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Vienna Insurance Group to merge Wiener Städtische and s Versicherung in Austria

This will make Wiener Städtische the biggest life insurer in Austria

Sparkassen Versicherung (s Versicherung) will be merged with Wiener Städtische in 2018, subject to approval by the boards of the Group companies and the authorities. The merger is aimed at strengthening bank distribution.

Almost ten years after s Versicherung was acquired by Wiener Städtische and became a member of the Group, the next step in the joint success story of the two companies is now being taken. *“The two companies will be merged into one. The aim is to use the combined strengths of the two insurance companies in the bank insurance business. Wiener Städtische contributes its many years of expertise as a composite insurer while s Versicherung provides its expertise and pioneering position in bank distribution”,* explained Elisabeth Stadler, CEO of Vienna Insurance Group (VIG). The merger is expected to become effective during the course of 2018.

More products and services for bank customers

The reorganisation will primarily benefit customers of Erste Bank and Sparkassen, who will be offered a broader range of products and services. *“Our primary objective is to work with our partners at Erste Bank and Sparkassen to take advantage of the major opportunities available in bank distribution”,* explained Robert Lasshofer, General Manager of Wiener Städtische. The s Versicherung brand will remain unchanged in the market and s Versicherung will continue to be the name for insurance solutions provided through Erste Bank and Sparkassen. *“The more than 30 years of successful partnership with Erste Bank and Sparkassen put the s Versicherung brand in a strong position to expand bank distribution systematically in future”,* according to Lasshofer. The merger does not change any of the policies that already exist with Wiener Städtische and s Versicherung customers.

Biggest life insurer in Austria

The merger will create by far the biggest life insurer in Austria. In this line of business, the two companies had a cumulative premium volume of about EUR 707 million and a combined market share of around 24 percent in the first half of 2017. In the future, more than 2.5 million customers will be served throughout Austria.

VIG is number 1 in the Austrian insurance market

Vienna Insurance Group's market share of 24 percent in the first half of 2017 makes it the clear market leader in Austria. Wiener Städtische had a market share of 14.4 percent, and s Versicherung 4.1 percent over the same period of time. VIG generated EUR 2,167 million in premiums in Austria in the first half of 2017, which represented 44 percent of the total premium volume of EUR 4,972 million. Wiener Städtische contributed another EUR 1,330 million and s Versicherung EUR 381 million. Donau Versicherung, which is celebrating its 150th anniversary this year, belongs also to VIG in Austria.

The merger of the two Austrian companies will leave the solvency ratio of the listed VIG Group almost unchanged. The ratio was an excellent 224.5 percent at the end of the first half of 2017. Wiener Städtische is expected to have a solvency ratio of around 200 percent after the approved reorganisation (based on preliminary calculations at the end of the first half of 2017).

Vienna Insurance Group (VIG) is the leading insurance specialist in Austria and Central and Eastern Europe. Around 50 companies in 25 countries form a Group with a long-standing tradition, strong brands and close customer relations. VIG can look back on 200 years of experience in the insurance business. With around 25,000 employees, Vienna Insurance Group is the clear market leader in its Austrian and CEE markets. It is therefore excellently positioned to take advantage of the long-term growth opportunities in a region with 180 million people. Vienna Insurance Group is the best-rated company in the ATX leading index of the Vienna Stock Exchange; its shares are also listed on the Prague Stock Exchange.

WIENER STÄDTISCHE Versicherung is headquartered in Vienna and has nine state head offices, 130 business offices and around 3,500 employees. It is the biggest company in the international insurance group, Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG). The company also has branches in Italy and Slovenia. WIENER STÄDTISCHE is an innovative, reliable partner offering solutions for all private customer needs and the needs of commercial and corporate customers. As a family-friendly employer, WIENER STÄDTISCHE implements a wide range of measures to create a better balance between career and family, and received the "Audit berufundfamilie" seal of approval as a result from the Austrian Federal Ministry of Family and Youth.

For further information, please contact:

VIENNA INSURANCE GROUP

Group Communication & Marketing
Schottenring 30, 1010 Vienna
Wolfgang Haas - Manager
Telephone: +43 (0)50 390-21029
mailto: wolfgang.haas@vig.com

WIENER STÄDTISCHE Verisicherung

Corporate Communication
Schottenring 30, 1010 Vienna
Christian Kreuzer – Manager
Tel.: +43 (0)50 350-21336
E-mail: c.kreuzer@wienerstaedtische.at

This press release is also available at <http://www.vig.com>