VIG
VIENNA INSURANCE GROUP

GROUP ANNUAL REPORT 2024

Financial calendar*

Annual General Meeting:
23 May 2025

Update 1st quarter 2025:
27 May 2025

Results for the 1st half of 2025:
27 August 2025

Update 1st to 3rd quarters of 2025:
25 November 2025

* preliminary planning

KEY FIGURES AT A GLANCE

Country	Insurance service revenue issued business	Result before taxes	Net combined ratio	Employees
	in EUR ‘000	in EUR ‘000	in %	Number
Austria	3,543,242	336,078	92.52	5,503
Czech Republic	2,078,225	211,138	94.85	5,380
Poland	1,373,271	65,056	95.57	2,982
Extended CEE[1]	3,599,456	159,692	93.88	12,979
Special Markets[2]	924,201	88,567	98.69	4,172
Group Functions[3]	1,780,879	21,275	85.35	627

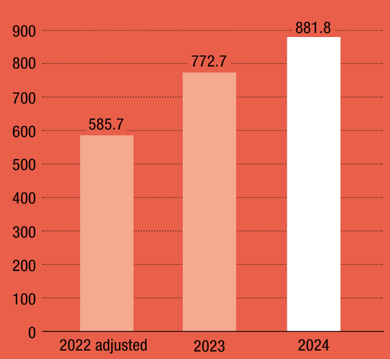
[1] Extended CEE: Albania incl. Kosovo, Baltic states, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia, Ukraine

[2] Special Markets: Germany, Georgia, Liechtenstein, Türkiye

[3] Group Functions: VIG Holding, VIG Re, Wiener Re, VIG Fund, corporate IT service providers, asset management company and intermediate holding companies

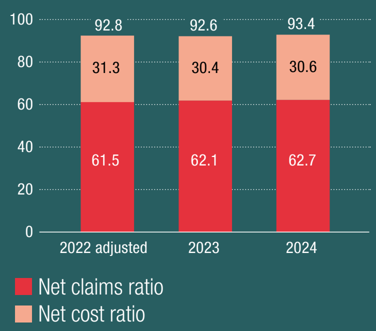
Result before taxes

in EUR million



Development of the net combined ratio

in percent



		2024	2023	2022 adjusted
Income statement				
Gross written premiums	EUR million	15,226.3	13,784.0	12,559.2
Insurance service revenue – issued business	EUR million	12,138.5	10,921.8	9,737.6
Total capital investment result	EUR million	435.6	284.3	-12.2
Result before taxes	EUR million	881.8	772.7	585.7
Net result for the period after taxes and non-controlling interests	EUR million	645.3	559.0	472.3
Net combined ratio	%	93.4	92.6	92.8
Net claims ratio	%	62.7	62.1	61.5
Net cost ratio	%	30.6	30.4	31.3
Balance sheet				
Total capital investment portfolio	EUR million	44,568.3	42,586.1	41,062.2
Consolidated shareholders' equity (including non-controlling interests)	EUR million	6,513.3	6,029.7	5,713.9
Insurance contracts liabilities issued	EUR million	39,598.1	37,804.1	36,370.4
Total assets	EUR million	51,196.4	48,753.8	47,217.7
Operating Return on Equity (Operating RoE)	%	16.4	15.1	11.6
Contractual Service Margin (CSM)	EUR million	5,523.2	5,797.2	5,838.1
Share				
Number of shares	Piece	128,000,000	128,000,000	128,000,000
Market capitalisation	EUR million	3,884.80	3,392.00	2,860.80
Average number of shares traded by day	Piece	~ 31,000	~ 33,000	~ 56,000
Book value per share[1]	EUR	45.90	42.48	40.80
End-of-period price	EUR	30.350	26.500	22.350
High	EUR	31.800	27.350	26.850
Low	EUR	25.650	22.250	20.650
Share performance for the year (excluding dividends)	%	14.53	18.57	-10.24
Dividend per share	EUR	1.55[2]	1.40	1.30
Dividend yield	%	5.11	5.28	5.82
Earnings per share[3]	EUR	4.98	4.31	3.63
Price-earnings ratio as of 31 December		6.09	6.15	6.16
Employees				
Number of employees (average for the year)		31,643	29,405	28,832

Rounding differences may occur when rounded amounts or percentages are added.

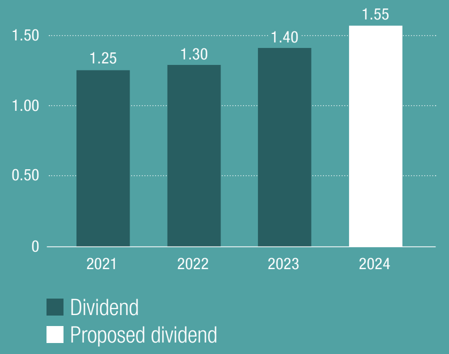
[1] The value is calculated using shareholders' equity less non-controlling shares and revaluation reserve as well as hybrid capital.

[2] Proposed dividend.

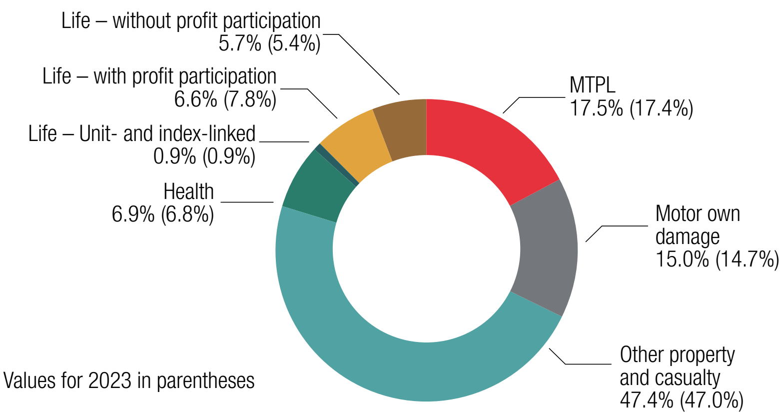
[3] The calculation of this figure considers the interest expenses for hybrid capital. The undiluted earnings per share equals the diluted earnings per share (in EUR).

Dividend per share

in EUR



Insurance service revenue by line of business



Values for 2023 in parentheses

EUR 4.98
Earnings per share
Top result in a challenging environment

EUR 1.55 **dividend per share**
An increase of the dividend to EUR 1.55 per share will be proposed at the Annual General Meeting based on the new dividend policy.

261% **solvency ratio**
VIG continues to be very well capitalised.

More information on VIG shares and the contact information for the Investor Relations department is available on the VIG website at **group.vig/investor-relations**

Four good reasons to invest in VIG:

1. **Broad portfolio with growth potential**
   - Insurance solutions in all lines of business in 30 countries plus pension fund business
   - More than 30 years of experience in CEE
   - Growth initiatives to further expand VIG's leading market position

2. **Financial stability**
   - A+ rating with a stable outlook from Standard & Poor's
   - Solvency ratio of 261% in 2024
   - Continuous dividend distribution every year since 1994

3. **Proven management principles**
   - Local entrepreneurship for taking quick, flexible action on the market
   - Multi-channel distribution to exploit all sales opportunities
   - Multi-brand policy to ensure broad appeal in relation to target groups
   - Conservative investment and reinsurance policies create trust

4. **Sustainability as an integral part of the business model**
   - Sustainability programme with six spheres of impact
   - Commitment to "net zero" by 2050 with a clear interim target of -30% by 2030
   - Declarations of "Responsible Investment" and "Responsible Insurance"

SEIZING OPPORTUNITIES WITH **DIVERSITY**

Dear shareholders, business partners and employees!

Every year has its successes, its challenges, its unique aspects. What will we remember in ten, twenty or thirty years' time when we think of 2024?

A strong foundation

Let's start with the memories that came alive again for VIG last year. We looked back at the 200-year history of Wiener Städtische Versicherungsverein, the foundation of our current insurance group. The anniversary brought to mind our roots, which are more relevant than ever: Losses that an individual cannot bear are borne by a community. This idea has survived and we practise it in all our markets today. It is as obvious as it is enduring, not least because it is based on the principle of diversity.

Diversity with added value

Today, VIG's insurance companies and pension funds have around 33 million customers: They live alone or in various family models, they live in the country, in the city, in their own home or rented accommodation, they get up early in the morning or perform at their best in the evening. We embrace this diversity in our products and service solutions, but also in how we see ourselves as a Group. Diversity is our strength, especially because we pursue it in harmony with solidarity. Broad diversification across markets, insurance companies and distribution channels is a cornerstone of our business model. It strengthens our resilience and allows us to react flexibly to changes. CO^3, short for "Communication, Collaboration, Cooperation", in turn fosters collaboration and the exchange of experiences within the Group. The networking and coordinated interaction supports our growth strategy and improves the performance of our Group.

Tim Berners-Lee, the British physicist, computer scientist and co-creator of >

Key figures 2024

EUR 15.2 billion gross written premiums (+10.5%)

EUR 12.1 billion insurance service revenue (+11.1%)

Result before taxes: EUR 881.8 million (+14.1%)

93.4% net combined ratio

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the World Wide Web, is said to have made the following statement: “We need diversity of thought in the world to face the new challenges.” Indeed we do. Whether politics, the economy, the world of work or the environment, many things are changing. Storm Boris once again reminded us of the consequences of climate change in Central and Eastern Europe. But this natural disaster also demonstrated the strength of VIG’s conservative reinsurance policy. A large portion of the gross losses of EUR 617 million was reinsured, and the impact on the Group’s result was limited to around EUR 70 million net. A testament to our forward-looking risk policy.

30 years on Vienna Stock Exchange

Vienna Insurance Group, still known at the time as Wiener Städtische Versicherung, has been listed on the Vienna Stock Exchange since 17 October 1994. Access to the capital markets was a decisive factor in VIG’s rise to become the leading insurance group in the CEE region. VIG has paid a dividend every year since its IPO, totalling around EUR 2.8 billion. Read more about the stock exchange anniversary on page 20.

A reliable partner on the capital market

17 October marks the second jubilee in 2024: VIG’s shares were first listed on the Vienna Stock Exchange 30 years earlier. Since then, shareholders have received a dividend every year without interruption. In total, around EUR 2.8 billion in dividends have been paid out over the past 30 years. These three decades of continuous dividends are impressive testimony to our reliability on the capital market and further proof of the resilience of our business model. For the 2024 financial year, management again proposes an increased dividend of EUR 1.55 per share.

What did we achieve in 2024?

In 2024, we achieved double-digit growth not just in premiums and revenue, but also in profit. Specifically, VIG generated profit before taxes of EUR 881.8 million, even exceeding the forecast range of EUR 825 to 875 million.

In the area of sustainability, we reached further milestones in 2024. The first-time application of the ESRS/CSRD standards in the Group Annual Report marks the beginning of a new era in sustainability reporting. Our VIG sustainability programme forms the basis for VIG’s commitment to sustainability and all key sustainability activities. A transition plan has been developed based on this programme. It sets out specific targets for 2030 in the areas of asset management, underwriting and operations, and underpins our ambitious path towards climate neutrality by 2050.

In implementing our VIG 25 strategic programme, one of our focuses was on continuing the digital transformation and promoting innovation. At the same time, our Group companies have invested in the expansion of digital services and worked intensively on the development of new products and services, for example in the area of embedded insurance, with the newly established VIG platform partners providing support. With its help, we are breaking new ground in accessing an even broader range of customers through innovative insurance solutions in both digital and physical ecosystems.

In light of increasing cyber risks and ahead of the introduction of DORA (Digital Operational Resilience Act), we have established a Group-wide Cyber Defense Center programme to ensure that IT systems are secured and customer data is protected. The newly implemented, comprehensive security systems provide optimal protection at the highest current security level.

What’s next?

The favourable developments of the past year and the positive growth forecasts for the CEE region make us optimistic about the coming year. We are confident that with our clear strategy, our strong market position and the commitment of our employees, we will remain on course for success in 2025.

The CEE region will continue to offer attractive growth opportunities in the future. There is clearly some catching up to do in the area of risk literacy, i.e. understanding risks and how to protect against them. Our task is to help our customers to better assess their risks and find suitable insurance solutions.

The VIG 25 strategic programme will enter its final in 2025. Our new strategic programme launches next year, and will further strengthen our position as

"We are encouraged by the positive forecast for the CEE region."

© Marlene Fröhlich | luxundlumen.com

More information from Hartwig Löger in the video online at
annual-report.vig/2024

First-time application of the ESRS and CSRD standards

The consolidated non-financial report (sustainability statement) was prepared for the first time on the basis of the new European Sustainability Reporting Standards (ESRS), which are mandatory from the 2024 financial year. It provides a comprehensive overview of all the Group's material sustainability matters and fulfils the requirements of the Corporate Sustainability Reporting Directive (CSRD). In this report, VIG Group presents all relevant information on sustainability-related impacts, risks and opportunities in a transparent manner and in accordance with the applicable ESRS requirements. Detailed information can be found in the chapter "Consolidated non-financial report" starting on page 57 of the Group management report.

the leading insurance group in the CEE region. A compact set of principles and corporate values, individual strategies for the local Group companies, even closer interlinking of cooperation (CO^3) and Group-wide programmes form a robust and sustainable framework for our long-term success.

We can look back on two recent jubilees – Wiener Städtische Versicherungsverein's 200^{th} anniversary and 30 years on the Vienna Stock Exchange – with appreciation and pride in what we have achieved. At the same time, these achievements motivate us to continue on our successful path with new ideas and joint efforts.

Hartwig Löger
CEO of Vienna Insurance Group

CONTENTS

Read more

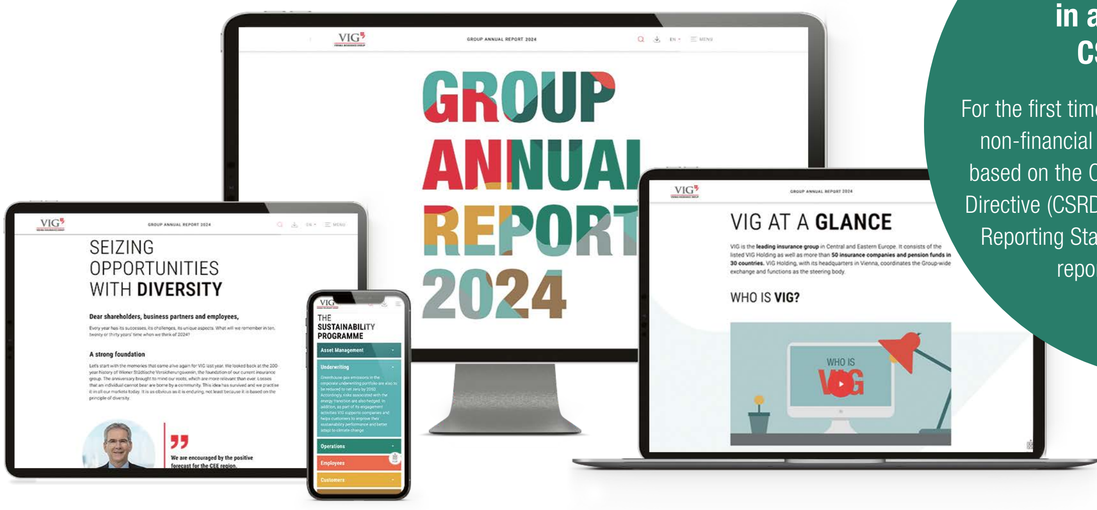
Additional videos and information about the 2024 financial year are available online at **annual-report.vig/2024**

Some of the additional content:
- Video with CEO Hartwig Löger
- Explanatory videos on "Who is VIG?", the "VIG 25 strategic programme" and the "VIG sustainability programme".
- Other highlights from the 2024 financial year

All VIG Holding publications are available at **group.vig/reports**

Company

Group management report



Sustainability statement in accordance with CSRD and ESRS

For the first time, VIG is publishing a consolidated non-financial report (sustainability statement) based on the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). You can find the report starting on **page 57.**

Consolidated financial statements

Service information

AT A
GLANCE

VIG is the **leading insurance group** in Central and Eastern Europe. It consists of the listed VIG Holding as well as more than **50 insurance companies and pension funds in 30 countries.** VIG Holding, with its headquarters in Vienna, coordinates the Group-wide exchange and functions as the steering body.

The insurance companies rely on local brands. Their approximately **30,000 employees** provide around **33 million customers** with the best possible protection against the risks of day-to-day life.

VIG's strategy is oriented towards profitable growth and the creation of **added value through diversity**: The wealth of different languages, cultures and entrepreneurial approaches ensures the greatest possible proximity to customers and promotes innovation and creativity. The decentralised structures make the Group flexible and ensure quick decisions.

around **33,000,000** customers

around **30,000** employees

over **50** insurance companies and pension funds

operating in **30** countries

200 years of experience in the Group

number **1** in CEE

A+ rating with stable outlook from Standard & Poor's

1990 first expansion step into the former Czechoslovakia

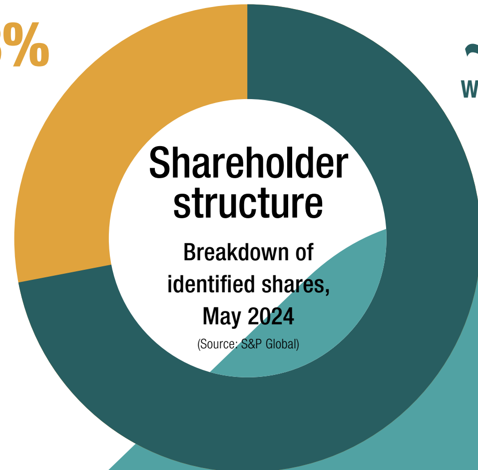
Listing on the **Vienna, Prague and Budapest** stock exchanges

Yearly dividends since going public in 1994

Who is VIG?

Find out more about the leading insurance group in CEE in this video at **annual-report.vig/2024/profile**

~28%
Free float



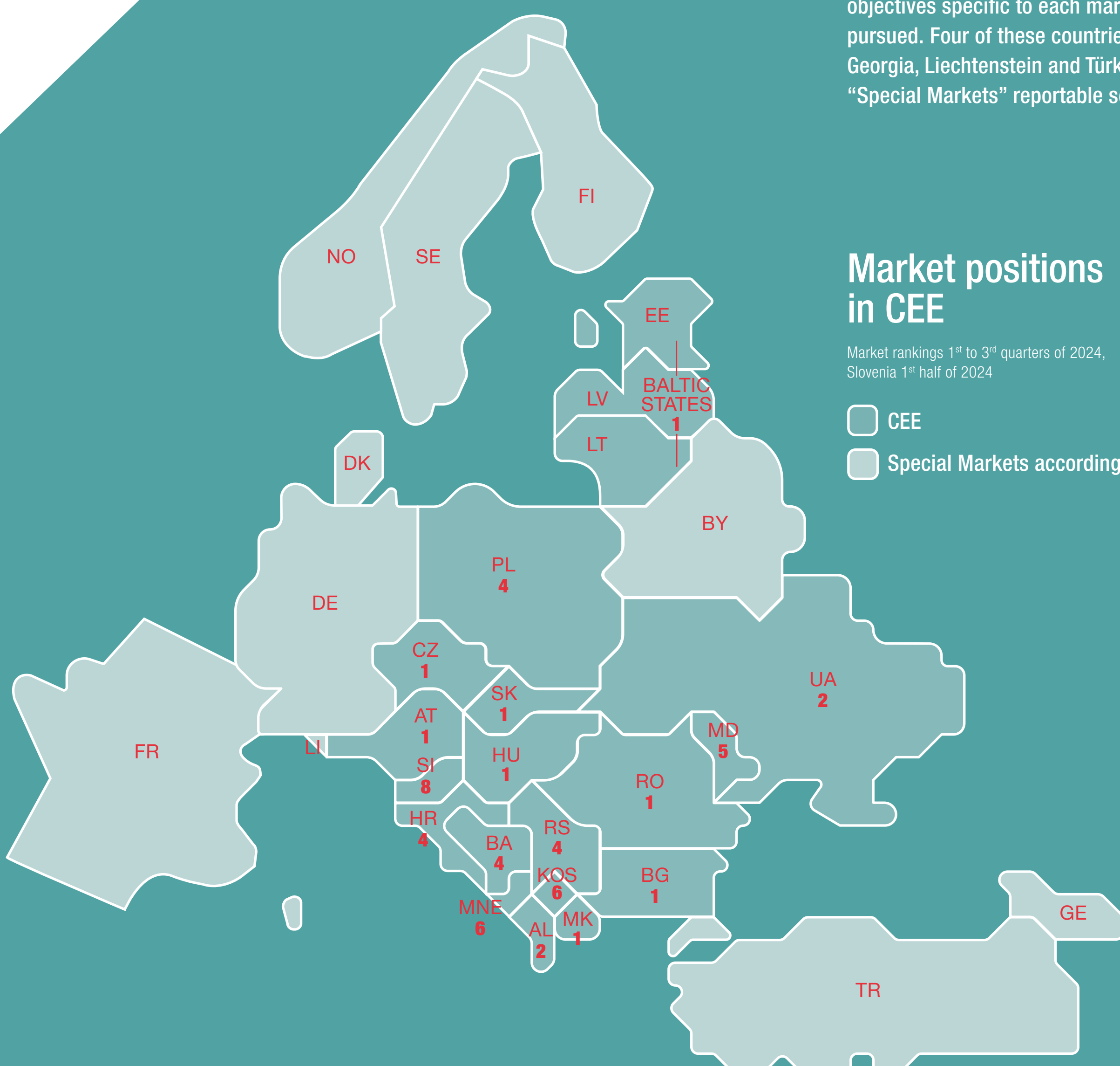
~72%
Wiener Städtische Versicherungsverein

VIG country portfolio

VIG divides its region into two areas. First, the region of Central and Eastern Europe, which consists of 20 countries, including Austria, whose long-term growth opportunities will be exploited. Second, ten special markets where objectives specific to each market will be pursued. Four of these countries (Germany, Georgia, Liechtenstein and Türkiye) are in the "Special Markets" reportable segment.

Market positions in CEE

Market rankings 1st to 3rd quarters of 2024, Slovenia 1st half of 2024



CEE

Special Markets according to the country portfolio

STRATEGIC **PRINCIPLES**

The mission statement, strategic objectives and clear management principles determine the long-term direction of VIG.

Mission statement

Our vision

We want to be the first choice for our customers. Our stakeholders see us as a stable and reliable partner. This enables us to consolidate our position as the leading insurance group in Central and Eastern Europe.

Our mission

We stand for stability and competence in the field of risk protection. We use our experience, know-how and diversity to move closer to our customers. We see it as our responsibility to protect the values that matter to our customers.

Our promise

Protecting what matters.
We enable our customers to live a safe and better life.

Strategic objectives

- **Expanding the leading market position in CEE**
- **Creating sustainable value**
- **Sustainability objectives in six spheres of impact**

On the basis of this long-term strategic orientation, VIG formulates medium-term objectives. For example, the Group aims to be at least one of the top three insurance groups in each CEE market by the end of 2025 (with the exception of Slovenia). It intends to increase premium volume by taking advantage of long-term opportunities in health insurance and risk provisions in the CEE region, among other things. One of the ways in which sustainable value is created, among other things, is through efficiency in the operating business, such as by making more targeted use of synergies between companies. The Group-wide sustainability programme pursues the objective of further strengthening sustainability as an integral part and foundation of the business model and in doing so ensuring the future success of the Group (see page 14).

Management principles

Local entrepreneurship
VIG's decentralised organisational structure gives local management and employees the flexibility needed for their business operations. In the end, they know best about the needs of the local population and the specifics of their markets. This allows products and sales to be adjusted optimally to local circumstances. VIG Holding is responsible for steering the Group.

Multi-brand strategy
VIG relies on regionally established brands. With over 50 insurance companies and pension funds in 30 markets, it can address various target groups directly and personally. This also strengthens its regional identity and creates greater customer and employee loyalty to the company. In addition to the local brand name, "Vienna Insurance Group" conveys the internationality and strength of the Group.

Multi-channel distribution
In order to best meet the individual preferences of its customers for receiving advice, VIG insurance companies use their own sales representatives, brokers and agents, multi-level marketing, direct and digital sales. Bancassurance is also very important. The bank cooperation agreement with Erste Group, which is also firmly established in the CEE region, has existed since 2008.

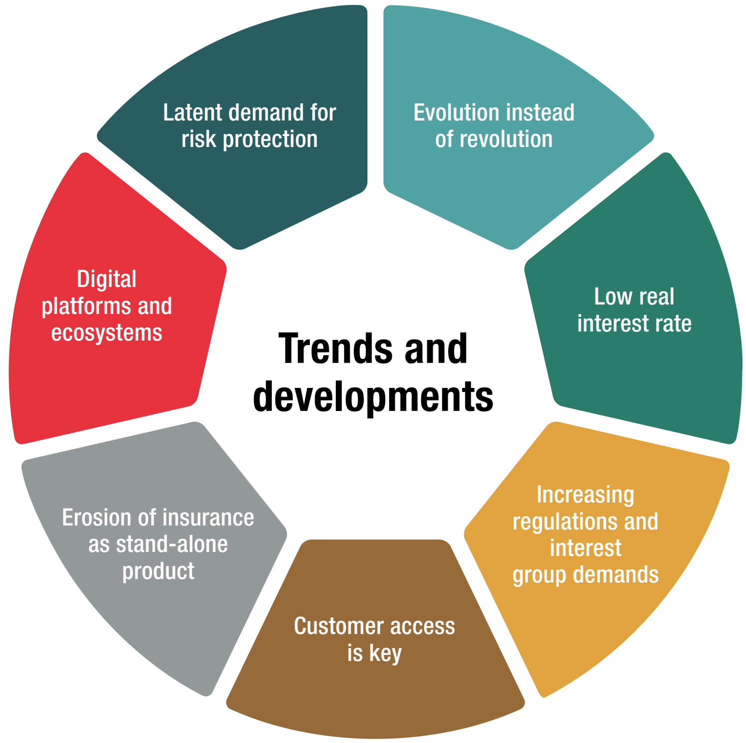
Conservative investment and reinsurance policies
The capital investments held at VIG's own risk amount to EUR 36,476.8 million. Security and sustainability are at the focus of the investment strategy, which is why investments are predominantly made in bonds. Diligence also guides the reinsurance policy: To obtain the optimal risk balance, risks are bundled at the Group level and partially placed on the international reinsurance market.

VIG 25

Strategic programme until the end of 2025

VIG 25

Strategic programme until the end of 2025



MORE SUCCESS: THE **VIG 25** STRATEGIC PROGRAMME

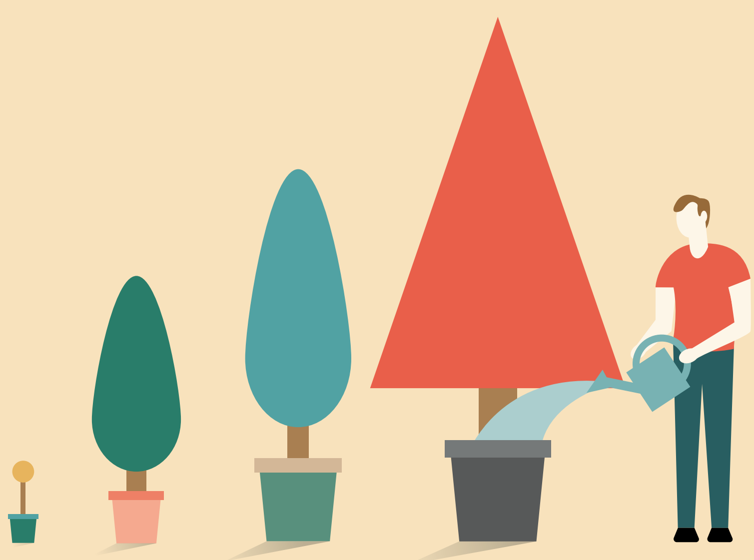
The VIG 25 strategic programme sets down the goals until the end of 2025. More efficiency, more customer proximity and more value added prepare the ground for more sustainable success.

The VIG 25 strategic programme was developed for the period from 2021 to the end of 2025. In response to the trends and developments shown in the above graphic and their impact on the insurance business, clear requirements are emerging for the Group: Sustainability as an integral part and foundation of the business model must be further strengthened and efficiency and productivity further enhanced, for example through digitalisation. In addition, new ways of approaching and retaining customers will be developed and a general understanding of risk provision will be promoted. The business model is therefore being optimised, enhanced and expanded through targeted activities in three strategic focus areas. These will consolidate VIG's sustainable success and help achieve its strategic objectives (see page 10).

Find out more about the VIG 25 strategic programme in this video at **annual-report.vig/2024/strategy-VIG-25**

Requirements

- Further strengthening sustainability as an integral part and foundation of the business model
- Further increasing the efficiency and productivity of the operating business thereby continuing and intensifying the associated digital transformation
- Developing new ways to approach and retain customers in order to respond to changing consumer expectations and behaviours
- Promoting understanding in society of the importance of risk provision



Strategic focus areas in three horizons

More efficiency

Optimise the business model by increasing productivity and efficiency
- Process simplification and automation
- Exchange and implement best practice examples
- Further optimise underwriting and pricing

More customer proximity

Enhance the business model with new ways to approach customers and enrich the product range with services that provide additional value for customers
- Increase brand visibility and the attractiveness of products
- Increased use of a hybrid distribution approach that combines personal and digital contact

More value added

Expand the business model and value chain beyond the insurance business
- Increased focus on asset management and the pension fund business
- Establish ecosystems
- Promote awareness of precaution and risk protection

SUSTAINABILITY PROGRAMME

As part of the VIG 25 strategic programme, the Group also developed a sustainability programme. This strengthens sustainability as an integral part of the business model.

For VIG sustainability means creating economic value today without doing so at the expense of tomorrow. In addition to the traditional **environmental, social** and **governance** aspects, **economic efficiency** and a profitable business model remain at the core of all efforts. The Group-wide VIG sustainability programme was developed in a collaborative process with the VIG insurance companies and is therefore well established within the Group. Together the six spheres of impact were defined. In this context “asset management”, “underwriting” and “operations” primarily have an ecological focus, while the spheres of impact “employees”, “customers” and “society” primarily address social aspects.

Learn more about the sustainability programme in the video at
annual-report.vig/2024/sustainability

VIG promotes risk competence in its markets through risk education. In this way, it supports people in making well-informed decisions, taking responsibility for protecting themselves against risks and increasing their socio-economic resilience. Furthermore, VIG promotes the commitment of its employees for causes that benefit society.

VIG's investment decisions contribute to the climate transition. By 2050 the greenhouse gas emissions from selected investment portfolios shall reach net zero. Measures such as the application of exclusion criteria, an engagement approach and an increase in the proportion of green investments serve this purpose.

VIG places a high value on customer satisfaction and established its own competence center for customer experience in 2023 in order to understand their needs even better. In addition, it wants to close existing protection gaps in society, for example for under-served or socially disadvantaged customers.

Greenhouse gas emissions in the corporate underwriting portfolio are also to be reduced to net zero by 2050. Accordingly, risks associated with the energy transition are also hedged. In addition, as part of its engagement activities VIG supports companies and helps customers to improve their sustainability performance and better adapt to climate change.

VIG aspires to be an attractive employer and promotes employee centricity, diversity and equal opportunity. As part of the sustainability programme many of the Group companies have already begun measuring their attractiveness as employers using the Trust Index™ from Great Place to Work®.

The emissions from own operations and business travel shall reach net zero by 2050. Already by 2030, VIG aims to be climate neutral in this area. We envisage achieving these targets through conscious and reduced energy consumption, the increased use of renewable energies and by travelling for business less frequently and in more environmentally friendly ways.

TRANSITION PLAN FOR **CLIMATE CHANGE MITIGATION**

Vienna Insurance Group developed a transition plan for climate change mitigation in the 2024 reporting year. This plan sets out how emissions will be reduced to net zero by 2050 for the spheres of impact "underwriting", "asset management" and "operations" from the VIG sustainability programme.

The transition plan is based on the VIG sustainability programme. It is of central importance to VIG's business activities and is embedded in the Group's governance structure.

With the transition plan, VIG aims to reduce absolute greenhouse gas emissions in line with the Paris Agreement. To this end VIG has elected to follow a scientifically grounded net-zero path as a reference for its objective and has chosen the "Net Zero 2050" scenario developed by the Network for Greening the Financial System (NGFS), which is in line with the objective of limiting global warming to 1.5 degrees Celsius through strict climate guidelines and technological innovations.

The transition plan defines science-based targets and is currently focused on the corporate portfolio in underwriting, on corporate bonds and equities and other non-fixed-interest securities in asset management, and on VIG's internal operations.

The reduction targets for the selected portfolios apply at Holding level and are also assigned at Group company level.

2023 – base year

STARTING POINT

The greenhouse gas emissions from the base year 2023 serve as a starting point for measuring progress.

Underwriting[1]
approx. 680,000 tonnes of CO_2e

Asset management[2]
approx. 1,220,000 tonnes CO_2e

Operations
approx. 40,000 tonnes of CO_2e

The greenhouse gas emissions from the base year 2023 serve as a starting point for measuring progress. Based on the selected scenario, the path to net zero requires VIG to achieve an absolute reduction in greenhouse gas emissions (CO_2e) of a little under 30% (starting from the base year 2023) by 2030.

More details can be found in the chapter "Disclosure Requirement E1-4" on page 120 of the Group management report.

Steps on the path to decarbonisation

2030

INTERIM TARGET

30% reduction in emissions

With regard to the selected “Net Zero 2050” scenario, VIG has defined as its first milestone a approx. -30% reduction in CO_2e emissions compared to the base year by 2030.

Underwriting[1]
approx. 490,000 tonnes of CO_2e

Asset management[2]
approx. 870,000 tonnes of CO_2e

Operations
approx. 30,000 tonnes of CO_2e

2050

TARGET

Emission reduction to net zero

The aim of the Paris Agreement is to limit global warming to 1.5 degrees Celsius (= net zero scenario) through strict climate guidelines and technological innovations.

DECARBONISATION LEVERS

Key decarbonisation levers have been identified for each sphere of impact. These serve as a guide and create the framework for tangible measures, both at the level of the individual Group companies and at property level (e.g. investment title, issuer). The identified decarbonisation levers are shown in the following table for each sphere of impact:

Spheres of impact	Decarbonisation levers
Underwriting[1]	• Reduction of insurance coverage in emission-intensive areas without adequate transition plans or reduction targets • Consideration of CO_2e intensity (VIG’s net zero target intensity until 2030) in new business • Focus on renewable energy coverage • Reduction of the insurance cover in CO_2e-intensive sectors through exclusion criteria in particularly emission-intensive industries such as thermal coal
Asset management[2]	• Reinvestment of the corporate bonds of the top CO_2e emitters with a maturity before 2030 in emitters with the respective average CO_2e intensity of the sector • Consideration of CO_2e intensity (VIG’s net zero target intensity until 2030) in new investments • Reduction of investments in high-intensity sectors such as thermal coal
Operations	• Increase in the use of renewable electricity • Optimisation of energy consumption for heating and cooling • Switch to low-emission or electric vehicles in the company’s fleet

[1] Corporate and key accounts portfolio
[2] Corporate bonds and shares and other non-fixed-interest securities

HIGHLIGHTS 2024

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Changes in the VIG Managing Board

Christoph Rath has been a Deputy Member of VIG Managing Board since 1 September 2024. Rath was previously Chief Financial Officer (CFO) of the Czech companies Kooperativa Pojišťovna and Ceská Podnikatelská Pojišťovna. Prior to that, he held various management positions within VIG, including managing board positions in Serbia and Bulgaria.

VIG joins forces in Poland

VIG is consolidating its presence in Poland from six to three insurance companies. The non-life insurance companies Compensa and Wiener merged on 1 July 2024 and since operate under the Compensa brand. InterRisk continues to operate independently. The life insurance companies Vienna Life, Compensa Life and Aegon Life were merged to form one strong company. The merger was formally completed in the 4th quarter of 2024.

Merger in North Macedonia completed

Vienna Insurance Group is the leading insurance group in North Macedonia with a well-diversified product portfolio and a broad distribution structure. On 1 July 2024, the VIG insurance companies Winner Non-Life and Makedonija Osiguruvanje merged. In the future, the two non-life companies will operate under the brand name Makedonija Osiguruvanje. VIG is thus represented in both the life and non-life insurance sectors in North Macedonia with Winner Life and Makedonija Osiguruvanje.

200 years of Wiener Städtische Versicherungsverein

The roots of today's Wiener Städtische Versicherungsverein date back to 1824. Over the course of two centuries, the company has evolved from a mutual fire insurance company in Vienna and Lower Austria to the main shareholder of the leading insurance group in Central and Eastern Europe. In this role, it supports VIG Insurance Group in all cultural and social matters. This extraordinary anniversary was celebrated in lots of different ways in 2024, for example with a special exhibition at the Leopold Museum, a gala concert at St. Stephen's Cathedral in Vienna and a festive matinée at the Wiener Konzerthaus.

VIG is a "Great Place to Work®"

VIG continuously measures the success of its employee engagement measures by analysing feedback from questionnaires and engagement surveys. In 2024, VIG surveyed around 15,000 employees in a Great Place to Work® Engagement Survey. Of the participating companies, 85% received the Great Place to Work® seal of approval. The results are used to further develop existing concepts and create new initiatives. Regular reviews ensure that the measures are effective and are bringing about positive change.

Foundation of Vienna Life in Albania

VIG further expanded its market position in Albania with the founding of "Vienna Life" in September 2024, an insurer focusing on life and health insurance. The Vienna Life company licence was issued by the Albanian Financial Supervisory Authority on 24 December 2024.

VIG receives EU funding for comprehensive cyber security programme

The protection of customer data and IT systems is a top priority for Vienna Insurance Group. The Cyber Defense Center programme (CDC) is operated by a team of information security experts who detect, analyse and defend against cyber threats using semi-automated processes and advanced technology. The service is provided by three competence centres in Austria, Poland and the Czech Republic. The initiative is supported financially by the EU's European Cybersecurity Competence Centre.

Top rating – A+ with stable outlook

The international rating agency Standard & Poor's (S&P) has awarded an excellent "A+" rating with stable outlook to VIG. This puts VIG among the best-rated companies in the leading Austrian Traded Index. S&P affirmed the Group's capital strength and top rating, citing the very strong performance of the Group – which was amongst others due to solid insurance service results, a stable combined ratio and a comparatively strong new business margin in life and health insurance. In addition to the robust capital position, the rating agency also highlighted the market leadership of VIG in Austria and several countries in Central and Eastern Europe. A further positive factor highlighted was the conservative reinsurance strategy, which limits the Group's NatCat losses arising from various adverse weather events in Austria and CEE. The detailed S&P report is available on the VIG website at group.vig/rating.

Tighter sustainability rules introduced

VIG places great emphasis on engaging with its stakeholders in the implementation of its sustainability strategy. In 2019, a declaration of sustainability criteria for the investment process and underwriting was adopted. These criteria were tightened in 2024. The declarations and the VIG engagement report with partner ISS ESG are available on the VIG website at group.vig/sustainability/downloads.

Establishment of VIG platform partners

As part of the VIG 25 strategic programme, VIG is expanding its business model and entering the area of platform insurance. VIG platform partners GmbH was founded at the end of 2024 to provide a strong foundation for this commitment. The company's goal is to offer innovative insurance solutions through the distribution platforms of other industries in close cooperation with the local VIG insurance companies, thereby sustainably developing a new business segment for VIG. Examples of platform partners include mobile operators, real estate portals, delivery services and event organisers.

More highlights from the 2024 financial year can be found in VIG's online report at **annual-report.vig/2024/highlights**

THE **STOCK EXCHANGE ANNIVERSARY** – THREE DECADES OF SUCCESS

The IPO 30 years ago was an effective catalyst for the expansion in Central and Eastern Europe. A dividend has been paid to shareholders every year without interruption – a total of around EUR 2.8 billion.

The success of VIG is inextricably linked to the IPO – at that time still as Wiener Städtische Versicherung. At the IPO (initial public offering), its preference shares are listed on the Vienna Stock Exchange on 17 October 1994 (issue price 1,030 Austrian schillings, EUR 74.85). Ten years later, in preparation for the major stock market offensive, the shares are split in a ratio of 1:7. This split, which makes the shares more attractive for small shareholders, is followed by a conversion into ordinary shares in the summer of 2005. That year witnesses many events in rapid succession: In June, the shares are included in the Prime Market, and in September in the ATX. The first capital increase follows in December, the proceeds of which finance the CEE expansion.

1994 — 2005 — 2008

1994

- The preference shares of the former Wiener Städtische Versicherung are listed on the Vienna Stock Exchange for the first time on 17 October at an issue price of 1,030 Austrian schillings (EUR 74.85)*. The free float is 11% at the time.

*Figures without taking capital measures into account

2005

- The major stock market offensive with the opening up to the international capital market begins: The preference ordinary shares are converted into voting ordinary shares.
- In September, the share is added to the ATX.
- The first capital increase takes place in December, raising around EUR 910 million. The free float increases to around 29%.

2008

- Beginning in February, the shares are traded under the name VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe.
- In addition, the share has also been listed on the Prague Stock Exchange since February.
- In May, VIG Holding carries out its second capital increase with approximately EUR 1.1 billion. The proceeds finance the acquisition of the insurance activities of Erste Group in Austria and CEE as well as the newly established mutual distribution partnership.

Three years later, the company makes further headway on the capital market: The first step is to internationalise the trading name on the Vienna Stock Exchange. Starting on 1 February 2008, the shares started being traded under the name VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (symbol: VIG). Almost at the same time, the secondary listing on the Prague Stock Exchange takes place. In May of the same year, VIG again obtains fresh capital to take over the CEE insurance activities of Erste Group. In the run-up to this, the second-largest transaction on the Vienna Stock Exchange in 2008, an unusually intensive roadshow takes place: Over the course of two weeks, VIG management takes questions from investors in 23 cities around the world.

Uninterrupted top ranking

As rapidly as VIG has grown since its capital market debut, it has remained solid throughout the years. This has also been confirmed by the rating agency Standard & Poor's (S&P) every year since 2004. S&P awarded an "A" with a "stable outlook" from the outset, raising this to "A+" one year later. Vienna Insurance Group has held this rating without interruption ever since, making it one of the most stable and best rated companies on the Austrian ATX.

You can find more information about the 30th anniversary of the IPO on the VIG website **group.vig/30-years-since-ipo**

2010 — 2021 — 2022 — 2024 →

2010

- In August, the operational insurance business in Austria is spun off from the holding functions of the Group. The listed company VIG Holding focuses on the management of the Group, as well as on international corporate business and reinsurance.

2021

- In March 2021, VIG is the first insurance company in Europe to issue a sustainability bond. The net proceeds from the issue of this bond are invested in projects in the areas of renewable energy, green buildings and clean transportation, as well as in social projects for affordable housing and improved access to education and healthcare.

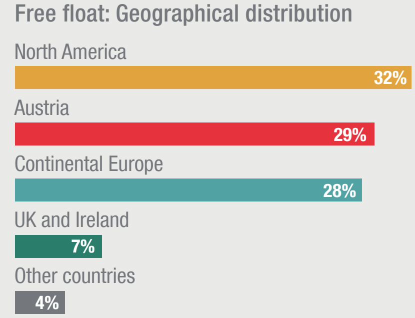
2022

- On 13 April 2022, the VIG IR LinkedIn channel goes live with a video about the goals, requirements and responsibilities of VIG IR. It is the first Austrian Investor Relations LinkedIn channel.
- To further emphasise the CEE focus, VIG shares have also been listed on the Budapest Stock Exchange since 11 November 2022.

2024

- Wiener Städtische Versicherungsverein currently holds around 72% of the 128 million ordinary shares in VIG Holding, with the free float accounting for around 28%.

Free float: Geographical distribution



Corporate Governance Report

Transparency and stakeholder trust are important to us. Observance of and compliance with the provisions of the Austrian Code of Corporate Governance therefore play an important role.

The Austrian Code of Corporate Governance was introduced in 2002 and is regularly updated according to legislation and current trends. It is the standard for proper corporate governance and control in Austria. Provisions of the Code contribute to strengthening the trust in the Austrian capital market. The reports that companies are required to publish on compliance with these provisions require a high level of transparency.

VIG Holding is committed to complying with the Austrian Code of Corporate Governance. § 243c UGB and § 267b UGB (Consolidated Corporate Governance Report) were also applied when preparing this consolidated Corporate Governance Report. The Austrian Code of Corporate Governance is available to the public both on the VIG Insurance Group website at group.vig/en/corporate-governance and the website of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

VIG Holding sees corporate governance as a continuously changing process that responds to new conditions and current trends for the benefit of the Group and its stakeholders. The goal of all corporate governance measures is to ensure responsible corporate management aimed at long-term growth while simultaneously maintaining effective corporate control. The Managing Board, Supervisory Board and employees consider observance of and compliance with the rules of the Austrian Code of Corporate Governance to be highly important for the practical implementation of corporate governance. All information concerning the composition and work procedures of the Managing Board and the Supervisory Board is presented below.

The rules of the Austrian Code of Corporate Governance are divided into the following three categories:

- Rules based on mandatory legal requirements (“Legal Requirements”)
- Rules that must be observed. Non-compliance with these rules must be declared and explained in order to comply with the Code (“Comply or Explain”)
- Non-compliance with rules which are merely recommendations does not need to be disclosed or explained (“Recommendations”)

VIG Holding complies with the C-rules of the Austrian Code of Corporate Governance with the following exception. According to C-Rule 52a of the Austrian Code of Corporate Governance, the number of members on the Supervisory Board (without employee representatives) shall be ten at most. In 2024, the Supervisory Board of VIG Holding consisted of twelve members elected by the Annual General Meeting. The number of members on the Supervisory Board is due to the fact that the Company operates over 50 insurance companies and pension funds in 30 countries. This makes it possible to include additional expertise with respect to the internationality and further growth of VIG Group, including in response to increasing regulatory requirements. The decision was taken by the Supervisory Board and the Annual General Meeting in 2021.

The Group’s scope of consolidation also includes capital market-oriented subsidiaries that are required by the legal systems applicable to them to prepare and publish a corporate governance report. These include: Ray Sigorta (Türkiye) and Makedonija Osiguruvanje (North Macedonia). The corporate governance reports are available on the company websites:

- https://www.insumak.mk/about-us/reports/?lang=en (as an integral part of the annual report).
- https://www.raysigorta.com.tr/en/about-us/investor-relations (“Reports” tab -> Corporate Governance Compliance Reports).

Reference is made to the information in this regard.

The shareholder structure of VIG Holding can be viewed at the following link: group.vig/shareholderstructure.

MEMBERS OF THE MANAGING BOARD AND THEIR RESPONSIBILITIES

The VIG Holding Managing Board had the following seven members as of 31 December 2024: Hartwig Löger (General Manager (CEO), Chairman of the Managing Board), Peter Höfinger (Deputy General Manager, Deputy Chairman of the Managing Board), Liane Hirner (CFRO), Gerhard Lahner (COO), Gábor Lehel (CIO), Harald Riener and Christoph Rath (Deputy Member of the Managing Board). Further information on the members of the Managing Board, including their employment history, is presented below:

Hartwig Löger
General Manager (CEO), Chairman of the Managing Board
Year of birth: 1965
Date first appointed: 01/01/2021
End of current term of office: 30 June 2027

Hartwig Löger began his career in the insurance industry in the brokerage business in 1985. After completing his studies in insurance management at the Vienna University of Economics and Business, he joined Allianz as sales manager in Styria in 1989. From 1997 to 2002, he was head of sales at Donau Versicherung. This was followed by a number of senior management positions in the UNIQA Group, most recently as CEO of UNIQA Österreich AG until the end of November 2017. Hartwig Löger was the Minister of Finance for Austria from December 2017 to June 2019. He worked for VIG Group under an advisory agreement with Wiener Städtische Versicherungsverein, the principal shareholder of VIG Holding, from July 2019 to December 2020.

Areas of responsibility: Leading VIG Group, Strategy, General Secretariat & Legal, Opportunity Management, Human Resources, CO^3

Country responsibilities: Austria, Slovakia, Czech Republic, Hungary

Peter Höfinger
Deputy General Manager, Deputy Chairman of the Managing Board
Year of birth: 1971
Date first appointed: 01/01/2009
End of current term of office: 30 June 2027

Peter Höfinger studied law at the University of Vienna and University of Louvain-la-Neuve (Belgium). Peter Höfinger has been a member of the VIG Holding Managing Board since 1 January 2009. Prior to that, he was a director of the Managing Board at Donau Versicherung, responsible for sales and marketing. He joined this company in 2003. Previously, he held positions as managing board chairman and managing board member outside the Group in Hungary, the Czech Republic and Poland.

Areas of responsibility: Corporate Business, Reinsurance, European Affairs, Sponsoring

Country responsibilities: Bulgaria, Moldova, Romania

Liane Hirner, CFRO
Year of birth: 1968
Date first appointed: 01/02/2018
End of current term of office:
30 June 2027

Liane Hirner studied business administration in Graz. Before joining VIG Insurance Group, she worked at PwC Austria's audit department where she started in 1993, and when she left, Liane Hirner was partner in the insurance area. In addition to her work as an auditor, Liane Hirner has also been involved in many professional associations, such as the IFRS Working Group of the Austrian Insurance Association and the Insurance Working Party of Accountancy Europe in Brussels. Liane Hirner was appointed to the VIG Holding Managing Board on 1 February 2018. On 1 July 2018, she took over the role of Chief Financial Officer and on 1 January 2020, she additionally assumed the role of Chief Risk Officer. In 2019, EIOPA appointed Liane Hirner as a member of the Insurance & Reinsurance Stakeholder Group (IRSG).

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

Country responsibilities: Germany, Liechtenstein

Supervisory board positions or comparable positions in other Austrian and foreign companies outside the Group: Autoneum Holding AG – Winterthur, Switzerland

Gerhard Lahner, COO
Year of birth: 1977
Date first appointed: 01/01/2020
End of current term of office:
30 June 2027

Gerhard Lahner studied business administration at the Vienna University of Economics and Business and has held a variety of positions for VIG Insurance Group since 2002. He was a member of the Managing Boards of Austrian insurance companies Donau Versicherung and Wiener Städtische and Czech companies Kooperativa and ČPP. Gerhard Lahner was also a substitute member of the VIG Holding Managing Board from 1 January 2019 to 31 December 2019.

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

Country responsibilities: Georgia, Türkiye

Supervisory board positions or comparable positions in other Austrian and foreign companies outside the Group: Wiener Börse AG

Gábor Lehel studied business administration with a major in finance in Tatabánya and Budapest (Hungary). He joined VIG Insurance Group in 2003, where he worked in Controlling and as head of the General Secretariat at VIG Holding before being appointed to the Managing Board of the Hungarian insurance company UNION Biztosító in 2008. He was General Manager of UNION Biztosító from mid-2011 to 31 December 2019. From 1 January 2016 to 31 December 2019, he was also a substitute member of the VIG Holding Managing Board.

Areas of responsibility: Assistance, Data & Analytics, Transformation & New Business

Country responsibilities: Belarus

Gábor Lehel, CIO
Year of birth: 1977
Date first appointed: 01/01/2020
End of current term of office:
30 June 2027

Harald Riener studied social and economic sciences at the Vienna University of Economics and Business and joined VIG Insurance Group in 1998, where he worked in the marketing area for Donau Versicherung and Wiener Städtische until 2001. After working for a media publishing company, he returned to the Group in 2006 as Marketing Manager of VIG Holding. He became a member of the Managing Board in Croatia in 2010, and was appointed CEO in 2012. From 2014 to 2019, Harald Riener was a member of the Managing Board of Donau Versicherung where he was responsible for distribution and marketing.

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

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

Supervisory board positions or comparable positions in other Austrian and foreign companies outside the Group: VIG/C-QUADRAT

Harald Riener
Year of birth: 1969
Date first appointed: 01/01/2020
End of current term of office:
30 June 2027

Christoph Rath
Deputy Member of the Managing Board
Year of birth: 1976
Date first appointed: 01/09/2024
End of current term of office:
30 June 2027

Christoph Rath studied banking and finance at the University of Applied Sciences BFI Vienna and joined VIG Insurance Group in 2004, where he initially worked as an advisor of the Managing Board of Wiener Städtische Versicherung from 2004 until 2006 and as the General Secretary of Wiener Städtische Osiguranje in Serbia from 2006 until 2007. After that, he held various management positions at VIG, including as a Managing Board member in Serbia and Bulgaria. In addition, he served as Chief Financial Officer (CFO) of the Czech company Ceská Podnikatelská Pojišťovna from 2019 to 2024 and held the same position at the Czech company Kooperativa Pojišťovna from 2020 to 2024. Christoph Rath was appointed as a deputy member of the Managing Board of VIG Holding with effect from 1 September 2024.

Area of responsibility: RiskConsult

Country responsibilities: Albania, Bosnia-Herzegovina, Kosovo, Croatia, Montenegro, North Macedonia, Serbia

The Managing Board as a whole is responsible for the Compliance (including AML), Internal Audit, Investor Relations and Actuarial Function agendas. The curricula vitae of the members of the Managing Board are available on the website at group.vig/management.

Changes during the financial year
Christoph Rath was appointed as a deputy member of the Managing Board of VIG Holding with effect from 1 September 2024.

MEMBERS OF THE SUPERVISORY BOARD

The Supervisory Board had the following twelve members as of 31 December 2024:

Rudolf Ertl
Chairman
Year of birth: 1946
Date first appointed: 2014
End of current term of office: 2028
Rudolf Ertl is Doctor of Laws and has been with the Group since 1972. He was a member of the Managing Board of Wiener Städtische until the end of 2008 and a member of the Managing Board of Donau Versicherung until June 2009. He was a member of the Managing Board of Wiener Städtische Wechselseitiger Versicherungsverein until the end of 2020 and has been a member of the Supervisory Board of Wiener Städtische Wechselseitiger Versicherungsverein since January 2021. The insurance expertise and Group experience he has gained over many years, and his knowledge of the CEE region, make Rudolf Ertl a major asset to the Company as Chairman of the Supervisory Board.

Martin Simhandl
1st Deputy Chairman
Year of birth: 1961
Date first appointed: 2024
End of current term of office: 2028
Martin Simhandl began his career with the Group in 1985 in the Wiener Städtische legal department. He was head of the Affiliated companies department and coordinated the Group's investment activities. In 2002 and 2003, Martin Simhandl was also a member of the Managing Board of InterRisk Non-Life and InterRisk Life in Germany. Martin Simhandl was a member of the Company's Managing Board from November 2004 until 2018, with responsibility for accounting, asset management and risk management, among other things. As a lawyer, he supported VIG's expansion into the CEE region from the very beginning and

held Supervisory Board positions in the Czech Republic, Slovakia, Hungary, Romania, Croatia and Poland, among others. Martin Simhandl is currently a member of the Supervisory Board of Wiener Städtische Versicherungsverein.

Robert Lasshofer
2nd Deputy Chairman
Year of birth: 1957
Date first appointed: 2021
End of current term of office: 2028
Robert Lasshofer has decades of top experience in the insurance industry. Robert Lasshofer has been General Manager and Chairman of the Managing Board of Wiener Städtische Wechselseitiger Versicherungsverein since 2021. He was General Manager and Chairman of the Managing Board of Wiener Städtische until the end of 2020. He has a degree in economics and was president of the Austrian Insurance Association (VVO) until the end of 2022.

Martina Dobringer
Year of birth: 1947
Date first appointed: 2011
End of current term of office: 2028
Martina Dobringer held various management positions in the Coface group starting in 1989 and brings her extensive knowledge of the international insurance industry with her. As Chairwoman of the Managing Board of Coface Central Europe Holding AG, she laid the cornerstone for Coface's successful expansion into this region. From 2001 to 2011, she was General Manager and Chairwoman of the Managing Board of Coface Austria Holding AG. In 2011, she was awarded the Grand Decoration of Honour in Silver for Services to the Republic of Austria, and in 2006 she became the first Austrian businesswoman to receive the highest French honour ("Chevalier dans l'ordre de la Légion").

András Kozma
Year of birth: 1968
Date first appointed: 2022
End of current term of office: 2028
Following his business administration studies in Budapest and Vienna, András Kozma worked in various roles in the financial services sector, including Head of Financing at Hypovereinsbank Hungary (now Unicredit Bank), member of the Managing Board at Euler Hermes Hitelbiztosító Hungary (now Allianz Trade) and Chairman of the Managing Board at Commerzbank Hungary. András Kozma has been a member of the Managing Board of the German-Hungarian Chamber of Industry and Commerce since 2008 and is also a member of the Supervisory Board of the Credit Management Association in Hungary. Since 2015, he has owned various private companies in the financial consultancy sector.

Vratislav Kulhánek
Year of birth: 1943
Date first appointed: 2024
End of current term of office: 2028
Vratislav Kulhánek studied economics in Prague. His career has revolved around the automotive industry. His previous roles include Chairman of the Managing Board and Chairman of the Supervisory Board of Škoda – Auto, a.s., member of the Executive Board of the International Chamber of Commerce (ICC, Paris), President of the Association of the Automotive Industry and Vice President of the Confederation of Industry of the Czech Republic.

Hana Machačová
Year of birth: 1953
Date first appointed: 2024
End of current term of office: 2028
Hana Machačová has been managing the sales activities of KOOPERATIVA poisťovňa for over 20 years, the majority of that time as a member of the Managing Board. During that time, she has played a significant role in doubling the company's market share to around 25%. As a lawyer, she also manages social projects in the KOOPERATIVA Foundation, which is one of the most renowned foundations in the Czech Republic.

Peter Mihók
Year of birth: 1948
Date first appointed: 2019
End of current term of office: 2028
Since 1992, Peter Mihók has been Chairman of the Slovakian Chamber of Trade and Industry, Honorary Chair of the World Chambers Federation of the International Chamber of Commerce in Paris and member of the Managing Board of Eurochambres in Brussels, among other things. He studied at the University of Economics in Bratislava and received a Ph.D. degree in the area of East-West economic relations and an honorary doctorate from the University of Economics in Bratislava. In addition to numerous other awards, he received the Grand Decoration of Honour in Gold for Services Rendered to the Republic of Austria in 2013 from Heinz Fischer, the President of Austria at that time.

Katarína Slezáková
Year of birth: 1976
Date first appointed: 2020
End of current term of office: 2028
Katarína Slezáková graduated from the Faculty of Business Management at the University of Economics in Bratislava and has many years of experience in marketing and communications for technology and industrial companies (e.g. Siemens IT Solutions and Services Slovakia, Siemens s.r.o. Slovakia, Siemens AG Österreich, Medirex a.s.). Katarína Slezáková is currently the Head of Marketing for CzechToll and SkyToll, two companies in the Czech Republic and Slovakia that are leaders in the area of intelligent transport information systems.

Ágnes Svoób
Year of birth: 1987
Date first appointed: 2024
End of current term of office: 2028
Ágnes Svoób has been working in the financial sector since the beginning of her career and is currently Managing Director of Equilor Befektetési Zrt., one of Hungary's leading corporate finance companies. The Hungarian native has extensive expertise in the areas of private equity and capital market transactions, among other things. She has successfully handled major corporate acquisitions and already held a Supervisory Board position at the Hungarian VIG company UNION Biztosító.

Peter Thirring
Year of birth: 1957
Date first appointed: 2023
End of current term of office: 2028
Peter Thirring studied law at the University of Vienna. He has used his more than 30 years of insurance experience in the Generali insurance group. He had been General Manager of Donau Versicherung from March 2016 to the end of June 2018 and member of the Managing Board of VIG Holding from 1 July 2018 to 30 June 2023. Peter Thirring has been Deputy Chairman of the Managing Board of Wiener Städtische Wechselseitiger Versicherungsverein since 2023.

Gertrude Tumpel-Gugerell
Year of birth: 1952
Date first appointed: 2012
End of current term of office: 2028
Gertrude Tumpel-Gugerell was Vice Governor of the National Bank of Austria (OeNB) from 1998 to 2003 and member of the Board of Directors from 1997 to 2003. She also has many years of international experience, at the European level in particular. She was the Austrian Vice Governor to the International Monetary Fund and a member of the Economic and Financial Committee – the most important economic policy advisory committee of the European Union. Gertrude Tumpel-Gugerell was responsible for the Economics and Financial Markets divisions at the National Bank of Austria. From 2003 to 2011, she was a member of the Executive Board of the European Central Bank.

The curricula vitae of the members of the Supervisory Board are available on the website at group.vig/supervisory-board.

Changes during the financial year
Günter Geyer, Zsuzsanna Eifert, Gabriele Semmelrock-Werzer and Gerhard Fabisch resigned from the Supervisory Board after their term of office ended on 24 May 2024. Vratislav Kulhánek, Hana Machačová, Martin Simhandl and Ágnes Svoób were elected as members of the Supervisory Board at the Annual General Meeting on 24 May 2024.

In 2024, the Supervisory Board elected Rudolf Ertl as Chairman of the Supervisory Board for the term of office until 30 June 2025. Peter Thirring was elected Chairman of the Supervisory Board for the remainder of the term of office from 1 July 2025 until the Annual General Meeting that will decide on the discharge for the 2027 financial year. Martin Simhandl was elected 1st Deputy Chairman of the Supervisory Board for the full term of office until the Annual General Meeting that will decide on the discharge for the 2027 financial year, and Robert Lasshofer was re-elected 2nd Deputy Chairman of the Supervisory Board.

SUPERVISORY BOARD INDEPENDENCE

In accordance with Rule 53 of the Austrian Code of Corporate Governance, the Supervisory Board of VIG Holding has established the following criteria defining independence:

- The Supervisory Board member has not been a member of the Managing Board of the Company or of an insurance company, a pension fund or an asset management company of VIG Group in the last five years.

- The Supervisory Board member does not have a business relationship with the Company or a subsidiary of the Company that is of such significant scope for the Supervisory Board member that it affects their activities on the Supervisory Board to the detriment of the Company. This also applies to business relationships with companies in which the Supervisory Board member has a considerable economic interest. The approval of individual transactions by the Supervisory Board in accordance with § 95 (5) (12) of the Austrian Stock Corporation Act (AktG) or § 15 (2) (l) of the Articles of Association does not automatically lead to a classification of non-independence. For the purpose of clarification, it is expressly noted that purchase or existence of insurance policies with the Company has no adverse effect on independence.
- The Supervisory Board member has not been an auditor of the Company's financial statements, or held an ownership interest in or been an employee of the auditing company executing such audits in the last three years.
- The Supervisory Board member is not a member of the Managing Board of another company that has a member of the Company's Managing Board on its Supervisory Board.
- The Supervisory Board member is not a close family member (direct descendant, spouse, partner, parent, uncle, aunt, brother, sister, niece, nephew) of a member of the Managing Board or individuals holding one of the positions described above.

Each member of the Supervisory Board has declared whether they can be considered independent based on the criteria specified by the Supervisory Board. Robert Lasshofer, Peter Mihók and Peter Thirring have each stated that they are not independent based on the independence criteria specified by the Supervisory Board. All other Supervisory Board members were independent based on the criteria indicated. No Supervisory Board member holds more than 10% of the Company's shares.

The following Supervisory Board members exercised supervisory mandates or comparable positions in other non-Group Austrian or foreign listed companies as of 31 December 2024:

Robert Lasshofer
AT & S Austria Technologie & Systemtechnik Aktiengesellschaft

Gertrude Tumpel-Gugerell
AT & S Austria Technologie & Systemtechnik Aktiengesellschaft and Commerzbank AG

PROCEDURES FOLLOWED BY THE MANAGING BOARD AND BY THE SUPERVISORY BOARD AND ITS COMMITTEES

Managing Board
The Managing Board manages the business of the Company under the leadership of its Chairperson and within the constraints of the law, Articles of Association, procedural rules of the Managing Board and procedural rules of the Supervisory Board.

The Managing Board meets when needed (generally every two weeks) to discuss current business developments, and makes the necessary decisions and resolutions during the course of these meetings. The Managing Board members continuously exchange information with each other and the heads of various departments. The country responsibilities of the Managing Board members are exercised in particular through Supervisory Board activities in the Group companies.

Supervisory Board
The Supervisory Board performs all activities defined under the law, Articles of Association and the procedural rules of the Supervisory Board. In order to ensure effectiveness and efficiency of its activities and procedures, the Supervisory Board examines its procedures regularly, but at least once a year in the form of a self-evaluation. The Supervisory Board's evaluation of its activities in 2024 found that its organisational structure and procedures were satisfactory in terms of efficiency and in compliance with the law. It found no need for change or desire for change in the practices followed to date.

The Supervisory Board and its committees, Chairpersons and Deputy Chairpersons continuously monitor and regularly examine Company management as well as the activities of the Managing Board in terms of managing and monitoring the Group. This purpose is served by detailed presentations and discussions during meetings of the Supervisory Board and its committees as well as by detailed discussions on individual topics with Managing Board members who provide comprehensive explanations and evidence relating to management, the financial position of the

Company and that of the Group. Strategy, business development (overall and in individual regions), risk management, the internal control system, internal audit activities, the compliance function, actuarial function, reinsurance and other key topics – at the VIG Holding level as well as at Group level – are also discussed during these meetings.

The Supervisory Board and the Audit Committee also directly engage with the financial statements auditor and the consolidated financial statements auditor in order to familiarise themselves with the accounting process and audit progress, and to inquire whether the audit has produced any important findings. Provision was made for exchanges between the members of the Audit Committee and the (consolidated) financial statements auditor in such meetings without the presence of the Managing Board, but no member of the Audit Committee took advantage of this opportunity during the reporting year. During the meetings about annual and consolidated financial statements, the auditor's reports are discussed with the audit managers both in the Audit Committee and in the entire Supervisory Board. The Audit Committee examined the Solvency and Financial Condition Report (SFCR) at both the solo and Group levels and reported its findings to the Supervisory Board. No facts or circumstances were found that would have provided grounds for objection.

The internal audit department provides quarterly reports to the Audit Committee. If necessary, the head of internal audit provides detailed explanations of individual issues and audit focal points. The head of internal audit also submits the annual audit plan to the Audit Committee for approval. The Managing Board explains the organisation and effectiveness of the internal control system, internal audit and the risk management system to the Audit Committee at least once a year, and provides the Audit Committee with a written report on this subject so that it can confirm the efficiency of the systems. The Audit Committee also examines the report and assessment of the functioning of the risk management system prepared by the (consolidated) financial statements auditor and reports its findings to the Supervisory Board.

The Audit Committee also dealt with the VIG Holding and VIG Group ORSA reports in 2024 and reported on them to the Supervisory Board.

At least once a year, the Managing Board presents the Supervisory Board with the measures taken by the VIG companies in order to prevent corruption, and the Supervisory Board discusses those.

When preparing the proposal for the Annual General Meeting regarding the election of a new Supervisory Board member, the Supervisory Board takes into account the professional and personal requirements provided for by law and the Austrian Code of Corporate Governance that a Supervisory Board member must satisfy and observe.

The Audit Committee and Supervisory Board also strictly ensure that all of the requirements and conditions provided for under the law and Austrian Code of Corporate Governance are fully satisfied when preparing the proposal regarding the election of the (consolidated) financial statements auditor for the Annual General Meeting. As a public-interest entity, the special additional rules for external and internal rotation applicable to insurance companies and the special tendering process are observed. In addition, after the audit of the consolidated financial statements has been completed, the Supervisory Board is provided with a list showing the total audit expenses of all Group companies. This list provides a separate breakdown of expenses relating to the consolidated financial statements auditor and the members of the network to which the consolidated financial statements auditor pertains. The same goes for other financial statements auditors who work for the Group.

The Supervisory Board also dealt with IT security issues in financial year 2024.

In 2024, the Managing Board of VIG Holding informed the members of the Supervisory Board of material sustainability and IT security matters. During the reporting year, the topics discussed included the VIG sustainability programme, the new legal framework for sustainability reporting, the results of the consolidated double materiality assessment and the preparatory work for the consolidated transition plan for climate change mitigation for the VIG insurance companies.

The Managing Board and Supervisory Board prepared a remuneration report for financial year 2024.

The Supervisory Board established five committees to increase its efficiency and to address complex matters: Committee for Urgent Matters (Working Committee), Audit Committee (Accounts Committee), Committee for Managing Board Matters (Personnel Committee), Strategy Committee and Nomination Committee.

SUPERVISORY BOARD COMMITTEES

COMMITTEE FOR URGENT MATTERS (WORKING COMMITTEE)

The Committee for Urgent Matters (Working Committee) decides on matters that require approval of the Supervisory Board, but cannot be deferred to the next ordinary Supervisory Board meeting because of particular urgency.

Rudolf Ertl (Chairman)
Robert Lasshofer
Martin Simhandl

If one of the members is unable to attend, Gertrude Tumpel-Gugerell will also attend this meeting and if an additional member is unable to attend, Martina Dobringer will also attend the meeting.

AUDIT COMMITTEE (ACCOUNTS COMMITTEE)

The Audit Committee (Accounts Committee) is responsible for the duties assigned to it by law and is, in particular, responsible for the duties assigned in § 92 (4a)(4) of the Austrian Stock Corporation Act (AktG), § 123 (9) of the Austrian Insurance Supervision Act (VAG) and Regulation (EU) No. 537/2014, namely:

1. to monitor the accounting process and provide recommendations or suggestions to ensure its reliability;
2. to monitor the effectiveness of the Company's internal control system and the internal audit function and risk management system;
3. to monitor the audit of the financial statements and consolidated financial statements taking into account findings and conclusions in reports published by the supervisory authority for financial statement auditors in accordance with § 4 (2)(12) of the Austrian Auditor Supervision Act (APAG);
4. to check and monitor the independence of the financial statements auditor (consolidated financial statements auditor), in particular with respect to the additional services provided for the audited company; Art. 5 of Regulation (EU) No. 537/2014 and § 271a (6) UGB apply;
5. to report the results of the financial statement audit to the Supervisory Board and explain how the financial statement audit has contributed to the reliability of the financial reports and the role of the Audit Committee in this;
6. to audit the annual financial statements and prepare their approval, examine the proposal for appropriation of profits, the management report, the solvency and financial condition report and corporate governance report, and present a report on the results of the audit to the Supervisory Board;
7. to audit the consolidated financial statements and Group management report, the solvency and financial condition report at Group level and the corporate governance report at consolidated level, and report the results of the audit to the Supervisory Board;
8. to perform the procedure to elect the financial statements auditor (consolidated financial statements auditor) taking into account the appropriateness of the fees in accordance with Art. 4 of Regulation (EU) No. 537/2014 and the rotation periods in Art. 17 of Regulation (EU) No. 537/2014, and recommend appointment of a financial statements auditor (consolidated financial statements auditor) to the Supervisory Board in accordance with Art. 16 of Regulation (EU) No. 537/2014.

Furthermore, the Audit Committee (Accounts Committee) specifies how the two-way communication between the (consolidated) financial statements auditor and the Audit Committee (Accounts Committee) has to take place, while making provision for exchanges to take place between the Audit Committee (Accounts Committee) and the (consolidated) financial statements auditor without the presence of the Managing Board.

Members of the Audit Committee are experienced financial experts with knowledge and practical experience in finance, accounting and reporting that satisfy the requirements of the Company.

Chairwoman:
Gertrude Tumpel-Gugerell
Deputy Chairwoman:
Martina Dobringer

Other members:
Rudolf Ertl
András Kozma
Robert Lasshofer
Peter Mihók
Martin Simhandl
Katarína Slezáková
Ágnes Svoób

If one of the members is unable to attend, Hana Machačová will also attend this meeting and if an additional member is unable to attend, Vratislav Kulhánek will also attend the meeting. If Gertrude Tumpel-Gugerell is unable to attend, the meeting will be chaired by Martina Dobringer.

COMMITTEE FOR MANAGING BOARD MATTERS (PERSONNEL COMMITTEE)
The Committee for Managing Board Matters (Personnel Committee) deals with personnel matters of the Managing Board. The Committee for Managing Board Matters therefore decides on employment contract terms with members of the Managing Board and their remuneration and examines remuneration policies at regular intervals.

Rudolf Ertl (Chairman)
Robert Lasshofer
Martin Simhandl

STRATEGY COMMITTEE
The Strategy Committee cooperates with the Managing Board and, when appropriate, with experts that it consults in order to prepare fundamental decisions that will subsequently be decided upon by the entire Supervisory Board.

Rudolf Ertl (Chairman)
András Kozma
Robert Lasshofer
Peter Mihók
Martin Simhandl

If one of the members is unable to attend, Gertrude Tumpel-Gugerell will also attend this meeting and if an additional member is unable to attend, Martina Dobringer will also attend the meeting.

NOMINATION COMMITTEE
The Nomination Committee submits proposals to the Supervisory Board for filling positions that become available on the Managing Board and handles issues of successor planning.

Rudolf Ertl (Chairman)
Martina Dobringer
Robert Lasshofer
Peter Mihók
Martin Simhandl
Gertrude Tumpel-Gugerell

Gerhard Fabisch and Gabriele Semmelrock-Werzer, members of the Supervisory Board in 2024 until 24 May 2024, are members of the managing boards of companies with which distribution agreements are in place at terms that are customary for the market and industry. The Company did not enter into any other agreements with Supervisory Board members in 2024 that would have required the approval of the Supervisory Board.

NUMBER OF MEETINGS OF THE SUPERVISORY BOARD AND ITS COMMITTEES IN THE FINANCIAL YEAR 2024

One Annual General Meeting and seven Supervisory Board meetings distributed across the financial year were held in 2024. Furthermore, four meetings of the Audit Committee (Accounts Committee) were held and one resolution of the Audit Committee was adopted by written circulation. The annual financial statements and consolidated financial statements auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (KPMG), attended four Audit Committee meetings and four Supervisory Board meetings in 2024, including the Supervisory Board meeting that addressed the audit of the 2023 annual financial statements and the 2023 consolidated financial statements as well as formal approval of the 2023 annual financial statements, and also attended the Annual General Meeting.

Three meetings of the Committee for Managing Board Matters (Personnel Committee) were held in 2024. The Committee for Urgent Matters (Working Committee) adopted one resolution by written circulation in 2024. The Nomination Committee met once in 2024. The Strategy Committee did not meet in 2024. Strategic matters were handled by the Supervisory Board as a whole. Gertrude Tumpel-Gugerell did not attend at more than half of the Supervisory Board meetings in person. No further members of the Supervisory Board attended less than half of the Supervisory Board meetings.

MEETING ATTENDANCE BY MEMBERS OF THE SUPERVISORY BOARD IN FINANCIAL YEAR 2024

The table below shows the meeting attendance of the ordinary members:

Name	Supervisory Board	Audit Committee	Working Committee	Strategy Committee	Personnel Committee	Nomination Committee
	7 meetings	4 meetings	No meetings	No meetings	3 meetings	1 meeting
Günter Geyer[1]	3/3	1/1			3/3	1/1
Rudolf Ertl (C)	5/7	3/4			3/3	1/1
Martin Simhandl (1st DC)[2]	4/4	3/3				
Robert Lasshofer (2nd DC)	6/7	4/4			3/3	1/1
Martina Dobringer	7/7	4/4				1/1
Zsuzsanna Eifert[1]	2/3	1/1				
Gerhard Fabisch[1]	3/3					
András Kozma	7/7	4/4				
Vratislav Kulhánek[2]	4/4					
Hana Machačová[2]	4/4					
Peter Mihók	7/7	4/4				
Gabriele Semmelrock-Werzer[1]	3/3					
Katarina Slezáková	7/7	4/4				
Ágnes Svoób[2]	4/4	3/3				
Peter Thirring	7/7					
Gertrude Tumpel-Gugerell	3/7	2/4				

[1] Stepped down from the Supervisory Board on 24 May 2024.

[2] Election to the Supervisory Board at the Annual General Meeting on 24 May 2024

DIVERSITY CONCEPT

With over 50 insurance companies and pension funds and around 30,000 employees in Austria and Central and Eastern Europe, VIG Insurance Group combines many countries, languages and cultural backgrounds. Diversity is a core value in the VIG mission statement and a key priority in its HR strategy.

VIG Insurance Group follows a bottom-up approach with respect to diversity management for the Company's boards. By applying diversity management to all employees, VIG Insurance Group expects to generate corresponding diversity in the candidate pool for internal successor planning in the long term.

For VIG Insurance Group, diversity reflects both the similarities and the differences it encounters in the Group, its markets and its partners as well as customers. Diversity management is based on genuine appreciation and open acceptance of diversity, and makes conscious use of this diversity. VIG companies include this understanding of diversity in the VIG Code of Business Ethics:

"We do not tolerate any kind of discrimination. We are committed to promoting equal opportunities with regard to the employment and promotion of staff, regardless of their faith, religion, gender, beliefs, ethnicity, nationality, sexual orientation, age, skin colour, disability or civil status."

Group and VIG Holding level
The diversity concept focuses on the criteria of gender, generations and internationality at the VIG Holding level, and refined and developed measures for the following criteria:

- Gender: ensure equal gender treatment in all areas (career and development options, benefits and income, etc.)
- Generations: use mixed-age teams and take into account the various phases of life to develop full potential. Generation-appropriate offers and support in the various phases of life, learn from one another, life balance, fair recruitment
- Internationality: Group-wide exchange of experience, collaborative learning, use of the internal Group job market and ensuring an appropriate mix of people from different countries within VIG Holding

The criteria of gender, generations and internationality are also taken into account when new Supervisory Board members are proposed for election at General Meetings. VIG Insurance Group has relied on the concept of local entrepreneurship for decades, thereby also promoting a very internationally diverse "community" of Group Managing Board members and CEOs, with 21 nationalities represented.

The topic of diversity is incorporated into the Group-wide management training programmes, both in the selection of participants and in the selection of lecturers.

Level of the VIG insurance companies
In accordance with the principle of local entrepreneurship, the VIG insurance companies choose their own diversity priorities and are independently responsible for their implementation.

Diversity Advisor
The Diversity Advisor advises both VIG Holding and local VIG companies on matters related to diversity management.

MEASURES TO PROMOTE WOMEN IN MANAGING BOARD, SUPERVISORY BOARD AND MANAGEMENT POSITIONS

VIG Insurance Group attaches great importance to diversity, with gender being one of the three main focuses of the diversity concept at VIG Holding level. International training programmes play a key role in this, not only in VIG Holding but across the entire insurance group. The programmes take into account both gender and internationality, and specifically improve women's access to management positions.

These measures aim to create a sustainable working environment in which talent is specifically nurtured, developed and retained over the long term. Vienna Insurance Group thus makes a significant contribution to diversity on the Managing Board and Supervisory Board and in management positions.

DIVERSITY KEY FIGURES

The consolidated non-financial report (sustainability statement) in this report contains diversity key figures at both VIG Holding and Group level. Reference is made to the information in this regard.

EXTERNAL EVALUATION REPORT

C-Rule 62 of the Austrian Code of Corporate Governance provides for voluntary external evaluation of compliance with the C-Rules of the Code. VIG Holding carries out such an evaluation every third year. The most recent audit of the consolidated Corporate Governance Report was for the 2023 financial year. All evaluations came to the conclusion that all requirements of the Code were fulfilled. The next evaluation is planned for the 2026 financial year.

Vienna, 25 March 2025

Hartwig Löger
General Manager (CEO),
Chairman of the Managing Board

Peter Höfinger
Deputy General Manager,
Deputy Chairman of the Managing Board

Liane Hirner
CFRO, Member of
the Managing Board

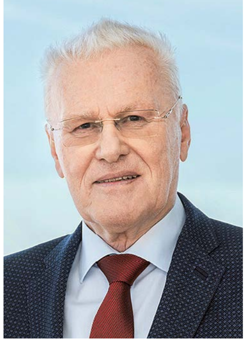
Gerhard Lahner
COO, Member of
the Managing Board

Gábor Lehel
CIO, Member of
the Managing Board

Harald Riener
Member of
the Managing Board

Christoph Rath
Deputy Member of
the Managing Board

Supervisory Board Report



The Supervisory Board and its committees, Chair and Deputy Chairs periodically and repeatedly monitored in detail the management of the Company and the activities of the Managing Board in connection with its management and monitoring of the Group. This purpose was served by detailed presentations and discussions during meetings of the Supervisory Board and its committees as well as by detailed discussions on individual topics with Managing Board members who provided comprehensive explanations and evidence relating to management, the financial position of the Company and that of the Group. Among other things, the strategy, business development (overall and in individual countries), risk management, the internal control system, internal audit, compliance function and actuarial function activities and reinsurance, both at the VIG Holding and Group level, and other important topics for the Company and VIG Insurance Group were discussed during these meetings.

VIG Holding is committed to social responsibility and the importance of having employees drive forward performance, innovation and expertise. In accordance with the Solvency II requirements, starting in 2016 non-financial aspects must be part of the performance expectations for variable remuneration of Managing Board members. Goal fulfilment for Managing Board members also depended on both financial and non-financial criteria in the 2024 reporting year. Detailed information on the principles underlying the remuneration system is available in the remuneration policy and 2024 remuneration report.

The Supervisory Board has formed five committees from its members. Information on the responsibilities and composition of these committees is available on the Company's website and in the 2024 consolidated Corporate Governance Report. One Annual General Meeting and seven Supervisory Board meetings distributed across the financial year were held in 2024. Furthermore, four meetings of the Audit Committee (Accounts Committee) were held and one resolution of the Audit Committee was adopted by written circulation. The annual financial statements and consolidated financial statements auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, FN 269873y (KPMG), attended four Audit Committee meetings and four Supervisory Board meetings in 2024, including the Supervisory Board meeting that addressed the audit of the 2023 annual financial statements and the 2023 consolidated financial statements as well as formal approval of the 2023 annual financial statements, and also attended the Annual General Meeting. KPMG also informed the Audit Committee about the planning and procedure used to audit the annual financial statements and consolidated financial statements 2024. Three meetings of the Committee for Managing Board Matters (Personnel Committee) were held in 2024. The Committee for Urgent Matters (Working Committee) adopted one resolution by written circulation in 2024. The Nomination Committee met once in 2024. The Strategy Committee did not meet in 2024. Strategic matters were handled by the Supervisory Board as a whole. Details on the attendance of Supervisory Board meetings in the 2024 financial year can be found in the Corporate Governance Report 2024.

No agenda items were discussed in Supervisory Board meetings in 2024 without the participation of members of the Managing Board.

In order to ensure the effectiveness and efficiency of its activities and procedures, the Supervisory Board performed a self-evaluation of its procedures. The Supervisory Board's evaluation of its activities found that its organisational structure and procedures were satisfactory in terms of efficiency and in compliance with the law. It found no need for change or desire for change in the practices followed to date.

KPMG was elected as the auditor of the annual and consolidated financial statements for the 2024 financial year in accordance with the proposal and motion of the Supervisory Board and the Annual General Meeting on 26 May 2023, and therefore KPMG performed these tasks for the 2024 financial year.

The Audit Committee mainly dealt with the following topics in 2024:

By inspecting relevant documents, meeting with the Managing Board and holding discussions with the auditor of the annual and consolidated financial statements, the Audit Committee was able to monitor the accounting process and the procedure used for auditing the annual financial statements and consolidated financial statements, and found no facts or circumstances providing grounds for objection. The Audit Committee also reviewed the possibilities of providing recommendations or suggestions to ensure the reliability of the accounting process and, based on the comprehensive information and documents obtained by the Audit Committee during its review, found that the processes that had been established were adequate.

The Audit Committee also dealt with the VIG Holding and VIG Group ORSA reports in 2024 and reported on them to the Supervisory Board. The Audit Committee monitored the effectiveness of the internal control system, the internal audit function and the risk management system and found them to be effective after eliciting presentations on the procedures and organisation of these systems from the Managing Board, the auditor of the annual and consolidated financial statements, and the persons directly charged with these duties. The Audit Committee reported on these monitoring activities to the Supervisory Board and stated that no deficiencies had been identified. The Supervisory Board was also given the opportunity during Supervisory Board meetings to verify the functional adequacy of the existing control and auditing systems.

In addition, the audit plan and the quarterly reports prepared by the internal audit department were debated by the Audit Committee and the Supervisory Board and discussed with the head of the internal audit department and the Group internal audit department.

The Audit Committee examined the Solvency and Financial Condition Reports (SFCRs) at both the solo and Group levels and reported its findings to the Supervisory Board. No facts or circumstances were found that would have provided grounds for objection.

The Audit Committee also received the 2024 annual financial statements, the management report and the 2024 consolidated Corporate Governance Report from the Managing Board and reviewed and carefully examined them. The Managing Board's proposed appropriation of profits was also reviewed with respect to capital adequacy and its effects on the solvency and financial position of the Company during the course of this examination. The Audit Committee also examined the 2024 consolidated financial statements and Group management report including the consolidated non-financial report (sustainability statement). Furthermore, the auditor's reports prepared by the auditor of the annual and consolidated financial statements KPMG for the 2024 annual financial statements, including the management report, and the 2024 consolidated financial statements, including the Group management report including the consolidated non-financial report (sustainability statement), were reviewed and examined by the Audit Committee. As a result of this examination, a unanimous resolution was adopted to recommend to the Supervisory Board that the annual financial statements be accepted. The Supervisory Board found no grounds for objection.

The auditor of the annual and consolidated financial statements provided the Audit Committee with an additional report in accordance with Art. 11 of the Audit Regulation (EU) that explained the results of the audit of the annual financial statements and consolidated financial statements. This additional report prepared by the auditor of the annual financial statements was also provided to the Supervisory Board.

The Audit Committee also reviewed and monitored the independence of the auditor of the annual financial statements and consolidated financial statements, and after reviewing suitable documents and supporting records submitted to the Committee, particularly with respect to the appropriateness of the fee and the additional services provided to the Company, was satisfied with the auditor's independent status. The Audit Committee dealt with non-auditing services. While reviewing and monitoring the independence of the auditor of the annual financial statements and the consolidated financial statements, it did not find any circumstances that would raise doubts about its independence and impartiality.

In 2024, the Audit Committee dealt with the selection of the auditor for the annual and consolidated financial statements for the 2025 financial year and the auditor for the consolidated sustainability report (consolidated non-financial report) for the 2024 and 2025 financial years. It was determined that there were no grounds for exclusion of KPMG or circumstances that would give rise to concerns about impartiality, and that sufficient protective measures had been taken to ensure an independent and impartial audit.

The Audit Committee reported the results of these deliberations to the Supervisory Board and then recommended to the Supervisory Board, which itself proposed to the Annual General Meeting that KPMG be elected as the auditor of the annual and consolidated financial statements. The General Meeting selected KPMG as auditor of the annual financial statements and consolidated financial statements for 2025. Furthermore, the General Meeting has elected KPMG as auditor of the consolidated sustainability report (consolidated non-financial report) for the 2024 and 2025 financial years, if and to the extent required by law.

During one meeting of the Audit Committee, the members of the committee consulted with the auditor of the annual and consolidated financial statements on specification of two-way communications and audit planning.

The Supervisory Board dealt with the following topics in particular:

The audit results and all resolutions adopted by the Audit Committee were reported to the Supervisory Board in its next meeting.

The 2024 annual financial statements together with the management report and 2024 consolidated Corporate Governance Report, the 2024 consolidated financial statements together with the Group management report, including the consolidated non-financial report (sustainability statement), and the Managing Board's proposed appropriation of profits were taken up and examined in detail by the Supervisory Board. The proposed appropriation of profits was checked, in particular, to ensure that it was reasonable when capital requirements were taken into account. The proposal complies with applicable legal requirements and proactively considers the macroeconomic and financial situation and its impact on the Company's solvency and financial position. The proposal is in line with the continuously pursued prudent and sustainable capital planning to ensure a solid solvency and liquidity position in the long term.

The Supervisory Board also dealt with IT security issues and ESG in financial year 2024.

The Managing Board and Supervisory Board prepared a remuneration report for financial year 2024.

During the reporting period, the Nomination Committee and the Supervisory Board dealt with the appointment of a deputy member of the Managing Board. In 2024, the Supervisory Board appointed Mr Christoph Rath as a deputy member of the VIG Holding Managing Board with effect from 1 September 2024.

In 2024, the Managing Board of VIG Holding informed the members of the Supervisory Board of material sustainability and IT security matters. During the reporting year, the topics discussed included the VIG sustainability programme, the new legal framework for sustainability reporting, the results of the consolidated double materiality assessment and the preparatory work for the consolidated transition plan for climate change mitigation for the VIG insurance companies.

Furthermore, the auditor's reports prepared by the auditor of the annual and consolidated financial statements KPMG for the 2024 annual financial statements, including the management report, and the 2024 consolidated financial statements, including the Group management report including the consolidated non-financial report (sustainability statement), were reviewed and examined by the Supervisory Board. KPMG's audit of the 2024 annual financial statements and management report and the 2024 consolidated financial statements and Group management report including the consolidated non-financial report (sustainability statement) did not lead to any reservations. KPMG determined that the annual financial statements comply with statutory requirements and give a true and fair view of the net assets and financial position of the Company as of 31 December 2024, and of the results of operations of the Company for the financial year 2024 in accordance with Austrian generally accepted accounting principles. The management report is consistent with the annual financial statements. The disclosures pursuant to § 243a of the Austrian Commercial Code (UGB) are appropriate. KPMG further determined that the consolidated financial statements also comply with statutory requirements and give a true and fair view of the net assets and financial position of the Group as of 31 December 2024, and of the results of operations and cash flows of the Group for the financial year 2024 in accordance with the IFRS as adopted by the EU and § 138 of the Austrian Insurance Supervision Act (VAG) in combination with § 245a UGB. The Group management report, including the consolidated sustainability statement, is consistent with the consolidated financial statements. In addition, in accordance with § 269 (3) UGB, KPMG has determined that the 2024 consolidated Corporate Governance Report has been prepared.

The final results of the review by the Supervisory Board also provided no grounds for objection. The Supervisory Board stated that it had nothing to add to the auditor's reports for the annual financial statements and consolidated financial statements.

After thorough examination, the Supervisory Board therefore adopted a unanimous resolution to approve the 2024 annual financial statements prepared by the Managing Board, not to raise any objections to the management report, the 2024 consolidated financial statements and the Group management report, including the consolidated non-financial report (sustainability statement) and the 2024 consolidated Corporate Governance Report, and to agree with the Managing Board's proposal for the appropriation of profits.

The 2024 annual financial statements have therefore been approved in accordance with § 96 (4) of the Austrian Stock Corporation Act (AktG). The Supervisory Board proposes to the General Meeting that it approves the Managing Board's proposed appropriation of profits and formally approves the actions of the Managing Board and Supervisory Board.

Vienna, April 2025

The Supervisory Board:

Rudolf Ertl (Chairman)

VIG Group management report 2024

General information

STRUCTURE AND ORGANISATION

VIG Insurance Group operates with more than one company and brand in most of its markets. The market presence of each company in a country is aimed at different target groups. Their product portfolios differ accordingly. The use of this multi-brand strategy does not mean, however, that potential synergies remain unexploited. Structural efficiency and the cost-effective use of resources are examined regularly. Back offices that perform administrative tasks for more than one company are already being used successfully in many countries. Mergers of insurance companies are considered if the additional synergies that can be achieved outweigh the benefits of a diversified market presence. To ensure uniform management, clearly defined country responsibilities also exist at Managing Board level. As part of the VIG 25 strategic programme, the country responsibilities of the members of the VIG Holding Managing Board were reassigned and, in addition to the CEO (Chief Executive Officer) and CFRO (Chief Financial and Risk Officer), a CTO (Chief Technical Officer), a COO (Chief Operations Officer) and a CIO (Chief Innovation Officer) were also established at the Managing Board level.

To improve readability, company names have been shortened throughout the entire report. A list of full company names is provided starting on page 326. In order to avoid duplicate information, reference will be made to appropriate information the notes to the consolidated financial statements. Changes in significant balance sheet and income statement items are presented in both the segment reporting and the notes to the financial statements. Additional disclosures in the management report are intended to explain these data in more detail.

SEGMENTATION AND SCOPE OF CONSOLIDATION

The over 50 VIG insurance companies and pension funds operate in the following reportable segments: Austria, Czech Republic, Poland, Extended CEE, Special Markets and Group Functions. These six segments are explained in the segment reporting section of the Group management report from page 48. The segment Extended CEE includes the countries of Albania incl. Kosovo, the Baltic states, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia and Ukraine. The segment Special Markets consists of the four countries Germany, Georgia, Liechtenstein and Türkiye. Further information on the scope of consolidation and the method of consolidation can be found in Note 21. Affiliated companies and participations on page 246 and Note 24.2. Business combinations on page 262. Details on the changes in scope of consolidation can be found in Note 20. Business combinations starting on page 245.

CHANGES IN THE PREPARATION OF THE GROUP MANAGEMENT REPORT

FIRST-TIME APPLICATION OF CSRD AND ESRS

The consolidated non-financial report (sustainability statement) was prepared for the first time on the basis of the Corporate Sustainability Reporting Directive (CSRD, EU Directive 2022/2464). All sustainability matters, which also reflect the material sustainability topics of the CSRD, are covered in accordance with the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and Section 267a of the Austrian Commercial Code (UGB). Companies that make use of the group exemption on the basis of the consolidated sustainability reporting are listed in the sustainability statement in BP-1 “General basis for preparation of consolidated non-financial report”. Detailed information can be found in the chapter “Consolidated non-financial report” starting on page 57 of the Group management report.

Business development and economic position

ECONOMIC ENVIRONMENT

The eurozone concluded 2024 with a reported real GDP growth rate of 0.8 %. Private and public consumption proved to be supports for growth, albeit weak in some cases, while declining exports slowed the recovery process.

Economic development varied from region to region. While Spain and France, for example, proved to be the drivers of this growth, Germany disappointed with continued stagnation, weighed down by the ongoing weakness of the global industrial economy. Austria has also reported a contraction in real GDP of 1.2%, while Erste Group analysts summarise a real GDP growth of 2.0% in 2024 for the Central and Eastern Europe region.

Inflation in the Eurozone was 2.4% in 2024, meaning it has been less than half the rate of the previous year. The disinflationary process prompted the European Central Bank (ECB) to lower its deposit rate to 2.5% in its final step in February 2025.

The Eurozone labour market remained strong and unemployment rates low. The labour market in Central and Eastern Europe remained stable. The Austrian labour market also proved to be fundamentally robust, although the number of vacancies fell and the unemployment rate rose slightly.

LEGAL ENVIRONMENT

SUSTAINABLE FINANCE

A range of comprehensive European legislative initiatives have been introduced in recent years under the "European Green Deal". In the reporting year, VIG focused on the first-time application of the EU Corporate Sustainability Reporting Directive (CSRD) and the associated mandatory European Sustainability Reporting Standards (ESRS) in accordance with the currently applicable provisions of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG). In order to exempt the Group companies outside of Austria from reporting at the individual company level, VIG has decided to apply the new requirements on a consolidated basis, despite the lack of national implementation in Austria. The implementation required extensive preparatory work at both the Holding and Group company levels. The first Group-wide consolidated sustainability statement, which was prepared in accordance with these new requirements, can be found in the chapter "Consolidated non-financial report" of the Group management report starting on page 57. In addition, the Corporate Sustainability Due Diligence Directive (CSDDD) entered into force on 25 July 2024. Member States have two years to transpose the directive into national law, and the first companies – including VIG – will have to apply it from July 2027. The directive requires companies to conduct the necessary human rights and environmental due diligence with respect to their own activities and those of their subsidiaries and business partners in their "chain of activities". In contrast to the real economy, the obligations of financial companies are initially limited to the upstream part of the activity chain ("upstream activities"). Furthermore, companies will be required to prepare a transition plan that includes a strategy for how the company will contribute to achieving the 1.5°C target.

In autumn 2024, the European Commission provided further details on an earlier announcement to reduce red tape by cutting corporate reporting by 25%. This initiative will consist of several "Omnibus packages", the first of which was proposed by the European Commission in February 2025 and includes amendments to the EU Taxonomy Regulation, CSRD and CSDDD. The European legislator is responsible for the final formulation of this first "Omnibus package". The European Commission's proposals include both changes to requirements that are already applicable and to future requirements. For example, the current mandatory reporting templates for the taxonomy KPIs and the sustainability reporting standards (ESRS Set 1) are to be condensed and simplified. Future additional bureaucratic burdens such as the sector-specific sustainability reporting standards (ESRS Set 2) and a potential extension of the due diligence obligations to include the client relationships of financial companies (CSDDD) are to be eliminated. The proposed restrictions on the scopes of application (Taxonomy Regulation, CSRD) do not offer any advantage for VIG, which is still subject to the obligation, but they do pose an indirect disadvantage. Since significantly fewer companies in the value chain would have to report, the data situation could deteriorate. However, the final impact on VIG can only be analysed after the European legislative process has been completed.

DIGITAL RESILIENCE

The regulation of digital security in the financial sector remained a focus at the European level during the reporting period. Since 17 January 2025, the Digital Operational Resilience Act (DORA) has been applicable to European financial entities, requiring them, among other things, to take all required security precautions to mitigate cyber attacks and other risks in the area of information and communication technology (ICT risks). Essential details for the provisions in DORA are set at level 2. These level 2 measures were developed by the ESAs (EIOPA, EBA and ESMA) in the course of 2024 in a joint committee. They will become legally binding upon their adoption by the European Commission and subsequent publication in the Official Journal of the European Union.

INTERNATIONAL SANCTIONS

After significant changes to the dynamics, complexity and extent of the international sanctions environment as a result of Russia's attack on Ukraine in 2022, multiple countries and organisations, above all the European Union, the United States of America and the United Kingdom of Great Britain and Northern Ireland, imposed further comprehensive sanctions against Russia and Belarus or expanded already existing sanctions in the reporting year. The restrictions rang from (investment) restrictions for specific economic sectors to embargoes on goods, complete trade embargoes for specific regions to the significant expansion of the number of persons and companies that were placed on sanctions lists and with whom business relationships are therefore prohibited. As in the previous year, the European Union, the United States of America and the United Kingdom of Great Britain and Northern Ireland again stepped up their efforts to prevent sanctions being circumvented. In this context, in 2024, numerous individuals and companies from outside Russia and Belarus were sanctioned. This also includes persons with nationalities from EU countries or companies with their registered office in the EU. In 2024, also Iran was once again the target of sanctions, particularly by the European Union and the United States of America. The main reasons for that were the attacks on Israel and the continued military support for Russia. Further restrictive measures were already adopted in 2025 due to ongoing conflicts, particularly in relation to Russia and the Middle East.

GROUP BUSINESS DEVELOPMENT AND FINANCIAL PERFORMANCE INDICATORS

FINANCIAL PERFORMANCE INDICATORS

The key financial performance indicators that form the basis for assessing the business development are presented below. All disclosures are based on IFRS figures. Due to a lack of data availability, market data relates to the gross written premiums in the respective period.

Gross written premiums
Further details on the gross written premiums are included in Note 1.7. Risk of concentration on page 203.

In 2024, VIG Insurance Group achieved gross written premiums of EUR 15,226.3 million and thus an increase of 10.5% year-on-year (2023: EUR 13,784.0 million).

With double digit growth rates in comparison to the previous year, gross written premiums in the segments Extended CEE (+10.5%) and Special Markets (+59.4%) grew especially strongly. Of the countries in the Extended CEE segment, Romania (+16.3%), the Baltic states (+10.4%), Slovakia (+7.4%) and Bulgaria (+14.8%) in particular recorded dynamic premium development. In the Special Markets segment, Türkiye recorded strong premium growth in particular (+96.7%).

Insurance service revenue – issued business
Additional details on the insurance service revenue issued business, hereinafter referred as “Insurance service revenue”, are included in Note 1.3. Insurance contracts issued starting on page 178 in the notes to the consolidated financial statements.

