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Vienna Insurance Group reports strong premium growth in first quarter of 2022 Precautionary measures taken for effects of war in Ukraine

- **Premiums up significantly by 11.2% to EUR 3.45 billion**
- **Profit (before taxes) down slightly by 3.3% to EUR 124 million**
- **Combined ratio clearly improves by 0.6 percentage points to 94.6%**

Vienna Insurance Group has continued last year's positive performance into the first quarter of 2022. Thanks to a very strong start to the new financial year, the operative business was expanded significantly. *"Already in the last year, we had managed to bring the effects of the pandemic on our operative business development under control, and we are also off to a very positive start in 2022 in all segments and lines of business. This is apparent in the double-digit premium growth achieved in the first quarter of 2022, which at that stage had yet to feel the impact of the war in Ukraine starting at the end of February.*

Due to the continuing uncertainty about developments in Ukraine and the associated far-reaching and hard-to-estimate economic effects, a development as dynamic as in the first quarter is not to be expected for the remainder of the financial year. We have taken precautionary measures for VIG Group in the amount of around EUR 75 million.

Our primary focus remains our colleagues in the Ukrainian companies, who are demonstrating an incredibly positive and professional attitude during these extraordinarily difficult times and largely keeping business operations functioning in the areas that are less affected by the war.

Looking at 2022 as a whole, we expect operating performance to remain positive, buoyed by our strong capital position, our diverse business model and the optimisation measures that we have been consistently implementing for years", explains Elisabeth Stadler, CEO of Vienna Insurance Group.

Premium growth across all lines of business

With premium growth of EUR 348 million, the total premium volume for the first three months of 2022 was up significantly by 11.2% to EUR 3.45 billion. There has been premium growth across all business lines and segments of VIG. In motor third-party liability (+18.8%), other property and casualty insurance (+15.2%) and health insurance (+11.6%), premium growth is in the double digits. The strong premium growth was driven primarily by the Czech Republic (+EUR 103 million) and Extended CEE (+EUR 148 million) segments, and here in particular Romania, the Baltic states, Serbia, Ukraine and Hungary.

Result down slightly

At EUR 123.8 million, profit before taxes was down by around 3.3% on the same period of the previous year. This is due to the precautionary measures taken in relation to the ongoing war in Ukraine, which have reduced the financial result. The financial result (excl. the result from at-equity consolidated companies) was EUR 148.1 million in the first quarter of 2022, which is 15.7% less than in the same period of the previous year. Net profit was EUR 91.3 million, which is 7.7% below the previous year.

Combined ratio significantly improved

Lower cost as well as claims ratios led to a significant improvement in the combined ratio of 94.6% compared to the first quarter of 2021 (95.2%). The biggest improvements in the combined ratio were recorded in the Austria, Czech Republic and Extended CEE segments, and here in particular in Bulgaria and Romania.

VIG Group investments including cash and cash equivalents were EUR 36.1 billion as of 31 March 2022.

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

Consolidated Income Statement (IFRS)

(in EUR mn)	3M 2022	3M 2021	+/- %
Gross premiums written	3 454.7	3 106.8	11.2
Net earned premiums	2 622.0	2 416.3	8.5
Financial result excl. result from shares in at equity consolidated companies	148.1	175.8	-15.7
Result from shares in at equity consolidated companies	-0.2	-2.3	-91.5
Other income	32.8	58.4	-43.9
Expenses for claims and insurance benefits	-1 935.6	-1 822.6	6.2
Acquisition and administrative expenses	-675.3	-627.6	7.6
Other expenses	-68.1	-70.1	-2.9
Business operating result	123.8	128.0	-3.3
Adjustments	0.0	0.0	n.a.
Result before taxes	123.8	128.0	-3.3
Taxes	-29.4	-27.9	5.5
Result of the period	94.3	100.1	-5.7
Non-controlling interests in the result of the period	-3.0	-1.1	>100
Result of the period after taxes and non-controlling interests	91.3	99.0	-7.7
Earnings per share in EUR (annualized)	2.85	3.09	-7.7
Combined Ratio (net in %)	94.6	95.2	-0.7pp

Consolidated Balance Sheet (IFRS)

Assets (in EUR mn)	31.03.2022	31.12.2021	+/- %
Intangible assets	1 751	1 744	0.4
Right-of-Use Assets	173	173	-0.3
Investments	33 589	34 810	-3.5
Investments of unit- and index-linked life insurance	8 027	8 525	-5.9
Reinsurers' share in underwriting provisions	1 878	1 565	20.0
Receivables	2 201	2 067	6.5
Tax receivables and advance payments out of income tax	113	135	-16.5
Deferred tax assets	365	311	17.4
Other assets	428	391	9.4
Cash and cash equivalents	2 526	2 456	2.8
Total assets	51 051	52 178	-2.2
Liabilities and shareholders' equity (in EUR mn)	31.03.2022	31.12.2021	+/- %
Shareholders' equity	5 218	5 598	-6.8
Subordinated liabilities	1 462	1 461	0.0
Underwriting provisions	32 302	32 546	-0.8
Underwriting provisions for unit- and index-linked life insurance	7 700	8 189	-6.0
Non-underwriting provisions	869	890	-2.4
Liabilities	3 042	2 900	4.9
Tax liabilities out of income tax	222	243	-8.9
Deferred tax liabilities	105	219	-51.9
Other liabilities	132	131	0.6
Total liabilities and shareholders' equity	51 051	52 178	-2.2

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.

Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG) 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 VIG 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 VIG Group has an A+ rating with stable outlook by the internationally recognised rating agency Standard & Poor's. VIG 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 AG Wiener Versicherung Gruppe (VIG). These statements are based on current assumptions and forecasts made by the management. 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. VIG assumes no obligation to update these forward-looking statements or modify them based on future events or developments.

Contact:

VIENNA INSURANCE GROUP
Investor Relations
1010 Vienna, Schottenring 30

Nina Higatzberger-Schwarz
Sylvia Machherndl
Sarah Salchegger

Phone: +43 (0)50 390-21920
Phone: +43 (0)50 390-21151
Phone: +43 (0)50 390-20071

E-Mail: nina.higatzberger@vig.com
E-Mail: sylvia.machherndl@vig.com
E-Mail: sarah.salchegger@vig.com

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