

Vienna Insurance Group YE 2016 Results, Group Embedded Value and Solvency II

Vienna, 20 April 2017

YE 2016 Results, Group Embedded Value and Solvency II

Presenting team and topics



Presenting team:

- Martin Simhandl, CFO
- Judit Havasi, Member of the Managing Board
- Werner Matula, Group Chief Actuary



Topics:

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|-------------------------|-------|-----------------------------|-------|
| ● Year-end results 2016 | p. 3 | ● Appendix I: Main Segments | p. 22 |
| ● Group Embedded Value | p. 6 | ● Appendix II: Financials | p. 30 |
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Final results for the financial year 2016

Embedded Value and Solvency II results

€6,015mn

Embedded Value

Growth by 6.3% based on adjusted GEV 2015 of €5,659.2mn

- GEV reporting aligned with Solvency II methodology
- Methodology, assumptions and calculation reviewed by KPMG Austria

€406.7mn

PBT

PBT 2016 confirmed – 2015 adjustments in accordance with IAS 8

- PBT 2015 adjusted by €90.6mn due to goodwill impairments in Romania, Hungary, Croatia and Albania/Kosovo
- Dividend proposal of € 0.80 per share approved by the Supervisory Board

195%

Solvency II

Strong Solvency II ratio kept stable

- Including repurchase of subordinated bonds with a total outstanding volume of ~€256mn as announced on 5 Dec. 2016

Adjustments in accordance with IAS 8 imply goodwill impairments for 2015

Group shareholders' equity adjusted by EUR 90.6mn

Calculation

- Modified capitalization rate (WACC), whose tier 2 components were derived from a peer group, was used to determine the interest rate for calculating the value in use of the cash generating units (CGUs)

Management decision

- According to AFREP, this method does not verifiably reflect the asset-specific risk of the CGUs of VIG as the financing structure is based on an international peer group
- Out of the discussion with the Enforcement Panel, management decided to replace the WACC by a cost of equity capital rate and apply the correction as a retrospective adjustment in accordance with IAS 8

2015 & 2016 Adjustments

- Intangible assets and Group shareholders' equity as of 31 Dec. 2015 down by EUR 90.6mn
- Profit before taxes 2015 down by EUR 90.6mn from EUR 137.7mn to EUR 47.1mn (Adjusted earnings per share 2015: EUR -0.27)
- Group shareholders' equity as of 31.12.2016 down by 90.6mn from EUR 5,802mn to EUR 5,711mn

AFREP: Austrian Financial Reporting Enforcement Panel

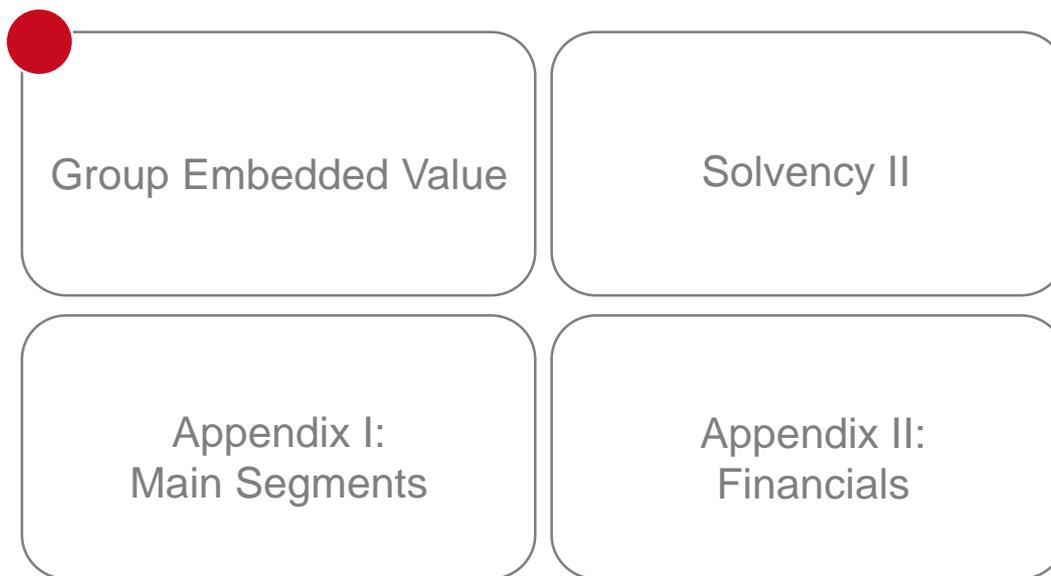
Adjustments in accordance with IAS 8

Goodwill impairment corrections effecting PBT and Equity

Income statement (€mn)	1-12/2016	1-12/2015 adjusted
Gross premiums written	9,051.0	9,019.8
Net earned premiums	8,191.3	8,180.5
Financial result ¹	958.8	1,040.2
Other income	150.4	150.2
Total income	9,300.5	9,370.9
Expenses for claims and insurance benefits	-6,753.4	-6,748.9
Acquisition and administrative expenses	-1,907.8	-1,847.6
Other expenses	-232.5	-727.4 ²
Total expenses	-8,893.8	-9,323.9
Profit before taxes	406.7	47.1
Taxes	-85.7	-61.8
Net profit (Profit for the period)	321.0	-14.8
Non-controlling interests	-33.2	-5.8
Net profit after non-controlling interests	287.8	-20.6

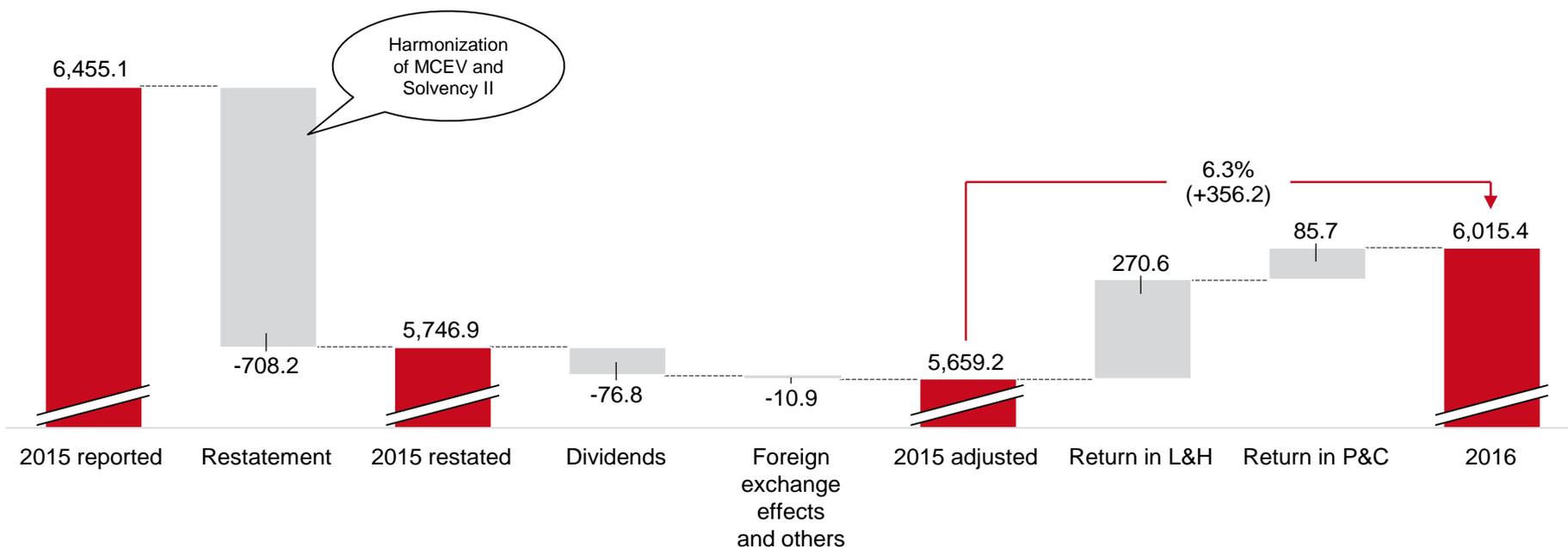
Balance sheet (€mn)	YE 2016	YE 2015 adjusted
Goodwill	1,532	1,489
Intangible assets	2,055	1,989
Shareholders' equity	5,711	4,414
<i>thereof minorities incl. housing societies</i>	<i>1,147</i>	<i>112</i>
Total assets	50,008	44,490

1: Incl. result of €46.6mn (2015: €40.2mn) from shares in at equity consolidated companies 2: RO €41.2mn / HU €17.4mn / HR €24.1mn / Albania incl. Kosovo €7.9mn



Group Embedded Value 2016 development

Return on GEV (€mn)

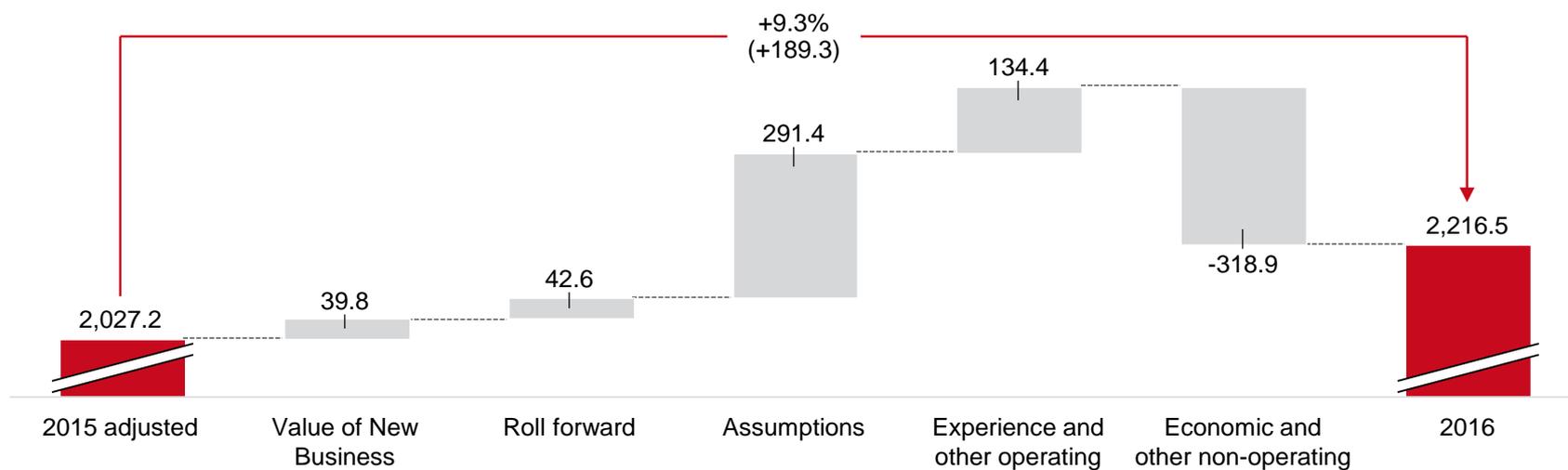


Remarks

- Restatement reflects the harmonization of MCEV and Solvency II
- Surpluses in claims and unearned premium reserves increased by € 31.1mn
- Positive P&C results partially offset by depreciations (AFREP)
- Excellent L&H return of € 270.6mn (7.1%) in low interest environment

EV 2016 – Analysis of Change

Life & Health MCEV – Austria / Germany (€mn)

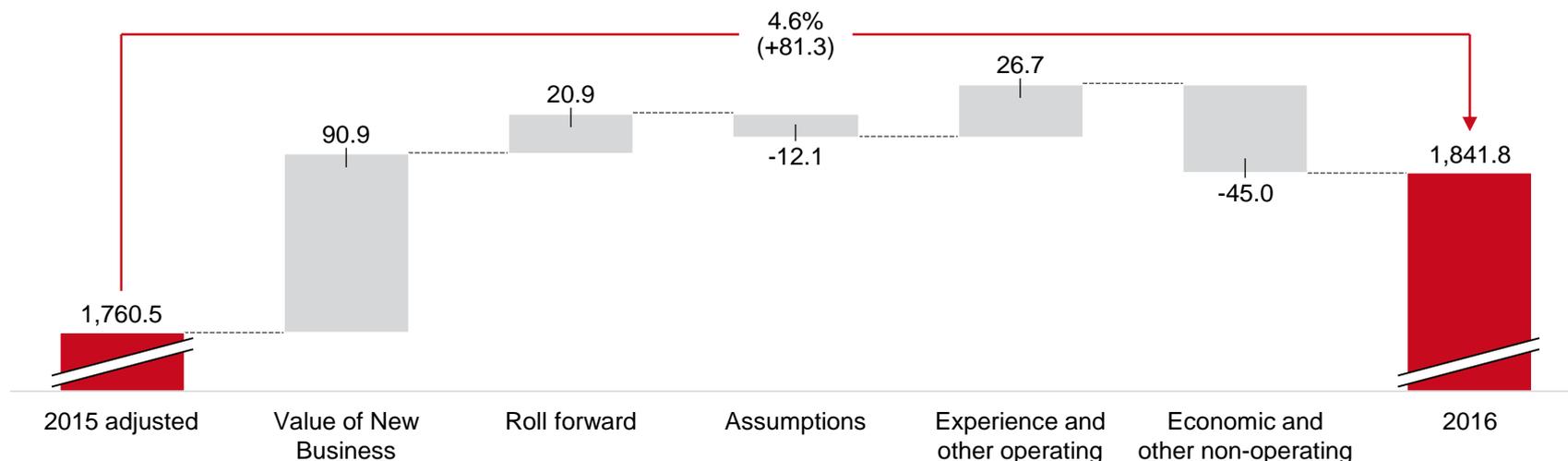


Remarks

- New business profitability increased from 1.3% to 2.0%
- Better than expected expense and mortality experience and therefore more favourable assumptions, particularly in health business
- Negative impact of lower interest environment on economic variance

