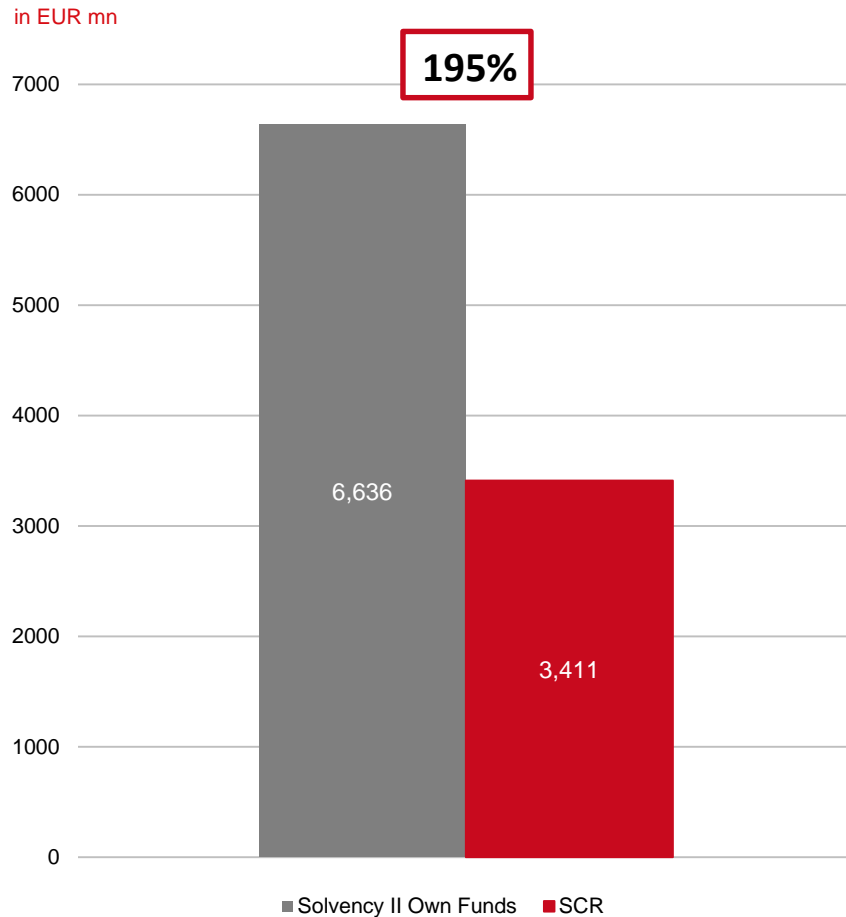


Solvency II Disclosure 2016 - Vienna Insurance Group

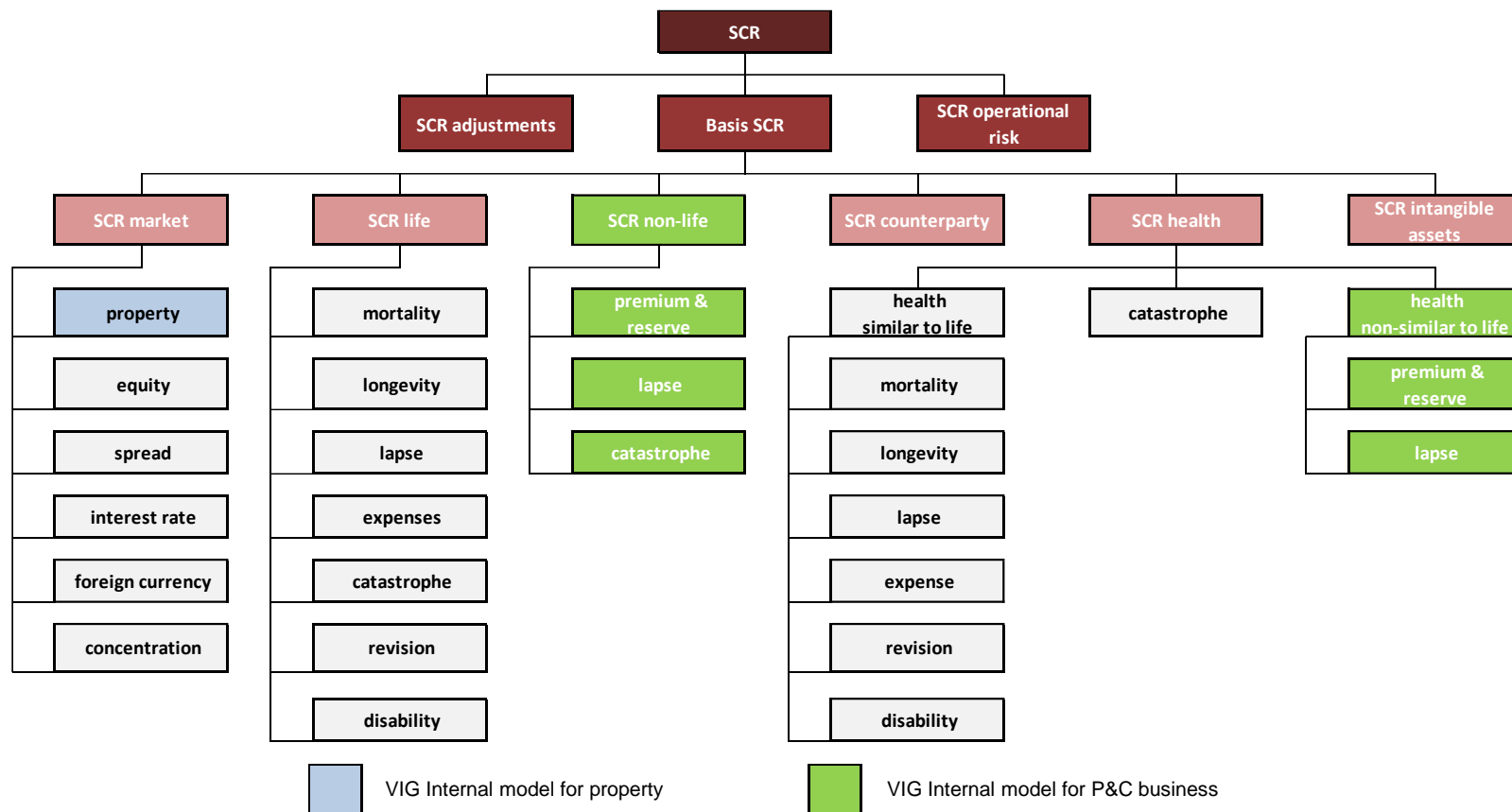
Stable Solvency II ratio 2016



- Solvency II ratio at level of stock-listed VIG at 195%
- Repurchase of subordinated bonds already considered in own funds
