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EANS-News: UNIQA Insurance Group AG / UNIQA posts significant growth in Q1 2017

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Quarterly Report

Vienna, Austria - UNIQA posts significant growth in Q1 2017

- * Group premiums written up 5.1 per cent
- * Improved technical result compensates for drop in investment income
- * Combined ratio increases to 97.7 per cent
- * Earnings before taxes remain stable at EUR 33.1 million
- * Strong capitalisation with economic capital requirement ratio (ECR ratio in accordance with Solvency II) of 215 per cent as at the end of 2016
- * Outlook for 2017 and plans to continue progressive dividend policy confirmed

The UNIQA Insurance Group started 2017 with strong growth in premiums written (including the savings portion of unit- and index-linked life insurance) of 5.1 per cent in the first quarter. Premiums in property and casualty insurance saw the most significant growth (+5.5 per cent), especially in the CEE region (+10.7 per cent). Health insurance (+4.0 per cent) and life insurance (+5.0 per cent), particularly unit- and index-linked life insurance, also made a significant contribution to this strong premium growth.

In the same period, total retained insurance benefits were down 0.8 per cent due to the strategically planned decrease in single premium business and the reduction of the portfolio in the traditional life insurance segment in Austria. In the area of property and casualty insurance, higher insurance benefits due to winter damage and the regulatory environment in Romania among other things led to an increase in the combined ratio to 97.7 per cent.

The total expense ratio across all business segments fell slightly to 25.9 per cent as a result of strong premium growth despite expenses in connection with the innovation and investment program launched in 2016.

The technical result improved considerably by 31.6 per cent as a result of the significant rise in premiums, the decrease in payments and a lower expense ratio.

Investment income fell by 29.8 per cent, which was due to persistently low interest rates and negative exchange rate effects.

Earnings before taxes remained virtually stable at EUR 33.1 million as the significant improvement in the underwriting result compensated for the decrease in investment income.

As at the end of 2016, UNIQA is very strongly capitalised as compares to both Austrian and European peers with an economic capital requirement (ECR) ratio of 215 per cent.

Key Group figures for Q1 2017 in detail

The premiums written by the UNIQA Group (including the savings portion of unit-

and index-linked life insurance) rose by 5.1 per cent to EUR 1,511.9 million in the first quarter of 2017 (1 - 3/2016: EUR 1,439.2 million). In the area of property and casualty insurance, premiums rose by 5.5 per cent to EUR 815.7 million (1 - 3/2016: EUR 773.4 million). Health insurance premiums climbed 4.0 per cent to EUR 269.7 million (January to March 2016: EUR 259.3 million), while life insurance premiums moved up by 5.0 per cent to EUR 426.5 million (1 - 3/2016: EUR 406.4 million).

Retained premiums earned in accordance with IFRS (i.e. not including the savings portion of unit- and index-linked life insurance) increased by 1.6 per cent to EUR 1,157.6 million (1 - 3/2016: EUR 1,139.9 million).

The UNIQA Group's retained insurance benefits fell by 0.8 per cent to EUR 858.7 million in the first quarter of 2017 (1 - 3/2016: EUR 865.6 million).

Total operating expenses less reinsurance commissions received rose by 4.6 per cent to EUR 331.0 million in the first three months of 2017 (1 - 3/2016: 2016: EUR 316.4 million). Acquisition expenses posted an increase of 2.4 per cent to EUR 230.6 million (1 - 3/2016: EUR 225.2 million). Other operating expenses (administration costs) climbed by 10.2 per cent in the first quarter of 2017 to EUR 100.4 million (1 - 3/2016: EUR 91.1 million) as a result of expenses relating to the innovation and investment programme.

The Group cost ratio fell to 25.9 per cent due to the strong rise in premium income (January to March 2016: 26.0 per cent). By contrast, the combined ratio in property and casualty insurance increased to 97.7 per cent (1 - 3/2016: 96.2 per cent).

The investment portfolio of the UNIQA Group (including unit- and index-linked life insurance investments) decreased as against the end of the previous year to EUR 25,279.3 million as at 31 March 2017 (31 December 2016: EUR 25,454.6 million). Net investment income fell by 29.8 per cent to EUR 75.8 million in the first three months of 2017 (1 - 3/2016: EUR 107.9 million).

The technical result improved by 31.6 per cent to EUR 40.4 million in the first quarter of 2017 (1 - 3/2016: EUR 30.7 million). Operating earnings declined by 7.6 per cent to EUR 48.0 million (1 - 3/2016: EUR 52.0 million) as a result of the decline in the investment result. The UNIQA Group's earnings before taxes remained stable at EUR 33.1 million (1 - 3/2016: EUR 33.4 million).

Consolidated net profit (net profit for the period attributable to the shareholders of UNIQA Insurance Group AG) decreased by 12.2 per cent to EUR 29.1 million (1 - 3/2016: EUR 33.2 million). Earnings per share amounted to EUR 0.09 (1 - 3/2016: EUR 0.11).

As at 31 March 2017, the UNIQA Group's equity decreased by 3.9 per cent to EUR 3,156.0 million (31 December 2016: EUR 3,186.3 million).

The number of employees (FTEs) at the UNIQA Group averaged 12,375 in the first quarter of the year.

Outlook for the 2017 financial year

Despite significant future investments and persistently difficult conditions, such as the low interest rate environment, falling investment income and political uncertainty in individual markets, UNIQA expects slight growth both in premiums and earnings in the 2017 financial year.

UNIQA aims to continuously increase the annual distribution per share in the years to come as part of a progressive dividend policy.

Dates:

On 24 May, UNIQA will publish its Solvency and Financial Condition Report (SFCR) at around 2:00 p.m. at www.uniqagroup.com [<http://www.uniqagroup.com/>]. The 18th Annual General Meeting of UNIQA Insurance Group AG will be held on 29 May. CEO Andreas Brandstetter's speech will be broadcast live at www.uniqagroup.com [<http://www.uniqagroup.com/>], starting at 10:00 a.m. The speech will be available as a recording after the end of the Annual General

Meeting.

Forward-looking statements

This press release contains statements referring to the future development of the UNIQA Group. These statements present estimates which were reached on the basis of all of the information available to us at the present time. If the assumptions on which they are based do not occur, the actual results may deviate from the results currently expected. As a result, no liability is accepted for this information.

UNIQA

The UNIQA Group is one of the leading insurance groups in its core markets of Austria and Central and Eastern Europe (CEE). Around 20,000 employees and exclusive sales partners serve over 9.6 million customers in 18 countries. UNIQA is the second-largest insurance group in Austria with a market share of more than 21 per cent. UNIQA operates in 15 markets in the CEE growth region: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Kosovo, Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia and Ukraine. The UNIQA Group also includes insurance companies in Switzerland and Liechtenstein.

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