

Solvency and Financial Condition Report

UNIQA Biztosító Zrt.
31 December 2025

Table of Contents

Table of Contents	1
Executive Summary	4
A. Business and Performance	8
A.1 Business	8
A.2 Underwriting Performance	11
A.3 Investment Performance	16
A.4 Performance of Other Activities	17
A.5 Any Other Information	18
B. System of Governance	19
B.1 General Information on the System of Governance	19
B.1.1 Sole Shareholder	19
B.1.2 Supervisory Board	19
B.1.3 Audit Committee	20
B.1.4 Management Board and Committees	20
B.1.5 Key Functions	22
B.1.6 Remuneration	28
B.2 Fit and Proper Requirements	30
B.2.1 Supervisory Board and Management Board	30
B.2.2 Non-management Officers According to Bit. and the Key Function Holders.....	32
B.2.3 Process of Fit and Proper Assessment	33
B.3 Risk Management System Including the Own Risk and Solvency Assessment.....	34
B.3.1 General Information	34
B.3.2 Risk Management, Governance and Organisational Structure	34
B.3.3 Risk Strategy.....	35
B.3.4 Risk Management Process	36
B.3.5 Committees Relevant to Risks.....	38
B.3.6 Governance of the Partial Internal Model	38
B.3.7 The Company's Own Risk and Solvency Assessment.....	41
B.4 Internal Control System.....	43
B.4.1 Internal Control System	43
B.4.2 Compliance Function	44
B.5 Internal Audit Function	45
B.6 Actuarial Function	46
B.7 Outsourcing	46

B.8	Any Other Information	47
C.	Risk Profile.....	48
C.1	Overview of the Risk Profile	48
C.2	Underwriting Risk	50
C.2.1	Description of Risk	50
C.2.2	Risk Exposure	51
C.2.3	Risk Assessment	54
C.2.4	Risk Concentration.....	57
C.2.5	Risk Mitigation.....	57
C.3	Market Risk	59
C.3.1	Description of Risk	59
C.3.2	Risk Exposure	60
C.3.3	Risk Assessment	62
C.3.4	Risk Concentration.....	65
C.3.5	Risk Mitigation.....	65
C.4	Credit Risk.....	66
C.4.1	Description of Risk	66
C.4.2	Risk Exposure	66
C.4.3	Risk Assessment	67
C.4.4	Risk Concentration.....	67
C.4.5	Risk Mitigation.....	68
C.5	Liquidity Risk	68
C.5.1	Description of Risk	68
C.5.2	Risk Exposure	68
C.5.3	Risk Assessment and Risk Mitigation.....	68
C.6	Operational Risk.....	69
C.6.1	Description of Risk	69
C.6.2	Risk Exposure	69
C.6.3	Risk Assessment	70
C.6.4	Risk Concentration.....	70
C.6.5	Risk Mitigation.....	70
C.7	Stress and Scenario Analysis	71
C.8	Other Material Risks.....	74
C.9	Any Other Information	74
D.	Valuation for Solvency Purposes.....	75
D.1	Assets.....	75

D.2	Technical Provisions	83
D.2.1	Technical Provisions Non-life	84
D.2.2	Technical Provisions Life & Health (SLT)	90
D.3	Other Liabilities.....	96
D.4	Alternative Methods for Valuation	99
D.5	Any Other Information	99
E.	Capital Management	100
E.1	Own Funds	100
E.2	Solvency Capital Requirement and Minimum Capital Requirement	104
E.3	Use of the Duration-based Equity Risk Sub-module in the Calculation of the Solvency Capital Requirement.....	106
E.4	Differences Between the Standard Formula and Any Internal Model Used	106
E.5	Non-compliance with the Minimum Capital Requirement and Non-compliance with the Solvency Capital Requirement	110
E.6	Any Other Information	110
	List of Figures	111
	List of Tables	112
	Appendix I - Regulatory Requirements for the SFCR	114
	Appendix II - Quantitative Reporting Templates.....	115

Executive Summary

The following summary presents in a compact way the most important facts regarding the solvency situation of UNIQA Biztosító Zrt. and gives an overview of the report content.

In the 2025 financial year, despite the persistently volatile macroeconomic and geopolitical environment, the Company successfully achieved its business objectives. In the strategically significant non-life insurance segment, we realised double-digit premium growth, which contributed substantially to the expansion of total gross written premiums and the improvement of the underwriting result.

In **Chapter A. Business and Performance** we present the company and the underlying business model with the most important figures presenting the business volume, the claims side and the investment result.

- UNIQA Biztosító Zrt., owned to 100% by UNIQA International AG, provides its customers with Property and casualty-, health- and life insurance products.
- Insurance products are provided for retail clients as well as corporate clients and the insurance products are sold via a multi-channel strategy, like exclusive sales, general agencies, brokers and bank sales.

With this wide range product portfolio and the strong sales channel UNIQA Biztosító Zrt. covers the insurance and risk protection needs of its clients. An integral part of the insurance products is the service for the customer. It is the clear target for UNIQA Biztosító Zrt. to deliver excellent service quality to our clients.

With this approach UNIQA Biztosító Zrt. diversifies the insurance technical risk and has well composed portfolio in force as shown on Figure 1.

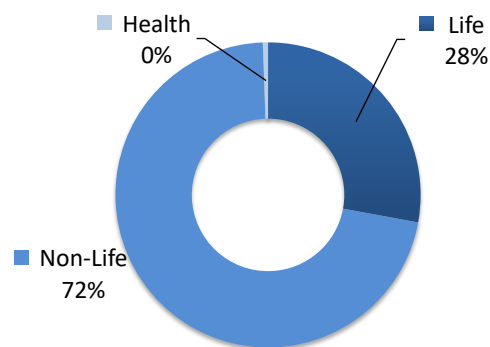


Figure 1. Share of portfolio segments by Gross Written Premium in 2025

In line with our long-term strategy, customer experience development programmes remained a top priority in 2025. In addition to the increase in new acquisitions, the customer satisfaction score continued to improve, confirming the effectiveness of the measures aimed at enhancing end-to-end customer processes.

Throughout the financial year, we continued to redesign and standardise customer processes, with particular focus on simplifying and digitalising sales and claims handling procedures. Consistent with our strategic objectives, the further strengthening of data-driven decision-making and the expansion of automated sales and back-office processes resulted in a significant improvement in operational efficiency.

In the retail business line, we continue to focus on creating the best possible value proposition by designing end-to-end customer journeys based on real customer needs. We also continued to develop our digital channels to ensure seamless multi-channel service for our customers.

The corporate business line continues to progress steadily in line with the direction set out in the strategy, consistently building on long-term growth potential. Our primary objective is to achieve a market-leading position, supported by a premium-quality, high value-added product portfolio and a service model designed to deliver measurable and sustainable customer experience. Through these efforts, we strengthen our competitiveness and further enhance the value-creating capability of our business operations.

In 2025, the Company achieved gross written premium of 132.2 billion HUF. Life related part is 34.1 billion HUF with 0.7 billion HUF Health part, whereas non-Life premium is 98.1 billion HUF. Total GWP increased by 13% versus last year mainly driven by Non-Life growth. UNIQA Biztosító Zrt. closed the reporting period with successful new business acquisition and policy renewals. Life gross written premium increased by 2.9 billion HUF versus prior year driven by the Single and Regular UL business. Non-life portfolio increased by 14% mostly driven by the Motor, Other Motor insurance, and Fire and other damage to property line of businesses. Detailed figures to the various Lines of Business are shown in chapter A.2.

As shown in **Chapter B. System of Governance**, UNIQA Biztosító developed an organisational structure in line with the legal requirements and which reflects the principles of the “three lines of defence”. This organisational concept clearly differentiates between the parts of the organisation which take and actively manage business risks (first line of defence) and parts of the organisation which overview and monitor the risk situation (second line of defence). The third line of defence manages the independent monitoring of the 1st and the 2nd line of defence. Further details are described in the chapter B.3.2.

The Board of UNIQA Biztosító Zrt. is supported by various committees in the decision-making process (please see related details in B.1.4). These committees cover issues regarding executive management, risk management, product development management and reserving. Structured management information and reporting points are defined and discussed. Furthermore, the Solvency 2 key functions, the actuarial function, the risk management function, the compliance function and the internal audit function are implemented with the respective processes. Clear remuneration rules (B.1.6) and the requirements to the business qualifications („Fit“) and personal integrity („Proper“) of persons which lead the company and other key functions (B.2), are part of a state of the art governance model.

A central part of the governance structure is the risk management system. It defines the responsibilities, the processes and the general rules which enable the company to manage the risks in an efficient and proper way. It is the clear aim of the risk management system to support the management to safeguard the management of financial losses and to provide the information for

operative and strategic business decision making. In that respect the own risk and solvency assessment process plays an important role.

The capital requirement to be covered by own funds, defined as a potential economic loss within one year with a probability of 1:200, is the main pillar in quantitative focus of Solvency II. In **Chapter C. Risk Profile** the details of the composition of the capital requirement can be found. Furthermore, the background information to the calculation details is provided. The section comprises information to the major risks an insurance company is facing: the insurance technical risks, market risks, credit- and counterparty default risks and furthermore operational risks. As a multiline insurer UNIQA Biztosító Zrt. is very well diversified.

The subsequent overview shows the capital requirement of the different risk modules, the whole solvency capital requirement and the related own funds.

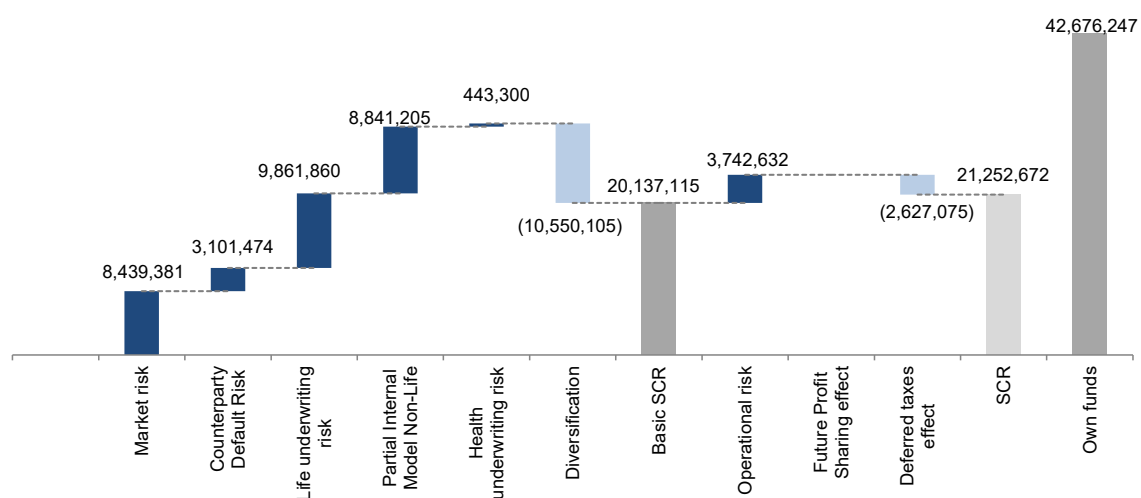


Figure 2. Overview of capital requirements and own funds (Thousand HUF)

The underwriting risk of the life business together with market risk dominate the risk profile of UNIQA Biztosító.

The Solvency 2 ratio with 200.8% shows capitalization of UNIQA Biztosító Zrt. complying with the Solvency 2 Delegated Regulation (details see C.7). This ratio is in line with MNB Guideline 6/2016. (VI.14.) and the undertakings internal limit system, it shows an appropriate capitalization of the Company. Stress test and sensitivity calculation regarding risk drivers and the impact on the solvency situation are made on a regular basis to receive additional information regarding the quality and level of capitalization.

Furthermore, UNIQA Biztosító Zrt. is the only insurance company in Hungary which uses a Partial Internal Model for the calculation of the solvency capital requirement of the non-life underwriting risk for solvency requirement calculations. The model was approved by the College of Supervisors in December 2017. The model is used to gather further deep insight and additional analysis for the management of the underwriting risk non-life.

In **Chapter D. Valuation for Solvency Purposes** the methods for the valuation of the single balance sheet positions for the setup of the economic balance sheet are explained and these balance sheet positions are compared with the local GAAP values.

Finally, in **Chapter E. Capital Management** the derivation from the economic capital to the eligible own funds is performed. UNIQA Biztosító Zrt.'s capital consists of tier 1 capital and from first quarter of 2019 a tier 2 capital strengthens its solvency position with an additional tier 2 capital from the end of 2022. The eligible own fund amounts to 42,676,247 thousand HUF and covers the solvency capital requirement of 21,252,672 thousand HUF.

A. Business and Performance

A.1 Business

UNIQA BIZTOSÍTÓ Zrt.
Róbert Károly körút 70-74
1134 Budapest
www.uniqa.hu

UNIQA Biztosító Zrt. is supervised by the Hungarian National Bank.

Felügyelet – MNB
Krisztina körút 39
1013, Budapest
www.mnb.hu/felugyelet

For the current financial year MAZARS Ltd. was our appointed auditor.

Mazars Könyvszakértő és Tanácsadó Kft. Fiastyúk utca 4-8 1139
Budapest www.mazars.hu/

Shareholder structure

UNIQA Biztosító Zrt. is owned to 100% by UNIQA Österreich Versicherungen AG.

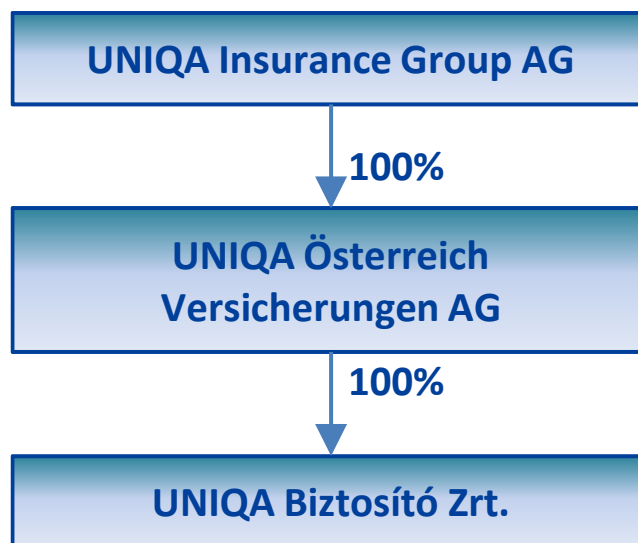


Figure 3. Shareholder structure of UNIQA Biztosító Zrt.

Essential business units

<u>Name of the business unit</u>	<u>Share % (direct)</u>
UNIQA Claims Services International Kft.	99.63%
UNIQA Sustainable and Financial Business Solutions Kft. (until 01.06.2025 UNIQA Pénzügyi és Szolgáltató Kft.)	100.00%

Table 1. Subsidiaries of UNIQA Biztosító Zrt.

Business lines and business development

In the 2025 financial year, the Insurer successfully achieved its business objectives despite the continuing volatile macroeconomic and geopolitical environment. In the strategically important non-life insurance business, we achieved double-digit growth in premium income, which contributed significantly to the expansion of total gross premium income and the improvement in the insurance technical result.

The majority of this growth continued to be linked to our core products – corporate property and liability insurance, technical insurance, motor insurance, retail property insurance and accident insurance. We achieved growth in both portfolio size and premiums across all active lines of business within the property insurance portfolio, whilst maintaining the risk profile at a controlled level.

In line with our long-term strategy, customer experience improvement programmes remained a key priority in 2025. Alongside the rise in new business, the customer satisfaction score continued to improve, confirming the effectiveness of measures aimed at developing end-to-end customer processes.

During the financial year, we continued to redesign and standardise customer processes, with a particular focus on simplifying and digitising sales and claims settlement processes. In line with our strategic objectives, the further strengthening of data-driven decision-making, and the expansion of automated sales and back-office processes have resulted in a significant improvement in operational efficiency.

In the retail business, we remain focused on developing the best possible value proposition by designing end-to-end customer journeys, which we shape based on real customer needs. We also continued to further develop our digital channels to ensure multi-channel service for our customers.

The corporate business segment continues to perform steadily, progressing in line with the direction set out in the strategy, consistently building on long-term growth potential. Our primary objective is to achieve market leadership, which we aim to realise through a premium-quality product portfolio offering high added value and a service model that delivers a measurable and sustainable customer experience. In doing so, we strengthen our competitiveness and further enhance the value-creation capacity of our business activities.

In 2025, within the retail business, we continued the development and implementation of actuarial pricing methods and risk-taking processes that began in 2023. As a result, we achieved a significant increase in profitability across all our retail business lines, whilst also substantially increasing the volume of our managed portfolio in terms of both premium income and the number of policies.

In recent years, it has become increasingly clear that customers want to compare the insurance solutions and value propositions available on the market. At the same time, there is a clear trend towards a steady decline in the number of independent sales channels, whilst the average age of those working in this sector is rising. For tied agents, it becomes a competitive disadvantage that, compared to independent multi-agent networks, it is more challenging to provide a comprehensive service to their clients, whilst for insurers, maintaining a separate sales channel requires extra resources. Therefore, in 2025, we decided to establish a multi-agent company in the form of a joint venture, where our tied agents will be able to continue operating as independent sales agents from 2026 onwards. This will ensure they have the opportunity to provide better customer service, as well as to acquire and retain customers. In future, our insurer will be able to focus on fewer sales channels with greater efficiency and even higher quality than before, which will result in a better level of service for customers and partners. This will also expand our business opportunities and make our revenues more diversified, thereby increasing our risk-bearing capacity.

Property insurances

Thanks to continuous claims and cost control, as well as a technically sound pricing strategy, the business line closed 2025 with a positive insurance technical result despite the challenges of the economic environment.

In the non-life insurance business line, the main focus remained on optimising and standardising our customer processes. Both our retail and corporate business lines focused on providing modern, fast and outstanding service to their customers. Throughout our process-driven retail customer service, we focused entirely on the customer experience, from product design through to sales and claims settlement. To measure the results of our efforts and to further optimise our processes, we continuously monitor our customers' feedback using our customer satisfaction measurement system.

In each of the traditional retail business lines (motor, household, accident and travel insurance), we have implemented changes to both our products and pricing, which contributed to significant growth and profitability across these business lines in 2025. Our aim is to increase our market presence through the continuous optimisation of our customer service processes, pricing system and products. Furthermore, by reorganising our support for the brokerage channel, we achieved significant growth in the independent insurance brokerage market.

The development of the corporate business line's product portfolio continues to focus on product and customer segments that ensure high profitability. The regional operating model has further strengthened the efficiency of our sales activities, which we support through consistent contract renewal processes. The primary objectives of these processes are to mitigate the effects of claims inflation, further improve business profitability, and reduce the risks associated with underinsurance.

UNIQA Sustainable and Financial Business Solutions, established during the year, was created with the aim of providing comprehensive and integrated support to our clients in developing sustainable and flexible business operating models, minimising operational risks, mitigating negative impacts, and continuously strengthening corporate resilience and sustainability.

In the SME segment, we continued to expand the automation and data-driven developments initiated in the previous year, supported by a comprehensive modernisation programme. The aim of the programme is to exploit the segment's growth potential through high-quality customer service, cost-effective sales processes and enhanced risk management, thereby further strengthening our market position.

As part of our bancassurance partnership, we introduced numerous product and process innovations in 2025 within the network of our strategic partner, Raiffeisen Bank. The bank recognised the success of these developments through a significant increase in sales volumes. As part of our mutual cooperation, our agency network achieved outstanding performance in the sale of Raiffeisen Bank's loan and current account products, further strengthening the strategic partnership between the two organisations.

Personal insurance

In 2023, in line with regulatory requirements, we began renewing our unit-linked product range, phasing out certain products and developing new product concepts. In 2024, in line with our personal insurance strategy, we developed a new term life insurance product, which we rolled out across all sales channels in 2025 and are continuing to expand.

In 2025, with our revamped and even more customer-friendly product range, we succeeded in further increasing revenues in both the UL segment and the term life insurance segment. Our aim is to increasingly shift our sales focus towards term life insurance

The Corporate Personal Insurance segment continues to follow a stable growth trajectory in line with the strategic direction set in previous years. We have made significant progress across the range of term life, accident and traditional risk-based health insurance products, as well as service-financing health insurance: the size of the managed portfolio has expanded significantly, whilst profitability and operational efficiency have also continued to improve.

A.2 Underwriting Performance

The following chapter presents the technical performance of the UNIQA Biztosító Zrt. during the reporting period. The information is qualitatively and quantitatively presented in both aggregated form as well as broken down to the essential business lines and geographic areas, where UNIQA Biztosító Zrt. operates during the reporting period. Subsequently, the information presented in this report is compared to the data collected in the last reporting period and presented in the financial statements of the company.

Premium development

In 2025, the extraordinary tax continued to affect the Company's profitability, though to a lesser extent than in previous years. From 2025, the Hungarian regulations have allowed the insurance companies to reduce the amount of the extraordinary tax by increasing their holdings of Hungarian government bonds, which has significantly improved the Company's financial result.

As the base of the extraordinary tax is the insurance premium, its initial introduction caused a shift in the Company's portfolio. The single life premium products significantly dropped due to the tax burden having a heavy impact on the profit of the life segment. While in 2024, the uncertain economic and inflationary environment increased the household demand for savings-related life products, in 2025, the growth was likely driven by more conscious financial self-care and the stabilization of the economic environment. In addition, the significant interest payments on government bonds may also have contributed to the reallocation of the household savings, which indirectly led to further expansion of the life insurance segment. The Company experienced its effect primarily through the increased sales of single premium products and top-ups. Despite these favorable developments in the Life insurance

market, the Company's primary strategic focus in 2025 remained on achieving strong growth in the Non-life segment with the support of both the retail and corporate segments.

In this chapter, the gross written premium for 2024 and 2025 is not reduced by insurance tax due to comparability reasons. It matches to the gross written premium presented in the Financial Statement of the Company and differs from the gross written premium presented in table S.05.01.02 in the appendix and table S.05.01.01 in the annual QRT report. In these two tables the Company has reduced the gross written premium by the insurance tax in accordance with MNB recommendation.

In 2025, the Company achieved gross written premium of 132.2 billion HUF. Life related part is 34.1 billion HUF with 0.7 billion HUF Health part, whereas Non-Life premium is 98.1 billion HUF. Total GWP increased by 13% versus last year mainly driven by Non-Life growth. UNIQA Biztosító Zrt. closed the reporting period with successful new business acquisition and policy renewals again. Life gross written premium increased by 2.9 billion HUF versus prior year mostly driven by the Single and Regular UL business. Furthermore, Other life insurance products – particularly regular Risk life products - also delivered a strong performance in 2025. Non-life portfolio increased by 14.2% mostly driven by the Motor (especially Motor Vehicle liability insurance), Fire and other damage to property and Miscellaneous financial loss line of businesses.

In the aspect of premium paying frequency 91% of the gross written premium derive from contracts with regular payment.

Premiums, claims and expenses - Non Life

Gross (th HUF)	2025	2024
Premiums written	98,113,770	85,883,579
Premiums earned	94,954,427	81,027,081
Claims incurred	36,803,740	30,424,004
Changes in other technical provisions	30,545	-509,773
Expenses incurred	34,248,049	27,808,507

Table 2. Gross premiums, claims and expenses comparison - Non Life

Premiums, claims and expenses by line of business - Non Life

in Thousand HUF	Premiums written - Gross 2025	Premiums earned - Gross 2025	Claims incurred - Gross 2025	Changes in other technical provisions - Gross 2025	Expenses incurred - Gross 2025
Medical expense insurance	-	-	-	-	-
Income protection insurance	5,219,631	5,277,533	1,971,027	2,387	2,575,354
Workers' compensation insurance	-	-	-	-	-
Motor vehicle liability insurance	27,667,822	25,256,714	11,619,004	149,152	7,101,750
Other motor insurance	30,490,886	29,957,295	14,760,073	71,581	9,208,652
Marine, aviation and transport insurance	914,179	905,181	130,771	3,484	343,706
Fire and other damage to property insurance	21,045,275	19,567,185	5,014,201	103,985	7,761,855
General liability insurance	4,126,310	4,139,953	1,288,824	90,174	1,908,798
Credit and surety insurance	-	-	-	-	-
Legal expenses insurance	-	239	479	-	12
Assistance	1,113,018	1,107,294	466,079	19,551	610,038
Miscellaneous financial loss	7,536,887	8,743,510	1,553,281	35,415	4,737,883
Total	98,113,770	94,954,427	36,803,740	30,545	34,248,049

Table 3. Gross premiums, claims and expenses by line of business - Non Life

The gross premium written of Life business for reporting period was 34.1 billion HUF, the 9.3% increase versus prior year is driven mostly by strong performance of the unit-linked insurance segment.

Due to the Life insurance portfolio lifecycle's mature state, contract maturity continues to represent a significant share among termination reasons. Table below excludes investment result.

Premiums, claims and expenses - Life

Gross (th HUF)	2025	2024
Premiums written	34,134,581	31,223,825
Premiums earned	34,134,538	31,254,647
Claims incurred	26,047,403	25,524,155
Changes in other technical provisions	-3,784,479	-22,557,696
Expenses incurred	7,592,636	7,703,530

Table 4. Gross premiums, claims and expenses comparison - Life

Premiums, claims and expenses by line of business - Life

in Thousand HUF	Premiums written – Gross 2025	Premiums earned - Gross 2025	Claims incurred - Gross 2025	Changes in other technical provisions - Gross 2025	Expenses incurred - Gross 2025
Health insurance	655,962	664,474	204,959	1,150	2,786
Insurance with profit participation	907,949	910,864	770,273	105,497	188,522
Index- and unit-linked insurance	29,073,000	29,073,000	24,270,105	3,566,990	5,762,779
Other life insurance products	3,497,670	3,486,200	802,066	113,142	1,638,549
Total	34,134,581	34,134,538	26,047,403	3,784,479	7,592,636

Table 5. Gross premiums, claims and expenses by line of business - Life

The company net Non-Life premium without reinsurance part is 48.5 billion HUF, which results in a 27.5% improvement versus previous year. The 61% of Non-Life premium derive from Motor portfolio, representing a 0.7 percentage point increase compared to previous year. While the share of Other Motor insurance decreased by 1.7 percentage points, the share of MTPL increased by 2.4 percentage points. The share of the Fire and other damage to property insurance portfolio increased by 1.3 percentage points compared to prior year. In case of Motor insurance strong premium increase is observable both MTPL (38.8%) and Other Motor insurance (20.6%) lines. In 2025, the Fire and other damage to property insurance showed a significantly stronger increase (37.4%) compared to 2024's growth. Furthermore, General Liability, Assistance and Miscellaneous financial loss line of businesses increased significantly compared to prior year in terms of net written premium. Their total share from the Non-Life net written premium is around 10%.

In 2025, the average claim amount continued to increase compared to 2024 due to claims inflation. However, claims frequency slightly decreased compared to prior year. Gross technical result of the Non-Life business was affected by some larger claims and changing weather conditions.

Premiums, claims and expenses - Non Life

Net (th HUF)	2025	2024
Premiums written	48,478,659	38,033,508
Premiums earned	46,711,035	36,812,918
Claims incurred	17,271,930	14,604,266
Changes in other technical provisions	-142,584	-6,516
Expenses incurred	11,098,458	7,682,509

Table 6. Net premiums, claims and expenses comparison - Non Life

Premiums, claims and expenses by line of business - Non Life

in Thousand HUF	Premiums written - Net 2025	Premiums earned - Net 2025	Claims incurred - Net 2025	Changes in other technical provisions - Net 2025	Expenses incurred - Net 2025
Medical expense insurance	-	-	-	-	-
Income protection insurance	5,010,643	5,063,636	1,763,810	9,361	2,507,618
Workers' compensation insurance	-	-	-	-	-
Motor vehicle liability insurance	14,410,147	13,203,560	4,949,436	2,744	821,446
Other motor insurance	14,996,674	14,730,593	7,145,524	39,794	2,172,532
Marine, aviation and transport insurance	358,165	353,472	129,252	1,705	120,505
Fire and other damage to property insurance	8,704,388	8,207,233	1,793,692	50,384	2,803,409
General liability insurance	1,225,582	1,221,567	488,669	18,869	608,793
Credit and surety insurance	-	-	-	-	-
Legal expenses insurance	-	239	479	-	12
Assistance	1,113,018	1,107,294	466,079	19,551	610,038
Miscellaneous financial loss	2,660,279	2,823,919	534,988	5,664	1,454,107
Total	48,478,659	46,711,035	17,271,930	142,584	11,098,458

Table 7. Net premiums, claims and expenses by line of business - Non Life

Premiums, claims and expenses - Life

Net (th HUF)	2025	2024
Premiums written	33,663,005	30,889,457
Premiums earned	33,656,644	30,919,101
Claims incurred	25,951,653	25,447,036
Changes in other technical provisions	-3,784,858	-22,557,290
Expenses incurred	7,405,150	7,568,360

Table 8. Net premiums, claims and expenses comparison - Life

Premiums, claims and expenses by line of business - Life

in Thousand HUF	Premiums written - Net 2025	Premiums earned - Net 2025	Claims incurred - Net 2025	Changes in other technical provisions - Net 2025	Expenses incurred - Net 2025
Health insurance	544,337	550,317	207,952	1,150	2,786
Insurance with profit participation	907,949	910,864	770,273	105,497	188,522
Index- and unit-linked insurance	29,073,000	29,073,000	24,270,105	3,566,990	5,762,779
Other life insurance products	3,137,720	3,122,463	703,323	113,522	1,451,063
Total	33,663,005	33,656,644	25,951,653	3,784,858	7,405,150

Table 9. Net premiums, claims and expenses by line of business - Life

More than 99.9% of the insurance activity - relates to direct gross premium written both for Life and Non-Life - acquired from territory of Hungary. Consequently, reporting based on geographical areas is irrelevant.

Insurance benefits

Total gross claims incurred were 62.9 billion HUF for the financial year. Non-Life P&C claims ratio is lower by 0.9 percentage points than prior year. In case of Life, major part relates to Index- and unit-linked insurance surrenders and partial surrenders, which continue to represent a high share within the total.

in Thousand HUF	Non Life 2025	Health 2025	Life 2025	Non Life 2024	Health 2024	Life 2024
Premiums written (gross)	98,113,770	655,962	33,478,619	85,883,579	703,037	30,520,787
Premiums earned (net)	46,711,035	550,317	33,106,327	36,812,918	627,866	30,291,235
Insurance benefits	17,129,347	209,103	21,957,692	14,597,749	241,699	2,648,047
Operating expenses	11,098,458	0	7,405,150	7,682,509	0	7,568,360

Table 10. Gross premiums, claims and expenses by line of business - Total

Operating expenses

Operating expenses

The company's operating expenses increased on a nominal basis compared to the previous year. The rise in the cost base was primarily driven by a significant increase in rental fees and building-related operating expenses, particularly energy and utility costs. In parallel, personnel-related expenses also grew substantially as a direct result of the annual salary adjustments.

