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**EANS-News: UNIQA Insurance Group AG / Preliminary Figures 2017**

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UNIQA 2017: Key figures improved at all levels – continuation of the long-term growth strategy and the progressive dividend policy

**Annual Result**

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- \* Group premiums written rise 4.9 per cent to EUR5,293.3 million
- \* Cost ratio improves from 26.6 per cent to 25.0 per cent
- \* Combined ratio lowered to 97.5 per cent
- \* Investment income declines by 4.7 per cent to EUR560.9 million due to continuing low interest rate environment
- \* Excellent capital position - SCR ratio more than 250 per cent, strong in an international comparison
- \* Earnings before taxes up 7.4 per cent to EUR242.2 million
- \* Dividend proposal: EUR0.51 per share for 2017 (2016: EUR0.49)
- \* For 2018 a further increase in the EBT and dividend is anticipated

UNIQA CEO Andreas Brandstetter comments on the key results for 2017: "We are in the sixth year of our long-term UNIQA 2.0 programme and with our excellent capital position in comparison to our European peers, we have established the foundation for our growth and innovation strategy. The robust result for 2017 with strong premium growth, improved key operating figures and an upturn in earnings before tax shows that our five initiatives to improve profitability in the core business are impacting. As a result we have created the necessary scope to advance our vision of an integrated service provider which picks up our customers where they are in their digital and analogue worlds. The new Management Board areas of 'Digitalisation' and 'Customer and Market', our innovation and digitalisation programme with 130 new jobs as well cooperations with fintechs, start-ups and accelerators make it quite clear just how important this topic is for us. Above-average recommendation rates from our customers in all core markets show that we are on the right track. On the basis of the sound annual result for 2017, the Management Board will propose to the Supervisory Board and Annual General Meeting a further increase in the dividend."

**Key figures improved at all levels****Another dividend increase**

At EUR242.2 million, EBT in 2017 - according to preliminary figures - is up 7.4 per cent on last year's results of EUR225.5 million. Premiums written (including savings portion) increased by 4.9 per cent to EUR5,293.3 million. In addition, the Group cost ratio improved from 26.6 per cent to 25 per cent and the combined ratio from 120 per cent to 97.5 per cent - despite claims paid of approximately EUR120 million for weather damage. Declines in investment income, resulting from the ongoing effects of low interest rates, are more than compensated for by strong growth in the underwriting result of 43.8 per cent. On the basis of this result and the strong capitalisation with an SCR ratio of more than 250 per cent, the Management Board will propose to the Supervisory Board and Annual General Meeting to continue, as planned, with the progressive dividend policy in recent years and further increase the dividend for the sixth time in a row from 49 cents in the previous year to 51 cents per share for the 2017 financial year.

Outlook - continuation of the growth strategy with clear targets

Rapidly changing customer requirements resulting from the digital revolution, transformation of business models, increased customer confidence as a result of the economic momentum and clear challenges in the area of social systems make the insurance sector one of the most exciting industries today. In view of these trends, UNIQA is anticipating an average upturn of premiums written by approximately 2 per cent per year for the period to 2020. For the third phase of its strategy programmes it has set clear objectives - sustained reduction of the combined ratio to below 95 per cent combined with a further improvement of efficiency and the cost structure, despite the cost ratio moving upwards in the medium term due to the EUR500 million investment programme. UNIQA is also aiming to maintain a strong economic capital ratio and average an operating return on equity of approximately 13.5 per cent between 2017 and 2020.

For 2018, UNIQA anticipates a further improvement of EBT and intends to continue its progressive dividend policy and to increase the distribution per share.

Key Group figures for 2017 in detail and 2018 guidance

Total premiums written by the UNIQA Group including the savings portion of unit- and index-linked life insurance increased by 4.9 per cent to EUR5,293.3 million in 2017 (2016: EUR5,048.2 million) due to solid growth in all segments. This included recurring premiums which increased by 3.3 per cent to EUR5,039.3 million (2016: EUR4,879.0 million). Premiums earned including the savings portion of unit- and index-linked life insurance (after reinsurance) of EUR476.2 million (2016: EUR384.7 million) increased by 5.7 per cent to EUR5,104.1 million (2016: EUR4,827.7 million). Retained premiums earned (in accordance with IFRS) were up by 4.2 per cent at EUR4,627.9 million (2016: EUR4,443.0 million).

All three insurance sectors again recorded positive growth rates in 2017. Premiums written in property and casualty insurance increased in 2017 by 4.8 per cent to EUR2,639.7 million (2016: EUR2,518.4 million). In the reporting period, premiums written in health insurance rose by 3.8 per cent to EUR1,042.0 million (2016: EUR1,003.7 million). In life insurance, premiums written including the savings portion of unit- and index-linked life insurance - driven particularly by a strong upturn of single premiums in Poland - rose by a total of 5.6 per cent to EUR1,611.6 million (2016: EUR1,526.1 million).

