

***Half-year
financial
report
2022***

Letter from the Chairwoman of the Managing Board

**Dear Shareholders,
Ladies and Gentlemen!**

More than the first half of 2022 is now behind us and the media is dominated by reports about the war in Ukraine, the energy supply situation in Europe and price increases in almost all areas of life. A great deal of uncertainty exists. Whether private households or companies, in Austria or other European countries, we are all affected and feel the effects. Some, however, are more affected than others and the goal of politics and society must be to provide the best possible support for the most vulnerable and overcome these difficult times together. This requires solidarity, but also the will to act and assume responsibility.



In times like these, company business models become the focus of attention and are put to the test: Will the business model solve current and future problems? Has it proven itself in similar situations in the past? Does it take social and technological developments into account? Does it contribute to sustainability and climate protection? My wholehearted answer is yes to each of these questions for VIG. Our success is built on a proven, long-term business model that is developed and adapted to satisfy requirements. The results for the 1st half of 2022 confirm my conviction. Vienna Insurance Group continues to show a strong operating performance. We increased our premium volume by 11.6% to EUR 6.4 billion. This once again underscores the strengths of our local insurance companies and their successful focus on local needs. All reportable segments and lines of business show satisfying year-on-year increases in premiums.

The combined ratio, a measure of profitability that combines the claims and cost ratio, was 94.3%. The claims ratio and cost ratio both improved.

The result before taxes of EUR 277.3 million was 10.3% above the value for the same period in the previous year. In addition to the measures already taken the 1st quarter of 2022, this result includes further measures, meaning over three quarters

of the approximately EUR 165 million exposure to Russian government and corporate bonds of the VIG Group have already been provided for in the first half of the year.

The solvency ratio of 285% for the 1st half of 2022 shows that the VIG Group continues to have excellent capital resources and guarantees the stability of the Group. Despite all the uncertainty that exists concerning future developments, at least the historical period of low interest rates appears to have come to an end. The interest rate/yield turnaround will likely be medium to long-term in nature. This is definitely a positive development for us as a provider of traditional life insurance.

Companies cannot influence the macroeconomic and geopolitical environment. In accordance with our management responsibilities, we have reviewed the initiatives in the “VIG 25” strategic programme and weighted them accordingly in order to counter identifiable developments at an early stage.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stadler', written in a cursive style.

Elisabeth Stadler

CONTENTS

03	Letter from the Chairwoman of the Managing Board
04	Interim management report
12	Capital markets & investor relations & share
14	Consolidated interim financial statements in accordance with IFRS
42	Additional disclosures in accordance with the Austrian Insurance Supervision Act (VAG)

Interim management report

Business development and economic position

ECONOMIC ENVIRONMENT

The eurozone was dominated by high inflation and the effects of the conflict in Ukraine in the 1st half of 2022, with consumption in particular suffering from the high rate of inflation. Production was confronted by high energy prices and massive ongoing supply chain problems. Only the services sector remains cautiously optimistic given the impression that pandemic restrictions are ending. Eurozone inflation reached its current high of 8.1% (YoY) in the 1st quarter of 2022. Although energy prices reduced the pressure somewhat, food and core inflation led to a further upward trend in prices.

Austria surprised particularly in the 1st quarter of 2022 recording 1.6% growth compared to the previous quarter and 9.5% growth year-on-year. This was supported by Covid-related base effects but also strong production and construction activity. Private consumption, on the other hand, also suffered from inflation. Austria is scarcely different from the rest of the eurozone in terms of inflation and its drivers and also reached a comparable high in May.

Central and Eastern Europe also provided surprisingly strong figures in the 1st quarter of 2022. With the exception of Serbia, all the economies of the region recorded clear growth compared to the previous quarter. Government expenditures and investment contributed to this, as did continued good private consumption, with only the Czech Republic being an exception in this case. Foreign trade, on the other hand, was consistently negative, except for Croatia. Consumer prices in the region recorded double-digit inflation rates in May 2022, with 16% (YoY) in the Czech Republic and 8.1% (YoY) in Slovenia defining the range of inflation. Even though the demand side – aided by a rather tight labour market, particularly in Poland and the Czech Republic – should have a somewhat greater effect on inflation in the CEE region, the main drivers of inflation were the same as in the eurozone and Austria. Several of the governments in the region introduced inflation-dampening measures (tax reductions, price restrictions, food subsidies) that help in the short term, but bear the risk of just pushing the true inflationary pressures further into the future.

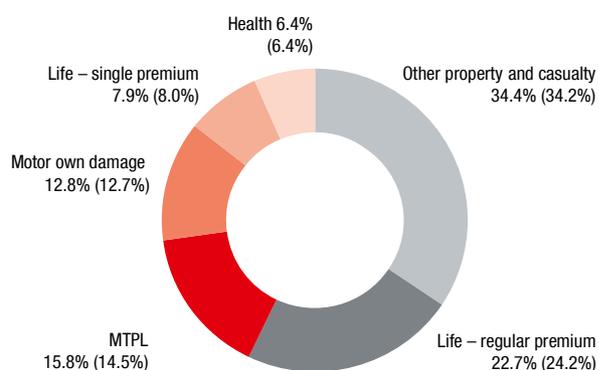
1st half of 2022 at a glance

- Premiums increased by 11.6% to EUR 6,443.1 million
- Profit before taxes rose by 10.3% to EUR 277.3 million
- Combined ratio decreased to 94.3%

BUSINESS DEVELOPMENT AND FINANCIAL PERFORMANCE INDICATORS

VIG Insurance Group wrote EUR 6,443.1 million in premiums in the 1st half of 2022, a significant increase of 11.6% compared to the same period in the previous year (1st half of 2021: EUR 5,772.9 million). All lines of business and reportable segments achieved increases in premiums compared to the 1st half of the previous year. The increases were particularly large in the other property and casualty insurance and the motor lines of business.

PREMIUM SHARE BY LINES OF BUSINESS IN THE 1ST HALF OF 2022



Values for 1st half of 2021 in parentheses

ABBREVIATED CONSOLIDATED INCOME STATEMENT

	1.1.-30.6. 2022	1.1.-30.6. 2021	Δ in %	Δ absolute
<i>in EUR million</i>				
Premiums written – gross	6,443.1	5,772.9	11.6%	670.2
Net earned premiums – retention	5,268.6	4,822.6	9.2%	445.9
Financial result excl. result from shares in at equity consolidated companies	315.5	350.9	-10.1%	-35.5
Income from investments	662.7	579.5	14.4%	83.2
Expenses for investments and interest expenses	-347.3	-228.6	51.9%	-118.6
Result from shares in at equity consolidated companies	8.9	2.7	228.8%	6.2
Other income	89.4	80.8	10.7%	8.7
Expenses for claims and insurance benefits – retention	-3,914.0	-3,633.5	7.7%	-280.4
Acquisition and administrative expenses	-1,353.6	-1,237.1	9.4%	-116.5
Other expenses	-137.4	-135.0	1.8%	-2.5
Business operating result	277.3	251.4	10.3%	25.9
Adjustments ¹	0.0	0.0	0.0%	0.0
Result before taxes	277.3	251.4	10.3%	25.9
Taxes	-69.2	-60.7	14.1%	-8.5
Result of the period	208.1	190.7	9.1%	17.4
Non-controlling interests in net result of the period	5.8	4.4	32.0%	1.4
Non-controlling interests in net result for the period	202.3	186.3	8.6%	16.0
Earnings per share (annualised) (in EUR)²	3.05	2.91	4.7%	0.1

¹ The adjustments consist, among other things, of impairments of intangible assets (mainly impairments from goodwill).

² The calculation of this key figure in the current year includes the interest for hybrid capital. The undiluted result per share equals the diluted result per share (in EUR).

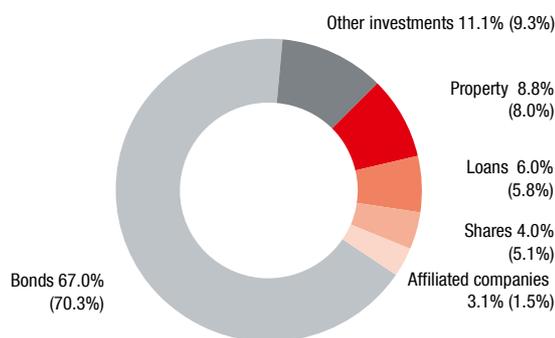
Expenses for claims and insurance benefits less reinsurers' share were EUR 3,914.0 million in the first six months of 2022 (1st half of 2021: EUR 3,633.5 million) corresponding to an increase of 7.7% compared to the same period in the previous year. The increase was primarily due to an increase in business volume in all insurance lines of business.

Acquisition and administrative expenses less reinsurance commissions rose 9.4% to EUR 1,353.6 million in the 1st half of 2022, mainly as a result of higher commission expenses (1st half of 2021: EUR 1,237.1 million).

The Group result before taxes rose 10.3% in the 1st half of 2022 to EUR 277.3 million (1st half of 2021: EUR 251.4 million). This includes around EUR 126 million in measures in connection with the exposure to Russian government and corporate bonds.

The Group's combined ratio after reinsurance (not including investment income) improved compared to the same period in the previous year to 94.3% (1st half of 2021: 95.2%) due to the positive technical development of the reportable segments Austria, Poland and Expanded CEE.

BREAKDOWN OF INVESTMENTS AS OF 30 JUNE 2022



Values as of 31 December 2021 in parentheses

Group investments including cash and cash equivalents were EUR 34,409.8 million as of 30 June 2022 (31 December 2021: EUR 37,266.1 million). The year-on-year decrease was primarily due to a significant decrease in the fair value of bonds in the available for sale category that was caused by current interest rate changes.

VIG Insurance Group earned a financial result of EUR 324.3 million in the 1st half of 2022 (1st half of 2021: EUR 353.6 million). This decrease of 8.3% was mainly due to provisions in connection with the exposure to Russian government and corporate bonds.

BUSINESS DEVELOPMENT AND FINANCIAL PERFORMANCE INDICATORS BY REPORTABLE SEGMENT

PREMIUMS WRITTEN BY REPORTABLE SEGMENT

	1.1.-30.6.22	1.1.-30.6.21	Δ in %	Δ absolute
<i>in EUR million</i>				
Austria	2,374.6	2,279.7	4.2%	94.9
Czech Republic	1,106.4	945.6	17.0%	160.9
Poland	659.0	640.7	2.9%	18.3
Extended CEE ¹	1,722.1	1,431.5	20.3%	290.6
Special markets ²	297.2	269.1	10.4%	28.1
Group Functions ³	1,242.3	1,014.8	22.4%	227.5
Consolidation	-958.6	-808.5	18.6%	-150.1
Total	6,443.1	5,772.9	11.6%	670.2

¹ Extended CEE: Albania incl. Kosovo, Baltics, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia, Ukraine

² Special Markets: Germany, Georgia, Liechtenstein, Türkiye

³ Group functions: VIG Holding, VIG Re, Wiener Re, VIG Fund, corporate IT service providers and intermediate holding companies

RESULT BEFORE TAXES BY REPORTABLE SEGMENT

	1.1.-30.6.22	1.1.-30.6.21	Δ in %	Δ absolute
<i>in EUR million</i>				
Austria	77.1	105.8	-27.2%	-28.7
Czech Republic	93.9	96.9	-3.1%	-3.0
Poland	28.6	33.8	-15.3%	-5.2
Extended CEE ¹	85.6	83.8	2.2%	1.8
Special markets ²	20.2	22.2	-9.2%	-2.0
Group Functions ³	-20.9	-90.6	-76.9%	69.7
Consolidation	-7.2	-0.5	> 100%	-6.7
Total	277.3	251.4	10.3%	25.9

¹ Extended CEE: Albania incl. Kosovo, Baltics, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia, Ukraine

² Special Markets: Germany, Georgia, Liechtenstein, Türkiye

³ Group functions: VIG Holding, VIG Re, Wiener Re, VIG Fund, corporate IT service providers and intermediate holding companies

Austria

The Austrian VIG insurance companies generated EUR 2,374.6 million in premiums written in the first six months of 2022, representing a year-on-year increase of 4.2% (1st half of 2021: EUR 2,279.7 million). This was primarily due to good

premium growth in the motor lines of business, other property and casualty insurance and life single premium insurance.

The result before taxes decreased 27.2% year-on-year to EUR 77.1 million, mainly as a result of measures in connection with the exposure to Russian government and corporate bonds (1st half of 2021: EUR 105.8 million).

The combined ratio improved to 92.7% in the first six months of 2022, primarily due to a better expense ratio (1st half of 2021: 93.7%).

Czech Republic

The VIG insurance companies in the Czech Republic segment wrote EUR 1,106.4 million in premiums in the 1st half of 2022, an increase of 17.0% compared to the same period in the previous year (1st half of 2021: EUR 945.6 million). This was primarily due to double-digit growth rates in the motor and other property and casualty insurance lines of business as well as in life regular premium insurance.

The result before taxes was EUR 93.9 million in the 1st half of the current year, corresponding to a year-on-year decrease of 3.1% (1st half of 2021: EUR 96.9 million) which was primarily due to the deterioration of the combined ratio.

Due to a higher claims frequency and increase in adverse weather events, the combined ratio was 93.4% in the 1st half of 2022 (1st half of 2021: 91.5%).

Poland

The VIG insurance companies in the Poland segment wrote EUR 659.0 million in premiums in the 1st half of 2022, representing a year-on-year increase of 2.9% (1st half of 2021: EUR 640.7 million). This increase was mainly due to the good performance in the other property and casualty insurance line of business.