In addition to these factors, the price levels of goods and outsourced services also increased materially, further expanding the company's overall operating cost base.

UNIQA Biztosító Zrt. closed the year with positive gross and net technical result. In addition, the reduction of the extraordinary tax liability through government bond purchases has significantly improved the Company's financial result compared to 2024. In 2025, the Company continued its focus on the commitment to provide better client experience and to satisfy customer needs. The Company continues to optimize its business models, Retail, Corporate and Bankassurance, by creating and increasing competences serving the specific customer needs. Digitization and customer satisfaction will continue to be the top priority in the future.

A.3 Investment Performance

In the following section, the investment result of UNIQA Biztosító in the reporting period is presented.

	2024	2025
I. Investment property	0	0
II. Financial assets accounted for using the equity method	0	0
III. Variable-income securities	0	0
1. Available for sale	0	0
2. Fair value through profit or loss	0	0
IV. Fixed-income securities	2,370,736	2,628,296
1. Available for sale	2,370,736	2,628,296
2. Fair value through profit or losses	0	0
V. Loans and other investments	169	1,267
1. Loans	169	1,267
2. Other investments	0	0
VI. Derivate financial instruments (trading portfolio)	0	0
VII. Investment administration expenses, interest paid and other investment expenses	-786,832	-704,779
Total (fully consolidated figures)	1,584,073	1,924,784
Reclassification of technical interest income	0	0

Table 11. (Net) Investment income [THUF] according to local GAAP

The direct investment portfolio of UNIQA Biztosító, including shares in associated companies, current cash held in financial institutions, excluding investment of unit-linked life insurance was HUF 50,952 million (31 December 2024: HUF 40,478 million).

Net investment result was HUF 1,925 million, which compares to HUF 1,584 million income a year earlier. Asset composition within the direct portfolio remained weighed heavily toward locally issued government bonds (88.6% of the direct investment portfolio) in line with the matching portfolio concept. We invested 0,6% of the portfolio in corporate (mostly foreign) bonds, 2.1% in money market funds, while 8,6% of the portfolio was cash held in financial institutions. Generated investment income derived exclusively from the fixed income portfolio; the company did not have equity, investment property or derivative financial instrument positions for investment purposes. The net investment result in 2025 is determined by lower admin costs, higher coupon income of government bonds and increased deposit income, plus one-off realized gains and losses. Admin expenses decreased slightly (from HUF 787 million to 705 million) due to lower custodian and banking fees (-54 million) and lower interest of subordinated intercompany loan (-28 million).

Information about directly in equity reported profits and losses

UNIQA Biztosító did not have equity positions in the direct investment portfolio in the reporting period.

A.4 Performance of Other Activities

In 2025, there was no significant item on other income at UNIQA Biztosító Zrt.

The following material other expenses were incurred:

Other expenses - HUF thousand	2024	2025
Local business tax	630,739	806,431
Extra profit tax	7,357,220	4,657,014
Provisions created	-	-

Table 12. Other expenses

The change in the value of local business tax is due to the increase in turnover.

According to the Government Decree on supplementary taxes, published in June 2022 and subsequently amended several times, insurers are obliged to pay an insurance supplementary tax for the period from 1 July 2022 to 31 December 2026. The amount of supplementary tax recognized by UNIQA Biztosító Zrt. as part of other expenses for the 2025 fiscal year decreased significantly due to tax benefits resulting from the purchase of government securities as provided for by law.

A.5 Any Other Information

Employees

In 2025 the members of the Supervisory Board received no remuneration or advances in connection with their activity; the total personnel expenditures related to the members of the Board of Directors in 2025 amounted to HUF 420,500 thousand; loans were granted in the amount of HUF 0. No pension payment obligations exist towards former members.

Expenses for the auditor of the financial statements

In 2025, the Company recognised a cost of HUF 79,887 thousand for the audit of the current year's financial statements and for the inspection of the consolidation data supply to the parent company.

B. System of Governance

B.1 General Information on the System of Governance

According to Solvency II, insurance and reinsurance companies shall have in place an effective governance system which provides for sound and prudent management of the business and which corresponds to the nature, extent and complexity of their business activities. Such a system includes at least an adequate transparent organizational structure with a clear allocation and adequate separation of responsibilities as well as an effective system for ensuring the conveyance of information.

The aim of this chapter is to describe the organizational structure with clearly defined roles, responsibilities and tasks of the corporate bodies as well as the governance and other key functions of the UNIQA Biztosító Zrt.

The corporate bodies of UNIQA Biztosító Zrt. consist of the following:

B.1.1 Sole Shareholder

The Sole Shareholder acts as the supreme body of UNIQA Biztosító Zrt..

The main tasks and decisions of the Sole Shareholder are the followings in particular:

- approval of the financial report, decision regarding the appropriation of taxed profits;
- decision on the change of the corporate form;
- appointment and removal of Management Board members, procurers;
- appointment and removal of Supervisory Board members;
- appointment and removal of Audit Committee members;
- appointment and removal of the Statutory Auditor;
- decision on the amendment of the Statutes;
- decision on other matters which fall into exclusive competence of the sole shareholder in accordance with the law or the Statutes.

B.1.2 Supervisory Board

The Supervisory Board controls the Management Board to ensure that the Management Board and the middle management implement proper measures to create a sustainable company value. The Supervisory Board meets as necessary, but at least once every quarter of the calendar year.

The main tasks and decisions of the Supervisory Board are the followings in particular:

- Supervision of the management in order to protect the interests of the company;
- Assessment of all motions brought before the Sole Shareholder, and presenting its opinion thereof;
- Written report on financial report with the auditor's report prior to the Sole Shareholder;
- Ascertaining that the insurance company has a comprehensive control system in place affording suitable facilities for effective operation;
- Supervision of the activities of the person performing the internal control function.

B.1.3 Audit Committee

The Audit Committee assists the Supervisory Board to exercise proper control of the financial reporting system, makes a recommendation concerning the election of the Auditor and assists in the cooperation with the auditor. The Audit Committee meets at least once a year.

The main tasks and scope of the Audit Committee are the followings in particular:

- The tasks of the audit committee according to the Civil Code Section 3:291 and Act on Insurance Business Section 116 subsection 7:
 - Reviewing the efficiency of the internal audit, risk management systems and the financial reporting process and in case it is needed, it proposes recommendations;
 - Monitoring the annual and consolidated financial report prepared according to the legal regulations;
 - Reviewing and monitoring compliance with the regulations on independence on the part of the auditor person or company;
- Giving opinion on the financial report prepared according to the Act C of 2000 on Accounting (Accounting Act);
- Making recommendation concerning the person and remuneration of the auditor;
- Preparation of the contract to be concluded with the auditor.

B.1.4 Management Board and Committees

The Management Board runs the company's business on its own responsibility in proper and accurate way. The Management Board is responsible for all matters which are not assigned to the Sole Shareholder, the Supervisory Board or the Audit Committee. The Management Board meets at least once per quarter.

The Management Board of UNIQA Biztosító Zrt. regulates the goals and strategies. Particularly it is responsible for the implementation, development and supervision of the governance system. It defines the risk strategy, the organisation of set-up and structure and provides a robust internal monitoring and control system.

Management Board structure

- CEO (Chief Executive Officer)
- Director of Retail Insurance
- Director of Corporate Insurance
- CFRO (Chief Finance and Risk Officer)

The allocation of responsibilities of the Management Board of the UNIQA Biztosító Zrt. are illustrated below:

CEO	Directorate of Retail Insurances	Directorate of Corporate Insurances	CFRO
Internal Audit*	Retail Product Management	Affinity and Corporate Personal Insurances	Risk Management*
People and Brand	Exclusive Sales	Corporate Non-life Insurances	Performance Management
Strategy and Transformation	Retail Broker Sales	Corporate Motor Insurances	Finance and Accounting
IT	Telesales and Online Sales	Bancassurance	Actuaries*
Operations and Client Management	Alternative Sales	Corporate Business Development	Asset Management
Digital Transformation	Pricing Actuaries	SME insurances	Legal
		Corporate analysis and Operational Development	Compliance**
			Data Intelligence

Figure 4. Allocation of responsibilities of the Management Board

* The internal control functions are independent of any activity and line of business, which shall be controlled/supervised by them. In case of the Risk Manager, the Chief Actuary and the Compliance Officer the employer's rights shall be exercised by the Management Board, rights related to organising work have been delegated to the responsible board members. In case of the Internal Auditor the employer's rights shall be exercised by the CEO.

** Certain 2nd line of defense functions (Compliance, Financial Compliance and Data Protection) were united in Compliance department in order to strengthen the compliance functions and to make more efficient of the operation. These Compliance functions are independent in their work, and they are obliged to report regularly to the Management Board, Audit Committee, Supervisory Committee, Group functions, among others.

Committee structure of UNIQA Biztosító Zrt.

In order to support the work of the Management Board and the operation of the company, numerous separate committees have been developed to cover the core topics of UNIQA Biztosító Zrt.:

- Product Portfolio Committee;
- Risk Management Committee.
- Data Protection Committee;
- Committee for Conflict of Interest;
- Asset Liability Management Committee (ALCO);
- Operation Committee (Organization of Business Continuity);
- Organization of Crisis Management;
- Outsourcing Supervisory Committee;
- Reserving Committee;
- Internal Lines of Defence Forum and
- ESG Coordination Committee.

The figure below provides an overview of the characteristics of these committees:

Committee	Responsibility
Product Portfolio Committee by business model	The Product Portfolio Committee is a regular forum, where the sales and insurance technical departments are equally represented. The Committee monitors the life cycle of the products from the beginning to the point of abandoning of the products and it draws up measures in order to achieve its strategic objectives in line with legal requirements. The Product Portfolio Committee regulates and monitors the product development processes and it has a supporting role in decision making.
Risk Management Committee	The Risk Management Committee prepares recommendations for the Management Board as an independent control function and it supports the work of the Risk Management.
Data Protection Committee	The aim of the Data Protection Committee is having an efficient personal data management in accordance with the legal requirements.
Committee for Conflict of Interest	The aim of the Committee is to review at least yearly the Conflict of interest policy regarding the investment based insurance products.
Asset Liability Management Committee (ALCO)	During its investment and reserving activities, UNIQA Biztosító Zrt. acts in such a way as to fulfill its undertaken liabilities at all times. UNIQA Biztosító Zrt. is committed as a priority to adequate ALM strategy. The members of ALCO shall ensure the recognised and distinct reserves and the cover statements for them in monthly reports.
Operation Committee (Organization of Business Continuity)	UNIQA Biztosító Zrt. operates the Operation Committee as part of the business continuity framesystem (BCP) and the disaster response (DRP). The scope of the Operation Committee is the announcement of disaster situation within the company and the decision-making in relation to dealing with and to prevent disaster situations and also the management of insurance emergency situations - as described in the Act on Insurance Business section 320.
Organization of Crisis Management	UNIQA Biztosító Zrt. - in case of company crisis caused by external factors, which presents high risk to the employees and the tangible and intangible property of the Company - may operate a Crisis management team. The Management Board defines the composition of the crisis management team depending on the severity of the case.
Outsourcing Supervisory Committee	The operation of such Committee is a must in case there is a contractual relationship between UNIQA Biztosító Zrt. and an outsourcing service provider company for critical or essential outsourcing activity where any executive officer or their close relative is the chief executive officer according to the Act on Insurance Business Section 50. The aim of the committee is to provide evaluation and control continuously at highest level primarily focusing on the conformity of the outsourced activities (service providing), efficiency of the outsourced activity and evaluation of the strategic performance.
Reserving Committee	The aim of Reserving Committee is to monitor the Solvency I and IFRS reserves.
Internal Lines of Defence Forum	The purpose of the Internal Lines of Defence Forum is to facilitate cooperation between the control functions of the Insurer, whereby they can learn from each other's work and use it in their own work, while maintaining the independence of each function.
ESG Coordination Committee	<p>The ESG Coordination Committee (ESG Committee, ESGCO) is the body within the Company that deals with environmental, social, and corporate governance (ESG) issues. The committee is responsible for integrating and strengthening ESG considerations in insurance, investment, asset management activities, and employee-related matters. In addition, the ESG Committee oversees the following topics:</p> <ul style="list-style-type: none"> - Corporate responsibility - Group-wide climate strategy - Group-level environmental management <p>It coordinates its tasks in close cooperation with the parent company with a view to preparing a group-wide sustainability report and harmonizing ESG considerations and objectives.</p>

Figure 5. Overview of Committees

B.1.5 Key Functions

The following shows the tasks and organisational integration of the four mandatory key functions required by Solvency II:

- Actuarial Function
- Risk Management Function
- Compliance Function
- Internal Audit Function

Each of the key functions generates regular reports which are presented to the Management Board and /or the Audit Committee and/or the Supervisory Board. The reported information is used in the monitoring and decision-making process.

UNIQA Biztosító Zrt. has also defined the following departments as key functions: Accounting, Product Development, Underwriting, Claim Management, Insurance Fee Recovery/Payment, Own Risk Assessment and Solvency Assessment, Data Storage, Continuous Daily System Maintenance and Support (IT), Administration of Insurance Contracts and Asset Management.

Actuarial function

The Actuarial Function is provided by the Actuarial Department which department is headed by the Director of Actuaries who is responsible for and coordinates the tasks of the Department and is the Chief Actuary as well (Director of Actuaries). The holder of employer's right is the Management Board that delegated the rights of work organisation to the CFRO and the department belongs to CFRO in the organisation structure.

The Director of Actuaries may report directly to the Management Board according to the management system the Actuarial Function is independent from any other governance and key functions. The involvement of the Actuarial Function in the work of the different committees (Risk Committee) provides opportunity for him/her to receive information from and to inform directly the Management Board.

In order to the proper separation of the lines of defence, the actuaries who undertake the tasks of pricing are organised under the responsibility of the member of the Management Board responsible for Retail business.

The Actuarial Function supports Risk Management in the Solvency Capital Requirement (SCR) calculations and provides the Technical Provision calculations (maintains methodologies, processes and models and carries out the calculations). Within the guidelines of the actuarial function, it is set that conflicts of interest resulting from new tasks under Solvency II are to be avoided.

The table below summarizes the tasks of the actuarial function:

Actuarial function

-
- Coordination of the technical provision calculation for the solvency balance sheet;
-
- Determination of the calculation process and development of fundamental methods;
-
- Coordination of the embedded value calculations;
-
- Assessment and giving opinion of the underwriting policy and compliance of reinsurance agreements;
-
- Validation of models, assumptions, data and results of calculations;
-
- Support of risk management;
-
- Preparation of actuarial reports, especially of the annual report of the actuarial function;
-
- Coordination of the technical provision calculation and information for the Management Board about the reliability and appropriateness of technical provision calculation;
-
- Providing the appropriateness of the applied methodology and the underlying models, and the assumptions observed in the technical provision calculation;
-
- Assessment of the sufficiency and quality of data used for technical provision calculation;
-
- Comparison of best estimate and data of experience;
-
- Distribution of return on investment in Life business; and
-
- Informing the Management Board about the reliability and adequacy of the calculation of the technical provisions.
-

Figure 6. Actuarial Function

Risk Management Function

The Risk Management function of UNIQA Biztosító Zrt. reports directly to the Management Board, it is supervised by the Management Board. Regarding the Director of Risk Management, the holder of the employer's right is the Management Board that delegated the rights of work organisation to the CFRO. The Risk Management function is, within UNIQA Biztosító Zrt., independent of further governance and key functions.

The Risk Management function is responsible for the efficient implementation of the risk management system and the monitoring thereof. The processes and models of risk management in UNIQA Biztosító Zrt. are carried out in line with UNIQA Group standards. A close cooperation with the actuarial function is decisive for fulfilling the main tasks. In the context of the partial internal model, the risk management function has additional tasks.

The main tasks of the risk management function are specified below:

Risk Management function

- Execution, maintenance and coordination of the risk management at UNIQA Biztosító Zrt.;
- Execution of UNIQA Group's risk management regulations and guidelines at UNIQA Biztosító Zrt.;
- Specification of and continuous follow-up on UNIQA Biztosító Zrt's risk exposure and risk profile;
- Execution, maintenance and development of the limit system;
- Identification, follow-up and reporting the risks;
- Make risk calculations:
 - o SCR;
 - o ECR;
- Administration and development of risk models:
 - o Partial Internal Model for NL insurance business;
- Supporting the activity of asset-liability management;
- Operating the own risk and solvency-assessment system;
- Coordinate and operate the Internal Control System of the Insurer;
- Reporting:
 - o Supplying of concerning data to Supervisory Authority;
 - o SFCR Report;
 - o RSR Report;
 - o ORSA Report;
- Preparation to the Risk Committee meetings;
- Communication to the affected parties (eg. Supervisory auditors, external auditors).

Figure 7. Risk Management Function

In addition to the above-mentioned, the Director of Risk Management has the responsibility of all tasks regarding the IT and physical security department.

Compliance function

UNIQA Biztosító Zrt. established a Compliance Function as part of the second defense line to identify and to manage compliance risks. The Compliance Function is performed by the Compliance department (hereafter: Compliance). Compliance is headed by the Compliance Manager who is also the Compliance Officer as defined in Bit.

The Compliance Manager is responsible to fulfill the tasks defined in the Compliance Policy and Standard and in the Compliance plan.

The Compliance Manager performs all tasks related to a designated person deriving from Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing (hereafter: Pmt.) and Act LII of 2017 on the execution of financial and material restrictive measures imposed by the European Union and the United Nations' Security Council (Kit.).

Employees of Compliance act independently in the performance of their duties and may only be instructed by the Compliance Manager in connection with their work.

In case of the Compliance Manager, the holder of the employer's right is the Management Board that delegated the rights of work organisation to the CFRO. Compliance is required to report regularly to the Management Board, the Audit Committee, the Supervisory Board, Group Compliance and /or the Group Data Protection Officer and the Risk Management Committee on its activities and compliance risks. It is also entitled to report on an ad-hoc basis to the member of the Management Board affected by the compliance risk.

Compliance features:

1. general compliance
2. other financial adequacy (prevention of money laundering, financial sanctions, FATCA, CRS compliance)
3. managing the structure of the internal regulations and the related processes as defined in the Rules of Policy Management.

The Data Protection Officer is organisationally part of Compliance, but performs his or her duties independently, in which case the Compliance Manager shall exercise only the rights relating to organization of work.

Main fields of activity of the Compliance Function are the following:

Compliance function

General Compliance

- Performing regulatory tasks related to Compliance.
- Monitoring changes in insurance laws and other regulations (eg supervisory regulatory tools) and parent company compliance regulations. In the event of a change in the regulatory environment, initiating the review of internal processes and regulations and amending them as necessary, informing the relevant fields.
- Examination of compliance with Compliance rules.
- According to the annual compliance plan:
 - it performs risk analyses,
 - monitors compliance with the regulatory environment,
 - evaluates the measures taken with regard to identified compliance risks,
 - examines whether internal regulations comply with the regulatory environment,
 - organises trainings concerning compliance relevant topics.
- Examining the conflict of interest statement of senior executives to prevent conflicts of interest. Management and registration of conflicts of interest, making proposals for resolving the identified conflicts of interest.
- Management of the whistleblowing system, examining the reported cases.
- Coordinates the Insurance Company's fraud prevention and management tasks in accordance with the provisions of the fraud prevention and management policy.
- It provides advice about compliance risks.
- It maintains records specified in the Compliance Standard (declarations of conflicts of interest, gifts and invitations above a predetermined threshold).
- Internal policy management.

Other Financial Compliance

- AML regulations, monitoring of it, data processing.
- FATCA, CRS

Data Protection Officer

- Regarding personal data, responsible for the tasks defined in the legislation and the Data Protection Policy.

Figure 8. Compliance Function

Internal audit

The internal audit function is carried out by the Internal Audit department of the UNIQA Biztosító Zrt. which is headed and organized by the Director of Internal audit, who is also the chief internal auditor as defined by Bit. and is directly subordinated to the Supervisory Board of the UNIQA Biztosító Zrt. The holder of the employer's right is directly the chief executive officer.

It is an exclusive function and cannot be conducted together with other non-audit functions. This guarantees their independence and therefore warrants efficient supervision and evaluation of the efficiency of the internal control system and other components of the governance system.

The tasks of the internal audit are summarized below:

Internal Audit function

-
- Overall responsibility for audit activities within the companies of the UNIQA Biztosító Zrt.;
-
- Creation of a risk based multi-year audit plan for the UNIQA Biztosító Zrt. and obtainment of authorization – if necessary – of the Supervisory Board when substantial changes to the audit plan occur;
-
- Conducting of planned and special audits within the Company and the subsidiaries of UNIQA Biztosító Zrt. and regarding the outsourced activities;
-
- Initiation of special audits in case of imminent danger;
-
- Annual and quarterly reporting of the audit plan fulfilment which is presented to the Supervisory Board and Audit Committee in accordance with the periodicity required;
-
- Securing of the audit reporting required by law;
-
- Verifying the effectiveness of internal policies of UNIQA Biztosító Zrt. and the efficiency of its internal processes;
-
- Verifying the activity of UNIQA Biztosító Zrt. In respect of legality, security, transparency and prudential requirements;
-
- Audit of the correctness and completeness of regular and ad-hoc data supply to the Supervisory Authority;
-
- Interface between the UNIQA Biztosító Zrt. and Supervisory Authority;
-
- Regular reporting the planned and ad-hoc audits to the Management Board, Audit Committee and the Supervisory Board.
-

Figure 9. Internal Audit Function

B.1.6 Remuneration

UNIQA Insurance Company's remuneration policy strives for a balance between market trends, legal requirements, shareholder expectations and employee needs.

The principles of UNIQA Insurance's remuneration practices are:

Internal fairness: fair treatment of individuals within the unit/organisation with regard to their work and individual characteristics (experience, knowledge, performance, talent and potential).

External competitiveness: positioning parts of the remuneration package in the desired market position to attract, motivate and retain skilled resources; defining competitive salary ranges and monitoring market trends and salary levels by participating in remuneration surveys conducted by independent salary benchmarking providers.

Preventing excessive risk-taking: adapting the size and structure of remuneration packages and remuneration instruments to the type of risks inherent in the job, taking into account the latest legal requirements.

Financial sustainability: compliance with the approved personnel budget and monitoring the impact of personnel costs on the P&L in the short-term and the long-term.

Ecological and social sustainability: ensuring that the remuneration structure does not encourage excessive risk-taking with respect to ecological and social sustainability and that remuneration is linked to risk-adjusted performance.

UNIQA does not apply remuneration principles that are inconsistent with the integration of sustainability risks into investment decision-making processes when designing its remuneration rules, nor does it include factors that would lead to conflicts of interest with sustainability risks.

A key consideration when planning and reviewing remuneration packages is alignment with UNIQA Insurance’s business strategy, short-term objectives and long-term strategic plans. The performance of individuals, teams, groups and organisations and their contribution to the success of UNIQA Insurance will be rewarded through performance-based components of the remuneration package.

The Management Board makes decisions on the remuneration system and the individual remuneration package for each employee, taking into account local legal regulations and the UNIQA Group Remuneration Guidelines and Regulations.

Remuneration and its individual elements are based on market benchmark levels and UNIQA’s business results and remuneration strategy.

The subjects of the Remuneration Policy are:

- Board members,
- Persons with key responsibilities,
- Managers designated in the Corporate Governance and Organisational and Operational Rules and Team Leaders,
- as well as Employees.

General elements and principles of remuneration:

Fixed remuneration

The base salary is the fixed element of remuneration, which is determined for employees on the basis of their responsibilities, the complexity of their tasks and their position in the hierarchy, as well as individual qualities such as experience, skills, talents and potential.

The fixed component of remuneration is a significant part of the remuneration package, to ensure that employees are not overly dependent on variable elements of remuneration and to limit and/or avoid taking excessive risks.

In addition to the base salary, employees may also receive fixed allowances and benefits in accordance with local terms and conditions.

Variable remuneration

Principles of variable pay

In addition to fixed remuneration elements, UNIQA Insurance also provides performance-related variable remuneration elements for employees.

The variable remuneration elements are aimed at encouraging individual and organisational performance. However, the system must not encourage risk-taking that would be incompatible with UNIQA’s risk profile and/or strategy.

The amount of the variable remuneration is based on the evaluation of the achievement of the objective, which could be at individual, group or company level, or a combination of these.

The level of variable remuneration depends on the position. The elements of variable pay can be linked to different time horizons. For example, the annual bonus scheme is a short-term incentive (STI) that assesses performance over a one-year period.

When evaluating variable remuneration, UNIQA Insurance assesses the achievement of the objective and may take into account both financial and non-financial criteria in line with the objective.

Other variable remuneration elements

- Various performance and results-related salaries - e.g. bonus scheme for employed sales staff
- Commissions - sales-related payment

Extraordinary and one-off payments

Extraordinary and one-off payments are made, for example, on the occasion of an employee's hiring, buy-out, retention or other special occasions, and on termination of employment, when justified by business needs and/or market circumstances.

B.2 Fit and Proper Requirements

The aim of applying rules concerning fitness and propriety is to ensure that the members of the Supervisory Board and the Management Board (senior executives), the non-management officers, the key function holders and their deputies appointed by the Management Board are sufficiently qualified and reliable for the tasks entrusted to them.

B.2.1 Supervisory Board and Management Board

Corporate fitness requirements

Members of the Supervisory and Management Board are required to collectively possess at least qualification, experience, and knowledge about the following fields of competence:

- insurance and financial markets;
- business strategy and business model;
- system of governance;
- financial and actuarial analysis;
- regulatory framework and requirements.

Collective "fitness" means that members of the Supervisory and Management Board are not each expected to possess expert knowledge, competence and experience within all of those areas but the Supervisory and the Management Board as a whole has to possess the collective knowledge, competence and experience in order to provide for a sound and prudent management.

Fitness requirements of members

Fitness requirements for members of the Supervisory Board and the Management Board are the following:

- management experience and
- university-level degree and

- that they are not in the employ of an insurance or reinsurance company in the capacity of auditor.

In addition to the above, UNIQA Insurance Group AG requires the candidate to satisfy at least the following conditions:

- Degree in a relevant subject (business management, legal or natural science degree), and/or completed external or internal professional training or corresponding education and;
- Adequate professional experience as a manager or an expert at least three years at UNIQA or in a company with similar size and/or line of business.

Assessment of fitness

The general evaluation of the candidate will be carried out first, followed by a specific examination with regard to the specifics of the institution and the function to be performed.

The assessment of the person's fitness should consider both the theoretical experience obtained through education and training and the practical experience gained from previous positions.

When assessing the theoretical experience, particular consideration should be given to the level and profile of the education and whether it relates to the areas of insurance, finance, economics, law, administration, etc.

Beyond the mandatory provisions laid down in the Act LXXXVIII of 2014 on the Business of Insurance (Bit.), practical and professional experience gained from previous positions should be assessed, with particular regard to

- length of service,
- nature and complexity of the business in which the position was held, including its organizational structure,
- scope of competencies, decision making powers and responsibilities,
- professional knowledge gained through the position about the line of business and its risks,
- number of subordinates.

In the case of members of the Supervisory Board and the Management Board, other aspects of the assessment of professional fitness include the assessment of independent thinking and the assessment of time available for the performance of the given function.

Propriety requirements of members and their assessment

Regarding propriety – beyond having no prior criminal record and beyond the obligatory provisions of Bit. – every conviction or condemnatory decision of a court, authority and professional chamber should be taken into consideration. In case of infringements that do not exclude the propriety of a person by the operation of law, the assessment should be done on a case-by-case basis. Consideration needs to be given to the severity and the type of the infringement, the level of appeal (definitive vs. non-definitive convictions), the lapse of time, as well as the person's subsequent conduct. The assessment is based on the excerpt from criminal record, the declaration of the applicant and on publicly available data. It is also important to pay attention to any existing or potential conflict of interests, as well as to

circumstances that give rise to a reasonable doubt about the persons' honesty, repute, integrity, character, personal behaviour, and financial soundness.

B.2.2 Non-management Officers According to Bit. and the Key Function Holders

UNIQA Biztosító Zrt. operates the following key functions:

Governance functions:

- Risk Management Function;
- Internal Audit Function;
- Compliance Function;
- Actuarial Function;

Other key functions:

- Accounting;
- Product Development;
- Underwriting;
- Claims Handling;
- Insurance Premium Collection / Disbursement;
- Own Risk and Solvency Assessment;
- Data Storage;
- Continuous, Daily System Maintenance and Support (IT);
- Administration of Insurance Contracts;
- Asset Management.

Fitness requirements

When assessing the fitness of non-management officers, key function holders and their deputies, appointed by the Management Board UNIQA Biztosító Zrt., and for persons with work organisation rights in relation to key function holders, extends the scope of requirements beyond what is laid down in mandatory legal provisions and regulatory requirements in terms of qualification, educational degree and other requirements if it is required by UNIQA Insurance Group AG.

For persons responsible for other key functions, the insurer sets the following requirements as conditions of appointment:

- at least three years' professional experience in the UNIQA Group or in an organisation of a similar size and/or scope of activity, in the tasks defined in the job description,
- a university degree or professional training corresponding to the duties described in the job description,
- professional knowledge acquired in the course of further training or required for the job,
- strategic planning, risk management, corporate governance and control, accounting, thorough knowledge of the relevant legal framework, taking into account the principle of proportionality.

The end of professional experience must be within ten years of the date of the beginning of employment.

Special rules apply to the fitness requirements of the person responsible for the asset management function.

Assessment of fitness

Criteria taken into account at the assessment are identical with those applied in the case of senior executives, except that the time spent on the function is assessed only for senior executives.

Propriety requirements and their assessment

Criteria and their assessment are identical with those applied in the case of senior executives.

B.2.3 Process of Fit and Proper Assessment

The assessment of fitness and propriety is implemented in the external and internal recruitment process.

Collecting the documentation required for the decision on fitness and propriety of members of the Supervisory and the Management Board is the task of Group People in close cooperation with the General Secretary.

As a result of prior assessment by Group People a proposal regarding the fitness and propriety of the relevant person is submitted to the person/body responsible for the assessment. As regards the members of the Supervisory Board and the Management Board it is the Board of UNIQA Österreich Versicherungen AG that is responsible for the assessment and the final decision.

Collecting the documentation which is required for the decision on fitness and propriety of non-management officers, key function holders and their deputies appointed by the Management Board, as well as those employees who exercise work organizational rights in relation to key function holders is the task of the People Department of UNIQA Biztosító Zrt.

The People Department submits a proposal regarding the fitness and propriety of the relevant person to the respective member of the Management Board who is responsible for the assessment and the final decision.