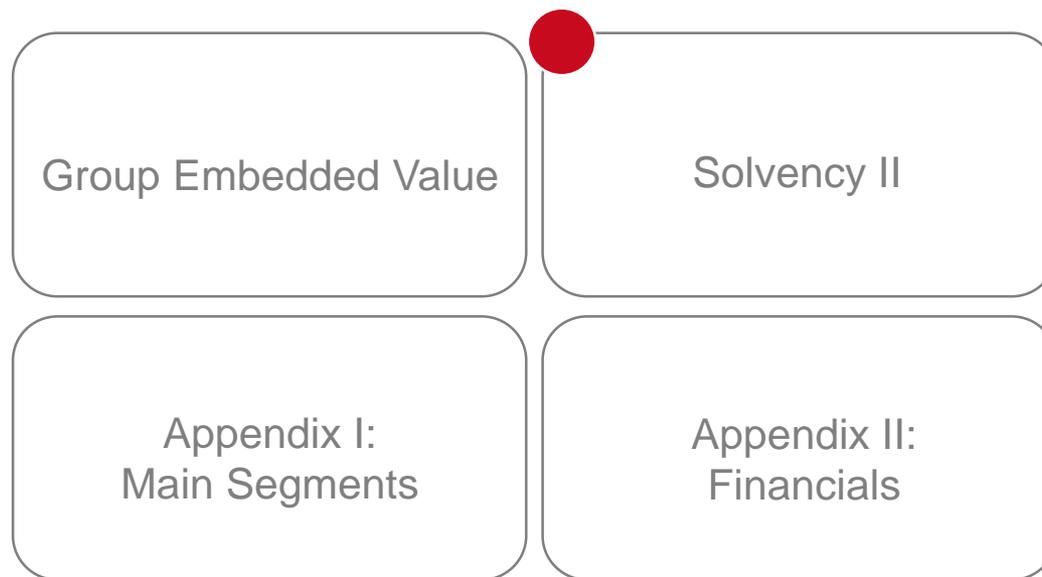
EV 2016 – Analysis of Change

Life & Health MCEV – CEE (€mn)

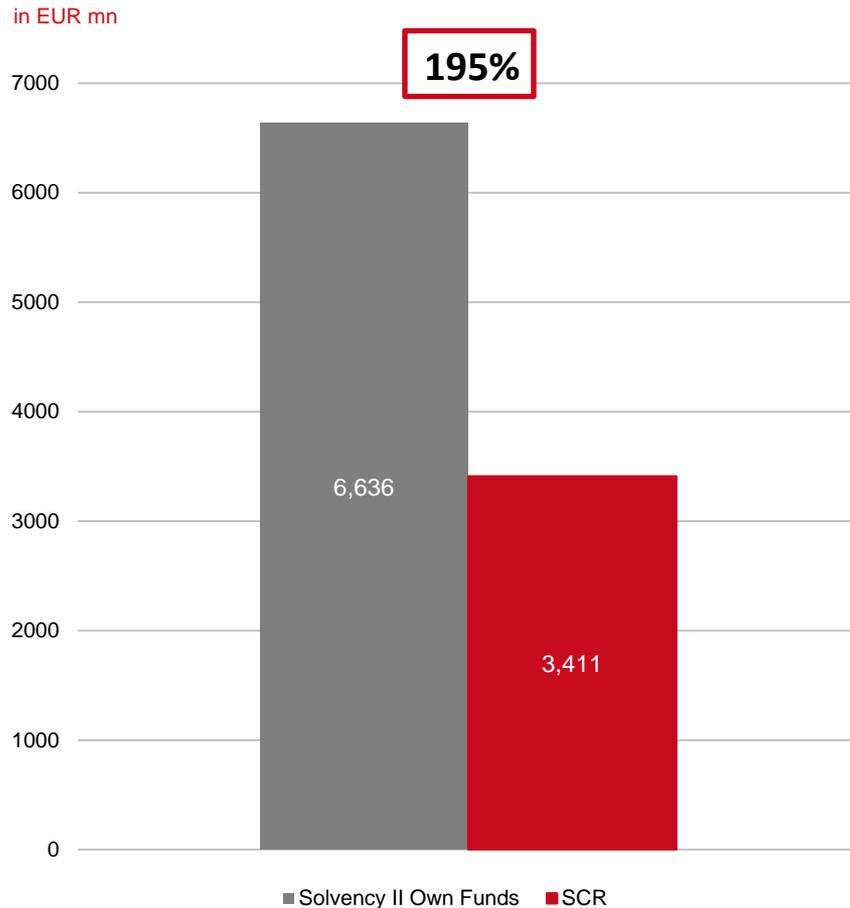


Remarks

- Significant new business contribution of € 90.9mn with strong profitability of 6.1%
- 70% of the group's new business value is generated in CEE
- Lower than expected investment returns and impact of lower interest rates on savings businesses in EUR environments



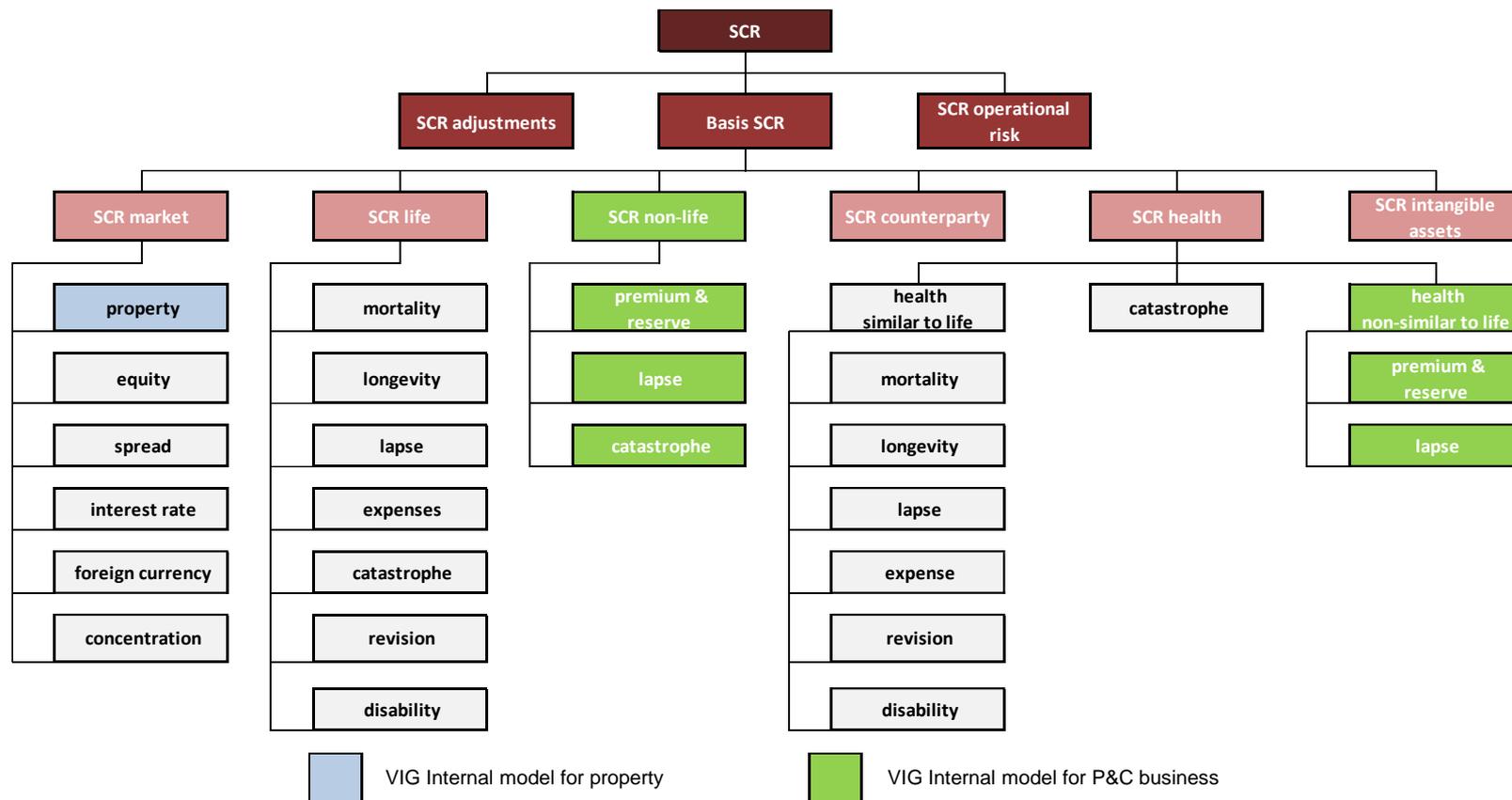
Stable Solvency II ratio 2016



- Solvency II ratio at level of stock-listed VIG at 195%
- Repurchase of subordinated bonds already considered in own funds
- Calculation based on Partial Internal Model (PIM) which improves Solvency II ratio by 41pp
- PIM reduces SCR by EUR 920mn
- Results include volatility adjustment

Solvency II Capital Requirement (SCR) Overview

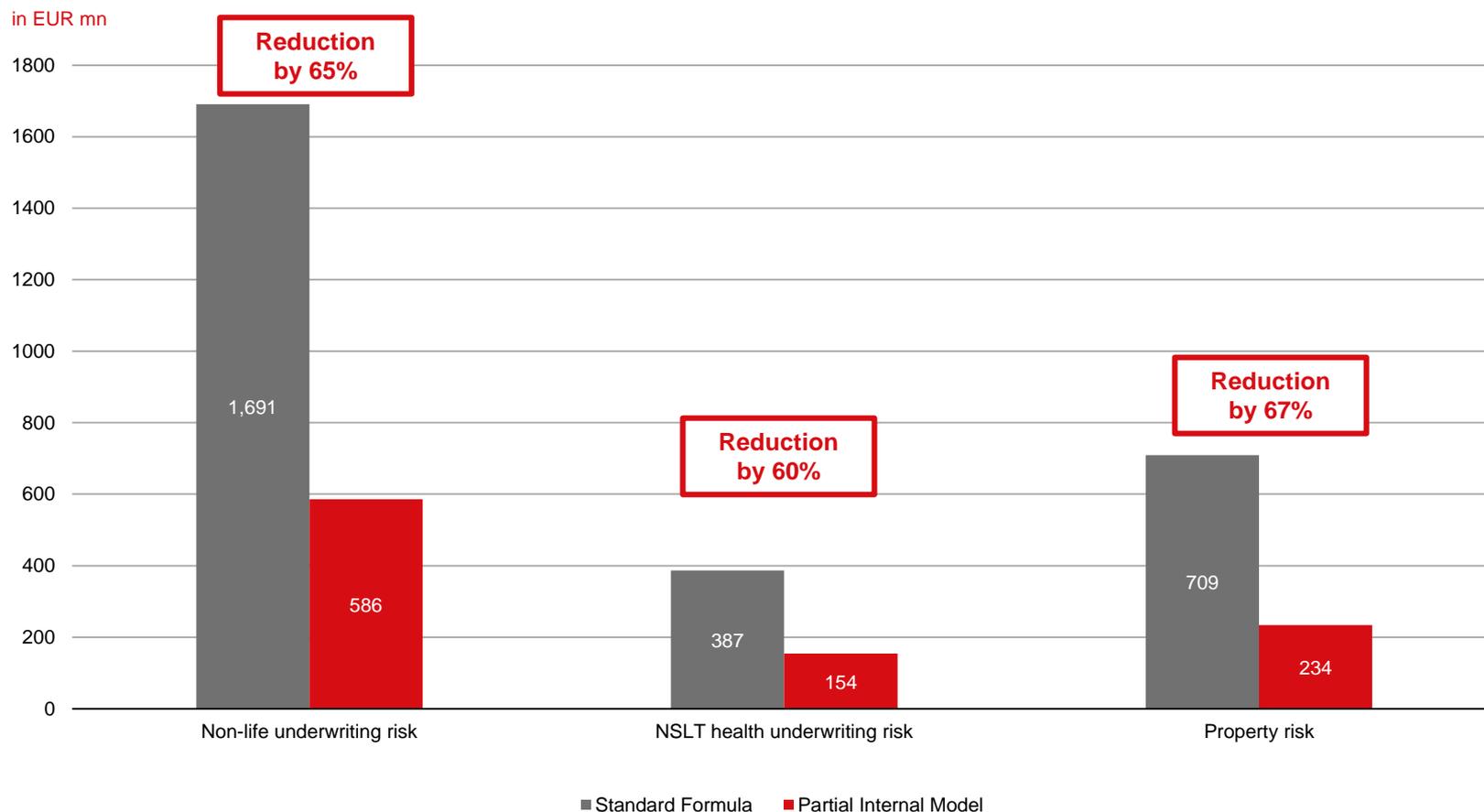
Standard Formula and Partial Internal Model



Partial Internal Model of VIG approved by the Financial Market Authority (FMA) as of January 1, 2016

