Credit Update

Danske Bank

20 August 2026

Investment Research

Corporate Bond News

Uniqa Insurance Group AG

- We view UQA's H1 26 report as credit neutral due to continued healthy operational performance with solid premium growth, resilient earnings boosted by strong investment returns, but offset by more normalised insurance claim levels, while the solvency ratio remains strong at 271%. This capital position leaves headroom for further shareholder remuneration and/or selective acquisitions without diluting the credit quality.
- Additionally, the company reiterated its FY 26 outlook and FY 28 targets, underpinning the current growth momentum and a healthy medium-term trajectory of the broad-based insurance operations.
- We reiterate our Marketweight recommendation on the following two debt instruments, UQA 2.375% subordinated perpetual hybrid notes in EUR, callable on 9 June 2031 (XS2418392143), trading at a yield-to-call of 4.2% (Z-spread of 111bp); and UQA 4.5% subordinated perpetual hybrid notes in EUR, callable on 13 November 2035 (XS3357207417), trading at a yield-to-call of 4.8% (Z-spread of 157bp).
- We observe that both notes trade fairly compared with the comparable corporate hybrid curves and offer an interesting risk/reward.
- Overall, we consider UQA's credit profile to be strong and believe that the 'extension risk' is very limited on the hybrid instruments past their first scheduled call dates. This was confirmed by the refinancing during spring 2026, also at attractive terms.

Issuer info

Sector	Insurance
Corporate ticker	UQA Corp
Equity ticker	UQA AV Equity
Market cap	EUR5.3bn
Total assets	EUR30.3bn
Issuer credit rating	
S&P	A (Stable)
Moody's	NR
Fitch	NR

Latest publication on issuer

Credit Update – UQA, 21 May 2026

Source: Bloomberg, Danske Bank Credit Research

Selected bonds

Company	ISIN	Min. Piece	Seniority	Currency	Maturity/Call	CPN	Issue Size (m)	Credit Ratings	Price	Yield*	Recommendation
UNIQA INSURANCE GROUP (Prof.)	XS2418392143	100,000	Subordinated	EUR	09/06/2031	2.375	375	BBB+/NR/NR	92.2	4.2%	Marketweight
UNIQA INSURANCE GROUP (Prof.)	XS3357207417	100,000	Subordinated	EUR	13/11/2035	4.500	500	BBB+/NR/NR	97.9	4.8%	Marketweight

Note: Credit ratings by S&P, Moody's, and Fitch, respectively. (Prof.) PRIIPS bonds are restricted to retail clients, only available to professional classified clients.

Source: Bloomberg, Danske Bank Credit Research

Uniqa Insurance Group AG: Credit Update – H1 26

Uniqa Insurance Group AG released its H1 26 results. Key takeaways are as follows.

- In the H1 period, UQA's total written premiums increased 12% y/y to EUR4.9bn. Insurance revenue rose 7.9% y/y to EUR3.8bn, due to broadly good growth momentum in the Health (11.7%), Life (10.2%) and Property & Casualty (6.2%) segments. Also, the Domestic operations revenue rose 7.9% and International rose 6.2% y/y.
- The group's technical result was EUR360m, down 4.9% y/y due to unfavourable claims development and as no significant natural catastrophes impacted last year's result. Operating profit in the period was EUR362m, up 8.7% y/y, mostly driven by resilient insurance operations and a strong financial result at EUR176m, up 10% y/y. The investment portfolio of EUR22.2bn yielded 3.3% during H1 26 and delivered a net investment income of EUR587m, up 47% y/y thanks to favourable financial markets. Moreover, efficiency measures were improved on an adjusted basis, with the group cost ratio at 14.8%, unchanged y/y, while the P&C combined ratio rose to 91.6%, up 110bp y/y, reflecting a more normalised level of insurance claims compared to 2025.
- In summary, the net result amounted to EUR258m in the period, up 11.1% compared to H1 25. Also, the profitability represents a return on equity of 16.3%, up 60bp y/y. This performance compares to the >13% group target.

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More information:

For further information, see the latest *Corporate Bond Lists, 17 August 2026.*

- On capital, UQA's solvency ratio stood at 271% at end-H1 26, 4pp lower than in Q4 25 and 7pp higher than for FY 24. This was driven primarily by the capital generation and positive investment returns. The group's capital position is strongly above the target range 180-230% for FY 28, which offers the opportunity for a higher dividend or potential M&A activity.
- UQA reiterated its outlook, in which it aims for FY 26 profitability with reference to EBT in the range of EUR540-570m (FY 25: EUR516m). Furthermore, in November 2025, the group hosted a Capital Markets Day, which provided a deep dive in 2028 targets. The company's objectives are to grow premiums by more than 6% on average with emphasis on the international operations, a targeted admin. cost ratio of below 15%, a combined ratio less than 93%, a return on equity of above 13%, and a dividend policy including a payout ratio of 50-60% (FY 25: 52%) while sustaining a solvency ratio in the range of 180-230%.
- Regarding credit migration, in November 2025 UQA was upgraded by S&P and holds an 'A' rating and a 'stable outlook' on an issuer level while the Insurer's Financial Strength rating (IFS) was equally raised to 'A', reflecting a strong operating performance, robust capitalisation levels (financial leverage below 40% and fixed-charge coverage in the range of 11-15x), a favourable funding structure, and a conservative investment allocation.