Re-assessment

Regular re-assessments of fitness and propriety are carried out every two years.

Members of the Supervisory and Management Board, non-management officers, key function holders and their deputies appointed by the Management Board, as well as those employees who exercise work organizational rights in relation to key function holders are obliged to notify the body/person responsible for Fit and Proper assessment about any essential changes to the documentation, declarations and other information or data provided by them in the course of the assessment procedure.

The body/person responsible for Fit and Proper assessment considers and decides whether an extraordinary re-assessment is required based on the changes. In the cases indicated in the internal regulation on fitness and propriety a re-assessment must be performed.

Ensuring continuous compliance

Persons subject to fit and proper rules are obliged to continue and update their education and knowledge relevant for their position.

Trainings attended by persons subject to fit and proper assessment have to be documented in their personal file. Moreover, these persons have a duty to report changes in respect to the facts and data that form the basis of their fitness and propriety.

Based on the report about changes, the body/person responsible for the assessment might initiate an extraordinary re-assessment or take other appropriate measures.

B.3 Risk Management System Including the Own Risk and Solvency Assessment**B.3.1 General Information**

The risk management system, as part of the governance system, serves the identification, the valuation and the surveillance of short and long-term risks which UNIQA Biztosító Zrt. is exposed to. The internal guidelines in line with UNIQA Group uniform standards include a detailed description of the organisational and process structure.

B.3.2 Risk Management, Governance and Organisational Structure

The organisational structure of the risk management system reflects the concept of the “three lines of defence”. It is precisely defined in the following sections.

First line of defence: Risk management within the business activities

The persons responsible for the business activities are responsible for establishing and operating an appropriate system of internal controls in the areas and processes for which they are responsible, while identifying and monitoring the risks associated with the business processes.

Second line of defence: Supervisory functions, including the risk management function

The risk management area and the control functions are required to monitor the business without interfering with business decisions.

Third line of defence: Internal and external examination

Internal and external audits provide independent assurance on the design and effectiveness of the internal control system, including Risk Management and Compliance.

The organisational structure of the risk management system and the most significant responsibilities within UNIQA Biztosító Zrt. are depicted below:

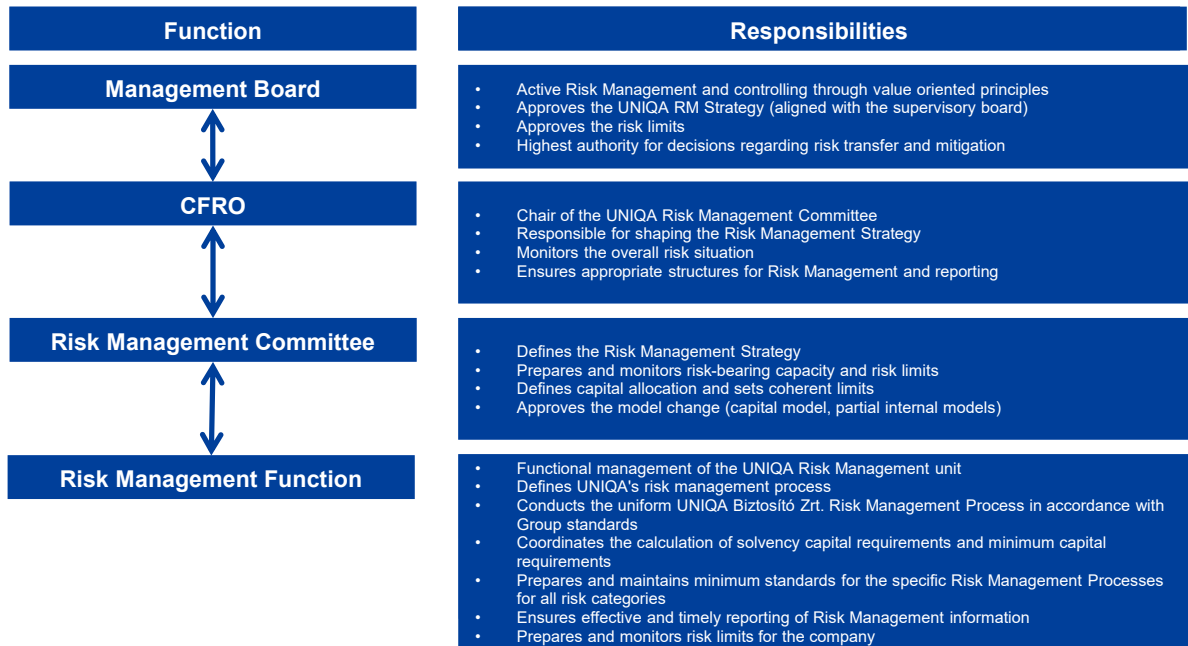


Figure 10. Organisational structure of the risk management system

Management Board functions

The Management Board of UNIQA Biztosító Zrt. is responsible for establishing the business strategy and determining the associated risk strategy. The core components of the risk management system and the associated governance are embedded in the UNIQA Biztosító Zrt. Risk Management Policy which was adopted by the Management Board.

On the level of the UNIQA Biztosító Zrt. Management Board, the function of the Chief Finance and Risk Officer (CFRO) is a separate position. This ensures that the topic of risk management is represented in the Management Board.

The risk management committee is a core component within the risk management organisation. It monitors and controls the risk profile of the UNIQA Biztosító Zrt. The aims are the control and the monitoring of the short and long-term risk profile as it is defined within the risk strategy of UNIQA Biztosító Zrt. Moreover, the committee is responsible for defining, controlling and monitoring the risk-bearing capacity and the risk limits.

B.3.3 Risk Strategy

The risk strategy describes how the company deals with risks, which represent a potential threat for achieving strategic business goals. The main purposes are maintaining and protecting the financial stability, the reputation and the profitability of UNIQA Biztosító Zrt. in order to meet the obligations towards the clients, share- and stakeholders. Last but not least, UNIQA Biztosító Zrt.'s carefully formulated risk strategy contributes to complying with the Supervisory requirements and recommendations regarding continuous capital adequacy.

The risk strategy is prepared by the risk management function of UNIQA Biztosító Zrt. and is approved by the Management Board.

A core component of the risk strategy is the definition of the risk categories. UNIQA prefers risks which can be influenced and controlled efficiently and effectively according to a reliable model. The risk profile mainly focuses on underwriting risks. The table below provides an overview of the defined risk preferences structured by risk categories.

Risk category	Risk appetite		
	low	medium	high
Underwriting Risk Non-Life			X
Underwriting Risk Life			X
Underwriting Risk Health			X
Market Risk		X	
Credit Risk / Counterparty Default Risk		X	
Operational Risk	X		
Strategic Risk	X		
Liquidty Risk	X		
Concentration Risk	X		
Reputational Risk	X		
Emerging Risk	X		

Table 13. Risk appetite

UNIQA Biztosító Zrt. defines its risk appetite on the basis of the “Solvency Capital Requirements” (SCR) but corresponds to the further development of the European Insurance and Occupational Pensions Authority (EIOPA) standard formula for the SCR. The calculation of the underwriting risks within the property and casualty insurance is performed by means of a partial internal model (PIM), which following the Regulatory approval is also used for regulatory capital requirement beginning with December 2017.

Sustainability risks or ESG risks include risks related to the sustainability factors of environment, social/employee and governance (“ESG”). Starting from 2025, in line with the Group view, these risks are not considered under the reporting risk category.

B.3.4 Risk Management Process

On the one hand, the risk management defines the risk categories, which are in the focus of the risk management processes. On the other hand, it provides the organisation and process structure to ensure a transparent and optimal risk management process.

The risk management process delivers information on the risk profile regularly and enables the top management to take control measures in order to achieve the long-term strategic objectives. The process focuses on company-relevant risks and is defined for the following risk categories:

- Underwriting risk (property and casualty insurance, health insurance, life insurance)
- Market risk / Asset-Liability Management (ALM) risk
- Credit risk / Default risk
- Liquidity risk
- Concentration risk
- Strategic risk

- Reputation risk
- Operational risk
- Emerging risk

For these risk categories, risks are regularly identified, evaluated and reported according to a Group-wide standardised risk management process. Guidelines, that aim to regulate the processes, are implemented for most of the risk categories mentioned above. The figure below depicts the risk management process of UNIQA Biztosító:



Figure 11. Risk management process

Risk and context identification

The risk identification is the starting point for the risk management process. All significant risks are recorded systematically and described as detailed as possible. In order to process a risk identification as complete as possible, different approaches are used simultaneously. In addition, all risk categories, departments, processes and systems are taken into account.

Risk assessment

The risk categories of market risk, underwriting risk, counterparty default risk and concentration risk are evaluated by means of quantitative methods based on the Solvency II requirements¹ for the SCR and the ECM (Economic Capital Model) approach. For the results of the standard approach, risk drivers are identified and analysed in order to assess whether the risk situation is reflected adequately (in accordance with the ORSA process). All other risk categories are evaluated quantitatively or qualitatively using proper risk scenarios.

¹ Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)

Targets and limits

Within the limit and early warning system, the risk bearing capacity and the capital requirements are determined regularly based on the risk situation and thereby, the level of coverage is derived. If critical coverage thresholds are reached, a precisely defined process is set in motion, which aims to bring the level of solvency coverage back to a non-critical level.

Monitoring and controlling

The process of monitoring and controlling of risks focuses on the continuous audit of the risk environment and the fulfilment of the risk strategies. The risk manager of UNIQA Biztosító Zrt. performs the process and is thereby supported by the Risk Management Committee.

Reporting

As a result of the risk analysis and monitoring, a risk report is prepared for UNIQA Biztosító. All risk reports have the same structure and provide an overview of the main risk indicators, the risk bearing capacity, the solvency requirements and the risk profile. Furthermore, a reporting form is available to provide a monthly update regarding the major risks of UNIQA Biztosító Zrt.

Besides the evaluation according to Solvency II, operational and other significant risks are evaluated regularly by means of expert assessments. The quantitative and qualitative risk evaluations are consolidated in a risk report and are placed at the disposal of the management.

B.3.5 Committees Relevant to Risks

An overview of the committees has already been presented in chapter B.1.4. In particular, the Risk Management Committee represents a key element within the risk management organisation. This committee is responsible for the control of the risk profile and the related definition and monitoring of the risk bearing capacity and risk limits.

B.3.6 Governance of the Partial Internal Model

The partial internal model is subject to UNIQA Group Model Governance policy and the related standards that, both at the Group and the local level, set out the governance requirement for the partial internal model. In particular, the model governance framework covers the following areas:

- Roles and responsibilities
- Internal Control System for the partial internal model
- Model validation
- Model change process
- Data quality
- Expert judgement

Roles and responsibilities

Roles and responsibilities regarding the partial internal model are the following:

Managing Board

- Approves the application to the supervisory authorities for approval of the internal model, as well as the application for approval of any subsequent major changes made to that model

- Responsible for putting in place systems which ensure that the internal model operates properly on a continuous basis
- Uses the results of PIM for steering the strategy of the company

Board Member responsible for risk management and finance

- Approval or rejection of the model and its results based on the outcome of the validation
- Approval of new assumptions that cause a major model change
- Approval of the application to the supervisory authorities for approval of a major model change

Risk Management Committee

- Regular discussion of the model results and of the results of model validation
- Internal approval of major model changes
- Delegation of specific partial internal model related tasks to expert sub-committees, as described below

Internal Model Subcommittee

- Ongoing discussion of the partial internal model at a technical level
- Regarding the locally owned model components, the decision on model changes to be implemented and the development of these changes
- Internal approval of minor model changes, notifying the Risk Management Committee
- Approval of new methodology assumptions that imply a minor model change

Validation Subcommittee

- Discussion of the validation results and decision on the validation outcome

Risk Management Function

- Local implementation of model governance standards
- Planning and coordination of the model calculation
- Definition and review of internal controls
- Preparing, maintaining, and updating the model documentation
- Performing independent validation of the model including suitability assessments, preparing validation reports
- Monitoring the ongoing compliance of the model with the requirements for internal model approval
- Suggesting areas for model improvements

Actuarial Function

- Coordination of data collection for the partial internal model
- Model parameterisation, including documentation in the Parameterisation Report
- Performing meta-control tasks over the Reserve Risk parameterisation parts performed by Group Actuarial
- Preparing model inputs
- Performing dependent validation tests on the model inputs, supporting independent validation with quantitative inputs

Group Actuarial

- Performs Reserve Risk parameterisation for those lines of business where the Bootstrap methodology is used

Internal Audit Function

- Independent review of model governance, use test, data quality, and documentation

Internal Control System for the partial internal model

A comprehensive control checklist, covering every data collection and calculation step, is completed during each partial internal model calculation process. Control responsibilities ensure that the four-eyes principle is observed. In addition, internal controls apply to the model validation process.

Model Validation

Comprehensive requirements for the validation process are set out by the UNIQA Group Validation Standard. The following types of validation are distinguished:

- Initial validation
- Ongoing validation
- Ad-hoc validation

The initial validation of the partial internal model was performed in 2015 and it is to be repeated at regular 5-year intervals beginning from the regulatory approval of the model. Accordingly, a comprehensive re-validation took place during 2020 and 2025. The scope of the initial validation or re-validation program includes the review of all sub-models and all model components: coverage and use, model structure and methodology, data, model parameterisation, computational processes and results testing, and model-specific governance. The initial validation program also includes a non-model specific part, covering model governance, use test, data quality management, profit and loss attribution, calibration standards, and compliance with partial internal model requirements.

An ongoing validation process is performed parallel to each annual partial internal model calculation, where a successful validation result is required for the approval of the model results. The ongoing validation program includes the following tests:

- Documentation appropriateness
- Data quality assessment
- Profit & Loss attribution
- Use test and risk mitigation
- Model Back-testing
- Model re-parameterisation including expert judgement
 - Goodness of Fit
 - Sensitivity and Stability Analysis
 - Analysis of Change
 - Model versus Plan
 - Scenario-, Stress- and Reverse-Stress-Testing
 - Diversification effects
- Parameter uncertainty
- Emerging risk assessment and model assumptions

An ad-hoc validation process is triggered by model changes, changes in the risk profile, or the need for re-validation of the problem areas identified by an earlier validation process.

Model Change Process

Standards for the model change process are set out in UNIQA Group Model Change Sub-Policy. Qualitative and quantitative criteria are defined for classifying a model change as either a minor or a major one (a major model change requires regulatory approval before use). Triggers for model changes include emerging risk assessments and the weaknesses identified in the validation process. There are rules for the reporting, documentation, validation, and approval of model changes. As a general rule, a model change cannot be used before it is successfully validated and approved.

Data Quality

The partial internal model is subject to the UNIQA Group Data Quality Standard. Data quality requirements include the definition of data dictionaries and data flows as well as data quality assessments.

Expert Judgement

Areas of expert judgement include the setting of methodology assumptions and regular expert judgement during the model parameterisation. Both are subject to UNIQA Group Expert Judgement Standard. In particular, the assumptions of the model have to be identified, documented, assessed for materiality, and regularly validated.

B.3.7 The Company's Own Risk and Solvency Assessment

UNIQA's Own Risk and Solvency Assessment (ORSA) process is forward-looking and is an integral part of the business strategy, the planning processes and the overall risk management concept at the same time. The results of the ORSA cover the following contents:

1. Standard formula: process, methodology, appropriateness and variations;
2. Assessment of the overall solvency needs: process, methodology, own funds (OF), economic capital requirement (ECR), stress and scenario analyses, risk mitigation, climate risk;
3. Assessment of continuous compliance of the solvency-/minimal capital requirements (SCR/MCR) and technical provisions: limit system, SCR projection, stress and scenario analyses, technical provisions
4. Conclusions and strategy review and
5. Appendix.

Integration of the ORSA process

The ORSA process is of significant importance to the entire UNIQA Biztosító Zrt.. A continuous exchange occurs between the ORSA and risk management processes, which supplies ORSA with the relevant inputs. It ensures an effective and efficient management of UNIQA Biztosító Zrt.'s risks and is therefore a crucial element for the fulfilment of all regulatory capital requirements (SCR and MCR) and the complete solvency requirements (internal perspective) both at the moment and throughout the whole planning period.

The reference date for the ORSA of UNIQA Biztosító Zrt. is 31 December of the previous year. This ensures that ORSA is up to date and that the results of the strategy and planning processes, as well

as the specification of the risk and strategy framework for the following year can be included. Next to the annual ORSA, unscheduled ORSA runs can also take place. For this purpose, UNIQA Biztosító Zrt. has defined various incidents which initiate the assessment process to determine whether an unscheduled ORSA is necessary. As soon as an initiating incident takes place, the Management Board of UNIQA Biztosító, is informed. The risk management department analyses, whether an unscheduled ORSA has to be performed. In form of a recommendation, the result is delivered to the Management Board, which decides, whether an unscheduled ORSA is necessary.

The ORSA 8-step approach

The ORSA process of UNIQA Biztosító Zrt. is based on an 8-step approach which is executed in an integrated way between the risk management function and the Management Board. In the paragraph below, UNIQA Biztosító Zrt.'s 8-step approach is explained.

During step (1) of the UNIQA ORSA approach, the relevant risks for the ORSA process are identified and the methods and assumptions are defined. Step (2) 'Analysis of Risk Profile' covers the valuation of UNIQA risks within the ECR framework. Step (3) comprises the projection of the ECR, the SCR, the application of stress (including reverse) tests and scenario analysis. The results and the methods applied are recorded as 'ORSA results' in step (4). During step (5) 'steering/management (coordination)' the necessity for the application of risk mitigation measures is reviewed and if necessary applied, while the risk position UNIQA Biztosító Zrt. is monitored during step (6) based on a stoplight system and if necessary additional measures are applied. The final ORSA report is also created during step (7). The application of risk limits step (8) covers the limitation of risks based on individual risk categories and the allocation of own funds to the identified risks.

The ORSA 8-step approach explained above is characterised by a continuous exchange of information between the various involved parties. The Management Board of UNIQA Biztosító Zrt. carries the final responsibility of the approval of UNIQA Biztosító Zrt.'s ORSA and it discusses the methods and assumptions for the ORSA process with the risk management department. Furthermore, the Management Board is responsible for the approval of the results of the ORSA report. The participation of the Management Board of the company ensures that it is always informed about UNIQA Biztosító Zrt.'s risk positions and the Own Funds requirements resulting from it.

Risk identification

The identification of risks is the basis of a complete risk management and ORSA process. This identification process covers the risk exposures with regard to all risk categories as described in Section Risk profile. The risks are identified by the appropriate risk owner. This identification is based on various expert conversations regarding the risks. Consequently, particular risk-generating processes are analysed. Risk owners are chosen on basis of the extent of their radius of operation within the organisational structure.

Continuous fulfilment of solvency requirements

The overall solvency needs of UNIQA Biztosító Zrt. that are called economic capital requirement (ECR) represent the result of all capital requirements. For the particular risks, diversification effects are included according to the Solvency II standard formula for the individual risk modules and lines of businesses, for which the standard model is used. The risk evaluation occurs by means of the following methods: Solvency II standard approach, internal economic capital requirements, partial internal model or qualitative assessment of non-quantitative risks.

On the basis of projections, UNIQA Biztosító Zrt. guarantees that it continually ensures the regulatory capital requirements throughout the business planning period and beyond. This is the reason why the regulatory capital requirements SCR, the ECR and the available capital are projected over a planning period of five years. Moreover, stress tests are carried out by performing scenario and sensitivity analyses. These scenario analyses are based on possible future scenarios with a material influence on the capital and the solvency position of UNIQA Biztosító Zrt. By analysing the sensitivities, the influence on individual risk drivers is assessed by means of scenario tests. A hypothetical environment, consisting of different risk drivers, is being analysed here. Based on the available capital and the risk appetite, the overall risk budget of UNIQA Biztosító Zrt. can be determined.

B.4 Internal Control System

B.4.1 Internal Control System

The Internal Control System (ICS) shall ensure the insurance company's compliance with applicable laws, regulations and administrative provisions; and the effectiveness and the efficiency of the company's operations in light of its objectives, as well as ensure the availability and reliability of financial and non-financial information. ICS is a framework that provides a standardized process, which guarantees that risks related to the effectiveness and efficiency of insurance activities, compliance and generation of reliable (non-) financial information will be minimized, prevented or eliminated through predefined controls and procedures. Special importance is attached to the transparent and efficient organisation of the process. Therefore, an internal control system for the reduction and avoidance of risks was implemented for all processes in which significant financial and/or operative risks as well as compliance risks can occur.

For UNIQA Biztosító Zrt. an internal guideline serves as the basis for the implementation of the internal control system. It defines the minimal requirements regarding organisation, methods and extent. The ICS guideline specifies that the internal control system has to be implemented based on an approved value chain from the Group, focusing on the processes on a higher level, with flexibility to customize to local needs. During the ICS process the local unit has to assure that all significant risks are identified based on a common risk catalogue developed by the Group. Main areas that are covered within the ICS, evaluated mainly on a qualitative basis, are: Sales, (Non-)Life Underwriting, Claims Management, Finance and Accounting, (Non-)Life Actuarial, Compliance, Legal, Risk Management, Reinsurance, Human Resources, Controlling, Customer Services, Marketing, IT & Operations, Strategy & Project Management, AML and Internal Audit. Additionally there are two main processes, IFRS and EBS, that are quantitatively evaluated.

The concept of the "Three lines of defence" is also valid for the ICS framework. There is a person in charge for each of the mentioned areas covered who is responsible for the organisation of an efficient internal control system within his or her field of responsibilities.

According to the ICS guidelines of UNIQA Biztosító Zrt., the following activities have to be carried out during the execution of the ICS process in the areas mentioned above:

- Loss event collection
- Risk and context identification
- Qualitative Risk Assessment
- Quantitative Risk Measurement
- Targets and Limits Setup
- Monitoring and Controlling

- Reporting

In order to guarantee a continuous assessment of the control quality, a monitoring system for the examination of the control performance, transparency and efficiency is crucial and has to be established for every process. The assessment of these criteria should take place via standardised control assessment and has to be defined individually for each process.

The following criteria have to be taken into account:

- Design effectiveness – measures the effectiveness of the control based on the way the control is designed, i.e. expected risk mitigation effect
- Operational effectiveness – determines whether a control is effective during its operation

Each owner of the above-mentioned areas annually submits an ICS report, which includes information on the control performance, as well as residual risk assessment and planned measures. Then also an overall ICS summary for the whole company is prepared. This includes an overall assessment of the areas covered in the ICS, risks identified from the common risk catalogue, controls defined and evaluated, residual risk assessment and planned measures. The ICS summary for the company is created on an annual basis. It is brought to the attention of the CFRO and discussed within the Risk Management Committee. In order to increase the efficiency of the ICS, from 2022 the entire ICS reporting process is carried out in an IT system, supported by the Group.

Quality Assurance:

The aim of the “Quality Assurance” concept is to establish a comprehensive framework and set of guidelines for conducting Operational risk - related assurance reviews within UNIQA Insurance Group. The concept ensures that Operational[PS1] risks, underlying controls and measures are effectively implemented, assessed and adhered to, providing increased assurance regarding overall risk and control landscape across UNIQA. The scope of quality assurance according to the valid value chain for the business unit concerned shall be subject to the 5-year cycle.

B.4.2 Compliance Function

The Compliance function of the UNIQA Biztosító Zrt. is carried out by the Compliance organizational unit (hereinafter referred to as Compliance). Compliance is managed by the Head of Compliance who is appointed by the Management Board. The Head of Compliance also performs the duties of the Compliance Officer under the Bit. The Compliance function is independent of other organizational units of the Insurer and other internal control functions.

The Compliance function is required to report regularly to the Management Board, the Supervisory Board, the Audit Committee, the Group Compliance function and the Risk Committee on its activities and compliance risks.

The activities of the Compliance Function are performed in accordance with the Annual Activity Plan, the scope of its activities is described in the Compliance Policy and in the Compliance Standard. One of the main obligations of the Compliance Function is to monitor the changes of legislative acts and other regulatory tools (e.g. supervisory regulatory tools) (hereinafter: regulatory environment) and accordingly the initiation of the review - and if it is necessary - the modification of internal processes and internal regulations. The Compliance Function performs compliance risk analyses, monitors compliance with the regulatory environment, evaluates the measures taken with regard to identified compliance risks, and organizes trainings concerning compliance relevant topics and maintains

records specified in the Compliance Standard. The Compliance Function has to draw up and regularly update the Compliance Policy and the Compliance Standard as well as other compliance-related internal regulations such as about policy management, conflicts of interest, code of conduct, fraud prevention and management etc.

The Compliance Function is entitled to have access to all data and documents that are necessary to perform its tasks.

Compliance risks are owned by the business departments, while Compliance, as a second line of defence function is accountable for supporting the business areas and for monitoring their risks through preventive and management advice as well as control related activities.

B.5 Internal Audit Function

“Internal Audit” function is one of the key functions under Solvency II framework Directive. In order to comply with the regulations, a separate department has been created for the Internal Audit function at UNIQA Biztosító Zrt. Internal Audit reports functionally to the entire Supervisory Board and is administratively reporting to the CEO and the Management Board.

Responsibilities of the Internal Audit function:

- audit of the insurance activities of UNIQA Biztosító Zrt. from a regulatory, security, transparency and efficiency (prudential) point of view
- audit of internal processes of UNIQA Biztosító Zrt. with respect to the effectiveness of related internal policies
- checking the quality (accuracy) and completeness of the Regulatory data reports submitted to the Authority at least quarterly
- providing independent and objective auditing and consultancy services, in order to improve business processes and enhance business value
- preparation of audit reports and submission at least the summary of reports to the Supervisory and Management board

Main tasks of the Internal Audit function:

- auditing of UNIQA Biztosító Zrt. and its subsidiaries
- execution of planned and ad-hoc audits
- in case of immediate risk situations performs special investigation, which is approved by the Supervisory Board
- preparation of quarterly reports on the fulfilment of internal audit plan
- regular submitting and reporting of internal audit results to the Management Board, Audit Committee, and Supervisory Board of UNIQA Biztosító Zrt. and to the heads of the audited departments
- preparation of annual report on the fulfilment of internal audit plan, submission of the report to the Supervisory Board
- monthly follow-up of the execution of audit findings
- performing internal audits required by the regulations

- audit of the proper operation and effectiveness of the internal policies of UNIQA Biztosító Zrt.
- checking the quality (accuracy) and completeness of the Regulatory data reports of UNIQA Biztosító Zrt. submitted to the Authority
- operating as a single point of contact between the Supervisory Authority (National Bank of Hungary), and UNIQA Biztosító Zrt.

Organization

Internal audit function is performed by the Internal Audit Directorate at UNIQA Biztosító Zrt. The unit is managed and organized by the Internal Audit Director, who at the same time performs all tasks required by the Insurance Act.

Internal Audit is an exclusive function that cannot be performed together with other non-audit tasks. It guarantees the independence of Internal Audit and ensures the effective supervision and evaluation of the internal control system and the other management systems within UNIQA Biztosító Zrt.

In order to be able to fulfil the audit function, internal auditors are authorised to review all documents and data and to receive all necessary information that are needed to fulfill their audit assignments. Every employee of UNIQA Biztosító Zrt. and its subsidiaries, including the contractual partners of outsourced activities, is obliged to ensure the availability of all required documents and data without any delay and to give all information internal auditors need. Access to all rooms of UNIQA Biztosító Zrt. must be granted without any exception.

B.6 Actuarial Function

Within UNIQA Biztosító Zrt., the Actuarial Function is held by the head of Actuarial Department. The tasks of the Actuarial Function have already been described in chapter B.1.5. Key Functions.

The director of the unit Actuarial Department, the Chief Actuary is defined as a key function within UNIQA Biztosító Zrt. and has to fulfil the Fit & Proper requirements as described in section B.2.2.

Within the annual Actuarial Function Report, the Actuarial Function reports to the Management Board. The report contains all activities completed within the reporting period, as well as their results. Here, especially optimisation potentials are highlighted and recommendations for actions are made in order to improve them, together with a follow-up on last year's recommendations. The report follows precisely defined structure specifications.

B.7 Outsourcing

The Outsourcing Policy of UNIQA Biztosító Zrt. provides for detailed rules regarding the types of outsourcing, as well as the entire process, the control and supervision and the termination of outsourcing.

Outsourcing of activities to legal entities in which UNIQA Insurance Group AG has at least a share (and/or voting rights) of 50% directly or indirectly, is defined as intragroup type of outsourcing, whereas outsourcing towards legal entities where UNIQA Insurance Group AG has less than the previously mentioned shares (and/or voting rights), belong to the category of external outsourcing. It is important to highlight that key functions are not allowed to be outsourced externally in their entirety.

An outsourcing agreement is defined as Group outsourcing if more than one legal entity of the UNIQA Group outsources the same business processes to one internal or external service provider.

The Outsourcing Policy defines also those functions and activities which are considered to be key.

As far as the process of outsourcing is concerned, detailed rules have been laid down regarding the criteria for choosing the eligible service provider. The Procurement Policy and the Outsourcing Policy specifies those organisational units that participate in the election of the service provider and in preparation of the outsourcing agreement. It also names the cases that require prior approval of the Management Board or Supervisory Board and contains a list of mandatory elements of the outsourcing agreement. This latter is of particular importance in order to ensure that UNIQA Biztosító Zrt. is able to meet its obligations of effective control and supervision towards the service provider and that it is equipped with proper strategies of exiting the outsourcing arrangement in case of noncontractual delivery of services.

UNIQA Biztosító Zrt. has outsourced the following key functions and activities:

Activity	Jurisdiction of service providers	Type of outsourcing
Claims handling activities	Hungary	group internal
Other claims handling and claims adjustment activities related to life & non-life claims handling	Hungary	group external
Certain activities related to asset management	Austria	group internal
Back-office, electronic data procession	Hungary	group internal
Administration, claims handling activities, customer service	Hungary	group internal
Certain IT and telecommunication activities	Austria	group internal
Certain claims handling and service organization activities related to medical care	Hungary	group external

Table 14. Outsourced activities

B.8 Any Other Information

UNIQA Biztosító Zrt. places a high quality standard on the design of its governance system. In particular, strict adherence to the so-called “Three Lines of Defence” concept is crucial for a clear separation of roles and responsibilities. This is underscored by the development of a committee system by which the Board integrates the governance and key functions into the decision-making process in structured form. The governance system of the UNIQA Biztosító Zrt. is examined on an annual basis.

