

# SOLVENCY AND FINANCIAL CONDITION REPORT **2019**

OF VIENNA INSURANCE GROUP AG

WIENER VERSICHERUNG GRUPPE

(GROUP REPORT)

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## SUMMARY

The Solvency and Financial Condition Report (SFCR) as of 31 December 2019 was prepared in accordance with the requirements stipulated in the Solvency II Directive 2009/138/EC, Delegated Acts on Solvency II (EU) 2015/35 and additional applicable regulatory guidelines. All monetary figures are shown in the unit of thousands of euro (TEUR) compliant with the rules of the Commission Delegated Regulation (EU) 2015/2452. Calculations, however, are done using exact amounts, including digits not shown, which may lead to rounding differences.

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (VIG Group) is together with its individual companies the leading insurance group in Austria and the CEE region. Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group (WSTW) is the majority shareholder owning around 70% of VIG Group. In 2018, a notice from the competent supervisory authority, the Austrian Financial Market Authority (FMA), removed WSTW from its supervision of the Group, so that supervision of the Group is now performed at the level of VIG Holding. This SFCR reports on the solvency and financial condition of VIG Group in accordance with this decision and the legal requirements.

The structure of this report follows the requirements laid down in Delegated Acts on Solvency II (EU) 2015/35 and is divided into Chapters A to E with the prescribed subchapters.

**Chapter A** presents the business activities and performance of the group which is headquartered in Vienna, Austria, and is the leading insurance group in Austria and CEE operating around 50 insurance companies in 25 countries.

In 2019, the group generated a premium volume in non-life business of TEUR 5,627,331 (2018: TEUR 5,116,041). The premium volume in life insurance business was TEUR 4,090,580 in 2019 (2018: TEUR 3,975,630). The investment result in 2019 amounted to TEUR 1,297,286 (2018: TEUR 1,272,547). The financial result, not including the result from shares in at equity consolidated companies, was TEUR 986,766 for the same period (2018: TEUR 1,003,025).

One of the most significant developments during the financial year was the conclusion of the last planned merger in the project for promoting the bank insurance business, in which the Czech bank insurance company Pojišťovna České sporitelny, a.s. was merged with the local VIG insurance company Kooperativa pojišťovna, a.s.

The acquisition of Gothaer Towarzystwo Ubezpieczeń (Gothaer TU) in Poland was concluded on 28 February 2019. Gothaer TU offers property and casualty insurance products, mainly through insurance brokers and representatives. The acquisition of Gothaer TU strengthens the VIG Group market position in the area of property and casualty insurance in Poland. Including Gothaer TU will increase the market share in this area to around 9 per cent. The company was subsequently renamed Wiener Towarzystwo Ubezpiezen S.A. Vienna Insurance Group.

VIG Group also invested in the Towarzystwo Ubezpieczeń Wzajemnych “TUW” mutual insurance association via its Polish Group company InterRisk in February 2019. InterRisk acquired all of the shares of the French MACIF Group.

VIG Holding established branches in Sweden, Norway and Denmark in the summer of 2019. VIG Group is consequently expanding its business activities in Northern Europe.

**Chapter B** focuses on a description of the governance system of the group. The main elements of the system are the Supervisory Board, the management board and other key functions as well as the risk management system and the internal control system (ICS).

After presenting the remuneration policy and fit and proper requirements, the risk management system (including the risk management function), own risk and solvency assessment (ORSA), internal control system (including the compliance function) and internal audit and actuarial functions are described. In addition, the measures implemented in the area of outsourcing and the critical and important outsourced functions and activities are discussed.

The group governance system includes all processes needed to effectively and efficiently manage and supervise the group, in particular well-defined organisational and operational structure, transparent means of communication and report disclosure as well as comprehensive risk management, and is appropriate to the nature, scale and complexity of the group.

**Chapter C** describes the VIG Group risk profile. As an internationally active insurance group the risk profile is dominated by market risk arising from the capital investments and underwriting risks stemming from its business operations. These risks are of a strategic nature and are consciously accepted. The following table provides an overview of material risks of the group according to the partial internal model (PIM), which is also used in risk measurement for the regulatory solvency capital requirement calculation.

| <b>Risks based on the PIM</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|-------------------------------|-------------------|-------------------|
| <i>in EUR '000</i>            |                   |                   |
| Market risk                   | 3,293,790         | 3,072,486         |
| Counterparty default risk     | 352,891           | 325,685           |
| Life underwriting risk        | 1,497,497         | 2,082,422         |
| Health underwriting risk      | 563,831           | 325,504           |
| Non-life underwriting risk    | 748,703           | 668,757           |
| Intangible asset risk         | 0                 | 0                 |
| Operational risk              | 325,087           | 315,616           |

Other risks not included in the solvency calculation are qualitatively assessed as part of the risk management process.

**Chapter D** describes the valuation for solvency purposes, which is primarily governed by the European Framework Directive (2009/138/EC) (Solvency II) and the Delegated Regulation (EU) 2015/35. The underlying principle thereof is the evaluation of the economic situation of an undertaking on the basis of current market prices. The chapter includes the economic balance sheet, in which the positions are valued according to current market prices, and elaborates on the quantitative and qualitative differences in measurement of the essential balance sheet elements (e.g. assets and technical provisions) between Solvency II and International Financial Reporting Standards (IFRS).

The report closes with **Chapter E** concerned with the capital management of VIG Group. For that purpose, the available and eligible own funds are presented together with the minimum capital requirement and the solvency capital requirement outlining the differences between the standard formula calculation and the employed partial internal model. As of 31/12/2019, the solvency capital requirement of VIG Group calculated according to the partial internal model amounted to TEUR 3,651,903. The minimum capital requirement of the group amounted to TEUR 1,998,861. The amounts of eligible own funds for the solvency and minimum capital requirements were TEUR 7,657,465 and TEUR 6,470,654, respectively. Therefore, the VIG Group solvency ratio was 209.7% while the coverage ratio for the minimum capital requirement was 323.7%.

| <b>Solvency capital requirement and its coverage based on the PIM</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|---|-------------------|-------------------|
| <i>in EUR '000</i>  |                   |                   |
| <b>Solvency II own funds to meet the SCR</b>                          | <b>7,657,465</b>  | <b>7,734,393</b>  |
| Tier 1  | 6,151,554         | 6,237,024         |
| Tier 2  | 1,456,673         | 1,430,102         |
| Tier 3  | 49,238            | 67,267            |
| <b>Solvency capital requirement (SCR)</b>                             | <b>3,651,903</b>  | <b>3,240,995</b>  |
| <b>Solvency ratio</b>   | <b>209.7%</b>     | <b>238.6%</b>     |

| <b>Minimum capital requirement and coverage based on PIM</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|--|-------------------|-------------------|
| <i>in EUR '000</i>   |                   |                   |
| <b>Solvency II own funds to meet the MCR</b>                 | <b>6,470,654</b>  | <b>6,515,813</b>  |
| Tier 1   | 6,070,882         | 6,165,619         |
| Tier 2   | 399,772           | 350,195           |
| Tier 3   | 0                 | 0                 |
| <b>Solvency capital requirement (MCR)</b>                    | <b>1,998,861</b>  | <b>1,750,974</b>  |
| <b>MCR coverage ratio</b>                                    | <b>323.7%</b>     | <b>372.1%</b>     |

The solvency of the group was determined using the volatility adjustment (VA). Besides that no other transitional measures were used. The following table shows the effects of the volatility adjustment on the group level.

| <b>Solvency with and without usage of the Volatility Adjustment as of 31/12/2019</b> | <b>With VA</b> | <b>Without VA</b> |
|--|----------------|-------------------|
| <i>in EUR '000</i>   |                |                   |
| Solvency II own funds to meet the SCR  | 7,657,465      | 7,565,848         |
| Solvency capital requirement (SCR)   | 3,651,903      | 3,688,481         |
| <b>Solvency ratio</b>  | <b>209.7%</b>  | <b>205.1%</b>     |

## DECLARATION BY THE MANAGING BOARD

We confirm to the best of our knowledge that the Solvency and Financial Condition Report of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, which has been prepared in accordance with the provisions of the Austrian Insurance Supervision Act and corresponding directly applicable rules at the European level, gives a true picture of the solvency and financial condition of the group and that it describes the business development, governance system, risk profile and assets, liabilities, and own funds of the solvency balance sheet.

Vienna, 23 March 2020

The Managing Board:



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



**Franz Fuchs**  
Deputy General Manager  
Member of the Managing Board



**Liane Hirner**  
Member of the Managing Board (CFO)



**Peter Höfinger**  
Member of the Managing Board



**Gerhard Lahner**  
Member of the Managing Board



**Gabor Lehel**  
Member of the Managing Board



**Harald Riener**  
Member of the Managing Board



**Peter Thirring**  
Member of the Managing Board

## A BUSINESS AND PERFORMANCE

This report contains all information required by law regarding the solvency and financial condition of VIG Group:

**VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe**

Stock corporation with its registered office at Schottenring 30, 1010 Vienna, registered with the Vienna Commercial Court under FN 75687 f

Tel: +43 (0) 50 390-22000

[www.vig.com](http://www.vig.com)

Important information regarding the solvency and financial condition of VIG Group is communicated to the public to ensure transparency.

The competent supervisory authority for VIG Group is the

**Austrian Financial Market Authority (FMA)**

Otto-Wagner-Platz 5, 1090 Vienna

Tel: +43 (1) 249 59-0

[www.fma.gv.at](http://www.fma.gv.at)

The audit of the accuracy of this report and the information contained therein was performed by

**KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft**

Porzellangasse 51, 1090 Vienna

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[www.kpmg.at](http://www.kpmg.at)

## A.1 BUSINESS

Vienna Insurance Group is an international insurance group headquartered in Vienna. VIG Group stands for stability and expertise in providing financial protection against risks. The roots of the Group reach back to the year 1824. An experience of almost 200 years and a focus on the core competence of providing insurance represent a solid and secure foundation for more than 22 million customers of VIG Group.

As early as 1990, the former Wiener Städtische Versicherung AG created the foundations for a successful expansion into Central and Eastern Europe (CEE). The reorganisation in 2010 of the holding company VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, headquartered in Vienna, was the result of the expansion actively pursued by VIG Group over the past two decades. Around 280 VIG Holding employees were assisting the Managing Board with managing and steering the participations in insurance companies<sup>1</sup> at the end of 2019. VIG Holding also operates directly in the corporate and large customer business and in reinsurance.

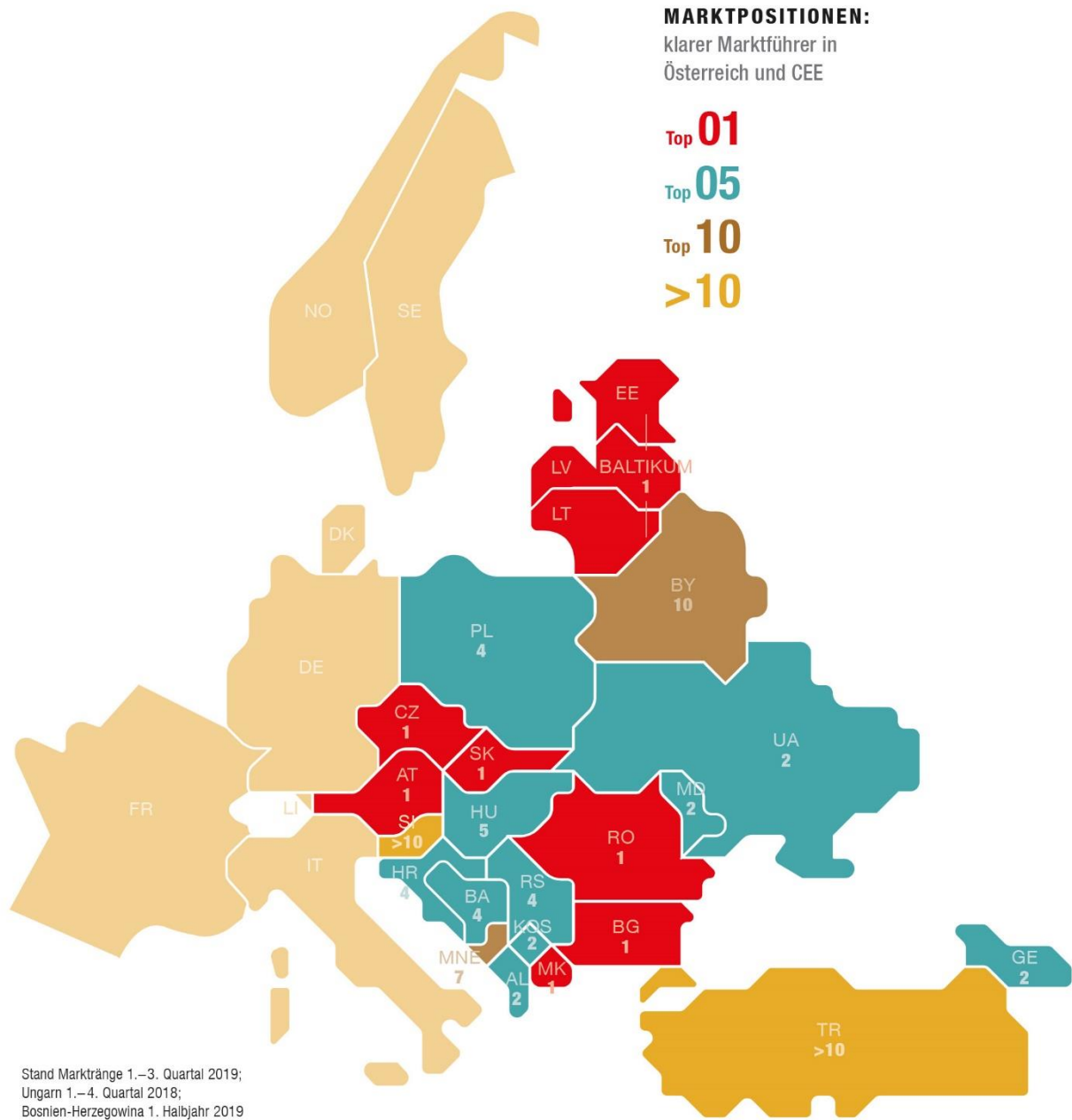
The VIG insurance companies are primarily managed and monitored by their respective Supervisory Boards, in which members of the Managing Board of VIG Holding are always represented. Group-wide guidelines and policies are defined in the management areas of VIG Holding to assist with the management of participations in insurance companies and are also used in VIG Holding as a separate company. The management areas include planning and controlling, Group development and strategy, asset management, reinsurance, compliance, risk management, internal audit, actuarial department, IT, accounting, data management and processes and human resources.

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<sup>1</sup> A list of all Group companies, including their names, legal forms and shareholdings can be found in the QRT S.32.01.22 in the annex to this report.



The following charts show a simplified Group structure of the VIG insurance companies.





## OWNERSHIP STRUCTURE

The main shareholder of VIG Holding is Wiener Städtische Wechselseitiger Versicherungsverein - Vermögensverwaltung - Vienna Insurance Group (a former mutual insurance company headquartered at Schottenring 30, 1010 Vienna), which holds around 70% of the shares (directly and indirectly). The remaining approximately 30% are in free float.

## SIGNIFICANT BUSINESS EVENTS

The final merger planned for the project to expand the bank insurance business was concluded at the beginning of 2019. VIG Group merged its Czech bancassurance company Pojišťovna České spořitelny, a.s. with the local insurance company Kooperativa pojišťovna, a.s.

The acquisition of Gothaer Towarzystwo Ubezpieczeń (Gothaer TU) in Poland was concluded on 28 February 2019. Gothaer TU offers property and casualty insurance products, mainly through insurance brokers and representatives. The company generated a stable premium volume of around EUR 170 million in 2018. Gothaer TU serves more than 700,000 customers and manages two million insurance policies. It currently has 530 employees. The acquisition of Gothaer TU strengthens the VIG Group market position in the area of property and casualty insurance in Poland. Including Gothaer TU will increase the market share in this area to around 9 per cent. The company was subsequently renamed Wiener Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group.

VIG Group also invested in the Towarzystwo Ubezpieczeń Wzajemnych "TUW" mutual insurance association via its Polish insurance company InterRisk in February 2019. InterRisk acquired all of the shares of the French MACIF Group.

VIG Holding established branches in Sweden, Norway and Denmark in the summer of 2019. VIG Group is consequently expanding its business activities in Northern Europe and is now using a locally established underwriting team to offer

insurance solutions for large customers through brokers. We established our own branches in Stockholm, Oslo and Copenhagen and the EU freedom to provide services allows customers to be served in Finland.

#### **EVENTS AND TRANSACTIONS IN THE GROUP**

Internal Group transactions are all transactions in which a VIG Group company directly or indirectly assumes fulfilment of an obligation from another internal Group company, regardless of whether the transaction is contractually documented and regardless of whether the transaction is based on actual financial flows.

For recording purposes, internal Group transactions are divided into the following four groups:

- Equity transactions, transfer of assets and liabilities
- Derivatives
- Internal reinsurance – reinsurance relationships between subsidiaries in the direct insurance area and reinsurance companies
- Cost sharing, contingent liabilities, off-balance sheet items and other internal Group transactions

Significant internal Group transactions arise in particular from internal Group lending, cash pools and internal reinsurance. Cash pool transactions within VIG Group allow the individual entities to voluntarily combine available liquidity resources in a pool to achieve attractive returns. Internal Group reinsurance transactions by VIG Group subsidiaries with VIG Holding and VIG RE (VIG RE zajišťovna, a.s.) are used to optimise the subsidiaries' retentions and therefore risk mitigation and to optimise VIG Group's reinsurance activities.

A threshold approved by the supervisory authority is used for Group-wide recording of internal Group transactions. It is currently 5% of the smallest SCR (solvency capital requirement) of the VIG Group insurance companies involved in a transaction.

As shown in the Group Annual Report (page 203), TEUR 21,233 of the transactions with unconsolidated related parties during the 2019 reporting period were for loans, TEUR 70,372 for receivables and TEUR 183,006 for liabilities.

“Very significant internal Group transactions” are transactions between VIG Group companies with at least one (re-)insurer from the European Economic Area (EEA) as a party and transaction amounts exceeding 5% of the VIG Group solvency capital requirement (SCR). All very significant internal Group transactions must be reported to the VIG Group supervisory authority without delay.

In 2019, VIG Holding gave a commitment to its largest subsidiary, Wiener Städtische Versicherung AG, Vienna Insurance Group, to provide capital to increase its ancillary own funds by TEUR 350,000. The capital is available for drawing until 31 December 2029 at the latest. The Austrian Financial Market Authority provided its approval on 23 December 2019.

No other very significant internal Group transactions exceeding the threshold were performed during the 2019 reporting period.

Information on significant changes to the scope of consolidation due to significant acquisitions and sales and deconsolidation is provided in the section above. Other than deconsolidation of the non-profit housing societies in the IFRS consolidated financial statements, there were no other significant changes to the scope of consolidation.

#### **DIFFERENT AREAS OF USE FOR (IFRS) CONSOLIDATED FINANCIAL STATEMENTS IN THE GROUP AND CALCULATION OF GROUP SOLVENCY USING THE STANDARD METHOD (METHOD 1)**

Please refer to Chapter E (Capital management) of this report.

## A.2 UNDERWRITING PERFORMANCE

### A.2.1 UNDERWRITING PERFORMANCE IN SIGNIFICANT LINES OF BUSINESS

#### NON-LIFE INSURANCE 31/12/2019

|   | 31/12/2019                        |                                       |                       |  |                                   |   |                                |               |                  |
|---|-----------------------------------|---------------------------------------|-----------------------|--|-----------------------------------|---|--------------------------------|---------------|------------------|
|   | Occupational disability insurance | Motor third party liability insurance | Other motor insurance | Marine, aviation and transport insurance | Fire and other property insurance | General third party liability insurance | Miscellaneous financial losses | Other*        | Total            |
| in EUR '000                                       |                                   |                                       |                       |  |                                   |   |                                |               |                  |
| <b>Premiums written</b>                           |                                   |                                       |                       |  |                                   |   |                                |               |                  |
| Direct business                                   | 412,922                           | 1,363,497                             | 1,188,860             | 92,913                                   | 1,514,388                         | 467,549                                 | 95,077                         | 294,883       | 5,430,089        |
| Inward reinsurance                                | 0                                 | 51,907                                | 25,954                | 13,761                                   | 181,676                           | 0                                       | 0                              | 25,881        | 299,179          |
| Reinsurers' share                                 | 1,728                             | 58,432                                | 46,051                | 43,989                                   | 550,580                           | 40,751                                  | 12,695                         | 32,255        | 786,482          |
| Retention   | 411,194                           | 1,356,972                             | 1,168,762             | 62,685                                   | 1,145,484                         | 426,798                                 | 82,382                         | 288,509       | 4,942,786        |
| <b>Earned premiums</b>                            |                                   |                                       |                       |  |                                   |   |                                |               |                  |
| Direct business                                   | 412,652                           | 1,349,158                             | 1,160,666             | 92,312                                   | 1,484,882                         | 462,627                                 | 95,454                         | 278,036       | 5,335,788        |
| Inward reinsurance                                | 0                                 | 0                                     | 0                     | 13,893                                   | 0                                 | 0                                       | 251,527                        | 26,122        | 291,543          |
| Reinsurers' share                                 | 445                               | 15,824                                | 25,260                | 43,868                                   | 396,708                           | 39,918                                  | 219,434                        | 26,011        | 767,469          |
| Retention   | 412,207                           | 1,333,334                             | 1,135,407             | 62,337                                   | 1,088,175                         | 422,709                                 | 127,547                        | 278,147       | 4,859,862        |
| <b>Expenses for claims and insurance benefits</b> |                                   |                                       |                       |  |                                   |   |                                |               |                  |
| Direct business                                   | 191,844                           | 868,503                               | 787,542               | 60,094                                   | 817,002                           | 260,753                                 | 39,608                         | 147,020       | 3,172,366        |
| Inward reinsurance                                | 0                                 | 0                                     | 0                     | 14,578                                   | 0                                 | 0                                       | 210,642                        | 9,778         | 234,998          |
| Reinsurers' share                                 | 15,056                            | 88,203                                | 40,212                | 42,103                                   | 73,986                            | 24,421                                  | 126,138                        | 17,343        | 427,461          |
| Retention   | 176,788                           | 780,300                               | 747,330               | 32,569                                   | 743,016                           | 236,332                                 | 124,112                        | 139,456       | 2,979,903        |
| <b>Change to other technical provisions</b>       |                                   |                                       |                       |  |                                   |   |                                |               |                  |
| Direct business                                   | 1,566                             | 5,170                                 | 4,508                 | 352                                      | 5,743                             | 1,773                                   | 361                            | 1,118         | 20,591           |
| Reinsurers' share                                 | -64                               | -212                                  | -185                  | -14                                      | -236                              | -73                                     | -15                            | -46           | -845             |
| Retention   | 1,630                             | 5,383                                 | 4,693                 | 367                                      | 5,978                             | 1,846                                   | 375                            | 1,164         | 21,436           |
| <b>Expenses incurred</b>                          | <b>139,733</b>                    | <b>377,693</b>                        | <b>393,072</b>        | <b>29,547</b>                            | <b>505,585</b>                    | <b>162,030</b>                          | <b>25,394</b>                  | <b>98,323</b> | <b>1,731,377</b> |
| Other expenses                                    |                                   |                                       |                       |  |                                   |   |                                |               | 84,323           |
| <b>Total expenses</b>                             |                                   |                                       |                       |  |                                   |   |                                |               | <b>1,815,700</b> |

\* Includes the healthcare expense insurance, loan insurance, guarantee insurance, legal expenses insurance and assistance lines of business

The value of the gross earned premiums corresponding to financial year 2019 was equal to TEUR 5,627,331. Fire and other property insurance represented the largest share with 26.4 %, followed by motor third party liability insurance with 24.0 % and other motor insurance with 20.6 %.

This was offset by gross expenses for claims and insurance benefits of TEUR 3,407,365. 25.5 % of this was for motor third party liability insurance, 24.0 % for fire and other property insurance and 23.1 % for other motor insurance.

NON-LIFE INSURANCE 31/12/2018

|   | 31/12/2018                        |                                       |                       |  |                                   |   |                                |               |                  |
|---|-----------------------------------|---------------------------------------|-----------------------|--|-----------------------------------|---|--------------------------------|---------------|------------------|
|   | Occupational disability insurance | Motor third party liability insurance | Other motor insurance | Marine, aviation and transport insurance | Fire and other property insurance | General third party liability insurance | Miscellaneous financial losses | Other*        | Total            |
| in EUR '000                                       |                                   |                                       |                       |  |                                   |   |                                |               |                  |
| <b>Premiums written</b>                           |                                   |                                       |                       |  |                                   |   |                                |               |                  |
| Direct business                                   | 385,465                           | 1,303,868                             | 1,090,294             | 85,164                                   | 1,384,777                         | 436,213                                 | 87,909                         | 245,506       | 5,019,197        |
| Inward reinsurance                                | 0                                 | 28,997                                | 14,498                | 11,597                                   | 101,489                           | 0                                       | 0                              | 23,246        | 179,827          |
| Reinsurers' share                                 | 3,334                             | 49,843                                | 45,325                | 44,680                                   | 468,979                           | 43,149                                  | 11,613                         | 23,273        | 690,196          |
| Retention   | 382,130                           | 1,283,022                             | 1,059,468             | 52,081                                   | 1,017,287                         | 393,064                                 | 76,296                         | 245,479       | 4,508,829        |
| <b>Earned premiums</b>                            |                                   |                                       |                       |  |                                   |   |                                |               |                  |
| Direct business                                   | 384,300                           | 1,297,451                             | 1,062,650             | 83,490                                   | 1,358,246                         | 430,979                                 | 90,248                         | 231,617       | 4,938,982        |
| Inward reinsurance                                | 0                                 | 0                                     | 0                     | 11,494                                   | 0                                 | 0                                       | 141,774                        | 23,791        | 177,059          |
| Reinsurers' share                                 | 3,039                             | 8,965                                 | 25,946                | 42,423                                   | 317,611                           | 43,732                                  | 208,431                        | 21,007        | 671,154          |
| Retention   | 381,262                           | 1,288,486                             | 1,036,704             | 52,561                                   | 1,040,635                         | 387,247                                 | 23,592                         | 234,400       | 4,444,886        |
| <b>Expenses for claims and insurance benefits</b> |                                   |                                       |                       |  |                                   |   |                                |               |                  |
| Direct business                                   | 183,640                           | 934,088                               | 692,344               | 47,655                                   | 689,211                           | 225,407                                 | 37,373                         | 129,026       | 2,938,744        |
| Inward reinsurance                                | 0                                 | 0                                     | 0                     | 10,430                                   | 0                                 | 0                                       | 85,633                         | 5,564         | 101,628          |
| Reinsurers' share                                 | 39,102                            | 77,736                                | 8,100                 | 25,985                                   | 67,876                            | 8,846                                   | 72,245                         | 12,346        | 312,236          |
| Retention   | 144,538                           | 856,352                               | 684,244               | 32,101                                   | 621,336                           | 216,561                                 | 50,761                         | 122,244       | 2,728,137        |
| <b>Change to other technical provisions</b>       |                                   |                                       |                       |  |                                   |   |                                |               |                  |
| Direct business                                   | -91                               | -308                                  | -257                  | -20                                      | -327                              | -103                                    | -21                            | -58           | -1,184           |
| Reinsurers' share                                 | -59                               | -199                                  | -167                  | -13                                      | -212                              | -67                                     | -13                            | -38           | -768             |
| Retention   | -32                               | -108                                  | -90                   | -7                                       | -115                              | -36                                     | -7                             | -20           | -416             |
| <b>Expenses incurred</b>                          | <b>124,770</b>                    | <b>354,269</b>                        | <b>354,250</b>        | <b>26,477</b>                            | <b>454,776</b>                    | <b>145,672</b>                          | <b>23,287</b>                  | <b>77,293</b> | <b>1,560,794</b> |
| Other expenses                                    |                                   |                                       |                       |  |                                   |   |                                |               | 70,064           |
| <b>Total expenses</b>                             |                                   |                                       |                       |  |                                   |   |                                |               | <b>1,630,858</b> |

\* Includes the healthcare expense insurance, loan insurance, guarantee insurance, legal expenses insurance and assistance lines of business

Gross earned premiums in total rose by TEUR 511,290 compared to the previous year. The largest increases took place in the fire and other property insurance (TEUR 126,636), miscellaneous financial losses (TEUR 114,959), mainly due to inward reinsurance, and other motor insurance (TEUR 98,017) lines of business.

Gross expenses for claims and insurance benefits in total rose by TEUR 366,992 compared to the previous year. Expenses increased TEUR 127,790 in the fire and other property insurance line of business. Expenses in the miscellaneous financial losses line of business also increased by TEUR 127,243, mainly due to inward reinsurance. The increase in expenses for these two lines of business was due to a corresponding increase in premium growth. Expenses also increased by TEUR 95,198 in the other motor insurance line of business due to an increase in premium growth, while a decrease of TEUR 65,585 was recorded for motor third party liability insurance.

LIFE INSURANCE 31/12/2019

|   | 31/12/2019                          |  |                      |                  |                  |                |
|---|-------------------------------------|--|----------------------|------------------|------------------|----------------|
|   | Insurance with profit participation | Index-linked and unit-linked insurance | Other life insurance | Health insurance | Life reinsurance | Total          |
| in EUR '000                                       |                                     |  |                      |                  |                  |                |
| <b>Premiums written</b>                           |                                     |  |                      |                  |                  |                |
| Gross   | 1,448,966                           | 1,656,109                              | 442,878              | 524,087          | 23,311           | 4,095,351      |
| Reinsurers' share                                 | 52,254                              | 0                                      | 0                    | 28,380           | 0                | 80,634         |
| Retention   | 1,396,712                           | 1,656,109                              | 442,878              | 495,707          | 23,311           | 4,014,717      |
| <b>Earned premiums</b>                            |                                     |  |                      |                  |                  |                |
| Gross   | 1,448,772                           | 1,655,915                              | 442,684              | 519,898          | 23,311           | 4,090,580      |
| Reinsurers' share                                 | 51,786                              | 0                                      | 0                    | 27,934           | 0                | 79,720         |
| Retention   | 1,396,986                           | 1,655,915                              | 442,684              | 491,964          | 23,311           | 4,010,860      |
| <b>Expenses for claims and insurance benefits</b> |                                     |  |                      |                  |                  |                |
| Gross   | 1,791,302                           | 1,465,139                              | 142,114              | 325,835          | 13,447           | 3,737,836      |
| Reinsurers' share                                 | 14,838                              | 0                                      | 0                    | 5,098            | 1,190            | 21,126         |
| Retention   | 1,776,464                           | 1,465,139                              | 142,114              | 320,737          | 12,257           | 3,716,710      |
| <b>Change to other technical provisions</b>       |                                     |  |                      |                  |                  |                |
| Gross   | 63,373                              | -52,609                                | -30,859              | -80,356          | 3,597            | -96,855        |
| Reinsurers' share                                 | 3,185                               | 42                                     | 11                   | -85              | 1                | 3,153          |
| Retention   | 60,188                              | -52,650                                | -30,871              | -80,271          | 3,596            | -100,008       |
| <b>Expenses incurred</b>                          | <b>280,021</b>                      | <b>320,053</b>                         | <b>85,589</b>        | <b>84,063</b>    | <b>4,505</b>     | <b>774,230</b> |
| Other expenses                                    |                                     |  |                      |                  |                  | 61,271         |
| <b>Total expenses</b>                             |                                     |  |                      |                  |                  | <b>835,502</b> |

The value of the gross earned premiums corresponding to the financial year 2019 was in total equal to TEUR 4,090,580. The main shares were due to index-linked and unit-linked policies (40.5 %) and policies with profit participation (35.4 %).

This was offset by gross expenses for claims and insurance benefits in total of TEUR 3,737,836. 39.2 % of this amount was attributable to index-linked and unit-linked policies and 47.9 % to policies with profit participation.

**LIFE INSURANCE 31/12/2018**

|   | 31/12/2018                          |  |                      |                  |                  |                |
|---|-------------------------------------|--|----------------------|------------------|------------------|----------------|
|   | Insurance with profit participation | Index-linked and unit-linked insurance | Other life insurance | Health insurance | Life reinsurance | Total          |
| in EUR '000                                       |                                     |  |                      |                  |                  |                |
| <b>Premiums written</b>                           |                                     |  |                      |                  |                  |                |
| Gross   | 1,486,474                           | 1,569,054                              | 417,750              | 487,894          | 16,847           | 3,978,018      |
| Reinsurers' share                                 | 60,583                              | 0                                      | 0                    | 515              | 0                | 61,099         |
| Retention   | 1,425,890                           | 1,569,054                              | 417,750              | 487,378          | 16,847           | 3,916,919      |
| <b>Earned premiums</b>                            |                                     |  |                      |                  |                  |                |
| Gross   | 1,486,208                           | 1,568,788                              | 417,484              | 486,302          | 16,847           | 3,975,630      |
| Reinsurers' share                                 | 57,619                              | 0                                      | 0                    | 515              | 0                | 58,134         |
| Retention   | 1,428,590                           | 1,568,788                              | 417,484              | 485,787          | 16,847           | 3,917,496      |
| <b>Expenses for claims and insurance benefits</b> |                                     |  |                      |                  |                  |                |
| Gross   | 1,891,359                           | 1,385,783                              | 130,810              | 296,113          | 12,712           | 3,716,778      |
| Reinsurers' share                                 | 15,338                              | 0                                      | 0                    | 334              | -90              | 15,582         |
| Retention   | 1,876,022                           | 1,385,783                              | 130,810              | 295,779          | 12,802           | 3,701,195      |
| <b>Change to other technical provisions</b>       |                                     |  |                      |                  |                  |                |
| Gross   | -274,613                            | 363,642                                | -77,176              | -86,796          | 2,744            | -72,199        |
| Reinsurers' share                                 | 926                                 | -48                                    | -13                  | -110             | -1               | 755            |
| Retention   | -275,539                            | 363,690                                | -77,163              | -86,687          | 2,744            | -72,955        |
| <b>Expenses incurred</b>                          | <b>299,090</b>                      | <b>315,706</b>                         | <b>84,054</b>        | <b>77,679</b>    | <b>3,390</b>     | <b>779,919</b> |
| Other expenses                                    |                                     |  |                      |                  |                  | 58,091         |
| <b>Total expenses</b>                             |                                     |  |                      |                  |                  | <b>838,010</b> |

Gross earned premiums in total rose by TEUR 114,950 compared to the previous year. The largest increases were recorded in the index-linked and unit-linked insurance (TEUR 87,127) and health insurance (TEUR 33,596) lines of business. A decrease of TEUR 37,437 was recorded for insurance with profit participation.

Gross expenses for claims and insurance benefits in total rose by TEUR 21,059 compared to the previous year. The index-linked and unit-linked insurance line of business registered an increase of TEUR 79,356, the health insurance line of business registered an increase of TEUR 29,722. On the other hand, expenses decreased by TEUR 100,058 for insurance with profit participation.

**A.2.2 UNDERWRITING PERFORMANCE IN SIGNIFICANT COUNTRIES**

The following tables present the premiums and expenses for claims and insurance benefits in the country of origin (Austria) and the five most important countries. Premiums and expenses are assigned to the country in which the risk was situated, as defined in Article 13 (13) of Directive 2009/138/EC.

There was a change in the list of the five most important countries in 2019. Lithuania is now included in the non-life sector instead of Germany. Liechtenstein replaced Romania in the life sector. Corresponding adjustments were made to the previous year tables.

**SIGNIFICANT COUNTRIES FOR NON-LIFE INSURANCE 31/12/2019**

|   | 31/12/2019 |                |           |         |         |          |           |
|---|------------|----------------|-----------|---------|---------|----------|-----------|
|   | Austria    | Czech Republic | Lithuania | Poland  | Romania | Slovakia | Total     |
| in EUR '000   |            |                |           |         |         |          |           |
| Premiums written – gross                            | 1,983,128  | 1,088,502      | 176,735   | 883,534 | 370,572 | 384,157  | 4,886,628 |
| Earned premiums – gross                             | 1,978,063  | 1,086,633      | 165,245   | 851,884 | 365,384 | 383,449  | 4,830,658 |
| Expenses for claims and insurance benefits – gross* | 1,262,584  | 601,603        | 160,250   | 497,491 | 222,712 | 228,768  | 2,973,408 |

\* Excluding cost items



### SIGNIFICANT COUNTRIES FOR NON-LIFE INSURANCE 31/12/2018

|   | 31/12/2018 |                |           |         |         |          |           |
|---|------------|----------------|-----------|---------|---------|----------|-----------|
|   | Austria    | Czech Republic | Lithuania | Poland  | Romania | Slovakia | Total     |
| in EUR '000   |            |                |           |         |         |          |           |
| Premiums written – gross                            | 1,910,079  | 1,017,402      | 145,228   | 640,735 | 413,166 | 384,844  | 4,511,454 |
| Earned premiums – gross                             | 1,920,939  | 1,016,036      | 139,243   | 590,083 | 414,976 | 382,513  | 4,463,791 |
| Expenses for claims and insurance benefits – gross* | 1,131,994  | 547,213        | 82,600    | 340,065 | 301,646 | 210,165  | 2,613,684 |

\* Excluding cost items

Gross earned premiums rose by TEUR 366,867 overall compared to the previous year. Premiums increased by TEUR 261,802 in Poland, mainly due to new acquisitions. Premiums also increased by TEUR 70,597 in the Czech Republic and TEUR 57,124 in Austria, while falling by TEUR 49,593 in Romania.

Expenses for claims and insurance benefits increased by TEUR 359,724 overall compared to the previous year. Expenses increased in Poland (TEUR 157,426) and Austria (TEUR 130,590), while decreasing by TEUR 78,934 in Romania.

### SIGNIFICANT COUNTRIES FOR LIFE INSURANCE 31/12/2019

|   | 31/12/2019 |                |         |         |               |          |           |
|---|------------|----------------|---------|---------|---------------|----------|-----------|
|   | Austria    | Czech Republic | Hungary | Poland  | Liechtenstein | Slovakia | Total     |
| in EUR '000   |            |                |         |         |               |          |           |
| Premiums written – gross                            | 1,920,622  | 678,727        | 147,094 | 263,623 | 155,629       | 413,987  | 3,579,683 |
| Earned premiums – gross                             | 1,923,431  | 679,082        | 146,648 | 263,849 | 155,646       | 418,002  | 3,586,658 |
| Expenses for claims and insurance benefits – gross* | 2,009,167  | 565,351        | 110,476 | 254,089 | 110,618       | 303,157  | 3,352,857 |

\* Excluding cost items

### SIGNIFICANT COUNTRIES FOR LIFE INSURANCE 31/12/2018

|   | 31/12/2018 |                |         |         |               |          |           |
|---|------------|----------------|---------|---------|---------------|----------|-----------|
|   | Austria    | Czech Republic | Hungary | Poland  | Liechtenstein | Slovakia | Total     |
| in EUR '000   |            |                |         |         |               |          |           |
| Premiums written – gross                            | 1,879,823  | 659,783        | 151,909 | 268,482 | 106,756       | 419,750  | 3,486,504 |
| Earned premiums – gross                             | 1,883,450  | 660,280        | 150,532 | 268,634 | 106,769       | 420,761  | 3,490,425 |
| Expenses for claims and insurance benefits – gross* | 1,923,294  | 528,270        | 93,444  | 353,191 | 80,685        | 356,956  | 3,335,841 |

\* Excluding cost items

Gross earned premiums rose by TEUR 96,233 overall compared to the previous year, mainly due to the premium increase of TEUR 48,877 in Liechtenstein. Premiums also increased by TEUR 39,981 in Austria and TEUR 18,802 in the Czech Republic.

Expenses for claims and insurance benefits rose by TEUR 17,017 overall. Expenses increased by TEUR 85,872 in Austria and TEUR 37,082 in the Czech Republic, while decreasing by TEUR 99,102 in Poland.

A detailed presentation of the underwriting performance by risk is shown in the attached QRT S.05.02.01.

## A.3 INVESTMENT RESULT

### A.3.1 INCOME AND EXPENSES FOR INVESTMENTS

In 2019, the investment result for investments directly attributable to an asset class amounted to TEUR 1,297,286. The VIG Group financial result, including interest expenses and other expenses from items on the liabilities side or from



business operations not directly attributable to an asset class, excluding the result from shares in at equity consolidated companies, was equal to TEUR 986,766 in 2019 (previous year: TEUR 1,003,025).

The figures below were taken from the VIG Group IFRS consolidated financial statements and show the income and expenses for investment transactions in 2019.

| Composition of income  | 2019             |                          |                                    | 2018             |                          |                                    |
|--|------------------|--------------------------|------------------------------------|------------------|--------------------------|------------------------------------|
|  | Current income   | Income from appreciation | Gains from disposal of investments | Current income   | Income from appreciation | Gains from disposal of investments |
| in EUR '000  |                  |                          |                                    |                  |                          |                                    |
| Land and buildings   | 284,323          | 11,324                   | 15,531                             | 411,726          | 547                      | 42,589                             |
| <b>Loans</b>   | <b>95,333</b>    | <b>43</b>                | <b>1,118</b>                       | <b>91,089</b>    | <b>85</b>                | <b>783</b>                         |
| Loans  | 40,586           | 43                       | 1,020                              | 41,025           | 85                       | 777                                |
| Reclassified loans   | 8,266            | 0                        | 41                                 | 9,431            | 0                        | 3                                  |
| Bonds classified as loans  | 46,481           | 0                        | 57                                 | 40,633           | 0                        | 3                                  |
| Financial instruments held to maturity – bonds                                 | 73,722           | 0                        | 2                                  | 81,137           | 0                        | 0                                  |
| Financial instruments reclassified as held to maturity – bonds                 | 27,443           | 0                        | 0                                  | 30,630           | 0                        | 61                                 |
| <b>Financial instruments available for sale</b>                                | <b>651,872</b>   | <b>195</b>               | <b>214,511</b>                     | <b>668,850</b>   | <b>0</b>                 | <b>86,482</b>                      |
| Bonds  | 574,808          | 195                      | 51,811                             | 573,892          | 0                        | 15,998                             |
| Shares and other participations  | 29,102           | 0                        | 137,242                            | 49,520           | 0                        | 22,206                             |
| Investment funds   | 47,962           | 0                        | 25,458                             | 45,438           | 0                        | 48,278                             |
| <b>Financial instruments recognised at fair value through profit and loss*</b> | <b>5,648</b>     | <b>23,331</b>            | <b>7,706</b>                       | <b>5,117</b>     | <b>12,422</b>            | <b>16,575</b>                      |
| Bonds  | 4,356            | 6,712                    | 289                                | 3,958            | 2,861                    | 405                                |
| Shares and other non-fixed-interest securities                                 | 492              | 2,323                    | 1,490                              | 396              | 1,940                    | 1,547                              |
| Investment funds   | 676              | 4,637                    | 1,270                              | 641              | 2,348                    | 269                                |
| Derivatives  | 124              | 9,659                    | 4,657                              | 122              | 5,273                    | 14,354                             |
| Other investments  | 29,998           | 0                        | 1,406                              | 22,947           | 0                        | 1,645                              |
| Unit-linked and index-linked life insurance                                    | 48,244           | 0                        | 0                                  | 46,696           | 0                        | 0                                  |
| <b>Total</b>   | <b>1,216,583</b> | <b>34,893</b>            | <b>240,274</b>                     | <b>1,358,192</b> | <b>13,054</b>            | <b>148,135</b>                     |
| thereof participations   | 9,153            |                          | 1,788                              | 7,699            |                          | 169                                |

\*Including held for trading

The income from investment transactions (TEUR 1,491,750) was primarily due to current income (TEUR 1,216,583) during the reporting period. Slightly more than half of the current income was attributable to financial instruments available for sale (TEUR 651,872), mainly consisting of bonds (TEUR 574,808). Income from land and buildings (TEUR 284,323), bonds held to maturity (TEUR 73,722) and income from unit-linked and index-linked life insurance (TEUR 48,244) also made large contributions to the current income.

The gains of TEUR 240,274 from the disposal of investments were generated from the disposal of financial instruments available for sale – shares and other participations (TEUR 137,242), bonds (TEUR 51,811) and investment funds (TEUR 25,458).

Income from appreciation (TEUR 34,893) was predominantly generated by appreciation of land and buildings (TEUR 11,324), derivatives recognised at fair value through profit and loss (TEUR 9,659), bonds (TEUR 6,712) and investment funds (TEUR 4,637).

Compared to the previous year, the income from investment transactions fell by a total of TEUR 27,631. The current income fell by a total of TEUR 141,609, mainly due to a decrease in current income from land and buildings (TEUR 127,403) and financial instruments available for sale – shares and other participations (TEUR 20,418).

Income from appreciation rose by a total of TEUR 21,839, mainly due to land and buildings (TEUR 10,777) and financial instruments recognised at fair value through profit and loss (TEUR 10,909).

Gains from the disposal of investments rose by a total of TEUR 92,139, primarily due to an increase in gains from the disposal of shares and other participations available for sale (TEUR 115,036) and bonds available for sale (TEUR 35,813). On the other hand, the main decrease in the gains from the disposal of investments was recorded for land and buildings (TEUR 27,058).

| Composition of expenses  | 2019                        |                       |                                     | 2018                        |                       |                                     |
|--|-----------------------------|-----------------------|-------------------------------------|-----------------------------|-----------------------|-------------------------------------|
|  | Depreciation of investments | Exchange rate changes | Losses from disposal of investments | Depreciation of investments | Exchange rate changes | Losses from disposal of investments |
| in EUR '000  |                             |                       |                                     |                             |                       |                                     |
| Land and buildings   | 128,028                     | 0                     | 2,122                               | 171,503                     | 0                     | 910                                 |
| <b>Loans</b>   | <b>3,057</b>                | <b>804</b>            | <b>611</b>                          | <b>446</b>                  | <b>-147</b>           | <b>62</b>                           |
| Loans  | 3,057                       | 991                   | 70                                  | 446                         | -83                   | 0                                   |
| Reclassified loans   | 0                           | 0                     | 541                                 | 0                           | 0                     | 62                                  |
| Bonds classified as loans  | 0                           | -187                  | 0                                   | 0                           | -64                   | 0                                   |
| Financial instruments held to maturity – bonds                                 | 0                           | 1,168                 | 0                                   | 0                           | 815                   | 0                                   |
| Financial instruments reclassified as held to maturity – bonds                 | 0                           | -187                  | 0                                   | 0                           | 736                   | 0                                   |
| <b>Financial instruments available for sale</b>                                | <b>21,325</b>               | <b>39</b>             | <b>11,073</b>                       | <b>6,675</b>                | <b>-5,380</b>         | <b>14,573</b>                       |
| Bonds  | 0                           | -523                  | 1,014                               | 15                          | -321                  | 1,763                               |
| Shares and other participations  | 11,310                      | 115                   | 3,803                               | 5,816                       | -151                  | 401                                 |
| Investment funds   | 10,015                      | 447                   | 6,256                               | 844                         | -4,908                | 12,409                              |
| <b>Financial instruments recognised at fair value through profit and loss*</b> | <b>8,217</b>                | <b>837</b>            | <b>12,757</b>                       | <b>12,418</b>               | <b>1,962</b>          | <b>26,649</b>                       |
| Bonds  | 1,590                       | -15                   | 172                                 | 5,404                       | 35                    | 1,073                               |
| Shares and other non-fixed-interest securities                                 | 1,802                       | -7                    | 305                                 | 2,431                       | -3                    | 3,174                               |
| Investment funds   | 3,469                       | -33                   | 383                                 | 4,532                       | -76                   | 1,334                               |
| Derivatives  | 1,356                       | 892                   | 11,897                              | 51                          | 2,006                 | 21,068                              |
| Other investments  | 0                           | 2,728                 | 1,885                               | 0                           | 13,535                | 2,077                               |
| <b>Total</b>   | <b>160,627</b>              | <b>5,389</b>          | <b>28,448</b>                       | <b>191,042</b>              | <b>11,521</b>         | <b>44,271</b>                       |
| thereof impairment   | 28,512                      |                       |                                     | 17,343                      |                       |                                     |
| thereof participations   | 5,111                       |                       | 3,767                               | 3,665                       |                       | 21                                  |

\*Including held for trading

The income from investment transactions was offset by TEUR 194,464 in expenses for investment transactions. More than half of the expenses were for the scheduled depreciation of land and buildings (TEUR 128,028). There were also total losses of TEUR 28,448 from the disposal of investments, mainly due to the disposal of derivatives (TEUR 11,897) and investment funds available for sale (TEUR 6,256). During the reporting year exchange rate changes decreased the total comprehensive income by TEUR 5,389.

Compared to the previous year, expenses for investment transactions fell by a total of TEUR 52,370. Expenses from depreciation of investments decreased by a total of TEUR 30,415, with expenses from depreciation of land and buildings falling by TEUR 43,475. Expenses due to exchange rate losses dropped by TEUR 6,132. Losses from the disposal of investments also decreased (TEUR 15,823), primarily from the disposal of derivatives (TEUR 9,171).

