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**Vienna Insurance Group to merge Croatian Group companies
Move aimed at boosting bancassurance distribution**

Croatian bancassurer Erste osiguranje is due to merge with Wiener osiguranje at the end of April 2018, subject to the approval by local authorities. Vienna Insurance Group (VIG) is looking to capitalise on the strengths of its two Croatian brands by combining them in a single company, with a view to expanding the bancassurance business.

Bundling resources and competences

Following similar steps in Hungary, Slovakia and Austria, the supervisory boards of VIG's Group companies in Croatia have given the go-ahead for their merger. In line with preceding decisions elsewhere, the merger in Croatia is aimed at strengthening the bancassurance business, with a focus on non-life and health insurance. *"Bundling the companies' resources and competences will generate the maximum benefit for customers, the bank and the insurer. The bancassurance brand will also remain in place for customers of the Erste Group subsidiary in Croatia,"* explained Vienna Insurance Group CEO Elisabeth Stadler.

VIG: Croatia's fourth-largest insurer

Vienna Insurance Group entered the Croatian insurance market in 1999, and launched its bancassurance business in Croatia in 2005 in cooperation with its partner Erste Group. VIG is currently the fourth-largest insurance company in Croatia, with a market share of 8.5 percent. Vienna Insurance Group aims to increase its market share in the country to at least 10 percent in the medium term. In the first three quarters of 2017, the two Croatian Group companies reported combined premium income of around EUR 77 million and total profit (before taxes) of about EUR 6 million. VIG's combined ratio in Croatia was 99.3 percent in the third quarter of 2017.

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.

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

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