

Vienna Insurance Group Group Embedded Value Results 2014

Vienna, 14 April 2015

Introduction

Group Embedded Value Reporting

- Market Consistent Embedded Value¹ (MCEV) Principles applied
- Group Embedded Value (GEV) calculated as Life & Health (L&H) MCEV plus Adjusted Net Asset Value (ANAV) for Property & Casualty (P&C)
- All results are based on local GAAP.
- All results are shown after minorities and tax.
- GEV allows for all consolidation effects.
- Methodology, assumptions and calculations reviewed by B&W Deloitte GmbH, Cologne

Methodology

GEV

- GEV reflects the present value of amounts deemed to be distributable to shareholders.

- MCEV for L&H:

Adjusted Net Asset Value (ANAV) plus
Value of In-Force (VIF) determined as

Present Value of Future Profits (PVFP) minus
Time Value of Financial Options and Guarantees (TVFOG) minus
Frictional Cost of Required Capital (FCRC) minus
Cost for Residual Non-Hedgeable Risks (CRNHR)

- ANAV for P&C includes Surplus in Claims Reserves based on actuarial best estimates of undiscounted claims payments and Surplus in Unearned Premium Reserves.

Methodology

GEV

- MCEV is based on stochastic cash flow projections using market consistent economic scenarios.
- Liquidity premium and extrapolation methodology follows recent market practice.
- The MCEV allows for management actions and policyholder behaviour. Assumed policyholder profit participation allows for local supervisory laws, contractual agreements and current company practice.
- Best estimate actuarial assumptions for expenses, mortality, etc.

Group Embedded Value

Results

€mn	L&H		P&C		Total	
	2014	2013	2014	2013	2014	2013
Austria / Germany						
Free Surplus	-14.9	578.7				
Required Capital	1,042.5	476.6				
ANAV	1,027.7	1,055.3	394.8	311.2	1,422.5	1,366.5
PVFP	1,577.0	1,742.4			1,577.0	1,742.4
- TVFOG	-264.3	-146.9			-264.3	-146.9
- FCRC	-121.9	-69.1			-121.9	-69.1
- CRNHR	-186.3	-104.9			-186.3	-104.9
VIF	1,004.5	1,421.5			1,004.5	1,421.5
Subtotal Austria / Germany	2,032.2	2,476.8	394.8	311.2	2,427.0	2,788.0
CEE						
Free Surplus	476.6	393.3				
Required Capital	248.6	288.2				
ANAV	725.1	681.5	1,819.2	1,798.6	2,544.3	2,480.1
PVFP	1,268.9	989.3			1,268.9	989.3
- TVFOG	-34.6	-20.0			-34.6	-20.0
- FCRC	-6.1	-8.8			-6.1	-8.8
- CRNHR	-87.8	-76.0			-87.8	-76.0
VIF	1,140.4	884.6			1,140.4	884.6
Subtotal CEE	1,865.6	1,566.0	1,819.2	1,798.6	3,684.7	3,364.7
Total	3,897.7	4,042.9	2,214.0	2,109.8	6,111.7	6,152.7

Return on Embedded Value

Results

€mn	L&H		P&C		Total	
Austria / Germany						
GEV 2013 Reported	2,476.8		311.2		2,788.0	
Opening Adjustments	-120.0		25.8		-94.2	
<i>thereof dividends</i>	-120.8		183.4		62.6	
GEV 2013 Adjusted	2,356.9		337.0		2,693.8	
Return on GEV	-324.7	-13.8%	57.8	17.2%	-266.8	-9.9%
GEV 2014	2,032.2		394.8		2,427.0	
CEE						
GEV 2013 Reported	1,566.0		1,798.6		3,364.7	
Opening Adjustments	59.9		-125.2		-65.3	
<i>thereof dividends</i>	-83.7		-145.3		-229.0	
GEV 2013 Adjusted	1,625.9		1,673.4		3,299.4	
Return on GEV	239.6	14.7%	145.7	8.7%	385.3	11.7%
GEV 2014	1,865.6		1,819.2		3,684.7	
Total						
GEV 2013 Reported	4,042.9		2,109.8		6,152.7	
Opening Adjustments	-60.1		-99.4		-159.5	
<i>thereof dividends</i>	-204.5		38.1		-166.4	
GEV 2013 Adjusted	3,982.8		2,010.4		5,993.2	
Return on GEV	-85.1	-2.1%	203.6	10.1%	118.5	2.0%
GEV 2014	3,897.7		2,214.0		6,111.7	