- Calculation based on Partial Internal Model (PIM) which improves Solvency II ratio by 41pp
- PIM reduces SCR by EUR 920mn
- Results include volatility adjustment

Solvency II Capital Requirement (SCR) Overview

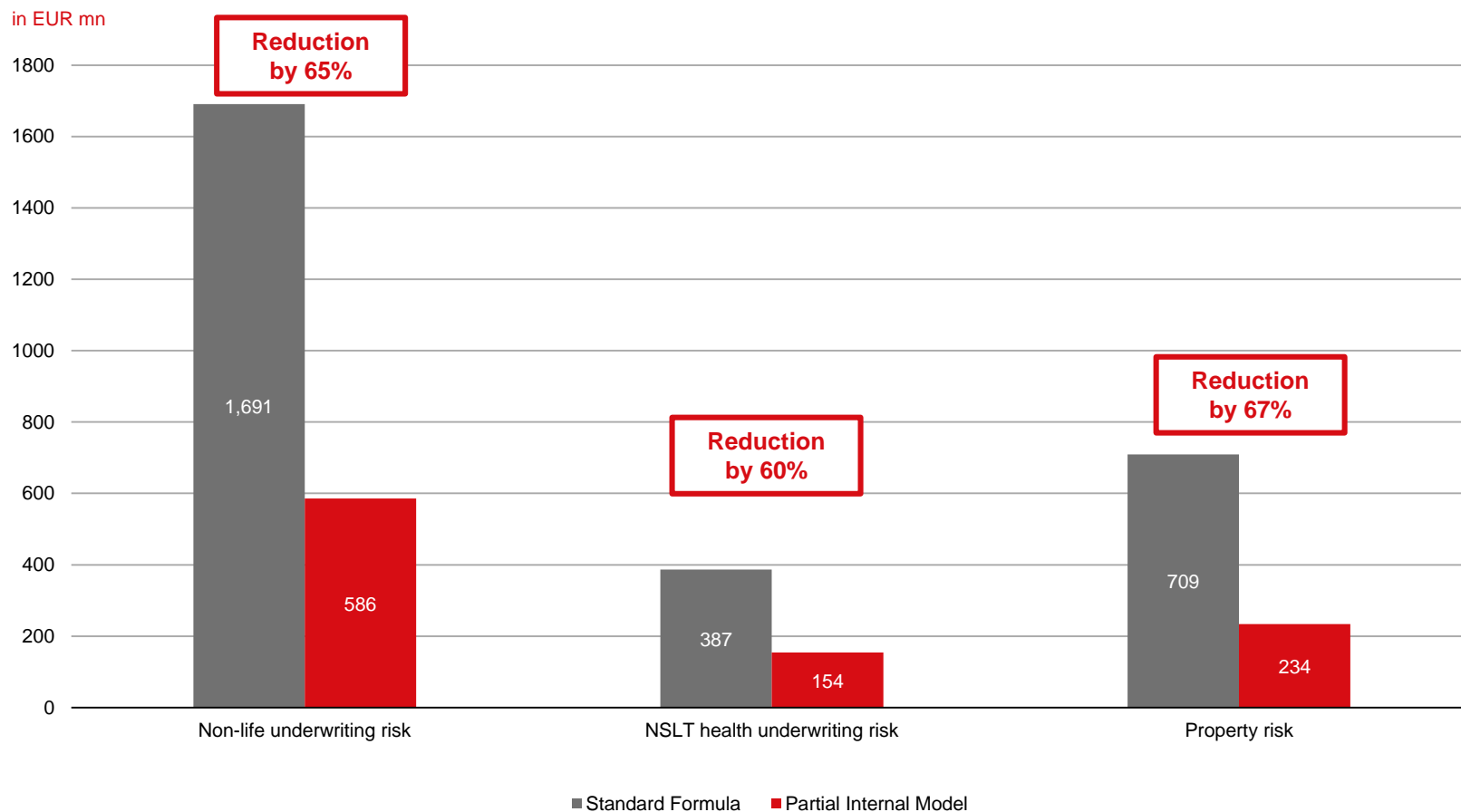
Standard Formula and Partial Internal Model



