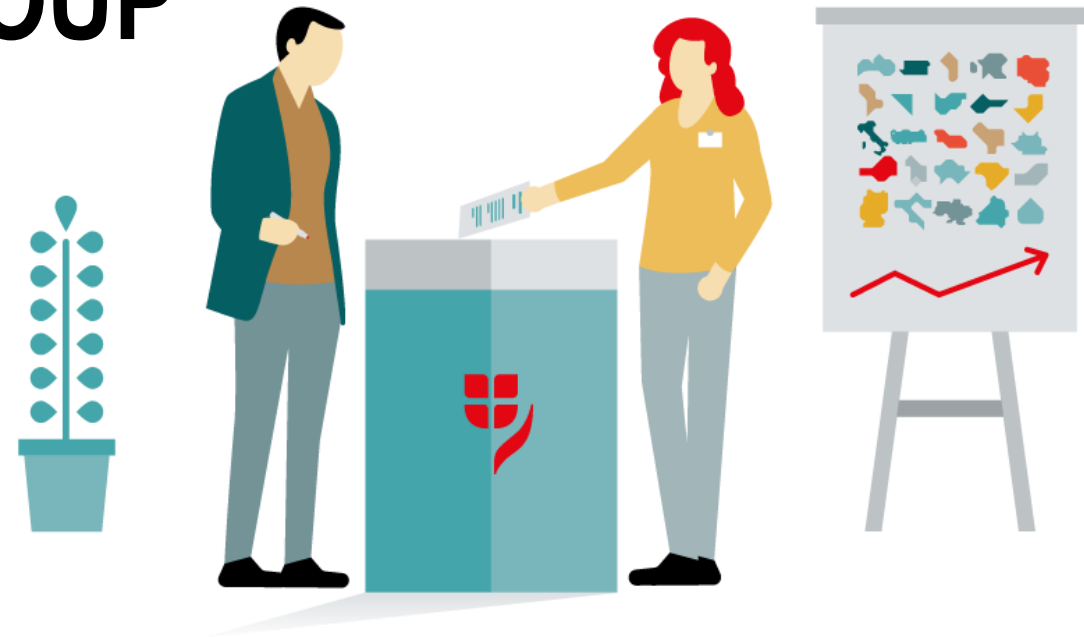


# VIENNA INSURANCE GROUP



Virtual Austrian Conference

19 February 2025

# WELL DIVERSIFIED AND SOLIDLY CAPITALISED INSURANCE GROUP WITH CONTINUOUS DIVIDEND PAYOUTS SINCE 1994



Represented in

# 30

markets

More than

# 50

insurance companies and pension funds

Around

# 32mn

customers served by ~30,000 employees

S&P Rating

# A+

with stable outlook

Solvency Ratio

# 269%

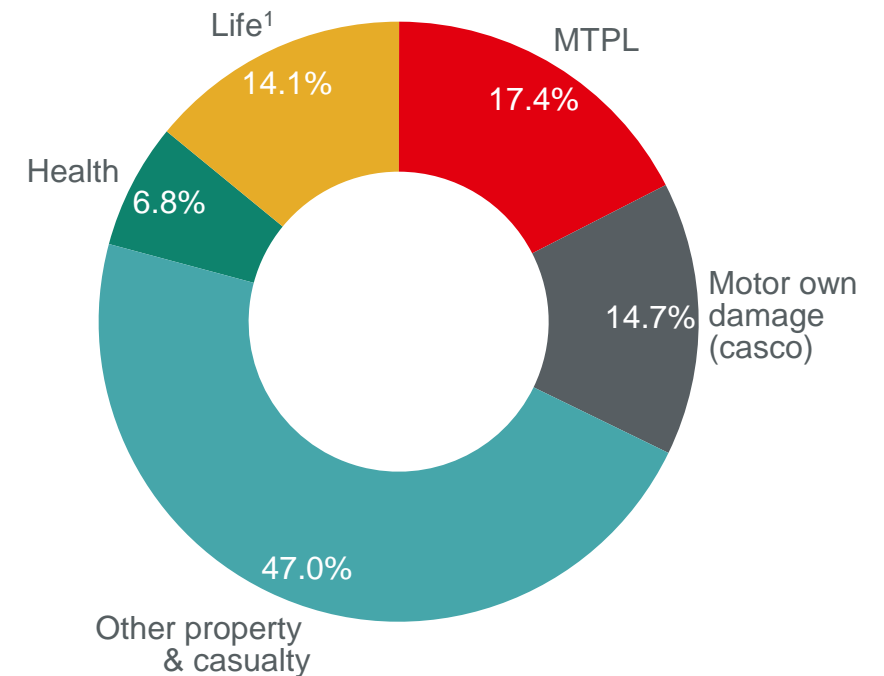
as of 31 December 2023

Dividend per share for 2023:

# €1.40

continuous dividend payout since 1994

Insurance service revenue of € 10.9bn at YE 2023



<sup>1</sup> Life insurance is divided into life with profit participation (7.8%), life without profit participation (5.4%) and unit- & index-linked life (0.9%)



# VIG – LEADING INSURANCE GROUP IN CEE

VIG as early mover with excellent market shares

Country	Market positions			Total Market Share
	Non-life	Life	Total	
Austria	1	1	1	22.6%
Czech Republic	1	1	1	31.6%
Poland	4	4	4	9.4%
Slovakia	2	1	1	29.0%
Romania	2	2	1	24.6%
Hungary	1	1	1	19.6%
Bulgaria	3	2	3	13.3%
Ukraine	2	6	2	11.2%

VIG operating in:

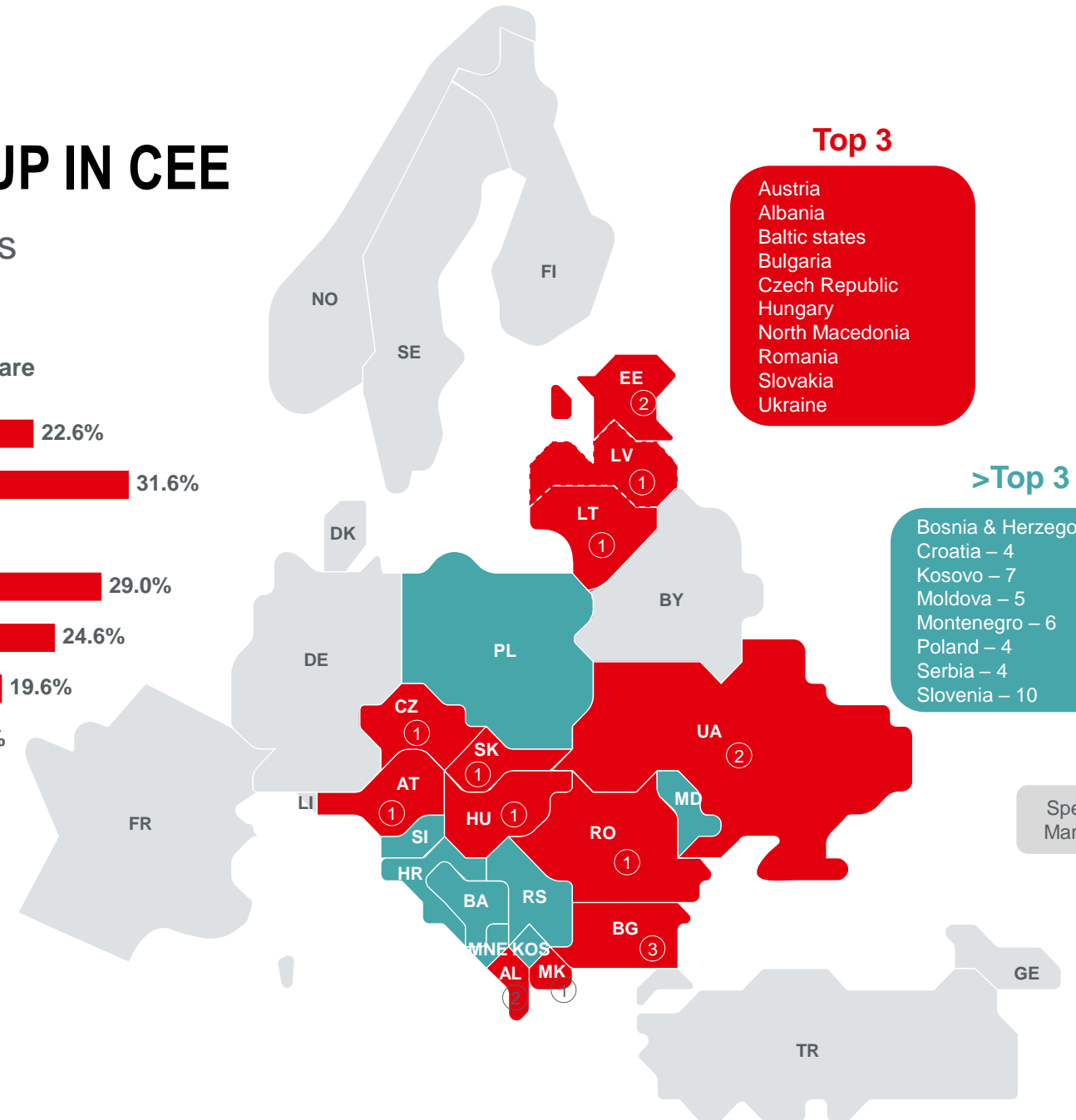
**20 Core Markets** + **10 Special Markets**

**Top 3**

- Austria
- Albania
- Baltic states
- Bulgaria
- Czech Republic
- Hungary
- North Macedonia
- Romania
- Slovakia
- Ukraine

**>Top 3**

- Bosnia & Herzegovina – 5
- Croatia – 4
- Kosovo – 7
- Moldova – 5
- Montenegro – 6
- Poland – 4
- Serbia – 4
- Slovenia – 10



Source: local authorities; FY 2023 (Q3 2023: Bulgaria, Serbia, Ukraine)

