

Spot on.

Think



Consolidated Key Figures

In € million	1–6/2018	1–6/2017	Change
Premiums written	2,640.4	2,531.8	+4.3%
Savings portions from unit-linked and index-linked life insurance (before reinsurance)	158.0	266.8	–40.8%
Premiums written, including savings portions from unit-linked and index-linked life insurance	2,798.4	2,798.6	–0.0%
of which property and casualty insurance	1,506.2	1,441.6	+4.5%
of which health insurance	549.4	522.5	+5.1%
of which life insurance	742.9	834.4	–11.0%
of which income from regular premiums	683.1	691.8	–1.3%
of which single premiums	59.8	142.6	–58.1%
Premiums written, including savings portions from unit-linked and index-linked life insurance	2,798.4	2,798.6	–0.0%
of which UNIQA Austria	1,970.1	1,930.7	+2.0%
of which UNIQA International	814.2	837.1	–2.7%
of which reinsurance	615.0	621.5	–1.0%
of which consolidation	–600.8	–590.8	+1.7%
Premiums earned (net)	2,385.5	2,314.9	+3.1%
of which property and casualty insurance	1,281.0	1,253.9	+2.2%
of which health insurance	536.9	511.6	+4.9%
of which life insurance	567.6	549.4	+3.3%
Savings portions from unit-linked and index-linked life insurance (after reinsurance)	154.6	268.8	–42.5%
Premiums earned, including savings portions from unit-linked and index-linked life insurance	2,540.1	2,583.7	–1.7%
Insurance benefits¹⁾	–1,836.7	–1,749.0	+5.0%
of which property and casualty insurance	–847.6	–816.5	+3.8%
of which health insurance	–460.5	–435.5	+5.7%
of which life insurance ²⁾	–528.6	–497.0	+6.3%
Operating expenses³⁾	–642.6	–645.7	–0.5%
of which property and casualty insurance	–395.7	–396.7	–0.2%
of which health insurance	–92.4	–82.3	+12.2%
of which life insurance	–154.5	–166.7	–7.3%
Net investment income	288.9	233.5	+23.7%
Earnings before taxes	140.8	95.5	+47.5%
Profit/(loss) for the period	111.2	42.3	+162.7%
Consolidated profit/(loss)	109.9	41.3	+166.2%
Investments	19,789.2	19,684.4	+0.5%
Shareholders' equity	2,989.0	2,997.6	–0.3%
Equity, including non-controlling interests	3,002.0	3,013.5	–0.4%
Insured sum in life insurance	82,731.4	76,038.5	+8.8%

¹⁾ Including expenditure for profit participation and premium refunds

²⁾ Including expenditure for (deferred) profit participation

³⁾ Less reinsurance commissions and share of profit from reinsurance ceded

Foreword by the CEO

Dear shareholders,

With earnings before taxes of €141 million for the first six months of 2018, UNIQA surpassed last year's earnings by 47.5 per cent. The two pivotal factors behind these results were the growth in recurring premiums and the significant increase in net investment income, whereas the technical result decreased as a result of an increase in major claims and the provisional formation of reserves for damage from bad weather.

Recurring premiums increased by more than 3 per cent, supported by an economy that remains strong in both of our core markets, Austria and CEE. We were able to increase premiums written in property and casualty insurance by 4.5 per cent, and even grew by 5.1 per cent in health insurance, thereby beating expectations. In life insurance, on the other hand, premiums fell by 11.0 per cent as we are largely no longer issuing single premium policies, in line with our strategy. As a result, they fell by 58.1 per cent compared to the previous year.

In the first half of 2018 we were faced with higher levels of major claims than in the same period of the previous year. Supported by our generally solid income position, we also formed additional reserves this year in property and casualty insurance based on our experience of weather events in previous years. This led to a slight increase in the combined ratio from 96.8 per cent in the first half of the previous year to 97.1 per cent. Yet this precautionary measure makes us optimistic that we will achieve the improvement in the combined ratio sought this year, as compared with the 97.5 per cent for the full year 2017. In the first six months, however, the increase in major claims, additional reserves formed and higher payments in health insurance resulted in a drop in the technical result by 28.2 per cent to €51 million.

However, the increase in net investment income by 23.7 per cent to €289 million – attributable primarily to the extraordinary income from the sale of our holding in Casinos Austria Aktiengesellschaft in the first quarter of 2018 – more than made up for this decline. We thereby increased the earnings per share to €0.36 despite the increase in income taxes.

As regards the implementation of UIP (UNIQA Insurance Platform), we reached an important milestone in June when the first product went live. Going forward, unit-linked life insurance which customers of our banking sales partner Raiffeisen acquire from our Austrian subsidiary will be managed in our new IT system.

Overall the strong results from the first half of 2018 are encouraging us to continue with our long-term growth strategy, UNIQA 2.0, planned until 2020. The outlook for the full year 2018 therefore remains unchanged.

Sincerely,



Andreas Brandstetter
CEO UNIQA Group

Vienna, August 2018

Group Management Report

- **PREMIUMS WRITTEN (INCLUDING SAVINGS PORTIONS) STABLE AT €2,798.4 MILLION**
- **COMBINED RATIO INCREASED SLIGHTLY TO 97.1 PER CENT**
- **INCREASE IN NET INVESTMENT INCOME BY 23.7 PER CENT TO €288.9 MILLION**
- **EARNINGS BEFORE TAXES IN THE FIRST HALF OF 2018 INCREASED BY 47.5 PER CENT TO €140.8 MILLION**
- **EARNINGS OUTLOOK FOR 2018 CONFIRMED**

Economic environment

The rhetoric of an impending trade war and protectionist measures by the USA resulted in retaliatory measures by the European Union (EU) and China. The world's three largest economies are threatening to impose further tariffs. Substantial disruptions to international supply chains represent a viable threat to the global economy. Nevertheless, global trade volumes rose in 2017 by 4.6 per cent (following 1.5 per cent in 2016). They also grew relatively strongly in the first five months of 2018 at 3.0 per cent despite the trade war rhetoric.

The global economy is continuing its solid phase of expansion despite the clouds on the economic horizon. Supported by fiscal and monetary policy stimulus measures, the global economy accelerated in the USA in the second quarter of 2018 to 4.1 per cent, while uncertainty for the European economy has increased somewhat recently. The main risk for the eurozone is an early recession triggered by an external trade shock. Fundamental macroeconomic development, particularly on the European labour markets, does not yet show signs of a slowdown, although economic growth is somewhat weaker than in the previous year. Economic researchers expect growth in GDP of 2.1 per cent for the current year, following growth in GDP of 2.5 per cent in 2017. In contrast, the Austrian economy remains in the fast lane. Forecasts for GDP growth are 3 per cent for 2018. The trend is accompanied by a sustained fall in the unemployment rate (4.7 per cent in June 2018 in accordance with Eurostat's seasonally adjusted calculation).

The monetary policy of the European Central Bank (ECB) remains a crucial determining factor in the medium term for a moderate return to normal interest rates. The ECB tightened its monetary policy course in June 2018. The monthly net bond acquisitions (quantitative easing) will be reduced from €30 billion to €15 billion euros in October 2018 and are expected to come to an end in December 2018. However, redemptions from the bond portfolio will continue to be reinvested, with monetary policy still remaining loose over a longer period. The ECB also now holds out the prospect that a cycle of interest rate increases could begin in autumn 2019. On the other side of the Atlantic, the US Federal Reserve could even accelerate its cycle of interest rate hikes slightly as a result of the strong economy and rising inflation. In June the bandwidth for US key interest rates increased by 25 basis points to between 1.75 and 2.0 per cent.

Central and Eastern Europe (CEE) continues to post buoyant economic growth, although the chances of further acceleration in growth are decreasing. Average growth in GDP of 3.9 per cent is expected for 2018 (not including Russia). The CE4 economies (Poland, Slovakia, the Czech Republic and Hungary) are still being sustained by strong domestic demand, while the contribution of net exports to growth is decreasing. Unemployment rates are falling in the Central European countries to an all-time low of less than 4 per cent and are therefore among the lowest throughout Europe. A shortage of labour is already intensifying to some extent and both wage growth and labour force participation are increasing. On the other hand, the labour markets in Southeastern Europe (SEE) are characterised by higher structural unemployment rates, and labour force participation is low in some cases. The good economic development – GDP growth in SEE is estimated at 2.9 per cent for 2018 – is now also leading to a fall in unemployment rates in many Balkan countries. The Serbian economy gathered pace in the first half of 2018 compared with its neighbours, with growth in GDP of 4.5 per cent, while economic growth in Croatia cooled off slightly in the first quarter of 2018, despite a boom in the tourism sector (annual GDP up 1.5 per cent year on year). General price developments remain moderate in CEE with the exception of increased inflation in Ukraine (9.9 per cent in June 2018). Normalisation of interest rates is gaining momentum in the Czech Republic and Romania with a continuation of the cycles of interest rate hikes. The slow recovery

of the Russian economy is being supported by high macro-economic stability and increases in the price of raw materials. Growth in GDP of 1.7 per cent is estimated for 2018. The Ukrainian economy is recovering at a somewhat brisker pace, with GDP growth of 3.1 per cent in the first quarter of 2018, following the severe crisis in 2014/2015.

UNIQA Group

Changes in premiums

Premiums written at the UNIQA Group including savings portions from unit-linked and index-linked life insurance remained stable in the first half of 2018 at €2,798.4 million (1–6/2017: €2,798.6 million). While recurring premiums rose by an encouraging 3.1 per cent to €2,738.6 million (1–6/2017: €2,656.0 million), single premiums in life insurance decreased by 58.1 per cent to €59.8 million (1–6/2017: €142.6 million) in line with Group strategy.

Premiums earned including net savings portions of the premiums from unit-linked and index-linked life insurance – amounting to €154.6 million (1–6/2017: €268.8 million) – fell in the first half of 2018 by 1.7 per cent to €2,540.1 million (1–6/2017: €2,583.7 million). The volume of premiums earned (net, in accordance with IFRSs) rose by 3.1 per cent to €2,385.5 million (1–6/2017: €2,314.9 million).

Premiums written in property and casualty insurance grew in the first six months of 2018 – in Austria as well as in CEE – by 4.5 per cent to €1,506.2 million (1–6/2017: €1,441.6 million). The volume of premiums earned (net, in accordance with IFRSs) rose by 2.2 per cent to €1,281.0 million (1–6/2017: €1,253.9 million).

In health insurance, premiums written increased by 5.1 per cent to €549.4 million in the reporting period (1–6/2017: €522.5 million). Premiums earned (net, in accordance with IFRSs) rose by 4.9 per cent to €536.9 million (1–6/2017: €511.6 million).

