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Consolidated Key Figures

In € million	1 – 3/2017	1 – 3/2016	Change
Premiums written	1,385.8	1,355.0	+2.3%
Savings portions from unit-linked and index-linked life insurance (before reinsurance)	126.1	84.1	+49.9%
Premiums written, including savings portions from unit-linked and index-linked life insurance	1,511.9	1,439.2	+5.1%
of which property and casualty insurance	815.7	773.4	+5.5%
of which health insurance	269.7	259.3	+4.0%
of which life insurance	426.5	406.4	+5.0%
of which income from regular premiums	361.3	355.5	+1.6%
of which single premiums	65.3	50.9	+28.3%
Premiums written, including savings portions from unit-linked and index-linked life insurance	1,511.9	1,439.2	+5.1%
of which UNIQA Austria	1,073.0	1,073.6	-0.1%
of which UNIQA International	426.7	352.9	+20.9%
of which reinsurance	364.7	347.1	+5.1%
of which consolidation	-352.5	-334.5	+5.4%
Premiums earned (net)	1,157.6	1,139.9	+1.6%
of which property and casualty insurance	611.1	582.6	+4.9%
of which health insurance	254.9	245.4	+3.9%
of which life insurance	291.6	311.9	-6.5%
Savings portions from unit-linked and index-linked life insurance (after reinsurance)	122.1	78.5	+55.5%
Premiums earned, including savings portions from unit-linked and index-linked life insurance	1,279.7	1,218.4	+5.0%
Insurance benefits¹⁾	-858.7	-865.6	-0.8%
of which property and casualty insurance	-402.6	-379.1	+6.2%
of which health insurance	-212.8	-205.0	+3.8%
of which life insurance ²⁾	-243.2	-281.6	-13.6%
Operating expenses³⁾	-331.0	-316.4	+4.6%
of which property and casualty insurance	-194.3	-181.3	+7.2%
of which health insurance	-45.1	-45.7	-1.3%
of which life insurance	-91.6	-89.4	+2.5%
Net investment income	75.8	107.9	-29.8%
Earnings before taxes	33.1	33.4	-0.8%
Profit/(loss) for the period	30.0	33.2	-9.5%
Consolidated profit/(loss)	29.1	33.2	-12.2%
Investments⁴⁾	25,279.3	25,628.9	-1.4%
Equity	3,156.0	3,285.4	-3.9%
Equity, including non-controlling interests	3,184.9	3,309.2	-3.8%
Insured sum in life insurance	79,280.8	75,243.7	+5.4%

¹⁾ Including expenditure for deferred profit participation and premium refunds

²⁾ Including expenditure for (deferred) profit participation

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

⁴⁾ Including investment property, financial assets accounted for using the equity method, unit-linked and index-linked life insurance investments and current bank balances and cash-in-hand

Foreword by the CEO

Dear shareholders,


UNIQA made a strong start into the year 2017 with premium growth of 5.1 per cent. In line with our strategy, we have achieved increases in property and casualty insurance (+5.5 per cent), especially in CEE (+10.7 per cent). Significant contributions to this pleasing performance also came from health insurance (+4.0 per cent) and life insurance (+5.0 per cent), particularly unit-linked and index-linked life insurance contracts.

Another positive aspect of the first quarter of 2017 was the technical result that improved by 31.6 per cent to €40.4 million. This is counterbalanced, however, by a worsening of the combined ratio in property and casualty insurance to 97.7 per cent compared to 2016's sound first-quarter value of 96.2 per cent. Contributing factors here were the unusually cold January in Austria and parts of CEE, which increased the claim load in vehicle and household insurance, and the current regulatory environment in Romania. Despite this short-term deterioration, an improvement in combined ratio remains a key target for UNIQA, particularly in the current context of negative yields on European government bonds, and we will intensify our efforts to achieve this.

The low interest rate environment is exerting sustained pressure on our investment income. A further dampening effect in the reporting period came from amortisation of fixed-income securities and the seasonally influenced negative contribution from our shares in the construction firm STRABAG, which was more significant than in the first quarter of 2016. Net investment income consequently fell by 29.8 per cent to €75.8 million. This combined with the improved technical result meant that our earnings before taxes remained more or less stable at €33.1 million.

As part of an increasing focus on our core business, we signed a contractual agreement for the sale of our Italian companies in December 2016, which was successfully completed on 16 May 2017. This has contributed to UNIQA's now excellent capitalisation, following an ECR ratio of 215 per cent at the end of 2016. Building on this solid foundation, we are continuing to focus on optimising our core technical business and on the future-oriented transformation of our business model. This will ensure our continued long-term growth into the future.

Sincerely,



Andreas Brandstetter
CEO UNIQA Group

Vienna, May 2017

Group Management Report

- **PREMIUMS WRITTEN INCLUDING SAVINGS PORTIONS ROSE BY 5.1 PER CENT TO € 1,511.9 MILLION**
- **COMBINED RATIO UP TO 97.7 PER CENT**
- **TECHNICAL RESULT IMPROVED BY 31.6 PER CENT TO €40.4 MILLION**
- **EARNINGS BEFORE TAXES IN THE FIRST QUARTER OF 2017 STABLE AT €33.1 MILLION**
- **EARNINGS OUTLOOK FOR 2017 CONFIRMED**

Economic environment

Since the beginning of 2017, the economy has gained momentum, both in Austria and in the entire eurozone. In the eurozone, GDP growth of 0.5 per cent for the first quarter of 2017 exceeded the gains in the previous quarters. Indeed, some surveys on the business climate and consumer confidence in recent months reached peaks last seen before the euro crisis of 2011–2012. Sound economic growth is supported by slow but steady improvements in the European employment markets. The eurozone unemployment rate fell in March 2017 to 9.4 per cent. In Austria, economic growth accelerated in the first quarter of 2017 to 0.6 per cent. This gave a growth rate in GDP of 2.0 per cent compared to the same quarter of the previous year. On the expenditure side, GDP growth is producing relatively balanced results (WIFO): both domestic demand (consumers and investors) and export demand are contributing to economic growth. The unemployment rate in March 2017, however, remained relatively high for Austria at 5.9 per cent (seasonally adjusted by Eurostat).

Meanwhile, financial investment continued to be influenced by political factors: in the Netherlands, a new parliament was elected in March 2017; and on 29 March 2017, the UK triggered Article 50 of the EU Treaty of Lisbon, beginning a two-year process of separation from the European Union. The economic outlook, however, is more positive than was generally expected after the “Brexit” referendum in June 2016. In the UK, a general (parliamentary) election was announced for June 2017. The recent presidential election in France and the parliamentary elections that will follow in June 2017 are causing disquiet. In the US, real economy indicators for the first months of the year are below expectations and the upward trend in the public mood. It seems increasingly unlikely that 2017 will see significant economic acceleration. Some delay is anticipated before the fiscal easing (tax reform) announced by the Trump administration and the associated positive effects on the economy are effective. Meanwhile, the US Federal Reserve continued its cycle of interest rate hikes. In March 2017, the base rate was raised by 25 basis points to between 0.75 per cent and 1.00 per cent. This was the third change in rates since the financial crisis, following hikes in December 2015 and December 2016.

On this side of the Atlantic, ECB monetary policy remains very loose, although at least in the medium term there may be some prospect of an end to large-volume bond purchases (“quantitative easing”). In March 2017, the ECB forecast inflation rates of around 1.7 per cent for 2017–2019. In the short term, this means that underlying inflationary pressure is not an issue, although the core inflation rate, which excludes the volatile energy and food prices, will rise by 2019. Rising prices will be supported by improvements in the employment markets and the real economy. The ECB forecasts expect the unemployment rate in the eurozone to be reduced to 8.4 per cent by 2019. If the economy does indeed perform as indicated, then there will at least be a slow retreat from ultra-expansive monetary policy by 2018–2019.

Central and Eastern Europe (excluding Russia) will continue their ongoing expansionary course in 2017–2018 with around 3 per cent growth in the real economy. Sound economic growth in CEE has many positive effects for the insurance sector, as do the rapidly improving employment markets, wage increases, investment growth in EU countries, moderate inflation rates and low interest rates. A modest expansionary trend is also emerging in some credit sectors – a development that usually correlates strongly with an expansion in the insurance markets. Economic growth is relatively even throughout the region and, therefore, less dependent on developments in individual national economies. In Southeastern Europe (SEE), economic growth is accelerating, particularly as a result of the recovery in Bulgaria, Serbia and Croatia. Russia and Ukraine emerged from recession during the past year. Conditions in the financial markets are favourable for economic growth, and investment returns have also fallen recently in these two countries. In the CE4 countries (Poland, Slovakia, Czech Republic and Hungary), the economy is being boosted by the steady expansion of household consumption, which in turn is supported by improvements in the employment markets. Tight conditions in the employment markets in some countries are boosting wage growth significantly. Growth in overall business investment is expected, after last year’s interruptions in EU funding uptake, following the transition to the current budgetary framework.

UNIQA GROUP

Premium development

In the first quarter of 2017, premiums written at the UNIQA Group, including savings portions from unit-linked and index-linked life insurance, rose by 5.1 per cent to €1,511.9 million (1-3/2016: €1,439.2 million) due to solid growth in all categories. While recurring premiums grew by 4.2 per cent to €1,446.6 million (1-3/2016: €1,388.3 million), single payment premiums in life insurance increased by 28.3 per cent to €65.3 million (1-3/2016: €50.9 million).

Premiums earned, including net saving portions of the premiums from unit-linked and index-linked life insurance – totalling €122.1 million (1-3/2016: €78.5 million) – grew in the first quarter of 2017 by 5 per cent to €1,279.7 million (1-3/2016: €1,218.4 million). The volume of premiums earned (net, in accordance with IFRSs) rose by 1.6 per cent to €1,157.6 million (1-3/2016: €1,139.9 million).

Premiums written in property and casualty insurance grew in the first three months of 2017 by 5.5 per cent to €815.7 million (1-3/2016: €773.4 million). The volume of premiums earned (net, in accordance with IFRSs) increased by 4.9 per cent to €611.1 million (1-3/2016: €582.6 million).

In health insurance, premiums written in the reporting period increased by 4.0 per cent to €269.7 million (1-3/2016: €259.3 million). Premiums earned (net, in accordance with IFRSs) grew by 3.9 per cent to €254.9 million (1-3/2016: €245.4 million).