Positive impact of PIM on SCR

Comparison of Standard Formula and Partial Internal Model

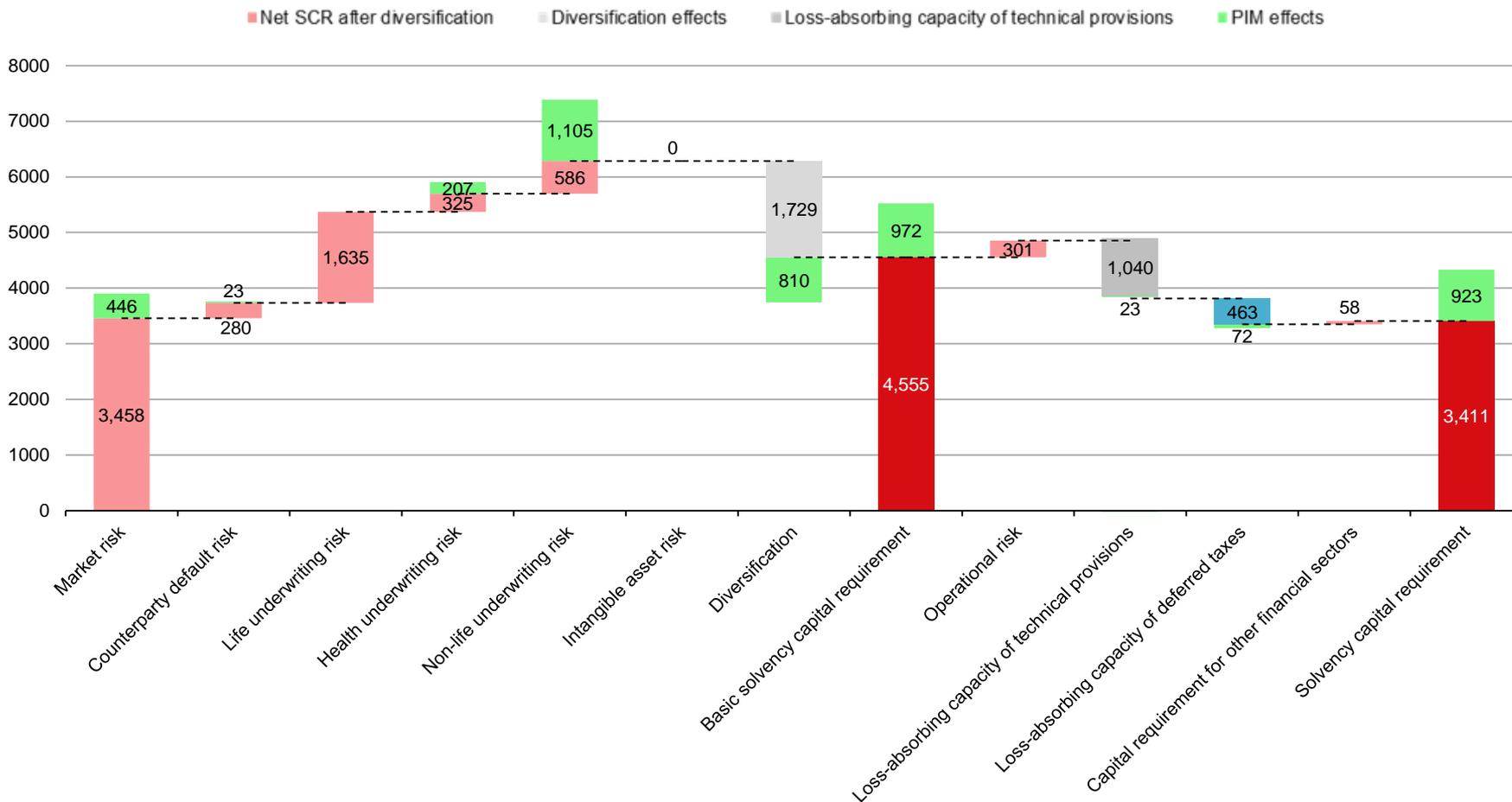


NSLT: non similar life technique

Solvency II Capital Requirement (I)

SCR as of 31 Dec 2016 and PIM effects

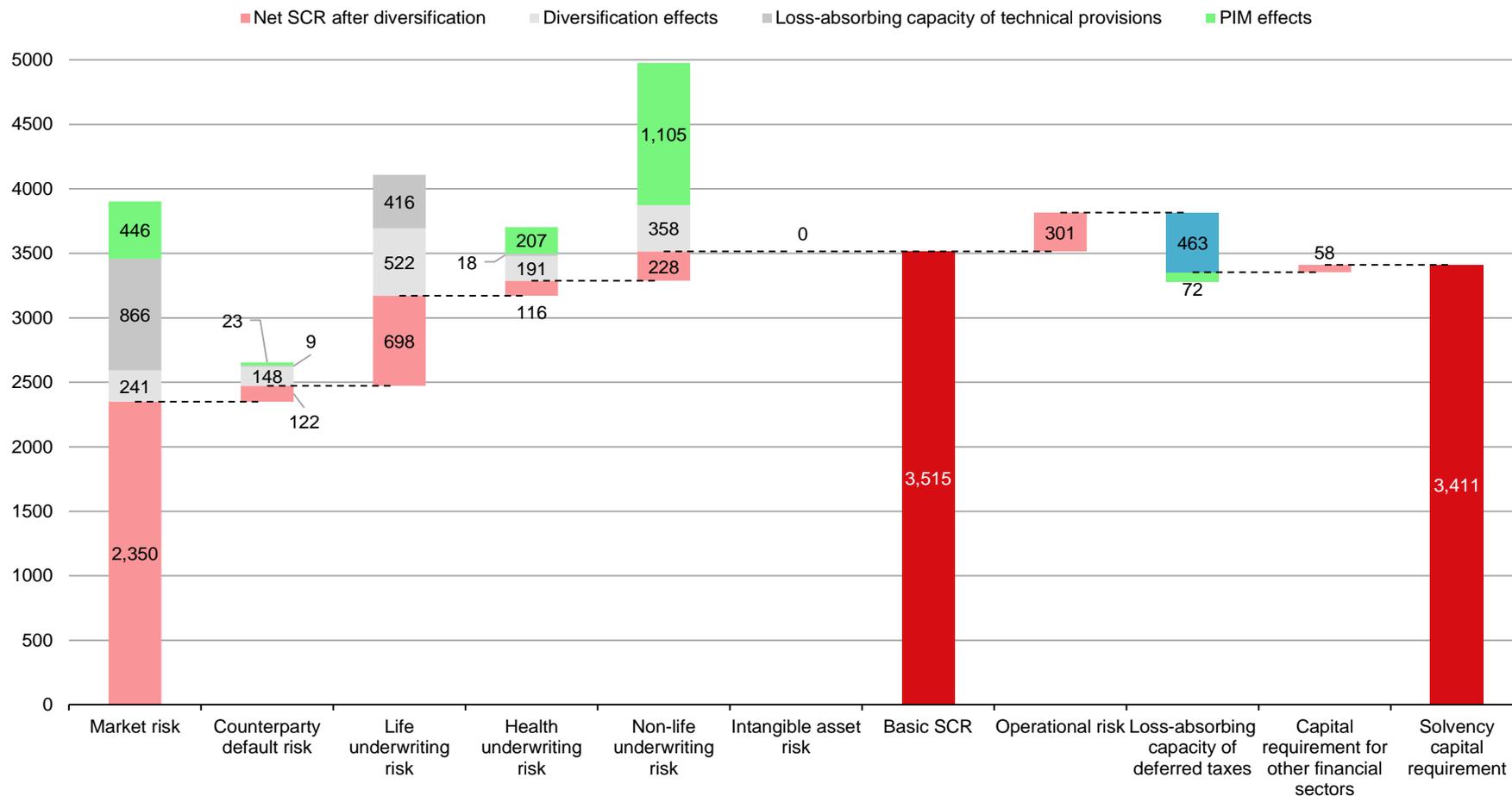
in EUR mn



Solvency II Capital Requirement (II)

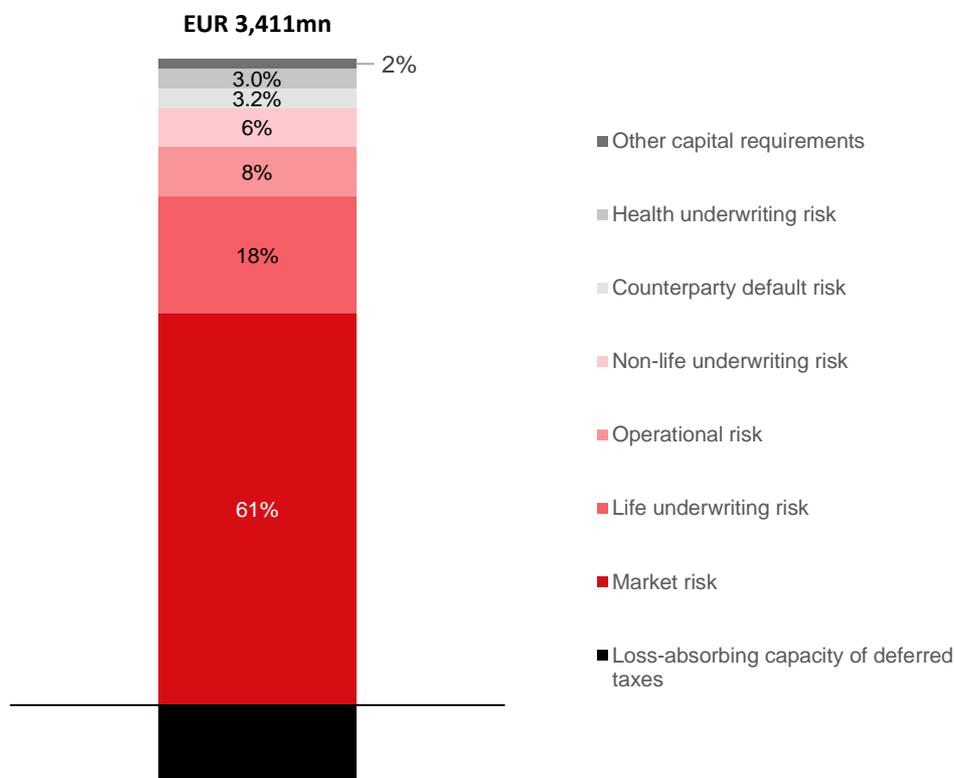
Risk mitigating effects

in EUR mn



Solvency II Capital Requirement (III)

Allocation of risks



- Market risk accounts for more than 60% of total Solvency II capital requirement
 - 58% of total market risk consists of spread risk and equity risk
 - Interest rate risk and currency risk make up one third of total market risk
- Life underwriting risk contributes 18%
 - 62% of life underwriting risk derives from lapse risk
 - Second biggest driver is life expense risk with 20% of total life underwriting risk
- Operational risk ranks third with ~8%
- Non-life underwriting risk and health underwriting risk together correspond to 9% of total Solvency II capital requirement

Note: Risk allocation calculated with Euler method based on PIM risks net after diversification

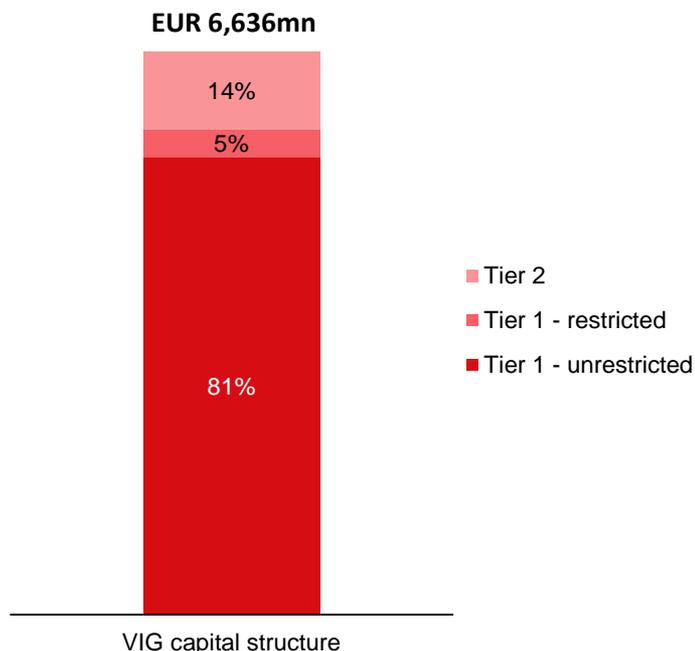
Solvency II Capital Requirement (IV)

SCR 2016 compared to SCR 2015

VIG	31.12.2016	31.12.2015
<i>in EUR mn</i>		
Solvency capital requirement	3,411.09	3,242.24
Market risk	3,457.66	3,311.36
Counterparty default risk	279.55	255.11
Life underwriting risk	1,635.36	1,810.64
Health underwriting risk	325.49	331.40
Non-life underwriting risk	585.60	552.26
Intangible asset risk	0.00	0.00
Diversification	-1,728.84	-1,752.91
Basic solvency capital requirement	4,554.83	4,507.86
Operational risk	300.52	275.53
Loss-absorbing capacity of technical provisions	-1,039.92	-1,074.19
Loss-absorbing capacity of deferred taxes	-462.79	-482.60
Capital requirement for other financial sectors	58.45	15.64
Eligible own funds	6,635.55	6,346.21
Solvency ratio	195%	196%

Own Funds (I)

Capital structure as of 31 Dec. 2016



Tier 1 – unrestricted (>50% of SCR)

- EUR 5,390mn (81% of Own Funds)

Tier 1 – restricted (<20% of total Tier 1)