C. Risk Profile

C.1 Overview of the Risk Profile

The solvency capital requirement of UNIQA Biztosító Zrt. is calculated on the basis of the Solvency II standard formula and a partial internal model (PIM) for the calculation of the solvency capital requirement non-life integrated in into the Solvency II standard formula. The calculation approach serves the determination of the regulatory capital requirement for the company. The partial internal model covers non-life underwriting risk and health underwriting risk non-similar to life techniques. The calculation method of the partial internal model and the standard formula ensures that the capital requirement takes into account all quantifiable risks to which UNIQA Biztosító Zrt. is exposed to. An essential goal is to fully cover the existing business as well as the new business, which will be concluded within the next 12 months. New business is only considered in the non-life business line or health business line (similar to non-life). The underlying risk measure for both the partial internal model and the standard formula is 99.5 per cent VaR (Value-at-Risk) over a one-year time horizon. This means that the solvency capital requirement represents an amount of loss whose probability of occurrence over a one-year period is 1 in 200.

The solvency capital requirement is the sum of three components:

- Basic Solvency Capital Requirement (BSCR)
- Capital requirement for operational risk
- Adjustment for loss absorbency effects

The BSCR is calculated by aggregating the different risk and sub-risk modules taking into account correlation effects. Moreover adjustments for the loss-absorbing capacity of future profit sharing and deferred taxes are made. The sum of BSCR as well as capital requirements for operational risk and adjustments for future profit sharing and deferred taxes amounts to the SCR (Solvency Capital Requirement).

The following figure illustrates the composition of the corresponding risk and sub-risk modules. Each standard formula-based module is calculated by means of a scenario or a factor-based approach according to Delegated Regulation (EU) 2015/35 of the Commission². In the partial internal model a probability distribution forecast is calculated via stochastic simulation.

² Delegated Regulation (EU) 2015/35 of the Commission from 10 October 2014 in addition to the Directive 2009/138/ EG of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

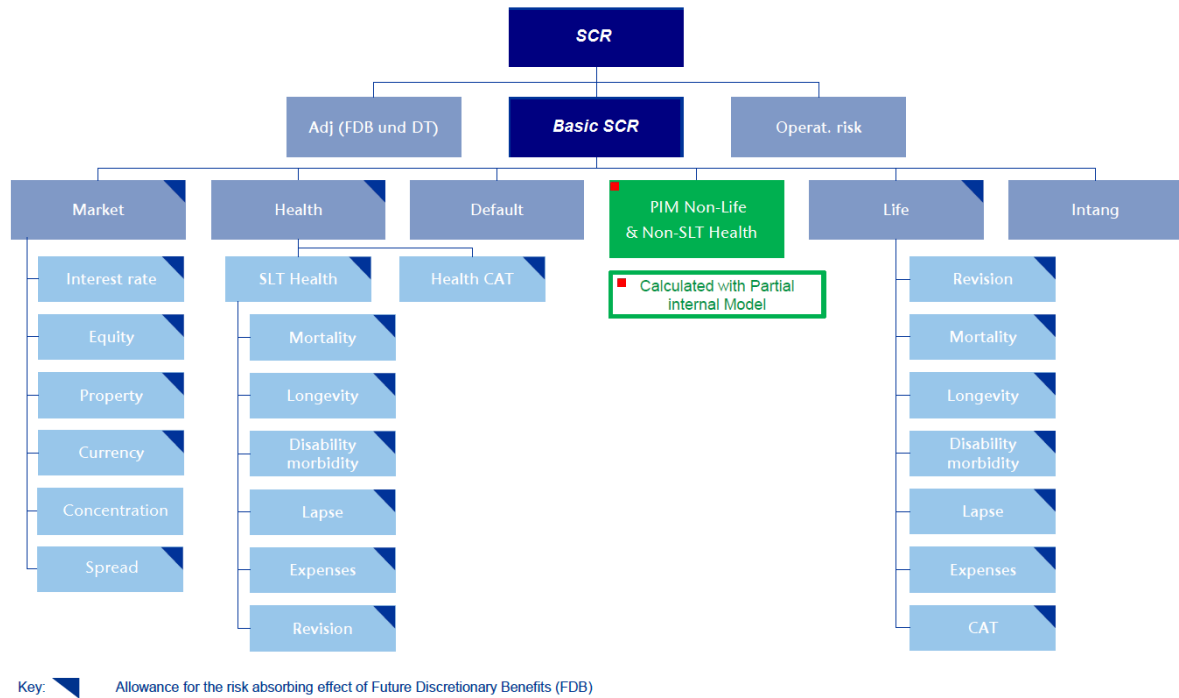


Figure 12. Risk Composition of the SCR

Table 15 illustrates the risk profile and the composition of the SCR of UNIQA Biztosító Zrt. as at 31 December 2025. The biggest risk driver of the company is Life underwriting risk with a share of 32% of the overall capital requirement (SCR). The detailed composition of the individual risk modules is described in the following sections. The solvency ratio as at 31 December 2025 is 200.8% which indicates that UNIQA Biztosító Zrt. has sufficient capital to meet its risk profile according to Solvency II standards.

Position	2025 in Thousand HUF
SCR (before FDB adjustment)	21,252,672
Basic SCR	20,137,115
<i>Market risk</i>	8,439,381
<i>Counterparty Default Risk</i>	3,101,474
<i>Life underwriting risk</i>	9,861,860
<i>Partial Internal Model Non-Life</i>	8,841,205
<i>Health Underwriting Risk</i>	443,300
<i>Diversification</i>	(10,550,105)
Operational risk	3,742,632
Loss absorbency of future profit sharing	-
Loss absorbency of deferred taxes	(2,627,075)
Own funds to cover SCR	42,676,247
Solvency ratio	200.8%
Free surplus	21,423,576

Table 15. Risk profile and the composition of the SCR

C.2 Underwriting Risk

C.2.1 Description of Risk

Underwriting risk includes the following risk components:

- Non-life underwriting risk
- Life underwriting risk
- Health underwriting risk

Non-life underwriting risk

Non-life underwriting risk is defined as follows:

- The risk of loss, or of adverse change in the value of insurance liabilities, resulting from fluctuations in the timing, frequency and severity of insured events, and in the timing and amount of claim settlements (reserve and premium risk).
- The risk of loss, or of adverse change in the value of insurance liabilities, resulting from significant uncertainty of pricing and provisioning assumptions related to extreme or exceptional events (catastrophe risk).

Life underwriting risk

Life underwriting risk is defined as follows:

- The risk of loss, or of adverse changes in the value of insurance liabilities resulting from fluctuations concerning the mortality rates which are ascribed to an increase (mortality risk) or decrease in the mortality rate (longevity risk).
- The risk of loss, or of adverse changes in the value of insurance liabilities resulting from fluctuations concerning the disability, illness and morbidity rates (disability-/morbidity risk).

- The risk of loss, or of adverse changes in the value of insurance liabilities resulting from fluctuations concerning the administrative expenses (operating expenses) of insurance and reinsurance contracts (life insurance expense risk).
- The risk of loss, or of adverse changes in the value of insurance liabilities resulting from fluctuations concerning the revision rates for annuity insurances, which are ascribed to changes in the legal environment (revision risk).
- The risk of loss, or of adverse changes in the value of insurance liabilities resulting from fluctuations concerning the lapse, cancellation, renewal and surrender rates of insurance policies (lapse risk).
- The risk of loss, or of adverse changes in the value of insurance liabilities, resulting from a significant uncertainty of pricing and provisioning assumptions related to extreme or irregular events (life catastrophe risk).

Health underwriting risk

Health underwriting risk is defined as follows:

- The risk of loss, or of adverse changes in the value of insurance liabilities resulting from fluctuations concerning the costs incurred in servicing insurance and reinsurance contracts.
- The risk of loss, or of adverse changes in the value of insurance liabilities resulting from fluctuations concerning the timing, the frequency and the severity of insured risks, as well as the amount of performance regulations at the time of the provisioning.
- The risk of loss, or of adverse changes in the value of insurance liabilities, resulting from a significant uncertainty of pricing and provisioning assumptions in respect of outbreaks of larger epidemics and the risks related to them.

C.2.2 Risk Exposure

Non-life underwriting risk and health underwriting risk similar to non-life insurance

In UNIQA's partial internal model, non-life underwriting risk is modelled jointly with Health underwriting risk similar to non-life insurance (NSLT) which includes short-term accident and health insurance. These risks are displayed in Table 16 below. The amounts shown are allocated figures including diversification effects. The premium risk figures shown in the table also include catastrophe risk (the risk of natural catastrophes, man-made catastrophes and catastrophic accidents) and business risk (the risk that future premiums and costs deviate from the plans). The largest component of the risk module is non-life premium risk, which is dominated by the Motor vehicle liability insurance, Fire and other property insurance and Other motor insurance lines of business.

Position	in Thousand HUF	2025 in %
SCR non-life underwriting risk	8,833,583	
Non-life premium risk (allocated)	7,559,055	85.6%
Non-life reserve risk (allocated)	433,691	4.9%
Health NSLT premium risk (allocated)	799,718	9.1%
Health NSLT reserve risk (allocated)	41,120	0.5%

Table 16. Composition of the risk module non-life underwriting risk and health underwriting risk similar to non-life

Life underwriting risk

This risk module was the largest component of the company's SCR at the end of 2025, contributing 32 per cent of the basic solvency capital requirement (BSCR).

Table 17 illustrates the composition of the solvency capital requirements of life underwriting risk for each sub-risk module.

The biggest sub-risk is lapse risk: in this sub-module the most adverse one of three alternative shocks (increase in lapse rates, decrease in lapse rates, mass lapse scenario) is selected. For UNIQA Biztosító Zrt. the dominant scenario is the mass lapse shock. The second biggest sub-risk is expense risk: this sub-module reflects the impact of simultaneous significant shocks affecting both the level and the annual inflation rate of life underwriting expenses. The largest part of both lapse and expense risk is related to the unit-linked portfolio of the company.

The sub-risk modules for longevity and revision risk arise in respect of non-life annuities, mainly in respect of Motor TPL claims.

Position	in Thousand HUF	2025 in %
SCR life underwriting risk	9,861,860	
Mortality Risk	482,593	3.9%
Longevity Risk	33,102	0.3%
Disability Risk	64,375	0.5%
Lapse Risk	7,729,760	63.0%
Expense Risk	2,658,297	21.7%
Revision Risk	24,260	0.2%
CAT Risk	1,275,022	10.4%
<i>Diversification</i>	<i>(2,405,550)</i>	

Table 17. Composition of the risk module life underwriting risk

Health underwriting risk similar to life insurance

Health underwriting risk (similar to life insurance, SLT) includes long-term health insurance contracts. The tables below illustrate the composition of the solvency capital requirements of health underwriting risk (similar to life insurance) by sub-risk module, and of health catastrophe risk similar to life insurance. Disability and morbidity risk is the main risk driver within this risk module. The catastrophe risk component reflects the pandemic and the mass accident risk related to all relevant contracts.

Position	in Thousand HUF	2025 in %
SCR health underwriting risk	443,300	
Health underwriting risk similar to life	29,176	6.3%
Health insurance CAT risk similar to life	435,105	93.7%
<i>Diversification</i>	<i>(20,981)</i>	

Table 18. Composition of the risk module Health underwriting risk

Position	in Thousand HUF	2025 in %
SCR health underwriting risk similar to life	29,176	
Mortality risk	2	0.0%
Longevity risk	0	0.0%
Disability/Morbidity risk	19,889	49.9%
Lapse risk	12,330	30.9%
Expense risk	7,621	19.1%
Revision risk	-	0.0%
<i>Diversification</i>	<i>(10,666)</i>	

Table 19. Composition of the risk module Health underwriting risk - details

C.2.3 Risk Assessment

This section gives a brief overview of the risk quantification methods used for determining the solvency capital requirement.

Non-life underwriting risk and health underwriting risk similar to non-life insurance

Non-life underwriting risk, including health underwriting risk similar to non-life insurance is quantified by a partial internal model developed by UNIQA Group and approved by the regulator since late 2017. The partial internal model generates a probability distribution forecast of the economic underwriting result on a one-year time horizon via stochastic simulation. In particular, the following stochastic risk drivers are modelled:

- Premium Risk
 - Business risk: premium rates, risk years exposure and operating costs
 - Non-CAT claims: attritional losses and individual large losses
 - CAT claims: natural catastrophe losses and man-made catastrophe scenarios
- Reserve risk
 - Reserve run-off result

The capital requirement is determined as the 99.5 per cent VaR (Value-at-Risk) of the simulated economic underwriting loss. The probability distributions of the individual risk drivers are based on company-specific parameterisation derived from historical experience and forecast information.

Simulated natural catastrophes are drawn from event-loss tables generated by external catastrophe models. The aggregation of the stochastic variables is done by the Gaussian copula method, taking into account the dependencies between lines of business and between risk drivers.

The partial internal model uses a more granular line-of-business structure than the standard formula, which allows the modelling of the risk mitigating impact of individual reinsurance arrangements, including non-proportional reinsurance contracts. The calculation of non-life underwriting risks also covers unexpected losses generated by new business to be acquired within the following 12 months.

Life underwriting risk³

The solvency capital requirement for life underwriting risk and risk mitigation from future profit participation are calculated by applying the risk factors and methods which are described in the Delegated Regulations 2015/35 in the chapter concerning the module underwriting risk.

The solvency capital requirement per sub risk module is derived from the change of Best Estimates for guaranteed payments under shock. The following figure illustrates the Net Asset Value (NAV) approach.

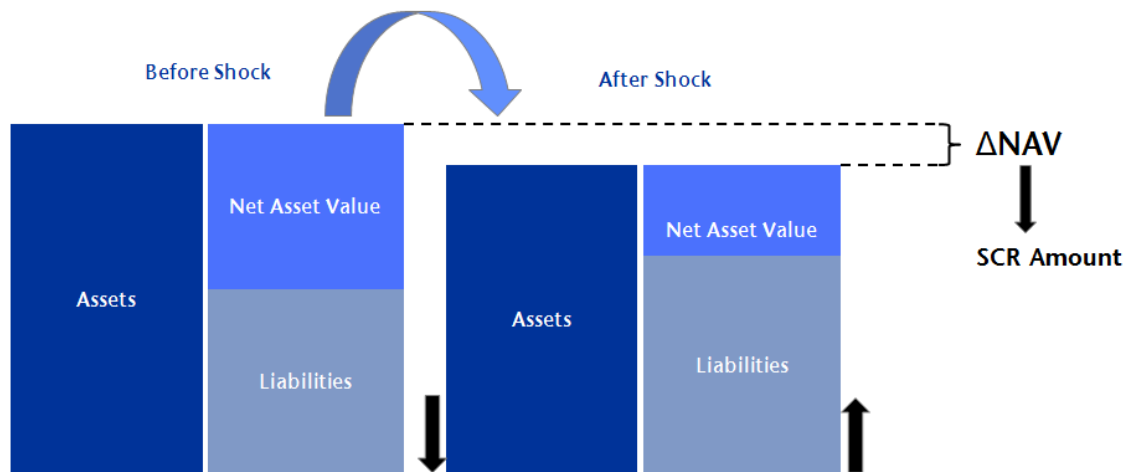


Figure 13. NAV approach

The following table illustrates the application of shocks per sub risk module under the NAV approach. The NAV is calculated on this basis.

³ Delegated Regulation (EU) 2015/35, Chapter V, Section 3, Article 136ff

Sub risk module	Used shock
Mortality risk	Instantaneous permanent increase of mortality rate by 15%
Longevity risk	Instantaneous permanent decrease of mortality rate by 20%
Disability risk	A combination of the following instantaneous permanent changes: increase of disability and morbidity rate by 35% within the following 12 months, 25% within the time after the following 12 months, as well as a decrease of disability and morbidity rate by 20%.
Lapse risk	3 shocks are being used: <ul style="list-style-type: none"> • imminent and constant decrease concerning the exercise of option rights by 50% • imminent and constant increase concerning the exercise of option rights by 50% • a mass lapse based on a combination of different imminent events
Cost risk	A combination of the following imminent and constant events: <ul style="list-style-type: none"> • An increase of costs by 10%, as well as • An increase of cost inflation rate by 1 percent point
Revision risk	An imminent and constant increase of annual payments for annuities, which are exposed to a revision risk by 3%
CAT risk	An imminent, inconstant increase of 0.15 % of the mortality rates for the next 12 months expressed in percentage points

Table 20. Application of shocks per sub risk module under the NAV approach

In respect of almost all of the life insurance portfolio, the life underwriting risk sub-modules have been calculated according to the standard scenario-based approaches. In respect of part of life insurance business without profit participations (including group life insurance contracts), factor-based simplifications according to Articles 91, 93, 94 and 96 of the Delegated Regulation (EU) 2015/35 have been used to calculate the life mortality, life disability-morbidity, life expense and life catastrophe capital requirements.

Undertaking-specific parameters have not been used in the calculation of life underwriting risk.

Applying the correlation factors, which are described in the Delegated Regulation 2015/35, the results of sub-risk modules are aggregated in order to determine the solvency capital requirement for life underwriting risk. Regarding lapse risk, the most adverse one of 3 scenarios (increase of lapse rates, decrease of lapse rates, mass lapse scenario) is taken into account in the aggregation.

Health underwriting risk similar to life insurance⁴

The Health SLT underwriting risk sub-modules have been calculated according to the standard scenario-based approach for the following relevant submodules: Longevity risk, Disability-morbidity risk, Lapse risk, Expense risk. Undertaking-specific parameters have not been used in the calculation.

⁴ Delegated Regulation (EU) 2015/35, Chapter V, Section 4, Article 144ff

Applying the correlation factors, which are described in the Delegated Regulation 2015/35, the results of sub-risk modules are aggregated for health underwriting risk (similar to life insurance).

In order to calculate the catastrophe risk for health insurance, three different stress scenarios are calculated. The scenarios include a) the mass accident risk, b) concentration risk for accidents and c) pandemic risks.

C.2.4 Risk Concentration

Material underwriting concentrations exist in non-life underwriting risk, in particular regarding catastrophe risk, as explained below. It is noted on the other hand that the probability of a catastrophic event causing a major loss due to this risk concentration is low, furthermore the risk for the company is strongly reduced via reinsurance arrangements covering catastrophic losses.

Non-life underwriting risk

The essential risk concentration is the exposure to natural catastrophe risk, most importantly to the earthquake and flood perils.

Regarding the earthquake peril, UNIQA Biztosító Zrt. has a risk concentration in the Budapest area (industrial and property risk concentration). While seismic activity in the area of Hungary has been moderate historically, nonetheless a number of destructive earthquakes have been recorded at return periods upward from hundred years. This includes some historical events in the larger Budapest area, which, if repeated, could cause significant gross loss to the company. Regarding floods, events affecting the Danube river catchment area may cause flooding simultaneously along several river sections in Hungary, which could hit insured property across a large geographical area.

Natural catastrophe risk is analysed by UNIQA Biztosító Zrt. via the natural catastrophe module of the company's Partial Internal Model Non-Life, approved by the regulator since late 2017. Alongside earthquake and flood, this model includes peril components covering also windstorm and hail events.

On the basis of the results of these models, appropriate risk management measures are taken. Uniform policies and standards are in place in UNIQA Biztosító Zrt., in line with those of UNIQA Group, aiming to guarantee existence of comprehensive risk management processes and risk mitigation measures that reduce the risks to a big extent. The most essential risk mitigation measures are appropriate guidelines for underwriting (for example no sale of flood insurance for buildings in unprotected floodplain areas) as well as the purchase of sufficient reinsurance protection to cover potential loss accumulation due to natural catastrophes.

C.2.5 Risk Mitigation

Non-life underwriting risk

Increasing the profitability of the non-life portfolio of UNIQA Biztosító Zrt is an element of the company's strategy, consistent with the group-level UNIQA 3.0 strategy, which defines a longterm strategy for UNIQA Group and sharpens the focus on core business. A targeted continuous process of in-force management and a consistent assessment of tariffs are essential components. The latter represents a vital prerequisite for the calculation and the distribution of premiums adapted to risk.

Reinsurance is an essential risk mitigation technique for the non-life insurance of UNIQA Biztosító Zrt. It is additionally used in order to reduce the earnings volatility as capital and risk management tool and as a substitute of risk capital. UNIQA Re AG serves as a service entity within UNIQA Group. UNIQA

Re AG is responsible for coordination, internal arrangements and external reinsurance relationships and helps optimise the Group's risk capital commitments. This structure permits on the one hand to balance risks internally and on the other hand to acquire effective retrocession cover and is therefore crucial for the risk strategy of both the Group and UNIQA Biztosító Zrt. The organisation and the acquisition of reinsurance cover serve to control the necessary risk capital.

The effectiveness of the risk control and risk mitigation techniques described for non-life business is monitored within the Partial Internal Model (PIM) Non-life. A quantified measurement of reinsurance cover is affected by means of key figures, such as the Return on Risk Adjusted Capital (RoRAC) and the Economic Value Added (EVA), both before and after the deduction of reinsurance cover.

Use of reinsurance

UNIQA's risk mitigation technique is mainly reinsurance.

The reinsurance activities are centralised at the group-owned reinsurance company UNIQA Re AG (UNIQA Re) in Zurich. This structure allows balancing risks internally as well as purchasing efficient retrocession cover and is therefore central to UNIQA's risk strategy. UNIQA Re constitutes the central point of a complex system of reinsurance relationships within UNIQA Group, but also with external parties. UNIQA Group Reinsurance Policy defines the minimum group-wide standards how affected parties shall interact in that system.

The organisation and purchase of external reinsurance covers (retrocession) is of high importance to reduce the required risk capital and to balance results of UNIQA Group. All decisions concerning reinsurance cessions will be made taking into account their effects on needed risk capital. In particular an efficiency analysis of reinsurance cover has to be established for each class/contract. UNIQA Re has to make an adequate return on capital within the group's target and in addition, participates in the appropriate maximisation of the group's return. The risk appetite of UNIQA Insurance Group is reflected in its target net economic capital ratio as defined in the risk strategy. Therefore, the level of risk transfer to UNIQA Re is indirectly predefined via planning of the target solvency capital requirement (SCR). If the planned SCR is not in line with the target SCR, adjustment of reinsurance can be used as a substitute for available risk capital.

Based on the results of the UNIQA partial internal model, UNIQA Re and UNIQA Biztosító Zrt. regularly check the reinsurance structure and the conditions that are most appropriate to achieve solvency targets considering the underwriting risk profile. Generally, reinsurance is structured in such a way that the relief of required capital and capital costs is efficient compared to the cost of reinsurance.

The organisation and the purchase of external reinsurances provide essential advantages for the optimisation and controlling of the required risk capital. The amount of risk transfer to the UNIQA Re AG, Switzerland, as well as to external retrocessionaires are defined depending on the planning of the solvency capital requirements, which are defined by developing the risk strategy.

Life underwriting risk

As a classical risk mitigation technique, reinsurance is used. Concerning life insurance, the focus of the reinsurance program is the mitigation of large individual risks. In addition, group insurance contracts are covered by specific reinsurance arrangements.

In addition, the following classical risk control techniques are used in the context of life insurance:

- Risk selection when preselecting interested parties for life insurance products (for example by means of health checks)
- A prudent selection of mortality and life tables in order to make sure that they correspond with the policyholders within UNIQA Biztosító Zrt.

Apart from these classical risk control techniques, UNIQA Biztosító Zrt. applies a strategic program in order to ensure the sustainability of the business model. The aim of this strategic program is to pursue profitable life insurance business also in a low-interest rate environment with the existing risk budget.

The success of the strategic program is measured within the quarterly calculation of the Contractual Service Margin (CSM) and New Business CSM (NBCSM) and for local purposes the classic Value of New Business (VNB) is also calculated and monitored. The calculation of the CSM/NBCSM reflects the value of personal insurance as well as the current situation in the financial markets. This assessment basis represents the main instrument for monitoring the effectiveness of the techniques mentioned above.

The effectiveness of the described risk mitigation measures for life-business is monitored on an ongoing basis. A quantified measurement is affected by means of the key figures Contractual Service Margin and New Business Value/Margin.

Health underwriting risk

As a classical risk mitigation technique, reinsurance is used.

In addition, classical risk control techniques are applied in the context of health insurance. These include:

- Risk selection, in particular: targeted pre-selection of interested parties (for example by means of health checks)
- The consideration of premium adjustment clauses in different health insurance products in order to be able to adjust the premiums corresponding to the changes of calculation bases.

Besides the classic risk control processes, continuous in-force management is carried out on a regular basis. The effectiveness of the risk control techniques for health business is assessed by comparison of expected and occurred payments as well as contribution margin calculation.

C.3 Market Risk

C.3.1 Description of Risk

The market risk reflects the risk arising from the level or volatility of market prices of financial instruments, which have an impact upon the value of the assets and liabilities of the undertaking. It has to adequately reflect the structural incongruity between assets and liabilities, with special regard to their duration. As part of the SCR model, market risk is divided into the following sub-risk modules illustrated in Table 21 that are in line with Directive 2009/138/EC.

Sub risk module	Used shock
Currency risk	The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of currency exchange rates.
Interest rate risk	The sensitivity of the values of assets, liabilities and financial instruments to changes of the interest rate curve or in the volatility of interest rates.
Equity risk	The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of equities.
Property risk	The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of real estate.
Spread risk	The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate curve.
Concentration risk	Additional risks to an insurance or reinsurance company stemming either from lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities or a group of related issuers.

Table 21. Sub-risk modules of market risk

C.3.2 Risk Exposure

The figure below shows the asset allocation of the non-unit linked investment portfolio of the UNIQA Biztosító Zrt. as at 2025. The total volume of the non-unit linked investments displayed in the pie diagram was 51,498,705 million HUF at the end of the year.

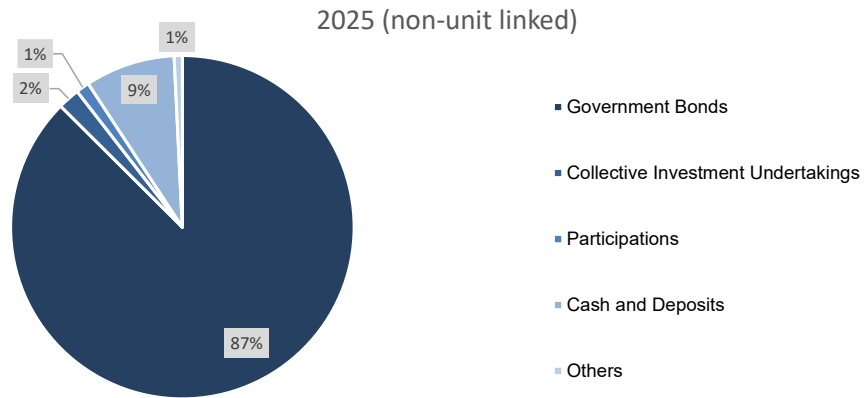


Figure 14. Asset allocation of the non-unit linked investment portfolio

In accordance with the prudent person principle, the investment activities in 2025 – just as in prior years – were strongly influenced by an investment approach oriented towards the liability side. Investments other than unit-linked have been dominated by Hungarian government bonds, selected to optimally match expected liability cash flows.

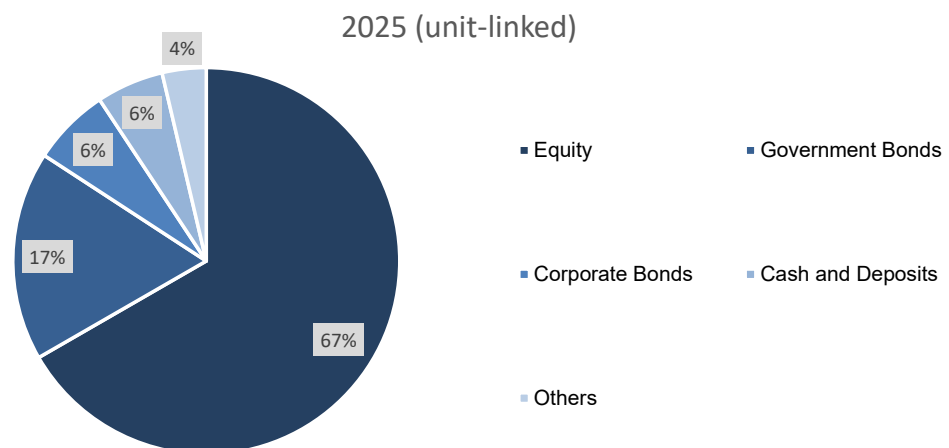


Figure 15. Asset allocation of the unit linked investment portfolio

Figure 15 shows the asset allocation of the unit linked investment portfolio, totalling 166 653 million HUF at the end of 2025. Unit-linked investments were driven by the policyholders’ portfolio selections.

Table 22 illustrates the composition of the solvency capital requirements for the risk module market risk. Because extreme shocks for particular market risks usually do not occur simultaneously, the aggregated need for capital for individual sub risk modules is smaller than the sum of the risk requirements and therefore a pure addition would display an overestimation of risk.

Position	in Thousand HUF	2025 in %
SCR Market Risk	8,439,381	
Interest rate risk	4,431,420	37.1%
Equity risk	6,793,063	56.9%
Property risk	556	0.0%
Spread risk	223,600	1.9%
Concentration risk	0	0.0%
Currency risk	499,053	4.2%
<i>Diversification</i>	<i>(3,508,310)</i>	

Table 22. Composition of the solvency capital requirements for the risk module market risk

As at the end of 2025, market risk contributed 28% of the basic solvency capital requirement (BSCR) of the company before diversification. On the one hand this is a significant risk in the company's risk profile, on the other hand its level is moderate compared to the volume of the exposed assets (and liabilities). This is attributable to the fact that the dominant part of the market risk-exposed portfolio is unit-linked business where the investment risk is borne by the policyholders.

The three sub-risks drive market risk are equity risk, interest rate risk and currency risk. The largest sub-risk module is equity risk is mainly attributable to increasing unit-linked business, where the asset-side shocks are largely absorbed by the liability side, nonetheless a residual part of the shock affects the company's net asset value due to the impact on expected future profits. The next highest sub-risk is the interest rate risk which is reflecting the sensitivity of technical provisions and their covering fixed-income investments to changes in the risk-free interest rate term structures with the change in current yield curve environment having a big impact on this risk. The third most significant sub-risk module is currency risk, which is attributable to both unit-linked business (however this risk has been highly mitigated by the use of currency derivatives) and euro cash savings.

C.3.3 Risk Assessment⁵

UNIQA Biztosító Zrt. calculates the market risk according to the standard formula, as described in the Delegated Regulation (EU) 2015/35. Market risk consists of sub-risk modules, as defined in the standard formula, which are aggregated by a correlation matrix. For the correlation between interest rate risk and equity risk, property risk and spread risk, two alternate factors are specified depending on the relevant interest rate shock. In the case of UNIQA Biztosító Zrt. a zero correlation factor has been used as the scenario of an increase in interest rates causes a higher capital requirement for interest rate risk.

The calculation of the capital requirements for the different sub risk modules is elaborated on below.

