

Consolidated financial statements 2025 (pages 174–345)

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Consolidated financial statements according to the International Financial Reporting Standards (IFRS)	31/12/2025
Reporting period	01/01–31/12/2025
Consolidated balance sheet as of previous reporting date	31/12/2024
Consolidated income statement as of previous reporting period	01/01–31/12/2024
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 balance sheet and the consolidated shareholders' equity refer to disclosures on the net assets, financial position and results of operations for these items in the Notes to the consolidated financial statements.'

The significant estimates and judgements made and the accounting policies applied are set out in in Note "24. Material accounting estimates and significant judgements" and "25. Accounting policies".

CONSOLIDATED INCOME STATEMENT

Consolidated income statement	Notes	2025	2024 adjusted
in EUR '000			
Insurance service result	1.	1,518,411	1,186,351
Insurance service revenue – issued business		13,195,975	12,138,477
Insurance service expenses – issued business		-11,451,282	-10,656,830
Insurance service result – reinsurance held		-226,282	-295,296
Total capital investment result		489,408	435,649
Investment result	2., 9.	2,398,037	1,884,046
Interest revenues using the effective interest rate method	2.7.	1,096,157	997,697
Impairment losses incl. reversal gains on financial instruments		21,731	-18,106
Realised gains and losses from financial assets measured at AC	2.8.	-9,389	-5,076
Other result from financial instruments		1,289,538	909,531
Income and expenses from investment property	4., 9.	46,843	60,623
Insurance finance result	1.	-1,982,568	-1,536,021
Insurance finance result – issued business		-2,076,762	-1,622,378
Insurance finance result – reinsurance held		94,194	86,357
Result from associates (equity-method)		27,096	27,001
Finance result		-82,521	-78,827
Finance income		2,547	3,397
Finance costs	9.	-85,068	-82,224
Other income and expenses	16.3.	-667,645	-544,964
Other income		375,253	344,771
Other expenses		-1,042,898	-889,735
Business operating result		1,257,653	998,209
Impairments of goodwill	3.	-72,609	-116,327
Impairments of intangible assets	13.	-23,965	-84
Reversal of impairments from intangible assets	13.	238	8
Result before taxes		1,161,317	881,806
Taxes	11.1.	-302,989	-234,254
Result for the period		858,328	647,552
Attributable to shareholders and other stakeholders of the parent company		834,866	626,307
Non-controlling interests		23,462	21,245
Earnings per share* (in EUR)	18.	6.46	4.83

*The undiluted earnings per share equals the diluted earnings per share (in EUR).

For the adjusted figures for the previous year, please refer to the information under "Change in accounting policies" in the chapter "Principles of significant accounting policies"

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	Notes	2025	2024 adjusted
in EUR '000			
Result for the period		858,328	647,552
Other comprehensive income (OCI)	10.4.	143,296	13,844
Items that will not be reclassifiable to profit or loss in subsequent periods		164,369	-24,965
Remeasurements of defined benefit plans		54,619	-3,121
Share of other reserves of investments in associates (equity-method)		146	179
Equity instruments designated measured at FVtOCI		23,492	-1,845
Unrealised gains and losses acc. to IFRS 17		128,122	-36,678
Taxes		-42,010	16,500
Items that will be reclassifiable to profit or loss in subsequent periods		-21,073	38,809
Exchange rate changes through equity		40,404	-17,396
Unrealised gains and losses from debt instruments measured at FVtOCI		-54,954	173,910
Unrealised gains and losses acc. to IFRS 17		-33,808	-93,031
Share of other reserves of investments in associates (equity-method)		1,303	3,732
Taxes		25,982	-28,406
Comprehensive income for the period		1,001,624	661,396
Attributable to shareholders and other stakeholders of the parent company		973,677	641,373
Non-controlling interests		27,947	20,023

CONSOLIDATED BALANCE SHEET

Assets	Notes	31/12/2025	31/12/2024 adjusted	01/01/2024 adjusted
in EUR '000				
Cash and cash equivalents	2., 17.	1,368,363	1,748,124	1,558,107
Financial assets	2., 17.	42,490,212	39,637,179	37,990,239
Receivables	7.1.	616,120	559,968	495,672
Assets and disposal groups classified as held for sale	15.	28,659	0	0
Current tax assets		258,125	240,282	235,718
Investments in associates (equity-method)	6.	246,451	204,761	185,622
Insurance contracts assets issued	1.	376,308	299,874	229,491
Reinsurance contracts assets held	1.	2,444,876	2,142,758	1,808,298
Investment property	4., 17.	3,046,557	2,978,265	2,852,090
Owner-occupied property and equipment	5., 17.	641,647	629,062	619,159
Other assets		171,481	154,878	141,575
Goodwill	3.	1,189,269	1,239,879	1,371,365
Intangible assets	13.	708,350	696,870	590,361
Right-of-use assets		235,096	212,485	192,816
Deferred tax asset	11.	494,122	497,675	548,213
Total		54,315,636	51,242,060	48,818,726

Liabilities and consolidated shareholders' equity	Notes	31/12/2025	31/12/2024 adjusted	01/01/2024 adjusted
in EUR '000				
Liabilities and other payables	7.2.	1,281,597	1,156,818	1,112,675
Liabilities included in disposal groups classified as held for sale	15	1,277	0	0
Current tax liabilities		324,776	186,101	157,016
Financial liabilities	2., 8., 17.	2,481,296	2,374,140	2,396,321
Other liabilities		94,703	98,709	78,957
Insurance contracts liabilities issued	1.	41,496,871	39,598,063	37,797,469
Reinsurance contracts liabilities held	1.	44,220	42,482	24,181
Provisions	12.	832,000	793,101	748,620
Deferred tax liabilities	11.2.	427,533	433,711	404,193
Consolidated shareholders' equity	10.	7,331,363	6,558,935	6,099,294
Attributable to shareholders and other stakeholders of the parent company		7,170,856	6,411,794	5,960,553
Capital stock and capital reserves	10.3.	2,541,890	2,541,890	2,541,890
Retained earnings	10.1.	4,598,046	3,978,761	3,578,018
Other reserves	10.4.	30,920	-108,857	-159,355
Non-controlling interests		160,507	147,141	138,741
Total		54,315,636	51,242,060	48,818,726

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 2024 adjusted as published	132,887	300,000	2,109,003	3,514,380	-140,556	-18,799	5,896,915	137,453	6,034,368
Changes in accounting policies (IAS 8)				63,638		0	63,638	1,288	64,926
As of 1 January 2024 adjusted	132,887	300,000	2,109,003	3,578,018	-140,556	-18,799	5,960,553	138,741	6,099,294
Change in scope of consolidation as well as 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				626,307	-16,158	31,224	641,373	20,023	661,396
Other comprehensive income excluding currency changes				0	0	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				626,307			626,307	21,245	647,552
Dividend payment				-186,843			-186,843	-11,009	-197,852
As of 31 December 2024 adjusted	132,887	300,000	2,109,003	3,978,761	-147,599	38,742	6,411,794	147,141	6,558,935
As of 1 January 2025 adjusted	132,887	300,000	2,109,003	3,978,761	-147,599	38,742	6,411,794	147,141	6,558,935
Change in scope of consolidation as well as interest				-8,572	0	0	-8,572	-249	-8,821
Reclassification from other comprehensive income to retained earnings				-966		966	0		0
Comprehensive income for the period				834,866	38,091	100,720	973,677	27,947	1,001,624
Other comprehensive income excluding currency changes						100,720	100,720	2,172	102,892
IAS 29-effects					8,051		8,051	238	8,289
Exchange rate differences					30,040		30,040	2,075	32,115
Result for the period				834,866			834,866	23,462	858,328
Dividend payment				-206,043			-206,043	-14,332	-220,375
As of 31 December 2025	132,887	300,000	2,109,003	4,598,046	-109,508	140,428	7,170,856	160,507	7,331,363

*The above subtotal equals the equity attributable to shareholders and other capital providers of the parent company.

CONSOLIDATED CASH FLOW STATEMENT

The adjustments to the previous year's consolidated cash flow statement result from:

- the change in accounting policies, as discussed in the chapter of the same name in the Notes,
- a change in the presentation of interest for financial assets and
- a further development of the determination methodology applied, which has been refined both conceptually and through additional technical analyses in order to ensure a more appropriate and consistent allocation of cash flows to the individual cash flow items. The adjustments made serve to improve the informative value and transparency of the cash flow statement.

Composition	31/12/2025	31/12/2024
<i>in EUR '000</i>		
Cash and cash equivalents according to the consolidated balance sheet	1,368,363	1,748,124
Cash and cash equivalents of disposal groups held for sale	2,623	0
Total cash and cash equivalents	1,370,986	1,748,124

Cash and cash equivalents include liquid money and daily maturing cash.

Development	2025	2024
<i>in EUR '000</i>		
Cash and cash equivalents at beginning of period	1,748,124	1,558,107
Change in cash and cash equivalents	-362,939	194,139
Changes in scope of consolidation	6,297	9,512
Exchange rate differences on cash and cash equivalents	-20,496	-13,634
Cash and cash equivalents at end of period	1,370,986	1,748,124

Change in cash and cash equivalents	2025	2024 adjusted
in EUR '000		
Result for the period	858,328	647,552
Amortisation, valuation and exchange rate differences of financial instruments	-1,211,580	-772,148
Impairments of goodwill, Impairments of intangible assets and Reversal of impairments from intangible assets	96,336	116,403
Scheduled depreciation of intangible assets	117,800	114,403
Scheduled depreciation of right-of-use assets	42,132	39,786
Scheduled depreciation of tangible assets (excluding real estate)	48,672	40,332
Result from disposal of subsidiaries	-9,168	0
Result from the disposals and depreciation of property	127,163	86,582
Result from the disposal of financial assets incl. derivatives	-58,304	-19,476
Share of profit of at equity accounted companies	-27,096	-27,001
Dividends received included in the result for the period	-76,607	-79,717
Interest included in the result for the period	-1,046,046	-979,128
Taxes	302,989	234,254
Adjusted result for the period	-835,381	-598,158
Changes in:	1,726,296	1,055,107
Financial assets incl. derivatives	10,598	203,582
(Re-)Insurance contracts	1,601,779	873,940
Contract assets and liabilities (IFRS 15)	25,897	28,036
Right-of-use assets and lease receivables and liabilities	6,595	-103
Receivables and liabilities (excl. leases)	60,093	-9,206
Intangible assets	1,362	2,411
Property	-10,838	-2,034
Other balance sheet items (other assets, tangible assets (excl. property) and other liabilities)	-74,813	-49,534
Provisions	105,623	8,015
Other non-cash income and expenses*	41,497	369
Paid and received income tax	-90,156	-111,269
Cash flow from operating activities	842,256	346,049
Received interest	979,481	938,432
Received dividends	76,607	79,717
Paid and received income tax	-7,130	0
Cash inflow from sale of subsidiaries	17,700	0
Payments for the acquisition of investments in associates (equity-method)	-21,576	0
Cash inflow from sale of financial instruments	11,290,420	9,154,001
Payments for the acquisition of financial instruments	-12,926,340	-9,558,124
Cash inflow from the sale of property	5,346	2,452
Payments for the acquisition of property	-207,872	-223,761
Cash inflow from the sale of intangible assets	8,308	4,748
Payments for the acquisition of intangible assets	-158,095	-139,742
Cash flow from investment activities	-943,151	257,723
Cash inflows from subordinated liabilities	300,000	0
Payments from subordinated liabilities	-145,217	-91,748
Cash inflows from financial liabilities excl. subordinated liabilities and lease liabilities	4	90
Payments from financial liabilities excl. subordinated liabilities and lease liabilities	-83,885	-10,951
Payments from lease liabilities	-48,793	-44,245
Paid dividends	-222,372	-199,849
Paid interest	-60,110	-62,930
Paid and received income tax	-1,671	0
Cash flow from financing activities	-262,044	-409,633
Change in cash and cash equivalents	-362,939	194,139

*The non-cash income and expenses are primarily exchange rate changes.

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 33,3 million customers in 30 countries.

PRINCIPLES OF SIGNIFICANT ACCOUNTING POLICIES

Legislation

The present consolidated financial statements were prepared in accordance with the IFRS Accounting 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 Primary financial statements section 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 "24. Material accounting estimates and significant judgements".

Accounting policies

The significant accounting policies used are presented in Note “25. Accounting policies. Unless otherwise stated in the following chapter “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 (equity-method)	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
Assets and disposal groups held for sale and related liabilities	Lower book value and fair value less costs to sell

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 IAS 21	Restrictions on the convertibility of currencies
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Change in presentation

CATEGORIES AND CLASSES OF FINANCIAL INSTRUMENTS

The definition of the classes for disclosure was analysed as part of the quality audit of the Notes in the half-year and annual reports. Against this background, the existing class classification was revised and the table presentation was adjusted accordingly in the previous year. The tables affected were labelled “adjusted” in the column for the previous year and relate to disclosures in the notes in connection with IFRS 7 and IFRS 13.

Old representation of the categories and classes

Assets
Measured at AC
Cash and cash equivalents
Loans
Bonds
Term deposits
IFRS 9 measured receivables
Measured at FVtOCI
Mandatorily measured at FVtOCI
Loans
Bonds
Designated measured at FVtOCI
Shares and interests in companies
Shares
Shares in participating companies
Shares in affiliated non-consolidated companies
Shares in non-consolidated joint ventures
Measured at FVtPL
Mandatorily measured at FVtPL
Shares and interests in companies
Shares
Shares in participating companies
Shares in affiliated non-consolidated companies
Shares in non-consolidated joint ventures
Loans
Bonds
Funds
Derivatives
Other financial assets
Designated measured at FVtPL
Loans
Bonds
Other financial assets

Liabilities

Measured at AC
Subordinated liabilities
Liabilities to banks
Liabilities from financing activities
Lease liabilities
IFRS 9 measured liabilities
Measured at FVtPL
Mandatorily measured at FVtPL
Designated measured at FVtPL

New representation of the categories and classes

Loans and bonds
Measured at AC
Mandatorily measured at FVtOCI
Mandatorily measured at FVtPL
Designated measured at FVtPL
Variable-interest securities
Designated measured at FVtOCI
Mandatorily measured at FVtPL
Designated measured at FVtPL
Deposits and IFRS 9 measured receivables
Measured at AC
Derivatives
Mandatorily measured at FVtPL
Liabilities from financing activities
Measured at AC
Liabilities held for financing and other purposes
Mandatorily measured at FVtPL
Designated measured at FVtPL
Other financial liabilities
Measured at AC
Mandatorily measured at FVtPL
IFRS 9 measured liabilities
Measured at AC

Change in accounting policies

CHANGE IN METHODOLOGY FOR CALCULATING DEFERRED TAX EXPENSE IN AUSTRIA

As part of quality reviews carried out both when new accounting standards are introduced and within the existing accounting framework, fluctuations in the effective tax rate to be disclosed were analysed. This analysis showed that the causes of the fluctuations lie in the reportable segment Austria; accordingly, the methods applied there for accounting for deferred taxes in accordance with IAS 12 were subjected to a more detailed review.

In traditional Austrian life insurance, regulatory and tax-related conditions give rise to an interdependency between current tax expense and policyholder profit participation. In local financial statements prepared under UGB, in accordance with the requirements of local accounting regulations, this effect must be presented in the form of a netted presentation of deferred tax and deferred profit participation using a reduced effective tax rate. This method represents an approximation of the tax relief to be passed on to policyholders at the time it arises and has so far also been applied in the IFRS report package and thus in the consolidated financial statements. However, this results in the reported tax rate being reduced by the profit participation included in deferred tax, thereby contributing to fluctuations in the tax rate. Against the background of the objective to provide a more faithful and reliable view of the Group's net assets, financial position and results of operations, VIG has concluded that the method for determining the interaction between deferred tax and profit participation should be changed. This also results in a change in presentation.

In future, profit participation effects in connection with deferred taxes will no longer be determined using the simplified local method, but on the basis of actuarial modelling as part of the Fulfilment Cash Flows. In this process, tax expense is calculated using the corporate income tax rate, while the effects from deferred profit participation are recognised as an adjustment to the Contractual Service Margin and the future fulfilment cash flows payable to policyholders.

The change represents a change in accounting policy in accordance with IAS 8 and serves to improve the representation of the underlying economic relationships in the consolidated financial statements. The adjusted accounting policy was first applied as of 31 December 2022, as at the time of the initial application of IFRS 17 on 1 January 2022 the insurance service liabilities were measured using the fair value approach. As a result, the effect of the change in policy is seen only when the fair values are updated.

	2022		
	Values as published	Adjustment	Adjusted values
in EUR '000			
Effects on the balance sheet			
Assets			
Deferred tax asset	541.225	63.765	604.990
Liabilities and consolidated shareholders' equity			
Retained earnings	3.270.502	62.535	3.333.037
Non-controlling interests	241.281	1.230	242.511

	2023		
	Values as published	Adjustment	Adjusted values
in EUR '000			
Effects on the balance sheet			
Assets			
Deferred tax asset	483,287	64,926	548,213
Liabilities and consolidated shareholders' equity			
Retained earnings	3,627,565	64,926	3,692,491
Non-controlling interests	3,490,112	63,638	3,553,750
	137,453	1,288	138,741
Effect on the income statement			
Result before taxes	772,689	0	772,689
Taxes	-196,443	1,161	-195,282
Result for the period	576,246	1,161	577,407
Attributable to shareholders and other stakeholders of the parent company	558,979	1,103	560,082
Non-controlling interests	17,267	58	17,325
Attributable result	551,423	1,103	552,526
Earnings per share* (in EUR)	4.31		4.32
Effect on the cash flow statement			
Result for the period	576,246	1,161	577,407
Taxes	196,443	-1,161	195,282
Cash flow from operating activities	-139,325	0	-139,325

*The undiluted earnings per share equals the diluted earnings per share (in EUR).

	2024		
	Values as published	Adjustment	Adjusted values
in EUR '000			
Effects on the balance sheet			
Assets			
Deferred tax asset	452,063	45,612	497,675
Liabilities and consolidated shareholders' equity			
Retained earnings	4,080,290	45,612	4,125,902
Non-controlling interests	3,934,072	44,689	3,978,761
	146,218	923	147,141
Effect on the income statement			
Result before taxes	881,806	0	881,806
Taxes	-214,940	-19,314	-234,254
Result for the period	666,866	-19,314	647,552
Attributable to shareholders and other stakeholders of the parent company	645,256	-18,949	626,307
Non-controlling interests	21,610	-365	21,245
Attributable result	637,613	-18,949	618,664
Earnings per share* (in EUR)	4.98		4.83
Effect on the cash flow statement			
Result for the period	666,866	-19,314	647,552
Taxes	214,940	19,314	234,254
Cash flow from operating activities	346,049	0	346,049

*The undiluted earnings per share equals the diluted earnings per share (in EUR).

The change in the accounting policy did not affect the cash flow from operating activities in the 2024 financial year. Other changes are discussed in the Primary financial statements under the Consolidated cash flow statement.

ADDITIONAL DISCLOSURES

Acquisition of NÜRNBERGER Beteiligungs-AG

In the 2025 financial year, VIG submitted a voluntary public purchase offer to the shareholders of NÜRNBERGER Beteiligungs-AG (Nürnberg) for the acquisition of all registered no-par value shares of Nürnberg. The Managing Board and Supervisory Board of Nürnberg recommended that the company's shareholders accept the offer, which was open for acceptance from 24 October 2025 up to and including 21 November 2025.

The public purchase offer related to up to 100% of the share capital of Nürnberg. Shareholders were offered a cash consideration of EUR 120.00 per Nürnberg share. The offer price represented a premium of approximately 173% compared with the undistorted volume-weighted average share price over the three months prior to publication of the offer.

By the end of the acceptance period on 21 November 2025, VIG had secured a total of 98.81% of the share capital and voting rights (corresponding to 11,383,371 shares) in NÜRNBERGER Beteiligungs-AG. As of the reporting date, the Group held 3.37% of the Nürnberg shares.

Payment of the offer price will be made once all regulatory approvals required for the acquisition of the Nürnberg shares have been obtained. VIG expects the relevant approvals to be granted in the second half of 2026.

As of 31 December 2024, the Nürnberg Group consisted of 42 companies, whose main business activities included not only the distribution of insurance products, but also companies that provide other financial services and perform service and administrative activities. The most significant participations identified at the time of preparation of this annual report are as follows:

- Holding
 - NÜRNBERGER Beteiligungs-AG
- Insurance companies
 - GARANTA Versicherungs-AG, Nuremberg
 - Neue Rechtsschutz-Versicherungsgesellschaft AG, Mannheim
 - NÜRNBERGER Allgemeine Versicherungs-AG, Nürnberg
 - NÜRNBERGER Beamten Allgemeine Versicherung AG, Nuremberg
 - NÜRNBERGER Krankenversicherung AG, Nuremberg
 - NÜRNBERGER Lebensversicherung AG, Nuremberg
- Other financial service providers
 - Fürst Fugger Privatbank AG, Augsburg
 - NÜRNBERGER Pensionskasse AG, Nuremberg
 - NÜRNBERGER Asset Management GmbH, Nuremberg
- Service and management companies
 - NÜRNBERGER AutoMobil Versicherungsdienst GmbH, Nuremberg
 - NÜRNBERGER Versicherungs- und Bauspar-Vermittlungs-GmbH, Nuremberg
 - NÜRNBERGER Verwaltungsgesellschaft mbH, Nuremberg
- Fund companies
 - ADN Immo-Direkt Core Invest GmbH & Co. Geschl. InvKG, Hamburg
 - ADN Immo-Direkt GD Invest GmbH & Co. Geschl. InvKG, Hamburg

- ADN Immo-Direkt Value Add GmbH & Co. Geschl. InvKG, Hamburg
- Feronia Infra Feeder, L.P., Wilmington/Delaware
- Feronia Infra, L.P., Wilmington/Delaware
- Feronia Infra Cayman, Ltd., Cayman Islands
- Feronia SICAV RAIF, Luxembourg
- Vega Invest Fund plc, Dublin/Ireland
- Vega Invest (Guernsey) Ltd., St. Peter Port/Guernsey

Additional tax on insurance premiums in Hungary

Since 2022, an additional insurance tax has been levied on insurance undertakings 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 2026. The extension until the end of 2026 was announced in June 2025.

Based on the current values of Union Biztosító and Alfa (Hungary), an amount of EUR 27.3 million was to be paid for the period from 1 January 2025 to 31 December 2025. According to the available budgeted figures, VIG can expect an additional tax burden amounting to approximately EUR 31.5 million for the 2026 financial year.

VIG classified the announcement made in June 2025 regarding the extension of the additional tax on insurance until the end of 2026 as a triggering event for an impairment test of goodwill as of 30 June 2025. Consequently, due to this repeated prolongation of the additional tax on insurance by the Hungarian government and further regulatory uncertainties, scenario analyses were calculated. These include expenses arising from this tax extending beyond the currently applicable statutory period as well as higher expenses from the additional regulatory uncertainties. This led to reduced cash flow projections, which in turn led to a full impairment of goodwill for the CGU group Hungary in the amount of EUR 72,609,000.

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 may 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 which, as of 31 December 2025, hold assets of approximately EUR 173.3 million (approximately EUR 137.0 million). The impairments recognised as of 31 December 2023 for expected credit losses on government bonds and bank deposits remain, and were adjusted to EUR 71.7 million (as of 31 December 2024: 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 group 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

As of 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 5.0 million (in financial year 2024: a book value of EUR 0.7 million and a nominal value of EUR 5.1 million) in its books, for which no active market is basically available. No significant bonds were sold or repaid in the course of 2025 (previous year: EUR 45.0 million sold and EUR 12.0 million repaid) which would have had a significant effect in the consolidated income statement (previous year: EUR 8.4 million).

Expected Credit Loss (ECL) of financial assets

DERECOGNITION OF RISK PROVISION (ECL): KTM AND PIERER MOBILITY AG IN THE REPORTABLE SEGMENT AUSTRIA

An ECL in the amount of EUR 28.8 million (nominal value of EUR 35.0 million) was already recorded in the 2024 financial year in connection with the insolvency of KTM.

In May 2025, the main owner of PIERER Mobility AG, the parent company of KTM, provided the liquid funds required to meet the restructuring plan quotas. Subsequently, in June 2025, the Group received the full repayment of the outstanding amount from PIERER Mobility AG and 30% of the outstanding amount from KTM. This resulted in income of EUR 18.5 million in the consolidated income statement from the partial derecognition of the previously recorded ECL.