- EUR 333mn (5% of Own Funds)
- Capacity for additional restricted Tier 1 capital of roughly EUR 1,015mn as of year end 2016

Tier 2 (<50% of SCR)

- EUR 913mn (14% of Own Funds)
- Capacity for additional Tier 2 capital of roughly EUR 792mn as of year end 2016

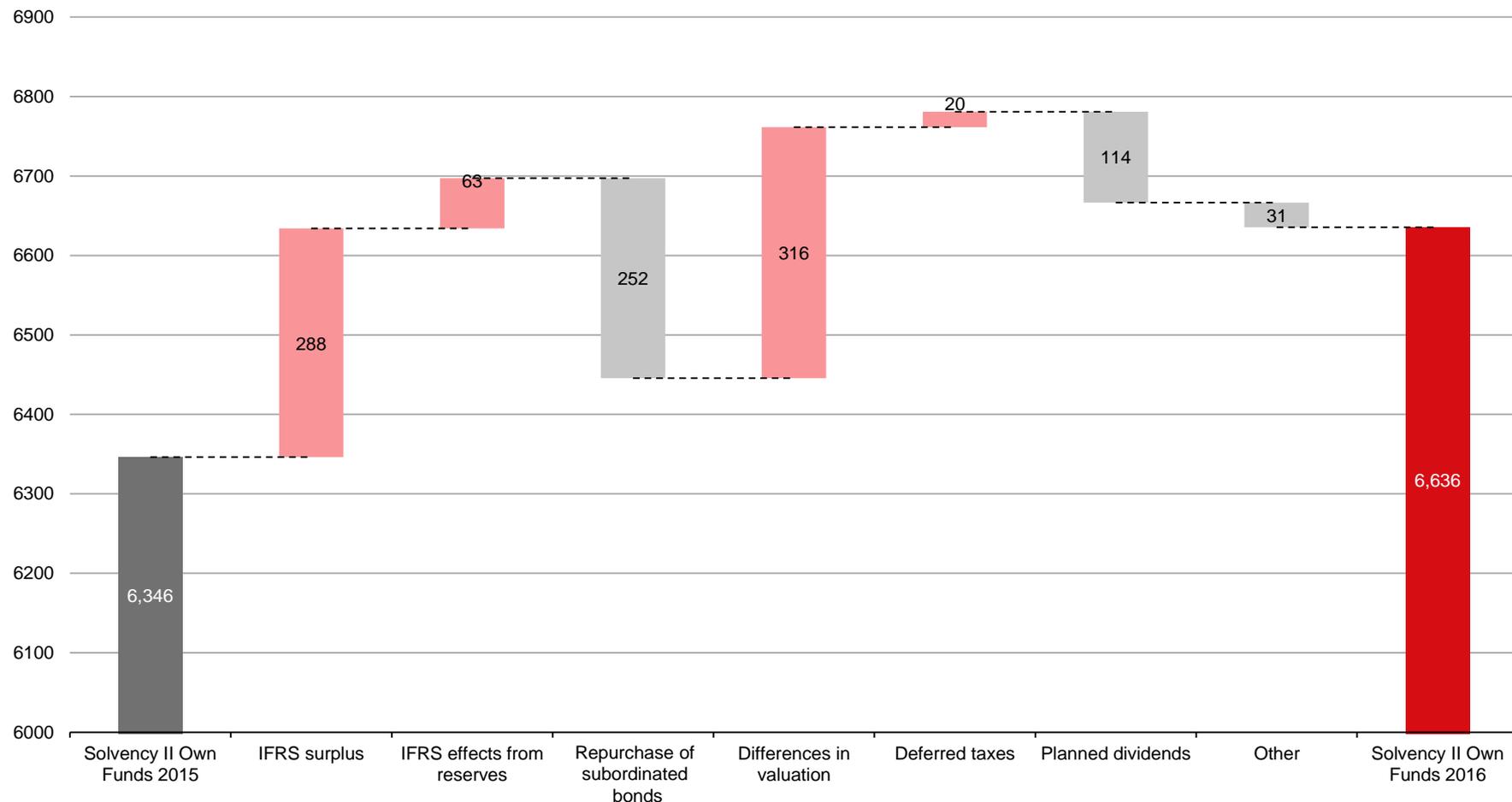
Grandfathered

- Tier 1 restricted capital includes all issued bonds without maturity eligible under Solvency II until 2026
 - Consists of subordinated debt and hybrid bonds and makes up 5% of Own Funds (EUR 333mn)

Own Funds (II)

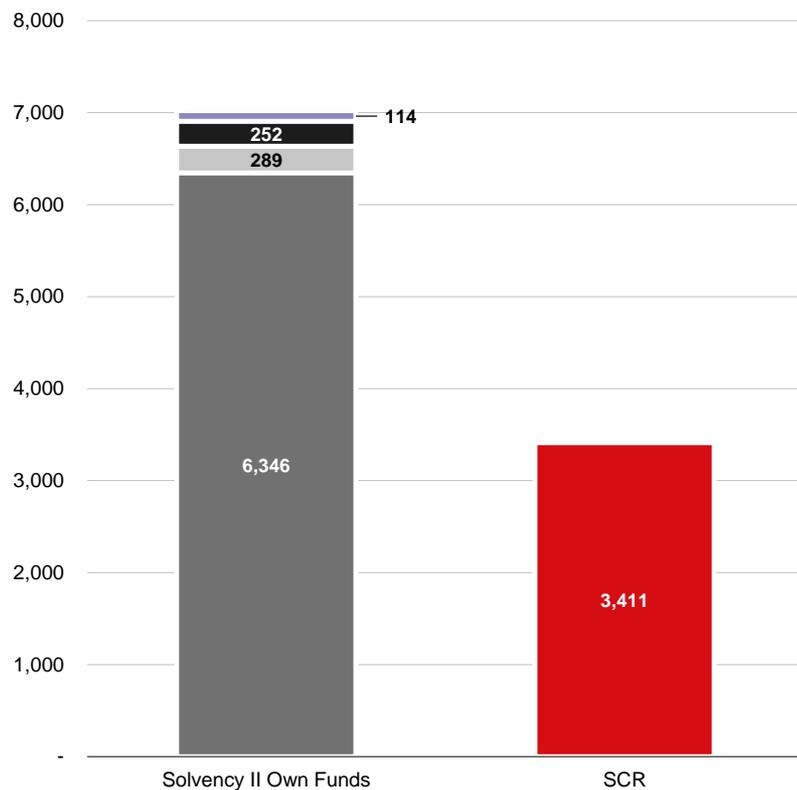
Evolution of Own Funds, 2015 - 2016

in EUR mn



Capital generation in 2016

in EUR mn

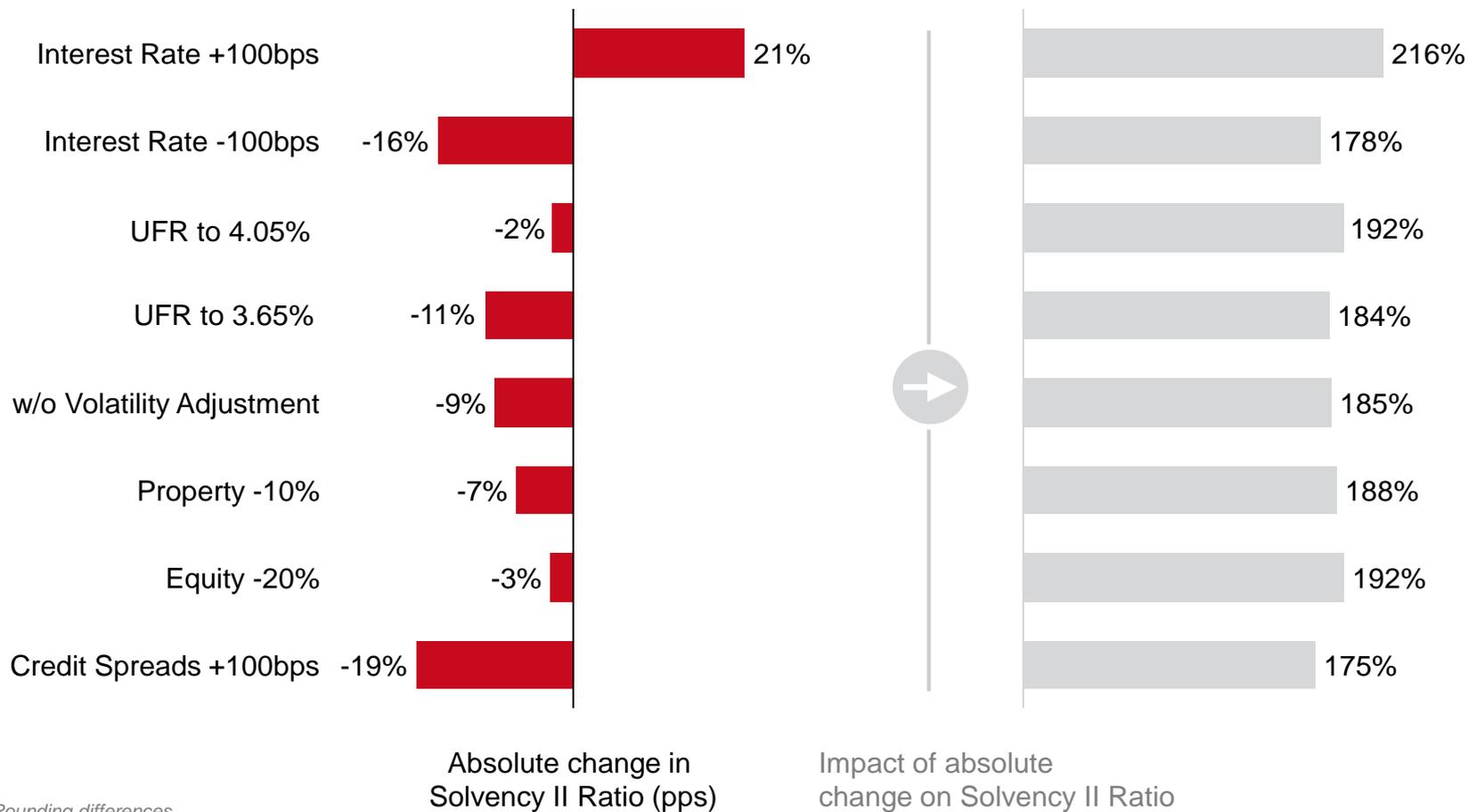


- VIG generated EUR 655mn of new capital
- Capital generation at 19% of SCR

■ Solvency II Own Funds 2015 ■ Increase of Solvency II Own Funds 2016
■ Repurchase of Subordinated Bonds ■ Dividends
■ SCR

Sensitivity Analysis

Change in market parameters



Rounding differences

Group Embedded Value

Solvency II

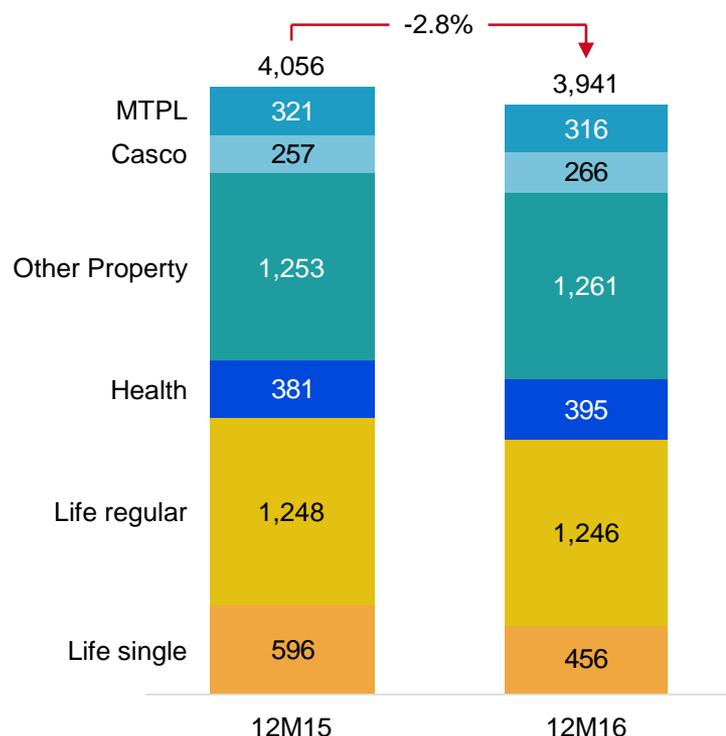
Appendix I:
Main Segments

Appendix II:
Financials

Austria: PBT decrease in P&C driven by substantially lower financial result

CoR nearly unchanged compared to last year

GWP development (€mn)



P&L: P&C business (€mn)

	12M16	Y-o-Y
Underwriting and financial result	65.5	-51.8%
Other non-technical result	-1.6	-90.6%
Result (pre tax)	63.9	-46.4%
Claims ratio	69.9%	-1.1%p
Cost ratio	27.6%	1.2%p
Combined ratio	97.6%	0.1%p