In life insurance, premiums written including savings portions from unit-linked and index-linked life insurance decreased by 11.0 per cent to €742.9 million (1–6/2017: €834.4 million) in the first six months of 2018. Due to the planned withdrawal from this business in the international area, single premiums declined by 58.1 per cent to €59.8 million in the first half of 2018 (1–6/2017: €142.6 million). By comparison, recurring premiums fell only slightly to €683.1 million (1–6/2017: €691.8 million). As a result of this development, annual premium equivalent (APE) in life insurance declined by 2.4 per cent to €689.1 million (1–6/2017: €706.1 million). The APE calculation accounts for 10 per cent of single premiums because the average term of single premiums in Europe is ten years. As a result, annual fluctuations are smoothed out in this calculation. The risk premium portion accounted for in the premiums in unit-linked and index-linked life insurance was €23.8 million in the first half of 2018 (1–6/2017: €14.8 million). The insured capital in life insurance totalled €82,731.4 million as at 30 June 2018 (30 June 2017: €76,038.5 million). Including net savings portions of the premiums from unit-linked and index-linked life insurance, premiums earned in life insurance fell by 11.7 per cent to €722.2 million in the first six months of 2018 (1–6/2017: €818.3 million). Premiums earned (net, in accordance with IFRSs) decreased by 3.3 per cent to €567.6 million (1–6/2017: €549.4 million).

Insurance benefits

The total amount of net insurance benefits in the UNIQA Group rose by 5.0 per cent to €1,836.7 million in the first half of 2018 (1-6/2017: €1,749.0 million). Insurance benefits before consideration of reinsurance rose by 6.8 per cent to €1,898.3 million (1-6/2017: €1,778.2 million).

Net insurance benefits in property and casualty insurance increased by 3.8 per cent to €847.6 million (1-6/2017: €816.5 million). The claims rate (after reinsurance) rose accordingly to 66.2 per cent in the first six months of 2018 (1-6/2017: 65.1 per cent). This increase also reflects a higher number of major claims as compared to fewer loss events in the previous year, and a provision for expected loss events – especially storms – in the remaining part of the year. The combined ratio after reinsurance therefore increased to 97.1 per cent (1-6/2017: 96.8 per cent) despite the improved cost situation. Before consideration of reinsurance, the combined ratio amounted to 95.7 per cent (1-6/2017: 93.1 per cent).

In health insurance, net insurance benefits (including the change in insurance provision) grew by 5.7 per cent to €460.5 million in the first half of 2018 (1-6/2017: €435.5 million), as a result of increased profit-related and non-profit related refund expenses.

In life insurance, insurance benefits rose by 6.3 per cent to €528.6 million (1-6/2017: €497.0 million), as they were positively affected by the deferred profit participation in the first half of the previous year.

Operating expenses

Total operating expenses, less reinsurance commission received, fell by 0.5 per cent to €642.6 million in the first six months of 2018 (1-6/2017: €645.7 million). Despite the increase in premiums earned, expenses for the acquisition of insurance fell by 4.7 per cent to €422.2 million (1-6/2017: €443.0 million). UNIQA was able to successfully reduce new business commissions in life insurance. This was also due to significantly lower amortisation of deferred acquisition costs compared with the same period of the previous year. The reinsurance commission received amounting to €7.4 million (1-6/2017: €11.1 million) has already been deducted from the acquisition costs. Other operating expenses (administrative costs) rose by 8.7 per cent to €220.4 million in the first half of 2018 (1-6/2017: €202.7 million) in connection with increased staff costs as well as higher expenses for pension provisions. This line item includes costs under the innovation and investment programme amounting to around €12 million (1-6/2017: approx. €16 million).

The total cost ratio, i.e. the ratio of total operating expenses to the premiums earned including net savings portions from the premiums from unit-linked and index-linked life insurance, increased slightly to 25.3 per cent (1-6/2017: 25.0 per cent), taking into account the reinsurance commission received.

In property and casualty insurance, operating expenses less reinsurance commissions received fell slightly by 0.2 per cent to €395.7 million in the first half of 2018 (1–6/2017: €396.7 million). The cost ratio after reinsurance fell in this business line to 30.9 per cent (1–6/2017: 31.6 per cent).

In health insurance, operating expenses less reinsurance commission received increased by 12.2 per cent to €92.4 million (1–6/2017: €82.3 million). The cost ratio (after reinsurance) amounted to 17.2 per cent (1–6/2017: 16.1 per cent).

In life insurance, operating expenses less reinsurance commission received decreased by 7.3 per cent to €154.5 million (1–6/2017: €166.7 million) on account of lower acquisition costs. The cost ratio (after reinsurance) increased to 21.4 per cent (1–6/2017: 20.4 per cent).

Investments

The UNIQA Group's investment portfolio (including investment property, financial assets accounted for using the equity method, and other investments) fell slightly to €19,789.2 million as at 30 June 2018 compared to the last reporting date (31 December 2017: €19,877.7 million).

Net investment income rose by 23.7 per cent to €288.9 million in the first half of 2018 (1–6/2017: €233.5 million). The main reason for this increase was the closing of the sale of the indirect holding in Casinos Austria Aktiengesellschaft in the first quarter of 2018. The UNIQA Group generated a capital gain of €47.4 million from this transaction. Reduced depreciation, amortisation and impairment losses on fixed-income securities also had a positive effect. Currency effects of around €22 million had a negative impact on the net investment income. The equity method accounting of the 14.3 per cent holding in construction group STRABAG SE resulted in a positive contribution to earnings in the amount of €2.2 million in the first half of 2018 (1–6/2017: €–10.3 million).

Earnings before taxes

The UNIQA Group's technical result fell by 28.2 per cent to €51.5 million in the first half of 2018 (1–6/2017: €71.7 million), despite an improvement in the cost situation, due to the increase in insurance benefits in life and health insurance. By contrast, operating profit increased by 33.7 per cent to €167.5 million (1–6/2017: €125.3 million) due to the rise in net investment income. Accordingly, the UNIQA Group's earnings before taxes also increased by 47.5 per cent to €140.8 million (1–6/2017: €95.5 million).

Profit/(loss) for the first six months of 2018 amounted to €111.2 million (1–6/2017: €42.3 million). In the same period of the previous year, this included profit/(loss) from discontinued operations (after tax) of €–33.4 million due to the sale of the Italian Group companies. Consolidated profit/(loss) (i.e. proportion of the net profit for the period attributable to the shareholders of UNIQA Insurance Group AG) increased by 166.2 per cent to €109.9 million (1–6/2017: €41.3 million). Earnings per share amounted to €0.36 (1–6/2017: €0.13).

Annualised operating return on equity (earnings before taxes and amortisation of goodwill and impairment losses in relation to average equity including non-controlling interests, and excluding the accumulated profits/losses of the valuation of financial instruments available for sale) increased to 10.2 per cent in the first half of 2018 (1–6/2017: 7.5 per cent). The annualised return on equity (after tax and non-controlling interests) for the reporting period was 7.1 per cent (1–6/2017: 2.7 per cent).

Group equity and total assets

Equity attributable to the shareholders of UNIQA Insurance Group AG fell to €2,989.0 million as at 30 June 2018 (31 December 2017: €3,177.6 million). Non-controlling interests came to €13.0 million (31 December 2017: €15.8 million). The Group's total assets increased slightly to €28,802.2 million as at 30 June 2018 (31 December 2017: €28,743.9 million).

Cash flow

Net cash flow from operating activities in the first half of 2018 amounted to €71.9 million (1-6/2017: €441.3 million). Cash flow from the UNIQA Group's investing activities, in line with investment of the revenues received in the reporting period, amounted to €180.5 million (1-6/2017: €-42.3 million); the net cash flow from financing activities amounted to €-158.4 million (1-6/2017: €-154.6 million) as a result of dividend payments. Overall, cash and cash equivalents fell by €50.5 million to €743.6 million (1-6/2017: €794.2 million).

Employees

The average number of employees (full-time equivalents or FTEs) of the UNIQA Group rose slightly in the first six months of 2018 to 12,876 (1-6/2017: 12,806). These included 4,355 (1-6/2017: 4,404) field sales employees. The number of administrative employees increased to 8,521 (1-6/2017: 8,402).

Operating segments

UNIQA Austria

Premiums written including savings portions from unit-linked and index-linked life insurance at UNIQA Austria increased in the first half of 2018 by 2.0 per cent to €1,970.1 million (1-6/2017: €1,930.7 million). Recurring premiums also rose by 2.0 per cent to €1,954.4 million (1-6/2017: €1,915.4 million). Single premiums grew by 2.3 per cent to €15.7 million (1-6/2017: €15.3 million).

Premiums earned including net savings portions of the premiums from unit-linked and index-linked life insurance rose by 0.8 per cent to €1,508.8 million (1-6/2017: €1,497.2 million). The volume of premiums earned (net, in accordance with IFRSs) increased by 1.6 per cent to €1,402.8 million (1-6/2017: €1,380.1 million).

Premiums written in property and casualty insurance rose by 4.5 per cent to €931.7 million (1-6/2017: €891.9 million) due to the continuing growth in vehicle and property insurance, and in health insurance UNIQA Austria also recorded premium growth of 2.7 per cent to €506.7 million (1-6/2017: €493.2 million).

Premiums written in life insurance including savings portions from unit-linked and index-linked life insurance decreased in the UNIQA Austria segment by 2.6 per cent to €531.7 million (1-6/2017: €545.7 million). Recurring premiums fell by 2.7 per cent to €516.0 million (1-6/2017: €530.4 million). Single premiums increased slightly to €15.7 million (1-6/2017: €15.3 million). Premium volume in unit-linked and index-linked life insurance at UNIQA Austria fell by 4.6 per cent to €125.3 million in the first half of 2018 (1-6/2017: €131.4 million).

Net insurance benefits rose by 2.4 per cent to €1,202.0 million in the UNIQA Austria segment in the first six months of 2018 (1-6/2017: €1,174.0 million). In property and casualty insurance, the combined ratio after reinsurance improved to 92.1 per cent (1-6/2017: 93.4 per cent) due to a merely moderate increase in insurance benefits relative to premiums earned.

Operating expenses less reinsurance commission received fell by 0.7 per cent to €276.4 million in the first half of 2018 (1-6/2017: €278.4 million). The cost ratio after reinsurance therefore fell to 18.3 per cent (1-6/2017: 18.6 per cent).

Net investment income increased by 13.1 per cent to €217.9 million in the first six months of 2018 (1-6/2017: €192.6 million) due to lower depreciation, amortisation and impairment losses on fixed-income securities. Earnings before taxes rose in the UNIQA Austria segment by 30.0 per cent to €111.4 million in the first half of 2018 (1-6/2017: €85.7 million).

UNIQA International

In the UNIQA International segment, premiums written including savings portions from unit-linked and index-linked life insurance fell by 2.7 per cent to €814.2 million in the first six months of 2018 (1–6/2017: €837.1 million). As planned, single premiums fell by 65.3 per cent to €44.1 million (1–6/2017: €127.2 million). By contrast, recurring premiums rose sharply by 8.5 per cent to €770.1 million (1–6/2017: €709.9 million). This meant that the international companies contributed a total of 29.1 per cent to total Group premiums overall in the first half of 2018 (1–6/2017: 29.9 per cent).

