

28 May 2013

## VIENNA INSURANCE GROUP IN THE 1<sup>ST</sup> QUARTER OF 2013

**Profit before taxes grew to EUR 159.4 million  
(+ 5.2 percent)**

**CEE share in the profit rose to 51.5 percent**

**s Versicherung Gruppe in CEE increased profit by about  
20 percent**

**Premium volume of EUR 2.7 billion**

**Combined ratio below 97.0 percent**

*“Thanks to another increase in profit before taxes – by 5.2 percent to a total of EUR 159.4 million – Vienna Insurance Group posts the best result for a first quarter in its corporate history. We have succeeded in further improving our Group’s profitability, which has already been on a high level, despite difficult market conditions”, Peter Hagen, Chairman of the Managing Board and CEO of Vienna Insurance Group, highlighted the result for the 1<sup>st</sup> quarter of 2013. “The economic environment and the insurance market remain challenging. This fact is reflected in the diverse development of premiums in the individual markets. Although no uniform trend can be observed in the CEE region, this economic area continues to offer great potentials.”*

### **Best 1<sup>st</sup> quarter in the corporate history**

In the 1<sup>st</sup> quarter of 2013 Vienna Insurance Group earned consolidated premiums written of EUR 2.7 billion. This 1.5-percent decrease is mainly due to the fact that the short-term single premium business in Poland has been downsized according to plan. Excluding special effects and adjusted for currency fluctuations, Vienna Insurance Group achieved a growth of about 1.4 percent.

Premiums in the property/casualty insurance segment amounted EUR 1.5 billion. The Group reported premiums of EUR 1.1 billion in life insurance with regular premiums growing by 2.7 percent. Premiums in the health insurance segment went up by 2.9 percent, totalling EUR 100.7 million.

The Group profit (before taxes) increased by 5.2 percent to EUR 159.4 million. The share of the CEE countries in the Group profit (before taxes) rose by 15.6 percent to a total of 51.5 percent.

The combined ratio of the Group (after reinsurance and excluding investment gains) stood at 96.9 percent.

The financial result of the Group totalled EUR 270.2 million in the 1<sup>st</sup> quarter of 2013. As of 31 March 2013 the investments of the Group – including cash and cash equivalents – amounted to EUR 29.6 billion.

### **Highlights from the markets of Vienna Insurance Group**

#### **Austria – increase in premiums ensures VIG market leadership**

The Austrian Group companies clearly maintained their market leadership thanks to an increase in premiums by 1.1 percent to a total of EUR 1.4 billion in the 1<sup>st</sup> quarter of 2013. In the life insurance segment the Group reported a plus by 1.9 percent to EUR 564.8 million. In the property/casualty insurance segment premiums climbed to EUR 728.2 million. With premiums totalling EUR 91.6 million, the Group achieved a growth of 2.7 percent in the health insurance segment. Profit (before taxes) was EUR 64.2 million. The combined ratio amounted to 96.9 percent.

#### **Czech Republic – stable development as a market leader**

Currency effects (on a euro basis) led to a decline in premiums to EUR 475.9 million. Adjusted for exchange rate effects, the Czech Group companies of Vienna Insurance Group achieved a growth of 0.4 percent. Increasing by 2.4 percent, premiums written in the life insurance segment rose to EUR 211.7 million.

In the 1<sup>st</sup> quarter of 2013 profit (before taxes) grew significantly by 8.0 percent to EUR 47.2 million. The combined ratio dropped to an excellent level of 90.9 percent. Holding a market share of 32.3 percent, Vienna Insurance Group with its Group companies is the number one in the Czech insurance market. Kooperativa was once more awarded the title “Insurer of the Year”.

#### **Slovakia – strong growth in the life insurance segment**

With a total growth in premiums by 5.5 percent to EUR 204.0 million, Vienna Insurance Group reaffirmed its position as the number one in the Slovak insurance market. In the non-life insurance segment premiums amounted to EUR 105.0 million. Premiums in life insurance increased sharply by 13.8 percent to EUR 99.1 million. Sales and distribution through Slovenská sporiteľňa, the local subsidiary of Erste Group, developed in a highly successful way. Profit (before taxes) amounted to EUR 9.3 million. The combined ratio improved by 2.9 percentage points to 95.5 percent.