The insurance service revenue in the year 2024 amounted to EUR 12,138.5 million (2023: EUR 10,921.8 million), with all segments showing growth. The increase of 11.1% compared to the previous year is primarily due to growth in property and casualty insurance (accounted for using the Premium Allocation Approach) in the Extended CEE and Special Markets segments.

Insurance service expenses – issued business

Further details on the insurance service expenses – issued business, hereinafter referred as "Insurance service expenses", are included in Note 1.3. Insurance contracts issued starting on page 178 in the notes to the consolidated financial statements.

In 2024 the insurance service expenses amounted to EUR 10,656.8 million (2023: EUR 9,265.3 million). The increase of 15.0% compared to the previous year is mainly due to the significant increase in business volume as well as the increase in weather-related damage and natural disasters.

Insurance service result – reinsurance held

Further details on the insurance service result – reinsurance held can be found in Note 1.4. Reinsurance contracts held starting on page 190 in the notes to the consolidated financial statements.

The insurance service result – reinsurance held resulted in 2024 in a loss of EUR 295.3 million (2023: loss of EUR 448.4 million). The improved reinsurance result is primarily due to the higher assumption of weather-related damage.

Total capital investment result

Details on the investment result can be found in Note 9. Notes to the consolidated income statement starting on page 224 in the notes.

The total capital investment result consists of investment result, income and expenses from investment property, insurance finance result and result from associated consolidated companies. The two significant positions are the investment result in which the results of the assets evaluated according to IFRS 9 are shown and the insurance finance result, which primarily shows the interest effect of the underwriting liabilities and assets or the total financing effect of the Variable Fee Approach.

The total capital investment result increased in 2024 to EUR 435.6 million (2023: EUR 284.3 million). The significant increase compared to the previous year is primarily due to higher interest revenues from the bond portfolio, which benefited from the general development of market interest rates. This improvement is not reflected in a higher allocation to direct participating contracts in the Variable Fee Approach portfolio, as the portfolio of underlying assets shows a significant decrease in unrealised gains.

ABBREVIATED CONSOLIDATED INCOME STATEMENT

in EUR million	2024	2023	Δ in %	Δ absolute
Insurance service result	**1,186.4**	1,208.1	**-1.8%**	**-21.7**
Insurance service revenue - issued business	12,138.5	10,921.8	11.1%	1,216.7
Insurance service expenses - issued business	-10,656.8	-9,265.3	15.0%	-1,391.5
Insurance service result - reinsurance held	-295.3	-448.4	-34.1%	153.1
Total capital investment result	**435.6**	284.3	**53.3%**	**151.4**
Investment result	1,884.0	1,893.1	-0.5%	-9.0
Income and expenses from investment property	60.6	31.8	90.4%	28.8
Insurance finance result	-1,536.0	-1,657.1	-7.3%	121.1
Result from associated consolidated companies	27.0	16.5	64.0%	10.5
Finance result	-78.8	-98.5	-20.0%	19.7
Other income and expenses	-545.0	-517.9	5.2%	-27.1
Business operating result	**998.2**	876.0	**14.0%**	**122.2**
Adjustments*	-116.4	-103.3	> 100%	-13.1
Result before taxes	**881.8**	772.7	**14.1%**	**109.1**
Taxes	-214.9	-196.4	9.4%	-18.5
Result for the period	666.9	576.2	15.7%	90.6
Non-controlling interests in net result for the period	21.6	17.3	25.2%	4.3
Result for the period less non-controlling interests	**645.3**	559.0	**15.4%**	**86.3**
Earnings per share (in EUR)	**4.98**	4.31	**15.6%**	**0.7**

*The value includes impairments of goodwill as well as (reversals of) impairments of intangible assets.

Group management report

Result before taxes

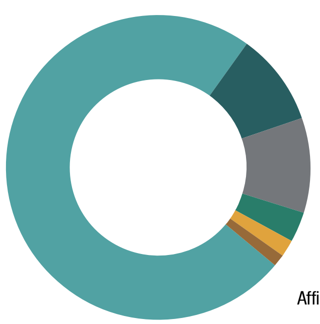
The consolidated result before taxes increased in 2024 to EUR 881.8 million (2023: EUR 772.7 million). The increase of 14.1% originates predominately from the significantly higher results in the segments Poland, Extended CEE, Special Markets and Group Functions.

The result before taxes, adjusted for adjustments of EUR 116.4 million (2023: EUR 103.3 million), which in 2024 mainly resulted from the impairment of goodwill in Hungary, resulted in a business operating result of EUR 998.2 million in 2024, which is 14.0% higher than the previous year's figure (2023: EUR 876.0 million).

Total capital investment portfolio

Further details on financial instruments can be found in Note 2. Financial assets and liabilities as well as other balance sheet items evaluated according to IFRS 9 from page 207 in the notes to the consolidated financial statements.

SPLIT OF THE CAPITAL INVESTMENTS HELD AT OWN RISK 2024



Values for 2023 in parentheses

The total capital investment portfolio as of the reporting date 31 December 2024 amounted to EUR 44,568.3 million (31 December 2023: EUR 42,586.1 million). The increase of 4.7% year-on-year is primarily due to the increased market values of the investments measured at fair value. The financial instruments of unit- and index-linked life insurance also increased by 10.2% from EUR 7,768.3 million in 2023 to EUR 8,558.4 million in 2024 due to the positive market value development.

The "risk-bearing portfolio" includes cash and cash equivalents, financial assets, investments in associates, investment property and owner-occupied property. As of 31 December 2024 the portfolio amounted to EUR 36,476.8 million (31 December 2023: EUR 35,288.7 million) and corresponds to the total capital investment portfolio minus the financial instruments for unit- and index-linked life insurance plus owner-occupied property. As owner-occupied property a value of EUR 466.8 million was reported as of 31 December 2024 (31 December 2023: EUR 471.0 million).

Consolidated shareholders' equity

Further details on the consolidated shareholders' equity are included in the Notes starting on page 225.

The consolidated shareholders' equity increased by 8.0% in 2024 to EUR 6,513.3 million (31 December 2023: EUR 6,029.7 million). This development is primarily attributable to the retained profits and the positive development of unrealised gains and losses recognised in equity. In 2024, the equity attributable to shareholders amounted to EUR 6,367.1 million (2023: EUR 5,892.3 million).

Insurance contracts liabilities issued

Further details on the insurance contracts liabilities issued are included in Note 1.3. Insurance contracts issued starting on page 178 in the notes to the consolidated financial statements.

The insurance contracts liabilities issued amounted to EUR 39,598.1 million as of the balance sheet date 31 December 2024 (31 December 2023: EUR 37,804.1 million). This corresponds to an increase of 4.7% compared to the previous year, which is mainly due to the increased business volume of product lines accounted in PAA – in particular in property and casualty insurance – as well as to the positive market development of the underlying assets in the Variable Fee Approach – especially in the long-term life and health insurance lines of business.

Cash flow

Cash flow from operating activities improved in 2024 primarily due to the increase in business volume to EUR 346.0 million (2023: EUR -139.3 million). In 2024 cash flow from investment activities was EUR 257.7 million (2023: EUR 489.8 million). In 2024 the cash flow from financing activities was EUR -409.6 million (2023: EUR -1,100.7 million). The change in cash flow from financing activities is primarily due to the buyback of subordinated bonds (reported in the balance sheet item "Subordinated liabilities") in the previous year. At the end of 2024 cash and cash equivalents of the Group were at EUR 1,748.1 million (2023: EUR 1,558.1 million). In 2024, the received interest and dividends in total amounted to EUR 1,018.1 million (2023: EUR 899.3 million).

Earnings per share

Earnings per share is a key figure that compares the result for the period (less non-controlling interests) to the average number of shares outstanding. The number of shares compared to the previous year remained unchanged.

In 2024 earnings per share were EUR 4.98 (2023: EUR 4.31). The year-on-year increase is therefore 15.6% and reflects the positive business performance.

Operating return on equity (Operating RoE)

Operating return on equity measures the profitability of the insurance group. This ratio is calculated by dividing the business operating result by the average shareholders' equity less unrealised gains and losses.

As of 31 December 2024, Vienna Insurance Group achieved an operating return on equity of 16.4% (31 December 2023: 15.1%).

Operating Return on Equity	31/12/2024	31/12/2023	31/12/2022 adjusted
in EUR million			
Shareholders' equity	6,513.3	6,029.7	5,713.9
Unrealised gains and losses recognised in equity*	-195.7	-159.3	52.3
Adjusted shareholders' equity	6,317.6	5,870.4	5,766.2
Average adjusted shareholders' equity	6,094.0	5,818.3	
Business operating result	998.2	876.0	
Operating RoE in %	16.4	15.1	

*adjusted by non-controlling interests

Net combined ratio

The calculation of the net combined ratio is the insurance service expenses for issued business less insurance service expenses from reinsurance contracts held divided by the insurance service revenue from issued business less insurance service revenue from reinsurance contracts held in property and casualty insurance.

The net combined ratio in 2024 remained at a solid level, but increased in comparison to the previous year due to an increase in weather-related damage and natural disasters such as storm "Boris" to 93.4% (2023: 92.6%). Vienna Insurance Group's conservative reinsurance policy significantly reduced the negative impact from storm "Boris", limiting the impact on the Group accordingly.

Net combined ratio	2024	2023
in EUR million		
Insurance service revenue net	8,494.8	7,582.2
Attributable costs net	-2,601.4	-2,306.3
Insurance service expenses excl. attributable costs net	-5,330.2	-4,711.7
Insurance service expenses net	-7,931.6	-7,018.0
Net claims ratio in %	62.7	62.1
Net cost ratio in %	30.6	30.4
Net combined ratio in %	93.4	92.6

Contractual service margin (CSM)

The contractual service margin (CSM) includes the unrealised profits originally priced into the insurance contract, which is reported as a separate component of the technical provisions. As of 31 December 2024 the CSM amounted to EUR 5,523.2 million (31 December 2023: EUR 5,797.2 million) and mainly stems from long-term life and health insurance. This corresponds to a decrease of 4.7% compared to the previous year, mainly due to changes in the Variable Fee Approach as a result of lower interest rates.

BRANCH OFFICES

VIG Insurance Group has branch offices in Germany, France, Italy (2024 closed in accordance with regulatory law), Kosovo, Slovenia, the Baltic countries Estonia, Latvia and Lithuania and the North European countries Sweden, Norway and Denmark. Information on branches and any significant changes compared to the previous year are discussed in more detail for the respective reportable segment in the section below, if applicable. A list of the addresses of the insurance companies and pension funds and their branch offices is also provided on page 335.

BUSINESS DEVELOPMENT AND FINANCIAL PERFORMANCE INDICATORS BY REPORTABLE SEGMENT

The reportable segments Austria, Czech Republic, Poland, Extended CEE, Special Markets and Group Functions are discussed below. The discussion focuses on the presentation of these reportable segments and descriptions of the market position held by VIG Group in the respective countries. A detailed presentation of the consolidated income statement by reportable segment can be found the notes to the consolidated financial statements starting on page 171.

INSURANCE SERVICE REVENUE

in EUR million	2024	2023	Δ in %	Δ absolute
Austria	3,543.2	3,307.4	7.1%	235.9
Czech Republic	2,078.2	2,040.1	1.9%	38.2
Poland	1,373.3	1,224.5	12.1%	148.8
Extended CEE[1]	3,599.5	3,148.1	14.3%	451.4
Special Markets[2]	924.2	617.6	49.6%	306.6
Group Functions[3]	1,780.9	1,652.2	7.8%	128.6
Consolidation	-1,160.8	-1,068.1	8.7%	-92.7
Total	12,138.5	10,921.8	11.1%	1,216.7

1 Extended CEE: Albania incl. Kosovo, Baltics, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia, Ukraine
2 Special Markets: Georgia, Germany, Liechtenstein, Türkiye
3 Group functions: VIG Holding, VIG Re, Wiener Re, VIG Fund, corporate IT service providers, asset management company and intermediate holding companies

RESULT BEFORE TAXES

in EUR million	2024	2023	Δ in %	Δ absolute
Austria	336.1	385.9	-12.9%	-49.8
Czech Republic	211.1	218.0	-3.1%	-6.8
Poland	65.1	29.4	> 100%	35.7
Extended CEE[1]	159.7	101.0	58.1%	58.7
Special Markets[2]	88.6	64.2	37.9%	24.3
Group Functions[3]	21.3	-25.8	n/a	47.1
Consolidation	0.0	0.0	n/a	0.0
Total	881.8	772.7	14.1%	109.1

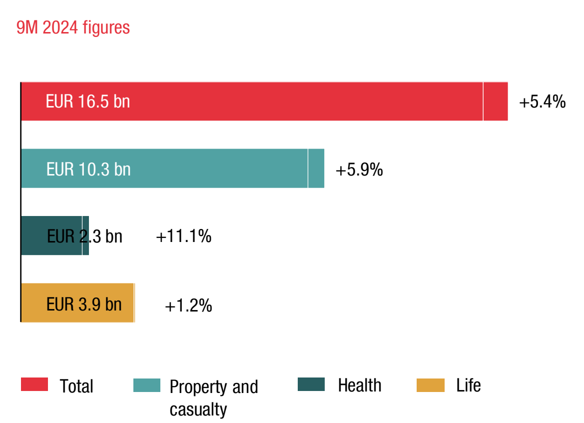
1 Extended CEE: Albania incl. Kosovo, Baltics, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia, Ukraine
2 Special Markets: Georgia, Germany, Liechtenstein, Türkiye
3 Group functions: VIG Holding, VIG Re, Wiener Re, VIG Fund, corporate IT service providers, asset management company and intermediate holding companies

AUSTRIA

AUSTRIAN INSURANCE MARKET

In Austria the top 5 insurance groups in the country in the 1st to 3rd quarter 2024 generated approximately 71% of the gross written premiums. The two largest insurance groups contributed around 44%.

MARKET DEVELOPMENT 1ST TO 3RD QUARTER 2024 COMPARED TO THE PREVIOUS YEAR



Source: Austrian Insurance Association

In the 1st to 3rd quarter of 2024, the Austrian insurance industry generated a total of EUR 16.5 billion gross written premiums. Compared to the previous year this corresponds to an increase of approximately 5.4%, which is primarily attributable to the positive development of health insurance as well as of property and casualty insurance.

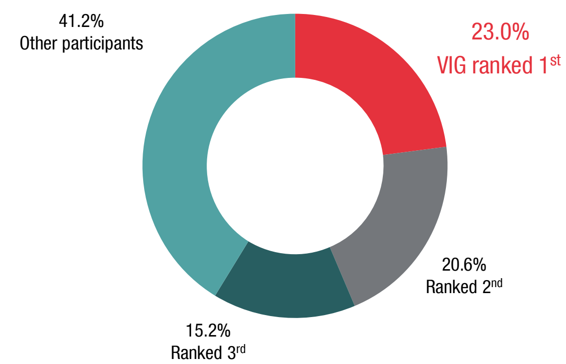
In the 1st to 3rd quarter 2024 an increase of 5.9% in the property and casualty insurance was recorded year-on-year. The motor vehicle insurance contributed with an increase in the gross written premiums of 7.0%, which is especially attributable to the increased price levels. The premiums in the motor third party liability insurance grew by 5.5%, in the motor own damage insurance (Casco) by 9.2%. The premiums in the non-motor lines of business grew by 5.3% in the 1st to 3rd quarter 2024.

In life insurance a moderate increase in gross written premiums of 1.2% was recorded in the 1st to 3rd quarter 2024. While the income from regular-premium life insurance declined slightly by 1.1% year-on-year, a double-digit gain of 21.1% was recorded in single-premium life insurance. Unit- and index-linked life insurance also recorded a significant increase of 11.7% compared to the same period in the previous year. In income protection insurance, which is also classified as life insurance, slight growth of 2.6% was achieved. Endowment insurance, which constitutes the largest share of life insurance, recorded a decline of 5.5%. The gross written premiums in the health insurance developed positively with an increase of 11.1% year-on-year.

According to internal calculations based on data from the International Monetary Fund (IMF) and the Austrian Insurance Association (VVO), in 2023 an average of EUR 2,220 per capita was spent for insurance in Austria. Of which the non-life sector accounted for EUR 1,656 and life insurance accounted for EUR 564.

MARKET SHARE OF THE LARGEST INSURANCE GROUPS

Per cent of total premium volume



Source: Austrian Insurance Association; as of 9M 2024

VIG COMPANIES IN AUSTRIA

VIG is represented by the two insurance companies Wiener Städtische and Donau Versicherung in Austria. s Versicherung, which was merged with Wiener Städtische in 2018, continues to exist as a brand for bancassurance customers. Wiener Städtische also operates via a branch in Slovenia. The branch in Italy was closed in 2024 for regulatory reasons.

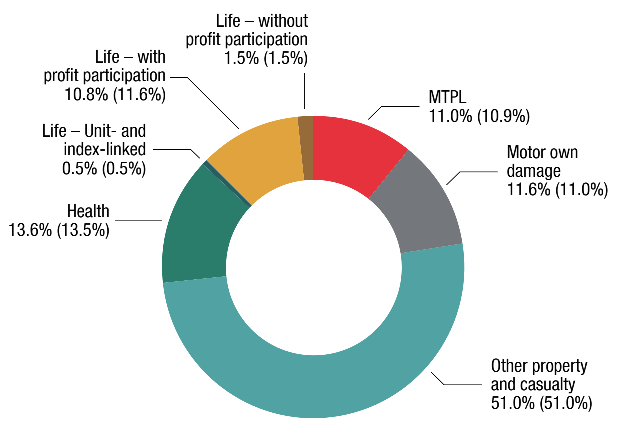
VIG Holding operates out of Austria as a reinsurer of the Group and an insurer in the cross-border corporate business. In addition, since 2019 it operates via branches in the Northern European countries of Sweden, Norway and Denmark in the traditional industrial insurance business. VIG Holding is assigned to the segment Group Functions.

The VIG insurance companies are the leading insurance group in Austria with a market share of 23.0% in the 1st to 3rd quarter 2024. In property and casualty insurance and in life insurance it holds first market rankings, in the health insurance business it takes third place.

FINANCIAL PERFORMANCE INDICATORS IN THE REPORTABLE SEGMENT AUSTRIA

Insurance service revenue
The insurance service revenue in 2024 amounted to EUR 3.543,2 million (2023: EUR 3.307,4 million). This corresponds to an increase of 7,1 %, which is due in particular to the positive development in the non-life insurance line of business (accounted for using the Premium Allocation Approach).

INSURANCE SERVICE REVENUE BY LINE OF BUSINESS



Values for 2023 in parentheses

Result before taxes
The result before taxes in the segment Austria amounted to EUR 336.1 million in 2024 (2023: EUR 385.9 million). This corresponds to a decrease of 12.9%, which is mainly due to the decrease in the total capital investment result and the decline in the combined ratio.

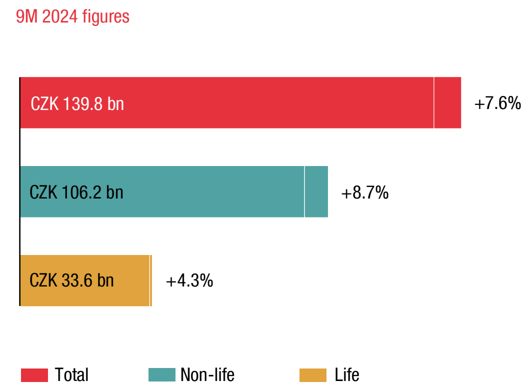
Net combined ratio
At 92.5%, the net combined ratio remained at a good level in 2024 despite a weather related higher claims ratio (2023: 91.6%).

CZECH REPUBLIC

CZECH INSURANCE MARKET

In the 1st to 3rd quarter of 2024 the insurance market in the Czech Republic was dominated by the top 5 insurance groups, which together held a share of approximately 84% of the total gross written premiums. The two largest insurance groups contributed around 56%.

MARKET DEVELOPMENT 1ST TO 3RD QUARTER 2024 COMPARED TO THE PREVIOUS YEAR



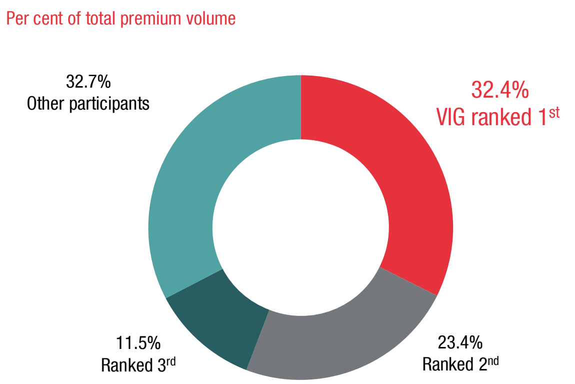
Source: Czech Insurance Association

According to the market share analysis of the Czech insurance association ČAP, the Czech insurance market recorded gross written premiums in the amount of CZK 139.8 billion in the 1st to 3rd quarter of 2024 and thus an increase of 7.6% year-on-year. Both life insurance (+4.3%) and non-life insurance (+8.7%) contributed to this growth.

In the motor lines of business the motor own damage insurance had a remarkable increase of 11.8% year-on-year. The motor third party liability insurance also developed positively with an increase of 5.8%. Both lines of business benefited in 2024 from the dynamic price development as well as from the increased number of newly insured vehicles (+2.8% in motor third party liability insurance; +10.2% in motor own damage insurance). In non-motor insurance there was an increase of 10.4% in the 1st to 3rd quarter 2024 largely influenced by the double-digit growth rate in the property insurance.

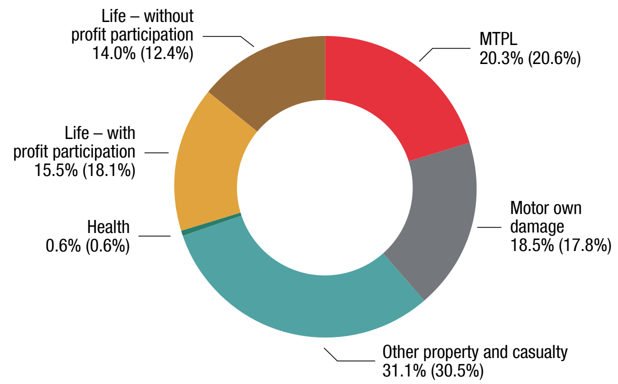
The growth in life insurance is mainly due to the good performance of single-premium life insurance, which recorded an increase of 15.3%. Private health insurance also recorded a strong increase of 25.7%. Index-linked life insurance achieved growth of 10.2%.

MARKET SHARE OF THE LARGEST INSURANCE GROUPS



Source: Czech Insurance Association; as of 9M 2024

INSURANCE SERVICE REVENUE BY LINE OF BUSINESS



Values for 2023 in parentheses

According to internal calculations based on the data of the International Monetary Fund (IMF) and the Czech Insurance Association, the Czech population spent an average of EUR 786 per capita for insurance premiums in 2023. This amount was divided into EUR 543 for non-life insurance and EUR 243 for life insurance.

VIG COMPANIES IN THE CZECH REPUBLIC

VIG Insurance Group is represented by two companies in the Czech Republic, Kooperativa and ČPP. With a market share of 32.4%, it was the largest insurance group in the Czech Republic in the 1st to 3rd quarter 2024. It was in first place in the market for both life insurance and non-life insurance. The Group's own reinsurance VIG Re, which has its headquarters in Prague, is assigned to the segment Group Functions.

FINANCIAL PERFORMANCE INDICATORS IN THE REPORTABLE SEGMENT CZECH REPUBLIC

Insurance service revenue

The insurance service revenue was EUR 2,078.2 million in 2024 (2023: EUR 2,040.1 million). This represents a slight increase of 1.9%, which is due to the positive development of both motor insurance and other property and casualty insurance.

Result before taxes

The result before taxes in the segment Czech Republic amounted to EUR 211.1 million in 2024 (2023: EUR 218.0 million). This decrease of 3.1% is primarily due to the deterioration in the net combined ratio.

Net combined ratio

The net combined ratio increased in 2024 mainly due to higher claims in the retail business and an increase in weather-related claims, including storm "Boris", to 94.8% (2023: 91.3%).

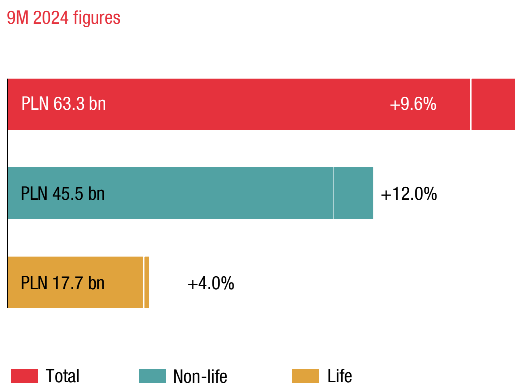
POLAND

POLISH INSURANCE MARKET

The five largest insurance groups in the country wrote approximately 78% of the gross written premiums in the first three quarters of 2024. The three largest insurance groups contributed approximately 63%.

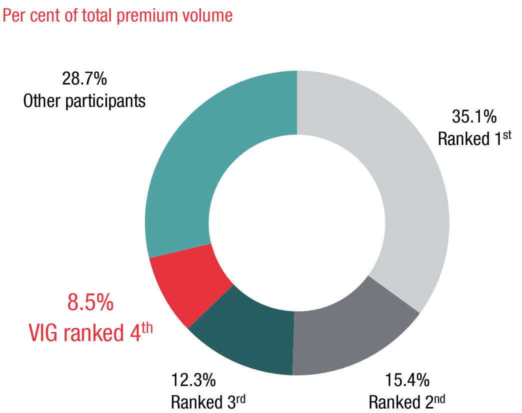
In the 1st to 3rd quarter 2024 the Polish insurance market generated PLN 63.3 billion and thus an increase of 9.6% year-on-year. The increase is attributable to the good development of both the non-life insurance (+12.0%) and also life insurance (+4.0%).

MARKET DEVELOPMENT 1ST TO 3RD QUARTER 2024 COMPARED TO THE PREVIOUS YEAR



Source: Financial Market Authority Poland

MARKET SHARE OF THE LARGEST INSURANCE GROUPS



Source: Financial Market Authority Poland; as of 9M 2024

The motor insurance recorded growth in the 1st to 3rd quarter 2024 - motor third party liability insurance increased by 10.7% compared to the same period in the previous year partly due to the increase in average premiums (+7.0%). The premiums in motor own damage insurance (Casco) increased by 10.2%, which can be partly attributed to the increased number of new contracts concluded (+5.7%). The non-motor lines of business grew by 13.5% especially as a result of the good development in the property and industrial insurance. The health insurance products in the non-life insurance showed a significant increase of 18.9% year-on-year.

Life insurance recorded an increase of 4.0% year-on-year in the 1st to 3rd quarter 2024. This is mainly due to the positive development of life insurance with regular premiums, which increased by 6.1% in the first nine months of 2024 compared to the same period in the previous year. In contrast, single-premium life insurance recorded a decline of 7.6% in the 1st to 3rd quarter 2024.

The average insurance spending per resident in Poland amounted to EUR 473 per capita in 2023 according to the calculations of the data of the International Monetary Fund (IMF) and Polish financial market authorities. Of which EUR 336 was for non-life insurance and EUR 137 for the life insurance area.

VIG COMPANIES IN POLAND

VIG Insurance Group is represented on the Polish market by Compensa Non-Life, the digital insurer Beesafe, InterRisk, the life insurer Vienna Life and the pension fund Wiener PTE. Since 2019, InterRisk has held a stake in the mutual insurance association TUW “TUW”.

In 2024, Vienna Insurance Group consolidated its market presence in Poland from six insurance companies to three. The merger of the non-life companies Compensa and Wiener TU in July 2024 created a key player on the Polish non-life insurance market, which operates under the brand name Compensa Non-Life. InterRisk will continues to operate independently. The three life insurance companies Compensa Life, Vienna Life and Aegon Life were merged to form a larger, strong market player in the life insurance business, operating under the Vienna Life brand. The merger was completed in October 2024.

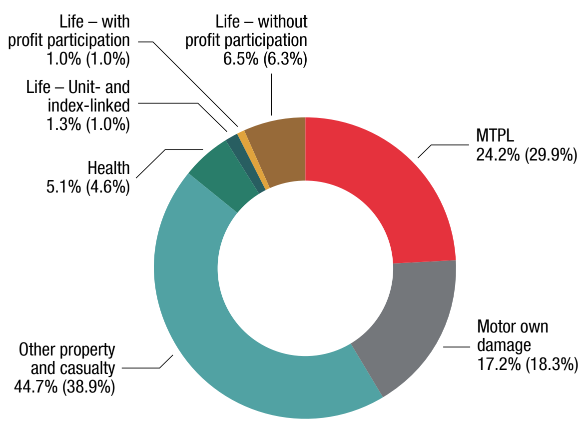
VIG Insurance Group ranks fourth in the overall market in Poland with a share of 8.5% in the first nine months of 2024. In the non-life segment, it is also ranked fourth, and in the life segment fifth, among the top insurers.

FINANCIAL PERFORMANCE INDICATORS IN THE REPORTABLE SEGMENT POLAND

Insurance service revenue

The insurance service revenue in 2024 amounted to EUR 1,373.3 million (2023: EUR 1,224.5 million). Compared to the same period in the previous year, this represents an increase of 12.1%, which is primarily due to the positive development of other property and casualty insurance and health insurance.

INSURANCE SERVICE REVENUE BY LINE OF BUSINESS



Values for 2023 in parentheses

Result before taxes

In 2024, the result before taxes amounted to EUR 65.1 million (2023: EUR 29.4 million). The significant increase compared to the previous year is mainly due to the improvement in the combined ratio. It should also be noted that the previous year's result was negatively impacted by provisions for restructuring.

Net combined ratio

In 2024, the net combined ratio improved to 95.6%, despite an increase in weather-related claims (2023: 97.4%).

EXTENDED CEE

The reportable segment Extended CEE includes the countries of Albania incl. Kosovo, Baltic states, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia and Ukraine.

Albania incl. Kosovo

VIG Insurance Group operates in the Albanian insurance market with the non-life insurers Sigma and Intersig. It ranked second in the market with a market share of 20.4% in the first nine months of 2024. Via a branch Sigma is also represented in Kosovo where it ranked sixth with a market share of 9.3% in the 1st to 3rd quarter of 2024.

Vienna Life was founded in Albania in 2024 with a focus on life and health insurance. The company's licence was issued by the Albanian Financial Supervisory Authority on 24 December 2024. Vienna Life was not included in the scope of consolidation for 2024.

Baltic states

VIG insurance companies are represented in all three Baltic states. Compensa Life has its headquarters in Estonia and is also represented in Latvia and Lithuania via branch offices. BTA Baltic operates in Latvia and is active in Estonia and Lithuania with branches. The non-life company Compensa Non-Life operates in Lithuania. It maintains branches in Latvia and Estonia.

VIG insurance companies are the market leader in the Baltic states with a market share of 26.0% in the 1st to 3rd quarter 2024. They are ranked first in both non-life and life insurance.

Bosnia-Herzegovina

VIG Insurance Group is represented in the Serbian Republic of Srpska of Bosnia-Herzegovina by Wiener Osiguranje with headquarters in Banja Luka and by Vienna Osiguranje with headquarters in Sarajevo. The VIG insurance companies were in fourth place overall based on a market share of 8.7% according to the data of the 1st to 3rd quarter 2024.

Bulgaria
On the Bulgarian insurance market VIG is represented by Bulstrad Life and Bulstrad Non-Life. Together they held a market share of 14.0% in the 1st to 3rd quarter 2024. Thus, VIG insurance companies were in first place in Bulgaria. In the non-life insurance sector they ranked third in the market and in life insurance they are in second place.

In addition, the PAC Doverie pension fund is part of VIG Insurance Group, and has a 24.5% market share in Bulgaria.

Croatia
In Croatia the VIG insurance company Wiener Osiguranje is active. A market share of 7.7% in the 1st to 3rd quarter 2024 puts it in fourth place on the Croatian insurance market. It is in fifth place in the non-life insurance sector and ranks second in the life insurance sector.

Moldova
The VIG insurance company Donaris operates in Moldova. With a market share of 12.5% in the 1st to 3rd quarter 2024 it is in fifth place on the market. In the non-life insurance sector, it is in fourth place.

North Macedonia
On 1 July 2024, the North Macedonian non-life insurers Winner Non-Life and Makedonija Osiguruvanje merged. VIG is thus represented by one non-life and one life insurance company in North Macedonia, Makedonija Osiguruvanje and Winner Life, respectively. The two VIG insurance companies together held a market share of 18.4% in the 1st to 3rd quarter 2024. This makes the VIG companies the leading insurance group in North Macedonia. VIG is the leading company in the non-life sector and ranks third in the life sector.

Romania
There are three VIG insurance companies operating in the Romanian insurance market, the non-life insurer Omniasig, the composite insurer Asirom and the life insurer BCR Life. In addition, VIG is represented on the Romanian market with the pension fund Carpathia Pensii. The portfolio of the Romanian branch of Aegon Life in Poland acquired in 2023 was transferred to Asirom in 2024. VIG is the market leader in Romania, with a market share of 25.7% in the 1st to 3rd quarter 2024. It is the market leader in non-life insurance and ranks second in life insurance.

Serbia
In Serbia, VIG Insurance Group is active with the Wiener Städtische Osiguranje. With a market share of 10.9% it occupied fourth place in the 1st to 3rd quarter 2024. In the non-life insurance sector it is also in fourth place, in the life insurance sector it ranks second.

Slovakia
Two VIG insurance companies, Kooperativa and Komunálna, are represented in the Slovakian insurance market. In addition, the pension company Kooperativa, d.s.s. (formerly 365.life.) is part of VIG Insurance Group. With a market share of 28.4% in the 1st to 3rd quarter 2024 they are in first place as the largest insurance group in Slovakia. They are ranked first in both non-life and life insurance.

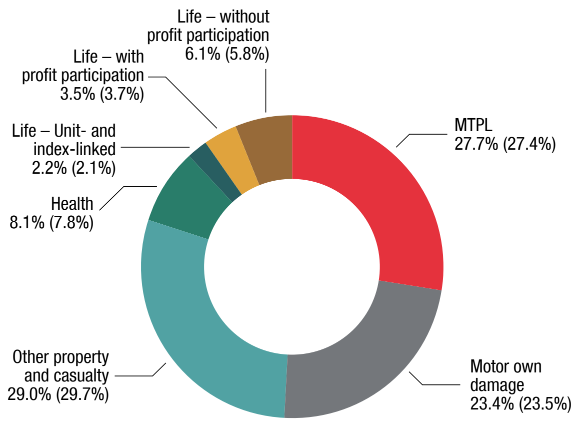
Ukraine
The VIG non-life insurers Kniazha and USG as well as the life insurer Kniazha Life are active in Ukraine. With a share of 10.5% in the 1st to 3rd quarter 2024 the VIG insurance companies are in second place in the overall market. In the non-life sector, Vienna Insurance Group ranks second in Ukraine.

Hungary
In Hungary, Vienna Insurance Group operates with Union Biztosító and Alfa Biztosító. According to the data published by the Hungarian Association MABISZ from the 1st to 3rd quarter 2024, the VIG insurance companies are in first place in the market with a market share of 18.8%. They are in first place both in non-life and life insurance.

FINANCIAL PERFORMANCE INDICATORS IN THE REPORTABLE SEGMENT EXTENDED CEE

Insurance service revenue
The insurance service revenue in 2024 amounted to EUR 3,599.5 million and was thus 14.3% above the previous year's figure (2023: EUR 3,148.1 million). The increase resulted primarily from the good development in the Baltic states, Bulgaria, Romania, Slovakia and Hungary. In particular, motor insurance and other property and casualty insurance achieved solid growth.

INSURANCE SERVICE REVENUE BY LINE OF BUSINESS



Values for 2023 in parentheses

Result before taxes

The result before taxes in the segment Extended CEE in 2024 was EUR 159.7 million (2023: EUR 101.0 million). The significant increase compared to the previous year is primarily due to the improvement in the combined ratio in Romania and Slovakia.

In 2024, the result before tax, adjusted for adjustments of EUR 116.3 million (2023: EUR 81.7 million), which are primarily due to the impairment of goodwill in Hungary, resulted in a business operating result of EUR 276.0 million in the segment Extended CEE (2023: EUR 182.8 million).

Net combined ratio

In 2024, the net combined ratio in the segment Extended CEE improved to 93.9% as a result of a better claims ratio and cost ratio (2023: 95.2%).

SPECIAL MARKETS

The segment Special Markets includes the countries of Germany, Georgia, Liechtenstein and Türkiye.

Germany

VIG insurance companies InterRisk Non-Life and InterRisk Life operate in Germany. The InterRisk companies distribute exclusively through around 10,000 independent sales partners. InterRisk Non-Life specialises in accident and liability insurance and selected property insurance products. InterRisk Life focuses on retirement provision and occupational disability solutions, as well as protection for surviving dependents. The VIG companies continue to be successful in the German market as profitable niche players.

The Group internal reinsurance company VIG Re has also been represented by a branch in Germany since 2017. It is assigned to the segment Group Functions.

Georgia

VIG Insurance Group is represented in Georgia by the companies GPIH and IRAO. With a market share of 24.0% the companies are the leading insurance group in Georgia in the 1st to 3rd quarter 2024.

Liechtenstein

VIG is represented in Liechtenstein by the Group company Vienna-Life, which ranked fourteenth in the market in 2023. In order to better meet customer and market requirements, Vienna-Life initiated a revision of its product range in the 4th quarter of 2023, including the implementation of a new onboarding platform. Implementation took place in 2024, and the distribution of the old products has been discontinued.

Türkiye

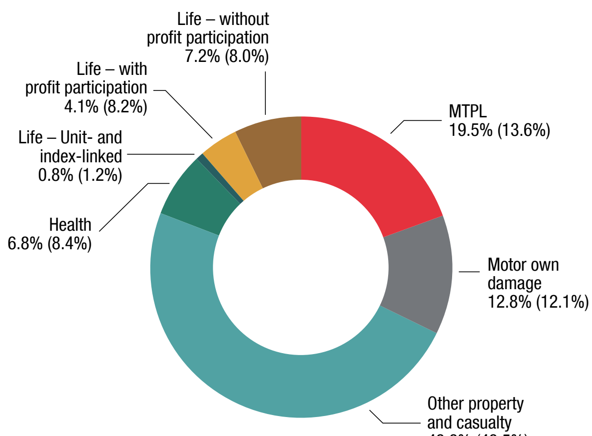
In Türkiye, VIG Insurance Group operates with the non-life insurer Ray Sigorta and the life insurance company Viennalife. With a market share of 5.2% the VIG insurance companies reached fifth place on the Turkish market.

FINANCIAL PERFORMANCE INDICATORS IN THE REPORTABLE SEGMENT SPECIAL MARKETS

Insurance service revenue

Insurance service revenue in the segment Special Markets increased from EUR 617.6 million in 2023 to EUR 924.2 million in 2024, mainly due to the dynamic business development in Türkiye. This corresponds to a significant increase of 49.6%, which is attributable to a higher premium volume, particularly in motor insurance and other property and casualty insurance in Türkiye. In addition, life insurance in Türkiye also developed positively.

INSURANCE SERVICE REVENUE BY LINE OF BUSINESS



Values for 2023 in parentheses

Result before taxes

In 2024 the segment Special Markets increased its result before taxes considerably by 37.9% to EUR 88.6 million (2023: EUR 64.2 million). This significant increase is primarily due to the strong business development in Türkiye mentioned earlier. It should also be taken into account that the previous year's result was impacted by impairments of intangible assets of EUR 9.8 million.

Net combined ratio

The net combined ratio was 98.7% in 2024, primarily due to increased weather-related claims in Germany (2023: 96.6%).

GROUP FUNCTIONS

The Group Functions reportable segment includes VIG Holding (including the branches in Northern Europe), VIG Re (including the branches in Germany and France), Wiener Re, VIG Fund, corporate IT service providers, one asset management company and intermediate holding companies. VIG Holding primarily focuses on managerial tasks for the Group. It also operates as the reinsurer for the Group as well as in the international corporate business.

VIG Re, a reinsurance company established in Prague in 2008, offers tailored reinsurance solutions to both VIG insurance companies and third parties. With its branches in Germany and France, it is the leading reinsurance company in the CEE region and is continuously expanding its market position in continental Europe and Asia. At the end of 2024, the rating agency Standard & Poor's again confirmed the "A+" rating of VIG Re with a stable outlook.

FINANCIAL PERFORMANCE INDICATORS IN THE REPORTABLE SEGMENT GROUP FUNCTIONS

Insurance service revenue

The insurance service revenue was EUR 1,780.9 million in 2024 and thus over the previous year's figures by 7.8% (2023: EUR 1,652.2 million). The increase is mainly due to a positive development resulting from the increased business volume.

Result before taxes

In 2024, in the segment Group Functions, a result before taxes in the amount of EUR 21.3 million was recognised (2023: loss in the amount of EUR 25.8 million). The improved result is primarily due to the higher total capital investment result and the decline in the finance result due to the early buyback of subordinated bonds (reported in the balance sheet item "Subordinated liabilities").

Consolidated non-financial report

CONTENTS

GENERAL INFORMATION

PREAMBLE

All material topics of VIG's sustainability activities are reported in the consolidated non-financial report or sustainability statement as part of the Group management report, in accordance with both the currently applicable Austrian Sustainability and Diversity Improvement Act (NaDiVeG, EU Directive 2014/95) and the Corporate Sustainability Reporting Directive (CSRD, EU Directive 2022/2464). This covers all sustainability matters in accordance with NaDiVeG and § 267a of the Austrian Commercial Code (UGB), which reflect the material sustainability matters of the CSRD. These topics will be addressed in the consolidated non-financial report, regardless of the reporting standard used, provided that they are necessary for an understanding of the impacts of the activity. They are described in the chapters ESRS E1 "Climate change" for environmental matters in accordance with NaDiVeG; ESRS S1 "Own workforce" for employee matters in accordance with NaDiVeG; ESRS S1 and ESRS S4 "Consumers and end-users" for respect for human rights in accordance with NaDiVeG and ESRS G1 "Business conduct" for combating corruption and bribery in accordance with NaDiVeG.

At the time of reporting, the CSRD has not yet been transposed into Austrian law. Therefore, the consolidated non-financial report is being prepared on a voluntary basis in accordance with the EU requirements of the CSRD and the European Sustainability Reporting Standards published in this context. VIG discloses all material information on sustainability-related impacts, risks and opportunities in accordance with the applicable European Sustainability Reporting Standards (ESRS) under the CSRD.

The report was voluntarily prepared in accordance with Article 29a of the EU Accounting Directive (EU Directive 2013/34) in accordance with the ESRS and the EU Taxonomy. The scope of consolidation of the consolidated non-financial report is the same as that of the IFRS consolidated financial statements (with the exception of reported data on the internal operations of the three insurance companies in Ukraine). Companies that make use of the group exemption on the basis of the consolidated sustainability reporting are listed in BP-1 "General basis for preparation of consolidated non-financial report".

On 26 February 2025, the European Commission announced a simplification of sustainability reporting aimed at reducing the administrative burden. The specific impact on the consolidated non-financial report of VIG cannot yet be estimated at the current time of reporting.

Categories of ESRS Standards
The ESRS are divided into different categories of standards: two cross-cutting standards (ESRS 1 "General requirements" and ESRS 2 "General disclosures") and three topical standards Environmental, Social and Governance (responsible business conduct), which in turn comprise ten ESRS subtopic standards E1 to E5, S1 to S4 and G1.

The consolidated non-financial report has been prepared and is presented in accordance with the general requirements of ESRS 1. In accordance with the requirements of ESRS 2, VIG fulfils the disclosure requirements of all material sustainability matters of governance, strategy, management of impacts, risks and opportunities, as well as metrics and targets (see reporting areas). In addition, VIG discloses sustainability information in accordance with the topical standards. In accordance with ESRS 1, topics whose impacts, risks and opportunities have been rated as "not material" for both VIG and sustainability matters are not taken into account.

COMPANY-SPECIFIC DISCLOSURES
VIG also discloses company-specific information that was identified during the double materiality assessment at the Group level.

Reporting areas
The disclosure requirements are divided into the following reporting areas:

- Governance (GOV): governance processes, controls and procedures for monitoring, managing and overseeing impacts, risks and opportunities;

- Strategy and business model (SBM): the interaction of the strategy and the business model with the material impacts, risks and opportunities, including how they are addressed;
- Impact, risk and opportunity management (IRO): processes for identifying the impacts, risks and opportunities, assessing their materiality and taking appropriate action to address them;
- Metrics and targets (MT): metrics and defined targets and progress towards achieving targets.

Double materiality as the basis for the non-financial report
The principle of double materiality is of fundamental importance for the consolidated non-financial report. On this basis, the report aims to give readers an understanding of two key perspectives: on the one hand, the impact of VIG's business activities on sustainability matters (inside-out perspective; impact materiality) and, on the other hand, how sustainability matters can affect VIG's financial position (outside-in perspective; financial materiality). The double materiality assessment thus forms the basis of the consolidated non-financial report. Further details are provided in chapter IRO-1 "Description of the process to identify and assess material impacts, risks and opportunities".

ESRS 2 – GENERAL DISCLOSURES

Basis for preparation
The following disclosure requirements were applied in the preparation of the consolidated non-financial report:

DISCLOSURE REQUIREMENT BP-1 – GENERAL BASIS FOR PREPARATION OF CONSOLIDATED NON-FINANCIAL REPORT

Scope of consolidation of the sustainability statement
The ESRS reporting is prepared by VIG Holding for VIG (fully consolidated companies) for the reporting period from 1 January 2024 to 31 December 2024. A sustainability statement has therefore been prepared on a consolidated basis. The principles of consolidation have been harmonised between the financial and sustainability reporting and applied consistently.

The scope of consolidation of the CSRD sustainability statement therefore corresponds to that of the consolidated financial statements prepared in accordance with IFRS, with the exception of reported data on the internal operations of the three insurance companies in Ukraine. Details of these three insurance companies can be found in the chapter "The war in Ukraine" (see page 167). However, these three companies were included in the calculation and reporting of Scope 3.15 emissions in the same way as the other companies. More information on the scope of consolidation and the consolidation method is provided in the consolidated financial statements in chapter "21. Affiliated companies and participations" on page 246 and chapter "20. Business combinations" on page 245.

In determining the ESRS scope of consolidation according to the nature and scope of the inclusion of associated companies, no undertakings over which VIG has operational control were identified among the non-consolidated companies in the financial reporting pursuant to IFRS. Greenhouse gas emissions from at equity companies were recognised on a pro rata basis and included in Scope 3.15 in accordance with the respective ownership interests.

The following table shows the companies for which the group exemption from preparation of a separate sustainability report is being utilised locally for the 2024 financial year.

Company	Country
Alfa	Hungary
Asirom	Romania
BTA Baltic	Latvia
Compensa Life	Poland
Compensa Non-Life	Lithuania
Compensa Non-Life	Poland
ČPP	Czech Republic
Donau Versicherung	Austria
InterRisk	Poland
Komunálna	Slovakia
Kooperativa	Czech Republic
Kooperativa	Slovakia
Omniasig	Romania
Union Biztosító	Hungary
Wiener Osiguranie	Croatia
Wiener Städtische	Austria

Group management report

Coverage of the value chain

The term "value chain" encompasses the activities of internal operations, underwriting and asset management. Both upstream and downstream activities are included. Further information on the value chain can be found in chapter ESRS 2 SBM-1 "Strategy, business model and value chain". The Vienna Insurance Group value chain was taken into account in the identification of material impacts, risks and opportunities in accordance with this categorisation.

Classified and sensitive information, and information on intellectual property, know-how or results of innovation

No specific information was excluded with regard to intellectual property, know-how or the results of innovations.

DISCLOSURE REQUIREMENT BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Time horizons

The following time horizons have been defined by VIG in the sustainability reporting:

- for the short-term time horizon: a reporting period of up to two years
- for the medium-term time horizon: from the end of the short-term reporting period up to five years
- for the long-term time horizon: more than five years

The time horizons are based on the general risk management approach.

Value chain estimation

The following section describes the approaches for calculating emissions data for internal operations, underwriting (corporate and retail) and asset management, including the real estate portfolio.

Estimates in internal operations

Estimates were made in the reporting year for the environmental metrics in internal operations where detailed consumption data were not available. A uniform approach was developed for this. If data on the energy consumption of individual companies were not available or not available in full, an extrapolation was carried out to enable the datapoints and greenhouse gas emissions to be calculated on a consolidated basis. The net usable area of the respective company, among other things, was used for this extrapolation of the energy metrics. This figure was multiplied by a median value (e.g. median of the reported electricity consumption per square metre multiplied by the reported net usable area of the company). The approach used therefore provides a consistent and reliable basis for the extrapolations and should thus ensure that the consumption data are estimated as realistically as possible.

In addition, consumption data from some companies were only available quarterly. If a company was not able to provide all energy metrics for 2024 in detail as of January 2025, extrapolations were made based on the existing monthly figures from the previous year. In these isolated cases, therefore, a higher degree of measurement uncertainty may exist.

The aim is to integrate the Ukrainian data for the year 2025, depending on the war situation.

Value chain estimation in underwriting

For corporate underwriting, emissions have been calculated in accordance with the Partnership for Carbon Accounting Financials (PCAF) Standard, Part C, using the "economic activity-based emissions estimate". This calculation is based on average emissions data for the respective industry. The total absolute emissions of the policyholders in the insurance portfolio were calculated by assigning the insurance contracts to the average economic emission intensities of the policyholders' underlying industry. The policyholders' revenue figures were often not recorded in the underwriting system and therefore had to be estimated. The average cost of risk (i.e. the average written premiums of policyholders in the sector in relation to the revenue generated by policyholders with their company) was used to convert the premiums written under the insurance contracts into an estimate of the insured revenue (representative of the share of the total insurance). The insurance contracts were then mapped to industry averages using NACE codes of varying granularity. The NACE code is the classification of economic activities in the European Union (the term "NACE" derives from the French title "Nomenclature statistique des activités économiques dans la Communauté européenne"). This estimate reflects the share of absolute emissions of policyholders that are covered by the insurance contracts. The insurance-associated emissions were calculated by dividing the total absolute emissions by the average cost of risk of the underlying sector to obtain the insured revenue in that industry. This figure was then multiplied by the average emission intensity (tCO_2e/revenue) of this sector in order to obtain the estimated emissions. Alternatively, the premiums written under an insurance contract can be divided by the cost of risk and then multiplied by the average energy intensity of the respective sector. The emissions data for underwriting (corporate) were calculated in the reporting year with a reporting date of 31 October 2024. This difference in reporting date has no material impact in terms of data quality, since at that time the vast majority of the relevant data was already available and the remaining two months did not cause any significant changes in the portfolio. Since average values were used to calculate the emissions, a certain degree of measurement uncertainty in the reporting year cannot be ruled out. Within the scope of the given possibilities, every effort has been made to minimise or completely avoid estimation uncertainties. In the future, the focus will continue to be on improving data quality in order to ensure a more precise recording of emissions.

In the area of retail underwriting (private households and small and medium enterprises), a reference value (baselining) was established for the reported emissions in the motor portfolio in accordance with the PCAF Standard (Part C) "Insurance-Associated Emissions". The estimated vehicle-specific approach (Score 2-3) was used for estimates for passenger cars and vans as described in the PCAF standard and the estimated vehicle-unspecific approach (Score 4) for other vehicles. These approaches were chosen because no primary data are available from the motor portfolio of policyholders for the actual vehicle-specific approach (Score 1). Using data based on existing insurance contracts, each vehicle with a motor third party liability insurance (MTPL) policy was assigned emission values in the motor portfolio. Based on the data submitted annually by the individual consolidated companies, which in the reporting year were submitted with a reporting date of 31 October 2024, the emissions were calculated using two indicators: vehicle-specific emissions per 100 km driven and the annual distance travelled by the vehicle.

For the reporting year, approx. 77% of the reported emissions were calculated using the official CO_2e data from vehicle manufacturers. The remaining emissions represent an approximate value based on the estimation methodology cited. The data gap for this remaining approximately 23% of emissions is due to the fact that not all vehicle identification numbers (VINs) were available in full. Therefore, an approximation based on the known vehicle categories in the respective country was used in this context. The data on kilometres travelled were obtained from public sources. For about 8% of the companies, mileage was derived from local statistical databases. If such data were not available, the average mileage from various publications was used for each country and vehicle category. The earlier reporting date did not result in any significant inaccuracies with regard to the data quality in the underwriting (retail) portfolio, as there were only minor fluctuations and seasonality had no material impact on the emissions calculations. In order to improve the accuracy of the emissions collected in the future, the aim in the coming years will be to obtain even more precise information about the distance travelled by vehicles and to improve the CO_2e emissions database with a view to improving the recording of vehicle types.

Value chain estimation in asset management
In the area of asset management, 74.78% of corporate bonds and equities were directly covered by emissions data from an external ESG database of a specialised financial service provider in 2024 (including investment fund units).

The coverage rate for government bonds in the reporting year was 99.90%. If the external financial service provider was unable to collect direct data on emissions by the reporting date of 31 December 2024, the financial service provider's internal models were used to estimate the data. This means that an adequate level of accuracy can be assumed. The quality of the emissions data available is expected to continue to improve as more companies disclose their emissions. As a result, the coverage rate will also increase and the portion of the portfolio that is currently extrapolated based on the available emissions will decrease in the future.

Value chain estimation in the real estate portfolio

The financed emissions from VIG's real estate portfolio were collected and calculated in accordance with PCAF Part A – "Financed Emissions". These emissions were calculated using three approaches based on the availability of primary and secondary data with descending data quality in accordance with PCAF Part A. A detailed description of the calculation of emissions from VIG's real estate portfolio can be found in section ESRS E1-6 "Gross Scopes 1, 2, 3 and Total GHG emissions", which presents VIG's greenhouse gas emissions (GHG).

A distinction was made between actual emissions and estimated and calculated emissions when collecting the relevant emissions. For all properties for which verifiable and complete consumption figures were available, the actual emissions were collected and reported. For all those properties for which no (detailed) consumption data were currently available, the information shown on the energy performance certificate was used to calculate the total emissions. To do this, the estimated energy consumption per m2 based on the information in the energy performance certificate was used to calculate the emissions based on an average emission factor for the energy source used. In the case of real estate investments for which neither consumption data nor energy performance certificates were available, estimates were carried out in the same way as for the other investment classes, using approximations from an external specialised financial service provider in accordance with the NACE classification. Consequently, VIG used all three approaches proposed by PCAF Part A for calculating the real estate portfolio's emissions. As data quality increases, the inaccuracy of estimates will gradually decrease in the future.

Sources of estimation and outcome uncertainty

The same method used for the consolidated income statement in financial reporting was used to translate foreign currency amounts into the reporting currency of euros during the financial year in order to ensure consistent and comparable reporting in accordance with ESRS 1 (see chapter 25.1 "Currency translation"). Where possible, actual and up-to-date emissions data from the investee companies, taken from the external database used, were used to determine the financed emissions. Missing emissions data in the portfolio in 2024 were described under "Value chain estimation in asset management".

All the estimates described above in relation to the environmental metrics, as well as any associated possible measurement uncertainty, were therefore mainly due to a lack of available data. For example, in the case of real estate leased by VIG, not all of the tenants' consumption data were known, and in the retail customer motor portfolio, information on the kilometres driven and the actual fuel consumption of policyholders was not fully available. Likewise, estimates were sometimes required in the area of underwriting for corporate customers where it was not possible to assign the actual pro rata insured emissions.

The use of industry averages to determine financed and insured emissions is based on the assumption that the portfolio companies are, on average, close to the industry average. This approach was used on the basis of the business model and owing to a lack of granular data.

Changes in preparation or presentation of sustainability information

As this is the first year of sustainability reporting in accordance with the CSRD/ESRS, there are no changes to report under ESRS 2 BP-2 "Disclosures in relation to specific circumstances". However, the process has changed significantly compared to the GRI reporting of the 2023 Sustainability Report and the scope of the report has been extended beyond the insurance companies. The newly added non-insurance companies were gradually incorporated into the reporting in 2024 and fully integrated into the process. Furthermore, a double materiality assessment was carried out to comply with the new statutory requirements (see chapter IRO-1 – "Description of the process to identify and assess material impacts, risks and opportunities").

Following the introduction of ESRS reporting, the figures for the EU Taxonomy are now presented in a separate chapter of the consolidated non-financial report. Compared to the previous year, 100% of all consolidated non-life insurance companies of VIG were included in the evaluation of the technical screening criteria (TSC) in the underwriting process. In addition, a Group Guideline entitled "MSS Screening in Underwriting" was created in 2024 to comply with the minimum social safeguards (MSS).

Reporting errors in prior periods

Since this is the first year in which the consolidated non-financial report was prepared in accordance with the CSRD/ESRS, the disclosure of errors from previous reporting periods is not applicable.

Disclosures stemming from other legislation or generally accepted pronouncements on the consolidated non-financial report

Disclosures in accordance with Article 8 of Regulation 2020/852 (Taxonomy Regulation) are published in the environmental information (see page 97). Where information has been included in the consolidated non-financial report on the basis of other legislation or recognised standards, this has been indicated in the appropriate places. References outside the consolidated non-financial report:

Chapter ESRS reporting		Reference
BP-1	General basis for preparation of consolidated non-financial report	Consolidated financial statements, chapter "The war in Ukraine"
BP-2	Disclosures in relation to specific circumstances	Consolidated financial statements, chapter "Currency translation"
GOV-1	The role of the administrative, management and supervisory bodies	Corporate Governance Report, chapter "Supervisory Board independence"
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Chapter "Procedures followed by the Managing Board and by the Supervisory Board and its committees"
GOV-3	Integration of sustainability-related performance in incentive schemes	Consolidated financial statements, chapter "Compensation policies for Managing Board members"
GOV-5	Risk management and internal controls over consolidated sustainability reporting	Consolidated financial statements, chapter "Risk strategy and objectives"
SBM-1	Strategy, business model and value chain	Chapters "Strategic principles", "Sustainability programme" Group management report, chapter "Financial performance indicators"
SBM-2	Interests and views of stakeholders	Chapter "Strategy programme"
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Consolidated financial statements, chapters "Goodwill", "Calculation of fair value"
MDR-P	Policies adopted to manage material sustainability matters:	Chapters "Strategic principles", "Sustainability programme"
MDR-T	Tracking effectiveness of policies and actions through targets	"Strategy programme", "Sustainability programme"
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions: Insurance turnover: Insurance service revenue – issued business	Consolidated financial statements, chapter "Consolidated income statement"
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions: Real estate income (from rented properties of insurance companies and from real estate holding companies)	Consolidated financial statements, chapter 4. "Investment property"
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions: IFRS 15 turnover from non-insurance companies: Other income (other revenue from services)	Consolidated financial statements, chapter 15.3 "Other income and expenses"
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	Notes, chapter "Risk strategy and risk management"

Governance

DISCLOSURE REQUIREMENT GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The VIG Holding Managing Board comprised seven members as of 31 December 2024. The Supervisory Board consists of 12 members. There is no works council at VIG Holding, so there are no workers' representatives on the Supervisory Board. The interests of employees are covered by the specific activities described in more detail in the chapter on Disclosure Requirement ESRS S1-2 "Processes for engaging with employees and employees' representative about impacts", as well as through due consideration in the relevant bodies.

The areas of responsibility and country responsibilities of the members of the Managing Board are described in the Corporate Governance Report (from page 22).

The gender-specific composition and other diversity metrics for both the Managing Board and the Supervisory Board of VIG Holding are presented below. Gender, generations and internationality are the primary diversity criteria in relation to top management. The data as of 31 December 2024 were used to calculate the percentage distribution.

	VIG Holding Managing Board		Supervisory Board of VIG Holding	
	Total	in %	Total	in %
Gender				
Male	6	86.71%	7	58.33%
Female	1	14.29%	5	42.66%
Nationality				
Austrian	6	86.71%	6	50.00%
Non-Austrian	1	14.29%	6	50.00%
Generations				
Under 30 years old	0	0.00%	0	0.00%
30-50 years old	3	42.86%	2	16.66%
Over 50 years old	4	57.14%	10	83.33%

75% of the members of the Supervisory Board elected by the Annual General Meeting can be categorised as independent in accordance with the criteria for independence defined by the Supervisory Board pursuant to C-Rule 53 of the Austrian Code of Corporate Governance; see page 28 "Supervisory Board independence".

The Corporate Governance Report starting on page 22 provides comprehensive information on the roles and responsibilities of the Managing Board and the Supervisory Board. This includes an overview of the individuals and committees of the Supervisory Board. The Supervisory Board, as a whole, regularly deals with sustainability issues.

The Supervisory Board has established the Committee for Urgent Matters (Working Committee), the Audit Committee (Accounts Committee), the Committee for Managing Board Matters (Personnel Committee), the Strategy Committee and the Nomination Committee. It performs all activities defined under the law, articles of association and the procedural rules of the Supervisory Board. The Audit Committee (Accounts Committee) performs the tasks in accordance with § 92 (4a) of the Austrian Stock Corporation Act (AktG) and § 123 (9) of the Austrian Insurance Supervision Act (VAG) 2016. It is therefore responsible in particular for the auditing and preparation of the approval of the separate financial statements, the proposal for appropriation of profits and the management report. The Audit Committee is also responsible for auditing the consolidated financial statements and making a proposal for the election of the auditor, and reporting to the Supervisory Board on the matter. The Committee for Managing Board Matters (Personnel Committee) deals in particular with the personnel matters of the Managing Board members and reviews the remuneration policy at regular intervals. The Managing Board submits the Group management report and thus the consolidated non-financial report contained therein to the Audit Committee and the Supervisory Board as a whole, and the Audit Committee and Supervisory Board then audit the consolidated non-financial report as part of the audit of the management report.

The VIG Holding Managing Board is responsible for the management of the company and the Group. The Managing Board manages the business of the Company under the leadership of its Chairperson and within the constraints of the law, articles of association and procedural rules of the Managing Board. It meets as needed (generally every two weeks) to discuss current business developments, and makes the necessary decisions and resolutions during the course of these meetings. The Managing Board members continuously exchange information with each other and with the heads of various departments. Sustainability is fundamentally embedded as a cross-cutting theme in all areas of the organisation and is therefore an integral part of the core topics. Accordingly, the responsibility for implementing sustainability matters also lies with the respective departmental areas, or is decentralised among the companies.

Sustainability matters are taken into account by the individual departments when performing their tasks within the scope of their respective responsibilities on the VIG Holding Managing Board. In addition, a Group Sustainability Office (GSO) has been established within VIG Holding to consolidate and coordinate efforts. This office is assigned to the portfolio of the Chairman of the Managing Board. On behalf of the Managing Board, it coordinates and manages the sustainability activities and their further development at VIG, involving the relevant departments.

A Sustainability Committee, consisting of members of the Managing Board and managers from various departments of VIG, deals with material topics concerning the introduction, implementation and further development of VIG's sustainability activities across the board. In particular, it is responsible for making recommendations to the Managing Board as a whole on material topics relevant to sustainability-related resolutions. The Sustainability Committee meets at least quarterly, and the Managing Board is updated by means of the relevant minutes and, if necessary, an oral report at a Managing Board meeting. The following are represented on the Sustainability Committee: Deputy Chairman of the Managing Board, Chief Finance and Risk Officer (CFRO), Chief Operating Officer (COO) and, in particular, managers from the Corporate Business, Retail Insurance & Business Support, Asset Management (including Real Estate), Human Resources, European Affairs and Risk Management departments. To ensure close coordination with the ESRS reporting process, the team leader for ESRS reporting is also represented at the Sustainability Committee meetings, in addition to the Head of Group Finance and Regulatory Reporting. The nomination of these representatives within VIG Holding is linked to the spheres of impact of VIG's sustainability programme. The Group Sustainability Office is responsible for managing the committee.

In 2024, the VIG Holding Managing Board informed the members of the Supervisory Board of material sustainability and IT security matters. The topics discussed in the reporting year included the VIG sustainability programme, the new legal requirements for the consolidated non-financial report in accordance with the ESRS, the results of the double materiality assessment and the preparatory work for the consolidated transition plan for climate change mitigation for the VIG insurance companies. Regular reports on compliance, IT security and data protection are also provided. The Supervisory Board, both as a whole and through the Audit Committee, took the opportunity to address sustainability matters.

The members of the Managing Board and the Supervisory Board have the necessary specialist knowledge, industry knowledge and experience, especially in the countries in Central and Eastern Europe in which VIG operates, in order to properly fulfil their duties. The relevant experience and expertise comes from relevant further education and training courses as well as corresponding professional experience, which is also ensured by the statutory fit & proper requirements. The members of the Supervisory Board also receive regular training and information on current specialist topics.

VIG has established a comprehensive document governance system that regulates in detail how binding requirements can be issued for the Group companies. This system differentiates between Group policies, Group guidelines and Group operating procedures. While policies are adopted by the full Managing Board, guidelines are approved by the responsible Managing Board member. Operating procedures are issued by the responsible department manager or a special representative of VIG Holding on the basis of an authorisation in a policy or guideline. The governance documents are communicated to the Group companies within the scope of application of the document by the respective document creator. In addition, the documents can be accessed at any time on the Intranet. The governance documents require local implementation at Group company level in order to be effective, and the approval requirements must correspond to those at VIG Holding level. If, in exceptional cases, Group requirements cannot be implemented at Group company level, there is a standardised process for handling deviations that provides for appropriate communication between the Group companies in exceptional cases and the document creator(s) at VIG Holding and requires the decision of the local Supervisory Board in the event of disagreement. Once a year, Compliance (incl. AML) of VIG Holding carries out a centralised query to check that the Group-wide governance documents have been formally implemented.

The relevant VIG Holding document creator is responsible for monitoring implementation. In addition, the implementation of governance documents forms part of the internal audit process. This multi-pronged approach to monitoring ensures effective implementation and compliance in the Group companies.

DISCLOSURE REQUIREMENT GOV-2 – INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Individual members of the Managing Board or the Managing Board as a whole are informed about sustainability matters by the managers from the relevant departments, the Group Sustainability Office (GSO) or the Chairman of the Sustainability Committee, depending on their areas of responsibility The Managing Board as the management body and the Supervisory Board as the governance body are involved in such matters in accordance with the statutory requirements for these bodies, which clearly define the relevant responsibilities. The strategic and economic relevance of the decision plays an important role in this. Further information on how the management bodies deal with sustainability matters can be found in the Corporate Governance Report in the chapter "Procedures followed by the Managing Board and by the Supervisory Board and its committees" on page 29.

The material sustainability-related impacts, risks and opportunities identified in the double materiality assessment are reflected in the six spheres of impact of the VIG sustainability programme and are described in detail below for the reporting year. The actions taken in connection with ESRS E1 "Climate change" focused on the preparation of a transition plan for Vienna Insurance Group (with a focus on the insurance sector in 2024) and were approved by the VIG Holding Managing Board on 27 January 2025. In addition, key performance indicators (KPIs) related to ESRS reporting were presented, for example on the GHG emissions from underwriting, asset management and internal operations, including the significance analysis for ESRS E1 "Climate change". The VIG Holding Managing Board also dealt with compliance issues several times in the reporting year. The final report of an anti-greenwashing working group founded in 2024 was discussed in the Sustainability Committee. A Group policy on underwriting for retail customers was discussed by the Managing Board and, among other things, contains aspects relating to the topic of anti-greenwashing (Non-Life Underwriting Guideline). In addition, the VIG Holding Managing Board regularly addressed IT security-related topics and was updated on the current status of the Cyber Defense Center programme in 2024. Training on the Digital Operational Resilience Act (DORA) was provided to all members of the Supervisory Board and Managing Board of VIG in 2024. IT and security risks were also discussed in the VIG Holding Risk Committee. Matters related to the Group's own workforce are addressed by the VIG Group Policy Remuneration and VIG Group Policy Fit & Proper, the Code of Business Ethics and the diversity strategy.

DISCLOSURE REQUIREMENT GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

The incentive schemes for the members of the VIG Holding Managing Board reflect the Company's success from the perspective of the various stakeholders, i.e. the remuneration is intended to reward successful management, particularly with regard to sustainable earnings on the one hand, and contributions to employee and common good on the other. The remuneration package for members of the VIG Holding Managing Board is divided into fixed and variable components (see the part of the VIG Holding remuneration policy relating to members of the Managing Board, Section 2.2.5), while the remuneration for members of the VIG Holding Supervisory Board does not include a variable component.

The variable remuneration of VIG Holding Managing Board members is tied to the achievement of predefined annual performance targets. These include both financial targets such as income and revenue growth as well as non-financial targets. For 2024, the strengthening of diversity was defined as a non-financial target for the members of the VIG Holding Managing Board and weighted at 10% of the strategic special targets (see also Section 2.2.2 b of the remuneration policy). Moreover, a significant part of the variable remuneration is subject to a sustainability-oriented deferral rule, where 40% of the bonus earned for the financial year is deferred on a straight-line basis over three years.

The deferred payments depend on the sustainable development of Vienna Insurance Group. When assessing sustainable development, both economic goals and the responsibility towards the environment, society and employees are considered, thus embedding long-term sustainability into the remuneration structure.

The Supervisory Board, specifically the Supervisory Board Committee for Managing Board Matters of VIG Holding, is responsible for approving and regularly reviewing the terms of the incentive schemes for VIG Holding Managing Board members.The remuneration of the members of the Supervisory Board requires a resolution to be passed at the Annual General Meeting.

Further details can be found in the VIG Holding Remuneration Policy 2024 on the VIG website (https://group.vig/corporate-governance).

DISCLOSURE REQUIREMENT GOV-4 – STATEMENT ON DUE DILIGENCE

The following table provides an overview of the core elements of due diligence in the consolidated non-financial report. The processes implemented by VIG Holding to identify impacts, risks and opportunities are taken into account, including the double materiality assessment, as well as the actions taken to prevent negative impacts.

List of information provided on the due diligence process

Core elements of due diligence	Disclosure Requirement	Paragraphs in the consolidated non-financial report
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model

Core elements of due diligence	Disclosure Requirement	Paragraphs in the consolidated non-financial report
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	ESRS 2 SBM-2	Interests and views of stakeholders
	ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities
	ESRS 2 MDR-P	Policies adopted to manage material sustainability matters:
	ESRS E1-4	Targets related to climate change mitigation and adaptation
	ESRS S1-4	Taking action on material impacts and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches
	ESRS S4-1	Policies related to consumers and end-users
	ESRS S4-5	Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities
	ESRS G1	Additional company-specific disclosures
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
d) Taking actions to address those adverse impacts	ESRS E1-1	Transition Plan for climate change mitigation
	ESRS E1-2	Policies related to climate change mitigation and adaptation
	ESRS E1-3	Actions and resources in relation to climate change policies
	ESRS S1-1	Policies related to own workforce of the company
	ESRS S1-2	Processes for engaging with employees and employees' representatives about impacts
	ESRS S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns
	ESRS S1-4	Taking action on material impacts and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches
	ESRS S4-1	Policies related to consumers and end-users
	ESRS S4-2	Processes for engaging with consumers and end-users about impacts
	ESRS S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
	ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities in respect of consumers and end-users, and effectiveness of those actions
	ESRS G1-1	Corporate culture and business conduct policies
	ESRS G1-3	Prevention and detection of corruption and bribery
	ESRS G1 MDR-A	Actions and resources in relation to material sustainability matters
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 SBM-2	Interests and views of stakeholders
	ESRS E1-4	Targets related to climate change mitigation and adaptation
	ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions
	ESRS S1-5	Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities
	ESRS S1-6	Characteristics of the undertaking's employees until ESRS S1-17 - Incidents, complaints and severe human rights impacts
	ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities in respect of consumers and end-users, and effectiveness of those actions
	ESRS S4-5	Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities
	ESRS G1-4	Confirmed incidents of corruption or bribery

DISCLOSURE REQUIREMENT GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS ON CONSOLIDATED SUSTAINABILITY REPORTING

Risk management plays a crucial role at VIG in the identification of material risks as part of the double materiality assessment. The aim of the internal control processes relating to the consolidated non-financial report is to ensure the accuracy, reliability and completeness of the consolidated sustainability disclosures. The area of responsibility includes data collection and validation through to governance through the creation of internal guidelines and policies.

General information on the governance system, risk management system and internal control system

The governance system, along with the organisation of the risk management system and the risk management process, is described in the chapter "Risk strategy and risk management – Governance system" and in more detail in the "Risk management processes" section on page 302.

Sustainability risks are risks to which the Company is exposed (outside-in perspective), as well as any risks arising from the business activity of VIG that could potentially have negative impacts on society or the environment (inside-out perspective). Such risks have always been taken into account implicitly or even explicitly in some cases within the scope of risk management.

Ongoing promotion of a highly developed level of risk awareness, coupled with the defined risk governance, ensures that risk is minimised in all areas as far as possible.

Risks and controls in relation to ESRS reporting

For monitoring operational risks, VIG maintains an adequate internal control system (ICS), which ensures ongoing monitoring of risks. The following two risks are specifically considered in relation to the consolidated non-financial report as part of the ICS. The risk "Incomplete consolidated non-financial report" entails the risk that Group-wide reporting on material sustainability matters is insufficient and therefore incomplete. To mitigate this risk, a double materiality assessment was carried out in consultation with the relevant departments within VIG Holding and the local (re)insurance companies before the consolidated ESRS report was prepared. This ensured that all material topics were identified. In addition, the principle of dual control was applied in the preparation of the report. The VIG Holding departments responsible for the data have implemented appropriate control mechanisms to mitigate the risk of "Incorrect data in the consolidated non-financial report". These controls range from the implementation of the principle of (at least) dual control to (semi-)automated data validation procedures. In addition, data plausibility checks are part of the process of preparing the consolidated non-financial report.

The ICS is an important component of the governance system and is firmly anchored in all VIG insurance and reinsurance companies. It is based on an appropriate process organisation with clearly defined areas of decision-making and responsibility. Based on this determination of responsibility, duties and general requirements, guidelines are established for the respective companies and/or departments, which form the framework of the ICS. Within the ICS, all relevant operational risks and accounting-specific risks are recorded for each area of the Company and assessed by the risk owners according to the existing controls using a severity/frequency analysis. The individual risks, along with their assessments, are categorised into 12 risk categories, which are visualised and analysed through an operational risk heat map.

To ensure a structured approach to the identification of sustainability risks in the Group, a Group-wide risk catalogue (ESG risk inventory) with explicit reference to sustainability risks has additionally been prepared in observance of the Guide for Managing Sustainability Risks published by the Austrian Financial Market Authority. The ESG-specific risk catalogue includes at least those risks that were identified as material as part of the consolidated double materiality assessment. Furthermore, each of the identified risks that has an impact on VIG is assigned to a specific VIG risk category.

The VIG (re)insurance companies and the pension funds and asset management companies regularly review this risk catalogue for completeness as part of a standardised risk management process ("risk inventory") and supplement it if necessary. All VIG companies mentioned must evaluate the defined or newly added risks on a qualitative basis with regard to the risk and further development and describe any mitigation measures. In the reporting year, the relevant sustainability risks were also identified and assessed at the VIG companies mentioned and at the level of the insurance group.

Reporting to the Managing Board

The VIG Holding Managing Board is regularly updated on the risk situation of the Group and of the insurance companies in dialogue with Risk Management.

In addition, sustainability matters are included in the internal audit plan. All internal audit reports and their results are made available to the VIG Holding Managing Board.

Strategy

DISCLOSURE REQUIREMENT SBM-1 – STRATEGY, BUSINESS MODEL AND VALUE CHAIN

VIG is a diversified insurance group. The insurance companies belonging to VIG offer insurance solutions that have been adapted to the local conditions and the needs of customers and policyholders. VIG's insurance portfolio is diverse and comprehensive, covering a broad spectrum of needs for both individuals and corporates. Additionally, tailored options like supplementary health insurance, nursing care insurance, endowment insurance, term life insurance and investment-oriented products meet specific customer requirements. The VIG companies are responsible for large capital investments, which is why security and sustainability are the focus of the investment strategy. Diligence guides the reinsurance policy: To obtain the optimal risk balance, some risks are bundled at the Group level and some are placed on the international reinsurance market.

VIG is the leading insurance group in Central and Eastern Europe. It consists of the listed VIG Holding and more than 50 insurance companies and pension funds in 30 countries. Based on the principle of local entrepreneurship, it adopts a decentralised management approach in order to best meet the different requirements of the markets in which it operates. The decentralised organisational structure gives local management and employees the necessary flexibility to conduct their business activities. This allows products and sales to be adjusted optimally to local circumstances.

VIG serves a total of around 33,000,000 customers, including private individuals, small and medium enterprises (SMEs) and large companies. VIG Holding has no operational retail or SME business. This business is conducted by the local VIG insurance companies. VIG Holding handles the corporate business both itself and through the local VIG insurance companies. These local companies attach great importance to being close to their customers and, to this end, pursue a multi-channel distribution approach. VIG has around 30,000 employees.

The VIG insurance companies invest the premium payments they receive in such a way that they are able to fully meet their obligations to their policyholders at all times. Security is the top priority for investments, which is why good credit ratings and stable returns are preferred. VIG's responsible investment, insurance and reinsurance practices reflect a focus on environmental aspects and social responsibility. This includes the exclusion of certain (sub-)sectors/issuers from its investment universe and its underwriting activities (see website: https://group.vig/en/sustainability/downloads/). The exclusion criteria are described in detail in chapter ESRS E1-2 "Policies related to climate change mitigation and adaptation".

According to the requirements of the ESRS, a breakdown of total income that deviates from the IFRS consolidated financial statements is not required. The revenue reported in segment reporting in accordance with IFRS 8 includes issued business. This revenue is shown in the income statement under "Insurance service revenue – issued business" and amounted to EUR 12,138,477,000 in 2024.

According to the clarifications of the European Financial Reporting Advisory Group (EFRAG), the disclosures required by ESRS 2 SBM-1 Section 40d relate to direct revenue from sectors of the undertaking's own business activities and not to that of policyholders or investee undertakings, thus excluding underwriting and asset management in the VIG value chain. VIG does not generate revenue from activities associated with fossil fuels, chemicals production, controversial weapons, or tobacco cultivation and production. Consequently, this datapoint does not apply to VIG.

Key elements of VIG's general sustainability efforts are set out in the strategic programme, of which the VIG sustainability programme is an integral part. It is helping to achieve the Company's strategic objectives, which encompass the three parts "Expanding the leading market position in CEE", "Creating sustainable value" and "Sustainability objectives in six spheres of impact". Details on the programme can be found in the chapter "Strategic principles" on page 10. Furthermore, the strategic programme sets out VIG's goals, which include more efficiency, more customer proximity and more added value.

In the area of asset management, VIG takes social and environmental criteria into account. The long-term target is to reduce the greenhouse gas emissions of the investment portfolio to net zero by 2050. In the area of underwriting, the company strives to reduce greenhouse gas emissions in its corporate portfolio. The aim of this strategic effort is to reach net zero by 2050. VIG also strives to reduce its emissions in its internal operations and is aiming to be climate neutral by 2030 and achieve net zero by 2050. Climate neutral means that the emissions caused are offset by compensatory measures, while the aim of net zero is to reduce emissions as much as possible and to permanently neutralise unavoidable emissions. Detailed information on the climate targets and the related actions that aim to support the achievement of the emission reduction targets in the respective areas can be found in chapters ESRS E1-2 "Policies related to climate change mitigation and adaptation" and ESRS E1-3 "Actions and resources in relation to climate change policies".

With its promise of "protecting what matters", VIG wants to help close existing insurance gaps. The Company also strives to support policyholders in preparing themselves better for the insurance impacts of climate change. Details can be found in chapter E1 IRO-1 "Description of the process to identify and assess material impacts, risks and opportunities".

In addition to the application of exclusion criteria and engagement activities, comprehensive services are also offered for corporate customers. The VIG Group company Risk Consult Sicherheits- & Risiko-Managementberatung GmbH (Risk Consult) also carries out analyses of natural hazards specifically for large companies. It uses mathematical models and local factors to accurately assess potential threats. In some cases, insurance coverage is contingent on the implementation of these recommended measures, ensuring that policyholders are better protected against natural hazards.

By integrating these tailored services, VIG addresses the specific sustainability concerns of its diverse customer segments. In Austria, the insurance industry is working to raise awareness among retail customers and SMEs of the impacts of climate change. Together with another organisation, the Austrian insurance sector is financing the "Kuratorium für Verkehrssicherheit". Originally founded to raise awareness in the area of traffic and to reduce the number of accidents, the focus in recent years has increasingly expanded to include the impact of climate change on property damage.

With regard to products, the process contains a detailed overview of the range of insurance products offered by Vienna Insurance Group. The product range includes, among others, motor third party liability and motor own damage insurance, accident insurance, liability insurance, fire and natural hazards insurance as well as travel insurance. For example, local insurance companies have introduced coverage extensions in individual products that encourage the adoption of green technologies and support climate risk mitigation efforts. In order to fulfil financially sustainable criteria, new ideas are analysed before adapting products, including questions regarding the insurability of the risk, market acceptance and reinsurance coverage.

Such products are only introduced if the risk is insurable, the product is accepted in the market and adequate reinsurance coverage is available, thus meeting the criteria for financial sustainability.

In the motor sector, local insurance companies are closely tied to the development of the vehicle market in the countries. Motor third party liability insurance is mandatory in all VIG countries (except Georgia), so there is little scope for insurance companies to act.

The transition plan for the local insurance companies was developed in 2024, defining specific actions to gradually reduce greenhouse gas emissions and to align product portfolios with sustainability goals. More detailed information is provided in ESRS E1-3 "Actions and resources in relation to climate change policies".

The impacts of the double materiality assessment are addressed in the strategy via four components of the sustainability programme:

- Economic component: VIG pursues a profitable business model that creates sustainable value for the Group's stakeholders, thereby ensuring the Group's continued economic existence.
- Governance component: Business conduct that is responsible, transparent and geared towards long-term success is central to VIG. In its markets, the Group is a reliable partner to the market and to society.
- Social component: VIG wants to contribute towards a well-functioning community and a stable, economically

resilient society in which all members can participate. VIG offers its customers a comprehensive range of insurance products and creates an attractive working environment for its employees.
- Environmental component: VIG considers the environmental impacts of its business activities and helps to reduce the negative effects of climate change. The aim is to ensure that we can continue to operate in a world that is worth living in for everyone.

Further details of the sustainability programme can be found on page 14.

VIG is committed to the United Nations Global Compact (UNGC) and its ten universal principles and discloses an annual Communication on Progress with information on how it contributes to these principles. The table below shows the pages of the consolidated non-financial report that address VIG's contributions to the Principles of the UNGC.

No.	Principles	Disclosure Requirement	Paragraphs in the consolidated non-financial report
	Human Rights		
1	Businesses should support and respect the protection of internationally proclaimed human rights.	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's consolidated non-financial report
		ESRS 2 MDR-P	Policies adopted to manage material sustainability matters:
		ESRS S1.SBM-2	Interests and views of stakeholders
		ESRS S1-1	Policies related to own workforce of the company
		ESRS S1-17	Incidents, complaints and severe human rights impacts
		ESRS S4-1	Policies related to consumers and end-users
2	Businesses should make sure that they are not complicit in human rights abuses.	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's consolidated non-financial report
		ESRS 2 MDR-P	Policies adopted to manage material sustainability matters:
		ESRS S1.SBM-2	Interests and views of stakeholders
		ESRS S1-1	Policies related to own workforce of the company
		ESRS S1-17	Incidents, complaints and severe human rights impacts
		ESRS S4-1	Policies related to consumers and end-users
	Labour		
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS 2 MDR-P	Policies adopted to manage material sustainability matters:
		ESRS S1.SBM-2	Interests and views of stakeholders
		ESRS S1-1	Policies related to own workforce of the company
		ESRS S1-8	Collective bargaining coverage and social dialogue
		ESRS S1-11	Social protection
4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's consolidated non-financial report
		ESRS S1.SBM-2	Interests and views of stakeholders
5	Businesses should uphold the effective abolition of child labour.	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's consolidated non-financial report
		ESRS 2 MDR-P	Policies adopted to manage material sustainability matters:
		ESRS S1.SBM-2	Interests and views of stakeholders
6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's consolidated non-financial report
		ESRS 2 MDR-P	Policies adopted to manage material sustainability matters:
		ESRS S1.SBM-2	Interests and views of stakeholders
		ESRS S1-1	Policies related to own workforce of the company
		ESRS S1-17	Incidents, complaints and severe human rights impacts

No.	Principles	Disclosure Requirement	Paragraphs in the consolidated non-financial report
	Environment		
7	Businesses should support a precautionary approach to environmental challenges.	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes
		ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting
		ESRS 2 SBM-1	Strategy, business model and value chain
		ESRS 2 SBM-2	Interests and views of stakeholders
		ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's consolidated non-financial report
		ESRS 2 MDR-P	Policies adopted to manage material sustainability matters:
		ESRS 2 MDR-T	Tracking effectiveness of policies and actions through targets
		-	Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
		ESRS E1	Climate change
		ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities in respect of consumers and end-users, and effectiveness of those actions
		ESRS G1	Additional company-specific disclosures
8	Businesses should undertake initiatives to promote greater environmental responsibility.	ESRS 2 SBM-2	Interests and views of stakeholders
		ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS E1	Climate change
		ESRS S4-1	Policies related to consumers and end-users
		ESRS G1	Additional company-specific disclosures
9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	ESRS 2 SBM-1	Strategy, business model and value chain
		ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS E1-1	Transition Plan for climate change mitigation
		ESRS E1-3	Actions and resources in relation to climate change policies
		ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities in respect of consumers and end-users, and effectiveness of those actions
	Anti-corruption		
10	Businesses should work against corruption in all its forms, including extortion and bribery.	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's consolidated non-financial report
		ESRS 2 MDR-P	Policies adopted to manage material sustainability matters:
		ESRS S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
		ESRS S1-1	Policies related to own workforce of the company
		ESRS G1-1	Corporate culture and business conduct policies
		ESRS G1-3	Prevention and detection of corruption and bribery
		ESRS G1-4	Confirmed incidents of corruption or bribery

VIG pursues a comprehensive strategy to sustainably strengthen its markets, customers and employees. It endeavours to minimise any possible negative impacts on the environment in a targeted manner. These impacts are described in more detail in chapter E1 “Climate change”.

Qualified and motivated employees play a central role in the provision of high-quality insurance services for customers. That is why great importance is attached to continuously increasing our attractiveness as an employer and developing our corporate culture. In addition, IT is a key factor for operational performance and is focused on ensuring the highest security standards and implementing regulatory requirements. A comprehensive and effective compliance management system has been set up in Vienna Insurance Group to ensure compliance with regulatory requirements. Further details can be found in the respective topic chapters.

VIG actively engages with stakeholders to understand their concerns and expectations, which helps to refine strategies and enhance sustainability performance (see also chapter SBM-2 “Interests and views of stakeholders”).

VIG offers policyholders a wide range of insurance products and services tailored to the needs of the different policyholder segments. The advantages include comprehensive risk coverage and a conservative investment and reinsurance policy. Other stakeholders also benefit from VIG’s commitment to sustainability, employee development and corporate social responsibility. Details on the key financial performance indicators that form the basis for assessing the business development are described in the chapter “Financial performance indicators” starting on page 44.

VIG’s value chain can be divided into the three areas of underwriting, asset management and internal operations, and ranges from product development, underwriting and risk transformation to asset management, claims settlement, marketing and distribution. Areas such as Opportunity Management, Group Actuarial, Planning & Controlling, Human Resources, General Secretariat and Legal, Risk Management, Compliance (incl. AML), VIG IT, Group Finance & Regulatory Reporting etc. support the overall product development process.

DISCLOSURE REQUIREMENT SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

Stakeholder engagement is an important component of VIG’s approach to corporate responsibility. VIG stakeholders range from customers, sales and business partners, the professional public, (potential) employees, and shareholders/investors to the media, NGOs, authorities and society.

Depending on the topic and the stakeholder group, VIG offers various channels of communication so that issues can be raised. The frequency of communication varies depending on the stakeholder group and communication channel concerned. Taking different perspectives into account enables VIG to react to challenges and opportunities in an appropriate way and to make well-informed decisions for the future. VIG uses the following, among others, for its ongoing dialogue with stakeholders:

- Employee surveys
- Customer satisfaction surveys
- Personal dialogue, workshops and training
- Newsletters
- Memberships
- Press conferences
- Commitment to sustainability initiatives

As VIG is a decentralised group, the local insurance companies have a great deal of decision-making freedom to best meet the needs of local stakeholders. Engagement with the following stakeholder groups takes place via various channels:

Sustainability-related concerns:
Group Sustainability Office, Klaus Mühleder,
Email: GroupSustainabilityOffice@vig.com

Stakeholder group	Dialogue format	Contact options
Policyholders	Contact by personal advisors, service offices or by video, telephone and email	VIG insurance companies: group.vig/en/vig-inside/group/markets VIG Holding: info@vig.com Contact form for social media channels on the website: https://group.vig/en/footer/contact-form
	Feedback via social media channels	
	Surveys	
	(Market) analyses	
Professional public	Membership in insurance associations and sustainability initiatives	Communication, Collaboration & Cooperation, Karin Kafesie, karin.kafesie@vig.com info@vig.com
	Industry networking events	
	Participation in conferences	
Sales and business partners	Personal contact	See Policyholders
	Workshops and trainings	
	Newsletter	
	Distribution portals	
	Events	
(Potential) employees	(Virtual) events	Human Resources, Barbara Hohl, barbara.hohl@vig.com
	Intranet	
	Regular, structured meetings to discuss objectives and development	
	Joint development of policies and actions	
	Surveys	
	Grievance mechanisms	
	Contact with students through cooperations with universities etc.	
	Website, social media (LinkedIn)	
Shareholders/(potential) investors	Continuous capital market information	Investor Relations, Nina Higatzberger-Schwarz, investor.relations@vig.com
	Information exchange and communication via various channels (website, social media etc.)	
	Contacts in the Investor Relations team	
	Regular telephone conferences when publishing results	
	Annual general meeting	
	Participation in investor conferences	
NGOs	Regular dialogue with NGOs	Group Sustainability Office, Klaus Mühleder, GroupSustainabilityOffice@vig.com
Society, media, authorities	Press conferences and interviews	Communication, Collaboration & Cooperation, Karin Kafesie, karin.kafesie@vig.com info@vig.com
	Personal contact	
	Voluntary work	
	Participation in initiatives, supporting projects	
	Implementation of own cultural and social projects	
	Regulatory dialogue with legislation and supervision	

Stakeholder engagement is organised through structured and continuous processes, as shown in the table. By incorporating stakeholder views, VIG Holding ensures that its sustainability efforts stay relevant and effective. Engagement with policyholders takes place through direct feedback channels, surveys and digital platforms. Employees participate in regular dialogue and surveys, including a standardised employee engagement survey, and receive internal communications. Communication with investors takes place via virtual or in-person meetings, capital market updates, telephone conversations and annual general meetings, as well as ad hoc surveys, which are carried out by external consultants. In addition to compliance with regulatory requirements, society and authorities are taken into account in the VIG markets through public consultations and also through the organisation of joint initiatives.

As well as expanding VIG's ESG investment strategy, VIG has actively started a dialogue with investee companies and potentially investable companies. This is included under the term internationally known as engagement service provider that aggregates the interests of many investors and engages with companies on sustainability issues. For example, the aim of the dialogue with investee companies is to address ESG issues in a targeted manner, identify potential areas for improvement and increase ESG data transparency. This supports companies in their development of an ESG strategy.

Employee feedback has shaped workplace practices and corporate culture, while policyholder input has influenced the development of new sustainable insurance products in underwriting.

The feedback from investors is incorporated into VIG's business strategy.

This dialogue shows that policyholders place importance to quality, reliable service and the inclusion of sustainability features in insurance products. Employees have access to career development opportunities, inclusive workplace practices, and the company's commitment to social and environmental responsibility. Investors are particularly concerned with financial performance, risk management and the incorporation of environmental, social and governance criteria into business practices. The task of the supervisory authorities is to monitor compliance with legal regulations. Stakeholders in general are paying greater attention to VIG's contribution to environmental protection and ethical business conduct.

The dialogue with stakeholders has driven the development of sustainability-oriented products such as unit-linked life insurance that invest in funds with ESG characteristics and investments in green bonds, as well as the integration of sustainability criteria into investment and underwriting processes. In addition, numerous initiatives for employees, for example improving diversity and integration in the workplace, are being implemented. Furthermore, VIG has set itself the target of achieving net-zero emissions by 2050, despite the obvious challenges arising from the transformation itself and the limited direct influence of VIG (see also SBM-1 "Strategy, business model and value chain").

The findings from this dialogue are incorporated into various actions. Among other, this includes the further development of IT security and data protection aspects. In addition, the multi-channel distribution approach, which includes direct sales, brokers, agents, bancassurance partnerships and digital platforms, has been further optimised to ensure comprehensive customer care and accessibility. Further information can be found in chapter SBM-1 "Strategy, business model and value chain".

In the future, VIG will continue to focus on digital innovation as part of its sustainability efforts. The aim is to increase the use of digital platforms in order to improve interaction with customers and increase its market reach. This includes the development of new digital tools and services that offer policyholders added value. Further process simplifications and automations are also planned to boost productivity and efficiency and thus enhance customer service. As part of its approach to engagement, VIG plans to support its sustainability objectives by motivating investee and potential investee companies, among others, to also commit to achieving net-zero greenhouse gas emissions by 2050, to set medium-term reduction targets (2025–2030) and to develop decarbonisation strategies in line with the Paris Agreement. Further steps planned include promoting risk literacy in VIG markets and, if appropriate, updating VIG's sustainability programme in 2025, taking into account the results of the double materiality assessment. No further initiatives are currently planned.

VIG Holding ensures that the Managing Board and Supervisory Board are well informed about stakeholders' views regarding sustainability-related impacts by taking a structured and comprehensive approach, which is described under GOV-2 "Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies".

DISCLOSURE REQUIREMENT SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The following overview describes the material impacts, opportunities and risks in VIG's value chain arising from the double materiality assessment in 2024. Details of the results are described below the table.

ESRS topic	ESRS sub-topic	IRO	Value chain
ESRS E1	Climate change mitigation	Impacts	Internal operations
		Impacts, risks, opportunities	Underwriting: Corporate / Retail, Asset Management
	Climate change adaptation	Impacts, risks, opportunities	Underwriting: Corporate / Retail
		Risks	Asset Management
	Energy	impacts	Internal operations, Asset Management
		Opportunities	Underwriting: Corporate / Retail
ESRS S1	Working conditions	Impacts	Internal operations
	Equal treatment and opportunities for all	Impacts, opportunities	Internal operations
	Other work-related rights	Impacts	Internal operations
ESRS S4	Information-related impacts on consumers and/or end-users	Impacts, risks	Underwriting: Retail
	Personal safety of consumers and/or end-users	Impacts, risks	Underwriting: Retail
	Social inclusion of consumers and/or end-users	Impacts, opportunities	Underwriting: Retail
ESRS G1	Corporate culture	Impacts, risks	Internal operations, Underwriting (Corporate/Retail), Asset Management
	Corporate culture	Risks	Underwriting: Corporate
	Protection of whistle-blowers	Impacts	Internal operations
	Political influence and lobbying activities	Impacts	Internal operations
	Corruption and bribery	Impacts, risks	Internal operations
	Corruption and bribery	Risks	Underwriting: Corporate
	Corruption and bribery	Impacts, risks	Asset Management
	Company-specific disclosures	Impacts	Internal operations

Impacts in the value chain

In internal operations, ESRS E1 “Climate change”, ESRS S1 “Own workforce” and ESRS G1 “Business conduct” were identified as material topics. The positive impacts in the sub-topics of ESRS E1 “Climate change mitigation”, “Climate change adaptation” and “Energy” include the contribution to decarbonisation through the increased use of renewable energies and energy-saving measures, while negative impacts arise from greenhouse gas emissions from internal operations. Good working conditions and respect for employees’ rights, such as freedom of association and social dialogue, are the basis for respectful and fair cooperation. Several positive impacts were also identified in ESRS S1 “Own workforce/Working conditions”. This includes improving the satisfaction of VIG employees by offering appropriate remuneration as well as additional individual offers such as childcare, healthcare and flexible working hours, which go beyond the statutory provisions. These actions contribute to increased motivation and well-being and also improve employees’ life balance. In the sub-topic ESRS S1 “Equal treatment and opportunities for all”, the impact lie in the promotion of diversity, equality and inclusion as well as in the support given to the professional and personal development of employees through training and development measures. Under ESRS S1 “Other work-related rights”, the material impacts identified were the contribution to the protection of (international) human rights (e.g. child labour and forced labour) through the Code of Business Ethics applicable to all VIG employees and the guarantee of data protection through compliance with the General Data Protection Regulation (GDPR) and local data protection regulations. Vienna Insurance Group rejects all forms of corruption and bribery as described in the Code of Business Ethics. Further details can be found under MDR-P “Policies adopted to manage material sustainability matters”.

In underwriting for corporate and retail customers, all ESRS E1 sub-topics—climate change mitigation, climate change adaptation and energy—were identified as key impacts. In underwriting for corporate customers, the topic ESRS G1 “Business conduct” is included, while for retail customers ESRS S4 “Consumers and end-users” is also listed. In the area of ESRS E1 “Climate change”, greenhouse gas emissions from insured properties are the primary negative impacts for both retail customers and corporates, while awareness-raising measures among policyholders and climate-friendly products can make a positive contribution. For ESRS S4 “Consumers and end-users”, the focus was on providing clear and understandable information, improving living conditions by offering private health insurance and ensuring robust data protection. Further information can be found in the declarations “Responsible Insurance in Corporate Business” and “Responsible Investment”. These are described starting on page 116.

Material impacts in asset management can be found in the sub-topics ESRS E1 “Climate change mitigation”, “Climate change adaptation” and “Energy” as well as in ESRS G1 “Corporate culture”. Related to the greenhouse gas emissions, VIG is committed to reducing emissions in its investment portfolio to net zero by 2050, and thereby enabling sustainable projects such as green buildings, renewable energy, and green transportation. The negative impacts arise from investments in fossil fuels, sectors with a high level of greenhouse emissions and companies that rely heavily on non-renewable energies.

Risks in the value chain

The main risks in internal operations are related to ESRS G1 “Business conduct”. These include the potentially inadequate application of ESG disclosure requirements, insufficient sustainability data for reporting (e.g. greenhouse gas emissions), and the consequences of potentially inadequate IT security measures and privacy breaches, which can result in reputational damage.

In underwriting, there are risks in relation to ESRS E1 “Climate change” and the sub-topics “Climate change mitigation” and “Climate change adaptation”. These factors result in a higher claims frequency due to more frequent natural disasters and changing weather patterns, which can affect both corporate and retail customers. The risks for retail customers in ESRS S4 “Consumers and end-users” include the inadequate protection of policyholders’ personal data, possible reputational damage due to potentially misleading communication regarding “green” products (greenwashing), and data protection requirements in internal operations. Under ESRS G1 “Business conduct”, there is a risk in the corporate business in connection with the insurance of companies, which is integrated into the relevant business processes by VIG in accordance with the “Responsible Insurance” declaration. Further information can be found in ESRS E1-2 “Policies related to climate change mitigation and adaptation”.

In asset management, risks in the area of ESRS E1 “Climate change” include the risk of default or a decline in the credit rating of debtors due to the increase in extreme events (weather, natural disasters). The loss of the value of investments due to transition risks, such as a change in the long-term regulatory environment, or reputational damage due to negative media coverage, are further risks in the area of ESRS E1 for investments. In ESRS G1 “Business conduct”, there is a risk of reputational damage due to investments in non-sustainable companies or companies with negative environmental practices.

