

50 COMPANIES
+ 25 COUNTRIES
= **NUMBER 1**

Letter from the Chairwoman of the Managing Board

**Dear Shareholders,
Ladies and Gentlemen!**

As shown by the reckoning on the cover of this interim report, “50 companies + 25 countries = NUMBER 1”, Vienna Insurance Group (VIG) is the leading insurance group in Austria and Central and Eastern Europe (CEE). And we are very proud of this! Our leading position in this region is due not only to our broad positioning built on our multi-brand strategy, but also to the great expertise of the local management and employees in our companies. Each of our around 50 Group companies maintains its own individual market presence, thereby allowing us to address different target groups and tailor product portfolios to the specific circumstances in each country.



year-on-year increase of 22.4%. With respect to individual markets, Romania (+116.0%), Bulgaria (+22.5%), Hungary (+16.1%) and Austria (+12.0%) recorded particularly noteworthy results in this regard.

We also significantly improved our combined ratio to an excellent 96.9% in the 1st quarter of 2017, as compared to 97.8% for the same period in 2016.

As we confidently continue on our successful path into the future, I would like to thank you, our shareholders, clients and business partners on behalf of the entire Managing Board for the faith you have shown in us.

A handwritten signature in dark ink, appearing to read 'Stadler'.

Elisabeth Stadler

This does not mean, however, that we follow this multi-brand strategy at all costs. If individual markets offer clear synergy potential that outweighs the benefits of a diversified market presence, then back-office functions and companies may be merged to take advantage of cost benefits and increased efficiency. We are already carefully examining a possible pooling of potential in some of our markets.

With respect to business development in the first three months of this year, Group premiums written remained stable at EUR 2,719.6 million. This represented an increase of 0.5% compared to the same period of the previous year, notwithstanding the decrease in single-premium life insurance business due to the ongoing low interest rate environment.

When adjusted for single-premium life insurance, total premiums increased 4.2%. A closer look at the individual Vienna Insurance Group markets shows significant growth in Hungary (+46.5%), the Turkey/Georgia region (+17.7%), Slovakia (+10.0%) and the Czech Republic (+5.1%) in the 1st quarter of 2017.

Vienna Insurance Group also recorded a positive start to the year in terms of Group profit. Group profit before taxes was EUR 109.6 million in the first three months, representing a

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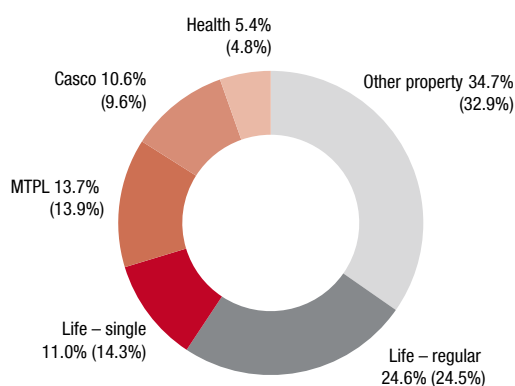
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Interim management report

BUSINESS DEVELOPMENT (IN ACCORDANCE WITH IFRS)

Vienna Insurance Group wrote EUR 2,719.6 million in Group premiums in the 1st quarter of 2017, an increase of 0.5% compared to the same period in the previous year. Excluding single-premium life insurance business, the Group recorded a significant increase in premiums of 4.2%.

PREMIUM SHARE BY LINE OF BUSINESS IN THE 1ST QUARTER OF 2017



Values for 1st quarter 2016 in parentheses

Expenses for claims and insurance benefits less reinsurers' share decreased to EUR 1,741.4 million in the first three months of 2017, representing a year-on-year decrease of 0.5%. Acquisition and administrative expenses less reinsurance commissions rose 3.2% year-on-year to EUR 518.2 million, primarily due to first-time consolidation of BTA Baltic (1st quarter of 2016: EUR 502.3 million).

Group profit before taxes was EUR 109.6 million in the 1st quarter of 2017, representing a significant year-on-year increase of 22.4% that was primarily due to good growth in the financial result and an improved combined ratio.

The Group combined ratio after reinsurance (not including investment income) improved to an excellent 96.9% in the 1st quarter of 2017, primarily due to good performance in Austria (1st quarter of 2016: 97.8%).

VIG IN THE 1ST QUARTER OF 2017

- Premium volume increased to EUR 2,719.6 million, +4.2% not including single-premium life products
- Profit before taxes rose significantly to EUR 109.6 million
- The combined ratio was an excellent 96.9%

Group investments including cash and cash equivalents were EUR 36.2 billion as of 31 March 2017.

VIG earned a financial result of EUR 247.7 million in the 1st quarter of 2017. This represented a year-on-year increase of 10.6% that was primarily due to an increase in current income resulting from full consolidation of the non-profit societies and an increase in realised profits due to the sale of shares.

BUSINESS DEVELOPMENT BY SEGMENT

DEVELOPMENT BY SEGMENT

	Premiums written		Result before taxes	
	1.1.-31.3.17	1.1.-31.3.16	1.1.-31.3.17	1.1.-31.3.16 adjusted
in EUR million				
Austria	1,290.7	1,347.8	37.9	33.8
Czech Republic	427.5	406.8	42.0	42.9
Slovakia	209.9	190.8	11.4	10.8
Poland	213.3	207.0	5.9	7.8
Romania	131.6	142.3	3.2	1.5
Baltic states	76.5	34.3	-2.4	-3.5
Hungary	73.7	50.3	1.1	0.9
Bulgaria	43.5	42.3	2.4	2.0
Turkey/Georgia	67.7	57.5	1.9	2.0
Remaining CEE ¹	89.3	79.5	5.9	4.4
Other Markets ²	68.0	106.5	6.7	6.6
Central Functions ³	393.7	369.0	-6.1	-19.8
Consolidation	-365.8	-328.5	-0.3	0.3
Total	2,719.6	2,705.8	109.6	89.6

¹ Remaining CEE: Albania, Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Serbia, Ukraine

² Remaining Markets: Germany, Liechtenstein

³ Central Functions include VIG Holding, VIG Re, VIG Fund, the non-profit societies, corporate IT service providers and intermediate holding companies.

Austria

The Austrian VIg companies wrote EUR 1,290.7 million in premiums in the first three months of 2017. This represented a year-on-year decrease of 4.2%, which was due to a decrease in single-premium life insurance business. When adjusted for this, the Austrian Group companies recorded an increase of 0.6%.

Profit before taxes increased 12.0% year-on-year to EUR 37.9 million in the 1st quarter of 2017 as a result of a significant improvement in the combined ratio.

Due to a stable loss situation without large events, the combined ratio improved to an excellent 95.8% in the first three months of 2017 (1st quarter of 2016: 99.5%).

Czech Republic

The Vienna Insurance Group companies in the Czech Republic wrote EUR 427.5 million in premiums in the 1st quarter of 2017, an increase of 5.1% compared to the same period in the previous year. The increase was primarily due to good performance in the other property and casualty insurance and regular premium life insurance areas.

Profit before taxes declined 2.1% year-on-year to EUR 42.0 million in the first three months of the current year.

In spite of many large losses in the other property and casualty insurance and indirect business areas, and the overall negative adverse change in losses in the motor own damage area, the combined ratio was a very good 94.9% (1st quarter of 2016: 88.7%).

Slovakia

Premiums written were EUR 209.9 million in Slovakia in the first three months of the current year. This year-on-year increase of 10.0% was primarily due to good performance in the single-premium life insurance area.

Profit before taxes rose 5.3% to EUR 11.4 million in the 1st quarter of 2017 (1st quarter of 2016: EUR 10.8 million).

The combined ratio improved compared to the same period in the previous year to 93.6% (1st quarter of 2016: 95.7%).

Poland

The Polish Vienna Insurance Group companies wrote EUR 213.3 million in premiums in the 1st quarter of 2017, an increase of 3.1% compared to the same period in the previous year. The increase was mainly due to good performance in the motor third party liability area and other property and casualty insurance.

Profit before taxes fell to EUR 5.9 million in the first three months of the current year, representing a 25.0% drop compared to the same period in the previous year. The decrease was primarily due to ongoing difficult market conditions and a change in cancellation terms when certain life insurance products are surrendered.

The combined ratio improved to a very good 96.2% in the 1st quarter of 2017 (1st quarter of 2016: 99.2%).

Romania

The Romanian Group companies wrote EUR 131.6 million in premiums in the 1st quarter of 2017, representing a decrease of 7.5%. This decrease was primarily due to regulatory measures imposing a maximum limit on motor third party liability premiums for six months.

Profit before taxes increased compared to the same period of the previous year to EUR 3.2 million (1st quarter of 2016: EUR 1.5 million). This significant increase in profits was due to favourable market developments that primarily led to a significant improvement in the combined ratio.

As a result, the combined ratio improved once again compared to the same period of the previous year to 98.1% in the 1st quarter of 2017 (1st quarter of 2016: 102.8%).

Baltic States

The Baltics consists of the countries of Estonia, Latvia and Lithuania.

VIG companies in the Baltic States wrote EUR 76.5 million in premiums in the first three months of 2017 (1st quarter of 2016: EUR 34.3 million). The striking year-on-year increase in premiums was primarily due to first-time consolidation of the non-life insurance company BTA Baltic that was acquired.

Earnings were negatively affected by Compensa Non-Life start-up costs for establishing branches in Estonia and Latvia, leading to a loss of EUR 2.4 million in the 1st quarter of 2017 (1st quarter of 2016: loss of EUR 3.5 million).

Although the combined ratio of 107.7% improved significantly compared to the same period of the previous year, primarily due to first-time consolidation of BTA Baltic, it nevertheless continued to be above the 100% mark (1st quarter of 2016: 131.6%).

Hungary

EUR 73.7 million in premiums were written in Hungary in the 1st quarter of 2017. This significant increase of 46.5% was mainly the result of strong premium growth in the other property and casualty insurance area.

Profit before taxes increased to EUR 1.1 million due to a significant improvement in the underwriting result. This represented a year-on-year increase of 16.1%.

The combined ratio improved significantly compared to the same period in the previous year to 99.8% (1st quarter of 2016: 105.1%).

Bulgaria

Premiums written rose 2.9% to EUR 43.5 million in Bulgaria in the 1st quarter of 2017. The increase was mainly due to good performance in the motor lines of business and single-premium life products.

The Bulgarian Group companies contributed EUR 2.4 million to Group profits before taxes in the 1st quarter of the current year. This corresponds to a strong year-on-year increase of 22.5%, primarily due to the significant

improvement in Bulstrad Non-Life's underwriting result and the first-time consolidation of Nova.

The combined ratio improved significantly compared to the same period in the previous year to 97.3%, mainly due to a more restrictive underwriting policy for motor third party liability insurance and the targeted reduction in marine business (1st quarter of 2016: 105.1%).

Turkey/Georgia

The VIG companies in the Turkey/Georgia segment wrote EUR 67.7 million in premiums during the first three months of 2017, representing a major year-on-year increase of 17.7%. The strong increase in premiums was mainly due to positive performance for health insurance in Georgia.

Profit before taxes was EUR 1.9 million in the 1st quarter of 2017, which was essentially the same as the level in the previous year (1st quarter of 2016: EUR 2.0 million).

Higher loss ratios, primarily due to large losses in Turkey, led to a combined ratio of 104.3% in the 1st quarter of 2017 (1st quarter of 2016: 96.0%).

Remaining CEE

The Remaining CEE segment includes the countries of Albania, Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Serbia and Ukraine.

Vienna Insurance Group companies in the Remaining CEE countries wrote EUR 89.3 million in premiums in the 1st quarter of 2017. The year-on-year increase of 12.4% was mainly due to the positive development in other property and casualty insurance in Serbia and Croatia.

Profit before taxes rose 35.2% to EUR 5.9 million, primarily due to positive earnings performance in Albania and Serbia.

The combined ratio also improved to 96.7% in the 1st quarter of the current year, mainly due to positive performance in Albania and Serbia. (1st quarter of 2016: 102.8%).

Remaining Markets

The Remaining Markets segment includes the countries of Germany and Liechtenstein.

Vienna Insurance Group companies in the Remaining Markets segment wrote EUR 68.0 million in premiums in the first three months of the current year. The year-on-year drop of 36.2% was due to the decrease in single-premium life insurance business.

Profit before taxes rose 1.9% to EUR 6.7 million in the 1st quarter of 2017.

The combined ratio was an excellent 80.3% in the 1st quarter of 2017 (1st quarter of 2016: 78.0%).

Central Functions

Premiums written in the Central Functions segment rose 6.7% in the 1st quarter of 2017 to EUR 393.7 million. This was mainly the result of an increase in premiums generated by Group company VIG Re entering new reinsurance business areas (Western Europe).

The Central Functions reported a loss of EUR 6.1 million in the 1st quarter of 2017. This was considerably less than in the same period of the previous year due to full consolidation of the non-profit societies.

EMPLOYEES

Vienna Insurance Group had a total of 24,780 employees in the 1st quarter of the current year, which was 179 more than 2016 as a whole. This was due to an increase in the number of sales employees, primarily in Georgia and Slovakia.

BUSINESS DEVELOPMENT BY BALANCE SHEET UNIT

Further information on business development by balance sheet units is provided in the additional disclosures in accordance with the Austrian Insurance Supervision Act (VAG) starting on page 50.

RELATED PARTY TRANSACTIONS

Information on related party transactions is provided in the notes to the consolidated financial statements on page 49.

RISK REPORT

The core business of Vienna Insurance Group consists of assuming risk. A conscious and controlled handling of risks at all levels of the Group therefore forms the basis for sustainable business development. In order to ensure this sustainability, Vienna Insurance Group follows a conservative risk policy that forms the foundation of an integrated risk management system that is an integral part of the structural and process organisation of the Company. Local risk departments and a central risk management department at the holding company level assist the VIG operational departments with Group-wide risk management processes, while continuously promoting the risk awareness of each employee and the existing risk culture in the entire Group.

The risk management processes themselves ensure that all risks in the Group can be promptly and appropriately identified, assessed, analysed and controlled. The associated reporting and regular communications between Managing Board, risk departments and operating departments also ensure transparency and form a framework for ensuring that the risk situation is appropriately taken into account in the decisions made at the individual company and Group level.

