

PROTECTING WHAT MATTERS.



October 2018

VIG[®]

VIENNA INSURANCE GROUP

Protecting what matters.

OVERVIEW

WELCOME TO VIENNA INSURANCE GROUP!



»» We are the **leading insurance group in Austria, Central and Eastern Europe.** ««

Around
50
Group companies

Represented in
25
markets

Close to
200
years of experience

More than
25,000
employees

More than
20 million
customers

Since
1994
on the Vienna Stock Exchange

Listed on the Vienna & Prague
STOCK EXCHANGE

Rating
A+
with stable outlook

AT HOME IN 25 COUNTRIES



© Jelka Larche
Status: October 2018



VIG – THE LEADING INSURANCE GROUP IN AUSTRIA AND CEE

Market Leader and Top Player in many markets

Top
01

- Austria
- Czech Republic
- Slovakia
- Romania
- Baltics
- Bulgaria
- Macedonia
- Georgia

Top
04

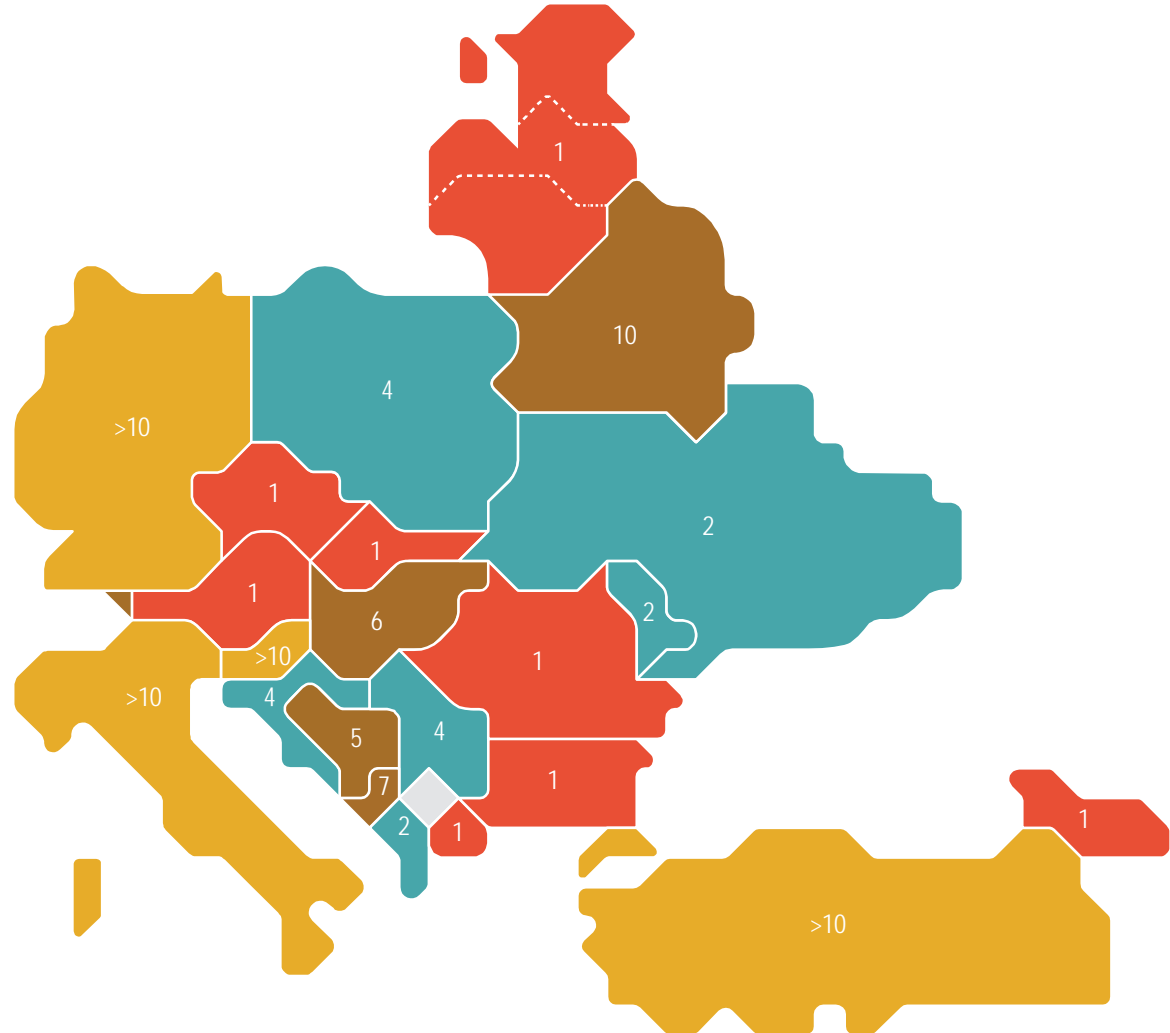
- Poland
- Moldova
- Ukraine
- Croatia
- Serbia
- Albania