Credit conclusion

We view UQA's H1 26 report as credit neutral due to continued healthy operational performance with solid premium growth, resilient earnings boosted by strong investment returns, but offset by more normalised insurance claim levels, while the solvency ratio remains strong at 271%. This capital position leaves headroom for further shareholder remuneration and/or selective acquisitions without diluting the credit quality. Moreover, the company reiterated its FY 26 outlook and FY 28 targets, underpinning the current growth momentum and a healthy medium-term trajectory of the broad-based insurance operations.

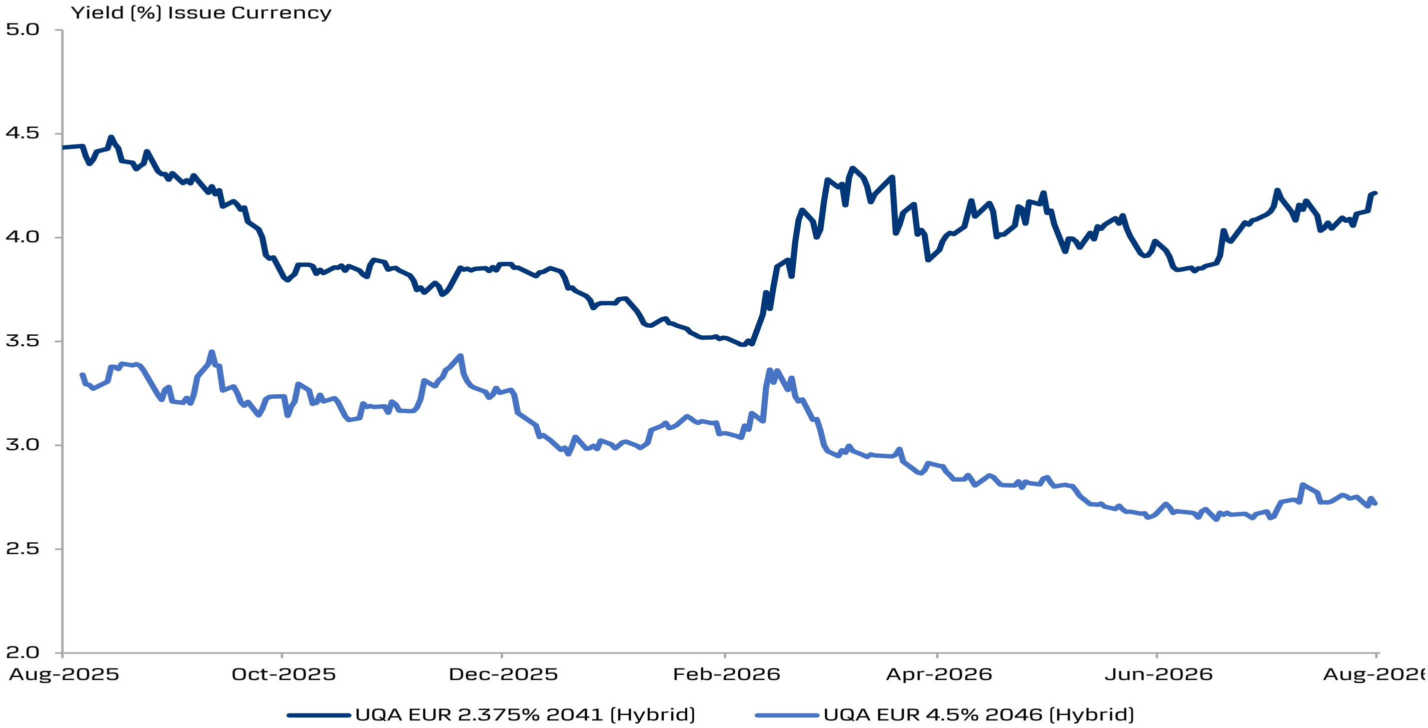
Our coverage includes the following two subordinated debt instruments with a Marketweight recommendation.

- *The UQA 2.375% subordinated perpetual hybrid notes in EUR, callable on 9 June 2031 (XS2418392143), as we observe it trades at slightly compressed levels compared with the comparable corporate hybrid curves, and at a yield-to-call of around 4.2% (Z-spread of 111 bp), which we view as offering an interesting risk/reward.*
- *The UQA 4.5% subordinated perpetual hybrid notes in EUR, callable on 13 November 2035 (XS3357207417), as we observe it trades at fair levels compared with the comparable corporate hybrid curves, and at a yield-to-call of around 4.8% (Z-spread of 157 bp), which we also view as offering an interesting risk/reward.*

The UQA 6% subordinated perpetual hybrid notes in EUR, callable on 27 July 2026 (XS1117293107), have been fully called as of 27 July 2026, underpinning first call option to be the main scenario on remaining outstanding hybrid securities.

