

# VIENNA INSURANCE GROUP

Investor Presentation



Preliminary Full year results 2017



# VIG – THE LEADING INSURANCE GROUP IN AUSTRIA & CEE

Close to

**200**

years of experience

Around

**50**

Group companies

Represented in

**25**

markets

More than

**55%**

of premiums coming from CEE

More than

**25,000**

employees

About

**57%**

of profits coming from CEE

Since

**1994**

continuous payout of dividends

Current market capitalization

**€ 3.6**

billion

Rating

**A+**

with stable outlook

# MANAGEMENT PRINCIPLES



**CORE BUSINESS  
INSURANCE**

**1**

## **Local entrepreneurship**

- Knowledge of local needs and markets
- Decentralised structures and efficient decision-making procedures

**2**

## **Multi-brand strategy**

- Around 50 brands in 25 countries
- Utilisation of established local brands

**3**

## **Multi-channel distribution**

- Various distribution channels, including partnership with Erste Group
- Strongly customer-oriented distribution

**4**

## **Conservative investment and reinsurance policy**

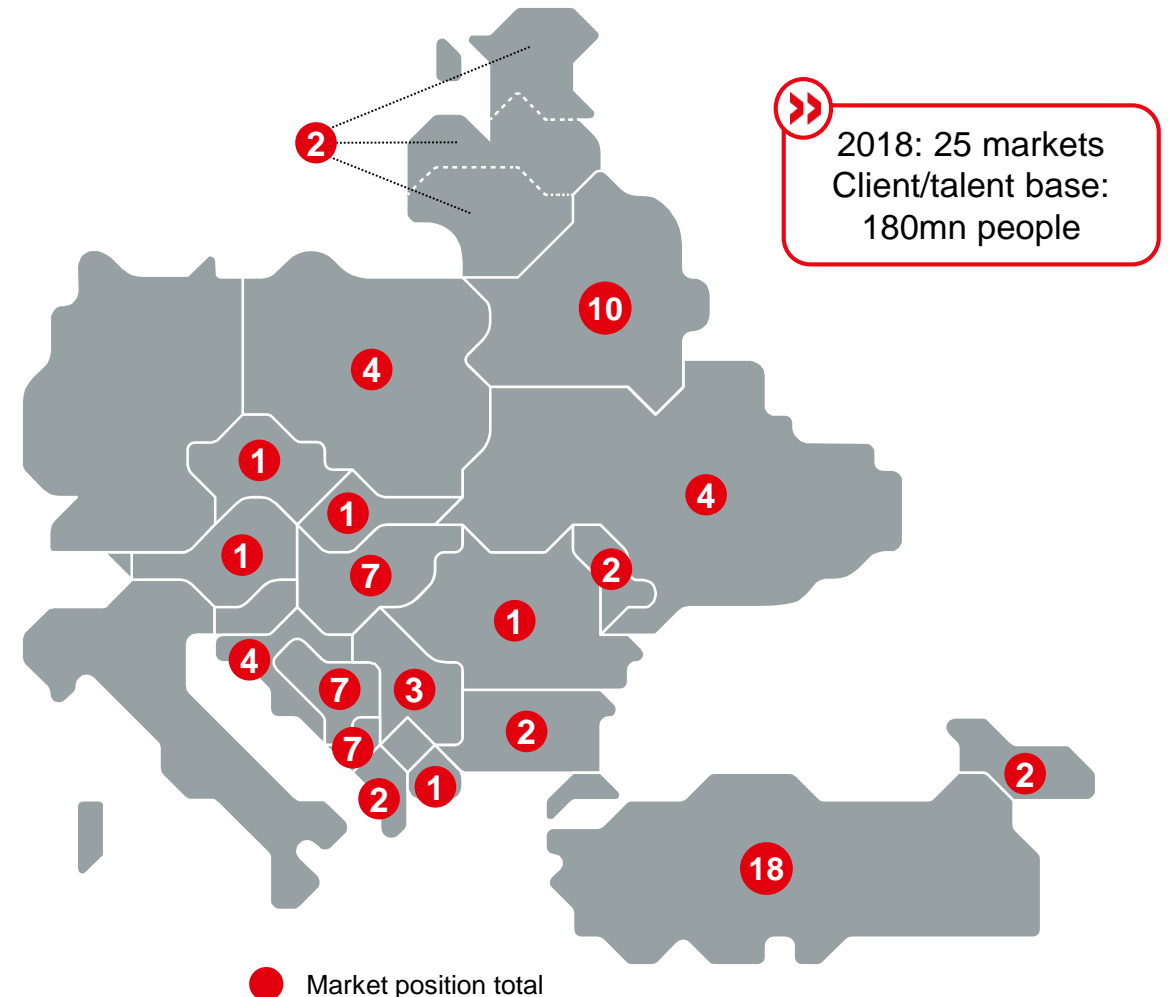
- Quality, peace of mind and sustainability are our priorities
- Spreading risk by means of diversification



# VIG IS BEST POSITIONED TO LEVERAGE ON THE POSITIVE MARKET DEVELOPMENT IN CEE

Excellent market shares throughout the region

Country	Market position			Market share total
	total	non-life	life	
Austria	1	1	1	23.0%
Czech Rep.	1	2	1	32.3%
Slovakia	1	2	1	34.0%
Poland	4	4	5	6.2%
Romania	1	1	2	23.3%
The Baltic	2	2	3	19.4%
Hungary	7	7	5	7.6%
Bulgaria	2	2	1	13.5%



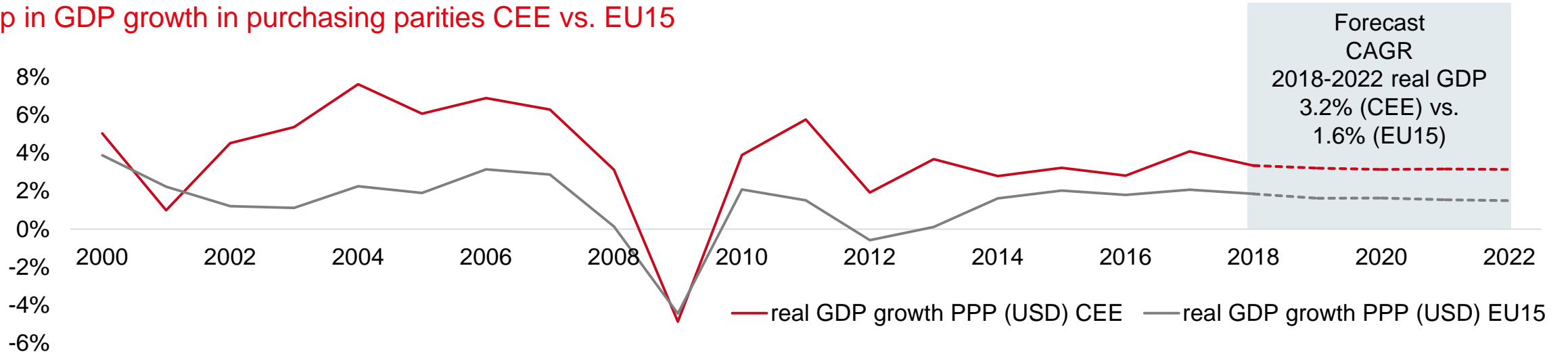
Source: local authorities - data as of YE 2017; RO as of Q3 2017 and HU as of YE 2016



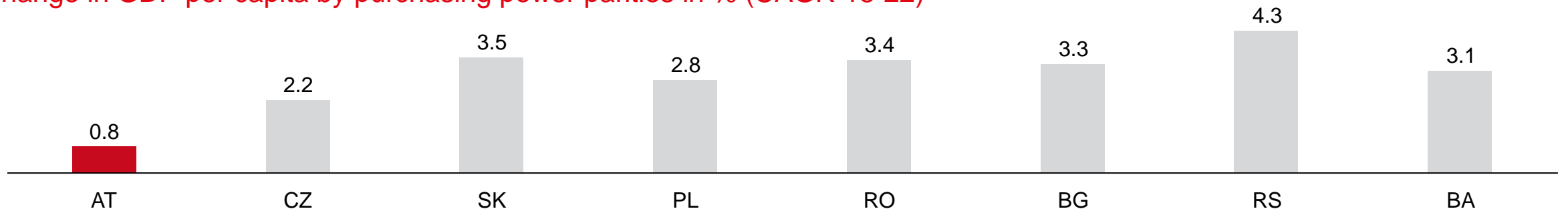
# CEE REGION GROWING STRONGER THAN EU15

Promising GDP per capita growth 2018 - 2022

## Gap in GDP growth in purchasing parities CEE vs. EU15



## Change in GDP per capita by purchasing power parities in % (CAGR 18-22)



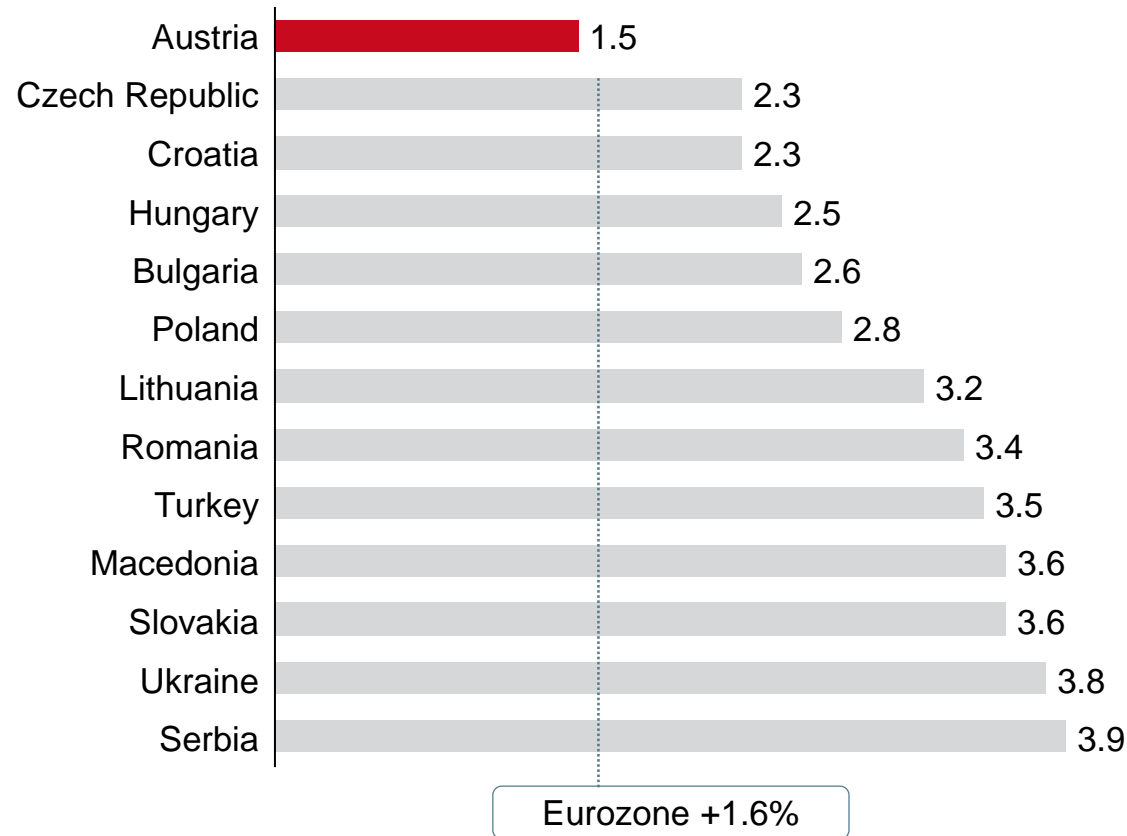
Source: Source: IMF World Economic Outlook Database, October 2017



# POSITIVE ECONOMIC ENVIRONMENT AND STRONG GROWTH POTENTIAL GOING FORWARD

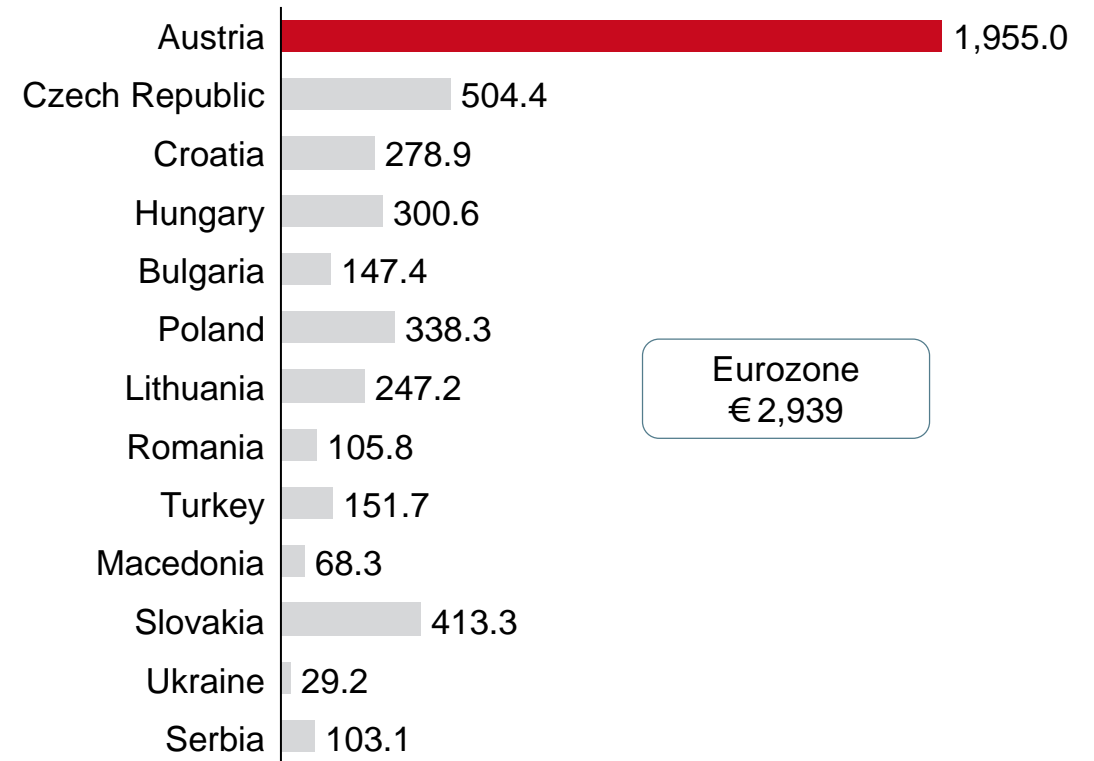
Annual insurance spending shows significant growth potential in the CEE region

## Real GDP growth p.a. 2018-2022



Source: IMF, World Economic Outlook Database, October 2017

## Insurance density 2016, in EUR (premiums per capita)



Source: insurance density: in-house calculations based on information published by national insurance supervisory authorities and associations, the IMF and Swiss Re (Sigma)



# AGENDA 2020: CREATING ADDED VALUE BY INCREASING OPERATING PERFORMANCE

Medium-term target: combined ratio sustainably at level of 95%

## Optimisation of business model

### ▪ Shared Services

Creating cost benefits by merging back-office functions and companies

### ▪ Profit optimisation in motor

Development of targeted measures focusing on underwriting and risk selection

### ▪ Anti-fraud

Group-wide initiative on fraud management supported by specialised VIG team

### ▪ Closed File Review

Group-wide procedure for identifying and avoiding excessive claims payments

## Activities 2017

### Mergers in AT, CZ, SK, HU and HR

VIG will merge the former insurance operations acquired in 2008 from Erste Group Bank with local Group companies in AT, CZ, SK, HU and Croatia, to be mostly completed by the end of 2018

### Establishment of Group-wide active Foreign Claims Team

In order to decrease foreign claims payments, motor portfolios were reviewed as a first step and a savings potential in foreign claims of ~€10mn per annum was identified

### Increase in participating Group companies

After a successful pilot project in Poland in 2016, further roll-out to Romania, Bulgaria and Croatia

### Specific VIG method for closed file review developed

Companies in Poland and in Lithuania effected closed file review and showed savings potential for claims expenses in a medium single-digit percentage range



# AGENDA 2020: SPECIFIC INITIATIVES TO CONTRIBUTE TO FUTURE SUCCESS

Main focus is on digital transformation of the Group

## Ensuring future growth

### ▪ Use of growth potentials

Intensify selected business areas → e.g. health insurance, reinsurance, cooperation with Erste Group

### ▪ Digitisation

Development of a digital hub to support and coordinate activities within the Group

### ▪ Insurance of the future

Trends, innovation, technical developments → medium to long-term adaptation of business model

### ▪ Assistance

Assistance services companies already active in CZ, SK, PL, BG and RO → creating additional value

## Activities 2017

### Focus on health insurance and expansion of reinsurance activities

Health premiums in the target markets of Poland, Romania, Hungary, Bulgaria and Turkey increased by 31.8%; VIG Re opened office in Frankfurt; focus on SME business unchanged; first pilot projects in non-life implemented with Erste Group

### VIG created a comprehensive “Digital Vision”

Measurable key parameters for 6 elements translate into a common understanding of what needs to be achieved to manage the digital transformation process in each individual company; VIG Xelerate: financial support for local companies

### End of 2017 marks the beginning of a half-year programme for InsurTechs

Together with the Insurance Innovation Lab Leipzig and SpinLab VIG selected and supports start-ups – a.o. InsurTechs – to further develop new tools and ideas

### Newly established assistance company in Romania

Apart from road assistance services, companies in CZ, SK, BG und PL also offer household, travel and legal assistance; further expansion of services planned



## RESULTS 12M 2017

SEGMENTS

APPENDIX

Please note: All information for the financial year 2017 is based on preliminary unaudited data.



