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Vienna Insurance Group records strong results in the first half of 2021 Premiums and profits rise significantly, combined ratio improves

- **Premium volume increases 3.5% to EUR 5.77 billion**
- **Profit before taxes rises 25% to EUR 251 million**
- **Combined ratio improves 0.3 percentage points to 95.2%**
- **Solvency ratio of 267% as of 30 June 2021 shows strong capital resources**

Vienna Insurance Group's figures for the first half of 2021 show very positive results. All key figures show significant improvements compared to the same period in the previous year, indicating that performance continues to be highly stable during the ongoing Covid-19 pandemic.

"VIG Group business development is continuing at the level before the coronavirus pandemic. The significant increase both in premium volume and in profit was achieved in an environment that remains challenging, as the pandemic continued during the first half of the year and affected our everyday life to varying degrees. I consider our business model, which gives all regional Group companies the entrepreneurial freedom needed to tailor products and solutions to meet local needs, as a positive factor in our stable development. It allows us, as the largest international insurance group in Central and Eastern Europe, to act quickly and individually in the different situations in each country in our region", explains CEO Elisabeth Stadler.

Premiums increase to EUR 5,773 million

Premium volume followed a significant upward trend in spite of the varying effects of Covid-19 in VIG markets, rising 3.5% to EUR 5,773 million. With the exception of single premium life insurance, all lines of business recorded premium increases. Premiums grew particularly strongly in the other property and casualty line of business, rising 5.7% to EUR 2.9 billion. In the motor lines of business, premiums increased significantly by 7.3% to EUR 709 million for own damage insurance and 3.7% to EUR 810 million for third party liability insurance. Health insurance premiums rose to EUR 368 million (+3.3%). While regular premium life insurance saw premiums increase to EUR 1,362 million (+1.9%), in line with strategy, single premium life insurance recorded a decline of 6.7% to EUR 446 million. The largest premium increases were achieved in the segments Czech Republic, Poland, Romania and Hungary. Expenses for claims and insurance benefits less reinsurers' share were EUR 3.6 billion, 0.9% higher compared to the same period in the previous year.

Result before taxes increases 25%

The result before taxes of EUR 251.4 million was 25% above the value in the previous year and includes provisions for Covid-19 and adverse weather events. The result after taxes and non-controlling interests was EUR 186.3 million for the first half of 2021, up by 47.5%.

The VIG Group regulatory solvency ratio was 267% as of 30 June 2021, indicating that capital resources remain very strong and stable. The financial result (incl. the result from at equity consolidated companies) was EUR 353.6 million in the first half of 2021, 8.9% below the previous year.

The decrease was mainly due to a reduction in realised gains and losses. The return on equity before taxes improved from 9.1% to 11%. The VIG Group had EUR 37.5 billion in investments as of 30 June 2021.

Combined ratio further improved

The VIG Group combined ratio of 95.2% was 0.3 percentage points lower than the previous year. This improvement was achieved in spite of the noticeable effects of weather-related claims towards the end of June 2021 due to an overall improved claims development and further measures implemented since “Agenda 2020” and in the new “VIG 25” strategy programme to improve the combined ratio.

Outlook for 2021

In addition to the ongoing pandemic and great uncertainty about the further course and impact of the rapidly spreading delta variant, other natural disasters, such as the flooding seen in July, could also affect business development in the second half of 2021. *“However, we are confident that we will achieve our targets for 2021, not least because of our prudent reserving policy. Therefore, we can confirm our forecast of achieving around EUR 10.4 billion for premium volume and a profit before taxes in the range of EUR 450 million to EUR 500 million. Our combined ratio is expected to be around 95%”,* states Elisabeth Stadler, confirming the forecast for 2021.

Consolidated Income Statement (IFRS)

(in EUR mn)	6M 2021	6M 2020	+/- %
Gross premiums written	5 772,9	5 577,4	3,5
Net earned premiums	4 822,6	4 738,6	1,8
Financial result incl. at equity consolidated companies	353,6	388,0	-8,9
Other income	80,8	99,6	-18,9
Expenses for claims and insurance benefits	-3 633,5	-3 600,0	0,9
Acquisition and administrative expenses	-1 237,1	-1 136,9	8,8
Other expenses	-135,0	-288,2	-53,2
Result before taxes	251,4	201,2	25,0
Taxes	-60,7	-68,5	-11,4
Result of the period	190,7	132,6	43,8
Non-controlling interests	-4,4	-6,3	-30,6
Net result after non-controlling interests	186,3	126,3	47,5
Earnings per share in EUR (annualized)	2,91	1,97	47,5
Combined Ratio (net in %)	95,2	95,5	-0.3pp

