

# VIENNA INSURANCE GROUP

## Investor Presentation



Toronto, 14-15 November 2023



# 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

# 29,000

employees serve roughly 28mn customers

S&P Rating

# A+

with stable outlook

Solvency Ratio

# 280%

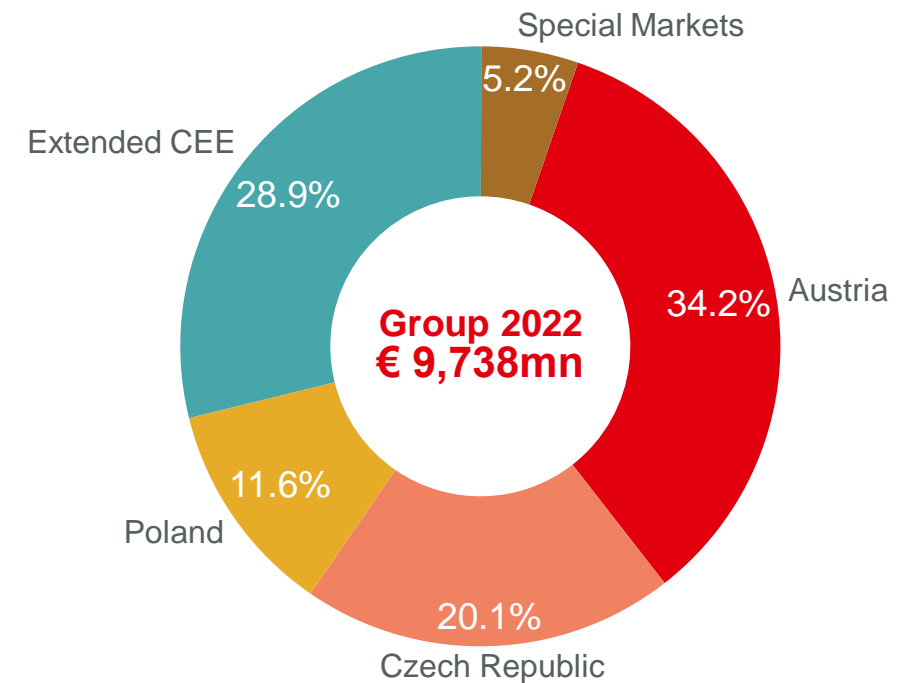
as of 31 December 2022

Dividend per share for 2022:

# €1.30

Continuous dividend payout since 1994

Insurance service revenue<sup>1</sup>



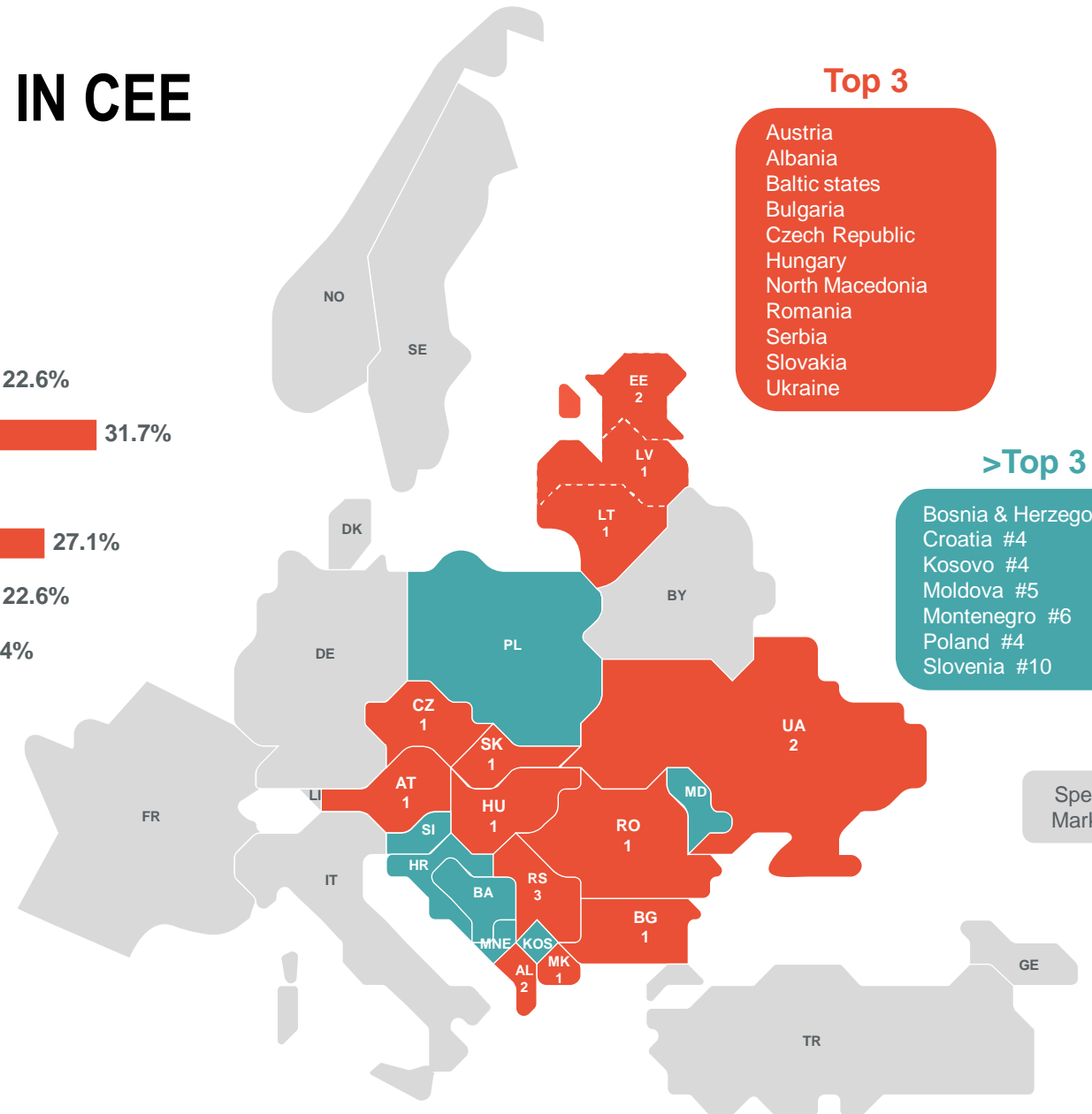
<sup>1</sup> IFRS 17/9 preliminary, unaudited data as of 31 December 2022



# 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**

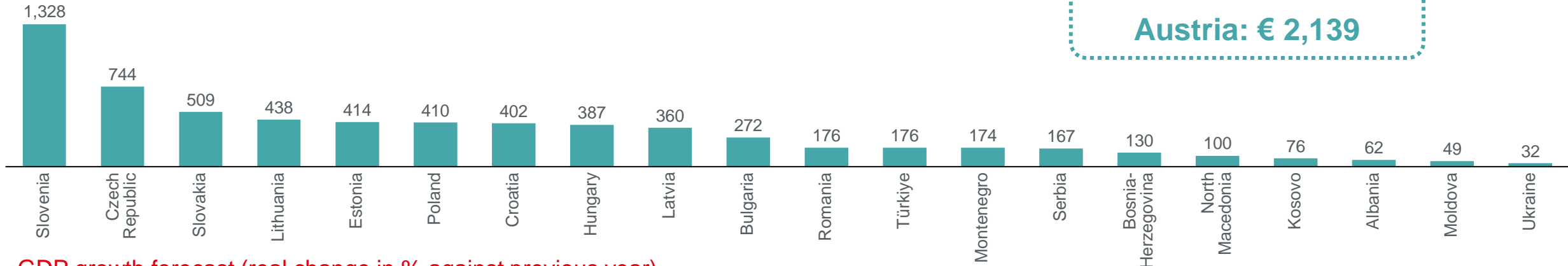
Source: local authorities; data FY 2022 (Ukraine Q3 2022)



