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**PROFITS EARNED IN ALL SEGMENTS AND MARKETS IN THE
1ST QUARTER OF 2014**

**Solid premium growth to
EUR 2.7 billion (+1.0 %)**

satisfying growth of +2.9 % after
adjusting for exchange rate
effects – in spite of further
portfolio adjustments

**Robust profit (before
taxes) of EUR 152 million
(-4.7 %)**

+2.8 % after adjusting for
special effects

**all segments and markets
made positive contributions
to profits**

**Combined ratio
improved to an
excellent 96.4 %**

following 100.6 % at the end
of 2013

Consolidated premiums written by Vienna Insurance Group reached EUR 2.7 billion in the first quarter of 2014, representing a year-on-year increase of 1.0 percent. When adjusted for exchange rate effects, the increase rises further to 2.9 percent.

Profit (before taxes) was EUR 152 million. Adjusted for exchange rate effects and the first interest payment on the subordinated debt issued in autumn 2013, profit (before taxes) rose by 2.8 percent. It is particularly satisfying to note that all Vienna Insurance Group segments and markets made positive contributions to profits.

"Vienna Insurance Group has made a strong start in 2014. Premiums recorded solid growth. A substantial reduction of more than 4 percentage points in the combined ratio confirms that the measures taken in the second half of 2013 were correct."

Peter Hagen
CEO Vienna Insurance Group

The combined ratio improved strongly to an excellent 96.4 percent. This was half a percentage point lower than the same period in the previous year. Compared to the end of 2013, the level improved significantly by 4.2 percentage points.

The Group's financial result remained stable at around EUR 272 million. Vienna Insurance Group investments (including cash and cash equivalents) were just under EUR 30 billion (as of 31 March 2014).

VIENNA INSURANCE GROUP MARKET HIGHLIGHTS

Performance was mixed in the property and casualty segment. While the motor lines of business suffered under strong competitive pressure, the Group's premiums rose by 2.1 percent (unconsolidated) in the strategically attractive non-motor lines of business. Austria (+3.1 percent), Slovakia (+2.1 percent) and the Remaining Markets (+10.3 percent) are some examples of the excellent performance achieved by Group companies.

Aside from exchange rate effects, the slight overall drop in property and casualty insurance (-1.8 percent) was once again primarily due to the difficult market environment in Romania and the intentional reduction in Donau Versicherung's motor business in Italy. Adjusted for Donau Versicherung's Italian business, Austrian premiums rose by around 3 percent in this segment.

STRONG GROWTH IN LIFE INSURANCE

Premiums developed strongly in this segment. Group companies achieved an overall growth of 4.7 percent to EUR 1.2 billion. Particularly strong growth was recorded in the Czech Republic (+8.9 percent) – in spite of negative exchange rate effects – and Slovakia (+7.2 percent). In Hungary, life insurance premiums rose by more than two thirds and in Bulgaria by more than a quarter. The Baltic States also grew strongly with an increase of 36.5 percent.

In health insurance, Vienna Insurance Group generated EUR 102.6 million in premiums, representing an overall increase of 1.9 percent.

PROFITABLE IN ALL SEGMENTS AND MARKETS

In the Czech Republic, profit (before taxes) rose by 8.1 percent to EUR 51.0 million. In Poland, the Group increased profit (before taxes) by a further 4.4 percent to EUR 15.9 million. In the Remaining Markets, profit (before taxes) rose by a considerable 32.9 percent. Wiener Städtische Versicherung and s Versicherung recorded highly positive growth in profits and, as a result, made a significant contribution to the Group result. There were initial signs of improvement due to the restructuring measures implemented in the Romanian Group companies, which moved into profit in the first quarter of 2014.

"I consider the return to profitability in all segments and markets to be an outstanding achievement in the first quarter."

Peter Hagen

Cost-oriented measures reduced administrative expenses substantially in many markets (overall - 7.0 percent). The expense ratio decreased by 1.5 percent in Austria and 1.4 percent in the Czech Republic.

