VIENNA INSURANCE GROUP

19 April 2017

Vienna Insurance Group with Group Embedded Value, Solvency II ratio and final result for 2016 as well as adjustments to the 2015 result

- **Group Embedded Value further increased**
- **Solvency II ratio stable at 195 per cent as of 31 December 2016**
- **Profit (before taxes) confirmed unchanged at EUR 407 million in 2016**
- **Adjustments in accordance with IAS 8 lead to goodwill impairments in 2015 of approx. EUR 90 million**

Group Embedded Value reaches about EUR 6 billion

Embedded Value is calculated according to international standards as the net asset value of Vienna Insurance Group plus the present value of expected future profits from existing life and health insurance policies. This has been certified by KPMG Austria GmbH.

The sustainability of Vienna Insurance Group's insurance business is reflected by the increase in the Group Embedded Value (after taxes), growing to about EUR 6 billion as of 31 December 2016 (adjusted value for 2015: EUR 5.7 billion). The new business margin once again reached a high international standard of 6.1 percent in the CEE region. The 2.0 per cent new business margin in Austria was a clear improvement compared to the previous year.

Solvency II ratio unchanged at 195 percent

The Solvency II ratio calculated at the level of the listed VIG Group was 195 per cent at the end of 2016. This already includes the call and repayment of around EUR 256 million for the two supplementary capital bonds as of 12 January 2017. VIG's solvency therefore remains at an excellent level.

Result

Vienna Insurance Group will publish its Group Annual Report for the 2016 financial year tomorrow. The auditor has certified the previously published profit before taxes of EUR 406.73 million. Due to changes in the goodwill recognised in Romania, Croatia, Hungary and Albania/Kosovo, the Group shareholders' equity was adjusted by around EUR 90 million. Profit before taxes in the 2015 financial year declined by the same amount. The adjustment is based on an error notification by the Austrian Financial Reporting Enforcement Panel (AFREP). According to AFREP, the method that VIG used to determine the interest rate for calculating the value in use of the cash generating units (CGUs) was not IFRS-compliant because VIG used a peer group financing structure that did not verifiably reflect the asset-specific risk of the CGUs.

Dividend

The resolution proposals for the Annual General Meeting on 12 May 2017 include the previously announced dividend of EUR 0.80 per share that has, in the meantime, also been confirmed by the Supervisory Board.

The following securities of VIG are admitted for trading on a regulated market:

Issue title	ISIN	Trading segment
Aktie	AT0000908504	Vienna and Prague Stock Exchange, Official Market
VIG nachrang. Anl. 15	AT0000A1D5E1	Luxembourg Stock Exchange, Second Regulated Market
VIG nachrang. Schuldv.13-43	AT0000A12GN0	Vienna Stock Exchange, Second Regulated Market
Wr.Staedt. Hybridkap-Anl. 08	AT0000A09SA8	Vienna Stock Exchange, Second Regulated Market

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