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

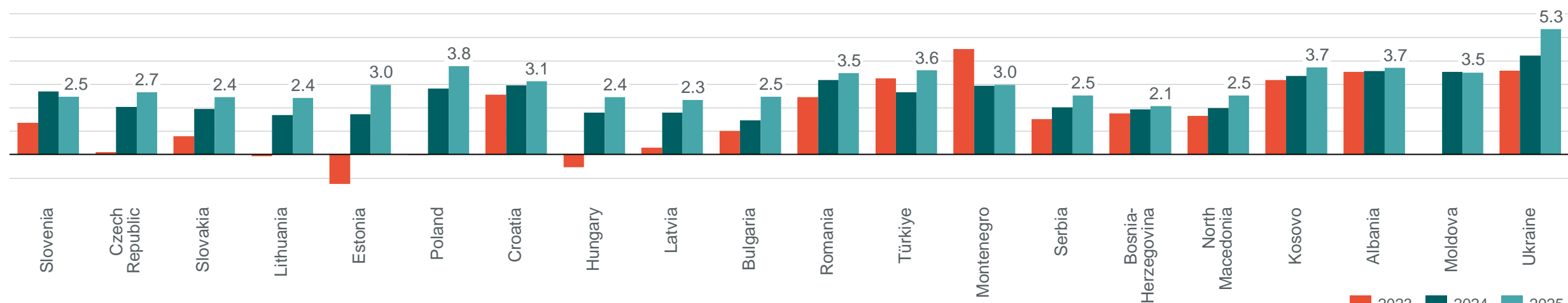
Annual insurance spending as indicator for growth potential

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 Autumn 2023 Forecast Report (September 2023)

2023 2024 2025

# 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



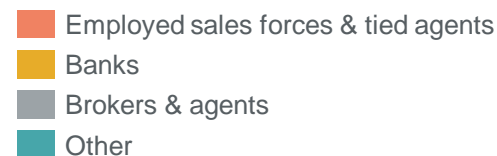
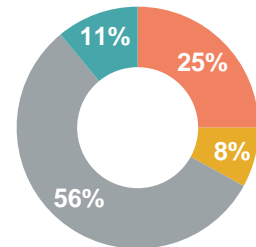
## Multi-brand policy



- 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



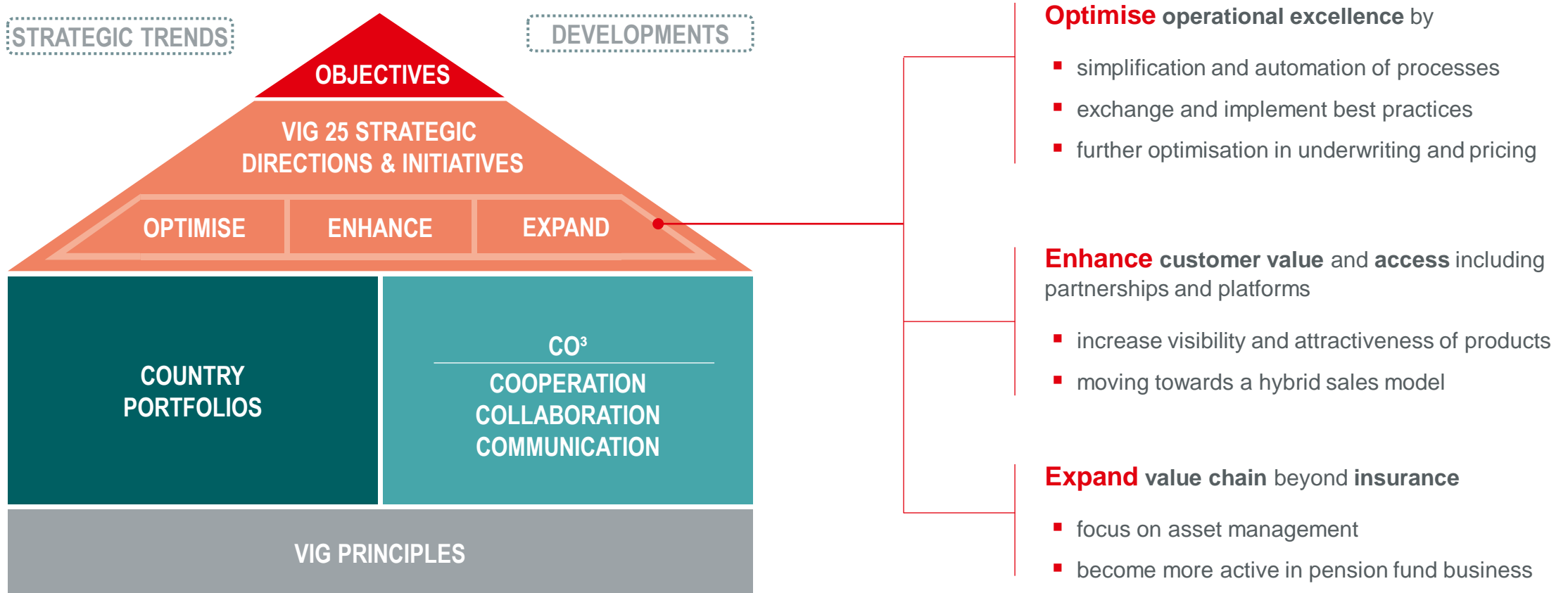
Financial assets according to IFRS 17/9

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



# VIG 25 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

Further strengthening sustainability as an integral part of our business model

## VIG's Strategic Objectives



Expanding the leading market position in the CEE region



Creating sustainable value



Sustainability objectives with respect to environment, society, customers and employees



## Key areas of VIG 25



### Digital transformation

Further increasing the efficiency and productivity of the operating business thereby continuing and intensifying the associated digital transformation



### Customer approach

Developing new ways to approach and retain customers in order to respond to changing consumer expectations and behaviours



### Awareness of risk provision

Promoting consumer understanding of the importance of risk provisions



### Sustainability

Further strengthening the concept of sustainability as an integral part and foundation of the business model

