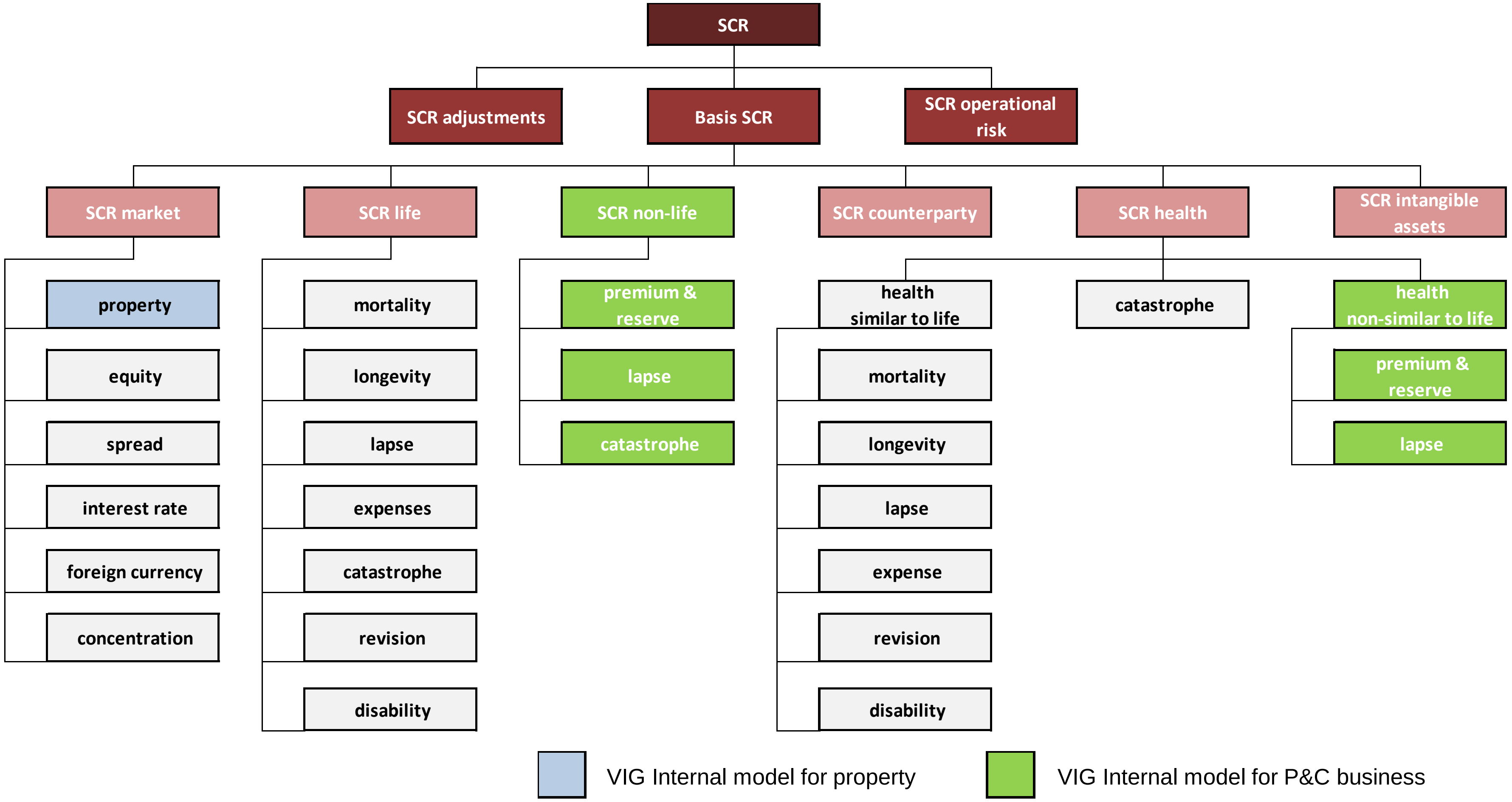
SOLVENCY DISCLOSURE 2020

Vienna Insurance Group

SOLVENCY CAPITAL REQUIREMENT (SCR) OVERVIEW

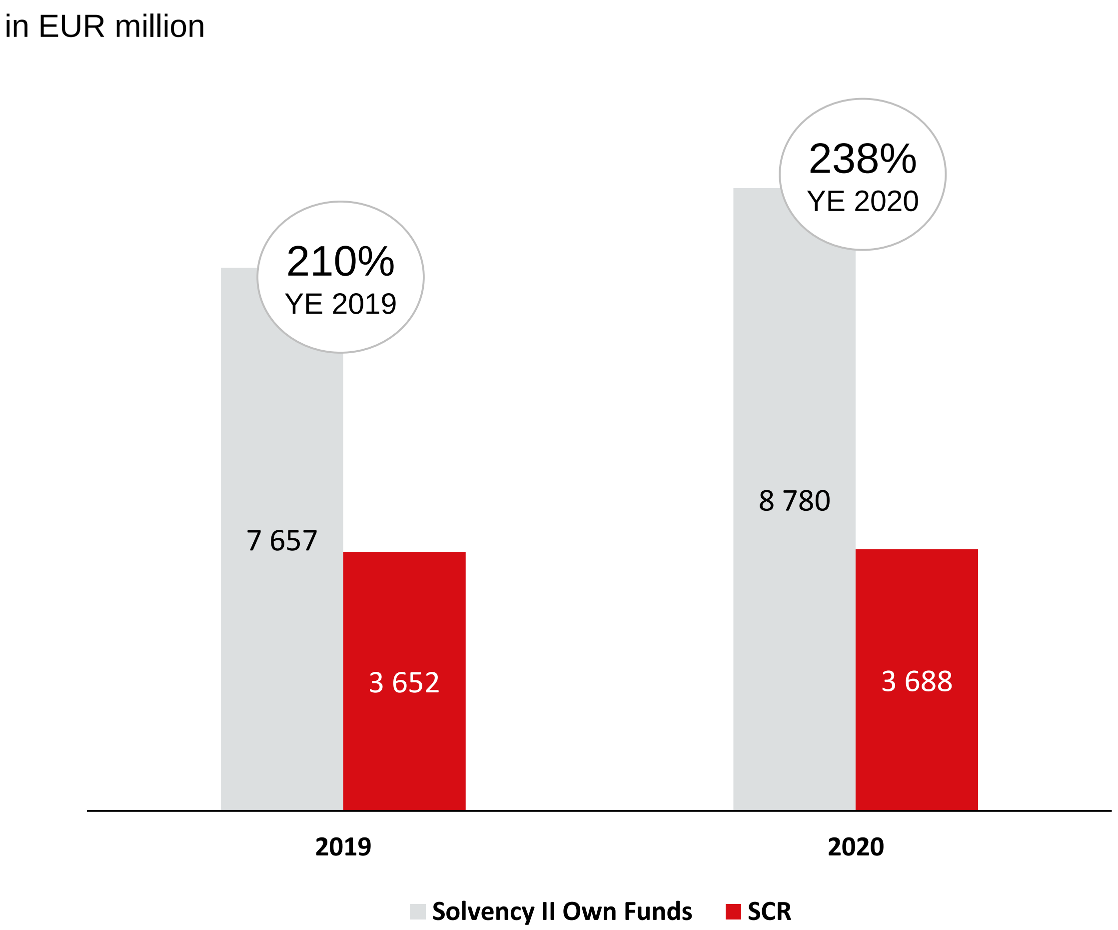
Standard Formula and Partial Internal Model



- 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 2020 AT 238%

Solvency Position YE 2020 compared to YE 2019



VIG AG in EUR million	31.12.2019	31.12.2020
Solvency capital requirement	**3 652**	**3 688**
Market risk	3 294	3 133
Counterparty default risk	353	330
Life underwriting risk	1 497	1 410
Health underwriting risk	564	605
Non-life underwriting risk	749	707
Intangible asset risk	0	0
Diversification	-1 945	-1 878
Basic solvency capital requirement	**4 512**	**4 307**
Operational risk	325	322
Loss-absorbing capacity of technical provisions	-854	-498
Loss-absorbing capacity of deferred taxes	-435	-553
Capital requirement for other financial sectors	34	41
Capital requirement for non-controlled participations	16	16
Capital requirement for residual undertakings	56	54
Eligible own funds	**7 657**	**8 780**
Solvency ratio	**210%**	**238%**