Premiums earned including net savings portions of the premiums from unit-linked and index-linked life insurance decreased by 10.2 per cent to €517.0 million (1–6/2017: €575.9 million). On the other hand, the volume of premiums earned (net, in accordance with IFRSs) increased slightly by 10.5 per cent to €468.5 million (1–6/2017: €424.1 million).

In Central Europe (CE) – i.e. Poland, Slovakia, the Czech Republic and Hungary – premiums written including savings portions from unit-linked and index-linked life insurance fell by 9.6 per cent to €485.6 million in the first six months of 2018 (1–6/2017: €537.2 million). In the region of Eastern Europe (EE), comprising Romania and Ukraine, a decrease of 1.5 per cent to €88.4 million was recorded (1–6/2017: €89.8 million). Premiums written including savings portions from unit-linked and index-linked life insurance in Southeastern Europe (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro and Serbia – increased by 6.5 per cent to €153.1 million (1–6/2017: €143.8 million). In Russia (RU), the volume of premiums written grew by 41.1 per cent to €51.1 million (1–6/2017: €36.2 million). In Western Europe (WE) – Liechtenstein and Switzerland – they increased by 19.4 per cent to €35.9 million (1–6/2017: €30.1 million).

Premiums written in property and casualty insurance in the UNIQA International segment rose by 7.8 per cent to €563.8 million (1–6/2017: €523.0 million) as a result of the strong growth in vehicle and property insurance. This meant the contribution of Group companies outside Austria to overall premiums in property and casualty insurance amounted to 37.4 per cent (1–6/2017: 36.3 per cent).

Premiums written in health insurance rose by 44.6 per cent to €42.7 million in the first half of 2018 (1–6/2017: €29.5 million). As such, the segment was responsible for 7.8 per cent (1–6/2017: 5.6 per cent) of health insurance premiums in the UNIQA Group.

In the international life insurance business, premiums written including savings portions from unit-linked and index-linked life insurance fell in the first six months of 2018 by 27.1 per cent to €207.7 million (1–6/2017: €284.7 million), largely driven by the decline in single premium business in unit-linked and index-linked life insurance in Poland in line with the Group's strategy. Single premiums therefore fell significantly to €44.1 million (1–6/2017: €127.2 million). By contrast, recurring premiums developed well and rose by 3.9 per cent to €163.5 million (1–6/2017: €157.4 million). UNIQA International's share of overall life insurance premiums in the UNIQA Group was 28.0 per cent (1–6/2017: 34.1 per cent). Premiums from unit-linked and index-linked life insurance decreased sharply in the international segment by 62.4 per cent to €56.5 million (1–6/2017: €150.2 million).

Net insurance benefits in the UNIQA International segment increased by 16.9 per cent to €282.1 million in the first half of 2018 (1–6/2017: €241.4 million). In property and casualty insurance, the combined ratio after reinsurance increased to 96.8 per cent (1–6/2017: 95.2 per cent). In the CE region, benefits rose by 19.2 per cent to €139.4 million (1–6/2017: €117.0 million), and in the EE region they increased by 4.9 per cent to €29.9 million (1–6/2017: €28.5 million). In SEE, they rose moderately by 0.6 per cent to €63.0 million (1–6/2017: €62.6 million). In Russia, benefits amounted to €42.4 million in the first half of 2018 (1–6/2017: €28.2 million). In Western Europe, the volume of benefits reached €7.4 million (1–6/2017: €5.1 million).

In the UNIQA International segment, operating expenses less reinsurance commissions received rose by 2.8 per cent to €181.0 million (1–6/2017: €176.0 million). The cost ratio after reinsurance increased due to the decline in single premium business in Poland to 35.0 per cent (1–6/2017: 30.6 per cent). In CE, costs rose by 5.5 per cent to €91.0 million (1–6/2017: €86.3 million), whereas in EE they fell by 2.2 per cent to €27.7 million (1–6/2017: €28.3 million). In SEE, they increased by 2.5 per cent to €44.8 million (1–6/2017: €43.7 million). Costs in Russia showed a decrease in the first six months of 2018 to €6.2 million (1–6/2017: €6.4 million). In Western Europe, they fell to €1.1 million (1–6/2017: €3.5 million). Costs in administration (UNIQA International AG) increased to €10.1 million (1–6/2017: €7.7 million).

Net investment income increased in the UNIQA International segment by 39.6 per cent to €38.8 million (1–6/2017: €27.8 million). Earnings before taxes increased by 11.7 per cent to €23.6 million (1–6/2017: €21.1 million).

Reinsurance

Premiums written in the reinsurance segment amounted to €615.0 million in the first half of 2018 (1–6/2017: €621.5 million). Premiums written in property and casualty insurance fell by 1.5 per cent to €589.4 million (1–6/2017: €598.6 million). In health insurance, they amounted to €5.0 million (1–6/2017: €1.0 million) and in life insurance to €20.7 million (1–6/2017: €21.9 million).

Net insurance benefits fell slightly in the reinsurance segment by 0.5 per cent to €357.4 million (1–6/2017: €359.3 million). Operating expenses, less reinsurance commission received, fell by 12.6 per cent to €151.2 million (1–6/2017: €173.1 million). Net investment income amounted to €2.7 million (1–6/2017: €17.6 million). Accordingly, earnings before taxes in the reinsurance segment decreased to €7.7 million (1–6/2017: €14.9 million).

Group functions

In the Group functions segment, operating expenses less reinsurance commission received rose by 19.2 per cent to €32.3 million in the first half of 2018 (1–6/2017: €27.1 million). Net investment income increased to €76.0 million due to the sale of the indirect holding in Casinos Austria Aktiengesellschaft (1–6/2017: €22.2 million). As a result, earnings before taxes improved to €20.9 million (1–6/2017: €–26.3 million).

Capital market

UNIQA shares – key figures

In €	1–6/2018	1–6/2017	Change
UNIQA share price as at 30 June	7.88	8.16	–3.4%
High	10.46	8.30	–
Low	7.88	7.09	–
Market capitalisation as at 30 June (in € million)	2,418.9	2,504.8	–3.4%
Earnings per share	0.36	0.13	+166.2%
Average number of shares in circulation	306,965,261	306,965,261	–

Following significant exchange rate gains in the first few weeks of 2018, followed by a market correction triggered by inflation and interest rate concerns, price trends on the stock exchanges were characterised by a nervous sideways trend over large parts of the first half of 2018. The MSCI World recorded a slight fall of 0.7 per cent as at the end of June 2018 compared with the year-end value for 2017.

The positive development overall in company profits, particularly in the first quarter of 2018 and in the USA, was incapable of shoring up price performance over the longer term, as this positive development was already priced into the significant price increases from the previous year. Prices on the stock exchanges were strained primarily as a result of increased inflation expectations, resulting in corresponding interest rate rises, particularly in the short-term range. Further negative factors included the increasing worries related to economic development and growing trade policy disputes. Intensification of these trade policy conflicts dampened the mildly positive market sentiment in the last few weeks of the second quarter of 2018. The Dow Jones Industrial (DJI) fell 1.8 per cent in total compared with the year-end value for 2017, while the Euro Stoxx 50 suffered a 3.1 per cent loss.

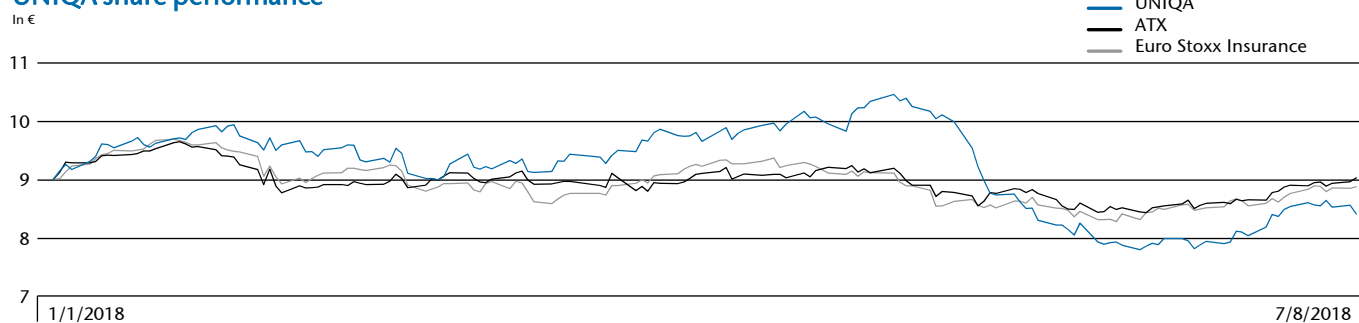
The performance of stock market prices in the emerging markets was significantly worse than in the industrialised nations: following a surprising, albeit only slight, rise in the MSCI Emerging Markets Index in the first quarter of

2018, market trends reversed in the second quarter of 2018. A fall of 7.7 per cent overall is now recorded as at the end of June 2018 compared with the year-end value for 2017. A favourable macroeconomic situation currently in many emerging markets is accompanied by rising short-term interest rates and a higher dollar rate, thereby placing a strain on expectations. Following a longer period of increases, the Eastern European Index CECE was also subjected to a significant correction this year, i.e. by 13.9 per cent in the first two quarters.

The second quarter of 2018 saw an interruption to the sustained period of rising prices on the Vienna Stock Exchange, with the ATX falling 5.0 per cent as a result of price corrections in the last few weeks of the quarter. This fall is associated by many market observers with the increased risks of trade-restricting measures which represent an above-average threat to heavily export-oriented countries such as Austria, and to many Austrian companies with their high export ratios.

The second quarter of 2018 saw a further rise in the UNIQA share price, which reached a year-high of €10.46 on 22 May 2018. The price dropped sharply after this and was quoted at €7.88 on 30 June 2018. The price subsequently recovered and the UNIQA share price reached €8.42 on 7 August 2018. Compared with the 2017 year-end price (€8.82), this equates to a fall of 4.5 per cent.

UNIQA share performance



UNIQA shares – information

Ticker symbol	UQA
Reuters	UNIQ.VI
Bloomberg	UQA AV
ISIN	AT0000821103
Market segment	Vienna Stock Exchange – prime market
Trade segment	Official market
Indices	ATX, ATX FIN, MSCI Europe Small Cap
Number of shares	309,000,000

Financial calendar

21 November 2018	First to Third Quarter Report 2018
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Significant events after the reporting date

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

Outlook

UNIQA expects a moderate fall in total premium volume of around 1 per cent for 2018. Premium growth of at least 2 per cent is expected in property and casualty insurance in 2018. In line with the long-term trend, UNIQA also anticipates growth of more than 3 per cent in health insurance, driven primarily by business in Austria. In contrast, a decline is expected in life insurance. The deliberate reduction in single premium business in particular, especially in CEE, along with the persistent decline in classic life insurance in Austria, will result in a drop in premiums of more than 5 per cent in this segment.

In 2016, UNIQA began the largest investment programme in the company's history and is investing around € 500 million in redesigning the business model and developing the required staff competencies and necessary IT systems. This significant investment in the future will continue to impact earnings before taxes in the 2018 financial year.

