

29 November 2017

## Vienna Insurance Group in the first three quarters of 2017: Results improve again – positive developments in all important key figures

- **Premiums rise around 3 percent to EUR 7,153 million**
- **Profit (before taxes) increases around 10 percent to EUR 331 million**
- **Combined ratio improves to 97.3 percent**
- **Solvency ratio stable at an excellent level of around 225 percent**

Vienna Insurance Group's (VIG) upward trend since the beginning of 2016 has been continued in the results for the first three quarters of 2017. *“Our commitment should be seen as being a stable reliable partner, as proved in these figures. In spite of the impact of natural disasters, we expect further positive performance in the fourth quarter, similar to the performance so far in 2017. Therefore, based on the situation today, we expect to significantly increase the good result previously achieved in 2016”*, explained Elisabeth Stadler, CEO of Vienna Insurance Group. Due to outstanding claims, it is still unclear how large the impact from storm “Herwart” at the end of October will be on the results. *“We expect gross claims in the magnitude of EUR 40 to 45 million. The storm mainly affected our companies in the Czech Republic, Austria and Poland”*, outlined Elisabeth Stadler.

### Premiums rise

Gross written premiums rose by 2.7 percent in the first three quarters of 2017 to EUR 7,153 million. All lines of business achieved satisfactory growth, except for single-premium life insurance, where VIG intentionally continues to follow a cautious underwriting policy. Premiums rose by 5.6 percent when adjusted for life single-premium business. The increase was primarily due to the motor and other property and casualty lines of business, being predominantly contributed by Poland, Hungary, the Czech Republic, Slovakia, Bulgaria, Croatia and Serbia. Poland, Slovakia and Romania also reported increases in life insurance. In health insurance, which is a major focus of the “Agenda 2020”, the increase in premiums was primarily due to Austria, the Baltic States and Georgia.

### Profit increases

Profit (before taxes) rose to EUR 331 million in the first three quarters of 2017. The CEE markets contributed more than 60 percent of the total. The year-on-year increase of around 10 percent was mainly due to an improvement in the combined ratio and good development of the financial result. The increase in earnings power in the property and casualty line of business has offset the impact of the low interest rate environment.

Significant year-on-year profit increases were recorded in Poland, Hungary and – in the Remaining CEE segment – primarily in Serbia. The rise in profit in Poland and Hungary were due to significant improvements in motor third party liability and in Romania due to motor own damage insurance and the long-term measures taken to increase profitability.

### Combined ratio improves

VIG had a combined ratio of 97.3 percent in the first to third quarters of 2017 (2016: 97.9 percent). Both the claims ratio and expense ratio improved year-on-year. Austria, Poland, Serbia and the Baltic States have primarily contributed to the reduction in the overall combined ratio, which was mainly due to increased profitability in the motor line of business.

### Solvency ratio stable, financial result increases

The solvency ratio at the level of the listed VIG Group was 224.8 percent as of 30 September 2017, thereby reconfirming the outstanding ratio achieved in the first half of 2017 (224.5 percent). The financial result of EUR 732 million for the first three quarters of 2017 represents a year-on-year increase of 4.1 percent. The increase was the result of a rise in current income due to full consolidation of the non-profit housing societies and higher realised profits from the disposal of shares. Group investments including cash and cash equivalents rose to EUR 37.2 billion as of 30 September 2017 due to an increase in investing activities (31 December 2016: EUR 36.2 billion).

## Consolidated Income Statement (IFRS)

(in EUR mn)	9M 2017	9M 2016	+/- %
<b>Gross premiums written</b>	<b>7,152.6</b>	<b>6,961.8</b>	<b>2.7</b>
Net earned premiums	6,325.8	6,158.9	2.7
Financial result incl. at equity consolidated companies	732.1	703.2	4.1
Other income	131.7	122.8	7.3
Expenses for claims and insurance benefits	-5,167.8	-5,091.5	1.5
Acquisition and administrative expenses	-1,513.5	-1,422.4	6.4
Other expenses	-177.1	-169.7	4.3
<b>Profit before taxes</b>	<b>331.2</b>	<b>301.3</b>	<b>9.9</b>
Taxes	-65.0	-70.3	-7.5
<b>Profit for the period</b>	<b>266.2</b>	<b>231.0</b>	<b>15.2</b>
Non-controlling interests	-51.3	-11.2	>100
<b>Net profit after non-controlling interests</b>	<b>215.0</b>	<b>219.8</b>	<b>-2.2</b>
<b>Earnings per share in EUR (annualized)</b>	<b>2.15</b>	<b>2.17</b>	<b>-0.9</b>
<b>Combined Ratio (net in %)</b>	<b>97.3</b>	<b>97.9</b>	<b>-0,6pp</b>

## Consolidated Income Statement (IFRS) - Quarterly Data

(in EUR mn)	Q3 2017	Q3 2016	+/- %
<b>Gross premiums written</b>	<b>2,180.2</b>	<b>2,033.7</b>	<b>7.2</b>
Net earned premiums	2,106.7	1,967.3	7.1
Financial result incl. at equity consolidated companies	243.7	253.8	-4.0
Other income	71.9	18.9	>100
Expenses for claims and insurance benefits	-1,773.1	-1,624.4	9.2
Acquisition and administrative expenses	-482.7	-449.1	7.5
Other expenses	-55.9	-66.4	-15.8
<b>Profit before taxes</b>	<b>110.7</b>	<b>100.0</b>	<b>10.7</b>
Taxes	-16.7	-24.0	-30.4
<b>Profit for the period</b>	<b>94.0</b>	<b>76.0</b>	<b>23.6</b>
Non-controlling interests	-25.6	-8.9	>100
<b>Net profit after non-controlling interests</b>	<b>68.4</b>	<b>67.1</b>	<b>1.9</b>
<b>Earnings per share in EUR (annualized)</b>	<b>2.04</b>	<b>1.97</b>	<b>3.6</b>
<b>Combined Ratio (net in %)</b>	<b>98.0</b>	<b>98.0</b>	<b>-0,1pp</b>