The result before taxes fell in the first six months of the current year due to a 15.3% decrease in the financial result to EUR 28.6 million (1st half of 2021: EUR 33.8 million).

The combined ratio improved to 93.8% in the 1st half of 2022 due to better claims development (1st half of 2021: 94.4%).

Extended CEE

The Extended CEE reportable segment includes the countries of Albania including Kosovo, Baltic states, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia and Ukraine.

The VIG insurance companies in the Extended CEE segment wrote EUR 1,722.1 million in premiums in the 1st half of 2022. The year-on-year increase of 20.3% was mainly due to good performance in the motor lines of business and other property and casualty line of business and the increase in premiums from life single premium insurance. In the Extended CEE segment, the Baltic states, Romania and Hungary recorded particularly strong premium growth.

The result before taxes rose 2.2% year-over-year in the Extended CEE segment to EUR 85.6 million in the 1st half of 2021, partly due to an improvement in the combined ratio (1st half of 2021: EUR 83.8 million).

The combined ratio decreased year-on-year to 93.4% in the 1st half of 2022 (1st half of 2021: 94.2%). The improvement was mainly due to the good performance achieved in Bulgaria and Albania including Kosovo.

Special markets

The Special Markets reportable segment includes the countries of Germany, Georgia, Liechtenstein and Türkiye.

The VIG insurance companies in the Special Markets segment wrote EUR 297.2 million in premiums in the first six months of 2022 (1st half of 2021: EUR 269.1 million). The year-on-year increase of 10.4% was mainly due to good performance in the motor third party liability and other property and casualty lines of business.

The result before taxes decreased 9.2% to EUR 20.2 million in the 1st half of 2022, primarily due to an increase in the combined ratio (1st half of 2021: EUR 22.2 million).

The combined ratio was 94.4% in the 1st half of 2022, as a result of increasing claims frequencies in Türkiye and Georgia (1st half of 2021: 87.7%).

Group Functions

The Group Functions reportable segment includes VIG Holding (including the branches in Northern Europe), VIG Re (including the branches in Germany and France), Wiener Re, the VIG Fund, corporate IT service providers and intermediate holding companies.

Premiums written in the Group Functions segment rose 22.4% in the 1st half of 2022 to EUR 1,242.3 million (1st half of 2021: EUR 1,014.8 million). This was mainly the result of an increase in premiums generated by VIG company VIG Re entering new business areas for active reinsurance, an increase in corporate and large customer business and internal Group proportional reinsurance contracts in VIG Holding.

The Group Functions segment reported a loss of EUR 20.9 million in the first six months of the current year (1st half of 2021: loss of EUR 90.6 million). The previous year was negatively affected by a variety of provisions, including for adverse weather events, COVID-19 and strategic projects.

BUSINESS DEVELOPMENT BY BALANCE SHEET UNIT

Further information on business development by balance sheet units is provided in the additional disclosures in accordance with the Austrian Insurance Supervision Act (VAG) starting on page 42.

SIGNIFICANT RELATED PARTIES

Information on related parties is provided in the notes to the consolidated financial statements starting on page 41.

Expected development and risks of the Group

SIGNIFICANT RISKS AND UNCERTAINTIES

In accordance with the strategic orientation of VIG Insurance Group, the general VIG Insurance Group risk profile did not change in the 1st half of 2022. Market risks and underwriting risks continue to be significant risks for the 2nd half of 2022. Further information on the significant business risks to which VIG Insurance Group is exposed is available in the risk report

section in the VIG Insurance Group Annual Report for 2021 and the Solvency and Financial Condition Report for 2021.

Although the effects of the Covid-19 pandemic continue to decline, in spite of the small increase in cases in Europe at the beginning of the summer season, the war between Russia and Ukraine led to another strong and possibly more sustained economic slowdown in the 1st half of 2022. The further development of the conflict and the potential for further escalation of sanctions and countermeasures (e.g. reduction or suspension of natural gas supplies from Russia) and the current tensions between the USA and China could further worsen the implications for the financial markets and the economy in general and therefore represent one of the most significant uncertainties for VIG Insurance Group in the 2nd half of 2022. More detailed information related to the war situation in Ukraine is provided on page 22 of the consolidated interim financial statements.

Even though there were no above-average extreme weather events in the 1st half of 2022, VIG Insurance Group expects the intensity and frequency of severe weather events to continue increasing due to climate change. VIG Insurance Group therefore continues to focus on the topics of climate change and sustainability. Furthermore, VIG Insurance Group is focusing strongly on cyber risk, which will become even more important in the future due to the rapid progress of digitalisation.

The VIG Insurance Group regulatory solvency ratio was 250% on 31 December 2021. Due to an increase in the risk-free euro yield curve and an issue of supplementary capital (tier 2) with a nominal value of EUR 500 million, the solvency ratio of VIG Insurance Group improved in the 1st half of 2022 to 285% as of 30 June 2022, in spite of the repurchase of part of the tier 2 bond issued in 2013, an increase in the rate of inflation and stock market declines.

The Group's excellent level of regulatory capital and A+ rating with stable outlook from Standard & Poor's demonstrate its high risk-bearing capacity.

VIG Insurance Group will maintain its current investment policy of holding a conservative, security-oriented asset allocation.

EXPECTED DEVELOPMENT – OUTLOOK

ECONOMIC OUTLOOK

In view of the generally difficult 1st half of 2022 and continued uncertainty resulting from supply chain disruptions and the war situation in Ukraine, Erste Group analysts lowered their estimates for real GDP growth in the eurozone in 2022 to 2.8%. Real growth of 2.6% is expected for 2023. Although the effect of energy prices is expected to gradually fade in the second half of the year (the basic availability of energy, however, continues to be a major risk for the eurozone, as well as Central and Eastern Europe), food prices and core inflation should continue to produce upward pressure. The European Central Bank (ECB) will, in particular, need to monitor further wage increases.

The Erste Group expects weak private demand and industrial production to dampen real GDP growth in Austria in 2022. The pandemic-related recovery, however, is expected to continue in the services sector, especially for tourism, leading to a projected growth rate of 3.7%, although this drops to just 2.4% in 2023. Assuming Russia does not completely discontinue natural gas deliveries leads to an expected inflation rate of 6.4% (YoY) for 2022.

The surprisingly high rate of growth recorded for Central and Eastern Europe in the first quarter led Erste Group analysts to raise their estimate of real GDP growth for the region from 3% to 3.8% (YoY) in 2022. Economic output is expected to weaken significantly during the course of the year and the estimate for 2023 was decreased from the previous rate of 4.1% to 3.2%. Energy prices, supply chains and Russia's war of aggression against Ukraine will also be critical factors for future inflation in the region. Inflation should, however, reach its high in the range of 11–16% (YoY) in the 2nd or 3rd quarter of 2022. The decreasing private demand, in particular, is expected to have a dampening effect. Energy and food

prices are the greatest source of uncertainty. Overall, inflation is expected to be 12.2% for the region and to decrease to 6.8% in 2023.

Interest rates

Overall, central banks are currently aiming to solidly anchor inflation expectations and appear ready to accept the risk of a recession. Further massive interest rate increases might not be limited to Central and Eastern Europe, as the ECB will also increasingly need to take measures. The first interest rate increase in July is expected to be followed by a larger one in September. Only the Czech Republic appears to have reached the end of the cycle of interest rate increases and further measures are expected to focus more on the currency. None of the other markets in the region have reached the end of their interest rate increases.

OUTLOOK FOR VIG INSURANCE GROUP

As a market leader in Central and Eastern Europe, VIG Insurance Group with its more than 25,000 employees is in an excellent position to take advantage of the opportunities available in this region and the long-term growth options they offer. To this end, it is implementing its “VIG 25” strategic programme, which was developed and initiated together with the CEOs of the VIG insurance companies based on trends and developments in the insurance industry, and is aimed at further increasing premium volume and improving the combined ratio. Based on the new strategy and current conditions, a range of 150 to 200% was specified for the VIG Group solvency ratio without taking into account the transitionals for underwriting provisions used by some individual Group companies. The dividend policy, which foresees a distribution in the range of 30 to 50% of Group net profits, will remain unchanged. The dividend per share will continue to be aligned with the Company's performance.

In addition to creating sustainable value and achieving the sustainability objectives, one of the key goals of the programme is to expand the leading market position in Central and Eastern Europe, with the aim of achieving at least a top 3 position

in each CEE market, with the exception of Slovenia. The planned acquisition of the CEE business of the Dutch company Aegon N.V. in Hungary, Poland, Romania and Türkiye is a major step in this direction. The closings for Hungary and Türkiye were already completed in the 1st half of 2022.

The further development of the financial year 2022 continues to be influenced by uncertainty factors, above all the war in Ukraine and its unforeseeable consequences. The ongoing pandemic, inflation, high commodity prices, supply chain problems and resource shortages are additional factors that could increase risk and therefore may affect VIG markets accordingly. It is currently not possible to estimate the consequences of these uncertainty factors and the resulting impact on the business development in 2022. Given that the VIG Insurance Group has been able to manage the current challenges in its operating insurance business very well so far, the Group aims to achieve positive operating performance in 2022, subject to the factors mentioned above.

Current topics

Weather-related claims

In total, gross weather-related claims were around EUR 201 million in the 1st half of 2022 (1st half of 2021: gross around EUR 211 million). VIG Insurance Group retained around EUR 131 million after reinsurance (1st half of 2021: EUR 98 million).

Virtual Annual General Meeting 2022

The 31st Annual General Meeting of Vienna Insurance Group AG Wiener Versicherung Gruppe was held virtually on 20 May 2022. The Annual General Meeting approved the Managing Board and Supervisory Board proposal to pay a dividend of EUR 1.25 per share. This corresponds to a dividend payout ratio of 42.6% of the profit after taxes and non-controlling interests. The dividend yield is 5%.

To protect the participants, the Annual General Meeting was held as a virtual meeting in accordance with the law. In June 2022, a shareholder brought an action for annulment of all

resolutions of the Annual General Meeting on the grounds that it should have been convened and held as an annual general meeting in person. VIG considers the lawsuit to be unfounded. The proceeding is pending before the Vienna Commercial Court.

VIG successfully places subordinated tier 2 notes

Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG) successfully placed Subordinated Fixed to Floating Rate Tier 2 Notes with scheduled maturity in 2042 in an aggregate principal amount of EUR 500 million (the "Notes") with institutional investors in Austria and abroad at the beginning of June 2022. The Notes were issued under VIG's tier 2 notes issuance programme. At the same time, VIG made an offer to repurchase the subordinated notes issued in 2013 (ISIN: AT0000A12GN0) and repurchased notes with a total nominal value of EUR 215.6 million. Detailed information is available at: www.vig.com/bonds

VIG successfully invests half a billion euro in green and social projects

Within the first year of the EUR 500 million Senior Sustainability Bond, being issued in March 2021, Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG) was able to allocate 100% of the bond's net proceeds to green and social projects. Around 50 investors from 12 European countries have subscribed to the bond, which was successfully placed on 18 March 2021; over three quarters of them have an explicit focus on sustainability in their portfolios.

Acquisition of the Aegon companies in Hungary and Türkiye

In March 2022, following approval by the Hungarian authorities, VIG Holding acquired the business of the Dutch company Aegon in Hungary and completed the closing for the 45% interest of the Hungarian state holding company Corvinus in the Hungarian business. As a result, in 2022 VIG Insurance Group already achieved its goal of being one of the top three in the Hungarian market by the end of 2025 and becoming the market leader in Hungary. The closing in Türkiye also took place in April 2022. All approvals have been requested for the acquisition of Aegon's remaining Eastern European business with companies in Poland and Romania. The local authorities have not yet provided approval.

Further details are provided on page 23 of the notes to the consolidated financial statements.

Cooperation: GROPYUS and VIG Insurance Group provide ecosystem for sustainable and affordable housing

VIG Holding has signed a cooperation agreement with the Vienna-based international PropTech company GROPYUS. GROPYUS plans, builds and manages buildings. Sustainable materials, especially wood, reduce the environmental footprint, while automation and digitalisation reduce costs. GROPYUS wants to make sustainable and, in the future, affordable housing possible for everyone. VIG Insurance Group is supporting GROPYUS with insurance, assistance services, financing and the company's planned expansion to Central and Eastern Europe.

New assistance company founded in Serbia

VIG Insurance Group continued to expand dedicated companies for digital customer service with the establishment of GLOBAL ASSISTANCE D.O.O. BEOGRAD in July 2022. By the end of 2022, VIG Insurance Group customers in eleven countries will be supported by the Group's own service companies. The service companies handle a total of more than 600,000 assistance cases per year.

AWARDS

VIG among the 500 most valuable brands in Europe in 2022

Brand Finance determined the world's 500 most valuable brands in Europe in its "Brand Finance Europe 500 2022" report. The ranking contained eight Austrian brands, including VIG, which moved up 21 places compared to the previous year to reach 363rd place with a brand value of EUR 1.3 billion.

VIG Insurance Group was awarded "Diversity Leader 2022"

VIG Insurance Group was included in the list of "Financial Times Diversity Leaders 2022" again this year. The list is reserved for companies with outstanding achievements in the area of diversity and inclusion in the workplace.

VIG Holding awarded "Leading Employer" in Austria

VIG Holding was included in list of the "Leading Employers" in Austria. This meta-analysis is the world's most compre-

hensive study of employer characteristics. It analyses a broad range of criteria and produces a holistic assessment.