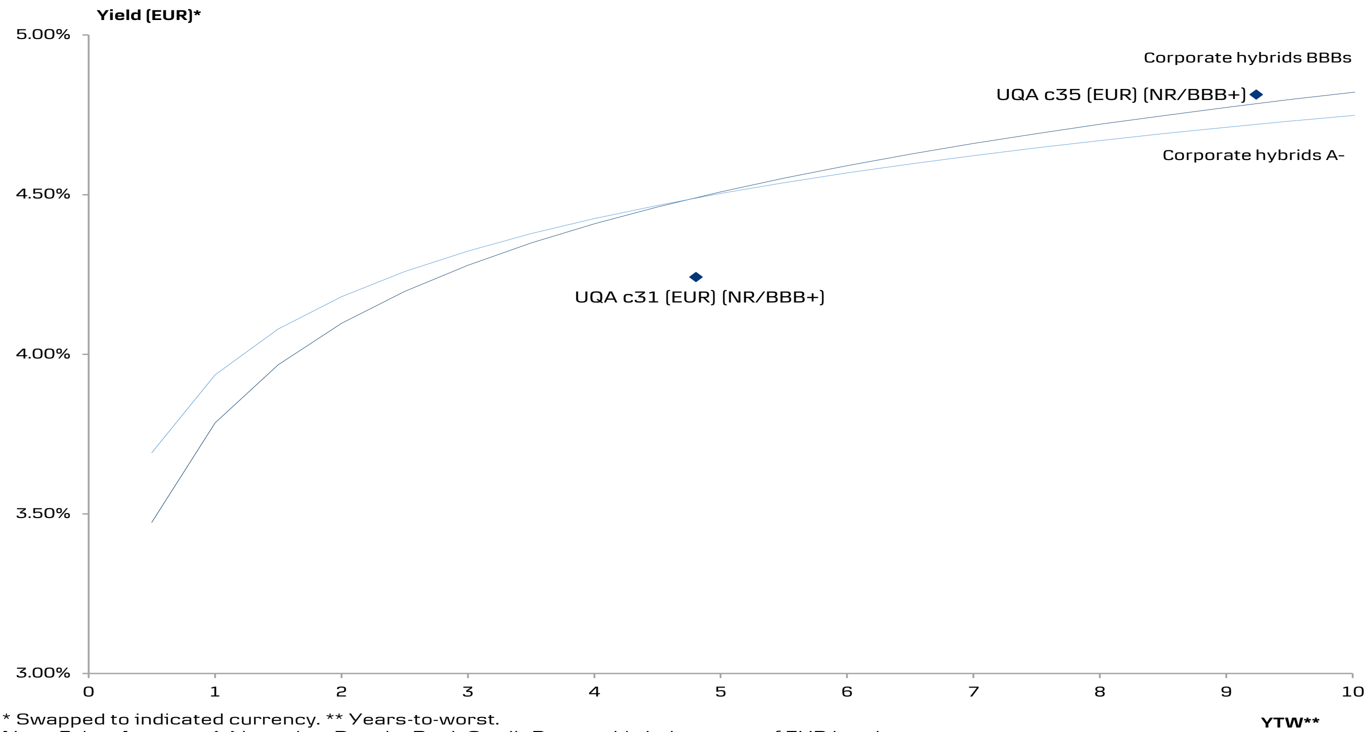
Overall, we consider UQA's credit profile to be strong and believe that the 'extension risk' is very limited on the hybrid instruments past their first scheduled call dates. This was confirmed by the refinancing during spring 2026, also at attractive terms.

Historical yield chart: Selected UQA notes in EUR



Source: Bloomberg, Danske Bank Credit Research

Relative value chart: Selected UQA bonds in EUR



* Swapped to indicated currency. ** Years-to-worst.
Note: Fair value curve(s) based on Danske Bank Credit Research's index group of EUR bonds.

Source: Bloomberg, Danske Bank Credit Research

Disclosures

This research report has been prepared by Credit Research, a division of Danske Bank A/S ('Danske Bank'). The author of this research report is Rasmus Justesen, Chief Analyst.

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We expect to update this investment analysis following the publication of Uniqa Insurance Group AG's annual report provided that at such time the bond continues to be among our preferred credits.

This publication should be read in conjunction with the international single name credit bond publications *Corporate Bond News*, *Corporate Bonds: Investment opportunities in single name international fixed income credit* and *Company Profiles*. These publications are typically published once a month.

Completion and first dissemination

The completion date and time in this research report mean the date and time when the author hands over the final version of the research report to Danske Bank's editing function for legal review and editing.

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Rating	Anticipated performance	Time horizon	Distribution of recommendations	Investment banking relationships
Overweight	Outperformance relative to peer group	12 months	44%	19%
Marketweight	Performance in line with peer group	12 months	50%	40%
Underweight	Underperformance relative to peer group	12 months	6%	2%
Sell	A decrease in price of more than 10%	12 months	-	-

Changes in recommendation over past 12 months

ISIN XS2418392143

Date	New recommendation	Old recommendation
29 May 2026	Marketweight	-

ISIN XS3357207417

Date	New recommendation	Old recommendation
29 May 2026	Marketweight	-

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