With respect to net investment income, UNIQA expects no further fall for 2018 as compared with 2017, since the effects of the low interest rates are already largely reflected in the drop in capital earnings over recent years.

UNIQA aims to improve the combined ratio (after reinsurance) further in 2018 as compared with 2017. Increased profitability in the core technical business for property and casualty insurance should provide the basis for this.

Overall, UNIQA is expecting an improvement in earnings before taxes once again for the 2018 financial year. UNIQA also intends to continue increasing its annual distribution per share over the next few years as part of a progressive dividend policy.

Condensed Consolidated Interim Financial Statements

GENERAL DISCLOSURES

Accounting principles

The consolidated interim financial statements as at 30 June 2018 were prepared in accordance with the requirements of IAS 34 and the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) recognised by the European Union (EU) as well as the interpretations of the IFRS Interpretations Committee. The additional requirements of Section 245a(1) of the Austrian Commercial Code and Section 138(8) of the Austrian Insurance Supervision Act were met.

The accounting, measurement and consolidation principles correspond to those applied in the consolidated financial statements as at 31 December 2017. The functional currency for UNIQA Insurance Group AG is the euro.

In preparing the quarterly financial statements, estimates and planning have been used to a greater extent than for annual reporting.

The consolidated interim financial statements were prepared in millions of euros (rounded based on commercial rounding methods). Rounding differences may occur when totalling rounded amounts and percentages.

Application of new and revised standards

IFRS 2 Share-based Payment

The amendments of IFRS 2 were incorporated into European law on 26 February 2018 and have been applicable since 1 January 2018. The standard includes the classification and measurement of transactions with share-based payment.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 has been applicable since 1 January 2018 and covers revenue recognition from contracts with customers. IFRS 15 is relevant for the UNIQA Group due to investments being accounted for using the equity method. Use of the modified retrospective method on first-time application of IFRS 15 is expected to have a positive effect on equity of approximately €5 million.

IAS 19 Employee Benefits

On 7 February 2018, the IASB published amendments to IAS 19 relating to plan amendment, curtailment and settlement. The standard has not yet been endorsed by the EU.

Framework

On 29 March 2018, the IASB published the updated framework, which includes revised definitions of an asset and a liability as well as new guidance on measurement and derecognition, presentation and disclosure. The updated framework has not yet been endorsed by the EU.

The amendments of the framework, IFRS 2 and IAS 19 are not expected to have a significant impact on UNIQA's net assets, financial position and results of operations.

IFRS 9 Financial Instruments

UNIQA applied the deferral approach for IFRS 9. As a result, the date of first-time adoption of IFRS 17 will be postponed until 1 January 2021, provided that the standard is endorsed by the EU. Since UNIQA's business is predominantly insurance-related and UNIQA has not yet applied IFRS 9 in any other version, a deferral to apply IFRS 9 for the first time is permitted until 1 January 2021. For associated companies that have been applying IFRS 9 since 1 January 2018, UNIQA has exercised the option of including them in the consolidated interim financial statements without any adjustments.

Classification and measurement

The technical development of the SPPI (Solely Payments of Principal and Interest) decision tree and of the systems integration of the developed SPPI logic for the Group's entire securities portfolio has been completed.

According to initial test calculations on the basis of the investment portfolio as of 31 December 2017, the overwhelming part of the UNIQA portfolio has passed the SPPI test.

Requirements for SPPI fulfilled in per cent¹⁾

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts
Financial assets at fair value through profit or loss	0 %	5 %	-	0 %	0 %
Available-for-sale financial assets	0 %	78 %	-	-	-
Loans and receivables	-	0 %	98 %	-	-
Total	0 %	83 %	98 %	0 %	0 %

¹⁾ Classification according to IAS 39

Fixed-income securities make up a large portion of the investment portfolio. Given that these securities tend to follow the principal/interest payment structure in most cases, they largely fulfil the criteria of the SPPI test. The portion of the UNIQA portfolio that does not fulfil the SPPI criteria will be accounted for at fair value in future.

The next project phase includes systemic quality assurance, validation of the plausibility and a detailed analysis of the SPPI test results, where more complex financial instruments will be put under particular scrutiny.

The logic of the business models is based on IFRS 9, and they are now also subject to a validation of their plausibility. As expected, the hold-and-sell business model accounts for a large part of UNIQA's business.

As part of the project, a comprehensive impact study will be developed, in particular with regard to the relationship and interdependencies resulting from the changes introduced by IFRS 17.

Impairment

The logic of the model according to which future impairment will be recognised is currently being prepared. In

addition, we are in the process of testing the use of suitable tools to illustrate the required calculatory algorithms and expect initial impact results for the end of the year.

IFRS 16 Leases

IFRS 16 will replace the current accounting regulations for leases as of 1 January 2019. As part of the preparatory work for its introduction, further analyses were carried out and it was decided to make further elections.

For example, a lessee has the right but is under no obligation to record a right of use for the leases for intangible assets. UNIQA has decided not to record any right of use for intangible assets. Also, UNIQA will not separate the lease payments due to the insignificant portion of non-lease components within the leases analysed.

Changes in the capital structure such as changes in the gearing ratio resulting from lease obligations due to be recognised in the balance sheet in future have been deemed insignificant at this point. Given the increase in fixed assets due to the capitalisation of rights of use, UNIQA expects a slight change in intensity ratios.

Consolidated Statement of Financial Position

Assets

In € million

	Notes	30/6/2018	31/12/2017
Property, plant and equipment		307.4	310.6
Intangible assets		1,595.2	1,529.5
Investments			
Investment property		1,202.4	1,233.9
Financial assets accounted for using the equity method		543.3	560.9
Other investments	1	18,043.5	18,082.8
Unit-linked and index-linked life insurance investments		4,879.0	5,034.5
Reinsurers' share of technical provisions		352.0	316.1
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance		289.8	292.0
Receivables, including insurance receivables		789.4	675.9
Income tax receivables		50.9	43.3
Deferred tax assets		5.7	4.7
Cash and cash equivalents		743.6	650.3
Assets in disposal groups held for sale	6	0.0	9.3
Total assets		28,802.2	28,743.9

Equity and liabilities

In € million

	Notes	30/6/2018	31/12/2017
Total equity			
Portion attributable to shareholders of UNIQA Insurance Group AG			
Subscribed capital and capital reserves		1,789.9	1,789.9
Treasury shares		-16.6	-16.6
Accumulated results		1,215.7	1,404.3
		2,989.0	3,177.6
Non-controlling interests		13.0	15.8
		3,002.0	3,193.4
Liabilities			
Subordinated liabilities	1	846.5	846.4
Technical provisions		17,470.2	17,346.3
Technical provisions for unit-linked and index-linked life insurance		4,845.0	5,019.3
Financial liabilities	1	56.6	38.6
Other provisions		785.0	809.8
Liabilities and other items classified as liabilities		1,446.5	1,127.3
Income tax liabilities		53.3	54.4
Deferred tax liabilities		297.1	308.2
		25,800.2	25,550.5
Total equity and liabilities		28,802.2	28,743.9

Consolidated Income Statement

In € million	Notes	1–6/2018	1–6/2017	4–6/2018	4–6/2017
Premiums earned (net)	3	2,385.5	2,314.9	1,174.9	1,157.3
Technical interest income		164.7	165.8	84.9	86.8
Other insurance income		9.5	9.4	5.0	3.4
Insurance benefits	4	-1,836.7	-1,749.0	-901.8	-890.4
Operating expenses	5	-642.6	-645.7	-322.8	-314.7
Other technical expenses		-28.9	-23.7	-13.0	-11.2
Technical result		51.5	71.7	27.3	31.3
Net investment income	2	288.9	233.5	145.5	157.7
Income from investments		459.6	508.9	243.7	267.1
Expenses from investments		-225.0	-270.7	-121.1	-131.2
Financial assets accounted for using the equity method		54.3	-4.8	22.9	21.8
Other income		27.1	28.9	15.9	-1.9
Reclassification of technical interest income		-164.7	-165.8	-84.9	-86.8
Other expenses		-35.3	-43.0	-23.4	-23.0
Non-technical result		116.1	53.6	53.0	46.0
Operating profit/(loss)		167.5	125.3	80.3	77.3
Amortisation of goodwill and impairment losses		-1.3	-2.8	-0.7	-1.4
Finance costs		-25.4	-27.0	-12.7	-13.6
Earnings before taxes		140.8	95.5	66.9	62.3
Income taxes		-29.6	-19.8	-11.1	-13.9
Profit/(loss) for the period from continuing operations		111.2	75.7	55.8	48.4
Profit/(loss) from discontinued operations (after tax)	7	0.0	-33.4	0.0	-36.1
Profit/(loss) for the period		111.2	42.3	55.8	12.3
of which attributable to shareholders of UNIQA Insurance Group AG		109.9	41.3	55.5	12.2
of which attributable to non-controlling interests		1.3	1.0	0.4	0.1
Earnings per share (in €)¹⁾		0.36	0.13	0.18	0.04
Earnings per share from continuing operations		0.36	0.24	0.18	0.16
Earnings per share from discontinued operations		0.00	-0.11	0.00	-0.12
Average number of shares in circulation		306,965,261	306,965,261	306,965,261	306,965,261

¹⁾ Diluted earnings per share equate to undiluted earnings per share. This is calculated on the basis of the consolidated profit/(loss).