Opportunities in the value chain

In internal operations, opportunities have been identified in ESRS S1 “Equal treatment and opportunities for all” through the implementation of a diversity strategy that increases VIG’s attractiveness as an employer while improving the quality and inclusiveness of its teams by ensuring equal opportunities regardless of personal background.

In both the retail and the corporate business, the growing demand for sustainable and socially acceptable solutions may offer opportunities in ESRS E1 “Climate change adaptation” and “Energy” as interest in insurance coverage for green technologies, renewable energy projects and low-carbon solutions increases, which is also in line with EU-wide efforts to combat climate change. Furthermore, in ESRS S4 “Consumers and end-users”, demographic change.

and changing health needs are leading to higher demand for private health insurance products and an expanded range of services for policyholders. The need for long-term financial security is also increasing the interest in private pension products that address policyholders' evolving priorities.

In asset management, the opportunities in ESRS E1 "Climate change" lie in the expansion of investments in green bonds, which enable VIG to finance sustainable projects while strengthening its commitment to sustainable goals.

As a company-specific topic, social engagement has been identified as a material opportunity for VIG. This benefits society and it is described in more detail in chapter ESRS G1 "Business conduct" as social engagement is implemented within the framework of clearly defined corporate guidelines. Detailed information on the impacts, risks and opportunities of the value chain areas is provided in the relevant ESRS topic chapters (see ESRS E1 "Climate change", ESRS S1 "Own workforce", ESRS S4 "Consumers and end-users", ESRS G1 "Business conduct").

In recent years, VIG's main impacts, risks and opportunities have already influenced the business model, value chain, strategy and decision-making processes. VIG's sustainability programme should be mentioned in particular in this context. This programme has built on previous findings to integrate sustainability into the core business strategy. Both the strategic programme and the principles for responsible insurance and investment are described in more detail in chapter ESRS E1-2 "Policies related to climate change mitigation and adaptation".

VIG's business activities have both positive and negative impacts on people and the environment. In internal operations, underwriting and asset management, these are linked to climate change. VIG has a positive impact in terms of improving employee well-being, promoting diversity and creating a more inclusive work environment. The avoidance of corruption and bribery is addressed in corresponding Group-wide regulations such as the Code of Business Ethics. This also has a positive impact on underwriting and asset management, such as the insurance of renewable energy products.

VIG recognises that material impacts — whether environmental, social, or governance-related — are deeply intertwined with its strategy and business model. These impacts are both a result of and a driver for setting priorities. The impacts on the environment are a crucial driver of VIG's focus on environmentally friendly solutions and net-zero targets.

The time horizons vary for the identified impacts. In the area of "internal operations", VIG aims to reduce greenhouse gas emissions in the short to long term. As working conditions are already at a high level, it is expected that the additional actions taken to promote diversity will have positive social impacts in the short term and will further strengthen employee satisfaction and retention in the long term.

In underwriting, it can be assumed that the positive impacts of climate-conscious products will gain in importance in the medium to long term, as the awareness of climate risks among policyholders is growing. The negative impacts of underwriting carbon-intensive industries will be reduced in the short to long term, as VIG increasingly focuses on lower-emission policyholders and those with transition strategies.

In the area of asset management, it is expected that the positive impacts of sustainable investments will already materialise in the short term. Furthermore, the risks of negative impacts such as those from investments in high-carbon industries are expected to be minimised in the short term, as VIG continues to orient its portfolio towards greener assets.

VIG addresses material impacts directly through its internal operations and indirectly through business relationships in its underwriting and investment activities. These are described in more detail under "Impacts in the value chain".

There are risks and opportunities for VIG in its internal operations and in underwriting and asset management. Operational risks include insufficient ESG disclosures, a lack of sustainability data for reporting purposes, and possible IT security breaches that could result in data losses and harm to VIG's reputation. Identifiable climate risks are included in the best estimate of technical provisions by way of rate-setting and reserve allocations. In forecasts, these identifiable climate risks are implicitly taken into account in the expected value of cash flows and in the solvency capital requirement applied for the impairment test (see chapter 25.5 "Goodwill" in the notes to the consolidated financial statements). Asset management may involve companies that do not actively monitor their environmental impacts. This can lead to market and reputation risks. In the future, these risks may lead to a reduction in the fair values of assets and consequently, where applicable, to impairment losses to be recognised in the separate and consolidated financial statements. The valuation process for determining the fair value of financial assets is described in chapter 25.9 "Calculation of fair value".

Non-sustainable investments may be subject to impairments due to changes in market requirements or regulatory requirements. Therefore, in the medium and long term, the focus will be on integrating sustainable strategies more closely into investment decisions. Climate-related risks, such as increasing insurance claims from extreme weather events, will lead to adjustments in underwriting practices and reserve allocations in connection with changed claims experience. These risks and opportunities are actively monitored by the actuarial function in order to ensure consistency with sustainability risks and financial resilience. Climate change as a relevant risk for VIG is a material topic across the entire value chain.

On the basis of the Company's own business and capital planning, the overall regulatory solvency requirement is projected together with the solvency capital requirements and the available capital base over the entire planning period. The extent to which possible deviations from the planned business development affect VIG is determined on the basis of appropriate stress tests or scenario analyses. This is to ensure that even in the event of adverse business developments VIG will have access to sufficient capital in the short, medium and long term to cover its own liabilities and that regulatory solvency capital requirements can be met at all times.

The knowledge gained from the projections and regulatory stress tests, together with other internal analysis results, form the basis for the definition of strategic actions. In the course of reporting to the VIG Holding Managing Board, the preliminary results are discussed and the business planning of VIG is adjusted if necessary. The Managing Board reviews the strategic direction of VIG based on the results. It includes the business strategy, which defines the main principles to achieve the targets, a comprehensive risk strategy, which determines the appropriate risk management actions for material risks, and the capital strategy, which ensures sufficient own funds with a view to the defined risk-bearing capacity.

VIG has pursued a conservative reinsurance approach for many years and sees risk transfer through reinsurance in the non-life area, particularly in the area of natural disasters, as a key risk mitigation technique to protect against major and catastrophic events and any balance sheet volatilities. The reinsurance strategy is characterised by a conservative retention policy as well as the targeted selection and accompanying review of reinsurers. VIG insurance companies must follow a Security List defined by the Reinsurance Security Committee. The reinsurers that are not on this list require individual approval by the Reinsurance Security Committee. Concentration risk in the area of reinsurance is also mitigated by means of diversification.

In the first half of 2024, the European Insurance and Occupational Pensions Authority (EIOPA) conducted a Europe-wide stress test for the 48 largest insurance groups in Europe, consisting of a liquidity component and a capital component. While the capital component concerned insurance groups, the impacts of the liquidity component were analysed at the level of selected individual companies in these groups. The objective of the capital component was to analyse the resilience of the European insurance sector to adverse economic developments. The solvency ratio should be determined on the basis of a given scenario with market-specific and insurance-specific shocks as of 31 December 2023. VIG has a very solid solvency ratio in the given stress scenario. For the liquidity component, the shocks defined in the capital component should be applied to balance sheet items in the Group solvency balance sheet and the impact of those shocks on liquidity over a 90-day period, starting on 31 December 2023, should be analysed. The liquidity of the selected companies decreased in this context, largely due to the assumed cancellation of 20% of the life insurance portfolio. The liquidity outflow from this unlikely scenario can be covered by the sale of highly liquid assets in the VIG companies concerned.

This consolidated non-financial report reflects the first-time adoption of the CSRD/ESRS, which means that there is no comparison with the impact, risk and opportunity (IRO) disclosures from previous years. However, the 2023 VIG Sustainability Report already covers the material topics identified in the course of the double materiality assessment.

VIG reports on the requirements set out in the ESRS under ESRS E1 “Climate change”, ESRS S1 “Own workforce”, ESRS S4 “Consumers and end-users” and ESRS G1 “Business conduct”, as well as company-specific disclosures. These are described in chapter ESRS G1, as social engagement is implemented within the framework of clearly defined corporate guidelines.

Impact, risk and opportunity management

DISCLOSURE REQUIREMENT IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

VIG has carried out its double materiality assessment in accordance with the structure of the three ESRS topical standards Environment, Social and Governance, which cover the sub-topics E1 to E5, S1 to S4 and G1. This was done using a structured approach in accordance with ESRS criteria, including a data model in the underwriting and investment portfolio, which analyses the positive and negative impact of sectors and their respective shares. This classification is based on widely available sources such as UNEP FI, WWF and other organisations and served as a basis for further discussion. Material topics at the Group level are reported by all fully consolidated subsidiaries according to their classification in the value chain.

Procedure for the double materiality assessment

In the first step, the content requirements of the topical standards according to the ESRS were analysed and identified. Since the standards were sector-independent at the time of implementation, it was examined on the basis of market standards such as SASB (Sustainability Accounting Standards Board) and GRI (Global Reporting Initiative) whether additional sustainability topics are relevant for VIG. In addition, company-specific topics were taken into account that were included in the 2023 Sustainability Report and in VIG’s strategic programme. The value chain was then defined (see Section SBM-1 “Strategy, business model and value chain”) and, based on existing documents, the relevant impacts, risks and opportunities (IROs) were assessed. The double materiality assessment was based on the insurance companies in the financial consolidation group, as they have the greatest influence both financially and in terms of sustainability.

As part of the process, the relevant areas of VIG Holding were identified and their roles were defined in relation to the double materiality assessment and the respective value chain. The assessment was carried out by expert decision-makers from the local insurance companies and VIG Holding. The results were then validated by internal and external experts and stakeholders as well as by all insurance companies of VIG. Following the adoption of a resolution on the results by the VIG Holding Managing Board, they were communicated to all managing board members of the VIG insurance companies for information.

Identification and assessment of impacts

For VIG, a distinction was made between impacts for corporates and for retail customers (private households and small and medium enterprises). A distinction was also made in underwriting between life and/or health insurance and non-life insurance. This distinction had no impact on the materiality threshold. In addition, asset management was considered separately. Furthermore, the impact of internal operations was assessed. The potential or actual impacts that VIG might have or already has on governance, the environment, and people, including the potential impacts on their human rights, through its own activities were analysed.

Internal stakeholders such as department managers from specialist departments throughout the value chain and contact persons from subsidiaries such as works councils were involved in the process. As external stakeholders, the Austrian Insurance Association, representatives of civil society (Vienna University of Economics and Business Administration) and NGOs were involved in the process. The consultation included a presentation of the ESRS standards, the double materiality assessment process and the results available, with a focus on the main topic relevant to the respective external stakeholders.

Potential and actual impacts were prioritised and evaluated as follows:

- Scale: how serious the negative impacts are or how beneficial the positive impacts are for people or the environment.
- Scope: the extent of the negative or positive impacts, for example the scope of the environmental damage or the number of people adversely affected.
- Irremediable character of the impact (only applies to negative impacts): whether and to what extent the negative impacts could be remediated, i.e. whether the environment or affected people could be restored to their prior condition.
- Likelihood (applies only to potential impacts): the likelyhood that a potential impact will occur.

All evaluations were carried out on a scale of 1 to 5, with the materiality threshold set at 3.

Identification and assessment of risks and opportunities

As part of the risk management process, the interactions between the activities and the associated environmental, social and governance aspects were analysed. This enabled risks and opportunities to be identified that could potentially have significant financial impacts on VIG. The criteria specified by the ESRS were used for the assessment of materiality.

The risks and opportunities were assessed in the same way as the impacts, without geographical restrictions, for internal operations as well as for underwriting and asset management.

The materiality of risks and opportunities was assessed on the basis of the likelihood of occurrence (from less than every ten years to more than 100 times a year) and the potential scale of the financial impacts (from insignificant to serious) associated with the risk or opportunity. Sustainability risks were identified on the basis of the existing VIG risk catalogue, which is collected as part of the regular risk inventory process (see GOV-5 “Risk management and internal controls on consolidated sustainability reporting”). Further risks were included on the basis of industry benchmarks. To assess the potential scale, percentages of VIG’s own funds were used in accordance with the approach defined in the Group-wide VIG risk management policy. The likelihood was also assessed on the basis of the likelihood of occurrence defined in this policy. The scenario analyses conducted as part of the Company’s internal risk analysis were an important input for the assessment of materiality. In addition, a Group-wide qualitative assessment of sustainability risks was taken into account as part of a secondary analysis (see also “Procedure for the double materiality assessment”). If it was not possible to quantify the risks and opportunities, the materiality of the risks and opportunities was assessed on a qualitative basis.

These risks, which have been identified in the double materiality assessment and discussed with Risk Management, are implicitly or in some cases explicitly taken into account throughout the Group as part of risk management practices. To ensure a structured approach to the identification of sustainability risks in Vienna Insurance Group and appropriately account for both perspectives, a Group-wide risk catalogue with explicit reference to sustainability risks has additionally been prepared in observance of the Guide for Managing Sustainability Risks published by the Austrian Financial Market Authority. Risks were handled and examined equally without prioritisation.

Processes, control and management procedures in connection with the double materiality assessment

The description of the regular reporting to the administrative, management and supervisory bodies in chapter GOV-2 "Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies" is also applicable to the double materiality. Internal control procedures are carried out by various committees. Further information can be found in GOV-1 "The role of the administrative, management and supervisory bodies". It is very important to VIG to be fully aware of all the risks to which it is exposed. The Group-wide risk inventory process supports the Company in its task of comprehensively identifying and appropriately assessing these risks. The results of the double materiality assessment have been discussed in detail with Risk Management. Detailed information is provided in chapter GOV-5 "Risk management and internal controls on consolidated sustainability reporting". The process also includes the systematic identification of potential opportunities, which have been evaluated in close cooperation with the VIG Holding departments. The identified opportunities were then presented and discussed in various committees (see GOV-1 "The role of the administrative, management and supervisory bodies"). This structured procedure takes all relevant perspectives into account and effectively integrates opportunities into strategic planning.

Various external data sources were used to carry out the double materiality assessment. These include SASB (Sustainability Accounting Standards Board), ISS ESG Rating (Institutional Shareholder Services), MSCI (Morgan Stanley Capital International), Sustainalytics, CDP (formerly Carbon Disclosure Project) and the World Economic Forum Global Risks Report. Some topics, such as responsible business conduct and claims processing, were assessed on the basis of a peer group analysis.

Compared to the materiality assessment from 2021, which was based on the inside-out approach, a double materiality assessment was carried out in accordance with both the inside-out and the outside-in approach for the first time in the reporting year. It thus enables a more comprehensive examination of the relevant topics.

DISCLOSURE REQUIREMENT IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S CONSOLIDATED NON-FINANCIAL REPORT

The disclosure requirements determined and followed in the preparation of the consolidated non-financial report on the basis of the results of the evaluation of the double materiality assessment, including the page numbers containing the corresponding information in the consolidated non-financial report, can be found on page 57. In addition, the following provides information on datapoints in ESRS 2 and in the topical standards that derive from other EU legislation, as well as requirements under the topical ESRS, which must be taken into account when reporting the disclosure requirements in ESRS 2.

List of datapoints in general and topical standards that derive from other EU legislation. Non-material or non-reported datapoints are shown accordingly in the first column.

Disclosure Requirement and related datapoint	(1) SFDR reference[1)]	(2) Pillar 3 reference[2)]	(3) Benchmark Regulation reference[3)]	(4) EU Climate Law reference[4)]
ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816[5)], Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Indicator number 10 Table #3 of Annex 1			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453[6)] Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818[7)], Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Regulation (EU) 2021/1119, Article 2(1)
Not applicable: ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)		Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2	
ESRS E1-4 Targets for reducing GHG emissions, paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	

Disclosure Requirement and related datapoint	(1) SFDR reference[1]	(2) Pillar 3 reference[2]	(3) Benchmark Regulation reference[3]	(4) EU Climate Law reference[4]
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator number 5 Table #1 of Annex 1			
Not applicable: ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1			
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	
Not applicable: ESRS E1-7 GHG removals and carbon credits, paragraph 56				Regulation (EU) 2021/1119, Article 2(1)
Not reported, as phase-in: ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	
Not reported, as phase-in: ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.		
Not reported, as phase-in: ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral		

Disclosure Requirement and related datapoint	(1) SFDR reference[1)]	(2) Pillar 3 reference[2)]	(3) Benchmark Regulation reference[3)]	(4) EU Climate Law reference[4)]
Not reported, as phase-in: ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II	
Not material: ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			
Not material: ESRS E3-1 Water and marine resources, paragraph 9	Indicator number 7 Table #2 of Annex 1			
Not material: ESRS E3-1 Dedicated policy, paragraph 13	Indicator number 8 Table 2 of Annex 1			
Not material: ESRS E3-1 Sustainable oceans and seas, paragraph 14	Indicator number 12 Table #2 of Annex 1			
Not material: ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1			
Not material: ESRS E3-4 Total water consumption in m^3 per net revenue on own operations, paragraph 29	Indicator number 6.1 Table #2 of Annex 1			
Not material: ESRS 2 – IRO-3 – E4, paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1			
Not material: ESRS 2 – IRO-3 – E4, paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1			
Not material: ESRS 2 – IRO-3 – E4, paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1			
Not material: ESRS E4-2 Sustainable land / agriculture practices or policies, paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1			
Not material: ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1			

Disclosure Requirement and related datapoint	(1) SFDR reference[1)]	(2) Pillar 3 reference[2)]	(3) Benchmark Regulation reference[3)]	(4) EU Climate Law reference[4)]
Not material: ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1			
Not material: ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1			
Not material: ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator number 9 Table #1 of Annex 1			
ESRS 2 SBM3 – S1 Risk of incidents of forced labour, paragraph 14 (f)	Indicator number 13 Table #3 of Annex I			
ESRS 2 SBM3 – S1 Risk of incidents of child labour, paragraph 14 (g)	Indicator number 12 Table #3 of Annex I			
ESRS S1-1 Human rights policy commitments, paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 processes and measures for preventing trafficking in human beings, paragraph 22	Indicator number 11 Table #3 of Annex I			
ESRS S1-1 workplace accident prevention policy or management system, paragraph 23	Indicator number 1 Table #3 of Annex I			
ESRS S1-3 grievance/complaints handling mechanisms, paragraph 32 (c)	Indicator number 5 Table #3 of Annex I			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Indicator number 3 Table #3 of Annex I			
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	

Disclosure Requirement and related datapoint	(1) SFDR reference[1)]	(2) Pillar 3 reference[2)]	(3) Benchmark Regulation reference[3)]	(4) EU Climate Law reference[4)]
ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b)	Indicator number 8 Table #3 of Annex I			
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Indicator number 7 Table #3 of Annex I			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
Not material: ESRS 2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I			
Not material: ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			
Not material: ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1			
Not material: ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
Not material: ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II	
Not material: ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator number 14 Table #3 of Annex 1			
Not material: ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			
Not material: ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	

Disclosure Requirement and related datapoint	(1) SFDR reference[1)]	(2) Pillar 3 reference[2)]	(3) Benchmark Regulation reference[3)]	(4) EU Climate Law reference[4)]
Not material: ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator number 14 Table #3 of Annex 1			
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator number 14 Table #3 of Annex 1			
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1			
ESRS G1-1 Protection of whistle-blowers, paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1			
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS G1-4 Standards of anti- corruption and anti- bribery, paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1			

1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financia services sector (OJ L 317, 9.12.2019, p. 1).

2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (OJ L 176, 27.6.2013, p. 1).

3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to the explanation in the benchmark statement of how environmental, social and governance factors are taken into account in each benchmark that is made available and published (OJ L 406, 3.12.2020, p. 1).

6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 with regard to the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

Disclosure and Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures:

ESRS 2 Disclosure Requirement		Paragraphs in the consolidated non-financial report	
GOV-1	The role of the administrative, management and supervisory bodies	ESRS G1.GOV-1	The role of the administrative, management and supervisory bodies (Article 5)
GOV-3	Integration of sustainability-related performance in incentive schemes	ESRS E1.GOV-3	Integration of sustainability-related performance in incentive schemes (Article 13)
SBM-2	Interests and views of stakeholders	ESRS S1.SBM-2	Interests and views of stakeholders (Article 12)
		ESRS S4 (Article 8) in ESRS 2 SBM-2	Interests and views of stakeholders (Article 12)
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model (Articles 18 and 19)
		ESRS S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model (Articles 13 to 19)
		ESRS S4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model (Articles 9 to 12)
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	ESRS E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities (Articles 20 and 21)
		ESRS G1.IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities (Article 6)

In accordance with ESRS 1 Section 3.2 on the identification of material information, VIG has applied a structured evaluation process, which is described in chapter IRO-1 “Description of the process to identify and assess material impacts, risks and opportunities”. The combination of these inputs ensures that the disclosed information is relevant, comprehensive, and aligned with current priorities and future considerations.

The double materiality assessment is an ongoing process, with a scheduled revision every three years or sooner if significant market or regulatory changes occur. This is evaluated annually. In addition, VIG monitors emerging issues such as developments in regulatory matters so that they can be taken into account accordingly.

MINIMUM DISCLOSURE REQUIREMENT – MDR-P – POLICIES ADOPTED TO MANAGE MATERIAL SUSTAINABILITY MATTERS

The following chapter provides an overview of the Group-level and Holding-level policies or guidelines and other requirements of VIG that are relevant for more than one material topic. In addition, reference is made to this chapter in the respective topic chapters, if applicable. Requirements that are only relevant for one topic chapter are only described in the respective chapter.

VIG’s mission statement, which provides employees with guidance in their day-to-day activities, is of overarching relevance across all topics. The vision of VIG is:

- We want to be the first choice for our customers. Our stakeholders see us as a stable and reliable partner. This enables us to consolidate our position as the leading insurance group in Central and Eastern Europe.
- We pursue a customer-oriented and long term-oriented business strategy in our markets.
- We invest sustainably and make a valuable contribution to the positive development of the insurance markets in which we operate.
- We offer our customers security and reliability.

The strategic objectives and management principles are described in the chapter “Strategic principles” starting on page 10 of the Group Annual Report.

VIG strategic programme and sustainability programme

VIG's strategic programme and sustainability programme are related to ESRS E1 "Climate change", ESRS S1 "Own workforce", ESRS S4 "Consumers and end-users", ESRS G1 "Business conduct" and "Additional entity-specific disclosures". With the involvement of members of the managing boards of the Group companies, the management of VIG Holding has developed the VIG 25 strategic programme for the period 2021 to the end of 2025. This will be updated in 2025. The VIG sustainability programme defines the six spheres of impact: asset management, underwriting, internal operations, employees, customers and society. Based on insurance industry trends, VIG sets targets and formulates actions that focus on financial stability and profitability, customer proximity, sustainability and market growth. Within the scope of the VIG 25 strategic programme, VIG has also developed a sustainability programme (see page 14 of the Group Annual Report), which aims to further strengthen the importance of sustainability as an integral element and foundation of the Group's business model and thus ensure the Group's future success. One of the ways in which sustainability has been integrated into the business processes is through the "Responsible Insurance" and "Responsible Investment" declarations, which are described in more detail in ESRS E1-2 "Policies related to climate change mitigation and adaptation". The scope of the strategic and sustainability programmes includes all VIG (re)insurance companies and non-insurance companies. Specific policies and guidelines are implemented locally through the sustainability programme with support from the Group Sustainability Office in collaboration with the subsidiaries. VIG's approach, including the "Responsible Investment" dec-laration and "Responsible Insurance" declaration, is publicly available on VIG's website group.vig/en. For more information, see "Disclosures stemming from other legislation or generally accepted pronouncements on the consolidated non-financial report".

VIG Holding is currently working to support the insurance companies in implementing the requirements of the sustainability programme in the best possible way, particularly with regard to decarbonisation options. To this end, discussions were held with the insurance companies under the leadership of the Group Sustainability Office in the reporting year. The focus was primarily on presenting the steps required for the local implementation of the sustainability programme and the development of emission reduction actions.

United Nations Global Compact

The United Nations Global Compact (UNGC) is referenced in connection with ESRS E1 "Climate change", ESRS S1 "Own workforce", ESRS S4 "Consumers and end-users" and ESRS G1 "Business conduct". VIG joined the UNGC, the world's largest initiative for corporate responsibility and sustainability, in 2021. VIG is therefore committed to the ten universal principles of the UN Global Compact on Environment, Labour, Human Rights and Anti-Corruption. Once a year, VIG publishes its Communication on Progress in the corresponding UN Global Compact portal. By doing so, VIG declares its continued support of the network and discloses its sustainability efforts (see also SBM-1 "Strategy, business model and value chain").

Code of Business Ethics

The Code of Business Ethics is referenced in connection with ESRS E1 "Climate change", ESRS S1 "Own workforce", ESRS S4 "Consumers and end-users", ESRS G1 "Business conduct" and "Additional entity-specific disclosures". It is a Group guideline based on the VIG mission statement and the values of diversity, customer proximity and responsibility. It serves as a uniform code of conduct in the Group by setting binding minimum standards. It is a general guideline for day-to-day business and for relationships with customers, business partners, shareholders and the general public. The code contains the following 15 principles: 1) Compliance with legal, regulatory and internal provisions, 2) Protection of human rights, 3) Diversity and inclusion, 4) Environmental protection, 5) Healthy and safe workplace, 6) Protection of company property, 7) Prevention of conflicts of interest, 8) Prevention of corruption and bribery, 9) Data protection, 10) Management of confidential information, 11) Fair competition, 12) Prevention of market abuse, 13) Prevention of money laundering, financing of terrorism and breaching of international sanctions, 14) Fair and professional treatment of customers and 15) Reliable communication. Additional, Group-wide regulations may apply to individual areas of the code, such as procurement, international sanctions, and money laundering prevention.

The code was approved by the VIG Holding Managing Board and must be implemented at the level of the Group companies on the basis of a Managing Board resolution. It applies to all VIG (re)insurance companies, including VIG Holding, as well as to all asset management companies and pension funds, whether or not they are based within the European Union or outside of it, provided that VIG Holding (directly or indirectly) holds more than 50% of the shares. These Group companies are themselves responsible for the appropriate and effective implementation of the code and proper communication of the code to all employees. This also includes training sessions given in the Group companies. Each one of the companies mentioned must determine, on the basis of a risk-oriented approach, which of their subsidiaries fall within the scope of the Code of Business Ethics and ensure that it is implemented accordingly. It is therefore also implemented in some non-insurance companies. The code is reviewed annually to ensure that it is up to date and, if necessary, adapted by Compliance (incl. AML) of VIG Holding. Local compliance officers or Compliance (incl. AML) of VIG Holding offer guidance on these matters and on reporting channels compliant with local regulations that can be used to report perceived misconduct (see chapter G1-1 "Business conduct policies and corporate culture"). The code of conduct applies to all employees, regardless of their position in the Company. Furthermore, it calls for customers and business partners to also behave in accordance with the principles of the code of conduct. The Code of Business Ethics is available online on the Group-wide Intranet and publicly at https://group.vig/en/cobe.

Whistleblowing

Whistleblowing in Vienna Insurance Group is material in the context of ESRS E1 "Climate change", ESRS S1 "Own workforce", ESRS S4 "Consumers and end-users", ESRS G1 "Business conduct" and "Additional entity-specific disclosures". In VIG Group, requirements for dealing with whistleblowers are often implemented in local governance documents and in accordance with the local legal framework, including in all insurance companies, with some exceptions in Albania, Georgia, Kosovo, Moldova, North Macedonia and Türkiye. Appropriate actions have also been taken in individual non-insurance companies. In addition to a guideline on this subject, a VIG Whistleblower Portal (whistleblowerportal.vig) has been set up at VIG Holding as an internal reporting channel by which perceived violations of the regulations mentioned in the Austrian Whistleblower Protection Act (Hinweisgeber:innenschutzgesetz) can be reported at any time — including anonymously. Perceived violations in other legal areas can be reported to a dedicated email address (whistleblowing@vig.com) and to Compliance (incl. AML) of VIG Holding by post. For more information on handling tips and possible compliance violations, see the ESRS G1 "Business conduct" section below.

Risk management

The VIG Group Policy Risk Management is primarily material for ESRS E1 "Climate change", ESRS S4 "Consumers and end-users" and ESRS G1 "Business conduct". It defines ten risk categories which cover all possible sources of risk, including sources connected to sustainability risks/ESG factors (environment, social and governance). The overall responsibility for the risks assumed by VIG lies with the VIG Holding Managing Board. The responsibility for the risks assumed by the local companies lies with the local managing boards. Within every company, the risk owners for each risk category or sub-risk category are defined during the risk inventory process in order to ensure clear responsibilities. The policy is an essential component of the (risk) management framework within Vienna Insurance Group. The scope of the policy covers all VIG (re)insurance companies, including VIG Holding, as well as all asset management companies and pension funds. The document is based on Articles 44 and 246 of the Solvency II Directive and Article 259 of the Delegated Regulation on Solvency II.

Data protection

VIG's and VIG Holding's Data Protection guidelines are referenced in connection with ESRS S1 "Own workforce", ESRS S4 "Consumers and end-users" and ESRS G1 "Business conduct". In both the Company's own interest and in the interest of all policyholders, business partners and employees, great importance is given to the protection of confidential information (business and trade secrets) as well as compliance with statutory data protection regulations (particularly the EU General Data Protection Regulation/GDPR). The Data Protection Officer at VIG Holding is responsible for the establishment of a data protection management system in the Company and for monitoring compliance with the GDPR and other data protection-relevant regulations. She reports directly to the VIG Managing Board, both on an annual and ad hoc basis. From an organisational point of view, the VIG Holding Data Protection Officer is integrated into Compliance (incl. AML) of VIG Holding which supports her in the fulfilment of her tasks. The Data protection management department in the operational organisation provides support, particularly on awareness measures and data protection issues that are related to the operational organisation. The VIG Holding Data Protection guideline is aimed at all employees of VIG Holding, including those in the branch offices. The regulations and requirements apply to the office workplace, the home workplace and mobile working. A data protection management system has also been set up at the Group level. It is continuously developed, controlled and monitored by the VIG Group Data Protection Coordinator, who is also the Data Protection Officer of VIG Holding. The core elements are a Group-wide data protection guideline, a reporting process defined in detail and ongoing training measures for local data protection responsible persons on data protection topics. In addition, the VIG Group Data Protection Coordinator conducts ad hoc monitoring activities when required to ensure a consistent, Group-wide minimum standard in data protection matters.

IT Security

The VIG Group Guideline IT Security is relevant to ESRS S1 "Own workforce", ESRS S4 "Consumers and end-users", and ESRS G1 "Business conduct". It applies to all VIG insurance companies (including reinsurance) and to all VIG non-insurance companies providing any IT support for insurance companies (i.e. IT service providers), provided that they have their own IT organisation and do not use an IT environment that is shared with affiliated insurance companies in which VIG directly or indirectly holds the majority of shares. The companies are responsible for ensuring that their subsidiaries and branch offices comply with the provisions of this guideline. This guideline is based on ISO/IEC Standard 27001. It defines the basic obligatory measures for establishing effective controls for electronic information and data, information systems and computer applications, as well as computer, telecommunications, and network facilities and equipment. It also defines the basic obligatory measures for preventing the loss of confidentiality, integrity and availability. All employees and, where relevant, contractors receive IT security training suitable for their job functions.

Procurement principles

The VIG Group Guideline Procurement Principles and the corresponding Holding guideline are relevant to ESRS S1 "Own workforce" and ESRS G1 "Business conduct". They relate to any kind of engagement of service providers and suppliers. As laid down in the Code of Business Ethics, VIG complies with all legal requirements that are applicable to its business activities. This includes respecting the fundamental principles of human rights and environmental protection. Therefore, all the Group's insurance companies, pension funds and asset management companies—and, if defined on the basis of a risk-oriented approach, also non-insurance companies—must take suitable due diligence measures with regard to (potential) service providers or suppliers. Certain minimum standards are defined for these measures. The due diligence measures must ensure compliance with legal obligations (such as screening in connection with international sanctions) as well as the consideration of human rights, labour law, health and safety, environment and integrity/ethics by the suppliers.

Asset management

The VIG Group Policy Asset Management is relevant to ESRS E1 “Climate change” and ESRS G1 “Business conduct”. This policy applies to the management of all types of assets and transactions, including but not limited to securities (equities, bonds and investment funds), loans and advances, term deposits, financial derivatives, real estate and participations. In addition, this Group-wide policy integrates sustainability matters and requires compliance with VIG’s environmental, social and governance (ESG) requirements, as well as compliance with regulatory requirements. It applies to all of VIG’s operational insurance and reinsurance companies, including VIG Holding. The Group-wide policy is also in line with VIG’s “Responsible Investment” ESG strategy, which prescribes the integration of environmental, social, governance and human rights aspects into investment processes. The perspectives of key stakeholders are given careful consideration in this context. The aim is to reconcile economic objectives with social and environmental responsibility and to reflect the Group’s commitment to sustainable investments. It is publicly available and can be found on the following website: https://group.vig/en/sustainability/downloads/.

Professional training and development

The VIG Holding professional training and development guideline according to IDD is relevant to ESRS S1 “Own workforce”, ESRS S4 “Consumers and end-users” and ESRS G1 “Business conduct”. The European Insurance Distribution Directive (IDD) requires insurance and reinsurance companies in the EU to ensure that all persons involved in insurance and reinsurance distribution, either directly or in a managerial capacity, have the knowledge and skills required for the proper performance of the tasks assigned to them with regard to the activities carried out and the products sold. The objectives of the IDD include: protection of policyholders, improvement of consumer protection, and minimum European harmonisation in the distribution of insurance products. In addition to regulations on products and advice, it contains binding specifications for all insurance and reinsurance companies with regard to the training and development of all employees directly involved in sales and in a managerial role. This is to ensure that policyholders receive the best possible advice. At VIG Holding, this is ensured by the professional training and development guideline in accordance with the IDD, among other measures.

Remuneration

The VIG Group Policy Remuneration is referenced in the context of ESRS S1 “Own workforce” and indirectly also has an influence on G1 “Business conduct”. Working hours, required qualifications, as well as the duties and responsibilities of the position in question are all taken into account when setting remuneration levels. It is ensured that the salary does not fall below the minimum wage stipulated under national law or existing collective bargaining agreements. If a variable remuneration component has been agreed, the targets that determine the amount of variable remuneration are transparent and agreed once per year. All insurance and reinsurance companies of VIG in the EU and Liechtenstein are obliged to apply the policy in full. Other insurance and reinsurance companies not domiciled in the EU or Liechtenstein, as well as non-insurance companies consolidated fully or at equity, in accordance with the Group-wide “HR Non-Insurance” guideline, are obliged to comply with national law and the basic standards in accordance with specific requirements as a minimum requirement. The remuneration policy must be reviewed and updated annually by VIG Human Resources if adjustments are necessary on account of changes to the regulatory environment or for internal reasons. VIG takes all relevant statutory requirements into account when setting out and applying the policy.

Fit & Proper

The VIG Group Policy Fit and Proper policy is relevant to ESRS S1 “Own workforce”, ESRS S4 “Consumers and end-users" and G1 "Business conduct". The qualification of persons in key functions is an important factor for the success of insurance and reinsurance companies. It defines on the one hand whether a person is fit, i.e. whether they have the necessary professional skills and knowledge, and on the other hand whether they meet the standards for personal reliability and integrity. All insurance and reinsurance companies of VIG in the EU and Liechtenstein are obliged to apply this policy in full. Other insurance and reinsurance companies not domiciled in the EU or Liechtenstein, as well as non-insurance companies consolidated fully or at equity, as described in the Group-wide "HR Non-Insurance" policy, are obliged to comply with national law and generally defined standards on topics such as discrimination, training and conflicts of interest as a minimum requirement. The VIG Group Policy Fit & Proper must be reviewed and updated annually if adjustments are necessary on account of changes in the regulatory environment or for internal reasons. VIG Human Resources is responsible for the adequacy of this document.

Compliance management

The VIG Group Guideline Compliance Management System is mainly related to ESRS G1 "Business conduct", but it also affects all other material areas. The guideline provides minimum requirements and standards for the implementation of a compliance management system as an integral part of an effective Group-wide governance system and fulfils the requirements for a compliance policy according to Art 270 of Commission Delegated Regulation (EU) 2015/35, Art. 10 of Commission Directive 2010/43/EU and Art. 61 of Commission Delegated Regulation (EU) 2031/2013. It describes in detail how the compliance management system is set up at the local and Group levels, which tasks and responsibilities are fulfilled by the local compliance officers and persons responsible for compliance, and how the interaction between the Group and the local levels in the field of compliance is organised. Further details regarding the Group's compliance management system are governed by an additional Group-wide compliance management implementation guideline.

The VIG Group Guideline Compliance Management System policy also covers the authorisation to draft Group-wide guidelines on compliance-related topics in certain fields. It applies to all VIG (re)insurance companies, including VIG Holding, as well as to all asset management companies and pension funds, provided that VIG Holding (directly or indirectly) holds more than 50% of the shares.

All Group-wide requirements are formally approved by the full VIG Holding Managing Board (policies) or the responsible Managing Board members (guidelines) or heads of department or specific officers (work instructions) in accordance with the VIG Group document governance system and must be reviewed annually to ensure that they are up to date. Unless otherwise specified, the policies and guidelines are distributed to all persons or companies in the scope of application via VIG's Group-wide Intranet and published on the Group-wide Intranet. This ensures that the information is accessible to and usable by those who must comply with the regulations.

In ESRS E1 "Climate change", the internal risk analyses of the Group, including those relating to the natural disaster process, are relevant in addition to the above-mentioned requirements.

ESRS S1 "Own workforce" refers to VIG's diversity strategy in addition to the above-mentioned Group-wide requirements.

ESRS S4 "Consumers and end-users" also references the VIG Holding complaint management guideline.

ESRS G1 "Business conduct" references the Group-wide guideline on the prevention of money laundering and terrorist financing.

MINIMUM DISCLOSURE REQUIREMENT – ACTIONS MDR-A – ACTIONS AND RESOURCES IN RELATION TO MATERIAL SUSTAINABILITY MATTERS

Above all, the priorities defined in VIG's strategic programme and sustainability programme apply, which are described on page 12 of the Group Annual Report.

In order to specify the strategic focus areas, actions to achieve climate neutrality by 2030 in internal operations have been defined; they are described in chapters ESRS E1-2 “Policies related to climate change mitigation and adaptation” and E1-3 “Actions and resources in relation to climate change policies”.

In order to prevent any negative impacts arising from the violation of data protection regulations, a data protection management system has been established both at the level of VIG Holding and at the level of the local companies. The Data Protection Officer at VIG Holding is responsible for the establishment of a data protection management system in VIG Holding and for monitoring compliance with the GDPR and other data protection-relevant regulations. She reports directly to the VIG Holding Managing Board, both on an annual and ad hoc basis. From an organisational point of view, the VIG Holding Data Protection Officer is integrated into Compliance (incl. AML) of VIG Holding which supports her in the fulfilment of the tasks. A data protection management system has also been set up at the Group level. It is continuously developed, controlled and monitored by the VIG Group Data Protection Coordinator, who is also the Data Protection Officer of VIG Holding. The core elements are a Group-wide data protection guideline, a reporting process defined in detail and ongoing training measures for local data protection responsible persons on data protection topics. In addition, the VIG Group Data Protection Coordinator conducts ad hoc monitoring activities when required to ensure a consistent, Group-wide minimum standard in data protection matters. Further details can be found in ESRS 2 MDR-P “Policies adopted to manage material sustainability matters”.

In addition, the current version of the VIG Holding Fit & Proper Policy applies. The individual professional training measures are defined and implemented in close cooperation between Human Resources and the managers of the VIG Holding employees to be trained. Induction plans or training plans are available, to be drawn up by the relevant employees’ managers and implemented with the support of Human Resources.

VIG maintains regular dialogue with customers in order to define adequate actions and enable the Company to react appropriately to material negative impacts. Feedback mechanisms such as surveys, consultations with stakeholders or interactions with customer service support the process. This allows VIG to solve problems promptly and proactively. Satisfaction is measured in the local insurance companies primarily by means of specially defined metrics such as the Net Promoter Score (NPS) or the average duration of the claims settlement process. For further details, see ESRS S4-2 “Processes for engaging with consumers and end-users about impacts”.

In the reporting year, the Company took actions to further expand the prevention of corruption and to implement the requirements of the EU Whistleblower Directive. For more information, see G1-1 “Business conduct policies and corporate culture” and G1-3 “Prevention and detection of corruption and bribery”.

Metrics and targets

MINIMUM DISCLOSURE REQUIREMENT – METRICS MDR-M – METRICS IN RELATION TO MATERIAL SUSTAINABILITY MATTERS

Key metrics for measuring performance and target achievement are detailed in the topic-specific chapters under “Metrics and targets”. Material assumptions and estimates are described in the chapter “Value chain estimation” in ESRS 2 BP-2 “Disclosures in relation to specific circumstances”. There are currently no plans for external SBTi validation of the targets.

MINIMUM DISCLOSURE REQUIREMENT – TARGETS MDR-T – TRACKING EFFECTIVENESS OF POLICIES AND ACTIONS THROUGH TARGETS

Through actions to reduce greenhouse gas emissions, VIG supports the objectives of the European Green Deal, which are aimed at minimising the impact of climate change and supporting the transition to a carbon-neutral economy. In addition, VIG undertakes to incorporate the Ten Principles of the UN Global Compact on Human Rights, Labour, Environment and Anti-Corruption in its business activities.

This commitment is in line with the OECD Guidelines for Multinational Enterprises, which promote responsible business and ensure compliance with international standards.

VIG's strategic objectives are described in its strategic programme and sustainability programme in the Group Annual Report from page 10 onwards. As described in SBM-1 "Strategy, business model and value chain", the concrete measurable target is to reduce greenhouse gas emissions to net zero in the defined spheres of impact by 2050. The base year for target achievement is 2023. The details are described in E1 "Climate change".

ENVIRONMENTAL INFORMATION

DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

Key figures for investments under the EU Taxonomy Regulation

The EU Taxonomy Regulation is a classification system that specifies criteria for determining whether an economic activity qualifies as environmentally sustainable. The criteria are linked to six EU environmental objectives: Climate change mitigation, Climate change adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems.

The Taxonomy Regulation differentiates between taxonomy-eligible and taxonomy-aligned economic activities. Taxonomy-eligible economic activities are described in the technical screening criteria and are in principle suitable for making a positive contribution to one or more of the six environmental objectives. Moreover, if the economic activity fulfils the defined technical screening criteria and does not significantly harm any of the other objectives, the economic activity is considered to be taxonomy-aligned. In addition, the criteria for minimum safeguards must be met. For insurance companies, special key figures have been defined which relate to the taxonomy-aligned proportion of investments and non-life insurance premiums.

MANDATORY REPORTING FOR INVESTMENTS

For VIG's assets, the Taxonomy Regulation requires that exposures from investment activities have to be analysed and disclosed with respect to their taxonomy eligibility and their taxonomy alignment. On this basis, the key figures are set out in accordance with Annex X to the Taxonomy Regulation. These key figures are to be provided as a percentage relative to total assets. VIG defines total assets as the sum of real estate holdings and financial instruments. Exposure to governments, central banks and supranational issuers was deducted from the recognised assets and/or the coverage ratio. The disclosures are made based on the Group solvency balance sheet and the key figures are based on the fair values as of the reporting date of 31 December 2024. Only assets that represent investments in economic activities are included in the taxonomy key figures. These investments essentially consist of all direct investments, including investments in collective investment undertakings, participations, loans, mortgages, real estate and tangible assets. If the EU Taxonomy Regulation does not make it clear which weighting should be used for the calculation of a key figure, then the key figure based on turnover will be applicable. This also applies to information on investments of unit- and index-linked life insurance where taxonomy alignment is indicated for both the numerator and the denominator. If information is directly available for determining the taxonomy eligibility and/or alignment of an exposure, it is reported under the required taxonomy key figures. For investments in companies, data from an external data provider was used to determine taxonomy eligibility and/or alignment. Real estate holdings and other direct investments in non-financial assets were assessed using a separate measurement method to determine taxonomy eligibility and/or alignment.

Real estate under construction is also taken into account to the extent that it is reflected in the IFRS consolidated balance sheet either under the balance sheet item "Investment property" or under "Owner-occupied property and equipment". Their alignment has been determined based on the construction plans. If there is no data available for determining the taxonomy alignment of real estate or tangible assets, these are classified as non-taxonomy-aligned. Exposures to governments, central banks and supranational issuers are not included in the taxonomy-eligible economic activities. In VIG's view, this only applies to national governments, not to federal states, regions, municipalities, cities or communities. Derivative financial instruments are also not included when assessing taxonomy eligibility.

Additionally, exposures to companies that are not required to publish non-financial information under Directive (EU) 2022/2464 (CSRD) are also not included in the taxonomy key figures. These companies were identified using an external data provider.

As a precaution, non-consolidated funds for which no fund content data is available are included under the exposures to companies that are not required to report non-financial information. Thus, only exposures to companies that are required to report non-financial information are reported as non-taxonomy-eligible.

As of the reporting date 31 December 2024, the EU Taxonomy alignment includes both financial and non-financial issuers for the first two objectives. For all other objectives, only taxonomy alignment for non-financial issuers is publicly available and considered in the reported key figures. The following table presents the investment key figures in accordance with the Taxonomy Regulation. In the reporting year, the proportion of investments related to the financing of Taxonomy-aligned economic activities was 3.59% based on turnover (previous year: 4.19%) and 4.69% based on CapEx (previous year: 5.49%). Information on activities in the fields of nuclear energy and fossil gas can be found on page 101 onwards.

THE PROPORTION OF THE INSURANCE OR REINSURANCE UNDERTAKING'S INVESTMENTS THAT ARE DIRECTED AT FUNDING OR ARE ASSOCIATED WITH TAXONOMY-ALIGNED IN RELATION TO TOTAL INVESTMENTS

Higher-level information on the KPIs

Explanatory notes on percentages	in %	Explanatory notes on Euro figures	in EUR million
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below	
Turnover-based:	3.59%	Turnover-based:	1,190.6
CapEx-based:	4.69%	CapEx-based:	1,553.6
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities. (Coverage ratio in %)	73.15%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. (in EUR)	33,160.2

Additional, complementary disclosures: breakdown of denominator of the KPI

Explanatory notes on percentages	in %	Explanatory notes on Euro figures	in EUR million
The percentage of derivatives relative to total assets covered by the KPI.	-0.13%	The value in monetary amounts of derivatives:	-41.8
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:	12.35%	For non-financial undertakings:	4,096.4
For financial undertakings:	25.02%	For financial undertakings:	8,296.9
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	12.44%	For non-financial undertakings:	4,125.4
For financial undertakings:	9.41%	For financial undertakings:	3,121.2
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings:	11.51%	For non-financial undertakings:	3,815.4
For financial undertakings:	12.92%	For financial undertakings:	4,284.4
The proportion of exposures to other counterparties over total assets covered by the KPI:	16.47%	Value of exposures to other counterparties and assets:	5,462.2
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	0.65%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	215.5
The value of all the investments that are funding economic activities that are not taxonomy-eligible relative to the value of total assets covered by the KPI:	16.64%	Value of all the investments that are funding economic activities that are not taxonomy-eligible:	5,517.7
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI: (in %)	20.67%	Value of all the investments that are funding Taxonomy-eligible economic activities, but not taxonomy- aligned:	6,853.7

Additional, complementary disclosures: breakdown of numerator of the KPI

Explanatory notes on percentages	in %	Explanatory notes on Euro figures	in EUR million
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings turnover-based:	2.25%	For non-financial undertakings turnover-based:	747.6
For non-financial undertakings CapEx-based:	3.26%	For non-financial undertakings CapEx-based:	1,081.5
For financial undertakings turnover-based:	0.17%	For financial undertakings turnover-based:	56.3
For financial undertakings CapEx-based:	0.26%	For financial undertakings CapEx-based:	85.4
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned	
Turnover-based:	0.65%	Turnover-based:	215.5
CapEx-based:	0.88%	CapEx-based:	291.3
The proportion of Taxonomy-aligned exposures to other counterparties and assets in over total assets covered by the KPI		Value of taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Turnover-based:	1.17%	Turnover-based:	386.7
CapEx-based:	1.17%	CapEx-based:	386.7

Breakdown of the numerator of the KPI by environmental objective – Taxonomy-aligned activities – provided “Do-no-significant-harm” (DNSH) and social safeguards are positive assessment

Environmental objective	Turnover in %	CapEx in %	Transitional activities Turnover (%)	Transitional activities CapEx (%)	Enabling activities Turnover (%)	Enabling activities CapEx (%)
1) Climate change mitigation	3.53%	4.52%	0.24%	0.27%	1.45%	2.03%
2) Climate change adaptation	0.05%	0.16%			0.08%	0.04%
3) The sustainable use and protection of water and marine resources	0.00%	0.00%			0.00%	0.00%
4) The transition to a circular economy	0.00%	0.00%			0.00%	0.00%
5) Pollution prevention and control	0.00%	0.00%			0.00%	0.00%
6) The protection and restoration of biodiversity and ecosystems	0.00%	0.00%			0.00%	0.00%

STANDARD TEMPLATES FOR DISCLOSURE PURSUANT TO ARTICLE 8(6) AND (7)

Template 1 – Nuclear and fossil gas-related activities

Row	Activities	Turnover KPI Yes/No	CapEx KPI Yes/No
	Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes	Yes
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes	Yes
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes	Yes
	Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes	Yes

Template 2.1 – Taxonomy-aligned economic activities (denominator) – based on the turnover KPI

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (EUR)	%	Amount (EUR)	%	Amount (EUR)	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	172,537	0.00%	172,537	0.00%	0	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3,597,748	0.01%	3,597,748	0.01%	0	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	26,486,647	0.08%	26,486,000	0.08%	648	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	128,172	0.00%	128,172	0.00%	0	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4,406,873	0.01%	2,589,785	0.01%	1,817,087	0.01%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	462,470	0.00%	462,470	0.00%	0	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,154,095,989	3.48%	1,137,785,194	3.43%	16,310,795	0.05%
8.	**Total applicable KPI**	**1,189,350,436**	**3.59%**	**1,171,221,906**	**3.53%**	**18,128,531**	**0.05%**

Template 2.2 – Taxonomy-aligned economic activities (denominator) – based on the CapEx KPI

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (EUR)	%	Amount (EUR)	%	Amount (EUR)	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,115,130	0.00%	1,115,130	0.00%	0	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10,287,530	0.03%	10,287,530	0.03%	0	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	19,609,838	0.06%	19,609,838	0.06%	0	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	211,077	0.00%	211,077	0.00%	0	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,271,353	0.01%	2,271,353	0.01%	0	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,107,752	0.00%	1,107,752	0.00%	0	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,517,638,441	4.58%	1,465,230,036	4.42%	52,408,406	0.16%
8.	Total applicable KPI	1,552,241,123	4.68%	1,499,832,717	4.52%	52,408,406	0.16%

Template 3.1 – Taxonomy-aligned economic activities (numerator) – based on the turnover KPI

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (EUR)	%	Amount (EUR)	%	Amount (EUR)	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	172,537	0.01%	172,537	0.01%	0	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3,597,748	0.30%	3,597,748	0.30%	0	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	26,486,647	2.23%	26,486,000	2.23%	648	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	128,172	0.01%	128,172	0.01%	0	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	4,406,873	0.37%	2,589,785	0.22%	1,817,087	0.15%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	462,470	0.04%	462,470	0.04%	0	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,154,095,989	97.04%	1,137,785,194	95.66%	16,310,795	1.37%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1,189,350,436	100.00%	1,171,221,906	98.48%	18,128,531	1.52%

Template 3.2 – Taxonomy-aligned economic activities (numerator) – based on the CapEx KPI

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (EUR)	%	Amount (EUR)	%	Amount (EUR)	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,115,130	0.07%	1,115,130	0.07%	0	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	10,287,530	0.66%	10,287,530	0.66%	0	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	19,609,838	1.26%	19,609,838	1.26%	0	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	211,077	0.01%	211,077	0.01%	0	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2,271,353	0.15%	2,271,353	0.15%	0	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1,107,752	0.07%	1,107,752	0.07%	0	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,517,638,441	97.77%	1,465,230,036	94.39%	52,408,406	3.38%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1,552,241,123	100.00%	1,499,832,717	96.62%	52,408,406	3.38%

Template 4.1 – Taxonomy-eligible but not taxonomy-aligned economic activities – based on the turnover KPI

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (EUR)	%	Amount (EUR)	%	Amount (EUR)	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	267,867	0.00%	267,867	0.00%	0	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	568,832	0.00%	568,832	0.00%	0	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	45,829,274	0.14%	45,829,274	0.14%	0	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	92,057,739	0.28%	92,057,739	0.28%	0	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	56,612,750	0.17%	52,979,091	0.16%	3,633,658	0.01%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7,345,711	0.02%	7,345,711	0.02%	0	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	5,874,064,261	17.71%	5,825,015,462	17.57%	49,048,799	0.15%
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**6,076,746,433**	**18.33%**	**6,024,063,975**	**18.17%**	**52,682,458**	**0.16%**

Template 4.2 – Taxonomy-eligible but not taxonomy-aligned economic activities – based on the CapEx KPI

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount (EUR)	%	Amount (EUR)	%	Amount (EUR)	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	228,401	0.00%	228,401	0.00%	0	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,611,124	0.01%	2,611,124	0.01%	0	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,900,682	0.01%	1,900,682	0.01%	0	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	81,011,993	0.24%	79,255,131	0.24%	1,756,862	0.01%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	47,448,487	0.14%	47,448,487	0.14%	0	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	13,887,923	0.04%	13,887,923	0.04%	0	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	6,023,825,721	18.17%	5,954,308,151	17.96%	69,517,570	0.21%
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**6,170,914,331**	**18.61%**	**6,099,639,899**	**18.39%**	**71,274,432**	**0.21%**

Template 5 is not reported, as the activities listed therein are taxonomy-eligible by definitions, although the template is intended to show these activities as non-taxonomy-eligible, which is contradictory.

Key figures for non-life insurance under the EU Taxonomy Regulation

Insurance companies must also report the degree to which they are sustainable based on the EU Taxonomy for sustainable economic activities. This includes not only the proportion of taxonomy-aligned investments but also the proportion of taxonomy-aligned non-life insurance premiums.

VIG insurance companies ensure compliance with the Taxonomy Regulation (EU) 2020/852 in various ways, including through Group-wide requirements and an appropriate product development process.

As part of the sales process, which can also be carried out through brokers and other partners in addition to own sales workforce, VIG provides policyholders with relevant information on the coverage options. The insights gained from this process as well as the findings from market observation are incorporated into the product development process.

According to Annex II of Delegated Regulation 2021/2139, amended by the European Commission's sustainable finance package on 27 June 2023, only 8 of the 12 non-life insurance lines of business are generally taxonomy-eligible under Solvency II, as defined in Annex I of Delegated Regulation (EU) 2015/35. These insurance lines of business include medical expense insurance, income protection insurance, workers' compensation insurance, motor vehicle liability insurance, other motor insurance, marine, aviation and transport insurance, fire and other damage to property insurance, and assistance. Only those insurance lines of business that also include coverage for climate-related risks as defined in Appendix A of the above-mentioned Annex II are to be classified as taxonomy-eligible.

The local insurance companies within the scope of the Taxonomy Regulation currently cover climate risks in the form of natural disaster cover. The natural disaster risks that are relevant under Solvency II are flooding, earthquakes, storms and hail. Since current scientific knowledge has not identified an increase in the earthquake risk as a result of climate change, earthquakes are generally not taken into account as part of this evaluation. Coverage for the remaining natural disaster risks exists mainly in the following three insurance lines of business: other motor insurance, marine, aviation and transport insurance, and fire and other damage to property insurance. These three insurance lines of business therefore form the basis for the taxonomy-aligned proportion of the non-life insurance premiums that has to be disclosed.

Article 3 of the Taxonomy Regulation (EU) 2020/852 stipulates that taxonomy-eligible insurance lines of business must fulfil the following requirements to be classified as a taxonomy-aligned proportion of the non-life insurance premiums:

- They make a substantial contribution to the achievement of one or more environmental objectives of the Regulation.
- They do no significant harm to one or more of the environmental objectives of the Regulation (DNSH or "Do No Significant Harm" criterion).
- The minimum safeguards laid down in Article 18 of the Regulation are adhered to.
- The technical screening criteria must be met.

The technical screening criteria are used to assess whether an insurance service makes a substantial contribution to the environmental objective "climate change adaptation". They include: leadership role when it comes to climate risk pricing and modelling; product design requirements; innovative solutions for insurance coverage; data sharing; high standards of service after natural disasters. All local insurance companies that provide climate risk coverage within an eligible line of business use a questionnaire to assess whether the criteria have been met. The completed questionnaires of the insurance companies are validated by VIG Holding and incorporated into the calculation for determining the taxonomy-aligned proportion of non-life insurance premiums.

Compliance with the DNSH criteria is assessed in VIG on the basis of NACE codes used throughout the Group, which are a recognised classification system for economic activities.

In addition, the minimum safeguards in accordance with Article 18 must be met. Compliance with minimum safeguards at VIG is ensured across multiple levels and in relevant value chain areas by means of Group-wide guidelines, a risk-based approach to counterparty screening, and a remediation process in place if a material risk is identified.

For the calculation of the taxonomy-aligned proportion of non-life insurance premiums, the gross written premiums are used for the numerator and denominator, as these are published in the Group Annual Report. For the calculation of the numerator, the EU Commission interpreted the information in Annex II of the Regulation in a Commission Notice (C/2024/6691) with questions and answers on the EU Taxonomy published on 8 November 2024 to the effect that only the part of the premium of a taxonomy-aligned insurance contract that relates to coverage of climate-related risks may be applied. Based on market practice and the report on the first-time publication, the premium split has been derived from the claim's history excluding major loss events, reinsurance pricing information, and expert estimates based on company-specific circumstances and data availability.

The KPI calculation is based on data submitted by the local insurance companies in a standardised form with integrated, automated validations and then uploaded by way of a central reporting system. The consolidated key figures (KPIs) for the non-life insurance business are calculated on the basis of this data. The results are reconciled with the data used for the consolidated financial statements within the reporting platform. This data is internal VIG data, reinsurance data, and data from external service providers, which is consistent with the data used for the consolidated financial statements. The data sources are consistent with other VIG financial reporting systems. The mandatory key figures to be disclosed for the non-life insurance business are set out in the table below.

Template for the KPIs of insurance and reinsurance undertakings

	Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					
Economic activities (1)	Absolute premiums 2024 (2)	Proportion of premiums 2024 (3)	Proportion of premiums 2023 (4)	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
	in € million	in %	in %	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	613.9	5.85%	4.78%	Y	Y	Y	Y	Y	Y
A.1.1. Of which reinsured	217.5	2.07%	1.86%	Y	Y	Y	Y	Y	Y
A.1.2. Of which stemming from reinsurance activity	0.0	0.00%	0.00%	Y	Y	Y	Y	Y	Y
A.1.2.1. Of which reinsured (retrocession)	0.0	0.00%	0.00%	Y	Y	Y	Y	Y	Y
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	3,289.3	31.36%	26.27%						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	6,587.2	62.79%	68.95%						
Total (A.1 + A.2 +B)	10,490.4	100.00%	100.00%						

The taxonomy-eligible premium for the reporting year increased to 31.36%, which was achieved through an improved portfolio screening process. The taxonomy-aligned premium increase to 5.85% was achieved in particular through a more detailed assessment of the technical screening criteria and the implementation of more precise methodology in the data collection process.

Based on the findings and results of the report on taxonomy alignment in the previous year (first-time reporting), VIG has included the KPI “taxonomy-aligned premium” in its sustainability programme and developed a plan to increase the proportion of sustainable premiums.

VIG does not disclose the standard templates laid down in Delegated Regulation (EU) 2022/1214 in accordance with Annex XII for exposures in the non-life insurance business, as there is not currently sufficient counterparty data available and the information obtained would be of little use to investors and other stakeholders. In addition, VIG has formulated the “Responsible Insurance” declaration with regard to the exclusion criteria for certain sectors, among other things. This declaration is described in more detail in ESRS E1-2 “Policies related to climate change mitigation and adaptation”.

WEIGHTED AVERAGE VALUE IN ACCORDANCE WITH THE EU TAXONOMY REGULATION

In order to comply with the disclosure pursuant to Annex XI DDA (EU) 2021/2178, the following values are reported in accordance with the EU Taxonomy Regulation in relation to the turnover-based investment KPI and the CapEx-based investment KPI of the insurance or reinsurance undertaking and the KPI of the insurance or reinsurance undertaking for non-life insurance activities, weighted according to the share of the revenue of the insurance or reinsurance undertaking from its investment activity and the share of the revenue of the insurance or reinsurance undertaking from its non-life insurance activities of the total revenue of the insurance or reinsurance undertaking.

	Weighted KPI
	in %
The weighted average of the turnover-based KPI on investments of the insurance or reinsurance undertaking and the KPI on non-life underwriting of the insurance or reinsurance undertaking with weightings in accordance with the proportion of revenue that the insurance or reinsurance undertaking derives from its investing activities and the proportion of revenue the insurance or reinsurance undertaking derives from its non-life underwriting activities in the total revenue of the insurance or reinsurance undertaking	5.77%
The weighted average of the CapEx-based KPI on investments of the insurance or reinsurance undertaking and the KPI on non-life underwriting of the insurance or reinsurance undertaking with weightings in accordance with the proportion of revenue that the insurance or reinsurance undertaking derives from its investing activities and the proportion of revenue the insurance or reinsurance undertaking derives from its non-life underwriting activities in the total revenue of the insurance or reinsurance undertaking	5.81%

ESRS E1 CLIMATE CHANGE

The following section describes the requirements related to ESRS 2.

Governance

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

With regard to the integration of sustainability-related performance in incentive schemes, reference is made to the information provided in chapter ESRS 2 GOV-3 "Integration of sustainability-related performance in incentive schemes". Climate considerations are integrated into the incentive scheme insofar as part of the variable remuneration of the members of the VIG Holding Managing Board is subject to deferred payment, which is tied to the sustainable development of VIG. The assessment of sustainable development takes into account not only economic objectives but also the responsibility for the environment, society and employees. However, it should be noted that no specific targets or metrics in the sense of the defined greenhouse gas emission reduction targets are used for the assessment of these areas, but rather a holistic assessment of the progress made is carried out.

Strategy

DISCLOSURE REQUIREMENT E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

In the reporting year, VIG developed a transition plan for climate change mitigation, which serves to define and implement the strategic actions and targets that will support the transformation towards a more sustainable business. The transition plan for climate change mitigation includes VIG's consolidated insurance companies as well as, for its internal operations, financial companies such as pension funds and all companies that are essential for the insurance business (e.g. claims management).

With its transition plan for climate change mitigation, VIG aims to reduce the absolute greenhouse gas emissions in Scope 1, 2 and 3 in line with the Paris Agreement. To this end, VIG has elected to follow a scientifically grounded net-zero path as a reference for its target and has chosen the Net Zero 2050 scenario developed by the Network for Greening the Financial System (NGFS), which is in line with the target of limiting global warming to 1.5°C through strict climate guidelines and technological innovations. It takes into account measures such as the decarbonisation of the energy sector, increased energy efficiency and the development of new technologies to combat emissions that are difficult to reduce. It is also based on the latest scientific evidence and represents a reduction path for absolute greenhouse gas emissions without distinguishing between regions or industries. For this reason, VIG applies the reduction targets derived from the scenario uniformly to all focus portfolios consolidated at the Group level in order to ensure that the targets are implemented in accordance with science-based targets.

The transition plan for climate change mitigation defines science-based targets and is currently focused on the corporate portfolio in underwriting, on corporate bonds and equities and other non-fixed-interest securities in asset management, and on VIG's internal operations. The reduction targets for the selected portfolios apply at the Holding level and are also assigned at the level of the individual Group companies. The greenhouse gas emissions from the base year 2023 serve as a starting point for measuring progress. Based on the selected scenario, the path to net zero by 2050 requires VIG to achieve an absolute reduction in greenhouse gas emissions of a little under 30% (starting from the base year 2023) by 2030. The specific reference target values resulting from this reduction for each sphere of impact are presented in chapter ESRS E1-4 "Targets related to climate change mitigation and adaptation".

Key decarbonisation levers have been identified for each sphere of impact. These serve as a guide and create the framework for tangible actions, both at the level of the individual Group companies and at the investment level (e.g. investment security, issuer). An extract of the identified decarbonisation levers is presented in the following table:

Sphere of impact [1]	Decarbonization levers
Underwriting Corporate	Reduction of coverage for risks and contracts: The systematic reduction of insurance coverage in emission-intensive areas can actively contribute to reducing greenhouse gas emissions.
	Expansion of new business, taking into account target intensities (tCO_2e/million EUR): New contracts will increasingly be concluded with a “net-zero” target intensity (tCO_2e/million EUR) by 2030.
	Focus on coverage in renewable energies sector: A particular focus is to be placed on customers in the renewable energies sector who contribute to the energy transition and to sustainable transformation.
	Reduction in greenhouse gas-intensive industries: Another focus is on exclusion criteria in particularly emission-intensive industries such as thermal coal (see chapter ESRS E1-2 “Policies related to climate change mitigation and adaptation”).
Asset Management	Reinvestment of the corporate bonds of top issuers with maturities prior to 2030: On maturity, the aim is to reinvest in issuers with a respective average greenhouse gas intensity of the sector, thereby improving the climate balance of the VIG portfolio.
	New investment with target intensity: For new investments due to business growth, the aim is to invest to the extent necessary in line with a "net-zero" target intensity 2030.
	Reduction of investments in high-intensity sectors: In the absence of climate targets or reduction plans, investments in particularly emission-intensive industries are being gradually reduced. Another focus is on exclusion criteria such as for thermal coal (see chapter ESRS E1-2 “Policies related to climate change mitigation and adaptation”).
Internal operations	Reduction of Scope 1 emissions in the undertaking’s own vehicle fleet: The aim is to reduce the greenhouse gas emissions of the VIG vehicle fleet by switching to low-emission or electric vehicles.
	Reduction of Scope 2 emissions: The expansion of the use of renewable electricity sources and the optimization of energy consumption for heating (in some cases including Scope 1) and cooling are to be accelerated.

[1] For the Underwriting Retail portfolio, no science-based targets have been set yet as part of the transition plan for climate change mitigation due to a lack of framework conditions for target tracking. Therefore, the sphere of impact is not listed separately in this table.

The majority of VIG’s greenhouse gas emissions are indirectly caused in Scope 3 by emissions related to insurance contracts or financed emissions. In the area of internal operations, greenhouse gas emissions are comparatively low and can be found in Scope 1 and Scope 2 as well as in Scope 3 (air travel). With regard to the quantification of investments and financial resources that support the implementation of the transition plan for climate change mitigation, the collection and analysis of the relevant data were still in progress in the reporting year. Disclosure of this information is planned for future reporting periods as soon as the necessary data is available and the corresponding processes have been fully implemented. Since the Scope 3 emissions of VIG are primarily related to financed emissions under category 15 in accordance with the Greenhouse Gas Protocol (GHG Protocol), over which VIG has only limited control, no significant locked-in GHG emissions can be reported in the year under review. A risk to the reduction targets due to locked-in emissions is therefore not relevant for VIG.

The transition plan for climate change mitigation is based on VIG’s sustainability programme and is of central importance for its business activities. It is embedded throughout VIG’s governance structure, which means that targets, activities, progress and updates are developed like all other business-related actions and subsequently reported and discussed on a regular basis by the local managing boards and supervisory boards of the companies. The interaction between local companies and the VIG Holding departments with regard to the implementation of the transition plan for climate change mitigation at the local level takes place on a consultation and dialogue basis. All activities relating to the integration of Group targets at the level of the companies and to the measurement and control of results and progress, including any resulting adjustments, are primarily the responsibility of the local managing boards of the companies and consequently also of the VIG Holding Managing Board or, subordinately the respective departments.

Overall responsibility for sustainability matters, the transition to a more sustainable economy and thus the transition plan for climate change mitigation and its implementation lies with the VIG Holding Managing Board. In view of the importance and the cross-divisional scope of the transition plan for climate change mitigation, the plan was adopted by the Managing Board in January 2025. Since the transition plan for climate change mitigation was drawn up in the reporting year, VIG Holding will monitor implementation and target achievement from 2025 onwards. Progress in implementation and significant changes to the transition plan for climate change mitigation are discussed in the meetings of the Sustainability Committee. With regard to the measurement of progress with the emission reductions in the individual spheres of impact, reference is made to chapter E1-6 “Gross Scopes 1, 2, 3 and Total GHG emissions”.

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

In the course of carrying out the double materiality assessment of VIG, the material climate-related impacts, risks and opportunities were identified. The table below shows the climate-related risks classified as material and assigns them to physical or transition risks.

The physical risks of climate change arise directly from the consequences of climate change, such as an increase in the global average temperature and the related more frequent and intense natural disasters and extreme weather events such as floods, heat/droughts, storms and hail.

Transition risks relate to the risks that arise in the course of the transition to a climate-neutral and sustainable economy and society. For example, they may result in a devaluation of assets. The reasons for this include changes in the political and legal framework conditions of the real economy (e.g. introduction of a CO_2 tax), technological innovations (e.g. renewable energy, storage technologies) and changes in consumer behaviour.

ESRS sub-topic	Sphere of impact	Material climate-related risks according to the double materiality assessment	Type of climate-related risk
Climate change adaptation	Underwriting	Increased occurrence of natural disasters due to climate change	Physical risk
		Higher frequency of regular losses due to changed weather conditions (e.g. increased number of days with rain and snowfall, longer periods of drought)	Physical risk
	Asset Management	Default or negative impacts on the creditworthiness of debtors due to the increase in extreme events (weather, natural disasters)	Physical risk
Climate change mitigation	Underwriting	Increase in claims by policyholders due to climate events that could have been avoided if appropriate preparations/precautions had been taken	Transition risk
	Asset Management	Losses in the value of investments (indirectly through stranded assets) due to sustainability measures, e.g. by the legislator	Transition risk
		Negative media coverage because investments are made in businesses that do not adequately mitigate their impact on the environment.	Transition risk

A detailed description of the identified climate-related impacts, risks and opportunities can be found in the next chapter concerning the disclosure requirement related to ESRS 2 IRO-1 “Description of the processes to identify and assess material climate-related impacts, risks and opportunities”.

By conducting scenario analyses, VIG also assesses how climate change will affect claims development and therefore the insurance business. Regular internal risk analyses are also carried out on the medium- and long-term impacts of climate change, covering both transition risks and physical risks. Internal and external experts working together assess the probabilities of natural disasters and calculate the possible impacts in all key markets of VIG in order to ensure the long-term resilience of the Group-wide insurance portfolio. Scenarios with three different temperature increases (1.5°C, 2.0°C and 3.0°C) are analysed, which enables analysis over short-, medium- and long-term time horizons. The risk models applied are regularly improved on the basis of new data, facts and insights such as the latest scientific studies or newly constructed flood protection measures, for example.

In the consolidated financial statements, any impacts of the climate risks identified in the course of the scenario analysis (including floods) were also assessed in the valuation of assets and liabilities, where applicable. The expertise gained in the area of underwriting helps VIG purchase the optimal reinsurance coverage for assumed risks, among other things. In addition, the natural disaster reinsurance programme is reviewed annually, allowing the occurrence of any scenario impacts to be mitigated by appropriate reinsurance.

Impact, risk and opportunity management

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 IRO-1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

As explained in section E1 ESRS 2 SBM-3 "Material impacts, risks and opportunities and their interaction with strategy and business model", VIG performed a scenario analysis, as in previous years, that considered the potential impacts, risks and opportunities of climate scenarios with global warming levels of 1.0°C, 2.0°C and 3.0°C. The analysis was carried out on the basis of a short-, medium- and long-term time horizon and includes the assessment of physical risks as well as transition risks that could arise from various climate scenarios. The scenario analysis is carried out, among other things, to assess the possible financial impacts under different warming paths and to derive appropriate actions. Detailed information on the classification of climate risks and the identification of short-, medium- and long-term transition events can be found in the notes to the consolidated financial statements in the section "Risk strategy and risk management" starting on page 297.

The process of the double materiality assessment in relation to the evaluation of climate-related impacts, risks and opportunities is described in chapter ESRS 2 IRO-1 "Description of the processes to identify and assess material climate-related impacts, risks and opportunities". The results in relation to the three sub-topics of "Climate change adaptation", "Climate change mitigation" and "Energy" are presented below.

Material climate-related impacts

The material negative climate-related impacts of internal operations result from greenhouse gas emissions, particularly those caused by energy consumption. VIG works continuously to reduce the emissions it produces, for example by installing equipment to produce renewable energy, purchasing renewable energy, acquiring electric vehicles and installing electric charging stations.

Insurance products themselves do not produce greenhouse gases, but the insured items such as buildings or vehicles do. According to a 2022 analysis by the German Federal Statistical Office, cars and motorcycles are responsible for the majority (about 60%) of all emissions caused by road traffic in the European Union. Since motor third party liability insurance is mandatory in the countries in which VIG operates (except Georgia), and there is also an acceptance obligation for motor third party liability insurance in some of these countries, these insured items have a high climate-related impact, which, due to the insurance obligation, can only be controlled indirectly by the insurance industry as a whole. The focus in underwriting is therefore on reducing the harmful impacts of climate change. (Re)insurance solutions play a central role in this. As one of the leading insurance companies in Central and Eastern Europe, VIG offers a wide range of policyholders security and protection by covering risks from natural disasters in accordance with VIG's insurance contracts.

In the area of asset management, VIG's investments in infrastructure projects such as wind and solar energy, which contribute to the achievement of EU-wide energy transition targets, were identified as positive climate-related impacts. A description of VIG's emission reduction targets is included in chapters E1-1 "Transition plan for climate change mitigation" and E1-4 "Targets related to climate change mitigation and adaptation" in connection with the transition plan for climate change mitigation.

Material climate-related risks

In underwriting, the physical risk of increased frequency of regular losses due to changes in weather patterns (e.g. more frequent rain and snowfall or longer droughts) has been identified. In addition, there is the physical risk of an increased occurrence of natural disasters, such as the risk of flooding as a result of climate change. The regions of

Eastern Europe and Central Asia are considered to be particularly at risk in this regard. More frequent natural disasters can also lead to higher gross losses. Severe weather events categorised as a 100-year event or more extreme have already occurred more frequently in the last two decades (e.g. snow loading, flooding, hail, storms). Based on internal risk analyses, VIG considers the issue of flooding in particular to be material in terms of natural disasters.

The assessment and pricing of climate risks by incorporating climate data and risk modelling into insurance terms and conditions enables the appropriate consideration of potential losses and supports the long-term stability and sustainability of the insurance business. This has become particularly important in non-life insurance.

In the corporate business, the local insurance terms and conditions are based on the individual risk situation of the respective policyholder, which may be assessed by VIG's own consulting company, Risk Consult, where applicable. In individual cases, insurance can only be concluded once the proposed risk minimisation measures have been implemented.

In addition to the physical risks, the transition risk of a potential increase in losses due to insufficient preparation for climate change was identified in underwriting. In liability insurance in particular, higher losses may occur due to a lack of preparation for climate change.

The physical risk of default or negative impacts on the creditworthiness of debtors as a result of an increase in extreme weather events has also been identified for VIG in the area of asset management. Natural disasters can lead to production shutdowns, which can affect the creditworthiness of investee companies. The corresponding risk is taken into account in the market risk. In addition, VIG investments that do not meet sustainability criteria entail transition risks, among others. These can lead to losses in value due to changes or additions to the legal framework and have therefore been identified as material. As ESG aspects are taken into account in VIG's investment strategy, the risk is already being addressed appropriately.

In addition, ESG limit monitoring is used to continuously monitor whether investments comply with the Group-wide ESG investment strategy. If investments were to be made outside the ESG investment strategy, there would be a reputational risk for VIG as part of this transition risk. VIG seeks to reduce this risk by implementing various actions under the sustainability programme, such as taking greenhouse gas emissions into account in future investment decisions.

Material climate-related opportunities

In its communication of 31 August 2023, the European Insurance and Occupational Pensions Authority (EIOPA) assumes that around 75% of climate-related disasters are not covered by insurance. The reason for this is that state infrastructure in particular is not insured. Although the general public is expected to show a growing interest in insurance solutions for climate risks, these can only be offered within the limits of the available reinsurance capacity and, if necessary, with the involvement of state coverage (e.g. the discussion about increasing natural disaster coverage in Austria). Climate change mitigation actions taken in the area of underwriting therefore also require adjustments to products by extending the coverage where insurable. Insurance for environmental technology solutions offers the opportunity to offer new products and services. However, this requires that these risks be insurable and that sufficient reinsurance protection be provided, since the increase in the potential risk from additional cover for natural disasters will result in higher costs for insurance service providers, which must be priced in a risk-adequate manner. In the area of underwriting, climate change adaptation is also seen as an opportunity to contribute to economic stability and resilience by providing adequate insurance protection against natural disasters. This accelerates economic recovery and enables the affected regions to resume their economic activity more quickly.

Another climate-related opportunity has been identified in the area of asset management with regard to VIG's investment opportunities in green bonds. This allows VIG to make an active contribution to sustainable transformation, meet the expectations of its stakeholders and create long-term value.

DISCLOSURE REQUIREMENT E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Appropriate policies have been developed to address the identified material impacts, risks and opportunities for VIG, as described below.

Policies related to climate change mitigation and adaptation in internal operations

Although the largest share of VIG's greenhouse gas emissions can be attributed to the underwriting and asset management spheres of impact, greenhouse gas emissions are also generated in internal operations. VIG has leverage in this area that can be used to contribute to climate change mitigation and adaptation. Reference is made here to the sustainability programme, which is described in more detail in ESRS 2 MDR-P "Policies adopted to manage material sustainability matters". The first step is to reduce emissions as much as possible, followed by offsetting any remaining emissions. VIG's sustainability programme combines actions that address climate change mitigation, climate change adaptation, energy efficiency and the use of renewable energies. The Code of Business Ethics is another element that addresses the topic of environmental protection. Details are provided in ESRS 2 MDR-P "Policies adopted to manage material sustainability matters".

Policies related to climate change mitigation and adaptation in underwriting

VIG is committed to helping its policyholders adapt better to climate change and to continuously increasing the range of products and services that support these efforts. Some VIG insurance companies offer specific products for this purpose. In addition, some VIG life insurance companies offer investment options in funds with ESG characteristics.

To this end, VIG has developed the "Responsible Insurance" declaration, which includes self-imposed climate-related criteria defined by VIG for its corporate business. These criteria help to embed sustainability even more comprehensively in the core business. The declaration is available for download on the VIG website (group.vig/sustainability/downloads/) and has been approved by the VIG Holding Managing Board. The stricter requirements of the declaration have applied since March 2024 and are mandatory for all VIG insurance and reinsurance companies.

In consideration of the issues of climate change mitigation, climate change adaptation, energy efficiency and the use of renewable energies, VIG has not concluded any new insurance contracts for coal mining or coal power plant construction projects since 2019. Existing insurance contracts in this area are being gradually reduced. The updated requirements of the declaration mean that there is an obligation to pursue a declining underwriting strategy for existing risk insurance. In view of this, VIG insurance companies will not increase their engagement in insurance cover for coal risks. Only in countries where the economy and employment depend to a significant extent on the coal sector may the provision of cover for coal risks be maintained in exceptional cases, in line with the country's strategy for phasing out coal-based energy. These exceptional cases are set out in detail in the "Responsible Insurance" declaration. In addition, VIG does not offer risk coverage for unconventional oil and gas exploration. This includes shale gas and shale oil as well as all kinds of new deep-sea mining projects. In the interest of promoting the use of renewable energy sources, VIG has also been providing insurance for renewable energy sources such as wind and water power, photovoltaics and biomass in Central and Eastern Europe for many years. This makes VIG one of the leading insurance providers in this region for renewable energy generation facilities.

In addition, the underwriting portfolio for corporates is analysed at the individual company level based on the absolute greenhouse gas emissions volume. A programme of actions and activities has been developed for the main greenhouse gas emitters, with the aim of aligning the corporate portfolio with the net-zero pathway. Furthermore, climate-related risks, such as environmental risks and the natural disaster risk of VIG policyholders, are evaluated by the Group's consulting company, Risk Consult, where appropriate.

Based on the results, actions are then developed and implemented with the respective companies.

Policies related to climate change mitigation and adaptation in asset management

VIG invests its premium income in such a way that it can fully meet its obligations to customers at all times. VIG therefore focuses on security in investments and prefers good credit ratings and thus stable returns. At the same time, however, VIG takes responsibility for the environmental impact of its investments and so implements expanded sustainability criteria. An important tool for decarbonising the investment portfolio is the portfolio analysis carried out in each of the local insurance companies as part of the sustainability programme, which focuses on the main greenhouse gas emitters in the portfolio. The companies then had to develop an action plan for this group of emitters with the aim of putting the entire portfolio on a development path in terms of the CO_2e footprint that is consistent with the net-zero target for 2050 at 1.5°C warming.

VIG's "Responsible Investment" declaration, which addresses the material impacts, risks and opportunities related to climate change mitigation and climate change adaptation in asset management, applies to all VIG (re)insurance companies and was approved by the VIG Holding Managing Board. It is available for download from the VIG website (https://group.vig/en/sustainability/downloads/) and is based on a combination of several strategies. Among other things, investments in companies to which the VIG exclusion criteria apply are excluded. In addition, VIG pursues an engagement approach that promotes active dialogue with investee companies to encourage them to improve the sustainable impact of their business activities. To implement this approach, VIG has entered into a collaboration with the internationally renowned external partner ISS ESG. Since September 2023, a report has been prepared on the engagement activities and the results are published annually on the VIG website. The declaration also aims to increase the share of investments based on the VIG Sustainability Bond Framework (e.g. renewable energies, environmentally friendly construction methods) and the share of investments in green bonds. In the reporting year, a total of EUR 1,525 million was invested in green bonds. This represents an increase of 27% over the previous year. The sustainability characteristics of a bond are identified on the basis of publicly available data. Details of the Sustainability Bond Framework can be downloaded from the VIG website (https://group.vig/sustainability-framework).

The "Responsible Investment" declaration defines the following exclusion criteria for specific sectors:

- Thermal coal: The coal exclusion criterion for new direct investments has been in place since 2019, with stricter limits applying from 2023. For example, VIG now excludes, among other things, new direct investments in companies that generate more than 5% of their turnover from thermal coal mining. The same applies to companies that produce more than 10 million tonnes of thermal coal per year. By the end of 2025, existing investments will be reduced by more than 50% compared to 2019, and will be eliminated completely by the end of 2035 at the latest.
- Unconventional oil and gas: New direct investments in companies that generate more than 5% of their turnover from unconventional oil and gas are also excluded. This includes, for example, income from oil sands or shale gas.

The declaration also defines social exclusion criteria, such as the exclusion of investments in companies that produce or trade in banned weapons. Furthermore, the declaration includes the Ten Principles of the UN Global Compact, including human rights and labour rights, and environmental protection and anti-corruption measures.

In the context of climate change adaptation and climate change mitigation, the exclusion criteria mentioned in the declaration for investments that violate the following principles of the UN Global Compact relating to environmental protection should be highlighted:

– Principle 7: Businesses should support a precautionary approach to environmental challenges;
– Principle 8: undertake initiatives to promote greater environmental responsibility; and
– Principle 9: encourage the development and diffusion of environmentally friendly technologies.

The application of the exclusion criteria of the declaration generally applies to direct investments (with the exception of securities issued by governments, federal states, regions, municipalities and supranational organisations), including such investments in consolidated investment funds of all VIG (re)insurance companies.

In addition to the climate-related exclusion criteria presented above, analyses are carried out for the VIG portfolio as a whole in connection with a climate risk report. In this regard, various scenario analyses are presented to show how company valuations could change in relation to transition risks and physical risks. These analyses help to show, among other things, whether the investment portfolio is aligned with the global temperature pathway of the Paris Agreement targets.

DISCLOSURE REQUIREMENTS E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

The following section addresses the actions and resources in relation to the climate change policies presented in the previous section. The significant CapEx amounts required to implement the actions described cannot yet be disclosed in the reporting year due to a lack of data. The aim is to allocate the figures to the key performance indicators in accordance with Commission Delegated Regulation (EU) 2021/2178 and the relevant items in the financial statements for subsequent reporting years.

Actions and resources in internal operations

The areas of energy consumption and the vehicle fleet were identified as the biggest decarbonisation levers in VIG's internal operations. Actions include, in particular, striving for greater energy efficiency, switching to energy suppliers with lower greenhouse gas intensity and expanding the fleet of electric vehicles. There is also increasing investment in the generation of electricity from renewable sources for self-consumption.

As already described in chapter E1-1 "Transition plan for climate change mitigation", the key decarbonisation levers and starting points for the continuous reduction of greenhouse gas emissions in all areas of VIG were identified as part of the transition plan for climate change mitigation developed in the reporting year. The transition plan for climate change mitigation will be fleshed out over the next few years as further actions are planned in the course of the implementation of the sustainability programme by the individual companies. The necessary targets and the actions resulting from the difference between the target and the projection were developed in the course of the transition plan for climate change mitigation on the basis of the "NGFS Net Zero" climate scenario and the "Nationally Determined Contributions (NDCs)" scenario from the range of "Hot house world" scenarios. Detailed information on the transition plan for climate change mitigation can be found in chapter ESRS E1-1 "Transition plan for climate change mitigation". For details of the emission reductions resulting from the climate change mitigation actions taken and planned, please refer to chapter ESRS E1-6 "Gross Scopes 1, 2, 3 and Total GHG emissions".

Actions and resources in underwriting

In underwriting, the net-zero target will be achieved through a variety of actions, such as the continuous expansion of the range of environmentally friendly and sustainable insurance products. The underwriting portfolio will also be balanced using the best-in-class approach. In doing so, a stronger focus will be placed on the insurance of sectors with lower emissions. In addition, it will be very important to engage with policyholders in order to support them on the path set out in the transition plan for climate change mitigation.

Actions and resources in asset management

In order to achieve the net-zero target in the investment portfolio by 2050, greenhouse gas emissions will be given greater consideration in future investment decisions. In addition, opportunities for green investments in the investment portfolio are continuously evaluated. The primary focus is on corporate bonds and equities and other non-fixed-interest securities, for which the VIG insurance companies are to set specific greenhouse gas reduction targets at the local company level by 2030. VIG is not currently focusing on emissions in connection with government bonds, as these offer little scope for reducing emissions due to restrictions relating to risk-bearing capacity and regulation.

Metrics and targets

DISCLOSURE REQUIREMENT E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The following section details VIG's targets related to climate change mitigation and adaptation. In view of the selected "Net Zero 2050" scenario, VIG has defined specific targets for reducing greenhouse gas emissions by 2030 as an initial milestone. Setting milestones is not only a legal requirement, but also a business necessity to lay the foundation for a successful transition to a sustainable future. VIG's milestones were formulated based on two guiding principles of proper business conduct. The initial focus is on the key parts of the VIG portfolio, which are presented in chapter ESRS E1-1 "Transition plan for climate change mitigation". The extent to which VIG can take additional actions to further support target achievement will also be examined.

The scenario selected for setting the climate target is considered to be a reliable basis because the Network for Greening the Financial System (NGFS), which provides this scenario, is strongly supported by regulators, central banks and scientific institutions. To ensure a solid basis for the target and to build the transition plan for climate change mitigation on the most reliable data quality, the decision was made to use 2023 as the base year, as the greenhouse gas emissions data collected for that year was of a good quality. In addition, the law stipulates that the base year must not be more than three years before the first reporting year. Further information on the approach to target setting and the selected climate scenario is presented in detail in chapter ESRS E1-1 "Transition plan for climate change mitigation".

In line with the climate scenario selected and the guiding principles mentioned above, this transition plan for climate change mitigation sets out emission reduction targets for 2030 for underwriting (corporate), asset management (corporate bonds and equities and other non-fixed-interest securities) and internal operations. In close cooperation with the relevant departments of VIG Holding, the emission reduction targets were formulated on the basis of the NGFS climate scenario and corresponding levers were derived as starting points for possible greenhouse gas reductions. In addition, the local insurance companies have developed sustainability programmes that form the basis for future emission reductions. This ensured that relevant stakeholders were involved in setting the targets and ensuring their achievability.

For the underwriting portfolio of retail customers, which, for the purposes of reporting, is limited to the emissions of motor vehicle insurance policies, no science-based targets have been set for the time being as part of the transition plan for climate change mitigation, despite the portfolio's significance, because the possibility of effectively tracking and controlling such targets is very low. This is partly due to the fact that the insurable "vehicle fleet" in a country is determined by the purchasing preferences of economic agents and can therefore only be changed by regulatory or (fiscal) policy measures. With motor vehicle insurance playing a significant role in national economies by providing coverage for strict liability and, as mentioned earlier, motor vehicle insurance generally being mandatory at a national level when a vehicle is registered, along with an insurance acceptance obligation in some cases, withdrawing from this insurance segment is not an option for VIG. Despite the lack of a "hard" target, VIG is still endeavouring to reduce emissions through selected activities. VIG emissions generated by the motor portfolio are in any case continuously recorded and are reported in chapter ESRS E1-6 "Gross Scopes 1, 2, 3 and Total GHG emissions" as part of the financed emissions (Scope 3 category 15).

In the area of asset management, VIG has set a science-based target for the portfolio of corporate bonds and equities and other non-fixed-interest securities. Although the greenhouse gas emissions of the government bond portfolio are significant and this portfolio accounts for around 30% of VIG's total investments as of 31 December 2023, VIG has only limited scope to reduce them. The reason for this is that regulatory requirements in various jurisdictions prescribe investments in government bonds. Furthermore, the need to avoid currency gaps significantly limits the choice.

In addition, VIG believes that not investing in government bonds is undesirable for economic reasons. Despite these limitations, a reference target has been derived as a guide and the greenhouse gas footprint of the government bond portfolio is continuously monitored with the aim of implementing "soft" compensatory actions when needed and available. In addition, the emissions from the government bond portfolio are disclosed in chapter ESRS E1-6 "Gross Scopes 1, 2, 3 and Total GHG emissions" under the financed emissions. Greenhouse gas emissions in EU countries are generally expected to decrease by 2030 and beyond, given the commitments made by the states to contribute to the achievement of climate targets. Emissions from VIG's real estate portfolio were not yet included in the transition plan for climate change mitigation during its initial preparation in the reporting year. However, the aim is to also include these emissions in the target setting next year. Furthermore, investments of unit- and index-linked life insurance were not included in the development of the reduction targets due to a lack of direct control options for VIG in the portfolio.

A science-based interim target for 2030 has also been set for internal operations, with the aim of achieving the net-zero target by 2050. Compared to the financed or insurance-associated emissions, VIG's internal operations cause negligible emissions, according to the result of the significance analysis. However, this is the only area in which VIG can directly influence emissions, which is why the target set for Scope 1–3 emissions (whereby Scope 3 only applies to air travel) is being pursued.

As explained in chapter ESRS E1-1 "Transition plan for climate change mitigation", a reduction of VIG's emissions across all the spheres of impact already mentioned by just under 30% by 2030 is necessary to ensure implementation of the net-zero scenario by 2050. The reference target values for the selected portfolios resulting from this reduction target for 2030 are shown in the table below in tonnes of CO_2 equivalent (CO_2e, taking into account all Kyoto gases including NF3). The emissions categorised under Scope 3, category 15, for the portfolios considered in the transition plan for climate change mitigation from the spheres of impact of underwriting (corporate) and asset management (corporate bonds and equities and other non-fixed-interest securities) as well as the Scope 1–3 emissions from VIG's internal operations (subject to the previously mentioned limitation) for the year 2023 were used as the baseline data.

Selected portfolios	GHG emission baseline (2023)	Reference target value 2030
in t CO_2e		
Underwriting Corporate	680,105	485,633
Asset Management (Corporate Bonds and Equities)	1,218,310	869,874
Internal Operations [1]	38,066	27,027
Gross Scope 1 GHG emissions	18,136	
Gross Scope 2 GHG emissions (market-based)	18,619	
Gross Scope 3 GHG emissions (business travel)	1,311	

[1] An overarching (market-based) reduction target was set for Scope 1-3 emissions for VIG's internal operations as part of of the transition plan for climate change mitigation, as the measures to reduce emissions in the individual scopes have a holistic effect and their reduction is therefore considered together.

As can be seen from the table above, a reduction of 194,472 tonnes of CO_2e in emissions is required for the corporate underwriting business in relation to Scope 3.15 in order to achieve the reference target value of 485,633 tonnes of CO_2e. Compared to the previous year, a reduction of 25,471 tonnes of CO_2e (-4%) was achieved in the corporate underwriting business in the reporting year. For the asset management (corporate bonds and equities) portfolio, around 350,000 tonnes of CO_2e must be saved in relation to Scope 3.15 in order to achieve the reference target value of 869,874 tonnes of CO_2e for this portfolio by 2030. In the reporting year, 319,584 tonnes of CO_2e (-26%) have already been saved in this regard compared to the base year.

In order to achieve the required target in VIG's internal operations, market-based Scope 1–3 emissions need to be reduced by 11,039 tonnes of CO_2e by 2030, according to the previous table. In the reporting year, a reduction of 2,154 tonnes of CO_2e (-6%) in market-based emissions was already achieved compared to the base year.

Details of the identified decarbonisation levers and actions for each sphere of impact, which were defined in the course of setting the reduction targets, are described in chapter ESRS E1-1 “Transition plan for climate change mitigation”. It is not yet possible to present the quantitative impacts and total contributions to decarbonisation of the individual actions in the reporting year. VIG plans to implement this step by step in the coming years.

Differences in the presentation of emissions between the transition plan for climate change mitigation and the disclosed greenhouse gas emissions

The presentation of emissions in the transition plan for climate change mitigation differs in some respects from the disclosed greenhouse gas emissions, as different portfolios are taken into account in some cases to enable better tracking of the climate targets set for the transition plan for climate change mitigation. More emissions are included in the disclosure of VIG’s emissions in chapter E1-6 “Gross Scopes 1, 2, 3 and Total GHG emissions” because a broader database is used here. However, it is ensured that all emissions reported in the transition plan for climate change mitigation are also fully included in the disclosure of VIG’s emissions. The differences in the database for the individual spheres of impact are explained in more detail below.

For underwriting (corporate), the same emissions are recorded and reported in both the transition plan for climate change mitigation and the greenhouse gas balance sheet. While the transition plan for climate change mitigation does not currently cover the area of underwriting (retail) due to the limited possibility of effective target tracking and control, the GHG balance sheet does show the emissions from the motor portfolio from this sphere of impact.

For asset management, the Scope 1–2 emissions of corporate bonds and equities and other non-fixed-interest securities were included for the transition plan for climate change mitigation and the associated climate target. Emissions from the real estate portfolio are to be included in the targets in the coming year. In addition to the emissions included in the transition plan for climate change mitigation, the emissions disclosed in ESRS E1-6 “Gross Scopes 1, 2, 3 and Total GHG emissions” also include all emissions from government bonds and from property as well as Scope 3 emissions of the remaining investment. The disclosed emissions also include the emissions from investments of unit- and index-linked life insurance contracts and from non-consolidated participations. Due to the low level of investment in this asset class, investments are not included in this transition plan for climate change mitigation. Furthermore, there is currently no intention to include these in the transition plan for climate change mitigation next year. Although investments of unit- and index-linked life insurance are part of the consolidated balance sheet, the investment decision and the investment risk lie with the customer. However, VIG insurance companies offering unit-linked and index-linked insurance products will enable low-carbon unit-linked and index-linked alternatives for both new business and existing contracts (reallocation).

In VIG’s internal operations, the insurance companies’ (excluding the three Ukrainian companies) emissions from the base year were used to calculate VIG’s climate-related targets. In addition, the emissions of some non-insurance companies were included in the development of the emission reduction target due to their relevance for the transition plan for climate change mitigation. The additional non-insurance companies include financial companies such as pension funds, asset management, assistance and service companies that are material to the insurance business. All insurance companies included in the IFRS scope of consolidation (except for the three Ukrainian companies) were included in the disclosure of emissions in accordance with ESRS E1-6 “Gross Scopes 1, 2, 3 and Total GHG emissions”. The data basis of the transition plan for climate change mitigation therefore differs from the presentation of emissions from the base year in ESRS E1-6 “Gross Scopes 1, 2, 3 and Total GHG emissions”.

As explained in this chapter, all emissions reported in the transition plan for climate change mitigation are also included in the disclosure in accordance with ESRS E1-6 “Gross Scopes 1, 2, 3 and Total GHG emissions”. Consistency between the targets and the greenhouse gas inventory limits is thus ensured, as the additional emissions in the greenhouse gas balance sheet fully integrate the emissions included in the transition plan for climate change mitigation.

DISCLOSURE REQUIREMENT E1-5 – ENERGY CONSUMPTION AND MIX

The following table shows VIG's energy consumption from internal operations in the base year (2023) and in the reporting year. As an insurance service provider, VIG is not assigned to any high climate impact sector based on its business activities. The high climate impact sector disclosure requirements set out by the ESRS therefore do not apply in this report.

Energy consumption and mix	2023	2024
Total fossil energy consumption (MWh)	**126,529**	**125,551**
Share of fossil sources in total energy consumption (%)	85.64%	84.81%
Consumption from nuclear sources (MWh)	**7,215**	**5,103**
Share of consumption from nuclear sources in total energy consumption (%)	4.88%	3.45%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	27	46
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	13,968	16,738
The consumption of self-generated non-fuel renewable energy (MWh)	n. a.	593
Total renewable energy consumption (MWh)	**13,995**	**17,377**
Share of renewable sources in total energy consumption (%)	9.47%	11.74%
Total energy consumption (MWh)	**147,738**	**148,030**

Total fossil energy consumption fell by around 1% compared to the previous year. Energy consumption from nuclear sources fell by 29% compared to the base year. At the same time, total renewable energy consumption increased by 24% compared to 2023. The total energy consumption increased slightly compared to the previous year.

DISCLOSURE REQUIREMENT E1-6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

The following table shows VIG's greenhouse gas emissions by Scope 1, 2 and 3 in accordance with the Greenhouse Gas (GHG) Protocol in CO_2 equivalents (taking into account all Kyoto gases, including NF3). The table includes emissions generated directly by the Company (from heating energy requirements, refrigerants and fuel consumption – Scope 1) and the emissions caused indirectly by the Company (due to electricity, district cooling and district heating consumption – Scope 2). In addition, the emissions caused by employee business flights (Scope 3 – category 6) and the financed emissions (Scope 3 – category 15) in the areas of asset management (including real estate) and underwriting (corporate and retail) are shown. The emissions of those companies in which VIG holds a corresponding interest (at equity companies) are also reported in Scope 3 – category 15. The databases of the International Energy Agency (IEA), the Austrian Environment Agency, the Department for Environment, Food and Rural Affairs (DEFRA) and the German Association of the Automotive Industry (VDA) were used to calculate greenhouse gas emissions. The methodology follows the guidelines of the GHG Protocol to ensure consistent and transparent emissions calculations.

In addition to the greenhouse gas emissions for the reporting year, the emissions from the base year 2023 are cited with regard to target achievement. Due to the CSRD requirements, the VIG IFRS scope of consolidation, which is identical for the 2024 consolidated non-financial report, has expanded significantly. Therefore, the greenhouse gas emissions from the 2023 Sustainability Report are no longer comparable with the metrics in this report. In the base year 2023, only the greenhouse gas emissions of the VIG fully consolidated insurance companies were recorded, whereas in the reporting year 2024, fully consolidated non-insurance companies are also included in the reporting scope. In order to be able to show the same reporting scope for the base year, a back-calculation approach was developed to extrapolate the emissions for the non-insurance companies for the year 2023 based on the number of employees. Based on the number of employees (headcount), the insurance companies accounted for 87% of emissions in 2023. The remaining 13% are accounted for by the non-insurance companies included in the scope of consolidation from 2024 onwards and were calculated by extrapolating the emissions already recorded.

