

# VIENNA INSURANCE GROUP

## Investor Presentation



Frankfurt, April 2024



# WE ARE A WELL DIVERSIFIED AND SOLIDLY CAPITALISED INSURANCE GROUP WITH CONTINUOUS DIVIDEND PAYOUTS SINCE 1994

Represented in

# 30

markets

More than

# 50

insurance companies and pension funds

Around

# 29,400

employees serve ~32mn customers

S&P Rating

# A+

with stable outlook

Solvency Ratio

# 269%

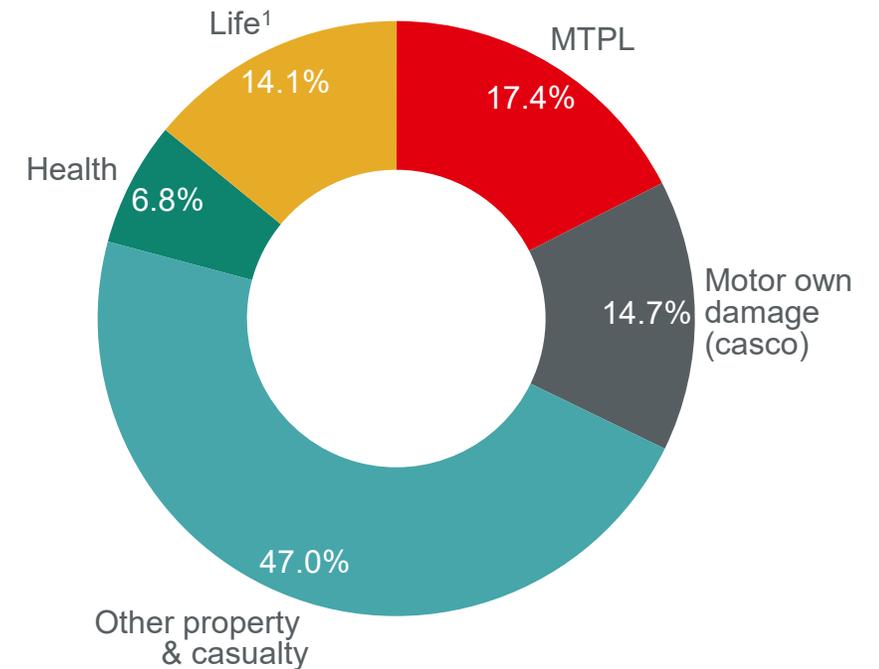
as of 31 December 2023

Proposed dividend per share for 2023:

# €1.40

Continuous dividend payout since 1994

Insurance service revenue of € 10.9bn



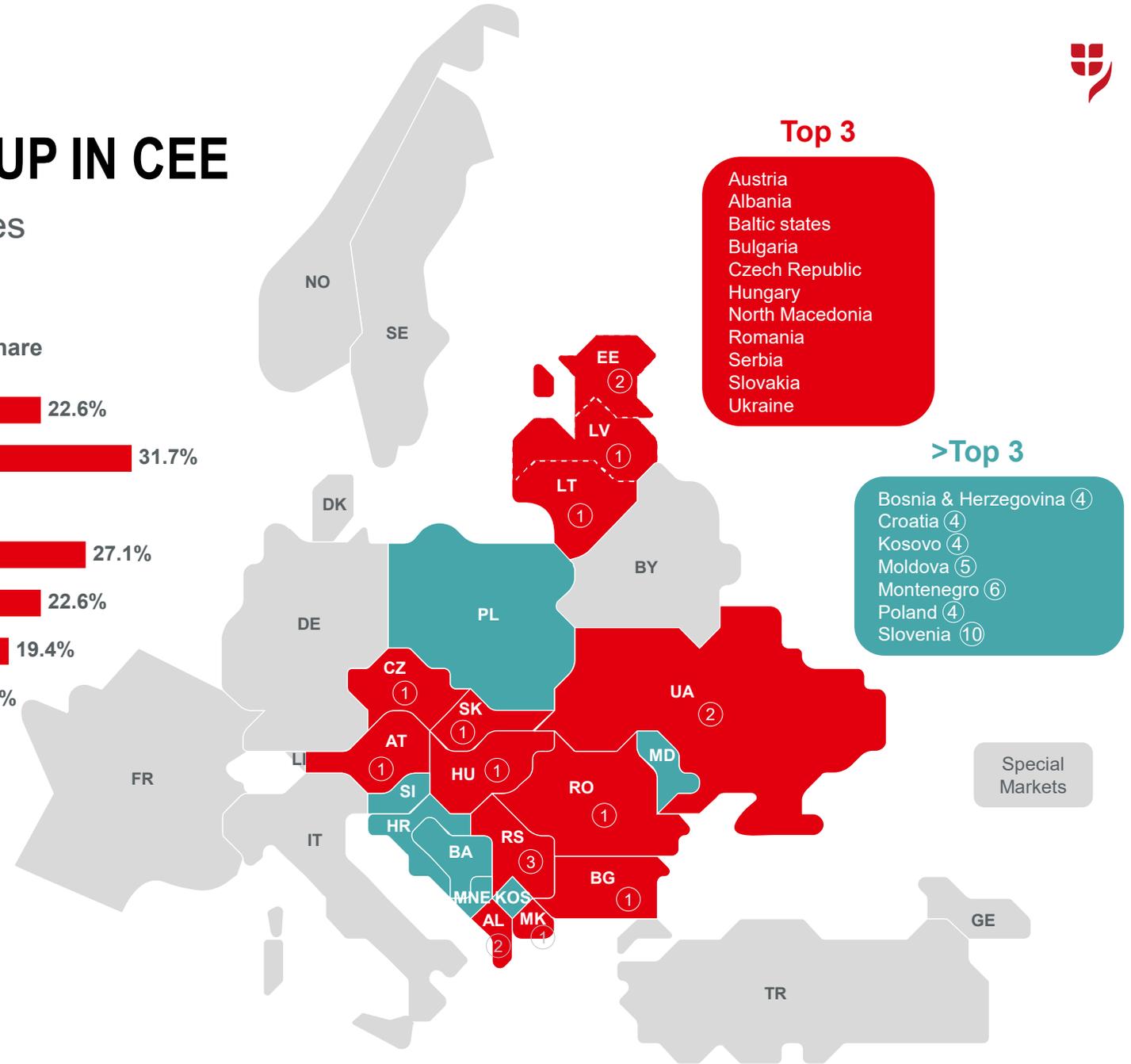
<sup>1</sup> Life insurance is divided into life with profit participation (7.8%), life without profit participation (5.4%) and unit- & index-linked life (0.9%)



# VIG – LEADING INSURANCE GROUP IN CEE

VIG as early mover with excellent market shares

Country	Market positions			Total Market Share
	Non-life	Life	Total	
Austria	1	1	1	22.6%
Czech Republic	1	1	1	31.7%
Poland	4	5	4	8.9%
Slovakia	2	1	1	27.1%
Romania	1	2	1	22.6%
Hungary	1	1	1	19.4%
Bulgaria	3	2	1	13.6%
Ukraine	2	6	2	11.5%



VIG operating in:

**20 Core Markets** + **10 Special Markets**

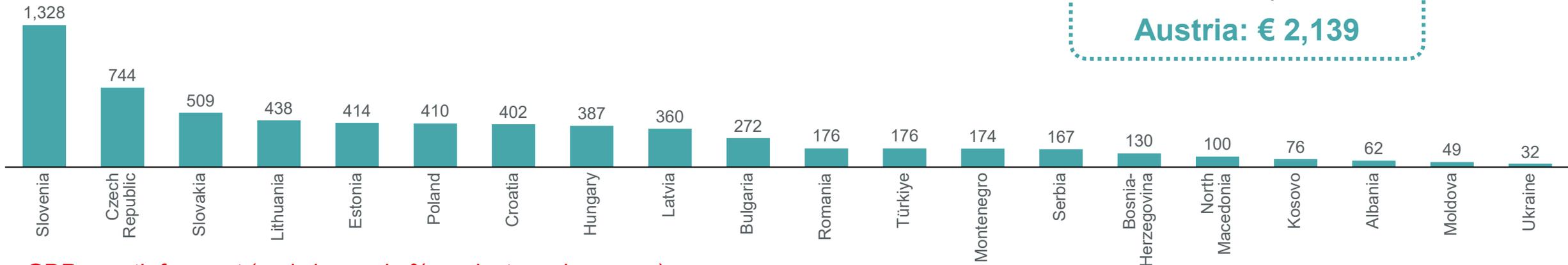
Source: local authorities; FY 2022 data (Ukraine Q3 2022)



# TAKING ADVANTAGE OF THE LONG-TERM GROWTH POTENTIAL IN CEE

Annual insurance spending as indicator for growth potential

Insurance density 2022 (premiums per capita, in €)



Insurance density in 2022 in  
**Austria: € 2,139**

GDP growth forecast (real change in % against previous year)



Source: VIG internal calculation (July 2023); wiiw Winter Forecast Update (January 2024)

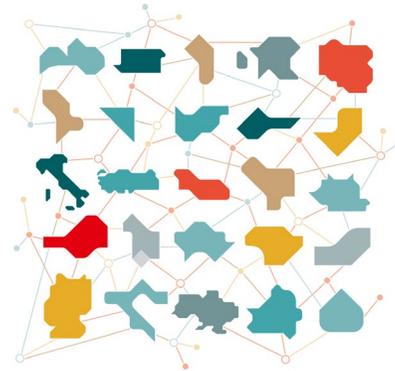
2024 2025 2026

# OUR SUCCESS IS FOUNDED ON A DIVERSIFIED AND RESILIENT BUSINESS MODEL BASED ON PROVEN MANAGEMENT PRINCIPLES



## Local entrepreneurship

- Knowledge of local needs and markets
- Decentralised structures & efficient decision-making procedures
- VIG Holding responsible for steering the Group