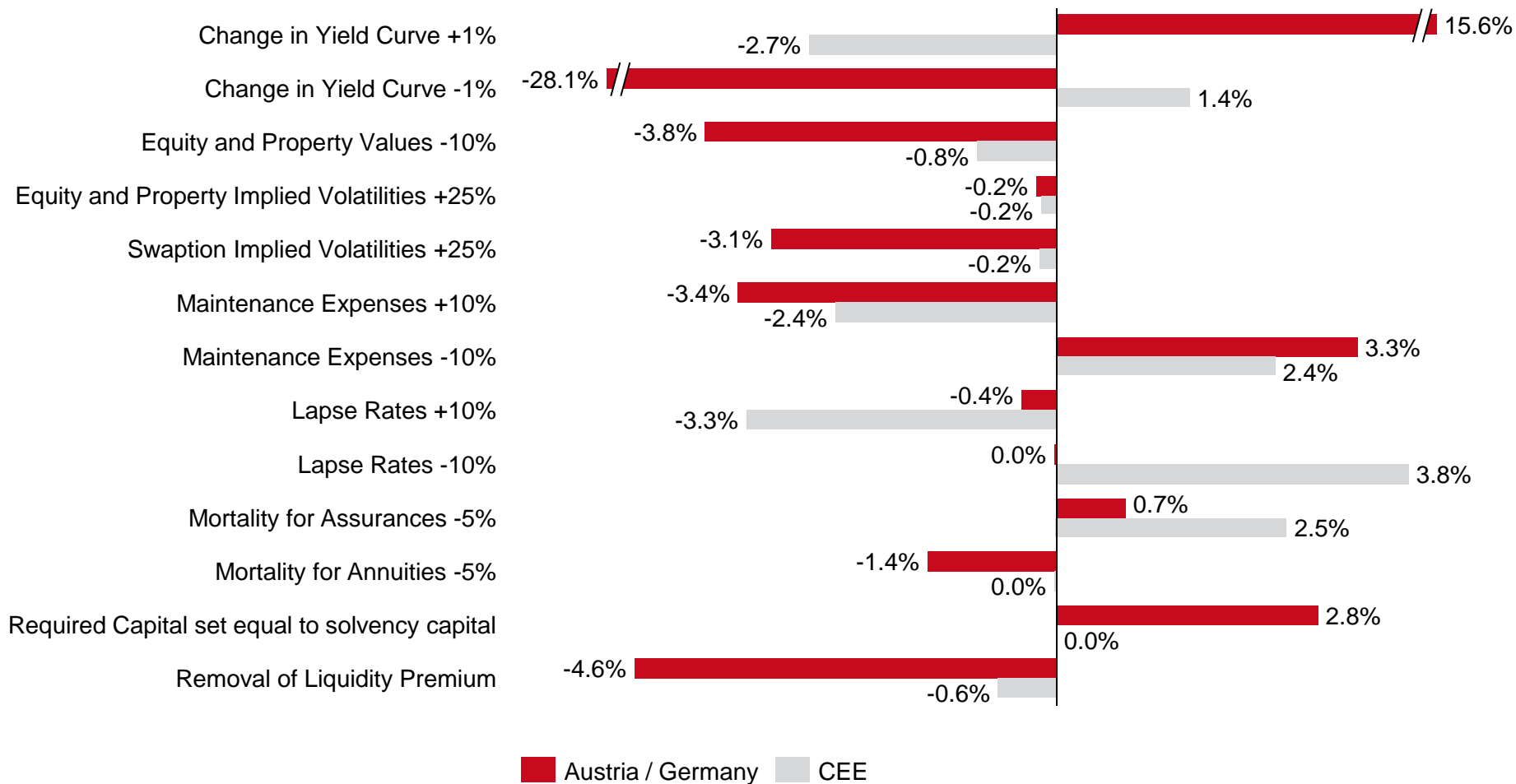
Value of New Business

Results

€mn	2014	2013
Austria / Germany		
Value of New Business	22.8	35.7
APE	206.7	163.9
APE-Ratio	11.0%	21.8%
PVNBP	2,395.1	1,800.0
PVNBP-Ratio	1.0%	2.0%
CEE		
Value of New Business	126.7	123.1
APE	262.3	270.1
APE-Ratio	48.3%	45.6%
PVNBP	1,950.1	2,042.4
PVNBP-Ratio	6.5%	6.0%
Total		
Value of New Business	149.5	158.8
APE	469.0	434.0
APE-Ratio	31.9%	36.6%
PVNBP	4,345.2	3,842.4
PVNBP-Ratio	3.4%	4.1%