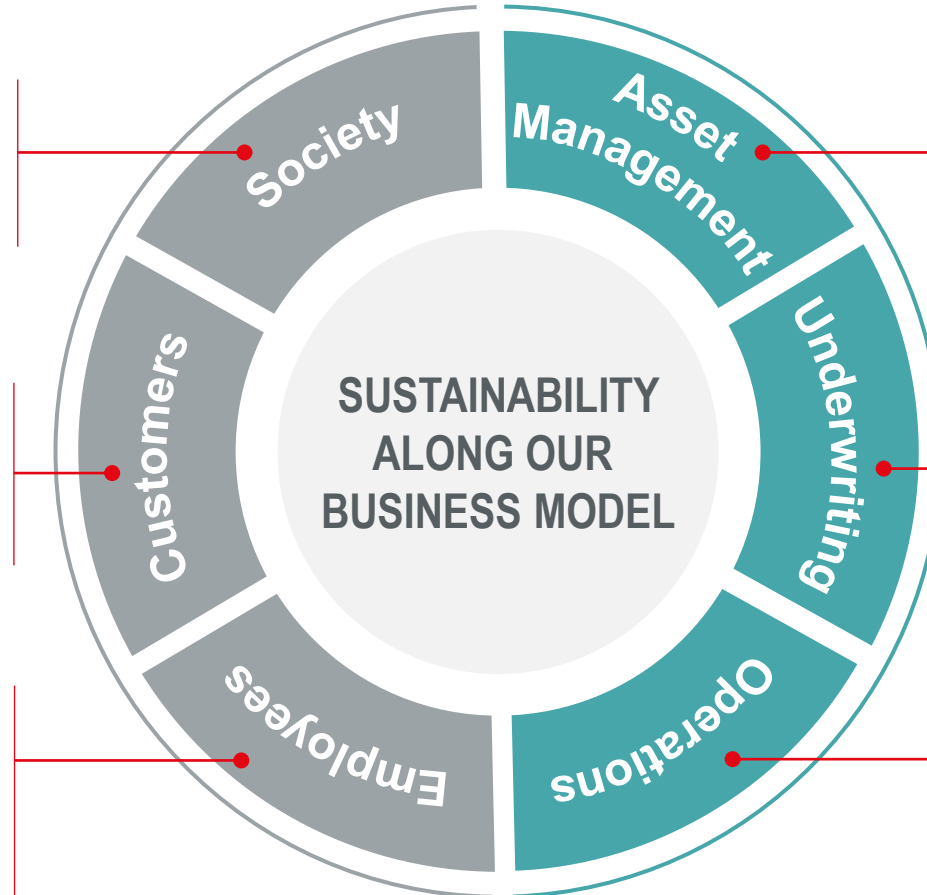
# VIG 25 SUSTAINABILITY PROGRAMME

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

Social focus    Environmental focus

## Objectives

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



## 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



# VIG IN A NUTSHELL



## 6M 2023 RESULTS

### APPENDIX

Please note: rounding differences may occur



# RESULTS OVERVIEW 6M 2023

Strong performance in challenging environment

Insurance service revenue

**€ 5,380.4mn**

- 6M 2022: € 4,732.9mn

Profit before taxes

**€ 462.9mn**

- 6M 2022: € 212.0mn

Net Combined Ratio (P&C)

**94.0%**

- 6M 2022: 90.6%

Annualised earnings per share

**€ 5.25**

- Net profit after taxes and non-controlling interests of € 343.4mn

Operating Return on Equity

**15.8%**

- Annualised based on HY result
- 31/12/2022: 10.9%

Solvency Ratio

**282%**

- Own funds: € 11,134mn
- SCR: € 3,947mn

# OUTLOOK 2023

## **Group profit before taxes in a range of € 700 – 750 million for full-year 2023 expected**

- Subject to substantial interest rate changes and market volatilities
- Persisting extreme weather events expected to impact second half of 2023
- War in Ukraine with its far-reaching consequences ongoing
- Overall weaker macroeconomic environment and higher volatility on capital markets are further challenges

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## **Due to increased earnings volatility under the amended accounting regime, the financial performance indicators and the dividend policy are currently being reviewed**

- The first-time preparation of the half-year results in accordance with IFRS 9 and IFRS 17 already show the expected increased volatility of results due to the changed interest rate environment
- In particular, within the long-term life and health insurance business, especially those portfolios where the GMM is applied and the share of FVtPL classified investments has significantly increased compared to IAS 39, are affected



# GROUP INCOME STATEMENT

6M 2023 (€ mn)

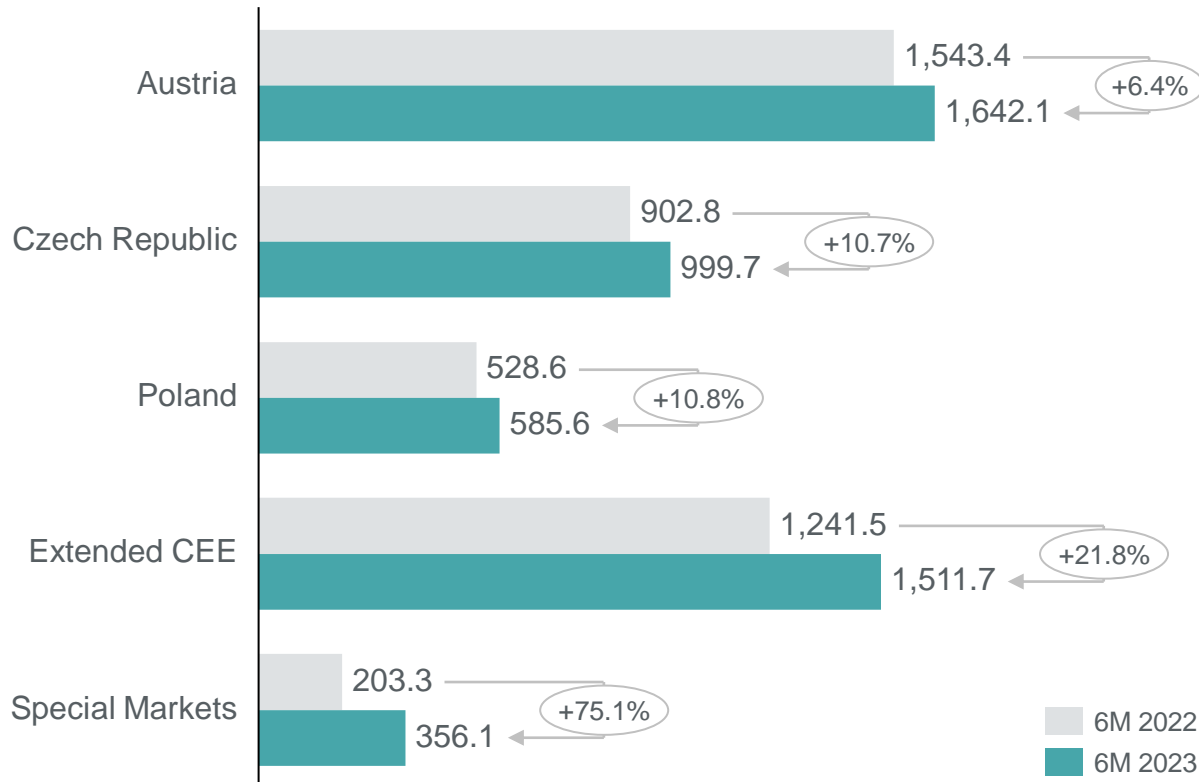
	6M 2023	6M 2022	+/- %
<b>Insurance service result</b>	<b>550.8</b>	<b>521.3</b>	<b>5.7</b>
Insurance service revenue - issued business	5,380.4	4,732.9	13.7
Insurance service revenue (PAA)	4,160.5	3,662.0	13.6
Expected claims	527.2	499.6	5.5
Expected directly attributable expenses	275.6	215.5	27.9
Experience adjustment	-3.4	0.1	-
Change of risk adjustment	80.2	79.3	1.1
CSM release	340.2	276.4	23.1
Insurance service expenses - issued business	-4,807.4	-4,099.0	17.3
Incurred claims and directly attributable expenses	-4,811.0	-4,039.5	19.1
Other insurance expenses	3.6	-59.5	-
Insurance service result - reinsurance held	-22.2	-112.6	-80.3
Insurance service revenue - reinsurance held	-793.8	-690.8	14.9
Insurance service expenses - reinsurance held	771.6	578.2	33.5
<b>Net investment result</b>	<b>233.4</b>	<b>-149.1</b>	<b>-</b>
Investment result	1,098.4	-1,245.1	-
Income and expenses from investment property	30.0	23.4	28.6
Insurance finance result	-910.8	1,063.7	-
Result from at-equity consolidated companies	15.7	8.9	77.4
<b>Finance result</b>	<b>-52.1</b>	<b>-42.7</b>	<b>22.0</b>
<b>Other income and expenses</b>	<b>-269.1</b>	<b>-117.5</b>	<b>&gt;100</b>
<b>Business operating result</b>	<b>463.0</b>	<b>212.0</b>	<b>&gt;100</b>
Adjustments	-0.1	0.0	-
<b>Result before taxes</b>	<b>462.9</b>	<b>212.0</b>	<b>&gt;100</b>
Taxes	-110.1	-57.1	92.8
Non-controlling interests	-9.4	-7.5	25.8
<b>Result for the period after taxes and non-controlling interests</b>	<b>343.4</b>	<b>147.4</b>	<b>&gt;100</b>

