ANNUAL REPORT

We’ve got your back

2022

VIG Re
VIENNA INSURANCE GROUP

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Letter of Chairman of the Supervisory Board

Dear ladies and gentlemen, dear clients,

VIG Re has been a part of VIG Group, the biggest insurer in Austria and Central and Eastern Europe, for fourteen years now. It acts not only as the reinsurance company of VIG group but has been steadily building its value proposition as reinsurer of choice of insurance companies outside of VIG, especially in Continental Europe. In total, VIG Re serves more than 588 insurance companies in 53 countries. I can proudly say that VIG Re belongs to the most successful and growing companies in our group.

The year 2022 was a challenging year for the reinsurance industry. The industry has been facing not only another year of significant natural catastrophes, but it also must operate in an environment of severe inflation, a slowdown of global economic growth and raising geopolitical tensions.

I am therefore pleased to be reporting another successful year for VIG Re in 2022. The Company weathered these challenges extremely well and demonstrated its business model resilience. Together with its conservative investment and retrocession policy, it achieved another year of profitable growth, and I am confident that VIG Re is well prepared to respond to the challenges in the years to come.

Mr. Tobias Sonndorfer has joined VIG Re's Board of Directors as of January 2023, expanding the number of board members from current three to four. He brings highly relevant finance and client management experience from the reinsurance industry, and I am sure that he will be a valuable addition to the Board.

On behalf of all my colleagues from the Supervisory Board I would like to extend my appreciation and sincere thanks to the Management Board and the entire staff of VIG Re for the dedication during the last year to make the Company a great place to work at. I would also like to thank to our clients and shareholders for their ongoing support and co-operation.

Sincerely,
Peter Thirring
Chairman of the Supervisory Board
VIG RE zajišťovna, a.s.

Letter of Chairman of the Board of Directors

Dear business partners,

In 2022 Europe faced the rebirth of political and economic challenges we hoped were a legacy of the past: a war in the middle of Europe, rising political tensions, high inflation. At the same time, our society still suffers from the social and economic outfall of the COVID-19 epidemic, from excess mortality to disrupted supply chains, as well as the consequences of the climate change, leading to a continued high level of weather-related abnormities, and a continued trend of a de-globalisation, just to name the most discussed. The multiple political, economic, technological, and demographic risks we face today are more interconnected, faster developing and more challenging to manage than ever.

While the year 2022 has been firstly marked in February by a series of windstorms, affecting Germany and parts of northern Europe, on 24th February the true tragedy unfolded with Russia's invasion of Ukraine.

The day after the invasion VIG Re management released a public declaration of solidarity with the Ukrainian people. I was personally deeply touched by the response of our employees who immediately organised humanitarian collections for the people in Ukraine and Ukrainian refugees in the Czech Republic. As a corporation we donated to local charities and humanitarian organisations and offered employment for Ukrainian refugees. Furthermore, we quickly committed to contribute to the VIG Family Fund and supported its mission to help VIG Ukrainian colleagues and their families to re-build their lives.

Apart from the human tragedy, the war in Ukraine had a direct economic impact on VIG Re: in compliance with the international sanctions, we ceased our underwriting activities in Russia and had to revaluate our investments in Russian government bonds. While the war in Ukraine continued to rage throughout the year, our French clients were hit by an unprecedented series of severe hailstorms throughout spring and summer.

Despite these challenges, I am pleased to report the year 2022 will be on record not only as the year with the highest premium income for the Company, but also as the year with the highest underwriting profit ever, with EUR 38.5 million surpassing the year 2021 by more than 90 percent. This excellent underwriting result demonstrates the strength of our business model, which is founded on long-term partnership approach with our clients, leveraging our efficient operating and capital management model. At the same time we maintain a strict underwriting discipline and adhere to prudent investment and reinsurance policies to safeguard the Company in challenging times. The financial strength of the Company is underpinned by an excellent A+ rating from Standard & Poor – now for the 14th year in a row.

I would like to thank our clients and our other business partners for their trust and continued partnership, without whom this success would not have been possible. Equally I would like to thank all our employees for their engagement to serve our clients in an exemplary way.

The consciousness for our environment and protecting the values that matter for this generation and the generations to come is gaining more public and political attention. As a reinsurer, we play a critical role in enhancing the resilience of society and are committed to take responsibility. As attention is raising and political actions as the Europe's Green Deal are turning into investments, the digital and ecological transformation will create new opportunities for our industry. With the strengths of VIG Re in mind, I am confident that we are in an excellent position to turn the challenges ahead into opportunities.

Sincerely,
Johannes Martin Hartmann
Chairman of the Board of Directors
VIG RE zajišťovna, a.s

VIG Re

VIG Re – a Member of Vienna Insurance Group

Vienna Insurance Group (VIG), headquartered in Vienna, is the leading insurance group throughout Central and Eastern Europe (CEE). Around 50 insurance companies in 30 countries form a Group with a long-standing tradition, strong brands, and close customer relations. The more than 29 000 employees in the VIG take care of the day-to-day needs of more than 28 million customers.

Expertise and Stability

Vienna Insurance Group is an international insurance group headquartered in Vienna, Austria. VIG is synonymous with stability and expertise in providing financial protection against risks. Experience coupled with a focus on core competence of providing insurance coverage, forms a solid and secure basis for the Group's 28 million-plus customers.

From first mover to market leader in CEE

VIG was one of the first European insurance groups to begin expanding into the markets of the CEE region after the fall of the Iron Curtain in 1989. Step by step, the Group established itself in new markets and has become the number one in the region. Vienna Insurance Group places an emphasis on Central and Eastern Europe as its home market and pursues a long-term strategy in the markets where it is represented. More than half of the total business volume and profit is generated in this region.

Local Presence and Responsibility

For VIG, protecting customers financially against risk is a responsibility. Great importance is attached to a local multi-brand policy with regionally established brands and local entrepreneurship. Ultimately, the Group's success and closeness to its customers is down to the strengths of each individual brand and local know-how.

Strong Finances and Credit Rating

Vienna Insurance Group has been awarded an A+ rating with a stable outlook from the internationally recognised rating agency Standard & Poor's. VIG is listed in Vienna, Prague, and Budapest. Wiener Städtische Versicherungsverein – a stable core shareholder with a long-term focus – owns around 72% of VIG's shares. The remaining shares are in free float.

VIG Re at a Glance

VIG Re: a steady growth in Europe and Asia

VIG Re is a leading reinsurer in the CEE region, and the reinsurance company of Vienna Insurance Group. It is headquartered in Prague with branch offices in Frankfurt a. M. and Paris. The Company has been established in 2008 and has been assigned an "A+" rating with a stable outlook from Standard & Poor's since 2009.

VIG Re manages the outward reinsurance programs of VIG Group and has been continuously over the past 14 years expanding the Non-Life and Life & Health reinsurance business assumed from Third Parties. Therefore, VIG Re has been steadily and successfully growing its market position in the Continental Europe and in Asia, servicing more than 588 clients in 53 countries.

VIG Re stands out on the international reinsurance market for its efficient operating model and capital management while emphasising a partnership approach with clients. The Company has been able to consistently outperform the market through its adherence to underwriting discipline, operational excellence, and talents management. The resilience of its business model is complimented by a prudent investment policy and guarded through a strong governance and enterprise risk management policy.

Our mission: Strengthening resilience in a rapidly evolving risk landscape

As a reinsurer, we have a critical role to play in building a better tomorrow. Therefore, we are committed to strengthen the resilience of our society and take responsibility for our environment, protecting the values that matter for this generation and the generations to come.

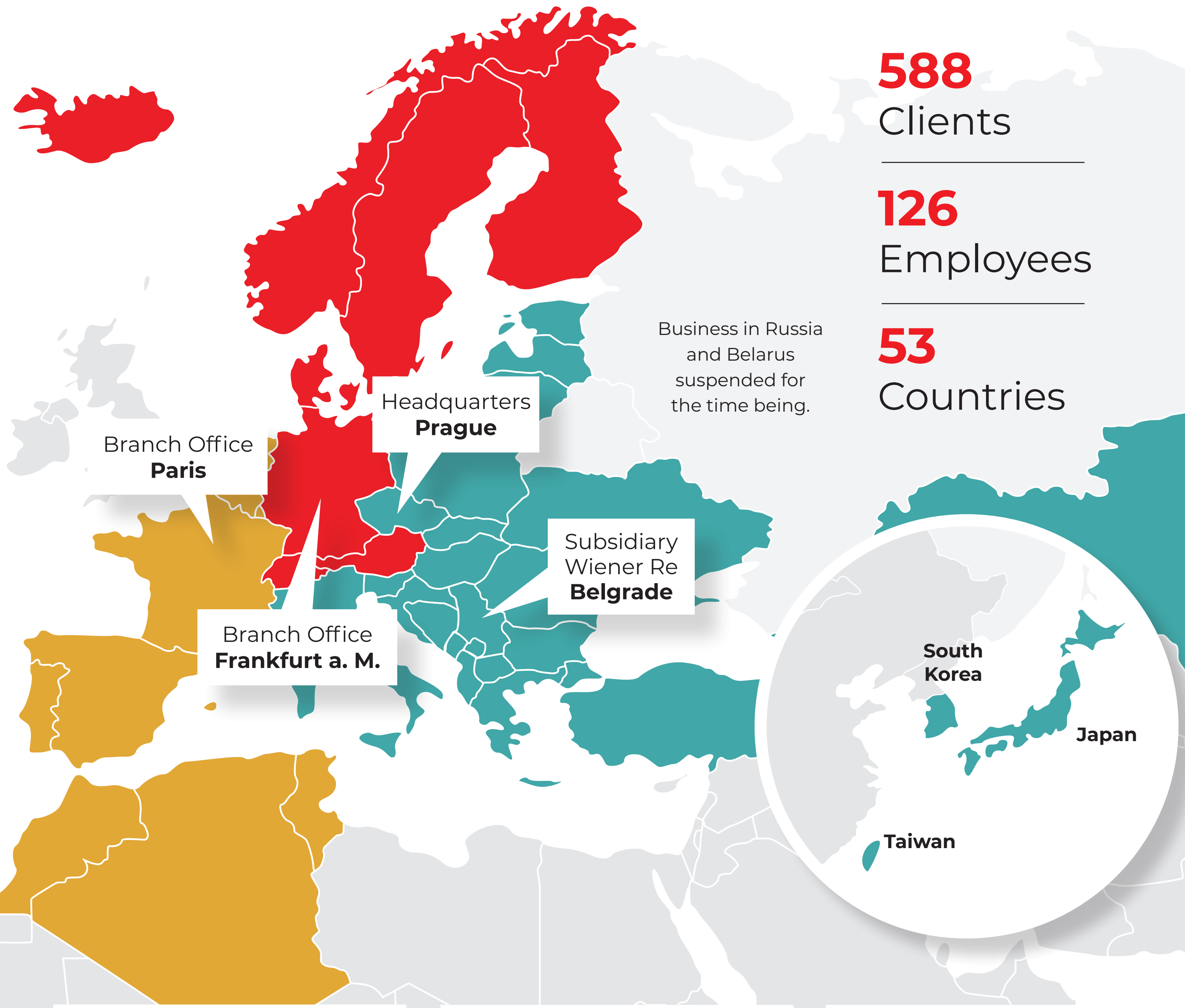
We believe in long-term relationship and being a reliable partner, enabling our clients to better manage their risks. Our business relationships are based on trust, reliability and are made to last for decades.

14 years of existence	**€ 792.3 mn** gross written premium	**€ 30.7 mn** profit before taxes	VIG Re VIENNA INSURANCE GROUP member of VIG
A+ with stable outlook	**91.9%** combined ratio	**17.9%** return on equity	**174%** solvency ratio

588 Clients

126 Employees

53 Countries



Branch France

Established in 2018 in Paris

Serving to 69 clients

Underwriting Territories:
France, Belgium, Netherlands, Luxembourg, Morocco, Tunisia, Algeria, Spain, and Portugal

Business Scope:
Third Party Non-Life Treaty and Facultative

Branch Germany

Established in 2017 in Frankfurt am Main

Serving to 91 clients

Underwriting Territories:
Germany, Austria, Switzerland, and the Nordics.

Business Scope:
Third Party Non-Life Treaty and Facultative

Wiener RE

Established in 2008

Serving to
21 insurance and reinsurance clients in Serbia, Bosnia and Herzegovina, North Macedonia and Montenegro

100% owned VIG Re subsidiary

Governance Bodies

Board of Directors

Johannes Martin Hartmann

Chairman of the Board of Directors

Main Responsibilities:

Representation of VIG Re towards Financial Supervisory Authority, public authorities, and professional associations · Representation of VIG Re towards Supervisory Board · Public Relations & Communication · Corporate Underwriting Actuarial Services · Property and Casualty Retrocession · HR Strategy and Talent Development

Ivana Jurčíková

Member of the Board of Directors

Main Responsibilities:

Finance, Investments · Reinsurance Accounting · Controlling, Planning & Reporting Business Processes and IT Solutions · Corporate Governance and Legal Office Management · Human Resources Operations

Stephan Wirz

Member of the Board of Directors

Main Responsibilities*:

Assumed Property and Casualty Reinsurance · Assumed Life Reinsurance Life Retrocession · Assumed Accident and Health Reinsurance · VIG Group Reinsurance Protection · Business Administration · Claims Management

Joint Responsibilities in 2022:

Strategy · Internal Audit · Actuarial Function · Branch and Subsidiary Management Enterprise Risk Management ·Compliance Function

NOTE:

Tobias Sonndorfer

Member of the Board of Directors, effective 1 January 2023

He joined as its fourth member and took over responsibilities for:

Assumed Property and Casualty Treaty Reinsurance VIG · Assumed Life and Health Reinsurance · Retrocession · Internal Model & Capital Management IT Services · Corporate Governance & Legal

Supervisory Board

Peter Thirring
Chairman of the Supervisory Board

Elisabeth Stadler
1st Vice-Chairwoman of the Supervisory Board

Alain Flandrin
2nd Vice-Chairman of the Supervisory Board

Vladimír Bakeš
Member of the Supervisory Board

Peter Höfinger
Member of the Supervisory Board

Gerhard Lahner
Member of the Supervisory Board

Karl Fink
Member of the Supervisory Board

Wolfgang Petschko
Member of the Supervisory Board

Ralph Müller
Member of the Supervisory Board

Audit Committee

František Dostálek
Chairman of the Audit Committee

Alain Flandrin
Member of the Audit Committee

Peter Thirring
Member of the Audit Committee

Organizational Chart as of 31. 12. 2022

Governance	Supervisory Board	P. Thirring, E. Stadler, A. Flandrin, V. Bakeš, K. Fink, P. Höfinger, G. Lahner, R. Müller, W. Petschko
Governance	Board of Directors	J.M. Hartmann, I. Jurčíková, S. Wirz
Governance	Audit Committee	F. Dostálek, P. Thirring, A. Flandrin
Governance	Internal Audit	J.M. Hartmann
Governance	Compliance	Z. Nulíčková
Governance	Risk Management	A. Alexiou
Governance	Actuarial Function	A. Alexiou
Markets Units	Life & Health	A. Rejer (Interim)
Markets Units	VIG CEE	A. Mirnik
Markets Units	International	A. Mirnik
Markets Units	Branch Germany	F. Christoph
Markets Units	Branch France	P. Chevrel
Markets Units	Southern Europe	P. Chevrel
Markets Units	Facultative	M. Schmid
Middle Office	Corporate Underwriting	O. Dietrich
Middle Office	Actuarial Services and Retrocession	J. Hrevuš
Middle Office	Reinsurance Accounting and Claims	M. Korytina
Middle Office	Business Administration	S. Shirai
Middle Office	Claims Management	S. Shirai
Support Functions	Corporate Governance and Legal	Z. Nulíčková
Support Functions	Controlling, Planning, Reporting	Z. Štěpán
Support Functions	Office Management	I. Jurčíková
Support Functions	Human Resources Operations	P. Türková
Support Functions	HR Strategy and Talent Development	J. M. Hartmann
Support Functions	Marketing and Communications	J. M. Hartmann
Support Functions	IT Solutions Services	M. Maryška
Support Functions	Investments	I. Jurčíková

Executive Committee	J.M. Hartmann
Risk & Compliance Com.	A. Alexiou
Technical Reserving Com.	J. Hrevuš
Underwriting Committee	O. Dietrich
Remunerations Committee	Š. Brůnová
Market Committee	S. Wirz
Operations Committee	Z. Štěpán

Outsourced Functions

Asset Management
Asset Risk Management
Economic Services
Human Resources Payroll
Legal Services
Information Technology
IT Security
Procurement
Internal Audit

Responsibility / Coordination: Hartmann Jurčíková Wirz

ESG: Our Environmental, Social and Governance Responsibility

The business and financial risks assumed in the insurance and re-insurance sector are directly linked to the economic, technological, and social transformation of our society. Insurance is built on the fundamental principal solidarity, coping with risks which are too large to be barred by an individual, but which require the solidarity of a large community to deal with. Reinsurance is a vital factor enhancing the resilience of our society toward the negative impact of large risks, such as natural or man-made catastrophes.

Taking responsibility for our society and our environment with a long-term view is therefore part of the DNA of our company. Since the foundation of the Company in 2008, VIG Re has regarded sustainability as a competitive advantage and driver of innovation. VIG Re and its management consider being a socially responsible company as a cornerstone of its business strategy.

To make the sustainability aspiration actionable, VIG Re is setting up specific goals for the environmental, social and governance dimensions, based on the following principles:

ENVIRONMENTAL

We consider the impact of our investments, products, and operations on the environment with a focus on the 1.5° goal.

We provide reinsurance solutions that foster environmental aspects and help to reduce climate change impact

SOCIAL

We enhance the resilience development of our society to manage risk by helping people and organisations who suffered from severe or tragic incidents to get back on their feet and rebuild their economics foundations.

We operate on par with our customers being widely accessible and giving as many as possible the opportunity of insurance.

We are an equal opportunity employer, promoting diversity and save-guarding the well-being and development of employees.

GOVERNANCE

We observe all legal and ethical standards related to our business partners, employees, the public and the environment.

Our Commitment towards the Environment

VIG Re continues to refrain from offering insurance for coal-fired power stations and coal mines, both in respect of abstaining from underwriting these risks and not investing in respective assets. Specific targets and actions have been defined in the VIG Re underwriting and investment policies.

As part of the investment strategy, the share of investments in green bonds and investments into environmentally friendly projects is continuously growing. Upon selecting our investment and financial partners, clear and well-defined ESG policy plays also significant role on VIG Re side. We cooperate with institutional partners whose responsible investing criteria and overall ESG philosophy is a priority.

We behave responsibly towards the environment, take social and ecological criteria into account when choosing our suppliers as well in our day-to-day actions. An environmental management system is in place to minimize the Company's consumption of energy, water, paper, plastic, and other public utilities. Digital communication, digitally signed documents and paperless office is part of our daily agenda, same as elaborated waste separation, ban on using plastic dishes or cutlery and preference to local suppliers. Reducing our carbon footprint is used as a key indicator when measuring our environmental responsibility.

We foster the reduction of business travel by plane through videoconferencing as much as reasonable. In 2022, our employees including senior management accounted on average for 1 089 km of air travel, a reduction of 55% compared to 2019, the last year prior to the COVID-19 pandemic with no restrictions concerning travelling.

VIG Re financially supports the usage of public transport through the VIG Re Cafeteria program. In addition, the company promotes and sponsors the "bike to work" initiative, encouraging the usage of bikes or walking instead of using individual motorized vehicles when commuting to work. The Company provides for a special bike room and showers for employees at the headquarter premises.

We carefully choose our suppliers, preferring to buy goods from local providers with proven sustainability records to minimize transport, and support local business. We emphasize in this context quality and sustainability over price.

Our Commitment towards the Society

Through reinsurance, we provide protection to people against life threating and severe economic risks.
As a company, we make a commitment for financial compensations in case mischiefs materializes, with impacts often enduring for decades. Our work is deemed to make an impact, offering protection, and developing solutions that safeguards the wellbeing of the society, for this generation and the generations to come.

As a company, we are committed to protect the values that matter to our society. We believe in long-term and trustful relationships with both our employees. Likewise, the cooperation with our business partners is based on trust, reliability and are made to last.

As part of our business, we encounter personal misfortune. As a Company we aim to help beyond financial compensation, actions which are endorsed by the empathy our employees through employee initiatives and their personal contributions.

Solidarity with Ukraine

The year 2022 was shadowed by the Russian aggression against Ukraine. The day after the invasion on February 24th, VIG Re management released a public declaration of solidarity with the Ukrainian people. In addition, the Company took immediate steps in coordinating humanitarian actions initiated by its employees for the people in Ukraine and Ukrainian refugees in the Czech Republic.

Several vans delivered these goods to Lviv and Kyiv Military Hospitals and to Kharkov in the first months of the war. Individual employees' initiatives took place, such as #exchangemuffin initiative where our people could exchange their points from the VIG Re Cafeteria and buy much needed items for a home-made muffin. The latest material collection was organised in December 2022 for the non-profit organisation "The Prague Maidan" providing support to the Ukrainian refugees in the Czech Republic. In this context, VIG Re donated additional funds for employees' initiatives, purchasing medical devices, food, and hygiene products throughout the year in the amount of EUR 6 000.

In addition, VIG Re committed to donate EUR 270 000 into the VIG Family Fund initiative supporting Ukrainian employees of VIG group directly affected by war.
Ukraine refugees were offered employment at VIG Re, which materialized in 2022.

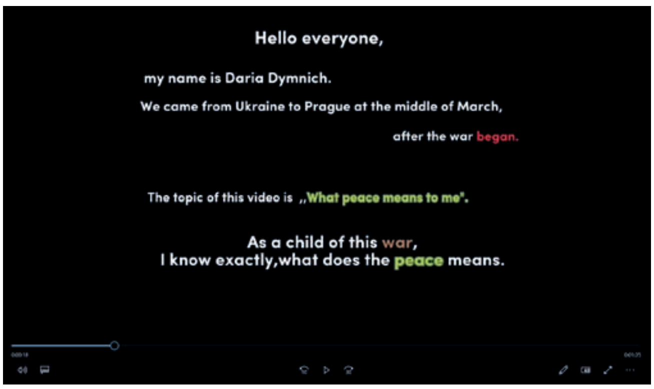
Employees' initiatives: material collections

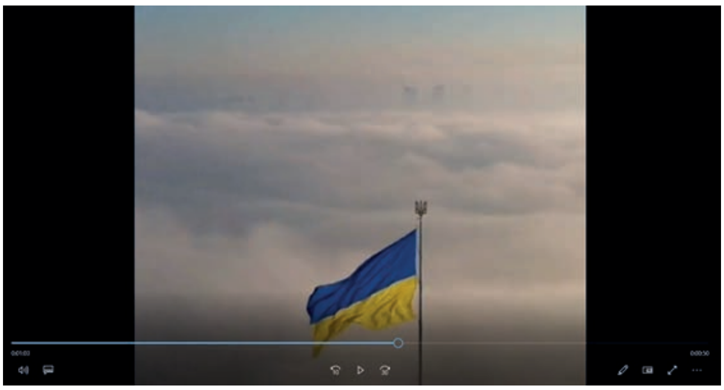
VIG Re Social Active Day

Almost 80 % of the employees took part in the VIG Re Social Active Day in 2022. The team spent one day cleaning the Mountain Říp, the sacred mountain of the Czech nation, from litter and damages caused by storms and rainfall. As a team we have collected 250 kg of litter, removed 3 m3 of wood from the forest, chopped it and prepared it for the winter, and painted fences. The Social Active Day counts as a working day for participating employees.

CSR Competition for employee’s children

During the 2022, our employees and their children took part in two VIG Group CSR competitions. The children of VIG employees were invited to take part in a photo and video competition on the theme "peace", organised in cooperation with Wiener Städtische Wechselseitiger Versicherungsverein and the European Youth Forum Neumarkt (EYFON). VIG Re had four participants, with Daria Dymnich’s video selected as one of the winners, and her spending an exciting week in Vienna on the EYFON VIG Youth Days in August 2022 as a reward.





Winning video of Daria Dymnich

Award in Recognition of Commitment to Voluntary Activities

Gabriela Nella Požárová, was honoured by Wiener Städtische Wechselseitige Versicherungsverein with the "Award in Recognition of Commitment to Voluntary Activities 2022". The aim of this particular initiative is to award employees of all VIG Group companies for outstanding voluntary work. Gabriela has been helping and looking after visually impaired or blind athletes within the organisation TJ Zora Praha for many years now.

TJ Zora Praha z.s
Nevidomí sportovci

www.tjzora.cz

Gabriella Nela Požárová with Johannes Martin Hartmann, VIG Re's CEO

Konto Bariéry Foundation

Whenever feasible, we link our purchases with charitable element. In 2022 this included purchasing Season's Greetings cards from well-known Czech non-profit organisation Konto Bariéry Foundation (Czech for Barriers Account), helping break down barriers in schools attended by disabled children.

Oskar Kokoschka Exhibition in Paris

It is arts and culture which gives testimony about our society and the values it stands for. VIG Re proudly sponsored and supported the Oskar Kokoschka's very first retrospective in Paris, prepared by the Museum

of Modern Art (Musée d'Art Moderne de Paris). This unique selection of his 150 most significant works has been brought together with the backing of major European and American collections.

Our Commitment towards ESG Governance

Our ambition is to be a responsible and inclusive company that does not allow any form of discrimination, both as an employer and as a business partner to the wider public.

VIG Re's Code of Business Ethics lays down the principles and ensures compliance with essential rules in acting with integrity in our dealings with business partners, employees, shareholders, our society, and our environment. In all our activities, we act in accordance with legislative and regulatory requirement, both locally and internationally. When conducting our business activities, we make certain that we adhere all standards to prevent the abuse of financial systems for money-laundering. We contemplate all applicable international and national sanctions and implement solid compliance processes to prevent any breaches.

The ultimate responsibility for ESG lies with VIG Re's management. We observe and apply high standards in respect of Risk Management, Corporate Governance, Legal as well as Internal Audit to ensure that the Company is ruled in lawful, ethical, and socially responsible way.

Compliance with Laws and Standards of Behaviour

Ensuring compliance with laws and regulations of all jurisdictions in which VIG Re operates constitutes an essential pilar underlying our business. We go beyond legal requirements and commit ourselves to comply also with widely recognized standards of behaviour and ethical values. We do not participate in practices that purposefully attempt to breach or circumvent legal provisions.