Top
10

- Hungary
- Bosnia-Herzegovina
- Montenegro
- Belarus
- Liechtenstein

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- Turkey
- Slovenia
- Italy
- Germany



Status: HY 2018

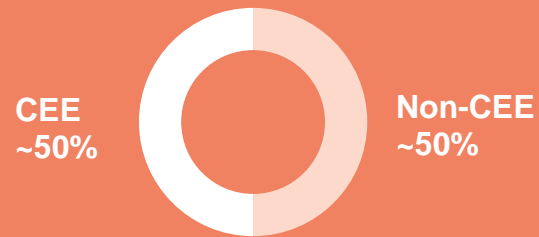
YOU CAN COUNT ON US



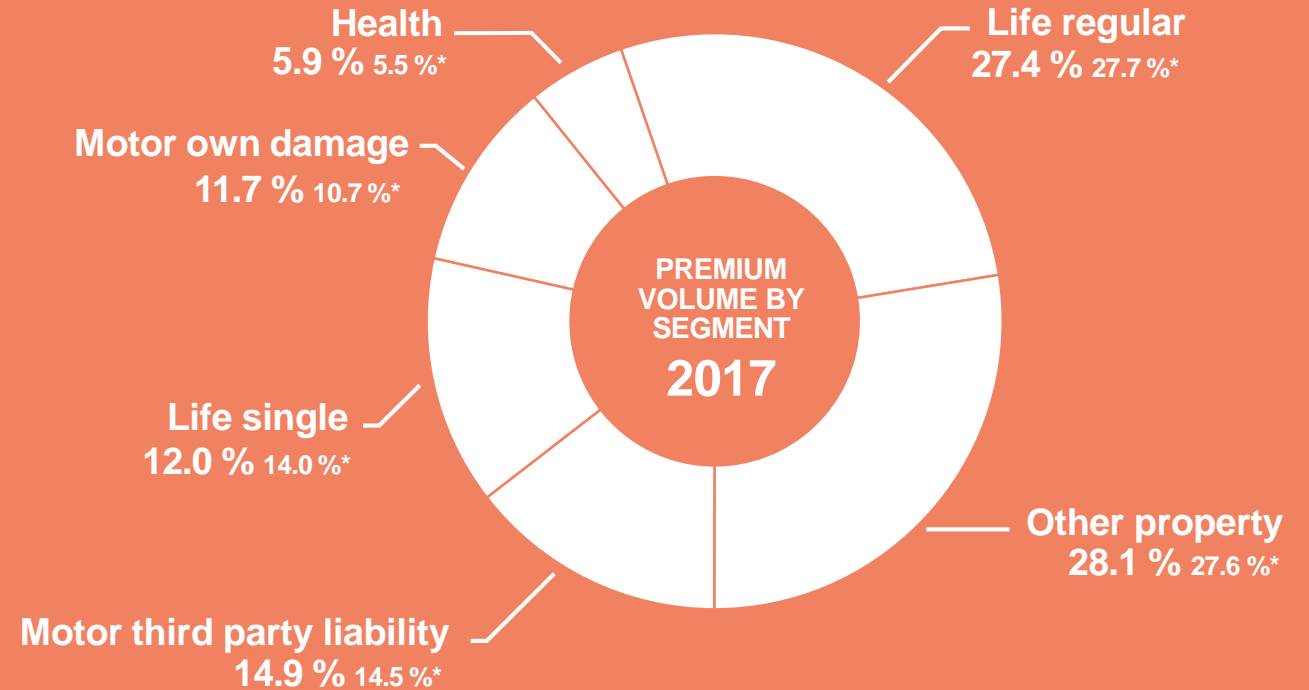
PREMIUM VOLUME 2017

€**9,386** m

VIG generates more than half of its premium volume in the CEE region



Status: Q2 2018



* 2016

YOU CAN COUNT ON US



PROFIT (BEFORE TAXES) 2017
€ 443 m

COMBINED RATIO 2017
96.7 %

FINANCIAL RESULT
EUR 924 m

RESULT FOR THE PERIOD
EUR 298 m*

INVESTMENTS
EUR 37.4 bn

ELIGIBLE CAPITAL UNDER SOLVENCY II
EUR 7.8 bn

VIG generates more than half of its profit in the CEE region.