Consolidated Income Statement (IFRS) 1 January - 31 March 2014

(in EUR mn)	3M 2014	3M 2013	+/- %
Gross premiums written	2,731.1	2,705.2	1.0
Net earned premiums	2,212.6	2,198.9	0.6
Financial result	271.6	270.2	0.5
Other income	27.6	42.2	-34.8
Expenses for claims and insurance benefits	-1,833.8	-1,819.7	0.8
Acquisition and administrative expenses	-469.7	-472.9	-0.7
Other expenses	-56.4	-59.3	-5.0
Profit before taxes	151.8	159.4	-4.7
Taxes	-32.1	-32.7	-1.6
Profit for the period	119.7	126.7	-5.5
Non-controlling interests	-1.3	-2.9	-55.4
Net profit after non-controlling interests	118.4	123.8	-4.4
Combined Ratio (net in %)	96.4	96.9	-0.5pp

Segment Reporting (IFRS) 1 January - 31 March 2014

Split by lines of business:

in EUR mn	Property&Casualty			Life			Health		
	3M 2014	3M 2013	+/- %	3M 2014	3M 2013	+/- %	3M 2014	3M 2013	+/- %
Gross premiums written	1,474.4	1,501.9	-1.8%	1,154.1	1,102.6	4.7%	102.6	100.7	1.9%
Profit before Taxes	92.2	81.4	13.2%	47.7	60.7	-21.5%	12.0	17.3	-30.5%

Split by regions:

in EUR mn	Austria			Czech Republic			Slovakia		
	3M 2014	3M 2013	+/- %	3M 2014	3M 2013	+/- %	3M 2014	3M 2013	+/- %
Gross premiums written Property&Casualty	721.6	728.2	-0.9%	235.8	264.1	-10.7%	106.9	105.0	1.9%
Gross premiums written Life	559.4	564.8	-0.9%	230.6	211.7	8.9%	106.3	99.1	7.2%
Gross premiums written Health	94	92	-	-	-	-	-	-	-
Gross premiums written Total	1,375.4	1,384.6	-0.7%	466.4	475.9	-2.0%	213.2	204.0	4.5%
Profit before Taxes	56.3	64.2	-12.2%	51.0	47.2	8.1%	9.4	9.3	1.5%
Combined Ratio (net in %)	99.8	96.9	3pp	85.4	90.9	-5.5pp	95.1	95.5	-0.4pp

in EUR mn	Poland			Romania			Remaining		
	3M 2014	3M 2013	+/- %	3M 2014	3M 2013	+/- %	3M 2014	3M 2013	+/- %
Gross premiums written Property&Casualty	148.4	153.4	-3.3%	68.7	78.3	-12.2%	168.8	165.4	2.0%
Gross premiums written Life	109.3	115.4	-5.2%	13.7	23.0	-40.3%	131.1	85.7	53.1%
Gross premiums written Health	-	-	-	-	-	-	8.2	9.1	-9.5%
Gross premiums written Total	257.7	268.8	-4.1%	82.4	101.2	-18.6%	308.2	260.2	18.4%
Profit before Taxes	15.9	15.3	4.4%	0.5	-2.9	n.a.	14.0	10.6	32.9%
Combined Ratio (net in %)	97.8	96.1	1.7pp	105.8	113.6	-7.8pp	94.7	95.3	-0.6pp

in EUR mn	Central Functions			Consolidation			Total		
	3M 2014	3M 2013	+/- %	3M 2014	3M 2013	+/- %	3M 2014	3M 2013	+/- %
Gross premiums written Total	359.2	354.8	1.3%	-331.4	-344.2	-3.7%	2,731.1	2,705.2	1.0%
Profit before Taxes	4.3	15.7	-72.7%	0.3	0.0	>100	151.8	159.4	-4.7%
Net profit after non-controlling interests							118.4	123.8	-4.4%

Calculation differences may arise when rounded amounts and percentages are summed automatically.

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 core 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.

If you have any questions, please contact:

VIENNA INSURANCE GROUP	Alexander Jedlicka +43 50 390-21029, alexander.jedlicka@vig.com
Public Relations	Silvia Polan +43 50 390-21064, silvia.polan@vig.com
Schottenring 30	Julia Rychetsky +43 50 390-26814, julia.rychetsky@vig.com
1010 Vienna	Marco Jäger +43 50 390-26985, marco.jaeger@vig.com

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