# DYNAMIC DEVELOPMENT SINCE EU ACCESSION IN THE CEE MEMBER STATES

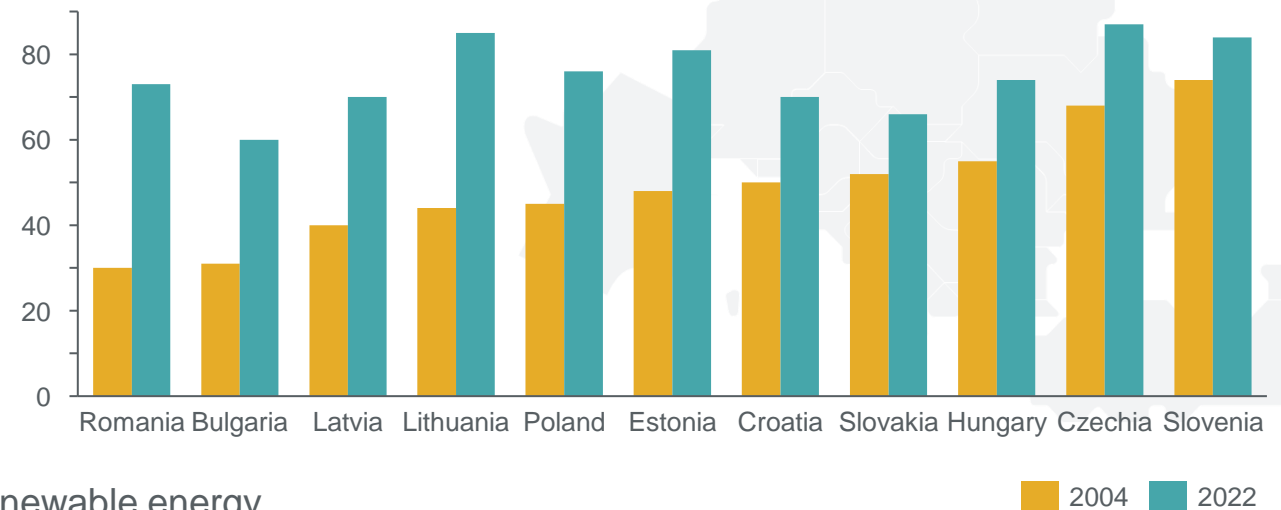


VIG markets CZ, EE, HU, LV, LT, PL, SK, SL are becoming EU members as of 1 May 2004

## Major developments and future growth drivers

- Within 20 years, GDP per capita grew from as low as 30% of Western European levels to over 70%
- CEE is well-positioned to capitalise on the **nearshoring trend** – EU to strengthen EU-centric value chains especially in critical/strategic sectors
- **Digital transformation** is particularly dynamic in the CEE region
- **Green transition** is seen both as an opportunity and a challenge for the CEE region given its current substantial reliance on non-renewable energy
- EU-CEE education spendings increased, creating a **well-educated** and **price-competitive labour force**; promotion of skill development boosts productivity and improves the position of the EU-CEE markets in the global value chains

GDP per capita as % of EU15 (in pps)<sup>1</sup>



Source: wiiw Spring Forecast Report, April 2024

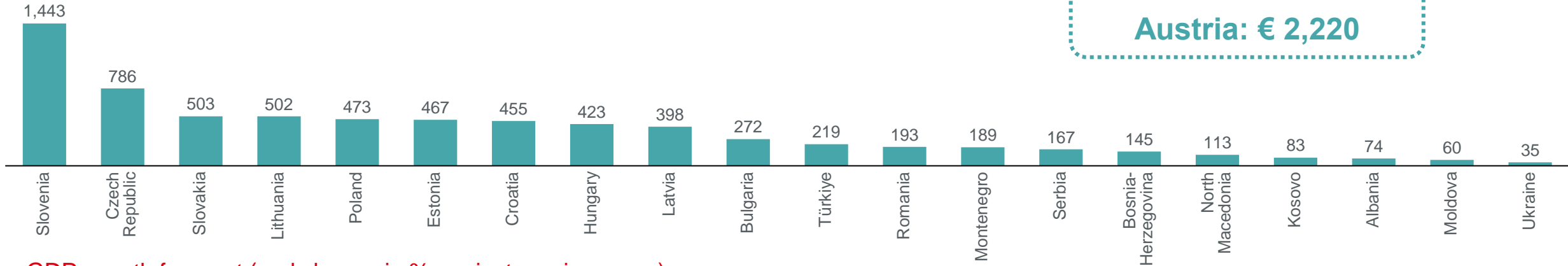
<sup>1</sup> Source: AMECO; wiiw Monthly Report, April 2024



# TAKING ADVANTAGE OF THE LONG-TERM GROWTH POTENTIAL IN CEE

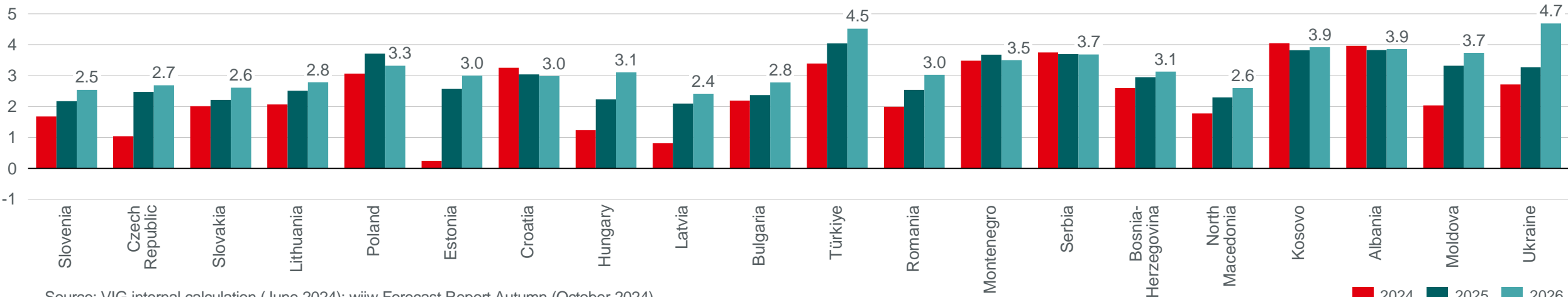
Annual insurance spending as indicator for growth potential

Insurance density 2023 (premiums per capita, in €)



Insurance density in 2023 in  
**Austria: € 2,220**

GDP growth forecast (real change in % against previous year)



Source: VIG internal calculation (June 2024); wiw Forecast Report Autumn (October 2024)

2024 2025 2026

# SOLID MACROECONOMIC OUTLOOK FOR CEE

Central and Eastern Europe recovery remains on track despite downward drag from Germany

## Strong private consumption driving growth in the CEE region in 2025-2026

- GDP growth for the EU members in the region is forecasted at average of 2.2%, rising to 2.9% in 2025 – significantly outperforming the stagnant euro area (0.6%), and still growing next year twice as fast as the euro area (1.4%)
  - Poland (3.1%) and Croatia (3.3%) are growing particularly strong in 2024, with Poland expected to lead in 2025-2026 (respectively 3.7% and 3.3%)
  - Export growth is weak, impacted by subdued demand from Germany; but foreign direct investment inflows (especially in the Western Balkans) are supporting export capacity, partly due to nearshoring trends
- Inflation in most of VIG markets has slowed significantly, allowing for real wage growth and prompting central banks to cut interest rates
- Domestic demand remains strong and is driving the growth on the back of rising real wages, increased investment, and falling inflation

Source: wiiw Autumn Forecast Report, October 2024

## Real GDP average annual change 2024 – 2028

China	+ 4.0%
<b>Romania</b>	<b>+ 3.4%</b>
<b>Poland</b>	<b>+ 3.1%</b>
<b>Hungary</b>	<b>+ 2.9%</b>
<b>Bulgaria</b>	<b>+ 2.8%</b>
<b>Croatia</b>	<b>+ 2.8%</b>
<b>Slovenia</b>	<b>+ 2.6%</b>
<b>Slovakia</b>	<b>+ 2.5%</b>
<b>Czechia</b>	<b>+ 2.3%</b>
USA	+ 1.9%
OECD	+ 1.8%
Switzerland	+ 1.5%
UK	+ 1.4%
France	+ 1.3%
<i>Euro area</i>	+ 1.2%
<b>Austria</b>	<b>+ 1.0%</b>
Italy	+ 1.0%
Germany	+ 0.9%
Japan	+ 0.7%

Source: Institute for Advanced Studies Vienna (July 2024)

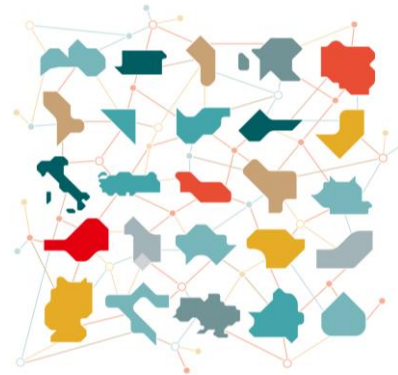


# SUCCESS IS BUILT ON DIVERSIFIED AND RESILIENT BUSINESS MODEL

VIG's 4 proven management principles

## Local entrepreneurship

- Knowledge of local needs and markets
- Decentralised structures & efficient decision-making procedures
- VIG Holding responsible for steering the Group



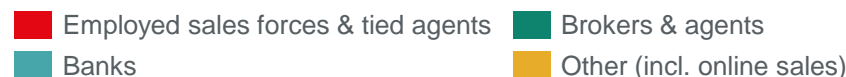
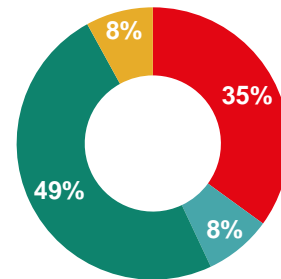
## Multi-brand policy



- Utilisation of established local brands → Local identification through market-specific brand(s)
- “Vienna Insurance Group” underlines the Group’s internationality and strength

## Multi-channel distribution

- Various distribution channels (incl. partnership with Erste Group)
- Strongly customer-oriented distribution