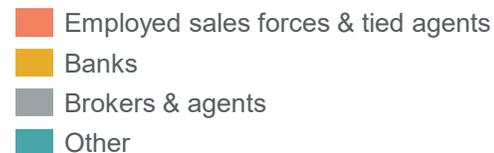
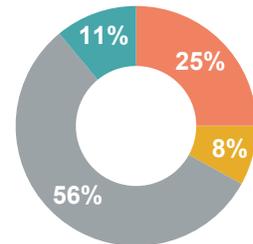
## Multi-brand policy



- Utilisation of established local brands → Local identification through market-specific brand(s)
- “Vienna Insurance Group” underlines the Group’s internationality and strength

## Multi-channel distribution

- Various distribution channels (incl. partnership with Erste Group)
- Strongly customer-oriented distribution



## Conservative investment and reinsurance policies



2023

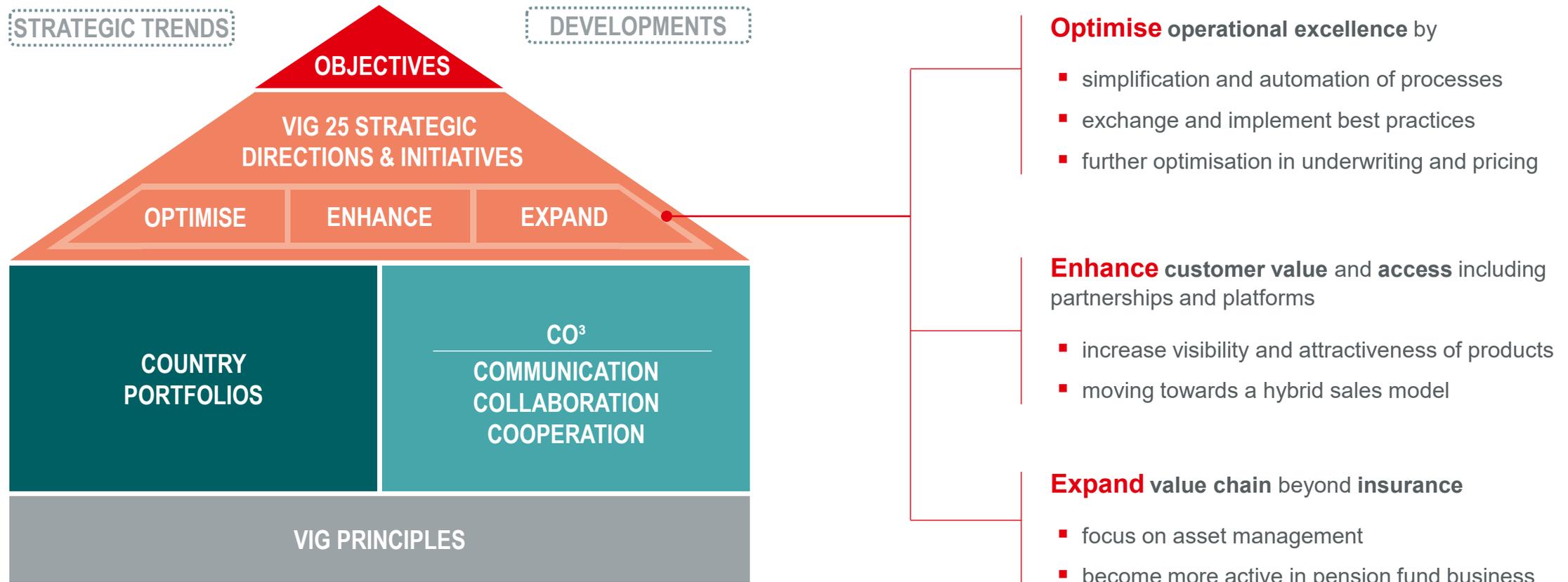
Investments held at VIG’s own risk

- Focus on secure and sustainable investments
- Spreading risk by means of diversification



# VIG 25 STRATEGIC PROGRAMME SECURES FURTHER DYNAMIC DEVELOPMENT

Initiatives and projects to optimise, enhance and expand VIG's business model





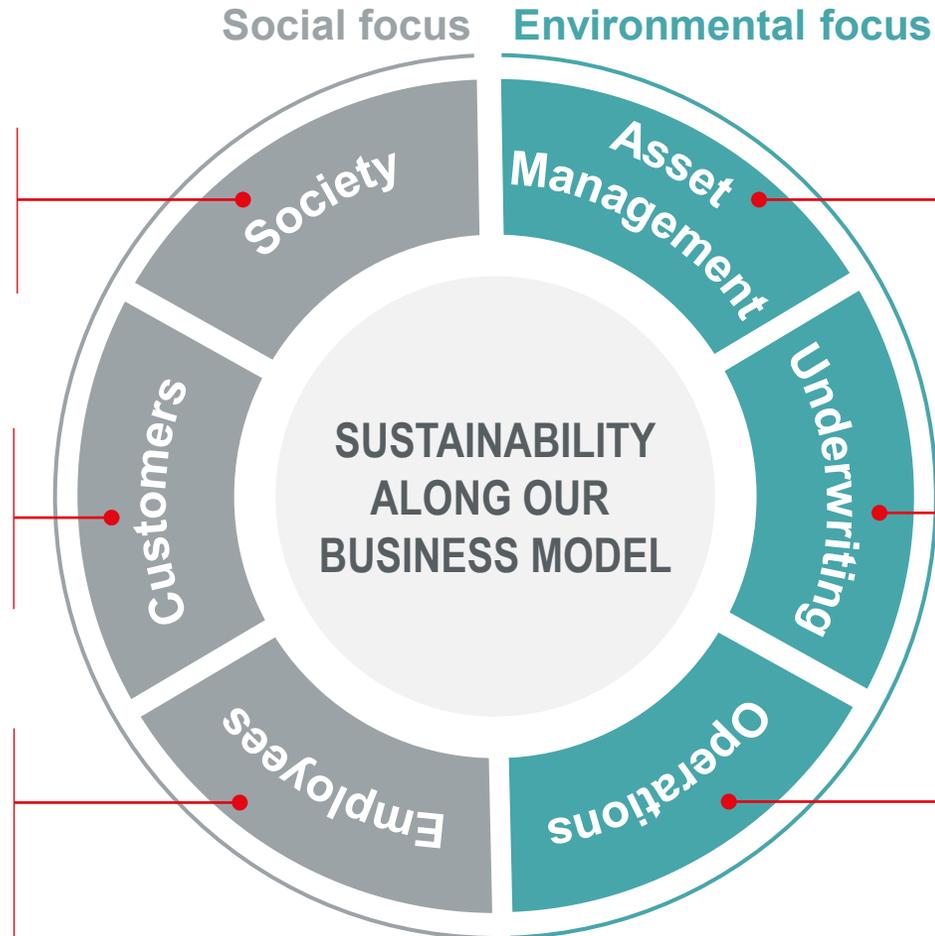
# GROUP-WIDE SUSTAINABILITY PROGRAMME COMPLEMENTS

## VIG 25 STRATEGIC PROGRAMME

Sustainability in VIG means creating economic value today without doing so at the expense of tomorrow

### Objectives

- Promote **risk literacy**
- Grow **corporate volunteering**
- Focus on **customer satisfaction**
- Close the **protection gap**
- **Attractive employer** with equal opportunities for all
- **Employee focus**



### Objectives

- Reduce **emissions** of investment portfolio to **net zero** by 2050
- Reduce **emissions** of corporate and retail underwriting portfolios to **net zero** by 2050
- Increase the **share of sustainable products**
- **Climate neutral** operation of our offices by 2030, **net zero** by 2050



# ACHIEVEMENTS IN 2023

## Sustained development in the VIG 25 Strategic Programme

### VIG 25

- Customer Experience (CX) Competence Centre for VIG established and CX measurement approach for annual measurement defined
- VIG launched cashback system for responsible driving in the Czech Republic as part of its ecosystem motor
- First VIG Innovation Day took place in 2023 and a new VIG Xelerate platform got launched
- VIG started Global Assistance in Croatia
- Group Sustainability Office (GSO) and Sustainability Committee established
- Risk competence study conducted in 9 CEE countries as basis for targeted activities to increase risk literacy in the CEE region

### M&A

- Acquisition of Slovakian pension fund company 365.life by Kooperativa
- Closing of the acquisition of the Polish and Romanian entities of the former Aegon CEE business
- Increasing the stake in the Hungarian business to 90%
- Merger of Polish Group companies underway to strengthen market position in Poland



# STRONG KEY PERFORMANCE INDICATORS OF VIG

Solid results and proof of resilience again in 2023

## Insurance service revenue

**€ 10,921.8mn**

- Revenue up by 12.2%
- 12M 2022: € 9,737.6mn

## Profit before taxes

**€ 772.7mn**

- Significant PBT increase by 31.9%
- 12M 2022: € 585.7mn

## Net Combined Ratio (P&C)

**92.6%**

- Net COR improved by 0.2pp
- 12M 2022: 92.8%

## Earnings per share

**€ 4.31**

- Net profit after taxes and non-controlling interests 2023 of € 559.0mn
- 31/12/2022: € 3.63