Status Q2 2018

* After tax and non-controlling interests



YOU CAN COUNT ON US

Highlights of the first half of 2018: Strong operative performance despite impairment of goodwill in Romania

GROSS WRITTEN PREMIUMS

€ 5,150.3 m

Premium growth of 3,6 % compared to 6M 2017

- Current premium business: +5.7 %
- CEE premium growth: +5.1 %

PROFIT (BEFORE TAXES)

€ 232.7 m

Profit increased by 5.5 %

- CEE profit growth impacted by € 50.1 million goodwill impairment of CGU Romania

COMBINED RATIO

96.3 %

Improved compared to 96.9% in Q2 2017

- Claims ratio improved to 64.7 %
- Cost ratio slightly up to 31.6 %

SOLVENCY RATIO

222 %

Fairly stable compared to 220% by year end 2017

- Eligible own funds of € 7,659 million
- Solvency capital requirement: € 3,452 million

VIG ON THE CAPITAL MARKETS



MAIN SHAREHOLDER

~70%

Wiener Städtische
Versicherungsverein

TRANSPARENT DIVIDEND POLICY

90 Cent

Dividend 2017

3.49 %

Dividend yield

VIG's policy of distributing dividends equivalent to at least 30% of consolidated net profit after non-controlling interests has been in place since 2005.

FREE FLOAT

~30%

VIG stock is listed on the ATX, the index of leading shares on the Vienna Stock Exchange, and on the Prague Stock Exchange

STANDARD & POOR'S

A+

rating with
stable outlook

KEY SHARE FIGURES

132.89 m

Share capital (EUR)

128 m

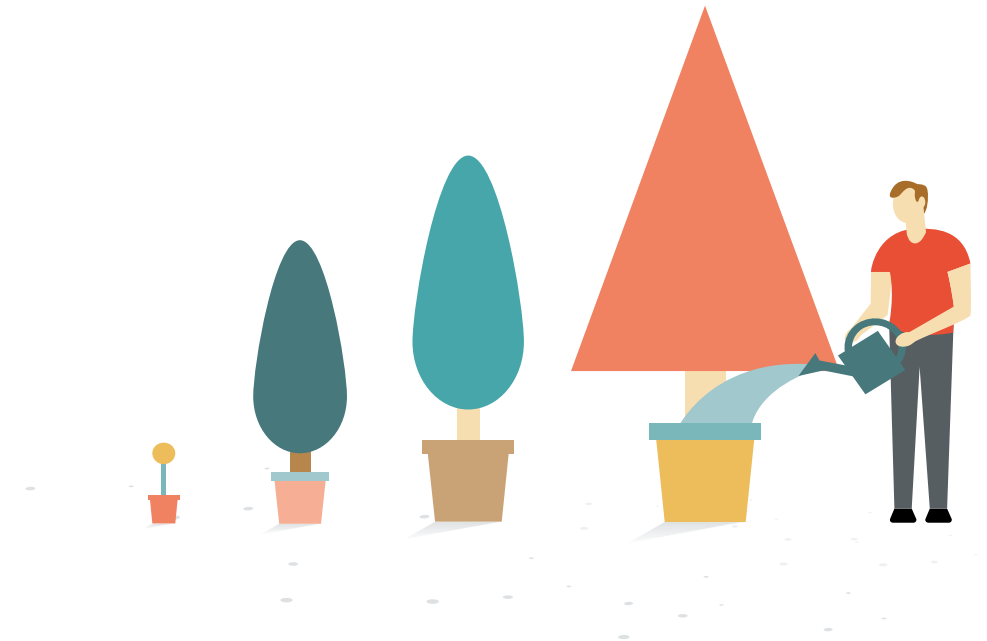
ordinary shares

~3.5 bn

Market capitalisation

status: 29 March 2018

(EUR)



OUR MANAGEMENT



Elisabeth Stadler

CEO

Chair of the Managing Board

Management of the VIG Group
Strategic Questions
General Secretariat, Asset
Management, Bank Cooperation,
Group Sponsoring, European Affairs,
Treasury / Capital Markets
Group Communications & Marketing,
Subsidiary and Loans Management,
Group Development & Strategy
Human Resources
Countries: AT, CZ, DE