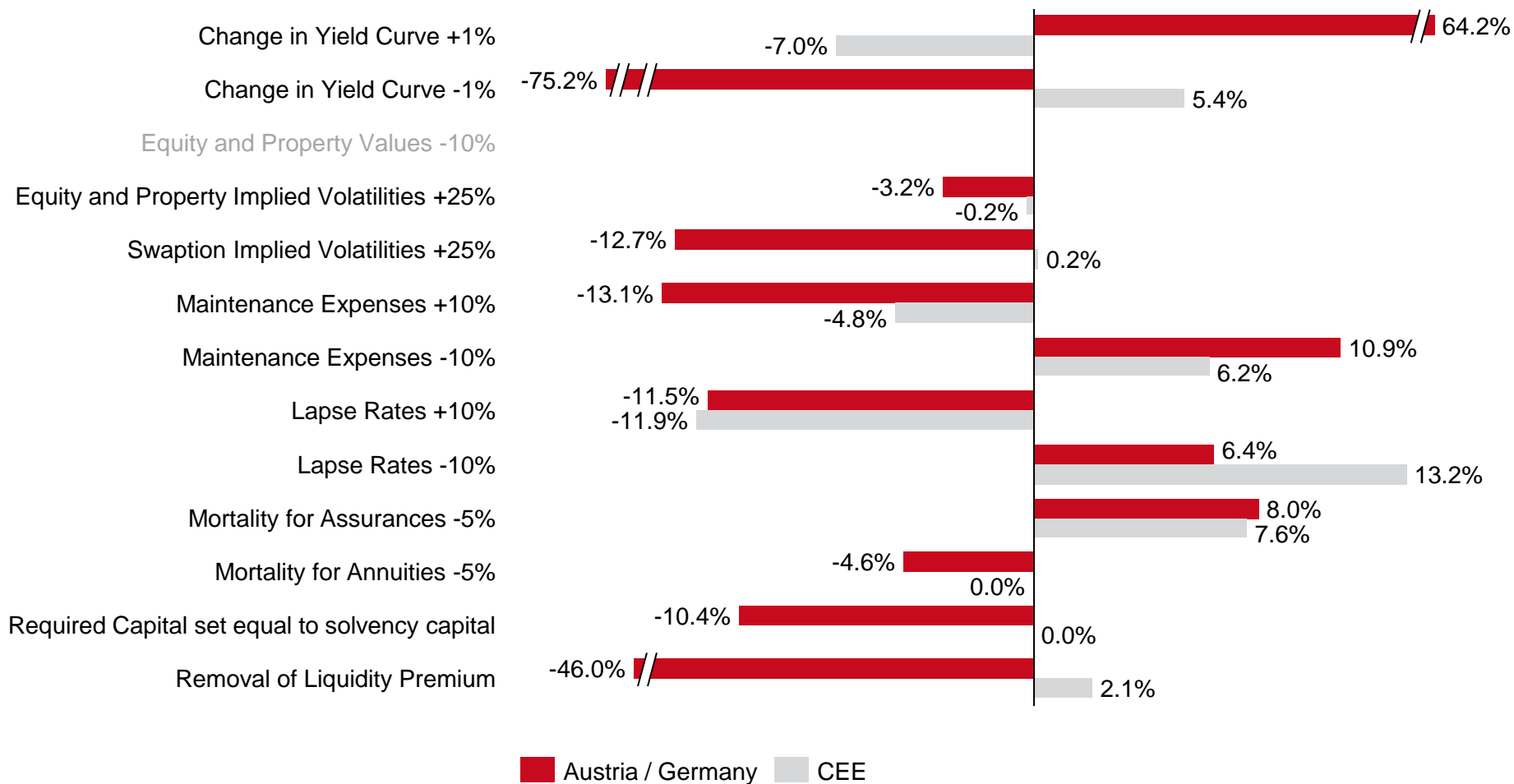
Sensitivities

in % of the Life & Health MCEV