## Operating Return on Equity

**15.1%**

- 31/12/2022: 11.6%

## Solvency Ratio

**269%**

- Own funds: € 10,345mn
- SCR: € 3,847mn
- 12M 2022: 280%



# DIVIDEND PROPOSAL OF € 1.40 PER SHARE

Attractive dividend yield in line with the industry

	2023	2022	2021	2020
Earnings per share	€ 4.31	€ 3.63 <sup>2</sup>	€ 2.94	€ 1.81
Dividend per share	€ 1.40 <sup>1</sup>	€ 1.30	€ 1.25	€ 0.75
Dividend yield	5.3% <sup>1</sup>	5.8%	5.0%	3.6%
Year-end share price	26.50	22.35	24.90	20.80

## New dividend policy

- Minimum dividend set at the previous year's level based on capital strength of the Group and to reflect the resilience of the business model
- The dividend is to increase continuously depending on the operating earnings situation

<sup>1</sup> Management proposal, subject to approval of the Annual General Meeting

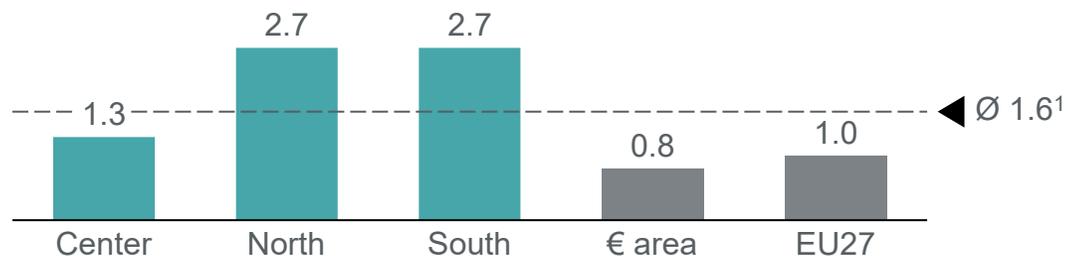
<sup>2</sup> IFRS 17/9 adjusted (reported 2022: € 3.58)

# OUTLOOK 2024

## Positive macroeconomic outlook for CEE

- In 2024, almost all countries are projected to show positive GDP growth, with outlooks significantly better than in 2023
- GDP growth in VIG markets is notably stronger than in the euro area and EU27, being particularly strong in regions South and North, with Center most impacted by Austria
- Growth outlooks for Austria, Baltics, Romania and Germany deteriorated since last forecast in fall

## Forecast GDP growth 2024 (real change in % vs 2023)



Source: wiiw Winter Forecast Update (January 2024)

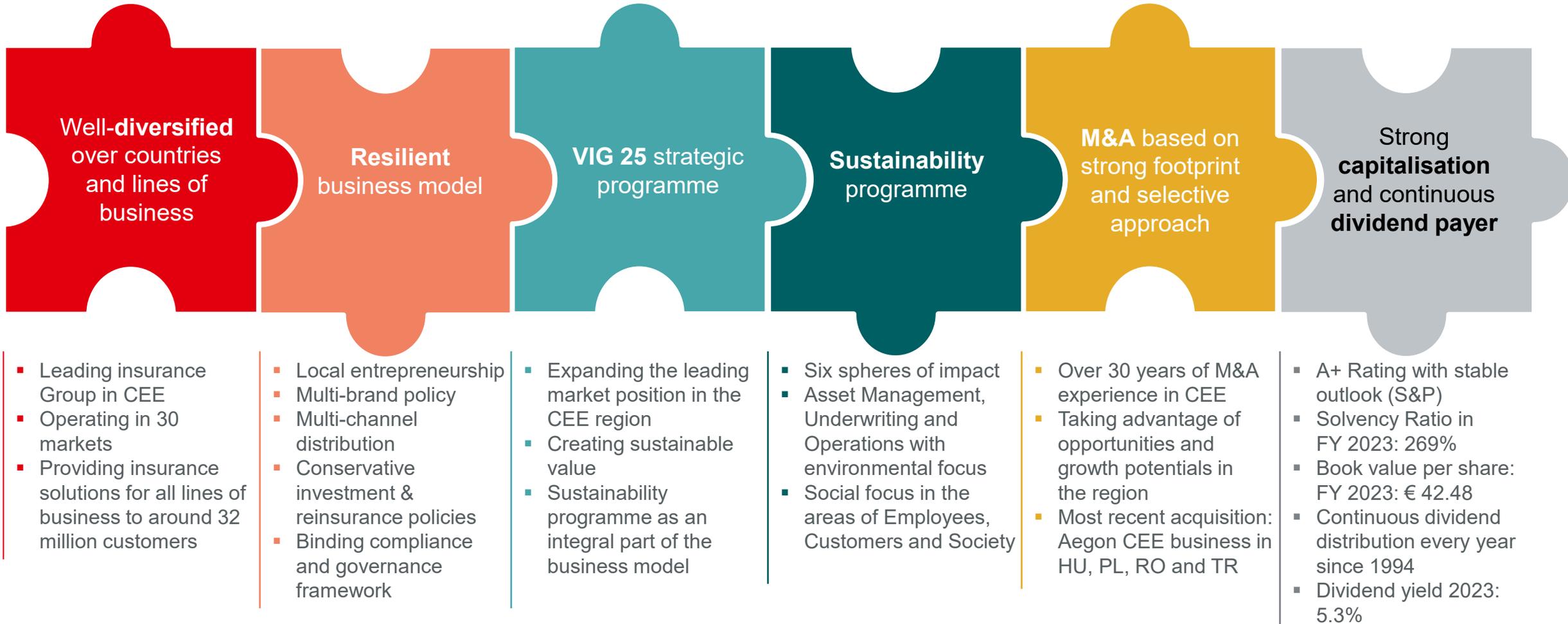
<sup>1</sup> VIG GDP weighted average, excl. Special markets segment

## VIG expects positive performance for 2024

- VIG has so far managed the impacts of the challenging geopolitical and economic conditions very well and continues to focus on its success factors of continuity, stability and diversity
- On this basis, a positive performance is also expected for 2024 despite the volatile environment

The aim of management is to achieve profit before taxes within a range of € 825 – 875 million in 2024

# VIG IN A NUTSHELL





# 12M 2023 RESULTS

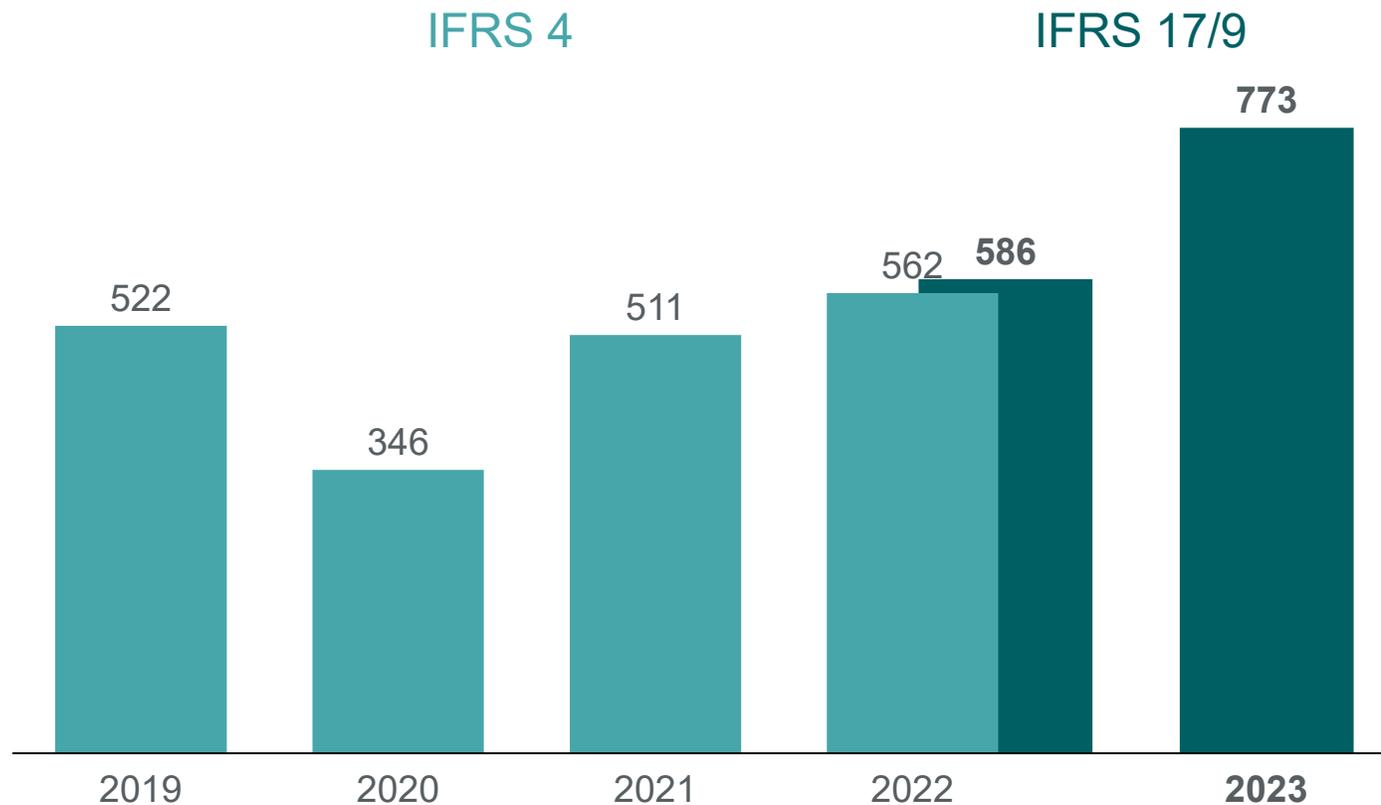
## APPENDIX

Please note that rounding differences may occur  
Comparative figures for 12M 2022 restated due to IFRS 17/9