The energy metrics used as the basis for calculating the CO_2e emissions for VIG's internal operations were reported by the individual VIG companies included in the scope of consolidation as of the reporting date of 31 December 2024, with a projection approach used for missing data. Likewise, the financed emissions from the investment portfolio include the values as of 31 December 2024. Due to data availability, the financed emissions from the real estate portfolio are shown with a reporting date of 30 June 2024. Despite this offset period, the calculation of the emissions data in the real estate portfolio is based on full-year values. Past experience has shown that the real estate portfolio as a whole is very constant over the course of the year due to the long-term orientation. The reporting date of 31 October 2024 was used for the reporting of emissions from the underwriting portfolio (corporate and retail). However, the early reporting date has no material impact on the disclosure of the emissions data. A description of the emission calculation can be found below. In addition, the estimates made in calculating the emissions data are discussed in detail in chapter ESRS 2 BP-2 “Disclosures in relation to specific circumstances”.

- Gross Scope 1 GHG emissions

Scope 1 includes direct greenhouse gas emissions. These emissions come from sources directly owned or controlled by VIG, such as emissions from the combustion of fossil fuels in company-owned or controlled facilities (including on-site heating systems) and the refill volume of refrigerants for air conditioning systems in the reporting year. In addition, the fuel consumption of the vehicle fleet was recorded. This refers to the petrol or diesel consumption of company-owned or leased vehicles.

- Gross Scope 2 GHG emissions

The emissions recorded under Scope 2 represent the greenhouse gas emissions resulting from the generation of purchased energy. VIG reports the Scope 2 emissions for 2024 using both the location-based and market-based approach according to the GHG Protocol. With the location-based approach, emissions are calculated based on the average emission factors of the regional energy supply, i.e. the local electricity and heating network. The market-based approach, on the other hand, takes into account the specific greenhouse gas emissions of the energy actually procured. The emission factors of the International Energy Agency (IEA) were used to calculate the Scope 2 emissions from electricity, which include the emissions of carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).

- Gross Scope 3 GHG emissions

The greenhouse gas emissions recorded under Scope 3 are, by definition, a consequence of an undertaking's activities that originate from sources that are not owned or controlled by the undertaking. Scope 3 emissions can be divided into 15 different categories.

In the reporting year, a significance analysis was carried out in accordance with the requirements of the ESRS. This analysis was used to evaluate which categories of Scope 3 emissions are relevant for VIG and must therefore be recorded and reported. The ESRS do not provide a detailed approach for conducting such an analysis, but they do refer to the GHG Protocol, which states that the undertaking's ability to influence emissions and the share of total Scope 3 emissions in the respective category are appropriate criteria for assessing relevance.

The analysis performed in the reporting year used the emissions and consumption data of the VIG insurance companies included in the reporting scope in previous years, as well as additional data that were available in some cases (including train travel and waste data), and extrapolated the results to the scope of the fully consolidated companies. This extrapolation was based on the number of employees (in tonnes of CO_2e per employee per category multiplied by the total number of employees according to the ESRS).

The share of each respective category in the total Scope 3 emissions, as well as the extent to which they can be influenced and their industry relevance, were used as criteria to identify the relevant Scope 3 categories. According to the GHG Protocol, the degree of influence corresponds to the undertaking's potential to reasonably reduce emissions from the respective Scope 3 category. With regard to industry relevance, the GHG Protocol refers to sector-specific guidelines, which are not yet available for the financial industry. For this reason, an industry comparison based on the sustainability reporting of the Scope 3 emissions of six insurance companies was carried out to assess industry relevance.

In the reporting year, the result of the significance analysis led to the classification of Scope 3 emissions in category 3.15 (financed emissions) as relevant and, consequently, their inclusion in the consolidated non-financial report. Although the share of Scope 3.6 emissions from air travel in VIG's total Scope 3 emissions is less than one percent, greenhouse gas emissions will continue to be reported as in the past due to the assumed relevance for certain stakeholders. The financed emissions (category 3.15) represent emissions from the Company's investment and underwriting portfolio and account for around 97% of total Scope 3 emissions. Asset management and underwriting are VIG's core business activities, and VIG has levers and actions in place to reduce emissions from the portfolio. Furthermore, the industry comparison shows that Scope 3 emissions in category 15 are generally the most relevant category of greenhouse gas emissions for financial companies. The procedure for calculating emissions from this category is explained below for underwriting (corporate and retail) and asset management (including real estate).

The remaining categories of Scope 3 emissions were not classified as material in the reporting year. Scope 3 category 1 "Purchased goods and services" is not relevant, since the products purchased by VIG, as a service provider, are primarily limited to paper products and the resulting emissions are negligible. In addition, certain IT products were included in the emissions calculation, although this has not changed the relevance of this category. Similarly, emissions in category 3.2 "Capital goods" are negligible, since the capital goods purchased for VIG are limited to office infrastructure (IT and furniture) and company vehicles. Category 3.3 "Fuel and energy-related activities" is not material for VIG as a non-manufacturing company. The upstream emissions from energy and fuel consumption are low and account for less than one percent of total Scope 3 emissions. As a financial company without significant transport and logistics activities, categories 3.4 and 3.9 "Transportation and distribution (upstream and downstream)" are not material for VIG. Category 3.5 "Waste" covers those emissions that arise from the disposal and treatment of waste by third parties. As a non-manufacturing company, only household waste with low greenhouse gas emissions is generated in the office buildings of VIG. Emissions from category 3.7 "Employee commuting" were calculated on the basis of data from Statistics Austria and a study by the Austrian Automobile, Motorcycle and Touring Club (Österreichischer Automobil-, Motorrad- und Touring Club — ÖAMTC) and the Vienna University of Technology. The results of these calculations show that the share of emissions is less than one percent of total Scope 3 emissions and the category is therefore not material for VIG. With regard to category 3.8 "Upstream leased assets", the emissions resulting from rented office space are already included in the Scope 1 and Scope 2 emissions. The emissions of the VIG real estate portfolio are included in Scope 3.15 (financed emissions) in the reporting year. Category 3.10 "Processing of sold products" is also not material for VIG as a service company, which is also confirmed by the industry comparison. Categories 3.11 "Use of sold products" and 3.12 "End-of-life treatment of sold products" are also not applicable, since

VIG does not sell products, but services. Emissions resulting from the sale of insurance products ("insurance-associated emissions") are reported in category 3.15. Category 3.13 "Downstream leased assets" is also not applicable to VIG in the reporting year, as emissions from real estate owned by VIG and rented to third parties are recorded in Scope 3.15 under the "real estate" asset class. Scope 3.14 "Franchises" is not material, as VIG does not undertake any franchise activities.

Calculation of financed emissions in underwriting (corporate)

Emissions in corporate underwriting are calculated on the basis of the PCAF (Partnership for Carbon Accounting Financials) "economic-activity based emission estimation" approach, as described in detail in chapter ESRS 2 BP-2 "Disclosures in relation to specific circumstances". The estimates of emissions in this area are also presented in chapter ESRS 2 BP-2 "Disclosures in relation to specific circumstances".

Calculation of financed emissions in underwriting (retail)

The financed emissions from retail underwriting include the emissions from VIG's motor portfolio. The area of building insurance is excluded in the reporting year because no PCAF standard was available at the time of reporting for the emissions calculation. Please refer to chapter ESRS 2 BP-2 "Disclosures in relation to specific circumstances" for information on the estimates made for emissions from the motor portfolio.

Calculation of financed emissions in asset management

A financial software solution is used to calculate the financed emissions in the investment portfolio, which enables the integrated processing of portfolio management and risk management data. The calculation logic of the financed emissions from corporate bonds and equities and other non-fixed-interest securities follows that of PCAF Part A. The emissions data are obtained from a specialised financial service provider and updated quarterly. The financed emissions of corporate bonds and equities and other non-fixed-interest securities are calculated on the basis of EVIC (Enterprise Value Including Cash), the investment and the corporate emissions. Where emissions data were not available, the existing emissions data were used and scaled up accordingly for each asset class. In the area of government bonds, the financed emissions are calculated in accordance with the PCAF standard; data from a financial service provider's database is also used here. For further details regarding estimates in the area of asset management, please refer to chapter ESRS 2 BP-2 "Disclosures in relation to specific circumstances".

Calculation of financed emissions in the real estate portfolio

The whole building approach according to the PCAF standard is used to calculate emissions from VIG's real estate investments. With this approach, the total Scope 1 and 2 emissions are considered for each building in the portfolio. A software solution is used to collect the data needed to calculate real estate-related emissions. This allows each VIG real estate investment to be displayed in detail and assigned its own identification number. The data must be transmitted periodically by the holding companies and are consolidated at VIG Holding level. Data from the energy performance certificates and the respective floor areas and volumes of the properties (to check the plausibility of the inputs from the energy performance certificates) are particularly relevant for the calculation of the financed emissions from the real estate portfolio. Emissions from real estate investments for which no data were provided were extrapolated using approximations from an external specialised financial service provider for NACE code 68.2 (Renting and operating of own or leased real estate).

In some cases, properties are used by the Company itself. In these cases, it was necessary to distinguish the emissions of the properties used for own use (electricity consumption, heat and cooling from Scope 1 and 2) from those of the properties used by third parties (Scope 3.15) or to deduct them in Scope 3.15.

With regard to the estimates made, reference is made to chapter ESRS 2 BP-2 "Information relating to specific circumstances".

Total VIG Scope 3 emissions are calculated based on a combination of available activity data. In VIG's internal operations, emissions from air travel were partly calculated on the basis of primary data using the exact flight kilometres reported by the companies. The percentage of primary data used to calculate emissions in internal operations in the reporting year is 33%. The emissions data in underwriting (corporate and retail) were calculated entirely on the basis of secondary data. In asset management, the emissions were calculated largely based on data from an external database provider, which also contains estimates. For this reason, the share of emissions calculated with the aid of the external database provider cannot be referred to as primary data. The exact share of primary data used for the calculation in asset management cannot yet be disclosed in the reporting year. For 4.88% of the emissions data for VIG's real estate portfolio, it was possible to refer to primary data.

The following table provides an overview of the greenhouse gas emissions calculated in the reporting year, categorised by scope. In addition, the emissions of the base year and the percentage change compared to that year are shown. As already described in chapter E1-4 "Targets related to climate change mitigation and adaptation", the scope of emissions for individual portfolios included in the transition plan for climate change mitigation differs from the presentation of emissions in the table below. The milestones and the measurement of progress in terms of emissions in accordance with the transition plan for climate change mitigation are therefore shown in a separate table on page 128 for the sake of comparability.

	Base year 2023	Retrospective Reporting year 2024	Change in %
Scope 1 GHG emissions [1]			
Gross Scope 1 GHG emissions (tCO_2eq)	19,490	18,538	-4.88%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0.00%	0.00%	
Scope 2 GHG emissions [2]			
Gross location-based Scope 2 GHG emissions (tCO_2eq)	19,301	21,195	9.81%
Gross market-based Scope 2 GHG emissions (tCO_2eq)	19,755	17,678	-10.51%
Significant scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)			
6) Business traveling	1,101	1,345	22.16%
15) Investments			
Underwriting (Corporate)	680,105	654,634	-3.75%
Underwriting (Retail)	1,911,887	1,956,328	2.32%
Asset Management (Corporate Bonds and Equities and other non-fixed-interest securities)[3]	13,343,356	10,603,806	-20.53%
Asset Management (Government Bonds)	2,979,043	2,375,284	-20.27%
Asset Management (Real Estate)[4]	111,064	102,847	-7.40%
At equity companies[5]	n. a.	3,714	n. a.
Total GHG emissions			
Total GHG emissions (location- based) (tCO_2eq)	19,065,347	15,737,691	-17.45%
Total GHG emissions (market- based) (tCO_2eq)	19,065,801	15,734,174	-17.47%

[1] The biogenic greenhouse gas emissions from the combustion or biodegradation of biomass (Scope 1) amount to 592 tCO_2e in the reporting year.

[2] The biogenic greenhouse gas emissions from the combustion or biodegradation of biomass (Scope 2) amount to 7,717 tCO_2e (location-based) and. 6,036 tCO_2e (market-based).

[3] The emissions from asset management (corporate bonds and equities and other non-fixed-interest securities) shown in the table are not comparable with the emissions from the transition plan for climate change mitigation, as Scope 3 emissions are not taken into account in this plan. The GHG emissions from asset management excluding Scope 3 amount to 1,545,956 tCO_2e in the reporting year.

[4] Greenhouse gas emissions from properties rented within VIG were not recorded in the required data quality in the reporting year. This resulted in double counting of emissions in Scope 1 and 2 and in the real estate portfolio in Scope 3.15. Efforts are underway to improve data quality.

[5] The base year emissions of at equity companies are not disclosed, as these companies were not yet included in VIG's reporting scope in 2023, and a retrospective calculation of the emission data was not possible due to missing energy metrics.

As can be seen in the table, the Gross Scope 1 GHG emissions fell by 5% compared to the previous year, which is due in part to the reduction in total fossil energy consumption in VIG as shown in chapter E1-5 "Energy consumption and mix". Gross Scope 2 GHG emissions (location-based) increased by 10% year on year. This is partly due to the fact that the calculation of location-based emissions is based on the average emission factors of the local energy supply and an increase in the purchase of energy from renewable sources is not directly reflected in the location-based greenhouse gas balance sheet. Gross Scope 2 GHG emissions (market-based), which take into account the increase in renewable energy sources, decreased by 11% compared to 2023. There was a 22% increase in Gross Scope 3 GHG emissions caused by business travel by plane in internal operations. Overall, the location-based Scope 1–3 emissions from VIG's internal operations increased by 3%, whereas the market-based Scope 1–3 emissions from internal operations decreased by around 7%. When comparing emissions with the previous year, however, it should be noted that the emission values for the base year 2023 for all non-insurance companies of VIG are based on estimates, since these companies are new to the VIG reporting scope and the energy metrics were not yet being collected in the base year.

Underwriting (corporate) saw a 4% reduction in insurance-associated emissions compared to the previous year. This reduction is partly due to the lower industry-weighted emission intensities of the external data provider used to calculate the emissions. Despite the growth of the portfolio over the last year, a lower emissions total was recorded in the reporting year.

In underwriting (retail), emissions from the motor portfolio increased by 2%. This can partly be explained by the fact that the number of vehicles included in the calculation that have motor third party liability insurance (in accordance with the PCAF standard) has increased by around 7%. In terms of average emissions per vehicle, however, a reduction of 4% was recorded in the reporting year compared to the previous year.

In asset management, there was a reduction of 21% in emissions from corporate bonds and equities and other non-fixed-interest securities compared to the previous year. This reduction is due in part to the fact that bonds from companies that are frequent issuers have expired and allocations have been made to other issuers in accordance with the ESG investment strategy. The increase in the degree of coverage is another influencing factor. Investee companies are increasingly publishing their issue data, and the proportion of estimated data has been significantly reduced as a result. Furthermore, the proportion of companies with particularly high greenhouse gas emissions has decreased. In addition, there has been an improvement in the quality of the data provided by the external data provider Government bond emissions also fell by 20% compared to the previous year. This reduction was mainly due to changes in the underlying data from the external data provider, which led to lower absolute emissions being recorded for high-emission countries. Emissions from the real estate portfolio decreased by around 7% compared to the previous year. This decline was due in part to targeted individual actions taken as well as to the slight increase in the proportion of calculated emissions compared to the previous year, which meant that fewer estimated emissions were required. This improvement in data quality allowed emissions to be measured more accurately, resulting in lower emissions.

Overall, a reduction of 17% in total greenhouse gas emissions (both location-based and market-based) was recorded compared to the base year. Over the coming years, there is expected to be a further reduction in greenhouse gas emissions as a result of the targeted actions in the transition plan for climate change mitigation and additional future initiatives.

The following table shows the portfolios selected as part of the transition plan for climate change mitigation and their emissions in the base year and the reporting year. In addition, the milestones for 2030 in accordance with the transition plan for climate change mitigation and the current progress towards achieving them are presented.

Portfolios in accordance with the Transition Plan for climate change mitigation	Base year 2023	Reporting year 2024	Change in %	Target year 2030	Annual % target / Base year
Scope 1-3 GHG emissions (internal operations) (tCO_2e)	38,066	35,912	-5.66%	27,027	19.51%
Scope 3 GHG emissions					
15) Investments					
Underwriting (Corporate) (tCO_2e)	680,105	654,634	-3.75%	485,633	13.10%
Asset Management (Corporate Bonds and Equities and other non-fixed-interest securities) (tCO_2e)	1,218,310	898,726	-26.23%	869,874	91.72%

As already described in chapter E1-4 “Targets related to climate change mitigation and adaptation”, an overarching reduction target has been set for Scope 1–3 emissions from internal operations. In the reporting year, a reduction of 6% was achieved compared to the previous year. Around 20% of the planned emission reductions in internal operations were achieved in the reporting year in relation to the 2030 milestone.

As already described, a 4% reduction in emissions was recorded in the underwriting (corporate) sphere of impact. In terms of the milestone, target achievement of 13% is therefore guaranteed in the reporting year. When comparing emissions from the underwriting (corporate) portfolio, it should be noted that the portfolio and thus the basis for calculating emissions may vary from year to year.

There was a 26% reduction in the emissions from corporate bonds and equities and other non-fixed-interest securities in the asset management sphere of impact recorded in the transition plan for climate change mitigation. With regard to the milestone set for 2030, 92% of the planned emission reductions were already achieved in the reporting year.

On the basis of the actions set out in the transition plan for climate change mitigation, emissions will be gradually and sustainably reduced in the coming years.

GHG intensity based on net revenue

The following table summarises the intensity of VIG's greenhouse gas emissions. VIG's total greenhouse gas emissions are shown in relation to the revenue disclosed in the consolidated financial statements. The insurance service revenue – issued business, rental income from investment property and other income (service turnover) were recorded as revenue.

GHG intensity per net revenue (according to ESRS)	2023	2024	Change
	t CO_2e/EUR	t CO_2e/EUR	in %
Total GHG emissions (location-based) per net revenue	0.0017	0.0013	-25.90%
Total GHG emissions (market-based) per net revenue	0.0017	0.0013	-25.92%

The following table shows the reconciliation of the relevant revenue to the corresponding items in the consolidated balance sheet.

Type of turnover used to calculate GHG intensity	Income statement item	Reference to Consolidated Financial Statements	2023 Amount (EUR '000)	2024 Amount (EUR '000)
Insurance turnover	Insurance service revenue – issued business	Page 158	10,921,825	12,138,477
Real estate income (from rented properties of insurance companies as well as real estate holding companies)	Rental income from investment property	Page 219	194,758	214,139
IFRS 15 turnover from non-insurance companies	Other income (other revenue from services)	Page 233	121,222	166,429
Total net revenue			11,237,805	12,519,045

SOCIAL INFORMATION

ESRS S1 OWN WORKFORCE

The following section describes the requirements associated with ESRS 2.

Strategy

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

VIG takes into account the interests of its employees, which are determined directly by surveys, meetings and consultations. Feedback on working conditions, safety and well-being is taken into account in decision-making to ensure that impacts, risks and opportunities are properly managed. In addition, employees and, where applicable, their representatives are regularly informed about important company decisions. In cooperation with non-governmental organisations, VIG incorporates the perspectives of vulnerable groups and minorities in initiatives and keeps up to date on challenges and procedures for promoting diversity, equality and inclusion (for further information, see ESRS S1-2 "Processes for engaging with employees and employees' representatives about impacts"). These exchanges enable VIG to stay up to date on emerging challenges and existing practices, and thus develop programmes and policies that promote diversity, equality and inclusion within the workforce. A fundamentally respectful approach creates a supportive, inclusive environment that is consistent with ethical practices and respect for human rights.

This commitment is in line with VIG's commitment to ethical principles and underpins the management of both positive and negative impacts on the workforce. The following principles of the UN Global Compact are supported in connection with own workers:

Human Rights
- Principle 1: within their sphere of influence, businesses should support and respect the protection of internationally proclaimed human rights and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour
- Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,
- Principle 4: the elimination of all forms of forced and compulsory labour,
- Principle 5: the effective abolition of child labour and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

VIG's own workforce includes both people who are in an employment relationship ("employees") and non-employees.

Employees consist of staff in both office and field staff roles. Non-employees are individuals who do not have a direct employment relationship with VIG but provide work either as self-employed people or through third-party undertakings.

Flexible work models, training and development programmes, family-friendly, health- and diversity-promoting initiatives, and fair remuneration that largely exceed legal and/or collective agreement requirements are provided for VIG's own workforce. Training measures cover topics such as the Code of Business Ethics, anti-corruption and data protection. Implementing a diversity strategy in internal operations creates opportunities that both strengthen VIG's reputation and attractiveness as an employer and promote team spirit and inclusiveness. This is achieved by ensuring equal opportunities for all, regardless of personal background, in line with the requirements of the Company's own workforce.

Impact, risk and opportunity management

DISCLOSURE REQUIREMENT S1-1 – POLICIES RELATED TO OWN WORKFORCE OF THE COMPANY

Policies to manage material impacts, risks and opportunities (IROs)

Binding documents have been established in VIG to manage the material impacts, risks and opportunities identified for its own workforce, e.g. the Code of Business Ethics and documents on the topics of remuneration, fit & proper, and data protection (see MDR-P "Policies adopted to manage material sustainability matters"). Policies relating to the protection of whistleblowers are described in G1-1 "Business conduct policies and corporate culture". In addition to these, VIG predominantly adopts policies and comprehensive actions to support health and safety in the workplace, adapting them to the specific country where necessary. By continuously improving these practices, VIG creates a supportive, inclusive and fair working environment. These practices are regularly reviewed to ensure they remain relevant and effective in addressing emerging risks and opportunities in the workforce.

Diversity is a high priority at VIG and is a core value in the VIG mission statement and part of the HR strategy. By applying diversity management to all employees, VIG expects to generate corresponding diversity in the candidate pool for successor planning in the long term. It is applicable throughout the Group and at the same time enables flexible, local implementation. At Holding level, it focuses on the criteria of gender, generations and internationality.

- Gender: ensure equal gender treatment in all areas (career and development options, benefits and income, etc.)
- Generations: use mixed-age teams and take into account the various phases of life to develop full potential (generation-appropriate offers and support in the various phases of life, learn from one another, life balance, fair recruitment)
- Internationality: Group-wide exchange of know-how (local expertise), collaborative learning, use of the internal Group job market and ensuring an appropriate mix of people from different countries within VIG

The criteria of gender, generations and internationality are also taken into account when new Supervisory Board Members are proposed for election at General Meetings. Furthermore, VIG embraces the concept of local entrepreneurship, thereby also strengthening internationality at the Managing Board level of VIG. The VIG Holding Diversity Advisor advises local VIG companies on diversity management issues as needed.

Flexibility in how actions are implemented locally gives rise to a broad spectrum of actions and solutions. They range from diversity training to mentoring programmes to promote learning across generations and nationalities. Numerous other VIG actions and projects can be found in the "best practice book" created by the VIG Holding Diversity Advisor. This book is intended for internal use and acts as a source of inspiration for learning and information-sharing throughout the Group. The actions described in the book include training and awareness-raising on the importance of diversity. For example, it mentions workshops for managers on managing cultural differences, as well as e-learning courses for all employees that are designed to promote understanding and acceptance of diversity.

Human rights commitment

VIG is committed to upholding high standards of ethical conduct and human rights. As a signatory to the UN Global Compact, VIG is committed to the ten principles associated with it (see chapter ESRS 2 "SBM-1 – Strategy, business model and value chain"), which include the protection of human rights, fair labour practices, environmental sustainability and anti-corruption. Each year, VIG publishes the consolidated non-financial report on its website as part of its commitment to the UN Global Compact.

Human rights are also enshrined in the Code of Business Ethics, which underpins VIG's commitment to fair and ethical business practices. In its internal operations, VIG emphasises good working conditions and the recognition of employee rights, thereby promoting a culture of respect and fairness. Potential human rights violations can be reported through the locally established channels and to VIG Holding. Further details on the internal reporting system are described in ESRS 2 MDR-P "Policies adopted to manage material sustainability matters".

VIG is committed to upholding international human rights and states its opposition to forced and child labour and discrimination in its Code of Business Ethics. In addition, VIG respects the rights of employees, such as freedom of assembly, collective agreement negotiations and the election of representatives. The relevant legal provisions in the respective countries apply as minimum standards for VIG.

Workplace accident prevention actions

The companies of VIG ensure a safe and healthy working environment for their employees. Depending on the local circumstances, the companies have either adopted a workplace accident prevention policy that incorporates the main principles and guidelines for safety or introduced specific accident prevention actions. Both approaches take into account the size, nature and complexity of the respective companies and show that VIG is consistently committed to the well-being of its employees and places a high value on continuously improving safety practices in the workplace.

Policies aimed at the elimination of discrimination

VIG is committed to a fair working environment, and this is reflected in its internal requirements. These commitments are anchored in the Code of Business Ethics, the Group Policy Fit & Proper and the diversity strategy. For more details, see chapter MDR-P “Policies adopted to manage material sustainability matters”.

To prevent and address discrimination, the majority of VIG companies have established confidential reporting mechanisms, allowing employees to report concerns related to discrimination or harassment through secure channels. In addition, some companies offer voluntary training on discrimination and harassment.

At the company level, HR and/or Compliance departments are responsible for enforcement, ensuring adherence to both internal guidelines and legal requirements.

DISCLOSURE REQUIREMENT S1-2 – PROCESSES FOR ENGAGING WITH EMPLOYEES AND EMPLOYEES’ REPRESENTATIVES ABOUT IMPACTS

Engaging with own workers and workers’ representatives

It is important to VIG that its employees are actively involved in decisions and activities that impact them. Workers’ representatives are consulted appropriately at companies that have them. Employees can, for example, be involved in the planning, implementation and review of actions. Participation opportunities include (online) events, surveys and feedback in direct contact with employees, employee interviews and focus groups. There are also various feedback mechanisms, such as annual appraisals, idea management systems, onboarding actions and exit interviews, which can vary depending on local needs. These mechanisms enable comprehensive and ongoing input from employees at different levels of the organisation.

The responsibility for ensuring that employee engagement takes place lies primarily with the Human Resources department in most VIG companies. In the final instance, responsibility lies with the top management level.

VIG continuously assesses the success of its employee engagement efforts by analysing feedback from employee surveys and interviews. In 2024, around 15,000 employees were surveyed by Great Place to Work©. 27 fully consolidated insurance companies including branch offices, two pension funds and five other companies from the areas of IT, Asset Management and Assistance, among others, participated in the survey. Employees were asked about credibility, respect, pride, team spirit and fairness. The results of these assessments inform decision-making processes, leading to the further development of existing policies and the introduction of new initiatives that better address employee needs. Regular reviews ensure that inclusion procedures are effective to drive positive change.

Vulnerable groups and minorities

Some VIG companies work with non-governmental organisations (NGOs), social enterprises and non-profit organisations that promote the rights of vulnerable groups and minorities, such as myAbility (support for persons with disabilities), Pride Biz Austria and connecting people. These partnerships enable VIG to stay informed about best practices and emerging issues. Training on diversity, equality and integration is also offered. The aim of this training is to promote an integrative workplace culture and enable employees to actively contribute to a fair working environment.

DISCLOSURE REQUIREMENT S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR EMPLOYEES TO RAISE CONCERNS

Processes to remediate negative impacts

VIG promotes the physical and mental health of its employees and also offers flexible working time models and family-friendly initiatives. Depending on the local circumstances, sports programmes, psychosocial support and cooperations with fitness providers are available. In addition to actions to improve well-being, great emphasis is also placed on a culture of open communication, which includes the opportunity for employees to express their questions and concerns via various channels. If the concerns involve a possible violation of the principles of the Code of Business Ethics, they can be reported to local compliance officers via the local channels based on the responsibilities defined in the respective Group companies, as well as via other means. In addition, employees can report concerns relating to potential violations of regulatory requirements to Compliance (incl. AML) of VIG Holding within the framework of the internal whistleblowing channels set up at VIG Holding level. There are also whistleblowing policies at local level, where provided for by law. For more information on whistleblowing, see the ESRS MDR-P "Policies adopted to manage material sustainability matters" and ESRS G1-1 "Business conduct policies and corporate culture".

DISCLOSURE REQUIREMENT S1-4 – TAKING ACTION ON MATERIAL IMPACTS AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS AND APPROACHES

Plans and actions adopted to address material IROs

VIG is dedicated to managing material impacts on employees by implementing appropriate actions in its companies. To support the implementation of health, safety and well-being initiatives, VIG designates teams and departments responsible for developing and overseeing these programmes, which work collaboratively with external consultants and internal stakeholders to ensure the programmes are well-resourced and effective in mitigating risks.

Funds are available in particular for issues such as mental health care, programmes to strengthen an appropriate leadership culture and initiatives for diversity, equality and inclusion. Many local VIG companies invest in both in-house services — such as healthcare professionals — and external partnerships to provide comprehensive support for employees. They also invest in training programmes and personnel development initiatives to strengthen leadership skills and ensure that employees acquire the skills they need to drive their career development. VIG employees can participate in international training and development programmes. Depending on local requirements and possibilities, the local companies provide additional opportunities for employees.

Regular employee surveys and feedback mechanisms are a key source of information for assessing the effectiveness of these actions, and the majority of local companies allocate resources to evaluate and deduct further steps.

Actions to prevent or mitigate potential negative impacts on employees

In many VIG companies, employees are offered comprehensive professional development programmes. For key players and employees in key functions, there is also the opportunity to complete special training courses. Management programmes place a special focus on the promotion of existing and future leadership talents within the organisation.

In order to assess the effectiveness of these initiatives or to assess the impact and success of these actions, most VIG companies rely on surveys such as those conducted by

Great Place to Work©. The results demonstrate VIG's commitment to being a responsible employer and offering a respectful working environment. Employees' suggestions are also analysed in detail and serve as the basis for the company's continuous development.

Identification of suitable actions in response to negative impacts

VIG takes a structured approach to identifying appropriate actions in response to both actual and potential negative impacts on its workforce. Many local companies regularly provide health and safety reviews to identify potential risks and proactively address them. When incidents occur, the causes are identified and resolved. In addition, some companies use the services of external health and safety consultants, who carry out independent assessments and make recommendations.

Several VIG companies also use employee surveys to obtain feedback on both actual and potential negative impacts on health, safety and well-being. Based on the findings from audits, surveys and incident reports, action plans are developed. Furthermore, many companies have established incident reporting systems that allow employees to confidentially report health and safety concerns. In addition to regular meetings, cross-functional working groups are convened as required. These groups develop solutions and use the expertise of all departments to implement appropriate action plans.

Ensuring that VIG practices do not contribute to negative impacts

The aim of VIG is to ensure that internal requirements do not cause or contribute to any material negative impacts on its own workforce. In this context, all VIG companies are obliged to protect the personal data of their employees in accordance with the applicable data protection regulations. Data access is restricted to authorised personnel and there are security actions (see chapter ESRS 2 MDR-P "Policies adopted to manage material sustainability matters") to protect against unauthorised access or misuse of employee data.

Planned and ongoing actions to mitigate material risks and pursue opportunities

VIG has implemented a range of actions to mitigate potential risks arising in its own business operations. These are described under "Plans and actions adopted to address material IROs". VIG companies also strictly adhere to relevant labour laws and regulations to mitigate potential legal and reputational risks.

In order to achieve a large and diverse pool of talent and to ensure inclusion and equal opportunities regardless of personal background, VIG uses modern recruitment methods. This includes actions such as recruitment via social media and the implementation of diagnostic procedures to ensure an objective selection process. Training on unconscious bias is also provided for recruitment teams and managers to improve objectivity. Some local companies have also set up recruitment platforms and actively participate in job fairs and similar events. With a view to pursuing opportunities that benefit employees, VIG promotes career advancement opportunities for all employees, for example through mentoring programmes, training courses and further development initiatives.

Metrics and targets

DISCLOSURE REQUIREMENT S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

The objectives of the VIG Human Resources strategy, which relate to ESRS S1 "Own workforce", include the perception of VIG as a diverse, innovative, learning organisation. In addition, managers should ensure a positive working environment and support employees with future challenges. The strategy also aims to further strengthen the feedback culture. Employee motivation and commitment are important for the long-term success of a company. VIG therefore strives to be an attractive employer who promotes equal opportunities, employee centricity and diversity. In addition, VIG supports its employees in obtaining the skills (personal and professional) required for their work through further training. Many training programmes are designed locally by the respective companies so that they can be tailored as much as possible to existing employee needs. Actions that will best support individual employees in their development are usually discussed in regular target & talent talks led by HR departments. The proportion of employees who have taken part in this is shown under S1-13 "Training and skills development metrics".

DISCLOSURE REQUIREMENT S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

The following metrics provide information on the gender distribution and the total number of employees by contract type, gender and region (basis: head count).

Employees by gender

Gender	Number of employees (head count)
Male	13,155
Female	21,286
Other[1]	0
Total number of employees	**34,441**

1) Gender according to the employees' own statements. The gender 'other' is not shown in the other tables.

Employees by contract type and gender

	Female	Male	Total
Head count			
Total number of employees	21,286	13,155	34,441
Number of permanent employees	19,654	12,401	32,055
Number of temporary employees	1,632	754	2,386
Number of non-guaranteed hours employees	439	209	648

Employees by contract type and region

	Austria	Czech Republic	Poland	Extended CEE	Special Markets	Group Functions	Total
Head count							
Total number of employees	6,451	6,321	3,303	12,984	4,635	747	34,441
Number of permanent employees	6,179	5,551	3,003	12,042	4,585	695	32,055
Number of temporary employees	272	770	300	942	50	52	2,386
Number of non-guaranteed hours employees	0	244	366	23	0	15	648

Fixed-term contracts are only used in certain situations, such as parental leave replacements or, where needed, for projects. There are no seasonal employees. Due to national circumstances, some VIG companies employ people without guaranteed working hours. These employees are assigned to different areas of the company as required, including for administrative support. They are mainly student employees and temporary workers. During the reporting period, 7,400 employees left a company of VIG.

Employee turnover based on the head count as of 31 December 2024 is 21%. This figure also includes retirement and transfers within VIG, for example.

DISCLOSURE REQUIREMENT S1-7 – CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE

A total of 7,315 non-employees work for VIG. The data were collected by head count as of 31 December 2024, and no average calculation was performed over the required period.

Non-employees work predominantly as self-employed people and to a lesser extent through third-party undertakings.

Self-employed people are considered to be non-employees if they work independently, determine their own working time, are not organised as a legal entity, work exclusively for VIG brands and – in the case of self-employed insurance agents – have dfs carried out transactions for a company of VIG Group during the reporting period.

Persons employed by a third-party undertaking are considered to be non-employees if they work under the direction or instruction of a VIG company. This includes, in particular, persons who take on regular tasks from permanent employees at the same location, for example as a substitute during an absence.

DISCLOSURE REQUIREMENT S1-8 – COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

In total, 34% of employees are covered by collective bargaining agreements. The employees that are not covered by a collective bargaining agreement work in companies in which collective bargaining agreements are not applicable due to national circumstances. These countries, for example, have qualification-based minimum wages or internal company pay scales.

In many companies, the top management level is excluded from agreements regulated under collective bargaining agreements. Since the segment allocation includes both EEA and non-EEA countries, the country is shown in the following table.

Information on collective bargaining coverage and social dialogue

	Collective Bargaining Coverage		Social dialogue
Coverage Rate	Employees - EEA (for countries with >50 empl. representing >10% total empl.)	Employees - Non-EEA for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0–19%	Czech Republic	Türkiye	Czech Republic
20–39%			
40–59%			
60–79%			
80–100%	Austria		Austria

DISCLOSURE REQUIREMENT S1-9 – DIVERSITY METRICS

The top management levels were defined as the members of the Supervisory Board, the members of the Managing Board and the first management level below the Managing Board members (Board-1) of the insurance companies. The following table shows the gender distribution at these levels of the insurance companies. With regard to the diversity metrics of VIG Holding, see chapter GOV-1 “The role of the administrative, management and supervisory bodies”.

	Supervisory Board		Managing Board		Board-1	
	Number	in %	Number	in %	Number	in %
Male	108	78.83%	109	77.86%	482	56.71%
Female	29	21.17%	31	22.14%	368	43.29%

The following table shows the distribution of all VIG employees by age group:

Employees	2024
Head count	
under 30 years old	6,838
30-50 years old	18,875
over 50 years old	8,728

DISCLOSURE REQUIREMENT S1-10 – ADEQUATE WAGES

VIG ensures that all its employees receive adequate wages and that the local minimum requirements (statutory minimum wage, collective bargaining agreements etc.) are always met or exceeded. Required qualifications and the duties and responsibilities of the position in question are all taken into account when setting remuneration levels. The relevant policies are regularly reviewed and, if necessary, adapted.

DISCLOSURE REQUIREMENT S1-11 – SOCIAL PROTECTION

VIG guarantees social protection for all employees in accordance with the locally applicable legal provisions. This includes protection against loss of income due to sickness or unemployment from the start of employment with VIG, due to employment injury and acquired disability, and due to parental leave and retirement. The protection is guaranteed subject to applicable law and taking into account any applicable collective bargaining agreements in the respective country.

DISCLOSURE REQUIREMENT S1-12 – PERSONS WITH DISABILITIES

As part of VIG's commitment to diversity and inclusion, the percentage of persons with disabilities in the workforce is reported. As of 31 December 2024, 2% of the workforce is designated as persons with disabilities in accordance with local regulations. VIG is committed to creating an inclusive working environment that takes into account the needs of all employees and ensures equal opportunities for persons with disabilities.

DISCLOSURE REQUIREMENT S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

As part of its commitment to the growth and further development of all employees, VIG attaches great importance to regular target and talent talks. These are essential to align individual objectives with the strategic objectives and to provide valuable mutual feedback.

The following tables show the average number of training hours per employee and the percentage of employees who have participated in performance and career development reviews (broken down by gender and employment category).

Average hours of training per employee	2024
Number	
Gender	
Male	39.45
Female	32.01
Employment category	
Office staff	23.92
Field staff	45.94

Employees who have participated in regular performance and career development reviews	2024
in %	
Gender	
Male	78.74
Female	76.82

The difference in training hours between employees in sales and administration is mainly due to the legal requirements of the Insurance Distribution Directive (IDD), which stipulates a certain level of training for persons involved in insurance distribution.

DISCLOSURE REQUIREMENT S1-14 – HEALTH AND SAFETY METRICS

In line with its commitment to the well-being of its employees, VIG ensures that the majority of its employees are protected by a health and safety management system that complies with legal requirements and recognised standards.

The data were collected as of 31 December 2024 and no average calculation was performed over the required period. 99% of employees and 3% of non-employees are subject to health and safety management based on legal requirements and/or recognised standards or guidelines.

No fatalities were reported in the Company's own workforce or among other employees working on the Company's premises due to work-related accidents or work-related ill health. Furthermore, no cases of recordable work-related ill health were reported with regard to employees. In the reporting year, 65 recordable work-related accidents (in accordance with local regulations, including commuting accidents, if applicable) were recorded within the own workforce. The rate of work related injuries per 1 million hours worked is 1.18.

A total of 1,067 days were lost due to work-related accidents with regard to employees.

DISCLOSURE REQUIREMENT S1-15 – WORK-LIFE BALANCE METRICS

VIG attaches great importance to life balance and to respectful and cooperative collaboration and creates a working environment where employees are able to reconcile their professional and personal priorities. A number of actions being developed by the local Group companies in line with the needs of their employees promote this balance and include initiatives for physical and mental health as well as offers for flexible working and family-friendliness. One-hundred percent of employees are legally entitled to family-related leave in accordance with local legal provisions. Of the eligible employees, 10% took advantage of this leave. The distribution by gender is shown in the following table.

Employees that took family-related leave	2024
in %	
Male	26.01
Female	73.99

DISCLOSURE REQUIREMENT S1-16 – REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

As the leading insurance group in Central and Eastern Europe, VIG operates in countries with different economic conditions. This was taken into account in the calculation of the compensation metrics by adjusting the salary data for purchasing power differences using Purchasing Power Parities (PPP) (Eurostat).

The gender pay gap is calculated as the difference between the average gross hourly pay level of male and female employees, expressed as a percentage of the average gross hourly pay level of male employees. VIG's unadjusted gender pay gap is 31%. The unadjusted gender pay gap does not take into account individual factors such as function, hierarchy level, qualification, professional experience and industry specifics and is therefore only of limited significance. Taking into account only a hierarchical structure produces the following values:

Adjusted Gender Pay Gap	2024
in %	
Top management level	12.50
Management directly below the top management (board-1)	21.46
Other employees	24.77

The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) is 27:1.

The salary data of around 7000 employees of Austrian VIG companies were used as the basis for determining the median of the annual total remuneration of all employees (excluding the highest-paid individual). Based on the distribution of these data, the median for VIG as a whole was derived – taking into account the average remuneration of the Group companies outside Austria, adjusted for purchasing power. The data were adjusted for differences in the extend of employment. All persons employed as of 31 December 2024 in all areas of work (office and field staff) and at all hierarchy levels (top management, management directly below the top management (Board-1)) were taken into account.

All fixed and variable remuneration components and one-off payments received in the reporting year were taken into account in the calculation of the remuneration metrics. Expense allowances such as per diems and expenses were not included.

DISCLOSURE REQUIREMENT S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

Minimum standards are defined in the Code of Business Ethics and described in ESRS 2 MDR-P "Policies adopted to manage material sustainability matters". A total of seven cases of discrimination, including harassment, were reported for the reporting year. No further complaints were reported in this context. The total amount of fines, penalties and compensation for damages as a result of incidents and complaints of discrimination, including harassment, amounted to EUR 13,051 in the reporting period. VIG is not aware of any severe human rights incidents connected to its own workforce during the reporting period, nor have there been any complaints submitted to the National Contact Point for OECD Multinational Enterprises.

ESRS S4 CONSUMERS AND END-USERS

The following section describes the requirements associated with ESRS 2.

Strategy

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

For VIG, the scope of ESRS S4 "Consumers and end-users" includes retail customers as well as small and medium-sized sole proprietorships operated by natural persons. The assignment to this customer segment is based on the customer's view and is not product-dependent. Corporate customers, internal operations and capital investments do not fall under the scope of ESRS S4. If the customer is a legal entity, it is classed as a corporate customer.

The identified negative impacts relate to the provision of adequate and understandable information for policyholders and the protection of personal data. The positive impacts are facilitated by needs-based products and services provided by VIG for policyholders. Detailed information on this is provided in the chapter "Strategic principles" on page 10 of the Group Annual Report or under MDR-P "Policies adopted to manage material sustainability matters". A general increase in demand for private provision products and/or for a wider range of health care products is confirmed in a study on demographic change and the demand for life insurance by the German Insurance Association (GDV). VIG views this as an opportunity. The identified risks relate to the possibility of using misleading information when offering products that meet ESG criteria (greenwashing) and the violation of data protection regulations.

Consumers and end-users are equally affected by the identified impacts, risks and opportunities. Risk provisions are implemented equally for all policyholders. Both opportunities and risks were analysed equally for all consumers and end-users.

Impact, risk and opportunity management

DISCLOSURE REQUIREMENT S4-1 – POLICIES RELATED TO CONSUMERS AND END-USERS

The key policies adopted to manage the described impacts, risks and opportunities, as already described under MDR-P "Policies adopted to manage material sustainability matters", are the VIG strategic and sustainability programmes, the commitment to the UN Global Compact, the Code of Business Ethics, requirements relating to data protection and risk management, and the Fit & Proper policy. The Insurance Distribution Directive (Directive (EU) 2016/97, IDD) is a material EU requirement in the context of ESRS S4 "Consumers and end-users", as it ensures customer protection, consumer protection and minimum European harmonisation in insurance distribution. It sets out specifications for products, advice and remuneration and obliges insurance and reinsurance companies to train all employees involved in sales and in managerial positions in order to ensure that customers are given the best possible advice. In addition, the majority of VIG insurance companies have implemented guidelines for the appropriate handling of complaints from policyholders. The Group Policy Life Insurance addresses product design, portfolio, sales and risk management and the avoidance of greenwashing in life insurance. VIG insurance companies have also implemented various local requirements to ensure that policyholders receive adequate and understandable information.

- Product information guidelines for the creation and distribution of product information are designed to ensure that brochures, websites and other materials contain accurate, up-to-date and easy-to-understand information.
- Marketing communication specifications set out standards to ensure that the insurance companies correctly present the product content in summary form and that they comply with the legal requirements and are not misleading.
- Standards for digital communication ensure that product information can be exchanged across different channels in a consistent, secure and easily accessible manner.
- Customer segmentation enables customer-oriented product communication based on the corresponding characteristics of the policyholders (e.g. age or risk profile).
- Training enables employees to gain a comprehensive understanding of the available products in order to ensure expert communication.
- Enquiries are answered in accordance with specifications that are intended to ensure timely and fact-based communication.
- Provisions for providing feedback help continuously improve communication.

VIG respects human rights and is committed to the principles of the UN Global Compact. Further details can be found in ESRS 2 MDR-P "Policies adopted to manage material sustainability matters".

Personal data are processed with the utmost care and in accordance with data protection regulations.

The local insurance companies have introduced feedback mechanisms, for example in the form of stakeholder surveys. Further details can be found in S4-2 "Processes for engaging with consumers and end-users about impacts".

To ensure that the rights of consumers and end-users are protected, most of the insurance companies have set up complaints offices. Brokers, agents and other intermediaries are also contact persons for expressing concerns and can provide information about the possible grievance mechanisms.

DISCLOSURE REQUIREMENT S4-2 – PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

The local VIG insurance companies continuously and systematically collect feedback from policyholders. This creates a deeper understanding of needs, which leads to an improvement in service quality. The findings include statements about service quality, clarity of the information provided and general satisfaction with the services offered. The local insurance companies are in direct contact with policyholders via various communication channels such as surveys, feedback forms and special portals. These channels make it possible to capture a broad and representative range of perspectives.

The local insurance companies endeavour to take the interests of policyholders into account in different phases. The decision on the different coverage variants is the responsibility of the policyholders or the brokers authorised by them. Prior to the conclusion of an insurance contract, local insurance companies concentrate on raising awareness and educating by informing potential customers about the respective product range, e.g. through marketing campaigns, webinars, information brochures or relevant content on the websites (pre-contractual information, contract conditions, key information documents). Local insurance companies also offer face-to-face consultations, chat support and/or tailored insurance consulting tools for different distribution channels. During the conclusion of the contract, the insurance companies support their customers by providing advice in the application process, customer services and online tools in accordance with the customers' respective sales access. During the term of an active insurance contract, the local insurance companies maintain regular communication with policyholders via telephone, email, online chat, or by sending newsletters containing the latest information. Training programmes for the various intermediaries ensure professional development, as required under the Insurance Distribution Directive (IDD).

Since policyholder support depends heavily on the respective sales partners and is an ongoing process, the local insurance companies also conduct regular reviews, for example, using feedback forms at various customer contact points (either directly or through sales partners). This enables continuous assessment of policyholders' needs.

In the event of a loss occurence, there are various possibilities for reporting a loss. This includes direct reporting to insurance brokers, via online platforms or customer service centres, by email or even by letter or fax. The aim is to provide policyholders with the best possible support in the claims process. When a claim is reported to an insurance intermediary or a customer service centre, it is also determined which documents have already been submitted and which still need to be provided. The online process is designed to ensure that claims are submitted as fully as possible from the outset, with the goal of obtaining the necessary documentation as quickly as possible to facilitate swift claims processing. If an expert assessment is required, the local insurance company initiates the process.

Surveys and interviews conducted after claims have been processed provide valuable insights into the claims handling process and policyholder satisfaction. If complaints arise, it is important to determine whether they are due to a lack of coverage or whether there are potential areas for improvement in the claims process.

The contract renewal process depends on the relevant legal requirements for renewal. During the renewal phase, local insurance companies prepare offers in accordance with local legal requirements. They also gather feedback at this stage to further improve their services.

The quality of the customer relationship is evaluated using various indicators. One of the most common metrics is the Net Promoter Score (NPS), which measures the likelihood that policyholders would recommend VIG services. In addition, some local insurance companies evaluate satisfaction using the Customer Satisfaction Score (CSAT). Another important metric is the time in which complaints are resolved or clarified. Feedback analyses are also carried out, and these can be used to derive trends and additional findings.

No disadvantaged consumer groups were identified in the double materiality assessment. Disclosure Requirement

S4-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

In order to ensure the protection of the rights of consumers and end-users, a complaint management system has been established, which is organised decentrally within the Group. The insurance companies offer their policyholders various options for expressing their concerns and needs (such as service helplines or online complaint portals). Reported incidents and the actions to be derived from them are examined individually.

Consumer complaints and concerns are recorded in various formats, including the date on which the complaint regarding the claim is received and the date it was answered. Key aspects include the time required to respond to complaints and the identification of reasons for repeated complaints. In addition, insurance companies within the EU are obliged to send regular reports on customer complaints to their respective national supervisory authority.

Agents and other intermediaries providing services to policyholders on behalf of VIG, as well as brokers acting on behalf of policyholders, serve as key points of contact for raising concerns and informing customers about available grievance mechanisms. At the same time, VIG ensures that intermediaries, agents and other intermediaries have the opportunity to obtain feedback. In addition, brokers who work on behalf of VIG are offered ongoing training that focuses on the concerns of policyholders.

Customer interactions are managed by the respective local insurance companies. To facilitate exchange within VIG, a Customer Experience (CX) centre has been set up in Poland. This centre collaborates with local VIG companies on customer experience matters and discusses with the participating insurance companies which developments in core insurance processes should be shared with other VIG insurance companies.

DISCLOSURE REQUIREMENT S4-4 – TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS

The professional training and development of sales staff ensures that the persons involved in insurance distribution have the necessary knowledge and skills. In addition, the local insurance companies offer different products and services according to the needs of local policyholders. These include among others:

- Life insurance policies that take ESG criteria into account, such as unit- and index-linked life insurance policies.
- Insurance products with environmental added value, which are intended to promote environmentally friendly mobility and energy-efficient construction, provided that they are financially sustainable.
- Insurance for innovative, sustainable technologies with a focus on renewable energy in Central and Eastern Europe.
- Integration of various digitalisation solutions within the core insurance processes, whereby the communication process is to be modernised and gradually simplified across the various stages.

The effectiveness of the actions taken in terms of achievement of the desired result is assessed by means of satisfaction measurements. Further details on this are provided in S4-2 “Processes for engaging with consumers and end-users about impacts”.

VIG insurance companies invest in the further development of the online platforms for the conclusion of contracts, contract information and claims reporting in order to provide appropriate information to policyholders. VIG also drives the development of tools to improve customer experience and the promotion of innovative insurance solutions. One example of this is the introduction of telematics tariffs that reward safe driving. These initiatives are primarily designed to close any insurance gaps, particularly those of existing customers. Products are offered in accordance with local market conditions and customer requirements in order to ensure appropriate insurance coverage. VIG insurance companies decide on the respective design of products based on local market requirements (e.g. medical infrastructure). These actions are aimed at adapting to the changing needs of policyholders and ensuring a high level of satisfaction. Further actions are described in S4-2 “Processes for engaging with consumers and end-users about impacts”.

The implementation of Group-wide IT standards ensures data security. For more details, see MDR-P “Policies adopted to manage material sustainability matters”. VIG companies are subject to data protection regulations that determine how personal information is collected, used and protected.

Personal data are processed securely in accordance with data protection regulations, and IT systems are updated regularly in order to eliminate potential vulnerabilities. VIG has established reliable processes for dealing with data breaches, including a procedure for informing the affected policyholders and the supervisory authorities in accordance with the statutory provisions.

In addition, VIG uses encryption technologies throughout the Group to ensure that data, even if intercepted, remain unreadable without the appropriate authorisation. Regular internal and external audits and risk assessments are intended to identify any vulnerabilities and to enable continuous improvement of security actions. In addition, regular security checks are carried out by external specialists. VIG regularly assesses and monitors the data security procedures of its providers and partners throughout the Group in order to ensure that they comply with the applicable security standards and take appropriate security actions. This is implemented by the local companies.

In view of the increasingly sophisticated strategies used by cyber criminals, local insurance companies regularly inform their employees about cyber threats. Well-trained employees play a key role in the defence against IT security attacks. In addition, VIG has established a comprehensive programme to protect against the increasing cyber threats. VIG companies are served by three competence centres (Cyber Defense Centers) in Austria, Poland and the Czech Republic. This covers all VIG companies within the scope of the Digital Operational Resilience Act (DORA) and companies with the same IT service provider. VIG IT systems are continuously monitored for signs of a cyber security incident. The Cyber Defense Center programme is complemented by information events and employee awareness campaigns.

The aim of VIG is to ensure full compliance with statutory data protection regulations and to ensure transparency towards policyholders regarding the use and disclosure of their data. In the event of a data breach, the affected data subjects and the competent authorities will be informed immediately in accordance with the statutory provisions. Data breaches are continuously analysed by the local data protection responsible persons. The findings are used to avoid similar incidents and to continuously improve processes. Further information on the data protection management system can be found under ESRS 2 MDR-A "Actions and resources in relation to material sustainability matters". In the reporting year, 80 data breaches were reported to the relevant data protection authorities in accordance with the local statutory provisions. A Romanian Group company has been fined EUR 3,000 by the local data protection authority due to deficiencies in connection with the technical and organisational measures taken by a data processor. A Georgian Group company has been fined EUR 700 by the local data protection authority for a breach in connection with an input dialogue on the company's website; the company has appealed.

IT security incidents are reported to the Chief Information Security Officer of VIG Holding on a monthly basis. Critical incidents are reported immediately to the Chief Information Security Officer and the Holding Managing Board member responsible for IT.

To prevent greenwashing in life insurance, the VIG Group Policy Life Insurance has been adjusted through the use of transparent and verifiable sustainability criteria, such as independent certification, the disclosure of investment strategies and the provision of clear definitions of sustainable products. Information for policyholders is presented in accordance with the regulatory requirements. In non-life insurance, there is no clear definition of how products should be classified as "green". The Group Guideline Non-Life Underwriting therefore refers to different sources that must be observed if a product is defined as "green or sustainable".

In response to the identified risks, such as greenwashing or data protection breaches, VIG implements various measures, such as complaint channels and training for employees, which are not identical for all VIG companies due to differing local circumstances. This approach ensures that each insurance company can take action in line with its local requirements. Further details can be found in S4-3 “Processes to remediate negative impacts and channels for consumers and end-users to raise concerns”.

Requirements that are intended to ensure that own business practices do not have any material negative impacts on consumers and end-users are described in ESRS 2 MDR-P “Policies adopted to manage material sustainability matters”.

For the reporting year, the local insurance companies were also asked about non-compliance with the UN Guiding Principles on Business and Human Rights, the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. No incidents have been reported in this regard.

It is not possible to present the resources for managing the material topics in ESRS S4 “Consumers and end-users” separately, as this forms part of VIG’s core business and is supported by comprehensive actions throughout the Group.

Metrics and targets

DISCLOSURE REQUIREMENT S4-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

A comprehensive and continuous engagement approach is used to take account of the various interests, which the insurance companies develop further with the aim of continuous improvement. Detailed information can be found in S4-3 “Processes to remediate negative impacts and channels”. Policyholders are kept informed of the Company’s progress towards achieving these targets thanks to improved services. Findings or opportunities for improvement can be found in S4-2 “Processes for engaging with consumers and end-users about impacts”.

GOVERNANCE INFORMATION

ESRS G1 BUSINESS CONDUCT

The following section describes the requirements associated with ESRS 2.

Governance

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 GOV-1 – THE ROLE OF THE ADMINISTRATIVE, SUPERVISORY AND MANAGEMENT BODIES

VIG Holding is committed to applying and complying with the Austrian Code of Corporate Governance (ÖCGK), which is the standard for good business conduct and corporate control in Austria. The Managing Board, Supervisory Board and employees consider observance of and compliance with the rules of the Austrian Code of Corporate Governance to be highly important for the practical implementation of corporate governance.

Strategy

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

In relation to internal operations, the material impacts identified are reflected in the contribution to a fair and sustainable economic system through appropriate business conduct. The material risks in internal operations relate in particular to potential non-compliance with regulatory requirements, in particular under supervisory law, the possible consequences of inadequate IT security actions and data protection breaches, which may result in reputational damage, penalties and other financial losses. In addition, there is a risk of reputational damage due to the insurance of or investment in undertakings with inappropriate business practices or challenges in relation to their own reporting, e.g. due to the lack of disclosure of sustainability-related information.

Impact, risk and opportunity management

DISCLOSURE REQUIREMENT RELATED TO ESRS 2 IRO-1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The processes for identifying material impacts, risks and opportunities, including all relevant criteria, are described in chapter IRO-1 "Description of the process to identify and assess material impacts, risks and opportunities".

Numerous internal policies, guidelines and operating procedures exist in VIG to ensure compliance with applicable regulatory requirements and voluntary commitments, to promote a culture of integrity and to ensure ethically correct conduct, as well as to actively manage material risks and opportunities. Examples include the Code of Business Ethics, the Group-wide policies and guidelines on the compliance management system, data protection, prevention of money laundering, risk management, Fit & Proper, IT security, procurement, and the commitment to the principles of the UN Global Compact. Details on individual key governance documents are described above in section ESRS 2 MDR-P "Policies adopted to manage material sustainability matters". In addition, the Group Guideline Prevention of Money Laundering and Terrorist Financing is important in this context. This guideline is based on the requirements of the 4th and 5th EU Anti-Money Laundering Directives and the Austrian Financial Markets Anti-Money Laundering Act and applies to those VIG companies that are required to comply with anti-money laundering and anti-terrorist financing regulations on account of European or national requirements. VIG Holding and the VIG companies support international efforts to prevent the abuse of the financial system for the purposes of money laundering and terrorist financing and strive to identify and verify their customers in accordance with the know-your-customer (KYC) principle, check the origin of funds and identify and monitor transactions that appear suspicious, report them to the responsible authorities if necessary and reject or terminate them if necessary. The anti-money laundering officers of VIG Holding and the relevant Group companies play a central role in this area. The function of the anti-money laundering officers must be set up in such a way that they are responsible to the full Managing Board and report directly to the Board — without any intermediate levels.

DISCLOSURE REQUIREMENT G1-1– BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

VIG actively fosters an appropriate corporate culture through a variety of initiatives. This includes defining fundamental principles for cooperation, promoting employee engagement, offering training and development opportunities, introducing incentive schemes, fostering open communication and promoting diversity and inclusion. In addition, onboarding is used as an important time to familiarise new employees with the corporate culture. Other actions include the social commitment of VIG to the communities in their respective countries, the conduct of employee surveys and the continuous improvement of working conditions and related initiatives. Some actions are explained in more detail below.

Clear communication channels

Complete, reliable information is needed to make sound strategic decisions. The Group therefore has experts who provide the Managing Board and local company management with in-depth analyses to support them in their decision-making. Clearly defined channels of communication ensure the necessary exchange between individual Group companies and VIG Holding.

CO^3

The CO^3 experts department increases interaction and the exchange of experience between the Group companies and provides strategic input for the positioning of the Group.

Training programmes

VIG Holding offers comprehensive training programmes for employees on topics such as compliance, international sanctions and the Code of Business Ethics.

People are at the heart of the Group

VIG respects the cultures and traditions of the various countries and markets in which it offers its insurance services, and it is committed to equal opportunities in the recruitment and development of its employees. This commitment is underlined by the Group's diversity strategy and the appointment of a Diversity Advisor at VIG Holding. VIG regularly organises workshops, conferences and cross-departmental and cross-company projects that encourage employees to network and communicate effectively. These initiatives promote a positive working environment, strengthen trust and improve overall team dynamics. VIG is aware that investing in team building not only increases morale, but also productivity and innovation. Further information can be found under S1-1 "Policies related to own workforce of the company".

Compliance management system

The Group-wide compliance management system is a key part of the measures for managing material impacts, risks and opportunities. Alongside the Code of Business Ethics, this system forms the core of the overall concept for ensuring ethical and legally compliant conduct in internal operations and in relationships with customers, business partners, shareholders and the general public. The compliance management system also provides for mechanisms for reporting perceived conduct that is potentially in conflict with regulatory and ethical requirements as well as voluntary commitments. The Group-wide compliance management system is continuously being evaluated and developed further. Further information on the Code of Business Ethics, the Group Policy Compliance Management System, the Group Guidelines on Procurement Principles and other individual governance documents can be found in section ESRS 2 MDR-P "Policies adopted to manage material sustainability matters".

Like the Group itself, the Compliance organisation also has a decentralised structure. It is represented by the Group Compliance Committee, which consists of the local compliance officers and the head of Compliance (incl. AML) of VIG Holding. Compliance officers are appointed in all (re)insurance companies and in certain non-insurance companies, in particular asset management companies and pension funds. These individuals are responsible for supporting and developing the local compliance management system. In addition to monitoring changes in the legal environment and recommending necessary actions, the tasks of the compliance officers include identifying and assessing compliance risks, taking actions to prevent breaches, advising employees and the members of the local managing boards and/or local supervisory boards, monitoring existing procedures and handling compliance incidents. Beyond these duties, the local compliance officers also have comprehensive regular and ad hoc reporting obligations to the local managing board and/or the Supervisory Board and Compliance (incl. AML) of VIG Holding. This includes the annual compliance report as well as reports on regulatory audits and the results thereof, precisely defined compliance incidents, and conflicts of interest involving certain groups of persons. A separate Group guideline and a Holding guideline on conflicts of interest ensure a common understanding of this matter and define minimum standards for handling conflicts of interest. The local compliance officers are assisted, supported, steered and monitored by Compliance (incl. AML) of VIG Holding.

Reporting breaches

Internal and external persons can report any observations of misconduct to the compliance officers both at the level of the individual Group companies and at the level of VIG Holding. In line with the Austrian Whistleblower Protection Act (Hinweisgeber:innenschutzgesetz), which implemented the EU's Whistleblower Directive in Austria, VIG Holding has set up the VIG Whistleblower Portal as an internal reporting channel to allow for secure and confidential reporting—at any time and anonymously—perceived violations of the statutory provisions named in the Whistleblower Protection Act. Perceived violations in other legal areas can be reported to a dedicated email address (whistleblowing@vig.com) and by post to Compliance (incl. AML) of VIG Holding, for the attention of the VIG Compliance Officer. Information on this can be found both on the Intranet and on the VIG website under https://group.vig/en/whistleblowing. Regardless of the chosen reporting channel, all reports will reach Compliance (incl. AML) of VIG Holding. Their validity is then reviewed in line with the provisions of confidentiality, employee protection, and data protection. In a VIG Holding committee, consisting of members from the Compliance (incl. AML), General Secretariat & Legal, Human Resources and Internal Audit, every incoming report is evaluated regardless of whether it concerns a subsidiary or VIG Holding, and follow-up actions are recommended if necessary. The follow-up actions are taken in accordance with the process specifications of the Internal Audit department.

In VIG Group, process specifications for handling whistleblowers are implemented in local governance documents and in accordance with the local legal framework. Group companies based in the EU are subject to the requirements of the EU Whistleblower Directive, which prescribes the establishment of internal reporting channels and the protection of whistleblowers. Accordingly, all insurance companies of the Group with their registered office in the EU have corresponding reporting channels. Outside the EU, insurance companies have also set up processes in this regard in accordance with local regulations, with a few exceptions (see MDR-P "Policies adopted to manage material sustainability matters"). The most frequently offered reporting channels are dedicated email mailboxes and face-to-face meetings; some companies have set up their own whistleblowing hotline. In addition, some non-insurance companies have implemented actions to protect whistleblowers in accordance with the applicable laws.

VIG Holding continued its extensive range of training programmes on compliance topics during the reporting year. New employees were required to complete a general compliance training as well as trainings on preventing market abuse and on international sanctions. Furthermore, there was also a mandatory compliance e-learning programme. This included modules on data protection, information security, code of conduct, anti-corruption and money laundering prevention. The planning and implementation of training programmes in the Group companies is the responsibility of the respective company. The scope, target group, frequency and format of compliance trainings are therefore structured differently in the Group companies. For the functions within an organisation most at risk in relation to corruption and bribery, see section G1-3 "Prevention and detection of corruption and bribery" below.

DISCLOSURE REQUIREMENT G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

The aim of an effective compliance management system is, as described above under Disclosure Requirement G1-1 "Business conduct policies and corporate culture", to ensure compliance with all regulatory requirements applicable to an undertaking or group, as well as internal standards and voluntary commitments. This includes, in particular, the provisions on the prevention of corruption and bribery, on procurement principles and on the handling of potential conflicts of interest. The mechanisms described above for reporting breaches therefore also extend to this legal area. The relevant measures for the prevention and detection of corruption and bribery are embedded in the compliance management system and are therefore also included in Group policies and guidelines (see also G1-1 "Business conduct policies and corporate culture").

Incidents of corruption and bribery are compliance incidents that must be reported accordingly to Compliance (incl. AML) of VIG Holding. Reports of perceived incidents of corruption and bribery are handled in accordance with the locally defined responsibilities and in accordance with local statutory regulations. Both Compliance and Internal Audit—departments that are usually involved in receiving reports and processing perceived incidents of corruption and bribery—have a direct reporting line within the Group companies to the local managing board and are only responsible to the local managing board.

Non-insurance companies are included in the compliance management system of the insurance company controlling them on the basis of their individual risk situation, therefore some non-insurance companies do not themselves have in place the processes described above for preventing corruption and bribery. Individual insurance companies in the

Group plan to implement additional actions in this area in the coming years. The measures to prevent, detect and investigate reports of corruption and bribery are communicated in various ways, with most Group companies using their internal communication channels or training courses for this purpose. The Group's Code of Business Ethics, which includes the prevention of corruption and bribery as one of its 15 principles, is available at all times on the Group Intranet and website. As described above under G1-1, the planning and implementation of training programmes is the responsibility of the Group companies. The scope, target group, frequency and format of compliance trainings are therefore structured differently in the Group companies. In their annual compliance plans and compliance reports, which are sent to the local managing board and Compliance (incl. AML) of VIG Holding, the local compliance officers provide information on respective actions and their implementation. At VIG Holding, the subject of corruption and bribery is addressed in the mandatory general compliance training and the e-learning program. Respective awareness-raising actions are taken in this regard, where necessary. The following are defined as functions-at-risk, i.e. functions that are most at risk within the Company in relation to corruption and bribery: Managing Board members and managers one level below the Board. The percentage of these functions that completed training measures on corruption and bribery in VIG in the reporting year is not shown for this year as the corresponding data are not yet available in sufficient quality.

Each year, during a Supervisory Board meeting, the VIG Holding Managing Board provides comprehensive information to the Supervisory Board of VIG Holding on the precautions taken to combat corruption in VIG Holding. Locally, reports are made to the local managing board and, in some cases, to the local supervisory board by means of an annual compliance report.

MDR-A – Actions and resources in relation to material sustainability matters

As an insurance group, VIG operates in a highly regulated environment and contributes to the further development of this legal framework as a member of insurance associations or sector-independent industry associations. The aim is to contribute to practical, market-oriented and effective regulation through industry expertise and practical knowledge. VIG implemented comprehensive actions to manage material impacts, risks and opportunities. These are described in ESRS 2 MDR-A "Actions and resources in relation to material sustainability matters" as well as G1-1 "Business conduct policies and corporate culture" and G1-3 "Prevention and detection of corruption and bribery". Intensive work was also carried out on expanded greenhouse gas reporting during the reporting year and an ESRS Group policy was established, which serves as a binding framework for the fully consolidated VIG companies with regard to the annual reporting of non-financial information and describes the necessary processes and responsibilities. Material topics relating to IT security have also been identified in ESRS S4. The actions taken are described in S4-4 "Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions".

There is an ad hoc reporting obligation to Compliance (incl. AML) of VIG Holding for (potential) conflicts of interest identified by Group companies with regard to members of the supervisory board, members of the managing board and holders of governance or key functions. A corresponding guideline has also been drawn up for VIG Holding, which requires employees to identify conflicts of interest and avoid them in coordination with the respective managers. If this is not possible, they must define and implement appropriate actions for handling the relevant conflicts of interest together with the managers. If a conflict of interest cannot be avoided or adequately handled, a report must be made to Compliance (incl. AML) of VIG Holding.

The Group Guideline International Sanctions provides for the mandatory screening of all customers, business partners, recipients of payments and employees in relation to international sanctions. A sanction screening tool procured for the Group is used for this purpose. This tool is also used to screen for the status of politically exposed person in relation to anti-money laundering procedures. The tool also contains information on negative media reports and criminal prosecution.

As described in G1-1 “Business conduct policies and corporate culture”, VIG pursues a continuous improvement process for the actions taken, which takes into account the respective local requirements in accordance with the decentralised management approach. The time horizon for the continuous implementation of these actions ranges from short term to long term.

Metrics and targets

DISCLOSURE REQUIREMENT G1-4 – INCIDENTS OF CORRUPTION OR BRIBERY

No convictions or fines were reported in the reporting year in connection with violations of anti-corruption laws, and consequently no additional actions were taken.

DISCLOSURE REQUIREMENT G1-5 – POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

As an insurance group, VIG operates in a highly regulated environment and aims to contribute to the further development of this legal framework. VIG does this indirectly, in particular, through memberships in insurance associations or sector-independent industry associations. The European Affairs department at VIG Holding is the competence centre for these activities. The aim is to contribute to practical, market-oriented and effective regulation through industry expertise and practical knowledge. In addition, European Affairs supports the members of the Managing Board and the first management level below the Board in interpreting legal developments to ensure that these developments are considered in the strategy and business activities of the Group in a timely manner and in a way that is in line with the company’s interests. The employees of this department are subject to the Code of Business Ethics and take into account the business strategy, which includes the sustainability programme, and the Code of Conduct of the European Transparency Register in their day-to-day work. Responsibility for the European Affairs department lies with the Deputy Chairman of VIG Holding Managing Board.

VIG does not make any contributions, including donations and sponsorship payments, to political parties or persons related to them. This principle is also enshrined in the Code of Business Ethics.

In the reporting year, VIG dealt in particular with changes to prudential regulation (Solvency II Review, Insurance Recovery and Resolution), sustainability regulation (in particular the Corporate Sustainability Reporting Directive, CSRD, Corporate Sustainability Due Diligence Directive, CSDDD) and digitalisation (in particular the Digital Operational Resilience Act, DORA, Artificial Intelligence Act, AI Act). For all EU initiatives, the aim was to ensure that the new requirements were practical, market-oriented and effective, including through public consultations.

VIG Holding is registered in the European Transparency Register (see transparency-register.europa.eu/; VIG’s Transparency Register number is 720555724263-16). There were no further registrations in the Group in the reporting year.

Group-wide expenditures for compulsory memberships in insurance associations or sector-independent industry associations amounted to EUR 5.4 million in the reporting year, while those for voluntary memberships amounted to EUR 5.5 million. Contributions in the form of benefits in kind, including the provision of personal resources, were recorded based on estimates and amounted to around EUR 184,000. In the two years prior to being appointed to the Managing Board or Supervisory Board, one person held a comparable position in public administration, including regulators, during the reporting year.

ESRS G1 Additional entity-specific disclosures

VIG is aware of its responsibility towards customers, employees, shareholders, business partners, society and the general public as a whole. This goes hand in hand with its aim to achieve a positive impact – including through sponsorship, donations and corporate volunteering (company volunteering programmes), such as the group-wide Social Active Day. Corporate volunteering is also part of the sustainability programme (see MDR-P “Policies adopted to manage material sustainability matters”). It is particularly important to VIG to make a long-term commitment to its sponsorship partners. The principles followed in this regard are described in G1-5 “Political influence and lobbying activities”. In 2024, donations and sponsorships were undertaken in the following areas:

	Amount of Activities	in EUR '000
Sponsorship		
Health/Sports	363	5,723
Environment	22	224
Art/Culture	359	4,620
Community/Social	192	1,192
Education/Science	94	954
Other initiatives	199	749
Total sponsorship	1,229	13,461
Donations		
Health/Sports	126	2,801
Environment	43	265
Art/Culture	37	551
Community/Social	274	1,045
Education/Science	263	599
Other initiatives	11	337
Donations total	754	5,597
Total sum	1,983	19,058

In addition to the categories listed in the above table, various initiatives were supported to help raise awareness of risk provision. The VIG Family Fund will continue to be available to employees of the Ukrainian companies for reconstruction in Ukraine. VIG also supported charitable causes, art projects and actions to improve road safety. In addition, VIG provided sponsorship for industry associations and events such as networking events.

VIG encourages its employees to volunteer for social projects. Every year, VIG demonstrates its support for social engagement, charity and solidarity internationally with its Social Active Day. As part of the Social Active Day, employees can dedicate one working day per year to actively supporting a socially important issue or project. In 2024, a total of 14,398 employees from 48 companies and 20 countries participated in the Social Active Day. This engagement can take many forms, from helping out in the social market to cooking for people on low incomes, supporting the soup counter, visiting care facilities, refugee shelters, neighbourhood centres or even gardening and collecting litter. What these activities have in common is people offering their time and energy for the benefit of their fellow human beings and the environment. Through these actions, VIG promotes a corporate culture characterised by responsibility for others and the environment and social engagement, contributing to environmental protection and improving the quality of life in all countries in which VIG operates. As employees and stakeholders are increasingly placing importance on environmental and social aspects, these corporate volunteering activities can have a positive impact on the perception of VIG as an attractive employer and on its general reputation.

Other mandatory disclosures

RESEARCH AND DEVELOPMENT

Although VIG companies do not perform any research activities within the meaning of Section 243 (3) Z2 UGB, they contribute their expertise to the development of insurance-specific software models. VIG Holding and – for projects – the VIG companies cooperate with Digital Impact Labs Leipzig, Plug and Play and VENPACE, a Germany-based start-up initiative (Investment and Corporate Building) financed jointly with other insurers, in order to identify technological developments in the market more quickly and internalise them if necessary. viesure was also founded as an internal "innovation hub" focusing mainly on Austria for this purpose. Since December 2022 an investment has also been made in the APEX Deep Tech Fund, which focuses on tech start-ups and supports VIG in identifying and researching innovations at an early stage in order to use these for the business model to the benefit of the customers – for example with applications such as sensors and satellite technology for the early detection of potential forest fires. VIG Group also carries out indirect research activities through its participation both in xista science ventures for strengthening basic research in Austria and also invIOS to support research in the "biotech" field and the fight against cancer.

HOLDINGS, PURCHASE AND SALE OF OWN SHARES

Detailed information regarding Section 243 (3) Z3 UGB can be found in Note 24.10. Consolidated shareholders' equity starting on page 292 the notes to the consolidated financial statements.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The preparation of the consolidated financial statements includes all activities to present and disclose the Group's assets, financial and operating results pursuant to the statutory and/or IFRS regulations. The consolidated financial statements include the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the consolidated cash flow statement, the segment reporting and the notes to the consolidated financial statements, which contain a presentation of the main accounting methods and explanations. The process of preparing the financial statements includes the consolidation of all data from the accounting and the upstream processes for the annual financial statements.

The internal control system (ICS) in the accounting process of the Group is implemented in accordance with the five elementary components of the COSCO framework model (Committee of Sponsoring Organizations of the Treadway Commission) for internal control. The objective of the ICS in the accounting is to guarantee sufficient security by implementation of controls, so that proper financial statements are prepared despite the identified risks.

The implementation of ESRS requirements also requires clearly defined processes. In the reporting year, relevant data were collected, aggregated and validated via a shared reporting platform to ensure a high level of quality and transparency of the information. In addition, all relevant stakeholders and departments were involved, enabling comprehensive and coordinated reporting. Furthermore, internal audit mechanisms were applied to ensure compliance with regulatory requirements and to identify potential errors at an early stage.

Control environment

The organisational structure is comprised of the local accounting departments of the companies and the Group Finance & Regulatory Reporting Department at the headquarters of VIG Holding in Vienna. The accounting departments of the VIG companies prepare both financial statements in accordance with local accounting regulations and an IFRS consolidated report package and transmit these to the Group Finance & Regulatory Reporting Department.

The IFRS consolidated report packages are prepared in accordance with uniform Group accounting policies. Standardised software with fixed reporting and consolidation regulations is used for the preparation of the consolidated financial statements. Reporting by VIG companies is largely automated using upstream systems and automated interfaces. The consolidation of the data (capital consolidation, expenditures and income consolidation, debt consolidation and any elimination of inter-company profits) and the preparation of the consolidated financial statements are prepared by the Group Finance & Regulatory Reporting Department.

Risk assessment
In order to detect risks in the accounting process and subsequently be able to eliminate them as much as possible, documentation for the annual financial statements process was developed. This includes the entire process of collecting data by the employees of the VIG companies through automated controls, manual controls and analysis in the consolidated process to the final financial report for publication.

Control measures
The appropriate IFRS accounting and valuation requirements applicable across the Group are summarised in the Group accounting manual (IFRS Application) that is binding for all companies included in the consolidated financial statements. The objective is to guarantee unified implementation of IFRS across the Group. This manual is subject to annual review and is updated or adapted to the necessary statutory provisions as required. The manual, together with additional information on the Group-wide reporting requirements, is provided to the responsible persons in the local accounting departments before the reporting process begins. In addition, we provide information across the Group in a timely manner about significant developments and changes in requirements for the consolidated financial reporting. As part of the control system, the subsidiaries are required to be compliant with accounting and valuation requirements that are applicable for the Group and are responsible for the timely reporting of their accounting-related processes.

The transmitted financial data undergo both automatic (in the form of validation) and manual reviews (development analysis and plausibility checks) by the Group Finance & Regulatory Reporting Department of VIG Holding. The performance of control calculations and the reconciliation of intragroup transactions serve as a further control to identify any differences and, if necessary, to correct or eliminate them.

Additionally, the preparation of the income statement reconciliation, the audit of the accuracy of individual parts of the consolidated financial statements and the plausibility checks of the entire consolidated financial statements ensure that the presentation is complete and correct.

In the course of the preparation of the financial statements, there is intensive collaboration with the Group Actuarial, Planning and Controlling Department especially in regard to development analysis (e.g. target-actual comparison). Also, the data are regularly submitted to the Managing Board for review and control.

In order to guarantee correct and timely completion of the financial statements at the deadline for publication, both the quarterly and the annual financial statements are based on strict deadlines about which the VIG companies are informed at the end of the 3rd quarter at the latest for the coming financial year. The department preparing the consolidated financial statements thus ensures in advance that the VIG companies coordinate their processes to the deadline requirements and thus are able to transmit their data in a timely manner.

Information and communication
Based on intensive collaboration with other company departments, in particular Group Actuarial, Planning and Controlling and Asset Management (incl. Real Estate), there is an extensive flow of information and communication.

In addition to the financial report at the end of each financial year, a half-year financial report was published pursuant to the statutory provisions in accordance with IAS 34.

The Investor Relations Department is responsible for reporting to the shareholders of VIG Holding. This takes place both in personal discussions and through the Company website. There the annual and interim reports are made available to the shareholders and other interested parties as well as regularly updated information on key figures, share price, financial calendar, ad hoc news and other relevant IR topics.

Monitoring
The Group Finance & Regulatory Reporting Department is responsible for preparing the consolidated financial statements and the consolidated non-financial report. Regular monitoring of the internal control system is ensured by quarterly reporting to the Managing Board and the Supervisory Board

The risks are continuously monitored by Group-internal and inter-departmental controls (e.g. Group Finance & Regulatory Reporting Department – Group Actuarial, Planning and Controlling – Asset Management (incl. Real Estate)).

Internal Audit also conducts quality assurance. They perform independent, objective audit measures by which, in addition to the design and effectiveness of the internal controls, the value and optimisation potential in the operational processes is examined. Internal Audit helps the organisation reach the relevant objectives by evaluating, by means of a systematic approach, the effectiveness of risk management, the control system and the governance processes including all relevant key functions within the Company and improving them through corresponding proposals.

In order to standardise the handling of significant risks throughout the entire Group, there are Group-wide guidelines which also are an instrument of risk monitoring. The local management is responsible for the implementation of these guidelines in the individual VIG companies.

In the context of the audit of the financial statements the auditor takes into consideration the internal control system to the extent it is important for the preparation of the consolidated financial statements. The auditor of the consolidated financial statements also assesses the functional adequacy of the risk management pursuant to rule 83 of the Code of Corporate Governance.

CAPITAL, SHARE, VOTING AND CONTROL RIGHTS AND ASSOCIATED AGREEMENTS

The share capital amounts to EUR 132,887,468.20. It is divided into 128,000,000 no-par value ordinary bearer shares with voting rights, each representing an equal portion of the share capital.

The number of shares issued has remained unchanged since the previous financial year. More detailed information on the anticipatory resolutions and the authorisations of the Managing Board from the Annual General Meeting pursuant to Section 267 (3a) in connection with Section 243a (1) UGB can be found in Note 24.10. Consolidated shareholders' equity starting on page 292 the notes to the consolidated financial statements.

CORPORATE GOVERNANCE

VIG Holding is committed to applying and complying with the Austrian Code of Corporate Governance and publishes the consolidated Corporate Governance Report on the Vienna Insurance Group website at: group.vig/en/corporate-governance.

OUTSOURCING DISCLOSURES

Below the outsourcing disclosures pursuant to Section 156 (1) Z1 in connection with Section 109 of the Austrian Insurance Supervision Act (VAG) are explained in detail:

Holding

VIG Holding decided to have IT services provided by Group-internal and external service providers. twinformatics GmbH provides IT services for the Austrian VIG insurance companies (including VIG Holding) and, if necessary, arranges sub-outsourcing in compliance with legal and regulatory requirements and in coordination with the VIG insurance companies in Austria.

Since 1 January 2023, IT services in VIG Group (including VIG Holding) have also been provided by VIG IT - Digital Solutions GmbH (hereinafter "VIG IT-DS"). VIG IT-DS was founded by VIG Holding to further strengthen the focus on providing IT services throughout the Group and to have these provided by a company specialised in this area. An outsourcing agreement approved by the Austrian Financial Market Authority FMA was also concluded with VIG IT-DS, in which the final responsibility of VIG IT-DS (with twinformatics as a major sub-service provider) for all VIG solutions (SAP NewGL, IFRS 9/17, Readsoft and some smaller supporting applications) is agreed.

Beyond this, VIG Holding has not outsourced any critical or important functions or operating activities.

Group
Throughout the VIG Insurance Group, critical or important functions or operating activities were outsourced in the following areas in particular:

- IT (in particular operation and maintenance of operating modules, data centre operation, application development services, data storage, support services, Cyber Defense Center)
- Claims handling

The four governance functions were individually outsourced by the operating insurance companies of VIG Insurance Group, in particular the internal audit and actuarial functions and related activities.

While critical or important functions or activities from the IT area and claims handling were outsourced primarily to Group-external service providers, governance functions were outsourced in VIG Insurance Group both to Group-internal and Group-external service providers.

The notification and approval of the outsourcing of critical or important functions or activities to or by the local supervisory authorities was undertaken by the relevant companies as needed in compliance with the respective nationally applicable legal provisions.

Expected development and risks of the Group

SIGNIFICANT RISKS AND UNCERTAINTIES

Risk management is firmly anchored in the management culture of the Company and builds on a clearly defined conservative risk policy, extensive risk expertise, a developed risk toolkit and risk-based Managing Board decisions. The detailed risk report of VIG Insurance Group including the impact of climate change and the associated climate risks can be found the notes to the consolidated financial statements in the section "Risk strategy and risk management" starting on page 297.

For information on the financial instruments used for investments, reference is made to Note 2. Financial assets and liabilities as well as other balance sheet items evaluated according to IFRS 9 starting on page 207, Note 24.4. Financial instruments starting on page 278 and the risk report starting on page 297.

EXPECTED DEVELOPMENT – OUTLOOK FOR 2025

ECONOMIC OUTLOOK

For 2025, the Erste Group analysts expect moderate growth of 1.0% for the Eurozone. This is firstly because the real income situation of households should continue to improve thanks to falling inflation. Secondly, the global cycle of interest rate cuts should increase the appetite for investment in the major economic areas and the expected fiscal stimulus should take effect.

Growth of 0.4% is forecast for Austria. In Central and Eastern Europe, too, consumer spending can be expected to rise as inflation continues to weaken – or at least remain stable – making a positive contribution to growth. A slight acceleration in economic development can also be expected as a result of higher investment activity, driven by the resumption of projects funded by the new budgetary period (EU's multiannual financial framework 2021–2027). Overall, real GDP growth of 2.6% is expected in the Central and Eastern Europe region in 2025.

A significant risk to growth lies in the current international geopolitical situation and the effects of US trade policy, which harbour additional downside risks to the Eurozone economic outlook. In addition, budget consolidation is planned in Austria and other countries in the region.

From a monetary policy perspective, there should be support for economic development, even if there could be pauses in the cycle of interest rate cuts over the course of the year. With core inflation on a downward trend, inflation in the Eurozone is expected to reach 1.9% by the end of 2025

This should give the ECB enough leeway for further interest rate cuts in 2025. Inflation trends may not develop in a completely linear fashion across Central and Eastern Europe. In particular, administered prices could contribute to a somewhat more persistent inflation trend and thus also have a delaying effect on the interest rate policy of local central banks.

OUTLOOK FOR THE INSURANCE GROUP

Vienna Insurance Group with its approximately 30,000 employees, as the market leader in Central and Eastern Europe, is excellently positioned to take full advantage of the opportunities in this region and the associated long-term growth potential. The VIG 25 strategic programme, which runs until the end of 2025, is being consistently pursued. At the same time, the Managing Board has begun discussing the follow-up programme. A compact set of principles and corporate values, individual strategies for the local Group companies, even stronger reinforcement of cooperation (CO^3) and Group-wide programmes will form a robust and sustainable framework for the long-term success of the Group.

As in the past, shareholders will participate in the Company's success. In the context of the dividend policy, which sets the previous year's dividend as the minimum dividend for the next year and anticipates a continuous increase depending on the operational result development, the Managing Board proposes to the relevant bodies an increase of the dividend from EUR 1.40 to EUR 1.55 per share for the financial year 2024. This corresponds to an increase of 10.7% year-on-year.

Vienna Insurance Group has so far been able to manage the effects of the challenging geopolitical and macroeconomic conditions very well and is well prepared for the volatile environment. On this basis, the positive results development is expected to continue in the 2025 financial year. VIG's diversification across markets and lines of business, the customer focus of its companies and its capital strength provide excellent conditions for continuing its successful course. VIG's management therefore aims to achieve a result before taxes within a range of EUR 950 million and EUR 1 billion for the financial year 2025.

Vienna, 25 March 2025

The Managing Board:

Hartwig Löger
General Manager (CEO),
Chairman of the Managing Board

Peter Höfinger
Deputy General Manager,
Deputy Chairman of the Managing Board

Liane Hirner
CFRO, Member of
the Managing Board

Gerhard Lahner
COO, Member of
the Managing Board

Gábor Lehel
CIO, Member of
the Managing Board

Harald Riener
Member of
the Managing Board

Christoph Rath
Deputy Member of
the Managing Board

Consolidated financial statements 2024 (pages 158–325)

PRIMARY FINANCIAL STATEMENTS

NOTES

EXPLANATORY NOTES TO THE NET ASSETS, FINANCIAL POSITION AND OPERATING RESULTS

ADDITIONAL DISCLOSURES

VIG CONSOLIDATED FINANCIAL STATEMENTS ACCORDING TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

	31/12/2024
Reporting period	01/01–31/12/2024
Consolidated balance sheet as of previous reporting date	31/12/2023
Consolidated income statement as of previous reporting period	01/01–31/12/2023
Currency	EUR

Primary financial statements

The numbers next to the individual items of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position and the consolidated shareholders' equity refer to detailed disclosures on the net assets, financial position and results of operations starting on page 164 or the notes on accounting policies starting on page 261.

CONSOLIDATED INCOME STATEMENT

Consolidated income statement	Notes	2024	2023
in EUR '000			
Insurance service result	1., 24.3.	**1,186,351**	1,208,099
Insurance service revenue - issued business		12,138,477	10,921,825
Insurance service expenses - issued business		-10,656,830	-9,265,299
Insurance service result - reinsurance held		-295,296	-448,427
Total capital investment result		**435,649**	284,255
Investment result	2., 9., 24.4.	**1,884,046**	1,893,068
Interest revenues using the effective interest rate method	2.8.	997,697	895,801
Realised gains and losses from financial assets measured at AC	2.9.	-5,076	80
Impairment losses incl. reversal gains on financial instruments		-18,106	-56,484
Other result from financial instruments		909,531	1,053,671
Income and expenses from investment property	4., 9., 24.7.	**60,623**	31,844
Insurance finance result	1., 24.3.	**-1,536,021**	-1,657,123
Insurance finance result - issued business		-1,622,378	-1,698,751
Insurance finance result - reinsurance held		86,357	41,628
Result from associated consolidated companies	6.	**27,001**	16,466
Finance result		**-78,827**	-98,492
Finance income		3,397	834
Finance costs	9.	-82,224	-99,326
Other income and expenses	15.3.	**-544,964**	-517,872
Other income		344,771	303,932
Other expenses		-889,735	-821,804
Business operating result		**998,209**	875,990
Impairments of goodwill	3., 24.5.	-116,327	-75,639
Impairments of intangible assets	13., 24.6.	-84	-27,662
Reversal of impairments from intangible assets	13., 24.6.	8	0
Result before taxes		**881,806**	772,689
Taxes	11.1., 24.13.	-214,940	-196,443
Result for the period		**666,866**	576,246
Attributable to shareholders and other stakeholders of the parent company		645,256	558,979
Non-controlling interests		21,610	17,267
Earnings per share* (in EUR)	17.	4.98	4.31

*The undiluted earnings per share equals the diluted earnings per share (in EUR).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	Notes	2024	2023
in EUR '000			
Result for the period		666,866	576,246
Other comprehensive income (OCI)	10.4.	13,844	223,673
Items that will not be reclassifiable to profit or loss in subsequent periods		-25,144	-710,830
Actuarial gains and losses from provisions for employee benefits		-3,121	-45,117
Equity instruments designated measured at FVtOCI		-1,845	6,717
Result from the FV-valuation		-1,845	6,717
Unrealised gains and losses acc. to IFRS 17		-36,678	-865,508
Deferred taxes		16,500	193,078
Items that will be reclassifiable to profit or loss in subsequent periods		38,988	934,503
Exchange rate changes through equity		-17,396	58,101
Unrealised gains and losses from debt instruments measured at FVtOCI		173,910	1,295,667
Unrealised gains and losses acc. to IFRS 17		-93,031	-167,188
Share of other reserves of associated consolidated companies		3,911	-11,393
Deferred taxes		-28,406	-240,684
Comprehensive income for the period		680,710	799,919
Attributable to shareholders and other stakeholders of the parent company		660,322	771,835
Non-controlling interests		20,388	28,084

CONSOLIDATED BALANCE SHEET

Assets	Notes	31/12/2024	31/12/2023
in EUR '000			
Cash and cash equivalents	2.	1,748,124	1,558,107
Financial assets	2., 16., 24.4.	39,637,179	37,990,239
Receivables	7.1., 24.12.	559,968	495,672
Current tax assets		240,282	235,718
Investments in associates	16.	204,761	185,622
Insurance contracts assets issued	1., 24.3.	299,874	229,491
Reinsurance contracts assets held	1., 24.3.	2,142,758	1,808,298
Investment property	4., 16., 24.7.	2,978,265	2,852,090
Owner-occupied property and equipment	5., 16., 24.8.	629,062	619,159
Other assets		154,878	141,575
Goodwill	3., 24.5.	1,239,879	1,371,365
Intangible assets	13., 24.6.	696,870	590,361
Deferred tax asset	11.2., 24.13.	452,063	483,287
Right-of-use assets		212,485	192,816
Total		51,196,448	48,753,800

Liabilities and consolidated shareholders' equity	Notes	31/12/2024	31/12/2023 adjusted*
in EUR '000			
Liabilities and other payables	7.2., 24.12.	1,156,818	1,112,675
Current tax liabilities		186,101	157,016
Financial liabilities	2., 8., 16., 24.4.	2,374,140	2,396,321
Other liabilities		98,709	78,957
Insurance contracts liabilities issued	1., 24.3.	39,598,063	37,804,092
Reinsurance contracts liabilities held	1., 24.3.	42,482	24,181
Provisions	12., 24.11.	793,101	748,620
Deferred tax liabilities	11.2., 24.13.	433,711	402,208
Consolidated shareholders' equity	10., 24.10.	6,513,323	6,029,730
Attributable to shareholders and other stakeholders of the parent company		6,367,105	5,892,277
Capital stock and capital reserves	10.3.	2,541,890	2,541,890
Retained earnings		3,934,072	3,490,112
Other reserves	10.4.	-108,857	-139,725
Non-controlling interests		146,218	137,453
Total		51,196,448	48,753,800

*For details refer to chapter Error in presentation or disclosure on page 165.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Development	Share capital	Capital reserves		Retained earnings	Other reserves		Subtotal*	Non-controlling interests	Total
		Hybrid capital	Others		Currency reserve	Others			
Notes		10.3.		10.1.	10.4.	10.4.			
in EUR '000									
As of 1 January 2023	132,887	300,000	2,109,003	3,270,502	-180,364	-159,436	5,472,592	241,281	5,713,873
Change in scope of consolidation / interest				-165,501	-14,242	1,549	-178,194	-122,242	-300,436
Reclassification from other comprehensive income to retained earnings				88		-88	0	0	0
Comprehensive income for the period				558,979	54,050	158,806	771,835	28,084	799,919
Other comprehensive income excluding currency changes				0	0	158,806	158,806	6,766	165,572
IAS 29-effects					42,422		42,422	1,219	43,641
Exchange rate differences					11,628		11,628	2,832	14,460
Result for the period				558,979			558,979	17,267	576,246
Dividend payment				-173,956			-173,956	-9,670	-183,626
As of 31 December 2023	132,887	300,000	2,109,003	3,490,112	-140,556	831	5,892,277	137,453	6,029,730
As of 1 January 2024	132,887	300,000	2,109,003	3,490,112	-140,556	831	5,892,277	137,453	6,029,730
IAS 8 error correction				24,268	0	-19,630	4,638	0	4,638
As of 1 January 2024 adjusted	132,887	300,000	2,109,003	3,514,380	-140,556	-18,799	5,896,915	137,453	6,034,368
Change in scope of consolidation / interest				-25,462	0	22,173	-3,289	-614	-3,903
Reclassification from other comprehensive income to retained earnings				-13,259	9,115	4,144	0	0	0
Comprehensive income for the period				645,256	-16,158	31,224	660,322	20,388	680,710
Other comprehensive income excluding currency changes						31,224	31,224	16	31,240
IAS 29-effects					35,186		35,186	1,026	36,212
Exchange rate differences					-51,344		-51,344	-2,264	-53,608
Result for the period				645,256			645,256	21,610	666,866
Dividend payment				-186,843			-186,843	-11,009	-197,852
As of 31 December 2024	132,887	300,000	2,109,003	3,934,072	-147,599	38,742	6,367,105	146,218	6,513,323

*The above subtotal equals the equity attributable to shareholders and other capital providers of the parent company.

CONSOLIDATED CASH FLOW STATEMENT

Change in cash and cash equivalents	31/12/2024	31/12/2023 adjusted
in EUR '000		
Result for the period	**666,866**	576,246
Amortisation, valuation and exchange rate differences of financial instruments	-772,148	-902,090
(Reversal of) Impairment of goodwill and intangible assets	116,403	103,301
Scheduled depreciation of intangible assets	114,403	100,753
Scheduled depreciation of right-of-use assets	39,786	33,136
Scheduled depreciation of tangible assets (excluding property)	40,332	32,197
Result from disposal of subsidiaries	0	-1,751
Result from the disposals and depreciation of property	85,800	110,085
Result from the disposal of financial assets incl. derivatives	-19,476	1,786
Share of profit of at equity accounted companies	-27,001	-16,466
Dividends received included in the result for the period	-79,717	-58,891
Income tax expenses	214,940	196,443
Adjusted result for the period	**380,188**	**174,749**
Changes in:	150,405	-112,971
Financial assets incl. derivatives	-766,082	-754,203
(Re-)Insurance contracts	942,013	618,307
Contract assets and liabilities (IFRS 15)	28,036	-5,668
Right-of-use assets and lease receivables and liabilities	-103	21
Receivables and liabilities (excl. leases)	-9,206	57,245
Intangible assets	2,411	1,016
Property	-2,034	-7,019
Other balance sheet items (other assets, tangible assets (excl. property) and other liabilities)	-49,534	-67,212
Provisions	4,904	44,542
Other non-cash income and expenses*	-73,275	-91,928
Paid and received income tax	-111,269	-109,175
Cash flow from operating activities	**346,049**	**-139,325**
Received interest	938,432	840,389
Received dividends	79,717	58,891
Payments for the acquisition of subsidiaries	0	-15,311
Cash inflow from sale of financial instruments	9,154,001	9,027,864
Payments for the acquisition of financial instruments	-9,558,124	-9,034,762
Cash inflow from the sale of property	2,452	10,928
Payments for the acquisition of property	-223,761	-264,793
Cash inflow from the sale of intangible assets	4,748	3,562
Payments for the acquisition of intangible assets	-139,742	-136,987
Cash flow from investment activities	**257,723**	**489,781**
Payments from subordinated liabilities	-91,748	-469,987
Cash inflows from financial liabilities excl. subordinated liabilities and lease liabilities	90	532
Payments from financial liabilities excl. subordinated liabilities and lease liabilities	-10,951	-39,008
Payments from lease liabilities	-44,245	-33,805
Payments for the acquisition of non-controlling interests	0	-284,707
Paid dividends	-199,849	-185,708
Paid interest	-62,930	-88,050
Cash flow from financing activities	**-409,633**	-1,100,733
Change in cash and cash equivalents	**194,139**	-750,277

*The non-cash income and expenses are primarily exchange rate changes.

Development	31/12/2024	31/12/2023
in EUR '000		
Cash and cash equivalents at beginning of period*	1,558,107	2,315,219
Change in cash and cash equivalents	194,139	-750,277
Changes in scope of consolidation	9,512	8,643
Exchange rate differences on cash and cash equivalents	-13,634	-15,478
Cash and cash equivalents at end of period*	1,748,124	1,558,107

*The cash and cash equivalents at the beginning and end of the reporting period correspond to the item cash and cash equivalents in assets and include liquid money and daily maturing cash.

Notes

GENERAL INFORMATION AND PRINCIPLES OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (VIG Holding) is an Aktiengesellschaft (public limited company) and the leading insurance group in the entire region of Central and Eastern Europe (CEE), with registered office in Schottenring 30, 1010 Vienna (Austria). The Wiener Städtische Versicherungsverein, also with its registered office in Vienna, is the majority shareholder of VIG Holding. It is also the parent company and therefore involves VIG Holding including its subsidiaries in its consolidated financial statements. The insurance companies and pension funds of VIG Insurance Group offer services to around 33 million customers in 30 countries.

PRINCIPLES OF SIGNIFICANT ACCOUNTING POLICIES

Legislation
The present consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and the applicable commercial law provisions of § 245a (1) of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB).

Rounding and currency shown
Amounts were commercially rounded and, where not indicated otherwise, are shown in thousands of euros (EUR ’000). Calculations, however, are done using exact amounts, which may lead to rounding differences.

Going concern
The present consolidated financial statements were prepared on a going concern basis in accordance with IAS 1.25 and IAS 1.26. The Managing Board made this assessment primarily based on the solid capital resources, positive business development, risk-averse capital investment and the conservative reinsurance strategy.

