	–105,056	–142,878
Recognised in other comprehensive income	–3,600,181	–1,161,536
Net income	**–3,420,388**	**–625,716**
Loans and receivables		
Recognised in profit/(loss) for the period	24,737	25,434
Financial liabilities measured at amortised cost		
Recognised in profit/(loss) for the period	–52,160	–134,762

Technical items

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

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

Insurance and investment contracts

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

Reinsurance contracts

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

5. Technical provisions

Unearned premiums

For short-term insurance contracts, such as most property and casualty insurance policies, premiums relating to future years are reported as unearned premiums in line with the applicable regulations of US GAAP. The amount of these unearned premiums corresponds to the insurance cover granted proportionally in future periods. Premiums levied upon entering into certain long-term contracts (e.g. upfront fees) are recognised as unearned premiums. In line with the applicable regulations of US GAAP, these fees are recorded in the same manner as the redemption of deferred acquisition costs. These unearned premiums are in principle calculated for each individual policy and exactly to the day. If they are attributable to life insurance, they are included in insurance provision.

Insurance provision

Insurance provisions are essentially established in the life and health insurance lines. Their carrying amount is determined based on actuarial principles on the basis of the present value determined prospectively of future benefits to be paid by the insurer less the present value of future net premiums the insurer expects to receive on an individual contract basis. Insurance provisions are also established in the property and casualty lines that cover lifelong obligations (accident pensions as well as pensions in motor vehicle liability insurance). The insurance provision of the life insurer is calculated by taking into account contractually agreed calculation principles, which are explained in more detail under the actuarial risks in Chapter 43, "Risk profile". These calculation principles take into account assumptions related to costs, mortality, invalidity and interest rate changes. Reasonable safety margins are included here in order to account for the risk of adjustments, errors and contingencies over the term of the contract.

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

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

Provision for unsettled claims

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

The provision in property and casualty insurance is determined based on a best estimate. Standard actuarial models are used to calculate the claim reserves with the parameters for these based on historical data. The assumptions made are reviewed continuously and adjusted if necessary. Examples of material assumptions include growth in claims frequency and in average claims expenses. Another material assumption is the settlement patterns for the individual lines of business which can be impacted by various factors. Assumptions regarding the future progress of claims inflation are only made to the extent that the future development is extrapolated based on historical observations. In insurance lines in which past experience does not allow the application of statistical methods, calculations are made on the basis of market data or expert assessments.

Discounting of claims reserves only takes place with respect to a small section of the annuity reserves for which an insurance provision is also formed. Recourse payments expected in future are deducted from the provision for unsettled claims. Costs of settling the claim that are directly attributable to the claim event, such as costs of an expert report, are already included in the calculation for the provision. Provisions for internal settlement expense are determined in a separate calculation procedure. The calculation of the provision for unsettled claims involves uncertainty on account of the contingency risk in the underlying assumptions. Further information on this can be found in Chapter 43, “Risk profile”.

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

Life insurance is calculated on an individual loss basis with the exception of the provision for unreported claims. Provision for the assumed reinsurance business generally complies with the figures of the cedents.

Provisions for premium refunds and profit participation

The provision for premium refunds includes the amounts for profit-related and non-profit-related profit participation to which the policyholders are entitled on the basis of statutory or contractual provisions.

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

Other technical provisions

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

Liability Adequacy Test

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

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

Gross
In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2022	**936,819**	**11,248**	**3,361,990**	**36,979**	**1,761**	**21,301**	**4,370,098**
Foreign exchange differences	–10,169	–816	–20,495	–99	53	79	–31,447
Portfolio changes	–214	–318	2,053		–33		1,489
Additions		995		3,573		22,293	26,860
Disposals		–875		–13,527	–664	–20,952	–36,017
Premiums written	3,686,021						3,686,021
Premiums earned	–3,625,190						–3,625,190
Claims reporting year			2,362,046				2,362,046
Claims payments reporting year			–1,183,885				–1,183,885
Change in claims previous years			–159,025				–159,025
Claims payments previous years			–845,579				–845,579
At 31 December 2022	**987,267**	**10,234**	**3,517,106**	**26,925**	**1,118**	**22,720**	**4,565,371**
Health insurance							
At 1 January 2022	**34,567**	**3,405,012**	**200,987**	**16,515**	**156,628**	**2,100**	**3,815,808**
Foreign exchange differences	–2,495	–157	–607	–28		–3	–3,291
Portfolio changes	57	–57	–436				–436
Additions		218,133		10,553	27,600	679	256,965
Disposals		–32,991		–11,366	–59,670	–1,476	–105,503
Premiums written	1,277,335						1,277,335
Premiums earned	–1,274,224						–1,274,224
Claims reporting year			805,768				805,768
Claims payments reporting year			–668,336				–668,336
Change in claims previous years			41,064				41,064
Claims payments previous years			–159,399				–159,399
At 31 December 2022	**35,239**	**3,589,939**	**219,041**	**15,674**	**124,558**	**1,300**	**3,985,751**
Life insurance							
At 1 January 2022		**9,813,972**	**313,669**	**9,053**	**845,324**	**6,180**	**10,988,198**
Foreign exchange differences		25,638	872	–61	1,006	–174	27,281
Portfolio changes		298	2,155	7,732	–21,848		–11,663
Additions		431,637		13,705	15,060	29,830	490,232
Disposals		–557,361		–16,515	–778,886	–29,834	–1,382,597
Claims reporting year			1,230,253				1,230,253
Claims payments reporting year			–1,113,785				–1,113,785
Change in claims previous years			107,239				107,239
Claims payments previous years			–174,863				–174,863
At 31 December 2022		**9,714,183**	**365,539**	**13,915**	**60,655**	**6,002**	**10,160,295**
Total							
At 1 January 2022	**971,387**	**13,230,231**	**3,876,646**	**62,547**	**1,003,713**	**29,581**	**19,174,105**
Foreign exchange differences	–12,664	24,665	–20,230	–188	1,059	–99	–7,457
Portfolio changes	–157	–76	3,772	7,732	–21,880		–10,609
Additions		650,764		27,831	42,660	52,802	774,057
Disposals		–591,227		–41,409	–839,219	–52,262	–1,524,117
Premiums written	4,963,355						4,963,355
Premiums earned	–4,899,414						–4,899,414
Claims reporting year			4,398,067				4,398,067
Claims payments reporting year			–2,966,006				–2,966,006
Change in claims previous years			–10,722				–10,722
Claims payments previous years			–1,179,841				–1,179,841
At 31 December 2022	**1,022,506**	**13,314,356**	**4,101,686**	**56,514**	**186,332**	**30,022**	**18,711,417**

Reinsurers’ share

In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2022	**48,263**	**1,374**	**426,864**			**2,411**	**478,912**
Foreign exchange differences	–1,292	–1	–2,853			–57	–4,202
Portfolio changes	0		–3,216				–3,216
Additions		617		0		1,857	2,474
Disposals		–111				–1,441	–1,552
Premiums written	219,195						219,195
Premiums earned	–215,167						–215,167
Claims reporting year			113,293				113,293
Claims payments reporting year			–44,693				–44,693
Change in claims previous years			34,804				34,804
Claims payments previous years			–108,879				–108,879
At 31 December 2022	**51,000**	**1,880**	**415,319**	**0**		**2,770**	**470,969**
Health insurance							
At 1 January 2022	**1,702**	**405**	**913**			**4**	**3,023**
Foreign exchange differences	–39		–38			0	–77
Portfolio changes			2				2
Additions						3	3
Disposals		–40					–40
Premiums written	5,489						5,489
Premiums earned	–5,540						–5,540
Claims reporting year			1,574				1,574
Claims payments reporting year			–826				–826
Change in claims previous years			123				123
Claims payments previous years			–672				–672
At 31 December 2022	**1,612**	**364**	**1,076**			**7**	**3,059**
Life insurance							
At 1 January 2022		**102,507**	**7,132**			**97**	**109,736**
Foreign exchange differences		113	9			2	125
Portfolio changes		–71	92				21
Additions		2,121				9	2,130
Disposals		–8,539				–14	–8,553
Claims reporting year			25,200				25,200
Claims payments reporting year			–20,624				–20,624
Change in claims previous years			3,463				3,463
Claims payments previous years			–6,332				–6,332
At 31 December 2022		**96,132**	**8,940**			**94**	**105,166**
Total							
At 1 January 2022	**49,965**	**104,286**	**434,908**			**2,512**	**591,671**
Foreign exchange differences	–1,331	113	–2,882			–55	–4,155
Portfolio changes	0	–71	–3,122				–3,193
Additions		2,738		0		1,869	4,608
Disposals		–8,690				–1,455	–10,146
Premiums written	224,684						224,684
Premiums earned	–220,706						–220,706
Claims reporting year			140,067				140,067
Claims payments reporting year			–66,144				–66,144
Change in claims previous years			38,390				38,390
Claims payments previous years			–115,883				–115,883
At 31 December 2022	**52,612**	**98,376**	**425,336**	**0**		**2,870**	**579,194**

Net

In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2022	**888,556**	**9,874**	**2,935,127**	**36,979**	**1,761**	**18,890**	**3,891,186**
Foreign exchange differences	–8,877	–815	–17,643	–99	53	136	–27,245
Portfolio changes	–214	–318	5,269		–33		4,705
Additions		378		3,572		20,436	24,386
Disposals		–764		–13,527	–664	–19,510	–34,466
Premiums written	3,466,826						3,466,826
Premiums earned	–3,410,023						–3,410,023
Claims reporting year			2,248,753				2,248,753
Claims payments reporting year			–1,139,192				–1,139,192
Change in claims previous years			–193,829				–193,829
Claims payments previous years			–736,700				–736,700
At 31 December 2022	**936,267**	**8,354**	**3,101,787**	**26,925**	**1,118**	**19,951**	**4,094,402**
Health insurance							
At 1 January 2022	**32,865**	**3,404,607**	**200,073**	**16,515**	**156,628**	**2,096**	**3,812,785**
Foreign exchange differences	–2,456	–157	–569	–28		–3	–3,214
Portfolio changes	57	–57	–438				–438
Additions		218,133		10,553	27,600	676	256,962
Disposals		–32,951		–11,366	–59,670	–1,476	–105,462
Premiums written	1,271,846						1,271,846
Premiums earned	–1,268,684						–1,268,684
Claims reporting year			804,194				804,194
Claims payments reporting year			–667,510				–667,510
Change in claims previous years			40,942				40,942
Claims payments previous years			–158,727				–158,727
At 31 December 2022	**33,627**	**3,589,575**	**217,964**	**15,674**	**124,558**	**1,293**	**3,982,692**
Life insurance							
At 1 January 2022		**9,711,465**	**306,538**	**9,053**	**845,324**	**6,083**	**10,878,462**
Foreign exchange differences		25,524	864	–61	1,006	–176	27,157
Portfolio changes		369	2,062	7,732	–21,848		–11,684
Additions		429,515		13,705	15,060	29,821	488,102
Disposals		–548,822		–16,515	–778,886	–29,820	–1,374,043
Claims reporting year			1,205,052				1,205,052
Claims payments reporting year			–1,093,161				–1,093,161
Change in claims previous years			103,775				103,775
Claims payments previous years			–168,531				–168,531
At 31 December 2022		**9,618,052**	**356,599**	**13,915**	**60,655**	**5,908**	**10,055,129**
Total							
At 1 January 2022	**921,421**	**13,125,945**	**3,441,738**	**62,547**	**1,003,713**	**27,069**	**18,582,433**
Foreign exchange differences	–11,334	24,552	–17,348	–188	1,059	–44	–3,302
Portfolio changes	–157	–6	6,894	7,732	–21,880		–7,416
Additions		648,026		27,831	42,660	50,933	769,449
Disposals		–582,537		–41,409	–839,219	–50,807	–1,513,971
Premiums written	4,738,671						4,738,671
Premiums earned	–4,678,708						–4,678,708
Claims reporting year			4,258,000				4,258,000
Claims payments reporting year			–2,899,863				–2,899,863
Change in claims previous years			–49,112				–49,112
Claims payments previous years			–1,063,958				–1,063,958
At 31 December 2022	**969,894**	**13,215,981**	**3,676,350**	**56,514**	**186,332**	**27,152**	**18,132,223**

Gross
In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2021	**912,121**	**11,528**	**3,134,012**	**41,612**	**741**	**21,231**	**4,121,245**
Foreign exchange differences	4,374	–135	3,676	–18	40	304	8,241
Portfolio changes	0		–32,667		–1		–32,668
Additions		83		1,677	981	19,611	22,353
Disposals		–229		–6,293		–19,844	–26,366
Premiums written	3,489,533						3,489,533
Premiums earned	–3,469,209						–3,469,209
Claims reporting year			2,206,981				2,206,981
Claims payments reporting year			–1,163,699				–1,163,699
Change in claims previous years			–37,812				–37,812
Claims payments previous years			–748,501				–748,501
At 31 December 2021	**936,819**	**11,248**	**3,361,990**	**36,979**	**1,761**	**21,301**	**4,370,098**
Health insurance							
At 1 January 2021	**19,098**	**3,244,673**	**207,236**	**16,807**	**134,848**	**1,213**	**3,623,875**
Foreign exchange differences	1,068	412	619	–6		1	2,093
Portfolio changes			–65				–65
Additions		192,460		10,266	43,397	1,916	248,039
Disposals		–32,533		–10,551	–21,617	–1,030	–65,731
Premiums written	1,226,458						1,226,458
Premiums earned	–1,212,057						–1,212,057
Claims reporting year			758,575				758,575
Claims payments reporting year			–628,905				–628,905
Change in claims previous years			10,677				10,677
Claims payments previous years			–147,150				–147,150
At 31 December 2021	**34,567**	**3,405,012**	**200,987**	**16,515**	**156,628**	**2,100**	**3,815,808**
Life insurance							
At 1 January 2021		**9,812,856**	**243,527**	**14,982**	**1,372,760**	**6,497**	**11,450,622**
Foreign exchange differences		29,430	2,384	44	942	19	32,820
Portfolio changes		613	32,851		–11,039		22,426
Additions		256,552		5,026	82,420	5,205	349,203
Disposals		–285,480		–10,999	–599,759	–5,540	–901,779
Claims reporting year			1,233,828				1,233,828
Claims payments reporting year			–1,032,022				–1,032,022
Change in claims previous years			18,452				18,452
Claims payments previous years			–185,351				–185,351
At 31 December 2021		**9,813,972**	**313,669**	**9,053**	**845,324**	**6,180**	**10,988,198**
Total							
At 1 January 2021	**931,220**	**13,069,057**	**3,584,775**	**73,401**	**1,508,349**	**28,940**	**19,195,741**
Foreign exchange differences	5,442	29,707	6,679	21	982	323	43,154
Portfolio changes	0	613	118		–11,039		–10,308
Additions		449,095		16,969	126,798	26,732	619,594
Disposals		–318,242		–27,843	–621,376	–26,414	–993,876
Premiums written	4,715,991						4,715,991
Premiums earned	–4,681,266						–4,681,266
Claims reporting year			4,199,384				4,199,384
Claims payments reporting year			–2,824,626				–2,824,626
Change in claims previous years			–8,682				–8,682
Claims payments previous years			–1,081,002				–1,081,002
At 31 December 2021	**971,387**	**13,230,231**	**3,876,646**	**62,547**	**1,003,713**	**29,581**	**19,174,105**