# SMOOTH TRANSITION FROM IFRS 4 TO IFRS 17/9

Result before taxes (€ mn)



- VIG achieved a smooth transition from IFRS 4 to IFRS 17/9
- Restated result before taxes of € 586mn for the year 2022 due to IFRS 17/9 on a similar level as the under IFRS 4 reported 2022 figure of € 562mn
- Result before taxes for 2023 with strong double-digit growth of 31.9% demonstrates resilience of the VIG business model



# GROUP INCOME STATEMENT

12M 2023 (€ mn)

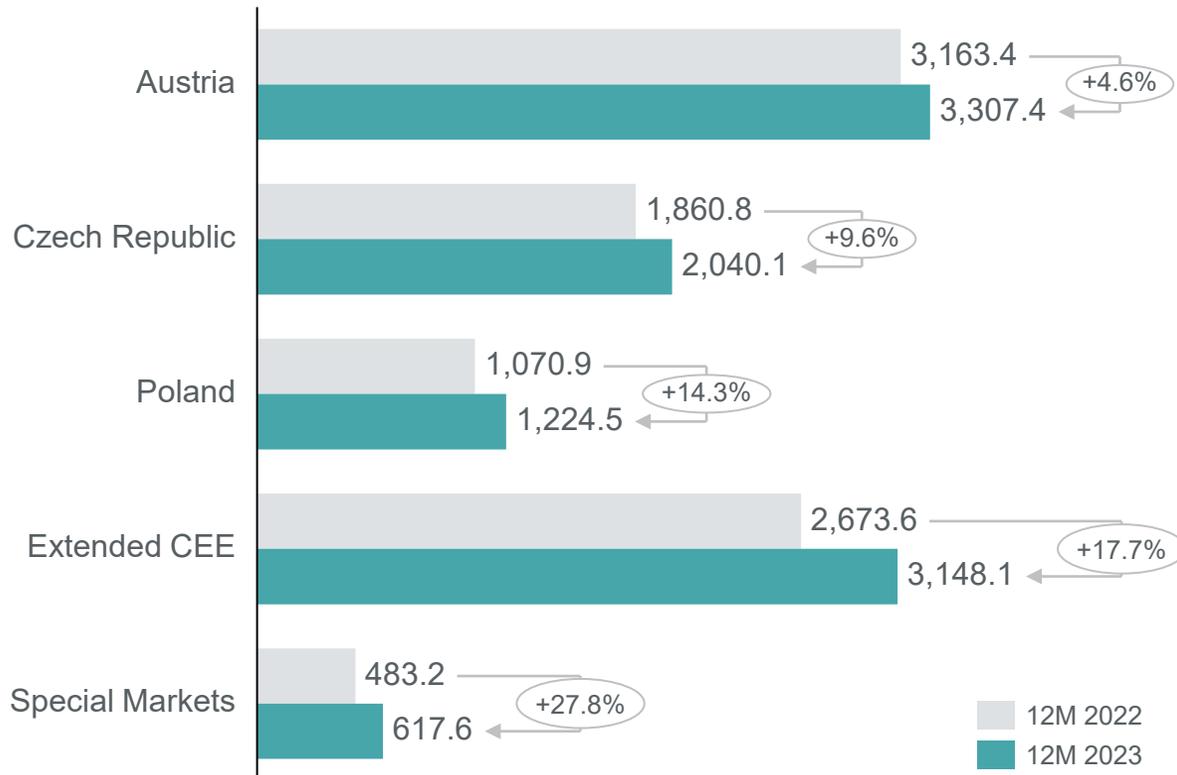
	12M 2023	12M 2022	+/- %
<b>Insurance service result</b>	<b>1,208.1</b>	<b>1,138.8</b>	<b>6.1</b>
Insurance service revenue - issued business	10,921.8	9,737.6	12.2
<i>Insurance service revenue (PAA)</i>	8,531.5	7,516.8	13.5
<i>Expected claims</i>	1,108.1	1,017.7	8.9
<i>Expected directly attributable expenses</i>	557.4	452.8	23.1
<i>Experience adjustment</i>	-48.8	2.9	-
<i>Change of risk adjustment</i>	161.1	157.8	2.1
<i>CSM release</i>	612.6	589.7	3.9
Insurance service expenses - issued business	-9,265.3	-8,525.8	8.7
Insurance service result - reinsurance held	-448.4	-73.0	>100
<b>Total capital investment result</b>	<b>284.3</b>	<b>-12.2</b>	<b>-</b>
<b>Finance result</b>	<b>-98.5</b>	<b>-86.1</b>	<b>14.3</b>
<b>Other income and expenses</b>	<b>-517.9</b>	<b>-406.7</b>	<b>27.3</b>
<b>Business operating result</b>	<b>876.0</b>	<b>633.8</b>	<b>38.2</b>
Adjustments	-103.3	-48.1	>100
<b>Result before taxes</b>	<b>772.7</b>	<b>585.7</b>	<b>31.9</b>
Taxes	-196.4	-121.7	61.4
Non-controlling interests	-17.3	8.3	-
<b>Result for the period after taxes and non-controlling interests</b>	<b>559.0</b>	<b>472.3</b>	<b>18.3</b>

- Insurance service revenue up by €1.2bn primarily due to strong growth in P&C business (PAA)
- Positive development in net investment result mainly driven by interest rate movements
- Adjustments of € 103.3mn mainly include impairment of goodwill of the Baltics (€ 75.5mn) and impairments of purchased customer bases in Hungary and Türkiye (€ 20.8mn)
- Result before taxes up by € 187.0mn due to the positive development of the insurance service result and net investment result
- Tax ratio of 25.4% (12M 2022: 20.8%)



# INSURANCE SERVICE REVENUE OF 10.9 BILLION EURO UP BY 12.2%

Insurance service revenue by segments (€ mn)



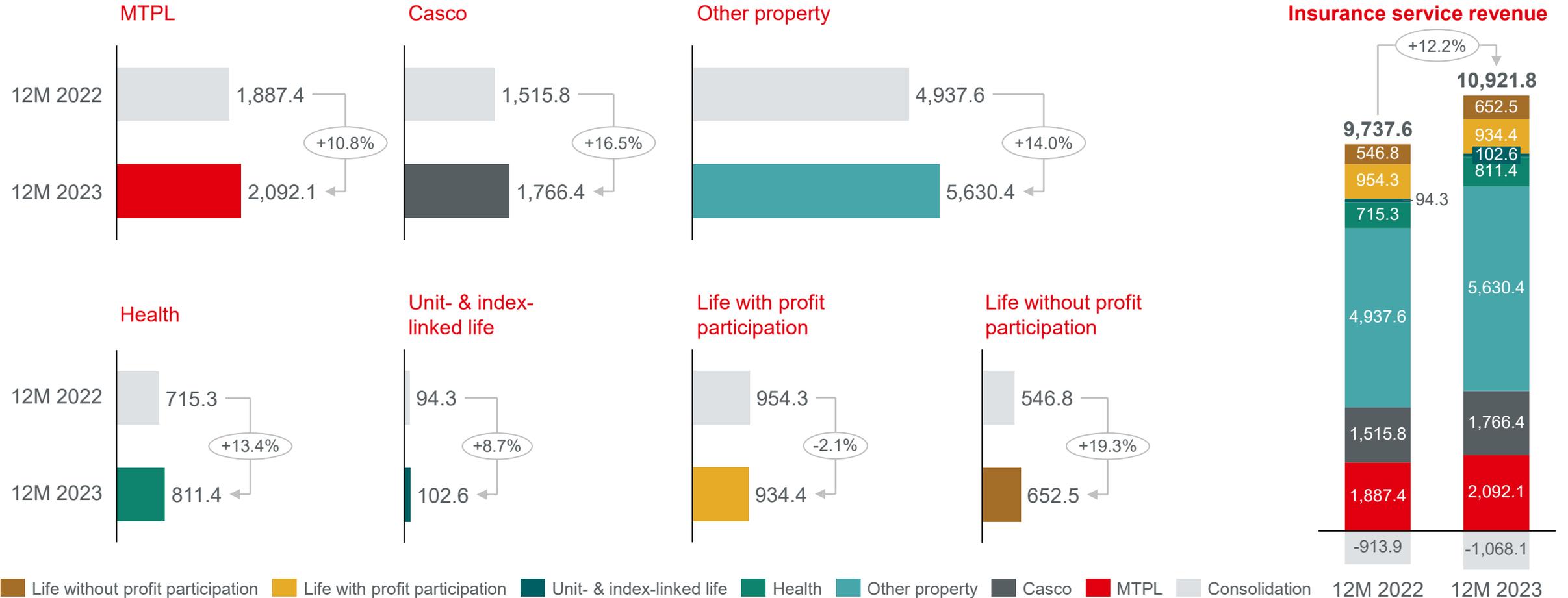
- AT: Insurance service revenue up by € 144.0mn coming from non-life business in PAA
- CZ: Solid revenue growth based on positive development of the motor business
- PL: Double-digit revenue growth mainly driven by other property and casco
- Extended CEE: Insurance service revenue up by € 474.5mn mainly supported by solid performances of the Baltics, Bulgaria, Slovakia, Hungary and Romania; particularly good growth in casco, other property and health
- Special Markets: Significant increase of € 134.5mn driven by premium growth in all lines of business in Türkiye and Georgia and supported by the first-time consolidation of Viennalife (formerly Aegon) in Türkiye as of April 2022
  - Premium development represents the premium translated into euros at the average exchange rate. In Türkiye, current year premium was converted at the closing rate in accordance with hyperinflation accounting (IAS 29)