Partial Internal Model of VIG approved by the Financial Market Authority (FMA) as of January 1, 2016

Positive impact of PIM on SCR

Comparison of Standard Formula and Partial Internal Model

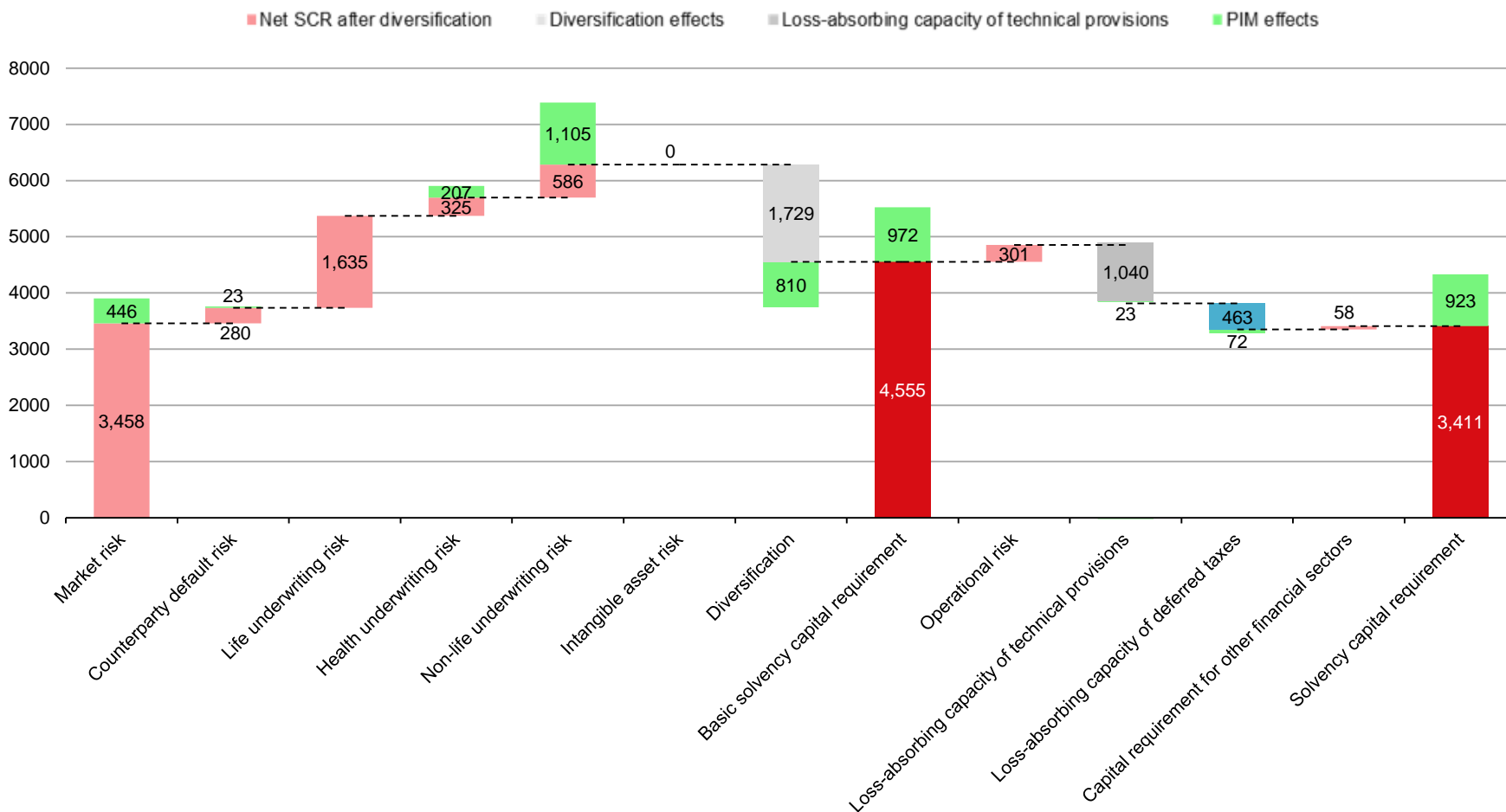


NSLT: non similar life technique

Solvency II Capital Requirement (I)