Reinsurers' share
In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2021	**82,259**	**1,378**	**302,912**	**20**		**2,561**	**389,131**
Foreign exchange differences	−591	0	−1,268	0		−13	−1,872
Portfolio changes	0		1,101				1,101
Additions						1,544	1,544
Disposals		−4		−20		−1,681	−1,705
Premiums written	225,376						225,376
Premiums earned	−258,781						−258,781
Claims reporting year			182,955				182,955
Claims payments reporting year			−18,063				−18,063
Change in claims previous years			58,091				58,091
Claims payments previous years			−98,866				−98,866
At 31 December 2021	**48,263**	**1,374**	**426,864**			**2,411**	**478,912**
Health insurance							
At 1 January 2021	**370**	**467**	**273**			**1**	**1,110**
Foreign exchange differences	12		16			0	28
Portfolio changes			303				303
Additions						3	3
Disposals		−62					−62
Premiums written	4,937						4,937
Premiums earned	−3,617						−3,617
Claims reporting year			1,353				1,353
Claims payments reporting year			−724				−724
Change in claims previous years			231				231
Claims payments previous years			−538				−538
At 31 December 2021	**1,702**	**405**	**913**			**4**	**3,023**
Life insurance							
At 1 January 2021		**117,021**	**6,950**			**57**	**124,028**
Foreign exchange differences		118	33			1	151
Portfolio changes		0	−181				−181
Additions		4,573				70	4,644
Disposals		−19,205				−31	−19,236
Claims reporting year			22,500				22,500
Claims payments reporting year			−20,707				−20,707
Change in claims previous years			2,517				2,517
Claims payments previous years			−3,981				−3,981
At 31 December 2021		**102,507**	**7,132**			**97**	**109,736**
Total							
At 1 January 2021	**82,629**	**118,865**	**310,135**	**20**		**2,619**	**514,268**
Foreign exchange differences	−579	118	−1,219	0		−12	−1,693
Portfolio changes	0	0	1,223				1,223
Additions		4,573				1,617	6,191
Disposals		−19,270		−20		−1,713	−21,003
Premiums written	230,313						230,313
Premiums earned	−262,398						−262,398
Claims reporting year			206,809				206,809
Claims payments reporting year			−39,494				−39,494
Change in claims previous years			60,840				60,840
Claims payments previous years			−103,385				−103,385
At 31 December 2021	**49,965**	**104,286**	**434,908**			**2,512**	**591,671**

Net
In € thousand

Net	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2021	**829,862**	**10,150**	**2,831,099**	**41,592**	**741**	**18,669**	**3,732,114**
Foreign exchange differences	4,965	−135	4,944	−18	40	316	10,113
Portfolio changes	0		−33,768		−1		−33,769
Additions		83		1,677	981	18,066	20,808
Disposals		−225		−6,273		−18,163	−24,660
Premiums written	3,264,157						3,264,157
Premiums earned	−3,210,428						−3,210,428
Claims reporting year			2,024,026				2,024,026
Claims payments reporting year			−1,145,636				−1,145,636
Change in claims previous years			−95,903				−95,903
Claims payments previous years			−649,636				−649,636
At 31 December 2021	**888,556**	**9,874**	**2,935,127**	**36,979**	**1,761**	**18,890**	**3,891,186**
Health insurance							
At 1 January 2021	**18,729**	**3,244,206**	**206,963**	**16,807**	**134,848**	**1,212**	**3,622,765**
Foreign exchange differences	1,056	412	603	−6		1	2,066
Portfolio changes			−368				−368
Additions		192,460		10,266	43,397	1,914	248,036
Disposals		−32,471		−10,551	−21,617	−1,030	−65,669
Premiums written	1,221,521						1,221,521
Premiums earned	−1,208,440						−1,208,440
Claims reporting year			757,222				757,222
Claims payments reporting year			−628,181				−628,181
Change in claims previous years			10,447				10,447
Claims payments previous years			−146,612				−146,612
At 31 December 2021	**32,865**	**3,404,607**	**200,073**	**16,515**	**156,628**	**2,096**	**3,812,785**
Life insurance							
At 1 January 2021		**9,695,835**	**236,578**	**14,982**	**1,372,760**	**6,439**	**11,326,594**
Foreign exchange differences		29,313	2,351	44	942	18	32,668
Portfolio changes		613	33,031		−11,039		22,606
Additions		251,979		5,026	82,420	5,135	344,559
Disposals		−266,275		−10,999	−599,759	−5,509	−882,543
Claims reporting year			1,211,328				1,211,328
Claims payments reporting year			−1,011,315				−1,011,315
Change in claims previous years			15,935				15,935
Claims payments previous years			−181,370				−181,370
At 31 December 2021		**9,711,465**	**306,538**	**9,053**	**845,324**	**6,083**	**10,878,462**
Total							
At 1 January 2021	**848,591**	**12,950,192**	**3,274,640**	**73,381**	**1,508,349**	**26,321**	**18,681,473**
Foreign exchange differences	6,021	29,590	7,899	20	982	335	44,847
Portfolio changes	0	613	−1,105		−11,039		−11,531
Additions		444,522		16,969	126,798	25,114	613,403
Disposals		−298,971		−27,823	−621,376	−24,702	−972,872
Premiums written	4,485,678						4,485,678
Premiums earned	−4,418,868						−4,418,868
Claims reporting year			3,992,575				3,992,575
Claims payments reporting year			−2,785,132				−2,785,132
Change in claims previous years			−69,521				−69,521
Claims payments previous years			−977,618				−977,618
At 31 December 2021	**921,421**	**13,125,945**	**3,441,738**	**62,547**	**1,003,713**	**27,069**	**18,582,433**

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

In per cent

	Health insurance	Life insurance
2022		
For insurance provision	1.30 – 5.50	0.00 – 4.00
For deferred acquisition costs	1.30 – 5.50	2.48 – 2.79
2021		
For insurance provision	1.30 – 5.50	0.00 – 4.00
For deferred acquisition costs	1.30 – 5.50	2.48 – 2.79

Development of the provision for deferred profit participation

In € thousand

	31/12/2022	31/12/2021
At 1 January	835,015	1,382,410
Fluctuation in value, available-for-sale securities	– 1,670,484	– 579,292
Remeasurement through profit or loss	– 67,500	31,897
Deferrals from measurement differences relating to policyholder profit participation	941,594	0
At 31 December	38,625	835,015

There was a reclassification in the amount of €941,594 thousand from the item "Provision for deferred profit participation" to an asset item "Accruals and deferrals from measurement differences relating to policyholder profit participation" in the area of life insurance in the 2022 financial year due to developments on the capital market. Since the intention is to hold the investments in question for the longer term, it can be assumed that these measurement differences that are negative at present will be offset again in the future due to increases in value. The deferral is only recognised to the extent that it is probable that there will be future profits in which the policyholders will participate.

Claims payments

In € thousand

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Financial year	778,329	798,573	729,222	734,691	746,846	814,664	844,675	1,033,986	957,846	1,079,737	1,078,435	
1 year later	1,142,524	1,174,639	1,106,066	1,106,222	1,118,644	1,233,210	1,481,070	1,491,304	1,365,963	1,612,737		
2 years later	1,255,972	1,285,030	1,204,327	1,202,760	1,231,387	1,569,429	1,618,802	1,619,916	1,493,857			
3 years later	1,308,792	1,334,305	1,251,179	1,251,488	1,464,279	1,636,436	1,682,966	1,678,029				
4 years later	1,339,606	1,362,980	1,278,898	1,435,597	1,493,126	1,669,919	1,718,813					
5 years later	1,358,361	1,380,369	1,438,378	1,466,811	1,506,403	1,690,869						
6 years later	1,372,186	1,523,376	1,453,604	1,477,315	1,524,687							
7 years later	1,494,991	1,530,573	1,460,858	1,485,913								
8 years later	1,503,368	1,542,387	1,469,852									
9 years later	1,505,120	1,547,265										
10 years later	1,510,978											

Cumulated payments and provision for unsettled claims

In € thousand

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Financial year	1,444,917	1,489,270	1,475,068	1,476,130	1,515,928	1,615,166	1,719,067	1,933,668	1,881,282	2,092,550	2,191,440	
1 year later	1,436,610	1,472,322	1,457,929	1,449,504	1,495,915	1,606,939	1,972,501	1,959,874	1,827,617	2,112,194		
2 years later	1,449,431	1,495,723	1,437,879	1,429,766	1,479,026	1,871,458	1,933,021	1,930,534	1,771,415			
3 years later	1,454,301	1,489,480	1,413,637	1,417,989	1,699,464	1,883,684	1,931,115	1,914,069				
4 years later	1,447,394	1,474,842	1,399,226	1,612,176	1,699,511	1,891,105	1,919,271					
5 years later	1,447,991	1,470,199	1,563,394	1,627,982	1,702,261	1,887,347						
6 years later	1,449,843	1,620,378	1,553,798	1,610,223	1,696,799							
7 years later	1,578,290	1,614,232	1,554,919	1,601,386								
8 years later	1,581,023	1,619,814	1,538,108									
9 years later	1,569,658	1,607,414										
10 years later	1,566,332											
Settlement gains/losses	3,325	12,401	16,811	8,837	5,461	3,758	11,844	16,464	56,202	−19,644		115,460
Settlement gains/losses before 2012												−5,511
Total settlement gains/losses												**109,949**
Provision for unsettled claims	55,354	60,149	68,257	115,472	172,112	196,478	200,458	236,040	277,558	499,458	1,113,005	2,994,342
Provision for unsettled claims for accident years before 2012												375,816
Plus other reserve components (components not in triangle, internal claims regulation costs, etc.)												146,948
Provisions for unsettled claims (gross at 31 December 2022)												**3,517,106**

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

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

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

7. Premiums

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

Premiums
In € thousand

	1–12/2022	1–12/2021
Premiums written – gross	**6,270,232**	**6,033,405**
Premiums written – reinsurer's share	–261,452	–266,794
Premiums written – net	**6,008,780**	**5,766,610**
Change in premiums earned – gross	–62,782	–36,181
Change in premiums earned – reinsurers' share	3,239	–32,857
Premiums earned	**5,949,236**	**5,697,572**

Direct insurance
In € thousand

	1–12/2022	1–12/2021
Property and casualty insurance	3,606,268	3,420,488
Health insurance	1,272,617	1,218,993
Life insurance	1,300,413	1,308,767
Total	**6,179,297**	**5,948,249**
Of which:		
Austria	3,832,874	3,683,416
remaining EU member states and other states which are party to the Agreement on the European Economic Area	2,002,526	1,901,728
Other countries	343,897	363,106
Total	**6,179,297**	**5,948,249**

Indirect insurance
In € thousand

	1–12/2022	1–12/2021
Property and casualty insurance	79,753	69,044
Health insurance	4,718	7,465
Life insurance	6,464	8,647
Total	**90,935**	**85,156**

Property and casualty insurance premiums written
In € thousand

	1–12/2022	1–12/2021
Direct insurance		
Fire and business interruption insurance	329,774	291,938
Liability insurance	337,255	312,973
Household insurance	258,234	238,533
Motor TPL insurance	866,885	871,813
Legal expense insurance	107,304	102,339
Marine, aviation and transport insurance	88,312	81,662
Other motor insurance	710,668	683,252
Other property insurance	379,920	334,134
Other forms of insurance	105,989	96,724
Casualty insurance	421,926	407,121
Total	**3,606,268**	**3,420,488**
Indirect insurance		
Fire and business interruption insurance	29,086	25,030
Motor TPL insurance	4,724	5,459
Other forms of insurance	45,942	38,555
Total	**79,753**	**69,044**
Total direct and indirect insurance (amount consolidated)	**3,686,021**	**3,489,533**

Reinsurance premiums ceded
In € thousand

	1–12/2022	1–12/2021
Property and casualty insurance	219,195	225,376
Health insurance	5,489	4,937
Life insurance	36,768	36,481
Total	**261,452**	**266,794**

Premiums earned
In € thousand

	1–12/2022	1–12/2021
Property and casualty insurance	**3,408,893**	**3,203,865**
Gross	3,624,771	3,462,699
Reinsurers' share	–215,878	–258,835
Health insurance	**1,269,545**	**1,213,262**
Gross	1,275,098	1,217,624
Reinsurers' share	–5,553	–4,363
Life insurance	**1,270,799**	**1,280,446**
Gross	1,307,581	1,316,900
Reinsurers' share	–36,782	–36,454
Total	**5,949,236**	**5,697,572**

Premiums earned – indirect insurance

In € thousand

	1 – 12/2022	1 – 12/2021
Recognised simultaneously	64,018	56,035
Recognised with a delay of up to 1 year	1,785	226
Posted after more than 1 year	124	127
Property and casualty insurance	**65,926**	**56,388**
Recognised simultaneously	4,692	5,829
Recognised with a delay of up to 1 year	27	1,641
Health insurance	**4,719**	**7,470**
Recognised simultaneously	6,328	8,408
Recognised with a delay of up to 1 year	137	150
Posted after more than 1 year	0	89
Life insurance	**6,464**	**8,647**
Total	**77,110**	**72,504**

Earnings – indirect insurance

In € thousand

	1 – 12/2022	1 – 12/2021
Property and casualty insurance	954	3,218
Health insurance	1,462	2,529
Life insurance	–1,379	–2,738
Total	**1,037**	**3,009**

8. Insurance benefits

In € thousand	Gross 1–12/2022	Gross 1–12/2021	Reinsurers' share 1–12/2022	Reinsurers' share 1–12/2021	Net 1–12/2022	Net 1–12/2021
Property and casualty insurance						
Claims expenses						
Claims paid	2,029,464	1,912,200	–153,572	–116,929	1,875,891	1,795,271
Change in provision for unsettled claims	173,557	256,969	5,476	–124,118	179,033	132,851
Total	**2,203,021**	**2,169,169**	**–148,097**	**–241,047**	**2,054,924**	**1,928,123**
Change in insurance provision	100	–394	0	1	101	–393
Change in other technical provisions	–19	62	24	–28	4	34
Non-profit-related and profit-related premium refund expenses	28,235	37,359	0	0	28,235	37,359
Total benefits	**2,231,337**	**2,206,196**	**–148,073**	**–241,074**	**2,083,264**	**1,965,123**
Health insurance						
Claims expenses						
Claims paid	827,735	771,163	–1,498	–1,262	826,237	769,901
Change in provision for unsettled claims	19,097	–6,803	–199	–322	18,898	–7,125
Total	**846,832**	**764,360**	**–1,697**	**–1,584**	**845,136**	**762,776**
Change in insurance provision	185,143	166,713	40	62	185,184	166,775
Non-profit-related and profit-related premium refund expenses	51,904	68,176	0	0	51,904	68,176
Total benefits	**1,083,880**	**999,249**	**–1,656**	**–1,522**	**1,082,224**	**997,727**
Life insurance						
Claims expenses						
Claims paid	1,288,648	1,217,373	–26,956	–24,688	1,261,692	1,192,685
Change in provision for unsettled claims	48,843	34,907	–1,707	–330	47,136	34,577
Total	**1,337,491**	**1,252,280**	**–28,663**	**–25,018**	**1,308,828**	**1,227,263**
Change in insurance provision	–309,532	–150,750	6,020	6,354	–303,511	–144,395
Change in other technical provisions	–2,065	–44	0	0	–2,065	–44
Non-profit-related and profit-related premium refund expenses and/or (deferred) benefit participation expenses	–72,892	58,595	–5	–64	–72,898	58,531
Total benefits	**953,003**	**1,160,081**	**–22,648**	**–18,727**	**930,354**	**1,141,354**
Total	**4,268,219**	**4,365,526**	**–172,377**	**–261,323**	**4,095,842**	**4,104,204**

9. Operating expenses

In € thousand

	1–12/2022	1–12/2021
Property and casualty insurance		
Acquisition costs		
Payments	834,700	760,723
Change in deferred acquisition costs	–33,041	–47,561
Other operating expenses	302,141	340,115
Reinsurance commission and share of profit from reinsurance ceded	–20,341	–15,514
	1,083,459	**1,037,763**
Health insurance		
Acquisition costs		
Payments	128,448	115,621
Change in deferred acquisition costs	–19,468	–20,124
Other operating expenses	100,309	112,135
Reinsurance commission and share of profit from reinsurance ceded	–519	–1,008
	208,770	**206,624**
Life insurance		
Acquisition costs		
Payments	251,062	237,112
Change in deferred acquisition costs	29,337	6,979
Other operating expenses	145,486	167,111
Reinsurance commission and share of profit from reinsurance ceded	–6,393	–7,063
	419,492	**404,140**
Total	**1,711,721**	**1,648,527**

Other non-current assets

10. Deferred acquisition costs and value of business in force

Deferred acquisition costs related to insurance contracts

Based on US GAAP, deferred acquisition costs are accounted for in accordance with IFRS 4. In the case of property and casualty insurance contracts, costs directly attributable to the acquisition are deferred and distributed over the expected contract term or according to the unearned premiums. In life insurance, the deferred acquisition costs are amortised in line with the pattern of expected gross profits or margins. Deferred acquisition costs for insurance activities that are directly related to new business and/or to extensions of existing policies and that vary in line with that business are capitalised. They are amortised over the term of the respective insurance contracts. If they are attributable to property and casualty insurance, they are amortised over the probable contractual term. For long-term health insurance contracts, the amortisation of acquisition costs is measured in line with the proportionate share of earned premiums in the present value of expected future premium income. In life insurance, the acquisition costs are amortised over the duration of the contract in the same proportion as the actuarial profit margin of each individual year is realised in comparison to the total margin to be expected from the contracts. The changes in deferred acquisition costs are recognised as part of profit/(loss) for the period under the item "Operating expenses".

