VIG
VIENNA INSURANCE GROUP

HALF-YEAR FINANCIAL REPORT 2023

Letter from the Chairman of the Managing Board

**Dear Shareholders,
Ladies and Gentlemen!**

It is the strategic cornerstones of our Group that have made us the number one in CEE throughout the past years and decades. The right combination of reliability and dynamic action, of the proven and the new, characterises the Group. It is a success story that began with a bold step and has continued over the years with consistent work and foresight. To everyone who was and is part of this success story: Congratulations and a big thank you.

I have taken on the role of Chairman of the Managing Board and CEO of VIG and want to act with this in mind. I have been leading the Group since July 2023, in which the course has been set for a promising future. One part of this course is the VIG 25 strategic programme jointly developed in 2021. It will take us into 2025 with its multifaceted impulses and initiatives. A central idea behind the programme: Seeing changes as opportunities, recognising potential and consciously using the individual strengths of our insurance companies. It is precisely with this awareness that we find answers to questions about social, economic and ecological changes and practicable solutions in times of progessing digitalisation in an increasing number of life and work areas.

One of the strengths of VIG is our vibrant group spirit. Companies in 30 countries operate independently and close to the customers, while orientating themselves towards common goals. It makes us a strong partner on the capital market and our companies attractive employers, innovative insurers and active members in local communities. Our type of organisation requires a great deal of exchange and constructive cooperation. This is why we want to continue to expand cooperation and communication within the Group.

We are using the current positive momentum in the process: In the 1st half of 2023 VIG generated gross written premiums of EUR 7.3 billion, which equates to an increase of 10.8% over the same period of the previous year. The acquisition of Aegon's CEE business and premium adjustments due to inflation played their part. The Group result before taxes increased significantly to EUR 462.9 million due to the previous year's result being impacted by one-off effects.

The positive first half of the year allows me to look confidently into the future. Let's continue on this successful path together!

Yours sincerely,

Hartwig Löger

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ECONOMIC ENVIRONMENT

The environment for at most moderate growth has hardly changed since the start of the year. Early indicators for consumer sentiment, economy and business are continuing to look weak also during the 2nd quarter of 2023. For the eurozone, however, there is a gradual brightening of consumer sentiment accompanied by falling inflation rates. Following a supposed technical recession during the last two quarters – a real GDP growth rate of minus 0.1% in the 4th quarter of 2022 and a revised estimate of 0.0% in the 1st quarter of 2023 (each in a quarterly comparison) – experts from Erste Group Research expect slight growth in the eurozone from the 2nd quarter of 2023. Even though falling energy and food prices have spurred a decline in inflation to 5.5% most recently in June (year-on-year), core inflation still remains problematic, driven by rising prices for services.

Although Austria was able to achieve a GDP growth rate of 1.9% year-on-year in the 1st quarter of 2023, the economic weakness that began in the second half of the previous year actually continued with a stagnation when compared to the previous quarter. While tourism showed an increase of 17.1% in the 1st quarter of 2023 compared to the pandemic-stricken 1st quarter of 2022, the industry hardly grew in this period at 0.9%. Although high by Western Europe standards, inflation in Austria also decreased to 7.8% in June 2023.

The Czech Republic and Hungary already went through a mild recession in the 2nd half of 2022. The GDP growth rate in Hungary remained negative in the 1st quarter of 2023 in a quarterly comparison. By contrast, Poland was able to surprise positively in the 1st quarter of 2023 with an increase of 3.8% compared to the same period of the previous year and also Croatia performed better than expected. Exports made a positive contribution in all markets in the region except Romania, private consumption remained weak. Investments, on the other hand, grew further, supported by EU subsidies. The weakness in the manufacturing sector is still noticeable in the at most flat development of the sentiment in regional industry. However, consumer confidence proved to be quite robust overall and is expected to make a contribution in the 2nd half of 2023. The first preliminary reports on GDP growth in the 2nd of 2023 nevertheless highlight the weak environment, with in particular Poland falling short of expectations.

1st half of 2023 at a glance

- Gross written premiums increased by 10.8% to EUR 7,306.7 million
- Insurance service revenue - issued business increased by 13.7% to EUR 5,380.4 million
- Result before taxes rose to EUR 462.9 million
- Net combined ratio at 94.0%
- Contractual Service Margin (CSM) at EUR 5,934.9 million

NEW ACCOUNTING STANDARDS

As of 1 January 2023, the VIG Insurance Group applies the IFRS 9 and IFRS 17 accounting standards for the first time. The first-time application leads to significant changes and therefore has a material influence on this half-year financial report including adjusted comparative information of the previous year. Detailed information can be found in the section "Initial application of standards" from page 22 in the notes to the consolidated financial statements.

BUSINESS DEVELOPMENT AND FINANCIAL PERFORMANCE INDICATORS

Gross written premiums

VIG Insurance Group achieved gross written premiums in the amount of EUR 7,306.7 million in the 1st half of 2023.

This represents a significant increase of 10.8% (1st half of 2022: EUR 6,595.1 million). All reportable segments achieved increases in gross written premiums compared to the 1st half of the previous year. The segments Poland, Extended CEE and Special Markets have developed particularly dynamically.

ABBREVIATED CONSOLIDATED INCOME STATEMENT

in EUR million	01/01/-30/6/2023	01/01/-30/6/2022	Δ in %	Δ absolute
Insurance service result	**550.8**	521.3	**5.7%**	**29.5**
Insurance service revenue - issued business	5,380.4	4,732.9	13.7%	647.5
Insurance service expenses - issued business	-4,807.4	-4,099.0	17.3%	-708.4
Insurance service result - reinsurance held	-22.2	-112.6	-80.3%	90.4
Net investment result	**233.4**	-149.1	**n/a**	**382.5**
Investment result	1,098.4	-1,245.1	n/a	2,343.5
Income and expenses from investment property	30.0	23.4	33.6%	6.7
Insurance finance result	-910.8	1,063.7	n/a	-1,974.5
Result from associated consolidated companies	15.7	8.9	77.4%	6.9
Finance result	-52.1	-42.7	22.0%	-9.4
Other income and expenses	-269.1	-117.5	> 100%	-151.6
Business operating result	**463.0**	212.0	**> 100%**	**251.0**
Adjustments*	-0.1	0.0	n/a	-0.1
Result before taxes	**462.9**	212.0	**> 100%**	**250.9**
Taxes	-110.1	-57.1	92.7%	-53.0
Result for the period	352.8	154.9	> 100%	197.9
Non-controlling interests in net result for the period	9.4	7.5	25.8%	1.9
Result for the period less non-controlling interests	**343.4**	147.4	**> 100%**	**196.0**
Earnings per share (annualised) (in EUR)	**5.25**	2.19	**> 100%**	**3.1**

*The value consists of impairments of goodwill.

Insurance service revenue - issued business

In the first six months of 2023, the insurance service revenue amounted to EUR 5,380.4 million (1st half of 2022: EUR 4,732.9 million) and was therefore 13.7% higher than the previous year. The increase results primarily from the dynamic development of the gross written premiums in the Premium Allocation Approach (PAA), which has a direct effect on the insurance service revenue and from increased releases of the Contractual Service Margin (CSM) in the General Measurement Model (GMM) and in the Variable Fee Approach (VFA).

Result before taxes

The Group result before taxes increased significantly in the 1st half of 2023 to EUR 462.9 million (1st half of 2022: EUR 212.0 million). It should be noted that the result for the previous year's period was affected by measures in the amount of EUR 126.1 million in connection with the Russian government and corporate bond exposure. By contrast, a profit of EUR 20.3 million was generated in the 1st half of 2023 through the sale of Russian government and corporate bonds. In addition, the previous year was affected by unrealised net losses from the bond valuation due to sharply rising interest rates.

Net combined ratio

The calculation of the net combined ratio is the Insurance service expenses for issued business less Insurance service expenses from reinsurance held divided by the Insurance service revenue from issued business less Insurance service revenue from reinsurance held in property and casualty insurance.

Net combined ratio	01/01/-30/06/2023	01/01/-30/06/2022
in EUR million		
Insurance service revenue net	3,539.1	3,121.0
Attributable costs net	-1,141.9	-940.2
Insurance service expenses excl. attributable costs net	-2,183.2	-1,886.6
Insurance service expenses net	**-3,325.1**	-2,826.8
Claims ratio in %	61.7	60.4
Cost ratio in %	32.3	30.1
Net combined ratio in %	**94.0**	90.6

The net combined ratio was 94.0% in the first six months of 2023 (1st half of 2022: 90.6%), which is primarily due to the consideration of higher claims volatilities in the liability for incurred claims (LIC). In addition, the net combined ratio in the same period of the previous year was positively influenced by high commission accruals in connection with the first-time application of IFRS 17.

Operating Return on Equity (Operating RoE)

Operating return on equity measures the profitability of the insurance group. This ratio is calculated by dividing the annualised business operating result for the half-year by the average shareholders' equity. For this purpose shareholders' equity is adjusted for unrealised gains and losses.

Operating Return on Equity	30/06/2023	31/12/2022	31/12/2021
in EUR million			
Shareholders' equity	5,961.7	5,713.9	5,308.3
Unrealised gains and losses recognised in equity*	-5.5	20.1	-139.4
Adjusted shareholders' equity	5,956.2	5,734.0	5,168.9
Average adjusted shareholders' equity	5,845.1	5,451.4	
Business operating result	463.0	594.7	
RoE in % (annualised)	15.8	10.9	

*adjusted by non-controlling interests

In the 1st half of 2023, the group achieved an operating return on equity of 15.8% (31 December 2022: 10.9%).

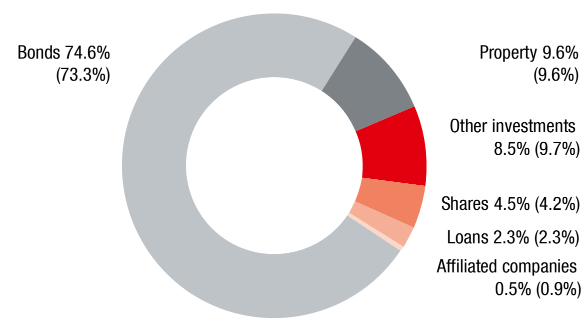
Contractual Service Margin (CSM)

The Contractual Service Margin (CSM) is the unrealised profit originally priced into the insurance contract, which is reported as a separate component of the technical provisions. As of 30 June 2023 it is EUR 5,934.9 million (31 December 2022: EUR 5,838.1 million). This represents an increase of 1.7%.

Total capital investment portfolio

On 30 June 2023, the total capital investment portfolio was EUR 41,701.0 million (31 December 2022: EUR 41,062.2 million). The increase compared to the previous year is primarily due to the increased market values of the investments measured at fair value.

BREAKDOWN OF THE INVESTMENT PORTFOLIO AS OF 30 JUNE 2023



Values as of 31 December 2022 in parentheses

Cash and cash equivalents, financial assets, investments in associates and joint ventures and investment property incl. building rights, and owner-occupied property are included in the investment portfolio. The presentation of the structure of the investment portfolio only refers to the investments at VIG's own risk (including investment funds and consolidated special funds, excluding financial instruments for unit-linked and index-linked life insurance and investments for third parties).

BUSINESS DEVELOPMENT AND FINANCIAL PERFORMANCE INDICATORS BY REPORTABLE SEGMENT

Austria

In the first six months of 2023, the Austrian VIG insurance companies wrote gross written premiums of EUR 2,417.8 million. Compared to the previous year this represents an increase of 1.8% (1st half of 2022: EUR 2,374.6 million). This is primarily due to index adjustments in the non-life lines of business, by contrast the single premium products in life insurance have dropped sharply.

In the 1st half of 2023, the insurance service revenue amounted to EUR 1,642.1 million (1st half of 2022: EUR 1,543.4 million). This represents an increase of 6.4% based on the increased gross written premiums in the Premium Allocation Approach (PAA) in the non-life lines of business.

The result before taxes rose to EUR 192.2 million in the 1st half of 2023 (1st half of 2022: EUR 75.6 million). It should be noted that the result for the previous year's period was affected by measures in connection with the exposure to Russian government and corporate bonds.

The net combined ratio increased considerably in the first six months of 2023 mainly as a result of higher claims costs due to the consideration of higher claims volatilities in the liability for incurred claims (LIC) and was at 90.4% (1st half of 2022: 88.5%).

Czech Republic

The VIG insurance companies in the segment Czech Republic recorded EUR 1,197.7 million in gross written premiums in the 1st half of 2023, an increase of 8.3% compared to the same period in the previous year (1st half of 2022: EUR 1,106.4 million). This is mainly due to higher new business as well as higher average prices in the motor lines of business.

In the first six months of the current year, the insurance service revenue amounted to EUR 999.7 million (1st half of 2022: EUR 902.8 million). This represents an increase of 10.7%, which is based on the positive development of gross written premiums in the motor lines of business.

INSURANCE SERVICE REVENUE - ISSUED BUSINESS

in EUR million	01/01/-30/06/2023	01/01/-30/06/2022	Δ in %	Δ absolute
Austria	1,642.1	1,543.4	6.4%	98.7
Czech Republic	999.7	902.8	10.7%	96.9
Poland	585.6	528.6	10.8%	57.0
Extended CEE[1]	1,511.7	1,241.5	21.8%	270.2
Special Markets[2]	356.1	203.3	75.1%	152.8
Group Functions[3]	798.3	744.4	7.2%	53.9
Consolidation	-513.1	-431.1	19.0%	-82.0
Total	**5,380.4**	**4,732.9**	**13.7%**	**647.5**

1 Extended CEE: Albania incl. Kosovo, Baltics, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia, Ukraine
2 Special Markets: Germany, Georgia, Liechtenstein, Türkiye
3 Group functions: VIG Holding, VIG Re, Wiener Re, VIG Fund, corporate IT service providers and intermediate holding companies

RESULT BEFORE TAXES

in EUR million	01/01/-30/06/2023	01/01/-30/06/2022	Δ in %	Δ absolute
Austria	192.2	75.6	> 100%	116.6
Czech Republic	114.3	85.0	34.5%	29.3
Poland	33.5	36.4	-7.9%	-2.9
Extended CEE[1]	104.0	28.2	> 100%	75.8
Special Markets[2]	32.9	32.2	2.2%	0.7
Group Functions[3]	-14.0	-45.3	-69.2%	31.4
Consolidation	0.0	0.0	n/a	0.0
Total	**462.9**	**212.0**	**> 100%**	**250.9**

1 Extended CEE: Albania incl. Kosovo, Baltics, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia, Ukraine
2 Special Markets: Germany, Georgia, Liechtenstein, Türkiye
3 Group functions: VIG Holding, VIG Re, Wiener Re, VIG Fund, corporate IT service providers and intermediate holding companies

The result before taxes was EUR 114.3 million in the 1st half of the current year, corresponding to a year-on-year increase of 34.5% (1st half of 2022: EUR 85.0 million), which predominantly comes from the positive development of the net investment result.

The net combined ratio was at 93.3% in the 1st half of 2023 (1st half of 2022: 89.6%). The net combined ratio in the previous year was positively influenced by high commission accruals in connection with the first-time application of IFRS 17.

Poland

The VIG insurance companies in the segment Poland wrote EUR 765.7 million in gross written premiums in the 1st half of 2023, representing a year-on-year increase of 16.2% (1st half of 2022: EUR 659.0 million). This increase was mainly due to good performance in motor own damage insurance and other property and casualty lines of business.

In the 1st half of 2023 the insurance service revenue totalled EUR 585.6 million (1st half of 2022: EUR 528.6 million). Compared to the same period in the previous year, this represents an increase of 10.8%, which is primarily due to the previously mentioned positive development of gross written premiums.

The result before taxes fell in the first six months of the current year due to the net combined ratio deteriorating by 7.9% to EUR 33.5 million (1st half of 2022: EUR 36.4 million).

The net combined ratio was 94.8% in the 1st half of 2023 due to rising costs and claims as a result of high inflation (1st half of 2022: 88.6%).

Extended CEE

The Extended CEE reportable segment includes the countries of Albania including Kosovo, Baltic states, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia and Ukraine.

In the segment Extended CEE the VIG insurance companies wrote gross premiums amounting to EUR 2,012.0 million in the 1st half of 2023 (1st half of 2022: EUR 1,829.6 million). The increase of 10.0% compared to the previous year is primarily a result of the first time consolidation of Alfa Vienna Insurance Group Zrt. (formerly Aegon) in Hungary that took place on 1 April 2022. Furthermore, the Baltic states, Bulgaria and Slovakia in particular experienced a dynamic growth in gross written premiums.

The insurance service revenue amounted to EUR 1,511.7 million) in the first six months of 2023 and was therefore 21.8% higher than the comparable value for the same period in the previous year (1st half of 2022: EUR 1,241.5 million). The increase primarily results from the previously mentioned first time consolidation in Hungary. In addition, the motor own damage insurance business in Romania and Bulgaria and the non-life business in Slovakia were able to achieve good increases.

In the 1st half of 2023, a result before taxes amounting to EUR 104.0 million was achieved in the segment Extended CEE (1st half of 2022: EUR 28.2 million). The considerable increase compared to the previous year's period is mainly due to an improvement in the net investment result in Slovakia and in the Baltic states.

The net combined ratio increased to 96.4% compared to the previous year's period as a result of increased claims frequency in Ukraine as well as a consideration of higher claims volatilities in the liability for incurred claims (LIC) in Bulgaria and Romania (1st half of 2022: 92.5%).

Special Markets

The Special Markets reportable segment includes the countries of Germany, Georgia, Liechtenstein and Türkiye.

The VIG insurance companies in the Special Markets segment wrote EUR 520.0 million in gross written premiums in the first six months of 2023 (1st half of 2022: EUR 341.7 million). The significant increase of 52.2% compared to the previous year's period is primarily due to the first-time consolidation of Viennalife (formerly Aegon) in Türkiye that took place on 1 April 2022.

In the first six months of 2023, the insurance service revenue increased from EUR 203.3 million in the 1st half of 2022 to EUR 356.1 million due to the good performance of all insurance lines of business in Türkiye and Georgia as well as the previously mentioned first time consolidation.

Compared to the same period in the previous year, the result before taxes increased by 2.2% as a result of the first-time consolidation of Viennalife (formerly Aegon) in Türkiye that took place on 1 April 2022 as well as improved health insurance business in Georgia and amounted to EUR 32.9 million in the 1st half of 2023 (1st half of 2022: EUR 32.2 million).

The net combined ratio was at 98.6% in the 1st half of 2023 as a result of increasing claims frequencies and the consideration of higher claims volatilities in the liability for incurred claims (LIC) in Türkiye (1st half of 2022: 91.2%).

Group Functions
The Group Functions reportable segment includes VIG Holding (including the branches in Northern Europe), VIG Re (including the branches in Germany and France), Wiener Re, the VIG Fund, corporate IT service providers and intermediate holding companies.

The insurance service revenue amounted to EUR 798.3 million in the 1st half of 2023 and was therefore 7.2% higher than the previous year due to the significant increase in Group-internal business (1st half of 2022: EUR 744.4 million).

