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World Bank Group member IFC invests in Ukrainian VIG companies USG and Kniazha

Vienna Insurance Group strengthens its position in Ukraine

The International Finance Corporation (IFC), a member of the World Bank Group, will acquire a stake in the Ukrainian non-life insurance companies of Vienna Insurance Group (VIG) through a capital increase. With the support of the IFC, their product portfolios are to be expanded and their digitalisation strategies accelerated. Building on its existing partnerships with AON and Lloyd's, VIG also intends to play an active role in the reconstruction of Ukraine after the end of the war.

As a member of the World Bank Group, IFC uses its capital and expertise to support economic growth and poverty reduction in developing and emerging countries with the help of the private sector. It has been working with VIG for several years. *"We have been working with the IFC since the end of 2022, when it acquired a stake in our Bulgarian pension fund Doverie. While the focus in Bulgaria is on expanding the pension fund business to strengthen capital-funded pension provision and combat poverty in old age, extending insurance cover in Ukraine is essential for the future reconstruction of the country. With IFC and our existing partnerships with AON and Lloyd's, we are preparing to take an active role in the renewal process of this country"*, emphasises Peter Höfner, Deputy CEO of the Vienna Insurance Group.

Subject to regulatory approvals, IFC will acquire a stake of around 20% in each of the two VIG companies, USG and Kniazha. A corresponding agreement has been signed by IFC, VIG Holding and the two local companies. With the support and comprehensive expertise of IFC as an important partner, VIG plans to promote the growth of the Ukrainian insurance market and further expand its strong position in Ukraine. IFC will support local companies in the development of new products, sales and digitalisation.

Harald Riener, member of the Managing Board of Vienna Insurance Group and Managing Board member responsible for Ukraine, comments on the newly concluded cooperation agreement: *"We see IFC's investment in our Ukrainian companies not only as a sign of confidence and recognition of our expertise in the Ukrainian market. It is also a commitment to the country and its great potential, which both IFC and we continue to see. Ukraine is and will remain part of our core market CEE. We are very proud of the immense resilience of our Ukrainian colleagues, whose unwavering commitment ensures the stability and profitability of the companies despite the difficult war conditions. Together with the IFC, we are leveraging the expertise of our teams and partners in the country to provide high demanded insurance solutions for the country's reconstruction once the war hopefully comes to an end soon."*

Vittorio Di Bello, IFC's Director of the Financial Institutions Group for Europe, Latin America and the Caribbean, says: *"By safeguarding critical sectors — with a focus on transport, logistics, energy, agriculture, housing, and health — the insurance industry can help protect assets, manage risks, and enable growth. IFC's equity investment in the Ukrainian insurance companies injects scarce long-term capital into the sector, sending a strong signal of confidence in its resilience and giving the private sector the stability needed to weather challenging conditions and drive recovery."*

VIG has been operating in Ukraine for 21 years. With a current market share of 11%, VIG is number two in the market. The three VIG companies USG, Kniazha and Kniazha Life achieved a premium volume of EUR 128 million in 2024.

Caption (Copyright Marlene Fröhlich | luxundlumen.com): Joint contract signing by IFC, VIG Holding and the Ukrainian VIG companies USG and Kniazha. From left to right: Pavel Nelga (USG), Peter Höfinger (VIG), Vittorio Di Bello (IFC), Harald Riener (VIG), Dmytro Grytsuta (Kniazha).

Vienna Insurance Group (VIG) is the leading insurance group in the entire Central and Eastern European (CEE) region. More than 50 insurance companies and pension funds in 30 countries form a Group with a long-standing tradition, strong brands and close customer relations. Around 30,000 employees in VIG take care of the day-to-day needs of around 33 million customers. VIG shares have been listed on the Vienna Stock Exchange since 1994, on the Prague Stock Exchange since 2008 and on the Budapest Stock Exchange since 2022. VIG Group has an A+ rating with positive outlook by the internationally recognised rating agency Standard & Poor's. VIG cooperates closely with the Erste Group, the largest retail bank in Central and Eastern Europe.

IFC — a member of the World Bank Group — is the largest global development institution focused on the private sector in emerging markets. IFC works in more than 100 countries, using the capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2025, IFC committed a record \$71.7 billion to private companies and financial institutions in developing countries, leveraging private sector solutions and mobilizing private capital to create a world free of poverty on a livable planet. For more information, visit www.ifc.org.

Disclaimer

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

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