The Vienna Insurance Group risk environment remained practically unchanged in the 1st quarter of 2017, so that information on the significant business risks to which Vienna Insurance Group is exposed can be obtained from the risk reporting in the Group Annual Report for 2016 and the Solvency and Financial Condition Report for 2016.

The solvency ratio was 195% as of 31 December 2016 at the level of the listed VIG Group, which was the same level

as the previous year. The Group's very good capital adequacy under Solvency II and its A+ rating from Standard & Poor's confirm its large risk-bearing capacity.

The situation in financial markets, in particular changes in the interest rate environment, is being monitored closely. Vienna Insurance Group will continue to maintain the conservative, security-oriented investment policy it has used to access financial markets in the past.

Given the effective management of risks based on a conservative business and risk strategy and its strong capital base, Vienna Insurance Group feels it is well-prepared for the future.

VIG OUTLOOK

VIG has set itself a goal of continuously optimising profitability. The Group aims to generate healthy, well-considered growth and will continue to follow a profit-oriented growth policy based on this principle in the future. Vienna Insurance Group plans to continuously increase Group premiums to EUR 9.5 billion by 2019, and steadily increase profit before taxes to between EUR 450 and 470 million.

The Group will focus more strongly on its underwriting result in future years and endeavour to make improvements in both the claims and expenses areas that will improve the combined ratio in the direction of 95% over the medium term. Life insurance with biometric components and regular premiums will also be further promoted. These measures are aimed at compensating for the decrease in the ordinary financial result due to the current low interest rate environment.

Vienna Insurance Group will also continue to pursue its strategic initiatives for optimising its business model, ensuring future viability and organisation and cooperation. For example, VIG will focus on exploiting insurance potential in the health insurance segment and optimising the profitability of motor insurance.

A new focus will also be placed on digitisation of products and services.

Vienna Insurance Group would also like to further expand its bank insurance business in the future, as bank distribution has become more important in many markets in previous years. Vienna Insurance Group recognised this trend early on and now benefits from a partnership with Erste Group, a leading banking group in Austria and the Central and Eastern European region. Personal insurance typically dominates the range of insurance products sold through banks. Vienna Insurance Group also sees a great deal of potential in sales of health and property and casualty insurance. A project group was formed with bank insurance partner Erste Group for this purpose. The aim of the project is to optimise products, distribution and profits for bank and insurance companies in all countries where Erste Group and Vienna Insurance Group cooperate. The focus is on customer needs and requirements, easily understandable products and integration into the bank's digitisation initiative. This also includes organisational and structural considerations on the insurance side that will improve communications and service for customers and banking partners.

CURRENT TOPICS

Subordinated bond placement

Vienna Insurance Group privately placed a EUR 200 million subordinated bond with international institutional investors on 6 April 2017. The subordinated bond can be called by Vienna Insurance Group after 10 years and satisfies the tier 2 requirements under Solvency II. Inclusion for trading in the Third Market of the Vienna Stock Exchange took place on 13 April 2017.

Wiener Städtische also issued a EUR 250 million subordinated bond with a maturity of 10 years on 2 May 2017. The bond satisfies Solvency II tier 2 capital requirements and will be included for trading in the Third Market of the Vienna Stock Exchange from June 2017.

Optimising our business model

Merging the Hungarian Vienna Insurance Group companies is being considered as part of Agenda 2020. The increased size of business operations would allow operating processes to be optimised, resources concentrated on developments in the area of digitisation and greater focus placed on taking advantage of market potential.

Name of Latvian Group company Baltikums changed to InterRisk

The name of the Baltic Group company Baltikums that was acquired in October 2015 of last year has been changed. The company has been operating in the Baltic market under the name “InterRisk Vienna Insurance Group” AAS since March 2017.

AWARDS

Wiener Städtische in Austria receives award for outstanding service

Austrian Group company Wiener Städtische received a rating of “outstanding” for its impressive customer service in the “Professional Fund Service Awards”.

German InterRisk offers the “BEST casualty insurance”

In its 2017 test of casualty insurance, business magazine FOCUS-MONEY and the rating specialists at Franke und Bornberg rated the adult XXL casualty model offered by the German VIG company InterRisk as the “BEST casualty insurance”.

Capital markets & investor relations & share

CAPITAL MARKETS

International overview

Stock markets recorded respectable gains in the 1st quarter of 2017, the MSCI World Index in USD, which tracks price performance in the industrialised countries, rose 5.9% and the MSCI Emerging Markets Index in USD even rose as much as 11.1%.

The new US government under President Donald Trump, which assumed power in January 2017, brought hope to investors of significant tax cuts and increased infrastructure investment. This led to major share price increases on US stock exchanges, sending the US Dow Jones Industrial (DJI) Index to an all-time high of 21,115.55 points on 1 March 2017. Prices subsequently fell in March, resulting in an overall increase of 4.6% in the DJI in the 1st quarter of 2017.

Hopes for positive economic stimulus from the US, an overall positive outlook for the global economy and generally calm political environment in Europe generated price gains on European stock markets in the 1st quarter of 2017. The pan-European Euro Stoxx 50 equity index in EUR rose 6.4% in the first three months of the year. The German DAX stock index achieved an even greater gain of 7.2%. While European stock indices rose further at the end of the quarter due to an optimistic view of global trade and the global economy, the Japanese Nikkei 225 fell slightly (1.1%) at the end of the quarter compared to the end of 2016. Although economic data and corporate earnings had a positive effect of the Japanese market, the market was negatively affected by uncertainty about the economy and, in particular, trade policy.

Emerging market stock markets recorded their best quarter in five years. Positive economic data from a number of key markets contributed to these gains. Emerging markets in Central and Eastern Europe also showed robust growth rates, wakening increasing investor interest. As a result, the Eastern European CECE Index in EUR gained a highly respectable 9.9% in the 1st quarter of 2017.

Vienna Stock Exchange

The Vienna Stock Exchange ATX Index outperformed the Euro Stoxx 50 Index in EUR with an increase of 8.0% in the

1st quarter of 2017. The index rose relatively steadily to a level of 2,828.79 points at the end of the quarter on 31 March 2017, which was therefore not significantly lower than the highest closing level of the 1st quarter 2017 of 2,850.76. Thanks to the strong price gains, the market capitalisation of the Vienna Stock Exchange – the aggregate market value of all companies listed on the exchange – rose above the EUR 100 billion mark for the first time since the economic crisis of 2008.

INVESTOR RELATIONS

Activities in the first quarter of 2017 started in January with participation in the German Corporate Conference organised by Kepler Cheuvreux in Frankfurt, followed by the Austrian Day of the Vienna Stock Market in London, with investor meetings scheduled by the Erste Group. VIG also attended the Baader Bank Austrian Conference in Stockholm at the end of February.

Following initial publication of preliminary results on 23 March 2017, including announcement of the proposed dividend of EUR 0.80 and a new outlook until 2019, VIG took the opportunity to exchange information directly with investors at the RCB Conference in Zürs at the end of March. The focus was on the Group's long-term expectations in connection with the strategic "Agenda 2020" work programme that was presented by Elisabeth Stadler.

The presentations used at these bank conferences are available on our website at www.vig.com/events. All of the documents concerning the published embedded value and on Solvency II are also available under Downloads on the menu.

VIG SHARE PERFORMANCE

Vienna Insurance Group shares recorded an excellent start to 2017, achieving an increase of 6.5% in the 1st quarter of 2017. The performance of the first three month was significantly higher than the performance of the Euro Stoxx Insurance Index calculated in EUR. The Vienna Insurance Group share reached its high for the 1st quarter of EUR 23.640 on 15 March 2017, before losing some ground to fall behind the ATX.

This was followed, however, by an unbelievable rally starting in the middle of April that raised the share price to EUR 25.560 by the editorial deadline.

Overview of VIG shares

Initial listing (Vienna)	17 October 1994
Initial listing (Prague)	5 February 2008
Number of common shares	128 million
Free float	around 30%
ISIN	AT0000908504
Securities symbol	VIG
Bloomberg	VIG AV / VIG CP
Reuters	VIGR.VI / VIGR.PR
Rating – Standard & Poor's	A+, stable outlook

Key share information for the 1st quarter of 2017

High	EUR	23.640
Low	EUR	21.590
Year-end price	EUR	22.680
Market capitalisation	EUR	2.9 billion
Dividend 2016	EUR	0.80
Average daily stock exchange trading volume*	EUR	3.6 million

* Using single counting

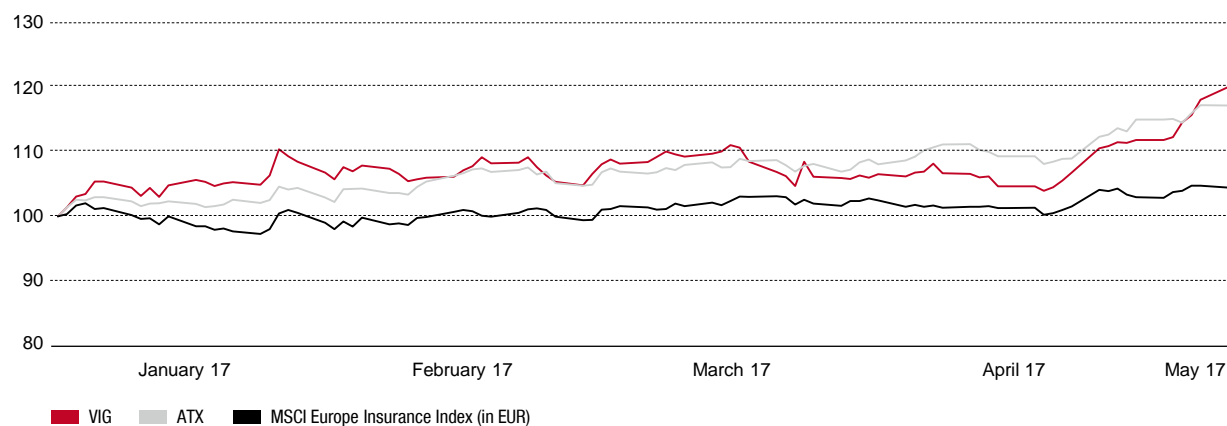
VIG financial calendar*

Results for the 1 st quarter of 2017	23 May 2017
Results for the 1 st half of 2017	22 August 2017
Results for the 1 st to 3 rd quarters of 2017	29 November 2017

* Preliminary schedule

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND MSCI EUROPE INSURANCE INDEX (IN EUR) 1 JANUARY 2017 TO 8 MAY 2017

Indexed (basis = 100)



Consolidated interim financial statements in accordance with IFRS

CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2017

Assets	Notes	31.3.2017	31.12.2016
<i>in EUR '000</i>			
A. Intangible assets	1		
I. Goodwill		1,538,609	1,532,190
II. Purchased insurance portfolios		41,137	43,339
III. Other intangible assets		471,052	478,971
Total intangible assets		2,050,798	2,054,500
B. Investments			
I. Land and buildings		5,601,816	5,601,623
a) Self-used property		425,888	429,484
b) Investment property		5,175,928	5,172,139
II. Shares in at equity consolidated companies		274,965	269,699
III. Financial instruments		28,792,008	28,774,934
a) Loans and other investments		3,392,174	3,396,574
b) Other securities	2	25,399,834	25,378,360
Financial instruments held to maturity		3,099,581	3,065,822
Financial instruments available for sale		21,909,746	21,851,248
Financial instruments recognised at fair value through profit and loss*		390,507	461,290
Total investments		34,668,789	34,646,256
C. Investments for unit-linked and index-linked life insurance		8,779,793	8,549,580
D. Reinsurers' share in underwriting provisions	3	1,122,428	985,211
E. Receivables	4	1,586,618	1,459,631
F. Tax receivables and advance payments out of income tax		247,100	236,940
G. Deferred tax assets		143,076	138,230
H. Other assets		356,670	347,819
I. Cash and cash equivalents		1,531,044	1,589,941
Total		50,486,316	50,008,108

* Including held for trading

The numbers for the individual items in the consolidated balance sheet and consolidated income statement refer to detailed disclosures for these items in the Notes to the consolidated balance sheet section in the Notes to the consolidated financial statements starting on page 28.

CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2017

Liabilities and shareholders' equity	Notes	31.3.2017	31.12.2016
<i>in EUR '000</i>			
A. Shareholders' equity			
I. Share capital		132,887	132,887
II. Other capital reserves		2,109,003	2,109,003
III. Capital reserves from additional payments on hybrid capital		193,619	193,619
IV. Retained earnings		2,000,893	1,929,339
V. Other reserves		182,843	199,415
Subtotal		4,619,245	4,564,263
VI. Other non-controlling interests		111,606	114,219
VII. Non-controlling interests from non-profit societies		1,052,945	1,032,775
Total shareholders' equity		5,783,796	5,711,257
B. Subordinated liabilities		1,016,558	1,265,009
C. Underwriting provisions	6		
I. Provision for unearned premiums		1,667,940	1,282,164
II. Mathematical reserve		21,563,220	21,528,896
III. Provision for outstanding claims		4,841,706	4,815,063
IV. Provision for profit-unrelated premium refunds		64,840	63,605
V. Provision for profit-related premium refunds		1,463,978	1,491,192
VI. Other underwriting provisions		38,551	39,151
Total underwriting provisions		29,640,235	29,220,071
D. Underwriting provisions for unit-linked and index-linked life insurance		8,392,457	8,129,884
E. Non-underwriting provisions			
I. Provisions for pensions and similar obligations		519,289	518,766
II. Other provisions		284,320	296,482
Total non-underwriting provisions		803,609	815,248
F. Liabilities	7	4,193,354	4,202,585
G. Tax liabilities out of income tax		198,640	181,300
H. Deferred tax liabilities		312,362	325,150
I. Other liabilities		145,305	157,604
Total		50,486,316	50,008,108