### A.3.2 GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

In accordance with the International Financial Reporting Standards (IFRS), some income and expenses are not recognised in the income statement, but instead directly in equity. The table below is taken directly from the VIG Group consolidated financial statements as at 31 December 2019 and lists the gains and losses recognised directly in equity.

## UNREALISED GAINS AND LOSSES IN OTHER COMPREHENSIVE INCOME

|   | 31/12/2019       | 31/12/2018       |
|---|------------------|------------------|
| in EUR '000   |                  |                  |
| Bonds   | 2,541,168        | 1,799,415        |
| Shares and other participations   | 87,516           | 113,982          |
| Investment funds  | 189,937          | -80,164          |
| <b>Subtotal</b>   | <b>2,818,621</b> | <b>1,833,233</b> |
| +/- Exchange rate changes from financial instruments available for sale | 7,963            | 7,874            |
| +/- Deferred mathematical reserve                                       | -733,482         | -620,530         |
| +/- Deferred profit participation                                       | -1,091,172       | -729,558         |
| +/- Deferred taxes  | -224,720         | -115,085         |
| +/- Non-controlling interests   | -12,889          | -5,874           |
| <b>Total</b>  | <b>764,321</b>   | <b>370,060</b>   |

### A.3.3 SECURITISATION EXPOSURES

There are no securitisation exposures within the VIG Group portfolio.

## A.4 PERFORMANCE OF OTHER ACTIVITIES

### A.4.1 OTHER INCOME AND EXPENSES

The figures below were taken from the IFRS consolidated financial statements for VIG Group and show other income and expenses in 2019.

| Composition           | 2019           | 2018           |
|-----------------------|----------------|----------------|
| in EUR '000           |                |                |
| <b>Other income</b>   | <b>193,203</b> | <b>131,493</b> |
| Underwriting          | 117,570        | 60,730         |
| Non-underwriting      | 75,633         | 70,763         |
| <b>Other expenses</b> | <b>444,433</b> | <b>325,204</b> |
| Underwriting          | 266,487        | 192,759        |
| Non-underwriting      | 177,946        | 132,445        |

Other income mainly came from the following items:

| Details of other income   | 2019           | 2018           |
|---|----------------|----------------|
| in EUR '000   |                |                |
| <b>Other income</b>   | <b>193,203</b> | <b>131,493</b> |
| thereof compensation for services performed   | 12,637         | 8,723          |
| thereof release of other provisions   | 15,267         | 15,991         |
| thereof fees of all kinds   | 40,185         | 20,087         |
| thereof exchange rate gains   | 20,584         | 30,852         |
| thereof income in connection with leasing   | 8,415          |                |
| thereof reversal of allowances for receivables and receipt of payment for written-off receivables | 36,059         | 13,427         |

Other income rose by TEUR 61,710 overall, primarily due to the increase of TEUR 20,098 in income from fees of all kinds and TEUR 22,632 from the reversal of allowances for receivables and receipt of payment for written-off receivables. On the other hand, income from exchange rate changes decreased by TEUR 10,268. Income in connection with leasing (TEUR 8,415) is being presented for the first time due to the introduction of the new IFRS 16 "Leasing" standard.

Other expenses mainly came from the following items:

| <b>Details of other expenses</b>                                 | <b>2019</b>    | <b>2018</b>    |
|--|----------------|----------------|
| <i>in EUR '000</i>   |                |                |
| <b>Other expenses</b>  | <b>444,433</b> | <b>325,204</b> |
| thereof impairments (not including investments)                  | 59,268         | 38,918         |
| thereof write-downs of the insurance portfolio and customer base | 15,034         | 7,081          |
| thereof brokerage expenses                                       | 2,198          | 20,832         |
| thereof underwriting taxes                                       | 38,054         | 31,040         |
| thereof exchange rate losses                                     | 19,078         | 45,940         |
| thereof expenses in connection with leasing                      | 30,473         |                |
| thereof other contributions and fees                             | 11,257         | 15,244         |
| thereof expenses for government-imposed contributions            | 40,714         | 26,091         |
| thereof impairment of goodwill and trademarks*                   | 111,321        | 55,222         |

\*The impairments for the current reporting period are for the Romania CGU group and Seesam brand. The impairments in the previous year were for the Romania and Turkey CGU groups.

Other expenses rose by TEUR 119,229 overall, primarily due to an increase in goodwill and brand impairment (TEUR 56,099) and the expenses in connection with leasing (TEUR 30,473) presented due to the introduction of the new IFRS 16 "Leasing" standard.

#### A.4.2 OBLIGATIONS UNDER LEASES

IFRS 16 was applied for the first time in VIG Group on 1 January 2019. Due to use of the modified retrospective method, no comparative figures are available. The figures published in the SFCR for 2018 were calculated in accordance with IAS 17.

#### LESSEE

| <b>Lessee – items recognised in the income statement</b>                     | <b>2019</b> |
|--|-------------|
| <i>in EUR '000</i>   |             |
| Expense for short-term leases 1–12 months                                    | -3,660      |
| Expense for leases with max. term of one month                               | -54         |
| Expense for leases of low-value assets                                       | -64         |
| Variable lease payments not included in the measurement of lease liabilities | -16,122     |
| Income from subleasing right-of-use assets                                   | 663         |

#### Probable future cash outflows not included in the measurement of lease liabilities

|                                    |         |
|------------------------------------|---------|
| <i>in EUR '000</i>                 |         |
| Variable lease payments            | -92,101 |
| Leases that have not yet commenced | -1,657  |

#### LESSOR – FINANCE LEASES

| <b>Other disclosures – lessor – finance leasing</b>  | <b>2019</b> |
|--|-------------|
| <i>in EUR '000</i>   |             |
| Finance income on the net investment in the lease (fixed payments)                         | 698         |
| Income from variable lease payments, not included in the measurement of the net investment | 14          |
| Selling profit or loss   | 7,807       |

| <b>Maturity structure of lease payments – finance leasing</b> | <b>31/12/2019</b> |
|---|-------------------|
| <i>in EUR '000</i>  |                   |
| up to one year  | 743               |
| more than one year up to two years                            | 648               |
| more than two years up to three years                         | 648               |
| more than three years up to four years                        | 648               |
| more than four years up to five years                         | 648               |
| more than five years  | 45,896            |
| <b>Total undiscounted lease payments</b>                      | <b>49,231</b>     |
| Unrealised finance income                                     | -33,918           |
| <b>Net investment in the leases (book value)</b>              | <b>15,313</b>     |

## LESSOR – OPERATING LEASES

| <b>Maturity structure of lease payments – operating leasing</b> | <b>31/12/2019</b> |
|---|-------------------|
| <i>in EUR '000</i>  |                   |
| up to one year  | 106,710           |
| more than one year up to two years                              | 99,447            |
| more than two years up to three years                           | 94,176            |
| more than three years up to four years                          | 86,529            |
| more than four years up to five years                           | 79,302            |
| more than five years  | 2,209,319         |
| <b>Total undiscounted lease payments</b>                        | <b>2,675,483</b>  |

| <b>Lessor – operating lease payments</b>  | <b>2019</b>    |
|---|----------------|
| <i>in EUR '000</i>                        |                |
| Fixed lease income                        | 249,266        |
| Lease income from variable lease payments | 45,589         |
| <b>Total lease income</b>                 | <b>294,855</b> |

The new standard supersedes the previous requirements of IAS 17 “Leases”. The new requirements primarily concern the accounting presentation of leases by the lessee. The lessee now recognises a liability for the future lease payments to be made for each lease. At the same time, a right-of-use asset is recognised in the amount of the present value of the future lease payments and amortised linearly over the contractually stipulated useful life. As a result, the previous distinction between operating and finance leases no longer applies. The distinction between an operating lease and finance lease remains for the lessor, and the list of criteria for deciding which kind of lease one is dealing with has been taken from IAS 17 without change.

IFRS 16 generally determines whether a lease exists based on the concept of control. VIG Group uses the definition of a lease in IFRS 16 for all leases.

As part of the transition to IFRS 16, EUR 294.70 million in assets for the use of leased assets and lease liabilities were recognised on 1 January 2019.

Please see the VIG Group Annual Report (starting on page 84) with regard to the use of elections upon first-time application of IFRS 16 and reconciliation from IAS 17 to IFRS 16. In addition, please see the VIG Group Annual Report (starting on page 98) for information on the classification of leases and measurement.

## A.5 OTHER INFORMATION

There is no other significant information on business activities and performance to be reported for the reporting period.

## B SYSTEM OF GOVERNANCE

Governance refers to all the processes related to the management as well as the effective and efficient monitoring of the Group. The governance system considers not only the internal organisation, structure and mechanisms within the Group, but also its legal and factual integration into the external (market) environment.

The VIG Holding Managing Board is responsible for the compliance with the requirements applicable to the Group and with the recognised principles of proper business operation.

Vienna Insurance Group has set up an efficient governance system tailored to its needs and requirements, enabling a sound and prudent management. In addition to the establishment of the governance and other key functions at the Group level, all other relevant processes have also been set up to identify, measure, monitor, manage and report risks, taking their interdependencies into account.

The Group's internal processes ensure that the analyses of the governance and other key functions and all results of the risk management processes are appropriately taken into account during the course of business activities.

VIG Group uses a governance system with the following characteristics:

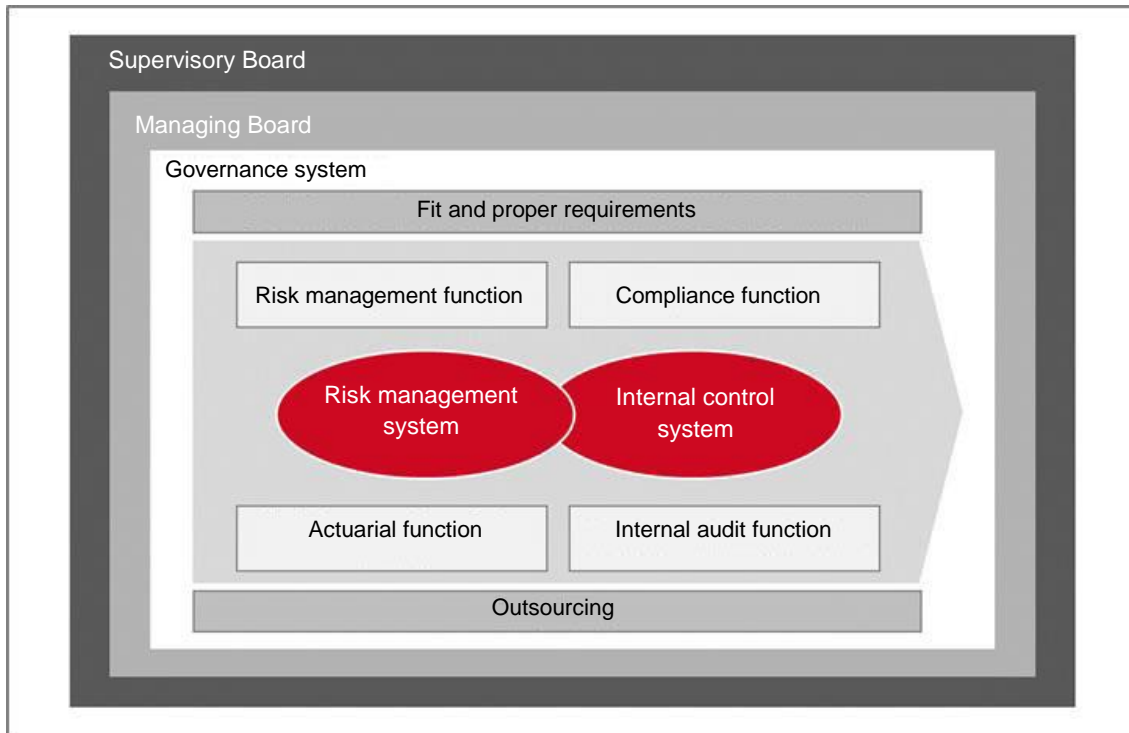
- Functional management by the Managing Board
- Transparent monitoring by the Supervisory Board
- Targeted management decisions towards long-term value creation
- Goal oriented collaboration ensuring company's management and monitoring
- Appropriate handling and management of risks
- Transparency in corporate communications and efficient reporting
- Safeguarding the policyholders', shareholders' and employees' interests

The following section describes:

- General information on the system of governance
- Fit and proper requirements
- Risk management system including the own risk and solvency assessment
- Internal control system
- Internal audit function
- Actuarial function
- Outsourcing

## B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

The VIG Group governance system covers all areas and decision-making bodies involved in the risk management processes.



It includes the following elements:

- Fit and proper requirements for management
- Risk management system
- Internal control system
- Governance and other key functions
- Provisions on outsourcing

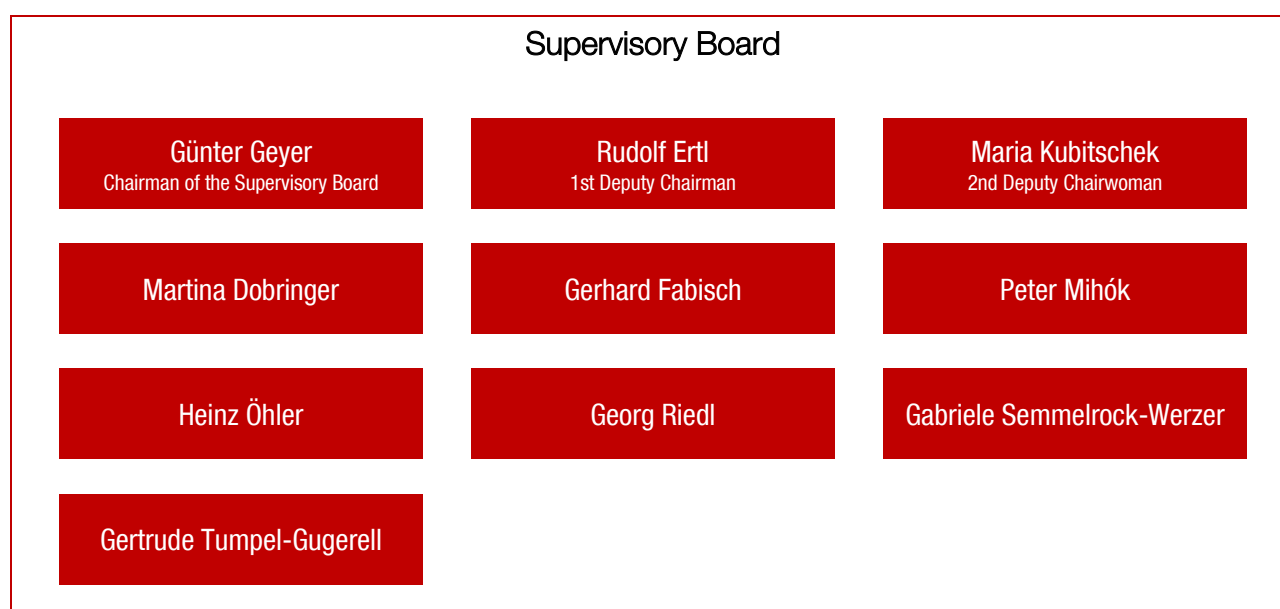
The elements listed above, the main duties and responsibilities of the Supervisory Board and Managing Board, which are also part of the governance system, remuneration policies and practices and decision-making and reporting mechanisms are explained below.

## B.1.1 MANAGEMENT AND SUPERVISORY BODIES

### B.1.1.1 SUPERVISORY BOARD

The Supervisory Board and its committees, Chairman and Deputy Chairman/Chairwoman periodically and repeatedly monitored in detail the management of the Company and the activities of the Managing Board in connection with its management and steering duties. Extensive presentations and discussions during Supervisory Board meetings and committee meetings were used for this purpose, and, in some cases, in-depth discussions took place with the members of the Managing Board, who provided detailed explanations and supporting documentation relating to the management and financial condition of VIG Holding and VIG Group. Among other things, the strategy, business development (overall and in individual regions), risk management, the internal control system, internal audit activities, compliance function activities and reinsurance, both at the VIG Holding and VIG Group level, and other important topics for VIG Holding and VIG Group were discussed during these meetings.

The VIG Holding Supervisory Board consists of ten people and had the following members as of 31 December 2019:



| Name                       | Function              | Date first appointed | End of current term of office |
|----------------------------|-----------------------|----------------------|-------------------------------|
| Günter Geyer               | Chairman              | 2014                 | 2024                          |
| Rudolf Ertl                | 1st Deputy Chairman   | 2014                 | 2024                          |
| Maria Kubitschek           | 2nd Deputy Chairwoman | 2014                 | 2024                          |
| Martina Dobringer          | Member                | 2011                 | 2024                          |
| Gerhard Fabisch            | Member                | 2017                 | 2024                          |
| Peter Mihók                | Member                | 2019                 | 2024                          |
| Heinz Öhler                | Member                | 2002                 | 2024                          |
| Georg Riedl                | Member                | 2014                 | 2024                          |
| Gabriele Semmelrock-Werzer | Member                | 2017                 | 2024                          |
| Gertrude Tumpel-Gugerell   | Member                | 2012                 | 2024                          |

#### CHANGES DURING THE FINANCIAL YEAR

Bernhard Backovsky (year of birth: 1943) was a member of the Supervisory Board during financial year 2019 from 1 January 2019 to 24 May 2019 and left the Supervisory Board after the end of his term of office on 24 May 2019.



## SUPERVISORY BOARD COMMITTEES

The Supervisory Board has set up five committees from among its members in order to best meet its obligations in accordance with statutory provisions and the VIG Holding articles of association:

- Committee for Urgent Matters (Working Committee)
- Audit Committee (Accounts Committee)
- Committee for Managing Board Matters (Personnel Committee)
- Strategy Committee
- Nomination committee

### COMMITTEE FOR URGENT MATTERS (WORKING COMMITTEE)

The Committee for Urgent Matters (Working Committee) decides on matters that require an approval of the Supervisory Board, but cannot be deferred to the next ordinary Supervisory Board meeting because of particular urgency.

#### Members

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Günter Geyer (Chairman)  
 Rudolf Ertl  
 Georg Riedl

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#### Substitute

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Substitute: Gertrude Tumpel-Gugerell  
 Substitute: Martina Dobringer  
 Substitute: Maria Kubitschek

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### AUDIT COMMITTEE (ACCOUNTS COMMITTEE)

The Audit Committee (Accounts Committee) performs the duties assigned to it by law and is responsible in particular for the duties assigned by § 92 (4a) no. 4 of the Austrian Stock Corporation Act (AktG), § 123 (9) of the Austrian Insurance Supervision Act (VAG) and Regulation (EU) No. 537/2014.

All Audit Committee members are experienced financial experts with knowledge and practical experience in finance, accounting and reporting that satisfy the requirements of the Company.

The Audit Committee (Accounts Committee) has the following members:

#### Members

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Gertrude Tumpel-Gugerell (Chairwoman)

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Georg Riedl (Deputy Chairman)

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Martina Dobringer  
 Rudolf Ertl

---

Günter Geyer

---

Maria Kubitschek  
 Peter Mihók

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#### Substitute

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1st substitute: Gabriele Semmelrock-Werzer  
 2nd substitute: Heinz Öhler

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1st substitute: Gabriele Semmelrock-Werzer  
 2nd substitute: Heinz Öhler

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Substitute: Heinz Öhler

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1st substitute: Gabriele Semmelrock-Werzer  
 2nd substitute: Heinz Öhler

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1st substitute: Gabriele Semmelrock-Werzer  
 2nd substitute: Heinz Öhler

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Substitute: Heinz Öhler

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Substitute: Heinz Öhler

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#### COMMITTEE FOR MANAGING BOARD MATTERS (PERSONNEL COMMITTEE)

The Committee for Managing Board Matters (Personnel Committee) deals with the personnel matters of the Managing Board. The Committee for Managing Board Matters therefore decides on the terms of employment contracts with the members of the Managing Board and their compensation and examines the remuneration policies at regular intervals.

The Committee for Managing Board Matters (Personnel Committee) has the following members:

##### Members

|                         |
|-------------------------|
| Günter Geyer (Chairman) |
| Rudolf Ertl             |
| Georg Riedl             |

#### STRATEGY COMMITTEE

The Strategy Committee cooperates with the Managing Board and, when appropriate, with experts whom it consults to prepare fundamental decisions that must then be decided on by the Supervisory Board as a whole.

The Strategy Committee has the following members:

##### Members

|                         |  |
|-------------------------|--|
| Günter Geyer (Chairman) | Substitute: Gertrude Tumpel-Gugerell   |
| Rudolf Ertl             | Substitute: Martina Dobringer          |
| Georg Riedl             | Substitute: Gabriele Semmelrock-Werzer |
| Peter Mihók             | Substitute: Maria Kubitschek           |

#### NOMINATION COMMITTEE

The Nomination Committee submits proposals to the Supervisory Board for filling positions that become available on the Managing Board and handles the successor planning issues.

The Nomination Committee has the following members:

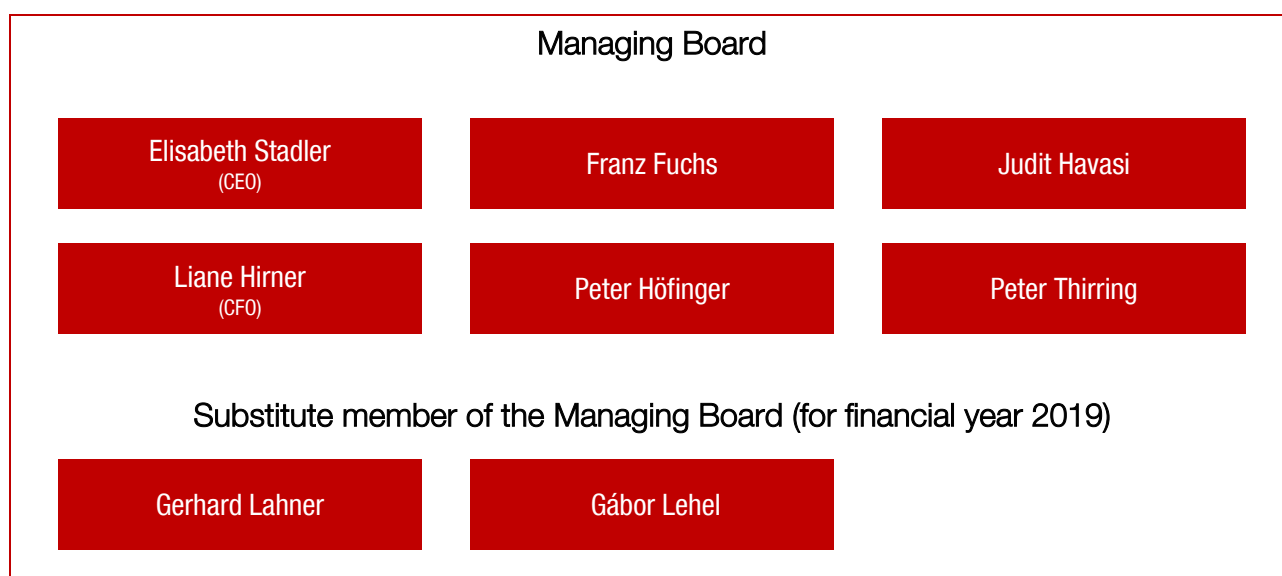
##### Members

|                         |
|-------------------------|
| Günter Geyer (Chairman) |
| Rudolf Ertl             |
| Georg Riedl             |
| Martina Dobringer       |

### B.1.1.2 MANAGING BOARD

The Managing Board manages the business of the Company under the leadership of its Chairperson and within the constraints of the law, articles of association, rules of procedure for the Managing Board and rules of procedure for the Supervisory Board. The Managing Board meets when needed (generally every two weeks) to discuss current business developments, and makes the necessary decisions and resolutions during the course of these meetings. The members of the Managing Board continuously exchange information with each other and with the heads of various areas.

The Managing Board of VIG Holding had the following members as of 31 December 2019:



#### Changes during and after the end of the financial year:

Judit Havasi took over the position of Chairwoman of the Managing Board and General Manager of Donau Versicherung as of 1 January 2020, and left her position on the Managing Board of Vienna Insurance Group effective 31 December 2019.

Gábor Lehel, Gerhard Lahner and Harald Riener were appointed to the Managing Board of Vienna Insurance Group effective 1 January 2020.

Deputy General Manager Franz Fuchs will leave his position on the Managing Board at the end of his term of office on 30 June 2020.

Further information on the members of the Managing Board (as of 1 January 2020), including their employment history, is presented below.

### **Elisabeth Stadler**

General Manager, Chairwoman of the Managing Board, born in 1961

Elisabeth Stadler studied actuarial theory at the Vienna Technical University and began her career in the Austrian insurance industry as a Managing Board Member and Chairwoman. In May 2014, she was awarded the professional title of professor by Federal Minister Gabriele Heinisch-Hosek for her services in the insurance industry. She served as General Manager of Donau Versicherung from September 2014 to March 2016 and has been General Manager of Vienna Insurance Group since 2016.

Areas of responsibility: Management and Strategic Questions, Group Development and Strategy, Planning and Controlling, General Secretariat and Legal department, Corporate Social Responsibility, Affiliated companies department, European Affairs, Group Communication & Marketing, Group Sponsoring, Bancassurance and International Partnerships, Human Resources

Country responsibilities: Austria, Czech Republic

Supervisory Board positions or comparable positions in other Austrian and foreign companies outside the Group: OMV Aktiengesellschaft, voestalpine AG, Institute of Science and Technology Austria, Austrian Red Cross

Elisabeth Stadler is active in the Supervisory Boards of the following significant<sup>1</sup> VIG companies: Wiener Städtische (Austria), Donau Versicherung (Austria), Kooperativa (Czech Republic), ČPP (Czech Republic), Compensa Life (Poland), Compensa Non-Life (Poland), InterRisk (Poland)

### **Franz Fuchs**

Member of the Managing Board, Deputy General Manager, born in 1953

Franz Fuchs began his career in the insurance industry as an actuary. He held leading management positions in other international companies as a specialist in the life insurance area and pension funds before joining VIG Group. Franz Fuchs was Chairman of the Managing Board of Compensa Non-life and Compensa Life in Poland from 2003 to the beginning of 2014. He has been Chairman of the Managing Board of VIG Polska since 2003. He was first appointed to the VIG Holding Managing Board on 1 October 2009. In recognition of his many years of dedication and outstanding service for Poland, Romania, the Baltic states, Ukraine and Moldova, Franz Fuchs was appointed Deputy General Manager effective 1 October 2019.

Areas of responsibility: Property and Casualty and Motor Underwriting

Country responsibilities: Poland, Romania, Moldova, Ukraine

Supervisory Board positions or comparable positions in other Austrian and foreign companies outside the Group: C-QUADRAT Investment AG

Franz Fuchs is active in the Supervisory Boards of the following significant<sup>1</sup> VIG companies: Compensa Life (Poland), Compensa Non-Life (Poland), InterRisk (Poland), Omniasig (Romania)

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<sup>1</sup> Vienna Insurance Group considers all companies that contribute at least 2% of written premiums and at least 2% in profit before taxes to be "significant".

### **Liane Hirner**

Member of the Managing Board, CFO, born in 1968

Liane Hirner studied business administration in Graz. Before joining VIG Group, she worked at PwC Austria in the audit department starting in 1993, and was a partner in the insurance area when she left. In addition to her work as an auditor, Liane Hirner was also involved in many professional associations, such as the IFRS Working Group of the Austrian Insurance Association and the Insurance Working Party of Accountancy Europe in Brussels. Liane Hirner was appointed to the VIG Holding Managing Board on 1 February 2018. She took over the CFO position on 1 July 2018. In 2019, EIOPA appointed Liane Hirner as a new member of the Insurance & Reinsurance Stakeholder Group (IRSG).

Areas of responsibility: Finance and Accounting, Enterprise Risk Management, Asset Risk Management, Data Management and Processes

Country responsibilities: Germany, Belarus

Liane Hirner is active in the Supervisory Boards of the following significant<sup>1</sup> VIG companies: Kooperativa (Czech Republic), ČPP (Czech Republic)

### **Peter Höfing**

Member of the Managing Board, born in 1971

Peter Höfing studied law at the University of Vienna and University of Louvain-la-Neuve (Belgium). Peter Höfing has been a member of the VIG Holding Managing Board since 1 January 2009. Prior to that, he was a member of the Managing Board of Donau Versicherung responsible for sales and marketing. He joined this Company in 2003. Previously, he held positions as Managing Board chairman and Managing Board member outside VIG Group in Hungary, the Czech Republic and Poland.

Areas of responsibility: Corporate and Large Customer Business, Vienna International Underwriters (VIU), Group Reinsurance

Country responsibilities: Baltic states, Albania, Bulgaria, Kosovo, Montenegro, Serbia, Northern Europe

### **Gerhard Lahner**

Member of the Managing Board, born in 1977

Gerhard Lahner studied business administration at the Vienna University of Economics and Business and has held a variety of positions for VIG Group since 2002. He was a member of the Managing Boards of Austrian insurance companies Donau Versicherung and Wiener Städtische and, prior to that, a member of the Managing Boards of Czech companies Kooperativa and ČPP. Gerhard Lahner was also a substitute member of the VIG Holding Managing Board from 1 January 2019 to 31 December 2019.

Areas of responsibility: Asset Management, Asset Liability Management, Treasury/Capital Market

Supervisory Board positions or comparable positions in other Austrian and foreign companies outside the Group: CEESEG Aktiengesellschaft, Wien 3420 Aspern Development AG, Wiener Börse AG

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<sup>1</sup> Vienna Insurance Group considers all companies that contribute at least 2% of written premiums and at least 2% in profit before taxes to be "significant".

### **Gábor Lehel**

Member of the Managing Board, born in 1977

Gábor Lehel studied business administration with a major in finance in Tatabanya and Budapest (Hungary). He joined VIG Group in 2003, where he worked in Controlling and as head of the General Secretariat before being appointed to the Managing Board of the Hungarian insurance company UNION Biztosító in 2008. He was General Manager of UNION Biztosító from mid-2011 to 31 December 2019. He was also a substitute member of the VIG Holding Managing Board from 1 January 2016 to 31 December 2019.

Areas of responsibility: Actuarial department, Personal insurance underwriting

Country responsibilities: Bosnia-Herzegovina, Croatia, North Macedonia, Hungary

### **Harald Riener**

Member of the Managing Board, born in 1969

Harald Riener studied commerce at the Vienna University of Economics and Business and joined VIG Group in 1998, where he worked in the marketing area for Donau Versicherung and Wiener Städtische until 2001. After working for a media publishing company, he returned to VIG Group in 2006, where he was given responsibility for marketing. He became a member of the Managing Board in Croatia in 2010, and was appointed CEO in 2012. From 2014 to 2019, Harald Riener was a member of the Managing Board of Donau Versicherung where he was responsible for distribution and marketing.

Areas of responsibility: Private Customer and SME Distribution Initiatives, Assistance

Harald Riener is active in the Supervisory Boards of the following significant<sup>1</sup> VIG companies: OmniaSig (Romania)

### **Peter Thirring**

Member of the Managing Board, born in 1957

Peter Thirring studied law at the University of Vienna. He used his more than 30 years of insurance experience in the Generali insurance group. He was General Manager of Donau Versicherung from March 2016 to the end of June 2018. Peter Thirring was appointed to the VIG Holding Managing Board on 1 July 2018.

Areas of responsibility: External active reinsurance, Group IT, Business Organisation

Country responsibilities: Slovakia, Georgia, Liechtenstein, Turkey

Peter Thirring is active in the Supervisory Boards of the following significant<sup>1</sup> VIG companies: Kooperativa (Slovakia), Donau Versicherung (Austria)

### **Managing Board**

The Managing Board as a whole is responsible for Group Compliance, Internal Audit and Investor Relations.

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<sup>1</sup> Vienna Insurance Group considers all companies that contribute at least 2% of written premiums and at least 2% in profit before taxes to be "significant".

## **B.1.2 COMMITTEES**

The Managing Board has set up committees for central coordination and effective management of the Group that help it to best meet its obligations in accordance with the statutory provisions and the VIG Holding articles of association:

- Risk Committee
- Reinsurance Security Committee
- Asset Management meeting/workshop
- Tactical Investment Committee
- Investment meeting
- Asset-Liability Management meeting
- Compliance Committee

These are briefly presented below.

### **RISK COMMITTEE**

The Risk Committee was established by the VIG Holding Managing Board to perform regular cross-functional evaluations of the current risk management topics in the organisation specific to the Group and VIG Holding and support the Managing Board in assessing the risk situation.

The members of the committee are designated by the Managing Board and include the key functions in VIG Group and the heads of the areas indicated in section B.3.1.

Other experts can be invited to the meetings if necessary. The Risk Committee meetings take place at least quarterly and are chaired by the Managing Board member with responsibility for the area. The Enterprise Risk Management (ERM) department organises the meetings and prepares the minutes. The Risk Committee results are the basis of the regular quarterly risk report for the Managing Board.

### **REINSURANCE SECURITY COMMITTEE**

The Reinsurance Security Committee deals with the creditworthiness of reinsurance companies and helps to ensure that a sufficient degree of diversification is available among the selected reinsurers and that the default risk within the reinsurance business remains within acceptable limits.

The Reinsurance Security Committee creates and adapts a quarterly list (“security list”) of reinsurers acceptable to the Group. This list is included in the VIG Group Reinsurance Security Information Guideline, which the VIG Holding Managing Board sends to the members of the Managing Boards of the different Group companies responsible for reinsurance. The security list specifies the maximum reinsurance cessions to specific reinsurers (please note: cessions to reinsurers on the security list are subject to the limits set down in the “Cessions Limitation Table”, which is included in the guideline above).

In the following two cases, the administrator must obtain an approval from the Reinsurance Security Committee prior to the start of the policy term:

- If the business (whether facultative or obligatory) is to be ceded to reinsurers who are not on the VIG security list, an individual review of the reinsurer and, if necessary, approval from the Reinsurance Security Committee is required.
- If the volume of the planned reinsurance cession to a reinsurer on the security list exceeds the limits stated in the “Cessions Limitations Table”, an individual decision on approval must be made by the Reinsurance Security Committee.

The Reinsurance Security Committee consists of selected, professionally qualified employees from the reinsurance and functional areas of a number of VIG companies. The Reinsurance Security Committee rules are set down in the VIG Group Security Rulebook Guideline for SC members.

### **ASSET MANAGEMENT MEETING/WORKSHOP**

This is a platform designed to deal with current investment topics. These meetings are generally scheduled two to four times each calendar year. Additional meetings can also be organised if needed. The choice of participants depends on the topic chosen and the companies affected by the topic. Topics can be proposed by all Group companies or are specified by VIG Asset Management in consultation with the member of the VIG Managing Board responsible for the area. External experts can also be consulted for special topics. Asset management meetings address topics that have more of a general or strategic character. Asset management workshops address operational topics concerning investment.

### **TACTICAL INVESTMENT COMMITTEE**

The Tactical Investment Committee (TIC) deals with the structure of investments and the risk and earnings situation for the investments of the Austrian insurance companies. The TIC deals with issues relating to short-term liquidity requirements, providing advice and making decisions in this context. The TIC is firmly anchored in the companies' decision-making and information process.

The members of the TIC are:

- the Managing Board members responsible for asset management
- the asset management department
- the asset-risk management department and
- the accounting department

of the Austrian insurance companies.

The committee, which usually meets on a weekly basis, can react promptly to the respective risk situation.

### **INVESTMENT MEETING**

Investment meetings deal with the structure of investments, the risk-return situation and the current and expected market environment of the VIG insurance companies outside Austria. VIG Asset Management conducts these meetings for each country with all of the insurance companies concerned. The frequency is based on the volume and level of complexity of the respective investments and can also be organised on short notice if necessary.

In addition to VIG Asset Management, the participants include the Managing Board members responsible for local asset management and the departments responsible for operational asset management, risk management and accounting.

### **ASSET-LIABILITY MANAGEMENT MEETING**

Asset-liability management meetings are held quarterly. They deal with current asset-liability management agendas and ensure an exchange of information on the risk situation and the sensitivities of individual portfolios and their cash flows and maturity structures (asset-liability matching). The main focus is on life insurance with guaranteed interest, but other lines of business (property and casualty and health insurance) will be added in the future.

The meeting participants are representatives of Asset Management, Risk Management, the Actuarial department and, depending on the matters being addressed, the Managing Board members of the VIG insurance companies concerned who are responsible for the areas.

### **COMPLIANCE COMMITTEE**

The Group Compliance Committee was established as an institutionalised work platform for compliance-related matters in order to ensure Group-wide cooperation and communication in the compliance area. In addition to the head of the VIG Group compliance function, the committee members include the compliance officers of the VIG (re-)insurance companies and specifically defined non-(re-)insurance companies in and outside the EU. The meetings are chaired by the head of the VIG Group compliance function.



The Group Compliance Committee meets at least once a year. Current matters in various legal areas are presented and discussed during these meetings in order to ensure uniform Group-wide standards for compliance and its integration into business processes. The meeting minutes are sent to the Managing Board for information.

### **B.1.3 GOVERNANCE AND OTHER KEY FUNCTIONS**

In addition to the four governance functions provided for in the VAG, other key functions were identified in VIG Group and holders were appointed to these functions. All governance and other key functions are directly subordinated to the Managing Board and report directly to it. The governance functions also report periodically to the Supervisory Board Audit Committee.

#### **GOVERNANCE FUNCTIONS**

The following governance functions were established in VIG Group in 2019:

- Compliance function
- Internal audit function
- Risk management function
- Actuarial function

#### **COMPLIANCE FUNCTION**

The compliance function is organisationally assigned to the Managing Board and reports directly to it during the performance of its duties. It is separated from the other governance and key functions of VIG Group, performs its activities independently and is not entrusted with any operational duties in the sense of the core business activities.

The function holder performs its role at the level of VIG Holding and VIG Group. The duties of the compliance function are specified in the VIG Group Compliance Management Policy and the VIG Holding Compliance Function Policy that is based on it and include, among other things, the requirements placed on the function by the VAG.

The duties include, in particular:

- Early warning function: In this regard, the compliance function identifies and assesses the possible impact of any changes in the legal environment on the Group's activities, evaluates and communicates necessary measures and monitors their implementation.
- Compliance risk management function: The compliance risks are identified, evaluated and monitored at the individual company level and aggregated at the Group level.
- Preventive function: Measures to prevent non-compliance mainly consist of the preparation of internal company policies and guidelines, and performance of awareness-raising measures (e.g. training) on compliance-related topics.
- Appropriateness and monitoring function: The appropriateness of measures to prevent non-compliance is assessed during Compliance audits. A variety of monitoring activities are also performed to monitor compliance with legal requirements.
- Advisory function: The compliance function advises the Managing Board, employees and VIG companies concerning applicable requirements and assists in the preparation of company-specific or Group-wide workflows and processes for complying with the requirements.

Appropriate arrangements have been made for substitutes for the compliance function in the case of absence. The function holder is also assisted in the performance of its duties by employees in the Group compliance department.

#### **INTERNAL AUDIT FUNCTION**

The internal audit function is organisationally assigned to the Managing Board and reports directly to it during the performance of its duties. Organisationally, the internal audit function is separated from the other governance and key functions of VIG Group, performs its activities independently and is not entrusted with any operational duties in the sense of the core business activities. The function holder performs its role at the level of VIG Holding and VIG Group.

The duties of the internal audit function are specified in the function description. These include the requirements for the function according to the VAG, namely examination of the legality, propriety and expediency of the (re)insurance company's business, as well as the appropriateness and effectiveness of the internal control system and other elements of the governance system. This includes in particular:

- Audit planning on the basis of risk-oriented topics and ensuring comprehensive auditing activities
- Audit work, including auditing management, particularly with regard to the focus of the test content, scope of the audit and subsequent coordination of the audit reports
- Reporting on the areas of the audit and significant audit findings to the members of the Audit Committee and Supervisory Board
- Ensuring follow-up of implementation of proposed measures

Appropriate arrangements have been made for substitutes for the internal audit function in the case of absence. The function holder is also assisted in the performance of its duties by the internal audit department employees.

### **RISK MANAGEMENT FUNCTION**

The risk management function was organisationally assigned to the Managing Board in financial year 2019 and reported directly to it during the performance of its duties. Starting 01/01/2020, the risk management function was assigned to Managing Board member Liane Hirner. Structurally and organisationally, the risk management function performs its activities independently and has no risk-taking duties. The function holder performs its role for VIG Holding and at the level of VIG Group.

The duties of the risk management function are specified in the function description and include, in particular:

- Regular risk identification and analysis (Risk Inventory)
- Assessment of the risk profile, implementation of the Own Risk and Solvency Assessment (ORSA)
- Quarterly reporting on risks based on the Risk Committee
- Quarterly and annual assessment of the solvency capital requirement
- Development and maintenance of the partial internal model
- Monitoring the risk bearing capacity
- Annual review of the effectiveness of the internal control system (ICS)
- Preparation and updating of relevant policies and guidelines
- Further development and maintenance of the central computing platform

Appropriate arrangements have been made for substitutes for the risk management function in the case of absence. The resources necessary for the above-mentioned tasks are grouped departmentally.

### **ACTUARIAL FUNCTION**

The actuarial function was organisationally assigned to the Managing Board in financial year 2019 and reported directly to it during the performance of its duties. Starting 01/01/2020, the actuarial function was assigned to Managing Board member Gábor Lehel. The function holder performs its role for VIG Holding and at the level of VIG Group.

The duties of the actuarial function are specified in the function description and include, among other things, the requirements for the actuarial function stipulated in the VAG, in particular:

- Coordination of the calculation of technical provisions
- Coordination of the consolidation and plausibility checks of the individual companies' technical provisions in accordance with Solvency II
- Ensuring the appropriateness of the methods and basic models used and the assumptions made in the calculation of the technical provisions
- Assessment of the sufficiency and quality of the data used in the calculation of the technical provisions
- Comparison of best estimates with experience values (back testing)
- Reporting to the Managing Board on the reliability and appropriateness of the calculation of technical provisions

- Monitoring the calculation of technical provisions
- Providing an opinion on the general risk underwriting policy and the appropriateness of the reinsurance contracts
- Contributing to the effective implementation of the risk management system, in particular with a view to creating risk models for the calculation of the solvency and minimum capital requirements and the own risk and solvency assessment

Appropriate arrangements have been made for substitutes for the actuarial function in the case of absence. The function holder is also assisted in the performance of its duties by employees in the actuarial department.

#### OTHER KEY FUNCTIONS

The head of asset management was identified as one of the other key functions. The responsibilities and main duties of the Asset Management area are indicated in section B.3.1.

#### INFORMATION AND REPORTING CHANNELS

Interactive communication is of major importance in VIG Group. This ensures that all affected individuals have the necessary information available to adequately fulfil the duties and responsibilities assigned to them. This applies to all management levels right down to each individual employee. The information and reporting paths are based on a direct line. In particular, all governance and other key functions have set up a direct reporting channel to the Managing Board. Important decisions are prepared in the appropriate committees or by the functional departments before being adopted in regular Managing Board meetings and entered into the minutes of these meetings.

#### B.1.4 SIGNIFICANT CHANGES TO THE GOVERNANCE SYSTEM

Except for the changes to the Managing Board described above, there were no significant changes to the governance system during the reporting period.

#### B.1.5 SIGNIFICANT TRANSACTIONS

Except for the transactions indicated in the report (e.g. dividends and remuneration), no significant transactions took place with shareholders, persons with significant influence over the Company, or members of the Managing Board and Supervisory Board during the reporting period.

#### B.1.6 REMUNERATION POLICY AND REMUNERATION PRACTICES

##### REMUNERATION STANDARDS FOR EMPLOYEES

The attractiveness of VIG Group as an employer is fostered by the fact that the remuneration systems are appropriate and transparent. The following principles apply to VIG Holding and VIG Group.

The remuneration policy reflects the risk awareness of VIG Holding and VIG Group. In particular, the remuneration practices may not promote a readiness to assume excessive risk at the expense of the company concerned and its stakeholders, or promote behaviour that would endanger the ability of VIG Group or the Company to maintain an appropriate capital base.

The remuneration policy promotes the focus on sustainable management at all company levels in VIG Group and the current strategy of VIG Group and the Company. It aims to promote coherent action and to avoid conflicts of interest.

VIG Holding and the VIG Group companies observe all relevant statutory requirements when determining and applying the remuneration policy.

The remuneration takes working hours and the required qualifications, responsibilities and duties of the position concerned into account. Care is taken to ensure that the salary is not below the minimum wage applicable under the national law or existing collective bargaining agreements.

If a variable remuneration component is agreed, the objectives that determine the variable remuneration component must be transparent and updated once a year. If no minimum wage is required by law or collective agreement, the fixed remuneration must be sufficiently high to prevent too great a dependence on variable remuneration.

#### **REMUNERATION FOR GOVERNANCE FUNCTIONS, OTHER KEY FUNCTIONS AND RISK TAKERS**

The variable portion of the remuneration for holders of governance and other key functions, members of the Managing Board and risk takers, is limited and emphasises the need for sustainability. Achieving the full amount of this remuneration depends on an analysis of the sustainable development of the Company that goes beyond a single financial year.

The solvency position is a central risk indicator which is constantly monitored as part of the risk-bearing capacity. The solvency ratio is taken into account when granting variable remuneration components.

#### **SUPPLEMENTARY PENSIONS AND EARLY RETIREMENT SCHEMES**

Depending on the date an employee joined the company, individual VIG Group companies provide company pension payments for governance and key function holders that are based on individual contractual commitments.

#### **COMPENSATION PLAN FOR MEMBERS OF THE MANAGING BOARD**

Compensation for the Managing Board of the Company takes into account the importance of the Group and the responsibility that goes with it, the economic situation of the Company, and the appropriateness of the remuneration in the market environment.

The variable portion of the compensation emphasises the need for sustainability and achieving it fully depends critically on an analysis of the sustainable performance of the Company that extends beyond a single financial year.

There is a limit on the amount of performance-related compensation. This also applies to the members of the VIG Group Managing Board. The maximum performance-related compensation that the Managing Board of VIG Holding can receive by achieving the traditional targets in financial year 2019 is around 40% to around 50% of its fixed salary. Special bonus compensation can also be earned for appropriate target achievement, as well as compensation for overachievement in certain target areas. In total, the members of the Managing Board can earn variable compensation equal to a maximum of around 80% to around 105% of their fixed compensation in this way.

Large parts of performance-related compensation are only paid after a delay. The delay for the 2019 reporting year extends to 2023. The deferred portions are awarded based on the sustainable performance of the Group.

The Managing Board is not entitled to the performance-related component of compensation if performance fails to meet certain thresholds. Even if the targets are fully met in a financial year, because of the focus on sustainability, the full variable compensation is only awarded if the Group also achieves sustainable performance in the three following years.

The main performance criteria (targets) for variable compensation in 2019 were the combined ratio, premium growth, result before taxes and – as a non-financial objective – the promotion of social responsibility in practice; for special bonus compensation there were strategic objectives, such as achievements in the area of bancassurance or market share, and compensation could also be earned from overachievement of targets in certain areas.

Managing Board compensation does not include stock options or similar instruments.

Members of the Managing Board are provided a company car for both business and personal use.

#### **PENSION PLANS**

The standard employment contract for a member of the Managing Board of VIG Holding (as of 31/12/2019) includes – depending, among other things, on the length of time with the Group – a pension equal to a maximum of 40% of the measurement base if the member remains on the Managing Board until the age of 65 (the measurement base is equal to the standard fixed compensation). This pension amount can be increased in individual cases if work continues past the maximum pension age, since a pension is not drawn during this period.

A pension is normally received only if a Managing Board member's position is not extended and the member is not at fault for the lack of extension, or the Managing Board member retires due to illness or age.

#### SEVERANCE PAY

The contracts for individual members of the Managing Board of VIG Holding who have been active in the Group for a long time provide for a severance payment structured in accordance with the provisions of the Austrian Employee Act (Angestelltengesetz), as amended in 2003, in combination with applicable industry-specific provisions. This allows these Managing Board members to receive a severance payment equal to two to twelve months' compensation, depending on the period of service, with a supplement of 50% if the member retires or leaves after a long-term illness. A Managing Board Member who leaves by their own choice before retirement, without the agreement with the Company, or leaves due to their own fault, is not entitled to severance payment.

The provisions of the Austrian Company Employee and Self-employed Provisions Act apply to the remaining Managing Board contracts.

#### COMPENSATION PLAN FOR SUPERVISORY BOARD MEMBERS

In accordance with the resolutions adopted by the ordinary general meeting, the members of the Supervisory Board elected by the general meeting are entitled to receive compensation in the form of a payment remitted monthly in advance. Members of the Supervisory Board who withdraw from their positions before the end of a month still receive full compensation for the month in question. In addition to this compensation, Supervisory Board members are entitled to receive an attendance allowance for participating in Supervisory Board meetings and Supervisory Board committee meetings (paid after participation in the meeting).