- Positive development of the insurance service revenue in all segments; the increase results primarily from the dynamic premium development in PAA as well as from the higher CSM release in GMM and VFA
- Net investment result in the comparison period was burdened by measures taken (€ 126.1mn) in relation to Russian investment exposure; through the sale of Russian bonds in the first half of 2023 a profit of € 20.3mn was achieved; overall current income growing due to increased interest rate environment
- Result before taxes up by € 251mn; result in the first half of 2022 was significantly influenced by the interest rate development; contribution of the long-term life and health insurance business in 6M 2022 substantially lower
- Tax ratio of 23.8% (6M 2022: 26.9%)



# INSURANCE SERVICE REVENUE OF 5.4 BILLION EURO UP BY 13.7%

Insurance service revenue by segments (€ mn)

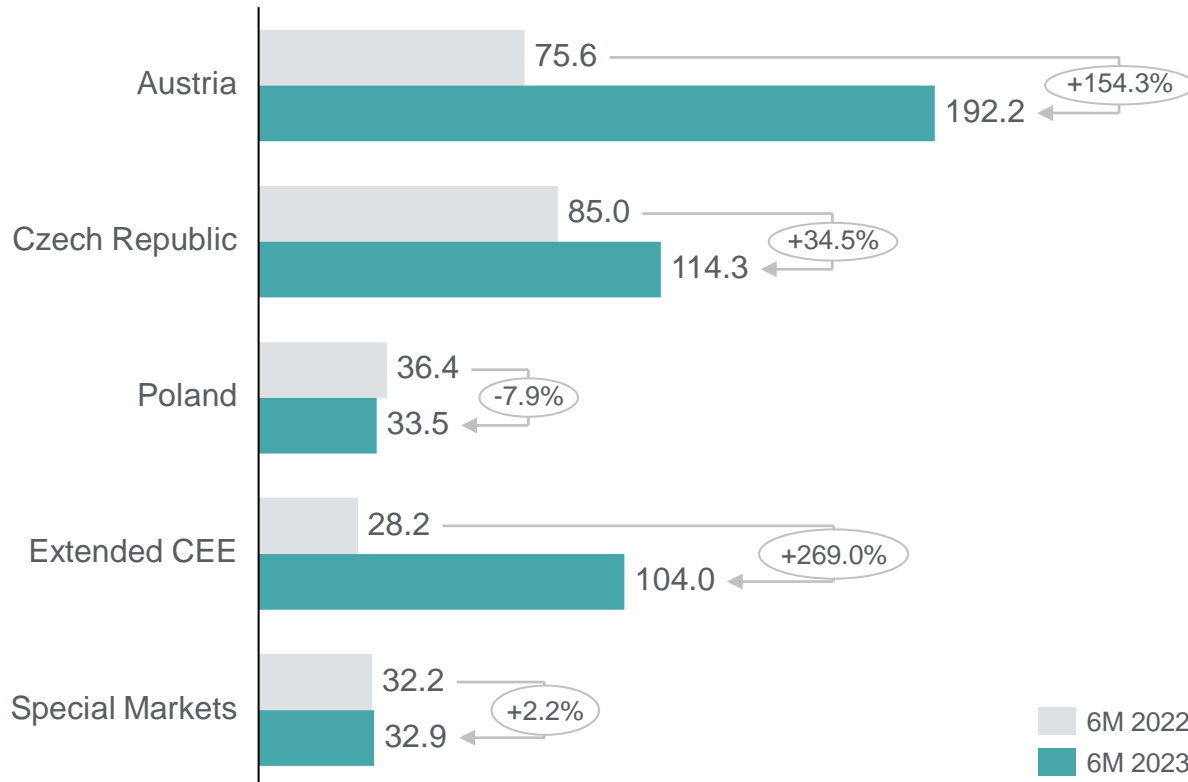


- AT: Insurance service revenue up by € 98.7mn driven by increased gross written premiums in the non-life lines of business
- CZ: Double-digit growth due to positive development in the motor lines of business
- PL: Revenue growth mainly driven by gross written premium increases in casco and other property business
- Extended CEE: Revenue up by € 270.2mn impacted by first-time consolidation of Alfa (former Aegon) in Hungary and supported by positive developments in casco in Romania and Bulgaria as well as solid growth in the non-life lines of business in Slovakia
- Special Markets: Substantial increase of € 152.8mn in the insurance service revenue driven by good performance in all lines of business in Türkiye and Georgia including the first-time consolidation of Viennalife (former Aegon) in Türkiye

Group Functions € 798.3mn (6M 2022: € 744.4mn) +7.2%; Consolidation € -513.1mn (6M 2022: € -431.1mn) +19.0%

# SUBSTANTIALLY IMPROVED RESULT BEFORE TAXES OF 462.9 MILLION EURO

Result before taxes (€ mn)



- AT: strong improvement of the result before taxes to € 192.2mn; 6M 2022 mostly impacted by the measures taken in relation to the Russian investment exposure
- CZ: result before taxes up by € 29.3mn mainly driven by a positive development of the net investment result
- PL: deterioration of the combined ratio leads to a slightly decreased result before taxes of € 33.5mn
- Extended CEE: significant profit increase by € 75.8mn impacted by first-time consolidation of Alfa (former Aegon) in Hungary and due to improved net investment result, especially in Slovakia and the Baltics
- Special Markets: improved result before taxes due to the first-time consolidation of Viennalife (former Aegon) in Türkiye and better health business in Georgia