SOLVENCY CAPITAL REQUIREMENT

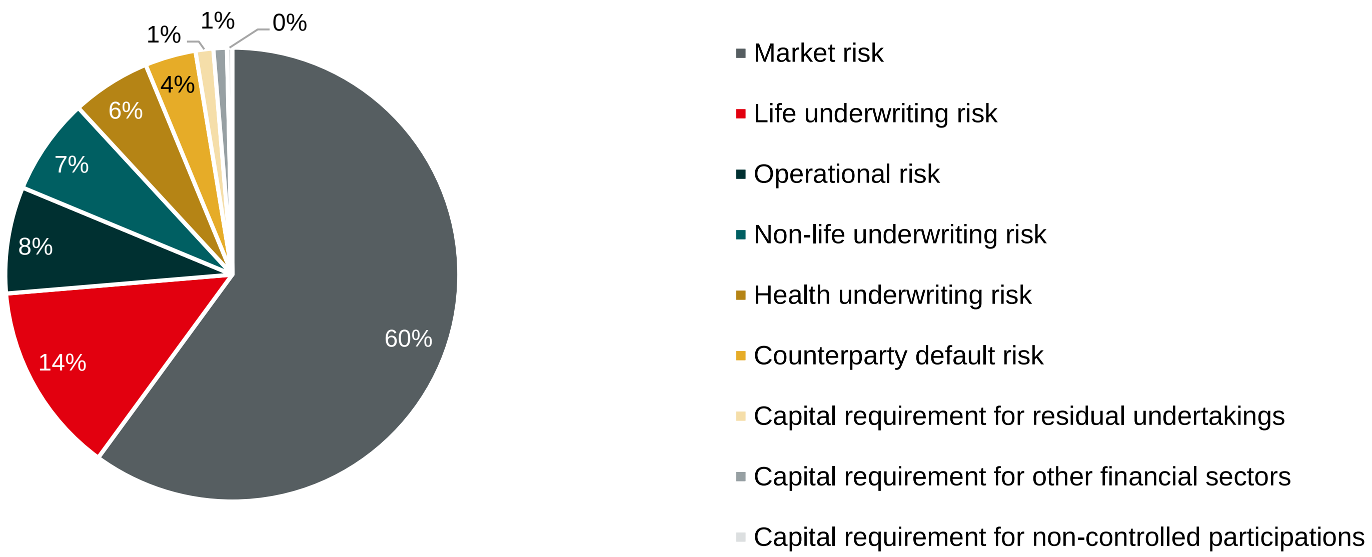
Allocation of Solvency Capital Requirement calculated with the Partial Internal Model

- **Market risk accounts for 60% of total solvency capital requirement**
  - 69% of total market risk consists of spread risk and equity risk
  - Interest rate risk and currency risk make up almost one fourth of total market risk

- **Life underwriting risk contributes to the total solvency capital requirement with 14%**
  - 61% of life underwriting risk derives from lapse risk
  - Second biggest driver is life expense risk with 26% of total life underwriting risk