#### **Poland – profit continues to increase**

In Poland the Vienna Insurance Group companies reported once more a double-digit increase in profit (before taxes) by 21.6 percent to a total of EUR 15.3 million. With this successful result, the very favourable development of the previous year has been continued seamlessly. The total volume of premiums earned amounted to EUR 268.8 million. In the life insurance segment the short-term single-premium business was downsized as planned, resulting in a drop of premium volume to EUR 115.4 million. In the non-life insurance segment the Group earned premiums of EUR 153.4 million. The combined ratio decreased to an excellent level of 96.1 percent.

## Romania – ongoing restructuring

Despite the challenging market environment in Romania, Vienna Insurance Group has succeeded in maintaining its position as the number one insurer. The motor own-damage insurance business has been under the impact of the downturn in the markets for new cars and car leasing. In general, the motor vehicle sector is still facing fierce competitive pressure. Vienna Insurance Group continues to pursue its strategy of a risk- and income-oriented pricing policy to restructure its portfolio. The premiums earned by Vienna Insurance Group totalled EUR 101.2 million in the 1<sup>st</sup> quarter of 2013. EUR 78.3 million were attributable to the non-life insurance segment, while premiums in life insurance amounted to EUR 23.0 million.

## Remaining markets – significant growth

As premiums grew by 10.1 percent to a total of EUR 260.2 million, the favourable trend in the segment “remaining markets” continued. A double-digit increase of premiums by 13.7 percent to EUR 174.5 million was reported in the non-life insurance segment thanks to a strong development in countries such as Hungary, Croatia, Albania, Serbia and Georgia. Increasing by 3.4 percent, premiums in the life sector amounted to EUR 85.7 million. Profit (before taxes) rose very significantly – from EUR 7.8 million to EUR 10.6 million. The combined ratio decreased to 95.3 percent.

**Vienna Insurance Group (VIG)** is the leading insurance specialist in Austria as well as in Central and Eastern Europe. About 50 companies in 24 countries form a Group with a long-standing tradition, strong brands and close customer relations. VIG looks back on almost 190 years of experience in the insurance business. With about 24,000 employees, Vienna Insurance Group is the clear market leader in its core markets. It is therefore excellently positioned to take advantage of the long-term growth opportunities in a region with 180 million people. The listed Vienna Insurance Group is the best-rated company of ATX, the leading index of Vienna Stock Exchange; its share is also listed on the Prague Stock Exchange.

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All news releases are also available at <http://www.vig.com/ir>.

## Consolidated Income Statement (IFRS) 1 January - 31 March 2013

(in EUR mn)	3M 2013	3M 2012	+/- %
<b>Gross premiums written</b>	<b>2,705.2</b>	<b>2,746.5</b>	<b>-1.5</b>
Net earned premiums	2,198.9	2,230.8	-1.4
Financial result	270.2	277.0	-2.5
Other income	42.2	26.1	61.7
Expenses for claims and insurance benefits	-1,819.7	-1,837.8	-1.0
Acquisition and administrative expenses	-472.9	-465.2	1.6
Other expenses	-59.3	-79.5	-25.3
<b>Profit before taxes</b>	<b>159.4</b>	<b>151.4</b>	<b>5.2</b>
Taxes	-32.7	-31.7	3.2
<b>Profit for the period</b>	<b>126.7</b>	<b>119.8</b>	<b>5.8</b>
Non-controlling interests	-2.9	-2.0	40.0
<b>Net profit after non-controlling interests</b>	<b>123.8</b>	<b>117.7</b>	<b>5.2</b>
<b>Combined Ratio (net in %)</b>	<b>96.9</b>	<b>96.4</b>	<b>0.5pp</b>