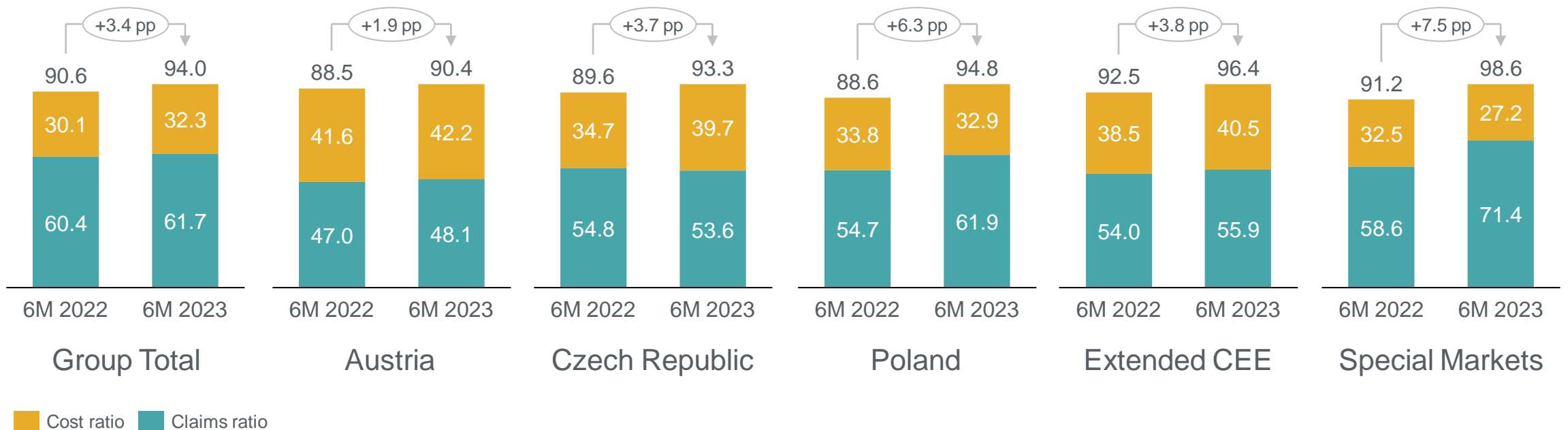
Group Functions € -14.0mn (6M 2022: € -45.3mn) -69.2%; Consolidation € 0.0mn (6M 2022: € 0.0mn)



# NET COMBINED RATIO P&C OF 94.0%

Overview plus market segments (CoR net, %)

- Net insurance service expenses of € 3,325.1mn (€ 2,826.8mn) / Net insurance service revenue of € 3,539.1mn (€ 3,121.0mn)
- Increased combined ratio primarily due to the consideration of higher claims volatilities in the liability for incurred claims (LIC)
- In the Czech Republic, positive one-off in 6M 2022 due to high commission accruals in connection with the first-time application of IFRS 17
- In Poland, low MTPL prices deteriorate the claims ratio and in Türkiye, claims costs increase driven by inflation



Cost ratio Claims ratio

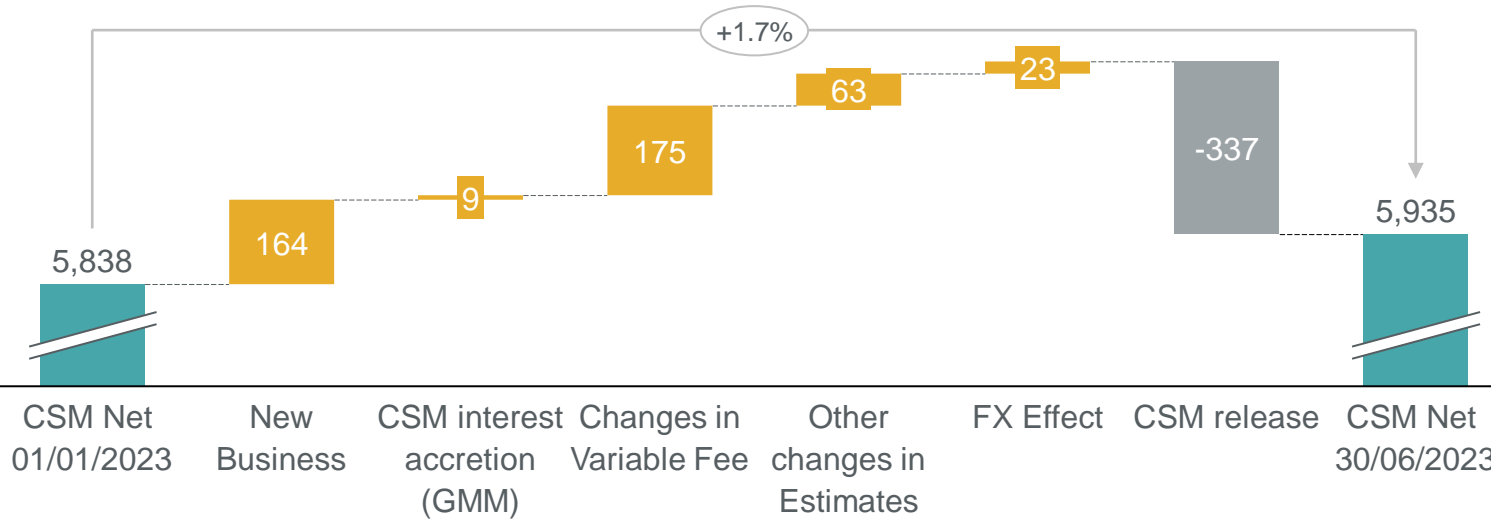




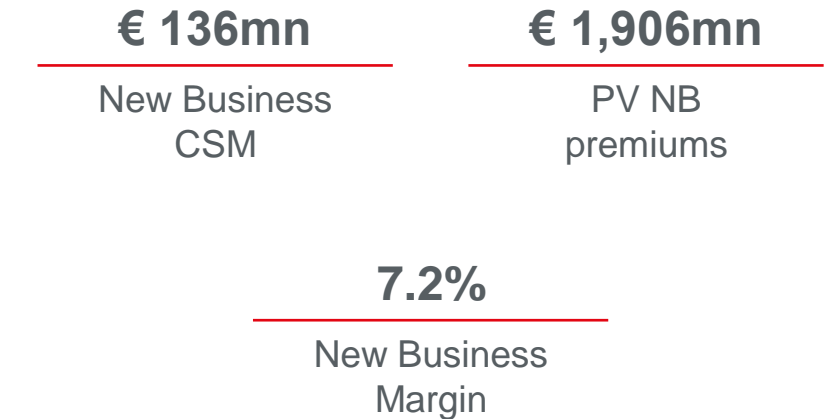
# CONTRACTUAL SERVICE MARGIN & L/H NEW BUSINESS

6M 2023

Total Net CSM roll-forward (€ mn)



L/H New Business (€ mn)



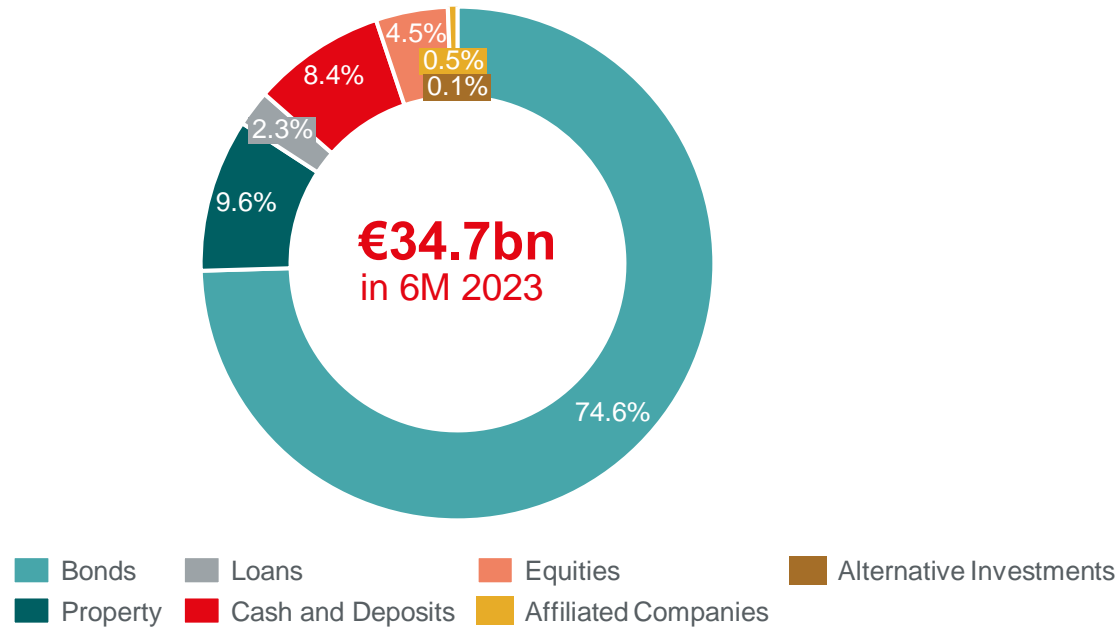
- CSM of € 5.9bn up by 1.7% compared to opening value
- Excellent profitability of new business in L/H with 7.2%; NB Margin increased compared to 5.8% at year-end 2022