In life insurance, premiums written including savings portions from unit-linked and index-linked life insurance rose overall in the first three months of 2017 by 5.0 per cent to €426.5 million (1-3/2016: €406.4 million). Single premium business increased in the first quarter of 2017 by 28.3 per cent to €65.3 million (1-3/2016: €50.9 million). Recurring premiums also rose by 1.6 per cent to €361.3 million (1-3/2016: €355.5 million). The Annual Premium Equivalent (APE) in life insurance increased as a result of this development by 2.0 per cent to €367.8 million (1-3/2016: €360.6 million). The APE calculation accounts for 10 per cent of single premiums, because the average term of single premiums in Europe is ten years. Annual fluctuations are smoothed out as a result in this calculation. The risk-premium portion accounted for in the premiums in unit-linked and index-linked life insurance in the first quarter of 2017 was €9.1 million (1-3/2016: €12.2 million). The insured capital in life insurance totalled €79,280.8 million as at 31 March 2017 (31 March 2016: €75,243.7 million). Including the net savings portions of the premiums from unit-linked and index-linked life insurance, premiums earned in life insurance rose by 6.0 per cent to €413.7 million in the first three months of 2017 (1-3/2016: €390.4 million). In Austria, because of the downward trend, the volume of premiums earned (net, in accordance with IFRSs) fell by 6.5 per cent to €291.6 million (1-3/2016: €311.9 million).

Insurance benefits

The total amount of net insurance benefits earned by the UNIQA Group in the first quarter of 2017 decreased by 0.8 per cent to €858.7 million (1-3/2016: €865.6 million). Insurance benefits before consideration of reinsurance remained stable at €882.3 million (1-3/2016: €882.7 million).

Net insurance benefits earned in property and casualty insurance increased by 6.2 per cent to €402.6 million (1-3/2016: €379.1 million). The claims rate (after reinsurance) thus increased slightly in the first three months of 2017 to 65.9 per cent (1-3/2016: 65.1 per cent). The combined ratio (after reinsurance) was 97.7 per cent (1-3/2016: 96.2 per cent). Before consideration of reinsurance, the combined ratio amounted to 95.5 per cent (1-3/2016: 93.3 per cent).

In health insurance, net insurance benefits (including the change in insurance provision) grew by 3.8 per cent to €212.8 million in the first quarter of 2017 (1-3/2016: €205.0 million).

In life insurance, however, they decreased by 13.6 per cent to €243.2 million, because of the voluntary decline in single premium business and traditional life insurance in Austria (1-3/2016: €281.6 million).

Operating expenses

Total operating expenses, less reinsurance commission received, rose in the first three months of 2017 by 4.6 per cent to €331.0 million (1-3/2016: €316.4 million). Expenses for the acquisition of insurance rose by 2.4 per cent to €230.6 million (1-3/2016: €225.2 million). The reinsurance commission received amounting to €7.2 million (1-3/2016: €5.5 million) has already been deducted from the acquisition costs. Other operating expenses (administrative expenses) increased in the first quarter of 2017, as a result of expenses amounting to approximately €9 million in connection with the innovation and investment programme, by 10.2 per cent to €100.4 million (1-3/2016: €91.1 million). The overall cost ratio, i.e. the ratio of total operating expenses to the premiums earned, including the net savings portions from the premiums from unit-linked and index-linked life insurance, fell slightly to 25.9 per cent, taking into account the reinsurance commission received (1-3/2016: 26.0 per cent).

In property and casualty insurance, operating expenses less reinsurance commissions received rose in the first quarter of 2017 by 7.2 per cent to €194.3 million (1-3/2016: €181.3 million). Contributing factors included investments amounting to €3.9 million and increased commission in connection with the growth in premiums written. The cost ratio after reinsurance in this sector amounted to 31.8 per cent (1-3/2016: 31.1 per cent).

In health insurance, operating expenses less reinsurance commission received fell by 1.3 per cent to €45.1 million (1-3/2016: €45.7 million). The cost ratio after reinsurance improved to 17.7 per cent (1-3/2016: 18.6 per cent).

In life insurance, operating expenses less reinsurance commissions received increased by 2.5 per cent to €91.6 million (1-3/2016: €89.4 million). The cost ratio after reinsurance, however, fell to 22.1 per cent as a result of the marked increase in premium income (1-3/2016: 22.9 per cent).

Investments

The UNIQA Group's investment portfolio (including investment property, financial assets accounted for using the equity method, unit-linked and index-linked life insurance investments, plus cash and cash equivalents) fell to €25,279.3 million as at 31 March 2017, compared to the last reporting date (31 December 2016: €25,454.6 million).

Net investment income fell by 29.8 per cent to €75.8 million in the first quarter of 2017 primarily due to the persistent low interest rate environment and negative currency effects of around €20 million (1-3/2016: €107.9 million). A further dampening effect in the reporting period came from amortisation of fixed-income securities and the seasonally influenced negative contribution from our shares in the construction firm STRABAG SE. Because of the recognition of the 14.3 per cent holding in STRABAG SE, accounted for using the equity method, there was a negative contribution of €29.1 million in the first quarter of 2017 (1-3/2016: €-17.4 million).

Earnings before taxes

The UNIQA Group's technical result improved by 31.6 per cent to €40.4 million in the first quarter of 2017 (1-3/2016: €30.7 million). Operating profit decreased by 7.6 per cent to €48.0 million due to the lower investment income (1-3/2016: €52.0 million). This also includes an increase in other earnings to €30.8 million (1-3/2016: €12.2 million). The UNIQA Group's earnings before taxes remained stable at €33.1 million (1-3/2016: €33.4 million).

Profit/(loss) for the first three months of 2017 amounted to €30.0 million (1-3/2016: €33.2 million). This includes profit/(loss) from discontinued operations (after tax) amounting to €2.7 million (1-3/2016: €6.6 million). Consolidated profit/(loss) (i.e. profit or loss for the period attributable to the shareholders of UNIQA Insurance Group AG) decreased by 12.2 per cent to €29.1 million (1-3/2016: €33.2 million). Earnings per share amounted to €0.09 (1-3/2016: €0.11).

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 gains/losses of the valuation of financial instruments available for sale) decreased slightly in the first quarter of 2017, after factoring out the Italian companies, to 5.4 per cent (1-3/2016: 5.6 per cent). The annualised return on equity (after tax and non-controlling interests) for the reporting period was 3.7 per cent (1-3/2016: 4.1 per cent).

Group equity and total assets

Equity attributable to the shareholders of UNIQA Insurance Group AG amounted to €3,156.0 million as at 31 March 2017 (31 December 2016: €3,186.3 million). Non-controlling interests came to €28.8 million (31 December 2016: €26.5 million). The Group's total assets increased to €33,940.5 million as at 31 March 2017 (31 December 2016: €33,639.2 million).

Cash flow

Net cash flow from operating activities in the first quarter of 2017 amounted to €370.9 million (1-3/2016: €160.4 million). Cash flow from the UNIQA Group's investing activities, in line with investment of the revenues received in the reporting period, amounted to €183.8 million (1-3/2016: €9.1 million); the net cash flow from financing activities amounted to €-0.3 million (1-3/2016: €-0.1 million). Overall, cash and cash equivalents increased by €45.8 million to €1,104.9 million (1-3/2016: €1,059.1 million).

Employees

The average number of employees (full-time equivalent) of the UNIQA Group fell in the first three months of 2017 to 12,375 (1-3/2016: 13,470). These included 4,487 (1-3/2016: 5,148) field sales employees. The number of administrative employees fell to 7,888 (1-3/2016: 8,322).

OPERATING SEGMENTS

UNIQA Austria

The Half-Year Financial Report 2016 included an adjustment in the segment reporting of the UNIQA Group. In addition to UNIQA Austria, the UNIQA Austria segment now also includes the figures for the former Raiffeisen Insurance segment.

Premiums written including savings portions from unit-linked and index-linked life insurance at UNIQA Austria remained stable in the first quarter of 2017 at €1,073.0 million (1-3/2016: €1,073.6 million). Recurring premiums rose by an encouraging 2.0 per cent to €1,063.8 million (1-3/2016: €1,042.8 million). Single payment premiums conversely reduced significantly by 70.0 per cent to €9.2 million (1-3/2016: €30.8 million). Premiums earned, including net savings portions of the premiums from unit-linked and index-linked life insurance, fell by 0.5 per cent to €752.3 million (1-3/2016: €756.0 million). The net volume of premiums earned (in accordance with IFRSs) reduced only very slightly by 0.2 per cent to €701.2 million (1-3/2016: €702.9 million).

Premiums written in property and casualty insurance rose, because of the continuing growth in vehicle and property insurance, by 3.1 per cent to €529.8 million (1-3/2016: €513.8 million), and in health insurance also UNIQA Austria recorded strong premium growth of 3.2 per cent to €253.8 million (1-3/2016: €245.9 million).

Premiums written in life insurance, including savings portions of unit-linked and index-linked life insurance, decreased in the UNIQA Austria segment as a result of the planned contraction in single premium business, falling by 7.8 per cent to €289.5 million (1-3/2016: €313.8 million). Recurring premiums fell slightly by 1.0 per cent to €280.3 million (1-3/2016: €283.0 million). Single premiums fell significantly, however, by 70.0 per cent to €9.2 million (1-3/2016: €30.8 million). Premium volume in the area of unit-linked and index-linked life insurance at UNIQA Austria fell by 5.0 per cent to €63.7 million in the first quarter of 2017 (1-3/2016: €67.1 million).

Net insurance benefits fell by 2.3 per cent to €584.7 million in the UNIQA Austria segment in the first three months of 2017 (1-3/2016: €598.2 million). In property and casualty insurance, the combined ratio after reinsurance increased as a result of the harsh winter to 97.1 per cent (1-3/2016: 95.6 per cent).

Operating expenses less reinsurance commission fell in the first quarter of 2017 by 0.4 per cent to €149.8 million (1-3/2016: €150.4 million). The cost ratio after reinsurance remained unchanged at 19.9 per cent (1-3/2016: 19.9 per cent).

Net income from investments fell in the first three months of 2017, as a result of lower liquidation proceeds and declining current income, by 39.3 per cent to €79.0 million (1-3/2016: €130.1 million). Earnings before taxes decreased in the UNIQA Austria segment by 52.5 per cent to €33.1 million in the first quarter of 2017 (1-3/2016: €69.7 million).

UNIQA International

In the UNIQA International segment, premiums written, including savings portions from unit-linked and index-linked life insurance, rose by 20.9 per cent in the first three months of 2017 to €426.7 million, because of a large corporate business contract in Ukraine and strong life insurance growth in Poland (1-3/2016: €352.9 million). Single payment premiums rose by 179.0 per cent to €56.0 million (1-3/2016: €20.1 million). Recurring premiums also rose by 11.4 per cent to €370.6 million (1-3/2016: €332.8 million). This meant that the international companies contributed a total of 28.2 per cent to total Group premiums overall in the first quarter of 2017 (1-3/2016: 24.5 per cent). Premiums earned including the net savings portions of the premiums from unit-linked and index-linked life insurance increased by 25.6 per cent to €278.5 million (1-3/2016: €221.8 million). The volume of premiums earned (net, in accordance with IFRSs) rose by 5.7 per cent to €207.5 million (1-3/2016: €196.4 million).