POLITICAL RISK IN TÜRKIYE

As a result of the ongoing uncertain political situation in Türkiye, the assessment of the credit risk remained negative, and so financial instruments remain in Stage 2. This necessitated an increase in the ECL of EUR 1.9 million (nominal value of EUR 828.1 million) (previous year: ECL of EUR 28.8 million and nominal value of EUR 769.2 million).

Risks related to the geopolitical situation and the current macroeconomic environment

Overall, geopolitical tensions and protectionist tendencies dominated the economic policy environment in 2025. Economic policy in the USA is causing considerable uncertainty in world trade as a result of tariff increases and trade conflicts. While the Federal Reserve signalled a possible shift in interest rate policy, it did not begin cutting interest rates until September 2025, followed by a further cut in October. In the euro area, the European Central Bank did not continue its interest rate cuts and signalled that, following the easing phase, interest rates are expected to remain stable for the time being while further economic developments are monitored.

In the second half of 2025, signs of subdued economic momentum became increasingly apparent in Austria: Nevertheless, companies are still very cautious about investments and global trade remains under pressure due to geopolitical tensions and various ever-changing trade restrictions. At the same time, investment in technology and automation is providing support, while the ongoing shortage of skilled labour continues to pose structural challenges for many European markets.

According to the latest forecasts, global growth in 2025 is expected to be around 3.0%. For the euro area, moderate growth in the range of approximately 1.0% to 1.2% is anticipated.

For VIG, economic stability in Central and Eastern Europe, monetary policy developments, as well as inflation dynamics in key markets such as Austria, the Czech Republic, Poland and Hungary are of particular relevance. In addition, persistent geopolitical conflicts, increasing trade barriers and rising cyber and infrastructure risks represent further sources of uncertainty. In the Middle East, tensions have recently intensified massively. The military escalation between the US and Israel and Iran significantly increases the risks for energy prices, supply chains and the stability of international financial markets and threatens the delicate economic recovery in Austria. The macroeconomic environment remains volatile, and further developments will need to continue to be monitored closely.

As of the balance sheet date, VIG held government and corporate bonds of issuers from Saudi Arabia, the United Arab Emirates and Israel with a book value of approx. EUR 161.9 million and a nominal value of approx. EUR 185.7 million in its books.

SEGMENT REPORTING

GENERAL INFORMATION

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 and Italy (2024 closed in accordance with regulatory law) and in Slovenia),
- 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, pension scheme and pension 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.

Potential impact of Nürnberger on the reportable segments

Due to the size of Nürnberger, an impact on the presentation of segment reporting is likely after closing. However, the purchase of Nürnberger has no impact on the regular reporting to the chief operating decision-maker and, consequently, on the determination of operating segments.

ADDITIONAL DISCLOSURES

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 also 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.

Revenues generated with internal customers originate primarily from intra-group reinsurance contracts and are as follows:

Composition	2025	2024
in EUR '000		
Austria	228,310	233,917
Czech Republic	19,630	17,242
Poland	17,586	12,928
Extended CEE	25,493	24,005
Special Markets	0	0
Group Functions	967,722	980,884
Total	1,258,741	1,268,976

Internal revenues within a reportable segment are part of the respective reportable segment and are not included in the consolidation column of the consolidated income statement according to reportable segments.

INFORMATION ON MAJOR CUSTOMERS

VIG 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 1.6% 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 thus in 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	
	2025	2024 adjusted	2025	2024	2025	2024
in EUR '000						
Insurance service result	507,930	390,636	344,487	234,837	127,439	61,029
Insurance service revenue – issued business	3,747,748	3,543,242	2,278,664	2,078,225	1,471,768	1,373,271
Insurance service expenses – issued business	-3,504,514	-3,045,815	-1,873,471	-1,895,244	-1,285,214	-1,348,049
Insurance service result – reinsurance held	264,696	-106,791	-60,706	51,856	-59,115	35,807
Total capital investment result	104,974	115,116	49,941	42,494	29,916	36,832
Investment result	1,296,663	820,847	148,517	143,621	200,999	125,001
Income and expenses from investment property	30,184	40,501	-11	-8	492	457
Insurance finance result	-1,246,873	-772,439	-98,565	-101,119	-171,926	-88,626
Result from associates (equity-method)	25,000	26,207	0	0	351	0
Finance result	-26,892	-29,475	-2,533	-3,124	-2,069	-2,047
Other income and expenses	-151,498	-140,199	-106,277	-63,069	-48,214	-30,674
Business operating result	434,514	336,078	285,618	211,138	107,072	65,140
Impairments of goodwill	0	0	0	0	0	0
Impairments of intangible assets	0	0	0	0	-1,377	-84
Reversal of impairments from intangible assets	0	0	0	0	0	0
Result before taxes	434,514	336,078	285,618	211,138	105,695	65,056
Taxes	-86,316	-71,184	-54,097	-46,810	-31,750	-17,418
Result for the period	348,198	264,894	231,521	164,328	73,945	47,638

	Extended CEE		Special Markets		Group Functions	
	2025	2024	2025	2024	2025	2024
in EUR '000						
Insurance service result	354,454	265,661	26,555	58,368	157,546	175,820
Insurance service revenue – issued business	3,907,954	3,599,456	1,170,106	924,201	1,766,505	1,780,879
Insurance service expenses – issued business	-3,900,793	-3,070,456	-1,028,375	-700,854	-1,207,763	-1,863,911
Insurance service result – reinsurance held	347,293	-263,339	-115,176	-164,979	-401,196	258,852
Total capital investment result	139,026	139,258	155,145	87,134	44,015	42,425
Investment result	361,620	404,884	361,169	337,574	62,619	79,673
Income and expenses from investment property	-1,200	2,204	187	235	17,250	17,290
Insurance finance result	-222,298	-267,907	-206,211	-250,675	-36,695	-55,255
Result from associates (equity-method)	904	77	0	0	841	717
Finance result	-9,071	-8,249	-2,584	-2,122	-67,717	-62,152
Other income and expenses	-165,994	-120,659	-44,627	-54,813	-156,299	-134,818
Business operating result	318,415	276,011	134,489	88,567	-22,455	21,275
Impairments of goodwill	-72,609	-116,327	0	0	0	0
Impairments of intangible assets	-9,620	0	-7,551	0	-5,417	0
Reversal of impairments from intangible assets	238	8	0	0	0	0
Result before taxes	236,424	159,692	126,938	88,567	-27,872	21,275
Taxes	-58,655	-60,670	-38,745	-23,007	-33,426	-15,165
Result for the period	177,769	99,022	88,193	65,560	-61,298	6,110

	Consolidation		Total	
	2025	2024	2025	2024 adjusted
in EUR '000				
Insurance service result	0	0	1,518,411	1,186,351
Insurance service revenue – issued business	-1,146,770	-1,160,797	13,195,975	12,138,477
Insurance service expenses – issued business	1,348,848	1,267,499	-11,451,282	-10,656,830
Insurance service result – reinsurance held	-202,078	-106,702	-226,282	-295,296
Total capital investment result	-33,609	-27,610	489,408	435,649
Investment result	-33,550	-27,554	2,398,037	1,884,046
Income and expenses from investment property	-59	-56	46,843	60,623
Insurance finance result	0	0	-1,982,568	-1,536,021
Result from associates (equity-method)	0	0	27,096	27,001
Finance result	28,345	28,342	-82,521	-78,827
Other income and expenses	5,264	-732	-667,645	-544,964
Business operating result	0	0	1,257,653	998,209
Impairments of goodwill	0	0	-72,609	-116,327
Impairments of intangible assets	0	0	-23,965	-84
Reversal of impairments from intangible assets	0	0	238	8
Result before taxes	0	0	1,161,317	881,806
Taxes	0	0	-302,989	-234,254
Result for the period	0	0	858,328	647,552

Further information by reportable segment can be found in Note “9. Notes to the consolidated income statement”

CONSOLIDATED BALANCE SHEET BY REPORTABLE SEGMENTS

Assets	Austria		Czech Republic		Poland		Extended CEE	
	31/12/2025	31/12/2024 adjusted	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
in EUR '000								
Cash and cash equivalents	392,053	526,704	38,047	87,503	59,200	59,279	208,124	212,909
Financial assets	22,121,163	21,492,120	3,441,486	3,140,497	2,970,809	2,719,746	7,739,252	7,096,468
Receivables	278,549	278,996	73,946	52,302	20,050	19,702	153,716	130,400
Assets and disposal groups classified as held for sale	28,659	0	0	0	0	0	0	0
Current tax assets	14,305	8,418	205	4,987	3,351	7,538	6,368	4,214
Investments in associates (equity-method)	205,676	189,913	0	0	25,507	152	7,148	6,577
Insurance contracts assets issued	543	1,129	271,885	217,867	14,788	7,194	92,816	71,763
Reinsurance contracts assets held	874,255	389,677	194,982	146,042	91,571	97,032	205,415	159,848
Investment property	2,133,185	2,127,905	76,723	35,082	23,448	23,486	217,585	210,663
Owner-occupied property and equipment	218,224	210,369	165,674	163,770	19,210	17,407	172,995	174,226
Other assets	50,029	51,690	22,822	21,566	6,631	5,911	35,581	32,618
Goodwill	301,716	301,716	465,746	448,108	155,701	153,735	255,579	325,793
Intangible assets	255,215	271,013	103,256	72,976	107,716	106,978	187,902	192,883
Right-of-use assets	103,352	93,967	66,636	61,719	4,477	5,678	47,451	37,557
Deferred tax asset	211,914	241,532	150,354	165,907	439	614	52,139	46,610
Total	27,188,838	26,185,149	5,071,762	4,618,326	3,502,898	3,224,452	9,382,071	8,702,529

Assets	Special Markets		Group Functions		Total	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024 adjusted
in EUR '000						
Cash and cash equivalents	150,754	176,533	520,185	685,196	1,368,363	1,748,124
Financial assets	3,002,956	2,846,346	3,214,546	2,342,002	42,490,212	39,637,179
Receivables	36,844	34,391	53,015	44,177	616,120	559,968
Assets and disposal groups classified as held for sale	0	0	0	0	28,659	0
Current tax assets	58,853	22,330	175,043	192,795	258,125	240,282
Investments in associates (equity-method)	0	0	8,120	8,119	246,451	204,761
Insurance contracts assets issued	18,120	21,101	-21,844	-19,180	376,308	299,874
Reinsurance contracts assets held	169,074	155,145	909,579	1,195,014	2,444,876	2,142,758
Investment property	10,360	10,696	585,256	570,433	3,046,557	2,978,265
Owner-occupied property and equipment	14,626	16,146	50,918	47,144	641,647	629,062
Other assets	25,771	19,515	30,647	23,578	171,481	154,878
Goodwill	0	0	10,527	10,527	1,189,269	1,239,879
Intangible assets	10,240	15,487	44,021	37,533	708,350	696,870
Right-of-use assets	8,732	8,890	4,448	4,674	235,096	212,485
Deferred tax asset	34,025	7,785	45,251	35,227	494,122	497,675
Total	3,540,355	3,334,365	5,629,712	5,177,239	54,315,636	51,242,060

Liabilities and consolidated shareholders' equity	Austria		Czech Republic		Poland		Extended CEE	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
in EUR '000								
Liabilities and other payables	368,096	333,609	403,153	346,469	89,945	86,717	204,344	191,299
Liabilities included in disposal groups classified as held for sale	1,277	0	0	0	0	0	0	0
Current tax liabilities	131,318	95,959	56,135	3,279	826	413	23,738	11,674
Financial liabilities	453,023	467,184	69,321	64,166	67,405	65,290	49,043	39,517
Other liabilities	41,374	39,635	4,430	6,539	2,526	6,908	27,928	25,317
Insurance contracts liabilities issued	23,514,680	23,368,637	3,037,061	2,927,744	2,709,046	2,551,364	7,883,140	6,643,062
Reinsurance contracts liabilities held	14,302	15,107	67	120	1,595	671	5,696	-3,636
Provisions	318,018	381,233	49,306	38,867	26,273	26,934	209,024	173,816
Deferred tax liabilities	248,939	237,210	11,462	44,038	77,952	51,328	57,268	54,209
Subtotal	25,091,027	24,938,574	3,630,935	3,431,222	2,975,568	2,789,625	8,460,181	7,135,258

Liabilities and consolidated shareholders' equity	Special Markets		Group Functions		Total			
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024 adjusted		
in EUR '000								
Liabilities and other payables			109,300	101,094	106,759	97,630	1,281,597	1,156,818
Liabilities included in disposal groups classified as held for sale			0	0	0	0	1,277	0
Current tax liabilities			50,719	31,398	62,040	43,378	324,776	186,101
Financial liabilities			9,419	9,460	1,833,085	1,728,523	2,481,296	2,374,140
Other liabilities			3,756	2,501	14,689	17,809	94,703	98,709
Insurance contracts liabilities issued			3,066,789	2,853,753	1,286,155	1,253,503	41,496,871	39,598,063
Reinsurance contracts liabilities held			19,747	24,996	2,813	5,224	44,220	42,482
Provisions			20,252	16,772	209,127	155,479	832,000	793,101
Deferred tax liabilities			9,642	27,137	22,270	19,789	427,533	433,711
Subtotal			3,289,624	3,067,111	3,536,938	3,321,335	46,984,273	44,683,125
Consolidated shareholders' equity							7,331,363	6,558,935
Total							54,315,636	51,242,060

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 “25.3. (Re-)Insurance contracts” and the qualitative description of the risks is presented in the chapter “Risk strategy and risk management”.

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 to “onerous” or “non-onerous”.

Consolidation effects recognised in profit or loss are included in the item “Insurance service expenses from reinsurance contracts held”, insofar they arise from the elimination of intragroup reinsurance contracts. Intragroup reinsurance contracts are mainly measured using PAA, which is why such consolidation effects are assigned to this measurement 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 2024, in order to provide a more accurate representation of the changes within the balance sheet items in accordance with IFRS 17. This constitutes a change in presentation.

In addition, the technical method of consolidation was developed further in the financial year, meaning that changes recognised directly in equity that arise from underwriting cannot be reconciled with the statement of comprehensive income.

1.1. Overview

Composition	31/12/2025			Total
	PAA	GMM	VFA	
in EUR '000				
Insurance contracts assets issued	610	369,440	551	376,308
Assets for Remaining Coverage (ARC)	31,413	509,772	502	541,687
Estimates of the PVFCF		1,083,895	2,006	
Risk Adjustment		-277,492	-1,504	
Contractual Service Margin		-296,631	0	
Assets for Incurred Claims	-30,803	-140,332	49	-171,086
Insurance acquisition costs recognised as assets				5,707
Reinsurance contracts assets held	1,795,168	649,708		2,444,876
Assets for Remaining Coverage (ARC)	107,989	-111,948		-3,959
Estimates of the PVFCF		-191,341		
Risk Adjustment		4,227		
Contractual Service Margin		75,166		
Assets for Incurred Claims	1,687,179	761,656		2,448,835
Insurance contracts liabilities issued	-9,815,415	-3,503,060	-28,081,757	-41,496,871
Liability for Remaining Coverage (LRC)	-2,267,706	-2,615,702	-27,201,951	-32,085,359
Estimates of the PVFCF		-1,760,494	-20,854,425	
Risk Adjustment		-164,674	-1,007,667	
Contractual Service Margin		-690,534	-5,339,859	
Liability for Incurred Claims	-7,547,709	-887,358	-879,806	-9,314,873
As a liability recognised insurance cash flows				-96,639
Reinsurance contracts liabilities held	-23,732	-20,488		-44,220
Liability for Remaining Coverage (LRC)	-32,193	-20,820		-53,013
Estimates of the PVFCF		-37,390		
Risk Adjustment		601		
Contractual Service Margin		15,969		
Liability for Incurred Claims	8,461	332		8,793

Composition	31/12/2024			Total
	PAA	GMM	VFA	
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 flows				-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

1.2. Assumptions used

Cost of capital and confidence level

The cost of capital rate used for risk adjustment in the financial year 2025 amounts to 6.00% (2024: 6.00%).

The risk adjustment for life, health and non-life insurance contracts corresponds to a confidence level of average 79.48% (previous year: average 79.93%).

The confidence level is calculated using an ultimate view and is net of reinsurance.

Discount rate

Spot rates in years ¹	31/12/2025						31/12/2024					
	1y	3y	5y	10y	20y	30y	1y	3y	5y	10y	20y	30y
in %												
ALL	2.08	2.28	2.48	2.86	3.21	3.27	2.24	2.09	2.14	2.27	2.26	2.38
BAM	2.03	2.23	2.43	2.81	3.16	3.23	2.19	2.04	2.09	2.22	2.21	2.34
BGN	2.03	2.23	2.43	2.81	3.16	3.23	2.19	2.04	2.09	2.22	2.21	2.34
CHF	-0.04	0.13	0.32	0.67	1.13	1.41	0.05	0.06	0.17	0.38	0.89	1.24
CZK	3.40	3.57	3.74	4.06	4.23	4.05	3.67	3.53	3.56	3.73	3.82	3.73
EUR	2.08	2.28	2.48	2.86	3.21	3.27	2.24	2.09	2.14	2.27	2.26	2.38
EUR (Croatia) ²	2.08	2.28	2.50	2.98	3.43	3.47	2.55	2.30	2.41	2.73	2.91	3.01
GBP	3.54	3.53	3.67	4.04	4.54	4.59	4.46	4.15	4.04	4.07	4.30	4.23
GEL	2.08	2.28	2.48	2.86	3.21	3.27	2.24	2.09	2.14	2.27	2.43	2.61
HUF	6.05	6.19	6.38	6.82	7.12	6.55	5.68	6.15	6.36	6.52	6.99	6.51
MDL	2.08	2.28	2.48	2.86	3.21	3.27	2.24	2.09	2.14	2.27	2.26	2.38
MKD	2.08	2.28	2.48	2.86	3.21	3.27	2.24	2.09	2.14	2.27	2.26	2.38
PLN	3.34	3.98	4.46	5.16	5.06	4.64	4.97	5.22	5.49	5.78	5.34	4.84
RON	6.11	6.36	6.55	6.65	6.01	5.32	6.67	7.07	7.27	7.25	6.39	5.60
RSD	3.89	3.98	4.13	5.01	5.18	4.76	3.76	3.66	4.00	5.13	5.34	4.90
TRY	37.26	34.40	30.92	22.79	15.52	12.37	41.71	34.94	30.07	23.70	17.88	14.33
UAH	16.48	15.70	12.57	8.85	6.93	6.32	15.36	15.87	14.95	11.01	7.72	6.80
USD	3.43	3.34	3.47	3.84	4.28	4.23	4.18	4.06	4.02	4.07	4.10	3.84

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	31/12/2025	31/12/2024
in basis points		
Albania	30	43
Bosnia-Herzegovina	21	56
Bulgaria	32	56
Germany	28	48
Estonia	30	43
Georgia	30	43
Kosovo	30	43
Croatia	17	21
Latvia	30	43
Liechtenstein	10	27
Lithuania	30	43
North Macedonia	30	43
Moldova	30	43
Austria	24	39
Poland	32	61
Romania	24	32
Serbia	200	200
Slovakia	39	52
Czech Republic	30	29
Türkiye	52	44
Ukraine	119	159
Hungary	45	62

1.3. Insurance contracts issued

Development by balance sheet item

Development – insurance contracts issued All measurement models	2025					Total
	LRC / ARC		LIC / AIC			
	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	427,667	-13,429	-106,732	-11,386	-96	296,024
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-31,179,790	-99,101	-1,549,358	-6,422,924	-280,577	-39,531,750
Net book value as of 31/12 of the previous year = value as of 01/01	-30,752,123	-112,530	-1,656,090	-6,434,310	-280,673	-39,235,726
Insurance service revenue	13,195,975					13,195,975
insurance service expenses	-3,377,770	18,909	-1,576,326	-6,506,383	-9,712	-11,451,282
Investment components	3,116,336		-3,104,566	-11,770		0
Insurance finance result*	-1,788,891	-2,202	-24,118	-250,504	-11,047	-2,076,762
Unrealised gains and losses acc. to IFRS 17	114,048	0	7,195	33	-591	120,685
Total changes in the statement of comprehensive income	11,259,698	16,707	-4,697,815	-6,768,624	-21,350	-211,384
Exchange rate differences	79,091	-601	-13,359	27,810	-446	92,495
Total fulfilment cash flows	-12,050,977	0	4,459,811	5,913,456		-1,677,710
Other movements	17,737	-674	6	-14,375	0	2,694
Net book value as of 31/12	-31,446,574	-97,098	-1,907,447	-7,276,043	-302,469	-41,029,631
Assets as of 31/12	546,904	-5,217	-140,283	-30,720	-83	370,601
Liabilities as of 31/12	-31,993,478	-91,881	-1,767,164	-7,245,323	-302,386	-41,400,232

*Includes exchange rate differences of EUR -99,541,000.

Development – insurance contracts issued All measurement models	2024					Total
	LRC / ARC		LIC / AIC			
	Excl. LC	LC	Contracts not measured under PAA	Contracts measured at PAA		
				PVFCF	RA	
in EUR '000						
Assets as of 01/01	342,579	-8,993	-84,342	-23,172	-370	225,702
Liabilities as of 01/01 adjusted as published	-30,220,433	-59,730	-1,470,154	-5,727,808	-267,979	-37,746,104
Net book value as of 01/01 adjusted as published	-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
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		-1,164,464
Other movements	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

Premium Allocation Approach

	2025				Total
	LRC / ARC		LIC / AIC		
	Excl. LC	LC	PVFCF	RA	
<i>in EUR '000</i>					
Assets as of 31/12 of the previous year = assets as of 01/01	17,018	0	-11,386	-96	5,536
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-2,112,689	-42,965	-6,422,924	-280,577	-8,859,155
Net book value as of 31/12 of the previous year = value as of 01/01	-2,095,671	-42,965	-6,434,310	-280,673	-8,853,619
Insurance service revenue	10,334,875				10,334,875
Insurance service expenses	-2,772,074	22,468	-6,506,383	-9,712	-9,265,701
Incurred claims and other insurance service expenses	-680,045		-5,908,314		-6,588,359
Losses of onerous contracts and reversals of those losses		22,468			22,468
Changes fulfilment cash flows relating to LIC			-598,069	-9,712	-607,781
Amortisation of insurance acquisition costs	-2,092,029				-2,092,029
Investment components	11,770		-11,770		0
Insurance finance result*	-753	0	-250,504	-11,047	-262,304
Unrealised gains and losses acc. to IFRS 17			33	-591	-558
Total changes in the statement of comprehensive income	7,573,818	22,468	-6,768,624	-21,350	806,312
Exchange rate differences	49,427	-587	27,810	-446	76,204
Total fulfilment cash flows	-7,759,811		5,913,456		-1,846,355
Received premiums	-10,547,000		0		-10,547,000
Claims and other insurance service expenses paid	680,044		5,913,583		6,593,627
Insurance acquisition costs	2,107,145		-127		2,107,018
Other movements	17,028	0	-14,375	0	2,653
Net book value as of 31/12	-2,215,209	-21,084	-7,276,043	-302,469	-9,814,805
Assets as of 31/12	31,413	0	-30,720	-83	610
Liabilities as of 31/12	-2,246,622	-21,084	-7,245,323	-302,386	-9,815,415

*Includes exchange rate differences of EUR -6,564,000.

Development – insurance contracts issued

Premium Allocation Approach

2024 adjusted

	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		-6,172		0
Insurance finance result*	411	0	-227,085	-8,996	-235,670
Unrealised gains and losses acc. to IFRS 17			-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		5,720,990		-1,577,716
Received premiums	-9,836,208		33,557		-9,802,651
Claims and other insurance service expenses paid	541,831		5,687,433		6,229,264
Insurance acquisition costs	1,995,671				1,995,671
Other movements	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

General Measurement Model

	2025			Total
	LRC / ARC		LIC / AIC	
	Excl. LC	LC		
<i>in EUR '000</i>				
Assets as of 31/12 of the previous year = assets as of 01/01	408,957	-13,429	-106,625	288,903
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-2,492,545	-29,795	-725,656	-3,247,996
Net book value as of 31/12 of the previous year = value as of 01/01	-2,083,588	-43,224	-832,281	-2,959,093
Insurance service revenue	1,366,482			1,366,482
insurance service expenses	-375,337	-7,072	-773,315	-1,155,724
Incurred claims and other insurance service expenses	-145,777		-584,925	-730,702
Losses of onerous contracts and reversals of those losses		-7,072		-7,072
Changes fulfilment cash flows relating to LIC			-188,390	-188,390
Amortisation of insurance acquisition costs	-229,560			-229,560
Investment components	566,285		-566,285	0
Insurance finance result*	-113,235	-2,063	-13,826	-129,124
Unrealised gains and losses acc. to IFRS 17	-51,842	0	7,195	-44,647
Total changes in the statement of comprehensive income	1,392,353	-9,135	-1,346,231	36,987
Exchange rate differences	102,132	310	-1,094	101,348
Total fulfilment cash flows	-1,464,813		1,151,910	-312,903
Received premiums	-2,170,255			-2,170,255
Claims and other insurance service expenses paid	196,101		1,151,910	1,348,011
Insurance acquisition costs	509,341			509,341
Other movements	323	-288	6	41
Net book value as of 31/12	-2,053,593	-52,337	-1,027,690	-3,133,620
Assets as of 31/12	514,717	-4,945	-140,332	369,440
Liabilities as of 31/12	-2,568,310	-47,392	-887,358	-3,503,060

*Includes exchange rate differences of EUR -76,081,000.