Group Functions: 1,652.2mn (12M 2022: 1,399.7mn) +18.0%; Consolidation: -1,068.1mn (12M 2022: -913.9mn) +16.9%



# INSURANCE SERVICE REVENUE GROWTH IN ALL LINES OF BUSINESS EXCEPT LIFE WITH PROFIT PARTICIPATION

Insurance service revenue by lines of business (€ mn); incl. Group Functions





# TOTAL CAPITAL INVESTMENT RESULT

12M 2023 (€ mn)

	12M 2023	12M 2022	+/- %
<b>Total capital investment result</b>	<b>284.3</b>	<b>-12.2</b>	<b>-</b>
<b>Investment result</b>	<b>1,893.1</b>	<b>-809.7</b>	<b>-</b>
Interest revenues using the effective interest rate method	895.8	714.9	25.3
Impairment losses incl. reversal gains on financial instruments <sup>1</sup>	-56.5	-104.9	-46.1
Other result from financial instruments	1,053.8	-1,419.6	-
<b>thereof:</b>			
<i>Other ordinary income and managed portfolio fee</i>	<i>141.8</i>	<i>176.0</i>	<i>-19.4</i>
<i>FX differences<sup>1</sup></i>	<i>107.3</i>	<i>142.4</i>	<i>-24.6</i>
<i>Realised gains and losses</i>	<i>-1.8</i>	<i>-192.7</i>	<i>-99.1</i>
<i>Non-realised gains and losses<sup>1</sup></i>	<i>772.2</i>	<i>-1,551.2</i>	<i>-</i>
<b>Income and expenses from investment property</b>	<b>31.8</b>	<b>37.8</b>	<b>-15.9</b>
<b>Insurance finance result<sup>1</sup></b>	<b>-1,657.1</b>	<b>741.4</b>	<b>-</b>
<b>Result from associated consolidated companies</b>	<b>16.5</b>	<b>18.3</b>	<b>-9.8</b>

- Very positive development of the total capital investment result totalling to € 284.3mn
- Main drivers are the investment result (up by € 2.7bn) and the insurance finance result (down by € 2.4bn); both impacted by the sharp rise in market interest rates during 2022
- Impairment losses in 2022 include impairment of Russian investment exposure; however, through the sale of Russian bonds in 2023 a profit of € 21.2mn was achieved

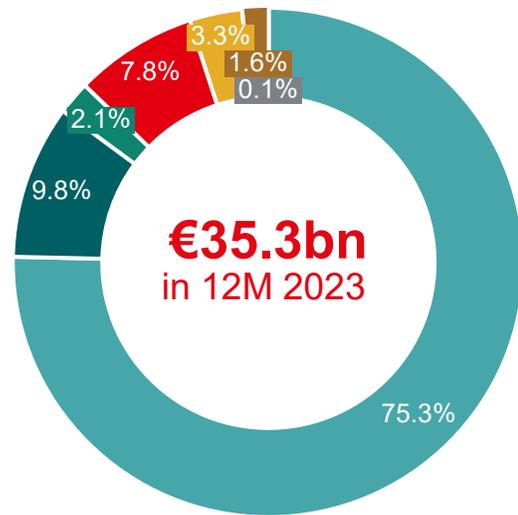
<sup>1</sup> Represents valuation results (non-cash components)



# INVESTMENT SPLIT

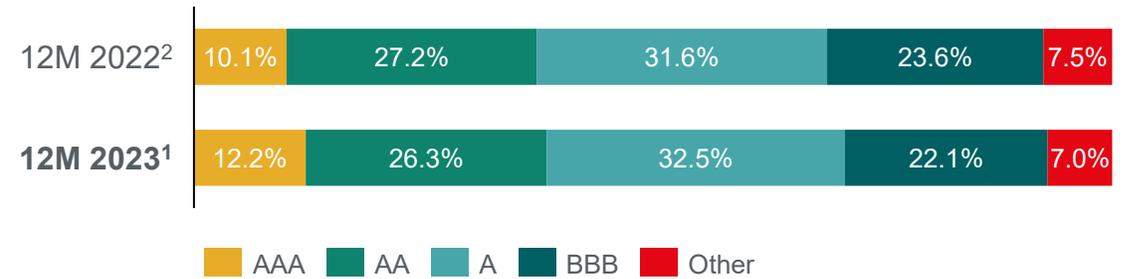
Split refers to the investments held at VIG's own risk (excl. investments for unit- and index linked life insurance)

## Investment split<sup>1</sup>

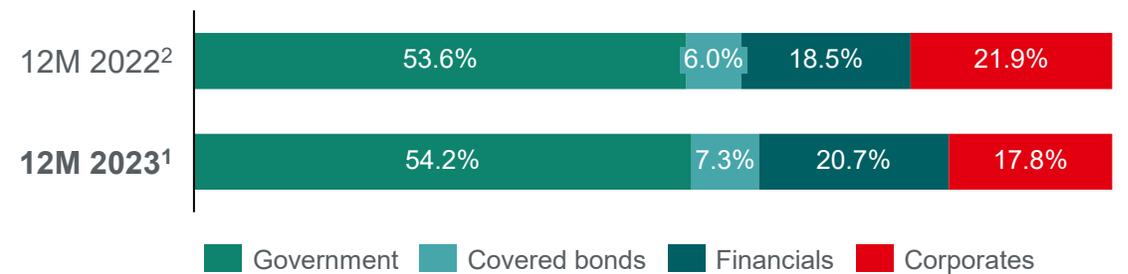


- Bonds
- Loans
- Equities
- Alternative Investments
- Property
- Cash and Deposits
- Affiliated Companies

## Bond portfolio by rating<sup>3</sup>



## Bond portfolio by issuer

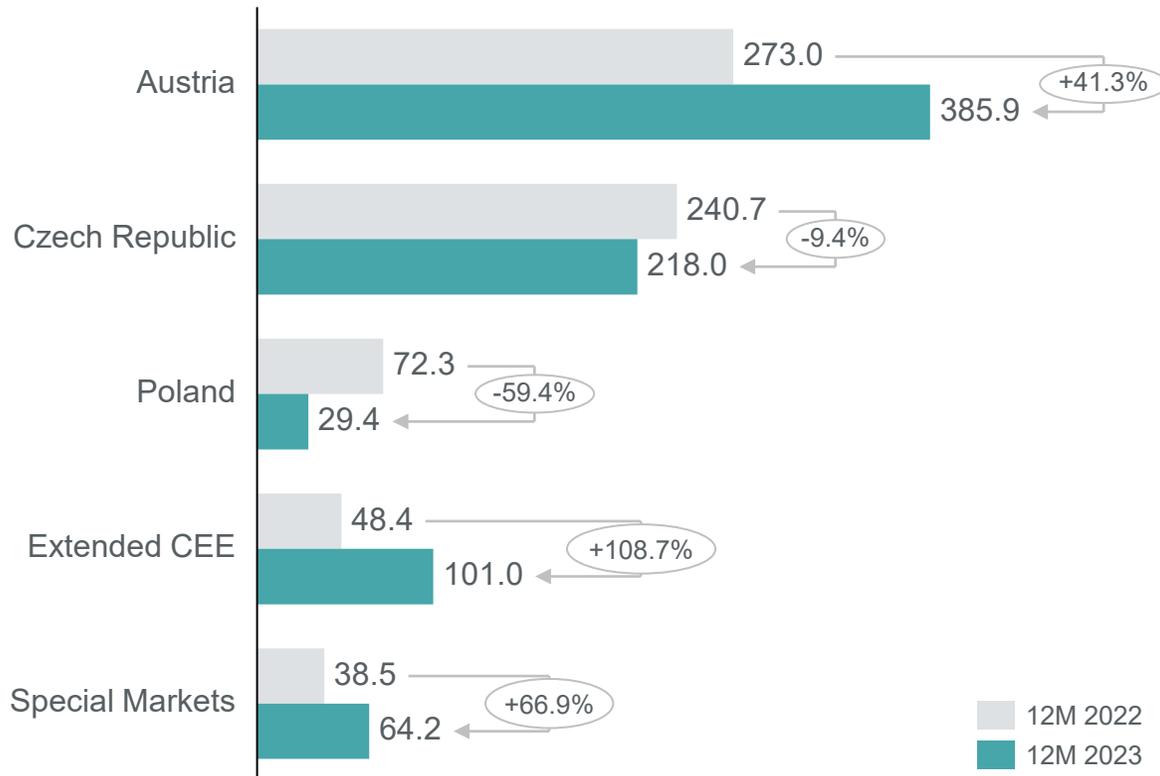


<sup>1</sup> IFRS 9 <sup>2</sup> IAS 39 <sup>3</sup> Based on second-best rating



# RESULT BEFORE TAXES INCREASED BY 31.9% TO 772.7 MILLION EURO

Result before taxes (€ mn)