Non-insurance deferred acquisition costs

Deferred acquisition costs not related to contracts are accounted for in accordance with IFRS 15. These are essentially contracts for the management of pension and investment funds. They recognise costs that would not have been incurred if the contract had not been concluded. The amortisation is carried out pro rata temporis over the term of the underlying contracts.

Value of business in force

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

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

Acquisition costs

In € thousand

	Deferred acquisition costs	Value of business in force	Total
At 1 January 2021	**1,116,203**	**458,371**	**1,574,573**
Currency translation	3,443	4,708	8,152
Disposals	0	–2,486	–2,486
Interest capitalised	9,290	0	9,290
Capitalisation	360,661	0	360,661
Amortisation	–306,587	0	–306,587
At 31 December 2021	**1,183,011**	**460,593**	**1,643,603**
At 1 January 2022	**1,183,011**	**460,593**	**1,643,603**
Currency translation	–5,754	–175	–5,929
Disposals	0	–25,277	–25,277
Interest capitalised	11,589	0	11,589
Capitalisation	398,284	0	398,284
Amortisation	–383,104	0	–383,104
At 31 December 2022	**1,204,025**	**435,141**	**1,639,166**

Accumulated amortisation and impairment losses

In € thousand

	Deferred acquisition costs	Value of business in force	Total
At 1 January 2021		**–123,424**	**–123,424**
Currency translation		208	208
Additions from amortisation		–58,832	–58,832
Disposals		532	532
At 31 December 2021		**–181,516**	**–181,516**
At 1 January 2022		**–181,516**	**–181,516**
Currency translation		345	345
Additions from amortisation		–42,033	–42,033
Disposals		25,277	25,277
At 31 December 2022		**–197,927**	**–197,927**

Carrying amounts

In € thousand

	Deferred acquisition costs	Value of business in force	Total
At 1 January 2021	**1,116,203**	**334,947**	**1,451,149**
At 31 December 2021	**1,183,011**	**279,077**	**1,462,087**
At 31 December 2022	**1,204,025**	**237,213**	**1,441,238**

11. Intangible assets

Goodwill

Ascertainment and allocation of goodwill

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

- UNIQA Austria
- Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group (SEE)
- Bulgaria (SEE)
- Poland (CE)
- Russia (RU)
- Czechia (CE)
- Hungary (CE)

Goodwill by CGU
In € thousand

	31/12/2022	31/12/2021
Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group	18,386	18,055
Bulgaria	5,411	5,412
Poland	40,790	41,534
Czechia	239,650	232,363
Hungary	13,340	14,485
UNIQA Austria	37,737	37,737
Other	2,472	3,467
Total	**357,786**	**353,054**

Impairment test for goodwill

The impairment test was performed during the preparation of the financial statements. In order to test the impairment for goodwill, the recoverable amount of the CGUs is determined. Impairment is recognised when the recoverable amount of a CGU is less than its value to be covered, consisting of goodwill and the proportional net assets. The impairment of goodwill is recognised in profit/(loss) for the period under the item “Amortisation of VBI and impairment of goodwill”.

Determination of the recoverable amount

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

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

Cash flow forecast (multi-phase model)

Phase 1: five-year company planning

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

Phase 2: perpetuity growth rate

The last year of the detailed planning phase is used as the basis for determining cash flows in phase 2. From the 2020 financial year, the perpetuity growth rate is based on medium-term growth forecasts of the respective national economy and is not derived based on the insurance density as before. The underlying growth assumptions depend on the geographical location and range from 1 to 4 per cent. Various studies and statistical analyses were used as sources to provide a basis for determining the growth rates in order to consistently and realistically reflect the market situation and macroeconomic development. The reference sources include our own research, as well as country risks, growth rate estimations and multiples published by Damodaran (NYU Stern).

Determining the capitalisation rate

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

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

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

In Austrian measurement practice, the market risk premium is derived at the reporting date from the implied market return based on capital market data. The growth factor is derived in the same manner as the growth in the profit from ordinary activities in the impairment test.

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

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

Capitalisation rate 2022

In per cent	Discount factor		Discount factor perpetuity	
	Property/ casualty	Life & health	Property/ casualty	Life & health
Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group[1]	11.8 – 13.9	12.1 – 14.1	14.5 – 17.1	14.8 – 17.3
Bulgaria	9.1	9.3	11.1	11.3
Austria	9.0	9.3	9.0	9.3
Poland	16.9	17.1	10.3	10.5
Czechia	10.7	11.0	9.3	9.6
Hungary	17.7	17.9	12.8	13.0

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

Capitalisation rate 2021

In per cent	Discount factor		Discount factor perpetuity	
	Property/ casualty	Life & health	Property/ casualty	Life & health
Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group[1]	12.8 – 13.8	13.5 – 14.5	12.1 – 14	12.8 – 14.7
Bulgaria	10.5	11.2	10.1	10.8
Austria	8.9	9.6	8.9	9.6
Poland	11.2	11.9	9.9	10.6
Czechia	9.9	10.6	9.1	9.8
Hungary	12.5	13.2	11.4	12.1

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

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

These analyses show that sustained surpluses on the part of the individual CGUs are highly dependent on the actual development of these assumptions within the individual national or regional economies (GDP, insurance density, purchasing power parities particularly in the CEE markets) as well as the associated implementation of the individual profit goals. The greatest uncertainty with regard to the forecasts and the associated assessment of the future market situation is due to the fact that the markets have not yet fully recovered and due to the effects of the war in Ukraine.

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

A sensitivity analysis shows that an assumed interest rate increase of 50 basis points and a simultaneous change in cash flows of –10 per cent would result in a shortfall in the value in use of €1.1 million for the CGU SIGAL Group. However, a change in only one of these two parameters does not result in a shortfall in the value in use.

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

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

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

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

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

Acquisition costs
In € thousand

	Goodwill	Intangible assets under development	Other intangible assets	Total
At 1 January 2021	**408,641**	**75,558**	**428,344**	**912,543**
Currency translation	12,313	–12	990	13,291
Change in basis of consolidation	–58	0	9,760	9,702
Additions	0	76,958	188,584	265,542
Disposals	1,398	–35,985	–159,529	–194,116
Reclassifications	0	–12,131	12,127	–4
At 31 December 2021	**422,294**	**104,389**	**480,275**	**1,006,958**
At 1 January 2022	**422,294**	**104,389**	**480,275**	**1,006,958**
Currency translation	5,732	7	–1,863	3,877
Change in basis of consolidation	–930	0	0	–930
Additions	0	49,767	60,653	110,420
Disposals	–72	–3,864	–31,581	–35,517
Reclassifications	0	–1,877	1,781	–96
At 31 December 2022	**427,025**	**148,422**	**509,266**	**1,084,713**

Accumulated amortisation and impairment losses
In € thousand

	Goodwill	Intangible assets under development	Other intangible assets	Total
At 1 January 2021	**–55,719**	**0**	**–209,205**	**–264,924**
Currency translation	0	0	–848	–848
Change in basis of consolidation	4	0	0	4
Additions from amortisation	0	0	–33,048	–33,048
Additions from impairment	–12,100	0	0	–12,100
Disposals	–1,425	0	17,669	16,244
Reclassifications	0	0	1	1
At 31 December 2021	**–69,240**	**0**	**–225,431**	**–294,671**
At 1 January 2022	**–69,240**	**0**	**–225,431**	**–294,671**
Currency translation	1	0	1,297	1,298
Additions from amortisation	0	0	–28,175	–28,175
Additions from impairment	–71	0	–2,916	–2,987
Disposals	72	0	26,286	26,357
At 31 December 2022	**–69,239**	**0**	**–228,939**	**–298,178**

Carrying amounts
In € thousand

	Goodwill	Intangible assets under development	Other intangible assets	Total
At 1 January 2021	**352,922**	**75,558**	**219,139**	**647,619**
At 31 December 2021	**353,054**	**104,389**	**254,844**	**712,287**
At 31 December 2022	**357,786**	**148,422**	**280,326**	**786,535**

Intangible assets under development and other intangible assets mainly comprise software. The impairment of other intangible assets relates to a software development that can no longer be used.

12. Property, plant and equipment

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

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

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

Property, plant and equipment are depreciated on a straight line basis over a useful life for buildings of 15 to 80 years and for technical systems and operating and office equipment of 2 to 20 years. Depreciation methods, useful lives and residual values are reviewed on every reporting date and adjusted if necessary. The depreciation charges for property, plant and equipment are recognised in profit/(loss) for the period on the basis of allocated operating expenses under the items "Insurance benefits", "Operating expenses" and "Net investment income" so that the expenses and earnings are distributed on the basis of their causation.

Leases

There are around 1,500 contracts throughout the entire Group which fall within the scope of the standard and for which UNIQA is lessee. Nearly all contracts are simple standard contracts. They mainly relate to real estate and in part to operating and office equipment. A significant portion of the capitalised rights of use consists of a small number of contracts concluded for an indefinite period. For these contracts, estimates were made on the basis of the most probable assumptions regarding the term and the exercise of termination options. The terms used to calculate these contracts are up to 40 years. The average term of the remaining contracts is between three and five years.

The discount rate used to determine the liability consists of the risk-free interest rate adjusted for country risk, creditworthiness and a repayment factor.

Leases with a contractual term of less than twelve months and low value assets were not recognised. Leases where the underlying asset value does not exceed a new value of € 5 thousand and those with a contract term of less than twelve months were not recognised.

Acquisition costs

In € thousand

	Land and buildings for own use	Usage rights from land and buildings for own use	Other property, plant and equipment	Usage rights from other property, plant and equipment	Total
At 1 January 2021	**392,532**	**99,115**	**251,354**	**4,148**	**747,149**
Currency translation	660	442	709	36	1,847
Change in basis of consolidation	0	0	920	0	920
Additions	2,668	46,290	23,963	533	73,454
Disposals	−3,013	−17,920	−20,272	−327	−41,532
Reclassifications	−24,858	0	4	0	−24,854
At 31 December 2021	**367,988**	**127,928**	**256,679**	**4,390**	**756,984**
At 1 January 2022	**367,988**	**127,928**	**256,679**	**4,390**	**756,984**
Currency translation	−2,007	−327	−806	−7	−3,147
Change in basis of consolidation	0	0	−789	0	−789
Additions	1,877	21,163	20,497	519	44,056
Disposals	−471	−19,537	−21,597	−906	−42,510
Reclassifications	−14	0	−100	0	−114
At 31 December 2022	**367,372**	**129,226**	**253,885**	**3,997**	**754,480**

Accumulated depreciation and impairment losses
In € thousand

	Land and buildings for own use	Usage rights from land and buildings for own use	Other property, plant and equipment	Usage rights from other property, plant and equipment	Total
At 1 January 2021	**–173,628**	**–22,292**	**–185,373**	**–1,117**	**–382,410**
Currency translation	–216	–100	–511	3	–823
Change in basis of consolidation	0	0	1	0	1
Additions from depreciation	–8,164	–16,491	–17,456	–1,210	–43,321
Disposals	1,949	9,590	14,386	273	26,198
Reclassifications	8,866	0	–1	0	8,865
At 31 December 2021	**–171,192**	**–29,294**	**–188,955**	**–2,050**	**–391,491**
At 1 January 2022	**–171,192**	**–29,294**	**–188,955**	**–2,050**	**–391,491**
Currency translation	1,169	–44	352	10	1,487
Additions from depreciation	–8,033	–14,329	–16,533	–1,113	–40,008
Disposals	244	4,296	19,435	764	24,739
At 31 December 2022	**–177,811**	**–39,371**	**–185,702**	**–2,389**	**–405,273**

Carrying amounts
In € thousand

	Land and buildings for own use	Usage rights from land and buildings for own use	Other property, plant and equipment	Usage rights from other property, plant and equipment	Total
At 1 January 2021	**218,904**	**76,823**	**65,981**	**3,031**	**364,739**
At 31 December 2021	**196,796**	**98,634**	**67,723**	**2,340**	**365,493**
At 31 December 2022	**189,561**	**89,856**	**68,183**	**1,608**	**349,207**

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

Fair values
In € thousand

	Property and casualty insurance	Health insurance	Life insurance	Total
At 31 December 2021	**192,028**	**16,346**	**199,205**	**407,578**
At 31 December 2022	**191,847**	**19,889**	**172,755**	**384,491**

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

Amounts recognised in consolidated financial statements
In € thousand

	2022	2021
Amounts recognised in the consolidated income statement		
Interest on lease liabilities	924	998
Expenses relating to short-term leases	455	2,317
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	5,972	2,764
Amounts recognised in the consolidated statement of cash flows		
Cash outflows for leases	–16,506	–16,906

Other current assets

13. Receivables, including insurance receivables

In € thousand	31/12/2022	31/12/2021
Reinsurance receivables		
Receivables from reinsurance business	139,058	95,762
	139,058	**95,762**
Insurance receivables		
from policyholders	319,565	301,426
from insurance intermediaries	29,749	28,594
from insurance companies	17,812	9,857
	367,127	**339,877**
Other receivables		
Receivables from services	106,702	95,224
Receivables from investment transactions	2,180	11,047
Other tax refund claims	28,811	13,360
Remaining receivables	138,551	159,555
	276,244	**279,185**
Subtotal	**782,429**	**714,823**
of which receivables with a remaining maturity of		
up to 1 year	776,462	694,048
more than 1 year	5,967	20,775
	782,429	**714,823**
of which receivables with values not yet impaired		
up to 3 months overdue	33,695	18,374
more than 3 months overdue	2,135	5,810
Total receivables including insurance receivables	**782,429**	**714,823**

Impairments

In € thousand	Reinsurance receivables 2022	Reinsurance receivables 2021	Insurance receivables[1)] 2022	Insurance receivables[1)] 2021	Other receivables 2022	Other receivables 2021
At 1 January	–648	–342	–77,449	–72,684	–11,488	–6,084
Allocation	0	–309	–6,199	–10,430	–15,934	–5,895
Use	635	0	953	3,330	11	868
Reversal	0	0	3,865	2,560	531	36
Currency translation	12	3	952	–225	563	–413
At 31 December	**–1**	**–648**	**–77,878**	**–77,449**	**–26,317**	**–11,488**

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

14. Other assets

This item includes income tax receivables amounting to €102,626 thousand (2021: €84,900 thousand) as well as the deferrals from measurement differences relating to policyholder profit participation in the amount of to €941,594 thousand (2021: €0 thousand). The deferrals from measurement differences relating to policyholder profit participation are the result of a reclassification from the item Provision for deferred profit participation.