In Central Europe (CE) – i.e. Poland, Slovakia, the Czech Republic and Hungary – the premium volume written, including savings portions from unit-linked and index-linked life insurance, rose in the first three months of 2017 by 25.2 per cent to €268.7 million (1-3/2016: €214.5 million). In the region of Eastern Europe (EE), comprising Romania and Ukraine, an increase of 21.2 per cent to €46.9 million was recorded (1-3/2016: €38.7 million). In contrast, the premium volume written, including savings portions from unit-linked and index-linked life insurance, in Southeastern Europe (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Macedonia, Montenegro and Serbia – increased by 1.4 per cent to €74.0 million (1-3/2016: €72.9 million). In Russia (RU), the volume of premiums written grew by 23.3 per cent to €14.9 million (1-3/2016: €12.1 million). In Western Europe (WE) – Liechtenstein and Switzerland – they increased by 51.1 per cent to €22.2 million (1-3/2016: €14.7 million).

Premiums written in the UNIQA International segment in property and casualty insurance increased by 10.7 per cent to €276.1 million (1-3/2016: €249.3 million). This meant the contribution of Group companies outside Austria to overall premiums in property and casualty insurance amounted to 33.8 per cent (1-3/2016: 32.2 per cent).

Premiums written in health insurance rose in the first quarter of 2017 by 19.0 per cent to €16.0 million (1-3/2016: €13.4 million). As such, the segment was responsible for 5.9 per cent (1-3/2016: 5.2 per cent) of health insurance premiums in the UNIQA Group.

In the international life insurance business, the premiums written, including savings portions from unit-linked and index-linked life insurance, rose in the first three months of 2017 by 49.3 per cent to €134.6 million (1-3/2016: €90.2 million), largely driven by strong growth in single premiums in unit-linked and index-linked life insurance in Poland. Single payment premiums rose by 179.0 per cent to €56.0 million (1-3/2016: €20.1 million) and recurring premiums also rose by 12.1 per cent to €78.6 million (1-3/2016: €70.1 million). UNIQA International's share of overall life insurance premiums in the UNIQA Group was 31.6 per cent (1-3/2016: 22.2 per cent). Premiums from unit-linked and index-linked life insurance rose strongly in the international area by 144.4 per cent to €71.5 million (1-3/2016: €29.2 million).

Net insurance benefits in the UNIQA International segment increased in parallel with the growth in premiums in the first quarter of 2017 by 6.3 per cent to €119.9 million (1-3/2016: €112.8 million). In property and casualty insurance, the combined ratio after reinsurance increased to 96.7 per cent (1-3/2016: 92.0 per cent). In the CE region, benefits rose by 11.3 per cent to €59.7 million (1-3/2016: €53.6 million), and in the EE region they rose by 32.3 per cent to €15.1 million (1-3/2016: €11.4 million). In SEE, they fell by 13.6 per cent to €31.3 million (1-3/2016: €36.2 million). In Russia, benefits amounted to €11.3 million in the first quarter of 2017 (1-3/2016: €10.0 million). In Western Europe, the volume of benefits reached €2.4 million (1-3/2016: €1.5 million).

In the UNIQA International segment, operating expenses less reinsurance commissions received rose by 7.5 per cent to €84.4 million (1-3/2016: €78.5 million). The cost ratio after reinsurance improved to 30.3 per cent (1-3/2016: 35.4 per cent). In CE, costs rose by 3.9 per cent to €41.7 million (1-3/2016: €40.1 million), and in EE they rose by 23.3 per cent to €13.5 million (1-3/2016: €11.0 million). In SEE, they increased by 9.3 per cent to €20.5 million (1-3/2016: €18.7 million). Costs showed an increase in the first three months of 2017 in Russia to €3.2 million (1-3/2016: €2.8 million), and in Western Europe to €1.6 million (1-3/2016: €0.7 million). In administration (UNIQA International AG), on the other hand, costs were reduced by 26.2 per cent to €3.9 million (1-3/2016: €5.3 million).

Net investment income decreased by 32.7 per cent to €8.0 million in the UNIQA International segment (1-3/2016: €11.9 million). Earnings before taxes fell by 19.7 per cent to €10.3 million (1-3/2016: €12.8 million).

Reinsurance

Premiums written in reinsurance amounted to €364.7 million in the first quarter of 2017 (1-3/2016: €347.1 million). Premiums written in property and casualty insurance rose by 5.2 per cent to €352.4 million (1-3/2016: €335.1 million). In health insurance, they amounted to €0.5 million (1-3/2016: €0.2 million) and in life insurance to €11.9 million (1-3/2016: €11.9 million).

Net insurance benefits rose in the reinsurance segment slightly by 1.3 per cent to €176.0 million (1-3/2016: €173.7 million). Operating expenses less reinsurance commission fell in the first quarter of 2017 by 0.4 per cent to €84.4 million (1-3/2016: €84.8 million). Investment income, on the other hand, rose by 18.1 per cent to €8.0 million (1-3/2016: €6.8 million). Earnings before taxes in the reinsurance segment improved by 75.1 per cent to €18.0 million (1-3/2016: €10.3 million).

Group functions

In the Group functions segment, operating expenses less reinsurance commission received rose by 128.2 per cent in the first quarter of 2017 to €16.8 million as a result of the investments from the innovation programme (1-3/2016: €7.4 million). Investment income amounted to €5.4 million (1-3/2016: €5.3 million). Finance costs decreased in the reporting period, due to the repayment of subordinated capital bonds (Tier 2), by 19.9 per cent to €13.4 million (1-3/2016: €16.8 million). Earnings before taxes amounted to €-17.3 million (1-3/2016: €-17.5 million).

CAPITAL MARKET

UNIQA shares – key figures in €	1-3/2017	1-3/2016	Change
UNIQA share price as at 31 March	7.28	6.18	+17.8%
High	7.83	7.45	-
Low	7.09	5.04	-
Market capitalisation as at 31 March (in € million)	2,234.7	1,904.6	+17.3%
Earnings per share	0.09	0.11	-12.2%
Average number of shares in circulation	306,965,261	308,180,350	-

The first quarter of 2017 saw significant gains in the stock markets. The MSCI World Index, which measures share price movements in the industrialised countries, rose by 4.9 per cent and the MSCI Emerging Markets Index rose by 11.1 per cent. With the new US government, which came into power in January 2017 under President Donald Trump, investors are hoping for substantial tax cuts and increased investment in infrastructure. This has precipitated significant advances in the US stock markets, with the Dow Jones Industrial (DJI) reaching a historical high of 21,115.55 points on 1 March 2017. Technology stocks performed even better: the NASDAQ composite index rose by 9.8 per cent in the first quarter of 2017.

The prospect of positive economic stimuli from the US, the overall encouraging outlook for the global economy and a generally settled political environment in Europe also led to gains in the European stock markets in the first quarter of 2017. The EuroStoxx 50 rose by 6.4 per cent in the first three months of the year. The German DAX share index was even higher, having climbed by 7.2 per cent.

Stock exchanges in the emerging markets recorded the best quarter of the last five years. Positive economic indicators from several key markets, and particularly a stable assessment of the Chinese national economy, combined with reduced anxiety about a rapid increase in US interest rates, all contributed to this favourable market trend. Robust growth rates are also very evident in the emerging markets of Central and Eastern Europe. The Eastern European CECE index rose in the first quarter of 2017 by a substantial 9.9 per cent.

Financial calendar

29 May 2017 Annual General Meeting
8 June 2017 Ex-Dividend Date
9 June 2017 Dividend Record Date
12 June 2017 Dividend Payment Date
23 August 2017 Half-Year Financial Report 2017
16 November 2017 First to Third Quarter Report 2017

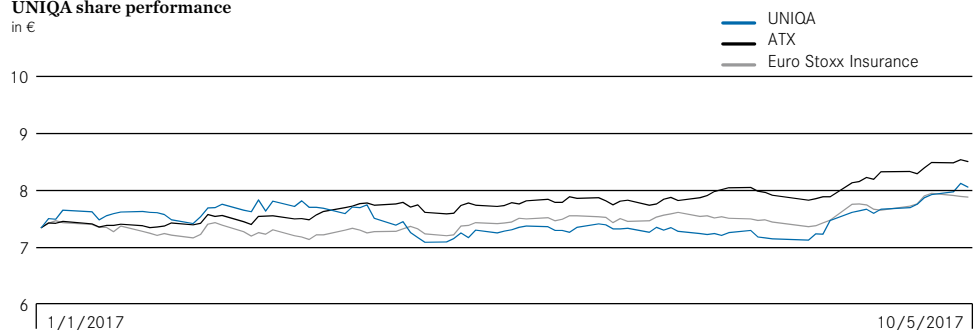
The impressive price performance on the Vienna Stock Exchange in the previous two quarters continued in the first quarter of 2017. With an increase of 8.0 per cent, the ATX leading index ended the quarter on 31 March 2017 at 2,828.79 points. Thanks to these robust gains, market capitalisation on the Vienna Stock Exchange exceeded €100 billion for the first time since the 2008 financial crisis. Austrian companies are profiting from an increasingly favourable economic environment, and particularly from higher international demand. The domestic economy is also gaining strength.

The UNIQA share price rose slightly in the first quarter of 2017. It reached a quarterly high of €7.83 on 1 February 2017. The share price subsequently lost some of its value and was quoted at €7.28 as at 31 March 2017. These losses were soon reversed and the share price climbed above the €8.0 mark. On 10 May 2017, it stood at €8.05. Compared with the 2016 year-end value (€7.20), this means an increase of 11.8 per cent.

Information on UNIQA shares

Ticker symbol: UQA
Reuters: UNIQVI
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

UNIQA share performance
 in €



SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Sale of the Italy Group

On 2 December 2016, the Group Management Board agreed on the sale of the Italy Group. The sale was finalised on 16 May 2017. The selling price amounts to around €294 million, before contractually agreed variable adjustments. The net assets sold total €281.5 million, as valued at 31 March 2017. Provisional calculations show a profit/(loss) of €-0.1 million from the deconsolidation of the Italy Group.

OUTLOOK

UNIQA is expecting overall growth for 2017 of slightly more than 1.0 per cent in premiums written. Growth of more than 2.0 per cent is expected in property and casualty insurance premiums in 2017, driven by both Austria and CEE. In line with a long-term trend, UNIQA is anticipating growth of more than 3.0 per cent in health insurance, generated primarily by business in Austria. In contrast, demand is expected to remain sluggish for life insurance in Austria, due to the low interest rate environment, and a corresponding decline in premiums is forecast at Group level.

In 2016, UNIQA began the largest investment programme in the company's history and in the coming years we will be 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 impact earnings before taxes in the financial year 2017 to a similar extent as in 2016. In addition, a further decrease in net investment income is to be expected as a consequence of the continuing low interest rate environment, albeit not as significantly as in 2016.