## Conservative investment and reinsurance policies



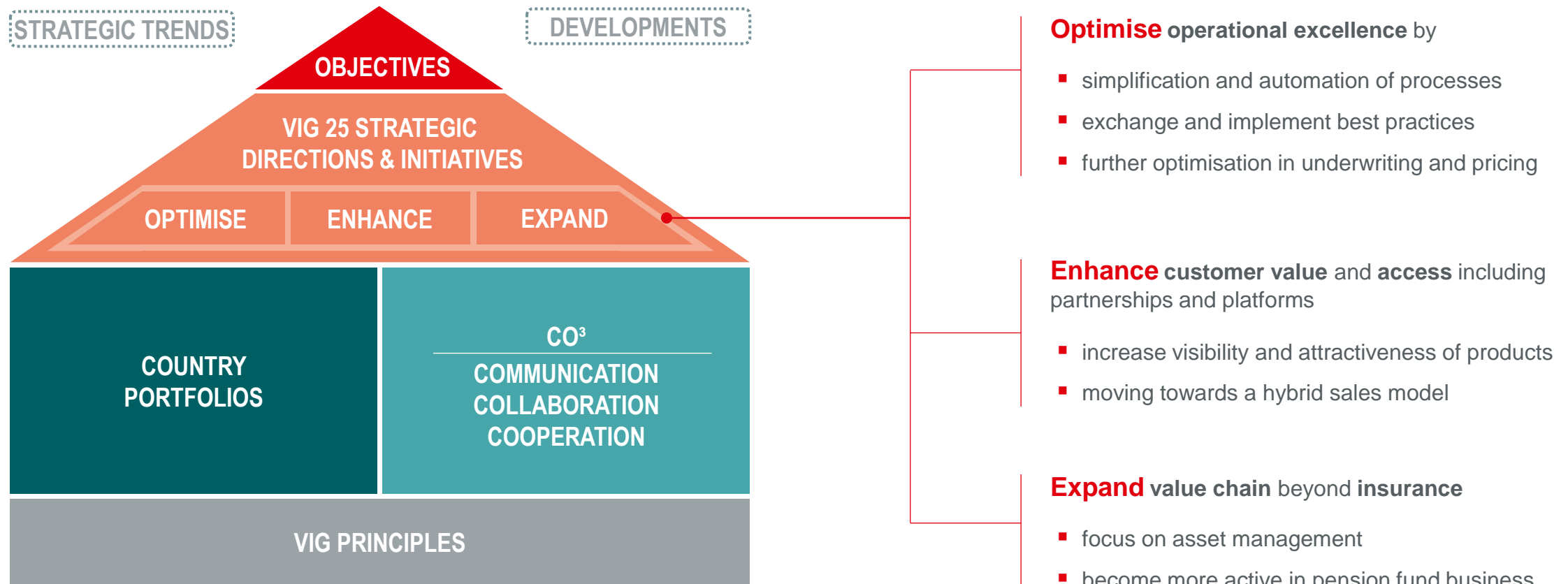
2023  
Investments held at VIG's own risk

- Focus on secure and sustainable investments
- Spreading risk by means of diversification

# VIG 25 STRATEGIC PROGRAMME SECURES FURTHER DYNAMIC DEVELOPMENT



Initiatives and projects to optimise, enhance and expand VIG's business model





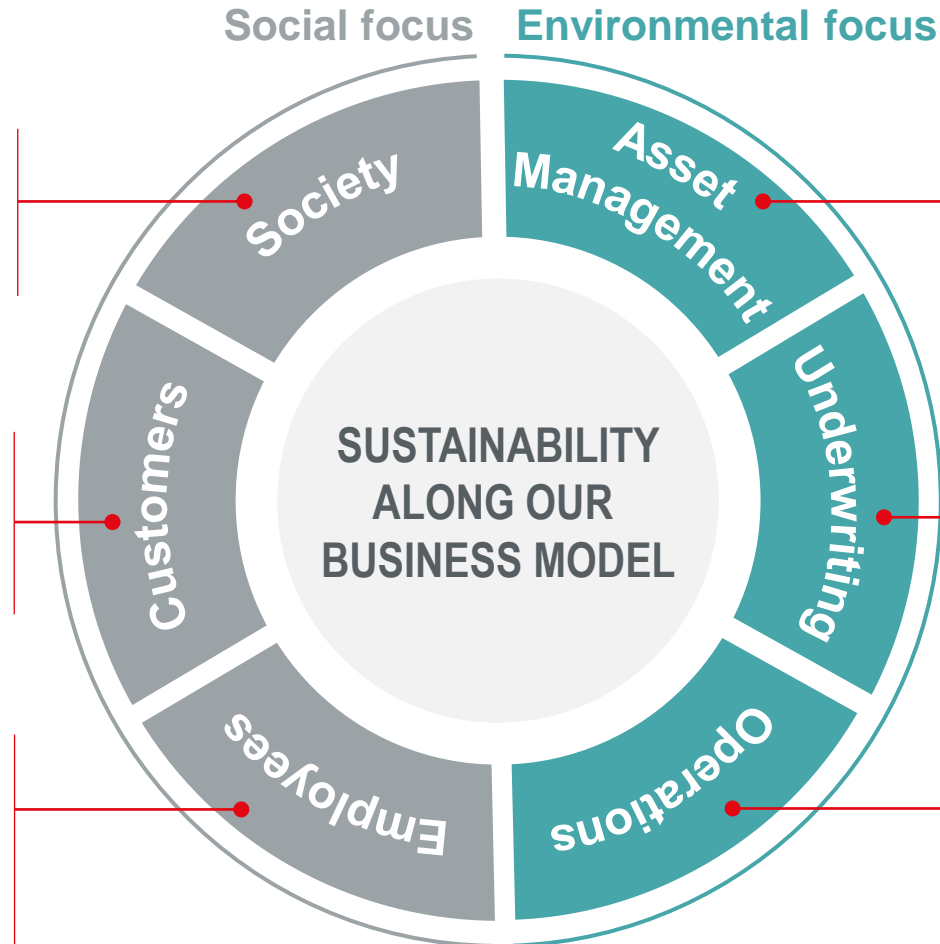


# GROUP-WIDE SUSTAINABILITY PROGRAMME COMPLEMENTS VIG 25 STRATEGIC PROGRAMME

Sustainability in VIG means creating economic value today without doing so at the expense of tomorrow

## Objectives

- Promote **risk literacy**
- Grow **corporate volunteering**
- Focus on **customer satisfaction**
- Close the **protection gap**
- **Attractive employer** with **equal opportunities** for all
- **Employee focus**



## Objectives

- Reduce **emissions** of investment portfolio to **net zero** by 2050
- Reduce **emissions** of **corporate** and **retail** underwriting portfolios to **net zero** by 2050
- Increase the **share of sustainable products**
- **Climate neutral** operation of our offices by 2030, **net zero** by 2050



# 9M 2024 CONTINUOUS STRONG PERFORMANCE OF VIG

Strong development with solid top- and bottom-line growth and stable combined ratio

## Insurance service revenue

**€ 8,960.9mn**

- Revenue up by 9.3%
- 9M 2023: € 8,196.7mn

## Profit before taxes

**€ 666.5mn**

- PBT increased by 8.5%
- 9M 2023: € 614.0mn

## P&C net combined ratio

**94.3%**

- Net COR remained flat
- 9M 2023: 94.3%

## Solvency ratio

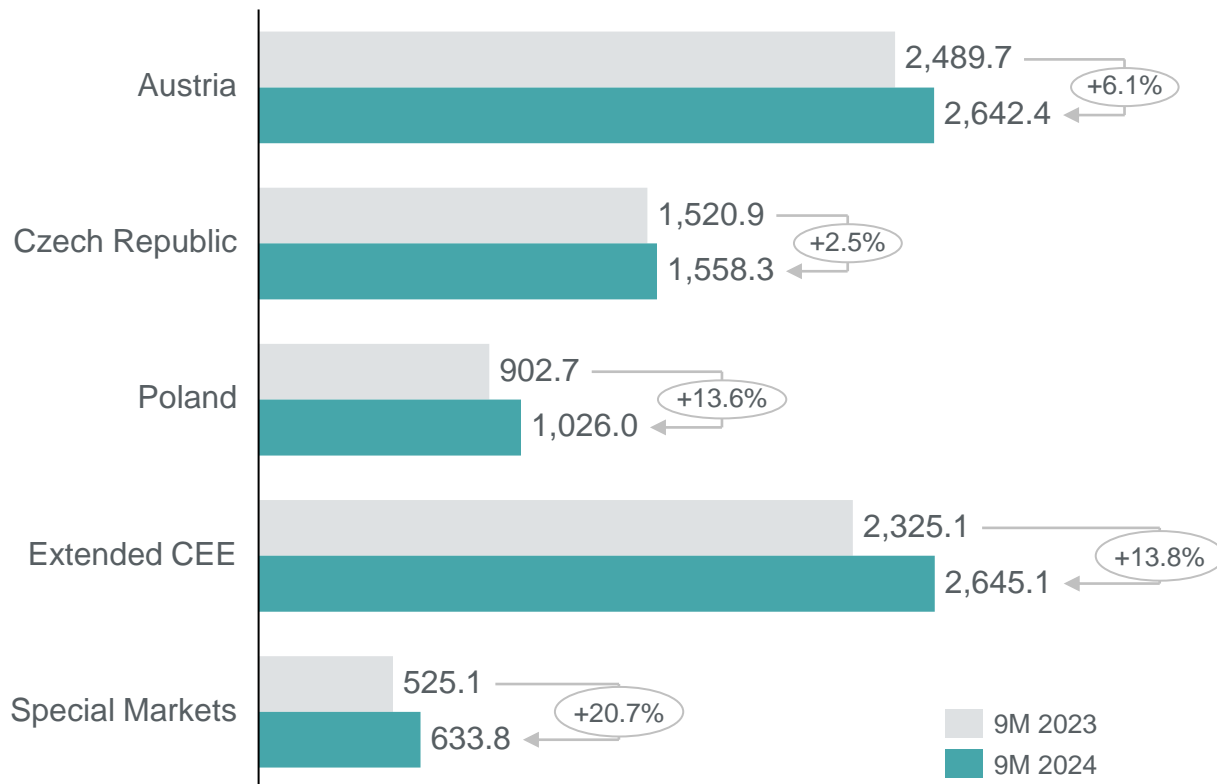
**259%**

- Own funds: € 10,545 mn
- SCR: € 4,072 mn
- Excl. transitionals Solvency ratio at 237%
- 30/09/2023: 304%



# 9M 2024 INSURANCE SERVICE REVENUE OF € 9.0 BILLION EURO UP BY 9.3%

Insurance service revenue by segments (€ mn)