Interest rate risk

The capital requirements for interest rate risk are calculated by applying two stress scenarios to all assets which are sensitive to interest rate changes and by determining the resulting loss of basic own funds. One of the scenarios simulates an increase in interest rates and the other one a decrease in

⁵ Delegated Regulation (EU) 2015/35, Chapter V, Section 5, Article 164ff

interest rates. However, only the scenario which causes the more adverse change is considered relevant for the calculation of capital requirements. The scenarios are applied to the risk-free interest rate term structure for the respective currency published by EIOPA and the impacts on the capital requirements are ultimately aggregated. According to the standard approach, a distinction shall be made between the two following scenarios:

- Scenario for an increase in interest rates: The estimated increase of the interest rate fluctuates between 70 per cent for maturities up to two years and 26 per cent with maturities of 20 years. Starting from maturities of 20 years, the increase in interest rates is linearly reduced to 20 per cent for maturities of 90 years or more. In any case, the increase of interest rates amounts to at least one percentage point.
- Scenario for a decrease in interest rates: The estimated decrease of interest rates fluctuates between 75 per cent with maturities up to one year and 29 per cent with maturities of 20 years. Starting from maturities of 20 years, the decrease in interest rates is linearly reduced to 20 per cent for maturities of 90 years or more. The decrease of risk-free base interest rates equals zero.

In the case of the year-end 2025 calculation, the scenario of an increase in interest rates causes higher capital requirements and is therefore considered as the basis for the calculation of UNIQA Biztosító Zrt.

Equity risk

For the calculation of equity risk, UNIQA Biztosító Zrt. uses the standard approach according to Articles 168–169, 171–172 of Delegated Regulation (EU) 2015/35. It is based on calculating the impact of scenario-based shocks including a symmetric adjustment factor on the Net Asset Value and the resulting consequences on the basic own funds of the company.

In the context of the standard approach, Type 1 and Type 2 equity risks are distinguished:

- Type 1 equities: Equities listed in regulated markets in countries which are members of the EEA or the OECD.
- Type 2 equities: Equities listed in stock exchanges in countries which are not members of the EEA or the OECD, equities which are not listed commodities and other alternative investments. They also comprise all other assets other than those covered in the sub risk modules interest rate risk, property risk or spread risk, including exposures to collective investment undertakings where a look-through approach is not possible.

For the calculation of the capital requirements for equity risk the following scenarios shall be used:

- Scenario for Type 1 equities: An instantaneous decrease of the market value of 39 per cent plus a symmetric adjustment of up to (+/-) 10 per cent, as well as an instantaneous decrease of 22 per cent of the market value of strategic equity investments in related undertakings.
- Scenario for Type 2 equities: An instantaneous decrease of the market value of 49 per cent, plus a symmetric adjustment of up to (+/-) 10 per cent, as well as an instantaneous decrease of 22 per cent of the market value of strategic equity investments in related undertakings.

The capital requirements for Type 1 and Type 2 equity risk are aggregated by using a correlation factor of 0.75.

Property risk

The calculation of the capital requirements for property risk corresponds to a loss of basic own funds resulting from an instantaneous decrease of the value of all real estate values by 25 per cent. It is noted that, as at the end of 2025, while applying lookthrough approach a non-significant exposure to property risk is observed.

Spread risk

The capital requirement for spread risk is calculated by aggregating the sum of the capital requirements under stress scenarios for bonds and loans, securitisations and credit derivatives. According to the standard formula, certain derogations apply to bonds, loans and derivatives related to certain organisations, governments and banks.

In the case of UNIQA Biztosító Zrt., only the calculation for bonds and loans has been relevant. Marginal exposures to securitisations and credit derivatives have been present only in those parts of the investments in collective investment undertakings where the look-through approach has not been possible. Regarding the derogations mentioned above, those relating to Member States' government bonds are relevant for the company's portfolio, resulting in a zero risk factor for Hungarian government bond investments.

The capital requirement for bonds and loans (excluded are mortgage loans for residential properties) is determined by a factor-based calculation under a stress scenario. The calculation assumes the market value of the instrument and considers credit rating and duration. It is assumed that the spreads of all instruments will rise, which will lead to an imminent decrease in the value of bonds. The shock of the spread risk of bonds and loans is a concave function of the duration.

Concentration risk

The capital requirement for the concentration risk is calculated by applying risk factors depending on the credit quality step, defined in accordance with the standard formula, to single name exposures in excess of pre-defined concentration thresholds. Thresholds are defined for each credit quality step. Provided that the thresholds are exceeded, the risk factors prescribed in the standard formula shall be applied to the surplus of risk exposure above the threshold and the sum of all requirements shall be aggregated

According to the standard formula, exceptions and derogations apply to the calculation of concentration risk, which exclude certain risk exposures from the calculation. Most importantly in the case of UNIQA Biztosító Zrt., unit-linked investments and cash-at-bank exposures in the scope of the counterparty default risk module are not included in the calculation base for determining the concentration thresholds. Furthermore the company's holdings in Hungarian government bonds are subject to a zero risk factor.

Currency risk

The capital requirements for currency risk are calculated by applying two foreign currency shocks, defined according to the standard formula, to every single relevant foreign currency and by determining the resulting consequences for the own funds. Currency risk concerns all currency sensitive positions on the asset side and on the liability side. The consequences of the shocks for the original own funds are aggregated. According to the standard approach, every foreign currency whose exchange rate fluctuations effect the company's basic own funds is considered relevant.

Two shocks are applied to every currency for the calculation of currency risk. However, only the shock, which produces the greater adverse change, is considered relevant for the calculation of capital requirements. According to the standard approach, a distinction shall be made between the following foreign currency shocks:

- Increase in the value of the foreign currency in comparison to the local currency by 25 per cent.
- Decrease in the value of the foreign currency in comparison to the local currency by 25 per cent.

Look-through approach

According to Article 84 of Delegated regulation (EU) 2015/35, the capital requirement for market risk is calculated on the basis of each of the underlying assets of collective investment undertakings and other investments packaged as funds. Where the look-through approach cannot be applied because of the lack of available data, the Type 2 equity shock is applied to the asset value.

C.3.4 Risk Concentration

No concentration risk component has been present in the end-of-year 2025 market risk profile of the company.

In addition to the assessment of concentration risk according to the SCR standard formula, all issuers (groups of issuers respectively) are monitored in accordance with UNIQA Group Risk Management Standard, based on economic risk measurement.

C.3.5 Risk Mitigation

Derivative Instruments

Since late 2017, currency derivatives have been used by UNIQA Biztosító Zrt. as a risk mitigation technique to reduce the significant currency risk profile. Plain vanilla EUR and USD put options are held in order to protect the company's own funds against an extreme drop in the rates of these foreign currencies against the local currency. As these options have been selected to cover the tail risk, they are out-of-the-money under normal circumstances, however they are available to the company at a low cost and they respond to currency shocks in an asymmetrical manner: they gain a high value in the case of an extreme currency fall scenario. The use of currency derivatives as a risk mitigation technique, including the planning of derivative transactions, the selection of counterparties, the regular replacement of the instruments and the monitoring of the risk mitigating effect is regulated by the Solvency 2 Market Risk Mitigation Policy of the company.

Investment Limits

With the introduction of the UNIQA Group Limit & Trigger Standards and UNIQA Investment Process Standards, a harmonisation of the existing regulations for investment activities was introduced by Group Actuarial & Risk Management in the year 2016. UNIQA Group Limit & Trigger Standards has since then been integrated into UNIQA Group Risk Management Standard. These regulations were directed to all insurance companies with an asset management outsourcing agreement in force with UNIQA Capital Markets GmbH (UCM) and contain detailed descriptions of all limits available by Group Actuarial and Risk Management as well as procedures relevant for dealing with those limits. The close cooperation between local and Group risk management is particularly important given the centralized responsibility of UCM for asset management. The risk management approach reflected in the limit

system aims the measuring and controlling of asset-related market risks. Group Actuarial and Risk Management has made use of the Strategic Asset Allocation (SAA) approach. Based on the risk profile of the SAA, the premise of the market risk limits is that each market sub-risk, as well as consequently the total market risk of the portfolio stemming from the asset side, shall remain within a pre-determined range for the relevant calendar year. Investment limits are monitored every two weeks.

Asset-Liability Management

Projected cash flows of traditional life insurance (broken down by guaranteed interest rate), non-life insurance (broken down by currency) and health insurance are regularly reported by local actuaries to UCM via Group Actuarial Department. Asset allocations thereafter are managed centrally by UCM, aiming for an optimal match between the maturity and currency profiles of liabilities and covering investments. In coordination between UNIQA Group and local asset management and actuaries, held-to-maturity (HTM) bond portfolios have been established to match the projected cash flows stemming from life insurance contracts with 2.75% or higher guaranteed rates.

It is noted that the unit-linked portfolio, where the investment structure is driven by policyholders' risk appetite, is not in the scope of the ALM scheme.

C.4 Credit Risk

C.4.1 Description of Risk

In accordance with Directive 2009/138/EC (Article 105), credit risk or default risk shall reflect possible losses due to unexpected default, or deterioration in the credit standing, of the counterparties and debtors of insurance and reinsurance undertakings over the following 12 months. The credit risk/default risk covers risk mitigating contracts such as reinsurance agreements, securitisations and derivatives, as well as receivables from intermediaries and all other credit risks, which are not covered by the spread risk module. It shall take account of collateral or other securities held by or for the account of the insurance or reinsurance company and the risks associated therewith. For each counterparty, the credit risk/default risk shall take into account the overall counterparty risk exposure of the insurance concerning that counterparty, irrespective of the legal form of its contractual obligations to that company.

Credit risk or default risk is composed of the two following types:

- Risk exposure type 1: The class of type 1 exposures covers the exposures which may not be diversified and where the counterparty is likely to be rated. Among others, this type usually comprises: reinsurance agreements, derivatives, securitisations, bank deposits, other risk mitigating contracts, letters of credit, guarantees and products with third party guarantors.
- Risk exposure according to type 2: Usually comprises all exposures which are not covered by the sub-risk module spread risk, but are usually highly diversified and do not have a rating. Among others, this type usually comprises: receivables from intermediaries, receivables from policyholders, other receivables and mortgage loans.

C.4.2 Risk Exposure

With a contribution of 10% to the basic solvency capital requirement (BSCR) before diversification at end-of-year 2025, credit risk / default risk (CDR) is not a dominant but still a significant part of the company's risk profile.

Position	in Thousand HUF	2025 in %
CDR total	3,101,474	
CDR type 1 total	1,690,179	51.0%
CDR type 2 total	1,625,346	49.0%
<i>Diversification</i>	<i>(214,051)</i>	

Table 23. Composition of the solvency capital requirements for the risk module credit risk

Table 23 shows the composition of credit risk or default risk for the year 2025. A distinction is made between type 1 and type 2 of risk exposure.

With a 51.0% share of the overall credit / default risk excluding diversification, type 1 risk exposure is the main driver of the risk. The solvency capital requirements for type 1 CDR result primarily from reinsurance arrangements, secondly from deposits at credit institutions, thirdly from derivatives.

Risk exposures of type 2 have a 49.0% share of the overall CDR risk before diversification. Receivables from intermediates and policyholders are the main drivers for this risk exposure.

C.4.3 Risk Assessment⁶

The risk factors and methods described in the Delegated Regulation 2015/35, in the chapter concerning the module counterparty default risk, are used for the calculation of the solvency capital requirement for credit risk or default risk.

The capital requirement for type 1 exposures is determined based on the Loss-Given-Default (LGD) and Probability of Default (PD) of each counterparty. The definition of the standard formula includes precise definitions for the calculation of the LGD and PD dependent on the form of exposure. In addition it is specified to what extent the risk mitigating effect of collateral can be used. The capital requirement for type 2 exposures is calculated from exposed amounts by applying a factor-based formula including standard risk factors. The capital requirements for type 1 and type 2 CDR are aggregated by using a correlation factor of 0.75.

For the CDR calculation as at the end of 2025 UNIQA Biztosító Zrt. has used partial internal model inputs for determining the LGD of non-life reinsurance counterparties.

C.4.4 Risk Concentration

From the perspective of UNIQA Biztosító Zrt., the reinsurance exposure to UNIQA Re AG presents the significant part of counterparty risk concentration. On the other hand the establishment of an in-house reinsurance company centralising all business units' reinsurance cessions has been a strategic decision by UNIQA Group which allows the optimisation of external retrocessions at the Group level. UNIQA Re AG is responsible for the selection of external reinsurers. For that purpose, UNIQA Re has determined a policy which regulates the selection of counterparties and avoids external concentrations (e.g. there are limits on the share of individual external reinsurers in each contract and there is a minimum rating requirement in place).

⁶ Delegated Regulation (EU) 2015/35, Chapter V, Section 6, Article 189ff

C.4.5 Risk Mitigation

UNIQA Biztosító Zrt. uses the following measures in order to control credit risk or default risk:

- Exposure limits
- Credit rating requirements
- Payment reminder procedures

All reinsurance arrangements between UNIQA Biztosító Zrt. are coordinated with UNIQA Re AG and are subject to the standards determined by UNIQA Re. For external reinsurers, minimum credit rating requirements and an upper limit for the released exposure per reinsurer are defined.

In order to avoid concentrations concerning default risk and credit risk, limits on bank deposits are defined, which are monitored every two weeks.

Derivative instruments are also subject to exposure limits and minimum credit rating requirements.

To keep the level of receivables from insurance intermediates and insurance companies as low as possible, clear payment reminder procedures were implemented. These are subject to regular monitoring by precise evaluation possibilities.

C.5 Liquidity Risk

C.5.1 Description of Risk

Liquidity risk is composed of market liquidity risk and refinancing risk. Liquidity risk represents the risk that an asset cannot be traded fast enough to prevent a loss or make the required profit. Refinancing risk can arise if the insurance undertaking is unable to realise assets in order to settle their financial obligations when they are due.

C.5.2 Risk Exposure

The following table shows the expected profit in future premiums, as required by Article 295(5) of Delegated Regulation (EU) 2015/35 with regard to liquidity risk.

Position	2025 in Thousand HUF
Expected profit in future premiums	23,306,070
Of which non-life	7,726,243
Of which life	15,579,827

Table 24. Expected profit in future premiums

C.5.3 Risk Assessment and Risk Mitigation

The liquidity position of the company is monitored on an ongoing basis. In order to ensure that UNIQA Biztosító Zrt. can meet its payment obligations, a regular planning process is in place to ensure the availability of appropriate amounts of cash to cover anticipated cash flows. As part of the planning process, UNIQA Biztosító Zrt. prepares a liquidity plan. The constant adjustment and monitoring of this plan is ensured by the liquidity management process.

C.6 Operational Risk

C.6.1 Description of Risk

Operational risk covers the risk of financial losses, caused by insufficient internal processes, systems, personal resources or external events. Operational risk includes legal risk, but not reputation risk and strategic risk. Legal risk is the risk of financial losses due to complaints or uncertainty in the applicability or interpretation of contracts, laws or other legal requirements.

The topics of the prevention of money laundering and terrorism financing are subject to special attention. Operational risk in connection to this topic results from missing or inadequate processes of identification, monitoring, as well as reporting to prevent potential money laundering operations.

C.6.2 Risk Exposure

UNIQA Biztosító Zrt. is exposed to operational risks in a diverse environment. These risks are regularly identified and monitored with the help of the risk management system of the company. Among others the following risks are considered significant:

- Process risks, in particular regarding product development and claims settlement
- Human Resources (HR) risks (possible shortage of personnel and dependence on individuals with the required know-how)
- IT risks (in particular the IT security and the high complexity of the IT landscape, as well as the risk of business interruption)
- Various project risks

The following table shows the composition of the SCR for operational risk as at end-of-year 2025.

	2025	
	Premium earned	Technical provisions gross
Reporting year		
Life (without unit-linked)	5,061,538	7,254,289
Non-Life	94,954,427	25,911,023
Previous year		
Life (without unit-linked)	4,284,040	
Non-Life	81,027,081	
Capital requirement for Operational Risk based on Premiums / Technical Provisions	3,051,094	809,975
25% of Unit-linked annual expenses	691,538	
Operational risk	3,742,632	

Table 25. Composition of the SCR for operational risk

As apparent in the table above, the dominant component of the capital requirement has been the premium-based risk charge. The component for unit-linked expenses also contributed significantly to the capital requirement.

C.6.3 Risk Assessment

For the calculation of operational risk, UNIQA Biztosító Zrt. uses a factor-based approach, according to the standard formula as described in Article 204 of Delegated Regulation (EU) 2015/35. The capital requirement for operational risk is calculated as:

The lower of the following values:

- Basic capital requirement for operational risk, or
- 30 per cent of the calculated basic solvency capital requirement (BSCR),

plus 25 per cent of the amount of expenses in respect of life insurance whose investment risk is borne by the policyholders (i.e. unit-linked business).

The basic capital requirement for operational risk is the higher of the following two calculation results:

- Premium-based calculation: 4 per cent of the gross premiums earned for life insurance obligations (excluded are the premiums where the policyholder bears the investment risk) and 3 per cent of the gross premiums earned for non-life insurance obligations. Furthermore, in case of an increase of these premiums by more than 120 per cent in comparison to the previous year, additional margins shall be added in accordance with the standard approach.
- Technical provisions-based calculation: 0.45 per cent of the gross best estimate of the technical provisions for life insurance obligations (excluded are the provisions where the policyholder bears the investment risk) and 3 per cent of the gross best estimate of the technical provisions for non-life insurance obligations.

Furthermore, UNIQA Biztosító Zrt. performs an internal assessment process of operational risks by means of process owners and experts. These assessments are discussed with the management and the Board.

C.6.4 Risk Concentration

The risk concentrations within operational risk are evaluated regularly and include, for example, dependencies of distribution channels, major customers or key personnel. Depending on the result of the evaluation, adequate control measures are to be put in action (e.g. risk acceptance, risk minimization, etc.) In addition, the development of risk concentrations concerning operational risk is minimized by:

- A clear and structured governance model with adequate processes
- Operating a compliance function, responsible for conforming with the rules, as well as
- A clearly stated and structured Internal Control System

C.6.5 Risk Mitigation

Defining risk mitigating measures is an essential step in the risk management process for operational risks. In the risk strategy of UNIQA Biztosító Zrt. the risk preference for taking on operational risks is classified as “low”. Therefore, UNIQA Biztosító Zrt. shall try to reduce the operational risk as much as possible. The most important risk mitigation measures for operational risks are the following:

- Implementation and maintenance of an Internal Control System
- Optimisation and maintenance of processes
- Continuous education and training of personnel, as well as

- Preparation of emergency plans.

C.7 Stress and Scenario Analysis

UNIQA Biztosító Zrt. uses the following definitions for sensitivities, stress tests and scenarios, which are shown in Table 26.

Sensitivity	Recalculation of a Key Performance Indicator (KPI) based on the change of one input parameter. The change is not significant / extreme and can have either a positive or negative impact.
Scenario	Impact of a KPI based on the change of generally more than one input parameter. The change can have either a positive or negative impact. Scenarios are usually linked to events (e.g. historic scenarios).
Stress test	Recalculation of a KPI based on the change of one input parameter. The change is significant / extreme with a negative impact.
Combined stress test	Recalculation of a KPI based on the change of more than one input parameter. The change is significant / extreme with a negative impact.
Reverse stress test	Definition of a scenario that gives a predefined negative result of a KPI.

Table 26. Definitions for sensitivities, stress tests and scenarios

Motivated by the risk areas important for UNIQA Group an important focus of the sensitivity analysis is interest rate sensitivities, in addition to other market risk scenarios. UNIQA Biztosító Zrt. evaluated the sensitivities, stress tests and scenarios presented in Table 27.

No.	Key sensitivities	Impact
1	Parallel shift interest rate +50 basis points (until LLP, not floored)	Own Funds
2	Parallel shift interest rate -50 basis points (until LLP, not floored)	Own Funds
3	Parallel shift interest rate +100 basis points (until LLP, not floored)	Own Funds
4	Parallel shift interest rate -100 basis points (until LLP, not floored)	Own Funds
5	Decrease of UFR by 50 basis points	Own Funds
6	No volatility adjustment	Own Funds and SCR
7	Shock on equities -25%	Own Funds
8	+10 per cent shock on foreign currencies	Own Funds
9	-10 per cent shock on foreign currencies	Own Funds
10	Government bonds: Credit spread +50bp & dynamic volatility adjustment	Own Funds
11	Corporate debt: Credit spread +50bp & dynamic volatility adjustment	Own Funds

Table 27. List of evaluated sensitivities, stress tests and scenarios

For most of the sensitivities only the own funds impact was calculated. However the sensitivity “no volatility adjustment” included the recalculation of the SCR too.

The sensitivities, stress tests and scenarios listed above are described in detail below.

Interest rate sensitivities

As described further below, the interest rates are only shocked for maturities where the underlying instruments can be classified as close to liquid. The last point at which an instrument can still be classified as liquid is the last liquid point (LLP). Afterwards interest rates are extrapolated to the unchanged Ultimate Forward Rate (UFR) with an unchanged convergence period. The UFR is a value that reflects the interest rates of the past decades, including forecasts on economic development in the EEA. The UFR is stressed from its base case value only in the sensitivity “decrease of UFR by 50 basis points”.

The following sensitivities focus on interest rates:

- A parallel shift of the interest rate curve by +50 basis points until the last liquid point and extrapolation towards the UFR afterwards
- A parallel shift of the interest rate curve by -50 basis points until the last liquid point and extrapolation towards the UFR afterwards
- A parallel shift of the interest rate curve by +100 basis points until the last liquid point (LLP) and extrapolation towards the UFR afterwards
- A parallel shift of the interest rate curve by -100 basis points until the last liquid point (LLP) and extrapolation towards the UFR afterwards
- The Ultimate Forward Rate is decreased by 50 basis points
- Use of the basic risk free yield curve as published by EIOPA without Volatility Adjustment (VA)

Equity and equity-related instruments

For equity exposures, the following sensitivity is evaluated:

- An overall -25 per cent shock is applied to all equities, including derivatives on equity securities, private equity, hedge funds, fund certificates that are not decomposed, index securities, participations, etc. Contrary to the Solvency II methodology, no differentiation is made between “equity type 1”, “equity type 2” and “strategic participations”.

Foreign currency instruments

For foreign currency exposures, all currencies are shocked simultaneously. There are no exceptions for currencies which are pegged to the euro. The shocks are applied to all instruments where the underlying is an FX rate (FX forwards, FX options, etc.) and all positions where the quotation currency is different from the local reporting currency. The following sensitivities are calculated:

- Foreign currency values increase by 10% relative to the reporting currency
- Foreign currency values decrease by 10% relative to the reporting currency

Credit spreads

For credit spreads the following sensitivities are evaluated:

- A widening of the credit spread for Government bonds by 50 basis points is assumed, independent of the rating. There is no exemption for specific exposures e.g. government bonds with dynamic volatility adjustment applied
- A widening of the credit spread for Corporate bonds by 50 basis points is assumed, independent of the rating. There is no exemption for specific exposures e.g. government bonds with dynamic volatility adjustment applied

Results

The following table shows the results of scenarios, especially with regard to the change in Own Funds. The stressed SCR is only shown where it was recalculated.

(in 1000 HUF)		Own Funds	Change in Own Funds	SCR
Base case		42,676,247		21,252,672
Key sensitivities				
1	Parallel shift interest rate +50 basis points (until LLP, not floored)	42,136,558	-1.3%	
2	Parallel shift interest rate -50 basis points (until LLP, not floored)	43,515,435	2.0%	
3	Parallel shift interest rate +100 basis points (until LLP, not floored)	41,482,144	-2.8%	
4	Parallel shift interest rate -100 basis points (until LLP, not floored)	44,242,431	3.7%	
5	Decrease of UFR by 50 basis points	42,795,215	0.3%	
6	No volatility adjustment	42,756,832	0.2%	21,256,919
7	Shock on equities	39,539,133	-7.4%	
8	+10 per cent shock on foreign currencies	43,976,034	3.0%	
9	-10 per cent shock on foreign currencies	41,376,904	-3.0%	
10	Government bonds: Credit spread +50bp & dynamic volatility adjustment	41,970,686	-1.7%	
11	Corporate debt: Credit spread +50bp & dynamic volatility adjustment	42,670,440	0.0%	

Table 28. Results of scenarios

C.8 Other Material Risks

In addition to the risk categories described above, the UNIQA Biztosító Zrt. has also defined risk management processes for strategic risk, reputational risk and contagion risk.

Reputational risk is the risk of losses incurred as a result of potential damage to the reputation of the company, the deterioration of its image, or a negative overall impression due to a negative perception by clients, business partners, shareholders or the supervisory authority.

Strategic risk is the risk resulting from management decisions or the inadequate implementation of management decisions with an impact on current / future earnings and solvency. It comprises the risk arising from inadequate management decisions resulting from the failure to take a changing business environment into account.

Contagion risk is the possibility that adverse impacts occurring in other entities may have an impact on UNIQA Biztosító Zrt. or vice versa. Due to the fact that contagion risk can have many origins, there is no standardized approach on how to deal with contagion risk. First and foremost, getting an understanding for the correlation between the different types of risks is essential for identifying a potential contagion risk.

The most important reputational risks, as well as strategic risks are identified, assessed and reported similarly to operational risks. The risk management of UNIQA Biztosító Zrt. subsequently analyses whether the threat of an intragroup contagion is present.

Sustainability risks or ESG risks include risks related to the sustainability factors of environment, social/employee and governance (“ESG”). In line with the Group view, these risks are not considered as a separate risk category, but are taken into account as part of the existing risk categories.

C.9 Any Other Information

No other disclosure is made on the risk profile.

D. Valuation for Solvency Purposes

Methods stated in the Solvency II Directive and Delegated Acts are used for the derivation of the solvency balance sheet. They are based on the going concern-principle. Assets and liabilities are evaluated according to Art. 75. of the Solvency II Directive. Thereby, assets are valued at the value for which they can be exchanged between knowledgeable, willing business partners independent from each other. Wherever available, marked-to-market values are used for the valuation. In case they are not available, marked-to-model values are used. Liabilities are valued at the value that is used by knowledgeable and willing parties to transfer or meet them in the framework of a standard market transaction. In general, a marked-to-model approach that models future cash flows of the existing business is used for the valuation.

Foreign currency conversion

For the revaluation of items denominated in foreign currencies in the solvency balance sheet the following exchange rates of the Hungarian National Bank are used during the reporting period:

HUF prices as of balance sheet date	
CHF	413.89
CZK	15.92
EUR	385.40
GBP	441.33
PLN	91.18
RON	75.61
USD	328.42

Table 29. Exchange Rates

D.1 Assets

The following table shows the comparison between the evaluation of total assets according to Solvency II and Statutory values based on valuation date 31 December 2025.

Assets [in Thousand HUF]		Solvency II	Statutory	Revaluation
1	Goodwill	n.a.	-	n.a.
2	Deferred acquisition costs	n.a.	11,274,399	n.a.
3	Intangible assets	-	2,780,435	2,780,435
4	Deferred tax assets	-	171,916	171,916
5	Pension benefit surplus	-	-	-
6	Property, plant & equipment (for own use)	1,722,920	982,738	740,182
7	Investments (except for assets for unit- and index-linked contracts)	47,129,959	48,923,521	1,793,563
7.1	Properties (except for own use)	-	-	-
7.2	Shares in affiliated companies, including participations	647,884	647,908	24
7.3	Shares	-	-	-
7.3.1	Shares - listed	-	-	-
7.3.2	Shares - not listed	-	-	-
7.4	Bonds	45,422,755	47,239,691	1,816,936
7.4.1	Government bonds	45,130,297	46,958,932	1,828,635
7.4.2	Corporate bonds	292,459	280,759	11,700
7.4.3	Structured debt securities	-	-	-
7.4.4	Asset backed securities	-	-	-
7.5	Undertakings for collective investment	1,059,319	1,035,922	23,397
7.6	Derivatives	-	-	-
7.7	Deposits except for cash equivalents	-	-	-
7.8	Other investments	-	-	-
7.9	Assets for unit- and index-linked contracts	166,653,027	166,772,900	119,873
8	Loans and mortgages	101,227	100,000	1,227
8.1	Policy loans	-	-	-
8.2	Loans and mortgages for private individuals	-	-	-
8.3	Other loans and mortgages	101,227	100,000	1,227
9	Recoverables from reinsurance contracts from:	13,065,887	29,680,512	16,614,625
9.1	Non-life insurances and health insurances similar to non-life	10,833,474	26,365,780	15,532,306
9.1.1	Non-life insurances except for health insurances	10,569,318	26,268,915	15,699,597
9.1.2	Health insurances similar to non-life	264,156	96,865	167,291
9.2	Life insurances and health insurances similar to life except for health insurances and unit- and index-linked insurances	2,232,413	3,314,733	1,082,319
9.2.1	Health insurance similar to life	44,083	32,899	11,184
9.2.2	Life insurance except for health insurance and unit- and index-linked insurances	2,188,330	3,281,834	1,093,503
9.3	Life insurances, unit- and index-linked	-	-	-
10	Deposit receivables	-	-	-
11	Receivables towards insurances and intermediaries	10,427,882	12,476,506	2,048,624
12	Reinsurance receivables	1,864,965	1,284,561	580,404
13	Receivables (trade, not insurance)	612,275	612,275	0
14	Own shares (held directly)	-	-	-
15	Contributions due regarding own-fund items or funds initially demanded but not yet deposited	-	-	-
16	Cash and cash equivalents	4,368,746	4,368,746	0
17	Other assets not reported elsewhere	4,272,559	5,298,742	1,026,183
	Total assets	250,219,448	284,727,252	34,507,804

Table 30. Assets based on valuation date 31 December 2025

The following asset classes are not classified as asset components of the UNIQA Biztosító Zrt. as at 31 December 2025 and were therefore not commented on:

- 1. Goodwill
- 5. Pension benefit surplus;
- 7.1 Properties (except for own use)
- 7.3 Shares
- 7.7 Deposits except for cash equivalents
- 7.8 Other investments
- 8.3 Other loans and mortgages

- 10. Deposit receivables
- 14. Own shares (held directly)
- 15. Contributions due regarding own-fund items or funds initially demanded but not yet deposited.

The following tables describe on an individual basis the basic principles, methods and key assumptions for each class of assets on which the valuation for solvency purposes is based and illustrates substantial differences, both quantitatively and qualitatively, for valuation in accordance with local GAAP in the annual financial statement.

Deferred acquisition costs

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Deferred acquisition costs	n.a.	11,274,399	n.a.

Table 31. Deferred acquisition costs

Deferred acquisition costs include costs which occur within the underwriting of insurance risks and the selling of insurance contracts, especially at the time of conclusion of the contract.

Deferred acquisition costs are balanced in accordance with local GAAP. Thereby, in contracts of property and casualty insurance, accruals of the costs directly allocated to conclusion and an attribution over the anticipated contractual period or an attribution in accordance with the premium deficiency are made. In life insurance, deferred acquisition costs are amortized based on projections of estimated gross profits or gross margins. Deferred acquisition costs are to be valued at zero according to Solvency II, which leads to the difference in value.