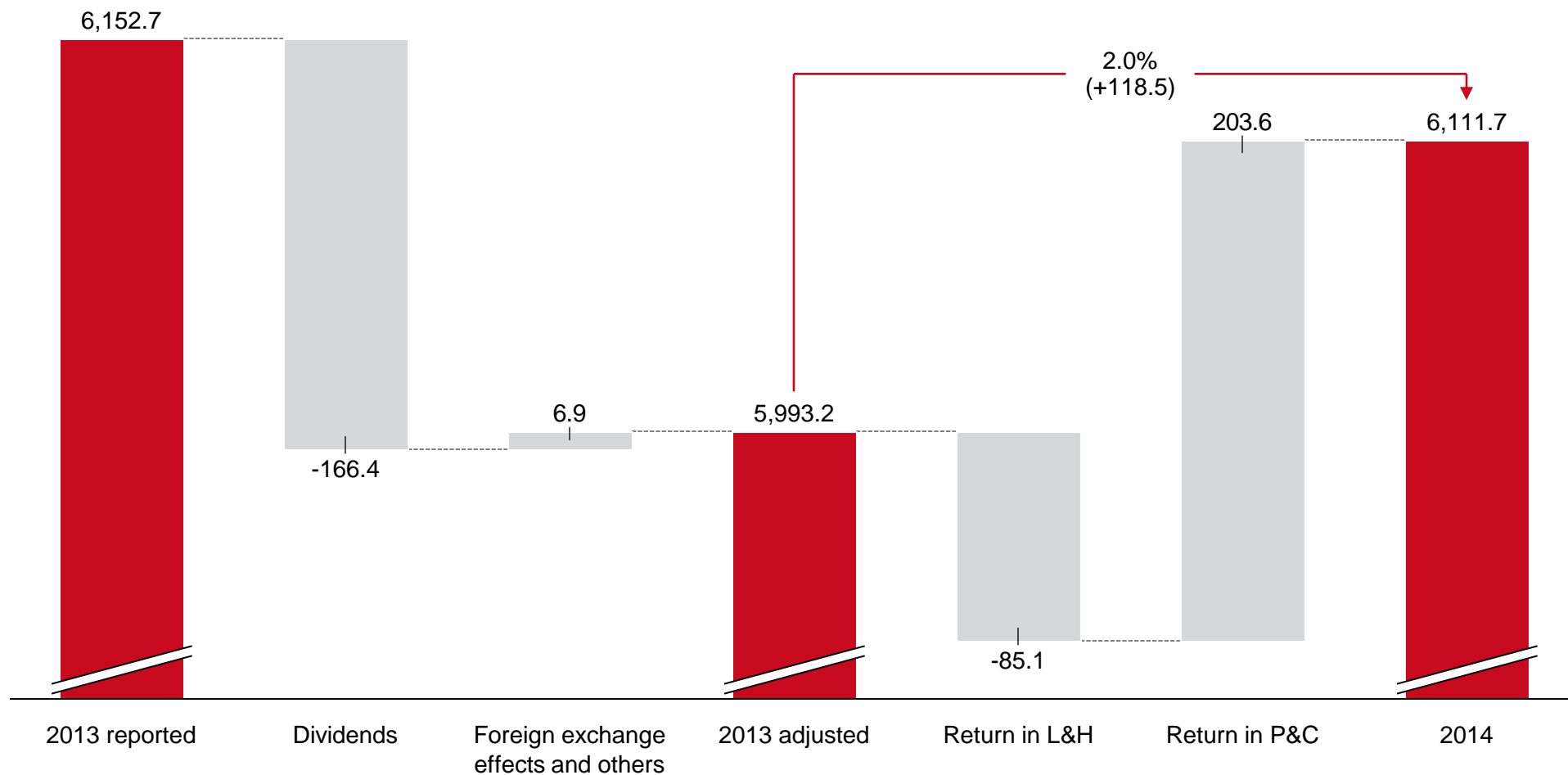
Sensitivities

in % of the Life & Health Value of New Business