The segment Group Functions reported a loss of EUR 14.0 million in the first six months of the current year (1st half of 2022: loss of EUR 45.3 million). The improved result is primarily due to the higher net investment result.

SIGNIFICANT RELATED PARTIES

Information on related parties is provided in the notes to the consolidated financial statements starting on page 59.

Expected development and risks of the Group

SIGNIFICANT RISKS AND UNCERTAINTIES

In accordance with the strategic orientation of VIG Insurance Group, the general VIG Insurance Group risk profile did not change in the 1st half of 2023. Market risks and underwriting risks continue to be significant risks for the 2nd half of 2023. Further information on the significant business risks to which VIG Insurance Group is exposed is available in the risk report section in the VIG Insurance Group Annual Report for 2022 and the Solvency and Financial Condition Report for 2022.

The 2023 financial year is still beset by considerable uncertainty. The war in Ukraine presents a particular challenge given that the future course of the war still cannot be predicted and its effects continue to be felt by all sectors. Inflation, which remains at a high level, will also affect future business development. These uncertainties and associated knock-on effects on the capital market and insurance industry are the most significant uncertainties for VIG Insurance Group for the 2nd half of 2023.

Even though there were no above-average extreme weather events in the 1st half of 2023, VIG Insurance Group expects the intensity and frequency of severe weather events to continue increasing due to climate change. VIG Insurance Group therefore continues to focus on the topics of climate change and sustainability. Furthermore, VIG Insurance Group continues to focus strongly on cyber risk, which will become even more important in the future due to the rapid progress of digitalisation.

The VIG Insurance Group regulatory solvency ratio was 280% on 31 December 2022. Due to the increase in the risk-free euro yield curve and positive developments in the stock markets, solvency is expected to improve for the 1st half of 2023, despite a partial repurchase of the issued subordinate bonds (ISIN: AT0000A1D5E1) with a total nominal value of EUR 185,587,000. The solvency ratio for 30 June 2023 had not yet been finalised at the time the report was prepared.

The Group's excellent level of regulatory capital and A+ rating with stable outlook that was reaffirmed by Standard & Poor's on 27 July 2023 demonstrate its high risk-bearing capacity.

VIG Insurance Group will maintain its current investment policy of holding a conservative, security-oriented asset allocation.

EXPECTED DEVELOPMENT – OUTLOOK

ECONOMIC OUTLOOK

For the eurozone, Erste Group analysts expect GDP growth to gain momentum in the second half of the year. Given the weak start, however, only 0.5% growth is expected for 2023 as a whole. The risk of further rapid growth in service prices creates a risk of continued high core inflation, which could persist at a high level for longer than expected. Overall, therefore, inflation is only expected to fall slightly to 5.6% by the end of 2023.

Further rapid price increases and the associated reduction in purchasing power could cause the sluggish development of Austrian growth to continue into the 2nd half of 2023. Overall, however, inflationary pressure is expected to weaken, thereby reviving private consumption and foreign trade. With an estimated inflation rate of 7.4% at the end of the year, Erste Group analysts expect GDP growth of 0.6% for 2023.

The CEE region is expected to record real GDP growth of 1.1% for 2023. In particular, Romania and Croatia contribute to this with a projected growth of 2.6% and 2.1%. Continued growth in real wages and their impact on private consumption, and the ongoing support provided by EU subsidies, should continue to provide support for regional growth. With inflation expectations falling in the second half of the year, inflation forecasts for most of the markets in the region are slightly in the double-digit range. Overall, a regional average of 12.1% is expected by the end of 2023. Croatia and Slovenia are at the lower end, with 6.8% and 7.2%, respectively. Hungary, on the other hand, will continue to suffer from the effects of its inflation policy and will likely end the year with an inflation rate of 17.9%.

OUTLOOK FOR THE VIG INSURANCE GROUP

First-time preparation of half-year results in accordance with the accounting standards IFRS 9 and IFRS 17, which have been applicable since 1 January 2023, already showed the expected increased volatility of results due to the changes in the interest rate environment. The objectives for the financial performance indicators and the dividend policy are therefore currently being reviewed in accordance with the amended accounting standards.

The development of the financial year 2023 is generally difficult to assess due to a number of uncertainty factors, especially associated with the ongoing war in Ukraine and its far-reaching consequences. The weaker macroeconomic environment and the high levels of volatility expected on the financial markets make it harder to predict the business development. In addition, the effects of adverse weather events can be expected to reduce results in the 2nd half of 2023. Subject to the factors mentioned above and massive interest rate and market fluctuations and given the current ongoing weather extremes, VIG expects the Group's result before taxes to be in the range of EUR 700–750 million for the full-year 2023 under IFRS 17/9.

Current topics

Change in VIG management
Since 1 July 2023, Hartwig Löger has been General Manager and Chairman of the Managing Board of Vienna Insurance Group. Peter Höfinger became Deputy General Manager and Deputy Chairman of the Managing Board. In addition to Elisabeth Stadler, Peter Thirring also left the VIG Managing Board at the end of June 2023. The VIG Managing Board, which comprises six rather than eight members from July 2023 onwards, also includes Liane Hirner as CFRO (Chief Finance and Risk Officer), Gerhard Lahner as COO (Chief Operations Officer), Gábor Lehel as CIO (Chief Innovation Officer) and Harald Riener with responsibility for the retail area. All Managing run until 30 June 2027.

Weather-related claims
In total, gross weather-related claims were around EUR 256 million in the 1st half of 2023 (1st half of 2022: gross around EUR 201 million). VIG Insurance Group retained around EUR 98 million after reinsurance (1st half of 2022: EUR 131 million).

Annual General Meeting 2023
The 32nd Annual General Meeting of Vienna Insurance Group AG Wiener Versicherung Gruppe was held on 26 May 2023 in the Wiener Stadthalle. A dividend of EUR 1.30 per share proposed by the Vienna Insurance Group Managing Board and Supervisory Board was approved during the Annual General Meeting. The dividend yield is 5.8%.

Successful closing for the Aegon companies
Following successful acquisition of the Aegon business in Hungary and Türkiye in 2022, the closing for the Polish and Romanian Aegon companies was also completed on 31 May 2023. VIG's acquisition of the Aegon companies in Poland and Romania expands its life insurance portfolio and its activities in the pension fund business. The Aegon insurance company that was acquired in Hungary in March 2022 was renamed Alfa Vienna Insurance Group Zrt. at the beginning of August. The life insurance company acquired in Türkiye operates under the Viennalife brand.

Top rating – still A+ with stable outlook
The international rating agency Standard & Poor's (S&P) reaffirmed its A+ rating with stable outlook for Vienna Insurance Group at the end of July 2023. This means that VIG continues to be one of the companies with the best rating in the ATX of the Vienna Stock Exchange. Standard & Poor's attests to Vienna Insurance Group's solid earnings development and robust capitalisation, even after the completion of the acquisition of the Eastern European business of the Dutch Aegon Group.

Vienna Insurance Group launches new website
Boasting a very modern design, the website creates a user-oriented structure with shorter click paths, intuitive navigation and staggered teaser elements to highlight certain sections to website visitors. Job applicants and capital market stakeholders in particular (who are among the main target audience for the company's site) are prompted to click through the information provided. The website relies on a large share of moving images in the form of "talking numbers", micro-animations and videos. An optimised view for smartphones and tablets and improved accessibility are other adjustments. A company blog was introduced and offers background information on the topics career, responsibility and innovative projects of the Group. The new "Markets" area shows the size and diversity of the Group. Sustainability is being given greater emphasis with its own menu item. The revised career section uses gamification elements, among other things, to position VIG as a top employer. The new website can be accessed via a dedicated short top-level domain: www.group.vig.

Repurchase of subordinated bonds

In April 2023, Vienna Insurance Group made an offer to repurchase the subordinated bonds issued in 2015 (ISIN: AT0000A1D5E1) and, as a result, bought back bonds with a total nominal value of EUR 158.59 million. Detailed information is available at: www.group.vig/bonds

AWARDS

Czech Kooperativa wins Microsoft Award 2022

In mid-January, Microsoft awarded interesting solutions and applications of its partners for the 23rd time. This year's award ceremony brought the Czech VIG insurance company Kooperativa first place in the category "Hybrid Work and Culture Change". The award was given for the digital transformation of the environment in the VIG companies in the Czech Republic with the support of Microsoft 365, which was implemented for Kooperativa by the company manica.

VIG Holding awarded for „Best Process of the Year 2022"

VIG Holding received the Process Award 2022 from the Austrian Society for Process Management for its Quantitative Reporting Templates (QRT) reporting process, which describes the regulatory reporting forms. The prize is awarded once a year for the "best process of the year" and serves as an award for organisations that can demonstrate that they have effective process management system. After an assessment by external process auditors and the subsequent certification, the process took part in the competition under the project title "Steering the Annual and Quarterly QRT Report, FSB Report". It was able to score points there with good documentation and continuous further development and thus won the overall prize.

Sustainability Award for VIG Asset Management Hungary

At the 10th "Privatbankar.hu Klasszis" award ceremony in Budapest, VIG Asset Management Hungary (formerly Aegon) was honoured with the special award for "Domestic ESG Asset Manager of the Year" for the second time in a row. The online medium Privatbankar.hu has been honouring the commitment of Hungarian asset managers in the field of sustainability with this award since 2022. VIG (Aegon) Asset Management Hungary were able to assert themselves again with the detailed presentation of their ESG integration methodology and the approach they use.

BEESAFE listed on "Fintech of the Year 2022" in Poland

Beesafe, VIG's Polish start-up for digital motor insurance, was the only insurance company to make it onto the "FinTech of the Year 2022" list of the Polish magazine Gazeta Finansowa. Among other things, the fully digital, automatic AI-based claims handling processes and user-friendliness were positively highlighted.

Innovator of the Year: Austrian VIG company Donau Versicherung wins in the "Corporate Innovation" category

Austrian VIG insurance company Donau Versicherung was named the winner in the "Corporate Innovation" category in an online vote for "Innovator of the Year" by brutkasten, an industry medium for innovation, start-ups and the digital economy. DONAU Versicherung launched WohnenNext. DONAU used this "fastest policy in Austria" to make it very easy to purchase household insurance online and established the "Next Generation Circle" innovation hub in the company.

Wiener Städtische takes first place in the Innovation Challenge 2023

In collaboration with the VIG start-up viesure, Austrian VIG insurance company Wiener Städtische took first place in the Innovation Challenge 2023, powered by Google Cloud and Nagarro, with "voogle", a custom-tailored insurance search machine of the future. Its personalised search uses all the content available to instantly provide clients with understandable information, even for complex cases. The service units provide up-to-date, comprehensive information for a wide range of queries, allowing quick, targeted solutions. In a future collaboration with Google and Nagarro, "voogle" is expected to improve customer service and make business operations more efficient.

Five places on the podium for Czech company Kooperativa in the “Golden Crown” competition

The Czech VIG insurance company Kooperativa scored again this year in the “Golden Crown” competition, which awards prizes for the best financial products of the year on the Czech market, receiving no less than five places on the podium. It received Golden Crown awards for its NAMÍRU motor insurance in the third-party liability category and for the FLEXI life insurance. Three other Kooperativa products received Silver and Bronze Crowns in different categories.

VIG Holding is “Diversity All Star” of the BCG Austria Gender Diversity Index

At the beginning of March, the Boston Consulting Group (BCG) published the BCG Austria Gender Diversity Index for the fifth time and named VIG Holding a Diversity All Star. Looking back over the study period of five years VIG is the company that has consistently ranked highest in the BCG Gender Diversity Index. In its Austria-based study, BCG analyses the 50 largest listed Austrian companies every year. The decisive factors for performance in the index are the proportion of women on the Managing Board and Supervisory Board and their remuneration compared to their male colleagues.

Austrian company Wiener Städtische wins Employer Branding Awards in Gold and Silver

Austrian VIG insurance company Wiener Städtische won awards in the Employer Branding Awards for the second time in a row. Wiener Städtische’s “Job World” (Jobworld) received the Special Digital HR Award in Gold. The “Job Ambassadors” (Job-Botschafter:innen) project was awarded Silver in the Internal Branding, Personnel Marketing and Recruiting category. Job World provides interested parties all the information they need about jobs, companies and career prospects and gives them the opportunity to try out being an insurance advisor in a fun way. The “Job Ambassadors” provide regional support for recruiting, act as personal contacts for potential applicants and give insights into their day-to-day work.

Capital markets & investor relations & share

CAPITAL MARKETS

International overview

Declining inflation, above all falling energy prices, created optimism on stock markets at the beginning of 2023 and led to price increases, especially on European stock markets. After overcoming uncertainties caused by the collapse of several US banks and the financial distress of the major Swiss bank Credit Suisse stock markets tended to move sideways. Interest rates also continue to influence capital market developments. Global stock markets have been robust, however, in spite of the drastic interest rate turnaround. The global MSCI World equity index ended the 1st half of 2023 with a gain of 14.0%.

The stock market upswing in the US is being driven by technology stocks. While the Dow Jones Industrial (DJI) only rose 3.8% in the 1st half of 2023 and the S&P 500 ended the first half of 2023 with an increase of 15.9%, the technology-oriented NASDAQ Composite Index rose a massive 31.7%.

European markets also recorded positive growth overall in the first half of 2023. The German DAX equity index and Eurostoxx 50 index both rose around 16%. The DAX also recorded its all-time high shortly before the end of the 2nd quarter of 2023. The Eastern European CECE index, which is calculated in euro, recorded a similar increase (+18.7%). The STOXX Europe 600 Price Index meanwhile only rose 8.7%, while the STOXX Europe 600 Insurance industry index, although ending the 1st half of 2023 with a gain compared to the end of 2022, only recorded a small increase of 1.4%.

Vienna Stock Exchange

On the Vienna Stock Exchange, the market calmed in the 1st half of 2023 following the one-off effects due to multiple crises in the past three years. At EUR 29.95 billion, representing a drop of 30% compared to the previous year, the volume of trading was comparable to the volume before the pandemic. After recording just a small increase at the beginning of the year and a quarterly loss in the 2nd quarter, the Austrian ATX leading index ended the first half of 2023 only slightly above the closing price for the previous year (+0.9%). The ATX Total Return index, which was affected by the uncertainties in the banking sector in the 1st quarter of 2023, recorded a gain of 5.3% for the 1st half of 2023.

INVESTOR RELATIONS

Roadshows and bank conferences

The management of VIG Holding took part in a total of eight bank conferences during the first six months of 2023 to inform existing and potential investors about current developments in the Group. The German Corporate Conference took place in Frankfurt and the Conviction Equity Investors Conference in London in the 1st quarter of 2023. VIG also participated in digital formats, such as the Virtual Austrian Conference Rheinland organised by Baader Bank, the Natixis FIG Sustainable Virtual Conference and the Austrian Equity Days 2023 organised by Kepler Cheuvreux, UniCredit and the Vienna Stock Exchange. In the 2nd quarter of 2023, we attended the Institutional Investor Conference in Zürs and the J.P. Morgan European Insurance Conference in London. In addition, VIG participated virtually in the Canada Midcap Digital Event. The format was organised by an independent provider that focuses on the exchange between Canadian investors and listed European companies. The events and related presentation documents are available online at www.group.vig/events > Conferences.

New website – IR area modernised

The new VIG website has been online since June 2023, which means the IR area also has a new modernised design and changes in content. In addition to well-known investment tools, such as the interactive comparison of key figures and Total Shareholder Return Tool, dynamic graphics are also used in the Fact Sheet and earnings reporting. The integrated Social Media Wall also shows the latest posts to the VIG IR LinkedIn channel. The archive contains selected reports and results presentations for the last ten years. A separate page is dedicated to current results reporting. Further information and documents for the events can also be accessed directly using the calendar entries.

VIG SHARE PERFORMANCE

VIG shares got off to a good start in 2023. On 7 March 2023, VIG shares reached their interim high of EUR 26.55. With the collapse of the US Silicon Valley Bank concerns about the financial sector returned. In the wake of these developments VIG shares fell by almost 9% between 9 March and 17 March. However, VIG shares ultimately closed the first quarter of the year in a particularly positive position with a share price of EUR 24.75, which corresponds to an increase of 10.7% compared to the end of the financial year 2022. The VIG share price continued to rise in April and at the start of May 2023. On 8 May 2023, the shares reached their high of EUR 27.35 for the 1st half 2023. In the following days and weeks, the shares fell significantly once more. On 30 June 2023, VIG shares closed at EUR 23.95, which corresponds to a decline of 3.2% compared to the previous quarter and an increase of 7.2% compared to the end of financial year 2022. On the editorial deadline of 22 August 2023, VIG shares were at EUR 25.00.

VIG financial calendar*

Update first three quarters 2023	30 November 2023

*Preliminary planning

Key share information for the 1st half of 2023

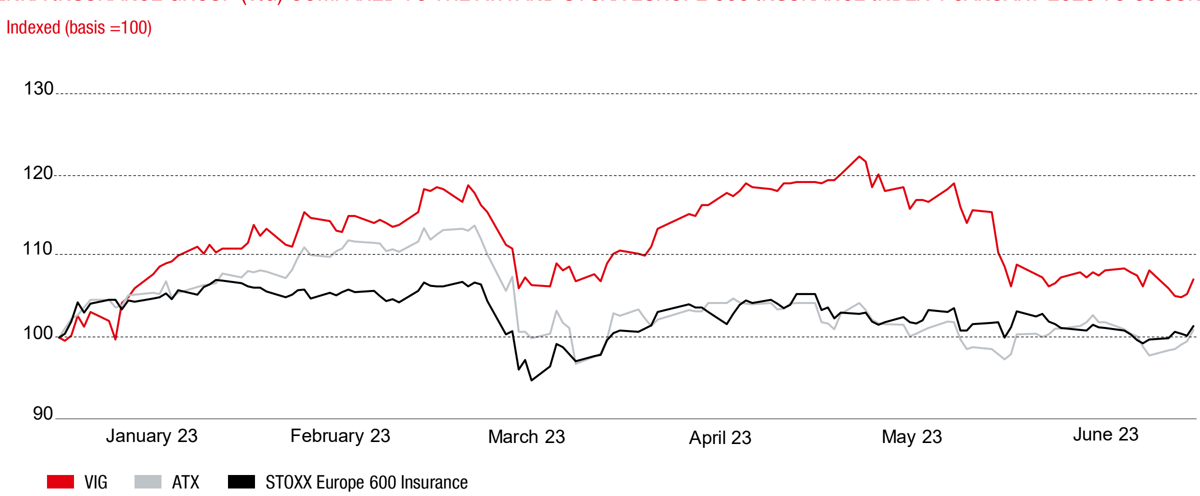
in EUR	
High	27.350
Low	22.250
End-of-period price	23.950
Market capitalisation (in EUR million)	3,065.6
Dividend financial year 2022	1.30
Book value per share*	42.32

*The value is calculated using shareholders' equity before non-controlling interests, less the unrealised gains and losses recognised directly in equity and less hybrid bonds.