There are no variable salary components or pension plans for members of the Supervisory Board.

Supervisory Board compensation does not include stock options or similar instruments.

No loans or guarantees were granted to the members of the Supervisory Board during the reporting period. There were also no loans or guarantees on 31 December 2018.

#### **B.1.7 ADEQUACY OF THE GOVERNANCE SYSTEM**

The governance system of VIG Group is well-defined and proportionate to the nature, scale and complexity of the Group.

The responsibilities of the Managing Board are set down in the organisational plan for business areas and in the organisational charts. Direct reporting lines from the department heads to the respective responsible members of the Managing Board ensure that relevant information is taken into account in the management of the Group in an appropriate and timely manner.

Clearly defined lines of communication between insurance companies and VIG Holding and the inclusion of at least one member of the VIG Holding Managing Board in the Supervisory Boards of significant insurance companies also contribute to the appropriate management of VIG Group and central coordination of the decisions of all companies.

As part of the governance system, all legally required governance functions have been established at the Group level and conflicts of interest have been ruled out. Their duties and responsibilities are described in their respective guidelines. Making the governance functions directly subordinated to the Managing Board ensures they have an appropriate position in VIG Group. The governance functions also report periodically to the Managing Board and the Supervisory Board Audit Committee.

The Group internal control system is based on a Group-wide ICS policy and ensures that a control environment appropriate for its organisational structure and process organisation exists at all times. The function of the ICS is regularly audited by the internal audit department both separately and as part of other audits.

The compliance function performs risk-based compliance audits of the governance processes that have been established in order to ensure compliance with legal requirements. The results of these audits are reported to the Managing Board together with any necessary measures to be taken.

The internal audit department subsequently performs periodic audits according to the audit plan and, if necessary, ad hoc independent audits of various sub-areas of the governance system and reports on these audits to the Managing Board of VIG Group.

## B.2 FIT AND PROPER REQUIREMENTS

When appointing Managing Board members and holders of governance and other key functions, particular attention is paid to whether the candidate satisfies the fit and proper requirements.

The professional qualification (fit) requirements are defined in the respective function description for each function. In all cases, the following criteria are considered during recruitment:

1. Education (including studies)
2. Professional experience
3. Other knowledge (e.g. relevant legal knowledge or relevant technical knowledge)

Documentation relevant to the information in the CV is to be provided (certificates, diplomas etc.).

When appointing Managing Board members and holders of governance and other key functions in the Company, a number of measures are used to assess whether the person is of good reputation (proper).

- At least one objective element (test procedure, standardised conversation, more than one interview partner) is used during the recruitment process.
- While completing a questionnaire, the candidate must provide information about their financial situation, any involvement in relevant (criminal) proceedings etc. and must also agree to notify the Company of any future changes which occur during the employment relationship.

A fit and proper framework guideline at the VIG Group level was approved by the Managing Board to provide a uniform framework.

Managing Board members and holders of governance and other key functions are responsible for keeping up to date on all material aspects of their functions and ensuring that relevant information is made available within the Company. This includes both technical, legal and regulatory aspects as well as, if necessary, internal Company guidelines.

The necessary technical resources, funds and budgets are made available by the Company to the members of the Managing Board and holders of governance and other key functions.

The insurance companies also determine key personnel professional qualification (fit) requirements for the individuals who effectively manage the company, and the governance and other key functions in accordance with applicable local legislation.

Whether a person is of good reputation (proper) is also subject to local legal requirements in many areas.

## SUPERVISORY BOARD

Supervisory Board members in insurance companies must become familiar with their specific duties under the Solvency II regime, which were included in the VAG effective 1 January 2016.

Under § 123 in conjunction with § 120 VAG, Supervisory Board members must, among other things, have sufficient professional qualifications (fit requirement).

## B.3 RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

The professional handling of risks is one of the core competences of VIG Group. It has a comprehensive risk management system that is uniformly implemented within the Group based on Group guidelines. This makes it possible to fully identify, assess, manage and monitor risks to which VIG Group is exposed. The own risk and solvency assessment (ORSA) is one of the key elements of the risk management system.

### B.3.1 RISK MANAGEMENT SYSTEM

#### STRATEGY AND OBJECTIVES

The risk strategy of VIG Group is based on the following group-wide principles:

##### ACCEPTED RISKS

- All risks that have a direct connection to the insurance business that is conducted are accepted (underwriting risks, market risks).

##### RISKS ACCEPTED WITH CONSTRAINTS

- Operational risks must be avoided as much as possible, but have to be accepted to a certain extent as they cannot be completely ruled out, or the costs of avoiding them exceed the expected losses.
- A conservative approach is used for investments and high risk derivatives are only held to hedge other market risks.
- Only a small exposure to risks from financial insurance policies may be held.

##### RISK MITIGATING MEASURES

- Promotion and maintenance of risk awareness and well-defined risk governance in all areas of VIG Group.
- As a rule, technical provisions must be carefully set up in order to offset unexpected potential fluctuations.
- Reinsurance is a key instrument for hedging against large losses (tail risks), particularly in the property and casualty area.
- Strict limitation of market risk and matching of investments to VIG's obligations.

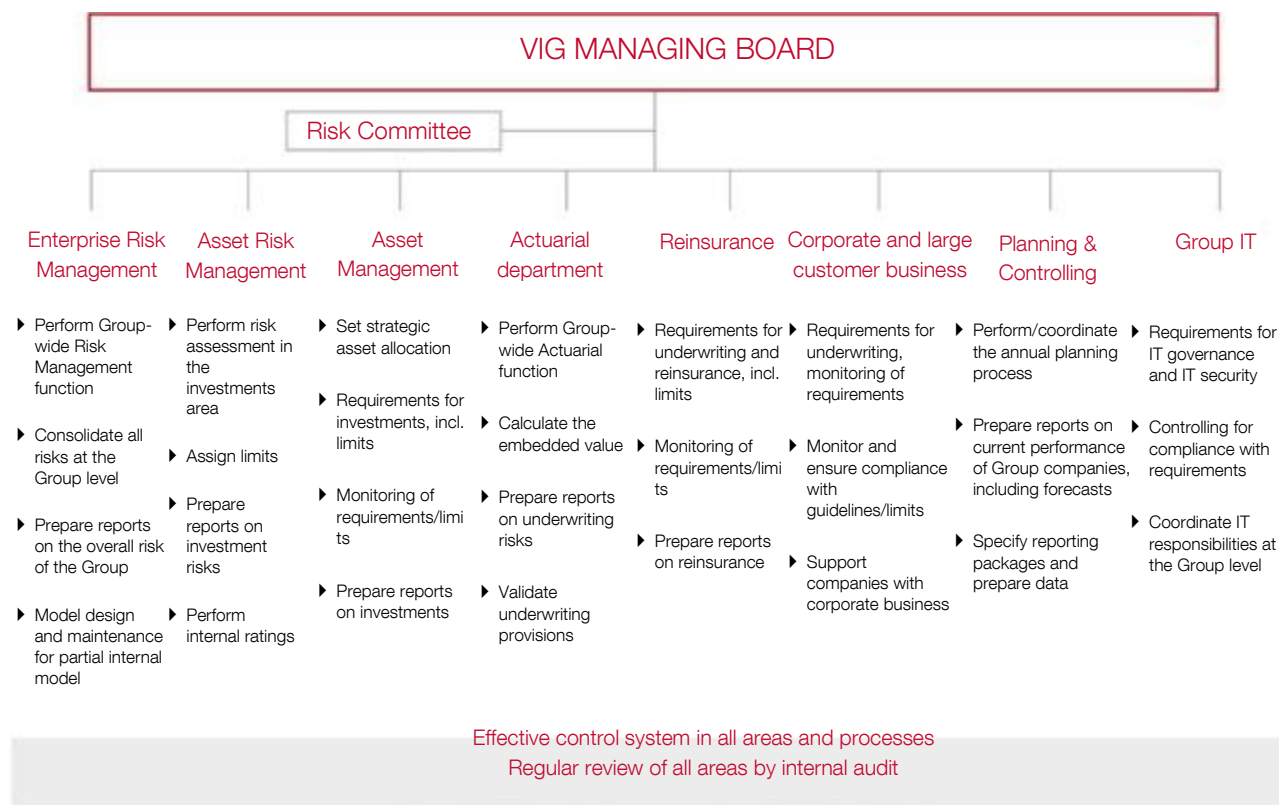
##### UNACCEPTABLE RISKS

- Risks are not accepted if VIG Group lacks the expertise or resources required to manage them, or insufficient capital is available to cover the risks.
- VIG Group does not accept risks from the insurance business that it cannot adequately assess or estimate. In particular, this includes risks from third party liability insurance for genetic engineering and nuclear energy.
- As for investments, risks are not accepted if adequate expertise is not available to assess the risks, e.g. weather derivatives and agricultural commodity futures, or risks where the potential loss is unlimited.



## ORGANISATION OF THE RISK MANAGEMENT SYSTEM

VIG Group risk management is well integrated into VIG Holding's organisational structure. The chart below shows part of the organisational structure, including the Enterprise Risk Management and Asset-Risk Management departments.



## MANAGING BOARD

The Enterprise Risk Management department reported to the Managing Board until 31/12/2019. Enterprise Risk Management and Asset-Risk Management have been the responsibility of Managing Board member Liane Hirner since the beginning of 2020.

The Managing Board is responsible for the following areas related to risk management:

- Development and promotion of risk management
- Definition and communication of the risk strategy including risk tolerance and risk appetite
- Approval of central risk management guidelines
- Consideration of the risk situation in strategic decisions



#### **RISK COMMITTEE**

The Managing Board of VIG Holding established the Risk Committee to ensure regular discussions of current matters relating to risk management across functional areas within the organisation and an exchange of information on the risk situation between the members of the committee (representatives of the units involved in risk management and the Compliance function) and the Managing Board. The Risk Committee meetings take place at least quarterly and are chaired by the Managing Board member responsible for this area. The Risk Committee reports to the Managing Board after its meetings.

#### **ENTERPRISE RISK MANAGEMENT (ERM)**

The head of the department performs the Risk Management function. The Enterprise Risk Management department reported to the Managing Board until the end of the financial year. The department has been the responsibility of Managing Board member Liane Hirner since the beginning of 2020.

The main responsibilities of the ERM department include determining VIG Group's overall risk profile and calculating the solvency position. The department provides a Group-wide risk aggregation solution for this purpose with extensive reporting and partial modelling approaches. Calculation of the solvency capital requirement during the year, analysis of risk-bearing capacity using proprietary analysis tools and reviewing the internal control system are other activities performed by the department.

The department also assists the Managing Board with updating the corporate risk strategy, improvements to the risk organisation and further corporate risk management topics.

#### **ASSET-RISK MANAGEMENT (ARM)**

The ARM department reported to Managing Board member Judit Havasi until the end of the financial year. The department has been the responsibility of Managing Board member Liane Hirner since the beginning of 2020. The primary role of the department is to analyse, assess and monitor the risks associated with investments, in particular with regard to the solvency and financial results of VIG Group. For this purpose, the department specifies Group-wide requirements for risk assessment and implements a central system for investment management and risk monitoring. The department is also responsible for maintaining an internal rating approach for banks.

#### **ASSET MANAGEMENT**

The Asset Management department reported to Managing Board member Elisabeth Stadler until the end of the financial year. The department has been the responsibility of Managing Board member Gerhard Lahner since the beginning of 2020. One of the key responsibilities of the department is to define a strategic orientation for the investments of each insurance company in VIG Group and for VIG Group as a whole, and to specify an investment strategy and investment process aimed at ensuring that current income is as high as possible, but also as secure as possible, while simultaneously taking advantage of opportunities to increase the value of investments. Guidelines and limits are used to manage investments in VIG Group. Regular reports are also provided for investments, limits and income.

#### **ACTUARIAL DEPARTMENT**

The Actuarial department was the responsibility of the Managing Board as a whole until the end of the financial year and Franz Fuchs was the contact person in the Managing Board. The department has been the responsibility of Managing Board member Gabor Lehel since the beginning of 2020. The head of this department performs the Actuarial function required by Solvency II. The department is therefore responsible, in particular, for the duties associated with the Actuarial function. The Actuarial department also calculates the embedded value for the life and health insurance business and prepares profitability analyses and company valuations. The department supports actuarial collaboration and professional networking.

#### **REINSURANCE**

The reinsurance department reports to the Managing Board member Peter Höfinger. The department coordinates and assists all VIG insurance companies and their reinsurance departments with reinsurance matters in the non-life business

(property and casualty and third party liability) by preparing and applying specific guidelines. Moreover, the department manages all the Group-wide reinsurance programmes in the non-life lines of business. The primary objective is to create a safety net to provide sustainable protection for all VIG Group companies against the negative effects of catastrophes and large losses, and negative developments of the insurance portfolios.

#### **CORPORATE AND LARGE CUSTOMER BUSINESS**

The Corporate and Large Customer Business department reports to Managing Board member Peter Höfner and underwrites insurance contracts for large Austrian and international customers. The department also assists VIG insurance companies with resources and know-how. The aim is to achieve a uniform underwriting philosophy and approach in all VIG Group companies that perform such business.

#### **PLANNING & CONTROLLING**

The Planning and Controlling department is an important part of the integrated risk management approach and reported to Managing Board member Judit Havasi until the end of the financial year. The department has been the responsibility of Managing Board Chairwoman Elisabeth Stadler since the beginning of 2020. The department coordinates the business planning over a 3-year horizon. The standardised reporting includes key figure analysis and variance analysis for planning, forecasts and ongoing performance of VIG Holding and other VIG insurance companies. Regular monthly premium reports, quarterly reports for each company (aggregated at the country and Group level) and cost reports are prepared.

#### **INTERNAL AUDIT**

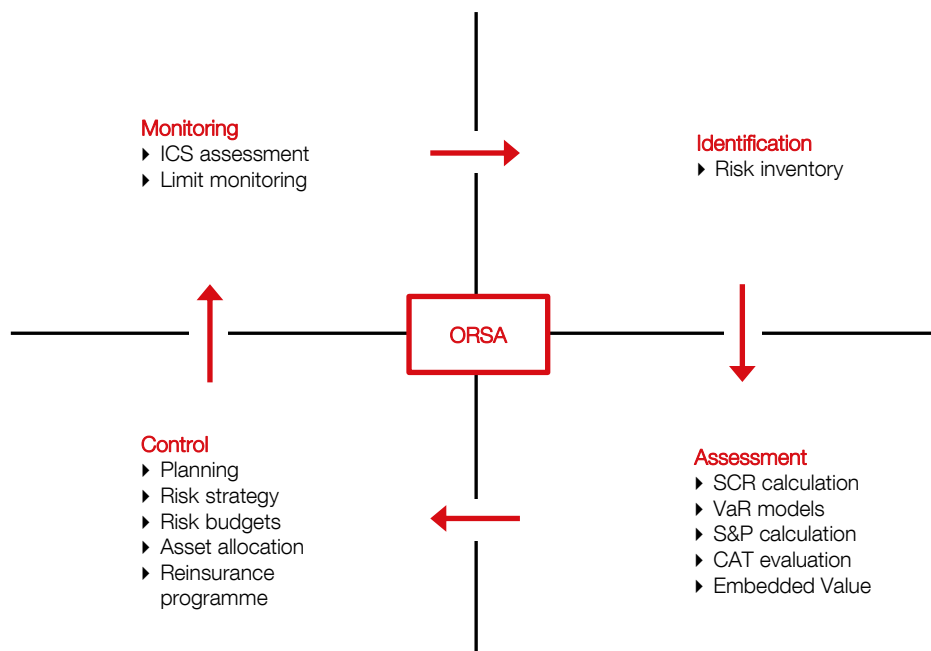
The Internal Audit department reports to the Managing Board. Managing Board Chairwoman Elisabeth Stadler is the contact person in the Managing Board. The Internal Audit department systematically monitors operating and business processes, the internal control system of all operational business areas, including compliance with legal requirements, and the functionality and adequacy of risk management. The Internal Audit department operates continuously and reports directly to the Managing Board. The head of this department performs the internal audit function required by Solvency II.

#### **GROUP IT**

The Group IT department reported to Managing Board member Judit Havasi until the end of the financial year. The department has been the responsibility of Managing Board member Peter Thirring since the beginning of 2020. The department is responsible for IT management at the VIG Group level (IT strategy, IT governance, IT security, IT Group projects, etc.), for assisting VIG insurance companies with large IT projects, and for developing Group-wide guidelines and common standards. The Austrian business organisation assists Group IT with this by providing outside IT and telephony services.

## RISK MANAGEMENT PROCESSES

The chart below shows the meta-process. The most important milestones from the graph are briefly described in the following illustration.



### RISK IDENTIFICATION

Risk identification is based both on a standardised process (risk inventory) and on ad-hoc analysis and comprehensive reporting processes in the event of newly identified risks or extraordinary events.

#### RISK INVENTORY

The risks are identified and analysed with the support of the first and second management level and in the VIG insurance companies.

The quantitative evaluation of risks is primarily based on the results of the internal models and the standard formula. An adequacy assessment is carried out in case risks are assessed with the standard formula. The results of the Risk Inventory process are summarised in a report and then approved. They also represent an essential basis of the ORSA process.

#### RISK ASSESSMENT

The results from the calculation of the overall solvency capital requirement and embedded value, the findings from the S&P capital model and the value-at-risk (VaR) calculations from the investment area (see section C) are used in the risk assessment.

#### RISK STEERING

The key risk steering processes are:

##### RISK STRATEGY

The risk strategy is reviewed annually by the Managing Board and modified, if necessary, based on the results of the ORSA. The Managing Board is supported in this matter by the Enterprise Risk Management department.

##### PLANNING

The planning horizon is three years. In the ORSA, planning data is taken into account and used as a projection basis for the expected future solvency.

#### RISK BEARING CAPACITY

Risk steering activities are conducted taking into account the risk-bearing capacity. In practice, this means adherence to risk budgets, the accomplishment of key indicators and a general risk-based approach in terms of a sustainable value-oriented approach in daily business operations.

#### REINSURANCE PROGRAMME

The reinsurance department coordinates the Group-wide reinsurance programme and manages the annual renewal process for the natural catastrophe coverage. The Enterprise Risk Management department assists the reinsurance department in validating the external natural catastrophe models used and assessing the effectiveness of reinsurance coverage using the non-life internal model.

#### RISK MONITORING

The solvency corridor defined at the group level and the group-wide limit system applicable in the course of the risk-bearing capacity form the basis for continuous monitoring of the solvency situation of VIG Group and its subsidiaries.

Compliance with the investment guidelines, risk budgets and key figures is also continuously checked and monitored. Monitoring is performed by means of regular fair value assessments, VaR calculations and detailed sensitivity analysis and stress tests and calculating the SCR during the year.

Liquidity risk is managed and monitored by matching the investment portfolio with the insurance obligations. Operational and strategic risks which might be caused by deficiencies or errors in business processes, controls or projects, or by changes in the business environment, are also continuously monitored using the internal control system.

### B.3.2 GOVERNANCE OF THE PARTIAL INTERNAL MODEL

VIG Group uses a PIM for non-life and for property risks in order to calculate the solvency capital requirement. The partial internal model was developed together with selected Group companies and was approved by the FMA at the end of 2015.

The VIG Holding Managing Board is responsible for the establishment and functioning of the processes described below. Operational responsibility is allocated as follows:

#### ROLES AND RESPONSIBILITIES IN THE PARTIAL INTERNAL MODEL

| Process                     | Non-life   | Property  |
|-----------------------------|--|---|
| Parametrisation/calculation | Risk management function   | Risk management function  |
| Validation                  | Risk management function*  | Asset Risk Management   |
| Data input/quality          | Risk management function   | Risk management function  |
| Technical provisions        | Actuarial function   | –   |
| Model use                   | Reinsurance, controlling in connection with the risk management function | Subsidiaries management in connection with the risk management function |
| Model changes               | Risk management function   | Risk management function  |
| Documentation               | Risk management function   | Risk management function  |

\* While maintaining the independence required for the parametrisation/calculation

The model results are of major importance to the management of the company. For example, the model is regularly used as part of the planning process, for the renewal process of the reinsurance programme, for the acquisition and sale of real estate or for risk-return analyses and is therefore a fixed component in the reporting of the Risk Committee.

Due to the significance of the model for the management of the company, the PIM is subject to particularly high governance requirements, which are reflected in specific and independently performed validation methods. In addition to the model assumptions and basic methodology, the main procedures also include the following:

- Assessment of the accuracy, completeness and appropriateness of the data used
- Sensitivity tests
- Stress tests and scenario analyses

- Stability test

The results of the validation tests are approved by the responsible Managing Board member and dealt with by the Managing Board. The model processes described above are subject to clearly defined rules, which are well-documented in a manner understandable to third-party experts. Validation is performed while maintaining the necessary independence. Model changes may only be performed in accordance with strict requirements. This ensures that the PIM is an inherent part of the risk management system and is subject to a well-defined process within the governance system.

In accordance with the internal Group guideline on model changes, one significant model change took place during the financial year just ended due to the inclusion of subsidiary VIG Re as a user of the partial internal model in the property and casualty line of business. This was reported and approved by the FMA.

### B.3.3 OWN RISK AND SOLVENCY ASSESSMENT (ORSA)

The following ORSA objectives stem from the regulatory framework and additional corporate requirements:

- Assessment of overall solvency requirement, including:
  - Description of the company's risk profile
  - Forward-looking assessment of own risks
  - Calculation of the capital base
  - Performance of stress tests and scenario analyses
- Description, review and, if necessary, adjustment of the company's strategic direction
- Description, review and, if necessary, adjustment of the risk management processes and procedures
- Safeguarding ongoing compliance with regulatory requirements
- Assessment of the adequacy of assumptions used to calculate the solvency capital requirements

The ORSA ensures that the Managing Board is continuously informed about the risks which VIG Group is exposed to in the short and long term. As a result, necessary measures can be taken to manage and effectively steer these risks in a targeted way.

As shown in Section B.3 above, the ORSA is interconnected with many other processes within VIG Group and is performed on an annual basis across the Group based on the ORSA guidelines and a supplementary ORSA manual which is adapted each year. Ad-hoc reviews of the own risk and solvency assessment are also carried out if this becomes necessary due to a significant change in the risk profile or if the internal model is recalibrated.

The following table provides a brief overview of the key roles and responsibilities in the ORSA:

### ROLES AND RESPONSIBILITIES IN THE ORSA

| Function             | Responsibilities  |
|----------------------|---|
| Managing Board       | <ul style="list-style-type: none"> <li>▶ Overall responsibility for the ORSA process</li> <li>▶ Definition of requirements for performance of the ORSA process</li> <li>▶ Determine the strategic orientation</li> <li>▶ Implementation of adequate risk management processes and procedures</li> <li>▶ Ensuring completeness and reliability of results</li> <li>▶ Preparation of the ORSA report</li> </ul> |
| Risk Management      | <ul style="list-style-type: none"> <li>▶ Performance of the ORSA process</li> <li>▶ (Further) development of Group guidelines, methodology and templates</li> <li>▶ Provision of necessary documents for the ORSA process</li> <li>▶ Support of the Managing Board during the preparation of the ORSA report at Group level</li> </ul>  |
| Risk Committee       | <ul style="list-style-type: none"> <li>▶ Supporting the Managing Board in preparing requirements for the ORSA</li> <li>▶ Quality assurance for the ORSA process</li> <li>▶ Consideration of the ORSA findings in committee meetings</li> </ul>  |
| Area head            | <ul style="list-style-type: none"> <li>▶ Assisting the risk management function</li> <li>▶ Implementation of the defined business, risk and capital strategy</li> </ul>   |
| Individual companies | <ul style="list-style-type: none"> <li>▶ Implementation of the defined business, risk and capital strategy</li> <li>▶ Creation of local ORSA reports</li> <li>▶ Reporting to the risk management function of the Group</li> </ul>   |

On the basis of the company's own business and capital planning, the overall solvency needs are projected together with the solvency capital requirements and the available own funds over the entire planning period. The extent to which possible deviations from the planned business development would affect the Group is then determined on the basis of appropriate stress tests or scenario analyses. This is to ensure that even in the event of adverse business developments the Group has access to sufficient funds in the short and long run to cover its own liabilities and that regulatory solvency capital requirements are met.

The knowledge gained from the projection and stress tests is the basis for the definition of strategic measures. In cooperation with the Managing Board, the preliminary results are discussed and the Group's business planning is adjusted if necessary. The Managing Board then sets the strategic direction based on the final results. It includes the business strategy, which defines the main principles to achieve the Group objectives, a comprehensive risk strategy, which determines the appropriate risk management measures for major risks and the capital strategy, which ensures sufficient own funds in terms of the risk-bearing capacity.

The results and findings of the annual ORSA process are summarised in the ORSA report. After the report is approved by the Managing Board, it is sent to the Austrian Financial Market Authority (FMA) within a period of two weeks. In addition, the Supervisory Board and all relevant employees are informed about the results of the report to the extent necessary to perform their duties.

## B.4 INTERNAL CONTROL SYSTEM

The Internal Control System (ICS) is an important risk control element and is firmly anchored in the entire VIG Group. It is based on an appropriate process organisation with clearly defined areas of decision-making and responsibility. Based on this determination of responsibility, duties and general requirements and guidelines are established for the respective departments, which set up the framework of the ICS. These include, among other things, the following measures to ensure proper operations: four-eye principle, technical audits, comparisons, records and interviews with experts, as well as the establishment of a compliance function which monitors compliance with legal requirements.

### B.4.1 DESCRIPTION OF THE INTERNAL CONTROL SYSTEM

The standards and principles set down in the Group guideline are defined across the entire Group and form the basis of the ICS. This ensures that the ICS provides verifiable assurance as to the effectiveness and efficiency of the operations, appropriateness of the controls used, accuracy of information and compliance with internal and external requirements. The Group standards are as follows:

#### ICS GROUP STANDARDS

| Standard   | Contents   |
|------------|--|
| Standard 1 | Each company must establish and promote a control culture that recognises and demonstrates the importance of controls for corporate action at all levels of the company.   |
| Standard 2 | Each company must establish and maintain an organisational structure and process organisation that is adapted to the size and complexity of the business.  |
| Standard 3 | All roles and responsibilities in the processes must be clearly defined. In addition, adequate controls need to be established to avoid conflicts of interest.   |
| Standard 4 | Each company must fully identify and assess the risks arising from its activities and processes that may adversely affect its business objectives and must apply appropriate controls.   |
| Standard 5 | Controls must be established at all levels of the company to an appropriate extent.  |
| Standard 6 | Effective communication channels and information systems must be established in all companies to ensure that each employee is aware of the guidelines and procedures applicable to his or her area of responsibility and that employees receive the information required for their work. |

The ICS is integrated into the organisational structure and process organisation. The roles and responsibilities in the ICS are clearly defined and presented in the following table:

#### ROLES AND RESPONSIBILITIES IN THE ICS

| Function                 | Responsibilities   |
|--------------------------|--|
| Managing Board           | Overall responsibility for the implementation and effectiveness of the ICS   |
| Risk management function | Responsibility for the coordination and performance of the ICS process, including reporting to the Managing Board, as well as responsibility for the continuous development of the methodology, templates and group requirements |
| Compliance function      | Assistance in the identification of compliance risks and ensuring appropriate control measures within the Group  |
| Internal Audit           | Downstream independent review of the internal control system in accordance with the audit plan or as requested by the Managing Board/Supervisory Board   |
| Area head                | Responsibility for the identification of risks and implementation of adequate controls in the respective areas of responsibility   |
| All employees            | Risk-conscious work, identification and communication of potential control weaknesses to the supervisor, carry out controls, ensuring adequate documentation of the control activities   |

The documentation produced within the scope of the ICS process includes a standard summary of all material risks and controls. The actual control documentation is based on group-wide ICS guidelines, is in the responsibility of each organisational unit and consists of, among other things: organisational and process flow charts, policies and guidelines, records, work instructions and control reports.

Essentially, each employee must ensure an adequate control environment in his or her department to minimise operational risks. Both internal and external ICS reviews are performed to ensure that the company has an adequate Internal Control System.

The effectiveness of the ICS is assessed once a year by the operating units, i.e. the risk owners, during the Group-wide ICS process. The assessment covers all areas of the company and involves discussions between each risk management function and the corresponding heads of departments.

To ensure an orderly process, clear guidelines are defined and a local ICS manager is also available in each company as a contact person who independently performs the local ICS process and reports the results to the local Managing Board and the Group.

Upon receipt of the reports, the risk management function consolidates the results of the VIG insurance companies and submits the Group-wide report to the Managing Board.

#### **B.4.2 COMPLIANCE FUNCTION**

The compliance function is organisationally subordinated to the Managing Board and reports directly to it. Peter Thirring is the Managing Board contact person for the compliance function. The holder of the compliance function performs his/her activities independently and is not entrusted with any operational duties in the sense of the core business activities.

The compliance function is active at both the VIG Holding and VIG Group level, is de-centrally structured and has been established separately from the other governance and key functions of VIG Group. It performs the duties specified in the Group compliance management policy.

A committee, the Group Compliance Committee, was established at the Group level to fulfil the responsibilities of the compliance function. It consists of the head of the VIG Group compliance function and the compliance officers of the VIG (re-)insurance companies and specifically defined non-(re-)insurance companies in and outside the EU. Meetings are held at least once a year and are chaired by the holder of the compliance function. These meetings are also used for training in individual topic areas. The minutes of these meetings are provided to the VIG Holding Managing Board for their information. The holder of the compliance function manages the activities of the local compliance officers, assists, advises and monitors them in their activities and promotes Group-wide communication and awareness of compliance matters. He prepares guidelines and policies for VIG Group that are binding on the companies, and provides information at regular intervals and for individual cases concerning applicable changes in the statutory or regulatory framework, and the issue of new and amendment of existing Group-wide requirements. He also fulfils his monitoring function with repeated and event-driven monitoring activities. The local compliance officers are responsible for implementing compliance responsibilities in their insurance companies. Regular and extensive ad hoc reporting by the local compliance officers to the holder of the Group compliance function has been established. In particular, this also includes the announcements and results of official local audits and compliance incidents in the VIG insurance companies.

#### **COMPLIANCE POLICY**

A compliance policy, the VIG Group Compliance Management Policy, was established to satisfy the requirements for a compliance policy. It specifies the work procedures, duties, responsibilities, competences and reporting requirements of the compliance function and local compliance officers. The compliance policy is reviewed at least once a year to ensure that it is correct and up to date and is amended, if necessary, to take account of legal, regulatory, Group and company changes.



## COMPLIANCE PLAN

The compliance plan at the Group level for the 2019 financial year was approved by the Managing Board. The main activities are aimed at further development of the compliance management system, with a particular focus on implementation and monitoring of the Group-wide document governance system, ensuring compliance with international sanctions, intensifying monitoring activities and creating awareness of the relevance of compliance topics.

The local compliance officers also prepare compliance plans for their companies that are sent to the holder of the compliance function after approval by their Managing Boards. Relevant findings from the local compliance plans for VIG Group will be included in the Group-wide compliance plan.

## COMPLIANCE REPORTING

The holder of the compliance function reports regularly to the Managing Board once a year (annual compliance report). The report includes the activities performed during the calendar year at the VIG Holding and VIG Group level. This includes, in particular, information on whether planned activities have been implemented. The report is also sent to the Supervisory Board Audit Committee. Ad-hoc reports are also provided to the Managing Board when necessary.

The local compliance officers also prepare annual reports for the Managing Board and send them to the holder of the compliance function. In addition, in clearly defined cases, ad-hoc reports are sent to the holder of the VIG Group compliance function, who forwards this information to the VIG Holding Managing Board if necessary.

## B.5 INTERNAL AUDIT FUNCTION

The internal audit department of VIG Holding performs the internal audit of all VIG companies. In addition, it also currently acts as the internal audit department of VIG Holding (Austria), Wiener Städtische Versicherung (Austria), Donau Versicherung (Austria), InterRisk Life and Non-Life (Germany), Vienna Life (Liechtenstein) and VIG Re (Czech Republic). Its activities as a Group Internal Audit department are also based on § 119 VAG and the Austrian Financial Market Authority (FMA) minimum standards for internal auditing of insurance companies, provided this does not conflict with respective national laws.

The Group Internal Audit department issues audit standards and performs audits, among other things, of the activities of the local internal audit departments, of the compliance with the Group-wide internal policies and of certain areas in VIG companies in cooperation with the local internal audit departments. Draft reports by the Group Internal Audit department are sent to the respective audited company for approval. After the draft has been sent to the Managing Board in German and/or English, the company has three weeks to submit an opinion. If this deadline passes without feedback, a further period of two weeks may be granted. If no opinion is issued within this period, it is assumed that the company has approved the contents of the draft report, including any proposed measures.

Both the local internal audit department and Group Internal Audit department are fully entitled to inspect and access all (written or electronic) data and verbal information without limitation. The responsibility of each company to establish and ensure the functioning of the internal audit department is not affected by the audits performed by the Group Internal Audit department.

The local internal audit department is assigned to the respective Managing Board or Supervisory Board according to the applicable statutory regulations. In the following matters, however, the Group Internal Audit department is to be involved in all cases in coordination with the local Managing Board or Supervisory Board:

- Appointment and dismissal of the head of a local internal audit department
- Serious fraud
- Audit topics that go beyond the authority of the local internal audit departments of the individual companies, such as topics that affect more than one insurance company in a country
- In the case of an internal audit topic for which no specific know-how is available in the local internal audit department

The annual audit planning of each local internal audit department is targeting the risk-oriented aspects - in addition to the respective legally mandatory audits. A multi-year plan is also created, which covers a period of three to a maximum of five years and covers all company areas. The focus must be on material areas. Whether a company area is material depends on risk-related factors. The following areas are always considered material: claims, underwriting, investments, reinsurance, accounting and the IT area. If the internal control system is not audited together with these topics, as a whole it must be considered a material company area and audited annually. This multi-year plan also flows into the annual audit plan. The local internal audit department also audits significant anomalies which cannot initially be explained during the year - independent of the planning - if such anomalies arise during the analysis of the company's data. The audit plan must also include the governance system.

The available resources, relevant national legislation and any recommendations of the financial statement auditor or the Group Internal Audit department are taken into consideration during the audit planning. The proposal for the annual audit plan prepared by the local internal audit department is agreed with the Group Internal Audit department in advance in a timely manner. Any changes are announced without delay during the year.

## B.6 ACTUARIAL FUNCTION

The actuarial function performs the main duties and responsibilities described in section B.1.3. It implements these in cooperation and through communication with other areas and functions.

An in-house data requirement and processes for VIG insurance company reporting, validation and consolidation were set up to calculate the technical provisions.

The actuarial function mainly maintains close contact with the reinsurance, accounting and risk management departments when performing its activities.

Additionally a broad exchange of expertise and relevant information takes place for determining technical provisions. The actuarial department actively communicates with the actuarial functions in the VIG insurance companies for this purpose.

With regard to the calculation of the SCR and the MCR, the actuarial function communicates with the risk management function, as the technical provisions are an input data for the risk calculation with the partial internal model and the standard formula.

In order to document their activities and to pass on information directly to the Managing Board and Supervisory Board, the actuarial function submits an annual report to the Managing Board. The report contains a summary of the results of the above-mentioned activities. It primarily provides an overview of the overall situation of VIG Group and explains any measures and recommendations of the actuarial function. The report issued by the Group actuarial function includes information from the reports by VIG insurance companies and contains information relevant to the Group.

The reinsurance policy is consistent with and appropriately reflects the risk appetite of VIG Group. In particular, the general Group rules on dealing with reinsurance and the associated restrictions on potential reinsurers ensure that the overall reinsurance structure of the individual companies is in accordance with the VIG Group risk assessment.

The individual VIG insurance companies are responsible for the underwriting policy. The reports from the actuarial functions in the insurance companies contain no indication of fundamental deficiencies related to the underwriting and policy.

## B.7 OUTSOURCING

The operating (re-)insurance companies in the Group can outsource various functions or activities, including critical and important functions and activities, in order to ensure procedural and technical optimisation while simultaneously controlling expenses. Outsourcing can be performed both within and outside VIG Group, while following the principle that outsourcing should primarily take place to service providers in the Group.

An outsourcing policy, the VIG Group Outsourcing Policy, was established that sets down Group-wide minimum standards for the outsourcing of functions or activities and contains requirements for the process used for this, both before and after an outsourcing agreement has been concluded. The (re-)insurance companies in VIG Group must implement these minimum standards locally for their companies taking into account applicable national law, and must manage and monitor all outsourcing activities accordingly.

In accordance with the VIG Group Outsourcing Policy, special rules and requirements apply to the outsourcing of critical or important functions and activities. This applies in particular to:

- The designation of an individual responsible for the outsourcing and their duties to report to the Managing Board
- Careful selection of the service provider and corresponding documentation
- Contractual agreement with the service provider, including provisions on minimum contents
- If necessary: Notification of and approval by the local supervisory authority
- Structured transfer of activities to the service provider
- The identification, management and monitoring of risks associated with the outsourcing
- Continuous effective monitoring of fulfilment of the activities by the service provider

The Group Outsourcing Policy also defines regular and ad hoc reporting requirements for the VIG (re-)insurance companies to the holder of the VIG Group compliance function.

Outsourcing took place in the following areas, in particular, in VIG Group:

- IT (in particular the operation and maintenance of operating modules, computing centre operation, application development services, data storage)
- Claims handling

The four governance functions were individually outsourced by some of the operating VIG insurance companies, in particular the internal audit and actuarial functions and related activities.

While governance functions in VIG Group were primarily outsourced to other VIG insurance companies, critical or important activities in the IT and claims handling areas were outsourced both inside and outside the Group. Outsourcing within VIG Group has taken place both with companies in the same country as the outsourcing company and across borders, although almost exclusively with companies in the EU. As a rule, outsourcing outside VIG Group has taken place to service providers with registered offices in the same country as the outsourcing company. Although individual exceptions exist for outsourcing in the IT area, the contracting parties have their registered offices in an EU country.

The outsourcing that has been performed was mainly based on operational reasons. Outsourcing within VIG Group takes advantage of synergies and outsourcing outside VIG Group makes use of the expertise of specialised service providers. The notification of local supervisory authorities about the outsourcing of critical or important functions or activities and the approval of such outsourcing by these authorities was done by the VIG insurance companies concerned in accordance with applicable national legal requirements.

## B.8 OTHER INFORMATION

No other information on the VIG Group governance system is to be reported in the year under review.

## C RISK PROFILE

The risk management system described in Section B.3, including the own risk and solvency assessment, is aimed at determining the VIG Group risk profile, among other things. VIG Group uses both quantitative and qualitative methods. The quantitative evaluation using the standard formula only applies to those areas in which a previous adequacy test has confirmed the validity of the standard formula. In other areas, VIG Group relies on an internal model, as this reflects the actual risk situation, in contrast to the standard formula. The non-life business and property investments are therefore modelled internally. The partial internal model for non-life is used for all applicable VIG companies in Austria (VIG Holding, Wiener Städtische, Donau Versicherung), the Czech Republic (Kooperativa, ČPP, VIG Re), Slovakia (Kooperativa, Komunálna), Poland (Compensa, InterRisk) and Romania (Omniaisig, Asiom). The partial internal model for property is used in all of the Austrian VIG insurance companies.

The data is consolidated using method 1 in Directive 2009/138/EC. The risk profile of VIG Group is divided into the following 10 main risk categories. The classification of these categories in the required SFCR risk structure specified in Article 295 of Delegated Regulation (EU) 2015/35 is shown in the following table:

### RISK STRUCTURE OF THE GROUP

| SFCR structure           | Risk profile   |
|--------------------------|--|
| C.1 Underwriting risk    | Life underwriting risk<br>Non-life underwriting risk<br>Health underwriting risk |
| C.2 Market risk          | Market risk  |
| C.3 Credit risk          | Counterparty default risk  |
| C.4 Operational risk     | Operational risk   |
| C.5 Liquidity risk       | Liquidity risk   |
| C.6 Other material risks | Strategic risk<br>Reputation risk<br>Intangible asset risk                       |

The total solvency capital requirement for VIG Group was TEUR 3,651,903 as of 31/12/2019 (31/12/2018: 3,240,995). There were no material changes in the VIG Group risk profile compared to the previous year.

### IMPLEMENTATION OF THE PRUDENT PERSON PRINCIPLE

The VAG in general and the prudent person principle in particular require greater direct responsibility of the company to invest with caution. To this end, VIG Group exercises special care in all the processes used to develop, approve, implement and monitor investment strategies. Prudence and expertise are essential for satisfying the prudent person principle.

The assessment of investment risks in a constantly changing regulatory environment requires a correspondingly high level of expertise within VIG Holding as a central control unit. Trained personnel and the necessary professional infrastructure are essential to meet these requirements. VIG Group is expressly committed to meeting these requirements and has contributed to their fulfilment by, for example, implementing a unified software to manage and assess risks associated with the significant investment portfolios.

The key principles of commercial prudence are defined in the internal guidelines, which apply to all VIG insurance companies.

The asset management of investments of the individual insurance companies is embedded in a multistage process. The primary objective of managing investments is to comply with the insurance obligations on a sustainable basis. When investing, the liabilities portfolios are taken into account on company level.

### SPECIAL PURPOSE VEHICLES AND OFF-BALANCE SHEET POSITIONS

VIG Group does not use special purpose vehicles (SPVs). Therefore there is no risk exposure resulting from risk transfers to special purpose vehicles. In addition, there are no material risk exposures resulting from off-balance sheet positions.

## COMPANY-SPECIFIC PARAMETERS

No company-specific parameters in accordance with Article 104 (7) of Directive 2009/138/EC were used in the calculation. No undertaking-specific parameters in accordance with Article 110 of the Directive were used.

### C.1 UNDERWRITING RISK

The underwriting risks are divided into the life insurance, non-life insurance and health insurance (incl. accident insurance) areas.

#### C.1.1 LIFE UNDERWRITING RISK

The life underwriting risk includes risks that directly stem from distribution characteristics, such as lapse risk as well as risks arising from changes to life expectancy or disability rates. Life underwriting risks are taken into account during product design, although major unforeseen changes in the statistical characteristics can result in losses.

#### RISK EXPOSURE

The life underwriting risk gross of the loss-absorbing capacity of technical provisions (“gross”) was TEUR 1,497,497 as of 31 December 2019 (31/12/2018: TEUR 2,082,422). The following table shows the composition of the life underwriting risk.

| Life underwriting risk (“gross”)<br>in EUR '000 | 31/12/2019       | 31/12/2018       |
|---|------------------|------------------|
| Mortality risk                                  | 197,117          | 186,320          |
| Longevity risk                                  | 190,303          | 169,645          |
| Disability and morbidity risk                   | 12,233           | 319,057          |
| Life expense risk                               | 435,308          | 382,618          |
| Revision risk                                   | 3,401            | 3,631            |
| Lapse risk                                      | 1,108,891        | 1,701,682        |
| Life catastrophe risk                           | 89,055           | 92,165           |
| Diversification                                 | -538,809         | -772,695         |
| <b>Life underwriting risk</b>                   | <b>1,497,497</b> | <b>2,082,422</b> |

Life underwriting risk decreased (-28.1%) compared to the previous year, driven by the change in lapse risk and disability and morbidity risk. This was primarily due to decreased profitability of the products in the low interest rate environment and effects due to re-segmentation of the insurance portfolio in the Czech Republic.

Overall, the capital requirements for the life underwriting risks calculated according to the standard formula adequately reflect the risk situation of VIG Group. However, the lapse risk, given the comprehensive control measures and taking into account historic lapse rates, is assessed as increased but acceptable, as well as the mortality risk in light of current demographic trends.

#### LAPSE RISK

Life lapse risk is the risk of loss, or of adverse change in the value of insurance and reinsurance liabilities, resulting from changes in the expected policyholders' option exercise rates. The relevant options are all legal or contractual policyholder rights to fully or partly terminate, surrender, decrease, restrict or suspend insurance cover or permit the insurance policy to lapse.

An increase in the lapse rate is not necessarily associated with a balance sheet loss. However, the resulting reduction in income and investment profits can reduce the future expected results and thus the economic value of the company.

Lapse risk was TEUR 1,108,891 as of 31 December 2019 (31/12/2018: TEUR 1,701,682).

Given the comprehensive management measures and taking into account historical lapse rates, the shock defined in the standard formula is regarded as conservative in the individual companies.

#### **LIFE EXPENSE RISK**

Life expense risk is the risk of loss, or of adverse change in the value of insurance and reinsurance liabilities, resulting from changes in the level, trend, or volatility of the expenses incurred in servicing insurance or reinsurance contracts.

The expense risk value was equal to TEUR 435,308 as of 31 December 2019 (31/12/2018: TEUR 382,618). The concentration of the expense risk on the Austrian companies can be explained mainly by the high proportion of Austrian companies in the total premium volume in the life business.

#### **DISABILITY AND MORBIDITY RISK**

The life disability-morbidity risk is the risk of loss, or of adverse changes in the value of insurance and reinsurance liabilities, resulting from changes in the level, trend or volatility of disability and morbidity rates.

The life disability and morbidity risk value was of TEUR 12,233 as of 31 December 2019 (31/12/2018: TEUR 319,057). This risk was mainly associated with the riders attached to life insurance policies in the previous year. Due to re-segmentation of the riders, this risk will primarily be accounted for as health underwriting risk after the end of 2019.

#### **LONGEVITY RISK**

The life longevity risk is the risk of loss, or of adverse change in the value of insurance and reinsurance liabilities, resulting from a decrease in the mortality rates.

The longevity risk value was equal to TEUR 190,303 as of 31 December 2019 (31/12/2018: TEUR 169,645).

#### **MORTALITY RISK**

The life mortality risk is the risk of loss, or of adverse change in the value of insurance and reinsurance liabilities, resulting from an increase in the mortality rates.

The mortality risk value was equal to TEUR 197,117 as of 31 December 2019 (31/12/2018: TEUR 186,320).

#### **LIFE CATASTROPHE RISK<sup>1</sup>**

The life catastrophe risk is the risk of loss, or of adverse change in the value of insurance and reinsurance liabilities, resulting from a sudden increase in mortality related to extreme or irregular events. Thereby, the mortality increases only for the following year, after which mortality falls back to the expected level.

The catastrophe risk value was equal to TEUR 89,055 as of 31 December 2019 (31/12/2018: TEUR 92,165).

#### **REVISION RISK**

The life revision risk is the risk of loss, or of adverse change in the value of insurance and reinsurance liabilities, resulting from fluctuations in the level, trend, or volatility of revision rates applied to annuities, due to changes in the legal environment or in the state of health of the person insured. The revision risk has no significant impact on the risk profile.

The longevity risk value was equal to TEUR 3,401 as of 31 December 2019 (31/12/2018: TEUR 3,631).

#### **RISK CONCENTRATION**

The concentration risk in life is considered to be low due to the broadly diversified product portfolio in all life and composite companies and the presence of a diverse customer base in CEE.

#### **RISK MITIGATION**

In order to reduce the lapse risk, VIG Group has an effective complaint management system, qualified sales personnel and customer loyalty programmes to increase customer satisfaction and prevent cancellations. The lapse behaviour of policyholders is constantly monitored in order to allow targeted measures to be taken in the event of unfavourable developments.

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<sup>1</sup> In life catastrophe risk, the simplification specified in Article 96 of Delegated Regulation (EU) 2015/35 was used in smaller companies.

Costs are regularly analysed and taken into account in the product design. In Austria, insurance contracts are additionally hedged against inflation via index adjustments.

Many customers also opt for a term life insurance policy when purchasing a pension insurance policy. This reduces the longevity risk that results from pension insurance.

In order to reduce the mortality risk, the mortality risk is monitored on an ongoing basis and security margins are included in the premium. For large sums insured, medical check-ups of the insured persons are carried out and the insurance coverage is reinsured. In addition, demographic trends indicate that mortality rates will in general decrease in the medium to long run.

In addition, there are also various reinsurance contracts in life insurance which generally contribute to risk mitigation.

### RISK SENSITIVITY

Standardised sensitivities are calculated and published as part of the calculation of the embedded value for VIG Group. The sensitivities include both changes in the market environment and changes in the essential assumptions for life insurance. For this reason, the decline in costs and lapses by 10% are analysed in the embedded value. Similarly, a change in mortality rates is analysed separately by contract type, assuming a 5% change.

The change in costs had the greatest effect of the performed sensitivities and showed that a 10% reduction in costs causes the embedded value to increase by 4.2%.

### C.1.2 NON-LIFE UNDERWRITING RISK

The non-life underwriting risk is the risk that the insured losses and costs exceed revenues in the non-life business. It essentially consists of the following components:

- Risk of extreme loss events, particularly natural catastrophes
- Risk from unprofitable contracts due to inadequate premium pricing
- Risk from already incurred but insufficiently reserved claims
- Expense risk
- Lapse risk

### RISK EXPOSURE

Quantitative risk assessment is performed using an internal model, as the requirements and assumptions of the standard formula do not adequately reflect the risk profile of VIG Group in the non-life area.