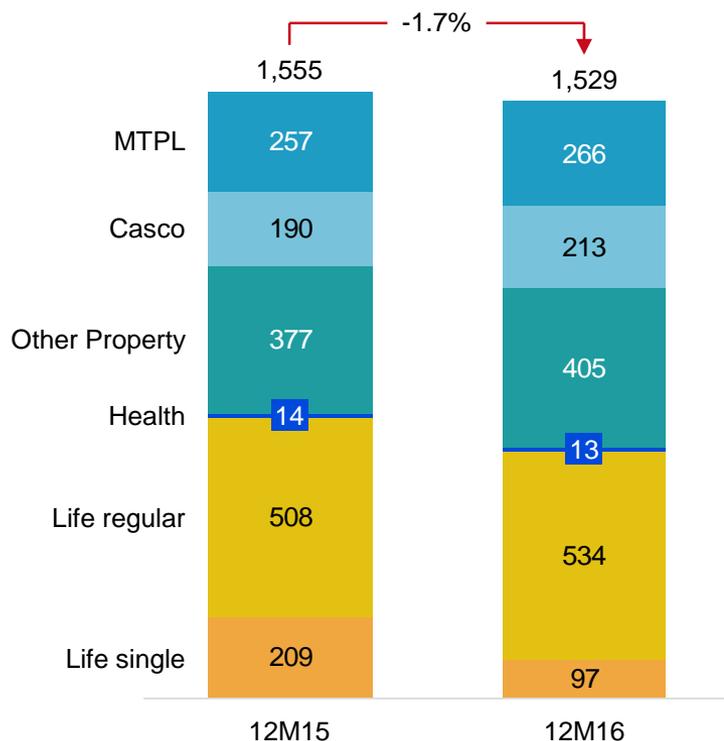
P&L: Life and health business (€mn)

	12M16	Y-o-Y
Underwriting and financial result	132.1	12.4%p
Other non-technical result	0	n.a.
Result (pre tax)	132.1	40.8%p

Czech Republic: less financial result reason for decreased PBT

Excellent CoR of 90.5%

GWP development (€mn)



P&L: P&C business (€mn)

	12M16	Y-o-Y
Underwriting and financial result	78.4	-0.4%
Other non-technical result	-4.2	-1.4%
Result (pre tax)	74.2	-0.4%
Claims ratio	60.3%	0.0%p
Cost ratio	30.2%	-0.1%p
Combined ratio	90.5%	-0.2%p

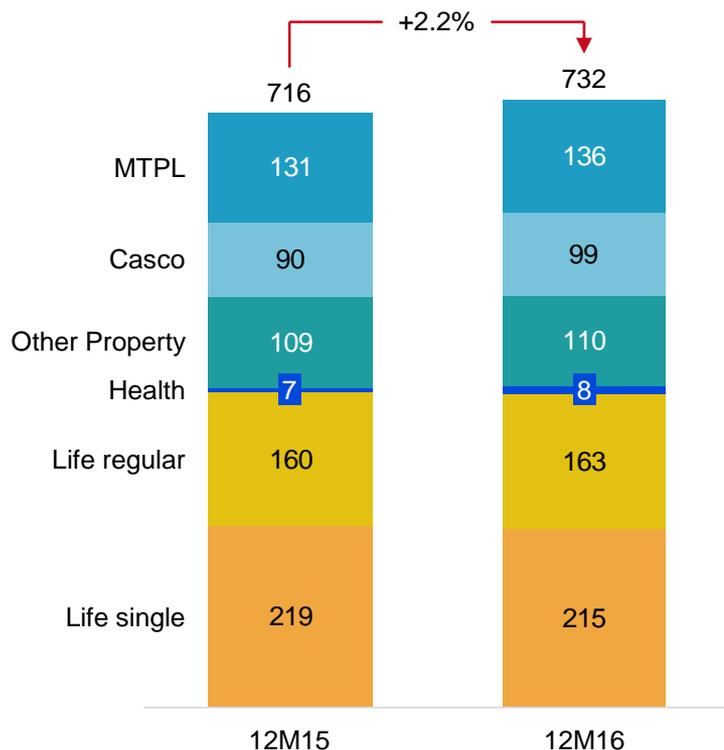
P&L: Life business (€mn)

	12M16	Y-o-Y
Underwriting and financial result	76.3	-11.3%
Other non-technical result	2.3	-6.7%
Result (pre tax)	78.6	-11.2%

Slovakia: significantly improved cost ratio

Overall CoR down to 94.9%

GWP development (€mn)



P&L: P&C business (€mn)

	12M16	Y-o-Y
Underwriting and financial result	24.6	11.4%
Other non-technical result	-1.6	n.a.
Result (pre tax)	23.0	-12.3%
Claims ratio	61.9%	4.3%p
Cost ratio	33.1%	-5.5%p
Combined ratio	94.9%	-1.3%p

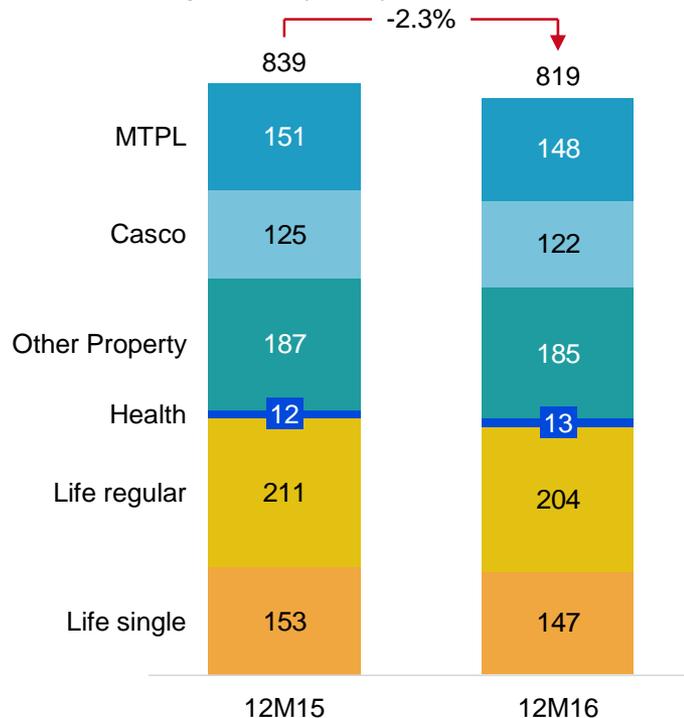
P&L: Life business (€mn)

	12M16	Y-o-Y
Underwriting and financial result	24.1	0.2%
Other non-technical result	1.8	10.7%
Result (pre tax)	25.9	0.9%

Poland: lower financial result and negative one-off in life are main drivers for PBT decrease

CoR at 99.4% rather stable compared to last year

GWP development (€mn)



P&L: P&C business (€mn)

	12M16	Y-o-Y
Underwriting and financial result	21.7	-35.4%
Other non-technical result	-4.4	>100
Result (pre tax)	17.3	-47.7%
Claims ratio	68.3%	3.7%p
Cost ratio	31.1%	-3.6%p
Combined ratio	99.4%	0.1%p

P&L: Life business (€mn)

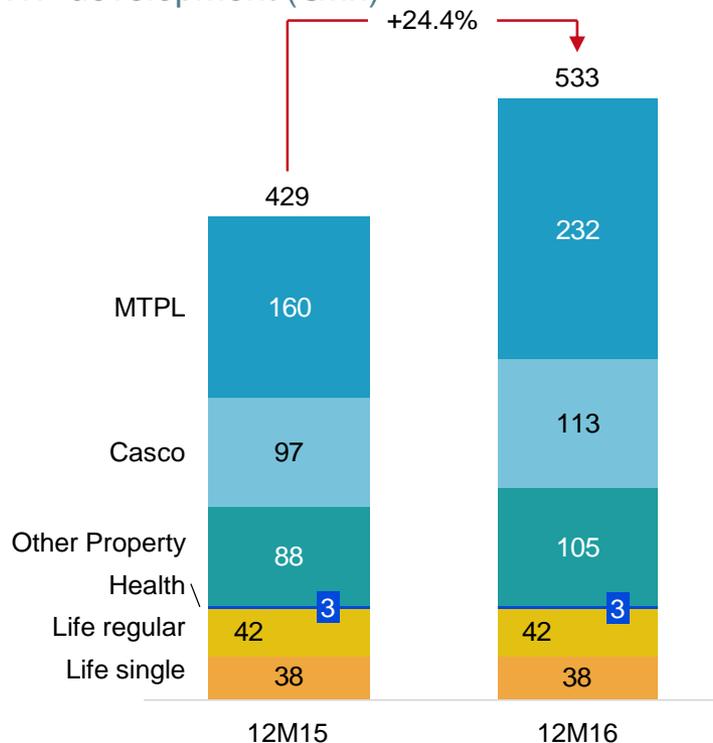
	12M16	Y-o-Y
Underwriting and financial result	-21.2	21.1%
Other non-technical result	5.8	10.8%
Result (pre tax)	-15.4	25.5%

- Asset tax introduced in February 2016 by Polish government - Impact: ~€6mn for 2016
- Agreement with consumer protection entity UOKiK in Poland regarding surrender fees for unit-and index-linked life insurance policies reached end of December – Impact: ~25mn in 2016

Romania: considerable premium increase and solid overall PBT growth

CoR further decreased but not yet below 100%

GWP development (€mn)



P&L: P&C business (€mn)

	12M16	Y-o-Y
Underwriting and financial result	7.5	>100
Other non-technical result	-10.2	-89.1%
Result (pre tax)	-2.6	-97.2%
Claims ratio	68.5%	6.0%p
Cost ratio	31.5%	-8.4%p
Combined ratio	100.1%	-2.4%p

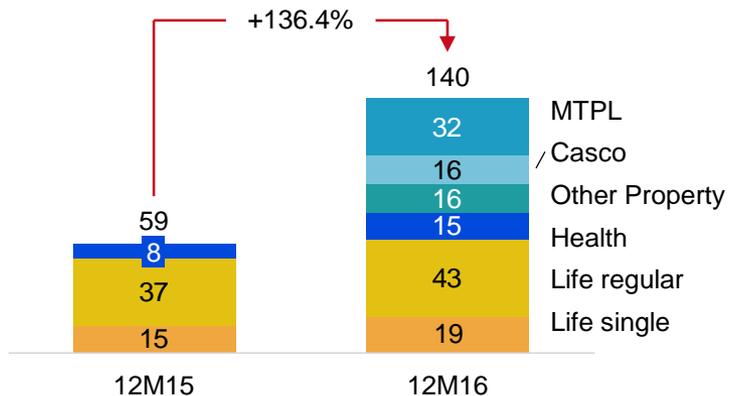
P&L: Life business (€mn)

	12M16	Y-o-Y
Underwriting and financial result	6.1	21.6%
Other non-technical result	0.1	-89.6%
Result (pre tax)	6.2	11.0%

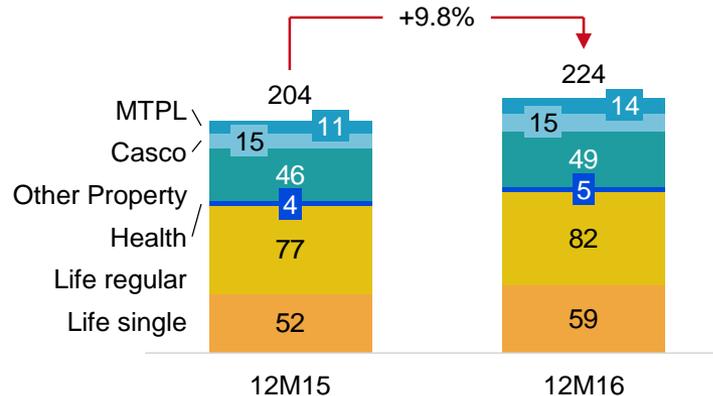
- Romania implemented maximum MTPL tariffs for passenger cars, busses, vans and trucks, trailers and motorcycles
- Maximum MTPL tariffs entered into force from Nov. 18, 2016 and will be valid for the next 6 month for new business
- Average premiums in general higher than new maximum MTPL tariffs
- Compliance of maximum MTPL tariffs with European legislation under discussion

Premium development of new segments (I)

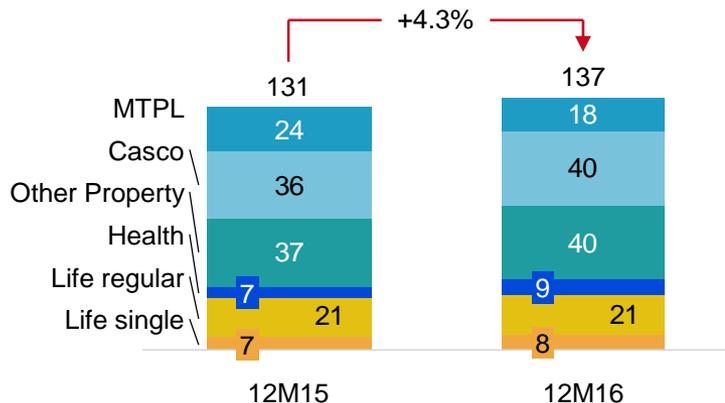
The Baltic GWP development (€mn)



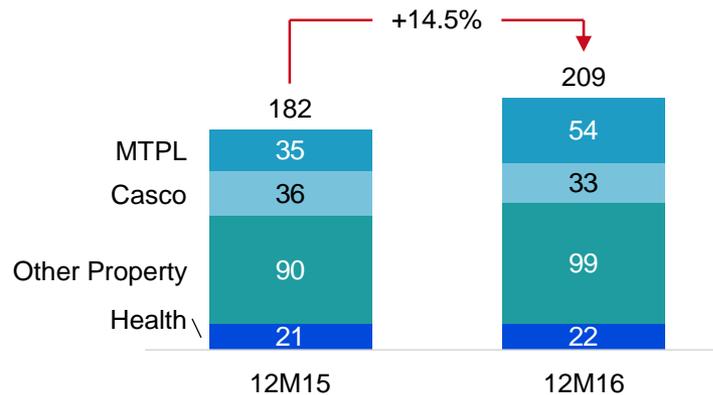
Hungary GWP development (€mn)