15. Cash

Cash in foreign currencies is measured at the exchange rate in effect on the reporting date. The item "Cash" in the Consolidated Statement of Cash Flows corresponds to the item in the Consolidated Statement of Financial Position.

Taxes

16. Income tax

Income tax

In € thousand

	1–12/2022	1–12/2021
Actual tax – reporting year	63,334	88,255
Actual tax – previous year	9,794	10,919
Deferred tax	–40,699	–34,789
Total	**32,429**	**64,385**

The basic corporate income tax rate applied for all segments was 25 per cent. In January 2022, the decision was taken in Austria to reduce the corporate tax rate to 24 per cent in 2023 and to 23 per cent from 2024. Consequently, the reduced tax rates were taken into account for the calculation of deferred taxes – depending on the maturity. National tax regulations in conjunction with life insurance profit participation may lead to a different calculated income tax rate.

Reconciliation statement

In € thousand

	1–12/2022	1–12/2021
Earnings before taxes	**421,726**	**382,289**
Expected tax expenses[1)]	**105,431**	**95,572**
Adjusted by tax effects from		
Tax-free investment income	–28,246	–21,196
Amortisation of value of business in force	18	3,025
Tax-neutral consolidation effect	708	9
Other non-deductible expenses/other tax-exempt income	–11,312	–16,264
Changes in tax rates	–16,859	–5
Deviations in tax rates	–6,387	–35,556
Tax deducted at source	3,792	1,476
Taxes for previous years	189	12,311
Lapse/change of estimates of loss carryforwards and other	–14,905	25,014
Income tax expenses	**32,429**	**64,385**
Average effective tax burden (in per cent)	**7.7**	**16.8**

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

Group taxation

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

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

17. Deferred taxes

The calculation of deferred taxes is based on the specific tax rates of each country, which were between 9 and 24 per cent in the financial year (2021: between 9 and 25 per cent).

The deferred tax assets and deferred tax liabilities stated in the Consolidated Statement of Financial Position performed as follows:

Net deferred tax

In € thousand

At 1 January 2021	**– 415,291**
Changes recognised in profit/(loss)	34,789
Changes recognised in other comprehensive income	87,526
Changes due to changes in basis of consolidation	– 3,917
Foreign exchange differences	– 346
At 31 December 2021	**– 297,240**
At 1 January 2022	**– 297,240**
Changes recognised in profit/(loss)	40,699
Changes recognised in other comprehensive income	366,118
Changes due to changes in basis of consolidation	– 223
Foreign exchange differences	1,598
At 31 December 2022	**110,952**

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

The differences between the tax carrying amounts and the carrying amounts in the IFRS Consolidated Statement of Financial Position have the following effect:

In € thousand

	31/12/2022	31/12/2021
Deferred tax assets		
Technical items	146,843	72,087
Investments	350,228	50,820
Actuarial gains and losses on defined benefit obligations	32,518	54,909
Loss carried forward	1,853	43,890
Other items	86,556	62,604
Total	**617,999**	**284,309**
Netting effect	– 455,268	– 199,400
Total after netting	**162,731**	**84,909**
Deferred tax liabilities		
Technical items	396,664	310,970
Investments	74,867	217,444
Actuarial gains and losses on defined benefit obligations	0	1
Other items	35,516	53,134
Total	**507,047**	**581,549**
Netting effect	– 455,268	– 199,400
Total after netting	**51,779**	**382,149**
Net deferred tax	**110,952**	**– 297,240**

The temporary differences in connection with shares in subsidiaries and associates for which no deferred tax liabilities were recognised amounted to € 1,604,193 thousand (2021: € 2,050,441 thousand).

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

The deferred tax assets stated include € 1,853 thousand (2021: € 43,890 thousand) attributable to tax loss carryforwards. Deferred tax assets from loss carryforwards in the amount of € 57,964 thousand (2021: € 33,003 thousand) were not recognised, as a realisation of these in the near future cannot be assumed, taking maturities into account.

The tax loss carryforwards of € 279,414 thousand (2021: € 328,011 thousand) are forfeited as follows, with “more than 5 years” also including tax loss carryforwards with no forfeit date of € 245,217 thousand (2021: € 301,429 thousand).

In € thousand

	31/12/2022	31/12/2021
Up to 1 year[1]	2,870	4,227
2 to 5 years[2]	7,366	7,832
More than 5 years[3]	269,178	315,952
Total	**279,414**	**328,011**

1) Loss carryforwards for which no deferred tax assets have been recognised amount to € 1,247 thousand at 31 December 2022 (31 December 2021: € 1,456 thousand).
2) Loss carryforwards for which no deferred tax assets have been recognised amount to € 2,836 thousand at 31 December 2022 (31 December 2021: € 2,754 thousand).
3) Loss carryforwards for which no deferred tax assets have been recognised amount to € 262,538 thousand at 31 December 2022 (31 December 2021: € 140,206 thousand).

The tax loss carryforwards include both loss carryforwards on which deferred tax assets have been recognised and loss carryforwards on which no deferred tax assets have been recognised.

Social capital

18. Defined benefit plans

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

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

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

If a plan's defined benefits are changed or a plan is curtailed, the resulting change in the benefit relating to past service costs or the gain or loss on the curtailment is recognised directly in profit/(loss) for the period. Gains and losses from the settlement of a defined benefit plan are recognised at the date of the settlement. The defined benefit obligations are presented under "Other provisions" in the statement of financial position.

Pension entitlements

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

Termination benefit entitlements

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

Defined benefit obligations
In € thousand

	Defined benefit obligations for pensions	Plan assets at fair value	Net defined benefit obligations for pensions	Termination benefits	Total defined benefit obligations
At 1 January 2022	**453,764**	**−96,329**	**357,434**	**108,493**	**465,927**
Current service costs	19,224	0	19,224	4,079	23,303
Interest expense/income	4,229	−876	3,354	379	3,733
Past service costs and gains or losses from settlements	−2,395	4	−2,391	0	−2,391
Components of defined benefit obligations recognised in the income statement	**21,058**	**−872**	**20,186**	**4,458**	**24,645**
Return on plan assets recognised in other comprehensive income	0	5,734	5,734	0	5,734
Actuarial gains and losses that arise from changes in demographic assumptions	−16	0	−16	−37	−52
Actuarial gains and losses that arise from changes in financial assumptions	−74,661	0	−74,661	−11,343	−86,004
Actuarial gains and losses that arise from experience adjustments	1,592	0	1,592	5,014	6,606
Other comprehensive income	**−73,085**	**5,734**	**−67,351**	**−6,365**	**−73,716**
Changes from currency translation	−28	0	−28	0	−28
Payments	−18,245	646	−17,599	−7,362	−24,961
Contribution to plan assets	0	−7,688	−7,688	0	−7,688
Transfer in	941	−980	−38	5	−33
Transfer out	−9,049	8,757	−292	1,266	974
Change in basis of consolidation	0	0	0	−1,437	−1,437
At 31 December 2022	375,356	−90,733	284,624	99,059	383,683

Defined benefit obligations

In € thousand

	Defined benefit obligations for pensions	Plan assets at fair value	Net defined benefit obligations for pensions	Termination benefits	Total defined benefit obligations
At 1 January 2021	**527,562**	**−100,632**	**426,930**	**140,560**	**567,490**
Current service costs	21,268	0	21,268	4,480	25,748
Interest expense/income	1,826	−284	1,542	−111	1,432
Past service costs and gains or losses from settlements	−2,997	0	−2,997	−4,060	−7,057
Components of defined benefit obligations recognised in the income statement	**20,097**	**−284**	**19,813**	**310**	**20,123**
Return on plan assets recognised in other comprehensive income	0	−6,150	−6,150	0	−6,150
Actuarial gains and losses that arise from changes in demographic assumptions	52	0	52	−57	−5
Actuarial gains and losses that arise from changes in financial assumptions	−38,127	0	−38,127	−3,681	−41,808
Actuarial gains and losses that arise from experience adjustments	−16,076	0	−16,076	−867	−16,943
Other comprehensive income	**−54,151**	**−6,150**	**−60,301**	**−4,605**	**−64,906**
Changes from currency translation	−1	0	−1	115	115
Payments	−17,973	630	−17,343	−20,784	−38,127
Contribution to plan assets	0	−11,227	−11,227	0	−11,227
Transfer in	298	0	298	1,718	2,015
Transfer out	−21,721	21,333	−388	−4,968	−5,356
Change in basis of consolidation	−348	0	−348	−3,851	−4,199
At 31 December 2021	**453,764**	**−96,329**	**357,434**	**108,493**	**465,927**

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

In per cent	31/12/2022		31/12/2021	
	Listed	Unlisted	Listed	Unlisted
Bonds – euro	18.3	0.0	22.2	1.6
Corporate bonds – euro	11.0	0.0	24.2	1.1
Equities – euro	10.7	0.0	11.9	0.1
Equities – non-euro	11.7	0.0	11.1	0.4
Equities – emerging markets	4.7	0.0	4.5	0.0
Alternative investment instruments	23.6	3.2	8.1	2.1
Land and buildings	0.0	5.5	0.0	5.1
Cash	6.6	4.8	2.7	4.7
Total	**86.5**	**13.5**	**85.0**	**15.0**

Contributions to plan assets are expected for the coming year in the amount of €5,976 thousand.

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

Calculation factors applied

In per cent

	2022	2021
Discount rate in termination benefits	3.5	0.4
Discount rate in pensions	3.7	1.0
Valorisation of remuneration		3.0
for 2023	8.1	
for 2024	6.6	
for 2025	4.5	
for subsequent years	3.3	
Valorisation of pensions		2.0
for 2023	10.2	
for 2024	7.7	
for 2025	4.4	
for subsequent years	2.4	
Employee turnover rate	dependent on years of service	dependent on years of service
Calculation principles	AVÖ 2018 P – salaried employees	AVÖ 2018 P – salaried employees

Weighted average duration in years

	Pensions	Termination benefits
31 December 2022	11.3	6.3
31 December 2021	13.7	7.4

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

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

Sensitivity analysis

In per cent

	Pensions		Termination benefits	
	2022	2021	2022	2021
Remaining life expectancy				
Change in DBO +1 year	2.6	3.0		
Change in DBO –1 year	–2.8	–3.1		
Discount rate				
Change in DBO +1 percentage point	–8.9	–11.6	–4.4	–6.0
Change in DBO –1 percentage point	10.7	14.6	4.9	6.8
Future salary increase rate				
Change in DBO +1% (PY: +0.75%)	4.8	4.8	4.7	4.8
Change in DBO –1% (PY: –0.75%)	–4.0	–4.2	–4.4	–4.5
Future pension increase rate				
Change in DBO +1% (PY: +0.25%)	12.5	3.4		
Change in DBO –1% (PY: –0.25%)	–10.4	–3.3		

19. Defined contribution plans

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

Pension entitlements

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

Contributions to company pension funds

Under the defined contribution company pension scheme, the employer pays the fixed amounts into company pension funds. The insurance contributions to company pension funds amounted to €4,924 thousand (2021: €4,501 thousand). The employer has satisfied their obligation by making these contributions.

20. Employees

Personnel expenses

In € thousand

	1–12/2022	1–12/2021
Salaries	533,535	520,048
Expenses for termination benefits	4,458	310
Pension expenses	20,186	19,813
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	138,491	140,293
Other social expenditures	8,434	7,016
Total	**705,105**	**687,480**
of which sales	131,394	123,044
of which administration	573,171	563,693
of which retirees	540	742

Average number of employees

	31/12/2022	31/12/2021
Total	**14,515**	**14,849**
of which sales	3,813	4,005
of which administration	10,702	10,844

Equity

21. Subscribed capital and capital reserves

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

A dividend of € 0.55 per share was paid on 7 June 2022. This corresponds to a distribution amounting to € 168,831 thousand. Subject to the approval of the Annual General Meeting, a dividend payment in the amount of € 0.55 per share is planned for the financial year, which equates to a distribution in the amount of € 168,831 thousand.

22. Treasury shares

Treasury shares	31/12/2022	31/12/2021
UNIQA Insurance Group AG		
Number of shares	819,650	819,650
Cost in € thousand	10,857	10,857
Share of subscribed capital in %	0.27	0.27
UNIQA Österreich Versicherungen AG		
Number of shares	1,215,089	1,215,089
Cost in € thousand	5,756	5,756
Share of subscribed capital in %	0.39	0.39
Total	**2,034,739**	**2,034,739**

Authorisations of the Management Board

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

In accordance with the resolution of the Annual General Meeting dated 25 May 2020, the Group Management Board was again authorised to acquire, with the approval of the Supervisory Board, treasury shares for a period of 30 months from 30 November 2020 (the authorisation granted in accordance with the resolution of the Annual General Meeting on 28 May 2018 expired at 29 November 2020). The proportion of the share capital represented by newly acquired shares, together with the proportion of other treasury shares that the company has already acquired and still holds, may not exceed 10 per cent of the share capital. The authorisation to acquire treasury shares also includes the acquisition of shares in the company by subsidiaries of the company.

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

23. Capital management

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

The eligible own funds comprise the consolidated Tier 1 capital, which essentially consisted of the subscribed share capital including the allocated share premium account and the reconciliation reserve. The Tier 2 capital consists entirely of subordinated liabilities. Tier 3 own fund items are mainly net deferred tax assets.

In the context of Group management, the appropriate coverage of the solvency capital requirement in accordance with Solvency II on a consolidated basis is constantly monitored. Active capital management is implemented in order to ensure that the individual Group companies and the Group as a whole have a reasonable capital base at all times. Aside from the five-year planning, another objective of active capital management is also to actively guarantee UNIQA's financial capacity, including under difficult economic conditions, in order to safeguard the continued existence of the insurance business.

In addition to the regulatory requirements to meet solvency capital/minimum capital requirements, UNIQA has also set itself a target capitalisation for the Group in the form of a solvency capital ratio – i.e. the eligible own funds in relation to the solvency capital requirement – of at least 170 per cent. The solvency capital ratio is managed using strategic measures which result in a reduction in the capital requirements and/or increase the amount of existing capital.

UNIQA also takes the potential impact on the rating by recognised rating agencies into account in the capital management process. Standard & Poor's (S&P) currently applies a credit rating of "A–" to UNIQA Insurance

Group AG. In the S&P capital model UNIQA achieves significant surplus coverage for the current level. UNIQA assumes that it will secure its surplus coverage of the AA level at a minimum in the long term and will also improve the rating in line with the corporate strategy as a result.

UNIQA Österreich Versicherungen AG and UNIQA Re AG each have a rating of "A". The supplementary capital bond issued in 2013 (initially: € 350.0 million, open amount remaining: € 148.7 million, Tier 2, first call date: 31 July 2023) is rated "BBB" by S&P. In addition, the subordinated capital bond issued in 2015 (initially: € 500.0 million, open amount remaining: € 326.3 million, Tier 2, first call date: 27 July 2026), the bond issued in 2020 (€ 200.0 million, Tier 2, first call date: 9 July 2025) and the bond issued in 2021 (€ 375.0 million, Tier 2, first call date: 9 June 2031) are rated "BBB" by S&P. Uncertainty due to the war in Ukraine prompted S&P to change the outlook from "stable" to "negative" on 8 March 2022.

