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## **Vienna Insurance Group is staying on course in the 1st quarter of 2011:**

**Group premiums went up by 2.9 percent to more than EUR 2.6 billion**

**Increase in profit (before taxes) by 7.0 percent to EUR 142.8 million**

**Strong growth in life insurance outside Austria**

*“The business data for the first quarter of 2011 emphasise our estimates regarding the growth in premiums in the current year”, said **Günter Geyer, CEO of Vienna Insurance Group.***

*“The data present a differentiated image that meets our expectations. In the non-life insurance segment, we succeeded in achieving a significant increase, while in the life insurance business a decline was reported. This is due to the extension of the statutory lock-up period for single premium business in Austria. The trend in the life insurance segment in many CEE countries has, however, been very impressive.”*

### **I. OVERVIEW OF KEY GROUP DATA FOR THE 1<sup>ST</sup> QUARTER OF 2011 (in accordance with IFRS)**

In the first quarter of 2011 **Vienna Insurance Group** earned a total of **EUR 2.6 billion of premiums written (consolidated)**, corresponding to a **plus of 2.9 percent** compared to the same period of the previous year.

The **Group profit (before taxes, consolidated)** amounted to **EUR 142.8 million** in the first quarter of 2011. This is a **significant increase by 7.0 percent** compared to the same period of the previous year.

The **Group** reported a **combined ratio after reinsurance** (excluding income from investments) of **97.8 percent** in the first quarter of 2011 – after 98.4 percent in 2010.

The **investments of the Group** amounted to **EUR 28.2 billion** as at 31 March 2011, while the **financial result** totalled **EUR 253.2 million**.

## **II. GROUP DATA BY SEGMENTS, 1<sup>st</sup> QUARTER OF 2011 (consolidated)**

### **Property/casualty insurance**

In the **property/casualty insurance** segment a total of **premiums** of **EUR 1.5 billion** was written, corresponding to an **increase** of **6.1 percent**.

### **Life insurance**

The Group companies of Vienna Insurance Group earned **premiums** of more than **EUR 1.0 billion** in the **life insurance** segment. A sharp growth in regular premiums of **5.9 percent** was achieved, while single premium business – mainly due to the changed minimum lock-up period in Austria – decreased by 10.6 percent.

### **Health insurance**

**With premiums written** totalling **EUR 92.3 million** in the **health insurance** segment, Vienna Insurance Group achieved an **increase** by **8.8 percent**, which is mainly attributable to the consolidation of the Georgian Group companies.

## **III. GROUP DATA BY REGIONS , 1<sup>st</sup> QUARTER OF 2011 (consolidated)**

### **Austria**

In the first quarter of 2011 the Vienna Insurance Group companies in Austria reported **premiums written of EUR 1.3 billion** (minus 1.3 percent). In the **property/casualty insurance** segment **premiums written** increased by **6.1 percent** to a total of **EUR 651.5 million**. In the **life insurance segment** a decline of premiums of 9.3 percent to a total of **EUR 546.0 million** was registered, which is due to the changed minimum lock-up period for single premium business.

**Profit (before taxes)** amounted to **EUR 78.8 million** in the first quarter, increasing significantly by **12.2 percent** compared to the same period of the previous year.

The **combined ratio** improved to a very good **94.0 percent**.

### **Czech Republic**

**Increasing** by **13.2 percent**, the Group companies in the Czech Republic earned **premiums written** of **EUR 514.3 million**.

In the **non-life insurance** segment, **premiums written** amounted to **EUR 287.0 million** (plus 0.7 percent). In the **life insurance** business, **premiums written** increased very sharply by remarkable **34.2 percent** to a total of **EUR 227.3 million**.

With a **market share of 33.3 percent**, the Group companies of Vienna Insurance Group became the **number one** in the insurance market in the **Czech Republic** after the first quarter of 2011. Hence, Vienna Insurance Group is the **market leader**, both in the **non-life insurance** (36.6 percent) and in the **life insurance** business (29.5 percent).

**Profit (before taxes)** rose by pleasing **30.6 percent** to **EUR 41.1 million** compared to the prior-year period.

The **combined ratio** stood at an excellent **94.5 percent**.

## **Slovakia**

The Group companies in Slovakia boosted **premiums written** by **3.7 percent** to **EUR 188.6 million**.

**Increasing** by **1.8 percent**, **premiums written** of **EUR 103.4 million** were earned in the **non-life insurance** segment. In the **life insurance** segment **premiums written** grew strongly by **6.3 percent** to **EUR 85.2 million**.

The Vienna Insurance Group companies expanded their **market share** to **33.5 percent**, strengthening their position as the **number one** in the **Slovak insurance market**.

**Profit (before taxes)** amounted to **EUR 17.5 million**. Compared to the prior-year period, a gratifying substantial increase by **73.3 percent** was registered.

The **combined ratio** amounted to **96.4 percent**.

## **Poland**

**Surging** by **46.3 percent**, **premiums written** of the Group companies of Vienna Insurance Group totalled **EUR 258.6 million**.

