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Vienna Insurance Group presents good results for first half of 2022 Significantly more premiums and profits, combined ratio improves considerably

- **Premium volume increases by 11.6% to EUR 6.44 billion**
- **Profit before taxes rises by 10.3% to EUR 277.3 million**
- **Combined ratio improves by 0.9 percentage points to 94.3%**
- **Solvency ratio of VIG Group increases to 285%**

Vienna Insurance Group (VIG) continues the excellent business development with its half-year results for 2022. The most important key figures show significant improvements compared to the same period in the previous year.

"We still experience very challenging times, marked primarily by the war in Ukraine, high inflation and the pandemic, which is still making its effects felt. Although these influences – which also have an impact on the insurance industry – are clouding the economic outlook, VIG Group continues to show very strong resilience, which is once again manifested in improved key figures. The success of our Group is built on a long-term oriented and broadly diversified business model, which shows its strengths especially in particularly challenging periods. The half-year results make us confident that we will achieve a positive operating performance in 2022", explains CEO Elisabeth Stadler.

Non-life business drives around 12% rise in premiums

In the first half of 2022, the premium volume increased significantly by 11.6% to EUR 6,443 million (excluding Aegon companies). All lines of business and all VIG segments are showing a rise in premiums compared to the first half of the previous year. The significant increase with double-digit growth rates is primarily due to the non-life lines of business (motor third-party liability EUR 975.2 million, +20.3%; motor own-damage insurance EUR 787.5 million, +11.1%; other property and casualty insurance EUR 3,323.7 million, +15.2%; and health insurance EUR 411.8 million, +11.9%). Life regular premium business accounts for EUR 1,418.2 million (+4.1%) and life single premium business for EUR 485.4 million (+8.9%). The largest premium increases were achieved in the Czech Republic, Austria and the Extended CEE segments, and here Romania and the Baltic States in particular recording high premium growth.

Result before tax up by more than 10 percent and net income up by 8.6 percent

The result before taxes of EUR 277.3 million was 10.3% higher than in the previous year. In addition to the measures already taken in the first 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 financial result (excluding the result from at-equity consolidated companies) is EUR 315.5 million (-10.1%) for the first half of 2022. At EUR 202.3 million, net income was 8.6% higher than in the previous year.

Combined ratio improves 0.9 percentage points

Both a lower cost and claims ratios led to a significant improvement in the combined ratio to 94.3% compared to the previous year (95.2%). The biggest improvements in the combined ratio were recorded in the segments Austria, Poland and Extended CEE, and here particularly Bulgaria and Albania, including Kosovo.

Solvency ratio of 285%

VIG Group's regulatory solvency ratio was 285% as of 30 June 2022, indicating that capital resources remain very strong and stable (including transitional measures, solvency ratio as of 31 December 2021 was 250%).

VIG Group had EUR 34.4 billion in investments as of 30 June 2022.

Outlook

Due to the war in Ukraine, Vienna Insurance Group has reviewed its current "VIG 25" strategic programme: *"The initiatives launched in VIG 25 support the very positive current results and will continue to be consistently implemented following the evaluation regarding the current challenges"*, explains Elisabeth Stadler. The development of the 2022 financial year remains affected by uncertainty, especially by the war in Ukraine and its unpredictable consequences. As a result, a year-end forecast is currently not being made. However, the VIG Group considers itself able to manage the challenges well and is aiming for a positive operating performance in 2022.

Consolidated Income Statement (IFRS)

(in EUR mn)	6M 2022	6M 2021	+/- %
Gross premiums written	6 443.1	5 772.9	11.6
Net earned premiums	5 268.6	4 822.6	9.2
Financial result excl. result from shares in at equity consolidated companies	315.5	350.9	-10.1
Result from shares in at equity consolidated companies	8.9	2.7	>100
Other income	89.4	80.8	10.7
Expenses for claims and insurance benefits	-3 914.0	-3 633.5	7.7
Acquisition and administrative expenses	-1 353.6	-1 237.1	9.4
Other expenses	-137.4	-135.0	1.8
Business operating result	277.3	251.4	10.3
Adjustments	0.0	0.0	n.a.
Result before taxes	277.3	251.4	10.3
Taxes	-69.2	-60.7	14.1
Result of the period	208.1	190.7	9.1
Non-controlling interests in the result of the period	-5.8	-4.4	32.0
Result of the period after taxes and non-controlling interests	202.3	186.3	8.6
Earnings per share in EUR (annualized)	3.1	2.9	4.8
Combined Ratio (net in %)	94.3	95.2	-0.9pp