- AT: significant increase of the result before taxes by € 112.9mn due to substantially improved total capital investment result; 2022 impacted by impairment (€ 73.6mn) on Russian investment exposure, while sales of Russian bonds in first half of 2023 contributed € 20.9mn to the result
- CZ: result before taxes decline by € 22.7mn driven by a one-off in life (VFA)
- PL: € 42.9mn decrease in result before taxes due to increased combined ratio and restructuring related to announced mergers
- Extended CEE: result before taxes more than doubled; mainly attributable to Hungary due to lower amortisation and impairment of purchased customer bases as well as improved combined ratio; positive contributions also from Slovakia and Bulgaria, driven by the higher net investment result
- Special Markets: double-digit growth of € 25.8mn primarily due to the first-time consolidation of Viennalife (formerly Aegon) in Türkiye as of April 2022

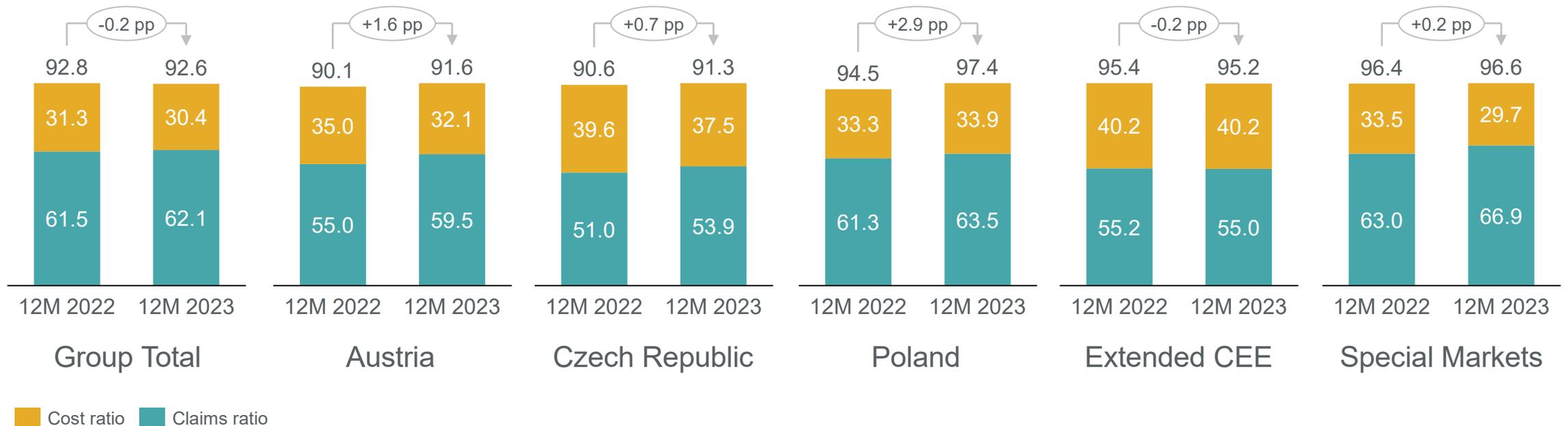
Group Functions: -25.8mn (12M 2022: -87.2mn) -70.5%



# P&C: NET COMBINED RATIO OF 92.6%

Discounting impact on loss ratio in 2023 of 3.3% (2022: 3.2%)

- Net insurance service expenses of € 7,018.0mn (2022: € 6,078.5mn) / Net insurance service revenue of € 7,582.2mn (2022: € 6,551.2mn)
- Stable combined ratio compared to the previous year with discounting impact for 2023 and 2022 of slightly above 3%
- In Austria, increased claims ratio mainly due to negative claims development in other property business
- In Poland, rising costs and losses driven by high inflation

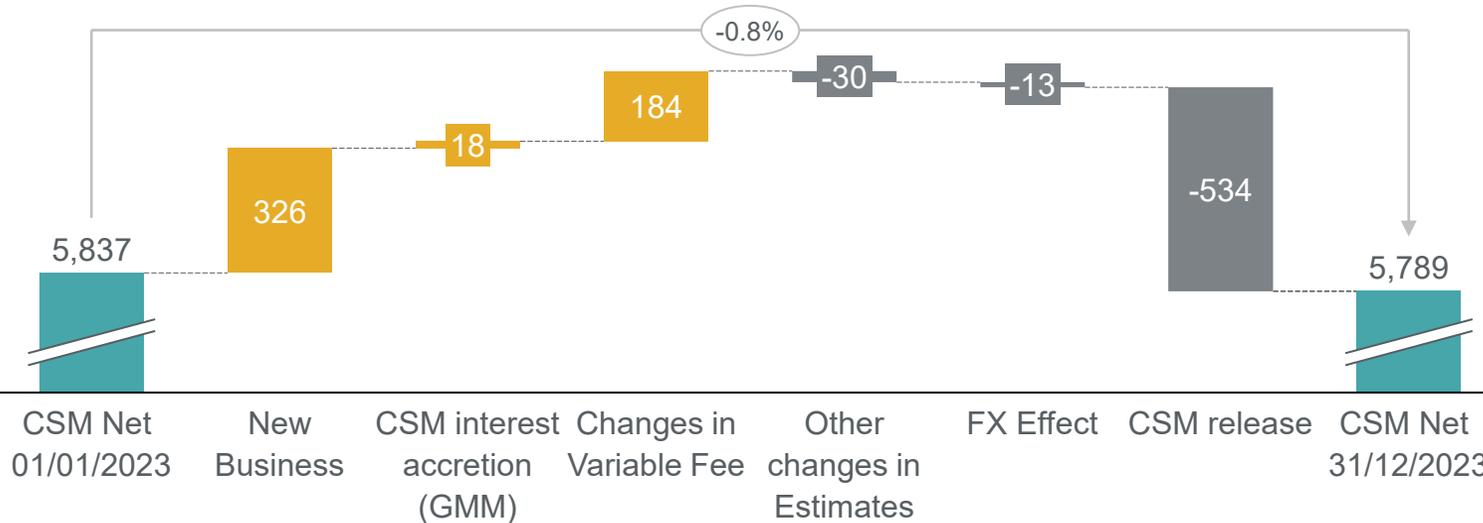




# LIFE/HEALTH: CONTRACTUAL SERVICE MARGIN & NEW BUSINESS

12M 2023

L/H CSM roll-forward (€ mn)



L/H New Business (€ mn)

€ 326mn

New Business CSM

€ 3,665mn

PV NB premiums

8.9%

New Business Margin

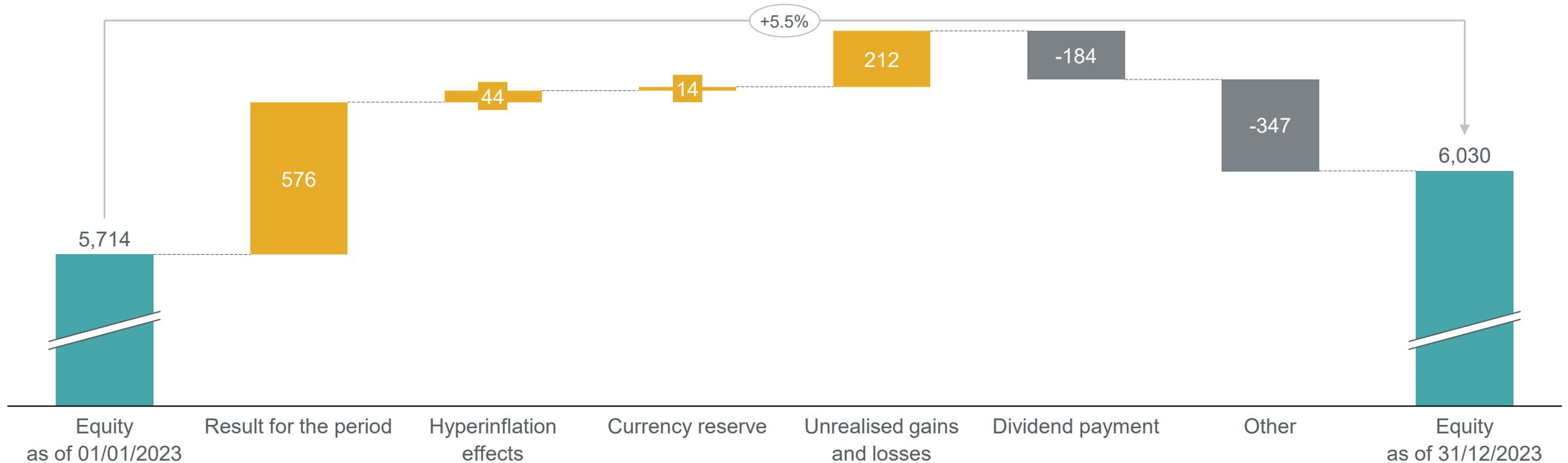
- Stable L/H CSM development
- Excellent profitability of new business in L/H with 8.9%; New Business Margin increased compared to 5.8% at year-end 2022 reflecting higher volumes of profitable business written in L/H