SCR as of 31 Dec 2016 and PIM effects

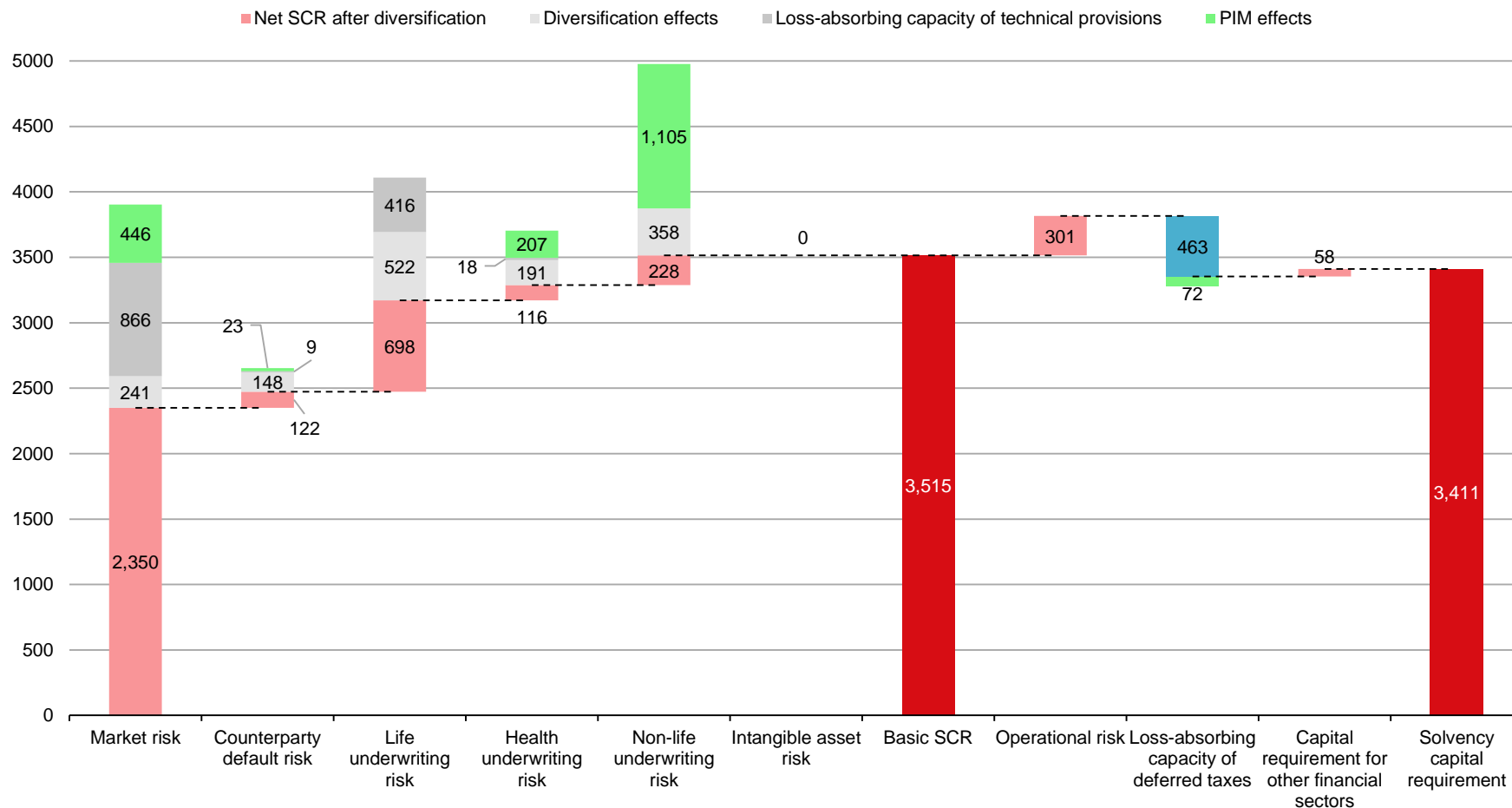
in EUR mn



Solvency II Capital Requirement (II)

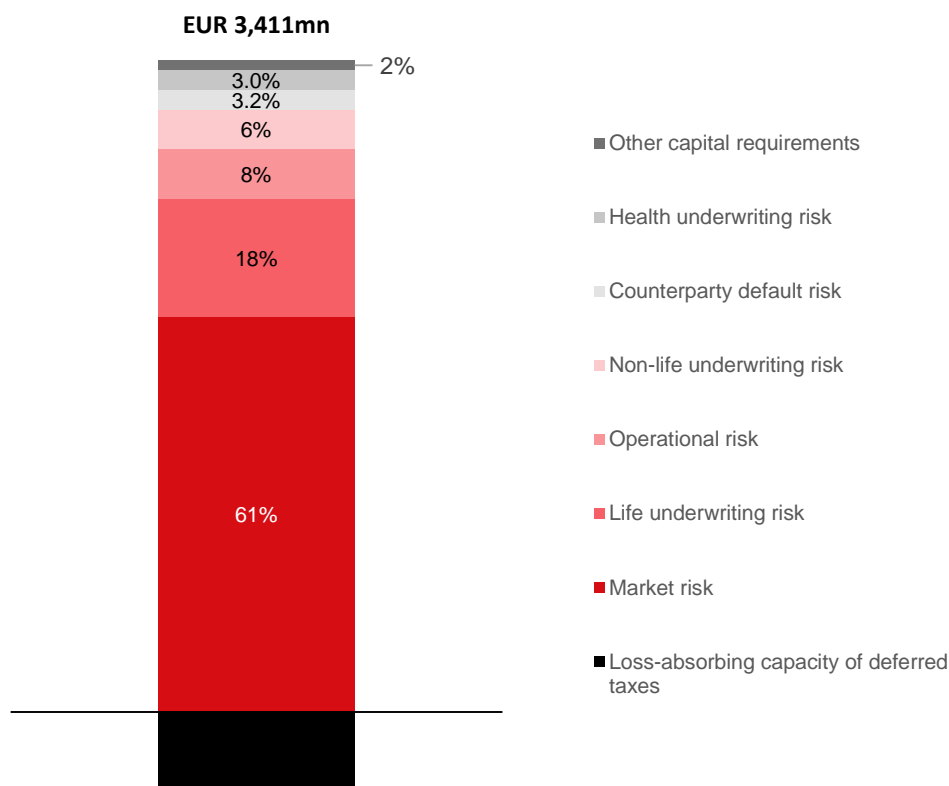
Risk mitigating effects

in EUR mn



Solvency II Capital Requirement (III)

Allocation of risks



- Market risk accounts for more than 60% of total Solvency II capital requirement
 - 58% of total market risk consists of spread risk and equity risk
 - Interest rate risk and currency risk make up one third of total market risk
- Life underwriting risk contributes 18%
 - 62% of life underwriting risk derives from lapse risk
 - Second biggest driver is life expense risk with 20% of total life underwriting risk
- Operational risk ranks third with ~8%
- Non-life underwriting risk and health underwriting risk together correspond to 9% of total Solvency II capital requirement

Note: Risk allocation calculated with Euler method based on PIM risks net after diversification