CONSOLIDATED INCOME STATEMENT FOR THE REPORTING PERIOD

	Notes	1.1.-31.3.2017	1.1.-31.3.2016 adjusted
in EUR '000			
Premiums			
Premiums written – gross	8	2,719,571	2,705,759
Premiums written – reinsurers' share		-320,699	-329,109
Premiums written – retention		2,398,872	2,376,650
Change in unearned premiums – gross		-370,288	-381,241
Change in unearned premiums – reinsurers' share		124,270	142,423
Net earned premiums – retention		2,152,854	2,137,832
Financial result excluding at equity consolidated companies	9	235,905	214,415
Income from investments		391,257	315,496
Expenses for investments and interest expenses		-155,352	-101,081
Result from shares in at equity consolidated companies		11,819	9,653
Other income	10	29,517	36,932
Expenses for claims and insurance benefits	11	-1,741,419	-1,750,554
Expenses for claims and insurance benefits – gross		-1,779,604	-1,884,242
Expenses for claims and insurance benefits – reinsurers' share		38,185	133,688
Acquisition and administrative expenses	12	-518,229	-502,288
Acquisition expenses		-465,871	-448,688
Administrative expenses		-100,666	-93,148
Reinsurance commissions		48,308	39,548
Other expenses	13	-60,827	-56,406
Result before taxes		109,620	89,584
Tax expenses/income		-22,006	-20,940
Result of the period		87,614	68,644
thereof attributable to Vienna Insurance Group shareholders		69,052	67,248
thereof other non-controlling interests		-817	1,396
thereof non-controlling interests in non-profit societies		19,379	0
Result per share (annualised)*	5		
Undiluted = diluted earnings per share (in EUR)		2.07	1.98
Result of the period (Carry-forward)		87,614	68,644

* The calculation of these figures includes the aliquot portion of interest expenses for hybrid capital.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1.1.-31.3.2017	1.1.-31.3.2016 adjusted
in EUR '000		
Result of the period (Carry-forward)	87,614	68,644
Other comprehensive income (OCI)		
Items that will not be reclassified to profit and loss in subsequent periods		
+/- Underwriting gains and losses from provisions for employee benefits	-743	-2,532
+/- Deferred profit participation	213	687
+/- Deferred taxes	116	441
Subtotal	-414	-1,404
Items that will be reclassified to profit or loss in subsequent periods		
+/- Exchange rate changes through equity	14,233	1,086
+/- Unrealised gains and losses from financial instruments available for sale	-145,387	444,459
+/- Cash flow hedge reserve	156	874
+/- Share of other reserves of associated companies	43	324
+/- Deferred mathematical reserve	47,350	-102,942
+/- Deferred profit participation	57,428	-200,192
+/- Deferred taxes	9,931	-33,254
Subtotal	-16,246	110,355
Total OCI	-16,660	108,951
Total profit of the period including other comprehensive income after taxes	70,954	177,595
thereof attributable to Vienna Insurance Group shareholders	52,480	174,204
thereof other non-controlling interests	-1,192	3,391
thereof non-controlling interests in non-profit societies	19,666	0

CONSOLIDATED SHAREHOLDERS' EQUITY

Development	Share capital	Capital reserves		Retained earnings	Other reserves		Subtotal
		Other	payments hybrid capital		Currency reserve	Other	
in EUR '000							
As of 1 January 2016	132,887	2,109,003	193,619	1,718,620	-157,711	306,087	4,302,505
Changes in scope of consolidation/ownership interests	0	0	0	1,229	0	0	1,229
Other comprehensive income	0	0	0	67,248	1,145	105,811	174,204
Other comprehensive income exclusive currency changes	0	0	0	0	0	105,811	105,811
Currency change	0	0	0	0	1,145	0	1,145
Result of the period	0	0	0	67,248	0	0	67,248
Dividend payment	0	0	0	0	0	0	0
As of 31 March 2016	132,887	2,109,003	193,619	1,787,097	-156,566	411,898	4,477,938
As of 1 January 2017	132,887	2,109,003	193,619	1,929,339	-181,373	380,788	4,564,263
Changes in scope of consolidation/ownership interests	0	0	0	2,502	0	0	2,502
Other comprehensive income	0	0	0	69,052	14,285	-30,857	52,480
Other comprehensive income exclusive currency changes	0	0	0	0	0	-30,857	-30,857
Currency change	0	0	0	0	14,285	0	14,285
Result of the period	0	0	0	69,052	0	0	69,052
Dividend payment	0	0	0	0	0	0	0
As of 31 March 2017	132,887	2,109,003	193,619	2,000,893	-167,088	349,931	4,619,245

Development	Subtotal	Non-controlling interests		Shareholders' equity
		Others	Non-profit societies	
in EUR '000				
As of 1 January 2016	4,302,505	111,955	0	4,414,460
Changes in scope of consolidation/ownership interests	1,229	13	0	1,242
Other comprehensive income	174,204	3,391	0	177,595
Other comprehensive income exclusive currency changes	105,811	2,054	0	107,865
Currency change	1,145	-59	0	1,086
Result of the period	67,248	1,396	0	68,644
Dividend payment	0	-1,184	0	-1,184
As of 31 March 2016	4,477,938	114,175	0	4,592,113
As of 1 January 2017	4,564,263	114,219	1,032,775	5,711,257
Changes in scope of consolidation/ownership interests	2,502	-12	504	2,994
Other comprehensive income	52,480	-1,192	19,666	70,954
Other comprehensive income exclusive currency changes	-30,857	-322	287	-30,892
Currency change	14,285	-53	0	14,232
Result of the period	69,052	-817	19,379	87,614
Dividend payment	0	-1,409	0	-1,409
As of 31 March 2017	4,619,245	111,606	1,052,945	5,783,796

The above subtotal equals the equity attributable to shareholders and other capital providers of the parent company.

Composition dividend payments – retention	31.3.2017	31.12.2016
in EUR '000		
Dividends	0	76,800
Interest payments on the hybrid capital	0	15,841
Deferred taxes shown in equity	0	-3,960
Total	0	88,681

Composition other reserves	31.3.2017	31.12.2016
in EUR '000		
Unrealised gains and losses	501,371	531,956
Cash flow hedge reserve	33	-68
Underwriting gains and losses from provisions for employee benefits	-149,163	-148,749
Share of other reserves of associated companies	-2,310	-2,351
Total	349,931	380,788

Unrealised gains and losses	31.3.2017	31.12.2016
in EUR '000		
Bonds	2,281,869	2,463,824
Shares and other participations	170,164	170,005
Investment funds	94,864	58,767
Subtotal	2,546,897	2,692,596
+/- Exchange rate changes from financial instruments available for sale	11,177	10,866
+/- Deferred mathematical reserve	-881,515	-928,865
+/- Deferred profit participation	-1,016,441	-1,073,869
+/- Deferred taxes	-149,997	-159,695
+/- Other non-controlling interests	-8,750	-9,077
Total	501,371	531,956

Cash flow hedge reserve	31.3.2017	31.12.2016
in EUR '000		
Cash flow hedge reserve	-2,958	-3,113
+/- Deferred taxes	0	-233
+/- Non-controlling interests for non-profit societies	2,991	3,278
Total	33	-68

Underwriting gains and losses from provisions for employee benefits	31.3.2017	31.12.2016
in EUR '000		
Pension provision and severance provision	-300,722	-299,982
+/- Deferred profit participation	90,550	90,337
+/- Deferred taxes	49,271	49,155
+/- Other non-controlling interests	1,610	1,613
+/- Non-controlling interests for non-profit societies	10,128	10,128
Total	-149,163	-148,749

Share of other reserves of associated companies	31.3.2017	31.12.2016
in EUR '000		
Share of other reserves of associated companies	-2,489	-2,532
+/- Other non-controlling interests	179	181
Total	-2,310	-2,351

Currency reserve	31.3.2017	31.12.2016
in EUR '000		
Currency reserve	-168,826	-183,058
+/- Other non-controlling interests	1,738	1,685
Total	-167,088	-181,373

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE REPORTING PERIOD

	1.1.-31.3.2017	1.1.-31.3.2016 adjusted
in EUR '000		
Result of the period	87,614	68,644
Change in underwriting provisions net	439,383	502,446
Change in underwriting receivables and liabilities	-270,213	-252,156
Change in deposit receivables and liabilities as well as in reinsurance receivables and liabilities	87,857	107,110
Change in other receivables and liabilities	86,235	48,768
Change in securities held for trading	73,023	15,524
Gain/loss from disposal of investments	-41,639	-17,636
Depreciation/appreciation of all other investments	42,043	7,731
Change in pension, severance and other personnel provisions	-1,532	1,974
Change in deferred tax asset/liability excl. tax liabilities	-8,799	-54
Change in other balance sheet items	-31,258	-31,627
Change in goodwill and other intangible assets	19,259	17,395
Other cash-neutral income and expenses and adjustments to the result of the period ¹	-51,468	1,141
Cash flow from operating activities	430,505	469,260
Cash inflow from sale of subsidiaries	0	-3,057
Cash inflow from the sale of available for sale securities	1,070,820	957,819
Payments for the acquisition of available for sale securities	-1,209,302	-1,336,121
Cash inflow from the disposals/repayments of held to maturity securities	8,343	112,280
Payments for the addition of held to maturity securities	-34,364	-46,051
Cash inflow from the sale of land and buildings	20,167	149
Payments for the acquisition of land and buildings	-54,142	-18,044
Cash inflow for the sale of intangible assets	312	4
Payments for the acquisition of intangible assets	-9,281	-6,064
Change in unit-linked and index-linked life insurance items	7,290	-81,738
Change in other investments	-7,402	142,066
Cash flow from investing activities	-207,559	-278,757
Decrease of subordinated liabilities	-248,445	-3,000
Dividend payments	-1,409	-1,184
Cash inflow from other financing activities	2,438	0
Cash outflow from other financing activities	-34,409	0
Cash flow from financing activities	-281,825	-4,184
Change in cash and cash equivalents	-58,879	186,319
Cash and cash equivalents at beginning of period²	1,589,941	1,103,234
Change in cash and cash equivalents	-58,879	186,319
Effects of foreign currency exchange differences on cash and cash equivalents	-18	-1,607
Cash and cash equivalents at end of period²	1,531,044	1,287,946
thereof non-profit societies	142,956	0

¹ The non-cash income and expenses are primarily the result of exchange rate changes.

² The amount of Cash and cash equivalents at the beginning and the end of period correlates with position Cash and cash equivalents on the Asset side.

Additional information on Cash Flow Statement	1.1.-31.3.2017	1.1.-31.3.2016
in EUR '000		
Received interest ⁴	190,820	196,521
Received dividends ⁴	30,321	23,677
Interest paid ³	33,673	29,454
Income taxes paid ⁴	19,278	24,012

³ Interest paid result primarily from financing activities.

⁴ Income tax payments, received dividends and received interest are included in the cash flow from operating activities.

Notes to the consolidated financial statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements for the 1st quarter of 2017 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and the applicable commercial law provisions of § 245a(1) of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB) and Chapter 7 of the Austrian Insurance Supervision Act (Versicherungsaufsichtsgesetz – VAG).

They are in compliance with IAS 34 “Interim Financial Reporting”. The same IFRS accounting policies were used as for the last financial statements for the previous financial year. Similarly, the estimates and discretionary assessments needed to prepare the consolidated financial statements were made in the same way. This does not include newly applicable or amended standards.

New standards and amendments to existing reporting standards that have not yet been adopted by the EU

New standards and changes to current reporting standards		Applicable as of
Those already adopted by the EU		
IFRS 15	Revenue from contracts with customers	1.1.2018
IFRS 9	Financial instruments	1.1.2018
Those not yet adopted by the EU		
IFRS 14	Regulatory Deferral Accounts	EU decided this standard shall not be transferred into EU law
IFRS 16	Leases	1.1.2019
Changes according IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	still open
Changes in IAS 12	Recognition of deferred tax assets for unrealised losses	1.1.2017
Changes in IAS 7	Changes to the statement of cash flows	1.1.2017
Clarification of IFRS 15	Clarifications concerning revenue from contracts with customers	1.1.2018
Changes in IFRS 2	Clarifications and measurement of share-based payments	1.1.2018
IFRS 4	Application of IFRS 9 Financial instruments in conjunction with IFRS 4 Insurance contracts	1.1.2018
All IFRS	Yearly improvements (cycle 2014–2016)	1 January 2017 or 1 January 2018
IFRIC interpretation 22	Foreign currency transactions and advance consideration	1.1.2018
Changes in IAS 40	Classification of property under construction	1.1.2018

VIG is not planning early adoption of the revised provisions. With the exception of the amendments to IFRS 16 and IFRS 9, these amendments are expected to have no effect, or no material effect on the consolidated financial statements.

The new requirements in IFRS 16 primarily concern the accounting presentation of leases by the lessee. The lessee now recognises a liability for the future lease payments to be made for each lease. At the same time, a right-of-use asset is recognised in the amount of the present value of the future lease payments and amortised linearly over the contractually stipulated useful life. As a result, the previous distinction between operating and finance leases no longer applies. IFRS 16 also includes requirements for sale-and-leaseback transactions and related financial statement notes disclosures. Future division of leasing payments into a portion for amortisation of the right of use and an interest portion will cause a shift between the financial result and non-underwriting expenses in the income statement. The Group does not expect any significant effect on the result before taxes. The effects on the balance sheet of recognising the liability and the right of use are still being examined.

The amendment to IFRS 9 can be expected to lead to considerably higher volatility of profit for the period. Further amendments which are likely to have greater effects on VIG primarily concern the treatment of interest clauses in debt instruments and the treatment of impairment. It must be noted that there is a draft of an amendment to IFRS 4 that has been submitted to EFRAG for endorsement that would allow insurance companies to apply IFRS 9 at the same time as the forthcoming IFRS 17 for insurance contracts. In this case, IFRS 9 is likely to be applicable no later than 2021.

Foreign currency translation

FOREIGN CURRENCY TRANSACTIONS

The separate financial statements of each Group subsidiary are prepared in the currency that generally prevails for the ordinary business activities of the company (functional currency). Transactions not concluded in the functional currency are recognised using the mean rate of exchange on the date of the transaction. Monetary assets and liabilities in foreign currency existing on the balance sheet date are translated to euros using the mean rate of exchange on the balance sheet date. Any resulting foreign currency gains and losses are recognised in profit or loss during the reporting period.

TRANSLATION OF SEPARATE FINANCIAL STATEMENTS IN FOREIGN CURRENCIES

These consolidated interim financial statements present the assets, liabilities, income and expenses of each Group subsidiary in euros, the reporting currency of VIG. All assets and liabilities reported in the separate financial statements are translated to euros using the mean rate of exchange on the balance sheet date. Items in the income statement are translated using the average month-end mean rate of exchange during the reporting period. In the statement of cash flows, the mean rate of exchange on the balance sheet date is used for changes in balance sheet items, and the mean rate of exchange at the end of the period is used for income statement items. Unless otherwise indicated, all of the financial information presented in euros has been commercially rounded up or down. Currency translation differences, including those that result from accounting using the equity method, are recognised directly in equity.