Consolidated Income Statement (IFRS) - Quarterly Data

(in EUR mn)	Q2 2022	Q2 2021	+/- %
Gross premiums written	2 988.4	2 666.1	12.1
Net earned premiums	2 646.6	2 406.3	10.0
Financial result excl. result from shares in at equity consolidated companies	167.3	175.1	-4.5
Result from shares in at equity consolidated companies	9.1	5.0	82.8
Other income	56.7	22.3	>100
Expenses for claims and insurance benefits	-1 978.4	-1 810.9	9.2
Acquisition and administrative expenses	-678.3	-609.5	11.3
Other expenses	-69.4	-64.9	6.9
Business operating result	153.5	123.4	24.4
Adjustments	0.0	0.0	n.a.
Result before taxes	153.5	123.4	24.4
Taxes	-39.8	-32.8	21.4
Result of the period	113.7	90.6	25.5
Non-controlling interests in the result of the period	-2.8	-3.3	-16.4
Result of the period after taxes and non-controlling interests	111.0	87.3	27.1
Combined Ratio (net in %)	94.1	95.2	-1.1pp

Consolidated Balance Sheet (IFRS)

Assets (in EUR mn)	30.06.2022	31.12.2021	+/- %
Intangible assets	1 749	1 744	0.3
Right-of-Use Assets	196	173	13.2
Investments	31 566	34 810	-9.3
Investments of unit- and index-linked life insurance	7 396	8 525	-13.2
Reinsurers' share in underwriting provisions	1 883	1 565	20.4
Receivables	2 271	2 067	9.9
Tax receivables and advance payments out of income tax	125	135	-7.2
Deferred tax assets	481	311	54.6
Other assets	407	391	4.2
Cash and cash equivalents	2 844	2 456	15.8
Total assets	48 920	52 178	-6.2

Liabilities and shareholders' equity (in EUR mn)	30.06.2022	31.12.2021	+/- %
Shareholders' equity	4 494	5 598	-19.7
Subordinated liabilities	1 746	1 461	19.5
Underwriting provisions	31 405	32 546	-3.5
Underwriting provisions for unit- and index-linked life insurance	7 105	8 189	-13.2
Non-underwriting provisions	810	890	-9.0
Liabilities	3 022	2 900	4.2
Tax liabilities out of income tax	148	243	-39.2
Deferred tax liabilities	62	219	-71.5
Other liabilities	127	131	-2.9
Total liabilities and shareholders' equity	48 920	52 178	-6.2

Segment Reporting (IFRS)

in EUR mn	Austria			Czech Republic			Poland		
	6M 2022	6M 2021	+/- %	6M 2022	6M 2021	+/- %	6M 2022	6M 2021	+/- %
Gross premiums written total	2 374.6	2 279.7	4.2	1 106.4	945.6	17.0	659.0	640.7	2.9
Result before taxes	77.1	105.8	-27.1	93.9	96.9	-3.1	28.6	33.8	-15.3
Combined Ratio (net in %)	92.7	93.7	-1pp	93.4	91.5	1.9pp	93.8	94.4	-0.6pp

in EUR mn	Extended CEE			Special Markets			Group Functions		
	6M 2022	6M 2021	+/- %	6M 2022	6M 2021	+/- %	6M 2022	6M 2021	+/- %
Gross premiums written total	1 722.1	1 431.5	20.3	297.2	269.1	10.4	1 242.3	1 014.8	22.4
Result before taxes	85.6	83.8	2.2	20.2	22.2	-9.2	-20.9	-90.6	-76.9
Combined Ratio (net in %)	93.4	94.2	-0.8pp	94.4	87.7	6.7pp			-

in EUR mn	Consolidation			Total		
	6M 2022	6M 2021	+/- %	6M 2022	6M 2021	+/- %
Gross premiums written total	-958.6	-808.5	18.6	6 443.1	5 772.9	11.6
Result before taxes	-7.2	-0.5	>100	277.3	251.4	10.3
Combined Ratio (net in %)			-	94.3	95.2	-0.9pp
Result of the period after taxes and non-controlling interests			-	202.3	186.3	8.6

Rounding differences may occur.

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. The 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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