Development – insurance contracts issued

General Measurement Model

	2024 adjusted			Total
	LRC / ARC		LIC / AIC	
	Excl. LC	LC		
in EUR '000				
Assets as of 31/12 of the previous 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		1,026,832	-221,715
Received premiums	-1,858,155			-1,858,155
Claims and other insurance service expenses paid	187,830		1,026,832	1,214,662
Insurance acquisition costs	421,778			421,778
Other movements	-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.

Development – insurance contracts issued

Variable Fee Approach

	2025			Total
	LRC / ARC		LIC / AIC	
	Excl. LC	LC		
<i>in EUR '000</i>				
Assets as of 31/12 of the previous year = assets as of 01/01	1,692	0	-107	1,585
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-26,574,556	-26,341	-823,702	-27,424,599
Net book value as of 31/12 of the previous year = value as of 01/01	-26,572,864	-26,341	-823,809	-27,423,014
Insurance service revenue	1,494,618			1,494,618
insurance service expenses	-230,359	3,513	-803,011	-1,029,857
Incurred claims and other insurance service expenses	-162,374		-751,987	-914,361
Losses of onerous contracts and reversals of those losses		3,513		3,513
Changes fulfilment cash flows relating to LIC			-51,024	-51,024
Amortisation of insurance acquisition costs	-67,985			-67,985
Investment components	2,538,281		-2,538,281	0
Insurance finance result*	-1,674,903	-139	-10,292	-1,685,334
Unrealised gains and losses acc. to IFRS 17	165,890	0	0	165,890
Total changes in the statement of comprehensive income	2,293,527	3,374	-3,351,584	-1,054,683
Exchange rate differences	-72,468	-324	-12,265	-85,057
Total fulfilment cash flows	-2,826,353		3,307,901	481,548
Received premiums	-3,388,189			-3,388,189
Claims and other insurance service expenses paid	221,170		3,307,901	3,529,071
Insurance acquisition costs	340,666			340,666
Other movements	386	-386	0	0
Net book value as of 31/12	-27,177,772	-23,677	-879,757	-28,081,206
Assets as of 31/12	774	-272	49	551
Liabilities as of 31/12	-27,178,546	-23,405	-879,806	-28,081,757

*Includes exchange rate differences of EUR -16,896,000.

Development – insurance contracts issued Variable Fee Approach	2024 adjusted			Total
	LRC / ARC		LIC / AIC	
	Excl. LC	LC		
in EUR '000				
Assets as of 01/01	1,404	0	-20	1,384
Liabilities as of 01/01 adjusted as published	-26,041,989	-23,882	-823,927	-26,889,798
Net book value as of 01/01 adjusted as published	-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		-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		3,369,073	634,967
Received premiums	-3,246,735			-3,246,735
Claims and other insurance service expenses paid	200,349		3,369,073	3,569,422
Insurance acquisition costs	312,280			312,280
Other movements	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.

Development by measurement component: Insurance contracts that are not measured under PAA

Developments of LRC / ARC and LIC / AIC by measurement components All measurement models that are not measured under PAA	2025			Total
	PVFCF	RA	CSM	
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	844,835	-264,064	-290,283	290,488
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-24,156,480	-1,202,361	-5,313,754	-30,672,595
Net book value as of 31/12 of the previous year = value as of 01/01	-23,311,645	-1,466,425	-5,604,037	-30,382,107
Changes that relate to current services	-9,307	153,207	669,266	813,166
Changes that relate to future services	90,242	-189,732	95,618	-3,872
Changes that relate to past services	-15,676	-118,099		-133,775
Insurance finance result	-100,781	-20,444	-1,693,233	-1,814,458
Unrealised gains and losses acc. to IFRS 17	-73,429	3,726	190,946	121,243
Total changes in the statement of comprehensive income	-108,951	-171,342	-737,403	-1,017,696
Exchange rate differences	17,463	-15,588	14,416	16,291
Total fulfilment cash flows	168,645			168,645
Other movements	38	3	0	41
Net book value as of 31/12	-23,234,450	-1,653,352	-6,327,024	-31,214,826
Assets as of 31/12	954,536	-287,914	-296,631	369,991
Liabilities as of 31/12	-24,188,986	-1,365,438	-6,030,393	-31,584,817

Developments of LRC / ARC and LIC / AIC by measurement components

2024 adjusted

All measurement models that are not measured under PAA	PVFCF	RA	CSM	Total
in EUR '000				
Assets as of 01/01	752,221	-247,491	-273,432	231,298
Liabilities as of 01/01 adjusted as published	-23,116,620	-1,184,262	-5,603,740	-29,904,622
Net book value as of 01/01 adjusted as published	-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	-146,519	-107,845	228,020	-26,344
Changes that relate to past services	-33,170	16,732		-16,438
Insurance finance result	-846,682	-94,458	-445,568	-1,386,708
Unrealised gains and losses acc. to IFRS 17	-26,202	-6,812	-87,900	-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	-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

2025

General Measurement Model	PVFCF	RA	CSM	Total
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	835,176	-261,485	-284,788	288,903
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-2,417,158	-176,374	-654,464	-3,247,996
Net book value as of 31/12 of the previous year = value as of 01/01	-1,581,982	-437,859	-939,252	-2,959,093
Changes that relate to current services	-19,348	68,649	267,832	317,133
Amount of CSM recognised in profit or loss			267,832	267,832
Amount of RA for the risk expired recognised in profit or loss		74,745		74,745
Experience adjustments	-19,348	-6,096		-25,444
Changes that relate to future services	365,696	-87,740	-285,340	-7,384
Contracts initially recognised in the period	518,159	-122,825	-407,781	-12,447
Changes in estimates that adjust the CSM	-157,373	34,932	122,441	0
Changes in estimates that do not adjust the CSM	4,910	153		5,063
Changes that relate to past services	-22,998	-75,993		-98,991
Changes in fulfilment cash flows relating to incurred claims	-22,998	-75,993		-98,991
Insurance finance result	-35,326	-19,503	-74,295	-129,124
Unrealised gains and losses acc. to IFRS 17	-48,373	3,726		-44,647
Total changes in the statement of comprehensive income	239,651	-110,861	-91,803	36,987
Exchange rate differences	58,144	-686	43,890	101,348
Total fulfilment cash flows	-312,903			-312,903
Received premiums	-2,170,255			-2,170,255
Claims and other insurance service expenses paid as well as investment components	1,348,011			1,348,011
Insurance acquisition costs	509,341			509,341
Other movements	38	3	0	41
Net book value as of 31/12	-1,597,052	-549,403	-987,165	-3,133,620
Assets as of 31/12	952,481	-286,410	-296,631	369,440
Liabilities as of 31/12	-2,549,533	-262,993	-690,534	-3,503,060

Developments of LRC / ARC and LIC / AIC by measurement components General Measurement Model	2024 adjusted			Total
	PVFCF	RA	CSM	
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		-32,755
Changes in fulfilment cash flows relating to incurred claims	-37,666	4,911		-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		-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
Reclassification to BS items in accordance with IFRS 5	0	0	0	0
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	1,214,662			1,214,662
Insurance acquisition costs	421,778			421,778
Other movements	-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

Developments of LRC / ARC and LIC / AIC by measurement components

Variable Fee Approach	2025			Total
	PVFCF	RA	CSM	
in EUR '000				
Assets as of 31/12 of the previous year = assets as of 01/01	9,659	-2,579	-5,495	1,585
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-21,739,322	-1,025,987	-4,659,290	-27,424,599
Net book value as of 31/12 of the previous year = value as of 01/01	-21,729,663	-1,028,566	-4,664,785	-27,423,014
Changes that relate to current services	10,041	84,558	401,434	496,033
Amount of CSM recognised in profit or loss			401,434	401,434
Amount of RA for the risk expired recognised in profit or loss		92,278		92,278
Experience adjustments	10,041	-7,720		2,321
Changes that relate to future services	-275,454	-101,992	380,958	3,512
Contracts initially recognised in the period	268,210	-68,976	-201,778	-2,544
Changes in estimates that adjust the CSM	-548,356	-34,380	582,736	0
Changes in estimates that do not adjust the CSM	4,692	1,364		6,056
Changes that relate to past services	7,322	-42,106		-34,784
Changes in fulfilment cash flows relating to incurred claims	7,322	-42,106		-34,784
Insurance finance result	-65,455	-941	-1,618,938	-1,685,334
Unrealised gains and losses acc. to IFRS 17	-25,056	0	190,946	165,890
Total changes in the statement of comprehensive income	-348,602	-60,481	-645,600	-1,054,683
Exchange rate differences	-40,681	-14,902	-29,474	-85,057
Total fulfilment cash flows	481,548			481,548
Received premiums	-3,388,189			-3,388,189
Claims and other insurance service expenses paid as well as investment components	3,529,071			3,529,071
Insurance acquisition costs	340,666			340,666
Net book value as of 31/12	-21,637,398	-1,103,949	-5,339,859	-28,081,206
Assets as of 31/12	2,055	-1,504	0	551
Liabilities as of 31/12	-21,639,453	-1,102,445	-5,339,859	-28,081,757

Developments of LRC / ARC and LIC / AIC by measurement components	2024 adjusted			Total
	PVFCF	RA	CSM	
Variable Fee Approach				
in EUR '000				
Assets as of 01/01	6,578	-1,542	-3,653	1,383
Liabilities as of 01/01 adjusted as published	-20,756,114	-1,024,244	-5,109,441	-26,889,799
Net book value as of 01/01 adjusted as published	-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	-529,481	-31,001	552,959	-7,523
Contracts initially recognised in the period	255,739	-61,288	-196,911	-2,460
Changes in estimates that adjust the CSM	-808,837	58,967	749,870	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		16,317
Changes in fulfilment cash flows relating to incurred claims	4,496	11,821		16,317
Insurance finance result	-808,619	-77,679	-378,452	-1,264,750
Unrealised gains and losses acc. to IFRS 17	1,475	0	-87,900	-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	3,569,422			3,569,422
Insurance acquisition costs	312,280			312,280
Other movements	-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

Additional disclosures

Insurance service revenue	2025			2024		
	GMM	VFA	Total	GMM	VFA	Total
in EUR '000						
Amounts relating to the changes in the LRC incl. ARC	911,311	1,164,413	2,075,724	841,409	1,079,656	1,921,065
Expected insurance service expenses	568,198	767,074	1,335,272	511,602	712,118	1,223,720
Change in the risk adjustment for nonfinancial risk	78,418	92,278	170,696	72,751	92,828	165,579
Amount of CSM recognised in profit or loss	267,832	401,434	669,266	230,373	359,578	589,951
Other amounts	-3,137	-96,373	-99,510	26,683	-84,868	-58,185
Allocation of the portion of premiums that relate to the recovery of insurance acquisition costs	455,171	330,205	785,376	338,510	300,806	639,316
Total	1,366,482	1,494,618	2,861,100	1,179,919	1,380,462	2,560,381

Contracts initially recognised in the period General Measurement Model	31/12/2025			31/12/2024		
	Non- onerous	Onerous	Total	Non- onerous	Onerous	Total
in EUR '000						
Own-written	0	-12,447	-12,447	0	-17,439	-17,439
Estimates of present value of future cash outflows	-2,312,972	-213,115	-2,526,087	-1,992,739	-182,749	-2,175,488
Estimates of insurance acquisition costs	-483,354	-9,652	-493,006	-383,882	-11,581	-395,463
Estimates of present value of other future cash outflows	-1,829,618	-203,463	-2,033,081	-1,608,857	-171,168	-1,780,025
Estimates of present value of future cash inflows	2,841,620	202,626	3,044,246	2,442,137	173,790	2,615,927
Risk Adjustment for nonfinancial risks	-120,867	-1,958	-122,825	-101,088	-8,480	-109,568
Contractual Service Margin	-407,781		-407,781	-348,310		-348,310
Acquired	0	0	0	-77,039	0	-77,039
Estimates of present value of future cash outflows	0	0	0	-147,341	0	-147,341
Estimates of present value of other future cash outflows	0	0	0	-147,341	0	-147,341
Estimates of present value of future cash inflows	0	0	0	105,191	0	105,191
Risk Adjustment for nonfinancial risks	0	0	0	-5,594	0	-5,594
Contractual Service Margin	0		0	-29,295		-29,295

Contracts initially recognised in the period Variable Fee Approach	31/12/2025			31/12/2024		
	Non- onerous	Onerous	Total	Non- onerous	Onerous	Total
in EUR '000						
Own-written	0	-2,544	-2,544	0	-2,460	-2,460
Estimates of present value of future cash outflows	-2,437,006	-37,152	-2,474,158	-2,202,944	-32,022	-2,234,966
Estimates of insurance acquisition costs	-290,065	-4,212	-294,277	-273,559	-4,186	-277,745
Estimates of present value of other future cash outflows	-2,146,941	-32,940	-2,179,881	-1,929,385	-27,836	-1,957,221
Estimates of present value of future cash inflows	2,705,190	37,178	2,742,368	2,459,045	31,660	2,490,705
Risk Adjustment for nonfinancial risks	-66,406	-2,570	-68,976	-59,190	-2,098	-61,288
Contractual Service Margin	-201,778		-201,778	-196,911		-196,911
Acquired	0	0	0	-399,629	0	-399,629
Estimates of present value of future cash outflows	0	0	0	-477,174	0	-477,174
Estimates of present value of other future cash outflows	0	0	0	-477,174	0	-477,174
Estimates of present value of future cash inflows	0	0	0	117,200	0	117,200
Risk Adjustment for nonfinancial risks	0	0	0	-2,525	0	-2,525
Contractual Service Margin	0		0	-37,130		-37,130

CSM expected to be recognised in profit or loss Insurance contracts issued	31/12/2025					Total
	1 st year	2 nd year	3 rd year	4 th year	5 th year and later	
in EUR '000						
GMM	-191,536	-135,098	-110,583	-92,058	-457,890	-987,165
Assets for Remaining Coverage (ARC)	-45,425	-37,673	-31,472	-26,316	-155,745	-296,631
Liability for Remaining Coverage (LRC)	-146,111	-97,425	-79,111	-65,742	-302,145	-690,534
VFA	-414,179	-372,001	-344,384	-318,305	-3,890,990	-5,339,859
Liability for Remaining Coverage (LRC)	-414,179	-372,001	-344,384	-318,305	-3,890,990	-5,339,859
Total	-605,715	-507,099	-454,967	-410,363	-4,348,880	-6,327,024

CSM expected to be recognised in profit or loss Insurance contracts issued	31/12/2024					Total
	1 st year	2 nd year	3 rd year	4 th year	5 th year and later	
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

1.4. Reinsurance contracts held

Development by balance sheet item

Development – reinsurance contracts held All measurement models	2025					Total
	LRC / ARC		Contracts not measured under PAA	LIC / AIC		
	Excl. LoReCo	LoReCo		Contracts measured at PAA		
			PVFCF	RA		
in EUR '000						
Assets as of 31/12 of the previous year = assets as of 01/01	-40,409	7,667	975,351	1,174,286	25,863	2,142,758
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-55,295	75	-3,094	15,479	353	-42,482
Net book value as of 31/12 of the previous year = value as of 01/01	-95,704	7,742	972,257	1,189,765	26,216	2,100,276
Allocation of reinsurance premiums	-1,459,622					-1,459,622
Amounts recovered from the reinsurer	9,262	509	171,184	1,054,547	-2,162	1,233,340
Investment components	-31,424		3,006	28,418		0
Insurance finance result*	1,270	1,232	18,036	72,111	1,545	94,194
Unrealised gains and losses acc. to IFRS 17	1,596		-6,568	-3,400	256	-8,116
Total changes in the statement of comprehensive income	-1,478,918	1,741	185,658	1,151,676	-361	-140,204
Exchange rate differences	-10,363	-2	-50	-16,396	-868	-27,679
Total fulfilment cash flows	1,550,930		-395,877	-654,455		500,598
Other movements	-32,405	7	0	63	0	-32,335
Net book value as of 31/12	-66,460	9,488	761,988	1,670,653	24,987	2,400,656
Assets as of 31/12	-13,389	9,430	761,656	1,662,373	24,806	2,444,876
Liabilities as of 31/12	-53,071	58	332	8,280	181	-44,220

*Includes exchange rate differences of EUR 1,940,000.

Development – reinsurance contracts held

All measurement models

	2024					Total
	LRC / ARC		LIC / AIC			
	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	-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
Allocation of reinsurance premiums	-1,477,363					-1,477,363
Amounts recovered from the reinsurer	-46,865	2,505	696,344	531,831	-1,748	1,182,067
Investment components	-27,770		7,840	19,930		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		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	-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

Premium Allocation Approach

	2025				Total
	LRC / ARC		LIC / AIC		
	Excl. LoReCo	LoReCo	PVFCF	RA	
<i>in EUR '000</i>					
Assets as of 31/12 of the previous year = assets as of 01/01	102,348	17	1,174,286	25,863	1,302,514
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-34,520	0	15,479	353	-18,688
Net book value as of 31/12 of the previous year = value as of 01/01	67,828	17	1,189,765	26,216	1,283,826
Allocation of reinsurance premiums	-1,026,636				-1,026,636
Amounts recovered from the reinsurer	4,891	-11	1,054,547	-2,162	1,057,265
Amounts recovered for claims and other technical expenses	-32,967		602,147		569,180
Reimbursements of losses and reversal of reimbursement of losses from groups of onerous contracts		-11			-11
Changes fulfilment cash flows relating to LIC			479,815	-2,162	477,653
Changes in risk of non-performance by issuer of reinsurance contracts	0	0	-1,507		-1,507
Consolidation effects	37,858		-25,908	0	11,950
Investment components	-28,418		28,418		0
Insurance finance result*	143	0	72,111	1,545	73,799
Insurance finance result*	143	0	46,203	1,545	47,891
Consolidation effects	0	0	25,908	0	25,908
Unrealised gains and losses acc. to IFRS 17			-3,400	256	-3,144
Total changes in the statement of comprehensive income	-1,050,020	-11	1,151,676	-361	101,284
Exchange rate differences	-10,540	0	-16,396	-868	-27,804
Total fulfilment cash flows	1,100,967		-654,455		446,512
Premiums paid	1,103,711				1,103,711
Claims and other insurance service expenses received as well as investment components	-2,102		-654,455		-656,557
Insurance acquisition costs	-642				-642
Other movements	-32,443	-2	63	0	-32,382
Net book value as of 31/12	75,792	4	1,670,653	24,987	1,771,436
Assets as of 31/12	107,985	4	1,662,373	24,806	1,795,168
Liabilities as of 31/12	-32,193	0	8,280	181	-23,732

*Includes exchange rate differences of EUR 642,000.

Development – reinsurance contracts held

Premium Allocation Approach

2024 adjusted

	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
Allocation of reinsurance premiums	-1,043,945	0			-1,043,945
Amounts recovered from the reinsurer	-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		-500
Consolidation effects	-53,365		-19,310	-61	-72,736
Investment components	-19,930		19,930		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			-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		-592,356		529,977
Premiums paid	1,123,975				1,123,975
Claims and other insurance service expenses received as well as investment components	-2,497		-592,356		-594,853
Insurance acquisition costs	855				855
Other movements	-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

General Measurement Model

	2025			Total
	LRC / ARC		LIC / AIC	
	Excl. LoReCo	LoReCo		
<i>in EUR '000</i>				
Assets as of 31/12 of the previous year = assets as of 01/01	-142,757	7,650	975,351	840,244
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-20,775	75	-3,094	-23,794
Net book value as of 31/12 of the previous year = value as of 01/01	-163,532	7,725	972,257	816,450
Allocation of reinsurance premiums	-432,986			-432,986
Amounts recovered from the reinsurer	4,371	520	171,184	176,075
Amounts recovered for claims and other technical expenses	3,246		409,988	413,234
Reimbursements of losses and reversal of reimbursement of losses from groups of onerous contracts		520		520
Changes fulfilment cash flows relating to LIC			-239,488	-239,488
Changes in risk of non-performance by issuer of reinsurance contracts	1,125	0	684	1,809
Investment components	-3,006		3,006	0
Insurance finance result*	1,127	1,232	18,036	20,395
Unrealised gains and losses acc. to IFRS 17	1,596		-6,568	-4,972
Total changes in the statement of comprehensive income	-428,898	1,752	185,658	-241,488
Exchange rate differences	177	-2	-50	125
Total fulfilment cash flows	449,963		-395,877	54,086
Premiums paid	455,885			455,885
Claims and other insurance service expenses received as well as investment components	3,770		-395,877	-392,107
Insurance acquisition costs	-9,692			-9,692
Other movements	38	9	0	47
Net book value as of 31/12	-142,252	9,484	761,988	629,220
Assets as of 31/12	-121,374	9,426	761,656	649,708
Liabilities as of 31/12	-20,878	58	332	-20,488

*Includes exchange rate differences of EUR 1,298,000.

Development – reinsurance contracts held

General Measurement Model

	2024 adjusted			Total
	LRC / ARC		LIC / AIC	
	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
Allocation of reinsurance premiums	-433,418			-433,418
Amounts recovered from the reinsurer	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		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		-399,713	8,388
Premiums paid	411,272			411,272
Claims and other insurance service expenses received as well as investment components	3,585		-399,713	-396,128
Insurance acquisition costs	-6,756			-6,756
Other movements	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 by measurement component: Insurance contracts that are not measured under PAA

Developments of LRC / ARC and LIC / AIC by measurement components	2025			
	PVFCF	RA	CSM	Total
General Measurement Model				
<i>in EUR '000</i>				
Assets as of 31/12 of the previous year = assets as of 01/01	754,033	20,129	66,082	840,244
Liabilities as of 31/12 of the previous year = liabilities as of 01/01	-39,059	477	14,788	-23,794
Net book value as of 31/12 of the previous year = value as of 01/01	714,974	20,606	80,870	816,450
Changes that relate to current services	-137,550	-80,250	-7,738	-225,538
Amount of CSM recognised in profit or loss			-7,738	-7,738
Amount of RA for the risk expired recognised in profit or loss		-80,250		-80,250
Experience adjustments	-137,550			-137,550
Changes that relate to future services	-95,406	80,519	15,390	503
Contracts initially recognised in the period	-71,813	80,119	63,950	72,256
Changes in estimates that adjust the CSM	-23,593	400	23,176	-17
Changes in estimates that adjust the LoReCo			-71,736	-71,736
Changes that relate to past services	-30,024	-3,661		-33,685
Changes in fulfilment cash flows relating to incurred claims	-30,024	-3,661		-33,685
Changes in risk of non-performance by issuer of reinsurance contracts	1,809	0		1,809
Insurance finance result	16,032	1,499	2,864	20,395
Unrealised gains and losses acc. to IFRS 17	-4,260	-712		-4,972
Total changes in the statement of comprehensive income	-249,399	-2,605	10,516	-241,488
Exchange rate differences	365	-8	-232	125
Total fulfilment cash flows	54,086			54,086
Premiums paid	455,885			455,885
Claims and other insurance service expenses received as well as investment components	-392,107			-392,107
Insurance acquisition costs	-9,692			-9,692
Other movements	67	-1	-19	47
Net book value as of 31/12	520,093	17,992	91,135	629,220
Assets as of 31/12	557,154	17,388	75,166	649,708
Liabilities as of 31/12	-37,061	604	15,969	-20,488

Developments of LRC / ARC and LIC / AIC by measurement components

General Measurement Model	2024 adjusted			
	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	-4,109	-2,532
Changes in estimates that adjust the LoReCo	0	0	-19,232	-19,232
Changes that relate to past services	42,607	-1,976		40,631
Changes in fulfilment cash flows relating to incurred claims	42,607	-1,976		40,631
Changes in risk of non-performance by issuer of reinsurance contracts	-58	0		-58
Insurance finance result	8,250	1,710	3,083	13,043
Unrealised gains and losses acc. to IFRS 17	4,955	752		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
Premiums paid	411,272			411,272
Claims and other insurance service expenses received as well as investment components	-396,128			-396,128
Insurance acquisition costs	-6,756			-6,756
Other movements	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

Additional disclosures

Contracts initially recognised in the period

General Measurement Model	31/12/2025	31/12/2024
in EUR '000		
Own-written	72,256	23,343
Estimates of present value of future cash outflows	353,637	249,077
Estimates of present value of other future cash outflows	353,637	249,077
Estimates of present value of future cash inflows	-425,450	-357,016
Risk Adjustment for nonfinancial risks	80,119	67,848
Contractual Service Margin	63,950	63,434
Acquired	0	-477
Estimates of present value of future cash outflows	0	-1,018
Estimates of present value of other future cash outflows	0	-1,018
Estimates of present value of future cash inflows	0	123
Risk Adjustment for nonfinancial risks	0	28
Contractual Service Margin	0	390

CSM expected to be recognised in profit or loss Reinsurance contracts held	31/12/2025					Total
	1 st year	2 nd year	3 rd year	4 th year	5 th year and later	
in EUR '000						
GMM	30,844	10,684	7,994	6,195	35,418	91,135
Assets for Remaining Coverage (ARC)	28,605	9,024	6,622	4,980	25,935	75,166
Liability for Remaining Coverage (LRC)	2,239	1,660	1,372	1,215	9,483	15,969

CSM expected to be recognised in profit or loss Reinsurance contracts held	31/12/2024					Total
	1 st year	2 nd year	3 rd year	4 th year	5 th year and later	
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

1.5. Underlying assets of direct participating contracts

The following table shows the underlying reference values from the perspective of the individual insurance companies and not from the Group perspective, which is also why the previous year's figures have been adjusted. These are based on the specific contractual agreements, including the applicable legal or regulatory provisions.