24. Non-controlling interests

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

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

Share of equity

In € thousand

	Sigal Group[1]	Limited Liability Company "Insurance Company "Raiffeisen Life"	Non-controlling interests that are not material on a stand-alone basis	Total
At 1 January 2021	**5,122**	**13,290**	**6,348**	**24,760**
Profit/(loss) for the period	610	3,410	–812	3,207
Other comprehensive income	722	–4,369	–536	–4,182
Other changes in equity	–1,001	–2,630	–477	–4,108
At 31 December 2021	**5,454**	**9,701**	**4,523**	**19,678**
At 1 January 2022	**5,454**	**9,701**	**4,523**	**19,678**
Profit/(loss) for the period	750	5,796	–257	6,290
Other comprehensive income	–308	–6,010	–285	–6,603
Other changes in equity	–305	1,586	–2,299	–1,018
At 31 December 2022	**5,591**	**11,073**	**1,683**	**18,346**

[1]) Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group

Share of assets and liabilities[2])

In € thousand

	Sigal Group[1]		Limited Liability Company "Insurance Company "Raiffeisen Life"		Non-controlling interests that are not material on a stand-alone basis		Total	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Assets								
Current assets	2,005	2,251	1,625	1,561	1,085	1,855	4,715	5,666
Non-current assets	20,386	17,259	78,373	80,170	13,804	21,441	112,563	118,870
Cash	373	419	2,475	1,264	574	2,018	3,422	3,701
	22,764	**19,929**	**82,473**	**82,995**	**15,464**	**25,314**	**120,700**	**128,238**
Liabilities								
Current liabilities	1,490	1,192	1,592	1,702	952	1,592	4,034	4,486
Non-current liabilities	15,683	13,283	69,808	71,592	12,829	19,199	98,320	104,075
	17,173	**14,475**	**71,400**	**73,294**	**13,781**	**20,791**	**102,354**	**108,560**
Net assets	**5,591**	**5,454**	**11,073**	**9,701**	**1,683**	**4,523**	**18,346**	**19,678**

[1]) Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group
[2]) The summarised financial information corresponds to the amounts before intercompany eliminations.

Financial liabilities

25. Subordinated liabilities

In July 2013, UNIQA Insurance Group AG successfully placed a supplementary capital bond to the value of € 350 million with institutional investors in Europe. The bond has a maturity period of 30 years and cannot be terminated until after 10 years. The coupon equals 6.875 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's capital resources and capital structure in preparation for Solvency II and optimising these over the long term. The supplementary capital bond has been listed on the Luxembourg Stock Exchange since the end of July 2013. The issue price was set at 100 per cent.

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

In July 2020 a subordinated bond was also issued in the amount of € 200 million at an issue price of 99.507 per cent of the nominal amount. With a term of 15.25 years, it may be terminated for the first time after 5.25 years subject to certain conditions. The annual interest rate is fixed at 3.25 per cent for the first 5.25 years, after which a variable interest rate applies. The bond is eligible for netting as Tier 2 capital under Solvency II. By issuing a green bond, UNIQA has committed to finance or refinance suitable assets in accordance with the Green Bond Framework at the same level as the issue proceeds. The bond issue has been listed on the Vienna Stock Exchange since July 2020.

UNIQA repurchased subordinated bonds with a total nominal value of € 375 million in December 2021. The buy-back relates to € 201.3 million subordinated bonds placed in 2013 and € 173.7 million subordinated bonds placed in 2015. At the same time, a new subordinated bond with a nominal amount of € 375 million was placed. This bond is scheduled for repayment after a period of 20 years, is subject to certain conditions, and can only be cancelled by UNIQA after ten years have elapsed and under certain conditions. During the first ten years, the interest rate is fixed at 2.375 per cent per annum, after which a variable interest rate applies. The issue price was set at 99.316 per cent of the nominal amount. The subordinated bond is eligible as Tier 2 basic own funds in accordance with the regulatory requirements. By issuing a green bond, UNIQA has committed to making investments in accordance with the Green Bond Framework at the same level as the issue proceeds.

26. Financial liabilities

In July 2020 UNIQA Insurance Group AG issued a senior bond in the amount of €600 million at an issue price of 99.436 per cent of the nominal amount. It has a term of ten years at a nominal interest rate of 1.375 per cent.

Carrying amounts

In € thousand

	Long term		Short term		Total	
	2022	2021	2022	2021	2022	2021
Subordinated liabilities	1,043,909	1,042,838	14,721	14,721	1,058,631	1,057,559
Financial liabilities						
Liabilities from bonds and loans	596,031	595,534	0	3,955	596,032	599,490
Derivative financial instruments	11,645	11,828	0	10,015	11,645	21,843
Lease liabilities	86,690	93,979	6,070	8,005	92,760	101,984
Total	694,366	701,341	6,070	21,975	700,436	723,317

Changes in financial liabilities

In € thousand

	Subordinated liabilities	Liabilities from bonds and loans	Provisions for derivative business	Lease liabilities	Financial liabilities Total	Changes in financial liabilities
At 1 January 2021	1,069,920	610,098	1,908	81,560	693,566	1,763,485
Proceeds from other financing activities	370,323	0	0	0	0	370,323
Payments from other financing activities	−375,000	−35,954	0	−16,906	−52,860	−427,860
Currency translation	0	0	13	424	438	438
Change in basis of consolidation	0	24,856	0	0	24,856	24,856
Other changes	−7,683	490	19,921	36,906	57,317	49,634
of which interest expenses	124,429	9,335	0	998	10,333	134,762
of which interest payments (presented as net cash flow from operating activities)	−134,408	−8,250	0	−998	−9,248	−143,656
At 31 December 2021	1,057,559	599,490	21,843	101,984	723,317	1,780,876
At 1 January 2022	1,057,559	599,490	21,843	101,984	723,317	1,780,876
Proceeds from other financing activities	0	1,414,936	0	0	1,414,936	1,414,936
Payments from other financing activities	0	−1,414,936	0	−16,506	−1,431,442	−1,431,442
Currency translation	0	0	5	−376	−371	−371
Change in basis of consolidation	0	0	−626	0	−626	−626
Other changes	1,072	−3,458	−9,577	7,658	−5,377	−4,305
of which interest expenses	42,223	9,012	0	924	9,937	52,160
of which interest payments (presented as net cash flow from operating activities)	−45,207	−8,250	0	−924	−9,174	−54,381
At 31 December 2022	1,058,631	596,032	11,645	92,760	700,436	1,759,067

27. Liabilities and other items classified as liabilities

In € thousand

	31/12/2022	31/12/2021
Reinsurance liabilities		
Deposits retained on assumed reinsurance	93,783	101,274
Reinsurance settlement liabilities	75,370	61,438
	169,153	**162,712**
Insurance liabilities		
to policyholders	175,220	161,395
to insurance brokers	78,156	77,063
to insurance companies	28,784	27,047
	282,161	**265,505**
Other liabilities		
Personnel-related obligations	105,417	111,540
Liabilities from services	133,044	135,858
Liabilities from investment contracts	116,349	137,477
Other tax liabilities (without income tax)	72,318	71,003
Other liabilities	132,844	133,103
	559,972	**588,981**
Subtotal	**1,011,285**	**1,017,197**
of which liabilities with a maturity of		
up to 1 year	860,903	859,557
more than 1 year up to 5 years	47,554	37,067
more than 5 years	102,828	120,573
	1,011,285	**1,017,197**
Total liabilities and other items classified as liabilities	**1,011,285**	**1,017,197**

Other non-technical income and expenses

28. Other income

In € thousand

	1–12/2022	1–12/2021
Property and casualty insurance	55,341	30,264
Health insurance	165,243	155,902
Life insurance	176,223	114,215
Of which:		
Revenues from medical services	158,431	153,092
Revenues from pension and investment funds	70,659	100,840
Revenues from other services	10,633	15,033
Changes in exchange rates	117,846	13,507
Other	39,238	17,909
Total	**396,807**	**300,381**

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

Pension and investment fund revenues include fees charged by the funds to fund holders for managing the fund's assets. These are time-period-related benefits that concern the period of one year.

29. Other expenses

In € thousand

	1–12/2022	1–12/2021
Property and casualty insurance	67,785	44,153
Health insurance	164,103	154,754
Life insurance	145,096	51,711
Of which:		
Expenses for medical services	145,517	150,348
Expenses of pension and investment funds	18,233	27,191
Expenses for other services	30,945	26,572
Exchange rate losses	110,741	15,331
Other	71,548	31,176
Total	**376,984**	**250,619**

Other disclosures

30. Group holding company

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

31. Remuneration for the Management Board and Supervisory Board

The members of the Management Board of UNIQA Insurance Group AG assume a dual operational role in their function, as they also hold the Management Board function at UNIQA Österreich Versicherungen AG. This identical composition of the Management Board in both companies enables efficient control of the UNIQA Group. Since 1 July 2020 all employment contracts of the members of the Management Board have been with UNIQA Insurance Group AG, which has paid out all remuneration since this date.

Remuneration of the Management Board
In € thousand

	1 – 12/2022	1 – 12/2021
Fixed remuneration[1)]	4,734	4,675
Variable remuneration[2)]	4,161	806
Multi-year share-based remuneration[3)]	1,722	1,140
Current remuneration	**10,616**	**6,621**

1) The fixed salary components include remuneration in kind equivalent to € 100 thousand (2021: € 103 thousand).
2) Variable remuneration comprises the deferred component of the short-term incentive (STI) for the 2018 financial year and the portion of the entitlement for the 2021 financial year that will be paid out immediately.
3) The long-term incentive (LTI) as a variable remuneration component corresponds to a share-based payment agreement which entitles the holder to receive a cash settlement after a four-year term if agreed target values are reached.

For the 2019 financial year, anticipated payments for the deferred component of the variable remuneration (STI) in 2023 will amount to € 795 thousand. For the 2020 financial year no short-term incentive was made, due to Covid-19. For the 2021 financial year, payments of € 1,239 thousand are expected in the year 2025. For the 2022 financial year, payments of € 4,490 thousand are expected to be made in the years 2023 and 2026. For the 2022 financial year, payments of € 4,649 thousand will be made in subsequent years.

As part of the multi-year share-based remuneration (long-term incentive plan – LTI), payments amounting to € 1,722 thousand were made to the members of the Management Board of UNIQA Insurance Group AG in 2022 from the 2018 LTI allocation. For the subsequent years 2023 to 2026, a payment of € 3,836 thousand is expected for the virtual equities allocated up to 31 December 2022.

In the reporting year, a total of € 1,059 thousand (2021: € 1,245 thousand) was paid for pension commitments and reinsurance for members of the Management Board (the premium for reinsurance amounts to € 279 thousand). The amount expended on pensions in the reporting year for former members of the Management Board and their survivors was € 1,964 thousand (2021: € 2,043 thousand).

The remuneration of the members of the Supervisory Board for their work in the 2021 financial year was € 835 thousand. Provisions of € 1,152 thousand have been recognised for the remuneration to be paid for their work in the 2022 financial year. The amount paid out in attendance fees and cash expenditures in the financial year was € 72 thousand (2021: € 65 thousand). Since 14 April 2020, the members of the Supervisory Board of UNIQA Insurance Group AG who are also members of the Supervisory Board of UNIQA Österreich Versicherungen AG have received their daily allowances and remuneration exclusively from UNIQA Insurance Group AG despite their dual function. These daily allowances and remunerations therefore also cover the Supervisory Board activities at UNIQA Österreich Versicherungen AG.

32. Share-based payment agreement with cash settlement

A share-based remuneration programme has been in place for the members of the Management Boards of UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG since the 2013 financial year. As part of this programme, UNIQA virtual shares are granted conditionally for each financial year on the basis of allocation values defined in the service contract, based on the average price of UNIQA ordinary shares in the period of six months prior to the start of the performance period. Cash payments subject to agreed limits are provided for at the end of a performance period of four years for the individual annual tranches or depending on certain key performance targets.

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

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

The cash settlement is calculated as follows for each tranche of shares: payment = A × B × C

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

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

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

The fair value on the date that share-based payment awards are granted is recognised as expense over the period in which the unconditional entitlement to the award is obtained. The fair value is based on expectations with respect to achievement of the defined key performance targets. Changes in measurement assumptions result in an adjustment of the recognised provision amounts affecting income. Obligations from share-based remuneration are stated under "Other provisions".

As at 31 December 2022 a total of 1,167,795 virtual shares (2021: 1,189,267 shares) were relevant for the measurement. The fair value of share-based remuneration (excluding non-wage labour costs) at the reporting date amounts to € 4,420 thousand (2021: € 5,463 thousand).

33. Relationships with related companies and persons

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

Related companies refer to companies which exercise either a controlling or a significant influence on UNIQA. The group of related companies also includes the non-consolidated subsidiaries, associates and joint ventures of UNIQA.

Related persons include the members of management holding key positions along with their close family members. This covers in particular the members of management in key positions at those companies which exercise either a controlling or a significant influence on UNIQA, along with their close family members.

Transactions and balances with related companies
In € thousand

	Companies with significant influence	Affiliated but not consolidated companies	Associated companies	Other related parties	Total
Transactions in 2022					
Premiums written (gross)	1,001	43	398	17,853	19,295
Income from investments	2,985	0	31,557	595	35,137
Expenses from investments	–249	–12,000	0	–358	–12,607
Other income	181	6,340	1,568	254	8,342
Other expenses	–1,616	–9,285	–3,439	–16,996	–31,337
At 31 December 2022					
Investments	141,978	13,524	759,463	58,216	973,182
Cash	357,930	0	0	61,538	419,469
Receivables, including insurance receivables	0	2,164	0	1,188	3,352
Liabilities and other items classified as liabilities	0	3,125	1	3,808	6,933

In € thousand

	Companies with significant influence	Affiliated but not consolidated companies	Associated companies	Other related parties	Total
Transactions in 2021					
Premiums written (gross)	985	35	615	30,317	31,951
Income from investments	8,750	433	109,564	355	119,102
Expenses from investments	–1,622	0	0	–301	–1,923
Other income	196	7,364	1,511	396	9,467
Other expenses	–2,339	–6,294	–3,278	–30,389	–42,301
At 31 December 2021					
Investments	221,559	10,226	656,393	93,278	981,456
Cash	201,367	0	0	51,432	252,799
Receivables, including insurance receivables	0	3,456	1	2,910	6,366
Liabilities and other items classified as liabilities	0	2,466	158	4,481	7,105

Transactions with related persons
In € thousand

	1–12/2022	1–12/2021
Premiums written (gross)	799	850
Salaries and short-term benefits [1)]	–10,235	–9,707
Pension expenses	–2,121	–2,128
Compensation on termination of employment contract	–172	–172
Expenditures for share-based payments	–1,187	–2,685
Other income	293	262
Other expenses	–130	–130

1) This item includes fixed and variable Management Board remuneration and remuneration of the Supervisory Board.

34. Other financial obligations and contingent liabilities

Options to purchase granted

There is also the possibility to acquire the company shares held by the minority shareholders through exercising a mutual option between UNIQA and the minority shareholders in the SIGAL Group in accordance with previously agreed purchase price formulas. A new option period was agreed by extending the previous shareholders' agreement, whereby the exercise period was agreed to be 1 July 2023 to 30 June 2024.