Consolidated Statement of Comprehensive Income

In € million

	1–6/2018	1–6/2017
Profit/(loss) for the period	111.2	42.3
Items not reclassified to profit or loss in subsequent periods		
Revaluations of defined benefit obligations		
Gains (losses) recognised in equity	–4.9	0.3
Gains (losses) recognised in equity – deferred tax	1.1	–0.1
Gains (losses) recognised in equity – deferred profit participation	0.7	0.1
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	0.1	2.2
	–3.1	2.4
Items reclassified to profit or loss in subsequent periods		
Currency translation		
Gains (losses) recognised in equity	–10.2	8.1
Valuation of financial instruments available for sale		
Gains (losses) recognised in equity	–159.5	–190.5
Gains (losses) recognised in equity – deferred tax	22.6	9.9
Gains (losses) recognised in equity – deferred profit participation	39.4	150.0
Recognised in the consolidated income statement	–44.2	–183.4
Recognised in the consolidated income statement – deferred tax	9.1	23.7
Recognised in the consolidated income statement – deferred profit participation	5.5	96.8
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	–3.9	2.3
Recognised in the consolidated income statement	0.1	0.0
	–141.2	–83.1
of which from discontinued operations	0.0	–16.9
Other comprehensive income	–144.2	–80.7
Total comprehensive income	–33.1	–38.3
of which attributable to shareholders of UNIQA Insurance Group AG	–32.9	–36.9
of which attributable to non-controlling interests	–0.1	–1.5

Consolidated Statement of Cash Flows

In € million

	1–6/2018	1–6/2017
Profit/(loss) for the period	111.2	42.3
Impairment losses, amortisation of goodwill and other intangible assets, and depreciation of property, plant and equipment	18.7	20.0
Impairment losses/reversal of impairment losses on other investments	38.7	109.5
Gain/loss on the disposal of investments	-42.8	-3.2
Change in deferred acquisition costs	-39.0	-12.1
Change in securities at fair value through profit or loss	-168.2	-42.1
Change in direct insurance receivables	-55.1	-49.5
Change in other receivables	-52.1	-56.1
Change in direct insurance liabilities	-9.7	12.4
Change in other liabilities	328.6	167.6
Change in technical provisions	-38.6	136.2
Change in defined benefit obligations	-2.8	-7.1
Change in deferred tax assets and deferred tax liabilities	20.5	8.3
Change in other statement of financial position items	-37.5	115.0
Net cash flow from operating activities	71.9	441.3
of which from discontinued operations	0.0	258.2
Proceeds from disposal of intangible assets and property, plant and equipment	3.4	1.1
Payments for acquisition of intangible assets and property, plant and equipment	-48.6	-23.8
Proceeds from disposal of consolidated companies	56.9	294.0
Proceeds from disposal and maturity of other investments	2,507.7	2,439.8
Payments for acquisition of other investments	-2,494.4	-2,737.3
Change in unit-linked and index-linked life insurance investments	155.5	-16.2
Net cash flow from investing activities	180.5	-42.3
of which from discontinued operations	0.0	35.3
Dividend payments	-158.1	-153.9
Payments from other financing activities	-0.4	-0.7
Net cash flow from financing activities	-158.4	-154.6
of which from discontinued operations	0.0	0.0
Change in cash and cash equivalents	93.9	244.4
of which from discontinued operations	0.0	293.5
Change in cash and cash equivalents due to movements in exchange rates	-0.5	-0.1
Cash and cash equivalents at beginning of year	650.3	549.9
Cash and cash equivalents at end of period	743.6	794.2
Income taxes paid (Net cash flow from operating activities)	-18.6	-14.5
Interest paid (Net cash flow from operating activities)	-7.5	-11.5
Interest received (Net cash flow from operating activities)	207.0	252.0
Dividends received (Net cash flow from operating activities)	38.6	12.5

Consolidated Statement of Changes in Equity

				Accumulated
In € million	Subscribed capital and capital reserves	Treasury shares	Valuation of financial instruments available for sale	Revaluations of defined benefit obligations
At 1 January 2017	1,789.9	-16.6	453.7	-187.0
Change in basis of consolidation		0.0	-45.5	
Dividends to shareholders				
Total comprehensive income			-91.4	0.2
Profit/(loss) for the period				
Other comprehensive income			-91.4	0.2
At 30 June 2017	1,789.9	-16.6	316.8	-186.8
At 1 January 2018	1,789.9	-16.6	377.4	-184.1
Change in basis of consolidation				
Dividends to shareholders				
Total comprehensive income			-126.1	-3.2
Profit/(loss) for the period				
Other comprehensive income			-126.1	-3.2
At 30 June 2018	1,789.9	-16.6	251.3	-187.2

results

	Differences from currency translation	Other accumulated results	Portion attributable to shareholders of UNIQA Insurance Group AG	Non-controlling interests	Total equity
	-174.0	1,320.3	3,186.3	26.5	3,212.8
		44.7	-0.7	-6.3	-7.0
		-151.0	-151.0	-2.9	-153.9
	8.5	45.8	-36.9	-1.5	-38.3
		41.3	41.3	1.0	42.3
	8.5	4.5	-78.2	-2.5	-80.7
	-165.4	1,259.8	2,997.6	15.9	3,013.5
	-173.2	1,384.2	3,177.6	15.8	3,193.4
		0.9	0.9	-1.2	-0.2
		-156.6	-156.6	-1.5	-158.1
	-9.9	106.3	-32.9	-0.1	-33.1
		109.9	109.9	1.3	111.2
	-9.9	-3.6	-142.8	-1.4	-144.2
	-183.1	1,334.8	2,989.0	13.0	3,002.0

Segment Reporting

OPERATING SEGMENTS – CONSOLIDATED INCOME STATEMENT

In € million	UNIQA Austria		UNIQA International	
	1–6/2018	1–6/2017	1–6/2018	1–6/2017
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	1,970.1	1,930.7	814.2	837.1
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	1,508.8	1,497.2	517.0	575.9
Savings portions in unit-linked and index-linked life insurance (gross)	109.4	115.1	48.6	151.7
Savings portions in unit-linked and index-linked life insurance (net)	106.0	117.1	48.6	151.7
Premiums written (gross)	1,860.6	1,815.6	765.6	685.4
Premiums earned (net)	1,402.8	1,380.1	468.5	424.1
Premiums earned (net) – intragroup	–332.3	–315.2	–195.4	–179.9
Premiums earned (net) – external	1,735.1	1,695.3	663.9	604.0
Technical interest income	154.3	156.6	10.4	9.3
Other insurance income	1.8	1.9	9.4	8.6
Insurance benefits	–1,202.0	–1,174.0	–282.1	–241.4
Operating expenses	–276.4	–278.4	–181.0	–176.0
Other technical expenses	–13.2	–9.6	–16.5	–16.7
Technical result	67.3	76.6	8.7	8.0
Net investment income	217.9	192.6	38.8	27.8
Income from investments	338.3	403.3	52.2	53.8
Expenses from investments	–139.0	–210.8	–13.6	–26.2
Financial assets accounted for using the equity method	18.6	0.0	0.2	0.2
Other income	1.3	5.2	6.4	7.3
Reclassification of technical interest income	–154.3	–156.6	–10.4	–9.3
Other expenses	–7.4	–18.5	–17.3	–8.6
Non-technical result	57.4	22.7	17.4	17.2
Operating profit/(loss)	124.7	99.3	26.2	25.2
Amortisation of goodwill and impairment losses	–0.9	–1.2	–0.4	–1.6
Finance costs	–12.4	–12.5	–2.2	–2.4
Earnings before taxes from continuing operations	111.4	85.7	23.6	21.1
Combined ratio (property and casualty insurance, after reinsurance)	92.1 %	93.4 %	96.8 %	95.2 %
Cost ratio (after reinsurance)	18.3 %	18.6 %	35.0 %	30.6 %

Reinsurance		Group functions		Consolidation		Group	
1-6/2018	1-6/2017	1-6/2018	1-6/2017	1-6/2018	1-6/2017	1-6/2018	1-6/2017
615.0	621.5	0.0	0.0	-600.8	-590.8	2,798.4	2,798.6
510.0	538.9	0.0	0.0	4.2	-28.3	2,540.1	2,583.7
0.0	0.0	0.0	0.0	0.0	0.0	158.0	266.8
0.0	0.0	0.0	0.0	0.0	0.0	154.6	268.8
615.0	621.5	0.0	0.0	-600.8	-590.8	2,640.4	2,531.8
510.0	538.9	0.0	0.0	4.2	-28.3	2,385.5	2,314.9
523.5	523.4	0.0	0.0	4.2	-28.3	0.0	0.0
-13.5	15.5	0.0	0.0	0.0	0.0	2,385.5	2,314.9
0.0	0.0	0.0	0.0	0.0	0.0	164.7	165.8
0.2	0.3	0.2	0.3	-2.2	-1.7	9.5	9.4
-357.4	-359.3	5.8	6.3	-1.1	19.4	-1,836.7	-1,749.0
-151.2	-173.1	-32.3	-27.1	-1.7	8.9	-642.6	-645.7
-6.3	-6.2	-0.4	-0.4	7.4	9.2	-28.9	-23.7
-4.6	0.6	-26.7	-20.9	6.7	7.4	51.5	71.7
2.7	17.6	76.0	22.2	-46.5	-26.6	288.9	233.5
19.6	24.8	86.2	65.8	-36.7	-38.8	459.6	508.9
-16.9	-7.2	-59.5	-45.2	4.0	18.7	-225.0	-270.7
0.0	0.0	49.4	1.6	-13.8	-6.5	54.3	-4.8
14.3	3.2	11.3	13.4	-6.2	-0.2	27.1	28.9
0.0	0.0	0.0	0.0	0.0	0.0	-164.7	-165.8
-3.3	-5.0	-8.6	-11.7	1.4	0.8	-35.3	-43.0
13.8	15.7	78.7	24.0	-51.2	-26.0	116.1	53.6
9.1	16.3	52.0	3.1	-44.5	-18.6	167.5	125.3
0.0	0.0	0.0	0.0	0.0	0.0	-1.3	-2.8
-1.4	-1.4	-31.1	-29.4	21.7	18.7	-25.4	-27.0
7.7	14.9	20.9	-26.3	-22.8	0.1	140.8	95.5
99.7%	98.5%	n/a	n/a	n/a	n/a	97.1%	96.8%
29.7%	32.1%	n/a	n/a	n/a	n/a	25.3%	25.0%

OPERATING SEGMENTS – CLASSIFIED BY BUSINESS LINE

Property and casualty insurance

In € million	UNIQA Austria		UNIQA International	
	1–6/2018	1–6/2017	1–6/2018	1–6/2017
Premiums written (gross)	931.7	891.9	563.8	523.0
Premiums earned (net)	498.7	482.7	282.4	270.7
Other insurance income	1.4	1.3	6.9	5.7
Insurance benefits	-334.1	-331.9	-169.0	-154.9
Operating expenses	-125.0	-119.1	-104.2	-102.7
Other technical expenses	-4.0	-0.1	-15.1	-15.6
Technical result	37.0	32.9	0.9	3.2
Net investment income	22.4	13.6	14.5	13.3
Income from investments	71.9	74.9	19.1	23.1
Expenses from investments	-49.7	-61.4	-4.8	-10.0
Financial assets accounted for using the equity method	0.3	0.0	0.2	0.2
Other income	0.9	4.4	2.6	4.1
Other expenses	-5.9	-13.0	-7.3	-6.6
Non-technical result	17.5	4.9	9.8	10.8
Operating profit/(loss)	54.4	37.9	10.7	14.0
Amortisation of goodwill and impairment losses	0.0	0.0	-0.2	-1.5
Finance costs	0.0	0.0	-2.2	-2.4
Earnings before taxes from continuing operations	54.4	37.9	8.4	10.1

Health insurance

In € million	UNIQA Austria		UNIQA International	
	1–6/2018	1–6/2017	1–6/2018	1–6/2017
Premiums written (gross)	506.7	493.2	42.7	29.5
Premiums earned (net)	500.0	486.0	32.0	24.8
Technical interest income	42.0	40.2	0.0	0.0
Other insurance income	0.2	0.2	0.1	0.1
Insurance benefits	-441.9	-424.8	-20.9	-16.3
Operating expenses	-71.8	-63.1	-11.8	-11.3
Other technical expenses	-0.3	1.5	-0.2	-0.1
Technical result	28.4	40.1	-0.8	-2.8
Net investment income	54.8	53.0	0.2	0.2
Income from investments	113.1	140.8	0.5	0.5
Expenses from investments	-66.0	-87.7	-0.3	-0.4
Financial assets accounted for using the equity method	7.7	0.0	0.0	0.0
Other income	0.1	0.3	1.5	1.6
Reclassification of technical interest income	-42.0	-40.2	0.0	0.0
Other expenses	-0.9	-2.9	-1.5	-0.1
Non-technical result	12.0	10.2	0.3	1.6
Operating profit/(loss)	40.4	50.3	-0.5	-1.1
Earnings before taxes from continuing operations	40.4	50.3	-0.5	-1.1