Austrian company Wiener Städtische wins Employer Branding Award in gold

Its “Check out an apprenticeship” (Check die Lehre) job game gives people looking for an apprentice position an in-depth view of apprenticeship training and the working world in the Austrian VIG insurance company Wiener Städtische. They can use practical missions to find out what it is like to be an insurance advisor and check their aptitude and skills. Wiener Städtische’s job game was chosen for the gold Employer Branding Award in the “Personnel Marketing & Recruiting” category out of more than 120 submissions from Germany, Austria and Switzerland. Originality and creativity, activation of target groups and the impact of the project, including campaign management, were evaluated.

Austrian VIG company Donau Versicherung wins “FONDS professionell Service Award” again in 2022

Austrian VIG insurance company Donau Versicherung was among the winners of this year’s “FONDS professionell Service Award” for the fourth time in a row. The readers of “FONDS professionell” once again rated DONAU Versicherung’s service quality as “outstanding” in 2022.

Czech company VIG Re named “Most Dynamic Reinsurer of the Year 2022”

VIG Re was named “Most Dynamic Reinsurer of the Year 2022” at this year’s edition of the FIAR International Insurance-Reinsurance Forum, which is traditionally organised by Media Xprimm in Bucharest. The result was based on a vote by the insurance companies in Romania. The award underscores the steady improvement of VIG Re’s market position in the countries of Central and Eastern Europe.

Czech company Kooperativa wins awards in the “Golden Crown” competition

The Golden Crown competition gives awards for the best financial products of the year in the Czech market. The Czech VIG insurance company Kooperativa earned a total of four podium places in the 20th anniversary edition of the competition. In addition, Kooperativa’s “TREND” business insur-

ance was named “Business Product of the Year” and its “FLEXI” life insurance was named “Retail Product of the Year”. In the main competition, Kooperativa won the Golden Crown in the “Non-Life Insurance” and “Life Insurance” categories, among other things.

Czech companies Kooperativa and ČPP with best ranking in industry survey

In this year’s “Insurance Company of the Year” survey by the Association of Czech Insurance Brokers, the Czech VIG insurance companies Kooperativa and ČPP took the top two places in the four most important categories of “Life Insurance”, “Industrial and Commercial Insurance”, “Personal Insurance” and “Motor Insurance”.

Gold for Polish VIG insurance company Wiener

Polish VIG insurance company Wiener received the “Golden Customer Laurel 2022” award in the “Environmental Strategies in Business” category in a nationwide customer competition. The competition, which is aimed at selecting and providing awards for the most popular products and brands in a variety of categories, has a long tradition of more than 16 years. An independent jury of consumers chooses their favourite product, brand or service in each category. Each category has at least 1,000 respondents. Wiener received almost one third of the votes in the “Environmental Strategies in Business” category.

Bulgarian insurance company Bulstrad and pension fund Doverie receive awards

In May 2022, the top Bulgarian companies in the areas of insurance and supplementary pension insurance received awards for 2021. Two of the three VIG insurance companies in the country were among the winners. Our insurance company Bulstrad was chosen as “Insurer of the Year – Property and Casualty Insurance” for the fourth time in five years and our Bulgarian pension fund Doverie received the winner’s statuette in the supplementary mandatory pension insurance category for the eleventh time in a row.

Capital markets & investor relations & share

CAPITAL MARKETS

International overview

Inflation and recession fears, the Ukraine war and massive changes in the geopolitical and energy policy situation created an extremely volatile environment in international stock markets in the 1st half of this year, with large daily fluctuations at times and an overall downward trend in prices.

Although the global MSCI World equity index reached its all-time high in January 2022, it recorded a drop of 21.2% in the 1st half of 2022. The Dow Jones Industrial (DJI) index, the S&P 500 and the German DAX equity index also recorded a strong performance at the beginning of 2022. All three indices reached their all-time highs in January 2022 before going downhill. Overall, the indices lost 15.3% (DJI), 20.6% (S&P 500) and 19.5% (DAX) in the 1st half of 2022. The technology-oriented NASDAQ Composite Index even fell by 29.5% in the first six months of 2022. At mid-year, the Eastern European CECE index, calculated in euro, was 27.0% below its value at the end of the previous year. The Eurostoxx 50 index was also affected by the downward trend in stock markets, falling around 19.6% since the beginning of the year.

Although the STOXX Europe 600 sector index reached an all-time high in January 2022, it nevertheless recorded a loss of 16.5% over the first six months of 2022. The STOXX Europe 600 Insurance sub-sector index lost around 10.9% in the 1st half of this year. The MSCI Emerging Markets Index also recorded a drop of 18.8%.

Vienna Stock Exchange

Heavy trading continued on the Vienna Stock Exchange in the 1st half of 2022. The equity trading volume of EUR 42.79 billion was 10% higher than the previous year. The Vienna Stock Exchange nevertheless suffered strongly due to the geopolitical situation and the Austrian market's dependence on Russian natural gas. The Austrian benchmark index ATX fell 25.4% in the 1st half of 2022 and thus ended about a quarter below the closing price for the previous year. The ATX Total Return index reached an all-time high in January 2022. In spite of this, it recorded a loss of 22.9% in the 1st half of

2022. The downward trend in the current year is particularly affecting bank and industrial stocks. Bank shares, which are highly weighted in the index, and insurance stocks could nevertheless benefit in the medium term from the start of the interest rate turnaround.

INVESTOR RELATIONS

Roadshows and bank conferences

The management of VIG Holding took part in a total of six bank conferences during the first six months of 2022 to inform existing and potential investors about current developments in the Group. In addition to being present at virtual conferences by well-known organisers such as Kepler Cheuvreux, RBI and J.P. Morgan, meetings were also held with institutional investors in connection with the notes issue in the 2nd quarter of 2022. The events and related presentation documents are available online at www.vig.com/events > Roadshows & Bank Conferences.

Successful note issue

With respect to the 2022 note issue, Investor Relations provided an investor presentation on the "Net Roadshow" platform to market the EUR 500 million tier 2 note. Numerous investors from 14 countries took advantage of this opportunity. All public note information is available online on the company website. The demand for the note was high: the order book was oversubscribed 2.7 times. Most of the more than 110 investors that participated in the transaction were from Germany, Austria, Switzerland and France.

Capital market communications via LinkedIn

VIG is breaking new ground in capital market communications and has been online with its own VIG Investor Relations LinkedIn channel (www.vig.com/ir-linkedin) since mid-April 2022. Content relevant to the capital market is published there twice a week on average in different formats.

VIG SHARE PERFORMANCE

VIG shares experienced a volatile 1st half of 2022 that was mainly dominated by the Ukraine war and its effects. The price

of VIG shares fell around 13% in the first week of the war alone, from 24 February to 2 March 2022. Although the losses were partly recovered, the price of EUR 23.45 on 31 March 2022 was still around 5.8% below the price at the end of the previous year. The 2nd quarter of 2022 was also dominated by inflation and recession fears and the Ukraine war. As a result, the price of VIG shares fell a further 7% in the 2nd quarter. VIG shares nevertheless outperformed Austrian benchmark index ATX and the STOXX Europe 600 Insurance index. VIG shares closed at a price of EUR 21.80 on 30 June 2022, which corresponds to a drop of 12.4% compared to the year-end. That means VIG shares clearly performed better than the ATX in the 1st half of 2022 and are close to the industry level. VIG shares had a price of EUR 23.75 on the editorial deadline of 12 August 2022.

VIG financial calendar*

Results for the 1st–3rd quarter 2022	15 November 2022
--------------------------------------	------------------

*Preliminary schedule

Key share information for the 1st half of 2022

in EUR	
High	26.850
Low	20.650
End-of-period price	21.800
Market capitalisation (in EUR millions)	2,790.4
Dividend 2021	1.25
Book value per share*	37.16

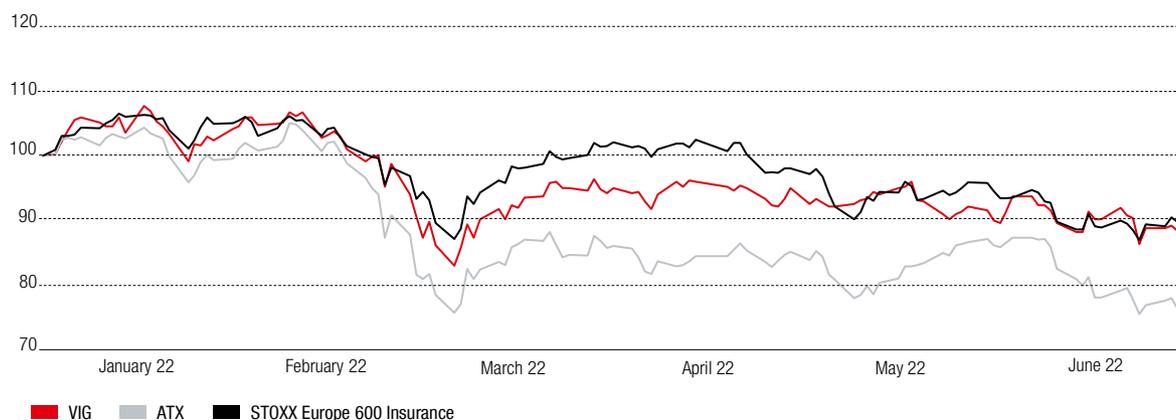
* The value is calculated using shareholders' equity before non-controlling interests, less the revaluation reserve and less hybrid bonds.

Overview of VIG shares

Initial listing (Vienna)	17 October 1994
Initial listing (Prague)	5 February 2008
Number of common shares	128 million
Free float	around 28%
ISIN	AT0000908504
Securities symbol	VIG
Bloomberg	VIG AV / VIG CP
Reuters	VIGR.VI / VIGR.PR
Rating – Standard & Poor's	A+, stable outlook

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND STOXX EUROPE 600 INSURANCE INDEX 1 JANUARY 2021 TO 30 JUNE 2022

Indexed (basis =100)



Consolidated interim financial statements in accordance with IFRS

PRIMARY FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets	Notes	30.6.2022	31.12.2021
<i>in EUR '000</i>			
Intangible assets	1	1,749,349	1,744,169
Right-of-Use assets		196,288	173,348
Investments	2	31,566,128	34,809,790
Property		2,891,776	2,850,588
Owner-occupied property		443,744	472,303
Investment property		2,448,032	2,378,285
Shares in at equity consolidated companies		280,358	276,913
Financial assets		28,393,994	31,682,289
Financial investments for unit- and index-linked life insurance		7,396,472	8,525,331
Reinsurers' share in underwriting provisions	3	1,883,121	1,564,605
Receivables	4	2,270,899	2,067,188
Tax receivables and advance payments out of income tax		125,304	135,053
Deferred tax assets		481,450	311,447
Other assets		407,446	390,893
Cash and cash equivalents		2,843,669	2,456,333
Total		48,920,126	52,178,157

Liabilities and shareholders' equity	Notes	30.6.2022	31.12.2021
<i>in EUR '000</i>			
Shareholders' equity	5	4,494,410	5,597,948
Share capital and reserves		4,381,457	5,478,217
Non-controlling interests		112,953	119,731
Subordinated liabilities	6	1,745,792	1,461,286
Underwriting provisions	7	31,404,479	32,546,227
Underwriting provisions for unit- and index-linked life insurance	8	7,104,960	8,188,793
Non-underwriting provisions		810,367	890,189
Liabilities excl. Subordinated liabilities	9	3,022,495	2,900,280
Tax liabilities out of income tax		147,936	243,382
Deferred tax liabilities		62,273	218,884
Other liabilities		127,414	131,168
Total		48,920,126	52,178,157

The numbers for the individual items in the consolidated balance sheet and consolidated income statement refer to detailed disclosures for these items in the “Notes to the financial statements” section starting on page 28, “Notes to the consolidated balance sheet” section and “Notes to the consolidated income statement” section.

CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated income statement	Notes	1.1.-30.6.2022	1.1.-30.6.2021
in EUR '000			
Net earned premiums – retention		5,268,559	4,822,628
Premiums written – retention		5,675,929	5,106,212
Premiums written – gross	10	6,443,110	5,772,935
Premiums written – reinsurers' share		-767,181	-666,723
Change in unearned premiums – retention		-407,370	-283,584
Change in unearned premiums – gross		-543,757	-393,170
Change in unearned premiums – reinsurers' share		136,387	109,586
Financial result excl. result from shares in at equity consolidated companies	11	315,451	350,902
Income from investments		662,745	579,548
Expenses for investments and interest expenses		-347,294	-228,646
Result from shares in at equity consolidated companies		8,872	2,698
Other income	12	89,435	80,768
Expenses for claims and insurance benefits – retention	13	-3,913,971	-3,633,534
Acquisition and administrative expenses	14	-1,353,609	-1,237,099
Other expenses	12	-137,422	-134,960
Result for the period = Business operating result		277,315	251,403
Taxes		-69,248	-60,715
Result of the period		208,067	190,688
thereof attributable to Vienna Insurance Group shareholders		202,317	186,332
thereof Non-controlling interests		5,750	4,356
Earnings per share (annualised)*	15	3.05	2.91

*The calculation of this key figure in the current year includes the interest for hybrid capital. The undiluted result per share equals the diluted result per share (in EUR).