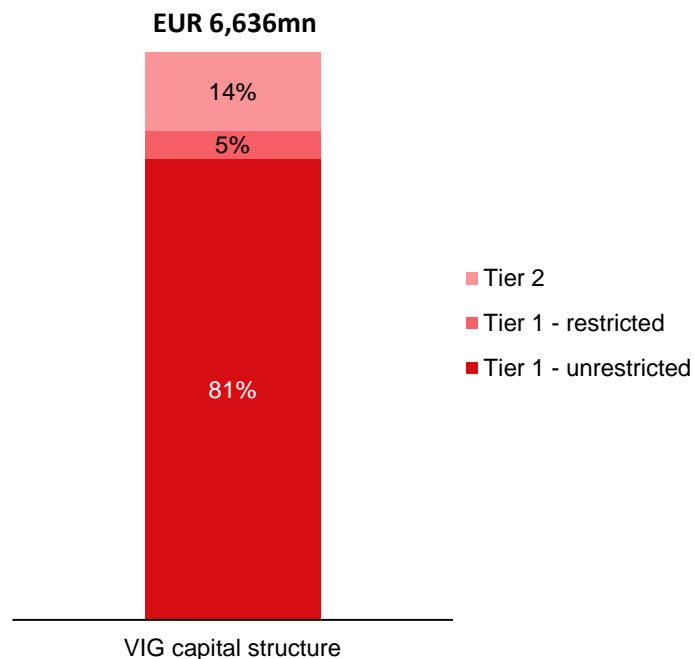
Solvency II Capital Requirement (IV)

SCR 2016 compared to SCR 2015

VIG	31.12.2016	31.12.2015
<i>in EUR mn</i>		
Solvency capital requirement	3,411.09	3,242.24
Market risk	3,457.66	3,311.36
Counterparty default risk	279.55	255.11
Life underwriting risk	1,635.36	1,810.64
Health underwriting risk	325.49	331.40
Non-life underwriting risk	585.60	552.26
Intangible asset risk	0.00	0.00
Diversification	-1,728.84	-1,752.91
Basic solvency capital requirement	4,554.83	4,507.86
Operational risk	300.52	275.53
Loss-absorbing capacity of technical provisions	-1,039.92	-1,074.19
Loss-absorbing capacity of deferred taxes	-462.79	-482.60
Capital requirement for other financial sectors	58.45	15.64
Eligible own funds	6,635.55	6,346.21
Solvency ratio	195%	196%

Own Funds (I)

Capital structure as of 31 Dec. 2016



Tier 1 – unrestricted (>50% of SCR)

- EUR 5,390mn (81% of Own Funds)

Tier 1 – restricted (<20% of total Tier 1)

- EUR 333mn (5% of Own Funds)
- Capacity for additional restricted Tier 1 capital of roughly EUR 1,015mn as of year end 2016

Tier 2 (<50% of SCR)

- EUR 913mn (14% of Own Funds)
- Capacity for additional Tier 2 capital of roughly EUR 792mn as of year end 2016