35. Expenses for the auditor of the financial statements

The auditor fees in the financial year were € 2,752 thousand (2021: € 1,843 thousand); of which € 712 thousand (2021: € 382 thousand) is attributable to the annual audit, € 2,030 thousand (2021: € 1,363 thousand) to other auditing services and € 10 thousand (2021: € 98 thousand) to other general services.

36. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by UNIQA. A company is considered to be controlled if:

- UNIQA is able to exercise power over the relevant entity,
- UNIQA is exposed to fluctuating returns from the participation and
- the level of returns can be influenced due to the power exercised.

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

Loss of control

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

Investment in associates

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

Pension and investment funds

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

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

Basis of consolidation	31/12/2022	31/12/2021
Consolidated companies		
Austria	31	31
Other countries	59	58
Associates		
Austria	4	4
Other countries	0	1
Consolidated pension and investment funds		
Austria	4	5
Other countries	9	8

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

Business combinations

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

37. Consolidation principles

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

Any contingent obligation to pay consideration is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not revalued, and a settlement is accounted for within equity. Otherwise, later changes in the fair value of the contingent consideration are recognised in profit/(loss) for the period.

Transactions eliminated on consolidation

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

Initial consolidation

Speedinvest Co-Invest UVG GmbH & Co KG (Vienna) was consolidated for the first time in the first quarter of 2022. The UCP Private Debt Select Fund (Munsbach, Luxembourg) was subject to initial consolidation in the fourth quarter.

Acquisitions

Zabłocie Park B Sp. Z o.o. (Warsaw, Poland) was acquired in the second quarter. The 36 per cent holding in Assistance Beteiligungs-GmbH (Vienna) and 39 per cent of the shares in call us Assistance International GmbH (Vienna) not previously held by UNIQA were acquired in the fourth quarter of 2022, UNIQA therefore now holds 100 per cent of the shares in both companies. In the fourth quarter, Maraton Park Sp.z o.o. (Warsaw, Poland) was acquired.

Restructuring processes

Goldenes Kreuz Privatklinik BetriebsGmbH (Vienna) was merged with PremiQaMed Privatkliniken GmbH (Vienna) as the acquiring company in the third quarter.

Deconsolidation

The fully consolidated investment fund UNIQA Euro Government Bond Fund (Vienna) was deconsolidated in the second quarter of 2022. Knesebeckstraße 8–9 Grundstücksgesellschaft mbH (Berlin, Germany) was deconsolidated in the third quarter of 2022.

Sales

DEKRA-EXPERT Műszaki Szakértői Kft. (Budapest, Hungary) was sold in the fourth quarter.

Company	Type of consolidation	Location	Equity interest at 31/12/2022 In per cent	Equity interest at 31/12/2021 In per cent
Domestic insurance companies				
UNIQA Insurance Group AG (Group Holding Company)		Vienna		
UNIQA Österreich Versicherungen AG	Fully consolidated	Vienna	100.0	100.0
Foreign insurance companies				
Limited Liability Company "Insurance Company "Raiffeisen Life"	Fully consolidated	Russia, Moscow	75.0	75.0
SIGAL LIFE UNIQA Group AUSTRIA sh.a	Fully consolidated	Kosovo, Pristina	86.9	86.9
SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Fully consolidated	Albania, Tirana	86.9	86.9
SIGAL UNIQA Group AUSTRIA sh.a.	Fully consolidated	Albania, Tirana	86.9	86.9
SIGAL UNIQA Group AUSTRIA sh.a.	Fully consolidated	Kosovo, Pristina	86.9	86.9
UNIQA AD Skopje	Fully consolidated	North Macedonia, Skopje	86.9	86.9
UNIQA Asigurari de Viata S.A.	Fully consolidated	Romania, Bucharest	100.0	100.0
UNIQA Asigurari S.A.	Fully consolidated	Romania, Bucharest	100.0	100.0
UNIQA Biztosító Zrt.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA Insurance Company, Private Joint Stock Company	Fully consolidated	Ukraine, Kyiv	100.0	100.0
UNIQA Insurance plc	Fully consolidated	Bulgaria, Sofia	99.9	99.9
UNIQA Life AD Skopje	Fully consolidated	North Macedonia, Skopje	86.9	86.9
UNIQA Life Insurance plc	Fully consolidated	Bulgaria, Sofia	99.8	99.8
UNIQA LIFE Private Joint Stock Company	Fully consolidated	Ukraine, Kyiv	100.0	100.0
UNIQA neživotno osiguranje a.d.	Fully consolidated	Serbia, Belgrade	100.0	100.0
UNIQA neživotno osiguranje a.d.	Fully consolidated	Montenegro, Podgorica	100.0	100.0
UNIQA osiguranje d.d.	Fully consolidated	Croatia, Zagreb	100.0	100.0
UNIQA osiguranje d.d.	Fully consolidated	Bosnia and Herzegovina, Sarajevo	100.0	100.0
UNIQA pojišťovna, a.s.	Fully consolidated	Czechia, Prague	100.0	100.0
UNIQA Re AG	Fully consolidated	Switzerland, Zurich	100.0	100.0
UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Fully consolidated	Poland, Warsaw	100.0	100.0
UNIQA Towarzystwo Ubezpieczeń S.A.	Fully consolidated	Poland, Warsaw	99.7	99.7
UNIQA Versicherung AG	Fully consolidated	Liechtenstein, Vaduz	100.0	100.0
UNIQA životno osiguranje a.d.	Fully consolidated	Serbia, Belgrade	100.0	100.0
UNIQA životno osiguranje a.d.	Fully consolidated	Montenegro, Podgorica	100.0	100.0
Group domestic service companies				
Assistance Beteiligungs-GesmbH	Fully consolidated	Vienna	100.0	64.0
call us Assistance International GmbH	Fully consolidated	Vienna	100.0	50.2
Mavie Holding GmbH (formerly: UNIQA 5 Star GmbH)	Fully consolidated	Vienna	100.0	100.0
Real Versicherungsvermittlung GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Capital Markets GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA IT Services GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Finanzierungs GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Management GmbH	Fully consolidated	Vienna	100.0	100.0
Valida Holding AG	Equity method	Vienna	40.1	40.1
Versicherungsmarkt-Servicegesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
Group foreign service companies				
CherryHUB BSC Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
DEKRA-Expert Műszaki Szakértői Kft. (Deconsolidation: 31/12/2022)	Equity method	Hungary, Budapest	0.0	50.0
sTech d.o.o.	Fully consolidated	Serbia, Belgrade	100.0	100.0
UNIQA GlobalCare SA	Fully consolidated	Switzerland, Geneva	100.0	100.0
UNIQA Group Service Center Slovakia, spol. s r.o.	Fully consolidated	Slovakia, Nitra	100.0	100.0
UNIQA Ingatlanhasznosító Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA investiční společnost, a.s.	Fully consolidated	Czechia, Prague	100.0	100.0
UNIQA Management Services, s.r.o.	Fully consolidated	Czechia, Prague	100.0	100.0

Company	Type of consolidation	Location	Equity interest at 31/12/2022 In per cent	Equity interest at 31/12/2021 In per cent
UNIQA Polska S.A.	Fully consolidated	Poland, Warsaw	100.0	100.0
UNIQA Raiffeisen Software Service Kft.	Fully consolidated	Hungary, Budapest	60.0	60.0
UNIQA Software Service S.R.L.	Fully consolidated	Romania, Cluj-Napoca	100.0	100.0
Vitosha Auto OOD	Fully consolidated	Bulgaria, Sofia	99.9	99.9
Financial and strategic domestic shareholdings				
Goldenes Kreuz Privatklinik BetriebsGmbH (Merger: 1/7/2022)	Fully consolidated	Vienna	0.0	100.0
PremiaFIT GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Ambulatorien GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Beteiligungs GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Holding GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Privatkliniken GmbH	Fully consolidated	Vienna	100.0	100.0
Speedinvest Co-Invest UVG GmbH & Co KG (Initial consolidation: 1/1/2022)	Fully consolidated	Vienna	100.0	0.0
STRABAG SE	Equity method	Villach	15.3	15.3
UNIQA Beteiligungs-Holding GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
UNIQA Leasing GmbH	Equity method	Vienna	25.0	25.0
UNIQA Ventures GmbH	Fully consolidated	Vienna	100.0	100.0
Real estate companies				
“Hotel am Bahnhof” Errichtungs GmbH & Co KG	Fully consolidated	Vienna	100.0	100.0
Asena LLC	Fully consolidated	Ukraine, Kyiv	100.0	100.0
AVE-PLAZA LLC	Fully consolidated	Ukraine, Kharkiv	100.0	100.0
Black Sea Investment Capital LLC	Fully consolidated	Ukraine, Kyiv	100.0	100.0
City One Park Sp. z o.o.	Fully consolidated	Poland, Warsaw	100.0	100.0
Design Tower GmbH	Fully consolidated	Vienna	100.0	100.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity method	Vienna	33.0	33.0
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Fully consolidated	Vienna	100.0	100.0
Floreasca Tower SRL	Fully consolidated	Romania, Bucharest	100.0	100.0
IPM International Property Management Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Knesebeckstraße 8–9 Grundstücksgesellschaft mbH (Deconsolidation: 30/9/2022)	Fully consolidated	Germany, Berlin	0.0	100.0
Light Investment Cotroceni SRL	Fully consolidated	Romania, Bucharest	100.0	100.0
Maraton Park Sp.z o.o. (Initial consolidation: 31/12/2022)	Fully consolidated	Poland, Warsaw	100.0	0.0
Praterstraße Eins Hotelbetriebs GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Immobilien GmbH	Fully consolidated	Vienna	100.0	100.0
Pretium Ingatlan Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Renaissance Plaza d.o.o.	Fully consolidated	Serbia, Belgrade	100.0	100.0
R-FMZ Immobilienholding GmbH	Fully consolidated	Vienna	100.0	100.0
Software Park Kraków Sp. z o.o.	Fully consolidated	Poland, Warsaw	100.0	100.0
Treimorfa Hotel Sp. z o.o.	Fully consolidated	Poland, Krakow	92.5	85.0
Treimorfa Project Sp. z o.o.	Fully consolidated	Poland, Krakow	92.5	85.0
UNIQA Linzer Straße 104 GmbH & Co KG	Fully consolidated	Vienna	100.0	100.0
UNIQA Plaza Irodaház és Ingatlankezelő Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA poslovni centar korzo d.o.o.	Fully consolidated	Croatia, Rijeka	100.0	100.0
UNIQA Real Estate CZ, s.r.o.	Fully consolidated	Czechia, Prague	100.0	100.0
UNIQA Real Estate GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Inlandsholding GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Polska Sp. z o.o.	Fully consolidated	Poland, Warsaw	100.0	100.0
UNIQA Real Estate Property Holding GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real III, spol. s r.o.	Fully consolidated	Slovakia, Bratislava	100.0	100.0

Company	Type of consolidation	Location	Equity interest at 31/12/2022 In per cent	Equity interest at 31/12/2021 In per cent
UNIQA Real s.r.o.	Fully consolidated	Slovakia, Bratislava	100.0	100.0
UNIQA Retail Property GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Szolgáltató Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA-Invest Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Zablocie Park Sp. z o.o.	Fully consolidated	Poland, Warsaw	100.0	100.0
Zablocie Park B Sp.z o.o. (Initial consolidation: 30/6/2022)	Fully consolidated	Poland, Warsaw	100.0	0.0
Pension and investment funds				
SSG Valluga Fund	Fully consolidated	Ireland, Dublin	100.0	100.0
UNIQA Capital Partners S.A. SICAV-RAIF – Infrastructure Equity Select	Fully consolidated	Luxembourg, Munsbach	100.0	100.0
UNIQA Capital Partners S.A. SICAV-RAIF – Private Debt Select (Initial consolidation: 1/10/2022)	Fully consolidated	Luxembourg, Munsbach	100.0	0.0
UNIQA Capital Partners S.A. SICAV-RAIF – Private Equity Select	Fully consolidated	Luxembourg, Munsbach	100.0	100.0
UNIQA Corporate Bond	Fully consolidated	Vienna	100.0	100.0
UNIQA d.d.s., a.s.	Fully consolidated	Slovakia, Bratislava	100.0	100.0
UNIQA d.s.s., a.s.	Fully consolidated	Slovakia, Bratislava	100.0	100.0
UNIQA Eastern European Debt Fund	Fully consolidated	Vienna	100.0	100.0
UNIQA Emerging Markets Debt Fund	Fully consolidated	Vienna	100.0	100.0
UNIQA Euro Government Bond Fund (Deconsolidation: 30/4/2022)	Fully consolidated	Vienna	0.0	100.0
UNIQA penzijní společnost, a.s.	Fully consolidated	Czechia, Brno	100.0	100.0
UNIQA Powszechne Towarzystwo Emerytalne S.A.	Fully consolidated	Poland, Warsaw	100.0	100.0
UNIQA Towarzystwo Funduszy Inwestycyjnych S.A.	Fully consolidated	Poland, Warsaw	100.0	100.0
UNIQA World Selection	Fully consolidated	Vienna	100.0	100.0

38. Foreign currency translation

Functional currency and reporting currency

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

Transactions in foreign currencies

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

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

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

Foreign operations

Assets and liabilities from foreign operations, including the goodwill and fair value adjustments that result from the acquisition, are translated into euros at the closing rate on the reporting date. Currency translation differences are reported in other comprehensive income and recognised in equity as a part of the accumulated profits in the item "Differences from currency translation" if the foreign exchange difference is not attributable to non-controlling interests.

Income and expenses from foreign operations are translated at the monthly closing rates.

Currency translation differences from the proportion of the carrying amount in the Consolidated Income Statement and attributable to the amortised cost are recognised in the item "Available-for-sale financial assets".

Major exchange rates

	EUR closing rates		EUR average rates	
	31/12/2022	31/12/2021	1–12/2022	1–12/2021
Albanian lek (ALL)	114.6000	120.7600	118.9138	122.5062
Swiss franc (CHF)	0.9847	1.0331	1.0041	1.0800
Czech koruna (CZK)	24.1160	24.8580	24.5624	25.6942
Great Britain Pound (GBP)	0.8869	0.8403	0.8537	0.8611
Hungarian forint (HUF)	400.8700	369.1900	391.2708	359.2377
Japanese yen (JPY)	140.6600	130.3800	137.5423	130.0262
Polish złoty (PLN)	4.6808	4.5969	4.6799	4.5736
Russian rouble (RUB)	76.0765	85.3004	73.2991	87.6021
Ukrainian hryvnia (UAH)	39.5070	30.8866	34.4811	32.3684
US dollar (USD)	1.0666	1.1326	1.0563	1.1844

Significant events after the reporting date

There were no significant events after the reporting date that would have to be reported in accordance with IAS 10.

Risk report

39. Risk strategy

Principles

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

Organisation

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

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

Risk-bearing capacity and risk appetite

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

The Solvency Capital Requirement (SCR) is at the centre of risk-related decisions. The SCR corresponds to a company-specific risk assessment based on a partial internal model for market risks and non-life risks, as well as on the standard model according to Solvency II for the other risk categories. As such, it corresponds to the regulatory risk calculations under the Solvency II framework. Based on this approach, we aim to achieve a solvency capital ratio above 170 per cent. Immediate steps will be taken to improve the capital position if the marginal value falls below 135 per cent. Details for the reporting date as at 31 December 2022, including a detailed analysis of changes, can be found in the "UNIQA Capital Report" presentation.

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

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

Opportunities

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

40. Risk management system

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

UNIQA's Risk Management Guidelines form the basis for a uniform standard at various company levels. The guidelines are approved by the CFO/CRO and the Group Executive Board and describe the minimum requirements in terms of organisational structure and process structure.