Consolidated statement of comprehensive income	1.1.-30.6.2022	1.1.-30.6.2021
in EUR '000		
Result of the period	208,067	190,688
Other comprehensive income (OCI)	-1,223,343	-62,156
Items that will not be reclassified to profit and loss in subsequent periods	38,691	3,499
+/- Underwriting gains and losses from provisions for employee benefits	76,248	6,262
+/- Deferred profit participation	-19,831	-1,595
+/- Deferred taxes	-17,726	-1,168
Items that will be reclassified to profit or loss in subsequent periods	-1,262,034	-65,655
+/- Exchange rate changes through equity	-1,431	39,151
+/- Unrealised gains and losses from financial instruments available for sale	-3,537,273	-358,282
+/- Cash flow hedge reserve	25	-20
+/- Share of other reserves of at equity consolidated companies	-1,127	475
+/- Deferred mathematical reserve	598,376	118,991
+/- Deferred profit participation	1,336,958	108,932
+/- Deferred taxes	342,438	25,098
Comprehensive income for the period	-1,015,276	128,532
thereof attributable to Vienna Insurance Group shareholders	-998,864	124,597
thereof Non-controlling interests	-16,412	3,935

CONSOLIDATED SHAREHOLDERS' EQUITY

Development	Share capital	Capital reserves		Retained earnings	Other reserves		Subtotal*	Non-controlling interests	Total
		Hybrid capital	Other		Currency reserve	Other			
in EUR '000									
As of 1 January 2021	132,887	0	2,109,003	2,484,899	-241,168	677,117	5,162,738	123,028	5,285,766
Issuance of hybrid capital		300,000				0	300,000		300,000
Changes in scope of consolidation/ownership interests				-2,102	0	0	-2,102	-1,542	-3,644
Other comprehensive income				186,332	38,271	-100,006	124,597	3,935	128,532
Other comprehensive income excluding currency changes						-100,006	-100,006	-1,301	-101,307
Currency change					38,271		38,271	880	39,151
Result of the period				186,332			186,332	4,356	190,688
Dividend payment			0	-96,000			-96,000	-15,441	-111,441
As of 30 June 2021	132,887	300,000	2,109,003	2,573,129	-202,897	577,111	5,489,233	109,980	5,599,213
As of 1 January 2022	132,887	300,000	2,109,003	2,760,675	-195,819	371,471	5,478,217	119,731	5,597,948
Change in scope of consolidation because of loss of control				0	0	0	0	0	0
Changes in scope of consolidation/ownership interests		0		57,077	7,489	4,766	69,332	21,738	91,070
Other comprehensive income				202,317	-84	-1,201,097	-998,864	-16,412	-1,015,276
Other comprehensive income excluding currency changes						-1,201,097	-1,201,097	-20,815	-1,221,912
Currency change					-84		-84	-1,347	-1,431
Result of the period				202,317			202,317	5,750	208,067
Dividend payment		0		-167,228			-167,228	-12,104	-179,332
As of 30 June 2022	132,887	300,000	2,109,003	2,852,841	-188,414	-824,860	4,381,457	112,953	4,494,410

*The above subtotal equals the equity attributable to shareholders and other capital providers of the parent company.

CONSOLIDATED CASH FLOW STATEMENT

Additional information on the statement of cash flows	1.1.-30.6.2022	1.1.-30.6.2021
in EUR '000		
Received interest ¹	358,907	357,005
Received dividends ¹	41,474	21,746
Interest paid ²	51,114	37,501
Income taxes paid ¹	141,414	8,942

¹ Income tax payments, received dividends and received interest are included in the cash flow from operating activities.

² Interest paid result primarily from financing activities.

Change in cash and cash equivalents	1.1.-30.6.2022	1.1.-30.6.2021
in EUR '000		
Result of the period	208,067	190,688
Change in underwriting provisions net	309,641	334,280
Change in underwriting receivables and liabilities (incl. deposits on assumed reinsurance business)	-177,882	-244,047
Change in other receivables and other liabilities (excl. leases)	5,331	225,896
Change in financial assets recognised at fair value through profit and loss (incl. held for trading)	-17,863	-1,349
Gain/loss from disposal of investments	-104,726	-45,141
Appreciation/depreciation of investments	137,099	31,310
Change in provisions for pensions and similar obligations and provisions for other employee benefits	-78,174	-8,201
Change in deferred taxes	21,954	-71,526
Change in intangible assets	42,431	69,200
Change in right-of-use assets and lease receivables and liabilities	-2,573	3,468
Change in other balance sheet items	-21,250	-40,050
Other cash-neutral income and expenses ¹	192,507	-47,961
Cash flow from operating activities	514,562	396,567
Payments for the acquisition of at equity consolidated companies	0	-931
Cash inflow from the sale of available for sale financial assets	2,618,551	1,984,114
Payments for the acquisition of available for sale financial assets	-2,955,426	-1,732,708
Cash inflow from disposals/repayments of held to maturity financial assets	29,063	45,573
Payments for the acquisition of held to maturity financial assets	-55,166	-55,058
Cash inflow from the sale of property	2,881	11,939
Payments for the acquisition of property	-82,060	-51,903
Cash inflow for the sale of intangible assets	849	722
Payments for the acquisition of intangible assets	-50,935	-60,443
Change in financial investments for unit-linked and index-linked life insurance	231,259	146,549
Change of loans	87,933	109,024
Change in other investments (excl. deposits on assumed reinsurance business)	17,893	-220,789
Cash flow from investing activities	-155,158	176,089
Cash inflows from the issuance of hybrid capital	0	300,000
Cash inflows from subordinated liabilities	500,000	0
Cash outflows from subordinated liabilities	-258,100	-38,250
Dividend payments	-181,741	-111,441
Cash inflow from other financing activities	68,018	523,000
Cash outflow from other financing activities	-80,536	-7,620
Cash outflows from lease liabilities	-15,257	-13,429
Cash flow from financing activities	32,384	652,260
Change in cash and cash equivalents	391,788	1,224,916
Cash and cash equivalents at beginning of period ²	2,456,333	1,745,147
Change in cash and cash equivalents	391,788	1,224,916
Change in the scope of consolidation	-1,767	184
Effects of foreign currency exchange differences on cash and cash equivalents	-2,685	2,110
Cash and cash equivalents at end of period²	2,843,669	2,972,357

¹ The non-cash income and expenses are primarily from exchange rate changes.

² The amount of cash and cash equivalents at the beginning and the end of period correlates with position cash and cash equivalents on the asset side and consists of cash on hand and overnight deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the 1st half of 2022 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and the applicable commercial law provisions of § 245a(1) of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB) and Chapter 7 of the Austrian Insurance Supervision Act (Versicherungsaufsichtsgesetz – VAG). The IFRS accounting policies were the same as those used for the last financial statements in the previous financial year.

Similarly, the estimates and discretionary assessments needed to prepare the consolidated financial statements were made in the same way. This does not include newly applicable or amended standards.

First-time application of new or amended standards and interpretations

The amendments to IFRS 3, IAS 37, IAS 16 and the annual improvements (2018–2020 cycle) for all the IFRS that were applicable for the first time on 1 January 2022 had no or no material effect on these half-year financial statements.

New standards and changes to current reporting standards that were not yet applicable in the reporting period

New standards and changes to current reporting standards		Applicable as of ¹
Those already adopted by the EU		
IFRS 9	Financial assets	1.1.2018 ²
Amendments to IFRS 9	Prepayment features with negative compensation	1.1.2019 ²
IFRS 17 incl. amendments to IFRS 17	Insurance contracts	1.1.2023
Amendments to IAS 1 and IFRS Practice Statement 2	Definition of materiality in connection with accounting policies	1.1.2023 ³
Amendments to IAS 8	Definition of accounting estimates and distinguishing them from changes in accounting policies	1.1.2023
Amendments to IAS 12	Deferred taxes relating to assets and liabilities arising from a single transaction	1.1.2023
Those which are not or not yet adopted by the EU		
IFRS 14	Regulatory Deferral Accounts	EU decided this standard shall not be transferred into EU law
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associated company or joint venture	First-time application deferred for an indefinite period
Amendments to IAS 1	Classification of liabilities as current or non-current	1.1.2023
Amendments to IFRS 17	Comparative information for the first-time application of IFRS 9 and IFRS 17	1.1.2023

¹ Unless otherwise specified, VIG Insurance Group is not planning early adoption of the provisions listed in the table.

² The first time adoption for insurance companies can be delayed to 1 January 2023.

³ In this context, please refer to the "Estimates and discretionary decisions" section for materiality in the 2021 consolidated financial statements, on page 69.

IFRS 9 – FINANCIAL INSTRUMENTS AND IFRS 17 – INSURANCE CONTRACTS

VIG Insurance Group has made further progress on the implementation project for IFRS 17/9 since the 2021 consolidated financial statements. In particular, fundamental accounting policies were specified for this purpose.

Both standards allow some accounting options. VIG Insurance Group has decided to exercise material accounting options as follows:

- OCI option (other comprehensive income): This allows inconsistent measurements (accounting mismatch) of assets and liabilities to be offset through equity, rather than through profit or loss. Such differences can, for example, occur for life insurance policies eligible for profit participation. If the business model requires such measurement, the OCI option is used to minimise the accounting mismatch. For participations that are being held for strategic purposes, the OCI option is predominantly used in order to minimise the accounting mismatches mentioned above.
- Year-to-date accounting in interim financial reports in accordance with IAS 34: under IAS 34, the frequency of reporting must not affect the annual results. IFRS 17 requires changes in estimates that relate to changes in future services in the contractual service margin to be immediately recognised in the income statement. To avoid affecting the annual result, measurements during the year must be based on a cumulative basis from the beginning of the financial year to the reporting date (year-to-date accounting). Under year-to-date accounting, changes in estimates recorded in periods during the year are not taken into account, while they are included in the calculation with date-to-date accounting. VIG Insurance Group makes use of the year-to-date accounting option under IFRS 17.B137.
- Use of the optional exemption from forming groups based on underwriting year (annual cohorts) that is applicable in the European Union: This option provides an exemption from the formation of annual cohorts for intergenerationally mutualised and cash-flow matched insurance contracts. This is to allow for an appropriate cost-benefit ratio at the time the contractual service margin is recognised. This exemption primarily concerns long-term life insurance with profit participation and long-term health insurance.

Significant measurement methods relating to IFRS 17/9 were derived as follows:

- After in-depth analysis, the lines of business for direct insurance and facultative reinsurance were grouped into the following IFRS 17 portfolios for property and casualty, life and health insurance.
 - Life insurance:
 - With profit participation
 - Unit- and index-linked
 - Other
 - Issued and held Treaty reinsurance
 - Facultative issued reinsurance
 - Facultative held reinsurance
 - Health insurance:
 - Long-term health insurance (similar to life)
 - Issued and held Treaty reinsurance
 - Property and casualty insurance:
 - 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
 - Legal expenses insurance
 - Assistance
 - Miscellaneous financial losses
 - Issued and held Treaty reinsurance
 - Facultative issued reinsurance
 - Facultative held reinsurance
- In direct insurance, the premium allocation approach is used for short-term non-life policies with terms of less than one year and also serves as the preferred measurement model if the standard permits use of the premium allocation approach for multi-year non-life insurance contracts.
 - The general measurement model (GMM) is used for multi-year insurance contracts in direct insurance and the variable fee approach (VFA) is used for life and health insurance if there is substantial profit participation.
 - Based on current assessments, the full retrospective approach and fair value approach will be used for first-time application of IFRS 17.
 - Under IFRS 17, a risk measure is required for determining the risk adjustment for non-financial risks. The standard does not formulate any specific requirements for this. The IFRS 17 risk measure for non-financial risks is based on the methodology for the cost of capital approach from Solvency II, which corresponds to the opportunity costs for allocated capital.
 - Under IFRS 9, the classification and measurement of financial instruments depends on the business model and contractual cash flows (SPPI criterion). In VIG Insurance Group, the companies must also specify their business models based on their insurance portfolios. The new standard also sets the accounting for impairment of financial assets. In addition to incurred losses (incurred loss model), expected losses (expected credit loss model) must now also be recognised. Uniform measurement of risk provisions primarily takes place in the central subledger taking into account the parameters set by VIG Insurance Group. A simplified model based on a provision matrix is used for trade receivables and lease receivables.
 - Debt instruments are measured based on both the business model as well as contractual cash flows under IFRS 9. Debt instruments that satisfy the conditions of the “hold to collect” and “hold to collect and sell” business models are accordingly measured either at amortised cost or fair value through OCI (FVtOCI). Debt instruments that do not satisfy the SPPI criteria must be measured through profit or loss.
 - Under IFRS 9, equity instruments held for trading are measured through profit or loss. At initial recognition, the irrevocable election to perform measurement through OCI can be used for equity instruments that are not held for trading. As indicated in the “Accounting options” section, the OCI option is predominantly used for participations that are being held for strategic purposes in order to minimise the accounting mismatches under IFRS 17.

Both IFRS 17 and IFRS 9 provide a large number of options and require discretionary decisions to be made. The accounting effects of first-time application of IFRS 17/9 cannot be reliably quantified at the current time. VIG Insurance Group currently expects to be able to announce the effects on shareholders' equity and the contractual service margin due to first-time application on 1 January 2022 during the initial months of 2023.

Foreign currency translation

Transactions and separate financial statements in foreign currencies were translated in the interim report for the 1st half of 2022 as indicated on page 66 of the Group Annual Report for 2021.