Franz Fuchs

Member of the Managing Board

Performance Management
Motor insurance
Countries: RO, Baltic States,
MD, PL, UA



Judit Havasi

Member of the Managing Board

Planning & Controlling
Legal Department
Group IT
Data Management &
Processes, Asset-Risk
Management, Performance
Management Personal
insurance



Liane Hirner

CFO

Member of the Managing Board

Finance & Accounting



Peter Höfinger

Member of the Managing Board

Corporate and Large
Customer Business
Vienna International
Underwriters (VIU)
Passive Reinsurance
Countries: AL incl. KOS, BG,
HU, MNE, RS, HR, MK,
BA, BY



Dr. Peter Thirring

Member of the Managing Board

Active Reinsurance
Countries: SK, GE, LI, TR

Responsibilities of the entire Managing Board: Enterprise Risk Management, Group Actuary, Group Compliance, Internal Audit, Investor Relations

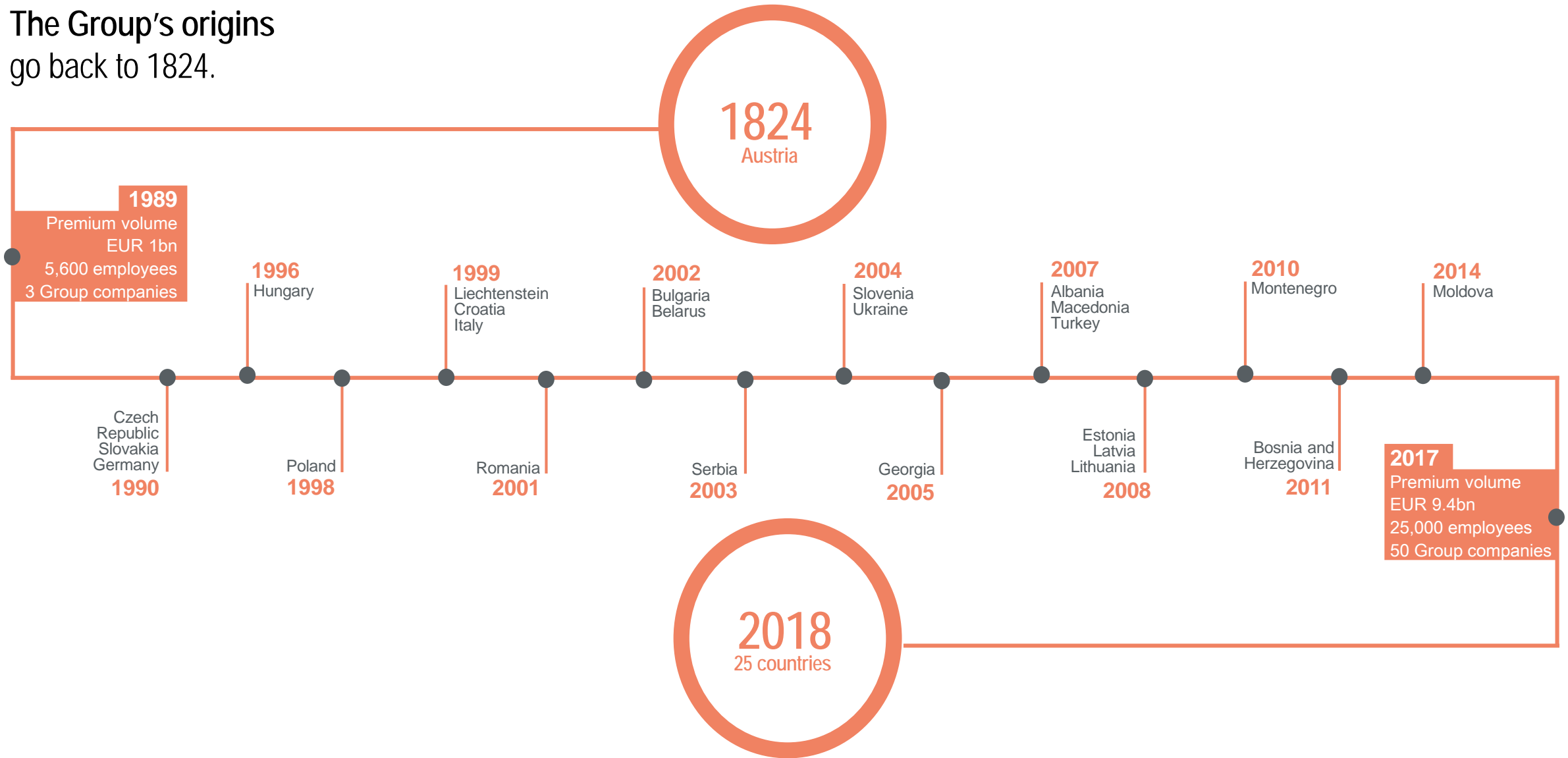
AT: Austria, CZ: Czech Republic, BA: Bosnia and Herzegovina, Baltic States: Estonia, Latvia, Lithuania, BG: Bulgaria, BY: Belarus, DE: Germany, GE: Georgia, HR: Croatia, HU: Hungary, AL incl. KOS: Albania incl. Kosovo, LI: Liechtenstein, MD: Moldova, MK: Macedonia, MNE: Montenegro, PL: Poland, RO: Romania, RS: Serbia, SK: Slovakia, TR: Turkey, UA: Ukraine