Conversely, UNIQA is striving to improve the combined ratio (after reinsurance) in 2017 to 97.5 per cent. This means increasing profitability for the actuarial core business in property and casualty insurance.

Overall, UNIQA is expecting a slight improvement in earnings before taxes for the financial year 2017, as opposed to the previous year. Despite ongoing investments and the challenging low interest rate environment, UNIQA intends to continue increasing its annual distribution per share over the next few years as part of a progressive dividend policy.

Consolidated Statement of Financial Position

Assets	Notes	31/3/2017	31/12/2016
<small>In € million</small>			
Property, plant and equipment		334.0	265.2
Investment property	2	1,267.2	1,350.0
Intangible assets	1	1,502.9	1,492.4
Financial assets accounted for using the equity method		494.4	521.3
Investments	2	17,525.4	18,153.5
Unit-linked and index-linked life insurance investments		4,887.4	4,879.9
Reinsurers' share of technical provisions		352.9	324.4
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance		316.4	318.6
Receivables, including insurance receivables		859.5	638.7
Income tax receivables		68.0	65.9
Deferred tax assets		5.4	5.6
Cash and cash equivalents		1,104.9	549.9
Assets in disposal groups held for sale	3	5,222.1	5,073.7
Total assets		33,940.5	33,639.2

Equity and liabilities	Notes	31/3/2017	31/12/2016
<small>In € million</small>			
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		1,382.7	1,413.0
		3,156.0	3,186.3
Non-controlling interests		28.8	26.5
		3,184.9	3,212.8
Liabilities			
Subordinated liabilities	2	846.1	846.0
Technical provisions		17,588.5	17,609.2
Technical provisions for unit-linked and index-linked life insurance		4,836.9	4,846.6
Financial liabilities	2	47.8	45.5
Other provisions		754.7	798.7
Liabilities and other items classified as liabilities		1,279.8	1,042.2
Income tax liabilities		89.8	79.1
Deferred tax liabilities		277.8	296.7
Liabilities in disposal groups held for sale	3	5,034.0	4,862.2
		30,755.6	30,426.4
Total equity and liabilities		33,940.5	33,639.2

Consolidated Income Statement

In € million	Notes	1-3/2017	1-3/2016
Premiums earned (net)		1,157.6	1,139.9
Technical interest income		79.0	83.4
Other insurance income		6.0	4.9
Insurance benefits	6	-858.7	-865.6
Operating expenses	5	-331.0	-316.4
Other technical expenses		-12.5	-15.5
Technical result		40.4	30.7
Net investment income and income from investment property	7	75.8	107.9
of which profit from financial assets accounted for using the equity method		-26.6	-14.7
Other income		30.8	12.2
Reclassification of technical interest income		-79.0	-83.4
Other expenses		-20.0	-15.4
Non-technical result		7.6	21.3
Operating profit/(loss)		48.0	52.0
Amortisation of goodwill and impairment losses		-1.4	-1.6
Finance costs		-13.5	-16.9
Earnings before taxes		33.1	33.4
Income taxes		-5.8	-6.8
Profit/(loss) for the period from continuing operations		27.3	26.6
Profit/(loss) from discontinued operations (after tax)	8	2.7	6.6
Profit/(loss) for the period		30.0	33.2
of which attributable to shareholders of UNIQA Insurance Group AG		29.1	33.2
of which attributable to non-controlling interests		0.9	0.0
Earnings per share (in €)¹⁾		0.09	0.11
Earnings per share from continuing operations		0.09	0.09
Earnings per share from discontinued operations		0.01	0.02
Average number of shares in circulation		306,965,261	308,180,350

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 – 3/2017	1 – 3/2016
Profit/(loss) for the period	30.0	33.2
Items not reclassified to profit or loss in subsequent periods		
Revaluations of defined benefit obligations		
Gains (losses) recognised in equity	- 2.2	- 0.6
Gains (losses) recognised in equity – deferred tax	0.5	0.1
Gains (losses) recognised in equity – deferred profit participation	0.3	0.1
	- 1.5	- 0.4
Items reclassified to profit or loss in subsequent periods		
Currency translation		
Gains (losses) recognised in equity	5.4	- 0.4
Recognised in the consolidated income statement	- 0.5	0.0
Valuation of financial instruments available for sale		
Gains (losses) recognised in equity	- 245.6	449.4
Gains (losses) recognised in equity – deferred tax	15.4	- 39.4
Gains (losses) recognised in equity – deferred profit participation	179.9	- 306.2
Recognised in the consolidated income statement	- 35.9	- 18.1
Recognised in the consolidated income statement – deferred tax	4.1	- 1.8
Recognised in the consolidated income statement – deferred profit participation	21.6	26.1
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	- 0.3	0.2
	- 55.9	109.8
of which from discontinued operations	- 16.9	23.4
Other comprehensive income	- 57.3	109.4
Total comprehensive income	- 27.3	142.6
of which attributable to shareholders of UNIQA Insurance Group AG	- 29.6	140.9
of which attributable to non-controlling interests	2.3	1.7

Consolidated Statement of Cash Flows

In € million	1-3/2017	1-3/2016
Profit/(loss) for the period	30.0	33.2
Impairment losses, amortisation of goodwill and other intangible assets, and depreciation of property, plant and equipment	9.8	8.7
Impairment losses/reversal of impairment losses on other investments	64.5	42.8
Gain/loss on the disposal of investments	26.4	- 16.5
Change in deferred acquisition costs	- 4.1	- 16.0
Change in securities at fair value through profit or loss	- 16.0	175.2
Change in direct insurance receivables	- 67.0	- 17.3
Change in other receivables	- 119.1	- 19.3
Change in direct insurance liabilities	19.7	- 28.1
Change in other liabilities	237.4	151.6
Change in technical provisions	322.7	- 87.8
Change in defined benefit obligation	- 0.9	0.5
Change in deferred tax assets and deferred tax liabilities	- 6.3	- 23.5
Change in other statement of financial position items	- 126.2	- 43.1
Net cash flow from operating activities	370.9	160.4
of which from discontinued operations	257.1	128.7
Proceeds from disposal of intangible assets and property, plant and equipment	1.0	0.5
Payments for acquisition of intangible assets and property, plant and equipment	- 13.5	- 3.3
Proceeds from disposal of consolidated companies	0.0	0.1
Proceeds from disposal and maturity of other investments	1,765.1	1,429.5
Payments for acquisition of other investments	- 1,554.4	- 1,613.9
Change in unit-linked and index-linked life insurance investments	- 14.5	196.3
Net cash flow from investing activities	183.8	9.1
of which from discontinued operations	- 257.7	- 112.8
Proceeds from other financing activities	0.0	0.1
Payments from other financing activities	- 0.3	- 0.2
Net cash flow from financing activities	- 0.3	- 0.1
of which from discontinued operations	0.0	0.0
Change in cash and cash equivalents	554.4	169.4
of which from discontinued operations	- 0.6	15.9
Change in cash and cash equivalents due to movements in exchange rates	0.6	- 0.4
Cash and cash equivalents at beginning of year	549.9	890.1
Cash and cash equivalents at end of period	1,104.9	1,059.1
Income taxes paid (Net cash flow from operating activities)	- 2.9	- 1.1
Interest paid (Net cash flow from operating activities)	- 7.3	- 7.6
Interest received (Net cash flow from operating activities)	137.5	148.0
Dividends received (Net cash flow from operating activities)	5.6	6.9

Consolidated Statement of Changes in Equity

	Subscribed capital and capital reserves	Treasury shares	Accumulated	
			Valuation of financial instruments available for sale	Revaluations of defined benefit obligations
In € million				
At 1 January 2016	1,789.9	- 10.9	391.8	- 180.6
Change in basis of consolidation				
Total comprehensive income			108.5	- 0.4
Profit/(loss) for the period				
Other comprehensive income			108.5	- 0.4
At 31 March 2016	1,789.9	- 10.9	500.2	- 180.9
At 1 January 2017	1,789.9	- 16.6	453.7	- 187.0
Change in basis of consolidation		0.0		
Total comprehensive income			- 61.5	- 1.4
Profit/(loss) for the period				
Other comprehensive income			- 61.5	- 1.4
At 31 March 2017	1,789.9	- 16.6	392.1	- 188.5

results					
Differences from currency translation	Other accumulated results	Portion attributable to shareholders of IINIOA Insurance Group AG	Non-controlling interests	Total equity	
- 172.5	1,326.7	3,144.5	21.9	3,166.4	
	0.0	0.0	0.2	0.2	
- 0.6	33.4	140.9	1.7	142.6	
	33.2	33.2	0.0	33.2	
- 0.6	0.2	107.7	1.7	109.4	
- 173.1	1,360.1	3,285.4	23.8	3,309.2	
- 174.0	1,320.3	3,186.3	26.5	3,212.8	
	- 0.6	- 0.6	0.0	- 0.6	
4.5	28.8	- 29.6	2.3	- 27.3	
	29.1	29.1	0.9	30.0	
4.5	- 0.3	- 58.7	1.4	- 57.3	
- 169.4	1,348.5	3,156.0	28.8	3,184.9	

Segment Reporting

OPERATING SEGMENTS – CONSOLIDATED INCOME STATEMENT

In € million	UNIQA Austria		UNIQA International		Reinsurance	
	1–3/2017	1–3/2016	1–3/2017	1–3/2016	1–3/2017	1–3/2016
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	1,073.0	1,073.6	426.7	352.9	364.7	347.1
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	752.3	756.0	278.5	221.8	275.0	264.9
Savings portions in unit-linked and index-linked life insurance (gross)	55.1	58.8	71.0	25.4	0.0	0.0
Savings portions in unit-linked and index-linked life insurance (net)	51.1	53.1	71.0	25.4	0.0	0.0
Premiums written (gross)	1,017.9	1,014.8	355.7	327.5	364.7	347.1
Premiums earned (net)	701.2	702.9	207.5	196.4	275.0	264.9
Premiums earned (net) – intragroup	-160.7	-161.9	-89.8	-79.5	276.6	265.8
Premiums earned (net) – external	861.9	864.8	297.3	275.9	-1.6	-0.9
Technical interest income	75.2	80.5	3.8	2.9	0.0	0.0
Other insurance income	1.4	1.5	5.2	3.8	0.2	0.2
Insurance benefits	-584.7	-598.2	-119.9	-112.8	-176.0	-173.7
Operating expenses	-149.8	-150.4	-84.4	-78.5	-84.4	-84.8
Other technical expenses	-4.5	-8.0	-9.1	-8.6	-3.5	-2.7
Technical result	38.9	28.3	3.2	3.2	11.4	4.0
Net investment income and income from investment property	79.0	130.1	8.0	11.9	8.0	6.8
Other income	3.4	2.8	7.2	6.3	1.0	0.4
Reclassification of technical interest income	-75.2	-80.5	-3.8	-2.9	0.0	0.0
Other expenses	-6.2	-4.4	-3.2	-4.4	-1.8	-1.0
Non-technical result	1.0	48.0	8.3	10.9	7.2	6.3
Operating profit/(loss)	39.9	76.3	11.5	14.1	18.7	10.3
Amortisation of goodwill and impairment losses	-0.6	0.0	-0.8	-0.9	0.0	0.0
Finance costs	-6.2	-6.6	-0.4	-0.4	-0.7	0.0
Profit/(loss) for the period from continuing operations	33.1	69.7	10.3	12.8	18.0	10.3
Combined ratio (property and casualty insurance, after reinsurance)	97.1%	95.6%	96.7%	92.0%	94.4%	97.5%
Cost ratio (after reinsurance)	19.9%	19.9%	30.3%	35.4%	30.7%	32.0%