Code of Business Ethics

VIG Re commits itself to conduct business according to the highest ethical principles. Through the mitigation of risks by the means of efficient and sustainable risk and capital management solutions we enhance the resilience of the society while aligning our actions to the principles of good governance and ethical values. VIG Re acts in accordance with its Code of Business Ethics that lays down the principles and ensures compliance with essential rules in acting with integrity in our dealings with business partners, employees, shareholders as well as the general public.

Commitment towards our Business Partners and Clients

Being part of Vienna Insurance Group, with its roots as a mutual insurer founded in 1824, VIG Re strives to build long-term partnerships and commits itself to serve its business partners with high standards of professionalism, integrity, and efficiency.

We work with reputable business partners who undergo a strict client due diligence process and ensure we do not engage in business relationships that could compromise our integrity. We communicate in a transparent and truthful way and strive to use our reinsurance expertise on helping our clients to achieve their goals.

Actively looking for client feedback to continuously improve our services is a norm to us. We are proud to be named „The Most Dynamic Reinsurer of the Year 2022“, an award we received during the FIAR International Insurance-Reinsurance Forum 2022.

Our Commitment towards our Employees

We are convinced that the success of our company relies on the engagement of our employees. They are our most valuable assets, and any investment in their professional qualification and the team spirit further strengthens our franchise.

We make sure that our employees individual needs are respected, emphasising inclusion and diversity.
The strategic vision of Human Resources is to create an inspiring and stimulating environment where people value their work, strive for continuous development, and aspire to become VIG Re brand ambassadors.

Corporate Mission and Corporate Values
Employees are not only motivated by a fair and attractive remuneration. Matters like opportunities for professional development, attractive work conditions and corporate culture matter as well. Last but not least, doing business with integrity and a purpose makes a difference.

In the course of the year 2022, we have refined our mission statement and corporate values to ensure they are relevant to today's world. Our mission as a reinsurer is clear. We are here to protect people and companies from the consequences of severe incidents, helping them to get back on their feet and re-establish their economics foundations. Our task is to strengthen the resilience of our society in view of a fast-changing and increasingly demanding risk landscape of our world.

Our three main corporate values are:
PASSION – PARTNERSHIP – PERFORMANCE

These values form the basis of corporate culture which we live with our business partners, our employees, and our stakeholders and which defines our purpose and the way we want to be seen by the market.

Diversity, Equality, and Inclusion
We are convinced that employees who feel respected as unique individuals with their unique personalities feel more satisfied with their work and their employer. We believe when people from different cultural background and with different perspectives work together, this ultimately enables better solutions and spurs innovation.

Team spirit, open and transparent corporate communication and interpersonal collaboration are attributes that scored very high in our employee surveys. We believe that equality, i.e. fair and respectful treatment of people, creating opportunities while reducing inequalities in opportunities, enables people to fulfil their potential, and develop their talent.

VIG Re has established a Diversity policy which defines five KPIs committing to promote a healthy, open, diverse, and fair corporate environment and to be reached within next five years.*)

Our five KPIs are:

1.	Gender Balance
2.	Female Leaders
3.	Equal Pay
4.	Health Age Mix
5.	International Company Culture

1 Gender Balance: fair recruitment and career development

We support a safe environment that is founded on mutual respect and open to all employees, regardless of gender identity. Our human resource management promotes gender diversity with an emphasis on equal and fair recruitment, career development, appraisal, and remuneration. Our goal is that no gender category will exceed 60%.

To actively promote and communicate about LGBTIQ+ diversity among our employees in 2022, we took part in internal and external VIG activities on this topic. This included activities on our LinkedIn company profile during the June Pride Month or taking part in the VIG LGBTIQ+ roundtable.

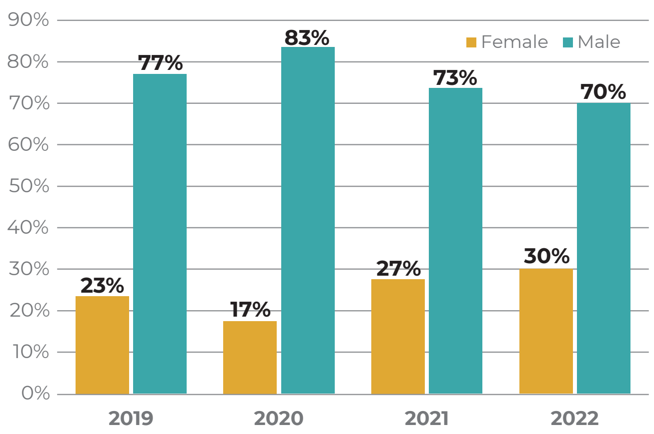
*) Members of the Board of Directors and Supervisory Board are not counted here as employees or managers, and they are not captured in the charts in this chapter "Our Commitment towards our Employees".

2 Female Leaders: supporting women in leadership positions

In 2022 we continued with the development programmes for selected employees to enhance and support their leadership aspirations and qualifications. We offer mentoring and coaching schemes to employees in our company with the objective to promote and encourage diversity by fostering an environment of mutual learning. Flexible working hours and remote working with cost reimbursement allow our people for a better alignment of family life and their career.

Our special focus is on potential future female leaders, as we aim to increase the number of women in leadership positions. Our target is to see at least 30% or more of female professionals on the Board of Directors or B-1 positions.

Gender Distribution in Management



3 Equal Pay: equal pay and fair renumeration for all employees

We are committed to a fair and competitive remuneration system that fully respects equality in terms of race, gender, age, religion, disability, or sexual orientation. Our Compensation Philosophy captures and describes the basic principles and what competitive and fair renumeration system means. Our KPI in this category is to ensure no gender bias exists

Competitive means that we benchmark our people remuneration with the salaries paid in the financial industry of the country where they are employed. The compensation package includes, apart from a fixed and a performance driven variable part of the remuneration, attractive fringe benefits to support their financial and personal well-being.

Fair means that the contractual base salary of employees performing the same job and with the same seniority shall not significantly deviate. As already mentioned before, we advocate for diversity and do not tolerate any salary discrimination based on race, gender, age, religion, disability, or sexual orientation.

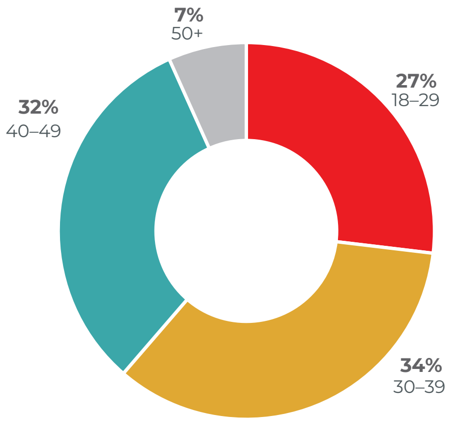
Our Compensation Philosophy reinforces the company's engagement towards a fair and competitive pay. In June 2022, VIG Re's employees and managers were surveyed specifically about their professional development expectations. They look forward to having more technical and soft skills training courses, while partnering with their manager for their development.

4 Healthy Age Mix: conscious of a well-balanced age and gender structure

We make sure our teams are well balanced in terms of seniority, experience, age, and know-how. Encouraging intergenerational dialogue within our teams and connecting various age groups together aims to enable everybody to learn from each other and to grow professionally. We strive to maintain a healthy balance, no age category exceeding 40%.

Due to the active recruitment of experienced employees, the average age of our employees has increased from 32 years to 37 years since 2017.

Age Distribution at VIG Re

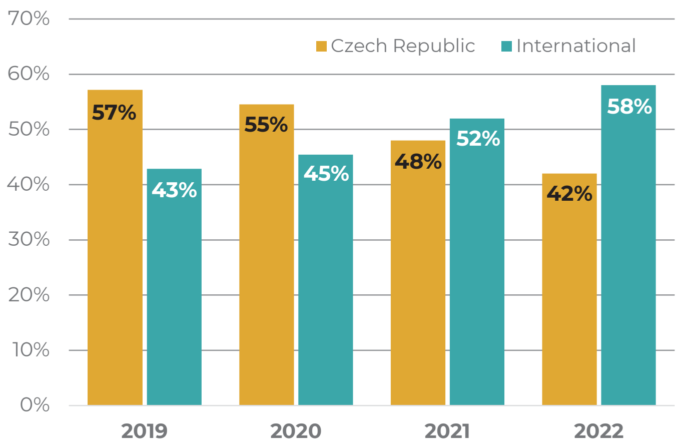


5 International Company Culture

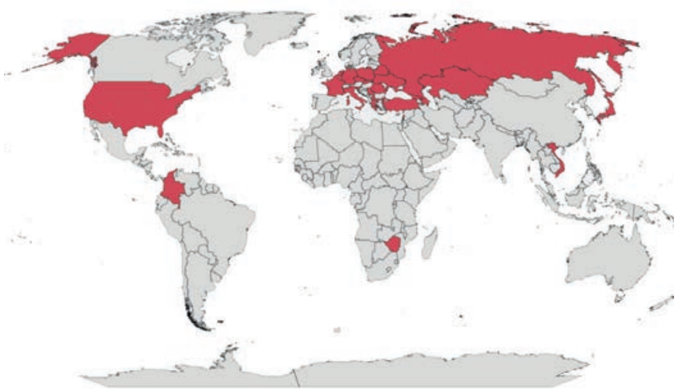
One of the differentiating factors when attracting talents for VIG Re is the international business scope and working in an international team, both for locals and expats who like to work in an international company environment.

VIG Re serves customers in 53 countries and employs people from 25 different countries and 4 continents. English is our corporate language, but our people speak a bride variety of languages, enabling them to communicate with most of our clients in their mother tongue and understand their local culture and business etiquette. In order to maintain the international company culture, our target is to make sure no category will exceed 70%.

Local vs Expats Employees



Nationalities of VIG Re employees



Employer Branding and Recruitment

We pay special attention to our recruitment process, carefully assessing not only the professional experience and knowledge but also the potential fit with our corporate values and company spirit. To attract and retain talents, we foster the cooperation with universities such as the Charles University in Prague, the Prague University of Economics and Business or the Technical University Cologne. We actively engage with social media such as LinkedIn and various professional and social networks of selected universities in the Czech Republic, France, and Germany.

As part of the onboarding process a Buddy programme has been introduced at the end of 2022, and the welcome kit for new joiners has been enhanced. We opened the "VIG Re Café" on the ground floor of our headquarter premises in Prague, offering our people a place for informal meetings. Our people can also enjoy healthy snacks, drinks, fruits, and vegetables free of charge during the whole year.

Working at VIG Re

In February 2022 a new intranet portal has been launched where over 200 posts have been published by the end of the year. To support our employer branding a set of interviews "We are VIG Re" has been launched, featuring individual VIG Re employees, their professional and private life stories.

We organised in 2022 our first VIG Re Family Day designed for friends, family members, especially children of our people to spend one day at work with us and learn what is reinsurance about.

Finally, we also welcomed several employee initiatives and engagement, such as humanitarian collections for Ukraine and later for Ukrainian refugees, a table football tournament, celebrating the World Kindness Week, Office Christmas Decorations, or the World Cup 2022 Predict Game.

Health and Safety at Work

Providing a suitable and safe working environment for employees and is a key obligation for the Company and its management. Respective trainings are provided as part of the onboarding and repeated in regular intervals.

To further support our people health and wellbeing, a broad range of benefits is provided through the VIG Re Cafeteria program, which employees can tailor according to their personal needs and preferences. Additional health and wellness related benefits are provided in the form of complimentary yoga at work and facilities for bikers.

The establishment of a flexible working time regime and the option to work from home according to employees' preferences enable employees to accommodate for their personal needs and preferences.

In 2022, VIG Re introduced the concept of "unlimited paid leave" which has been taken up by 30% of our employees, for instance to address personal health issues and other personal matters, while securing the long-term commitment to the Company.

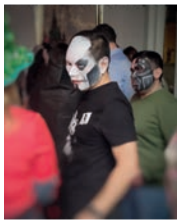
The COVID-19 pandemic still continues to affect work life also in 2022, although in the course of the year 2022 the Company released most of the restrictive measures. The extended health and hygienic measures however remain in place including the recommendation for remote work, if needed for health protection reasons.

Team Buildings

Team buildings and company events represent an important part of work life at VIG Re as they create and strengthen our company culture and team spirit. These included virtual new year event at the beginning of the year due to persistent COVID-19 social distance restrictions, followed by in-person barbeque party in May, a 2-day Company Offsite and Social Active Day, both in September, and Mikulášská (St. Nicolas) party in December to name the companywide events only.







Although these events are voluntary a minimum 80% of our employees took part in these events, demonstrating the engagement of the employees and their identification with the Company.

Professional Development

Following the conviction that investing in people and their development is paramount to success, the specific function of a Talent Development Officer was established in 2022. The reason is to support employees and the line managers in unlocking their professional growth potentials.

At VIG Re, we have a natural ambition to grow and be the best version of ourselves at work every day. We advocate for training for all organizational units, roles, and levels. After the COVID-19 related measures were released, 2022 marked the return of in-person training, even though online trainings and hybrid forms became a more common standard. In 2022 our employees attended on average 21 hours of professional training, a similar level to the previous year. 34 employees are subject to the Insurance Distribution Guideline (IDD).

Research, Science and Development

As a reinsurance company, our role is to strengthen the resilience of our society, managing risks, such as natural perils or man-made events. Risks which are currently most in the limelight are the impact of climate change on weather related events, cyber risks connected with the digitalisation of our society and technology and pandemics impact on societies and economies. On the other hand, socio-demographic challenges, such as the aging population in Europe with increased demand for health services or the impact of migration and refugees are still prevailing.

Enhancing our knowledge through scientific research enables us to better understand and cope with these risks. Over the past decades, sophisticated models have been developed and are continuously improved to better understand natural perils. Over the past years, significant progress has been made in the industry to better understand the exposure, concentration risk and mitigation for instance of cyber risk or terrorism.

VIG Re has been actively contributing to this progress through supporting organisations in education, science, and research which focus their activities on re/insurance. We co-operate with renowned universities supporting the education and development of re/insurance talents, as well as digitalization and the application of new technologies in reinsurance.

Staying true to one of our corporate value, partnership, we have been a sponsor of the reinsurance related research at the TH Köln-University of Applied Sciences in Cologne, Germany, and the Charles University in Prague. VIG Re has been also a long-term partner of the Czech Actuarial Society.

Apart from financial contributions to these scientific and educational institutions, we actively take part in reinsurance symposiums and conferences, and we provide for universities students as well as academic experts both lecturers on the fundamentals of the reinsurance business and workshops on special problems in the field of reinsurance. Our senior colleagues are teaching students at the University of Economics and Business in Prague, Czech Republic.

During 2022 we continued to contribute to the development of MetaRisk, Guy Carpenter's dynamic financial analysis tool for reinsurance modelling. This tool is used by us for reinsurance pricing, it is part of our partial internal model under Solvency II and allows us reflecting all specifics of our incoming and outgoing business and preparing in-depth analyses of our risks.

To deepen our understanding of the exposures out of man-made perils, such as terrorism and cyber, VIG Re cooperated with Risk Management Solutions company (RMS) and Guy Carpenter on two dedicated projects to those topics. The projects considerably improved our understanding of the respective risks in our portfolio.

We also co-operate with the Hungarian National Association of Radio Distress-Signalling and Infocommunications (RSOE) that operates the Emergency and Disaster Information Service (EDIS). Its objective is to monitor, document and analyse all kind of emergency or disaster events worldwide.

Last but not least VIG Re sponsored the English translation of the second edition of the "Handbook of Reinsurance Practice" (authors Andreas Schwepcke, Alexandra Vetter, published by VVW GmbH in 2022). This publication has earned a reputation as a compendium on the fundamentals of the reinsurance business and a reference work for all special problems in the field of reinsurance.

FINANCIAL RESULTS (INDIVIDUAL STATEMENTS)

Income Statement in EUR '000	2022	2021
Premiums written	**792 273**	**661 275**
Property & Casualty	717 168	600 096
Life	40 727	32 867
Health	34 377	28 312
Combined ratio*	**91.9%**	**96.1 %**
Result from investments	**7 546**	**9 610**
Profit before tax	**30 668**	**26 846**
Profit for the period	**25 573**	**21 136**

Balance Sheet in EUR '000	2022	2021
Investments	**637 354**	**608 672**
Total assets	**1 481 346**	**1 474 978**
Shareholders' equity	**140 255**	**179 835**
Claims provisions	**1 094 075**	**1 040 214**

* Combined ratio is calculated for P&C and Health business segments

The Company does not own its own shares neither its ownership interests.

Outlook 2023

Macroeconomic Environment: Uneasy Times

The hope of a return to normality and economy recovery at the beginning of the year 2022, in the wake of the fading COVID-19 pandemic, has been shattered in February by a succession of geopolitical and macroeconomic turbulences. The global geopolitical tensions culminated into a war in Europe, followed by a combination of an energy crisis, and a 40-year high inflation, and a dooming economic outlook as major European economies entered a recession by year end. The world has become a riskier place in 2022.

Insurance Industry: Weathering Inflation, Digital Transformation and Climate Change

As inflation is raising, the cost of claims continues to rise, putting pressure on the underwriting profitability. In addition, insurers are facing the challenges of digital transformation as operational inefficiencies can no longer be ignored, for profitability and sustainable growth cannot rely on customers absorbing premium increases alone. Finally, the burden from more frequent and more severe weather events is raising, driven by both the negative effects of climate change and the concentration of values in exposed areas.

Reinsurance Industry: Back to the Core

While Insurers are seeking more reinsurance protection to manage volatility and protect their balance sheets, reinsurance supply becomes more scare. Investors are turning to other industries, which have shown over the past years a higher return and less volatile results, and with raising interest rates fixed income bonds become more attractive. On the other hand, reinsurers become more reluctant to provide cover for frequency events as underwriting results have been disappointing for reinsurers over the past years. This supply-demand imbalance experienced in 2022 has led to a hardening of the reinsurance market which is expected to continue at least for 2023 as the market will have to find a new equilibrium.

VIG Re: Turning Challenges into Opportunities

At VIG Re, we see the current market environment as opportunity for profitable growth. Standing at the side of our clients, supporting our partners in times of need will foster the franchise of VIG Re and lays the basis for our future success. With our lean operational model, a focus on sustainable underwriting profits, a prudent investment and retrocession policy and, last but not least, an intelligent capital management we are best positioned to capture the opportunities a crisis also provides.

In line with VIG Re Strategy 2025, the Company is committed to further strengthen and invest into its operational excellence, digitalisation, and automatization of its processes in 2023. The Company will foster its position as a leading reinsurer in Central and Eastern Europe. It will further enhance its market position and reputation not only in Continental Europe, especially through its branches in Germany and France, but also strengthen its market presence in the new underwriting territories and enhance its value proposition in Life and in Facultative Reinsurance.

AUDITOR'S REPORT

KPMG

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This document is an English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Shareholders of VIG RE zajišťovna, a.s.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of VIG RE zajišťovna, a.s. ("the Company"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note A.1. to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and of the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of provisions for outstanding claims (life and non-life insurance)

As at 31 December 2022, provision for outstanding claims: EUR 965,098 thousand, including provision for insurance claims incurred but not yet reported (IBNR), and provision for claims incurred and reported, but not yet settled (RBNS).

Refer to additional information disclosed in Note B.11. and F.14. of the Company's financial statements.

Key audit matter	How the audit matter was addressed
In measuring provisions for outstanding claims, particular complexity is associated with the assessment of the amount of the expected ultimate cost of claims incurred but not yet reported ('IBNR'). When determining the IBNR provision, the Company uses actuarial and statistical methods, with management judgment required regarding the selection of the methods, allocation of underlying claim data into homogeneous groups, and treatment of historical data. Historical claims represent the key input in determining the IBNR provision, in particular in respect of the amount and frequency of such claims. Relatively minor changes in management's assumptions can have a significant effect on the recognized amount of the IBNR provision. In arriving at the amount of the IBNR provision at the reporting date, the Company also needs to estimate prudency margin, which represents the portion of the provision that covers the increased estimation uncertainty in the current volatile economic environment. Due to the above factors, we determined the IBNR provision (significant part of the provisions for outstanding claims) to be associated with a significant risk of material misstatement. As such, we considered measurement of the provisions	Our procedures in the area, performed, where applicable, with the assistance of our own actuarial specialists, included the following, among other things: — We tested the design, implementation and operating effectiveness of selected controls over measurement of the provisions for outstanding claims, including those over the determination of actuarial assumptions; — We tested the relevance and reliability of data used in making the IBNR estimate, which included, among other things, testing the allocation of the underlying claims data into homogeneous groups and assessment of the appropriateness of the Company's treatment of outliers within historical data; — In respect of the IBNR provision, with specific consideration of the assessed effects of the current economic conditions, we: • critically assessed the method and model applied in measuring the amount of the provision against the relevant requirements of the financial reporting standards and market practice;

for outstanding claims to be our key audit matter which required our increased attention in the audit.	• challenged the key assumptions applied, such as the expected amount and frequency of future insurance claims, by reference to the Company's experience studies; • tested the appropriateness of the prudency margin applied by reference to industry data, and also assessed consistency of method applied in estimating the margin with that used in the prior year. — We analysed significant year-to-year variations in the amount of the provisions and made relevant inquiries of the Company's actuarial experts. We also carried out own independent recalculations of the IBNR provision; — We evaluated the Company's ability to accurately estimate the provisions for outstanding claims by performing the comparison of the actual experience to previously expected results; — We assessed the appropriateness of the Company's disclosures regarding provisions for outstanding claims against the requirements of the relevant financial reporting standards.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body, Supervisory Board and Audit Committee for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Company'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 the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process. The Audit Committee is responsible for monitoring the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. 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 on the basis of these financial statements.

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, KPMG

forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body'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 Company'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 related disclosures in the financial statements or, if such disclosures are inadequate, to modify our 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of Auditor and Period of Engagement

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 22 April 2021 and our uninterrupted engagement has lasted for 15 years.

Consistency with Additional Report to Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 6 April 2023 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council.

Provision of Non-audit Services

We declare that no prohibited services referred to in Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided.

Except for the statutory audit, we did not provide the Company and its controlled undertakings with any other services that have not been disclosed in notes to the financial statements or annual report.

Statutory Auditor Responsible for the Engagement

Ondřej Fikrle is the statutory auditor responsible for the audit of the financial statements of VIG RE zajišťovna, a.s. as at 31 December 2022, based on which this independent auditor's report has been prepared.

Prague
6 April 2023

KPMG Česká republika Audit

KPMG Česká republika Audit, s.r.o.
Registration number 71

Ondřej Fikrle
Partner
Registration number 2525

SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022

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STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2022

Assets in EUR '000		**2022**	**2021**
Intangible assets	**F.1**	**3 104**	**2 478**
Property, plant and equipment	**F.2**	**2 068**	**2 548**
Investment in subsidiaries	**F.3**	**6 758**	**6 758**
Financial investments	**F.4**	**637 354**	**608 672**
Financial assets held to maturity		27 684	27 660
Financial assets available for sale		465 191	467 935
Loans – Term deposits		34 370	12 031
Deposits due from cedents		110 109	101 046
Receivables	**F.5**	**215 552**	**215 018**
Ceded share of reinsurance liabilities	**F.6**	**537 202**	**554 242**
Deferred tax assets	**F.7**	**30 934**	**10 206**
Other assets	**F.8**	**1 003**	**353**
Ceded share of Deferred Acquisition Cost	**F.9**	**14 866**	**13 949**
Cash and cash equivalents	**F.10**	**32 505**	**60 754**
Total ASSETS		**1 481 346**	**1 474 978**

Equity and Liabilities in EUR '000		**2022**	**2021**
Shareholders' equity	**F.11**		
Share capital		126 850	126 850
Other components of equity		-44 152	3 035
Retained earnings		57 557	49 950
Total equity		**140 255**	**179 835**
Subordinated liabilities	**F.12**	**55 742**	**55 742**
Reinsurance liabilities		**1 094 075**	**1 040 214**
Unearned premiums	F.13	44 373	27 285
Outstanding claims	F.15	965 098	928 128
Life reinsurance provision	F.16	84 604	84 801
Deferred acquisition costs	**F.14**	**5 491**	**4 341**
Payables	**F.17**	**176 965**	**184 998**
Deferred tax liabilities	**F.7**	**0**	**0**
Current tax liabilities		**5 092**	**6 552**
Other liabilities	**F.18**	**3 726**	**3 296**
Total liabilities		**1 341 091**	**1 295 143**
Total equity and liabilities		**1 481 346**	**1 474 978**

INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2022

Income Statement in EUR '000	Notes	2022	2021
Premiums	**F.19**		
Premiums written – Gross		792 273	661 275
Premiums written – Ceded		-345 754	-250 770
Premiums written – Retention		**446 519**	**410 505**
Change due to provision for unearned premiums – Gross		31 078	2 976
Change due to provision for unearned premiums – Ceded		-23 344	-2 950
Net earned premiums		**438 785**	**404 579**
Investment result			
Investment and interest income		14 034	14 549
Investment and interest expenses		-6 489	-4 939
Total investment result	**F.20**	**7 545**	**9 610**
Other income	**F.21**	**1 295**	**3 955**
Claims and insurance benefits	**F.22**		
Expenses for claims and insurance benefits – Gross		-476 719	-414 764
Expenses for claims and insurance benefits – Ceded		256 060	181 196
Claims and insurance benefits – retention		**-220 659**	**-233 568**
Change in claims and other reinsurance liabilities – Gross		-74 360	-354 980
Change in claims and other reinsurance liabilities – Ceded		-11 692	286 992
Total expenses for claims and insurance benefits		**-306 711**	**-301 556**
Acquisition expenses			
Commission expenses	**F.23**	-132 449	-110 695
Other acquisition expenses		-9 464	-7 796
Change in deferred acquisition expenses and revenues	**F.23, F.24**	-233	-706
Commission income from retrocessionaires	**F.24**	53 192	39 596
Total acquisition expenses		**-88 954**	**-79 601**
Other operating expenses	**F.25**	**-19 338**	**-5 953**
Finance cost	**F.26**	**-2 248**	**-1 490**
Other expenses	**F.27**	**294**	**-2 698**
Profit before tax		**30 668**	**26 846**
Tax expense	**F.28**	**-5 095**	**-5 710**
Profit for the period		**25 573**	**21 136**
Attributable to owners of the Company		**25 573**	**21 136**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 DECEMBER 2022

Statement of Comprehensive Income in EUR '000	2022			2021		
	Gross	Tax *	Net	Gross	Tax *	Net
Profit for the period	**30 668**	**-5 095**	**25 573**	**26 846**	**-5 710**	**21 136**
Other comprehensive income						
Gains (losses) recognized in equity – Available for sale financial assets	-58 255	11 068	-47 187	-9 726	1 848	-7 878
Other comprehensive income for the year	**-58 255**	**11 068**	**-47 187**	**-9 726**	**1 848**	**-7 878**
Comprehensive income for the period	**-27 587**	**5 973**	**-21 614**	**17 120**	**-3 862**	**13 258**

* Consists of both current tax and deferred tax directly recognized in the statement of comprehensive income.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31 DECEMBER 2022

In EUR '000	Share capital	Share premium	Available for sale reserve	Retained earnings	Shareholders' equity
As of 1 January 2022	126 850	49	2 986	49 950	179 835
Total comprehensive income for the period			-47 187	25 573	-21 614
Transactions with shareholders: Dividends				-17 966*	-17 966
As of 31 December 2022	**126 850**	**49**	**-44 201**	**57 557**	**140 255**

In EUR '000	Share capital	Share premium	Available for sale reserve	Retained earnings	Shareholders' equity
As of 1 January 2021	126 850	49	10 864	43 068	180 831
Total comprehensive income for the period			-7 878	21 136	13 258
Transactions with shareholders: Dividends				-14 254*	-14 254
As of 31 December 2021	**126 850**	**49**	**2 986**	**49 950**	**179 835**

* dividend per share was EUR 570 (in 2021: EUR 453)

CASH FLOW STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2022

Cash Flow Statement in EUR '000	2022	2021
Profit before tax	**30 668**	**26 846**
Adjustments to profit before tax		
- net interest and other investment income	-2 498	- 8 108
- exchange differences	-998	336
- depreciation	1 310	1 192
- change in deferred acquisition expenses and revenues	233	662
- dividends	-917	-1 083
Cash flows from operating activities		
Change in reinsurance liabilities	53 860	342 233
Change in ceded share of reinsurance liabilities	17 040	-275 817
Change in receivables	-533	-92 787
Change in deposits due from cedents	-9 064	6 432
Change in payables	-18 024	53 951
Change in other assets and liabilities	321	604
Interest on lease liability paid	-44	-55
Income tax paid	-6 425	-5 071
Net cash flow from operating activities	**64 929**	**49 335**
Cash flows from investing activities		
Interest received	5 768	4 308
Dividends received	899	1 045
Payment for acquisition of intangible assets and property, plant and equipment	-1 459	-1 475
Cash proceeds from the sale of intangible assets and property, plant and equipment	0	0
Payment for acquisition of available for sale financial assets	-130 049	-54 975
Payment for acquisition of Loans – Term deposits	-22 335	-4 870
Cash proceeds from the sale of available for sale financial assets	74 698	703
Cash proceeds from the maturity/sale of held to maturity financial assets	0	18 029
Net cash flow from investing activities	**-72 478**	**- 37 235**
Cash flows from financing activities		
Interest paid	-2 248	-1 490
Payment of principal of lease liabilities	-486	- 419
Cash proceeds from other financing activities (subordinated liabilities)	0	20 000
Dividend payment	-17 966	-14 254
Net cash flow from financing activities	**-20 700**	**3 837**
Net change in cash and cash equivalents	**-28 249**	**15 937**
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at beginning of period	**60 754**	**44 817**
Foreign currency translation differences on cash balances		0
Net change in cash and cash equivalents	-28 249	15 937
Cash and cash equivalents at end of period	**32 505**	**60 754**

Segment Reporting

The Company determines and presents operating segments based on the information that is internally provided to the Board of Directors, the Company's chief decision-making body. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other income, other expenses and income tax expenses.