Reinsurance		Group functions		Consolidation		Group	
1-6/2018	1-6/2017	1-6/2018	1-6/2017	1-6/2018	1-6/2017	1-6/2018	1-6/2017
589.4	598.6	0.0	0.0	-578.7	-571.8	1,506.2	1,441.6
496.3	528.1	0.0	0.0	3.7	-27.7	1,281.0	1,253.9
0.2	0.2	0.2	0.3	-1.9	-1.4	6.7	6.1
-345.0	-349.4	0.2	0.1	0.3	19.6	-847.6	-816.5
-149.9	-170.7	-16.4	-11.9	-0.2	7.8	-395.7	-396.7
-4.6	-4.4	-0.2	-0.2	4.6	6.2	-19.2	-14.1
-3.0	3.8	-16.2	-11.7	6.5	4.5	25.2	32.7
-1.9	12.7	70.6	21.7	-15.8	-6.4	89.9	54.8
15.0	19.9	65.0	44.8	-20.0	-21.6	150.9	141.1
-16.9	-7.2	-41.9	-24.3	0.2	11.2	-113.2	-91.7
0.0	0.0	47.6	1.3	4.1	3.9	52.2	5.4
14.3	3.2	7.3	12.2	-4.9	-2.2	20.3	21.7
-3.2	-5.0	-6.4	-10.3	1.0	1.1	-21.8	-33.7
9.1	10.9	71.5	23.6	-19.6	-7.5	88.3	42.7
6.1	14.7	55.3	11.9	-13.1	-3.0	113.5	75.4
0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-1.5
-1.4	-1.4	-27.8	-29.3	6.0	6.2	-25.4	-27.0
4.7	13.2	27.5	-17.4	-7.1	3.2	87.9	47.0

Reinsurance		Group functions		Consolidation		Group	
1-6/2018	1-6/2017	1-6/2018	1-6/2017	1-6/2018	1-6/2017	1-6/2018	1-6/2017
5.0	1.0	0.0	0.0	-5.0	-1.1	549.4	522.5
4.8	0.9	0.0	0.0	0.0	-0.2	536.9	511.6
0.0	0.0	0.0	0.0	0.0	0.0	42.0	40.2
0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
-3.4	-0.6	5.6	6.2	0.0	0.0	-460.5	-435.5
-0.7	-0.4	-8.5	-7.8	0.3	0.3	-92.4	-82.3
0.0	0.0	-0.1	-0.1	0.0	0.0	-0.5	1.4
0.8	-0.1	-2.9	-1.6	0.3	0.0	25.8	35.6
0.0	0.0	-2.6	-1.7	-10.3	-7.2	42.1	44.3
0.0	0.0	0.2	0.7	-3.8	-3.4	110.0	138.5
0.0	0.0	-2.8	-2.7	0.4	0.5	-68.7	-90.3
0.0	0.0	0.0	0.3	-6.9	-4.2	0.8	-3.9
0.0	0.0	2.2	1.3	-0.6	1.6	3.1	4.8
0.0	0.0	0.0	0.0	0.0	0.0	-42.0	-40.2
0.0	0.0	-1.3	-0.8	0.1	0.4	-3.6	-3.4
0.0	0.0	-1.8	-1.2	-10.8	-5.1	-0.3	5.5
0.8	-0.1	-4.7	-2.9	-10.5	-5.1	25.4	41.1
0.8	-0.1	-4.7	-2.9	-10.5	-5.1	25.4	41.0

Life insurance

In € million	UNIQA Austria		UNIQA International	
	1–6/2018	1–6/2017	1–6/2018	1–6/2017
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	531.7	545.7	207.7	284.7
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	510.1	528.4	202.7	280.4
Savings portions in unit-linked and index-linked life insurance (gross)	109.4	115.1	48.6	151.7
Savings portions in unit-linked and index-linked life insurance (net)	106.0	117.1	48.6	151.7
Premiums written (gross)	422.2	430.6	159.1	132.9
Premiums earned (net)	404.1	411.4	154.1	128.6
Technical interest income	112.3	116.3	10.4	9.3
Other insurance income	0.2	0.3	2.5	2.8
Insurance benefits	–426.1	–417.3	–92.1	–70.2
Operating expenses	–79.6	–96.1	–65.0	–62.0
Other technical expenses	–8.9	–11.0	–1.2	–0.9
Technical result	2.0	3.6	8.6	7.6
Net investment income	140.6	126.0	24.1	14.3
Income from investments	153.3	187.6	32.6	30.2
Expenses from investments	–23.2	–61.6	–8.5	–15.9
Financial assets accounted for using the equity method	10.5	0.0	0.0	0.0
Other income	0.2	0.5	2.3	1.6
Reclassification of technical interest income	–112.3	–116.3	–10.4	–9.3
Other expenses	–0.7	–2.6	–8.6	–1.9
Non-technical result	27.9	7.6	7.4	4.7
Operating profit/(loss)	29.9	11.2	16.0	12.3
Amortisation of goodwill and impairment losses	–0.9	–1.2	–0.2	–0.2
Finance costs	–12.4	–12.5	0.0	0.0
Earnings before taxes from continuing operations	16.6	–2.5	15.8	12.2

UNIQA INTERNATIONAL – REGIONS

In € million	Premiums earned (net)		Net investment income		Insurance benefits		Operating expenses		Earnings before taxes from continuing operations	
	1–6/2018	1–6/2017	1–6/2018	1–6/2017	1–6/2018	1–6/2017	1–6/2018	1–6/2017	1–6/2018	1–6/2017
Western Europe (WE)	8.4	7.5	0.2	0.1	–7.4	–5.1	–1.1	–3.5	–0.4	0.5
Central Europe (CE)	244.9	215.7	15.0	15.2	–139.4	–117.0	–91.0	–86.3	20.7	19.8
Eastern Europe (EE)	56.0	56.7	2.1	3.5	–29.9	–28.5	–27.7	–28.3	–1.0	0.9
Southeastern Europe (SEE)	110.6	109.9	8.7	5.3	–63.0	–62.6	–44.8	–43.7	8.2	6.7
Russia (RU)	48.5	34.3	13.2	6.2	–42.4	–28.2	–6.2	–6.4	7.3	5.0
Administration	0.0	0.0	–0.5	–2.5	0.0	0.0	–10.1	–7.7	–11.2	–11.7
Total	468.5	424.1	38.8	27.8	–282.1	–241.4	–181.0	–176.0	23.6	21.1

Reinsurance		Group functions		Consolidation			Group
1-6/2018	1-6/2017	1-6/2018	1-6/2017	1-6/2018	1-6/2017	1-6/2018	1-6/2017
20.7	21.9	0.0	0.0	-17.1	-17.9	742.9	834.4
8.9	9.9	0.0	0.0	0.5	-0.4	722.2	818.3
0.0	0.0	0.0	0.0	0.0	0.0	158.0	266.8
0.0	0.0	0.0	0.0	0.0	0.0	154.6	268.8
20.7	21.9	0.0	0.0	-17.1	-17.9	584.9	567.6
8.9	9.9	0.0	0.0	0.5	-0.4	567.6	549.4
0.0	0.0	0.0	0.0	0.0	0.0	122.7	125.6
0.1	0.1	0.0	0.0	-0.3	-0.3	2.5	3.0
-9.0	-9.3	0.0	0.0	-1.4	-0.3	-528.6	-497.0
-0.7	-2.0	-7.4	-7.4	-1.7	0.9	-154.5	-166.7
-1.7	-1.8	-0.1	-0.1	2.8	3.0	-9.2	-10.9
-2.4	-3.1	-7.6	-7.6	-0.1	2.9	0.5	3.4
4.6	4.9	8.0	2.2	-20.4	-13.0	157.0	134.4
4.6	4.9	21.1	20.3	-12.9	-13.8	198.7	229.3
0.0	0.0	-14.8	-18.1	3.5	7.0	-43.1	-88.7
0.0	0.0	1.8	0.0	-11.0	-6.2	1.3	-6.2
0.0	0.0	1.8	0.0	-0.7	0.4	3.7	2.5
0.0	0.0	0.0	0.0	0.0	0.0	-122.7	-125.6
0.0	0.0	-0.9	-0.6	0.2	-0.7	-9.9	-5.9
4.6	4.9	9.0	1.6	-20.8	-13.3	28.1	5.4
2.2	1.8	1.4	-6.0	-20.9	-10.5	28.6	8.8
0.0	0.0	0.0	0.0	0.0	0.0	-1.1	-1.4
0.0	0.0	-3.2	0.0	15.7	12.5	0.0	0.0
2.2	1.8	-1.8	-6.0	-5.3	2.0	27.5	7.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CLASSIFIED BY BUSINESS LINE

In € million	Property and casualty insurance		Health insurance	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Assets				
Property, plant and equipment	159.0	162.5	37.9	35.3
Intangible assets	589.3	525.3	260.5	255.5
Investments				
Investment property	234.7	254.5	238.2	237.2
Financial assets accounted for using the equity method	63.1	59.6	185.4	193.6
Other investments	4,890.5	4,797.7	3,027.1	2,976.5
Unit-linked and index-linked life insurance investments	0.0	0.0	0.0	0.0
Reinsurers' share of technical provisions	219.0	183.5	2.4	1.6
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance	0.0	0.0	0.0	0.0
Receivables, including insurance receivables	452.3	249.7	326.2	312.3
Income tax receivables	46.2	38.8	0.6	0.3
Deferred tax assets	2.0	1.3	0.0	0.0
Cash and cash equivalents	351.0	278.3	124.5	182.9
Assets in disposal groups held for sale	0.0	9.3	0.0	0.0
Total assets by business line	7,007.1	6,560.5	4,202.8	4,195.1
Liabilities				
Subordinated liabilities	851.7	852.1	0.0	0.0
Technical provisions	3,308.8	3,136.0	3,111.6	3,039.2
Technical provisions for unit-linked and index-linked life insurance	0.0	0.0	0.0	0.0
Financial liabilities	22.8	5.8	29.6	27.9
Other provisions	517.1	526.6	293.4	296.6
Liabilities and other items classified as liabilities	846.6	472.6	77.9	57.6
Income tax liabilities	49.6	50.6	2.6	2.6
Deferred tax liabilities	64.8	59.1	122.8	135.6
Total liabilities by business line	5,661.3	5,102.8	3,637.9	3,559.5