# KEY FACTS 2017

Strong preliminary full-year results with improvements in all key ratios

## Gross written premium

€ 9,386.0mn

### GWP up 3.7% y-o-y

- Current premium business: +6.2%
- CEE premium growth: +9.4%; more than 55% of premiums coming from CEE

## Earnings per share

€ 2.23

### Up from €2.16 in 2016

- EPS increased by 3.2%

## Profit before taxes

€ 442.5mn

### PBT increased by 8.8% y-o-y

- CEE profit growth of 17.7% y-o-y; about 57% of profits coming from CEE
- PBT includes €67.5mn of fully consolidated Austrian housing societies

## Dividend<sup>1</sup>

€ 0.90

### Up by 10 Eurocents (+12.5% y-o-y)

- Corresponding to a pay-out ratio of 38.7% of Group net profits

## Combined Ratio

96.7%

### Down from 97.3% in 2016

- Cost and claims ratio improved y-o-y

## New business margin

4.8%

### Up from 3.8% in 2016

- Positive return on life & health embedded value of 12.5% amounting to €500mn

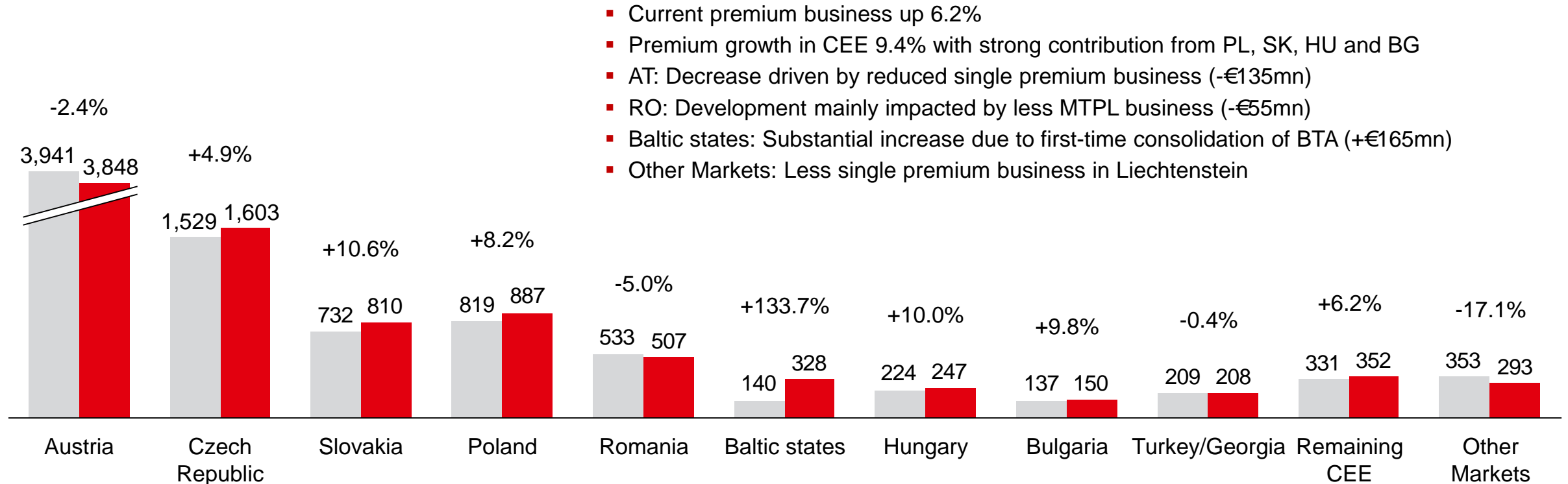
1: Management proposal; subject to approval of the Annual General Meeting



# GROSS WRITTEN PREMIUMS OF €9.4bn UP 3.7%

## Overview by segments

Gross written premiums (€mn; y-o-y- chg.)



- Current premium business up 6.2%
- Premium growth in CEE 9.4% with strong contribution from PL, SK, HU and BG
- AT: Decrease driven by reduced single premium business (-€135mn)
- RO: Development mainly impacted by less MTPL business (-€55mn)
- Baltic states: Substantial increase due to first-time consolidation of BTA (+€165mn)
- Other Markets: Less single premium business in Liechtenstein

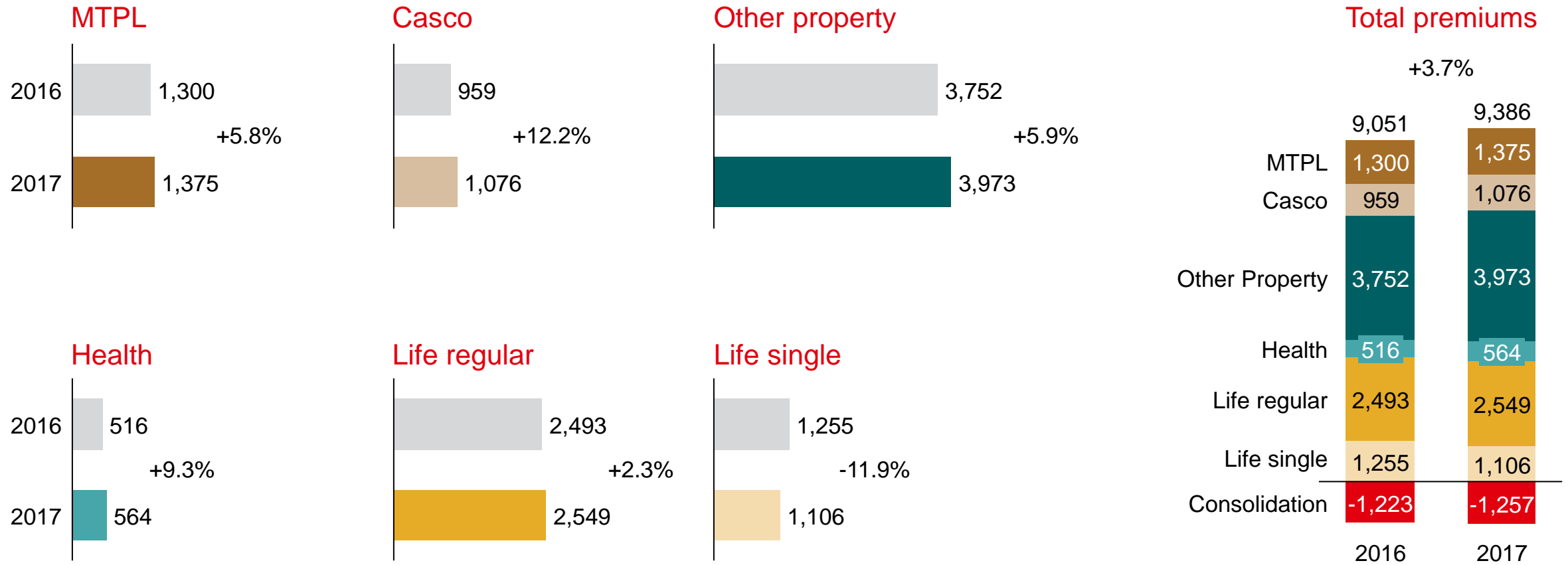
Central Functions 1,412 (1,325) +6.5%; Consolidation -1,257 (-1,223) +2.8%

2016 2017



# DYNAMIC PREMIUM DEVELOPMENT

Gross written premiums by lines of business (€mn; y-o-y chg.); incl. Central Functions

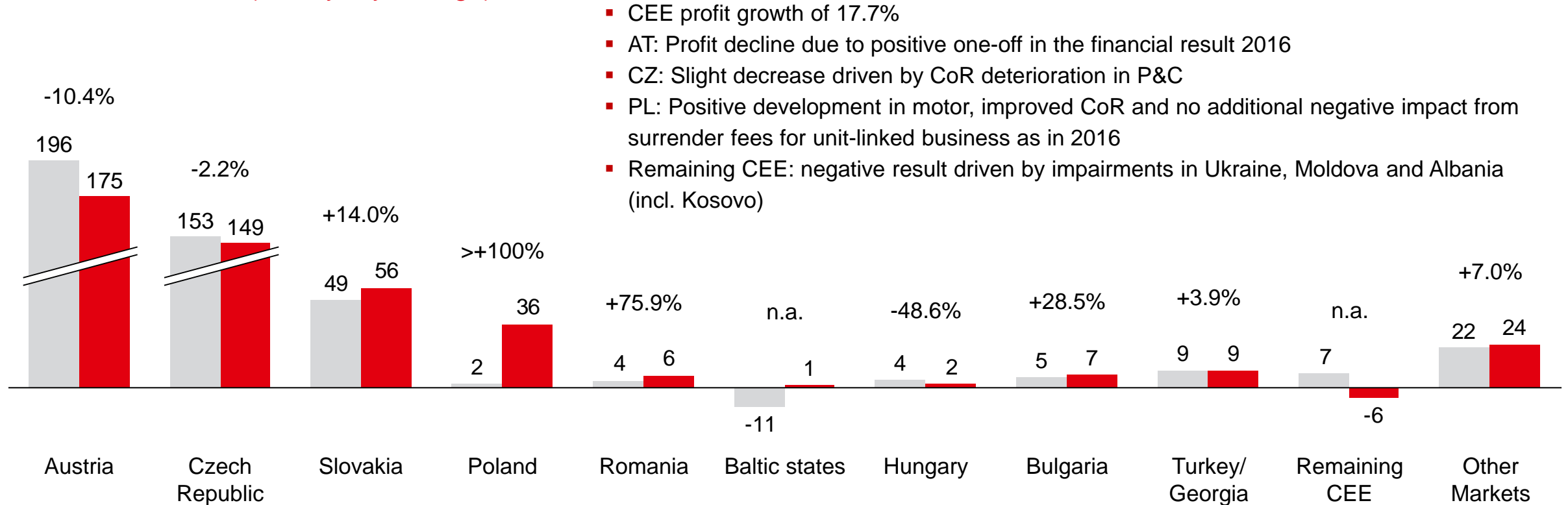




# GROUP PROFIT BEFORE TAXES OF €442.5mn

## Overview by segments

### Result before taxes (€mn; y-o-y change)



- CEE profit growth of 17.7%
- AT: Profit decline due to positive one-off in the financial result 2016
- CZ: Slight decrease driven by CoR deterioration in P&C
- PL: Positive development in motor, improved CoR and no additional negative impact from surrender fees for unit-linked business as in 2016
- Remaining CEE: negative result driven by impairments in Ukraine, Moldova and Albania (incl. Kosovo)

Central Functions -33.3 (2016: -16.7) -50%; Consolidation 0.4 (2016: -0.4)

2016 2017

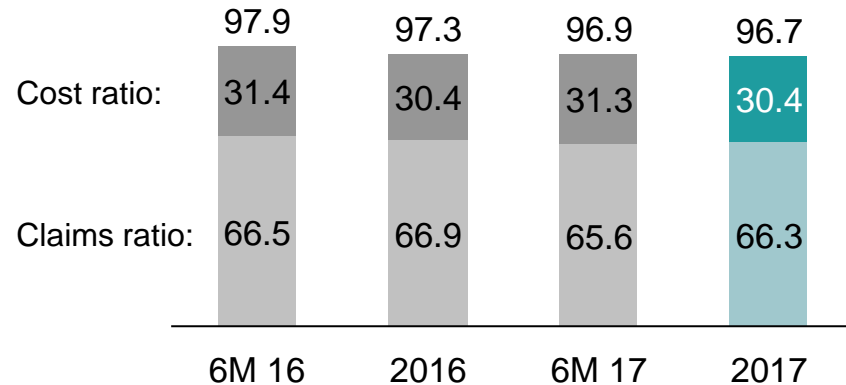


# COMBINED RATIO (P&C) IMPROVED TO 96.7%

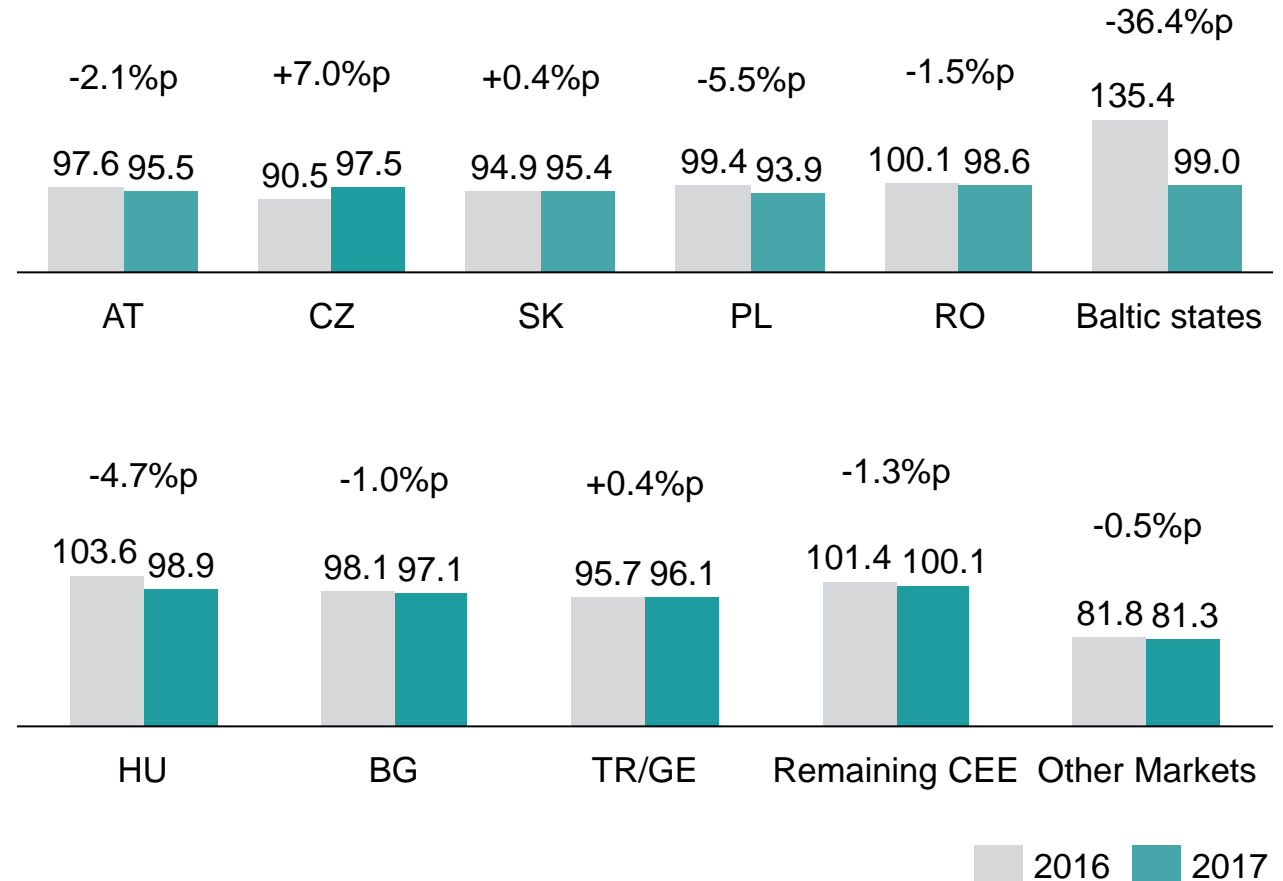
...despite substantial weather-related claims (incl. storm Herwart with ~€30mn net impact)

## P&C Combined Ratio development

- AT: improved claims ratio outweighs slight cost ratio increase
- CZ: development driven by claims ratio; increased number of industrial claims in property, higher claims expenses in MTPL and NatCat in 2017 explain much higher claims ratio
- PL and RO: claims and cost ratio improvement
- Baltic states and Hungary with CoR below 100%