Composition – Fair value	31/12/2025	31/12/2024 adjusted
in EUR '000		
Items shown as assets	27,329,418	26,520,421
Cash and cash equivalents	286,796	412,695
Loans	919,150	965,721
Bonds	15,832,769	15,697,293
Term deposits	82,487	98,014
Funds	8,788,215	7,997,314
Derivatives	1,116	892
Shares	449,770	381,230
Shares in participating companies	10,594	12,054
Shares in affiliated non-consolidated companies	1,253	1,281
Receivables	8,135	8,096
Investment property	747,944	749,259
Owner-occupied property	201,189	196,572
Items shown as liabilities	180,453	2,469
Liabilities and miscellaneous other liabilities	180,444	1,872
Liabilities for derivatives	9	597

Amounts recognised in profit or loss

2025

	Underlying Assets		Non Underlying Assets	Total
	Unconsolidated	Consolidation		
in EUR '000				
Interest revenues using the effective interest rate method	462,050	-22,622	656,729	1,096,157
Realised gains and losses from financial assets measured at AC	-9,954	0	565	-9,389
Impairment losses incl. reversal gains on financial instruments	43,909	-3,915	-18,263	21,731
Other result from financial instruments	1,151,167	3,860	134,511	1,289,538
Financial result from owner occupied properties and investment properties	10,759	-182	18,771	29,348
Result from associates (equity-method)	0	0	27,096	27,096
Total	1,657,931	-22,859	819,409	2,454,481

Amounts recognised in profit or loss

2024 adjusted

	Underlying Assets		Non Underlying Assets	Total
	Unconsolidated	Consolidation		
in EUR '000				
Interest revenues using the effective interest rate method	456,716	-23,747	564,728	997,697
Realised gains and losses from financial assets measured at AC	0	0	-5,076	-5,076
Impairment losses incl. reversal gains on financial instruments	-4,551	-741	-12,814	-18,106
Other result from financial instruments	776,013	6,757	126,761	909,531
Financial result from owner occupied properties and investment properties	10,082	-57	43,960	53,985
Result from associates (equity-method)	0	0	27,001	27,001
Total	1,238,260	-17,788	744,560	1,965,032

Amounts recognised in profit or loss

2025

Insurance finance result

	2025			Total
	Insurance contracts issued – VFA	Insurance contracts issued – PAA and GMM	Reinsurance contracts held – PAA and GMM	
in EUR '000				
Interest accreted to insurance contracts using current financial assumptions	-615,323	-265,197	61,307	-819,213
Interest accreted to insurance contracts using locked-in rate at initial recognition	0	-18,803	2,548	-16,255
Changes in interest rates and other financial assumptions	-1,053,115	-24,783	28,399	-1,049,499
Exchange rate differences	-16,896	-82,645	1,940	-97,601
Total	-1,685,334	-391,428	94,194	-1,982,568

Amounts recognised in profit or loss	2024 adjusted			Total
	Insurance contracts issued – VFA	Insurance contracts issued – PAA and GMM	Reinsurance contracts held – PAA and GMM	
Insurance finance result				
<i>in EUR '000</i>				
Interest accreted to insurance contracts using current financial assumptions	-797,960	-234,089	62,709	-969,340
Interest accreted to insurance contracts using locked-in rate at initial recognition	0	-35,008	3,598	-31,410
Changes in interest rates and other financial assumptions	-408,340	-30,783	20,556	-418,567
Exchange rate differences	-58,450	-57,748	-506	-116,704
Total	-1,264,750	-357,628	86,357	-1,536,021

Amounts recognised directly in equity	2025	2024
<i>in EUR '000</i>		
Underlying Assets	94,631	129,638
Non Underlying Assets	-124,644	46,338
IFRS 17 – Insurance contracts issued	120,685	-154,083
IFRS 17 – Reinsurance contracts held	-8,116	500
Total	82,556	22,393

Statement of comprehensive income	2025	2024
<i>in EUR '000</i>		
Recognised in profit or loss	1,990,324	1,615,362
Insurance service result	1,518,411	1,186,351
Investment result incl. result from associated consolidated companies and properties	2,454,481	1,965,032
Insurance finance result	-1,982,568	-1,536,021
Recognised directly in equity	82,556	22,393
Unrealised gains and losses acc. to IFRS 9	-30,013	175,976
Unrealised gains and losses acc. to IFRS 17	112,569	-153,583
Total	2,072,880	1,637,755

1.6. Portfolio performance from IFRS 17 transition date (1 January 2022)

Development – insurance contracts issued	2025			2024 adjusted		
	FVA	FRA and new contracts	Total	FVA	FRA and new contracts	Total
All measurement models						
in EUR '000						
Contractual Service Margin as of 01/01 adjusted as published				-4,940,495	-936,674	-5,877,169
Contractual Service Margin as of 01/01	-4,245,796	-1,358,241	-5,604,037			
Changes that relate to current services	373,988	295,278	669,266	360,632	229,319	589,951
Amount of CSM recognised in profit or loss	373,988	295,278	669,266	360,632	229,319	589,951
Changes that relate to future services	533,184	-437,566	95,618	1,183,760	-505,332	678,428
Contracts initially recognised in the period		-609,559	-609,559		-545,221	-545,221
Changes in estimates that adjust the CSM	533,184	171,993	705,177	1,183,760	39,889	1,223,649
Insurance finance result*	-1,438,749	-254,484	-1,693,233	-776,523	-119,453	-895,976
Unrealised gains and losses acc. to IFRS 17	177,341	13,605	190,946	-90,942	3,042	-87,900
Total changes in the statement of comprehensive income	-354,236	-383,167	-737,403	676,927	-392,424	284,503
Exchange rate differences	-30,260	44,676	14,416	19,333	33,023	52,356
Changes in scope of consolidation	0	0	0	0	-66,425	-66,425
Other movements	0	0	0	-1,561	4,259	2,698
Contractual Service Margin as of 31/12	-4,630,292	-1,696,732	-6,327,024	-4,245,796	-1,358,241	-5,604,037

*Includes exchange rate differences of EUR -60,612,000 (EUR -41,544,000).

Development	2025			2024		
	FVA	FRA and new contracts	Total	FVA	FRA and new contracts	Total
General Measurement Model						
in EUR '000						
Contractual Service Margin as of 01/01	-295,666	-643,586	-939,252	-321,678	-442,399	-764,077
Changes that relate to current services	53,932	213,900	267,832	61,563	168,810	230,373
Amount of CSM recognised in profit or loss	53,932	213,900	267,832	61,563	168,810	230,373
Changes that relate to future services	961	-286,301	-285,340	-31,115	-293,824	-324,939
Contracts initially recognised in the period		-407,781	-407,781		-348,310	-348,310
Changes in estimates that adjust the CSM	961	121,480	122,441	-31,115	54,486	23,371
Insurance finance result*	-3,398	-70,897	-74,295	-3,953	-63,163	-67,116
Total changes in the statement of comprehensive income	51,495	-143,298	-91,803	26,495	-188,177	-161,682
Exchange rate differences	-2,390	46,280	43,890	1,120	14,682	15,802
Changes in scope of consolidation	0	0	0	0	-29,295	-29,295
Other movements	0	0	0	-1,603	1,603	0
Contractual Service Margin as of 31/12	-246,561	-740,604	-987,165	-295,666	-643,586	-939,252

*Includes exchange rate differences of EUR -55,492,000 (EUR -32,108,000).

Development	2025			2024 adjusted		
	FVA	FRA and new contracts	Total	FVA	FRA and new contracts	Total
Variable Fee Approach						
in EUR '000						
Contractual Service Margin as of 01/01 adjusted as published				-4,618,817	-494,275	-5,113,092
Contractual Service Margin as of 01/01	-3,950,130	-714,655	-4,664,785			
Changes that relate to current services	320,056	81,378	401,434	299,069	60,509	359,578
Amount of CSM recognised in profit or loss	320,056	81,378	401,434	299,069	60,509	359,578
Changes that relate to future services	532,223	-151,265	380,958	1,214,875	-211,508	1,003,367
Contracts initially recognised in the period		-201,778	-201,778		-196,911	-196,911
Changes in estimates that adjust the CSM	532,223	50,513	582,736	1,214,875	-14,597	1,200,278
Insurance finance result*	-1,435,351	-183,587	-1,618,938	-772,570	-56,290	-828,860
Unrealised gains and losses acc. to IFRS 17	177,341	13,605	190,946	-90,942	3,042	-87,900
Total changes in the statement of comprehensive income	-405,731	-239,869	-645,600	650,432	-204,247	446,185
Exchange rate differences	-27,870	-1,604	-29,474	18,213	18,341	36,554
Changes in scope of consolidation	0	0	0	0	-37,130	-37,130
Other movements	0	0	0	42	2,656	2,698
Contractual Service Margin as of 31/12	-4,383,731	-956,128	-5,339,859	-3,950,130	-714,655	-4,664,785

*Includes exchange rate differences of EUR -5,120,000 (EUR -9,436,000).

Reinsurance contracts held

Development	2025			2024		
	FVA	FRA and new contracts	Total	FVA	FRA and new contracts	Total
General Measurement Model						
in EUR '000						
Contractual Service Margin as of 01/01	41,660	39,210	80,870	49,689	36,854	86,543
Changes that relate to current services	-7,334	-404	-7,738	-8,473	-40,068	-48,541
Amount of CSM recognised in profit or loss	-7,334	-404	-7,738	-8,473	-40,068	-48,541
Changes that relate to future services	9,556	5,834	15,390	177	39,916	40,093
Contracts initially recognised in the period		63,950	63,950		63,434	63,434
Changes in estimates that adjust the CSM	9,556	-58,116	-48,560	177	-23,518	-23,341
Insurance finance result*	310	2,554	2,864	259	2,824	3,083
Total changes in the statement of comprehensive income	2,532	7,984	10,516	-8,037	2,672	-5,365
Exchange rate differences	-98	-134	-232	-35	-656	-691
Changes in scope of consolidation	0	0	0	0	391	391
Other movements	0	-19	-19	43	-51	-8
Contractual Service Margin as of 31/12	44,094	47,041	91,135	41,660	39,210	80,870

*Includes exchange rate differences of EUR 316,000 (EUR -529,000).

Underlying assets

The following table shows the amounts recorded in the statement of comprehensive income under “Other comprehensive income”. These originate from underlying financial assets from insurance contracts which were measured using the FVA at initial recognition.

Development	2025	2024
<i>in EUR '000</i>		
Book value as of 31/12 of the previous year = Book value as of 01/01	702,594	836,545
Amounts recognised directly in equity	121,798	-90,284
Amounts recognised in profit or loss	-16,201	-42,631
Changes in scope of consolidation	0	160
Exchange rate differences	1,059	-1,196
Book value as of 31/12	809,250	702,594
thereof included balance of risk provision	-87,421	-109,551

The change in risk provision is reported in the item Amounts recognised directly in equity.

Insurance service revenue

Insurance service revenue	2025			2024		
	FVA	FRA and new contracts	Total	FVA	FRA and new contracts	Total
<i>in EUR '000</i>						
Insurance service revenue – issued business	1,300,039	11,895,936	13,195,975	1,369,492	10,768,985	12,138,477
Premium Allocation Approach	0	10,334,875	10,334,875	0	9,578,096	9,578,096
General Measurement Model	163,477	1,203,005	1,366,482	195,372	984,547	1,179,919
Variable Fee Approach	1,136,562	358,056	1,494,618	1,174,120	206,342	1,380,462
Insurance service revenue – reinsurance held	-17,595	-1,442,027	-1,459,622	-24,305	-1,453,058	-1,477,363
Premium Allocation Approach	0	-1,026,636	-1,026,636	0	-1,043,945	-1,043,945
General Measurement Model	-17,595	-415,391	-432,986	-24,305	-409,113	-433,418

1.7. Risk of concentration

Insurance contracts liabilities issued	31/12/2025	31/12/2024
in EUR '000		
Austria	23,514,680	23,368,637
Czech Republic	3,037,061	2,927,744
Poland	2,709,046	2,551,364
Albania incl. Kosovo	98,617	90,407
Baltic states	1,202,799	1,037,409
Bosnia-Herzegovina	118,381	116,952
Bulgaria	326,399	288,909
Croatia	405,951	408,883
Moldova	12,998	15,396
North Macedonia	24,014	19,873
Romania	1,450,882	1,203,128
Serbia	328,577	329,151
Slovakia	2,141,219	1,661,644
Ukraine	131,750	111,694
Hungary	1,641,553	1,359,616
Germany	820,241	787,719
Georgia	26,905	27,566
Liechtenstein	865,924	908,881
Türkiye	1,353,719	1,129,587
Group Functions	1,286,155	1,253,503
Total	41,496,871	39,598,063

Gross written premiums	2025	2024
in EUR '000		
Motor third party liability insurance	2,659,126	2,470,991
Motor own damage insurance (Casco)	2,209,750	2,084,599
Other property and casualty insurance	7,855,816	7,495,365
Health insurance	1,142,271	1,025,497
Unit- and index-linked life insurance	737,753	668,785
Life insurance with profit participation	2,440,104	2,383,322
Life insurance without profit participation	1,370,822	1,126,498
Consolidation	-2,101,979	-2,028,710
Total	16,313,663	15,226,347

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, VIIG 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	31/12/2025		31/12/2024	
	in EUR '000	in %	in EUR '000	in %
Base	11,994,996		10,401,147	
Underwriting risks				
Life insurance				
Mortality rates +5%	-12,764	-0.11	-8,251	-0.08
Mortality rates -5%	16,110	0.13	11,066	0.11
Expenses / Admin costs +10%	-204,595	-1.71	-219,960	-2.11
Lapse rates +50%	-258,431	-2.15	-177,519	-1.71
Lapse rates -50%	348,046	2.90	241,305	2.32
Non-life insurance				
Ultimate loss ratio (CBE) +1%	-60,191	-0.50	-62,624	-0.60
Ultimate loss ratio (CBE) -1%	62,253	0.52	60,850	0.59
Market risks				
Interest rate +100bp	-91,158	-0.76	155,622	1.50
Interest rate -100bp	-105,252	-0.88	-490,364	-4.71
Equity prices -25%	-390,664	-3.26	-365,730	-3.52
Spreads for government and corporate bonds +50bp	-490,091	-4.09	-456,234	-4.39

The changes illustrated in the base should always be viewed in isolation. This means that it is not possible to add together different sensitivities in order to derive a cumulative change in the case.

1.9. Insurance risk – Claims development

In order to achieve a more meaningful presentation of claims development, the receivables, liabilities and reinsurance deposits contained in the LIC are presented for the first time in these financial statements in a separate line and thus outside the expected undiscounted outflows excluding risk adjustment. In addition, the expected undiscounted cash outflows excluding risk adjustment are converted at the exchange rate applicable at the relevant point in time. As a result, the figures differ from those published in the 2024 annual report.

Claims development information is presented separately for groups of direct contracts and for reinsurance contracts held, as claims arising from the same loss event are not necessarily allocated to the same accident year, which means that a net presentation would provide an incomplete view of the net assets, financial position, and results of operations.

A different allocation may result from the contractual terms of reinsurance contracts, particularly where these were written on an underwriting year basis. In such cases, claims are allocated to the underwriting year, whereas under a direct contract, claims are allocated to the year of the event. This circumstance does not represent an inconsistency in claims handling or a deviation from IFRS 17 valuation.

Premium Allocation Approach

LIC / AIC – issued	2022	2023	2024	2025	Total
in EUR '000					
Estimated undiscounted cash outflows excl. RA					
At the end of accident year	-5,100,340	-5,694,089	-6,650,816	-7,219,635	
One year later	-5,227,154	-5,719,057	-6,557,406		
Two years later	-4,906,143	-5,633,379			
Three years later	-5,097,706				
Cumulative claims paid	4,657,652	4,825,571	5,218,270	3,486,574	
LIC/AIC – claims years from 2022	-440,054	-807,808	-1,339,136	-3,733,061	-6,320,059
LIC/AIC – claims year 2021					-389,500
LIC/AIC – claims years before 2021*					-1,898,762
Effect of discounting					1,332,278
Risk Adjustment					-302,469
Total					-7,578,512

*Including all receivables and payables included in LIC/AIC

AIC / LIC – held	2022	2023	2024	2025	Total
in EUR '000					
Estimated undiscounted cash outflows excl. RA					
At the end of accident year	742,009	590,586	609,023	1,172,968	
One year later	739,012	649,070	673,680		
Two years later	713,843	638,825			
Three years later	718,809				
Cumulative claims paid	-637,358	-496,898	-454,149	-208,776	
AIC/LIC – claims years from 2022	81,451	141,927	219,531	964,192	1,407,101
AIC/LIC – claims year 2021					46,534
AIC/LIC – claims years before 2021*					417,409
Effect of discounting					-200,391
Risk Adjustment					24,987
Total					1,695,640

*Including all receivables and payables included in AIC/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	31/12/2025	31/12/2024
in %		
AAA	3.16	1.15
AA	36.69	49.12
A	31.43	41.57
BBB	23.68	2.81
BB and lower	1.06	1.72
No rating	3.98	3.63

Due to the good credit quality of the reinsurers of VIG Insurance Group, on 31 December 2025 and 31 December 2024 no impairments for the shares of the reinsurers were required.

1.11. Liquidity risk

Undiscounted net cash flows	31/12/2025			31/12/2024		
	GMM	VFA	Total	GMM	VFA	Total
Insurance contracts issued						
in EUR '000						
One year later	407,092	-804,872	-397,780	256,287	-858,128	-601,841
Two years later	191,889	-937,557	-745,668	151,400	-1,034,021	-882,621
Three years later	125,102	-893,823	-768,721	54,108	-882,920	-828,812
Four years later	71,163	-993,080	-921,917	27,394	-950,886	-923,492
Five years later	12,582	-1,195,511	-1,182,929	-19,719	-1,076,371	-1,096,090
Beyond five years	-4,048,541	-39,548,488	-43,597,029	-3,573,815	-34,730,312	-38,304,127
Total	-3,240,713	-44,373,331	-47,614,044	-3,104,345	-39,532,638	-42,636,983

Undiscounted net cash flows	31/12/2025	31/12/2024
Reinsurance contracts held	GMM	GMM
in EUR '000		
One year later	-36,228	-36,102
Two years later	-5,769	634
Three years later	-5,407	-4,313
Four years later	-3,927	-2,772
Five years later	-3,322	-2,491
Beyond five years	-37,904	-31,861
Total	-92,557	-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 1,927.9 million (EUR 1,556.0 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 “25.4. Financial instruments” and the qualitative description of the risks is presented in the chapter “Risk strategy and risk management”.

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

The classification has been revised compared with the previous year, which is why the tables for the previous year have been added with “adjusted”. Further information can be found in the notes to the consolidated financial statements in the section “Change in presentation”.

The following table shows which detailed papers are included in the individual classes of financial instruments:

Classes of financial instruments	Included financial instruments
Financial assets	
Loans and bonds	Loans, bonds
Variable-interest securities	Shares, shares in participating companies, shares in affiliated non-consolidated companies, shares in non-consolidated joint ventures, funds, other financial assets
Deposits and IFRS 9 measured receivables	Cash and cash equivalents, Term deposits, IFRS 9 measured receivables
Derivatives	Derivatives
Financial liabilities	
Liabilities from financing activities	Subordinated liabilities, Liabilities to banks, Financing liabilities, Lease liabilities
Liabilities held for financing and other purposes	Liabilities designated measured at FVtPL and derivatives held for both financing and other purposes
Other financial liabilities	Other financial liabilities at AC, liabilities held for trading, contingent consideration, other financial liabilities mandatory at FVtPL
IFRS 9 measured liabilities	IFRS 9 measured liabilities
Risk provision for unrevocable loan commitments accounted acc. to IFRS 17	Risk provision for unrevocable loan commitments accounted acc. to IFRS 17

2.1. Overview

Composition	31/12/2025		31/12/2024 adjusted	
	Book value	ECL	Book value	ECL
in EUR '000				
Assets				
Loans and bonds	29,946,074	-208,280	28,183,812	-246,331
Measured at AC	1,756,409	-56,242	1,655,553	-68,933
Mandatorily measured at FVtOCI	26,065,578	-152,038	24,486,454	-177,398
Mandatorily measured at FVtPL	1,785,133		1,721,978	
Designated measured at FVtPL	338,954		319,827	
Variable-interest securities	10,764,688		9,699,699	
Designated measured at FVtOCI	360,570		291,027	
Mandatorily measured at FVtPL	10,404,118		9,408,672	
Deposits and IFRS 9 measured receivables	3,667,557	-19,276	4,026,879	-32,040
Measured at AC	3,667,557	-19,276	4,026,879	-32,040
Derivatives	1,278		17,744	
Mandatorily measured at FVtPL	1,278		17,744	
Liabilities and consolidated shareholders' equity				
Liabilities from financing activities	-2,414,865		-2,312,886	
Measured at AC	-2,414,865		-2,312,886	
Liabilities held for financing and other purposes	-3,708		-1,999	
Mandatorily measured at FVtPL	-3,601		-1,492	
Designated measured at FVtPL	-107		-507	
Other financial liabilities	-62,723		-59,255	
Mandatorily measured at FVtPL	-62,723		-59,255	
IFRS 9 measured liabilities	-642,152		-582,834	
Measured at AC	-642,152		-582,834	

Details regarding the liabilities resulting from financing activities can be found in Note "8. Financial liabilities". The conditions of subordinated liabilities are presented in Note "8.2. Subordinated liabilities".

