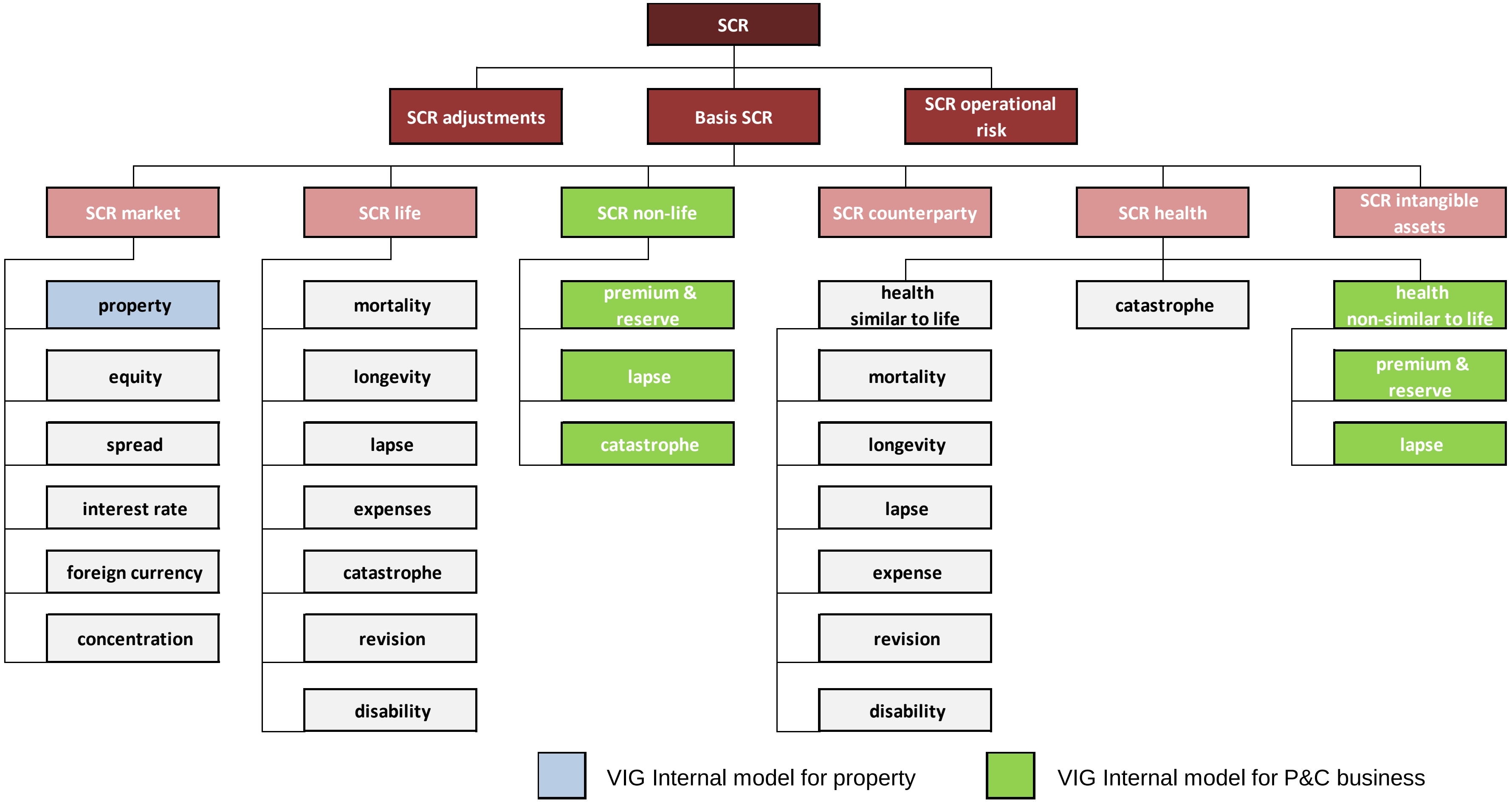
SOLVENCY DISCLOSURE 2021

Vienna Insurance Group

VIENNA INSURANCE GROUP
Protecting what matters.