Intangible Assets

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Intangible assets	-	2,780,435	2,780,435

Table 32. Intangible assets

Intangible assets include self-developed data processing software acquired for consideration licences as well as copyrights. Amortization of intangible assets is done according to their economic lifetime over a fixed period.

Intangible assets can be scheduled for Solvency II purposes if they can be sold separately and if market values can be determined reliably. Since both criteria were not met, these assets were not set in the solvency balance sheet, which explains the difference in value.

Deferred Tax Assets

The method of calculating deferred tax assets is based on the provisions of IAS. Due to the time-limited differences between the valuation of assets and liabilities in the solvency balance sheet in

accordance with Solvency II and the tax balance sheets, deferred tax assets and liabilities are set up for Solvency II purposes according to local tax regulations of UNIQA Biztosító Zrt.

The starting point of valuing deferred tax assets for solvency purposes is the value of deferred tax assets in the IFRS balance sheet. This value is further adjusted for the valuation differences between economic and IFRS values (hidden losses multiplied by the tax rate). An effective tax rate of 11,3 % has been estimated for the purpose of the latter adjustments. For losses carried forward, deferred tax assets are recognised if their future usability, according to internal forecast, is likely to be the case. The intrinsic value of deferred tax assets of temporary differences is reviewed at each balance sheet date.

Deferred tax assets are set up in the solvency balance sheet based on different valuations in the tax balance sheet and the solvency balance sheet.

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Deferred tax assets	0	171,916	(171,916)

Table 33. Deferred tax assets

In the Solvency 2 accounts no deferred tax asset is calculated on reclassifications in order to avoid grossing up of deferred tax assets and liabilities.

Property, Plant and Equipment (for own use)

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Property, plant & equipment (for own use)	1,722,920	982,738	740,182

Table 34. Property, plant and equipment (for own use)

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. If parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items (main components) of property, plant and equipment.

The company regularly evaluates the market value of the main investment categories and revalues them if the book value is estimated to be higher than the market value. Investments in rented properties are considered zero in SII, while the right-of-use asset is included in the SII under the IFRS16 leasing standard; these two effects cause the difference.

Shares in affiliated companies including participations

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Shares in affiliated companies, including participations	647,884	647,908 -	24

Table 35. Shares in affiliated companies, including participations

Participations are listed at carrying value. Subsidiaries are entities controlled by the company. The company controls a subsidiary if

- the company is able to exercise power over the subsidiary in which investments are held
- it is exposed to fluctuating returns from its participation and
- it is able to influence the amount of the returns as a result of its power.

Under Solvency II, the proportionate net asset value (determined according to Solvency II valuation principles) must be used as an investment value, provided that no exchange rate exists, in accordance with Article 13 of the Level 2 Regulation.

If the valuation of individual assets and liabilities in accordance with Article 75 of Solvency II Directive is not practicable for calculating the excess of assets over liabilities for related undertakings other than insurance or reinsurance, the participating undertaking may consider the equity method as prescribed in IFRS to be consistent with Article 75 of Solvency II Directive. In this case, the value of goodwill and other intangible assets that would be valued at zero (Article 12(2) Delegated Regulation), shall be deducted from the Participating undertaking Subsidiary. This valuation method was used for Participations which are not fully consolidated or quoted at Group level (which are not relevant for the UNIQA Group consolidation).

Interests in affiliated companies (including participations) are reported in local financial reports at original transaction cost, which explains the minimal difference in value.

Bonds

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Bonds	45,422,755	47,239,691 -	1,816,936
<i>Government bonds</i>	45,130,297	46,958,932 -	1,828,635
<i>Corporate bonds</i>	292,459	280,759	11,700
<i>Structured debt securities</i>	-	-	-
<i>Asset backed securities</i>	-	-	-

Table 36. Bonds

Under Solvency II bonds are listed at the current fair market value including accrued interest, which is established by using the official closing rate published by Bloomberg. Under Local GAAP bonds are measured at their purchase price not including accrued interests, value impaired if necessary. Under Local GAAP bonds held to maturity are amortized using the straight-line method, other bonds are

amortized using the effective-interest method: Disagio is shown under Any other assets, not elsewhere shown, whereas agio is shown under Any other liabilities, not elsewhere.

Bonds, for which a price quotation on an active market was present at the time of observation, have been recorded with the unaltered stock market or market price (mark-to-market). If no prices are quoted on active markets, the economic value was derived from comparable assets in consideration of a required adjustment of specific parameters (marking-to-market). If marking-to-market valuation was not possible, alternative valuation methods were used in the valuation (mark-to-model).

Undertakings for collective investment in securities

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Undertakings for collective investment	1,059,319	1,035,922	23,397

Table 37. Undertakings for collective investment in securities

Investment funds are valued at the last available daily net asset value issued by the fund manager and in case of non-domestic, non-local currency investment funds, multiplied by the relevant exchange rate.

Derivatives

Derivatives held in the portfolio are OTC FX options. Under Solvency II their value is based on the latest available market value received by the option writer partner. In Local GAAP the derivatives are off-balance items, thus it is not shown among the assets.

Assets for Unit- and Index-Linked Contracts

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Assets for unit- and index-linked contracts	166,653,027	166,772,900	- 119,873

Table 38. Assets for unit- and index-linked contracts

Assets for unit- and index-linked contracts are recognised for local financial statement as well as for the solvency balance sheet at the fair value. Due to the different observation dates for the local financial statements (30.12.2025) and Solvency II (31.12.2025) approaches are value differences.

Loans and Mortgages

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Loans and mortgages	101,227	100,000	1,227
<i>Policy loans</i>	-	-	-
<i>Loans and mortgages for private individuals</i>	-	-	-
<i>Other loans and mortgages</i>	101,227	100,000	1,227

Table 39. Loans and mortgages

When recognised, such assets are measured at carrying value in the local GAAP balance sheet and Solvency II as well.

Recoverables from reinsurance contracts

Recoverables from reinsurance contracts [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Recoverables from reinsurance contracts	13,065,887	29,680,512	- 16,614,625
Non-life insurances and health insurances similar to non-life	10,833,474	26,365,780	- 15,532,306
<i>Non-life insurances except for health insurances</i>	10,569,318	26,268,915	- 15,699,597
<i>Health insurances similar to non-life</i>	264,156	96,865	167,291
Life insurances and health insurances similar to life except for health insurances and unit- and index-linked insurances	2,232,413	3,314,733	- 1,082,319
<i>Health insurance similar to life</i>	44,083	32,899	11,184
<i>Life insurance except for health insurance and unit- and index-linked insurances</i>	2,188,330	3,281,834	- 1,093,503
Life insurances, unit- and index-linked	-	-	-

Table 40. Recoverables from reinsurance contracts

The item “Recoverables from reinsurance contracts“ includes the reinsurance share of technical provisions. According to the economic valuation approach of technical provisions under Solvency II, i.e. based on the discounted Best Estimate, future claims recovery cash flows from reinsurance counterparties less the expected future reinsurance premiums are recognised under reinsurance recoverables.

In the present Economic Balance Sheet, the following technical approaches have been used:

- Claims Provision recoverables, Non-Life and Health similar to non-life: Recoverables cash flows are calculated from the projected gross cash flows using gross-to-net proxy ratios, determined on the basis of the statutory amounts of claims provisions at a line-of-business granularity. An adjustment for counterparty default is applied following the simplified method described in Article 61 of Commission Delegated Regulation 2015/35.
- Premium Provision recoverables, Non-Life and Health similar to non-life: Recoverables cash flows are modelled in line with best estimate assumptions, including the modelling of reinsurance cash-flows based on the reinsurance model of UNIQA’s Partial Internal Model (PIM) Non-Life. The impact of proportional and non-proportional reinsurance agreements on future loss payments is thereby modelled in an explicit fashion. Apart from claims recoveries, reinsurance commissions and reinstatement premiums are included in the

recoverables cash flow. An adjustment for counterparty default is applied following the simplified method described in Article 61 of Commission Delegated Regulation 2015/35.

- Recoverables for Non-Life Annuities (included in the recoverables for Life technical provisions): Recoverables cash flows are calculated from the projected gross cash flows using gross-to-net proxy ratios, determined on the basis of the statutory amounts of claims provisions at a line-of-business granularity. An adjustment for counterparty default is applied following the simplified method described in Article 61 of Commission Delegated Regulation 2015/35.
- Recoverables, Life and Health SLT Business: Reinsurance recoverables for Life and Health SLT business are considered as of low materiality and are currently not modelled in the cash flow projection models. The only life reinsurance recoverables taken into account in the economic balance sheet are the reinsurers' share of the claims reserve, with the statutory amount being used as a proxy.

Receivables towards insurances and intermediaries

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Receivables towards insurances and intermediaries	10,427,882	12,476,506	- 2,048,624

Table 41. Receivables towards insurances and intermediaries

This item includes receivables towards insurances and intermediaries. The local GAAP amount is adjusted in the economic balance sheet for the cancellation provision, reflecting the expected economic impact of the impairment of insurance premium receivables.

Reinsurance receivables

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Reinsurance receivables	1,864,965	1,284,561	580,404

Table 42. Reinsurance receivables

This item includes receivables from reinsurers, which were not categorized in the item of deposit receivables. The local GAAP carrying amount is taken into account, adjusted in the economic balance sheet for the reinsurers' part of the cancellation provision, reflecting the expected write-back of reinsurance premiums due to the impairment of direct premium receivables.

Receivables (trade, not insurance)

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Receivables (trade, not insurance)	612,275	612,275	- 0

Table 43. Receivables (trade, not insurance)

This item includes all receivables which do not derive from the insurance business. When recognised, such assets are measured at carrying value.

Cash and Cash Equivalents

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Cash and cash equivalents	4,368,746	4,368,746	0

Table 44. Cash and cash equivalents

Under this item credits at banks, cheques and cash balance are recognised. The valuation is achieved at an economic value which corresponds to the nominal value. Foreign currency cash balances in the local report are multiplied by the official exchange rates of the Central Bank of Hungary. The difference is due to differences in the exchange rate revaluation of foreign currency bank accounts.

Other Assets Not Reported Elsewhere

Assets [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Other assets not reported elsewhere	4,272,559	5,298,742	- 1,026,183

Table 45. Other Assets not reported elsewhere

Other assets include all assets which are not already contained in the other items of the asset side. For economic valuation purposes, the local GAAP items displayed in this position are cleaned of accrued investment revenue and of unrealised gains on the HTM bond portfolio (as the latter items are considered to be part of the market value of the respective investments).

D.2 Technical Provisions

Due to the type of liabilities, technical provisions of UNIQA Biztosító Zrt. are solely valued as “Best Estimate plus Risk Margin”. A replication of technical cash flows by means of financial instruments and thus a valuation in total are not considered.

The calculation of provisions, based on the Best Estimate, is a matter of revaluation of technical provisions in accordance with IFRS or local GAAP on an economic valuation. By the use of assumptions regarding the Best Estimate in the calculation of these future cash flows (instead of cautious valuation assumptions), so called Best Estimate provisions or Best Estimate liabilities can be

obtained. Options and guarantees (TVFOG), as far as they are relevant, are included in the Best Estimate of the provisions.

The following table shows the Solvency II provisions compared to the corresponding provisions in accordance with Local GAAP of UNIQA Biztosító Zrt. on 31.12.2025:

Evaluation of Technical Provisions

Technical provisions [thousand HUF]		Solvency II	Statutory Values	Revaluation
1	Technical provisions - non-life insurance	26,566,846	49,588,382	- 23,021,536
1.1	Technical provisions - non-life insurance (except for health insurance)	26,019,985	47,770,325	- 21,750,340
1.1.1	<i>Technical provisions calculated in total</i>	-	<i>n.a.</i>	<i>n.a.</i>
1.1.2	<i>Best Estimate</i>	25,426,587	<i>n.a.</i>	<i>n.a.</i>
1.1.3	<i>Risk margin</i>	593,398	<i>n.a.</i>	<i>n.a.</i>
1.2	Technical provisions-health insurance (similar to non-life)	546,861	1,818,057	- 1,271,196
1.2.1	<i>Technical provisions calculated in total</i>	-	<i>n.a.</i>	<i>n.a.</i>
1.2.2	<i>Best Estimate</i>	484,436	<i>n.a.</i>	<i>n.a.</i>
1.2.3	<i>Risk margin</i>	62,426	<i>n.a.</i>	<i>n.a.</i>
2	Technical provisions- life insurance (except for unit- and index-linked insurances)	7,750,123	12,684,852	- 4,934,729
2.1	Technical provisions- health insurance (similar to life)	43,147	1,361,804	- 1,318,657
2.1.1	<i>Technical provisions calculated in total</i>	-	<i>n.a.</i>	<i>n.a.</i>
2.1.2	<i>Best Estimate</i>	39,505	<i>n.a.</i>	<i>n.a.</i>
2.1.3	<i>Risk margin</i>	3,642	<i>n.a.</i>	<i>n.a.</i>
2.2	Technical provisions – Life insurance (except for health insurance and unit- and index-linked insurances)	7,706,976	11,323,048	- 3,616,072
2.2.1	<i>Technical provisions calculated in total</i>	-	<i>n.a.</i>	<i>n.a.</i>
2.2.2	<i>Best Estimate</i>	7,214,784	<i>n.a.</i>	<i>n.a.</i>
2.2.3	<i>Risk margin</i>	492,192	<i>n.a.</i>	<i>n.a.</i>
3	Technical provisions-unit- and index-linked insurances	147,015,247	168,113,899	- 21,098,652
3.1	<i>Technical provisions calculated in total</i>	-	<i>n.a.</i>	<i>n.a.</i>
3.2	<i>Best Estimate</i>	142,269,643	<i>n.a.</i>	<i>n.a.</i>
3.3	<i>Risk margin</i>	4,745,604	<i>n.a.</i>	<i>n.a.</i>
4	Other technical provision	n.a.	2,936,577	n.a.
Technical provisions in total		181,332,216	233,323,711	- 51,991,495

Table 46. Evaluation of technical provisions

In the following paragraphs, the basic principles, methods and key assumptions, on which the evaluation for the solvency balance sheet is based, are described separately for technical provisions non-life and life. Furthermore, significant differences for the evaluation according to the local GAAP in the financial statement are quantitatively and qualitatively explained.

D.2.1 Technical Provisions Non-life

The methods used for the evaluation of the technical provisions are determined by the UNIQA Insurance Group AG and regulated in the UNIQA Group Best Estimate Standard non-life. This Group-standard is used in UNIQA Biztosító Zrt. in all lines of business of property and casualty insurance. The methods from non-life are used as well in health business which is practiced on a similar basis to that of a property and casualty insurance (Health- NSLT).

The methods chosen for the evaluation of technical provisions correspond to the current actuarial standards. Furthermore, they are selected in accordance with the materiality and complexity of the modelled risks.

In Solvency II the following parts of technical provisions are generally distinguished:

- Claims Reserve
- Premium Reserve
- Risk margin

In the calculation of the technical provisions all expenses that are also mentioned in Article 31 of the Delegated Acts are taken into account:

- Administrative expenses
- Investment management expenses
- Claims settlement expenses
- Acquisition expenses

The assumptions of future cost ratios within the cash flow projections are based on the planned expenses in the business plans of UNIQA Biztosító Zrt.

In order to evaluate each part, different methods are in place:

Claims Reserve

The **homogeneous risk group (HRG)** structure for estimation of claims outstanding is defined taking into account the nature and the risk profile of the products. The HRG structure is harmonised with the locally used performance management and accounting aggregations. Reinsurance structure is the basis of the HRG structure, however the latter one is less granular. The HRG structure is reviewed once in year by Actuarial Department and the related Product Department.

Claims triangles per homogeneous risk group and also information on individual atypical claims in some cases form the basis for the valuation of reserves of claims that have not yet been settled. Generally acknowledged static methods are used for the evaluation of the Best Estimate (if applicable):

- Chain ladder;
- Munich chain ladder;
- Cape Cod; and
- Bornhuetter-Ferguson

These methods are available on yearly and quarterly basis and they are calculated with incurred and payment figures as well.

In case these methods are not suitable (e.g. for business divisions where only limited claims data are available), other Best-Practice methods (e.g. based on incidence of loss/extent of damage) are applied.

Salvage, subrogation and ALAEs are included in the basis data. Salvage and subrogations are included with adjustment for their expected recovery rate. Annuities are taken into account as a lump-sum in the non-life claims provision calculation.

Large claims are handled separately in industrial business where the largest claims typically occur. CAT claims are not marked in the best estimate calculation, they are estimated together with other claims.

To determine the discounted best-estimate reserves, the cash flow patterns are determined from the paid claims triangles using the appropriate curve fitting method. Three different methods are available

for modeller to choose the proper one or there is a possibility to use the historical cash flow pattern or make manual corrections. Undiscounted best estimate and cash flow patterns are reviewed by UNIQA Group actuaries.

Premium Reserve

The Premium Provision calculation process is an integral part of the Partial Internal Model (PIM) calculation and is used also for the Standard Approach.

For the calculation of the premium provision, the following categories of premiums – and related obligations – are considered:

- unearned premium; and
- unaccepted premium (these provisions are estimated by modelling the cash flows within the contract boundaries and allowing for lapses)

Future premiums are considered within the contract boundary determined in accordance with Article 18 of Commission Delegated regulation 2015/35. In effect the contract boundary considered in non-life is the future date where the company has a unilateral right to terminate the contract. One-year and multi-year contracts are treated separately in the Premium Provision calculation. Lapses are distinguished from contract boundaries. Expected lapse rates, determined from historical experience, are used to adjust future premium cash flows.

Future claims are modelled consistently with PIM. Claims distributions are determined using the historical claims experience. Statistical goodness-of-fit criteria are used to select the most appropriate distributions for each segment. Expert judgement is used to supplement the data in those cases where sufficient historical experience is not available. The homogeneous risk group structure used for the Premium Provision calculation is more granular than the one used for Claims Provision, with the aim of closely reflecting the reinsurance structure. Three types of claims (attritional, large and CAT) are distinguished. Attritional claims are modelled via a total loss distribution, while a frequency-severity approach is used for the modelling of large claims. Catastrophe (CAT) claims are either derived from event sets generated by external natural catastrophe models. Payment patterns for future claims are determined separately by homogeneous risk group and claim type using triangle methods based on historical experience.

Operating expenses are modelled consistently with planning assumptions. Expected future acquisition cost, premium refund and insurance tax cash flows within the contract boundary are also included in the Premium Provision calculation.

Risk Margin

The risk margin is calculated as the present value of all future costs of capital of hypothetical reference undertakings taking over the insurance obligations of the company, calculated with the Solvency 2 standard cost-of-capital rate of 6% per annum.

Following Level 2 (Implementing measures solvency 2) Article 38(1), it is assumed that a non-life reference undertaking takes over the obligations related to non-life activities. The reference undertakings are assumed to be empty before the hypothetical portfolio transfer. After the transfer, the reference undertakings raise eligible own funds equal to the SCR necessary to support the insurance obligations over their remaining lifetime. In line with Level 2 Article 38(1) it is also assumed that the reference undertakings do not take up new insurance obligations beyond the existing contract

boundaries (e.g. it is assumed that contracts are terminated at the first possible future date where the company has a unilateral right to terminate a contract).

The future SCR of the reference undertakings are approximated by scaling each relevant risk module (or submodule) proportionally to the projected value of the relevant risk driver(s).

Degree of Uncertainty

The parameters and assumptions used for the calculation of technical provisions are subject to natural uncertainty due to possible variations in the benefits and costs, as well as economic assumptions such as discount rates.

As UNIQA built a Partial Internal Model to quantify its Non-Life underwriting risk, the full distribution of the underwriting results is available and is used to get an understanding about the volatility in the Best Estimate reserve.

Overview of the BE as at Valuation Date 31.12.2025

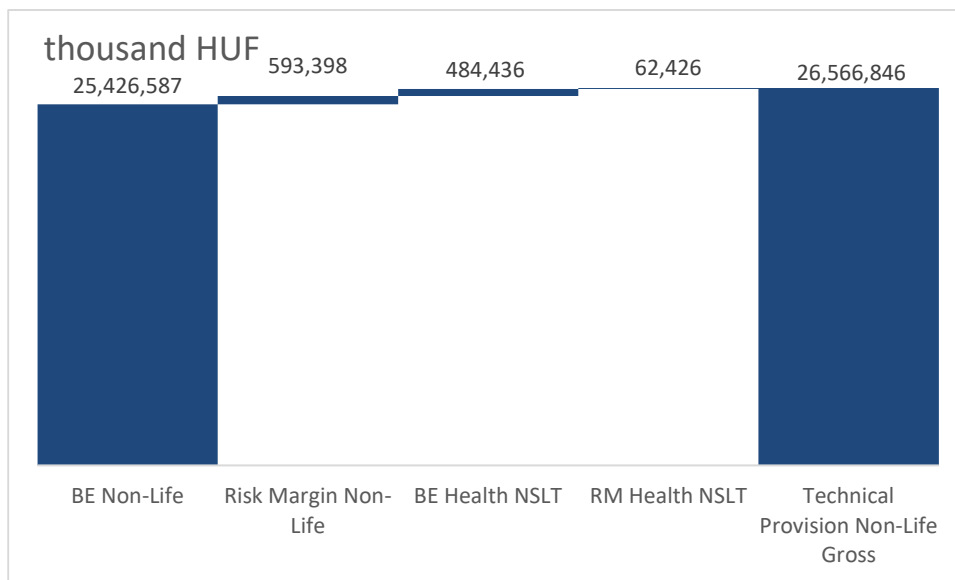


Figure 16. Technical provisions non-life & health-NSLT

The Best Estimate-reserves are mostly determined by claims reserves (CO), the premium reserve represents a smaller part. In order to calculate the technical provisions, no significant simplified methods were used. The same applies to the calculation of the risk margin.

Reconciliation of Gross Technical Provisions Non-life & Health-NSLT to Local GAAP Balance Sheet

Technical provisions [thousand HUF]	Solvency II	Statutory Values	Revaluation
Technical provisions – non-life insurance	26,566,846	49,588,382	- 23,021,536
Technical provisions – non-life insurance (except for health insurance)	26,019,985	47,770,325	- 21,750,340
<i>Technical provisions calculated in total</i>	-	<i>n.a.</i>	<i>n.a.</i>
<i>Best Estimate</i>	<i>25,426,587</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Risk margin</i>	<i>593,398</i>	<i>n.a.</i>	<i>n.a.</i>
Technical provisions – health insurance (similar to non-life)	546,861	1,818,057	- 1,271,196
<i>Technical provisions calculated in total</i>	-	<i>n.a.</i>	<i>n.a.</i>
<i>Best Estimate</i>	<i>484,436</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Risk margin</i>	<i>62,426</i>	<i>n.a.</i>	<i>n.a.</i>

Table 47. Evaluation of gross technical provisions

In property and casualty insurance under Solvency II, the technical provisions are less valued than under local GAAP. The main reasons are:

- Claims reserves in Solvency II are shown as discounted, which has significant effect since there are high reserve stocks of long processing liability insurances.
- The unearned premium (UPR) represents in the accounting – in accordance with IFRS and the local GAAP - the equivalent to the premium provision's Best Estimate. Since not the whole UPR can be provisioned but a small part net of claims and fixed costs, there is a revaluation effect in Solvency II. Acquisition commissions are already paid, thus they are no longer considered in the cash flow.
- When it comes to the calculation of net liabilities, external reinsurance business are taken into consideration.

The following table compares the changes of Solvency II technical provisions between the last and current period.

Technical provisions [thousand HUF]	31/12/2024	31/12/2025	Difference
Technical provisions – non-life insurance	22,557,014	26,566,846	4,009,833
Technical provisions – non-life insurance (except for health insurance)	21,885,814	26,019,985	4,134,171
<i>Technical provisions calculated in total</i>	-	-	-
<i>Best Estimate</i>	<i>21,404,754</i>	<i>25,426,587</i>	<i>4,021,834</i>
<i>Risk margin</i>	<i>481,061</i>	<i>593,398</i>	<i>112,337</i>
Technical provisions – health insurance (similar to non-life)	671,199	546,861	- 124,338
<i>Technical provisions calculated in total</i>	-	-	-
<i>Best Estimate</i>	<i>654,607</i>	<i>484,436</i>	<i>- 170,171</i>
<i>Risk margin</i>	<i>16,592</i>	<i>62,426</i>	<i>45,833</i>

Table 48. Comparison of gross technical provisions

Technical Provisions increased during the year because of the higher Premium Provision and Claims Reserve.

Starting this year, the Extraordinary tax is part of the Premium Provision, which means that the Technical Provision Not Revalued has been discontinued.

In case of Motor vehicle liability insurance and Other motor insurance, the Premium Provision and the Claims Reserve increased due to the growth of the portfolio, and the Premium Provision was further elevated by the Extraordinary tax.

In case of Fire and other damage to property insurance, the rise in the Premium Provision was caused by portfolio growth and a higher loss ratio. The increase in the Claims Reserve was likewise driven by the expanding portfolio and the summer storm losses.

In case of Miscellaneous financial loss, the Premium Provision decreased significantly due to several high-premium contracts whose renewal dates fall after 31 December 2025, while the related commissions have already been paid.

The following table shows the reconciliation of the Local GAAP values to Solvency II values per segment of the largest LoBs in non-life insurance:

Thousand HUF	Solvency II	Statutory Values	Revaluation
Technical provisions – non-life insurance	26,566,846	49,588,382	-23,021,536
Motor vehicle liability insurance	12,449,032	17,681,450	-5,232,418
<i>Technical provisions calculated as a whole</i>	<i>n.a.</i>	<i>17,681,450</i>	<i>n.a.</i>
<i>Best Estimate</i>	<i>12,366,391</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Risk margin</i>	<i>82,641</i>	<i>n.a.</i>	<i>n.a.</i>
Other motor insurance	7,224,892	10,291,277	-3,066,385
<i>Technical provisions calculated as a whole</i>	<i>n.a.</i>	<i>10,291,277</i>	<i>n.a.</i>
<i>Best Estimate</i>	<i>6,915,236</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Risk margin</i>	<i>309,656</i>	<i>n.a.</i>	<i>n.a.</i>
Fire and other damage to property insurance	4,942,844	8,267,724	-3,324,880
<i>Technical provisions calculated as a whole</i>	<i>n.a.</i>	<i>8,267,724</i>	<i>n.a.</i>
<i>Best Estimate</i>	<i>4,794,197</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Risk margin</i>	<i>148,647</i>	<i>n.a.</i>	<i>n.a.</i>
General liability insurance	1,993,874	4,654,957	-2,661,083
<i>Technical provisions calculated as a whole</i>	<i>n.a.</i>	<i>4,654,957</i>	<i>n.a.</i>
<i>Best Estimate</i>	<i>1,949,978</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Risk margin</i>	<i>43,896</i>	<i>n.a.</i>	<i>n.a.</i>

Table 49. Evaluation of technical provisions for largest Non-Life LoBs

The revaluation differences per Line of Business comes from the same reasons as already mentioned above for the company level. Large effects being in the two longest tailed businesses, namely Motor vehicle liability and General liability.

D.2.2 Technical Provisions Life & Health (SLT)

Description of Methods to Evaluate Technical Provisions

A Best Estimate reserve can be interpreted as a statutory reserve net of all prudent assumptions.

Thus, the re-evaluation of reserves implies replacing prudent assumptions (e.g. mortality, expenses) by best estimate assumptions. Under the principle of equivalence a reserve in life insurance is defined as difference of present value of future benefits and present value of future premiums. Calculating those future cash flows using best estimate assumptions (instead of prudent assumptions stated in the technical note) leads to a reserve called Best Estimate reserve or Best Estimate Liability.

In case of Incurred but not reported (IBNR) and Reported but not settled (RBNS) claim reserve, Profit sharing reserve for group policies Best Estimate reserve is based on the Statutory Reserve and discounting is applied.

Unit-Linked Business (UL)

A deterministic projection model is used. Insurance products are reflected in the model as homogeneous risk groups and each model point corresponds to a single policy or a part of it. Investment return (unit growth) assumptions are consistent with the risk-free forward reference rates. Nearly all unit-linked policies are covered by the projection; a scaling factor based on unit reserves is applied to account for the marginal gap in the model coverage.

Traditional Business with Profit Sharing (WP)

A deterministic projection model is used. Insurance products are reflected in the model as homogeneous risk groups and each model point corresponds to a single policy or a part of it. Investment assumptions are consistent with the risk-free forward reference rates. Some products are

not covered by the projection; a scaling factor based on statutory reserves is applied for the rest to account for the small gap in the model coverage.

Traditional Business without Profit Sharing (WoP)

A deterministic projection model is used. Insurance products are reflected in the model as homogeneous risk groups and each model point corresponds to a single policy or a part of it. Since 12.31.2019 the Funeral products are also modelled within this Line of Business, which are similar to the term life products in their main characteristics. The projection model does not have full coverage; the best estimate of those products that are currently out of the model scope is approximated by the statutory (Solvency 1) reserves.

Health SLT (HSLT)

A deterministic projection model is used. Insurance products are reflected in the model as homogeneous risk groups and each model point corresponds to a single policy or a part of it. The projection model does have full coverage.

Non-Life Annuities

The best estimate of non-life annuities is calculated by a cash-flow model. Mortality rates are taken from the 2016 Hungarian mortality table. The cash flow model includes an expense loading and an indexation assumption.

Assumptions

The assumptions relating to the Best Estimate are determined on the basis of the past, present and expected development and includes also other relevant data. The best estimate assumptions are used for a number of purposes including SII, ALM report and IFRS17. These assumptions are reviewed and updated annually and they are considered separately for each product group.

Profit Participation

The Company allocates a percentage of the earned interest over the guaranteed technical interest rate to each policyholder. The percentage is determined in the products terms and conditions. Regarding currently existing products it is either 80%, 85% or 90%. For the purpose of Best Estimates the actual percentage was used per product. Declared bonuses are treated in one of three possible ways, depending on the product. The three product groups with respect to profit sharing are: Increase of Sum Assured, Revalorization and Profit Account. These are treated separately in the Cash-Flow model according to the product terms and conditions.

Costs

Cost assumptions are based on the actual costs that are incurred in the years before the valuation date and the planned cost figures for the next calendar year. The allocation of expenses between initial and renewal expense assumptions reflects the reality. The allocation of expenses is differentiated by product class and between regular and single premium contracts.

Extraordinary costs, which are not expected in the future, are not included in the cost allocation. Additional costs are included in the allocation of costs in the event they are expected in the future.

Maintenance expenses are derived from planned figures which are based on the company total actual expenses adjusted. The cost amount of group, term and rider subportfolios are calculated using a premium based ratio. The traditional WP and UL portfolio are calculated using premium based and reserves based ratio and unit cost.