Risk-bearing portfolio*	31/12/2025	31/12/2024
in EUR '000		
Cash and cash equivalents	1,285,227	1,665,742
Financial assets	32,990,162	31,161,203
Investment property	3,046,557	2,978,265
Owner-occupied property	471,838	466,840
Investments in associates (equity-method)	246,451	204,761
Total	38,040,235	36,476,811

*Excl. financial instruments from unit- and index-linked life insurance

2.2. Equity instruments designated measured at FVtOCI

Financial investments	31/12/2025	31/12/2024
in EUR '000		
Fair value – in portfolio	360,570	291,027
Shares	91,199	41,771
Nürnberger	46,708	
Remaining sum	44,491	41,771
Shares in participating companies	84,218	64,451
Wiener Börse AG	41,323	31,972
GROPYUS AG	16,267	13,452
Remaining sum	26,628	19,027
Shares in affiliated non-consolidated companies	185,153	184,805
Global Repair Centres, s.r.o.	69,264	65,664
HOTELY SRNÍ, a.s.	37,864	32,626
Remaining sum	78,025	86,515
Fair value at derecognition date	5,293	8,661
Shares	4,596	
Shares in participating companies	9	5,174
Shares in affiliated non-consolidated companies	688	3,487

In the remaining amounts in the above shown items, 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	2025	2024
in EUR '000		
Received dividends from equity instruments designated measured at FVtOCI	9,829	9,495
In Portfolio	7,685	9,292
Sold	2,144	203
Within shareholders' equity derecognised cumulative gains and losses	-9,404	-8,438

2.3. 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*	31/12/2025	31/12/2024
<i>in EUR '000</i>		
Exposures located in	33,438,490	31,899,033
Austria	5,563,886	5,647,846
United States of America	1,871,480	1,744,539
Czech Republic	2,866,019	2,760,351
Romania	1,259,744	1,193,262
Hungary	824,070	738,871
Poland	2,348,933	2,231,636
Germany	2,350,950	2,179,627
France	2,031,334	2,055,325
Spain	1,107,083	978,538
Netherlands	1,133,828	904,034
Slovakia	1,106,088	1,226,952
Türkiye	1,269,135	1,118,109
Rest of the World	9,705,940	9,119,943
Exposures denominated in	33,438,490	31,899,033
EUR	24,331,338	23,420,981
USD	892,856	886,039
CZK	2,857,855	2,741,843
RON	1,258,155	1,128,018
HUF	735,184	609,852
PLN	2,133,042	1,858,626
TRY	480,040	392,619
Other currencies	750,021	861,055

*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
	31/12/2025	31/12/2025	31/12/2025
<i>in %</i>			
Austria	3.72	11.36	1.90
Germany	0.00	2.71	8.88
Czech Republic	4.79	12.00	58.36
Slovakia	0.55	4.43	0.00
Poland	52.64	11.62	11.85
Romania	0.00	7.25	9.07
Other countries	38.30	50.63	9.94

*Excl. financial instruments from unit- and index-linked life insurance

There are government bonds measured at AC of EUR 813.3 million, measured at FVtOCI of EUR 14,711.2 million and measured at FVtPL of EUR 547.9 million in the risk portfolio.

2.4. 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 "2.1. Overview".

Measured at FVtPL

Credit risk	31/12/2025		
	Mandatory		Designated
	Loans and bonds	Variable-interest securities	Loans and bonds
<i>in EUR '000</i>			
Max. exposure to credit risk	742,294	1,965,591	336,011
Collaterals	147,241	0	5,263

Credit risk	31/12/2024 adjusted		
	Mandatory		Designated
	Loans and bonds	Variable-interest securities	Loans and bonds
<i>in EUR '000</i>			
Max. exposure to credit risk	789,259	1,844,693	317,483
Collaterals	165,874	0	5,253

Measured at AC and measured at FVtOCI

Credit risk	31/12/2025						Gross carrying amount*	ECL
	AAA	AA	A	BBB	BB and lower	No rating		
<i>in EUR '000</i>								
Loans and bonds	3,853,062	6,306,048	10,437,470	5,236,799	1,685,654	302,954	27,821,987	-208,280
POCI	0	0	0	0	709	0	709	24
Stage 1	3,853,062	6,306,048	10,437,044	5,232,950	709,233	137,108	26,675,445	-55,505
Stage 2	0	0	426	3,849	969,442	152,474	1,126,191	-67,820
Stage 3	0	0	0	0	6,270	13,372	19,642	-84,979
Deposits	15,632	23,274	1,978,561	453,553	716,875	31,077	3,218,972	-16,195
Stage 1	15,632	23,274	1,978,561	453,553	716,875	31,077	3,218,972	-16,195

*The gross carrying amount is the exposure to credit risk excluding collaterals.

Credit risk	31/12/2024 adjusted						Gross carrying amount*	ECL
	AAA	AA	A	BBB	BB and lower	No rating		
in EUR '000								
Loans and bonds	3,212,544	6,509,722	8,887,175	5,514,788	1,688,283	329,495	26,142,007	-246,331
POCI	0	0	0	0	655	0	655	5
Stage 1	3,212,544	6,509,722	8,886,175	5,497,313	710,612	134,389	24,950,755	-51,478
Stage 2	0	0	1,000	11,475	976,836	169,530	1,158,841	-85,465
Stage 3	0	0	0	6,000	180	25,576	31,756	-109,393
Deposits	13,239	37,700	2,179,239	674,619	647,716	12,669	3,565,182	-12,200
Stage 1	13,239	37,700	2,179,239	674,619	647,716	12,669	3,565,182	-12,200

*The gross carrying amount is the exposure to credit risk excluding collaterals.

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.

Impairment Provisions	31/12/2025				Total	
	IFRS 9 measured receivables	Due, not overdue	1-30 days overdue	31-90 days overdue		> 90 days overdue
in EUR '000						
Receivables from services (IFRS 15)		45,398	491	134	73	46,096
Gross carrying amount		45,398	491	134	183	46,206
Risk provision		0	0	0	-110	-110
Receivables from finance lease		59,330	0	0	0	59,330
Gross carrying amount		59,330	0	0	0	59,330
Other IFRS 9 measured receivables		325,281	4,803	2,147	7,847	340,078
Gross carrying amount		325,820	5,166	2,289	9,774	343,049
Risk provision		-539	-363	-142	-1,927	-2,971
Total		430,009	5,294	2,281	7,920	445,504
Loss rate – range		0.01%-50.00%	0.75%-62.00%	1.81%-100.00%	4.99%-100.00%	

Impairment Provisions	31/12/2024				Total	
	IFRS 9 measured receivables	Due, not overdue	1-30 days overdue	31-90 days overdue		> 90 days overdue
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%	

Existence and amounts of restrictions, for liabilities, from	31/12/2025	31/12/2024
in EUR '000		
Loans and bonds	15,282	15,507
Deposits	1,396	1,396
Total	16,678	16,903

The financial instruments presented in the table serve as collateral for a line of credit maturing in 2027 as well as for re-insurance activities in the French market.

2.5. Liquidity risk

Undiscounted maturities	31/12/2025					Book value excl. ECL
	<1 year	>1 year-5 years	>5-10 years	>10 years	No maturity	
in EUR '000						
Financial assets	6,105,693	13,500,117	11,718,225	9,351,175	12,133,094	52,808,304
Loans and bonds	4,303,230	13,409,753	11,712,629	9,351,027	0	38,776,639
Variable-interest securities	0	0	0	0	10,764,731	10,764,731
Deposits	1,801,267	90,713	5,535	148	1,368,363	3,266,026
Derivatives	1,196	-349	61	0	0	908
Financial liabilities	-405,015	-493,804	-655,006	-997,511	0	-2,551,336
Liabilities from financing activities	-390,750	-473,970	-632,487	-986,844	0	-2,484,051
Liabilities held for financing and other purposes	-4,455	0	0	-107	0	-4,562
Other financial liabilities	-9,810	-19,834	-22,519	-10,560	0	-62,723

2.6. Market risk

Reduction in market value	2025					
	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 EUR '000)	9,179,399	7,199,940	7,629,889	7,477,559	8,355,835	7,190,645

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 EUR '000)	8,313,995	6,449,620	6,784,352	6,722,575	7,530,211	6,414,539

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	31/12/2025	31/12/2024
in EUR million		
10-day holding period	311.7	477.4
20-day holding period	440.8	675.2
60-day holding period	763.5	1,169.5

2.7. Details regarding the net result

Result from financial instruments measured at FVtPL	2025		2024 adjusted	
	Mandatory	Designated	Mandatory	Designated
in EUR '000				
Financial assets	1,248,986	7,498	882,145	4,420
Loans and bonds	79,073	7,498	99,341	4,420
Variable-interest securities	1,185,068	0	790,786	0
Derivatives	-15,155		-7,982	
Financial liabilities	0	400	0	47
Liabilities held for financing and other purposes	0	400	0	47

Interest result using the effective interest rate method	2025			2024 adjusted		
	Measured at AC	Measured at FVtOCI	Total	Measured at AC	Measured at FVtOCI	Total
in EUR '000						
Interest revenues	255,101	841,056	1,096,157	203,969	793,728	997,697
Financial assets	255,101	841,056	1,096,157	203,969	793,728	997,697
Loans and bonds	68,548	841,056	909,604	73,116	793,728	866,844
Deposits*	186,553		186,553	130,853		130,853
Interest expenses	-75,189	0	-75,189	-71,532	0	-71,532
Financial liabilities	-75,189		-75,189	-71,532		-71,532
Liabilities from financing activities	-75,189		-75,189	-71,532		-71,532
Total	179,912	841,056	1,020,968	132,437	793,728	926,165

*Excl. Cash and cash equivalents

The fee for investment management recognised in the investment result amounts to EUR 44,318,000 (EUR 37,361,000).

2.8. Derecognition

Derecognition gains and losses may relate to events such as sales or maturities of financial assets measured at AC.

Loans and bonds	2025	2024
in EUR '000		
Gains	1,517	1,167
Losses	-10,906	-6,243
Total	-9,389	-5,076

Contractually outstanding amount of written-down but not yet derecognised financial assets:

Composition	31/12/2025	31/12/2024
in EUR '000		
Loans and bonds	4,000	0
Total	4,000	0

3. GOODWILL

The accounting policies used are presented in Note "25.5. Goodwill".

Development	2025	2024
in EUR '000		
Acquisition costs	2,080,613	2,099,862
Cumulative impairment as of 31/12 of the previous year	-840,734	-728,497
Book value as of 31/12 of the previous year = Book value as of 01/01	1,239,879	1,371,365
Exchange rate differences	21,999	-15,159
Impairments	-72,609	-116,327
Book value as of 31/12	1,189,269	1,239,879
Cumulative impairment as of 31/12	915,626	840,734
Acquisition costs	2,104,895	2,080,613

The impairment in the current financial year relates to the CGU group Hungary (reportable segment Extended CEE).

Due to the repeated prolongation of the additional tax on insurance by the Hungarian government and further regulatory uncertainties, scenario analyses were calculated at the half-year point. These include further expenses arising from this tax extending beyond the currently applicable statutory period as well as higher expenses from the additional regulatory uncertainties. This led to reduced cash flow projections, which in turn led to a full impairment of goodwill for the CGU group Hungary in the half year.

The impairment in the previous year also related to the CGU group Hungary (reportable segment Extended CEE).

Composition of CGU units	31/12/2025	31/12/2024
in EUR '000		
Austria	301,716	301,716
Czech Republic	465,746	448,108
Poland	155,701	153,735
Bulgaria	124,352	124,354
Slovakia	131,227	131,227
Hungary	0	70,212
Group Functions	10,527	10,527
Total	1,189,269	1,239,879

Additional information on impairments for CGU groups	Reportable segment	30/06/2025		31/12/2024	
		Impairments	Recoverable amount	Impairments	Recoverable amount
in EUR '000					
Hungary	Extended CEE	72,609	262,625	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.

3.1. Assumptions used

Generally applied	2025	2024
Base rate before inflation differentials in %	3.54	2.59
Market risk premium in %	6.21	6.91
Beta-factor*	0.83	0.89

* The beta factor applied at the reporting date was determined on the basis of a defined peer group.

Key calculation parameters	Discount rates*		Country risks		Long-term growth rate	
	2025	2024	2025	2024	2025	2024
in %						
Austria	9.07	9.24	0.36	0.53	1.50	1.50
Czech Republic	9.50	9.49	0.78	0.80	4.03–4.58	3.77–4.10
Poland	10.33	10.70	1.10	1.13	5.22–5.57	5.48–5.75
Albania incl. Kosovo	13.84	13.95	4.66	4.80	6.43	6.56
Baltic states	9.90	9.93	1.19	1.22	4.91–7.76	4.82–7.60
Bosnia-Herzegovina	17.08	17.21	8.41	8.67	5.53–7.40	5.45–7.23
Bulgaria	11.32	10.97	2.07	2.13	5.86–6.41	5.49–6.16
Croatia	10.26	10.31	1.55	1.60	4.83–6.5	4.78–6.38
Moldova	20.05	20.39	8.41	8.67	8.21	8.28
North Macedonia	13.44	13.52	4.66	4.80	5.78	5.92
Romania	12.69	12.73	2.85	2.93	5.61–7.60	5.49–7.73
Serbia	13.66	13.82	3.90	4.02	5.42–7.35	5.50–7.35
Slovakia	10.26	10.31	1.55	1.60	4.59–5.34	4.54–5.31
Ukraine	27.58	28.55	15.54	16.01	9.75–12.89	9.80–12.93
Hungary	12.11	12.31	2.46	2.54	5.33–6.70	5.44–6.30
Germany	8.71	8.71	0.00	0.00	1.50	1.50
Georgia	13.54	13.74	3.90	4.02	6.39	6.45
Liechtenstein	8.71	8.71	0.00	0.00	1.50	1.50
Türkiye	29.27	30.02	5.83	6.01	11.86–14.72	12.28–15.22
Group Functions	9.07–13.66	9.24–13.82	0.36–3.90	0.53–4.02	1.50–7.35	1.50–7.35

*The calculation of the discount rates is based on pre-tax parameters.

3.2. Sensitivity analysis

The sensitivity analysis for the current reporting year indicated that no additional impairment was needed for CGU groups. The same parameters were used for the analysis of the sensitivities as in the previous financial year.

Sensitivity analysis Impairments	31/12/2024				
	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

4. INVESTMENT PROPERTY

The accounting policies used are presented in Note "25.7. Investment property". The fair values can be found in Note "17. Calculation of Fair Value".

Development	2025	2024
<i>in EUR '000</i>		
Acquisition costs	4,113,570	3,914,121
Cumulative valuation as of 31/12 of the previous year	-1,135,305	-1,062,031
Book value as of 31/12 of the previous year = Book value as of 01/01	2,978,265	2,852,090
Exchange rate differences	3,949	1,409
Reclassifications	-3,671	2,957
Additions	185,062	198,289
Disposals	-3,329	-1,100
Reclassification to Disposal groups classified as held for sale	-24,803	0
Changes in scope of consolidation	14,688	2
Appreciation	0	3,636
Scheduled depreciation	-95,926	-75,281
Impairments	-7,678	-3,737
Book value as of 31/12	3,046,557	2,978,265
Cumulative valuation as of 31/12	1,167,543	1,135,305
Acquisition costs	4,214,100	4,113,570

The impairments are due mainly to the buildings of Wiener Städtische (EUR 6,628,000) and Omniaisig (EUR 1,045,000).

The impairments from the previous year are due mainly to the buildings of SIA "Gertrüdes 121" (EUR 1,000,000) and NNC REAL ESTATE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ (EUR 1,882,000).

The changes in the scope of consolidation result mainly from the initial inclusion of Rezidence Opatov, s.r.o. (EUR 14,067,000), zuuri s.r.o. (EUR 6,852,000), samavu s.r.o. (EUR 6,198,000) and the final consolidation of WNH Liegenschaftsbesitz GmbH (EUR 13,975,000).

Amounts recognised in profit or loss	2025	2024
<i>in EUR '000</i>		
Rental income	232,130	214,139
Operating expenses	-82,947	-78,838
Operating expenses for rented investment property	-77,883	-72,640
Operating expenses for vacant investment property	-5,064	-6,198
Disposal result	1,265	705
Gain from disposal	1,265	861
Losses from disposal	0	-156
Total	150,448	136,006

Type of usage	31/12/2025	31/12/2024
<i>in EUR '000</i>		
Self-used	16,016	13,770
Rented (operating lease)	3,030,541	2,964,495
Total	3,046,557	2,978,265

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	31/12/2025	31/12/2024
Austria	65.62	66.63
Owner-occupied property	4.99	4.87
Investment property	60.63	61.76
Group Functions	17.89	17.74
Owner-occupied property	1.26	1.18
Investment property	16.63	16.56
Other segments	16.49	15.63
Owner-occupied property	7.16	7.50
Investment property	9.33	8.13

5. OWNER-OCCUPIED PROPERTY AND EQUIPMENT

The accounting policies used are presented in Note “25.8. Owner-occupied property”.

Composition	31/12/2025	31/12/2024
<i>in EUR '000</i>		
Owner-occupied property	471,838	466,840
Tangible assets	169,809	162,222
Total	641,647	629,062

There are no material existence and amounts of restrictions or material contractual obligations for acquiring the items under “Owner-occupied property and equipment”.

5.1. Owner-occupied property

Development	2025	2024
<i>in EUR '000</i>		
Acquisition costs	776,990	772,132
Cumulative valuation as of 31/12 of the previous year	-310,150	-301,182
Book value as of 31/12 of the previous year = Book value as of 01/01	466,840	470,950
Exchange rate differences	4,754	-3,461
Reclassifications	3,010	-4,554
Additions	22,810	25,471
Disposals	-288	-1,352
Changes in scope of consolidation	0	-2,083
Scheduled depreciation	-19,395	-18,131
Impairments	-5,893	0
Book value as of 31/12	471,838	466,840
Cumulative valuation as of 31/12	339,991	310,150
Acquisition costs	811,829	776,990

The impairments are due mainly to the buildings of Omniaisig (EUR 3,483,000) and Alfa (Hungary) (EUR 2,039,000).

Composition of reportable segments	31/12/2025	31/12/2024
in EUR '000		
Austria	175,395	167,634
Czech Republic	114,856	111,479
Poland	7,592	7,728
Extended CEE	123,807	133,195
Special Markets	5,796	6,007
Group Functions	44,392	40,797
Total	471,838	466,840

Type of usage	31/12/2025			31/12/2024		
	Self-used	Rented (operating lease)	Total	Self-used	Rented (operating lease)	Total
in EUR '000						
Owner-occupied property	450,766	21,072	471,838	436,510	30,330	466,840

6. INVESTMENTS IN ASSOCIATES (EQUITY METHOD)

The Investments in associates balance sheet item consists only of shares in at equity consolidated companies. The list of associated companies is presented in Note "21. Business combinations".

Shares in at equity consolidated companies had a book value of EUR 246.5 million as of 31 December 2025 and a book value of EUR 204.8 million as of 31 December 2024. Shares in at equity consolidated companies therefore represented 0.65% (0.56%) of the book value of the total risk-bearing portfolio as of 31 December 2025.

7. RECEIVABLES AS WELL AS LIABILITIES AND OTHER PAYABLES

The accounting policies used are presented in Note "25.12. Receivables as well as Liabilities and other payables".

7.1. Receivables

Composition	31/12/2025			31/12/2024		
	Gross carrying amount	ECL	Net carrying amount	Gross carrying amount	ECL	Net carrying amount
in EUR '000						
IFRS 9 measured receivables	448,585	-3,081	445,504	461,697	-19,840	441,857
Other receivables	170,616		170,616	118,111		118,111
Total	619,201	-3,081	616,120	579,808	-19,840	559,968

Receivables valued in accordance with IFRS 9 in the current year as well as previous year primarily consist of: Receivables from finance lease, Receivables from facility management as well as Receivables from services (IFRS 15).

Maturity structure	31/12/2025	31/12/2024
<i>in EUR '000</i>		
Up to 1 year	427,645	408,920
More than one year up to five years	84,458	61,508
More than five years up to ten years	34,974	20,229
More than ten years	69,043	69,311
Total	616,120	559,968

7.2. LIABILITIES AND OTHER PAYABLES

Composition	31/12/2025	31/12/2024
<i>in EUR '000</i>		
IFRS 9 measured liabilities	642,152	582,834
Other liabilities	639,445	573,984
Total	1,281,597	1,156,818

Liabilities valued in accordance with IFRS 9 primarily consist of: Liabilities for unpaid invoices received, Liabilities from sureties as well as Liabilities from purchases of capital investments.

For detailed information on tax liabilities, please refer to Note "11. Taxes".

For detailed information on leasing liabilities, please refer to Note "8. Financial liabilities".

Maturity structure	31/12/2025	31/12/2024 adjusted
<i>in EUR '000</i>		
Up to 1 year	1,180,899	1,062,732
More than one year up to five years	47,161	48,914
More than five years up to ten years	44,493	35,865
More than ten years	9,044	9,307
Total	1,281,597	1,156,818

8. FINANCIAL LIABILITIES

8.1. Overview

Composition	31.12.2025	31/12/2024 adjusted
in EUR '000		
Liabilities from financing activities	2,414,865	2,312,886
Subordinated liabilities	1,376,153	1,215,495
Liabilities to banks	217,410	298,188
Liabilities from financing activities	577,104	579,072
Lease liabilities	244,198	220,131
Liabilities held for financing and other purposes	3,708	1,999
Liabilities held for other purposes	3,708	1,999
Other financial liabilities	62,723	59,255
Total	2,481,296	2,374,140

Development	31/12/2025	
	Subordinated liabilities	Liabilities from financing activities
in EUR '000		
Book value as of 31/12 of the previous year = Book value as of 01/01	1,215,495	579,072
Cash changes	104,503	-8,168
Cash inflows	300,000	0
Payments	-145,217	-2,463
Paid interest	-50,280	-5,705
Non-cash changes	56,155	6,200
Additions	56,155	6,200
Book value as of 31/12	1,376,153	577,104

Development	31/12/2024	
	Subordinated liabilities	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	579,908
Cash changes	-144,945	-7,183
Cash inflows	0	50
Payments	-91,748	-1,473
Paid interest	-53,197	-5,760
Non-cash changes	51,157	6,347
Additions	51,570	6,339
Exchange rate differences	-413	8
Book value as of 31/12	1,215,495	579,072

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	159,270	4,824	31 ³	First 11 years: 3.75% p.a.; thereafter variable	154,956
VIG Holding	13/04/2017	137,607	3,607	30 ⁴	First 10 years: 3.75% p.a.; thereafter variable	134,288
VIG Holding	15/06/2022	513,289	13,289	20 ⁴	First 10 years: 4.875% p.a.; thereafter variable	527,155
VIG Holding	02/04/2025	310,377	10,377	20 ⁴	First 10 years: 4.625% p.a.; thereafter variable	310,197
Wiener Städtische	11/05/2017	255,610	5,610	10 ⁵	3.50% p.a.	251,208
Total		1,376,153	37,707			1,377,804

¹ The outstanding volume includes 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. On 21 April 2023, the first early partial redemption of the subordinated bonds took place, with approximately EUR 185.6 million being redeemed. On 3 April 2025, a further EUR 60.0 million was repurchased, leaving the outstanding volume of these bonds at EUR 154.4 million. Reference is also made to the comments under Note "27. Significant events after the balance sheet date" regarding the "Termination and redemption of subordinated notes 2015".

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. On 3 April 2025, EUR 66.0 million was repurchased early, leaving the outstanding volume of these bonds at EUR 134.0 million.

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.

A subordinated Tier 2 bond with an aggregate principal amount of EUR 300,000,000.00 was placed on 2 April 2025. 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 4.625% 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 2 April 2025. The debt instruments are traded on the Vienna Stock Exchange.