The following table shows the relevant exchange rates for the consolidated financial statements:

Name	Currency	Period-end exchange rate		Average exchange rate	
		31.3.2017	31.12.2016	1.1.-31.3.2017	1.1.-31.3.2016
		1 EUR ≙	1 EUR ≙	1 EUR ≙	1 EUR ≙
Albanian lek	ALL	136.1300	135.2300	135.8393	138.3013
Bosnian Convertible Marka	BAM	1.9558	1.9558	1.9558	1.9558
Bulgarian lev	BGN	1.9558	1.9558	1.9558	1.9558
Georgian lari	GEL	2.6266	2.7940	2.7736	2.6856
Croatian kuna	HRK	7.4465	7.5597	7.4668	7.6170
Macedonian denar	MKD	61.6939	61.4812	61.5601	61.6767
Moldovan leu	MDL	20.9191	20.8895	21.2454	22.1215
Turkish new lira	TRY	3.8894	3.7072	3.9378	3.2470
Polish zloty	PLN	4.2265	4.4103	4.3206	4.3652
Romanian leu	RON	4.5525	4.5390	4.5217	4.4924
Swiss franc	CHF	1.0696	1.0739	1.0694	1.0960
Serbian dinar	RSD	123.9679	123.4723	123.8690	122.8276
Czech koruna	CZK	27.0300	27.0210	27.0213	27.0395
Ukraine hryvnia	UAH	28.9642	28.4226	28.8695	28.4538
Hungarian forint	HUF	307.6200	309.8300	309.0949	312.0240

DISCLOSURES ON SEASONAL AND ECONOMIC INFLUENCES

Within VIG, seasonal fluctuations mainly occur in premiums, losses and the financial result. Due to the large number of policies beginning in January, the 1st quarter is also normally the strongest quarter of the year in terms of premiums. In terms of losses, the 1st quarter (or 1st half) also normally shows a higher level of charges, mainly due to adverse environmental influences (snow, snowmelt, storms, floods). Adverse weather events, such as storms, can also occur during the summer and autumn. With respect to the financial result, most of the dividend income occurs in the 2nd quarter.

CHANGES TO THE SCOPE OF CONSOLIDATION

Acquired companies are added to the scope of consolidation based on internal Group guidelines. The guidelines include quantitative thresholds and quantitative criteria that take into account IFRS 10. Detailed information on the criteria and procedure is available in the Group Annual Report for 2016 starting on page 128.

No changes were made to the scope of consolidation during the reporting period.

SEGMENT REPORTING

DETERMINATION OF REPORTABLE SEGMENTS

The segments were determined in accordance with IFRS 8 Operating segments based on internal reporting to the principal decision-maker. The individual markets in which the Group operates were identified as the operating segments. The Group Managing Board, the principal decision-maker, regularly evaluates earning power based on the segments and decides on the allocation of resources to the segments. The focus on countries is also reflected in the country responsibilities of the members of the VIG Managing Board. The countries Estonia, Latvia and Lithuania are combined in the Baltic States operating segment, and Albania and Kosovo are combined in the Albania incl. Kosovo operating segment when reporting to the Managing Board. The countries of Turkey and Georgia are also combined into one reporting segment.

The reportable segments were determined using the aggregation criteria in IFRS 8.12 and IFRS 8.14 and the quantitative thresholds defined in IFRS 8.13.

GENERAL INFORMATION ON SEGMENT REPORTING

Like transactions with third parties, transfer prices between reportable segments are determined using market prices. Intragroup transactions between segments are eliminated in the consolidation column. The only exception is dividends and intercompany profits, which are eliminated in each segment.

Further information on segment reporting is available in the Group Annual Report for 2016 starting on page 136.

CONSOLIDATED BALANCE SHEET BY SEGMENT

Assets	Austria		Czech Republic		Slovakia	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
in EUR '000						
A. Intangible assets	357,055	357,481	433,994	434,563	117,069	117,179
B. Investments	21,677,454	21,811,944	3,215,044	3,099,805	1,237,944	1,247,048
C. Investments for unit-linked and index-linked life insurance	5,663,027	5,581,420	315,579	300,123	204,053	199,144
D. Reinsurers' share in underwriting provisions	470,654	379,602	114,878	100,134	56,791	58,039
E. Receivables	713,109	624,222	160,540	117,146	66,516	58,915
F. Tax receivables and advance payments out of income tax	35,459	30,937	10,016	9,290	4,403	4,726
G. Deferred tax assets	67,078	66,186	4,631	3,913	5,819	4,321
H. Other assets	135,480	146,056	139,478	136,641	7,356	7,221
I. Cash and cash equivalents	934,655	728,287	81,393	169,692	61,448	45,748
Total	30,053,971	29,726,135	4,475,553	4,371,307	1,761,399	1,742,341

Assets	Poland		Romania		Baltic states	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
in EUR '000						
A. Intangible assets	144,953	138,792	198,812	199,247	138,948	141,066
B. Investments	875,003	854,330	593,280	588,776	365,240	323,192
C. Investments for unit-linked and index-linked life insurance	879,698	774,197	195,595	208,854	44,405	41,910
D. Reinsurers' share in underwriting provisions	54,104	51,284	32,955	29,399	15,295	17,328
E. Receivables	136,123	129,874	143,169	156,642	45,775	37,830
F. Tax receivables and advance payments out of income tax	8,196	5,765	2,169	2,176	983	721
G. Deferred tax assets	5,584	5,485	20,036	20,357	1,890	1,878
H. Other assets	11,439	8,652	14,562	6,651	4,450	3,861
I. Cash and cash equivalents	11,267	21,292	13,794	8,954	21,433	54,233
Total	2,126,367	1,989,671	1,214,372	1,221,056	638,419	622,019

Assets	Hungary		Bulgaria		Turkey/Georgia	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
in EUR '000						
A. Intangible assets	26,644	26,188	190,475	191,141	26,073	25,276
B. Investments	157,416	161,548	153,073	154,317	96,047	98,446
C. Investments for unit-linked and index-linked life insurance	411,939	405,665	1,494	1,420	0	0
D. Reinsurers' share in underwriting provisions	12,041	9,895	21,142	19,699	65,671	65,948
E. Receivables	20,115	17,822	44,969	37,195	74,114	53,437
F. Tax receivables and advance payments out of income tax	0	29	4	4	243	11
G. Deferred tax assets	170	165	1,123	1,124	2,268	2,151
H. Other assets	7,595	6,480	2,325	2,109	4,608	993
I. Cash and cash equivalents	7,235	2,411	21,422	11,906	27,035	23,832
Total	643,155	630,203	436,027	418,915	296,059	270,094

Assets	Remaining CEE		Other Markets		Central Functions		Total	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
<i>in EUR '000</i>								
A. Intangible assets	95,833	95,612	1,297	1,366	319,645	326,589	2,050,798	2,054,500
B. Investments	757,863	741,254	619,853	611,842	4,920,572	4,953,754	34,668,789	34,646,256
C. Investments for unit-linked and index-linked life insurance	78,774	74,307	985,229	962,540	0	0	8,779,793	8,549,580
D. Reinsurers' share in underwriting provisions	30,359	27,446	5,848	6,831	242,690	219,606	1,122,428	985,211
E. Receivables	67,806	69,779	16,017	15,603	98,365	141,166	1,586,618	1,459,631
F. Tax receivables and advance payments out of income tax	1,847	1,373	2,518	2,372	181,262	179,536	247,100	236,940
G. Deferred tax assets	3,612	3,323	1,112	987	29,753	28,340	143,076	138,230
H. Other assets	9,710	9,720	4,593	4,333	15,074	15,102	356,670	347,819
I. Cash and cash equivalents	24,091	25,433	36,215	47,454	291,056	450,699	1,531,044	1,589,941
Total	1,069,895	1,048,247	1,672,682	1,653,328	6,098,417	6,314,792	50,486,316	50,008,108

The investments included shares in at equity consolidated companies of EUR 234,629 in Austria (EUR 230,235), EUR 28,486 in the Czech Republic (EUR 28,022), and EUR 11,850 in the Central Functions segment (EUR 11,442).

Liabilities and shareholders' equity	Austria		Czech Republic		Slovakia	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
<i>in EUR '000</i>						
B. Subordinated liabilities	96,210	97,020	20,348	20,355	0	0
C. Underwriting provisions	21,865,961	21,634,337	2,931,413	2,926,311	1,072,195	1,046,660
D. Underwriting provisions for unit-linked and index-linked life insurance	5,442,679	5,320,409	185,573	168,628	220,115	215,728
E. Non-underwriting provisions	538,633	556,954	4,107	4,220	2,230	2,171
F. Liabilities	609,445	682,072	262,621	198,158	71,915	83,797
G. Tax liabilities out of income tax	177,579	164,337	12,386	9,262	825	98
H. Deferred tax liabilities	218,477	230,549	26,307	26,922	12,579	14,054
I. Other liabilities	87,390	91,125	9,171	11,612	6,756	8,409
Subtotal	29,036,374	28,776,803	3,451,926	3,365,468	1,386,615	1,370,917

Liabilities and shareholders' equity	Poland		Romania		Baltic states	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
<i>in EUR '000</i>						
B. Subordinated liabilities	0	0	0	0	0	0
C. Underwriting provisions	778,097	755,047	504,395	504,808	346,549	329,940
D. Underwriting provisions for unit-linked and index-linked life insurance	840,994	745,124	194,896	208,092	44,405	41,910
E. Non-underwriting provisions	8,655	8,358	10,791	11,283	393	2,039
F. Liabilities	83,152	91,307	84,890	85,561	29,885	29,129
G. Tax liabilities out of income tax	57	77	0	0	219	56
H. Deferred tax liabilities	22,969	19,847	0	0	10,021	10,333
I. Other liabilities	17,920	18,630	2,241	8,117	2,318	2,203
Subtotal	1,751,844	1,638,390	797,213	817,861	433,790	415,610

Liabilities and shareholders' equity	Hungary		Bulgaria		Turkey/Georgia	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
in EUR '000						
B. Subordinated liabilities	0	0	0	0	0	0
C. Underwriting provisions	149,045	127,540	150,077	143,365	194,463	178,515
D. Underwriting provisions for unit-linked and index-linked life insurance	399,281	392,680	1,510	1,420	0	0
E. Non-underwriting provisions	4,651	4,964	19,838	19,142	4,760	4,857
F. Liabilities	15,816	18,289	19,228	15,214	32,838	29,798
G. Tax liabilities out of income tax	185	213	275	214	215	572
H. Deferred tax liabilities	993	1,010	1,812	1,809	27	4
I. Other liabilities	4,725	2,609	364	178	2,124	2,062
Subtotal	574,696	547,305	193,104	181,342	234,427	215,808

Liabilities and shareholders' equity	Remaining CEE		Other Markets		Central Functions		Total	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
in EUR '000								
B. Subordinated liabilities	0	0	0	0	900,000	1,147,634	1,016,558	1,265,009
C. Underwriting provisions	701,809	684,490	588,918	583,345	357,313	305,713	29,640,235	29,220,071
D. Underwriting provisions for unit-linked and index-linked life insurance	78,774	74,307	984,230	961,586	0	0	8,392,457	8,129,884
E. Non-underwriting provisions	7,532	7,455	8,179	8,863	193,840	184,942	803,609	815,248
F. Liabilities	32,434	38,654	27,302	40,657	2,923,828	2,889,949	4,193,354	4,202,585
G. Tax liabilities out of income tax	1,558	1,155	0	1	5,341	5,315	198,640	181,300
H. Deferred tax liabilities	2,176	2,223	775	867	16,226	17,532	312,362	325,150
I. Other liabilities	10,612	9,959	2	21	1,682	2,679	145,305	157,604
Subtotal	834,895	818,243	1,609,406	1,595,340	4,398,230	4,553,764	44,702,520	44,296,851
Shareholders' equity							5,783,796	5,711,257
Total							50,486,316	50,008,108

Intersegment transactions have been eliminated from the amounts indicated for each segment. As a result, the segment assets and liabilities cannot be netted to determine the segment shareholders' equity.