SOLVENCY CAPITAL REQUIREMENT (SCR) OVERVIEW

Standard Formula and Partial Internal Model

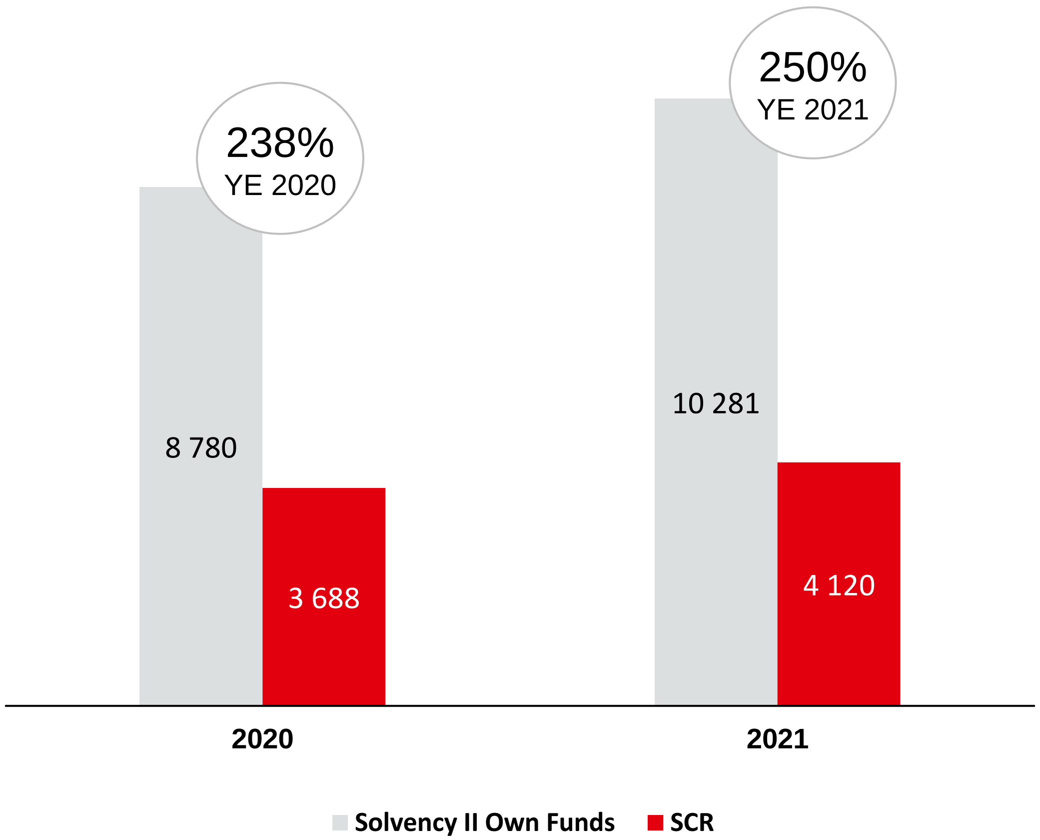


- Partial Internal Model of VIG approved by the Financial Market Authority (FMA) as of January 1, 2016

SOLVENCY RATIO OF VIG GROUP AS OF YE 2021 IMPROVED TO 250%

Solvency Position YE 2021 compared to YE 2020

in EUR million



VIG AG in EUR million	31.12.2020	31.12.2021
Solvency capital requirement	**3 688**	**4 120**
Market risk	3 133	3 556
Counterparty default risk	330	382
Life underwriting risk	1 410	1 548
Health underwriting risk	605	607
Non-life underwriting risk	707	795
Intangible asset risk	0	0
Diversification	-1 878	-2 061
Basic solvency capital requirement	**4 307**	**4 827**
Operational risk	322	341
Loss-absorbing capacity of technical provisions	-498	-631
Loss-absorbing capacity of deferred taxes	-553	-557
Capital requirement for other financial sectors	41	46
Capital requirement for non-controlled participations	16	16
Capital requirement for residual undertakings	54	79
Eligible own funds	**8 780**	**10 281**
Solvency ratio	**238%**	**250%**