Estimates and discretionary decisions
Consolidated financial statements prepared in accordance with IFRS require that the Managing Board make discretionary assessments and specify assumptions regarding future developments (estimates). These estimates and discretionary decisions could have a material effect on the recognition and value of assets and liabilities, the disclosure of other obligations and the reporting of income and expenses.

The book values of the items at the end of the reporting period are shown in the consolidated balance sheet on page 160 and in the respective Notes. Sensitivity analyses of assets and liabilities are also presented in the Notes related to the items.

Details regarding the areas with a higher degree of judgement as well as greater complexity, or areas where assumptions and estimates are of critical importance, can be found in Note 23. Material estimates and discretionary decisions beginning on page 254.

Accounting policies
The significant accounting policies used are presented in Note 24. Accounting policies starting on page 261. Unless otherwise stated under “Initial application of standards”, the policies described were applied consistently during the reporting periods presented in these financial statements.

Balance sheet items	Measurement principle
Insurance contracts issued	Premium Allocation Approach (PAA), Variable Fee Approach (VFA), General Measurement Model (GMM)
Reinsurance contracts held	Premium Allocation Approach (PAA), General Measurement Model (GMM)
Financial instruments	Measured at AC Measured at FVtOCI (with and without recycling) Measured at FVtPL
Goodwill	Amortised cost less accumulated impairment losses
Intangible assets	Amortised cost and production cost
Investments in associates	Net present value of the investment's equity or the lower recoverable amount
Investment property	Amortised cost and production cost
Owner-occupied property and equipment	Amortised cost and production cost
Receivables and Liabilities	At amortised cost
Taxes	
Income taxes	In the amount in which a receivable from/liability to the tax authorities is expected, based on the tax rates applicable on the reporting date or in the near future
Deferred taxes	Undiscounted income taxes recoverable in future periods based on tax rates at the settlement date
Provisions	
Provisions for pensions and similar obligations	Actuarial valuation using the projected unit credit method
Provisions for other employee benefits	Actuarial valuation using the projected unit credit method
Miscellaneous provisions	Present value of the future settlement amount
Lease	At amortised cost
Other assets and liabilities	At amortised cost

Initial application of standards

Unless otherwise stated, the standards that are to be applied for the first time and are relevant to the Group have no or no material impact on the present consolidated financial statements.

Standards applicable that are used for the first time in the Group Annual Report	
Amendments to IFRS 16	Lease liabilities for sale and leaseback transactions
Amendments to IAS 1	Classification of liabilities as current or non-current
Amendments to IAS 7	Disclosures: Supplier Finance Arrangements

Error in presentation or disclosure

ACCOUNTING POLICY FOR IFRS 17 INSURANCE CONTRACTS

In particular, following the introduction of new accounting standards, the Group is conducting more detailed analyses of the figures recorded in the balance sheet in order to improve data quality and reporting accuracy. In the course of these quality-enhancing audits, data inconsistencies were found at Viennalife (Türkiye) in insurance contracts valued using the VFA. These deviations can be traced to the first-time consolidation of Viennalife (Türkiye) and are due to incorrect data being supplied for the fair values of underlying assets. Control over the company was acquired well after the final accounting standards (IFRS 9 and IFRS 17) were published and after the implementation project had been started. Due to this discrepancy in time, Viennalife (Türkiye) was unable to complete the comprehensive preparation process within the Group, meaning that it was not possible to identify the data inconsistencies and subject them to comprehensive analysis until the 2024 financial year was under way. Furthermore, Viennalife (Türkiye) undertakes a large part of its profitable life insurance business in a currency other than its functional currency (e.g. US dollars). The ongoing refinement of the accounting policies for such foreign currency contracts was also taken into account in the amounts to be corrected.

The degree of error was determined on the basis of approximate calculations in the subledger's test system in order to validate the differences on the reporting date. It has not been possible to reliably determine the correction amounts for individual periods in the past back to the introduction of IFRS 9 and IFRS 17, i.e. because of the allocation of the underlying assets in the VFA and the resulting development of the fair values.

The opening balance sheet of the current reporting period has been adjusted for the amounts attributable to the cumulative corrections of previous periods because, for the reasons stated above, it is not possible to reliably allocate the correction from previous years to the correct period. In the relevant IFRS 17 reconciliation tables and the statement of change in equity, the sum of these differences is shown in the IAS 8 error correction line between 31 December 2023 and the opening balance on 1 January 2024 in order to disclose the corrections of previous periods for each balance sheet item.

Consolidated balance sheet – Liabilities and consolidated shareholders' equity	01/01/2024
in EUR '000	
Insurance contracts liabilities issued	**-6,623**
Liability for Remaining Coverage (LRC)	-6,623
Deferred tax liabilities	1,985
Consolidated shareholders' equity	**4,638**
Retained earnings	24,268
Unrealised gains and losses acc. to IFRS 17 (non-recyclable)	-19,630

CONSOLIDATED BALANCE SHEET

In the consolidated balance sheet as of 31 December 2023, the items Retained earnings and Other reserves were shown incorrectly on page 60 of the German Group Annual Report 2023 due to a technical error. In the consolidated statement of change in equity on page 61, the items were reported with the correct amounts. Both the equity attributable to shareholders and other stakeholders of the parent company and the equity attributable to non-controlling interests were shown correctly in the consolidated balance sheet.

Liabilities and consolidated shareholders' equity	31/12/2023 as published	31/12/2023 adjusted
in EUR '000		
Attributable to shareholders and other stakeholders of the parent company	**5,892,277**	**5,892,277**
Capital stock and capital reserves	2,541,890	2,541,890
Retained earnings	3,564,382	3,490,112
Other reserves	-213,995	-139,725
Non-controlling interests	**137,453**	**137,453**
Consolidated shareholders' equity	**6,029,730**	**6,029,730**

DATA FOR UNDERLYING ASSETS

On the basis of the quality improvement analyses mentioned above, it was furthermore established that the published consolidated figures of the underlying assets for 2023 also included those financial instruments that serve to cover insurance contracts valued using the GMM. In accordance with IFRS 17, however, only data relating to the VFA business needed to be published.

The previous year's figures shown in Note 1.5. Underlying assets of direct profit participating contracts starting on page 198 and in the reconciliation table on page 200 for assets valued using the FVA for the first time with no effect on income have been adjusted for these corrections. The figures published in the consolidated income statement and the consolidated balance sheet in the Annual Report 2023 are not affected.

ADDITIONAL DISCLOSURES

Taxes

CHANGE IN TAX RATES

In the Czech Republic, the corporate income tax rate as of 1 January 2024 was increased from 19% to 21%. This caused current taxes to increase by around EUR 4.0 million and deferred tax assets to increase by around EUR 13.3 million during the reporting period.

ADDITIONAL TAX ON INSURANCE PREMIUMS IN HUNGARY

As already published in the previous year's annual report, an additional insurance tax has been introduced for insurance companies operating in Hungary. This additional tax is a progressive tax based on gross insurance premiums for both life and non-life insurance lines of business for the period 1 July 2022 to 31 December 2025. The extension until the end of 2025 was announced in November 2024.

Based on the current values of Union Biztosító and Alfa (Hungary), an amount of EUR 52.2 million was to be paid for the period from 1 January 2024 to 31 December 2024. According to the available budgeted figures, VIG can expect an additional tax burden amounting to approximately EUR 29.7 million for the 2025 financial year.

The war in Ukraine

On 24 February 2022, the armed forces of the Russian Federation invaded Ukraine, starting a war between these two countries. For the Group's subsidiaries in Ukraine, the principal direct risks are the wellbeing of employees and the maintenance of operational business activities (e.g. office infrastructure, energy, communications, IT security). As part of sustainable risk management, a number of risks that could materialise for the Group are addressed and mitigated to the extent possible.

BUSINESS OPERATIONS IN UKRAINE

VIG is represented in the Ukrainian market by three insurance companies that held around EUR 137.0 million in assets as of 31 December 2024. The impairments recognised as of 31 December 2023 for expected credit losses on government bonds and bank deposits remain, and were adjusted only slightly to EUR 53.3 million. This step creates the best possible starting position for the reconstruction after the end of the war for VIG Insurance Group. The Ukraine CGU does not hold any intangible assets that are subject to an impairment test in accordance with IAS 36.

The situation for VIG insurance companies operating in Ukraine, which are mainly active in the western regions of the country, is largely unchanged compared to the previous year and business operations are directly affected only marginally. The companies have now adapted to the altered conditions caused by the war and can react very quickly to any changes. The activities of the Ukrainian insurance companies have not demonstrated any significant impact that can be attributed to the sanctions against Russia. As of the editorial deadline, the Ukrainian insurance companies have been able to maintain operations despite the ongoing challenging conditions. Due to the current difficult situation in Ukraine, VIG is regularly examining whether the Ukrainian companies continue to satisfy the requirements as a going concern.

RUSSIAN BONDS

At the balance sheet date, VIG Insurance Group held Russian corporate bonds with a book value of EUR 0.7 million and a nominal value of EUR 5.1 million (2023 financial year: book value of EUR 19.2 million and nominal value of EUR 62.1 million) on its books, for which no active market is basically available. Nevertheless, bonds with a nominal value of EUR 45.0 million (previous year: EUR 100.9 million) were sold during the course of 2024 and a further EUR 12.0 million was repaid. The profit from the sale and repayment recorded in the consolidated income statement amounts to EUR 8.4 million in the current financial year (previous year: EUR 21.2 million).

Expected Credit Loss (ECL) of financial assets

KTM AND SIGNA CORPORATE BONDS IN THE REPORTABLE SEGMENT AUSTRIA

In the course of the 2024 financial year, an ECL of EUR 9.9 million (nominal value: EUR 49.4 million) was taken into account due to Signa's insolvency. KTM also filed for insolvency; an ECL of EUR 28.8 million (nominal value: EUR 35.0 million) was consequently recorded because of this and due to the uncertain solvency of KTM's parent company, Pierer Mobility AG, from VIG's perspective.

POLITICAL RISK IN TÜRKIYE

The current uncertain political situation in Türkiye led to a significant increase in the credit risk. This prompted a change from Stage 1 to Stage 2, which necessitated the additional recording of an ECL of EUR 28.8 million (nominal value: EUR 769.2 million).

Risks related to the geopolitical situation and the current macroeconomic environment

Despite the ongoing war of aggression against Ukraine, the macroeconomic situation in Europe improved in the reporting year. After a prolonged period of stagnation, the EU economy returned to moderate growth while inflation continued to fall. Cautiously dynamic development in Eastern Europe contrasts with a very sluggish Germany, which is likely to face major structural change, particularly in the automotive industry. Given this tense situation, Austria was unable to escape Germany's negative performance.

The coming year is characterised by a very high degree of uncertainty around geopolitical developments as a direct result of the US presidency. At this stage it is difficult to predict how the emerging rise in protectionism will affect economic indicators (inflation, trade balances, etc.). Overall, higher volatility is expected on the main capital markets, which makes this development one of the most significant risks for VIG.

Other geopolitical tensions, such as the war in Israel and Gaza, could also have an impact on the financial markets. These risks are also being addressed within the scope of sustained risk management. At the balance sheet date, VIG held Israeli government and corporate bonds with a book value of approx. EUR 53.6 million (EUR 78.5 million) and a nominal value of approx. EUR 57.0 million (EUR 86.1 million) on its books.

SEGMENT REPORTING

OPERATING SEGMENTS

The operating segments were determined based on internal reporting to the chief operating decision maker. The individual countries in which the Group operates via insurance business and pension scheme/fund business were identified as operating segments. The VIG Holding Managing Board, as chief operating decision maker, regularly assesses its performance based on these segments and decides on the allocation of resources to them. The focus on countries reflects the respective country responsibilities of the members of the VIG Holding Managing Board.

Estonia, Latvia and Lithuania are reported to the Managing Board as the operating segment Baltic states and Albania and Kosovo as the operating segment Albania incl. Kosovo.

REPORTABLE SEGMENTS

The following segments have been defined as reportable segments in accordance with IFRS 8.12 to IFRS 8.14:

- Austria (including the branch offices of Wiener Städtische in Slovenia and Italy (2024 closed in accordance with regulatory law)),
- Czech Republic,
- Poland,
- Extended CEE,
- Special Markets and
- Group Functions (including the branch offices of VIG Holding in Sweden, Norway and Denmark as well as those of VIG Re in Germany and France).

Extended CEE
The reportable segment Extended CEE includes the operating segments of Albania incl. Kosovo, Baltic states, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Moldova, North Macedonia, Romania, Serbia, Slovakia and Ukraine. The reportable segment is aggregated in accordance with the aggregation criteria according to IFRS 8.14.

Special Markets
The reportable segment Special Markets corresponds to the all other segments category in accordance with IFRS 8.16 and includes the countries of Georgia, Germany, Liechtenstein and Türkiye.

Group Functions
The Managing Board steers the insurance business separately from the coordination functions in the individual countries. As a result, the individual operating segments include only those companies which are related to the insurance and pension scheme/fund business. Therefore, companies that do not distribute or assist in the distribution of insurance products (with the exception of the pension scheme/fund business), do not perform loss assessments or claims settlements, or are a service company working for the Group are presented in the reportable segment Group Functions rather than in the country in which they have their registered head office.

More specifically, this means that the reportable segment Group Functions includes, among others, VIG Holding, VIG Re, Wiener Re, VIG Fund, corporate IT service providers, an asset management company and intermediate holding companies.

BASIS OF REVENUES

The scope of business operations includes the insurance business with retail and corporate customers. The product range includes, among others, motor third party liability and motor own damage insurance, accident insurance, liability insurance, fire and natural hazards insurance as well as travel insurance.

Also a variety of life and health insurance products are offered to individuals or groups. These include, for example, supplementary health insurance, nursing care insurance as well as endowment insurance, term life insurance and investment-oriented products. The products are sold in all markets via sales employees, banks, brokers or agents, among other channels.

VIG Holding primarily focuses on steering tasks for the Group. Beyond that, VIG Holding acts as a reinsurer within VIG Insurance Group as well as in the international corporate business. The Group's own reinsurance, VIG Re, is a successful provider of reinsurance products both for the Group's own insurance companies as well as for external partners.

Information on major customers
VIG Insurance Group does not depend to a great extent on individual customers, as per the definition of IFRS 8.34. The 10 largest customer groups account for 1.8% of the Group's written premiums. Companies who, according to VIG Insurance Group's knowledge, are under common control are combined into customer groups.

GENERAL DISCLOSURES

Transfer prices between reportable segments are determined in the same manner as transactions with third parties, based on market prices. In the income statement intragroup cross-reportable-segment transactions are eliminated in the consolidation column. Exempted are dividends and intercompany results which are eliminated in the respective reportable segment. Balances arising from the elimination of cross-reportable-segment assets and liabilities are reported in VIG Holding and therefore within the reportable segment Group Functions.

VALUATION BASIS FOR PERFORMANCE

The financial performance of the reportable segments is assessed using different control parameters. The operating IFRS business result is used as a standardised basis. Accordingly, for reasons of comparability, the income statement by reportable segments is reconciled with the consolidated income statement and only the main items are presented. The same applies in equal measure to the balance sheet by reportable segments and consolidated balance sheet.

CONSOLIDATED INCOME STATEMENT BY REPORTABLE SEGMENT

	Austria		Czech Republic		Poland		Extended CEE	
	2024	2023	2024	2023	2024	2023	2024	2023
in EUR '000								
Insurance service result	390,636	419,575	234,837	246,148	61,029	49,330	265,661	215,909
Insurance service revenue - issued business	3,543,242	3,307,356	2,078,225	2,040,071	1,373,271	1,224,497	3,599,456	3,148,077
Insurance service expenses - issued business	-3,045,815	-2,654,265	-1,895,244	-1,615,623	-1,348,049	-1,096,197	-3,070,456	-2,730,702
Insurance service result - reinsurance held	-106,791	-233,516	51,856	-178,300	35,807	-78,970	-263,339	-201,466
Total capital investment result	115,116	144,478	42,494	46,706	36,832	28,443	139,258	71,530
Investment result	820,847	1,010,854	143,621	183,108	125,001	130,074	404,884	293,611
Income and expenses from investment property	40,501	26,252	-8	-1,040	457	339	2,204	226
Insurance finance result	-772,439	-908,340	-101,119	-135,362	-88,626	-101,970	-267,907	-222,307
Result from associated consolidated companies	26,207	15,712	0	0	0	0	77	0
Finance result	-29,475	-47,424	-3,124	-2,920	-2,047	-1,012	-8,249	-8,270
Other income and expenses	-140,199	-130,752	-63,069	-71,958	-30,674	-44,003	-120,659	-96,418
Business operating result	336,078	385,877	211,138	217,976	65,140	32,758	276,011	182,751
Impairments of goodwill	0	0	0	0	0	-159	-116,327	-75,480
Impairments of intangible assets	0	-1	0	0	-84	-3,231	0	-6,264
Reversal of impairments from intangible assets	0	0	0	0	0	0	8	0
Result before taxes	336,078	385,876	211,138	217,976	65,056	29,368	159,692	101,007
Taxes	-51,870	-79,355	-46,810	-24,311	-17,418	-13,381	-60,670	-48,462
Result for the period	284,208	306,521	164,328	193,665	47,638	15,987	99,022	52,545

	Special Markets		Group Functions		Consolidation		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
in EUR '000								
Insurance service result	58,368	65,705	175,820	198,873	0	12,559	1,186,351	1,208,099
Insurance service revenue - issued business	924,201	617,638	1,780,879	1,652,249	-1,160,797	-1,068,063	12,138,477	10,921,825
Insurance service expenses - issued business	-700,854	-560,300	-1,863,911	-1,327,773	1,267,499	719,561	-10,656,830	-9,265,299
Insurance service result - reinsurance held	-164,979	8,367	258,852	-125,603	-106,702	361,061	-295,296	-448,427
Total capital investment result	87,134	42,833	42,425	12,435	-27,610	-62,170	435,649	284,255
Investment result	337,574	274,198	79,673	50,780	-27,554	-49,557	1,884,046	1,893,068
Income and expenses from investment property	235	543	17,290	5,579	-56	-55	60,623	31,844
Insurance finance result	-250,675	-231,908	-55,255	-44,678	0	-12,558	-1,536,021	-1,657,123
Result from associated consolidated companies	0	0	717	754	0	0	27,001	16,466
Finance result	-2,122	-577	-62,152	-86,233	28,342	47,944	-78,827	-98,492
Other income and expenses	-54,813	-33,945	-134,818	-142,463	-732	1,667	-544,964	-517,872
Business operating result	88,567	74,016	21,275	-17,388	0	0	998,209	875,990
Impairments of goodwill	0	0	0	0	0	0	-116,327	-75,639
Impairments of intangible assets	0	-9,778	0	-8,388	0	0	-84	-27,662
Reversal of impairments from intangible assets	0	0	0	0	0	0	8	0
Result before taxes	88,567	64,238	21,275	-25,776	0	0	881,806	772,689
Taxes	-23,007	-26,603	-15,165	-4,331	0	0	-214,940	-196,443
Result for the period	65,560	37,635	6,110	-30,107	0	0	666,866	576,246

Further information by reportable segment can be found in Note 9. Details on the consolidated income statement on page 224 onward.

CONSOLIDATED BALANCE SHEET BY REPORTABLE SEGMENTS

Assets	Austria		Czech Republic		Poland		Extended CEE	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
in EUR '000								
Cash and cash equivalents	526,704	443,840	87,503	22,870	59,279	23,271	212,909	222,730
Financial assets	21,492,120	21,799,897	3,140,497	3,472,630	2,719,746	2,257,297	7,096,468	6,427,772
Receivables	278,996	250,590	52,302	61,220	19,702	14,713	130,400	95,852
Current tax assets	8,418	9,448	4,987	32,420	7,538	4,321	4,214	10,686
Investments in associates	189,913	178,073	0	0	152	150	6,577	0
Insurance contracts assets issued	1,129	-1,607	217,867	178,842	7,194	6,369	71,763	51,420
Reinsurance contracts assets held	389,677	413,522	146,042	167,070	97,032	89,127	159,848	169,046
Investment property	2,127,905	2,058,031	35,082	35,864	23,486	20,842	210,663	191,011
Owner-occupied property and equipment	210,369	194,660	163,770	178,014	17,407	19,814	174,226	171,861
Other assets	51,690	56,593	21,566	21,529	5,911	3,674	32,618	29,426
Goodwill	301,716	301,716	448,108	456,516	153,735	151,450	325,793	451,156
Intangible assets	271,013	273,171	72,976	55,587	106,978	32,810	192,883	181,019
Deferred tax asset	195,920	219,364	165,907	174,166	614	0	46,610	46,963
Right-of-use assets	93,967	80,720	61,719	57,669	5,678	7,624	37,557	37,867
Total	26,139,537	26,278,018	4,618,326	4,914,397	3,224,452	2,631,462	8,702,529	8,086,809

Assets	Special Markets		Group Functions		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
in EUR '000						
Cash and cash equivalents	176,533	174,812	685,196	670,584	1,748,124	1,558,107
Financial assets	2,846,346	2,420,502	2,342,002	1,612,141	39,637,179	37,990,239
Receivables	34,391	26,464	44,177	46,833	559,968	495,672
Current tax assets	22,330	13,126	192,795	165,717	240,282	235,718
Investments in associates	0	0	8,119	7,399	204,761	185,622
Insurance contracts assets issued	21,101	9,243	-19,180	-14,776	299,874	229,491
Reinsurance contracts assets held	155,145	141,159	1,195,014	828,374	2,142,758	1,808,298
Investment property	10,696	10,902	570,433	535,440	2,978,265	2,852,090
Owner-occupied property and equipment	16,146	12,913	47,144	41,897	629,062	619,159
Other assets	19,515	9,355	23,578	20,998	154,878	141,575
Goodwill	0	0	10,527	10,527	1,239,879	1,371,365
Intangible assets	15,487	11,726	37,533	36,048	696,870	590,361
Deferred tax asset	7,785	381	35,227	42,413	452,063	483,287
Right-of-use assets	8,890	6,583	4,674	2,353	212,485	192,816
Total	3,334,365	2,837,166	5,177,239	4,005,948	51,196,448	48,753,800

Liabilities and consolidated shareholders' equity	Austria		Czech Republic		Poland		Extended CEE	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
in EUR '000								
Liabilities and other payables	333,609	339,693	346,469	321,904	86,717	92,420	191,299	195,104
Current tax liabilities	95,959	105,856	3,279	428	413	0	11,674	6,151
Financial liabilities	467,184	526,805	64,166	81,637	65,290	8,660	39,517	39,669
Other liabilities	39,635	35,931	6,539	5,131	6,908	1,673	25,317	21,595
Insurance contracts liabilities issued	23,368,637	23,370,578	2,927,744	2,851,071	2,551,364	2,004,101	6,643,062	5,993,171
Reinsurance contracts liabilities held	15,107	15,359	120	-13,647	671	1,091	-3,636	-1,811
Provisions	381,233	384,499	38,867	35,977	26,934	22,582	173,816	118,158
Deferred tax liabilities	237,210	232,433	44,038	32,887	51,328	39,658	54,209	47,476
Subtotal	24,938,574	25,011,154	3,431,222	3,315,388	2,789,625	2,170,185	7,135,258	6,419,513

Liabilities and consolidated shareholders' equity	Special Markets		Group Functions		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
in EUR '000						
Liabilities and other payables	101,094	63,003	97,630	100,551	1,156,818	1,112,675
Current tax liabilities	31,398	14,342	43,378	30,239	186,101	157,016
Financial liabilities	9,460	6,862	1,728,523	1,732,688	2,374,140	2,396,321
Other liabilities	2,501	1,192	17,809	13,435	98,709	78,957
Insurance contracts liabilities issued	2,853,753	2,464,887	1,253,503	1,120,284	39,598,063	37,804,092
Reinsurance contracts liabilities held	24,996	18,349	5,224	4,840	42,482	24,181
Provisions	16,772	15,795	155,479	171,609	793,101	748,620
Deferred tax liabilities	27,137	32,781	19,789	16,973	433,711	402,208
Subtotal	3,067,111	2,617,211	3,321,335	3,190,619	44,683,125	42,724,070
Consolidated shareholders' equity					6,513,323	6,029,730
Total					51,196,448	48,753,800

The segment assets and liabilities cannot be netted to determine the segment shareholders' equity.

EXPLANATORY NOTES TO THE NET ASSETS, FINANCIAL POSITION AND OPERATING RESULTS

1. INSURANCE CONTRACTS

The accounting policies used are presented in Note 24.3. (Re-)Insurance contracts starting on page 263 and the qualitative description of the risks is presented in the chapter Risk strategy and risk management starting on page 297.

Items on the assets side were shown without a sign and items on the liabilities side with a negative sign.

The portfolio status is valued prior to any consolidation steps and is decisive for whether a portfolio of insurance contracts is recognised as an asset or as a liability. After excluding intercompany transactions, a valuation is not carried out again. The same applies to determining the loss component and the accompanying allocation of “onerous” or “non-onerous”.

Consolidation effects recognised in profit or loss are included in the item “Insurance service expenses from reinsurance contracts held” insofar as they arise from the elimination of intragroup reinsurance contracts. Essentially, intragroup reinsurance contracts are valued using the PAA, which is why such consolidation effects are allocated to this valuation model in the following tables.

For better readability, the short versions of IFRS 17 descriptions are used.

Short description	Long description
AIC	Assets for Incurred Claims
ARC	Assets for Remaining Coverage
CSM	Contractual Service Margin
FCF	Fulfilment Cash Flows
FRA	Full Retrospective Approach
FVA	Fair Value Approach
GMM	General Measurement Model
LC	Loss component
LIC	Liability for Incurred Claims
LoReCo	Loss Recovery Component
LRC	Liability for Remaining Coverage
PAA	Premium Allocation Approach
PVFCF	Present Value of Future Cash Flows
RA	Risk Adjustment
VFA	Variable Fee Approach

Both the tables for development by balance sheet item and for development by valuation component have been adjusted compared to those published in the Annual Report 2023. The technical classification of consolidation was also further developed in the financial year, meaning that the changes recognised directly in equity that originate from underwriting cannot be reconciled with the statement of comprehensive income.

1.1. Overview

Composition	31/12/2024			
	PAA	GMM	VFA	Total
in EUR '000				
Insurance contracts assets issued	5,536	288,903	1,585	299,874
Assets for Remaining Coverage (ARC)	17,018	395,528	1,692	414,238
Estimates of the PVFCF		934,469	9,766	
Risk Adjustment		-254,153	-2,579	
Contractual Service Margin		-284,788	-5,495	
Assets for Incurred Claims	-11,482	-106,625	-107	-118,214
Insurance acquisition costs recognised as assets				3,850
Reinsurance contracts assets held	1,302,514	840,244		2,142,758
Assets for Remaining Coverage (ARC)	102,365	-135,107		-32,742
Estimates of the PVFCF		-206,665		
Risk Adjustment		5,476		
Contractual Service Margin		66,082		
Assets for Incurred Claims	1,200,149	975,351		2,175,500
Insurance contracts liabilities issued	-8,859,155	-3,247,996	-27,424,599	-39,598,063
Liability for Remaining Coverage (LRC)	-2,155,654	-2,522,340	-26,600,897	-31,278,891
Estimates of the PVFCF		-1,705,668	-20,957,067	
Risk Adjustment		-162,208	-984,540	
Contractual Service Margin		-654,464	-4,659,290	
Liability for Incurred Claims	-6,703,501	-725,656	-823,702	-8,252,859
As a liability recognised insurance cash flow				-66,313
Reinsurance contracts liabilities held	-18,688	-23,794		-42,482
Liability for Remaining Coverage (LRC)	-34,520	-20,700		-55,220
Estimates of the PVFCF		-35,960		
Risk Adjustment		472		
Contractual Service Margin		14,788		
Liability for Incurred Claims	15,832	-3,094		12,738

Composition	31/12/2023			
	PAA	GMM	VFA	Total
in EUR '000				
Insurance contracts assets issued	-5,597	229,916	1,384	229,491
Assets for Remaining Coverage (ARC)	17,945	314,238	1,404	333,587
Estimates of the PVFCF		824,480	6,599	
Risk Adjustment		-240,463	-1,542	
Contractual Service Margin		-269,779	-3,653	
Assets for Incurred Claims	-23,542	-84,322	-20	-107,884
Insurance acquisition costs recognised as assets				3,788
Reinsurance contracts assets held	1,257,432	550,866		1,808,298
Assets for Remaining Coverage (ARC)	67,558	-102,806		-35,248
Estimates of the PVFCF		-169,030		
Risk Adjustment		5,889		
Contractual Service Margin		60,335		
Assets for Incurred Claims	1,189,874	653,672		1,843,546
Insurance contracts liabilities issued	-7,841,483	-3,014,823	-26,896,421	-37,804,092
Liability for Remaining Coverage (LRC)	-1,845,696	-2,368,596	-26,072,494	-30,286,786
Estimates of the PVFCF		-1,725,833	-19,974,708	
Risk Adjustment		-148,464	-981,722	
Contractual Service Margin		-494,299	-5,116,064	
Liability for Incurred Claims	-5,995,787	-646,227	-823,927	-7,465,941
As a liability recognised insurance cash flow				-51,365
Reinsurance contracts liabilities held	8,924	-33,105		-24,181
Liability for Remaining Coverage (LRC)	-3,630	-31,587		-35,217
Estimates of the PVFCF		-59,851		
Risk Adjustment		2,053		
Contractual Service Margin		26,211		
Liability for Incurred Claims	12,554	-1,518		11,036

1.2. Assumptions used

Cost of capital and confidence level

The cost of capital rate used for risk adjustment in the financial year 2024 amounts to 6.00% (2023: 6.00%).

If there are local legal requirements that require a different cost of capital rate, this may differ from the above for individual companies. In the current financial year it was the case for the Ukrainian insurance companies. In the previous year there were no requirements that would have required a deviation.

The risk adjustment for life, health and non-life insurance contracts corresponds to a confidence level of average 79.93% (previous year: average 79.51%).

The confidence level is calculated using an ultimate view and is net of reinsurance.

Discount rate

Spot rates[1]	31/12/2024						31/12/2023					
	1 year	3 years	5 years	10 years	20 years	30 years	1 year	3 years	5 years	10 years	20 years	30 years
in %												
ALL	2.24	2.09	2.14	2.27	2.26	2.38	3.36	2.44	2.32	2.39	2.41	2.52
BAM	2.19	2.04	2.09	2.22	2.21	2.34	3.31	2.39	2.27	2.34	2.36	2.48
BGN	2.19	2.04	2.09	2.22	2.21	2.34	3.31	2.39	2.27	2.34	2.36	2.48
CHF	0.05	0.06	0.17	0.38	0.89	1.24	1.17	1.10	1.05	1.16	1.49	1.71
CZK	3.67	3.53	3.56	3.73	3.82	3.73	5.18	3.68	3.41	3.38	3.44	3.45
EUR	2.24	2.09	2.14	2.27	2.26	2.38	3.36	2.44	2.32	2.39	2.41	2.52
EUR (Croatia)[2]	2.55	2.30	2.41	2.73	2.91	3.01	3.36	2.63	2.61	2.83	3.07	3.17
GBP	4.46	4.15	4.04	4.07	4.30	4.23	4.74	3.67	3.35	3.28	3.43	3.35
GEL	2.24	2.09	2.14	2.27	2.43	2.61	14.85	13.14	12.33	12.07	11.47	10.03
HUF	5.68	6.15	6.36	6.52	6.99	6.51	6.30	5.93	5.71	5.78	6.00	5.70
MDL	2.24	2.09	2.14	2.27	2.26	2.38	3.36	2.44	2.32	2.39	2.41	2.52
MKD	2.24	2.09	2.14	2.27	2.26	2.38	3.36	2.44	2.32	2.39	2.41	2.52
PLN	4.97	5.22	5.49	5.78	5.34	4.84	4.95	4.83	4.84	5.10	4.94	4.59
RON	6.67	7.07	7.27	7.25	6.39	5.60	6.03	5.99	6.05	6.14	5.67	5.12
RSD	3.76	3.66	4.00	5.13	5.34	4.90	5.09	5.22	5.45	6.84	7.00	6.20
TRY	41.71	34.94	30.07	23.70	17.88	14.33	39.34	31.17	24.78	21.36	19.14	15.84
UAH	15.36	15.87	14.95	11.01	7.72	6.80	17.16	19.14	17.47	11.18	7.28	6.46
USD	4.18	4.06	4.02	4.07	4.10	3.84	4.76	3.72	3.50	3.45	3.46	3.23

1 Without illiquidity adjustment

2 Under certain conditions, the Croatian Insurance Bureau permits the use of a specially calculated interest rate generated on the basis of the EUR bonds of the Croatian National Bank. That is why two different EUR interest rates are presented in the table above.

Illiquidity adjustment	31/12/2024	31/12/2023
in basis points		
Albania	43	41
Bosnia-Herzegovina	56	56
Bulgaria	56	59
Germany	48	56
Estonia	43	41
Georgia	43	40
Kosovo	43	41
Croatia	21	28
Latvia	43	41
Liechtenstein	27	39
Lithuania	43	41
North Macedonia	43	41
Moldova	43	41
Austria	39	40
Poland	61	69
Romania	32	35
Serbia	200	200
Slovakia	52	40
Czech Republic	29	32
Türkiye	44	54
Ukraine	159	229
Hungary	62	52

1.3. Insurance contracts issued

Development by balance sheet item

Development – insurance contracts issued	2024					
All measurement models	LRC / ARC		LIC / AIC			Total
	Excl. LC	LC	Contracts not measured under PAA	Contracts measured at PAA: PVFCF	RA	
in EUR '000						
Assets as of 31/12 of the previous year	342,579	-8,993	-84,342	-23,172	-370	225,702
Liabilities as of 31/12 of the previous year	-30,227,056	-59,730	-1,470,154	-5,727,808	-267,979	-37,752,727
Net book value as of 31/12 of the previous year	**-29,884,477**	**-68,723**	**-1,554,496**	**-5,750,980**	**-268,349**	**-37,527,025**
IAS 8 error correction	6,623	0	0	0	0	6,623
Net book value as of 01/01	**-29,877,854**	**-68,723**	**-1,554,496**	**-5,750,980**	**-268,349**	**-37,520,402**
Insurance service revenue	12,138,477					12,138,477
insurance service expenses	-3,069,761	-36,341	-1,380,420	-6,165,306	-5,002	-10,656,830
Investment components	2,997,877		-2,991,705	-6,172	0	0
Insurance finance result*	-1,266,361	-1,841	-118,095	-227,085	-8,996	-1,622,378
Unrealised gains and losses acc. to IFRS 17	-113,603	0	-7,311	-33,085	-84	-154,083
Total changes in the statement of comprehensive income	**10,686,629**	**-38,182**	**-4,497,531**	**-6,431,648**	**-14,082**	**-294,814**
Exchange rate differences	166,235	1,413	8,092	37,386	1,877	215,003
Changes in scope of consolidation	-468,608	0	-8,060	0	0	-476,668
Total fulfilment cash flows	-11,281,359	0	4,395,905	5,720,990	0	-1,164,464
Other movements (transfers, modifications, etc.)	22,834	-7,038	0	-10,058	-119	5,619
Net book value as of 31/12	**-30,752,123**	**-112,530**	**-1,656,090**	**-6,434,310**	**-280,673**	**-39,235,726**
Assets as of 31/12	427,667	-13,429	-106,732	-11,386	-96	296,024
Liabilities as of 31/12	-31,179,790	-99,101	-1,549,358	-6,422,924	-280,577	-39,531,750

*Includes exchange rate differences of EUR -116,198,000

Development – insurance contracts issued	2023					
All measurement models	LRC / ARC		LIC / AIC			Total
	Excl. LC	LC	Contracts not measured under PAA	Contracts measured at PAA: PVFCF	RA	
in EUR '000						
Assets as of 31/12 of the previous year = assets as of 01/01	208,090	-7,707	-67,660	-2,383	-50	130,290
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-29,288,729	-73,174	-1,356,712	-5,345,181	-246,619	-36,310,415
Net book value as of 31/12 of the previous year = value as of 01/01	-29,080,639	-80,881	-1,424,372	-5,347,564	-246,669	-36,180,125
Insurance service revenue	10,921,826					10,921,826
insurance service expenses	-2,686,302	13,517	-1,408,876	-5,184,335	696	-9,265,300
Investment components	2,960,205		-2,950,099	-10,106		0
Insurance finance result*	-992,748	-1,652	-497,648	-191,574	-15,129	-1,698,751
Unrealised gains and losses acc. to IFRS 17	-928,606	0	-9,622	-129,383	0	-1,067,611
Total changes in the statement of comprehensive income	9,274,375	11,865	-4,866,245	-5,515,398	-14,433	-1,109,836
Exchange rate differences	173,163	293	20,518	21,046	-7,247	207,773
Total fulfilment cash flows	-10,251,377	0	4,715,602	5,090,936	0	-444,839
Net book value as of 31/12	-29,884,478	-68,723	-1,554,497	-5,750,980	-268,349	-37,527,027
Assets as of 31/12	342,579	-8,993	-84,342	-23,172	-370	225,702
Liabilities as of 31/12	-30,227,056	-59,730	-1,470,154	-5,727,808	-267,979	-37,752,727

*Includes exchange rate differences of EUR -74,524,000

Development – insurance contracts issued	2024				
Premium Allocation Approach	LRC / ARC		LIC / AIC		Total
	Excl. LC	LC	PVFCF	RA	
in EUR '000					
Assets as of 31/12 of the previous year = assets as of 01/01	17,945	0	-23,172	-370	-5,597
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-1,836,695	-9,001	-5,727,808	-267,979	-7,841,483
Net book value as of 31/12 of the previous year = value as of 01/01	**-1,818,750**	**-9,001**	**-5,750,980**	**-268,349**	**-7,847,080**
Insurance service revenue	9,578,096				9,578,096
insurance service expenses	-2,594,653	-33,885	-6,165,306	-5,002	-8,798,846
Incurred claims and other insurance service expenses	-651,816		-5,659,760		-6,311,576
Losses of onerous contracts and reversals of those losses		-33,885			-33,885
Changes fulfilment cash flows relating to LIC			-505,546	-5,002	-510,548
Amortisation of insurance acquisition costs	-1,942,837				-1,942,837
Investment components	6,172	0	-6,172	0	0
Insurance finance result*	411	0	-227,085	-8,996	-235,670
Unrealised gains and losses acc. to IFRS 17	0	0	-33,085	-84	-33,169
Total changes in the statement of comprehensive income	**6,990,026**	**-33,885**	**-6,431,648**	**-14,082**	**510,411**
Exchange rate differences	15,955	-79	37,386	1,877	55,139
Total fulfilment cash flows	**-7,298,706**	**0**	**5,720,990**	**0**	**-1,577,716**
Received premiums	-9,836,208		33,557		-9,802,651
Claims and other insurance service expenses paid			5,687,433		5,687,433
Insurance acquisition costs	2,537,502				2,537,502
Other movements (transfers, modifications, etc.)	15,804	0	-10,058	-119	5,627
Net book value as of 31/12	**-2,095,671**	**-42,965**	**-6,434,310**	**-280,673**	**-8,853,619**
Assets as of 31/12	17,018	0	-11,386	-96	5,536
Liabilities as of 31/12	-2,112,689	-42,965	-6,422,924	-280,577	-8,859,155

*Includes exchange rate differences of EUR -1,138,000

Development – insurance contracts issued	2023				
Premium Allocation Approach	LRC / ARC		LIC / AIC		Total
	Excl. LC	LC	PVFCF	RA	
in EUR '000					
Assets as of 31/12 of the previous year = assets as of 01/01	8,502	0	-2,383	-50	6,069
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-1,683,360	-5,254	-5,345,181	-246,619	-7,280,414
Net book value as of 31/12 previous of the year = value as of 01/01	-1,674,858	-5,254	-5,347,564	-246,669	-7,274,345
Insurance service revenue	8,531,488				8,531,488
insurance service expenses	-2,350,065	-3,644	-5,184,335	696	-7,537,348
Incurred claims and other insurance service expenses	-603,987		-5,053,578		-5,657,565
Losses of onerous contracts and reversals of those losses		-3,644			-3,644
Changes fulfilment cash flows relating to LIC			-130,757	696	-130,061
Amortisation of insurance acquisition costs	-1,746,078				-1,746,078
Investment components	10,106		-10,106		0
Insurance finance result*	213		-191,574	-15,129	-206,490
Unrealised gains and losses acc. to IFRS 17	0		-129,383		-129,383
Total changes in the statement of comprehensive income	6,191,742	-3,644	-5,515,398	-14,433	658,267
Exchange rate differences	126,470	-103	21,046	-7,247	140,166
Total fulfilment cash flows	-6,462,103	0	5,090,936	0	-1,371,167
Received premiums	-8,872,233				-8,872,233
Claims and other insurance service expenses paid			5,090,936		5,090,936
Insurance acquisition costs	2,410,130				2,410,130
Other movements (transfers, modifications, etc.)					0
Net book value as of 31/12	-1,818,749	-9,001	-5,750,980	-268,349	-7,847,079
Assets as of 31/12	17,945	0	-23,172	-370	-5,597
Liabilities as of 31/12	-1,836,695	-9,001	-5,727,808	-267,979	-7,841,483

*Includes exchange rate differences of EUR -2,709,000

Development – insurance contracts issued	2024			
General Measurement Model	LRC / ARC		LIC / AIC	Total
	Excl. LC	LC		
in EUR '000				
Assets as of 31/12 previous of the year = assets as of 01/01	323,230	-8,993	-84,322	229,915
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-2,341,749	-26,847	-646,227	-3,014,823
Net book value as of 31/12 of the previous year = value as of 01/01	-2,018,519	-35,840	-730,549	-2,784,908
Insurance service revenue	1,179,919			1,179,919
insurance service expenses	-268,839	-6,358	-650,485	-925,682
Incurred claims and other insurance service expenses	-117,780		-558,356	-676,136
Losses of onerous contracts and reversals of those losses		-6,358		-6,358
Changes fulfilment cash flows relating to LIC			-92,129	-92,129
Amortisation of insurance acquisition costs	-151,059			-151,059
Investment components	455,465		-455,465	0
Insurance finance result*	-105,175	-1,740	-15,043	-121,958
Unrealised gains and losses acc. to IFRS 17	-27,178	0	-7,311	-34,489
Total changes in the statement of comprehensive income	1,234,192	-8,098	-1,128,304	97,790
Exchange rate differences	24,244	714	1,832	26,790
Changes in scope of consolidation	-74,947	0	-2,092	-77,039
Total fulfilment cash flows	-1,248,547	0	1,026,832	-221,715
Received premiums	-1,858,155			-1,858,155
Claims and other insurance service expenses paid			1,026,832	1,026,832
Insurance acquisition costs	609,608			609,608
Other movements (transfers, modifications, etc.)	-11	0	0	-11
Net book value as of 31/12	-2,083,588	-43,224	-832,281	-2,959,093
Assets as of 31/12	408,957	-13,429	-106,625	288,903
Liabilities as of 31/12	-2,492,545	-29,795	-725,656	-3,247,996

*Includes exchange rate differences of EUR -56,610,000

Under the item Changes in scope of consolidation, EUR 76,041,000 came from the first-time consolidation of Aegon Life and EUR 998,000 came from the transfer of the Aegon portfolio in Romania.

Development – insurance contracts issued	2023			
General Measurement Model	LRC / ARC		LIC / AIC	Total
	Excl. LC	LC		
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	197,061	-7,707	-67,658	121,696
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-2,142,191	-44,971	-551,412	-2,738,574
Net book value as of 31/12 of the previous year = value as of 01/01	**-1,945,130**	**-52,678**	**-619,070**	**-2,616,878**
Insurance service revenue	1,006,668			1,006,668
insurance service expenses	-157,893	18,970	-678,099	-817,022
Incurred claims and other insurance service expenses	-46,659		-504,389	-551,048
Losses of onerous contracts and reversals of those losses		18,970		18,970
Changes fulfilment cash flows relating to LIC			-173,710	-173,710
Amortisation of insurance acquisition costs	-111,234			-111,234
Investment components	471,285		-471,285	0
Insurance finance result*	-126,196	-1,801	-139	-128,136
Unrealised gains and losses acc. to IFRS 17	-141,989		-9,622	-151,611
Total changes in the statement of comprehensive income	**1,051,875**	**17,169**	**-1,159,145**	**-90,101**
Exchange rate differences	76,176	-330	-486	75,360
Total fulfilment cash flows	**-1,201,442**	**0**	**1,048,151**	**-153,291**
Received premiums	-1,669,613			-1,669,613
Claims and other insurance service expenses paid			1,048,151	1,048,151
Insurance acquisition costs	468,171			468,171
Net book value as of 31/12	**-2,018,521**	**-35,839**	**-730,550**	**-2,784,910**
Assets as of 31/12	323,230	-8,993	-84,322	229,915
Liabilities as of 31/12	-2,341,749	-26,847	-646,227	-3,014,823

*Includes exchange rate differences of EUR -95,859,000

Development – insurance contracts issued	2024			
Variable Fee Approach	LRC / ARC		LIC / AIC	Total
	Excl. LC	LC		
in EUR '000				
Assets as of 31/12 of the previous year	1,404	0	-20	1,384
Liabilities as of 31/12 of the previous year	-26,048,612	-23,882	-823,927	-26,896,421
Net book value as of 31/12 of the previous year	**-26,047,208**	**-23,882**	**-823,947**	**-26,895,037**
IAS 8 error correction	6,623	0	0	6,623
Net book value as of 01/01	**-26,040,585**	**-23,882**	**-823,947**	**-26,888,414**
Insurance service revenue	1,380,462			1,380,462
insurance service expenses	-206,269	3,902	-729,935	-932,302
Incurred claims and other insurance service expenses	-154,590	0	-728,640	-883,230
Losses of onerous contracts and reversals of those losses		3,902		3,902
Changes fulfilment cash flows relating to LIC			-1,295	-1,295
Amortisation of insurance acquisition costs	-51,679			-51,679
Investment components	2,536,240	0	-2,536,240	0
Insurance finance result*	-1,161,597	-101	-103,052	-1,264,750
Unrealised gains and losses acc. to IFRS 17	-86,425	0	0	-86,425
Total changes in the statement of comprehensive income	**2,462,411**	**3,801**	**-3,369,227**	**-903,015**
Exchange rate differences	126,036	778	6,260	133,074
Changes in scope of consolidation	-393,661	0	-5,968	-399,629
Total fulfilment cash flows	**-2,734,106**	**0**	**3,369,073**	**634,967**
Received premiums	-3,246,735			-3,246,735
Claims and other insurance service expenses paid			3,369,073	3,369,073
Insurance acquisition costs	512,629			512,629
Other movements (transfers, modifications, etc.)	7,041	-7,038	0	3
Net book value as of 31/12	**-26,572,864**	**-26,341**	**-823,809**	**-27,423,014**
Assets as of 31/12	1,692	0	-107	1,585
Liabilities as of 31/12	-26,574,556	-26,341	-823,702	-27,424,599

*Includes exchange rate differences of EUR -58,450,000

Under the item Changes in scope of consolidation, EUR 275,202,000 came from the first-time consolidation of Aegon Life and EUR 124,427,000 came from the transfer of the Aegon portfolio in Romania.

Development – insurance contracts issued	2023			
Variable Fee Approach	LRC / ARC		LIC / AIC	Total
	Excl. LC	LC		
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	2,527	0	-2	2,525
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-25,463,178	-22,949	-805,300	-26,291,427
Net book value as of 31/12 of the previous year = value as of 01/01	-25,460,651	-22,949	-805,302	-26,288,902
Insurance service revenue	1,383,670	0	0	1,383,670
insurance service expenses	-178,344	-1,809	-730,777	-910,930
Incurred claims and other insurance service expenses	-131,041	0	-740,131	-871,172
Losses of onerous contracts and reversals of those losses	0	-1,809	0	-1,809
Changes fulfilment cash flows relating to LIC	0	0	9,354	9,354
Amortisation of insurance acquisition costs	-47,303	0	0	-47,303
Investment components	2,478,814	0	-2,478,814	0
Insurance finance result*	-866,765	149	-497,509	-1,364,125
Unrealised gains and losses acc. to IFRS 17	-786,617	0	0	-786,617
Total changes in the statement of comprehensive income	2,030,758	-1,660	-3,707,100	-1,678,002
Exchange rate differences	-29,483	726	21,004	-7,753
Total fulfilment cash flows	-2,587,832	0	3,667,451	1,079,619
Received premiums	-3,086,382			-3,086,382
Claims and other insurance service expenses paid			3,667,451	3,667,451
Insurance acquisition costs	498,550			498,550
Net book value as of 31/12	-26,047,208	-23,883	-823,947	-26,895,038
Assets as of 31/12	1,404	0	-20	1,384
Liabilities as of 31/12	-26,048,612	-23,882	-823,927	-26,896,421

*Includes exchange rate differences of EUR 24,044,000

Development by evaluation component: Insurance contracts that are not valued using the PAA

Developments of LRC / ARC and LIC / AIC by measurement components	2024			
All measurement models that are not measured under PAA	PVFCF	RA	CSM	Total
in EUR '000				
Assets as of 31/12 of the previous year	752,221	-247,491	-273,432	231,298
Liabilities as of 31/12 of the previous year	-23,116,620	-1,184,262	-5,610,363	-29,911,245
Net book value as of 31/12 of the previous year	-22,364,399	-1,431,753	-5,883,795	-29,679,947
IAS 8 error correction	0	0	6,623	6,623
Net book value as of 01/01	-22,364,399	-1,431,753	-5,877,172	-29,673,324
Changes that relate to current services	5,354	149,871	589,951	745,176
Changes that relate to future services	369,364	-166,812	-228,896	-26,344
Changes that relate to past services	-33,170	16,732	0	-16,438
Insurance finance result	-1,274,665	-35,491	-76,552	-1,386,708
Unrealised gains and losses acc. to IFRS 17	-114,102	-6,812	0	-120,914
Total changes in the statement of comprehensive income	-1,047,219	-42,512	284,503	-805,228
Exchange rate differences	91,433	16,077	52,359	159,869
Changes in scope of consolidation	-402,124	-8,119	-66,425	-476,668
Total fulfilment cash flows	413,252			413,252
Other movements (transfers, modifications, etc.)	-2,588	-118	2,698	-8
Net book value as of 31/12	-23,311,645	-1,466,425	-5,604,037	-30,382,107
Assets as of 31/12	844,835	-264,064	-290,283	290,488
Liabilities as of 31/12	-24,156,480	-1,202,361	-5,313,754	-30,672,595

Developments of LRC / ARC and LIC / AIC by measurement components	2023			
All measurement models that are not measured under PAA	PVFCF	RA	CSM	Total
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	580,315	-182,553	-273,541	124,221
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-22,213,298	-1,154,159	-5,662,544	-29,030,001
Net book value as of 31/12 of the previous year = value as of 01/01	-21,632,983	-1,336,712	-5,936,085	-28,905,780
Changes that relate to current services	-548,502	149,736	612,586	213,820
Changes that relate to future services	540,297	-131,919	-550,336	-141,958
Changes that relate to past services	577,968	12,557	0	590,525
Insurance finance result	-1,360,733	-72,494	-59,033	-1,492,260
Unrealised gains and losses acc. to IFRS 17	-907,185	-31,043	0	-938,228
Total changes in the statement of comprehensive income	-1,698,155	-73,163	3,217	-1,768,101
Exchange rate differences	40,411	-21,878	49,073	67,606
Total fulfilment cash flows	926,328			926,328
Net book value as of 31/12	-22,364,399	-1,431,753	-5,883,795	-29,679,947
Assets as of 31/12	752,221	-247,491	-273,432	231,298
Liabilities as of 31/12	-23,116,620	-1,184,262	-5,610,363	-29,911,245

Developments of LRC / ARC and LIC / AIC by measurement components	2024			
General Measurement Model	PVFCF	RA	CSM	Total
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	745,643	-245,949	-269,779	229,915
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-2,360,506	-160,018	-494,299	-3,014,823
Net book value as of 31/12 of the previous year = value as of 01/01	**-1,614,863**	**-405,967**	**-764,078**	**-2,784,908**
Changes that relate to current services	11,378	64,062	230,373	305,813
Amount of CSM recognised in profit or loss			230,373	230,373
Amount of RA for the risk expired recognised in profit or loss		69,190		69,190
Experience adjustments	11,378	-5,128		6,250
Changes that relate to future services	382,962	-76,844	-324,939	-18,821
Contracts initially recognised in the period	440,439	-109,568	-348,310	-17,439
Changes in estimates that adjust the CSM	-55,464	32,093	23,371	0
Changes in estimates that do not adjust the CSM	-2,013	631		-1,382
Changes that relate to past services	-37,666	4,911	0	-32,755
Changes in fulfilment cash flows relating to incurred claims	-37,666	4,911	0	-32,755
Insurance finance result	-38,063	-16,779	-67,116	-121,958
Unrealised gains and losses acc. to IFRS 17	-27,677	-6,812	0	-34,489
Total changes in the statement of comprehensive income	**290,934**	**-31,462**	**-161,682**	**97,790**
Exchange rate differences	5,823	5,164	15,803	26,790
Changes in scope of consolidation	-42,150	-5,594	-29,295	-77,039
Total fulfilment cash flows	**-221,715**			**-221,715**
Received premiums	-1,858,155			-1,858,155
Claims and other insurance service expenses paid as well as investment components	1,026,832			1,026,832
Insurance acquisition costs	609,608			609,608
Other movements (transfers, modifications, etc.)	-11	0	0	-11
Net book value as of 31/12	**-1,581,982**	**-437,859**	**-939,252**	**-2,959,093**
Assets as of 31/12	835,176	-261,485	-284,788	288,903
Liabilities as of 31/12	-2,417,158	-176,374	-654,464	-3,247,996

Under the item Changes in scope of consolidation, EUR 76,041,000 came from the first-time consolidation of Aegon Life and EUR 998,000 came from the transfer of the Aegon portfolio in Romania.

Developments of LRC / ARC and LIC / AIC by measurement components	2023			
General Measurement Model	PVFCF	RA	CSM	Total
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	576,413	-181,860	-272,856	121,697
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-2,071,808	-172,563	-494,203	-2,738,574
Net book value as of 31/12 of the previous year = value as of 01/01	**-1,495,395**	**-354,423**	**-767,059**	**-2,616,877**
Changes that relate to current services	-254,149	57,960	204,484	8,295
Amount of CSM recognised in profit or loss			204,484	204,484
Amount of RA for the risk expired recognised in profit or loss		65,370		65,370
Experience adjustments	-254,149	-7,410		-261,559
Changes that relate to future services	280,695	-76,197	-185,974	18,524
Contracts initially recognised in the period	318,262	-95,045	-233,453	-10,236
Changes in estimates that adjust the CSM	-65,615	17,374	47,479	-762
Changes in estimates that do not adjust the CSM	28,048	1,474		29,522
Changes that relate to past services	161,885	942	0	162,827
Changes in fulfilment cash flows relating to incurred claims	161,885	942	0	162,827
Insurance finance result	-58,618	-9,210	-60,308	-128,136
Unrealised gains and losses acc. to IFRS 17	-120,568	-31,043	0	-151,611
Total changes in the statement of comprehensive income	**9,245**	**-57,548**	**-41,798**	**-90,101**
Exchange rate differences	24,578	6,004	44,779	75,361
Reclassification to BS items in accordance with IFRS 5	0	0	0	0
Total fulfilment cash flows	**-153,291**			**-153,291**
Received premiums	-1,669,613			-1,669,613
Claims and other insurance service expenses paid as well as investment components	1,048,151			1,048,151
Insurance acquisition costs	468,171			468,171
Net book value as of 31/12	**-1,614,863**	**-405,967**	**-764,078**	**-2,784,908**
Assets as of 31/12	745,643	-245,949	-269,779	229,915
Liabilities as of 31/12	-2,360,506	-160,018	-494,299	-3,014,823

Developments of LRC / ARC and LIC / AIC by measurement components	2024			
Variable Fee Approach	PVFCF	RA	CSM	Total
in EUR '000				
Assets as of 31/12 of the previous year	6,578	-1,542	-3,653	1,383
Liabilities as of 31/12 of the previous year	-20,756,114	-1,024,244	-5,116,064	-26,896,422
Net book value as of 31/12 of the previous year	**-20,749,536**	**-1,025,786**	**-5,119,717**	**-26,895,039**
IAS 8 error correction	0	0	6,623	6,623
Net book value as of 01/01	**-20,749,536**	**-1,025,786**	**-5,113,094**	**-26,888,416**
Changes that relate to current services	-6,024	85,809	359,578	439,363
Amount of CSM recognised in profit or loss			359,578	359,578
Amount of RA for the risk expired recognised in profit or loss		92,828		92,828
Experience adjustments	-6,024	-7,019		-13,043
Changes that relate to future services	-13,598	-89,968	96,043	-7,523
Contracts initially recognised in the period	255,739	-61,288	-196,911	-2,460
Changes in estimates that adjust the CSM	-292,954	0	292,954	0
Changes in estimates that do not adjust the CSM	23,617	-28,680		-5,063
Changes that relate to past services	4,496	11,821	0	16,317
Changes in fulfilment cash flows relating to incurred claims	4,496	11,821	0	16,317
Insurance finance result	-1,236,602	-18,712	-9,436	-1,264,750
Unrealised gains and losses acc. to IFRS 17	-86,425	0	0	-86,425
Total changes in the statement of comprehensive income	**-1,338,153**	**-11,050**	**446,185**	**-903,018**
Exchange rate differences	85,610	10,913	36,556	133,079
Changes in scope of consolidation	-359,974	-2,525	-37,130	-399,629
Total fulfilment cash flows	**634,967**			**634,967**
Received premiums	-3,246,735			-3,246,735
Claims and other insurance service expenses paid as well as investment components	3,369,073			3,369,073
Insurance acquisition costs	512,629			512,629
Other movements (transfers, modifications, etc.)	-2,577	-118	2,698	3
Net book value as of 31/12	**-21,729,663**	**-1,028,566**	**-4,664,785**	**-27,423,014**
Assets as of 31/12	9,659	-2,579	-5,495	1,585
Liabilities as of 31/12	-21,739,322	-1,025,987	-4,659,290	-27,424,599

Under the item Changes in scope of consolidation, EUR 275,202,000 came from the first-time consolidation of Aegon Life and EUR 124,427,000 came from the transfer of the Aegon portfolio in Romania.

Developments of LRC / ARC and LIC / AIC by measurement components	2023			
Variable Fee Approach	PVFCF	RA	CSM	Total
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	3,902	-693	-685	2,524
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-20,141,490	-981,596	-5,168,341	-26,291,427
Net book value as of 31/12 of the previous year = value as of 01/01	-20,137,588	-982,289	-5,169,026	-26,288,903
Changes that relate to current services	-294,353	91,776	408,102	205,525
Amount of CSM recognised in profit or loss			408,102	408,102
Amount of RA for the risk expired recognised in profit or loss		95,720		95,720
Experience adjustments	-294,353	-3,944		-298,297
Changes that relate to future services	259,602	-55,722	-364,362	-160,482
Contracts initially recognised in the period	237,171	-58,620	-180,602	-2,051
Changes in estimates that adjust the CSM	8,618	0	-183,760	-175,142
Changes in estimates that do not adjust the CSM	13,813	2,898		16,711
Changes that relate to past services	416,083	11,615	0	427,698
Changes in fulfilment cash flows relating to incurred claims	416,083	11,615		427,698
Insurance finance result	-1,302,115	-63,284	1,275	-1,364,124
Unrealised gains and losses acc. to IFRS 17	-786,617	0	0	-786,617
Total changes in the statement of comprehensive income	-1,707,400	-15,615	45,015	-1,678,000
Exchange rate differences	15,833	-27,882	4,294	-7,755
Total fulfilment cash flows	1,079,619			1,079,619
Received premiums	-3,086,382			-3,086,382
Claims and other insurance service expenses paid as well as investment components	3,667,451			3,667,451
Insurance acquisition costs	498,550			498,550
Net book value as of 31/12	-20,749,536	-1,025,786	-5,119,717	-26,895,039
Assets as of 31/12	6,578	-1,542	-3,653	1,383
Liabilities as of 31/12	-20,756,114	-1,024,244	-5,116,064	-26,896,422

Additional disclosures

Insurance service revenue	31/12/2024			31/12/2023 adjusted		
	GMM	VFA	Total	GMM	VFA	Total
in EUR '000						
Amounts relating to the changes in the LRC incl. ARC	841,409	1,079,656	1,921,065	740,275	1,092,646	1,832,921
Expected insurance service expenses	511,602	712,118	1,223,720	424,311	683,780	1,108,091
Change in the risk adjustment for nonfinancial risk	72,751	92,828	165,579	65,370	95,720	161,090
Amount of CSM recognised in profit or loss	230,373	359,578	589,951	204,484	408,102	612,586
Other amounts	26,683	-84,868	-58,185	46,110	-94,956	-48,846
Amounts relating to recovery of insurance acquisition costs	338,510	300,806	639,316	266,393	291,024	557,417
Allocation of the portion of premiums that relate to the recovery of insurance acquisition costs	338,510	300,806	639,316	266,393	291,024	557,417
Total	1,179,919	1,380,462	2,560,381	1,006,668	1,383,670	2,390,338

Contracts initially recognised in the period	31/12/2024			31/12/2023		
General Measurement Model	Non-onerous	Onerous	Total	Non-onerous	Onerous	Total
in EUR '000						
Own-written	0	-17,439	-17,439	-7,002	-3,234	-10,236
Estimates of present value of future cash outflows	-1,992,739	-182,749	-2,175,488	-1,501,615	-220,586	-1,722,201
Estimates of insurance acquisition costs	-383,882	-11,581	-395,463	-332,238	-24,679	-356,917
Estimates of present value of other future cash outflows	-1,608,857	-171,168	-1,780,025	-1,169,377	-195,907	-1,365,284
Estimates of present value of future cash inflows	2,442,137	173,790	2,615,927	1,817,483	222,980	2,040,463
Risk Adjustment for nonfinancial risks	-101,088	-8,480	-109,568	-89,417	-5,628	-95,045
Contractual Service Margin	-348,310		-348,310	-233,453		-233,453
Acquired	-77,039	0	-77,039	0	0	0
Estimates of present value of future cash outflows	-147,341	0	-147,341	0	0	0
Estimates of present value of other future cash outflows	-147,341	0	-147,341	0	0	0
Estimates of present value of future cash inflows	105,191	0	105,191	0	0	0
Risk Adjustment for nonfinancial risks	-5,594	0	-5,594	0	0	0
Contractual Service Margin	-29,295		-29,295	0		0

Contracts initially recognised in the period	31/12/2024			31/12/2023		
Variable Fee Approach	Non-onerous	Onerous	Total	Non-onerous	Onerous	Total
in EUR '000						
Own-written	0	-2,460	-2,460	-2,537	486	-2,051
Estimates of present value of future cash outflows	-2,202,944	-32,022	-2,234,966	-1,955,842	-71,315	-2,027,157
Estimates of insurance acquisition costs	-273,559	-4,186	-277,745	-269,127	-10,180	-279,307
Estimates of present value of other future cash outflows	-1,929,385	-27,836	-1,957,221	-1,686,715	-61,135	-1,747,850
Estimates of present value of future cash inflows	2,459,045	31,660	2,490,705	2,189,650	74,678	2,264,328
Risk Adjustment for nonfinancial risks	-59,190	-2,098	-61,288	-55,743	-2,877	-58,620
Contractual Service Margin	-196,911		-196,911	-180,602		-180,602
Acquired	-399,629	0	-399,629	0	0	0
Estimates of present value of future cash outflows	-477,174	0	-477,174	0	0	0
Estimates of present value of other future cash outflows	-477,174	0	-477,174	0	0	0
Estimates of present value of future cash inflows	117,200	0	117,200	0	0	0
Risk Adjustment for nonfinancial risks	-2,525	0	-2,525	0	0	0
Contractual Service Margin	-37,130		-37,130	0		0

CSM expected to be recognised in profit or loss	31/12/2024					
Insurance contracts issued	1st year	2nd year	3rd year	4th year	5th year and later	Total
in EUR '000						
GMM	-164,336	-124,548	-103,363	-86,462	-460,543	-939,252
Assets for Remaining Coverage (ARC)	-41,859	-34,956	-29,439	-24,913	-153,621	-284,788
Liability for Remaining Coverage (LRC)	-122,477	-89,592	-73,924	-61,549	-306,922	-654,464
VFA	-352,007	-323,174	-298,503	-276,171	-3,414,930	-4,664,785
Assets for Remaining Coverage (ARC)	-230	-274	-309	-335	-4,347	-5,495
Liability for Remaining Coverage (LRC)	-351,777	-322,900	-298,194	-275,836	-3,410,583	-4,659,290
Total	-516,343	-447,722	-401,866	-362,633	-3,875,473	-5,604,037

CSM expected to be recognised in profit or loss	31/12/2023					
Insurance contracts issued	1st year	2nd year	3rd year	4th year	5th year and later	Total
in EUR '000						
GMM	-144,551	-99,742	-80,610	-66,264	-372,911	-764,078
Assets for Remaining Coverage (ARC)	-39,250	-32,224	-27,666	-23,238	-147,401	-269,779
Liability for Remaining Coverage (LRC)	-105,301	-67,518	-52,944	-43,026	-225,510	-494,299
VFA	-386,096	-348,868	-319,752	-296,568	-3,768,433	-5,119,717
Assets for Remaining Coverage (ARC)	-62	-98	-133	-163	-3,197	-3,653
Liability for Remaining Coverage (LRC)	-386,034	-348,770	-319,619	-296,405	-3,765,236	-5,116,064
Total	-530,647	-448,610	-400,362	-362,832	-4,141,344	-5,883,795

1.4. Reinsurance contracts held

Development by balance sheet item

Development – reinsurance contracts held	2024					
All measurement models	LRC / ARC		LIC / AIC			Total
			Contracts not measured under PAA	Contracts measured at PAA		
	Excl. LoReCo	LoReCo		PVFCF	RA	
in EUR '000						
Assets as of 31/12 of the previous year = assets as of 01/01	-39,390	4,142	653,672	1,163,020	26,854	1,808,298
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-35,639	422	-1,518	12,473	82	-24,180
Net book value as of 31/12 of the previous year = value as of 01/01	**-75,029**	**4,564**	**652,154**	**1,175,493**	**26,936**	**1,784,118**
Insurance service revenue	-1,477,363					-1,477,363
insurance service expenses	-46,865	2,505	696,344	531,831	-1,748	1,182,067
Investment components	-27,770	0	7,840	19,930	0	0
Insurance finance result*	2,396	673	10,095	71,456	1,737	86,357
Unrealised gains and losses acc. to IFRS 17	-1,706	0	7,413	-4,830	-377	500
Total changes in the statement of comprehensive income	**-1,551,308**	**3,178**	**721,692**	**618,387**	**-388**	**-208,439**
Exchange rate differences	1,983	0	-303	-12,860	-334	-11,514
Changes in scope of consolidation	-553	0	76	0	0	-477
Total fulfilment cash flows	1,530,434		-399,713	-592,356		538,365
Other movements (transfers, modifications, etc.)	-1,231	0	-1,649	1,101	2	-1,777
Net book value as of 31/12	**-95,704**	**7,742**	**972,257**	**1,189,765**	**26,216**	**2,100,276**
Assets as of 31/12	-40,409	7,667	975,351	1,174,286	25,863	2,142,758
Liabilities as of 31/12	-55,295	75	-3,094	15,479	353	-42,482

*Includes exchange rate differences of EUR -506,000

Development – reinsurance contracts held	2023					
All measurement models	LRC / ARC		LIC / AIC			Total
	Excl. LoReCo	LoReCo	Contracts not measured under PAA	Contracts measured at PAA		
				PVFCF	RA	
in EUR '000						
Assets as of 31/12 of the previous year = assets as of 01/01	-37,144	17,499	608,545	1,257,568	28,041	1,874,509
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-53,389	559	-1,319	16,198	210	-37,741
Net book value as of 31/12 of the previous year = value as of 01/01	-90,533	18,058	607,226	1,273,766	28,251	1,836,768
Insurance service revenue	-1,339,091					-1,339,091
insurance service expenses	49,694	-13,421	308,863	548,357	-2,829	890,664
Investment components	-31,263	0	14,512	16,751	0	0
Insurance finance result*	-3,174	8	4,562	38,559	1,673	41,628
Unrealised gains and losses acc. to IFRS 17	-5,247	-833	7,830	33,166	0	34,916
Total changes in the statement of comprehensive income	-1,329,081	-14,246	335,767	636,833	-1,156	-371,883
Exchange rate differences	26,494	752	-12,795	-1,549	-160	12,742
Total fulfilment cash flows	1,318,092		-278,043	-733,557		306,492
Net book value as of 31/12	-75,028	4,564	652,155	1,175,493	26,935	1,784,119
Assets as of 31/12	-39,390	4,142	653,672	1,163,020	26,854	1,808,298
Liabilities as of 31/12	-35,639	422	-1,518	12,473	82	-24,180

*Includes exchange rate differences of EUR -4,911,000

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Development – reinsurance contracts held	2024				
Premium Allocation Approach	LRC / ARC		LIC / AIC		Total
	Excl. LoReCo	LoReCo	PVFCF	RA	
in EUR '000					
Assets as of 31/12 of the previous year = assets as of 01/01	67,552	6	1,163,020	26,854	1,257,432
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-3,631	1	12,473	82	8,925
Net book value as of 31/12 of the previous year = value as of 01/01	**63,921**	**7**	**1,175,493**	**26,936**	**1,266,357**
Insurance service revenue	-1,043,945				-1,043,945
insurance service expenses	-50,809	10	531,831	-1,748	479,284
Amounts recovered for claims and other technical expenses	2,330		442,282		444,612
Reimbursements of losses and reversal of reimbursement of losses from groups of onerous contracts	226	10			236
Changes fulfilment cash flows relating to LIC			109,359	-1,687	107,672
Changes in risk of non-performance by issuer of reinsurance contracts	0	0	-500	0	-500
Consolidation effects	-53,365		-19,310	-61	-72,736
Investment components	-19,930	0	19,930	0	0
Insurance finance result*	121	0	71,456	1,737	73,314
Insurance finance result*	121	0	55,353	1,737	57,211
Consolidation effects	0	0	16,103	0	16,103
Unrealised gains and losses acc. to IFRS 17	0	0	-4,830	-377	-5,207
Total changes in the statement of comprehensive income	**-1,114,563**	**10**	**618,387**	**-388**	**-496,554**
Exchange rate differences	708	0	-12,860	-334	-12,486
Total fulfilment cash flows	**1,122,333**	**0**	**-592,356**	**0**	**529,977**
Received premiums	1,123,975				1,123,975
Claims and other insurance service expenses paid as well as investment components			-592,356		-592,356
Insurance acquisition costs	-1,642				-1,642
Other movements (transfers, modifications, etc.)	-4,571	0	1,101	2	-3,468
Net book value as of 31/12	**67,828**	**17**	**1,189,765**	**26,216**	**1,283,826**
Assets as of 31/12	102,348	17	1,174,286	25,863	1,302,514
Liabilities as of 31/12	-34,520	0	15,479	353	-18,688

*Includes exchange rate differences of EUR -12,000

Development – reinsurance contracts held	2023				
Premium Allocation Approach	LRC / ARC		LIC / AIC		Total
	Excl. LoReCo	LoReCo	PVFCF	RA	
in EUR '000					
Assets as of 31/12 of the previous year = assets as of 01/01	46,406	-1	1,257,568	28,041	1,332,014
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-22,244	0	16,198	210	-5,836
Net book value as of 31/12 of the previous year = value as of 01/01	24,162	-1	1,273,766	28,251	1,326,178
Insurance service revenue	-931,526	0			-931,526
insurance service expenses	45,835	5	548,357	-2,829	591,368
Amounts recovered for claims and other technical expenses	45,835		713,535		759,370
Reimbursements of losses and reversal of reimbursement of losses from groups of onerous contracts		5			5
Changes fulfilment cash flows relating to LIC			-165,532	-2,829	-168,361
Changes in risk of non-performance by issuer of reinsurance contracts			354		354
Investment components	-16,751		16,751		0
Insurance finance result*	-198		38,559	1,673	40,034
Unrealised gains and losses acc. to IFRS 17			33,166		33,166
Total changes in the statement of comprehensive income	-902,640	5	636,833	-1,156	-266,958
Exchange rate differences	11,725	3	-1,549	-160	10,019
Total fulfilment cash flows	930,675	0	-733,557	0	197,118
Received premiums	930,675				930,675
Claims and other insurance service expenses paid as well as investment components			-733,557		-733,557
Net book value as of 31/12	63,922	7	1,175,493	26,935	1,266,357
Assets as of 31/12	67,552	6	1,163,020	26,854	1,257,432
Liabilities as of 31/12	-3,631	1	12,473	82	8,925

*Includes exchange rate differences of EUR -393,000

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Development – reinsurance contracts held	2024			
General Measurement Model	LRC / ARC		LIC / AIC	Total
	Excl. LoReCo	LoReCo		
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	-106,942	4,136	653,672	550,866
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-32,008	421	-1,518	-33,105
Net book value as of 31/12 of the previous year = value as of 01/01	**-138,950**	**4,557**	**652,154**	**517,761**
Insurance service revenue	-433,418			-433,418
insurance service expenses	3,944	2,495	696,344	702,783
Amounts recovered for claims and other technical expenses	2,961		366,363	369,324
Reimbursements of losses and reversal of reimbursement of losses from groups of onerous contracts		2,495		2,495
Changes fulfilment cash flows relating to LIC			331,022	331,022
Changes in risk of non-performance by issuer of reinsurance contracts	983	0	-1,041	-58
Investment components	-7,840		7,840	0
Insurance finance result*	2,275	673	10,095	13,043
Unrealised gains and losses acc. to IFRS 17	-1,706	0	7,413	5,707
Total changes in the statement of comprehensive income	**-436,745**	**3,168**	**721,692**	**288,115**
Exchange rate differences	1,275	0	-303	972
Changes in scope of consolidation	-553	0	76	-477
Total fulfilment cash flows	**408,101**	**0**	**-399,713**	**8,388**
Received premiums	411,272			411,272
Claims and other insurance service expenses paid as well as investment components			-399,713	-399,713
Insurance acquisition costs	-3,171			-3,171
Other movements (transfers, modifications, etc.)	3,340	0	-1,649	1,691
Net book value as of 31/12	**-163,532**	**7,725**	**972,257**	**816,450**
Assets as of 31/12	-142,757	7,650	975,351	840,244
Liabilities as of 31/12	-20,775	75	-3,094	-23,794

*Includes exchange rate differences of EUR -494,000

Development – reinsurance contracts held	2023			
General Measurement Model	LRC / ARC		LIC / AIC	Total
	Excl. LoReCo	LoReCo		
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	-83,550	17,500	608,545	542,495
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-31,145	559	-1,319	-31,905
Net book value as of 31/12 of the previous year = value as of 01/01	-114,695	18,059	607,226	510,590
Insurance service revenue	-407,565	0		-407,565
insurance service expenses	3,859	-13,426	308,863	299,296
Amounts recovered for claims and other technical expenses	2,867	0	220,334	223,201
Reimbursements of losses and reversal of reimbursement of losses from groups of onerous contracts		-13,426		-13,426
Changes fulfilment cash flows relating to LIC			88,775	88,775
Changes in risk of non-performance by issuer of reinsurance contracts	992	0	-246	746
Investment components	-14,512		14,512	0
Insurance finance result*	-2,976	8	4,562	1,594
Unrealised gains and losses acc. to IFRS 17	-5,247	-833	7,830	1,750
Total changes in the statement of comprehensive income	-426,441	-14,251	335,767	-104,925
Exchange rate differences	14,769	749	-12,795	2,723
Total fulfilment cash flows	387,417	0	-278,043	109,374
Received premiums	387,417			387,417
Claims and other insurance service expenses paid as well as investment components			-278,043	-278,043
Net book value as of 31/12	-138,950	4,557	652,155	517,762
Assets as of 31/12	-106,942	4,136	653,672	550,866
Liabilities as of 31/12	-32,008	421	-1,518	-33,105

*Includes exchange rate differences of EUR -4,518,000

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Development by evaluation component: Insurance contracts that are not valued using the PAA

Developments of LRC / ARC and LIC / AIC by measurement components	2024			
General Measurement Model	PVFCF	RA	CSM	Total
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	473,577	16,955	60,335	550,867
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-61,390	2,074	26,211	-33,105
Net book value as of 31/12 of the previous year = value as of 01/01	**412,187**	**19,029**	**86,546**	**517,762**
Changes that relate to current services	341,977	-66,223	-48,541	227,213
Amount of CSM recognised in profit or loss			-48,541	-48,541
Amount of RA for the risk expired recognised in profit or loss		-66,223		-66,223
Experience adjustments	341,977			341,977
Changes that relate to future services	-105,969	67,455	40,093	1,579
Contracts initially recognised in the period	-107,939	67,848	63,434	23,343
Changes in estimates that adjust the CSM	1,970	-393	-23,341	-21,764
Changes that relate to past services	42,607	-1,976	0	40,631
Changes in fulfilment cash flows relating to incurred claims	42,607	-1,976	0	40,631
Changes in risk of non-performance by issuer of reinsurance contracts	-58	0	0	-58
Insurance finance result	8,250	1,710	3,083	13,043
Unrealised gains and losses acc. to IFRS 17	4,955	752	0	5,707
Total changes in the statement of comprehensive income	**291,762**	**1,718**	**-5,365**	**288,115**
Exchange rate differences	1,833	-169	-693	971
Changes in scope of consolidation	-895	28	390	-477
Total fulfilment cash flows	**8,388**			**8,388**
Received premiums	411,272			411,272
Claims and other insurance service expenses paid as well as investment components	-399,713			-399,713
Insurance acquisition costs	-3,171			-3,171
Other movements (transfers, modifications, etc.)	1,699	0	-8	1,691
Net book value as of 31/12	**714,974**	**20,606**	**80,870**	**816,450**
Assets as of 31/12	754,033	20,129	66,082	840,244
Liabilities as of 31/12	-39,059	477	14,788	-23,794

Developments of LRC / ARC and LIC / AIC by measurement components	2023			
General Measurement Model	PVFCF	RA	CSM	Total
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	465,091	8,061	69,343	542,495
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-62,364	1,849	28,610	-31,905
Net book value as of 31/12 of the previous year = value as of 01/01	402,727	9,910	97,953	510,590
Changes that relate to current services	-113,928	-59,437	-12,051	-185,416
Amount of CSM recognised in profit or loss			-12,051	-12,051
Amount of RA for the risk expired recognised in profit or loss		-62,087		-62,087
Experience adjustments	-113,928	2,650		-111,278
Changes that relate to future services	-78,026	63,490	-346	-14,882
Contracts initially recognised in the period	-98,321	62,655	55,510	19,844
Changes in estimates that adjust the CSM	20,295	835	-55,856	-34,726
Changes that relate to past services	86,748	4,536	0	91,284
Changes in fulfilment cash flows relating to incurred claims	86,748	4,536		91,284
Changes in risk of non-performance by issuer of reinsurance contracts	745			745
Insurance finance result	-6,249	2,362	5,481	1,594
Unrealised gains and losses acc. to IFRS 17	2,774	-1,024		1,750
Total changes in the statement of comprehensive income	-107,936	9,927	-6,916	-104,925
Exchange rate differences	8,022	-808	-4,491	2,723
Reclassification to BS items in accordance with IFRS 5				
Total fulfilment cash flows	109,374			109,374
Received premiums	387,417			387,417
Claims and other insurance service expenses paid as well as investment components	-278,043			-278,043
Net book value as of 31/12	412,187	19,029	86,546	517,762
Assets as of 31/12	473,577	16,955	60,335	550,867
Liabilities as of 31/12	-61,390	2,074	26,211	-33,105

Additional disclosures

Contracts initially recognised in the period		
General Measurement Model	31/12/2024	31/12/2023 adjusted
in EUR '000		
Own-written	23,343	19,844
Estimates of present value of future cash outflows	249,077	263,915
Estimates of insurance acquisition costs	0	-2,160
Estimates of present value of other future cash outflows	249,077	266,075
Estimates of present value of future cash inflows	-357,016	-362,236
Risk Adjustment for nonfinancial risks	67,848	62,655
Contractual Service Margin	63,434	55,510
Acquired	-477	0
Estimates of present value of future cash outflows	-1,018	0
Estimates of present value of other future cash outflows	-1,018	0
Estimates of present value of future cash inflows	123	0
Risk Adjustment for nonfinancial risks	28	0
Contractual Service Margin	390	0

CSM expected to be recognised in profit or loss	31/12/2024					
Reinsurance contracts held	1st year	2nd year	3rd year	4th year	5th year and later	Total
in EUR '000						
GMM	26,189	8,684	6,674	5,323	34,000	80,870
Assets for Remaining Coverage (ARC)	23,319	7,269	5,532	4,336	25,626	66,082
Liability for Remaining Coverage (LRC)	2,870	1,415	1,142	987	8,374	14,788

CSM expected to be recognised in profit or loss	31/12/2023					
Reinsurance contracts held	1st year	2nd year	3rd year	4th year	5th year and later	Total
in EUR '000						
GMM	19,394	11,751	9,266	7,800	38,335	86,546
Assets for Remaining Coverage (ARC)	17,244	6,974	5,512	4,582	26,023	60,335
Liability for Remaining Coverage (LRC)	2,150	4,777	3,754	3,218	12,312	26,211

1.5. Underlying assets of direct profit participating contracts

Composition – Fair value	31/12/2024	31/12/2023 adjusted
in EUR '000		
Items shown as assets	25,817,600	25,289,448
Cash and cash equivalents	412,695	359,105
Loans	449,543	540,618
Bonds	15,527,901	15,761,012
Term deposits	98,014	103,057
Funds	7,997,314	7,211,757
Derivatives	892	1,375
Shares	363,979	411,041
Shares in participating companies	12,054	12,472
Shares in affiliated non-consolidated companies	1,281	1,253
Receivables	8,096	5,432
Investment property	749,259	692,428
Owner-occupied property	196,572	189,898
Items shown as liabilities	597	547
Liabilities for derivatives	597	547

Amounts recognised in profit or loss	2024	2023 adjusted
in EUR '000		
Underlying Assets	**1,220,472**	**1,375,602**
Interest revenues using the effective interest rate method	432,969	491,841
Realised gains and losses from financial assets measured at AC	0	-32
Impairment losses incl. reversal gains on financial instruments	-5,292	-3,475
Other result from financial instruments	782,770	870,390
Financial result from owner occupied properties and investment properties	10,025	16,878
Non Underlying Assets	**744,560**	**552,388**
Interest revenues using the effective interest rate method	564,728	403,960
Realised gains and losses from financial assets measured at AC	-5,076	112
Impairment losses incl. reversal gains on financial instruments	-12,814	-53,009
Other result from financial instruments	126,761	183,281
Financial result from owner occupied properties and investment properties	43,960	1,578
Result from associated consolidated companies	27,001	16,466
Insurance finance result - issued business	**-1,622,378**	**-1,698,751**
Interest accreted to insurance contracts using current financial assumptions	-1,032,049	-904,897
Interest accreted to insurance contracts using locked-in rate at inital recognition	-35,008	-22,095
Changes in interest rates and other financial assumptions	-439,123	-697,235
Exchange rate differences	-116,198	-74,524
Insurance finance result - reinsurance held	**86,357**	**41,628**
Interest accreted to insurance contracts using current financial assumptions	62,709	38,317
Interest accreted to insurance contracts using locked-in rate at inital recognition	3,598	1,705
Changes in interest rates and other financial assumptions	20,556	6,517
Exchange rate differences	-506	-4,911
Total	**429,011**	**270,867**

Amounts recognised directly in equity	2024	2023 adjusted
in EUR '000		
Underlying Assets	129,638	835,438
Non Underlying Assets	46,338	455,553
IFRS 17 – Insurance contracts issued	-154,083	-1,067,611
IFRS 17 – Reinsurance contracts held	500	34,915
Total	**22,393**	**258,295**

Statement of comprehensive income	2024	2023
in EUR '000		
Recognised in profit or loss	**1,615,362**	**1,478,966**
Insurance service result	1,186,351	1,208,099
Investment result incl. result from associated consolidated companies and properties	1,965,032	1,927,990
Insurance finance result	-1,536,021	-1,657,123
Recognised directly in equity	**22,393**	**258,295**
Unrealised gains and losses acc. to IFRS 9	175,976	1,290,991
Unrealised gains and losses acc. to IFRS 17	-153,583	-1,032,696
Total	**1,637,755**	**1,737,261**

1.6. Portfolio performance from IFRS 17 transition date (1 January 2022)

Development – insurance contracts issued	2024			2023		
All measurement models	FVA	FRA and new contracts	Total	FVA	FRA and new contracts	Total
in EUR '000						
Contractual Service Margin as of 31/12 of the previous year	-4,940,495	-943,297	-5,883,792	-5,204,472	-731,610	-5,936,082
IAS 8 error correction	0	6,623	6,623	0	0	0
Contractual Service Margin as of 01/01	-4,940,495	-936,674	-5,877,169	-5,204,472	-731,610	-5,936,082
Changes that relate to current services	360,632	229,319	589,951	437,277	175,310	612,587
Amount of CSM recognised in profit or loss	360,632	229,319	589,951	437,277	175,310	612,587
Changes that relate to future services	324,158	-553,054	-228,896	-148,807	-401,530	-550,337
Contracts initially recognised in the period		-545,221	-545,221		-414,055	-414,055
Changes in estimates that adjust the CSM	324,158	-7,833	316,325	-148,807	12,525	-136,282
Insurance finance result*	-7,863	-68,689	-76,552	9,038	-68,070	-59,032
Total changes in the statement of comprehensive income	676,927	-392,424	284,503	297,508	-294,290	3,218
Exchange rate differences	19,333	33,023	52,356	-33,531	82,603	49,072
Changes in scope of consolidation	0	-66,425	-66,425	0	0	0
Other movements (transfers, modifications, etc.)	-1,561	4,259	2,698	0	0	0
Contractual Service Margin as of 31/12	-4,245,796	-1,358,241	-5,604,037	-4,940,495	-943,297	-5,883,792

*Includes exchange rate differences of EUR -41,544,000

Development	2024			2023		
General Measurement Model	FVA	FRA and new contracts	Total	FVA	FRA and new contracts	Total
in EUR '000						
Contractual Service Margin as of 01/01	-321,678	-442,399	-764,077	-386,863	-380,194	-767,057
Changes that relate to current services	61,563	168,810	230,373	70,129	134,355	204,484
Amount of CSM recognised in profit or loss	61,563	168,810	230,373	70,129	134,355	204,484
Changes that relate to future services	-31,115	-293,824	-324,939	-411	-185,564	-185,975
Contracts initially recognised in the period		-348,310	-348,310		-233,453	-233,453
Changes in estimates that adjust the CSM	-31,115	54,486	23,371	-411	47,889	47,478
Insurance finance result*	-3,953	-63,163	-67,116	14,834	-75,142	-60,308
Total changes in the statement of comprehensive income	26,495	-188,177	-161,682	84,552	-126,351	-41,799
Exchange rate differences	1,120	14,682	15,802	-19,367	64,146	44,779
Changes in scope of consolidation	0	-29,295	-29,295	0	0	0
Other movements (transfers, modifications, etc.)	-1,603	1,603	0	0	0	0
Contractual Service Margin as of 31/12	-295,666	-643,586	-939,252	-321,678	-442,399	-764,077

*Includes exchange rate differences of EUR -32,108,000

Development Variable Fee Approach in EUR '000	2024 FVA	2024 FRA and new contracts	2024 Total	2023 FVA	2023 FRA and new contracts	2023 Total
Contractual Service Margin as of 31/12 of the previous year	-4,618,817	-500,898	-5,119,715	-4,817,609	-351,416	-5,169,025
IAS 8 error correction	0	6,623	6,623	0	0	0
Contractual Service Margin as of 01/01	-4,618,817	-494,275	-5,113,092	-4,817,609	-351,416	-5,169,025
Changes that relate to current services	299,069	60,509	359,578	367,148	40,955	408,103
Amount of CSM recognised in profit or loss	299,069	60,509	359,578	367,148	40,955	408,103
Changes that relate to future services	355,273	-259,230	96,043	-148,396	-215,966	-364,362
Contracts initially recognised in the period	0	-196,911	-196,911		-180,602	-180,602
Changes in estimates that adjust the CSM	355,273	-62,319	292,954	-148,396	-35,364	-183,760
Insurance finance result*	-3,910	-5,526	-9,436	-5,796	7,072	1,276
Total changes in the statement of comprehensive income	650,432	-204,247	446,185	212,956	-167,939	45,017
Exchange rate differences	18,213	18,341	36,554	-14,164	18,457	4,293
Changes in scope of consolidation	0	-37,130	-37,130	0	0	0
Other movements (transfers, modifications, etc.)	42	2,656	2,698	0	0	0
Contractual Service Margin as of 31/12	-3,950,130	-714,655	-4,664,785	-4,618,817	-500,898	-5,119,715

*Includes exchange rate differences of EUR -9,436,000

Reinsurance contracts held

Development General Measurement Model in EUR '000	2024 FVA	2024 FRA and new contracts	2024 Total	2023 FVA	2023 FRA and new contracts	2023 Total
Contractual Service Margin as of 01/01	49,689	36,854	86,543	63,716	34,235	97,951
Changes that relate to current services	-8,473	-40,068	-48,541	-9,387	-2,664	-12,051
Amount of CSM recognised in profit or loss	-8,473	-40,068	-48,541	-9,387	-2,664	-12,051
Changes that relate to future services	177	39,916	40,093	-3,301	2,955	-346
Contracts initially recognised in the period	0	63,434	63,434		55,510	55,510
Changes in estimates that adjust the CSM	177	-23,518	-23,341	-3,301	-52,555	-55,856
Insurance finance result*	259	2,824	3,083	-937	6,418	5,481
Total changes in the statement of comprehensive income	-8,037	2,672	-5,365	-13,625	6,709	-6,916
Exchange rate differences	-35	-656	-691	-402	-4,090	-4,492
Changes in scope of consolidation	0	391	391	0	0	0
Other movements (transfers, modifications, etc.)	43	-51	-8	0	0	0
Contractual Service Margin as of 31/12	41,660	39,210	80,870	49,689	36,854	86,543

*Includes exchange rate differences of EUR -529,000

Underlying items

The following table shows the amounts recognised as Other comprehensive income in the statement of comprehensive income. These originate from underlying financial assets from insurance contracts which were measured using the FVA at initial recognition.

Development	2024	2023 adjusted
in EUR '000		
Book value as of 31/12 of the previous year = Book value as of 01/01	836,545	1,601,300
Amounts recognised directly in equity	-90,284	-722,263
Amounts recognised in profit or loss	-42,631	-37,398
Changes in scope of consolidation	160	0
Exchange rate differences	-1,196	-5,094
Book value as of 31/12	702,594	836,545
thereof included balance of risk provision	-109,551	-120,793

The change in risk provision is reported in the item Amounts recognised directly in equity.

Insurance service revenue

Insurance service revenue	2024			2023		
	FVA	FRA and new contracts	Total	FVA	FRA and new contracts	Total
in EUR '000						
Insurance service revenue - issued business	1,369,492	10,768,985	12,138,477	1,437,101	9,484,724	10,921,825
Premium Allocation Approach	0	9,578,096	9,578,096		8,531,487	8,531,487
General Measurement Model	195,372	984,547	1,179,919	225,762	780,906	1,006,668
Variable Fee Approach	1,174,120	206,342	1,380,462	1,211,339	172,331	1,383,670
Insurance service revenue - reinsurance held	-24,305	-1,453,058	-1,477,363	-27,416	-1,311,675	-1,339,091
Premium Allocation Approach	0	-1,043,945	-1,043,945		-931,526	-931,526
General Measurement Model	-24,305	-409,113	-433,418	-27,416	-380,149	-407,565

1.7. Risk of concentration

Insurance contracts liabilities issued	31/12/2024	31/12/2023
in EUR '000		
Austria	23,368,637	23,370,578
Czech Republic	2,927,744	2,851,071
Poland	2,551,364	2,004,101
Albania incl. Kosovo	90,407	83,469
Baltic states	1,037,409	862,750
Bosnia-Herzegovina	116,952	115,348
Bulgaria	288,909	254,262
Croatia	408,883	433,592
Moldova	15,396	17,210
North Macedonia	19,873	19,778
Romania	1,203,128	924,606
Serbia	329,151	313,779
Slovakia	1,661,644	1,563,953
Ukraine	111,694	95,723
Hungary	1,359,616	1,308,700
Germany	787,719	766,302
Georgia	27,566	20,400
Liechtenstein	908,881	882,881
Türkiye	1,129,587	795,305
Group Functions	1,253,503	1,120,284
Total	39,598,063	37,804,092

Gross written premiums	2024	2023
in EUR '000		
Motor third party liability insurance	2,470,991	2,214,614
Motor own damage insurance (Casco)	2,084,599	1,858,667
Other property and casualty insurance	7,495,365	6,796,547
Health insurance	1,025,497	898,086
Unit- and index-linked life insurance	668,785	600,375
Life insurance with profit participation	2,383,322	2,358,228
Life insurance without profit participation	1,126,498	983,620
Consolidation	-2,028,710	-1,926,119
Total	15,226,347	13,784,018

1.8. Insurance and market risks – sensitivity analysis

The following sensitivities are calculated as effects on the capital of the Group solvency balance sheet in accordance with Solvency II. The essential aim is to establish risk-orientated systems under Solvency II and improve the risk management process. To achieve this, both quantitative and qualitative requirements must be met. VIG Insurance Group has established management processes with this objective in mind and uses them for controlling purposes.

Differences between Solvency II and IFRS 17 calculations for the insurance contracts arise mainly because of the following:

- different scope of costs to be taken into consideration,
- contract boundaries and
- discount rates applied.

In accordance with IFRS 17, only costs which can be directly allocated to an insurance contract can be taken into consideration, whereas under the Solvency II regime the total costs approach is applied when evaluating underwriting obligations.

Both regimes take into account the period of the contracts (contract boundaries) in the modelling of the future cash flows. When deriving the period of contracts, Solvency II follows primarily the risk perspective, whereas IFRS 17 focuses on the insurance contract itself. Accordingly, the different approach is also applied to the supplementary insurance contracts in those cases in which they are equivalent to the underlying main insurance contract in accordance with IFRS 17. There is also a difference with the established term of ceded reinsurance contracts. Under Solvency II, the period of the contract follows the primary insurance contract, whereas IFRS 17 recognises the contractual period of the reinsurance contract.

In the case of discounting the cash flows established for the period, Solvency II applies strict and mandatory regulatory definitions that must be observed. By contrast, both the derivation of the interest rate and the risk margin are determined by the company itself based on the IFRS 17 principles.

Despite the differences listed, VIG Insurance Group considers the risk sensitivities established using Solvency II to be an appropriate basis for the estimates in accordance with IFRS 17.

Sensitivities Own funds - Change	31/12/2024		31/12/2023	
	in EUR '000	in %	in EUR '000	in %
Base	10,401,147		10,344,756	
Underwriting risks				
Life insurance				
Mortality rates +5%	-8,251	-0.08	-18,251	-0.18
Mortality rates -5%	11,066	0.11	15,858	0.15
Expenses / Admin costs +10%	-219,960	-2.11	-	-
Expenses / Admin costs -10%	-	-	174,634	1.69
Lapse rates +100%	-	-	-328,934	-3.18
Lapse rates +50%	-177,519	-1.71	-	-
Lapse rates -50%	241,305	2.32	259,501	2.51
Non-life insurance				
Ultimate loss ratio (LIC) +1%	-62,624	-0.60	-60,947	-0.59
Ultimate loss ratio (LIC) -1%	60,850	0.59	58,427	0.56
Market risks				
Interest rate +100bp	155,622	1.50	166,158	1.61
Interest rate -100bp	-490,364	-4.71	-399,000	-3.86
Equity prices -25%	-365,730	-3.52	-321,124	-3.10
Spreads for government and corporate bonds +50bp	-456,234	-4.39	-448,404	-4.33

The changes in the base value shown have to be considered isolated in each case. This means that different sensitivities can not be added together to derive a cumulative change in the base value.

1.9. Insurance risk – Claims development

Premium Allocation Approach

LIC / AIC - issued	2022	2023	2024	Total
in EUR '000				
Estimated undiscounted cash outflows excl. RA				
At the end of accident year	-5,250,606	-5,668,844	-6,754,510	
One year later	-5,174,532	-5,640,597		
Two years later	-5,050,530			
Cumulative claims paid	**4,438,167**	**4,368,506**	**3,553,094**	
LIC/AIC - claims years from 2022	-612,363	-1,272,091	-3,201,416	-5,085,870
LIC/AIC - claims year 2021				-472,554
LIC/AIC - claims years before 2021*				-2,009,357
Effect of discounting				1,133,471
Risk Adjustment				-280,673
Total				**-6,714,983**

*including all receivables and payables included in L/AIC

AIC / LIC - held	2022	2023	2024	Total
in EUR '000				
Estimated undiscounted cash outflows excl. RA				
At the end of accident year	696,401	587,095	774,871	
One year later	701,875	649,635		
Two years later	680,120			
Cumulative claims paid	**-563,635**	**-383,829**	**-354,981**	
AIC/LIC - claims years from 2022	116,485	265,806	419,890	802,181
AIC/LIC - claims year 2021				53,610
AIC/LIC - claims years before 2021*				432,202
Effect of discounting				-98,228
Risk Adjustment				26,216
Total				**1,215,981**

*including all receivables and payables included in A/LIC

1.10. Credit risk

The maximum credit risk that VIG Insurance Group is exposed to corresponds to the amounts recognised in the IFRS consolidated balance sheet under "Reinsurance contracts assets held" and "Reinsurance contracts liabilities held".

Share of the reinsurer's rating	31/12/2024	31/12/2023
in %		
AAA	1.15	4.95
AA	49.12	39.53
A	41.57	48.62
BBB	2.81	2.58
BB and lower	1.72	0.97
No rating	3.63	3.35

Due to the good credit quality of the reinsurers of VIG Insurance Group, on 31 December 2024 and 31 December 2023 no impairments for the shares of the reinsurers were required.

1.11. Liquidity risk

The data quality for the liquidity risk has been changed, meaning that data from the previous year cannot be included in the present consolidated financial statements.

Undiscounted net cash flows	31/12/2024		
Insurance contracts issued	GMM	VFA	Total
in EUR '000			
One year later	256,287	-858,128	-601,841
Two years later	151,400	-1,034,021	-882,621
Three years later	54,108	-882,920	-828,812
Four years later	27,394	-950,886	-923,492
Five years later	-19,719	-1,076,371	-1,096,090
Beyond five years	-3,573,815	-34,730,312	-38,304,127
Total	**-3,104,345**	**-39,532,638**	**-42,636,983**

Undiscounted net cash flows	31/12/2024
Reinsurance contracts held	GMM
in EUR '000	
One year later	-36,102
Two years later	634
Three years later	-4,313
Four years later	-2,772
Five years later	-2,491
Beyond five years	-31,861
Total	**-76,905**

The liquidity risk arising from amounts payable on demand is simulated using the effect of the mass cancellation of life insurance policies. The parameters for this are applied in accordance with Article 142 (6) of EU Commission Delegated Regulation 2015/35. In the event of mass cancellation, the best estimate reserves increase by EUR 1,556.0 million (EUR 1,573.2 million). Under IFRS, the release of the Contractual Service Margin would have a significant positive countereffect on the income statement.

2. FINANCIAL ASSETS AND LIABILITIES AS WELL AS OTHER BALANCE SHEET ITEMS EVALUATED ACCORDING TO IFRS 9

The accounting policies used are presented in Note 24.4. Financial instruments starting on page 278 and the qualitative description of the risks is presented in the chapter Risk strategy and risk management starting on page 297.