## Consolidated Balance Sheet (IFRS)

Assets (in EUR mn)	30.09.2017	31.12.2016	+/- %
A. Intangible assets	2,047	2,055	-0.3
B. Investments	35,645	34,646	2.9
C. Investments of unit- and index-linked life insurance	8,919	8,550	4.3
D. Reinsurers' share in underwriting provisions	1,147	985	16.5
E. Receivables	1,571	1,460	7.7
F. Tax receivables and advance payments out of income tax	258	237	8.9
G. Deferred tax assets	72	138	-47.6
H. Other assets	364	348	4.7
I. Cash and cash equivalents	1,589	1,590	-0.1
<b>Total Assets</b>	<b>51,613</b>	<b>50,008</b>	<b>3.2</b>

Liabilities and Shareholders' Equity (in EUR mn)	30.09.2017	31.12.2016	+/- %
A. Shareholders' equity	5,882	5,711	3.0
B. Subordinated liabilities	1,463	1,265	15.6
C. Underwriting provisions	30,199	29,220	3.4
D. Unit- and index-linked underwriting provisions	8,474	8,130	4.2
E. Non-underwriting provisions	789	815	-3.2
F. Liabilities	4,202	4,203	0.0
G. Tax liabilities out of income tax	206	181	13.7
H. Deferred tax liabilities	253	325	-22.0
I. Other liabilities	145	158	-8.2
<b>Total Liabilities and Shareholders' Equity</b>	<b>51,613</b>	<b>50,008</b>	<b>3.2</b>

## Segment Reporting (IFRS)

in EUR mn	Austria			Czech Republic			Slovakia		
	9M 2017	9M 2016	+/- %	9M 2017	9M 2016	+/- %	9M 2017	9M 2016	+/- %
Gross premiums written Total	3,009.6	3,107.4	-3.1	1,206.5	1,156.7	4.3	589.2	547.9	7.5
Profit before Taxes	105.7	103.4	2.2	113.7	114.1	-0.4	39.9	39.6	0.7
Combined Ratio (net in %)	97.0	99.3	-2.3pp	96.8	92.9	3.9pp	95.8	95.3	0.5pp

in EUR mn	Poland			Romania			The Baltic		
	9M 2017	9M 2016	+/- %	9M 2017	9M 2016	+/- %	9M 2017	9M 2016	+/- %
Gross premiums written Total	675.2	616.5	9.5	373.4	391.8	-4.7	239.7	104.5	>100
Profit before Taxes	31.0	17.3	79.0	8.9	6.4	39.0	-1.2	-7.8	-84.6
Combined Ratio (net in %)	94.7	100.7	-6pp	98.2	101.6	-3.4pp	102.2	133.4	-31.2pp

in EUR mn	Hungary			Bulgaria			Turkey/Georgia		
	9M 2017	9M 2016	+/- %	9M 2017	9M 2016	+/- %	9M 2017	9M 2016	+/- %
Gross premiums written Total	171.8	162.0	6.1	119.6	107.8	10.9	154.7	160.7	-3.7
Profit before Taxes	3.5	2.8	24.9	5.7	5.3	7.5	6.9	6.9	0.3
Combined Ratio (net in %)	99.2	104.3	-5.1pp	97.1	98.4	-1.3pp	102.3	97.6	4.7pp

in EUR mn	Remaining CEE			Other Markets			Central Functions		
	9M 2017	9M 2016	+/- %	9M 2017	9M 2016	+/- %	9M 2017	9M 2016	+/- %
Gross premiums written Total	263.1	240.4	9.4	228.5	269.4	-15.2	1,068.1	1,019.0	4.8
Profit before Taxes	12.4	11.6	6.2	20.3	16.7	21.8	-15.2	-15.1	1.0
Combined Ratio (net in %)	99.3	100.3	-1pp	78.9	80.2	-1.3pp			

in EUR mn	Consolidation			Total		
	9M 2017	9M 2016	+/- %	9M 2017	9M 2016	+/- %
Gross premiums written Total	-946.8	-922.5	n.a.	7,152.6	6,961.8	2.7
Profit before Taxes	-0.2	0.0	n.a.	331.2	301.3	9.9
Combined Ratio (net in %)				97.3	97.9	-0.6pp
Net profit after non-controlling interests				215.0	219.8	-2.2

Calculation differences may arise when rounded amounts and percentages are summed automatically.

**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 about 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.

### Disclaimer

This press release contains forward-looking statements that concern future developments in Vienna Insurance Group. These statements are based on current assumptions and forecasts by the management of Vienna Insurance Group. Changes in general economic developments, future market conditions, capital markets and other circumstances could result in actual events or results differing significantly from these forward-looking statements. Vienna Insurance Group assumes no obligation to update these forward-looking statements or modify them based on future events or developments.

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