9. NOTES TO THE CONSOLIDATED INCOME STATEMENT

Composition	Austria		Czech Republic		Poland	
	2025	2024	2025	2024	2025	2024
in EUR '000						
Investment result	1,296,663	820,847	148,517	143,621	200,999	125,001
Interest revenues using the effective interest rate method	432,554	430,949	65,116	76,835	73,907	68,037
Impairment losses incl. reversal gains on financial instruments	42,122	2,508	130	5,706	164	2,762
Realised gains and losses from financial assets measured at AC	-10,500	0	0	0	0	-1,699
Other result from financial instruments	832,487	387,390	83,271	61,080	126,928	55,901
thereof result from the valuation of financial assets measured at FVtPL	720,630	275,412	67,410	59,678	65,456	18,782
thereof result from sale of financial instruments measured at FVtPL	20,872	19,713	6,697	5,845	67,936	36,370
Income and expenses from investment property	30,184	40,501	-11	-8	492	457
thereof current income	103,214	92,905	506	670	969	926
thereof depreciation	-73,030	-52,601	-1,348	-629	-477	-469
thereof result from sale	0	197	831	-49	0	0
Finance costs	-29,037	-32,645	-2,532	-3,131	-2,069	-2,047
thereof interest expenses for personnel provisions	-7,589	-8,582	0	0	0	0
thereof interest expenses financing liabilities	-770	-858	0	0	0	0
thereof interest expenses for liabilities to financial institutions	-1,306	-1,363	0	0	0	0
thereof interest expenses for subordinate liabilities	-17,113	-19,984	-769	-1,678	-1,599	-1,581
thereof interest expenses for lease liabilities	-2,242	-1,847	-1,976	-1,405	-941	-578
Result from owner-occupied properties	948	985	-4,907	-1,975	-408	909
thereof depreciation	-8,554	-8,123	-3,747	-3,684	-308	-355
thereof result from sale	0	0	0	2,681	0	1,478

Composition	Extended CEE		Special Markets		Group Functions	
	2025	2024	2025	2024	2025	2024
in EUR '000						
Investment result	361,620	404,884	361,169	337,574	62,619	79,673
Interest revenues using the effective interest rate method	227,860	210,509	218,592	149,266	105,531	89,841
Impairment losses incl. reversal gains on financial instruments	-18,028	3,378	-3,929	-32,654	1,265	194
Realised gains and losses from financial assets measured at AC	1,365	-196	-36	-7	-218	-3,174
Other result from financial instruments	150,423	191,193	146,542	220,969	-43,959	-7,188
thereof result from the valuation of financial assets measured at FVtPL	140,729	130,031	57,165	80,462	2,974	1,150
thereof result from sale of financial instruments measured at FVtPL	3,459	32,327	3,527	11,636	-3,020	-2,554
Income and expenses from investment property	-1,200	2,204	187	235	17,250	17,290
thereof current income	8,187	7,110	427	489	35,939	33,257
thereof depreciation	-9,807	-5,647	-253	-254	-18,689	-19,418
thereof result from sale	420	613	13	0	0	-56
Finance costs	-9,473	-8,466	-2,584	-2,122	-67,718	-62,156
thereof interest expenses for personnel provisions	-59	-42	-359	0	-1,788	-1,893
thereof interest expenses financing liabilities	-587	-521	0	0	-16,602	-16,995
thereof interest expenses for liabilities to financial institutions	0	-7	0	0	-2,561	-2,949
thereof interest expenses for subordinate liabilities	-6,365	-6,425	0	0	-46,845	-39,985
thereof interest expenses for lease liabilities	-1,585	-1,475	-2,226	-2,120	-165	-178
Result from owner-occupied properties	-8,799	-1,374	305	310	1,242	932
thereof depreciation	-9,376	-3,512	-263	-240	-1,256	-1,436
thereof result from sale	464	2,068	0	0	0	0

Composition	Consolidation		Total	
	2025	2024	2025	2024
in EUR '000				
Investment result	-33,550	-27,554	2,398,037	1,884,046
Interest revenues using the effective interest rate method	-27,403	-27,740	1,096,157	997,697
Impairment losses incl. reversal gains on financial instruments	7	0	21,731	-18,106
Realised gains and losses from financial assets measured at AC	0	0	-9,389	-5,076
Other result from financial instruments	-6,154	186	1,289,538	909,531
thereof result from the valuation of financial assets measured at FVtPL	0	0	1,054,364	565,515
thereof result from sale of financial instruments measured at FVtPL	0	0	99,471	103,337
Income and expenses from investment property	-59	-56	46,843	60,623
thereof current income	-59	-57	149,183	135,300
thereof depreciation	0	0	-103,604	-79,018
thereof result from sale	0	0	1,264	705
Finance costs	28,345	28,343	-85,068	-82,224
thereof interest expenses for personnel provisions	0	0	-9,795	-10,517
thereof interest expenses financing liabilities	11,230	11,454	-6,729	-6,920
thereof interest expenses for liabilities to financial institutions	0	0	-3,867	-4,319
thereof interest expenses for subordinate liabilities	16,229	16,276	-56,462	-53,377
thereof interest expenses for lease liabilities	1,004	688	-8,131	-6,915
Result from owner-occupied properties	-5,876	-6,425	-17,495	-6,638
thereof depreciation	0	0	-23,504	-17,350
thereof result from sale	0	0	464	6,227

10. CONSOLIDATED SHAREHOLDERS' EQUITY

Further information on equity items can be found in the section on "Accounting policies".

10.1. Dividend payment

Composition	31/12/2025	31/12/2024
<i>in EUR '000</i>		
Dividends	198,400	179,200
Interest payments on the hybrid capital	9,638	9,638
Current taxes directly recognised in equity	-1,995	-1,995
Total	206,043	186,843
	Per share	Total
<i>in EUR</i>		
Ordinary shares	1.55	198,400,000

10.2. Proposed appropriation of profits

VIG Holding concluded financial year 2025 with a net retained profit of EUR 451,146,312.48. The following appropriation of profit will be proposed at the Annual General Meeting:

The 128 million shares receive a dividend of EUR 1.73 per share. For this dividend, 28 May 2026 was agreed as the payment date, 27 May 2026 as the record date and 26 May 2026 as the ex-dividend date.

A total distribution of EUR 221,440,000.00 has therefore been approved. The net retained earnings for the financial year 2025 remaining after the distribution, amounting to EUR 229,706,312.48, will be carried forward to new account.

10.3. Capital reserves – hybrid capital

Issue date	Outstanding volume	Maturity	Yield	Fair value
	<i>in EUR '000</i>	<i>in years</i>	<i>in %</i>	<i>in EUR '000</i>
10/06/2021	300,000	unlimited	First 10 years: 3.2125% p.a.; thereafter variable	287,154

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 requirements according to Solvency II as well as the capital qualification in accordance with the rating agency S&P.

10.4. Other reserves

Composition	31/12/2025			Net
	Gross	+/- Taxes	+/- Non-controlling interests	
in EUR '000				
Unrealised gains and losses	330,460	-74,538	-5,672	250,250
IFRS 9-reserves recyclable*	-878,048	187,631	14,235	-676,182
IFRS 9-reserves non-recyclable	46,976	-4,031	-581	42,364
IFRS 17-reserves recyclable	174,524	-33,666	-2,544	138,314
IFRS 17-reserves non-recyclable	987,008	-224,472	-16,782	745,754
Remeasurements of defined benefit plans	-137,166	31,260	2,465	-103,441
Share of other reserves of investments in associates (equity-method) recyclable	-5,125	0	97	-5,028
Share of other reserves of investments in associates (equity-method) non-recyclable	-1,403	0	48	-1,355
Currency reserve	-112,449	0	2,941	-109,508
Total	74,317	-43,278	-121	30,918

*Thereof reclassified to income statement: EUR 75,373,000.

Composition	31/12/2024 adjusted			Net
	Gross	+/- Taxes	+/- Non-controlling interests	
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
Remeasurements of defined benefit plans	-191,785	43,708	3,089	-144,988
Share of other reserves of investments in associates (equity-method) recyclable	-6,428	0	123	-6,305
Share of other reserves of investments in associates (equity-method) non-recyclable	-1,549	0	51	-1,498
Currency reserve	-152,853	0	5,254	-147,599
Total	-85,973	-27,250	4,364	-108,859

*Thereof reclassified to income statement value: EUR 98,291,000.

11. TAXES

The accounting policies used are presented in Note "25.13. Taxes".

11.1. Tax expenses

Composition	2025	2024 adjusted
in EUR '000		
Actual taxes	311,740	174,289
From the current period*	316,991	175,189
From previous periods	-5,251	-900
Deferred taxes	-8,751	59,965
Change of deferred taxes in the current year	-7,849	57,346
Deferred taxes due to temporary differences relating to other periods	1,506	5,120
Deferred taxes due to loss carry forwards relating to other periods	-2,408	-2,501
Total	302,989	234,254

*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	2025	2024 adjusted
in EUR '000		
Expected tax rate in %	23.0%	23.0%
Result before taxes	1,161,317	881,806
Expected tax expenses	267,103	202,815
Adjusted for tax effects due to:		
Different local tax rate	-28,976	-9,697
Change of tax rates	658	-1,373
Non-deductible expenses	99,282	118,089
Income not subject to tax	-63,909	-96,952
Taxes from previous years	-6,154	1,720
Non-recognition/reduction of deferred tax assets due to temporary differences	73	1,539
Non-recognition/reduction of deferred tax assets due to loss carry forwards	9,222	504
Effects due to group taxation/profit transfers	2,256	-2,871
Others	23,434	20,480
Effective tax expenses	302,989	234,254
Effective tax rate in %	26.1%	26.6%

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	31/12/2025		31/12/2024 adjusted	
	Assets	Liabilities	Assets	Liabilities
in EUR '000				
Cash and cash equivalents	78	21,599	255	28,132
Financial assets and Investments in associates (equity-method)	544,703	491,825	601,729	474,629
Receivables and Other assets	220,423	33,325	167,054	27,962
Insurance contracts assets ¹	158,743	168,083	180,067	152,311
Investment property as well as Owner-occupied property and equipment	16,431	33,062	16,927	35,749
Goodwill and Intangible assets	3,980	27,653	3,947	30,663
Right-of-use assets	0	69,790	0	65,283
Liabilities and other payables, Financial liabilities and Other liabilities	307,523	43,351	316,249	63,874
Insurance contracts liabilities ²	748,702	1,098,562	689,398	1,080,897
Provisions	130,879	66,160	161,600	95,061
Tax-exempt reserves	0	14,396	0	14,804
Accumulated losses carried forward	32,722	0	32,012	0
Sum before valuation allowance	2,164,184	2,067,806	2,169,238	2,069,365
Valuation allowance for deferred tax assets	-29,789		-35,909	
Total before netting	2,134,395	2,067,806	2,133,329	2,069,365
Netting	-1,640,273	-1,640,273	-1,635,654	-1,635,654
Net balance	494,122	427,533	497,675	433,711

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 9,932,000 (EUR 13,419,000). Those amounts not recognised amount to EUR 0.000 (EUR 0.000). 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 52,067,000 (EUR 51,311,000). 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 2,371,547,000 (EUR 1,993,081,000). Deferred taxes for undistributed subsidiary profits of EUR 8,316,000 (EUR 9,218,000) 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 -4,285,000 (EUR -14,972,000) as well as deferred taxes on loss carryforwards in the amount of EUR -25,505,000 (EUR -20,937,000) are not recognised.

Deferred tax assets on tax loss carryforwards not recognised	2025	2024
in EUR '000		
Bosnia-Herzegovina	-176	-108
Estonia	-340	-340
Liechtenstein	-1,154	-970
Lithuania	-509	-225
Austria	-10,120	-10,571
Poland	-10,874	-4,725
Romania	-133	-115
Serbia	0	-654
Slovakia	-816	-1,989
Czech Republic	-19	-4
Hungary	-1,364	-1,236
Total	-25,505	-20,937

11.3. Tax rates

The deferred taxes are based on the following tax rates:

Tax rates	31/12/2025	31/12/2024
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	0.0
Kosovo	10.0	10.0
Croatia	18.0	18.0
Latvia ⁴	0.0	0.0
Liechtenstein	12.5	12.5
Lithuania ⁵	17.0	15.0
Moldova	12.0	12.0
North Macedonia	10.0	10.0
Netherlands	25.8	25.8
Austria	23.0	23.0
Poland	19.0	19.0
Romania	16.0	16.0
Serbia	15.0	15.0
Slovakia ⁶	24.0	21.0
Czech Republic	21.0	21.0
Türkiye	30.0	30.0
Ukraine	18.0	18.0
Hungary ⁷	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%. As of 1 January 2025, the corporate income tax rate increased 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 With effect from 1 January 2025, the corporate income tax rate is 16%. There was a further increase to 17.0% on 1 January 2026.

6 With effect from 1 January 2025, the corporate income tax rate was increased to 24.0%, but insurance companies have to pay additional tax of 4.36%.

7 The corporate income tax rate is 9.0%, but companies have to pay additional taxes, meaning that a tax rate of 11.3% applies.

12. PROVISIONS

The accounting policies used are presented in Note "25.11. Provisions".

Composition	31/12/2025	31/12/2024
in EUR '000		
Provisions for pensions and similar obligations	267,175	333,117
Provision for pension obligations	177,823	232,752
Provision for severance obligations	89,352	100,365
Provisions for other employee benefits	92,197	87,399
Miscellaneous provisions	472,628	372,585
Total	832,000	793,101

Miscellaneous provisions

Composition	31/12/2025	31/12/2024 adjusted
in EUR '000		
Provision for customer support and marketing	23,334	24,034
Provision for litigation	24,717	21,225
Provisions for IT	90,023	78,598
Provision for guaranteed interest for pension funds	66,851	61,683
Provision for regulatory risks	32,331	32,681
Other provisions	235,372	154,364
Total	472,628	372,585

Development	Book value as of 01/01/2025	Changes in scope of consolidation	Exchange rate differences	Additions	Amount used	Release	Book value as of 31/12/2025
in EUR '000							
Provision for customer support and marketing	24,034	0	75	17,347	-9,700	-8,422	23,334
Provision for litigation	21,225	649	-15	10,935	-2,680	-5,397	24,717
Provision for IT	78,598	0	42	88,865	-31,092	-46,390	90,023
Provision for guaranteed interest for pension funds	61,683	0	-627	6,935	0	-1,140	66,851
Provision for regulatory risks	32,681	0	-350	0	0	0	32,331
Other provisions	154,364	25	-277	169,415	-26,205	-61,950	235,372
Total	372,585	674	-1,152	293,497	-69,677	-123,299	472,628

Maturity structure	31/12/2025	31/12/2024
in EUR '000		
Up to 1 year	345,173	255,437
More than one year up to five years	44,022	39,344
More than five years up to ten years	16,069	15,474
More than ten years	67,364	62,330
Total	472,628	372,585

13. INTANGIBLE ASSETS

The accounting policies used are presented in Note "25.6. Intangible assets".

Composition	31/12/2025	31/12/2024
in EUR '000		
Purchased software	532,251	500,119
Other intangible assets	176,099	196,751
Total	708,350	696,870

Purchased software

Development	2025	2024
in EUR '000		
Acquisition costs	1,149,189	1,048,854
Cumulative valuation as of 31/12 of the previous year	-649,070	-572,715
Book value as of 31/12 of the previous year = Book value as of 01/01	500,119	476,139
Exchange rate differences	2,805	-4,165
Reclassifications	-1,865	-14,930
Additions	145,971	130,732
Disposals	-7,812	-2,518
Changes in scope of consolidation	196	3,400
Reversal of impairments	238	8
Scheduled depreciation	-99,472	-88,463
Impairments	-7,929	-84
Book value as of 31/12	532,251	500,119
Cumulative valuation as of 31/12	744,347	649,070
Acquisition costs	1,276,598	1,149,189

The impairments shown are mainly due to software packages that are no longer being used in Germany (previous year: Romania and Poland).

14. LEASES

Lessors – operating leases

Maturity analysis of undiscounted lease payments	31/12/2025	31/12/2024
in EUR '000		
Up to 1 year	175,308	167,299
More than one year up to two years	160,959	154,787
More than two years up to three years	146,976	144,700
More than three years up to four years	137,140	132,112
More than four years up to five years	124,165	118,951
More than five years	3,651,484	3,515,286
Total	4,396,032	4,233,135

Lease income	2025	2024
in EUR '000		
Fixed lease income	180,425	172,441
Lease income from variable lease payments	39,388	33,115
Total	219,813	205,556

The reported lease income originated mainly from investment properties.

15. ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND RELATED LIABILITIES

The book values reported pursuant to IFRS 5 relate to a disposal group classified for sale and assigned to the reportable segment Austria. In the summer of 2025 a decision was made to sell the hotel operating company Anděl Investment Praha s.r.o. based in the Czech Republic. The purchase agreement was signed on 7 January 2026.

Assets	31/12/2025
<i>in EUR '000</i>	
Cash and cash equivalents	2,623
Receivables	643
Investment property	24,802
Owner-occupied property and equipment	221
Other assets	336
Right-of-use assets	34
Total	28,659

Liabilities and consolidated shareholders' equity	31/12/2025
<i>in EUR '000</i>	
Liabilities and other payables	859
Current tax liabilities	63
Financial liabilities	36
Other liabilities	243
Deferred tax liabilities	76
Total	1,277

16. TYPE OF EXPENSES AND DETAILS OTHER INCOME AND EXPENSES

16.1. 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 3,965,440,000 in the current period. Apart from personnel expenses, a significant portion is made up of commissions deferred, IT expenses, taxes related to insurance contracts and scheduled depreciation.

16.2. Personnel

Number of employees	31/12/2025	31/12/2024
<i>Number</i>		
Sales representatives	16,146	15,745
Office staff	17,133	15,898
Total	33,279	31,643

The employee figures shown are average values based on full-time equivalents.

Personnel expenses	2025	2024
<i>in EUR '000</i>		
Wages and salaries	1,067,063	979,677
Expenses for severance benefits and payments to company pension plans	9,296	9,134
Expenses for retirement provisions	13,305	15,534
Mandatory social security contributions and expenses	270,199	240,609
Other social security expenses	42,011	36,471
Total	1,401,874	1,281,425
Sales representatives	544,045	499,043
Office staff	857,829	782,382

16.3. Other income and expenses

	2025	2024
<i>in EUR '000</i>		
Other income	375,253	344,771
thereof exchange rate gains	51,813	58,692
thereof other revenue from services	191,773	166,429
Other expenses	-1,042,898	-889,735
thereof general administrative expenses acc. to IFRS 17	-622,434	-541,786
thereof exchange rate losses	-53,620	-56,809
thereof losses from non-monetary items acc. to IAS 29	-21,324	-30,947
thereof result from owner-occupied property	-17,495	-6,637

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.

ADDITIONAL DISCLOSURES

17. CALCULATION OF FAIR VALUE

The accounting policies used are presented in Note "25.9. Calculation of fair value".

17.1. Fair values and book values of financial instruments and investments

Assets	31/12/2025				Fair value
	Book value	Level 1	Level 2	Level 3	
in EUR '000					
Cash and cash equivalents	1,368,363				
Financial assets	42,490,212	30,805,069	7,969,192	3,717,528	42,491,789
Loans and bonds	29,889,832	24,144,960	4,900,363	829,893	29,875,216
Measured at AC	1,700,167	519,107	868,666	297,778	1,685,551
Mandatorily measured at FVtOCI	26,065,578	22,712,542	3,283,677	69,359	26,065,578
Mandatorily measured at FVtPL	1,785,133	587,971	734,406	462,756	1,785,133
Designated measured at FVtPL	338,954	325,340	13,614	0	338,954
Variable-interest securities	10,764,688	6,641,025	3,068,606	1,055,057	10,764,688
Designated measured at FVtOCI	360,570	89,370	174	271,026	360,570
Mandatorily measured at FVtPL	10,404,118	6,551,655	3,068,432	784,031	10,404,118
Deposits*	1,834,414	19,084	0	1,831,523	1,850,607
Measured at AC	1,834,414	19,084	0	1,831,523	1,850,607
Derivatives	1,278	0	223	1,055	1,278
Mandatorily measured at FVtPL	1,278	0	223	1,055	1,278
Investments in associates (equity-method)	246,451				
Investment property	3,046,557	0	33,402	4,554,430	4,587,832
Owner-occupied property	471,838	0	40,573	795,719	836,292

*Excl. Cash and cash equivalents

Assets	31/12/2024 adjusted				Fair value
	Book value	Level 1	Level 2	Level 3	
in EUR '000					
Cash and cash equivalents	1,748,124				
Financial assets	39,637,179	28,070,686	7,623,744	3,927,130	39,621,560
Loans and bonds	28,114,879	22,010,243	5,276,274	800,544	28,087,061
Measured at AC	1,586,620	479,288	845,241	234,273	1,558,802
Mandatorily measured at FVtOCI	24,486,454	20,683,803	3,700,951	101,700	24,486,454
Mandatorily measured at FVtPL	1,721,978	541,833	715,574	464,571	1,721,978
Designated measured at FVtPL	319,827	305,319	14,508	0	319,827
Variable-interest securities	9,699,699	6,054,380	2,345,860	1,299,459	9,699,699
Designated measured at FVtOCI	291,027	38,162	0	252,865	291,027
Mandatorily measured at FVtPL	9,408,672	6,016,218	2,345,860	1,046,594	9,408,672
Deposits*	1,804,857	6,055	0	1,811,001	1,817,056
Measured at AC	1,804,857	6,055	0	1,811,001	1,817,056
Derivatives	17,744	8	1,610	16,126	17,744
Mandatorily measured at FVtPL	17,744	8	1,610	16,126	17,744
Investments in associates (equity-method)	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

*Excl. Cash and cash equivalents

Financial liabilities

31/12/2025

	Book value	Level 1	Level 2	Level 3	Fair value
in EUR '000					
Liabilities from financing activities	2,170,667	3	1,809,205	302,753	2,111,961
Measured at AC*	2,170,667	3	1,809,205	302,753	2,111,961
Liabilities held for financing and other purposes	3,708	0	3,233	475	3,708
Mandatorily measured at FVtPL	3,601	0	3,233	368	3,601
Designated measured at FVtPL	107	0	0	107	107
Other financial liabilities	62,723	0	0	62,723	62,723
Mandatorily measured at FVtPL	62,723	0	0	62,723	62,723

*Excl. lease liabilities

Financial liabilities

31/12/2024 adjusted

	Book value	Level 1	Level 2	Level 3	Fair value
in EUR '000					
Liabilities from financing activities	2,092,755	0	1,621,176	385,516	2,006,692
Measured at AC*	2,092,755	0	1,621,176	385,516	2,006,692
Liabilities held for financing and other purposes	1,999	0	923	1,076	1,999
Mandatorily measured at FVtPL	1,492	0	923	569	1,492
Designated measured at FVtPL	507	0	0	507	507
Other financial liabilities	59,255	0	0	59,255	59,255
Measured at AC	0	0	0	0	0
Mandatorily measured at FVtPL	59,255	0	0	59,255	59,255

*Excl. lease liabilities

17.2. 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. If, for example, necessary input parameters can no longer be directly observed on the market, a reclassification is carried out.

Reclassifications

31/12/2025

	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	58	1	5	1	2
Mandatorily measured at FVtOCI	58	1	5	1	2
Financial assets	58	1	5	1	2
Measured at FVtPL	160	41	13	83	65
Mandatorily measured at FVtPL	160	41	13	83	65
Financial assets	160	41	13	83	65
Total	218	42	18	84	67

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 based primarily on an improvement in the estimation of liquidity and/or the availability of valuation rates. The reclassifications from Level 1 to Level 3 are based primarily on a deterioration in the estimation of liquidity and/or changes in the availability of valuation rates. The reclassifications from Level 3 to Level 2 are based primarily on an improvement in liquidity and an improvement in the availability of valuation rates. The reclassifications from Level 2 to Level 3 are based primarily on a deterioration in credit rating and/or estimation of liquidity.

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
Measured at FVtPL	467	41	50	21	14
Mandatorily measured at FVtPL	462	41	50	21	14
Financial assets	462	41	50	21	14
Total	636	50	53	21	20

17.3. Measurement of the fair value of real estate

Basis of the measurement	31/12/2025	31/12/2024
<i>in EUR '000</i>		
Investment property	4,587,832	4,507,013
Evaluated by an independent expert*	885,475	952,700
Evaluated by an internal expert	3,702,357	3,554,313
Owner-occupied property	836,292	822,120
Evaluated by an independent expert	367,516	364,204
Evaluated by an internal expert	468,776	457,916

*This corresponds to 19.30% (21.14%) of the fair value of the item investment property.

Measurement method	31/12/2025	31/12/2024
<i>in EUR '000</i>		
Investment property	4,587,832	4,507,013
Capitalised earnings value method	4,123,578	3,960,340
Comparative pricing method/market approach	428,773	412,096
Other method	35,481	134,577
Owner-occupied property	836,292	822,120
Capitalised earnings value method	650,291	638,577
Comparative pricing method/market approach	172,067	183,231
Other method	13,934	312

17.4. 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".