CONSOLIDATED INCOME STATEMENT BY SEGMENT

	Austria		Czech Republic		Slovakia		Poland	
	1.1.-31.3.17	1.1.-31.3.16 adjusted	1.1.-31.3.17	1.1.-31.3.16	1.1.-31.3.17	1.1.-31.3.16	1.1.-31.3.17	1.1.-31.3.16
in EUR '000								
Premiums written – gross	1,290,728	1,347,796	427,465	406,818	209,907	190,808	213,343	207,010
Net earned premiums – retention	858,556	911,168	295,805	286,093	158,883	138,840	174,464	174,467
Financial result excluding at equity consolidated companies	176,153	172,312	24,923	21,038	11,390	11,215	6,035	8,907
Income from investments	223,981	211,030	31,773	39,007	12,371	12,180	10,980	11,326
Expenses for investments and interest expenses	-47,828	-38,718	-6,850	-17,969	-981	-965	-4,945	-2,419
Result from shares in at equity consolidated companies	10,940	8,858	463	447	0	0	0	0
Other income	5,394	4,669	12,155	11,929	2,267	4,053	2,695	2,004
Expenses for claims and insurance benefits	-824,853	-873,717	-192,766	-180,347	-129,231	-107,653	-135,937	-135,918
Acquisition and administrative expenses	-183,700	-183,042	-88,081	-88,187	-25,725	-27,384	-37,237	-37,676
Other expenses	-4,636	-6,439	-10,490	-8,050	-6,225	-8,284	-4,142	-3,946
Result before taxes	37,854	33,809	42,009	42,923	11,359	10,787	5,878	7,838
Tax expenses/income	-6,728	-6,203	-7,337	-7,586	-4,453	-4,042	-1,406	-1,655
Result of the period	31,126	27,606	34,672	35,337	6,906	6,745	4,472	6,183

	Romania		Baltic states		Hungary		Bulgaria	
	1.1.-31.3.17	1.1.-31.3.16	1.1.-31.3.17	1.1.-31.3.16	1.1.-31.3.17	1.1.-31.3.16	1.1.-31.3.17	1.1.-31.3.16
in EUR '000								
Premiums written – gross	131,570	142,306	76,493	34,334	73,668	50,293	43,493	42,281
Net earned premiums – retention	98,954	84,087	56,988	26,767	38,097	35,290	29,633	25,936
Financial result excluding at equity consolidated companies	2,882	2,912	1,346	1,185	1,977	2,096	2,437	2,793
Income from investments	4,293	4,703	1,970	1,801	2,519	2,856	6,326	6,132
Expenses for investments and interest expenses	-1,411	-1,791	-624	-616	-542	-760	-3,889	-3,339
Result from shares in at equity consolidated companies	0	0	0	0	0	0	0	0
Other income	1,933	2,530	233	161	429	563	124	169
Expenses for claims and insurance benefits	-70,795	-54,756	-40,850	-22,701	-27,432	-25,374	-17,482	-17,270
Acquisition and administrative expenses	-23,091	-26,400	-17,278	-7,897	-9,177	-8,843	-9,656	-6,554
Other expenses	-6,641	-6,872	-2,815	-1,063	-2,796	-2,786	-2,644	-3,105
Result before taxes	3,242	1,501	-2,376	-3,548	1,098	946	2,412	1,969
Tax expenses/income	-563	-293	188	-7	-76	-137	-194	-197
Result of the period	2,679	1,208	-2,188	-3,555	1,022	809	2,218	1,772

	Turkey/Georgia		Remaining CEE		Other Markets	
	1.1.-31.3.17	1.1.-31.3.16	1.1.-31.3.17	1.1.-31.3.16	1.1.-31.3.17	1.1.-31.3.16
in EUR '000						
Premiums written – gross	67,706	57,523	89,339	79,505	67,975	106,512
Net earned premiums – retention	24,503	23,557	61,161	55,523	54,580	94,106
Financial result excluding at equity consolidated companies	2,119	1,669	7,521	9,407	5,293	4,342
Income from investments	3,253	3,109	11,273	11,648	5,762	4,979
Expenses for investments and interest expenses	-1,134	-1,440	-3,752	-2,241	-469	-637
Result from shares in at equity consolidated companies	0	0	0	0	0	0
Other income	1,456	623	1,435	1,472	1,000	5,903
Expenses for claims and insurance benefits	-20,455	-18,448	-39,483	-37,832	-39,722	-86,667
Acquisition and administrative expenses	-4,657	-4,426	-20,952	-18,837	-6,105	-4,598
Other expenses	-1,060	-999	-3,785	-5,371	-8,354	-6,516
Result before taxes	1,906	1,976	5,897	4,362	6,692	6,570
Tax expenses/income	-123	231	-782	-1,262	-1,601	-1,559
Result of the period	1,783	2,207	5,115	3,100	5,091	5,011

	Central Functions		Consolidation		Total	
	1.1.-31.3.17	1.1.-31.3.16 adjusted	1.1.-31.3.17	1.1.-31.3.16	1.1.-31.3.17	1.1.-31.3.16 adjusted
in EUR '000						
Premiums written – gross	393,679	369,049	-365,795	-328,476	2,719,571	2,705,759
Net earned premiums – retention	299,264	278,919	1,966	3,079	2,152,854	2,137,832
Financial result excluding at equity consolidated companies	-6,017	-23,493	-154	32	235,905	214,415
Income from investments	90,186	21,317	-13,430	-14,592	391,257	315,496
Expenses for investments and interest expenses	-96,203	-44,810	13,276	14,624	-155,352	-101,081
Result from shares in at equity consolidated companies	416	348	0	0	11,819	9,653
Other income	402	2,868	-6	-12	29,517	36,932
Expenses for claims and insurance benefits	-203,873	-190,381	1,460	510	-1,741,419	-1,750,554
Acquisition and administrative expenses	-89,579	-84,829	-2,991	-3,615	-518,229	-502,288
Other expenses	-6,711	-3,236	-528	261	-60,827	-56,406
Result before taxes	-6,098	-19,804	-253	255	109,620	89,584
Tax expenses/income	1,069	1,770	0	0	-22,006	-20,940
Result of the period	-5,029	-18,034	-253	255	87,614	68,644

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. INTANGIBLE ASSETS

Composition	31.3.2017	31.12.2016
<i>in EUR '000</i>		
Goodwill	1,538,609	1,532,190
Purchased insurance portfolios	41,137	43,339
Other intangible assets	471,052	478,971
Purchased software	388,836	395,761
Other	82,216	83,210
Total	2,050,798	2,054,500

Development of goodwill	31.3.2017	31.12.2016
<i>in EUR '000</i>		
Acquisition costs	1,884,782	1,838,652
Cumulative impairment as of 31.12. of previous years	-352,592	-349,613
Book value as of 31.12. of the previous year	1,532,190	1,489,039
Exchange rate changes	6,419	-7,332
Book value as of 1.1.	1,538,609	1,481,707
Additions	0	55,082
Impairments	0	-4,599
Book value as of 31.3. or 31.12.	1,538,609	1,532,190
Cumulative impairment as of 31.3. or 31.12.	352,583	352,592
Acquisition costs	1,891,192	1,884,782

2. OTHER SECURITIES

Development	Held to maturity (incl. reclassified)		Available for sale		Held for trading		Recognised at fair value through profit and loss	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
in EUR '000								
Acquisition costs	3,063,233	3,080,231						
Cumulative depreciation as of 31.12. of the previous years	2,589	-14,116						
Book value as of 31.12. of the previous year	3,065,822	3,066,115	21,851,248	20,649,481	131,400	171,410	329,890	229,374
Exchange rate changes	9,065	-6,265	21,342	-10,417	2,074	-2,769	-7	24
Book value as of 1.1.	3,074,887	3,059,850	21,872,590	20,639,064	133,474	168,641	329,883	229,398
Reclassifications	0	0	7,387	11,186	-652	-14	-19	11,273
Additions	33,037	192,014	1,210,705	3,887,838	13,667	103,090	22,887	199,800
Disposals/repayments	-8,343	-186,151	-1,067,118	-3,234,330	-33,048	-135,619	-69,794	-225,915
Change in scope of consolidation	0	0	0	3,877	0	0	0	111,101
Changes in value recognised in profit and loss	0	187	0	20,820	-7,301	-4,698	1,410	4,233
Changes recognised directly in equity	0	0	-113,032	546,944	0	0	0	0
Impairments	0	-78	-786	-24,151	0	0	0	0
Book value as of 31.3. or 31.12.	3,099,581	3,065,822	21,909,746	21,851,248	106,140	131,400	284,367	329,890
Cumulative appreciation/depreciation as of 31.3. or 31.12.	-1,125	-2,589						
Acquisition costs	3,098,456	3,063,233						

3. REINSURERS' SHARE IN UNDERWRITING PROVISIONS

Composition	31.3.2017	31.12.2016
in EUR '000		
Provision for unearned premiums	267,203	149,918
Mathematical reserve	39,699	40,141
Provision for outstanding claims	799,733	781,567
Provision for profit-unrelated premium refunds	13,327	11,291
Other underwriting provisions	2,466	2,294
Total	1,122,428	985,211

4. RECEIVABLES

Composition	31.3.2017	31.12.2016
in EUR '000		
Underwriting	931,992	794,974
Receivables from direct insurance business	851,257	651,748
from policyholders	679,372	486,109
from insurance intermediaries	113,795	109,638
from insurance companies	58,090	56,001
Receivables from reinsurance business	80,735	143,226
Non-underwriting	654,626	664,657
Other receivables	654,626	664,657
Total	1,586,618	1,459,631

5. EARNINGS PER SHARE (ANNUALISED)

Under IAS 33.10, basic earnings per share “shall be calculated by dividing profit or loss attributable to common shareholders of the parent entity (the numerator) by the weighted average number of common shares outstanding (the denominator) during the period.”

		1.1.-31.3.2017		1.1.-31.3.2016 adjusted	
Result of the period	in EUR '000	87,614	in EUR '000	68,644	
Other non-controlling interests in net result for the period	in EUR '000	817	in EUR '000	-1,396	
Non-controlling interests in non-profit societies in net result for the period	in EUR '000	-19,379	in EUR '000	0	
Result for the period less non-controlling interests	in EUR '000	69,052	in EUR '000	67,248	
Accrued interest expenses for hybrid capital	in EUR '000	2,930	in EUR '000	3,939	
Number of shares at closing date	units	128,000,000	units	128,000,000	
Earnings per share (annualised)	EUR	2.07	EUR	1.98	

Since there were no potential dilution effects in either the comparative period or the current reporting period, the basic earnings per share equal the diluted earnings per share.

6. UNDERWRITING PROVISION – GROSS

Composition	31.3.2017	31.12.2016
in EUR '000		
Provision for unearned premiums	1,667,940	1,282,164
Mathematical reserve	21,563,220	21,528,896
Guaranteed policy benefits	19,873,376	19,791,408
Allocated and committed profit shares	808,329	808,622
Deferred actuarial reserve	881,515	928,866
Provision for outstanding claims	4,841,706	4,815,063
Provision for premium refunds	1,528,818	1,554,797
Profit-related premium refunds	312,668	297,704
Profit-unrelated premium refunds	64,840	63,605
Deferred profit participation recognised through profit and loss*	225,419	209,956
Deferred profit participation recognised directly in equity*	925,891	983,532
Other underwriting provisions	38,551	39,151
Total	29,640,235	29,220,071

* The deferred profit participation is solely due to the profit-related premium refund.

7. LIABILITIES

Composition	31.3.2017	31.12.2016
in EUR '000		
Underwriting	806,601	852,885
Liabilities from direct business	582,972	653,676
to policyholders	348,286	442,872
to insurance intermediaries	175,591	175,597
to insurance companies	59,095	35,207
Liabilities from reinsurance business	177,148	144,063
Deposits from ceded reinsurance business	46,481	55,146
Non-underwriting	3,386,753	3,349,700
Liabilities to financial institutions	1,295,439	1,304,901
Other liabilities	2,091,314	2,044,799
Total	4,193,354	4,202,585

NOTES TO THE CONSOLIDATED INCOME STATEMENT

8. PREMIUMS WRITTEN

Premiums written	1.1.-31.3.2017						
Gross	Motor own damage insurance	Motor third party liability insurance	Other property and casualty insurance	Life insurance – regular premium	Life insurance – single-premium	Health insurance	Total
in EUR '000							
Austria	92,445	106,872	530,216	347,630	110,206	103,359	1,290,728
Czech Republic	57,578	69,966	139,952	137,362	19,333	3,274	427,465
Slovakia	27,128	41,921	38,734	41,894	57,862	2,368	209,907
Poland	30,212	38,912	51,491	48,564	42,394	1,770	213,343
Romania	28,834	41,143	27,455	10,890	21,436	1,812	131,570
Baltic states	13,163	21,540	15,759	11,635	2,715	11,681	76,493
Hungary	4,980	8,173	28,196	21,450	8,565	2,304	73,668
Bulgaria	12,212	6,180	10,199	9,641	2,089	3,172	43,493
Turkey/Georgia	7,848	15,001	31,888	0	0	12,969	67,706
Remaining CEE	9,973	18,814	28,509	14,959	14,158	2,926	89,339
Other Markets	0	0	31,736	18,210	18,029	0	67,975
Central Functions	0	0	384,240	4,378	0	5,061	393,679
Consolidation	0	0	0	0	0	0	-365,795
Total	284,373	368,522	1,318,375	666,613	296,787	150,696	2,719,571

Premiums written	1.1.-31.3.2016						
Gross	Motor own damage insurance	Motor third party liability insurance	Other property and casualty insurance	Life insurance – regular premium	Life insurance – single-premium	Health insurance	Total
in EUR '000							
Austria	89,331	107,351	526,888	349,334	174,060	100,832	1,347,796
Czech Republic	52,173	68,432	126,921	130,544	25,323	3,425	406,818
Slovakia	26,074	40,870	37,561	40,268	44,130	1,905	190,808
Poland	30,676	30,964	45,848	50,123	47,764	1,635	207,010
Romania	24,741	74,956	26,320	11,084	5,169	36	142,306
Baltic states	2,574	7,123	3,009	10,002	4,269	7,357	34,334
Hungary	4,755	5,283	10,878	19,277	8,420	1,680	50,293
Bulgaria	9,777	4,373	15,887	8,661	411	3,172	42,281
Turkey/Georgia	7,733	13,028	30,498	0	0	6,264	57,523
Remaining CEE	9,157	18,437	22,424	14,520	12,852	2,115	79,505
Other Markets	0	0	29,659	18,129	58,724	0	106,512
Central Functions	0	0	358,603	4,717	0	5,729	369,049
Consolidation	0	0	0	0	0	0	-328,476
Total	256,991	370,817	1,234,496	656,659	381,122	134,150	2,705,759

9. FINANCIAL RESULT

Composition	1.1.-31.3.2017						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Current income	191,774	26,363	10,957	8,013	3,959	1,507	1,984
Income from appreciation	1,623	780	556	2,607	64	435	0
of which a reduction in impairment	0	0	0	0	0	0	0
Gains from disposal of investments	30,584	4,630	858	360	270	28	535
Total income	223,981	31,773	12,371	10,980	4,293	1,970	2,519
Depreciation of investment	20,029	2,354	691	635	321	415	0
of which impairment of investments	515	0	0	271	0	0	0
F/X differences	5	1,319	5	2,152	-55	-55	82
Losses from disposal of investments	1,418	813	58	321	6	78	53
Interest expenses	10,439	665	31	977	627	51	154
Personnel provisions	1,339	0	0	0	0	0	0
Interest expenses for liabilities to financial institutions	12	0	0	0	0	0	0
Interest expenses for liabilities from public funding	568	0	0	0	0	0	2
Interest expenses for subordinate liabilities	5,027	253	0	128	265	45	131
Other interest expenses	3,493	412	31	849	362	6	21
Other expenses	15,937	1,699	196	860	512	135	253
Managed Portfolio Fees	1,051	740	30	328	153	0	59
Asset management expenses	12,908	645	157	532	331	129	194
Other expenses	1,978	314	9	0	28	6	0
Total expenses	47,828	6,850	981	4,945	1,411	624	542

