

30 April 2020

Vienna Insurance Group (Wiener Versicherung Gruppe) confirms outstanding 2019 results

Group Annual Report and Group SFCR report 2019 published

The preliminary figures for 2019, which were released on 17 March 2020, have now been confirmed by the publication of the Group Annual Report. Management is confident that the Group will weather the effects of the coronavirus crisis due to its solid capital base, the positive results recorded in previous years and the ongoing stringent implementation of the Agenda 2020 management programme.

Premium income above EUR 10 billion and profit (before taxes) of over EUR 0.5 billion

In 2019, VIG's total premium income reached a new record level of EUR 10.4 billion, an increase of 7.7%. Profit (before taxes) rose by 7.4% to around EUR 522 million, and net profit jumped by 23% to EUR 331.3 million. The combined ratio improved strongly to 95.4% (-0.6 percentage points).

Strong foundations for overcoming the impact of the coronavirus

Vienna Insurance Group (Wiener Versicherung Gruppe) is well placed to deal with the effects of the Covid-19 crisis. *“As a result of the coronavirus crisis, we now find ourselves in an exceptional global economic situation, which of course will not leave us unaffected. But I believe that three factors give us reason to be confident that we will deal with these unique circumstances as effectively as possible. Firstly, we have enjoyed great success in recent years and our 2019 balance sheet was strong. Second, our capital base is very solid. And thirdly, we started the Agenda 2020 management programme in 2017 to enhance profitability and our ability to meet future challenges, and this year we will continue to implement consequently the measures we have introduced,”* explained CEO Elisabeth Stadler. The Group's solvency ratio remained very high at the end of 2019, standing at 210%. Initial forecasts for the first quarter of 2020 suggest that the ratio will be on a solid level at the lower end of the defined comfort zone of 170% to 230%.

Ongoing market monitoring

Observation of the markets where VIG operates has shown the expected downturn in new business, and proven that insurance is increasingly being taken out online. *“We are seeing that the extensive digitalisation measures implemented in the course of the Agenda 2020 are paying off,”* Elisabeth Stadler added, noting that this field will take on even greater significance due to the coronavirus crisis. Even though forecasts indicate that performance in the first quarter of 2020 was not significantly affected by the Covid-19 pandemic, at present it is not possible to predict how the remainder of this year will look like. *“We are consciously taking our time to build up a clearer picture of the impact of the Covid-19 crisis on the Group's insurance business. At the moment, we cannot quantify the effects on this year's results, so we are unable to provide an outlook for the rest of 2020,”* said Elisabeth Stadler.

Embedded value: profitable new business in life insurance

Embedded value in life and health insurance comprises net asset value and the present value of future profits from the current insurance portfolio. The sustainability of the life and health insurance businesses at Vienna Insurance Group (Wiener Versicherung Gruppe) is reflected in embedded value after taxes as of 31 December 2019 – in spite of the difficult financial environment (in particular low interest rates), embedded value only fell slightly, to EUR 3.64 billion (adjusted figure for 2018: EUR 3.79 billion). This was mainly due to the conclusion of profitable new business with a margin of 3.2%. As in previous years, the Group recorded an outstanding margin in CEE compared internationally, at 5.8%.

Vienna Insurance Group AG Wiener Versicherung Gruppe will publish the following reports on 30 April 2020 at www.vig.com:

- Online 2019 Group Annual Report
- 2019 Group Annual Report
- 2019 Sustainability Report
- 2019 Group Solvency and Financial Condition Report (SFCR) – German Version only
- Embedded Value Report
- 2019 Annual Financial Report (pursuant to § 124 sec. 1 of the Austrian Stock Exchange Act)
- VIG Holding financial statements
- Corporate Governance Report
- The 2019 VIG Holding Solvency and Financial Condition Report (SFCR) was published on 7 April 2020

Vienna Insurance Group (Wiener Versicherung Gruppe) is the leading insurance group in Austria and Central and Eastern Europe (CEE). Around 50 insurance companies in 30 countries form a Group with a long-standing tradition, strong brands and close customer relations. The more than 25,000 employees in the Vienna Insurance Group (Wiener Versicherung Gruppe) take care of the day-to-day needs of more than 22 million customers. VIG shares have been listed on the Vienna Stock Exchange since 1994 and were awarded an A+ rating with stable outlook by the internationally recognised rating agency Standard & Poor's. That is the best rating of all companies in the ATX, the leading index of the Vienna Stock Exchange. Vienna Insurance Group (Wiener Versicherung Gruppe) cooperates closely with the Erste Group, the largest retail bank in Central and Eastern Europe.

Disclaimer

This release contains forward-looking statements that concern future developments in Vienna Insurance Group (Wiener Versicherung Gruppe). These statements are based on current assumptions and forecasts made by the management of Vienna Insurance Group (Wiener Versicherung Gruppe). Changes in general economic developments, future market conditions, capital markets and other circumstances could result in actual events or results differing significantly from these forward-looking statements. The Vienna Insurance Group AG Wiener Versicherung Gruppe assumes no obligation to update these forward-looking statements or modify them based on future events or developments.

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