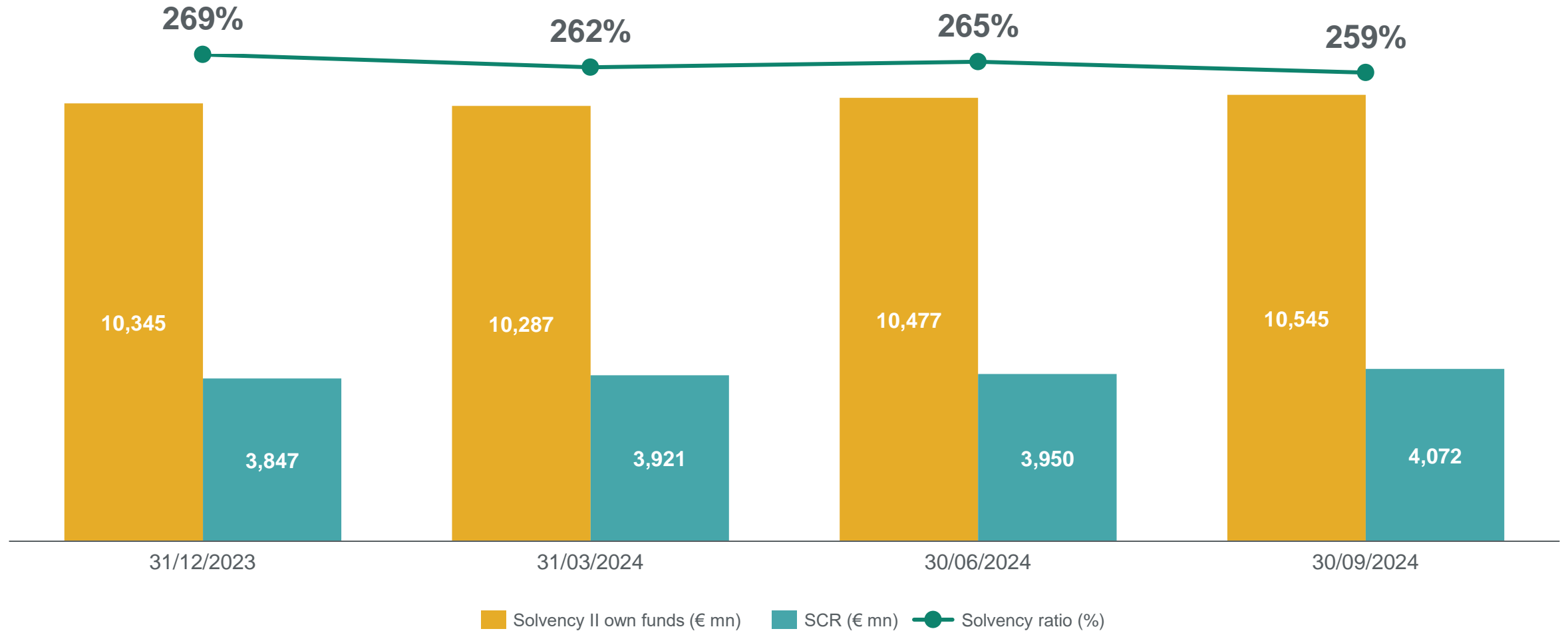
- AT: Solid insurance service revenue up by € 152.7mn driven by non-life business (PAA)
- CZ: Stable revenue growth based on positive developments in the motor and other property business
- PL: Double-digit revenue growth mainly driven by other property and health business
- Extended CEE: Insurance service revenue up by € 320.0mn mainly supported by solid performances in Romania, Slovakia, the Baltics, Bulgaria and Hungary; particularly good growth in motor and other property lines of business; positive trends in life insurance
- Special Markets: Significant increase of € 108.7mn mainly attributable to an increased business, particularly motor and other property (PAA), in Türkiye; as well as increased health business in Georgia

Group Functions: € 1,335.6mn (9M 2023: € 1,177.3mn) +13.4%; Consolidation: € -880.2mn (9M 2023: € -744.1mn) +18.3%



# SOLVENCY RATIO DEVELOPMENT

Solvency position (including transitionals) of VIG Group





# 9M 2024 EXECUTIVE SUMMARY

VIG well on track to reach 2024 target

## Confirmation of guidance for 2024

- **Profit before taxes expected on the upper end of announced target range of EUR 825 to EUR 875 million for 2024**
  - Strong performance in Austria despite impact of NatCat event Boris in CEE; growth driven by non-life and further expanding the cooperation with Erste Bank (non-life & health business); in life focus on unit-linked business and biometrical risks
  - Czech Republic, impacted by CEE flood and higher than expected property claims, growing solidly in casco and corporate business; focus on expanding internal sales forces and on biometrical risks in life
  - Sound development of Polish business, supported by private and public consumption; post-merger set-up of companies targets expansion of sales channels and market share increases
  - Extended CEE segment with double-digit growth rates on top- and bottom-line doing extremely well; VIG recording strong contributions from especially Romania, Bulgaria, the Baltics and Slovakia
- NatCat event Boris estimated impact of around EUR 600mn gross (~ EUR 70mn net) with Austria, Czech Republic and Poland being most affected
- **Sound operating performance of the Group and expected macroeconomic environment allow for a positive view towards 2025**

# VIG IN A NUTSHELL





# 6M 2024 RESULTS

## APPENDIX

Please note that rounding differences may occur



# EXCELLENT HALF-YEAR PERFORMANCE OF VIG

Top and bottom-line growth with improved combined ratio

## Insurance service revenue

**€ 5,919.0mn**

- Revenue up by 10.0%
- 6M 2023: € 5,380.4mn

## Profit before taxes

**€ 481.0mn**

- PBT increased by 3.9%
- 6M 2023: € 462.9mn

## P&C net combined ratio

**93.3%**

- Net COR improved by 0.7pp
- 6M 2023: 94.0%

## Earnings per share

**€ 5.38**

- Annualised based on HY results
- Net profit after taxes and non-controlling interests in 6M 2024 of € 351.7mn
- 30/06/2023: € 5.25

## Operating Return on Equity

**16.2%**

- Annualised based on HY results
- 30/06/2023: 15.8%
- 31/12/2023: 15.1%

## Solvency ratio

**265%**

- Own funds: € 10,477mn
- SCR: € 3,950mn
- Excl. transitionals Solvency Ratio of 243%
- 30/06/2023: 282%





# GROUP INCOME STATEMENT

6M 2024 (€ mn)

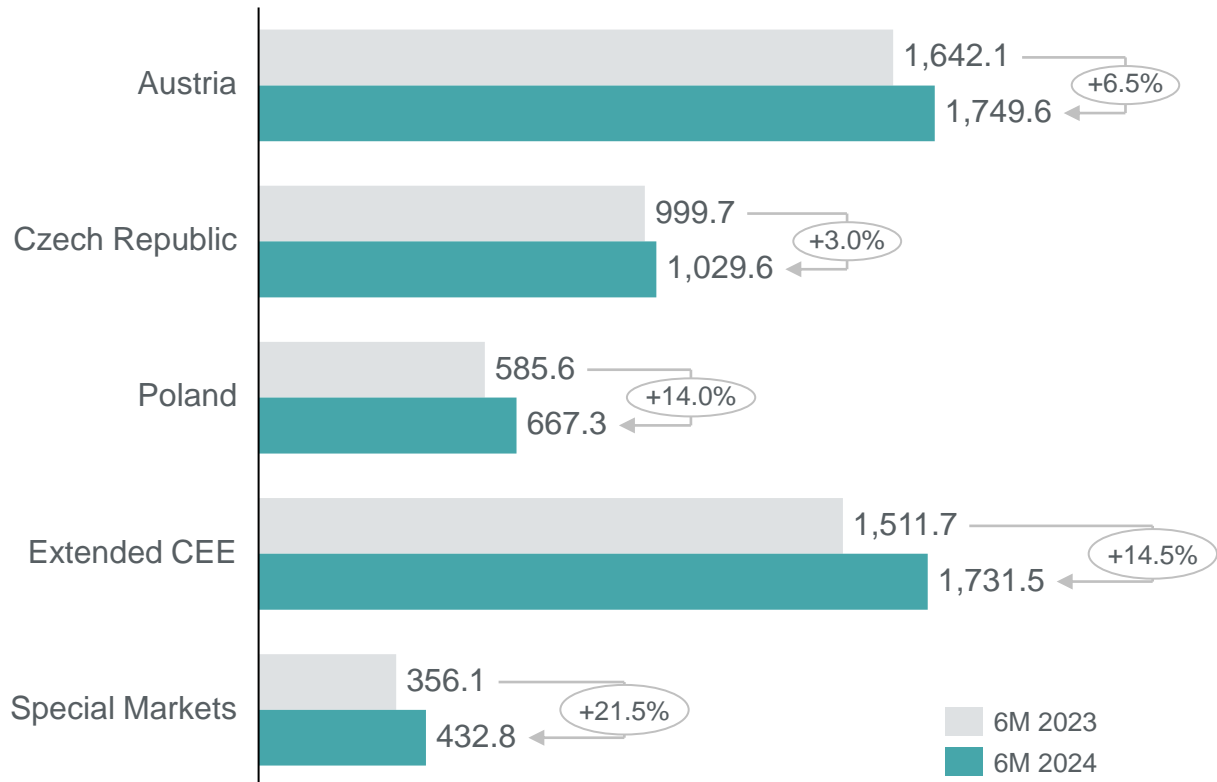
	6M 2024	6M 2023	+/- %
<b>Insurance service result</b>	<b>585.0</b>	<b>550.8</b>	<b>6.2</b>
Insurance service revenue - issued business	5,919.0	5,380.4	10.0
<i>Insurance service revenue (PAA)</i>	4,628.8	4,160.5	11.3
<i>Expected claims</i>	605.4	527.2	14.8
<i>Expected directly attributable expenses</i>	317.3	275.6	15.1
<i>Experience adjustment</i>	-24.6	-3.4	>100
<i>Change of risk adjustment</i>	67.8	80.2	-15.5
<i>CSM release</i>	324.4	340.3	-4.7
Insurance service expenses - issued business	-5,013.9	-4,807.4	4.3
Insurance service result - reinsurance held	-320.1	-22.2	>100
<b>Total capital investment result</b>	<b>223.1</b>	<b>233.4</b>	<b>-4.4</b>
<b>Finance result</b>	<b>-37.9</b>	<b>-52.1</b>	<b>-27.2</b>
<b>Other income and expenses</b>	<b>-289.3</b>	<b>-269.1</b>	<b>7.5</b>
<b>Business operating result</b>	<b>481.0</b>	<b>463.0</b>	<b>3.9</b>
Adjustments	0.0	-0.1	-
<b>Result before taxes</b>	<b>481.0</b>	<b>462.9</b>	<b>3.9</b>
Taxes	-118.4	-110.1	7.6
Non-controlling interests	-10.9	-9.4	15.8
<b>Result for the period after taxes and non-controlling interests</b>	<b>351.7</b>	<b>343.4</b>	<b>2.4</b>