Bulgaria GWP development (€mn)

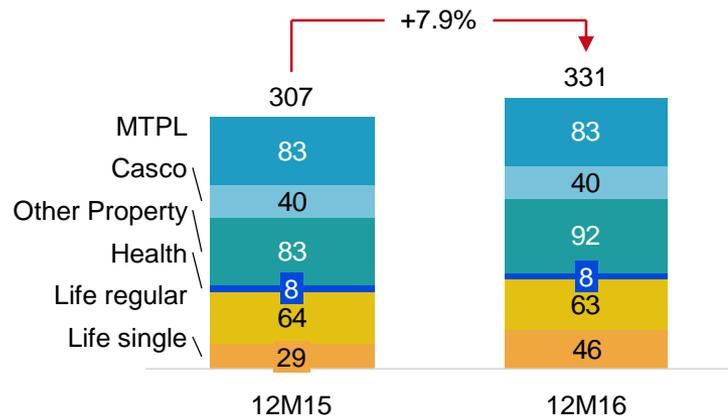


Turkey/Georgia GWP development (€mn)

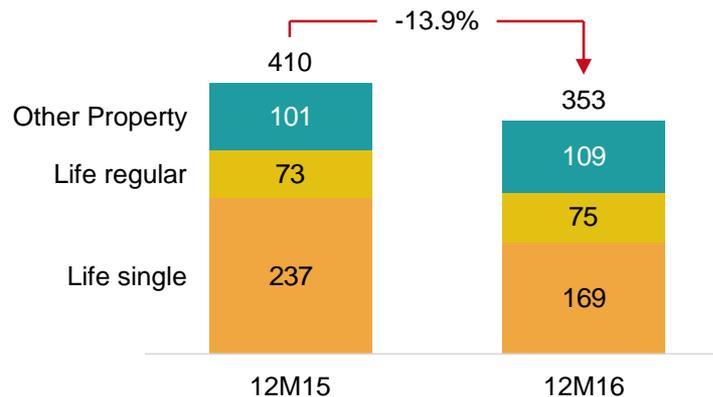


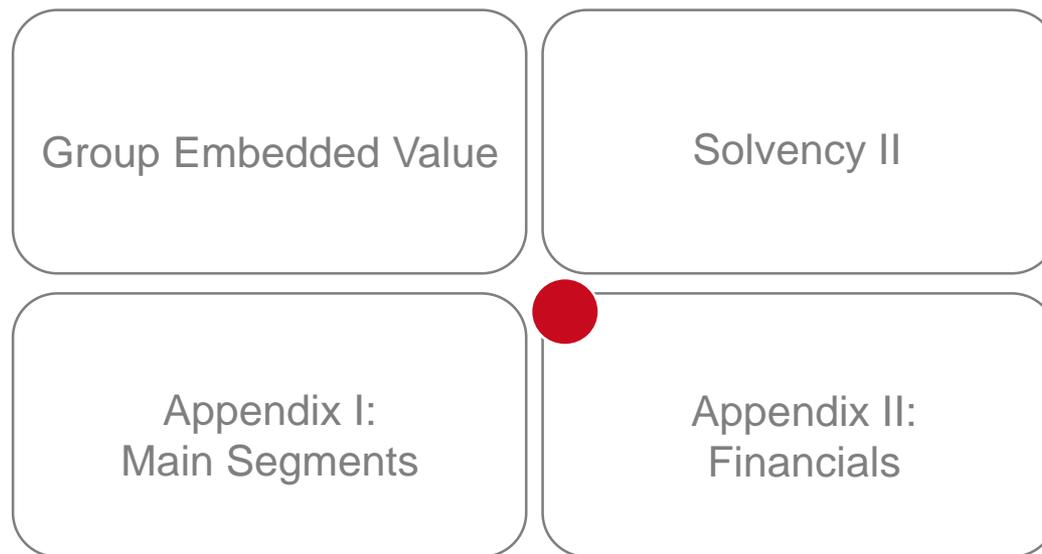
Premium development of new segments (II)

Remaining CEE GWP development (€mn)



Other markets GWP development (€mn)





12M 2016 Income statement

IFRS (€mn) / 12M 2015 restated

€mn	12M 2016	12M 2015	+/-%
Gross premiums written	9,051.0	9,019.8	0.3
Net earned premiums	8,191.3	8,180.5	0.1
Financial result ¹	958.8	1,040.2	-7.8
Other income	150.4	150.2	0.2
Total income	9,300.5	9,370.9	-0.8
Expenses for claims and insurance benefits	-6,753.4	-6,748.9	0.1
Acquisition and administrative expenses	-1,907.8	-1,847.6	3.3
Other expenses	-232.5	-727.4	-68.0
Total expenses	-8,893.8	-9,323.9	-4.6
Profit before taxes	406.7	47.1	>100
Taxes	-85.7	-61.8	38.7
Net profit (Profit for the period)	321.0	-14.8	n.a.
Non-controlling interests	-33.2	-5.8	>100
Net profit after non-controlling interests	287.8	-20.6	n.a.

1: Incl. result of €46.6mn (2015: €40.2mn) from shares in at equity consolidated companies

12M 2016 Balance sheet

IFRS (€mn) / YE 2016/2015 restated

€mn	31.12.2016	31.12.2015	+/-%
Intangible assets	2,055	1,989	3.3
Investments	34,646	30,142	14.9
Unit- and index-linked investments	8,550	8,144	5.0
Reinsurers' share in underwriting provisions	985	1,031	-4.4
Receivables	1,460	1,392	4.9
Tax receivables and advance payments out of income tax	237	217	9.3
Deferred tax assets	138	124	11.8
Other assets	348	350	-0.6
Cash and cash equivalents	1,590	1,101	44.4
Total assets	50,008	44,490	12.4
Shareholders' equity	5,711	4,414	29.4
<i>thereof minorities</i>	1,147	112	>100
Subordinated liabilities	1,265	1,280	-1.2
Underwriting provisions	29,220	28,145	3.8
Unit- and index-linked technical provisions	8,130	7,777	4.5
Non-underwriting provisions	815	663	22.9
Liabilities	4,203	1,634	>100
Tax liabilities out of income tax	181	122	48.8
Deferred tax liabilities	325	280	16.0
Other liabilities	158	173	-9.1
Total liabilities and equity	50,008	44,490	12.4

12M 2016 P&L by segment (I)

IFRS (€mn) / 12M 2015 restated

€mn	Austria			Czech Republic			Slovakia		
	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%
Gross premiums written	3,941.3	4,055.5	-2.8	1,529.1	1,554.8	-1.7	732.3	716.5	2.2
Net earned premiums	3,247.9	3,370.0	-3.6	1,151.5	1,204.8	-4.4	597.9	576.5	3.7
Financial result ¹	761.0	841.4	-9.6	84.7	96.9	-12.5	52.8	51.9	1.7
Other income	18.5	19.6	-5.7	41.3	43.4	-4.9	18.6	33.0	-43.8
Total income	4,027.4	4,231.0	-4.8	1,277.5	1,345.1	-5.0	669.3	661.5	1.2
Expenses for claims/benefits	-3,190.9	-3,361.9	-5.1	-738.4	-817.1	-9.6	-491.8	-470.0	4.6
Acquisition and administrative expenses	-619.0	-599.2	3.3	-350.8	-316.3	10.9	-100.4	-98.6	1.8
Other expenses	-21.4	-56.8	-62.3	-35.5	-48.7	-27.0	-28.2	-41.0	-31.2
Total expenses	-3,831.3	-4,018.0	-4.6	-1,124.7	-1,182.1	-4.9	-620.4	-609.6	1.8
Profit before taxes	196.1	213.0	-7.9	152.8	163.0	-6.3	48.9	51.9	-5.8
Taxes	-37.6	-75.0	-49.9	-29.7	-32.4	-8.4	-13.3	-13.4	-1.1
Profit of the period	158.5	138.0	14.9	123.1	130.6	-5.7	35.6	38.5	-7.4
Combined Ratio	97.6%	97.5%		90.5%	90.7%		94.9%	96.2%	

1: Incl. result from shares in at equity consolidated companies

12M 2016 P&L by segment (II)

IFRS (€mn) / 12M 2015 restated

€mn	Poland			Romania			The Baltic		
	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%
Gross premiums written	819.2	838.9	-2.3	533.4	428.6	24.4	140.2	59.3	136.4
Net earned premiums	669.7	716.3	-6.5	351.1	265.0	32.5	108.1	57.7	87.2
Financial result ¹	34.4	46.1	-25.3	13.6	10.8	25.8	4.5	2.7	64.4
Other income	18.1	13.9	30.3	8.9	11.0	-18.6	0.8	1.3	-38.4
Total income	722.2	776.2	-7.0	373.7	286.8	30.3	113.4	61.8	83.5
Expenses for claims/benefits	-542.6	-501.3	8.2	-246.4	-176.2	39.8	-85.2	-48.8	74.6
Acquisition and administrative expenses	-158.5	-218.9	-27.6	-90.6	-85.7	5.7	-35.2	-15.3	129.5
Other expenses	-19.2	-35.1	-45.2	-33.2	-112.5	-70.5	-4.3	-0.3	>100
Total expenses	-720.3	-755.3	-4.6	-370.2	-374.4	-1.1	-124.6	-64.4	93.4
Profit before taxes	1.9	20.8	-91.0	3.5	-87.6	n.a.	-11.2	-2.6	>100
Taxes	-9.9	-12.8	-22.7	7.6	1.8	n.a.	1.7	0.1	>100
Profit of the period	-8.0	8.0	n.a.	11.2	-85.8	n.a.	-9.6	-2.5	>100
Combined Ratio	99.4%	99.3%		100.1%	102.4%		135.4%	n.a.	

1: Incl. result from shares in at equity consolidated companies

12M 2016 P&L by segment (III)

IFRS (€mn) / 12M 2015 restated

€mn	Hungary			Bulgaria			Turkey/Georgia		
	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%
Gross premiums written	224.2	204.3	9.8	136.7	131.1	4.3	208.7	182.3	14.5
Net earned premiums	174.6	159.7	9.3	96.5	89.0	8.4	102.1	92.7	10.1
Financial result ¹	6.9	8.0	-14.0	11.2	9.9	12.6	7.0	4.9	41.8
Other income	3.6	1.7	>100	1.0	1.0	-4.7	6.3	6.1	3.9
Total income	185.1	169.4	9.3	108.6	100.0	8.7	115.4	103.7	11.3
Expenses for claims/benefits	-132.4	-119.0	11.2	-59.3	-57.9	2.4	-76.9	-71.8	7.1
Acquisition and administrative expenses	-38.3	-38.1	0.5	-32.0	-29.6	8.4	-22.6	-25.2	-10.1
Other expenses	-10.6	-34.4	-69.1	-12.0	-14.8	-19.4	-6.8	-3.5	94.3
Total expenses	-181.2	-191.5	-5.3	-103.3	-102.3	0.9	-106.4	-100.5	5.9
Profit before taxes	3.8	-22.1	n.a.	5.4	-2.3	n.a.	9.0	3.2	>100
Taxes	-0.2	-0.4	-55.8	-1.6	0.8	n.a.	-4.7	1.2	n.a.
Profit of the period	3.6	-22.6	n.a.	3.8	-1.5	n.a.	4.3	4.4	-2.1
Combined Ratio	103.6%	105.3%		98.2%	102.3%		95.7%	102.5%	

1: Incl. result from shares in at equity consolidated companies

12M 2016 P&L by segment (IV)

IFRS (€mn) / 12M 2015 restated

€mn	Remaining CEE			Other markets		
	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%
Gross premiums written	331.4	307.2	7.9	353.0	410.0	-13.9
Net earned premiums	232.9	211.4	10.2	311.6	371.2	-16.1
Financial result ¹	36.6	36.5	0.4	19.9	18.9	5.3
Other income	5.1	9.6	-47.1	3.5	3.6	-4.8
Total income	274.6	257.5	6.7	334.9	393.7	-14.9
Expenses for claims/benefits	-161.8	-145.5	11.2	-255.0	-254.3	0.3
Acquisition and administrative expenses	-83.3	-81.7	1.9	-25.2	-25.6	-1.7
Other expenses	-22.1	-55.7	-60.3	-32.5	-93.5	-65.3
Total expenses	-267.2	-282.9	-5.6	-312.8	-373.4	-16.2
Profit before taxes	7.4	-25.4	n.a.	22.1	20.2	9.5
Taxes	-5.6	-4.6	19.6	-6.1	-5.7	7.3
Profit of the period	1.9	-30.1	n.a.	16.1	14.6	10.4
Combined Ratio	101.4%	102.7%		81.8%	83.0%	

1: Incl. result from shares in at equity consolidated companies

12M 2016 P&L by segment (V)