Overview of VIG shares

Initial listing (Vienna)	17 October 1994
Initial listing (Prague)	5 February 2008
Initial listing (Budapest)	11 November 2022
Number of common shares	128 million
Free float	around 28%
ISIN	AT0000908504
Securities symbol	VIG
Rating – Standard & Poor's	A+, stable outlook

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND STOXX EUROPE 600 INSURANCE INDEX 1 JANUARY 2023 TO 30 JUNE 2023



Consolidated interim financial statements in accordance with IFRS

PRIMARY FINANCIAL STATEMENTS

The numbers and letters shown for individual items in the consolidated income statement, consolidated balance sheet, consolidated statement of comprehensive income and consolidated shareholders' equity refer, among other things, to detailed disclosures for those items in the notes to the consolidated financial statements. The numbers refer to the detailed disclosures notes on page 43.

CONSOLIDATED INCOME STATEMENT

Consolidated income statement	Notes	01/01/-30/06/2023	01/01/-30/06/2022
in '000 EUR			
Insurance service result	1	**550,818**	521,298
Insurance service revenue - issued business		5,380,413	4,732,900
Insurance service expenses - issued business		-4,807,420	-4,098,982
Insurance service result - reinsurance held		-22,175	-112,620
Net investment result		**233,355**	-149,143
Investment result	4	**1,098,412**	-1,245,059
Interest revenues using the effective interest rate method		449,714	336,488
Realised gains and losses financial assets measured at AC	2	83	224
Impairment losses incl. reversal gains on financial instruments		24,760	-122,637
Result from reclassification of financial assets measured at AC		0	304
Other result from financial instruments		623,855	-1,459,438
Income and expenses from investment property	4	**30,032**	23,350
Insurance finance result	1	**-910,829**	1,063,694
Insurance finance result - issued business		-927,536	1,066,232
Insurance finance result - reinsurance held		16,707	-2,538
Result from associated consolidated companies		**15,740**	8,872
Finance result		**-52,083**	-42,678
Finance income		581	1,414
Finance costs	4	-52,664	-44,092
Other income and expenses		**-269,114**	-117,499
Miscellaneous income		80,602	167,890
Miscellaneous expenses	4	-349,716	-285,389
Business operating result		**462,976**	211,978
Impairments of goodwill	3	-93	0
Result before taxes		**462,883**	211,978
Taxes		-110,114	-57,128
Result for the period		**352,769**	154,850
Attributable to shareholders and other stakeholders of the parent companies		343,386	147,392
Non-controlling interests		-9,383	-7,458
Earnings per share (annualised)* (in EUR)	13	5.25	2.19

*The calculation of this key figure includes the interest for hybrid capital. The undiluted result per share equals the diluted result per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	Notes	01/01/-30/06/2023	01/01/-30/06/2022
in '000 EUR			
Result for the period		352,769	154,850
Other comprehensive income (OCI)	7.2	75,991	-221,515
Amounts that are not recycled through profit or loss in subsequent periods		572	44,602
Actuarial gains and losses from provisions for employee benefits		-3,024	76,100
Equity instruments measured at FVtOCI		3,624	-8,906
Result from the FV-valuation		3,624	-7,616
Result from sale		0	-1,290
Deferred taxes		-28	-22,592
Items that will be reclassified to profit or loss in subsequent periods		75,419	-266,117
Exchange rate changes through equity		63,660	-49,903
Unrealised gains and losses from debt instruments measured at FVtOCI		316,360	-3,255,547
Unrealised gains and losses acc. to IFRS 17		-285,449	2,986,739
Share of other reserves of associated consolidated companies		-11,271	-4,449
Deferred taxes		-7,881	57,043
Comprehensive income for the period		428,760	-66,665
Attributable to shareholders and other stakeholders of the parent companies		405,339	-51,419
Non-controlling interests		23,421	-15,246

CONSOLIDATED BALANCE SHEET

Assets	Notes	30/06/2023	31/12/2022
in '000 EUR			
Cash and cash equivalents		1,773,994	2,315,219
Financial assets	2	37,038,164	35,813,985
Receivables	5	527,929	490,686
Current tax assets		193,712	175,859
Investments in associates and joint ventures		187,407	287,961
Insurance contracts assets issued	1	178,403	140,774
Reinsurance contracts assets held	1	1,945,482	1,874,508
Investment property incl. building right		2,701,472	2,645,015
Owner-occupied property and equipment		620,855	608,692
Other assets		130,278	120,549
Goodwill	3	1,468,237	1,438,721
Intangible assets	9	600,965	585,800
Deferred tax asset		572,369	541,225
Right-of-use assets		192,102	178,663
Total		48,131,369	47,217,657

Liabilities and consolidated shareholders' equity	Notes	30/06/2023	31/12/2022
in '000 EUR			
Liabilities and other payables	5	968,717	949,828
Current tax liabilities		155,112	115,614
Financial liabilities	2, 6	2,665,588	2,912,614
Other liabilities		88,374	78,381
Insurance contracts liabilities issued	1	37,254,804	36,370,374
Reinsurance contracts liabilities held	1	17,047	37,742
Provisions	8	629,932	669,879
Deferred tax liabilities		390,054	369,352
Consolidated shareholders' equity	7	5,961,741	5,713,873
Attributable to shareholders and other stakeholders of the parent companies		5,719,497	5,472,592
Capital stock and capital reserves	7.1	2,541,890	2,541,890
Retained earnings		3,423,826	3,238,874
Other reserves	7.2	-246,219	-308,172
Non-controlling interests		242,244	241,281
Total		48,131,369	47,217,657

CONSOLIDATED SHAREHOLDERS' EQUITY

Development	Share capital	Capital reserves		Retained earnings	Other reserves		Subtotal*	Non-controlling interests	Total
		Hybrid capital	Others		Currency reserve	Others			
Notes		7.1		7.3	7.2	7.2			
in '000 EUR									
As of 1 January 2022	132,887	300,000	2,109,003	2,760,675	-195,819	371,471	5,478,217	119,731	5,597,948
IFRS 17/9 effect of initial application				212,858	9,990	-504,033	-281,185	-8,458	-289,643
As of 1 January 2022 adjusted	132,887	300,000	2,109,003	2,973,533	-185,829	-132,562	5,197,032	111,273	5,308,305
Change in scope of consolidation / interest				24,983	6,548	3,384	34,915	161,800	196,715
Reclassification from other comprehensive income to retained earnings				-1,290		1,290	0	0	0
Comprehensive income for the period				147,392	-36,560	-162,251	-51,419	-15,246	-66,665
Other comprehensive income excluding currency changes				0	0	-162,251	-162,251	-9,362	-171,613
Exchange rate differences					-36,560		-36,560	-13,342	-49,902
Result for the period				147,392			147,392	7,458	154,850
Dividend payment				-167,228			-167,228	-12,104	-179,332
As of 30 June 2022	132,887	300,000	2,109,003	2,977,390	-215,841	-290,139	5,013,300	245,723	5,259,023
As of 1 January 2023	132,887	300,000	2,109,003	3,238,874	-180,954	-127,218	5,472,592	241,281	5,713,873
Change in scope of consolidation / interest				15,522	0	0	15,522	-11,218	4,304
Comprehensive income for the period				343,386	54,837	7,116	405,339	23,421	428,760
Other comprehensive income excluding currency changes				0	0	7,116	7,116	5,215	12,331
Exchange rate differences					54,837		54,837	8,823	63,660
Result for the period				343,386			343,386	9,383	352,769
Dividend payment				-173,956			-173,956	-11,240	-185,196
As of 30 June 2023	132,887	300,000	2,109,003	3,423,826	-126,117	-120,102	5,719,497	242,244	5,961,741

*The above subtotal equals the equity attributable to shareholders and other capital providers of the parent company.

CONSOLIDATED CASH FLOW STATEMENT

Notes on the adjustment of the previous year's figures can be found in the Changes in accounting policies section starting on page 37.

Development	30/06/2023	30/06/2022
in '000 EUR		
Cash and cash equivalents at beginning of period*	2,315,219	2,727,407
Change in cash and cash equivalents	-531,204	367,894
Changes in scope of consolidation	-220	0
Exchange rate differences on cash and cash equivalents	-9,801	-4,228
Cash and cash equivalents at end of period*	1,773,994	3,091,073

*The cash and cash equivalents at the beginning and end of the reporting period correspond to the item cash and cash equivalents in assets and include liquid money and daily maturing cash.

Change in cash and cash equivalents	01/01/-30/06/2023	01/01/-30/06/2022
in '000 EUR		
Result for the period	**352,769**	154,850
Adjustments for:	-466,641	1,658,135
Amortisation/depreciation and exchange rate differences of financial instruments	-555,039	1,578,170
Impairment of goodwill and intangible assets	48,519	43,948
Result from disposal of subsidiaries	-1,204	8
Result from the disposals and depreciation of property	40,094	36,540
Result from the disposal of financial assets incl. derivatives	-12,524	72,436
Share of profit of equity consolidated companies	-15,740	-8,872
Income tax expenses	29,253	-64,095
Changes in:	-23,333	-1,625,895
Financial assets incl. derivatives	-378,772	-1,281,017
Insurance and reinsurance contracts	518,065	297,538
Contract assets and liabilities (IFRS 15)	67,781	23,894
Right-of-use assets and lease receivables and liabilities	12,314	27,247
Receivables and liabilities (excl. leases)	-101,894	-504,376
Goodwill and intangible assets	-9,664	-3,193
Property	-67,785	-89,428
Other balance sheet items (other assets, owner-occupied property, plant and equipment and other liabilities)	-10,869	-74,248
Provisions	-42,067	-37,500
Deferred taxes	-10,442	15,188
Paid/received income tax	-52,211	-141,414
Cash flow from operating activities	**-189,416**	45,676
Received interest	404,966	358,907
Received dividends	9,573	41,474
Received rent	71,382	65,173
Paid/received income tax	-4,350	0
Cash flow from investment activities (current)	**481,571**	465,554
Cash inflow from sale of subsidiaries	68,546	90,995
Payments for the acquisition of subsidiaries	0	-341,836
Cash inflow from sale of financial instruments	4,094,752	4,647,071
Payments for the acquisition of financial instruments	-4,350,894	-4,439,530
Cash inflow from the sale of property	2,106	2,150
Payments for the acquisition of property	-85,344	-82,068
Cash inflow from the sale of intangible assets	412	806
Payments for the acquisition of intangible assets	-59,504	-53,029
Cash flow from investment activities (extraordinary)	**-329,926**	-175,441
Cash flow from investment activities (current + extraordinary)	**151,645**	290,113
Cash inflows from subordinated liabilities	0	500,000
Cash outflows from subordinated liabilities	-185,587	-215,600
Cash inflows from other financing activities	41	68,018
Cash outflows from other financing activities	-35,151	-72,903
Cash outflows from lease liabilities	-19,110	-15,542
Paid dividends	-187,278	-181,741
Paid interest	-66,380	-50,127
Paid/received income tax	32	0
Cash flow from financing activities	**-493,433**	32,105
Change in cash and cash equivalents	**-531,204**	367,894

Disclosures in the notes to the consolidated financial statements

PRINCIPLES OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the 1st half of 2023 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(1) of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB).

Amounts were commercially rounded and, where not indicated otherwise, are shown in thousands of euro (EUR ’000). Calculations, however, are done using exact amounts, which may lead to rounding differences.

GOING CONCERN

The present consolidated interim financial statements were prepared on a going concern basis in accordance with IAS 1.25 and IAS 1.26. The Managing Board made this assessment primarily based on the solid capital resources, positive result before taxes and risk-averse investment strategy.

ESTIMATES AND DISCRETIONARY DECISIONS

Consolidated interim financial statements prepared in accordance with the IFRS require that the Managing Board make discretionary assessments and specify assumptions regarding future developments (estimates). These estimates and discretionary decisions could have a material effect on the recognition and value of assets and liabilities, the disclosure of other obligations and the reporting of income and expenses. The estimates and discretionary decisions were made in the same manner as published on page 72 of the Group Management Report 2022. Excluded are the changes listed in the Initial application of standards section starting on page 22 and in the Changes in accounting policies section starting on page 37.

ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the consolidated interim financial statements are presented in the Accounting policies section of the Consolidated financial statements 2022 starting on page 75. Unless otherwise stated under Initial application of standards starting on page 22 and under Changes in accounting policies starting on page 37, the policies described were applied consistently during the reporting periods presented in these financial statements.

Balance sheet items	Measurement principle
Insurance contracts issued	Premium Allocation Approach (PAA), Variable Fee Approach (VFA), General Measurement Model (GMM)
Reinsurance contract held	Premium Allocation Approach (PAA), General Measurement Model (GMM)
Financial assets	Measured at AC Measured at FVtOCI (with and without recycling) Measured at FVtPL
Goodwill	Amortised cost less accumulated impairment losses
Intangible assets	Amortised cost and production cost
Investments in associates and joint ventures	Net present value of the investment's equity or the lower recoverable amount
Investment property incl. building right	At amortised acquisition and production cost
Owner-occupied property and equipment	At amortised acquisition and production cost
Receivables and Liabilities	At amortised costs
Taxes	
Income taxes	In the amount in which a receivable from/liability to the tax authorities is expected, based on the tax rates applicable on the reporting date or in the near future

Balance sheet items	Measurement principle
Tax advisory fees	Undiscounted income taxes recoverable in future periods based on tax rates at the settlement date
Provisions	
Provisions for pensions and similar obligations	Actuarial valuation using the projected unit credit method
Provisions for other employee benefits	Actuarial valuation using the projected unit credit method
Other non-insurance contract assets and liabilities	Present value of the future settlement amount
Lease	At amortised costs
Other assets and liabilities	At amortised costs

Initial application of standards

Standards applicable that are used for the first time in the Group Annual Report	
IFRS 9	Financial instruments
Amendments to IFRS 9	Prepayment features with negative compensation
IFRS 17	Insurance contracts
Amendments to IFRS 17	Initial Application of IFRS 9 and IFRS 17 – Comparative Information
Amendments to IAS 1 and IFRS Practice Statement 2	Definition of materiality in connection with accounting policies
Amendments to IAS 8	Definition of accounting estimates and distinguishing them from changes in accounting policies
Amendments to IAS 12	Deferred taxes related to assets and liabilities arising from a single transaction
Amendments to IAS 12*	Temporary exception from the recognition and disclosure of deferred taxes arising from global minimum taxation

*The VIG Insurance Group applies the simplification rules even though they have not yet been adopted by the EU.

IFRS 9 – FINANCIAL INSTRUMENTS AND IFRS 17 – INSURANCE CONTRACTS

VIG Insurance Group applied IFRS 9 and IFRS 17 for the first time from 1 January 2023. The first-time application will lead to significant changes and therefore has a material impact on these consolidated financial statements.

The shorthand phrases used for the text and the tables in connection with IFRS 9 are set out below:

Short description	Long description
Measured at AC	Measured at Amortised Costs
Measured at FVtOCI	Measured at Fair Value through Other Comprehensive Income
Measured at FVtPL	Measured at Fair Value through Profit and Loss
Designated measured at FVtOCI	Designated measured at Fair Value through Other Comprehensive Income
Designated measured at FVtPL	Designated measured at Fair Value through Profit and Loss
ECL	Expected Credit Losses
FV	Fair Value
SPPI	Solely Payments of Principal and Interest
Mandatorily measured at FVtOCI	Mandatorily measured at Fair Value through Other Comprehensive Income
Mandatorily measured at FVtPL	Mandatorily measured at Fair Value through Profit and Loss

The shorthand phrases in connection with IFRS 17 have been used as follows for the text and the tables:

Short description	Long description
CSM	Contractual Service Margin
FRA	Full Retrospective approach
FVA	Fair Value Approach
GMM	General Measurement Model
LRC	Liability for Remaining Coverage
LIC	Liability for Incurred Claims
PAA	Premium Allocation Approach
RA	Risk Adjustment
PVFCF	Present Value of Future Cash Flows
VFA	Variable Fee Approach

Comparison of consolidated opening balance sheets

Assets	Balance Sheet as of 31/12/2021	Type of adjustments / reclassifications			Balance Sheet as of 01/01/2022
		IFRS 17	IFRS 9	Other	
in '000 EUR					
Cash and cash equivalents	2,456,333			271,074	2,727,407
Financial assets	**40,207,620**	**-1,557,445**	**1,679,252**	**67,592**	**40,397,019**
Financial assets acc. to IAS 39	31,682,289	-1,557,445	-30,032,823	-92,021	0
Financial assets acc. to IFRS 9		8,346,278	31,712,075	338,666	40,397,019
Financial instruments for unit- and index-linked life insurance	8,525,331	-8,346,278		-179,053	0
Receivables	**2,067,188**	**-1,378,020**	**-3,194**	**-336,042**	**349,932**
Underwriting	1,377,531	-1,377,531			0
Non-underwriting	689,657	-489		-336,042	353,126
Risk provision			-3,194		-3,194
Current tax assets	135,053				135,053
Investments in associates and joint ventures	276,913				276,913
Insurance contracts	**1,564,605**	**201,804**			**1,766,409**
Reinsurers' share in underwriting provisions acc. to IFRS 4	1,564,605	-1,564,605			0
Insurance contracts assets issued acc. to IFRS 17		114,156			114,156
Reinsurance contracts assets held acc. to IFRS 17		1,652,253			1,652,253
Investment property incl. building right	2,378,285		-878		2,377,407
Owner-occupied property and equipment	472,303			114,433	586,736
Other assets	390,893	-176,654		-113,934	100,305
Goodwill	1,260,226				1,260,226
Intangible assets	483,943	-14,607		-48	469,288
Deferred tax asset	311,447			274,416	585,863
Right-of-use assets	173,348				173,348
Total assets	**52,178,157**	**-2,924,922**	**1,675,180**	**277,491**	**51,205,906**

Liabilities and consolidated shareholders' equity	Balance Sheet as of 31/12/2021	Type of adjustments / reclassifications			Balance Sheet as of 01/01/2022
		IFRS 17	IFRS 9	Other	
in '000 EUR					
Liabilities and other payables	**1,738,513**	**-1,002,395**		**3,075**	**739,193**
Underwriting	1,166,270	-1,166,270			0
Non-underwriting	572,243	163,875		3,075	739,193
Current tax liabilities	243,382				243,382
Financial liabilities	2,623,053	747	643		2,624,443
Other liabilities	131,168	-70,852			60,316
Insurance contracts	**40,735,020**	**279,867**			**41,014,887**
Underwriting provisions acc. to IFRS 4	32,546,227	-32,546,227			0
Underwriting provisions for unit- and index-linked life insurance acc. to IFRS 4	8,188,793	-8,188,793			0
Insurance contracts liabilities issued acc. to IFRS 17		40,965,302			40,965,302
Reinsurance contracts liabilities held acc. to IFRS 17		49,585			49,585
Provisions	890,189	-32,307			857,882
Deferred tax liabilities	218,884			138,614	357,498
Consolidated shareholders' equity	5,597,948	-2,099,982	1,674,537	135,802	5,308,305
Total assets	**52,178,157**	**-2,924,922**	**1,675,180**	**277,491**	**51,205,906**

IFRS 9 FINANCIAL INSTRUMENTS

General information

As part of the initial application, the representation of the financial instruments of the unit-linked and index-linked life insurance was harmonised by breaking down underwriting on the liabilities side of the balance sheet. Financial instruments 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 financial assets. The income from these is also credited in full to the policyholders. As a result, policyholders bear the risk associated with the performance of these investments. Under IFRS 17, these life insurance products will no longer be shown separately on the liabilities side, meaning that the assets in the consolidated balance sheet will be presented in this way, too.