# EQUITY DEVELOPMENT

12M 2023

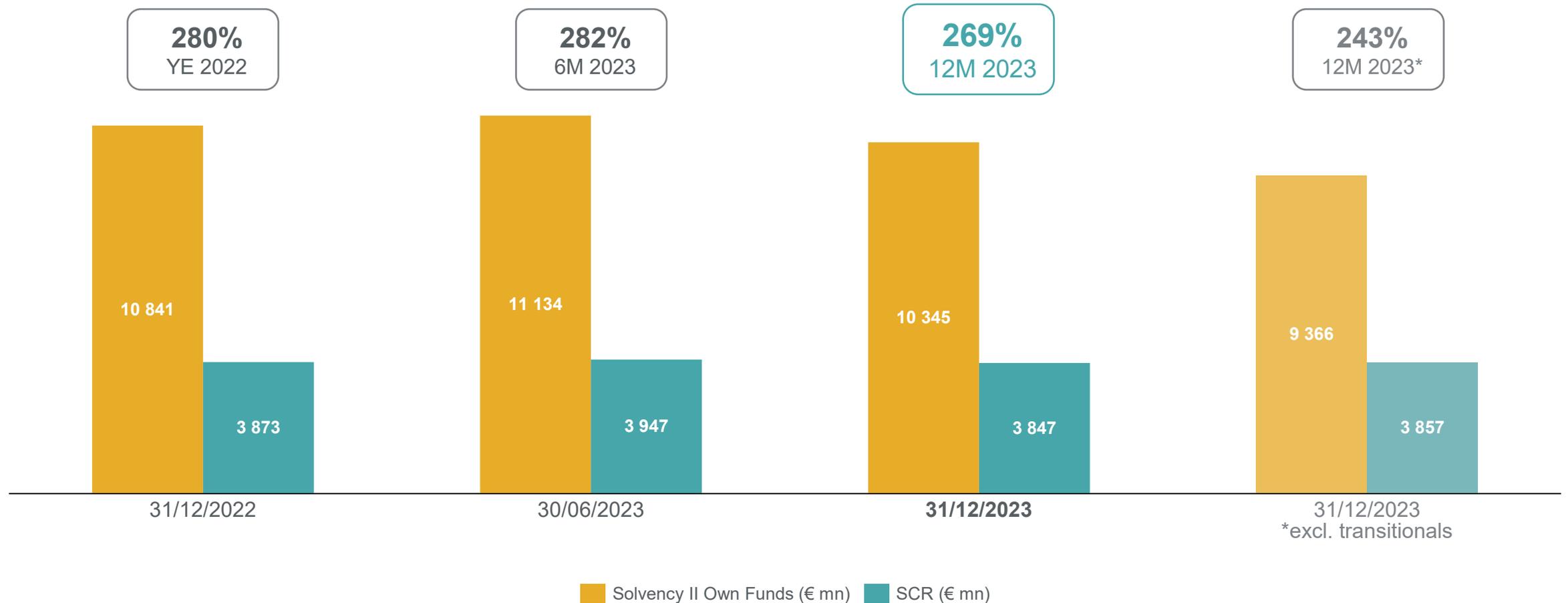
Change in consolidated Shareholders' Equity (€ mn)





# SOLVENCY RATIO DEVELOPMENT OF VIG GROUP IN 2023

Solvency position as of YE 2022, HY 2023 and YE 2023





# 12M 2023 RESULTS

## APPENDIX

Please note that rounding differences may occur  
Comparative figures for 12M 2022 restated due to IFRS 17/9

# EXPERIENCED MANAGING BOARD



**Hartwig Löger**

**CEO**  
**Chairman of the Managing Board**

Areas of responsibility:  
General Secretariat and Legal, Opportunity Management, Human Resources, Subsidiaries and M&A, CO<sup>3</sup>, European Affairs, Sponsoring

Country responsibility:  
Austria, Slovakia, Czech Republic, Hungary



**Peter Höfinger**

**Deputy CEO**  
**Deputy Chairman of the Managing Board**

Areas of responsibility:  
Corporate Business, Reinsurance

Country responsibility:  
Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Moldova, Montenegro, North Macedonia, Romania, Serbia



**Liane Hirner**

**CFRO**  
**Member of the Managing Board**

Areas of responsibility:  
Group Finance & Regulatory Reporting, Risk Management, Planning and Controlling, Tax Reporting & Transfer Pricing

Country responsibility:  
Liechtenstein, Germany



**Gerhard Lahner**

**COO**  
**Member of the Managing Board**

Areas of responsibility:  
VIG IT, Data Analytics, Group Treasury & Capital Management, Asset Management (incl. Real Estate), Process & Project Management

Country responsibility:  
Georgia, Türkiye



**Gábor Lehel**

**CIO**  
**Member of the Managing Board**

Areas of responsibility:  
Transformation & Research, Assistance, New Businesses

Country responsibility:  
Belarus



**Harald Riener**

**Retail**  
**Member of the Managing Board**

Areas of responsibility:  
Retail Insurance & Business Support, Customer Experience

Country responsibility:  
Estonia, Latvia, Lithuania, Poland, Ukraine

The following departments fall under the **joint responsibility of the Managing Board Members**: Compliance, Internal Audit, Investor Relations, Actuarial Services



# JOINING FORCES TO STRENGTHEN MARKET POSITION IN POLAND

Three companies offering new opportunities in the Polish insurance market

## Merger in Poland

- VIG is concentrating its market presence from currently six (after Aegon acquisition) to three insurance companies
- The new setup of operations shall provide competitive advantages due to larger scale in a challenging market
- Non-life
  - The merger of **Compensa Non-life** and **Wiener** will intensify the further successful development of the non-life business. The future company, under the Compensa brand, will offer even more comprehensive insurance cover for private customers and provide customer-oriented solutions for corporates
  - **InterRisk** will continue to operate independently 
- Life
  - **Vienna Life**, **Compensa Life** and **Aegon Life** will be merged into one strong market player in the life insurance business.
- Mergers are subject to approval of the Polish supervisory authority and the process is expected to be completed in the second half of 2024

Merger non-life business



Merger life business





# GROSS WRITTEN PREMIUMS

12M 2023 (€ mn)

	12M 2023	12M 2022	+/- %
Austria	4,271.9	4,138.4	3.2
Czech Republic	2,316.7	2,122.1	9.2
Poland	1,524.6	1,352.9	12.7
Extended CEE	4,041.8	3,593.2	12.5
Special Markets	941.4	846.2	11.3
Group Functions	2,613.8	2,297.8	13.8
Consolidation	-1,926.1	-1,791.4	7.5
<b>Total</b>	<b>13,784.0</b>	<b>12,559.2</b>	<b>9.8</b>

- Gross written premiums of € 13.8bn up by 9.8% based on growth in all segments
- Strong double-digit growth reported in the segments Poland, Extended CEE, Special Markets and Group Functions
- Hungary (+24.1%), Romania (+17.8%) and the Baltics (+12.2%) recorded dynamic gross written premium growth in the Extended CEE segment
- In the Special Markets segment, Georgia (+19.9%) and Türkiye (+18.4%, adjusted for inflation) recorded strong gross written premium growth

Gross written premiums not part of IFRS 17/9 reporting



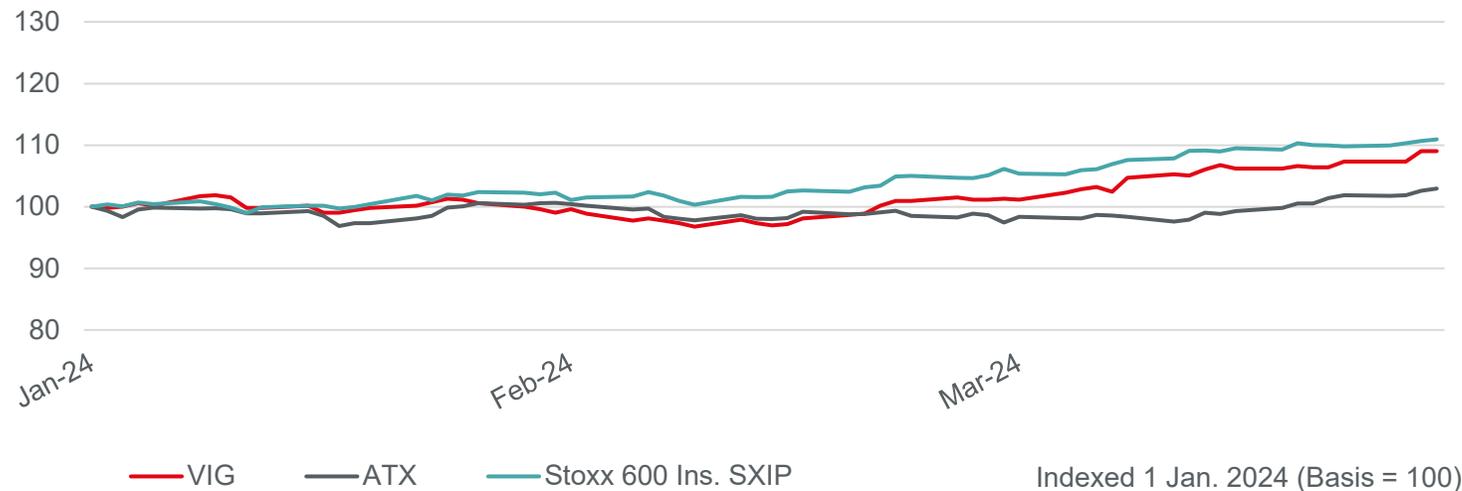
# VIG SHARE (I)