Life insurance		Consolidation			Group
30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017
110.6	112.9	0.0	0.0	307.4	310.6
796.2	786.5	-50.8	-37.8	1,595.2	1,529.5
729.5	742.2	0.0	0.0	1,202.4	1,233.9
294.8	307.8	0.0	0.0	543.3	560.9
10,757.7	10,941.9	-631.8	-633.2	18,043.5	18,082.8
4,879.0	5,034.5	0.0	0.0	4,879.0	5,034.5
141.4	142.3	-10.9	-11.3	352.0	316.1
289.8	292.0	0.0	0.0	289.8	292.0
127.8	173.0	-117.0	-59.1	789.4	675.9
4.1	4.1	0.0	0.0	50.9	43.3
3.7	3.4	0.0	0.0	5.7	4.7
268.1	189.2	0.0	0.0	743.6	650.3
0.0	0.0	0.0	0.0	0.0	9.3
18,402.8	18,729.7	-810.5	-741.4	28,802.2	28,743.9
410.8	410.7	-415.9	-416.5	846.5	846.4
11,073.5	11,194.7	-23.7	-23.6	17,470.2	17,346.3
4,845.0	5,019.3	0.0	0.0	4,845.0	5,019.3
187.3	187.5	-183.1	-182.6	56.6	38.6
20.9	27.0	-46.4	-40.4	785.0	809.8
662.9	675.0	-141.0	-77.9	1,446.5	1,127.3
1.2	1.3	0.0	0.0	53.3	54.4
109.6	113.6	0.0	0.0	297.1	308.2
17,311.2	17,629.2	-810.1	-741.0	25,800.2	25,550.5
Consolidated equity and non-controlling interests				3,002.0	3,193.4
Total equity and liabilities by business line				28,802.2	28,743.9

The amounts indicated for each business line have been adjusted to eliminate amounts resulting from internal transactions. Therefore, the balance of segment assets and

segment equity and liabilities does not allow conclusions to be drawn with regard to the equity allocated to the respective business line.

Notes to the Condensed Consolidated Interim Financial Statements

1. Investments plus valuation hierarchies for fair value measurements

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

At 30 June 2018

In € million	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	22.9	479.6	0.0	193.4	60.1	756.0
Available-for-sale financial assets	780.9	15,760.5	0.0	0.0	0.0	16,541.3
Loans and receivables	0.0	193.1	553.1	0.0	0.0	746.1
Total	803.7	16,433.1	553.1	193.4	60.1	18,043.5
of which fair value option	22.9	479.6	0.0	0.0	0.0	502.5

At 31 December 2017

In € million	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	29.4	314.9	0.0	165.0	60.4	569.8
Available-for-sale financial assets	856.1	15,973.6	0.0	0.0	0.0	16,829.7
Loans and receivables	0.0	212.4	471.0	0.0	0.0	683.4
Total	885.5	16,500.9	471.0	165.0	60.4	18,082.8
of which fair value option	29.4	314.9	0.0	0.0	0.0	344.3

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 Group Management Board.

A regular review is carried out of the major unobservable inputs and the measurement adjustments. 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, including the level in the fair value hierarchy to which these measurements are attributable. 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) in active markets for identical assets and liabilities. At UNIQA these primarily involve quoted shares, quoted bonds and quoted investment funds.
- Level 2: valuation 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 on 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: valuation parameters for assets or liabilities that are not based or are only partly based on observable market data. The valuations here primarily involve appli-

cation 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 valuation. At UNIQA, it is primarily other equity investments, private equity and hedge funds, ABS and structured products which 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.

Valuation process and methods

Financial instruments measured at fair value

For the valuation of capital investments, techniques best suited to the determination of value are applied. The following standard valuation techniques are applied for financial instruments which come under Levels 2 and 3:

- **Market approach:**

The valuation 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.

Non-financial assets and loans

The fair value of investment property is determined within the scope of the impairment test.

The loans are accounted for at amortised cost. Any required impairment is determined with due regard to the collateral and the debtor's creditworthiness.

Financial liabilities

The fair value of financial liabilities and subordinated liabilities is determined using the discounted cash flow method. Yield curves and CDS spreads are used as inputs.

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	Present value method
Unquoted asset backed securities	Theoretical price	-	Discounted cash flow, single deal review, peer
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	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
Fund basket certificate	Theoretical price	Deduction of fund prices	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
Variance, volatility, correlation swap	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Contract specific model, Heston - Monte Carlo optimal strategy
Investments from investment contracts			
Listed shares/investment funds	Listed price	-	-
Unlisted investment funds	Theoretical price	CDS spread, yield curves	Present value method

Valuation hierarchy

Assets and liabilities measured at fair value

	Level 1		Level 2		Level 3		Total	
In € million	30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Available-for-sale financial assets								
Variable-income securities	651.5	727.8	1.6	0.1	127.7	128.2	780.9	856.1
Fixed-income securities	13,241.8	13,145.7	2,154.9	2,520.8	363.8	307.1	15,760.5	15,973.6
Total	13,893.3	13,873.5	2,156.5	2,520.9	491.5	435.3	16,541.3	16,829.7
Financial assets at fair value through profit or loss								
Variable-income securities	0.0	0.0	13.7	17.7	9.2	11.7	22.9	29.4
Fixed-income securities	278.8	174.8	139.9	79.1	60.9	60.9	479.6	314.9
Derivative financial instruments	0.0	0.0	106.0	84.2	87.5	80.8	193.4	165.0
Investments from investment contracts	54.1	56.6	0.9	1.0	5.0	2.8	60.1	60.4
Total	332.9	231.5	260.5	182.0	162.6	156.2	756.0	569.8
Financial liabilities								
Derivative financial instruments	0.8	0.0	30.9	22.5	11.5	2.3	43.2	24.8
Total	0.8	0.0	30.9	22.5	11.5	2.3	43.2	24.8

Fair values of assets and liabilities measured at amortised cost

	Level 1		Level 2		Level 3		Total	
In € million	30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Investment property								
	0.0	0.0	0.0	0.0	2,190.7	2,217.6	2,190.7	2,217.6
Loans and receivables								
Loans and other investments	0.0	0.0	394.4	327.6	158.7	143.4	553.1	471.0
Fixed-income securities	41.3	50.4	136.9	153.0	31.7	32.4	210.0	235.7
Total	41.3	50.4	531.3	480.6	190.4	175.7	763.0	706.7
Financial liabilities								
Liabilities from loans	0.0	0.0	0.0	0.0	13.4	13.8	13.4	13.8
Total	0.0	0.0	0.0	0.0	13.4	13.8	13.4	13.8
Subordinated liabilities								
	988.1	1,065.2	0.0	0.0	0.0	0.0	988.1	1,065.2

Transfers between Levels 1 and 2

Transfers were made in the reporting period from Level 1 to Level 2 amounting to €169.7 million and from Level 2 to Level 1 amounting to €415.6 million. These are attributable primarily to changes in trading frequency and trading activity.

Level 3 financial instruments

In accordance with the hierarchy set forth in IFRS 13, Level 3 primarily includes fixed-income securities and

other equity investments that come under the category “available for sale”.

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

In € million	RZB shares		Fixed-income securities		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
At 1 January	0.0	126.1	307.1	426.6	282.1	286.0	589.2	838.6
Transfers from Level 3 to Level 1	0.0	-126.1	0.0	0.0	0.0	0.0	0.0	-126.1
Transfers from Level 3 to Level 2	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0
Transfers to Level 3	0.0	0.0	0.0	107.3	0.0	1.7	0.0	109.0
Gains and losses recognised in profit or loss	0.0	0.0	-0.3	-24.7	-4.4	9.6	-4.7	-15.1
Gains and losses recognised in other comprehensive income	0.0	0.0	-7.1	-1.6	1.8	2.2	-5.3	0.6
Additions	0.0	0.0	69.3	99.8	19.9	11.3	89.2	111.0
Disposals	0.0	0.0	-5.1	-300.3	-20.4	-24.5	-25.5	-324.7
Changes from currency translation	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0
Change in basis of consolidation	0.0	0.0	0.0	0.0	0.0	-4.2	0.0	-4.2
At 30 June and/or 31 December	0.0	0.0	363.8	307.1	278.9	282.1	642.7	589.2

The transfers between levels 2 and 3 were made as a result of changes in the observability of the relevant inputs.

Sensitivities

For the most important financial instruments in Level 3, an increase in the discount rate by 100 basis points results in a 4.7 per cent reduction in the value. A reduction in the discount rate by 100 basis points results in a 5.5 per cent increase in value.

2. Net investment income

Classified by business line

Property and casualty insurance	Health insurance		Life insurance		Group			
	1-6/2018	1-6/2017	1-6/2018	1-6/2017	1-6/2018	1-6/2017		
In € million								
Investment property	5.6	-1.3	4.3	2.6	23.1	15.4	33.0	16.7
Financial assets accounted for using the equity method	52.2	5.4	0.8	-3.9	1.3	-6.2	54.3	-4.8
Variable-income securities	7.9	13.0	6.8	12.1	9.2	6.8	23.9	32.0
Available for sale	7.9	13.0	6.4	11.7	9.5	13.4	23.8	38.1
At fair value through profit or loss	0.0	0.0	0.4	0.4	-0.3	-6.6	0.1	-6.2
Fixed-income securities	36.6	33.7	37.3	26.5	115.6	103.5	189.4	163.7
Available for sale	37.4	33.8	37.9	26.8	115.0	100.8	190.4	161.4
At fair value through profit or loss	-0.9	-0.1	-0.6	-0.4	0.5	2.7	-1.0	2.2
Loans and other investments	0.9	1.7	1.5	0.7	17.8	18.7	20.2	21.2
Loans	-0.4	1.4	0.9	1.7	5.0	3.9	5.4	7.1
Other investments	1.4	0.3	0.6	-1.0	12.8	14.8	14.8	14.1
Derivative financial instruments	-1.9	6.4	-4.1	10.9	-2.5	2.7	-8.6	19.9
Investment administration expenses, interest paid and other investment expenses	-11.3	-4.1	-4.5	-4.5	-7.6	-6.6	-23.3	-15.2
Total	89.9	54.8	42.1	44.3	157.0	134.4	288.9	233.5

Classified by type of income

Current income/expenses	Gains/losses from disposals and changes in value		Total		of which impairment			
1-6/2018	1-6/2017	1-6/2018	1-6/2017	1-6/2018	1-6/2017	1-6/2018	1-6/2017	
In € million								
Financial assets at fair value through profit or loss	1.5	4.3	-10.9	11.7	-9.4	16.0	0.0	0.0
Variable-income securities (within the framework of fair value option)	0.6	1.0	-0.5	-7.1	0.1	-6.2	0.0	0.0
Fixed-income securities (within the framework of fair value option)	1.0	2.5	-2.0	-0.3	-1.0	2.2	0.0	0.0
Derivative financial instruments	-0.2	0.8	-8.3	19.1	-8.6	19.9	0.0	0.0
Investments under investment contracts ¹⁾	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Available-for-sale financial assets	195.5	188.2	18.7	11.4	214.1	199.6	-9.0	-35.3
Variable-income securities	18.0	11.3	5.8	26.8	23.8	38.1	-8.0	-0.8
Fixed-income securities	177.4	176.8	12.9	-15.4	190.4	161.4	-1.0	-34.5
Loans and receivables	19.4	22.3	0.8	-1.1	20.2	21.2	0.0	0.0
Fixed-income securities	3.6	4.2	1.3	0.8	4.8	5.0	0.0	0.0
Loans and other investments	15.8	18.1	-0.4	-1.9	15.4	16.2	0.0	0.0
Investment property	43.9	40.8	-10.9	-24.1	33.0	16.7	0.0	0.0
Financial assets accounted for using the equity method	6.9	-4.8	47.5	0.0	54.3	-4.8	0.0	0.0
Investment administration expenses, interest paid and other investment expenses	-23.3	-15.2	0.0	0.0	-23.3	-15.2	0.0	0.0
Total	243.7	235.5	45.2	-2.0	288.9	233.5	-9.0	-35.3