In international business premiums written climbed by a strong 14.9 per cent to EUR1,608.5 million (2016: EUR1,399.9 million). In Austria they rose by 0.7 per cent to EUR3,656.6 million (2016: EUR3,631.5 million).

The total amount of retained insurance benefits of the UNIQA Group rose by 5.1 per cent to EUR3,558.6 million in 2017 (2016: EUR3,385.6 million).

Total operating expenses less reinsurance commissions received and profit shares from the reinsurance business fell by 0.8 per cent to EUR1,276.0 million in 2017 (2016: EUR1,286.4 million). Operating expenses for acquisition decreased by 2.3 per cent to EUR679.2 million (2016: EUR 869.4 million) as a result of a decline in life and health premiums. Other operating expenses increased as a result of expenses in the context of the innovation and investment programme of approximately EUR41 million to EUR420.3 million (2016: EUR 417.0 million).

The cost ratio after UNIQA reinsurance - the ratio of total operating expenses less reinsurance commissions and profit shares from the reinsurance business to Group premiums earned including the savings portion of unit- and index-linked life insurance - improved to 25.0 per cent in 2017 (2016: 26.6 per cent). Due to the improved cost ratio, the combined ratio after reinsurance dropped to 97.5 per cent (2016: 98.1 per cent).

Investment income decreased by 4.7 per cent to EUR560.9 million in 2017 (2016: EUR588.9 million) under the influence of persistently low interest rates and negative exchange rate effects amounting to around EUR60 million.

The investment portfolio of the UNIQA Group (including investment property, financial assets accounted for using the equity method and other investments) decreased in the financial year by EUR147.1 million to EUR19,877.7 million as at (31 December 2016: EUR20,024.8 million).

The technical result of the UNIQA Group increased significantly by 43.8 per cent

to EUR106.2 million in 2017 (2016: EUR73.9 million). This improvement reflects the decreased expense ratios for health insurance and life insurance as well as the improvement in the combined ratio for property and casualty insurance. Operating earnings decreased slightly by 5.8 per cent to EUR300.2 million (2016: EUR318.8 million).

EBT increased by 7.4 per cent to EUR242.2 million (2016: EUR225.5 million). This was particularly due to the improved underwriting result, lower goodwill impairment and lower financing costs.

Consolidated net profit (net profit for the period attributable to the shareholders of UNIQA Insurance Group AG) was EUR161.4 million (2016: EUR148.1 million). This figure includes a negative result from discontinued operations (after taxes) in the amount of EUR33.1 million due to a one-off negative effect from the purchase price adjustment during the sale of the Italian business. As a result earnings per share increased to EUR0.53 (2016: EUR0.48).

The UNIQA Group's equity amounted to EUR3,177.6 million (31 December 2016: EUR3,186.3 million).

Risk capital has been released, primarily as a result of the disposal of the Italian subsidiaries and the approval of the partial internal model. The regulatory SCR ratio (solvency capital ratio) moved up to more than 250 per cent a high level in an international comparison. At the end of 2017, the internal, even more stringent unit, the ECR ratio (economic capital ratio), remained over 200 per cent and was also thus well over the target of 155 per cent to 190 per cent. As a result, UNIQA has a very solid capital basis in an industry comparison. Publication of the final capital ratios as of the end of 2017 takes place on 12 April 2018.

In 2017, the average number of employees at the UNIQA Group rose slightly to 12,969 (2016: 12,855).

#### Note

All the figures for the 2017 financial year are based on unaudited preliminary data. The final consolidated annual report with audited figures will be published on the Group website [www.uniqagroup.com](http://www.uniqagroup.com) on 12 April 2018.

#### Outlook for 2018

Overall UNIQA is again anticipating an improvement in earnings before taxes. UNIQA retains its intention of steadily increasing the annual distribution per share in the years to come. For investment income, UNIQA is expecting no further decline in 2018 in comparison to 2017, as the impact of low interest rates has already been largely reflected in the lower investment income of previous years. On the basis of improved profitability in property and casualty insurance, UNIQA is also aiming to improve its combined ratio. On the premiums side, UNIQA anticipates an upturn of approximately 2 per cent in property and casualty insurance, an increase exceeding 3 per cent in health insurance and a decline of over 5 per cent in life insurance, driven by a reduction of the single premiums business.

The guidance is based on the assumptions that the global economic upswing remains in place, that the ECB maintains its expansive monetary policy and that there is no major turbulence on the capital markets, no drastic fiscal, regulatory or legal interventions and that claims from natural catastrophes are at the average level of recent years.

#### Forward-looking statements

This press release contains statements concerning UNIQA's future development. 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 19,600 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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