This means that the corresponding financial instruments will be shown in the consolidated balance sheet as part of the assets measured at AC or FVtPL. In addition to that, receivables and liabilities of these types of insurance products were regrouped to existing positions (e.g. other receivables, other liabilities, receivables from other fees). The measurement of the unit- and index-linked life insurance's financial assets is basically at FVtPL except for cash and cash equivalents and term deposits. These financial assets are measured at AC.

Primarily, and in accordance with the FVtOCI option used for IFRS 17 liabilities, other debt assets are measured at FVtOCI. By taking the FVtOCI option, VIG endeavours to keep the consequences of the asset-liability mismatch to a minimum. The following criteria were also considered:

- Business models that are not compatible with the FVtOCI category:
  - An example would represent the loan portfolio, which due to its illiquidity is held to maturity. This portfolio fulfils the definition of the "Held to Collect" business model (hold strategy) and should therefore be classified at AC.

- Debt instruments that are classified based on local GAAP as “Held to Maturity” are assumed to fulfil the IFRS 9 hold strategy and are therefore classified at AC.
- Debt instruments for which the test on contractual cash flows (Solely Payments of Principal and Interest Test – SPPI test) shows that the SPPI criterion is not met are measured at FVtPL. For example, this includes mutual funds, for example.

The approach set out above may differ if management comes to the conclusion that another classification approach is more appropriate for the underlying transaction.

The decision on classification of equity instruments, including participations, considers the expectations about the future price returns, the possible impacts on the income statement, and the business model. Measurement at FVtOCI is not applicable for trading portfolios. The classification of equity instruments can be done on an instrument-by-instrument basis. The classification is irrevocable, and the decision is taken by each Group company itself. The classification is based on the investment strategy which correlates to the insurance portfolios risk.

The differences resulting from the application of IFRS 9 compared to IAS 39 have been recorded in retained earnings.

Changes to classification and measurement

To determine the classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the entity’s business model for managing the assets and the respective instrument’s contractual cash flow characteristics. In contrast to that, the classification of financial liabilities does not follow this approach and does not differ significantly from that under IAS 39.

When IFRS 9 is applied, the previous classification for “Financial instruments available for sale” is no longer allowed. In this category, fair value changes were recognised directly in equity in other comprehensive income (provision for unrealised gains and losses). In the case of disposals, unrealised gains and losses are reclassified to profit or loss. IFRS 9 makes a distinction between equity and debt instruments in the fair value measurement. Equity instruments held for trading are classified through measurement at FVtPL. For equity instruments that are not held for trading, the irrevocable FVtOCI option (designated measured at FVtOCI) can be used upon initial application. For these financial instruments, the unrealised gains and losses recognised under other comprehensive income (OCI) will no longer be transferred to the result of the period, but must instead be transferred to the retained earnings as part of shareholders’ equity. In the case of debt instruments such as bonds or loans, similar provisions such as those under IAS 39 “Financial instruments available for sale” apply.

VIG uses a central subledger (tool) for the measurement of financial instruments. The classification of financial assets based on the SPPI criteria has been almost entirely automated. Most investments relevant to IFRS 9 are currently managed in this tool. This makes it possible to consistently apply IFRS 9, including the calculation of ECL. The implementation of IFRS 9 is governed in the VIG Group Guidelines, which are used for uniform implementation of IFRS 9. Under IFRS 9, financial assets that have been identified as “SPPI fail” (SPPI criterion not met) must be classified as measured at FVtPL. Illiquid portfolios for which the hold strategy is used are normally classified as measured at AC. This applies to loans in particular. Financial assets that both satisfy the SPPI criterion (SPPI pass) and are subject to the “hold to collect and sell” business model are categorised as measured at FVtOCI. Financial assets that are not compliant with SPPI (SPPI fail) or do not meet any of the above-mentioned business models are recognised as measured at FVtPL.

With regard to the remaining financial assets (e.g. debt instruments), a tendency towards categorising these as measured at FVtOCI is becoming apparent under IFRS 9.

Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the accounting for impairment losses for debt instruments measured at FVtOCI or at AC by replacing IAS 39's incurred loss with a forward-looking expected loss approach.

An expected credit loss allowance has to be recognised for all debt instruments that are not measured at FVtPL. For debt instruments without a significant increase in the credit risk since acquisition, the ECL is based on the portion of lifetime ECLs that would result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since issuance or purchase of the assets, the allowance is based on the full lifetime ECL.

The debt instruments measured at FVtOCI or at AC are primarily made up of investment-grade bonds, so have a low credit risk. Under IFRS 9, such instruments can be measured on a 12-month ECL basis.

VIG's definition of default covers at least two dimensions, namely one rating-based dimension (C, D) as well as one days past due (90 days past due) based criterion. However, in certain cases, financial assets can be considered to be in default when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Such events are the war in Ukraine and the resulting sanctions imposed on numerous Russian issuers in the financial years 2022 and 2023.

The adoption of the ECL requirements and the associated new system resulted in an increase in the credit loss allowances related to debt instruments. With the initial application of IFRS 9, these effects were recognised under shareholders' equity in retained earnings, with the exception of the associated deferred taxes.

The simplified approach is used for trade receivables and receivables from leases in accordance with IFRS 9.5.5.15. As a result, country-specific loss rates have been calculated based on historical probabilities of default and future parameters for determining the corresponding risk provisions. Furthermore, receivables whose contractually agreed payments are 90 days past due are classified as being in default.

Changes to disclosures required under IFRS 7

To reflect the differences between IFRS 9 and IAS 39, IFRS 7 Financial Instruments: Disclosures has also been amended. VIG applied the amended disclosure requirements, together with IFRS 9, for the year beginning 1 January 2023. The changes include transition disclosures as shown in the Transition section below.

Reconciliations for the ECL value adjustments of the IAS 39 closing balance sheet to the IFRS 9 opening balance sheet are presented in the in the Notes starting on page 28.

Transition

VIG has applied the Classification Overlay Approach for classifying financial instruments, and publishes the comparative information as if the IFRS 9 regulations had already been applied in the comparative period. There is no obligation to apply the impairment provisions when taking this approach, however VIG has decided to apply this approach in the comparison period too. Any difference between the previous carrying amount of a financial asset and the amount resulting from the application of the approach have been recognised in equity under retained earnings.

As a rule, financial assets according to IFRS 9 are to be distinguished between debt instruments and equity instruments. The following table shows the classification of debt instruments according to both IAS 39 and IFRS 9 as of the transition date 1 January 2022:

Debt instruments

IAS 39	IFRS 9			
	SPPI-pass			SPPI-fail
	Business model			
	Hold to collect[1]	Hold to collect and sell[1]	Neither	
Loans and other investments	measured at AC	measured at FVtOCI	measured at FVtPL	measured at FVtPL
Held to maturity (incl. reclassified)	measured at AC	measured at FVtOCI	measured at FVtPL	measured at FVtPL
Available for sale	measured at AC	measured at FVtOCI	measured at FVtPL	measured at FVtPL
Recognised at fair value through profit and loss	measured at AC	measured at FVtOCI	measured at FVtPL	measured at FVtPL

[1] Expected credit loss (ECL) must be calculated for SPPI-pass debt instruments.

VIG has chosen to irrevocably measure strategically held equity instruments at FVtOCI. Any instruments held for non-strategic purposes are measured at FVtPL.

Equity instrumensts

IAS 39	IFRS 9	
	Held for trading	FVtOCI-Option
Available for sale	measured at FVtPL	measured at FVtOCI
Recognised at fair value through profit and loss	measured at FVtPL	measured at FVtOCI

The initial application of IFRS 9 results in changes to IFRS 7 – Financial instruments: Disclosures, as a result of which VIG has adjusted the comparative balances as of 1 January 2022. With regard to additional adjustments, please refer to the chapter “Changes in accounting policies” starting on page 37. The values shown in the “Reclassification” column include disposals, if the IFRS 9 criteria for financial instruments are no longer met, and reclassifications between categories.

Categories and reconciliation book values	IAS 39-category	Book value acc. to IAS 39 as of 31/12/2021	Adjustments		Book value acc. to IFRS 9 as of 01/01/2022
			Reclassi-fication	(Re) Valuation	
in '000 EUR					
Financial assets designated measured at FV		8,772,540	-10,948	3,020	8,764,612
Financial assets recognised at fair value through profit and loss*		247,209	0	0	247,209
Reclassification to category: Financial assets mandatorily measured at FVtPL	Financial assets recognised at fair value through profit and loss*	206,017			206,017
Reclassification to category: Financial assets measured at FVtOCI	Financial assets recognised at fair value through profit and loss*	40,804			40,804
Reclassification to category: Financial assets designated measured at FVtOCI	Financial assets recognised at fair value through profit and loss*	388			388
Financial instruments for unit- and index-linked life insurance		8,525,331	-10,948	3,020	8,517,403
Reclassification to category: Financial assets mandatorily measured at FVtPL	Financial instruments for unit- and index-linked life insurance	8,335,689		-12,781	8,322,908

Categories and reconciliation book values	IAS 39-category	Book value acc. to IAS 39 as of 31/12/2021	Adjustments		Book value acc. to IFRS 9 as of 01/01/2022
			Reclassi-fication	(Re) Valuation	
in '000 EUR					
Reclassification to category: Financial assets measured at AC	Financial instruments for unit- and index-linked life insurance	189,642	-10,948	15,801	194,495
Financial assets available for sale		**25,849,069**	**0**	**-1,220,954**	**24,628,115**
Reclassification to category: Financial assets measured at FVtOCI	Financial assets available for sale	19,633,208			19,633,208
Reclassification to category: Financial assets designated measured at FVtOCI	Financial assets available for sale	206,527		42,380	248,907
Reclassification to category: Financial assets mandatorily measured at FVtPL	Financial assets available for sale	5,715,302		-1,263,334	4,451,968
Reclassification to category: Financial assets designated measured at FVtPL	Financial assets available for sale	294,032			294,032
Financial assets measured at AC (LaR, HTM, AC)		**8,795,673**	**-2,774,333**	**1,506,313**	**7,527,653**
Reclassification to category: Financial assets measured at AC	Loans, receivables and financial assets held to maturity	5,605,268	-2,774,333	-40,497	2,790,438
Reclassification to category: Financial assets measured at FVtOCI	Loans, receivables and financial assets held to maturity	3,186,905		1,546,559	4,733,464
Reclassification to category: Financial assets mandatorily measured at FVtPL	Loans, receivables, financial assets held to maturity and measured at amortised cost	3,500		251	3,751

*including held for trading

Categories and reconciliation book values	IAS 39-category	Book value acc. to IAS 39 as of 31/12/2021	Adjustments		Book value acc. to IFRS 9 as of 01/01/2022
			Reclassi-fication	(Re) Valuation	
in '000 EUR					
Financial liabilities measured at FV		**2,705**	**643**	**524**	**3,872**
Reclassification to category: Financial liabilities measured at FVtPL	Measured at fair value	2,705		524	3,229
Reclassification to category: Financial liabilities designated measured at FVtPL	Measured at fair value		643		643
Financial liabilities measured at AC		**2,939,987**	**0**	**219,046**	**3,159,033**
Reclassification to category: Financial liabilities measured at AC	Measured at AC	2,939,987		219,046	3,159,033

The following table reconciles the consolidated opening loan loss provision allowances under IAS 39 to the ECL allowances under IFRS 9.

Reconciliation impairment provision	IAS 39-category	IFRS 9-category	Book value acc. to IAS 39 as of 31/12/2021	Adjustments	Book value acc. to IFRS 9 as of 01/01/2022
in '000 EUR					
Financial assets designated measured at FV			**12,968**	**48,164**	**61,132**
Financial assets recognised at fair value through profit and loss*			**0**	**2**	**2**
Reclassification to category: Financial assets measured at FVtOCI	Financial assets recognised at fair value through profit and loss*	Mandatorily measured at FVtOCI	0	2	2
Financial assets available for sale			**12,968**	**48,162**	**61,130**
Reclassification to category: Financial assets measured at FVtOCI	Financial assets available for sale	Mandatorily measured at FVtOCI	12,968	48,162	61,130

Reconciliation impairment provision	IAS 39-category	IFRS 9-category	Book value acc. to IAS 39 as of 31/12/2021	Adjustments	Book value acc. to IFRS 9 as of 01/01/2022
Financial assets measured at AC (LaR, HTM, AC)			15,508	10,196	25,704
Reclassification to category: Financial assets measured at AC	Loans, receivables, financial assets held to maturity and measured at amortised cost	Measured at AC	15,508	10,196	25,704

*including held for trading

The following compares the categories under IAS 39 and under IFRS 9 on the basis of their carrying amounts:

Categories and book values	IAS 39-category	IFRS 9-category	Book value acc. to IAS 39 as of 31/12/2021	Book value acc. to IFRS 9 as of 01/01/2022
in '000 EUR				
Cash and cash equivalents	Cash and cash equivalents	Cash and cash equivalents	2,635,386	2,727,407
Financial assets			40,017,977	40,397,019
Loans			2,156,064	691,930
	Loans	Measured at AC	2,152,564	688,179
	Loans	Measured at FVtPL	3,500	3,751
Bonds			25,926,034	28,260,837
	Financial assets held to maturity	Measured at AC	529,794	1,063,824
	Financial assets held to maturity	Measured at FVtOCI	2,027,926	2,137,447
	Financial assets available for sale	Measured at FVtOCI	21,090,210	22,229,224
	Financial assets available for sale	Measured at FVtPL	1,215,003	1,449,641
	Financial instruments for unit- and index-linked life insurance	Measured at FVtPL	929,771	1,247,371
	Financial assets recognised at fair value through profit and loss*	Measured at FVtOCI	40,804	40,804
	Financial assets recognised at fair value through profit and loss*	Measured at FVtPL	92,526	92,526
Term deposits	Measured at AC	Measured at AC	872,227	709,568
Funds			10,255,045	9,831,028
	Financial assets available for sale	Measured at FVtPL	2,772,923	2,769,732
	Financial instruments for unit- and index-linked life insurance	Measured at FVtPL	7,404,978	6,984,152
	Financial assets recognised at fair value through profit and loss*	Measured at FVtPL	77,144	77,144
Derivatives	Financial assets recognised at fair value through profit and loss*	Measured at FVtPL	30,066	32,181
Shares and shares in companies			778,541	871,475
Shares			499,025	583,857
	Financial assets available for sale	Measured at FVtOCI	35,968	35,968
	Financial assets available for sale	Measured at FVtPL	455,449	541,221
	Financial instruments for unit- and index-linked life insurance	Measured at FVtPL	940	0
	Financial assets recognised at fair value through profit and loss*	Measured at FVtOCI	388	388
	Financial assets recognised at fair value through profit and loss*	Measured at FVtPL	6,280	6,280
Shares in participating companies			96,163	96,356
	Financial assets available for sale	Measured at FVtOCI	50,864	50,966
	Financial assets available for sale	Measured at FVtPL	45,299	45,390

Categories and book values	IAS 39-category	IFRS 9-category	Book value acc. to IAS 39 as of 31/12/2021	Book value acc. to IFRS 9 as of 01/01/2022
Shares in affiliated non-consolidated companies			183,353	191,262
	Financial assets available for sale	Measured at FVtOCI	155,275	161,973
	Financial assets available for sale	Measured at FVtPL	28,078	29,289
Receivables credit impaired acc. to IFRS 9	Loans, receivables and measured at amortized costs	Measured at AC	574,276	257,526
Total financial assets acc. to IFRS 9			43,227,639	43,381,952
Measured at AC			2,939,987	3,159,033
Subordinated liabilities	Measured at AC	Measured at AC	1,461,286	1,493,599
Liabilities to banks	Measured at AC	Measured at AC	351,087	351,087
Liabilities from financing activities	Measured at AC	Measured at AC	594,614	594,836
Lease liabilities	Measured at AC	Measured at AC	181,048	181,048
Liabilities credit impaired acc. to IFRS 9	Measured at AC	Measured at AC	351,952	538,463
Measured at FVtPL			2,705	3,872
Mandatorily measured at FVtPL	Measured at fair value	Measured at FVtPL	2,705	3,229
Designated measured at FVtPL	Measured at fair value	Measured at FVtPL		643
Total financial liabilities acc. to IFRS 9			2,942,692	3,162,905

*including held for trading

In the case of debt instruments that have thus far been designated as recognised at fair value through profit and loss under IAS 39 (IAS 39 category: financial instruments recognised at fair value through profit and loss), a check must be performed as to whether the criterion for recognition at AC or at FVtOCI has been met. If this has not been met and, due to the business model, these instruments were managed on a fair value basis, they are now categorised as FVtPL on a mandatory basis.

Reconciliation Designated measured at FVtPL	Mandatorily measured at FVtOCI	Designated measured at FVtOCI	Mandatorily measured at FVtPL	Designated measured at FVtPL
in '000 EUR				
Financial assets	40,804	388	206,017	
Bonds	40,804		92,526	
Funds			77,144	
Derivatives			30,066	
Shares		388	6,281	
Financial liabilities			3,229	643
Liabilities for derivatives			3,229	
IFRS 4 related				643

Material estimates and discretionary decisions

The measurement of impairment losses in accordance with IFRS 9 across relevant financial assets requires discretionary decisions, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and for the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs.

IFRS 17 INSURANCE CONTRACTS

General information

The IASB issued the accounting standard for insurance contracts (IFRS 17) on 25 June 2020. As a result, IFRS 17 supersedes the previous standard, IFRS 4, in the EU for financial years beginning on or after 1 January 2023. IFRS 4 did not prescribe the measurement of insurance contracts and instead allowed companies to use local accounting requirements for the measurement of insurance contracts. The IASB imposes uniform accounting policies for insurance contracts for the first time in IFRS 17.

VIG has restated comparative information for 2022 applying the transitional provisions in Appendix C to IFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement

The adoption of IFRS 17 did not change the principal classification of insurance contracts. This standard establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts.

The steps for determining whether a contract qualifies as an IFRS 17 insurance contract are:

- Identification of whether the contract includes a significant insurance risk of another party (policyholder). Furthermore, a check is performed as to whether an obligation to compensate the policyholder is included if a determined, uncertain, future insured event disadvantages the policyholder;
- Specified embedded derivatives, distinct investment components and distinct goods or services need to be separated from insurance contracts. These specified components have to be accounted in accordance with other standards, such as IFRS 9 or IFRS 15.

