

18 November 2021

Vienna Insurance Group reports top results after first three quarters of 2021 Net profit up by approx. 54% and earnings per share increase to EUR 2.86

- **Premium volume increases 5.1% to EUR 8.4 billion**
- **Profit before taxes rises 41.2% to EUR 376 million**
- **Combined ratio improves 0.9 percentage points to 95.2%**

Vienna Insurance Group has reported a significant improvement in all key figures for the first to third quarter of 2021 compared to the same period in the previous year. The results also exceed the figures achieved in 2019, before the pandemic. VIG Group has thus delivered a consistently positive performance since the start of the year.

"We are unfortunately still experiencing a global pandemic that continues to have a significant impact on social and economic life in our markets. We were able to successfully manage the trends in the insurance business thanks to our diversified positioning and by taking prompt actions locally. VIG Group continues to offer security and stability even under difficult circumstances. The economy has also performed better in our region Central and Eastern Europe (CEE) than initially forecast some months ago. We are therefore very confident that we will achieve our targets for 2021 and exceed the projected premium volume of EUR 10.4 billion", says CEO Elisabeth Stadler, highlighting the positive interim results.

Premiums increase to EUR 8,391 million

The premium volume is up by 5.1% to EUR 8,391 million. As was also the case in previous quarters, all lines of business, with the exception of single-premium life insurance, are posting significant growth. Other property and casualty made particularly strong progress, increasing by 7.4% to EUR 4.1 billion. Corporate business, reporting premium growth of 13% to EUR 1.1 billion, is responsible for a sizeable proportion of this favourable performance. Under difficult market conditions, we have successfully harnessed our expertise and our customer focus to expand our market leadership in Austria and our position as the largest industrial insurer in CEE. Regular-premium life insurance is up by 2.8% to EUR 2 billion euro; motor third-party liability increased by 4.9% to EUR 1.2 billion; and motor own damage is up by a pleasing 8.6% to EUR 1.1 billion. The pandemic has raised health awareness and the willingness to make provisions. This is reflected positively in the EUR 545.2 million health insurance premium volume, which represents a 4.5% increase. According to plan, single-premium life insurance is down again, by 2.9% to EUR 661.7 million. The largest premium increases were achieved in the segments Czech Republic, Poland and Romania.

Result before taxes of EUR 376.1 million

At EUR 376.1 million, the profit before taxes was up significantly compared to the same period of the previous year, by around 41.2%. The result after taxes and non-controlling interests has also increased significantly (+56.9%). As of 30 September 2021, it was EUR 274.6 million.

Other key financial figures

The financial result (including the result from at-equity consolidated companies) was also up by 3.5% at EUR 530.7 million. The return on equity before taxes improved from 8.1% to 10.8%.

Investments, including cash and cash equivalents, amounted to EUR 37.5 billion as of 30 September 2021.

Earnings per share (annualised) rose from EUR 1.82 to EUR 2.86 in the period under review (+56.9%).

Combined ratio 95.2%

The VIG Group combined ratio of 95.2% was 0.9 percentage points better than the previous year. The impact of weather-related claims this year has been offset by the comprehensive reinsurance programme and the positive effects of the strategic measures taken as part of Agenda 2020.

Outlook for 2021

For the CEE region, the Vienna Institute for International Economic Studies (wiiw) expects economic growth of 5.4% in 2021, which is significantly higher than the figure of 4.8% for the eurozone. This indicates that the CEE region is recovering more quickly than expected over the course of 2021. In terms of economic growth, this region has now on average returned to pre-crisis levels. On this basis, VIG Group anticipates that the targets set for 2021 will be met, with the expected premium volume of around EUR 10.4 billion likely to be slightly exceeded. Expected profit before taxes is confirmed at between EUR 450 million and EUR 500 million. The combined ratio is expected to remain at around 95%.

Consolidated Income Statement (IFRS)

(in EUR mn)	9M 2021	9M 2020	+/- %
Gross premiums written	8 390.8	7 986.4	5.1
Net earned premiums	7 263.0	7 024.5	3.4
Financial result incl. at equity consolidated companies	530.7	512.8	3.5
Other income	100.1	137.7	-27.3
Expenses for claims and insurance benefits	-5 458.7	-5 355.2	1.9
Acquisition and administrative expenses	-1 863.9	-1 715.9	8.6
Other expenses	-195.1	-337.6	-42.2
Result before taxes	376.1	266.3	41.2
Taxes	-94.6	-83.0	14.0
Result of the period	281.5	183.3	53.6
Non-controlling interests	-6.9	-8.3	-17.2
Net result after non-controlling interests	274.6	175.0	56.9
Earnings per share in EUR (annualized)	2.86	1.82	56.9
Combined Ratio (net in %)	95.2	96.1	-0.9pp

Consolidated Income Statement (IFRS) - Quarterly Data

(in EUR mn)	Q3 2021	Q3 2020	+/- %
Gross premiums written	2 617.9	2 409.0	8.7
Net earned premiums	2 440.4	2 285.9	6.8
Financial result incl. at equity consolidated companies	177.1	124.8	41.9
Other income	19.3	38.1	-49.3
Expenses for claims and insurance benefits	-1 825.2	-1 755.2	4.0
Acquisition and administrative expenses	-626.8	-579.0	8.3
Other expenses	-60.1	-49.4	21.7
Result before taxes	124.7	65.1	91.5
Taxes	-33.9	-14.4	>100
Result of the period	90.8	50.7	79.2
Non-controlling interests	-2.5	-2.0	23.9
Net result after non-controlling interests	88.3	48.6	81.6
Combined Ratio (net in %)	95.3	97.4	-2.1pp

Consolidated Balance Sheet (IFRS)