Fotos: Ian Ehm, Thomas Pitterle



FIRST MOVER IN CEE

The Group's origins go back to 1824.



A LOOK AT OUR HISTORY



Establishment of Wechselseitige k.k.priv. Brandschaden Versicherungs-Anstalt, the Group's initial predecessor company.

Second World War

Both office buildings on Kärntner Ring in Vienna are destroyed during air raids. After the end of the war, the company's reconstruction begins with a small group of employees.



1952

A new headquarters on Vienna's Schottenring is commissioned.



14 June 1955

The Ringturm – Austria's first modern high-rise office building – opens. It symbolised Austria's post-war economic recovery and regained freedom.



1971

Acquisition of a stake in Donau Versicherung AG (founded in 1867) lays the foundations for today's multi-brand strategy.



1990

Initial plans for expansion into Eastern Europe, and establishment of Kooperativa in Bratislava, in what was then Czechoslovakia, as the first private insurer in the former Communist bloc.



October 1994

The Group's preference shares are listed on the Vienna Stock Exchange.

2005

Stock market offensive including a capital increase, and the VIG stock is included in the ATX for the first time; VIG obtained a listing on the Prague Stock Exchange in 2008.



since 2006

Regular artistic wrapping of the Ringturm as a contribution to art in public spaces. The wrapping is created by artists from Austria and the CEE countries where VIG has a presence.

2008

Second capital increase raises over EUR 1bn; cooperation agreement with Erste Group.

2010

VIG Holding, the management entity for the listed Group, is formed.



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INSIGHT

OUR MISSION STATEMENT



OUR VISION

We want to be the first choice for our customers. Our stakeholders see us as a stable and reliable partner. This enables us to consolidate our position as the leading insurance group in Austria, Central and Eastern Europe.

OUR VALUES

Diversity
Customer proximity
Responsibility



OUR MISSION

We stand for stability and competence in the field of risk protection. We use our experience, know-how and diversity to move closer to our customers. We see it as our responsibility to protect the values that matter to our customers.

OUR PROMISE

We enable customers to live a safer and better life: **Protecting what matters.**

CORPORATE STRATEGY

SUSTAINABILITY STRATEGY

EMPLOYER BRANDING

CORPORATE BEHAVIOUR

OUR PROMISE: PROTECTING WHAT MATTERS



OUR VISION

»» We want to be the first choice for our customers. Our stakeholders see us as a stable and reliable partner. This enables us to consolidate our position as the leading insurance group in Austria, Central and Eastern Europe. ««

- We adopt a long-term, customer-focused business strategy in our markets.
- We invest for the long term and make a valuable contribution to the positive development of the insurance markets in which we operate.
- We offer our customers peace of mind and reliability.

OUR MISSION

»» We stand for stability and competence in the field of risk protection. We use our experience, know-how and diversity to move closer to our customers. We see it as our responsibility to protect the values that matter to our customers. ««

- We help our customers to enhance their financial stability and protect them against specific risks.
- We see diversity as one of our strengths, and we share our experience and knowledge within the Group.
- We build on our leading position by means of our performance-driven culture.
- We focus on local customer requirements and unique regional characteristics.
- We rely on local management to capitalise efficiently on market opportunities.
- We manage risks and resources carefully and sustainably.
- We keep our promises for the good of our customers, shareholders, and of society.

