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VIENNA INSURANCE GROUP PRELIMINARY PREMIUMS 2013¹

Premiums amount to about EUR 9.4 billion (-4.9 percent) – adjusted for special effects, premiums increased by 2.2 percent

Premiums in the segment “remaining markets” exceed EUR-1-billion threshold

Profit (before taxes)¹: about EUR 350 million

Normalised operating result¹: about EUR 580 million

Managing Board proposes increase in dividend² to EUR 1.30 per share

Sound operating performance in a difficult environment

In the financial year 2013 Vienna Insurance Group earned direct, unconsolidated premiums written of about EUR 9.4 billion; this reflects a decline by 4.9 percent, which is mainly due to the planned reduction of the short-term single-premium business in Poland as well as the targeted downsizing of the motor business in Italy and Romania. About 1 percentage point of this decrease may be attributed to currency effects, especially to the devaluation of the Czech crown. Without these special effects, Vienna Insurance Group achieved a sound premium growth of 2.2 percent.

In the property/casualty insurance premiums went down by 1.2 percent. While the motor insurance failed to grow in many markets due to fierce competition, Vienna Insurance Group has reported very positive increases in other property/casualty lines of businesses. Thus Vienna Insurance Group has achieved a further diversification of its portfolio in the non-life segment.

Life insurance premiums decreased by 9.3 percent. Excluding the effect of the targeted downsizing of the single-premium business in Poland, Vienna Insurance Group reported an increase of 2.0 percent in this segment.

The strategic approach of Vienna Insurance Group of focusing on expanding its life insurance business has therefore proven right. This applies particularly also to the cooperation with Erste Group

¹ The business figures are based on preliminary data and are unconsolidated as well as unaudited.

All data are provided on a euro basis.

² subject to the approval of the corporate bodies

companies. Moreover, Vienna Insurance Group is continuously taking further steps to strengthen this segment in CEE; this strategy has been reaffirmed through recent investments in Hungary as well as in Poland.

The preliminary profit (before taxes) is expected to amount to about EUR 350 million and is decisively influenced by one-off effects in Italy and Romania. Excluding these effects, Vienna Insurance Group is likely to report a normalised operating result of approximately EUR 580 million, remaining more or less at the same level as the result of the previous year.

Management proposes increase in dividend to EUR 1.30 per share

“In view of a continuous dividend policy, we want to take advantage of the good operating performance as well as the strong capital base of our Group to offer an attractive dividend to our shareholders. Therefore we plan to propose our corporate bodies to increase the dividend by EUR 0.10 to EUR 1.30 per share in the financial year 2013”, emphasised Peter Hagen, CEO of Vienna Insurance Group. “This means that we achieve a remarkable dividend yield of about 3.6 percent.”

Highlights from the markets of Vienna Insurance Group

Austria – a sound basis of the Group

The Vienna Insurance Group companies in Austria, Wiener Städtische Versicherung, Donau Versicherung and s Versicherung, strengthened their market leadership very clearly against the background of a difficult economic setting, earning premiums of EUR 4.1 billion.

In property/casualty a minor decrease in premiums of 1.3 percent was recorded in the wake of the planned reduction of the motor insurance business of Donau Versicherung in Italy. Without this effect, the property/casualty business in Austria increased by 3.1 percent. Wiener Städtische Versicherung achieved sound growth rates in the motor insurance segments. The motor own-damage insurance business expanded by 6.4 percent and the motor third-party liability insurance went up by 1.2 percent.

In life, premiums dropped by 1.8 percent; s Versicherung reported, however, a growth of 6.6 percent in the single-premium business.

The health segment of Vienna Insurance Group increased by 2.9 percent.

Czech Republic – favourable development in the largest CEE market of the Group

By expanding their market share to 33.0 percent, the Czech companies of Vienna Insurance Group succeeded in further improving their number one position as compared to the previous year. The contribution made by the Czech Group companies to the Group’s total premiums stood again at about 20 percent.

In 2013 the three Group companies in the Czech Republic earned stable premiums of EUR 1.9 billion. Adjusted for exchange rate effects, this represents an increase by 3.3 percent. Growth in life is a highly pleasing fact. The non-life business is under the impact of the tough competition affecting motor insurance.