IFRS (€mn) / 12M 2015 restated

€mn	Central Functions			Consolidation			TOTAL		
	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%
Gross premiums written	1,324.8	1,248.9	6.1	-1,223.3	-1,117.7	n.a.	9,051.0	9,019.8	0.3
Net earned premiums	1,141.9	1,066.8	7.0	5.4	-0.5	n.a.	8,191.3	8,180.5	0.1
Financial result ¹	-73.3	-87.5	-16.2	-0.5	-0.3	n.a.	958.8	1,040.2	-7.8
Other income	25.8	7.0	269.9	-0.9	-0.9	n.a.	150.4	150.2	0.2
Total income	1,094.3	986.3	11.0	4.1	-1.8	n.a.	9,300.5	9,370.9	-0.8
Expenses for claims/benefits	-768.7	-723.9	6.2	-3.9	-1.1	n.a.	-6,753.4	-6,748.9	0.1
Acquisition and administrative expenses	-345.0	-311.8	10.6	-7.0	-1.5	n.a.	-1,907.8	-1,847.6	3.3
Other expenses	-14.0	-235.1	-94.1	7.3	4.0	n.a.	-232.5	-727.4	-68.0
Total expenses	-1,127.7	-1,270.8	-11.3	-3.7	1.5	n.a.	-8,893.8	-9,323.9	-4.6
Profit before taxes	-33.3	-284.6	-88.3	0.4	-0.3	n.a.	406.7	47.1	>100
Taxes	13.5	78.6	-82.8	0.0	0.0	n.a.	-85.7	-61.8	38.7
Profit of the period	-19.8	-205.9	-90.4	0.4	-0.3	n.a.	321.0	-14.8	n.a.
Combined Ratio							97.3%	97.3%	

1: Incl. result from shares in at equity consolidated companies

12M 2016 Financial result by segment (I)

IFRS (€ '000) / 12M 2015 restated

Income	Austria		Czech Republic		Slovakia		Poland	
	12M 2016	12M 2015	12M 2016	12M 2015	12M 2016	12M 2015	12M 2016	12M 2015
in € '000								
Current income	808,895	832,249	102,412	109,521	43,938	44,453	30,824	37,296
Income from appreciations	44,828	6,079	2,869	4,193	1,691	1,455	3,128	1,839
of which reduction in impairment	40,372	3,685	0	0	0	0	0	0
Income from the disposal of investments	60,279	172,835	16,836	33,274	10,775	9,345	9,939	21,835
Total Income	914,002	1,011,163	122,117	146,988	56,404	55,253	43,891	60,970
Expenses								
in € '000								
Depreciation of investments	73,706	64,737	8,361	11,816	2,249	1,936	2,336	5,040
Thereof impairment of investments	28,756	21,377	1,070	4,014	0	0	342	0
Exchange rate changes	-57	-1,115	-1,221	-4,010	-4	-71	-964	-596
Losses from the disposal of investments	12,582	20,575	18,675	31,481	278	238	1,232	1,556
Interest expenses	37,940	40,784	3,650	3,438	271	564	3,138	4,336
Other expenses	69,812	66,506	9,552	9,470	789	663	3,730	4,573
Total Expenses	193,983	191,487	39,017	52,195	3,583	3,330	9,472	14,909
Financial Result (excl. at equity)	720,019	819,676	83,100	94,793	52,821	51,923	34,419	46,061
Result from at equity cons. companies	40,953	21,678	1,647	2,100	0	0	0	0

12M 2016 Financial result by segment (II)

IFRS (€ '000) / 12M 2015 restated

Income	Romania		The Baltic		Hungary		Bulgaria	
	12M 2016	12M 2015	12M 2016	12M 2015	12M 2016	12M 2015	12M 2016	12M 2015
in € '000								
Current income	14,138	12,346	5,161	3,519	8,589	9,915	23,571	21,912
Income from appreciations	1,269	208	738	954	0	0	1,326	1,378
of which reduction in impairment	1,121	0	0	0	0	0	0	0
Income from the disposal of investments	4,510	5,543	1,350	103	384	344	2,211	2,341
Total Income	19,917	18,097	7,249	4,576	8,973	10,259	27,108	25,631
Expenses								
in € '000								
Depreciation of investments	2,113	2,566	1,910	1,453	478	587	2,318	4,559
Thereof impairment of investments	859	116	905	430	478	587	761	2,563
Exchange rate changes	-319	-522	25	-14	-165	-53	85	-235
Losses from the disposal of investments	106	127	215	2	331	184	1,003	758
Interest expenses	2,358	2,717	242	111	701	734	298	129
Other expenses	2,037	2,378	391	308	746	806	12,244	10,507
Total Expenses	6,295	7,266	2,783	1,860	2,091	2,258	15,948	15,718
Financial Result (excl. at equity)	13,622	10,831	4,466	2,716	6,882	8,001	11,160	9,913
Result from at equity cons. companies	0	0	0	0	0	0	0	0

12M 2016 Financial result by segment (III)

IFRS (€ '000) / 12M 2015 restated

Income	Turkey/Georgia		Remaining CEE		Other markets	
	12M 2016	12M 2015	12M 2016	12M 2015	12M 2016	12M 2015
in € '000						
Current income	9,208	7,782	37,025	36,905	20,056	19,978
Income from appreciations	1,745	2,550	211	167	1,356	2,243
of which reduction in impairment	0	0	54	64	1,353	2,240
Income from the disposal of investments	737	326	6,170	5,047	755	768
Total Income	11,690	10,658	43,406	42,119	22,167	22,989
Expenses						
in € '000						
Depreciation of investments	1,998	3,220	3,541	3,924	1,189	2,960
Thereof impairment of investments	313	1	2,283	2,280	343	2,681
Exchange rate changes	-281	-586	-888	-2,842	0	0
Losses from the disposal of investments	610	352	168	170	132	37
Interest expenses	955	786	1,964	2,388	208	321
Other expenses	1,447	1,979	1,975	1,984	766	806
Total Expenses	4,729	5,751	6,760	5,624	2,295	4,124
Financial Result (excl. at equity)	6,961	4,907	36,646	36,495	19,872	18,865
Result from at equity cons. companies	0	0	0	0	0	0

12M 2016 Financial result by segment (IV)

IFRS (€ '000) / 12M 2015 restated

Income in € '000	Central Functions		Consolidation		Total	
	12M 2016	12M 2015	12M 2016	12M 2015	12M 2016	12M 2015
Current income	192,596	98,440	-59,402	-62,392	1,237,011	1,171,924
Income from appreciations	209	0	0	0	59,370	21,066
of which reduction in impairment	0	0	0	0	42,900	5,989
Income from the disposal of investments	5,761	8,156	0	0	119,707	259,917
Total Income	198,566	106,596	-59,402	-62,392	1,416,088	1,452,907
Expenses in € '000	Central Functions		Consolidation		Total	
	12M 2016	12M 2015	12M 2016	12M 2015	12M 2016	12M 2015
Depreciation of investments	50,308	33,055	0	0	150,507	135,853
Thereof impairment of investments	5,600	21,950	0	0	41,710	55,999
Exchange rate changes	8,154	-2,548	0	0	4,365	-12,592
Losses from the disposal of investments	2,326	4,434	0	0	37,658	59,914
Interest expenses	106,361	88,421	-58,930	-62,114	99,156	82,615
Other expenses	108,725	87,150	0	0	212,214	187,130
Total Expenses	275,874	210,512	-58,930	-62,114	503,900	452,920
Financial Result (excl. at equity)	-77,308	-103,916	-472	-278	912,188	999,987
Result from at equity cons. companies	4,021	16,431	0	0	46,621	40,209

12M 2016 development for P&C business according to VAG (Austrian Insurance Supervision Act)

IFRS (€ '000) / 12M 2015 restated

	12M 2016	12M 2015	+/-%
Overall result for direct business			
Gross direct premiums written	4,751.29	4,478.28	6.1
Gross direct	462.58	517.86	-10.7
Underwriting result	408.74	399.86	2.2
Financial result	53.83	118.00	-54.4
Direct reinsurance cessions	-228.63	-253.05	-9.6
Subtotal	233.94	264.81	-11.7
Overall result for indirect business			
Gross indirect premiums written	127.32	120.75	5.4
Gross indirect	1.47	9.65	-84.7
Indirect reinsurance cessions	-71.71	-54.89	30.6
Subtotal	-70.23	-45.25	55.2
Overall result for direct and indirect retention	163.71	219.57	-25.4
Other non-underwriting income and expenses	-17.11	-368.51	-95.4
Expenses for profit-related premium refunds	0.00	0.00	0.00
Profit before taxes	146.60	-148.95	n.a.
Taxes	-27.43	10.58	n.a.
Net profit (Profit for the period)	119.17	-138.36	n.a.

Note: Gross direct total of €869.26mn (2015: €889.30mn) includes commissions of €1,107.34mn (2015: €1,091.27mn) for direct insurance business.

12M 2016 development for life business according to VAG (Austrian Insurance Supervision Act)

IFRS (€ '000) / 12M 2015 restated

	12M 2016	12M 2015	+/-%
Overall result for direct business			
Gross direct premiums written	3,746.57	4,009.89	-6.6
Gross direct	347.90	316.29	10.0
Underwriting result	0.00	0.00	0.00
Financial result	0.00	0.00	0.00
Direct reinsurance cessions	-15.81	-11.33	39.5
Subtotal	332.09	304.96	8.9
Overall result for indirect business			
Gross indirect premiums written	13.12	12.86	2.0
Gross indirect	0.31	1.98	-84.3
Indirect reinsurance cessions	-0.30	-0.64	-52.4
Subtotal	0.01	1.35	-99.3
Overall result for direct and indirect retention	332.10	306.30	8.4
Other non-underwriting income and expenses	4.54	-48.22	n.a.
Expenses for profit-related premium refunds	-134.58	-112.56	19.6
Profit before taxes	202.05	145.52	38.8
Taxes	-48.00	-66.06	-27.3
Net profit (Profit for the period)	154.05	79.46	93.9

12M 2016 development for health business according to VAG (Austrian Insurance Supervision Act)

IFRS (€ '000) / 12M 2015 restated

	12M 2016	12M 2015	+/-%
Overall result for direct business			
Gross direct premiums written	412.48	397.86	3.7
Gross direct	58.79	55.15	6.6
Underwriting result	0.00	0.00	0.00
Financial result	0.00	0.00	0.00
Direct reinsurance cessions	-0.05	-0.06	-18.8
Subtotal	58.73	55.09	6.6
Overall result for indirect business			
Gross indirect premiums written	0.18	0.11	61.6
Gross indirect	0.12	0.09	32.6
Indirect reinsurance cessions	0.00	0.00	0.00
Subtotal	0.12	0.09	32.6
Overall result for direct and indirect retention	58.86	55.18	6.7
Other non-underwriting income and expenses	-0.32	-4.48	-92.9
Expenses for profit-related premium refunds	-0.46	-0.22	>100
Profit before taxes	58.08	50.48	15.0
Taxes	-10.31	-6.35	62.5
Net profit (Profit for the period)	47.77	44.14	8.2

12M 2016 Premiums by business lines and country (I)

IFRS (€mn)

	GWP MTPL			GWP Casco			GWP Other property		
	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%
Austria	316.0	320.9	-1.5%	266.5	256.6	3.9%	1,261.1	1,252.9	0.7%
Czech Republic	266.1	256.8	3.6%	213.4	190.3	12.1%	405.2	377.4	7.4%
Slovakia	136.5	131.1	4.1%	99.5	90.1	10.4%	109.8	109.1	0.6%
Poland	147.6	150.8	-2.2%	122.3	125.3	-2.4%	185.5	186.8	-0.7%
Romania	231.9	160.3	44.6%	113.2	96.9	16.8%	105.4	87.9	19.9%
The Baltic	31.7	0.0	0.0%	15.5	0.0	0.0%	15.7	0.0	0.0%
Hungary	14.0	10.7	31.1%	15.5	14.9	4.1%	48.6	46.0	5.8%
Bulgaria	18.2	24.1	-24.6%	40.2	35.7	12.7%	39.9	37.2	7.0%
Turkey/Georgia	54.4	34.8	56.3%	33.2	36.5	-9.1%	99.4	90.3	10.1%
Georgia	0.8	0.7	9.0%	7.2	5.6	28.3%	18.1	16.3	11.2%
Turkey	53.6	34.1	57.3%	26.0	30.9	-15.8%	81.3	74.0	9.8%
Remaining CEE	83.3	83.0	0.5%	39.6	39.6	-0.1%	91.8	83.4	10.1%
Albania incl. Kosovo	24.8	24.8	-0.2%	1.5	1.4	6.0%	7.8	8.2	-4.4%
Bosnia & Herzegovina	4.5	4.9	-8.7%	1.1	1.3	-12.7%	5.1	5.1	0.0%
Croatia	16.3	16.7	-2.6%	4.8	3.9	23.8%	16.1	12.8	25.8%
Macedonia	10.5	9.1	14.6%	2.3	2.2	1.9%	13.0	12.8	2.0%
Moldova	3.9	4.0	-0.9%	2.2	2.1	1.9%	1.9	1.2	64.1%
Serbia	5.0	4.4	13.0%	8.5	8.0	5.9%	40.7	36.7	10.9%
Ukraine	18.5	19.0	-2.9%	19.3	20.8	-6.9%	7.2	6.7	7.3%
Other markets	0.0	0.0	0.0%	0.0	0.0	0.0%	108.7	100.6	8.0%
Germany	0.0	0.0	0.0%	0.0	0.0	0.0%	108.7	100.6	8.0%
Liechtenstein	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%

12M 2016 Premiums by business lines and country (II)

IFRS (€mn)