- **Operational risk ranks third with 8% of total solvency capital requirement**

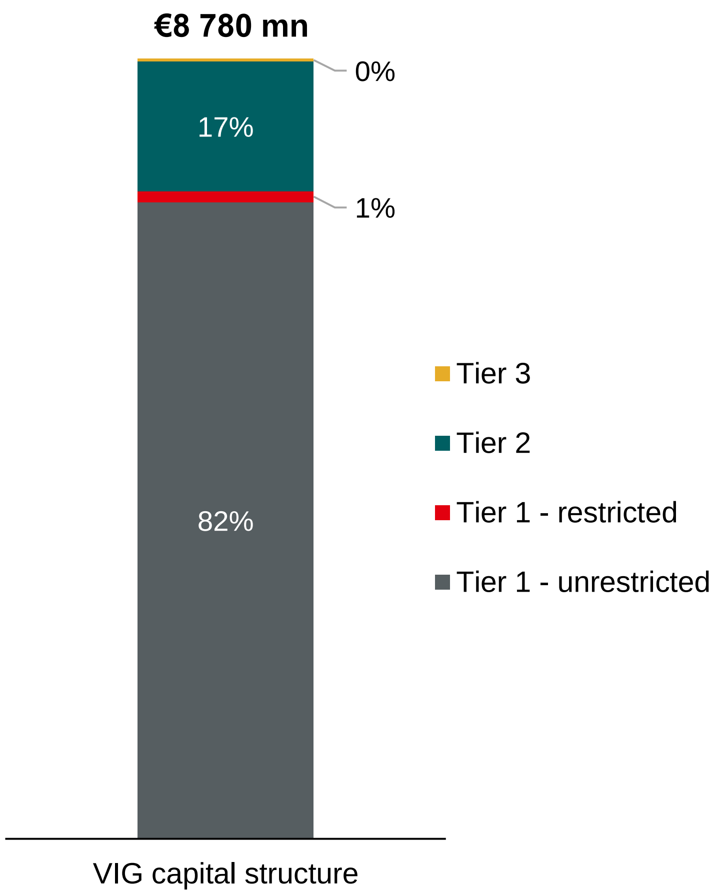
- **Non-life underwriting risk and health underwriting risk together correspond to 13% of total solvency capital requirement**



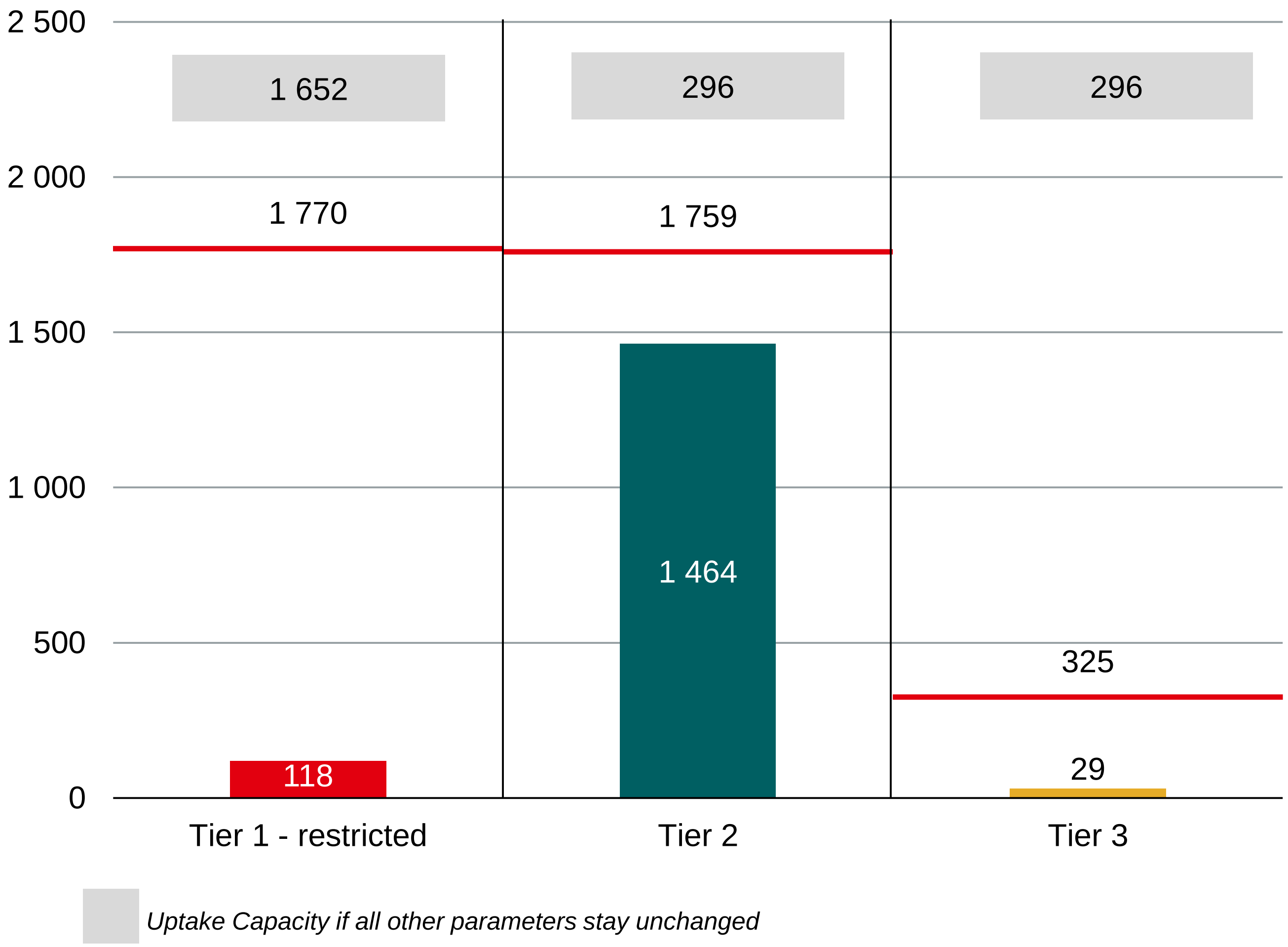
Note: Risk allocation calculated with Euler method based on risks net after diversification