Currency		End-of-period exchange rate		Average exchange rate	
		30.6.2022	31.12.2021	1.1.-30.6.2022	1.1.-30.6.2021
1 EUR €					
Albanian lek	ALL	119.1300	120.7600	121.1529	123.2280
Bosnian convertible marka	BAM	1.9558	1.9558	1.9558	1.9558
Bulgarian lev	BGN	1.9558	1.9558	1.9558	1.9558
Georgian lari	GEL	3.0821	3.5040	3.3416	3.9993
Croatian kuna	HRK	7.5307	7.5156	7.5415	7.5504
Macedonian denar	MKD	61.6950	61.6270	61.6787	61.6355
Moldovan leu	MDL	20.1130	20.0938	20.1990	21.2921
Turkish new lira	TRY	17.3220	15.2335	16.2579	9.5226
Polish zloty	PLN	4.6904	4.5969	4.6354	4.5374
Romanian leu	RON	4.9464	4.9490	4.9457	4.9050
Swiss franc	CHF	0.9960	1.0331	1.0319	1.0946
Serbian dinar	RSD	117.4055	117.5821	117.5960	117.5761
Czech koruna	CZK	24.7390	24.8580	24.6485	25.8119
Ukraine hryvnia	UAH	30.7776	30.9226	31.7356	33.4936
Hungarian forint	HUF	397.0400	369.1900	375.1295	357.8797

Turkish new lira (TRY)

The statistics published by the International Monetary Fund (IMF) in April 2022 forecast a three-year cumulative inflation rate of 138% by the end of 2022. A value higher than 100% is considered to be one of the indicators for the application of IAS 29 for the separate financial statements of companies with hyperinflationary functional currencies. VIG Insurance Group fully consolidates a Turkish insurance company in these interim consolidated financial statements, who's financial statements are prepared in the functional currency of TRY. The company does not have any significant non-current non-monetary assets that would have a material effect on the accounting due to measurement in accordance with IAS 29, which is why IAS 29 is not applied in these consolidated financial statements. The Türkiye CGU does not include any Intangible assets that are subject to impairment testing under IAS 36.

TAX INFORMATION

Change in the Austrian tax rate

As a result of the 2022 tax reform, the corporate income tax rate will be reduced in stages from 25% to 24% in 2023 and subsequently to 23% in 2024. The reduction in the Austrian corporate income tax led to an additional deferred tax expense of EUR 3.4 million in the reporting period.

Additional tax on insurance premiums in Hungary

An additional insurance tax was introduced for insurance companies operating in Hungary (government decree on special profit taxes). This additional insurance tax is a progressive tax based on gross insurance premiums in the non-life and life insurance lines of business for the period from 1 July 2022 to 31 December 2023.

It will significantly increase the tax burden for the Hungarian VIG insurance companies. Based on the current plans of Union Biztosító and AEGON Hungary, an additional tax burden of more than EUR 50 million is expected to be incurred in Hungary for the period from 1 July 2022 to 31 December 2023.

INFORMATION IN CONNECTION WITH THE WAR SITUATION IN UKRAINE

Business operations in Ukraine

The border conflict that had been simmering for years between Ukraine and Russia escalated on 24 February 2022 when the armed forces of the Russian Federation invaded Ukraine.

VIG Insurance Group is represented in the Ukrainian market by three insurance companies that held around EUR 177 million in assets as of 30 June 2022. In the event of a complete shutdown of VIG Insurance Group's activities in Ukraine, the result before taxes would be reduced, among other things, by the value of net assets adjusted for currency effects, which was around EUR 59 million as of the 30 June 2022 balance sheet date. The Ukraine CGU does not include any Intangible assets that are subject to impairment testing under IAS 36.

The VIG insurance companies operating in Ukraine are mainly operating in the western regions of the country, which is why business activities have so far only been affected to a minor extent. The operations of the Ukrainian companies also show no signs of being affected by the sanctions against Russia. Sales of Green Card insurance have increased due to people fleeing to neighbouring European countries.

As of the editorial deadline, the Ukrainian insurance companies had been able to maintain limited operations in spite of the current conditions. Due to the current volatile situation in Ukraine, VIG Insurance Group is regularly examining whether the Ukrainian companies continue to satisfy the requirements for going concern.

Russian bonds

VIG Insurance Group holds EUR 166.2 million in Russian government and corporate bonds that currently have no active market. Due to the suspension of trading in these financial instruments in accordance with agreed sanctions, a provision of EUR 126.1 million was formed in the financial result in the first half of 2022.

Ukrainian hryvnia (UAH)

On 24 February 2022, the Ukrainian central bank published resolution no. 18, which is aimed at ensuring the continued stability of the banking system under current martial law. One of the measures taken under the resolution was to fix the exchange rate to the US dollar.

Due to changes in the fundamental characteristics of the Ukrainian economy during the war and a strengthening of the US dollar against other currencies, the Ukrainian central bank devalued the country's currency by 25% versus the US dollar on 21 July 2022.

IMPORTANT INFORMATION CONCERNING THE COVID-19 PANDEMIC

On 20 May 2020, the European Securities and Markets Authority (ESMA) published a statement addressing the implications of the COVID-19 pandemic on IFRS interim reports. The statement focuses on transparency and consistent application of the European requirements for the information provided in consolidated interim financial statements in connection with COVID-19. Due to the small effects that the COVID-19 pandemic had on VIG Insurance Group's business operations in the first half of 2022, please refer to the section titled "Risks and information in connection with the COVID-19 pandemic" in the 2021 Annual Report starting on page 109.

DISCLOSURES ON SEASONAL AND ECONOMIC INFLUENCES

Within VIG Insurance Group, seasonal fluctuations mainly occur in premiums, claims and the financial result. Due to the large number of insurance contracts beginning in January, the 1st half of the year is also normally the strongest in terms of premiums. In terms of claims, the 1st half also normally shows a higher level of charges, mainly due to adverse environmental influences (snow, snowmelt, storms, floods). Adverse weather events, such as storms, can also occur during the summer and autumn. With respect to the financial result, most of the dividend income occurs in the first half of the year.

CHANGES IN THE SCOPE OF CONSOLIDATION

Acquired companies are added to the scope of consolidation based on an internal Group guideline. The guideline includes quantitative thresholds and criteria. Detailed information is available in the Group Annual Report for 2021 starting on page 83.

The following changes occurred in the scope of consolidation in financial year 2022:

Deconsolidations	Reason for deconsolidation	Date of deconsolidation	Segment
TBI BULGARIA EAD in liquidation, Sofia	Liquidation	1.1.2022	Extended CEE
VITEC Vienna Information Technology Consulting GmbH, Vienna	Sale	30.6.2022	Group Functions

Expansion of the scope of consolidation*	Acquisition/ formation	Shares	First time consolidation	Method
	Date	in %	Date	
AUTODROM SOSNOVA u Ceske Lipy a.s., Prague	2022	100.00	1.1.2022	full consolidation
VIG Magyarország Befektetési Zártkörűen Működő Reszvénytársaság, Budapest	2022	55.00	1.2.2022	full consolidation

*Unless indicated otherwise, no goodwill exists.

AEGON CEE

On 29 November 2020, VIG Insurance Group reached agreement with Aegon N.V. to acquire its insurance business in Hungary, Poland, Romania and Türkiye. The local authorities provided approval for the acquisition of AEGON Hungary and AEGON Türkiye by the balance sheet date. These two companies are currently being integrated into VIG Insurance Group's technical processes, which is why first-time consolidation in these consolidated interim financial statements was not yet possible. The other companies involved in the transaction have also not been included in the scope of consolidation as of the balance sheet date, as neither the approval of the local authorities has been obtained nor control is exercised over them.

Change in significant minority interests	Change	Change of interest	Change of significant non-controlling interests
	Date	in %	in EUR '000
KÁLVIN TOWER Ingatlanfejlesztési és Beruházási Korlátolt Felelősségű Társaság, Budapest	23.3.2022	-44.39	1,015
Union Biztosító	23.3.2022	-44.39	18,056

Effect of the changes in the scope of consolidation

Balance sheet	Additions	Disposals
<i>in EUR '000</i>		
Right-of-Use assets	216	9
Investments	654	0
Receivables (incl. tax receivables and advance payments out of income tax)	7	720
Other assets (incl. deferred tax assets)	141	41
Cash and cash equivalents	37	1,805
Non-underwriting provisions	0	611
Liabilities (incl. tax liabilities out of income tax)	223	1,350

The figures shown in the table above reflect the actual dates of first consolidation, as shown in the expansion of the scope of consolidation table.

Contribution to result before taxes in reporting period	Additions	Disposals
<i>in EUR '000</i>		
Financial result excl. result from shares in at equity consolidated companies	20	247
Expenses for claims and insurance benefits – retention	0	4
Acquisition and administrative expenses	0	8
Other expenses	-40	-38
Result for the period = Business operating result	-20	221

The changes in the scope of consolidation decreased the number of employees by 14.

SEGMENT REPORTING

The statements made in the Group Annual Report for 2021 are still valid and can be read starting on page 87 of that report.

Consolidated balance sheet by segment

Assets	Austria		Czech Republic		Poland		Extended CEE	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
in EUR '000								
Intangible assets	556,457	548,040	505,326	506,739	159,083	160,038	484,236	483,013
Right-of-Use assets	90,152	71,190	63,059	57,646	6,534	7,480	32,926	33,661
Investments	19,919,233	22,891,500	2,957,117	3,187,915	1,282,109	1,353,830	4,341,100	4,687,186
Financial investments for unit- and index-linked life insurance	4,442,429	5,219,135	445,995	490,766	595,293	698,849	920,133	1,044,657
Reinsurers' share in underwriting provisions	512,064	327,852	190,993	166,928	123,967	119,083	195,262	177,381
Receivables	748,879	705,701	161,104	168,469	254,795	225,045	614,256	547,882
Tax receivables and advance payments out of income tax	5,597	9,134	6,729	10,290	4,219	2,942	5,044	1,522
Deferred tax assets	50,920	3,636	261,003	233,419	19,557	4,584	89,656	27,432
Other assets	84,107	87,751	170,234	169,442	8,848	5,583	79,732	68,736
Cash and cash equivalents	859,535	438,989	47,433	141,943	28,973	32,946	278,724	237,626
Total	27,269,373	30,302,928	4,808,993	5,133,557	2,483,378	2,610,380	7,041,069	7,309,096

The investments included shares in at equity consolidated companies of EUR 173,284,000 in Austria (EUR 170,124,000), EUR 139,000 in Poland (EUR 141,000), and EUR 106,935,000 in the segment Group Functions (EUR 106,648,000).

Liabilities and shareholders' equity	Austria		Czech Republic		Poland		Extended CEE	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
in EUR '000								
Subordinated liabilities	339,160	339,160	22,232	22,126	0	0	0	0
Underwriting provisions	20,215,790	21,919,592	3,094,904	3,041,097	1,357,858	1,346,705	4,628,173	4,353,673
Underwriting provisions for unit- and index-linked life insurance	4,306,437	5,059,871	308,810	335,134	579,185	683,030	923,763	1,046,414
Non-underwriting provisions	544,920	611,799	22,042	21,954	12,031	15,203	70,471	68,258
Liabilities excl. Subordinated liabilities	814,461	699,073	381,081	464,175	172,713	169,488	402,311	403,293
Tax liabilities out of income tax	123,242	127,999	1,875	88,951	914	0	3,631	4,012
Deferred tax liabilities	38,770	169,728	5,855	5,872	1,794	7,947	4,809	21,670
Other liabilities	51,391	59,838	4,077	3,326	19,876	17,470	42,557	42,183
Subtotal	26,434,171	28,987,060	3,840,876	3,982,635	2,144,371	2,239,843	6,075,715	5,939,503

Assets	Special markets		Group Functions		Total	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
<i>in EUR '000</i>						
Intangible assets	4,659	4,385	39,588	41,954	1,749,349	1,744,169
Right-of-Use assets	711	489	2,906	2,882	196,288	173,348
Investments	787,411	798,307	2,279,158	1,891,052	31,566,128	34,809,790
Financial investments for unit- and index-linked life insurance	983,317	1,063,444	9,305	8,480	7,396,472	8,525,331
Reinsurers' share in underwriting provisions	121,140	98,982	739,695	674,379	1,883,121	1,564,605
Receivables	107,870	92,982	383,995	327,109	2,270,899	2,067,188
Tax receivables and advance payments out of income tax	2,044	1,543	101,671	109,622	125,304	135,053
Deferred tax assets	12,444	3,039	47,870	39,337	481,450	311,447
Other assets	5,408	6,061	59,117	53,320	407,446	390,893
Cash and cash equivalents	71,657	105,523	1,557,347	1,499,306	2,843,669	2,456,333
Total	2,096,661	2,174,755	5,220,652	4,647,441	48,920,126	52,178,157

Liabilities and shareholders' equity	Special markets		Group Functions		Total	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
<i>in EUR '000</i>						
Subordinated liabilities	0	0	1,384,400	1,100,000	1,745,792	1,461,286
Underwriting provisions	1,017,219	956,176	1,090,535	928,984	31,404,479	32,546,227
Underwriting provisions for unit- and index-linked life insurance	977,460	1,055,864	9,305	8,480	7,104,960	8,188,793
Non-underwriting provisions	17,065	21,597	143,838	151,378	810,367	890,189
Liabilities excl. Subordinated liabilities	72,713	76,146	1,179,216	1,088,105	3,022,495	2,900,280
Tax liabilities out of income tax	5,089	3,913	13,185	18,507	147,936	243,382
Deferred tax liabilities	1,202	336	9,843	13,331	62,273	218,884
Other liabilities	975	630	8,538	7,721	127,414	131,168
Subtotal	2,091,723	2,114,662	3,838,860	3,316,506	44,425,716	46,580,209
Shareholders' equity					4,494,410	5,597,948
Total					48,920,126	52,178,157

Intrasegment transactions have been eliminated from the amounts indicated for each segment. As a result, the segment assets and liabilities cannot be netted to determine the segment shareholders' equity.