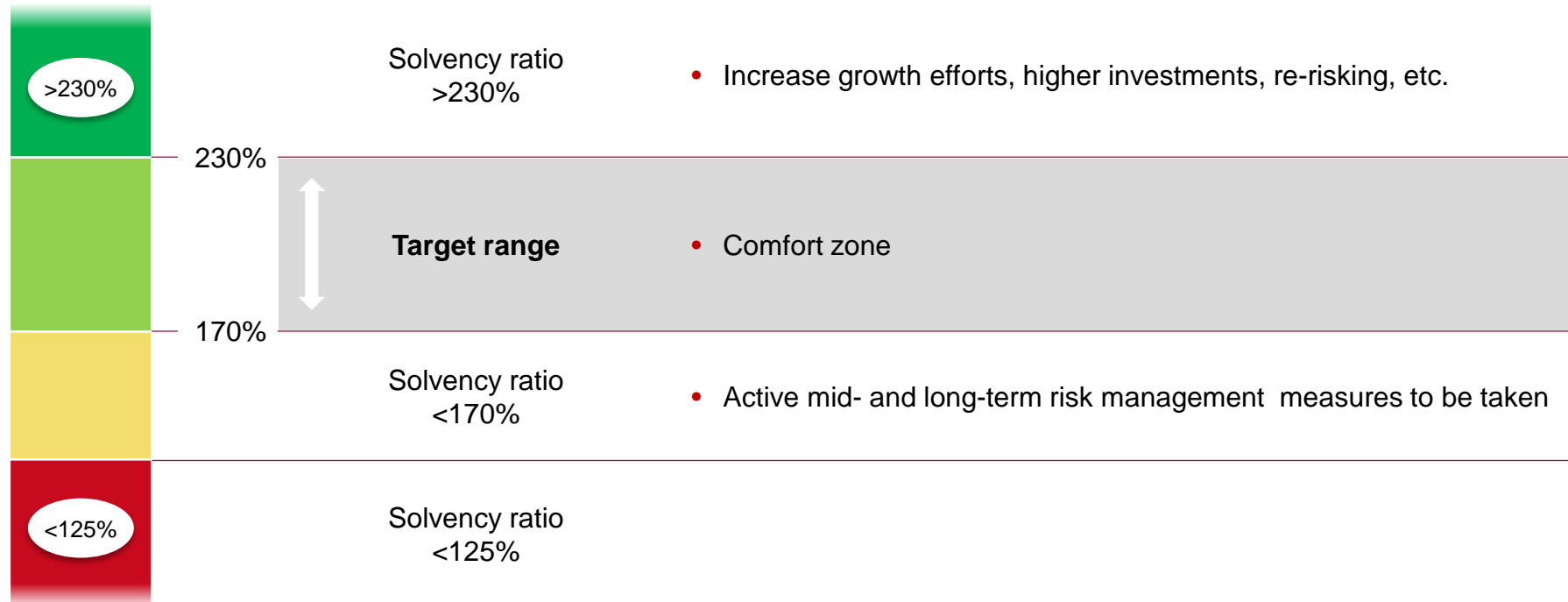
## Overview by segments (12M y-o-y development net, %)





# SOLVENCY RATIO TARGET RANGE FOR STOCK-LISTED VIG

Solvency ratio of 225% at 9M 2017



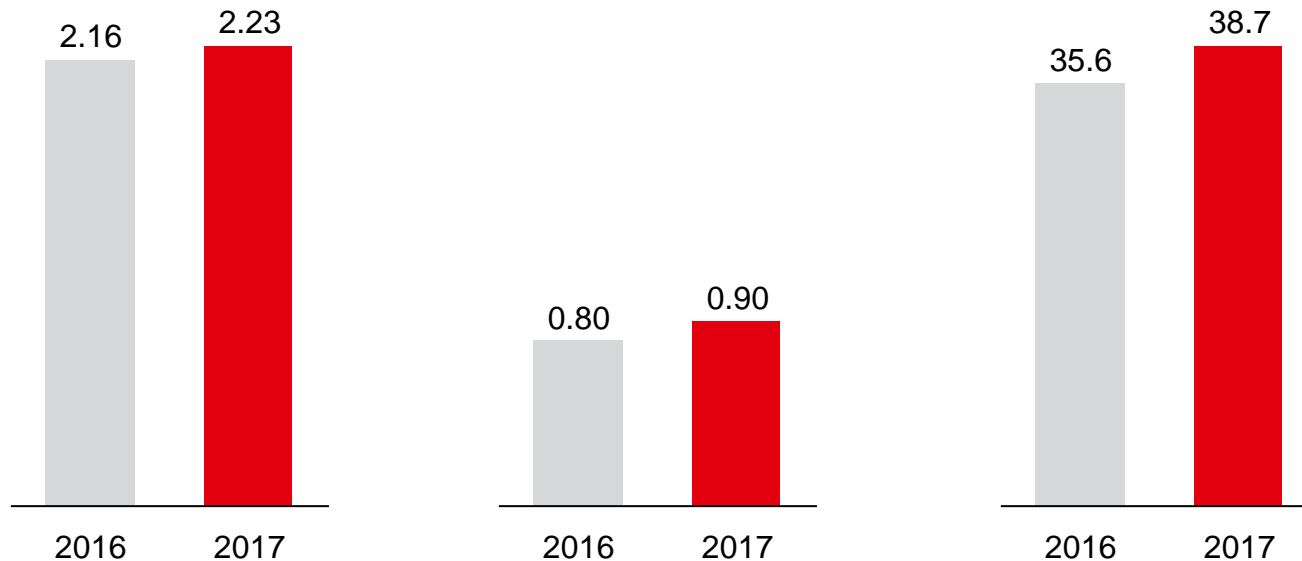
# DIVIDEND PROPOSAL INCREASED BY 12.5% TO €0.90 PER SHARE

Earnings per share up 3.2%; payout ratio increased to 38.7%

EPS (€)

Dividend per share<sup>1</sup> (€)

Payout ratio (%)



## UNCHANGED DIVIDEND POLICY

- Distribution of at least 30% of Group net profits after minorities
- Dividend per share will track the profit development

<sup>1</sup> €0.90 subject to approval by statutory bodies





# OUTLOOK 2020

Stable development and continuous improvement

Gross written premium

> € 10bn

Based on the current positive macroeconomic development, VIG targets to achieve a premium volume of more than €10bn in 2020.

Profit before taxes

€ 500mn - € 520mn

In line with continuous premium growth, VIG plans to increase profit before taxes to be in a range of €500mn - €520mn by 2020.

Combined Ratio

95%

VIG will further focus on its underwriting result, making best use of synergy potentials both on the claims and cost side. Target is a sustainable CoR level of 95%.

## Communicated targets for 2019 to be achieved in 2018

Given the improved development of the Group – supported by the activities of the Agenda 2020 – VIG plans to reach a premium volume of about €9.5bn and profit before taxes in a range of €450mn - €470mn already in 2018

## Dividends

Commitment to shareholder return: based on the overall dividend policy, dividend per share to track profit development

RESULTS 12M 2017

SEGMENTS

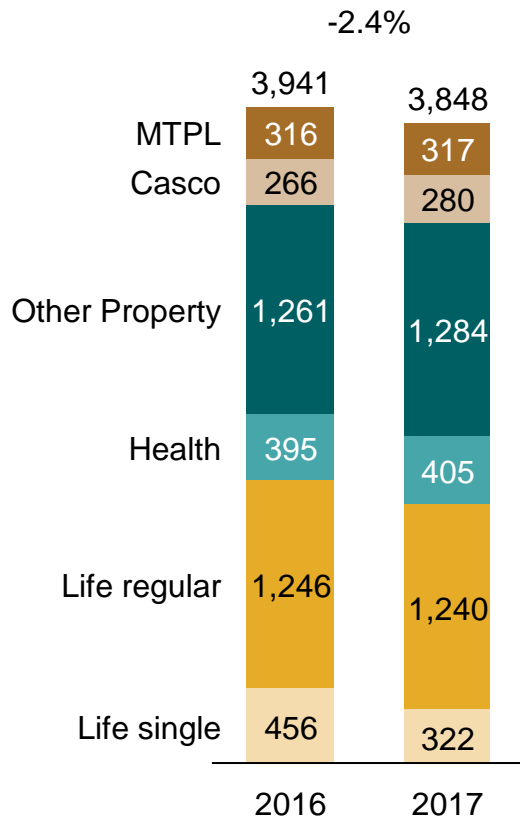
APPENDIX

Please note: All information for the financial year 2017 is based on preliminary unaudited data.

# AUSTRIA

Premiums up by 1.2% adjusted for life single premium business

## GWP development (€mn)



€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>3,848.5</b>	<b>3,941.3</b>	<b>-2.4</b>
Net earned premiums	3,165.1	3,247.9	-2.6
Financial result <sup>1</sup>	694.6	761.0	-8.7
Other income	38.0	18.5	>100
<b>Total income</b>	<b>3,897.7</b>	<b>4,027.4</b>	<b>-3.2</b>
Expenses for claims/benefits	-3,045.4	-3,190.9	-4.6
Acquisition and admin. expenses	-647.3	-619.0	4.6
Other expenses	-29.6	-21.4	38.4
<b>Total expenses</b>	<b>-3,722.3</b>	<b>-3,831.3</b>	<b>-2.8</b>
Result before taxes	<b>175.3</b>	<b>196.1</b>	<b>-10.6</b>
Tax expenses/income	-23.5	-37.6	-37.5
<b>Result of the period</b>	<b>151.8</b>	<b>158.5</b>	<b>-4.2</b>
Claims Ratio	67.5%	69.9%	-2.5%p
Cost Ratio	28.0%	27.6%	0.4%p
<b>Combined Ratio</b>	<b>95.5%</b>	<b>97.6%</b>	<b>-2.1%p</b>

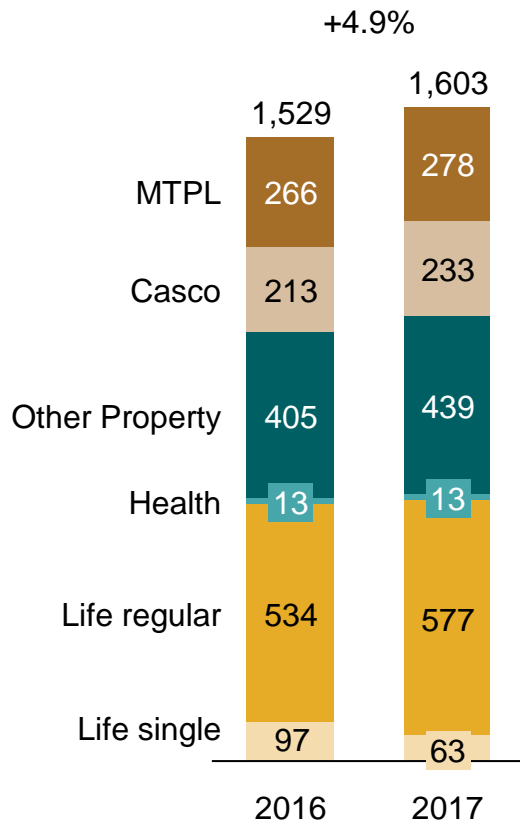
- Financial result 2016 impacted by positive one-off from HETA (2016: ~€40mn)
- Positive development in P&C due to improved CoR; life and health impacted in 2016 by HETA
- Tax ratio down to 13.4% given positive impact from final tax assessment of previous periods
- Claims ratio despite higher weather related claims down by 2.5%p due to much better claims development especially in MTPL

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

# CZECH REPUBLIC

Solidly improved technical result in Life did not fully offset negative development in P&C

## GWP development (€mn)



€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>1,603.2</b>	<b>1,529.1</b>	<b>4.9</b>
Net earned premiums	1,206.7	1,151.5	4.8
Financial result <sup>1</sup>	91.9	84.7	8.4
Other income	47.3	41.3	14.5
<b>Total income</b>	<b>1,345.9</b>	<b>1,277.5</b>	<b>5.4</b>
Expenses for claims/benefits	-792.0	-738.4	7.3
Acquisition and admin. expenses	-361.4	-350.8	3.0
Other expenses	-43.1	-35.5	21.4
<b>Total expenses</b>	<b>-1,196.6</b>	<b>-1,124.7</b>	<b>6.4</b>
Result before taxes	<b>149.3</b>	<b>152.8</b>	<b>-2.2</b>
Tax expenses/income	-26.9	-29.7	-9.4
<b>Result of the period</b>	<b>122.5</b>	<b>123.1</b>	<b>-0.5</b>
Claims Ratio	66.5%	60.3%	6.1%p
Cost Ratio	31.0%	30.2%	0.8%p
<b>Combined Ratio</b>	<b>97.5%</b>	<b>90.5%</b>	<b>7.0%p</b>

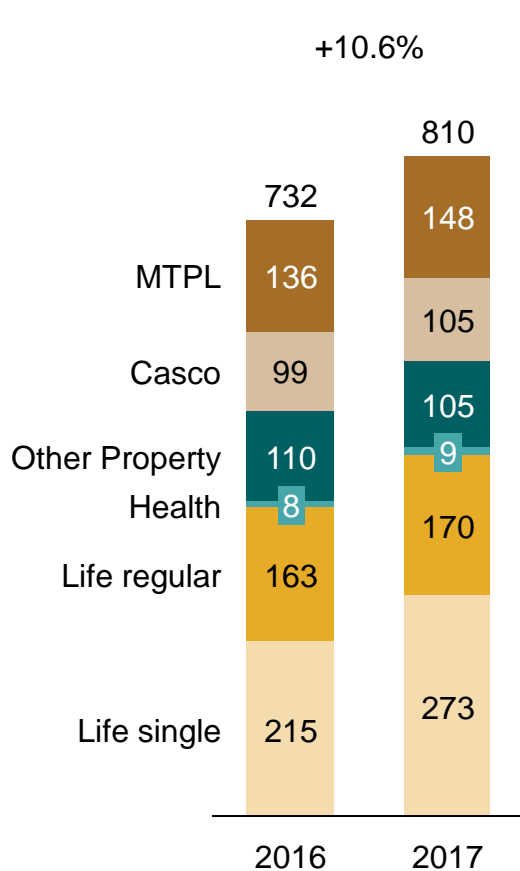
- Decrease in life single premium business more than offset by positive premium development in life regular business (+€43mn) and other property (+€34mn)
- Expenses for claims up 7.3% due to increased number of industrial claims in property, MTPL and higher weather related claims in 2017
- Claims ratio due to above mentioned reasons up by 6.1%p; industrial claims and NatCat to be seen exceptional

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

# SLOVAKIA

Strong premium and profit growth

## GWP development (€mn)



€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>810.0</b>	<b>732.3</b>	<b>10.6</b>
Net earned premiums	679.3	597.9	13.6
Financial result <sup>1</sup>	53.6	52.8	1.5
Other income	5.9	18.6	-68.1
<b>Total income</b>	<b>738.8</b>	<b>669.3</b>	<b>10.4</b>
Expenses for claims/benefits	-558.0	-491.8	13.5
Acquisition and admin. expenses	-107.4	-100.4	6.9
Other expenses	-17.7	-28.2	-37.1
<b>Total expenses</b>	<b>-683.1</b>	<b>-620.4</b>	<b>10.1</b>
Result before taxes	<b>55.7</b>	<b>48.9</b>	<b>14.0</b>
Tax expenses/income	-16.6	-13.3	25.3
<b>Result of the period</b>	<b>39.1</b>	<b>35.6</b>	<b>9.7</b>
Claims Ratio	63.4%	61.9%	1.6%p
Cost Ratio	31.9%	33.1%	-1.1%p
<b>Combined Ratio</b>	<b>95.4%</b>	<b>94.9%</b>	<b>0.4%p</b>

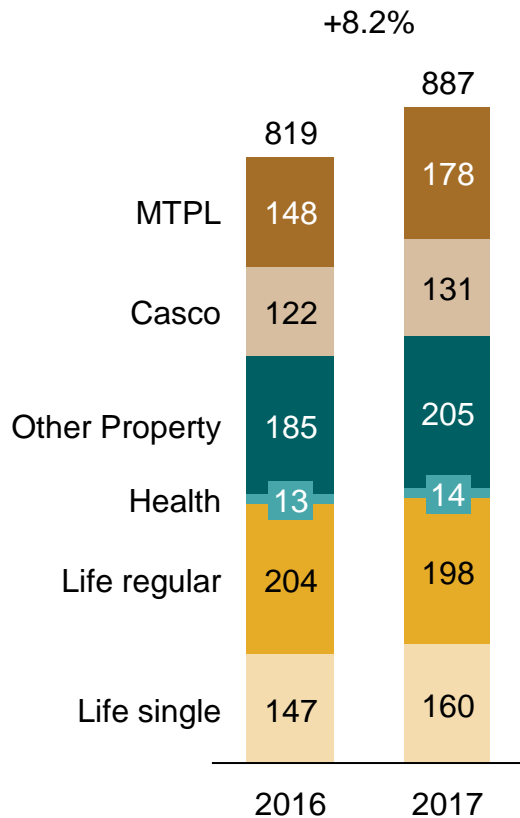
- Premium growth in all lines of business except other property (-€5mn)
- Expenses for claims and insurance benefits up 13.5% primarily due to the increase in life single premium business
- Acquisition and administrative expenses up in line with current premium development
- Improved cost ratio could not offset increased claims ratio, which was impacted by weather-related claims