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

Net profit/(loss) by measurement category

In € million	1–6/2018	1–6/2017
Financial assets at fair value through profit or loss		
Recognised in profit/(loss) for the period	–9.4	16.0
Available-for-sale financial assets		
Recognised in profit/(loss) for the period	214.1	199.6
of which reclassified from equity to consolidated income statement	–44.2	–85.5
Recognised in other comprehensive income	–203.7	–276.0
Net income	10.4	–76.5
Loans and receivables		
Recognised in profit/(loss) for the period	20.2	21.2
Financial liabilities measured at amortised cost		
Recognised in profit/(loss) for the period	–25.4	–27.0

The currency losses in net investment income amount to € 21.7 million (1–6/2017: currency losses in the amount of €41.6 million). In addition, positive currency effects amounting to €6.8 million (1–6/2017: negative currency effects in the amount of €16.6 million) were recognised directly in equity.

3. Premiums

Premiums earned

In € million	1–6/2018	1–6/2017
Property and casualty insurance		
Gross	1,350.1	1,322.3
Reinsurers' share	–69.0	–68.5
Health insurance	536.9	511.6
Gross	537.9	512.1
Reinsurers' share	–1.1	–0.5
Life insurance	567.6	549.4
Gross	585.0	567.8
Reinsurers' share	–17.4	–18.3
Total	2,385.5	2,314.9

Property and casualty insurance premiums written

In € million	1–6/2018	1–6/2017
Direct insurance		
Fire and business interruption insurance	152.8	148.9
Liability insurance	150.8	144.2
Household insurance	96.3	93.8
Motor TPL insurance	321.7	307.2
Legal expense insurance	47.2	45.5
Marine, aviation and transport insurance	34.5	29.6
Other motor insurance	283.7	262.0
Other property insurance	153.2	139.7
Other forms of insurance	36.1	36.2
Casualty insurance	190.5	182.4
Total	1,466.8	1,389.5
Indirect insurance		
Fire and business interruption insurance	23.7	24.2
Motor TPL insurance	5.4	14.8
Other forms of insurance	10.3	13.0
Total	39.4	52.1
Total direct and indirect insurance (amount consolidated)	1,506.2	1,441.6

4. Insurance benefits

In € million	Gross		Reinsurers' share		Net	
	1–6/2018	1–6/2017	1–6/2018	1–6/2017	1–6/2018	1–6/2017
Property and casualty insurance						
Claims expenses						
Claims paid	818.2	752.2	-19.7	-15.9	798.5	736.3
Change in provision for unsettled claims	52.5	57.7	-22.0	5.0	30.4	62.7
Total	870.7	809.8	-41.7	-10.8	829.0	799.0
Change in insurance provision	0.1	-0.1	0.0	0.0	0.1	-0.1
Change in other technical provisions	-2.6	-0.6	0.0	0.0	-2.6	-0.6
Non-profit related and profit-related premium refund expenses	21.2	18.2	0.0	0.0	21.2	18.2
Total benefits	889.4	827.3	-41.7	-10.8	847.6	816.5
Health insurance						
Claims expenses						
Claims paid	379.0	365.1	0.0	-1.4	379.0	363.7
Change in provision for unsettled claims	-1.9	-3.4	-0.2	0.5	-2.1	-2.9
Total	377.1	361.7	-0.2	-0.9	376.9	360.8
Change in insurance provision	68.5	69.4	0.0	-0.1	68.5	69.4
Non-profit related and profit-related premium refund expenses	15.1	5.4	0.0	0.0	15.1	5.4
Total benefits	460.7	436.5	-0.2	-0.9	460.5	435.5
Life insurance						
Claims expenses						
Claims paid	650.1	834.1	-12.6	-10.4	637.5	823.7
Change in provision for unsettled claims	-11.8	-2.3	-0.3	-1.0	-12.0	-3.3
Total	638.3	831.8	-12.8	-11.4	625.5	820.4
Change in insurance provision	-111.5	-331.9	-6.8	-5.8	-118.3	-337.7
Non-profit related and profit-related premium refund expenses and/or (deferred) benefit participation expenses	21.4	14.5	0.0	0.0	21.4	14.5
Total benefits	548.2	514.4	-19.6	-17.3	528.6	497.0
Total	1,898.3	1,778.2	-61.5	-29.1	1,836.7	1,749.0

5. Operating expenses

In € million	1–6/2018	1–6/2017
Property and casualty insurance		
Acquisition costs		
Payments	310.6	299.9
Change in deferred acquisition costs	–24.4	–5.5
Other operating expenses	116.2	109.1
Reinsurance commission and share of profit from reinsurance ceded	–6.7	–6.8
	395.7	396.7
Health insurance		
Acquisition costs		
Payments	58.1	50.5
Change in deferred acquisition costs	–5.4	–4.4
Other operating expenses	40.0	36.4
Reinsurance commission and share of profit from reinsurance ceded	–0.3	–0.2
	92.4	82.3
Life insurance		
Acquisition costs		
Payments	83.3	100.5
Change in deferred acquisition costs	7.4	13.0
Other operating expenses	64.2	57.2
Reinsurance commission and share of profit from reinsurance ceded	–0.3	–4.0
	154.5	166.7
Total	642.6	645.7

6. Assets and liabilities in disposal groups held for sale

Following the closing of the sale of Medial Beteiligungs-Gesellschaft m.b.H on 15 January 2018, the items previously reported under assets in disposal groups held for sale were derecognised. As at 31 December 2017 the carrying amount was €9.3 million.

7. Discontinued operations

In € million	1–6/2018	1–6/2017
Premiums earned (net)	0.0	349.4
Technical interest income	0.0	23.4
Other insurance income	0.0	0.4
Insurance benefits	0.0	–337.6
Operating expenses	0.0	–28.7
Other technical expenses	0.0	–2.0
Technical result	0.0	4.9
Net investment income	0.0	20.3
Other income	0.0	2.2
Reclassification of technical interest income	0.0	–23.4
Other expenses	0.0	–0.7
Non-technical result	0.0	–1.6
Operating profit/(loss)	0.0	3.3
Impairment losses	0.0	–0.2
Earnings before taxes	0.0	3.1
Income taxes	0.0	–0.4
Current profit/(loss) from discontinued operations (after tax)	0.0	2.7
Profit/(loss) from deconsolidation	0.0	–35.3
Disposal costs	0.0	–0.8
Profit/(loss) from discontinued operations (after tax)	0.0	–33.4
of which attributable to shareholders of UNIQA Insurance Group AG	0.0	–33.3
of which attributable to non-controlling interests	0.0	–0.1

8. Employees

Average number of employees	1–6/2018	1–6/2017
Total	12,876	12,806
of which sales	4,355	4,404
of which administration	8,521	8,402

9. Dividends paid

A dividend of €0.51 per share was paid on 11 June 2018 (previous year: €0.49). This corresponds to a distribution amounting to €156.6 million (previous year: €151.0 million).

10. Related companies and persons

Entities 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 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 manage-

ment in key positions at those companies which exercise either a controlling or a significant influence on the UNIQA Group, along with their close family members.

Transactions and balances with related companies

In € million

	Companies with significant influence on UNIQA Group	Affiliated but not consolidated companies	Associated companies of UNIQA Group	Other related parties	Total
Transactions in 2018					
Premiums written (gross)	1.6	0.2	0.7	32.1	34.6
Income from investments	1.3	0.0	18.7	2.0	22.0
Expenses from investments	-0.5	0.0	0.0	-0.1	-0.6
Other income	0.0	0.7	0.1	0.0	0.8
Other expenses	0.0	-0.4	0.0	-16.6	-17.0
At 30 June 2018					
Investments	208.7	5.5	540.6	36.5	791.3
Cash and cash equivalents	224.8	0.0	0.0	137.1	361.9
Receivables, including insurance receivables	0.0	5.4	0.1	5.3	10.8
Liabilities and other items classified as liabilities	0.0	0.0	0.0	4.2	4.3

Transactions with related persons

In € million	1-6/2018
Premiums written (gross)	0.2
Salaries and short-term benefits ¹⁾	-2.1
Pension expenses	-0.5
Compensation on termination of employment contract	-0.1
Expenditures for share-based payments	-0.7
Other income	0.1

¹⁾ This item includes fixed and variable Management Board remuneration paid from the beginning of the financial year to the reporting date, as well as the Supervisory Board remuneration.

11. Basis of consolidation

The basis of consolidation – including UNIQA Insurance Group AG – consists of 93 consolidated companies (31 December 2017: 94) and 6 associates (31 December 2017: 7) accounted for using the equity method.

In July 2015, UNIQA decided to divest its 29 per cent participation in Medial Beteiligungs-Gesellschaft m.b.H. (Vienna). Since then, this has been reported under “Assets in disposal groups held for sale” (Group functions segment). The sale of Medial Beteiligungs-Gesellschaft m.b.H. to CAME Holding GmbH was finally completed on 15 January 2018 following receipt of the approvals and authorisations required for the transfer under public and merger law and following the decision of the general assembly of Casinos Austria Aktiengesellschaft.

Declaration of the legal representatives

The Management Board of UNIQA Insurance Group AG hereby confirms that, to the best of its knowledge, the condensed consolidated interim financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and that the interim Group Management Report gives a true and fair view of the Group's financial position with respect to significant events that occurred during the first six

months of the financial year and the impact on the condensed half-year Group management report of the significant risks and uncertainties for the remaining six months of the financial year and of the material transactions with related companies or persons that are subject to disclosure.

These consolidated interim financial statements were neither audited in full nor reviewed by an auditor.

Vienna August 2018



Andreas Brandstetter
Chairman of the
Management Board



Erik Leyers
Member of the
Management Board



Kurt Svoboda
Member of the
Management Board

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Clause regarding predictions about the future

This report contains statements which refer to the future development of the UNIQA Group. These statements present estimations which were reached on the basis of all of the information available to the Group at the present time. If the assumptions on which they are based do not occur, the actual events may vary from the results currently expected. As a result, no guarantee can be provided for the information given.

This is a translation of the German Interim Report of the UNIQA Group. In case of any divergences, the German original is legally binding.