	Group function		Consolidation		Group	
	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016
	0.0	0.0	-352.5	-334.5	1,511.9	1,439.2
	0.0	0.0	-26.1	-24.4	1,279.7	1,218.4
	0.0	0.0	0.0	0.0	126.1	84.1
	0.0	0.0	0.0	0.0	122.1	78.5
	0.0	0.0	-352.5	-334.5	1,385.8	1,355.0
	0.0	0.0	-26.1	-24.4	1,157.6	1,139.9
	0.0	0.0	-26.1	-24.4	0.0	0.0
	0.0	0.0	0.0	0.0	1,157.6	1,139.9
	0.0	0.0	0.0	0.0	79.0	83.4
	0.2	0.1	-1.1	-0.6	6.0	4.9
	3.5	1.9	18.4	17.1	-858.7	-865.6
	-16.8	-7.4	4.4	4.7	-331.0	-316.4
	-0.3	-0.2	4.8	3.9	-12.5	-15.5
	-13.5	-5.6	0.3	0.8	40.4	30.7
	5.4	5.3	-24.7	-46.3	75.8	107.9
	12.3	2.8	6.8	0.0	30.8	12.2
	0.0	0.0	0.0	0.0	-79.0	-83.4
	-8.2	-3.2	-0.6	-2.4	-20.0	-15.4
	9.6	4.9	-18.5	-48.8	7.6	21.3
	-3.8	-0.7	-18.2	-48.0	48.0	52.0
	0.0	0.0	0.0	-0.7	-1.4	-1.6
	-13.4	-16.8	7.3	6.9	-13.5	-16.9
	-17.3	-17.5	-10.9	-41.8	33.1	33.4
	n/a	n/a	n/a	n/a	97.7%	96.2%
	n/a	n/a	n/a	n/a	25.9%	26.0%

OPERATING SEGMENTS – CLASSIFIED BY BUSINESS LINE

Property and casualty insurance In € million	UNIQA Austria		UNIQA International		Reinsurance	
	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016
Premiums written (gross)	529.8	513.8	276.1	249.3	352.4	335.1
Premiums earned (net)	234.4	222.8	133.2	124.3	269.1	259.4
Technical interest income	0.0	0.0	0.0	0.0	0.0	0.0
Other insurance income	1.0	1.1	3.0	2.5	0.2	0.1
Insurance benefits	-170.7	-156.8	-79.3	-70.7	-171.0	-169.0
Operating expenses	-56.9	-56.1	-49.5	-43.7	-83.1	-83.9
Other technical expenses	-0.5	-2.4	-8.5	-7.5	-2.5	-1.8
Technical result	7.4	8.6	-1.2	4.9	12.6	4.8
Net investment income and income from investment property	4.8	15.4	6.0	8.3	5.6	4.4
Other income	2.7	1.5	2.3	1.7	1.0	0.4
Reclassification of technical interest income	0.0	0.0	0.0	0.0	0.0	0.0
Other expenses	-3.9	-2.6	-2.3	-2.7	-1.8	-0.9
Non-technical result	3.6	14.3	6.0	7.4	4.8	3.9
Operating profit/(loss)	11.0	22.9	4.8	12.3	17.5	8.7
Amortisation of goodwill and impairment losses	0.0	0.0	-0.7	-0.7	0.0	0.0
Finance costs	0.0	0.0	-0.4	-0.4	-0.7	0.0
Profit/(loss) for the period from continuing operations	11.0	22.9	3.7	11.1	16.7	8.7

Health insurance In € million	UNIQA Austria		UNIQA International		Reinsurance	
	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016
Premiums written (gross)	253.8	245.9	16.0	13.4	0.5	0.2
Premiums earned (net)	242.4	235.0	12.2	10.2	0.4	0.2
Technical interest income	20.0	19.1	0.0	0.0	0.0	0.0
Other insurance income	0.2	0.2	0.4	0.4	0.0	0.0
Insurance benefits	-208.3	-200.2	-8.1	-6.7	0.0	0.1
Operating expenses	-35.8	-37.0	-5.1	-6.5	-0.2	0.0
Other technical expenses	0.5	-0.4	-0.1	-0.2	0.0	0.0
Technical result	19.1	16.8	-0.6	-2.7	0.3	0.2
Net investment income and income from investment property	11.0	15.0	0.0	0.1	0.0	0.0
Other income	0.3	0.8	0.5	0.4	0.0	0.0
Reclassification of technical interest income	-20.0	-19.1	0.0	0.0	0.0	0.0
Other expenses	-1.2	-0.8	-0.4	-0.4	0.0	0.0
Non-technical result	-9.8	-4.1	0.1	0.1	0.0	0.0
Operating profit/(loss)	9.2	12.7	-0.5	-2.6	0.3	0.2
Amortisation of goodwill and impairment losses	0.0	0.0	0.0	0.0	0.0	0.0
Finance costs	0.0	0.0	0.0	0.0	0.0	0.0
Profit/(loss) for the period from continuing operations	9.2	12.7	-0.5	-2.6	0.3	0.2

Group function		Consolidation		Group	
1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016
0.0	0.0	-342.5	-324.8	815.7	773.4
0.0	0.0	-25.6	-23.9	611.1	582.6
0.0	0.0	0.0	0.0	0.0	0.0
0.2	0.1	-0.8	-0.6	3.5	3.2
0.0	0.0	18.4	17.4	-402.6	-379.1
-9.2	-2.1	4.4	4.5	-194.3	-181.3
-0.1	-0.1	3.3	2.4	-8.4	-9.4
-9.2	-2.1	-0.4	-0.1	9.2	16.1
5.5	9.1	4.3	-5.0	26.2	32.2
11.6	1.9	4.1	0.0	21.7	5.6
0.0	0.0	0.0	0.0	0.0	0.0
-7.6	-2.3	-0.3	-2.4	-15.9	-10.9
9.5	8.7	8.1	-7.4	32.0	27.0
0.3	6.6	7.6	-7.5	41.2	43.1
0.0	0.0	0.0	0.0	-0.7	-0.7
-13.4	-16.7	1.1	0.4	-13.4	-16.8
-13.1	-10.1	8.7	-7.1	27.1	25.6

Group function		Consolidation		Group	
1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016
0.0	0.0	-0.5	-0.2	269.7	259.3
0.0	0.0	-0.1	-0.1	254.9	245.4
0.0	0.0	0.0	0.0	20.0	19.1
0.0	0.0	0.0	0.0	0.6	0.7
3.5	1.8	0.0	-0.1	-212.8	-205.0
-4.1	-2.1	0.0	0.0	-45.1	-45.7
-0.1	0.0	0.0	0.0	0.3	-0.6
-0.7	-0.3	-0.1	-0.1	18.0	13.9
-1.0	-0.6	-11.1	-6.7	-1.1	7.8
0.6	0.8	2.5	0.0	4.0	2.0
0.0	0.0	0.0	0.0	-20.0	-19.1
-0.3	-0.2	0.0	0.0	-1.8	-1.4
-0.7	0.0	-8.6	-6.7	-19.0	-10.7
-1.3	-0.3	-8.7	-6.8	-1.0	3.2
0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0
-1.4	-0.4	-8.7	-6.8	-1.1	3.1

Life insurance In € million	UNIQA Austria		UNIQA International		Reinsurance	
	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	289.5	313.8	134.6	90.2	11.9	11.9
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	275.5	298.2	133.1	87.2	5.5	5.4
Savings portions in unit-linked and index-linked life insurance (gross)	55.1	58.8	71.0	25.4	0.0	0.0
Savings portions in unit-linked and index-linked life insurance (net)	51.1	53.1	71.0	25.4	0.0	0.0
Premiums written (gross)	234.4	255.1	63.6	64.8	11.9	11.9
Premiums earned (net)	224.3	245.1	62.1	61.8	5.5	5.4
Technical interest income	55.2	61.4	3.8	2.9	0.0	0.0
Other insurance income	0.3	0.1	1.8	0.8	0.1	0.1
Insurance benefits	-205.7	-241.2	-32.5	-35.3	-5.0	-4.8
Operating expenses	-57.2	-57.3	-29.8	-28.3	-1.1	-0.9
Other technical expenses	-4.4	-5.2	-0.5	-0.9	-0.9	-0.9
Technical result	12.5	2.9	4.9	1.1	-1.5	-1.1
Net investment income and income from investment property	63.2	99.8	2.0	3.5	2.4	2.4
Other income	0.3	0.4	4.5	4.1	0.0	0.0
Reclassification of technical interest income	-55.2	-61.4	-3.8	-2.9	0.0	0.0
Other expenses	-1.2	-1.0	-0.5	-1.3	0.0	0.0
Non-technical result	7.2	37.8	2.3	3.4	2.4	2.4
Operating profit/(loss)	19.7	40.7	7.2	4.4	0.9	1.3
Amortisation of goodwill and impairment losses	-0.6	0.0	-0.1	-0.2	0.0	0.0
Finance costs	-6.2	-6.6	0.0	0.0	0.0	0.0
Profit/(loss) for the period from continuing operations	12.9	34.1	7.1	4.3	0.9	1.3

UNIQA INTERNATIONAL – REGIONS

In € million	Premiums earned (net)		Net investment income and income from investment property		Insurance benefits		Operating expenses		Profit/(loss) for the period from continuing operations	
	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016
Western Europe (WE)	4.0	3.7	0.0	0.1	-2.4	-1.5	-1.6	-0.7	0.5	1.8
Central Europe (CE)	106.7	99.4	9.1	6.0	-59.7	-53.6	-41.7	-40.1	10.7	9.6
Eastern Europe (EE)	27.3	23.6	2.1	4.4	-15.1	-11.4	-13.5	-11.0	-0.4	2.5
Southeastern Europe (SEE)	55.0	57.7	1.8	2.8	-31.3	-36.2	-20.5	-18.7	4.1	3.2
Russia (RU)	14.4	11.9	-1.6	-1.4	-11.3	-10.0	-3.2	-2.8	2.8	1.0
Administration	0.0	0.0	-3.5	0.0	0.0	0.0	-3.9	-5.3	-7.4	-5.3
Total	207.5	196.4	8.0	11.9	-119.9	-112.8	-84.4	-78.5	10.3	12.8