Number of common shares: 128,000,000 / ISIN: AT0000908504

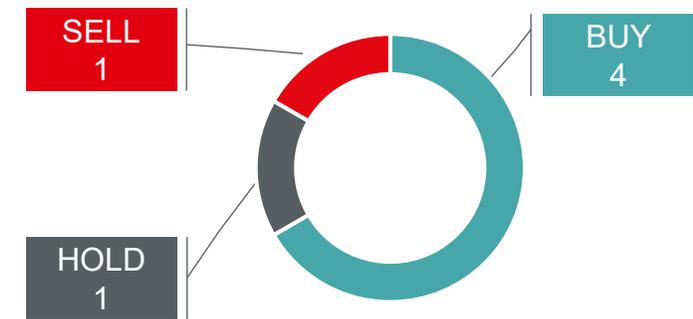
## General information

Listings	Ticker	Rating	Major Indices
Vienna	▪ Stock Exchanges: VIG	Standard & Poor's:	ATX
Prague	▪ Bloomberg: VIG AV / VIG CP / VIG XH	A+, stable outlook	ATX Prime
Budapest	▪ Reuters: VIGR.VI / VIGR.PR / VIGR.H		PX

## VIG compared to ATX and Stoxx Europe 600 Ins.



## Analyst recommendations (as of Apr. 2024)



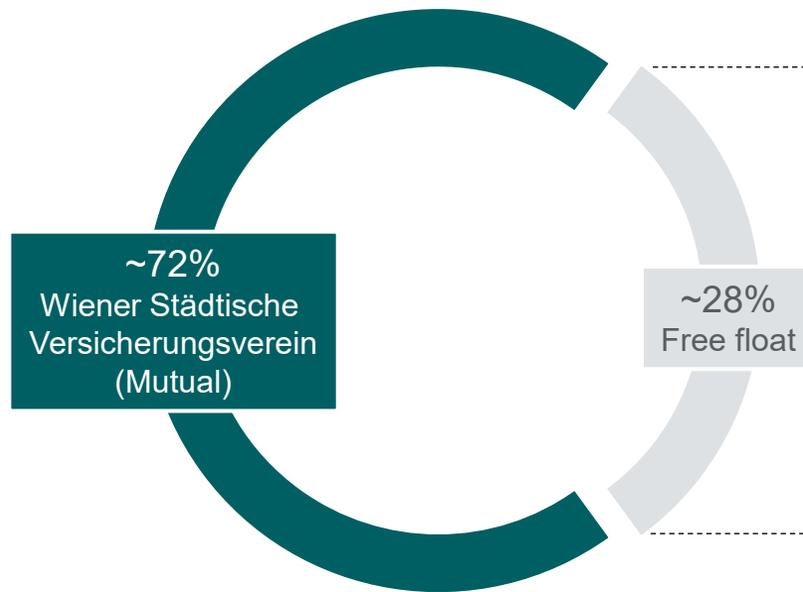
## Share price development 3M 2024

High	EUR	28.90
Low	EUR	25.65
Price as of Mar.	EUR	28.90
Market cap.	EUR	3.70bn
Share performance (excl. dividends)	%	+9.1

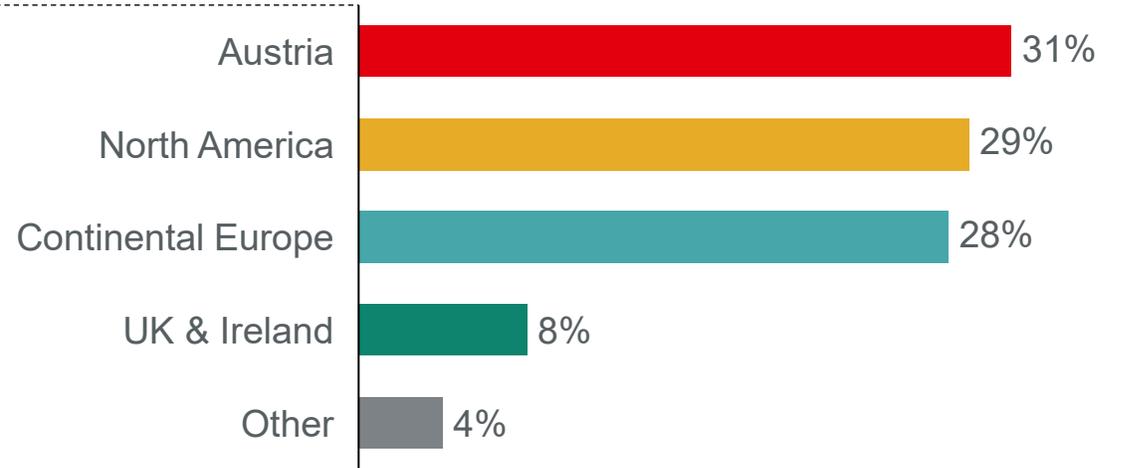


# VIG SHARE (II)

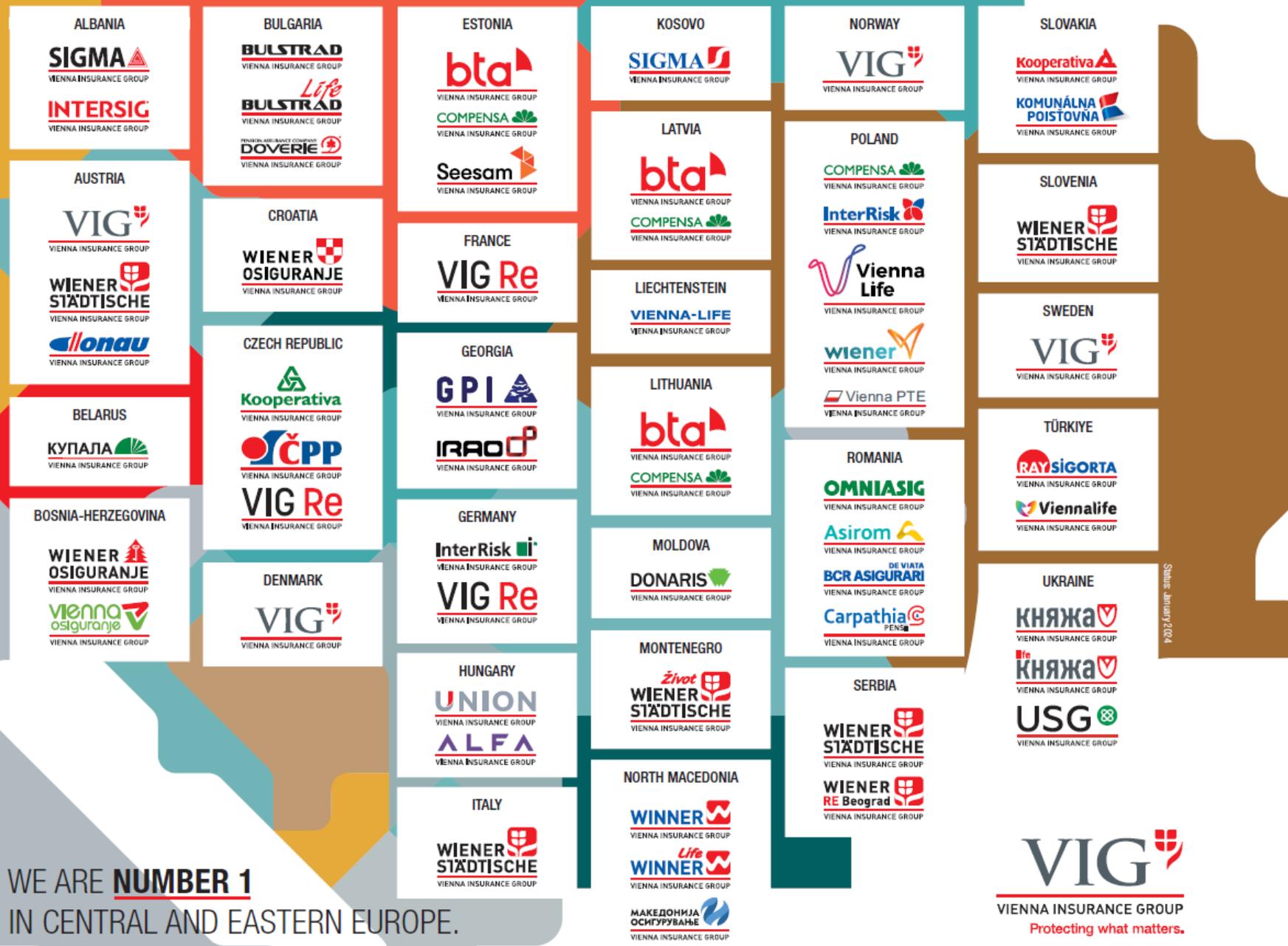
## Shareholder structure



## Free float split by region<sup>1</sup>



<sup>1</sup> Split of identified shares, May 2023 (Source: S&P Global)



Statis - January 2024

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# CONTACT DETAILS / FINANCIAL CALENDAR

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## Financial calendar 2024\*

Date	Event
12 Mar. 2024	Preliminary results for the financial year 2023
24 Apr. 2024	Results, Annual Report and Sustainability Report for the year 2023
14 May 2024	Record date Annual General Meeting
24 May 2024	Annual General Meeting
27 May 2024	Ex-dividend day
28 May 2024	Record date dividend
29 May 2024	Dividend payment day
29 May 2024	Update first quarter 2024
28 Aug. 2024	Results for the first half-year 2024
26 Nov. 2024	Update first three quarters 2024

\* Preliminary planning



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