Short description	Long description
Measured at AC	Measured at Amortised Costs
Measured at FVtOCI	Measured at Fair Value through Other Comprehensive Income
Measured at FVtPL	Measured at Fair Value through Profit and Loss
Designated measured at FVtOCI	Designated measured at Fair Value through Other Comprehensive Income
Designated measured at FVtPL	Designated measured at Fair Value through Profit and Loss
ECL	Expected Credit Loss
FV	Fair Value
POCI	Purchased or Originated Credit-Impaired
SPPI	Solely Payments of Principal and Interest
Mandatorily measured at FVtOCI	Mandatorily measured at Fair Value through Other Comprehensive Income
Mandatorily measured at FVtPL	Mandatorily measured at Fair Value through Profit and Loss

2.1. Overview

Measurement and balance of risk provision	31/12/2024		31/12/2023	
	Book value	ECL	Book value	ECL
in EUR '000				
Measured at AC				
Cash and cash equivalents	1,748,124	0	1,558,107	0
Financial assets	3,472,610	-81,133	3,031,131	-67,811
IFRS 9 measured receivables	461,697	-19,840	440,374	-21,417
Financial liabilities	-2,312,886	0	-2,394,470	0
IFRS 9 measured liabilities	-582,834	0	-587,214	0
Measured at FVtOCI				
Financial assets	24,777,481	-177,398	24,420,364	-172,613
Mandatorily measured at FVtOCI	24,486,454	-177,398	24,021,071	-172,613
Designated measured at FVtOCI	291,027	0	399,293	0
Measured at FVtPL				
Financial assets	11,468,221	0	10,606,555	0
Mandatorily measured at FVtPL	11,148,394	0	10,393,733	0
Designated measured at FVtPL	319,827	0	212,822	0
Financial liabilities	-61,254	0	-1,851	0
Mandatorily measured at FVtPL	-60,746	0	-1,296	0
Designated measured at FVtPL	-508	0	-555	0

Risk-bearing portfolio*	31/12/2024	31/12/2023
in EUR '000		
Cash and cash equivalents	1,665,742	1,447,034
Financial assets	31,161,203	30,333,002
Investment property	2,978,265	2,852,090
Owner-occupied property	466,840	470,950
Investments in associates	204,761	185,622
Total	36,476,811	35,288,698

*Excl. financial instruments from unit- and index-linked life insurance

2.2. Categories and measurements

Assets	31/12/2024	31/12/2023
in EUR '000		
Measured at AC	5,581,458	4,940,384
Cash and cash equivalents	1,748,124	1,558,107
Loans	654,913	742,306
Bonds	931,707	978,491
Term deposits	1,804,857	1,242,523
IFRS 9 measured receivables	441,857	418,957
Measured at FVtOCI	24,777,481	24,420,364
Mandatorily measured at FVtOCI	24,486,454	24,021,071
Bonds	24,486,454	24,021,071
Designated measured at FVtOCI	291,027	399,293
Shares and shares in companies	291,027	399,293
Shares	41,771	38,259
Shares in participating companies	64,451	70,088
Shares in affiliated non-consolidated companies	184,805	290,946
Measured at FVtPL	11,468,221	10,606,555
Mandatorily measured at FVtPL	11,148,394	10,393,733
Shares and shares in companies	397,914	484,219
Shares	365,741	450,075
Shares in participating companies	24,332	30,116
Shares in affiliated non-consolidated companies	7,841	4,028
Loans	4,856	0
Bonds	1,717,122	1,716,436
Funds	9,010,758	8,174,035
Derivatives	17,744	19,043
Designated measured at FVtPL	319,827	212,822
Bonds	319,827	212,822
Total	41,827,160	39,967,303

Liabilities	31/12/2024	31/12/2023
in EUR '000		
Measured at AC	2,895,720	2,981,684
Subordinated liabilities	1,215,495	1,309,283
Liabilities to banks	298,188	306,881
Liabilities from financing activities	579,072	579,908
Lease liabilities	220,131	198,398
IFRS 9 measured liabilities	582,834	587,214
Measured at FVtPL	61,254	1,851
Mandatorily measured at FVtPL	60,746	1,296
Designated measured at FVtPL	508	555
Total	2,956,974	2,983,535

Details regarding the liabilities resulting from financing activities can be found in Note 8. Financial liabilities on page 222. The conditions of subordinated liabilities are presented in Note 8.2. Subordinated liabilities starting on page 223.

2.3. Equity instruments designated measured at FVtOCI

Financial investments	31/12/2024	31/12/2023
in EUR '000		
Fair value – in portfolio	291,027	399,293
Shares	41,771	38,259
Shares in participating companies	64,451	70,088
Wiener Börse AG	31,972	31,710
GROPYUS AG	13,452	14,003
Remaining sum	19,027	24,375
Shares in affiliated non-consolidated companies	184,805	290,946
VIG Poland/Romania Holding B.V.	0	97,664
Global Expert, s.r.o.	0	53,122
Global Repair Centres, s.r.o.	65,664	
HOTELY SRNÍ, a.s.	32,626	31,609
CARPATHIA PENSII-SOCIETATE DE ADMINISTRARE A FONDURILOR DE PENSII PRIVATE S.A.	0	20,034
Remaining sum	86,515	88,517
Fair value at derecognition date	8,661	4,997
Shares	0	494
Shares in participating companies	5,174	202
Shares in affiliated non-consolidated companies	3,487	4,301

Of the shares still held in the portfolio, no single investment amounts to more than EUR 5.0 million. In the remaining amounts in the item Shares in participating companies and Shares in affiliated non-consolidated companies, no single investment with a fair value of more than EUR 10.0 million is included.

The derecognition of shares and shares in companies is due to mergers and a capital reduction and the individual values do not exceed an amount of EUR 10.0 million.

Additional Information	2024	2023
in EUR '000		
Received dividends from equity instruments designated measured at FVtOCI	9,495	6,943
In Portfolio	9,292	6,918
Sold	203	25
Within shareholders' equity derecognised cumulative gains and losses	-8,438	-4,294

2.4. Risk of concentration

The following exposures relate to data that is automatically available and represent only a subset of the Group's risk-bearing portfolio.

Financial assets*	31/12/2024	31/12/2023 adjusted
in EUR '000		
Exposures located in	31,899,033	31,063,395
Austria	5,647,846	5,462,642
United States of America	1,744,539	1,737,257
Czech Republic	2,760,351	2,972,307
Romania	1,193,262	1,052,618
Hungary	738,871	750,833
Poland	2,231,636	2,066,515
Germany	2,179,627	2,221,969
France	2,055,325	2,308,211
Rest of the World	13,347,576	12,491,043
Exposures denominated in	31,899,033	31,063,395
EUR	23,420,981	23,446,534
USD	886,039	706,774
CZK	2,741,843	2,820,392
RON	1,128,018	911,655
HUF	609,852	648,507
PLN	1,858,626	1,669,917
Other currencies	1,253,674	859,616

*Excl. financial instruments from unit- and index-linked life insurance

Due to the structure of the financial liabilities issued in the long term on the capital market and the lesser importance of liabilities at individual credit institutions, there is no significant risk of concentration.

Government bonds* (book value)	Measured at AC		Measured at FVtOCI		Measured at FVtPL	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
in %						
Austria	3.97	3.79	9.93	8.93	2.50	3.11
Germany	0.00	0.00	2.01	2.58	12.95	21.59
Czech Republic	4.96	15.17	12.77	14.84	72.25	60.86
Slovakia	2.33	2.25	5.20	5.31	0.00	0.00
Poland	51.02	51.67	12.02	11.64	0.96	1.37
Romania	0.00	0.00	7.72	6.29	1.26	2.10
Other countries	37.72	27.12	50.35	50.41	10.08	10.97

*Excl. financial instruments from unit- and index-linked life insurance

2.5. Credit risk

Financial liabilities

Financial liabilities that are designated measured at FVtPL bear no own default risk, which would have to be recognised through Other comprehensive income.

Financial assets

The stated credit risk refers only to the Group's risk-bearing portfolio as described in Note 2.4. Risk of concentration starting on page 210.

Credit risk	Mandatorily measured at FVtPL				Designated measured at FVtPL
	Loans	Bonds	Funds	Shares	Bonds
in EUR '000					
Max. exposure to credit risk	1,180	788,079	1,541,128	303,565	317,483
Collaterals	0	165,874	0	0	5,253

The risk provision recognised in acc. with IFRS 9 is calculated on the basis of the nominal value. Consequently, the carrying amount may be lower than the cumulative risk provision, particularly in Stage 3.

Measured at AC	31/12/2024								
	AAA	AA	A	BBB	BB and lower	No rating	Gross carrying amount	ECL	Net carrying amount*
in EUR '000									
Loans	**0**	**140,120**	**102,116**	**164,469**	**87,712**	**181,923**	**676,340**	**-21,427**	**654,913**
Stage 1	0	140,120	101,116	157,252	9,210	63,993	471,691	-726	470,965
Stage 2	0	0	1,000	7,217	78,502	112,669	199,388	-15,554	183,834
Stage 3	0	0	0	0	0	5,261	5,261	-5,147	114
Bonds	**894**	**154,635**	**463,582**	**38,835**	**306,107**	**15,160**	**979,213**	**-47,506**	**931,707**
POCI	0	0	0	0	655	0	655	5	660
Stage 1	894	154,635	463,582	38,835	304,722	160	962,828	-32,503	930,325
Stage 2	0	0	0	0	730	0	730	-8	722
Stage 3	0	0	0	0	0	15,000	15,000	-15,000	0
Term deposits	**4,765**	**19,879**	**972,217**	**345,185**	**470,353**	**4,658**	**1,817,057**	**-12,200**	**1,804,857**
Stage 1	4,765	19,879	972,217	345,185	470,353	4,658	1,817,057	-12,200	1,804,857

*The net carrying amount is the maximum exposure to credit risk excluding collaterals.

Measured at AC	31/12/2023								
	AAA	AA	A	BBB	BB and lower	No rating	Gross carrying amount	ECL	Net carrying amount*
in EUR ‘000									
Loans	5,426	135,391	111,360	212,492	104,194	195,664	764,527	-22,221	742,306
Stage 1	5,426	135,391	111,360	212,492	9,831	68,409	542,909	-528	542,381
Stage 2	0	0	0	0	94,363	119,439	213,802	-14,005	199,797
Stage 3	0	0	0	0	0	7,816	7,816	-7,688	128
Bonds	511	237,512	438,375	61,277	245,721	18,971	1,002,367	-23,876	978,491
Stage 1	511	237,512	438,375	61,277	217,384	18,971	974,030	-23,548	950,482
Stage 2	0	0	0	0	28,337	0	28,337	-328	28,009
Term deposits	5,007	11,185	827,053	134,571	286,421	0	1,264,237	-21,714	1,242,523
Stage 1	5,007	11,185	827,053	134,571	286,421	0	1,264,237	-21,714	1,242,523

*The net carrying amount is the maximum exposure to credit risk excluding collaterals.

Measured at FVtOCI	31/12/2024							
	AAA	AA	A	BBB	BB and lower	No rating	Book value	ECL
in EUR ‘000								
Bonds	3,211,650	6,214,967	8,321,477	5,311,484	1,294,464	132,412	24,486,454	-177,398
Stage 1	3,211,650	6,214,967	8,321,477	5,301,226	396,680	70,236	23,516,236	-19,230
Stage 2	0	0	0	4,258	897,604	56,861	958,723	-69,903
Stage 3	0	0	0	6,000	180	5,315	11,495	-88,265

Measured at FVtOCI	31/12/2023							
	AAA	AA	A	BBB	BB and lower	No rating	Book value	ECL
in EUR ‘000								
Bonds	3,103,904	6,341,607	7,636,692	5,590,543	1,208,807	139,518	24,021,071	-172,613
Stage 1	3,103,904	6,341,607	7,636,692	5,583,139	960,371	68,133	23,693,846	-28,898
Stage 2	0	0	0	6,391	225,916	63,820	296,127	-36,827
Stage 3	0	0	0	1,013	22,520	7,565	31,098	-106,888

Impairment Provision Matrix	31/12/2024				
IFRS 9 measured receivables	Due, not overdue	1-30 days overdue	31-90 days overdue	> 90 days overdue	Total
in EUR ‘000					
Receivables from services (IFRS 15)	42,481	912	121	60	43,574
Gross carrying amount	42,482	913	122	152	43,669
Risk provision	-1	-1	-1	-92	-95
Receivables from finance lease	60,193	0	0	0	60,193
Gross carrying amount	60,193	0	0	0	60,193
Other IFRS 9 measured receivables	318,897	7,096	2,212	9,885	338,090
Gross carrying amount	334,710	7,589	2,292	13,244	357,835
Risk provision	-15,813	-493	-80	-3,359	-19,745
Total	421,571	8,008	2,333	9,945	441,857
Loss rate – range	0.01%-100.00%	0.76%-62.00%	0.96%-100.00%	3.07%-100.00%	

Impairment Provision Matrix	31/12/2023				
IFRS 9 measured receivables	Due, not overdue	1-30 days overdue	31-90 days overdue	> 90 days overdue	Total
in EUR '000					
Receivables from services (IFRS 15)	38,552	645	167	15	39,379
Gross carrying amount	38,554	648	169	93	39,464
Risk provision	-2	-3	-2	-78	-85
Receivables from finance lease	55,326	0	0	0	55,326
Gross carrying amount	55,326	0	0	0	55,326
Other IFRS 9 measured receivables	301,834	3,548	2,144	16,726	324,252
Gross carrying amount	317,569	3,916	2,170	21,929	345,584
Risk provision	-15,735	-368	-26	-5,203	-21,332
Total	395,712	4,193	2,311	16,741	418,957
Loss rate – range	0.01%-100.00%	0.84%-62.00%	2.07%-100.00%	1.53%-100.00%	

In the financial year, bonds valued at FVtOCI of EUR 5,026,000 (EUR 11,456,000) were provided as collateral for liabilities or contingent liabilities.

2.6. Liquidity risk

Maturity analysis	31/12/2024					
	<1 year	>1 year-5 years	>5-10 years	>10 years	No maturity	Book value excl. risk provision
in EUR '000						
Cash and cash equivalents	0	0	0	0	1,748,124	1,748,124
Financial assets	4,642,831	9,931,218	8,986,143	6,458,421	9,699,699	39,718,312
Measured at AC	2,050,561	523,871	254,302	643,876	0	3,472,610
Loans	116,341	93,904	94,232	371,863	0	676,340
Bonds	185,907	362,234	159,194	271,878	0	979,213
Term deposits	1,748,313	67,733	876	135	0	1,817,057
Measured at FVtOCI	2,394,042	8,442,791	8,174,529	5,475,092	291,027	24,777,481
Shares and shares in companies	0	0	0	0	291,027	291,027
Bonds	2,394,042	8,442,791	8,174,529	5,475,092	0	24,486,454
Measured at FVtPL	198,228	964,556	557,312	339,453	9,408,672	11,468,221
Shares and shares in companies	0	0	0	0	397,914	397,914
Loans	4,851	5	0	0	0	4,856
Bonds	191,767	949,351	556,386	339,445	0	2,036,949
Funds	0	0	0	0	9,010,758	9,010,758
Derivatives	1,610	15,200	926	8	0	17,744
Financial liabilities	-188,286	-870,061	-153,726	-1,162,067	0	-2,374,140
Subordinated liabilities	-51,082	-664,413	0	-500,000	0	-1,215,495
Liabilities to banks	-81,799	-119,889	-67,000	-29,500	0	-298,188
Liabilities from financing activities	-9,182	-3,626	-40,888	-525,376	0	-579,072
Liabilities for derivatives	-11,234	-16,446	-19,684	-13,382	0	-60,746
Lease liabilities	-34,924	-65,379	-26,019	-93,809	0	-220,131
Liabilities designated measured at FVtPL	-65	-308	-135	0	0	-508

Maturity analysis	31/12/2023					
	<1 year	>1 year-5 years	>5-10 years	>10 years	No maturity	Book value excl. risk provision
in EUR '000						
Cash and cash equivalents	0	0	0	0	1,558,107	1,558,107
Financial assets	3,589,517	10,188,034	8,718,489	6,504,463	9,057,547	38,058,050
Measured at AC	1,490,415	619,738	276,158	644,820	0	3,031,131
Loans	191,999	111,953	95,146	365,429	0	764,527
Bonds	228,349	314,773	179,977	279,268	0	1,002,367
Term deposits	1,070,067	193,012	1,035	123	0	1,264,237
Measured at FVtOCI	1,929,022	8,747,438	8,017,053	5,327,558	399,293	24,420,364
Shares and shares in companies	0	0	0	0	399,293	399,293
Bonds	1,929,022	8,747,438	8,017,053	5,327,558	0	24,021,071
Measured at FVtPL	170,080	820,858	425,278	532,085	8,658,254	10,606,555
Shares and shares in companies	0	0	0	0	484,219	484,219
Bonds	168,401	804,458	424,314	532,085	0	1,929,258
Funds	0	0	0	0	8,174,035	8,174,035
Derivatives	1,679	16,400	964	0	0	19,043
Total	3,589,517	10,188,034	8,718,489	6,504,463	10,615,654	39,616,157
Financial liabilities	-149,495	-731,318	-345,761	-1,169,747	0	-2,396,321
Subordinated liabilities	-103,091	-506,192	-200,000	-500,000	0	-1,309,283
Liabilities to banks	-6,950	-158,406	-80,025	-61,500	0	-306,881
Liabilities from financing activities	-9,646	-3,625	-40,879	-525,758	0	-579,908
Liabilities for derivatives	-707	0	-589	0	0	-1,296
Lease liabilities	-29,029	-62,759	-24,121	-82,489	0	-198,398
Liabilities designated measured at FVtPL	-72	-336	-147	0	0	-555

2.7. Market risk

Reduction in market value	2024					
	Scenario 0	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
of shares	0%	-20%	-10%	-20%	-20%	0%
of bonds	0%	-5%	-3%	-5%	0%	-5%
of real estate	0%	-5%	-10%	0%	-10%	-10%
Market value of assets less liabilities (in '000 EUR)	8,313,995	6,449,620	6,784,352	6,722,575	7,530,211	6,414,539

Reduction in market value	2023					
	Scenario 0	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
of shares	0%	-20%	-10%	-20%	-20%	0%
of bonds	0%	-5%	-3%	-5%	0%	-5%
of real estate	0%	-5%	-10%	0%	-10%	-10%
Market value of assets less liabilities (in '000 EUR)	7,881,965	6,036,750	6,368,866	6,306,199	7,108,693	6,001,674

Depending on the intended application, VIG Holding performs Value-at-Risk calculations for different sub-portfolios on behalf of VIG Insurance Group. The confidence levels vary between 95.0% and 99.5% and the holding periods between 20 and 250 days. In accordance with the nature of the portfolio, the largest contributions to Value-at-Risk are made by interest rate and spread components. As a way of validating the plausibility of the calculations, the Value-at-Risk of the most important sub-portfolios is calculated both according to the parametric method described above and according to the historical calculation method.

The following table shows the Value-at-Risk (with a confidence level of 99%) of financial assets measured at fair value:

Value-at-Risk	31/12/2024	31/12/2023
in EUR million		
10-day holding period	477	782
20-day holding period	675	1,106
60-day holding period	1,169	1,915

2.8. Details regarding the net result

Result from financial instruments measured at FVtPL	2024	2023
in EUR '000		
Financial assets	886,565	950,981
Mandatorily measured at FVtPL	882,145	935,325
Loans	225	176
Bonds	99,116	164,226
Funds	805,018	713,568
Shares and shares in companies	-14,232	67,422
Derivatives	-7,982	-10,067
Designated measured at FVtPL	4,420	15,656
Bonds	4,420	15,656
Financial liabilities	47	17
Designated measured at FVtPL	47	17
Liabilities designated measured at FVtPL	47	17

Interest result	2024	2023
in EUR '000		
Interest revenues	1,215,651	1,110,995
Interest revenues using the effective interest rate method	997,697	895,801
Financial assets measured at AC	203,969	145,064
Financial assets measured at FVtOCI	793,728	750,737
Interest revenues other	217,954	215,194
Financial assets measured at FVtPL	174,993	169,128
Equity instruments designated measured at FVtOCI	9,495	6,943
Other income from financial instruments	33,466	39,123
Interest expenses	-115,351	-126,973
Interest expenses using the effective interest rate method	-71,532	-87,869
Financial liabilities measured at AC	-71,532	-87,869
Interest expenses other	-43,819	-39,104
Liabilities designated measured at FVtPL	0	17
Other expenses from financial instruments	-43,819	-39,121
Total	1,100,300	984,022

The fee for investment management recognised in the investment result amounts to EUR 37,361,000 (EUR 39,086,000).

2.9. Derecognition

Derecognition gains and losses may relate to events such as sales or maturities of financial assets measured at AC.

	2024		2023	
	Gains	Losses	Gains	Losses
in EUR '000				
Loans	0	-4,874	9	-37
Bonds	1,167	-1,369	149	-41
Total	1,167	-6,243	158	-78

3. GOODWILL

The accounting policies used are presented in Note 24.5. Goodwill starting on page 286.

Development	2024	2023
in EUR '000		
Acquisition costs	2,099,862	2,090,712
Cumulative impairment as of 31/12 of the previous year	-728,497	-651,991
Book value as of 31/12 of the previous year = Book value as of 01/01	**1,371,365**	**1,438,721**
Exchange rate differences	-15,159	8,283
Impairments	-116,327	-75,639
Book value as of 31/12	**1,239,879**	**1,371,365**
Cumulative impairment as of 31/12	840,734	728,497
Acquisition costs	**2,080,613**	**2,099,862**

The impairments in the current financial year relate to the CGU group Hungary (segment Extended CEE).

Due to the repeated prolongation of the additional tax on insurance by the Hungarian government, scenario analyses for further expenses arising from this tax were calculated for a period extending beyond the currently applicable statutory period. This resulted in reduced cash flow projections, leading to an impairment of goodwill.

The impairments in the previous year predominantly affected the Baltic states CGU group (EUR 75,481,000) (segment Extended CEE).

Goodwill of CGU units (book values)	31/12/2024	31/12/2023
in EUR '000		
Austria	301,716	301,716
Czech Republic	448,108	456,516
Poland	153,735	151,449
Bulgaria	124,354	124,354
Slovakia	131,227	131,227
Hungary	70,212	195,576
Group Functions	10,527	10,527
Total	1,239,879	1,371,365

Impairment and recoverable amounts for CGU groups	Reportable segment	2024		2023	
		Impairments	Recoverable amount	Impairments	Recoverable amount
in EUR '000					
Baltic states	Extended CEE			75,481	231,883
Hungary	Extended CEE	116,327	303,848		

Impairments are recognised in the income statement as a separate item between the subtotal, business operating result and the result before taxes.

Generally applied calculation parameters	2024	2023
Base rate before inflation differentials in %	2.59	2.22
Market risk premium in %	6.91	7.53
Beta-factor*	0.89	0.90

*The beta factor was calculated based on a specified peer group.

Key calculation parameters	Discount rates*		Country risks		Long-term growth rate	
	2024	2023	2024	2023	2024	2023
in %						
Austria	9.24	9.54	0.53	0.58	1.50	1.50
Czech Republic	9.49	9.64	0.80	0.88	3.77–4.10	3.67–4.87
Poland	10.70	11.52	1.13	1.24	5.48–5.75	5.87–7.43
Albania incl. Kosovo	13.95	15.98	4.80	6.58	6.56	6.60
Baltic states	9.93	10.30	1.22	1.34	4.82–7.60	5.00–7.51
Bosnia-Herzegovina	17.21	18.29	8.67	9.51	5.45–7.23	5.49–7.32
Bulgaria	10.97	11.09	2.13	2.34	5.49–6.16	5.75–6.37
Croatia	10.31	11.74	1.60	2.78	4.78–6.38	5.07–7.34
Moldova	20.39	21.23	8.67	9.51	8.28	8.33
North Macedonia	13.52	14.02	4.80	5.26	5.92	5.85
Romania	12.73	13.06	2.93	3.21	5.49–7.73	5.38–7.82
Serbia	13.82	14.46	4.02	4.40	5.50–7.35	5.69–7.51
Slovakia	10.31	10.20	1.60	1.24	4.54–5.31	5.07–5.33
Ukraine	28.55	30.97	16.01	17.55	9.80–12.93	10.06–13.08
Hungary	12.31	13.29	2.54	2.78	5.44–6.30	6.68–6.71
Germany	8.71	8.96	0.00	0.00	1.50	1.50
Georgia	13.74	14.12	4.02	4.40	6.45	6.53
Liechtenstein	8.71	8.96	0.00	0.00	1.50	1.50
Türkiye	30.02	61.41	6.01	9.51	12.28–15.22	26.35–29.20
Group Functions	9.24–13.82	9.54–14.46	0.53–4.02	0.58–4.40	1.50–7.35	1.50–7.51

*The calculation of the discount rates is based on pre-tax parameters.

Sensitivities	31/12/2024				
Additional impairment needed	Cash flows -10%	Growth rate -1%p	Discount rate +1%p	Cash flows and discount rate -10% and +1%p	Deterioration of reinsurance result -10%
in EUR '000					
Slovakia	0	0	0	14,489	0
Hungary	24,468	7,980	29,410	50,633	32,921

Sensitivities	31/12/2023			
Additional impairment needed	Cash flows -10%	Growth rate -1%p	Discount rate +1%p	Cash flows and discount rate -10% and +1%p
in EUR '000				
Czech Republic	0	0	0	39,977
Slovakia	37,005	0	34,617	91,740

4. INVESTMENT PROPERTY

The accounting policies used are presented in Note 24.7. Investment property starting on page 288. The fair values can be found in Note 16. Calculation of fair value starting on page 234.

Development	2024	2023
in EUR '000		
Acquisition costs	3,914,121	3,613,686
Cumulative valuation as of 31/12 of the previous year	-1,062,031	-968,671
Book value as of 31/12 of the previous year = Book value as of 01/01	**2,852,090**	2,645,015
Exchange rate differences	1,409	10,445
Reclassifications	2,957	7,180
Additions	198,289	247,823
Disposals	-1,100	-9,974
Changes in scope of consolidation	2	47,941
Appreciation	3,636	0
Scheduled depreciation	-75,281	-69,647
Impairments	-3,737	-26,693
Book value as of 31/12	**2,978,265**	2,852,090
Cumulative valuation as of 31/12	1,135,305	1,062,031
Acquisition costs	**4,113,570**	3,914,121

The impairments are due mainly to the buildings of SIA "Ģertrūdes 121" (EUR 1,000,000) and NNC REAL ESTATE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ (EUR 1,882,000). The impairments from the previous year were due mainly to the buildings of ATRIUM TOWER SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOSCIĄ (EUR 6,021,000), KKB Real Estate SIA (EUR 4,546,000), VIG FUND, a.s. (EUR 4,108,000) and Pereca 11 Spółka z ograniczoną odpowiedzialnością (EUR 3,150,000).

The appreciation is due mainly to the buildings of ATRIUM TOWER SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOSCIĄ (EUR 2,507,000) and VIG FUND a.s. (EUR 1,000,000).

Amounts recognised in profit or loss	2024	2023
in EUR '000		
Rental income	214,139	194,758
Operating expenses	**-78,838**	-70,045
Operating expenses for rented investment property	-72,640	-65,496
Operating expenses for vacant investment property	-6,198	-4,549
Disposal result	**705**	3,470
Gain from disposal	861	3,798
Losses from disposal	-156	-328
Total	**136,006**	128,183

Type of usage	31/12/2024	31/12/2023
in EUR '000		
Self-used	13,770	8,513
Rented (operating lease)	2,964,495	2,843,577
Total	**2,978,265**	2,852,090

There are no material existence and amounts of restrictions or material contractual obligations for acquiring the items under "Investment property".

Use of properties in % of the property portfolio	31/12/2024	31/12/2023
Austria	**66.63**	66.86
Owner-occupied property	4.87	4.93
Investment property	61.76	61.93
Group Functions	**17.74**	17.20
Owner-occupied property	1.18	1.09
Investment property	16.56	16.11
Other segments	**15.63**	15.94
Owner-occupied property	7.50	8.16
Investment property	8.13	7.78

5. OWNER-OCCUPIED PROPERTY

The accounting policies used are presented in Note 24.8. Owner-occupied property starting on page 288.

Composition	31/12/2024	31/12/2023
in EUR '000		
Owner-occupied property	466,840	470,950
Tangible assets	162,222	148,209
Total	**629,062**	619,159

There are no material existence and amounts of restrictions or material contractual obligations for acquiring the items under "Owner-occupied property and equipment".

Development	2024	2023
in EUR '000		
Acquisition costs	772,132	772,481
Cumulative valuation as of 31/12 of the previous year	-301,182	-289,640
Book value as of 31/12 of the previous year = Book value as of 01/01	**470,950**	482,841
Exchange rate differences	-3,461	-524
Reclassifications	-4,554	-8,453
Additions	25,471	16,970
Disposals	-1,352	-954
Changes in scope of consolidation	-2,083	0
Scheduled depreciation	-18,131	-17,704
Impairments	0	-1,226
Book value as of 31/12	**466,840**	470,950
Cumulative valuation as of 31/12	310,150	301,182
Acquisition costs	**776,990**	772,132

The changes in the scope of consolidation result from the deconsolidation of Driving Camp Autodrom Sosnova a.s.

Book value reportable segments	31/12/2024	31/12/2023
in EUR '000		
Austria	167,634	163,344
Czech Republic	111,479	118,123
Poland	7,728	11,667
Extended CEE	133,195	135,416
Special Markets	6,007	6,022
Group Functions	40,797	36,378
Total	**466,840**	470,950

Type of usage	31/12/2024	31/12/2023
in EUR '000		
Owner-occupied property	**466,840**	470,950
Self-used	436,510	449,558
Rented (operating lease)	30,330	21,392

6. INVESTMENTS IN ASSOCIATES

The Investments in associates balance sheet item consists only of shares in at equity consolidated companies. The list of associates is presented in Note 20. Business combinations starting on page 245.

Shares in at equity consolidated companies had a book value of EUR 205 million as of 31 December 2024 and a book value of EUR 186 million as of 31 December 2023. Shares in at equity consolidated companies therefore represented 0.56% (0.53%) of the book value of the total risk-bearing portfolio as of 31 December 2024.

Composition of the result	2024	2023
in EUR '000		
Income	**27,001**	16,466
Current result	27,001	16,466

7. RECEIVABLES AND LIABILITIES

The accounting policies used are presented in Note 24.12. Receivables and Liabilities starting on page 294.

7.1. Receivables

Composition	31/12/2024			31/12/2023		
	Gross carrying amount	ECL	Net carrying amount	Gross carrying amount	ECL	Net carrying amount
in EUR '000						
IFRS 9 measured receivables	461,697	-19,840	441,857	440,374	-21,417	418,957
Other receivables	118,111		118,111	76,715		76,715
Total	579,808	-19,840	559,968	517,089	-21,417	495,672

Maturity structure	31/12/2024	31/12/2023
in EUR '000		
Up to 1 year	408,920	359,471
More than one year up to five years	61,508	60,655
More than five years up to ten years	20,229	19,570
More than ten years	69,311	55,976
Total	559,968	495,672

7.2. Liabilities

Composition	31/12/2024	31/12/2023
in EUR '000		
IFRS 9 measured liabilities	582,834	587,214
Other liabilities	573,984	525,461
Total	1,156,818	1,112,675

For detailed information on the tax liabilities, please refer to the statements in Note 11. Taxes starting on page 227.

For detailed information on the lease liabilities, please refer to the statements in Note 8. Financial liabilities on page 222.

Maturity structure	31/12/2024	31/12/2023
in EUR '000		
Up to 1 year	838,197	798,211
More than one year up to five years	48,914	51,987
More than five years up to ten years	35,865	28,203
More than ten years	233,842	234,274
Total	1,156,818	1,112,675

8. FINANCIAL LIABILITIES

8.1. Overview

Composition	31/12/2024	31/12/2023
in EUR '000		
Subordinated liabilities	1,215,495	1,309,283
Liabilities to banks	298,188	306,881
Liabilities from financing activities	579,072	579,908
Liabilities for derivatives	60,746	1,296
Lease liabilities	220,131	198,398
Liabilities designated measured at FVtPL	508	555
Total	**2,374,140**	2,396,321

The development of financial liabilities has been changed in comparison to the development presented in the Group Annual Report 2023, and now only the main balance sheet items are presented.

Development	31/12/2024		
	Subordinated liabilities	Liabilities to banks	Liabilities from financing activities
in EUR '000			
Book value as of 31/12 of the previous year = Book value as of 01/01	1,309,283	306,881	579,908
Cash changes	-144,945	-13,269	-7,183
Cash inflows	0	40	50
Payments	-91,748	-9,336	-1,473
Paid interest	-53,197	-3,973	-5,760
Non-cash changes	51,157	4,576	6,347
Additions	51,570	4,575	6,339
Changes in scope of consolidation	0	2	0
Exchange rate differences	-413	-1	8
Book value as of 31/12	1,215,495	298,188	579,072

Development	31/12/2023		
	Subordinated liabilities	Liabilities to banks	Liabilities from financing activities
in EUR '000			
Book value as of 31/12 of the previous year = Book value as of 01/01	1,789,281	343,898	593,118
Cash changes	-546,812	-42,113	-6,408
Cash inflows	0	23	509
Payments	-469,987	-37,719	-1,287
Paid interest	-76,825	-4,417	-5,630
Non-cash changes	66,814	5,096	-6,802
Additions	67,382	5,096	6,278
Changes in scope of consolidation	0	0	-21,760
Reclassifications	0	0	8,643
Exchange rate differences	-568	0	37
Book value as of 31/12	1,309,283	306,881	579,908

8.2. Subordinated liabilities

Subordinated liabilities of the Group

Issuing company	Issue date	Outstanding volume[1]	thereof accrued interest	Maturity	Yield	Fair value[2]
		in EUR '000	in EUR '000	in years	in %	in EUR '000
VIG Holding	02/03/2015	221,110	6,697	31[3]	First 11 years: 3.75% p.a.; thereafter variable	214,949
VIG Holding	13/04/2017	205,383	5,384	30[4]	First 10 years: 3.75% p.a.; thereafter variable	195,394
VIG Holding	15/06/2022	513,289	13,289	20[4]	First 10 years: 4.875% p.a.; thereafter variable	526,890
Donau Versicherung	15/04 + 21/05/2004	9,978	478	until 2025	4.95% p.a.	9,581
Donau Versicherung	01/07/1999	1,537	37	until 2025	4.95% p.a.	1,503
Wiener Städtische	01/03/1999	8,588	338	until 2025	4.90% p.a.	8,248
Wiener Städtische	11/05/2017	255,610	5,610	10[5]	3.50% p.a.	251,250
Total		1,215,495	31,833			1,207,815

1 The outstanding include the respective pro rata interest according to the dirty value method.
2 The fair value is calculated on the basis of the securities' nominal value only, excluding accrued interest.
3 The right to ordinary and extraordinary cancellation by the holder is excluded. Regular cancellation by the issuer is first allowed after 11 years.
4 The right to ordinary and extraordinary cancellation by the holder is excluded. Regular cancellation by the issuer is first allowed after 10 years.
5 The right to ordinary and extraordinary cancellation by the holder is excluded. No provision has been made for regular cancellation by the issuer.

Subordinated liabilities of VIG Holding

Interest on the supplementary capital bonds is paid out only if the interest is covered by the national annual profit of the company. However, the interest is included in the expenses in any case.

A subordinated bond with a total nominal amount of EUR 400,000,000.00 and a term of 31 years was issued on 2 March 2015. It can be called at 100% by VIG Holding for the first time at 2 March 2026 and at every coupon date after that. In the first 11 years of the term, the subordinated bond bears a fixed-interest rate of 3.75% per annum, after which the interest rate is variable. The subordinated bond meets the Tier 2 requirements according to Solvency II. The bond is listed on the Luxembourg Stock Exchange. An early partial buyback of subordinated bonds was effected on 21 April 2023. About 46% (EUR 185.6 million) were bought back. Thus, the still outstanding volume of these bonds is EUR 214.4 million.

A subordinated bond of EUR 200,000,000.00 was issued on 6 April 2017 as part of a private placement. The subordinated bond has a term of 30 years and can be called by VIG Holding for the first time after the expiry of 10 years. It complies with the Tier 2 requirements according to Solvency II and qualifies as capital in accordance with the requirements of rating agency S&P. In the first ten years of the term, the subordinated debt instruments bear a fixed-interest rate of 3.75% per annum, after which the interest rate is variable. The inclusion in the Third Market of the Vienna Stock Exchange took place on 13 April 2017.

A subordinated Tier 2 bond with an aggregate principal amount of EUR 500,000,000.00 was placed on 8 June 2022. The subordinated bond has a term of 20 years and can be called by VIG Holding for the first time after the expiry of 10 years. It complies with the Tier 2 requirements according to Solvency II and qualifies as capital in accordance with the requirements of rating agency S&P. The debt instruments will initially bear a fixed-interest rate of 4.875% per annum. Provided they are not called and repurchased before this date, the debt instruments will be subject to a variable rate as of and including 15 June 2032. The debt instruments are traded on the Vienna Stock Exchange.

9. NOTES TO THE CONSOLIDATED INCOME STATEMENT

Composition	Austria		Czech Republic		Poland		Extended CEE	
	2024	2023	2024	2023	2024	2023	2024	2023
in EUR '000								
Investment result	820,847	1,010,854	143,621	183,108	125,001	130,074	404,884	293,611
Interest revenues using the effective interest rate method	430,949	450,204	76,835	91,970	68,037	61,016	210,509	186,751
Realised gains and losses from financial assets measured at AC	0	-36	0	0	-1,699	-1	-196	158
Impairment losses incl. reversal gains on financial instruments	2,508	-1,697	5,706	-12,345	2,762	-1,058	3,378	-41,948
Other result from financial instruments	387,390	562,383	61,080	103,483	55,901	70,117	191,193	148,650
thereof result from the valuation of financial assets measured at FVtPL	275,412	450,961	59,678	85,029	18,782	46,694	130,031	139,636
thereof result from sale of financial instruments measured at FVtPL	19,713	13,106	5,845	7,726	36,370	37,271	32,327	14,103
Income and expenses from investment property	40,501	26,252	-8	-1,040	457	339	2,204	226
thereof current income	92,905	84,590	670	535	926	682	7,110	5,446
thereof depreciation	-52,601	-58,338	-629	-1,575	-469	-344	-5,647	-5,302
thereof result from sale	197	0	-49	0	0	0	613	81
Finance costs	-32,645	-48,237	-3,131	-2,935	-2,047	-1,012	-8,466	-8,276
thereof interest expenses for personnel provisions	-8,582	-8,637	0	0	0	0	-42	0
thereof interest expenses financing liabilities	-858	-1,691	0	0	0	0	-521	-57
thereof interest expenses for liabilities to financial institutions	-1,363	-778	0	0	0	0	-7	-466
thereof interest expenses for subordinate liabilities	-19,984	-35,287	-1,678	-1,224	-1,581	-1,500	-6,425	-6,397
thereof interest expenses for lease liabilities	-1,847	-1,718	-1,405	-1,506	-578	-297	-1,475	-961
Result from owner-occupied properties	985	325	-1,975	-5,485	909	-788	-1,374	-2,779
thereof depreciation	-8,123	-7,634	-3,684	-5,101	-355	-411	-3,512	-3,333
thereof result from sale	0	154	2,681	-29	1,478	0	2,068	590

Composition	Special Markets		Group Functions		Consolidation		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
in EUR '000								
Investment result	337,574	274,198	79,673	50,780	-27,554	-49,557	1,884,046	1,893,068
Interest revenues using the effective interest rate method	149,266	89,306	89,841	53,210	-27,740	-36,656	997,697	895,801
Realised gains and losses from financial assets measured at AC	-7	-41	-3,174	0	0	0	-5,076	80
Impairment losses incl. reversal gains on financial instruments	-32,654	-2,880	194	3,444	0	0	-18,106	-56,484
Other result from financial instruments	220,969	187,813	-7,188	-5,874	186	-12,901	909,531	1,053,671
thereof result from the valuation of financial assets measured at FVtPL	80,462	50,994	1,150	-1,140	0	0	565,515	772,174
thereof result from sale of financial instruments measured at FVtPL	11,636	-871	-2,554	-5,815	0	0	103,337	65,520
Income and expenses from investment property	235	543	17,290	5,579	-56	-55	60,623	31,844
thereof current income	489	661	33,257	32,853	-57	-55	135,300	124,712
thereof depreciation	-254	-251	-19,418	-30,530	0	0	-79,018	-96,340
thereof result from sale	0	133	-56	3,256	0	0	705	3,470
Finance costs	-2,122	-577	-62,156	-86,233	28,343	47,944	-82,224	-99,326
thereof interest expenses for personnel provisions	0	0	-1,893	-1,829	0	0	-10,517	-10,466
thereof interest expenses financing liabilities	0	0	-16,995	-3,004	11,454	0	-6,920	-4,752
thereof interest expenses for liabilities to financial institutions	0	0	-2,949	-26,604	0	21,619	-4,319	-6,229
thereof interest expenses for subordinate liabilities	0	0	-39,985	-54,126	16,276	26,305	-53,377	-72,229
thereof interest expenses for lease liabilities	-2,120	-578	-178	-96	688	479	-6,915	-4,677
Result from owner-occupied properties	310	325	932	510	-6,425	-5,496	-6,638	-13,388
thereof depreciation	-240	-252	-1,436	-1,200	0	0	-17,350	-17,931
thereof result from sale	0	0	0	0	0	0	6,227	715

10. CONSOLIDATED SHAREHOLDERS' EQUITY

Further information on the shareholders' equity can be found starting on page 292.

10.1. Dividend payment

Composition	31/12/2024	31/12/2023
in EUR '000		
Dividends	179,200	166,400
Interest payments on the hybrid capital	9,638	9,638
Deferred taxes directly recognised in equity	-1,995	-2,082
Total	186,843	173,956

Payout 2024 for the financial year 2023	per share	Total
in EUR		
Ordinary shares	1.40	179,200,000

10.2. Proposed appropriation of profits

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (VIG Holding) concluded financial year 2024 with a net retained profit of EUR 392,795,125.51. The following appropriation of profits will be proposed at the Annual General Meeting:

The 128 million shares will receive a dividend of EUR 1.55 per share. For this dividend, 28 May 2025 was agreed as the payment date, 27 May 2025 as the record date and 26 May 2025 as the ex-dividend date.

A total distribution of EUR 198,400,000.00 has therefore been approved. The remaining net retained profit of financial year 2024 of EUR 194,395,125.51 after the distribution should be carried forward to the new account.

10.3. Capital reserves – hybrid capital

Issue date	Outstanding volume	Maturity	Yield	Fair value
	in EUR '000	in years	in %	in EUR '000
10/06/2021	300,000	unlimited	First 10 years: 3.2125% p.a.; thereafter variable	263,497

As part of a private placement with the main shareholder, Wiener Städtische Versicherungsverein, VIG Holding placed a hybrid capital bond on 15 March 2021. The hybrid capital fulfils the shareholders' equity criteria in accordance with IAS 32.16C and .16D, as the issuer is free to decide about the interest payment and the term is unrestricted. It also complies with the Restricted Tier 1 equirements according to Solvency II as well as the capital qualification in accordance with the rating agency S&P.

10.4. Other reserves

Composition	31/12/2024			
	Gross	+/- Deferred taxes	+/- Non-controlling interests	Net
in EUR '000				
Unrealised gains and losses	**266,642**	**-70,958**	**-4,153**	**191,531**
IFRS 9-reserves recyclable*	-823,095	174,077	11,673	-637,345
IFRS 9-reserves non-recyclable	22,518	-2,789	-163	19,566
IFRS 17-reserves recyclable	208,332	-46,095	-2,574	159,663
IFRS 17-reserves non-recyclable	858,887	-196,151	-13,089	649,647
Actuarial gains and losses from provisions for employee benefits	-191,785	43,708	3,089	-144,988
Share of other reserves of associated consolidated companies	-7,977	0	174	-7,803
Currency reserve	-152,853	0	5,254	-147,599
Total	**-85,973**	**-27,250**	**4,364**	**-108,859**

*Thereof reclassified to income statement in gross value: EUR 98,291,000.

Composition	31/12/2023			
	Gross	+/- Deferred taxes	+/- Non-controlling interests	Net
in EUR '000				
Unrealised gains and losses	226,014	-66,693	-4,146	155,175
IFRS 9-reserves recyclable*	-997,005	213,339	12,054	-771,612
IFRS 9-reserves non-recyclable	-1,953	-3,155	-241	-5,349
IFRS 17-reserves recyclable	301,363	-56,951	-3,422	240,990
IFRS 17-reserves non-recyclable	923,609	-219,926	-12,537	691,146
Actuarial gains and losses from provisions for employee benefits	-188,664	42,936	3,022	-142,706
Share of other reserves of associated consolidated companies	-11,888	0	250	-11,638
Currency reserve	-144,572	0	4,016	-140,556
Total	-119,110	-23,757	3,142	-139,725

*Thereof reclassified to income statement in gross value: EUR 122,542,000.

11. TAXES

The accounting policies used are presented in Note 24.13. Taxes starting on page 295.

11.1. Tax expenses

Composition	2024	2023
in EUR '000		
Actual taxes	**174,289**	152,883
From the current period*	175,189	143,208
From previous periods	-900	9,675
Deferred taxes	**40,651**	43,560
Change of deferred taxes in the current year	38,032	55,865
Deferred taxes due to temporary differences relating to other periods	5,120	-8,948
Deferred taxes due to loss carry forwards relating to other periods	-2,501	-3,357
Total	**214,940**	196,443

*The global minimum taxation is included in the item "Actual taxes from the current period" and the amount in question is not considered to be material for the Group.

Reconciliation	2024	2023
in EUR '000		
Expected tax rate in %	23.0%	24.0%
Result before taxes	881,806	772,689
Expected tax expenses	**202,815**	185,445
Adjusted for tax effects due to:		
Different local tax rate	-29,011	-31,061
Change of tax rates	-1,373	-11,528
Non-deductible expenses	118,089	131,049
Income not subject to tax	-96,952	-100,669
Taxes from previous years	1,720	-2,630
Non-recognition/reduction of deferred tax assets due to temporary differences	1,539	6,099
Non-recognition/reduction of deferred tax assets due to loss carry forwards	504	6,023
Effects due to group taxation/profit transfers	-2,871	-403
Others	20,480	14,118
Effective tax expenses	**214,940**	196,443
Effective tax rate in %	24.4%	25.4%

The income tax rate of the parent company is used as the group tax rate.

The non-deductible expenses include depreciation, expenses related to tax-free income and other non-deductible expenses. The income not subject to tax is due in particular to appreciation, received dividends and interest.

11.2. Deferred taxes

The deferred tax assets and liabilities reported relate to temporary differences in the balance sheet items listed in the table below (the differences were measured using the applicable tax rates). It should be noted that deferred taxes, as far as permissible, are offset at the taxpayer level, and, accordingly, the different balances are shown either as assets or liabilities on the balance sheet.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that the deferred tax assets can be used. Deferred tax assets are examined each balance sheet date and reduced to the extent that it is no longer probable that the associated tax benefits can be realised.

Composition	31/12/2024		31/12/2023	
	Assets	Liabilities	Assets	Liabilities
in EUR '000				
Cash and cash equivalents	255	28,132	32	42,605
Financial assets and Investments in associates	557,214	448,326	553,663	393,599
Receivables and Other assets	166,976	27,962	211,304	22,191
Insurance contracts assets[1]	180,067	152,311	225,921	118,421
Investment property as well as Owner-occupied property and equipment	16,927	35,749	13,627	36,711
Goodwill and Intangible assets	3,947	30,663	4,088	12,801
Right-of-use assets	0	65,283	0	59,319
Liabilities and other payables, Financial liabilities and Other liabilities	316,163	63,874	275,614	73,449
Insurance contracts liabilities[2]	677,935	1,080,897	665,666	1,137,070
Provisions	139,893	95,061	122,299	90,088
Tax-exempt reserves	0	8,870	0	9,162
Accumulated losses carried forward	32,012	0	46,293	0
Sum before valuation allowance	**2,091,389**	**2,037,128**	2,118,507	1,995,416
Valuation allowance for deferred tax assets	-35,909		-42,012	
Total before netting	**2,055,480**	**2,037,128**	2,076,495	1,995,416
Netting	-1,603,417	-1,603,417	-1,593,208	-1,593,208
Net balance	**452,063**	**433,711**	483,287	402,208

[1] Incl. Insurance contracts assets issued and Reinsurance contracts assets held

[2] Incl. Insurance contracts liabilities issued and Reinsurance contracts liabilities held

Deferred tax assets from seven-year amortisation of participations to going concern value were recognised in the amount of EUR 13,419,000 (EUR 10,458,000). Those amounts not recognised amount to EUR 0 (EUR 3,810,000). Deferred tax liabilities and deferred tax assets of consolidated taxable entities in the tax groups collected by the same tax authority were netted, resulting in a deferred tax liability of EUR 51,311,000 (EUR 875,000). In accordance with IAS 12.39, deferred tax liabilities were not reported for temporary differences from interests in subsidiaries and associated companies since they would not be reversed in the foreseeable future. The difference between the book value for tax purposes and the IFRS shareholders' equity is EUR 1,993,081,000 (EUR 1,868,341,000). Deferred taxes for undistributed subsidiary profits of EUR 9,218,000 (EUR 17,252,000) were also not reported, because a decision to distribute the profits had not yet been made.

Deferred taxes on temporary differences in the amount of EUR -14,972,000 (EUR -14,612,000) as well as deferred taxes on loss carryforwards in the amount of EUR -20,937,000 (EUR -27,400,000) are not recognised.

Deferred tax assets on tax loss carryforwards not recognised	2024	2023
in EUR '000		
Bosnia-Herzegovina	-108	-309
Estonia	-340	-340
Croatia	0	-25
Liechtenstein	-970	-960
Lithuania	-225	-275
Austria	-10,571	-9,601
Poland	-4,725	-9,379
Romania	-115	-1,469
Serbia	-654	-822
Slovakia	-1,989	-577
Slovenia	0	-40
Czech Republic	-4	-121
Ukraine	0	-85
Hungary	-1,236	-3,397
Total	-20,937	-27,400

11.3. Tax rates

The deferred taxes are based on the following tax rates:

Tax rates	31/12/2024	31/12/2023
in %		
Albania	15.0	15.0
Bosnia-Herzegovina	10.0	10.0
Bulgaria	10.0	10.0
Germany[1]	30.0	30.0
Estonia[2]	0.0	0.0
Georgia[3]	0.0	15.0
Kosovo	10.0	10.0
Croatia	18.0	18.0
Latvia[4]	0.0	0.0
Liechtenstein	12.5	12.5
Lithuania[5]	15.0	15.0
Moldova	12.0	12.0
North Macedonia	10.0	10.0
Netherlands	25.8	25.8
Austria[6]	23.0	24.0
Poland	19.0	19.0
Romania	16.0	16.0
Serbia	15.0	15.0
Slovakia[7]	21.0	21.0
Czech Republic	21.0	19.0
Türkiye	30.0	30.0
Ukraine	18.0	18.0
Hungary	11.3	11.3

1 The tax rate shown here is a flat tax rate. The tax rate is between 15.825% and 31.925%, depending on the registered office and activities of the company.
2 The retained profits of locally domiciled companies are not subject to corporate income tax. Profit distributions by the companies are subject to a tax rate of 14.0% to 20.0%. From 1 January 2025, the corporate income tax rate will increase to 22.0%.
3 The retained profits of locally domiciled companies are not subject to corporate income tax. Profit distributions by the companies are subject to a tax rate of 15.0%.
4 The retained profits of locally domiciled companies are not subject to corporate income tax. Profit distributions by the companies are subject to a tax rate of 20.0%.
5 From 1 January 2025, the corporate income tax rate will increase to 16.0%.
6 The second and last incremental reduction in corporate income tax was made in 2024. The rate was reduced from 24.0% to 23.0% due to a change in the law.
7 The corporate income tax rate is 21.0%, but insurance companies have to pay additional taxes, meaning that a tax rate of 25.36% applies to these companies. From 1 January 2025, the corporate income tax rate will increase to 24.0%.

12. PROVISIONS

The accounting policies used are presented in Note 24.11. Provisions starting on page 294.

Composition	31/12/2024	31/12/2023
in EUR '000		
Provisions for pensions and similar obligations	333,117	340,708
Provision for pension obligations	232,752	236,499
Provision for severance obligations	100,365	104,209
Provisions for other employee benefits	87,399	71,853
Miscellaneous provisions	372,585	336,059
Total	793,101	748,620

Miscellaneous provisions

Composition	31/12/2024	31/12/2023
in EUR '000		
Provision for customer support and marketing	24,034	19,947
Provision for litigation	21,225	19,398
Provisions for IT	78,598	78,966
Other provisions	248,728	217,748
Provision for guaranteed interest for pension funds	61,683	30,396
Provision for regulatory risks	46,307	28,542
Onerous maintenance contracts	920	920
Remaining other provisions	139,818	157,890
Total	372,585	336,059

Development	Book value 01/01/2024	Changes in scope of consolidation	Exchange rate differences	Reclassi-fication	Additions	Amount used	Release	Book value 31/12/2024
in EUR '000								
Provision for customer support and marketing	19,947	570	100	2,392	18,108	-9,194	-7,889	24,034
Provision for litigation	19,398	7,902	-244	0	4,983	-2,153	-8,661	21,225
Provisions for IT	78,966	319	28	0	78,360	-51,146	-27,929	78,598
Other provisions	217,748	28,993	-1,038	-2,392	119,145	-45,813	-67,915	248,728
Total	336,059	37,784	-1,154	0	220,596	-108,306	-112,394	372,585

Maturity structure	31/12/2024	31/12/2023
in EUR '000		
Up to 1 year	255,437	249,606
More than one year up to five years	39,344	40,583
More than five years up to ten years	15,474	15,474
More than ten years	62,330	30,396
Total	372,585	336,059

13. INTANGIBLE ASSETS

The accounting policies used are presented in Note 24.6. Intangible assets starting on page 287.

Composition	31/12/2024	31/12/2023
in EUR '000		
Purchased software	500,119	476,139
Other intangible assets	196,751	114,222
Total	696,870	590,361

The increase in Other intangible assets resulted from the increase in customer bases and was primarily due to the first-time consolidation of Vienna PTE and Carpathia Pensii.

Purchased software

Development	2024	2023
in EUR '000		
Acquisition costs	1,048,854	940,268
Cumulative valuation as of 31/12 of the previous year	-572,715	-494,150
Book value as of 31/12 of the previous year = Book value as of 01/01	476,139	446,118
Exchange rate differences	-4,165	562
Reclassifications	-14,930	-361
Additions	130,732	120,481
Disposals	-2,518	-3,328
Changes in scope of consolidation	3,400	0
Reversal of impairments	8	0
Scheduled depreciation	-88,463	-80,498
Impairments	-84	-6,835
Book value as of 31/12	500,119	476,139
Cumulative valuation as of 31/12	649,070	572,715
Acquisition costs	1,149,189	1,048,854

14. LEASES

Lessors – operating leases

Maturity analysis of undiscounted lease payments	31/12/2024	31/12/2023
in EUR '000		
Up to 1 year	167,299	142,410
More than one up to two years	154,787	127,156
More than two up to three years	144,700	117,400
More than three up to four years	132,112	108,340
More than four up to five years	118,951	100,128
More than five years	3,515,286	3,071,781
Total	4,233,135	3,667,215

Lease income	2024	2023
in EUR '000		
Fixed lease income	172,441	146,236
Lease income of variable lease payments	33,115	27,638
Total	205,556	173,874

15. TYPE OF EXPENSES AND DETAILS OTHER INCOME AND EXPENSES

15.1. General information

Due to the accounting and valuation requirements of IFRS 17, expenses that are directly attributable to insurance contracts are included in the item Insurance service result. General administrative expenses are not directly attributable to insurance contracts and are included in the item of Other expenses.

The expenses that are taken into account under IFRS 17 amount to EUR 3,883,599,000 (EUR 3,677,783,000) in the current period. Apart from personnel expenses, a significant portion is made up of commissions paid, IT expenses, taxes related to insurance contracts and scheduled depreciation.

15.2. Personnel

Number of employees	31/12/2024	31/12/2023
Number		
Sales representatives	15,745	15,047
Office staff	15,898	14,358
Total	31,643	29,405

The employee figures shown are average values based on full-time equivalents.

Personnel expenses	2024	2023
in EUR '000		
Wages and salaries	979,677	823,528
Expenses for severance benefits and payments to company pension plans	9,134	7,320
Expenses for retirement provisions	15,534	10,750
Mandatory social security contributions and expenses	240,609	207,656
Other social security expenses	36,471	29,344
Total	1,281,425	1,078,598
Sales representatives	499,043	458,997
Office staff	782,382	619,601

15.3. Other income and expenses

	2024	2023 adjusted
in EUR '000		
Other income	344,771	303,932
thereof exchange rate gains	58,692	82,414
thereof other revenue from services	166,429	121,222
Other expenses	-889,735	-821,804
thereof general administrative expenses acc. to IFRS 17	-541,786	-512,564
thereof exchange rate losses	-56,809	-87,797
thereof losses from non-monetary items acc. to IAS 29	-30,947	-31,547
thereof result from owner-occupied property	-6,637	-13,388

Both the increase in general administrative expenses acc. to IFRS 17 and the increase in other revenues from services is due to a steady increase in regulatory requirements and a larger business volume.

16. CALCULATION OF FAIR VALUE

The accounting policies used are presented in Note 24.9. Calculation of fair value starting on page 288.

16.1. Fair value and book values of financial instruments and investments

Assets	31/12/2024				
	Book value	Level 1	Level 2	Level 3	Fair value
in EUR '000					
Financial assets	39,637,179	28,070,686	7,623,744	3,927,130	39,621,560
Measured at AC	3,391,477	485,343	845,241	2,045,274	3,375,858
Loans	654,913	0	538,281	111,313	649,594
Bonds	931,707	479,288	306,960	122,960	909,208
Term deposits	1,804,857	6,055	0	1,811,001	1,817,056
Mandatorily measured at FVtOCI	24,486,454	20,683,803	3,700,951	101,700	24,486,454
Bonds	24,486,454	20,683,803	3,700,951	101,700	24,486,454
Designated measured at FVtOCI	291,027	38,162	0	252,865	291,027
Shares	41,771	38,162	0	3,609	41,771
Shares in participating companies	64,451	0	0	64,451	64,451
Shares in affiliated non-consolidated companies	184,805	0	0	184,805	184,805
Mandatorily measured at FVtPL	11,148,394	6,558,059	3,063,044	1,527,291	11,148,394
Shares	365,741	289,226	5,619	70,896	365,741
Shares in participating companies	24,332	0	0	24,332	24,332
Shares in affiliated non-consolidated companies	7,841	0	0	7,841	7,841
Loans	4,856	0	3,676	1,180	4,856
Bonds	1,717,122	541,833	711,898	463,391	1,717,122
Funds	9,010,758	5,726,992	2,340,241	943,525	9,010,758
Derivatives	17,744	8	1,610	16,126	17,744
Designated measured at FVtPL	319,827	305,319	14,508	0	319,827
Bonds	319,827	305,319	14,508	0	319,827
Investments in associates	204,761				
Investment property	2,978,265	0	33,752	4,473,261	4,507,013
Owner-occupied property	466,840	0	41,335	780,785	822,120

Assets	31/12/2023				
	Book value	Level 1	Level 2	Level 3	Fair value
in EUR '000					
Financial assets	37,990,239	25,459,784	9,241,370	3,268,013	37,969,167
Measured at AC	2,963,320	448,858	1,004,637	1,488,753	2,942,248
Loans	742,306	0	594,559	127,842	722,401
Bonds	978,491	448,858	410,078	97,406	956,342
Term deposits	1,242,523	0	0	1,263,505	1,263,505
Mandatorily measured at FVtOCI	24,021,071	18,706,866	5,044,560	269,645	24,021,071
Bonds	24,021,071	18,706,866	5,044,560	269,645	24,021,071
Designated measured at FVtOCI	399,293	29,784	5,155	364,354	399,293
Shares	38,259	29,784	5,155	3,320	38,259
Shares in participating companies	70,088	0	0	70,088	70,088
Shares in affiliated non-consolidated companies	290,946	0	0	290,946	290,946
Mandatorily measured at FVtPL	10,393,733	6,112,598	3,135,874	1,145,261	10,393,733
Shares	450,075	345,186	31,829	73,060	450,075
Shares in participating companies	30,116	0	0	30,116	30,116
Shares in affiliated non-consolidated companies	4,028	0	2,282	1,746	4,028
Bonds	1,716,436	406,366	848,137	461,933	1,716,436
Funds	8,174,035	5,361,046	2,251,947	561,042	8,174,035
Derivatives	19,043	0	1,679	17,364	19,043
Designated measured at FVtPL	212,822	161,678	51,144	0	212,822
Bonds	212,822	161,678	51,144	0	212,822
Investments in associates	185,622				
Investment property	2,852,090	0	32,988	4,384,990	4,417,978
Owner-occupied property	470,949	0	39,107	792,142	831,249

Financial liabilities	31/12/2024				
	Book value	Level 1	Level 2	Level 3	Fair value
in EUR '000					
Measured at AC*	2,092,755	0	1,621,176	385,516	2,006,692
Subordinated liabilities	1,215,495	0	1,239,647	0	1,239,647
Liabilities to banks	298,188	0	0	298,188	298,188
Liabilities from financing activities	579,072	0	381,529	87,328	468,857
Mandatorily measured at FVtPL	60,746	0	923	59,823	60,746
Liabilities for derivatives	60,746	0	923	59,823	60,746
Designated measured at FVtPL	508	0	0	508	508
Liabilities designated measured at FVtPL	508	0	0	508	508

*Excl. lease liabilities

Financial liabilities	31/12/2023				
	Book value	Level 1	Level 2	Level 3	Fair value
in EUR '000					
Measured at AC*	2,196,072	0	1,644,863	416,711	2,061,574
Subordinated liabilities	1,309,283	0	1,248,646	21,655	1,270,301
Liabilities to banks	306,881	0	0	306,881	306,881
Liabilities from financing activities	579,908	0	396,217	88,175	484,392
Mandatorily measured at FVtPL	1,296	0	707	589	1,296
Liabilities for derivatives	1,296	0	707	589	1,296
Designated measured at FVtPL	555	0	0	555	555
Liabilities designated measured at FVtPL	555	0	0	555	555

*Excl. lease liabilities

The unrealised effect (net profit or loss) of Level 3 financial instruments that are still held and whose fair value will be recognised through profit and loss was EUR 68,185,000 (EUR 21,544,000) in the reporting period.

16.2. Reclassification of financial instruments

The companies in VIG Insurance Group regularly review the current validity of the last fair value classification performed on each valuation date. For example, a reclassification is performed if necessary inputs are no longer directly observable in the market.

Reclassifications	31/12/2024				
	Between Level 1 and Level 2	Level 3 to Level 1	Level 1 to Level 3	Level 3 to Level 2	Level 2 to Level 3
Number					
Measured at FVtOCI	169	9	3	0	6
Mandatorily measured at FVtOCI	152	9	3	0	5
Financial assets	152	9	3	0	5
Designated measured at FVtOCI	17	0	0	0	1
Financial assets	17	0	0	0	1
Measured at FVtPL	467	41	50	21	14
Mandatorily measured at FVtPL	462	41	50	21	14
Financial assets	462	41	50	21	14
Designated measured at FVtPL	5	0	0	0	0
Financial assets	5	0	0	0	0
Total	636	50	53	21	20

The reclassifications between Level 1 and Level 2 are due to changes in liquidity, trading frequency and trading activity. The reclassifications from Level 3 to Level 1 are primarily based on an improvement in the liquidity assessment and/or the availability of valuation rates. The reclassifications from Level 1 to Level 3 are primarily based on a worsening of the liquidity and/or changes in the availability of valuation rates. The reclassifications from Level 3 to Level 2 are primarily based on an improvement in the liquidity. The reclassifications from Level 2 to Level 3 are primarily based on a worsening of the credit quality or liquidity.

Reclassifications	31/12/2023		
	Between Level 1 and Level 2	Level 1 to Level 3	Level 2 to Level 3
Number			
Measured at FVtOCI	87	2	5
Mandatorily measured at FVtOCI	87	2	5
Financial assets	87	2	5
Measured at FVtPL	189	9	10
Mandatorily measured at FVtPL	183	9	8
Financial assets	183	9	8
Designated measured at FVtPL	6	0	2
Financial assets	6	0	2
Total	276	11	15

16.3. Measurement of the fair value of real estate

Basis of the measurement	31/12/2024	31/12/2023
in EUR '000		
Investment property	4,507,013	4,417,978
Evaluated by an independent expert*	952,700	1,010,579
Evaluated by an internal expert	3,554,313	3,407,399
Owner-occupied property	822,120	831,249
Evaluated by an independent expert	364,204	378,823
Evaluated by an internal expert	457,916	452,426

*This corresponds to 21.14% (22.87%) of the fair value of investment property.

Measurement method	31/12/2024	31/12/2023
in EUR '000		
Investment property	4,507,013	4,417,978
Capitalised earnings value methode	3,960,340	4,008,590
Comparative pricing method/market approach	412,096	354,114
Other method	134,577	55,274
Owner-occupied property	822,120	831,249
Capitalised earnings value methode	638,577	647,013
Comparative pricing method/market approach	183,231	179,883
Other method	312	4,353

16.4. Reconciliation of financial instruments

For information on the effects of changes in value recognised through profit and loss, please refer to Note 9. Notes to the consolidated income statement starting on page 224.

Development	2024			2023		
Financial assets measured at FVtOCI	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
in EUR '000						
Fair value as of 31/12 of the previous year = Fair value as of 01/01	18,736,650	5,049,715	633,999	18,251,987	3,865,880	483,349
Exchange rate differences	15,643	-45,958	-2,350	21,703	-1,505	-16,257
Reclassification between classes of financial instruments	-253,187	256,816	-7,545	-25,816	15,770	127,046
Reclassification to level	1,389,897	60,076	31,889	224,089	1,112,099	164,679
Reclassification from level	-61,411	-1,386,034	-34,417	-1,131,929	-315,281	-53,658
Amortisation and accrued interest	72,426	5,229	4,784	56,886	12,793	-1,884
Additions	5,005,745	418,822	57,431	3,396,212	591,244	200,781
Disposals	-4,338,851	-740,683	-167,168	-2,977,020	-522,290	-108,319
Changes in scope of consolidation	103,782	44,674	-133,559	0	-4,538	-110,758
Changes in value recognised in profit and loss	0	0	0	0	0	0
Changes in value recognised directly in equity	51,271	38,294	-28,499	920,538	295,543	-50,980
Fair value as of 31/12	20,721,965	3,700,951	354,565	18,736,650	5,049,715	633,999

Development	2024			2023		
Financial assets measured at FVtPL	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
in EUR '000						
Fair value as of 31/12 of the previous year = Fair value as of 01/01	6,274,276	3,187,018	1,145,261	7,450,053	2,543,758	501,478
Exchange rate differences	2,043	-40,662	4,582	72,100	-1,029	-16,755
Reclassification between classes of financial instruments	0	0	174	11,519	2,675	-14,193
Reclassification to level	712,432	392,643	256,489	244,114	774,013	592,993
Reclassification from level	-566,477	-778,348	-16,739	-1,230,251	-377,942	-2,928
Amortisation and accrued interest	6,868	8,031	4,785	1,081	8,718	5,142
Additions	1,473,266	1,564,282	179,484	2,459,074	467,755	177,649
Disposals	-1,709,032	-1,483,607	-115,324	-3,231,600	-483,055	-107,460
Changes in scope of consolidation	332,312	67,731	-99	0	0	-12,528
Changes in value recognised in profit and loss	337,690	160,464	68,678	498,186	252,125	21,863
Changes in value recognised directly in equity	0	0	0	0	0	0
Fair value as of 31/12	6,863,378	3,077,552	1,527,291	6,274,276	3,187,018	1,145,261

16.5. Unobservable input factors

Asset class	Measurement methods	Unobservable input factors	Range	2024		2023	
				from	to	from	to
Property	Capitalised earnings value	Capitalisation rate	in %	0.30	7.47	0.30	7.47
		Rental income	in EUR ‘000	7	5,124	7	4,090
		Land prices	in EUR ‘000	0	12	0	12
	Discounted Cash flow	Capitalisation rate	in %	5.33	9.18	4.11	8.92
		Rental income	in EUR ‘000	116	7,754	111	7,394
	Building rights - capitalised earnings value	Capitalisation rate	in %	2.50	4.00	2.50	4.00
		Rental income	in EUR ‘000	83	4,349	83	4,378
		Land prices	in EUR ‘000	0.31	0.80	0.30	0.73
		Construction interest actually paid	in %	0.90	4.56	0.90	3.96
Loans measured at AC	Present value method	Spreads	in %	0.67	2.43	-0.20	5.62
Bonds measured at AC	Present value method	Spreads	in %	0.52	4.41	-0.20	5.62
Bonds measured at FVtOCI	Present value method	Spreads	in %	0.37	5.49	-0.20	4.13
Bonds measured at FVtPL	Present value method	Spreads	in %	0.37	3.27	-0.20	3.81

16.6. Sensitivities

The following sensitivities result for a part of the portfolio from calculations using the Solvency II partial internal model:

Property – Fair Value	2024	2023
in EUR ‘000		
Fair value as of 31/12	4,657,075	4,619,995
Rental income -5%	4,471,213	4,440,131
Rental income +5%	4,852,852	4,805,545
Capitalisation rate -50bp	4,944,994	4,918,764
Capitalisation rate +50bp	4,414,298	4,369,458
Land prices -5%	4,626,849	4,583,548
Land prices +5%	4,695,507	4,660,968

Since property is measured at amortised cost in the consolidated balance sheet, negative sensitivities would only affect the consolidated income statement if property value fell below book value.

17. EARNINGS PER SHARE

Earnings per share		2024	2023
Result for the period	EUR '000	666,866	576,246
Non-controlling interests in net result for the period	EUR '000	-21,610	-17,267
Result for the period less non-controlling interests	**EUR '000**	**645,256**	558,979
Interest expenses for the hybrid capital	EUR '000	7,643	7,556
Attributable result	**EUR '000**	**637,613**	551,423
Number of shares at closing date	units	128,000,000	128,000,000
Earnings per share* (in EUR)	**EUR**	**4.98**	4.31

*The undiluted earnings per share equals the diluted earnings per share (in EUR).

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18. RELATED PERSONS AND COMPANIES

Related companies are those affiliated companies and associated companies listed in Note 21. Affiliated companies and participations starting on page 246. Furthermore, the Managing Board and Supervisory Board members of VIG Holding are to be qualified as related persons.

Wiener Städtische Versicherungsverein holds directly and indirectly around 72.47% (around 72.47%) and, therefore, the majority of the voting rights of VIG Holding. Due to the given control, it is, therefore, also considered to be a related company and its Managing Board as well as Supervisory Board members are considered to be related persons.

18.1. Members of management in key positions

Supervisory Board	
Chairman	Günter Geyer (until 24 May 2024)
Chairman	Rudolf Ertl (since 24 May 2024)
1st Deputy Chairman	Rudolf Ertl (until 24 May 2024)
1st Deputy Chairman	Martin Simhandl (since 24 May 2024)
2nd Deputy Chairman	Robert Lasshofer
Members	Martina Dobringer
	Zsuzsanna Eifert (until 24 May 2024)
	Gerhard Fabisch (until 24 May 2024)
	András Kozma
	Vratislav Kulhánek (since 24 May 2024)
	Hana Machačová (since 24 May 2024)
	Peter Mihók
	Gabriele Semmelrock-Werzer (until 24 May 2024)
	Katarína Slezáková
	Ágnes Svoób (since 24 May 2024)
	Peter Thirring
	Gertrude Tumpel-Gugerell

Changes during the financial year
Günter Geyer, Zsuzsanna Eifert, Gabriele Semmelrock-Werzer and Gerhard Fabisch resigned from the Supervisory Board after their term of office ended on 24 May 2024. Vratislav Kulhánek, Hana Machačová, Martin Simhandl and Ágnes Svoób were elected as members of the Supervisory Board at the Annual General Meeting on 24 May 2024.

In 2024, the Supervisory Board elected Rudolf Ertl as Chairman of the Supervisory Board for the term of office until 30 June 2025. Peter Thirring was elected Chairman of the Supervisory Board for the remainder of the term of office from 1 July 2025 until the Annual General Meeting that will decide on the discharge for the 2027 financial year. Martin Simhandl was elected as 1st Deputy Chairman of the Supervisory Board for the entire term of office until the Annual General Meeting that will decide on the discharge for the 2027 financial year, and Robert Lasshofer was re-elected as the 2nd Deputy Chairman of the Supervisory Board.

Managing Board	
Chairman	Hartwig Löger
Deputy Chairman	Peter Höfinger
Members	Liane Hirner
	Gerhard Lahner
	Gábor Lehel
	Harald Riener
Deputy member	Christoph Rath (since 1 September 2024)

Change during the financial year

Christoph Rath was appointed as a deputy member of the Managing Board of VIG Holding with effect from 1 September 2024.

18.2. Key management personnel compensation

Composition	2024			2023		
	Supervisory Board Members	Managing Board Members	Total	Supervisory Board Members	Managing Board Members	Total
in EUR '000						
Short-term employee benefits	902	6,805	7,707	866	7,527	8,393
Post-employment benefits	0	2,175	2,175	0	1,077	1,077
Other long-term benefits	0	5,104	5,104	0	5,535	5,535
Termination benefits	0	0	0	0	81	81
Total	902	14,084	14,986	866	14,220	15,086

In the reporting periods, the members of the Managing Board and the Supervisory Board did not receive any loans and advances, nor were they liable for any loans. The members of the Managing Board and the Supervisory Board also had no liability in the reporting periods.

Compensation policies for Managing Board members

The compensation of the company's Managing Board reflects the importance of the Group and the related responsibility, as well as the company's economic situation and the appropriateness of compensation in the market environment.

Sustainability is a point of emphasis for the variable compensation component; the full attainment of sustainability goals is highly dependent on taking a longer-term view of the company's performance, one that extends beyond a single financial year.

The amount of performance-dependent compensation is limited. The maximum amount of performance-dependent compensation that the Managing Board can achieve upon fulfilment of conventional targets for the 2024 financial year is equal to around 30% to around 36% of total compensation. In addition, special bonus compensation and compensation for over-fulfilment in certain target areas may be granted. As a result, Managing Board members can earn variable compensation components equal to no more than around 45% to 50% of their total compensation.

Significant parts of the performance-dependent compensation are only payable after a certain delay, which extends into the year 2028 in the case of the 2024 financial year. The award of the delayed parts is dependent on the consideration given to the sustainable development of the corporate group.

If certain threshold values are not met, no performance-dependent compensation is granted to the Managing Board. Even if the targets are fully met in a given financial year, the award of the full variable compensation granted with respect to the focus on sustainability depends on whether the corporate group has experienced a sustainable development over three consecutive years.

Stock options or similar instruments are not part of the compensation of the Managing Board.

As of the reporting date 31 December 2019, defined benefit pensions funded by provisions – depending in part on the length of service with VIG Insurance Group – are granted to active members of the company's Managing Board in a maximum amount equal to 40% of the assessment basis for members who remain on the Managing Board until their 65th birthday. The assessment basis is equal to the standard fixed salary. In individual cases, extra amounts may be granted to members who work beyond the maximum pension date given that no pension will be collected during the period of further work.

Managing Board members appointed for the first time on or after 1 January 2020 may be granted entitlements to defined benefit company pensions (or alternatively, defined contribution pensions). As a rule, such pensions will be awarded only after the member has been re-appointed to the Managing Board at least once and in stages, so that the maximum pension benefit equal to 40% of fixed compensation to be granted upon completing the 65th year of life can be awarded at the earliest only after the member has served on the Managing Board for 10 years. If a Managing Board member had already held other positions in the Group for at least 5 years, the pension may be awarded already upon commencement of his or her term of office on the Managing Board.

As a standard rule, pensions will be awarded (regardless of effective date) only if either the position of Managing Board member is not renewed by no fault of the member or if the Managing Board member resigns by reason of illness or age.

The provisions of the Employee and Self-Employment Provisions Act ("New Severance Pay Model") are applicable to Managing Board contracts.

Only contracts with Managing Board members who have already worked in the Group for a very long time provide an entitlement to severance pay, which is designed in accordance with the provisions of the Salaried Employee Act in the version from before 2003 in conjunction with the relevant sector-specific provisions. Accordingly, such Managing Board members may receive severance pay equal to two to 12 months' salary – scaled according to length of service – plus a supplement of 50% if the member retires or leaves the Managing Board after a long-term illness. No severance pay will be granted if the member leaves the Managing Board at his or her own request before the date of pension eligibility without the agreement of the company or if the member leaves the Managing Board by his or her own fault.

The Managing Board members are provided with a company car which is also for private use. For their work, the Managing Board members received EUR 6,805,000 (EUR 7,527,000) from the company in the reporting period. The Managing Board members received EUR 812,000 (EUR 995,000) from subsidiaries in the reporting period.

Former Managing Board members received EUR 2,175,000 (EUR 1,158,000).

The Managing Board was composed of six persons until 31 August 2024 and from 1 September 2024 it was composed of seven persons.

18.3. Transactions with related persons

Transactions	2024	2023
in EUR '000		
Dividends for VIG Holding shares	45	47
Interests for issued loans from VIG Holding	16	16
Insurance premiums received	208	179
Other transactions*	29	44

*Other transactions comprise for example purchases and sales of goods, rendering or receiving of services, commitments like sureties or guarantees as well as transfers under licence agreements.

The related party items in the income statement do not exceed EUR 3,000,000 and primarily consist of Payments to Supervisory Board members

18.4. Transactions with related companies

Transactions with related companies
Primarily, financing transactions and charges for services are exchanged with non-consolidated affiliated and associated companies.

Transactions between the fully consolidated companies included in the consolidated financial statements are eliminated as part of the consolidation process and are, therefore, not explained in these notes.

Transactions with the Wiener Städtische Versicherungsverein
The Wiener Städtische Versicherungsverein is the majority shareholder of VIG Holding. It has the legal structure of a mutual insurance association which, in accordance with the Austrian Insurance Supervision Act, has outsourced its insurance operations and is therefore not operating in the insurance business. Due to its outsourcing to the Wiener Städtische Versicherung AG, it merely has to fulfil its duties as a majority shareholder of VIG Holding, and so only services of minor importance arise with VIG Insurance Group. These are based on service agreements between VIG Insurance Group and the Wiener Städtische Versicherungsverein for intercompany charges for internal audit services, finance and accounting and provision of personnel as well as the leasing of offices based on arm's length principles.

Related companies	2024	31/12/2024	2023	31/12/2023
	Transactions	Open items	Transactions	Open items
in EUR '000				
Revenue from rendering of services	**96,678**	**38,900**	54,361	19,944
Parent company	1,726	557	1,696	634
Associated companies	67,551	29,153	4,406	158
Subsidiaries not included in the consolidated financial statements	26,839	9,032	47,746	19,116
Other related companies	562	158	513	36
Other related companies	562	158	122	36
Non-profit societies	0	0	391	0
Expenses from services received	**199,350**	**-17,933**	182,322	-18,097
Parent company	15	-3	131	-122
Associated companies	63,698	0	534	0
Subsidiaries not included in the consolidated financial statements	130,154	-17,392	177,044	-17,376
Other related companies	5,483	-538	4,613	-599
Other related companies	5,483	-538	4,613	-480
Non-profit societies	0	0	0	-119
Received dividends/profit distribution	**22,313**	**0**	10,205	0

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Related companies	2024	31/12/2024	2023	31/12/2023
	Transactions	Open items	Transactions	Open items
Associated companies	18,276	0	7,688	0
Subsidiaries not included in the consolidated financial statements	3,104	0	2,038	0
Other related companies	933	0	479	0
Other related companies	933	0	479	0
Paid dividends/profit distribution	**139,607**	**0**	**130,337**	**0**
Parent company	139,607	0	130,337	0
Loans and financial liablities and their related interests (AC, FVtPL, FVtOCI)	**44,680**	**203,051**	**23,295**	**177,422**
Parent company	3,331	-2,474	4,552	542
Associated companies	14,485	38,244	7,947	26,555
Subsidiaries not included in the consolidated financial statements	1,982	16,595	3,321	20,419
Other related companies	24,882	150,686	7,475	129,906
Other related companies	1,448	26,249	2,239	29,320
Non-profit societies	23,434	124,437	5,236	100,586
Amounts related to group taxation	**36,151**	**52,336**	**64,627**	**27,564**
Parent company	34,181	50,320	62,904	25,840
Associated companies	1,970	2,016	1,723	1,724

19. CONTINGENT RECEIVABLES AND LIABILITIES

In their capacity as insurance companies, the Group companies are involved in a number of court proceedings as defendants or have been threatened with litigation. In addition, there are proceedings, in which the Group companies are not involved as parties, but may be affected by the outcome of such lawsuits due to agreements with other insurers concerning participation in claims. In the assessment of the Group, adequate provisions proportionate to the amount in dispute have been established for all claims in accordance with the law.

Changes in VAT

Effective 1 January 2025, the Austrian interbank exemption in relation to value added tax is to be abolished. This abolition will affect both the input and output side. On the input side, this is due to potentially higher costs resulting from the VAT burden on various services provided by banks, pension funds and other insurance entities. On the output side, this is due to additional value added tax on outgoing services provided by the Group to banks, pension funds and other insurance entities. In addition, proceedings have been brought before the ECJ regarding the qualification of the interbank exemption as prohibited state aid.

At the time of preparation of the consolidated financial statements, neither the judgment of the ECJ nor the subsequent actions of the European Commission and the Austrian authorities have been confirmed. In addition, it is not possible to produce a qualified calculation of the amount of the provision. It is currently unclear whether the service provider or the recipient of the tax-exempt services under Section 6 Paragraph 1 Line 28 of the Austrian act on value added tax (Umsatzsteuergesetz; UStG) has the relevant “advantage” in respect of the aid. It is also unclear how temporal effects and any input tax deduction will impact the amount of this “advantage”. For these reasons, no provision is formed in the consolidated financial statements.

20. BUSINESS COMBINATIONS

20.1. Changes in the scope of consolidation

Deconsolidations	Registered office	Reason for deconsolidation	Date	Reportable segment
VIG Properties Bulgaria AD	Sofia	Liquidation	20/08/2024	Extended CEE
Driving Camp Autodrom Sosnova a.s.	Prague	Immateriality	31/12/2024	Czech Republic

To ensure the same scope of consolidation as financial reporting when preparing the consolidated non-financial report according to ESRS in the Group management report, the scope of consolidation has been expanded.

Expansion of the scope of consolidation[1]	Registered office	Acquisition / formation	Interest[2]	First-time consolidation	Method
		Date	in %	Date	
AEGON TOWARZYSTWO UBEZPIECZEŃ NA ŻYCIE SPÓŁKA AKCYJNA	Warsaw	2023	100.00	01/01/2024	full consolidation
AIS Servis, s.r.o.	Brno	2007	98.10	01/01/2024	full consolidation
BEESAFE SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Warsaw	2020	99.99	01/01/2024	full consolidation
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Warsaw	2002	99.97	01/01/2024	full consolidation
CARPATHIA PENSII-SOCIETATE DE ADMINISTRARE A FONDURILOR DE PENSII PRIVATE S.A.	Floresti	2022	100.00	01/01/2024	full consolidation
CLAIM EXPERT SERVICES S.R.L.	Bucharest	2008	99.16	01/01/2024	full consolidation
EXPERTA Schadenregulierungs-Gesellschaft mbH	Vienna	1993	99.44	01/01/2024	full consolidation
Global Assistance Ellatasszervezö Korlatold Felelössegü Tarsasag	Budapest	2002	88.78	01/01/2024	full consolidation
Global Expert, s.r.o.	Pardubice	2005	98.10	01/01/2024	full consolidation
Global Services Bulgaria JSC	Sofia	2006	100.00	01/01/2024	full consolidation
POLISA - ŻYCIE Ubezpieczenia Sp.z.o.o.	Warsaw	2018	99.98	01/01/2024	full consolidation
serviceline contact center dienstleistungs-GmbH	Vienna	1994	97.75	01/01/2024	full consolidation
Slovexperta, s.r.o.	Žilina	2002	98.70	01/01/2024	full consolidation
Spółdzielnia Usługowa VIG EKSPERT W WARSZAWIE	Warsaw	2011	99.98	01/01/2024	full consolidation
UNIVERSAL maklérsky dom a.s.	Bratislava	2024	34.46	01/07/2024	at-equity
VIENNA POWSZECHNE TOWARZYSTWO EMERYTALNE SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP	Warsaw	2023	100.00	01/01/2024	full consolidation
VIG Management Service SRL	Bucharest	2010	99.16	01/01/2024	full consolidation
VIG Poland/Romania Holding B.V.	Amsterdam	2023	100.00	01/01/2024	full consolidation
VIG POLSKA REAL ESTATE SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Warsaw	2020	99.99	01/01/2024	full consolidation
VIG Services Bulgaria EOOD	Sofia	2006	100.00	01/01/2024	full consolidation

[1] Insofar as significant goodwill occurred, this is recognised in Note 3. Goodwill.
[2] The share in equity equals the share in voting rights.

20.2. Change in assets and liabilities due to changes in the scope of consolidation

A retrospective inclusion of the newly consolidated companies as of 1 January 2024 would not result in any significant change in the balance sheet items. The retrospective inclusion of the newly consolidated companies as of 1 January 2024 would increase the Group profit before taxes and non-controlling interests by 0.01% (without taking into consideration any consolidation effects).

Due to the changes in the scope of consolidation, the number of employees increased by 1,738.

Balance sheet	Additions	Disposals
in EUR '000		
Cash and cash equivalents	10,275	1,591
Financial assets	672,754	407
Receivables	19,867	70
Current tax assets	160	0
Investments in associates	6,500	0
Insurance contracts assets issued	742	0
Reinsurance contracts assets held	-13	0
Owner-occupied property and equipment	7,198	2,647
Other assets	6,918	3
Intangible assets	90,063	3
Deferred tax asset	11,926	3
Right-of-use assets	244	0
Liabilities and other payables	29,000	204
Current tax liabilities	212	48
Financial liabilities	60,316	0
Other liabilities	10,314	66
Insurance contracts liabilities issued	472,264	0
Reinsurance contracts liabilities held	504	0
Provisions	39,571	0
Deferred tax liabilities	18,673	0

The figures shown in the table above reflect the actual dates of first consolidation and deconsolidation, as indicated in chapter 20.1. Changes in the scope of consolidation starting on page 245.

Contribution to result before taxes in reporting period	Additions	Disposals
in EUR '000		
Insurance service result	4,191	0
Total capital investment result	**-1,309**	**-1**
Investment result	19,703	-1
Income and expenses from investment property	-222	0
Insurance finance result	-20,713	0
Result from associated consolidated companies	-77	0
Finance result	-442	-1
Other income and expenses	14,587	63
Result before taxes*	**17,027**	**61**

*The result before taxes includes depreciation of the customer base of der Carpathia Pensii (EUR 569,000), Vienna PTE (EUR 3,678,000) und der Aegon Life (EUR 377,000).

21. AFFILIATED COMPANIES AND PARTICIPATIONS

Number of companies	Austria	Outside Austria	Total
Number			
Consolidated companies	**80**	**103**	**183**
Fully consolidated companies	75	99	174
At equity-consolidated companies	5	4	9
Non-consolidated companies	**42**	**79**	**121**
Total	**122**	**182**	**304**

The shares for 2023 shown in the following tables have been changed compared to the figures published in the Annual Report 2023, and now the shares shown correspond to the calculated voting rights.