Future inflation is applied to modelled expenses in line with the inflation rates projected by the Central Bank of Hungary.

Cancellation

The used lapse and paid-up rates are based on the previous years' experience. The analysis was carried out based on number of policies.

Lapse rates are based on an analysis of historic lapse rates, in particular on the average of the experienced lapse rates of the past years. For new products the lapse rates are based on the assumptions for similar products.

Lapse rates are derived independently for the main product groups and policy year. The current lapse assumptions are based on the previous years' lapse experience, except where there were not enough data to calculate a reliable lapse assumption. We assumed that a relative standard error (RSE) value below 30% indicates a reliable lapse rate in this case.

Lapse rates are derived solely from raw data, without fitting any regressions. This way, seasonalities due to loyalty bonus payments and other critical decision points are not averaged out increasing the chance of experience variance.

Long term lapses are not extrapolated, but last representative data is used as a constant assumption for the future periods without prior experience.

Dynamic lapse assumptions are not used.

Commission

The estimates of the commission are based on the commission agreements in force with sales partners.

Mortality and Disability

The assumptions of mortality and disability are based on the Best Estimate for future events. The developments from the past are therefore taken into account. If this information should not be enough, developments from the sector will be used as well.

Interest Rate Assumptions

The interest rate assumptions, in the calculation of the reserves for the Best Estimate, are derived under Solvency II on the basis of the given risk-free interest rates. The interest rate assumptions have the strongest influence on the value of the Best Estimate reserves in the traditional life insurance business. The interest rate assumptions as of 31 December 2025 are as follows:

**Risk-free interest rates 2024 (excl.
Volatility Adjustment)**

Year	EUR	HUF
1	2.08%	6.05%
5	2.48%	6.38%
10	2.86%	6.82%
15	3.11%	7.15%
20	3.21%	7.12%
25	3.26%	6.85%

Table 50. Interest rate assumptions

Risk Margin

The risk margin is calculated as the present value of all future capital costs. Thereby the future SCRs are updated analogously to the processing of the Best Estimate. Furthermore, the capital costs of 6 per cent are fixed. It is assumed that all market risks are hedgeable.

Following Level 2 Article 38(1), it is assumed that a life reference undertaking takes over the obligations relating to life activities. The reference undertakings are assumed to be empty before the hypothetical portfolio transfer. After the transfer, the reference undertakings raise eligible own funds equal to the SCR necessary to support the insurance obligations over their remaining lifetime. In line with Level 2 Article 38(1) it is also assumed that the reference undertakings do not take up new insurance obligations beyond the existing contract boundaries (e.g. it is assumed that contracts are terminated at the first possible future date where the company has a unilateral right to terminate a contract).

UNIQA uses an approach that calculates the future SCRs via their risk drivers. An example for a risk driver would be the trend of administrative costs in comparison to the development figure of the cost of risk capital. The risk margin is calculated on a net basis after deduction of reinsurance.

Degree of Uncertainty

The degree of uncertainty of technical provisions is reviewed within the analysis of change. In the analyses of the change the observed parameters are compared with the assumptions in the projection. If the development of the technical provisions can be explained with observed parameters, this means that all relevant risks are adequately depicted.

In the analyses of the change, it is shown particularly how realized events, in comparison with initially assumed parameters, affect the value of technical provisions under Solvency II.

Overview of the BE as at Valuation Date 31.12.2025

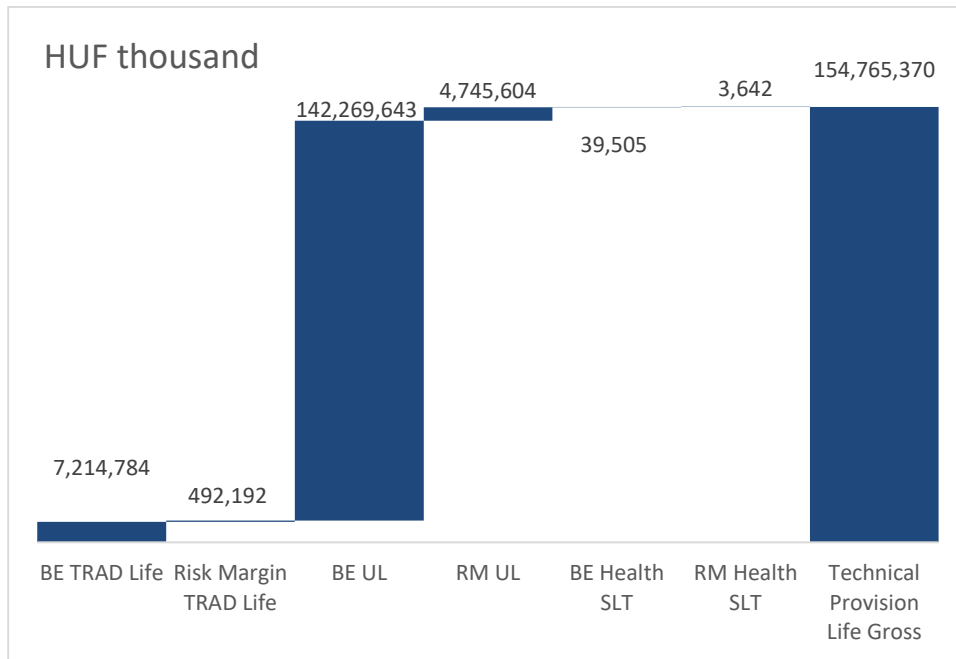


Figure 17. Technical provisions Life & health (SLT) (in THUF)

In order to calculate the technical provisions no significant simplified methods were used. The same applies to the calculation of the risk margin.

Reconciliation of Gross Technical Provisions to Local GAAP Balance Sheet

Technical provisions [thousand HUF]	Solvency II	Statutory Values	Revaluation
Technical provisions– life insurance (except for unit- and index-linked insurances)	7,750,123	12,684,852	- 4,934,729
Technical provisions– health insurance (similar to life)	43,147	1,361,804	- 1,318,657
<i>Technical provisions calculated in total</i>	-	n.a.	n.a.
<i>Best Estimate</i>	39,505	n.a.	n.a.
<i>Risk margin</i>	3,642	n.a.	n.a.
Technical provisions – Life insurance (except for health insurance and unit- and index-linked insurances)	7,706,976	11,323,048	- 3,616,072
<i>Technical provisions calculated in total</i>	-	n.a.	n.a.
<i>Best Estimate</i>	7,214,784	n.a.	n.a.
<i>Risk margin</i>	492,192	n.a.	n.a.
Technical provisions–unit- and index-linked insurances	147,015,247	168,113,899	- 21,098,652
<i>Technical provisions calculated in total</i>	-	n.a.	n.a.
<i>Best Estimate</i>	142,269,643	n.a.	n.a.
<i>Risk margin</i>	4,745,604	n.a.	n.a.
Other technical provision	n.a.	2,936,577	n.a.

Table 51. Evaluation of gross technical provisions - Life

In the Traditional Life business (without health and index- and unit-linked business) the Technical Provisions under Solvency II, compared to Local GAAP, are lower on Company level. This is driven on one hand by the effect of discounting and on the other hand prudent assumptions in statutory provisions. It should also be taken into account that under Solvency II future profit participation (in comparison with Local GAAP) is a part of the provision.

For the unit- and index-linked business, which has much lower interest sensitivity, provisions in the solvency balance sheet under Solvency II are smaller than those under Local GAAP by a large margin. This is driven by the expected future profits recognized in the Technical Provisions.

The effect of revaluation of Local GAAP to Solvency II in the health insurance business (HSLT) leads to a reduction of technical provisions mainly because contract boundary is set to next policy's anniversary. Cash flows after this moment are not taken into account under Solvency II Best estimation calculation.

The following table compares the changes of Solvency II technical provisions between the last and current period.

Technical provisions [thousand HUF]	31/12/2024	31/12/2025	Difference
Technical provisions– life insurance (except for unit- and index-linked insurances)	8,551,224	7,750,123	- 801,101
Technical provisions– health insurance (similar to life)	53,648	43,147	- 10,501
<i>Technical provisions calculated in total</i>	-	-	-
<i>Best Estimate</i>	49,706	39,505	- 10,201
<i>Risk margin</i>	3,942	3,642	- 300
Technical provisions – Life insurance (except for health insurance and unit- and index-linked insurances)	8,497,577	7,706,976	- 790,601
<i>Technical provisions calculated in total</i>	-	-	-
<i>Best Estimate</i>	8,024,746	7,214,784	- 809,963
<i>Risk margin</i>	472,830	492,192	19,362
Technical provisions–unit- and index-linked insurances	145,566,409	147,015,247	1,448,838
<i>Technical provisions calculated in total</i>	-	-	-
<i>Best Estimate</i>	141,214,674	142,269,643	1,054,968
<i>Risk margin</i>	4,351,735	4,745,604	393,870
Other technical provision	n.a.	n.a.	

Table 52. Comparison of gross technical provisions

The technical provisions increased for unit- and index-linked insurances due to the new business portfolio and due to the market effect.

Transitional Measures

The volatility adjustment, as defined in Article 77d SII Directive 2009/138/EC, was adapted in the Solvency II calculation for all lines of business. No matching adjustment or transitional discounting rates have been used.

The volatility adjustment is additionally added to the risk-free interest curve. In the following table, the effect of the volatility adjustment is shown:

In Thousand HUF	With volatility adjustment	Without volatility adjustment and without other transitional measures	Effect
Technical provisions	181,332,216	181,344,854	- 12,638
Basic own funds	42,676,247	42,756,832	- 80,585
Eligible own funds to meet Solvency Capital Requirement	42,676,247	42,756,832	- 80,585
SCR	21,252,672	21,256,919	- 4,247
Eligible own funds to meet Minimum Capital Requirement	38,139,281	38,220,456	- 81,175
Minimum Capital Requirement	7,180,058	7,183,008	- 2,950

Table 53. Technical provisions Life – Non-Life - Health (volatility adjustment)

Besides the volatility adjustment no other significant transition measures were used for the calculation of the technical provision.

D.3 Other Liabilities

The following table shows a comparison of all other liabilities at the reporting date 31.12.2025, valued in accordance with Solvency II and Local GAAP.

	Other liabilities [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
1	Contingent liabilities	-	-	-
2	Provisions other than technical provisions	138,744	138,744	-
3	Pension benefit obligations	-	-	-
4	Deposits from reinsurers	5,344	101,896	- 96,552
5	Deferred tax liabilities	2,627,075	-	2,627,075
6	Derivatives	-	-	-
7	Debts owed to credit institutions	-	-	-
8	Financial liabilities other than debts owed to credit institutions	827,741	-	827,741
9	Insurance & intermediaries payables	12,925,910	12,925,910	-
10	Reinsurance payables	1,601,603	1,505,052	96,552
11	Payables (trade, not insurance)	3,711,298	3,711,298	-
12	Subordinated liabilities	5,972,978	5,781,000	191,978
12.1	<i>Subordinated liabilities not in BOF</i>	-	-	-
12.2	<i>Subordinated liabilities in BOF</i>	5,972,978	5,781,000	191,978
13	Any other liabilities, not elsewhere shown	2,873,269	11,007,187	- 8,133,918
	Other liabilities total	30,683,962	35,171,086	- 4,487,124

Table 54. Other liabilities

The following classes of assets are not available at the reporting date 31.12.2025 and will not be further commented:

- Contingent liabilities;
- Pension benefit obligations
- Derivatives

- Debts owed to credit institutions

Provisions other than technical provisions

Other liabilities [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Provisions other than technical provisions	138,744	138,744	-

Table 55. Provisions other than technical provisions

Deposits from reinsurers

Deposits from reinsurers

Other liabilities [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Deposits from reinsurers	5,344	101,896	- 96,552

Table 56. Deposit from reinsurers

Both for the local GAAP and for the solvency balance sheet, liabilities are valued at the settlement amount. As the same approach is applied under Solvency II, there are no valuation differences.

The difference is reclassified in Solvency II on the position "Reinsurance payables", in the local GAAP on the position "Deposits from reinsurers".

Deferred tax liabilities

Other liabilities [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Deferred tax liabilities	2,627,075	-	2,627,075

Table 57. Deferred tax liabilities

The starting point of valuing deferred tax liabilities for solvency purposes is the value of deferred tax liabilities in the consolidated IFRS balance sheet. This value is further adjusted for the valuation differences between economic and IFRS values (hidden reserves multiplied by the tax rate). An effective tax rate of 11,3% has been estimated for the purpose of the latter adjustments.

Financial liabilities other than debts owed to credit institutions

[in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Financial liabilities other than debts owed to credit institutions	827,741	-	827,741

Table 58. Financial liabilities other than debts owed to credit institutions

A lease liability under IFRS16 leasing standard is recognised in the SII, but not in local accounting standards.

Insurance & intermediaries payables

Other liabilities [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Insurance & intermediaries payables	12,925,910	12,925,910	-

Table 59. Liabilities to insurance companies and agents

This item includes liabilities payable to insurance companies and intermediaries. Both for the local GAAP financial statements and for the solvency balance sheet liabilities are valued at the settlement amount.

Reinsurance payables

Other liabilities [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Reinsurance payables	1,601,603	1,505,052	96,552

Table 60. Reinsurance payables

This item includes reinsurance payables. Both for the local GAAP and for the solvency balance sheet liabilities are measured at carrying value. The difference is reclassified in the local GAAP to the position "Deposits from reinsurers".

Payables (trade, not insurance)

Other liabilities [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Payables (trade, not insurance)	3,711,298	3,711,298	-

Table 61. Payables (trade, not insurance)

This item includes liabilities, which cannot be assigned to other categories. Both for the local GAAP and for the solvency balance sheet, liabilities are measured at carrying value. As the same approach is applied under Solvency II, there are no valuation differences.

Any other liabilities, not elsewhere shown

Other liabilities [in Thousand HUF]	Solvency II	Statutory Values	Revaluation
Any other liabilities, not elsewhere shown	2,873,269	11,007,187	- 8,133,918

Table 62. Any other liabilities, not elsewhere shown

This item includes any other liabilities that are not shown elsewhere. This item includes miscellaneous payables e.g. tax and social security that are not related to insurance technical accounts.

These liabilities include accrued expenses valued at the local GAAP amount, cleaned of the reinsurance share of deferred acquisition costs and of unrealised losses on the HTM bond portfolio. There is also a difference in the accrued interest on subordinated loan capital, which in the case of the Solvency II Directive has been shown under subordinated loan capital.

D.4 Alternative Methods for Valuation

UNIQA Biztosító Zrt. uses no alternative methods for valuation.

D.5 Any Other Information

UNIQA Biztosító Zrt. has no further information to disclose related to the valuation used for solvency purposes.

E. Capital Management

E.1 Own Funds

This chapter contains information about own funds and the management of it. One of the most important targets of the top management is to be well capitalized over the time and to have enough own funds in place to manage large losses and negative financial business events.

Through active own fund management, UNIQA Biztosító Zrt. assures that the company's capitalisation is always adequate. There have to be sufficient available own funds in order to correspond to the capital requirements which have been calculated using the standard formula according to the requirements of the Supervisory Authority under Solvency II.

The management of own funds also aims to ensure the stability of UNIQA Biztosító Zrt.'s financial performance and to maintain the capital adequacy ratio above 150%, as laid down in the company's Risk Strategy for year 2026.

As long as strategic planning and capital strength allow for it, (taking into account MNB recommendations) UNIQA Biztosító Zrt. returns non-used capital in the form of dividends to its shareholders.

The overall solvency is regularly monitored in order to correspond to the overall solvency requirement.

A solvency ratio limit and capital requirement system with thresholds defines measures and escalation levels to be taken, if capitalisation falls below a certain level. This process guarantees that every time there is adequate and optimal own funds level to run the business.

The planning of the capital management activities and the overall solvency requirement for the internal risk model (ORSA, pillar 2) is based on a time horizon of 5 years.

Furthermore, UNIQA implemented the following processes for the management of own funds:

- The excess of assets over liabilities including own funds inside or outside the IFRS financial statements is monitored regularly.
- This comprises different categories of own funds ("tiers") in accordance with Solvency II in order to oppose the overall solvency requirement to the available own funds.
- Consequently, a possible adaptation need to meet the regulatory own funds requirements can be reviewed regularly.

In the reporting period, no major changes in connection to the management of own funds were carried out.

Classification of own funds in categories

In accordance with Solvency II, own funds, which differ in their capacity to absorb losses, are classified in categories, so-called Tiers. This varying capacity to absorb losses is shown in Figure 18. The loss absorbing capacity of Tier 1 own funds is estimated higher than that of Tier 2 and Tier 3 own funds respectively.

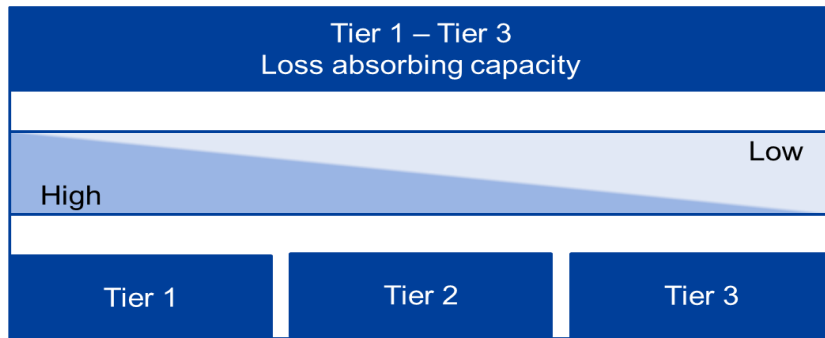


Figure 18. Loss absorbing capacity of own funds

As will be shown in the course of this section, UNIQA Biztosító Zrt. does not possess Tier 3 own funds. Figure 19 represents the relevant quality criteria for the respective own fund categories.

Quality criteria	Tier 1 restricted	Tier 2	Additional Tier 2
Capacity to absorb losses	Capacity to absorb losses in Going concern and winding-up	Capacity to absorb losses at least in winding-up	Capacity to absorb losses at least in winding-up
Maturity period	Unlimited maturity period; first contractual possibility to redeem or pay back at the earliest 5 years after issue	Unlimited or	Unlimited or initial maturity period of at least 5 years
Subordination ranking	Equal or preferential to the share capital or foundation funds respectively, subordinate to Tier 2- and Tier 3-basic own fund components, as well as to claims of all policy holders and entitled beneficiaries and non-subordinate creditors	Subordinate to all claims of all policy holders, entitled beneficiaries and non-subordinate creditors	Subordinate to all claims of all policy holders, entitled beneficiaries and non-subordinate creditors

Figure 19. Quality criteria per tier relevant to UNIQA Biztosító Zrt.

Reconciliation of local GAAP equity to regulatory own funds

Position [in Thousand HUF]	2025
Local GAAP equity incl. own shares	16,232,455
Revaluation of assets	- 34,507,804
<i>Goodwill</i>	<i>n.a.</i>
<i>Deferred acquisition costs</i>	<i>n.a.</i>
<i>Participations</i>	- 24
<i>Real estate</i>	740,182
Loans	1,227
<i>Others</i>	- 35,249,189
<i>Revaluation of technical provision</i>	- 27,956,265
Technical provision non-life and Health similar to NL	- 23,021,536
Technical provision life & health similar to Life	- 4,934,729
Other technical provision	<i>n.a.</i>
<i>Revaluation of other provisions</i>	- 4,487,124
Deferred tax liabilities	2,627,075
Other	- 7,114,199
Economic own funds	42,676,247
Planned Dividend	1,500,000
Tier 1 - Restricted	-
Tier 2	5,972,978
Basis own funds	42,676,247

Table 63. Reconciliation of local GAAP equity to regulatory own funds

The essential drivers for the significantly higher own funds according to Solvency II compared to local GAAP equity are the following:

- Intangible assets are evaluated at zero in the solvency balance sheet.
- Deferred acquisition costs are evaluated at zero in the solvency balance sheet.
- Local GAAP values of participations, replaced by market values that are significantly higher on the valuation date.

- Technical provisions and reinsurance receivables are treated at significantly different values in the regulatory own funds than according to the local GAAP. This is because they are evaluated on the basis of the discounted Best Estimate that includes a risk margin.

Information on own funds

Position [in Thousand HUF]	2025
Basic own funds	42,676,247
Tier 1	36,703,270
Core capital	8,685,082
Other posts	27,417,590
Planned dividends	1,500,000
<i>Revaluation reserve according to IAS 39</i>	- 2,100,598
<i>Reconciliation reserve</i>	28,018,188
<i>Tier 1 Restricted – subordinated liabilities</i>	-
Tier 2 – Subordinated liabilities	5,972,978
Tier 3 –Deferred tax assets	-
Reduction due to tiering limits	-
Own funds for coverage of SCR	42,676,247

Table 64. Information on own funds

According to Solvency II requirements, there are defined limits for whether or not the various tiers are eligible. Tier 1 own funds are of the highest quality and can therefore be used entirely to cover the regulatory capital requirements. In the current reporting period, the composition of own funds is extended by a Tier 2 capital to strengthen the undertaking's solvency position above the level according to the Regulator's guideline.

Table 65 shows the capital quality of UNIQA Biztosító Zrt. as at 31 December 2025 and the portion that can be used to cover the solvency requirement of UNIQA Biztosító Zrt.. Within UNIQA Biztosító Zrt., regulatory own funds consist mainly of Tier 1 capital (capital of the highest quality) that may be used entirely to cover the capital requirement and a smaller amount of Tier2 capital.

Position	in Thousand HUF	in %
Tier 1	36,703,270	86%
Tier 1 Restricted	-	0%
Tier 2	5,972,978	14%
Total	42,676,247	

Table 65. Own funds in the reporting period

Eligible own funds (coverage of SCR and MCR per Tier)

Under Solvency II, there are the following limitations which have been taken into account for the imputation of available own funds on the capital requirement (SCR/MCR). In accordance with the

Delegated Regulation concerning the determination of eligible own funds for the coverage of the capital requirements, UNIQA Biztosító uses the following limitations:

Coverage of SCR and MCR per Tier	Limitation [per cent]	Limitation [in Thousand HUF]
SCR-Coverage		
Tier 1	Min. 50% of SCR	10,626,336
Tier 1 Restricted	Max. 20% of the total Tier 1	-
Tier 3	Max. 15% of SCR	3,187,901
Tier 2 + Tier 3	Max. 50% of SCR	10,626,336
MCR-Coverage		
Tier 1	Min. 80% of MCR	5,744,046
Tier 1 Restricted	Max. 20% of the total Tier 1	-
Tier 2	Max. 20% of MCR	1,436,012

Table 66. Eligible own funds (general)

The following table shows the eligible own funds of UNIQA Biztosító Zrt. for SCR and MCR of available own funds as at 31 December 2025. On the valuation date, no additional own funds existed.

Components of own funds [in Thousand HUF]	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
Basic own funds	42,676,247	36,703,270	-	5,972,978	-
Eligible own funds to cover SCR	42,676,247	36,703,270	-	5,972,978	-
Eligible own funds to cover MCR	38,139,281	36,703,270	-	1,436,012	-

Table 67. Eligible own funds as at 31 December 2025

Despite the quota which has to be calculated in the framework of Solvency II and that is indicated in the quantitative reporting template [QRT] S.23.01, UNIQA Biztosító Zrt. does not use any other supplementary quotas.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

For calculating the solvency capital requirement (SCR), UNIQA Biztosító Zrt. uses a partial internal model integrated into the standard formula. The partial internal model covers non-life underwriting risk and health underwriting risk similar to non-life (NSLT). The calculation of the solvency capital requirement is carried out in accordance with the applicable Solvency II regulations and assumes that business activities are continued on a going-concern basis. The solvency capital requirement is calibrated so as to ensure that all quantifiable risks UNIQA Biztosító Zrt. is exposed to are taken into account. This covers not only existing business but also new business expected to be written over the following twelve months. With respect to existing business, the solvency capital requirement covers only unexpected losses.

The solvency capital requirement corresponds to the value at risk of the basic own funds at a 99.5 per cent confidence level over a one-year period, meaning that it represents an amount of loss whose probability of occurrence over a one-year period is 1 in 200.

The following overview shows the solvency and minimum capital requirement at the end of the reporting period on the valuation date of 31 December 2025, as well as the own funds eligible to meet each capital requirement.

In Thousand HUF	2025
Eligible own funds to meet Solvency Capital Requirement	42,676,247
Solvency Capital Requirement (SCR)	21,252,672
Eligible basic own funds to meet Minimum Capital Requirement	38,139,281
Minimum Capital Requirement (MCR)	7,180,058

Table 68. Solvency and minimum capital requirement and own funds

The detailed breakdown of the solvency capital requirement by risk modules is described in Section C on the risk profile. The non-life and health NSLT underwriting risk module has been calculated by the partial internal model, while all other risk modules have been calculated by the standard formula. Simplified calculations have been used for the calculation of the following modules and sub-modules:

- life mortality risk (for part of the portfolio), according to Article 91 of Delegated Regulation (EU) 2015/35
- life disability-morbidity risk (for part of the portfolio), according to Article 93 of Delegated Regulation (EU) 2015/35
- life expense risk (for part of the portfolio), according to Article 94 of Delegated Regulation (EU) 2015/35
- life catastrophe risk (for part of the portfolio), according to Article 96 of Delegated Regulation (EU) 2015/35

UNIQA Biztosító Zrt. does not use undertaking-specific parameters for calculating the solvency capital requirement.

No capital add-on is applied to the solvency capital requirement of UNIQA Biztosító Zrt.

The minimum capital requirement corresponds to an amount of eligible basic own funds below which policyholders and beneficiaries are exposed to an unacceptable risk if an undertaking were allowed to continue its operations. It is calculated by a linear function of technical provisions, written premiums and capital-at-risk. It shall neither fall below 25% nor exceed 45% of the solvency capital requirement. It is subject to an absolute floor defined in Article 129(1) of Directive 2009/138/EC. The minimum capital requirement is calculated according to the detailed rules set out by Articles 248–253 of Delegated Regulation (EU) 2015/35.

Information about the inputs of the calculation of the minimum capital requirement of UNIQA Biztosító Zrt. as at the end of 2025 is displayed in the table below.

Non-life linear formula inputs	Non-life activities		Life activities	
	Net best estimate and TP calculated as a whole	Net written premiums in the last 12 months	Net best estimate and TP calculated as a whole	Net written premiums in the last 12 months
Medical expense	-	-	-	-
Income protection	220,280	5,010,643	-	-
Workers' compensation	-	-	-	-
Motor vehicle liability	6,553,963	14,410,147	-	-
Other motor	4,041,615	14,996,674	-	-
Marine, aviation and transport	122,837	358,165	-	-
Fire and other damage to property	3,565,573	8,704,388	-	-
General liability	818,824	1,225,582	-	-
Credit and suretyship	-	-	-	-
Legal expenses	10,721	-	-	-
Assistance and proportional reinsurance	341,083	1,113,018	-	-
Miscellaneous financial loss	-	2,660,279	-	-
Non-proportional health reinsurance	-	-	-	-
Non-proportional casualty reinsurance	-	-	-	-
Non-proportional marine, aviation and transport reinsurance	-	-	-	-
Non-proportional property reinsurance	-	-	-	-

Table 69. Inputs of the calculation of the minimum capital requirement - Non-Life

Life linear formula inputs	Non-life activities		Life activities	
	Net best estimate and TP calculated as a whole	Net total capital at risk	Net best estimate and TP calculated as a whole	Net total capital at risk
Obligations with profit participation - guaranteed benefits	(41,899)		2,414,262	
Obligations with profit participation - future discretionary benefits	-		2,684,702	
Index-linked and unit-linked insurance obligations	-		142,269,643	
Other life (re)insurance and health (re)insurance obligations	-		-	
Total capital at risk for all life (re)insurance obligations				943,830,074

Table 70. Inputs of the calculation of the minimum capital requirement - Life

Overall MCR calculation	
Linear MCR	7,180,058
SCR	21,252,672
MCR cap	9,563,702
MCR floor	5,313,168
Combined MCR	7,180,058
Absolute floor of the MCR	3,060,000
Minimum Capital Requirement	7,180,058

Table 71. Calculation of the minimum capital requirement

E.3 Use of the Duration-based Equity Risk Sub-module in the Calculation of the Solvency Capital Requirement

UNIQA Biztosító Zrt. does not use the duration-based equity risk sub-module for calculating the SCR.

E.4 Differences Between the Standard Formula and Any Internal Model Used

The partial internal model (PIM) used by UNIQA Biztosító Zrt. has been developed by UNIQA Group. Having received supervisory approval in late 2017, the model is used for determining the solvency capital requirement (SCR) of UNIQA Group and a number of solo companies within the Group, including UNIQA Biztosító Zrt.

The aim of the partial internal model of UNIQA is to determine the risk-based capital (also called RBC) and in relation to that the amount of own funds that are to be used to absorb unforeseen losses over a specific time horizon. Currently, only the non-life underwriting risk and health underwriting risk similar to non-life (NSLT) are included in the scope of the partial internal model framework. The model covers the full non-life and health NSLT underwriting risk of UNIQA Biztosító Zrt. All other risk modules of the solvency capital requirement (e.g., market risk, credit risk, etc.) are measured and assessed according to the Solvency II standard formula.

The partial internal model is used for various purposes at UNIQA Biztosító Zrt. In addition to the regulatory SCR calculation, it also provides inputs on non-life and health NSLT risk to the following processes:

- Own Risk and Solvency Assessment (ORSA)
- Risk strategy and limit system
- Profit testing
- Solvency projection and capital planning
- Monitoring of the efficiency of reinsurance

The partial internal model aims to capture the uncertainties related to the underwriting of non-life and health NSLT direct and reinsurance contracts. The model generates a probability distribution forecast of the non-life and health NSLT economic underwriting result over a one-year time horizon via stochastic simulation. In particular, the following stochastic risk drivers are modelled:

- Premium Risk
 - Business risk: premium rates, risk years exposure and operating costs
 - Non-CAT claims: attritional losses and individual large losses
 - CAT claims: natural catastrophe losses and man-made catastrophe scenarios
- Reserve risk
 - Reserve run-off result

The following table shows the mapping between the risk categories used in the model and the risk modules of the standard formula:

Standard Formula sub-module	Partial Internal Model	
	module	sub-module
Premium and Reserve Risk	=>	Premium Risk Business Risk
		Premium Risk Non-CAT Risk
	=>	Reserve Risk Reserve Risk
Catastrophe Risk	=>	Premium Risk Natural Catastrophe Risk
	=>	Premium Risk Man-Made Catastrophe Risk
Lapse Risk	=>	Premium Risk Business Risk

Table 72. Mapping between the risk categories of the standard formula and the partial internal model

The following methods are used for determining the probability distributions of the modelled risk drivers:

Partial Internal Model		Methods used
Module	Sub-module	
Premium Risk	Business Risk	Stochastic model for premium rates, risk years exposure and operating costs Acquisition costs and insurance tax linked to modelled premiums
	Non-Catastrophe Risk	Total loss distribution for attritional losses Frequency-severity approach for individual large losses
	Natural Catastrophe Risk	External NatCat models for Earthquake, Flood, Winter storms and Hail Frequency-severity approach for Summer storms
	Man-Made Catastrophe Risk	Pre-defined scenarios at a fixed probability of occurrence
	Reserve Risk	Reserve Risk Models for claims reserve development

Table 73. Modelling of probability distributions

The aggregation of the stochastic variables in the partial internal model is done by the Gaussian copula approach, taking into account the dependencies between lines of business and between risk drivers. The assumptions on diversification and dependencies are key assumptions of the partial internal model methodology, and accordingly they are being validated on a regular basis. The dependency parameters of the Gaussian copula approach are usually derived from expert judgement. In addition, the methodology does not allow negative dependency parameters between different claims (i.e. losses in a portfolio increasing the chance of gains in another portfolio). Negative dependencies on the other hand are allowed between business risk variables (most typically between the premium rate and the risk years exposure of a given line of business).

