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## Vienna Insurance Group in the first three quarters of 2016: Growth in premiums and profit

- **Premiums rise to around EUR 7.0 billion**
- **Profit (before taxes) increases to EUR 301.3 million**
- **Combined ratio stable at 97.9 percent**

Vienna Insurance Group business development is on course in the first three quarters of 2016. Group premiums rose by 0.7 percent, which is noteworthy due to the ongoing restraint in single premium life insurance business (-18.6 percent). When adjusted for single premium business, premiums increased by a respectable 4.7 percent.

*“The interest rate environment is a challenge that all European insurers now have to face. Given these circumstances, we are very satisfied with our profit development, which is in line with the target we announced for 2016,”* said Elisabeth Stadler, CEO of Vienna Insurance Group, adding: *“Overall, the results show that the decision to exercise restraint in the traditional single premium life insurance business was correct.”*

VIG's profit (before taxes) of EUR 301.3 million means it is on target in terms of profit development. When interpreting the sharp increase of 88.4 percent, the impairment in the comparable period of 2015 must be taken into account. The CEE markets contributed around 65 percent of profits.

The Group's combined ratio after reinsurance (not including investment income) was 97.9 percent in 1<sup>st</sup> to 3<sup>rd</sup> quarter of 2016.

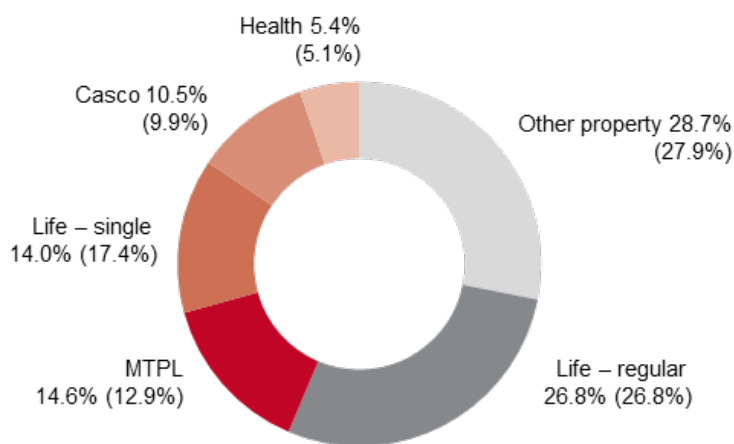
Group investments including cash and cash equivalents were EUR 36.5 billion as of 30 September 2016. VIG earned a financial result of EUR 703.2 million (-10.0 percent) in the first three quarters of 2016.

## Vienna Insurance Group market developments

*“Based on the motto ‘identify chances’, we rely on local management in our markets. Our premium growth shows that we respond to the different circumstances in each individual market, based on our diversity across countries and regions. Our Group companies bring us close to our customers and make us successful as a local insurer,”* stated Elisabeth Stadler, explaining VIG’s CEE strategy.

In light of the challenging circumstances, Vienna Insurance Group companies recorded good premium growth in many markets, such as in Hungary (+14.2 percent), Romania (+30.3 percent) or Turkey/Georgia (+15.6 percent).

## Premiums by line of business



Values for 1<sup>st</sup>-3<sup>rd</sup> quarter 2015 in parentheses

Premium growth was consistently positive in property and casualty. VIG recorded significant growth in motor third party liability, casco and the non-motor lines of business.

Vienna Insurance Group recently defined health insurance as a strategic growth line of business. During the first nine months, premiums grew 6.3 percent in this line of business.

However, even the markets greatly affected by the low interest rate environment, such as the Czech Republic, Slovakia and Austria, recorded premium growth of +6.7 percent, +4.5 percent and +0.6 percent, respectively. Solid growth of 6.4 percent was also achieved in Poland, when adjusted for the transfer of the Baltic non-life insurance business as well as exchange rate effects.

Profitable insurance business is the top priority for Vienna Insurance Group. It must be stressed that almost all regional segments made positive contributions to profits. Profit (before taxes) rose, for example, in Hungary (+41.6 percent), Romania (+16.6 percent) and the Turkey/Georgia segment (+80.4 percent). The Baltic region was the sole exception, recording a minus (EUR -7.8 million) primarily due to start-up losses for the newly founded insurance company Compensa Non-Life.

## Consolidated Income Statement (IFRS)

(in EUR mn)	9M 2016	9M 2015	+/- %
<b>Gross premiums written</b>	<b>6,961.8</b>	<b>6,912.4</b>	<b>0.7</b>
Net earned premiums	6,158.9	6,147.3	0.2
Financial result incl. at equity consolidated companies	703.2	781.7	-10.0
Other income	122.8	78.3	56.8
Expenses for claims and insurance benefits	-5,091.5	-5,021.2	1.4
Acquisition and administrative expenses	-1,422.4	-1,395.5	1.9
Other expenses	-169.7	-430.6	-60.6
<b>Profit before taxes</b>	<b>301.3</b>	<b>160.0</b>	<b>88.4</b>
Taxes	-70.3	-23.9	>100
<b>Profit for the period</b>	<b>231.0</b>	<b>136.1</b>	<b>69.7</b>
Non-controlling interests	-11.2	-5.1	>100
<b>Net profit after non-controlling interests</b>	<b>219.8</b>	<b>131.0</b>	<b>67.8</b>
<b>Earnings per share in EUR (annualized)</b>	<b>2.17</b>	<b>1.23</b>	<b>76.4</b>
<b>Combined Ratio (net in %)</b>	<b>97.9</b>	<b>96.9</b>	<b>1pp</b>