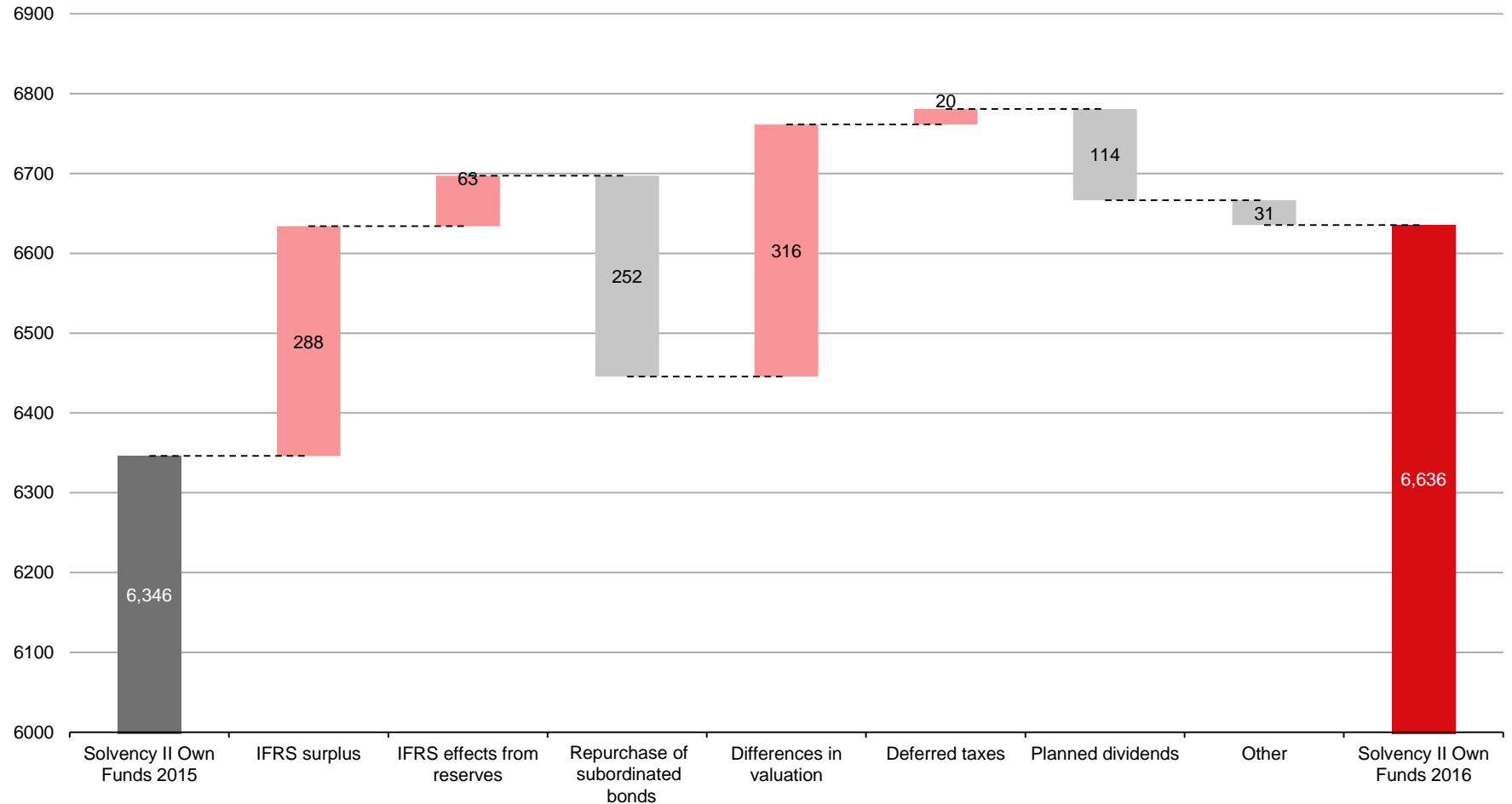
Grandfathered

- Tier 1 restricted capital includes all issued bonds without maturity eligible under Solvency II until 2026
 - Consists of subordinated debt and hybrid bonds and makes up 5% of Own Funds (EUR 333mn)

Own Funds (II)