	Group function		Consolidation		Group	
	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016
	0.0	0.0	-9.4	-9.5	426.5	406.4
	0.0	0.0	-0.4	-0.4	413.7	390.4
	0.0	0.0	0.0	0.0	126.1	84.1
	0.0	0.0	0.0	0.0	122.1	78.5
	0.0	0.0	-9.4	-9.5	300.4	322.3
	0.0	0.0	-0.4	-0.4	291.6	311.9
	0.0	0.0	0.0	0.0	59.0	64.3
	0.0	0.0	-0.3	-0.1	1.9	1.0
	0.0	0.0	0.0	-0.2	-243.2	-281.6
	-3.5	-3.1	0.0	0.2	-91.6	-89.4
	-0.1	0.0	1.5	1.5	-4.4	-5.6
	-3.6	-3.2	0.9	1.0	13.2	0.7
	1.0	-3.1	-17.8	-34.7	50.7	67.9
	0.1	0.1	0.2	0.0	5.2	4.6
	0.0	0.0	0.0	0.0	-59.0	-64.3
	-0.3	-0.8	-0.4	0.0	-2.3	-3.2
	0.8	-3.9	-18.0	-34.7	-5.4	4.9
	-2.8	-7.0	-17.1	-33.7	7.8	5.7
	0.0	0.0	0.0	-0.7	-0.7	-0.8
	0.0	0.0	6.2	6.5	0.0	-0.1
	-2.8	-7.0	-11.0	-28.0	7.1	4.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CLASSIFIED BY BUSINESS LINE

In € million	Property and casualty insurance		Health insurance	
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
Assets				
Property, plant and equipment	166.7	151.1	36.7	30.6
Investment property	263.6	285.9	267.3	275.3
Intangible assets	496.3	451.3	241.3	242.3
Financial assets accounted for using the equity method	53.8	52.1	169.7	180.8
Investments	4,487.9	4,510.0	2,785.6	2,825.9
Unit-linked and index-linked life insurance investments	0.0	0.0	0.0	0.0
Reinsurers' share of technical provisions	215.7	188.1	1.2	1.9
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	826.0	651.5	128.6	44.7
Income tax receivables	66.7	64.4	0.1	0.1
Deferred tax assets	1.6	1.1	0.0	0.4
Cash and cash equivalents	431.1	288.6	168.2	78.9
Assets in disposal groups held for sale	208.1	219.3	37.3	33.7
Total assets by business line	7,217.4	6,863.5	3,836.1	3,714.5
Liabilities				
Subordinated liabilities	851.7	851.2	0.0	0.0
Technical provisions	3,097.6	2,908.3	2,919.4	2,882.1
Technical provisions for unit-linked and index-linked life insurance	0.0	0.0	0.0	0.0
Financial liabilities	16.8	16.0	33.8	29.2
Other provisions	731.2	749.6	23.3	22.3
Liabilities and other items classified as liabilities	812.9	644.9	108.5	15.4
Income tax liabilities	86.4	75.8	2.9	2.9
Deferred tax liabilities	30.0	37.4	141.3	147.5
Liabilities in disposal groups held for sale	327.4	332.3	56.5	55.0
Total liabilities by business line	5,954.1	5,615.5	3,285.6	3,154.4

Life insurance		Consolidation		Group	
31/3/2017	31/12/2016	31/3/2017	31/12/2016	31/3/2017	31/12/2016
130.6	83.6	0.0	0.0	334.0	265.2
736.2	788.8	0.0	0.0	1,267.2	1,350.0
790.4	810.0	- 25.2	- 11.2	1,502.9	1,492.4
270.9	288.4	0.0	0.0	494.4	521.3
10,899.2	11,467.4	- 647.2	- 649.8	17,525.4	18,153.5
4,887.4	4,879.9	0.0	0.0	4,887.4	4,879.9
146.0	146.5	- 10.0	- 12.0	352.9	324.4
316.4	318.6	0.0	0.0	316.4	318.6
208.4	235.2	- 303.5	- 292.7	859.5	638.7
1.2	1.3	0.0	0.0	68.0	65.9
3.8	4.0	0.0	0.0	5.4	5.6
505.6	182.4	0.0	0.0	1,104.9	549.9
4,976.7	4,820.7	0.0	0.0	5,222.1	5,073.7
23,872.9	24,026.9	- 985.9	- 965.7	33,940.5	33,639.2
410.8	410.7	- 416.4	- 415.9	846.1	846.0
11,595.6	11,842.7	- 24.1	- 23.9	17,588.5	17,609.2
4,836.9	4,846.6	0.0	0.0	4,836.9	4,846.6
196.0	198.1	- 198.7	- 197.8	47.8	45.5
15.5	37.4	- 15.3	- 10.6	754.7	798.7
692.4	695.0	- 334.0	- 313.1	1,279.8	1,042.2
0.5	0.5	0.0	0.0	89.8	79.1
106.5	111.7	0.0	0.0	277.8	296.7
4,650.1	4,474.9	0.0	0.0	5,034.0	4,862.2
22,504.4	22,617.7	- 988.5	- 961.2	30,755.6	30,426.4
Consolidated equity and non-controlling interests				3,184.9	3,212.8
Total equity and liabilities by business line				33,940.5	33,639.2

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 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

ACCOUNTING REGULATIONS

The consolidated interim financial statements as at 31 March 2017 were prepared in accordance with the requirements of IAS 34 and the International Financial Reporting Standards (IFRS) 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 with those applied in the consolidated financial statements as at 31 December 2016.

On 1 July 2008, securities previously available for sale were reclassified according to IAS 39/50E as other loans. Overall, fixed-income securities with a carrying amount of €2,129.6 million were reclassified. The corresponding revaluation reserve amounted to €-98.2 million as at 30 June 2008. The fair value as at 31 December 2016 was €487.3 million; as at 31 March 2017 it amounted to €429.2 million. The carrying amount of the reclassified securities as at 31 March 2017 was €406.8 million (31 December 2016: €462.5 million). an amortisation charge of 0.1 € million was charged to profit or loss.

In accordance with IAS 34.41, estimates and planning have been used to a greater extent in preparing the quarterly financial statements 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 through the use of automated calculation tools when totalling rounded amounts and percentages.

BASIS OF CONSOLIDATION

The basis of consolidation – with UNIQA Insurance Group AG – included 116 subsidiaries (31 December 2016: 116) and 7 associates (31 December 2016: 7) using equity method accounting.

By way of a resolution dated 27 July 2015, UNIQA decided to divest its 29 per cent holding in Medial Beteiligungs-Gesellschaft mbH (Vienna). This is therefore reported under assets in disposal groups held for sale (Group functions segment). Medial Beteiligungs-Gesellschaft m.b.H. has an equity investment of around 38 per cent in Casinos Austria Aktiengesellschaft (Vienna); correspondingly, UNIQA holds an interest of around 11 per cent in Casinos Austria Aktiengesellschaft. Due to a decree by the Vienna regional high court acting as antitrust court, which prohibited the transfer of the investment, the sale to NOVOMATIC AG (Gumpoldskirchen) has fallen through. The contract with Novomatic was dissolved at the beginning of 2017. By means of a transfer agreement dated 3 January 2017, UNIQA sold its 29 per cent holding in Medial Beteiligungs-Gesellschaft mbH to CAME Holding GmbH (Vienna). The sale to CAME Holding GmbH is subject to a condition precedent, which essentially are mandatory approvals still required under merger law and public law approvals. Closing is expected in the first half of 2018.

The Group Management Board decided to sell the 99.7 per cent holding in the Group company UNIQA Assicurazioni S.p.A. (Milan, Italy) in a resolution dated 2 December 2016 following approval by the Supervisory Board. The sale price is around €295 million. The sale includes UNIQA Assicurazioni S.p.A. (Milan, Italy) and its subsidiaries operating in Italy UNIQA Previdenza S.p.A. (Milan, Italy) and UNIQA Life S.p.A. (Milan, Italy), which were reported in the segment UNIQA International. The sale of the Italian companies is classified as a discontinued operation. The assets and liabilities associated with the discontinued operation are stated in the consolidated statement of financial position under assets and liabilities in disposal groups held for sale. The profit and loss of the discontinued operation is presented in the consolidated income statement under the item “Profit/(loss) -from discontinued operations (after tax)”. See the chapter on “Events after the reporting date” with regard to the completion of this sale.

CURRENCY TRANSLATION

The reporting currency for UNIQA Insurance Group AG is the euro. All financial statements from international subsidiaries that do not report in euros, are converted at the exchange rate applicable at the reporting date in accordance with the following guidelines:

- Assets, equity and liabilities, and reconciliation of the profit for the period at the average rate as at the reporting date
- Consolidated income statement at the average rate for the period
- Equity (excluding profit for the period) at the historical rate

The resulting currency translation differences are recognised directly in equity. The exchange rates essential to the Group are summarised in the following table:

	EUR closing rates		EUR average rates	
	31/3/2017	31/12/2016	1-3/2017	1-3/2016
Swiss franc (CHF)	1.0696	1.0931	1.0688	1.0956
Czech koruna (CZK)	27.0300	27.0510	27.0233	27.0393
Hungarian forint (HUF)	307.6200	314.1200	309.0850	313.3475
Croatian kuna (HRK)	7.4465	7.5255	7.4804	7.6125
Polish zloty (PLN)	4.2265	4.2576	4.3189	4.3289
Bosnia and Herzegovina convertible mark (BAM)	1.9558	1.9558	1.9558	1.9558
Romanian leu (RON)	4.5525	4.4718	4.5287	4.5017
Bulgarian lev (BGN)	1.9558	1.9558	1.9558	1.9558
Ukrainian hryvnia (UAH)	28.8764	29.8161	28.8480	28.2422
Serbian dinar (RSD)	123.9715	122.7554	123.8237	122.6126
Russian rouble (RUB)	60.3130	76.3051	62.6996	80.6173
Albanian lek (ALL)	135.9100	138.6400	135.5925	138.0450
Macedonian denar (MKD)	61.5624	61.6208	61.5599	61.5431
US dollar (USD)	1.0691	1.1385	1.0646	1.1020

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Intangible assets

In € million	31/3/2017	31/12/2016
Deferred acquisition costs	1,139.1	1,134.9
Insurance contract portfolio	17.0	18.3
Goodwill	296.1	295.4
Other intangible assets	50.6	43.8
Total	1,502.9	1,492.4

2. Financial instruments plus valuation hierarchies for fair value measurements

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

At 31 March 2017	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
In € million						
Financial assets recognised at fair value through profit or loss	36.1	241.8	0.0	152.7	60.5	491.1
Available-for-sale financial assets	689.5	15,245.4	0.0	0.0	0.0	15,935.0
Loans and receivables	0.0	406.8	692.5	0.0	0.0	1,099.3
Total	725.6	15,894.0	692.5	152.7	60.5	17,525.4
of which fair value option	36.1	241.8	0.0	0.0	0.0	277.9

At 31 December 2016	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
In € million						
Financial assets recognised at fair value through profit or loss	44.3	231.0	0.0	135.1	59.9	470.3
Available-for-sale financial assets	671.7	15,818.9	0.0	0.0	0.0	16,490.6
Loans and receivables	0.0	462.5	730.1	0.0	0.0	1,192.6
Total	716.0	16,512.4	730.1	135.1	59.9	18,153.5
of which fair value option	44.3	231.0	0.0	0.0	0.0	275.3

Fair value hierarchy

A range of Group accounting policies and disclosures require the determination of the fair value of financial and non-financial assets and liabilities. The Group 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 to the Group Management Board.