Consolidated income statement by segment

	Austria		Czech Republic		Poland		Extended CEE	
	1.1.-30.6.22	1.1.-30.6.21	1.1.-30.6.22	1.1.-30.6.21	1.1.-30.6.22	1.1.-30.6.21	1.1.-30.6.22	1.1.-30.6.21
in EUR '000								
Premiums written – gross	2,374,641	2,279,722	1,106,427	945,552	659,019	640,720	1,722,099	1,431,504
Net earned premiums – retention	1,711,101	1,651,395	783,161	694,397	494,133	480,654	1,224,369	1,071,965
Financial result excl. result from shares in at equity consolidated companies	247,512	299,408	46,632	39,229	7,106	16,689	49,624	62,908
Income from investments	452,093	387,099	64,732	50,871	18,727	23,684	86,159	83,447
Expenses for investments and interest expenses	-204,581	-87,691	-18,100	-11,642	-11,621	-6,995	-36,535	-20,539
Result from shares in at equity consolidated companies	8,548	329	0	1,300	0	0	0	0
Other income	9,207	14,691	12,828	14,858	9,260	5,488	20,852	19,367
Expenses for claims and insurance benefits – retention	-1,533,856	-1,489,369	-483,334	-441,268	-337,484	-339,048	-836,006	-745,990
Acquisition and administrative expenses	-358,499	-357,080	-245,691	-196,375	-128,126	-113,821	-316,992	-275,431
Other expenses	-6,916	-13,542	-19,672	-15,245	-16,278	-16,193	-56,198	-49,004
Result for the period = Business operating result	77,097	105,832	93,924	96,896	28,611	33,769	85,649	83,815
Taxes	-21,579	-29,340	-21,637	-24,798	-5,345	-7,109	-15,329	-15,663
Result of the period	55,518	76,492	72,287	72,098	23,266	26,660	70,320	68,152

	Special markets		Group Functions		Consolidation		Total	
	1.1.-30.6.22	1.1.-30.6.21	1.1.-30.6.22	1.1.-30.6.21	1.1.-30.6.22	1.1.-30.6.21	1.1.-30.6.22	1.1.-30.6.21
in EUR '000								
Premiums written – gross	297,201	269,143	1,242,349	1,014,822	-958,626	-808,528	6,443,110	5,772,935
Net earned premiums – retention	167,092	173,697	888,293	750,696	410	-176	5,268,559	4,822,628
Financial result excl. result from shares in at equity consolidated companies	14,306	15,992	-47,884	-81,400	-1,845	-1,924	315,451	350,902
Income from investments	15,631	18,763	62,265	46,665	-36,862	-30,981	662,745	579,548
Expenses for investments and interest expenses	-1,325	-2,771	-110,149	-128,065	35,017	29,057	-347,294	-228,646
Result from shares in at equity consolidated companies	0	0	324	1,069	0	0	8,872	2,698
Other income	27,859	25,715	10,681	1,752	-1,252	-1,103	89,435	80,768
Expenses for claims and insurance benefits – retention	-136,761	-134,678	-593,102	-488,291	6,572	5,110	-3,913,971	-3,633,534
Acquisition and administrative expenses	-27,608	-33,915	-269,108	-263,924	-7,585	3,447	-1,353,609	-1,237,099
Other expenses	-24,737	-24,618	-10,131	-10,491	-3,490	-5,867	-137,422	-134,960
Result for the period = Business operating result	20,151	22,193	-20,927	-90,589	-7,190	-513	277,315	251,403
Taxes	-6,461	-6,546	1,103	22,741	0	0	-69,248	-60,715
Result of the period	13,690	15,647	-19,824	-67,848	-7,190	-513	208,067	190,688

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. INTANGIBLE ASSETS

Composition	30.6.2022	31.12.2021
<i>in EUR '000</i>		
Goodwill	1,258,767	1,260,226
Purchased insurance portfolios	13,930	14,607
Other intangible assets	476,652	469,336
Purchased software	394,665	388,413
Other	81,987	80,923
Total	1,749,349	1,744,169

1.1. Goodwill

Development	30.6.2022	31.12.2021
<i>in EUR '000</i>		
Acquisition costs	1,886,335	1,865,619
Cumulative impairment as of 31.12. of previous years	-626,109	-628,303
Book value as of 31.12. of the previous year	1,260,226	1,237,316
Exchange rate differences	-1,459	22,910
Book value as of 1.1.	1,258,767	1,260,226
Book value as of 30.6. respectively 31.12.	1,258,767	1,260,226
Cumulative impairment as of 30.6. respectively 31.12.	626,496	626,109
Acquisition costs	1,885,263	1,886,335

2. INVESTMENTS

Composition	30.6.2022	31.12.2021
<i>in EUR '000</i>		
Property	2,891,776	2,850,588
Owner-occupied property	443,744	472,303
Investment property incl. RoU-asset for building-rights	2,448,032	2,378,285
Shares in at equity consolidated companies	280,358	276,913
Financial assets	28,393,994	31,682,289
Loans and other investments	2,924,743	3,028,291
Other financial assets	25,469,251	28,653,998
Held to maturity (incl. reclassified)	2,584,275	2,557,720
Available for sale	22,656,952	25,849,069
Recognised at fair value through profit and loss*	228,024	247,209
Total	31,566,128	34,809,790

*Including held for trading

2.1. Other financial assets

Development	Held to maturity (incl. reclassified)		Available for sale	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021
in EUR '000				
Acquisition costs	2,559,890	2,457,839		
Cumulative valuation as of 31.12. of the previous years	-2,170	-1,401		
Book value as of 31.12. of the previous year	2,557,720	2,456,438	25,849,069	25,983,431
Exchange rate differences	2,155	85,757	-17,365	31,295
Book value as of 1.1.	2,559,875	2,542,195	25,831,704	26,014,726
Reclassifications	0	0	0	15
Additions	53,463	157,435	2,956,142	3,458,437
Disposals/repayments	-29,063	-141,910	-2,730,247	-2,826,541
Change in the scope of consolidation	0	0	-1,798	-32,037
Changes in value recognised in profit and loss	0	0	0	0
Changes recognised directly in equity	0	0	-3,315,214	-745,708
Impairments	0	0	-83,635	-19,823
Book value as of 30.6. and 31.12. respectively	2,584,275	2,557,720	22,656,952	25,849,069
Cumulative valuation as of 30.6. respectively 31.12.	2,178	2,170		
Acquisition costs	2,586,453	2,559,890		

3. REINSURERS' SHARE IN UNDERWRITING PROVISIONS

Composition	30.6.2022	31.12.2021
in EUR '000		
Provision for unearned premiums	299,528	172,273
Mathematical reserve	10,936	10,725
Provision for outstanding claims	1,555,678	1,363,859
Provision for profit-unrelated premium refunds	13,609	14,616
Other underwriting provisions	3,370	3,132
Total	1,883,121	1,564,605

4. RECEIVABLES

Composition	30.6.2022	31.12.2021
in EUR '000		
Underwriting	1,595,747	1,377,531
Receivables from direct insurance business		
from policyholders	1,223,772	906,961
from insurance intermediaries	897,977	680,569
from insurance companies	121,714	122,391
Receivables from reinsurance business	204,081	104,001
	371,975	470,570
Non-underwriting	675,152	689,657
Other receivables	675,152	689,657
Total	2,270,899	2,067,188

5. CONSOLIDATED SHAREHOLDERS' EQUITY

5.1. Capital reserves – hybrid capital

Issue date	Outstanding volume in EUR '000	Maturity in years	Interest in %	Fair value in EUR '000
10.6.2021	300,000	unlimited	First 10 years: 3.2125% p.a.; thereafter variable	214,719

5.2. Other reserves

Composition	30.6.2022					Total
	Unrealised gains and losses	Cash flow hedge reserve	Underwriting gains and losses from provisions for employee benefits	Share of other reserves of at equity consolidated companies	Currency reserve	
in EUR '000						
Gross	-1,239,073	-13	-291,527	-1,001	-199,127	-1,730,741
+/- Exchange rate changes from financial instruments available for sale	7,009					7,009
+/- Deferred mathematical reserve	-75,159					-75,159
+/- Deferred profit participation	453,048	0	96,010			549,058
+/- Deferred taxes	162,792	0	44,126			206,918
+/- Non-controlling interests	16,278	0	2,608	42	10,713	29,641
Net	-675,105	-13	-148,783	-959	-188,414	-1,013,274

Composition	31.12.2021					Total
	Unrealised gains and losses	Cash flow hedge reserve	Underwriting gains and losses from provisions for employee benefits	Share of other reserves of at equity consolidated companies	Currency reserve	
in EUR '000						
Gross	2,294,974	-38	-367,775	126	-197,696	1,729,591
+/- Exchange rate changes from financial instruments available for sale	10,235					10,235
+/- Deferred mathematical reserve	-673,535					-673,535
+/- Deferred profit participation	-883,910	0	115,841			-768,069
+/- Deferred taxes	-179,646	0	61,852			-117,794
+/- Non-controlling interests	-9,835	1	3,158	23	1,877	-4,776
Net	558,283	-37	-186,924	149	-195,819	175,652

5.3. Dividend payments – retention

Composition	30.6.2022
in EUR '000	
Dividends	160,000
interest payments on the hybrid capital	9,637
Deferred taxes recognised directly in equity	-2,409
Total	167,228

6. SUBORDINATED LIABILITIES

The refinancing condition was satisfied on 15 June 2022, which is why a partial repurchase of the subordinated bonds issued on 9 October 2013 (total nominal value of EUR 500,000,000.00 and a term of 30 years) was performed. VIG Holding can call the bond in full for the first time on 9 October 2023 and on each following coupon date. Around 43% (EUR 215.6 million) was repurchased. The EUR 284.4 million in bonds still outstanding continues to be reported under subordinated liabilities.

7. UNDERWRITING PROVISIONS

Composition	30.6.2022	31.12.2021
in EUR '000		
Provision for unearned premiums	2,388,669	1,863,198
Mathematical reserve	21,239,189	21,937,030
Guaranteed policy benefits	20,534,600	20,616,136
Allocated and committed profit shares	629,430	647,359
Deferred mathematical reserve	75,159	673,535
Provision for outstanding claims	7,400,564	7,082,488
Provision for premium refunds	313,567	1,599,710
Profit-related premium refunds	307,310	305,586
Profit-unrelated premium refunds	82,803	87,560
Deferred profit participation recognised through profit and loss*	472,513	438,495
Deferred profit participation recognised directly in equity*	-549,059	768,069
Other underwriting provisions	62,490	63,801
Total	31,404,479	32,546,227

*The deferred profit participation is solely due to the profit-related premium refund.

8. NON-UNDERWRITING PROVISIONS

Composition	30.6.2022	31.12.2021
in EUR '000		
Provisions for pensions and similar obligations	461,943	539,249
Provision for pension obligations	363,008	436,191
Provision for severance obligations	98,935	103,058
Provisions for other employee benefits	55,776	57,256
Other non-underwriting provisions	292,648	293,684
Total	810,367	890,189

9. LIABILITIES EXCL. SUBORDINATED LIABILITIES

Composition	30.6.2022	31.12.2021
in EUR '000		
Underwriting	1,210,171	1,166,270
Liabilities from direct business	934,042	1,008,912
to policyholders	378,364	562,792
to insurance intermediaries	270,825	269,732
to insurance companies	284,853	176,388
Liabilities from reinsurance business	252,668	133,544
Deposits from ceded reinsurance business	23,461	23,814
Non-underwriting	1,812,324	1,734,010
Liabilities to financial institutions	347,391	351,087
Other liabilities	1,464,933	1,382,923
Total	3,022,495	2,900,280

NOTES TO THE CONSOLIDATED INCOME STATEMENT

10. PREMIUMS WRITTEN – GROSS

Composition	1.1.-30.6.2022						Total
	Motor own damage insurance (Casco)	Motor third party liability insurance	Other property and casualty insurance	Life insurance – regular premium	Life insurance – single premium	Health insurance	
in EUR '000							
Austria	189,811	196,923	983,383	635,537	130,444	238,543	2,374,641
Czech Republic	162,620	197,329	355,965	365,211	13,279	12,023	1,106,427
Poland	94,702	152,788	253,903	82,678	65,816	9,132	659,019
Extended CEE	312,379	401,330	375,278	274,275	247,526	111,311	1,722,099
Special markets	27,981	26,817	146,616	42,398	28,328	25,061	297,201
Group Functions	0	0	1,208,522	18,066	0	15,761	1,242,349
Consolidation							-958,626
Total	787,493	975,187	3,323,667	1,418,165	485,393	411,831	6,443,110

Composition	1.1.-30.6.2021						Total
	Motor own damage insurance (Casco)	Motor third party liability insurance	Other property and casualty insurance	Life insurance – regular premium	Life insurance – single premium	Health insurance	
in EUR '000							
Austria	179,164	191,524	925,382	631,962	119,722	231,968	2,279,722
Czech Republic	136,865	175,540	276,177	330,813	16,234	9,923	945,552
Poland	97,224	157,521	231,505	83,047	64,121	7,302	640,720
Extended CEE	271,880	270,154	331,145	256,551	215,683	86,091	1,431,504
Special markets	23,852	15,672	137,261	43,441	30,049	18,868	269,143
Group Functions	0	0	984,860	16,122	0	13,840	1,014,822
Consolidation							-808,528
Total	708,985	810,411	2,886,330	1,361,936	445,809	367,992	5,772,935