Fully consolidated companies	Country of domicile	Registered office	Interest 2024	Interest 2023
			in %	in %
"Compensa Vienna Insurance Group", ADB	Lithuania	Vilnius	100.00	100.00
"Grüner Baum" Errichtungs- und Verwaltungsges.m.b.H.	Austria	Vienna	97.75	97.75
AB Modřice, a.s.	Czech Republic	Prague	97.28	97.28
AIS Servis, s.r.o.	Czech Republic	Brno	98.10	98.10
Alfa Vienna Insurance Group Biztosító Zrt.	Hungary	Budapest	90.00	90.00
Alfa VIG Pénztárszolgáltató Zrt.	Hungary	Budapest	90.00	90.00
Anděl Investment Praha s.r.o.	Czech Republic	Prague	97.75	97.75
Anif-Residenz GmbH & Co KG	Austria	Vienna	97.75	97.75
Asigurarea Românească - ASIROM Vienna Insurance Group S.A.	Romania	Bucharest	99.79	99.79
ATBIH GmbH	Austria	Vienna	100.00	100.00
ATRIUM TOWER SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOSCIĄ	Poland	Warsaw	99.42	99.42
Atzlergasse 13-15 GmbH	Austria	Vienna	97.75	97.75
Atzlergasse 13-15 GmbH & Co KG	Austria	Vienna	97.75	97.75
BCR Asigurări de Viață Vienna Insurance Group S.A.	Romania	Bucharest	93.98	93.98
BEESAFE SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland	Warsaw	99.99	99.99
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	Warsaw	99.97	99.95
Blizzard Real Sp. z o.o.	Poland	Warsaw	97.75	97.75
BMA 20 Immobilienbesitz GmbH	Austria	Vienna	97.75	97.75
Brockmanngasse 32 Immobilienbesitz GmbH	Austria	Vienna	97.75	97.75
BTA Baltic Insurance Company AAS	Latvia	Riga	100.00	100.00
BULSTRAD LIFE VIENNA INSURANCE GROUP JOINT STOCK COMPANY	Bulgaria	Sofia	100.00	100.00
Businesspark Brunn Entwicklungs GmbH	Austria	Vienna	97.75	97.75
CAPITOL, akciová spoločnosť	Slovakia	Bratislava	98.47	98.47
CARPATHIA PENSII-SOCIETATE DE ADMINISTRARE A FONDURILOR DE PENSII PRIVATE S.A.	Romania	Floresti	100.00	100.00
Central Point Insurance IT-Solutions GmbH in Liquidation	Austria	Vienna	100.00	100.00
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group	Czech Republic	Prague	100.00	100.00
Chrášťany komerční areál a.s.	Czech Republic	Prague	97.28	97.28
CLAIM EXPERT SERVICES S.R.L.	Romania	Bucharest	99.16	99.16
Compania de Asigurări "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni	Moldova	Chișinău	99.99	99.99
Compensa Life Vienna Insurance Group SE	Estonia	Tallinn	100.00	100.00
Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Poland	Warsaw	99.97	99.95
CP Solutions a.s.	Czech Republic	Prague	97.28	97.28
DBLV Immobesitz GmbH & Co KG	Austria	Vienna	100.00	100.00
DBR-Liegenschaften GmbH & Co KG	Germany	Stuttgart	97.75	97.75
Deutschmeisterplatz 2 Objektverwaltung GmbH	Austria	Vienna	97.75	97.75
Donau Brokerline Versicherungs-Service GmbH	Austria	Vienna	100.00	100.00
DONAU Versicherung AG Vienna Insurance Group	Austria	Vienna	100.00	100.00
DV Immoholding GmbH	Austria	Vienna	100.00	100.00
DVIB alpha GmbH	Austria	Vienna	100.00	100.00
DVIB GmbH	Austria	Vienna	100.00	100.00
ELVP Beteiligungen GmbH	Austria	Vienna	100.00	100.00
EUROPEUM Business Center s.r.o.	Slovakia	Bratislava	99.42	99.42
EXPERTA Schadenregulierungs-Gesellschaft mbH	Austria	Vienna	99.44	99.44
Floridsdorf am Spitz 4 Immobilienverwertungs GmbH	Austria	Vienna	97.75	97.75
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H.	Austria	Vienna	97.75	97.75
Global Assistance Ellatasszervezö Korlatold Felelössegü Tarsasag	Hungary	Budapest	88.78	88.78
GLOBAL ASSISTANCE, a.s.	Czech Republic	Prague	98.91	98.91
Global Expert, s.r.o.	Czech Republic	Pardubice	98.10	98.10
Global Services Bulgaria JSC	Bulgaria	Sofia	100.00	100.00

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Fully consolidated companies	Country of domicile	Registered office	Interest 2024	Interest 2023
			in %	in %
Hansenstraße 3-5 Immobilienbesitz GmbH	Austria	Vienna	97.75	97.75
HUN BM Korlátolt Felelősségű Társaság	Hungary	Budapest	99.42	99.42
Insurance Company Vienna osiguranje d.d., Vienna Insurance Group	Bosnia-Herzegovina	Sarajevo	100.00	100.00
INSURANCE ONE-SHAREHOLDER JOINT-STOCK COMPANY BULSTRAD VIENNA INSURANCE GROUP EAD	Bulgaria	Sofia	100.00	100.00
InterRisk Lebensversicherungs-AG Vienna Insurance Group	Germany	Wiesbaden	100.00	100.00
InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Poland	Warsaw	100.00	100.00
InterRisk Versicherungs-AG Vienna Insurance Group	Germany	Wiesbaden	100.00	100.00
INTERSIG VIENNA INSURANCE GROUP Sh.A.	Albania	Tirana	89.98	89.98
Joint Stock Company Insurance Company GPI Holding	Georgia	Tbilisi	90.00	90.00
Joint Stock Company International Insurance Company IRAO	Georgia	Tbilisi	100.00	100.00
Kaiserstraße 113 GmbH	Austria	Vienna	100.00	100.00
KÁLVIN TOWER Ingatlanfejlesztési és Beruházási Korlátolt Felelősségű Társaság	Hungary	Budapest	88.78	88.78
KAPITOL, a.s.	Czech Republic	Brno	98.10	98.10
KKB Real Estate SIA	Latvia	Riga	99.42	99.42
KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group	Slovakia	Bratislava	100.00	100.00
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	Slovakia	Bratislava	98.47	98.47
Kooperativa pojišťovna, a.s., Vienna Insurance Group	Czech Republic	Prague	97.28	97.28
KOOPERATIVA, d.s.s., a.s.	Slovakia	Bratislava	98.47	98.47
LVP Holding GmbH	Austria	Vienna	100.00	100.00
MAP-WSV Beteiligungen GmbH	Austria	Vienna	97.75	97.75
MC EINS Investment GmbH	Austria	Vienna	97.75	97.75
MH 54 Immobilienanlage GmbH	Austria	Vienna	97.75	97.75
NNC REAL ESTATE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	Warsaw	99.42	99.42
Nordbahnhof Projekt EPW8 GmbH & Co KG	Austria	Vienna	97.75	97.75
Nordbahnhof Projekt EPW8 Komplementär GmbH	Austria	Vienna	97.75	97.75
Nordbahnhof Projekt Taborstraße 123 GmbH & Co KG	Austria	Vienna	100.00	100.00
Nordbahnhof Projekt Taborstraße 123 Komplementär GmbH	Austria	Vienna	100.00	100.00
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Austria	Vienna	97.75	97.75
OMNIASIG VIENNA INSURANCE GROUP S.A.	Romania	Bucharest	99.54	99.54
OÜ LiveOn Paevalille	Estonia	Tallinn	100.00	100.00
Palais Hansen Immobilienentwicklung GmbH	Austria	Vienna	97.75	97.75
Passat Real Sp. z o.o.	Poland	Warsaw	97.75	97.75
Pension Assurance Company Doverie AD	Bulgaria	Sofia	82.59	82.59
PERECA 11 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	Warsaw	97.75	97.75
PFG Holding GmbH	Austria	Vienna	87.76	87.76
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG	Austria	Vienna	81.51	81.51
POLISA - ŻYCIE Ubezpieczenia Sp.z.o.o.	Poland	Warsaw	99.98	99.97
Porzellangasse 4 Liegenschaftsverwaltung GmbH & Co KG	Austria	Vienna	97.75	97.75
Private Joint-Stock Company " Insurance Company "USG "	Ukraine	Kyiv	100.00	100.00
PRIVATE JOINT-STOCK COMPANY "INSURANCE COMPANY "KNIAZHA LIFE VIENNA INSURANCE GROUP"	Ukraine	Kyiv	99.81	99.81
PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIAZHA VIENNA INSURANCE GROUP"	Ukraine	Kyiv	100.00	100.00
PROGRESS Beteiligungsges.m.b.H.	Austria	Vienna	68.43	68.43
Projektbau GesmbH	Austria	Vienna	98.38	98.38
Projektbau Holding GmbH	Austria	Vienna	98.38	98.38
Rathstraße 8 Liegenschaftsverwertungs GmbH	Austria	Vienna	97.75	97.75
Ray Sigorta A.Ş.	Türkiye	Istanbul	94.96	94.96
Rößlergasse Bauteil Drei GmbH	Austria	Vienna	100.00	100.00
Rößlergasse Bauteil Zwei GmbH	Austria	Vienna	97.75	97.75
S - budovy, a.s.	Czech Republic	Prague	97.28	97.28
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG	Austria	Vienna	98.50	98.50

Fully consolidated companies	Country of domicile	Registered office	Interest 2024	Interest 2023
			in %	in %
SECURIA majetkovosprávna a podielová s.r.o.	Slovakia	Bratislava	100.00	100.00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH	Austria	Vienna	97.75	97.75
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH	Austria	Vienna	65.20	65.20
serviceline contact center dienstleistungs-GmbH	Austria	Vienna	97.75	97.75
SIA "Global Assistance Baltic"	Latvia	Riga	100.00	100.00
SIA "LiveOn Stirnu"	Latvia	Riga	100.00	100.00
SIA "LiveOn"	Latvia	Riga	100.00	100.00
SIA "Urban Space"	Latvia	Riga	100.00	100.00
SIA “Alauksta 13/15”	Latvia	Riga	100.00	100.00
SIA “Artilērijas 35”	Latvia	Riga	100.00	100.00
SIA “Ģertrūdes 121”	Latvia	Riga	100.00	100.00
SIA LiveOn Terbatas	Latvia	Riga	100.00	100.00
SIGMA VIENNA INSURANCE GROUP Shoqëri Aksionare	Albania	Tirana	89.05	89.05
SK BM s.r.o.	Slovakia	Bratislava	99.42	99.42
Slovexperta, s.r.o.	Slovakia	Sillein	98.70	98.70
SMARDAN 5 DEVELOPMENT S.R.L.	Romania	Bucharest	93.98	93.98
Spółdzielnia Usługowa VIG EKSPERT W WARSZAWIE	Poland	Warsaw	99.98	99.97
Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje - Vienna Insurance Group	North Macedonia	Skopje	95.71	94.50
SVZ GmbH	Austria	Vienna	97.75	97.75
SVZD GmbH	Austria	Vienna	100.00	100.00
SVZI GmbH	Austria	Vienna	97.75	97.75
T 125 GmbH	Austria	Vienna	100.00	100.00
TECHBASE Science Park Vienna GmbH	Austria	Vienna	97.75	97.75
twinformatics GmbH	Austria	Vienna	98.88	98.88
UAB LiveOn Linkmenu	Lithuania	Vilnius	100.00	100.00
UNION Vienna Insurance Group Biztosító Zrt.	Hungary	Budapest	88.78	88.78
Untere Donaulände 40 GmbH & Co KG	Austria	Vienna	98.65	98.65
V.I.G. ND, a.s.	Czech Republic	Prague	97.60	97.60
Vienibas Gatve Investments OÜ	Estonia	Tallinn	100.00	100.00
Vienibas Gatve Properties SIA	Latvia	Riga	100.00	100.00
Vienna Insurance Group Polska Spółka z organiczoną odpowiedzialnością	Poland	Warsaw	99.99	99.99
VIENNA LIFE TOWARZYSTWO UBEZPIECZEŃ NA ŻYCIE SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP	Poland	Warsaw	99.98	99.97
VIENNA POWSZECHNE TOWARZYSTWO EMERYTALNE SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP	Poland	Warsaw	100.00	100.00
VİENNALİFE EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ	Türkiye	Istanbul	100.00	100.00
Vienna-Life Lebensversicherung AG Vienna Insurance Group	Liechtenstein	Bendern	100.00	100.00
VIG Befektetési Alapkezelő Magyarország Zártkörűen Működő Részvénytársaság	Hungary	Budapest	90.00	90.00
VIG FUND, a.s.	Czech Republic	Prague	99.42	99.42
VIG Home, s.r.o.	Slovakia	Bratislava	98.47	98.47
VIG HU GmbH	Austria	Vienna	100.00	100.00
VIG IT - Digital Solutions GmbH	Austria	Vienna	100.00	100.00
VIG Magyarország Befektetési Zártkörűen Működő Részvéntársaság	Hungary	Budapest	90.00	90.00
VIG Management Service SRL	Romania	Bucharest	99.16	99.16
VIG Offices, s.r.o.	Slovakia	Bratislava	98.47	98.47
VIG Poland/Romania Holding B.V.	Netherlands	Amsterdam	100.00	100.00
VIG POLSKA REAL ESTATE SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland	Warsaw	99.99	99.97
VIG RE zajišťovna, a.s.	Czech Republic	Prague	99.24	99.24
VIG REAL ESTATE DOO	Serbia	Belgrade	97.75	97.75
VIG Services Bulgaria EOOD	Bulgaria	Sofia	100.00	100.00
VIG Türkiye Holding B.V.	Netherlands	Amsterdam	100.00	100.00
VIG ZP, s. r. o.	Slovakia	Bratislava	98.73	98.83

Fully consolidated companies	Country of domicile	Registered office	Interest 2024	Interest 2023
			in %	in %
VIG-AT Beteiligungen GmbH	Austria	Vienna	100.00	100.00
VIG-CZ Real Estate GmbH	Austria	Vienna	99.83	99.83
VIVECA Beteiligungen GmbH	Austria	Vienna	100.00	100.00
WGPV Holding GmbH	Austria	Vienna	97.75	97.75
WIBG Holding GmbH & Co KG	Austria	Vienna	97.75	97.75
WIBG Projektentwicklungs GmbH & Co KG	Austria	Vienna	97.75	97.75
Wiener Osiguranje Vienna Insurance Group ad	Bosnia-Herzegovina	Banja Luka	100.00	100.00
Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje	Croatia	Zagreb	97.82	97.82
WIENER RE akcionarsko društvo za reosiguranje	Serbia	Belgrade	99.24	99.24
WIENER STÄDTISCHE OSIGURANJE akcionarsko drustvo za osiguranje	Serbia	Belgrade	100.00	100.00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Austria	Vienna	97.75	97.75
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H.	Austria	Vienna	97.75	97.75
WILA GmbH	Austria	Vienna	97.75	97.75
WINO GmbH	Austria	Vienna	97.75	97.75
WNH Liegenschaftsbesitz GmbH	Austria	Vienna	100.00	100.00
Wohnquartier 11b Immobilienbesitz GmbH	Austria	Vienna	100.00	100.00
Wohnquartier 12b Immobilienbesitz GmbH	Austria	Vienna	97.75	97.75
WSBV Beteiligungsverwaltung GmbH & Co KG	Austria	Vienna	97.75	97.75
WSV Beta Immoholding GmbH	Austria	Vienna	97.75	97.75
WSV Immoholding GmbH	Austria	Vienna	97.75	97.75
WSV Triesterstraße 91 Besitz GmbH & Co KG	Austria	Vienna	97.75	97.75
WSV Vermögensverwaltung GmbH	Austria	Vienna	97.75	97.75
WSVA Liegenschaftbesitz GmbH	Austria	Vienna	97.75	97.75
WSVB Liegenschaftbesitz GmbH	Austria	Vienna	97.75	97.75
WSVC Liegenschaftbesitz GmbH	Austria	Vienna	97.75	97.75

At equity-consolidated companies	Country of domicile	Registered office	Interest 2024	Interest 2023
			in %	in %
Beteiligungs- und Immobilien GmbH	Austria	Linz	24.44	24.44
Beteiligungs- und Wohnungsanlagen GmbH	Austria	Linz	24.44	24.44
CROWN-WSF spol. s.r.o.	Czech Republic	Prague	29.33	29.33
ERSTE d.o.o. - za upravljanje obveznim i dobrovljnim mirovinskim fondovima	Croatia	Zagreb	25.30	25.30
Gewista-Werbegesellschaft m.b.H.	Austria	Vienna	22.58	22.58
Österreichisches Verkehrsbüro Aktiengesellschaft	Austria	Vienna	35.78	35.78
Towarzystwo Ubezpieczeń Wzajemnych „TUW"	Poland	Warsaw	52.16	52.16
UNIVERSAL maklérsky dom a.s.	Slovakia	Bratislava	34.46	
VBV - Betriebliche Altersvorsorge AG	Austria	Vienna	24.83	24.83

Non-consolidated companies	Country of domicile	Registered office	Interest 2024	Interest 2023
			in %	in %
Affiliated companies				
"Assistance Company" Ukrainian Assistance Service" LLC	Ukraine	Kyiv	100.00	100.00
"LIFETRUST" Ltd	Bulgaria	Sofia	100.00	100.00
"VIENNA LIFE INSURANCE" - "VIENNA SIGURIM JETE" JSC	Albania	Tirana	75.00	
"WIENER AUTO CENTAR" d.o.o.	Bosnia-Herzegovina	Banja Luka	100.00	100.00
Akcionarsko društvo za životno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group	Montenegro	Podgorica	100.00	100.00
Alfa VIG Közvetítő Zrt.	Hungary	Budapest	90.00	90.00
Amadi GmbH	Germany	Wiesbaden	100.00	100.00
AQUILA Hausmanagement GmbH	Austria	Vienna	97.75	97.75
arithmetica Consulting GmbH	Austria	Vienna	98.31	98.31
Auto - Poly spol. s r.o.	Czech Republic	Prague	98.10	98.10
Autocentrum Lukáš s.r.o.	Czech Republic	Wallachian Meseritsch	98.10	98.10
AUTONOVA BRNO s.r.o.	Czech Republic	Brno	98.10	98.10
Autosig SRL	Romania	Bucharest	99.54	99.54
B&A Insurance Consulting s.r.o.	Czech Republic	Moravská Ostrava	100.00	48.45
Bohemika a.s.	Czech Republic	Žatec	100.00	100.00
Bohemika HYPO s.r.o.	Czech Republic	Žatec	100.00	100.00
BSA + OFK Germany Real Estate Immobilien 4 GmbH	Germany	Frankfurt am Main	97.75	97.75
Bulstrad Trudova Meditzina EOOD	Bulgaria	Sofia	100.00	100.00
Camelot Informatik und Consulting Gesellschaft m.b.H.	Austria	Vienna	92.86	92.86
CARPLUS Versicherungsvermittlungsagentur GmbH	Austria	Vienna	97.75	97.75
ČPP Servis, s.r.o.	Czech Republic	Prague	100.00	100.00
CyRiSo Cyber Risk Solutions GmbH	Austria	Vienna	60.00	
DBLV Immobesitz GmbH	Austria	Vienna	100.00	100.00
DBR-Liegenschaften Verwaltungs GmbH	Germany	Stuttgart	97.75	97.75
DELOIS s. r. o.	Slovakia	Bratislava	98.47	98.47
Domácí péče Haná s.r.o.	Czech Republic	Prerau	63.23	63.23
Driving Camp Autodrom Sosnova a.s.	Czech Republic	Prague	97.28	97.28
DV Asset Management EAD	Bulgaria	Sofia	100.00	100.00
DV CONSULTING EOOD	Bulgaria	Sofia	100.00	100.00
DV Invest EAD	Bulgaria	Sofia	100.00	100.00
European Insurance & Reinsurance Brokers Ltd.	United Kingdom	London	100.00	100.00
FinServis Plus, s.r.o.	Czech Republic	Prague	100.00	100.00
Foreign limited liability company "InterInvestUchastie"	Belarus	Minsk	100.00	100.00
FRANCE CAR, s.r.o.	Czech Republic	Königgrätz	98.10	98.10
GGVier Projekt-GmbH	Austria	Vienna	53.76	53.76
GLOBAL ASSISTANCE D.O.O. BEOGRAD	Serbia	Belgrade	100.00	100.00
Global Assistance Georgia LLC	Georgia	Tbilisi	95.00	95.00
Global Assistance Polska Sp.z.o.o.	Poland	Warsaw	99.99	99.99
GLOBAL ASSISTANCE SERVICES s.r.o.	Czech Republic	Prague	100.00	100.00
GLOBAL ASSISTANCE SERVICES SRL	Romania	Bucharest	99.23	99.23
GLOBAL ASSISTANCE SLOVAKIA s.r.o.	Slovakia	Bratislava	99.22	99.22
Global Partner Beskydy, s.r.o.	Czech Republic	Prague	63.23	63.23
Global Partner Praha s.r.o.	Czech Republic	Prague	63.23	63.23
Global Partner sociální služby s.r.o.	Czech Republic	Jinočany	63.23	
Global Partner Zdraví, s.r.o.	Czech Republic	Prague	63.23	63.23
Global Partner, a.s.	Czech Republic	Prague	63.23	63.23
Global Repair Centres, s.r.o.	Czech Republic	Pardubice	98.10	98.10
Help24 Assistance Korlátolt Felelősségű Társaság	Hungary	Budapest	90.00	90.00
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH	Austria	Vienna	98.29	98.29
Hotel Voltino in Liquidation	Croatia	Zagreb	97.82	97.82

Non-consolidated companies	Country of domicile	Registered office	Interest 2024	Interest 2023
			in %	in %
HOTELY SRNÍ, a.s.	Czech Republic	Prague	97.28	97.28
Hyundai Hradec s.r.o.	Czech Republic	Königgrätz	98.10	98.10
insureX IT GmbH	Austria	Vienna	98.87	98.87
InterRisk Informatik GmbH	Germany	Wiesbaden	100.00	100.00
ITIS Sp.z.o.o.	Poland	Warsaw	99.99	99.99
Joint Stock Company "Curatio"	Georgia	Tbilisi	90.00	90.00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group	North Macedonia	Skopje	100.00	100.00
K A P P A - P, spol. s r.o.	Czech Republic	Aussig	98.10	98.10
Kitzbüheler Bestattung WV GmbH	Austria	Kitzbühel	97.75	97.75
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company	Belarus	Minsk	98.26	98.26
LD Vermögensverwaltung GmbH	Austria	Vienna	98.65	98.65
Main Point Karlín II., a.s.	Czech Republic	Prague	97.28	97.28
MEDICINSKI CENTER AMERIMED OOD	Bulgaria	Sofia	51.00	51.00
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság	Hungary	Budapest	88.78	88.78
Nadacia poisťovne KOOPERATIVA	Slovakia	Bratislava	98.47	98.47
OC PROPERTIES OOD	Bulgaria	Sofia	51.00	51.00
PFG Liegenschaftsbewirtschaftungs GmbH	Austria	Vienna	73.42	73.42
Privat Joint-stock company "OWN SERVICE	Ukraine	Kyiv	100.00	100.00
PROFITOWI SPÓŁKA AKCYJNA	Poland	Warsaw	99.98	100.00
Q13a Wohnen Eybnerstraße GmbH	Austria	Vienna	97.75	
Rezidence Opatov, s.r.o.	Czech Republic	Prague	97.28	
Risk Consult Bulgaria EOOD	Bulgaria	Sofia	100.00	100.00
Risk Consult Polska Sp.z.o.o.	Poland	Warsaw	100.00	100.00
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H.	Austria	Vienna	100.00	100.00
Risk Expert Risk ve Hasar Danismanlik Hizmetleri Limited Sirketi	Türkiye	Istanbul	98.49	98.49
Risk Experts s.r.o.	Slovakia	Bratislava	100.00	100.00
Risk Logics Risikoberatung GmbH	Austria	Vienna	100.00	100.00
S.C. Risk Consult & Engineering Romania S.R.L.	Romania	Bucharest	100.00	100.00
S.C. SOCIETATEA TRAINING IN ASIGURARI S.R.L.	Romania	Bucharest	99.16	99.16
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama	Croatia	Zagreb	100.00	100.00
samavu s.r.o.	Slovakia	Bratislava	98.47	98.47
Sanatorium Astoria, a.s.	Czech Republic	Karlsbad	97.28	97.28
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH	Austria	Vienna	97.75	97.75
Sparkassen-Versicherungsservice Gesellschaft m.b.H.	Austria	Vienna	97.75	97.75
SURPMO, a.s.	Czech Republic	Prague	97.28	97.28
TGMZ Team Gesund Medizin Zentren GmbH	Austria	Vienna	97.75	39.10
UAB "Compensa Life Distribution"	Lithuania	Vilnius	100.00	100.00
Vienna International Underwriters GmbH	Austria	Vienna	100.00	100.00
VIENNA LIFE PARTNERS SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	Warsaw	99.98	99.97
VIENNA LIFE SERVICES SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	Warsaw	99.98	100.00
viesure innovation center GmbH	Austria	Vienna	98.87	98.87
VIG AM Real Estate, a.s.	Czech Republic	Prague	100.00	100.00
VIG AM Services GmbH	Austria	Vienna	100.00	100.00
VIG platform partners GmbH	Austria	Vienna	100.00	100.00
VIG Services Shqiperi Sh.p.K.	Albania	Tirana	89.52	89.52
VIG Services Ukraine, LLC	Ukraine	Kyiv	100.00	89.52
VIG/C-QUADRAT TOWARZYSTWO FUNDUSZY INVESTYCYJNYCH SPÓŁKA AKCYJNA	Poland	Warsaw	50.99	50.99
Wiener Städtische Donau Leasing GmbH	Austria	Vienna	97.75	97.75
WSBV Beteiligungsverwaltung GmbH	Austria	Vienna	97.75	97.75
zuuri s.r.o.	Slovakia	Bratislava	98.47	98.47
Corporate Participations				
AREALIS Liegenschaftsmanagement GmbH	Austria	Vienna	48.87	48.87

Non-consolidated companies	Country of domicile	Registered office	Interest 2024	Interest 2023
			in %	in %
EBV-Leasing Gesellschaft m.b.H.	Austria	Vienna	47.90	47.90
EKG UW Nord GmbH	Austria	Klagenfurt	24.46	24.46
Elsö Maganegeszsegügyi Halozat Zrt.	Hungary	Budapest	44.39	43.50
Finanzpartner GmbH	Austria	Vienna	48.87	48.87
GELUP GmbH	Austria	Vienna	32.58	32.58
Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG	Austria	Vienna	42.76	42.76
GLOBAL ASSISTANCE Croatia društvo s ograničenom odgovornošću za usluge	Croatia	Zagreb	49.46	49.46
KWC Campus Errichtungsgesellschaft m.b.H.	Austria	Klagenfurt	48.87	48.87
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG	Austria	Vienna	21.59	21.59
LiSciV Muthgasse GmbH & Co KG	Austria	Vienna	42.76	42.76
Renaissance Hotel Realbesitz GmbH	Austria	Vienna	40.00	40.00
Soleta Beteiligungsverwaltungs GmbH	Austria	Vienna	42.76	42.76
TAUROS Capital Investment GmbH & Co KG	Austria	Vienna	19.55	19.55
TAUROS Capital Investment Zwei GmbH & Co KG	Austria	Vienna	23.27	23.27
TAUROS Capital Management GmbH	Austria	Vienna	25.30	25.30
TeleDoc Holding GmbH	Austria	Vienna	25.01	25.01
TOGETHER CCA GmbH	Austria	Vienna	24.71	24.71
VENPACE GmbH & Co. KG	Germany	Cologne	23.53	23.53
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	Austria	Vienna	47.90	47.90
VÖB Direkt Versicherungsagentur GmbH	Austria	Graz	48.87	48.87

Merged companies	Country of domicile	Registered office	Merger date	Absorbing company
AEGON TOWARZYSTWO UBEZPIECZEŃ NA ŻYCIE SPÓŁKA AKCYJNA	Poland	Warsaw	01/07/2024	VIENNA LIFE TOWARZYSTWO UBEZPIECZEŃ NA ŻYCIE SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP
Joint Stock Insurance Company WINNER-Vienna Insurance Group	North Macedonia	Skopje	01/07/2024	Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje - Vienna Insurance Group
Vienna Life Towarzystwo Ubezpieczeń na Życie S.A. Vienna Insurance Group	Poland	Warsaw	01/07/2024	VIENNA LIFE TOWARZYSTWO UBEZPIECZEŃ NA ŻYCIE SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP (previously Compensa Life)
WIENER TOWARZYSTWO UBEZPIECZEŃ SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP	Poland	Warsaw	01/10/2024	Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group

22. AUDITING FEES AND AUDITING SERVICES

The auditor of these consolidated financial statements is KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (KPMG Austria GmbH). The following expenses were recognised for services provided by KPMG Austria GmbH and the Austrian member companies (KPMG Austria wide) in the financial year:

Composition	2024			2023
	KPMG Austria wide	KPMG Austria GmbH	Total	Total
in EUR '000				
Audit of consolidated financial statements	0	1,053	1,053	1,623
Audit of parent company financial statements	0	95	95	75
Other audit services	0	546	546	214
Tax advisory fees	19	0	19	14
Fees for audit-related services	500	0	500	179
Total	519	1,694	2,213	2,105

23. MATERIAL ACCOUNTING ESTIMATES AND SIGINIFICANT JUDGEMENTS

23.1. (Re-)Insurance contracts

The assumptions and accounting estimates are based on all parameters available when the consolidated financial statements were prepared. Future developments, such as market developments, which are outside of the influence of VIG Insurance Group are only taken into account in the assumptions once they occur.

The information is broken down according to measurement models in accordance with IFRS 17. The measurement models are the general measurement model (GMM), the variable fee approach (VFA) and the premium allocation approach (PAA). This closely follows the structure of the IFRS 17 portfolios, which is as follows:

- Unit-linked and participating life insurance contracts as well as Austrian health insurance by type of life insurance are measured by the VFA method,
- Property and casualty insurance contracts are primarily measured with PAA and
- Long-term property and casualty insurance contracts in primary insurance and reinsurance that do not meet the criteria for PAA measurement and life insurance contracts that do not meet the criteria for the use of VFA are measured using the GMM model.

The methods used to measure insurance contracts in the life and health business

The present value of future cash flows is determined in different ways depending on the decision of the local companies. The Group uses two methods: stochastic modelling and deterministic projection. In contrast to deterministic projection techniques, stochastic modelling applies techniques to generate a large number of possible economic scenarios for market variables such as interest rates and equity returns. This allows future cash flows to be forecast more effectively.

ASSUMPTIONS USED TO ESTIMATE FUTURE CASH FLOWS

Mortality, morbidity and longevity rates

Assumptions are based on standard industry and national tables, according to the type of contract written and the insured person’s place of residence. They reflect recent historical experience and are adjusted when appropriate to reflect the local companies’ experiences. An appropriate, but not excessive, allowance is made for expected future improvements. The assumptions differ, for example, depending on the insurance class and type of contract.

Higher mortality and morbidity rates result in an increase in the expected claim payments, which will reduce the future CSM.

Expenses

Assumptions regarding administrative expenses reflect the projected costs of managing in-force policies and the associated overhead expenses. The current expenses are taken as an appropriate expense base for future expenses, adjusted for expected expense inflation, if appropriate.

An increase in expected expenses reduces the expected gains in the future.

The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. The allocation to groups of insurance contracts is carried out using systematic and rational methods, which are applied uniformly to all costs with similar characteristics.

Lapse and surrender rates

Lapses relate to the termination of policies due to non-payment of premiums whereas surrenders relate to the voluntary termination of policies by policyholders. Respective assumptions are based on statistical analyses of experiences and vary according to product type, insurance duration and sales trends.

An increase in cancellation rates would tend to reduce the future CSM.

Sensitivities can be found under Note 1.8. Insurance and market risks – sensitivity analysis starting on page 203.

The methods used to measure insurance contracts in the non-life insurance business

The accounting estimates for non-life business are covered in Note Liability for Incurred Claims (LIC) starting on page 258.

Discount rates

All insurance contract liabilities (except for the liability for remaining coverage measured under PAA) are calculated by discounting expected future cash flows at risk-free interest rates raised by an illiquidity adjustment.

Risk-free interest rates are determined using the bottom-up approach on the basis of swap rates in the currency of the insurance contract liabilities. If swap rates are not sufficiently liquid and transparent, government bond interest rates are used instead.

The illiquidity adjustment to the relevant risk-free interest rates is based on the risk-corrected spread between the interest rate that could be earned from a reference portfolio and the risk-free basic interest rates. The illiquidity adjustment or the reference portfolio is calculated per country, taking into account all relevant VIG investments.

Interest rates applied for discounting of future cash flows are presented in Note 1.2. Assumptions used starting on page 176.

Risk Adjustment for nonfinancial risks

The risk adjustment for nonfinancial risks represents the compensation that would be required for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risks covered by the risk adjustment for nonfinancial risks are underwriting risk and other risks such as lapse risk and expense risk. The risk adjustment therefore reflects an amount that an insurance company would pay to remove the uncertainty about whether future cash flows will exceed the best estimate.

The risk adjustment was carried out using the cost of capital method (CoC method). This involves estimating the probability distribution of the fulfilment cash flows and determining the additional capital required at each future date in the cash flow forecasts in order to comply with the economic capital requirements.

A cost of capital rate is applied to the additional capital requirement in future reporting periods. The cost of capital reflects the return required by a company to compensate for exposure to the nonfinancial risk. The calculated risk adjustment at future terms is discounted to the reporting date at the discount rate, to be held as a part of the total liabilities.

Amortisation of the Contractual Service Margin (CSM)
The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned gains a company is expected to recognise as it provides services in the future. In each period, an amount of the CSM for a group of insurance contracts is recognised as insurance service revenue, which therefore reflects the insurance contract services provided during that period. The CSM is determined by:

- identifying the coverage units in the group;
- allocating the CSM at the end of the period to each coverage unit provided or expected to be provided in the future;
- recognising in profit and loss the share allocated to coverage units provided in the period.

The CSM is allocated to provided and expected coverage in the future before amounts are recognised in profit or loss.

In order to determine the number of coverage units in a group of insurance contracts, the number of benefits provided to the policyholder which combines insurance coverage services and investment services has to be measured. When weighting different services, the consolidated group generally considers the split of the present value of premium in risk and savings parts to weight the release components. However, in some cases there might also be the need to weight different insurance coverages when determining the number of coverage units. The present value of premiums of each insurance coverage is used for this. Alternative approaches and simplifications may be used, provided that the result adequately reflects the services provided.

The quantity of benefits and coverage units for the main product lines is as follows:

For portfolios for the non-life and health insurance and non-life reinsurance, the insurance services provided are approximated with the projected earned premium. The majority of these services are the insurance coverage. The coverage unit is therefore the projected earned premium.

For groups of life annuities contracts, the quantity of benefits for both insurance coverage and investment services is the mathematical reserve. This means that the coverage unit also corresponds to the mathematical reserve. For term life insurance without surrender value and riders, which only provide insurance coverage, the quantity of benefits is the contractually agreed sum insured over the period of the contract. Therefore, the coverage unit for these products is the contractually agreed sum insured. For unit- and index-linked contracts, the quantity of investment services is determined by the fund value, which is used as the coverage unit.

For endowment without riders and term insurance with surrender value, a measure for insurance coverage is the sum at risk and a measure for investment service is the mathematical reserve. The sum insured acts as a coverage unit, as it represents both the insurance component (sum at risk) and the investment component (mathematical reserve or fund value). In this case no further weighting is necessary.

The coverage units in a group of insurance contracts are determined on the basis of the quantity of benefits provided by the contracts. In the case of reinsurance held, this is the insurer's cover from the reinsurance contracts held and not the cover from the underlying insurance contracts with the policyholders.

The total coverage units of each group of (re-)insurance contracts is reassessed at the end of each reporting period. This adjusts for the reduction of remaining coverage for claims paid, expected lapses and contract cancellations in the period.

Liability for Remaining Coverage (LRC)

Numerous discretionary figures are included in the calculation of the liability for remaining coverage. These discretionary figures include, among other things, the discount rates, the cash flows assumed for the calculation, insurance acquisition costs and the fulfilment cash flows for onerous contracts.

INSURANCE ACQUISITION COSTS

Insurance acquisition costs are allocated to related groups of insurance contracts recognised in the consolidated balance sheet (including those groups that will include insurance contracts expected to arise from renewals). An asset for insurance acquisition costs is recognised for insurance acquisition costs incurred before the related group of insurance contracts has been recognised.

GROUPS OF ONEROUS INSURANCE CONTRACTS

For groups of onerous contracts, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

TIME VALUE OF MONEY

For all product lines, the book value of the liability for remaining coverage is discounted to reflect the time value of money and the effect of financial risk. Excluded are those measured under PAA and that are not onerous. For the interest rates applied, discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition are used.

The applied discount rates can be seen in Note 1.2. Assumptions used starting on page 176.

DISCRETIONARY CASH FLOWS FOR INDIRECT PROFIT PARTICIPATING CONTRACTS

To determine how to identify changes in discretionary cash flows for insurance contracts with discretionary features which do not meet the definition of direct profit participation, local entities specify the basis on which they expect to determine their commitment under the contract. However, the effects of market variables (e.g. investment returns) on the cash flows should still flow through P&L or be optionally recognised in OCI and should not lead to an adjustment of the CSM.

Assets for insurance acquisition costs

VIG applies judgements in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition costs to groups of insurance contracts to determine:

- whether insurance contracts are expected to arise as a result of renewals of existing insurance contracts, and
- if applicable, with respect to the amount to be allocated to groups, including future renewals,
- as well as with respect to the volume of expected renewals from new contracts issued in the period.

At the end of each reporting period, the assumptions made are adjusted to allocate insurance acquisition costs to the contract groups. Where necessary, the amounts of assets are revised for insurance acquisition costs accordingly.

Liability for Incurred Claims (LIC)
For the non-life business, the LIC is a major component of the insurance contracts' recognition.

Here, the ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The main assumption underlying these techniques is the use of past claims developments as experience in order to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is primarily analysed by claims years but can also be broken down further by geographical area, significant business lines and claim types. Major losses are usually addressed separately, either through provisions based on estimates by the loss adjuster or through a separate projection that reflects future developments.

Additional qualitative judgements are made to assess whether previous trends will continue to apply in the future. All uncertainties involved are taken into account in order to obtain an estimate of the ultimate claims cost that reflects the probability-weighted expected value outcome of all possible results.

Such trends could be, for example, one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures.

The enforceability and collectability of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

Other key circumstances affecting the reliability of assumptions include variations in interest rates, delays in settlement and changes in foreign exchange rates.

23.2. Impairment losses on financial assets

The measurement of impairment losses acc. to IFRS 9 across relevant financial assets requires discretionary decisions, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used as described in chapter Impairment of financial assets starting on page 282.

23.3. Financial instruments recognised at fair value (Level 3)

The fair value of financial instruments not traded on an active market is determined by applying appropriate valuation techniques. The assumptions used here are based on market data available on the reporting date, if available. VIG Insurance Group uses present value methods whilst taking into consideration suitable interest rate models to determine the fair value of numerous financial assets which are not actively traded on markets. Note 16. Calculation of fair value starting on page 234 and Note 24.9 Calculation of fair value starting on page 288 contain further information about the valuation process. The impairment of financial assets is explained in 23.2. Impairment losses on financial assets.

23.4. Impairment of goodwill

In accordance with the method explained in chapter 24.5. Goodwill starting on page 286, at least once a year it is determined whether an impairment of goodwill exists. Estimates in this area concern above all the calculations for the underlying planned results of the respective CGUs and specific parameters, especially growth and discount rates. Any sensitivities associated with these parameters are presented in Note 3. Goodwill starting on page 216.

23.5. Value of deferred tax assets

Income taxes must be taken into account for each tax jurisdiction in which VIG operates. The expected current income tax for each taxable entity must be calculated and the temporary differences due to differences between the tax and IFRS treatment of certain balance sheet items must be assessed. If temporary differences exist, as a rule, they lead to the recognition of deferred tax assets and liabilities in the balance sheet based on the tax rate for each country. The amount of the expected current and deferred tax liability or asset reflects the best estimate taking into account tax uncertainties and, consequently, the application of IFRIC 23.

The Managing Board must make assessments and, taking into account tax uncertainties, judgements when calculating current and deferred taxes. Deferred tax assets are only recognised to the extent that it is probable they can be utilised. The utilisation of deferred tax assets depends on the likelihood of achieving sufficient taxable income of a particular tax type for a particular tax jurisdiction, while taking into account any statutory restrictions, for example concerning maximum loss carry forward periods.

The following factors are considered when assessing whether it is probable to utilise deferred tax assets in the future:

- past results of operation,
- operating plans,
- loss carryforward periods,
- tax planning strategies and
- existing deferred tax liabilities.

A tax group consisting of Austrian parts of foreign companies as well as Hungary exists. Reference is made in this regard to page 295.

If actual events diverge from the estimates or the estimates must be adjusted in future periods, this could have an adverse effect on net assets, financial position and results of operations. If the assessment of the recoverability of deferred tax assets changes, the book value must be impaired and the change recognised in the income statement or other comprehensive income, depending on the treatment used when the deferred tax asset was originally recognised, or impaired deferred tax assets must be recognised through profit or loss or other comprehensive income. Further information can be found in chapter Accounting policies under 24.13. Taxes starting on page 295 and in Note 11. Taxes on page 227.

23.6. Method of consolidation

Whether a subsidiary is included in the Group's scope of consolidation is determined by thresholds. The specification of these thresholds is subject to judgements by the Managing Board.

Companies that are not considered to be material to the Group are not included in the scope of consolidation, even if the criteria of IAS 28 – Investments in Associates and Joint Ventures and/or IFRS 10 – Consolidated Financial Statements are fundamentally met. The assessment of whether a company is material to the Group is based on qualitative and quantitative criteria. It is at the Managing Board's judgement to determine a percentage that can be used to calculate a threshold value for each key figure (e.g. shareholders' equity) for quantitative assessment.

Qualitative criteria take into account whether the business activity of a company has a significant impact on intragroup transactions. Companies with the following business areas are always included in the scope of consolidation on the basis of this qualitative assumption by the Managing Board:

- real estate holding companies, but only from the date on which the company was operational,
- holding companies with shares in the operational insurance business or in real estate holding companies, as well as
- corporate IT service companies, provided they are active across the Group.

Provided that a company has been classed as material, the processes laid down in IAS 28 – Investments in Associates and Joint Ventures and IFRS 10 – Consolidated Financial Statements are used to determine the form in which this company is consolidated in the consolidated financial statements.

Subsidiaries that were of material importance at the time of first consolidation continue to be included in the scope of consolidation in subsequent periods. Circumstances could arise, however, that lead to the Managing Board using its judgement to perform a reassessment of the entire scope of consolidation. As a result, companies that were consolidated in the past but are not considered to be material based on the quantitative criteria at the time of the reassessment could be removed from the scope of consolidation. Companies that, due to their business activities, mainly generate intragroup revenues but do not generate any significant profits or losses are only included in the scope of consolidation if they operate across countries or are relevant for sustainability reporting.

23.7. Materiality of Notes and the associated accounting policies

According to IAS 1.31, only material information should be disclosed in financial statements, even when a standard prescribes certain requirements or minimum requirements. The goal of the IASB in this paragraph in combination with an officially published Practice Statement on this subject was to create a clear and comprehensible basis for financial reporting utilising the most material information. The decision as to whether any given disclosure constitutes material or immaterial information is open to judgement. The Managing Board of VIG Holding has introduced a threshold value for assessing the materiality of disclosures and the related accounting policies. If the amount involved is less than the threshold value, the information is only published in the Annual Report if it has been deemed to be material for primary users of the financial statements on the basis of qualitative criteria during the release process.

23.8. Judgment of material accounting aspects according to IAS 8

The complexity of IFRS 17 in particular can lead to accounting issues that are subsequently identified. Such cases are subject to a defined reporting process and are analysed in detail in order to determine the effects of a correction in accordance with IAS 8 for primary users of the financial statements.

There is significant scope for judgment, especially when determining the limits calculated for this. Nevertheless, the aim of a clear and understandable presentation without significantly affecting the reporting contributes to the assessment of materiality. If, in accordance with the defined thresholds, an accounting discrepancy does not lead to a significant influence on the primary users of the financial statements according to VIG's assessment, this will be presented in the current period.

24. ACCOUNTING POLICIES

24.1. Currency translation

Transactions in foreign currencies
Individual financial statements of each subsidiary are prepared in the currency in which cash is generated in the primary economic environment (functional currency). In the Group, the functional currency is essentially the local currency. Transactions which have been concluded in a currency that is not the functional currency will be recorded using the mean exchange rate on the day of the respective transaction. Monetary assets and liabilities in foreign currency existing on the balance sheet date are translated to euros using the mean exchange rate on the reporting date. Any resulting exchange differences are recognised in profit or loss.

Conversion of individual financial statements denominated in foreign currencies
Assets, liabilities and income and expenses are presented in euros, the reporting currency of VIG Holding. All assets and liabilities reported in the individual financial statements are translated to euros using the mean exchange rate on the reporting date. The income statement items are converted using the average mean exchange rate at the end of the period. In the consolidated cash flow statement, the mean exchange rate on the reporting date is used for changes in balance sheet items, and the average mean exchange rate at the end of the period is used for changes in income statement items. Currency translation differences, including those resulting from using the equity method of accounting, are recognised directly in equity.

In accordance with the hyperinflation accounting rules, the mean exchange rate on the balance sheet date was applied for all items of the financial statements of the Turkish insurance companies.

Currency		End-of-period exchange rate		Average exchange rate	
		31/12/2024	31/12/2023	01/01/-31/12/2024	01/01/-31/12/2023
1 EUR ≙					
Albanian lek	ALL	98.1500	103.8800	100.7014	108.7483
Bosnian convertible mark	BAM	1.9558	1.9558	1.9558	1.9558
Bulgarian lev	BGN	1.9558	1.9558	1.9558	1.9558
Georgian lari	GEL	2.9306	2.9960	2.9444	2.8432
Macedonian denar	MKD	61.4950	61.4950	61.5344	61.5572
Moldovan leu	MDL	19.3106	19.3574	19.2533	19.6431
New Turkish Lira	TRY	36.7372	32.6531	35.5734	25.7597
Polish zloty	PLN	4.2750	4.3395	4.3058	4.5420
Romanian leu	RON	4.9743	4.9756	4.9746	4.9467
Swiss franc	CHF	0.9412	0.9260	0.9526	0.9718
Serbian dinar	RSD	117.0149	117.1737	117.0861	117.2530
Czech koruna	CZK	25.1850	24.7240	25.1198	24.0043
Ukraine hryvnia	UAH	43.9266	42.2079	43.4588	39.5619
Hungarian forint	HUF	411.3500	382.8000	395.3039	381.8527
US Dollar	USD	1.0389	1.1050	1.0824	1.0813

24.2. Business combinations

Establishing the scope of consolidation

The materiality or immateriality of subsidiaries, associated companies and joint arrangements for the consolidated financial statements is checked using a variety of thresholds defined at VIG Holding level. Qualitative assessment criteria are also applied. For this purpose, for example, the absolute result before taxes or the total assets are checked. If a company does not fulfil any size criteria, a second step is performed to check whether the companies that are not included are material when taken as a whole. If this is not the case, these companies will not be included in the scope of consolidation. Companies that have no material effect on the Group's net assets, financial position and results of operations when considered individually and in the aggregate are essentially measured at fair value.

Fully controlled investment funds ("special funds") were fully consolidated in accordance with the requirements of IFRS 10. These consolidated special funds are not independent units under company law and are therefore not considered to be structured entities as defined in IFRS 12. This concerns investment funds which are not designed for the public capital markets. Due to a lack of controlling influence, public investment funds, despite holding the majority of the voting rights, are not consolidated. Company law and regulatory requirements can restrict the ability of subsidiaries to transfer financial means (in the form of dividends) to the parent company.

Accounting for business combinations

Business combinations are recognised using the purchase method. Goodwill is recognised as the value of the consideration transferred in a business combination and all non-controlling interests in the acquired company less the identifiable assets acquired and liabilities assumed. In any business combination, present non-controlling interests that entitle holders to a proportionate share of the entity's net assets in the event of a liquidation can be measured either at fair value or as a share of the identifiable net assets. Unless another IFRS provides a different measurement method, all other components of non-controlling interests are measured at the corresponding share of the identifiable net assets. If the consideration is less than the assets and liabilities of the acquired subsidiary measured at fair value, the difference is checked again and recognised directly in the income statement. As a rule, the fair values calculated in accordance with IFRS 13 of all assets (incl. goodwill and other intangible assets) and liabilities are allocated to the country to which the purchased company is assigned.

Deferred tax assets acquired during a business combination and arising under IAS 12.66 et seqq. on the acquisition date are tested for impairment in accordance with IAS 12.37.

The Group considers the reported goodwill to reflect the value of the ability to make use of the insurance-specific expertise of the employees of the acquired companies. When a market is entered, it represents the ability to offer insurance products in a country and take advantage of the opportunities that exist there. In countries where the Group is already represented by one or more companies, the goodwill also represents the possibility of making use of potential synergies.

When real estate holding companies are acquired, they are checked to see whether they include business operations. If they do not, the purchase method is not used. In such cases, the acquisition costs, including transaction costs, are distributed among the acquired assets and assumed liabilities based on fair value. No deferred taxes are recognised in such cases (initial recognition exemption). Goodwill cannot arise in this context.

All company acquisitions were carried out using cash and cash equivalents. A list of fully and at equity consolidated companies can be found starting on page 246 in Note 21. Affiliated companies and participations.

24.3. (Re-)Insurance contracts

Classification

Insurance contracts are defined as contracts under which one party (the insurer) accepts significant insurance risk from another party (the policyholder), by agreeing to provide compensation to the policyholder if a specified uncertain future event (the insured event) negatively affects the policyholder. Financial risk is the risk of a possible future change in e.g. specific interest rates, securities prices, price indices, interest rate indices, credit ratings and credit indices. It must be noted that in the case of a non-financial variable, the variable is not specific to one counterparty. In many cases, particularly in the life insurance area, insurance policies as defined in IFRS 17 also transfer financial risk.

Some contracts have the legal form of insurance contracts but do not transfer significant insurance risk. Such financial insurance policies exist only to a minor extent in the personal insurance area. These contracts are classified as financial liabilities and are defined as “investment contracts”. Investment contracts are generally out of the IFRS 17 scope. However, if investment contracts have discretionary participation features, these contracts are nevertheless within the IFRS 17 scope.

The majority of the VIG life insurance contracts are eligible to be measured using the VFA (Variable Fee Approach). These are contracts for which, at inception:

- the contract conditions specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- it is expected to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- it is expected that a substantial proportion of any change in the amounts to be paid to the policyholder will vary with the change in fair value of the underlying items.

This primarily concerns VIG's Austrian, Czech and German insurance contracts in the life insurance balance sheet unit. In the life business of virtually all other countries the policyholder participation is at the sole discretion of the company concerned. These products are measured with GMM (General Measurement Model).

In the primary P&C insurance, the PAA (Premium Allocation Approach) is applied to measure short-duration insurance contracts and is the preferred measurement approach. This is also the case for long-duration P&C insurance contracts if the measurement under PAA is not materially different to the measurement under GMM. Long-duration insurance contracts in primary insurance without direct participation features are generally measured with GMM. Neither held nor issued reinsurance contracts can be classified as direct profit participation contracts, which is why these cannot be assessed using the VFA. Reinsurance contracts are therefore assessed either with the PAA or the GMM.

Accounting treatment

SEPARATING COMPONENTS

Before VIG accounts for an insurance or reinsurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. Meaning, those components must be accounted for under another IFRS rather than IFRS 17 (distinct non-insurance components). After separating any distinct non-insurance components, IFRS 17 is applied to all remaining components of the insurance contract.

Investment components are defined as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred or not. Investment components (e.g. surrender options in life insurance contracts) which are highly interrelated with the insurance contract, of which they form a part, are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance service revenue and insurance service expenses. Some insurance contracts require the repayment of a contractually agreed amount but not in all circumstances and not as a result of an insured event. These amounts represent premium refunds and reduce insurance service revenue and insurance service expenses. The Group presents premium refunds as deductions within the premiums received.

Some reinsurance contracts contain certain commission arrangements. According to their nature, commissions may be:

- deducted from premiums received,
- included within claims or
- treated as an investment component.

LEVEL OF AGGREGATION

After identifying which insurance contracts are within the scope of IFRS 17, taking into account the effects of the combination of insurance contracts, separation of distinct non-insurance components, and the separation of multiple insurance contracts contained within a single legal policy document, IFRS 17 necessitates to define the level of aggregation for applying its requirements.

The level of aggregation is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks that are managed together. Based on their expected profitability at inception, portfolios are afterwards split into three categories:

- onerous contracts,
- contracts with no significant risk of becoming onerous; and
- the remaining contracts.

For GMM and PAA, IFRS 17 also notes that no group for level of aggregation purposes may contain contracts issued more than one year apart. For its VFA business, VIG applies the optional exemption from forming groups based on underwriting year (annual cohorts) that is applicable in the European Union. This option provides an exemption from the formation of annual cohorts for intergenerationally mutualised and cash flow matched insurance contracts. This is to allow for an appropriate cost-benefit ratio at the time the contractual service margin is recognised. This exemption primarily concerns long-term life insurance with profit participation and long-term health insurance.

Once the groups of insurance contracts are determined, they become the unit of account to which the consolidated insurance companies apply requirements of IFRS 17. This means that IFRS 17 metrics such as fulfilment cash flows, the contractual service margin ("CSM") and loss components should be available at this granularity. VIG has defined portfolios of insurance and reinsurance contracts issued based on the Solvency II structure for life, health and P&C insurances due to the fact that the products are subject to similar risks and managed together.

In determining groups of contracts, VIG has decided to group together those contracts that would fall into different groups because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics.

The groups of contracts for which the fair value approach has been adopted on transition include contracts issued more than one year apart. Please refer to the transition approach applied by VIG in chapter IFRS 17 transition date (1 January 2022): Fair value approach (FVA) starting on page 268.

In most cases, the profitability of groups of contracts is assessed by actuarial cash flow models and profitability metrics that take into consideration existing and new business. For insurance contracts measured applying PAA, it is assumed that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, it has to be assessed, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. Please refer to chapter Onerous contracts starting on page 266 for further information on onerous contracts.

Portfolios of reinsurance contracts held are divided applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. It is possible that a group of reinsurance contracts held comprises a single contract.

For the consolidated insurance companies, the direct insurance and optional reinsurance were grouped into the following IFRS 17 portfolios for P&C, life and health insurance:

- Life insurance:
  - With profit participation
  - Unit- and index-linked
  - Other
  - Issued and held Treaty reinsurance
  - Facultative issued reinsurance
  - Facultative held reinsurance
- Health insurance:
  - Long-term health insurance (similar to life)
  - Issued and held Treaty reinsurance
- Property and casualty insurance:
  - Medical expense insurance
  - Income protection insurance
  - Workers' compensation insurance
  - Motor vehicle liability insurance
  - Other motor insurance
  - Marine, aviation and transport insurance
  - Fire and other damage to property insurance
  - General liability insurance
  - Credit and suretyship insurance
  - Legal expenses insurance
  - Assistance
  - Miscellaneous financial losses
  - Issued and held Treaty reinsurance
  - Facultative issued reinsurance
  - Facultative held reinsurance

ONEROUS CONTRACTS

Some contracts are issued before the coverage period starts and the initial premium becomes due. Therefore, the consolidated insurance companies determine before the beginning of the coverage period or at the time when the first payment from the policyholder in the group is due, depending on which occurs earlier, whether issued contracts constitute a group of onerous contracts. To identify whether a group of contracts is onerous, facts and circumstances are considered based on:

- pricing information,
- results of similar contracts the group has recognised and
- environmental factors, like changes in market or regulations.

Further details are discussed in chapter Presentation starting on page 275.

RECOGNITION
Groups of insurance contracts issued have to be recognised from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the initial payment from a policyholder in the group of contracts becomes due, or when the first payment is received if there is no due date; or
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

Proportional and non-proportional groups of reinsurance contracts held have to be recognised at the latest of the following:

- The beginning of the coverage period of the group of reinsurance contracts held or
- The date the consolidated insurance companies recognise an onerous group of underlying insurance contracts if the consolidated insurance companies entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

Additionally, the recognition of proportional groups of reinsurance contracts held shall be delayed until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

New contracts are added to the group in the reporting period in which that contract meets one of the criteria set out above.

CONTRACT BOUNDARY
The measurement of a group of insurance contracts includes all future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the policyholder can be compelled to pay the premiums, or in which a substantive obligation exists to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when the practical possibility exists to reassess the risks of the particular policyholder and, as a result, a price or level of benefits can be set that fully reflects those risks; or both of the following criteria are satisfied:

- the practical ability exists to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, a price or level of benefits can be set that fully reflects the risk of that portfolio; as well as
- the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognised as these amounts relate to future insurance contracts.

For contracts with renewal periods, it is assessed whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals to which IFRS 17 is applied is established by considering all the risks covered for the policyholder that would be considered when underwriting equivalent contracts on the renewal dates for the remaining service. The contract boundary of each group of contracts is reassessed at the end of each reporting period.

IFRS 17 TRANSITION DATE (1 JANUARY 2022): FAIR VALUE APPROACH (FVA)

The discount rates used for groups of insurance contracts were determined at the transition date. Therefore, the locked-in discount rates, for the measurement of fulfilment cash flows of a group of insurance contracts at the date of transition, are the weighted average rates applicable at the date of initial recognition of the underlying contracts. The discount rate used for the accretion of interest on the CSM was determined using the bottom-up approach at inception.

The fair value approach is a simplified method of determining the CSM and/or loss components for groups of insurance contracts at the transition date. The CSM or loss component of the LRC at the transition date is determined as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. In determining the fair value, the requirements of IFRS 13 Fair Value Measurement were applied; except for the application of IFRS 13.47 regarding the characteristic of short-term retrievability.

When applying the fair value approach at the transition date, it is permissible to aggregate contracts issued more than one year apart.

Reasonable and supportable information that was available at the transition date was used for the following:

- identify groups of insurance contracts,
- determine whether any contracts are direct participating insurance contracts,
- identify any discretionary cash flows for insurance contracts without direct participation features,
- determine whether an investment contract meets the definition of an investment contract with discretionary participation features as defined in IFRS 17.

VIG divides insurance finance effects into amounts recognised through profit and loss and amounts recognised directly in equity.

The cost of capital approach to determine the fair value was used to calculate the insurance contract liabilities at the transition date. This was calculated as follows:

- the economically calculated best-estimate liability without taking into account reporting requirements; plus
- a profit margin in line with the market.

The discount rates applied at the transition date

Spot Rates*	01/01/2022					
	1 year	3 years	5 years	10 years	20 years	30 years
in %						
ALL	-0.58	-0.25	-0.08	0.21	0.46	1.05
BAM	-0.64	-0.30	-0.13	0.15	0.40	1.01
BGN	-0.64	-0.30	-0.13	0.15	0.40	1.01
CHF	-0.80	-0.48	-0.33	-0.01	-0.01	0.32
CZK	4.63	4.13	3.71	3.09	2.96	3.06
EUR	-0.58	-0.25	-0.08	0.21	0.46	1.05
GBP	0.78	1.20	1.20	1.11	1.05	1.00
GEL	7.78	8.13	8.13	8.07	7.87	7.34
HRK	-0.18	0.01	0.19	0.82	1.72	2.21
HUF	3.49	4.13	4.29	4.43	4.66	4.69
MDL	-0.58	-0.25	-0.08	0.21	0.46	1.05
MKD	-0.58	-0.25	-0.08	0.21	0.46	1.05
PLN	2.66	3.60	3.73	3.57	3.49	3.47
RON	3.93	4.52	4.68	5.07	5.01	4.68
RSD	2.21	2.76	3.29	4.01	4.17	4.06
TRY	21.64	24.35	25.35	24.27	20.71	16.92
UAH	11.43	12.73	12.68	10.14	7.58	6.82
USD	0.44	1.08	1.28	1.50	1.67	1.64

*Without illiquidity adjustment

Illiquidity adjustment	01/01/2022
in basis points	
Bosnia-Herzegovina	100
Bulgaria	45
Germany	15
Croatia (HRK)	9
Liechtenstein	15
Austria	15
Poland	63
Serbia	200
Slovakia	8
Czech Republic	29
Türkiye	26
Hungary	19

With regard to material accounting estimates and judgements made under this approach, reference is made to Note 23.1. (Re-)Insurance contracts starting on page 254.

INITIAL MEASUREMENT

Insurance contracts not measured under PAA

A group of insurance contracts is measured as the total of:

- the fulfilment cash flows and
- the CSM, representing the unearned profit the consolidated insurance companies will recognise as they provide insurance contract services under the insurance contracts in the group.

The fulfilment cash flows consist of:

- unbiased and probability-weighted estimates of future cash flows,
- a discount to present value to reflect the time value of money and financial risks, and
- a risk adjustment for non-financial risks.

The objective in estimating future cash flows is to determine the expected value (or the probability-weighted mean value) of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. Future cash flows are estimated considering a range of scenarios which have economical substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, all cash flows within the contract boundary are considered for example:

- premiums and any additional related cash flows,
- claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims including:
  - payments to policyholders that vary depending on returns of underlying items and
  - allocation of insurance acquisition costs attributable to the portfolio to which the contract belongs.
- claims handling costs,
- policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries,
- allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts,
- transaction-based taxes.

The measurement of fulfilment cash flows includes insurance acquisition costs that are recognised as an expense over the coverage period of the group of insurance contracts. At the same time an equal amount is recorded as insurance service revenue representing a portion of premium that relates to recovering insurance acquisition costs.

Insurance contracts measured under PAA

VIG applies the premium allocation approach (PAA) at least to all short-term P&C insurance contracts that it issues, as:

- the coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary (refer to chapter Contract boundary starting on page 267), or
- for contracts longer than one year, possible future scenarios have been modelled and it is assumed that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would result from the application of the GMM. In assessing materiality, qualitative factors such as the nature of the risk and types of its insurance portfolios are also considered.

The PAA is not applied if, at the initial recognition of the group of contracts, a significant variability in the fulfilment cash flows is expected that would affect the measurement of the liability for the remaining coverage (LRC) during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

- the extent of future cash flows related to any derivatives embedded in the contracts and
- the length of the coverage period of the group of contracts.

For a group of contracts that is not onerous at initial recognition, the liability for remaining coverage is measured as:

- the premiums, if any, received at initial recognition,
- minus any insurance acquisition cash flows at that date,
- plus or minus any amount arising from the derecognition at that date in the item insurance acquisition costs recognised as assets
- plus or minus any other assets or liabilities previously recognised for cash flows prior to the recognition of the group of insurance contracts.

Where facts and circumstances indicate that contracts are onerous at initial recognition, additional analysis helps determining if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and a loss is recognised in profit and loss for the net outflow, resulting in the book value of the liability for the group being equal to the fulfilment cash flows. A loss component is established for the liability for remaining coverage for such onerous group depicting the losses calculated. For additional disclosures on the loss component, please refer to chapter Presentation starting on page 275 and for onerous contracts to chapter Onerous contracts starting on page 266.

For contracts measured using the PAA, VIG accounting policy does not, in general, permit the liability for remaining coverage (LRC) to be measured using discounted cash flows, unless the group of contracts is onerous.

Reinsurance contracts held

Reinsurance assets for a group of reinsurance contracts held are measured on the same basis as a group of insurance contracts issued. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the increase in expenses or reduction in expenses rather than income.

A loss is recognised on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group. Furthermore, a loss-recovery component of the asset for remaining coverage is established for a group of reinsurance contracts held depicting the recovery of losses.

The loss-recovery component is calculated by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the same underlying insurance contracts that the consolidated insurance companies expect to recover from the group of reinsurance contracts held. Where only some contracts in the onerous underlying group are covered by the group of reinsurance contracts held, a systematic and rational method is used to determine the portion of losses recognised on the underlying group of insurance contracts that relate to insurance contracts covered by the group of reinsurance contracts held. The loss-recovery component adjusts the book value of the asset for remaining coverage.

Where the group enters reinsurance contracts held which provide coverage relating to events that occurred before the purchase of the reinsurance, such cost of reinsurance is recognised in profit or loss on initial recognition.

SUBSEQUENT MEASUREMENT

According to IAS 34, the general frequency of reporting must not affect the annual results. IFRS 17 requires changes in estimates that relate to changes in future services in the contractual service margin to be immediately recognised in the income statement. To avoid affecting the annual result, measurements during the year must be based on a cumulative basis from the beginning of the financial year to the reporting date (year-to-date accounting). Under year-to-date accounting, changes in estimates recorded in periods during the year are not taken into account, while they are included in the calculation with date-to-date accounting. VIG Insurance Group decided to make use of the year-to-date accounting option according to IFRS 17.B137.

Insurance contracts not measured under PAA

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit and loss, because it relates to future services to be provided.

For a group of insurance contracts measured with the GMM, the book value of the CSM of the group at the end of the reporting period equals the book value at the beginning of the reporting period adjusted by:

- the effect of any new contracts added to the group,
- interest accreted on the book value of the CSM during the reporting period, measured at the discount rates at initial recognition,
- the changes in fulfilment cash flows relating to future service, except to the extent that:
  - such increases in the fulfilment cash flows exceed the book value of the CSM, giving rise to a loss; or
  - such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage (see chapter Loss component starting on page 276),
- the effect of any currency exchange differences on the CSM, and
- the amount recognised as insurance service revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period (see chapter Insurance service revenue starting on page 276).

The subsequent measurement assumes for the CSM calculation using the VFA the following modifications compared to GMM:

- Changes to financial assumptions resulting from the underlying reference values would lead to an adjustment of the CSM instead of the income statement (or optionally the statement of comprehensive income). This includes:
  - Changes in fair value of the underlying assets; and also
  - Changes in estimates of the present value of future cash flows that do not change based on the returns of the underlying assets in relation to future services.
- There is no explicit CSM increase in interest.

The changes in fulfilment cash flows for contracts measured with the GMM relating to future services that adjust the CSM comprise:

- experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition costs and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM;
- changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in the income statement and other comprehensive income rather than adjusting the CSM);
- differences between the investment component expected to become payable in the period and the actual investment component that becomes payable in the period. These differences are determined by comparing the actual investment component that becomes payable in the period with the payment that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable. The same applies to a policyholder loan that becomes repayable; and
- changes in the risk adjustment for non-financial risk that relate to future services.

The adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition (see Note 23.1. (Re-)Insurance contracts subchapter Discount rates starting on page 255).

Where, during the coverage period, a group of insurance contracts becomes onerous, a loss is recognised in profit and loss for the net outflow, resulting in the book value of the liability for the group being equal to the fulfilment cash flows. A loss component is established for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component, please refer to page 276.

The book value of a group of insurance contracts is measured at the end of each reporting period as the sum of:

- the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and
- the liability for incurred claims comprising the fulfilment cash flows related to past service allocated to the group at that date.

Insurance contracts measured under PAA

At the end of each reporting period, the book value of the liability for remaining coverage is the book value at the beginning of the period:

- plus premiums received in the period,
- minus insurance acquisition costs (see chapter Insurance acquisition costs starting on page 274),
- plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group,
- plus any adjustment to the financing component, where applicable,
- minus the amount recognised as insurance service revenue for the services provided in the period, and
- minus any investment component paid or transferred to the liability for incurred claims.

The liability for incurred claims (LIC) is estimated as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of future cash flows, they reflect current estimates, and include an explicit adjustment for non-financial risk (the risk adjustment). VIG always discounts the LIC even when the cash flows are expected to be paid or received in one year or less from the date the claims are incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, a loss in profit and loss is recognised for the net outflow, resulting in the book value of the liability for the group being equal to the fulfilment cash flows. A loss component is established for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component, please refer to page 266 and page 276. For additional information on insurance acquisition costs, please refer to chapter Insurance acquisition costs starting on page 274.

Reinsurance contracts held

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance contracts held.

Where a loss-recovery component has been established, the consolidated insurance companies subsequently reduce the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the book value of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

MODIFICATION AND DERECOGNITION

Insurance contracts are derecognised when the rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired) or the contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the initial contract is derecognised and the modified contract is recognised as a new contract.

INSURANCE ACQUISITION COSTS

Insurance acquisition costs arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Where insurance acquisition costs have been paid or incurred before the related group of insurance contracts is recognised in the consolidated balance sheet, a separate asset for insurance acquisition costs is recognised for each related group.

The asset for insurance acquisition costs is derecognised from the consolidated balance sheet when the insurance acquisition costs are included in the initial measurement of the CSM of the related group of insurance contracts.

It is required to apply a systematic and rational method to allocate:

- Insurance acquisition costs that are directly attributable to a group of insurance contracts:
  - to that group; and
  - to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.
- Insurance acquisition costs that are not directly attributable to a group of contracts but directly attributable to a portfolio of insurance contracts to groups in the portfolio.

At the end of each reporting period, the amounts of insurance acquisition costs allocated to groups of insurance contracts not yet recognised are revised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the recoverability of the asset for insurance acquisition costs is assessed, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, it is required to apply the following:

- an impairment test at the level of an existing or future group of insurance contracts; and
- an additional impairment test specifically covering the insurance acquisition costs allocated to expected future contract renewals.

If an impairment loss is recognised, the book value of the asset is adjusted and an impairment is recognised in profit and loss in the item insurance service expenses – issued.

A full or partly reversal of previously recognised impairments are recognised in profit or loss and increase the book value of the asset, to the extent that the impairment conditions no longer exist or have improved.

Presentation
In accordance with IFRS 17, the consolidated insurance companies report the book value of the following portfolios separately in the consolidated balance sheet:

- Insurance contracts issued that are assets,
- Insurance contracts issued that are liabilities,
- Portfolios of reinsurance contracts held that are assets, and
- Portfolios of reinsurance contracts held that are liabilities.

Assets or liabilities recognised before the commencement of the corresponding insurance contracts are included in the book value of the related portfolios of insurance contracts issued.

The amounts recognised in the income statement and in the other comprehensive income are disaggregated into the items insurance service result and insurance finance result.

The income or expenses from reinsurance contracts held are likewise presented in the income statement in the item insurance service result, whereby the reinsurance service result is presented separately from the expenses or income from insurance contracts issued.

The change in risk adjustment for non-financial risks is disaggregated between the items insurance service result and insurance finance result.

INSURANCE SERVICE REVENUE

The insurance service revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which it is expected to be entitled in exchange for those services.

For contracts not measured under PAA, insurance service revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts. Which means, the amount of premiums paid to the consolidated insurance companies adjusted for financing effect (the time value of money) and excluding any investment components. The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

- insurance service expenses, excluding any amounts relating to the risk adjustment for non-financial risks and any amounts allocated to the loss component of the liability for remaining coverage;
- other amounts like income tax that are specifically chargeable to the policyholder;
- the risk adjustment for non-financial risks, excluding any amounts allocated to the loss component of the liability for remaining coverage;
- the CSM release and
- amounts related to insurance acquisition costs.

For material judgements applied to the amortisation of CSM, please refer to chapter Amortisation of the Contractual Service Margin (CSM) starting on page 256.

Under PAA, the insurance service revenue for the period is the amount of expected premium receipts excluding any investment component which is allocated to the period. The expected premium receipts are allocated to each period of insurance contract services mainly on a basis of a linear release pattern on local entity level. However, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

If facts and circumstances change, the two methods mentioned above will be alternated.

LOSS COMPONENT

Contracts that are onerous at initial recognition are grouped separately from contracts in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition may subsequently become onerous if assumptions change and experience adjustments are performed. For any onerous group a loss component of the liability for remaining coverage is established depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts or contracts profitable at inception that have become onerous. The loss component is released based on a systematic allocation of the subsequent changes relating to future service in the fulfilment cash flows. The loss component is also updated for subsequent changes relating to future service in estimates of the fulfilment cash flows and the risk adjustment for non-financial risks. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts since the loss component will have been realised in the form of incurred claims.

For groups of contracts measured under the PAA, no contracts are assumed to be onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period the facts and circumstances mentioned in Note 25.3. indicate that a group of insurance contracts is onerous, a loss component has to be established as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the book value of the liability for remaining coverage of the group as determined in chapter Initial measurement starting on page 269. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

LOSS-RECOVERY COMPONENTS

As described in chapters Initial measurement-Reinsurance contracts held starting on page 271 and subsequent measurement Reinsurance contracts held starting on page 274 when a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, a loss-recovery component (LoReCo) of the asset for remaining coverage is established for a group of reinsurance contracts held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

Where a loss-recovery component has been set up at initial recognition or subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts.

The book value of the loss-recovery component must not exceed the portion of the book value of the loss component of the onerous group of underlying insurance contracts that the consolidated insurance companies expect to recover from the group of reinsurance contracts held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is nil when the loss component of the onerous group of underlying insurance contracts is nil.

REINSURANCE CONTRACTS HELD RESULT

IFRS 17 requires a reinsurance contract held to be accounted for separately from the underlying insurance contracts to which it relates. Additionally, amounts arising from transactions with reinsurers shall be reported according to whether they relate to:

- the amounts recovered from the reinsurer or
- amounts allocated to premiums paid.

With special treatment of:

- reinsurance cash flows that are contingent on claims on the underlying contracts, which are treated as part of the claims that are expected to be reimbursed under the reinsurance contract held;
- reinsurance cash flows that are not contingent on claims on the underlying contracts (e.g. some types of ceding commissions), which are treated as a reduction in the premiums to be paid to the reinsurer.
- Amounts relating to the recovery of losses relating to reinsurance of onerous direct contracts are included as amounts recoverable from the reinsurer.

INSURANCE FINANCE RESULT
The insurance finance result comprises the change in the book value of the group of insurance contracts arising from:

- the effect of the time value of money and changes in the time value of money and
- the effect of financial risk and changes in financial risk, but
- excluding any such changes for groups of insurance contracts with direct participation features that would adjust the CSM but do not do so because the groups of contracts are onerous. These are included in insurance service expenses.

VIG applies the option to disaggregate the insurance finance result for insurance contracts issued between the income statement and other comprehensive income. The OCI option allows inconsistent measurements (accounting mismatch) of assets and liabilities to be offset through equity, rather than through profit or loss. Such differences can, for example, occur for life insurance policies eligible for profit-participation. If the business model requires such measurement, the OCI option is used to minimise the accounting mismatch. For participations that are being held for strategic purposes, the OCI option is predominantly used in order to minimise the accounting mismatches mentioned above. VIG's financial assets backing the insurance issued portfolios are predominantly measured at amortised cost or FVtOCI.

The total insurance finance income or expenses are systematically allocated to profit and loss over the duration of the group of contracts by using discount rates determined on group of insurance level.

24.4. Financial instruments

Financial assets

INITIAL RECOGNITION
At initial recognition, the classification of financial assets depends on the contractual cash flows (solely payments of principal and interest criterion (SPPI criterion)) as well as the business model.

Financial assets are initially recognised on the processing day at fair value (as defined in Note 24.9. Calculation of fair value starting on page 288), and the fair value should not deviate from the transaction price. At initial recognition, for financial assets measured at AC or FVtOCI, directly attributable transaction costs shall be included in the amortised costs. Internal (overhead) costs shall not be attributed to the amortised cost as these are not directly attributable to the single transactions.

Measurement categories
Financial assets are classified based on the contractual cash flows characteristics test and the business model for managing the financial assets. Based on these criteria, financial assets can be classified into the following measurement categories:

- Debt instruments measured at amortised cost;
- Debt instruments measured at FVtOCI, where the cumulative gains and losses will be reclassified to the income statement upon derecognition;
- Equity instruments designated measured at FVtOCI, where the cumulative gains and losses are not recognised in the income statement upon derecognition;
- Financial assets (debt instruments, derivative financial instruments and equity instruments) measured at FVtPL.

Debt instruments measured at amortised cost
Debt instruments are held at AC if both of the following conditions are met:

- The instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows.
- The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments measured at FVtOCI
Debt instruments are measured at FVtOCI if the following two conditions are met:

- The instrument is held within a business model, the objective of which is both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset meet the SPPI test.

Debt instruments in this category are those that are intended to be held to collect contractual cash flows and which may be sold in response to needs for liquidity or changes in market conditions.

Equity instruments designated measured at FVtOCI
The irrevocable classification of equity instruments as measured at FVtOCI is applied for strategically held financial instruments which are not held for trading. This mainly includes shares in affiliated non-consolidated companies. Financial assets are subject to short-term fluctuations in fair value, which, if classified as measured at FVtPL, lead to a volatility in the investment result that would not correspond with VIG's long-term strategic investment policy for these classified instruments.

Gains and losses from the revaluation of these equity instruments are not reclassified to the income statement at any time. Dividends are recognised as other operating income in the income statement when the right of the payment has been established. Except when such proceeds are beneficial as a recovery of part of the acquisition cost of the instrument. Equity instruments designated measured at FVtOCI are not subject to any impairment test.

Financial assets measured at FVtPL
Financial assets in this category are managed in a fair value business model, have been designated by management upon initial recognition or are mandatorily required to be measured at fair value acc. to IFRS 9. This category includes:

- financial assets whose cash flow characteristics fail the SPPI criterion or
- financial assets that are not managed within a business model in order to collect contractual cash flows or also not in order to collect contractual cash flows as well as sell the instruments or
- financial assets that are classified to the category of designated measured at FVtPL for the purpose of reducing an accounting mismatch or
- equity instruments that have not been classified as designated measured at FVtOCI.

SPPI test and assessment of the business model
VIG assigns debt instruments to the measurement models based on the SPPI criterion and the business model.

If the SPPI test is passed, the classification and subsequent measurement of financial instruments according to IFRS 9 is the business model chosen for managing the asset. The business model refers to how the company manages a portfolio of financial assets in order to generate cash flows. The business model is established at local level so as to manage financial instruments when planning the investment strategy in order to achieve local business objectives.

The business model is not assessed on an instrument-by-instrument basis but at a higher level of portfolios and is based on observable factors. If cash flows after initial recognition are realised in a way that is different from the original expectations, the classification of the remaining financial assets held in that business model does not change. However, such information is taken into consideration when assessing newly purchased financial assets.

The business model is applied to groups of assets which are managed homogeneously. The derivation takes into consideration asset class, liquidity, type of administration (asset manager, externally managed portfolios or special funds) as well as the investment strategy.

When determining the investment strategy (and consequently the business model), the type of liabilities that are covered under IFRS 17 and their measurement model are taken into consideration.

Cash and cash equivalents as well as term deposits are generally valued at AC.

SUBSEQUENT MEASUREMENT

Debt instruments measured at AC

After initial measurement, debt instruments are measured at amortised cost, using the effective interest rate (EIR) method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. An allowance is recognised for ECLs (*expected credit losses*) in the income statement.

Debt instruments measured at FVtOCI

Debt instruments are subsequently measured at fair value in accordance with FVtOCI with unrealised gains and losses arising due to changes in fair value recognised in OCI. Interest revenues and foreign exchange effects are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. For further information on the calculation of expected credit loss for debt instruments measured at FVtOCI, please refer to chapter The calculation of ECLs starting on page 282. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified to profit and loss.

Equity instruments designated measured at FVtOCI

For equity instruments that are designated measured at FVtOCI, transaction costs are recognised in OCI as part of the change in fair value at the next remeasurement and they are never reclassified into profit and loss. In case of a derecognition event, the correlating reserves are directly posted to “retained earnings”. In contrast to the equity instruments measured at FVtPL, only dividends are recognised in the income statement.

Financial assets measured at FVtPL

Financial assets measured at FVtPL are recorded in the balance sheet at fair value. Changes in fair value are realised in profit and loss. Transaction costs relating to the acquisition or issue of financial instruments measured at FVtPL are recognised in profit and loss. Interest earned on assets mandatorily required to be measured at FVtPL is accounted for using the contractual interest rate.

DERECOGNITION

Derecognition apart from a significant modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The right to receive cash flows from the asset has expired or
- The right to receive cash flows from the asset has been transferred or an obligation has been assumed to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either substantially all the risks and rewards of the asset have been transferred or substantially all the risks and rewards of the asset have been neither transferred nor retained, but control of the asset has been transferred.

Control is considered to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When all risks and rewards have neither transferred nor substantially been retained and control of the asset has been maintained, the asset continues to be recognised only to the extent of continuing involvement, in which case, an associated liability has also been recognised. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original book value of the asset and the maximum amount of consideration that could be required to pay.

Derecognition due to contract modification

A financial asset is derecognised when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new instrument, with the difference recognised as a derecognition gain or loss. In case of an insignificant modification, the gross carrying amount is recalculated as the present value of the renegotiated or modified contractual cash flows, discounted at the financial asset’s original EIR (or credit adjusted EIR for POCI assets) or, when applicable, the revised EIR.

When assessing whether or not to derecognise an instrument, VIG considers the following modification criteria:

- Quantitative criteria:
  - Modified debt instruments are considered to be “substantially different” if the net present value of the cash flows under the new terms discounted at the original EIR (of the original contract) is at least 10% different from the original debt instrument.

- Qualitative criteria:
  - Change in the SPPI assessment, e.g. introduction of an equity-linked feature
  - Change in the currency of the asset. Non-contractual changes in the currency are not relevant (e.g. in the course of a currency reform or accession to the Eurozone).
  - Change in the maturity of the instrument. Changes in the maturity of a financial instrument are not considered to be “substantially different” if the possibility has already been included in the original lending contract. Moreover, the change is not considered to be substantial, if the total contractual lifetime is
    - extended by less than 50%,
    - shortened by less than 30% or
    - changed by less than 2 years of the original lifetime.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, a modification gain or loss is recorded.

IMPAIRMENT OF FINANCIAL ASSETS

Further details regarding the impairment of financial assets are also provided within the disclosures for significant judgements and estimates (Note 23.2. Impairment losses on financial assets starting on page 258).

VIG recognises an allowance for ECLs for all debt instruments measured at AC or FVtOCI, loan commitments and guarantees as well as IFRS 9 measured receivables.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to be received, discounted at the effective interest rate.

The amount of the ECLs recognised depends on the different impairment model stages to which the financial instruments were assigned. For financial instruments for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for the credit losses expected within the next 12 months (12-month ECL/Stage 1). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a risk provision is required for credit losses expected over the remaining life of the exposure (lifetime ECL).

VIG considers a financial asset to be in default when contractual payments are 90 days past due and/or if its rating is stated as C or D, unless VIG has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The calculation of ECLs

ECLs are calculated based on scenarios to measure the expected cash shortfalls, discounted at an appropriate EIR. A cash shortfall is the difference between the cash flows that are in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD): The *PD* is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.

VIG uses the following segments for its portfolio:
– Corporates
– Sovereigns
– The segment Sovereigns consists of all bonds or loans issued by public authorities, whether by central governments, supra-national government institutions, regional governments or local authorities, that are fully, unconditionally and irrevocably guaranteed by these institutions. All other exposures are treated within the corporates segment.

- Exposure at Default (EAD): The *EAD* is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- Loss Given Default (LGD): The *LGD* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that are expected to be received. It is usually expressed as a percentage of the EAD.
  Concerning the segmentation of LGDs, the following segments will be used:
  – Subordinated debt
  – Senior unsecured debt
  – Sovereigns
  – Secured debt: The Secured segment at VIG covers all positions secured by mortgage as well as covered bonds.
  – For unsecured assets, VIG will apply predefined LGDs, which are not time-dependent (flat LGD curves).

Assets subject to ECL calculations are allocated into one of the following categories:

- 12-month ECL (Stage 1): Stage 1 allows a low credit risk or no significant increase in credit risk. It is calculated as the portion of the lifetime ECL, that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date.
- Stage 2: Assets classified under Stage 2 show a significant increase in credit risk (and not low credit risk), therefore the lifetime ECL must be calculated.
- Stage 3: Within this stage credit losses have already been incurred or assets have actually been credit impaired. Due to that fact, the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate should be considered.

In accordance with IFRS, debt instruments measured at AC or measured at FVtOCI must follow the staged approach. The VIG approach is set as follows:

- Stage 1 – 12-month ECL
  – assets with the exception of POCI assets,
  – assets that fall within the scope of the low credit risk exemption, as well as
  – assets that are not defaulted, not eligible for Stage 2 triggers and show no significant change in ratings
- Stage 2 – Lifetime ECLs (effective interest rate on gross carrying amount)
  – are past due for at least 30 days or
  – respond to one of the predefined forward-looking indicators.

- Stage 3 – Lifetime ECLs (effective interest rate on amortised costs)
  - assets fulfilling the default definition of VIG
- Stage 0 – POCI

Debt instruments measured at FVtOCI
As the book value of the debt instruments measured at FVtOCI corresponds to the fair value, the risk provision to be recognised does not lead to a reduction on the asset side of the balance sheet. Instead, an amount equal to the risk provision that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to profit or loss. The accumulated gain recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

Forward looking information
In the Group-wide ECL models, it can be relied on a broad range of forward-looking information, such as external and internal ratings, forecasts of macroeconomic variables or qualitative credit risk.

COLLATERAL VALUATION AND REPOSSESSED
To mitigate its credit risks on financial assets, collateral is sought to be used, where possible. The collateral comes in various forms, such as mortgages, securities or other types of collateral. Collateral, unless repossessed, is not recorded on VIG's balance sheet. Cash flows expected from credit enhancements which are not required to be recognised separately by IFRS standards and which are considered integral to the contractual terms of a debt instrument which is subject to ECL, are included in the measurement of those ECL. On this basis, the fair value of collateral affects the calculation of ECL.

To the extent possible, data from an active market is used for valuing financial assets held as collateral. Other financial assets that do not have readily available market data are valued using models. Non-financial collateral, such as real estate, is valued either internally or based on third parties' appraisals.

The ECL measurement also includes irrevocable and unconditional guarantees.

WRITE-OFFS
Financial assets are written off either in part or in full only when there is no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated risk provision, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to gains within the income statement.

Financial liabilities
MEASUREMENT CATEGORIES OF FINANCIAL LIABILITIES
Financial liabilities, other than loan commitments and financial guarantees, are measured at AC or at FVtPL if they are held for trading or are derivative instruments or if they are derivative financial instruments. VIG has no material portfolio of financial liabilities designated measured at FVtPL. All derivatives with a negative fair value (according to IFRS 13; determined on the basis of the so-called "dirty fair value", i.e., including interest accruals) are presented as a liability measured at FVtPL. Analogous to the financial assets, financial liabilities are recognised at their "dirty value" starting with the initial application of IFRS 9.

DERECOGNITION AND SIGNIFICANT MODIFICATION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the book value of the original financial liability and the consideration paid is recognised in profit or loss.

Recognition of interest revenues

According to IFRS 9, interest revenues for all financial assets under IFRS 9 measured at AC or measured at FVtOCI are recorded using the effective interest method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR and therefore, the amortised cost of the financial asset, is calculated by taking into account transaction costs and any discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR. Interest revenues are recognised using a rate of return that represents the best estimate of a constant rate of return over the expected life of the debt instrument.

For floating-rate financial instruments, the periodic re-fixing of coupon rates reflecting the movements in interest rates alters the effective interest rate.

The item interest revenues using the effective interest rate method only includes interest on financial instruments measured at AC or measured at FVtOCI.

The item interest revenue other includes interest from financial assets measured at FVtPL, which is also measured based on the derivation of the effective interest rate.

Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase are not derecognised from the balance sheet as substantially all of the risks and rewards of ownership are retained. The corresponding cash received is recognised in the consolidated balance sheet as an asset with a corresponding obligation to return it, including accrued interest as a liability within cash collateral on securities lent and repurchase agreements. This reflects the transaction's economic substance as a loan to VIG. The difference between the sale and repurchase price is treated as interest expense and is deferred over the life of agreement.

By contrast, securities purchased under reverse repurchase agreements are not recognised in the balance sheet. The amount paid, including deferred interest, is recorded in the balance sheet within loans measured at AC. The difference between the purchase and resale price is shown in the corresponding current income position using the EIR.

24.5. Goodwill

Goodwill is recorded in the functional currency of the respective unit. The item is measured at AC minus accumulated impairment losses. In the case of investments in associates, goodwill is included in the amortised book value of the investment.

Impairments
For the purpose of testing goodwill, the subsidiaries are combined to form cash-generating units (CGUs) at the level of geographical countries. These CGUs, on the basis of which the impairment test is conducted, correspond to the operating segments. The recoverability of trademark rights is additionally tested individually by application of the relief-from-royalty method. In the case of intangible assets with unlimited useful lives (goodwill and capitalised trademark rights), such an impairment test is also conducted during the year in response to a triggering event, but at least at the end of every financial year.

As a general rule, the value in use determined by application of the income-based discounted cash flow method is applied as the recoverable amount of the CGU. In those cases in which the value in use is less than the book value, the fair value less costs to sell is determined additionally. Trailing stock exchange multiples are applied to determine the fair value less costs to sell.

To determine the value in use, the available cash flows over five plan years and after that the perpetual annuity are discounted to present value. All subsidiaries prepare detailed planning forecasts for three years in the respective local currency, they are discussed in meetings of the Supervisory Board and subjected to a plausibility check as part of the planning and control process. The planning forecast for the next two years and the perpetual annuity are prepared by forecasting key parameters (e.g. combined ratios, insurance service revenue development, investment result) on the basis of their historical development and expectations for the future development of markets. Therefore, the projected cash flows from the perpetual annuity are deemed to be sustainable. The end-of-period exchange rate on 31 December of the financial year is applied for converting the amounts into euros.

Identifiable climate risks are included in the best estimate of the technical provisions via pricing and reserving. In the planning calculations, these identifiable climate risks are implicitly taken into account in the expected value of cash flows and in the solvency capital requirement, which are used for the impairment test. VIG offers insurance against major weather events, subject to strict reinsurance guidelines.

All insurance service assets are attributed to the CGUs. In addition to goodwill and trademark rights, these assets include all capitalised customer bases, financial assets, receivables, tangible assets and other assets. Insurance contract liabilities and current liabilities are deducted from the book values. Assets recognised by VIG Holding, but used by the operating companies are attributed to the CGUs in the form of corporate assets. Thus, the cash flows of the CGUs are adjusted for the depreciation and amortisation of the attributed corporate assets.

A capital cost rate (before taxes) determined on the basis of the Capital Asset Pricing Model (CAPM) is applied to calculate the discount rates. For that purpose, country-specific inflation differences and risk premiums, as well as the sector-specific market risk, are added to the risk-free interest rate (equal to the return on German government bonds at the reporting date according to the Svensson method). The beta factor applied at the reporting date was determined on the basis of a defined peer group.

The long-term growth rates were calculated in the reporting period on the basis of the Compound Annual Growth Rate (CAGR) under the assumption that the insurance penetration of the respective countries will begin to converge with the current German penetration rate in 50 to 70 years from the year 2013. An inflation premium equal to half the inflation included in the capital costs is added to the CAGR.

24.6. Intangible assets

Purchased intangible assets are recognised in the balance sheet at acquisition cost less accumulated amortisation and impairment losses. The companies included in the scope of consolidation did not have any material internally generated intangible assets. All intangible assets with the exception of trademark rights have definite useful lives. Therefore, intangible assets are amortised over the period of their use.

Purchased software

Average useful life in years	from	to
Software	2	13

Software is amortised according to the straight-line method. Furthermore, it is checked on an ad-hoc basis whether the respective software components can still be used. If it is expected with a high degree of probability that certain IT systems or program components can no longer be used or not to the full extent, an impairment is recognised. If a change in the useful life of full use is found, the amortisation period is changed to match the new useful life.

Other intangible assets

In the course of the purchase price allocations conducted with respect to the acquisitions of the companies Asirom, BTA Baltic and Seesam, trademark rights with unlimited useful lives were identified in previous years. The unlimited useful life results from the fact that no foreseeable end of the economic useful life can be identified. The fair values of the trademark rights were determined by application of the relief-from-royalty method upon first-time consolidation. A tax amortisation benefit was included in the relief-from-royalty method.

Regarding impairments of trademark rights with unlimited useful life, please refer to the statements in Note 24.5. Goodwill starting on page 286.

24.7. Investment property

Property that is both owner-occupied and investment property is divided. If the 20% limit is not exceeded, the property is recognised in the larger category (80:20 rule).

Property is measured at acquisition or construction costs minus accumulated scheduled depreciation and impairment losses. Cost comprises all costs incurred in putting the asset into its present location in its present condition. Costs incurred in later periods are only capitalised if they lead to a significant increase in future opportunities for use of the building (e.g. through respective building expansions or new fittings). Tangible assets are depreciated using the straight-line method over the expected economic useful life.

Average useful life in years	from	to
Buildings categorised as investment property	29	49

Measurement process
The measurement process for deriving the fair value of the items investment property and owner-occupied property is discussed in more detail in Note 24.9. Calculation of fair value starting on page 288.

An impairment must be recognised if the fair value is less than the book value (acquisition cost less accumulated scheduled depreciation and impairments already recognised). In that case, the book value is written off to the lower fair value and the difference is recognised in profit or loss. The same method as that applied for an impairment is applied to determine whether the fair value of a property exceeds the book value. It is to be determined at every reporting date whether there are any indications that the fair value of the property has risen above the book value. The book value after reversals gains may not exceed the book value taking into account scheduled depreciation, before the deduction of impairments.

Both impairments and reversals gains are recognised in the income statement. They are presented in Note 9. Notes to the consolidated income statement starting on page 224. The fair values and the level hierarchy according to IFRS 13 are presented in 16. Calculation of fair value starting on page 234.

24.8. Owner-occupied property

For the applied accounting policies, refer to the statements presented under 24.7. Investment property starting on page 288.

Average useful life in years	from	to
Owner-occupied buildings	28	47

24.9. Calculation of fair value

Measurement process of financial instruments
The valuation process for determining the fair value of financial assets aims to apply publicly available price quotations in active markets or valuations determined by application of recognised economic models that are based on observable input

factors. The organisational units responsible for conducting the valuation are independent of the units that assume the investment risks, thereby ensuring the requisite separation of functions and duties.

As a general policy, the company seeks to measure the fair value of securities held within VIG Insurance Group at the same prices at the respective valuation date. In practice, however, situations arise in which actually achieving this goal would entail disproportionately high costs. For example, local regulations in some countries in which VIG Insurance Group operates require that resident companies use the prices determined in accordance with local regulations to measure the value of certain instruments. If in this case the same securities are held by other companies of VIG Insurance Group, it can happen that these companies apply different price sources to measure the fair value.

Special funds represent another case in which uniform valuation would only be possible at a disproportionately high cost. The Austrian companies hold special funds, which must be included in the consolidated financial statements according to IFRS accounting rules, to varying extents. However, the net asset value (NAV) of a special fund on a given date is measured at the (usually closing) prices of the previous day. In these cases, a security that is held both in a special fund and directly in the company's portfolio is measured at different prices.

Measurement process of real estate

Owner-occupied real estate and investment property are appraised at regular intervals of time by generally sworn and court-certified building and real estate appraisal experts.

The methods mainly used to calculate the fair value of real estate in VIG Insurance Group are the capitalised earnings value method, the discounted cash flow method and the asset value method (only for land or to determine maintenance expenses).

The capitalised earnings value method is mainly used in VIG Insurance Group. In rarer cases, a discounted cash flow method is used if that would yield the highest-use and best-use value for the property in question.

CAPITALISED EARNINGS VALUE METHOD

Under this method, the value of the real estate is calculated by capitalising the expected future or actual gross income at an appropriate interest rate over the expected useful life. The net income is calculated by deducting the actual expenses for operation, maintenance and administration (management expenses). The default risk and any liquidation proceeds or costs are considered as well. The interest rate applied to calculate the capitalised earnings value is based on the achievable rate of return. The net income, reduced by the return on the land value, is then capitalised over the remaining useful life at the chosen interest rate, yielding the capitalised earnings value of the physical structure. This amount is then added to the land value to arrive at the total capitalised earnings value of the property.

DISCOUNTED CASH FLOW METHOD

The discounted cash flow method is a valuation method in which cash flows during the forecast phase (Phase I) are discounted to present value at the valuation date. The discount rate applied for this purpose is the rate of return of a comparably risky investment, plus property-specific and market-specific premiums. The annual gross income raised by vacancy rents (at current market rents) and minus the management expenses that cannot be charged to tenants results in the annual net income. Thanks to the exact nature of analysis over the individual forecast years, this method makes it possible to allocate investments or vacancies to individual years and therefore take them into account from the outset. In Phase II, the hypothetical sale proceeds at the end of the forecast phase (usually 10 years) are calculated by capitalising future cash flows. The interest rate applied for this calculation is determined as the rate of return on a comparably risky investment, plus market-specific and property-specific premiums, minus expected property appreciation.

ASSET VALUE METHOD

The asset value method is a market-oriented method that combines the land value, the building value, the value of outdoor facilities and the value of available connections. This method is basically used to measure the value of an undeveloped plot of land.

The land value is usually determined by way of the residual value method, under which a development discount has no longer been applied since 2018, having been replaced with a premium or discount for increased or decreased use, respectively. Whether or not increased or decreased use applies is determined on the basis of a simplified usable space study or an estimate of development possibilities based on developments in the surrounding area. This determination is made under both the capitalised earnings value method and the asset value method. Due to the applicability of tenancy laws, however, any usable space potential cannot be exploited and therefore the land value is usually applied instead of the actually available useful space.

Other notes on the valuation process

The use of different pricing models and assumptions can lead to different results concerning fair value. Changes in the estimates and assumptions applied in calculating the fair value of assets in those cases in which quoted market prices are not available can make it necessary to adjust the book value of the corresponding assets upwards or downwards and recognise a corresponding expense or income in the income statement.

Certain assets that are not usually measured at fair value on a recurring basis are measured at fair value on a one-time basis if events or changes in circumstances give reason to assume that the book value may no longer be recoverable.

Valuation hierarchies

VIG Insurance Group assigns all financial instruments to one level in the IFRS 13 valuation hierarchy. In line with the decentralised organisational structure of VIG Insurance Group, the individual subsidiaries are responsible for this categorisation. In particular, this approach ensures that local knowledge concerning the quality of individual fair values or any input parameters needed for model-based valuation are taken into account.

The fair values are determined on the basis of the following hierarchy according to IFRS 13:

- The determination of the fair value of financial instruments is generally based on quoted prices for identical assets or liabilities in active markets (Level 1).
- If the financial instrument in question is not listed or if quoted prices in active markets are not available, the fair value is determined on the basis of quoted market prices for similar assets or prices quoted in non-active markets (Level 2). Common valuation models for which the input factors are based on observable market data are used for Level 2. Such models are mainly used for illiquid bonds (present value method) and structured securities.
- The fair values of certain financial instruments, particularly bonds from countries without an active market and real estate, are determined on the basis of valuation models utilising input factors that are mainly not based on observable market data. Such models are mainly used to measure the fair values of transactions in non-active markets, expert opinions, and the structure of cash flows (Level 3).

The following table shows the methods used and the most important input factors separately for Level 2 and Level 3. The fair values calculated can be used for regular as well as non-recurring measurements.

Pricing method	Used for	Fair value	Input parameters
Level 2			Observable
Present value method	Bonds; borrower's note loans; loans; securitised liabilities and subordinated liabilities	Theoretical price	Issuer, sector and rating-dependent yield curves
Libor market model present value method	Bonds and borrower's note loans with other embedded derivates	Theoretical price	Money market and swap curves; implied volatility surface; cap & floor volatilities; issuer, sector and rating-dependent yield curves
Present value method	Currency futures contracts	Theoretical price	Exchange rates; money market curves for the currencies concerned
Present value method	Interest rate/currency swaps	Theoretical price	Exchange rates; money market and swap curves for the currencies concerned
Level 3			(Un-)observable input factors
Option pricing models	Stock options	Theoretical price	Share prices on the valuation date; volatilities; yield curve
Market value method	Real estate	Appraisal value	Real estate-specific income and expense parameters; capitalisation rate; data on comparable transactions
Discounted cash flow-model	Real estate	Appraisal value	Real estate-specific income and expense parameters; discount rate; indexes
Multiples approach	Shares	Theoretical price	Company-specific earnings figures; typical industry multipliers
Discounted cash flow-model	Shares	Theoretical price	Company-specific earnings figures; discount rate
Share of capital	Shares	Book rate	Company-specific equity according to separate financial statements
At amortised cost	Fixed income instruments (illiquid bonds, policy loans, loans) with no observable input data for comparable assets	Book rate	Cost-price; redemption price; effective yield

Reclassifications between valuation hierarchies

Reclassifications between Level 1 and 2 primarily occur if liquidity, trading frequency or trading activity of the particular financial instrument once again, or cease to allow one to conclude that an active market exists. For example, the market maker for a security frequently changes, with a corresponding impact on liquidity. A similar example is when shares are included in (or removed from) an index that acts as a benchmark for many funds. In this case, the classification can also change.

An improvement or deterioration in liquidity or creditworthiness, as well as a change in the availability of valuation rates, leads to a reclassification between Level 1 and Level 3 or between Level 2 and Level 3.

Due to the decentralised organisation of VIG Insurance Group, the subsidiaries review the current validity of the last fair value classification at the end of the period. For example, a reclassification is performed if necessary inputs are no longer directly observable in the market. Any reclassifications are presented as if they had taken place at the start of the period.

24.10. Consolidated shareholders' equity

The items share capital and other capital reserves include the amounts paid in to share capital by the shareholders of VIG Holding. The item other capital reserves reports the share of contributions paid that is in excess of the share capital. The reserves are reduced by those external costs directly related to corporate actions affecting equity (after taking tax effects into account).

Retained earnings are the profits that subsidiaries have earned since their affiliation with VIG Insurance Group. These are reduced by the dividends distributed by VIG Holding. Amounts resulting from the changes in the scope of consolidation are also recognised here. If changes are made to accounting policies, the adjustments for earlier periods that are not included in the financial statements are recognised in the opening balance sheet value of retained earnings for the earliest period presented, unless these effects can be clearly allocated to other parts of the consolidated shareholders' equity.

The item other reserves consists of unrealised gains and losses from the measurement of insurance contracts and financial instruments measured at FVtOCI as well as actuarial gains and losses, which are to be recorded in the statement of comprehensive income in accordance with IAS 19. Furthermore, unrealised gains and losses from the at equity measurement of associated companies, effects from the application of IAS 29 Financial Reporting in Hyperinflationary Economies and the exchange differences resulting from the currency conversion of foreign subsidiaries are reported in the other reserves.

Non-controlling interests are also shown as part of the shareholders' equity. These include shares held by third parties in the equity of consolidated subsidiaries which are not directly or indirectly wholly owned by VIG Holding.

Details regarding capital management can be found in chapter Capital management starting on page 313.

Share capital and voting rights
The share capital amounts to EUR 132,887,468.20. It is divided into 128,000,000 no-par-value bearer shares with voting rights, with each share representing an equal portion of share capital. The number of shares issued remained unchanged.

The Managing Board is not aware of any restrictions on voting rights or the transfer of shares. Employees who own shares exercise their voting right directly at the Annual General Meeting.

The Managing Board must consist of at least three but no more than eight members. The Supervisory Board has at least three but no more than twelve members (shareholder representatives). The Wiener Städtische Versicherungsverein, which directly and indirectly holds around 72.47% (72.47%) of the share capital, has the right to appoint up to a third of the members of the Supervisory Board if, and as long as, it holds 50% or less of the company's voting shares. Annual General Meeting resolutions are adopted by a simple majority, unless a different majority is required by law or the Articles of Association.

There are no shares with special rights of control; reference is made to the previous paragraph with regard to the rights of the shareholders of the Wiener Städtische Versicherungsverein.

At the reporting date, the company is not party to any material agreements which take effect, alter or terminate upon a change of control of the company following a takeover bid, especially none which concern the participations held in insurance companies.

No compensation agreements exist between the company and its Managing Board members, Supervisory Board members or employees covering the case of a public takeover bid.

Anticipatory resolutions

Pursuant to § 169 AktG, the Managing Board is authorised until no later than 20 May 2026 to increase the company's share capital – also in multiple tranches – by a nominal amount of up to EUR 66,443,734.10 by issuing up to 64,000,000 no-par bearer shares in exchange for cash or non-cash contributions or a combination of both. The Managing Board with the consent of the Supervisory Board decides the content of share rights, the exclusion of pre-emptive subscription rights and the other terms and conditions of share issuance. Preferred shares without voting rights and conveying the same rights as already issued preferred shares may also be issued. The issue prices of common shares and preferred shares can be different.

The Managing Board was authorised by the Annual General Meeting on 21 May 2021 with the consent of the Supervisory Board to issue convertible bonds according to § 174 AktG, which convey the right to exchange or subscribe up to 30,000,000 ordinary bearer shares in the company representing a proportional amount of share capital of up to EUR 31,145,500.36, in a total nominal amount of up to EUR 2,000,000,000.00, also under exclusion of pre-emptive subscription rights, on one or more occasions in the time until 20 May 2026.

Therefore, in accordance with § 159 (2) no. 1 AktG, the share capital has been raised conditionally by up to EUR 31,145,500.36 by issuing up to 30,000,000 ordinary bearer shares in the company. The conditional capital increase will only be conducted insofar as the bearers of the convertible bonds issued on the basis of the resolution of the Annual General Meeting of 21 May 2021 exercise their subscription or exchange rights. To date, the Managing Board has adopted no resolution on the issuance of convertible bonds on the basis of the authorisation granted on 21 May 2021.

Furthermore, the Managing Board was authorised by the Annual General Meeting on 21 May 2021 with the consent of the Supervisory Board to issue participating bonds pursuant to § 174 (2) AktG in the total nominal amount of up to EUR 2,000,000,000.00, also in multiple tranches and also under exclusion of pre-emptive subscription rights, in the time until 20 May 2026. To date, the Managing Board had not adopted a resolution on the issuance of participating bonds on the basis of this authorisation.

The Annual General Meeting authorised the Managing Board on 26 May 2023 to acquire bearer ordinary shares in accordance with § 65 (1) no. 8, (1a) and (1b) AktG to the maximum extent permissible by law during a period of 30 months following the date the Annual General Meeting resolution was adopted. The amount paid upon repurchase of the company's own shares may not be more than a maximum of 50% below and not more than a maximum of 10% above the average unweighted closing price on the Vienna Stock Exchange on the ten stock exchange trading days preceding the repurchase. The Managing Board may decide to make the purchase via the stock exchange, through a public offer or in any other legally permissible and expedient manner. If the repurchase is performed via a public offer, the end of the calculation period is determined based on the date on which the intention to make a public offer is announced (§ 5 (2) and (3) of the Austrian Takeover Act (Übernahmegesetz)).

The Annual General Meeting also authorised the Managing Board for a period of five years from the date of the resolution to use acquired own shares while excluding shareholder pre-emption rights

- for servicing convertible bonds issued based on the resolutions adopted by the Annual General Meeting on 21 May 2021; and
- for sales in a manner permitted by law other than via the stock market or by means of a public offer.

The Managing Board has not made use of these authorisations to date.

The Group holds no own shares at the reporting date.

24.11. Provisions

General
Provisions will be recognised if

- a legal or constructive obligation exists to a third party as a result of a past event,
- it is probable that the obligation will result in an outflow of resources and
- a reliable estimate of the extent of the obligation can be made.

Provisions are recognised at the value representing the best possible estimate of the expenditure needed to fulfil the obligation. If the cash value of the provision determined on the basis of prevailing market interest rates differs substantially from the nominal value, the cash value of the obligation is recognised. The item provisions also includes personnel provisions other than the provisions for pensions and similar obligations (e.g. provisions for anniversary benefits).

24.12. Receivables and Liabilities

Receivables
The receivables presented in the balance sheet particularly consist of receivables and other receivables measured in accordance with IFRS 9.

Receivables from policyholders, intermediaries and insurance companies that are recognised directly in the fair value of future cash flows under IFRS 17 are not included in this balance sheet item. Therefore, amounts shown as receivables are not related to the insurance business in accordance with IFRS 17.

Non-insurance receivables are measured at the transaction price. Valuation is based on the underlying transaction, whereby the impairment requirements according to IFRS 9 apply.

VIG Insurance Group applies the option of the simplified approach for trade receivables and receivables from leases in accordance with IFRS 9.5.5.15. In order to fulfil the relevant requirements, an Impairment Provision Matrix is used for receivables, which can be found in Note 2.5. Credit risk starting on page 211.

Liabilities
The liabilities presented in the balance sheet consist of liabilities and other liabilities measured in accordance with IFRS 9.

Liabilities to policyholders, intermediaries and insurance companies that are recognised directly in the fair value of future cash flows under IFRS 17 are not included in this balance sheet item. Therefore, amounts shown as liabilities are not related to the insurance business in accordance with IFRS 17.

For IFRS 9 measured liabilities, please refer to the statement on financial liabilities in chapter 24.4. Financial instruments starting on page 278. The other liabilities items are measured at AC.

24.13. Taxes

Income tax expenses include current and deferred taxes. When transactions are recognised directly in equity, the corresponding income tax is likewise recognised in equity with no effect on the income statement. The current taxes for the individual companies of VIG Insurance Group are calculated on the basis of the companies' taxable net income and the tax rate applicable in a given country.

The current taxes also include the new top-up tax introduced as of 31 December 2024 as a result of the implementation of the Pillar Two Global Anti-Base Erosion (GloBE) Rules under the OECD's international tax reform. The EU directive implementing the GloBE Rules provides that profits from multinational groups of companies or large domestic groups with consolidated sales of at least EUR 750 million will be subject to an effective tax rate of at least 15% in each tax jurisdiction. If the effective minimum tax rate is not met, a top-up tax must be paid. In accordance with IAS 12.4A, potential effects on deferred taxes in connection with global minimum taxation are not taken into account.

Deferred taxes are calculated in accordance with the balance sheet liability method with respect to all temporary differences between the stated values of assets and liabilities in the IFRS consolidated financial statements and the corresponding tax values of the individual companies. In accordance with IAS 12.47, deferred taxes are measured on the basis of the tax rates to be in effect when the differences reverse. The tax benefit that is likely to be realised of accumulated losses carried forward is also included in the calculation. Differences in non-tax-deductible goodwill and deferred tax differences in participations represent exceptions to this general definition of deferred tax liabilities. Deferred tax differences are not recognised if it is not probable that the tax benefit can be recovered.

Group taxation in Austria

A tax group pursuant to § 9 KStG is in effect with the tax group's parent company Wiener Städtische Versicherungsverein. The tax results of the tax group members are attributed to the tax group's parent company. Agreements have been concluded between the tax group's parent company and the individual tax group members to regulate the positive and negative intragroup tax charges for the purpose of apportioning the corporate income tax burden on the basis of causation. If the tax group member generates positive income, 23% (24%) of that positive income is paid to the tax group's parent company. If the tax group member generates negative income, 20.7% (21.6%) of the group member's tax loss is paid by the tax group's parent company. Because the intragroup tax charge is 23% (24%) on positive income, the head of the tax group bears 10% of the tax benefit from group taxation created by the respective group member's inclusion in the tax group. In terms of cash flow, the tax benefit is neutralised over a period of three years.