Non-life underwriting risk is around TEUR 748,703 (31/12/2018: TEUR 668,757). 28% of this is attributable to the Czech companies, 27% to the Austrian companies, 12% to the Slovakian companies and 8% to the Polish companies.

| <b>Non-life underwriting risk ("gross")</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|---|-------------------|-------------------|
| <i>in EUR '000</i>                          |                   |                   |
| <b>Non-life underwriting risk</b>           | <b>748,703</b>    | <b>668,757</b>    |

Non-life underwriting risk rose compared to the previous year (+12.0%). This increase was mainly due to growth of the business and the acquisition in Poland.

### RISK CONCENTRATION

Motor third party liability insurance (MTPL) has a high volume in the CEE markets compared to the other lines of business. This risk concentration was consciously accepted in order to permit entry into the market. The strong market position and the disproportionately high growth prospects in the CEE region will boost growth in the other lines of business, thereby reducing the concentration in the motor third party liability business.



## RISK MITIGATION

The non-life underwriting risk is significantly reduced by the reinsurance. VIG insurance companies must base the selection of reinsurers on a security list defined by the Reinsurance Security Committee (see section B.1.2). The reinsurers that are not on this list require individual approval by the Reinsurance Security Committee.

The influence of the reinsurance on the SCR can be seen in the table below for the most material business lines in the non-life area of the PIM.

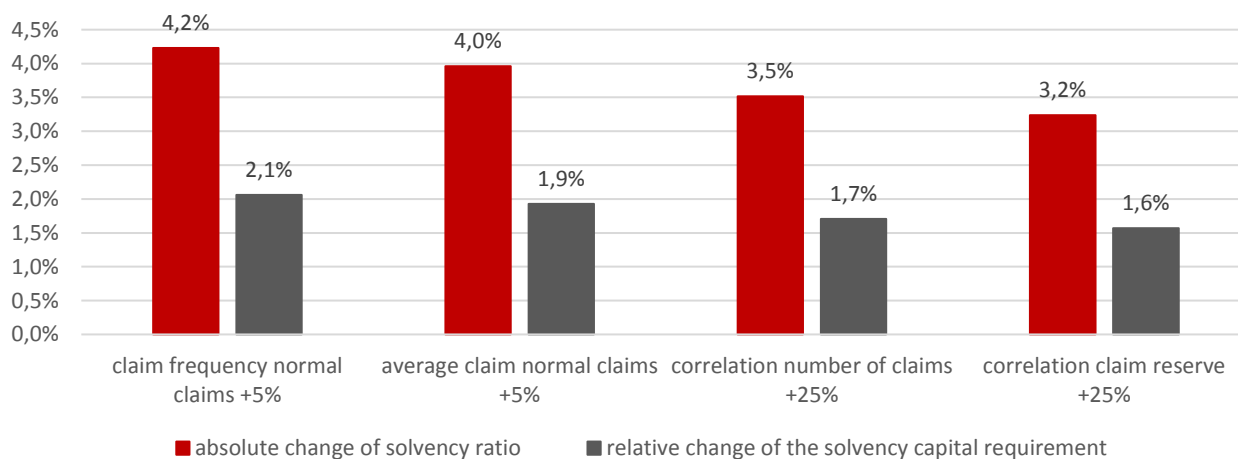
| Effect of reinsurance on non-life underwriting risk | SCR before reinsurance | SCR after reinsurance | Risk mitigating effect |
|---|------------------------|-----------------------|------------------------|
| in EUR '000   |                        |                       |                        |
| Motor third party liability insurance               | 292,485                | 268,632               | 23,853                 |
| Other motor insurance                               | 176,543                | 120,998               | 55,545                 |
| Fire and other property insurance                   | 1,326,626              | 263,165               | 1,063,461              |
| General third party liability insurance             | 155,099                | 92,150                | 62,949                 |

## SENSITIVITY ANALYSIS FOR PARAMETERS IN NON-LIFE

The following stress tests were performed to assess the sensitivity to changes in the market environment:

- 5% increase in the claims frequency for normal claims<sup>1</sup> in all lines of business
- 5% increase in the average loss for normal claims in all lines of business
- increased correlation of the number of claims between lines of business (+25% per correlation coefficient)
- increased correlation of claim reserves between lines of business (+25% per correlation coefficient)

### NON-LIFE SENSITIVITIES



Among the sensitivities related to the non-life business the increase in claims frequency has the greatest impact. In this case, the solvency ratio decreases from 209.7% to 205.5%. Due to the high degree of risk diversification, none of the calculated sensitivities transfers into potentially material risk for the solvency of VIG Group.

<sup>1</sup> Excluding large losses, catastrophe and annuity losses



### C.1.3 HEALTH UNDERWRITING RISK

Health underwriting risk is divided into SLT and NSLT health underwriting risk depending on the policy terms and conditions. The NSLT health underwriting risk is calculated with the PIM, as the assumptions established in the standard formula do not adequately reflect the risk profile of the Group. SLT and catastrophic health insurance risk is calculated using the standard formula.

#### RISK EXPOSURE

Health underwriting risk was TEUR 563,831 as of 31/12/2019 (31/12/2018: TEUR 325,504). The NSLT health underwriting risk is mainly attributable to the Czech (40%), Austrian (34%) and German companies (15%). SLT health underwriting risk is also almost exclusively attributable to these companies (Austria 51%, Czech Republic 32%, Germany 9%). Catastrophe risk is adequately reinsured and is of minor importance due to its low materiality.

| <b>Health underwriting risk ("Gross")</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|---|-------------------|-------------------|
| <i>in EUR '000</i>                        |                   |                   |
| NSLT health underwriting risk             | 118,549           | 121,750           |
| SLT health underwriting risk              | 485,446           | 242,467           |
| Health insurance catastrophe risk         | 31,880            | 14,352            |
| Diversification                           | -72,045           | -53,064           |
| <b>Health underwriting risk</b>           | <b>563,831</b>    | <b>325,504</b>    |

Health underwriting risk rose strongly compared to the previous year (+73.2%). This was due to the SLT health line of business and was the result of the above-mentioned re-segmentation in the Czech companies.

#### RISK CONCENTRATION

As mentioned above, the health underwriting risk is mainly concentrated in the Austrian (45%), Czech (34%) and German companies (11%).

#### RISK MITIGATION

To reduce the SLT health underwriting risk, extensive underwriting guidelines (criteria for accepting risks) are implemented.

The NSLT health underwriting risk is mitigated by means of reinsurance. Subsidiaries must base the selection of reinsurers on a security list defined by the VIG Group Reinsurance Security Committee. Reinsurers that are not on this list may only be used after individual approval by the Reinsurance Security Committee.

#### RISK SENSITIVITY

Due to the minor importance of health underwriting risk for the underwriting risk of VIG Group, no separate stress tests or sensitivity analyses were carried out.

## C.2 MARKET RISK

The market risk arises directly or indirectly from fluctuations in the level and volatility of market prices for assets, liabilities and financial instruments. The level of market risk is determined by changes in financial parameters, such as share prices and exchange rates, interest rates and real estate prices.

### RISK EXPOSURE

Based on the partial internal model, the market risk for VIG Group was TEUR 3,293,790 as of 31 December 2019 (31/12/2018: TEUR 3,072,486). The following table shows the composition of the market risk.

| <b>Market risk ("gross")</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|------------------------------|-------------------|-------------------|
| <i>in EUR '000</i>           |                   |                   |
| Interest rate risk           | 895,741           | 921,135           |
| Equity risk                  | 825,045           | 653,959           |
| Property risk                | 237,076           | 284,262           |
| Spread risk                  | 1,598,835         | 1,506,815         |
| Market risk concentrations   | 239,064           | 246,004           |
| Currency risk                | 676,828           | 580,751           |
| Diversification              | -1,178,800        | -1,120,440        |
| <b>Market risk</b>           | <b>3,293,790</b>  | <b>3,072,486</b>  |

Spread risk is the largest component of market risk, followed by interest rate risk and equity risk. Market risk rose compared to the previous year (+7.2%).

### EQUITY RISK

The equity risk stems from the level or volatility of the equities market prices. The amount of equity risk depends on all of the assets and liabilities whose values are subject to changes in equity prices.

Equity risk for VIG Group before diversification and the loss absorbing capacity of technical provisions was TEUR 825,045 as of 31 December 2019 (31/12/2018: TEUR 653,959). The calculation of equity risk is mainly based on the assumption that the portfolio is sufficiently diversified according to certain specifications. A distinction is made between type 1 (equities listed on regulated markets in the EEA or OECD) and type 2 equity portfolios (other equities).

The significant increase in risk is due to the general positive performance of stock markets in 2019 and the related negative change in the symmetric adjustment factor specified by EIOPA. This factor is intended to reflect a mean reversion effect for equity prices and causes the shock factor and consequently the capital requirement to decrease by a larger percentage than equity prices when equity prices fall.

### CURRENCY RISK

The currency risk stems from all assets and liabilities whose value depends on changes in exchange rates.

Currency risk for VIG Group before diversification and the loss absorbing capacity of technical provisions was TEUR 676,828 as of 31/12/2019 (31/12/2018: TEUR 580,751). The currency risk is predominantly due to the fact that VIG Group also operates insurance companies in markets outside the eurozone and has a moderate exposure to the US dollar due to investments in investment funds, among other things.

#### SPREAD RISK

The spread risk results from all assets, liabilities and financial instruments whose value depends on changes in the level or volatility of credit spreads over the risk-free yield curve. This also takes into account the default risk of the financial instruments. The main factors determining the level of the spread risk are the duration and the rating of the respective investment. Liabilities in the local currency of a central government or a central bank of an EU member state as well as liabilities of supranational institutions (ECB, EIB, EFSF, etc.) are considered to be risk-free exposures.

The spread risk of the Group before diversification and the loss absorbing capacity of technical provisions was TEUR 1,598,835 as of 31 December 2019 (31/12/2018: TEUR 1,506,815) and therefore represents the largest component of market risk and the largest individual risk. Calculation of the risk is mainly based on the assumptions that the spreads for bonds, credits, securitisations and credit derivatives widen in a 1-in-200-year event, that covered bonds with high ratings and short or medium terms are covered by sufficiently diversified portfolios, and that rating downgrades and the default risk implicit in the calibration of the factors for the movement of credit spreads are covered. The large amount of spread risk reflects the fact that the insurance companies in the Group that offer life and health insurance primarily invest in fixed-income securities to cover their obligations. This generally conservative investment policy consequently leads to a risk profile dominated by spread risk.

#### PROPERTY RISK

The property risk results from all assets, liabilities and financial assets whose value depends on changes in the level or volatility of the market prices of real estate. Land, buildings, land rights and investments in property for own use are exposed to property market risk.

In the view of the Group, the assumptions of the standard formula on the volatility of real estate prices are not appropriate for determining the property risk since the geographic specifics of the real estate portfolio, in particular the Austrian real estate market, are not considered in the standard formula. For this reason, the Group relies on a partial internal model to calculate property risk. In addition, a risk map is created as part of an annual risk management process which analyses the degree of coverage of the partial internal model for property. On the basis of the risk map, all the major risks that affect the market value of property are covered by the partial internal model. Based on the risk map all major risks that are not taken into account in the model are immaterial or are allocated to other risk categories in which they are already identified and are subject to effective control measures.

| <b>Property risk ("gross")</b>   | <b>31/12/2019</b> | <b>31/12/2018</b> |
|--|-------------------|-------------------|
| <i>in EUR '000</i>   |                   |                   |
| Risk from directly held real estate, holding companies and leases      | 100,104           | 93,803            |
| Risk of companies without internal model based on the standard formula | 128,500           | 179,942           |
| Risk from real estate funds  | 8,471             | 9,761             |
| Risk from social building societies                                    | 0                 | 756               |
| <b>Property risk</b>   | <b>237,076</b>    | <b>284,262</b>    |

The partial internal model value for property risk is around 77% lower compared to the standard formula result (TEUR 237,076 instead of TEUR 1,009,037).

#### **INTEREST RATE RISK**

The interest rate risk results from all assets and liabilities whose value depends on changes in the yield curve or the volatility of interest rates.

Based on the standard formula, VIG Group had an interest rate risk of TEUR 895,741 as of 31 December 2019 before diversification and the loss absorbing capacity of technical provisions (31/12/2018: TEUR 921,135). The calculation of interest rate risk is primarily based on the assumption that it only depends on changes in the level of the risk-free yield curve, while the volatility of the yield curve and changes in its shape have no material influence on interest rate risk.

#### **RISK CONCENTRATION**

The market risk concentration sub-module comprises those risks that are either caused by a lack of diversification within the investments or by a high exposure to the default risk of an individual securities issuer or a group of related issuers.

Concentration risk includes investments that are taken into account in equity, spread and property risks. Investments that are included in counterparty default risk are not taken into account in the concentration risk. The market risk concentration before diversification and the loss absorbing capacity of technical provisions amounted to TEUR 239,064 as of 31 December 2019 (31/12/2018: TEUR 246,004). The risk is primarily due to the strong partnership with the Erste Group. Concentration risk decreased slightly compared to the previous year (-2.8%).

#### **RISK MITIGATION**

Significant measures for reducing market risk are the diversification of assets and the existing limit system for investments at the level of the individual companies. The diversification of the portfolio reduces the risk of an adverse market development of an individual asset or an asset class. The limit structure prescribed for asset management by the Managing Board defines the maximum investment volumes per asset class. Furthermore, at this point, reference should be made to the “prudent person principle” mentioned at the beginning of this section. The desired diversification for the entire Group is also achieved by the fact that the operating insurance companies work with different products in many different markets and it is ensured that the individual insurance companies themselves are already appropriately diversified.

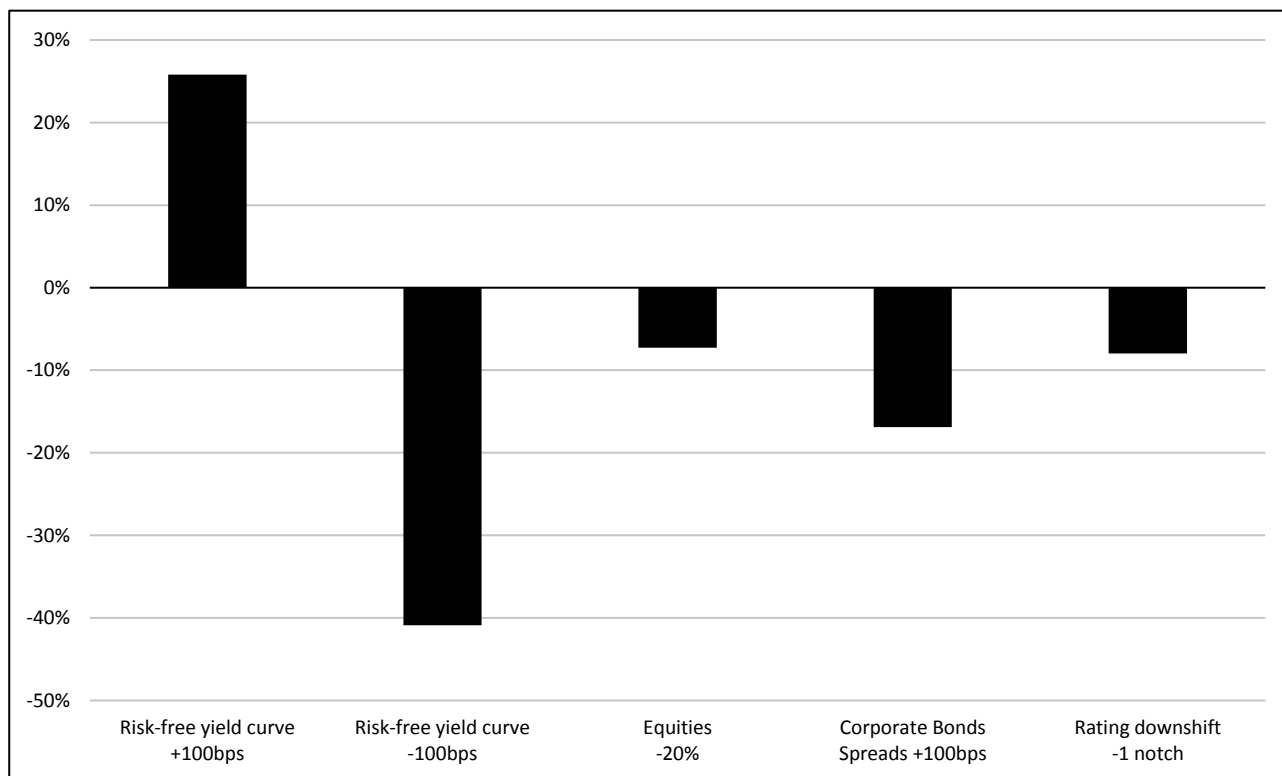
#### **RISK SENSITIVITY**

It is necessary to be able to react quickly to major changes in the market environment in order to ensure continuous compliance with regulatory solvency capital requirements. This makes it necessary to understand the impact of individual internal and external factors on the solvency of the Group. The following scenarios were analysed for this purpose:

- 100 basis point increase and decrease in the liquid part of the risk-free yield curve;
- 20% decrease in the value of the equity portfolio;
- 100 basis point increase in credit spreads for corporate bonds;
- 1 notch rating downshift for counterparties.

The following chart shows the results of the sensitivity analyses performed:

### ABSOLUTE CHANGES IN GROUP SOLVENCY



Among the sensitivities related to market risk the decrease in the risk-free yield curve has the greatest impact. A decrease of 100 basis points causes the solvency ratio to drop from 209.7% to 168.8%. A widening of corporate bond credit spreads also has a great effect, with a spread increase of 100 basis points causing the solvency ratio to decrease 16.9 percentage points to 192.8%.

### C.3 COUNTERPARTY DEFAULT RISK

The counterparty default risk is the risk of a loss or a negative change in the value of assets and financial instruments resulting from an unexpected default of a counterparty or debtor. A credit risk exists in both the investments, such as bonds, loans and deposits, as well as in other insurance and non-insurance receivables and cash deposits with banks.

The Group follows the standard formula's risk classification. Therefore the following credit risk section deals exclusively with positions which are treated within the standard formula in counterparty default risk. The credit risk arising from investments is reflected under market risk and in particular the spread risk, which takes into account the credit risk of these positions.

#### RISK EXPOSURE

Counterparty default risk is the risk of a loss or a negative change in the value of assets resulting from an unexpected default of a counterparty or debtor within the next twelve months. In what follows, a distinction will be made between type 1 and type 2 exposures.

Counterparty default risk for type 1 exposures is the risk stemming from products and obligations from typically insufficiently diversified exposures to generally rated counterparties. These exposures consist of, but are not limited to,

risk mitigation instruments (e.g. reinsurance contracts), cash deposits and fixed-term deposits at financial institutions and other financial obligations.

Counterparty default risk for type 2 exposures is the risk normally arising from diversified exposures with generally unrated counterparties. Counterparty default risk for type 2 exposures therefore includes all the exposures that are considered in counterparty default risk and are covered neither by the spread risk nor by the counterparty default risk for type 1 exposures. Examples of such exposures include receivables from insurance intermediaries and policyholder debtors as well as mortgage loans.

The Group's counterparty default risk was TEUR 352,891 as of 31 December 2019 (31/12/2018: TEUR 325,685).

For the determination of the risk-mitigating effect of reinsurance contracts, which is relevant for the calculation of the counterparty default risk, the simplification in accordance with Article 107 of the Delegated Regulation (EU) 2015/35 was applied.

| <b>Counterparty default risk ("gross")</b>    | <b>31/12/2019</b> | <b>31/12/2018</b> |
|---|-------------------|-------------------|
| <i>in EUR '000</i>                            |                   |                   |
| Counterparty default risk on type 1 exposures | 207,203           | 167,293           |
| Counterparty default risk on type 2 exposures | 169,789           | 180,841           |
| Diversification                               | -24,100           | -22,449           |
| <b>Counterparty default risk</b>              | <b>352,891</b>    | <b>325,685</b>    |

Counterparty default risk rose compared to the previous year (+8.4%) due to an increase in cash and cash equivalents.

## RISK CONCENTRATION

The amount of counterparty default risk plays a minor role for the Group and no risk concentration exists.

## RISK MITIGATION

The Group has appropriate procedures and controls in place to reduce the risk arising from receivables from counterparties. In addition to the monitoring of the bank and reinsurer rating changes and the preparation of internal bank ratings, this includes measures such as a well-coordinated reinsurance programme, cooperation with renowned brokers in the large customer business, a large number of sales partners, and accounting and underwriting guidelines applicable throughout the Group. The Group also uses a number of measures to limit counterparty default risk with respect to policyholders. These include reminders, cooperation with collection companies and contract termination in the case of overdue payments. In addition, insurance protection is generally not applied or is reduced in the case of unpaid premiums payments.

## RISK SENSITIVITY

Due to the minor importance of counterparty default risk for the risk profile of the Group, no separate stress tests or sensitivity analyses were carried out.

## C.4 LIQUIDITY RISK

The liquidity risk is the risk arising from the lack of marketability of investments in order to meet current short-term or long-term obligations. This includes, for example, losses arising due to asset-liability mismatches.

## RISK EXPOSURE

The liquidity risk of VIG Group is also considered low in light of the measures described.

## RISK CONCENTRATION

There is no significant risk concentration with respect to the liquidity risk.

## RISK MITIGATION

Liquidity requirements are regularly analysed as part of the asset and liability management (ALM). Together with explicit investment requirements (limit systems) and a conservative investment policy, this contributes to the appropriate management of the liquidity risk. In view of this, the liquidity risk of the Group is considered low.

## RISK SENSITIVITY

Due to the existing ongoing monitoring of the liquidity requirement and the associated assessment of the liquidity risk as low, no separate stress tests or sensitivity analyses were carried out.

## EXPECTED PROFIT INCLUDED IN FUTURE PREMIUMS

The total amount of expected profit included in future premiums (EPIFP) calculated in accordance with Article 260 (2) of Commission Delegated Regulation (EU) 2015/35 was TEUR 2,744,229 as of 31 December 2019 (31/12/2018: TEUR 3,101,680).

## C.5 OPERATIONAL RISK

Operational risk is the risk of loss resulting from the inadequacy or failure of internal processes, employees or systems, or external events. Operational risk also includes legal and compliance risks.

### RISK EXPOSURE

Operational risk is assessed in VIG Group both quantitatively using the standard formula and qualitatively on the basis of a severity/frequency analysis. Based on the standard formula, operational risk was TEUR 325,087 as of 31 December 2019 (31/12/2018: TEUR 315,616). Operational risk increased slightly compared to the previous year based on the standard formula (+3.0%).

| <b>Operational risk</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|-------------------------|-------------------|-------------------|
| <i>in EUR '000</i>      |                   |                   |
| <b>Operational risk</b> | <b>325,087</b>    | <b>315,616</b>    |

Operational risk according to the standard formula is mainly dependent on the amount of earned premiums and best estimates. However, this assessment does not provide a precise explanation of the causes and associated effects of operational risk. For this reason, operational risk is divided into further sub-categories and additionally assessed qualitatively. Operational risk is assessed at the Group level in accordance with the Group guidelines in order to obtain a more precise profile of operational risk. The twelve qualitatively-assessed operational sub-risk categories are:

#### BUSINESS INTERRUPTION RISK

Business interruption risk is the risk of loss due to serious business interruptions that cannot be eliminated in the day-to-day business process.

#### KNOWLEDGE CONCENTRATION RISK

Knowledge concentration risk is the risk that important duties are performed by a person who has exclusive knowledge or special skills.

#### INSUFFICIENT HUMAN RESOURCES

Insufficient human resources can have a negative impact on business processes, which can lead to a higher failure rate, a decrease in performance or financial damages.

#### HARDWARE AND INFRASTRUCTURE RISK

The hardware and infrastructure risk results from the use of outdated or inadequate methods and facilities as well as the insufficient maintenance and repair of the company's hardware and infrastructure.

#### **IT SOFTWARE AND SECURITY RISK**

The IT software and security risk results from the use of outdated or inadequate software, as well as the insufficient maintenance and support of the company's software and IT security systems.

#### **MODEL AND DATA QUALITY RISK**

The model and data quality risk is the risk of loss due to badly designed or improperly used models whose results are used for business decisions.

#### **IT DEVELOPMENT RISK**

The IT development risk is the risk of loss due to shortcomings, errors or mistakes in the conception and implementation of IT solutions.

#### **PROJECT RISK**

Project risk is the risk that major projects cannot deliver the desired results in time, lack in quality or exceed the budget.

#### **COMPLIANCE RISK**

Compliance risk is the risk of non-compliance with legal (statutory and regulatory) requirements.

#### **RISK OF EXTERNAL CRIME**

The risk of external crime is the risk of loss due to criminal acts by third parties. Examples include robbery, theft, break-in, and all types of fraud.

#### **PROCESS AND ORGANISATION RISK**

Process and organisation risk is the risk of loss due to inadequate or failed internal processes.

#### **HUMAN ERROR**

Human errors are unintended errors or wrong decisions of employees in the scope of their professional activities.

Operational risks are assessed based on the severity and frequency assessments. For this purpose, the residual risk is assessed, i.e. the risk that remains after taking into account the risk mitigating effects of controls. The expected loss is assessed on a scale from insignificant to severe, depending on existing own funds, whereas a loss is considered severe if it exceeds 1% of the own funds of the Group. The frequency is based on a scale from rare to frequent. Losses occurring at most once in ten years are considered rare and losses occurring more than a hundred times a year are considered frequent.

The operational risks of the Group are in the low to medium range on average.

#### **RISK CONCENTRATION**

There are no material risk concentrations in the Group with regards to operational risks.

#### **RISK MITIGATION**

In order to monitor operational risks, the Group has an adequate internal control system (ICS) which contributes to the mitigation of existing risks. A standardised process is used to regularly monitor the effectiveness of the controls implemented for the individual operational risks identified arising from the business processes. Remediation measures are implemented if new operational risks or control weaknesses are identified (see section B.4). Emergency plans are in place for material operational risks that cannot be reduced by internal controls, in particular risks relating to business interruptions. These are regularly checked and tested for their relevance.

#### **RISK SENSITIVITY**

Due to the minor importance of operational risk for the quantitative risk profile of the Group and the generally qualitative nature of the operational risks, no separate stress tests or sensitivity analyses were carried out.



## C.6 OTHER MATERIAL RISKS

### C.6.1 STRATEGIC RISK

Strategic risk is the risk of an adverse business development as a result of poor business decisions, inadequate communication and implementation of company goals or the lack of the company's adaptability to the economic environment, as well as contradictory business objectives.

#### RISK EXPOSURE

Complete, reliable information is needed to make sound strategic decisions. VIG Group has many experts who provide the Managing Board and local companies management with in-depth analyses to help them in their decision-making. The clear communication of the Company's objectives ensures that the business decisions taken are implemented across the Group. Members of the VIG Holding Managing Board also hold positions on the subsidiaries' Supervisory Boards in order to ensure local implementation of Group objectives. The pursuit of the multi-branding strategy, combined with the high degree of autonomy of the local companies, ensures that strategic risk is strongly diversified.

The low interest rate phase continues to be one of the biggest challenges for insurance companies and groups. Particularly in life insurance business, the low interest rate environment makes it increasingly difficult to obtain sufficient profits from investments to be able to meet the contracts guarantees. Although the VIG Group currently has an adequate portfolio of high-quality securities with high interest rates that ensures the receipt of the necessary income, low risk reinvestments are currently close to the level of the average interest rate required on the liability side. Interest rates are currently at a very low level. A further decrease in interest rates is a risk, especially for life insurance companies with a high proportion of traditional business.

VIG makes use of the potential in the countries of Central and Eastern Europe (CEE). While the economic catch-up process lost significant momentum during the financial crisis, VIG Group is still convinced of the long-term potential of these markets. The balanced position in mature and growth-oriented markets will ensure the long-term success of the Company in coming years. However, the political and regulatory environment for insurance has not yet reached a level of stability in Eastern Europe that meets Western standards. Despite a generally good strategic orientation, companies in these countries may also experience adverse business development due to political tensions or changes in the law.

VIG is currently implementing two key strategic projects that could affect the future role of VIG Holding and the Group. In one project the current management model is being evaluated and partially redefined if necessary. Due to another project that put more attention on digitalisation, initial technical results have already been realised and related projects are in the implementation or planning phase.

Taking into account the above factors and the strategic measures that were implemented, VIG Group has a medium level of strategic risk.

#### RISK CONCENTRATION

There are no significant risk concentrations within the Group with regard to strategic risk.

#### RISK MITIGATION

The clear communication of the Company's objectives ensures that the business decisions taken are implemented across the Group. Giving Managing Board members and 2nd level managers positions in the Supervisory Boards of the subsidiaries ensures that the Group's objectives are implemented locally. The pursuit of the multi-branding strategy, combined with the high degree of autonomy of the local companies, ensures that strategic risk is strongly diversified.

#### RISK SENSITIVITY

No specific stress tests or sensitivity analyses were carried out due to the existing comprehensive measures for mitigating risk. With regard to the moderate importance of the risk, in particular due to the ongoing low-interest rate environment, reference is made to the sensitivities for interest rate risk.

## **C.6.2 REPUTATION RISK**

Reputation risk is the risk of negative business development due to damage to the company's reputation. A loss of reputation can shake customer confidence and the confidence of investors and the company's own personnel and lead to financial losses. The causes include, among other things, inadequate advice when products are sold, inadequate customer service, inadequate disclosures to investors, negative media coverage, or reputation damage that spreads from one company to another. Non-financial risks also need to be included here.

### **RISK EXPOSURE**

The tasks of the Group primarily focus on the strategic management of the Group. As a result of the multi-brand strategy used and the discreet public image associated therewith, the reputation risk for the Group is classified as low.

As a result of the multi-brand strategy within the Group, reputation losses and associated economic losses are usually limited to a single location. The risk that reputation losses of individual companies spread to other companies is therefore classified as low. Reputation risk as a whole is also considered to be low in view of the risk mitigating measures outlined below.

### **RISK CONCENTRATION**

There are no material risk concentrations in the Group with regards to reputation risk.

### **RISK MITIGATION**

Whether employees are of good reputation and integrity (proper) is already taken into account when they are hired. In particular, special training is provided for Group employees in sales and employees who act as company representatives. Moreover, the Code of Conduct provides clear rules, which must be followed by every employee. In addition to these staff-related measures, the company's risk mitigating measures also include investing in advertisement in order to attract new customers and to ensure the long-term loyalty of existing customers to the company, a professional complaint management system to deal with customer matters, and a strong social and cultural commitment (e.g. the Social Activity Day, events, sponsorship of art and culture).

In addition, the Investor Relations and Public Relations departments are responsible for the clear external communication in order to provide information for investors and to comment on media coverage.

### **RISK SENSITIVITY**

Due to the minor significance of reputation risk for the risk profile of the Group as a whole, no separate stress tests or sensitivity analyses were carried out.

## **C.6.3 INTANGIBLE ASSET RISK**

Intangible asset risk reflects the risk of a loss or adverse change in the value of intangible assets.

### **RISK EXPOSURE**

The intangible assets had an IFRS value of TEUR 557,044 as of 31 December 2019 (31/12/2018: TEUR 485,673). A conservative approach is used for risk at the Group level by reporting intangible assets with a value of zero in the economic balance sheet. There is therefore no solvency capital requirement for this area.

### **RISK CONCENTRATION**

There is no risk concentration for intangible asset risk in the Group.

### **RISK MITIGATION**

Intangible assets are periodically tested for impairment. No risk mitigation measures are needed.

## RISK SENSITIVITY

Due to the minor importance of intangible asset risk for the risk profile of the Group, no separate stress tests or sensitivity analyses were carried out.

## C.7 OTHER INFORMATION

No other information on the risk profile is to be reported for the reporting period just ended. The current coronavirus pandemic is particularly important for the risk profile in the current financial year and is therefore briefly discussed below.

### CURRENT RISKS IN CONNECTION WITH THE CORONAVIRUS PANDEMIC

The spread of the coronavirus pandemic since the beginning of 2020 has affected the business activities throughout the world. It has also exposed the VIG Group to a number of risks that are being addressed and handled as part of our sustainable risk management. In addition to operational risks, mainly due to the possibility of employees becoming ill and subsequent quarantine measures, it is also having a negative impact on our insurance business and associated investments whose effects cannot yet be estimated at this time.

The high level of volatility exhibited by all financial asset classes and the downward potential that still exists in the interest rate environment are working hand-in-hand with the underwriting risks due to the pandemic to adversely affect our solvency. We are closely monitoring financial market developments so that we can implement the measures needed in accordance with our risk-bearing capacity and established limits.

VIG Group has initiated preventive measures at both the VIG Holding level and the level of its subsidiaries in order to mitigate significant risks affecting our ability to maintain our business operations. In addition to clear communication of hygiene and conduct measures, emergency plans for maintaining business operations in the event of a loss of employees or location closures were tested and preliminary IT and organisational measures have been introduced.

## D VALUATION FOR SOLVENCY PURPOSES

Solvency II requires that economic balance sheets are prepared (for individual companies and groups) in addition to the individual and consolidated financial statements prepared for corporate law purposes. In the case of VIG Group, a group economic balance sheet is therefore required in addition to the IFRS consolidated financial statements. The economic balance sheet should include market-consistent valuation of all assets and liabilities. Market-consistent valuation should be used to determine the amount of economic capital VIG Group has available to cover the solvency capital requirement.

The consolidated financial statements of VIG Group as at 31 December 2019 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 of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB) and Chapter 7 of the Austrian Insurance Supervision Act (Versicherungsaufsichtsgesetz – VAG). The IFRS consolidated financial statements were prepared using historical cost accounting, with the exception of financial instruments available for sale, and financial assets and certain financial liabilities (including derivatives) measured at fair value.

When available, assets and liabilities in the economic balance sheet were valued based on market data. When this information was not available, valuation was performed using alternative valuation models, in accordance with the provisions of Solvency II.

### SOCIAL BUILDING SOCIETIES

Social building societies build or renovate housing whose financing largely comes from housing construction subsidies that are provided for by subsidy laws and directives at the state level. Housing that is financed by housing construction subsidies is subject to special restrictions set down in the Austrian Social Buildings Societies Act (Wohnungsgemeinnützigkeitsgesetz – WGG) that govern annual distributions and access to the assets of the housing society.

As a result, the total amount of annual profit that can be distributed may not exceed an amount equal to the total paid-in share capital times the interest rate (currently 3.5%) applicable under § 14 (1) no. 3 WGG. In addition, when members leave a social building society or a social building society is dissolved, the members may not receive more than their paid-in capital contributions and their share of distributable profits. Any remaining assets are to be used for the purposes of non-profit housing. Reorganisation possibilities are also restricted. Merger agreements for merger of a social building society with other companies are considered legally invalid if the absorbing or newly formed company is not non-profit within the meaning of the WGG. Title to buildings, residential units and business units (co-ownership, condominium ownership) may only be transferred to the tenants or another building society within the meaning of the WGG.

The amendment of the WGG (WGG Amendment 2019, BGBl (Federal Gazette) I No. 85/2019) entered into force in July 2019. The amendment considerably restricted the owners' rights and possibilities for exerting influence. Based on a comprehensive analysis of the additional restrictions caused by the amendments to the WGG, the VIG Holding Managing Board decided in an overall assessment based on the change in the legal framework that VIG Holding has no control over the non-profit societies as defined in the IFRS. However, based on the remaining possibilities for exerting influence, it does have significant influence. The social building societies were therefore deconsolidated on 31 July 2019 and the existing shares were reported at fair value taking into account the restrictions under the WGG. Subsequent measurement is performed using the equity method in IAS 28, while also taking into account the restrictions under the WGG with respect to distributions and claims to the remaining assets of the companies.

The social building societies were previously included in the solvency balance sheet using the Solvency II investment approach. In accordance with Article 13(3) in conjunction with Article 13(5) of Delegated Regulation (EU) 2015/35, the IFRS equity method specified in IAS 28 is now used for this purpose. As a result, in the interests of greater transparency of presentation, it is no longer necessary to use a separate column in the SFCR for the effects of a deconsolidation of the non-profit housing societies as in previous reports.

The next section presents the valuation of the most important items in the economic balance sheet, the assets on the asset side and technical provisions and other liabilities on the liabilities side, with market values presented, compared to IFRS values and valuation differences explained.

IFRS 16 “Leases” was applied for the first time in VIG Group on 1 January 2019. Further information is provided in section A.4.2 of this report. There were no further changes to the recognition and valuation methods or estimates during the reporting period.

#### COMPARISON OF THE ECONOMIC BALANCE SHEET AND IFRS BALANCE SHEET (ASSETS)

|  |                           |                            | 31/12/2019        |
|--|---------------------------|----------------------------|-------------------|
|  | Published IFRS<br>figures | Solvency II<br>revaluation | Solvency II       |
| <i>in EUR '000</i>   |                           |                            |                   |
| Goodwill   | 1,382,535                 | -1,382,535                 | 0                 |
| Intangible assets  | 557,044                   | -557,044                   | 0                 |
| Deferred tax assets  | 68,725                    | -8,109                     | 60,616            |
| Property, plant and equipment held for own use                                 | 786,749                   | 304,697                    | 1,091,446         |
| Investments (other than assets held for unit-linked and index-linked policies) | 33,177,787                | 1,716,122                  | 34,893,909        |
| Assets held for unit-linked and index-linked policies                          | 8,620,327                 | 0                          | 8,620,327         |
| Loans and mortgages  | 916,622                   | 62,013                     | 978,635           |
| Reinsurance recoverables   | 1,283,434                 | -418,126                   | 865,308           |
| Receivables  | 1,657,591                 | -284,276                   | 1,373,314         |
| Cash and cash equivalents  | 1,602,591                 | -124                       | 1,602,467         |
| Any other assets, not elsewhere shown  | 291,520                   | -168,860                   | 122,660           |
| <b>Total assets</b>  | <b>50,344,924</b>         | <b>-736,241</b>            | <b>49,608,683</b> |

#### COMPARISON OF THE ECONOMIC BALANCE SHEET AND IFRS BALANCE SHEET (LIABILITIES)

|  |                           |                            | 31/12/2019        |
|--|---------------------------|----------------------------|-------------------|
|  | Published IFRS<br>figures | Solvency II<br>revaluation | Solvency II       |
| <i>in EUR '000</i>   |                           |                            |                   |
| Subordinated liabilities (supplementary capital)                     | 1,496,971                 | 89,073                     | 1,586,043         |
| Technical provisions   | 31,886,076                | -182,164                   | 31,703,912        |
| Technical provisions for unit-linked and index-linked life insurance | 8,115,999                 | -2,563,230                 | 5,552,769         |
| Non-technical provisions   | 931,558                   | -1,355                     | 930,204           |
| Payables   | 2,313,088                 | -129,457                   | 2,183,631         |
| Deferred tax liabilities   | 262,202                   | 605,892                    | 868,095           |
| Any other liabilities, not elsewhere shown                           | 148,337                   | -49,159                    | 99,178            |
| <b>Total liabilities</b>   | <b>45,154,230</b>         | <b>-2,230,400</b>          | <b>42,923,831</b> |

Please refer to Chapter E (Capital management) of this report for information on the equity item that is not shown in the table above and the subordinated liabilities (supplementary capital) item.

### D.1 ASSETS

The categories of assets described are those used in the economic balance sheet (market value balance sheet). The “published IFRS figures” are therefore presented based on the Solvency II categories to ensure comparability of the figures.

## GOODWILL

### Revaluation and adjustment

|             | Published IFRS figures | Solvency II revaluation | 31/12/2019  |
|-------------|------------------------|-------------------------|-------------|
|             |                        |                         | Solvency II |
| in EUR '000 |                        |                         |             |
| Goodwill    | 1,382,535              | -1,382,535              | 0           |

Goodwill is an intangible asset consisting of the difference between the fair value of the transferred equivalent at the time of acquisition and the net fair value of the identified assets acquired and liabilities taken over under a business transaction.

Goodwill is measured at cost less accumulated impairment losses in the IFRS balance sheet.

A value of zero is reported based on the Solvency II valuation requirements. This is the reason for the difference from the IFRS value.

## INTANGIBLE ASSETS

### Revaluation and adjustment

|                                | Published IFRS figures | Solvency II revaluation | 31/12/2019  |
|--------------------------------|------------------------|-------------------------|-------------|
|                                |                        |                         | Solvency II |
| in EUR '000                    |                        |                         |             |
| Purchased insurance portfolios | 38,191                 | -38,191                 | 0           |
| Purchased software             | 423,377                | -423,377                | 0           |
| Other intangible assets        | 95,476                 | -95,476                 | 0           |
| <b>Total intangible assets</b> | <b>557,044</b>         | <b>-557,044</b>         | <b>0</b>    |

Intangible assets are non-monetary assets without physical substance.

Under IFRS, intangible assets are measured at amortised cost. Intangible assets are generally only recognised in the economic balance sheet if they can be individually disposed of and if there are active markets with a price for identical assets.

A value of zero was reported based on the Solvency II valuation requirements. This is the reason for the difference from the IFRS value.

## DEFERRED TAX ASSETS

### Revaluation and adjustment

|                     | Published IFRS figures | Solvency II revaluation | 31/12/2019  |
|---------------------|------------------------|-------------------------|-------------|
|                     |                        |                         | Solvency II |
| in EUR '000         |                        |                         |             |
| Deferred tax assets | 68,725                 | -8,109                  | 60,616      |

Deferred taxes in the economic balance sheet are calculated by adding the deferred taxes in the IFRS balance sheet as specified in IAS 12 and the deferred taxes arising from temporary differences due to revaluation of the respective balance sheet items in the economic balance sheet. This results in the deferred taxes for the Solvency II bases compared to their respective tax bases.

Deferred tax assets and deferred tax liabilities are offset if the tax receivables and tax liabilities are with the same tax authority and actually can be offset. Any net tax claims for individual companies that cannot be offset were included during the availability check when calculating Group own funds. Deferred taxes are not discounted.

Deferred tax assets under Solvency II were TEUR 60,616 and are considered immaterial compared to total balance sheet assets under Solvency II.

## PROPERTY, PLANT AND EQUIPMENT HELD FOR OWN USE

### Revaluation and adjustment

|  | Published IFRS figures | Solvency II revaluation | 31/12/2019  |
|--|------------------------|-------------------------|-------------|
|  |                        |                         | Solvency II |
| in EUR '000                                    |                        |                         |             |
| Property, plant and equipment held for own use | 786,749                | 304,697                 | 1,091,446   |

The following valuation methods are used to calculate the fair value of real estate in VIG Group:

- Capitalised earnings method
- Asset value method (only for property and to determine maintenance expenses)
- Discounted cash flow method

The methods are verified each time when the valuation is performed, which allows the fair value of a property to be calculated. VIG Group mainly uses the capitalised earnings method. In rare cases, the asset value method or discounted cash flow method is also used, provided it can be used to determine the highest-and-best use value for the property type.

#### CAPITALISED EARNINGS METHOD

In this method, the value of a property is determined by using an appropriate interest rate to capitalise expected or received future gross profits over the expected useful life. The net operating income is calculated by deducting actual operating, maintenance and administrative expenses (management expenses). An allowance for lost rental income and any liquidation proceeds and costs are also taken into account. The rate used to calculate capitalised earnings is based on the achievable return on investment. Net operating income minus the return on the land is capitalised at this rate over the remaining useful life to calculate the capitalised earnings value of the physical facilities. This is added to the land value to calculate the total capitalised earnings value of the property.

#### ASSET VALUE METHOD

The asset value method covers the land value, building value, the value of outdoor facilities and the value of existing annexes and represents a market-oriented method. This method is, as a rule, used to determine the value of undeveloped property. Land value is generally determined using the residual value method, with a premium or discount for overuse/underuse applied since 2018 instead of a development discount. A usable area study is performed to determine whether overuse or underuse exists.

#### DISCOUNTED CASH FLOW METHOD

The discounted cash flow method is a valuation method that discounts cash flows during the forecast phase (phase I) back to the valuation date. Discounting is performed using a rate for a comparable risky investment with property- and market-specific premiums. The gross profit for the year plus vacancy rental (at current market rent) minus non-allocable management costs equals the net operating income for the year. The method allows precise analysis of the individual years of the initial forecast phase so that investments and vacancies can be assigned to individual years and accounted for in advance. In phase II, the proceeds from a fictitious disposal at the end of the forecast phase (max. 10 years) are calculated by capitalising future cash flows. The rate used for this calculation is the rate for a comparable risky investment plus market- and property-specific premiums, less the expected increase in value.

Self-used land and buildings are reported at amortised cost under IFRS. Another difference is due to introduction of the new IFRS 16 standard for leasing. Under IFRS 16, the lessee must recognise a right-of-use asset in the amount of the present value of the future lease payments. Under Solvency II, this right-of-use asset is reported in the balance sheet under "property, plant and equipment held for own use". It is shown under a different balance item, however, in the IFRS balance sheet. The difference in the valuation of land and buildings and recognition of right-of-use assets under Solvency II and IFRS leads to a revaluation of TEUR 304,697.

The tangible assets are technical equipment and machinery, other equipment, vehicle fleet, IT hardware/telecommunications, operating and office equipment and down payments on such goods. Inventories are primarily consumables and office supplies, down payments on such goods, and unbilled amounts of such goods. Tangible assets are measured at cost less accumulated depreciation. Cost for tangible assets comprises all costs incurred in putting the asset into its present location in its present condition. Depreciation is performed using the linear method over the expected useful life of the asset. Amortised cost is considered an appropriate estimate of Solvency II fair value.

## INVESTMENTS (OTHER THAN ASSETS HELD FOR UNIT-LINKED AND INDEX-LINKED POLICIES)

| Revaluation and adjustment                                 | 31/12/2019             |                         |                   |
|--|------------------------|-------------------------|-------------------|
|  | Published IFRS figures | Solvency II revaluation | Solvency II       |
| in EUR '000  |                        |                         |                   |
| Property (other than for own use)                          | 1,925,557              | 1,136,184               | 3,061,741         |
| Holdings in affiliated companies, including participations | 538,769                | -10,924                 | 527,845           |
| Equities   | 456,698                | 0                       | 456,698           |
| Bonds  | 27,145,966             | 590,863                 | 27,736,829        |
| Collective investments undertakings                        | 2,254,412              | 0                       | 2,254,412         |
| Derivatives  | 38,214                 | 0                       | 38,214            |
| Deposits other than cash equivalents                       | 818,153                | 0                       | 818,153           |
| Other investments  | 17                     | 0                       | 17                |
| <b>Total</b>   | <b>33,177,787</b>      | <b>1,716,122</b>        | <b>34,893,909</b> |

Investments were recognised at fair value for the economic balance sheet. Fair value is determined based on the following hierarchy:

- The determination of fair value for financial assets and liabilities is generally based on price quotations in active markets for identical assets or liabilities (Level 1).
- If a financial instrument is not listed and no market price quotations are available in active markets, fair value is determined using market price quotations for similar assets or market price quotations in inactive markets (Level 2). Standard valuation models with inputs that are observable in the market are used for Level 2 values. These models are primarily used for illiquid bonds (present value method) and structured securities.
- The fair value of certain financial instruments, in particular bonds from countries without active capital markets and land and buildings, is determined using valuation models with input factors that are unobservable in the market. These models use, for example, transactions in inactive markets, expert reports and the structure of cash flows (Level 3).

The preparation of the economic balance sheet and IFRS consolidated financial statements requires the management to make discretionary assessments and specify assumptions regarding future developments which could have a material effect on the recognition and value of assets and liabilities, the disclosure of other obligations on the balance sheet date, and the reporting of income and expenses during the financial year. For information on estimates and discretionary decisions in the IFRS consolidated financial statements, please refer to the "Investments" section in the VIG Group Annual Report for 2019 (starting on page 100).

There are no differences in the values recognised under IFRS and Solvency II for equities, undertakings for collective investment, derivatives, deposits other than cash equivalents and other investments items.

Interest receivables from investments are reported separately under receivables in IFRS. To make comparisons easier, existing interest receivables were reported in the IFRS and Solvency II columns for their respective interest-bearing investments in the Solvency II reporting and in this report.



## PROPERTY (OTHER THAN FOR OWN USE)

### Revaluation and adjustment

|                                   | Published IFRS figures | Solvency II revaluation | 31/12/2019  |
|-----------------------------------|------------------------|-------------------------|-------------|
|                                   |                        |                         | Solvency II |
| <i>in EUR '000</i>                |                        |                         |             |
| Property (other than for own use) | 1,925,557              | 1,136,184               | 3,061,741   |

Property (other than for own use) is reported at fair value in the economic balance sheet. Amortised cost is used to report property (other than for own use) under IFRS.

The difference in Solvency II and IFRS valuation leads to a revaluation of TEUR 1,136,184.

## HOLDINGS IN AFFILIATED COMPANIES, INCLUDING PARTICIPATIONS

In accordance with Article 335 of Delegated Regulation (EU) 2015/35, the data for all insurance and reinsurance companies, insurance and reinsurance companies in third countries, insurance holding companies, mixed financial holding companies and ancillary services companies that are subsidiaries of the parent company are fully consolidated.