In the **non-life insurance** segment **premiums written** went up by **20.1 percent** to **EUR 162.0 million**. **Premiums written** of **EUR 96.6 million** were earned in the **life insurance** business, **rising significantly** by **131.0 percent**.

**Profit (before taxes)** climbed **by more than one third** to a total of **EUR 9.6 million** compared to the same period of the previous year.

Decreasing by close to 7 percentage points, the **combined ratio** was only slightly above 100 percent.

## **Romania**

The Romanian Group companies reported **premiums written** of a total of **EUR 144.5 million** (minus 2.0 percent) in the first quarter of 2011.

In the **non-life insurance** segment a decline of **premiums written** to **EUR 117.4 million** was recorded, which is attributable to portfolio restructuring. In the **life insurance** business **premiums written** went up by **4.3 percent** to **EUR 27.1 million**.

In the first quarter of 2011 a loss of EUR 5.0 million was posted.

The **combined ratio** amounted to a very unsatisfactory 110 percent.

## **Remaining markets**

The segment **Remaining markets** comprises the countries Albania, Bulgaria, Germany, Estonia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Serbia, Turkey, Ukraine, Hungary and Georgia.

In the **non-life insurance** segment **premiums written** grew strongly by **15.5 percent** to **EUR 146.9 million**, while in the **life insurance** segment a decline to **EUR 60.8 million** was recorded. In this segment the Group companies of Vienna Insurance Group reported **premiums written** of **EUR 212.7 million**.

**Profit (before taxes)** amounted to EUR 0.7 million.

The **combined ratio** was slightly above 100 percent.

## **IV. OUTLOOK**

The management of Vienna Insurance Group confirms its forecast of January and expects an increase in profit (before taxes) of about ten percent and a low percentage growth of premiums. Moreover, the Group has set itself the target of decreasing the combined ratio to about 97 percent. The prerequisite is, however, that the economic and legal framework will not deteriorate significantly and that damage caused by natural disasters will not develop dramatically.

## Consolidated Income Statement (IFRS) 1 January 2011 - 31 March 2011

(in EUR mn)	3M 2011	3M 2010	+/- %
Gross premiums written	2,603.4	2,531.0	2.9
Net earned premiums	<b>2,078.8</b>	<b>2,047.2</b>	<b>1.5</b>
Financial result	253.2	310.4	-18.4
Other income	25.5	32.4	-21.2
Expenses for claims and insurance benefits	-1,679.7	-1,727.8	-2.8
Operating expenses	-456.8	-447.6	2.1
Other expenses	-78.3	-81.1	-3.5
<b>Profit before taxes</b>	<b>142.8</b>	<b>133.4</b>	<b>7.0</b>
Taxes	-27.2	-24.2	12.5
<b>Profit for the period</b>	<b>115.6</b>	<b>109.3</b>	<b>5.8</b>
Minority interests	-6.5	-8.0	-19.4
<b>Net profit after minorities</b>	<b>109.1</b>	<b>101.2</b>	<b>7.8</b>

<b>Combined Ratio (net)</b>	<b>97.8%</b>	97.5%
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## Segment Reporting - Main Positions of the P&L 1 Jan. 2011 - 31 March 2011

Split by lines of business:

	P&C		Life		Health		Total	
	3M 2011	3M 2010						
(in EUR mn)								
Gross premiums written	1,468.1	1,384.1	1,043.0	1,062.1	92.3	84.8	2,603.4	2,531.0
Profit before taxes	54.1	86.3	77.8	37.6	10.9	9.5	142.8	133.4

Split by regions:

	Austria		Czech Republic		Slovakia	
	3M 2011	3M 2010	3M 2011	3M 2010	3M 2011	3M 2010
(in EUR mn)						
Gross premiums written	1,284.7	1,301.1	514.3	454.5	188.6	181.8
Profit before taxes	78.8	70.3	41.1	31.5	17.5	10.1

	Poland		Romania		Remaining		Total	
	3M 2011	3M 2010	3M 2011	3M 2010	3M 2011	3M 2010	3M 2011	3M 2010
(in EUR mn)								
Gross premiums written	258.6	176.7	144.5	147.4	212.7	269.5	2,603.4	2,531.0
Profit before taxes	9.6	7.2	-5.0	7.4	0.7	7.0	142.8	133.4

The listed Vienna Insurance Group (VIG) is one of the leading insurance groups in CEE headquartered in Vienna. Outside of its home base in Austria, Vienna Insurance Group is also active, through subsidiaries and insurance holdings, in Albania, Bulgaria, Germany, Estonia, Georgia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, the Czech Republic, Turkey, Hungary, Ukraine and Belarus. Moreover, Wiener Städtische Versicherung has branches in Italy and Slovenia; Donau Versicherung has a branch in Italy.

On the Austrian market, the Vienna Insurance Group (VIG) positions itself with Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung.

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You will also find this press release on <http://www.vig.com>