SOLVENCY CAPITAL REQUIREMENT

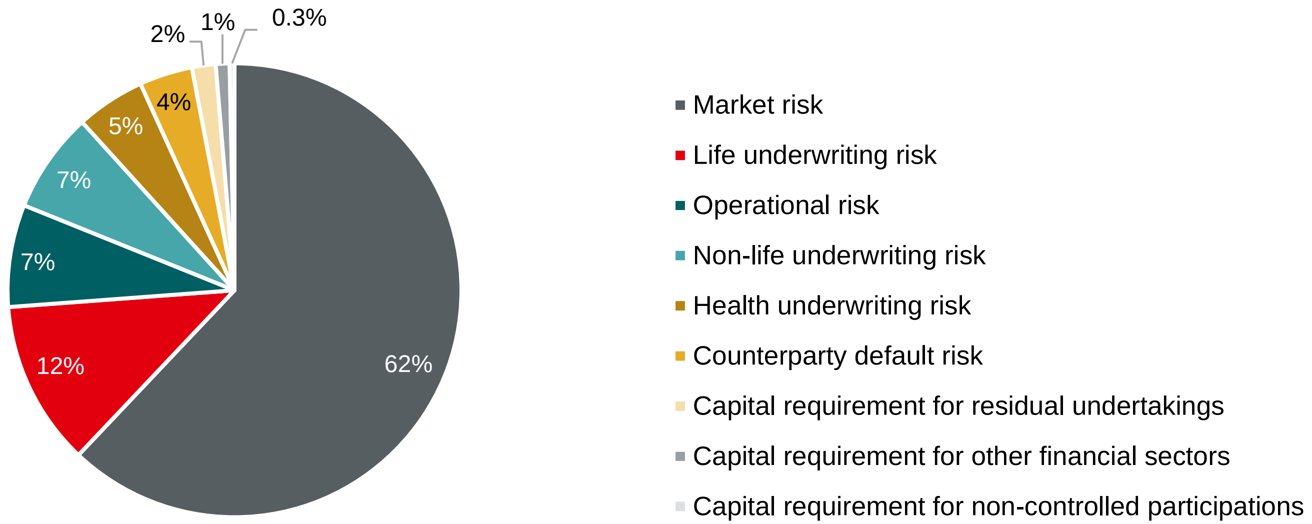
Allocation of Solvency Capital Requirement calculated with the Partial Internal Model

- **Market risk accounts for 62% of total solvency capital requirement**
  - 66% of total market risk consists of spread risk and equity risk
  - Interest rate risk and currency risk make up more than one fourth of total market risk

- **Life underwriting risk contributes to the total solvency capital requirement with 12%**
  - 61% of life underwriting risk derives from lapse risk
  - Second biggest driver is life expense risk with 28% of total life underwriting risk

- **Operational risk ranks third with 7% of total solvency capital requirement**

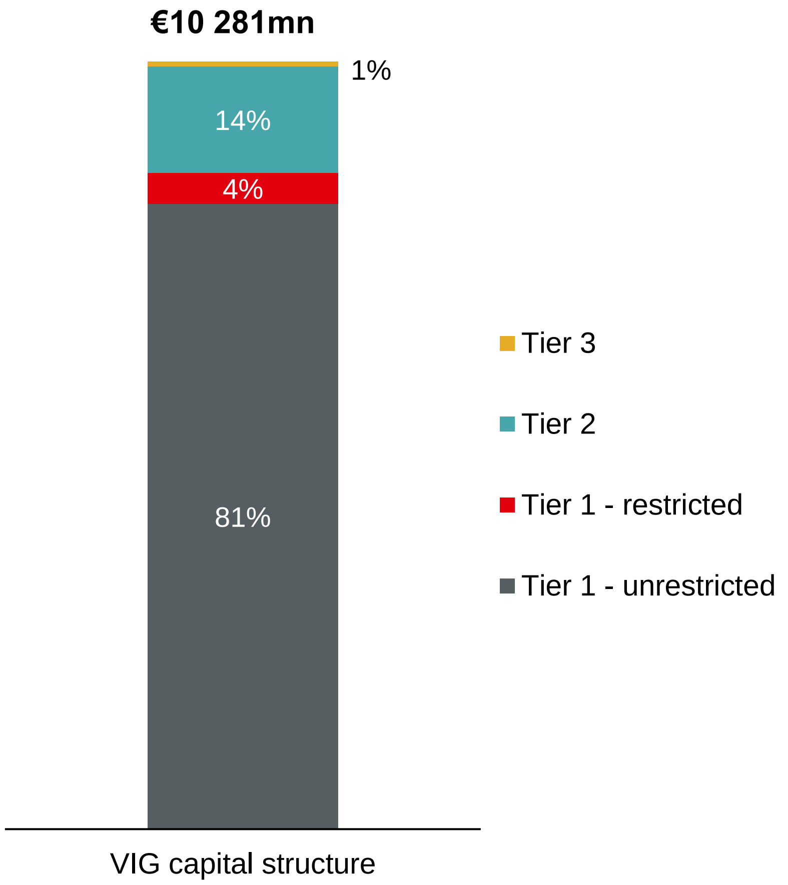
- **Non-life underwriting risk and health underwriting risk together correspond to 12% of total solvency capital requirement**