Development	2025			2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at FVtOCI						
<i>in EUR '000</i>						
Fair value as of 31/12 of the previous year = Fair value as of 01/01	20,721,965	3,700,951	354,565	18,736,650	5,049,715	633,999
Exchange rate differences	-4,777	-446	3,090	15,643	-45,958	-2,350
Reclassification between classes of financial instruments	0	-1,278	1,251	-253,187	256,816	-7,545
Reclassification to level	177,648	85,393	34,780	1,389,897	60,076	31,889
Reclassification from level	-102,650	-149,357	-45,814	-61,411	-1,386,034	-34,417
Amortisation and accrued interest	109,601	90	1,037	72,426	5,229	4,784
Additions	8,874,026	386,590	27,764	5,005,745	418,822	57,431
Disposals	-6,895,429	-730,043	-28,565	-4,338,851	-740,683	-167,168
Changes in scope of consolidation	0	6	-22,413	103,782	44,674	-133,559
Changes in value recognised in profit and loss	0	0	0	0	0	0
Changes in value recognised directly in equity	-78,472	-8,055	14,690	51,271	38,294	-28,499
Fair value as of 31/12	22,801,912	3,283,851	340,385	20,721,965	3,700,951	354,565

Development	2025			2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at FVtPL						
<i>in EUR '000</i>						
Fair value as of 31/12 of the previous year = Fair value as of 01/01	6,863,378	3,077,552	1,527,291	6,274,276	3,187,018	1,145,261
Exchange rate differences	405	47,541	4,192	2,043	-40,662	4,582
Reclassification between classes of financial instruments	-15,880	16,209	-303	0	0	174
Reclassification to level	420,157	869,359	164,191	712,432	392,643	256,489
Reclassification from level	-461,552	-528,407	-463,748	-566,477	-778,348	-16,739
Amortisation and accrued interest	7,644	7,385	4,377	6,868	8,031	4,785
Additions	1,603,676	1,122,980	345,066	1,473,266	1,564,282	179,484
Disposals	-1,740,632	-1,099,618	-293,459	-1,709,032	-1,483,607	-115,324
Changes in scope of consolidation	0	0	-2,685	332,312	67,731	-99
Changes in value recognised in profit and loss	787,770	303,674	-37,080	337,690	160,464	68,678
Changes in value recognised directly in equity	0	0	0	0	0	0
Fair value as of 31/12	7,464,966	3,816,675	1,247,842	6,863,378	3,077,552	1,527,291

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 -26,912,000 (EUR 68,185,000) in the reporting period.

17.5. Unobservable input factors

Asset class	Measurement methods	Unobservable input factors	Range	31/12/2025		31/12/2024 adjusted	
				from	to	from	to
Property	Capitalised earnings value	Capitalisation rate	in %	0.80	7.80	0.30	7.47
		Rental income	in EUR '000	7	5,243	7	5,124
		Land prices	in EUR '000	0	12	0	12
	Discounted Cash flow	Capitalisation rate	in %	4.96	9.12	5.33	9.18
		Rental income	in EUR '000	117	9,240	116	7,754
	Building rights – capitalised earnings value	Capitalisation rate	in %	2.00	4.00	2.50	4.00
		Rental income	in EUR '000	81	4,349	83	4,349
		Land prices	in EUR '000	0.19	0.80	0.31	0.80
		Construction interest actually paid	in %	2.03	9.00	0.90	4.56

17.6. Sensitivities

Property

The following sensitivities arise for a sub-portfolio from the calculations in the partial internal model, which have been aligned with Solvency II (coverage rate approx. 87.32% (previous year: 88.64%):

Property – Fair Value	2025	2024
in EUR '000		
Fair value as of 31/12	4,671,602	4,657,075
Rental income -5%	4,482,794	4,471,213
Rental income +5%	4,871,206	4,852,852
Capitalisation rate -50bp	4,952,895	4,944,994
Capitalisation rate +50bp	4,434,243	4,414,298
Land prices -5%	4,641,012	4,626,849
Land prices +5%	4,710,207	4,695,507

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.

18. EARNINGS PER SHARE

Earnings per share		2025	2024 adjusted
Result for the period	EUR '000	858,328	647,552
Non-controlling interests in net result for the period	EUR '000	-23,462	-21,245
Result for the period less non-controlling interests	EUR '000	834,866	626,307
Interest expenses for the hybrid capital	EUR '000	7,643	7,643
Attributable result	EUR '000	827,223	618,664
Number of shares at closing date	units	128,000,000	128,000,000
Earnings per share* (in EUR)	EUR	6.46	4.83

*The undiluted earnings per share equals the diluted earnings per share (in EUR).

19. RELATED PERSONS AND COMPANIES

Related companies are those affiliated companies and associated companies listed in Note “22. Affiliated companies and participations”. 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.

19.1. Members of management in key positions

Supervisory Board

Chairman	Peter Thirring (since 1 July 2025)
Chairman	Rudolf Ertl (until 30 June 2025)
1 st Deputy Chairman	Rudolf Ertl (since 1 July 2025)
2 nd Deputy Chairman	Martin Simhandl
3 rd Deputy Chairman	Robert Lasshofer
Members	Martina Dobringer
	András Kozma
	Vratislav Kulhánek
	Hana Macháčová
	Peter Mihók
	Katarína Slezáková
	Ágnes Svoób
	Gertrude Tumpel-Gugerell

Changes during the financial year

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 or from the date of entry of the amendment to the articles of association in the commercial register until the Annual General Meeting that will decide on the discharge for the 2027 financial year. In 2025, the Supervisory Board elected Rudolf Ertl as Deputy Chair of the Supervisory Board for the entire remaining term of office until the Annual General Meeting that decides on the discharge for the 2027 financial year, and, in the event of his inability to act, Martin Simhandl as further Deputy Chair of the Supervisory Board and, in the event of his inability to act, Robert Lasshofer as further Deputy Chair 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

Changes after the end of the financial year

Christoph Rath was appointed as a full member of the Managing Board of VIG Holding with effect from 1 January 2026.

19.2. Key management personnel compensation

The previous year's figures shown in the table have been adjusted compared to the figures published in the last annual report, as a change in presentation resulted from the quality review of the IAS 24 definitions.

Composition	2025			2024 adjusted		
	Supervisory Board Members	Managing Board Members	Total	Supervisory Board Members	Managing Board Members	Total
in EUR '000						
Short-term employee benefits	877	7,208	8,085	902	6,374	7,276
Post-employment benefits	0	1,884	1,884	0	1,322	1,322
Other long-term benefits	0	3,672	3,672	0	3,292	3,292
Payments to subsidiaries	238	1,095	1,333	292	812	1,104
Total	1,115	13,859	14,974	1,194	11,800	12,994

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.

Remuneration for members of the Managing Board

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 2025 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 2029 in the case of the 2025 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 consisted of seven persons in the reporting year.

19.3. Transactions with related persons

Transactions	2025	2024
in EUR '000		
Dividends for VIG Holding shares	35	45
Interests for issued loans from VIG Holding	5	16
Insurance premiums received	151	208
Other transactions*	65	58

*Other transactions includes transactions from insurance services and usage charges.

The related party items in the income statement do not exceed EUR 3,000,000 and primarily consist of Payments to Supervisory Board members

19.4. 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	2025	31/12/2025	2024	31/12/2024
	Transactions	Open items	Transactions	Open items
in EUR '000				
Revenue from rendering of services	100,388	30,336	96,678	38,900
Parent company	2,358	796	1,726	557
Investments in associates (equity-method)	70,457	20,603	67,551	29,153
Subsidiaries not included in the consolidated financial statements	26,864	8,512	26,839	9,032
Other related companies	709	425	562	158
Other related companies	126	6	562	158
Non-profit societies	583	419	0	0
Expenses from services received	261,861	-18,733	199,350	-17,933
Parent company	54	-38	15	-3
Investments in associates (equity-method)	105,533	-3,529	63,698	0
Subsidiaries not included in the consolidated financial statements	154,108	-15,158	130,154	-17,392
Other related companies	2,166	-8	5,483	-538
Other related companies	1,733	-8	5,483	-538
Non-profit societies	433	0	0	0
Received dividends/profit distribution	13,750	0	22,313	0
Investments in associates (equity-method)	11,449	0	18,276	0
Subsidiaries not included in the consolidated financial statements	1,620	0	3,104	0
Other related companies	681	0	933	0
Other related companies	681	0	933	0
Paid dividends/profit distribution	153,541	0	139,607	0
Parent company	153,541	0	139,607	0
Loans and financial liabilities and their related interests (AC, FVtPL, FVtOCI)	51,241	219,217	44,680	203,051
Parent company	2,925	-5,133	3,331	-2,474
Investments in associates (equity-method)	19,050	48,599	14,485	38,244
Subsidiaries not included in the consolidated financial statements	7,175	22,497	1,982	16,595
Other related companies	22,091	153,254	24,882	150,686
Other related companies	2,461	25,286	1,448	26,249
Non-profit societies	19,630	127,968	23,434	124,437
Amounts related to group taxation	48,453	14,819	36,151	52,336
Parent company	48,453	14,819	34,181	50,320
Investments in associates (equity-method)	0	0	1,970	2,016
Other	18,070	1,799	394	798
Parent company	17,727	0	0	0
Subsidiaries not included in the consolidated financial statements	343	1,791	394	790
Other related companies	0	8	0	8
Other related companies	0	8	0	8

20. 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.

21. BUSINESS COMBINATIONS

21.1. Changes in the scope of consolidation

Deconsolidations	Registered office	Reason for deconsolidation	Date	Reportable segment
WNH Liegenschaftsbesitz GmbH	Vienna	Sale	11/06/2025	Group Functions
WIBG Holding GmbH & Co KG	Vienna	Liquidation	11/11/2025	Austria
WSV Triesterstraße 91 Besitz GmbH & Co KG	Vienna	Liquidation	18/11/2025	Austria

Expansion of the scope of consolidation ¹	Registered office	Acquisition / formation	Interest ²		First-time consolidation	Method
			Date	in %		
AREALIS Liegenschaftsmanagement GmbH	Vienna	2005		97.75	01/02/2025	full consolidation
DOMOSI s.r.o.	Bratislava	2025		98.18	26/03/2025	full consolidation
Help24 Assistance Korlátolt Felelősségű Társaság	Budapest	2022		90.00	01/07/2025	full consolidation
Kitzbüheler Bestattung WV GmbH	Kitzbühel	2020		97.75	01/01/2025	full consolidation
NOMOSI s.r.o.	Bratislava	2025		98.18	26/03/2025	full consolidation
PHINANCE SPÓŁKA AKCYJNA	Poznan	2025		48.81	01/04/2025	consolidated at equity
Q13a Wohnen Eybnerstraße GmbH	Vienna	2024		97.75	01/01/2025	full consolidation
Rezidence Opatov, s.r.o.	Prague	2024		97.28	01/01/2025	full consolidation
samavu s.r.o.	Bratislava	2020		98.47	01/01/2025	full consolidation
VIG Home NB s. r. o.	Bratislava	2025		98.47	25/02/2025	full consolidation
zuuri s.r.o.	Bratislava	2021		98.47	01/01/2025	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.

Companies acquired, but not yet consolidated* in %	Registered office	Interest acquired
MOLDASIG S.A.	Chişinău	95.20
NÜRNBERGER Beteiligungs-AG	Nuremberg	98.81
ADN Immo-Direkt Core Invest GmbH & Co. Geschl. InvKG	Hamburg	100.00
ADN Immo-Direkt GD Invest GmbH & Co. Geschl. InvKG	Hamburg	100.00
ADN Immo-Direkt Value Add GmbH & Co. Geschl. InvKG	Hamburg	100.00
Feronia Infra Cayman, Ltd.	Cayman Islands	100.00
Feronia Infra Feeder, L.P.	Wilmington/Delaware	100.00
Feronia Infra, L.P.	Wilmington/Delaware	100.00
Feronia SICAV RAIF	Luxemburg	100.00
Fürst Fugger Privatbank AG, Augsburg	Augsburg	99.00
GARANTA Versicherungs-AG	Nuremberg	100.00
Neue Rechtsschutz-Versicherungsgesellschaft AG	Mannheim	51.00
NÜRNBERGER Allgemeine Versicherungs-AG	Nuremberg	100.00
NÜRNBERGER Asset Management GmbH	Nuremberg	100.00
NÜRNBERGER AutoMobil Versicherungsdienst GmbH	Nuremberg	100.00
NÜRNBERGER Beamten Allgemeine Versicherung AG	Nuremberg	100.00
NÜRNBERGER Beteiligungs-AG	Nuremberg	100.00
NÜRNBERGER Krankenversicherung AG	Nuremberg	100.00
NÜRNBERGER Lebensversicherung AG	Nuremberg	100.00
NÜRNBERGER Pensionskasse AG	Nuremberg	100.00
NÜRNBERGER Versicherungs- und Bauspar-Vermittlungs-GmbH	Nuremberg	100.00
NÜRNBERGER Verwaltungsgesellschaft mbH	Nuremberg	100.00
Vega Invest (Guernsey) Ltd.	St. Peter Port/Guernsey	100.00
Vega Invest Fund plc	Dublin	100.00

*Closing had not yet taken place by the balance sheet date.

Nürnberg Group: Closing expected in the second half of 2026

Further details regarding this acquisition are discussed in the chapter “General information and principles of significant accounting policies” under section “Additional information”.

21.2. Change in assets and liabilities due to changes in the scope of consolidation

Balance sheet	Additions	Disposals
<i>in EUR '000</i>		
Cash and cash equivalents	6,935	165
Financial assets	211	6,084
Receivables	2,724	2,293
Current tax assets	12	0
Investments in associates (equity-method)	25,002	0
Investment property	14,596	13,975
Owner-occupied property and equipment	509	0
Other assets	604	0
Intangible assets	196	0
Liabilities and other payables	4,001	14
Current tax liabilities	34	0
Financial liabilities	777	14,261
Other liabilities	313	1,210
Provisions	721	0
Deferred tax liabilities	1	65
Contribution to result before taxes in reporting period	Additions	Disposals
<i>in EUR '000</i>		
Total capital investment result	-153	-2,938
Investment result	-58	-2,508
Income and expenses from investment property	256	-430
Result from associates (equity-method)	-351	0
Finance result	486	194
Other income and expenses	-384	94
Result before taxes	-51	-2,650

A retrospective inclusion of the newly consolidated companies as of 1 January 2025 would not result in any significant change in the balance sheet items. The retrospective inclusion of the newly consolidated companies as of 1 January 2025 would increase the Group profit before taxes and non-controlling interests by 0.02% (without taking into consideration any consolidation effects).

Due to the changes in the scope of consolidation, the number of employees increased by 101.

The figures shown in the table above reflect the actual dates of first consolidation and deconsolidation, as indicated in Note "21.1. Changes in the scope of consolidation".

22. AFFILIATED COMPANIES AND PARTICIPATIONS

Number of companies	Austria	Outside Austria	Total
Number			
Consolidated companies	68	109	177
Fully consolidated companies	63	104	167
At equity-consolidated companies	5	5	10
Non-consolidated companies	38	81	119
Total	106	190	296

Fully consolidated companies	Country of domicile	Registered office	Interest 2025	Interest 2024
			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
AREALIS Liegenschaftsmanagement GmbH	Austria	Vienna	97.75	48.87
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 ODPOWIEDZIALNOŚCIĄ	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 OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	Warsaw	99.99	99.99
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	Warsaw	99.97	99.97
Blizzard Real Sp. z o.o.	Poland	Warsaw	97.75	97.75
BMA 20 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	100.00	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	99.97
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
DOMOSI s.r.o.	Slovakia	Bratislava	98.18	
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

Fully consolidated companies	Country of domicile	Registered office	Interest 2025	Interest 2024
			in %	in %
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
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H.	Austria	Vienna	97.75	97.75
Global Assistance Korlátolt Felelősségű Társaság	Hungary	Budapest	93.63	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
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
KÁLVIN TOWER Ingatlanfejlesztési és Beruházási Korlátolt Felelősségű Társaság	Hungary	Budapest	88.78	88.78
KAPITOL, a.s.	Czech Republic	Brno	97.28	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 Immobilienbesitz 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
NOMOSI s.r.o.	Slovakia	Bratislava	98.18	
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	99.98
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

Fully consolidated companies	Country of domicile	Registered office	Interest 2025	Interest 2024
			in %	in %
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
Rezidence Opatov, s.r.o.	Czech Republic	Prague	97.28	97.28
RGIB GmbH	Austria	Vienna	100.00	100.00
S - budovy, a.s.	Czech Republic	Prague	97.28	97.28
samavu s.r.o.	Slovakia	Bratislava	98.47	98.47
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG	Austria	Vienna	98.50	98.50
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	99.98
Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje - Vienna Insurance Group	North Macedonia	Skopje	95.71	95.71
SVZ GmbH	Austria	Vienna	97.75	97.75
SVZD GmbH	Austria	Vienna	100.00	100.00
SVZI GmbH	Austria	Vienna	97.75	97.75
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 ograniczoną odpowiedzialnością	Poland	Warsaw	99.99	99.99
VIENNA LIFE TOWARZYSTWO UBEZPIECZEŃ NA ŻYCIE SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP	Poland	Warsaw	99.98	99.98
VIENNA POWSZECHNE TOWARZYSTWO EMERYTALNE SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP	Poland	Warsaw	100.00	100.00
VIENNALIFE 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 NB s. r. o.	Slovakia	Bratislava	98.47	
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 Részvénytársaság	Hungary	Budapest	90.00	90.00

Fully consolidated companies	Country of domicile	Registered office	Interest 2025	Interest 2024
			in %	in %
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 OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	Warsaw	99.98	99.99
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 ZP, s. r. o.	Slovakia	Bratislava	99.22	98.73
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 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 društvo 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
WINO GmbH	Austria	Vienna	97.75	97.75
WSBV Beteiligungsverwaltung GmbH & Co KG	Austria	Vienna	97.75	97.75
WSV Beta Immo Holding GmbH	Austria	Vienna	97.75	97.75
WSV Immo Holding GmbH	Austria	Vienna	97.75	97.75
WSV Vermögensverwaltung GmbH	Austria	Vienna	97.75	97.75
WSVA Liegenschaftsbesitz GmbH	Austria	Vienna	97.75	97.75
WSVB Liegenschaftsbesitz GmbH	Austria	Vienna	97.75	97.75
WSVC Liegenschaftsbesitz GmbH	Austria	Vienna	97.75	97.75
zuuri s.r.o.	Slovakia	Bratislava	98.47	98.47
At equity-consolidated companies	Country of domicile	Registered office	Interest 2025	Interest 2024
			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 dobrovoljnim mirovinskim fondovima	Croatia	Zagreb	25.30	25.30
Gewista-Werbe-gesellschaft m.b.H.	Austria	Vienna	22.58	22.58
Österreichisches Verkehrsbüro Aktiengesellschaft	Austria	Vienna	35.78	35.78
PHINANCE SPÓŁKA AKCYJNA	Poland	Poznan	48.81	
Towarzystwo Ubezpieczeń Wzajemnych „TUW”	Poland	Warsaw	52.16	52.16
UNIVERSAL makléřský dom a.s.	Slovakia	Bratislava	34.46	34.46
VBV - Betriebliche Altersvorsorge AG	Austria	Vienna	24.83	24.83
Non-consolidated companies	Country of domicile	Registered office	Interest 2025	Interest 2024
			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	75.00
"WIENER AUTO CENTAR" d.o.o.	Bosnia-Herzegovina	Banja Luka	100.00	100.00

Non-consolidated companies	Country of domicile	Registered office	Interest 2025	Interest 2024
			in %	in %
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
arithmetic 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	100.00
Bohemika a.s.	Czech Republic	Žatec	100.00	100.00
Bohemika HypoReal 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 Versicherungsvermittlungsgesellschaft mbH	Austria	Vienna	97.75	97.75
CHERNI VRAH 59A EOOD	Bulgaria	Sofia	100.00	
ČPP Servis, s.r.o.	Czech Republic	Prague	100.00	100.00
CyRiSo Cyber Risk Solutions GmbH	Austria	Vienna	60.00	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
Domáci péče Haná s.r.o.	Czech Republic	Prerou	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
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	Königrätz	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 Call, s. r. o.	Slovakia	Bratislava	98.70	
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	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
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH	Austria	Vienna	98.29	98.29
Hotel Voltino in Liquidation	Croatia	Zagreb	97.82	97.82
HOTELY SRNÍ, a.s.	Czech Republic	Prague	97.28	97.28
Hyundai Hradec s.r.o.	Czech Republic	Königrätz	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

Non-consolidated companies	Country of domicile	Registered office	Interest 2025	Interest 2024
			in %	in %
Jarcar Autóth Szerviz Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság	Hungary	Budapest	63.00	
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
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
Menta Pénzügyi Korlátolt Felelősségű Társaság	Hungary	Budapest	90.00	
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" in Liquidation	Ukraine	Kyiv	100.00	100.00
PROFITOWI SPÓŁKA AKCYJNA	Poland	Warsaw	99.98	99.98
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
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
UAB "Compensa Life Distribution"	Lithuania	Vilnius	100.00	100.00
VIE Global Services GmbH	Austria	Vienna	100.00	
Vienna International Underwriters GmbH	Austria	Vienna	100.00	100.00
VIENNA LIFE PARTNERS SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	Warsaw	99.98	99.98
VIENNA LIFE SERVICES SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	Warsaw	99.98	99.98
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	100.00
VIG ZDROWIE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	Warsaw	99.98	
VIG/C-QUADRAT TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH SPÓŁKA AKCYJNA	Poland	Warsaw		50.99
VIGsana s.r.o.	Czech Republic	Prague	97.28	
WIENER poliklinika društvo s ograničenom odgovornošću za zdravstvenu djelatnost	Croatia	Zagreb	97.82	
Wiener Städtische Donau Leasing GmbH	Austria	Vienna	97.75	97.75
WSBV Beteiligungsverwaltung GmbH	Austria	Vienna	97.75	97.75
Equity holdings				
Dr. Ignaz Fiala Gesellschaft m.b.H.	Austria	Vienna	47.90	47.90
EBV-Leasing Gesellschaft m.b.H.	Austria	Vienna	47.90	47.90
EKG UW Nord GmbH	Austria	Klagenfurt	24.46	24.46

Non-consolidated companies	Country of domicile	Registered office	Interest 2025	Interest 2024
			in %	in %
Első Maganegeszsegügyi Halozat Zrt.	Hungary	Budapest	44.39	44.39
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
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
TGMZ Team Gesund Medizin Zentren GmbH	Austria	Vienna	39.10	97.75
TOGETHER CCA GmbH	Austria	Vienna	24.71	24.71
VENPACE GmbH & Co. KG	Germany	Cologne	23.53	23.53
VÖB Direkt Versicherungsagentur GmbH	Austria	Graz	48.87	48.87

Merged companies	Country of domicile	Registered office	Merger date	Absorbing company
Brockmanngasse 32 Immobilienbesitz GmbH	Austria	Vienna	01/01/2025	MC EINS Immobilienbesitz GmbH
Deutschmeisterplatz 2 Objektverwaltung GmbH	Austria	Vienna	01/01/2025	MC EINS Immobilienbesitz GmbH
Floridsdorf am Spitz 4 Immobilienverwertungs GmbH	Austria	Vienna	01/01/2025	MC EINS Immobilienbesitz GmbH
Hansenstraße 3-5 Immobilienbesitz GmbH	Austria	Vienna	01/01/2025	MC EINS Immobilienbesitz GmbH
Help24 Assistance Korlátolt Felelősségű Társaság	Hungary	Budapest	01/07/2025	Global Assistance Korlátolt Felelősségű Társaság
Kaiserstraße 113 GmbH	Austria	Vienna	01/01/2025	RGIB GmbH
Kitzbüheler Bestattung WV GmbH	Austria	Kitzbühel	01/01/2025	WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H.
Q13a Wohnen Eybnerstraße GmbH	Austria	Vienna	01/01/2025	BMA 20 Immobilienbesitz GmbH
Rößlergasse Bauteil Zwei GmbH	Austria	Vienna	01/01/2025	MC EINS Immobilienbesitz GmbH
T 125 GmbH	Austria	Vienna	01/01/2025	RGIB GmbH
VIG Türkiye Holding B.V.	Netherlands	Amsterdam	01/01/2025	ATBIH GmbH
WILA GmbH	Austria	Vienna	01/01/2025	WINO GmbH
Wohnquartier 11b Immobilienbesitz GmbH	Austria	Vienna	01/01/2025	RGIB GmbH
Wohnquartier 12b Immobilienbesitz GmbH	Austria	Vienna	01/01/2025	BMA 20 Immobilienbesitz GmbH

23. AUDITING FEES AND AUDITING SERVICES

The auditor of these consolidated financial statements is KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. The following expenses were recorded for their services in the financial year:

Composition	2025	2024
in EUR '000		
Audit of consolidated financial statements	519	1,053
Audit of parent company financial statements	99	95
Other audit services	529	546
Tax advisory fees	5	19
Fees for audit-related services	2,099	500
Total	3,251	2,213

24. MATERIAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

24.1. (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; 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.

The sensitivities are presented in Note “1.8 Insurance and market risks – sensitivity analysis”

The methods used to measure insurance contracts in the non-life insurance business

The key assumptions for non-life insurance are discussed in the sub-chapter “Liability for Incurred Claims (LIC)” of this section.

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 and the reference portfolio is calculated per country, taking into account all relevant Vienna Insurance Group investments.

Interest rates applied for discounting of future cash flows are presented in Note “1.2 Assumptions used”.

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.