The Company has three reportable segments, as described below, which are the Company's strategic business units and are managed separately. For each of the strategic business units, the Board of Directors reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

- Property/Casualty: car, property and liability, catastrophe and personal accident reinsurance;
- Life;
- Health.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The disclosures under segment reporting should be read in conjunction with additional disclosures under F.19.

SEGMENT REPORTING
INCOME STATEMENT BY LINES OF BUSINESS

Income Statement in EUR '000	Property/Casualty		Health		Life		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Premiums written – Gross	717 168	600 096	34 377	28 312	40 727	32 867	792 273	661 275
Premiums written – Ceded	-332 074	-240 007	-3 419	-2 269	-10 261	-8 494	-345 754	-250 770
Change due to provision for premiums – Net	-2 970	- 5 815	-239	246	-4 525	-357	-7 734	-5 926
1. Net earned premiums	**382 124**	**354 274**	**30 719**	**26 289**	**25 941**	**24 016**	**438 785**	**404 579**
Interest revenue	10 822	10 408	519	1 311	2 694	2 832	14 035	14 551
Other income and expense from investments	-6 146	-5 421	-295	546	-48	-63	-6 489	-4 939
2. Investment result	**4 676**	**4 987**	**224**	**1 857**	**2 646**	**2 769**	**7 546**	**9 612**
Expenses for claims and insurance benefits and change in claims and other reinsurance liabilities– Gross	-523 511	-743 629	-9 899	-9 279	-17 668	-16 836	-551 079	-769 744
Expenses for claims and insurance benefits and change in claims and other reinsurance liabilities – Ceded	238 501	464 179	2 522	1 327	3 344	2 682	244 368	468 188
3. Claims and insurance benefits	**-285 010**	**-279 450**	**-7 377**	**-7 952**	**-14 324**	**-14 154**	**-306 711**	**-301 556**
Commission expenses including change in deferred acquisition expenses and revenues	-110 265	-98 732	-10 047	-2 507	-11 203	-9 688	-131 514	-110 927
Other acquisition expenses	-7 982	-6 790	-383	-256	-1 100	-750	-9 464	-7 796
Commission income from retrocessionaires including change in deferred acquisition revenues	48 558	35 537	139	0	3 327	3 585	52 024	39 122
4. Acquisition expenses	**-69 689**	**-69 985**	**-10 290**	**-2 763**	**-8 976**	**-6 853**	**-88 954**	**-79 601**
Operating profit measured on the segment basis	**32 101**	**9 825**	**13 277**	**17 430**	**5 287**	**5 777**	**50 665**	**33 032**
5. Other operating expenses	**-16 294**	**-5 418**	**-781**	**-256**	**-2 263**	**-279**	**-19 338**	**-5 953**
Operating profit	**15 806**	**4 409**	**12 496**	**17 175**	**3 024**	**5 498**	**31 327**	**27 082**
6. Other income							**1 295**	**3 955**
7. Other expenses							**-296**	**-2 698**
8. Finance cost							**-2 248**	**-1 490**
Profit before tax							**30 668**	**26 846**
Income tax							**-5 095**	**-5 710**
Profit after tax							**25 573**	**21 136**

Investment result was allocated among individual segments based on the balance of reinsurance liabilities as of 31 December 2022 and 2021.

Notes to the Financial Statements

A. GENERAL INFORMATION

A.1. Description of the Company

VIG RE zajišťovna, a.s. ('Company' or 'VIG Re') is the first licensed reinsurance company established in the Czech Republic and is part of Vienna Insurance Group ('VIG'). VIG Re was incorporated on 18 August 2008 (ID 28445589) and has its registered office at Templová 747/5, Prague 1, postcode 110 01.

VIG Re received the license to carry out reinsurance business and related activities on 8 August 2008 and has conducted the reinsurance business in property/casualty, life and health since 2009. In 2017, Company established a branch in Frankfurt a. M., Germany. In line with its strategy to strengthen investment in Western European markets, Company opened a branch office in Paris, France starting operation on 26 November 2018. Economic data of the branch are, in accordance with the legislation of the Czech Republic, an integral part of the financial statements of the Company.

Shareholders as of 31 December 2022:

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	55%
DONAU Versicherung AG Vienna Insurance Group	10%
Kooperativa pojišťovna, a.s., Vienna Insurance Group	10%
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	10%
WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group	15%

The members of the Board of Directors were as of 31 December 2022 as follows:

Chairman:	Johannes Martin Hartmann
Member:	Ivana Jurčíková
Member:	Stephan Wirz

There was no change during the year 2022.
Two members of the Board of Directors must always act together in the name of the Company.

The members of the Supervisory Board as of 31 December 2022 were as follows:

Chairman:	Peter Thirring
Vice-Chairwoman:	Elisabeth Stadler
Vice-Chairman:	Alain Flandrin
Member:	Gerhard Lahner
Member:	Peter Höfinger
Member:	Vladimír Bakeš
Member:	Wolfgang Petschko
Member:	Karl Fink
Member:	Ralph Müller

A.2. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations as adopted by the European Union (EU) in accordance with the IAS Regulation (EC 1606/2002).
The management has reviewed those standards and interpretations adopted by the EU as at the date of preparation of the financial statements that were not effective at that date. An assessment of the expected impact of these standards and interpretations on the Company is shown in note C.

A.3. Basis of Preparation

Based on the current legislation (563/Sb.1991, § 19a/7), the Company keeps accounts and prepares these separate financial statements in accordance with IFRS (as adopted by the EU – refer to A.2.).

The financial statements are presented in the functional currency of the Company, euros (EUR), rounded to the nearest thousand (TEUR or EUR ’000). EUR is the functional currency because majority of reinsurance contracts is in EUR.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as available for sale. Financial assets and liabilities and non-financial assets and liabilities that are carried at historic cost are stated at amortized cost or historic cost, as appropriate, net of any relevant impairment.

The preparation of the financial statements in accordance with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historic experience and various other factors that are believed to be appropriate under the circumstances, the results of which form the basis of the judgements about the carrying values of assets and liabilities that cannot readily be determined from other sources. The actual values may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in both the period of the revision and future periods if the revision affects both the current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are reinsurance liabilities, impairment of various assets, income taxes, and are discussed further in the Notes.

B. SIGNIFICANT ACCOUNTING POLICIES

B.1. Intangible Assets

Purchased intangible assets are recognized in the balance sheet at acquisition cost less accumulated amortization and impairment losses. All tangible assets have a definite useful life. Amortization of an intangible asset is therefore performed over its period of use. The useful lives of significant intangible assets are between 4 and 10 years. Intangible assets are amortized using the straight-line method.

B.2. Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation of property and equipment to residual values is recognized in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

Item	Useful Lives of Assets
Vehicles	5
Other tangible assets and equipment	4 – 6

The depreciation methods, useful lives and residual values, if not insignificant, are reassessed annually.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within “Other income” or “Other expense” in profit or loss.

B.3. Investment in Subsidiaries

Investment in subsidiaries is recognized at acquisition cost less impairment.

B.4. Financial Investments

Financial investments include financial assets held to maturity, available for sale, loans and deposits due from cedents.

Financial investments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Upon their initial recognition, the corresponding investments are recognized at acquisition cost, which equals fair value plus any directly attributable transaction costs at the time of acquisition. For regular purchases and sales of financial assets, the Company's policy is to recognize them using settlement date accounting. Any change in the fair value of an asset to be received during the period between the trade date and the settlement date is accounted for in the same way as if the Company used trade date accounting.

For subsequent measurement of financial investments two valuation methods are used – amortized cost and fair value.

The fair value of financial instruments is based on their quoted market price on an active market at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available or if the market for an investment is not active, the fair value of the instrument is estimated using the discounted cash flow method.

Where discounted cash flow methods are used, estimated future cash flows are based on management estimates and the discount rate is derived from market rates at the balance sheet date for instruments with similar terms and conditions.

Financial Assets Held to Maturity

Held to maturity assets are financial assets with fixed or determinable payments and fixed maturity, where the Company has the positive intent and ability to hold to maturity.

Financial assets held to maturity are valued at amortized cost using the effective interest method less any impairment losses. The amortization of premiums and discounts is recorded as interest income or expense.

Available for Sale Financial Assets

These financial investments are non-derivative financial assets that are designated as available for sale and are not classified as loans and deposits due from cedents and held to maturity financial investments. Subsequent to initial recognition, they are measured at fair value. Changes therein, other than impairment losses and foreign currency differences on available for sale monetary items, are recognized directly in other comprehensive income. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Loans – Term Deposits

Loans consist mainly of deposits with financial institutions, or with third party companies in the case of financial reinsurance (B.23.). Loans and receivables (B.5.) are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, other than being classified as available for sale. Loans and receivables are measured at amortized cost using the effective interest method and are reported net of allowances for loan losses to reflect the estimated recoverable amounts.

Deposits due from Cedents

Deposits due from cedents are receivables from cedents for cash deposits that have been retained under the terms of reinsurance agreements. Deposits due from cedents are accounted for at amortized cost less impairment.

B.5. Receivables

The receivables shown in the balance sheet primarily relate to the following receivables:

- Receivables from direct reinsurance business
- Receivables from ceded reinsurance business
- Other receivables
- Prepayments

Receivables are recognized at fair value and subsequently measured at amortized costs less impairment.

Impairment is necessary if there is material evidence of financial difficulties, such as default or delay in payment and the items therefore cannot be considered collectable or not fully collectable. In the case of receivables from direct reinsurance business, expected impairment losses from non-collectable reinsurance premium receivables are deducted from the receivables from direct reinsurance business using a valuation allowance. The amounts included are shown in Note F.5.

B.6. Ceded Share of Reinsurance Liabilities

The ceded share of reinsurance liabilities is valued in accordance with contractual retrocession arrangements. The creditworthiness of each counterparty is taken into account when assessing the carrying amount of the assets. Any impairment loss is recognized in profit and loss.

B.7. Taxes

The income tax expense comprises current tax and deferred tax. The income tax associated with transactions recognized directly in Other comprehensive income (unrealized gains and losses from available for sale financial instruments) is also recognized directly in Other comprehensive income.

The current tax is calculated using the Company's taxable income and the tax rate enacted or substantially enacted by the end of reporting period.

Deferred tax is calculated using the balance sheet liability method for all temporary differences between the asset and liability values recognized in the IFRS separate financial statements and the Company tax bases for these assets and liabilities. Deferred tax is calculated using the tax rates that are expected to apply to the period when the asset is realized or the liability settled, based on the tax rates that have been enacted or substantially enacted by the end of the reporting period. Deferred tax assets are not recognized if it is not probable that the tax benefits they contain can be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Technical provisions for tax calculation purposes are defined in accordance with the Solvency II directive in line with the Act No. 364/2019 Coll., on technical provisions taxation.

B.8. Other Assets

Other assets are valued at acquisition cost less impairment losses.

B.9. Deferred Acquisition Costs

Acquisition costs comprise reinsurance commissions, brokerage for reinsurance intermediaries and other variable costs directly connected with the acquisition or renewal of reinsurance policies. Deferred acquisition costs and deferred retrocession commission revenue represent the proportion of acquisition costs incurred and revenue received that corresponds to the unearned premium reserve. Deferred acquisition costs are subject to recoverability testing at the time of policy issue and at the end of each accounting period. Deferred acquisition costs which are not deemed to be recoverable are charged to the income statement.

For deferred acquisition costs in life see point B.11. Reinsurance liabilities, Life reinsurance provision.

B.10. Cash and Cash Equivalents

Cash consists of cash on hand and demand deposits with banks and other financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

B.11. Reinsurance Liabilities

Unearned Premiums

The provision for unearned premiums comprises that part of gross premiums written attributable to the following financial year or to subsequent financial years, computed separately for each reinsurance contract using the pro rata temporis method.

Outstanding Claims

The provision for outstanding claims represents the total estimated ultimate cost of settling all claims arising from events that occurred up to the end of the financial year and are covered by reinsurance contracts, whether reported or not, less amounts already paid in respect of such claims, including the related internal and external claims settlement expenses.

The provision for outstanding claims is for payment obligations arising from, covered by and calculated according to reinsurance contracts. Part of the provision is for known claims for which individually calculated provisions are raised (RBNS). Another part is for claims incurred but not reported (IBNR). The provision for outstanding claims is based on information provided by cedents and the Company's estimates. The amounts raised are the realistically estimated future amounts to be paid. They are calculated on the basis of past experience and assumptions about future developments using appropriate actuarial methods. With the exception of annuities, the Company does not discount its provisions for outstanding claims. Where applicable, provisions are disclosed net of prudent estimates for salvage and subrogation recoveries as assessed by individual cedents.

Whilst the Board of Directors considers the provision for outstanding claims and the related reinsurance recoveries to be fairly stated, the ultimate liability may differ as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of the provisions are reflected in the financial statements for the period in which the adjustments are made. The methods used, and the estimates made are reviewed regularly.

Life Reinsurance Provision

Life reinsurance provisions comprise the reserves for guaranteed claims of ceding companies in life reinsurance. They are determined using actuarial methods on the basis of the present value of future payments to cedents less the present value of premium still payable by cedents. The calculation follows the reinsurance contracts and includes assumptions relating to mortality, disability, lapse rates and the guaranteed interest rate. The actuarial bases used in this context allow an adequate safety margin for the risks of change, error and random fluctuation. They correspond to those used in the premium calculation.

The life reinsurance provision comprises the sum of the reinsured part of the provisions for individual life insurance policies. The Company accounts for the provision using the zillmerization method. The zillmerization method results in the deferral of acquisition costs for life assurance contracts. These costs are included within the life provision through actuarial methods after eliminating temporary negative balances, which are capitalized and presented as deferred acquisition costs. The acquisition costs are capitalized and deferred in accordance with the prudence principle and take into account the risk of lapses and cancellations.

The provision is initially measured employing the assumptions used for calculating the corresponding premiums and remain unchanged except where liability inadequacy occurs. A liability adequacy test (LAT) is performed at each reporting date by the Company's actuaries using current estimates of future cash flows under its insurance contracts (see D). If those estimates show that the carrying amount of the provision is insufficient in the light of the estimated future cash flows, the difference is recognized in the income statement with corresponding increase to the life reinsurance provision.

Other

Other reinsurance liabilities consist mainly of the ageing provision in health and reinsurance provision for contractual non-discretionary bonuses in the non-life business. These provisions are calculated according to reinsurance contracts. The assumptions used for the calculation of the provisions are very conservative so that they are sufficient and include enough safety margins. Furthermore, in the health insurance business, yearly premium indexations in case of increases in claims expenses are usually contractually agreed with policyholders.

The ageing provision is created for those classes of non-life reinsurance where the premium amount depends on the entry age or possibly the gender of the insured. This provision represents the value of the Company's liabilities calculated using actuarial methods.

The provision for contractual non-discretionary bonuses in the non-life business covers future benefits in the form of additional payments to original policyholders or reductions in policyholders' payments, which are a result of the past performance. This provision is not recognized for contracts where the future premium is reduced by bonuses resulting from favourable past policy claim experience and such bonus is granted irrespectively of whether the past claim experience was with the reporting entity. In such a situation, the reduction in the premium reflects the expected lower future claims, rather than the distribution of past surpluses.

B.12. Provisions

A provision is created when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will occur, and a reliable estimate can be made of the amount of the obligation.

Where the effect of discounting is material, provisions are discounted. The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

B.13. Payables

Liabilities arise when the Company has a contractual obligation to deliver cash or another financial asset. They are measured at amortized cost, which will normally equal their nominal or repayment value.

B.14. Premiums

Premium written relates to business incepted during the year (irrespective of whether they relate in whole or in part to a later accounting period), together with any differences between booked premium for prior years and those previously recognized and includes estimates of premium due but not yet received or announced to the Company. Premium revenue is recognized as and when due in terms of the reinsurance contract.

Premiums are disclosed gross of reinsurance brokerage and reinsurance commissions and exclude taxes. Estimates are included for premiums not yet announced by year end.

Outward ceded premiums are recognized as an expense.

B.15. Investment Result

Interest income and interest expense are recognized in the income statement on an accrual basis, taking into account the effective yield of the asset or liability, or an applicable floating rate. Interest income and interest expense includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated using the effective interest method.

Other income and expenses from financial assets comprise realized gains/losses, dividends and impairment losses. A realized gain/loss arises on derecognition of financial assets. The amount of the realized gain/loss represents the difference between the carrying value of the financial asset and the sale price, adjusted for any cumulative gain or loss that had been recognized directly in the other comprehensive income.

B.16. Claims and Insurance Benefits

All payments to cedents arising from loss events, claims settlement expenses directly related to loss events (covered by reinsurance contracts) or internal costs attributable to claims settlement, are shown as expenses for claims. Expenses for claims are reduced by the income gained from recourses (this applies in particular to property/casualty reinsurance). Changes in provision for outstanding claims and other technical provisions are also shown in the expenses for claims item as well as bonuses and rebates.

Bonuses comprise all amounts chargeable for the financial year, representing the allocation of surplus or profit arising from the business as a whole or from a section of business, after the deducting amounts provided in previous years that are no longer required. Rebates comprise such amounts to the extent that they represent a partial refund of premiums resulting from the experience of individual contracts.

B.17. Acquisition Expenses

Acquisition expenses are expenses arising from the conclusion of reinsurance contracts and include direct costs such as brokerage for reinsurance intermediaries, reinsurance commissions, and indirect costs such as the administrative expenses connected with the processing of proposals, renewals, and the issuing of policies.

Acquisition expenses that vary with and are directly related to the acquisition of reinsurance policies or the renewal of existing policies are deferred (namely brokerage for reinsurance intermediaries and reinsurance commissions) – see B.9.

Reinsurance commissions and profit participations include commissions paid and payable to cedents and profit participations based on reinsurance contracts.

B.18. Other Operating Expenses (Administrative Expenses)

Administrative expenses include expenses relating to the administration of the Company. These include personnel costs, office rental expenses and other operating expenses. Personnel costs include expenses arising from employee benefits, such as salaries and wages, management remuneration and bonuses, social insurance and the costs of premium collection, portfolio administration and the processing of inwards and outwards reinsurance.

B.19. Foreign Currency Transaction

A foreign currency transaction is a transaction denominated in, or which requires settlement in, a currency other than the functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the exchange rate effective at the date of the transaction. At each balance sheet date:

a) foreign currency monetary items are translated using the closing foreign exchange rate;
b) non-monetary items denominated in a foreign currency that are carried at historical cost are translated using the foreign exchange rate at the date of the original transaction;
c) and non-monetary items denominated in a foreign currency that are carried at fair value are translated using the foreign exchange rates valid at the dates the fair values were determined.

Exchange differences arising from the settlement of monetary items or from the translation of the Company's monetary items at rates different from those at which they were initially recorded or reported in previous financial statements, are recognized as 'Other income' or as 'Other expenses' in the period in which they arise.

B.20. Impairment

The carrying amounts of the Company's assets, other than deferred acquisition costs, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is measured annually, regardless of any indication of impairment, for intangible assets with an indefinite useful life and for intangible assets not yet available for use.

An impairment loss is recognized to the extent that the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Individual impairment losses are losses that are specifically identified. General impairment losses are losses that are present in a portfolio of loans or receivables but not specifically identified.

The carrying amount of the subsidiary is annually tested for impairment. The Company observes if there were any events or any changes in the subsidiary business that could result in any possible impairment. The Company considers the level of other comprehensive income of the subsidiary as a key indicator for potential impairment. An impairment loss in respect of the subsidiary is not reversed in a subsequent period.

The recoverable amount of the Company's investments in held to maturity securities, loans and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of an available for sale asset is its current fair value. When there is objective evidence that it is impaired, the decline in fair value that had been recognized directly in other comprehensive income is recognized in the income statement.

An impairment loss in respect of a held to maturity security, loan, advance, receivable, or available for sale debt instrument is reversed through the income statement (up to the amount of the amortized cost), if the subsequent increase in the recoverable amount can be attributed objectively to an event occurring after the impairment loss was recognized.

Loans and advances are reported net of allowances for loan losses to reflect the estimated recoverable amounts. Receivables and held to maturity investments are stated at their cost less impairment losses.

The recoverable amount of other assets is the greater of their fair value less cost to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of other assets, an impairment loss is reversed through the income statement if there has been an increase in the recoverable amount and the increase can be objectively related to an event occurring after the date of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

B.21. Classification of Reinsurance Contracts

A reinsurance contract, whereby the Company assumes a significant insurance risk from another party (an insurance company) as a result of a provision whereby the insurance company receives compensation if a specified uncertain future event (the insured event) adver¬sely affects the insurance company, is treated as an insurance policy as defined in IFRS as adopted by EU. A distinction is made between insurance risk and financial risk. Financial risk is the risk of a possible future change in specific interest rates, securities prices, price indices, interest rate indices, credit ratings, credit indices, or another variable, provided 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, reinsurance policies as defined in IFRS also transfer financial risk.

Reinsurance contracts in property/casualty and health are considered as insurance contracts.

Moreover, the life reinsurance contracts transfer significant insurance risk (death benefits) and therefore they are considered as insurance contracts as well.

For all assumed reinsurance contracts, risk transfer analysis has to be performed prior to acceptance of the contract in order to identify whether a particular reinsurance contract qualifies as significant risk transfer between the Reinsured and the Reinsurer. During the assessment, scenarios are being developed that prove, that in case of a reinsured event, a reinsurer will have to pay significant additional benefits to the reinsured. The Company only underwrites reinsurance contracts with significant risk transfer.

Contracts that are legally treated as reinsurance contracts but do not transfer significant insurance risk are presented as financial investment contracts or service contracts.

B.22. Novation

Where the Company assumes rights and obligations relating to a portfolio of insurance and co-reinsurance contracts from another reinsurer (novation), the assets and liabilities are recorded via the balance sheet only, and no premium income is recognized in respect of such transactions.

B.23. Financial Reinsurance

Financial reinsurance is a risk management tool, especially useful when the motivations of the ceding insurance company are focussed not only on managing underwriting risk but also on explicitly recognising and addressing other financially oriented risks. The use of financial reinsurance, which represents a combination of a transfer of an insignificant insurance risk and financing risk, adds value to an insurer's risk management by providing flexibility and liquidity.

B.24. Clean Cut

A clean-cut agreement is usual for treaties with an accounting year-based accounting system. At the end of the business year, or at the expiry of the reinsurance period, reserves are set up for losses that have been incurred but not yet finally settled, and for unearned premium. For treaties with a clean-cut system, these reserves are set up in the form of portfolio bookings when final account is received at the end of the period.

B.25. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

The Company determines the lease term as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

After the commencement date, the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect the lease payments made, and
- remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

After the commencement date, the Company recognises in profit or loss, both:

- interest on the lease liability, and
- variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

The amount of the remeasurement of the lease liability shall be recognised as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, any remaining amount of the remeasurement shall be recognised in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in ‘property, plant and equipment’ and lease liabilities in ‘payables’ in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B.26. Subordinated Liabilities

Subordinated liabilities are initially measured at fair value and subsequently measured at their amortized cost using the effective interest method.

The fair value of subordinated liabilities is shown in F.32 Fair value of financial assets and liabilities.

C. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

A number of new standards, amendments and interpretations to existing standards are mandatory and relevant for annual periods beginning after 1 January 2023 and earlier application is permitted. However, VIG Re has not early adopted the new standards in preparing these financial statements.