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

# POLAND

Excellent developments in motor lines of business

## GWP development (€mn)



€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>886.6</b>	<b>819.2</b>	<b>8.2</b>
Net earned premiums	716.3	669.7	7.0
Financial result <sup>1</sup>	24.5	34.4	-28.8
Other income	8.0	18.1	-55.5
<b>Total income</b>	<b>748.8</b>	<b>722.2</b>	<b>3.7</b>
Expenses for claims/benefits	-532.3	-542.6	-1.9
Acquisition and admin. expenses	-158.8	-158.5	0.2
Other expenses	-22.1	-19.2	15.1
<b>Total expenses</b>	<b>-713.3</b>	<b>-720.3</b>	<b>-1.0</b>
Result before taxes	<b>35.5</b>	<b>1.9</b>	<b>&gt;100</b>
Tax expenses/income	-8.1	-9.9	-18.7
<b>Result of the period</b>	<b>27.4</b>	<b>-8.0</b>	<b>n.a.</b>
Claims Ratio	64.4%	68.3%	-3.9%p
Cost Ratio	29.5%	31.1%	-1.6%p
<b>Combined Ratio</b>	<b>93.9%</b>	<b>99.4%</b>	<b>-5.5%p</b>

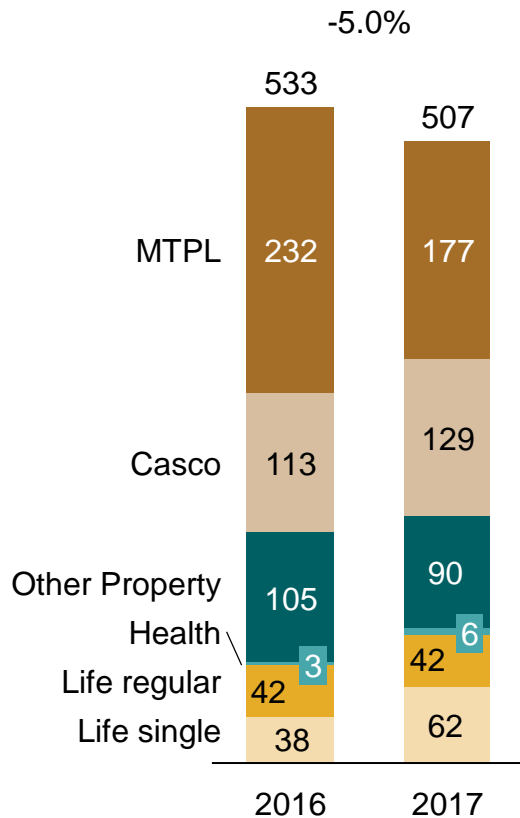
- Lower financial result more than offset by improved technical results in P&C
- Last year's life result negatively impacted by reserves build-up following the agreement with the local consumer protection authority (UOKiK) regarding surrender fees for specific life policies (2016: ~€25mn)
- Claims and cost ratio improved following better developments in the motor lines of business

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

# ROMANIA

CoR below 100% and strong performance in Life

## GWP development (€mn)



€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>506.5</b>	<b>533.4</b>	<b>-5.0</b>
Net earned premiums	375.6	351.1	7.0
Financial result <sup>1</sup>	13.3	13.6	-2.4
Other income	21.2	8.9	>100
<b>Total income</b>	<b>410.1</b>	<b>373.7</b>	<b>9.7</b>
Expenses for claims/benefits	-248.6	-246.4	0.9
Acquisition and admin. expenses	-104.8	-90.6	15.7
Other expenses	-50.5	-33.2	52.2
<b>Total expenses</b>	<b>-403.9</b>	<b>-370.2</b>	<b>9.1</b>
Result before taxes	<b>6.2</b>	<b>3.5</b>	<b>75.9</b>
Tax expenses/income	2.9	7.6	-61.8
<b>Result of the period</b>	<b>9.1</b>	<b>11.2</b>	<b>-18.5</b>
Claims Ratio	64.1%	68.5%	-4.5%p
Cost Ratio	34.5%	31.5%	3.0%p
<b>Combined Ratio</b>	<b>98.6%</b>	<b>100.1%</b>	<b>-1.5%p</b>

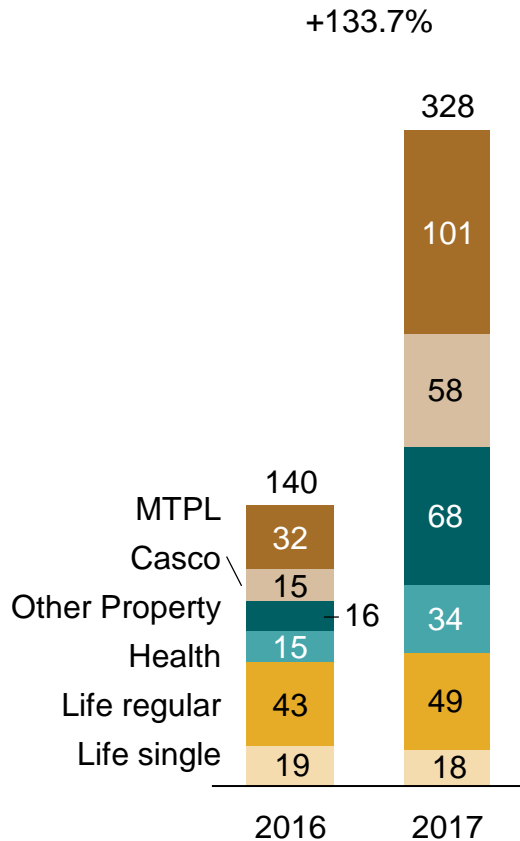
- Premium decrease driven by less MTPL business (-€54.6mn); due to introduction of reference tariffs VIG took a more cautious approach
- Other income increased due to positive one-off after consolidation of AXA Life
- Improved claims ratio mainly based on positive development of the casco business which more than offset increased cost ratio

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

# BALTIC STATES

First-time consolidation of BTA in 2017 on top of strong organic premium growth

## GWP development (€mn)



€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>327.6</b>	<b>140.2</b>	<b>&gt;100</b>
Net earned premiums	242.9	108.1	>100
Financial result <sup>1</sup>	6.1	4.5	36.8
Other income	1.9	0.8	>100
<b>Total income</b>	<b>250.9</b>	<b>113.4</b>	<b>&gt;100</b>
Expenses for claims/benefits	-170.0	-85.2	99.6
Acquisition and admin. expenses	-67.1	-35.2	90.8
Other expenses	-12.5	-4.3	>100
<b>Total expenses</b>	<b>-249.5</b>	<b>-124.6</b>	<b>&gt;100</b>
Result before taxes	1.4	-11.2	n.a.
Tax expenses/income	5.9	1.7	>100
<b>Result of the period</b>	<b>7.3</b>	<b>-9.6</b>	<b>n.a.</b>
Claims Ratio	63.3%	76.7%	-13.4%p
Cost Ratio	35.8%	58.8%	-23.0%p
<b>Combined Ratio</b>	<b>99.0%</b>	<b>135.4%</b>	<b>-36.4%p</b>

- BTA Baltics contributed ~€165mn in premiums; adjusted for BTA consolidation, double-digit premium growth of 16.3%
- PBT development driven by substantial CoR improvement

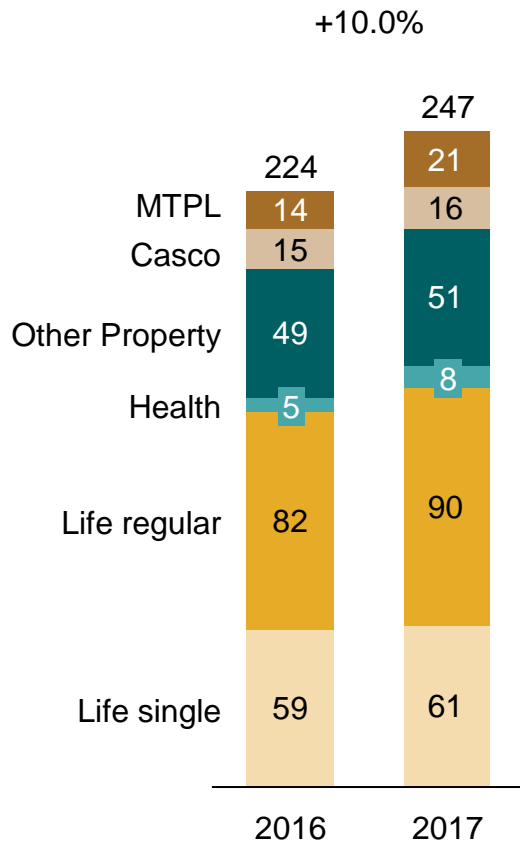
1: Incl. result from shares in at equity consolidated companies



# HUNGARY

CoR strongly improved to 98.9% after 103.6% in 2016

## GWP development (€mn)



€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>246.7</b>	<b>224.2</b>	<b>10.0</b>
Net earned premiums	192.1	174.6	10.1
Financial result <sup>1</sup>	6.4	6.9	-7.2
Other income	2.6	3.6	-27.4
<b>Total income</b>	<b>201.1</b>	<b>185.1</b>	<b>8.7</b>
Expenses for claims/benefits	-142.6	-132.4	7.7
Acquisition and admin. expenses	-41.9	-38.3	9.6
Other expenses	-14.5	-10.6	36.5
<b>Total expenses</b>	<b>-199.0</b>	<b>-181.2</b>	<b>9.8</b>
Result before taxes	<b>2.1</b>	<b>3.8</b>	<b>-44.6</b>
Tax expenses/income	1.7	-0.2	n.a.
<b>Result of the period</b>	<b>3.8</b>	<b>3.6</b>	<b>5.2</b>
Claims Ratio	56.6%	65.6%	-8.9%p
Cost Ratio	42.3%	38.0%	4.2%p
<b>Combined Ratio</b>	<b>98.9%</b>	<b>103.6%</b>	<b>-4.7%p</b>

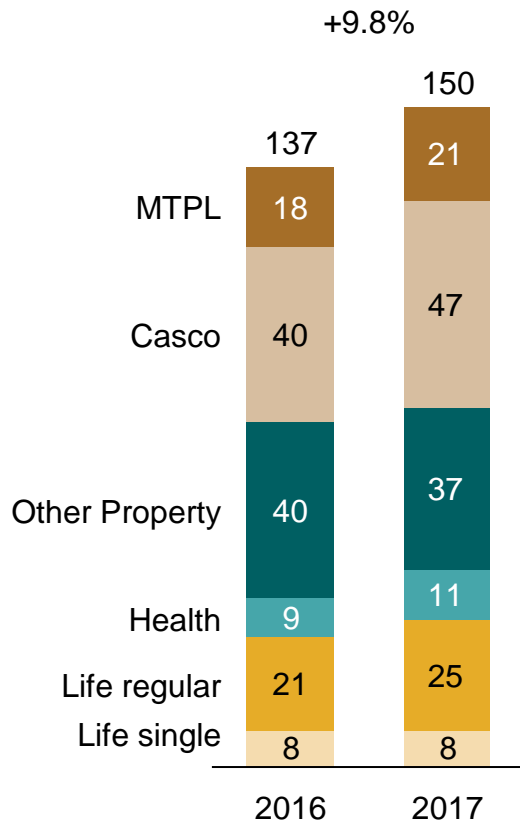
- All lines of business with positive premium development
- Other expenses up due to impairment of insurance portfolio of Vienna Life (€2.9mn)
- Profit development impacted by impairment
- Claims ratio improvement has more than offset increased cost ratio

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

# BULGARIA

Biggest Bulgarian pension fund “Doverie” is a part of VIG

## GWP development (€mn)



€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>150.1</b>	<b>136.7</b>	<b>9.8</b>
Net earned premiums	109.6	96.5	13.6
Financial result <sup>1</sup>	9.4	11.2	-16.2
Other income	5.6	1.0	>100
<b>Total income</b>	<b>124.5</b>	<b>108.6</b>	<b>14.6</b>
Expenses for claims/benefits	-64.4	-59.3	8.7
Acquisition and admin. expenses	-38.8	-32.0	21.1
Other expenses	-14.4	-12.0	20.1
<b>Total expenses</b>	<b>-117.6</b>	<b>-103.3</b>	<b>13.9</b>
Result before taxes	<b>6.9</b>	<b>5.4</b>	<b>28.5</b>
Tax expenses/income	-1.2	-1.6	-25.3
<b>Result of the period</b>	<b>5.7</b>	<b>3.8</b>	<b>51.6</b>
Claims Ratio	54.6%	58.7%	-4.1%p
Cost Ratio	42.6%	39.5%	3.1%p
<b>Combined Ratio</b>	<b>97.1%</b>	<b>98.2%</b>	<b>-1.0%p</b>

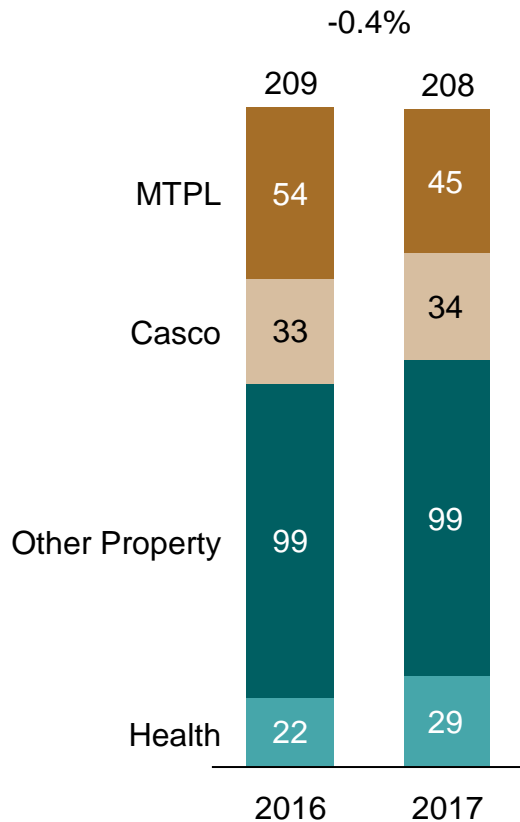
- All lines of business with positive premium development except other property which slightly decreased
- Acquisition and administrative expenses impacted by shift of business mix
- CoR improvement supported profit growth

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

# TURKEY/GEORGIA

Negative FX impact on premium and profit

## GWP development (€mn)



€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>207.8</b>	<b>208.7</b>	<b>-0.4</b>
Net earned premiums	101.6	102.1	-0.5
Financial result <sup>1</sup>	9.0	7.0	29.2
Other income	5.5	6.3	-12.7
<b>Total income</b>	<b>116.1</b>	<b>115.4</b>	<b>0.6</b>
Expenses for claims/benefits	-79.8	-76.9	3.8
Acquisition and admin. expenses	-19.7	-22.6	-12.8
Other expenses	-7.2	-6.8	4.9
<b>Total expenses</b>	<b>-106.7</b>	<b>-106.4</b>	<b>0.3</b>
Result before taxes	<b>9.4</b>	<b>9.0</b>	<b>3.9</b>
Tax expenses/income	-3.5	-4.7	-25.9
<b>Result of the period</b>	<b>5.9</b>	<b>4.3</b>	<b>36.5</b>
Claims Ratio	77.0%	73.8%	3.2%p
Cost Ratio	19.1%	21.9%	-2.8%p
<b>Combined Ratio</b>	<b>96.1%</b>	<b>95.7%</b>	<b>0.4%p</b>