The confidence level for UNIQA’s partial internal model RBC framework is set at 99.5% over a one-year time horizon, which corresponds to a loss with a return period of 200 years. For premium risk the ultimate view is used instead of the one-year view.

Since only one part of the business of the company is covered in the partial internal model, this part is combined with the rest of the business, which is treated according to the Solvency II standard

approach. This is done using one of the integration techniques (“Technique 3”) for partial internal models according to Solvency II Delegated Regulation 2015/35. The chosen integration technique also takes into account diversification effects between the part of the partial internal model and the non-internally modelled business.

The main differences between the partial internal model and the standard formula are the following:

- The standard formula uses a set of factor-based approaches and deterministic scenarios to derive a single output, i.e. the 99.5th percentile of the loss of own funds. The partial internal model on the other hand provides a probability distribution forecast of a number of key underwriting variables, including the economic underwriting result, generated from a large number of stochastic simulations.
- Instead of the standardized risk factors of the standard formula, the parameterization of the partial internal model is based on the company’s own experience, therefore the results closely reflect the actual risk profile.
- The partial internal model allows a proper consideration of the risk mitigating impact of non-proportional reinsurance.
- Natural catastrophe risk in the partial internal model is measured in a more granular way than in the standard formula (postal code resolution rather than CRESTA level). The partial internal model also takes into account some natural perils (hail) that are currently not covered in the standard formula for Hungary.
- Business risk, i.e. the uncertainty of premium rates, risk years exposure and operating costs is explicitly modelled in the partial internal model.
- The partial internal model uses a more granular line-of-business structure than the standard formula, tailored to the company’s portfolio.

The data used in the partial internal model is provided by different departments: Accounting, Controlling, Reinsurance, Actuarial, Risk Management, Claims and Underwriting. In addition, most of the natural catastrophe model results come from external service providers. Data quality is subject to a governance framework with a special focus on the validation of the appropriateness, accuracy, and completeness of the data used in the model.

Risk category	Input data
Business Risk	Forecast data (planned premiums, exposure and costs), both historical and for the modelled year Accounting data (actual premiums and costs) for historical years Historical exposure data by line of business
Premium Risk - non-CAT	Accounting (e.g. premiums and costs) Forecast data (e.g. planned premiums and costs) Historical claims data by each single claim Historical data of sums insured and risk years exposure Information on the reinsurance structure Information on payment patterns
Premium Risk - CAT	Natural catastrophes: Data on exposure and contractual limits at a granularity required by the external model Man-Made scenarios: Detailed information on sums insured and PML in force
Reserve Risk	Historical claims run-off data by each single claim

Table 74. Input data by risk category

E.5 Non-compliance with the Minimum Capital Requirement and Non-compliance with the Solvency Capital Requirement

UNIQA Biztosító Zrt. complied with the minimum capital requirement and solvency capital requirement throughout the financial year 2025.

E.6 Any Other Information

Extraordinary tax

In 2022, the Hungarian Government imposed an extraordinary tax on financial and other sectors. This extraordinary tax still put a significant burden on the Company's 2025 profitability and will have great impact in 2026. The effect of the tax was taken into account in the Technical Provisions as well.

List of Figures

Figure 1. Share of portfolio segments by Gross Written Premium in 2025	4
Figure 2. Overview of capital requirements and own funds (Thousand HUF)	6
Figure 3. Shareholder structure of UNIQA Biztosító Zrt.	8
Figure 4. Allocation of responsibilities of the Management Board	21
Figure 5. Overview of Committees	22
Figure 6. Actuarial Function.....	24
Figure 7. Risk Management Function	25
Figure 8. Compliance Function.....	27
Figure 9. Internal Audit Function	28
Figure 10. Organisational structure of the risk management system.....	35
Figure 11. Risk management process.....	37
Figure 12. Risk Composition of the SCR.....	49
Figure 13. NAV approach	55
Figure 14. Asset allocation of the non-unit linked investment portfolio	61
Figure 15. Asset allocation of the unit linked investment portfolio	61
Figure 16. Technical provisions non-life & health-NSLT	87
Figure 17. Technical provisions Life & health (SLT) (in THUF).....	94
Figure 18. Loss absorbing capacity of own funds	101
Figure 19. Quality criteria per tier relevant to UNIQA Biztosító Zrt.	102

List of Tables

Table 1. Subsidiaries of UNIQA Biztosító Zrt.	9
Table 2. Gross premiums, claims and expenses comparison - Non Life	13
Table 3. Gross premiums, claims and expenses by line of business - Non Life	13
Table 4. Gross premiums, claims and expenses comparison - Life.....	14
Table 5. Gross premiums, claims and expenses by line of business - Life	14
Table 6. Net premiums, claims and expenses comparison - Non Life	15
Table 7. Net premiums, claims and expenses by line of business - Non Life	15
Table 8. Net premiums, claims and expenses comparison - Life.....	15
Table 9. Net premiums, claims and expenses by line of business - Life	15
Table 10. Gross premiums, claims and expenses by line of business - Total	16
Table 11. (Net) Investment income [THUF] according to local GAAP	17
Table 12. Other expenses	18
Table 13. Risk appetite	36
Table 14. Outsourced activities	47
Table 15. Risk profile and the composition of the SCR.....	50
Table 16. Composition of the risk module non-life underwriting risk and health underwriting risk similar to non-life	52
Table 17. Composition of the risk module life underwriting risk	53
Table 18. Composition of the risk module Health underwriting risk	54
Table 19. Composition of the risk module Health underwriting risk - details	54
Table 20. Application of shocks per sub risk module under the NAV approach	56
Table 21. Sub-risk modules of market risk	60
Table 22. Composition of the solvency capital requirements for the risk module market risk	62
Table 23. Composition of the solvency capital requirements for the risk module credit risk	67
Table 24. Expected profit in future premiums.....	68
Table 25. Composition of the SCR for operational risk	69
Table 26. Definitions for sensitivities, stress tests and scenarios	71
Table 27. List of evaluated sensitivities, stress tests and scenarios	72
Table 28. Results of scenarios	74
Table 29. Exchange Rates	75
Table 30. Assets based on valuation date 31 December 2025.....	76
Table 31. Deferred acquisition costs	77
Table 32. Intangible assets.....	77
Table 33. Deferred tax assets	78
Table 34. Property, plant and equipment (for own use)	78
Table 35. Shares in affiliated companies, including participations	79
Table 36. Bonds	79
Table 37. Undertakings for collective investment in securities.....	80
Table 38. Assets for unit- and index-linked contracts	80
Table 39. Loans and mortgages.....	81
Table 40. Recoverables from reinsurance contracts.....	81
Table 41. Receivables towards insurances and intermediaries	82
Table 42. Reinsurance receivables	82
Table 43. Receivables (trade, not insurance).....	83
Table 44. Cash and cash equivalents	83
Table 45. Other Assets not reported elsewhere	83

Table 46. Evaluation of technical provisions	84
Table 47. Evaluation of gross technical provisions	88
Table 48. Comparison of gross technical provisions	89
Table 49. Evaluation of technical provisions for largest Non-Life LoBs	90
Table 50. Interest rate assumptions	93
Table 51. Evaluation of gross technical provisions - Life	94
Table 52. Comparison of gross technical provisions	95
Table 53. Technical provisions Life – Non-Life - Health (volatility adjustment).....	96
Table 54. Other liabilities	96
Table 55. Provisions other than technical provisions	97
Table 56. Deposit from reinsurers	97
Table 57. Deferred tax liabilities	97
Table 58. Financial liabilities other than debts owed to credit institutions	97
Table 59. Liabilities to insurance companies and agents	98
Table 60. Reinsurance payables	98
Table 61. Payables (trade, not insurance)	98
Table 62. Any other liabilities, not elsewhere shown.....	98
Table 63. Reconciliation of local GAAP equity to regulatory own funds	102
Table 64. Information on own funds	103
Table 65. Own funds in the reporting period	103
Table 66. Eligible own funds (general)	104
Table 67. Eligible own funds as at 31 December 2025	104
Table 68. Solvency and minimum capital requirement and own funds	105
Table 69. Inputs of the calculation of the minimum capital requirement - Non-Life	106
Table 70. Inputs of the calculation of the minimum capital requirement - Life	106
Table 71. Calculation of the minimum capital requirement	106
Table 72. Mapping between the risk categories of the standard formula and the partial internal model	108
Table 73. Modelling of probability distributions	108
Table 74. Input data by risk category	110

Appendix I - Regulatory Requirements for the SFCR

The regulatory requirements for the SFCR with which the report is compliant are laid out in the following paragraphs. Besides these regulatory requirements, this document also complies with Article 51 and Article 56 of the Directive 2009/138/EG (Level 1).

Chapter A

This chapter contains information on the business of the company and its performance according to Article 293 of the Commission Delegated Regulation (EU) 2015/35 (Level 2) as well as Guidelines 1 and 2 EIOPA-BoS-15/109 (Level 3).

Chapter B

This chapter contains information on the governance system of the company according to Article 294 of the Commission Delegated Regulation (EU) 2015/35 (Level 2) as well as Guidelines 3 and 4 EIOPA-BoS-15/109 (Level 3).

Chapter C

This chapter contains information on the risk profile of the company according to Article 295 of the Commission Delegated Regulation (EU) 2015/35 (Level 2) as well as Guideline 5 EIOPA-BoS-15/109 (Level 3).

Chapter D

This chapter contains information on the evaluation requirements for Solvency II according to Article 296 of the Commission Delegated Regulation (EU) 2015/35 (Level 2) as well as Guidelines 6 to 10 EIOPA-BoS-15/109 (Level 3).

Chapter E

This chapter contains information on the capital management of the company according to Article 297 and Article 298 of the Commission Delegated Regulation (EU) 2015/35 (Level 2) as well as Guidelines 11 to 13 EIOPA-BoS-15/109 (Level 3).

Appendix II - Quantitative Reporting Templates

In this appendix the following Quantitative Reporting Templates (QRTs) are presented (thousand HUF):

- S.02.01.02 Balance sheet
- S.05.01.02 Premiums, claims and expenses by line of business
- S.12.01.02 Life and Health SLT Technical Provisions
- S.17.01.02 Non-life Technical Provisions
- S.19.01.21 Non-life insurance claims, Total Non-Life Business
- S.22.01.21 Impact of long term guarantees and transitional measures
- S.23.01.01 Own funds
- S.25.05.21 Solvency Capital Requirement - for undertakings using the standard formula and partial internal model
- S.28.02.01 Minimum Capital Requirement - Both life and non-life insurance activity

S.02.01.02: Balance sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	1,722,920
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	47,129,959
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	647,884
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	45,422,755
Government Bonds	R0140	45,130,297
Corporate Bonds	R0150	292,459
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	1,059,319
Derivatives	R0190	
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	166,653,027
Loans and mortgages	R0230	101,227
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	101,227
Reinsurance recoverables from:	R0270	13,065,887
Non-life and health similar to non-life	R0280	10,833,474
Non-life excluding health	R0290	10,569,318
Health similar to non-life	R0300	264,156
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	2,232,413
Health similar to life	R0320	44,083
Life excluding health and index-linked and unit-linked	R0330	2,188,330
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	10,427,882
Reinsurance receivables	R0370	1,864,965
Receivables (trade, not insurance)	R0380	612,275
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	4,368,746
Any other assets, not elsewhere shown	R0420	4,272,559
Total assets	R0500	250,219,448

	Solvency II value
	C0010
Liabilities	
Technical provisions – non-life	R0510 26,566,846
Technical provisions – non-life (excluding health)	R0520 26,019,985
Technical provisions calculated as a whole	R0530
Best Estimate	R0540 25,426,587
Risk margin	R0550 593,398
Technical provisions - health (similar to non-life)	R0560 546,861
Technical provisions calculated as a whole	R0570
Best Estimate	R0580 484,436
Risk margin	R0590 62,426
Technical provisions - life (excluding index-linked and unit-linked)	R0600 7,750,123
Technical provisions - health (similar to life)	R0610 43,147
Technical provisions calculated as a whole	R0620
Best Estimate	R0630 39,505
Risk margin	R0640 3,642
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650 7,706,976
Technical provisions calculated as a whole	R0660
Best Estimate	R0670 7,214,784
Risk margin	R0680 492,192
Technical provisions – index-linked and unit-linked	R0690 147,015,247
Technical provisions calculated as a whole	R0700
Best Estimate	R0710 142,269,643
Risk margin	R0720 4,745,604
Other technical provisions	R0730
Contingent liabilities	R0740
Provisions other than technical provisions	R0750 138,744
Pension benefit obligations	R0760
Deposits from reinsurers	R0770 5,344
Deferred tax liabilities	R0780 2,627,075
Derivatives	R0790
Debts owed to credit institutions	R0800
Financial liabilities other than debts owed to credit institutions	R0810 827,741
Insurance & intermediaries payables	R0820 12,925,910
Reinsurance payables	R0830 1,601,603
Payables (trade, not insurance)	R0840 3,711,298
Subordinated liabilities	R0850 5,972,978
Subordinated liabilities not in Basic Own Funds	R0860
Subordinated liabilities in Basic Own Funds	R0870 5,972,978
Any other liabilities, not elsewhere shown	R0880 2,873,269
Total liabilities	R0900 212,016,178
Excess of assets over liabilities	R1000 38,203,270

S.05.01.02 Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110		4,852,571		23,354,233	25,477,286	821,315	18,026,930	3,551,587	
Gross - Proportional reinsurance accepted	R0120		75,993			613,431	-220	1,168,889	180,063	
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140		208,988		13,257,674	15,494,211	556,014	12,340,887	2,900,728	
Net	R0200		4,719,575		10,096,559	10,596,505	265,082	6,854,931	830,922	
Premiums earned										
Gross - Direct Business	R0210		4,911,563		20,943,125	24,943,695	812,198	16,648,836	3,551,931	
Gross - Proportional reinsurance accepted	R0220		74,903			613,431	-101	1,068,892	193,362	
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240		213,898		12,053,154	15,226,702	551,710	11,359,951	2,918,386	
Net	R0300		4,772,568		8,889,971	10,330,424	260,388	6,357,777	826,907	
Claims incurred										
Gross - Direct Business	R0310		1,964,592		11,619,004	14,542,628	130,771	4,794,297	1,186,799	
Gross - Proportional reinsurance accepted	R0320		6,435			217,445		219,904	102,026	
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340		207,217		6,669,568	7,614,549	1,519	3,220,508	800,156	
Net	R0400		1,763,810		4,949,436	7,145,524	129,252	1,793,692	488,669	
Expenses incurred	R0550		2,507,618		821,446	2,172,532	120,505	2,803,409	608,793	
Other expenses	R1200									
Total expenses	R1300									

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	-239	1,002,286	5,441,003					82,526,972
Gross - Proportional reinsurance accepted	R0120			1,340,533					3,378,689
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140			4,876,608					49,635,111
Net	R0200	-239	1,002,286	1,904,928					36,270,550
Premiums earned									
Gross - Direct Business	R0210	-239	996,562	6,822,065					79,629,736
Gross - Proportional reinsurance accepted	R0220			1,166,094					3,116,582
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240			5,919,592					48,243,392
Net	R0300	-239	996,562	2,068,568					34,502,926
Claims incurred									
Gross - Direct Business	R0310	479	466,079	1,499,794					36,204,444
Gross - Proportional reinsurance accepted	R0320			53,487					599,296
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340			1,018,293					19,531,810
Net	R0400	479	466,079	534,988					17,271,930
Expenses incurred	R0550	12	610,038	1,454,107					11,098,458
Other expenses	R1200								630,907
Total expenses	R1300								11,729,366

		Line of Business for: life insurance obligations					Life reinsurance obligations		Total	
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	655,962	907,915	29,072,843	3,495,868					34,132,589
Reinsurers' share	R1420	111,626			359,950					471,576
Net	R1500	544,337	907,915	29,072,843	3,135,919					33,661,013
Premiums earned										
Gross	R1510	664,474	910,831	29,072,843	3,484,398					34,132,546
Reinsurers' share	R1520	114,156			363,737					477,893
Net	R1600	550,317	910,831	29,072,843	3,120,661					33,654,652
Claims incurred										
Gross	R1610	204,959	770,273	24,270,105	802,066					26,047,403
Reinsurers' share	R1620	-2,993			98,744					95,751
Net	R1700	207,952	770,273	24,270,105	703,323					25,951,653
Expenses incurred	R1900	2,786	188,522	5,762,779	1,451,063					7,405,150
Other expenses	R2500									
Total expenses	R2600									
Total amount of surrenders	R2700		181,746	18,025,194						18,206,940

S.12.01.02 Life and Health SLT Technical Provisions

	Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
			Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070			
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020									
Technical provisions calculated as a sum of BE and RM										
Best Estimate										
Gross Best Estimate	R0030	5,098,964		142,269,643			575,815	-1,430,378	2,970,382	149,484,426
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						33,380		2,154,951	2,188,330
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	5,098,964		142,269,643			542,435	-1,430,378	815,432	147,296,096
Risk Margin	R0100	68,601	4,745,604			279,358			144,234	5,237,797
Technical provisions - total	R0200	5,167,564	147,015,247			-575,205			3,114,616	154,722,223

		Health insurance (direct business)				
		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0160	C0170	C0180	C0190	C0200
Technical provisions calculated as a whole	R0010					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020					
Technical provisions calculated as a sum of BE and RM						
Best Estimate						
Gross Best Estimate	R0030		39,505			39,505
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		44,083			44,083
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090		-4,578			-4,578
Risk Margin	R0100	3,642				3,642
Technical provisions - total	R0200	43,147				43,147

S.17.01.02 Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross - Total	R0060		-59,226		3,804,809	4,236,489	-5,798	2,600,080	-455,011	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		180,793		1,396,667	1,488,665	-91,030	-217,856	-165,109	
Net Best Estimate of Premium Provisions	R0150		-240,019		2,408,141	2,747,824	85,232	2,817,936	-289,902	
Claims provisions										
Gross - Total	R0160		543,662		8,561,582	2,678,747	81,800	2,194,117	2,404,989	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		83,363		4,415,760	1,384,956	44,195	1,446,479	1,296,264	
Net Best Estimate of Claims Provisions	R0250		460,299		4,145,822	1,293,791	37,605	747,637	1,108,726	
Total Best estimate - gross	R0260		484,436		12,366,391	6,915,236	76,003	4,794,197	1,949,978	
Total Best estimate - net	R0270		220,280		6,553,963	4,041,615	122,837	3,565,573	818,824	
Risk margin	R0280		62,426		82,641	309,656	421	148,647	43,896	
Amount of the transitional on Technical Provisions										
TP as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									
Technical provisions - total										
Technical provisions - total	R0320		546,861		12,449,032	7,224,892	76,423	4,942,844	1,993,874	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		264,156		5,812,428	2,873,621	-46,835	1,228,623	1,131,155	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340		282,705		6,636,605	4,351,271	123,258	3,714,220	862,719	

	Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
	C0110	C0120	C0130	C0140	C0150	C0160	C0170	
Technical provisions calculated as a whole								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole								
Technical provisions calculated as a sum of BE and RM								
Best estimate								
Premium provisions								
Gross - Total		80,293	-1,774,779					8,426,857
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default			-939,628					1,652,503
Net Best Estimate of Premium Provisions		80,293	-835,151					6,774,354
Claims provisions								
Gross - Total	10,721	260,790	747,758					17,484,166
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default			509,954					9,180,971
Net Best Estimate of Claims Provisions	10,721	260,790	237,804					8,303,195
Total Best estimate - gross	10,721	341,083	-1,027,021					25,911,023
Total Best estimate - net	10,721	341,083	-597,347					15,077,549
Risk margin								
	7	7,603	528					655,823
Amount of the transitional on Technical Provisions								
TP as a whole								
Best estimate								
Risk margin								
Technical provisions - total								
Technical provisions - total	10,728	348,686	-1,026,492					26,566,846
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total			-429,674					10,833,474
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	10,728	348,686	-596,819					15,733,373

S.19.01.21 Non-life insurance claims, Total Non-Life Business

Accident year / Underwriting year

Z0010	Accident year
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Gross Claims Paid (non-cumulative)
(absolute amount)

Year	Development year											
	0	1	2	3	4	5	6	7	8	9	10 & +	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	
Prior	R0100											730,139
N-9	R0160	10,466,617	4,019,427	929,254	543,985	205,779	228,955	219,968	42,541	3,880		
N-8	R0170	12,215,071	5,238,095	879,087	711,003	115,831	203,108	178,199	172,889	94,682		
N-7	R0180	13,619,412	5,602,195	1,022,615	475,121	725,885	296,024	315,573				
N-6	R0190	14,542,951	4,600,745	462,991	343,295	191,915	352,206	38,530				
N-5	R0200	14,526,822	3,184,284	950,617	295,794	162,031	61,909					
N-4	R0210	15,818,847	5,174,954	614,319	282,009	112,766						
N-3	R0220	16,848,855	6,487,494	1,547,703	284,051							
N-2	R0230	20,805,147	6,837,892	880,547								
N-1	R0240	22,867,143	6,835,170									
N	R0250	25,146,965										

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year	Development year											
	0	1	2	3	4	5	6	7	8	9	10 & +	
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	
Prior	R0100											308,992
N-9	R0160	7,072,424	2,500,270	1,222,937	444,119	245,722	399,135	238,705	282,570	177,206	172,713	
N-8	R0170	7,823,033	2,010,396	1,494,539	681,419	630,887	297,930	261,087	335,976	238,301		
N-7	R0180	8,277,779	2,532,526	1,482,511	1,067,091	991,236	742,739	578,090	535,738			
N-6	R0190	7,331,917	1,692,832	883,657	787,705	484,331	249,563	338,953				
N-5	R0200	5,914,220	2,021,069	679,372	459,103	343,504	303,861					
N-4	R0210	7,678,117	1,542,116	1,032,687	389,787	207,899						
N-3	R0220	8,422,355	2,850,032	1,082,020	762,678							
N-2	R0230	10,019,736	2,087,687	1,325,972								
N-1	R0240	9,969,835	2,662,349									
N	R0250	12,226,803										

	In Current year		Sum of years (cumulative)
	C0170	C0180	
R0100	730,139	88,195,454	
R0160	3,880	16,681,930	
R0170	94,682	19,907,966	
R0180	52,286	22,109,111	
R0190	38,530	20,532,633	
R0200	61,909	19,181,457	
R0210	112,766	22,002,896	
R0220	284,051	25,168,104	
R0230	880,547	28,523,586	
R0240	6,835,170	29,702,313	
R0250	25,146,965	25,146,965	
Total	34,240,926	317,152,415	

	Year end (discounted data)	
	C0360	C0300
R0100	254,404	
R0160	139,965	
R0170	192,091	
R0180	405,344	
R0190	283,766	
R0200	272,007	
R0210	178,405	
R0220	672,887	
R0230	1,176,794	
R0240	2,374,294	
R0250	11,534,208	
Total	17,484,166	

S.22.01.21 Impact of long term guarantees and transitional measures

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	181,332,216			12,638	
Basic own funds	R0020	42,676,247			80,585	
Eligible own funds to meet Solvency Capital Requirement	R0050	42,676,247			80,585	
Solvency Capital Requirement	R0090	21,252,672			4,247	
Eligible own funds to meet Minimum Capital Requirement	R0100	38,139,281			81,175	
Minimum Capital Requirement	R0110	7,180,058			2,950	

S.23.01.01 Own funds

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35					
Ordinary share capital (gross of own shares)	R0010	4,079,160	4,079,160		
Share premium account related to ordinary share capital	R0030	4,605,922	4,605,922		
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040				
Subordinated mutual member accounts	R0050				
Surplus funds	R0070				
Preference shares	R0090				
Share premium account related to preference shares	R0110				
Reconciliation reserve	R0130	28,018,188	28,018,188		
Subordinated liabilities	R0140	5,972,978		5,972,978	
An amount equal to the value of net deferred tax assets	R0160				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220				
Deductions					
Deductions for participations in financial and credit institutions	R0230				
Total basic own funds after deductions	R0290	42,676,247	36,703,270	5,972,978	
Ancillary own funds					
Unpaid and uncalled ordinary share capital callable on demand	R0300				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310				
Unpaid and uncalled preference shares callable on demand	R0320				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370				
Other ancillary own funds	R0390				
Total ancillary own funds	R0400				
Available and eligible own funds					
Total available own funds to meet the SCR	R0500	42,676,247	36,703,270	5,972,978	
Total available own funds to meet the MCR	R0510	42,676,247	36,703,270	5,972,978	
Total eligible own funds to meet the SCR	R0540	42,676,247	36,703,270	5,972,978	
Total eligible own funds to meet the MCR	R0550	38,139,281	36,703,270	1,436,012	
SCR	R0580	21,252,672			
MCR	R0600	7,180,058			
Ratio of Eligible own funds to SCR	R0620	200.80%			
Ratio of Eligible own funds to MCR	R0640	531.18%			

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	38,203,270	
Own shares (held directly and indirectly)	R0710		
Foreseeable dividends, distributions and charges	R0720	1,500,000	
Other basic own fund items	R0730	8,685,082	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740		
Reconciliation reserve	R0760	28,018,188	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	15,579,827	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	7,726,243	
Total Expected profits included in future premiums (EPIFP)	R0790	23,306,070	

S.25.05.21 Solvency Capital Requirement - for undertakings using the standard formula and partial internal model

Risk type		Solvency Capital Requirement	Amount modelled	USP	Simplifications
		C0010	C0070	C0090	C0120
Total diversification	R0020	- 10,273,209,195			
Total diversified risk before tax	R0030	23,879,746,791			
Total diversified risk after tax	R0040	21,252,671,896			
Total market & credit risk	R0070	12,396,986,334			
Market & Credit risk - diversified	R0080	8,690,553,356			
Credit event risk not covered in market & credit risk	R0190	3,315,524,855			
Credit event risk not covered in market & credit risk - diversified	R0200	3,101,474,219			
Total Business risk	R0270				
Total Business risk - diversified	R0280				
Total Net Non-life underwriting risk	R0310				
Total Net Non-life underwriting risk - diversified	R0320	8,841,205,347	8,833,582,906		
Total Life & Health underwriting risk	R0400	12,521,679,752			
Total Life & Health underwriting risk - diversified	R0410	9,777,091,041			
Total Operational risk	R0480	3,742,632,024			
Total Operational risk - diversified	R0490	3,742,632,024			
Other risk	R0500				

		C0100
Total undiversified components	R0110	34,152,956
Diversification	R0060	-10,273,209
Adjustment due to RFF/MAP nSCR aggregation	R0120	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	21,252,672
Capital add-ons already set	R0210	0
Solvency capital requirement	R0220	21,252,672
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity of deferred taxes	R0310	-2,627,075
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	
Net future discretionary benefits	R0460	2,695,491
		Yes/No
		C0109
Approach based on average tax rate	R0590	Yes

		LAC DT
		C0130
Amount/estimate of LAC DT	R0640	-2,627,075
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	R0650	
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	R0660	-2,627,075
Amount/estimate of AC DT justified by carry back, current year	R0670	
Amount/estimate of LAC DT justified by carry back, future years	R0680	
Amount/estimate of Maximum LAC DT	R0690	

S.28.02.01 Minimum Capital Requirement - Both life and non-life insurance activity

	MCR components	
	Non-life activities	Life activities
	MCR(NL, NL) Result	MCR(NL, L)Result
	C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	5,573,766

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020				
Income protection insurance and proportional reinsurance	R0030	220,280	5,010,643		
Workers' compensation insurance and proportional reinsurance	R0040				
Motor vehicle liability insurance and proportional reinsurance	R0050	6,553,963	14,410,147		
Other motor insurance and proportional reinsurance	R0060	4,041,615	14,996,674		
Marine, aviation and transport insurance and proportional reinsurance	R0070	122,837	358,165		
Fire and other damage to property insurance and proportional reinsurance	R0080	3,565,573	8,704,388		
General liability insurance and proportional reinsurance	R0090	818,824	1,225,582		
Credit and suretyship insurance and proportional reinsurance	R0100				
Legal expenses insurance and proportional reinsurance	R0110	10,721			
Assistance and proportional reinsurance	R0120	341,083	1,113,018		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		2,660,279		
Non-proportional health reinsurance	R0140				
Non-proportional casualty reinsurance	R0150				
Non-proportional marine, aviation and transport reinsurance	R0160				
Non-proportional property reinsurance	R0170				

	Non-life activities	Life activities
	MCR(L, NL) Result	MCR(L, L) Result
	C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	1,606,292

	Non-life activities		Life activities	
	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210	-41,899		2,414,262
Obligations with profit participation - future discretionary benefits	R0220			2,684,702
Index-linked and unit-linked insurance obligations	R0230			142,269,643
Other life (re)insurance and health (re)insurance obligations	R0240			
Total capital at risk for all life (re)insurance obligations	R0250			943,830,074

Overall MCR calculation

		C0130
Linear MCR	R0300	7,180,058
SCR	R0310	21,252,672
MCR cap	R0320	9,563,702
MCR floor	R0330	5,313,168
Combined MCR	R0340	7,180,058
Absolute floor of the MCR	R0350	3,060,000
Minimum Capital Requirement	R0400	7,180,058

Notional non-life and life MCR calculation

		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	5,573,766	1,606,292
Notional SCR excluding add-on (annual or latest calculation)	R0510	16,498,115	4,754,557
Notional MCR cap	R0520	7,424,152	2,139,551
Notional MCR floor	R0530	4,124,529	1,188,639
Notional Combined MCR	R0540	5,573,766	1,606,292
Absolute floor of the notional MCR	R0550	1,530,000	1,530,000
Notional MCR	R0560	5,573,766	1,606,292