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EANS-Adhoc: UNIQA Insurance Group AG / earnings target achieved; dividend increase again in 2016

annual result/Preliminary figures for 2016
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UNIQA Insurance Group AG: earnings target achieved; dividend increase again in 2016

- Preliminary figures for 2016: At EUR 225.5 million, earnings before taxes (EBT) were slightly better than anticipated despite the disposal of the Italian business. Premiums written dropped 3.1 per cent as a result of the significant decrease in capital-intensive single premiums, while the dividend for 2016 is to be increased again - to 49 cents per share after 47 cents per share in 2015 in line with the progressive dividend policy

Based on the UNIQA Insurance Group's resolution in December 2016 to sell its Italian subsidiaries, the figures for the 2015 and 2016 financial years are adjusted for the Italian business in accordance with international accounting standards.1)

Based on preliminary data, the UNIQA Insurance Group generated EBT of EUR 225.5 million in the 2016 financial year. This means that earnings exceeded the target announced in January 2016 despite the loss of Italy's contribution to earnings, which is not taken into account in the forecast, according to which EBT could have decreased by up to 50 per cent as against the record figure of 2015 (excl. Italy: EUR 397.8 million/incl. Italy: EUR 422.8 million) as a result of the innovation and investment programme and interest rates that continue to be extremely low.

At EUR 5,048.2 million in 2016, premiums written - including the savings portion of unit- and index-linked life insurance - fell by 3.1 per cent against the previous year (2015: EUR 5,211.0 million). This was due exclusively to the planned reduction in capital-intensive single premiums in the life insurance segment in Austria. The reduction in single premiums was partly offset by significant increases in premiums in the health insurance segment of 4.1 per cent (2016: EUR 1,003.7 million/2015: EUR 964.4 million) and the property and casualty insurance segment of 3.2 per cent (2016: EUR 2,518.4 million/2015: EUR 2,439.2 million). As a result of this development, recurring premiums written increased across the Group by 2.3 per cent to EUR 4,879.0 million in 2016 (2015: EUR4,770.4 million).

In 2016 (operating) expenses increased by 8.1 per cent to EUR 1,286.4 million (2015: EUR 1,190.4 million) due to announced investments from the innovation programme of around EUR 60 million. As a result of this development, the consolidated cost ratio after reinsurance climbed to 26.6 per cent (2015: 23.7 per cent) and the combined ratio increased to 98.1 per cent (2015: 97.9 per cent). Adjusted for investments, the combined ratio is 97.1 per cent.

The UNIQA Insurance Group intends to continue its announced progressive dividend policy. This is why the Management Board will propose to the Supervisory Board and Annual General Meeting that a higher dividend of 49 cents per share be paid for the financial year (2015: 47 cents).

Outlook
Despite significant future investments and persistently difficult conditions, such as low interest rates, falling investment income and political uncertainty in individual markets, UNIQA anticipates slight growth in premiums and earnings

for the 2017 financial year.

The progressive dividend policy with annual increases in the dividend per share is to be continued in the future.

1. Earnings from the disposal and the business results of Italian Group companies for 2016 are reported in the income statement as "discontinued operations" under earnings before taxes. As a result, all of the information in this report exludes Italy.

Note
All the figures for the 2016 financial year are based on unaudited preliminary data. On 21 April, the final annual report with audited figures will be published on the Group's website at www.uniqagroup.com.

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.

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