OUR VALUES

DIVERSITY

»Because of our presence in 25 markets, primarily in Central and Eastern Europe, we have an in-depth understanding of local circumstances. Sharing knowledge, ideas and experience within the Group is part of day-to-day operations. Diversity is one of our success factors and core values. In a way, it is part of VIG's DNA.«

CUSTOMER PROXIMITY

»We have strong roots, both internationally and locally. Thanks to our local employees, we are more than familiar with the typical needs of customers in our different countries and markets. This allows us to offer tailored solutions and maximise customer satisfaction in all of our markets.«

RESPONSIBILITY

»We draw on almost 200 years of experience to safeguard our customers' futures as effectively as possible. A sense of responsibility and respect are always central to our relationships with our customers, business partners, shareholders and society as a whole.«

OUR CORPORATE STRATEGY



»» We focus on providing our customers in **Austria and CEE** with **customised products and services** tailored to their needs. Our strategy is geared **towards long-term profitability** and continuous earnings growth, making us a **reliable partner** in rapidly changing times. ««

The core elements of our strategy:

- CORE BUSINESS INSURANCE
- FOCUS ON AUSTRIA AND CEE



Photo: Robert Newald

OUR MANAGEMENT PRINCIPLES



1

Local entrepreneurship

- Knowledge of local needs and markets
- Decentralised structures and efficient decision-making procedures

2

Multi-brand strategy

- Around 50 Group companies in 25 countries
- Utilisation of established local brands

3

Multi-channel distribution

- Various distribution channels, including partnership with Erste Group
- Strongly customer-oriented distribution

4

Conservative investment and reinsurance policy

- Quality, peace of mind and sustainability are our priorities
- Spreading risk by means of diversification



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OUTLOOK

AGENDA 2020 MANAGEMENT PROGRAMME



» VIG focuses on **leveraging market potential** to generate profits, while also ensuring its ability to meet future **challenges and pursuing a business model** that maximises **cost effectiveness**. The **Agenda 2020** measures will be implemented in close collaboration with the local Group companies by 2020. «

OPTIMISATION OF BUSINESS MODEL

To this end, we are taking measures to maximise cost effectiveness: fine-tuning our claims management and underwriting by reducing the number of cases of insurance fraud, as well as identifying and avoiding excessive claims payments, and much more.

ENSURING FUTURE VIABILITY

In this regard, our main concerns are changes in lifestyles and people's habits, as well as the impact of demographic and economic changes on the insurance industry: namely the future of insurance and digitisation, expanding our range of assistance services, and much more.

ORGANISATION AND COOPERATION

We have specified the ways in which VIG Holding and the operating companies work together. The Holding advises and supports the Group companies, taking a managerial and facilitating role. We work as partners and as a team, with a focus on generating long-term added value for the Group companies.

AGENDA 2020 MANAGEMENT PROGRAMME



VIG aims to intensify its activities in the following areas:

1

Growth plans in health insurance

- Five focus countries: Poland, Romania, Bulgaria, Hungary and Turkey.
- Expanding the portfolio

2

Driving growth in the bancassurance business

- Emphasis on health and non-life insurance sales
- Joint project group formed with bancassurance partner Erste Group

3

Innovation & digitalisation

- A new department focusing on digitisation and future insurance-related topics
- Polish Group company serving as VIG's centre of innovation

OUTLOOK PERFORMANCE TO 2020



PREMIUM VOLUME

Continuous increase
to over

€ **10** bn

PROFIT (BEFORE TAXES)

over

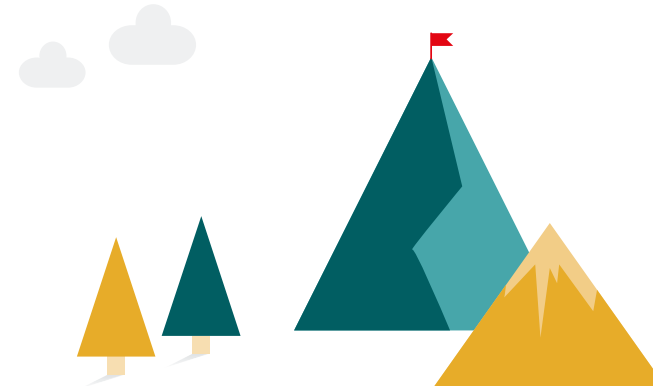
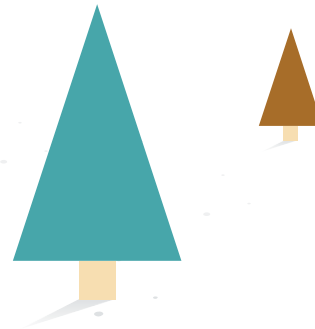
€ **500** m