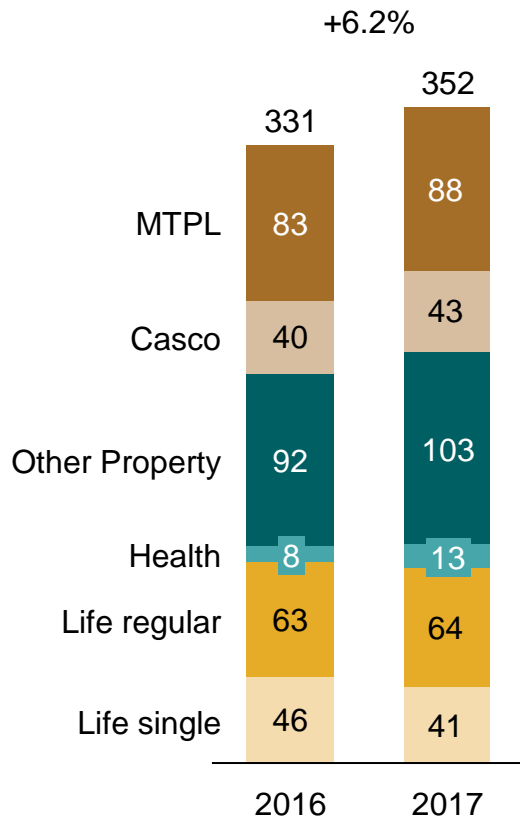
- Premium development impacted by negative FX effects – especially in Turkey
- Adjusted for FX, solid double-digit premium (+19.6%) and profit growth (+23.9%)
- Improved cost ratio has not fully offset higher claims ratio

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

# REMAINING CEE

Result development impacted by impairments

## GWP development (€mn)



€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>352.0</b>	<b>331.4</b>	<b>6.2</b>
Net earned premiums	247.2	232.9	6.1
Financial result <sup>1</sup>	28.7	36.6	-21.8
Other income	14.4	5.1	>100
<b>Total income</b>	<b>290.2</b>	<b>274.6</b>	<b>5.7</b>
Expenses for claims/benefits	-170.6	-161.8	5.4
Acquisition and admin. expenses	-93.3	-83.3	12.0
Other expenses	-32.3	-22.1	46.1
<b>Total expenses</b>	<b>-296.2</b>	<b>-267.2</b>	<b>10.8</b>
Result before taxes	<b>-6.0</b>	<b>7.4</b>	<b>n.a.</b>
Tax expenses/income	-3.4	-5.6	-38.0
<b>Result of the period</b>	<b>-9.4</b>	<b>1.9</b>	<b>n.a.</b>
Claims Ratio	54.0%	54.0%	0.0%p
Cost Ratio	46.0%	47.4%	-1.4%p
<b>Combined Ratio</b>	<b>100.1%</b>	<b>101.4%</b>	<b>-1.3%p</b>

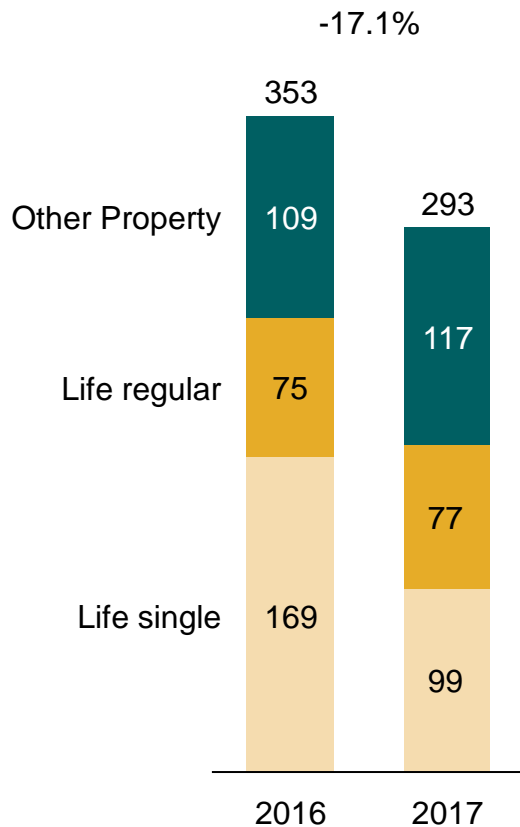
- Main drivers of premium growth were Serbia and Croatia
- Goodwill impairments for CGU Ukraine, Moldova and Albania (incl. Kosovo) at a total of €19.5mn
- Adjusting both 2017 and 2016 for goodwill impairments, result before taxes would be stable
- Improved CoR driven by lower cost ratio

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

# OTHER MARKETS

InterRisk - successful niche player in Germany with excellent CoR of 81.3%

## GWP development (€mn)



€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>292.6</b>	<b>353.0</b>	<b>-17.1</b>
Net earned premiums	248.8	311.6	-20.2
Financial result <sup>1</sup>	21.3	19.9	7.0
Other income	63.0	3.5	>100
<b>Total income</b>	<b>333.0</b>	<b>334.9</b>	<b>-0.6</b>
Expenses for claims/benefits	-251.3	-255.0	-1.5
Acquisition and admin. expenses	-29.8	-25.2	18.3
Other expenses	-28.2	-32.5	-13.2
<b>Total expenses</b>	<b>-309.3</b>	<b>-312.8</b>	<b>-1.1</b>
Result before taxes	<b>23.7</b>	<b>22.1</b>	<b>7.0</b>
Tax expenses/income	-8.7	-6.1	43.3
<b>Result of the period</b>	<b>15.0</b>	<b>16.1</b>	<b>-6.8</b>
Claims Ratio	54.2%	56.4%	-2.2%p
Cost Ratio	27.1%	25.5%	1.6%p
<b>Combined Ratio</b>	<b>81.3%</b>	<b>81.8%</b>	<b>-0.5%p</b>

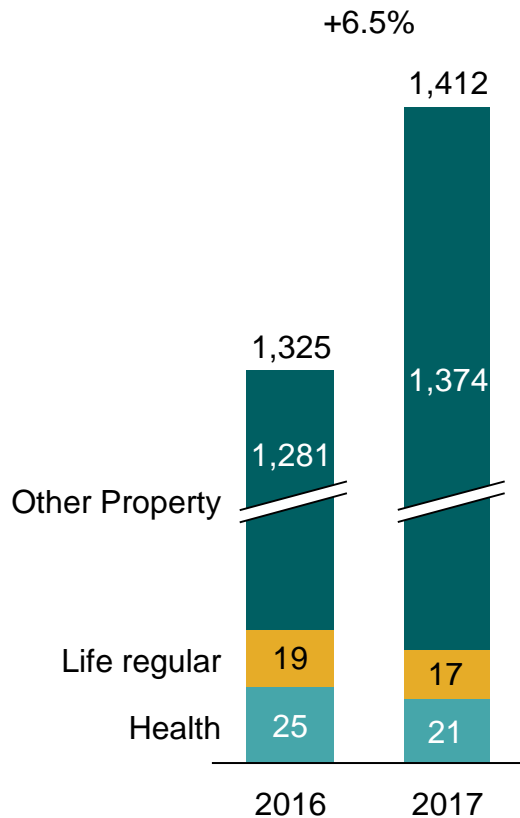
- Premium decrease driven by less life single premium business in Liechtenstein (-€71mn)
- Other income impacted by FX-effect (CHF)
- Profit growth due to solid business development in Germany; Germany accounts for 69% of premium volume in Other Markets
- CoR improvement based on lower claims ratio

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

# CENTRAL FUNCTIONS

Premium increase partly due to expansion of VIG Re

## GWP development (€mn)



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

€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>1,411.5</b>	<b>1,324.8</b>	<b>6.5</b>
Net earned premiums	1,221.0	1,141.9	6.9
Financial result <sup>1</sup>	-34.4	-73.3	-53.0
Other income	11.4	25.8	-55.6
<b>Total income</b>	<b>1,198.0</b>	<b>1,094.3</b>	<b>9.5</b>
Expenses for claims/benefits	-818.1	-768.7	6.4
Acquisition and admin. expenses	-366.4	-345.0	6.2
Other expenses	-30.2	-14.0	>100
<b>Total expenses</b>	<b>-1,214.7</b>	<b>-1,127.7</b>	<b>7.7</b>
Result before taxes	-16.7	-33.3	-50.0
Tax expenses/income	11.4	13.5	-15.8
<b>Result of the period</b>	<b>-5.3</b>	<b>-19.8</b>	<b>-73.3</b>
Claims Ratio	-	-	-
Cost Ratio	-	-	-
<b>Combined Ratio</b>	<b>-</b>	<b>-</b>	<b>-</b>

- Segment includes VIG Holding, VIG Re, VIG Fund, the non-profit societies, corporate IT service providers and intermediate holding companies.
- 11% premium growth of VIG Re

RESULTS 12M 2017

SEGMENTS

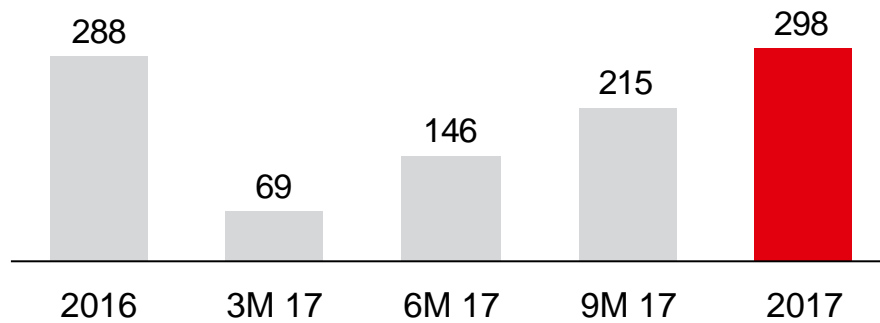
APPENDIX

Please note: All information for the financial year 2017 is based on preliminary unaudited data.

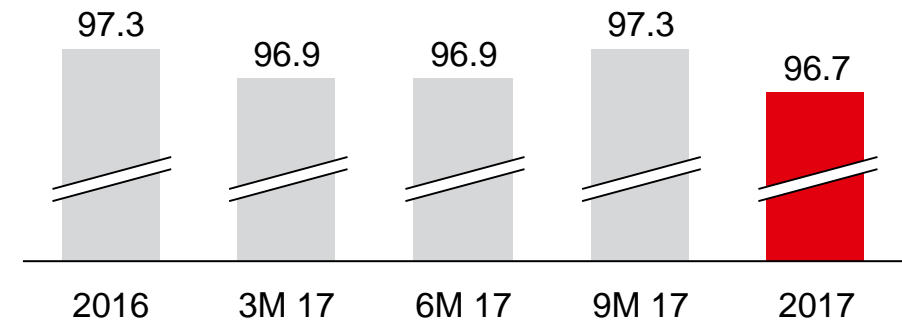
# 12M 2017 KEY FINANCIALS

## Overview of KPIs

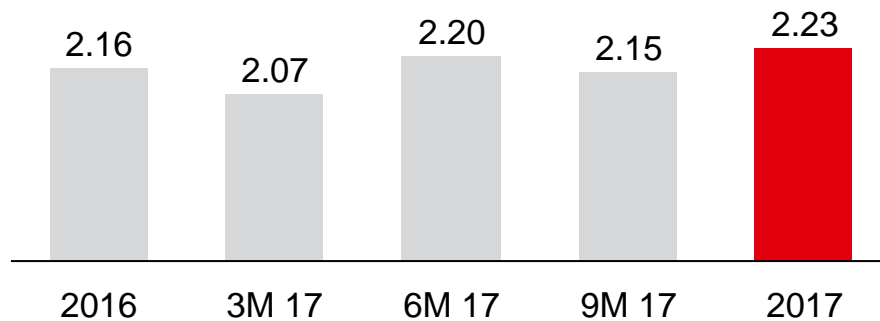
Net result for the period after taxes and non-controlling interest (€mn)



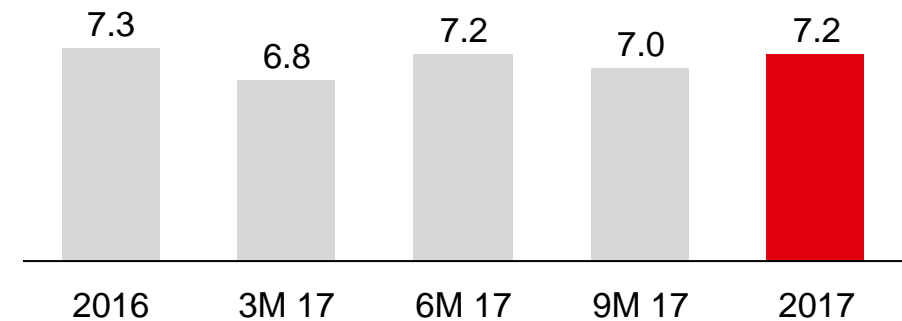
Combined Ratio (net, %)



EPS<sup>1</sup> (€)



ROE after tax and minorities (%)



1: EPS net of hybrid interest (3M, 6M and 9M 2017 annualised figures)



# 12M 2017 INCOME STATEMENT

IFRS (€mn)

€mn	2017	2016	+/- %
<b>Gross premiums written</b>	<b>9,386.0</b>	<b>9,051.0</b>	<b>3.7</b>
Net earned premiums	8,509.6	8,191.3	3.9
Financial result <sup>1</sup>	924.3	958.8	-3.6
Other income	223.1	150.4	48.3
<b>Total Income</b>	<b>9,657.0</b>	<b>9,300.5</b>	<b>3.8</b>
Expenses for claims/benefits	-6,872.6	-6,753.4	1.8
Acquisition and administrative expenses	-2,040.3	-1,907.8	6.9
Other expenses	-301.6	-232.5	29.7
<b>Total Expenses</b>	<b>-9,214.4</b>	<b>-8,893.8</b>	<b>3.6</b>
<b>Result before taxes</b>	<b>442.5</b>	<b>406.7</b>	<b>8.8</b>
Tax expenses/income	-70.0	-85.7	-18.4
<b>Result of the period</b>	<b>372.6</b>	<b>321.0</b>	<b>16.1</b>
Non-controlling interests	-75.0	-33.2	>100
<b>Net profit after non-controlling interests</b>	<b>297.6</b>	<b>287.8</b>	<b>3.4</b>
Claims Ratio	66.3%	66.9%	-0.7%p
Cost Ratio	30.4%	30.4%	0.0%p
<b>Combined Ratio</b>	<b>96.7%</b>	<b>97.3%</b>	<b>-0.6%p</b>

- Solid premium growth despite deliberate reduction of life single premium business (-€149mn)
- SK (+€78mn), CZ (+€74mn) and PL (+€67mn) were top contributors to organic premium growth in absolute terms
- Other income mainly impacted by FX-effects (CHF)
- Acquisition and administrative expenses up 6.9% driven by higher acquisition expenses (mainly commission)
- Other expenses mainly impacted by impairments
- Result before taxes includes €67.5mn of non-profit housing societies, nevertheless net profit after taxes and non-controlling interests increased by 3.4%
- Combined Ratio improved to 96.7% due to better technical results especially in AT and PL and despite substantial weather-related claims

1: Incl. €42.8mn (2016: €46.6mn) as result from shares in at equity consolidated companies



# 12M 2017 BALANCE SHEET

IFRS (€mn)

€mn	31.12.2017	31.12.2016	+/- %
Intangible assets	1,971	2,055	-4.1
Investments	35,933	34,646	3.7
Unit- and index-linked investments	9,061	8,550	6.0
Reinsurers' share in underwriting provisions	1,066	985	8.2
Receivables	1,476	1,460	1.1
Tax receivables and advance payments out of income tax	239	237	1.1
Deferred tax assets	81	138	-41.5
Other assets	389	348	11.9
Cash and cash equivalents	1,498	1,590	-5.8
<b>Total assets</b>	<b>51,714</b>	<b>50,008</b>	<b>3.4</b>
Shareholders' equity	6,044	5,711	5.8
thereof minorities (incl. non-profit housing societies)	1,212	1,147	5.7
Subordinated liabilities	1,459	1,265	15.3
Underwriting provisions	30,168	29,220	3.2
Unit- and index-linked technical provisions	8,613	8,130	5.9
Non-underwriting provisions	794	815	-2.6
Liabilities	4,032	4,203	-4.1
Tax liabilities out of income tax	202	181	11.4
Deferred tax liabilities	255	325	-21.6
Other liabilities	147	158	-6.6
<b>Total liabilities and equity</b>	<b>51,714</b>	<b>50,008</b>	<b>3.4</b>