- Insurance service revenue up by € 538.6mn primarily due to strong growth in P&C business (Premium Allocation Approach)
- Total capital investment result down by € 10.2mn; better investment result could not fully compensate for the insurance finance result development
- Result before taxes up by € 18.1mn driven by positive developments in the segments Extended CEE, Poland and Austria
- Tax ratio of 24.6% (6M 2023: 23.8%)



# INSURANCE SERVICE REVENUE OF € 5.9 BILLION EURO UP BY 10.0%

Insurance service revenue by segments; 6M 2024 (€ mn)



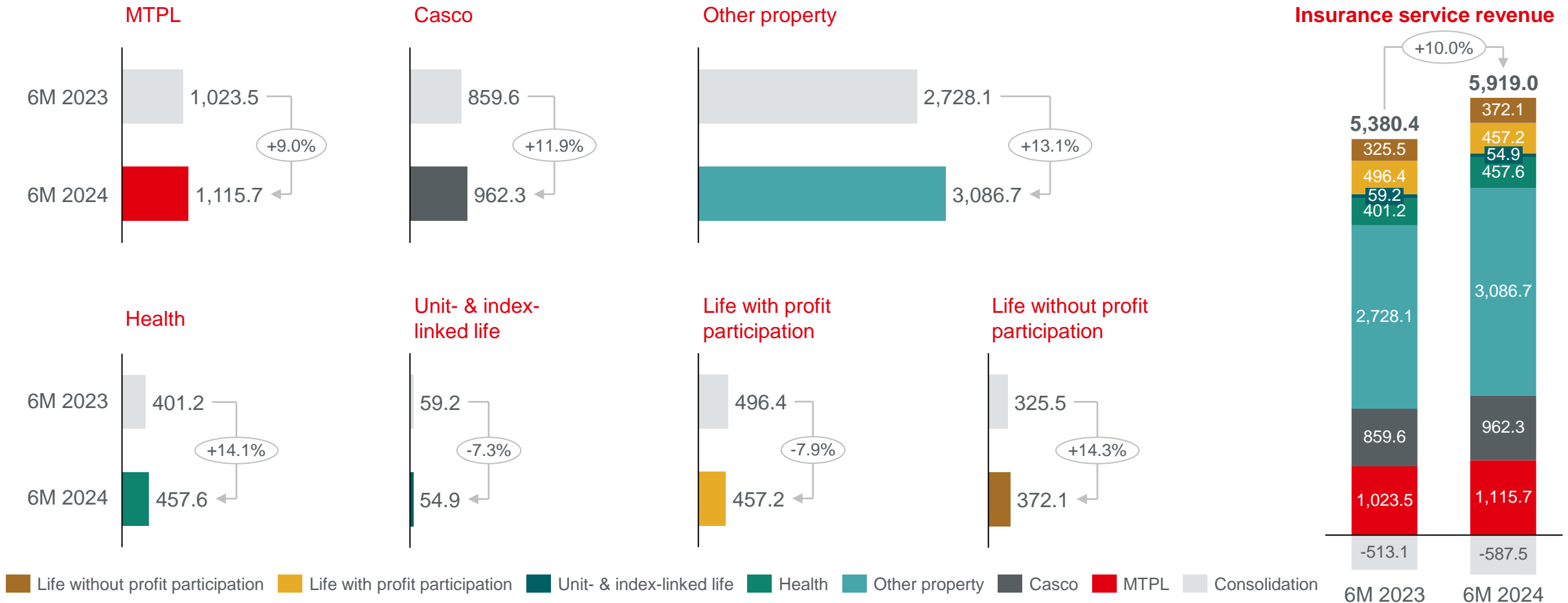
- AT: Solid insurance service revenue up by € 107.5mn coming from non-life business (PAA)
- CZ: Stable revenue growth based on positive development in the motor and other property business
- PL: Double-digit revenue growth mainly driven by other property business
- Extended CEE: Insurance service revenue up by € 219.8mn mainly supported by solid performances of Romania, Slovakia, the Baltics, Bulgaria and Hungary; particularly good growth in motor and other property lines of business
- Special Markets: Significant increase of € 76.7mn attributable to a higher premium volume, particularly in motor and other property in Türkiye

Group Functions: € 895.6mn (6M 2023: € 798.3mn) +12.2%; Consolidation: € -587.5mn (6M 2023: € -513.1mn) +14.5%

# INSURANCE SERVICE REVENUE GROWTH IN NON-LIFE, HEALTH AND LIFE INSURANCE WITHOUT PROFIT PARTICIPATION



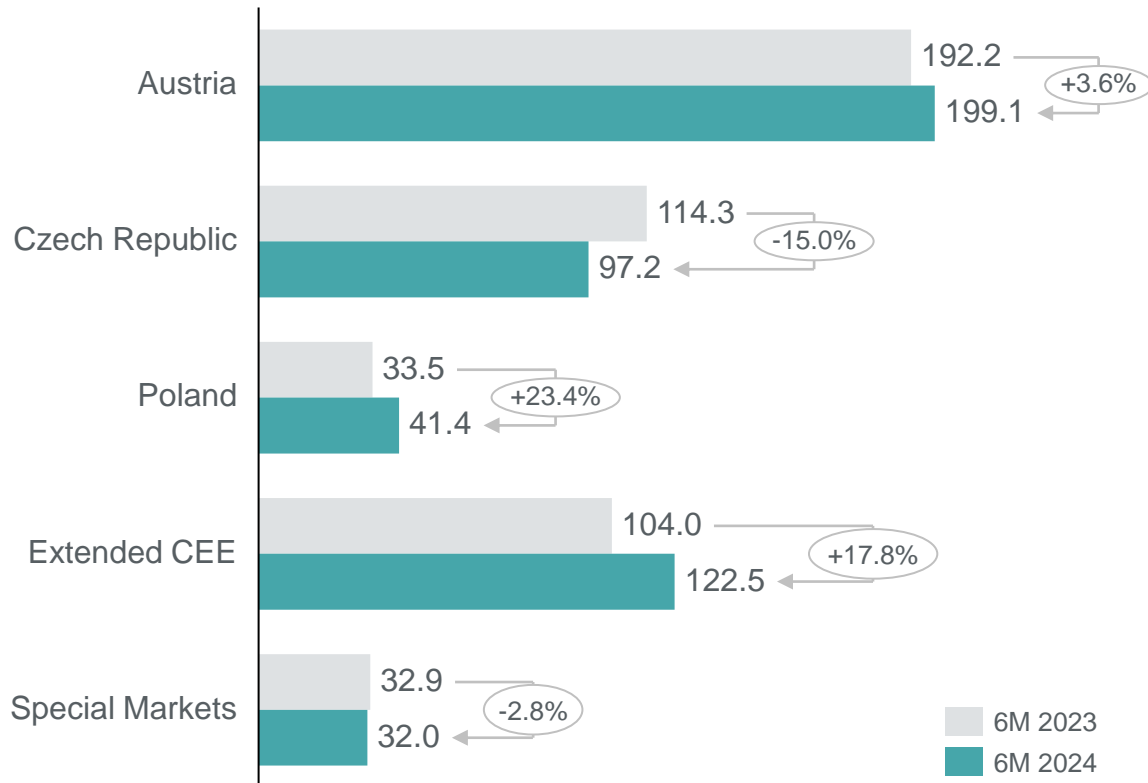
Insurance service revenue by lines of business, incl. Group Functions; 6M 2024 (€ mn)





# RESULT BEFORE TAXES GREW BY 3.9% TO 481.0 MILLION EURO

Result before taxes; 6M 2024 (€ mn)



- AT: Result before taxes up by € 7.0mn mainly due to volume growth
- CZ: Result before taxes decline by € 17.1mn due to the decrease in the life insurance result and an increased combined ratio
- PL: Solid increase by € 7.9mn driven by volume growth in non-life and increased profitability in life business
- Extended CEE: Result before taxes up by € 18.5mn; mainly attributable to very good performance in Romania and improved combined ratio in the Baltic states
- Special Markets: Decrease in result before taxes of € 0.9mn due to a negative effect from the application of hyperinflation accounting (IAS 29) in Türkiye; positive combined ratio development due to better claims ratio

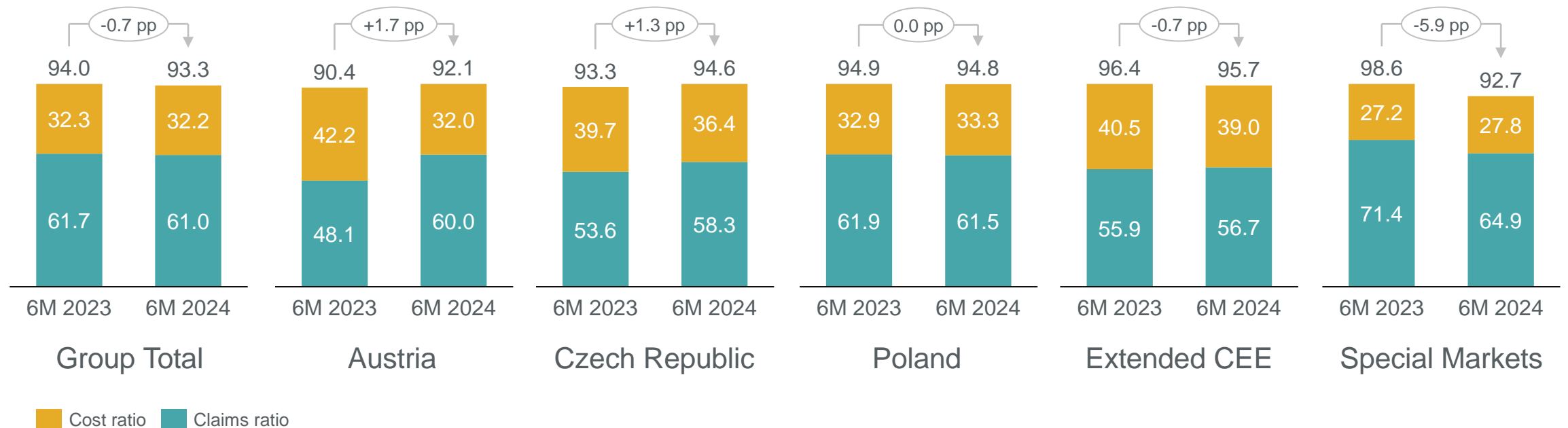
Group Functions: € -11.2mn (6M 2023: € -14.0mn) -19.9%