If the information necessary for the supervisory authorities to calculate the Group solvency of an insurance or reinsurance company is not available, the provisions of Article 229 of Directive 2009/138/EC are applied. Please refer to Chapter E Capital management (Scope of consolidation) for further information on the application of this article.

### Revaluation and adjustment

|  | Published IFRS figures | Solvency II revaluation | 31/12/2019     |
|--|------------------------|-------------------------|----------------|
|  |                        |                         | Solvency II    |
| <i>in EUR '000</i>                         |                        |                         |                |
| Shares in at equity consolidated companies | 321,276                | -31,698                 | 289,578        |
| Other participations                       | 217,494                | 20,774                  | 238,267        |
| <b>Total</b>                               | <b>538,769</b>         | <b>-10,924</b>          | <b>527,845</b> |

Shares in other participating companies are valued as follows in the market value balance sheet using the valuation hierarchy in Article 13 of Delegated Regulation (EU) 2015/35:

Valuation is first performed using market prices quoted in active markets.

If valuation is not possible using quoted market prices, the parent company reports the participation based on its respective share of the excess of assets over liabilities in its economic balance sheet (adjusted equity method).

If the affiliated company is a non-insurance company without an active market for valuation and the adjusted equity method is not possible, the equity method can be used instead. The value of the participation is then based on the respective share of the excess of assets over liabilities in the applicable IFRS balance sheet (with goodwill and other intangible assets valued at zero).

Finally, alternative valuation methods can be used if the methods above cannot be used and the company is an associated company or company under joint control.

The IFRS balance sheet shows at equity participations. The non-profit housing societies are shown under this item in IFRS and Solvency II. The goodwill resulting from IFRS at equity consolidation (TEUR 31,698) is recognised with a value of zero in the economic balance sheet. The other participations are predominantly ancillary service companies.

Alternative valuation methods were used to value most of the participations. Some participations were valued using the Level 1 and Level 2 methods in Article 13 of Delegated Regulation 2015/35.

## EQUITIES

Equities are divided into listed and unlisted equities. They are measured at fair value for both IFRS and Solvency II. The fair values are mainly based on market prices (prices quoted in an active market). If these are not available, valuation is

performed using net asset values or the capitalised earnings method. In most cases, cash flows or the discount rate are adjusted in the capitalised earnings method to reflect credit and liquidation risk.

| Revaluation and adjustment |                        |                         | 31/12/2019     |
|----------------------------|------------------------|-------------------------|----------------|
|                            | Published IFRS figures | Solvency II revaluation | Solvency II    |
| in EUR '000                |                        |                         |                |
| Listed equities            | 381,282                | 0                       | 381,282        |
| Unlisted equities          | 75,417                 | 0                       | 75,417         |
| <b>Total</b>               | <b>456,698</b>         | <b>0</b>                | <b>456,698</b> |

## BONDS

| Revaluation and adjustment |                        |                         | 31/12/2019        |
|----------------------------|------------------------|-------------------------|-------------------|
|                            | Published IFRS figures | Solvency II revaluation | Solvency II       |
| in EUR '000                |                        |                         |                   |
| Government bonds           | 13,006,441             | 324,770                 | 13,331,210        |
| Corporate bonds            | 14,022,858             | 266,093                 | 14,288,951        |
| Structured notes           | 116,667                | 0                       | 116,667           |
| <b>Total</b>               | <b>27,145,966</b>      | <b>590,863</b>          | <b>27,736,829</b> |

The valuation requirements of Solvency II lead to a realisation of hidden reserves in the amount of TEUR 590,863. This is because financial instruments held to maturity are measured at amortised cost under IFRS. Under Solvency II, however, these financial instruments are recognised at fair value. Fair value is mainly determined based on market prices in active markets. The bonds in the economic balance sheet also include borrower's note loans that are measured at amortised cost in the IFRS balance sheet, but recognised at fair value in the economic balance sheet.

There are no differences in the IFRS and economic balance sheet values for bonds classified as "available for sale" or "recognised at fair value through profit and loss" under IAS 39.

## COLLECTIVE INVESTMENTS UNDERTAKINGS

| Revaluation and adjustment          |                        |                         | 31/12/2019  |
|-------------------------------------|------------------------|-------------------------|-------------|
|                                     | Published IFRS figures | Solvency II revaluation | Solvency II |
| in EUR '000                         |                        |                         |             |
| Collective investments undertakings | 2,254,412              | 0                       | 2,254,412   |

Investment funds are measured at fair value under IFRS and Solvency II. Fair value is determined using market prices, net asset values or a model-based valuation, depending on whether quoted prices are available from active markets.

There is no difference between IFRS and Solvency II values.

## DERIVATIVES

| Revaluation and adjustment |                        |                         | 31/12/2019  |
|----------------------------|------------------------|-------------------------|-------------|
|                            | Published IFRS figures | Solvency II revaluation | Solvency II |
| in EUR '000                |                        |                         |             |
| Derivatives                | 38,214                 | 0                       | 38,214      |

Derivatives are financial instruments whose values depend on the price movements of an underlying asset. Derivatives are reported at fair value in the economic balance sheet. Fair value is determined based on the capitalised earnings method using present value techniques and the Black-Scholes-Merton model.

There are no valuation differences between Solvency II and IFRS.

## DEPOSITS OTHER THAN CASH EQUIVALENTS

### Revaluation and adjustment

|                                      | 31/12/2019                |                            |             |
|--------------------------------------|---------------------------|----------------------------|-------------|
|                                      | Published IFRS<br>figures | Solvency II<br>revaluation | Solvency II |
| <i>in EUR '000</i>                   |                           |                            |             |
| Deposits other than cash equivalents | 818,153                   | 0                          | 818,153     |

Deposits other than cash equivalents are short-term investments that cannot be used as cash or converted into cash or demand deposits without restrictions or contractual penalties. Deposits other than cash equivalents are measured at nominal value under IFRS. This is considered a good indicator of fair value.

There are no revaluation differences between IFRS and Solvency II.

## ASSETS HELD FOR UNIT-LINKED AND INDEX-LINKED POLICIES

### Revaluation and adjustment

|                                    | 31/12/2019                |                            |                  |
|------------------------------------|---------------------------|----------------------------|------------------|
|                                    | Published IFRS<br>figures | Solvency II<br>revaluation | Solvency II      |
| <i>in EUR '000</i>                 |                           |                            |                  |
| Investment funds                   | 6,465,516                 | 0                          | 6,465,516        |
| Bonds                              | 2,053,153                 | 0                          | 2,053,153        |
| Shares                             | 1,195                     | 0                          | 1,195            |
| Bank deposits                      | 91,022                    | 0                          | 91,022           |
| Deposit receivables                | 8,500                     | 0                          | 8,500            |
| Net of receivables and liabilities | 941                       | 0                          | 941              |
| <b>Total</b>                       | <b>8,620,327</b>          | <b>0</b>                   | <b>8,620,327</b> |

Investments held for unit-linked and index-linked life insurance provide cover for unit-linked and index-linked life insurance technical provisions. The survival and surrender payments for these policies are linked to the performance of the associated investments for unit-linked and index-linked life insurance. The income from these investments is also credited in full to the policyholders. As a result, policyholders bear the risk associated with the performance of the investments for unit-linked and index-linked life insurance.

Investments for unit-linked and index-linked life insurance are measured at fair value in both the IFRS balance sheet and economic balance sheet.

## LOANS AND MORTGAGES

### Revaluation and adjustment

|                                    | 31/12/2019                |                            |                |
|------------------------------------|---------------------------|----------------------------|----------------|
|                                    | Published IFRS<br>figures | Solvency II<br>revaluation | Solvency II    |
| <i>in EUR '000</i>                 |                           |                            |                |
| Loans and mortgages to individuals | 1,156                     | 46                         | 1,202          |
| Loans on policies                  | 20,976                    | 2,549                      | 23,524         |
| Other loans and mortgages          | 894,490                   | 59,419                     | 953,909        |
| <b>Total</b>                       | <b>916,622</b>            | <b>62,013</b>              | <b>978,635</b> |

Loans and mortgages are reported at amortised cost less any impairment in the IFRS balance sheet. In the economic balance sheet, loans and mortgages are recognised at fair value. Fair value is, in particular, determined using alternative valuation methods. This leads to a revaluation difference of TEUR 62,013.

## REINSURANCE RECOVERABLES

### Revaluation and adjustment

|                          | Published IFRS figures | Solvency II revaluation | 31/12/2019  |
|--------------------------|------------------------|-------------------------|-------------|
|                          |                        |                         | Solvency II |
| <i>in EUR '000</i>       |                        |                         |             |
| Reinsurance recoverables | 1,283,434              | -418,126                | 865,308     |

The reinsurers' share in technical provisions is measured in accordance with contractual provisions for the IFRS consolidated balance sheet. Under Solvency II, the best estimate of recoverable amounts from reinsurance contracts is calculated taking into account counterparty default risk (also see section D.2 "Method for calculating reinsurance recoverables").

These different methods result in a revaluation difference of TEUR 418,126.

## RECEIVABLES

### Revaluation and adjustment

|  | Published IFRS figures | Solvency II revaluation | 31/12/2019       |
|--|------------------------|-------------------------|------------------|
|  |                        |                         | Solvency II      |
| <i>in EUR '000</i>                                       |                        |                         |                  |
| Insurance and intermediaries receivables                 | 790,294                | -238,084                | 552,209          |
| Deposits to cedants                                      | 86,032                 | 21,547                  | 107,579          |
| Reinsurance receivables                                  | 212,829                | -59,578                 | 153,251          |
| Receivables (trade, not insurance) incl. tax receivables | 568,436                | -8,161                  | 560,275          |
| <b>Total</b>   | <b>1,657,591</b>       | <b>-284,276</b>         | <b>1,373,314</b> |

For the insurance, intermediaries and reinsurance receivables a valuation adjustment is performed under Solvency II for the receivables that were taken into account in order to calculate the best estimate of underwriting reserves. Under Solvency II, therefore, only overdue amounts are reported as insurance, intermediaries and reinsurance receivables. The revaluation differences shown above are the result of this valuation adjustment between the economic balance sheet and IFRS consolidated balance sheet. For deposits on assumed reinsurance business, the revaluation under Solvency II is taken into account when determining the best estimate of the underwriting provisions. The revaluation shown for the other receivables was also taken into account when determining the best estimate reserves.

Otherwise, the receivables are accounted for at cost less impairment for expected non-collectible amounts (nominal value) under both IFRS and Solvency II. The nominal value is considered a good indicator of fair value.

## CASH AND CASH EQUIVALENTS

### Revaluation and adjustment

|                           | Published IFRS figures | Solvency II revaluation | 31/12/2019  |
|---------------------------|------------------------|-------------------------|-------------|
|                           |                        |                         | Solvency II |
| <i>in EUR '000</i>        |                        |                         |             |
| Cash and cash equivalents | 1,602,591              | -124                    | 1,602,467   |

The cash and cash equivalents item includes cash on hand and demand deposits. Amounts are measured at economic value (fair value) under IFRS and Solvency II, which is equivalent to the nominal value. The nominal value is considered a good indicator of fair value based on the principles of materiality and proportionality.

## ANY OTHER ASSETS, NOT ELSEWHERE SHOWN

| Revaluation and adjustment            |                        |                         | 31/12/2019  |
|---------------------------------------|------------------------|-------------------------|-------------|
|                                       | Published IFRS figures | Solvency II revaluation | Solvency II |
| in EUR '000                           |                        |                         |             |
| Any other assets, not elsewhere shown | 291,520                | -168,860                | 122,660     |

This item includes all assets that are not included in other items on the asset side of the balance sheet.

Amounts are measured at economic value, which corresponds to the nominal value or settlement value. The revaluation differences between IFRS and Solvency II for the items shown above are mainly the result of accrued items that were already adjusted in connection with the best estimate reserve calculation.

## D.2 TECHNICAL PROVISIONS

### D.2.1 VALUE OF THE TECHNICAL PROVISIONS

The following table shows the technical provisions under Solvency II of VIG Group as at 31 December 2019, split into lines of business and into best estimate, risk margin and reinsurance recoverables.

|  | 31/12/2019        |                  |                      |                           |  |
|--|-------------------|------------------|----------------------|---------------------------|--|
|  | Best estimate     | Risk margin      | Technical provisions | Reinsurance recoverables* | Technical provisions after reinsurance |
| in EUR '000  |                   |                  |                      |                           |  |
| Life insurance (excl. SLT health insurance and index-linked and unit-linked insurance) | 25,291,314        | 664,257          | 25,955,570           | 56,562                    | 25,899,008                             |
| Index-linked and unit-linked insurance   | 5,426,810         | 125,958          | 5,552,769            | -187                      | 5,552,955                              |
| SLT health insurance   | -122,492          | 430,061          | 307,569              | -12,893                   | 320,462                                |
| Non-life insurance   | 4,642,682         | 349,902          | 4,992,584            | 796,923                   | 4,195,661                              |
| Non-SLT health insurance   | 395,108           | 53,080           | 448,188              | 24,902                    | 423,286                                |
| <b>Total amount of life and non-life insurance</b>                                     | <b>35,633,422</b> | <b>1,623,259</b> | <b>37,256,681</b>    | <b>865,308</b>            | <b>36,391,373</b>                      |

\* After adjusting for counterparty credit risk

### D.2.2 VALUATION OF THE TECHNICAL PROVISIONS

Details on the basis of the valuation of technical provisions, the assumptions and the methods used are provided below. In addition, other relevant information is presented in respect of the valuation and the basic data flows.

#### BASES

Solvency II is based on a market value balance sheet, and liabilities are therefore also valued based on their market value. Since there is no liquid market for underwriting liabilities, the sum of a best estimate and a risk margin is used for the economic value of the liabilities.

The valuation measures satisfy the principle of proportionality, which ensures that valuations are close to market value and that an appropriate result is achieved. Simplifications are carried out in relation to the nature, scope and complexity of the risk.

The best estimate corresponds to the probability-weighted average of the discounted future cash flows. This is the present value of the random values of future obligations.

With the risk margin calculation it is ensured that the value of the technical provisions corresponds to the amount that insurance and reinsurance companies would demand to assume and fulfil the insurance and reinsurance obligations.

The reinsurance recoverables correspond to the best estimate of the reinsurance liabilities less an adjustment for the counterparty default risk of the reinsurers.

All calculations were performed as of 31 December 2019 taking into account the claim reserves and the portfolio at that date, without including future new business.

## **METHODOLOGY FOR CALCULATING THE BEST ESTIMATE IN LIFE INSURANCE**

### **CONCEPT AND VALUATION METHODS FOR THE BEST ESTIMATE**

The best estimate is the economic value of the underwriting liabilities. The expected present value of insurance liabilities is determined on the basis of current and credible information and realistic assumptions. In life insurance, options and guarantees in insurance policies are taken into account during valuation. This is explained in more detail in the next section of this report.

The valuation method is to discount probability-weighted cash flows using the risk-free yield curve specified by EIOPA.

All incoming and outgoing cash flows of the insurance liabilities are taken into account in the calculation of the best estimate. These include all payments to policyholders and beneficiaries, including future profit participation, all expenses incurred for acquisitions, administration, investment management and claims settlement, all premium payments and all premium-related cash flows.

### **OPTIONS AND GUARANTEES IN LIFE INSURANCE AND SLT HEALTH INSURANCE**

The value of options and guarantees in the policies is included when calculating technical provisions for life insurance. Assumptions are chosen realistically considering the probability that policyholders will exercise their policy options, such as right to cancel, surrender or waive the premium of the policy. The influence of the past and future economic conditions and management rules are taken into account when determining this probability.

In life insurance, the value of the financial options and guarantees is determined using Monte Carlo simulations over an appropriate number of economic scenarios. The financial options and guarantees in SLT health insurance are not valued due to materiality reasons.

### **FUTURE MANAGEMENT MEASURES**

The profit sharing between policyholders and shareholders is highly important when determining the best estimate. Management makes this decision taking into account statutory requirements, such as the Austrian Profit Sharing Regulation (Gewinnbeteiligungsverordnung). When determining the best estimate, assumptions about management decisions are also considered.

The purpose of the management rules is to allow an economic valuation based on the current legal, economic and political environment.

## **METHODOLOGY FOR CALCULATING THE BEST ESTIMATE IN NON-LIFE INSURANCE**

The best estimate for non-life insurance consists of two modules, the claims reserve and the premium reserve.

### **VALUATION METHODS FOR THE BEST ESTIMATE OF THE CLAIMS RESERVE**

The best estimate of the claims reserve is determined at least at the line of business level in accordance with Solvency II, but to increase portfolio homogeneity, a more granular segmentation is used in some cases. Numerous triangle methods are first used before a decision is made as to the most appropriate method. The chain-ladder method is frequently used, or models similar to the chain-ladder method.

### **VALUATION METHODS FOR THE BEST ESTIMATE OF THE PREMIUM RESERVE**

The method for determining the best estimate of the premium reserve is largely uniform within VIG Group and is based on the combined ratio approach or modelling of premium reserves for some companies based on expected cash flows. A calculation of this form is prescribed as a minimum requirement for all companies that use the partial internal model ("PIM").

## **METHODOLOGY FOR CALCULATING THE RISK MARGIN**

The calculation of the risk margin is based on the assumption that the entire portfolio of insurance and reinsurance obligations is transferred to another insurance or reinsurance company, called the reference undertaking. Therefore, the risk margin corresponds to the cost of capital necessary to provide eligible own funds equal to the solvency capital requirement. The risk margin calculation takes into account the risk-mitigating effect of reinsurance contracts, broken down in the individual lines of business, and assumes minimal market risk.

Solvency II provides the cost of capital approach for calculating the risk margin. In this case, the solvency capital requirement is multiplied in any future time with a cost of capital of 6% and then discounted and aggregated. For discounting, the risk-free basic interest rate is used.

## **METHOD FOR CALCULATING REINSURANCE RECOVERABLES**

Under Solvency II, the best estimate is calculated before reinsurance recoverables are deducted. Reinsurance recoverables are valued separately and reported on the asset side of the economic balance sheet.

The valuation differs within the individual companies. In some companies, the reinsurers' share is directly modelled and in other companies the difference between gross and net reserves is used.

Counterparty default risk is taken into account when calculating the reinsurance recoverables. This is intended to take into account the expected loss resulting from the default of the counterparty. The calculation is performed separately for each counterparty and for each line of business. The calculation is based on an assessment of the probability of default of the counterparty and the ability of the counterparty to recover from this.

In non-life insurance, the counterparty default risk is determined separately for the premium and claim reserves.

## **METHODOLOGY FOR CALCULATING THE EXPECTED PROFIT INCLUDED IN FUTURE PREMIUMS (EPIFP)**

The expected profit included in future premiums comes from the gains or losses included in the future expected premiums for existing insurance and reinsurance contracts. Methods similar to those used to calculate the best estimate are applied.

## **METHOD FOR THE CONSOLIDATION OF UNDERWRITING PROVISIONS AT THE GROUP LEVEL**

Consolidation of technical provisions at the Group level is performed by adding the results of the individual companies and eliminating intragroup transactions ("IGT"). IGT are considered to be internal reinsurance business which has been ceded and assumed. For companies that do not fall within the scope of Solvency II, the technical provisions from the IFRS consolidated financial statements are used.

The VIG Group result is reported in the Group currency, the euro. Within the consolidation, the individual results are therefore also converted to euro if the provided local currency of the individual company is different. The closing exchange rate on the valuation date is used for this purpose.

Since the risk margin is calculated after reinsurance, there are no consolidation effects due to the IGT and the sum of all individual results equals the VIG Group result.

## **SIMPLIFICATIONS**

### **BEST ESTIMATE**

Neither the EIOPA requirements nor VIG Group guidelines provide a simplification of the best estimate calculation for the life insurance and SLT health insurance.

However, an implicit simplification exists for some companies since exact coverage in the actuarial models is not 100% or some products can only be handled by the underlying calculation tools if they are simplified.

Simplifications are also performed in the non-life business in some companies. The balance sheet reserve was used as the best estimate in a few cases and for small portfolios. Depending on the materiality, annuities are not always considered separately.

#### RISK MARGIN

Determining the SCR at each future period taking into account the individual lines of business presents a great challenge. The individual companies use simplifications in accordance with EIOPA specifications. Approximations based on appropriate risk drivers for the future SCRs of the reference company are typically used for the calculation.

#### REINSURANCE RECOVERABLES

In life insurance, reinsurance is generally not explicitly included in the models that are used due to materiality reasons. Reinsurance recoverables are therefore generally not calculated using an explicit cash flow calculation, but instead with an approximation, such as a flat-rate cost factor.

Individual companies use an allocation based on statutory reserves to determine the reinsurance recoverables.

A simplification of the adjustment for counterparty default risk assumes the counterparty probability of default remains constant over the time.

#### SIMPLIFICATIONS FOR CONSOLIDATION

No simplifications were used for consolidation.

#### COMPARISON TO THE PREVIOUS YEAR

An overall view regarding changes in the best estimate must be used when comparing to the previous year, as a number of individual companies changed the line of business for reporting at the end of 2019. The same change can therefore also be seen at the Group level. The only changes made to the assumptions used during the reporting period were due to portfolio changes or economic conditions.

#### UNCERTAINTY IN THE BEST ESTIMATE CALCULATION

The models use historical data and information on the current market situation in order to adequately model the future development of the portfolio. The uncertainties are quantified to the greatest degree possible and taken into account by an appropriate parametrisation of the models.

Since most companies have a corresponding data and revaluation history, the degree of uncertainty in the best estimate calculation is satisfactory.

In addition, the application of the Solvency II regulation ensures an adequate capital base in the event of unexpected adverse economic developments.

#### ADJUSTMENTS AND APPLICATION OF TRANSITIONAL MEASURES

VIG Group uses the volatility adjustment specified in Article 77d of Directive 2009/138/EC. The quantitative effects of the volatility adjustment on the technical provisions, basic own funds, solvency capital requirement (SCR) and eligible own funds to meet the SCR are shown in the included quantitative reporting template (S.22.01.22).

Solvency with and without usage of the Volatility Adjustment as of 31 December 2019:

|  | With VA       | Without VA    |
|--|---------------|---------------|
| <i>in EUR '000</i>                             |               |               |
| Solvency II eligible own funds to meet the SCR | 7,657,465     | 7,565,848     |
| Solvency capital requirement (SCR)             | 3,651,903     | 3,688,481     |
| <b>Solvency ratio</b>                          | <b>209.7%</b> | <b>205.1%</b> |

The minimum capital requirement increases by TEUR 12,050 without applying the volatility adjustment. The eligible own funds to meet the MCR decrease in the same amount as the basic own funds.



The matching adjustment specified in Article 77b of Directive 2009/138/EC is not applied. Furthermore, neither the temporary risk-free yield curve in accordance with Article 308c of Directive 2009/138/EC nor the temporary withdrawal in accordance with Article 308d of Directive 2009/138/EC are applied.

## REVALUATION OF TECHNICAL PROVISIONS

### Revaluation and adjustment

|  | Published IFRS figures | Solvency II revaluation | 31/12/2019  |
|--|------------------------|-------------------------|-------------|
|  |                        |                         | Solvency II |
| in EUR '000  |                        |                         |             |
| Technical provisions   | 31,837,107             | -133,196                | 31,703,912  |
| Other technical provisions   | 48,969                 | -48,969                 | 0           |
| Technical provisions for unit-linked and index-linked life insurance | 8,115,999              | -2,563,230              | 5,552,769   |

The IFRS valuation of technical provisions is based on locally applicable accounting principles. A common feature of these is that they are based on a principle of prudence, while Solvency II aims for market-consistent valuation.

With respect to the revaluation between IFRS and Solvency II, it must be noted that for life insurance under Solvency II, hybrid products consisting of a unit-linked and index-linked insurance component and a traditional life insurance component, are shown in the line of business that contains the main part of the product. This causes a shift between lines of business, therefore the technical provisions are best analysed together for revaluation.

For more information about the valuation of the technical provisions under IFRS, please see the description on this subject in the accounting policies section of the Group Annual Report for 2019.

Under Solvency II, on the other hand, the methods described in the beginning of this section are used to value technical provisions.

## D.3 OTHER LIABILITIES

### NON-TECHNICAL PROVISIONS

There were no changes to recognition and valuation methods or estimates during the reporting period.

### Revaluation and adjustment

|  | Published IFRS figures | Solvency II revaluation | 31/12/2019     |
|--|------------------------|-------------------------|----------------|
|  |                        |                         | Solvency II    |
| in EUR '000                                |                        |                         |                |
| Provision for pension obligations          | 506,362                | 0                       | 506,362        |
| Provision for severance obligations        | 104,751                | 0                       | 104,751        |
| Provisions for anniversary benefits        | 25,671                 | 0                       | 25,671         |
| Other personnel provisions                 | 11,546                 | 0                       | 11,546         |
| Provisions other than technical provisions | 283,228                | -1,355                  | 281,873        |
| <b>Total</b>                               | <b>931,558</b>         | <b>-1,355</b>           | <b>930,204</b> |

### PROVISIONS FOR PENSIONS AND SEVERANCE OBLIGATIONS

Provisions for pensions and severance obligations are calculated in accordance with the provisions of IAS 19 under IFRS and Solvency II.

The present value of the defined benefit obligation (DBO) is calculated for the pension obligations. Calculation of the DBO is performed using the projected unit credit method. In this method future payments calculated based on realistic assumptions are accrued linearly over the period in which the beneficiary acquires these entitlements. The necessary provision amount is calculated for the relevant balance sheet date using actuarial reports that have been provided for 31 December 2019.

The severance obligations are calculated using the projected unit credit method. Under this method, the sum of the present values of future payments is calculated up to the point in time when the claims reach their highest value. The calculation for the balance sheet date in question is based on an actuarial report.

The calculations are based on the following assumptions:

| Assumptions   | 31/12/2019   |               |
|---|--------------|---------------|
|   | Pension      | Severance pay |
| Discount rate                                       | 0.75%        | 0.75%         |
| Pension increases                                   | 2.00%        |               |
| Pension and salary increases                        | 2.00%        | 2.00%         |
| Employee turnover rate (age-dependent)              | 0%-4%        | 0%-5.5%       |
| Retirement age, women (transitional arrangement)    | 62+          | 62+           |
| Retirement age, men (transitional arrangement)      | 62+          | 62+           |
| Life expectancy (for employees, in accordance with) | (AVÖ 2018-P) | (AVÖ 2018-P)  |

## PENSION OBLIGATIONS

Plan assets had the following breakdown as at 31 December 2019:

|   | Value          | Share      |
|---|----------------|------------|
|   | in EUR '000    | in %       |
| <b>Wiener Städtische Versicherung &amp; Vienna Insurance Group</b>                |                |            |
| Fixed-interest securities   | 307,700        | 88.33      |
| Loans   | 5,469          | 1.57       |
| Bank deposits   | 28,774         | 8.26       |
| Shares, supplementary capital, profit participation rights, participation capital | 6,410          | 1.84       |
| <b>Total</b>  | <b>348,353</b> | <b>100</b> |
| <b>Donau Versicherung</b>   |                |            |
| Fixed-interest securities   | 64,020         | 98.03      |
| Bank deposits   | 0              | 0.09       |
| Shares, supplementary capital, profit participation rights, participation capital | 1,267          | 1.88       |
| <b>Total</b>  | <b>65,286</b>  | <b>100</b> |

A portion of the direct pension obligations are administered as an occupational group insurance plan following conclusion of an insurance contract in accordance with § 93-98 VAG.

## SEVERANCE OBLIGATIONS

Plan assets had the following breakdown as at 31 December 2019:

|  | Value         | Share      |
|--|---------------|------------|
|  | in EUR '000   | in %       |
| <b>Wiener Städtische Versicherung &amp; Vienna Insurance Group</b> |               |            |
| Pension funds  | 65,423        | 100        |
| <b>Total</b>   | <b>65,423</b> | <b>100</b> |

A portion of the severance obligation was outsourced to an insurance company.

Anniversary benefit obligations are measured using the same calculation method described for severance obligations and the same calculation parameters.

The other (personnel) provisions are recognised at the value representing the best possible estimate of the expenditure needed to fulfil the obligation.

Liabilities with uncertain due dates or amounts that are not pension payment liabilities are reported in the provisions other than technical provisions item. They are recognised as liabilities if they are present obligations arising from past

events and it is probable that their settlement will require a future outflow of economic resources. Both IFRS and the valuation requirements under Solvency II require best estimate valuation. The revaluation shown was taken into account when determining the best estimate reserves.

## LIABILITIES

### Revaluation and adjustment

|  | Published IFRS figures | Solvency II revaluation | 31/12/2019       |
|--|------------------------|-------------------------|------------------|
|  |                        |                         | Solvency II      |
| in EUR '000  |                        |                         |                  |
| Deposits from reinsurers   | 63,656                 | 0                       | 63,656           |
| Derivatives  | 1,726                  | 0                       | 1,726            |
| Liabilities to financial institutions                                  | 215,418                | 0                       | 215,418          |
| Financial liabilities other than liabilities to financial institutions | 652,989                | 0                       | 652,989          |
| Insurance & intermediaries payables                                    | 836,074                | -86,376                 | 749,698          |
| Reinsurance payables   | 208,747                | -38,940                 | 169,807          |
| Payables (trade, not insurance)  | 334,477                | -4,141                  | 330,336          |
| <b>Total</b>   | <b>2,313,088</b>       | <b>-129,457</b>         | <b>2,183,631</b> |

For the reinsurance payables and insurance & intermediaries payables items, a valuation adjustment is performed under Solvency II for the liabilities that were taken into account in the calculation of the best estimate of underwriting reserves. Under Solvency II, therefore, only overdue amounts to insurance companies, intermediaries and reinsurers are reported. The revaluation differences shown above are the result of this valuation adjustment. Otherwise, an economic value is used for Solvency II valuation, which is equivalent to the IFRS balance sheet value (settlement amount).

Liabilities to reinsurers, liabilities to insurance companies and intermediaries and deposit liabilities are predominantly short-term in nature: TEUR 1,604,311 due in less than one year and TEUR 117,894 due in one to five years.

The other liabilities shown in the table are predominantly short-term in nature (due in less than one year or in one to five years).

## DEFERRED TAX LIABILITIES

### Revaluation and adjustment

|                          | Published IFRS figures | Solvency II revaluation | 31/12/2019  |
|--------------------------|------------------------|-------------------------|-------------|
|                          |                        |                         | Solvency II |
| in EUR '000              |                        |                         |             |
| Deferred tax liabilities | 262,202                | 605,892                 | 868,095     |

Deferred tax liabilities are income taxes that result from taxable temporary differences and must be paid in future periods.

Deferred taxes in the economic balance sheet are calculated by adding the deferred taxes in the IFRS balance sheet as specified in IAS 12 and the deferred taxes arising from temporary differences due to revaluation of the respective balance sheet items in the economic balance sheet. This results in the deferred taxes for the Solvency II bases compared to their respective tax bases.

Please also see section "D.1 Assets - Deferred tax assets" for information on the measurement and offsetting of deferred taxes.

The increase in deferred tax liabilities in the economic balance sheet is due in particular to the specific valuation of technical provisions in Solvency II and the realisation of hidden reserves for investments.

## ANY OTHER LIABILITIES, NOT ELSEWHERE SHOWN

### Revaluation and adjustment

|  | Published IFRS figures | Solvency II revaluation | 31/12/2019  |
|--|------------------------|-------------------------|-------------|
|  |                        |                         | Solvency II |
| in EUR '000                                |                        |                         |             |
| Any other liabilities, not elsewhere shown | 148,337                | -49,159                 | 99,178      |

This item includes all liabilities that are not included in other items on the liabilities side of the balance sheet.

Amounts are measured at economic value, which corresponds to the nominal value or settlement value. The revaluation differences between IFRS and Solvency II for the items shown above are mainly the result of accrued items that were adjusted in connection with the best estimate underwriting reserves calculation.

## D.4 ALTERNATIVE METHODS FOR VALUATION

### D.4.1 INVESTMENTS

VIG Group assigns all financial instruments measured at fair value to one of the levels of the IFRS 13 measurement hierarchy. As a result of the decentralised organisational structure of VIG Group, the individual subsidiaries are responsible for this fair value categorisation. This takes into account, in particular, the local knowledge of the quality of the individual fair values and any input parameters needed for model valuation.

The fair value of certain financial instruments, in particular bonds from countries without active capital markets and land and buildings, is determined using valuation models with input factors that are generally unobservable in the market. These models use, amongst others, transactions in inactive markets, expert reports and the structure of cash flows (Level 3).

The following table shows the methods used and the most important inputs for Level 3. The calculated fair values can be used for both recurring and non-recurring measurements.

| <b>Pricing method</b>      | <b>Used for</b>  | <b>Fair Value</b> | <b>Input parameters</b>  |
|----------------------------|--|-------------------|--|
| <b>Level 3</b>             |  |                   | <b>(un-)observable</b>   |
| Option pricing models      | Stock options  | Theoretical price | Share prices on the valuation date; volatilities; yield curve  |
| Market value method        | Property   | Appraisal value   | Real estate-specific income and expense parameters; capitalisation rate; data on comparable transactions |
| Discounted cash flow model | Property   | Appraisal value   | Real estate-specific income and expense parameters; discount rate; indexes                               |
| Multiples approach         | Shares   | Theoretical price | Company-specific earnings figures; typical industry multipliers  |
| Discounted cash flow model | Shares   | Theoretical price | Company-specific earnings figures; discount rate   |
| Share of capital           | Shares   | Book value        | Company-specific equity according to separate financial statements                                       |
| Amortised cost             | Fixed income instruments (illiquid bonds, policy loans, loans) with no observable input data for comparable assets | Book value        | Cost price; redemption price; effective yield  |

## SENSITIVITIES

With respect to the value of shares measured using a level 3 method (multiples approach), VIG Group assumes that alternative inputs and alternative methods do not lead to significant changes in value.

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

| <b>Property</b>             | <b>Fair Value</b> |
|-----------------------------|-------------------|
| <i>in EUR '000</i>          |                   |
| Fair value as at 31/12/2019 | 3,489,270         |
| Rental income -5%           | 3,368,915         |
| Rental income +5%           | 3,615,298         |
| Capitalisation rate -50bp   | 3,699,636         |
| Capitalisation rate +50bp   | 3,310,675         |
| Land prices -5%             | 3,455,139         |
| Land prices +5%             | 3,528,161         |

The most important bonds measured using a level 3 method in the financial instruments available for sale category are held by the Austrian, Czech and Polish companies and show the following sensitivities:

| <b>Financial instruments available for sale – bonds</b> | <b>Fair Value</b> |
|---|-------------------|
| <i>in EUR '000</i>                                      |                   |
| Fair value as at 31/12/2019                             | 337,198           |
| Rating-dependent spread +50bp                           | -6,172            |
| Effect on the statement of comprehensive income         | -6,172            |

## D.4.2 FINANCIAL LIABILITIES/OTHER LIABILITIES

IFRS book value is generally used as the fair value for all other liabilities, except for derivative liabilities and subordinated liabilities.

The alternative valuation methods are periodically checked for appropriateness.

## D.5 OTHER INFORMATION

There is no other significant information on the valuation of assets and liabilities for solvency purposes to be reported for the reporting period.

## E CAPITAL MANAGEMENT

In addition to the capital management process and guidelines for the distribution of own fund items, VIG Holding's capital management includes mainly the classification of economic capital. These are derived from the valuation of the economic balance sheet and represent the amount available to VIG Group to cover the Solvency Capital Requirement (SCR).

### E.1 OWN FUNDS

This section deals with the composition and management of own funds. First, the capital management process is discussed, followed by a comparison of Solvency II own funds and IFRS equity capital. The amounts of the individual own fund items are then presented for each quality class (Tier) along with their eligibility for the solvency capital requirement and the minimum capital requirement.

Capital management serves to ensure the compliance with legal and internal standards for the quality and quantity of capital in order to meet the solvency capital requirement and minimum capital requirement. The Group's solid capitalisation ensures the ongoing presence of the insurance operations in the future.

#### E.1.1 CAPITAL MANAGEMENT PROCESS

Group capital management is aimed at ensuring the financial flexibility and independence of the Group and its subsidiaries. A capital management guideline at the Group level and corresponding implementations at the local level are based on the following guiding principles:

- Ensuring ongoing existence and an adequate capital base
- The ability to fulfil obligations to policyholders at any time
- Management of the capital base, taking into account the internal economic view, from the perspective of local accounting, IFRS and Solvency II
- Maintaining a minimum solvency ratio of 125%

Plus the following at the Group level:

- Maintaining the target corridor of 170%-230% for the VIG Group solvency ratio
- Maintaining an appropriate capital structure at the Group level in order to optimise the cost of capital
- Observing internal capitalisation requirements for the rating

The basic capital management process includes at least the following three stages:



A risk-bearing capacity process takes place quarterly at the local and Group levels to review the appropriateness of the current capital base. Compliance with the internal risk tolerance, minimum solvency ratio of 125% and any solvency planning deviations are reviewed during this process. If own funds are considered insufficient, measures are implemented at the local or Group level, depending on the scope of the situation.

The future capital base and solvency position are monitored during the planning and ORSA process. This therefore takes place annually in its regular form and on an ad hoc basis when needed. The analysis of the future capital base is based on the own funds situation at the end of the years during the planning period (3 years). It takes into account VIG Holding's dividend policy, among other things, at the Group level, which provides for a dividend distribution in the range of 30% to 50% of the Group profit after taxes and non-controlling interests.

The results from the previous steps as well as the business, investment and risk strategy serve as the basis for capital management measures. In addition, the own funds must also satisfy the risk tolerance defined internally in addition to the regulatory principles. It may therefore be necessary to take capital measures even though the company is adequately covered from a regulatory perspective.

The capital management measures generally have the goal of maintaining a reasonable balance between the capital and the risk. Possible measures are documented in the medium-term capital management plan.

### E.1.2 DIFFERENCES BETWEEN IFRS EQUITY AND SUPPLEMENTARY CAPITAL AND SOLVENCY II OWN FUNDS

The following table shows the shareholders' equity under IFRS and the corresponding equity figure according to the economic balance sheet as well as the resulting own funds under Solvency II.

#### COMPARISON BETWEEN IFRS EQUITY AND SUPPLEMENTARY CAPITAL AND SOLVENCY II OWN FUNDS

|                                     | 31/12/2019       |                  |
|-------------------------------------|------------------|------------------|
|                                     | Solvency II      | IFRS             |
| in EUR '000                         |                  |                  |
| Assets                              | 49,608,683       | 50,344,924       |
| Liabilities excluding equity        | 42,923,831       | 45,154,230       |
| <b>Shareholders' equity</b>         | <b>6,684,852</b> | <b>5,190,693</b> |
| <b>Supplementary capital</b>        | <b>1,577,052</b> | <b>1,496,971</b> |
| Subordinated liabilities under IFRS | 1,577,052        | 1,496,971        |
| <b>Other effects</b>                | <b>-604,438</b>  |                  |
| <b>Solvency II own funds</b>        | <b>7,657,465</b> |                  |

### E.1.3 SCOPE OF CONSOLIDATION

Consolidated Solvency II Group own funds are determined by preparing a market-consistent consolidated economic balance sheet at the VIG Group level. This is based, in the first step, on the consolidated financial statements of the Group, which are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union, and the applicable commercial law provisions of § 245a of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB) and Chapter 7 of the Austrian Insurance Supervision Act (Versicherungsaufsichtsgesetz – VAG). The IFRS consolidated financial statements were prepared using the amortised cost accounting method, with the exception of financial instruments available for sale and certain financial assets and liabilities (including derivatives) which were measured at fair value.

When available, assets and liabilities in the economic balance sheet were valued based on market data. If this information is not available, the valuation is done by using alternative valuation models.

The main valuation differences between IFRS equity and consolidated Solvency II Group own funds are:

- goodwill and intangible assets are set to zero,
- land and buildings, participations, bonds and loans are recognised at fair value,
- technical provisions are recognised using the best estimate including risk margin, and
- deferred taxes on the above recognition and valuation differences, provided there are temporary differences in valuation.

As a further step, the impact of non-material shareholders (minority interests) is taken into account when examining the availability of own funds at the VIG Group level. In order to calculate the own funds based on the VIG Group consolidated economic balance sheet, minority interests in subsidiaries have to be adjusted based on the transferability provisions. Minority interests are included up to the amount of the contribution of the respective entity to the Group SCR.

The own funds items in Article 330 of Directive 2009/138/EC and Article 222 (2) to (5) of Delegated Regulation (EU) 2015/35 must also be reviewed for eligibility.



The core group of fully consolidated insurance companies revalued under Solvency II includes the following countries: Austria (including VIG Holding), Czech Republic (including VIG RE zajišťovna, a.s.), Slovakia, Poland, Romania, Germany, Croatia, Hungary, Bulgaria, Baltic states and Liechtenstein.

Due to non-availability of information, the exemption provided for in Article 229 of Directive 2009/138/EC is used for the following companies:

- Non-consolidated insurance companies in third countries
- Fully consolidated insurance companies and insurance holding companies in the following third countries: Ukraine, Turkey, Serbia, Albania, Kosovo, Macedonia, Georgia, Bosnia and Moldova
- At equity consolidated companies and other participations with an interest of more than 50% and classified as ancillary service companies included in the IFRS consolidated financial statements
- Participations in financial institutions with a significant influence are recognised with a proportionate share of the sectoral own funds.

In accordance with Article 229 of the Solvency II Directive, these companies are deducted from the own funds eligible for VIG Group solvency (book value deduction).

#### E.1.4 RECONCILIATION OF IFRS EQUITY AND SOLVENCY II OWN FUNDS

The consolidated Solvency II own funds of VIG Group are determined using a reconciliation based on the IFRS consolidated financial statements. The IFRS equity is adjusted to take into account the valuation differences between IFRS values and fair values under Solvency II. The minority interests in the IFRS consolidated financial statements are replaced by the maximum eligible minority interests under Solvency II. The minority interests are included up to the amount of their contribution to the Group SCR.

#### RECONCILIATION OF IFRS EQUITY AND SOLVENCY II OWN FUNDS

|  | <b>31/12/2019</b> |
|--|-------------------|
| <i>in EUR '000</i>   |                   |
| IFRS equity (including minority interests)                   | 5,190,693         |
| Deconsolidation of social building societies                 | -99,836           |
| Supplementary capital  | 1,577,052         |
| Foreseeable dividends  | -147,200          |
| <b>Subtotal</b>  | <b>6,520,709</b>  |
| <b>Revaluations assets/liabilities</b>                       |                   |
| Intangible assets  | -1,939,578        |
| Self-used property   | 304,697           |
| Investments  | 1,815,834         |
| Loans  | 62,013            |
| Receivables/liabilities                                      | -150,800          |
| Technical provisions/reinsurers' share                       | 2,327,268         |
| Deferred taxes   | -614,001          |
| Other  | -91,738           |
| Other assets/liabilities                                     | -119,701          |
| <b>Total revaluations assets/liabilities</b>                 | <b>1,593,994</b>  |
| Credit and financial institutions                            | -86,359           |
| Non-transferable minority interests                          | -156,960          |
| Non-transferable deferred taxes                              | -11,378           |
| Solvency II scope (Art. 229 of Directive 2009/138/EC)        | -283,213          |
| <b>Own funds before taking account of sectoral own funds</b> | <b>7,576,793</b>  |
| Sectoral own funds   | 80,672            |
| <b>Total Solvency II own funds</b>                           | <b>7,657,465</b>  |

In addition to the relatively clearly defined amount of supplementary capital, the valuation differences on the asset and liabilities sides are of key importance in the increase or change in own funds under Solvency II compared to IFRS. While the valuation differences on the asset side are strongly driven by current market prices and are consequently relatively

easily verified by third parties, this is not necessarily the case for the changes on the liabilities side, in particular the technical provisions. It is therefore important for the planning and management of the Company that the methods and processes for calculating these technical provisions are appropriate and can be permanently satisfied/performed.

The actuarial function confirms in its annual report that the calculation of the technical provisions is performed for all individual companies in accordance with the requirements of Solvency II, is market consistent and in line with the international developments in accounting and supervision. It is ensured that valuation measures that allow market-consistent valuation in accordance with the Solvency II principles are chosen to calculate the best estimate of liabilities and that all risks are adequately taken into account. When needed, simplifications are carried out in relation to the nature, scope and complexity of the risk.

With respect to the Group calculation, it is ensured that all of the risks attributable to VIG Group are taken into account. Internal guidelines are appropriately and uniformly used within VIG Group for the recognition and valuation of balance sheet items. Intragroup transactions are eliminated in accordance with EIOPA requirements when calculating VIG Group own funds.

The actuarial function currently assumes that the quality of the data and methods used will also be ensured in future quarterly and annual valuations.

The risks currently associated with the calculation of technical provisions are operational in nature and include the following risks in particular:

- Insufficient human resources
- Model and data quality risk
- Process and organisation risk
- Human error

As a rule, the risk of insufficient human resources can never be ruled out and must be taken into account by the actuarial department due to its specialisation. Nevertheless, measures such as successor planning and the possibility of intragroup support services reduce the risk to an acceptable level. Process and organisational risks and human error are reduced by an effective control system. Based on the current situation, the risk of poor data quality and inappropriate models and methods is low. There is currently no reason to expect a change in the current risk situation.

The following table shows the intragroup transactions with companies in other financial sectors:

| Company                                     | Transaction type                         | Transaction volume |
|---|--|--------------------|
| <i>in EUR '000</i>                          |  |                    |
| Pension Assurance Company Doverie AD, Sofia | Liabilities for unpaid incoming invoices | 5                  |
| Pension Assurance Company Doverie AD, Sofia | Dividend distribution                    | 6,051              |

In the case of Doverie AD, Sofia, the intragroup transactions shown are first eliminated during consolidation. To calculate the Solvency II Group own funds, deconsolidation is then performed and a proportionate share of sectoral own funds is recognised. Taking the intragroup transactions above into account would have no material effect on the amount of Solvency II Group own funds.

For the following financial companies in other sectors:

- VBV - Betriebliche Altersvorsorge AG (Vienna)
- ERSTE d.o.o. - za upravljanje obveznim i dobrovoljnim mirovinskim fondovima (Zagreb)
- DV Asset Management EAD (Sofia)
- DV Invest EAD (Sofia)

no elimination of intragroup transactions is performed.

### E.1.5 SOLVENCY II OWN FUNDS BASED ON THE PARTIAL INTERNAL MODEL (PIM)

As a rule, it is assumed that all own funds can be used to cover losses. There are, however, various types of own funds, so under Solvency II they are divided into three classes, called tiers, based on their quality. The highest quality own funds are Tier 1 capital. These are own funds that are always available to the company, such as core equity capital or own funds from revaluation. On the other hand, the availability of Tier 2 and Tier 3 own funds, such as limited-term supplementary capital bonds, is partially restricted.

In particular, the distribution of own funds to tiers under Solvency II is relevant because there are certain restrictions with respect to their eligibility for the regulatory solvency requirement. For example, at least 50% of the solvency requirement must be covered by Tier 1 capital and at most 15% of the requirement by own funds in the lowest quality Tier 3 classification.