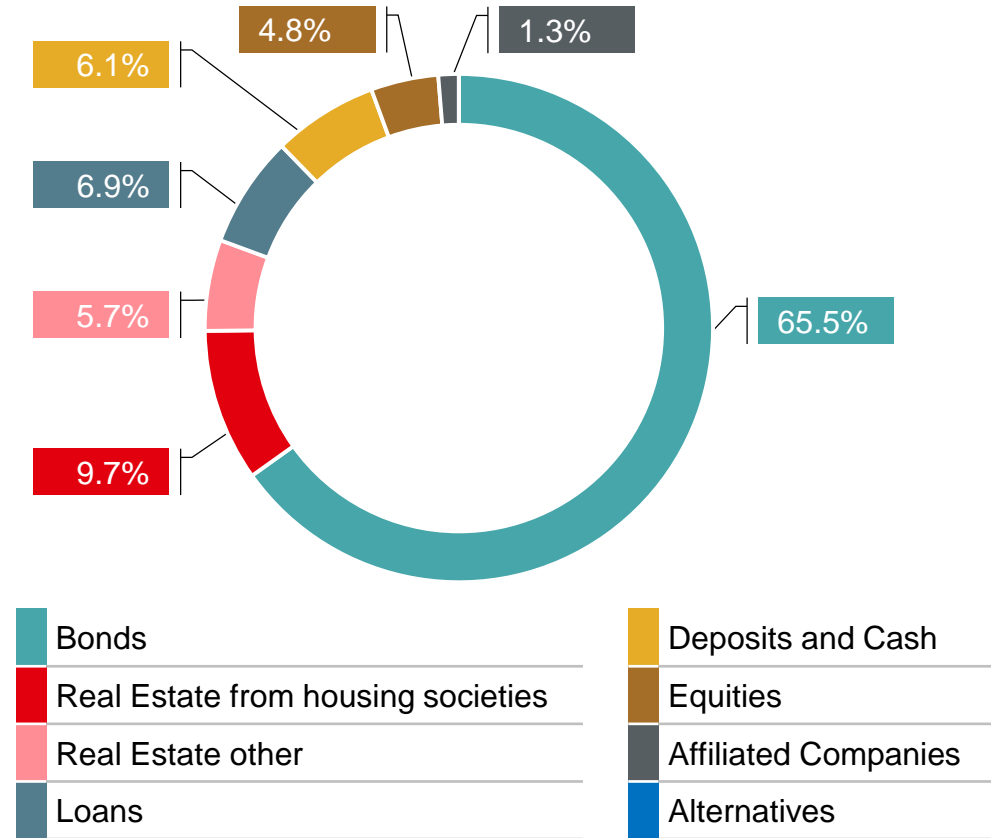
- Intangible assets:  
Goodwill impairments of CGUs Ukraine, Moldova and Albania (incl. Kosovo) in the size of ~€20mn  
In addition impairment of insurance portfolios and brand Asirom totalling ~€15mn



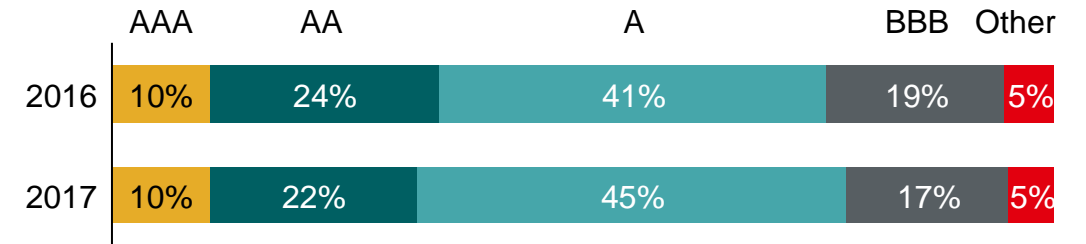
# INVESTMENT SPLIT AND BOND PORTFOLIO OVERVIEW

No fundamental changes

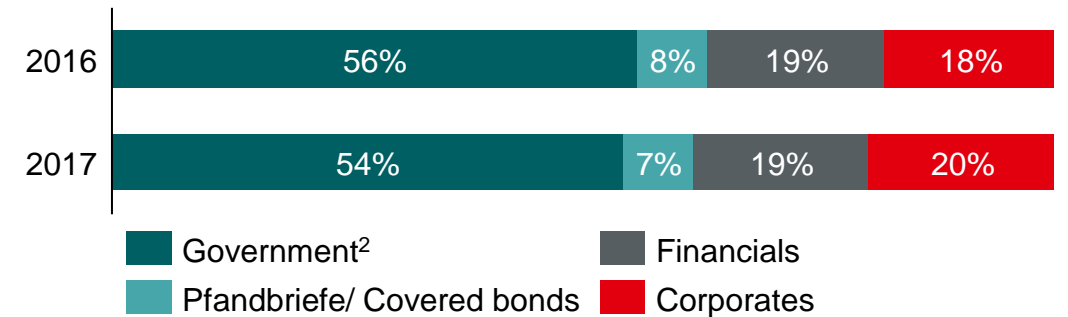
2017: Total €37.4bn



## Bond portfolio by rating<sup>1</sup>



## Bond portfolio by issuer



1: Based on second best rating 2: Government, government guaranteed, government agencies, municipalities and supranationals

# FINANCIAL RESULT DOWN BY 3.6%

Financial result incl. at equity consolidated companies

Income	Total		
	2017	2016	+/- %
Current income	1,365,774	1,189,381	14.8
Income from appreciations	27,761	59,372	-53.2
Income from the disposal of investments	131,480	122,376	7.4
Other income	104,689	91,580	14.3
<b>Total Income</b>	<b>1,629,704</b>	<b>1,462,709</b>	<b>11.4</b>
<b>Expenses</b>			
Depreciation of investments	-203,028	-108,798	86.6
Impairment of investments	-35,352	-41,710	-15.2
Exchange rate changes	-17,671	-4,363	>100
Losses from the disposal of investments	-32,661	-37,659	-13.3
Interest expenses	-124,486	-99,155	25.5
Other expenses	-292,225	-212,215	37.7
<b>Total Expenses</b>	<b>-705,424</b>	<b>-503,900</b>	<b>40.0</b>
<b>Total Financial Result</b>	<b>924,280</b>	<b>958,809</b>	<b>-3.6%</b>

- Fully consolidated non-profit housing societies impact current income, depreciation of investments, interest and other expenses
  - Overall ~€70mn in 2017 (2016: ~€30mn)
- Current income excluding non-profit housing societies increased by 0.7%
- Income from appreciation for 2016 included positive one-off from HETA (2016: ~€40mn)
- Exchange rate changes driven by CZK



# 12M 2017 FINANCIAL RESULT BY SEGMENT (I)

IFRS (€000)

	Austria			Czech Republic			Slovakia			Poland		
	2017	2016	+/- %	2017	2016	+/- %	2017	2016	+/- %	2017	2016	+/- %
<b>Income</b>												
Current income	803,054	808,895	-0.7	103,287	102,412	0.9	44,676	43,938	1.7	33,384	30,824	8.3
Income from appreciations	11,050	44,828	-75.4	3,379	2,869	17.8	3,048	1,691	80.2	4,189	3,128	33.9
of which reduction in impairment	6,035	40,372	-85.1	0	0	-	0	0	-	0	0	-
Income from the disposal of investments	58,958	60,279	-2.2	29,128	16,836	73.0	10,666	10,775	-1.0	4,346	9,939	-56.3
<b>Total Income</b>	<b>873,062</b>	<b>914,002</b>	<b>-4.5</b>	<b>135,794</b>	<b>122,117</b>	<b>11.2</b>	<b>58,390</b>	<b>56,404</b>	<b>3.5</b>	<b>41,919</b>	<b>43,891</b>	<b>-4.5</b>
<b>Expenses</b>												
Depreciation of investments	77,363	73,706	5.0	6,154	8,361	-26.4	3,426	2,249	52.3	5,447	2,336	>100
Thereof impairment of investments	6,083	28,756	-78.8	0	1,070	n.a.	0	0	-	3,750	342	>100
Exchange rate changes	110	-57	n.a.	22,366	-1,221	n.a.	27	-4	n.a.	2,972	-964	n.a.
Losses from the disposal of investments	17,235	12,582	37.0	8,073	18,675	-56.8	104	278	-62.6	900	1,232	-26.9
Interest expenses	51,066	37,940	34.6	2,700	3,650	-26.0	117	271	-56.8	3,927	3,138	25.1
Other expenses	71,514	69,812	2.4	6,641	9,552	-30.5	1,111	789	40.8	4,178	3,730	12.0
<b>Total Expenses</b>	<b>217,288</b>	<b>193,983</b>	<b>12.0</b>	<b>45,934</b>	<b>39,017</b>	<b>17.7</b>	<b>4,785</b>	<b>3,583</b>	<b>33.5</b>	<b>17,424</b>	<b>9,472</b>	<b>84.0</b>
<b>Financial Result (excl. at equity)</b>	<b>655,774</b>	<b>720,019</b>	<b>-8.9</b>	<b>89,860</b>	<b>83,100</b>	<b>8.1</b>	<b>53,605</b>	<b>52,821</b>	<b>1.5</b>	<b>24,495</b>	<b>34,419</b>	<b>-28.8</b>
Result from at equity cons. companies	38,847	40,953	-5.1	2,044	1,647	24.1	0	0	0	0	0	0



# 12M 2017 FINANCIAL RESULT BY SEGMENT (II)

IFRS (€000)

	Romania			Baltic states			Hungary			Bulgaria		
	2017	2016	+/- %	2017	2016	+/- %	2017	2016	+/- %	2017	2016	+/- %
<b>Income</b>												
Current income	17,117	14,138	21.1	7,103	5,161	37.6	8,062	8,589	-6.1	24,124	23,571	2.3
Income from appreciations	132	1,269	-89.6	781	738	5.8	0	0	-	1,039	1,326	-21.6
of which reduction in impairment	0	1,121	n.a.	0	0	-	0	0	-	0	0	-
Income from the disposal of investments	2,111	4,510	-53.2	163	1,350	-87.9	1,300	384	>100	1,832	2,211	-17.1
<b>Total Income</b>	<b>19,360</b>	<b>19,917</b>	<b>-2.8</b>	<b>8,047</b>	<b>7,249</b>	<b>11.0</b>	<b>9,362</b>	<b>8,973</b>	<b>4.3</b>	<b>26,995</b>	<b>27,108</b>	<b>-0.4</b>
<b>Expenses</b>												
Depreciation of investments	1,375	2,113	-34.9	842	1,910	-55.9	704	478	47.3	2,977	2,318	28.4
Thereof impairment of investments	91	859	-89.4	19	905	-97.9	485	478	1.5	1,625	761	>100
Exchange rate changes	-900	-319	>100	0	25	n.a.	432	-165	n.a.	580	85	>100
Losses from the disposal of investments	27	106	-74.5	53	215	-75.3	481	331	45.3	553	1,003	-44.9
Interest expenses	2,787	2,358	18.2	313	242	29.3	286	701	-59.2	351	298	17.8
Other expenses	2,782	2,037	36.6	731	391	87.0	1,074	746	44.0	13,179	12,244	7.6
<b>Total Expenses</b>	<b>6,071</b>	<b>6,295</b>	<b>-3.6</b>	<b>1,939</b>	<b>2,783</b>	<b>-30.3</b>	<b>2,977</b>	<b>2,091</b>	<b>42.4</b>	<b>17,640</b>	<b>15,948</b>	<b>10.6</b>
<b>Financial Result (excl. at equity)</b>	<b>13,289</b>	<b>13,622</b>	<b>-2.4</b>	<b>6,108</b>	<b>4,466</b>	<b>36.8</b>	<b>6,385</b>	<b>6,882</b>	<b>-7.2</b>	<b>9,355</b>	<b>11,160</b>	<b>-16.2</b>
Result from at equity cons. companies	0	0	0	0	0	0	0	0	0	0	0	0



# 12M 2017 FINANCIAL RESULT BY SEGMENT (III)

IFRS (€000)

	Turkey / Georgia			Remaining CEE			Other Markets		
	2017	2016	+/- %	2017	2016	+/- %	2017	2016	+/- %
<b>Income</b>									
Current income	11,315	9,208	22.9	36,579	37,025	-1.2	21,288	20,056	6.1
Income from appreciations	1,912	1,745	9.6	691	211	>100	259	1,356	-80.9
of which reduction in impairment	0	0	-	651	54	>100	8	1,353	-99.4
Income from the disposal of investments	92	737	-87.5	5,212	6,170	-15.5	2,275	755	>100
<b>Total Income</b>	<b>13,319</b>	<b>11,690</b>	<b>13.9</b>	<b>42,482</b>	<b>43,406</b>	<b>-2.1</b>	<b>23,822</b>	<b>22,167</b>	<b>7.5</b>
<b>Expenses</b>									
Depreciation of investments	2,095	1,998	4.9%	2,309	3,541	-34.8	1,215	1,189	2.2%
Thereof impairment of investments	0	313	n.a.	1,219	2,283	-46.6	0	343	n.a.
Exchange rate changes	-552	-281	96.4	8,359	-888	n.a.	2	0	n.a.
Losses from the disposal of investments	38	610	-93.8	492	168	>100	136	132	3.0
Interest expenses	1,452	955	52.0	649	1,964	-67.0	168	208	-19.2
Other expenses	1,294	1,447	-10.6	2,004	1,975	1.5	1,031	766	34.6
<b>Total Expenses</b>	<b>4,327</b>	<b>4,729</b>	<b>-8.5</b>	<b>13,813</b>	<b>6,760</b>	<b>&gt;100</b>	<b>2,552</b>	<b>2,295</b>	<b>11.2</b>
<b>Financial Result (excl. at equity)</b>	<b>8,992</b>	<b>6,961</b>	<b>29.2</b>	<b>28,669</b>	<b>36,646</b>	<b>-21.8</b>	<b>21,270</b>	<b>19,872</b>	<b>7.0</b>
Result from at equity cons. companies	0	0	0	0	0	0	0	0	0



# 12M 2017 FINANCIAL RESULT BY SEGMENT (IV)

IFRS (€000)

Income	Central Functions			Consolidation			Total		
	2017	2016	+/- %	2017	2016	+/- %	2017	2016	+/- %
Current income	376,603	192,596	95.5	-58,883	-59,402	-0.9	1,427,709	1,237,011	15.4
Income from appreciations	1,281	209	>100	0	0	-	27,761	59,370	-53.2
of which reduction in impairment	1,119	0	n.a.	0	0	-	7,813	42,900	-81.8
Income from the disposal of investments	15,397	5,761	>100	0	0	-	131,480	119,707	9.8
<b>Total Income</b>	<b>393,281</b>	<b>198,566</b>	<b>98.1</b>	<b>-58,883</b>	<b>-59,402</b>	<b>-0.9%</b>	<b>1,586,950</b>	<b>1,416,088</b>	<b>12.1</b>
<b>Expenses</b>									
Depreciation of investments	134,473	50,308	>100	0	0	-	238,380	150,507	58.4
Thereof impairment of investments	22,080	5,600	>100	0	0	-	35,352	41,710	-15.2
Exchange rate changes	-15,725	8,154	>100	0	0	-	17,671	4,365	>100
Losses from the disposal of investments	4,569	2,326	96.4	0	0	-	32,661	37,658	-13.3
Interest expenses	119,126	106,361	12.0	-58,454	-58,930	-0.8	124,488	99,156	25.5
Other expenses	187,137	108,725	72.1	-452	0	n.a.	292,224	212,214	37.7
<b>Total Expenses</b>	<b>429,580</b>	<b>275,874</b>	<b>55.7</b>	<b>-58,906</b>	<b>-58,930</b>	<b>0.0</b>	<b>705,424</b>	<b>503,900</b>	<b>40.0</b>
<b>Financial Result (excl. at equity)</b>	<b>-36,299</b>	<b>-77,308</b>	<b>-53.0</b>	<b>23</b>	<b>-472</b>	<b>&gt;100</b>	<b>881,526</b>	<b>912,188</b>	<b>-3.4</b>
Result from at equity cons. companies	1,863	4,021	-53.7	0	0	0	42,754	46,621	-8.3





# 12M 2017 PREMIUMS BY BUSINESS LINES AND COUNTRY (I)

IFRS (€mn)