Assets (in EUR mn)	30.09.2021	31.12.2020	+/- %
A. Intangible assets (incl. Right-of-Use Assets)	1 897	1 918	-1.1
B. Investments	34 647	34 901	-0.7
C. Investments of unit- and index-linked life insurance	8 301	7 968	4.2
D. Reinsurers' share in underwriting provisions	1 790	1 396	28.2
E. Receivables	1 858	1 699	9.3
F. Tax receivables and advance payments out of income tax	159	275	-42.3
G. Deferred tax assets	242	137	77.2
H. Other assets	390	388	0.7
I. Cash and cash equivalents	2 869	1 745	64.4
Total Assets	52 151	50 428	3.4
Liabilities and Shareholders' Equity (in EUR mn)	30.09.2021	31.12.2020	+/- %
A. Shareholders' equity	5 607	5 286	6.1
B. Subordinated liabilities	1 461	1 464	-0.2
C. Underwriting provisions	32 804	32 230	1.8
D. Unit- and index-linked underwriting provisions	7 995	7 617	5.0
E. Non-underwriting provisions	862	877	-1.6
F. Liabilities	2 774	2 254	23.0
G. Tax liabilities out of income tax	255	291	-12.4
H. Deferred tax liabilities	263	268	-1.6
I. Other liabilities	130	141	-8.1
Total Liabilities and Shareholders' Equity	52 151	50 428	3.4

Segment Reporting (IFRS)

in EUR mn	Austria			Czech Republic			Slovakia		
	9M 2021	9M 2020	+/- %	9M 2021	9M 2020	+/- %	9M 2021	9M 2020	+/- %
Gross premiums written Total	3,207.0	3,193.8	0.4	1,405.5	1,297.0	8.4	548.6	557.6	-1.6
Result before taxes	143.6	122.6	17.1	148.7	152.7	-2.7	42.4	38.3	10.7
Combined Ratio (net in %)	95.0	95.0	0pp	89.3	93.0	-3.7pp	88.8	90.6	-1.8pp

in EUR mn	Poland			Romania			The Baltic		
	9M 2021	9M 2020	+/- %	9M 2021	9M 2020	+/- %	9M 2021	9M 2020	+/- %
Gross premiums written Total	951.3	889.1	7.0	411.6	354.8	16.0	387.7	367.7	5.4
Result before taxes	51.2	34.9	46.7	1.9	13.5	-86.2	14.1	9.9	42.4
Combined Ratio (net in %)	94.5	95.5	-1pp	102.4	99.1	3.3pp	96.5	96.7	-0.3pp

in EUR mn	Hungary			Bulgaria			Turkey/Georgia		
	9M 2021	9M 2020	+/- %	9M 2021	9M 2020	+/- %	9M 2021	9M 2020	+/- %
Gross premiums written Total	244.9	212.9	15.0	165.8	155.0	7.0	186.5	178.4	4.5
Result before taxes	7.0	6.4	9.6	18.6	-44.3	n.a.	8.7	-0.2	n.a.
Combined Ratio (net in %)	97.1	96.7	0.4pp	90.7	92.8	-2.1pp	98.8	91.7	7.1pp

in EUR mn	Remaining CEE			Other Markets			Central Functions		
	9M 2021	9M 2020	+/- %	9M 2021	9M 2020	+/- %	9M 2021	9M 2020	+/- %
Gross premiums written Total	372.8	333.4	11.8	207.0	208.5	-0.7	1,481.9	1,343.0	10.3
Result before taxes	22.5	-16.1	n.a.	21.9	23.2	-5.6	-104.0	-77.4	34.3
Combined Ratio (net in %)	91.7	90.9	0.8pp	80.2	77.3	2.9pp	-	-	-

in EUR mn	Consolidation			Total		
	6M 2021	6M 2020	+/- %	9M 2021	9M 2020	+/- %
Gross premiums written Total	-1,179.6	-1,104.8	6.8	8,390.8	7,986.4	5.1
Result before taxes	-0.3	2.8	n.a.	376.1	266.3	41.2
Combined Ratio (net in %)	-	-	-	95.2	96.1	-0.9pp
Net result after non-controlling interests	-	-	-	274.6	175.0	56.9

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

Information on reporting

The quarterly figures for net assets, financial position and results of operations for the 1st and 3rd quarters were prepared in accordance with the International Financial Reporting Standards (IFRS). However, reporting for the 1st and 3rd quarters does not constitute interim reporting within the meaning of international accounting standard IAS 34.

IR news and a results presentation are available at www.vig.com/events

Vienna Insurance Group (Wiener Versicherung Gruppe) is the leading insurance group both in Austria and in the entire Central and Eastern European (CEE) region. Around 50 insurance companies in 30 countries form a Group with a long-standing tradition, strong brands and close customer relations. The more than 25,000 employees in the Vienna Insurance Group (Wiener Versicherung Gruppe) take care of the day-to-day needs of more than 22 million customers. VIG shares have been listed on the Vienna Stock Exchange since 1994. The company has an A+ rating with stable outlook by the internationally recognised rating agency Standard & Poor's. That is the best rating of all companies in the ATX, the leading index of the Vienna Stock Exchange. Vienna Insurance Group (Wiener Versicherung Gruppe) cooperates closely with the Erste Group, the largest retail bank in Central and Eastern Europe.

Disclaimer

This release contains forward-looking statements that concern future developments in Vienna Insurance Group (Wiener Versicherung Gruppe). These statements are based on current assumptions and forecasts made by the management of Vienna Insurance Group (Wiener Versicherung Gruppe). Changes in general economic developments, future market conditions, capital markets and other circumstances could result in actual events or results differing significantly from these forward-looking statements. The Vienna Insurance Group AG Wiener Versicherung Gruppe assumes no obligation to update these forward-looking statements or modify them based on future events or developments.

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