# P&C NET COMBINED RATIO OF 93.3%

Discounting impact on claims ratio in 6M 2024 of 3.1% (12M 2023: 3.3%)

- Net insurance service expenses of € 3,794.6mn (6M23: € 3,325.1mn) / Net insurance service revenue of € 4,067.8mn (6M23: € 3,539.1mn)
- Slightly improved combined ratio compared to the previous year with discounting impact for the first half-year 2024 of around 3%
- In Austria, combined ratio increased mainly due to a higher number of property claims and increased net impact of weather-related claims
- In the Czech Republic, claims development driven by a higher number of motor and other property claims due to local bad weather

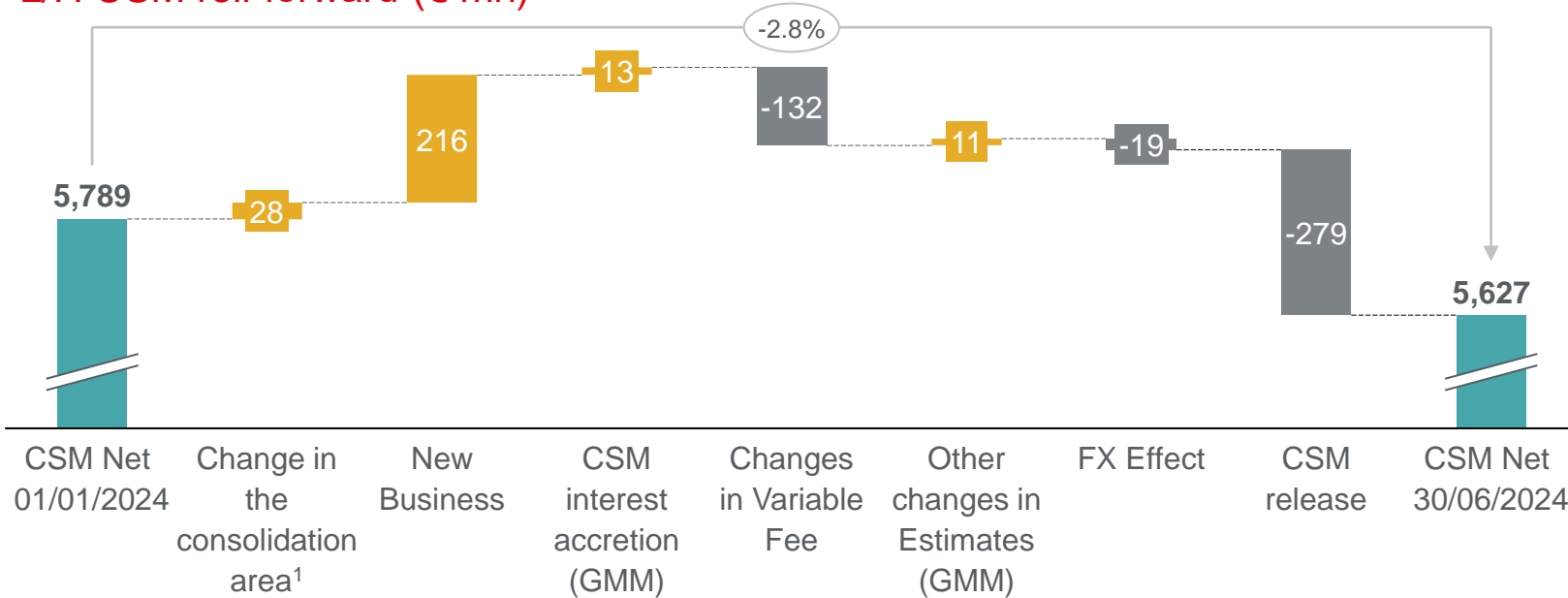




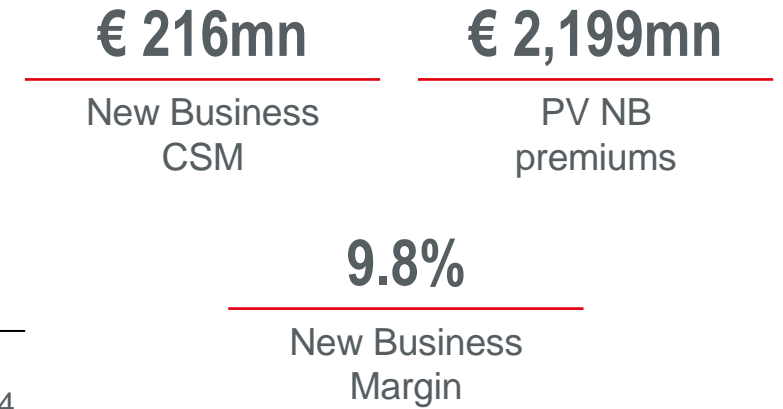
# L/H CONTRACTUAL SERVICE MARGIN & L/H NEW BUSINESS

6M 2024

L/H CSM roll-forward (€ mn)



L/H New Business (€ mn)



- Slight decline of L/H CSM by 2.8% in the period
- Continuous improvement of profitability of new business in L/H at 9.8%; New Business Margin increased compared to 8.9% at year-end 2023 reflecting higher volumes of profitable business written in L/H

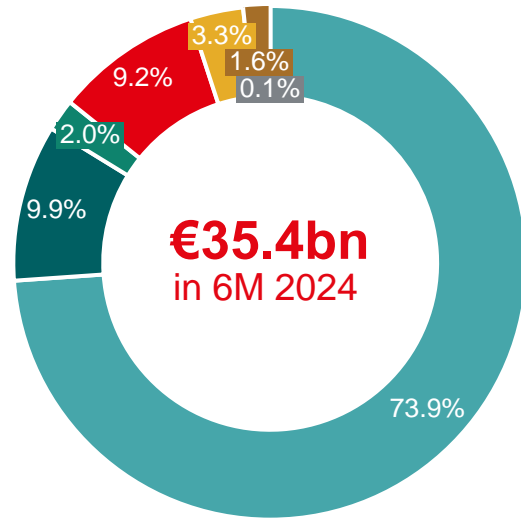
<sup>1</sup> Aegon RO



# INVESTMENT SPLIT

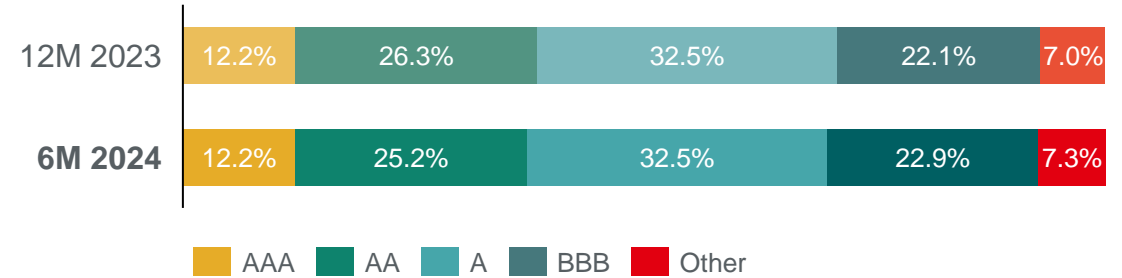
Investments held at VIG's own risk (excl. investments for unit- and index linked life insurance)

## Investment split

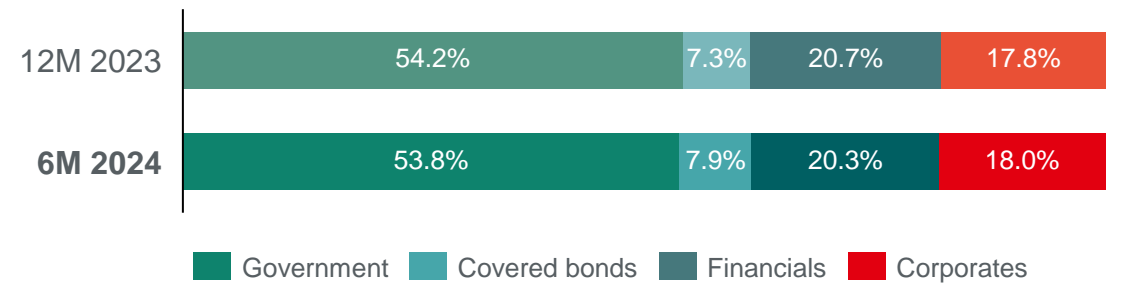


- Bonds
- Loans
- Equities
- Alternative Investments
- Property
- Cash and Deposits
- Affiliated Companies