	MTPL			Casco			Other property		
	2017	2016	+/- %	2017	2016	+/- %	2017	2016	+/- %
Austria	316.9	316.0	0.3	280.0	266.5	5.1	1,284.5	1,261.1	1.9
Czech Republic	278.4	266.1	4.6	232.7	213.4	9.0	438.8	405.2	8.3
Slovakia	148.1	136.5	8.5	105.2	99.5	5.7	105.1	109.8	-4.2
Poland	177.9	147.6	20.6	131.3	122.3	7.4	205.2	185.5	10.6
Romania	177.3	231.9	-23.6	128.6	113.2	13.6	90.4	105.4	-14.2
Baltic states	101.3	31.7	>100	57.5	15.5	>100	68.0	15.7	>100
Hungary	20.6	14.0	47.1	16.3	15.5	5.6	51.3	48.6	5.5
Bulgaria	21.2	18.2	16.8	47.1	40.2	16.9	37.1	39.9	-6.9
Turkey/Georgia	45.1	54.4	-17.0	33.9	33.2	2.4	99.5	99.4	0.1
<i>Georgia</i>	0.8	0.8	-0.5	6.6	7.2	-7.8	11.4	18.1	-37.0
<i>Turkey</i>	44.3	53.6	-17.3	27.3	26.0	5.2	88.1	81.3	8.3
Remaining CEE	88.0	83.3	5.6	43.5	39.6	9.8	102.9	91.8	12.0
<i>Albania</i>	25.4	24.8	2.6	1.5	1.5	4.0	7.9	7.8	0.5
<i>Bosnia &amp; Herzegovina</i>	4.7	4.5	4.7	1.2	1.1	8.9	6.9	5.1	36.3
<i>Croatia</i>	13.3	16.3	-18.4	5.2	4.8	9.3	19.4	16.1	20.7
<i>Macedonia</i>	11.4	10.5	8.6	1.8	2.3	-19.7	11.7	13.0	-10.3
<i>Moldova</i>	3.8	3.9	-2.6	3.0	2.2	39.5	2.2	1.9	15.6
<i>Serbia</i>	10.1	5.0	>100	10.5	8.5	24.1	47.5	40.7	16.6
<i>Ukraine</i>	19.3	18.5	4.6	20.2	19.3	4.2	7.3	7.2	1.8
Other Markets	0.0	0.0	-	0.0	0.0	-	116.5	108.7	7.2
<i>Germany</i>	0.0	0.0	-	0.0	0.0	-	116.5	108.7	7.2
<i>Liechtenstein</i>	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-



# 12M 2017 PREMIUMS BY BUSINESS LINES AND COUNTRY (II)

IFRS (€mn)

	Life regular			Life single			Health		
	2017	2016	+/- %	2017	2016	+/- %	2017	2016	+/- %
Austria	1,240.3	1,246.4	-0.5	321.9	456.4	-29.5	405.0	394.9	2.6
Czech Republic	576.7	534.0	8.0	63.3	97.0	-34.7	13.3	13.4	-0.6
Slovakia	169.6	163.2	4.0	272.7	215.0	26.8	9.4	8.4	10.8
Poland	198.3	204.2	-2.9	160.4	147.0	9.0	13.5	12.6	7.4
Romania	42.3	42.5	-0.5	61.8	37.5	64.6	6.2	3.0	>100
Baltic states	49.0	42.7	14.8	18.0	19.5	-7.6	33.9	15.2	>100
Hungary	89.6	81.8	9.4	60.7	59.4	2.2	8.2	4.8	69.4
Bulgaria	25.3	21.3	18.6	8.2	8.1	1.0	11.3	9.0	25.0
Turkey/Georgia	0.0	0.0	-	0.0	0.0	-	29.3	21.8	34.4
<i>Georgia</i>	0.0	0.0	-	0.0	0.0	-	24.5	17.8	37.6
<i>Turkey</i>	0.0	0.0	-	0.0	0.0	-	4.8	4.0	20.4
Remaining CEE	64.0	62.6	2.1	40.7	45.8	-11.1	12.9	8.1	59.0
<i>Albania</i>	0.0	0.0	-	0.0	0.0	-	2.4	2.3	3.7
<i>Bosnia &amp; Herzegovina</i>	1.5	1.3	18.1	1.5	0.9	72.4	0.0	0.1	-30.2
<i>Croatia</i>	32.1	33.1	-3.0	30.2	28.9	4.8	1.7	0.2	>100
<i>Macedonia</i>	0.0	0.0	-	0.0	0.0	-	0.0	0.1	-83.3
<i>Moldova</i>	0.0	0.0	-	0.0	0.0	-	0.5	0.4	20.4
<i>Serbia</i>	28.5	26.2	8.7	8.8	15.2	-42.2	3.6	1.4	>100
<i>Ukraine</i>	1.9	2.1	-7.8	0.3	1.0	-72.6	4.7	3.7	26.3
Other Markets	77.4	74.8	3.5	98.7	169.5	-41.8	0.0	0.0	-
<i>Germany</i>	68.3	65.3	4.5	16.6	16.2	2.7	0.0	0.0	-
<i>Liechtenstein</i>	9.1	9.4	-3.6	82.1	153.3	-46.5	0.0	0.0	-



# 12M 2017 COUNTRY OVERVIEW GWP / PBT / COMBINED RATIO

IFRS (€mn)

	GWP Total			Result before taxes			Combined Ratio net		
	2017	2016	+/- %	2017	2016	+/- %	2017	2016	+/- %p
Austria	3,848.5	3,941.3	-2.4	175.3	196.1	-10.6	95.5%	97.6%	-2.1
Czech Republic	1,603.2	1,529.1	4.9	149.3	152.8	-2.2	97.5%	90.5%	7.0
Slovakia	810.0	732.3	10.6	55.7	48.9	14.0	95.4%	94.9%	0.4
Poland	886.6	819.2	8.2	35.5	1.9	>100	93.9%	99.4%	-5.5
Romania	506.5	533.4	-5.0	6.2	3.5	75.9	98.6%	100.1%	-1.5
Baltic states	327.6	140.2	>100	1.4	-11.2	n.a.	99.0%	135.4%	-36.4
Hungary	246.7	224.2	10.0	2.1	3.8	-44.6	98.9%	103.6%	-4.7
Bulgaria	150.1	136.7	9.8	6.9	5.4	28.5	97.1%	98.2%	-1.0
Turkey/Georgia	207.8	208.7	-0.4	9.4	9.0	3.9	96.1%	95.7%	0.4
<i>Georgia</i>	43.2	43.8	-1.3	2.5	2.9	-13.7	79.9%	80.3%	-0.4
<i>Turkey</i>	164.5	164.9	-0.2	6.9	6.1	12.2	98.9%	99.0%	-0.1
Remaining CEE	352.0	331.4	6.2	-6.0	7.4	n.a.	100.1%	101.4%	-1.3
<i>Albania</i>	37.2	36.4	2.3	0.5	1.2	-61.4	86.5%	95.7%	-9.3
<i>Bosnia &amp; Herzegovina</i>	15.9	12.9	23.2	-2.0	-7.5	-73.7	122.3%	126.8%	-4.5
<i>Croatia</i>	101.9	99.3	2.7	7.0	7.0	1.1	99.0%	96.8%	2.1
<i>Macedonia</i>	24.9	25.8	-3.6	2.8	1.6	75.5	81.4%	98.7%	-17.4
<i>Moldova</i>	9.5	8.4	13.5	-5.6	0.3	n.a.	103.5%	113.9%	-10.4
<i>Serbia</i>	108.9	96.9	12.4	3.4	2.7	25.2	98.5%	102.2%	-3.7
<i>Ukraine</i>	53.7	51.8	3.7	-12.1	2.2	n.a.	109.3%	101.0%	8.3
Other Markets	292.6	353.0	-17.1	23.7	22.1	7.0	81.3%	81.8%	-0.5
<i>Germany</i>	201.4	190.2	5.9	23.6	22.0	6.9	81.3%	81.8%	-0.5
<i>Liechtenstein</i>	91.2	162.7	-44.0	0.1	0.1	24.8	-	-	-

# Q4 2017 INCOME STATEMENT

IFRS (€mn)

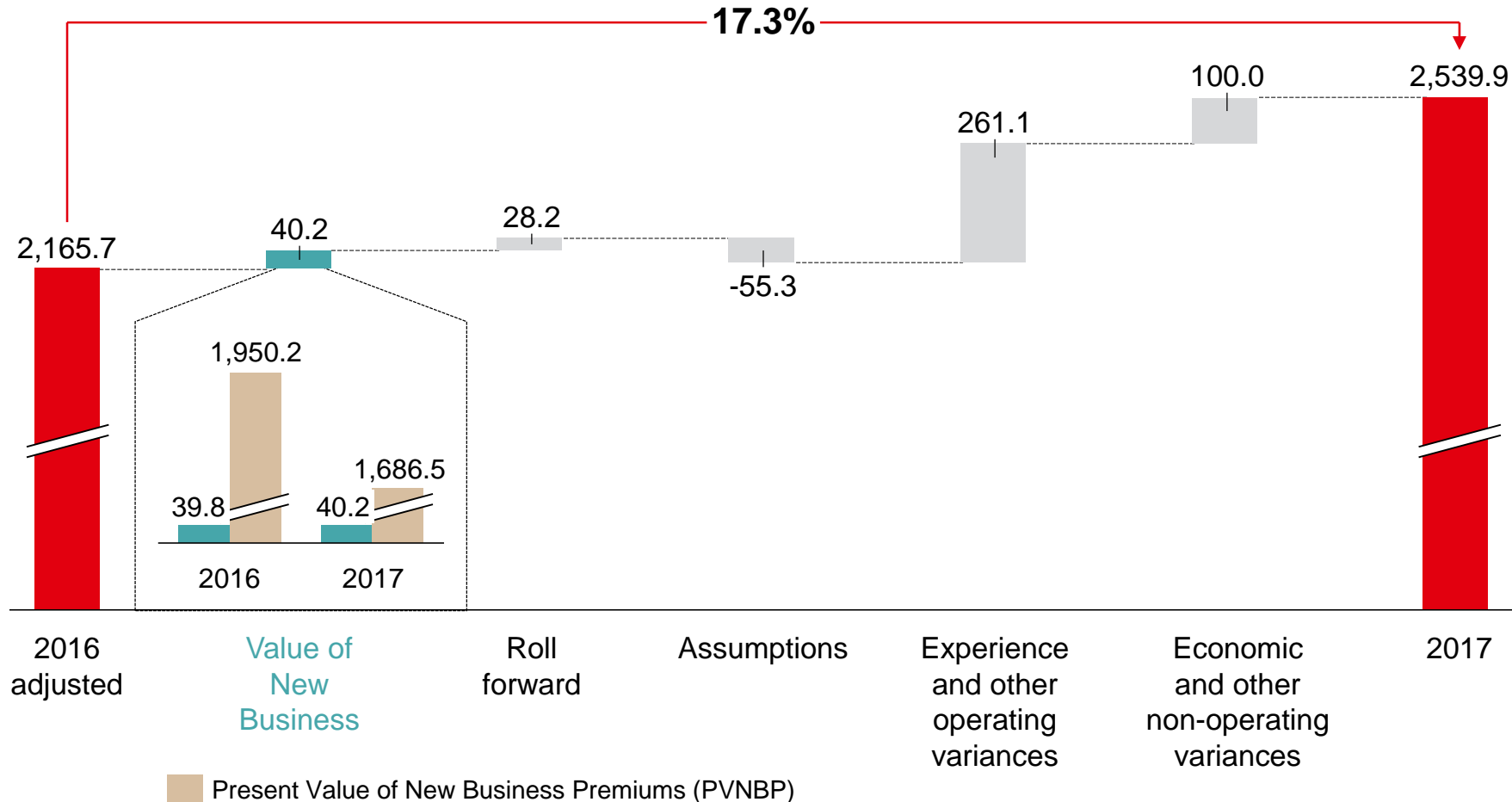
€mn	Q4 2017	Q4 2016	+/- %
<b>Gross premiums written</b>	<b>2,233.4</b>	<b>2,089.2</b>	<b>6.9</b>
Net earned premiums	2,183.8	2,032.4	7.5
Financial result <sup>1</sup>	192.2	255.6	-24.8
Other income	91.4	27.7	>100
<b>Total Income</b>	<b>2,467.4</b>	<b>2,315.6</b>	<b>6.6</b>
Expenses for claims/benefits	-1,704.8	-1,662.0	2.6
Acquisition and administrative expenses	-526.8	-485.5	8.5
Other expenses	-124.5	-62.8	98.3
<b>Total Expenses</b>	<b>-2,356.1</b>	<b>-2,210.2</b>	<b>6.6</b>
<b>Result before taxes</b>	<b>111.3</b>	<b>105.4</b>	<b>5.6</b>
Tax expenses/income	-4.9	-15.4	-68.0
<b>Result of the period</b>	<b>106.4</b>	<b>90.0</b>	<b>18.2</b>
Non-controlling interests	-23.7	-22.0	8.0
<b>Net profit after non-controlling interests</b>	<b>82.7</b>	<b>68.0</b>	<b>21.5</b>
Claims Ratio	64.6%	65.5%	-0.9%p
Cost Ratio	30.3%	29.9%	0.4%p
<b>Combined Ratio</b>	<b>94.9%</b>	<b>95.4%</b>	<b>-0.5%p</b>

- Premium development in-line with previous quarters
- Financial result in Q4 2016 included positive one-off (HETA ~€40mn); impact of low-interest rate environment and decreasing average yield
- Other income and other expenses development mainly driven by FX-effects (CHF, CZK, RON)
- Other expenses impacted by impairments
- Tax development driven by positive effect due to a final tax assessment of previous periods
- Combined ratio improved to 94.9% due to lower claims ratio

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

# LIFE & HEALTH EMBEDDED VALUE AUSTRIA / GERMANY

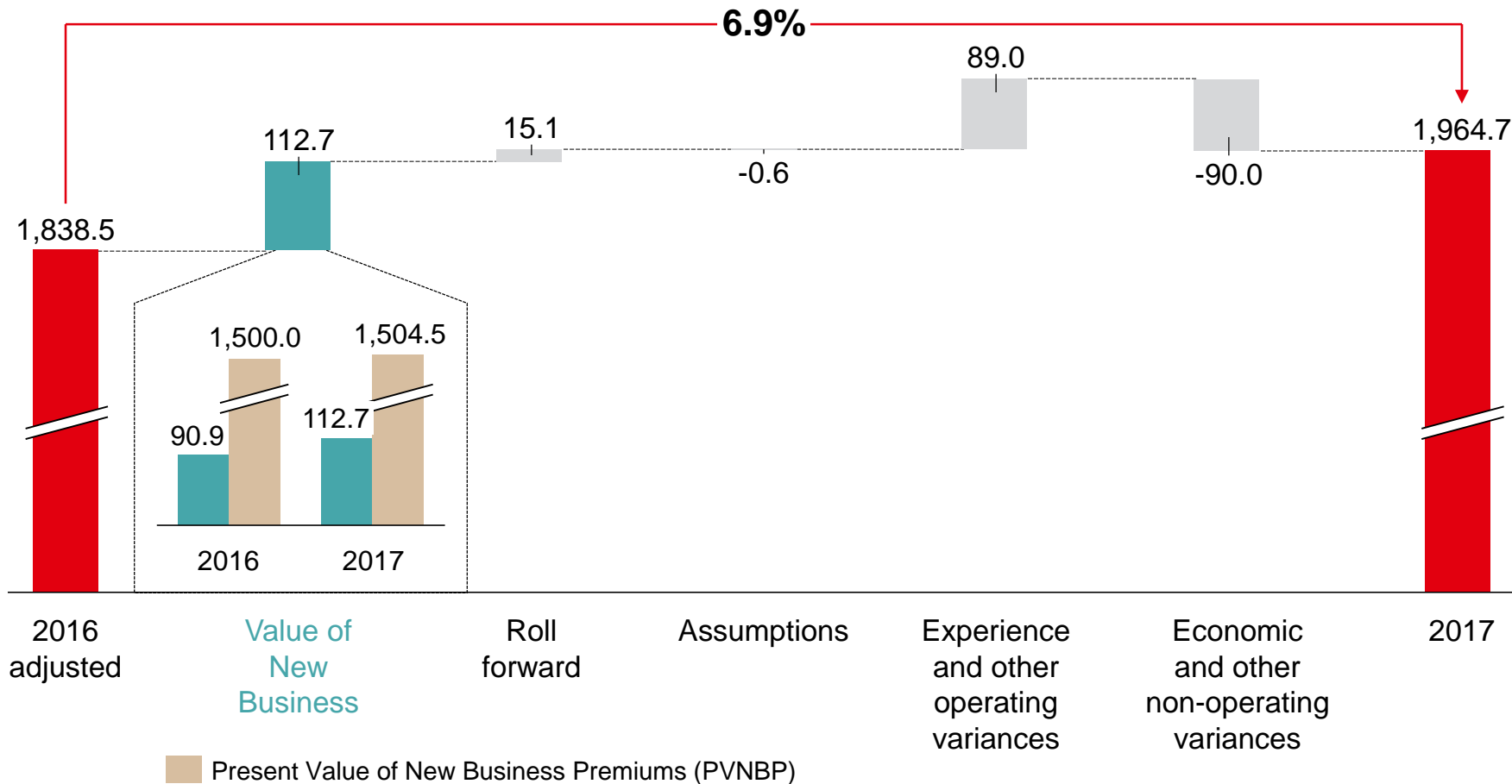
in €mn



- **New Business Margin** (PVNBP-Ratio) increased to 2.4% in 2017 (2016: 2.0%)
- Positive impact of prudent reserves and assumptions
- Positive impact of increase in economic rates