## Segment Reporting (IFRS)

in EUR mn	Austria			Czech Republic			Slovakia		
	9M 2016	9M 2015	+/- %	9M 2016	9M 2015	+/- %	9M 2016	9M 2015	+/- %
<b>Gross premiums written Total</b>	<b>3,107,4</b>	<b>3,154,2</b>	<b>-1,5</b>	<b>1,156,7</b>	<b>1,193,2</b>	<b>-3,1</b>	<b>547,9</b>	<b>551,8</b>	<b>-0,7</b>
<b>Profit before Taxes</b>	<b>103,4</b>	<b>116,9</b>	<b>-11,5</b>	<b>114,1</b>	<b>125,9</b>	<b>-9,3</b>	<b>39,6</b>	<b>40,4</b>	<b>-1,9</b>
<b>Combined Ratio (net in %)</b>	<b>99,3</b>	<b>98,6</b>	<b>0,7pp</b>	<b>92,9</b>	<b>89,4</b>	<b>3,5pp</b>	<b>95,3</b>	<b>96,6</b>	<b>-1,4pp</b>

in EUR mn	Poland			Romania			The Baltic		
	9M 2016	9M 2015	+/- %	9M 2016	9M 2015	+/- %	9M 2016	9M 2015	+/- %
<b>Gross premiums written Total</b>	<b>616,5</b>	<b>635,3</b>	<b>-3,0</b>	<b>391,8</b>	<b>300,6</b>	<b>30,3</b>	<b>104,5</b>	<b>43,4</b>	<b>&gt;100</b>
<b>Profit before Taxes</b>	<b>17,3</b>	<b>34,8</b>	<b>-50,3</b>	<b>6,4</b>	<b>5,5</b>	<b>16,6</b>	<b>-7,8</b>	<b>1,7</b>	<b>n.a.</b>
<b>Combined Ratio (net in %)</b>	<b>100,7</b>	<b>97,2</b>	<b>3,4pp</b>	<b>101,6</b>	<b>102,2</b>	<b>-0,6pp</b>	<b>133,4</b>	<b>-</b>	<b>n.a.</b>

in EUR mn	Hungary			Bulgaria			Turkey/Georgia		
	9M 2016	9M 2015	+/- %	9M 2016	9M 2015	+/- %	9M 2016	9M 2015	+/- %
<b>Gross premiums written Total</b>	<b>162,0</b>	<b>141,9</b>	<b>14,2</b>	<b>107,8</b>	<b>101,7</b>	<b>6,1</b>	<b>160,7</b>	<b>139,1</b>	<b>15,6</b>
<b>Profit before Taxes</b>	<b>2,8</b>	<b>2,0</b>	<b>41,6</b>	<b>5,3</b>	<b>5,1</b>	<b>4,4</b>	<b>6,9</b>	<b>3,8</b>	<b>80,4</b>
<b>Combined Ratio (net in %)</b>	<b>104,3</b>	<b>106,4</b>	<b>-2,1pp</b>	<b>98,4</b>	<b>101,1</b>	<b>-2,7pp</b>	<b>97,6</b>	<b>96,9</b>	<b>0,7pp</b>

in EUR mn	Remaining CEE			Other Markets			Central Functions		
	9M 2016	9M 2015	+/- %	9M 2016	9M 2015	+/- %	9M 2016	9M 2015	+/- %
<b>Gross premiums written Total</b>	<b>240,4</b>	<b>229,9</b>	<b>4,6</b>	<b>269,4</b>	<b>299,3</b>	<b>-10,0</b>	<b>1,019,0</b>	<b>968,6</b>	<b>5,2</b>
<b>Profit before Taxes</b>	<b>11,6</b>	<b>15,1</b>	<b>-23,2</b>	<b>16,7</b>	<b>15,1</b>	<b>10,3</b>	<b>-15,1</b>	<b>-205,8</b>	<b>-92,7</b>
<b>Combined Ratio (net in %)</b>	<b>100,3</b>	<b>97,4</b>	<b>2,9pp</b>	<b>80,2</b>	<b>83,2</b>	<b>-3pp</b>			

in EUR mn	Consolidation			Total		
	9M 2016	9M 2015	+/- %	9M 2016	9M 2015	+/- %
<b>Gross premiums written Total</b>	<b>-922,5</b>	<b>-846,4</b>	<b>9,0</b>	<b>6,961,8</b>	<b>6,912,4</b>	<b>0,7</b>
<b>Profit before Taxes</b>	<b>0,0</b>	<b>-0,6</b>	<b>n.a.</b>	<b>301,3</b>	<b>160,0</b>	<b>88,4</b>
<b>Combined Ratio (net in %)</b>				<b>97,9</b>	<b>96,9</b>	<b>1pp</b>
<b>Net profit after non-controlling interests</b>				<b>219,8</b>	<b>131,0</b>	<b>67,8</b>

Calculation differences may arise when rounded amounts and percentages are summed automatically.  
Financial results for 2015 have been restated.

**Vienna Insurance Group** (VIG) is the leading insurance specialist in Austria as well as in Central and Eastern Europe. About 50 companies in 25 countries form a Group with a long-standing tradition, strong brands and close customer relations. VIG looks back on 190 years of experience in the insurance business. With about 23,000 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. 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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