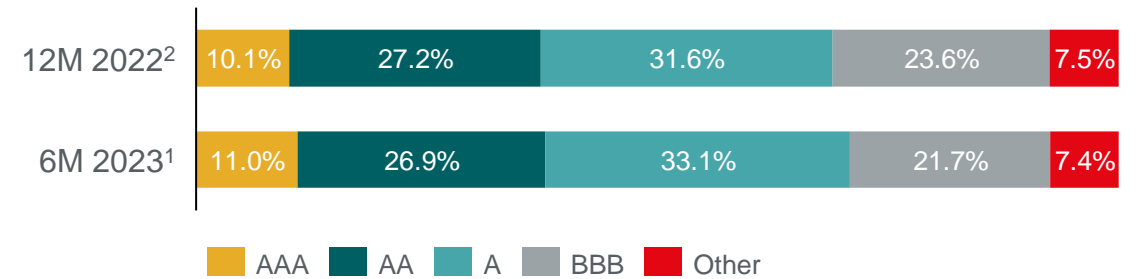
# INVESTMENT SPLIT

The presented split refers to the investments held at VIG's own risk

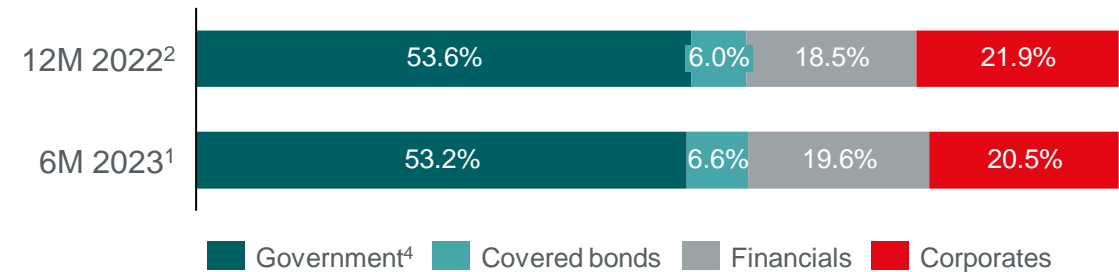
## Investment split<sup>1</sup>



## 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 <sup>4</sup> Government bonds also include bonds issued by supranational organisations, government agencies, federal or constituent states and municipalities



# GROUP BALANCE SHEET

30/06/2023 (€ mn)

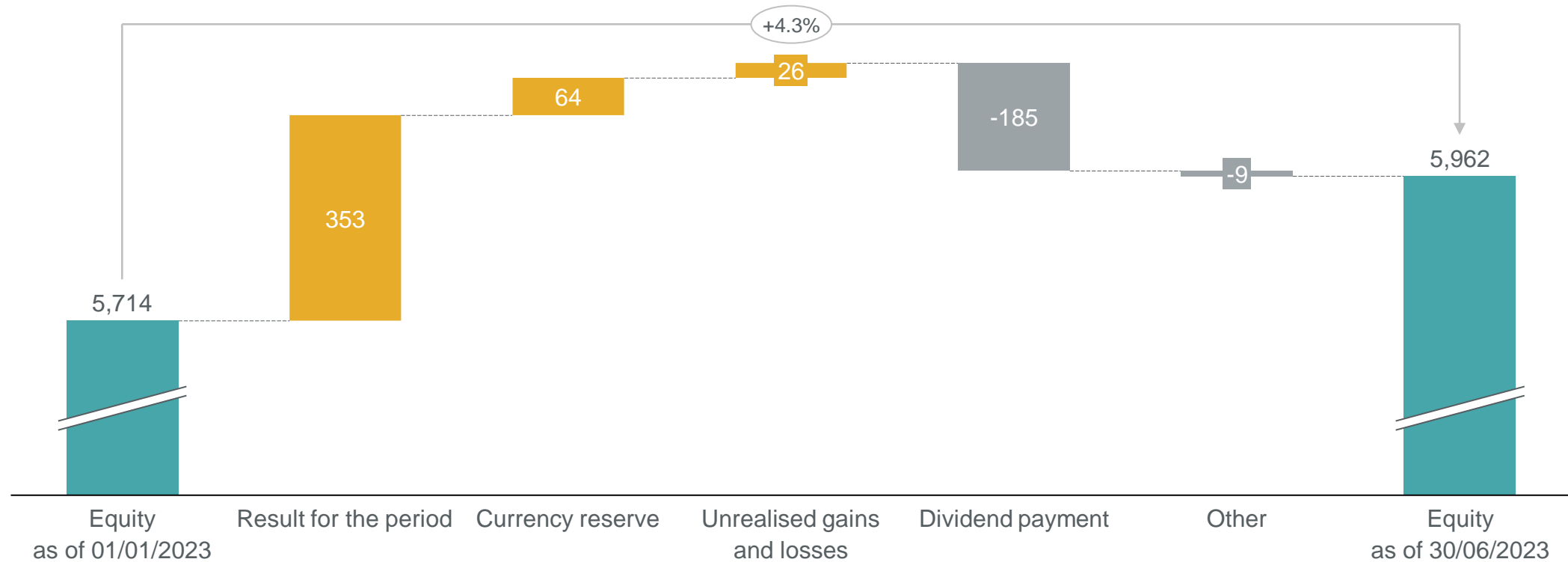
	30/06/2023	31/12/2022	+/- %
Cash and cash equivalents	1,774.0	2,315.2	-23.4
Financial assets	37,038.2	35,814.0	3.4
Receivables	527.9	490.7	7.6
Current tax assets	193.7	175.9	10.2
Investments in associates and joint ventures	187.4	288.0	-34.9
Insurance contracts assets issued	178.4	140.8	26.7
Reinsurance contracts assets held	1,945.5	1,874.5	3.8
Investment property incl. building right	2,701.5	2,645.0	2.1
Property and equipment	620.9	608.7	2.0
Other assets	130.3	120.5	8.1
Goodwill	1,468.2	1,438.7	2.1
Intangible assets	601.0	585.8	2.6
Deferred tax asset	572.4	541.2	5.8
Right-of-use assets	192.1	178.7	7.5
<b>Total assets</b>	<b>48,131.4</b>	<b>47,217.7</b>	<b>1.9</b>
Liabilities and other payables	968.7	949.8	2.0
Current tax liabilities	155.1	115.6	34.2
Financial liabilities	2,665.6	2,912.6	-8.5
Other liabilities	88.4	78.4	12.7
Insurance contracts liabilities issued	37,254.8	36,370.4	2.4
Reinsurance contracts liabilities held	17.0	37.7	-54.8
Provisions	629.9	669.9	-6.0
Deferred tax liabilities	390.1	369.4	5.6
Consolidated shareholders' equity	5,961.7	5,713.9	4.3
Non-controlling interests	242.2	241.3	0.4
<b>Total liabilities</b>	<b>48,131.4</b>	<b>47,217.7</b>	<b>1.9</b>