Composition

1.1.-31.3.2017

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Current income	5,748	3,110	9,578	4,939	84,764	-13,430	339,266
Income from appreciation	247	121	655	2	90	0	7,180
of which a reduction in impairment	0	0	617	0	0	0	617
Gains from disposal of investments	331	22	1,040	821	5,332	0	44,811
Total income	6,326	3,253	11,273	5,762	90,186	-13,430	391,257
Depreciation of investment	419	183	367	129	34,132	0	59,675
of which impairment of investments	0	0	74	0	6,000	0	6,860
F/X differences	93	295	2,575	0	-4,031	0	2,385
Losses from disposal of investments	210	45	151	20	0	0	3,173
Interest expenses	87	276	176	119	27,435	-13,276	27,761
Personnel provisions	0	0	0	0	155	0	1,494
Interest expenses for liabilities to financial institutions	0	0	0	0	3,485	0	3,497
Interest expenses for liabilities from public funding	36	23	19	0	11,539	-6,959	5,228
Interest expenses for subordinate liabilities	40	0	40	0	10,848	-4,235	12,542
Other interest expenses	11	253	117	119	1,408	-2,082	5,000
Other expenses	3,080	335	483	201	38,667	0	62,358
Managed Portfolio Fees	38	3	0	0	40	0	2,442
Asset management expenses	2,977	87	393	162	37,599	0	56,114
Other expenses	65	245	90	39	1,028	0	3,802
Total expenses	3,889	1,134	3,752	469	96,203	-13,276	155,352

Composition	1.1.-31.3.2016						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Current income	191,212	31,638	11,163	7,321	3,435	1,325	2,294
Income from appreciation	2,173	1,364	393	1,883	224	387	0
of which a reduction in impairment	0	0	0	0	0	0	0
Gains from disposal of investments	17,645	6,005	624	2,122	1,044	89	562
Total income	211,030	39,007	12,180	11,326	4,703	1,801	2,856
Depreciation of investment	9,852	1,744	574	853	308	404	0
of which impairment of investments	170	0	0	0	0	0	0
F/X differences	455	1,497	11	-62	361	0	343
Losses from disposal of investments	168	10,742	1	95	50	62	23
Interest expenses	9,574	909	107	752	625	70	178
Personnel provisions	1,723	0	0	0	0	0	0
Interest expenses for liabilities to financial institutions	14	0	0	0	0	0	0
Interest expenses for liabilities from public funding	538	0	0	0	0	0	0
Interest expenses for subordinate liabilities	5,106	256	0	193	267	46	131
Other interest expenses	2,193	653	107	559	358	24	47
Other expenses	18,669	3,077	272	781	447	80	216
Other expenses	18,669	3,077	272	781	447	80	216
Total expenses	38,718	17,969	965	2,419	1,791	616	760

Composition

1.1.-31.3.2016

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Current income	5,494	2,106	9,796	4,976	21,316	-14,592	277,484
Income from appreciation	294	904	62	0	0	0	7,684
of which a reduction in impairment	0	0	1	0	0	0	1
Gains from disposal of investments	344	99	1,790	3	1	0	30,328
Total income	6,132	3,109	11,648	4,979	21,317	-14,592	315,496
Depreciation of investment	434	720	580	324	2,494	0	18,287
of which impairment of investments	92	0	271	198	0	0	731
F/X differences	183	-92	632	0	-590	0	2,738
Losses from disposal of investments	306	174	49	0	1,020	0	12,690
Interest expenses	64	245	503	144	21,171	-14,624	19,718
Personnel provisions	0	0	0	0	199	0	1,922
Interest expenses for liabilities to financial institutions	0	0	0	0	1,191	0	1,205
Interest expenses for liabilities from public funding	0	65	20	0	6,149	-6,264	508
Interest expenses for subordinate liabilities	0	0	40	0	13,616	-4,281	15,374
Other interest expenses	64	180	443	144	16	-4,079	709
Other expenses	2,352	393	477	169	20,715	0	47,648
Other expenses	2,352	393	477	169	20,715	0	47,648
Total expenses	3,339	1,440	2,241	637	44,810	-14,624	101,081

10. OTHER INCOME

Composition

1.1.-31.3.2017

1.1.-31.3.2016

Other income	1.1.-31.3.2017			1.1.-31.3.2016		
	Underwriting	Non-underwriting	Total	Underwriting	Non-underwriting	Total
in EUR '000						
Austria	2,927	2,467	5,394	2,792	1,877	4,669
Czech Republic	11,600	555	12,155	11,018	911	11,929
Slovakia	2,021	246	2,267	3,944	109	4,053
Poland	501	2,194	2,695	296	1,708	2,004
Romania	1,570	363	1,933	1,459	1,071	2,530
Baltic states	94	139	233	25	136	161
Hungary	280	149	429	336	227	563
Bulgaria	115	9	124	159	10	169
Turkey/Georgia	106	1,350	1,456	174	449	623
Remaining CEE	1,223	212	1,435	1,191	281	1,472
Other Markets	950	50	1,000	5,893	10	5,903
Central Functions	13	389	402	42	2,826	2,868
Consolidation	-6	0	-6	-12	0	-12
Total	21,394	8,123	29,517	27,317	9,615	36,932

11. EXPENSES FOR CLAIMS AND INSURANCE BENEFITS

Composition	1.1.-31.3.2017						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Gross							
Expenses for claims and insurance benefits	818,581	238,333	129,892	139,430	94,965	42,793	34,810
Payments for claims and insurance benefits	840,766	254,102	137,817	139,943	92,001	40,519	36,879
Changes in provision for outstanding claims	-22,185	-15,769	-7,925	-513	2,964	2,274	-2,069
Change in mathematical reserve	-5,798	-11,926	14,383	19,421	-2,897	6,337	-4,533
Change in other underwriting provisions	0	0	0	-265	0	0	-152
Expenses for profit-related and profit-unrelated premium refunds	50,136	4,373	-795	165	-77	0	222
Total expenses	862,919	230,780	143,480	158,751	91,991	49,130	30,347
Reinsurers' share							
Expenses for claims and insurance benefits	-82,583	-36,045	-14,249	-22,824	-21,256	-8,280	-2,746
Payments for claims and insurance benefits	-77,919	-44,971	-20,884	-22,720	-19,502	-6,202	-3,402
Changes in provision for outstanding claims	-4,664	8,926	6,635	-104	-1,754	-2,078	656
Change in mathematical reserve	44,910	0	0	10	60	0	0
Change in other underwriting provisions	0	0	0	0	0	0	-188
Expenses for profit-unrelated premium refunds	-393	-1,969	0	0	0	0	19
Total expenses	-38,066	-38,014	-14,249	-22,814	-21,196	-8,280	-2,915
Retention							
Expenses for claims and insurance benefits	735,998	202,288	115,643	116,606	73,709	34,513	32,064
Payments for claims and insurance benefits	762,847	209,131	116,933	117,223	72,499	34,317	33,477
Changes in provision for outstanding claims	-26,849	-6,843	-1,290	-617	1,210	196	-1,413
Change in mathematical reserve	39,112	-11,926	14,383	19,431	-2,837	6,337	-4,533
Change in other underwriting provisions	0	0	0	-265	0	0	-340
Expenses for profit-related and profit-unrelated premium refunds	49,743	2,404	-795	165	-77	0	241
Total expenses	824,853	192,766	129,231	135,937	70,795	40,850	27,432

Composition

1.1.-31.3.2017

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Gross							
Expenses for claims and insurance benefits	16,037	33,455	41,161	33,281	234,715	-168,654	1,688,799
Payments for claims and insurance benefits	18,949	24,071	40,771	30,711	190,318	-170,473	1,676,374
Changes in provision for outstanding claims	-2,912	9,384	390	2,570	44,397	1,819	12,425
Change in mathematical reserve	3,912	0	10,223	7,482	-530	-24	36,050
Change in other underwriting provisions	0	-53	10	0	0	0	-460
Expenses for profit-related and profit-unrelated premium refunds	-71	0	-182	1,444	0	0	55,215
Total expenses	19,878	33,402	51,212	42,207	234,185	-168,678	1,779,604
Reinsurers' share							
Expenses for claims and insurance benefits	-2,397	-12,964	-12,346	-2,997	-30,213	167,195	-81,705
Payments for claims and insurance benefits	-4,719	-7,266	-10,784	-2,932	-13,810	169,836	-65,275
Changes in provision for outstanding claims	2,322	-5,698	-1,562	-65	-16,403	-2,641	-16,430
Change in mathematical reserve	1	0	617	512	-99	23	46,034
Change in other underwriting provisions	0	17	0	0	0	0	-171
Expenses for profit-unrelated premium refunds	0	0	0	0	0	0	-2,343
Total expenses	-2,396	-12,947	-11,729	-2,485	-30,312	167,218	-38,185
Retention							
Expenses for claims and insurance benefits	13,640	20,491	28,815	30,284	204,502	-1,459	1,607,094
Payments for claims and insurance benefits	14,230	16,805	29,987	27,779	176,508	-637	1,611,099
Changes in provision for outstanding claims	-590	3,686	-1,172	2,505	27,994	-822	-4,005
Change in mathematical reserve	3,913	0	10,840	7,994	-629	-1	82,084
Change in other underwriting provisions	0	-36	10	0	0	0	-631
Expenses for profit-related and profit-unrelated premium refunds	-71	0	-182	1,444	0	0	52,872
Total expenses	17,482	20,455	39,483	39,722	203,873	-1,460	1,741,419

Composition	1.1.-31.3.2016						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Gross							
Expenses for claims and insurance benefits	827,595	238,153	128,372	129,161	73,230	17,289	29,207
Payments for claims and insurance benefits	820,295	232,353	120,310	130,594	58,842	13,213	32,756
Changes in provision for outstanding claims	7,300	5,800	8,062	-1,433	14,388	4,076	-3,549
Change in mathematical reserve	154,141	-12,910	1,450	32,901	2,272	9,453	-3,194
Change in other underwriting provisions	0	0	0	64	0	0	-1,311
Expenses for profit-related and profit-unrelated premium refunds	9,936	6,768	531	125	-19	0	1,054
Total expenses	991,672	232,011	130,353	162,251	75,483	26,742	25,756
Reinsurers' share							
Expenses for claims and insurance benefits	-117,700	-51,759	-22,700	-26,344	-20,727	-4,041	-207
Payments for claims and insurance benefits	-68,013	-44,461	-14,817	-22,358	-17,731	-1,580	-3,849
Changes in provision for outstanding claims	-49,687	-7,298	-7,883	-3,986	-2,996	-2,461	3,642
Change in mathematical reserve	-80	8	0	11	0	0	0
Change in other underwriting provisions	0	0	0	0	0	0	-253
Expenses for profit-unrelated premium refunds	-175	87	0	0	0	0	78
Total expenses	-117,955	-51,664	-22,700	-26,333	-20,727	-4,041	-382
Retention							
Expenses for claims and insurance benefits	709,895	186,394	105,672	102,817	52,503	13,248	29,000
Payments for claims and insurance benefits	752,282	187,892	105,493	108,236	41,111	11,633	28,907
Changes in provision for outstanding claims	-42,387	-1,498	179	-5,419	11,392	1,615	93
Change in mathematical reserve	154,061	-12,902	1,450	32,912	2,272	9,453	-3,194
Change in other underwriting provisions	0	0	0	64	0	0	-1,564
Expenses for profit-related and profit-unrelated premium refunds	9,761	6,855	531	125	-19	0	1,132
Total expenses	873,717	180,347	107,653	135,918	54,756	22,701	25,374

Composition

1.1.-31.3.2016

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Gross							
Expenses for claims and insurance benefits	17,395	25,255	40,650	36,838	234,550	-178,704	1,618,991
Payments for claims and insurance benefits	15,051	23,456	35,093	36,691	170,761	-152,713	1,536,702
Changes in provision for outstanding claims	2,344	1,799	5,557	147	63,789	-25,991	82,289
Change in mathematical reserve	3,904	0	8,399	49,531	318	-233	246,032
Change in other underwriting provisions	0	407	382	0	0	0	-458
Expenses for profit-related and profit-unrelated premium refunds	103	0	-187	1,361	5	0	19,677
Total expenses	21,402	25,662	49,244	87,730	234,873	-178,937	1,884,242
Reinsurers' share							
Expenses for claims and insurance benefits	-4,132	-7,082	-11,688	-1,620	-44,497	178,197	-134,300
Payments for claims and insurance benefits	-2,167	-6,804	-7,709	-3,422	-11,776	149,747	-54,940
Changes in provision for outstanding claims	-1,965	-278	-3,979	1,802	-32,721	28,450	-79,360
Change in mathematical reserve	0	0	276	557	5	230	1,007
Change in other underwriting provisions	0	-132	0	0	0	0	-385
Expenses for profit-unrelated premium refunds	0	0	0	0	0	0	-10
Total expenses	-4,132	-7,214	-11,412	-1,063	-44,492	178,427	-133,688
Retention							
Expenses for claims and insurance benefits	13,263	18,173	28,962	35,218	190,053	-507	1,484,691
Payments for claims and insurance benefits	12,884	16,652	27,384	33,269	158,985	-2,966	1,481,762
Changes in provision for outstanding claims	379	1,521	1,578	1,949	31,068	2,459	2,929
Change in mathematical reserve	3,904	0	8,675	50,088	323	-3	247,039
Change in other underwriting provisions	0	275	382	0	0	0	-843
Expenses for profit-related and profit-unrelated premium refunds	103	0	-187	1,361	5	0	19,667
Total expenses	17,270	18,448	37,832	86,667	190,381	-510	1,750,554

12. ACQUISITION AND ADMINISTRATIVE EXPENSES

Composition	1.1.-31.3.2017						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Acquisition expenses	186,311	103,617	29,477	37,086	24,173	13,616	10,144
Commission expenses	123,571	74,319	22,931	31,426	17,140	9,842	8,219
Pro rata personnel expenses	33,119	17,226	3,188	3,869	4,330	2,717	1,016
Pro rata material expenses	29,621	12,072	3,358	1,791	2,703	1,057	909
Administrative expenses	40,567	15,208	5,925	9,579	4,411	5,194	4,288
Pro rata personnel expenses	17,548	6,644	2,617	5,153	2,006	3,346	1,749
Pro rata material expenses	23,019	8,564	3,308	4,426	2,405	1,848	2,539
Received reinsurance commissions	-43,178	-30,744	-9,677	-9,428	-5,493	-1,532	-5,255
Total	183,700	88,081	25,725	37,237	23,091	17,278	9,177