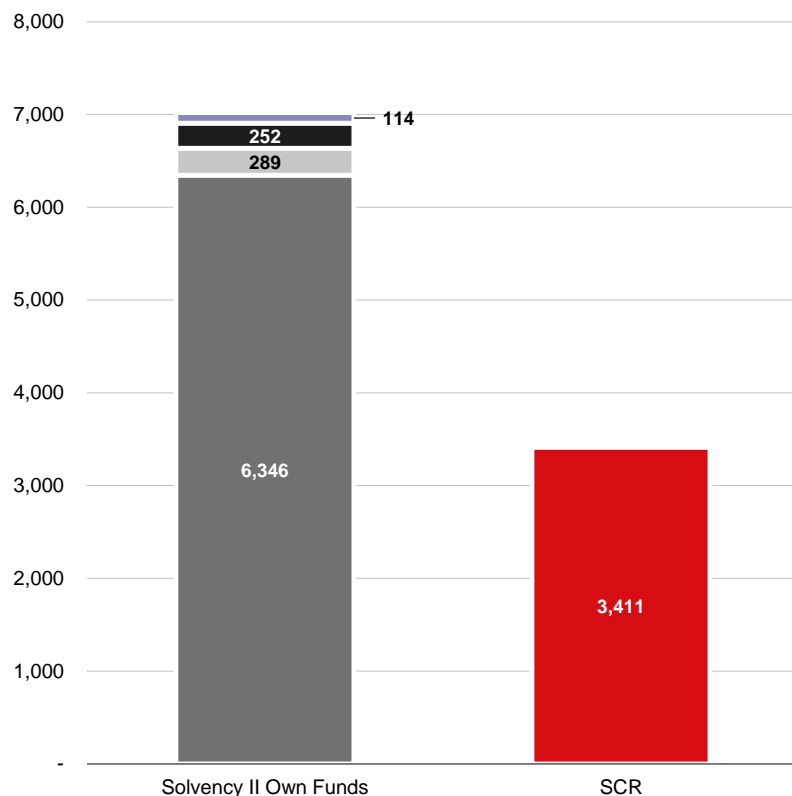
Evolution of Own Funds, 2015 - 2016

in EUR mn



Capital generation in 2016

in EUR mn

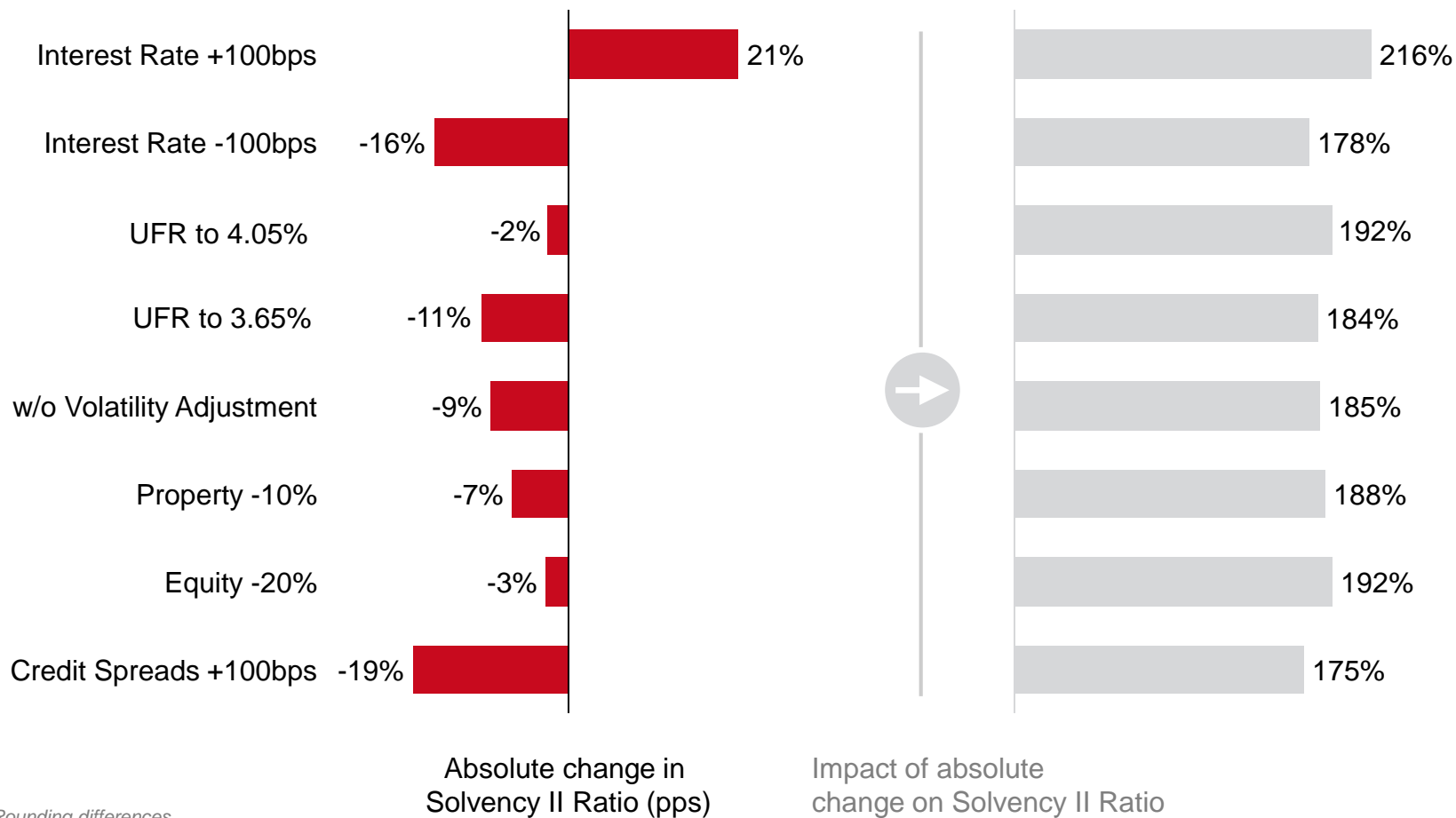


- VIG generated EUR 655mn of new capital
- Capital generation at 19% of SCR

Solvency II Own Funds 2015
 Increase of Solvency II Own Funds 2016
 Repurchase of Subordinated Bonds
 Dividends
 SCR

Sensitivity Analysis

Change in market parameters



Rounding differences

Disclaimer

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