The default measurement approach for contracts in scope of IFRS 17 is the General Measurement Model (GMM). To measure a group of insurance contracts with this approach, the following principles should be observed:

- A risk-adjusted present value of the future fulfilment cash flows will be recognised. Future cash flows take into account all available information that is consistent with observable market information.
- Additionally, an amount representing the unearned profit at inception (Contractual Service Margin (CSM)) in the group of insurance contracts is recognised.
- The profit from a group of insurance contracts is recognised for each period for which insurance payments are made. If a group of contracts is expected to be onerous for the remaining coverage period, the loss will be recognised immediately in the income statement.
- An asset is recognised in the balance sheet as soon as insurance acquisition costs are paid or incurred, before the underlying contract has been assigned to a group of insurance contracts. After the contract has been assigned to a group, the insurance acquisition costs are included in the corresponding valuation and the directly attributable asset that was originally recognised is derecognised.

For all contracts that are eligible for direct profit participation, the Variable Fee Approach (VFA) measurement model is applied. Initial recognition takes place in accordance with the GMM. In subsequent measurement, however, the VFA differs from the GMM in that the CSM can be adjusted by the profit participation.

Compared to GMM, the Premium Allocation Approach (PAA) simplifies the calculation of the mathematical reserve (Liability for Remaining Coverage (LRC)). This model can be used for short-term insurance contracts and insurance contracts with similar measurement results compared to the GMM. In its primary non-life business, VIG applies the PAA for all contracts with a coverage period of 12 months or less. Furthermore, if the eligibility criteria in accordance with IFRS 17 are fulfilled, the PAA is also applied for multi-year contracts.

The PAA measurement principles differ from the unearned premium approach in accordance with IFRS 4 in the following key areas:

- The LRC corresponds to the premiums received less deferred acquisition costs less any amounts already recognised in the insurance service result.
- Measurement of the LRC includes an adjustment for the fair value of money. It also reflects the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.
- The LRC measurement involves an explicit evaluation of Risk Adjustment for non-financial risk when a group of insurance contracts is onerous in order to calculate a loss component. A provision for expected losses would have been recognised under the same conditions in accordance with IFRS 4.
- Measurement of the Liability for Incurred Claims (LIC) is determined on a discounted probability-weighted expected value basis and includes a Risk Adjustment for non-financial risk. The liability therefore includes the obligation to pay other incurred insurance expenses. Under IFRS 4, this was reflected in the claims outstanding and in the incurred but not reported claims (IBNR).

VIG allocates insurance acquisition costs to groups of insurance contracts issued or expected to be issued on a systematic and rational basis. These insurance acquisition costs include cash flows that are directly attributable to a group or to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition costs are paid or where a liability has been recognised before the related group of insurance contracts is accounted for, an asset is recognised for insurance acquisition costs. Once the insurance contracts are measured, the attributable portion of this asset is derecognised and subsumed into the measurement on initial recognition of the related group's LRC.The recognised insurance acquisition costs are subject to regular impairment testing.

Changes to presentation and disclosure

With regard to presentation in the consolidated balance sheet, VIG summarises (re-) insurance contracts issued and reinsurance contracts held as follows:

- Portfolios of (re-) insurance contracts issued that are assets,
- Portfolios of reinsurance contracts held that are assets,
- Portfolios of (re-) reinsurance contracts issued that are liabilities and
- Portfolios of reinsurance contracts held that are liabilities.

Portfolios of insurance contracts and reinsurance contracts in an asset position are presented separately from those in a liability position. Netting is not permitted in accordance with IFRS 17, this is a key difference in presentation in the balance sheet compared with IFRS 4, where netting was possible.

As with the new presentation of insurance contracts in the balance sheet, there is also a change in items in the income statement. These differ from those shown under IFRS 4 with regard to both their name and their content. The items are now presented as follows under IFRS 17:

- Insurance service revenue - issued business,
- Insurance service expenses - issued business,
- Insurance financial result and
- Insurance service result - reinsurance held.

Discount rate

The interest rate used for discounting of cash flows is as follows:

Spot rates without illiquidity adjustment	Maturity											
	30/06/2023						31/12/2022					
	1 year	3 years	5 years	10 years	20 years	30 years	1 year	3 years	5 years	10 years	20 years	30 years
in %												
ALL	3.98	3.50	3.13	2.88	2.66	2.69	3.18	3.20	3.13	3.09	2.76	2.73
BAM	3.93	3.45	3.08	2.83	2.61	2.65	3.13	3.15	3.08	3.04	2.72	2.69
BGN	3.93	3.45	3.08	2.83	2.61	2.65	3.13	3.15	3.08	3.04	2.72	2.69
CHF	1.99	1.90	1.81	1.77	1.88	2.00	1.06	1.23	1.34	1.49	1.58	1.76
CZK	6.68	4.94	4.31	3.97	3.96	3.86	6.51	5.78	5.05	4.60	4.38	4.17
EUR	3.98	3.50	3.13	2.88	2.66	2.69	3.18	3.20	3.13	3.09	2.76	2.73
EUR (Croatia)	3.98	3.50	3.19	3.40	3.77	3.75	0.00	0.00	0.00	0.00	0.00	0.00
GBP	6.06	5.63	5.03	4.25	3.88	3.64	4.46	4.33	4.06	3.71	3.53	3.35
GEL	9.41	9.92	10.42	11.37	11.03	9.72	10.19	8.72	9.35	10.56	10.10	8.99
HRK	0.00	0.00	0.00	0.00	0.00	0.00	2.49	3.04	3.35	4.15	4.36	4.19
HUF	10.11	8.67	7.63	6.61	6.46	6.04	13.65	11.34	9.66	8.61	8.03	7.15
MDL	3.98	3.50	3.13	2.88	2.66	2.69	3.18	3.20	3.13	3.09	2.76	2.73
MKD	3.98	3.50	3.13	2.88	2.66	2.69	3.18	3.20	3.13	3.09	2.76	2.73
PLN	5.94	5.59	5.50	5.61	5.27	4.83	6.40	6.72	6.74	6.65	6.01	5.38
RON	6.16	6.41	6.57	6.73	6.12	5.45	6.98	7.25	7.64	8.56	8.01	6.91
RSD	4.99	4.96	5.21	6.48	6.62	5.91	4.73	6.21	6.51	7.34	7.09	6.24
TRY	12.90	14.80	16.48	18.01	16.35	13.69	12.32	8.79	8.46	10.21	10.41	9.29
UAH	18.85	20.65	18.11	11.04	7.11	6.34	18.36	22.12	21.32	13.78	8.14	6.99
USD	5.38	4.36	3.88	3.52	3.38	3.06	5.07	4.26	3.95	3.75	3.63	3.27

Illiquidity adjustment	30/06/2023	31/12/2022
in basis points		
Albania	36	40
Bosnia-Herzegovina	10	100
Bulgaria	28	61
Germany	44	45
Estonia	36	37
Kosovo	36	40
Croatia (EUR)	24	-
Croatia (HRK)	-	11
Georgia	36	-
Latvia	36	40
Liechtenstein	18	25
Lithuania	36	40
North Macedonia	36	40
Moldova	36	40
Austria	37	37
Poland	55	89
Romania	26	37
Serbia	200	200
Slovakia	34	34
Slovenia	-	40
Czech Republic	25	31
Türkiye	38	39
Ukraine	150	151
Hungary	47	73

Transition

To apply IFRS 17, at the transition date, 1 January 2022, VIG has:

- identified, recognised and measured each group of insurance contracts as if IFRS 17 had always been applied (unless impracticable);
- identified, recognised and measured all insurance acquisition costs as assets as if IFRS 17 had always been applied. However, no recoverability assessment was performed before the transition date. At the transition date, a recoverability assessment was performed and no impairment was identified;
- derecognised any existing balances that would not exist if IFRS 17 had always been applied; and
- recognised any resulting net difference in equity.

The discount rates used for groups of insurance contracts were determined at the transition date. The locked-in discount rates for the measurement of fulfilment cash flows of a group of insurance contracts at transition date are therefore the weighted average rates applicable at the date of initial recognition of the underlying contracts. The discount rate used for the accretion of interest on the CSM was determined using the bottom-up approach at inception.

Full retrospective approach (FRA)

VIG applied IFRS 17 retrospectively and used alternative transition methods only where the FRA was impracticable or would have involved disproportionate costs and effort. This approach was used primarily for non-life insurance contracts and for reinsurance contracts issued and held that in principle fall under the application of the PAA.

The approach requires historical data since initial recognition of the insurance contract to be obtained for all groups of contracts. VIG has used all reasonable and supportable information from its existing reporting systems to obtain the closest outcome to the full retrospective approach. However, the availability of data is the main reason why the FRA is impracticable for VIG's long-term business, particularly for:

- the bulk of the life insurance portfolio and the similar to life health insurance portfolio and
- non-life insurance portfolios that are measured in accordance with the GMM.

For each group of contracts for which the full retrospective approach was deemed to be impracticable, the fair value approach has been applied.

Fair value approach (FVA)
The fair value approach is a simplified method of determining the CSM and/or loss components for groups of insurance contracts at the transition date. The CSM or loss component of the LRC at the transition date is determined as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. The provisions of IFRS 13 Fair Value Measurement were applied in order to determine the fair value, with the exception of IFRS 13.47 regarding the characteristic of short-term retrievability.

When applying the fair value approach at the transition date, it is permissible to aggregate contracts issued more than one year apart.

Reasonable and supportable information that was available at the transition date was used for the following:

- identify groups of insurance contracts,
- determine whether any contracts are direct participating insurance contracts,
- identify any discretionary cash flows for insurance contracts without direct participation features
- determine whether an investment contract meets the definition of an investment
- contract with discretionary participation features as defined in IFRS 17.

VIG divides insurance finance effects into amounts recognised through profit and loss and amounts recognised directly in equity.

The cost of capital approach to determine the fair value was used to calculate the insurance contract liabilities at the transition date. This was calculated as follows:

- the economically calculated best-estimate liability without taking into account reporting requirements; plus
- a profit margin in line with the market.

Material estimates and discretionary decisions
The present value of future cash flows will be determined by different approaches depending on the decision of local companies. Both stochastic modelling and deterministic projection are used within the Group. In contrast to deterministic projection techniques, stochastic modelling applies techniques to generate a large number of possible economic scenarios for market variables such as interest rates and returns on equity to project future cash flows. Assumptions such as mortality, morbidity and longevity rates, projected administrative expenses and lapse and surrender rates essentially form the basis for estimates of future cash flows.

Discount rates
All insurance contract liabilities (except for the LRC measured under the PAA) are calculated by discounting expected future cash flows at risk-free rates plus an illiquidity adjustment. The illiquidity adjustment to the relevant risk-free interest rates is based on the risk-corrected spread between the interest rate that could be earned from a reference portfolio and the basic risk-free interest rate. Reference portfolio weights are calculated considering all of VIG's applicable investments grouped by country.

Risk Adjustment for non-financial risks (RA)
The Risk Adjustment for non-financial risk represents the compensation required for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment therefore reflects an amount that an insurance company would pay to remove the uncertainty about whether future cash flows will exceed the best estimate.

Amortisation of the Contractual Service Margin (CSM)
The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit a company will recognise as it provides services in the future. In each period, a portion of the CSM is recognised through profit and loss under insurance service revenue, to reflect the services provided by the insurance company in this period.

This amount is determined by:

- identifying the coverage units in the group;
- allocating the CSM at the end of the period equally to each coverage unit provided in the current period or expected to be provided in the future. Allocation takes place before amounts that reflect the insurance service expense made in the period are recognised through profit and loss.
- recognising through profit and loss the amount allocated to coverage units provided in the period.

Liability for Remaining Coverage (LRC)
The calculation of the LRC involves many discretionary figures, including discount rates, the cash flows assumed in the calculation, insurance acquisition costs and fulfilment cash flows for onerous contracts.

Assets for insurance acquisition costs
These include discretionary decisions with regard to the following:

- whether insurance contracts are expected to arise as a result of renewals of existing insurance contracts, and
- if applicable, with respect to the amount to be allocated to groups, including future renewals,
- and with respect to the volume of expected renewals from new contracts issued in the period.

Liability for Incurred Claims (LIC)
For non-life business, the liability for incurred claims is a major component of the recognition of insurance contracts.

In the non-life business, the ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The main assumption underlying these techniques is the use of past claims development experiences to project future claims development and hence ultimate claims costs.

Changes in accounting policies

DEFINITION OF CASH AND CASH EQUIVALENTS

Before the application of IFRS 17, it was possible to account for underwriting items in accordance with local legislation pursuant to IFRS 4. Under consideration of the regulations applicable for example in Austria (Versicherungsaufsichtsgesetz (VAG)), investments that serve to cover underwriting provisions for unit-linked and index-linked life insurance were also subject to these regulations.

As a result, the VIG Insurance Group decided under IFRS 4 to interpret the term and the definition of cash and cash equivalents in accordance with supervisory regulations. Accordingly, the VIG Insurance Group did not include regulatory investments for unit-linked and index-linked life insurance in the item cash and cash equivalents in accordance with IFRS.

IFRS 9 and IFRS 17 have now been applied for the first time in these consolidated half-year financial statements. The regulations also lead to a look-through of assets in unit-linked and index-linked life insurance. As local regulations no longer have any weight under IFRS, VIG Insurance Group has a different assessment of the definition of cash and cash equivalents than in the past, which is accompanied by an IAS 8 change in accounting policy. Consequently, the previous year's figures in the consolidated cash flow statement and the balance sheet item 'cash and cash equivalents' have been adjusted in accordance with IAS 8.

CHANGE FROM CLEAN VALUE TO DIRTY VALUE ACCOUNTING

In addition to the changes in connection with the initial application of IFRS 9, financial instruments are now recognised at the dirty value. This means that – in contrast to IAS 39 accounting – the accrued interest is no longer recognised as a separate item in the balance sheet, but is listed as part of the book value.

AEGON COMPANIES IN HUNGARY AND TÜRKIYE

The acquisition of the Hungarian company Alfa Vienna Insurance Group Zrt. (formerly Aegon) and the Turkish company Viennalife (formerly Aegon) was approved by the local authorities by the previous year's balance sheet date (30 June 2022). However, it was not yet possible to integrate these two companies into the VIG Insurance Group's technical processes in the published Group half-year financial report for 2022, which meant that first-time consolidation was not possible in the 2022 consolidated half-year financial statements. In these consolidated half-year financial statements, the accounting policies in accordance with IFRS 9 and IFRS 17 were also applied to the same period in the previous year for the first time. As the above-mentioned companies are already integrated into the technical processes at the time of preparing these interim financial statements, both companies were integrated for the same period in the previous year as of 1 April 2022. This affects both the consolidated income statement and the consolidated cash flow statement, including the related notes.

In the Group Annual Report on page 90, the outflow of cash and cash equivalents published with the acquired companies was stated as EUR 407,433,000. This mainly comprised the purchase price for 55% of shares in the Hungarian

Aegon companies (EUR 332,456,000) and 100% of shares in the Turkish company Viennalife (formerly Aegon) (EUR 60,013,000). The compensation received from the Hungarian state-owned holding company Corvinus for 45% of shares in the Hungarian companies had already been deducted from the purchase price for the Hungarian companies cited previously.

A purchase price of around EUR 830 million was originally published on page 91 of the 2022 Group Annual Report for the entire transaction, including 100% of shares in all Aegon companies. As well as the Hungarian and Turkish companies, this includes the acquisitions of companies in Poland and Romania, which were not yet closed by the editorial deadline for the 2022 Group Annual Report.

SEASONAL AND ECONOMIC EFFECTS

Due to the release system for the Contractual Service Margin under IFRS 17, there are no observable seasonal variations in insurance service revenue in the GMM and VFA measurement models. Fluctuations are increasingly occurring in insurance contracts that meet the criteria of the PAA within the VIG Insurance Group. The reason for this is that the inception of a large number of insurance contracts is in January, which means that sales are usually higher in the first half of the year. In terms of claims, the first half of the year tends to be more affected by adverse environmental influences (snow, snowmelt, storms, floods), which results in higher charges. With respect to the financial result, most of the dividend income occurs in the first half of the year.

ADDITIONAL DISCLOSURES

Taxes

CHANGE IN THE AUSTRIAN TAX RATE

As a result of the 2022 tax reform, the corporate income tax rate will be reduced in stages from 25% to 24% in 2023 and then to 23% in 2024. The reduction in the corporate income tax rate in Austria resulted in a reduction of around EUR 1.0 million in current taxes for the reporting period.

ADDITIONAL TAX ON INSURANCE PREMIUMS IN HUNGARY

An additional tax on insurance was introduced for insurance companies operating in Hungary (Government Decree on Extra-Profit Taxes from June 2022 and amended in December 2022 and May 2023). This additional tax is a progressive tax based on gross insurance premiums for both life and non-life insurance lines of business for the period of 1 July 2022 to 31 December 2024.

This decree has resulted in a significant increase in the tax burden for Hungarian VIG insurance companies. Based on current values for Union Biztosító and Alfa (formerly Aegon), an additional EUR 25.9 million is to be paid for the period of 1 July 2022 to 31 December 2022. According to the available budgeted figures, VIG can expect an additional tax burden amounting to approximately EUR 102 million for the 2023 and 2024 financial years.

Originally, the additional tax on insurance was effective for the period of 1 July 2022 through 31 December 2023. In May 2023, this was extended for a further year until 31 December 2024. VIG classified this extension of the insurance tax as a triggering event and performed an impairment test for the Hungary cash-generating unit as of 30 June 2023, which did not result in any necessary impairment of goodwill.

GLOBAL MINIMUM TAX

EU member states have agreed on the Europe-wide implementation of the Global Anti-Base Erosion (GloBE) rules (Pillar Two) in the international tax reforms set out by the OECD. The EU directive provides that profits from multinational groups of companies or large domestic groups with consolidated sales of at least EUR 750 million will in future be subject to a tax rate of at least 15%. The directive must be incorporated into the member states' national legislation by no later than the end of 2023. The effects of global minimum taxation on the Group cannot be projected with any certainty at present. The VIG Insurance Group is currently working on an implementation project for global minimum taxation.

In order to represent Pillar Two of the tax reform in the IFRS financial statements, technical guidance on the amendments to IAS 12 was published by the IASB on 23 May 2023. Based on this, an exemption from the recognition of deferred tax assets and liabilities in accordance with the requirements of global minimum taxation shall be regulated until further notice. In accordance with the directive, potential effects on deferred taxes in connection with global minimum taxation are not taken into account within the VIG Insurance Group.

The War in Ukraine

Statements concerning the primary risks arising from the war between Russia and Ukraine are provided on page 116 of the Group Annual Report for 2022.

BUSINESS OPERATIONS IN UKRAINE

The VIG Insurance Group is represented in the Ukrainian market by three insurance companies that held around EUR 119 million in assets as of 30 June 2023. In the event of a complete loss of the Ukrainian operations, the VIG result before taxes would be decreased by the net asset value after adjusting for currency effects, which amounts to approximately EUR 56 million as of the balance sheet date of 30 June 2023. The Ukraine CGU does not hold any intangible assets that are subject to an impairment test in accordance with IAS 36.

