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Vienna Insurance Group in 1st quarter of 2016: Premium growth of 3.2 percent excluding single-premium business

- **EUR 2.7 billion in Group premiums**
- **Combined ratio of 97.8 percent**
- **Profit (before taxes) of EUR 101.5 million**

Vienna Insurance Group performed as expected in the 1st quarter of 2016. A premium volume of EUR 2.7 billion was recorded, representing a satisfying 3.2 percent increase excluding single-premium business. Overall, premiums decreased slightly by 1.8 percent year-on-year due to continued selective sales of single-premium products.

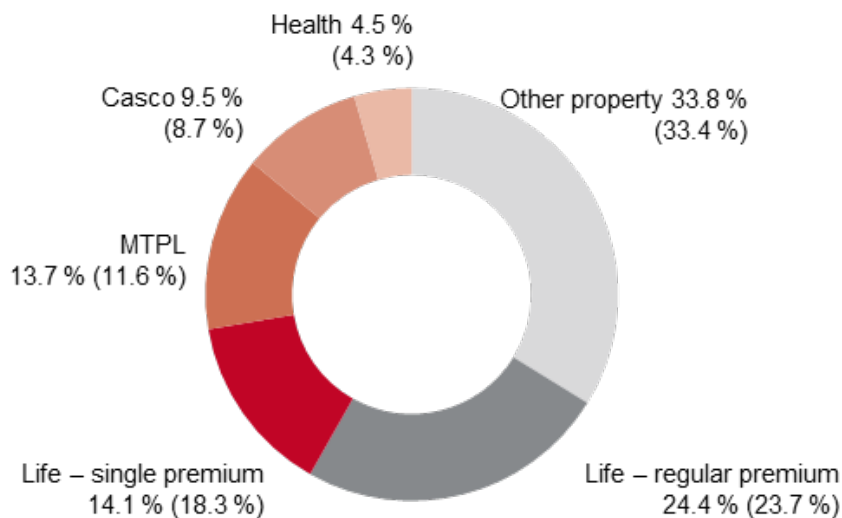
The Group combined ratio after reinsurance (not including investment income) remained significantly below the 100 percent mark at 97.8 percent for the reporting period.

Profit (before taxes) was EUR 101.5 million. VIG generated a financial result of EUR 236.0 million in the 1st quarter of 2016. This represented a 13.7 percent year-on-year decrease that was mainly due to lower realised gains on the disposal of investments in bonds, loans and investment funds.

“As expected, the low interest rate environment burdened our financial result. We expect this negative effect to continue during the remainder of the financial year. As shown by our profit (before taxes) in the 1st quarter, however, we are on schedule to achieve our target of doubling 2015 profit (before taxes) to up to EUR 400 million in 2016,” said Elisabeth Stadler, CEO of Vienna Insurance Group.

Group investments including cash and cash equivalents were EUR 32.7 billion (+2.6 percent) as of 31 March of the current year.

Premium percentage by lines of business



first quarter 2015 under brackets

Performance in VIG markets

Premiums from regular-premium life products continue to grow

Although the low interest rate environment led to a general reduction in sales of single-premium products, regular premium life insurance business continued to grow. Growth achieved in the Czech Republic and Hungary was particularly noteworthy.

Growth achieved in difficult environment for motor insurance

VIG is still confronted by a very competitive situation for motor insurance in some markets. Romania and Turkey nevertheless recorded strong growth in the motor insurance business. In spite of the challenging market situation the combined ratio in Poland was below the 100 percent mark.

New structure in the Baltic States

The Baltic consist of the countries of Estonia, Latvia and Lithuania. The Baltic Group companies achieved significant premium growth up to EUR 34.3 million. Reasons for this growth included the first-time consolidation of the newly founded insurance company Compensa Non-Life and the acquisition of the non-life insurance company Baltikums.

Double-digit growth in premiums in Remaining CEE

The “Remaining CEE” segment defined by VIG, which contains the countries of Albania, Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Serbia and Ukraine, once again recorded double-digit premium growth (+13.5 percent) in the first quarter of 2016. Croatia and Serbia, which VIG considers to be high growth markets, made particularly large contributions to this growth.

Consolidated Income Statement (IFRS)

(in EUR mn)	3M 2016	3M 2015	+/- %
Gross premiums written	2,705.8	2,755.9	-1.8
Net earned premiums	2,137.8	2,210.6	-3.3
Financial result	236.0	273.4	-13.7
Other income	36.9	28.3	30.6
Expenses for claims and insurance benefits	-1,750.6	-1,729.8	1.2
Acquisition and administrative expenses	-502.3	-509.4	-1.4
Other expenses	-56.4	-142.1	-60.3
Profit before taxes	101.5	130.9	-22.5
Taxes	-20.9	-30.5	-31.3
Profit for the period	80.5	100.4	-19.8
Non-controlling interests	-2.9	-1.6	82.0
Net profit after non-controlling interests	77.6	98.8	-21.5
Earnings per share in EUR (annualized)	2.30	2.94	-21.8
Combined Ratio (net in %)	97.8	96.3	

New segments starting as of 1 January 2016:

Segment Reporting (IFRS)

in EUR mn	Austria			Czech Republic			Slovakia		
	3M 2016	3M 2015	+/- %	3M 2016	3M 2015	+/- %	3M 2016	3M 2015	+/- %
Gross premiums written Total	1,347.8	1,341.0	0.5	406.8	457.8	-11.1	190.8	214.7	-11.1
Profit before Taxes	33.8	39.6	-14.6	42.9	45.8	-6.2	10.8	9.7	11.3
Combined Ratio (net in %)	99.5	98.1		88.7	89.7		95.7	94.5	

in EUR mn	Poland			Romania			The Baltic		
	3M 2016	3M 2015	+/- %	3M 2016	3M 2015	+/- %	3M 2016	3M 2015	+/- %
Gross premiums written Total	207.0	238.1	-13.1	142.3	100.3	41.8	34.3	15.1	>100
Profit before Taxes	7.8	15.5	-49.5	1.5	1.8	-18.1	-3.5	0.1	n.a.
Combined Ratio (net in %)	99.2	98.1		102.8	104.8		131.6	0.0	

in EUR mn	Hungary			Bulgaria			Turkey/Georgia		
	3M 2016	3M 2015	+/- %	3M 2016	3M 2015	+/- %	3M 2016	3M 2015	+/- %
Gross premiums written Total	50.3	60.6	-17.0	42.3	42.5	-0.6	57.5	46.3	24.2
Profit before Taxes	0.9	0.7	42.5	2.0	1.8	11.2	2.0	1.0	99.7
Combined Ratio (net in %)	105.1	105.0		105.1	114.0		96.0	102.4	

in EUR mn	Remaining CEE			Other Markets			Central Functions		
	3M 2016	3M 2015	+/- %	3M 2016	3M 2015	+/- %	3M 2016	3M 2015	+/- %
Gross premiums written Total	79.5	70.0	13.5	106.5	122.6	-13.1	369.0	371.0	-0.5
Profit before Taxes	4.4	5.1	-15.2	6.6	6.4	2.4	-7.9	4.0	n.a.
Combined Ratio (net in %)	102.8	100.0		78.0	77.2				

in EUR mn	Consolidation			Total		
	3M 2016	3M 2015	+/- %	3M 2016	3M 2015	+/- %
Gross premiums written Total	-328.5	-324.3	1.3	2,705.8	2,755.9	-1.8
Profit before Taxes	0.3	-0.5	n.a.	101.5	130.9	-22.5
Combined Ratio (net in %)				97.8	96.3	
Net profit after non-controlling interests				77.6	98.8	-21.5

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.

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