Group taxation in Hungary

In 2024, the company groups for tax purposes in Hungary underwent restructuring. This restructuring resulted in two smaller groups being merged into a single group of companies, allowing members to offset their profits/losses and tax credits on a consolidated basis. Led by Alfa, the Hungarian group of companies comprises Hungarian undertakings in assistance and asset management as well as insurance companies, including the former AEGON companies.

25. NEW STANDARDS NOT YET APPLICABLE AND AMENDMENTS TO EXISTING STANDARDS

Standard	Short description	Applicable as of*
Those already adopted by the EU		
Amendments to IAS 21	Restrictions on the convertibility of currencies	01/01/2025
Those which are not or not yet adopted by the EU		
IFRS 14	Regulatory Deferral Accounts	EU decided this standard shall not be transferred into EU law
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	First-time application deferred for an indefinite period
IFRS 18	Presentation and notes in financial statements	01/01/2027
IFRS 19	Subsidiaries without public accountability: Disclosures	01/01/2027
Amendments to IFRS 7 and IFRS 9	Classification and measurement of financial instruments	01/01/2026
Diverse IFRS	Annual improvements volume 11: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	01/01/2026
Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity	01/01/2026

*Unless otherwise specified, VIG Insurance Group is not planning early adoption of the provisions listed.

The standards listed in the table are not expected to have a material impact or the amendments are not relevant, unless otherwise stated below.

IFRS 18 — Presentation and notes in financial statements
It is expected that the application of IFRS 18 will lead to changes in the presentation in the consolidated financial statements and in the disclosures in the notes. The necessary preparatory work for implementation has already begun.

26. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Significant events up to 25 March 2025 were taken into consideration. On this date, the present Annual Report was authorised for publication by the Managing Board.

PLACEMENT OF TIER 2 SUBORDINATED BONDS AND REDEMPTION OF OUTSTANDING TIER 2 SUBORDINATED BONDS
On 25 March 2025, VIG Holding announced that it would issue a Tier 2 subordinated bond in the amount of EUR 300,000,000.00 as part of a public placement. The subordinated bond has a provisional term of 20 years and VIG Holding can call it for the first time after 10 years. It complies with the Tier 2 requirements according to Solvency II and qualifies as capital in accordance with the requirements of rating agency S&P. The subordinated bonds bear interest at a fixed rate during the first ten years of the term and variable interest after that. Inclusion for trading in the Third Market of the Vienna Stock Exchange is planned.

VIG Holding also announced on 25 March 2025 that it would make an offer of early redemption to the creditors of subordinated bonds 2046 (outstanding volume EUR 214,413,000.00) and 2047 (outstanding volume EUR 200,000,000.00). The deadline for acceptance of the redemption offers is 2 April 2025.

RISK STRATEGY AND RISK MANAGEMENT

GOVERNANCE SYSTEM

Governance refers to all processes involved in the management and in the effective and efficient supervision of the Group. The governance system comprises not only the internal organisation, structure and mechanisms within the insurance group, but also the Group's legal and factual interaction with the external (market) environment.

The Managing Board of VIG Holding is responsible for complying with the legal regulations applicable to the insurance group and the recognised principles for the proper conduct of business activities.

VIG Insurance Group has instituted an efficient governance system designed to meet its needs and requirements, which enables sound and prudent management. Aside from the establishment of governance functions and other key functions at the level of the insurance group, all other relevant processes have been implemented to ensure the detection, measurement, monitoring, management and reporting of risks, with due regard to the interdependencies between risks.

The internal processes ensure that due consideration is given to the assessments of the governance functions and other key functions, as well as all results of the risk management processes, in the course of conducting business activities.

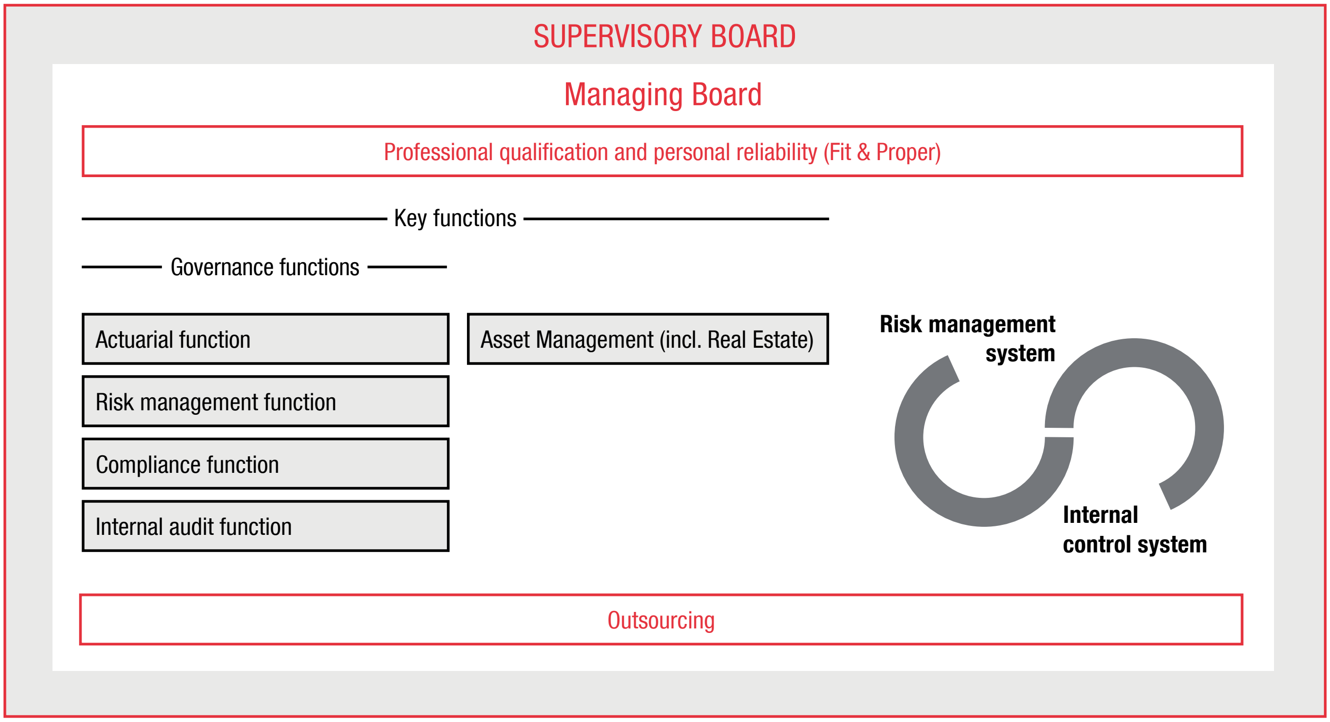
The governance system is characterised by the following attributes:

- Effective management by the Managing Board,
- Transparent supervision by the Supervisory Board,
- Alignment of management decisions with the goal of long-term value creation,
- Purposive cooperation between corporate management and supervision,
- Appropriate treatment and management of risks,
- Transparent communication within the company and well-functioning reporting paths, and
- Safeguarding the interests of policyholders, shareholders and employees.

General information about the governance system

The governance system encompasses all areas and decision-making committees involved in the risk management processes. It comprises the following elements:

- Key functions and governance functions,
- Eligibility requirements for management staff,
- Risk management system,
- Internal control system and
- Provisions applicable to the outsourcing of functions or activities.



RISK STRATEGY AND OBJECTIVES

VIG Insurance Group has established clear principles and objectives for managing the risks to which it is exposed. The implementation of these principles and the attainment of the objectives are supported by a defined risk management organisation. The risk strategy of VIG Insurance Group is based on the following Group-wide principles:

Assumed and accepted risks

- All risks directly related to the performance of the insurance business are accepted to a sustainable extent. Such risks comprise underwriting risks, for instance, and to a limited extent, market risks as well.

Conditionally accepted risks

- Operational risks are to be avoided as much as possible. However, they must be accepted to a certain extent because operational risks cannot be completely eliminated or the costs of eliminating these risks would be disproportionate to any potential losses that would arise if the given risk were to materialise.
- Investment is conducted in accordance with the regulatory "prudent person principle". High-risk investment products may only be held to hedge other market risks.
- Risks arising from financial insurance are to be held only to a limited extent.

Risk minimisation measures

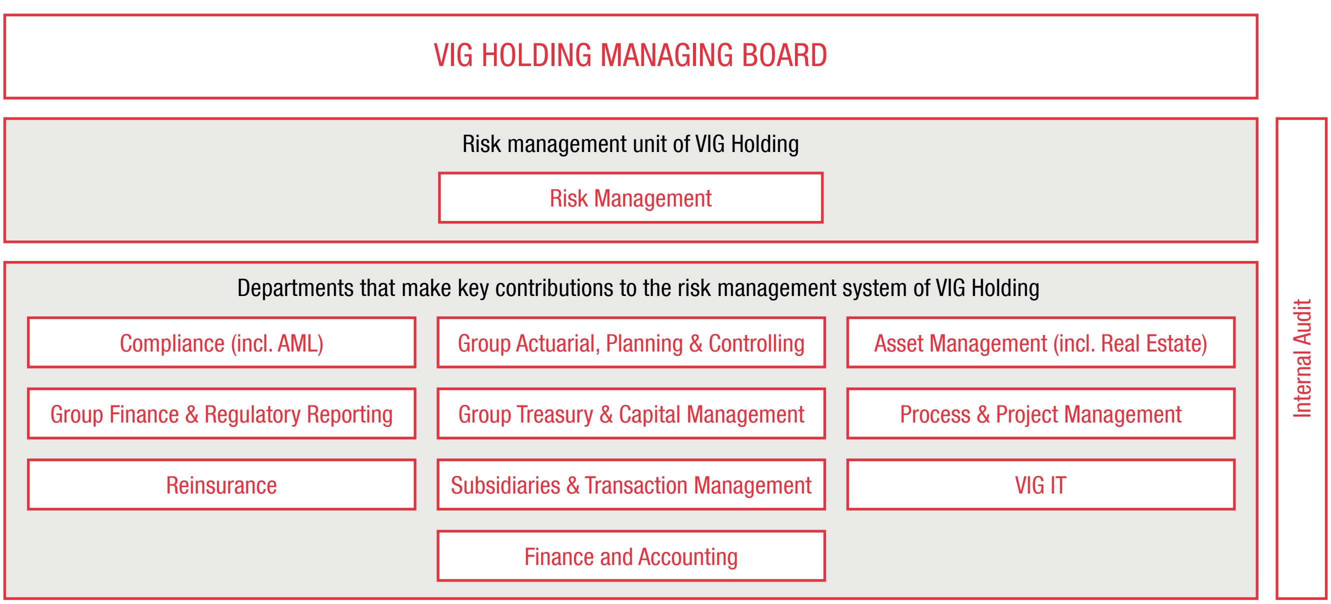
- Risk minimisation is assured in all areas by the ongoing maintenance and promotion of a highly developed level of risk awareness, coupled with the defined risk governance.
- The underwriting provisions of (re)insurance companies are calculated in a prudent manner in order to compensate for undesirable but potential fluctuations.

- Reinsurance is a crucial instrument for ensuring stable results; it serves to protect against the adverse effects of major losses (tail risks), particularly in non-life insurance lines of business.
- The definition of limits for market risks and investments, considering the feasibility of guarantees and liquidity (asset-liability management), also contributes to risk mitigation.

Not accepted risks
- Risks are not accepted if the expertise or resources required for the given risk are not available or if the capital resources are not sufficient to cover the risk in question.
- Underwriting risks are not accepted if they cannot be measured and if the price cannot be determined. Such risks are particularly found in the fields of genetic engineering and atomic energy for liability insurance.
- No risks are accepted in investment if they contradict the principles of sustainability or if the expertise required to assess these risks appropriately is not available. Such risks include weather derivatives or futures contracts on commodity indices.

ESG risks (environmental, social and governance risks) are recorded in the various risk categories (e.g. market risks, operational risks, etc.). Accordingly, these risks are partially accepted or conditionally accepted, must be mitigated with appropriate measures or are not accepted.

Organisation of the risk management system
The risk management organisation of VIG Insurance Group is integrated into the structural organisation of VIG Holding. Organisational departments of central importance to the risk management system are shown in the graph below.



MANAGING BOARD
The full Managing Board bears responsibility for the risk management system and particularly for the following topics:

- Development and promotion of the risk management system,
- Definition and communication of the risk strategy, including risk tolerances and risk appetite,

- Approval of central risk management guidelines, and
- Consideration of the risk situation in strategic decisions.

RISK MANAGEMENT
The department manager exercises the risk management function prescribed by Solvency II at the Group level and individual level.

The most important tasks of this department include the complete identification, assessment and management of the Group's risk profile and the solvency calculation. For this purpose, the department provides a Group-wide risk aggregation solution with an extensive reporting system and partial modelling approaches for calculating solvency capital. Other important tasks of this department include the calculation of the solvency capital requirement during the year, the analysis of the risk-bearing capacity using an internally developed analysis tool and the review of the internal control system.

This department also supports the Managing Board in the updating of the central risk strategy, the further development of the risk organisation and other risk management topics.

INTERNAL AUDIT
The internal audit function required by Solvency II is exercised by the manager of this department. The Internal Audit Department periodically monitors operational and business processes, the internal control system of all operating departments of the company, including compliance with legal requirements, and the effectiveness and appropriateness of risk management.

COMPLIANCE (INCL. AML)
It coordinates and supports all companies in VIG Insurance Group and their compliance departments in compliance-related matters. The manager of this department also exercises the compliance function required by Solvency II. Thus, the department is particularly responsible for tasks related to the compliance function.

GROUP ACTUARIAL, PLANNING & CONTROLLING
The actuarial function required by Solvency II is exercised by the manager of this department. Thus, the department is particularly responsible for the tasks related to the actuarial function. The department also handles actuarial modelling in Prophet for the Group's life and health insurance business and in ResQ for the Group's non-life insurance business. The models generate cash flow projections for the purpose of measuring the value of underwriting provisions pursuant to Solvency II and IFRS 17. The department supports the analysis of IFRS 17 reserves, as well as actuarial cooperation and networking within VIG Insurance Group.

The department also coordinates business planning over a 3-year horizon. The standardised reporting system covers the analysis of key ratios and budget-actual variances related to the budgets, forecasts and current performance of VIG Holding and its insurance participations. The department prepares monthly premium reports, quarterly reports for each company (aggregated at the country level and at the level of VIG Insurance Group) and cost reports on a regular basis.

ASSET MANAGEMENT (INCL. REAL ESTATE)
One of the main tasks of the department is to define the strategic objectives of the capital investments of each individual insurance company and for VIG Insurance Group as a whole, as well as to define the investment strategy and investment process with the goal of ensuring maximum, but also secured, ongoing income while also making use of opportunities to increase the value of the capital investments. Capital investments are managed by means of guidelines and limits. The department also prepares regular reports on capital investments, limits and income.

GROUP FINANCE & REGULATORY REPORTING
One of the main tasks of this department is to prepare the consolidated financial statements according to IFRS, including reporting in accordance with ESRS in the Group management report, as well as the related regulatory reports. This department is also responsible for supporting the domestic and foreign VIG Insurance Group in all matters of accounting, the preparation of special analysis reports and the reporting of actual performance numbers to the Managing Board, the Supervisory Board and Investor Relations. Other core tasks include matters related to Group Tax & Transfer Pricing, the calculation of own funds of the Group (solvency balance sheet) and the supervision of subsidiary ledgers rolled out to all Group companies and the central general ledger.

GROUP TREASURY & CAPITAL MANAGEMENT
Important tasks of this department include the management of liquidity and the planning and conception of capital raising and capital management measures, including the execution of the company's own capital market transactions, as well as the management of the portfolio of subordinated capital bonds and other debt instruments.

PROCESS & PROJECT MANAGEMENT
This department works to ensure the clarity, transparency and understanding of business processes so that the individual companies of VIG Insurance Group and their employees can better achieve their goals. To this end, the department provides coordination and support in the three main areas of project management, process management and productivity management.

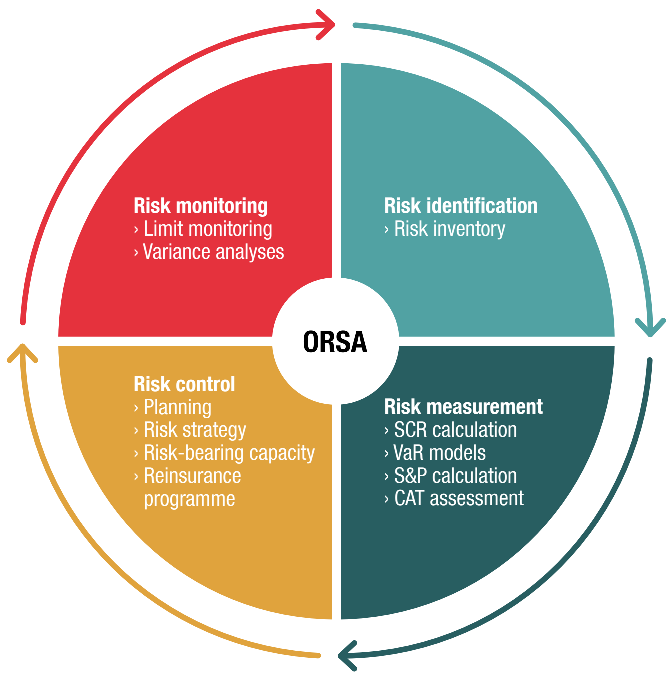
REINSURANCE
This department coordinates and supports all companies of VIG Insurance Group, including their reinsurance departments, in matters related to reinsurance in the non-life insurance lines of business (property insurance, liability insurance and casualty insurance) by issuing and applying guidelines. Additionally, the department administers all Group-wide reinsurance programmes in non-life insurance lines of business. The highest goal is to establish a security network through which all companies of VIG Insurance Group are sustainably protected against the adverse effects of natural disasters, major losses and the negative developments of entire insurance portfolios.

SUBSIDIARIES & TRANSACTION MANAGEMENT
This department is fundamentally responsible for safeguarding the interests of the company with respect to all participations and for providing and processing information about participations and participation projects in a manner suited to the given decision-making situation.

VIG IT
This department is responsible for IT management at the level of VIG Holding. It comprises the departments of Group Information & Cyber Security, Procurement, Architecture & Innovation, International Bank Cooperation Management and IT Strategy & Governance.

FINANCE AND ACCOUNTING
One of the department's main tasks is to prepare the annual financial statements of VIG Holding. The department is therefore responsible for the accounting and balancing of accounts for VIG Holding and for reporting the figures accordingly.

Risk management processes
The graph below shows the main risk management process, which consists of the process steps described in the following, which are to be repeated on a regular and ad-hoc basis:



RISK IDENTIFICATION
Risk identification is the starting point for all subsequent process steps. The purpose of risk identification is to detect, identify and document all potential material risks.

Generally, risk identification takes place on multiple levels: Internal control system, risk inventory, etc. are characterised by clearly defined processes based on guidelines and formalised procedures. Meetings, committees, regularly scheduled meetings and other more or less formalised forms of communication and information exchange are a further source of risk identification. Finally, the activities and expertise of the Risk Management Department represent another component for the identification of relevant new risks.

RISK MEASUREMENT
After risk identification, the ensuing steps of risk measurement and assessment are essential prerequisites for dealing with risks and making decisions on that basis.

Risks are assessed on a quantitative and/or qualitative basis, depending on the type of risk. In addition to scenario and factor-based approaches, it may also be appropriate to conduct stress tests and internal or external expert assessments, respectively, on the subject of risk measurement.

RISK CONTROL

Based on the risk assessment, both strategic and operational decisions are made in order to deal with the risk appropriately. To do this, different measures and mechanisms must be assessed depending on the change in the risk situation.

The principal risk management processes are:

Planning

The planning horizon is three years, with the annual planning process taking place from summer to mid-November. The planning data are included in the ORSA and form the basis for determining the expected future risk profile.

Risk strategy

The risk strategy is reviewed by the Managing Board on an annual basis and, if necessary, adjusted based on the results from the ORSA. The Risk Management Department assists the Managing Board in this review.

Risk-bearing capacity

Risk management is conducted with due regard to the risk-bearing capacity requirements. Operationally, this entails the need to meet risk budgets, attain key ratios and generally pursue a risk-oriented approach in the sense of a sustainably value-driven strategy in the course of regular business activities.

Asset allocation

The Asset Management Department (including Real Estate) defines the strategic asset allocation for the Group once a year and continuously monitors compliance with it.

Reinsurance programme

The Reinsurance Department coordinates the Group-wide reinsurance programme and manages the annual natural disaster protection renewal process. The Risk Management Department assists the Reinsurance Department both in the validation of applied external natural disaster models and assessment of the efficacy of reinsurance protection using the partial internal non-life model.

RISK MONITORING

On the one hand, risk monitoring is the conclusion of the risk management process, but on the other hand it is also the starting point for further analyses and measures in the event that exceptional developments are observed in the risk profile.

The solvency corridor defined at the Group level and the Group-wide limit system applied for purposes of risk-bearing capacity form the basis for the continuous monitoring of the solvency situation of VIG Insurance Group and its subsidiaries.

Compliance with the securities directives and the attainment of key ratios are also reviewed and monitored on an ongoing basis. Liquidity risk is managed and monitored on the basis of a reconciliation of capital investments and insurance obligations. Operational risks, which can be caused by defective internal processes, defective controls, erroneous assessments or defective models, are likewise subjected to constant monitoring within the scope of the internal control system.

RISK REPORTING

The risk management function is responsible for risk reporting. Risk reporting includes both regular and ad-hoc reports. While the regular reports are prepared as part of the standard processes, ad-hoc reports are prepared if risks occur suddenly or unexpectedly. The ORSA report summarises the key results of all risk management processes and reports.

RISK PROFILE

The risk profile of VIG Insurance Group is sub-divided into ten principal risk categories, which are presented and described in the following:

- Life insurance underwriting risk
- Non-life insurance underwriting risk
- Health insurance underwriting risk
- Market risk
- Credit risk / counterparty default risk
- Operational risk
- Liquidity risk
- Strategic risk
- Reputation risk and
- Risk from intangible assets

The risks in the individual categories of the risk profile are assessed on a quantitative and/or qualitative basis. Quantitative assessment is performed on the basis of the uniform calculation approach prescribed by Solvency II (standard formula) only in those areas in which a preceding appropriateness review has confirmed the validity of the standard method.

The standard formula substantially overestimates the risk of VIG Insurance Group in the non-life and property/real estate areas (as part of market risks). Therefore, the solvency capital requirement for these areas is calculated on the basis of a partial internal model (PIM), which has been approved by the FMA.

The partial internal model for non-life (ariSE) is applied for companies in the countries of Austria (VIG Holding, Wiener Städtische, Donau Versicherung), Czech Republic (Kooperativa, ČPP, VIG Re), Slovakia (Kooperativa, Komunálna), Poland (Compensa, InterRisk) and Romania (Omniasig, Asirom). The partial internal model for property/real estate is used in all Austrian companies of VIG Insurance Group (VIG Holding, Wiener Städtische, Donau Versicherung).

The data are consolidated in accordance with Method 1 of the EC Directive 2009/138/EC.

IMPLEMENTATION OF THE PRUDENT PERSON PRINCIPLE

Solvency II in general and the prudent person principle in particular demand more self-responsibility for prudent capital investment on the part of companies. Therefore, VIG Insurance Group has always pursued a conservative approach in its investment activities. The regulatory requirements confirm the business policy applied by the Group.

Assessing the risks of investments in a constantly changing regulatory environment requires a high degree of expertise within the individual companies and VIG Holding as the central management entity. To meet the requirement, it is essential that the Group has appropriately trained employees and the necessary professional infrastructure. VIG Insurance Group explicitly accepts these requirements and fulfils them by implementing a uniform software programme for the purpose of administration and risk assessment of the main capital investment portfolios.

Key principles of business prudence are defined in the internal corporate guidelines, which apply to all insurance companies of VIG Insurance Group.

Capital investment is embedded in a multi-step process. The overriding goal of capital investment is to permanently ensure fulfilment of the Group's insurance obligations. On this basis, due consideration is given to the requirements of the Group's liabilities.

Life insurance underwriting risk

Besides demographic risks, life insurance underwriting risk also includes the adverse effects of changed cancellation behaviour and cost risks. It comprises the sub-modules of mortality, longevity, disability, costs, amendment and cancellation, as well as disaster risk.

RISK MINIMISATION

To minimise cancellation risk, VIG Insurance Group maintains an effective complaint management programme, qualified advisors and customer retention programmes to enhance customer satisfaction and prevent cancellations. The cancellation behaviour of policyholders is constantly monitored so that targeted measures can be implemented in reaction to unfavourable developments.

Costs are analysed on a regular basis and taken into consideration in the product design process. In the Austrian companies, moreover, insurance contracts are protected against inflation by means of index adjustments.

Many customers decide also to purchase term life insurance when they purchase pension insurance. This lessens the longevity risk associated with pension insurance contracts.

To reduce mortality risks, it is constantly monitored and safety margins are factored into the premiums. For large insured sums, the insured persons undergo medical exams and the insurance benefit is reinsured. In addition, demographic developments suggest that mortality is likely to decline in the medium to long term.

Additionally, in life insurance various reinsurance contracts are in effect which generally contribute to risk minimisation. Details on the subject of reinsurance are provided in the chapter of the same name beginning on page 311.

Non-life insurance underwriting risk

Non-life insurance underwriting risk is the risk that insured losses and costs will be higher than income. It is mainly composed of the following components:

- Risk from extreme loss events, particularly natural disasters,
- Risk from unprofitable contracts due to inadequate premium pricing,
- Risk from loss events that have already occurred, but are not sufficiently known or provisioned,
- Cancellation risk (decrease in the contribution margin due to a sharp drop in insurance contracts in force), and
- Cost risk.

RISK MINIMISATION

VIG Insurance Group has been pursuing a conservative reinsurance concept for years and sees the transfer of risk through reinsurance in the non-life sector, in particular in the area of natural disasters, as a significant risk mitigation technique for protecting against major and catastrophe events as well as any fluctuations in the balance sheet results. The reinsurance strategy is characterised by a conservative retention policy and the targeted selection and accompanying review of reinsurers. The companies of VIG Insurance Group must adhere to a safe list defined by the Reinsurance Security Committee. Reinsurers that are not included on this list require individual permission by the Reinsurance Security Committee.

In addition, risk is also reduced in the area of reinsurance through diversification measures.

Details on the subject of reinsurance are provided in the chapter of the same name beginning on page 311.

Underwriting risk of health insurance, including casualty insurance

Health insurance underwriting risk is sub-divided by type of non-life insurance and by type of life insurance, depending on the contract design. Health insurance underwriting risk by type of non-life insurance is calculated in accordance with the partial internal model because the assumptions applied in the standard formula do not appropriately reflect the risk profile of VIG Insurance Group in the area of non-life insurance. The risk by type of life insurance and disaster risk in health insurance is calculated in accordance with the standard formula.

HEALTH INSURANCE BY TYPE OF LIFE INSURANCE

The underwriting risk of health insurance by type of life insurance basically comprises the classic life insurance underwriting risks. With respect to the risk exposure of VIG Insurance Group, cancellation risk makes the greatest contribution to the capital requirement, but disability/morbidity risk and cost risk are also important.

HEALTH INSURANCE BY TYPE OF NON-LIFE INSURANCE

Health insurance underwriting risk by type of non-life insurance corresponds to casualty insurance and comprises the classic non-life insurance underwriting risks. Casualty risk is assessed as being comparatively low. For example, losses can arise from a large number of deaths and injuries, but they are adequately reinsured.

NATURAL DISASTER RISK IN HEALTH INSURANCE

Three different disaster scenarios are considered for disaster risk in health insurance: mass casualty accidents, accident concentration and pandemic. This risk is adequately reinsured and of subordinate importance due to the low level of materiality.

RISK MINIMISATION

Extensive underwriting guidelines (criteria for the assumption of risks) have been implemented to minimise the health insurance underwriting risk by type of life insurance.

Health insurance underwriting risk by type of non-life insurance is lessened by transfer to reinsurance. In selecting reinsurers, subsidiaries must adhere to a safe list defined by the Reinsurance Security Committee. A reinsurer that does not appear on this list may only be selected after individual permission by the Reinsurance Security Committee.

Details on the subject of reinsurance are provided in the chapter of the same name beginning on page 311.

Market risk

Market risk refers to the risk of losses due to market price changes. Fluctuations of interest rates, share prices and exchange rates, as well as changes in the market value of real estate and participations, can adversely affect the value of investments and liabilities.

RISK MINIMISATION

Significant measures to lessen market risk include the diversification of assets and the existing limit system for capital investments at the level of the individual companies. Asset diversification reduces the risk of an adverse market development of an individual asset or class of assets. The limit structure prescribed for Asset Management by the Managing Board defines the maximum investment volumes per asset class. For more information on this subject, please refer to the remarks on the subject of the prudent person principle on page 304.

The desired diversification for the overall Group is additionally given by the fact that the operating companies operate with different products in different markets. Furthermore, care is taken to ensure that the portfolios within the individual companies are appropriately diversified.

Credit risk / counterparty default risk
Counterparty default risk is the risk of a loss or detrimental change in value of assets and financial instruments arising from an unexpected default of a counterparty or debtor. Credit risk is present both in capital investments such as bonds, loans and deposits and fundamentally also in other receivables and cash deposits in banks.

RISK MINIMISATION
VIG Insurance Group has implemented suitable procedures and controls to reduce the risk from receivables due from counterparties. Besides monitoring the ratings of banks and reinsurers and formulating internal bank ratings, such procedures and controls also include measures such as a well-aligned reinsurance programme, cooperation with prestigious brokers in key account business, a large number of sales partners, and Group-wide transfer pricing and underwriting guidelines. Also in relation to policyholders, the Group employs a large number of measures to limit counterparty default risk, including payment reminders, cooperation with collection agencies and contract termination upon payment default. Furthermore, insurance protection is usually terminated or reduced if premium payments are not made.

Liquidity risk
The liquidity risk is the risk arising from the lack of marketability of investments in order to meet current short-term or long-term obligations. This includes, for example, losses arising due to asset-liability mismatches.

RISK MINIMISATION
To minimise the liquidity risk, investments and liabilities are regularly analysed within the scope of the Liquidity Committee and the Asset Liability Management Committee of VIG Holding. Together with clear investment specifications (limit systems) and a conservative investment policy, this kind of analysis contributes to the appropriate management of liquidity risk.

The Group Treasury & Capital Management Department monitors cash flows on an ongoing basis and reports monthly on liquidity developments within the scope of the Liquidity Committee.

Additional details on the subject of liquidity management can be found on page 313.

Operational risk
Operational risk describes the risk of losses related to business operations. Such losses are caused by defective internal processes, defective controls, erroneous assessments or defective models. Examples of operational risks are fraud by third parties, the failure of IT systems or human error.

RISK MINIMISATION
For monitoring operational risks, VIG Insurance Group maintains an adequate internal control system (ICS), which helps to lessen existing risks and ensures ongoing monitoring of risks.

Strategic risk
The strategic risk includes, among other things, adverse business development as a result of incorrect business and investment decisions, poor communication and implementation of corporate objectives or a lack of adaptability of the company to the economic environment. Furthermore, conflicting business objectives are also a strategic risk.

RISK MINIMISATION
The clear communication of corporate objectives ensures that business decisions that have been made are implemented throughout the Group. The placement of Managing Board members and executives of the second management level on the supervisory boards of the subsidiaries ensures that Group objectives are implemented locally. The pursuit of a multi-branding strategy coupled with the high degree of autonomy of the local companies ensures that strategic risk is diversified.

Reputation risk
Reputation risk is the risk of negative changes in business due to damage to a company’s reputation. Reputation damage can undermine the trust that customers, investors or the company’s own employees place in the company and can therefore also lead to financial losses. Possible causes of reputation damage include lack of advice when selling products, lack of customer service, the provision of false information to investors, negative reports in the media particularly in connection with sustainability or other non-financial risks or reputation damage that spills from one company to another.

RISK MINIMISATION
In the process of recruiting new employees, careful attention is already given to their integrity and personal reliability. Employees working in sales or representative activities in particular are supported by special training measures. Moreover, the Code of Business Ethics sets out clear rules of conduct to be observed by all employees. Other risk-lessening measures besides employee-driven measures include investments in advertising to acquire new customers and retain existing customers in the long term, professional complaints management to address customers’ concerns and strong social and cultural engagement (e.g. Social Active Day, promotion of social events, sponsoring of art and culture).

In addition, the Investor Relations and CO^3 Departments are responsible for clear external communication in order to provide information to investors and comments on media reports.

Risk from intangible assets
The risk from intangible assets refers to the risk of a loss or detrimental changes in the value of intangible assets.

RISK MINIMISATION
The recoverability of intangible assets is regularly tested. No further risk minimisation measures are needed.

OTHER NOTES

Handling of sustainability risks
Sustainability risks are risks to which the company is exposed (outside-in perspective), as well as any risks arising from the business activity of VIG that could potentially have adverse effects on society or the environment (inside-out perspective). Such risks have always been taken into account implicitly or even explicitly in some cases within the scope of risk management.

To ensure a structured approach to the identification of sustainability risks in the Group and appropriately account for both perspectives, a Group-wide risk catalogue with explicit reference to sustainability risks has additionally been prepared in observance of the Guide to Handling Sustainability Risks published by the Austrian Financial Market Authority. The ESG-specific risk catalogue includes at least those risks that were identified as material risks as part of the consolidated double materiality assessment according to the ESRS (European Sustainability Reporting Standards). Furthermore, each of the identified risks that has an impact on VIG is assigned to a specific VIG risk category.

The VIG (re)insurance companies and—this year for the first time—the pension funds and asset management companies regularly review this risk catalogue for completeness as part of a standardised risk management process ("risk inventory") and supplement it if necessary. All VIG companies mentioned must evaluate the defined or newly added risks on a qualitative basis with regard to the risk and further development and describe any mitigation measures.

In the reporting year, the relevant sustainability risks were also identified and assessed at the VIG companies mentioned and at the level of the insurance group. Compared to the previous year, the number of identified risks has increased significantly. This increase is mainly due to the integration of the pension funds and asset management companies as well as to the continuing increase in awareness of the issue of sustainability in general. Overall, the analysis showed that VIG's sustainability risks are mostly on a low to medium level at the present time.

Regulatory conditions
VIG is subject to domestic and foreign (insurance) supervisory regulations. These regulations govern such matters as:

- Own funds of insurance companies and insurance groups,
- Admissibility of investments for the purpose of protecting underwriting provisions,
- Concessions of the different pension funds, insurance and asset management companies of VIG Insurance Group,
- Marketing activities and sales of insurance contracts, and
- Cancellation rights of policyholders.

Changes in the legal framework conditions could necessitate restructuring and thereby cause higher costs and duplicity. Different or subsequently different interpretations of legal texts or contradictory requirements can also lead to increased organisational effort and thus higher costs.

Concentration risk
Risk of concentration comprises those risks that are caused either by inadequate diversification of the investment portfolio or by heightened exposure to the default risks of individual issuers or group of affiliated issuers of securities.

A risk of concentration exists as part of the strategic partnership with the Erste Group, which is consciously accepted by VIG Insurance Group. The exposure is regularly assessed and monitored by means of the established risk management processes.

Risks from mergers and acquisitions
In the past, VIG Holding has directly or indirectly acquired a number of companies in Central and Eastern Europe or participated in them. Mergers of subsidiaries are considered when the synergy effects achieved are greater than the advantages of a diversified market presence.

Mergers and acquisitions often entail challenges with respect to corporate governance, organisation, processes and financing. Such challenges include:

- The need to integrate the infrastructure of the acquired company or company to be merged, including management information systems, risk management systems and controlling systems,
- The resolution of outstanding legal or regulatory issues and the related legal and compliance risks arising from the merger or acquisition,
- The integration of marketing, customer service and product offerings,
- The integration of different corporate and management cultures, and
- The coordination of business and reporting processes and the consideration of Group-wide requirements.

Climate risks
Global warming is causing more extreme weather events. That presents additional challenges for insurance companies that protect their customers from the financial consequences of damage caused by natural hazards. VIG has therefore increased its knowledge of this subject considerably in the last few years. It conducts scenario analyses to gain an idea of how climate change will affect claims development and therefore the insurance business. Regular internal risk analyses are also carried out on the medium and long-term effects of climate change. The analyses related to the consequences of global warming also pertain to transition risks, which are assessed primarily on a qualitative basis, and physical risks, which are additionally subjected to detailed quantitative analysis (see the table on page 311).

- Transition risks refer to the risks arising as a result of the transition to a climate-neutral and resilient economy and society and could lead to a devaluation of assets, including changes in the political and legal framework of the real economy (e.g. introduction of a CO^2 tax), technological developments (e.g. renewable energy, energy storage) and changes in consumer behaviour.
- Physical risks of climate change arise directly from the consequences of climate changes, such as an increase in the global average temperature and the associated occurrence of more frequent and more intensive natural disasters and extreme weather events such as floods, heat waves and droughts, storms and hail.

Internal and external experts working together assess the probabilities of natural disasters and calculate the possible effects in all key markets of VIG. They analyse scenarios involving three different temperature rises (1.5 degrees, 2.0 degrees and 3.0 degrees Celsius). The risk models applied are continually improved on the basis of new data, facts and insights such as the latest scientific studies or newly constructed flood protection measures, for example.

The scenario analyses show that flooding in particular is a significant risk for the activities of VIG. Besides the higher losses caused by flooding, damage can be expected from stronger hailstorms and summer storms. Whereas hail damage also has a significant effect on motor own damage insurance, flood damage affects the other property insurance lines of business to a greater degree. The underwriting expertise it has acquired helps VIG purchase the optimal reinsurance for assumed risks, among other things.

The table shows which natural hazards are relevant for VIG and which are influenced by climate change from a scientific standpoint:

Natural risk	Connected to climate change	Part of the VIG analysis	Background
Flooding	✓	✓	Science is expecting this risk to increase. The flood disaster "Bernd" that led to unexpectedly large losses in Germany in 2021 was a harbinger of climate change. So too was the most recent CEE flood event (September 2024), which resulted in very high damages for VIG before reinsurance.
Earthquakes	✗	✗	There are no relevant scientific findings that predict an increase in earthquake risk due to climate change.
Winter storms	~	✓	Scientific results concerning European winter storms are highly varied, especially with respect to the territorial effects (risk is expected to increase in some countries and decrease in others).
Hail and summer storms	✓	✓	As with flooding, science also expects this natural risk to increase. The events in 2021 (hail storm "Volker" in Austria and a tornado in the Czech Republic) show that weather events are also becoming more extreme. Another example is that the summer of 2023 was characterised by a large number of storms in Austria and neighbouring countries.
Snow loading	✓	✗	Global warming is expected to decrease snowfall in the longterm and therefore potentially reduces losses due to snow loading. In order to take a conservative approach, VIG did not include this in its analysis.
Drought and forest fires	✓	✗	Drought and forest fires currently play a secondary role due to VIG's geographical focus on the CEE region. To enhance risk awareness, the key regions at risk of forest fires are being identified and will be monitored.

Due to global warming, the prevention of damage caused by natural hazards in the underwriting process is becoming increasingly important. The management process for corporate customers and key accounts begins with a careful analysis of the natural hazard situation by the VIG partner company Risk Consult. Risks can be assessed with the aid of the latest natural hazard models together with information about the circumstances on location (e.g. protective measures that have already been implemented). On this basis, the experts of Risk Consult develop customised recommendations to improve the risk situation further and prevent damage. Insurance terms and conditions are derived from precisely this risk situation and in many cases the implementation of the proposed measures is the precondition for insuring the risks in question. Risk Consult analyses around 2,000 business establishments for VIG every year, thereby making an important contribution to making the economy more resilient against natural hazards.

All known climate risks have been included in the measurement of assets and liabilities in the present consolidated financial statements. In this context, reference is made to the storm and weather damage that occurred in the past financial year, which was taken into account in the balance sheet and income statement.

Reinsurance

VIG Insurance Group limits its potential liability from its insurance activities, where necessary by transferring a portion of assumed risks to the international reinsurance market. Risks of the insurance companies are reinsured within VIG Insurance Group to some extent and are then transferred to external reinsurers.

REINSURANCE GUIDELINE

The Reinsurance Guideline is drafted every year anew by the central Reinsurance Department in cooperation with the Managing Board member responsible for reinsurance during the development of the reinsurance strategy for the next financial year. It imposes the obligation on every insurance company to design appropriate reinsurance coverage for their local company in consultation with the Corporate Reinsurance Department. The Reinsurance Guideline governs the following points.

Reinsurance is the prerequisite for granting insurance protection

Specialised departments may only grant a binding promise to insure any risk over a certain limit if adequate reinsurance has already been assured.

Retentions

VIG Insurance Group generally takes a conservative approach to the conclusion of reinsurance in order to protect shareholders' equity from the adverse effects of underwriting risks. Obligatory reinsurance is designed such that the net retention does not exceed a certain proportion of the shareholder's equity of the company's non-life insurance business in accordance with local accounting principles.

In addition to the aforementioned aspects, the influence of the reinsurance structure and the retention on the net profit of the VIG company is measured when designing a reinsurance program in order to reduce the volatility of the insurance results and to stabilise the net combined ratio.

Selection of reinsurers: Diversification

VIG Holding and its subsidiaries spread their reinsurance protection among a large number of different international reinsurance companies, which have adequate creditworthiness in the opinion of VIG Holding to minimise the risk of insolvency on the part of a reinsurer (credit risk). The monetary limit per reinsurer is individually specified for each subsidiary.

Selection of reinsurers: Rating

For those lines of business in which claims are settled on a long-term basis, especially motor third party liability insurance, general third party liability insurance and aviation insurance, VIG Insurance Group uses reinsurers with excellent ratings (at least Standard & Poor's rating "A", preferred "AA" or higher rating), that can be expected to remain in business over the long term with a high degree of probability. For lines of business in which claims must be settled quickly (e.g. natural disasters, fire, engineering, transport, storm, burglary, household, water damage, motor own damage), in which the number of reinsurers is greater, the preferred Standard & Poor's rating is "A" or higher. Reinsurers with lower ratings are only accepted in a few isolated cases for a limited period of time.

Design of reinsurance programmes

If economically justifiable, reinsurance coverage may be purchased from external reinsurers by each subsidiary individually. If individual reinsurance contracts can be purchased by each subsidiary only at uneconomical terms, VIG Insurance Group will seek a joint placement of reinsurance contracts as much as possible to cover risks from the coverage of natural catastrophes, property lines of business, casualty, transport, aviation and motor liability. Internal reinsurance assumptions within the Group are also transferred to the reinsurance market by retrocession when necessary for risk diversification purposes.

Liquidity management
VIG Insurance Group manages its liquidity on the basis of guidelines resolved by the Managing Board of VIG Holding. Liquidity planning is basically the responsibility of every subsidiary and VIG Holding itself. VIG Holding as the parent company handles the allocation of capital for the entire VIG Insurance Group. This ensures the efficient distribution of capital within VIG Insurance Group. It also enables VIG Holding to ensure that the targeted liquidity and equity resources are available both at the level of VIG Insurance Group and at the level of the individual operating entities.

The greater part of liquid funds for ongoing business activity derives from premium income from primary insurance and from ongoing investment income and proceeds from the sale of investments. On the cost side, expenses are incurred for claim payments in property and casualty insurance and benefit payments in life and health insurance. The remaining balance of liquid funds is used to pay insurance acquisition costs and operating expenses.

The maturity structure of the insurance business provides a natural liquidity cushion. In contrast to the collection of premiums, VIG Insurance Group grants insurance coverage for a certain period during which there are no direct cash outflows until the occurrence of an insured event. This liquidity cushion is invested during this time to generate investment income. Some of these funds are kept in liquid assets to allow for rapid conversion into cash to pay claims. In addition, the bond portfolio in particular is structured in such a way that it will mature at a time when the corresponding funds are expected to be needed. External factors such as the performance of capital markets and the level of interest rates influence the liquidity situation insofar as they either favour or restrict the ability to sell the investment portfolio at market value.

The time, frequency and size of insured claims are also important for the liquidity situation of property and casualty insurance. The number of insurance contract renewals also plays a role.

The liquidity requirement of life insurance is generally influenced by the development of actual mortality in comparison with the assumptions on which the underwriting provisions are based. Market returns or minimum interest rates and the behaviour of life insurance customers, such as the number of policies surrendered or terminated, also have an effect on liquidity needs.

Capital management
In the interest of our shareholders and insurance customers, it is our goal that VIG Holding be adequately capitalised at all times and that all the operating insurance companies at least fulfil their respective regulatory capital requirements. VIG Holding is historically a very well capitalised company by virtue of its successful business strategy. Preserving this good capital strength is especially important to us so that we can seize profitable growth opportunities and absorb even large loss or damage events and high capital market volatilities.

STANDARD & POOR'S RATING
VIG Holding also attaches particular importance to maintaining a permanently strong credit rating from the rating agency Standard & Poor's (S&P), therefore it regularly undergoes the S&P assessment. S&P uses its own capital model to assess the relationship between the required risk capital and the available capital base of an enterprise. The criteria underlying the capital model were updated by S&P at the end of 2023. VIG maintains a capital buffer under the revised criteria, even in an extreme stress scenario, and with the highest confidence level of 99.99%. S&P confirmed the "A+" rating, combined with a "stable" outlook, in November 2024.

The subordinated bonds issued in 2015 (EUR 214.4 million Tier 2 outstanding, first call date 2 March 2026), in 2017 (EUR 200 million Tier 2, first call date 13 April 2027) and in 2022 (EUR 500 million Tier 2, first call date 15 June 2032) are rated "A-" by S&P. The senior subordinated bond issued in 2021 (EUR 500 million, 15-year term, repayable at maturity) is rated "A" by S&P, not creditable for S&P.

ACTIVE CAPITAL MANAGEMENT

VIG Holding monitors its capital position on the basis of the criteria listed above and implements appropriate measures to further improve the capital structure and permanently strengthen the company's capital and solvency position. VIG Holding has set itself the goal of keeping the solvency ratio at least at the current level in all insurance companies of the Group, despite the targeted growth. At the Solvency II Group level, VIG Holding has defined a solvency corridor of 150% to 200% of the solvency ratio, this range having been specified without claiming the transitional rules for underwriting reserves claimed by the individual group companies.

The main focus of capital management is on subordinated long-term liabilities with an equity character. The Group Treasury & Capital Management Department constantly observes the developments in the capital markets, paying particular attention to the development of bonds with an equity character in the European insurance sector. New capital instruments developed for insurance companies in the capital market are reviewed to see if they can be used for VIG Holding.

EQUITY BASE

As of 31 December 2024, share capital of EUR 132,887,468.20 was registered in the commercial register, divided into 128,000,000 no-par value bearer ordinary shares with voting rights. VIG Holding held no own shares on 31 December 2024 (31 December 2023: none). In addition, VIG Holding can, according to the authorisation by the shareholders, increase its shareholders' equity by issuing common or preferred shares. The individual authorisations are listed in Note 24.10. Consolidated shareholders' equity from page 292 onward.

As of 31 December 2024, the solvency ratio of VIG Insurance Group as defined by Solvency II was 260.74% (31 December 2023: 268.90%).

LONG-TERM DEBT FINANCING

VIG Insurance Group had outstanding subordinated bonds with differing maturities as of 31 December 2024. Detailed information on the bonds programme of VIG Insurance Group is provided in Note 8.2. Subordinated liabilities starting on page 223. The maturity structure shows that VIG Insurance Group places an emphasis on subordinated liabilities, which are creditable as equity. General conditions in the capital markets and other circumstances that are affecting either the financial services sector as a whole or VIG Insurance Group in particular could have a detrimental effect on funding costs and the availability of debt capital. The goal, therefore, is to actively manage the capital structure to keep refinancing risks as low as possible.

The Solvency II regime contains a number of measures to ensure a smooth transition from the Solvency I framework. In particular, hybrid own-fund items issued under Solvency I were grandfathered for ten years to allow the capital composition to be adapted to the Solvency II standard. Such instruments will lose their risk-bearing capacity after this transitional period, by 31 December 2025 at the latest.

DECLARATION BY THE MANAGING BOARD

We declare to the best of our knowledge that the consolidated financial statements prepared in accordance with applicable accounting standards give a true and fair view of the Group's net assets, financial position and results of operations, that the Group management report presents the business development, result and position of the Group so as to give a true and fair view of its net assets, financial position and results of operations. The Group management report describes the material risks and uncertainties to which the Group is exposed and was prepared in accordance with the standards for sustainability reporting pursuant to Art. 29b of EU Directive 2013/34 (Accounting Directive) and the specifications adopted in accordance with Art. 8 (4) of EU Regulation 2020/852 (Taxonomy Regulation).

The declaration for the annual financial statements of the VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe is issued in the financial report of this company.

The present consolidated financial statements for the financial year 2024 were approved for publication by a resolution of the Managing Board on

25 March 2025.

Hartwig Löger
General Manager (CEO),
Chairman of the Managing Board

Peter Höfinger
Deputy General Manager,
Deputy Chairman of the Managing Board

Liane Hirner
CFRO, Member of
the Managing Board

Gerhard Lahner
COO, Member of
the Managing Board

Gábor Lehel
CIO, Member of
the Managing Board

Harald Riener
Member of
the Managing Board

Christoph Rath
Deputy Member of
the Managing Board

AUDITOR’S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit Opinion
We have audited the consolidated financial statements of

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Vienna, Austria,

and its subsidiaries ("the Group"), which comprise the Consolidated Balance Sheet as of 31 December 2024, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) as well as other legal or regulatory requirements.

Basis for our Opinion
We conducted our audit in accordance with the Regulation (EU) No. 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor’s Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor’s report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

RECOVERABILITY OF GOODWILL
Refer to notes 3. Goodwill on pages 216ff, Material estimates and discretionary decisions – 23.4. Impairment of goodwill on page 259 and Accounting policies – 24.5. Goodwill on pages 286ff.

Risk for the Consolidated Financial Statements
The recoverability of goodwill recognized in the Consolidated Financial Statements of the Vienna Insurance Group amounting to EUR 1,239.9 million, is monitored separately at country level. At least once a year and in case of a triggering event on an ad hoc basis Vienna Insurance Group performs a recoverability test (the so-called impairment test) of the recorded goodwill amounts.

Impairment testing of goodwill is complex and based on a number of estimates and discretionary factors. Those factors include in particular the expected future cash flows of the individual countries, which are primarily based on past experience as well as on the management's assessment of the expected market environment and the future business development. Other factors are the assumed long-term growth rate as well as the underlying region-specific costs of capital.

Our Response

We have carried out the following main audit procedures in connection with the recoverability of goodwill:

- We have assessed the appropriateness of key assumptions, of discretionary decisions and of the valuation method applied for impairment testing.
- We have reconciled the expected future cash flows used in the calculation with the strategic business planning approved by the management. We used analytical procedures to verify the plausibility of the detailed planning for future years.
- Furthermore, we have dealt with the key planning assumptions and analysed consistency of the assumptions regarding the market development to general and sector-specific market expectations.
- We have backtested the consistency of planning data using information from prior periods.
- Given that minor changes in the applied cost of capital rate significantly impact the recoverable amount of the cash generating units, we have, together with our valuation specialists, assessed the determination of the applied cost of capital rate and comprehended the derivation of the underlying parameters.
- By means of our own sensitivity analysis we have determined whether the tested book values are still sufficiently covered by the recoverable amounts in case of possible changes in the assumptions within a realistic range.
- Additionally, we have assessed whether the disclosures in the notes with respect to the recoverability of goodwill are appropriate.

ADEQUACY OF INSURANCE CONTRACTS ASSETS AND LIABILITIES ISSUED

Refer to Notes 1. Insurance contracts on pages 174ff, Material estimates and discretionary decisions – 23.1. (Re-)insurance contracts on pages 254ff and Accounting policies – 24.3. (Re-)insurance contracts on pages 263ff.

Risk for the Consolidated Financial Statements

The recognized insurance contracts assets issued as of the balance sheet date amount to 299,9 million EUR and insurance contracts liabilities issued amount to 39,598.1 million EUR. The valuation of insurance contract liabilities is complex. The assumptions underlying the valuation rely on numerous estimates and discretionary factors.

The uncertainties associated with these assumptions pose a risk to the financial statements, as changes in the assumptions can have significant impacts on the amount of liabilities and the result of the period.

Our Response

In our audit of the adequacy of insurance contract assets and liabilities issued our own actuaries and IT specialists were part of the audit team. We performed the following significant audit procedures:

- We gained an understanding of the processes and internal controls implemented in the company and tested the effectiveness of selected internal controls.
- We tested the general IT controls of the relevant systems.

- We examined the adequacy of significant assumptions, judgments, and the applied valuation and calculation models.
- For Non-life insurance, we conducted actuarial recalculations of the provision for outstanding claims in samples.
- For the valuation models “General Measurement Model” and “Variable Fee Approach” we also performed recalculations of the rollforward of the Contractual Service Margin in samples.
- Finally, we evaluated the adequacy of the disclosures in the consolidated financial statements regarding insurance contracts assets and liabilities issued.

Other Information
Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor’s report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) as well as other legal or regulatory requirements and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate,

they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor’s report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

REPORT ON OTHER LEGAL REQUIREMENTS

Group Management Report
In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

It is our responsibility to determine whether the consolidated non-financial statement has been prepared as part of the group management report, to read and assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

Management is responsible for the preparation of the group management report in accordance with Austrian company law and other legal or regulatory requirements.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

OPINION
In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

STATEMENT
Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Additional Information in accordance with Article 10 AP Regulation
We were elected as auditors at the Annual General Meeting on 26 May 2023 and were appointed by the supervisory board on 20 June 2023 to audit the financial statements of the Vienna Insurance Group for the financial year ending on 31 December 2024.

On 24 May 2024 we were elected as auditors for the financial year ending on 31 December 2025 and were appointed by the supervisory board on 26 June 2024 to audit the financial statements.

We have been auditors of the Vienna Insurance Group, without interruption, since the consolidated financial statements of 31 December 2013.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

ENGAGEMENT PARTNER

The engagement partner is Mr Thomas Smrekar.

Vienna, 25 March 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Thomas Smrekar
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.
The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report.
Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

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INDEPENDENT ASSURANCE REPORT ON THE NON-FINANCIAL REPORTING PURSUANT TO SECTION 243B AND 267A UGB

We have performed a limited assurance engagement in the connection with the consolidated non-financial reporting pursuant to Section 243b and 267a UGB (hereafter "non-financial reporting") in the Group management report in section Consolidated non-financial report for the financial year 2024 of the

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Vienna,
(hereinafter also referred to as "VIG" or "Company").

CONCLUSION WITH LIMITED ASSURANCE

Based on our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial reporting pursuant to Section 243b and 267a UGB (hereafter "non-financial reporting") in the Group management report in section Consolidated non-financial report is not prepared, in all material respects, in compliance with:

- the statutory provisions of Art. 19a and 29a of Directive 2013/34/EU,
- the statutory provisions of the Austrian Sustainability and Diversity Improvement Act (Sections 243b and 267a of the Austrian Commercial Code (UGB)),
- the reporting requirements according to Article 8 of the EU Regulation 2020/852 (hereinafter referred to as "EU-Taxonomy-Regulation"),
- the requirements of the delegated regulation (EU) 2023/2772 (hereinafter referred to as "ESRS"), and
- the process carried out by the company to identify the information to be included in the consolidated non-financial reporting in accordance with the legal requirements and standards for non-financial reporting (hereinafter referred to as "double materiality assessment process"); with the description set out in disclosure ESRS 2 - General Disclosure Requirements IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

in the currently valid version.

BASIS FOR CONCLUSION WITH LIMITED ASSURANCE

Our limited assurance engagement on the non-financial reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance enagement"), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the "Responsibility of the auditor of the consolidated non-financial reporting" section of our assurance report.

We are independent the Group in accordance with the Austrian professional regulations and Art. 22 ff. AP- RL and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises all information included in the Annual Report but does not include non-financial reporting and our independent assurance report.

Our conclusion on the non-financial reporting does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the non-financial reporting, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the non-financial reporting or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

RESPONSIBILITY OF THE MANAGEMENT

Management is responsible for the preparation of a non- financial reporting including the determination and implementation of the double materiality assessment processes in accordance with legal requirements and standards. This responsibility includes:

- identification of the actual and potential impacts, as well as the risks and opportunities associated with sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- preparing of a non-financial reporting in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act pursuant to section 243b and 267a UGB, and the statutory provisions of Art. 19a and 29a of Directive 2013/34/EU,] including compliance with the ESRS,
- inclusion of disclosures in the [consolidated] non-financial reporting in accordance with the EU-Taxonomy-Regulation, and
- designing, implementing and maintaining of internal controls that management consider relevant to enable the preparation of sustainability report that is free from material misstatement, whether due to fraud or error; and to enable the double materiality assessment process to be carried out in accordance with the requirements of the ESRS.

This responsibility includes also the selection and application of appropriate methods for non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

INHERENT LIMITATIONS IN THE PREPARATION OF NON-FINANCIAL REPORTING

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU-Taxonomy-Regulation, the management is obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also regarding the legal conformity of their interpretation and are therefore subject to uncertainties.

RESPONSIBILITY OF THE AUDITOR OF THE CONSOLIDATED NON-FINANCIAL REPORTING

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the non-financial reporting, including the procedures performed to determine the information to be reported and the reporting in accordance with the EU-Taxonomy, is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this non-financial reporting.

In a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

Our responsibilities include

- performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Group's internal controls;
- design and perform assurance procedures responsive to disclosures in the non-financial reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

PROCEDURES - SUMMARY OF THE WORK PERFORMED

A limited assurance engagement involves performing procedures to obtain evidence about the non-financial reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the non-financial reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the non-financial reporting, we proceed as follows:

- We obtain an understanding of the company's processes relevant to the preparation of non-financial reporting.
- We assess whether all relevant information identified by the double materiality assessment process carried out by the company has been included in the non-financial reporting.
- We evaluate whether the structure and presentation of the non-financial reporting is in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act as of section 243b and 267a UGB, including the ESRS.
- We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the non-financial reporting.

- We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the non-financial reporting.
- We reconcile selected disclosures in the non-financial reporting with the corresponding disclosures in the consolidated financial statements and Group management report.
- We obtain evidence on the methods for developing estimates and forward-looking information.
- We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in non-financial reporting.

LIMITATION OF LIABILITY, PUBLICATION AND TERMS OF ENGAGEMENT

This limited assurance engagement is a volunatary assurance engagement. We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the "General Conditions of Contract for the Public Accounting Professions" issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at https://ksw.or.at/berufsrecht/mandatsverhaeltnis/). With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

Our assurance report may only be distributed to third parties together with the consolidated non-financial reporting contained in the Consolidated non-financial report section of the group management report and only in complete and unabridged form.

AUDITOR RESPONSIBLE FOR THE ASSURANCE ENGAGEMENT

The auditor responsible for the assurance engagement of the non-financial reporting is Thomas Smrekar.

Vienna, 25 March 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Thomas Smrekar
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

List of abbreviations

Abbreviation	Full company name
365.life	KOOPERATIVA, d.s.s., a.s.
Aegon Life	AEGON TOWARZYSTWO UBEZPIECZEŃ NA ŻYCIE SPÓŁKA AKCYJNA
Alfa (Hungary)	Alfa Vienna Insurance Group Biztosító Zrt.
APEIRON	APEIRON Biologics AG
Asirom	Asigurarea Românească - ASIROM Vienna Insurance Group S.A.
Asset Management Hungary	VIG Befektetési Alapkezelő Magyarország Zártkörűen Működő Részvénytársaság
Beesafe	BEESAFE SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA
BCR Life	BCR Asigurări de Viață Vienna Insurance Group S.A.
Beteiligungs- und Wohnungsanlagen GmbH	Beteiligungs- und Wohnungsanlagen GmbH
BTA Baltic	BTA Baltic Insurance Company AAS
Bulstrad Life	"BULSTRAD LIFE VIENNA INSURANCE GROUP" EAD
Bulstrad Non-Life	INSURANCE ONE-SHAREHOLDER JOINT-STOCK COMPANY BULSTRAD VIENNA INSURANCE GROUP EAD
Carpathia Pensii	CARPATHIA PENSII-SOCIETATE DE ADMINISTRARE A FONDURILOR DE PENSII PRIVATE S.A.
Compensa Life (Poland)[1)]	Compensa Towarzystwo Ubezpieczeń Na Życie S.A. Vienna Insurance Group
Compensa Life (Estonia)[1]	Compensa Life Vienna Insurance Group SE
Compensa Non-Life (Lithuania)[1]	"Compensa Vienna Insurance Group", ADB
Compensa Non-Life (Poland)[1]	Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group
Corvinus	Corvinus Nemzetközi Befektetési Zrt.
ČPP	Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group
Digital Impact Labs Leipzig	Digital Impact Labs Leipzig GmbH
Donaris	Compania de Asigurări "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni
Donau Versicherung	DONAU Versicherung AG Vienna Insurance Group
DTA	Deferred tax asset
DTL	Deferred tax liabilities
Erste Group	Erste Group Bank AG
GPIH	Joint Stock Company Insurance Company GPI Holding
InterRisk	InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group
InterRisk Life	InterRisk Lebensversicherungs-AG Vienna Insurance Group
InterRisk Non-Life	InterRisk Versicherungs-AG Vienna Insurance Group
Intersig	INTERSIG VIENNA INSURANCE GROUP Sh.A.
IRAO	Joint Stock Company International Insurance Company IRAO
ISTCube	IST cube (EuVECA) GmbH & Co KG
Kniazha	PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIAZHA VIENNA INSURANCE GROUP"
Kniazha Life	PRIVATE JOINT-STOCK COMPANY "INSURANCE COMPANY "KNIAZHA LIFE VIENNA INSURANCE GROUP"
Komunálna	KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group
Kooperativa (Slovakia)[1]	KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group
Kooperativa (Czech Republic)[1]	Kooperativa pojišťovna, a.s., Vienna Insurance Group
KPMG	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Health	Health insurance
Life	Life insurance
Makedonija Osiguruvanje	Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje - Vienna Insurance Group
n/a	not applicable
Omniasig	OMNIASIG VIENNA INSURANCE GROUP S.A.
Österreichisches Verkehrsbüro AG	Österreichisches Verkehrsbüro Aktiengesellschaft
PAC Doverie	Pension Assurance Company Doverie AD
Pereca 11 Sp.z.o.o.	Pereca 11 Spółka z ograniczoną odpowiedzialnością
Plug and Play	Plug and Play Austria GmbH
Ray Sigorta	Ray Sigorta A.Ş.
Property/Casualty	Property and casualty insurance
Seesam	Seesam Insurance AS
Sigma Interalbanian	Sigma Interalbanian Vienna Insurance Group Sh.a
Standard & Poor's (S&P)	Standard & Poor's Financial Services LLC, New York City
TUW "TUW"	Towarzystwo Ubezpieczeń Wzajemnych „TUW"

Abbreviation	Full company name
Union Biztosító	UNION Vienna Insurance Group Biztosító Zrt.
USG	Private Joint-Stock Company " Insurance Company "USG "
VBV - Betriebliche Altersvorsorge AG	VBV - Betriebliche Altersvorsorge AG
VENPACE	INSHIFT GmbH & Co. KG
Vienna Life (Poland)[1]	Vienna Life Towarzystwo Ubezpieczeń na Życie S.A. Vienna Insurance Group
Vienna osiguranje (Bosnia and Herzegovina)[1]	Insurance Company Vienna osiguranje d.d., Vienna Insurance Group
Vienna PTE	VIENNA POWSZECHNE TOWARZYSTWO EMERYTALNE SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP
Vienna-Life (Liechtenstein)[1]	Vienna-Life Lebensversicherung AG Vienna Insurance Group
Viennalife (Türkiye)	VİENNALİFE EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ
viesure	viesure innovation center GmbH
VIG Fund	VIG FUND, a.s.
VIG Holding[2]	VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe
VIG Re	VIG RE zajišťovna, a.s.
VIG/C-QUADRAT	VIG/C-QUADRAT TOWARZYSTWO FUNDUSZY INVESTYCYJNYCH SPÓŁKA AKCYJNA
VIG, VIG-Group, VIG-insurance group	All consolidated group companies.
Wiener Osiguranje (Bosnia and Herzegovina)[1]	Wiener Osiguranje Vienna Insurance Group ad
Wiener Osiguranje (Croatia)[1]	Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje
Wiener Re	WIENER RE akcionarsko društvo za reosiguranje
Wiener Städtische	WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group
Wiener Städtische Osiguranje (Serbia)[1]	WIENER STÄDTISCHE OSIGURANJE akcionarsko drustvo za osiguranje
Wiener Städtische Versicherungsverein	Wiener Städtische Wechselseitiger Versicherungsverein - Vermögensverwaltung - Vienna Insurance Group
Wiener TU	WIENER TOWARZYSTWO UBEZPIECZEŃ SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP
Winner Life	Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group
Winner Non-Life	Joint Stock Insurance Company WINNER-Vienna Insurance Group

[1] Country names in parentheses are added if there is more than one company with the same abbreviated name and it is not clear from the context which one is intended. The context is assumed to be clear, for example, if the name is used in a description of activities taking place within a country.

[2] Used when referring to the listed individual company.

Service information

Glossary

Affiliated companies
The parent company and its subsidiaries are considered to be affiliated companies if the parent company is able to exert control over the business policies of the subsidiary. Examples of this are where the parent company can affect variable returns from the subsidiary, a controlling agreement exists or it is possible to appoint the majority of the Members of the Managing Board or other executive bodies of the subsidiary.

Asset and liability management (ALM)
ALM refers to taking both assets and liabilities into account when implementing strategic decisions in order to achieve optimal company results. ALM is therefore needed for determining and managing the risk capital required, matching assets and liabilities (duration, cash flow and income matching) as well as optimising investments and reinsurance.

Austrian Commercial Code (UGB)
The Austrian Commercial Code (UGB) includes commercial law provisions applicable companies. These include company law, accounting regulations, special civil law provisions and regulations on corporate transactions.

Baltic states
The Baltic states consist of the countries Estonia, Latvia and Lithuania.

Business operating result
The business operating result is included as a subtotal in the income statement in order to show the operating financial performance of the Group. The business operating result is before taxes and excludes the items "Impairments of intangible assets" and "Reversal of impairments of intangible assets".

Cash flow statement or cash flow
The cash flow statement presents the changes in cash and cash equivalents during a financial year, broken down into the three areas of ordinary activities, investing activities, and financing activities. The aim is to provide information on the financial strength of the company.

Central and Eastern Europe (CEE) and CEE markets
The VIG 25 strategic programme distinguishes between CEE markets and special markets in the country portfolio. The 20 CEE markets include: Albania, Austria, Croatia, Bosnia-Herzegovina, Bulgaria, the Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Moldova, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine. Note that differences may exist between this definition and the definition of CEE used by other companies, financial institutions (e.g. IMF, OECD, WIFO, IHS), etc. There are branch offices in some countries that are managed by companies assigned to other reportable segments.

Combined ratio (net), net combined ratio
The net combined ratio is calculated by dividing insurance service expenses net (after deduction of reinsurance) by insurance service revenue net in the property and casualty insurance.

Consolidation
The financial statements of the parent company and those of the subsidiaries are combined when the consolidated financial statements are prepared. During this process, intragroup equity interests, interim results, receivables and payables and income and expenses are eliminated.

Contractual Service Margin (CSM)
The contractual service margin (CSM) is a component of the asset or liability for the group of insurance contracts that represents the unearned profit a subsidiary will recognise as it provides services in the future. In each period, an amount of the CSM for a group of insurance contracts is recognised in profit and loss as insurance service revenue to reflect the insurance contract services provided under the group of insurance contracts in that period.

Corporate Sustainability Due Diligence Directive (CSDDD)
The Corporate Sustainability Due Diligence Directive (CSDDD) is intended to oblige EU and non-EU companies to carry out due diligence with regard to the environment and human rights in their operations, subsidiaries and along the value chains. It is currently being negotiated between the EU institutions.

Corporate Sustainability Reporting Directive (CSRD) & European Sustainability Reporting Standards (ESRS)
The Corporate Sustainability Reporting Directive (CSRD) is an EU directive on sustainability reporting and the further development of the Non-Financial Reporting Directive (NFRD). In addition to the directive itself, detailed specifications for the content of reporting have also been developed. These are described in the European Sustainability Reporting Standards (ESRS).

Derivative financial instruments (derivatives)
Derivatives are financial instruments whose value depends on the price of an underlying asset. Derivatives can be classified systematically according to the nature of the underlying assets (interest rates, share prices, currency rates or commodity prices). Options, futures, forwards and swaps are examples of derivative financial instruments.

Earnings per share (undiluted/diluted)
The ratio of consolidated profit for the year divided by the average number of shares issued. The diluted earnings per share include convertible securities that have been exercised, or are still available for exercise, in the calculation of the number of shares and profit for the year. The convertible securities consist of convertible bonds and stock options.

Environmental Social Governance (ESG)
ESG stands for the Environment, Social and (responsible) Governance sustainability criteria. The term describes the degree to which a company takes these factors into account, as well as an investment approach that can be used to select potential investments.

Equity method
This method is used to recognise interests in associated companies that do not meet the criteria for full consolidation. The carrying amount generally corresponds to the Group's share of the shareholders' equity of these companies or subgroups. As part of ongoing measurement, the carrying amount is adjusted for the pro rata changes in shareholders' equity. The pro rata annual results are added to the Group result and any profit distributions paid are deducted.

European Financial Reporting Advisory Group (EFRAG)
The European Financial Reporting Advisory Group (EFRAG) is a private association founded with the support of the European Commission. EFRAG is responsible both for influencing the development of IFRS standards from a European perspective and for developing drafts for EU standards on sustainability reporting.

Fair value
The value of a financial instrument that is observable on the market or can be calculated using a theoretical price model taking into account price-determining factors.

Fair Value Approach (FVA)
The fair value approach is a simplified method of determining the CSM and/or loss components for groups of insurance contracts at the transition date. The CSM or the loss component of the liability for remaining coverage (LRC) at the transition date is determined as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date.

Fulfilment Cash Flows (FCF)
The fulfilment cash flow comprises unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risks.

Full Retrospective Approach (FRA)
This is the application of accounting rules as if they had always applied in the past. Under the full retrospective approach of IFRS 17, the respective regulations of the PAA, VFA or GMM are applied to calculate the underwriting liabilities.

General Data Protection Regulation (GDPR)
Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data has been in force since 25 May 2018 and is directly applicable within the European Union. The GDPR standardised the rules for the processing of personal data by private-sector companies and public bodies throughout the EU. The primary objectives of the GDPR are data security and the

strengthening of the fundamental rights and freedoms of natural persons. In Austria, the GDPR was implemented by the Austrian Data Protection Amendment Act 2018 (Datenschutz-Anpassungsgesetz 2018), which extensively amended the Data Protection Act 2000 (Datenschutzgesetz 2000).

General Measurement Model (GMM)
With the general measurement model, the basic model of IFRS 17, profit is recognised as part of liability for remaining coverage (LRC) at inception. The profit margin is shown in the income statement over the term of the contract. This profit margin is referred to as the "contractual service margin" (CSM). The general measurement model is applicable to all types of contracts unless otherwise stated.

Gross domestic product (GDP)
GDP is a measure of the economic output of a country. All goods and services produced or provided within a country (by citizens or foreigners) during a specified period, are evaluated at current prices (market prices) or constant prices (prices in a certain base year). By using a constant price level in the calculations, price increases can be eliminated so that the figures presented over time are independent of inflation. GDP at constant prices is also known as real GDP.

Gross written premiums based on IFRS 17
Gross written premiums comprise the set premiums plus policyholder collateral payments, but not including insurance and fire service taxes reduced by premiums cancelled during the financial year.

Gross/net
In insurance terminology, "gross/net" means before or after deduction of reinsurance ("net" is also referred to as "for own account" or "retention"). In connection with income from participations, the term "net" is used when the corresponding expenses (e.g. depreciation or losses from disposal) have already been deducted from the income. The (net) income from participations therefore shows the result from these interests.

Insurance density
Annual per capita insurance premiums, used as an indicator for the state of development of a country's insurance sector.

Insurance Distribution Directive (IDD)
Directive 2016/97/EU, also referred to as the Insurance Distribution Directive, has been applicable within the European Union since 1 October 2018. The IDD affects all aspects of the insurance business, including the recruiting of insurance distributors entailing training and advanced training, product development, the advisory process including wide-ranging duties to provide information, the distribution of standardised information sheets, the handling of conflicts of interest and compensation.

Insurance finance result
The insurance finance result comprises changes in the book value of the group of insurance contracts. These changes arise from the effect of the time value of money and of the financial risk, excluding any such changes for groups of insurance contracts with direct participation features that would adjust the CSM but do not do so because the groups of contracts are onerous. These are included in insurance service expenses.

Insurance service revenue – issued business
The insurance service revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which it is expected to be entitled in exchange for those services.

Insurance supervisisory authority
The Austrian insurance supervisory authority is a part of the Austrian Financial Market Authority (FMA) that was established as an independent authority in April 2002. Its supervision extends to private-sector insurance companies with registered offices in Austria.

International Accounting Standards (IAS)
IAS are international accounting standards – see also International Financial Reporting Standards.

International Financial Reporting Standards (IFRS)
The IFRS are international finanacial reporting standards. Since 2002, the term IFRS has been used for the overall frameworks of standards adopted by the International Accounting Standards Board (IASB). Standards that were previously adopted, however, are still cited as IAS.

Investment result
The investment result is the sum of all changes in financial instruments recognised in the income statement.

Liability for Incurred Claims (LIC)
For the non-life business, the liability for incurred claims (LIC) is a major component of the recognition of insurance contracts. Here, the ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The main assumption underlying these techniques is the use of past claims development experiences to project future claims development and hence ultimate claims costs.

Liability for Remaining Coverage (LRC)
For a group of contracts that is not onerous at initial recognition, the liability for remaining coverage is measured as: the premiums, if any, received at initial recognition, minus any insurance acquisition costs at that date, plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition costs and any other asset or liability previously recognised for cash flows prior to the recognition of the group of insurance contracts.

Market capitalisation (stock market value)
This equals the value of a stock corporation calculated by multiplying the current stock exchange price by the total number of shares issued.

Nordics
Nordics includes the countries of Denmark, Norway, Sweden and Finland. VIG Holding is represented by branches in Denmark, Norway and Sweden. The EU freedom to provide services allows customers to also be served in Finland. Note that differences may exist between this definition and the definition of Nordics or Northern Europe used by other companies, financial institutions (e.g. IMF, OECD, WIFO, IHS), etc.

Operating Return on Equity (Operating RoE)
Operating return on equity measures the profitability of the Insurance Group. This ratio is calculated by dividing the business operating result by the average shareholders' equity. For this purpose, shareholders' equity is adjusted by the reserve for unrealised gains and losses is used.

Organic growth
Organic growth is the growth of a company resulting from the company's own financial strength. Such growth is therefore not the result of purchasing other companies.

Own Risk and Solvency Assessment (ORSA)
Under Article 45 of Directive 2009/138/EC, every insurance company must perform the Own Risk and Solvency Assessment (ORSA) as part of its risk management system.

Premium
Agreed fee paid in exchange for the assumption of risk by an insurance company.

Premium Allocation Approach (PAA)
The premium allocation approach (PAA) makes it easier to calculate the liability for remaining coverage (LRC) than the general measurement model. This model can be used for short-term insurance contracts and insurance contracts with similar measurement results compared to the GMM.

Present value
The present value of future cash flows, calculated by discounting future cash flows at a certain interest rate.

Present Value of Future Cash Flows (PVFCF)
Future cash flows are estimated considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

Price-earnings ratio (PE ratio)
A financial ratio for evaluating shares. The PE ratio is the ratio of the share price to the earnings per share in a reference period, or to the expected earnings per share in a future period. If

the reference period is defined as one year, the PE ratio is the end-of-year price divided by the earnings per share in that year.

Rating
A rating is an evaluation on a scale of the creditworthiness of a debtor (countries, companies, etc.) often carried out by a specialised rating agency. Also see Standard and Poor's.

Reinsurance
Reinsurance is when an insurance company insures a portion of its risk with another insurance company.

Risk Adjustment (RA)
The risk adjustment for non-financial risks represents the compensation required for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment therefore reflects an amount that an insurance company would pay to remove the uncertainty about whether future cash flows will exceed the best estimate.

Risk management (RM)
The RM tasks consist of identifying, evaluating, analysing and managing the company's opportunities and risks.

Risk-bearing portfolio
The risk-bearing portfolio summarises cash and cash equivalents, financial assets, investments in associates, investment property as well as owner-occupied property.

Single premium
A single premium is a special type of premium payment for life insurance in which a self-chosen amount is paid as a single premium at the beginning of the policy.

Solvency II
Solvency II is a legal directive applicable in Europe for the capital adequacy of insurance companies. It concerns methods for risk-based management of the overall solvency of insurance companies and also includes qualitative elements (e.g. internal risk management).

Special Markets
There is a distinction between special markets that are reportable segments under IFRS 8 and special markets according to the country portfolio for the VIG 25 strategic programme. The ten special markets according to the country portfolio include: Denmark, Germany, Liechtenstein, Italy, Norway, Türkiye, Georgia, Belarus, France and Sweden. The Special Markets reportable segment includes Germany, Georgia, Liechtenstein and Türkiye. There are branch offices in some countries that are managed by companies assigned to other reportable segments.

Standard & Poor's (S&P)
Standard & Poor's (S&P) is an internationally recognised rating agency. It analyses and evaluates companies, countries and bonds, among other things. It uses its own rating scale, which ranges from AAA for the highest category to CC for the lowest when rating the financial strength of insurance companies. The ratings can be modified by adding a plus or minus sign.

Stress test
Stress tests are a special form of scenario analysis. The aim is to arrive at a quantitative statement of the potential losses incurred by portfolios in the event of extreme market fluctuations.

Taxonomy, EU taxonomy for sustainable economic activities
The EU Taxonomy Regulation is a classification system that defines criteria for determining when an economic activity is considered environmentally sustainable.

Total capital investment portfolio
The total capital investment portfolio comprises the balance sheet items cash and cash equivalents, financial assets, investments in associates and investment property. It therefore includes those balance sheet items the gains and losses of which are recognised in profit or loss in the total capital investment result excluding the insurance finance result.

Total capital investment result
In addition to the investment result, the total capital investment result also includes the insurance finance result, income and expenses from investment property and the result from associated consolidated companies.

Underlying assets (UA)
Portfolio of assets that determines the amounts to be paid to a policyholder.

Underwriting
In the insurance industry, underwriting refers to the review and assessment of insurance risks, the determination of conditions (premiums, deductibles, limits, etc.) and coverage and ultimately the decision in favour of or against the acceptance of risks in return for said premiums.

Unit- and index-linked life insurance
Insurance where investments in financial instruments is made at the policyholder's risk. The financial instruments in this area are measured at fair value and the underwriting liabilities are recognised using the Variable Fee Approach.

Value at Risk (VaR)
The VaR concept is a method for determining risk. It is used to calculate the loss that will, with a certain probability, not be exceeded within a certain period of time.

Variable Fee Approach (VFA)
For all contracts in the life business that are eligible for direct profit participation, the Variable Fee Approach (VFA) measurement model is applied. Initial recognition takes place in accordance with the General Measurement Model (GMM). In subsequent measurement, however, the VFA differs from the General Measurement Model (GMM) in that the Contractual Service Margin (CSM) can be adjusted by the profit participation.

VIG or VIG Insurance Group
As a rule, this term refers to all consolidated VIG (insurance) companies. If a statement refers exclusively to the activities of the Holding, the term VIG Holding is used.

Volatility
Volatility refers to fluctuations in securities prices, exchange rates and interest rates.

ALBANIA
SIGMA – VIENNA INSURANCE GROUP
INTERSIG – VIENNA INSURANCE GROUP
VIENNA LIFE – VIENNA INSURANCE GROUP

AUSTRIA
VIG – VIENNA INSURANCE GROUP
WIENER STÄDTISCHE – VIENNA INSURANCE GROUP
Donau – VIENNA INSURANCE GROUP

BELARUS
КУПАЛА – VIENNA INSURANCE GROUP

BOSNIA-HERZEGOVINA
WIENER OSIGURANJE – VIENNA INSURANCE GROUP
vienna osiguranje – VIENNA INSURANCE GROUP

BULGARIA
BULSTRAD – VIENNA INSURANCE GROUP
Life BULSTRAD – VIENNA INSURANCE GROUP
PENSION ASSURANCE COMPANY DOVERIE – VIENNA INSURANCE GROUP

CROATIA
WIENER OSIGURANJE – VIENNA INSURANCE GROUP

CZECH REPUBLIC
Kooperativa – VIENNA INSURANCE GROUP
ČPP – VIENNA INSURANCE GROUP
VIG Re – VIENNA INSURANCE GROUP

DENMARK
VIG – VIENNA INSURANCE GROUP

ESTONIA
bta – VIENNA INSURANCE GROUP
COMPENSA – VIENNA INSURANCE GROUP
Seesam – VIENNA INSURANCE GROUP

FINLAND
VIG – VIENNA INSURANCE GROUP

FRANCE
VIG Re – VIENNA INSURANCE GROUP

GEORGIA
GPI – VIENNA INSURANCE GROUP
IRAO – VIENNA INSURANCE GROUP

GERMANY
InterRisk – VIENNA INSURANCE GROUP
VIG Re – VIENNA INSURANCE GROUP

HUNGARY
UNION – VIENNA INSURANCE GROUP
ALFA – VIENNA INSURANCE GROUP

KOSOVO
SIGMA – VIENNA INSURANCE GROUP

LATVIA
bta – VIENNA INSURANCE GROUP
COMPENSA – VIENNA INSURANCE GROUP

LIECHTENSTEIN
VIENNA-LIFE – VIENNA INSURANCE GROUP

LITHUANIA
bta – VIENNA INSURANCE GROUP
COMPENSA – VIENNA INSURANCE GROUP

MOLDOVA
DONARIS – VIENNA INSURANCE GROUP

MONTENEGRO
Život WIENER STÄDTISCHE – VIENNA INSURANCE GROUP

NORTH MACEDONIA
Life WINNER – VIENNA INSURANCE GROUP
МАКЕДОНИЈА ОСИГУРУВАЊЕ – VIENNA INSURANCE GROUP

NORWAY
VIG – VIENNA INSURANCE GROUP

POLAND
COMPENSA – VIENNA INSURANCE GROUP
InterRisk – VIENNA INSURANCE GROUP
VIENNA LIFE – VIENNA INSURANCE GROUP
Vienna PTE – VIENNA INSURANCE GROUP

ROMANIA
OMNIASIG – VIENNA INSURANCE GROUP
Asirom – VIENNA INSURANCE GROUP
BCR ASIGURARI DE VIATA – VIENNA INSURANCE GROUP
Carpathia PENSII – VIENNA INSURANCE GROUP

SERBIA
WIENER STÄDTISCHE – VIENNA INSURANCE GROUP
WIENER RE Beograd – VIENNA INSURANCE GROUP

SLOVAKIA
Kooperativa – VIENNA INSURANCE GROUP
KOMUNÁLNA POISŤOVŇA – VIENNA INSURANCE GROUP

SLOVENIA
WIENER STÄDTISCHE – VIENNA INSURANCE GROUP

SWEDEN
VIG – VIENNA INSURANCE GROUP

TÜRKIYE
RAY SİGORTA – VIENNA INSURANCE GROUP
Viennalife – VIENNA INSURANCE GROUP

UKRAINE
КНЯЖА – VIENNA INSURANCE GROUP
life КНЯЖА – VIENNA INSURANCE GROUP
USG – VIENNA INSURANCE GROUP

Version: March 2025

We are number 1 in Central and Eastern Europe.

VIG VIENNA INSURANCE GROUP

Addresses of the VIG insurance companies and pension funds

Country	Postal address	Phone	E-mail/Internet address
ALBANIA			
Intersig	AL-Tirana Bllok Area, Ismail Qemali, Samos Tower/ 2nd Floor	+355 (0) 4 227 0576	info@intersig.al www.intersig.al
Sigma VIG	AL-Tirana Rr. Komuna e Parisit, Pallati Lura, Tirane	+355 (0) 4 225 8254	kontakt@sivig.al www.sigma.al
BOSNIA-HERZEGOVINA			
Vienna osiguranje	BiH-71000 Sarajevo Fra Andela Zvizdovica 1/A9	+387 (0) 33 943 640	info@viennaosiguranje.ba www.viennaosiguranje.ba
Wiener Osiguranje	BiH-78000 Banja Luka Kninska 1a	+387 (0) 51 931 100	info@wiener.ba www.wiener.ba
BULGARIA			
Bulstrad Non-Life	BG-1000 Sofia Positano Square 5	+359 (0) 885 005 210	www.bulstrad.bg
Bulstrad Life	BG-1301 Sofia Sveta Sofia Straße 6	+359 (0) 700 18 800	bullife@bulstradlife.bg www.bulstradlife.bg
PAC Doverie	BG-1113 Sofia Tintyava Straße 13-B	+359 (0) 2 46 46 173	head@poc-doverie.bg www.poc-doverie.bg
DENMARK			
VIG Holding (branch)	1250 Copenhagen Sankt Annæ Plads 13	+45 52 58 01 58	rasmus.jorgensen@vig.com www.denmark.vig
GERMANY			
InterRisk Life	D-65203 Wiesbaden Carl-Bosch-Straße 5	+49 (0) 611 27 87-0	info@interrisk.de www.interrisk.de
InterRisk Non-Life	D-65203 Wiesbaden Carl-Bosch-Straße 5	+49 (0) 611 27 87-0	info@interrisk.de www.interrisk.de
VIG Re (branch)	D- 80333 Munich Residenzstrasse 3	+49 151 579 757 85	info@vig-re.com www.vig-re.com
ESTONIA			
BTA Baltic (office)	EE-11415 Tallinn Lõõtsa 2B	+372 5 68 68 668	bta@bta.ee www.bta.ee
Compensa Life	EE-10120 Tallinn Narva mnt. 63/2	+372 610 3000	info@compensalife.ee www.compensalife.ee
Seesam (branch of Compensa Non-Life Lithuania)	EE-10145 Tallinn Maakri 19/1	+372 628 1800	seesam@seesam.ee www.seesam.ee
FRANCE			
VIG Re (branch)	FR-75002 Paris Rue Louis le Grand 25	+33 6 03 61 78 93	info@vig-re.com www.vig-re.com
GEORGIA			
GPIH	GE-0171 Tbilisi Merab Kostava Str. 67	+995 322 505 111	info@gpih.ge www.gpih.ge
IRAO	GE-0160 Tbilisi Bochorishvili Str. 88/15	+995 322 949 949	office@irao.ge www.irao.ge

Country	Postal address	Phone	E-mail/Internet address
KOSOVO			
Sigma Interalbanian Kosovo (branch)	KOS-10000 Pristina, Aktash, St. Edmond Hoxha 27	+383 (0) 38 246 301	info@sigma-ks.net www.sigma-ks.net
CROATIA			
Wiener Osiguranje	HR-10000 Zagreb Slovenska ulica 24	+385 72 100 200	kontakt@wiener.hr www.wiener.hr
LATVIA			
BTA Baltic	LV-1013, Riga, Sporta iela 11	+371 2612 1212	bta@bta.lv www.bta.lv
Compensa Life (branch)	LV-1004 Riga Vienibas gatve 87h	+371 6760 6939	info@compensalife.lv www.compensalife.lv
Compensa Non-Life (branch of Compensa Non-Life Lithuania)	LV-1004 Riga Vienibas gatve 87h	+371 6755 8888	info@compensa.lv www.compensa.lv
LIECHTENSTEIN			
Vienna-Life	LI-9487 Bendern Industriestraße 2	+423 235 06 60	office@vienna-life.li www.vienna-life.li
LITHUANIA			
BTA Baltic (branch)	LT-04215 Vilnius Laisves pr. 10	+370 5 2600 600	bta@bta.lt www.bta.lt
Compensa Non-Life	LT-06115 Vilnius Ukmergés St. 280	+370 5 249 1911	www.compensa.lt
Compensa Life (branch)	LT-06115 Vilnius Ukmergés St. 280	+370 5 250 4000	www.compensalife.lt
MOLDOVA			
Donaris	MD-2068 Chişinău Moscova Boulevard 15/7	+373 22 265 700	office@donaris.md www.donaris.md
MONTENEGRO			
Wiener Städtische Osiguranje	ME-81000 Podgorica Arsenija Boljevica 2A	+382 20 205 150	office@wiener.co.me www.wiener.co.me
NORTH MACEDONIA			
Makedonija Osiguruvanje	MK-1000 Skopje 11 Oktomvri Str. 25	+389 (0) 2 3 115 188	info@insumak.mk www.insumak.mk
Winner Life	MK-1000 Skopje 11 Oktomvri Str. 25	+389 (0) 2 3114 333	life@winnerlife.mk www.winnerlife.mk
NORWAY			
VIG Holding (branch)	1326 Lysaker Lysaker Torg 12, Box 282	+47 48 40 40 30	Trond.Haugen@vig.com www.norway.vig
AUSTRIA			
Donau Versicherung	AT-1010 Vienna Schottenring 15	+43 (0) 50 330 330	donau@donauversicherung.at www.donauversicherung.at
VIG Holding	AT-1010 Vienna Schottenring 30	+43 (0) 50 390 22000	info@vig.com www.vig.com
Wiener Städtische	AT-1010 Vienna Schottenring 30	+43 (0) 50 350 350	kundenservice@wienerstaedtische.at www.wienerstaedtische.at

Country	Postal address	Phone	E-mail/Internet address
POLAND			
Compensa Non-Life	PL-02-342 Warsaw Aleje Jerozolimskie 162	+48 22 501 60 00	www.compensa.pl
InterRisk	PL-00-668 Warsaw ul. Stanislawa Noakowskiego 22	+48 22 575 25 25	www.interrisk.pl
Vienna Life	PL-02-342 Warsaw Al. Jerozolimskie 162A	+48 22 460 22 22	kontakt@viennalife.pl www.viennalife.pl
Vienna PTE	PL-02-342 Warsaw Al. Jerozolimskie 162A	+48 (22) 640 48 48	ofe@viennapte.pl www.viennapte.pl
ROMANIA			
Asirom	RO-020 912 Bucharest Bulevardul Carol I Nr. 31–33, Sector 2	+40 (0) 21 601 1099	info@asirom.ro www.asirom.ro
BCR Life	RO-011 835 Bucharest Str. Rabat Nr. 21, Sektor 1	+40 (0) 21 206 90 40	clienti@bcrasigviata.ro www.bcrasigviata.ro
Omniasig	RO-011 822 Bucharest Aleea Alexandru Nr. 51, Sektor 1	+40 (0) 21 405 74 20	office@omniasig.ro www.omniasig.ro
Carpathia Pensii	RO-407 280 Floreşti, Cluj Str. Avram Iancu Nr. 506-508, etaj 4	+40 (264) 302 200	office@carpathiapensii.ro www.carpathiapensii.ro
SWEDEN			
VIG Holding (branch)	SE-11446 Stockholm Grev Turegatan 10 A	+46 708 411 136	Christian.Mueller1@vig.com www.sweden.vig
SERBIA			
Wiener Re	RS-11000 Belgrade Resavska 23	+381 (0) 11 2209 960	wienerre@wiener.co.rs www.wienerre.rs
Wiener Städtische Osiguranje	RS-11070 Belgrade Trešnjinog cveta 1	+381 11 2209 800	office@wiener.co.rs www.wiener.co.rs
SLOVAKIA			
Komunálna	SK-811 05 Bratislava Štefánikova 17	+421 (0) 800 112 222	info@kpas.sk www.kpas.sk
Kooperativa	SK-816 23 Bratislava Štefanovičova 4	+421 (0) 2 5729 9999	info@koop.sk www.koop.sk
SLOVENIA			
Wiener Städtische (branch)	SI-1000 Ljubljana Cesta v Kleče 15	+386 (0) 1 300 17 00	info@wienerstaedtische.si www.wienerstaedtische.si
CZECH REPUBLIC			
ČPP	CZ-186 00 Prague 8 Pobřežní 665/23	+420 957 444 555	info@cpp.cz www.cpp.cz
Kooperativa	CZ-186 00 Prague 8 Pobřežní 665/21	+420 957 105 105	info@koop.cz www.koop.cz
VIG Re	CZ-110 01 Prague 1 Templová 747/5	+420 956 445 505	info@vig-re.com www.vig-re.com

Country	Postal address	Phone	E-mail/Internet address
TÜRKIYE			
Ray Sigorta	TR-34457 Istanbul Haydar Aliyev Cad. No. 28 Tarabya Sariyer	+90 (0) 212 363 2500	info@raysigorta.com.tr www.raysigorta.com.tr
Viennalife	TR-34372 Istanbul Kozyatağı Mahallesi, Sarı Kanarya Sokak K2 Plaza No. 14	+90 (0) 216 579 79 79	www.viennalife.com.tr
UKRAINE			
Kniazha	UA-04050 Kyiv Hlybochytska 44	+380 44 207 72 72	reception@kniazha.ua www.kniazha.ua
Kniazha Life	UA-04050 Kyiv Hlybochytska 44	+380 44 585 55 08	info@kniazha-life.com.ua www.kniazha-life.com.ua
USG	UA-03038 Kyiv Bul. Ivana Fedorova 32-A	+380 44 284 07 47	hello@usg.ua www.usg.ua
HUNGARY			
ALFA	HU-1091 Budapest, IX. Üllői út 1.	+36 1 477 4800	www.alfa.hu
Union	HU-1134 Budapest Váci út 33	+36 (0) 1 486 43 43	ugyfelszolgalat@union.hu www.union.hu
VIG Asset Management Hungary	HU-1091 Budapest, IX. Üllői út 1.	+36 (06) 1 477 4814	alapkezelo@am.vig vigam.hu
BELARUS			
Kupala	BY-220004 Minsk ul. Nemiga 40	+375 (0) 17 200 80 27	office@kupala.by www.kupala.by

VIG Holding contact information

Asset Management (incl. Real Estate)
Harald Friedl
Tel.: +43 (0) 50 390-20733
E-mail: harald.friedl@vig.com

Assistance
Markus Maurer
Tel.: +43 (0) 50 390-20147
E-mail: markus.maurer@vig.com

CO³ I Communication, internal Cooperation & Collaboration
Karin Kafesie
Tel.: +43 (0) 50 390-21211
E-mail: karin.kafesie@vig.com

Company Organisation
Robert Redl
Tel.: +43 (0) 50 390-22193
E-mail: robert.redl@vig.com

Compliance (incl. AML)
Jasmin Schwarz
Tel.: +43 (0) 50 390-20249
E-mail: jasmin.schwarz@vig.com

Corporate Business
Gerald Netal
Tel.: +43 (0) 50 390-26900
E-mail: gerald.netal@vig.com

Josef Aigner
Tel.: +43 (0) 50 390-26112
E-mail: josef.aigner@vig.com

Customer Experience (Competence Center)
Rafal Mosionek
Tel.: +48 60 903 8530
E-mail: rafal.mosionek@compensa.pl

Data & Analytics
Carsten Dehner
Tel.: +43 (0) 50 390-26719
E-mail: carsten.dehner@vig.com

European Affairs
Dieter Pscheidl
Tel.: +43 (0) 50 390-20079
E-mail: dieter.pscheidl@vig.com

Finance and Accounting Austria
Hartwig Fuhs
Tel.: +43 (0) 50 350-21810
E-mail: hartwig.fuhs@vig.com

General Secretariat and Legal
Philipp Bardas
Tel.: +43 (0) 50 390-21062
E-mail: philipp.bardas@vig.com

Group Actuarial, Planning & Controlling
Werner Matula
Tel: +43 (0) 50 390-21999
E-Mail: werner.matula@vig.com

Group Finance & Regulatory Reporting
Roland Goldsteiner
Tel.: +43 (0) 50 390-21865
E-mail: roland.goldsteiner@vig.com

Group Treasury & Capital Management
Hannes Gruber
Tel.: +43 (0) 50 390-21174
E-mail: hannes.gruber@vig.com

Human Resources
Barbara Hohl
Tel.: +43 (0) 50 390-21845
E-mail: barbara.hohl@vig.com

Internal Audit
Martin Pongratz
Tel.: +43 (0) 50 390-21047
E-mail: martin.pongratz@vig.com

Investor Relations
Nina Higatzberger-Schwarz
Tel.: +43 (0) 50 390-21920
E-mail: nina.higatzberger@vig.com

Opportunity Management
Klaus Mühleder
Tel.: +43 (0) 50 390-21363
E-mail: klaus.muehleder@vig.com

Process & Project Management
Gabor Megyesi
Tel.: +43 (0) 50 390-25247
E-mail: gabor.megyesi@vig.com

Reinsurance
Gerald Klemensich
Tel.: +43 (0) 50 390-21161
E-mail: gerald.klemensich@vig.com

Retail Insurance & Business Support
Robert Wasner
Tel.: +43 (0) 50 390-23717
E-mail: robert.wasner@vig.com

Risk Management
Bernhard Reisecker
Tel.: +43 (0) 50 390-25439
E-mail: bernhard.reisecker@vig.com

Sponsoring
Alexandra Mühlbachler
Tel.: +43 (0) 50 390-21118
E-mail: alexandra.muehlbachler@vig.com

Subsidiaries & Transaction Management
Claudia Ungar-Huber
Tel.: +43 (0) 50 390-20208
E-mail: claudia.ungar-huber@vig.com

Tax Reporting and Transfer Pricing
Anke Naderer
Tel.: +43 (0) 50 390-20283
E-mail: anke.naderer@vig.com

Transformation & New Business
Ronald Engel
Tel.: +43 (0) 50 390-25104
E-mail: ronald.engel@vig.com

VIG IT
Markus Deimel
Tel.: +43 (0) 50 390-26448
E-mail: markus.deimel@vig.com

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This annual report includes forward-looking statements based on current assumptions and estimates that were made by the management of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe to the best of its knowledge. Disclosures using the words “expected”, “target” or similar formulations are an indication of such forward-looking statements. Forecasts related to the future development of the Company are estimates made on the basis of information available as of the date this annual report went to press. Actual results may differ from the forecasts if the assumptions underlying the forecast prove to be wrong or if unexpectedly large risks occur.

Rounding differences may occur when rounded amounts or percentages are added.

The annual report was prepared with the greatest possible care to ensure the accuracy and completeness of the information in all parts. However, rounding, typesetting and printing errors cannot be completely ruled out.

ADDRESS

VIENNA INSURANCE GROUP AG
Wiener Versicherung Gruppe
Schottenring 30
1010 Vienna

Tel.: +43 (0) 50 390 22000

WEBSITE – ONLINE REPORT

The annual report is available in German and English and can also be downloaded as a PDF file in both languages from our website (group.vig) under Investor Relations.

Service tip **Online annual report**

On the VIG Insurance Group website you will find an online version of the annual report optimised for both the internet and mobile devices. All sections can be downloaded as PDF files. You can also download the most important tables as Excel files. Other functions such as links within the report and a comparison with the previous year create transparency and take you directly to the information you require. The online version also allows you to search the report quickly and conveniently using the full-text search function. The search results are presented on an overview page, sorted by relevance. The search term is highlighted in colour both there and on the report page.

In case of doubt, the German version is authoritative.

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GENERAL INFORMATION

Editor and media owner:
VIENNA INSURANCE GROUP AG
Wiener Versicherung Gruppe
Schottenring 30, 1010 Vienna
group.vig
Company register: 75687 f
Commercial Court of Vienna
Data Processing Register code (DVR No.): 0016705

Project coordination:
Lena Paula Grießer, lena.paula.griesser@vig.com

Project team:
Margareta Glawogger, Sabrina Hamr, Claudia Hartl, Sylvia Machherndl, Nicole Motal, Anna Ollmann

Editorial and layout:
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