Consolidated Income Statement (IFRS) - Quarterly Data

(in EUR mn)	Q2 2021	Q2 2020	+/- %
Gross premiums written	2 666,1	2 459,1	8,4
Net earned premiums	2 406,3	2 250,4	6,9
Financial result incl. at equity consolidated companies	180,1	247,2	-27,1
Other income	22,3	13,5	65,6
Expenses for claims and insurance benefits	-1 810,9	-1 716,4	5,5
Acquisition and administrative expenses	-609,5	-527,9	15,4
Other expenses	-64,9	-187,5	-65,4
Result before taxes	123,4	79,2	55,7
Taxes	-32,8	-35,4	-7,4
Result of the period	90,6	43,8	>100
Non-controlling interests	-3,3	-3,4	-2,1
Net result after non-controlling interests	87,3	40,5	>100
Combined Ratio (net in %)	95,2	95,9	-0.7pp

Consolidated Balance Sheet (IFRS)

Assets (in EUR mn)	30.06.2021	31.12.2020	+/- %
A. Intangible assets (incl. Right-of-Use Assets)	1 909	1 918	-0,5
B. Investments	34 562	34 901	-1,0
C. Investments of unit- and index-linked life insurance	8 367	7 968	5,0
D. Reinsurers' share in underwriting provisions	1 548	1 396	10,9
E. Receivables	1 807	1 699	6,3
F. Tax receivables and advance payments out of income tax	182	275	-33,8
G. Deferred tax assets	235	137	71,6
H. Other assets	404	388	4,1
I. Cash and cash equivalents	2 972	1 745	70,3
Total Assets	51 985	50 428	3,1
Liabilities and Shareholders' Equity (in EUR mn)	30.06.2021	31.12.2020	+/-%
A. Shareholders' equity	5 599	5 286	5,9
B. Subordinated liabilities	1 461	1 464	-0,2
C. Underwriting provisions	32 614	32 230	1,2
D. Unit- and index-linked underwriting provisions	8 012	7 617	5,2
E. Non-underwriting provisions	845	877	-3,7
F. Liabilities	2 736	2 254	21,4
G. Tax liabilities out of income tax	309	291	6,2
H. Deferred tax liabilities	268	268	-0,1
I. Other liabilities	141	141	-0,2
Total Liabilities and Shareholders' Equity	51 985	50 428	3,1

Segment Reporting (IFRS)

in EUR mn	Austria			Czech Republic			Slovakia		
	6M 2021	6M 2020	+/- %	6M 2021	6M 2020	+/- %	6M 2021	6M 2020	+/- %
Gross premiums written Total	2 279,7	2 316,2	-1,6	945,6	879,5	7,5	367,5	383,2	-4,1
Result before taxes	105,8	104,0	1,8	96,9	108,0	-10,3	30,0	28,8	4,2
Combined Ratio (net in %)	93,7	94,4	-0.7pp	91,5	94,1	-2.6pp	89,0	89,2	-0.2pp

in EUR mn	Poland			Romania			The Baltic		
	6M 2021	6M 2020	+/- %	6M 2021	6M 2020	+/- %	6M 2021	6M 2020	+/- %
Gross premiums written Total	640,7	590,5	8,5	266,4	229,1	16,3	258,7	251,0	3,1
Result before taxes	33,8	35,5	-4,9	9,6	9,5	0,7	9,9	8,4	17,6
Combined Ratio (net in %)	94,4	94,1	0.3pp	99,9	96,4	3.5pp	96,4	94,8	1.6pp

in EUR mn	Hungary			Bulgaria			Turkey/Georgia		
	6M 2021	6M 2020	+/- %	6M 2021	6M 2020	+/- %	6M 2021	6M 2020	+/- %
Gross premiums written Total	175,9	153,7	14,5	114,2	111,7	2,3	126,2	127,4	-0,9
Result before taxes	5,1	4,8	5,2	13,9	-48,4	n.a.	5,7	-3,5	n.a.
Combined Ratio (net in %)	96,9	94,4	2.6pp	87,4	90,9	-3.5pp	99,8	84,5	15.3pp

in EUR mn	Remaining CEE			Other Markets			Central Functions		
	6M 2021	6M 2020	+/- %	6M 2021	6M 2020	+/- %	6M 2021	6M 2020	+/- %
Gross premiums written Total	252,9	231,3	9,3	142,9	142,0	0,7	1 014,8	930,6	9,1
Result before taxes	15,3	-24,9	n.a.	16,5	15,3	7,9	-90,6	-36,9	>100
Combined Ratio (net in %)	91,5	90,4	1.1pp	76,5	77,5	-1pp	-	-	-

in EUR mn	Consolidation			Total		
	6M 2021	6M 2020	+/- %	6M 2021	6M 2020	+/- %
Gross premiums written Total	-812,6	-768,7	5,7	5 772,9	5 577,4	3,5
Result before taxes	-0,5	0,5	n.a.	251,4	201,2	25,0
Combined Ratio (net in %)	-	-	-	95,2	95,5	-0.3pp
Net result after non-controlling interests	-	-	-	186,3	126,3	47,5

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

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

Disclaimer

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

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