# EQUITY DEVELOPMENT

6M 2023

Change in consolidated Shareholders' Equity (€ mn)





# OPERATING RETURN ON EQUITY OF 15.8%

- Group operating profit annualised based on half-year result in relation to average equity adjusted for unrealised gains and losses

	30/06/2023	31/12/2022	31/12/2021
Shareholders' equity	5,961.7	5,713.9	5,308.3
Unrealised gains and losses recognised in equity <sup>1</sup>	-5.5	20.1	-139.4
<b>Adjusted shareholders' equity</b>	<b>5,956.2</b>	<b>5,734.0</b>	<b>5,168.9</b>
Average adjusted shareholders' equity	5,845.1	5,451.4	
Business operating result	463.0	594.7	
<b>RoE in % (annualised)</b>	<b>15.8%</b>	<b>10.9%</b>	

<sup>1</sup> Adjusted by non-controlling interests



# SEGMENT OVERVIEW

6M 2023 (€ mn)

	Insurance service revenue			Result before taxes			Combined ratio (net, %)		
	6M 2023	6M 2022	+/- %	6M 2023	6M 2022	+/- %	6M 2023	6M 2022	+/- pp
Austria	1,642.1	1,543.4	6.4	192.2	75.6	>100	90.4	88.5	1.9
Czech Republic	999.7	902.8	10.7	114.3	85.0	34.5	93.3	89.6	3.7
Poland	585.6	528.6	10.8	33.5	36.4	-7.9	94.8	88.6	6.3
Extended CEE	1,511.7	1,241.5	21.8	104.0	28.2	>100	96.4	92.5	3.8
Special Markets	356.1	203.3	75.1	32.9	32.2	2.2	98.6	91.2	7.5
Group Functions	798.3	744.4	7.2	-14.0	-45.3	-69.2	88.1	84.3	3.8



# GLOSSARY

IFRS 17/9

<b>Abbreviation</b>	
CSM	Contractual service margin
FVA	Fair value approach
FVtOCI	Fair value through other comprehensive income
FVtPL	Fair value through profit and loss
GMM	General measurement model
L/H	Life/Health
LIC	Liability for incurred claims
P&C	Property and casualty
PAA	Premium allocation approach
RA	Risk adjustment
VFA	Variable fee approach

## 6M 2023 RESULTS

### APPENDIX

Please note: rounding differences may occur





# 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

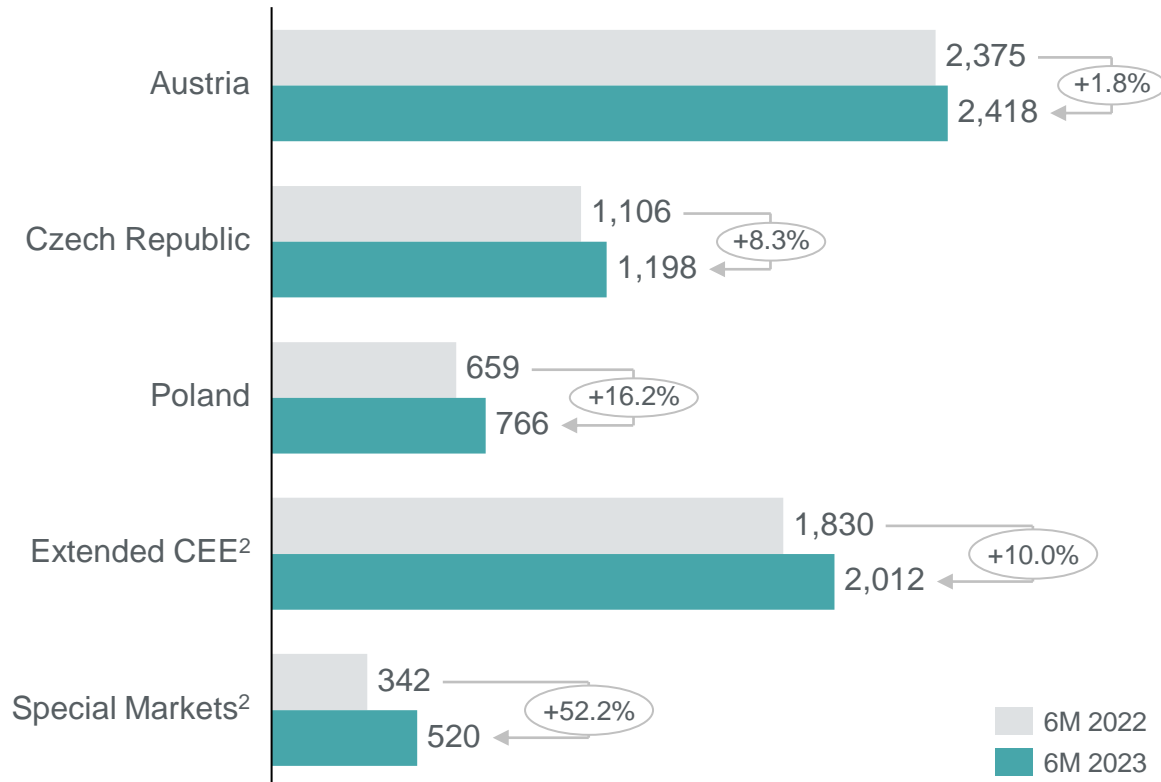
Country responsibility:  
Estonia, Latvia, Lithuania, Poland, Ukraine

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



# GROSS WRITTEN PREMIUMS UP BY 10.8% BASED ON GROWTH IN ALL SEGMENTS

Gross written premiums<sup>1</sup> (€ mn)



- Overall, strong premium growth in the first six months resulting in total GWP of € 7,306.7mn
- Premium growth in Austria and the Czech Republic coming from non-life and health business; life single premium business in both markets in the first half of the year declining
- Double-digit premium growth in Poland (+€ 106.7mn) driven by casco, other property and life single premium business
- Premium growth in the segment Extended CEE (+€ 182.4mn) primarily driven by a very positive development in non-life segment in Hungary (+€ 103.1mn) as well as solid growth in motor and health in the Baltic states (+€ 40.9mn) and Slovakia (+€ 24.9mn)
- Premium growth rate in Special Markets almost exclusively coming from Türkiye (+€ 171.7mn) based on first-time consolidation and strong premium growth in life business in Viennialife (former Aegon) as well as in motor and property in Ray Sigorta

<sup>1</sup> Gross written premiums not part of IFRS 17/9 reporting

<sup>2</sup> The previous year's figures have been adjusted for the addition of the Aegon companies compared to the publication of 6M 2022



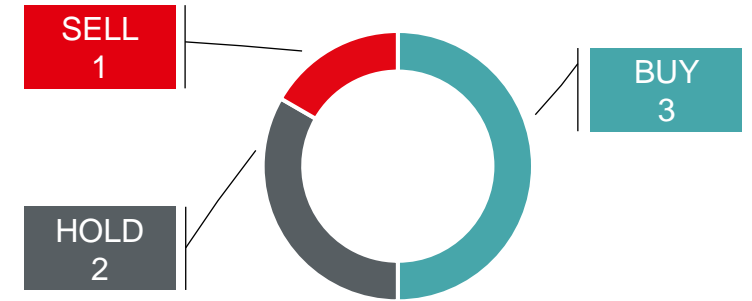
# VIG SHARE (I)