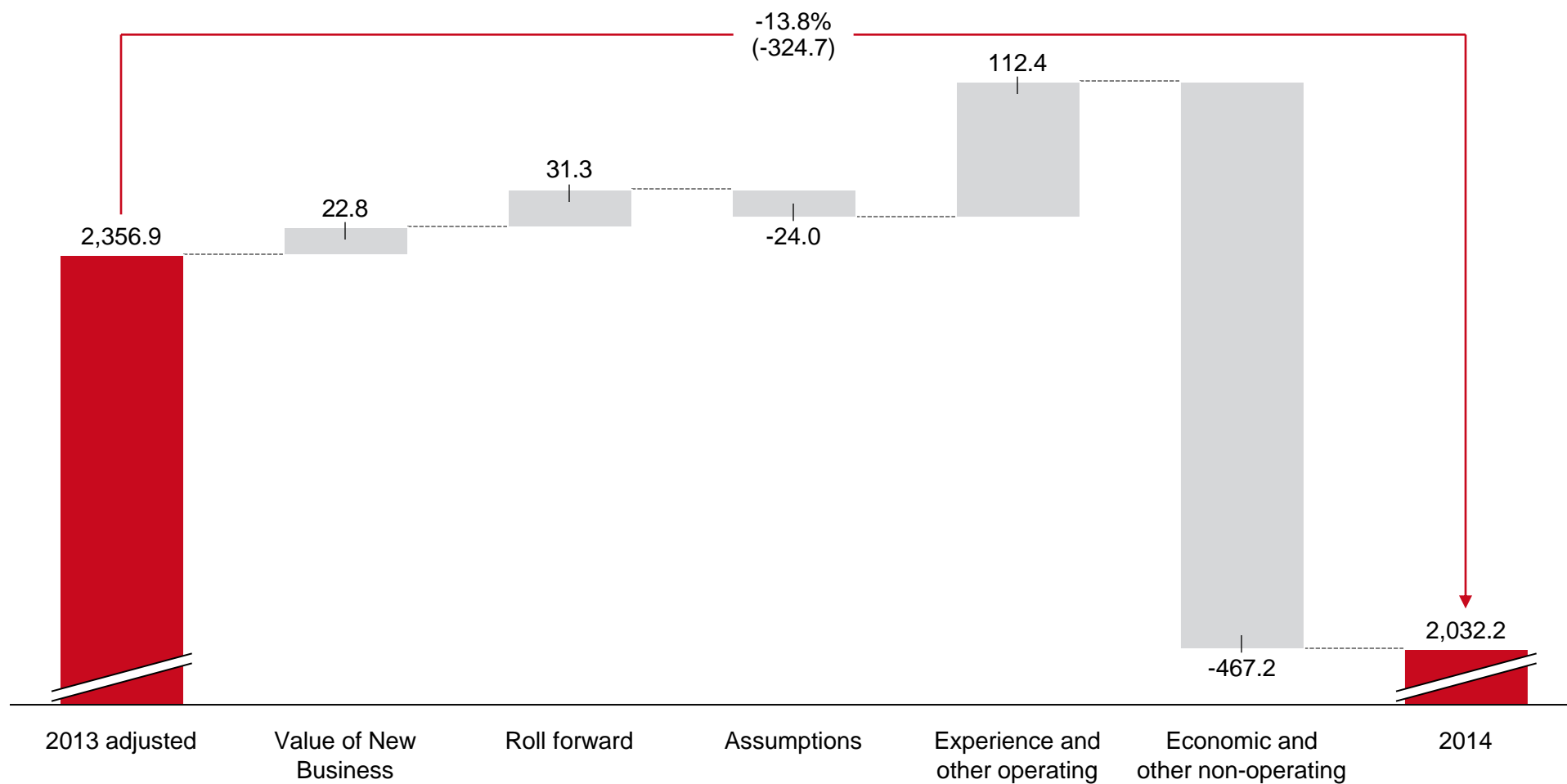
Development

Return on Group Embedded Value (€mn)



