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Merger of Wiener Städtische and s Versicherung moves a step closer Implementation fully on schedule

The signature of a notarial act on 13 June 2018 was the final internal legal step paving the way for the merger of the two Vienna Insurance Group (VIG) companies. Subject to approval by the financial markets regulator, the merger is due to take place this autumn.

Groundwork successfully laid for merger

The governing bodies of the Group companies involved, in particular the respective annual general meetings, have already given their approval for the merger. The relevant merger agreement between Sparkassen Versicherung (s Versicherung) and Wiener Städtische Versicherung (Wiener Städtische) was signed on 13 June 2018. *“After extending our partnership agreement with Erste Group in mid-May, we have now completed the last of the internal legal requirements for the merger. I am not only pleased that we have laid the groundwork for our growth plans to advance the bancassurance business, but that the related projects of both companies are fully on schedule,”* commented Elisabeth Stadler, CEO of the Vienna Insurance Group.

Expanding the bancassurance business is a part of the Vienna Insurance Group’s “Agenda 2020” management programme. In the course of 2018, bancassurance companies will be merged into VIG composite insurers in five countries. This process has already been successfully completed in Hungary, Slovakia and Croatia. Austria will follow in autumn 2018, while the merger plan for the Czech Republic is expected for completion by the end of 2018.

One in four Austrians is insured by Wiener Städtische

The combination of s Versicherung and Wiener Städtische will create Austria’s largest life insurer, with premium volume of about EUR 1.4 billion and a market share of some 24 percent. The two companies combined premium income is over EUR 3 billion, and together they serve more than 2.5 million customers. After the merger, on average a quarter of all Austrians will be insured by Wiener Städtische.

VIG operationally active with Wiener Städtische and Donau following the merger

Once the merger is completed, VIG will be represented in Austria by two operating insurance companies, Wiener Städtische and Donau Versicherung. The brand s Versicherung will be retained as a sales brand. VIG is Austria’s leading insurer, with a market share of 23 percent. In the first three months of 2018, VIG achieved a premium volume of around EUR 1.3 billion in Austria, and pre-tax profit of EUR 37.5 million. The combined ratio was an outstanding 95.6 percent.

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 has close to 200 years of experience in the insurance business. With more than 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. 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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