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

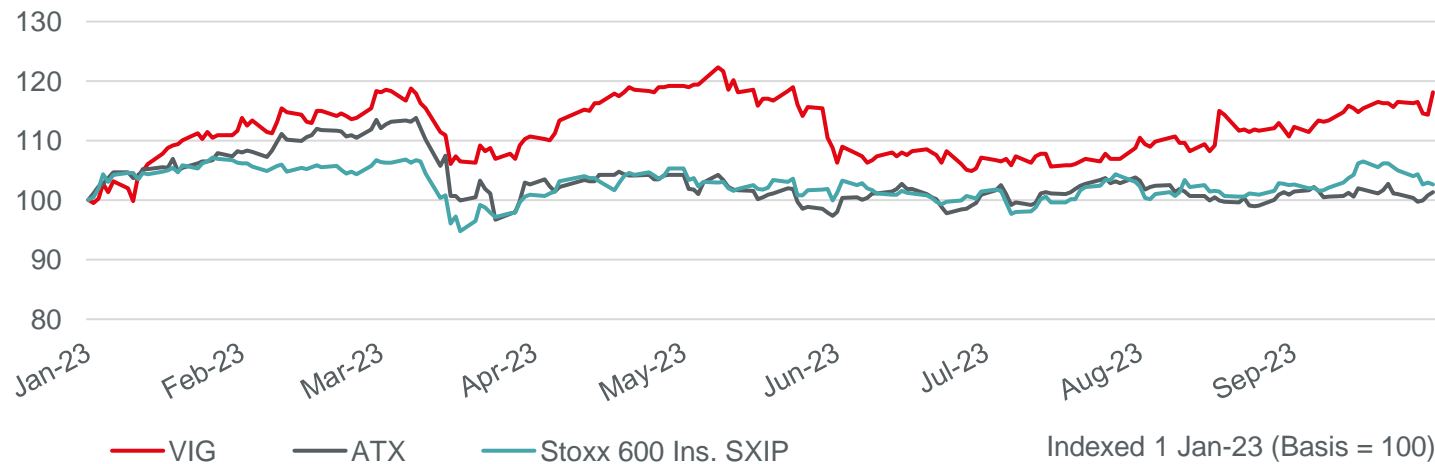
## General information

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

## Analyst recommendations (30/09/2023)



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



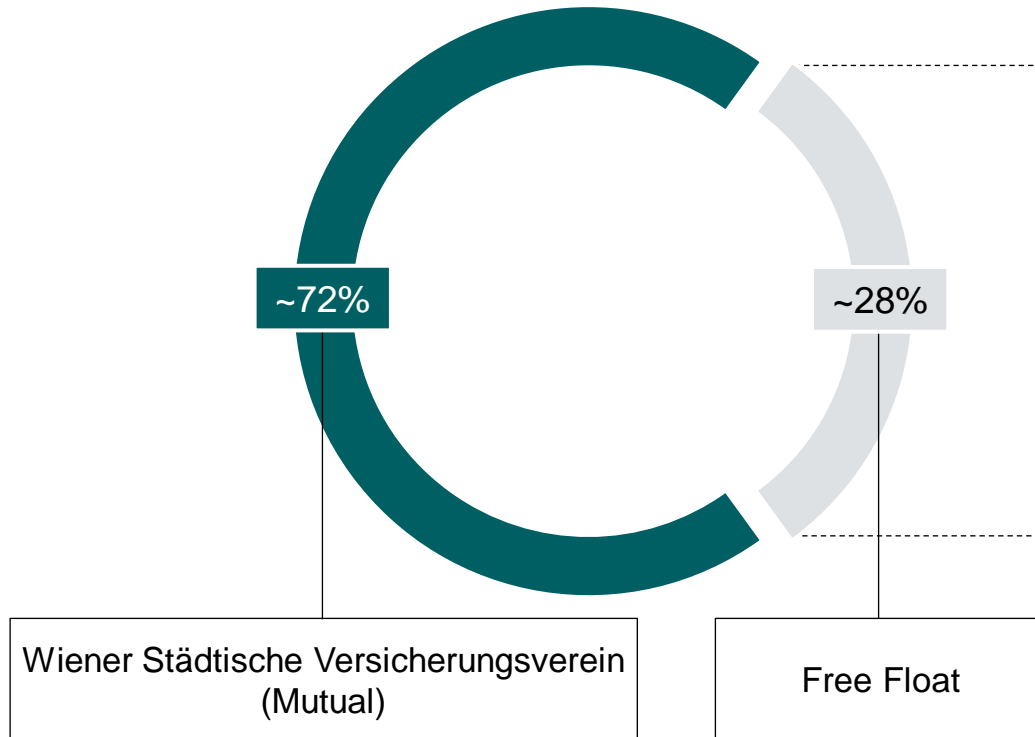
## Share price development 9M 2023

High	EUR	27.35
Low	EUR	22.25
Price as of 30 Sep 2023	EUR	26.40
Market cap.	EUR	3.38bn
Share performance (excl. dividends)	%	+18.1

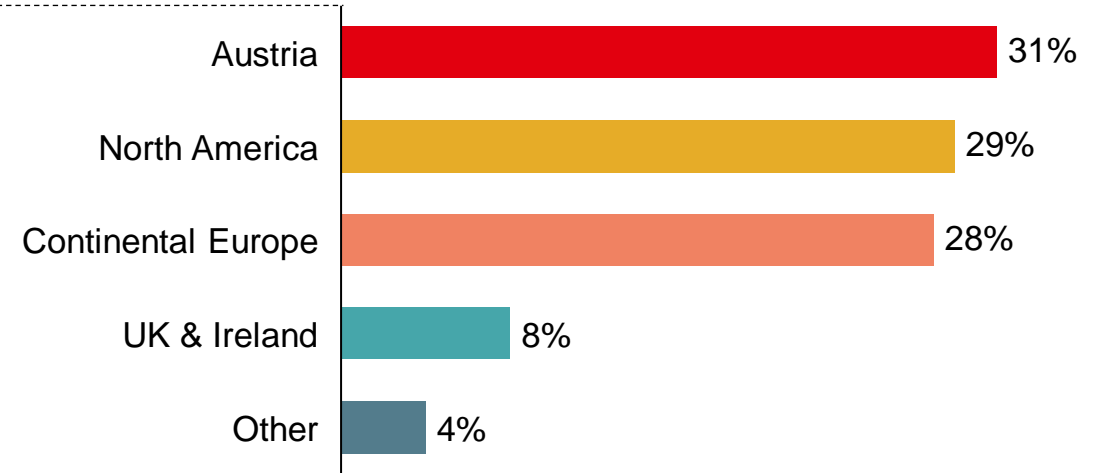


# VIG SHARE (II)

## Shareholder structure



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



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



Stand: August 2023

WE ARE **NUMBER 1**  
IN CENTRAL AND EASTERN EUROPE.

**VIG**  
VIENNA INSURANCE GROUP  
Protecting what matters.

# 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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IFRS 17/9 financial figures in this presentation have not been audited.

Please note that calculation differences may arise when rounded amounts and percentages are summed automatically.