## Consolidated Balance Sheet (IFRS) 31 March 2013

Assets (in EUR mn)	31.03.2013	31.12.2012	+/- %
A. Intangible assets	2,423	2,410	0.5
B. Investments	28,776	29,463	-2.3
C. Investments of unit- and index-linked life insurance	6,534	6,444	1.4
D. Reinsurers' share in underwriting provisions	1,081	1,034	4.5
E. Receivables	1,780	1,657	7.5
F. Tax receivables and advance payments out of income tax	78	81	-2.7
G. Deferred tax assets	141	137	3.0
H. Other assets	335	339	-1.1
I. Cash and cash equivalents	847	772	9.6
<b>Total Assets</b>	<b>41,996</b>	<b>42,336</b>	<b>-0.8</b>
<b>Liabilities and Shareholders' Equity (in EUR mn)</b>	<b>31.03.2013</b>	<b>31.12.2012</b>	<b>+/- %</b>
A. Shareholders' equity	5,532	5,752	-3.8
B. Subordinated liabilities	537	538	-0.1
C. Underwriting provisions	26,233	25,815	1.6
D. Unit- and index-linked underwriting provisions	6,349	6,245	1.7
E. Non-underwriting provisions	471	432	9.1
F. Liabilities	2,352	3,028	-22.3
G. Tax liabilities out of income tax	109	93	17.8
H. Deferred tax liabilities	212	227	-6.3
I. Other liabilities	200	207	-3.3
<b>Total Liabilities and Shareholders' Equity</b>	<b>41,996</b>	<b>42,336</b>	<b>-0.8</b>

## Segment Reporting (IFRS) 1 January - 31 March 2013

### Split by lines of business:

in EUR mn	Property&Casualty			Life			Health		
	3M 2013	3M 2012	+/- %	3M 2013	3M 2012	+/- %	3M 2013	3M 2012	+/- %
Gross premiums written	1,501.9	1,528.5	-1.7%	1,102.6	1,120.1	-1.6%	100.7	97.8	2.9%
Profit before Taxes	81.4	69.1	17.9%	60.7	71.2	-14.7%	17.3	11.2	54.0%

### Split by regions:

in EUR mn	Austria			Czech Republic			Slovakia		
	3M 2013	3M 2012	+/- %	3M 2013	3M 2012	+/- %	3M 2013	3M 2012	+/- %
Gross premiums written Non-Life	819.8	815.3	0.5%	264.1	276.3	-4.4%	105.0	106.3	-1.3%
Gross premiums written Life	564.8	554.2	1.9%	211.7	206.7	2.4%	99.1	87.1	13.8%
Gross premiums written Total	1,384.6	1,369.5	1.1%	475.9	483.1	-1.5%	204.0	193.4	5.5%
Profit before Taxes	64.2	73.2	-12.3%	47.2	43.7	8.0%	9.3	12.6	-26.3%
Combined Ratio (net in %)	96.9	94.1	2.7pp	90.9	92.3	-1.3pp	95.5	98.4	-2.9pp

in EUR mn	Poland			Romania			Remaining		
	3M 2013	3M 2012	+/- %	3M 2013	3M 2012	+/- %	3M 2013	3M 2012	+/- %
Gross premiums written Non-Life	153.4	160.2	-4.3%	78.3	107.0	-26.8%	174.5	153.5	13.7%
Gross premiums written Life	115.4	159.3	-27.6%	23.0	27.7	-17.1%	85.7	82.8	3.4%
Gross premiums written Total	268.8	319.6	-15.9%	101.2	134.6	-24.8%	260.2	236.3	10.1%
Profit before Taxes	15.3	12.6	21.6%	-2.9	-3.3	-	10.6	7.8	36.0%
Combined Ratio (net in %)	96.1	99.0	-2.9pp	113.6	115.9	-2.3pp	95.3	103.0	-7.7pp

in EUR mn	Central Functions			Consolidation			Total		
	3M 2013	3M 2012	+/- %	3M 2013	3M 2012	+/- %	3M 2013	3M 2012	+/- %
Gross premiums written Total	354.8	330.2	7.4%	-344.2	-320.3	7.5%	2,705.2	2,746.5	-1.5%
Profit before Taxes	15.7	4.7	> 100%	0.0	0.1	-	159.4	151.4	5.2%
Net profit after non-controlling interests							123.8	117.7	5.2%

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