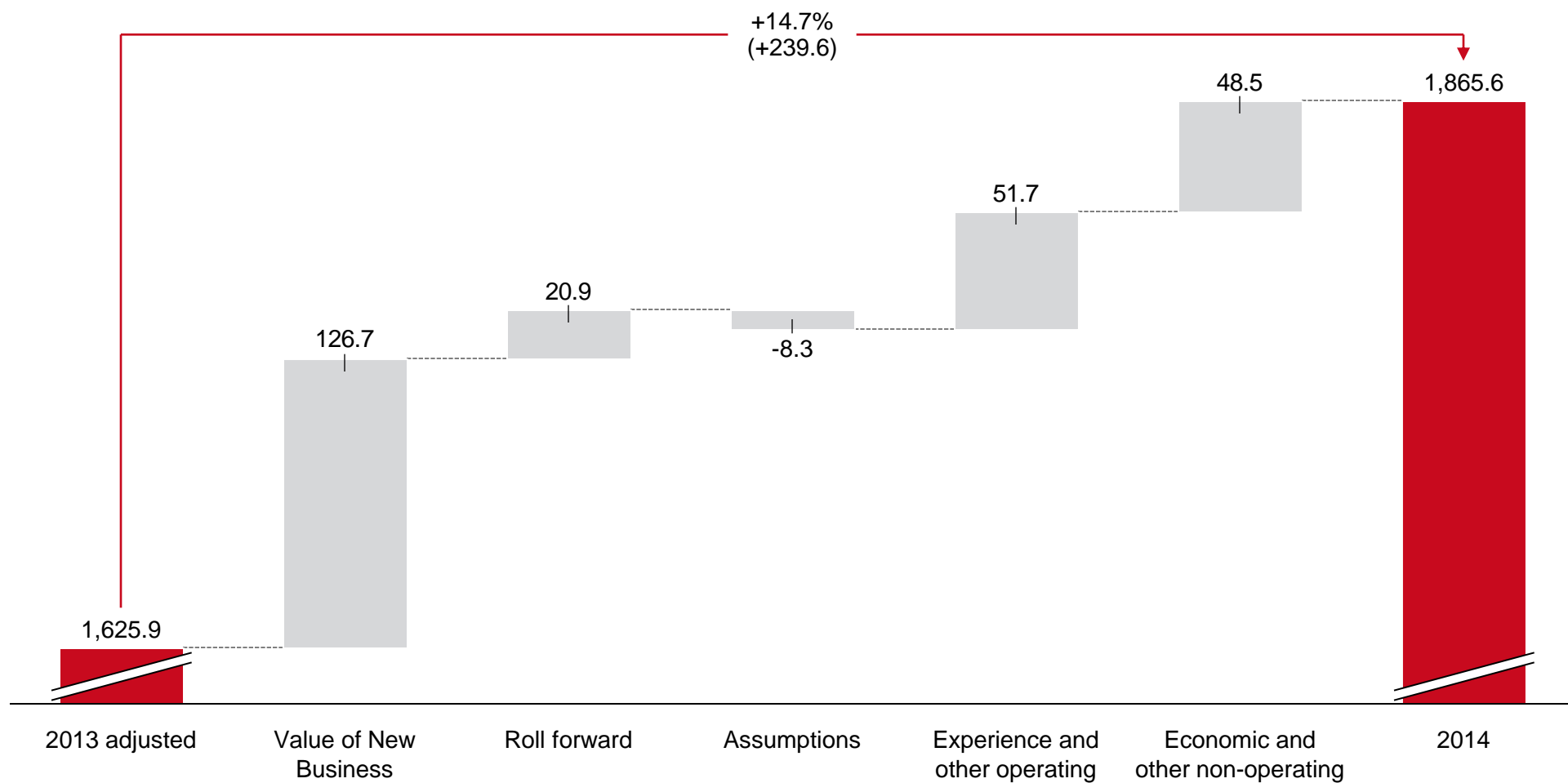
Analysis of Change

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



Analysis of Change

Life & Health MCEV – CEE (€mn)



Reconciliation

IFRS Equity to ANAV

€mn	2014	2013*
Consolidated IFRS equity	5,283.4	4,966.6
Minorities	-173.0	-170.8
Hybrid capital	-245.6	-245.6
Intangible assets	-2,369.8	-2,317.5
Subtotal	2,495.0	2,232.6
Goodwill, other intangible assets and capital consolidation adjustments	757.7	641.2
Differences in valuation of financial assets	139.1	259.2
Differences in valuation basis of technical reserves (IFRS vs. local GAAP)	-52.2	-88.1
Property/Casualty surplus in claims and unearned premium reserves	534.6	534.0
Other differences	92.6	267.8
Subtotal	1,471.8	1,614.0
ANAV	3,966.8	3,846.6

* The results shown above are after restatement

Summary

Highlights

- GEV of € 6,111.7 mn (-0.7%)
- Positive Return on GEV of 2.0% amounting to € 118.5 mn
- High P&C growth with return of 10.1%
- Excellent CEE profit margin of 6.5%
- Stable Surplus in Claims and Unearned Premium Reserves of € 534.6 mn

Disclaimer

Cautionary statement regarding forward-looking information

- This presentation contains forward-looking statements.
- Forward-looking statements involve inherent risks and uncertainties, and it might not be possible to achieve the predictions, forecasts, projections and other outcomes described or implied in forward-looking statements.
- A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in these forward-looking statements.
- These forward-looking statements will not be updated except as required by applicable laws.