The measurement team carries out a regular review of the major unobservable input factors 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 measurement team examines the evidence obtained from the third parties for the conclusion that such measurements meet the requirements of IFRS, 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, the Group uses data that are observable on the market when determining the fair value of an asset or a liability. Based on the input factors 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: 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 application of the discounted cash flow procedure, 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 that do not fulfil the conditions under Level 2 that come under Level 3.

If the input factors 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 factor significant for the measurement overall.

The Group 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, procedures that are best suited for appropriate ascertainment of the value are applied primarily in the Group. The following standard valuation procedures are applied for financial instruments which come under Levels 2 and 3:

Market value-oriented approach

The valuation method in the market value-oriented approach is based on prices or other material information from market transactions which involve identical or comparable assets and liabilities.

Net present value approach

The net present value approach corresponds with the method whereby the future (expected) payment flows or earnings are inferred on a current amount.

Cost-oriented approach

The cost-oriented approach generally corresponds with 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 within the scope of the impairment test in accordance with IAS 36, as well as for the disclosures according to IFRS 13, is determined based on expert reports.

The loans are accounted for in accordance with the valuation method in the “Loans and receivables” category 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 input factors.

Valuation methods and inputs in the determination of fair values

Assets	Price method	Input factors	Price model
Fixed-income securities			
Listed bonds	Listed price	-	-
Not listed 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	-	-
Not listed investment funds	Theoretical price	CDS spread, yield curves	Present value method
Loans and receivables			
Loans	Theoretical value	Collateral, creditworthiness	Discounted cash flow
Others			
Land and buildings	Theoretical value	Construction and property value, location, useable area, usage category, condition, current contractual rent rates and current vacancies including rental forecasts	Income value method, asset value method, income value and net asset value weighted

*Valuation hierarchy**Assets and liabilities measured at fair value*

At 31 March 2017 In € million	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Variable-income securities	543.9	0.4	145.1	689.5
Fixed-income securities	11,919.9	3,168.4	157.1	15,245.4
Total	12,463.9	3,168.9	302.2	15,935.0
Financial assets recognised at fair value through profit or loss				
Variable-income securities	0.0	22.4	13.7	36.1
Fixed-income securities	107.2	73.9	60.7	241.8
Derivative financial instruments	0.9	80.5	71.4	152.7
Investments from investment contracts	58.8	1.0	0.7	60.5
Total	166.8	177.8	146.5	491.1
Assets in disposal groups held for sale	3,986.6	308.6	29.4	4,324.6

At 31 March 2017 In € million	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative financial instruments	1.0	28.2	4.0	33.2
Total	1.0	28.2	4.0	33.2

Fair values of assets and liabilities measured at amortised cost

At 31 March 2017 In € million	Level 1	Level 2	Level 3	Total
Investment property	0.0	0.0	2,159.1	2,159.1
Loans and receivables				
Loans and other investments	0.0	0.0	38.4	38.4
Fixed-income securities	110.2	225.1	93.9	429.2
Total	110.2	225.1	132.3	467.6
Assets in disposal groups held for sale	0.0	0.0	5.6	5.6

At 31 March 2017 In € million	Level 1	Level 2	Level 3	Total
Financial liabilities				
Liabilities from loans	0.0	0.0	14.6	14.6
Total	0.0	0.0	14.6	14.6
Subordinated liabilities	987.9	0.0	0.0	987.9

*Assets and liabilities measured at fair value
at the previous year's reporting date*

At 31 December 2016 In € million	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Variable-income securities	394.3	6.8	270.7	671.7
Fixed-income securities	11,501.7	3,890.6	426.6	15,818.9
Total	11,896.0	3,897.3	697.3	16,490.6
Financial assets recognised at fair value through profit or loss				
Variable-income securities	0.0	25.1	19.2	44.3
Fixed-income securities	92.7	77.5	60.8	231.0
Derivative financial instruments	0.0	73.7	61.4	135.1
Investments from investment contracts	58.3	1.6	0.0	59.9
Total	151.0	177.9	141.4	470.3
Assets in disposal groups held for sale	3,764.0	357.6	32.2	4,153.8

At 31 December 2016 In € million	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative financial instruments	0.0	30.6	0.0	30.6
Total	0.0	30.6	0.0	30.6

*Fair values of assets and liabilities measured at amortised cost
at the previous year's reporting date*

At 31 December 2016 In € million	Level 1	Level 2	Level 3	Total
Investment property				
	0.0	0.0	2,248.3	2,248.3
Loans and receivables				
Loans and other investments	0.0	0.0	40.0	40.0
Fixed-income securities	51.5	341.0	94.8	487.3
Total	51.5	341.0	134.8	527.3
Assets in disposal groups held for sale	0.0	0.0	5.9	5.9

At 31 December 2016 In € million	Level 1	Level 2	Level 3	Total
Financial liabilities				
Liabilities from loans	0.0	0.0	15.0	15.0
Total	0.0	0.0	15.0	15.0
Subordinated liabilities				
	927.2	0.0	0.0	927.2

Transfers between Levels 1 and 2

Transfers were made in the reporting period from Level 1 to Level 2 amounting to €565.3 million and from Level 2 to Level 1 amounting to €1,192.2 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 to the fair values of financial instruments whose valuation procedures are not based on observable input factors.

In € million	RZB shares	Fixed-income securities	Other	Total
At 1 January 2017	126.1	426.6	286.0	838.6
Transfers from Level 3 to Level 1	- 126.1	0.0	0.0	- 126.1
Transfers into Level 2	0.0	- 0.1	0.0	- 0.1
Transfers into Level 3	0.0	1.4	0.9	2.3
Gains and losses recognised in the income statement	0.0	- 18.1	- 1.1	- 19.2
Gains and losses recognised in other comprehensive income	0.0	- 2.5	0.4	- 2.1
Purchases	0.0	0.0	22.8	22.8
Sales/redemptions	0.0	- 250.3	- 21.2	- 271.5
At 31 March 2017	0.0	157.1	287.7	444.8

The transfers between Levels 2 and 3 were completed as a result of changes in the observability of the relevant input factors. Due to the merger of Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB) with Raiffeisen Bank International AG (RBI), UNIQA now only holds shares in RBI. Following the market listing of RBI these now have Level 1 input parameters, resulting in a transfer of the former RZB shares to Level 1.

Sensitivities

For the most important fixed-income securities, an increase in the discount rate of 100 basis points results in a -3.6 per cent reduction in the value. A reduction in the discount rate by 100 basis points results in a 2.3 per cent increase in value.

3. Assets and liabilities in disposal groups held for sale

Due to the contract of assignment dated 28 July 2015, the 29 per cent holding in Medial Beteiligungs-Gesellschaft m.b.H. (Vienna) (Medial) is recorded under this item.

On 2 December 2016, the Management Board decided to sell the 99.7 per cent holding in the Group company UNIQA Assicurazioni SpA (Italian Group). Therefore, assets and liabilities are itemised as assets and liabilities in disposal groups held for sale.

Assets and liabilities in disposal groups held for sale are as follows:

In € million	Medial	Italian Group	31/3/2017	31/12/2016
Assets				
Property, plant and equipment	0.0	22.6	22.6	21.7
Investment property	0.0	1.4	1.4	1.4
Intangible assets	0.0	112.1	112.1	112.0
Financial assets accounted for using the equity method	9.3	0.0	9.3	9.3
Investments	0.0	4,327.3	4,327.3	4,156.7
Unit-linked and index-linked life insurance investments	0.0	361.2	361.2	354.2
Reinsurers' share of technical provisions	0.0	201.5	201.5	206.9
Receivables, including insurance receivables	0.0	135.8	135.8	163.1
Income tax receivables	0.0	16.6	16.6	16.7
Deferred tax assets	0.0	22.1	22.1	19.0
Cash and cash equivalents	0.0	12.1	12.1	12.7
Assets in disposal groups held for sale	9.3	5,212.8	5,222.1	5,073.7

In € million	Medial	Italian Group	31/3/2017	31/12/2016
Liabilities				
Technical provisions	0.0	4,378.8	4,378.8	4,213.5
Technical provisions for unit-linked and index-linked life insurance	0.0	361.2	361.2	354.2
Other provisions	0.0	11.5	11.5	11.0
Liabilities and other items classified as liabilities	0.0	234.2	234.2	231.1
Income tax liabilities	0.0	8.1	8.1	7.6
Deferred tax liabilities	0.0	40.2	40.2	44.8
Liabilities in disposal groups held for sale	0.0	5,034.0	5,034.0	4,862.2

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

4. Premiums

Premiums earned In € million	1 - 3/2017	1 - 3/2016
Property and casualty insurance	611.1	582.6
Gross	646.0	611.4
Reinsurers' share	- 34.9	- 28.9
Health insurance	254.9	245.4
Gross	255.1	245.6
Reinsurers' share	- 0.2	- 0.2
Life insurance	291.6	311.9
Gross	300.8	321.4
Reinsurers' share	- 9.2	- 9.4
Total	1,157.6	1,139.9

Property and casualty insurance premiums written In € million	1 - 3/2017	1 - 3/2016
Direct insurance		
Fire and business interruption insurance	94.9	85.6
Household insurance	47.9	46.4
Other property insurance	91.2	86.7
Motor TPL insurance	158.9	158.5
Other motor insurance	137.6	129.4
Casualty insurance	94.8	92.4
Liability insurance	95.7	92.4
Legal expense insurance	24.0	23.0
Marine, aviation and transport insurance	17.0	18.9
Other forms of insurance	18.8	18.5
Total	780.9	751.7
Indirect insurance		
Marine, aviation and transport insurance	0.1	0.9
Other forms of insurance	34.7	20.8
Total	34.8	21.8
Total direct and indirect insurance (amount consolidated)	815.7	773.4