	GWP Life regular			GWP Life single			GWP Health		
	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%	12M 2016	12M 2015	+/-%
Austria	1,246.4	1,248.4	-0.2%	456.4	595.5	-23.4%	394.9	381.2	3.6%
Czech Republic	534.0	507.6	5.2%	97.0	209.1	-53.6%	13.4	13.6	-1.6%
Slovakia	163.2	160.2	1.9%	215.0	219.4	-2.0%	8.4	6.6	27.1%
Poland	204.2	210.9	-3.2%	147.0	153.5	-4.2%	12.6	11.6	9.0%
Romania	42.5	42.3	0.4%	37.5	38.3	-2.0%	3.0	2.9	2.6%
The Baltic	42.7	37.0	15.4%	19.5	14.7	32.9%	15.2	7.7	98.0%
Hungary	81.8	77.4	5.8%	59.4	51.8	14.7%	4.8	3.6	35.7%
Bulgaria	21.3	20.7	2.8%	8.1	6.7	20.5%	9.0	6.6	36.3%
Turkey/Georgia	0.0	0.0	0.0%	0.0	0.0	0.0%	21.8	20.8	4.9%
<i>Georgia</i>	0.0	0.0	0.0%	0.0	0.0	0.0%	17.8	16.8	5.9%
<i>Turkey</i>	0.0	0.0	0.0%	0.0	0.0	0.0%	4.0	4.0	0.5%
Remaining CEE	62.6	64.5	-2.8%	45.8	28.8	59.0%	8.1	7.9	3.3%
<i>Albania incl. Kosovo</i>	0.0	0.0	0.0%	0.0	0.0	0.0%	2.3	2.8	-16.7%
<i>Bosnia & Herzegovina</i>	1.3	1.0	27.4%	0.9	0.2	>100%	0.1	0.0	>100%
<i>Croatia</i>	33.1	34.4	-3.9%	28.9	22.9	25.8%	0.2	0.0	>100%
<i>Macedonia</i>	0.0	0.0	0.0%	0.0	0.0	0.0%	0.1	0.0	>100%
<i>Moldova</i>	0.0	0.0	0.0%	0.0	0.0	0.0%	0.4	0.4	-7.5%
<i>Serbia</i>	26.2	26.8	-2.4%	15.2	4.9	>100%	1.4	1.0	40.2%
<i>Ukraine</i>	2.1	2.2	-5.3%	1.0	0.9	10.8%	3.7	3.6	2.5%
Other markets	74.8	72.9	2.6%	169.5	236.5	-28.4%	0.0	0.0	0.0%
<i>Germany</i>	65.3	62.7	4.1%	16.2	12.2	32.3%	0.0	0.0	0.0%
<i>Liechtenstein</i>	9.4	10.1	-6.8%	153.3	224.3	-31.7%	0.0	0.0	0.0%

12M 2016 Country overview GWP / PBT / CoR

IFRS (€mn)

	GWP Total			Profit before taxes			Combined Ratio net		
	12M 2016	12M 2015	+/-%	12M 2016	12M 2015 adjusted	+/-%	12M 2016	12M 2015	+/-pp
Austria	3,941.3	4,055.5	-2.8%	196.1	213.0	-7.9%	97.6%	97.5%	0.1
Czech Republic	1,529.1	1,554.8	-1.7%	152.8	163.0	-6.3%	90.5%	90.7%	-0.1
Slovakia	732.3	716.5	2.2%	48.9	51.9	-5.8%	94.9%	96.2%	-1.3
Poland	819.2	838.9	-2.3%	1.9	20.8	-91.0%	99.4%	99.3%	0.1
Romania	533.4	428.6	24.4%	3.5	-87.6	n.a.	100.1%	102.4%	-2.4
The Baltic	140.2	59.3	>100%	-11.2	-2.6	>100%	135.4%	n.a.	n.a.
Hungary	224.2	204.3	9.8%	3.8	-22.1	n.a.	103.6%	105.3%	-1.7
Bulgaria	136.7	131.1	4.3%	5.4	-2.3	n.a.	98.2%	102.3%	-4.2
Turkey/Georgia	208.7	182.3	14.5%	9.0	3.2	>100%	95.7%	102.5%	-6.8
<i>Georgia</i>	43.8	39.4	11.3%	2.9	2.3	25.1%	80.3%	68.4%	11.9
<i>Turkey</i>	164.9	143.0	15.3%	6.1	0.9	>100%	99.0%	109.1%	-10.1
Remaining CEE	331.4	307.2	7.9%	7.4	-25.4	n.a.	101.4%	102.7%	-1.3
<i>Albania incl. Kosovo</i>	36.4	37.2	-2.2%	1.2	-10.8	n.a.	95.7%	96.0%	-0.3
<i>Bosnia & Herzegovina</i>	12.9	12.5	3.4%	-7.5	-3.2	>100%	126.8%	131.6%	-4.8
<i>Croatia</i>	99.3	90.8	9.4%	7.0	-17.7	n.a.	96.8%	95.4%	1.5
<i>Macedonia</i>	25.8	24.1	7.0%	1.6	4.0	-59.9%	98.7%	90.1%	8.6
<i>Moldova</i>	8.4	7.7	9.3%	0.3	-2.4	n.a.	113.9%	130.8%	-16.9
<i>Serbia</i>	96.9	81.8	18.5%	2.7	3.0	-11.5%	102.2%	100.7%	1.5
<i>Ukraine</i>	51.8	53.2	-2.7%	2.2	1.5	43.5%	101.0%	105.2%	-4.2
Other markets	353.0	410.0	-13.9%	22.1	20.2	9.5%	81.8%	83.0%	-1.2
<i>Germany</i>	190.2	175.6	8.3%	22.0	20.0	10.0%	81.8%	83.0%	-1.2
<i>Liechtenstein</i>	162.7	234.5	-30.6%	0.1	0.2	-40.4%	-	-	-

Q4 2016 – Income statement

IFRS (€mn) / Q4 2015 restated

€mn	Q4 2016	Q4 2015	+/-%
Gross premiums written	2,089.2	2,107.3	-0.9
Net earned premiums	2,032.4	2,033.2	0.0
Financial result ¹	255.6	258.5	-1.1
Other income	27.7	71.9	-61.5
Total income	2,315.6	2,363.7	-2.0
Expenses for claims and insurance benefits	-1,662.0	-1,727.7	-3.8
Acquisition and administrative expenses	-485.5	-452.1	7.4
Other expenses	-62.8	-296.8	-78.8
Total expenses	-2,210.2	-2,476.6	-10.8
Profit before taxes	105.4	-112.9	n.a.
Taxes	-15.4	-37.9	n.a.
Net profit (Profit for the period)	90.0	-150.9	n.a.
Non-controlling interests	-22.0	-0.7	>100
Net profit after non-controlling interests	68.0	-151.6	n.a.

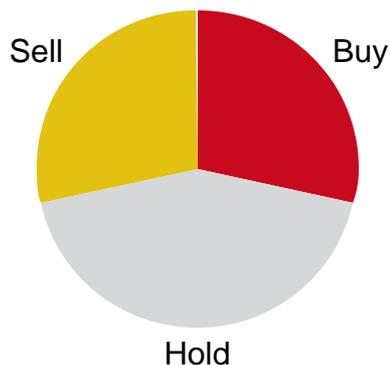
1: Incl. result from shares in at equity consolidated companies

12M 2016 – Exchange rates

Country	Currency	12M 2016		12M 2015	
		Balance Sheet EUR	P & L EUR	Balance Sheet EUR	P & L EUR
Albania	EUR/ALL	135.2300	137.3710	137.2800	139.7463
Belarus	EUR/BYN	2.0450	2.2001	20 300.0000	17 654.5370
Bosnia	EUR/BAM	1.9558	1.9558	1.9558	1.9558
Bulgaria	EUR/BGN	1.9558	1.9558	1.9558	1.9558
Croatia	EUR/HRK	7.5597	7.5333	7.6380	7.6137
Czech Republic	EUR/CZK	27.0210	27.0343	27.0230	27.2792
Georgia	EUR/GEL	2.7940	2.6197	2.6169	2.5229
Hungary	EUR/HUF	309.8300	311.4379	315.9800	309.9956
Liechtenstein	EUR/CHF	1.0739	1.0902	1.0835	1.0679
Macedonia	EUR/MKD	61.4812	61.5950	61.5947	61.6098
Moldova	EUR/MDL	20.8895	22.0548	21.4779	20.8980
Poland	EUR/PLN	4.4103	4.3632	4.2639	4.1841
Romania	EUR/RON	4.5390	4.4904	4.5240	4.4454
Serbia	EUR/RSD	123.4723	123.1015	121.6261	120.7441
Turkey	EUR/TRY	3.7072	3.3433	3.1765	3.0255
Ukraine	EUR/UAH	28.4226	28.3116	26.2231	24.1905

VIG share (I)

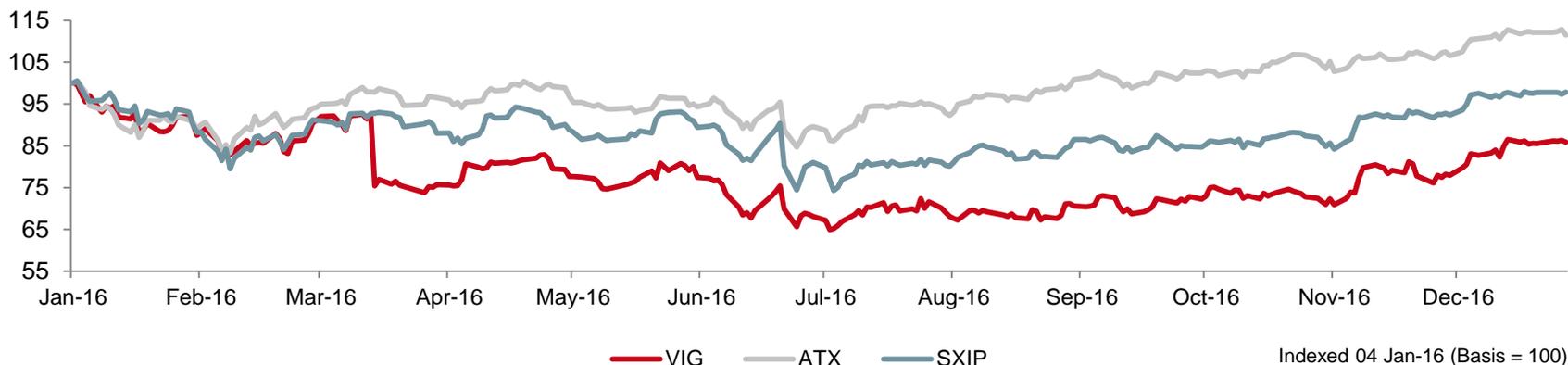
Current analyst recommendation split



Share price development 12M 2016

High	EUR	24.790
Low	EUR	16.095
Price as of 30 Dec.	EUR	21.300
Market cap.	EUR	2.73bn
Development YTD	%	-15.80

VIG vs ATX and Stoxx Europe 600 Insurance



VIG share (II)

General information

Number of common shares: 128mn

ISIN: AT0000908504

Listings:

- Vienna – since 17 Oct. 1994
- Prague – since 5 Feb. 2008

Ticker:

- Vienna Stock Exchange: VIG
- Bloomberg: VIG AV / VIG CP
- Reuters: VIGR.VI / VIGR.PR

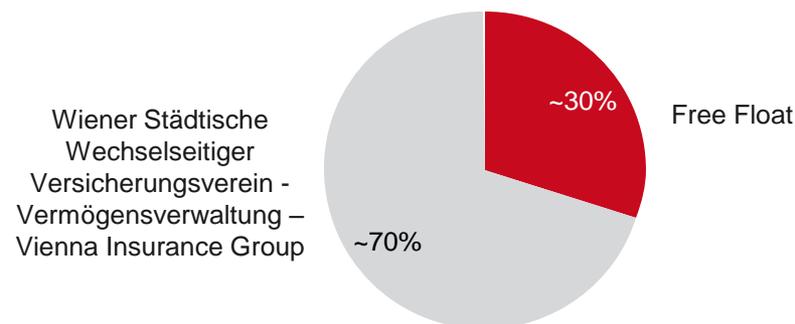
Rating:

- Standard & Poor's: A+, stable outlook

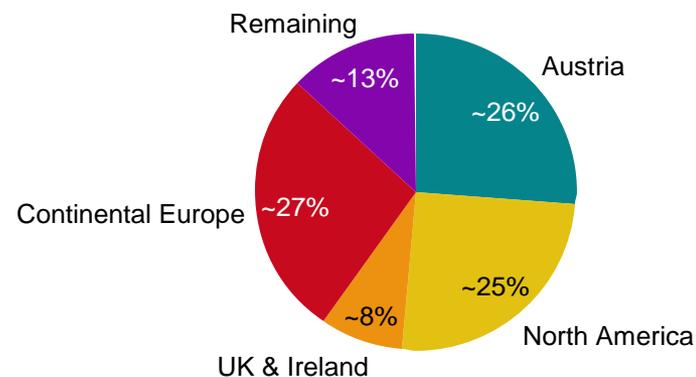
Major Indices:

- ATX, ATX Prime, PX

Shareholder structure



Free float split by region¹



1) Split of identified shares as of June 2016

Contact details

Investor Relations



Financial calendar 2017

Date	Event
23 Mar. 2017	Preliminary results for the financial year 2016
20 Apr. 2017	Annual Report, Embedded Value and Solvency II 2016
02 May 2017	Record date Annual General Meeting
12 May 2017	Annual General Meeting
17 May 2017	Ex-dividend-day
18 May 2017	Record date dividend
19 May 2017	Dividend payment day
23 May 2017	Results for the first quarter 2017
22 Aug. 2017	Results for the first half-year 2017
29 Nov. 2017	Results for the first three quarters 2017



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