

3 April 2018

Vienna Insurance Group (VIG) completes mergers in Hungary and Slovakia

Hungary's central bank approved the merger of the three VIG Group companies on 31 March 2018. As a result, with effect from 1 April 2018, VIG will be represented in Hungary solely by the insurance company Union Biztosító. In Slovakia, bancassurance Poist'ovňa Slovenskej sporiteľne (PSLSP) will merge with Kooperativa poisťovňa, also with effect from 1 April 2018.

Optimising the business model and opening up new business opportunities are key objectives of VIG's Agenda 2020 strategic work programme. *"Merging local composite insurers with life insurance companies specialising in bancassurance is intended to boost sales of non-life policies via banks. More direct communication, simplified processes, clearly understandable products and integration in the banks' online sales channel are all benefits for our customers, which will generate additional business and cost savings in the medium and long term,"* said CEO Elisabeth Stadler, outlining the background to the mergers.

VIG launched the merger process in 2017, and has now concluded the merger of Hungarian VIG Group companies Erste Biztosító and Vienna Life Biztosító into Union Biztosító. As a result, the Group has achieved a scale that guarantees more effective operations in Hungary, and which will enable the Group to reach its objective of a market share of around 10% in the medium term.

In Slovakia, the merger of bancassurance company PSLSP into Kooperativa will also result in the bundling of resources and expertise.

VIG in Slovakia and Hungary

The Vienna Insurance Group is now represented by two insurers in Slovakia – Kooperativa and Komunálna – and is the country's leading insurance group, with a market share of 34 %. In Hungary, the Vienna Insurance Group recorded a market share of 8.1 % in 2017. Union Biztosító is expected to be ranked sixth on the Hungarian insurance market, and fifth in the life insurance segment.

Vienna Insurance Group (VIG) is the leading insurance specialist in Austria as well as in Central and Eastern Europe. About 50 companies in 25 countries form a Group with a long-standing tradition, strong brands and close customer relations. VIG has close to 200 years of experience in the insurance business. With more than 25,000 employees, Vienna Insurance Group is the clear market leader in its Austrian and CEE markets. It is therefore excellently positioned to take advantage of the long-term growth opportunities in a region with 180 million people. The listed Vienna Insurance Group is the best-rated company of ATX, the leading index of Vienna Stock Exchange; its share is also listed on the Prague Stock Exchange.

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All news releases are also available at <http://www.vig.com/ir>.

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