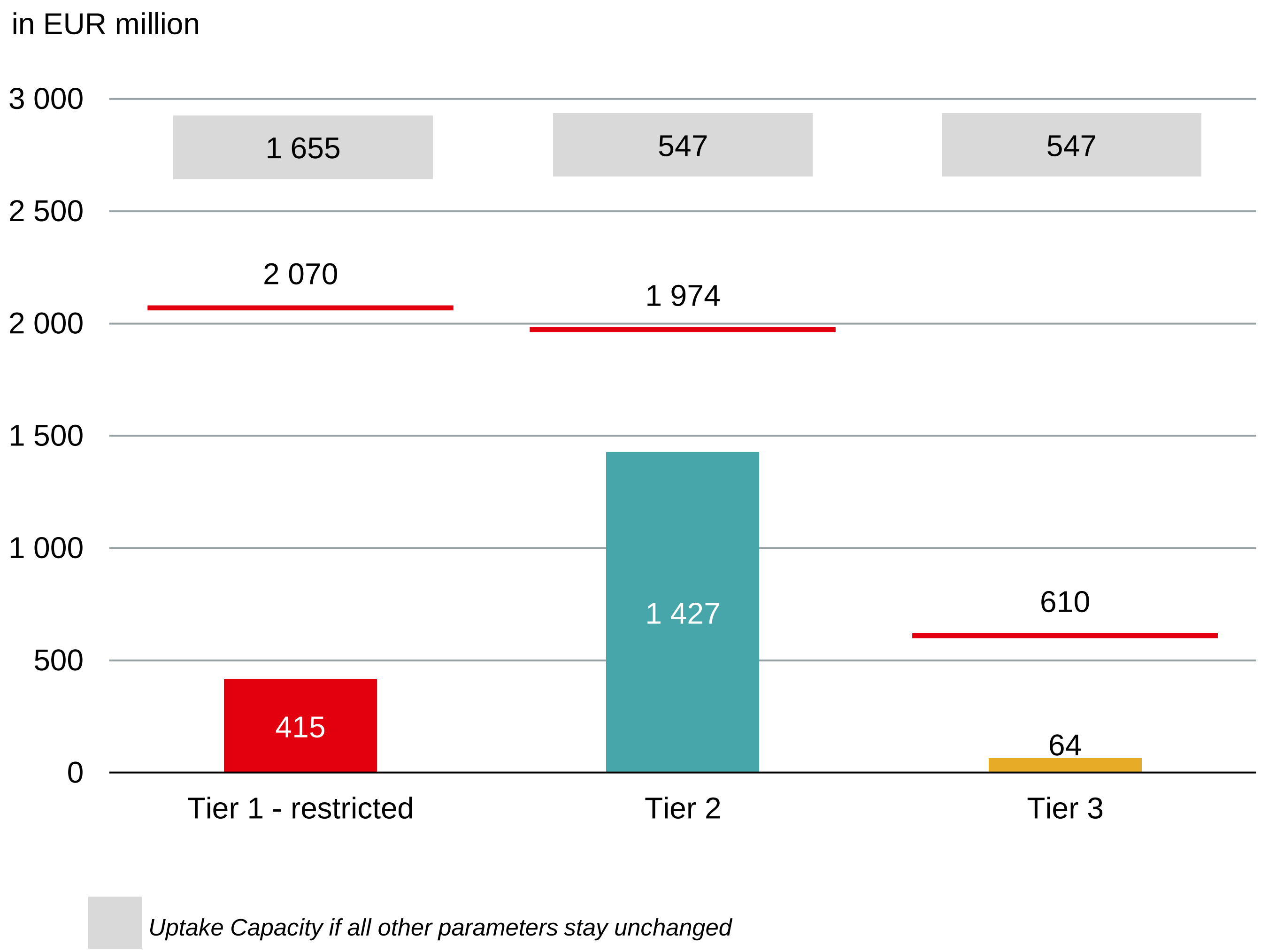


Note: Risk allocation calculated with Euler method based on risks net after diversification