## Bond portfolio by rating<sup>1</sup>



## Bond portfolio by issuer

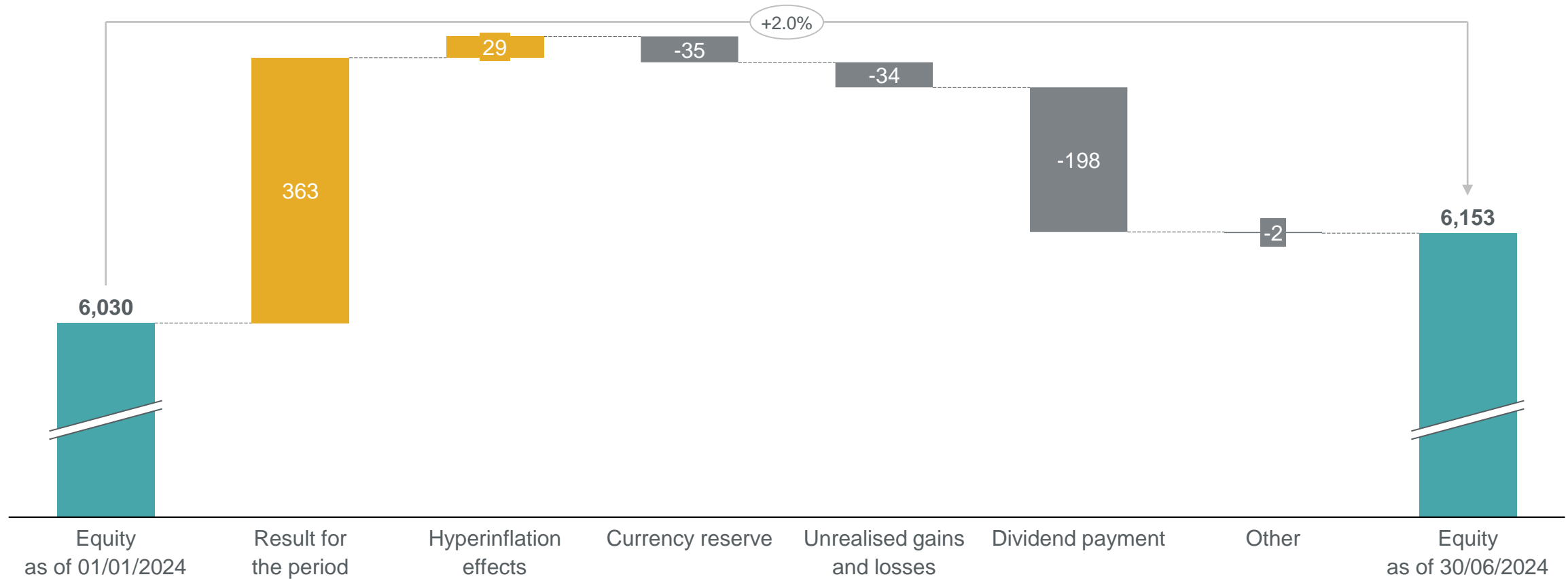


<sup>1</sup> Based on second-best rating



# EQUITY DEVELOPMENT

Change in consolidated Shareholders' Equity (€ mn)







## 6M 2024 RESULTS

### APPENDIX

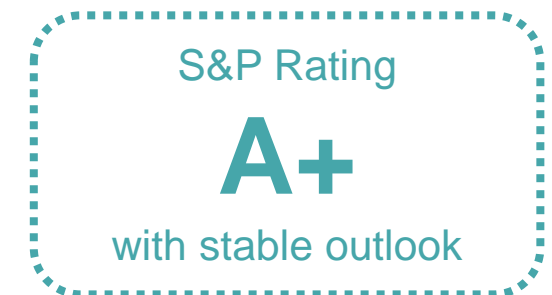
Please note that rounding differences may occur


# S&P CONFIRMES A+ RATING WITH STABLE OUTLOOK

## Revised S&P Capital Model Criteria

### S&P published updated research for VIG under revised model and affirmed A+ rating with stable outlook

- Solid capital buffers at the highest confidence level (99.99%), as per S&P's updated risk-based capital model, supported by VIG's underwriting discipline
- VIG's financial leverage moved firmly below 40% and is expected to remain in a range between 30% and 36% in the next few years
- Key strengths:
  - Market leader in Austria and several Central and Eastern European (CEE) markets
  - A well-diversified insurance portfolio, enhanced by strong distribution capabilities and an exclusive bancassurance contract with Erste Group Bank AG
  - Solid reinsurance protection that limits the group's natural catastrophe losses
- Key risks:
  - Operating environment and economic conditions, including elevated inflation in larger emerging markets in the EMEA, namely Hungary, Poland, Romania, and Türkiye, remains challenging
  - Greater regional earnings concentration than higher-rated peers
  - Relatively high capital sensitivity to market movements, particularly interest rates



Reference: S&P Global Ratings (Research Update, July 2024) | Reference: [group.vig/en/investor-relations/bonds/rating/](https://group.vig/en/investor-relations/bonds/rating/) 



# DIVIDEND OF € 1.40 PER SHARE

Attractive dividend yield in line with the industry

	2023	2022	2021	2020
Earnings per share	€ 4.31	€ 3.63 <sup>1</sup>	€ 2.94	€ 1.81
Dividend per share	€ 1.40	€ 1.30	€ 1.25	€ 0.75
Dividend yield	5.3%	5.8%	5.0%	3.6%
Year-end share price	26.50	22.35	24.90	20.80

## Dividend policy of VIG

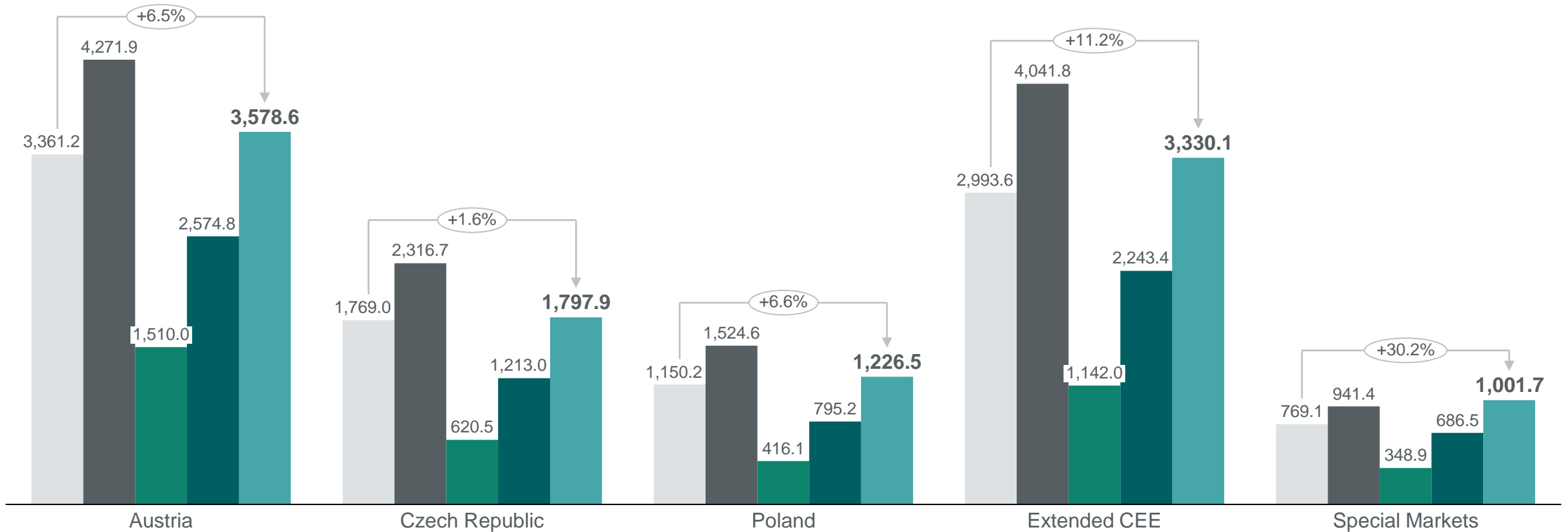
- Minimum dividend set at the previous year's level based on capital strength of the Group and to reflect the resilience of the business model
- The dividend is to increase continuously depending on the operating earnings situation

<sup>1</sup> IFRS 17/9 adjusted (reported 2022: € 3.58)



# GROSS WRITTEN PREMIUMS OF EUR 11.5 BILLION UP BY 8.0%

Gross written premiums by segments (€ mn)



Group Functions: 9M 2024: € 2,391mn (9M 2023: € 2,275mn); Consolidation: 9M 2024: € -1,853mn (9M 2023: € -1,699mn)

9M 2023 12M 2023 3M 2024 6M 2024 9M 2024



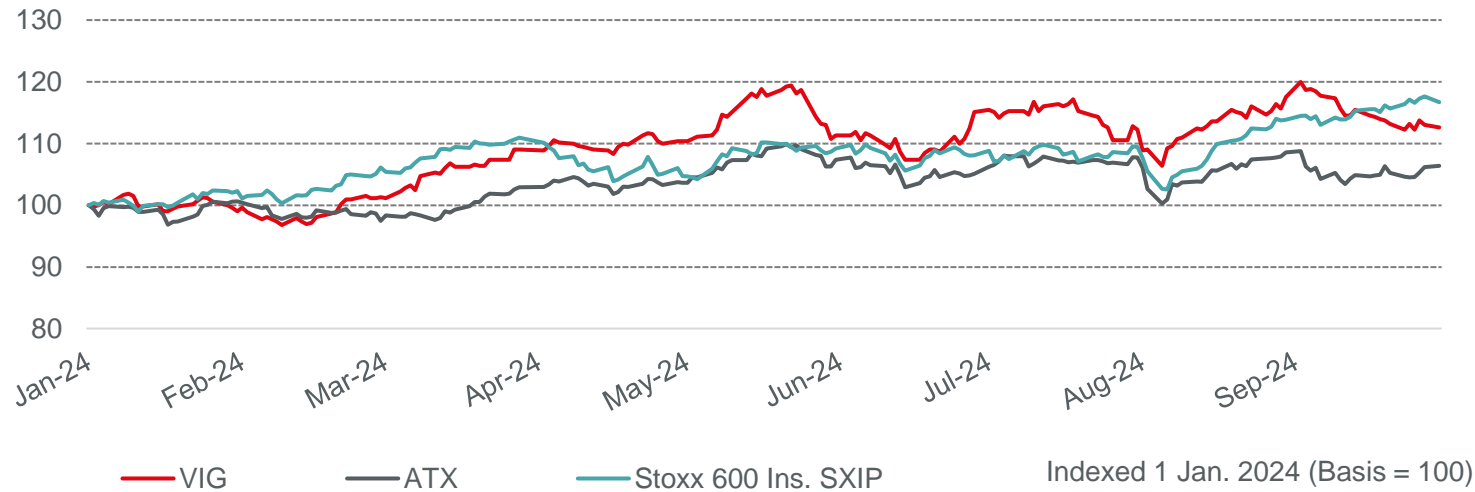
# VIG SHARE (I)