11. FINANCIAL RESULT EXCL. RESULT FROM SHARES IN AT EQUITY CONSOLIDATED COMPANIES

Composition	Austria		Czech Republic		Poland		Extended CEE	
	1.1.- 30.6.2022	1.1.- 30.6.2021	1.1.- 30.6.2022	1.1.- 30.6.2021	1.1.- 30.6.2022	1.1.- 30.6.2021	1.1.- 30.6.2022	1.1.- 30.6.2021
in EUR '000								
Current income	311,550	326,414	50,306	39,323	14,457	11,756	61,491	57,189
Income from appreciation	0	1,701	481	739	136	2,603	1,643	2,569
thereof reduction in impairment	0	0	0	0	0	0	53	26
Gains from disposal of investments	113,354	32,654	10,470	7,643	26	5,530	6,236	9,685
Other income	27,189	26,330	3,475	3,166	4,108	3,795	16,789	14,004
Total income	452,093	387,099	64,732	50,871	18,727	23,684	86,159	83,447
Depreciation of investment	99,517	24,297	4,995	2,376	3,365	771	17,902	4,314
thereof impairment	71,710	1,370	0	0	0	0	6,671	17
Exchange rate differences	93	-133	-3,095	1,753	-488	797	-1,261	2,235
Losses from disposal of investments	14,327	7,227	6,347	1,786	386	440	1,071	584
Interest expenses	25,013	27,127	6,591	1,858	4,329	738	4,338	2,779
Personnel provisions	2,293	1,926	0	0	0	0	0	0
Interest expenses for liabilities to financial institutions	843	1,058	0	0	0	0	0	0
Interest expenses for financing liabilities	138	131	0	0	0	0	140	106
Interest expenses for subordinate liabilities	17,902	17,906	559	534	4	39	447	452
Interest expenses for lease liabilities	887	890	557	362	76	47	394	375
Other interest expenses	2,950	5,216	5,475	962	4,249	652	3,357	1,846
Other expenses	65,631	29,173	3,262	3,869	4,029	4,249	14,485	10,627
Managed Portfolio Fees	2,353	2,225	413	397	1,002	1,684	644	543
Asset management expenses	25,866	26,755	1,702	1,377	2,278	1,958	9,357	9,834
Other expenses	37,412	193	1,147	2,095	749	607	4,484	250
Total expenses	204,581	87,691	18,100	11,642	11,621	6,995	36,535	20,539

Composition	Special markets		Group Functions		Consolidation		Total	
	1.1.- 30.6.2022	1.1.- 30.6.2021	1.1.- 30.6.2022	1.1.- 30.6.2021	1.1.- 30.6.2022	1.1.- 30.6.2021	1.1.- 30.6.2022	1.1.- 30.6.2021
in EUR '000								
Current income	15,077	18,216	54,821	41,868	-36,862	-30,981	470,840	463,785
Income from appreciation	7	52	53	5	0	0	2,320	7,669
thereof reduction in impairment	7	52	0	0	0	0	60	78
Gains from disposal of investments	344	249	933	3,390	0	0	131,363	59,151
Other income	203	246	6,458	1,402	0	0	58,222	48,943
Total income	15,631	18,763	62,265	46,665	-36,862	-30,981	662,745	579,548
Depreciation of investment	359	257	13,281	6,964	0	0	139,419	38,979
thereof impairment	106	0	5,148	0	0	0	83,635	1,387
Exchange rate differences	-174	-429	3,170	-7,204	-158	53	-1,913	-2,928
Losses from disposal of investments	165	47	4,341	3,926	0	0	26,637	14,010
Interest expenses	147	1,855	43,537	44,017	-34,852	-29,110	49,103	49,264
Personnel provisions	0	0	352	260	0	0	2,645	2,186
Interest expenses for liabilities to financial institutions	0	0	1,579	1,899	0	0	2,422	2,957
Interest expenses for financing liabilities	16	27	13,231	14,206	-10,567	-12,793	2,958	1,677
Interest expenses for subordinate liabilities	0	0	25,378	24,795	-11,171	-11,210	33,119	32,516
Interest expenses for lease liabilities	23	33	59	-24	-232	-171	1,764	1,512
Other interest expenses	108	1,795	2,938	2,881	-12,882	-4,936	6,195	8,416
Other expenses	828	1,041	45,820	80,362	-7	0	134,048	129,321
Managed Portfolio Fees	0	0	0	0	0	0	4,412	4,849
Asset management expenses	794	989	30,077	79,243	0	0	70,074	120,156
Other expenses	34	52	15,743	1,119	-7	0	59,562	4,316
Total expenses	1,325	2,771	110,149	128,065	-35,017	-29,057	347,294	228,646

12. OTHER INCOME AND EXPENSES

Composition	1.1.-30.6.2022	1.1.-30.6.2021
in EUR '000		
Other income	89,435	80,768
Underwriting	56,697	57,955
Non-underwriting	32,738	22,813
Other expenses	137,422	134,960
Underwriting	104,048	95,906
Non-underwriting	33,374	39,054

13. EXPENSES FOR CLAIMS AND INSURANCE BENEFITS – RETENTION

Composition	1.1.-30.6.2022	1.1.-30.6.2021
in EUR '000		
Expenses for claims and insurance benefits – gross	4,334,639	3,918,499
Payments for claims and insurance benefits	4,119,206	3,892,148
Changes in the provision for outstanding claims	332,851	371,341
Change in mathematical reserve	-215,567	-423,100
Change in other underwriting provisions	-608	-3,950
Expenses for profit-related and profit-unrelated premium refunds	98,757	82,060
Expenses for claims and insurance benefits – reinsurers' share	-420,668	-284,965
Payments for claims and insurance benefits	-341,430	-204,933
Changes in the provision for outstanding claims	-65,546	-72,053
Change in mathematical reserve	-315	-249
Change in other underwriting provisions	-287	2,316
Expenses for profit-unrelated premium refunds	-13,090	-10,046
Expenses for claims and insurance benefits – retention	3,913,971	3,633,534
Payments for claims and insurance benefits	3,777,776	3,687,215
Changes in the provision for outstanding claims	267,305	299,288
Change in mathematical reserve	-215,882	-423,349
Change in other underwriting provisions	-895	-1,634
Expenses for profit-related and profit-unrelated premium refunds	85,667	72,014

14. ACQUISITION AND ADMINISTRATIVE EXPENSES

Composition	1.1.-30.6.2022	1.1.-30.6.2021
in EUR '000		
Acquisition expenses	1,189,720	1,101,961
Commission expenses*	880,143	796,245
Pro rata personnel expenses	191,473	186,004
Pro rata material expenses	118,104	119,712
Administrative expenses	279,403	235,358
Pro rata personnel expenses	122,904	114,553
Pro rata material expenses	156,499	120,805
Reinsurance commissions	-115,514	-100,220
Total	1,353,609	1,237,099

*Includes commissions of EUR 844,159,000 (EUR 746,709,000) for direct insurance business.

15. EARNINGS PER SHARE (ANNUALISED)

		1.1.-30.6.2022	1.1.-30.6.2021
Result of the period	in EUR '000	208,067	190,688
Non-controlling interests in net result of the period	in EUR '000	-5,750	-4,356
Result of the period less non-controlling interests	in EUR '000	202,317	186,332
Interest expenses for hybrid capital	in EUR '000	7,228	0
Number of shares at closing date	units	128,000,000	128,000,000
Earnings per share (annualised)*	EUR	3.05	2.91

*The calculation of this key figure in the current year includes the interest for hybrid capital. The undiluted result per share equals the diluted result per share (in EUR).

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

16. LIABILITIES FROM FINANCING ACTIVITIES

Development	30.6.2022			
	Subordinated liabilities (including interest) ¹	Liabilities to financial institutions	Lease liabilities	Financing liabilities ²
in EUR '000				
Book value as of 31.12. of the previous year	1,493,599	351,087	181,048	594,632
Cash changes	241,900	-6,291	-15,257	-6,227
Cash inflows	500,000	55,018	0	13,000
Payments	-215,600	-59,286	-15,257	-13,618
Interest paid	-42,500	-2,023	0	-5,609
Non-cash changes	32,631	2,595	35,568	3,669
Additions	32,521	2,595	35,558	2,998
Change in the scope of consolidation	0	0	-13	0
Reclassifications	0	0	0	-1,117
Measurement changes	0	0	0	1,795
Exchange rate differences	110	0	23	-7
Book value as of 30.6.	1,768,130	347,391	201,359	592,074

¹ The interest payable for subordinated liabilities is included in other liabilities.

² Contains derivative liabilities from financing liabilities and other financing liabilities.

Development	31.12.2021			
	Subordinated liabilities (including interest) ¹	Liabilities to financial institutions	Lease liabilities	Financing liabilities ²
in EUR '000				
Book value as of 31.12. of the previous year	1,496,361	325,267	189,762	102,204
Cash changes	-68,341	19,596	-28,535	486,944
Cash inflows	0	35,000	0	488,000
Payments	-3,790	-10,733	-28,535	-33
Interest paid	-64,551	-4,671	0	-1,023
Non-cash changes	65,579	6,224	19,821	5,484
Additions	64,431	6,221	16,093	5,741
Disposals	0	0	-17	-260
Change in the scope of consolidation	0	0	828	0
Measurement changes	0	0	0	2
Exchange rate differences	1,148	3	2,917	1
Book value as of 31.12.	1,493,599	351,087	181,048	594,632

¹ The interest payable for subordinated liabilities is included in other liabilities.

² Contains derivative liabilities from financing liabilities and other financing liabilities.

On 8 June 2022, VIG placed EUR 500.0 million in notes with a term of 20 years and a first call date after 10 years. The notes will initially pay interest at a fixed rate of 4.875% p.a. The notes pays variable interest starting on 15 June 2032 (inclusive) unless it is previously called and repaid. The notes was issued under the current tier 2 notes issuance programme.

In addition to the notes issue, part of the subordinated bond issued on 9 October 2013 was repurchased. Further information is provided under Note 6. "Subordinated liabilities" on page 31.

ADDITIONAL DISCLOSURES

17. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT HIERARCHY

Information on the nature and extent of risks arising from financial instruments is provided in the section titled “Financial instruments and risk management” in the Group Annual Report for 2021 starting on page 155.

Measurement process

For information on the measurement process, please see the 2021 Group Annual Report starting on page 156.

Fair values and book values of financial instruments and investments

Fair values and book values of financial instruments and investments	30.6.2022				Fair value
	Book value	Level 1	Level 2	Level 3	
in EUR '000					
Property¹	2,891,776	0	67,491	4,731,308	4,798,799
Owner-occupied property	443,744	0	29,849	758,256	788,105
Investment property excl. RoU-asset for building-rights	2,448,032	0	37,642	3,973,052	4,010,694
Shares in at equity consolidated companies	280,358				280,358
Loans	2,071,295	71,015	1,886,440	42,598	2,000,053
Loans	1,199,573	20,171	1,036,869	25,659	1,082,699
Reclassified loans	91,788	29,894	71,249	0	101,143
Bonds classified as loans	779,934	20,950	778,322	16,939	816,211
Other financial assets	25,469,251	20,078,522	3,733,714	1,444,493	25,256,729
Financial assets held to maturity	2,280,480	1,585,042	462,077	24,147	2,071,266
Financial instruments reclassified as held to maturity	303,795	290,724	9,763	0	300,487
Financial assets available for sale	22,656,952	18,076,418	3,225,052	1,355,482	22,656,952
Financial assets recognised at fair value through profit and loss ²	228,024	126,338	36,822	64,864	228,024
Other investments	853,448				853,448
Financial investments for unit- and index-linked life insurance	7,396,472	7,396,472			7,396,472
Subordinated liabilities	1,745,792	0	1,669,734	20,755	1,690,489
Liabilities to financial institutions	347,391				347,391
Financing liabilities³	590,268	0	353,585	100,985	454,570

¹ The market values are derived from internal and external expert reports.

² Including held for trading

³ Not including derivative liabilities

Fair values and book values of financial instruments and investments	31.12.2021				Fair value
	Book value	Level 1	Level 2	Level 3	
in EUR '000					
Property¹	2,850,588	0	64,483	4,617,616	4,682,099
Owner-occupied property	472,303	0	26,866	788,603	815,469
Investment property excl. RoU-asset for building-rights	2,378,285	0	37,617	3,829,013	3,866,630
Shares in at equity consolidated companies	276,913				
Loans	2,156,064	58,403	2,280,842	40,412	2,379,657
Loans	1,273,633	0	1,322,849	26,155	1,349,004
Reclassified loans	106,677	33,681	92,792	0	126,473
Bonds classified as loans	775,754	24,722	865,201	14,257	904,180
Other financial assets	28,653,998	23,486,989	4,427,171	838,085	28,752,245
Financial assets held to maturity	2,255,318	1,767,514	541,052	9,646	2,318,212
Financial instruments reclassified as held to maturity	302,402	327,417	10,338	0	337,755
Financial assets available for sale	25,849,069	21,260,626	3,829,911	758,532	25,849,069
Financial assets recognised at fair value through profit and loss ²	247,209	131,432	45,870	69,907	247,209
Other investments	872,227				872,227
Financial investments for unit- and index-linked life insurance	8,525,331	8,525,331			8,525,331
Subordinated liabilities	1,461,286		1,615,767	21,036	1,636,803
Liabilities to financial institutions	351,087				351,087
Financing liabilities ³	594,614	0	487,493	102,870	594,614

¹ The market values are derived from internal and external expert reports.