VIG Group follows the Solvency II classification to cover the solvency requirement and, as a rule (e.g. also with respect to the Standard & Poor's rating), aims to limit hybrid and supplementary capital to less than 25% of own funds. As a rule, there is therefore no reason to fear that the regulatory Solvency II limits will not be met. The table below shows the structure of VIG Group own funds:

#### QUALITY OF OWN FUNDS

|                              | 31/12/2019                    |                            |
|------------------------------|-------------------------------|----------------------------|
|                              | Absolute value<br>in EUR '000 | Share of own funds<br>in % |
| <b>Tier 1</b>                | <b>6,151,554</b>              | <b>80.33</b>               |
| Tier 1 – unrestricted        | 6,031,176                     | 78.76                      |
| Tier 1 – restricted          | 120,378                       | 1.57                       |
| <b>Tier 2</b>                | <b>1,456,673</b>              | <b>19.02</b>               |
| <b>Tier 3</b>                | <b>49,238</b>                 | <b>0.64</b>                |
| <b>Solvency II own funds</b> | <b>7,657,465</b>              | <b>100</b>                 |

## E.1.6 COMPOSITION AND CHANGES TO SOLVENCY II OWN FUNDS

The following tables show the composition of eligible Group own funds and their respective classification in tiers as at 31 December 2019, a comparison with the previous year and the change for each tier:

### COMPOSITION OF SOLVENCY II OWN FUNDS 31/12/2019

|                                   |                          |                        |                  |               | 31/12/2019       |
|-----------------------------------|--------------------------|------------------------|------------------|---------------|------------------|
|                                   | Tier 1 –<br>unrestricted | Tier 1 –<br>restricted | Tier 2           | Tier 3        | Total            |
| in EUR '000                       |                          |                        |                  |               |                  |
| Share capital                     | 132,887                  |                        |                  |               | 132,887          |
| Share premium account             | 2,109,003                |                        |                  |               | 2,109,003        |
| Surplus funds                     | 252,781                  |                        |                  |               | 252,781          |
| Reconciliation reserve            | 3,781,650                |                        |                  |               | 3,781,650        |
| Supplementary capital             |                          | 120,378                | 1,456,673        |               | 1,577,052        |
| Net deferred tax assets           |                          |                        |                  | 60,616        | 60,616           |
| Eligible minority interests       | 200,715                  |                        |                  |               | 200,715          |
| Non-transferable own funds        | -440,173                 |                        |                  | -11,378       | -451,551         |
| Credit and financial institutions | -5,687                   |                        |                  |               | -5,687           |
| <b>Total</b>                      | <b>6,031,176</b>         | <b>120,378</b>         | <b>1,456,673</b> | <b>49,238</b> | <b>7,657,465</b> |

### COMPOSITION OF SOLVENCY II OWN FUNDS 31/12/2018

|                                   |                          |                        |                  |               | 31/12/2018       |
|-----------------------------------|--------------------------|------------------------|------------------|---------------|------------------|
|                                   | Tier 1 –<br>unrestricted | Tier 1 –<br>restricted | Tier 2           | Tier 3        | Total            |
| in EUR '000                       |                          |                        |                  |               |                  |
| Share capital                     | 132,887                  |                        |                  |               | 132,887          |
| Share premium account             | 2,109,003                |                        |                  |               | 2,109,003        |
| Surplus funds                     | 246,638                  |                        |                  |               | 246,638          |
| Reconciliation reserve            | 3,844,206                |                        |                  |               | 3,844,206        |
| Supplementary/hybrid capital      |                          | 118,577                | 1,430,102        |               | 1,548,679        |
| Net deferred tax assets           |                          |                        |                  | 81,150        | 81,150           |
| Eligible minority interests       | 224,292                  |                        |                  |               | 224,292          |
| Non-transferable own funds        | -427,980                 |                        |                  | -13,883       | -441,864         |
| Credit and financial institutions | -10,598                  |                        |                  |               | -10,598          |
| <b>Total</b>                      | <b>6,118,447</b>         | <b>118,577</b>         | <b>1,430,102</b> | <b>67,267</b> | <b>7,734,393</b> |

### CHANGE IN OWN FUNDS BY TIER

|                                     | Tier 1 –<br>unrestricted | Tier 1 –<br>restricted | Tier 2        | Tier 3         | Total          |
|-------------------------------------|--------------------------|------------------------|---------------|----------------|----------------|
| in EUR '000                         |                          |                        |               |                |                |
| Eligible Group own funds 31/12/2019 | 6,031,176                | 120,378                | 1,456,673     | 49,238         | 7,657,465      |
| Eligible Group own funds 31/12/2018 | 6,118,447                | 118,577                | 1,430,102     | 67,267         | 7,734,393      |
| <b>Change</b>                       | <b>-87,272</b>           | <b>1,801</b>           | <b>26,571</b> | <b>-18,029</b> | <b>-76,928</b> |

VIG Group currently has basic own fund items and Group internal ancillary own funds (for further information on ancillary own funds see Chapter A. TRANSACTIONS WITHIN VIG GROUP).

VIG Group has no own fund items with Tier 1 quality that are of the type “paid-in subordinated member accounts of mutual insurance associations”, “paid-in preferred shares and related share premium account” or “paid-in subordinated liabilities”, within the meaning of Article 71 (1) (e) of Delegated Regulation (EU) 2015/35, and there are therefore no disclosures to make regarding the capital adjustment mechanisms for these own fund items.

Eligible own funds decreased by TEUR 76,928 during the reporting period. On the one hand, this was due to decreases of TEUR 87,272 in unrestricted Tier 1 own funds and TEUR 18,029 in Tier 3 own funds. At the same time, there were increases of TEUR 1,801 in restricted Tier 1 own funds and TEUR 26,571 in Tier 2 own funds.

The performance of investments had a positive effect on unrestricted Tier 1 own funds. Negative effects were mainly caused by the change in technical reserves due to the increase in best estimate reserves (primarily in the life and health insurance business), in particular due to the change in yield curves (lower yield curve) in the 2019 reporting year.

The decrease in Tier 3 own funds was primarily due to a decrease in deferred tax assets.

### E.1.7 RECONCILIATION RESERVE

| <b>Composition</b>   | <b>31/12/2019</b> |
|--|-------------------|
| <i>in EUR '000</i>   |                   |
| <b>Revaluation of assets (including reinsurers' share)</b> | <b>-736,241</b>   |
| Solvency II revaluation                                    | -736,241          |
| <b>Revaluation of technical provisions</b>                 | <b>2,492,614</b>  |
| Solvency II revaluation                                    | 2,492,614         |
| <b>Revaluation of other liabilities</b>                    | <b>-514,994</b>   |
| Solvency II revaluation                                    | -514,994          |
| <b>IFRS reserves and retained profits brought forward</b>  | <b>2,948,803</b>  |
| <b>Solvency II minority interests</b>                      | <b>-200,715</b>   |
| <b>Net deferred tax assets</b>                             | <b>-60,616</b>    |
| <b>Planned profit distribution</b>                         | <b>-147,200</b>   |
| <b>Total</b>   | <b>3,781,650</b>  |

The reconciliation reserve equals the total excess of assets over liabilities reduced by the items indicated in Article 70 of Delegated Regulation (EU) 2015/35.

### E.1.8 SUPPLEMENTARY CAPITAL

The classification of supplementary capital takes place in accordance with the transitional provisions in Article 308b (9) and (10) letter b of Directive 2009/138/EC (§ 335 (9) and (10) VAG 2016). Based on this, supplementary capital with an unlimited term falls under Tier 1. Due to less availability, limited-term supplementary capital is classified in Tier 2. Further details on the supplementary capital is provided in the following tables:

#### CLASSIFICATION OF SUPPLEMENTARY CAPITAL

| Tier category                             | Issuing company              | Issue date       | Outstanding volume | Term      | Interest  | Fair value       |
|---|------------------------------|------------------|--------------------|-----------|---|------------------|
|   |                              |                  | in EUR '000        | in years  | in %  | in EUR '000      |
| Tier 1                                    | DONAU Versicherung           | 15/4 + 21/5/2004 | 9,500              | unlimited | 4.95% p.a.                                      | 10,374           |
| Tier 1                                    | DONAU Versicherung           | 01/07/1999       | 1,500              | unlimited | 4.95% p.a.                                      | 1,614            |
| Tier 1                                    | Wiener Städtische            | 01/03/1999       | 12,000             | unlimited | 4.90% p.a.                                      | 13,715           |
| Tier 1                                    | Wiener Städtische            | 02/07/2001       | 16,100             | unlimited | 6.10% p.a.                                      | 18,970           |
| Tier 1                                    | Wiener Städtische            | 15/11/2003       | 19,150             | unlimited | 4.95% p.a.                                      | 21,793           |
| Tier 1                                    | Wiener Städtische            | 30/06/2006       | 34,700             | unlimited | 4.75% p.a.                                      | 38,872           |
| Tier 1                                    | Kooperativa (Czech Republic) | 22/12/2010       | 21,647             | unlimited | 5.05% p.a.                                      | 21,317           |
| <b>Total Tier 1</b>                       |                              |                  | <b>114,597</b>     |           |   | <b>126,654</b>   |
| Tier 2                                    | Vienna Insurance Group       | 09/10/2013       | 500,000            | 30        | First 10 years: 5.5% p.a.; afterwards variable  | 538,722          |
| Tier 2                                    | Vienna Insurance Group       | 02/03/2015       | 400,000            | 31        | First 11 years: 3.75% p.a.; afterwards variable | 417,276          |
| Tier 2                                    | Vienna Insurance Group       | 13/04/2017       | 200,000            | 30        | First 10 years: 3.75% p.a.; afterwards variable | 207,831          |
| Tier 2                                    | Wiener Städtische            | 11/05/2017       | 250,000            | 10        | 3.50% p.a.                                      | 263,186          |
| <b>Total Tier 2</b>                       |                              |                  | <b>1,350,000</b>   |           |   | <b>1,427,015</b> |
| <b>Total (not incl. accrued interest)</b> |                              |                  | <b>1,464,597</b>   |           |   | <b>1,553,669</b> |
| Accrued interest                          |                              |                  |                    |           |   |                  |
| Eligible as own funds                     |                              |                  | 29,934             |           |   | 29,934           |
| Not eligible as own funds                 |                              |                  | 2,440              |           |   | 2,440            |
| <b>Total (incl. accrued interest)</b>     |                              |                  | <b>1,496,971</b>   |           |   | <b>1,586,043</b> |

In accordance with the regulatory provisions of Solvency II, the supplementary capital is reported including accrued interest as of 31 December 2019.

#### CLASSIFICATION OF SUPPLEMENTARY CAPITAL

|   | Fair value       |
|---|------------------|
| in EUR '000                               |                  |
| Tier 1 supplementary capital              | 126,654          |
| <b>Tier 1 subtotal</b>                    | <b>126,654</b>   |
| Tier 2 supplementary capital              | 1,427,015        |
| <b>Total (not incl. accrued interest)</b> | <b>1,553,669</b> |

### E.1.9 NON-TRANSFERABLE OWN FUNDS

Group own funds are calculated taking into account the regulatory provisions on transferability restriction. According to these provisions, the own funds items of an affiliated company that cannot effectively be made available to VIG Group are considered eligible restricted own funds. The transferability restrictions only concern the own funds of subsidiaries. The own funds of the ultimate parent company are 100% transferable.

The following own funds items are classified as non-transferable based on the transferability restriction:

- Minority interests
- Own funds from participations in companies in non-EEA countries
- Net deferred tax assets where the requirements for offsetting are not satisfied
- Other participations in accordance with Art. 229 of Directive 2009/138/EC.

At the VIG Group level, the change in equity, including transferability of own funds, is regularly reported and assessed by the risk committee.

The following deductions were taken into account with respect to the eligibility of solo company own funds in terms of availability and transferability at the VIG Group level:

|  | <u>31/12/2019</u> |
|--|-------------------|
| in EUR '000  |                   |
| Third country non-transferability  | 138,200           |
| Non-transferable deferred tax assets                                     | 11,378            |
| <b>Subtotal</b>  | <b>149,578</b>    |
| Non-transferable Solvency II minority interests                          | 156,960           |
| Other participations as specified in Art. 229 of the Framework Directive | 145,013           |
| <b>Non-transferable own funds</b>  | <b>451,551</b>    |

### E.1.10 ELIGIBLE OWN FUNDS

The eligibility of VIG Group own funds items was examined taking into account the current solvency capital and minimum capital requirements. The own fund items of all quality levels (Tier 1, 2 and 3) are eligible for covering the SCR, but are subject to quantitative limits under Article 82 (1) of Delegated Regulation 2015/35:

- Tier 1 own funds  $\geq$  50% SCR
- Tier 3 own funds  $<$  15% SCR
- Tier 2 + Tier 3 own funds  $\leq$  50% SCR

Only own fund items in the Tier 1 and Tier 2 quality classes are eligible for covering the MCR. In accordance with Article 82 (2) of Delegated Regulation 2015/35, these eligible own funds are subject to the following quantitative limits:

- Tier 1 own funds  $\geq$  80% MCR
- Tier 2 own funds  $\leq$  20% MCR

In accordance with Article 82 (3) of Delegated Regulation 2015/35, own fund items with Tier 1 quality have to satisfy additional quantitative limits. Total paid-in preferred shares, including the share premium account, with Tier 1 quality and paid-in subordinated liabilities with Tier 1 quality (due to transitional rules and without) may not represent more than 20% of the total Tier 1 own funds.

In the case of VIG Group, this means Tier 1 supplementary capital (based on transitional provisions)  $\leq$  20% of Tier 1 own funds.

There are no limits with regard to the eligibility of own funds to cover the Group SCR.

## ELIGIBLE OWN FUNDS TO MEET THE SCR

|              | <u>31/12/2019</u> |
|--------------|-------------------|
| in EUR '000  |                   |
| Tier 1       | 6,151,554         |
| Tier 2       | 1,456,673         |
| Tier 3       | 49,238            |
| <b>Total</b> | <b>7,657,465</b>  |

The eligible VIG Group own funds to cover the MCR are TEUR 6,470,654. TEUR 1,106,139 in Tier 2 and Tier 3 own funds were deducted when the limits were checked. This is because by definition Tier 2 own funds eligible for covering the MCR may not exceed 20% of the MCR and no Tier 3 own funds are eligible.

## ELIGIBLE OWN FUNDS TO MEET THE MCR

|                                   | <u>31/12/2019</u> |
|-----------------------------------|-------------------|
| in EUR '000                       |                   |
| Tier 1 (excl. sectoral own funds) | 6,070,882         |
| Tier 2                            | 399,772           |
| <b>Total</b>                      | <b>6,470,654</b>  |

## E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

The own funds requirements of the VAG require insurance companies and insurance groups to periodically calculate a solvency capital requirement (SCR) and minimum capital requirement (MCR). These determine the amount of own funds that VIG Group requires in order to ensure ongoing compliance with all obligations.

The solvency capital requirement corresponds to a required level of capital that will put VIG Group in a position to absorb unforeseen losses taking into account the loss-absorbing capacity of deferred taxes. The SCR is calculated using risk-based models and represents the capital that would be needed to cover a loss occurring only once in 200 years. In accordance with statutory requirements, the loss-absorbing capacity of deferred taxes at the Group level is determined using a pro rata share of each company's loss-absorbing potential, which is mainly based on its net tax liability.

The minimum capital requirement represents the minimum level of own funds that a group must maintain under all circumstances.

Both key figures (SCR and MCR) are determined either on the basis of a Europe-wide standard formula or - if approved by the supervisory authority - using a (partial) internal model. The Group has developed a partial internal model for the non-life and property risk areas, and it obtained the corresponding approval before Solvency II became effective. The solvency capital calculations are therefore calculated and reported using this proprietary risk model.

### E.2.1 SOLVENCY CAPITAL REQUIREMENT

Based on the calculated solvency capital requirement and own funds, VIG Group had the following SCR coverage ratio as of 31 December 2019:

| <b>Solvency capital requirement and its coverage based on the PIM</b> | <u>31/12/2019</u> | <u>31/12/2018</u> |
|---|-------------------|-------------------|
| in EUR '000   |                   |                   |
| Solvency II own funds to meet the SCR                                 | 7,657,465         | 7,734,393         |
| Solvency capital requirement (SCR)                                    | 3,651,903         | 3,240,995         |
| <b>Solvency ratio</b>   | <b>209.7%</b>     | <b>238.6%</b>     |

The following table shows the composition of the solvency capital requirement by risk module calculated based on the partial internal model taking into account statutory transitional measures.



| <b>Description of the solvency capital requirement based on the PIM</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|---|-------------------|-------------------|
| <i>in EUR '000</i>  |                   |                   |
| Basic solvency capital requirement                                      | 4,511,500         | 4,540,001         |
| Market risk   | 3,293,790         | 3,072,486         |
| Counterparty default risk   | 352,891           | 325,685           |
| Life underwriting risk  | 1,497,497         | 2,082,422         |
| Health underwriting risk  | 563,831           | 325,504           |
| Non-life underwriting risk  | 748,703           | 668,757           |
| Intangible asset risk   | 0                 | 0                 |
| Diversification   | -1,945,212        | -1,934,853        |
| Operational risk  | 325,087           | 315,616           |
| Loss absorbing capacity of technical provisions                         | -854,459          | -1,263,650        |
| Loss absorbing capacity of deferred taxes                               | -435,195          | -446,048          |
| Other capital requirements  | 104,971           | 95,076            |
| <b>Solvency capital requirement</b>                                     | <b>3,651,903</b>  | <b>3,240,995</b>  |

The VIG Group solvency capital requirement was TEUR 3,651,903 as at 31 December 2019 (31/12/2018: TEUR 3,240,995). The SCR increased compared to the previous year, primarily due to the reduction in the loss absorbing capacity of technical provisions.

No company-specific parameters in accordance with Article 104 (7) of Directive 2009/138/EC were used in the calculation. For the determination of the risk-mitigating effect of reinsurance contracts, which is relevant for the calculation of the counterparty default risk, the simplification in accordance with Article 107 of the Delegated Regulation (EU) 2015/35 was applied.

## E.2.2 MINIMUM CAPITAL REQUIREMENT

The VIG Group minimum capital requirement is determined based on the minimum capital requirements of the (re-)insurance companies that are consolidated when determining the capital requirement of the Group. The minimum solvency ratio is equal to the own funds eligible for covering the MCR divided by the MCR. The following coverage ratio was calculated for 31 December 2019:

| <b>Minimum capital requirement and coverage based on PIM</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|--|-------------------|-------------------|
| <i>in EUR '000</i>   |                   |                   |
| Solvency II own funds to meet the MCR                        | 6,470,654         | 6,515,813         |
| Solvency capital requirement (MCR)                           | 1,998,861         | 1,750,974         |
| <b>MCR coverage ratio</b>                                    | <b>323.7%</b>     | <b>372.1%</b>     |

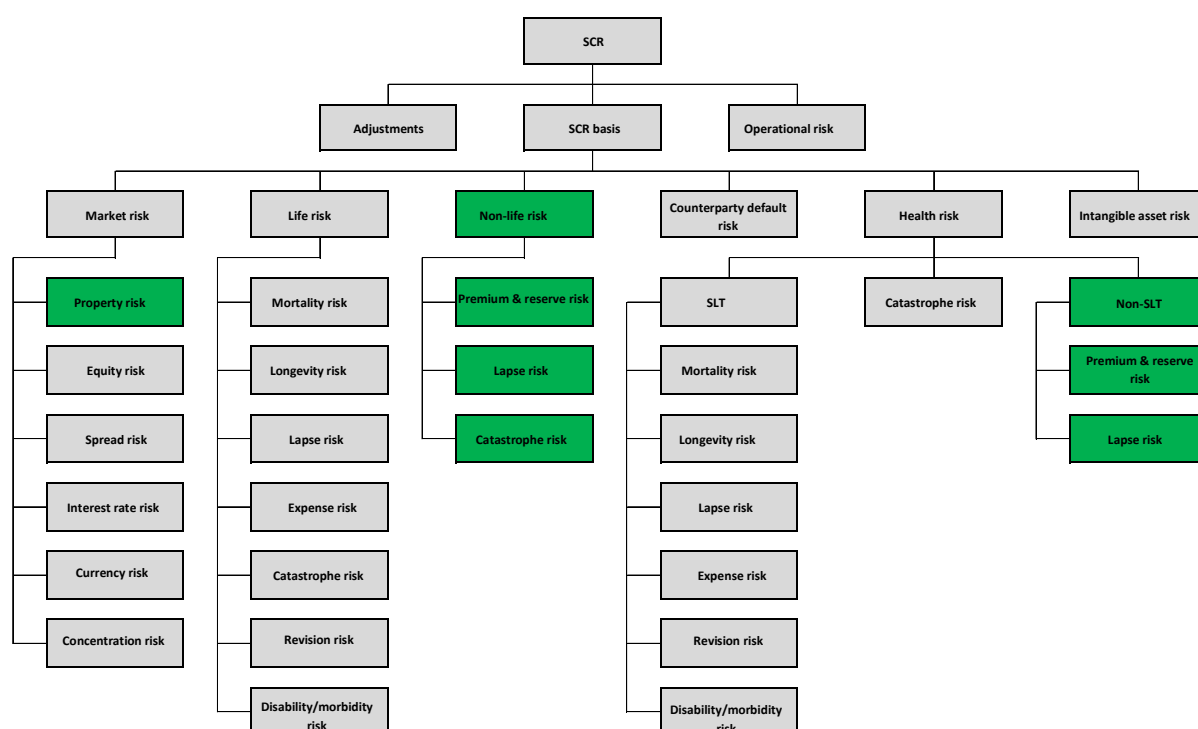
The difference between the own funds that are eligible to cover the SCR and the own funds available to cover the minimum capital requirement results from a regulatory limit for the eligibility of Tier 2 own fund items. The MCR can only be covered with 20% of Tier 2 capital. Any amount above is not deemed eligible to cover the MCR. Sectoral own funds resulting from participations in other financial sectors are also ineligible.

## E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

VIG Group does not use the duration-based equity risk sub-module specified in Article 304 of Directive 2009/138/EC when calculating the solvency capital requirement.

## E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

The following chart shows the risk modules prescribed by Solvency II (“SCR tree”). The risk categories calculated with partial internal models are highlighted in green colour:



The aggregation and diversification effects follow the specifications of the standard formula. The application, structure and methodology of the model and integration of the partial internal model are described in the sections below.

### E.4.1 THE NON-LIFE MODEL

The model covers all material underwriting risks in the non-life insurance business and is used in VIG Group for several purposes, including the following:

- To support key business decisions using scenario calculations for key performance indicators (premium growth, loss ratios, loss/expense ratio, underwriting result etc.) and their expected volatility (risk); and decision-making (e.g. the purchase of reinsurance)
- To calculate the solvency capital requirement
- To estimate the impact of the planning on the solvency capital requirement

The calculated solvency capital requirement corresponds to the value-at-risk for a change in economic own funds with a confidence level of 99.5% over a period of one year.

The model allows a one-year modelling of the underwriting result in the non-life insurance business using a Monte Carlo simulation. In this simulation, a multitude of possible scenarios is generated based on a random number generator. A possible realisation of profit and loss items is estimated (premiums, losses, etc.) for each scenario on gross and net of reinsurance level. These scenarios are based on a simulated portfolio development (parametrisation of ongoing business, new business, cancellations). The model takes into account the three main categories of risk: premium,

reserve and catastrophe risk. Overall, the generated scenarios allow for the identification of risk drivers and analysis of possible extreme events.

Diversification effects in the model between the sub-modules stem directly from the Monte Carlo simulation and from the implemented correlation structures that use copulas to take into account all material dependencies that occur in reality. This includes, among other things, the correlation of portfolio performance, losses and reserve levels between the modelled lines of business.

In comparison to the standard formula, the model allows for a more granular segmentation of individual lines of business, making premium and reserve risk modelling more differentiated, which is tailored to the in-house portfolio characteristics. Therefore, the model is also used for steering of the company including business planning and reinsurance purposes.

The adequacy of the data and methods is reviewed annually as part of a comprehensive validation. If necessary, the modelling can be adapted quickly to changes in the risk profile. Details of the validation process and the governance system with respect to the partial internal model can be found in section B.3.2.

#### E.4.2 THE PROPERTY MODEL

The real estate PIM consists of three sub-modules: Directly held real estate, holding companies and (under IFRS 16) leased property belong to the first sub-module and social building societies to the second, while real estate funds are covered by the third sub-module. The modelling is performed using a standardised approach. The partial internal model covers the property risk stemming from the portfolio of companies using the model and is used for several purposes, including the following:

- To provide assistance for important business decisions concerning investment in real estate
- To calculate the solvency capital requirement
- To analyse the effects on the risk profile of possible real estate purchases or sales

The solvency capital requirement calculated using the partial internal model is the sum of the solvency capital requirements for the sub-modules. It corresponds to the Value-at-Risk of the total value of the real estate portfolio with a confidence level of 99.5% over the period of one year. The SCR calculated based on the property PIM replaces the property risk calculated with the standard formula. Further aggregation is performed according to the specifications of the standard formula. Diversification effects therefore arise between the individual assets within the sub-modules as well as between the property risk and other market risks within the aggregation method specified in the standard formula.

The partial internal model for property is based on a simulation of changes in the values of parameters relevant to the property portfolio. Based on the valuation methods typically used in the different markets (market value method, net asset value, discounted cash flow), the sub-modules differ in the choice of the simulated parameters.

Compared to the standard formula, which is based on an index of the real estate market of the United Kingdom, the internal model takes into account, amongst other things, the geographical specifics of the in-house property portfolio. Residential real estate (including social building societies) were not included in the calibration of the standard formula, but make up a significant portion of the group-wide portfolio. Due to their many years of experience with property investments, the companies that use the PIM have their own databases, valuation knowledge and specific market knowledge.

The adequacy of the data and methods used in the PIM is reviewed annually as part of the validation. Detailed information on the validation process and governance system for the PIM is provided in section B.3.2.

#### E.4.3 INTEGRATION OF THE PARTIAL INTERNAL MODEL IN THE STANDARD FORMULA

The non-life partial internal model is used by the insurance subsidiaries from Austria, Poland, Romania, Slovakia and the Czech Republic that underwrite non-life insurance. The property model is only used in Austria.

The partial internal model is integrated by consolidating the capital requirements from the models and those from the standard formula (risk from companies that do not use the partial internal model) at the level of the individual risk

modules. For the property model, this means at the level of the property risk and for the non-life model the level of the non-life underwriting risk or NSLT health underwriting risk. Consolidation of property risk is performed by adding the capital requirements, taking into account any internal transactions. When integrating the capital requirements from the non-life model, dependencies and diversification are also taken into account in addition to internal transactions.

#### E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

VIG Group complies with the minimum capital requirement and solvency capital requirement.

#### E.6 OTHER INFORMATION

No other information on capital management is to be reported in the year under review.

## 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 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.

Amounts were rounded to improve readability and, where not indicated otherwise, are shown in thousands of euros (EUR '000). Calculations, however, are done using exact amounts, including digits not shown, which may lead to rounding differences when rounded amounts and percentages are added.

The report was prepared with great care to ensure that all information was complete and accurate. The possibility of rounding, type-setting or printing errors, however, cannot be ruled out completely.

Our goal is to make the report as easy to read and as clear as possible. For this reason, formulations such as him/her, etc. have been avoided. All references in the text are to be understood as referring equally to men and women without discrimination.

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## ANNEX

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**Annex I**  
**S.02.01.02**  
**Balance sheet**

|  | Solvency II value |                   |
|--|-------------------|-------------------|
|  | <b>C0010</b>      |                   |
| <b>Assets</b>  |                   |                   |
| Intangible assets  | <b>R0030</b>      | 0                 |
| Deferred tax assets  | <b>R0040</b>      | 60,616            |
| Pension benefit surplus  | <b>R0050</b>      | 0                 |
| Property, plant & equipment held for own use   | <b>R0060</b>      | 1,091,446         |
| Investments (other than assets held for index-linked and unit-linked contracts)        | <b>R0070</b>      | 34,893,909        |
| Property (other than for own use)  | <b>R0080</b>      | 3,061,741         |
| Holdings in related undertakings, including participations                             | <b>R0090</b>      | 527,845           |
| Equities   | <b>R0100</b>      | 456,698           |
| Equities - listed  | <b>R0110</b>      | 381,282           |
| Equities - unlisted  | <b>R0120</b>      | 75,417            |
| Bonds  | <b>R0130</b>      | 27,736,829        |
| Government Bonds   | <b>R0140</b>      | 13,331,210        |
| Corporate Bonds  | <b>R0150</b>      | 14,288,951        |
| Structured notes   | <b>R0160</b>      | 116,667           |
| Collateralised securities  | <b>R0170</b>      | 0                 |
| Collective Investments Undertakings  | <b>R0180</b>      | 2,254,412         |
| Derivatives  | <b>R0190</b>      | 38,214            |
| Deposits other than cash equivalents   | <b>R0200</b>      | 818,153           |
| Other investments  | <b>R0210</b>      | 17                |
| Assets held for index-linked and unit-linked contracts                                 | <b>R0220</b>      | 8,620,327         |
| Loans and mortgages  | <b>R0230</b>      | 978,635           |
| Loans on policies  | <b>R0240</b>      | 23,524            |
| Loans and mortgages to individuals   | <b>R0250</b>      | 1,202             |
| Other loans and mortgages  | <b>R0260</b>      | 953,909           |
| Reinsurance recoverables from:   | <b>R0270</b>      | 865,308           |
| Non-life and health similar to non-life  | <b>R0280</b>      | 821,825           |
| Non-life excluding health  | <b>R0290</b>      | 796,923           |
| Health similar to non-life   | <b>R0300</b>      | 24,902            |
| Life and health similar to life, excluding health and index-linked and unit-linked     | <b>R0310</b>      | 43,669            |
| Health similar to life   | <b>R0320</b>      | -12,893           |
| Life excluding health and index-linked and unit-linked                                 | <b>R0330</b>      | 56,562            |
| Life index-linked and unit-linked  | <b>R0340</b>      | -187              |
| Deposits to cedants  | <b>R0350</b>      | 107,579           |
| Insurance and intermediaries receivables   | <b>R0360</b>      | 552,209           |
| Reinsurance receivables  | <b>R0370</b>      | 153,251           |
| Receivables (trade, not insurance)   | <b>R0380</b>      | 560,275           |
| Own shares (held directly)   | <b>R0390</b>      | 0                 |
| Amounts due in respect of own fund items or initial fund called up but not yet paid in | <b>R0400</b>      | 0                 |
| Cash and cash equivalents  | <b>R0410</b>      | 1,602,467         |
| Any other assets, not elsewhere shown  | <b>R0420</b>      | 122,660           |
| <b>Total assets</b>  | <b>R0500</b>      | <b>49,608,683</b> |

## Annex I

### S.02.01.02

#### Balance sheet

|   |              | Solvency II value |
|---|--------------|-------------------|
| Liabilities   |              | <b>C0010</b>      |
| Technical provisions – non-life   | <b>R0510</b> | 5,440,772         |
| Technical provisions – non-life (excluding health)                              | <b>R0520</b> | 4,992,584         |
| TP calculated as a whole  | <b>R0530</b> | 0                 |
| Best Estimate   | <b>R0540</b> | 4,642,682         |
| Risk margin   | <b>R0550</b> | 349,902           |
| Technical provisions - health (similar to non-life)                             | <b>R0560</b> | 448,188           |
| TP calculated as a whole  | <b>R0570</b> | 0                 |
| Best Estimate   | <b>R0580</b> | 395,108           |
| Risk margin   | <b>R0590</b> | 53,080            |
| Technical provisions - life (excluding index-linked and unit-linked)            | <b>R0600</b> | 26,263,140        |
| Technical provisions - health (similar to life)                                 | <b>R0610</b> | 307,569           |
| TP calculated as a whole  | <b>R0620</b> | 0                 |
| Best Estimate   | <b>R0630</b> | -122,492          |
| Risk margin   | <b>R0640</b> | 430,061           |
| Technical provisions – life (excluding health and index-linked and unit-linked) | <b>R0650</b> | 25,955,570        |
| TP calculated as a whole  | <b>R0660</b> | 0                 |
| Best Estimate   | <b>R0670</b> | 25,291,314        |
| Risk margin   | <b>R0680</b> | 664,257           |
| Technical provisions – index-linked and unit-linked                             | <b>R0690</b> | 5,552,769         |
| TP calculated as a whole  | <b>R0700</b> | 0                 |
| Best Estimate   | <b>R0710</b> | 5,426,810         |
| Risk margin   | <b>R0720</b> | 125,958           |
| Contingent liabilities  | <b>R0740</b> | 0                 |
| Provisions other than technical provisions                                      | <b>R0750</b> | 319,090           |
| Pension benefit obligations   | <b>R0760</b> | 611,114           |
| Deposits from reinsurers  | <b>R0770</b> | 63,656            |
| Deferred tax liabilities  | <b>R0780</b> | 868,095           |
| Derivatives   | <b>R0790</b> | 1,726             |
| Debts owed to credit institutions   | <b>R0800</b> | 215,418           |
| Financial liabilities other than debts owed to credit institutions              | <b>R0810</b> | 652,989           |
| Insurance & intermediaries payables   | <b>R0820</b> | 749,698           |
| Reinsurance payables  | <b>R0830</b> | 169,807           |
| Payables (trade, not insurance)   | <b>R0840</b> | 330,336           |
| Subordinated liabilities  | <b>R0850</b> | 1,586,043         |
| Subordinated liabilities not in BOF   | <b>R0860</b> | 8,992             |
| Subordinated liabilities in BOF   | <b>R0870</b> | 1,577,052         |
| Any other liabilities, not elsewhere shown                                      | <b>R0880</b> | 99,178            |
| <b>Total liabilities</b>  | <b>R0900</b> | <b>42,923,831</b> |
| <b>Excess of assets over liabilities</b>  | <b>R1000</b> | <b>6,684,852</b>  |



Annex I

S.05.01.02

Premiums, claims and expenses by line of business

| Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) |                           |                             |                                 |                                   |                       |  |   |                             |                                 |        |
|--|---------------------------|-----------------------------|---------------------------------|-----------------------------------|-----------------------|--|---|-----------------------------|---------------------------------|--------|
|  | 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 |        |
|  | C0010                     | C0020                       | C0030                           | C0040                             | C0050                 | C0060                                    | C0070                                       | C0080                       | C0090                           |        |
| <b>Premiums written</b>  |                           |                             |                                 |                                   |                       |  |   |                             |                                 |        |
| Gross - Direct Business  | R0110                     | 89,218                      | 412,922                         | 0                                 | 1,363,497             | 1,188,860                                | 92,913                                      | 1,514,388                   | 467,549                         | 48,497 |
| Gross - Proportional reinsurance accepted  | R0120                     | 25,881                      | 0                               | 0                                 | 51,907                | 25,954                                   | 13,761                                      | 181,676                     | 0                               | 0      |
| Gross - Non-proportional reinsurance accepted  | R0130                     |                             |                                 |                                   |                       |  |   |                             |                                 |        |
| Reinsurers' share  | R0140                     | 14,472                      | 1,728                           | 0                                 | 58,432                | 46,051                                   | 43,989                                      | 550,580                     | 40,751                          | 15,112 |
| Net  | R0200                     | 100,627                     | 411,194                         | 0                                 | 1,356,972             | 1,168,762                                | 62,685                                      | 1,145,484                   | 426,798                         | 33,385 |
| <b>Premiums earned</b>   |                           |                             |                                 |                                   |                       |  |   |                             |                                 |        |
| Gross - Direct Business  | R0210                     | 85,285                      | 412,652                         | 0                                 | 1,349,158             | 1,160,666                                | 92,312                                      | 1,484,882                   | 462,627                         | 35,949 |
| Gross - Proportional reinsurance accepted  | R0220                     | 26,122                      | 0                               | 0                                 | 0                     | 0  | 13,893                                      | 0                           | 0                               | 0      |
| Gross - Non-proportional reinsurance accepted  | R0230                     |                             |                                 |                                   |                       |  |   |                             |                                 |        |
| Reinsurers' share  | R0240                     | 14,097                      | 445                             | 0                                 | 15,824                | 25,260                                   | 43,868                                      | 396,708                     | 39,918                          | 9,391  |
| Net  | R0300                     | 97,311                      | 412,207                         | 0                                 | 1,333,334             | 1,135,407                                | 62,337                                      | 1,088,175                   | 422,709                         | 26,558 |
| <b>Claims incurred</b>   |                           |                             |                                 |                                   |                       |  |   |                             |                                 |        |
| Gross - Direct Business  | R0310                     | 50,676                      | 191,844                         | 0                                 | 868,503               | 787,542                                  | 60,094                                      | 817,002                     | 260,753                         | 16,905 |
| Gross - Proportional reinsurance accepted  | R0320                     | 9,778                       | 0                               | 0                                 | 0                     | 0  | 14,578                                      | 0                           | 0                               | 0      |
| Gross - Non-proportional reinsurance accepted  | R0330                     |                             |                                 |                                   |                       |  |   |                             |                                 |        |
| Reinsurers' share  | R0340                     | 12,324                      | 15,056                          | 0                                 | 88,203                | 40,212                                   | 42,103                                      | 73,986                      | 24,421                          | 4,214  |
| Net  | R0400                     | 48,130                      | 176,788                         | 0                                 | 780,300               | 747,330                                  | 32,569                                      | 743,016                     | 236,332                         | 12,691 |
| <b>Changes in other technical provisions</b>   |                           |                             |                                 |                                   |                       |  |   |                             |                                 |        |
| Gross - Direct Business  | R0410                     | 338                         | 1,566                           | 0                                 | 5,170                 | 4,508                                    | 352   | 5,743                       | 1,773                           | 184    |
| Gross - Proportional reinsurance accepted  | R0420                     |                             |                                 |                                   |                       |  |   |                             |                                 |        |
| Gross - Non-proportional reinsurance accepted  | R0430                     |                             |                                 |                                   |                       |  |   |                             |                                 |        |
| Reinsurers' share  | R0440                     | -14                         | -64                             | 0                                 | -212                  | -185                                     | -14   | -236                        | -73                             | -8     |
| Net  | R0500                     | 352                         | 1,630                           | 0                                 | 5,383                 | 4,693                                    | 367   | 5,978                       | 1,846                           | 191    |
| <b>Expenses incurred</b>   | R0550                     | 29,076                      | 139,733                         | 0                                 | 377,693               | 393,072                                  | 29,547                                      | 505,585                     | 162,030                         | 15,891 |
| <b>Other expenses</b>  | R1200                     |                             |                                 |                                   |                       |  |   |                             |                                 |        |
| <b>Total expenses</b>  | R1300                     |                             |                                 |                                   |                       |  |   |                             |                                 |        |

Annex I

S.05.01.02

Premiums, claims and expenses by line of business

|  | Line of Business for: <b>non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)</b> |              |                              | Line of business for: <b>accepted non-proportional reinsurance</b> |              |                             | Total        |              |
|--|---|--------------|------------------------------|--|--------------|-----------------------------|--------------|--------------|
|  | Legal expenses insurance  | Assistance   | Miscellaneous financial loss | Health   | Casualty     | Marine, aviation, transport |              | Property     |
|  | <b>C0100</b>  | <b>C0110</b> | <b>C0120</b>                 | <b>C0130</b>   | <b>C0140</b> | <b>C0150</b>                | <b>C0160</b> | <b>C0200</b> |
| <b>Premiums written</b>                        |   |              |                              |  |              |                             |              |              |
| Gross - Direct Business                        | <b>R0110</b>  | 60,350       | 96,819                       | 95,077   |              |                             |              | 5,430,089    |
| Gross - Proportional reinsurance accepted      | <b>R0120</b>  | 0            | 0                            | 0  |              |                             |              | 299,179      |
| Gross - Non-proportional reinsurance accepted  | <b>R0130</b>  |              |                              |  |              |                             |              |              |
| Reinsurers' share                              | <b>R0140</b>  | 604          | 2,067                        | 12,695   |              |                             |              | 786,482      |
| Net  | <b>R0200</b>  | 59,746       | 94,752                       | 82,382   |              |                             |              | 4,942,786    |
| <b>Premiums earned</b>                         |   |              |                              |  |              |                             |              |              |
| Gross - Direct Business                        | <b>R0210</b>  | 60,262       | 96,539                       | 95,454   |              |                             |              | 5,335,788    |
| Gross - Proportional reinsurance accepted      | <b>R0220</b>  | 0            | 0                            | 251,527  |              |                             |              | 291,543      |
| Gross - Non-proportional reinsurance accepted  | <b>R0230</b>  |              |                              |  |              |                             |              |              |
| Reinsurers' share                              | <b>R0240</b>  | 597          | 1,927                        | 219,434  |              |                             |              | 767,469      |
| Net  | <b>R0300</b>  | 59,665       | 94,613                       | 127,547  |              |                             |              | 4,859,862    |
| <b>Claims incurred</b>                         |   |              |                              |  |              |                             |              |              |
| Gross - Direct Business                        | <b>R0310</b>  | 24,386       | 55,054                       | 39,608   |              |                             |              | 3,172,366    |
| Gross - Proportional reinsurance accepted      | <b>R0320</b>  | 0            | 0                            | 210,642  |              |                             |              | 234,998      |
| Gross - Non-proportional reinsurance accepted  | <b>R0330</b>  |              |                              |  |              |                             |              |              |
| Reinsurers' share                              | <b>R0340</b>  | 76           | 729                          | 126,138  |              |                             |              | 427,461      |
| Net  | <b>R0400</b>  | 24,310       | 54,325                       | 124,112  |              |                             |              | 2,979,903    |
| <b>Changes in other technical provisions</b>   |   |              |                              |  |              |                             |              |              |
| Gross - Direct Business                        | <b>R0410</b>  | 229          | 367                          | 361  |              |                             |              | 20,591       |
| Gross - Proportional reinsurance accepted      | <b>R0420</b>  |              |                              |  |              |                             |              |              |
| Gross - Non- proportional reinsurance accepted | <b>R0430</b>  |              |                              |  |              |                             |              |              |
| Reinsurers' share                              | <b>R0440</b>  | -9           | -15                          | -15  |              |                             |              | -845         |
| Net  | <b>R0500</b>  | 238          | 382                          | 375  |              |                             |              | 21,436       |
| <b>Expenses incurred</b>                       | <b>R0550</b>  | 19,966       | 33,390                       | 25,394   |              |                             |              | 1,731,377    |
| <b>Other expenses</b>                          | <b>R1200</b>  |              |                              |  |              |                             |              | 84,323       |
| <b>Total expenses</b>                          | <b>R1300</b>  |              |                              |  |              |                             |              | 1,815,700    |

Annex I

S.05.01.02

Premiums, claims and expenses by line of business

|  | Line of Business for: life insurance obligations |                                     |  |                      |   |  | Life reinsurance obligations |                  | Total     |
|--|--|-------------------------------------|--|----------------------|---|--|------------------------------|------------------|-----------|
|  | Health insurance                                 | Insurance with profit participation | Index-linked and unit-linked insurance | Other life insurance | Annuities stemming from non-life insurance contracts and relating to health insurance obligations | Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations | Health reinsurance           | Life-reinsurance |           |
|  | C0210  | C0220                               | C0230                                  | C0240                | C0250   | C0260  | C0270                        | C0280            | C0300     |
| <b>Premiums written</b>                      |  |                                     |  |                      |   |  |                              |                  |           |
| Gross  | R1410  | 524,087                             | 1,448,966                              | 1,656,109            | 442,878   |  |                              | 23,311           | 4,095,351 |
| Reinsurers' share                            | R1420  | 28,380                              | 52,254                                 | 0                    | 0   |  |                              | 0                | 80,634    |
| Net  | R1500  | 495,707                             | 1,396,712                              | 1,656,109            | 442,878   |  |                              | 23,311           | 4,014,717 |
| <b>Premiums earned</b>                       |  |                                     |  |                      |   |  |                              |                  |           |
| Gross  | R1510  | 519,898                             | 1,448,772                              | 1,655,915            | 442,684   |  |                              | 23,311           | 4,090,580 |
| Reinsurers' share                            | R1520  | 27,934                              | 51,786                                 | 0                    | 0   |  |                              | 0                | 79,720    |
| Net  | R1600  | 491,964                             | 1,396,986                              | 1,655,915            | 442,684   |  |                              | 23,311           | 4,010,860 |
| <b>Claims incurred</b>                       |  |                                     |  |                      |   |  |                              |                  |           |
| Gross  | R1610  | 325,835                             | 1,791,302                              | 1,465,139            | 142,114   |  |                              | 13,447           | 3,737,836 |
| Reinsurers' share                            | R1620  | 5,098                               | 14,838                                 | 0                    | 0   |  |                              | 1,190            | 21,126    |
| Net  | R1700  | 320,737                             | 1,776,464                              | 1,465,139            | 142,114   |  |                              | 12,257           | 3,716,710 |
| <b>Changes in other technical provisions</b> |  |                                     |  |                      |   |  |                              |                  |           |
| Gross  | R1710  | -80,356                             | 63,373                                 | -52,609              | -30,859   |  |                              | 3,597            | -96,855   |
| Reinsurers' share                            | R1720  | -85                                 | 3,185                                  | 42                   | 11  |  |                              | 1                | 3,153     |
| Net  | R1800  | -80,271                             | 60,188                                 | -52,650              | -30,871   |  |                              | 3,596            | -100,008  |
| <b>Expenses incurred</b>                     | R1900  | 84,063                              | 280,021                                | 320,053              | 85,589  |  |                              | 4,505            | 774,230   |
| <b>Other expenses</b>                        | R2500  |                                     |  |                      |   |  |                              |                  | 61,271    |
| <b>Total expenses</b>                        | R2600  |                                     |  |                      |   |  |                              |                  | 835,502   |

Annex I

S.05.02.01

Premiums, claims and expenses by country

|  | Home Country | Top 5 countries (by amount of gross premiums written) - non-life obligations |           |         |         |         | Total Top 5 and home country |           |
|--|--------------|--|-----------|---------|---------|---------|------------------------------|-----------|
|  | C0010        | C0020  | C0030     | C0040   | C0050   | C0060   | C0070                        |           |
| R0010  | CZ           | LT   | PL        | RO      | SK      |         |                              |           |
|  | C0080        | C0090  | C0100     | C0110   | C0120   | C0130   | C0140                        |           |
| <b>Premiums written</b>                        |              |  |           |         |         |         |                              |           |
| Gross - Direct Business                        | R0110        | 1,909,433  | 1,049,836 | 175,054 | 806,234 | 365,800 | 364,321                      | 4,670,678 |
| Gross - Proportional reinsurance accepted      | R0120        | 73,695   | 38,666    | 1,682   | 77,300  | 4,772   | 19,837                       | 215,950   |
| Gross - Non-proportional reinsurance accepted  | R0130        |  |           |         |         |         |                              |           |
| Reinsurers' share                              | R0140        | 344,800  | 150,160   | 13,256  | 75,847  | 35,895  | 35,965                       | 655,924   |
| Net  | R0200        | 1,638,328  | 938,342   | 163,479 | 807,687 | 334,676 | 348,192                      | 4,230,704 |
| <b>Premiums earned</b>                         |              |  |           |         |         |         |                              |           |
| Gross - Direct Business                        | R0210        | 1,905,376  | 1,047,814 | 163,705 | 779,026 | 360,834 | 364,181                      | 4,620,936 |
| Gross - Proportional reinsurance accepted      | R0220        | 72,687   | 38,819    | 1,540   | 72,858  | 4,549   | 19,268                       | 209,722   |
| Gross - Non-proportional reinsurance accepted  | R0230        |  |           |         |         |         |                              |           |
| Reinsurers' share                              | R0240        | 342,812  | 143,808   | 11,484  | 66,814  | 38,967  | 35,811                       | 639,696   |
| Net  | R0300        | 1,635,251  | 942,825   | 153,761 | 785,070 | 326,416 | 347,638                      | 4,190,962 |
| <b>Claims incurred</b>                         |              |  |           |         |         |         |                              |           |
| Gross - Direct Business                        | R0310        | 1,195,875  | 588,023   | 159,200 | 440,678 | 219,384 | 221,787                      | 2,824,947 |
| Gross - Proportional reinsurance accepted      | R0320        | 66,710   | 13,580    | 1,050   | 56,813  | 3,328   | 6,980                        | 148,461   |
| Gross - Non-proportional reinsurance accepted  | R0330        |  |           |         |         |         |                              |           |
| Reinsurers' share                              | R0340        | 155,970  | 60,587    | 10,143  | 55,720  | 23,098  | 15,047                       | 320,564   |
| Net  | R0400        | 1,106,614  | 541,016   | 150,107 | 441,772 | 199,614 | 213,721                      | 2,652,844 |
| <b>Changes in other technical provisions</b>   |              |  |           |         |         |         |                              |           |
| Gross - Direct Business                        | R0410        | 21   | 19,113    | 0       |         | 2,101   |                              | 21,234    |
| Gross - Proportional reinsurance accepted      | R0420        |  |           |         |         |         |                              |           |
| Gross - Non- proportional reinsurance accepted | R0430        |  |           |         |         |         |                              |           |
| Reinsurers'share                               | R0440        | -19  | 0         | 0       | 0       | 0       | 0                            | -19       |
| Net  | R0500        | 40   | 19,113    | 0       |         | 2,101   |                              | 21,254    |
| <b>Expenses incurred</b>                       | R0550        | 668,252  | 337,765   | 22,164  | 271,006 | 108,168 | 107,630                      | 1,514,984 |
| <b>Other expenses</b>                          | R1200        |  |           |         |         |         |                              | 55,005    |
| <b>Total expenses</b>                          | R1300        |  |           |         |         |         |                              | 1,569,990 |