Composition	1.1.-31.3.2017						
	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Acquisition expenses	9,641	7,840	20,626	9,994	97,603	-84,257	465,871
Commission expenses	7,738	5,867	13,064	8,705	96,160	-84,257	334,725
Pro rata personnel expenses	1,178	1,257	4,465	665	848	0	73,878
Pro rata material expenses	725	716	3,097	624	595	0	57,268
Administrative expenses	1,291	3,295	7,391	2,492	1,025	0	100,666
Pro rata personnel expenses	619	2,216	3,334	1,297	49	0	46,578
Pro rata material expenses	672	1,079	4,057	1,195	976	0	54,088
Received reinsurance commissions	-1,276	-6,478	-7,065	-6,381	-9,049	87,248	-48,308
Total	9,656	4,657	20,952	6,105	89,579	2,991	518,229

Composition	1.1.-31.3.2016						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Acquisition expenses	186,144	101,730	28,371	37,608	28,423	6,428	8,970
Commission expenses	123,591	71,090	22,215	31,577	21,991	5,521	6,942
Pro rata personnel expenses	33,458	18,838	2,735	3,905	3,874	487	949
Pro rata material expenses	29,095	11,802	3,421	2,126	2,558	420	1,079
Administrative expenses	41,062	12,202	7,069	9,061	3,659	2,020	3,902
Pro rata personnel expenses	17,507	5,007	2,471	5,080	1,558	1,249	1,664
Pro rata material expenses	23,555	7,195	4,598	3,981	2,101	771	2,238
Received reinsurance commissions	-44,164	-25,745	-8,056	-8,993	-5,682	-551	-4,029
Total	183,042	88,187	27,384	37,676	26,400	7,897	8,843

Composition

1.1.-31.3.2016

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Acquisition expenses	8,120	8,547	18,281	9,385	89,812	-83,131	448,688
Commission expenses	6,348	6,298	11,050	8,047	89,155	-83,131	320,694
Pro rata personnel expenses	1,041	1,295	4,333	655	263	0	71,833
Pro rata material expenses	731	954	2,898	683	394	0	56,161
Administrative expenses	1,163	2,480	7,181	2,498	851	0	93,148
Pro rata personnel expenses	521	1,662	3,221	1,243	262	0	41,445
Pro rata material expenses	642	818	3,960	1,255	589	0	51,703
Received reinsurance commissions	-2,729	-6,601	-6,625	-7,285	-5,834	86,746	-39,548
Total	6,554	4,426	18,837	4,598	84,829	3,615	502,288

13. OTHER EXPENSES

Composition

1.1.-31.3.2017

1.1.-31.3.2016 adjusted

Other expenses	1.1.-31.3.2017			1.1.-31.3.2016 adjusted		
	Underwriting	Non-underwriting	Total	Underwriting	Non-underwriting	Total
in EUR '000						
Austria	2,476	2,160	4,636	3,657	2,782	6,439
Czech Republic	9,774	716	10,490	7,364	686	8,050
Slovakia	6,220	5	6,225	8,273	11	8,284
Poland	1,311	2,831	4,142	1,576	2,370	3,946
Romania	6,181	460	6,641	6,542	330	6,872
Baltic states	1,593	1,222	2,815	705	358	1,063
Hungary	2,019	777	2,796	1,891	895	2,786
Bulgaria	1,934	710	2,644	2,915	190	3,105
Turkey/Georgia	574	486	1,060	330	669	999
Remaining CEE	2,438	1,347	3,785	3,056	2,315	5,371
Other Markets	8,143	211	8,354	6,333	183	6,516
Central Functions	424	6,287	6,711	90	3,146	3,236
Consolidation	-133	661	528	-14	-247	-261
Total	42,954	17,873	60,827	42,718	13,688	56,406

ADDITIONAL DISCLOSURES

14. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT HIERARCHY

Information on the nature and extent of risks arising from financial instruments is provided in the section titled “Financial instruments and risk management” in the Group Annual Report for 2016 starting on page 144.

Fair value and book value of financial instruments and other investments

The table below shows the book values and fair values of holdings of financial instruments and other investments:

Fair values and book values of financial instruments and other in EUR '000	31.3.2017				Fair value
	Book value	Level 1	Level 2	Level 3	
Land and buildings¹	5,601,816	0	68,025	6,628,537	6,696,562
Self-used land and buildings	425,888	0	36,743	608,748	645,491
Investment properties	5,175,928	0	31,282	6,019,789	6,051,071
thereof non-profit societies	3,559,315				3,559,315
Shares in at equity consolidated companies	274,965				
Loans	2,704,657	277,808	2,763,841	40,718	3,082,367
Loans	1,414,234	0	1,530,141	16,740	1,546,881
Reclassified loans	267,663	163,022	154,769	0	317,791
Bonds classified as loans	1,022,760	114,786	1,078,931	23,978	1,217,695
Other securities	25,399,834	22,419,915	3,225,568	296,323	25,941,806
Financial instruments held to maturity	2,363,578	2,342,461	395,625	10,085	2,748,171
Financial instruments reclassified as held to maturity	736,003	836,905	56,477	0	893,382
Financial instruments available for sale	21,909,746	19,039,339	2,631,006	239,401	21,909,746
Held for trading	106,140	75,007	5,250	25,883	106,140
Financial instruments recognised at fair value through profit and loss	284,367	126,203	137,210	20,954	284,367
Other investments	687,517				
Investments for unit-linked and index-linked life insurance	8,779,793	8,779,793	0	0	8,779,793
Subordinated liabilities	1,016,558	0	1,057,061	20,743	1,077,804
Liabilities to financial institutions	1,295,439				1,295,439
thereof non-profit societies	1,033,495				1,033,495
Liabilities from funding of housing projects	1,442,358				1,442,358
thereof non-profit societies	1,361,626				1,361,626
Liabilities for derivatives²	9,090	0	9,030	60	9,090

¹ The market values are derived from internal and external expert reports.

² Included in Other liabilities

Fair values and book values of
financial instruments and other

31.12.2016

	Book value	Level 1	Level 2	Level 3	Fair value
in EUR '000					
Land and buildings ¹	5,601,623	0	70,499	6,619,470	6,689,969
Self-used land and buildings	429,484	0	37,400	610,665	648,065
Investment properties	5,172,139	0	33,099	6,008,805	6,041,904
thereof non-profit societies	3,562,729				3,562,729
Shares in at equity consolidated companies	269,699				
Loans	2,777,645	424,847	2,721,444	37,635	3,183,926
Loans	1,397,395	0	1,529,603	15,233	1,544,836
Reclassified loans	339,591	238,555	159,290	0	397,845
Bonds classified as loans	1,040,659	186,292	1,032,551	22,402	1,241,245
Other securities	25,378,360	22,532,287	3,174,206	326,828	26,033,321
Financial instruments held to maturity	2,330,071	2,466,364	321,614	9,702	2,797,680
Financial instruments reclassified as held to maturity	735,751	865,916	57,187	0	923,103
Financial instruments available for sale	21,851,248	18,943,142	2,650,989	257,117	21,851,248
Held for trading	131,400	81,041	6,778	43,581	131,400
Financial instruments recognised at fair value through profit and loss	329,890	175,824	137,638	16,428	329,890
Other investments	618,929				
Investments for unit-linked and index-linked life insurance	8,549,580	8,549,580	0	0	8,549,580
Subordinated liabilities	1,265,009	0	1,277,003	20,807	1,297,810
Liabilities to financial institutions	1,304,901				1,304,901
thereof non-profit societies	1,065,466				1,065,466
Liabilities from funding of housing projects	1,470,177				1,470,177
thereof non-profit societies	1,374,064				1,374,064
Liabilities for derivatives ²	9,809	0	9,809	0	9,809

¹ The market values are derived from internal and external expert reports.

² Included in Other liabilities

Book value was generally used for the fair value of the financial liabilities (except for subordinated liabilities), which were primarily due to the non-profit societies, as no market exists for property subject to the Austrian Non-Profit Housing Act (WGG). The fair value for derivative financial instruments equals the book value reported in the balance sheet.

Measurement process

For information on the measurement process, please see Note 36 "Financial instruments and fair value measurement hierarchy" in the Group Annual Report for 2016 starting on page 233.

Reclassification of financial instruments

Reclassifications were performed based on the criteria and time points indicated in Note 36 “Financial instruments and fair value measurement hierarchy” in the Group Annual Report for 2016 starting on page 235.

Reclassification of financial instruments	31.3.2017				
	between Level 1 and Level 2	Level 3 to Level 1	Level 1 to Level 3	Level 3 to Level 2	Level 2 to Level 3
Quantity					
Financial instruments available for sale	7	3	5	4	4
Financial instruments recognised at fair value through profit and loss	1	0	0	0	0
Total	8	3	5	4	4

The reclassifications between Level 1 and Level 2 are primarily due to changes in liquidity, trading frequency and trading activity. Reclassifications between Level 2 and Level 3 and from Level 1 to Level 3 also took place based on the availability or non-availability of prices or comparable financial instruments used for measurement. The reclassification from Level 3 to Level 1 in the financial instruments available for sale category is mainly due to Bloomberg prices that are now available.

Reclassification of financial instruments	31.12.2016				
	between Level 1 and Level 2	Level 3 to Level 1	Level 1 to Level 3	Level 3 to Level 2	Level 2 to Level 3
Quantity					
Financial instruments available for sale	42	1	0	5	106
Financial instruments recognised at fair value through profit and loss	3	0	0	0	0
Held for trading	4	0	0	0	0
Liabilities for derivatives*	0	0	0	5	0
Total	49	1	0	10	106

* Included in other liabilities

Reclassifications between Level 1 and Level 2 in the comparative period were primarily due to changes in liquidity, trading frequency and trading activity, but also resulted from a harmonisation of measurement hierarchies due to the introduction of Solvency II, and consolidation effects between the measurement hierarchies. The harmonisation of hierarchies due to the introduction of Solvency II also led to reclassifications between Level 3 and Level 2 in the financial instruments available for sale and derivative liabilities categories. The reclassification from level 3 to level 1 in the financial instruments available for sale category was due to consolidation effects.

Fair-Value-Hierarchie zum Zeitwert bewerteten Finanzinstrumenten

Valuation hierarchy	Level 1		Level 2		Level 3	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016	31.3.2017	31.12.2016
Financial instruments measured at fair value						
in EUR '000						
Financial assets						
Financial instruments available for sale	19,039,339	18,943,142	2,631,006	2,650,989	239,401	257,117
Bonds	16,762,874	16,715,094	2,486,074	2,505,492	52,041	54,997
Shares and other participations	446,575	441,393	95,964	95,101	187,360	202,120
Investment funds	1,829,890	1,786,655	48,968	50,396	0	0
Held for trading	75,007	81,041	5,250	6,778	25,883	43,581
Bonds	17,612	14,901	1,500	3,058	1,985	2,499
Shares and other non-fixed-interest securities	24,568	21,111	52	52	0	0
Investment funds	32,787	44,997	869	837	0	0
Derivatives	40	32	2,829	2,831	23,898	41,082
Financial instruments recognised at fair value through profit and loss	126,203	175,824	137,210	137,638	20,954	16,428
Bonds	102,183	149,359	120,229	121,071	19,763	15,253
Shares and other non-fixed-interest securities	116	112	16,981	16,567	0	0
Investment funds	23,904	26,353	0	0	1,191	1,175
Investments for unit-linked and index-linked life insurance	8,779,793	8,549,580	0	0	0	0
Financial liabilities						
Liabilities for derivatives*	0	0	9,030	9,809	60	0

* Included in Other liabilities

The unrealised effect on the result (net profit or loss) from Level 3 financial instruments that are still in the portfolio and whose fair value is recognised in the income statement was EUR -9,842 during the reporting year (EUR 1,377).

Unobservable input factors

Asset class	Measurement methods	Unobservable input factors	Range
Real estate	Market value	Capitalisation rate	1.5%–7.5%
		Rental income	3,000 EUR–3,703,000 EUR
		Land prices	0 EUR–5,000 EUR
	Discounted Cash Flow	Capitalisation rate	4.00%–9.75%
		Rental income	130,000 EUR–4,263,000 EUR

Sensitivities

With respect to the value of shares measured using a level 3 method (multiples approach), the Group assumes that alternative inputs and alternative methods do not lead to significant changes in value.

The following sensitivities were calculated for the derivative with the most material fair value: a 50 bps increase in the discount rate leads to a 32% increase in option value; a 50 bps decrease leads to a 39% drop in option value. The changes would have an effect on the income statement.

Due to a lack of available data, no sensitivity analysis information can be provided for the other securities whose fair value in level 3 has been determined by independent third parties.

The following sensitivities result from calculations using the Solvency II partial internal model:

sensitivities – real estate	Fair value
in EUR million	
Fair value at 31.3.2017	2,451.70
rental income -5%	2,370.65
rental income +5%	2,535.70
Capitalisation rate -50bps	2,574.71
Capitalisation rate +50bps	2,347.82
Land prices -5%	2,419.81
Land prices +5%	2,485.76

Since real estate is measured at cost in the VIG balance sheet, negative sensitivities would only affect the income statement if property value fell below book value. Other comprehensive income was therefore unaffected.