The VIG insurance companies in Ukraine are mainly active in the western regions of the country, so business operations have thus far only been directly impacted to a to a limited extent. Indirectly affected, however, are the lines of business outside the motor vehicle lines of business. This is due to the fact that, at the present time, certain property insurance lines (such as for certain regions of the country) can be underwritten only to a very limited extent. The activities of the Ukrainian insurance companies have not demonstrated any significant impact that can be attributed to the sanctions against Russia.

As of the editorial deadline, the Ukrainian insurance companies have been able to maintain limited operations despite the current conditions. Due to the current difficult situation in Ukraine, VIG is regularly examining whether the Ukrainian companies continue to satisfy the requirements as a going concern.

RUSSIAN BONDS

As of 31 December 2022, the VIG Insurance Group held EUR 165.6 million in Russian government and corporate bonds for which there is currently no active market. Nevertheless, bonds with a nominal value of EUR 76.9 million were sold during the first half of 2023. Due to the impairment losses recognized in the 2022 financial year in connection with Russian government and corporate bonds, a gain of approximately EUR 20.3 million from the sale was posted in the consolidated income statement.

SEGMENT REPORTING

The statements made in the Group Annual Report for 2022 starting on page 93 remain accurate.

CONSOLIDATED INCOME STATEMENT BY REPORTABLE SEGMENT

in '000 EUR	Austria 01/01-30/06/23	Austria 01/01-30/06/22	Czech Republic 01/01-30/06/23	Czech Republic 01/01-30/06/22	Poland 01/01-30/06/23	Poland 01/01-30/06/22	Extended CEE 01/01-30/06/23	Extended CEE 01/01-30/06/22
Insurance service result	186,395	211,550	97,371	131,828	33,725	60,012	75,778	81,607
Insurance service revenue - issued business	1,642,093	1,543,367	999,650	902,777	585,601	528,569	1,511,730	1,241,533
Insurance service expenses - issued business	-1,295,943	-1,299,946	-824,276	-700,879	-502,349	-463,830	-1,341,757	-1,088,338
Insurance service result - reinsurance held	-159,755	-31,871	-78,003	-70,070	-49,527	-4,727	-94,195	-71,588
Net investment result	77,291	-92,513	42,771	-15,366	18,743	-2,048	74,941	-31,116
Investment result	519,598	-962,490	88,530	-67,800	70,557	-54,116	169,057	-87,243
Income and expenses from investment property	17,591	12,438	-209	75	51	-69	950	805
Insurance finance result	-475,278	848,991	-45,550	52,359	-51,865	52,137	-95,066	55,322
Result from associated consolidated companies	15,380	8,548	0	0	0	0	0	0
Finance result	-23,882	-21,783	-1,622	-1,017	-300	-358	-3,594	-90
Other income and expenses	-47,649	-21,680	-24,250	-30,457	-18,550	-21,224	-43,132	-22,221
Business operating result	192,155	75,574	114,270	84,988	33,618	36,382	103,993	28,180
Impairments of goodwill	0	0	0	0	-93	0	0	0
Result before taxes	192,155	75,574	114,270	84,988	33,525	36,382	103,993	28,180
Taxes	-43,517	-35,952	-20,849	-23,786	-6,822	-8,056	-24,519	-4,092
Result for the period	148,638	39,622	93,421	61,202	26,703	28,326	79,474	24,088

in '000 EUR	Special Markets 01/01-30/06/23	Special Markets 01/01-30/06/22	Group Functions 01/01-30/06/23	Group Functions 01/01-30/06/22	Consolidation 01/01-30/06/23	Consolidation 01/01-30/06/22	Total 01/01-30/06/23	Total 01/01-30/06/22
Insurance service result	5,127	12,628	62,095	67,663	90,327	-43,990	550,818	521,298
Insurance service revenue - issued business	356,119	203,343	798,296	744,418	-513,076	-431,107	5,380,413	4,732,900
Insurance service expenses - issued business	-411,040	-206,519	-842,307	-695,026	410,252	355,556	-4,807,420	-4,098,982
Insurance service result - reinsurance held	60,048	15,804	106,106	18,271	193,151	31,561	-22,175	-112,620
Net investment result	28,089	-3,617	17,253	1,108	-25,733	-5,591	233,355	-149,143
Investment result	248,538	-45,326	26,939	-6,360	-24,807	-21,724	1,098,412	-1,245,059
Income and expenses from investment property	234	205	11,465	9,923	-50	-27	30,032	23,350
Insurance finance result	-220,683	41,504	-21,511	-2,779	-876	16,160	-910,829	1,063,694
Result from associated consolidated companies	0	0	360	324	0	0	15,740	8,872
Finance result	-242	-73	-46,468	-41,421	24,025	22,064	-52,083	-42,678
Other income and expenses	-77	23,253	-46,838	-72,688	-88,618	27,518	-269,114	-117,499
Business operating result	32,897	32,191	-13,958	-45,338	1	1	462,976	211,978
Impairments of goodwill	0	0	0	0	0	0	-93	0
Result before taxes	32,897	32,191	-13,958	-45,338	1	1	462,883	211,978
Taxes	-15,107	-6,763	700	21,521			-110,114	-57,128
Result for the period	17,790	25,428	-13,258	-23,817	1	1	352,769	154,850

CONSOLIDATED BALANCE SHEET BY SEGMENTS

Assets	Austria		Czech Republic		Poland		Extended CEE	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022
in '000 EUR								
Cash and cash equivalents	409,523	615,018	22,426	44,017	26,141	34,859	220,919	232,504
Financial assets	21,604,594	21,469,096	3,310,559	3,270,565	2,187,188	1,960,368	6,068,564	5,703,644
Receivables	239,092	239,486	92,985	63,431	19,807	22,011	92,931	87,917
Current tax assets	6,306	7,453	16,396	19,482	7,477	6,854	5,610	4,251
Investments in associates and joint ventures	179,910	180,998	0	0	147	139	0	0
Insurance contracts assets issued	5,726	10,670	139,828	86,250	4,984	668	42,120	33,095
Reinsurance contracts assets held	472,963	670,515	172,253	166,729	81,394	74,611	157,868	127,894
Investment property incl. building right	1,927,976	1,904,935	33,650	16,405	19,700	18,488	166,231	160,350
Owner-occupied property and equipment	191,248	196,120	186,133	178,299	18,630	18,046	168,636	164,202
Other assets	46,759	39,848	19,639	19,824	4,662	4,137	25,361	22,665
Goodwill	301,717	301,716	475,515	468,097	148,126	140,561	512,382	497,850
Intangible assets	269,709	261,753	47,563	42,547	33,545	30,451	185,033	181,187
Deferred tax asset	229,615	241,695	214,867	197,703	13,976	1,953	71,330	59,298
Right-of-use assets	81,243	69,033	62,311	62,838	7,432	6,564	35,004	32,876
Total	25,966,381	26,208,336	4,794,125	4,636,187	2,573,209	2,319,710	7,751,989	7,307,733

Assets	Special Markets		Group Functions		Total	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022
in '000 EUR						
Cash and cash equivalents	124,625	147,393	970,360	1,241,428	1,773,994	2,315,219
Financial assets	2,236,760	2,153,009	1,630,499	1,257,303	37,038,164	35,813,985
Receivables	28,185	30,580	54,929	47,261	527,929	490,686
Current tax assets	3,419	4,860	154,504	132,959	193,712	175,859
Investments in associates and joint ventures	0	0	7,350	106,824	187,407	287,961
Insurance contracts assets issued	2,473	1,600	-16,728	8,491	178,403	140,774
Reinsurance contracts assets held	97,902	80,644	963,102	754,115	1,945,482	1,874,508
Investment property incl. building right	10,983	10,928	542,932	533,909	2,701,472	2,645,015
Owner-occupied property and equipment	10,470	10,341	45,738	41,684	620,855	608,692
Other assets	996	225	32,861	33,850	130,278	120,549
Goodwill	0	0	30,497	30,497	1,468,237	1,438,721
Intangible assets	16,104	19,491	49,011	50,371	600,965	585,800
Deferred tax asset	14,521	3,093	28,060	37,483	572,369	541,225
Right-of-use assets	3,393	4,641	2,719	2,711	192,102	178,663
Total	2,549,831	2,466,805	4,495,834	4,278,886	48,131,369	47,217,657

Liabilities and consolidated shareholders' equity	Austria		Czech Republic		Poland		Extended CEE	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022
in '000 EUR								
Liabilities and other payables	263,105	215,998	311,204	327,495	77,963	80,641	135,590	155,126
Current tax liabilities	82,856	77,699	17,444	346	298	0	8,661	3,049
Financial liabilities	522,739	547,618	86,673	86,878	8,027	7,901	36,486	35,016
Other liabilities	36,429	36,943	6,023	4,152	2,356	2,483	17,921	17,077
Insurance contracts liabilities issued	23,148,727	23,248,325	2,859,614	2,686,728	1,855,674	1,650,616	5,725,665	5,282,935
Reinsurance contracts liabilities held	15,962	14,970	-15,048	-245	7	1,850	-254	1,505
Provisions	319,169	341,264	26,733	25,987	18,201	15,293	99,389	99,999
Deferred tax liabilities	231,735	230,160	15,835	20,698	41,711	20,290	56,253	42,913
Subtotal	24,620,722	24,712,977	3,308,478	3,152,039	2,004,237	1,779,074	6,079,711	5,637,620

Liabilities and consolidated shareholders' equity	Special Markets		Group Functions		Total	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022
in '000 EUR						
Liabilities and other payables	54,178	49,395	126,677	121,173	968,717	949,828
Current tax liabilities	11,978	14,890	33,875	19,630	155,112	115,614
Financial liabilities	3,493	4,705	2,008,170	2,230,496	2,665,588	2,912,614
Other liabilities	1,394	1,363	24,251	16,363	88,374	78,381
Insurance contracts liabilities issued	2,341,534	2,204,987	1,323,590	1,296,783	37,254,804	36,370,374
Reinsurance contracts liabilities held	12,922	12,341	3,458	7,321	17,047	37,742
Provisions	15,126	29,344	151,314	157,992	629,932	669,879
Deferred tax liabilities	30,549	26,073	13,971	29,218	390,054	369,352
Subtotal	2,471,174	2,343,098	3,685,306	3,878,976	42,169,628	41,503,784
Consolidated shareholders' equity					5,961,741	5,713,873
Total					48,131,369	47,217,657

The amounts disclosed for each reportable segment have been adjusted to exclude amounts resulting from intrasegment transactions. As a result, the segment assets and liabilities cannot be netted to determine the segment shareholders’ equity.

EXPLANATORY NOTES TO THE NET ASSETS, FINANCIAL POSITION AND OPERATING RESULTS

1. INSURANCE CONTRACTS

The portfolio is valued prior to any consolidation steps and is decisive for whether a portfolio of insurance contracts is recognized as an asset or a liability. After excluding intercompany transactions, a valuation is not carried out again.

Composition	30/06/2023			
	PAA	GMM	VFA	Total
in '000 EUR				
Insurance contracts assets issued acc. to IFRS 17	-13,819	180,714	2,740	178,403
Liability for Remaining Coverage	20,130	257,977	2,744	280,851
Estimates of the PVFCF		770,021	6,721	776,742
Risk Adjustment		-215,878	-1,377	-217,255
Contractual Service Margin		-296,166	-2,600	-298,766
Liability for Incurred Claims	-33,949	-77,263	-4	-111,216
Recognised insurance acquisition costs				8,768
Reinsurance contracts assets held acc. to IFRS 17	1,249,108	696,374		1,945,482
Liability for Remaining Coverage	73,400	-123,847		-50,447
Estimates of the PVFCF		-231,551		-231,551
Risk Adjustment		31,299		31,299
Contractual Service Margin		76,405		76,405
Liability for Incurred Claims	1,175,708	820,221		1,995,929
Insurance contracts liabilities issued acc. to IFRS 17	-7,792,366	-2,983,665	-26,441,077	-37,254,804
Liability for Remaining Coverage	-1,951,573	-2,230,785	-25,566,084	-29,748,442
Estimates of the PVFCF		-1,535,155	-19,361,846	-20,897,001
Risk Adjustment		-163,283	-995,999	-1,159,282
Contractual Service Margin		-532,347	-5,208,239	-5,740,586
Liability for Incurred Claims	-5,840,793	-752,880	-874,993	-7,468,666
Recognised insurance acquisition costs				-37,696
Reinsurance contracts liabilities held acc. to IFRS 17	15,320	-32,367		-17,047
Liability for Remaining Coverage	-2,342	-29,160		-31,502
Estimates of the PVFCF		-59,009		-59,009
Risk Adjustment		1,801		1,801
Contractual Service Margin		28,048		28,048
Liability for Incurred Claims	17,662	-3,207		14,455

Composition	31/12/2022			
	PAA	GMM	VFA	Total
in '000 EUR				
Insurance contracts assets issued acc. to IFRS 17	6,069	121,696	2,525	140,774
Liability for Remaining Coverage	8,502	189,354	2,527	200,383
Estimates of the PVFCF		637,932	3,905	641,837
Risk Adjustment		-175,722	-693	-176,415
Contractual Service Margin		-272,856	-685	-273,541
Liability for Incurred Claims	-2,433	-67,658	-2	-70,093
Recognised insurance acquisition costs				10,484
Reinsurance contracts assets held acc. to IFRS 17	1,332,013	542,495		1,874,508
Liability for Remaining Coverage	46,405	-66,050		-19,645
Estimates of the PVFCF		-138,757		-138,757
Risk Adjustment		3,364		3,364
Contractual Service Margin		69,343		69,343
Liability for Incurred Claims	1,285,608	608,545		1,894,153
Insurance contracts liabilities issued acc. to IFRS 17	-7,280,414	-2,738,574	-26,291,427	-36,370,374
Liability for Remaining Coverage	-1,688,614	-2,187,162	-25,486,127	-29,361,903
Estimates of the PVFCF		-1,525,364	-19,354,171	-20,879,535
Risk Adjustment		-167,595	-963,615	-1,131,210
Contractual Service Margin		-494,203	-5,168,341	-5,662,544
Liability for Incurred Claims	-5,591,800	-551,412	-805,300	-6,948,512
Recognised insurance acquisition costs				-59,959
Reinsurance contracts liabilities held acc. to IFRS 17	-5,837	-31,905		-37,742
Liability for Remaining Coverage	-22,244	-30,586		-52,830
Estimates of the PVFCF		-61,026		-61,026
Risk Adjustment		1,830		1,830
Contractual Service Margin		28,610		28,610
Liability for Incurred Claims	16,407	-1,319		15,088

Development	30/06/2023			31/12/2022		
(Re-) insurance contracts	issued	held	Total	issued	held	Total
in '000 EUR						
Contractual Service Margin as of 01/01	-5,936,085	97,953	-5,838,132	-5,165,946	62,616	-5,103,330
Changes that relate to current services	340,246	-2,961	337,285	589,749	4,398	594,147
Amount of CSM recognised in profit or loss	340,246	-2,961	337,285	589,749	4,398	594,147
Changes that relate to future services	-194,456	-43,235	-237,691	-817,023	6,782	-810,241
Changes in estimates that adjust the CSM	-194,456	-43,235	-237,691	-817,023	6,782	-810,241
Insurance finance result*	-10,280	898	-9,382	-9,673	101	-9,572
Contracts initially recognised in the period	-215,485	51,705	-163,780	-239,201	19,111	-220,090
Other movements	-23,292	93	-23,199	-293,991	4,945	-289,046
thereof exchange rate differences	-23,292	93	-23,199	-66,817	2,388	-64,429
thereof changes in scope of consolidation	0	0	0	-227,174	2,557	-224,617
Contractual service Margin as of 30/06 resp. 31/12	-6,039,352	104,453	-5,934,899	-5,936,085	97,953	-5,838,132

*Includes exchange rate differences and net financing costs from insurance contracts.

Expected release of CSM recognised in profit or loss:

Insurance contracts issued	30/06/2023						
	Up to one year	more than one up to two years	more than two up to three years	more than three up to four years	more tore than four up to five years	more than five years	Total
in '000 EUR							
GMM	-88,862	-121,725	-95,581	-78,415	-65,023	-378,907	-828,513
Assets for Remaining Coverage	-23,085	-38,279	-32,070	-27,253	-23,379	-152,100	-296,166
Liability for Remaining Coverage	-65,777	-83,446	-63,511	-51,162	-41,644	-226,807	-532,347
VFA	-207,639	-384,489	-348,644	-318,512	-293,972	-3,657,583	-5,210,839
Assets for Remaining Coverage	-48	-105	-116	-128	-139	-2,064	-2,600
Liability for Remaining Coverage	-207,591	-384,384	-348,528	-318,384	-293,833	-3,655,519	-5,208,239
Total	-296,501	-506,214	-444,225	-396,927	-358,995	-4,036,490	-6,039,352

Reinsurance contracts held - GMM	30/06/2023						
	Up to one year	more than one up to two years	more than two up to three years	more than three up to four years	more tore than four up to five years	more than five years	Total
in '000 EUR							
Assets for Remaining Coverage	27,213	7,311	4,936	4,073	3,527	29,345	76,405
Liability for Remaining Coverage	2,626	4,109	3,476	2,926	2,481	12,430	28,048
Total	29,839	11,420	8,412	6,999	6,008	41,775	104,453

The CSM calculated from the transition date changed as follows:

Development	30/06/2023		31/12/2022	
Insurance contracts issued	FRA	FVA	FRA	FVA
in '000 EUR				
Contractual Service Margin as of 01/01	-255,811	-5,204,472	-294,996	-4,870,950
Changes that relate to current services	18,709	237,289	44,553	485,183
Amount of CSM recognised in profit or loss	18,709	237,289	44,553	485,183
Changes that relate to future services	-13,100	-124,415	1,361	-765,009
Changes in estimates that adjust the CSM	-13,100	-124,415	1,361	-765,009
Insurance finance result*	-823	-2,007	-1,296	-4,001
Other movements	-3,751	-37,885	-5,433	-49,695
thereof exchange rate differences	-3,751	-37,885	-5,433	-49,695
Contractual service Margin as of 30/6 resp. 31/12	-254,776	-5,131,490	-255,811	-5,204,472

*Includes exchange rate differences and net financing costs from insurance contracts.

Development	30/06/2023		31/12/2022	
Reinsurance contract held	FRA	FVA	FRA	FVA
in '000 EUR				
Contractual service margin as of 01/01	35	63,717	85	62,531
Changes that relate to current services	0	-5,623	21	-17,872
Amount of CSM recognised in profit or loss	0	-5,623	21	-17,872
Changes that relate to future services	-28	-6,210	-71	17,045
Changes in estimates that adjust the CSM	-28	-6,210	-71	17,045
Insurance finance result*	0	139	0	19
Other movements	0	-3,659	0	1,994
thereof exchange rate differences	0	-3,659	0	1,994
Contractual service margin as of 30/6 resp. 31/12	7	48,364	35	63,717

*Includes exchange rate differences and net financing costs from insurance contracts.