OWN FUNDS (I)

Composition of Own Funds as of 31.12.2020 and uptake capacities for capital measures

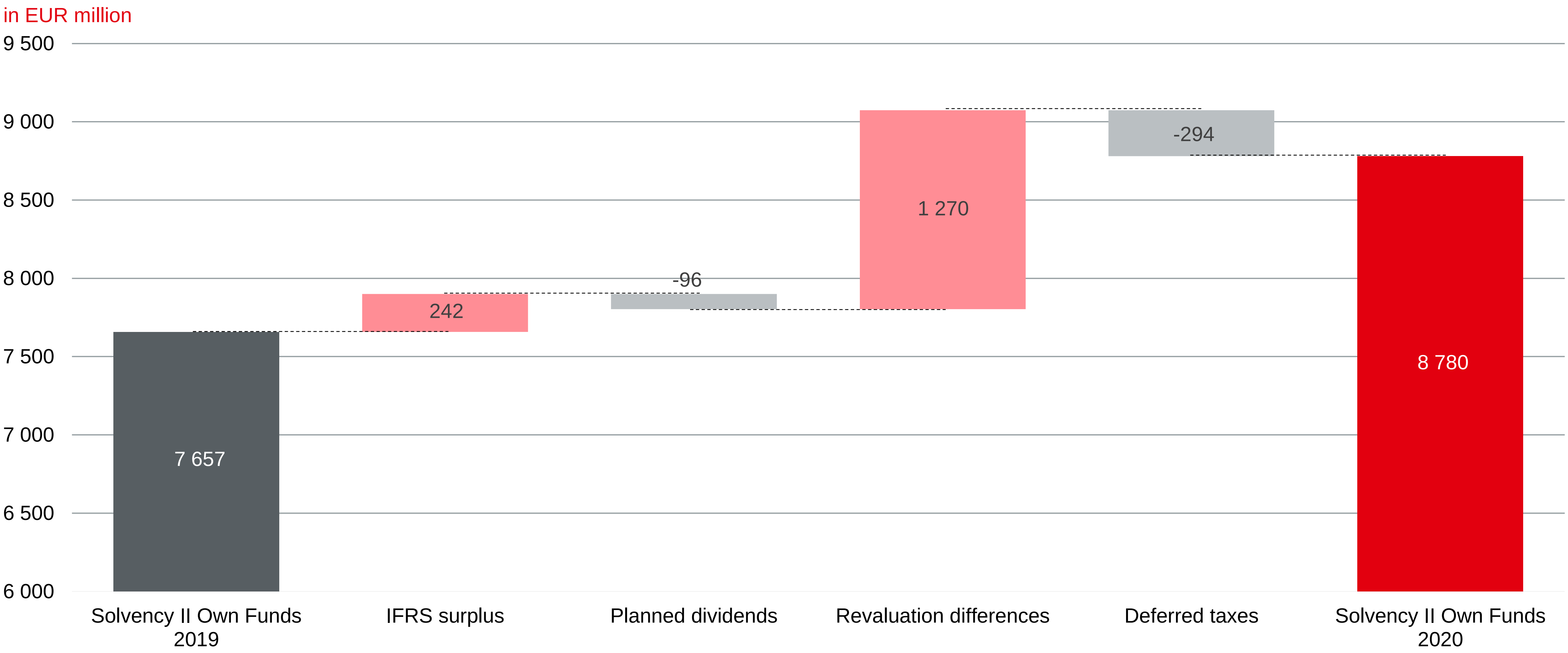


in EUR million



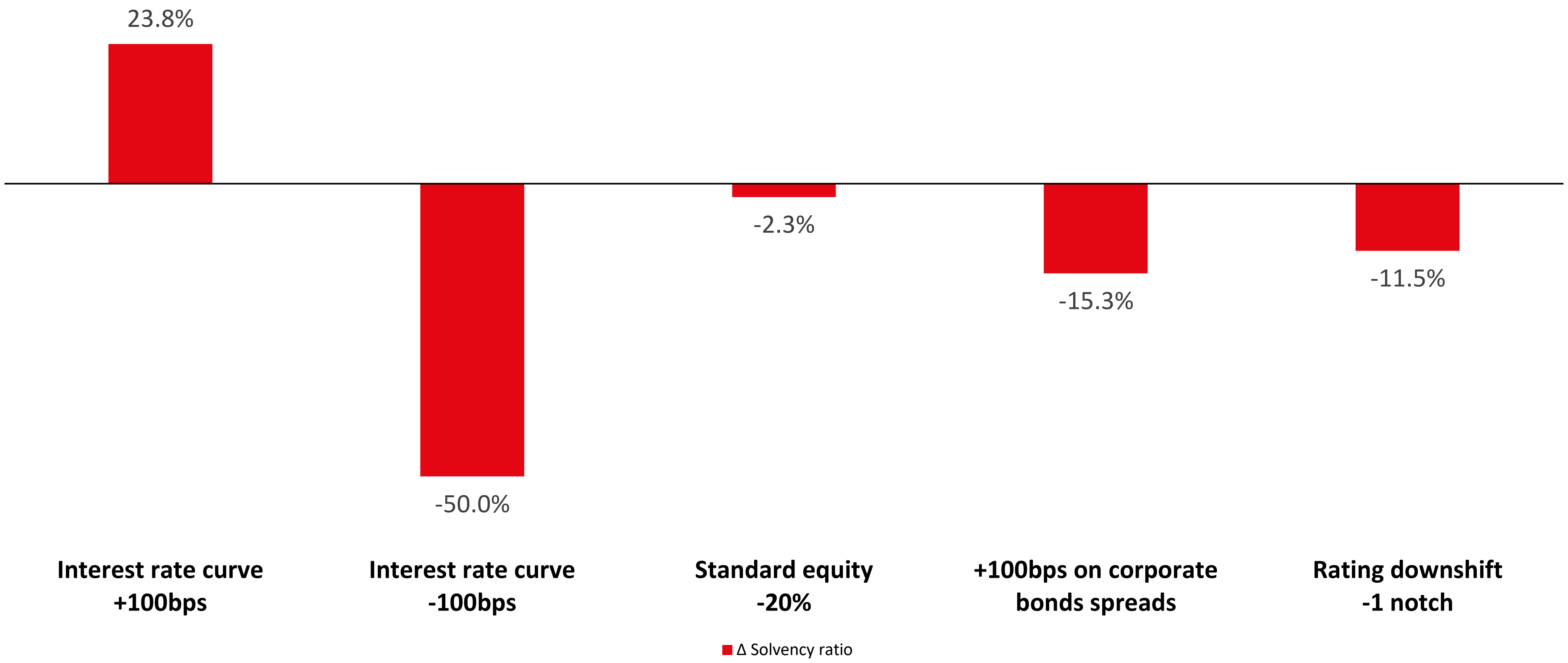
OWN FUNDS (II)

Own Funds 2019 compared to Own Funds 2020



SENSITIVITY ANALYSIS

Market Sensitivities as of 31.12.2020



Interest rate	100 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)
Spreads	Increase of implied spreads of all corporate bonds (including corporate bonds in investment funds)
Rating downshift	Application of downshift of 1 notch to all rated investments

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ADDITIONAL INFORMATION

OVERVIEW AND RATIONALE FOR TRANSITIONALS

Solvency ratio of
195%
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 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
238%
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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