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

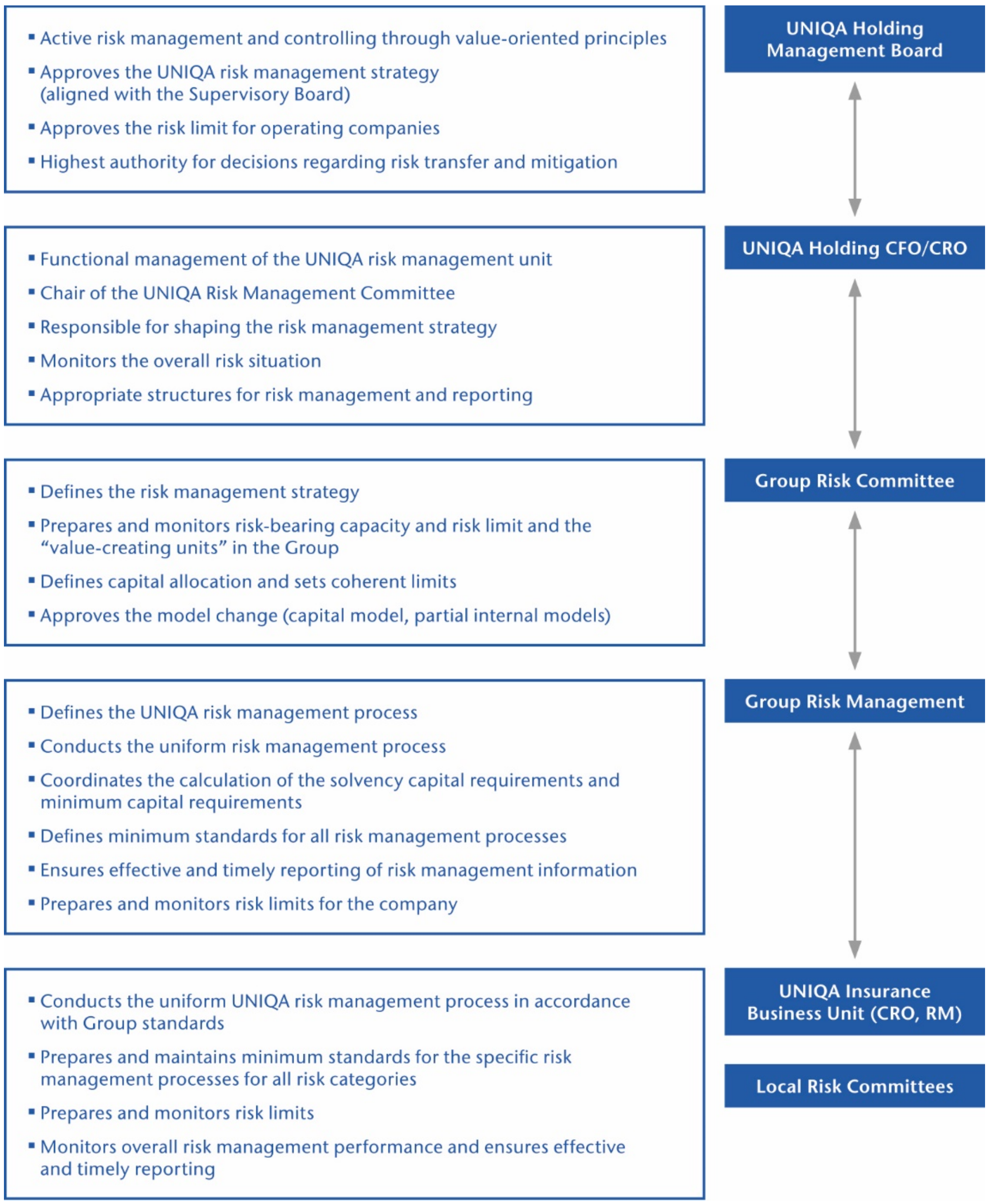
Organisational structure (governance)

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

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

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

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



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

Risk management process

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

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

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

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

Sustainability risks or ESG risks include risks related to the sustainability factors of environment, social/employee and governance ("ESG"). They are not considered as a separate risk category, but are taken into account as part of the existing ten risk categories. Climate change represents the central sustainability risk with respect to the environmental sustainability factor. Climate-related risks arise in the form of physical risks and transition risks.

Physical risks arise from the increase in extreme weather events such as floods, earthquakes, storms and heat waves, as well as the rise in average temperature. Transition risks on the other hand are adjustment risks that arise from the transition to a low-carbon economy. These include e.g. risks associated with the change in climate policy, the renewal of technologies and the change in market preferences. In addition to the effect of physical risks on the frequency and amount of claims, there may be further effects from transition risks on UNIQA's assets, liabilities, financial position and profit or loss, particularly in connection with the capital investment strategy pursued.

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

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

41. Activities and objectives in 2022

Based on external and internal developments, activities in 2022 focused on the following:

- Covid-19 and capital market environment;
- rising inflation;
- war in Ukraine;
- sustainability (ESG);
- further development of the internal model; and
- security & resilience management.

Covid-19 and capital market environment

Since the beginning of the Covid-19 crisis, UNIQA has been monitoring the effects of the pandemic on business operations. In this context, the development of the capital market environment and its impact on fair values is also closely monitored. In 2022, the Group's solvency position increased significantly due to a positive development in interest rates. This further strengthened resilience to unexpected shocks such as the Covid-19 crisis. UNIQA will continue to monitor the pandemic situation closely in order to be able to respond quickly to potential changes or new developments. In 2022, UNIQA's business performance remained stable. The impact of the Covid-19 pandemic on new business volume and claims frequency in the different lines of business decreased compared to the previous year.

Rising inflation

After years of moderate inflation, in 2022 the rate increased significantly in the UNIQA countries. Inflation also had a corresponding impact on the insurance business and UNIQA's investment strategy. Both administrative costs and the cost of settling claims rose due to inflation. This rise in costs has an influence on UNIQA's pricing. Many policies include adjustment clauses that can mitigate the impact of this cost increase accordingly. The risk in terms of price adjustments is also defined by the pricing of competitors in the market. If inflation remains high for a longer period of time, there is also a risk that this could have a negative impact on new business and the number of cancellations.

War in Ukraine

Because the situation in the Russia-Ukraine conflict was already tense at the end of 2021, preparations of preventive measures in case of an escalation commenced as early as the beginning of 2022. When the war broke out, the initial focus in Ukraine was on helping the local workforce and their relatives flee the hostilities, but also on keeping business running. For the Russian company (Limited Liability Company Insurance Company Raiffeisen Life), in view of the far-reaching economic sanctions, the decision was already taken at the beginning of March to massively restrict new business in Russia, and active activities to extend the existing portfolio were also terminated. The conflict also had an impact on the capital investment strategy in Russia and Ukraine, as impairment losses on Russian and Ukrainian bonds were recognised in the 2022 financial year.

Sustainability (ESG)

The topic of sustainability is of very high importance for UNIQA. Risk management in 2022 focused particularly on managing and dealing with climate risks. Therefore, one of the main topics in 2022 was to assess long-term climate scenarios and how they are developing. Depending on the size and complexity of the risk profile of the Group's subsidiaries, UNIQA distinguished between quantitative and qualitative approaches when assessing climate risks. Other focus areas were identifying sustainability risks in all departments throughout the company, integrating sustainability risks into reporting and monitoring sustainability risks in our investments. The aim of this risk management approach is to identify potential risks at an early stage in order to be able to react to them in time.

Further development of the internal model

Also of very high importance for risk management in 2022 were the next steps to further develop the partial internal model into a full internal model. UNIQA's goal with this project is to map its own risk profile more adequately and to be able to manage risks more effectively. The project was launched in 2021, and the first pilot calculations were already carried out this year. They will be the basis for further project activities. In the next phase, the project will be coordinated and discussed with the Austrian Financial Market Authority.

Security & resilience management

Companies worldwide are exposed to an increasing number of security risks. For this reason, in 2022 UNIQA placed a strong focus on topics such as data theft, ransomware, cyber attacks, power outages and gas emergencies. Corresponding measures were implemented. The IT applications, IT infrastructures and data centres required for operational business and the key personnel needed to keep them running were identified and prepared for various scenarios. Another focus during the year was on addressing the identified vulnerabilities as part of a Group-wide, centrally coordinated IT security programme. Among other things, security requirements and controls as well as their gaps were reviewed.

42. Challenges and priorities in risk management for 2023

Sustainability (ESG)

Since sustainability is one of the topics that has become increasingly important in recent years – both in the applicable regulations as well as in terms of public perception – UNIQA is planning to continuously improve processes and further develop the identification and management of sustainability risks. The main goals for 2023 are, on the one hand, to continue work on implementing regulatory requirements in this area and, on the other hand, to successfully incorporate the findings from risk management, in order to support product design and also the investment strategy. Risk management will continue to participate in sustainability-oriented asset management and the timely identification of sustainability risks. An expansion of the quantitative approach to assessing long-term climate risks to all EU subsidiaries is planned.

Full internal model

Due to the diverse challenges in 2022 for both UNIQA and the Financial Market Authority (FMA), some activities had to be reprioritised. This led to the postponement of the planned application for the full internal model by one year. The objective of this multi-year project is to obtain official approval of the full internal model from the Financial Market Authority by the end of 2024. If approved, this would make UNIQA the first Austrian insurance group to have a full internal model. The focus in the next two years will now be mainly on finalising the model. The Solvency II Directive sets out the requirements that must be satisfied. In this regard, discussions and audits by the regulator are planned for 2023 in order to be able to submit the application in 2024.

Security & resilience management
Companies are increasingly exposed to a range of security risks, from data theft and ransomware to the possibility of a power blackout. In addition to preventive measures in the areas of data security and physical security, UNIQA focuses on preparing for the possible effects of the energy crisis. Based on this focus, action plans have already been issued and staff trained. In 2023, these action plans will be generated for all other operationally important sites in UNIQA's international environment. The plans include both preventive and reactive measures to prepare UNIQA in the best possible way for a large-scale power blackout or pre-announced rolling blackouts or brownouts. UNIQA will continue to monitor the situation and the legal requirements and provide up-to-date information to employees and customers.

Capital market environment and inflation
Due to the development of key benchmarks such as interest rates, credit spreads, etc., the capital market and its impact on UNIQA and UNIQA's products will be of very high importance. The topic of inflation will also continue to be of high importance as long as the observed inflation rates remain high. It continues to be important to recognise the effects of all these risks on the different business lines early so it is possible to take the appropriate steps.

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

The Group companies in Central Europe operate in the property and casualty business lines as well as in the life and health insurance business lines. In the CEE region, the property and casualty sectors are the most dominant.

This structure is important to UNIQA because it offers a high level of diversification from the life and health insurance lines that dominate in the Austrian companies.

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

Market and credit risk
The strength of the market and credit risks depends on the structure of the capital investment and its allocation to the different asset categories. The table below shows investments classified by asset category.

Asset allocation
In € thousand

	31/12/2022	31/12/2021
Fixed-income securities	12,442,938	16,021,778
Real estate assets	1,299,752	1,241,860
Pension fund	1,928,801	2,059,540
Equity investments and other stocks	882,288	815,421
Shares and equity funds	1,156,693	1,224,155
Time deposits	461,531	272,172
Other investments	253,640	150,051
Total	**18,425,644**	**21,784,976**

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

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

Assets
In € thousand

	31/12/2022	31/12/2021
Long-term life insurance contracts with guaranteed interest and profit participation	9,829,677	12,414,127
Long-term unit-linked and index-linked life insurance contracts	3,957,281	5,154,053
Long-term health insurance contracts	3,913,534	4,444,807
Short-term property and casualty insurance contracts	5,629,524	5,814,056
Total	**23,330,016**	**27,827,042**

These values refer to the following items:

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

Technical provisions and liabilities (net)
In € thousand

	31/12/2022	31/12/2021
Long-term life insurance contracts with guaranteed interest and profit participation	10,148,531	10,979,313
Long-term unit-linked and index-linked life insurance contracts	3,878,799	5,028,507
Long-term health insurance contracts	3,983,062	3,813,196
Short-term property and casualty insurance contracts	4,094,413	3,891,198
Total	**22,104,805**	**23,712,214**

These values refer to the following items:

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

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

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

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

Exposure by term
In € thousand

	31/12/2022	31/12/2021
Up to 1 year	953,115	908,460
More than 1 year up to 3 years	1,687,938	1,481,601
More than 3 years up to 5 years	2,125,802	2,369,538
More than 5 years up to 7 years	1,825,398	2,521,545
More than 7 years up to 10 years	1,674,795	2,259,623
More than 10 years up to 15 years	1,875,176	2,640,465
More than 15 years	2,300,714	3,840,546
Total	**12,442,938**	**16,021,779**

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

IFRS reserve by expected maturity date

In € thousand

	31/12/2022	31/12/2021
Up to 1 year	1,416,995	1,244,623
More than 1 year up to 3 years	1,686,872	1,244,715
More than 3 years up to 5 years	1,348,266	1,194,601
More than 5 years up to 7 years	1,126,827	1,002,338
More than 7 years up to 10 years	1,670,265	1,556,280
More than 10 years up to 15 years	1,963,653	2,167,754
More than 15 years	7,608,350	8,170,662
Total	**16,821,228**	**16,580,974**

Since the interest rate risk is particularly relevant in life insurance as a result of the long-term liabilities, the focus below is placed on this business line. Using UNIQA Österreich Versicherungen AG as an example, the average interest rate sensitivity of life insurance in the event of a change in interest rates of +/– 50 basis points for the assets is € 238.5 million and that of liabilities is € 339.1 million. The difference between these two values is used as the control basis for the interest rate risk or the duration gap. During the annual ALM process, it is determined from a strategic point of view which budgets for interest rate risk can be accepted at the operating company level.

The discount rate that may be used in the costing when new business is written in most UNIQA companies takes into account a maximum discount rate imposed by the relevant local supervisory authority. In all those countries where this is not the case, appropriate prudent, market-based assumptions are made by the actuaries responsible for the calculation. In our core market of Austria, the maximum interest rate beginning 1 July 2022 is 0 per cent per year. However, the portfolio also includes older contracts with different discount rates. In the relevant markets of the UNIQA Group, these rates amount to as much as 5 per cent per year. The following table provides an overview of the average technical discount rates by region and currency.

Average technical discount rates, core business by region and currency

In per cent

	EUR	USD	Local currency
Austria (AT)	2.0		
Central Europe (CE)	0.0		3.4
Eastern Europe (EE)	3.3	3.4	3.0
Southeastern Europe (SEE)	2.7	2.9	1.5
Russia (RU)	2.1	2.3	3.9

As these interest rates are guaranteed by the insurance company, the financial risk lies in not being able to generate these returns. Since classic life insurance business predominantly invests in interest-bearing securities, the unpredictability of long-term interest rate trends is the most significant financial risk for a life insurance company. Investment and reinvestment risk arises from the fact that premiums received in the future must be invested to achieve the rate of return guaranteed when a policy is written. However, it is entirely possible that no appropriate securities will be available at the time the premium is received. Likewise, future income must be reinvested to achieve a return equivalent to at least the original discount rate. For this reason, UNIQA has already decided to only offer products in its key markets that are based on a low or zero discount rate. One example of this in Austria is the sale of deferred pension products with a discount rate of 0 per cent.