Standards not yet in force:

Amendments to IAS 1 Presentation of Financial Statements
(Effective for annual periods beginning on or after 1 January 2024. Early application is permitted).

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments, as issued in 2020, has removed the requirement for a right to be unconditional and instead requires that a right to defer settlement must exist at the reporting date and have substance (the classification of liabilities is unaffected by management's intentions or expectations about whether the company will exercise its right to defer settlement or will choose to settle early).

The amendments, as issued in 2022, further clarify that when the right to defer settlement is subject to a company complying with conditions (covenants) specified in a loan arrangement, only covenants with which the company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date do not affect a liability's classification at that date. However, the amendments require companies to disclose information about these future covenants to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments also clarify how a company classifies a liability that can be settled in its own shares (e.g. convertible debt).

The Company does not expect that the amendments, when initially applied, could have a material impact on its financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments
(Effective for annual periods beginning on or after 1 January 2023. Early application is permitted).

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than significant accounting policies.

The Company does not expect that the amendments, when initially applied, could have a material impact on its financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
(Effective for annual periods beginning on or after 1 January 2023 Early application is permitted).

The amendments introduced a definition of 'accounting estimates' and included other amendments to IAS 8 clarifying how to distinguish changes in accounting policies from changes in estimates. The distinction is important as changes in accounting policies are generally applied retrospectively while changes in estimates are accounted for in the period in which the change occurs.

The Company does not expect that the amendments, when initially applied, could have a material impact on its financial statements.

Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
(Effective for annual periods beginning on or after 1 January 2023. Early application is permitted).

The amendments narrow the scope of the initial recognition exemption (IRE) to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The Company does not expect that the amendments, when initially applied, could have a material impact on its financial statements.

IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments
The Company will apply IFRS 17 and IFRS 9 for the first time on 1 January 2023. These standards will bring significant changes to the accounting for insurance and reinsurance contracts issued and held and financial instruments and are expected to have a material impact on the Company's IFRS financial statements in the period of initial application.

Estimated impact of the adoption of IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments
The Company has assessed the estimated impact of IFRS 17 and IFRS 9 adoption on equity as at the opening balance sheet date of 1 January 2022. Based on assessments undertaken to date, the total adjustment (after tax) to the balance of the Company's total equity is estimated to be an increase of TEUR 30 201 at 1 January 2022, as summarised below.

Estimated increase in total equity In EUR '000	1 January 2022
Adjustments due to adoption of IFRS 17	
Non-life contracts	12 745
Life contracts	23 816
	36 561
Adjustments due to adoption of IFRS 9	
Classification of financial assets	871
Impairment of financial assets	-147
	724
Deferred tax impacts	**-7 084**
Estimated impact of adoption of IFRS 17 and IFRS 9, after tax	**30 201**

The Company will restate comparative information on adoption of IFRS 17 and apply classification overlay approach for IFRS 9 as described below.

The Company currently does not have sufficiently reliable estimates to quantify the expected impact that the initial application of IFRS 17 and IFRS 9 will have on its IFRS financial statements at 1 January 2023.

IFRS 17 Insurance Contracts
(Effective for annual periods beginning on or after 1 January 2023; to be applied prospectively. Early application is permitted.)

IFRS 17 replaces IFRS 4, which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches.

IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values, instead of historical cost.

The Company expects that the new Standard, when initially applied, will have a significant impact on the financial statements of the Company. There could be greater volatility in financial results and equity due to the use of current market discount rates. The Company may also need to revisit the design of their products and other strategic decisions, such as investment allocation. Implementing will require substantial effort, and new or upgraded systems, processes and controls.

IFRS 17 introduces general measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin (CSM).

The Company will apply general measurement model to all reinsurance contracts issued and held. When identifying contracts in the scope of IFRS 17, in some cases the Company will have to assess whether they contain specified non-insurance components that have to be separated and accounted for under another standard.
Under IFRS 17, reinsurance contracts issued are aggregated into groups for measurement purposes. The Company will determine groups of reinsurance contracts by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Each portfolio will then be divided into annual cohorts (i.e. by underwriting years) and each annual cohort into three groups:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

The Company will establish groups of reinsurance contracts issued such that each group comprises a single contract.

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred as a CSM, against losses on groups of onerous contracts, which are recognised immediately. Compared with the level at which the liability adequacy test is performed under IFRS 4 (i.e. portfolio of contracts level), the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognised sooner.

The most significant changes in the measurement and accounting for reinsurance contracts between IFRS 4 and IFRS 17 are:

- the use of current assumptions in the valuation of technical provisions,
- the introduction of the Contractual Service Margin (CSM) for unrealized future profits of a group of reinsurance contracts, which is released in the profit and loss as services are provided,
- the introduction of a risk adjustment to take into account the uncertainties in the cash flows from reinsurance contracts,
- the elimination of investment component,

- the introduction of the OCI option in order to be able to compensate for accounting mismatches, and
- the valuation of cash flows at the time value of money (discounting).

Subsequently, the carrying amount of a group of reinsurance contracts issued at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

For reinsurance contracts held, the Company will apply the same accounting policies to measure a group of reinsurance contracts held, with the following modifications: the carrying amount of a group of reinsurance contracts held at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises the fulfilment cash flows that relate to services that will be received under the contracts in future periods and any remaining CSM at that date.

The Company will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying reinsurance contracts issued, with an adjustment for any risk of non-performance by the reinsurer.

The CSM of a group of reinsurance contracts held represents a net cost or net gain on purchasing reinsurance. It is measured such that no income or expense arises on initial recognition, except that the Company will:

- recognise any net cost on purchasing reinsurance coverage immediately in profit or loss as an expense if it relates to insured events that occurred before the purchase of the group of reinsurance contracts held; and
- recognise income when it recognises a loss on initial recognition of onerous underlying reinsurance contracts issued if the reinsurance contract held is entered into before or at the same time as the onerous underlying reinsurance contracts issued are recognised. A loss-recovery component is created, which determines the amounts that are subsequently disclosed as reversals of recoveries of losses from the reinsurance contracts held and are excluded from the allocation of reinsurance premiums paid.

The CSM is adjusted subsequently only for specified amounts and is recognised in profit or loss as services are received.

Transition

Changes in accounting policies resulting from the adoption of IFRS 17 are required to be applied using a full retrospective approach to the extent practicable. If the full retrospective approach is impracticable, the Standard provides alternative approaches in such cases: the Modified Retrospective Approach (MRA) and the Fair Value Approach (FVA).

On transition date, 1 January 2022, the Company is required to:

- identify, recognise and measure each group of reinsurance contracts as if IFRS 17 had always been applied;
- identify, recognise and measure any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that they will not be tested for recoverability before 1 January 2022;
- derecognise previously reported balances that would not have existed if IFRS 17 had always been applied;
- recognise any resulting net difference in equity.

The Company determined that obtaining reasonable and supportable information to apply the full retrospective approach was impracticable for groups of reinsurance contracts issued and held for the years prior to the transition date without undue cost or effort due to the following reasons:

- historical information necessary for applying the full retrospective approach was not available in necessary detail, mainly:
  - expectations about a contract's profitability and risks of becoming onerous required for identifying groups of contracts;
  - information about historical cash flows and discount rates required for determining the estimates of cash flows on initial recognition and subsequent changes on a retrospective basis;
  - information required to allocate fixed and variable overheads to groups of contracts
  - information about certain changes in assumptions and estimates, because they were not documented on an ongoing basis.
  - Information about the expected release of risk before the transition date
  - Information about the historic coverage units provided before the transition date
- large amount of group of reinsurance contracts, significant volume of data needed and significant issues to collect and process the data.

The Company therefore applied the fair value approach to all reinsurance contracts issued and held to calculate the open balances and the transition adjustment for all segments.

Fair value approach

Under the fair value approach, the CSM (or the loss component) at 1 January 2022 was determined as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date. The Company measured the fair value of the contracts as the sum of (a) the present value of the net cash flows expected to be generated by the contracts, determined using a discounted cash flow technique; and (b) an additional margin, determined using a cost of capital method.

The cash flows considered in the fair value measurement will be consistent with those that are within the contract boundary. Therefore, the cash flows related to expected future renewals of reinsurance contracts will not be considered in determining the fair value of those contracts if they are outside the contract boundary. The present value of the future cash flows considered in measuring fair value will be broadly consistent with that determined in measuring the fulfilment cash flows.

Differences in the Company's approach to measuring fair value from the IFRS 17 requirements for measuring fulfilment cash flows will give rise to a CSM at 1 January 2022. In particular, in measuring fair value the Company will include a margin comprising a risk premium to reflect what market participants would demand as compensation for the uncertainty inherent in the cash flows and a profit margin to reflect what market participants would require to assume the obligations to service the insurance contracts. In determining this margin, the Company will consider certain costs that are not directly attributable to fulfilling the contracts (e.g. general overheads) and certain risks that were not reflected in the fulfilment cash flows (e.g. general operational risk), among other factors that a market participant would consider.

The Company has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at 1 January 2022 as it did not have reasonable and supportable information to aggregate groups into those including only contracts issued within one year.

In applying the fair value approach at the transition date, the CSM or loss component of the Liability for Remaining Coverage was estimated as the difference between the fair value and the fulfilment cash flows of the group of reinsurance contracts as of that date. In determining fair value, the requirements of IFRS 13 Fair Value Measurement were generally applied.

The Company used the locked-in discount rates as at transition date, instead of discount rates as at the date of initial recognition.

The Company did not incur any acquisition cash flows that would be directly attributable to the group of reinsurance contracts before the group would have been initially recognised under IFRS 17.

The Company has elected to disaggregate insurance finance income or expenses between amounts included in profit or loss and amounts included in other comprehensive income and reset the cumulative amount of insurance finance income or expenses recognised in other comprehensive income at 1 January 2022 to zero.

The Company determined the loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held at zero at transition as under the fair value bottom-up approach no loss component emerged for the underlying reinsurance contracts issued.

IFRS 9 Financial Instruments (2014)
(Generally effective for annual periods beginning on or after 1 January 2018 the classification overlay approach will be applied. The restatement of prior periods is not required and is permitted only if information is available without the use of hindsight. Early application is permitted. The Company, as an insurance provider, will apply the exemption from adopting IFRS 9 and adopt it together with IFRS 17 for annual period beginning on 1 January 2023.)

The Company used the optional classification overlay approach, which allows entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about the financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17, as if the classification and measurement requirements of IFRS 9 had been applied to that financial assets. The Company used reasonable and supportable information available at the transition date to determine how the Company expects the financial asset would be classified and measured on initial application of IFRS 9. The impairment rules were applied to the classification overlay even the Company was not required to do so. Any difference between the previous carrying amount of a financial instrument and the amount resulting from the application of the classification overlay was recognized in equity at the transition date. To reduce accounting mismatch, the classification of the financial assets for the opening balance sheet according to IFRS 9 was aligned as much as possible with IFRS 17 OCI option (meaning to disaggregate insurance finance income or expenses between amounts included in profit or loss and amounts included in other comprehensive income) selected for the Company's reinsurance contracts issued and held.

To prevent from possible inconsistencies between the valuation of assets and liabilities (accounting mismatches), the application of IFRS 9 was deferred so that the first application of both standards takes place as of 1 January 2023.

IFRS 9 standard replaces IAS 39, Financial Instruments: Recognition and Measurement, except that the IAS 39 exception for a fair value hedge of an interest rate exposure of a portfolio of financial assets or financial liabilities continues to apply. Consequently, entities have an accounting policy choice between applying the hedge accounting requirements of IFRS 9 or continue to apply the existing hedge accounting requirements in IAS 39 for all hedges.

Classification and Measurement
The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 divides all financial assets into three principal measurement categories

– those measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit and loss (FVTPL) – and eliminates the previous IAS 39 categories of held-to-maturity investments, loans and receivables and available-for-sale financial assets. Although the permissible measurement bases for financial assets are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different.

A financial asset is measured at amortised cost if the following two conditions are met:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at FVOCI if the following two conditions are met:

- the assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

In addition, for a non-trading equity instrument, a company may elect to irrevocably present subsequent changes in fair value (including foreign exchange gains and losses) in OCI. These are not reclassified to profit or loss under any circumstances. No impairment losses will be recognized in profit or loss.

For debt instruments measured at FVOCI, interest revenue, expected credit losses and foreign exchange gains and losses are recognised in profit or loss in the same manner as for amortised cost assets. Other gains and losses for instruments measured at FVOCI are recognised in OCI and are reclassified to profit or loss on derecognition.

Impairment

The impairment model in IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ model (ECL model), which means that a loss event will no longer need to occur before an impairment allowance is recognised.

The ECL model will apply to the Company’s debt instruments (such as bank deposits, loans, debt securities and trade receivables) recorded at amortised cost (AC) or at fair value through other comprehensive income (FVOCI), plus lease receivables (in scope of IFRS 16).

IFRS 9 requires a loss allowance to be recognised at an amount equal to either 12-month ECL or lifetime ECL. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument; 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The standard refers to significant increases in credit risk since initial recognition as the main trigger of how the ECLs have to be calculated. For those assets that do not show significant increase in credit risk since initial recognition, the loss allowance shall be calculated for a timespan of one year, resulting in a 12-month ECL. Those assets are being referred to as stage 1 assets.

The IFRS 9 standard states that for those assets that show a significant increase in credit risk though (referred to as stage 2 assets), the loss allowance has to be calculated on a timespan covering the remaining lifetime of the asset.

Moreover, the standard introduces a third stage, including assets that also show significantly increased credit risk and where a default event has occurred. For such assets, the standard also requires the calculation of a lifetime ECL.

Stage 1 assets will contain:

- 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 will cover assets that:

- are past due for at least 30 days or
- respond to one of the predefined forward-looking indicators.

Stage 3 will only contain assets fulfilling the default definition of the Company.

Within this stage credit losses have already incurred, or assets have been actual 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. As a result of fulfilling Company's default criterion, the Probability of Default has to be set equal to 1 and the Loss Given Default should be assessed on individual basis. The definition of default covers at least two dimensions, namely one rating-based dimension (C, D) as well as one days past due (90 days past due) based criterion. The calculation is based on a lifetime expected credit losses (EIR on amortised costs).

The Company will make use of the simplified approach for the eligible financial assets (trade and lease receivables) where loss allowance is recognised based on lifetime ECLs at each reporting date.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

The key inputs into the measurement of ECL are the term structures of the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAT). ECL for financial assets for which credit risk has not significantly increased are calculated by multiplying the 12-month PD by the respective LGD and EAD. Lifetime ECL are calculated by multiplying the lifetime PD by the respective LGD and EAD.

Hedge Accounting

IFRS 9 includes a new general hedge accounting model, which aligns hedge accounting more closely with risk management. The types of hedging relationships – fair value, cash flow and foreign operation net investment – remain unchanged, but additional judgment will be required.

The standard contains new requirements to achieve, continue and discontinue hedge accounting and allows additional exposures to be designated as hedged items. Extensive additional disclosures regarding an entity's risk management and hedging activities are required.

The Company currently does not use hedge accounting.

Financial liabilities

IFRS 9 largely retains the requirements in IAS 39 for the classification and measurement of financial liabilities. However, under IAS 39 all fair value changes of financial liabilities designated as at FVTPL are recognised in profit or loss, whereas under IFRS 9 these fair value changes will generally be presented as follows.

- The amount of the change in the fair value that is attributable to changes in the credit risk of the liability will be presented in OCI.
- The remaining amount of the change in the fair value will be presented in profit or loss.

The Company currently has only financial liabilities at amortised cost.

Transition and impact assessment
The Company realises that the new Standard, when initially applied, will have a significant impact on its financial statements, since the classification and the measurement of the Company's financial instruments are to be changed partially.
IFRS 9 will affect the classification and measurement of financial assets of the Company held at 1 January 2022 and 1 January 2023 as follows:

- Debt investments that are classified as available-for-sale under IAS 39 will be measured at FVOCI or FVTPL under IFRS 9 depending on the particular circumstances.
- Investment funds that are classified as available-for-sale under IAS 39 will be measured at FVTPL under IFRS 9.
- Equity investments that are classified as available-for-sale under IAS 39 will be measured at FVTPL except for the equity investments held for long-term strategic purposes that will be designated as at FVOCI.
- Held-to-maturity investments and loans and receivables measured at amortised cost under IAS 39 will also be measured at amortised cost or FVTPL under IFRS 9 depending on the particular circumstances.

Because a majority of the Company's financial assets are measured at fair value both before and after transition to IFRS 9, the new classification requirements are not expected to have a material impact on the Company's total equity at 1 January 2022.

The Company estimates that the application of IFRS 9 impairment requirements will result in a decrease in the Company's total equity of TEUR 147 (before tax) and the classification and measurement changes of financial assets will results in an increase in the Company's total equity of TEUR 871 (before tax) at 1 January 2022. Overall the Company estimates that, on transition to IFRS 9, the impact of these changes (before tax) is an increase in the Company's total equity of TEUR 724 at 1 January 2022.

The Company does not expect any impact from adopting the IFRS 9 requirements for financial liabilities (all measured at amortised cost) nor hedge accounting which is currently not applied by the Company.

Other standards, interpretations and amendments to published standards as adopted by EU that are not yet effective for annual periods beginning on 1 January 2022 will have no material impact on the financial statements of the Company as at year-end 2022.

D. PRINCIPAL ASSUMPTIONS

For reported but not settled claims (RBNS), the separate case-by-case assessment with regard to the claim circumstances, information available from loss adjusters, and historical evidence of the size of similar claims provided by the cedents is used and checked. The Company's share of case reserves is reviewed regularly and is updated as and when new information arises.

The estimation of the Company's incurred but not reported claims (IBNR) is generally subject to a greater degree of uncertainty than reported claims. IBNR provisions are predominantly assessed by the Company's actuary using information provided by cedents and actuarial techniques such as chain ladder methods, whereby historical data is extrapolated in order to estimate the ultimate costs of claims.

For IBNR calculation the Company uses methods which reflect the most recent known information such as loss ratio methodology and Incremental Loss Ratio methodology (ILR), which was developed by prof. Mack.

To the extent that these methods use historical claims development information, they assume that the historical claims development pattern will occur again in the future. There are reasons why this may not be the case, which, insofar as they can be identified, have been allowed for by modifying the methods. Such reasons include:

a) economic, legal, political and social trends (resulting in different than expected levels of inflation);
b) changes in the reinsurance contracts mix;
c) random fluctuations and large losses.

IBNR provisions are initially estimated as gross, and a separate calculation is carried out to estimate the size of reinsurance recoveries.

Retrocession share of IBNR provision is calculated as a proportion of gross IBNR provision for retrocession contracts that have a specified cession percentage. The Company calculates not only the IBNR on the estimated mean level, but also calculates an additional margin IBNR. The margin IBNR reflects the historical volatility embedded in the claims triangles and also serves as a security cushion balancing the uncertainty of estimations of the assumption's parameters.

The a priori estimated mean loss ratio and the estimated development factors are the two assumptions which have the greatest effect on setting of the IBNR level. To limit the volatility of the forecasted ultimate claims in time the Company systematically mitigates the uncertainty embedded in those assumptions.

The a priori estimated mean loss ratio is an estimated mean value which represents the ratio of expected ultimate claims incurred to premiums earned and is estimated for each new reinsurance contract acceptance on an individual basis. The Company has made significant investments into the pricing tools in the last years and for each reinsurance acceptance a stochastic actuarial model is created. The individual stochastic models serve as a basis for the Solvency II partial internal model and due to that reason, the Company´s modelling approaches have been discussed regularly during technical meetings with the regulator. Due to the nature of reinsurance business a significant uncertainty is associated with the a priori estimated mean loss ratio on an individual contract level, however, this uncertainty is considerably mitigated on the whole portfolio level due to the more than one thousand accepted reinsurance contracts by the Company on an yearly basis.

The estimated development factors used for ILR reserving methodology are predominantly calculated on aggregated claims triangles based on accounting data. Each triangle is created for a homogenous group of reinsurance contracts with minimum split per Solvency II line of business. To limit the uncertainty on a whole portfolio level, the Company performs an in-depth segmentation analysis annually where the homogeneity of calculation groups is further reviewed in view of the nature of the reinsurance contracts (Clean Cut, Losses Occurring and Risk Attaching basis), country of cedent and any similarities in reserving and cash flow characteristics. As the first accounting data come from the underwriting year 2009, the Company also uses the renewal information from the individual cedents for estimations of the development factors wherever appropriate, this concerns especially to the long tail business.

The volatility of the Company´s estimated ultimate claims is also further protected against significant impact of changes in these key assumptions by the complex retrocession program.

Annuities

In MTPL reinsurance and other third-party liability lines, part of the claims payment may be in the form of an annuity. The provision for such claims is established as the present value of expected future claims payments. The key assumptions involved in the calculation are the discount rate, the expected increase in wages and disability pensions, which influence the amount of annuities to be paid. The ultimate annuity claims are dependent on national legislation and the development of social and political factors beyond the Company's control.

Liability Adequacy – Non-Life

Liability adequacy test is performed gross of reinsurance. The undiscounted best estimate gross of reinsurance is compared to the IFRS (claims and premium) reserve net of IFRS DAC and gross of reinsurance. The undiscounted best estimate gross of reinsurance is calculated according to Solvency 2 methodology.

Any excess of best estimate over the IFRS reserve net of IFRS DAC and gross of reinsurance leads to LAT reserve creation.

Liability Adequacy Test – Life

The liability adequacy test is performed gross of reinsurance. The best estimate gross of reinsurance is compared to the IFRS reserve net of IFRS DAC and gross of reinsurance. The best estimate gross of reinsurance is calculated as Statutory Reserve net of statutory DAC and gross of reinsurance less present value of future profits (gross of tax). Present value of future profits is calculated under the Market Consistent Embedded Value calculation.

Any excess of best estimate over the IFRS reserve net of IFRS DAC and gross of reinsurance leads to LAT reserve creation.

E. RISK REPORTING

E.1. Risk Management

E.1.1. Introduction

The Company is a member of VIG and is compliant with the Group risk management structure. The risk management processes apply to the entire VIG Group and thus to the Company.

The Company's core competence is dealing with risk pro¬fessionally. The Company's underwriting business is assuming risks from its clients using a variety of reinsurance contract types. Based on its activity as a reinsurance company, VIG Re is exposed to underwriting risk resulting from underwriting Life, Non-Life and Health reinsurance business, market risk stemming from the investments and also general risks such as the counterparty default risk, concentration risk, operational risk. One of the primary responsibilities of risk management is to ensure that the Company's activities are compliant with the Risk Strategy.

E.1.2. Risk Management Objectives and Methods

Risk in VIG Re is understood as the possibility of non-achievement of an explicitly formulated or implicitly resultant goal. A risk that can have a significant negative impact on the Company's solvency of financial position is considered material. Risk management processes are defined in order to identify, analyse, evaluate, monitor, report and control these risks. The Company's Risk Strategy distinguishes between accepted risks, conditionally accepted risks, and not accepted risks, defining the risk mitigating techniques that can be applied.

Within this context VIG Re defines risk categories covering all possible sources of risks, which are further split into subcategories during further Risk Management processes.

- **Underwriting risk:** The core business of VIG Re is the underwriting of insurance risks transferred from an insurance company to VIG Re. Underwriting risk stems from the Company's Non-Life, Life and Health reinsurance obligations.
- **Credit risk:** This risk quantifies the potential loss due to a potential adverse development in the value of assets and financial instruments related to the unexpected default of counterparties and debtors.
- **Market risk:** Market risk arises from the level or volatility of market prices of financial instruments. Exposure to market risk is measured by the impact of movements in the level of financial variables such as stock prices, interest rates, immovable property prices and exchange rates.
- **Liquidity risk:** Liquidity risk reflects the risk that necessary financial resources cannot be provided in time, without additional costs, to fulfil the company's short- and long-term due payment obligations.
- **Strategic risks:** Strategic risk stems from the risk of adverse business development related to inappropriate business and investment decisions, or to inadequate communication and implementation of goals, or to a lack of

adjustment capacity to changes in the economic environment, or to conflicting business objectives.

- **Operational risks:** This covers risks that are related to potential loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events.

Risk management in VIG and VIG Re is governed by internal standards (polices, guidelines and directives).

VIG Re's Risk Management system further develops the Company's governance culture and values. The system is based on specific principles ensuring effective performance of all activities. The principles include but are not limited to avoidance of conflicts of interest, clear allocation of responsibilities, four eyes principle. The principles are applied in all activities the Company needs for its operation regardless of whether such activities are carried out directly by the Company or are outsourced.

The internal structure of the Risk Management system is structured in three lines of defence, which reflects the Risk Management principles. The essence of this structure lies in transparent segregation of employees' responsibilities into each line of defence, conflicts of interests prevention and application of effective controls.

E.1.3. Organizational Units and Departments Involved in Risk Management and Control in VIG Re

The overall responsibility of the risks assumed by VIG Re resides with the Board of Directors. Asset Risk Management is supported by other VIG Group companies in the Czech Republic according to the Company's Outsourcing Policy. The responsibilities for the risk categories are allocated as follows:

Risk management: The team is responsible for the implementation and assessment of the internal control system, monitoring and reporting to the Board of Directors on the adherence of risk tolerance and risk appetite of the Company. All relative Solvency II requirements, Own Risk and Solvency Assessment, Solvency Capital Requirement analyses are carried out by Risk Management.

Corporate Underwriting: The department monitors the Company's underwriting risk profile ensuring compliance with the Company's Underwriting Standards and Risk Strategy.

Actuarial Services and Retrocession: The department develops the methodology and tools used for reinsurance modelling which are the source of Premium and Catastrophe risk in the Company's Partial Internal Model. In addition, it is responsible for calculations related to technical provisions and reserve risk. The department also assesses the Company's natural accumulation exposure and is responsible for retrocession efficiency analyses.

Controlling: Controlling, reporting and Planning department manages the Company's planning process, monitors and controls the Company's business development by comparing plans and reinsurance contracts signed and is also responsible for data quality management.

Internal Audit: The Company outsources Internal Audit to VIG internal audit department. The internal audit department systematically monitors operating and business processes, the internal controlling system of all operational corporate areas, and the functionality and adequacy of risk management. The internal audit department operates continuously and reports directly to the Board of Directors.

The Company also identifies the holders of governance functions and their responsibilities as specified in the governance system of the Solvency II framework, which are Internal Audit, Compliance, Risk management and Actuarial functions.

E.2. Underwriting Risk

Underwriting risk reflects the underwriting process including the collection of data, technical assessment of the underlying portfolios, modelling and pricing of the reinsurance contracts, reserving, and the conclusion of reinsurance contracts. It is mitigated by the compliance with the underwriting guidelines and directives of the Company and the governance of quantitative limits, including accumulation control.

