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Vienna Insurance Group: Strong performance after first three quarters of 2022

Profit before taxes up by around 10%

- **Premiums up significantly by 13.6% to EUR 9.5 billion**
- **Profit (before taxes) increased considerably by around 10% to EUR 413.4 million**
- **Combined ratio improved slightly to 95.1%**

In the midst of major geopolitical and economic challenges, Vienna Insurance Group (VIG) has reported a very positive development for the first three quarters of 2022. All key figures improved again compared to the same period in the previous year.

“Of course, like any company, we are feeling the effects of the current situation, with inflation being the main factor here. The situation is leading to increased claims expenses among other things, thereby weighing on the development of the combined ratio. Nevertheless, we are confident that our strategy of broad diversification will enable us to effectively manage the inflation risk overall. A risk assessment has demonstrated that our largest markets in terms of volume are well positioned due to the measures taken and the current pricing policy. We remain confident in the long-term growth potential of the CEE region, especially as the current forecasts for this region are once again clearly above those for the eurozone.”

In view of the current situation and provided that there are no unexpected external factors and volatilities by the end of the year, we expect a premium volume of at least EUR 12 billion for the full year 2022 and profit before taxes that surpasses the previous year's figure of EUR 511 million. In terms of the combined ratio, we are aiming for a value of around 95% despite the challenging environment”, explains Elisabeth Stadler, CEO of Vienna Insurance Group.

Premium growth across all lines of business and segments

A clear upward trend can be seen in the premium volume. The total premium volume increased markedly by 13.6% over the first nine months of 2022, to EUR 9,530 million. This includes the first-time consolidation of the most recently acquired insurance companies in Hungary and Türkiye with premiums of around EUR 291 million, which account for 3.0% of the total premium volume. Even without these companies, premium growth is in the double digits at 10.1%. There has been premium growth across all lines of business and segments of VIG. With the exception of single premium life insurance (+3.1%), all business lines are posting double-digit growth rates (motor third-party liability +21%, motor own damage insurance +13.6%, other property and casualty insurance +15.3%, health insurance +11.8%, regular premium life insurance +10%).

Profit before taxes up by around 10%

At EUR 413.4 million, profit before taxes was around 10% above the value in the previous year. At EUR 479.2 million, the financial result (excluding the result from at-equity consolidated companies) is down 8.4% on the previous year, due primarily to the measures already taken in the first and second quarters of 2022 in connection with exposures to Russian government and corporate bonds. At EUR 302.4 million, net income was 10.1% higher than in the previous year.

Combined ratio slightly improved

At 95.1%, the combined ratio is slightly below the previous year's value (95.2%). However, the pressure of increased average losses, partially due to inflation, is evident in comparison with the first half of the year, when the combined ratio was 94.3%.

VIG Group investments including cash and cash equivalents were EUR 34.1 billion as of 30 September 2022. Earnings per share (annualised) rose from EUR 2.86 to EUR 3.07 in the period under review (+7.3%).

Consolidated Income Statement (IFRS)

(in EUR mn)	9M 2022	9M 2021	+/- %
Gross premiums written	9 529.9	8 390.8	13.6
Net earned premiums	8 121.0	7 263.0	11.8
Financial result excl. result from shares in at equity consolidated companies	479.2	522.8	-8.4
Result from shares in at equity consolidated companies	13.0	7.9	64.9
Other income	221.1	100.1	>100
Expenses for claims and insurance benefits	-6 053.0	-5 458.7	10.9
Acquisition and administrative expenses	-2 123.2	-1 863.9	13.9
Other expenses	-244.8	-195.1	25.5
Business operating result	413.4	376.1	9.9
Adjustments	0.0	0.0	n.a.
Result before taxes	413.4	376.1	9.9
Taxes	-101.4	-94.6	7.3
Result of the period	311.9	281.5	10.8
Non-controlling interests in the result of the period	-9.5	-6.9	38.0
Result of the period after taxes and non-controlling interests	302.4	274.6	10.1
Earnings per share in EUR (annualized)	3.1	2.9	7.4
Combined Ratio (net in %)	95.1	95.2	-0.1pp

Consolidated Balance Sheet (IFRS)

Assets (in EUR mn)	30.09.2022	31.12.2021	+/- %
Intangible assets	2 099	1 744	20.3
Right-of-Use Assets	194	173	11.7
Investments	31 710	34 810	-8.9
Investments of unit- and index-linked life insurance	7 154	8 525	-16.1
Reinsurers' share in underwriting provisions	2 221	1 565	41.9
Receivables	2 173	2 067	5.1
Tax receivables and advance payments out of income tax	163	135	20.6
Deferred tax assets	547	311	75.5
Other assets	386	391	-1.2
Cash and cash equivalents	2 401	2 456	-2.3
Total assets	49 046	52 178	-6.0
Liabilities and shareholders' equity (in EUR mn)	30.09.2022	31.12.2021	+/-%
Shareholders' equity	4 280	5 598	-23.5
Subordinated liabilities	1 746	1 461	19.5
Underwriting provisions	31 929	32 546	-1.9
Underwriting provisions for unit- and index-linked life insurance	6 823	8 189	-16.7
Non-underwriting provisions	828	890	-7.0
Liabilities	3 092	2 900	6.6
Tax liabilities out of income tax	152	243	-37.4
Deferred tax liabilities	65	219	-70.1
Other liabilities	131	131	-0.2
Total liabilities and shareholders' equity	49 046	52 178	-6.0

Information on reporting

The quarterly figures for net assets, financial position and results of operations for the 1st and 3rd quarters were prepared in accordance with the International Financial Reporting Standards (IFRS). However, reporting for the 1st and 3rd quarters does not constitute interim reporting within the meaning of international accounting standard IAS 34.

Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG) is the leading insurance group both in Austria and in the entire Central and Eastern European (CEE) region. Around 50 insurance companies in 30 countries form a Group with a long-standing tradition, strong brands and close customer relations. The more than 25,000 employees in the VIG take care of the day-to-day needs of more than 22 million customers. VIG shares have been listed on the Vienna Stock Exchange since 1994. 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.

Disclaimer

This release contains forward-looking statements that concern future developments in Vienna Insurance Group AG Wiener Versicherung Gruppe (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. VIG assumes no obligation to update these forward-looking statements or modify them based on future events or developments.

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