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## **30 years of successful expansion by Vienna Insurance Group**

From an Austrian pioneer to an international market leader in the CEE region

**Between the start of the expansion by the former Wiener Städtische Insurance Group (now Vienna Insurance Group) on 30 October 1990 and 30 October 2020 lie 30 years of gradual development into an international insurance group with a focus on the CEE region. Today, Vienna Insurance Group operates in 30 countries with around 50 insurance companies and serves more than 22 million customers. Premium volume has been increased more than tenfold to over EUR 10 billion since the start of the expansion.**

### **The East as a new opportunity**

About a year after the fall of the Iron Curtain, VIG Group became one of the first insurance companies in Western Europe to enter the insurance markets of Central and Eastern Europe. On 30 October 1990, the former Wiener Städtische decided to acquire an interest in the newly formed cooperative insurance company "Kooperative-Tschechoslowakische Versicherungs AG". The investment was 15.4 million Austrian Schillings, equivalent to slightly more than EUR one million. *"Our investment in the former Czechoslovak Republic was a step into uncharted territory, a step into the unknown. No one knew how economic policy and democracy would develop in the formerly communist-run countries after the opening of the East, which is now considered the greatest political and economic transformation process of the 20th Century. Right from the start, we saw great opportunities and had confidence in the region, and our strategic long-term perspective led to an Austrian success story",* explained Günter Geyer, General Manager of Wiener Städtische Versicherungsverein and Chairman of the Supervisory Board of Vienna Insurance Group, who played a major role in the Group's expansion strategy.

### **30 years, 30 countries**

Today, 30 years later, Vienna Insurance Group is operating in 30 countries. A market share of around 18% makes it the leading insurance group in Central and Eastern Europe, where more than half of its profits and premium volume are now generated. VIG Group is the market leader or among the Top 5 in more than two thirds of its countries in the region. *"We are also taking advantage of opportunities in specific lines of business in countries such as Germany, Italy, Liechtenstein and Northern Europe. Our focus, however, remains firmly on the CEE region and the major growth potential it offers. The pandemic is currently causing a major economic slowdown in all regions of the world. Based on current forecasts, however, we are cautiously optimistic that we can expect a recovery in economic activity between Austria and the CEE region in 2021",* stated Elisabeth Stadler, CEO of Vienna Insurance Group.

### **Major potential for insurance**

Due to its broad geographical presence and its leading position in Central and Eastern Europe, Vienna Insurance Group expects to continue benefiting from the ongoing convergence process and great growth potential. Economic output as measured by GDP, for example, has almost quadrupled in Slovakia and almost tripled in Poland, Hungary and the Czech Republic since the respective market entry of the VIG Group. *"In Austria, annual per capita expenditures on insurance are around EUR 2,000 and even almost EUR 3,000 in the EU-15 countries. Average per capita insurance*

*expenditures in the CEE region are one tenth what they are in Austria. We have a range from around EUR 600 per year in the Czech Republic to around EUR 40 per year in Ukraine",* stated Elisabeth Stadler, pointing out the good growth potential that still exists for insurance.

Austria, the Czech Republic, Poland, Slovakia and the Baltic states are VIG Group's five largest markets, which currently generate around 80% of its total premium volume. Before the start of its expansion plans at the end of 1989, VIG Group's premium volume was around EUR one billion. At the end of 2019, VIG Group was the first Austrian insurance group to break the EUR 10 billion mark with a premium volume of EUR 10.4 billion.

### **Our diversity is unique**

VIG Group differs in two important ways from other international insurance groups: its local multi-brand strategy and local entrepreneurship. On the one hand, these characterise the diversity of the Group and, on the other hand, contribute to risk diversification. Local decisions are made by local management, and strategic considerations are implemented together within the Group. VIG Group sees a clear competitive edge in its high diversity, which has demonstrated itself during the pandemic. *"Our business model, with its very broad diversity across countries, brands, distribution channels and products, has also proven itself in difficult times. That enables us to continue making optimal use of opportunities and realising our long-term growth ambitions",* stressed Elisabeth Stadler.

### **We came to stay**

The sustainable and long-term business orientation of VIG Group is also seen as a reason for the success of its 30-year expansion strategy. *"It was not just important to have been one of the first in Central and Eastern Europe, but also to remain there during times of crisis. We consider long-term and sustainable planning as our foundation, which also applied to our markets in all the years of expansion. Our motto is therefore: We came to stay. We see this long-term strategy as a key factor for the stability of our growth and as a basis for our customers' confidence in us as a reliable partner",* explained Elisabeth Stadler. This is also shown, for example, by the fact that "Kooperativa", the first brand outside Austria, still exists in the Czech Republic and Slovakia.

### **Fit for the future**

Maintaining and further expanding its leading position in the CEE region is VIG's clear goal for future years. Many measures are therefore being implemented to remain fit for the future. Digital transformation is a major focus, for which around EUR 200 million have been invested since 2017 alone under the Agenda 2020 management programme. Elisabeth Stadler: *"A key factor resulting from the pandemic is the acceleration of digitalisation and automation. This applies to both Austria and the CEE region. The digital transformation has been one of our major priorities for years and we can take advantage of experience gained in this area by our insurance companies in CEE. As the most recent example is our digital motor insurance platform 'Beesafe' in Poland."*

### **Stages of the VIG Group expansion**

1990 Germany, Slovakia, Czech Republic  
1996 Hungary  
1998 Poland  
1999 Liechtenstein, Croatia, Italy  
2001 Romania  
2002 Bulgaria, Belarus  
2003 Serbia  
2004 Slovenia, Ukraine  
2005 Georgia  
2007 Turkey, Albania, Kosovo, North Macedonia  
2008 Estonia, Latvia, Lithuania  
2010 Montenegro

2011 Bosnia-Herzegovina  
2014 Moldova  
2018 France  
2019 Norway, Sweden, Denmark

**Vienna Insurance Group** (Wiener Versicherung Gruppe) is the leading insurance group in Austria and Central and Eastern Europe (CEE). 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 Vienna Insurance Group (Wiener Versicherung Gruppe) 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 and were awarded an A+ rating with stable outlook by the internationally recognised rating agency Standard & Poor's. That is the best rating of all companies in the ATX, the leading index of the Vienna Stock Exchange. Vienna Insurance Group (Wiener Versicherung Gruppe) cooperates closely with the Erste Group, the largest retail bank in Central and Eastern Europe.

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