Number of common shares: 128,000,000 / ISIN: AT0000908504

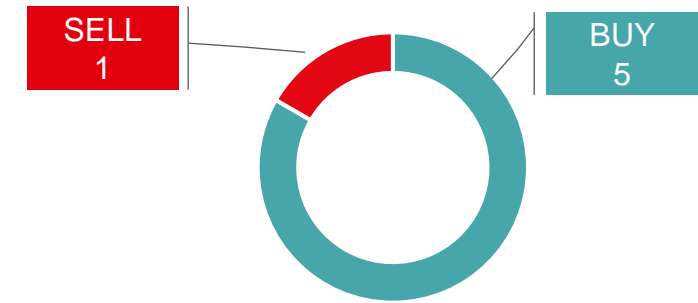
## General information

Listings	Ticker	Rating	Major Indices
Vienna	▪ Stock Exchanges: VIG	Standard & Poor's:	ATX
Prague	▪ Bloomberg: VIG AV / VIG CP / VIG XH	A+, stable outlook	ATX Prime
Budapest	▪ Reuters: VIGR.VI / VIGR.PR / VIGR.H		PX

## VIG compared to ATX and Stoxx Europe 600 Ins.



## Analyst recommendations (as of Nov 2024)



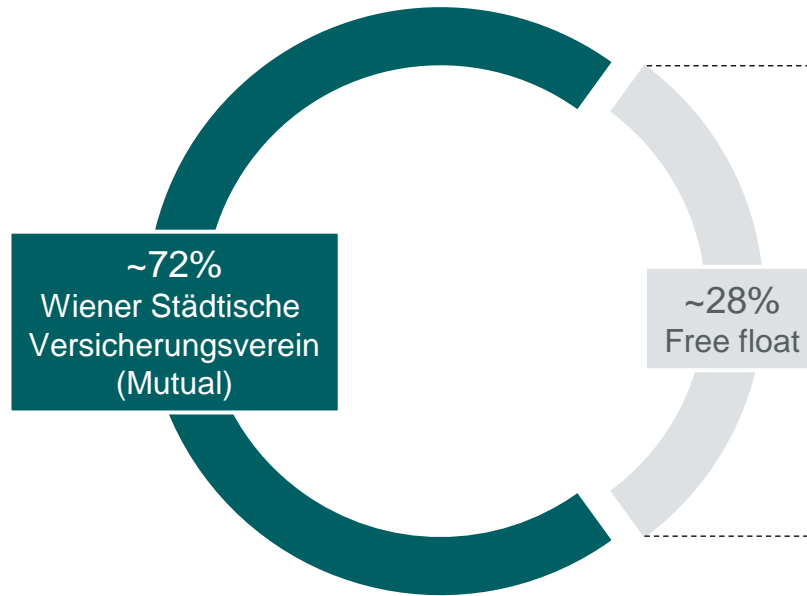
## Share price development 9M 2024

High	EUR	31.80
Low	EUR	25.65
Price as of Sep 2024	EUR	29.85
Market cap.	EUR	3.82bn
Share performance (excl. dividends)	%	+12.6

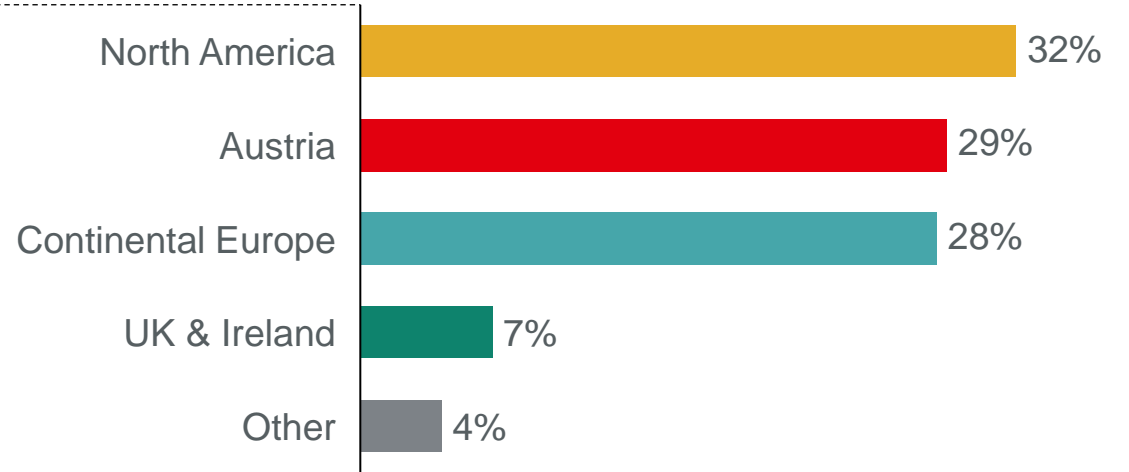


# VIG SHARE (II)

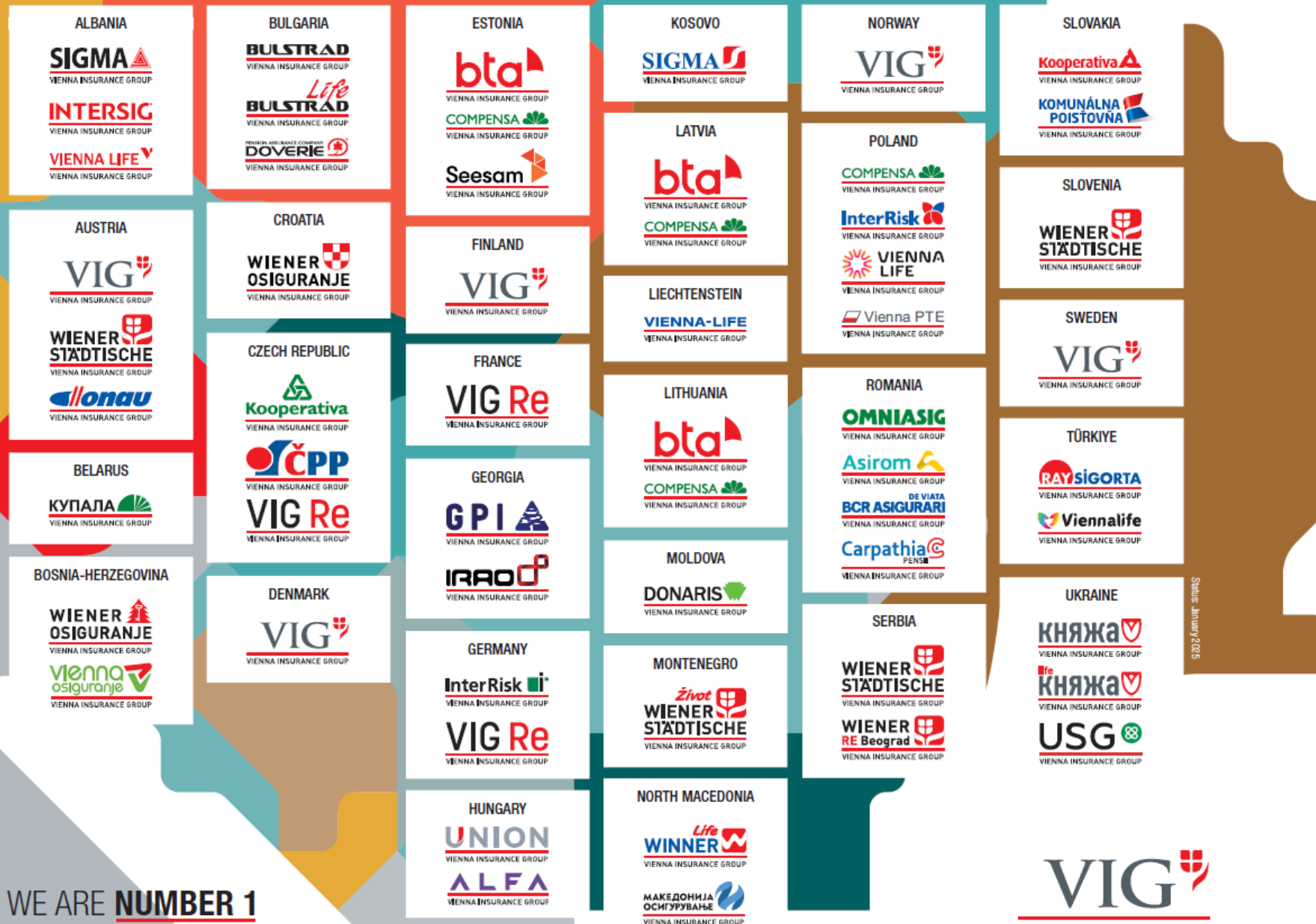
## Shareholder structure



## Free float split by region<sup>1</sup>



<sup>1</sup> Split of identified shares, May 2024 (Source: S&P Global)



Statis January 2025

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# CONTACT DETAILS / FINANCIAL CALENDAR

Investor Relations / [investor.relations@vig.com](mailto:investor.relations@vig.com) / [www.group.vig](http://www.group.vig)

## Nina Higatzberger-Schwarz

Tel. +43 50 390-21920

[nina.higatzberger@vig.com](mailto:nina.higatzberger@vig.com)

## Sylvia Hollerer

Tel. +43 50 390-21919

[sylvia.hollerer@vig.com](mailto:sylvia.hollerer@vig.com)

## Katarzyna Bizon

Tel. +43 50 390-20071

[katarzyna.bizon@vig.com](mailto:katarzyna.bizon@vig.com)

## Lena Paula Griesser

Tel. +43 50 390-22126

[lena.paula.griesser@vig.com](mailto:lena.paula.griesser@vig.com)

## Petra Haubner

Tel. +43 50 390-20295

[petra.haubner@vig.com](mailto:petra.haubner@vig.com)

## Sylvia Machherndl

Tel. +43 50 390-21151

[sylvia.machherndl@vig.com](mailto:sylvia.machherndl@vig.com)

## Financial calendar 2025\*

Date	Event
12 Mar. 2025	Preliminary results for the financial year 2024
28 Apr. 2025	Results and Group Annual Report 2024
13 May 2025	Record date Annual General Meeting
23 May 2025	Annual General Meeting
26 May 2025	Ex-dividend day
27 May 2025	Record date dividend
27 May 2025	Key figures and update first quarter 2025
28 May 2025	Dividend payment day
27 Aug. 2025	Results for the first half-year 2025
25 Nov. 2025	Key figures and update first three quarters 2025

\* Preliminary planning



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Please note that calculation differences may arise when rounded amounts and percentages are summed automatically.

VIG 

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