2. FINANCIAL ASSETS AND LIABILITIES (INCL. IMPAIRED RECEIVABLES AND LIABILITIES IN ACCORDANCE WITH IFRS 9)

Composition	30/06/2023		31/12/2022	
	Bool Value	Risk provision	Bool Value	Risk provision
in '000 EUR				
Measured at AC				
Assets	5,222,009	-43,988	5,475,609	-37,208
Cash and cash equivalents	1,773,994		2,315,219	
Financial assets	2,992,994	-37,385	2,748,328	-30,848
Receivables credit impaired acc. to IFRS 9	455,021	-6,603	412,062	-6,360
Liabilities	3,315,539		3,467,443	
Financial liabilities	2,664,422		2,909,423	
Liabilities credit impaired acc. to IFRS 9	651,117		558,020	
Measured at FVtOCI				
Mandatorily measured at FVtOCI	23,276,038	-108,576	22,363,774	-131,252
Financial assets	23,276,038	-108,576	22,363,774	-131,252
Designated measured at FVtOCI	381,926		237,442	
Financial assets	381,926		237,442	
Measured at FVtPL				
Mandatorily measured at FVtPL				
Financial assets	10,237,640		10,364,419	
Financial liabilities	594		2,619	
Designated measured at FVtPL				
Financial assets	186,951		130,870	
Financial liabilities	572		572	

Derecognition

Derecognition gains and losses may include events such as sales, maturities or other derecognition events of financial assets measured at AC.

	01/01/-30/06/2023		01/01/-30/06/2022	
	Gains arising from derecognition	Losses arising from derecognition	Gains arising from derecognition	Losses arising from derecognition
in '000 EUR				
Loans	9	0	0	0
Bonds	108	-34	244	-21
Total	117	-34	244	-21

3. GOODWILL

Development	30/06/2023	31/12/2022
in '000 EUR		
Acquisition costs	2,090,712	1,886,335
Cumulative impairment as of 31/12 of the previous year	-651,991	-626,109
Book value as of 31/12 of the previous year = Book value as of 01/01	**1,438,721**	**1,260,226**
Exchange rate differences	29,609	-4,026
Additions	0	208,882
Impairments	-93	-26,361
Book value as of 30/06 resp. 31/12	**1,468,237**	**1,438,721**
Cumulative impairment as of 30/06 resp. 31/12	654,815	651,991
Acquisition costs	**2,123,052**	**2,090,712**

Additions in the financial year mainly result from the purchases of Alfa Hungary (previously Aegon) (EUR 188,573,000) and the Slovakian pension company KOOPERATIVA, d.s.s., a.s. (previously 365.life) (EUR 19,970,000).

The impairments in the financial year predominantly affected the CGU groups Albania incl. Kosovo (EUR 13,624,000) and North Macedonia (EUR 12,553,000) CGU groups.

4. NOTES TO THE CONSOLIDATED INCOME STATEMENT

Composition	Austria		Czech Republic		Poland		Extended CEE	
	01/01-30/06/23	01/01-30/06/22	01/01-30/06/23	01/01-30/06/22	01/01-30/06/23	01/01-30/06/22	01/01-30/06/23	01/01-30/06/22
in '000 EUR								
Investment result	519,598	-962,490	88,530	-67,800	70,557	-54,116	169,057	-87,243
Interest revenues using the effective interest rate method	222,725	209,576	46,929	38,686	28,656	17,216	91,085	61,546
Realised gains and losses financial assets measured at AC	0	0	0	0	0	0	117	229
Net impairment loss on financial instruments	30,024	-98,305	-6,753	-1,039	455	-125	3,938	-15,310
Result from reclassification of financial assets measured at AC	0	0	0	0	0	0	0	304
Other result from financial instruments	266,849	-1,073,761	48,354	-105,447	41,446	-71,207	73,917	-134,012
thereof result from the valuation of financial assets measured at FVtPL	219,512	-1,112,856	43,674	-120,225	24,958	-42,646	77,281	-179,068
thereof result from sale of financial instruments measured at FVtPL	12,071	-63,949	3,730	-1,997	19,145	-31,721	262	-12,805
Income and expenses from investment property	17,591	12,438	-209	75	51	-69	950	805
thereof current income	40,741	32,847	85	266	215	63	2,597	2,037
thereof depreciation	-23,150	-20,697	-294	-191	-164	-132	-1,824	-1,387
thereof result from sale	0	287	0	0	0	0	177	155
Finance costs	-24,248	-22,120	-1,630	-1,020	-300	-358	-3,801	-1,103
thereof interest expenses for personnel provisions	-4,302	-2,293	0	0	0	0	0	0
thereof interest expenses financing liabilities	-133	-138	0	0	0	0	-208	-140
thereof interest expenses for liabilities to financial institutions	-985	-843	0	0	0	0	-20	0
thereof interest expenses for subordinate liabilities	-17,906	-17,902	-581	-559	-731	-4	-3,165	-447
thereof interest expenses for lease liabilities	-837	-886	-1,005	-550	-114	-76	-406	-389
thereof other interest expenses	0	0	0	0	0	0	0	60
Income and expenses from owner-occupied properties	654	1,723	-1,771	-1,943	-339	-339	-1,480	-747
thereof depreciation	-3,754	-3,459	-1,970	-1,942	-202	-201	-1,629	-1,170
thereof result from sale	154	0	-29	0	0	0	12	307

Composition	Special Markets		Group Functions		Consolidation		Total	
	01/01-30/06/23	01/01-30/06/22	01/01-30/06/23	01/01-30/06/22	01/01-30/06/23	01/01-30/06/22	01/01-30/06/23	01/01-30/06/22
in '000 EUR								
Investment result	248,538	-45,326	26,939	-6,360	-24,807	-21,724	1,098,412	-1,245,059
Interest revenues using the effective interest rate method	53,893	14,640	24,638	9,541	-18,212	-14,717	449,714	336,488
Realised gains and losses financial assets measured at AC	-34	-5	0	0	0	0	83	224
Net impairment loss on financial instruments	-2,426	-277	-478	-7,581	0	0	24,760	-122,637
Result from reclassification of financial assets measured at AC	0	0	0	0	0	0	0	304
Other result from financial instruments	197,105	-59,684	2,779	-8,320	-6,595	-7,007	623,855	-1,459,438
thereof result from the valuation of financial assets measured at FVtPL	29,263	-84,300	-487	-6,550	0	0	394,201	-1,545,645
thereof result from sale of financial instruments measured at FVtPL	-1,582	-854	-5,562	-2,908	0	0	28,064	-114,234
Income and expenses from investment property	234	205	11,465	9,923	-50	-27	30,032	23,350
thereof current income	359	328	18,073	17,239	-50	-27	62,020	52,753
thereof depreciation	-125	-123	-7,642	-7,316	0	0	-33,199	-29,846
thereof result from sale	0	0	1,034	0	0	0	1,211	442
Finance costs	-242	-73	-46,468	-41,481	24,025	22,064	-52,664	-44,091
thereof interest expenses for personnel provisions	0	0	-915	-352	0	0	-5,217	-2,645
thereof interest expenses financing liabilities	0	0	-13,257	-13,231	10,467	10,516	-3,131	-2,993
thereof interest expenses for liabilities to financial institutions	0	0	-1,513	-1,579	0	0	-2,518	-2,422
thereof interest expenses for subordinate liabilities	0	0	-30,426	-26,078	13,697	11,158	-39,112	-33,832
thereof interest expenses for lease liabilities	-242	-73	-71	-59	183	231	-2,492	-1,802
thereof other interest expenses	0	0	0	0	0	0	0	60
Income and expenses from owner-occupied properties	160	159	4	218	-2,021	-2,266	-4,793	-3,195
thereof depreciation	-129	-129	-560	-540	0	0	-8,244	-7,441
thereof result from sale	0	0	0	0	0	0	137	307

5. RECEIVABLES AND LIABILITIES

Composition	30/06/2023	31/12/2022
in '000 EUR		
Receivables	**527,929**	490,686
Receivables credit impaired acc. to IFRS 9	448,418	405,702
Other receivables	79,511	84,984
Liabilities and other payables	**968,717**	949,828
Liabilities credit impaired acc. to IFRS 9	651,117	558,020
Other liabilities	317,600	391,808

6. CHANGE IN LIABILITIES RESULTING FROM FINANCING ACTIVITIES

Development	30/06/2023			
	Subordinated liabilities (incl. interest)	Liabilities to banks	Lease liabilities	Liabilities from financing activities*
in '000 EUR				
Book value as of 31/12 of the previous year	1,789,281	343,898	183,126	593,985
Cash changes	**-244,768**	**-36,555**	**-19,110**	**-5,754**
Cash inflows	0	41	0	0
Payments	-185,587	-34,542	-19,110	-609
Paid interest	-59,181	-2,054	0	-5,145
Non-cash changes	**36,669**	**2,661**	**32,663**	**-10,976**
Additions	36,306	2,661	32,751	10,925
Changes in scope of consolidation	0	0	0	-21,760
Measurement changes	0	0	0	-169
Exchange rate differences	363	0	-88	28
Book value as of 30/06	**1,581,182**	**310,004**	**196,679**	**577,255**

*It contains derivative liabilities from financing liabilities and other financing liabilities.

Development	31/12/2022			
	Subordinated liabilities (incl. interest)	Liabilities to banks	Lease liabilities	Liabilities from financing activities*
in '000 EUR				
Book value as of 31/12 of the previous year	1,493,599	351,087	181,048	595,660
Cash changes	223,666	-12,599	-33,217	-6,899
Cash inflows	500,000	55,007	0	13,000
Payments	-215,600	-63,117	-33,217	-13,713
Paid interest	-60,734	-4,489	0	-6,186
Non-cash changes	72,016	5,410	35,295	5,224
Additions	71,327	5,410	31,222	7,102
Disposals	0	0	-20	-587
Changes in scope of consolidation	0	0	2,690	470
Reclassifications	0	0	0	-1,823
Measurement changes	0	0	0	62
Exchange rate differences	689	0	1,403	0
Book value as of 31/12	1,789,281	343,898	183,126	593,985

*It contains derivative liabilities from financing liabilities and other financing liabilities.

7. SHAREHOLDERS' EQUITY

7.1. Capital reserves – hybrid capital

Issue date	Outstanding volume	Maturity	Yield	Fair value
	in '000 EUR	in years	in %	in '000 EUR
10/06/2021	300,000	unlimited	First 10 years: 3.2125% p.a.; thereafter variable	216,894

7.2. Other reserves

Composition of other reserves	30/06/2023			
	Gross	+/- Deferred taxes	+/- Non-controlling interests	Net
in '000 EUR				
Not realised gains and losses	30,723	-25,047	-3,508	2,168
IFRS 9 reserves recyclable	-1,976,312	423,992	30,665	-1,521,655
IFRS 9 reserves non-recyclable	-4,958	-749	1,133	-4,574
IFRS 17 reserves	2,011,993	-448,290	-35,306	1,528,397
Actuarial gains and losses from provisions for employee benefits	-146,571	33,430	2,389	-110,752
Share of other reserves of associated consolidated companies	-11,765	0	247	-11,518
Currency reserve	-139,603	0	13,486	-126,117
Total	-267,216	8,383	12,614	-246,219

Composition of other reserves	31/12/2022			
	Gross	+/- Deferred taxes	+/- Non-controlling interests	Net
in '000 EUR				
Not realised gains and losses	-3,812	-16,306	1,996	-18,122
IFRS 9 reserves recyclable	-2,292,672	485,442	53,014	-1,754,216
IFRS 9 reserves non-recyclable	-8,582	111	874	-7,597
IFRS 17 reserves	2,297,442	-501,859	-51,892	1,743,691
Actuarial gains and losses from provisions for employee benefits	-143,547	32,598	2,318	-108,631
Share of other reserves of associated consolidated companies	-494	0	29	-465
Currency reserve	-203,263	0	22,309	-180,954
Total	-351,116	16,292	26,652	-308,172

7.3. Dividend payment retention

Composition	30/06/2023	31/12/2022
in '000 EUR		
Dividends	166,400	160,000
Interest payments on the hybrid capital	9,638	9,638
Deferred taxes directly recognised in equity	-2,082	-2,169
Total	173,956	167,469

8. PROVISIONS

Composition	30/06/2023	31/12/2022
in '000 EUR		
Provisions for pensions and similar obligations	307,702	312,929
Provision for pension obligations	208,963	213,054
Provision for severance obligations	98,739	99,875
Provisions for other employee benefits	59,312	59,550
Other non-insurance contract assets and liabilities	262,918	297,400
Total	629,932	669,879

9. INTANGIBLE ASSETS

Composition	30/06/2023	31/12/2022
in '000 EUR		
Purchased software	465,208	446,118
Self-produced software	650	740
Other intangible assets	135,107	138,942
Total	600,965	585,800

10. CALCULATION OF FAIR VALUE

Information on the nature and extent of risks arising from financial instruments is provided in the section titled "Financial instruments and risk management" in the Group Annual Report for 2022 beginning on page 99.

For information concerning the valuation process, please refer to the Group Annual Report for 2022 beginning on page 162.

Book values and valuation hierarchies	30/06/2023				
	Book value	Level 1	Level 2	Level 3	Fair value
in '000 EUR					
Financial assets acc. to IFRS 9	37,038,164	27,504,534	7,000,793	2,424,755	36,930,082
Financial assets mandatorily measured at FVtPL	10,237,640	7,154,392	2,300,783	782,465	10,237,640
Bonds	1,681,493	616,304	659,295	405,894	1,681,493
Funds	8,009,848	6,125,356	1,634,878	249,614	8,009,848
Derivatives	26,882	0	1,731	25,151	26,882
Shares	463,628	412,732	4,879	46,017	463,628
Shares in participating companies	36,047	0	0	36,047	36,047
Shares in affiliated non-consolidated companies	19,742	0	0	19,742	19,742
Financial assets designated measured at FVtPL	186,951	162,427	21,475	3,049	186,951
Bonds	186,951	162,427	21,475	3,049	186,951
Financial assets measured at AC	2,955,609	874,939	950,046	1,022,542	2,847,527
Loans	790,411	137,265	591,758	18,380	747,403
Bonds	960,961	487,115	358,288	50,469	895,872
Term deposits	1,204,237	250,559	0	953,693	1,204,252
Financial assets mandatorily measured at FVtOCI	23,276,038	19,283,955	3,723,870	268,213	23,276,038
Bonds	23,276,038	19,283,955	3,723,870	268,213	23,276,038
Financial assets designated measured at FVtOCI	381,926	28,821	4,619	348,486	381,926
Shares	36,785	28,821	4,619	3,345	36,785
Shares in participating companies	70,071	0	0	70,071	70,071
Shares in affiliated non-consolidated companies	275,070	0	0	275,070	275,070
Investment property incl. building right	2,701,472	0	38,937	4,277,755	4,316,692
Owner-occupied property	480,662	0	18,661	827,610	846,271
Investments in associates and joint ventures	187,407				
Total	40,407,705	27,504,534	7,058,391	7,530,120	42,093,045

Book values and valuation hierarchies	31/12/2022				
	Book value	Level 1	Level 2	Level 3	Fair value
in '000 EUR					
Financial assets acc. to IFRS 9	35,813,985	26,588,577	7,362,753	1,730,542	35,681,872
Financial assets mandatorily measured at FVtPL	10,364,419	7,345,527	2,517,414	501,478	10,364,418
Bonds	1,702,157	543,061	1,034,016	125,080	1,702,157
Funds	8,155,894	6,431,291	1,477,149	247,455	8,155,894
Derivatives	28,683	0	1,771	26,912	28,683
Shares	427,950	371,175	4,478	52,296	427,950
Shares in participating companies	35,528	0	0	35,528	35,528
Shares in affiliated non-consolidated companies	14,208	0	0	14,208	14,208
Financial assets designated measured at FVtPL	130,870	104,527	26,343	0	130,870
Bonds	130,870	104,527	26,343	0	130,870
Financial assets measured at AC	2,717,480	886,537	953,115	745,715	2,585,367
Loans	788,952	144,483	576,739	20,747	741,969
Bonds	888,080	396,184	376,377	29,916	802,476
Term deposits	1,040,448	345,871	0	695,052	1,040,923
Financial assets mandatorily measured at FVtOCI	22,363,774	18,226,344	3,861,397	276,033	22,363,774
Bonds	22,363,774	18,226,344	3,861,397	276,033	22,363,774
Financial assets designated measured at FVtOCI	237,442	25,642	4,483	207,316	237,442
Shares	33,222	25,642	4,234	3,345	33,222
Shares in participating companies	68,930	0	0	68,930	68,930
Shares in affiliated non-consolidated companies	135,290	0	249	135,041	135,290
Investment property incl. building right	2,645,015	0	44,582	4,220,362	4,264,944
Owner-occupied property	482,841	0	39,007	820,867	859,875
Investments in associates and joint ventures	287,961				
Total	39,229,801	26,588,577	7,446,342	6,771,771	40,806,690

Book values and valuation hierarchies	30/06/2023				
	Book value	Level 1	Level 2	Level 3	Fair value
in '000 EUR					
Financial liabilities mandatorily measured at FVtPL	594	0	196	398	594
Liabilities for derivatives	594	0	196	398	594
Financial liabilities designated at FVtPL	572	0	0	572	572
Liabilities designated measured at FVtPL	572	0	0	572	572
Financial liabilities measured at AC*	2,467,743	0	1,855,189	419,472	2,274,661
Liabilities to banks	310,004	0	0	310,004	310,004
Liabilities from financing activities	576,557	0	351,479	87,304	438,783
Subordinated liabilities	1,581,182	0	1,503,710	22,164	1,525,874
Total	2,468,909	0	1,855,385	420,442	2,275,827

*excl. lease liabilities

Book values and valuation hierarchies	31/12/2022				
	Book value	Level 1	Level 2	Level 3	Fair value
in '000 EUR					
Financial liabilities mandatorily measured at FVtPL	2,619	0	2,138	481	2,619
Liabilities for derivatives	2,619	0	2,138	481	2,619
Financial liabilities designated at FVtPL	572	0	0	572	572
Liabilities designated measured at FVtPL	572	0	0	572	572
Financial liabilities measured at AC*	2,726,297	0	2,087,123	466,896	2,554,019
Liabilities to banks	343,898	0	0	343,898	343,898
Liabilities from financing activities	593,118	0	320,939	101,339	422,278
Subordinated liabilities	1,789,281	0	1,766,184	21,659	1,787,843
Total	2,729,488	0	2,089,261	467,949	2,557,210

*excl. lease liabilities

10.1. Reclassification of financial instruments

The companies in VIG Insurance Group regularly review the validity of the last fair value classification performed on each valuation date. For example, a reclassification is performed if necessary inputs are no longer directly observable in the market.

The reclassifications between Level 1 and Level 2 are due to changes in liquidity, trading frequency and trading activity. The reclassifications from Level 1 to Level 3 as well as Level 2 to Level 3 are primarily based on a worsening of the credit quality or liquidity.