Premiums earned In € million	1 - 3/2017	1 - 3/2016
Property and casualty insurance	611.1	582.6
Gross	646.0	611.4
Reinsurers' share	- 34.9	- 28.9
Health insurance	254.9	245.4
Gross	255.1	245.6
Reinsurers' share	- 0.2	- 0.2
Life insurance	291.6	311.9
Gross	300.8	321.4
Reinsurers' share	- 9.2	- 9.4
Total	1,157.6	1,139.9

5. Operating expenses

In € million	1 - 3/2017	1 - 3/2016
Property and casualty insurance		
Acquisition costs		
Payments	162.8	157.6
Change in deferred acquisition costs	- 22.5	- 22.5
Other operating expenses	58.8	49.8
Reinsurance commission and share of profit from reinsurance ceded	- 4.7	- 3.6
	194.3	181.3
Health insurance		
Acquisition costs		
Payments	26.9	29.3
Change in deferred acquisition costs	0.8	- 1.7
Other operating expenses	17.5	18.2
Reinsurance commission and share of profit from reinsurance ceded	- 0.1	- 0.1
	45.1	45.7
Life insurance		
Acquisition costs		
Payments	49.7	60.3
Change in deferred acquisition costs	20.3	7.7
Other operating expenses	24.1	23.2
Reinsurance commission and share of profit from reinsurance ceded	- 2.4	- 1.7
	91.6	89.4
Total	331.0	316.4

6. Insurance benefits

In € million	Gross		Reinsurers' share		Net	
	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016
Property and casualty insurance						
Claims expenses						
Claims paid	382.1	347.3	-9.6	-10.4	372.5	336.9
Change in provision for unsettled claims	26.6	31.2	-5.3	3.7	21.3	34.8
Total	408.7	378.5	-14.9	-6.7	393.7	371.8
Change in insurance provision	0.0	0.1	0.0	0.0	0.0	0.1
Change in other technical provisions	-0.1	-0.2	0.0	0.0	-0.1	-0.2
Non-profit related and profit-related premium refund expenses	8.9	7.4	0.0	0.0	8.9	7.4
Total benefits	417.6	385.8	-14.9	-6.7	402.6	379.1
Health insurance						
Claims expenses						
Claims paid	175.1	165.1	-1.2	0.0	173.9	165.1
Change in provision for unsettled claims	2.4	3.9	0.6	0.0	3.0	3.9
Total	177.6	169.0	-0.7	0.0	176.9	169.0
Change in insurance provision	35.7	34.0	0.0	0.0	35.7	34.0
Change in other technical provisions	0.0	-0.6	0.0	0.0	0.0	-0.6
Non-profit related and profit-related premium refund expenses	0.2	2.5	0.0	0.0	0.2	2.5
Total benefits	213.5	205.0	-0.6	0.0	212.8	205.0
Life insurance						
Claims expenses						
Claims paid	388.4	498.9	-5.3	-5.3	383.1	493.5
Change in provision for unsettled claims	-19.5	-19.8	0.0	-0.4	-19.4	-20.2
Total	369.0	479.1	-5.3	-5.7	363.7	473.3
Change in insurance provision	-119.7	-193.1	-2.8	-4.7	-122.5	-197.7
Change in other technical provisions	0.0	3.6	0.0	0.0	0.0	3.6
Non-profit related and profit-related premium refund expenses and/or (deferred) benefit participation expenses	2.0	2.4	0.0	0.0	2.0	2.4
Total benefits	251.3	292.0	-8.1	-10.4	243.2	281.6
Total	882.3	882.7	-23.6	-17.1	858.7	865.6

7. Net investment income

Classified by business line	Property and casualty insurance		Health insurance		Life insurance		Group	
	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016
In € million								
Investment property	-1.5	1.1	1.6	1.1	7.6	8.6	7.7	10.8
Financial assets accounted for using the equity method	2.0	1.6	-11.1	-6.6	-17.5	-9.6	-26.6	-14.7
Variable-income securities	1.2	3.6	1.2	1.4	0.0	-5.6	2.4	-0.6
Available for sale	1.2	3.7	1.4	1.9	4.6	-4.7	7.2	0.8
At fair value through profit or loss	0.0	-0.1	-0.1	-0.5	-4.6	-0.9	-4.8	-1.5
Fixed-income securities	21.4	26.5	8.9	9.1	54.6	69.5	85.0	105.1
Available for sale	21.5	26.9	8.7	9.9	52.9	69.5	83.1	106.2
At fair value through profit or loss	-0.1	-0.4	0.2	-0.8	1.7	0.0	1.8	-1.1
Loans and other investments	1.5	1.0	0.4	0.7	11.1	12.8	13.0	14.5
Loans	1.1	0.3	0.9	0.9	3.9	3.0	5.8	4.1
Other investments	0.4	0.8	-0.5	-0.2	7.3	9.8	7.2	10.3
Derivative financial instruments	2.2	1.3	0.2	3.9	-1.3	-4.1	1.1	1.2
Investment administration expenses, interest paid and other investment expenses	-0.7	-2.9	-2.4	-1.8	-3.7	-3.7	-6.8	-8.4
Total	26.2	32.2	-1.1	7.8	50.7	67.9	75.8	107.9

Classified by type of income	Current income		Gains/losses from disposals and changes in value		Total		of which impairment	
	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016	1-3/2017	1-3/2016
In € million								
Financial assets recognised at fair value through profit or loss								
Variable-income securities (within the framework of fair value option)	0.4	1.0	-5.1	-2.5	-4.8	-1.5	0.0	0.0
Fixed-income securities (within the framework of fair value option)	1.1	1.3	0.7	-2.5	1.8	-1.1	0.0	0.0
Derivative financial instruments	-0.8	-2.7	1.9	3.9	1.1	1.2	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
Subtotal	0.7	-0.3	-2.6	-1.1	-1.8	-1.4	0.0	0.0
Available-for-sale financial assets								
Variable-income securities	6.4	5.7	0.8	-4.9	7.2	0.8	-0.7	-6.6
Fixed-income securities	89.0	94.3	-5.8	11.9	83.1	106.2	-20.2	-2.1
Subtotal	95.4	100.0	-5.1	7.0	90.3	107.0	-21.0	-8.7
Loans and receivables								
Fixed-income securities	3.5	3.5	0.8	0.0	4.4	3.5	0.0	0.0
Loans and other investments	9.0	7.8	-0.4	3.2	8.6	11.0	0.0	-0.3
Subtotal	12.6	11.2	0.4	3.2	13.0	14.5	0.0	-0.3
Investment property	20.6	21.1	-12.9	-10.3	7.7	10.8	0.0	-0.1
Financial assets accounted for using the equity method	-26.6	-14.8	0.0	0.1	-26.6	-14.7	0.0	0.0
Investment administration expenses, interest paid and other investment expenses	-6.8	-8.4	0.0	0.0	-6.8	-8.4	0.0	0.0
Total	95.9	108.9	-20.1	-1.0	75.8	107.9	-21.0	-9.1

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

Net profit by measurement category

In € million	1-3/2017	1-3/2016
Financial assets recognised at fair value through profit or loss		
Recognised in profit/(loss) for the period	- 1.8	- 1.4
Available-for-sale financial assets		
Recognised in profit/(loss) for the period	90.3	107.0
of which reclassified from equity to consolidated income statement	- 35.7	- 20.1
Recognised in other comprehensive income	- 203.3	340.8
Net income	- 113.0	447.9
Loans and receivables		
Recognised in profit/(loss) for the period	13.0	14.5
Financial liabilities measured at amortised cost		
Recognised in profit/(loss) for the period	- 13.5	- 16.9

The net investment income of €75.8 million (1-3/2016: €107.9 million) includes realised and unrealised profits and losses of €-20.1 million (1-3/2016: €-1.0 million), which includes currency losses of €20.4 million (1-3/2016: currency losses in the amount of €20.7 million). These amounts are essentially the result of investments in US dollars.

In addition, currency effects amounting to €1-3/2016 million (-1.0: €-1.0 million) were recognised directly in equity.

8. Discontinued operations

In € million	1 - 3/2017	1 - 3/2016
Premiums earned (net)	349.4	260.1
Technical interest income	23.4	20.9
Other insurance income	0.4	0.3
Insurance benefits	- 337.6	- 244.1
Operating expenses	- 28.7	- 25.3
Other technical expenses	- 2.0	- 2.6
Technical result	4.9	9.4
Net investment income and income from investment property	20.3	20.1
Other income	2.2	1.5
Reclassification of technical interest income	- 23.4	- 20.9
Other expenses	- 0.7	- 1.5
Non-technical result	- 1.6	- 0.8
Operating profit/(loss)	3.3	8.5
Impairment losses	- 0.2	- 0.3
Earnings before taxes	3.1	8.2
Income taxes	- 0.4	- 1.6
Current profit/(loss) from discontinued operations (after tax)	2.7	6.6
Amortisation and disposal costs	0.0	0.0
Profit/(loss) from discontinued operations (after tax)	2.7	6.6
of which attributable to shareholders of UNIQA Insurance Group AG	2.8	6.5
of which attributable to non-controlling interests	- 0.1	0.1

The consolidation of income and expenses and the elimination of intermediate results were upheld for transactions between discontinued and continued operations.

OTHER DISCLOSURES

9. Employees

Average number of employees	1 - 3/2017	1 - 3/2016
Total	12,375	13,470
of which sales	4,487	5,148
of which administration	7,888	8,322

EVENTS AFTER THE REPORTING DATE

Sale of the Italy Group


On 2 December 2016, the Group Management Board agreed on the sale of the Italy Group. The sale of the Italian subsidiaries was finalised on 16 May 2017. A total selling price of € 294 million is expected. Due to contractually agreed variable adjustments in the sale price, further adjustments of € 22.8 million are expected. The net assets sold total € 281.5 million, as valued at 31 March 2017. Provisional calculations show a profit/(loss) of € -0.1 million from the de-consolidation of the Italy Group.

Declaration of the Legal Representatives

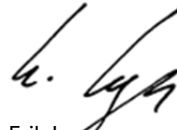
The Management Board of UNIQA Insurance Group AG hereby confirms that, to the best of its knowledge, the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the interim Group Management Report gives a true and fair view of important events that have occurred during the first three months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining nine months of the financial year and of the major related party transactions to be disclosed.

These condensed interim financial statements were neither audited nor reviewed by an auditor.

Vienna, May 2017



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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CONTACT

UNIQA Insurance Group AG
Untere Donaustraße 21, 1029 Vienna, Austria
Phone:(+43) 01 21175-3773
E-mail: investor.relations@uniqa.at

www.uniqagroup.com

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 upon 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 UNIQA Group. In case of any divergences, the German original is legally binding.