in spite of low interest
rate environment

COMBINED RATIO

around

95%

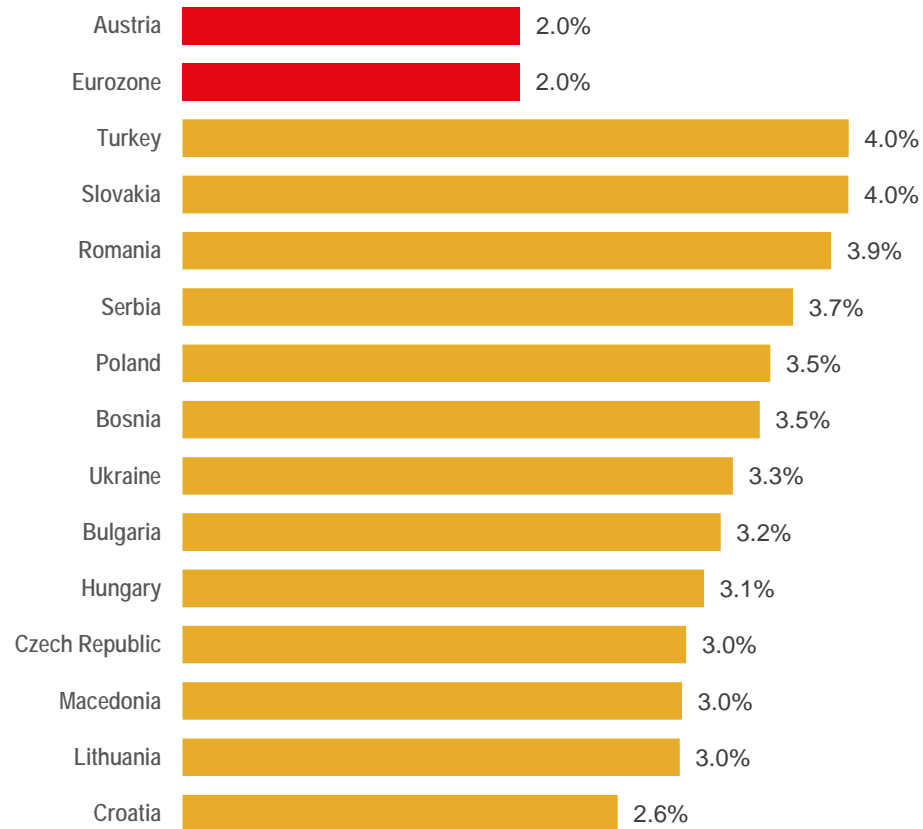




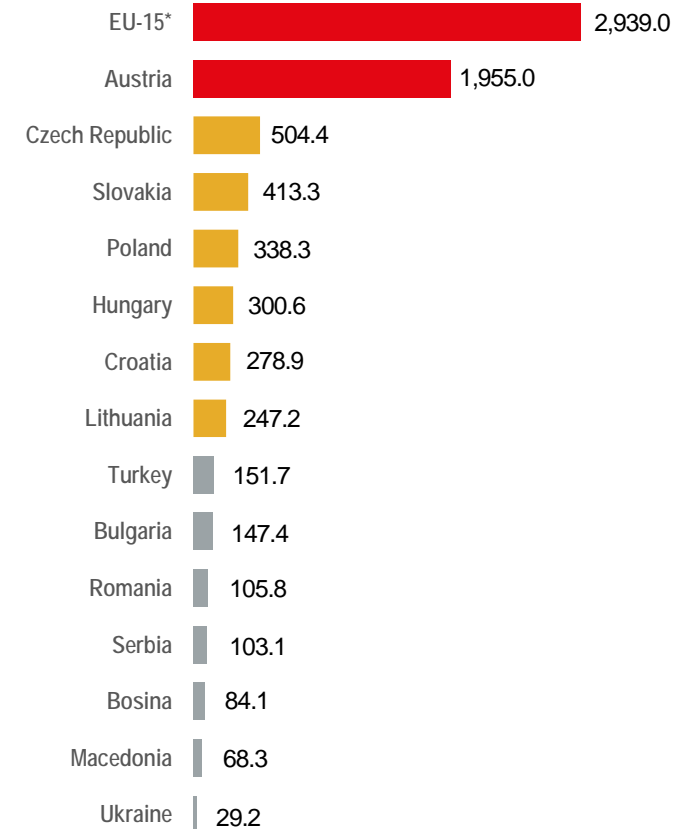
WE ARE COMMITTED TO CEE

Economic growth in CEE is significantly higher than in Austria.
This growth will have a positive impact on insurance density.