The Company assumes reinsurance on proportional and non-proportional, obligatory and facultative basis. It offers services for defined lines of business within the Property and Casualty, Personal Accident and Health and Life segment. Main underwriting territories are Austria and CEE countries, Russia /CIS, Germany, Switzerland, Italy and Turkey. The Company is also active in French, Spain, Portugal and Japanese markets. Underwriting policy, standards and limits are defined in detail in VIG Re reinsurance underwriting guidelines and underwriting directives.

VIG Re's objective is to maintain strict underwriting policy that, in combination with its very solid financial security and its in-depth understanding of local market standards, provide a strong value proposition to its clients.

In order to achieve this, VIG Re follows a disciplined underwriting policy which is defined in detail in VIG Re's underwriting guidelines. The Company monitors and controls its accumulation risks, especially in the area of natural catastrophe exposure. As part of the risk management strategy, underwriting limits are defined by class of business and underwriting authorities are allocated "ad personam" according to the level of the underwriter's professional expertise.

In respect of business originating from VIG Group companies, VIG Re assumes up to 100% of the respective contracts. In the event of significant underlying exposures, for instance from natural catastrophe, VIG Re acts as an aggregator not retaining a material risk position.

The Company adheres conservative approach towards reinsurance protection, surpassing the VIG reinsurance rules. VIG Re's reinsurance panel is carefully chosen in compliance with VIG security guidelines.

E.2.1. Underwriting Risk Categories

The Company offers services for the following lines of business:

PROPERTY & CASUALTY

Property & Casualty underwriting risk arises from Non-life reinsurance obligations, in relation to the perils covered and the processes followed in the conduct of the business.

Property reinsurance: For property reinsurance contracts frequency of large losses (for example Fire, Terrorism) and unknown accumulations (for example business interruption, CBI) are significant factors which can increase losses significantly. In respect of natural catastrophe reinsurance contracts, climate change gives rise to more frequent and severe extreme weather events and their consequences. The Company usually assumes one-year reinsurance policies and thus has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. The greatest likelihood of significant losses on these contracts arises from windstorm and flood perils. The Company buys retrocession cover according to accumulation analysis.

Casualty reinsurance: The frequency and severity of claims can be affected by several factors. The most significant are the increasing amounts of awards for damage suffered and the increasing numbers of cases coming to court that were inactive or latent for a long period of time. The estimated inflation is also a significant factor due to the long period of time typically required to settle these cases.

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements, and proactive claims management.

Life

Life underwriting risk arises from life reinsurance obligations, in relation to the risks covered and the processes followed in the conduct of the business.

The largest risk for Life underwriting risk is lapse risk. For most risks, the Company follows the primary insurer approach to risk, however applying its own assumptions in the calculation. The Company underwrites life risk with limits per person, therefore the exposure is limited in this respect.

The risk transfer (retrocession) has been defined and executed from the beginning of the Life active business by the Company. In general, the Company Life Retrocession is very strict and prudent.

The Company has achieved a significant degree of diversification by operating internationally across Europe covering a range of different lines of business. Long-term relations with clients ensure mitigation of unexpected losses over time.

The Company's underlying life business is underwritten using the mutually agreed conditions. The underwriting conditions are precisely defined for every Line of business by setting the maximum sum insured and required medical underwriting procedure.

Health

The Company has limited exposure to Health risk, predominantly from Group business. Generally, processes for steering and risk mitigation of this risk follows principles of Non-life underwriting risk. The Company does not face Similar to life techniques (SLT) health underwriting risk.

Health Non-Similar to Life techniques (NSLT) risk is arising from health reinsurance obligations, pursued on a technical basis which is similar to Non-Life business, in relation to the risks covered and processes used in the conduct of business. This includes the health premium and reserve risk and the NSLT health lapse risk.

Health catastrophe risk is the risk of loss, or of adverse change in the value of insurance and reinsurance liabilities, resulting from significant uncertainty of pricing and provisioning assumptions related to outbreaks of major epidemics, as well as the unusual accumulation of risks under such extreme circumstances. This extends to mass accidents, pandemics and concentration risks. Health catastrophe exposure arise mainly from the VIG Group Personal Accident program.

E.2.2. Retrocession Guidelines

In order to mitigate the underwriting risks the Company pursues a prudent underwriting philosophy and portfolio management using the diversification benefits when assuming underwriting risks from different lines of business and geographies while monitoring potential concentration risks. In order to further mitigate the assumed underwriting risk, the Company uses Retrocession, i.e. reinsurance protection of its assumed reinsurance contracts as a central instrument to hedge especially against major loss events.

The retrocession guidelines and protection structure are jointly determined each year by the Board of Directors and approved by the Supervisory Board of VIG Re, ensuring compliance with the VIG Security Guidelines.

The reinsurance guidelines define the following principles:

- Retrocession contracts shall ensure that the Company's capital is not overexposed. This is achieved through assessing the impact on solvency capital position and underwriting result.
- The Company purchases sufficient protection according to underwriting limits and accumulation analyses. The Company hedges against major loss events, both natural catastrophe and man-made, on the basis of an assumed 1 in 250 years return period (i.e. value of risk quantile of 99.6%).
- The retrocession program shall ensure that the net retention resulting from a single event is not higher than the net underwriting capacity as defined in the Underwriting Guidelines. The Company's net retention shall not exceed 3% of the Company's equity.
- The mitigation of an underwriting risk must ensure that a failure of a single retrocessionaire does not threaten the financial stability of the Company.
- Before a retrocession contract is concluded, a potential retrocessionaire has to be approved as business partner. Limitations apply in respect of liability per lines of business which can be reinsured with a single retrocessionaire. Retrocessionaires not pre-approved according to the VIG Reinsurance Guideline Security List of the or exceeding the limits set out in the Cession Limitation table are subject to approval of the VIG Security Committee.

E.2.3. Concentration Risk

The highest risk exposure the Company faces is stemming from European Flood risk scenario, followed by Windstorm risk scenario at 99.5 % quantile, naturally arising from its exposure in CEE and DACH regions. Non-Life concentration risk is stemming from lack of diversification. The Company faces underwriting concentration risk from natural catastrophe events caused by natural perils or single risk accumulation from various assumed portfolios. Accumulation control for natural catastrophe events is monitored continually especially during the renewal period resulting in a comprehensive retrocession program. The Company is governed by underwriting policies and guidelines and sets underwriting limits on single exposures in order to manage the risk from single risk accumulation. In addition, particular retrocession treaties cover single active treaties or portfolios of active treaties. The portfolios may contain treaties from several reserving segments, several lines of business and proportional or non-proportional business.

E.3. Credit Risk

Credit risk reflects the risk of loss, or adverse change in the value of assets and financial instruments related to the unexpected default of counterparties and debtors.

E.3.1. Credit Risk from Financial Investments

The Company invests in debt securities, bond funds, equity funds and deposits, taking into account the overall risk position of the Company and the Investment and Risk strategy. For more about the investment strategy, see below.

In managing risks related to credit quality, a distinction must be made between "liquid" or "marketable" risks (e.g. exchange-listed bonds) and "bilateral" risks such as, for example, time deposits and loans. Risks relating to the former are limited at the portfolio level by means of rating and diversification limits. Consideration is only given to those issuers or contracting parties whose credit quality or reliability can be assessed by VIG Re, whether on the basis of an analysis performed by the Company or credit assessments/ratings from recognized sources.

According to the Company Investment and Risk strategy, financial investments (debt securities and term deposits) are made mainly in investments with a rating range of AAA to BBB according to defined limits. There are also specific limits for investments in different asset categories (term deposits, bonds etc.). Investments outside the limits set in the strategy can only made in individual cases and in accordance with decisions made by the Board of Directors and Supervisory Board.

The goals are to achieve the greatest possible diversification among individual issuers, to avoid accumulation risks, to ensure good average credit quality, to control foreign currency gap and to make the majority of investments in mid- to long-term maturities according to the liabilities duration.

Deposits retained on assumed reinsurance serve directly as collateral for technical provisions, covering business assumed from cedents in reinsurance. They do not trigger any cash flows and may not be used by the cedents independently. The credit risk is therefore limited. The amount of and changes in deposits retained on assumed reinsurance in the balance sheet year generally derive from the values for the changes in the related technical provisions for the reinsured business. Deposits retained on assumed reinsurance business thus do not have a fixed maturity date, as their release is generally dependent on run-off of the corresponding provisions.

E.3.2. Credit Risk – Receivables due from Cedents

The Company assumes business with those issuers or contracting parties whose credit quality or reliability can be assessed by the Company. Before entering a business relationship, especially before submitting a legal binding offer to enter a contractual relationship, a business partner has to be assessed through a client due diligence process.

E.3.3. Credit Risk – Reinsurers Share in Reinsurance Liabilities and Amounts due from Reinsurers in Respect of Claims already Paid (Retrocession)

The Company limits its potential liability from reinsurance business by passing on some of the risks it assumes to the international reinsurance market (retrocession). It spreads this reinsurance coverage over a large number of different international reinsurance companies that VIG Re believes have adequate creditworthiness, to minimize the credit risk due to the insolvency of the reinsurers. The Company strictly adheres to the Security Guidelines issued by the VIG group, limiting the counterparties with which VIG Re can conclude retrocession contracts.

E.3.4. Credit Risk Exposure

The tables below provide a detailed analysis of the Company's exposure to credit risk.

Credit Risk Exposure in EUR '000	Receivables		Other Financial Assets	
	2022	2021	2022	2021
Individually impaired:				
Gross amount	11 254	918	0	0
Carrying amount	0	0	0	0
Collectively impaired:				
Gross amount	0	0	0	0
Carrying amount	0	0	0	0
Past due but not impaired:				
Gross amount				
Up to 30 days after maturity	3 165	128	0	0
31 days to 90 days after maturity	8 607	7 195	0	0
91 days to 180 days after maturity	10 064	6 601	0	0
181 days to 1 year after maturity	3 958	4 341	0	0
1 year to 2 years after maturity	5 502	16 812	0	0
Neither past due nor impaired – carrying amount:	**184 256**	**179 941**	**1 207 061**	**1 223 668**
Total carrying amount	**215 552**	**215 018**	**1 207 061**	**1 223 668**

Individually impaired receivables are primarily represented by balance owed by broker Reunion AG that were fully impaired in 2017 due to financial difficulties of the company. VIG Re filed court proceedings in 2017 to recover the receivables, balance owed by NOVIS, balances due by Ukrainian and Russian entities and Covid 19 retrocession recovery.

The credit quality of neither past due nor impaired financial assets is monitored per individual case. The Company closely monitors each counter party and evaluates its credit quality.

Cash and cash equivalents are neither individually nor collectively impaired.

Credit Risk Exposure in EUR '000	2022					
Standard & Poor's rating	**AAA**	**AA**	**A**	**B / BB / BBB**	**No Rating**	**Carrying value in balance sheet**
Financial investments*	72 996	101 608	146 157	119 773	86 712	527 245
Deposits due from cedents	0	67 517	452	0	42 140	110 109
Cash and cash equivalents	0	0	0	0	32 505	32 505
Receivables from reinsurance and ceded share of reinsurance liabilities	0	266 388	287 310	13 883	185 173	752 754
Other receivables	0	0	0	0	135	135
Total	**72 996**	**435 513**	**433 919**	**133 656**	**346 665**	**1 422 748**
In %	5,13%	30,61%	30,50%	9,39%	24,37%	100,00%

* Except for deposits due from cedents

Credit Risk Exposure in EUR '000	2021					
Standard & Poor's rating	**AAA**	**AA**	**A**	**B / BB / BBB**	**No Rating**	**Carrying value in balance sheet**
Financial investments*	34 240	87 854	136 747	125 405	123 380	507 626
Deposits due from cedents	0	72 878	3 364	424	24 380	101 046
Cash and cash equivalents	0	0	0	0	60 754	60 754
Receivables from reinsurance and ceded share of reinsurance liabilities	0	122 900	548 306	40 949	57 105	769 260
Other receivables	0	0	0	0	192	192
Total	**34 240**	**283 632**	**688 417**	**166 778**	**265 811**	**1 438 878**
In %	2,36%	19,58%	47,52%	11,51%	19,02%	100,00%

* Except for deposits due from cedents

The most sizeable financial investments are in bonds issued or guaranteed by the governments of the EU countries where VIG Re operates (Czech Republic, Slovakia, Poland and Austria). Nevertheless, the Company is exposed to credit-related losses that may occur as a result of future negative development in the European Union and/or of any of the rest bond portfolio issuers.

E.4. Liquidity Risk

Liquidity risk refers to the risk of the Company being unable to realize investments and other assets in order to settle their financial obligations when they become due. Liquidity risk may arise because the actual pay-out structure of liabilities differs from that assumed in asset-liability management, for example due to a lengthening or acceleration of the period to pay claims of a line of business or of a particular region.

The Company regularly assesses its liquidity position, by processing short-term and mid-term overviews of expected inflows and outflows. Long-term Asset and Liability cashflows are also analysed. This enables the Treasury department to properly manage the Company's funds in order to ensure sufficient cash to fulfil its liabilities at any point in time.

Liquidity risk is governed by the Investment and Risk Strategy. The strategy also defines a Liquidity buffer, which consists of highly liquid securities and cash. At least EUR 10 million shall be held in highly liquid investment assets as liquidity cushion (cash, deposits, T-bills, money market funds, floating rate or short-term fixed rate bonds) with other assets ready to cover possible cash-flow needs and deliver needed return.

The Investment and Risk Strategy, Asset and Liability management as well as the liquidity buffer defined, enable the Company to settle its financial obligations in timely manner (including the lease liabilities).

The contractual maturities of relevant assets (measured in the same way as in the financial statements) as monitored by the Company are provided below:

Expected Remaining Contractual Maturities of Assets in EUR '000	**2022**					
	Up to one year	**From one to five years**	**From five to ten years**	**More than ten years**	**Not specified**	**Carrying value in balance sheet**
Financial investments	**55 887**	**256 873**	**157 693**	**67 440**	**99 462**	**637 355**
Financial assets held to maturity	0	27 684	0	0	0	27 684
Financial assets available for sale	18 291	208 984	115 747	22 706	99 462	465 191
Loans – Term deposits	17 000	0	16 245	1 126	0	34 371
Deposit due from cedents *	20 597	20 205	25 701	43 607	0	110 109
Receivables	**221 304**	**5 150**	**352**	**0**	**-11 254**	**215 552**
Ceded share of reinsurance liabilities *	**392 866**	**61 439**	**48 169**	**34 729**	**0**	**537 202**
Cash and cash equivalents	**32 505**					**32 505**
Other receivables	**135**					**135**
Total	**702 697**	**323 462**	**206 214**	**102 169**	**88 208**	**1 422 748**

*expected timing of cash flows

The following table provides details of the expected maturity profile of the Company's obligations with respect to its financial liabilities and estimated cash flows of recognized insurance contract liabilities. The table includes both interest and principal cash flows.

Expected Remaining Contractual Maturities of Liabilities in EUR '000	**2022**				
	Up to one year	**From one to five years**	**From five to ten years**	**More than ten years**	**Carrying value in balance sheet**
Subordinated liabilities	**742**		**55 000**		**55 742**
Reinsurance liabilities*	**652 983**	**157 035**	**156 420**	**127 639**	**1 094 077**
Unearned premiums	44 374	0	0	0	44 373
Outstanding claims	601 604	140 257	135 447	87 791	965 098
Life reinsurance provision	7 005	16 778	20 973	39 848	84 604
Payables	**176 965**				**176 965**
Current tax liabilities	**5 092**				**5 092**
Other liabilities	**3 726**				**3 726**
Total	**839 508**	**157 035**	**211 420**	**127 639**	**1 335 602**

*expected timing of cash flows

GAP in duration will be managed by eventual sell of Financial Investments.

The contractual maturities of relevant assets (measured in the same way as in the financial statements) as monitored by the Company are provided below:

Expected Remaining Contractual Maturities of Assets in EUR '000	**2021**					
	Up to one year	**From one to five years**	**From five to ten years**	**More than ten years**	**Not specified**	**Carrying value in balance sheet**
Financial investments	**34 340**	**165 158**	**180 391**	**79 487**	**149 296**	**608 672**
Financial assets held to maturity	0	27 660	0	0	0	27 660
Financial assets available for sale	20 473	118 336	147 909	31 921	149 296	467 935
Loans – Term deposits	1 175	0	6 852	4 004	0	12 031
Deposit due from cedents *	12 692	19 162	25 630	43 562	0	101 046
Receivables	**215 744**	**0**	**0**	**0**	**-918**	**214 826**
Ceded share of reinsurance liabilities *	**428 466**	**57 333**	**39 914**	**28 529**	**0**	**554 242**
Cash and cash equivalents	**60 754**	**0**	**0**	**0**	**0**	**60 754**
Other receivables	**192**	**0**	**0**	**0**	**0**	**192**
Total	**739 496**	**222 491**	**220 305**	**108 016**	**148 378**	**1 438 686**

*expected timing of cash flows

The following table provides details of the expected maturity profile of the Company's obligations with respect to its financial liabilities and estimated cash flows of recognized insurance contract liabilities. The table includes both interest and principal cash flows.

Expected Remaining Contractual Maturities of Liabilities in EUR '000	**2021**				
	Up to one year	**From one to five years**	**From five to ten years**	**More than ten years**	**Carrying value in balance sheet**
Subordinated liabilities	**742**		**55 000**		**55 742**
Reinsurance liabilities*	**647 445**	**140 892**	**136 699**	**115 178**	**1 040 214**
Unearned premiums	27 285	0	0	0	27 285
Outstanding claims	613 800	123 932	115 499	74 897	928 128
Life reinsurance provision	6 360	16 960	21 200	40 281	84 801
Payables	**178 818**	**1 370**	**2 667**	**2 143**	**184 998**
Current tax liabilities	**6 552**	**0**	**0**	**0**	**6 552**
Other liabilities	**3 296**	**0**	**0**	**0**	**3 296**
Total	**836 853**	**142 262**	**194 366**	**117 321**	**1 290 802**

*expected timing of cash flows

E.5. Market Risk

Market risk arises from the level or volatility of market prices of financial instruments. Exposure to market risk is measured by the impact of movements in the level of financial variables such as stock prices, interest rates, immovable property prices and exchange rates.

The Company invests in debt securities, bond and equity funds and term deposits according to its Investment and Risk Strategy. When determining exposure volumes and limits, the risk inherent in the specified categories and the market risks are of fundamental importance. Asset Risk Management guidelines are defined on a centralized basis and are mandatory for all VIG Group companies.

The Investment and Risk Strategy of the Company establishes the below mentioned principles:

- The Company invests only in types of assets, for which it can recognize, measure, monitor, manage and control the related risks accordingly by own means.
- VIG Re achieves a proper balance between invested assets and technical provisions while maintaining a balanced risk-return profile.
- The asset allocation is made by defining acceptable limits for each asset class in order to limit the risk related to different industries and groups.
- VIG Re maintains a high liquidity position with money market and short-term bond funds and liquid AFS securities which leads to stable returns and low volatility.
- Counterparties are selected by taking into account the credit rating and reputation of each entity. Credit ratings are used as a way of properly identifying and managing the risk attached to a counterparty and the Company ensures only counterparties with a high enough credit rating are used.
- The Company's market risk exposure is defined firstly by interest rate risk and equity risk, followed by spread (covered in Credit risk) and currency risk. Concentration risk, given the diversified investment portfolio of VIG Re, is rather insignificant.

E.5.1. Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level or volatility of foreign exchange rates. Foreign exchange risk arises from both assets and liabilities denominated in another currency than the functional currency.

The Company exposure to foreign currency risk within the investment portfolios supporting the Company's euro zone reinsurance and investment operations, arises primarily from purchased investments and assumed reinsurance contracts that are denominated or payable in currencies other than Euros. Currency risk is limited by regularly updated and approved Investment and risk strategy. There are defined maximum allocation limits for each specified foreign currency. Through Asset management unit, the Company matches FX exposure coming from assets and liabilities and the resulting GAPs close to minimum.

The tables below summarize the Company's exposure to foreign currency exchange rate risk as of 31 December. The Company's assets and liabilities at carrying amounts are included in the table, categorized by currency at their carrying amount:

Currency in EUR '000	2022		
	Total Assets	**Total Liabilities**	**Net Amount**
EUR	1 279 784	1 113 022	166 762
TRY	54 232	48 288	5 944
PLN	35 288	39 852	-4 564
CZK	30 269	31 768	-1 499
JPY	15 083	13 531	1 552
CHF	14 328	14 233	95
HUF	14 309	9 149	5 160
USD	13 547	15 588	-2 041
RUB	11 756	12 607	-851
KRW	6 315	21 281	-14 966
RUB	2 020	7 644	-5 624
HRK	1 254	2 956	-1 702
Other	3 160	11 171	-8 011
Total	**1 481 346**	**1 341 091**	**140 255**

A 10% negative movement in exchange rates against EUR would cause a loss of 2 650 TEUR. The highest currency sensitivity with 10% fluctuation in exchange rate as of 31.12.2022 has KRW/EUR in amount of 1 497 TEUR.

Currency in EUR '000	**2021**		
	Total Assets	**Total Liabilities**	**Net Amount**
EUR	1 311 223	1 118 091	193 132
TRY	29 071	29 745	-674
PLN	29 229	28 108	1 121
CZK	42 419	44 569	-2 151
JPY	15 518	12 749	2 770
CHF	12 123	17 461	-5 338
HUF	13 243	10 838	2 404
USD	13 276	9 944	3 332
RUB	3 442	7 623	-4 181
KRW	2 658	11 929	-9 270
Other	2 776	4 085	-1 309
Total	**1 474 979**	**1 295 144**	**179 835**

E.5.2. Interest Rate Risk

For VIG Re, interest rate risk arises from all assets and liabilities, which are sensitive to changes in the term structure of interest rates or interest rate volatility.

The Company's exposure to interest rates arises primarily from the Company's bond portfolio from assets side as these are susceptible to changes in interest rates, and the settlement of future claims from the liability side as the discount rates applied to claims settlement projections are impacted by interest yield curves.

Interest rate risk stemming from asset side is governed by the Investment and Risk Strategy though clearly defined limits regarding eligible investments, maturity and issuer types.

The Company monitors the sensitivity of its balance sheet and profit and loss from interest rates. Changes on interest rates of +/-100bps would have a EUR 19 million reduction in equity, and EUR 20 million increase respectively.

The tables below summarize the Company's exposure to interest rate risk as of 31 December.

Interest Rate Risk 2022 in EUR '000	**Effective interest rate**	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**	**Not specified**	**Total**
Financial instruments								
Financial assets available for sale – debt securities	1,61%	1 189	17 102	39 636	169 348	138 454	0	365 729
Financial assets available for sale – investment funds and shares in other related parties		0	0	0	0	0	99 462	99 462
Financial assets held to maturity – debt securities	4,93%	0	0	0	27 684	0	0	27 684
Loans – Term deposits	1,98%	17 000	0	0	0	17 370	0	34 370
Deposit due from cedents	4,14%	0	20 596	20 205	0	69 308	0	110 109
Cash and cash equivalents	**0%**	**32 505**						**32 505**
Total financial assets		**50 694**	**37 698**	**59 841**	**197 032**	**225 132**	**99 462**	**669 859**

Interest Rate Risk 2021 in EUR '000	**Effective interest rate**	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**	**Not specified**	**Total**
Financial instruments								
Financial assets available for sale – debt securities	1,23%	7 043	13 430	20 913	97 423	179 830	0	318 639
Financial assets available for sale – investment funds and shares in other related parties		0	0	0	0	0	149 296	149 296
Financial assets held to maturity – debt securities	4,93%	0	0	0	27 660	0	0	27 660
Loans – Term deposits	2,38%	0	1 175	0	0	10 856	0	12 031
Deposit due from cedents	4,14 %	0	12 692	19 162	0	69 192	0	101 046
Cash and cash equivalents	**0 %**	**60 754**	**0**	**0**	**0**	**0**	**0**	**60 754**
Total financial assets		**67 797**	**27 297**	**40 075**	**125 083**	**259 878**	**149 296**	**669 426**

E.5.3. Equity Risk

Equity risk arises from the level or volatility of market prices for equities. Exposure to equity risk refers to all assets and liabilities whose value is sensitive to changes in equity prices.

The exposure in equity risk arises mainly from the Company's investments in investment funds portfolio.

E.5.4. Sensitivity Analysis:

The market risk of the Company's financial assets is monitored and measured on a continuous basis using a Value at Risk ('VaR') analysis. Value at Risk takes into account the interdependencies between market risk variables.

VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level. This approach calculates the VaR using a parametric method. The VaR is calculated daily at a 99% confidence level and for a period of 60 working days.

The assumptions on which the VaR model is based give rise to certain limitations, especially the following:

- A 99 percent confidence level does not reflect losses that may occur beyond this level.
- VaR is a statistical estimation and therefore it is possible that there could be a greater number of days in any given period in which losses could exceed the calculated VaR implied by the confidence level.
- The measure is a 'point in time' calculation reflecting positions recorded as of 31 December.
- The methodology is applicable to instruments with a linear relationship between position value and market rates.
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day.
- The VaR measure is dependent upon the Company's position and the volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines, and vice versa.

The VaR positions of the financial investments were as follows:

VaR Including HTM as of 31 December in EUR '000	2022	2021
Market value of portfolio	523 205	541 628
Parametrical VaR 60d; 99%	33 452	18 506
Relative VaR (%) 60d; 99%	6,39%	3,42%

The VAR including HTM is calculated on the total portfolio including held to maturity positions. The HTM positions do not have a direct impact on market risk exposure.

VaR excluding HTM as of 31 December in EUR '000	2022	2021
Market value of portfolio	458 037	460 352
Parametrical VaR 60d; 99%	27 579	8 233
Relative VaR (%) 60d; 99%	6,02%	1,79%

The VaR excluding HTM is calculated on the available for sale portfolio.

The VaR figures can be interpreted as giving a 1% probability that the portfolio will fall in value by more than 33 452 TEUR (whole portfolio) or 27 579 (AFS portfolio) TEUR over a 60-day period, assuming markets are normal and there is no trading. The accuracy of the VaR model is regularly monitored.

E.6. Capital Management

The Company operates in the insurance/reinsurance sector, which is a regulated industry therefore has to comply with all regulations stipulated through the Insurance Act No. 277/2009 Coll. and Regulation No. 306/2016 Coll., including the solvency requirements relating to capital. The capital of the Company is managed also in compliance with quantitative levels and limits of own funds as set out in Commission Delegated Regulation (EU) 2015/35 from 10th October 2014 and Directive 2009/138/EC.