² Including held for trading

³ Not including derivative liabilities

Reclassification of financial instruments

The reclassifications between Level 1 and Level 2 were due to changes in liquidity, trading frequency and trading activity. Those from Level 1 to Level 3 were based on changes in liquidity due to the sanctions against Russia. Reclassifications from Level 3 to Level 2 were due to improvements in measurement methods, greater use of market-related parameters and changes in the assessment of liquidity. The reclassifications from level 2 to level 3 were mainly based on a deterioration of credit ratings or liquidity.

Reclassification of financial instruments	30.6.2022				
	Between Level 1 and Level 2	Level 3 to Level 1	Level 1 to Level 3	Level 3 to Level 2	Level 2 to Level 3
Number					
Financial assets available for sale	16	0	25	2	1

Reclassification of financial instruments	31.12.2021				
	Between Level 1 and Level 2	Level 3 to Level 1	Level 1 to Level 3	Level 3 to Level 2	Level 2 to Level 3
Number					
Financial assets available for sale	65	3	1	4	20

Measurement hierarchy – Financial instruments recognised at fair value

Measurement hierarchy	30.6.2022			31.12.2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial instruments recognised at fair value						
in EUR '000						
Financial assets						
Financial assets available for sale	18,076,418	3,225,052	1,355,482	21,260,626	3,829,911	758,532
Bonds	15,926,343	3,160,511	328,697	18,334,752	3,721,353	249,107
Shares and other participations	331,999	4,766	836,073	425,500	4,427	341,006
Investment funds	1,818,076	59,775	190,712	2,500,374	104,131	168,419
Financial investments for unit- and index-linked life insurance	7,396,472			8,525,331		
Financing liabilities*	0	353,585	100,985	0	487,493	102,870

*Not including derivative liabilities

The unrealised effect on the result (net profit or loss) from Level 3 financial instruments that are still in the portfolio and whose fair value is recognised in the income statement was EUR -22,238,000 during the reporting period (EUR 903,000).

Unobservable input factors

Asset class	Measurement methods	Unobservable input factors	Range
Property	Market value	Capitalisation rate	1.00%–7.50%
		Rental income	3,000 EUR–3,765,000 EUR
		Land prices	0 EUR–11,000 EUR
	Discounted Cash flow	Capitalisation rate	3.56%–8.03%
		Rental income	EUR 97,000–EUR 6,913,000
	Building rights	Capitalisation rate	2.50%–4.00%
		Rental income	EUR 77,000–EUR 4,377,000
		Land prices	EUR 250–EUR 730
		Construction interest actually paid	0.20%–5.70%
		Spreads	-0.29%–7.57%
Financial assets available for sale	Hull-White present value method		

Sensitivities

With respect to the value of shares measured using a Level 3 method (multiples approach), the VIG Insurance Group assumes that alternative inputs and alternative methods do not lead to significant changes in value. The spread assumption is the critical factor for the changes in value of Level 3 measured bonds in the “Financial instruments available for sale” category and the sensitivity to this factor is of particular interest as a result. The most important bonds measured using a Level 3 method in this category are held by the Austrian, Czech and Polish companies and show the following sensitivities:

Financial assets available for sale – bonds	Fair value
in EUR '000	
Fair value at 30.6.2022	325,447
Spread +50bp	-5,514
Effect on the income statement	0
Effect on the statement of comprehensive income	-5,514

The following sensitivities result from calculations of a partial stock using the Solvency II partial internal model:

Property	Fair value
<i>in EUR '000</i>	
Fair value at 30.6.2022	4,284,133
Rental income -5%	4,131,596
Rental income +5%	4,452,597
Capitalisation rate -50bp	4,572,124
Capitalisation rate +50bp	4,052,508
Land prices -5%	4,255,101
Land prices +5%	4,328,247

Since real estate is measured at cost in the consolidated balance sheet, negative sensitivities would only affect the income statement if the property fair value fell below book value. There would not be effect on other comprehensive income.

Reconciliation of financial assets and liabilities

For information on the effects of changes in value recognised in profit and loss, please refer to Note 11. Financial result excl. result from shares in at equity consolidated companies starting on page 33.

Development	30.6.2022			31.12.2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<i>in EUR '000</i>						
Financial assets available for sale						
Fair value at 31.12. of the previous year	21,260,626	3,829,911	758,532	21,517,902	3,806,396	659,133
Exchange rate differences	-14,847	-1,482	-1,036	23,856	7,257	182
Fair value at 1.1.	21,245,779	3,828,429	757,496	21,541,758	3,813,653	659,315
Reclassification between securities categories	2	0	-2	0	0	15
Reclassification to Level	51,331	11,885	228,815	9,421	65,879	50,951
Reclassification from Level	-181,687	-99,958	-10,386	-93,988	-20,560	-11,703
Additions	1,875,355	310,597	770,190	2,640,362	625,106	192,969
Disposals	-2,124,274	-324,497	-281,476	-2,199,866	-530,097	-96,578
Change in the scope of consolidation	0	0	-1,798	0	0	-32,037
Changes in value recognised in profit and loss	0	0	0	0	0	0
Changes recognised directly in equity	-2,788,333	-501,361	-25,520	-637,023	-123,926	15,241
Impairments	-1,755	-43	-81,837	-38	-144	-19,641
Fair value at 30.6. respectively 31.12.	18,076,418	3,225,052	1,355,482	21,260,626	3,829,911	758,532

18. EMPLOYEE STATISTICS

Employee statistics	30.6.2022	31.12.2021
<i>Number</i>		
Sales representatives	13,128	13,142
Office staff	12,752	12,542
Total	25,880	25,684

The employee figures shown are average values based on full-time equivalents.

19. RELATED PARTIES

For the definition of related parties and details on the transactions, please refer to the information published in Note 29. Related parties starting on page 169 of the 2021 Group Annual Report.

Open items with related companies	30.6.2022	31.12.2021
in EUR '000		
Loans	171,077	178,630
Associated companies	104,583	115,417
Subsidiaries not included in the consolidated financial statements	66,494	63,213
Receivables	143,675	147,524
Parent company	101,408	108,690
Associated companies	28,121	27,441
Subsidiaries not included in the consolidated financial statements	14,146	11,393
Liabilities excl. Subordinated liabilities	166,424	158,605
Parent company	144,376	136,836
Associated companies	6,552	6,381
Subsidiaries not included in the consolidated financial statements	15,496	15,388

Transactions with related companies	1.1.-30.6.2022	1.1.-30.6.2021
in EUR '000		
Loans	23,537	8,462
Associated companies	15,018	2,917
Subsidiaries not included in the consolidated financial statements	8,519	5,545
Receivables	51,906	49,524
Parent company	9,784	11,303
Associated companies	33,001	29,294
Subsidiaries not included in the consolidated financial statements	9,121	8,927
Liabilities excl. Subordinated liabilities	129,162	145,798
Parent company	18,120	46,162
Associated companies	28,816	31,829
Subsidiaries not included in the consolidated financial statements	82,226	67,807

Transactions with related persons

The amounts for related person open items, transactions and income statement items are insignificant.

20. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred between the balance sheet date and editorial deadline.

ADDITIONAL DISCLOSURES IN ACCORDANCE WITH THE AUSTRIAN INSURANCE SUPERVISION ACT (VAG)

GROSS PREMIUMS WRITTEN PER BALANCE SHEET UNIT (INCL. CONSOLIDATION EFFECTS)

Property and casualty insurance	1.1.-30.6.2022	1.1.-30.6.2021
in EUR '000		
Direct business	3,957,032	3,442,506
Casualty insurance	217,533	213,154
Health insurance	68,776	56,244
Motor own damage insurance (Casco)	787,493	708,985
Rail vehicle own-damage	2,017	1,925
Aircraft own-damage insurance	3,257	3,842
Sea, lake and river shipping own-damage insurance	9,498	7,966
Transport insurance	45,746	35,966
Fire and natural hazards insurance	825,059	701,086
Other property	418,961	357,826
Third party liability insurance for self-propelled land vehicles	975,187	810,411
Carrier insurance	15,774	14,609
Aircraft liability insurance	1,916	4,256
Sea, lake and river shipping liability insurance	2,564	2,576
General liability insurance	378,003	339,585
Credit insurance	5,869	4,027
Guarantee insurance	26,683	21,710
Insurance for miscellaneous financial losses	87,476	83,808
Legal expenses insurance	34,332	33,846
Assistance insurance, travel health insurance	50,888	40,684
Indirect business	264,887	232,246
Marine, aviation and transport insurance	14,630	10,195
Other insurance	234,016	208,084
Health insurance	16,241	13,967
Total	4,221,919	3,674,752
Life insurance	1.1.-30.6.2022	1.1.-30.6.2021
in EUR '000		
Regular premium - direct business	1,395,644	1,342,152
Single-premium - direct business	484,679	443,377
Direct business	1,880,323	1,785,529
thereof policies with profit participation	741,360	730,152
thereof policies without profit participation	301,822	275,987
thereof unit-linked life insurance portfolio	831,918	778,237
thereof index-linked life insurance portfolio	5,223	1,153
Indirect business	14,221	14,998
Total	1,894,544	1,800,527
Health insurance	1.1.-30.6.2022	1.1.-30.6.2021
in EUR '000		
Direct business	326,647	297,656

KEY FIGURES PER BALANCE SHEET UNIT

	1.1.-30.6.2022				1.1.-30.6.2021			
	Property/ Casualty	Life	Health	Total	Property/ Casualty	Life	Health	Total
in %								
Cost ratio	31.76	19.61	16.11	26.59	32.22	19.00	15.75	26.44
Claims ratio	62.56				62.97			
Combined Ratio	94.32				95.19			

AMENDMENT OF THE AUSTRIAN PEPP ENFORCEMENT ACT

Amendments to the Austrian PEPP Enforcement Act (PEPP-Vollzugsgesetz) were published in the Federal Law Gazette on 10 June 2022. This also includes amendments to the Austrian Insurance Supervision Act 2016 (Versicherungsaufsichtsgesetz – VAG 2016). Insurance companies that publish consolidated financial statements in accordance with international accounting standards are no longer required to include the notes specified in § 138(8) VAG in the IFRS consolidated financial statements when they come into effect. The effective date is set for 1 January 2023, which means first-time application is intended for financial years beginning after 31 December 2022.

Declaration by the Managing Board

We declare to the best of our knowledge that the consolidated interim financial statements prepared in accordance with applicable accounting standards give a true and fair view of the Group's net assets, financial position and results of operations, the interim management report gives a true and fair view of the net assets, financial position and results of operations of the Group with regard to the most important events during the first six months of the financial year and their impact on the consolidated interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and material related party transactions to be disclosed. The interim report was not fully audited or reviewed by an auditor.

Vienna, 12 August 2022

The Managing Board:



Elisabeth Stadler
General Manager (CEO),
Chairwoman of the
Managing Board



Hartwig Löger
Deputy General Manager,
Deputy Chairman of the
Managing Board



Liane Hirner
CFRO, Member of
the Managing Board



Peter Höfninger
Member of
the Managing Board



Gerhard Lahner
COO, Member of
the Managing Board



Gábor Lehel
CIO, Member of
the Managing Board



Harald Riener
Member of
the Managing Board



Peter Thirring
CTO, Member of
the Managing Board

Managing Board areas of responsibility:

Elisabeth Stadler:	Management of the VIG Group, Strategy, Bancassurance and international partnerships, Communication & Marketing, European Affairs and ESG, General Secretariat and Legal, Human Resources, Internal Audit, Sponsoring, Subsidiaries and M&A, Central Functions; Country responsibility: Germany
Hartwig Löger	Planning and Controlling, Strategy and Development; Country responsibility: Austria, Slovakia, Czech Republic, Hungary
Liane Hirner:	Asset-Risk Management, Digitalisation, Finance and Risk, Enterprise Risk Management, Finance Department, Investor Relations; Country responsibility: Liechtenstein
Peter Höfninger:	Corporate Business, Reinsurance; Country responsibility: Albania, Bosnia-Herzegovina, Bulgaria, Kosovo, Croatia, Moldova, Montenegro, North Macedonia, Romania, Serbia
Gerhard Lahner:	Asset Management (incl. Real Estate), Holding IT, Process & Project Management, Treasury incl. Asset Liability Management, VIG Corporate IT; Country responsibility: Georgia
Gábor Lehel:	Innovation; Country responsibility: Belarus
Harald Riener:	Assistance, Customer Experience, Tool Box Sales; Country responsibility: Estonia, Latvia, Lithuania, Poland, Ukraine
Peter Thirring:	Actuarial Department, Active Reinsurance, Anti Money Laundering, Compliance, Insurance Life/Non Life Retail; Country responsibility: Türkiye

General information

NOTICE

This report includes forward-looking statements based on current assumptions and estimates that were made by the management of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe to the best of its knowledge. Disclosures using the words “expected”, “target” or similar formulations are an indication of such forward-looking statements. Forecasts related to the future development of the Company are estimates made on the basis of information available as of the date this interim report went to press. Actual results may differ from the forecasts if the assumptions underlying the forecast prove to be wrong or if unexpectedly large risks occur.

Calculation differences may arise when rounded amounts and percentages are summed automatically.

The condensed half-year financial report was prepared with great care to ensure that all information is complete and accurate. The possibility of rounding, typesetting or printing errors, however, cannot be ruled out completely.

The condensed half-year financial report can be downloaded as a PDF file in German or English from our website at: www.vig.com/downloads.

Editorial deadline: 12 August 2021

In case of doubt, the German version is authoritative.

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