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Vienna Insurance Group reports significant profit growth for 2023 and gives positive outlook for 2024

Proposed dividend increase from 1.30 to EUR 1.40 per share

Preliminary results for 2023

- Gross written premiums of EUR 13.8 billion (+10%)
- Profit before taxes of approx. EUR 773 million (+32%)
- Insurance Service Revenue of EUR 10.9 billion (+12%)
- Combined ratio of 92.6% net (improved by 0.2 percentage points)
- Strong solvency ratio of 269%

Press conference to be broadcast live on 12 March 2024 from 10:00 CET at this [link](#).

With double-digit premium growth and a strong increase in profit, Vienna Insurance Group (VIG) presents a particularly successful financial year 2023. At EUR 13.8 billion, the premium volume is up 10% on the previous year's figure and the profit before taxes increased to EUR 772.7 million (+32%).

Hartwig Löger, CEO and Chairman of the Managing Board of Vienna Insurance Group: *"Our strong growth across all regions and segments confirms our clear positioning as number 1 in CEE. Although the amount of insurance benefit payments made to our customers in 2023 of EUR 9.8 billion was significantly higher than in recent years, we have been successful in growing our profit considerably. On the basis of this performance and our strong capitalisation, the VIG Managing Board is proposing a dividend increase to EUR 1.40 per share."*

Preliminary figures in detail

Gross written premiums

The increase in gross written premiums results from all segments and lines of business. Double-digit growth rate on the previous year was reported in the Poland (+12.7%), Extended CEE (+12.5%), Special Markets (+11.3%) and Group Functions (+13.8%) segments. Of the countries in the Extended CEE segment, the Baltic states (+12.2%), Romania (+17.8%) and Hungary (+24.1%) in particular saw a dynamic premium development. In the Special Markets segment, Georgia (+19.9%) and Türkiye (+18.4% adjusted for inflation) generated significant premium growth. In terms of business lines, there was double-digit growth in motor third-party liability (+14.4%), motor own damage (+14.3%) and other property and casualty (+11.2%). Premiums were up 7.5% for health insurance and 2.7% for life insurance. 56.2% of premiums written was generated outside of Austria.

Significant increase in profit before taxes

Profit before taxes increased to EUR 772.7 million. The 31.9% increase was attributable primarily to positive developments in the Austria, Extended CEE and Group Functions segments. The net result after taxes and non-controlling interests rose by 18.3% to EUR 559 million.

Insurance Service Revenue grew by 12.2% to EUR 10.9 billion. This increase comes primarily from growth in property and casualty insurance.

Insurance service expenses increased by 8.7% to EUR 9.3 billion. This increase is due primarily to the significantly higher business volume.

The **insurance service result** improved by 6.1% on the previous year, to EUR 1.2 billion.

The **net combined ratio** in the property and casualty business line improved by 0.2 percentage points on the previous year, to 92.6%.

The **contractual service margin** in life and health amounted to EUR 5.8 billion as at the end of December 2023. Profitability in new life and health business developed very positively, with a contribution of EUR 326 million. The new business margin increased by 3.1 percentage points to 8.9%.

The **operative return on equity** (the operative group result relative to the average shareholders' equity less unrealised gains and losses recognised in shareholder's equity) rose to 15.1%, which equates to a significant increase by 3.5 percentage points.

Development of investments

Investments (excluding unit-linked and index-linked investments) increased by 2.6% to EUR 35.3 billion.

Solvency ratio

The Group's preliminary solvency ratio as of 31 December 2023 is 269% (including transitional measures). The Group therefore remains very well capitalised.

Proposed dividend of EUR 1.40 per share

Due to the very positive business development and the strong capitalisation, Vienna Insurance Group's management will propose a dividend increase for the 2023 financial year from EUR 1.30 in the previous year to EUR 1.40 per share. The dividend yield is 5.3%. Earnings per share amounted to EUR 4.31 in 2023, which equates to an 18.6% increase on the previous year. The new dividend policy specifies the previous year's dividend as the minimum dividend and sets out a continuous increase in the dividend depending on the operating earnings situation.

In Focus: Digitalisation, sustainability, and new collaboration models

To continue the Group's positive dynamic, VIG is consequently driving digital transformation as part of its VIG 25 strategy programme. A key element of this is the expansion of ecosystems relating to health, housing and mobility. As an example, customers can gain access to low-threshold digital health services via VIG's participations in health startups such as "Diagnose.me" and "TeleDoc". In the motor business line, a telematics app has been developed and is already in use in several countries.

In addition to digitalisation, the topic of sustainability is also deeply rooted in the Group. In 2023, a new programme was launched - together with all CEOs of the Group companies - to strengthen sustainability as an integral part of the business model. Three spheres of impact with an environmental focus – asset management, underwriting and operations – and three areas with a social focus – employees, customers and society – have been defined. VIG sees its investments and underwriting as particularly important levers for making a significant contribution to reducing climate risks. The goal is to reduce greenhouse gas emissions from the investment portfolio and the corporate and retail underwriting portfolio to net zero by 2050.

In the second half of 2023, a new Group function named CO³ was established with the aim of strengthening exchange among the VIG companies. CO³ stands for "Collaboration", "Cooperation" and "Communication". The focus areas for the "Collaboration" aspect are aimed at fostering know-how and innovations exchange across all companies and countries, creating added value through improved transparency. "Cooperation" focuses on optimising how companies based in the same country work together and aims to leverage synergies between the respective companies. "Communication" is about creating visibility for the CO³ activities using various approaches and new formats. This element also includes conventional corporate communication activities.

Outlook for 2024

VIG has been able to manage the impact of the challenging geopolitical and macroeconomic environment very well so far and continues to focus on the success factors of continuity, stability and diversity. On this basis, a positive performance is also expected for the 2024 financial year despite the volatile environment. Hartwig Löger on the positive outlook: *"The growth forecasts for the VIG markets in the CEE region are significantly higher than those for the eurozone and the EU-27. Our diversification across markets, our customer proximity as well as our strong capitalisation create an excellent framework for our continued success. VIG's management therefore has the ambition to achieve profit before taxes within a range of EUR 825 million and EUR 875 million for the 2024 financial year."*

Preliminary results

The information in this press release for financial year 2023 is based on preliminary data. VIG applies the new accounting standards IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments. The previous year's figures have been adjusted. Gross written premiums are not included in the IFRS consolidated financial statements, but continue to be reported. The final information for the 2023 financial year will be published with the Annual Report on 24 April 2024.

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 32 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.

Disclaimer

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

If you have any questions, please contact:

Karin Kafesie
Schottenring 30, 1010 Vienna
Mobil: +43 664 60139 21211
E-Mail: karin.kafesie@vig.com

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