The methodology for Solvency Capital Requirement calculation is defined in the above-mentioned legislation. The Company has developed a Partial Internal Model for Non-Life Underwriting risk and Health Non-Similar to Life techniques Underwriting risk (excluding Health Catastrophe). The Company applied for regulator's approval in June 2020 and received the approval letter from Österreichische Finanzmarketaufsich (FMA) dated 10 December 2020, therefore the model had been used since 2020 year-end calculation. For all the rest risk modules the Company used the Standard Formula approach.

The Capital management process starts with the assessment of the capital adequacy. During the capital adequacy assessment, the Risk Management Function analyses outputs of plan and projection (Solvency II Balance Sheet, Own funds, SCR) as well as current solvency position.

The industry's regulator is the Czech National Bank, which monitors the capital requirements for the Company.

The Company closely monitors its compliance with the regulatory capital requirements. The current calculation base with respect to capital requirements is based on the Solvency II principles, which replaced the system of regulatory capital calculation – Solvency I in 2016.

The Company has sufficient capital based on the Solvency II principles. For further information please refer to SFCR report.

F. NOTES ON THE FINANCIAL STATEMENTS

F.1. Intangible Assets

Intangible Assets in EUR '000	**2022**	**2021**
Software and licenses	3 104	2 478
Total intangible assets	**3 104**	**2 478**

Intangible Assets 2022 in EUR '000	**License**	**Software**	**Total**
Balance as of 1 January	2 264	5 956	8 220
Additions	229	855	1 084
Balance as of 31 December	**2 493**	**6 811**	**9 304**
Balance as of 1 January	1 767	3 975	5 742
Amortization	198	260	458
Balance as of 31 December	**1 965**	**4 235**	**6 200**
Book value as of 1 January	**497**	**1 981**	**2 478**
Book value as of 31 December	**528**	**2 576**	**3 104**

Intangible Assets 2021 in EUR '000	**License**	**Software**	**Total**
Balance as of 1 January	1 996	5 020	7 016
Additions	268	936	1 204
Balance as of 31 December	**2 264**	**5 956**	**8 220**
Balance as of 1 January	1 767	3 456	5 223
Amortization	0	519	519
Balance as of 31 December	**1 767**	**3 975**	**5 742**
Book value as of 1 January	**229**	**1 564**	**1 793**
Book value as of 31 December	**497**	**1 981**	**2 478**

F.2. Property, Plant and Equipment

Property, Plant and Equipment – 2022 in EUR '000	Vehicles	Buildings (RoU)	Other	Total
Balance as of 1 January	**107**	**2 929**	**1 759**	**4 795**
Additions	0	46	239	285
Disposals	0	0	28	28
Balance as of 31 December	**107**	**2 975**	**1 970**	**5 052**
Balance as of 1 January	**53**	**1 233**	**962**	**2 248**
Depreciation	15	442	308	765
Disposals	0	0	28	28
Balance as of 31 December	**68**	**1 675**	**1 242**	**2 985**
Book value as of 1 January	**55**	**1 696**	**797**	**2 548**
Book value as of 31 December	**40**	**1 300**	**728**	**2 068**

Property, Plant and Equipment – 2021 in EUR '000	Vehicles	Buildings (RoU)	Other	Total
Balance as of 1 January	**153**	**2 868**	**1 481**	**4 502**
Additions	0	61	318	379
Disposals	46	0	40	86
Balance as of 31 December	**107**	**2 929**	**1 759**	**4 795**
Balance as of 1 January	**58**	**802**	**691**	**1551**
Depreciation	41	431	311	783
Disposals	46	0	40	86
Balance as of 31 December	**53**	**1 233**	**962**	**2 248**
Book value as of 1 January	**96**	**2 066**	**790**	**2 952**
Book value as of 31 December	**55**	**1 696**	**797**	**2 548**

Right-of-use assets are described in F.29 Leases.

F.3. Investments in Subsidiaries

Investment in Subsidiaries in EUR '000	31.12.2022	Country	NAV	Cost of investment	Impairment losses	Net cost of investment	Proportion of ownership interest	Proportion of voting power
Wiener Re a.d.o. Serbia	6 758	Serbia	8 029	6 758		6 758	100%	100%
Total	**6 758**			**6 758**				

Investment in Subsidiaries in EUR '000	31.12.2021	Country	NAV	Cost of investment	Impairment losses	Net cost of investment	Proportion of ownership interest	Proportion of voting power
Wiener Re a.d.o. Serbia	6 758	Serbia	7 678	6 758		6 758	100%	100%
Total	**6 758**			**6 758**				

Investment in Subsidiaries in EUR '000	Date of acquisition	Proportion of ownership	Assets acquired	Liabilities acquired
Wiener Re a.d.o. Serbia	22.7.2010	99%	20 445	14 137
Wiener Re a.d.o. Serbia	17.3.2017	1%	454	383
Total			**20 899**	**14 520**

Wiener Re a.d.o. Serbia was acquired in 2010 from WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group.

F.4. Financial Investments

Financial Investments in EUR '000	2022	2021
Available for sale financial assets	465 191	467 935
Held to maturity financial assets	27 684	27 660
Loans and receivables	144 479	113 077
Total	**637 354**	**608 672**

F.4.1. Financial Assets Available for Sale

Financial Assets Available for Sale in EUR '000	2022	2021
Debt securities		
Government bonds	185 724	173 852
Covered bonds	36 888	7 218
Corporate bonds	47 625	50 248
Bonds from banks	95 492	87 322
Investment funds	90 778	140 102
Shares	664	1 173
Shares in other related parties	8 020	8 020
Total	**465 191**	**467 935**

Financial Assets Available for Sale 2022	Amortized value/ Purchase price	FX differences	Unrealized gains or losses	Impairment	Fair value
Debt securities	317 308	998	47 423		365 729
Investment funds	83 740		7 038		90 778
Shares	664				664
Shares in affiliated non-consolidated companies	8 020				8 020
Total	**409 731**	**998**	**54 461**		**465 191**

Financial Assets Available for Sale 2021	Amortized value/ Purchase price	FX differences	Unrealized gains or losses	Impairment	Fair value
Debt securities	316 493	-2 131	4 278	0	318 640
Investment funds	140 695	0	- 593	0	140 102
Shares	1 173	0	0	0	1 173
Shares in affiliated non-consolidated companies	8 020	0	0	0	8 020
Total	**466 381**	**-2 131**	**3 685**	**0**	**467 935**

Fair Value Hierarchy – 2022 in EUR '000	Level 1	Level 2	Level 3	Total
Balance as of 1 January	**433 878**	**15 879**	**18 177**	**467 934**
Reclassification to level		4 341		**4 341**
Reclassification from level	-4 341			**-4 341**
Additions	114 288	8 990	1 778	**125 056**
Disposals	-65 977	-4 000	-566	**-70 543**
Changes in value recognised in profit and loss	**875**	**124**		**998**
Changes in value recognised directly in equity	**-52 666**	**-4 316**	**-1 273**	**-58 255**
Balance as of 31 December	**426 057**	**21 017**	**18 116**	**465 190**

Fair Value Hierarchy – 2021 in EUR '000	Level 1	Level 2	Level 3	Total
Balance as of 1 January	**402 432**	**10 858**	**12 080**	**425 370**
Additions	120 734	13 996	5 636	**140 366**
Disposals	-76 915	-9 017	-12	**-85 943**
Changes in value recognised in profit and loss	**-2 344**	**212**		**-2 312**
Changes in value recognised directly in equity	**-10 028**	**-171**	**473**	**-9 726**
Balance as of 31 December	**433 879**	**15 879**	**18 177**	**467 935**

Level 1 represents quoted prices in active markets for identical assets or liabilities (close/traded exchange prices, net asset values for opened-ended funds that are redeemable at any time, that report a daily NAV and that can be redeemed at this NAV).

Level 2 represents marked-to-market – the comparable financial instrument is calculated using valuation techniques for which all significant inputs are based on observable market data.

Level 2 Pricing Method	Used for	Fair value	Input parameters observable
Present value method	Bonds	Theoretical price	Issuer, sector and rating-dependent yield curves
Hull-White present value method	Bonds	Theoretical price	Maturity dependent implied volatilities rating-dependent yield curves
Hull-White present value method	Bonds	Theoretical price	Issuer, sector and rating-dependent yield curves

Level 3 represents an investment where the inputs for the asset valuation are not observable market data (issuer, sector and rating-dependent yield curves of non-government bonds).

This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

For fair value measurements in Level 3, if changing one or more of the inputs to reasonably possible alternative assumptions would significantly change the fair value, then the entity states that fact and discloses, through the class of financial instruments, the effect of those changes. For this purpose, significance is judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognized in other comprehensive income, total equity. In our view, reasonably possible alternative assumptions are those that could reasonably have been included in the valuation model as of the reporting date based on the circumstances at the reporting date.

Reclassification – 2022 in EUR '000	Level 1 to Level 2
Debt securities	
Amortized value	4 302
FX differences	
Unrealized gains or losses	39
Total	**4 341**
Number	**1**

Investments, which were in the past priced on active markets and their valuation was acquired from Bloomberg (Level 1) are currently measured by VIG model (level 2), because the investment is no longer liquid.

No Reclassification in 2021.

F.4.2. Financial Assets Held to Maturity

Financial Assets Held to Maturity in EUR '000	2022	2021
Debt securities		
Government bonds	27 684	27 660
Corporate bonds	0	0
Total	**27 684**	**27 660**

Financial Assets Held to Maturity – 2022 in EUR '000	Carrying amount	Fair value
Debt securities		
Government bonds	27 684	26 869
Corporate bonds	0	0
Total	**27 684**	**26 869**

Financial Assets Held to Maturity – 2021 in EUR '000	Carrying amount	Fair value
Debt securities		
Government bonds	27 660	32 538
Corporate bonds	0	0
Total	**27 660**	**32 538**

All financial assets held to maturity are allocated to the Level 1 of the fair value hierarchy.

F.4.3. Loans and Deposits

Loans and Deposits in EUR '000	2022	2021
Loans – Term deposits	34 370	12 031
Deposits due from cedents	110 109	101 046
Total	**144 479**	**113 077**

Deposits Due from Cedents in Relation to Reinsurance Liabilities in EUR '000			2022
Assets		**Liabilities**	
Deposits due from cedents	110 109	Unearned premiums	10 609
		Outstanding claims	14 699
		Life reinsurance provision	84 801
Total gross	**110 109**		**110 109**

Deposits Due from Cedents in Relation to Reinsurance Liabilities in EUR '000			2021
Assets		**Liabilities**	
Deposits due from cedents	101 046	Unearned premiums	10 609
		Outstanding claims	5 636
		Life reinsurance provision	84 801
Total gross	**101 046**		**101 046**

Deposits due from cedents serve directly as collateral for technical provisions covering business assumed from cedents in reinsurance. They do not trigger any cash flows and may not be used by the cedent independently. The credit risk is therefore limited. The amount of and changes in deposits retained on assumed reinsurance during the period generally derive from the values for the changes in the related technical provisions for the reinsured business.

Deposits due from cedents thus do not have a fixed maturity date, their release is generally being dependent on the run-off of the corresponding provisions.

The value of deposits from cedents is regularly updated based on the value of reserves. Therefore we consider the book value not materially different from fair value .

All loans and deposits are allocated to the Level 3 of the fair value hierarchy.

F.5. Receivables

Receivables in EUR '000	**2022**	**2021**
Receivables from direct reinsurance business	157 662	148 567
Receivables from ceded reinsurance business	66 288	67 177
Other receivables	2 699	42
Prepayments	157	150
Total gross	**226 806**	**215 936**
Impairment	11 254	918
Total net	**215 552**	**215 018**

Due to the short term nature of receivables the book value does not materially differ from Fair value .
All receivables are allocated to the Level 3 of the fair value hierarchy.

F.6. Ceded Share of Reinsurance Liabilities

Ceded Share of Reinsurance Liabilities in EUR '000	**2022**	**2021**
Unearned premiums	22 439	10 015
Outstanding claims	513 199	543 329
Life reinsurance provision – retrocession	1 564	898
Total	**537 202**	**554 242**

F.7. Deferred Tax

The deferred tax assets and liabilities recognized relate to the amounts of temporary differences in balance sheet items listed in the following table. The differences were already valued using applicable tax rates.

Deferred Tax	2022		2021	
Balance sheet position	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	219	0	27	0
Intangible assets	0	-171	0	-27
Revaluation differences	10 783	0	0	- 172
RoU and lease liabilities	272	-258	335	-322
*Technical provisions	17 081	0	9 903	0
Impairment of Receivables and Other provisions	3 008	0	462	0
Total	**31 363**	**-429**	**10 727**	**-521**
Net Balance	**30 934**		**10 206**	

*Deferred tax assets from technical provisions consists of taxation of technical provisions based on new Act no. 364/2019 Coll., that came into effect on 1 January 2020.

Movement in Deferred Tax	2022	2021
Net deferred tax assets/(liability) – opening balance	10 206	1 996
Deferred tax (expense)/income for the period – through Profit or Loss	9 773	6 432
Change in revaluation differences	10 956	1 778
- Tax from AFS investments	-113	-47
- Deferred tax through Other Comprehensive Income	11 068	1 825
Net deferred tax asset/(liability) – closing balance	**30 934**	**10 206**

In accordance with the accounting method described in B.7., the amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date which is 19% for the year in question (2021: 19%).

F.8. Other Assets

Other Assets in EUR '000	2022	2021
Prepaid expenses	1 003	353
Total	**1 003**	**353**

F.9. Ceded share of deferred acquisition costs

Development of Ceded share of DAC in EUR '000	2022	2021
Book value – opening balance	**13 949**	**14 114**
Costs deferred during the current year	7 851	6 231
DAC released during the current year	6 918	6 464
FX translation	-17	67
Book value – closing balance	**14 866**	**13 949**

F.10. Cash and Cash Equivalents

Cash and Cash Equivalents in EUR '000	2022	2021
Cash and cash equivalents	1	4
Cash at bank	32 504	60 750
Total	**32 505**	**60 754**

F.11. Shareholders' Equity

Share Capital in EUR '000	2022	2021
Authorized number of shares		
25 000 of 4 078.32 EUR shares	101 958	101 958
6 500 of 3 829.66 EUR shares	24 892	24 892
Issued number of shares		
25 000 of 4 078.32 EUR shares	101 958	101 958
6 500 of 3 829.66 EUR shares	24 892	24 892
Total	**126 850**	**126 850**

F.12. Subordinated Liabilities

Subordinated Liabilities in EUR '000	2022	2021
Nominal value	55 000	55 000
Accrued interests	742	742
Total	**55 742**	**55 742**

Company borrowed subordinated loan with ten years maturity and interest rate 4% from Vienna Insurance Group AG Wiener Versicherung Gruppe in June 2018. The Company issued perpetual subordinated unsecured income certificates in nominal value of EUR 20 million on 15 December 2021. The coupon is 3.8864% until the first call date (10th anniversary of the issue date). The certificates were fully subscribed by Vienna Insurance Group AG Wiener Versicherung Gruppe.

F.13. Unearned Premiums

Unearned Premium Provision – 2022 in EUR '000	Gross	Reinsurance	Net
Book value – opening balance	**27 285**	**10 015**	**17 271**
Premium written during the current year	792 273	345 754	446 519
Less premium earned during the current year	-761 356	-322 379	-438 977
Effect of clean cut	-13 060	-10 094	-2 966
FX translation	-769	-857	88
Book value – closing balance	**44 373**	**22 439**	**21 935**

The Company booked portfolio entries of provisions as explained in B.24.

Unearned Premium Provision – 2021 in EUR '000	Gross	Reinsurance	Net
Book value – opening balance	**22 693**	**11 864**	**10 829**
Premium written during the current year	661 275	250 770	410 505
Less premium earned during the current year	-658 189	-253 721	-404 468
Effect of clean cut	1 781	1 018	763
FX translation	-275	83	-358
Book value – closing balance	**27 285**	**10 014**	**17 271**

F.14. Deferred Acquisition Costs

Development of DAC in EUR '000	2022	2021
Book value – opening balance	**4 341**	**3 845**
Costs deferred during the current year	4 489	3 567
DAC released during the current year	3 320	3 094
FX translation	-19	23
Book value – closing balance	**5 491**	**4 341**

F.15. Outstanding Claims

Provisions (RBNS, IBNR) – 2022 in EUR '000	Gross	Reinsurance	Net
Book value – opening balance	**928 128**	**543 329**	**384 798**
Claims incurred	551 277	243 658	307 619
Less claims paid	-476 719	-256 104	-220 615
Effect of clean cut	-34 460	-13 996	-20 464
FX translation	-3 126	-3 688	562
Book value – closing balance	**965 098**	**513 199**	**451 901**

Claims Development Table – Property/Casualty on a Gross Basis in EUR '000	**UY 2022**	**UY 2021**	**UY 2020**	**UY 2019**	**UY 2018**	**UY 2017**	**UY 2016**	**UY 2015**	**UY 2014**	**UY 2013 +**	**Total**
Estimate of total cumulative claims at the end of the year	461 876	576 634	327 180	291 659	198 010	293 745	190 331	205 507	225 203	778 747	3 548 891
One year later		655 413	335 647	324 498	217 253	305 337	178 940	236 188	251 289	846 666	3 351 232
Two years later			307 761	271 611	206 597	312 647	180 291	239 441	237 267	843 466	2 599 081
Three years later				275 294	225 929	313 871	177 471	237 164	258 181	814 546	2 302 457
Four years later					229 030	313 737	182 293	233 378	259 619	798 978	2 017 035
Five years later						312 137	177 890	233 686	257 303	792 091	1 773 107
Six years later							178 832	233 321	254 613	785 984	1 452 751
Seven years later								233 773	258 173	782 870	1 274 817
Eight years later									258 475	782 553	1 041 028
Nine years later										784 118	784 118
Ten years later										538 390	538 390
Estimate of cumulative claims	**461 876**	**655 413**	**307 761**	**275 294**	**229 030**	**312 137**	**178 832**	**233 773**	**258 475**	**785 954**	**3 698 545**
Cumulative payment	169 990	458 677	225 208	159 843	151 659	249 986	149 053	202 323	237 722	714 795	2 719 256
Value recognized in balance sheet	**291 886**	**196 736**	**82 552**	**115 451**	**77 371**	**62 151**	**29 779**	**31 450**	**20 753**	**71 158**	**979 288**

The Company booked portfolio entries of provisions as explained in B.24. Existing portfolio transfers from novation are considered to be in the underwriting year in which they come into the Company's portfolio.

Outstanding claims relating to health (10 710 TEUR) and life (9 250 TEUR) and FX differences (24 889 TEUR) are not included in the above table due to their relative insignificance.

Provisions (RBNS, IBNR) – 2021 in EUR '000	**Gross**	**Reinsurance**	**Net**
Book value – opening balance	**590 369**	**265 785**	**324 584**
Claims incurred and reported	769 846	466 235	303 611
Less claims paid	-414 764	-181 241	-233 638
Effect of clean cut	-11 058	-4 058	-7 000
FX translation	-6 265	-3 393	-2 757
Book value – closing balance	**928 128**	**543 328**	**384 800**

Claims Development Table – Property/Casualty on a Gross Basis in EUR '000	**UY 2021**	**UY 2020**	**UY 2019**	**UY 2018**	**UY 2017**	**UY 2016**	**UY 2015**	**UY 2014**	**UY 2013**	**UY 2012 +**	**Total**
Estimate of total cumulative claims at the end of the year	576 634	327 180	291 659	198 010	293 745	190 331	205 507	225 203	248 954	529 793	3 087 016
One year later		335 647	324 498	217 253	305 337	178 940	236 188	251 289	257 699	588 967	2 695 818
Two years later			271 611	206 597	312 647	180 291	239 441	237 267	254 582	588 883	2 291 319
Three years later				225 929	313 871	177 471	237 164	258 181	249 393	565 154	2 027 163
Four years later					313 737	182 293	233 378	259 619	247 119	551 859	1 788 005
Five years later						177 890	233 686	257 303	245 487	546 604	1 460 970
Six years later							233 321	254 613	244 876	541 108	1 273 918
Seven years later								258 173	243 278	539 592	1 041 043
Eight years later									245 108	537 445	782 553
Nine years later										538 325	538 325
Ten years later										428 127	428 127
Estimate of cumulative claims	**576 634**	**335 647**	**271 611**	**225 929**	**313 737**	**177 890**	**233 321**	**258 173**	**245 108**	**537 917**	**3 175 967**
Cumulative payment	217 235	185 249	146 124	143 053	246 202	146 334	200 804	237 023	229 812	482 929	2 234 765
Value recognized in balance sheet	**359 399**	**150 398**	**125 487**	**82 876**	**67 535**	**31 556**	**32 517**	**21 150**	**15 296**	**54 988**	**941 202**

The Company booked portfolio entries of provisions as explained in B.24. Existing portfolio transfers from novation are considered to be in the underwriting year in which they come into the Company's portfolio.

Outstanding claims relating to health (9 290 TEUR) and life (9 020 TEUR) and FX differences (31 384 TEUR) are not included in the above table due to their relative insignificance.

F.16. Life Reinsurance Provision

Development in 2022 in EUR '000	Gross	Reinsurance	Net
Book value – opening balance	**84 802**	**898**	**83 904**
Additions	4 209	666	3 543
Disposals	4 407		4 407
Book value – closing balance	**84 604**	**1 564**	**83 040**

Development in 2021 in EUR '000	Gross	Reinsurance	Net
Book value – opening balance	**84 920**	**776**	**84 144**
Additions	205	122	83
Disposals	324	0	324
Book value – closing balance	**84 801**	**898**	**83 903**

F.17. Payables

Payables in EUR '000	2022	2021
Payables arising out of reinsurance operations – cedents	144 831	161 203
Payables arising out of reinsurance operations – retrocession	27 338	17 774
Trade payables	810	229
Wages and salaries	495	409
Social security and health insurance and tax payables	351	243
Lease liabilities	1 370	1 766
Other payables	1 770	3 374
Total	**176 965**	**184 998**

F.18. Other Liabilities

Other Liabilities in EUR '000	2022	2021
Accruals	3 726	3 296
Total	**3 726**	**3 296**

F.19. Premium

Premium Written - Reinsurance Premium 2022 in EUR '000	Property/ Casualty	Health	Life	Total
Gross				
Austria	194 946	17 472	7 400	219 818
Germany	72 195	3 731	7 044	82 971
Czech Republic	65 721	979	499	67 200
Italy	30 145	253	5 462	35 860
Poland	37 085	2 405	1 693	41 183
Turkey	47 181	4 527	21	51 729
Slovakia	14 852	3 125	8 645	26 622
France	39 863	4	178	40 044
Romania	20 223	20	400	20 643
Serbia	13 435	689	454	14 578
Japan	15 084	0	26	15 110
Croatia	14 621	0	1 975	16 596
Bulgaria	12 643	62	942	13 646
Hungary	12 054	204	630	12 889
Switzerland	16 474	0	19	16 493
South Korea	12 724	0	539	13 263
Spain	15 771	0	0	15 771
Other*	82 151	906	4 802	87 859
Premium written	**717 168**	**34 377**	**40 727**	**792 273**
Retroceded premium	**332 074**	**3 419**	**10 261**	**345 754**
Premium written – Retained	**385 094**	**30 959**	**30 466**	**446 519**

*) Other represents the following countries: Albania, Armenia, Azerbaijan, Belgium, Bosnia, Estonia, Georgia, Greece, Kazakhstan, Kosovo, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Moldova, Montenegro, Netherlands, Portugal, Russia, Slovenia, Ukraine, United Kingdom.

Premium Written - Reinsurance Premium 2021 in EUR '000	Property/ Casualty	Health	Life	Total
Gross				
Austria	179 663	15 589	9 075	204 327
Germany	61 468	3 306	6 669	71 443
Czech Republic	52 815	8	438	53 261
Italy	36 819	190	1 138	38 147
Poland	34 389	3	1 566	35 958
Turkey	28 676	4 107	131	32 914
Slovakia	15 929	2 140	8 487	26 555
France	30 775	36	111	30 922
Romania	15 233	20	215	15 467
Serbia	10 632	436	271	11 339
Japan	13 914	0	19	13 933
Croatia	12 368	0	1 560	13 927
Bulgaria	9 106	576	256	9 938
Hungary	9 248	129	530	9 908
Switzerland	13 686	0	0	13 686
Other*	75 376	1 770	2 401	79 549
Premium written	**600 096**	**28 312**	**32 867**	**661 275**
Retroceded premium	**240 007**	**2 269**	**8 494**	**250 770**
Premium written – Retained	**360 089**	**26 043**	**24 373**	**410 505**

*) Other represents the following countries: Albania, Armenia, Azerbaijan, Belgium, Bosnia, Estonia, Georgia, Greece, Kazakhstan, Kosovo, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Moldova, Montenegro, Netherlands, Portugal, Russia, Slovenia, South Korea, Spain, Ukraine, United Kingdom.

In 2022 the Company wrote premium of 462 622 TEUR from VIG Group companies and 329 651 TEUR from external parties (in 2021: 382 798 TEUR from VIG Group companies and 278 477 TEUR from external parties).