Carry-over of assets and liabilities/financial assets and liabilities

Development of financial instruments by level	Financial instruments available for sale					
	31.3.2017			31.12.2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
in EUR '000						
Book value as of 31.12. of the previous year	18,943,142	2,650,989	257,117	17,750,295	2,763,552	135,634
Exchange rate changes	19,792	915	635	-11,312	1,742	-847
Book value as of 1.1.	18,962,934	2,651,904	257,752	17,738,983	2,765,294	134,787
Reclassification between securities categories	7,387	0	0	12,076	-230	-660
Reclassification to Level	8,493	51,511	10,493	194,727	172,035	117,274
Reclassification from Level	-51,265	-5,686	-13,546	-125,383	-309,054	-49,599
Additions	1,084,916	123,335	2,454	3,644,530	167,319	75,989
Disposals	-858,987	-190,943	-17,188	-2,855,790	-360,741	-17,799
Change in scope of consolidation	0	0	0	-123,407	129,673	-2,389
Changes in value recognised in profit and loss	0	0	0	648	20,019	153
Changes recognised directly in equity	-114,139	1,400	-293	462,928	75,143	8,873
Impairments	0	-515	-271	-6,170	-8,469	-9,512
Book value as of 31.3. or 31.12.	19,039,339	2,631,006	239,401	18,943,142	2,650,989	257,117

Development of financial instruments by level

	Held for trading					
	31.3.2017			31.12.2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
in EUR '000						
Book value as of 31.12. of the previous year	81,041	6,778	43,581	117,560	1,955	51,895
Exchange rate changes	1,576	501	-3	-3,238	469	0
Book value as of 1.1.	82,617	7,279	43,578	114,322	2,424	51,895
Reclassification between securities categories	-652	0	0	-14	0	0
Reclassification to Level	0	0	0	0	8,647	0
Reclassification from Level	0	0	0	-8,647	0	0
Additions	12,903	388	376	99,314	1,195	2,581
Disposals	-22,367	-2,591	-8,090	-125,886	-5,572	-4,161
Changes in value recognised in profit and loss	2,506	174	-9,981	1,952	84	-6,734
Changes recognised directly in equity	0	0	0	0	0	0
Book value as of 31.3. or 31.12.	75,007	5,250	25,883	81,041	6,778	43,581

Development of financial instruments by level

	Financial instruments recognised at fair value through profit and loss					
	31.3.2017			31.12.2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
in EUR '000						
Book value as of 31.12. of the previous year	175,824	137,638	16,428	54,331	160,142	14,901
Exchange rate changes	3	-8	-2	20	3	1
Book value as of 1.1.	175,827	137,630	16,426	54,351	160,145	14,902
Reclassification between securities categories	-19	0	0	11,273	0	0
Reclassification to Level	0	4,913	0	17,255	0	0
Reclassification from Level	-4,913	0	0	0	-17,255	0
Additions	15,926	2,359	4,602	70,131	127,327	2,342
Disposals	-60,531	-9,124	-139	-86,286	-138,338	-1,291
Change in scope of consolidation	0	0	0	108,887	2,214	0
Changes in value recognised in profit and loss	-87	1,432	65	213	3,545	475
Changes recognised directly in equity	0	0	0	0	0	0
Book value as of 31.3. or 31.12.	126,203	137,210	20,954	175,824	137,638	16,428

Please refer to Note 9 "Financial result" on page 32 for information on the effects of changes in value recognised in profit and loss.

Development of financial instruments assigned to Level 3

	Subordinated liabilities		Liabilities for derivatives*	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016
in EUR '000				
Book value as of 31.12. of the previous year	20,807	20,761	0	41
F/X differences	-7	83	0	0
Book value as of 1.1.	20,800	20,844	0	41
Reclassification from Level 3	0	0	0	-41
Additions	0	98	60	0
Changes in value recognised in profit and loss	-57	-135	0	0
Book value as of 31.3. or 31.12.	20,743	20,807	60	0

* Included in Other liabilities

15. NUMBER OF EMPLOYEES

Employee statistics	31.3.2017	31.12.2016
Quantity		
Austria	5,155	5,170
Field staff	2,783	2,787
Office staff	2,372	2,383
Czech Republic	4,796	4,762
Field staff	2,988	2,949
Office staff	1,808	1,813
Slovakia	1,746	1,678
Field staff	880	826
Office staff	866	852
Poland	1,574	1,586
Field staff	764	784
Office staff	810	802
Romania	1,956	1,991
Field staff	1,181	1,187
Office staff	775	804
Baltic states	1,317	1,281
Field staff	642	622
Office staff	675	659
Hungary	466	464
Field staff	35	36
Office staff	431	428
Bulgaria	860	834
Field staff	289	285
Office staff	571	549
Turkey/Georgia	937	888
Field staff	532	480
Office staff	405	408
Remaining CEE	4,710	4,720
Field staff	3,294	3,301
Office staff	1,416	1,419
Other Markets	128	126
Field staff	7	7
Office staff	121	119
Central Functions	1,135	1,101
Office staff	1,135	1,101
Total	24,780	24,601
thereof field staff	13,395	13,264
thereof office staff	11,385	11,337

The employee figures shown are average values based on full-time equivalents.

The Central Functions segment includes 674 employees (31 December 2016: 664) in the non-profit societies.

16. RELATED PARTY TRANSACTIONS

These mainly concern minor reinsurance relationships between companies in the Group, financing at market terms, chiefly in the real estate area, and intercompany charges. These transactions, however, have no material effect on the performance of the Company. No loans or guarantees were granted to the members of the Managing Board or Supervisory Board during the reporting period.

17. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Subordinated bond placement

A EUR 200 million subordinated bond was privately placed with international institutional investors on 6 April 2017. The subordinated bond can be called by VIG after 10 years and satisfies the tier 2 requirements under Solvency II. Inclusion for trading in the Third Market of the Vienna Stock Exchange will take place on 13 April 2017.

Additional disclosures in accordance with the Austrian Insurance Supervision Act (VAG)

VIG EXPENSES FOR PROFIT-RELATED PREMIUM REFUNDS

VIG had EUR 47,156,000 in expenses for profit-related premium refunds incl. policy holder profit participation (EUR 8,550,000).

BUSINESS DEVELOPMENT BY BALANCE SHEET UNIT

	1.1.-31.3.2017				1.1.-31.3.2016			
	Property/ Casualty	Life	Health	Total	Property/ Casualty adjusted	Life	Health	Total adjusted
in EUR '000								
Overall result for direct business	97,913	87,045	10,895	195,853	51,392	60,587	10,311	122,290
Gross direct premiums written	1,581,577	965,463	119,848	2,666,888	1,518,585	1,039,526	105,575	2,663,686
Gross direct¹	149,120	136,468	10,948	296,536	51,061	64,311	10,323	125,695
Underwriting result ²	116,436			116,436	42,390			42,390
Financial result ²	32,684			32,684	8,671			8,671
Direct reinsurance cessions	-51,207	-49,423	-53	-100,683	331	-3,724	-12	-3,405
Overall result for indirect business	-30,235	891	20	-29,324	-20,143	40	20	-20,083
Gross indirect premiums written	47,901	4,757	25	52,683	37,955	4,093	25	42,073
Gross indirect	-21,622	1,531	20	-20,071	-10,281	223	20	-10,038
Indirect reinsurance cessions	-8,613	-640	0	-9,253	-9,862	-183	0	-10,045
Overall result for direct and indirect retention	67,678	87,936	10,915	166,529	31,249	60,627	10,331	102,207
Other non-underwriting income and expenses	-8,427	-1,357	34	-9,750	-1,573	-2,348	-152	-4,073
Expenses for profit related premium refunds	0	-47,159	0	-47,159	0	-8,550	0	-8,550
Result before taxes	59,251	39,420	10,949	109,620	29,676	49,729	10,179	89,584
Tax expenses/income	-13,988	-6,091	-1,927	-22,006	-13,447	-5,281	-2,212	-20,940
Result of the period	45,263	33,329	9,022	87,614	16,229	44,448	7,967	68,644

¹ Includes commissions of EUR 319,290,000 (EUR 310,945,000) for direct insurance business.

² A breakdown of the underwriting result was only performed for property and casualty insurance. Due to immateriality, investments were not transferred to the underwriting account in property and casualty insurance. Investment results were transferred in full to the underwriting account for the life insurance and health business.

GROSS PREMIUMS WRITTEN BY BALANCE SHEET UNIT

Property and Casualty insurance*	1.1.-31.3.2017	1.1.-31.3.2016
in EUR '000		
Direct business	1,581,577	1,518,585
Casualty insurance	101,338	98,612
Health insurance	17,044	14,464
Land vehicle own-damage insurance	284,373	256,991
Rail vehicle own-damage	673	389
Aircraft own-damage insurance	3,122	3,454
Sea, lake and river shipping own-damage insurance	2,637	2,024
Transport insurance	17,559	17,426
Fire explosion and other natural risks	358,085	333,807
Other property	147,227	146,946
Liability insurance for land vehicles having their own drive train	368,522	370,817
Carrier insurance	5,010	4,124
Aircraft liability insurance	2,467	2,367
Sea, lake and river shipping liability insurance	771	491
General liability insurance	174,491	172,850
Credit insurance	912	407
Guarantee insurance	9,005	6,591
Insurance for miscellaneous financial losses	54,860	54,602
Legal expenses insurance	16,578	16,110
Assistance insurance, travel health insurance	16,903	16,113
Indirect business	47,901	37,955
Marine, aviation and transport insurance	2,957	3,095
Other insurance	39,883	33,617
Health insurance	5,061	1,243
Total	1,629,478	1,556,540

* Including effects from consolidation

Life insurance*	1.1.-31.3.2017	1.1.-31.3.2016
in EUR '000		
Regular premium products - direct business	668,101	657,687
Single-premium products - direct business	297,362	381,839
Direct business	965,463	1,039,526
thereof policies with profit participation	436,813	479,943
thereof policies without profit participation	112,466	114,389
thereof unit-linked life insurance portfolio	407,856	433,420
thereof index-linked life insurance portfolio	8,328	11,774
Indirect business	4,757	4,093
Total	970,220	1,043,619

* Including effects from consolidation

Health insurance*	1.1.-31.3.2017	1.1.-31.3.2016
in EUR '000		
Direct business	119,848	105,575
Indirect business	25	25
Total	119,873	105,600

* Including effects from consolidation

GROSS PREMIUMS WRITTEN BY COUNTRY AND BALANCE SHEET UNIT

Composition	1.1.-31.3.2017	1.1.-31.3.2016
in EUR '000		
Property and Casualty insurance	1,629,478	1,556,540
Austria	696,133	723,524
Czech Republic	270,771	250,751
Slovakia	109,062	105,320
Poland	122,386	109,123
Romania	99,098	125,978
Turkey	51,150	46,759
Other states	280,878	195,085
Life insurance	970,220	1,043,619
Austria	457,756	523,338
Czech Republic	156,695	155,868
Slovakia	99,757	84,399
Poland	90,957	97,886
Hungary	31,239	28,646
Liechtenstein	17,174	57,486
Other states	116,642	95,996
Health insurance	119,873	105,600
Austria	103,359	100,832
Georgia	11,549	4,768
Other states	4,965	0
Total	2,719,571	2,705,759

OPERATING RESULT FOR DIRECT AND INDIRECT RETENTION BY COUNTRY AND BALANCE SHEET UNIT

	1.1.-31.3.2017	1.1.-31.3.2016 adjusted
in EUR '000		
Property and Casualty insurance	67,678	31,249
Austria	28,936	25,826
Czech Republic	33,683	27,440
Slovakia	9,515	2,173
Poland	7,604	2,802
Romania	6,320	-540
Turkey	3,601	3,248
Other states	-21,981	-29,700
Life insurance	87,936	60,627
Austria	43,270	14,483
Czech Republic	27,302	26,610
Slovakia	5,558	7,083
Poland	1,709	2,861
Hungary	1,176	1,367
Liechtenstein	78	43
Other states	8,843	8,180
Health insurance	10,915	10,331
Austria	11,121	10,575
Georgia	-61	-244
Other states	-145	0
Total	166,529	102,207

KEY FIGURES BY BALANCE SHEET UNIT

	1.1.-31.3.2017				1.1.-31.3.2016			
	Property/ Casualty	Life	Health	Total	Property/ Casualty	Life	Health	Total
in %								
Cost ratio	31.9%	18.3%	14.0%	25.1%	33.3%	16.2%	13.6%	24.2%
Claims ratio	64.9%				64.5%			
Combined Ratio	96.8%				97.8%			

Declaration by the Managing Board

We declare to the best of our knowledge that the consolidated interim financial statements prepared in accordance with applicable accounting standards give a true and fair view of the net assets, financial position and results of operations of the Group and that the interim Group management report gives a true and fair view of the net assets, financial position and results of operations of the Group with respect to important events during the first three months of the financial year and their impact on the consolidated interim financial statements, of the principal risks and uncertainties for the remaining nine months of the financial year and of material related party transactions to be disclosed. The interim report was not fully audited or reviewed by an auditor.

Vienna, 8 May 2017

The Managing Board:



Elisabeth Stadler
General Manager,
Chairwoman of the Managing Board



Franz Fuchs
Member of the Managing Board



Roland Gröll
Member of the Managing Board



Judit Havasi
Member of the Managing Board



Peter Höfner
Member of the Managing Board



Martin Simhandl
CFO, Member of the Managing Board

Managing Board areas of responsibility:

Elisabeth Stadler: VIG Group management, strategic matters, European matters, Group communication & marketing, sponsoring, people management, business development; Country responsibilities: Austria, Czech Republic

Franz Fuchs: Performance management personal insurance, performance management motor insurance, asset risk management; country responsibilities: Baltic states, Moldova, Poland, Ukraine

Roland Gröll: Group IT/SAP, international processes and methods; Country responsibilities: Bosnia-Herzegovina, Croatia, Macedonia, Romania

Judit Havasi: Solvency II, planning and controlling, legal; Country responsibilities: Slovakia

Peter Höfner: Corporate and large customer business, Vienna International Underwriters (VIU), reinsurance, business development; country responsibilities: Albania (incl. Kosovo), Bulgaria, Montenegro, Serbia, Hungary, Belarus

Martin Simhandl: Asset management, subsidiaries department, finance and accounting, treasury/capital market; country responsibilities: Germany, Georgia, Liechtenstein, Turkey

The **Managing Board as a whole** is responsible for enterprise risk management (Solvency II), general secretariat, the Group actuarial department, Group compliance, internal audit and investor relations.

General information

NOTICE

This report includes forward-looking statements based on current assumptions and estimates that were made by the management of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe to the best of its knowledge. Statements using the words “expectation”, “target” or similar formulations indicate such forward-looking statements. Forecasts related to the future development of the Company are estimates made on the basis of information available as of the date this interim report went to press. Actual results may differ from the forecasts if the assumptions underlying the forecast prove to be wrong or if unexpectedly high risks occur.

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

The interim report was prepared with the greatest possible care in order to ensure that the information provided in all parts is correct and complete. The possibility of rounding, type-setting or printing errors, however, cannot be ruled out completely.

All references in the text are to be understood as referring equally to men and women without discrimination.

The interim report can be downloaded as a PDF file in German or English from our website at: www.vig.com/en/downloads.

Editorial deadline: 8 May 2017

In case of doubt, the German version is authoritative.

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