Slovakia – steady upward trend in all segments

The Slovakian Group companies continued their excellent development seamlessly and increased their premiums by 5.7 percent in 2013. Thanks to a growth of its market share by 1.3 percentage points, the Group's sustained position as a market leader in Slovakia was further strengthened.

Premiums increased both in the non-life and life segments. Reporting an impressive 30.7-percent growth, sales via the banks of the local subsidiary of Erste Group proved to be highly successful.

Poland – VIG number 3 in the largest CEE insurance market

In the Polish market the year 2013 was under the impact of the targeted downsizing of the short-term single-premium business in the life insurance. As the number three in the Polish insurance market, the Vienna Insurance Group companies earned premiums totalling about EUR 1.2 billion. In the remaining property segments, the Vienna Insurance Group companies achieved a remarkable increase in premiums of 14.2 percent.

Romania – continuing negative development

The Romanian market is still dominated by a partly irrational price competition, predominantly in the motor business. As Vienna Insurance Group does not participate in this price war, this has led to a strong downward trend of premiums in the motor insurance. An increase of 6.1 percent has been achieved in the remaining property/casualty insurance lines of businesses.

The Vienna Insurance Group companies recorded a decline of premiums both in the non-life and the life segments, totalling about EUR 375 million (-18.5 percent).

Remaining markets – premiums surpass EUR 1 billion for the first time

The volume of premiums in the remaining markets of Vienna Insurance Group continued to develop very positive, growing significantly by 9.5 percent. The Group earned a total of premiums of about EUR 1.1 billion in this segment.

In Hungary the gratifying increase in premiums (14.8 percent) is mainly due to the good development in the corporate business. In Serbia Wiener Städtische Osiguranje achieved an excellent premium growth of 18.3 percent. In Turkey the positive trend continued thanks to a growth of 6.4 percent. Business expanded successfully also in markets such as Bulgaria (+4.4 percent) and Ukraine (+6.2 percent).

The Baltic States have again turned out being a highly dynamic growth region. In this favourable market environment, the Group companies achieved an excellent growth rate of 35.8 percent in life, which is well above market average.

Preliminary, unconsolidated premiums 2013

Split by lines of business:

in EUR mn	Gross premiums written		
	12M 2013	12M 2012	+/- %
Property&Casualty	4,782.3	4,840.6	-1.2%
Life	4,207.1	4,638.3	-9.3%
Health	397.8	391.2	1.7%
Gross premiums written Total	9,387.2	9,870.1	-4.9%

Split by regions:

in EUR mn	Austria			Czech Republic			Slovakia		
	12M 2013	12M 2012	+/- %	12M 2013	12M 2012	+/- %	12M 2013	12M 2012	+/- %
Gross premiums written Non-Life	2,224.1	2,238.7	-0.7%	1,046.0	1,080.4	-3.2%	331.0	329.6	0.4%
Gross premiums written Life	1,844.3	1,877.7	-1.8%	873.4	839.5	4.0%	418.6	379.2	10.4%
Gross premiums written Total	4,068.4	4,116.4	-1.2%	1,919.4	1,919.9	0.0%	749.6	708.9	5.7%

in EUR mn	Poland			Romania			Remaining *)		
	12M 2013	12M 2012	+/- %	12M 2013	12M 2012	+/- %	12M 2013	12M 2012	+/- %
Gross premiums written Non-Life	567.7	597.1	-4.9%	301.8	344.8	-12.5%	662.3	614.6	7.8%
Gross premiums written Life	582.3	1,057.0	-44.9%	72.2	114.3	-36.8%	416.4	370.6	12.3%
Gross premiums written Total	1,150.0	1,654.1	-30.5%	373.9	459.1	-18.5%	1,078.7	985.2	9.5%

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

*) AL, BA, BG, BY, DE, EE, FL, GE, HR, HU, KO, LT, LV, ME, MK, RS, TR, UA

Vienna Insurance Group (VIG) is the leading insurance specialist in Austria as well as in Central and Eastern Europe. About 50 companies in 24 countries form a Group with a long-standing tradition, strong brands and close customer relations. VIG looks back on 190 years of experience in the insurance business. With about 23,000 employees, Vienna Insurance Group is the clear market leader in its core 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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