Reclassifications	30/06/2023				
	Between Level 1 and Level 2	Level 3 to Level 1	Level 1 to Level 3	Level 3 to Level 2	Level 2 to Level 3
Number					
Measured at FVtOCI	2	0	7	0	3
Mandatorily measured at FVtOCI	2	0	7	0	3
Financial assets	2	0	7	0	3
Measured at FVtPL	1	0	0	0	9
Mandatorily measured at FVtPL	1	0	0	0	8
Financial assets	1	0	0	0	8
Designated measured at FVtPL	0	0	0	0	1
Financial assets	0	0	0	0	1
Total	3	0	7	0	12

Reclassifications between Level 1 and 2 primarily occur if liquidity, trading frequency or trading activity of the particular financial instrument once again, or cease to allow one to conclude that an active market exists. For example, the market maker for a security frequently changes, with a corresponding impact on liquidity. A similar example is when shares are included in (or removed from) an index that acts as a benchmark for many funds. In this case, the classification can also change. As a result of the decentralised structure of the VIG Insurance Group, classifications are generally reviewed by the local companies at the end of the period. Any reclassifications are presented as if they had taken place at the end of the period.

Reclassifications	31/12/2022				
	Between Level 1 and Level 2	Level 3 to Level 1	Level 1 to Level 3	Level 3 to Level 2	Level 2 to Level 3
Number					
Measured at FVtOCI	13	1	23	1	9
Mandatorily measured at FVtOCI	13	1	23	1	9
Financial assets	13	1	23	1	9
Measured at FVtPL	8	0	2	0	0
Mandatorily measured at FVtPL	8	0	2	0	0
Financial assets	8	0	2	0	0
Total	21	1	25	1	9

10.2. Unobservable input factors

Asset class	Measurement methods	Unobservable input factors	Range	30/06/2023	
				from	to
Property	Capitalised earnings value	Capitalisation rate	in %	0.30	7.47
		Rental income	in '000 EUR	7	3,999
		Land prices	in '000 EUR	0	12
	Discounted Cash flow	Capitalisation rate	in %	3.56	8.26
		Rental income	in '000 EUR	102	5,699
	Building rights - capitalised earnings value	Capitalisation rate	in %	2.50	4.00
		Rental income	in '000 EUR	83	4,378
		Land prices	in '000 EUR	0.30	0.73
		Construction interest actually paid	in %	0.90	5.70
Loans measured at AC	Present value method	Spreads	in %	-0.52	4.45
Bonds measured at AC		Spreads	in %	-0.52	4.30
Financial assets acc. to IFRS 9 measured at FVtOCI	Present value method	Spreads	in %	-0.52	11.00
Financial assets acc. to IFRS 9 measured at FVtPL		Spreads	in %	-0.52	4.30

10.3. Sensitivities

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

An increase in the discount rate of 50bp leads to a decrease in the option value of -18% ; a decrease of 50bp leads to an increase in the option value of 38%.

As the change in the book value of loans and bonds classified as measured at AC does not include a fair value component, there is no impact from the sensitivity calculation on the income statement and other comprehensive income.

Financial assets acc. to IFRS 9 measured at FVtOCI	Fair value
in '000 EUR	
Fair value as of 30/06	251,667
Spread +50bp	-4,500
Effect on the income statement	0
Effect on the statement of comprehensive income	-4,500

Financial assets acc. to IFRS 9 measured at FVtPL	Fair value
in '000 EUR	
Fair value as of 30/06	408,943
Spread +50bp	-7,357
Effect on the income statement	-7,357
Effect on the statement of comprehensive income	0

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

Property	Fair value
in '000 EUR	
Fair value as of 30/06	4,473,821
Rental income -5%	4,304,922
Rental income +5%	4,650,595
Capitalisation rate -50bp	4,783,646
Capitalisation rate +50bp	4,219,726
Land prices -5%	4,443,507
Land prices +5%	4,511,400

Since property is measured at cost, negative sensitivities would only affect profit or loss if property value fell below book value. Other comprehensive income is therefore unaffected.

10.4. Reconciliation of financial assets and liabilities

For information on the effects of changes in value recognised through profit and loss, please refer to Note 4. Notes to the consolidated income statement starting on page 48.

Development	30/06/2023			31/12/2022		
Financial assets measured at FVtOCI	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
in '000 EUR						
Fair value as of 31/12 of the previous year = Fair value as of 1/1	18,251,986	3,865,881	483,349	19,738,755	4,456,035	461,982
Exchange rate differences	90,889	5,439	2,689	149,066	1,917	745
Reclassification between classes of financial instruments	-325	53	272	-35,014	0	4,107
Reclassification to Level	882	23,674	73,133	40,319	9,205	203,276
Reclassification from Level	-10,952	-64,063	-22,674	-183,672	-65,272	-3,857
Amortisation and accrued interest	1,318	8,972	3,443	81,356	10,829	-3,619
Additions	2,044,242	116,788	184,424	3,885,212	601,839	61,476
Disposals	-1,363,046	-246,272	-140,334	-2,737,496	-403,497	-93,508
Changes in scope of consolidation	0	0	0	644,983	0	-16,544
Changes in value recognised in profit and loss	0	0	0	0	0	0
Changes in value recognised directly in equity	297,782	18,017	32,397	-3,331,523	-745,175	-130,709
Fair value as of 30/06 resp. 31/12	19,312,776	3,728,489	616,699	18,251,986	3,865,881	483,349

Development	30/06/2023			31/12/2022		
Financial assets measured at FVtPL	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
in '000 EUR						
Fair value as of 31/12 of the previous year = Fair value as of 01/01	7,450,054	2,543,757	501,478	9,554,995	3,161,445	562,236
Exchange rate differences	62,245	14,320	2,238	27,505	2,760	-457
Reclassification between classes of financial instruments	2,227	-2,221	0	32,177	-1,268	0
Reclassification to Level	7,866	79,243	207,144	1,449	249	6,250
Reclassification from Level	-79,237	-215,010	-6	-6,446	-1,494	-8
Amortisation and accrued interest	4,032	6,710	2,551	5,929	11,803	6,418
Additions	1,431,158	81,161	21,849	2,486,751	354,032	201,570
Disposals	-1,922,136	-174,862	-20,311	-3,342,781	-560,499	-205,493
Changes in scope of consolidation	0	0	0	15,942	180,376	-42,271
Changes in value recognised in profit and loss	360,610	-10,840	70,571	-1,325,467	-603,647	-26,767
Changes in value recognised directly in equity	0	0	0	0	0	0
Fair value as of 30/06 resp. 31/12	7,316,819	2,322,258	785,514	7,450,054	2,543,757	501,478

Development	30/06/2023			31/12/2022		
Financial liabilities measured at FVtPL	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
in '000 EUR						
Fair value as of 31/12 of the previous year = Fair value as of 01/01	0	2,138	1,053	0	3,059	813
Exchange rate differences	0	234	0	0	1,825	0
Reclassification between classes of financial instruments	0	0	0	0	0	0
Reclassification to Level	0	0	0	0	0	0
Reclassification from Level	0	0	0	0	0	0
Amortisation and accrued interest	0	0	86	0	3	180
Disposals	0	-2,216	0	0	-3,702	0
Changes in scope of consolidation	0	0	0	0	993	0
Changes in value recognised in profit and loss	0	40	-169	0	-40	60
Changes in value recognised directly in equity	0	0	0	0	0	0
Fair value as of 30/06 resp. 31/12	0	196	970	0	2,138	1,053

11. INFORMATION ON THE CATEGORIES OF EXPENSES

Due to the accounting and valuation requirements of IFRS 17, expenses that are directly attributable to insurance contracts are included in the item Insurance service result. Those costs that are not directly attributable to insurance contracts are included in the item “Other operating result”.

The expenses that are directly and indirectly attributable and taken into account under IFRS 17 amount to EUR 1,404,636,000 in the current period. Apart from personnel expenses, a significant portion is made up of IT expenses, taxes related to insurance settlements and ongoing depreciation.

In these interim consolidated financial statements, total personnel expenses of EUR 522,270,000 have been recognized in the consolidated income statement. These expenses correspond to both IFRS 17 and other standards.

Number of employees	30/06/2023	31/12/2022
Number		
Sales representatives	14,924	14,797
Office staff	14,254	14,035
Total	**29,178**	28,832

The employee figures shown are average values based on full-time equivalents.

12. CURRENCY TRANSLATION

Transactions and individual financial statements denominated in foreign currencies were translated in the interim report for the 1st half of 2023 as indicated on page 71 of the Group Annual Report for 2022.

Currency		End-of-period exchange rate		Average exchange rate	
		30/06/2023	31/12/2022	01/01/-30/06/2023	01/01/-30/06/2022
1 EUR ≙					
Albanian lek	ALL	106.4400	114.2300	112.8141	121.1529
Bosnian convertible mark	BAM	1.9558	1.9558	1.9558	1.9558
Bulgarian lev	BGN	1.9558	1.9558	1.9558	1.9558
Georgian lari	GEL	2.8591	2.8844	2.8082	3.3416
Croatian kuna	HRK/EUR	1.0000	7.5365	1.0000	7.5415
Macedonian denar	MKD	61.6320	61.4932	61.6122	61.6787
Moldovan leu	MDL	19.9690	20.3792	19.8854	20.1990
New Turkish Lira	TRY	28.3193	19.9649	21.5662	16.2579
Polish zloty	PLN	4.4388	4.6808	4.6244	4.6354
Romanian leu	RON	4.9635	4.9495	4.9342	4.9457
Swiss franc	CHF	0.9788	0.9847	0.9856	1.0319
Serbian dinar	RSD	117.2301	117.3224	117.3074	117.5960
Czech koruna	CZK	23.7420	24.1160	23.6873	24.6485
Ukraine hryvnia	UAH	40.0006	38.9510	39.5236	31.7356
Hungarian forint	HUF	371.9300	400.8700	380.8484	375.1295
US Dollar	USD	1.0866	1.0666	1.0807	1.0934

13. EARNINGS PER SHARE

Earnings per share		01/01/-30/06/2023	01/01/-30/06/2022
Result for the period	EUR '000	352,769	154,850
Non-controlling interests in net result for the period	EUR '000	-9,383	-7,458
Result for the period less non-controlling interests	**EUR '000**	**343,386**	147,392
Interest expenses for the hybrid capital	EUR '000	7,556	7,469
Attributable result	**EUR '000**	**335,830**	139,923
Number of shares at closing date	units	128,000,000	128,000,000
Earnings per share (annualised)* (in EUR)	**EUR**	**5.25**	2.19

*The calculation of this key figure includes the interest for hybrid capital. The undiluted result per share equals the diluted result per share.

14. RELATED PARTIES

The definition of related parties and details of their associated transactions are provided in the Group Annual Report for 2022 in section 29. Related parties have been provided beginning on page 175.

Related companies	01/01/-30/06/2023	30/06/2023
	Transactions	Open items
in '000 EUR		
Leases as lessor	**1,573**	**18**
Subsidiaries not included in the consolidated financial statements	373	18
Other related companies	445	0
Non-profit societies	755	0
Leases as lessee	**253**	**-18,041**
Subsidiaries not included in the consolidated financial statements	253	-467
Other related companies	0	-17,574
Revenue from rendering of services	**41,701**	**17,856**
Parent company	568	80
Associated companies	3,532	156
Subsidiaries not included in the consolidated financial statements	37,583	17,180
Other related companies	18	440
Expenses from services received	**114,402**	**-40,709**
Parent company	6	-3
Associated companies	485	0
Subsidiaries not included in the consolidated financial statements	111,098	-40,335
Other related companies	2,813	-371
Received dividends/profit distribution	**7,332**	**0**
Associated companies	4,845	0
Subsidiaries not included in the consolidated financial statements	1,521	0
Other related companies	966	0
Paid dividends/profit distribution	**130,337**	**0**
Parent company	130,337	0
Loans and financial liablities and their related interests (AC, FVtPL, FVtOCI)	**10,018**	**180,261**
Parent company	3,967	3,703
Associated companies	2,944	23,014
Subsidiaries not included in the consolidated financial statements	1,357	22,530
Other related companies	992	29,294
Non-profit societies	758	101,720
Granting of sureties or guarantees	**0**	**-1**
Subsidiaries not included in the consolidated financial statements	0	-1
Amounts related to group taxation	**13,739**	**48,696**
Parent company	13,739	48,696
Other	**247**	**749**
Associated companies	0	655
Subsidiaries not included in the consolidated financial statements	242	86
Other related companies	5	8

15. BUSINESS COMBINATIONS IN ACCORDANCE WITH IFRS 3

15.1. Changes in the scope of consolidation

Deconsolidations	Reason for deconsolidation	Date	Reportable segment
Bulgarski Imoti Asistans EOOD, Sofia	Merger	19/05/2023	Extended CEE
CENTER Hotelbetriebs GmbH, Vienna	Liquidation	20/04/2023	Austria
VIG Hungary Holding B.V., The Hague	Merger	31/01/2023	Extended CEE
VIG Hungary Holding II B.V., The Hague	Merger	31/01/2023	Extended CEE
WWG Beteiligungen GmbH, Vienna	Sale	03/03/2023	Group Functions

With regard to changes in the scope of consolidation, please also refer to the notes in the section Changes in accounting policies starting on page 37.

Companies acquired, but not yet consolidated	Interest acquired
in %	
AEGON Pensii - Societate de Administrare a Fondurilor de Pensil Private S.A., Bucharest	100.00
AEGON Powszechne Towarzystwo Emerytalne S.A., Warsaw	100.00
AEGON Services Sp. zoo., Warsaw	100.00
AEGON Towarzystwo Ubezpieczen na Zycie Społka Akcyjna, Warsaw	100.00
Profitowi S.A., Warsaw	100.00
VIG Poland/Romania Holding B.V., Amsterdam	100.00

For reasons of materiality, the companies listed in the table have not been consolidated in this interim report.

15.2. Change in assets and liabilities due to changes in the scope of consolidation

Balance sheet	Disposals
in '000 EUR	
Cash and cash equivalents	220
Receivables	3
Current tax assets	958
Investments in associates and joint ventures	99,836
Liabilities and other payables	33
Current tax liabilities	158
Financial liabilities	21,760

The figures shown in the table above reflect the actual dates of first consolidation and deconsolidation, as indicated in section 15.1 Changes in the scope of consolidation on page 61.

The most significant impact on income from the deconsolidation of the companies listed in the table derives from the discontinuation of the dividends previously received from the associated companies of WWG Beteiligungen GmbH. This effect amounts to a maximum of EUR 3.2 million.

Due to the changes in the scope of consolidation, the number of employees decreased by two.

15.3. Changes in significant minority interests

Change in significant minority interests	Change	Change of interest	Change in non-controlling interests
	Date	in %	in '000 EUR
Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje - Vienna Insurance Group, Skopje	from 07/02 to 23/05/2023	0.13	-26
WNH Liegenschaftsbesitz GmbH, Vienna	03/03/2023	12.93	-822

16. NEW STANDARDS NOT YET APPLICABLE AND AMENDMENTS TO EXISTING STANDARDS

New standards and changes to current reporting standards		Applicable as of[1]
Those which are not or not yet adopted by the EU		
IFRS 14	Regulatory Deferral Accounts	EU decided this standard shall not be transferred into EU law
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	First-time application deferred for an indefinite period
Amendments to IAS 1	Classification of liabilities as current or non-current	01/01/2024
Amendments to IAS 12	Temporary exception from the recognition and disclosure of deferred taxes arising from global minimum taxation	Immediately or 01/01/2023[2]
Amendments to IFRS 16	Lease liabilities for sale and leaseback transactions	01/01/2024
Amendments to IAS 7	Disclosures: Supplier Finance Arrangements	01/01/2024
Amendments to IAS 21	Restrictions on the convertibility of currencies	01/01/2025

1 Unless otherwise specified, the VIG Insurance Group is not planning early adoption of the provisions listed in the table.
2 The VIG Insurance Group applies the simplification regulations, even though they have not yet been adopted by the EU.

Unless otherwise stated below, the standards listed in the table are not expected to have a material impact or the amendments are not relevant.

17. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Severe storms hit Austria, Slovenia and Croatia

At the beginning of August, severe storms hit Croatia, Slovenia and Austria. This is one of the largest natural disasters in recent decades. Floods and landslides destroyed roads, hundreds of homes and power facilities in Slovenia. Heavy rains have caused rivers to rise sharply in all three countries. After the flooding Austria and Slovenia, this also led to flooding in Croatia, fuelled by renewed heavy rainfall. In Slovenia, where about two-thirds of the country's land area is currently affected, the damage is already estimated by the government at several billion euros. The Austrian civil protection authorities estimate total damage at around EUR 100 million.

VIG operates in all three countries through its insurance companies. The amount of the insurance payments cannot yet be estimated at the present time. The losses are due to natural hazards, which essentially fall under the PAA and are subject to only a small amount of reinsurance coverage. The claims payments will therefore be reflected almost in full in the Group result before taxes.

Declaration by the Managing Board

We declare to the best of our knowledge that the consolidated interim financial statements prepared in accordance with applicable accounting standards give a true and fair view of the Group's net assets, financial position and results of operations, the interim management report gives a true and fair view of the net assets, financial position and results of operations of the Group with regard to the most important events during the first six months of the financial year and their impact on the consolidated interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and material related party transactions to be disclosed. The interim report was not fully audited or reviewed by an auditor.

Vienna, 22 August 2023

The Managing Board:

Hartwig Löger
General Manager (CEO),
Chairman of the
Managing Board

Peter Höfinger
Deputy General Manager,
Deputy Chairman of the
Managing Board

Liane Hirner
CFRO, Member of
the Managing Board

Gerhard Lahner
COO, Member of
the Managing Board

Gábor Lehel
CIO, Member of
the Managing Board

Harald Riener
Member of
the Managing Board

Managing Board areas of responsibility:

Hartwig Löger (CEO):	Leading the VIG Group Strategy, CO³, European Affairs, General Secretariat and Legal, Human Resources, Opportunity Management, Sponsoring, Subsidiaries and M&A; Country responsibility: Austria, Slovakia, Czech Republic, Hungary
Peter Höfinger (Deputy CEO):	Corporate Business, Reinsurance; Country responsibility: Albania, Bosnia-Herzegovina, Bulgaria, Kosovo, Croatia, Moldova, Montenegro, North Macedonia, Romania, Serbia
Liane Hirner (CFRO):	Group Finance & Regulatory Reporting, Planning and Controlling, Risk Management, Tax Reporting & Transfer Pricing; Country responsibility: Liechtenstein, Germany
Gerhard Lahner (COO):	Asset Management (incl. Real Estate), Data Analytics, Group Treasury & Capital Management, Process & Project Management, VIG IT; Country responsibility: Georgia, Türkiye
Gábor Lehel (CIO):	Assistance, New Businesses, Transformation & Research; Country responsibility: Belarus
Harald Riener:	Customer Experience, Retail Insurance & Business Support; Country responsibility: Estonia, Latvia, Lithuania, Poland, Ukraine

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

Impressum

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 interim 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.

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

The condensed half-year financial report was prepared with great care to ensure that all information is complete and accurate. The possibility of rounding, typesetting or printing errors, however, cannot be ruled out completely.

The condensed half-year financial report can be downloaded as a PDF file in German or English from our website at: www.group.vig/downloads.

Editorial deadline: 22 August 2023

In case of doubt, the German version is authoritative.

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