OWN FUNDS (I)

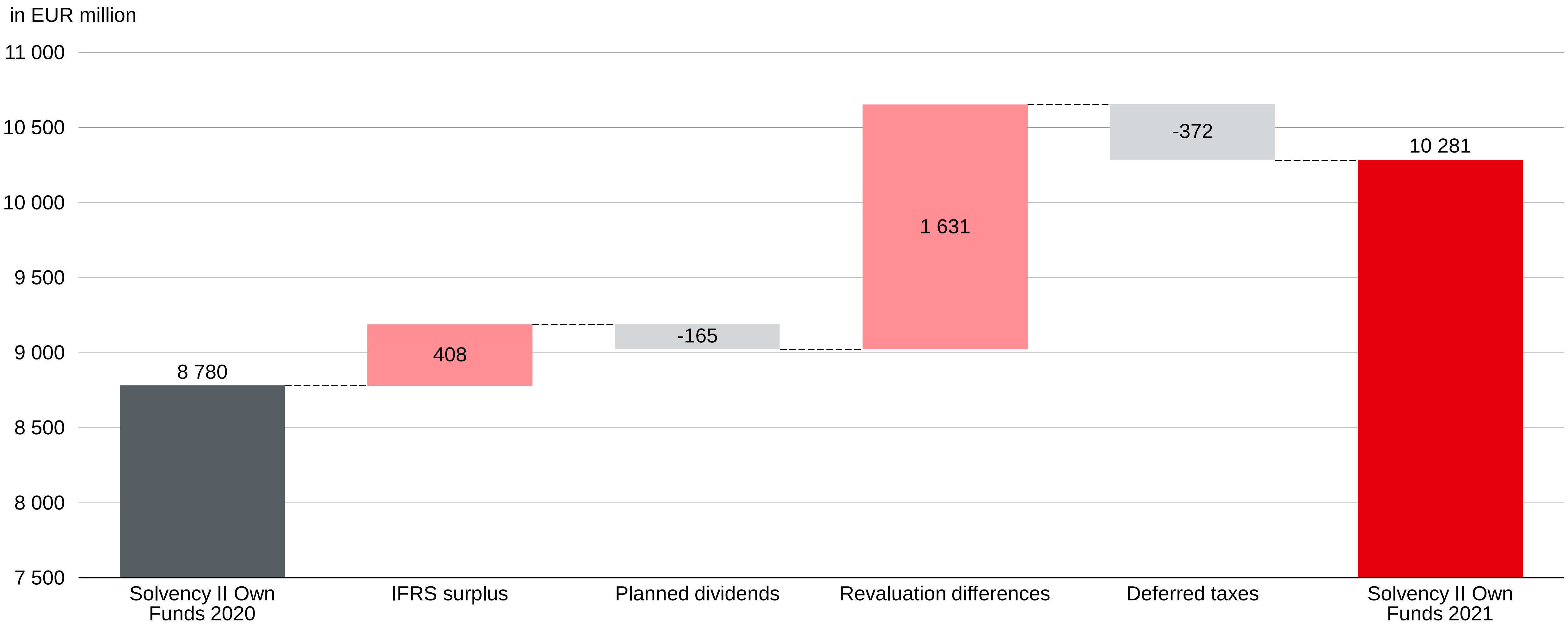
Composition of Own Funds as of 31.12.2021 and uptake capacities for capital measures





