VIENNA INSURANCE GROUP

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Vienna Insurance Group reports double-digit premium growth in first quarter of 2023

The Group's solvency ratio is an impressive 284%

Vienna Insurance Group (VIG) continues to be on a growth path in the first quarter of 2023. Premiums written according to IFRS 4 increased by 12.1% to EUR 3,871 million compared to the same quarter of the previous year. Despite numerous economic and geopolitical uncertainties, VIG remains cautiously optimistic for 2023 as a whole and still aims for a positive operating performance.

Premium growth across all segments

In the first quarter, VIG Group generated a total premium volume of EUR 3,871 million. This corresponds to an increase of 12.1% compared to the same period of the previous year. The increase can be attributed both to very good business development in the CEE markets and to the initial consolidation of the acquired Aegon Group companies in Hungary and Türkiye. Even without the initial consolidation of these companies, the premium growth is 7.1%. All VIG segments (Austria, Czech Republic, Poland, Extended CEE, Special Markets and Group Functions) achieved premium increases.

Solid premium growth of 2.1% to EUR 1,400 million in Austria and of 7.1% to EUR 624 million in the Czech Republic is primarily due to growth in property and casualty insurance and health insurance. In Poland, the growth drivers were motor own damage, property and casualty insurance and life single premium business. Poland reported premium growth of 14.6% to EUR 386 million. In the Extended CEE segment (Albania incl. Kosovo, the Baltic States, Bosnia-Herzegovina, Bulgaria, Croatia, Moldova, North Macedonia, Romania, Serbia, Slovakia, Ukraine and Hungary), premium increase of 16.5% to EUR 1,038 million can be ascribed in part to the Baltic States and the initial consolidation of the Aegon company acquired in Hungary. In the Special Markets segment (Germany, Liechtenstein, Georgia and Türkiye), premium growth of 85.1% to EUR 282 million is attributable almost exclusively to Türkiye, due both to the initial consolidation of the former Aegon company Viennalife and to an increase in premiums in the existing VIG company Ray Sigorta. The 11.6% growth in premium volume in the Group Functions segment to EUR 736 million is primarily due to continuing strong premium development in the reinsurance company VIG Re.

All of the figures and comparisons stated above are still based on premiums recognised in accordance with IFRS 4. With effect from the first half of 2023, VIG Group will for the first time publish financial figures in accordance with IFRS 17/9.

Outstanding solvency ratio

The Group's solvency ratio at the end of the first quarter of 2023 is 284% (including transitional measures), remaining stable against the figure of 280% at the end of 2022. This once again underscores the extraordinary capital strength and the resilience of VIG Group.

Positive operating performance aimed for 2023

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 conflict still cannot be predicted, and its effects continue to be felt by all sectors. Inflation, which remains at a high level, will likewise affect future business development. The fall in real-terms income despite adjustments for inflation could lead to a decline in demand for insurance coverage among consumers in some cases.

VIG Group continues to be exposed to a volatile capital market. The situation on the labour market has become more acute. The lack of sufficient and suitable labour is having an impact on almost all industries and sectors of the economy. *"The macroeconomic developments are presenting challenges for us, which we can largely tackle through operational and strategic measures. Given all these challenges, we benefit from our excellent capitalisation and our diversity in terms of regions, products and distribution channels. The current economic growth forecasts for our core market are encouraging. Despite the war in Ukraine, the economies in the CEE region are showing resilience. Although we are seeing weaker economic growth in this region, we expect stronger growth for 2023 as a whole to outstrip that in the eurozone. VIG Group is definitely aiming for a positive operating performance for 2023",* explains Elisabeth Stadler, CEO of Vienna Insurance Group.

Information on reporting

Reporting for the first and third quarters does not constitute interim reporting within the meaning of international accounting standard IAS 34.

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 29,000 employees in the VIG take care of the day-to-day needs of around 28 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. The VIG Group has an A+ rating with stable 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.

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