Premium Written – Reinsurance Premium 2022 in EUR '000	Gross	Ceded	Net
Property/Casualty			
Motor Third Party Liability	111 075	-39 873	71 202
Motor Own Damage	37 673	-2 332	35 341
Personal Accident	21 349	-15 012	6 337
General Third Party Liability	24 843	-4 815	20 029
Property	496 323	-255 451	240 871
Marine	25 906	-14 591	11 314
Premium written	**717 168**	**-332 074**	**385 094**

Premium Written – Reinsurance Premium 2021 in EUR '000	Gross	Ceded	Net
Property/Casualty			
Motor Third Party Liability	91 318	-27 291	64 027
Motor Own Damage	34 735	-1 475	33 260
Personal Accident	11 402	-5 380	6 022
General Third Party Liability	21 006	-3 463	17 543
Property	422 946	-193 476	229 470
Marine	18 689	-8 922	9 767
Premium written	**600 096**	**-240 007**	**360 089**

F.20. Investment Result

Investment Income in EUR '000	2022	2021
Interest income		
Loans and term deposits	340	174
Deposits due from cedents	3 277	3 531
Financial investments held to maturity	1 332	1 819
Financial investments available for sale	5 852	4 619
Total interest income	**10 801**	**10 143**
Gains from the disposal of financial investments		
Financial investments available for sale	3 208	4 372
Total gains from disposals of investments	**3 208**	**4 372**
FX gains	**0**	**0**
Kick-back and other fees	**25**	**34**
Total	**14 034**	**14 549**

Investment Expense in EUR '000	2022	2021
Losses from disposal of investments	4 253	180
Management fees	7	436
FX losses	2 183	3 875
Interests from retrocession operations	46	448
Total	**6 489**	**4 939**

F.21. Other Income

Other Income in EUR '000	2022	2021
Foreign currency gains	1 294	3 940
Income from sale of inventory	1	15
Total	**1 295**	**3 955**

F.22. Claims and Insurance Benefits

Expenses for Claims and Insurance Benefits – 2022 in EUR '000	**Gross**	**Retrocession**	**Net**
Property/casualty/health			
Expenses for insurance claims			
Claims and benefits	458 807	254 059	204 748
Changes in provision for outstanding claims	74 143	-13 079	87 222
Subtotal	**532 950**	**240 980**	**291 970**
Changes in mathematical reserve	278	0	278
Changes in other insurance liabilities	183	44	139
Total non-life expenses for claims and insurance benefits	**533 411**	**241 024**	**292 387**
Life			
Expenses for insurance claims			
Claims and benefits	17 911	2 000	15 911
Changes in provision for outstanding claims	233	677	-444
Subtotal	**18 144**	**2 678**	**15 467**
Changes in mathematical reserve	-476	666	-1 142
Changes in other insurance liabilities	0	0	0
Total life expenses for claims and insurance benefits	**17 668**	**3 344**	**14 324**
Total	**551 079**	**244 368**	**306 711**

Expenses for Claims and Insurance Benefits – 2021 in EUR '000	**Gross**	**Retroces-sion**	**Net**
Property/casualty/health			
Expenses for insurance claims			
Claims and benefits	400 587	179 366	221 221
Changes in provision for outstanding claims	351 886	286 140	65 746
Subtotal	**752 473**	**465 506**	**286 967**
Changes in mathematical reserve	262	0	262
Changes in other insurance liabilities	173	0	173
Total non-life expenses for claims and insurance benefits	**752 908**	**465 506**	**287 402**
Life			
Expenses for insurance claims			
Claims and benefits	14 177	1 831	12 346
Changes in provision for outstanding claims	**3 040**	**730**	**2 310**
Subtotal	17 217	2 561	14 656
Changes in mathematical reserve	-380	122	-502
Changes in other insurance liabilities	**0**	**0**	**0**
Total life expenses for claims and insurance benefits	**16 837**	**2 683**	**14 154**
Total	**769 745**	**468 189**	**301 556**

F.23. Acquisition Expenses

Commission Expenses 2022 in EUR '000	Property/ Casualty	Health	Life	Total
Reinsurance commission – Fix	83 059	2 851	5 156	91 066
Reinsurance commission – Sliding scale	21 811	771	0	22 582
Reinsurance commission – Profit commission	7 784	6 069	4 946	18 799
Deferred acquisition expenses	-2 370	356	1 100	-916
Total	**110 284**	**10 047**	**11 203**	**131 533**

Commission Expenses 2021 in EUR '000	Property/ Casualty	Health	Life	Total
Reinsurance commission – Fix	76 941	1 248	3 807	81 996
Reinsurance commission – Sliding scale	20 836	506	0	21 342
Reinsurance commission – Profit commission	2 727	49	4 580	7 356
Deferred acquisition expenses	-1 774	705	1 301	232
Total	**98 730**	**2 508**	**9 688**	**110 926**

F.24. Commission Income from Retrocessionaires

Commission Income from Retrocessionaires in EUR '000	2022	2021
Reinsurance commissions	52 170	38 624
Profit commissions	1 022	972
Deferred acquisitions revenues	-1 149	-474
Total	**52 043**	**39 122**

F.25. Other Operating Expenses

Other Operating Expenses in EUR '000	2022	2021
Personnel expenses	3 821	3 090
Mandatory social security contributions and expenses	1 170	839
Depreciation of property, plant and equipment	213	258
Depreciation of leased assets	442	431
Amortization of intangible assets	694	340
Rental expenses	236	199
Services	54	58
Bad debt allowances creation/release	11 095	4
Write off receivables	665	0
Other administrative and IT expenses	948	734
Total	**19 338**	**5 953**

Information about fees paid to auditors for statutory audit services are disclosed in consolidated financial statements of parent company VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe. In 2022 a SFCR audit fee was in amount of 34,300 TEUR (2021: TEUR 32,670).

Management and Employee Statistics Number of members	**2022**	**2021**
Management – BoD	3	3
Other employees	126	110
Total	**129**	**113**

Personal Expenses in EUR '000	**2022**	**2021**
Wages and salaries	3 602	2 896
Mandatory social security contribution expenses	1 170	839
Other social security expenses	219	194
Total	**4 991**	**3 929**

Board of Directors and Supervisory Board Compensation in EUR '000	**2022**	**2021**
Board of Directors compensation	1 107	953
Supervisory Board compensation	111	112
Total	**1 218**	**1 065**

F.26. Finance Cost

Finance Cost in EUR '000	**2022**	**2021**
Interest expenses from subordinated liabilities	2 204	1 434
Interest on lease liabilities	44	56
Total	**2 248**	**1 490**

F.27. Other Expenses

Other Expenses in EUR '000	**2022**	**2021**
Foreign currency losses	-294	2 698
Total	**-294**	**2 698**

F.28. Tax Expense

Tax Expense in EUR '000	2022	2021
Current taxes		
- Actual taxes current period	14 039	12 010
- Actual taxes related to other periods	717	62
Total current taxes	**14 755**	**12 072**
Deferred taxes (F.7)	**-9 660**	**-6 362**
- Tax from AFS investments	113	69
- Deferred tax (expense)/income for the period – through Profit or Loss	-9 773	-6 431
Other income tax	**0**	**0**
Total taxes	**5 095***	**5 710***

* Tax calculated based on tax base in CZK (currency used for tax purposes). The final tax is then recalculated using the EUR/CZK FX rate as of 31 December 2022 and 31 December 2021.

Tax Rate Reconciliation in EUR '000	2022	2021
Expected tax rate in %	19	19
Profit before tax	30 668	26 846
Expected tax expense	**5 827**	**5 101**
Adjusted for tax effects due to:		
- Tax exempt income	-100	-76
- Non-deductible expenses – other	126	467
- Income exempted from tax	-1 135	-1 298
- Expense exempted from tax	245	171
- Taxes from previous years	0	85
- Changes in tax rates	0	0
Other adjustments	**1 464**	**1 275**
- FX differences**	-1 333	-15
Income tax expense	**5 095**	**5 710**
Effective tax rate in %	16,61	21,27

** FX effect caused by difference between functional currency (EUR) and currency used for calculating tax duty and preparing the tax return (CZK

F.29. Leases

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property.

Property, Plant and Equipment in EUR '000	2022	2021
Property, plant and equipment owned	768	852
Right-of-use assets, except for investment property	1 300	1 696
Total	**2 068**	**2 548**

The Company leases its head office building in Prague, the Czech Republic and office premises of its branches in Frankfurt a. M., Germany and Paris, France. Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Buildings in EUR '000	**2022**	**2021**
Balance at 1 January	**1 696**	**2 066**
Depreciation charge for the year	-442	-431
Additions/Disposals	46	61
Balance at 31 December	**1 300**	**1 696**

Lease liabilities

Lease Liability in EUR '000	**2022**	**2021**
Maturity analysis – contractual undiscounted cash flows		
Less than one year	491	476
One to five years	938	1 391
Total undiscounted lease liabilities at 31 December	**1 429**	**1 867**
Lease liabilities included in the statement of financial position at 31 December	**1 370**	**1 766**
Current	460	432
Non-current	910	1 334

Lease liabilities are presented in 'Payables' in the statement of financial position.

Amounts recognised in profit or loss

Amounts Recognised in Profit or Loss in EUR '000	**2022**	**2021**
Interest on lease liabilities	-45	-56
Depreciation charge for the year	-442	-431

Amounts recognised in the statement of cash flows

Amounts Recognised in the Statement of Cash Flows in EUR '000	**2022**	**2021**
Total cash outflow for leases	-486	-475

F.30. Sensitivies

Company evaluates the insurance risks, the significant one is the risk of bias in the pricing of the P&C assumed business. Company calculates two scenarios, assuming 1% shock on the Loss-ratio and severe 5% shock of LR deteriorating. The shock is applied to the whole P&C portfolio. The impact is mitigated by retrocession, Sliding scale and profit commissions and PAXL and UWY SL treaty.

In EUR '000	Original Calculation	1% LR shock	5% LR shock
Gross IBNR BE	236 430	240 278	255 574
Retro IBNR BE	88 972	90 751	96 668
Net IBNR Margin	15 596	15 845	17 666
Gross IBNR BE change		-3 848	-19 144
Retro IBNR BE change		1 779	7 696
Net IBNR BE change		**-2 069**	**-11 448**
Net IBNR Margin change		-249	-2 069
Sliding scale/profit commissions change		176	808
PAXL and UWY SL Recoverable change		258	1 323
Impact to P&L		**-1 883**	**-11 386**

F.31. Related Parties

The related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

F.31.1. Shareholders

Shareholders as of 31 December 2022:

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe 55%
DONAU Versicherung AG Vienna Insurance Group 10%
Kooperativa pojišťovna, a.s., Vienna Insurance Group........10%
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group........10%
WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group........15%

The ultimate parent of the Company is VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (VIG).

Transactions With the Parent Company in EUR '000	2022	2021
Balance sheet		
Receivables	3 237	3 201
Outstanding claims	69 149	63 141
Liabilities	2 911	13 230
Income statement		
Premiums written	20 501	16 574
Change due to provision for premiums	42	440
Expenses for claims and insurance benefits	-18 246	- 19 501
Change in claims and other reinsurance liabilities	-8 653	22 369
Commission expenses	2	135
Other operating expenses	-377	-17

Transactions between the Company and its parent relate to reinsurance/retrocession contracts and servicing contracts related to back office.

Transactions with Other Entities with Joint Control or Significant Influence* in EUR '000	**2022**	**2021**
Balance sheet		
Deposits due from cedents	1 899	1 760
Receivables	27 419	24 500
Unearned premiums	4 870	4 357
Premium reserve	438	424
Outstanding claims	159 756	203 817
Liabilities	132 756	155 594
Income statement		
Premiums written	242 602	219 372
Change due to provision for premiums	3 276	684
Investment and interest income/expense	54	52
Expenses for claims and insurance benefits	-186 180	-185 250
Change in claims and other reinsurance liabilities	19 763	-141 633
Commission expenses	-37 233	-24 333
Intergroup outsourcing	-566	-514

*Donau Versicherung AG, Kooperativa pojišťovna, a.s., Kooperativa poisťovna, a.s., Wiener Städtidsche Versicherung AG.

Transactions between the Company and entities with joint control relate to reinsurance/retrocession contracts and servicing contracts related to back office.

F.31.2. Subsidiaries

The Company has one subsidiary: Wiener Re a.d.o. Serbia (for details B.3.).

Transactions with subsidiaries in EUR '000	**2022**	**2021**
Balance sheet		
Receivables	1 856	1 396
Unearned premiums	890	958
Outstanding claims	4 245	4 727
Liabilities	702	796
Income statement		
Premiums written	13 659	11 439
Change due to provision for premiums	-68	-6
Investment and interest income	456	384
Expenses for claims and insurance benefits	-7 095	-4 722
Change in claims and other reinsurance liabilities	482	940
Commission expenses	-4 331	-3 731

Transactions between the Company and its subsidiaries relate to reinsurance/retrocession contracts and servicing contracts related to back office.

F.31.3. Key Management Personnel of the Entity and its Parent

Key management personnel are those persons with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The key management personnel are comprised of the Board of Directors and the Supervisory Board, together with members of the Board of Directors of VIG. Close family members of key management personnel are also deemed to be related parties. The Company has no transactions with family members of key management personnel and key management personnel except for the compensation mentioned in F.25.

Other Related Parties

Other related parties comprise fellow subsidiaries, associates and joint ventures of the ultimate parent company.

Transactions between the Company and other related parties are based only on reinsurance contracts.

Transactions with Other Related Parties in EUR '000	**2022**	**2021**
Balance sheet		
Deposits due from cedents	6 495	2 388
Receivables	39 482	33 461
Unearned premiums	25 499	17 488
Premium reserve	5 331	1 895
Outstanding claims	166 015	155 743
Liabilities	23 786	18 360
Income statement		
Premiums written	185 536	136 318
Change due to provision for premiums	15 259	1 884
Miscellaneous earnings/expenditures of investment	106	47
Expenses for claims and insurance benefits	-93 535	-87 684
Change in claims and other reinsurance liabilities	-10 684	-27 567
Commission expenses	-28 872	-23 460

Transactions between the Company and other related parties relate to reinsurance/retrocession contracts.

F.32. Fair Value of Financial Assets and Liabilities

Financial Assets in EUR '000	31.12.2022		31.12.2021	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial investments	**522 986**	**527 245**	**512 028**	**507 626**
Financial assets held to maturity	26 869	27 684	31 723	27 660
Financial assets available for sale	465 191	465 191	467 935	467 935
Loans – Term deposits	30 926	34 370	12 370	12 031
Receivables	**215 552**	**215 552**	**215 018**	**215 018**
Cash and cash equivalents	**32 505**	**32 505**	**60 754**	**60 754**
Total financial assets	**771 043**	**775 302**	**787 800**	**783 398**

Financial liabilities in EUR '000	31.12.2022		31.12.2021	
	Fair value	Carrying amount	Fair value	Carrying amount
Subordinated liabilities	49 757	55 742	56 926	55 742
Payables	176 965	176 965	184 998	184 998
Other liabilities	3 726	3 726	3 296	3 296
Total financial liabilities	**230 448**	**236 433**	**245 220**	**244 036**

The fair value of financial assets besides loans is determined through either an observable market price or a price calculated by discounting cash flow. The price calculated by discounting cash flow is equal to the present value of future cash flows discounted by a risk free yield curve and an appropriate credit spread. The appropriate credit spread is obtained from a reference bond with the same rating, from the same industry sector, and with similar maturity, seniority and issuer.

The deposits due from cedents amounting to 110 109 TEUR (in 2021 amounting to 101 046 TEUR), which are part of the financial investments, serve directly as an advance payment of future liabilities covering assumed business from cedents. These deposits do not trigger any cash flows and may not be used by the cedent independently. The credit risk is therefore limited and stating the fair value is not relevant. Furthermore, the deposits due from cedents do not have a fixed maturity date and their release depends on the corresponding provision.

The expected contractual maturities of other financial assets and liabilities are up to 1 year. Therefore, the fair value of these assets and liabilities represents their carrying amount.

Financial assets and liabilities except for HTM and part of AFS investments are classified to level 3 in fair value hierarchy. The instruments are measured by valuation technique which includes inputs not based on observable data.

F.33. Fair Value Analysis of the Financial Assets

Fair value analysis of the financial assets:

Financial Assets in EUR '000	**31.12.2022**		**31.12.2021**	
	SPPI	**Other***	**SPPI**	**Other***
Financial investments	**423 064**	**99 922**	**358 331**	**149 296**
Financial assets held to maturity	26 869		27 660	
Financial assets available for sale	365 269	99 922	318 640	149 296
Loans – Term deposits	30 926		12 031	
Other receivables	**2 856**		**192**	
Cash and cash equivalents	**32 505**		**60 754**	
Total financial assets	**458 425**	**99 922**	**419 277**	**149 296**

*Financial instruments that do not meet SPPI criteria or financial instruments that meet SPPI criteria but are held for trading or managed on a fair value basis.

SPPI in EUR '000	**2022**				
	Balance as of 1 January	**Changes in additions, disposals and amortized value**	**Changes in FX difference**	**Changes in unrealized gains and losses**	**Balance as of 31 December**
SPPI	**419 277**	**39 148**	**0**	**0**	**458 425**
Financial assets held to maturity	27 660	-791	0	0	26 869
Financial assets available for sale	318 640	46 629	0	0	365 269
Loans – Term deposits	12 031	18 895	0	0	30 926
Other receivables	192	2 664	0	0	2 856
Cash and cash equivalents	60 754	-28 249	0	0	32 505
Other*	**149 296**	**-49 373**	**0**	**0**	**99 922**
Financial assets available for sale	149 296	-49 373	0	0	99 922

*Financial instruments that do not meet SPPI criteria or financial instruments that meet SPPI criteria but are held for trading or managed on a fair value basis.

SPPI in EUR '000	2021				
	Balance as of 1 January	Changes in additions, disposals and amortized value	Changes in FX difference	Changes in unrealized gains and losses	Balance as of 31 December
SPPI	**390 930**	**28 347**	**0**	**0**	**419 277**
Financial assets held to maturity	51 920	-24 260	0	0	27 660
Financial assets available for sale	286 326	32 314			318 640
Loans – Term deposits	7 701	4 330	0	0	12 031
Other receivables	166	26	0	0	192
Cash and cash equivalents	44 817	15 937	0	0	60 754
Other*	**139 044**	**20 742**	**-766**	**-9 725**	**149 296**
Financial assets available for sale	139 044	20 742	-766	-9 725	149 296

*Financial instruments that do not meet SPPI criteria or financial instruments that meet SPPI criteria but are held for trading or managed on a fair value basis.

SPPI financial assets rating categories:

Credit Risk Exposure - SPPI in EUR '000	2022					
Standard & Poor's rating	**AAA**	**AA**	**A**	**B / BB / BBB**	**No Rating**	**Carrying value in balance sheet**
Financial assets	0	0	27 684	0	0	27 684
Loans – Term deposits					34 370	34 370
Other receivables					2 846	2 846
Cash and cash equivalents					32 505	32 505
Total	**0**	**0**	**27 684**	**0**	**69 721**	**97 405**
In %	0,00	0,00	28,42	0,00	71,58	100,00

Credit Risk Exposure - SPPI in EUR '000	2021					
Standard & Poor's rating	**AAA**	**AA**	**A**	**B / BB / BBB**	**No Rating**	**Carrying value in balance sheet**
Financial assets	0	0	15 633	5 899	6 128	27 660
Loans – Term deposits					12 031	12 031
Other receivables					192	192
Cash and cash equivalents					60 754	60 754
Total	**0**	**0**	**15 633**	**5 899**	**79 105**	**100 637**
In %	0,00	0,00	15,53	5,86	78,60	100,00

Credit Risk Exposure - Other in EUR '000	2022					
Standard & Poor's rating	**AAA**	**AA**	**A**	**B / BB / BBB**	**No Rating**	**Carrying value in balance sheet**
Financial assets – debt securities and shares	74 175	102 425	103 789	83 390	2 613	366 393
Financial assets – investment funds and shares in affiliated non-consolidated companies				30 255	68 543	98 798
Total	**74 175**	**102 425**	**103 789**	**113 645**	**71 157**	**465 191**
In %	15,95	22,02	22,31	24,43	15,30	100,00

Credit Risk Exposure - Other in EUR '000	2021					
Standard & Poor's rating	**AAA**	**AA**	**A**	**B / BB / BBB**	**No Rating**	**Carrying value in balance sheet**
Financial assets – debt securities and shares	32 240	89 854	105 698	88 565	3 456	319 813
Financial assets – investment funds and shares in affiliated non-consolidated companies					148 122	148 122
Total	**32 240**	**89 854**	**105 698**	**88 565**	**151 578**	**467 935**
In %	6,89	19,20	22,59	18,93	32,39	100,00

Company assessed credit risk on financial assets that meet SPPI criteria as not significant at the end of the reporting period in compliance with IFRS 9 requirements.

F.34. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. Therefore, accounting estimates might not be equal to the actual results. Significant estimates and assumptions are summarized below.

F.34.1. Assumptions Used in Reinsurance Liabilities and Reinsurance Assets

The Company uses certain assumptions when calculating its insurance liabilities and insurance assets. The process used to determine the assumptions that have the greatest effect on the measurement of the items in the Company's financial statements, and the effects of changes in the assumptions that would have a material effect on the recognized amounts, are discussed in part D.

F.34.2. Impairment of Loans and Receivables

At each balance sheet date, the Company assesses whether there is objective evidence that any loan, receivable or reinsurance assets are impaired. They are impaired if there is objective evidence of impairment as a result of one or more events that have occurred since their initial recognition and the resulting loss event (or events) has an impact on the estimated future cash flows that can be reliably estimated (e.g., significant financial difficulty for the issuer or obligor; a breach of contract, such as default on interest or principal payments).

The Company first individually assesses whether objective evidence of impairment exists for any loans or receivables that are individually significant, and individually or collectively for any loans, receivables and reinsurance assets that are not individually significant. For the purposes of the collective evaluation of impairment, loans and receivables are grouped on the basis of similar credit risk characteristics.

F.34.3. Income Taxes

Judgement is required in determining the provision for income taxes. If the final tax outcome is different from the amounts that were initially recorded, such difference impacts the income tax and deferred tax in the period in which such determination is made.

F.34.4. Fair Value of Financial Instruments

The fair value of financial instruments that are not traded on an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on the market conditions existing at each balance sheet date.

F.34.5. Contract Classification

When entering into an arrangement, certain judgement is used to determine the appropriate classification of the contracts entered in terms of International Financial Reporting Standards. In the application of management's judgement, the management considers the substance of the contractual arrangement rather than the legal terms, especially with regard to contractual arrangements that are complex in nature. The application of the substance of the arrangement includes the consideration of all information available when the contract becomes binding.

F.35. Consolidated Statements

Based on Act on Accounting No. 563/1991 Coll, as amended, par. 22aa, the Company does not have to prepare its consolidated financial statements, as the Company is fully consolidated by VIG holding, therefore the conditions of par 22aa were fulfilled. The Company also does not have to prepare its consolidated financial statements based on IFRS 10 as it meets all conditions of IFRS 10:4(a).

F.36. Subsequent Events

Mr. Tobias Sonndorfer joined VIG Re as a fourth member of the Board of Directors effective as of 1 January 2023.

The Company's management is not aware of any other event that has occurred since the balance sheet date that would have a material impact on the financial statements.

The financial statements were authorized by the Board of Directors of the Company on 6 April 2023.

Johannes Martin Hartmann
Chairman of the Board of Directors

Ivana Jurčíková
Member of the Board of Directors

REPORT OF THE BOARD OF DIRECTORS ON RELATED PARTIES

Report of the Board of Directors

on relations between the controlling party and the controlled party and between the controlled party and other parties controlled by the same controlling party in accordance with Section 82 of the Act No. 90/2012 Coll., on Business Companies and Cooperatives (on Business Corporations), as amended (hereinafter the "**Act on Business Corporations**").

Financial period from 1st January 2022 to 31st December 2022 is the vesting period of this Report on relations between the controlling party and the controlled party and between the controlled party and other parties controlled by the same controlling party (hereinafter the "**Report on Relations**").

I. STRUCTURE OF RELATIONS

VIG RE zajišťovna, a.s., a company with its registered office at Templová 747/5, 110 01 Prague 1, Id. No.: 28445589, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, File 14560 (hereinafter "**VIG Re**"), is the **controlled person**.

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, a company with its registered office at Schottenring 30, Vienna 1010, Austria, registered in the Commercial Register kept by the Commercial Court in Vienna, Section FN, File 75687 F (hereinafter "**VIG AG**"), is the **controlling person**.

II. ROLE OF THE COMPANY IN THE VIG GROUP

VIG AG is the leading person of the Vienna Insurance Group (hereinafter „**VIG Group**"), having the legal form of a joint-stock company.

VIG Re is a part of the VIG Group and engages especially in reinsurance activities under the Insurance Act.

III. METHOD AND MEANS OF CONTROLLING

VIG AG holds shares of VIG Re in the aggregate nominal value of 55 % of the registered capital, whereby it fully controls VIG Re, especially by making decisions at the General Meeting.

VIG AG's shares in other subsidiaries, expressed in per cent of the registered capital, are specified in Annex 2 to this Report (hereinafter "**VIG Group Companies**").

IV. OVERVIEW OF MUTUAL AGREEMENTS BETWEEN VIG RE AND VIG GROUP COMPANIES VALID IN THE YEAR 2022

The list of agreements between VIG Re and VIG Group Companies is enclosed in Annex 1 to this Report.

V. OVERVIEW OF STEPS TAKEN DURING THE LAST ACCOUNTING PERIOD AT THE INSTIGATION OR IN THE INTEREST OF VIG AG OR OTHER VIG GROUP COMPANIES

In 2022, no legal acts or other measures were undertaken in the interest or at the initiative of related parties. VIG Re only paid off the relevant dividend to the controlling person and other shareholders, in line with the resolution of the General Meeting.

VI. CONFIDENTIALITY

Information and facts that form business secrets of the VIG Group Companies as well as information that has been designated as confidential by any VIG Group Company are deemed confidential within the VIG Group. Furthermore, confidential information also includes any information obtained in the course of trade that could be, in itself or in connection with other information or facts, to the detriment of any of the VIG Group Companies.

With a view to avoiding any harm to VIG Re, this Report on Relations does not comprise financial details of any performance or counter-performance under the concluded contracts and agreements.

VII. EVALUATION OF THE RELATIONS AND RISKS WITHIN THE VIG GROUP

The VIG Group is one of the leading insurance and reinsurance operators on the European market. VIG Re thus has access to know-how, inter alia, in the fields of Solvency II, audit, compliance and information technology. It is possible to conclude that VIG Re prevailingly benefits from the relationships within the VIG Group. VIG Re did not suffer any harm in 2022 based on agreements concluded between VIG Re on the one hand and VIG AG and other VIG Group Companies on the other.

VIII. CONCLUSION

This Report was drawn up by the Board of Directors of the controlled person, VIG RE zajišťovna, a.s., for the period from 1st January 2022 to 31st December 2022 and will be presented for review to the Supervisory Board. Given that VIG Re is required by law to prepare an annual report, this Report will be attached to it as its integral part. The annual report will be submitted for audit to audit firm KPMG Česká republika Audit, s.r.o.