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

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

Exposure by rating

In € thousand

	31/12/2022	31/12/2021
AAA	2,535,682	3,117,422
AA	3,070,791	4,112,915
A	3,375,608	4,714,695
BBB	2,039,156	2,708,020
BB	341,657	403,258
B	135,688	314,606
≤ CCC	84,315	11,773
Not rated	860,041	639,089
Total	**12,442,938**	**16,021,778**

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

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

Currency risk 31/12/2022

In € thousand	Assets	Provisions and liabilities
EUR	**21,468,516**	**20,827,928**
USD	259,492	110,422
CZK	1,660,112	1,222,883
HUF	422,203	352,559
PLN	2,992,495	2,513,510
RON	354,182	236,602
Other	1,039,153	879,862
Total	**28,196,153**	**26,143,766**

Currency risk 31/12/2021

In € thousand	Assets	Provisions and liabilities
EUR	**24,569,387**	**22,541,840**
USD	572,248	367,172
CZK	1,450,892	1,238,123
HUF	457,405	365,382
PLN	3,035,889	2,550,947
RON	340,731	231,992
Other	1,121,230	929,041
Total	**31,547,783**	**28,224,497**

In addition to figures from the established market and credit risk models (MCEV, SCR, etc.), stress tests and sensitivity analyses are used to measure and manage market and credit risk and their components.

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

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

Interest rate risk

In € thousand	31/12/2022 +50 basis points	31/12/2022 –50 basis points	31/12/2021 +50 basis points	31/12/2021 –50 basis points
Government bonds	–278,391	355,091	–484,651	548,866
Corporate bonds (incl. covered)	–118,131	144,699	–176,478	189,139
Other	–40,402	47,102	–65,832	76,753
Total	**–436,924**	**546,892**	**–726,962**	**814,759**
Of which income statement	–2,244	2,969	–1,358	5,082
Of which equity	–434,680	543,922	–725,603	809,678

Credit spread risk

In € thousand	31/12/2022 +50 basis points	31/12/2021 +50 basis points
Income statement	–10,304	–374
Equity	–433,191	–785,327
Total	**–443,494**	**–785,701**

Equity risk

In € thousand	31/12/2022 –25%	31/12/2021 –25%
Income statement	–175,192	–4,098
Equity	–25,581	–301,161
Total	**–200,773**	**–305,259**

Currency risk

In € thousand	31/12/2022 10%	31/12/2022 –10%	31/12/2021 10%	31/12/2021 –10%
PLN	129,435	–129,435	128,226	–128,015
USD	43,649	–43,702	57,494	–57,227
CZK	63,320	–63,482	64,740	–64,753
RUB	25,822	–25,822	24,046	–24,046
HUF	12,603	–12,603	14,479	–14,479
Other	53,811	–53,746	57,479	–57,479
Total	**328,640**	**–328,790**	**346,464**	**–346,000**
Of which income statement	315,200	–315,350	323,681	–323,554
Of which equity	13,440	–13,440	22,783	–22,446

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

If new funds are assumed with a +100 bp increase, then the resulting net effect (after accounting for the deferred profit participation) amounts to €6 million. A –100 bp reduction in this assumption results in a net effect of €–8 million. The effects described relate to the changes in deferred acquisition costs along with the impact on the liability adequacy test. The results were determined using the traditional business in Austria which makes up the bulk of insurance provision in the Group.

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

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

The partial internal model in property and casualty insurance is a suitable instrument for quantifying the volatility involved in processing. Pursuant to analysis of these model results, it was determined that a deviation of 5 per cent from the basic provision calculated may represent a realistic scenario. Based on the current provision for unsettled claims of € 3,453 million (excluding additional provisions such as provisions for claim settlement) in the Group on a gross basis, this would mean an increase in claims incurred by € 173 million.

In health insurance (similar to life technique), since 1 July 2021 only tariffs with a discount rate of 0.5 per cent are being sold. Together with measures to reduce the assumed interest rate in the portfolio, an average assumed interest rate of approx. 2.5 per cent was achieved as at 31 December 2022. A reduction in the capital earnings by 100 bp (based on 2021 investment results) would reduce the earnings before taxes by € 43 million.

Liquidity risk

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

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

There are underwriting obligations mainly in the form of funds from holdings in healthcare and investments in private debt, as well as in the infrastructure sector, amounting to € 833,162 thousand (2021: € 794,770 thousand).

Financial liabilities
Contractual maturities at 31 December 2022

In € thousand

	Liabilities from bonds and loans	Derivative financial instruments	Lease liabilities	Total
2023	8,250	0	12,897	21,147
2024	8,250	0	11,745	19,995
2025	8,250	0	10,724	18,974
2026	8,250	0	8,153	16,403
2027	8,250	0	7,081	15,331
> 2028	624,750	11,645	42,354	678,749

Financial liabilities
Contractual maturities at 31 December 2021

In € thousand

	Liabilities from bonds and loans	Derivative financial instruments	Lease liabilities	Total
2022	8,250	10,015	10,502	28,767
2023	8,250	0	9,026	17,276
2024	8,250	0	7,497	15,747
2025	8,250	0	10,877	19,127
2026	8,250	0	5,174	13,424
> 2027	633,000	11,828	60,154	704,982

Subordinated liabilities
Contractual maturities at 31 December 2022

In € thousand

	Notional amount[1)]	Coupon payments	Total
2023	148,700	45,207	193,907
2024	0	34,984	34,984
2025	200,000	34,984	234,984
2026	326,300	28,484	354,784
2027	0	8,906	8,906
> 2028	375,000	35,625	410,625

1) Contractual maturities based on the first possible termination date

Subordinated liabilities
Contractual maturities at 31 December 2021

In € thousand

	Notional amount[1)]	Coupon payments	Total
2022	0	45,207	45,207
2023	148,700	45,207	193,907
2024	0	34,984	34,984
2025	200,000	34,984	234,984
2026	326,300	28,484	354,784
> 2027	375,000	44,531	419,531

1) Contractual maturities based on the first possible termination date

Concentration risks

UNIQA strives to keep concentration risks as low as possible.

These could arise, for example, from the transfer of insurance business to individual reinsurance companies to an inappropriate extent. This can have a material influence on UNIQA's result in case of late payment (or non-payment) by an individual reinsurer. UNIQA controls such risks with an internal reinsurance company that is responsible for selecting external reinsurance parties, taking into account strict guidelines for avoiding material concentration risks.

However, concentration risk can also arise among other things from the composition of balance sheet items reported in the assets. Throughout the investment period, the company continuously checks to ensure that the investment volumes in securities of individual issuers do not exceed certain limits in relation to the total investment volume, defined according to the respective credit rating.

Underwriting risks

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

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

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

Reserve risk refers to the risk that technical provisions recognised for claims that have already occurred will turn out to be inadequate. The loss in this case is referred to as settlement loss.

The claim reserve is calculated using actuarial methods. External factors, such as changes in the amount or frequency of claims, legal decisions, repair and/or handling costs, can lead to differences compared with the estimate.

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

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

An essential element in risk assessment and further risk management is the use of the non-life partial model. This risk model uses stochastic simulations to quantify the risk capital requirement for each risk category at both company and Group levels.

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

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

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

For health insurance they include:

- prudent setting of the discount rate at a level that is expected to be earned in the long term;
- risk selection, i.e. a targeted pre-selection of prospective customers for insurance products, for example through health checks;
- careful selection of the termination rate probabilities (death and lapse) in order to calculate adequate premiums for the benefits to be expected;
- the consideration of premium adjustment clauses in various health insurance products in order to be able to adjust premiums in line with changes in the calculation principles in case of changes in the expected values; and
- where necessary, reinsurance solutions are applied to partial portfolios.

In addition to these classic risk mitigation techniques, an ongoing process for managing portfolios has been established. This process is carried out annually by determining and evaluating the need for rate adjustments. The effectiveness of the risk mitigation techniques described for the health business is assessed by comparing invoiced and actual benefits as well as by calculating contribution margin calculations.

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

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

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

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

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

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

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

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

In the context of life insurance, the main techniques for risk mitigation are the adjustment of future profit participations or a corresponding premium adjustment as well as additional reinsurance policies, which are carried out in compliance with legal and contractual framework conditions. These measures are crucial for the underlying risk models and contain detailed information and regulations, particularly with regard to profit participation. In practice, profitable new business supports the risk-bearing capacity of the existing portfolio, whereby careful risk selection (e.g. health checks) and cautiously chosen calculation principles for premiums are essential cornerstones when designing products. By including premium adjustment clauses, the potential to reduce risk can be improved, especially in the risk and occupational disability portfolio.

Operational risk

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

The operational risk includes legal risk, but not reputation or strategic risk. Legal risk is the risk of uncertainty due to lawsuits or uncertainty in the applicability or interpretation of contracts, laws or other legal requirements. At UNIQA, legal risks are monitored on an ongoing basis, and reports are made to the Group Management Board. UNIQA's risk management process also defined the risk process for operational risks in terms of methodology, workflow and responsibilities. The risk manager is responsible for compliance throughout all Group companies.

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

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

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

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

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

Reputational risk
Reputational risk describes the risk of loss that arises because of possible damage to the company's reputation, because of a deterioration in prestige, or because of a negative overall impression caused by negative perception by customers, business partners, shareholders or supervisory agencies. Reputational risks that occur in the course of core processes such as claim processing or advising and service quality are identified, evaluated and managed as operational risks in the Group companies.

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

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

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

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

UNIQA Re AG in Zurich, Switzerland, is responsible for the operational implementation of these tasks. It is responsible for and guarantees the implementation of the reinsurance policy issued by the Group Management Board. UNIQA Re AG is available to all Group companies as the risk carrier for their reinsurance needs. The assessment of the exposure of the portfolios assumed by the Group companies is of central importance. Periodic risk assessments have been performed for years in the interest of a value-based management of the capital commitment. Extensive data are used to assess risk capital requirements for the units in question and their reinsurance programmes are structured in a targeted manner.

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

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

Approval for publication

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

Vienna, 8 March 2023

Andreas Brandstetter
Chairman of the Management Board

Peter Eichler
Member of the Management Board

Wolf-Christoph Gerlach
Member of the Management Board

Peter Humer
Member of the Management Board

Wolfgang Kindl
Member of the Management Board

René Knapp
Member of the Management Board

Erik Leyers
Member of the Management Board

Kurt Svoboda
Member of the Management Board

Declaration of the legal representatives

Pursuant to Section 82(4) of the Austrian Stock Exchange Act, the Management Board of UNIQA Insurance Group AG hereby confirms, that, to the best of our knowledge, the consolidated financial statements, which were prepared in accordance with the relevant accounting standards, give a true and fair view of the financial position, financial performance and cash flows of the Group, and that the Group management report describes the relevant risks and uncertainties which the Group faces.

Vienna, 8 March 2023

Andreas Brandstetter
Chairman of the Management Board

Peter Eichler
Member of the Management Board

Wolf-Christoph Gerlach
Member of the Management Board

Peter Humer
Member of the Management Board

Wolfgang Kindl
Member of the Management Board

René Knapp
Member of the Management Board

Erik Leyers
Member of the Management Board

Kurt Svoboda
Member of the Management Board

We draw attention to the fact that the English translation of this auditor's report according to section 274 UGB (Austrian Company Code) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Auditor's Report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of UNIQA Insurance Group AG, Vienna, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement from 1 January until 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at 31 December 2022, and of its financial performance and cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code and the supplementary provisions of section 138 para. 8 Austrian Insurance Supervision Act.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian Generally Accepted Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of the auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have structured key audit matters as follows:

- Description
- Audit approach and key observations
- Reference to related disclosures

1. Measurement of goodwill as well as of other intangible assets

- Description

Goodwill in the amount of EUR 357,786k as well as intangible assets still under development in the amount of EUR 148,422k, which mainly relate to software development in the course of the renewal of the Group-wide IT systems, are tested for impairment at least once a year and additionally whenever there is an indication for impairment.

The impairment tests carried out for this purpose require the Management Board to make discretionary decisions, estimates and assumptions, which particularly includes budgeted cash flows in the individual cash-generating units, future market conditions, growth rates and capital costs. Changes in these assumptions as well as in the methods used may have a material impact on measurement.

Due to the matter described, we considered the measurement of goodwill as well as of other intangible assets as a key audit matter in our audit.

▪ Audit approach and key observations

We:

▪ evaluated work flows and the measurement approach as well as tested selected key controls,
▪ compared the accounting and measurement methods with the accounting provisions of IAS 38 and IAS 36,
▪ examined whether the calculation method of the impairment test is appropriate and assessed the significant discretionary decisions and assumptions,
▪ verified the derivation of the capital costs and juxtaposed it to a calculation we made ourselves and
▪ compared the company planning approved by the Management Board and Supervisory Board with the cash flows included in the impairment test, as well as
▪ examined whether the respective disclosures in the notes were complete.

The accounting and measurement methods applied are in accordance with IFRSs. We consider the underlying assumptions and measurement parameters to be plausible and reasonable.

▪ Reference to related disclosures

Refer to chapter "Use of discretionary decisions and estimates" under General information in the notes as well as "11. Intangible assets" in the notes to the consolidated financial statements

2. Impairment of Other Investments as impact of Russia's attack on Ukraine

▪ Description

Russia's attack on Ukraine had adverse effects on financial markets and national economies. Rising inflation, the continuous increase in key interest rates as well as sanctions on Russia caused overall upheavals in the capital markets, especially in the Russian and Ukrainian ones. As a result of these developments, Group-wide impairments on Russian government and corporate bonds in the amount of EUR 103 million as well as on Ukrainian government bonds in the amount of EUR 39 million are reported in the consolidated financial statements.

Due to its material impact on the results, we considered this matter as a key audit matter in our audit.

▪ Audit approach and key observations

We:

▪ performed plausibility checks on the systematics as well as the completeness of the Other Investments concerned, involving component auditors in Russia and Ukraine,
▪ assessed the recognition of the Other Investments concerned based on samples as well as
▪ assessed the accounting treatment of the impairment.

The accounting and measurement methods applied are in accordance with IFRSs. We consider the underlying assumptions and measurement parameters to be plausible and reasonable.

▪ Reference to related disclosures

Refer to the chapter "Impact of Russia's attack on Ukraine" under General information in the notes to the consolidated financial statements

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group Report 2022, but does not include the consolidated financial statements, the management report for the Group and our auditor's report thereon.

We obtained the corporate governance report and the non-financial report prior to the date of this auditor's report; the rest of the Group Report 2022 is expected to be made available to us after the date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements
Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code and the supplementary provisions of section 138 para. 8 Austrian Insurance Supervision Act, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles and the provisions of the Austrian Insurance Supervision Act.

We conducted our audit in accordance with Austrian standards on auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the applicable legal regulations, comprising the details in accordance with section 243a UGB, and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Additional Information in Accordance with Article 10 of the EU Regulation

We were elected as statutory auditor at the ordinary general meeting dated 31 May 2021. We were appointed by the Supervisory Board on 6 December 2021. Besides that, we were elected as auditor for the following financial year by the ordinary general meeting on 23 May 2022 and appointed by the Supervisory Board on 20 December 2022. We have audited the Company for an uninterrupted period since 31 December 2013.

We confirm that the audit opinion in the "Report on the Consolidated Financial Statements" section is consistent with the additional report to the Audit Committee referred to in Article 11 of the EU Regulation.

We declare that no prohibited non-audit services (Article 5 para. 1 of the EU Regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Engagement Partner

Responsible for the proper performance of the engagement is Mr. Werner Stockreiter, Austrian Certified Public Accountant.

Vienna
8 March 2023

PwC Wirtschaftsprüfung GmbH

Werner Stockreiter
Austrian Certified Public Accountant

signed

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the consolidated financial statements together with our auditor's report is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This auditor's report is only applicable to the German and complete consolidated financial statements with the management report for the Group. For deviating versions, the provisions of section 281 para. 2 UGB apply.