Annex I

S.05.02.01

Premiums, claims and expenses by country

|  | Home Country | Top 5 countries (by amount of gross premiums written) - life obligations |         |         |         |         |         | Total Top 5 and home country |
|--|--------------|--|---------|---------|---------|---------|---------|------------------------------|
|  |              | C0150  | C0160   | C0170   | C0180   | C0190   | C0200   | C0210                        |
|  | R1400        | CZ   | HU      | LI      | PL      | SK      |         |                              |
|  |              | C0220  | C0230   | C0240   | C0250   | C0260   | C0270   | C0280                        |
| <b>Premiums written</b>                      |              |  |         |         |         |         |         |                              |
| Gross  | R1410        | 1,920,622  | 678,727 | 147,094 | 155,629 | 263,623 | 413,987 | 3,579,683                    |
| Reinsurers' share                            | R1420        | 17,488   | 7,091   | 4,206   | 0       | 1,593   | 1,078   | 31,455                       |
| Net  | R1500        | 1,903,134  | 671,637 | 142,888 | 155,629 | 262,030 | 412,910 | 3,548,227                    |
| <b>Premiums earned</b>                       |              |  |         |         |         |         |         |                              |
| Gross  | R1510        | 1,923,431  | 679,082 | 146,648 | 155,646 | 263,849 | 418,002 | 3,586,658                    |
| Reinsurers' share                            | R1520        | 17,382   | 7,105   | 4,116   | 0       | 1,650   | 875     | 31,128                       |
| Net  | R1600        | 1,906,049  | 671,977 | 142,533 | 155,646 | 262,199 | 417,127 | 3,555,531                    |
| <b>Claims incurred</b>                       |              |  |         |         |         |         |         |                              |
| Gross  | R1610        | 2,009,167  | 565,351 | 110,476 | 110,618 | 254,089 | 303,157 | 3,352,857                    |
| Reinsurers' share                            | R1620        | 10,752   | 3,143   | 1,132   | 0       | 966     | 244     | 16,237                       |
| Net  | R1700        | 1,998,414  | 562,208 | 109,344 | 110,618 | 253,123 | 302,913 | 3,336,620                    |
| <b>Changes in other technical provisions</b> |              |  |         |         |         |         |         |                              |
| Gross  | R1710        | -90,825  | 178,457 | -10,302 | -45,750 | 31,093  | -61,435 | 1,239                        |
| Reinsurers' share                            | R1720        | 3,433  |         | 90      | 0       | 22      | 0       | 3,545                        |
| Net  | R1800        | -94,258  | 178,458 | -10,392 | -45,750 | 31,071  | -61,435 | -2,306                       |
| <b>Expenses incurred</b>                     | R1900        | 362,678  | 188,028 | 24,350  | 2,929   | 47,674  | 56,384  | 682,043                      |
| <b>Other expenses</b>                        | R2500        |  |         |         |         |         |         | 35,561                       |
| <b>Total expenses</b>                        | R2600        |  |         |         |         |         |         | 717,605                      |

**Annex I**

**S.22.01.22**

**Impact of long term guarantees and transitional measures**

|   |              | Amount with Long<br>Term Guarantee<br>measures and<br>transitionals | Impact of<br>transitional on<br>technical<br>provisions | Impact of<br>transitional on<br>interest rate | Impact of<br>volatility<br>adjustment set to<br>zero | Impact of<br>matching<br>adjustment set to<br>zero |
|---|--------------|---|---|---|--|--|
|   |              | C0010   | C0030   | C0050   | C0070  | C0090  |
| Technical provisions                                    | <b>R0010</b> | 37,256,681  | 0   | 0   | 127,467  | 0  |
| Basic own funds   | <b>R0020</b> | 7,576,793   | 0   | 0   | -91,617  | 0  |
| Eligible own funds to meet Solvency Capital Requirement | <b>R0050</b> | 7,657,465   | 0   | 0   | -91,617  | 0  |
| Solvency Capital Requirement                            | <b>R0090</b> | 3,651,903   | 0   | 0   | 36,578   | 0  |

**Annex I**  
**S.23.01.22**  
**Own funds**

|  |       | Total     | Tier 1 -<br>unrestricted | Tier 1 - restricted | Tier 2    | Tier 3 |
|--|-------|-----------|--------------------------|---------------------|-----------|--------|
|  |       | C0010     | C0020                    | C0030               | C0040     | C0050  |
| <b>Basic own funds before deduction for participations in other financial sector</b>   |       |           |                          |                     |           |        |
| Ordinary share capital (gross of own shares)   | R0010 | 132,887   | 132,887                  |                     |           |        |
| Non-available called but not paid in ordinary share capital at group level   | R0020 |           |                          |                     |           |        |
| Share premium account related to ordinary share capital  | R0030 | 2,109,003 | 2,109,003                |                     |           |        |
| Initial funds, members' contributions or the equivalent basic own — fund item for mutual and mutual-type undertakings  | R0040 |           |                          |                     |           |        |
| Subordinated mutual member accounts  | R0050 |           |                          |                     |           |        |
| Non-available subordinated mutual member accounts at group level   | R0060 |           |                          |                     |           |        |
| Surplus funds  | R0070 | 252,781   | 252,781                  |                     |           |        |
| Non-available surplus funds at group level   | R0080 |           |                          |                     |           |        |
| Preference shares  | R0090 |           |                          |                     |           |        |
| Non-available preference shares at group level   | R0100 |           |                          |                     |           |        |
| Share premium account related to preference shares   | R0110 |           |                          |                     |           |        |
| Non-available share premium account related to preference shares at group level  | R0120 |           |                          |                     |           |        |
| Reconciliation reserve   | R0130 | 3,781,650 | 3,781,650                |                     |           |        |
| Subordinated liabilities   | R0140 | 1,577,052 |                          | 120,378             | 1,456,673 | 0      |
| Non-available subordinated liabilities at group level  | R0150 |           |                          |                     |           |        |
| An amount equal to the value of net deferred tax assets  | R0160 | 60,616    |                          |                     |           | 60,616 |
| The amount equal to the value of net deferred tax assets not available at the group level  | R0170 | 11,378    |                          |                     |           | 11,378 |
| Other items approved by supervisory authority as basic own funds not specified above   | R0180 |           |                          |                     |           |        |
| Non available own funds related to other own funds items approved by supervisory authority   | R0190 |           |                          |                     |           |        |
| Minority interests (if not reported as part of a specific own fund item)   | R0200 | 200,715   | 200,715                  | 0                   | 0         | 0      |
| Non-available minority interests at group level  | R0210 | 156,960   | 156,960                  | 0                   | 0         | 0      |
| <b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b> |       |           |                          |                     |           |        |
| Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds        | R0220 |           |                          |                     |           |        |
| <b>Deductions</b>  |       |           |                          |                     |           |        |
| Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities  | R0230 | 86,359    | 86,359                   |                     |           |        |
| whereof deducted according to art 228 of the Directive 2009/138/EC   | R0240 |           |                          |                     |           |        |
| Deductions for participations where there is non-availability of information (Article 229)   | R0250 | 283,213   | 283,213                  |                     |           |        |
| Deduction for participations included by using D&A when a combination of methods is used   | R0260 |           |                          |                     |           |        |
| Total of non-available own fund items  | R0270 | 168,339   | 156,960                  | 0                   | 0         | 11,378 |
| <b>Total deductions</b>  | R0280 | 537,910   | 526,532                  | 0                   | 0         | 11,378 |
| <b>Total basic own funds after deductions</b>  | R0290 | 7,576,793 | 5,950,504                | 120,378             | 1,456,673 | 49,238 |

**Annex I**  
**S.23.01.22**  
**Own funds**

|  |       | Total     | Tier 1 -<br>unrestricted | Tier 1 - restricted | Tier 2    | Tier 3 |
|--|-------|-----------|--------------------------|---------------------|-----------|--------|
|  |       | C0010     | C0020                    | C0030               | C0040     | C0050  |
| <b>Ancillary own funds</b>   |       |           |                          |                     |           |        |
| Unpaid and uncalled ordinary share capital callable on demand  | R0300 |           |                          |                     |           |        |
| Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual – type undertakings callable on demand | R0310 |           |                          |                     |           |        |
| Unpaid and uncalled preference shares callable on demand   | R0320 |           |                          |                     |           |        |
| Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC   | R0350 |           |                          |                     |           |        |
| Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC  | R0340 |           |                          |                     |           |        |
| Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC   | R0360 |           |                          |                     |           |        |
| Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC  | R0370 |           |                          |                     |           |        |
| Non available ancillary own funds at group level   | R0380 |           |                          |                     |           |        |
| Other ancillary own funds  | R0390 |           |                          |                     |           |        |
| <b>Total ancillary own funds</b>   | R0400 |           |                          |                     |           |        |
| <b>Own funds of other financial sectors</b>  |       |           |                          |                     |           |        |
| <b>Reconciliation reserve</b>  | R0410 | 80,672    | 80,672                   |                     |           |        |
| Institutions for occupational retirement provision   | R0420 |           |                          |                     |           |        |
| Non regulated entities carrying out financial activities   | R0430 |           |                          |                     |           |        |
| <b>Total own funds of other financial sectors</b>  | R0440 | 80,672    | 80,672                   |                     |           |        |
| <b>Own funds when using the D&amp;A, exclusively or in combination of method 1</b>   |       |           |                          |                     |           |        |
| Own funds aggregated when using the D&A and combination of method  | R0450 |           |                          |                     |           |        |
| Own funds aggregated when using the D&A and combination of method net of IGT   | R0460 |           |                          |                     |           |        |
|  |       |           |                          |                     |           |        |
| Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A )   | R0520 | 7,576,793 | 5,950,504                | 120,378             | 1,456,673 | 49,238 |
| Total available own funds to meet the minimum consolidated group SCR   | R0530 | 7,527,555 | 5,950,504                | 120,378             | 1,456,673 |        |
| Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A )    | R0560 | 7,576,793 | 5,950,504                | 120,378             | 1,456,673 | 49,238 |
| Total eligible own funds to meet the minimum consolidated group SCR  | R0570 | 6,470,654 | 5,950,504                | 120,378             | 399,772   |        |
| <b>Minimum consolidated Group SCR</b>  | R0610 | 1,998,861 |                          |                     |           |        |
| <b>Ratio of Eligible own funds to Minimum Consolidated Group SCR</b>   | R0650 | 323.72%   |                          |                     |           |        |
| <b>Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&amp;A )</b>      | R0660 | 7,657,465 | 6,031,176                | 120,378             | 1,456,673 | 49,238 |
| <b>Group SCR</b>   | R0680 | 3,651,903 |                          |                     |           |        |
| <b>Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&amp;A</b>                                  | R0690 | 209.68%   |                          |                     |           |        |



**Annex I**  
**S.23.01.22**  
**Own funds**

|   |              | <b>C0060</b> |
|---|--------------|--------------|
| <b>Reconciliation reserve</b>   |              | <del>0</del> |
| Excess of assets over liabilities   | <b>R0700</b> | 6,684,852    |
| Own shares (held directly and indirectly)   | <b>R0710</b> | 0            |
| Foreseeable dividends, distributions and charges  | <b>R0720</b> | 147,200      |
| Other basic own fund items  | <b>R0730</b> | 2,756,002    |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | <b>R0740</b> | 0            |
| Other non available own funds   | <b>R0750</b> | 0            |
| <b>Reconciliation reserve before deduction for participations in other financial sector</b>                 | <b>R0760</b> | 3,781,650    |
| <b>Expected profits</b>   |              | <del>0</del> |
| Expected profits included in future premiums (EPIFP) - Life business  | <b>R0770</b> | 2,087,857    |
| Expected profits included in future premiums (EPIFP) - Non- life business                                   | <b>R0780</b> | 656,372      |
| <b>Total Expected profits included in future premiums (EPIFP)</b>   | <b>R0790</b> | 2,744,229    |

Annex I

S.25.02.22

Solvency Capital Requirement — for groups using the standard formula and partial internal model

| Unique number of component | Components description                     | Calculation of the Solvency Capital Requirement | Amount modelled | USP   | Simplifications |
|----------------------------|--|---|-----------------|-------|-----------------|
| C0010                      | C0020                                      | C0030   | C0070           | C0080 | C0090           |
| 1                          | Market risk                                | 3,293,790                                       | 108,575         |       |                 |
| 2                          | Counterparty default risk                  | 352,891   | 0               |       |                 |
| 3                          | Life underwriting risk                     | 1,497,497                                       | 0               |       |                 |
| 4                          | Health underwriting risk                   | 563,831   | 62,650          |       |                 |
| 5                          | Non-life underwriting risk                 | 748,703   | 582,801         |       |                 |
| 6                          | Intangible asset risk                      | 0   | 0               |       |                 |
| 7                          | Operational risk                           | 325,087   | 0               |       |                 |
| 8                          | LAC Technical Provisions (negative amount) | -854,459  | 0               |       |                 |
| 9                          | LAC Deferred Taxes (negative amount)       | -435,195  | 0               |       |                 |

Calculation of Solvency Capital Requirement

C0100

|   |              |                  |
|---|--------------|------------------|
| Total undiversified components  | R0110        | 5,492,144        |
| Diversification   | R0060        | -1,945,212       |
| Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC   | R0160        | 0                |
| <b>Solvency capital requirement excluding capital add-on</b>  | <b>R0200</b> | <b>3,546,932</b> |
| Capital add-ons already set   | R0210        | 0                |
| <b>Solvency capital requirement for undertakings under consolidated method</b>  | <b>R0220</b> | <b>3,651,903</b> |
| <b>Other information on SCR</b>   |              |                  |
| Amount/estimate of the overall loss-absorbing capacity of technical provisions  | R0300        | -854,459         |
| Amount/estimate of the overall loss-absorbing capacity of deferred taxes  | R0310        | -435,195         |
| Capital requirement for duration-based equity risk sub-module   | R0400        | 0                |
| Total amount of Notional Solvency Capital Requirements for remaining part   | R0410        | 0                |
| Total amount of Notional Solvency Capital Requirements for ring fenced funds (other than those related to business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional)) | R0420        | 0                |
| Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios  | R0430        | 0                |
| Diversification effects due to RFF nSCR aggregation for article 304   | R0440        | 0                |
| Minimum consolidated group solvency capital requirement   | R0470        | 1,998,861        |

**Annex I**

**S.25.02.22**

**Solvency Capital Requirement — for groups using the standard formula and partial internal model**

|  |              | <b>C0100</b> |
|--|--------------|--------------|
| <b>Information on other entities</b>   |              |              |
| Capital requirement for other financial sectors (Non-insurance capital requirements)   | <b>R0500</b> | 33,845       |
| Capital requirement for other financial sectors (Non-insurance capital requirements) — Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies | <b>R0510</b> | 415          |
| Capital requirement for other financial sectors (Non-insurance capital requirements) — Institutions for occupational retirement provisions   | <b>R0520</b> | 33,430       |
| Capital requirement for other financial sectors (Non-insurance capital requirements) — Capital requirement for non-regulated entities carrying out financial activities  | <b>R0530</b> | 0            |
| Capital requirement for non-controlled participation requirements  | <b>R0540</b> | 15,550       |
| Capital requirement for residual undertakings  | <b>R0550</b> | 55,576       |
|  |              | <b>C0100</b> |
| <b>Overall SCR</b>   |              |              |
| SCR for undertakings included via D and A  | <b>R0560</b> | 0            |
| <b>Solvency capital requirement</b>  | <b>R0570</b> | 3,651,903    |

Annex I  
S.32.01.22  
Undertakings in the scope of the group

| Country        | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking                              | Type of undertaking   | Legal form                            | Category (mutual/non mutual) | Supervisory Authority                  | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|----------------|--|---|--|---|---------------------------------------|------------------------------|--|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                |  |   |  |   |                                       |                              |  | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010          | C0020                                  | C0030                                     | C0040  | C0050   | C0060                                 | C0070                        | C0080                                  | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| CZECH REPUBLIC | 5299002V112638MWAS89CZ00022            | SC  | AB Modřice, a.s.   | Other   | AKCIOVÁ SPOLEČNOST                    | NM                           | #                                      | 97.28                 | 100.00  | 100.00          | #              | D                  | 0.97   | 10     | #   | 10   |                            |
| CZECH REPUBLIC | 5299002V112638MWAS89CZ00023            | SC  | Main Point Karlín II., a.s.                                | Other   | AKCIOVÁ SPOLEČNOST                    | NM                           | #                                      | 97.28                 | 100.00  | 100.00          | #              | D                  | 0.97   | 10     | #   | 10   |                            |
| CZECH REPUBLIC | 5299002V112638MWAS89CZ00001            | SC  | AIS Servis, s.r.o.   | Ancillary services undertaking as defined in Article 1 (53) | SPOLEČNOST S RUČENÍM OMEZENÝM         | NM                           | #                                      | 97.28                 | 100.00  | 100.00          | #              | D                  | 0.97   | 10     | #   | 8  |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00128            | SC  | ALBA Services GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                      | 48.87                 |   | 100.00          | #              | S                  |  | 10     | #   | 10   |                            |
| GERMANY        | 5299002V112638MWAS89DE00001            | SC  | Amadi GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                      | 100.00                |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| CZECH REPUBLIC | 5299002V112638MWAS89CZ00002            | SC  | Andel Investment Praha s.r.o.                              | Ancillary services undertaking as defined in Article 1 (53) | SPOLEČNOST S RUČENÍM OMEZENÝM         | NM                           | #                                      | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00003            | SC  | Anif-Residenz GmbH & Co KG                                 | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                 | NM                           | #                                      | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00004            | SC  | AQUILA Hausmanagement GmbH                                 | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                      | 97.75                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00005            | SC  | AREALIS Liegenschaftsmanagement GmbH                       | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                      | 48.87                 |   | 50.00           | #              | S                  |  | 10     | #   | 10   |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00006            | SC  | arithmetica Consulting GmbH                                | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                      | 98.31                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| ROMANIA        | 529900GDYJ38VB71LV69                   | LEI                                       | ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A. | Composite insurer   | SOCIETĂȚI PE ACȚIUNI                  | NM                           | AUTORITATEA DE SUPRAVEGHERE FINANCIARĂ | 99.72                 | 99.70   | 99.72           | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| ROMANIA        | 5299002V112638MWAS89RO00009            | SC  | S. C. SOCIETATEA TRAINING IN ASIGURARI S.R.L.              | Ancillary services undertaking as defined in Article 1 (53) | SOCIETATE CU RASPUNDERE LIMITATA      | NM                           | #                                      | 98.46                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |

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**Undertakings in the scope of the group**

| Country        | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking                                | Type of undertaking   | Legal form                              | Category (mutual/non mutual) | Supervisory Authority                         | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|----------------|--|---|--|---|---|------------------------------|---|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                |  |   |  |   |   |                              |   | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010          | C0020                                  | C0030                                     | C0040  | C0050   | C0060                                   | C0070                        | C0080   | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00007            | SC  | Wien 3420 Asperrn Development AG                             | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           |   | #                     | 23.92   |                 | 73.40          | #                  | S  |        | 10  | #  | 10                         |
| CZECH REPUBLIC | 5299002V112638MWAS89CZ00003            | SC  | Sanatorium Astoria, a.s.                                     | Ancillary services undertaking as defined in Article 1 (53) | AKCIOVÁ SPOLEČNOST                      | NM                           |   | #                     | 97.28   | 100.00          | 100.00         | #                  | D  | 0.97   | 10  | #  | 8                          |
| AUSTRIA        | 5299002V112638MWAS89AT00129            | SC  | VIG-AT Beteiligungen GmbH                                    | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           |   | #                     | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| POLAND         | 5299002V112638MWAS89PL00011            | SC  | Atrium lower spolka z ograniczona odpowiedzialnoscia         | Ancillary services undertaking as defined in Article 1 (53) | SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ | NM                           |   | #                     | 99.27   |                 | 100.00         | #                  | D  |        | 10  | #  | 1                          |
| POLAND         | 5299002V112638MWAS89PL00001            | SC  | Beneta Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia | Ancillary services undertaking as defined in Article 1 (53) | SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ | NM                           |   | #                     | 99.94   |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| ROMANIA        | 5299002V112638MWAS89RO00001            | SC  | Autosig SRL  | Ancillary services undertaking as defined in Article 1 (53) | SOCIETATE CU RASPUNDERE LIMITATA        | NM                           |   | #                     | 99.50   |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| CZECH REPUBLIC | 5299002V112638MWAS89CZ00004            | SC  | B&A Insurance Consulting s.r.o.                              | Ancillary services undertaking as defined in Article 1 (53) | SPOLEČNOST S RUČENÍM OMEZENÝM           | NM                           |   | #                     | 48.45   |                 | 49.00          | #                  | S  |        | 10  | #  | 10                         |
| AUSTRIA        | 5299002V112638MWAS89AT00008            | SC  | Businesspark Brunn Entwicklungs GmbH                         | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           |   | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98   | 10  | #  | 1                          |
| ROMANIA        | 529900W3WGW631HK2G98                   | LEI                                       | BCR Asigurari de Viata Vienna Insurance Group S.A.           | Life insurer  | SOCIETĂȚI PE ACȚIUNI                    | NM                           | AUTORITATEA DE SUPRAVEGHERE FINANCIARĂ        |                       | 93.98   | 93.98           | 93.98          | #                  | D  | 0.94   | 10  | #  | 1                          |
| HUNGARY        | 549300TOYUBF02YGV429                   | LEI                                       | UNION Vienna Insurance Group Biztosító Zrt.                  | Composite insurer   | ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG      | NM                           | MAGYAR NEMZETI BANK (HUNGARIAN NATIONAL BANK) |                       | 98.64   | 98.64           | 98.64          | #                  | D  | 0.99   | 10  | #  | 1                          |
| POLAND         | 5299002V112638MWAS89PL00002            | SC  | Blizzard Real Sp. z o.o.                                     | Ancillary services undertaking as defined in Article 1 (53) | SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ | NM                           |   | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98   | 10  | #  | 1                          |
| AUSTRIA        | 5299002V112638MWAS89AT00011            | SC  | Brunn N68 Sanierungs GmbH                                    | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           |   | #                     | 48.87   |                 | 50.00          | #                  | S  |        | 10  | #  | 10                         |

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| Country        | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking                         | Type of undertaking   | Legal form                                   | Category (mutual/non mutual) | Supervisory Authority                          | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|----------------|--|---|---|---|--|------------------------------|--|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                |  |   |   |   |  |                              |  | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010          | C0020                                  | C0030                                     | C0040   | C0050   | C0060  | C0070                        | C0080  | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| LATVIA         | 3157002Q3I11LG1R1C12                   | LEI                                       | BTA Baltic Insurance Company AAS                      | Non-life insurer  | AKCIJU SABIEDRIBA                            | NM                           | FKTK (FINANCIAL AND CAPITAL MARKET COMMISSION) | 90.83                 | 90.83   | 90.83           | #              | D                  | 0.91   | 10     | #   | 1  |                            |
| CZECH REPUBLIC | 5299002V112638MWAS89CZ00006            | SC  | S - budovy, a.s.                                      | Ancillary services undertaking as defined in Article 1 (53) | AKCIOVÁ SPOLEČNOST                           | NM                           |  | #                     | 97.28   | 100.00          | 100.00         | #                  | D  | 0.97   | 10  | #  | 8                          |
| AUSTRIA        | 5299002V112638MWAS89AT00012            | SC  | Beteiligungs- und Immobilien GmbH                     | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |  | #                     | 24.44   | 25.00           | 25.00          | #                  | S  | 0.24   | 10  | #  | 10                         |
| BULGARIA       | 5299002V112638MWAS89BG00002            | SC  | Bulgarski Imoti Asistans EOOD                         | Ancillary services undertaking as defined in Article 1 (53) | ЕДНОЛИЧНО ДРУЖЕСТВО С ОГРАНИЧЕНА ИТГОВОРНОСТ | NM                           |  | #                     | 99.97   | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| BULGARIA       | 5299002V112638MWAS89BG00003            | SC  | Bulstrad Trudova Meditzina EOOD                       | Ancillary services undertaking as defined in Article 1 (53) | ЕДНОЛИЧНО ДРУЖЕСТВО С ОГРАНИЧЕНА ИТГОВОРНОСТ | NM                           |  | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| AUSTRIA        | 5299002V112638MWAS89AT00013            | SC  | Beteiligungs- und Wohnungsanlagen GmbH                | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |  | #                     | 24.44   | 25.00           | 25.00          | #                  | S  | 0.24   | 10  | #  | 10                         |
| AUSTRIA        | 5299002V112638MWAS89AT00014            | SC  | Camelot Informatik und Consulting Gesellschaft m.b.H. | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |  | #                     | 92.86   | 95.00           | 99.48          | #                  | D  | 0.93   | 10  | #  | 1                          |
| SLOVAKIA       | 5299002V112638MWAS89SK00001            | SC  | CAPITOL, akciová spoločnosť                           | Ancillary services undertaking as defined in Article 1 (53) | AKCIOVÁ SPOLOČNOSŤ                           | NM                           |  | #                     | 98.47   | 100.00          | 100.00         | #                  | D  | 0.98   | 10  | #  | 1                          |
| AUSTRIA        | 5299002V112638MWAS89AT00015            | SC  | CARPLUS Versicherungsvermittlungsgesellschaft m.b.H.  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |  | #                     | 97.75   |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| ROMANIA        | 5299002V112638MWAS89RO00002            | SC  | CAPITOL BROKER DE PENSII PRIVATE S.R.L.               | Other   | SOCIETATE CU RASPUNDERE LIMITATA             | NM                           |  | #                     | 98.18   |                 | 100.00         | #                  | D  |        | 10  | #  | 10                         |
| AUSTRIA        | 5299002V112638MWAS89AT00017            | SC  | CENTER Hotelbetriebs GmbH                             | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |  | #                     | 79.26   | 80.00           | 90.00          | #                  | D  | 0.79   | 10  | #  | 1                          |
| ROMANIA        | 5299002V112638MWAS89RO00003            | SC  | CAPITOL INTERMEDIAR DE PRODUSE BANCARE S.R.L.         | Other   | SOCIETATE CU RASPUNDERE LIMITATA             | NM                           |  | #                     | 98.18   |                 | 100.00         | #                  | D  | 0.00   | 10  | #  | 10                         |

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| Country        | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking   | Type of undertaking   | Legal form                            | Category (mutual/non mutual) | Supervisory Authority                        | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|----------------|--|---|---|---|---------------------------------------|------------------------------|--|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                |  |   |   |   |                                       |                              |  | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010          | C0020                                  | C0030                                     | C0040   | C0050   | C0060                                 | C0070                        | C0080  | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| ROMANIA        | 5299002V11Z638MWAS89RO00004            | SC  | CAPITOL INTERMEDIAR DE PRODUSE DE LEASING S.R.L.                                | Other   | SOCIETATE CU RASPUNDERE LIMITATA      | NM                           | #  | 98.18                 |   | 100.00          | #              | D                  |  | 10     | #   | 10   |                            |
| POLAND         | 259400JP02FIWJVBWH48                   | LEI                                       | Compensa Towarzystwo Ubezpieczen Na Zycie Spolka Akcyjna Vienna Insurance Group | Life insurer  | SPÓŁKA AKCYJNA                        | NM                           | KNF (POLISH FINANCIAL SUPERVISION AUTHORITY) | 99.97                 | 99.97   | 99.97           | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| LITHUANIA      | 529900Q2VEPP9ITQQD91                   | LEI                                       | Compensa Vienna Insurance Group, akcine draudimo bendrove                       | Non-life insurer  | AKCINE BENDROVE                       | NM                           | BANK OF LITHUANIA                            | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| POLAND         | 259400LUPWM9VS8E5M86                   | LEI                                       | Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group          | Non-life insurer  | SPÓŁKA AKCYJNA                        | NM                           | KNF (POLISH FINANCIAL SUPERVISION AUTHORITY) | 99.94                 | 99.94   | 99.94           | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| LATVIA         | 5299002V11Z638MWAS89LV00001            | SC  | AS "Compensa Services"  | Ancillary services undertaking as defined in Article 1 (53) | AKCIJU SABIEDRIBA                     | NM                           | #  | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| BULGARIA       | 5299002V11Z638MWAS89BG00004            | SC  | Global Services Bulgaria JSC  | Ancillary services undertaking as defined in Article 1 (53) | АКЦИОНЕРНО ДРУЖЕСТВО                  | NM                           | #  | 100.00                |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00018            | SC  | Central Point Insurance IT-Solutions GmbH                                       | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #  | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| CZECH REPUBLIC | 3157001000000066831                    | LEI                                       | Ceská podnikatelská pojist'ovna, a.s., Vienna Insurance Group                   | Composite insurer   | AKCIOVÁ SPOLEČNOST                    | NM                           | ČESKÁ NARODNÍ BANKA (CZECH NATIONAL BANK)    | 97.28                 | 100.00  | 100.00          | #              | D                  | 0.97   | 10     | #   | 1  |                            |
| CZECH REPUBLIC | 5299002V11Z638MWAS89CZ00007            | SC  | CPP Servis, s.r.o.  | Ancillary services undertaking as defined in Article 1 (53) | SPOLEČNOST S RUČENÍM OMEZENÝM         | NM                           | #  | 97.28                 | 100.00  | 100.00          | #              | D                  | 0.97   | 10     | #   | 8  |                            |
| CZECH REPUBLIC | 5299002V11Z638MWAS89CZ00024            | SC  | CP Solutions a.s.   | Ancillary services undertaking as defined in Article 1 (53) | AKCIOVÁ SPOLEČNOST                    | NM                           | #  | 97.28                 | 100.00  | 100.00          | #              | D                  | 0.97   | 10     | #   | 1  |                            |
| CZECH REPUBLIC | 5299002V11Z638MWAS89CZ00008            | SC  | CROWN-WSF spol. s.r.o.  | Ancillary services undertaking as defined in Article 1 (53) | SPOLEČNOST S RUČENÍM OMEZENÝM         | NM                           | #  | 29.32                 | 30.00   | 30.00           | #              | S                  | 0.29   | 10     | #   | 10   |                            |
| GEORGIA        | 5299002V11Z638MWAS89GE00001            | SC  | Joint Stock Company "Curatio"   | Ancillary services undertaking as defined in Article 1 (53) | JOINT STOCK COMPANY                   | NM                           | #  | 90.00                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |

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| Country              | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking                              | Type of undertaking   | Legal form                            | Category (mutual/non mutual) | Supervisory Authority   | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|----------------------|--|---|--|---|---------------------------------------|------------------------------|---|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                      |  |   |  |   |                                       |                              |   | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010                | C0020                                  | C0030                                     | C0040  | C0050   | C0060                                 | C0070                        | C0080   | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| AUSTRIA              | 5299002V11Z638MWAS89AT00019            | SC  | Donau Brokerline Versicherungs Service GmbH                | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #   | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| AUSTRIA              | 5299002V11Z638MWAS89AT00020            | SC  | DBLV Immobilienbesitz GmbH                                 | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #   | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| AUSTRIA              | 5299002V11Z638MWAS89AT00021            | SC  | DBLV Immobilienbesitz GmbH & Co KG                         | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                 | NM                           | #   | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| GERMANY              | 5299002V11Z638MWAS89DE00003            | SC  | DBR-Liegenschaften Verwaltungs GmbH                        | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #   | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| GERMANY              | 5299002V11Z638MWAS89DE00004            | SC  | DBR-Liegenschaften GmbH & Co KG                            | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                 | NM                           | #   | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA              | 5299002V11Z638MWAS89AT00022            | SC  | Deutschmeisterplatz 2 Objektverwaltung GmbH                | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #   | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA              | 5299002V11Z638MWAS89AT00023            | SC  | serviceline contact center dienstleistungs-gmbh            | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #   | 97.75                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| MOLDOVA, REPUBLIC OF | 5299002V11Z638MWAS89MD00001            | SC  | Compania de Asigurari "DONARIS VIENNA INSURANCE GROUP" Soc | Non-life insurer  | ACȚIONARII SOCIETĂȚII                 | NM                           | CCNPFM (COMMISSION FOR FINANCIAL MARKETS) OSTERREICHISCHE FINANZMARKTAUFSICHT | 99.99                 | 99.99   | 99.99           | #              | D                  | 1.00   | 10     | #   | 8  |                            |
| AUSTRIA              | 529900LCKFUFRG0MTQ38                   | LEI                                       | DONAU Versicherung AG Vienna Insurance Group               | Composite insurer   | AKTIENGESELLSCHAFT                    | NM                           | 99.99   | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| BULGARIA             | 5299002V11Z638MWAS89BG00005            | SC  | Pension Assurance Company Doverie AD                       | Institutions for occupational retirement provision          | АКЦИОНЕРНО ДРУЖЕСТВО                  | NM                           | КФН (FINANCIAL SUPERVISION COMMISSION)  | 92.58                 | 92.58   | 92.58           | #              | D                  | 0.93   | 10     | #   | 4  |                            |
| AUSTRIA              | 5299002V11Z638MWAS89AT00024            | SC  | DVIB GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #   | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| AUSTRIA              | 5299002V11Z638MWAS89AT00149            | SC  | DVIB alpha GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #   | 100.00                |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |



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|----------------|--|---|---|---|---------------------------------------|------------------------------|---|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                |  |   |   |   |                                       |                              |   | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010          | C0020                                  | C0030                                     | C0040   | C0050   | C0060                                 | C0070                        | C0080   | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| AUSTRIA        | 5299002V112638MVAS89AT00150            | SC  | DV Immoholding GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |   | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| AUSTRIA        | 5299002V112638MVAS89AT00025            | SC  | DVS Donau-Versicherung Vermittlungs- und Service-Gesellschaft m.b.H.                                  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |   | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| AUSTRIA        | 5299002V112638MVAS89AT00026            | SC  | Erste Bank und Sparkassen Leasing GmbH  | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |   | #                     | 47.90   |                 | 49.00          | #                  | S  |        | 10  | #  | 10                         |
| AUSTRIA        | 5299002V112638MVAS89AT00027            | SC  | EBS Wohnungsgesellschaft mbH Linz   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |   | #                     | 24.44   |                 | 99.99          | #                  | S  |        | 10  | #  | 10                         |
| AUSTRIA        | 5299002V112638MVAS89AT00028            | SC  | EBV-Leasing Gesellschaft m.b.H.   | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |   | #                     | 72.32   |                 | 100.00         | #                  | D  |        | 10  | #  | 10                         |
| CROATIA        | 5299002V112638MVAS89HR00001            | SC  | ERSTE drustvo s ogranicenom odgovornoscu za upravljanje obveznim i dobrovoljnim mirovinskim fondovima | Institutions for occupational retirement provision          | DRUŠTVO S OGRANIČENOM ODGOVORNOŠĆU    | NM                           | HANFA (FINANCIAL SERVICES SUPERVISORY AGENCY) | 25.30                 | 25.30   | 25.30           | #              | S                  | 0.25   |        | 10  | #  | 4                          |
| AUSTRIA        | 5299002V112638MVAS89AT00121            | SC  | "Eisenhof" Gemeinnützige Wohnungsgesellschaft m.b.H.  | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |   | #                     | 20.13   |                 | 50.00          | #                  | S  |        | 10  | #  | 10                         |
| AUSTRIA        | 5299002V112638MVAS89AT00116            | SC  | EGW Datenverarbeitungs-Gesellschaft m.b.H.  | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |   | #                     | 71.92   |                 | 100.00         | #                  | D  |        | 10  | #  | 10                         |
| AUSTRIA        | 5299002V112638MVAS89AT00117            | SC  | EGW Liegenschaftsverwertungs GmbH   | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |   | #                     | 71.92   |                 | 100.00         | #                  | D  |        | 10  | #  | 10                         |
| AUSTRIA        | 5299002V112638MVAS89AT00029            | SC  | EGW Wohnbau gemeinnützige Ges.m.b.H.  | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |   | #                     | 71.92   |                 | 100.00         | #                  | D  |        | 10  | #  | 10                         |
| UNITED KINGDOM | 5299002V112638MVAS89GB00001            | SC  | European Insurance & Reinsurance Brokers Ltd.   | Ancillary services undertaking as defined in Article 1 (53) | LIMITED COMPANY                       | NM                           |   | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| AUSTRIA        | 5299002V112638MVAS89AT00030            | SC  | ELVP Beteiligungen GmbH   | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |   | #                     | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |

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**Undertakings in the scope of the group**

| Country        | Identification code of the undertaking | Type of code of the undertaking | Legal name of the undertaking  | Type of undertaking   | Legal form                              | Category (mutual/non mutual) | Supervisory Authority | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|----------------|--|---------------------------------|--|---|---|------------------------------|-----------------------|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                |  |                                 |  |   |   |                              |                       | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010          | C0020                                  | C0030                           | C0040  | C0050   | C0060                                   | C0070                        | C0080                 | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| SLOVAKIA       | 5299002V112638MWAS89SK00006            | SC                              | EUROPEUM Business Center s.r.o.  | Ancillary services undertaking as defined in Article 1 (53) | SPOLOČNOSŤ S RUČENÍM OBMEDZENÝM         | NM                           | #                     | 99.27                 |   | 100.00          | #              | D                  |  | 10     | #   | 1  |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00031            | SC                              | EXPERTA Schadenregulierungs-Gesellschaft mbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 99.44                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| POLAND         | 5299002V112638MWAS89PL00005            | SC                              | Compensa Dystrybucja Spolka z ograniczona odpowiedzialnoscia                           | Ancillary services undertaking as defined in Article 1 (53) | SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ | NM                           | #                     | 99.98                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00033            | SC                              | Finanzpartner GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 48.87                 |   | 50.00           | #              | S                  |  | 10     | #   | 10   |                            |
| LITHUANIA      | 5299002V112638MWAS89LT00001            | SC                              | UAB "Compensa Life Distribution"   | Ancillary services undertaking as defined in Article 1 (53) | UŽDAROJI AKCINĖ BENDROVĖ                | NM                           | #                     | 100.00                |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| CZECH REPUBLIC | 5299002V112638MWAS89CZ00026            | SC                              | FinServis Plus, s.r.o.   | Ancillary services undertaking as defined in Article 1 (53) | SPOLEČNOST S RUČENÍM OMEZENÝM           | NM                           | #                     | 97.28                 | 100.00  | 100.00          | #              | D                  | 0.97   | 10     | #   | 8  |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00034            | SC                              | Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH                       | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00035            | SC                              | GELUP GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 32.58                 |   | 33.33           | #              | S                  |  | 10     | #   | 10   |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00036            | SC                              | Alpenländische Heimstätte, gemeinnützige Wohnungsbau- und Siedlungsgesellschaft m.b.H. | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 76.03                 | 94.84   | 94.84           | #              | D                  | 0.76   | 10     | #   | 10   |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00037            | SC                              | Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH  | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 53.96                 | 99.92   | 99.92           | #              | D                  | 0.48   | 10     | #   | 10   |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00148            | SC                              | Gemeinnützige Industrie-Wohnungsaktiengesellschaft Erste gemeinnützige                 | Other   | AKTIENGESellschaft                      | NM                           | #                     | 54.00                 | 55.00   | 80.00           | #              | D                  | 0.48   | 10     | #   | 10   |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00039            | SC                              | Wohnungsgesellschaft Heimstätte Gesellschaft m.b.H.                                    | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 71.92                 | 99.77   | 99.77           | #              | D                  | 0.72   | 10     | #   | 10   |                            |

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| Country        | Identification code of the undertaking | Type of code of the undertaking | Legal name of the undertaking   | Type of undertaking   | Legal form                              | Category (mutual/non mutual) | Supervisory Authority | Criteria of influence |   |                 |                |                    |  |        |   | Inclusion in the scope of group supervision                  |  | Group solvency calculation |
|----------------|--|---------------------------------|---|---|---|------------------------------|-----------------------|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|--|----------------------------|
|                |  |                                 |   |   |   |                              |                       | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied | Method used and under method 1, treatment of the undertaking |  |                            |
| C0010          | C0020                                  | C0030                           | C0040   | C0050   | C0060                                   | C0070                        | C0080                 | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                   | C0260  |  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00040            | SC                              | Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H.                                   | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 23.37                 | 61.00   | 61.00           | #              | S                  | 0.23   | 10     | #                                       | 10   |  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00041            | SC                              | NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs- und Siedlungsgesellschaft m.b.H. | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 83.42                 | 99.82   | 99.82           | #              | D                  | 0.83   | 10     | #                                       | 10   |  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00042            | SC                              | SCHWARZTAL Gemeinnützige Wohnungs- und Siedlungsanlagen GmbH                        | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 54.06                 | 100.00  | 100.00          | #              | D                  | 0.48   | 10     | #                                       | 10   |  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00043            | SC                              | SOZIALBAU gemeinnützige Wohnensaktiengesellschaft                                   | Other   | AKTIENGESELLSCHAFT                      | NM                           | #                     | 40.26                 | 54.17   | 54.17           | #              | S                  | 0.40   | 10     | #                                       | 10   |  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00044            | SC                              | Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H.      | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 20.72                 | 51.46   | 51.46           | #              | S                  | 0.21   | 10     | #                                       | 10   |  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00045            | SC                              | Gewista-WerbeGesellschaft m.b.H.  | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 22.58                 | 33.00   | 33.00           | #              | S                  | 0.23   | 10     | #                                       | 10   |  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00046            | SC                              | GGVier Projekt-GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                     | 53.76                 |   | 55.00           | #              | D                  |  | 10     | #                                       | 8  |  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00048            | SC                              | Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG                                  | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                   | NM                           | #                     | 28.51                 |   | 29.16           | #              | S                  |  | 10     | #                                       | 10   |  |                            |
| CZECH REPUBLIC | 5299002V11Z638MWAS89CZ00009            | SC                              | GLOBAL ASSISTANCE SERVICES s.r.o.   | Ancillary services undertaking as defined in Article 1 (53) | SPOLEČNOST S RUČENÍM OMEZENÝM           | NM                           | #                     | 100.00                |   | 100.00          | #              | D                  |  | 10     | #                                       | 8  |  |                            |
| CZECH REPUBLIC | 5299002V11Z638MWAS89CZ00010            | SC                              | GLOBAL ASSISTANCE, a.s.   | Ancillary services undertaking as defined in Article 1 (53) | AKTIENGESELLSCHAFT                      | NM                           | #                     | 98.91                 | 100.00  | 100.00          | #              | D                  | 0.99   | 10     | #                                       | 8  |  |                            |
| CZECH REPUBLIC | 5299002V11Z638MWAS89CZ00011            | SC                              | Global Expert, s.r.o.   | Ancillary services undertaking as defined in Article 1 (53) | SPOLEČNOST S RUČENÍM OMEZENÝM           | NM                           | #                     | 97.28                 | 100.00  | 100.00          | #              | D                  | 0.97   | 10     | #                                       | 8  |  |                            |
| POLAND         | 5299002V11Z638MWAS89PL00014            | SC                              | Global Assistance Polska Spółka z ograniczoną odpowiedzialnością                    | Ancillary services undertaking as defined in Article 1 (53) | SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ | NM                           | #                     | 99.99                 |   | 100.00          | #              | D                  |  | 10     | #                                       | 8  |  |                            |

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| Country        | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking                               | Type of undertaking   | Legal form  | Category (mutual/non mutual) | Supervisory Authority          | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|----------------|--|---|---|---|---|------------------------------|--------------------------------|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                |  |   |   |   |   |                              |                                | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010          | C0020                                  | C0030                                     | C0040   | C0050   | C0060   | C0070                        | C0080                          | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| ROMANIA        | 5299002V11Z638MWAS89RO00008            | SC  | GLOBAL ASSISTANCE SERVICES SRL                              | Ancillary services undertaking as defined in Article 1 (53) | SOCIETATE CU RASPUNDERE LIMITATA                  | NM                           | #                              | 99.70                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| SLOVAKIA       | 5299002V11Z638MWAS89SK00002            | SC  | GLOBAL ASSISTANCE SLOVAKIA s.r.o.                           | Ancillary services undertaking as defined in Article 1 (53) | SPOLOČNOSŤ S RUČENÍM OBMEDZENÝM                   | NM                           | #                              | 99.11                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| UKRAINE        | 5299002V11Z638MWAS89UA00002            | SC  | CALICAL "Globus"  | Non-life insurer  | СТРАХОВЕ ТОВАРИСТВО З ДОДАТКОВОЮ ВІДПОВІДАЛЬНІСТЮ | NM                           | HEU (NATIONAL BANK OF UKRAINE) | 100.00                | 100.00  | 100.00          | #              | D                  | 0.00   | 10     | #   | 8  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00049            | SC  | Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H.            | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG             | NM                           | #                              | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| GEORGIA        | 5299002V11Z638MWAS89GE00003            | SC  | Joint Stock Company Insurance Company GPI Holding           | Composite insurer   | JOINT STOCK COMPANY                               | NM                           | NATIONAL BANK OF GEORGIA       | 90.00                 | 90.00   | 90.00           | #              | D                  | 0.90   | 10     | #   | 8  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00050            | SC  | "Grüner Baum" Errichtungs- und Verwaltungsges.m.b.H.        | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG             | NM                           | #                              | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00051            | SC  | Palais Hansen Immobilienentwicklung GmbH                    | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG             | NM                           | #                              | 55.27                 | 56.55   | 56.55           | #              | D                  | 0.55   | 10     | #   | 1  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00124            | SC  | Hauservice Objektbewirtschaftungs GmbH                      | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG             | NM                           | #                              | 20.72                 |   | 100.00          | #              | S                  |  | 10     | #   | 10   |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00053            | SC  | HORIZONT Personal-, Team- und Organisationsentwicklung GmbH | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG             | NM                           | #                              | 98.29                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| CZECH REPUBLIC | 5299002V11Z638MWAS89CZ00012            | SC  | HOTELY SRNI, a.s.   | Ancillary services undertaking as defined in Article 1 (53) | AKCIOVÁ SPOLEČNOST                                | NM                           | #                              | 97.28                 | 100.00  | 100.00          | #              | D                  | 0.97   | 10     | #   | 8  |                            |
| HUNGARY        | 5299002V11Z638MWAS89HU00005            | SC  | HUN BM Koriátolt Felelősségű Társaság                       | Ancillary services undertaking as defined in Article 1 (53) | KORLÁTOLT FELELŐSSÉGŰ TÁRSASÁG                    | NM                           | #                              | 99.27                 |   | 100.00          | #              | D                  |  | 10     | #   | 1  |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00118            | SC  | Floridsdorf am Spitz 4 Immobilienverwertungs GmbH           | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG             | NM                           | #                              | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |

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| Country                | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking   | Type of undertaking   | Legal form                              | Category (mutual/non mutual) | Supervisory Authority                           | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|------------------------|--|---|---|---|---|------------------------------|---|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                        |  |   |   |   |   |                              |   | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010                  | C0020                                  | C0030                                     | C0040   | C0050   | C0060                                   | C0070                        | C0080   | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| AUSTRIA                | 5299002V112638MWAS89AT00125            | SC  | Immodat GmbH  | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           |   | #                     | 20.72   |                 | 100.00         | #                  | S  |        | 10  | #  | 10                         |
| AUSTRIA                | 5299002V112638MWAS89AT00126            | SC  | IMOVE Immobilienverwertung- und -verwaltungs GmbH                       | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           |   | #                     | 20.72   |                 | 100.00         | #                  | S  |        | 10  | #  | 10                         |
| GERMANY                | 5299002V112638MWAS89DE00005            | SC  | InterRisk Informatik GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           |   | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| GERMANY                | 391200H117VYXEFJBC60                   | LEI                                       | InterRisk Lebensversicherungs-AG Vienna Insurance Group                 | Life insurer  | AKTIENGESELLSCHAFT                      | NM                           | BUNDESANSTALT FÜR FINANZDIENSTLEISTUNG SAUFICHT |                       | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| POLAND                 | 259400PLK80RTTNTX09                    | LEI                                       | InterRisk Towarzystwo Ubezpieczeń Spolka Akcyjna Vienna Insurance Group | Non-life insurer  | SPÓŁKA AKCYJNA                          | NM                           | KNF (POLISH FINANCIAL SUPERVISION AUTHORITY)    |                       | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| GERMANY                | 391200OHYAVZHRP0BA02                   | LEI                                       | InterRisk Versicherungs-AG Vienna Insurance Group                       | Non-life insurer  | AKTIENGESELLSCHAFT                      | NM                           | BUNDESANSTALT FÜR FINANZDIENSTLEISTUNG SAUFICHT |                       | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| ALBANIA                | 5299002V112638MWAS89AL00001            | SC  | INTERSIG VIENNA INSURANCE GROUP Sh.A.                                   | Non-life insurer  | SHOQËRIA AKSIONARE                      | NM                           | AMF (ALBANIAN FINANCIAL SUPERVISORY AUTHORITY)  |                       | 89.98   | 89.98           | 89.98          | #                  | D  | 0.90   | 10  | #  | 8                          |
| BELARUS                | 5299002V112638MWAS89BY00001            | SC  | Foreign limited liability company "InterInvestUchastie"                 | Ancillary services undertaking as defined in Article 1 (53) | LIMITED LIABILITY COMPANY               | NM                           |   | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| GEORGIA                | 5299002V112638MWAS89GE00004            | SC  | Joint Stock Company International Insurance Company I.R.A.O             | Composite insurer   | JOINT STOCK COMPANY                     | NM                           | NATIONAL BANK OF GEORGIA                        |                       | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 8                          |
| POLAND                 | 5299002V112638MWAS89PL00012            | SC  | ITIS Spolka z ograniczona odpowiedzialnoscia                            | Ancillary services undertaking as defined in Article 1 (53) | SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ | NM                           |   | #                     | 49.01   |                 | 49.02          | #                  | S  |        | 10  | #  | 10                         |
| BOSNIA AND HERZEGOVINA | 5299002V112638MWAS89BA00001            | SC  | Wiener Osiguranje Vienna Insurance Group ad                             | Composite insurer   | AKCIONASKO DRUSTVO                      | NM                           | AO (INSURANCE AGENCY OF BOSNIA AND HERZEGOVINA) |                       | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 8                          |
| BOSNIA AND HERZEGOVINA | 5299002V112638MWAS89BA00002            | SC  | Jahorina auto d.o.o.  | Ancillary services undertaking as defined in Article 1 (53) | DRUŠTVO S OGRANIČENOM ODGOVORNOSTU      | NM                           |   | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |

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| Country                | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking   | Type of undertaking   | Legal form                            | Category (mutual/non mutual) | Supervisory Authority                           | Criteria of influence |   |                 |                |                    |  | Inclusion in the scope of group supervision |   | Group solvency calculation                                   |
|------------------------|--|---|---|---|---------------------------------------|------------------------------|---|-----------------------|---|-----------------|----------------|--------------------|--|---|---|--|
|                        |  |   |   |   |                                       |                              |   | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO                                      | Date of decision if art. 214 is applied | Method used and under method 1, treatment of the undertaking |
| C0010                  | C0020                                  | C0030                                     | C0040   | C0050   | C0060                                 | C0070                        | C0080   | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240                                       | C0250                                   | C0260  |
| BOSNIA AND HERZEGOVINA | 5299002V112638MWAS89BA00003            | SC  | Jahorina Konseko Progres a.d. in Liquidation  | Other   | AKCIONARSKO DRUŠTVO                   | NM                           | #   | 28.00                 |   | 28.00           | #              | S                  |  | 10  | #                                       | 10   |
| UKRAINE                | 5299002V112638MWAS89UA00003            | SC  | Private Joint-Stock Company "INSURANCE COMPANY "KNIAZHA LIFE VIENNA INSURANCE GROUP"      | Life insurer  | PRIVATE JOINT STOCK COMPANY           | NM                           | HEY (NATIONAL BANK OF UKRAINE)                  | 97.80                 | 97.80   | 97.80           | #              | D                  | 0.98   | 10  | #                                       | 8  |
| AUSTRIA                | 5299002V112638MWAS89AT00054            | SC  | Kaiserstraße 113 GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #   | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10  | #                                       | 1  |
| HUNGARY                | 5299002V112638MWAS89HU00001            | SC  | KALVIN TOWER Ingatlanfejlesztési és Beruházási Korlátolt Felelősségű Társaság             | Ancillary services undertaking as defined in Article 1 (53) | KORLÁTOLT FELELŐSSÉGŰ TÁRSASÁG        | NM                           | #   | 98.64                 | 100.00  | 100.00          | #              | D                  | 0.99   | 10  | #                                       | 1  |
| CZECH REPUBLIC         | 5299002V112638MWAS89CZ00013            | SC  | Kapitol pojist'ovací a finanční poradenství, a.s.   | Ancillary services undertaking as defined in Article 1 (53) | AKCIOVÁ SPOLEČNOST                    | NM                           | #   | 98.10                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10  | #                                       | 1  |
| LATVIA                 | 5299002V112638MWAS89LV00003            | SC  | KKB Real Estate SIA   | Ancillary services undertaking as defined in Article 1 (53) | SABIEDRIBA AR ĪEROBEZOTU ATBILDĪBU    | NM                           | #   | 99.27                 |   | 100.00          | #              | D                  |  | 10  | #                                       | 1  |
| UKRAINE                | 5299002V112638MWAS89UA00004            | SC  | PRIVATE JOINT STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIAZHA VIENNA INSURANCE GROUP" | Non-life insurer  | PRIVATE JOINT STOCK COMPANY           | NM                           | HEY (NATIONAL BANK OF UKRAINE)                  | 100.00                | 99.99   | 100.00          | #              | D                  | 1.00   | 10  | #                                       | 8  |
| SLOVAKIA               | 097900BFDRO000022084                   | LEI                                       | KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group  | Composite insurer   | AKCIOVÁ SPOLEČNOSŤ                    | NM                           | NBS (NATIONAL BANK OF SLOVAKIA)                 | 98.76                 | 100.00  | 100.00          | #              | D                  | 0.99   | 10  | #                                       | 1  |
| SLOVAKIA               | 097900BFEK0000024220                   | LEI                                       | KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group  | Composite insurer   | AKCIOVÁ SPOLEČNOSŤ                    | NM                           | NBS (NATIONAL BANK OF SLOVAKIA)                 | 98.47                 | 98.47   | 98.47           | #              | D                  | 0.98   | 10  | #                                       | 1  |
| CZECH REPUBLIC         | 3157001000000008243                    | LEI                                       | Kooperativa, poisť'ovňa, a.s. Vienna Insurance Group                                      | Composite insurer   | AKCIOVÁ SPOLEČNOST                    | NM                           | ČESKÁ NÁRODNÍ BANKA (CZECH NATIONAL BANK)       | 97.28                 | 97.28   | 94.56           | #              | D                  | 0.97   | 10  | #                                       | 1  |
| BELARUS                | 5299002V112638MWAS89BY00002            | SC  | KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company                           | Non-life insurer  | JOINT STOCK COMPANY                   | NM                           | HEPB (NATIONAL BANK OF THE REPUBLIC OF BELARUS) | 98.26                 |   | 98.26           | #              | D                  |  | 10  | #                                       | 8  |
| CROATIA                | 54930041AKTSEYG3RV93                   | LEI                                       | Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje                   | Composite insurer   | DIONIČKO DRUŠTVO                      | NM                           | HANFA (FINANCIAL SERVICES SUPERVISORY AGENCY)   | 97.82                 | 97.82   | 97.82           | #              | D                  | 0.98   | 10  | #                                       | 1  |

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| Country         | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking  | Type of undertaking   | Legal form                            | Category (mutual/non mutual) | Supervisory Authority              | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|-----------------|--|---|--|---|---------------------------------------|------------------------------|------------------------------------|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                 |  |   |  |   |                                       |                              |                                    | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010           | C0020                                  | C0030                                     | C0040  | C0050   | C0060                                 | C0070                        | C0080                              | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| AUSTRIA         | 5299002V11Z638MWAS89AT00055            | SC  | KWC Campus Errichtungsgesellschaft m.b.H.  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                  | 48.87                 |   | 50.00           | #              | S                  |  | 10     | #   | 10   |                            |
| AUSTRIA         | 5299002V11Z638MWAS89AT00056            | SC  | Lead Equities II Auslandsbeteiligungs AG   | Other   | AKTIENGESELLSCHAFT                    | NM                           | #                                  | 21.59                 |   | 21.59           | #              | S                  |  | 10     | #   | 10   |                            |
| AUSTRIA         | 5299002V11Z638MWAS89AT00057            | SC  | Lead Equities II.Private Equity Mittelstandsfinanzierungs AG                         | Other   | AKTIENGESELLSCHAFT                    | NM                           | #                                  | 21.59                 |   | 21.59           | #              | S                  |  | 10     | #   | 10   |                            |
| AUSTRIA         | 5299002V11Z638MWAS89AT00058            | SC  | LiSciV Muthgasse GmbH & Co KG  | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                 | NM                           | #                                  | 28.51                 |   | 29.16           | #              | S                  |  | 10     | #   | 10   |                            |
| AUSTRIA         | 529900DCFVWYSM8TUH41                   | LEI                                       | LVP Holding GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                  | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| NORTH MACEDONIA | 5299002V11Z638MWAS89MK00001            | SC  | Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje Vienna Insurance Group | Non-life insurer  | АКЦИОНЕРСКО ДРУШТВО                   | NM                           | ACO (INSURANCE SUPERVISION AGENCY) | 94.26                 | 94.26   | 94.26           | #              | D                  | 0.94   | 10     | #   | 8  |                            |
| AUSTRIA         | 5299002V11Z638MWAS89AT00060            | SC  | MAP Bürodienstleistung Gesellschaft m.b.H.   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                  | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA         | 5299002V11Z638MWAS89AT00061            | SC  | MC EINS Investment GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                  | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA         | 5299002V11Z638MWAS89AT00062            | SC  | twinformatics GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                  | 98.87                 | 100.00  | 100.00          | #              | D                  | 0.99   | 10     | #   | 1  |                            |
| AUSTRIA         | 5299002V11Z638MWAS89AT00063            | SC  | MH 54 Immobilienanlage GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                  | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| HUNGARY         | 5299002V11Z638MWAS89HU00002            | SC  | Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság                   | Ancillary services undertaking as defined in Article 1 (53) | ZÁRTKÖRŪEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG    | NM                           | #                                  | 98.64                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| AUSTRIA         | 5299002V11Z638MWAS89AT00064            | SC  | WWG Beteiligungen GmbH   | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                  | 87.07                 | 87.07   | 87.07           | #              | D                  | 0.87   | 10     | #   | 1  |                            |

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| Country    | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking   | Type of undertaking   | Legal form                              | Category (mutual/non mutual) | Supervisory Authority                  | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |       | Group solvency calculation |
|------------|--|---|---|---|---|------------------------------|--|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|-------|----------------------------|
|            |  |   |   |   |   |                              |  | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     |       |                            |
| C0010      | C0020                                  | C0030                                     | C0040   | C0050   | C0060                                   | C0070                        | C0080                                  | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260 |                            |
| AUSTRIA    | 5299002V112638MWAS89AT00119            | SC  | "Neue Heimat" Stadterneuerungsgesellschaft m.b.H.   | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                                      | 79.51                 |   | 100.00          | #              | D                  |  | 10     | #   | 10    |                            |
| BULGARIA   | 5299002V112638MWAS89BG00013            | SC  | Insurance Company Nova Ins EAD  | Non-life insurer  | АКЦИОНЕРНО ДРУЖЕСТВО                    | NM                           | КФН (FINANCIAL SUPERVISION COMMISSION) | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 1     |                            |
| AUSTRIA    | 5299002V112638MWAS89AT00123            | SC  | Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG  | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                   | NM                           | #                                      | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1     |                            |
| AUSTRIA    | 5299002V112638MWAS89AT00065            | SC  | Osterreichisches Verkehrsbüro Aktiengesellschaft  | Other   | AKTIENGESELLSCHAFT                      | NM                           | #                                      | 35.78                 | 36.58   | 36.58           | #              | S                  | 0.36   | 10     | #   | 10    |                            |
| SLOVAKIA   | 5299002V112638MWAS89SK00008            | SC  | VIG Offices 1, s.r.o.   | Ancillary services undertaking as defined in Article 1 (53) | SPOLOČNOSŤ S RUČENÍM OBMEDZENÝM         | NM                           | #                                      | 98.47                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1     |                            |
| SLOVAKIA   | 5299002V112638MWAS89SK00009            | SC  | VIG Offices, s.r.o.   | Ancillary services undertaking as defined in Article 1 (53) | SPOLOČNOSŤ S RUČENÍM OBMEDZENÝM         | NM                           | #                                      | 98.47                 |   | 100.00          | #              | D                  |  | 10     | #   | 8     |                            |
| ROMANIA    | 529900AB9YD8CLGBE756                   | LEI                                       | OMNIASIG VIENNA INSURANCE GROUP S.A.  | Non-life insurer  | SOCIETĂȚI PE ACȚIUNI                    | NM                           | AUTORITATEA DE SUPRAVEGHERE FINANCIARĂ | 99.50                 | 99.50   | 99.50           | #              | D                  | 1.00   | 10     | #   | 1     |                            |
| MONTENEGRO | 5299002V112638MWAS89ME00001            | SC  | Akcionarsko društvo za životno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group | Life insurer  | AKCIONARSKO DRUSTVO                     | NM                           | KHV (MONTENEGRO SECURITIES COMMISSION) | 100.00                |   | 100.00          | #              | D                  |  | 10     | #   | 8     |                            |
| POLAND     | 5299002V112638MWAS89PL00007            | SC  | Passat Real Sp. z o.o.  | Ancillary services undertaking as defined in Article 1 (53) | SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ | NM                           | #                                      | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1     |                            |
| AUSTRIA    | 5299002V112638MWAS89AT00066            | SC  | PFG Liegenschaftsbewirtschaftungs GmbH & Co KG  | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                   | NM                           | #                                      | 81.94                 | 92.88   | 100.00          | #              | D                  | 0.82   | 10     | #   | 1     |                            |
| AUSTRIA    | 5299002V112638MWAS89AT00141            | SC  | PFG Liegenschaftsbewirtschaftungs GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                                      | 73.96                 |   | 83.57           | #              | D                  |  | 10     | #   | 8     |                            |
| AUSTRIA    | 5299002V112638MWAS89AT00068            | SC  | PFG Holding GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           | #                                      | 87.76                 | 89.23   | 89.23           | #              | D                  | 0.88   | 10     | #   | 1     |                            |



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| Country        | Identification code of the undertaking | Type of code of the undertaking | Legal name of the undertaking   | Type of undertaking   | Legal form                                 | Category (mutual/non mutual) | Supervisory Authority           | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |       | Group solvency calculation |
|----------------|--|---------------------------------|---|---|--|------------------------------|---------------------------------|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|-------|----------------------------|
|                |  |                                 |   |   |  |                              |                                 | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     |       |                            |
| C0010          | C0020                                  | C0030                           | C0040   | C0050   | C0060                                      | C0070                        | C0080                           | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260 |                            |
| AUSTRIA        | 5299002V11Z638MWAS89AT00131            | SC                              | Porzellangasse 4 Liegenschaftsverwaltung GmbH & Co KG                       | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                      | NM                           |                                 | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98   | 10  | #     | 1                          |
| POLAND         | 5299002V11Z638MWAS89PL00013            | SC                              | POLISA - ZYCIE Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia        | Ancillary services undertaking as defined in Article 1 (53) | SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ    | NM                           |                                 | #                     | 99.97   |                 | 100.00         | #                  | D  |        | 10  | #     | 8                          |
| AUSTRIA        | 5299002V11Z638MWAS89AT00069            | SC                              | PROGRESS Beteiligungs.ges.m.b.H.  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG      | NM                           |                                 | #                     | 68.42   | 70.00           | 70.00          | #                  | D  | 0.68   | 10  | #     | 1                          |
| AUSTRIA        | 5299002V11Z638MWAS89AT00070            | SC                              | Projektbau GesmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG      | NM                           |                                 | #                     | 88.54   | 100.00          | 100.00         | #                  | D  | 0.89   | 10  | #     | 1                          |
| AUSTRIA        | 5299002V11Z638MWAS89AT00071            | SC                              | Projektbau Holding GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG      | NM                           |                                 | #                     | 88.54   | 90.00           | 90.00          | #                  | D  | 0.89   | 10  | #     | 1                          |
| CZECH REPUBLIC | 5299002V11Z638MWAS89CZ00025            | SC                              | Prazska softwarova s.r.o  | Ancillary services undertaking as defined in Article 1 (53) | SPOLEČNOST S RUČENÍM OMEZENÝM              | NM                           |                                 | #                     | 97.28   | 100.00          | 100.00         | #                  | D  | 0.97   | 10  | #     | 8                          |
| AUSTRIA        | 5299002V11Z638MWAS89AT00072            | SC                              | Renaissance Hotel Realbesitz GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG      | NM                           |                                 | #                     | 40.00   |                 | 40.00          | #                  | S  |        | 10  | #     | 10                         |
| AUSTRIA        | 5299002V11Z638MWAS89AT00073            | SC                              | Rathstraße 8 Liegenschaftsverwertungs-GmbH                                  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG      | NM                           |                                 | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98   | 10  | #     | 1                          |
| TURKEY         | 5299002V11Z638MWAS89TR00001            | SC                              | Ray Sigorta Anonim Sirketi  | Non-life insurer  | ANONIM ŞİRKET                              | NM                           | CAPITAL MARKETS BOARD OF TURKEY | #                     | 94.96   | 94.96           | 94.96          | #                  | D  | 0.95   | 10  | #     | 8                          |
| AUSTRIA        | 5299002V11Z638MWAS89AT00074            | SC                              | RISK CONSULT Sicherheits- und Risiko-Managementberatung Gesellschaft m.b.H. | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG      | NM                           |                                 | #                     | 51.00   |                 | 51.00          | #                  | D  |        | 10  | #     | 8                          |
| BULGARIA       | 5299002V11Z638MWAS89BG00012            | SC                              | Risk Consult Bulgaria EOOD  | Ancillary services undertaking as defined in Article 1 (53) | ЕДНОЛИЧНО ДРУЖЕСТВО С ОГРАНИЧЕНА ИТВОРНОСТ | NM                           |                                 | #                     | 51.00   |                 | 100.00         | #                  | D  |        | 10  | #     | 8                          |
| POLAND         | 5299002V11Z638MWAS89PL00010            | SC                              | Risk Consult Polska Sp.z.o.o.   | Ancillary services undertaking as defined in Article 1 (53) | SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ    | NM                           |                                 | #                     | 68.15   |                 | 100.00         | #                  | D  |        | 10  | #     | 8                          |

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| Country  | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking                                    | Type of undertaking   | Legal form                            | Category (mutual/non mutual) | Supervisory Authority | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|----------|--|---|--|---|---------------------------------------|------------------------------|-----------------------|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|          |  |   |  |   |                                       |                              |                       | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010    | C0020                                  | C0030                                     | C0040  | C0050   | C0060                                 | C0070                        | C0080                 | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| ROMANIA  | 5299002V11Z638MWAS89RO00007            | SC  | S.C. Risk Consult & Engineering Romania S.R.L.                   | Ancillary services undertaking as defined in Article 1 (53) | SOCIETATE CU RASPUNDERE LIMITATA      | NM                           | #                     | 51.00                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| SLOVAKIA | 5299002V11Z638MWAS89SK00005            | SC  | Risk Experts s.r.o.  | Ancillary services undertaking as defined in Article 1 (53) | SPOLOČNOSŤ S RUČENÍM OBMEDZENÝM       | NM                           | #                     | 51.00                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| TURKEY   | 5299002V11Z638MWAS89TY00001            | SC  | Risk Expert Risk ve Hasar Danismanlik Hizmetleri Limited Sirketi | Ancillary services undertaking as defined in Article 1 (53) | LIMITED ŞIRKETI                       | NM                           | #                     | 64.19                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| AUSTRIA  | 5299002V11Z638MWAS89AT00138            | SC  | Risk Experts Risiko Engineering GmbH                             | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                     | 12.24                 |   | 24.00           | #              | S                  |  | 10     | #   | 10   |                            |
| AUSTRIA  | 5299002V11Z638MWAS89AT00120            | SC  | Risk Logics Risikoberatung GmbH                                  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                     | 51.00                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| AUSTRIA  | 5299002V11Z638MWAS89AT00139            | SC  | Rößlergasse Bauteil Zwei GmbH                                    | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                     | 97.75                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| AUSTRIA  | 5299002V11Z638MWAS89AT00140            | SC  | Rößlergasse Bauteil Drei GmbH                                    | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                     | 100.00                |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| AUSTRIA  | 5299002V11Z638MWAS89AT00075            | SC  | LD Vermögensverwaltung GmbH                                      | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                     | 98.65                 | 100.00  | 100.00          | #              | D                  | 0.99   | 10     | #   | 1  |                            |
| AUSTRIA  | 5299002V11Z638MWAS89AT00076            | SC  | Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG  | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                 | NM                           | #                     | 98.50                 | 100.00  | 100.00          | #              | D                  | 0.99   | 10     | #   | 1  |                            |
| HUNGARY  | 5299002V11Z638MWAS89HU00003            | SC  | Erste Biztosítási Alkusz Kft                                     | Ancillary services undertaking as defined in Article 1 (53) | KORLÁTOLT FELELŐSÉGŰ TÁRSASÁG         | NM                           | #                     | 98.64                 |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| AUSTRIA  | 5299002V11Z638MWAS89AT00122            | SC  | SB Liegenschaftsverwertungs GmbH                                 | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                     | 40.26                 |   | 100.00          | #              | S                  |  | 10     | #   | 10   |                            |
| ROMANIA  | 5299002V11Z638MWAS89RO00005            | SC  | S.C. CLUB A.R.O S.R.L.   | Other   | SOCIETATE CU RASPUNDERE LIMITATA      | NM                           | #                     | 99.72                 |   | 100.00          | #              | D                  |  | 10     | #   | 10   |                            |

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| Country         | Identification code of the undertaking | Type of code of the undertaking | Legal name of the undertaking  | Type of undertaking   | Legal form                            | Category (mutual/non mutual) | Supervisory Authority                          | Criteria of influence |   |                 |                |                    |  | Inclusion in the scope of group supervision |   | Group solvency calculation |  |
|-----------------|--|---------------------------------|--|---|---------------------------------------|------------------------------|--|-----------------------|---|-----------------|----------------|--------------------|--|---|---|----------------------------|--|
|                 |  |                                 |  |   |                                       |                              |  | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO                                      | Date of decision if art. 214 is applied |                            | Method used and under method 1, treatment of the undertaking |
| C0010           | C0020                                  | C0030                           | C0040  | C0050   | C0060                                 | C0070                        | C0080  | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240                                       | C0250                                   | C0260                      |  |
| SLOVAKIA        | 5299002V112638MWAS89SK00003            | SC                              | SECURIA majetkovoprávna a podielová s.r.o.                               | Ancillary services undertaking as defined in Article 1 (53) | SPOLOČNOSŤ S RUČENÍM OBMEDZENÝM       | NM                           |  | #                     | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00  | 10                                      | #                          | 1  |
| ESTONIA         | 549300B2IA611Y8Q4C17                   | LEI                             | Compensa Life Vienna Insurance Group SE                                  | Life insurer  | SOCIETAS EUROPAEA                     | NM                           | FI (FINANCIAL SUPERVISION AUTHORITY)           | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10  | #                                       | 1                          |  |
| ESTONIA         | 549300WVMM3SPD2X5X05                   | LEI                             | Seesam Insurance AS  | Composite insurer   | AKTSIASELTS                           | NM                           | FI (FINANCIAL SUPERVISION AUTHORITY)           | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10  | #                                       | 1                          |  |
| SERBIA          | 5299002V112638MWAS89RS00001            | SC                              | WIENER STÄDTISCHE OSIGURANJE akcionarsko društvo za osiguranje Beograd   | Composite insurer   | AKCIONARSKO DRUŠTVO                   | NM                           | ANORS (INSURANCE AGENCY OF REPUBLIKA SRPSKA)   | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10  | #                                       | 8                          |  |
| SERBIA          | 5299002V112638MWAS89RS00002            | SC                              | WIENER RE akcionarsko društvo za reosiguranje, Beograd                   | Reinsurance undertaking                                     | AKCIONARSKO DRUŠTVO                   | NM                           | ANORS (INSURANCE AGENCY OF REPUBLIKA SRPSKA)   | 99.24                 | 100.00  | 100.00          | #              | D                  | 0.99   | 10  | #                                       | 8                          |  |
| AUSTRIA         | 5299002V112638MWAS89AT00079            | SC                              | Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH               | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |  | #                     | 97.75   |                 | 100.00         | #                  | D  |   | 10                                      | #                          | 8  |
| SERBIA          | 5299002V112638MWAS89RS00003            | SC                              | VIG REAL ESTATE DOO  | Ancillary services undertaking as defined in Article 1 (53) | DRUŠTVO S OGRANIČENOM ODGOVORNOSĆU    | NM                           |  | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98  | 10                                      | #                          | 1  |
| ALBANIA         | 5299002V112638MWAS89AL00002            | SC                              | SIGMA INTERALBANIAN VIENNA INSURANCE GROUP Sh.A.                         | Non-life insurer  | SHOQËRIA AKSIONARE                    | NM                           | AMF (ALBANIAN FINANCIAL SUPERVISORY AUTHORITY) | 89.05                 | 89.05   | 89.05           | #              | D                  | 0.89   | 10  | #                                       | 8                          |  |
| NORTH MACEDONIA | 5299002V112638MWAS89MK00002            | SC                              | Joint Stock Insurance Company WINNER-Vienna Insurance Group              | Non-life insurer  | AKЦИОНЕРСКО ДРУШТВО                   | NM                           | ACO (INSURANCE SUPERVISION AGENCY)             | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10  | #                                       | 8                          |  |
| POLAND          | 259400B863WMC70UMI60                   | LEI                             | Vienna Life Towarzystwo Ubezpieczen na Zycie S.A. Vienna Insurance Group | Life insurer  | SPÓŁKA AKCYJNA                        | NM                           | KNF (POLISH FINANCIAL SUPERVISION AUTHORITY)   | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10  | #                                       | 1                          |  |
| SLOVAKIA        | 5299002V112638MWAS89SK00007            | SC                              | SK BM s.r.o.   | Ancillary services undertaking as defined in Article 1 (53) | SPOLOČNOSŤ S RUČENÍM OBMEDZENÝM       | NM                           |  | #                     | 99.27   |                 | 100.00         | #                  | D  |   | 10                                      | #                          | 1  |
| SLOVAKIA        | 5299002V112638MWAS89SK00004            | SC                              | Slovexperta, s.r.o.  | Ancillary services undertaking as defined in Article 1 (53) | SPOLOČNOSŤ S RUČENÍM OBMEDZENÝM       | NM                           |  | #                     | 98.51   |                 | 100.00         | #                  | D  |   | 10                                      | #                          | 8  |

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| Country        | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking                                   | Type of undertaking   | Legal form                            | Category (mutual/non mutual) | Supervisory Authority                  | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|----------------|--|---|---|---|---------------------------------------|------------------------------|--|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                |  |   |   |   |                                       |                              |  | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010          | C0020                                  | C0030                                     | C0040   | C0050   | C0060                                 | C0070                        | C0080                                  | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| AUSTRIA        | 5299002V112638MWAS89AT00081            | SC  | Soleta Beteiligungsverwaltungs GmbH                             | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |  | #                     | 28.51   |                 | 29.16          | #                  | S  | 10     | #   | 10   |                            |
| CROATIA        | 5299002V112638MWAS89HR00002            | SC  | S.O.S.- EXPERT d.o.o. za poslovanje nekretninama                | Ancillary services undertaking as defined in Article 1 (53) | DRUŠTVO S OGRANIČENOM ODGOVORNOŠĆU    | NM                           |  | #                     | 100.00  |                 | 100.00         | #                  | D  | 10     | #   | 8  |                            |
| CZECH REPUBLIC | 5299002V112638MWAS89CZ00015            | SC  | SURPMO, a.s.  | Ancillary services undertaking as defined in Article 1 (53) | AKCIOVÁ SPOLEČNOST                    | NM                           |  | #                     | 97.28   | 100.00          | 100.00         | #                  | D  | 0.97   | 10  | #  | 8                          |
| BULGARIA       | 549300RLAVC923B23203                   | LEI                                       | "BULSTRAD LIFE VIENNA INSURANCE GROUP" EAD                      | Life insurer  | АКЦИОНЕРНО ДРУЖЕСТВО                  | NM                           | КФН (FINANCIAL SUPERVISION COMMISSION) |                       | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| BULGARIA       | 549300X77HR02WZGRM25                   | LEI                                       | INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP" | Non-life insurer  | АКЦИОНЕРНО ДРУЖЕСТВО                  | NM                           | КФН (FINANCIAL SUPERVISION COMMISSION) |                       | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| AUSTRIA        | 5299002V112638MWAS89AT00082            | SC  | Sparkassen-Versicherungsservice Gesellschaft m.b.H.             | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |  | #                     | 97.75   |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| AUSTRIA        | 5299002V112638MWAS89AT00083            | SC  | SVZ GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |  | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98   | 10  | #  | 1                          |
| AUSTRIA        | 5299002V112638MWAS89AT00132            | SC  | SVZD GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |  | #                     | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| AUSTRIA        | 5299002V112638MWAS89AT00084            | SC  | SVZ1 GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |  | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98   | 10  | #  | 1                          |
| AUSTRIA        | 5299002V112638MWAS89AT00086            | SC  | WSBV Beteiligungsverwaltung GmbH                                | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |  | #                     | 97.75   |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| AUSTRIA        | 5299002V112638MWAS89AT00087            | SC  | T 125 GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |  | #                     | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| AUSTRIA        | 5299002V112638MWAS89AT00136            | SC  | TAUROS Capital Investment GmbH & Co KG                          | Other   | KOMMANDITGESELLSCHAFT                 | NM                           |  | #                     | 19.55   |                 | 20.00          | #                  | S  |        | 10  | #  | 10                         |

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| Country  | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking                                       | Type of undertaking  | Legal form                                   | Category (mutual/non mutual) | Supervisory Authority                        | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|----------|--|---|---|--|--|------------------------------|--|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|          |  |   |   |  |  |                              |  | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010    | C0020                                  | C0030                                     | C0040   | C0050  | C0060  | C0070                        | C0080  | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| AUSTRIA  | 5299002V112638MVAS89AT00137            | SC  | TAUROS Capital Management GmbH                                      | Other  | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |  | #                     | 24.93   |                 | 25.50          | #                  | S  |        | 10  | #  | 10                         |
| BULGARIA | 5299002V112638MVAS89BG00006            | SC  | DV Asset Management EAD   | Credit institutions, investment firms and financial institut | АКЦИОНЕРНО ДРУЖЕСТВО                         | NM                           | КФН (FINANCIAL SUPERVISION COMMISSION)       | 100.00                |   | 100.00          |                | #                  | D  |        | 10  | #  | 4                          |
| BULGARIA | 5299002V112638MVAS89BG00007            | SC  | TBI BULGARIA EAD in Liquidation                                     | Ancillary services undertaking as defined in Article 1 (53)  | АКЦИОНЕРНО ДРУЖЕСТВО                         | NM                           |  | #                     | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| BULGARIA | 5299002V112638MVAS89BG00008            | SC  | DV CONSULTING EOOD  | Ancillary services undertaking as defined in Article 1 (53)  | ЕДНОЛИЧНО ДРУЖЕСТВО С ОГРАНИЧЕНА ИТГОВОРНОСТ | NM                           |  | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| AUSTRIA  | 5299002V112638MVAS89NL00002            | SC  | ATBIH GmbH  | Ancillary services undertaking as defined in Article 1 (53)  | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |  | #                     | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| BULGARIA | 5299002V112638MVAS89BG00009            | SC  | TBI Info OOD  | Ancillary services undertaking as defined in Article 1 (53)  | ДРУЖЕСТВО С ОГРАНИЧЕНА ИТГОВОРНОСТ           | NM                           |  | #                     | 20.00   |                 | 20.00          | #                  | S  |        | 10  | #  | 10                         |
| BULGARIA | 5299002V112638MVAS89BG00010            | SC  | DV Invest EAD   | Credit institutions, investment firms and financial institut | АКЦИОНЕРНО ДРУЖЕСТВО                         | NM                           | КФН (FINANCIAL SUPERVISION COMMISSION)       | 100.00                |   | 100.00          |                | #                  | D  |        | 10  | #  | 4                          |
| AUSTRIA  | 5299002V112638MVAS89AT00142            | SC  | TECHBASE Scienc Park Vienna GmbH                                    | Ancillary services undertaking as defined in Article 1 (53)  | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |  | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98   | 10  | #  | 1                          |
| AUSTRIA  | 5299002V112638MVAS89AT00090            | SC  | TOGETHER CCA GmbH   | Ancillary services undertaking as defined in Article 1 (53)  | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |  | #                     | 24.71   |                 | 24.99          | #                  | S  |        | 10  | #  | 10                         |
| AUSTRIA  | 5299002V112638MVAS89AT00143            | SC  | WSV Triesterstraße 91 Besitz GmbH & Co KG                           | Ancillary services undertaking as defined in Article 1 (53)  | KOMMANDITGESELLSCHAFT                        | NM                           |  | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98   | 10  | #  | 1                          |
| POLAND   | 2594005LQ77Y1YH2JZ49                   | LEI                                       | Wiener Towarzystwo Ubezpiezen Spolka Akcyjna Vienna Insurance Group | Non-life insurer   | SPÓŁKA AKCYJNA                               | NM                           | KNF (POLISH FINANCIAL SUPERVISION AUTHORITY) | 100.00                | 100.00  | 100.00          |                | #                  | D  | 1.00   | 10  | #  | 1                          |
| POLAND   | 259400XFD3AZH1D8X35                    | LEI                                       | Towarzystwo Ubezpiecen Wzajemnych "TUW"                             | Non-life insurer   | TOWARZYSTWO UBEZPIECZEN WZAJEMNYCH           | M                            | KNF (POLISH FINANCIAL SUPERVISION AUTHORITY) | 52.16                 | 52.16   | 30.25           |                | #                  | D  | 0.52   | 10  | #  | 3                          |

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|-----------|--|---|--|---|---------------------------------------|------------------------------|-------------------------------------|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|           |  |   |  |   |                                       |                              |                                     | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010     | C0020                                  | C0030                                     | C0040  | C0050   | C0060                                 | C0070                        | C0080                               | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| AUSTRIA   | 5299002V11Z638MWAS89AT00144            | SC  | twinfaktor GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                   | 74.16                 |   | 75.00           | #              | D                  |  | 10     | #   | 8  |                            |
| LITHUANIA | 5299002V11Z638MWAS89LT00002            | SC  | AB "Compensa Services"   | Ancillary services undertaking as defined in Article 1 (53) | AKCINE BENDROVE                       | NM                           | #                                   | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 1  |                            |
| AUSTRIA   | 5299002V11Z638MWAS89AT00092            | SC  | Untere Donaulände 40 GmbH & Co KG  | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                 | NM                           | #                                   | 98.65                 | 100.00  | 100.00          | #              | D                  | 0.99   | 10     | #   | 1  |                            |
| UKRAINE   | 5299002V11Z638MWAS89UA00005            | SC  | Private Joint-Stock Company "Insurance company" Ukrainian insurance group" | Non-life insurer  | PRIVATE JOINT STOCK COMPANY           | NM                           | HEV (NATIONAL BANK OF UKRAINE)      | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 8  |                            |
| UKRAINE   | 5299002V11Z638MWAS89UA00009            | SC  | Limited Liability Company "UIG Consulting"                                 | Ancillary services undertaking as defined in Article 1 (53) | LIMITED LIABILITY COMPANY             | NM                           | #                                   | 100.00                | 100.00  | 100.00          | #              | D                  | 1.00   | 10     | #   | 8  |                            |
| UKRAINE   | 5299002V11Z638MWAS89UA00006            | SC  | "Assistance Company "Ukrainian Assistance Service" LLC                     | Ancillary services undertaking as defined in Article 1 (53) | LIMITED LIABILITY COMPANY             | NM                           | #                                   | 100.00                |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| HUNGARY   | 5299002V11Z638MWAS89HU00004            | SC  | UNION-Erteđ Ellatasszervező Korlátolt Felelősségű Társaság                 | Ancillary services undertaking as defined in Article 1 (53) | KORLÁTOLT FELELŐSSÉGŰ TÁRSASÁG        | NM                           | #                                   | 67.33                 |   | 68.25           | #              | D                  |  | 10     | #   | 8  |                            |
| LATVIA    | 5299002V11Z638MWAS89LV00004            | SC  | SIA "Urban Space"  | Ancillary services undertaking as defined in Article 1 (53) | SABIEDRIBA AR IEROBEZOTU ATBILDIBU    | NM                           | #                                   | 90.83                 | 100.00  | 100.00          | #              | D                  | 0.91   | 10     | #   | 1  |                            |
| UKRAINE   | 5299002V11Z638MWAS89UA00007            | SC  | Privat Joint-Stock Company "OWN SERVICE"                                   | Ancillary services undertaking as defined in Article 1 (53) | PRIVAT JOINT STOCK COMPANY            | NM                           | #                                   | 100.00                |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| AUSTRIA   | 5299002V11Z638MWAS89AT00093            | SC  | VBV - Betriebliche Altersvorsorge AG                                       | Institutions for occupational retirement provision          | AKTIENGESELLSCHAFT                    | NM                           | ÖSTERREICHISCHE FINANZMARKTAUFSICHT | 23.26                 | 23.71   | 23.72           | #              | S                  | 0.23   | 10     | #   | 4  |                            |
| AUSTRIA   | 5299002V11Z638MWAS89AT00094            | SC  | Senioren Residenz Veldidenapark Errichtungs- und Verwaltungsges. GmbH      | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                   | 65.20                 | 66.70   | 66.70           | #              | D                  | 0.65   | 10     | #   | 1  |                            |
| AUSTRIA   | 5299002V11Z638MWAS89AT00095            | SC  | Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.                      | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                   | 47.90                 |   | 49.00           | #              | S                  |  | 10     | #   | 10   |                            |

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|------------------------|--|---|---|---|---|------------------------------|---|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                        |  |   |   |   |   |                              |   | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010                  | C0020                                  | C0030                                     | C0040   | C0050   | C0060                                   | C0070                        | C0080   | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| ESTONIA                | 5299002V11Z638MWAS89EE00001            | SC  | Vienibas Gatve Investments OÜ   | Ancillary services undertaking as defined in Article 1 (53) | OSAÜHING                                | NM                           |   | #                     | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| LATVIA                 | 5299002V11Z638MWAS89LV00002            | SC  | Vienibas Gatve Properties SIA   | Ancillary services undertaking as defined in Article 1 (53) | SABIEDRIBA AR IEROBEZOTU ATBILDIBU      | NM                           |   | #                     | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| AUSTRIA                | 5299002V11Z638MWAS89AT00096            | SC  | WSV ImmoHolding GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           |   | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98   | 10  | #  | 1                          |
| BOSNIA AND HERZEGOVINA | 5299002V11Z638MWAS89MK00004            | SC  | Insurance Company Vienna osiguranje d.d., Vienna Insurance Group      | Life insurer  | DIONIČKO DRUŠTVO                        | NM                           | AO (INSURANCE AGENCY OF BOSNIA AND HERZEGOVINA) |                       | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 8                          |
| LIECHTENSTEIN          | 391200DU8YTAM37XFE39                   | LEI                                       | Vienna-Life Lebensversicherung AG Vienna Insurance Group              | Life insurer  | AKTIENGESELLSCHAFT                      | NM                           | FINANZMARKTAUFSICHT LIECHTENSTEIN               |                       | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| AUSTRIA                | 5299002V11Z638MWAS89AT00145            | SC  | viesure innovation center GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           |   | #                     | 98.87   |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| CZECH REPUBLIC         | 5299002V11Z638MWAS89CZ00017            | SC  | VIG Asset Management, a.s.  | Ancillary services undertaking as defined in Article 1 (53) | AKCIOVÁ SPOLEČNOST                      | NM                           |   | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| AUSTRIA                | 5299002V11Z638MWAS89AT00097            | SC  | VIG AM Services GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG   | NM                           |   | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| CZECH REPUBLIC         | 5299002V11Z638MWAS89CZ00018            | SC  | VIG FUND, a.s.  | Ancillary services undertaking as defined in Article 1 (53) | AKCIOVÁ SPOLEČNOST                      | NM                           |   | #                     | 99.27   | 100.00          | 100.00         | #                  | D  | 0.99   | 10  | #  | 1                          |
| ROMANIA                | 5299002V11Z638MWAS89RO00006            | SC  | VIG Management Service SRL  | Ancillary services undertaking as defined in Article 1 (53) | SOCIETATE CU RASPUNDERE LIMITATA        | NM                           |   | #                     | 98.46   |                 | 100.00         | #                  | D  | 0.00   | 10  | #  | 8                          |
| CZECH REPUBLIC         | 5299002V11Z638MWAS89CZ00019            | SC  | VIG ND, a.s.  | Ancillary services undertaking as defined in Article 1 (53) | AKCIOVÁ SPOLEČNOST                      | NM                           |   | #                     | 97.28   | 100.00          | 100.00         | #                  | D  | 0.97   | 10  | #  | 1                          |
| POLAND                 | 5299002V11Z638MWAS89PL00008            | SC  | Vienna Insurance Group Polska Spolka z ograniczona odpowiedzialnoscia | Ancillary services undertaking as defined in Article 1 (53) | SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOŚCIĄ | NM                           |   | #                     | 99.99   |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |

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| Country        | Identification code of the undertaking | Type of code of the undertaking | Legal name of the undertaking                       | Type of undertaking   | Legal form                                   | Category (mutual/non mutual) | Supervisory Authority                     | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|----------------|--|---------------------------------|---|---|--|------------------------------|---|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                |  |                                 |   |   |  |                              |   | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010          | C0020                                  | C0030                           | C0040   | C0050   | C0060  | C0070                        | C0080                                     | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| BULGARIA       | 5299002V11Z638MVAS89CZ00020            | SC                              | VIG Properties Bulgaria AD                          | Ancillary services undertaking as defined in Article 1 (53) | АКЦИОНЕРНО ДРУЖЕСТВО                         | NM                           |   | #                     | 99.97   | 99.97           | 99.97          | #                  | D  | 1.00   | 10  | #  | 1                          |
| CZECH REPUBLIC | 3157001000000066734                    | LEI                             | VIG RE zajist'ovna, a.s.                            | Reinsurance undertaking                                     | АКЦИОНÁ СПОЛЕЧНОСТ                           | NM                           | ČESKA NÁRODNÍ BANKA (CZECH NATIONAL BANK) | #                     | 99.24   | 100.00          | 100.00         | #                  | D  | 0.99   | 10  | #  | 1                          |
| BULGARIA       | 5299002V11Z638MVAS89BG00011            | SC                              | VIG Services Bulgaria EOOD                          | Ancillary services undertaking as defined in Article 1 (53) | ЕДНОЛИЧНО ДРУЖЕСТВО С ОГРАНИЧЕНА ИТГОВОРНОСТ | NM                           |   | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| ALBANIA        | 5299002V11Z638MVAS89AL00003            | SC                              | VIG Services Shqiperi Sh.p.k.                       | Ancillary services undertaking as defined in Article 1 (53) | SH.P.K                                       | NM                           |   | #                     | 89.52   |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| UKRAINE        | 5299002V11Z638MVAS89UA00008            | SC                              | VIG Services Ukraine, LLC                           | Other   | LIMITED LIABILITY COMPANY                    | NM                           |   | #                     | 100.00  | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 8                          |
| POLAND         | 5299002V11Z638MVAS89PL00009            | SC                              | Spoldzielnia Usługowa VIG EKSPERT W WARSZAWIE       | Ancillary services undertaking as defined in Article 1 (53) | SPOLDZIELNIA USLUGOWA                        | NM                           |   | #                     | 99.97   |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| AUSTRIA        | 5299002V11Z638MVAS89AT00133            | SC                              | VITEC Vienna Information Technology Consulting GmbH | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |   | #                     | 51.00   | 51.00           | 51.00          | #                  | D  | 0.51   | 10  | #  | 1                          |
| AUSTRIA        | 5299002V11Z638MVAS89AT00098            | SC                              | Vienna International Underwriters GmbH              | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |   | #                     | 100.00  |                 | 100.00         | #                  | D  |        | 10  | #  | 8                          |
| AUSTRIA        | 5299002V11Z638MVAS89AT00099            | SC                              | VÖB Direkt Versicherungsagentur GmbH                | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |   | #                     | 48.87   |                 | 50.00          | #                  | S  |        | 10  | #  | 10                         |
| CROATIA        | 5299002V11Z638MVAS89HR00004            | SC                              | Hotel Voltino in Liquidation                        | Other   | DRUŠTVO S OGRANIČENOM ODGOVORNOŠĆU           | NM                           |   | #                     | 97.82   |                 | 100.00         | #                  | D  |        | 10  | #  | 10                         |
| AUSTRIA        | 5299002V11Z638MVAS89AT00101            | SC                              | VIG Real Estate GmbH                                | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |   | #                     | 99.83   | 100.00          | 100.00         | #                  | D  | 1.00   | 10  | #  | 1                          |
| AUSTRIA        | 5299002V11Z638MVAS89AT00104            | SC                              | WAG Wohnungsanlagen Gesellschaft m.b.H.             | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG        | NM                           |   | #                     | 24.44   |                 | 100.00         | #                  | S  |        | 10  | #  | 10                         |



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| Country         | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking   | Type of undertaking   | Legal form                            | Category (mutual/non mutual) | Supervisory Authority               | Criteria of influence |   |                 |                |                    |  |        | Inclusion in the scope of group supervision |  | Group solvency calculation |
|-----------------|--|---|---|---|---------------------------------------|------------------------------|-------------------------------------|-----------------------|---|-----------------|----------------|--------------------|--|--------|---|--|----------------------------|
|                 |  |   |   |   |                                       |                              |                                     | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO | Date of decision if art. 214 is applied     | Method used and under method 1, treatment of the undertaking |                            |
| C0010           | C0020                                  | C0030                                     | C0040   | C0050   | C0060                                 | C0070                        | C0080                               | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240  | C0250                                       | C0260  |                            |
| AUSTRIA         | 5299002V112638MVAS89AT00105            | SC  | WGPV Holding GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                   | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA         | 5299002V112638MVAS89AT00146            | SC  | WIBG Holding GmbH & Co KG   | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                 | NM                           | #                                   | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA         | 5299002V112638MVAS89AT00147            | SC  | WIBG Projektentwicklungs GmbH & Co KG                                     | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                 | NM                           | #                                   | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA         | 5299002V112638MVAS89AT00106            | SC  | WILA GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                   | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| NORTH MACEDONIA | 5299002V112638MVAS89MK00003            | SC  | Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group Skopje | Life insurer  | АКЦИОНЕРСКО ДРУШТВО                   | NM                           | ACO (INSURANCE SUPERVISION AGENCY)  | 100.00                |   | 100.00          | #              | D                  |  | 10     | #   | 8  |                            |
| AUSTRIA         | 5299002V112638MVAS89AT00127            | SC  | WINO GmbH   | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                   | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA         | 5299002V112638MVAS89AT00109            | SC  | WNH Liegenschaftsbesitz GmbH  | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                   | 87.07                 | 100.00  | 100.00          | #              | D                  | 0.87   | 10     | #   | 1  |                            |
| AUSTRIA         | 5299005U4E4AM2MQXF64                   | LEI                                       | WOFIN Wohnungsfinanzierungs GmbH  | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                   | 20.72                 |   | 100.00          | #              | S                  |  | 10     | #   | 10   |                            |
| AUSTRIA         | 5299002V112638MVAS89AT00110            | SC  | WIENER VEREIN BESTATTUNGS UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H.    | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                   | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA         | 5299002V112638MVAS89AT00112            | SC  | WSBV Beteiligungsverwaltung GmbH & Co KG                                  | Ancillary services undertaking as defined in Article 1 (53) | KOMMANDITGESELLSCHAFT                 | NM                           | #                                   | 97.75                 | 100.00  | 100.00          | #              | D                  | 0.98   | 10     | #   | 1  |                            |
| AUSTRIA         | 5299002V112638MVAS89AT00113            | SC  | Wiener Städtische Donau Leasing GmbH                                      | Other   | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           | #                                   | 97.75                 |   | 100.00          | #              | D                  |  | 10     | #   | 10   |                            |
| AUSTRIA         | 549300JCRU2311THU176                   | LEI                                       | VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe                      | Non-life insurer  | AKTIENGESELLSCHAFT                    | NM                           | ÖSTERREICHISCHE FINANZMARKTAUFSICHT | 0.00                  | 0.00  | 0.00            | #              | #                  | 1.00   | 10     | #   | 1  |                            |

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| Country | Identification code of the undertaking | Type of code of the ID of the undertaking | Legal name of the undertaking                            | Type of undertaking   | Legal form                            | Category (mutual/non mutual) | Supervisory Authority               | Criteria of influence |   |                 |                |                    |  | Inclusion in the scope of group supervision |   | Group solvency calculation                                   |   |
|---------|--|---|--|---|---------------------------------------|------------------------------|-------------------------------------|-----------------------|---|-----------------|----------------|--------------------|--|---|---|--|---|
|         |  |   |  |   |                                       |                              |                                     | % capital share       | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for group solvency calculation | YES/NO                                      | Date of decision if art. 214 is applied | Method used and under method 1, treatment of the undertaking |   |
| C0010   | C0020                                  | C0030                                     | C0040  | C0050   | C0060                                 | C0070                        | C0080                               | C0180                 | C0190   | C0200           | C0210          | C0220              | C0230  | C0240                                       | C0250                                   | C0260  |   |
| AUSTRIA | 549300W4AU642WNBH79                    | LEI                                       | WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group | Composite insurer   | AKTIENGESELLSCHAFT                    | NM                           | ÖSTERREICHISCHE FINANZMARKTAUFSICHT | 97.75                 | 97.75   | 97.75           | #              | D                  | 0.98   | 10  | #                                       | 1  |   |
| AUSTRIA | 5299002V112638MWAS89AT00151            | SC  | WSVA Liegenschaftbesitz GmbH                             | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |                                     | #                     | 97.75   |                 | 100.00         | #                  | D  |   | 10                                      | #  | 8 |
| AUSTRIA | 5299002V112638MWAS89AT00152            | SC  | WSVB Liegenschaftbesitz GmbH                             | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |                                     | #                     | 97.75   |                 | 100.00         | #                  | D  |   | 10                                      | #  | 8 |
| AUSTRIA | 5299002V112638MWAS89AT00114            | SC  | WSV Beta Immoholding GmbH                                | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |                                     | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98  | 10                                      | #  | 1 |
| AUSTRIA | 5299002V112638MWAS89AT00115            | SC  | WSV Vermögensverwaltung GmbH                             | Ancillary services undertaking as defined in Article 1 (53) | GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG | NM                           |                                     | #                     | 97.75   | 100.00          | 100.00         | #                  | D  | 0.98  | 10                                      | #  | 1 |