Allocation of CSM to provided and future expected coverage is done 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 benefits, the present value of the premium for the risk and savings portions could be used as the basis for weighting 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 for each insurance coverage is used for this. Alternative approaches and simplifications may be used, provided that the outcome adequately reflects the services provided.

The quantity of benefits and coverage units for the main product lines is as follows:

For portfolios of the non-life and health insurance as well as 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. Discount rates are used for discounting that reflect the characteristics of the cash flows of the insurance contract group at the time of initial recognition, provided that a significant financial risk is involved.

The discount rates applied are presented in Note "1.2 Assumptions used".

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.

24.2. 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" in the Notes under "25.4. Financial instruments".

The Group continuously monitors the effects of geopolitical tensions and macroeconomic developments. These factors influence the valuation of financial instruments, the estimation of expected credit losses (ECL) and liquidity and market risks.

Key valuation assumptions in connection with fair value in accordance with IFRS 13 and expected credit losses in accordance with IFRS 9 take into account scenarios that reflect current geopolitical and economic uncertainties. The models are reviewed at least annually and adjusted as necessary to adequately reflect changes in risk assessment or market volatility.

24.3. 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. Further information on the valuation process can be found in Note “17. Calculation of Fair Value” and in Note “25.9. Calculation of fair value” contain further information about the valuation process. The impairment of financial assets is explained in Note “24.2. Impairment losses on financial assets”.

24.4. Impairment of goodwill

At least once a year, an assessment is carried out, in accordance with the method described in Note “25.5. Goodwill”, to determine whether any 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 the Notes to the consolidated financial statements under Note “3. Goodwill”.

24.5. 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 result performance,
- operating plans,
- loss carryforward periods,
- tax planning strategies and
- existing deferred tax liabilities.

In addition to the previous quantitative and qualitative parameters, geopolitical risks and their possible impact on the planned results are also included in the assessment of the impairment test for deferred tax assets.

Tax groups exist for Austrian and some foreign companies, as well as in Hungary. In this regard, please refer to the section on Accounting policies under Note “25.13. Taxes”.

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 the chapter Accounting policies under “25.13 Taxes” and in Note “11. Taxes”.

24.6. Method of consolidation

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, in accordance with 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.

24.7. 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 assessment of whether information is material or immaterial leaves room for discretion. 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.

24.8. Judgment of material accounting considerations according to IAS 8

Particularly due to the complexity of IFRS 17 accounting issues may arise that are identified retrospectively. 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 associated calculated limits. Nevertheless, the aim of producing 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 material influence on the primary users of the financial statements according to VIG's assessment, this will be presented in the current period.

25. ACCOUNTING POLICIES

25.1. 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	
		31/12/2025	31/12/2024	2025	2024
1 EUR \triangleq					
Albanian lek	ALL	96.7700	98.1500	97.8319	100.7014
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	3.1737	2.9306	3.0952	2.9444
Macedonian denar	MKD	61.4950	61.4950	61.5880	61.5344
Moldovan leu	MDL	19.7597	19.3106	19.5911	19.2533
New Turkish Lira	TRY	50.4838	36.7372	44.8161	35.5734
Polish zloty	PLN	4.2210	4.2750	4.2397	4.3058
Romanian leu	RON	5.0968	4.9743	5.0424	4.9746
Swiss franc	CHF	0.9314	0.9412	0.9370	0.9526
Serbian dinar	RSD	117.2820	117.0149	117.2011	117.0861
Czech koruna	CZK	24.2370	25.1850	24.6879	25.1198
Ukraine hryvnia	UAH	49.8565	43.9266	47.0853	43.4588
Hungarian forint	HUF	385.1500	411.3500	397.7675	395.3039

25.2. 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") are 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 consolidated and equity-accounted companies can be found in the Notes to the consolidated financial statements under "22. Affiliated companies and participations".

25.3. (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. 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.

Contracts may have the legal form of an insurance contract but do not transfer any 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. Reference is made to the approach used by VIG at the transition date in this section under chapter IFRS 17 transition date (1 January 2022): Fair Value Approach (FVA).

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. For further information on onerous contracts, please refer to the following chapter 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
- 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

ONEROUS CONTRACTS

Some contracts are issued before the coverage period starts and the initial premium becomes due. Whether issued contracts form a group of onerous contracts is assessed by the consolidated insurance companies at the earlier of the following two dates:

- before the start of the coverage period, or
- at the time when the first payment from policyholders within the group becomes due.

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 this section in chapter Presentation.

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 earliest of the following dates:

- 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 previously stated.

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. For the measurement of the fulfilment cash flows of a group of insurance contracts at the transition date, the locked-in discount rates correspond to the weighted average rates that applied 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 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. 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.

For the significant estimates and judgements made in applying this approach, please refer to Note “24.1. (Re-)Insurance contracts”.

The discount rates applied at the transition date

Spot Rates in years*	01/01/2022					
	1y	3y	5y	10y	20y	30y
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

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 economic 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, including insurance contract services from all premiums within the contract boundary (see chapter Contract boundary), does not exceed one year, and
- 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 information on the loss component, please refer to the following chapter Presentation and for onerous contracts please refer to the chapter Onerous contracts in the section on Accounting policies.

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. 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 the sub-section in the following chapter Loss component),
- 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 the following chapter, sub-section Insurance service revenue).

The subsequent measurement assumes for the CSM calculation using the VFA the following modifications compared to GMM:

- There is no explicit CSM interest accretion, as the CSM is remeasured when adjusted for changes in the entity's share of the underlying items.
- Changes in the amount of the entity's share of fair value of underlying items also adjust the CSM instead flowing through profit or loss (or optionally in OCI).
- Changes in fulfilment cash flow that do not vary based on the returns of the underlying items, related to future service, are CSM effective. However, as all cash flows are being considered to vary with underlying items, this element becomes redundant. The same follows from the application of IFRS 17.B114, which then does not distinguish between cash flows that vary with the underlying items and those that do not.

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 the disclosure *in the* chapter Notes to the consolidated financial statements under “24.1. (Re-)Insurance contracts sub-chapter Discount rates”).

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 information on the loss component, please refer to the sub-section of the same name in the following chapter.

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,
- less acquisition costs (see the comments on this in the following chapter Insurance acquisition costs),
- 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 information on the loss component, please refer to the chapter of the same name in this section. For additional information on acquisition costs, please refer to the chapter Insurance acquisition costs of the same name in this section.

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 contain insurance contracts that are expected to arise from renewals of 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 partial reversal of previously recognised impairments is recognised in profit or loss and the book value of the asset is increased 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 item 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 section Significant estimates and judgements in the chapter Amortisation of the Contractual Service Margin (CSM).

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 reversed on the basis of a systematic allocation of the changes in settlement values determined in subsequent measurements that affect future benefits. 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. If this is not the case and the facts and circumstances referred to in the chapter Accounting policies indicate at any time during the coverage period that a group of insurance contracts is loss-making, a loss component is recognised in the amount by which the settlement value relating to the future insurance cover of the group exceeds the carrying amount of the provision for future insurance benefits determined in accordance with the explanations in chapter "Initial measurement". Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

LOSS-RECOVERY COMPONENTS

As explained in chapters “Initial measurement – Reinsurance contracts held” and “Subsequent measurement – Reinsurance contracts held”, 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 zero when the loss component of the onerous group of underlying insurance contracts is zero.

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. The financial assets of VIG that serve to cover the portfolios of insurance contracts issued are predominantly measured at the 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.

25.4. 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 at fair value (as defined in Note “25.9.Calculation of fair value”), 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 held as part of a business model whose objective is to realise changes in fair value. They were designated as such by management upon initial recognition or are required to be measured at fair value in accordance with 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" in Note "25.4. Financial instruments". 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 euro area).
 - 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 on the impairment of financial assets are included in the Note on significant judgements and estimates (Note “24.2. Impairment losses on financial assets”).

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 if repayment of the contractual obligations has become unlikely and/or the financial asset has a rating of C or D and/or the contractual payments are 90 days past due, unless VIG has adequate and reliable information that a longer arrears 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 debt 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 is not recognised in VIG's statement of financial position unless it is subject to enforcement measures. Expected cash flows from credit enhancements that are not required to be recognised separately under IFRS and that are considered an integral part of the contractual terms of a debt instrument for which ECL is recognised are included in the measurement of that 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 are presented as a liability measured at FVtPL. Analogous to the financial assets, financial liabilities are recognised at their "dirty value".

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.

25.5. 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 exchange rate on the respective balance sheet date is used for conversion into euros.

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. 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.

25.6. 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	3	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.

25.7. 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 less 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	48

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 "25.9. Calculation of fair value".

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 of impairment losses are recognised in the profit and loss account and are disclosed in Note "9. Notes to the consolidated income statement". The fair values and the level hierarchy in accordance with IFRS 13 are presented in "17. Calculation of Fair Value".

25.8. Owner-occupied property

Owner-occupied property

For the applied accounting policies, refer to the statements presented under "25.7. Investment property".

Average useful life in years	from	to
Owner-occupied buildings	27	47

25.9. 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 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

Own-use and investment properties are valued at regular intervals by generally certified experts or experts in the field of property valuation.

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. Due 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, 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 derivatives	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 credit quality, but also a change in the availability of valuation rates, leads to reclassifications 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. If, for example, necessary input parameters can no longer be directly observed on the market, a reclassification is carried out. Any reclassifications are presented as if they had taken place at the start of the period.

25.10. 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. In addition, unrealised gains and losses from the at equity measurement of associated companies, effects from the application of IAS 29 – Hyperinflation and translation differences resulting from the currency translation 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 on capital management can be found in the section on risk strategy and risk management in the chapter of the same name.

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 in the 2025 financial year.

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 22 May 2030 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 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 23 May 2025 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 22 May 2030.

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 23 May 2025 exercise their subscription or exchange rights. To date, the Managing Board has not adopted any resolution to issue convertible bonds on the basis of the authorisation granted on 23 May 2025.

Furthermore, the Managing Board was authorised by the Annual General Meeting on 23 May 2025 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 22 May 2030. To date, the Managing Board had not adopted a resolution on the issuance of participating bonds on the basis of this authorisation.

The Managing Board was authorised by the Annual General Meeting on 23 May 2025, pursuant to with § 65 (1) no. 4, no. 8 as well as (1a) and (1b) AktG, to acquire the company's own bearer ordinary shares, on one or more occasions, a total of 10% of the share capital, in each case subject to the maximum holding of own shares permitted by law, during a period of validity of 30 months from the date of the resolution of the Annual General Meeting. 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 Managing Board was also authorised for a period of five years from the date of the resolution to use the acquired treasury own shares while excluding shareholder pre-emption rights

- to issue shares to employees and executives of the company or to employees, executives and members of the managing board of companies affiliated with the company;
- to service convertible bonds issued on the basis of the resolution of the Annual General Meeting on 23 May 2025; 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.

25.11. 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).

25.12. Receivables as well as Liabilities and other payables

Receivables

The receivables presented in the balance sheet 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 "2.4. Credit risk".

Liabilities and other payables

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 Note "25.4. Financial instruments". The other liabilities items are measured at AC.

25.13. 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 on 31 December 2023 as a result of the implementation of the Global Anti-Base Erosion (GloBE) rules under the second pillar of 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. In the event of positive income for a group member, 23% (23%) is paid to the group parent company. If the tax group member generates negative income, 20.7% (20.7%) of the group member's tax loss is paid by the tax group's parent company. Because the intragroup tax charge is 23% (23%) 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 (Hungary), the Hungarian group of companies comprises Hungarian undertakings in assistance and asset management as well as insurance companies, including the former Aegon companies.

26. NEW STANDARDS NOT YET APPLICABLE AND AMENDMENTS TO EXISTING STANDARDS

Standard	Short description	Applicable as of*
Those already adopted by the EU		
Amendments to IFRS 7 and IFRS 9	Classification and measurement of financial instruments	01/01/2026
Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity	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
IFRS 18	Presentation and notes in financial statements	01/01/2027
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 19	Subsidiaries without public accountability: Disclosures	01/01/2027
Amendments to IFRS 19	Subsidiaries without public accountability: Disclosures	01/01/2027
Amendments to IAS 21	Conversion to a hyperinflationary presentation currency	01/01/2027

*Unless otherwise specified, the Group is not planning early adoption of the provisions listed.

Unless otherwise stated below, the standards listed in the table are not expected to have a material impact or the amendments are not relevant.

IFRS 18 – Presentation and notes in financial statements

The application of IFRS 18 will lead to changes in the presentation of the primary financial statements and in the notes to the financial statements. The structural change in the presentation of the consolidated income statement is particularly significant. As an insurance group, VIG will structure the consolidated income statement based on the provisions for its main business activity, “Investing in financial assets”.

27. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Significant events up to 23 March 2026 have been taken into account. On this date, the present Annual Report was authorised for publication by the Managing Board.

Termination and redemption of subordinated notes 2015

VIG has decided to terminate the subordinated notes due 2046 (Notes 2015) in the total value of the current outstanding nominal value of EUR 154,446,000 with effect from 2 March 2026 and to redeem the notes at the redemption amount which equals 100% of the principal amount of the notes plus all interest accrued up to the redemption date (exclusive). All necessary approvals have been granted by the Austrian Financial Market Authority.

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 company. The governance system comprises not only the internal organisation, structure and mechanisms within the company, 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 VIG Holding 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, 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.

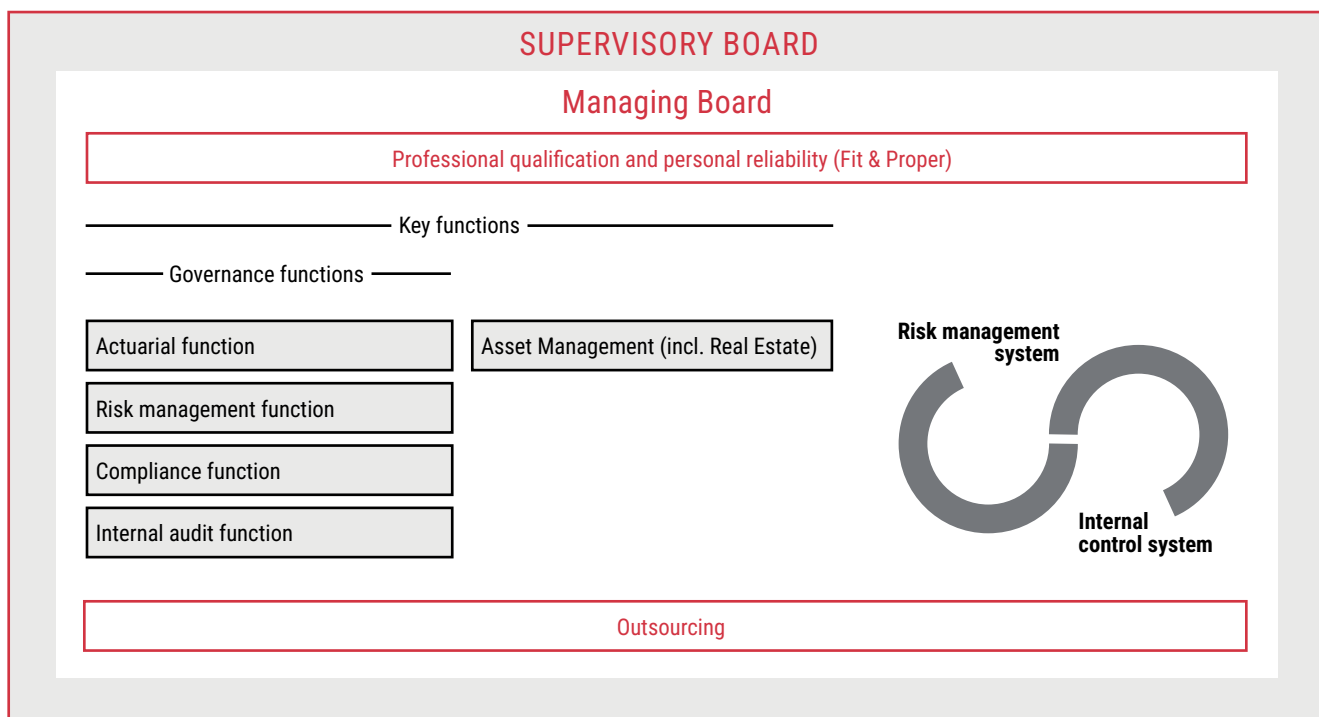
The governance system is characterised by the following attributes:

- Effective management of the company by the Managing Board,
- Regular 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 by Risk Management and at operational level in the individual organisational units,
- 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 is integrated into the structural organisation. 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)

The department coordinates and supports all companies in VIG Insurance Group and the compliance officers appointed in the companies in the fulfilment of compliance-related tasks and activities. 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

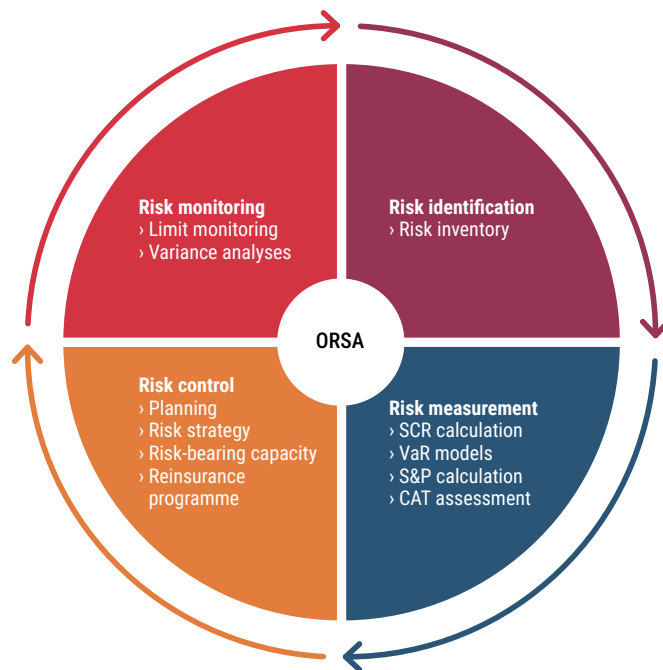
The VIG IT department is responsible for IT management at the level of VIG Holding. The department is also responsible for IT governance and the outsourcing officer for IT-related matters. The department manager is also the managing director and spokesperson for the management of VIG IT-DS.

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 VIG 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).

IMPLEMENTATION OF THE PRUDENT PERSON PRINCIPLE

Solvency II in general and the prudent person principle in particular demand a high level of self-responsibility for 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 in this section.

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 in this section.

Underwriting risk of health insurance

Health insurance underwriting risk is sub-divided into health insurance by type of non-life insurance and health insurance 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 covered by reinsurance and comprises the classic non-life insurance underwriting risks. 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 in this section.

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, refer to the remarks on the subject of the prudent person principle in the section named Risk profile.

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 Risk Committee with a focus on asset liability management. 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 in the section of the same name.

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 strategy and 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 incorrect advice when selling products, lack of customer service, the provision of misinformation 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 CO³ 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 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. Alongside newly identified risks that have been taken into account and the integration of two additional companies, this increase is also attributable 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 companies and asset management companies of VIG Insurance Group,
- Requirements for the digital operational resilience (DORA) of insurance companies and insurance groups,
- 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 duplication. Different or subsequently different interpretations of legal texts or contradictory requirements can also lead to increased organisational effort and thus higher costs.

Risk of concentration

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 frequent extreme weather events. That presents additional challenges, particularly 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 pertain to both physical risks and transition risks (see table in this section).

- 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, heatwaves and droughts, storms and hail.
- In accordance with the Delegated Regulation on the ESRS, a further distinction is made between acute and chronic risks in relation to physical risks. This classification also corresponds to the system used by the Network for Greening the Financial System (NGFS):
 - Acute risks include short-term extreme weather events such as storms, floods or heatwaves.
 - Chronic risks arise from long-term climatic changes such as increasing average temperatures or rising sea levels.
- Transition risks in connection with climate change refer to economic and financial losses that may arise in the course of the adjustment process towards a lower-carbon and more sustainable economy. Key factors contributing to the emergence of such risks include new political and regulatory frameworks, technological developments, changes in market sentiment among financial stakeholders, and shifts in societal or customer perceptions, which can also bring reputational risks.

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), which enables analysis over short-, medium- and long-term time horizons. 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	Relevant 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 CEE flood event in September 2024, which resulted in very high damages for VIG.
Earthquakes	✗	✗	There are no relevant scientific findings that predict an increase in earthquake risk due to climate change.
Winter storms	🌊	✓	Scientific results concerning the European winter storm 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 reduces losses due to snow loading. Based on a conservative approach, VIG did not include this in its analysis.
Drought and forest fires	✓	✗	Drought and forest fires play a secondary role due to VIG's geographical focus on CEE. 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 volatility.

STANDARD & POOR'S RATING

In October 2025, S&P raised VIG's outlook from "stable" to "positive" and at the same time confirmed VIG's strong A+ rating. The decisive factors for S&P in raising the outlook were VIG's ongoing diversification and growth. This has further increased VIG's resilience and reduced its dependence on the traditionally most profitable markets, Austria and Czechia. S&P cites VIG's strong capitalisation, supported by a robust Solvency II ratio, as a rating strength. S&P sees further diversification potential in the planned purchase of Nürnberger.

The subordinated bonds issued in 2015 (EUR 154.4 million Tier 2 outstanding, first call date 2 March 2026), in 2017 (EUR 134.0 million Tier 2 outstanding, 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 Tier 2 bond issued in 2025 with a volume of EUR 300.0 million was also 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 an appropriate 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.

One 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 2025, 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 2025 (31 December 2024: 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 "25.10. Consolidated shareholders' equity".

As of 31 December 2025, the solvency ratio of VIG Insurance Group as defined by Solvency II was 295.58% (31 December 2024: 260.74%).

LONG-TERM DEBT FINANCING

VIG Insurance Group had outstanding subordinated bonds with differing maturities as of 31 December 2025. Detailed information on the bonds programme of VIG Insurance Group is provided in Note “8.2. Subordinated liabilities”. 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.

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. 29a 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 2025 were approved for publication by a resolution of the Managing Board on

23 March 2026



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



Christoph Rath
Member of
the Managing Board



Harald Riener
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 2025, 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 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) 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 ("EU 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.

Our liability as auditors is guided under Section 266 VAG in conjunction with Section 275 UGB (Austrian Commercial Code).

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 236, Material estimates and discretionary decisions – 24.4. Impairment of goodwill on page 280 and Accounting policies – 25.5. Goodwill on pages 306.

Risk for the Consolidated Financial Statements

The recoverability of goodwill recognized in the Consolidated Financial Statements of the Vienna Insurance Group amounting to EUR 1.189,3 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 analyzed the assumptions underlying the development of growth rates in the relevant sales markets.
- 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 194, Material estimates and discretionary decisions 24.1. (Re-) insurance contracts on pages 275 and Accounting policies – 25.3. (Re-) insurance contracts on pages 284.

Risk for the Consolidated Financial Statements

The recognized insurance contracts assets issued as of the balance sheet date amount to 376,3 million EUR and insurance contracts liabilities issued amount to 41.496,9 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 intends 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 taken 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 based on 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, misleading representation 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 auditor's 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, as well as whether the consolidated financial statements represent the underlying business 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 rare cases, we determine that a matter should not be included in our auditor's report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY 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 the applicable 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 it and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or otherwise appears to be materially misstated. 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 EU Regulation

We were elected as auditors at the Annual General Meeting on 24 May 2024 and were appointed by the supervisory board on 25 June 2024 to audit the consolidated financial statements of the Vienna Insurance Group for the financial year ending on 31 December 2025.

On 23 May 2025 we were elected as auditors for the financial year ending on 31 December 2026 and were appointed by the supervisory board on 3 June 2025 to audit the financial statements.

We have been auditors of the Vienna Insurance Group, without interruption, since the consolidated financial statements as 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 EU Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 EU Regulation) and that we have ensured our independence throughout the course of the audit.

ENGAGEMENT PARTNER

The engagement partner is Mr Thomas Smrekar.

Vienna, 26 March 2026

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.

INDEPENDENT ASSURANCE REPORT ON THE NON-FINANCIAL REPORTING PURSUANT TO SECTION 267A UGB

We have performed a limited assurance engagement in the connection with the consolidated non-financial reporting pursuant to Section 267a UGB (hereafter „non-financial reporting“) in the Group management report in section consolidated non-financial report for the financial year 2025 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 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 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 engagement“), 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 of 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 voluntary 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, 26 March 2026

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Thomas Smrekar
Wirtschaftsprüfer
(Austrian Chartered Accountant)

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