Real GDP growth p.a., 2017-20, %



Insurance density 2016 in EUR (premiums per capita)



Source: IMF, World Economic Outlook database, April 2018;
*2015

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FORESIGHT

OUR EMPLOYER BRANDING



»» VIG is committed to being an **attractive employer** and strengthening its position in this regard. This is reflected in our professional corporate image and the **respect we show for job applicants**. In 2017, our efforts were rewarded as VIG Holding was presented with **Best Recruiters'** quality seal in gold for the first time.

However, excellent employer branding starts with a company's existing employees. We want our employees to be proud to work for VIG. Satisfied employees serve as ambassadors inside and outside the company. Development opportunities, coupled with the feeling of being respected, result in **increased motivation and improved performance**. ««

DIVERSITY IS PART OF EVERYTHING WE DO

We see **diversity** as a reflection of the similarities and differences that we encounter at VIG, in our markets, at the local Group companies, as well as our partners, customers and employees. At VIG, diversity management involves genuine respect for, an open-minded approach to and conscious efforts to capitalise on our diversity. We offer impartial access to our wide range of training and development options, Group-wide networking possibilities and international career opportunities.

OUR SUSTAINABILITY STRATEGY



» We are a **responsible, forward-looking company**, and we are committed to linking our financial targets with **social and environmental aspects**. «

Our activities are focused on:

CSR IN OUR CORE BUSINESS

Sustainable management and compliance with rules and regulations

CUSTOMERS

Responsibility for products and customers

EMPLOYEES

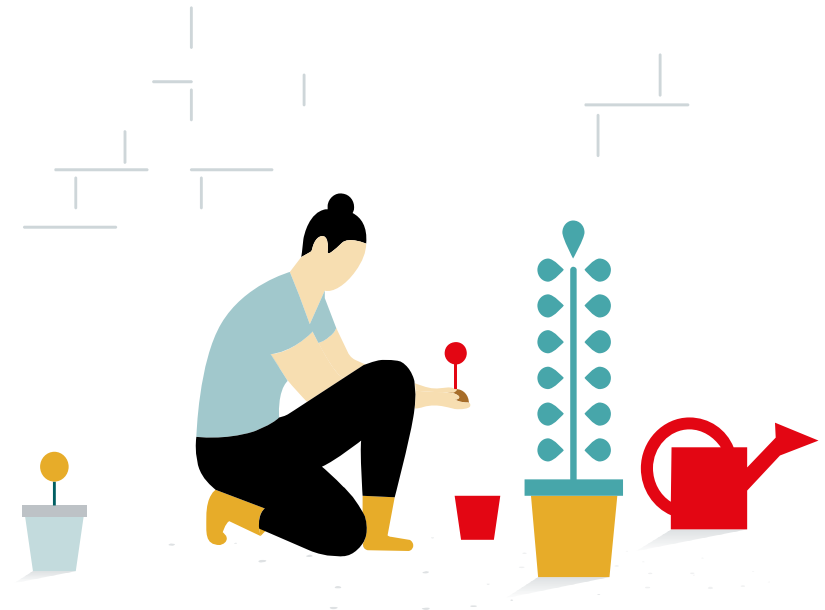
Treating employees with respect

SOCIETY

Involving the community

ENVIRONMENT

An environmentally friendly mind-set



SOCIAL COMMITMENT



» Fulfilling our **social responsibility** to people in the 25 countries where the Group is represented, by promoting **numerous projects**, reflects VIG's perception of itself. Many of these initiatives are in general **supported by the Group's main shareholder, Wiener Städtische Versicherungsverein.** «

SOCIAL ACTIVE DAY

VIG gives employees time off to spend a day working voluntarily on social projects. Every year, numerous employees in various countries send a strong signal underlining their dedication, charitable spirit and sense of solidarity.

44

participating Group companies

Supported by

21

countries

39,128

hours of work

~5,000

employees taking part

VIG KIDS CAMP

Every year around 500 children of all Group company employees are invited to Austria for VIG's Kids Camp.

Raising awareness from an early age

"The fun and entertaining activities give the youngsters an insight into the international environment in which their parents work, and the ideas of diversity and multiculturalism," explains Günter Geyer, Chairman of the Managing Board of Wiener Städtische Versicherungsverein.



VIG 

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Presentation last updated **October 2018**

PUBLICATION DETAILS



Publisher and proprietor

Vienna Insurance Group
1010 Wien, Schottenring 30, FN 75687 f

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Note

To enhance readability, this presentation does not use gender-specific language. The relevant formulations apply to both sexes, in the interests of gender equality.

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