In Prague, on 6 April 2023

Johannes Martin Hartmann
Chairman of the Board of Directors

Ivana Jurčíková
Member of the Board of Directors

ANNEX 1
TO THE RELATED PARTIES REPORT 2022

Overview of mutual agreements between VIG Re and VIG Group Companies

Contracts and Agreements in effect for VIG AG and VIG Re in 2022
Re-insurance contracts between VIG Re and VIG AG

Contracts and Agreements in effect for VIG Re and other Controlled Parties, where the Controlling party is VIG AG in 2022
Subordinated Loan Agreement between VIG Re and VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe
Agreement on sharing of costs between VIG Re and Kooperativa pojišťovna, a.s., Vienna Insurance Group
Agreement on sharing of costs between VIG Re and VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe
Agreement on sharing of costs between VIG Re and InterRisk Versicherungs-AG Vienna Insurance Group
Lease contract between VIG Re and Kooperativa pojišťovna, a.s., Vienna Insurance Group
Lease contract between VIG Re and InterRisk Versicherungs-AG Vienna Insurance Group
Insurance contracts between VIG Re and Kooperativa pojišťovna, a.s., Vienna Insurance Group
Loan Agreement between VIG Re and KKB Real Estate SIA
Re-insurance contracts between VIG Re and BTA Baltic Insurance Company AAS, Riga
Re-insurance contracts between VIG Re and ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A., Bucharest
Re-insurance contracts between VIG Re and "BULSTRAD LIFE VIENNA INSURANCE GROUP" EAD, Sofia
Re-insurance contracts between VIG Re and INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP", Sofia
Re-insurance contracts between VIG Re and Compania de Asigurari "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni, Chisinau
Re-insurance contracts between VIG Re and Compensa Life Vienna Insurance Group SE, Tallinn
Re-insurance contracts between VIG Re and Compensa Towarzystwo Ubezpieczen Na Zycie Spolka Akcyjna Vienna Insurance Group, Warsaw
Re-insurance contracts between VIG Re and Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw
Re-insurance contracts between VIG Re and Compensa Vienna Insurance Group, akcine draudimo bendrove, Vilnius
Re-insurance contracts between VIG Re and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Prague
Re-insurance contracts between VIG Re and DONAU Versicherung AG Vienna Insurance Group, Vienna
Re-insurance contracts between VIG Re and Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje Vienna Insurance Group, Skopje
Re-insurance contracts between VIG Re and Joint Stock Company International Insurance Company IRAO, Tbilisi

Re-insurance contracts between VIG Re and InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden
Re-insurance contracts between VIG Re and InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw
Re-insurance contracts between VIG Re and InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden
Re-insurance contracts between VIG Re and INTERSIG VIENNA INSURANCE GROUP Sh.A., Tirana
Re-insurance contracts between VIG Re and Joint Stock insurance company WINNER - Vienna Insurance Group, Skopje
Re-insurance contracts between VIG Re and Joint Stock Company Insurance Company GPI Holding, Tbilisi
Re-insurance contracts between VIG Re and Komunálna Poistovna a.s. Vienna Insurance Group, Bratislava
Re-insurance contracts between VIG Re and KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group, Bratislava
Re-insurance contracts between VIG Re and Kooperativa pojišt'ovna, a.s. Vienna Insurance Group, Prague
Re-insurance contracts between VIG Re and OMNIASIG VIENNA INSURANCE GROUP S.A., Bucharest
Re-insurance contracts between VIG Re and Private Joint-Stock Company "INSURANCE COMPANY "KNIAZHA LIFE VIENNA INSURANCE GROUP", Kiev
Re-insurance contracts between VIG Re and Private Joint-Stock Company “Insurance company “USG”, Kiev
Re-insurance contracts between VIG Re and PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIAZHA VIENNA INSURANCE GROUP", Kiev
Re-insurance contracts between VIG Re and Ray Sigorta Anonim Sirketi, Istanbul
Re-insurance contracts between VIG Re and Sigma Interalbanian Vienna Insurance Group Sh.a., Tirana
Re-insurance contracts between VIG Re and UNION Vienna Insurance Group Biztosító Zrt., Budapest
Re-insurance contracts between VIG Re and Wiener Osiguranje Vienna Insurance Group ad, Banja Luka
Re-insurance contracts between VIG Re and Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje, Zagreb
Re-insurance contracts between VIG Re and WIENER RE akcionarsko društvo za reosiguranje, Beograd, Belgrade
Re-insurance contracts between VIG Re and WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group, Vienna
Re-insurance contracts between VIG Re and Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group, Skopje
Re-insurance contracts between VIG Re and Vienna Life Towarzystwo Ubezpieczeń na Życie S.A. Vienna Insurance Group, Warsaw
Re-insurance contracts between VIG Re and Viennalife Emeklilik ve Hayat A.Ş. Vienna Insurance Group, Istanbul
Re-insurance contracts between VIG Re and Wiener TU S.A, Vienna Insurance Group, Warsaw, Poland
Re-insurance contracts between VIG Re and Wiener Städtische životno osiguranje Podgorica ad VIG Podgorica, Montenegro
Re-insurance contracts between VIG Re and BCR Asigurari de Viata Vienna Insurance Group SA, Romania
Re-insurance contracts between VIG Re and Vienna-Life Lebensversicherung AG, Lichtenstein
Re-insurance contracts between VIG Re and Vienna osiguranje d.d., Bosnia and Herzegovina
Re-insurance contracts between VIG Re and Aegon Általános Biztosító Zrt., Hungary

ANNEX 2 TO THE RELATED PARTIES REPORT 2022

Related parties to VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

Company	Country	The current capital share in %
Consolidated companies		
"BULSTRAD LIFE VIENNA INSURANCE GROUP" JOINT STOCK COMPANY	Bulgaria	100,00
"Compensa Vienna Insurance Group", ADB	Lithuania	100,00
"Grüner Baum" Errichtungs- und Verwaltungsgesellschaft .m.b.H.	Austria	100,00
365.life, d. s. s., a. s.	Slovakia	100,00
AB Modřice, a.s.	Czech Republic	100,00
AEGON Magyarország Általános Biztosító Zártkörűen Működő Részvénytársaság	Hungary	100,00
AEGON Magyarország Befektetési Alapkezelő Zártkörűen Működő Részvénytársaság	Hungary	100,00
AEGON Magyarország Pénztárszolgáltató Zártkörűen Működő Részvéntársaság	Hungary	100,00
Anděl Investment Praha s.r.o.	Czech Republic	100,00
Anif-Residenz GmbH & Co KG	Austria	100,00
Asigurarea Românească - ASIROM Vienna Insurance Group S.A.	Romania	99,79
ATBIH GmbH	Austria	100,00
ATRIUM TOWER SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOSCIĄ	Poland	100,00
Atzlergasse 13-15 GmbH	Austria	100,00
Atzlergasse 13-15 GmbH & Co KG	Austria	100,00
AUTODROM SOSNOVÁ u České Lípy a.s.	Czech Republic	100,00
BCR Asigurări de Viaţă Vienna Insurance Group S.A.	Romania	93,98
Blizzard Real Sp. z o.o.	Poland	100,00
Brockmanngasse 32 Immobilienbesitz GmbH	Austria	100,00
BTA Baltic Insurance Company AAS	Latvia	100,00
Bulgarski Imoti Asistans EOOD	Bulgaria	100,00
Businesspark Brunn Entwicklungs GmbH, Wien	Austria	100,00
CAPITOL, akciová spoločnosť	Slovakia	100,00
CENTER Hotelbetriebs GmbH	Austria	80,00
Central Point Insurance IT-Solutions GmbH in Liquidation	Austria	100,00
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group	Czech Republic	100,00
Compania de Asigurări "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni	Moldova	99,99
Compensa Life Vienna Insurance Group SE	Estonia	100,00
Compensa Towarzystwo Ubezpieczeń Na Życie S.A. Vienna Insurance Group	Poland	99,97
Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Poland	99,95
CP Solutions a.s.	Czech Republic	100,00
DBLV Immobesitz GmbH & Co KG	Austria	100,00
DBR-Liegenschaften GmbH & Co KG	Germany	100,00
Deutschmeisterplatz 2 Objektverwaltung GmbH	Austria	100,00

Donau Brokerline Versicherungs-Service GmbH	Austria	100,00
DONAU Versicherung AG Vienna Insurance Group	Austria	100,00
DVIB alpha GmbH	Austria	100,00
DVIB GmbH	Austria	100,00
DV Immoholding GmbH	Austria	100,00
ELVP Beteiligungen GmbH	Austria	100,00
EUROPEUM Business Center s.r.o.	Slovakia	100,00
Floridsdorf am Spitz 4 Immobilienverwertungs GmbH	Austria	100,00
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H.	Austria	100,00
GLOBAL ASSISTANCE, a.s.	Czech Republic	100,00
Hansenstraße 3-5 Immobilienbesitz GmbH	Austria	100,00
HUN BM Korlátolt Felelősségű Társaság	Hungary	100,00
Insurance Company Vienna osiguranje d.d., Vienna Insurance Group	Bosnia/Herzegovina	100,00
INSURANCE ONE-SHAREHOLDER JOINT-STOCK COMPANY BULSTRAD VIENNA INSURANCE GROUP EAD	Bulgaria	100,00
InterRisk Lebensversicherungs-AG Vienna Insurance Group	Germany	100,00
InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	Poland	100,00
InterRisk Versicherungs-AG Vienna Insurance Group	Germany	100,00
INTERSIG VIENNA INSURANCE GROUP Sh.A.	Albania	89,98
Joint Stock Company Insurance Company GPI Holding	Georgia	90,00
Joint Stock Company International Insurance Company IRAO	Georgia	100,00
Joint Stock Insurance Company WINNER-Vienna Insurance Group	North Macedonia	100,00
Kaiserstraße 113 GmbH	Austria	100,00
KÁLVIN TOWER Ingatlanfejlesztési és Beruházási Korlátolt Felelősségű Társaság	Hungary	100,00
KAPITOL, a.s.	Czech Republic	100,00
KKB Real Estate SIA	Latvia	100,00
KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group	Slovakia	100,00
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	Slovakia	98,47
Kooperativa pojišťovna, a.s., Vienna Insurance Group	Czech Republic	97,28
LVP Holding GmbH	Austria	100,00
MAP-WSV Beteiligungen GmbH	Austria	100,00
MC EINS Investment GmbH	Austria	100,00
MERLOT INVESTMENT SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	100,00
MH 54 Immobilienanlage GmbH	Austria	100,00
NNC REAL ESTATE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland	100,00
Nordbahnhof Projekt EPW8 GmbH & Co KG	Austria	100,00
Nordbahnhof Projekt EPW8 Komplementär GmbH	Austria	100,00
Nordbahnhof Projekt Taborstraße 123 GmbH & Co KG	Austria	100,00
Nordbahnhof Projekt Taborstraße 123 Komplementär GmbH	Austria	100,00
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Austria	100,00
OMNIASIG VIENNA INSURANCE GROUP S.A.	Romania	99,54
OÜ LiveOn Paevalille	Latvia	100,00
Palais Hansen Immobilienentwicklung GmbH	Austria	56,55

Passat Real Sp. z o.o.	Poland	100,00
Pension Assurance Company Doverie AD	Bulgaria	82,59
PFG Holding GmbH	Austria	89,23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG	Austria	92,88
Porzellangasse 4 Liegenschaftsverwaltung GmbH & Co KG	Austria	100,00
PRIVATE JOINT-STOCK COMPANY "INSURANCE COMPANY "KNIAZHA LIFE VIENNA INSURANCE GROUP"	Ukraine	99,81
Private Joint-Stock Company " Insurance Company "USG "	Ukraine	100,00
PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIAZHA VIENNA INSURANCE GROUP"	Ukraine	100,00
PROGRESS Beteiligungsges.m.b.H.	Austria	70,00
Projektbau GesmbH	Austria	100,00
Projektbau Holding GmbH	Austria	100,00
Rathstraße 8 Liegenschaftsverwertungs GmbH	Austria	100,00
Ray Sigorta A.Ş.	Turkey	94,96
Rößlergasse Bauteil Drei GmbH	Austria	100,00
Rößlergasse Bauteil Zwei GmbH	Austria	100,00
S - budovy, a.s.	Czech Republic	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG	Austria	100,00
SECURIA majetkovosprávna a podielová s.r.o.	Slovakia	100,00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH	Austria	100,00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH	Austria	66,70
SIA “Alauksta 13/15”	Latvia	100,00
SIA “Artilērijas 35”	Latvia	100,00
SIA “Ģertrūdes 121”	Latvia	100,00
SIA "Global Assistance Baltic"	Latvia	100,00
SIA "LiveOn"	Latvia	70,00
SIA "LiveOn Stirnu"	Latvia	100,00
SIA LiveOn Terbatas	Latvia	100,00
SIA "Urban Space"	Latvia	100,00
Sigma Interalbanian Vienna Insurance Group Sh.a	Albania	89,05
SK BM s.r.o.	Slovakia	100,00
SMARDAN 5 DEVELOPMENT S.R.L.	Romania	100,00
Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje - Vienna Insurance Group	North Macedonia	94,36
SVZ GmbH	Austria	100,00
SVZD GmbH	Austria	100,00
SVZI GmbH	Austria	100,00
T 125 GmbH	Austria	100,00
TECHBASE Science Park Vienna GmbH	Austria	100,00
twinformatics GmbH	Austria	100,00
UAB LiveOn Linkmenu	Lithuania	100,00
UNION Vienna Insurance Group Biztosító Zrt.	Hungary	98,64
Untere Donaulände 40 GmbH & Co KG	Austria	100,00

Vienibas Gatve Investments OÜ	Estonia	100,00
Vienibas Gatve Properties SIA	Latvia	100,00
Vienna Life Towarzystwo Ubezpieczeń na Życie S.A. Vienna Insurance Group	Poland	100,00
VİENNALİFE EMEKLİLİK VE HAYAT ANONİM ŞİRKETİ	Turkey	100,00
Vienna-Life Lebensversicherung AG Vienna Insurance Group	Liechtenstein	100,00
VIG-AT Beteiligungen GmbH	Austria	100,00
VIG-CZ Real Estate GmbH	Austria	100,00
V.I.G. ND, a.s.	Czech Republic	100,00
Vienna Insurance Group Polska Spółka z organiczoną odpowiedzialnością	Poland	100,00
VIG FUND, a.s.	Czech Republic	100,00
VIG Home, s.r.o.	Slovakia	100,00
VIG Hungary Holding B.V.	Netherlands	55,00
VIG Hungary Holding II B.V.	Netherlands	55,00
VIG Magyarország Befektetési Zártkörűen Működő Részvéntársaság	Hungary	55,00
VIG Offices, s.r.o.	Slovakia	100,00
VIG Properties Bulgaria AD	Bulgaria	99,97
VIG RE zajišťovna, a.s.	Czech Republic	100,00
VIG REAL ESTATE DOO	Serbia	100,00
VIG Services Ukraine, LLC	Ukraine	100,00
VIG Türkiye Holding B.V.	Netherlands	100,00
VIVECA Beteiligungen GmbH	Austria	100,00
WGPV Holding GmbH	Austria	100,00
WIBG Holding GmbH & Co KG	Austria	100,00
WIBG Projektentwicklungs GmbH & Co KG	Austria	100,00
Wiener Osiguranje Vienna Insurance Group ad	Bosnia / Herzegovina	100,00
Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje	Croatia	97,82
WIENER RE akcionarsko društvo za reosiguranje	Serbia	100,00
WIENER STÄDTISCHE OSIGURANJE akcionarsko drustvo za osiguranje	Serbia	100,00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Austria	97,75
WIENER TOWARZYSTWO UBEZPIECZEŃ SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP	Poland	100,00
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H.	Austria	100,00
WILA GmbH	Austria	100,00
WINO GmbH	Austria	100,00
WNH Liegenschaftsbesitz GmbH	Austria	100,00
WSBV Beteiligungsverwaltung GmbH & Co KG	Austria	100,00
WSV Beta Immoholding GmbH	Austria	100,00
WSVA Liegenschaftbesitz GmbH	Austria	100,00
WSVB Liegenschaftbesitz GmbH	Austria	100,00
WSVC Liegenschaftbesitz GmbH	Austria	100,00
WSV Immoholding GmbH	Austria	100,00
WSV Triesterstraße 91 Besitz GmbH & Co KG	Austria	100,00
WSV Vermögensverwaltung GmbH	Austria	100,00
WWG Beteiligungen GmbH	Austria	87,07

Companies consolidated using the equity method

"Schwarzatal" Gemeinnützige Wohnungs- und Siedlungsanlagen-GmbH	Austria	100,00
Alpenländische Gemeinnützige WohnbauGmbH	Austria	94,84
Beteiligungs- und Immobilien GmbH	Austria	25,00
Beteiligungs- und Wohnungsanlagen GmbH	Austria	25,00
CROWN-WSF spol. s.r.o.	Czech Republic	30,00
EGW Erste gemeinnützige Wohnungsgesellschaft mbH	Austria	99,77
ERSTE d.o.o. - za upravljanje obveznim i dobrovljnim mirovinskim fondovima	Croatia	25,30
Gemeinnützige Industrie-Wohnungsaktiengesellschaft	Austria	55,00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH	Austria	99,92
Gewista-Werbegesellschaft m.b.H.	Austria	33,00
NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs- und SiedlungsgesmbH	Austria	99,82
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H.	Austria	61,00
Österreichisches Verkehrsbüro Aktiengesellschaft (Consolidated Financial Statements)	Austria	36,58
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft	Austria	54,17
Towarzystwo Ubezpieczeń Wzajemnych „TUW"	Poland	52,16
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H.	Austria	51,46
VBV - Betriebliche Altersvorsorge AG (Consolidated Financial Statements)	Austria	25,32

Unconsolidated companies

" Assistance Company " Ukrainian Assistance Service" LLC	Ukraine	100,00
"Eisenhof" Gemeinnützige Wohnungsgesellschaft m.b.H.	Austria	20,13
"JAHORINA AUTO" d.o.o.	Bosnia Herzegovina	100,00
"LIFETRUST" Ltd	Bulgaria	100,00
"Neue Heimat" Stadterneuerungsgesellschaft m.b.H.	Austria	83,42
AEGON Magyarország Közvetítő és Marketing Zártkörűen működő Részvénytársaság	Hungary	55,00
AIS Servis, s.r.o.	Czech Republic	98,10
Akcionarsko društvo za životno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group	Montenegro	100,00
ALBA Services GmbH	Austria	48,87
Amadi GmbH	Germany	100,00
AQUILA Hausmanagement GmbH	Austria	97,75
AREALIS Liegenschaftsmanagement GmbH	Austria	48,87
arithmetica Consulting GmbH	Austria	98,31
AUTONOVA BRNO s.r.o.	Czech Republic	98,10
Autosig SRL	Romania	99,54
B&A Insurance Consulting s.r.o.	Czech Republic	48,45
BB Parking s.r.o.	Slovakia	98,47
BEESAFE SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland	99,99
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	99,95
Bohemika a.s.	Czech Republic	100,00
Bohemika HYPO s.r.o.	Czech Republic	100,00

BSA + OFK Germany Real Estate Immobilien 4 GmbH	Germany	97,75
Bulstrad Trudova Meditzina EOOD	Bulgaria	100,00
Camelot Informatik und Consulting Gesellschaft m.b.H.	Austria	92,86
CARPLUS Versicherungsvermittlungsagentur GmbH	Austria	97,75
Chrášťany komerční areál a.s.	Czech Republic	97,28
CLAIM EXPERT SERVICES S.R.L.	Romania	99,16
Compensa Dystrybucja Sp. z o. o.	Poland	99,97
ČPP Servis, s.r.o.	Czech Republic	100,00
DBLV Immobesitz GmbH	Austria	100,00
DBR-Liegenschaften Verwaltungs GmbH	Germany	97,75
DELOIS s. r. o.	Slovakia	98,47
DELOIS II s.r.o.	Slovakia	98,47
Domácí péče Haná s.r.o.	Czech Republic	63,23
DV Asset Management EAD	Bulgaria	100,00
DV CONSULTING EOOD	Bulgaria	100,00
DV Invest EAD	Bulgaria	100,00
EBV-Leasing Gesellschaft m.b.H.	Austria	47,90
EGW Datenverarbeitungs-Gesellschaft m.b.H.	Austria	71,92
EGW Liegenschaftsverwertungs GmbH	Austria	71,92
EGW-NOE Erste gemeinnützige Wohnungsgesellschaft mbH	Austria	71,92
EKG UW Nord GmbH	Austria	24,46
Elsö Maganegeszsegügyi Halozat Zrt.	Hungary	26,58
ERSTE Biztosítási Alkusz Kft	Hungary	54,25
European Insurance & Reinsurance Brokers Ltd.	United Kingdom	100,00
EXPERTA Schadenregulierungs-Gesellschaft mbH	Austria	99,44
Finanzpartner GmbH	Austria	48,87
FinServis Plus, s.r.o.	Czech Republic	100,00
Foreign limited liability company "InterInvestUchastie"	Belarus	100,00
GELUP GmbH	Austria	32,58
GGVier Projekt-GmbH	Austria	53,76
Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG	Austria	42,76
GLOBAL ASSISTANCE D.O.O. BEOGRAD	Serbia	100,00
Global Assistance Georgia LLC	Georgia	95,00
Global Assistance Polska Sp.z.o.o.	Poland	99,99
GLOBAL ASSISTANCE SERVICES s.r.o.	Czech Republic	100,00
GLOBAL ASSISTANCE SERVICES SRL	Romania	99,23
GLOBAL ASSISTANCE SLOVAKIA s.r.o.	Slovakia	99,22
Global Expert, s.r.o.	Czech Republic	98,10
Global Partner Péče, z.ú.	Czech Republic	63,23
Global Partner Zdraví, s.r.o.	Czech Republic	63,23
Global Partner, a.s.	Czech Republic	63,23
Global Repair Centres, s.r.o.	Czech Republic	98,10

Global Services Bulgaria JSC	Bulgaria	100,00
Hausservice Objektbewirtschaftungs GmbH	Austria	20,72
Help24 Assistance Korlátolt Felelősségű Társaság	Hungary	55,00
HOTELY SRNÍ, a.s.	Czech Republic	97,28
Hotel Voltino in Liquidation	Croatia	97,82
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH	Austria	98,29
Immodat GmbH	Austria	20,72
IMOVE Immobilienverwertung- und -verwaltungs GmbH	Austria	20,72
INSHIFT GmbH & Co. KG	Germany	23,53
insureX IT GmbH	Austria	98,87
InterRisk Informatik GmbH	Germany	100,00
ITIS Spolka z ograniczoną odpowiedzialnoscią spolka komandytowa	Poland	99,99
ITIS Sp.z.o.o.	Poland	99,99
Joint Stock Company "Curatio"	Georgia	90,00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group	North Macedonia	100,00
Kitzbüheler Bestattung WV GmbH	Austria	97,75
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company	Belarus	98,26
KWC Campus Errichtungsgesellschaft m.b.H.	Austria	48,87
LD Vermögensverwaltung GmbH	Austria	98,65
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG	Austria	21,59
LiSciV Muthgasse GmbH & Co KG	Austria	42,76
Main Point Karlín II., a.s.	Czech Republic	97,28
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság	Hungary	54,25
Nadacia poisťovne KOOPERATIVA	Slovakia	98,47
PFG Liegenschaftsbewirtschaftungs GmbH	Austria	73,69
POLISA - ŻYCIE Ubezpieczenia Sp.z.o.o.	Poland	99,97
Privat Joint-stock company "OWN SERVICE"	Ukraine	100,00
Projektbau Planung Projektmanagement Bauleitung GesmbH	Austria	54,51
Renaissance Hotel Realbesitz GmbH	Austria	40,00
Risk Consult Bulgaria EOOD	Bulgaria	51,00
Risk Consult Polska Sp.z.o.o.	Poland	68,15
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H.	Austria	51,00
Risk Expert Risk ve Hasar Danismanlik Hizmetleri Limited Sirketi	Turkey	64,19
Risk Experts Risiko Engineering GmbH	Austria	12,24
Risk Experts s.r.o.	Slovakia	51,00
Risk Logics Risikoberatung GmbH	Austria	51,00
samavu s.r.o	Slovakia	98,47
Sanatorium Astoria, a.s.	Czech Republic	97,28
SB Liegenschaftsverwertungs GmbH	Austria	40,26
S.C. Risk Consult & Engineering Romania S.R.L.	Romania	51,00
S.C. SOCIETATEA TRAINING IN ASIGURARI S.R.L.	Romania	99,16

Serviceline contact center dienstleistungs-GmbH	Austria	97,75
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama	Croatia	100,00
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH	Austria	97,75
Slovexperta, s.r.o.	Slovakia	98,70
Soleta Beteiligungsverwaltungs GmbH	Austria	42,76
Sparkassen-Versicherungsservice Gesellschaft m.b.H.	Austria	97,75
Spółdzielnia Usługowa VIG EKSPERT W WARSZAWIE	Poland	99,97
SURPMO, a.s.	Czech Republic	97,28
TAUROS Capital Investment GmbH & Co KG	Austria	19,55
TAUROS Capital Management GmbH	Austria	25,30
TeleDoc Holding GmbH	Austria	25,01
TGMZ Team Gesund Medizin Zentren GmbH	Austria	39,10
TOGETHER CCA GmbH	Austria	24,71
UAB "Compensa Life Distribution"	Lithuania	100,00
UNION-Erted Ellatasszervezö Korlatold Felelössegü Tarsasag	Hungary	54,25
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	Austria	47,90
Vienna International Underwriters GmbH	Austria	100,00
viesure innovation center GmbH	Austria	98,87
VIG AM Real Estate, a.s.	Czech Republic	100,00
VIG AM Services GmbH	Austria	100,00
VIG IT - Digital Solutions GmbH	Austria	100,00
VIG Management Service SRL	Romania	99,16
VIG POLSKA REAL ESTATE SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland	99,97
VIG Services Bulgaria EOOD	Bulgaria	100,00
VIG Services Shqiperi Sh.p.K.	Albania	89,52
VIG ZP, s. r. o.	Slovakia	99,22
VIG/C-QUADRAT TOWARZYSTWO FUNDUSZY INVESTYCYJNYCH SPÓŁKA AKCYJNA	Poland	50,99
VÖB Direkt Versicherungsagentur GmbH	Austria	48,87
Wien 3420 Aspern Development AG	Austria	23,92
Wiener Städtische Donau Leasing GmbH	Austria	97,75
Wiener Verein Bestattungsbetriebe GmbH	Austria	97,75
WOFIN Wohnungsfinanzierungs GmbH	Austria	20,72
Wohnquartier 11b Immobilienbesitz GmbH	Austria	100,00
Wohnquartier 12b Immobilienbesitz GmbH	Austria	97,75
WSBV Beteiligungsverwaltung GmbH	Austria	97,75
Zuuri s.r.o.	Slovakia	98,47

DECLARATION BY THE BOARD OF DIRECTORS

Declaration by the Board of Directors

We declare that the information stated in this annual report corresponds to the actual situation and that no fundamental information that could influence a correct and precise assessment has been omitted.

In Prague, on 6 April 2023

Johannes Martin Hartmann Chairman of the Board of Directors	**Ivana Jurčíková** Member of the Board of Directors	**Tobias Sonndorfer** Member of the Board of Directors	**Stephan Wirz** Member of the Board of Directors