# LIFE & HEALTH EMBEDDED VALUE CEE

in €mn

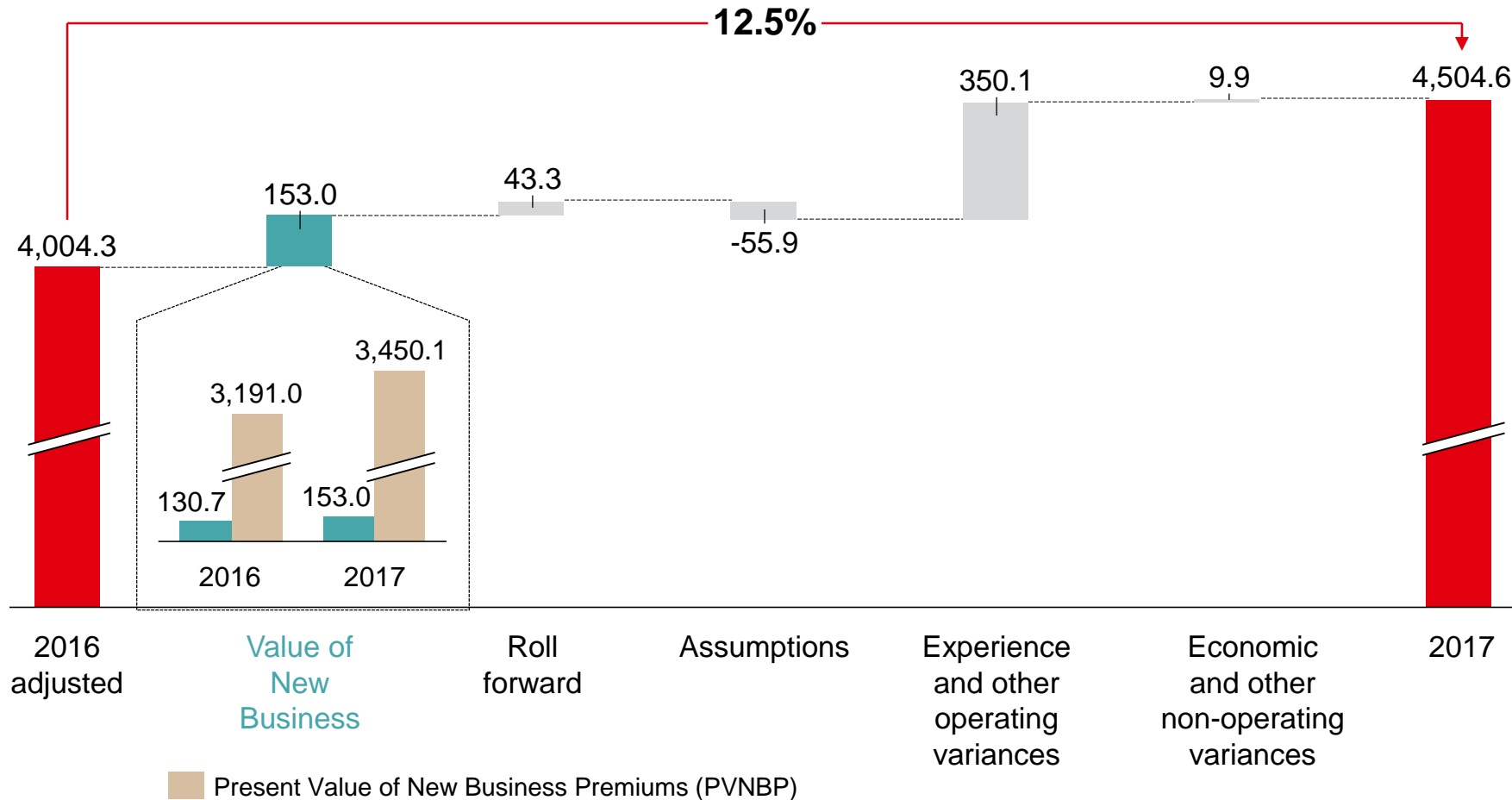


- **New Business Margin** (PVNBP-Ratio) increased to 7.5% in 2017 (2016: 6.1%)
- Material contribution by new business sold in 2017
- Favorable experience variance, especially persistency gains
- Negative impact of change in economic rates



# LIFE & HEALTH EMBEDDED VALUE TOTAL

in €mn



- **New Business Margin** (PVNBP-Ratio) increased to 4.8% in 2017 (2016: 3.8%)
- Positive (Austria / Germany) and negative (CEE) economic variance significantly diversified



# S&P RATING CONFIRMED IN AUGUST 2017: A+/STABLE OUTLOOK

VIG remains best-rated company in the ATX

Business Risk Profile: Strong	Financial Risk Profile: Very Strong	Other Assessments
<ul style="list-style-type: none"><li>„Leading market position in Austria and Central and Eastern Europe (CEE)“</li><li>Sound geographic and business line diversification, with a well established multichannel distribution strategy, including preferred partnership with Erste Group</li></ul>	<ul style="list-style-type: none"><li>„Capital adequacy, based on our internal risk-based capital model, at the 'AAA' level in 2016“</li><li>„Proven access to the equity and bond market, with a conservative investment strategy and comprehensive reinsurance coverage that support the group's capital and earnings“</li></ul>	<ul style="list-style-type: none"><li>Enterprise risk management: Adequate, with strong risk controls</li><li>Management and governance: Strong</li><li>Liquidity: Exceptional „VIG's liquidity as exceptional reflects the strength of the group's available liquidity sources and its liquid asset portfolio.“</li></ul>

**STANDARD  
& POOR'S**

**VIG Rating A+ with stable outlook**

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





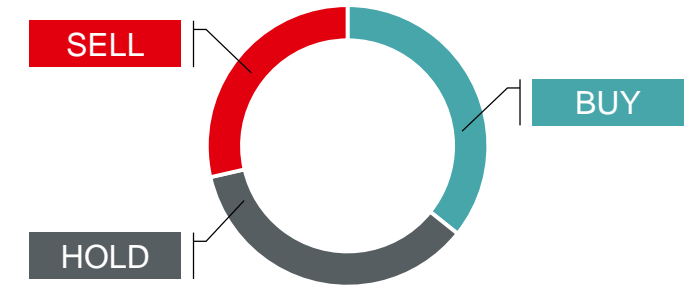
# VIG SHARE (I)

Number of common shares: 128,000,000 / ISIN: AT0000908504

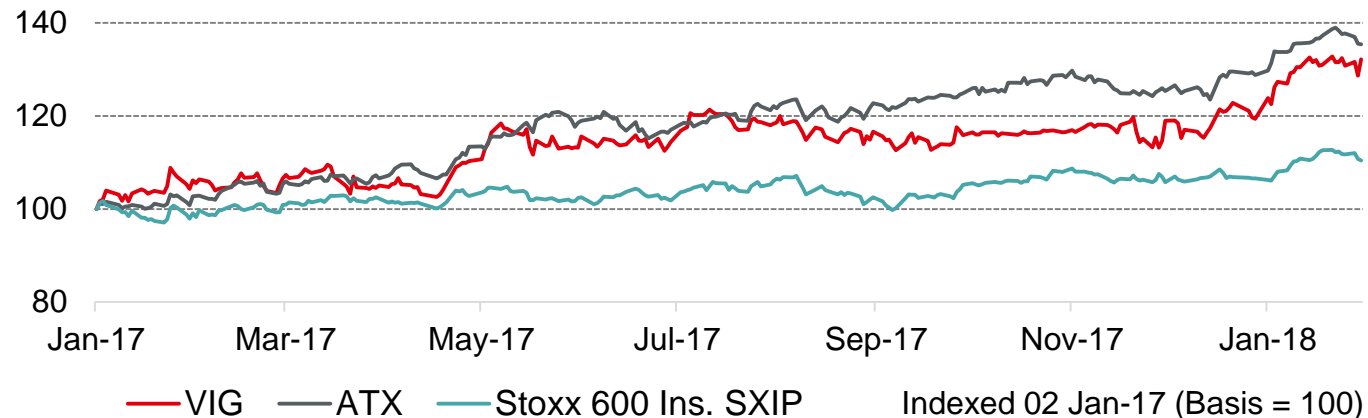
## General information

Current listings	Ticker	Rating	Major Indices
Vienna	▪ Vienna Stock Exchange: VIG	Standard & Poor's:	ATX
Prague	▪ Bloomberg: VIG AV / VIG CP	A+, stable outlook	ATX Prime
	▪ Reuters: VIGR.VI / VIGR.PR		PX

## Current analyst recommendation split



## VIG compared to ATX and Stoxx Europe 600 Ins.

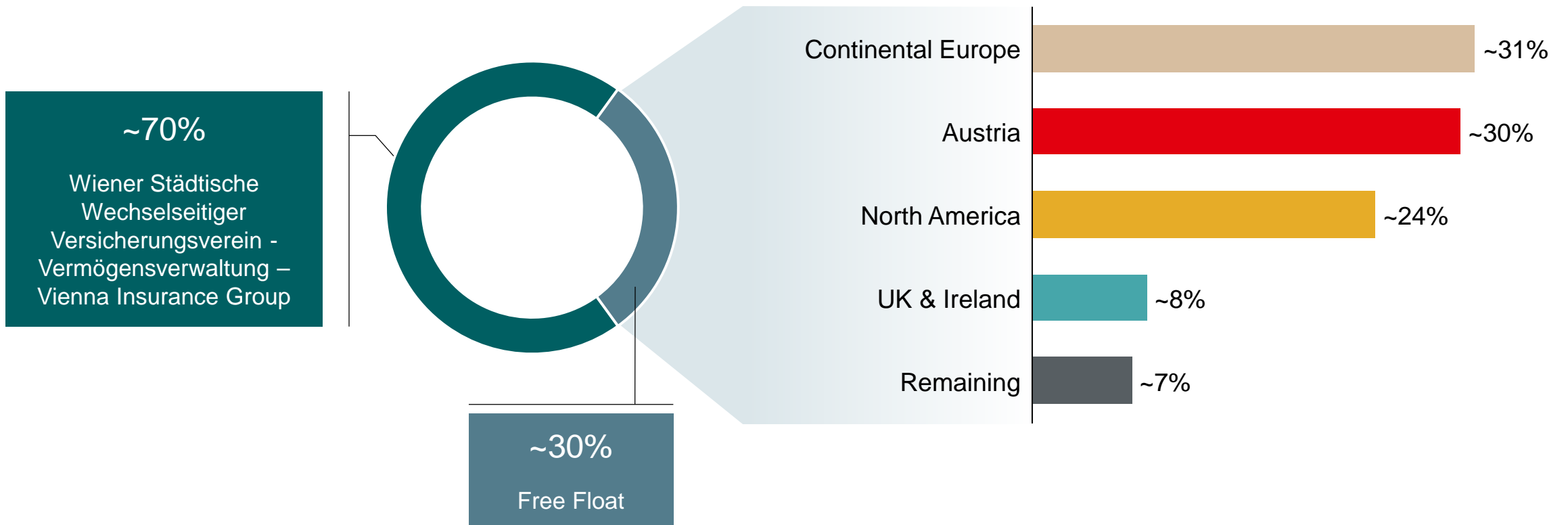


## Share price development 12M 2017

High	EUR	26.520
Low	EUR	21.590
Year-end price	EUR	25.765
Market cap.	EUR	3.30bn
Share performance (excl. dividends)	%	+20.96

# VIG SHARE (II)

## Shareholder structure



<sup>1</sup> Split of identified shares as of June 2017

THE LEADING  
INSURANCE  
SPECIALIST  
IN AUSTRIA  
AND CEE.



**AUSTRIA**

**WIENER STÄDTISCHE**  
VIENNA INSURANCE GROUP

**llonau**  
VIENNA INSURANCE GROUP

**S-VERSICHERUNG**  
VIENNA INSURANCE GROUP

**SLOVAKIA**

**Kooperativa**  
VIENNA INSURANCE GROUP

**KOMUNÁLNA POISTOVŇA**  
VIENNA INSURANCE GROUP

**POIŠTOVNĀ SLOVENSKEJ SPORITELNE**  
VIENNA INSURANCE GROUP

**BULGARIA**

**BULSTRAD**  
VIENNA INSURANCE GROUP

**Life BULSTRAD**  
VIENNA INSURANCE GROUP

**novains**  
VIENNA INSURANCE GROUP

**PERVICHNAYA ASSURANCE COMPANY DOVERIE**  
VIENNA INSURANCE GROUP

**UKRAINE**

**КНЯЖА**  
VIENNA INSURANCE GROUP

**Life КНЯЖА**  
VIENNA INSURANCE GROUP

**ГЛОБУС**  
VIENNA INSURANCE GROUP

**УКРАЇНСЬКА СТРАХОВА ГРУПА**  
VIENNA INSURANCE GROUP

**MOLDOVA**

**DONARIS**  
VIENNA INSURANCE GROUP

**BELARUS**

**КУПАЛА**  
VIENNA INSURANCE GROUP

**MACEDONIA**

**ОСИГУРУВАЊЕ МАКЕДОНИЈА**  
VIENNA INSURANCE GROUP

**WINNER**  
VIENNA INSURANCE GROUP

**Life WINNER**  
VIENNA INSURANCE GROUP

**ITALY BRANCH**

**WIENER STÄDTISCHE**  
VIENNA INSURANCE GROUP

**llonau**  
VIENNA INSURANCE GROUP

**POLAND**

**COMPENSA**  
VIENNA INSURANCE GROUP

**InterRisk**  
VIENNA INSURANCE GROUP

**POUSA-ZYCIE**  
VIENNA INSURANCE GROUP

**CROATIA**

**WIENER OSIGURANJE**  
VIENNA INSURANCE GROUP

**ERSTE OSIGURANJE**  
VIENNA INSURANCE GROUP

**ESTONIA**

**COMPENSA**  
VIENNA INSURANCE GROUP

**bta**  
VIENNA INSURANCE GROUP

**GEORGIA**

**GPIA**  
VIENNA INSURANCE GROUP

**IRAO**  
VIENNA INSURANCE GROUP

**MONTENEGRO**

**Život**  
**WIENER STÄDTISCHE**  
VIENNA INSURANCE GROUP

**BOSNIA-HERZEGOVINA**

**WIENER OSIGURANJE**  
VIENNA INSURANCE GROUP

**SLOVENIA BRANCH**

**WIENER STÄDTISCHE**  
VIENNA INSURANCE GROUP

**Vienna Life**  
VIENNA INSURANCE GROUP

**HUNGARY**

**UNION BIZTOSÍTÓ**  
VIENNA INSURANCE GROUP

**ERSTE BIZTOSÍTÓ**  
VIENNA INSURANCE GROUP

**viennalife**  
VIENNA INSURANCE GROUP

**LATVIA**

**COMPENSA**  
VIENNA INSURANCE GROUP

**bta**  
VIENNA INSURANCE GROUP

**TURKEY**

**RAYSIGORTA**  
VIENNA INSURANCE GROUP

**GERMANY**

**InterRisk**  
VIENNA INSURANCE GROUP

**VIG Re**

**CZECH REPUBLIC**

**Kooperativa**  
VIENNA INSURANCE GROUP

**ČPP**  
VIENNA INSURANCE GROUP

**POJIŠTOVNĀ ČESKÉ SPORITELNY**  
VIENNA INSURANCE GROUP

**VIG Re**

**ROMANIA**

**OMNIASIG**  
VIENNA INSURANCE GROUP

**ASIROM**  
VIENNA INSURANCE GROUP

**DE VIATA BCR ASIGURARI**  
VIENNA INSURANCE GROUP

**SERBIA**

**WIENER STÄDTISCHE**  
VIENNA INSURANCE GROUP

**WIENER RE Beograd**  
VIENNA INSURANCE GROUP

**LITHUANIA**

**COMPENSA**  
VIENNA INSURANCE GROUP

**bta**  
VIENNA INSURANCE GROUP

**ALBANIA**

**SIGMA INTERBANJAN**  
VIENNA INSURANCE GROUP

**INTERSIG**  
VIENNA INSURANCE GROUP

**LIECHTENSTEIN**

**VIENNA-LIFE**  
VIENNA INSURANCE GROUP

February 2018  
www.vig.com

# CONTACT DETAILS / FINANCIAL CALENDAR

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### Financial calendar 2018\*

Date	Event
22 Mar. 2018	Preliminary results for the financial year 2017
18 Apr. 2018	Results and Annual Report for the year 2017
15 May 2018	Record date Annual General Meeting
25 May 2018	Annual General Meeting
28 May 2018	Ex-dividend-day
29 May 2018	Record date dividend
29 May 2018	Results for the first quarter 2018
30 May 2018	Dividend payment day
28 Aug. 2018	Results for the first half-year 2018
28 Nov. 2018	Results for the first three quarters 2018

\* Preliminary planning

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