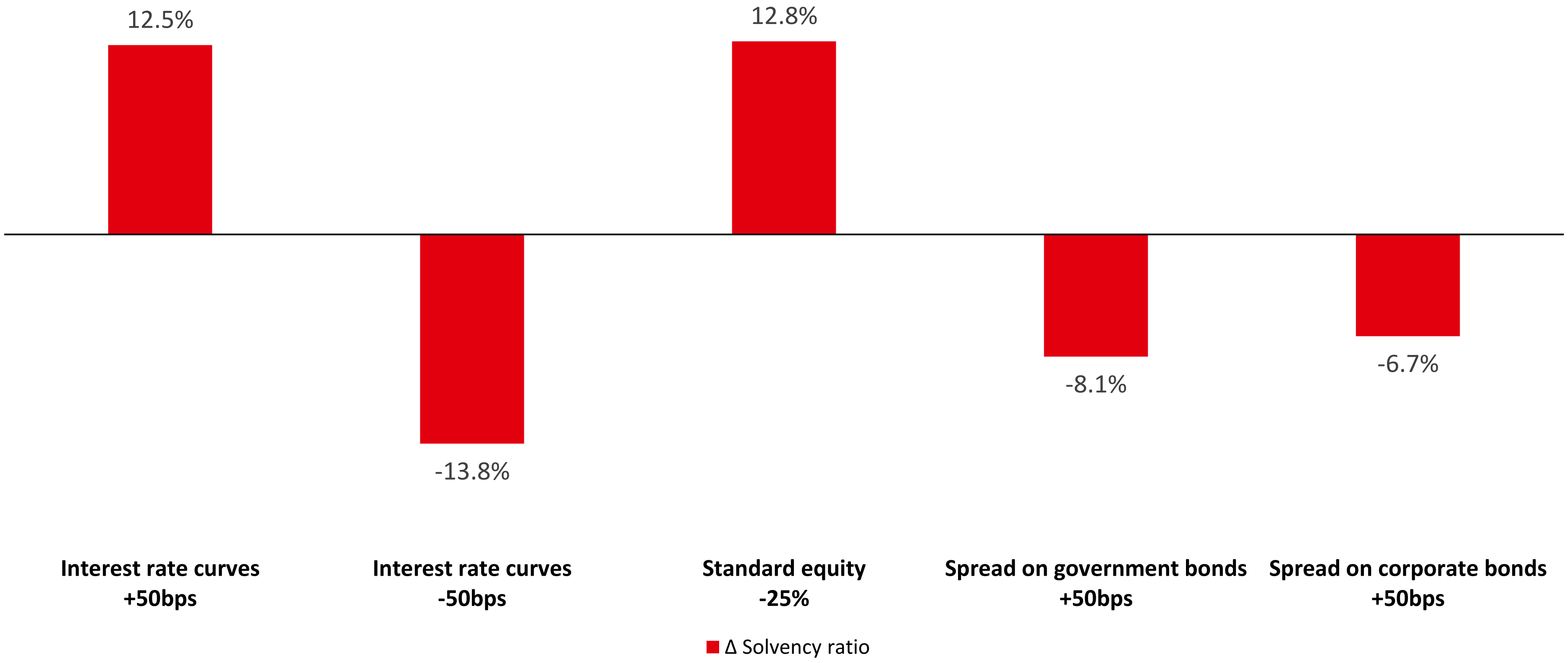
OWN FUNDS (II)

Own Funds 2020 compared to Own Funds 2021



SENSITIVITY ANALYSIS

Market Sensitivities as of 31.12.2021



Interest rate	50 basis points shift of the liquid part of the risk free curve and convergence to UFR
Standard equity	All equity positions except strategic participations (including equities in investment funds) and adjustment of the symmetric adjustment factor
Spreads	Increase of implied spreads of all corporate / government bonds (including corporate / government bonds in investment funds)

ADDITIONAL INFORMATION

OVERVIEW AND RATIONALE FOR TRANSITIONALS

Solvency ratio of
215%
excl. transitionals

- VIG uses a Partial Internal Model for non-life risk, health similar to non-life risk and property risk
- EIOPA standard model used for remaining risk types
- VIG uses volatility adjustment in selected markets

Transitionals

- Right for EU insurance companies under Solvency II to apply a transitional deduction to technical provisions subject to prior approval by their supervisory authority
- That deduction may be applied at the level of homogenous risk groups and decreases lineary to 0% on January 2032
- Positive effects on own funds and capital requirement and consequently on the solvency ratio

Solvency ratio of
250%
incl. transitionals

- Provides flexibility in case of future significant short-term adverse events (e.g. capital markets deteriorations)
- Transitional measures on technical provisions applied for group companies with larger life portfolios with guarantees
- Capital steering will continue to focus on current approach: emphasis on solo solvency ratios of respective group companies excl. transitional measures

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