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## FIRST HALF-YEAR OF 2012:

## RECORD RESULT OF VIENNA INSURANCE GROUP

**Group premiums grew to about EUR 5.3 billion (plus 11.7 percent)**

**Group profit (before taxes) surpasses the 300-million-euro threshold (plus 6.9 percent to EUR 301.7 million)**

**Increase in profit in CEE by significant 13.6 percent**

**Combined ratio down to excellent 96.6 percent**

*“Despite difficult market conditions, Vienna Insurance Group has succeeded in consistently improving the result also in the current financial year”, Peter Hagen, Chairman of the Managing Board and CEO of Vienna Insurance Group, commented the development of the first six months of 2012. He explained: “Thanks to an increase in profit by almost 7 percent, we fully comply with our target of keeping volatilities low and improving profitability on a sustainable basis. Especially pleasing: the profit contributed by the CEE region has grown by more than 13 percent. This proves once more that we are pursuing the right strategy as the largest international insurance group in this region.”*

### **I. OVERVIEW OF KEY GROUP DATA FOR THE FIRST HALF-YEAR OF 2012 (in accordance with IFRS)**

In the first half-year of 2012 Vienna Insurance Group earned (consolidated) **premiums** written totalling **EUR 5.3 billion**; this equals to an **increase of 11.7 percent** compared to the same period of the previous year.

**Group profit** (before taxes, consolidated) amounted to **EUR 301.7 million** in the first half-year of 2012. This corresponds to a **significant growth by 6.9 percent** compared to the prior-year period.

**Group profit after taxes and minority interests** rose even more strongly, i.e. by **7.5 percent** to **EUR 231.3 million**.

The Group's **combined ratio** after reinsurance (excluding investment income) decreased to an excellent **96.6 percent** in the first half-year of 2012 – and is therefore considerably below the 100-percent threshold.

The **investments** of the Group, including cash and cash equivalents, amounted to **EUR 29.1 billion** as of 30 June 2012. Increasing by **4.9 percent**, the **financial result** totalled **EUR 581.4 million**.

## **II. GROUP DATA BY SEGMENTS FOR THE FIRST HALF-YEAR OF 2012 (consolidated)**

### **Property/casualty insurance**

In the **property/casualty** segment **premiums** written amounted to **EUR 2.6 billion**, rising by **2.4 percent**.

### **Life insurance**

In the **life** segment the Vienna Insurance Group companies earned **premiums** of **EUR 2.5 billion**; strong growth in Poland made a major contribution to this **plus** of **24.1 percent**.

### **Health insurance**

In **health** Vienna Insurance Group reported an **increase** in **premiums** written by **7.5 percent** to **EUR 194.2 million**.

## **III. GROUP DATA BY REGIONS FOR THE FIRST HALF-YEAR OF 2012 (consolidated)**

### **Austria**

The Vienna Insurance Group companies in Austria earned **premiums** written of about **EUR 2.3 billion**; this corresponds to an **increase** by **4.5 percent**. In the **property/casualty** segment premiums written went up by **11.3 percent** to an amount of **EUR 1.2 billion**. **Life insurance** premiums declined by **2.2 percent** to a total of **EUR 999.4 million**.

**Profit** (before taxes) amounted to **EUR 144.3 million**, increasing by **3.0 percent**.

The **combined ratio** stood at a very favourable level of **93.5 percent**.

### **Czech Republic**

The Group companies in the Czech Republic earned **premiums** written of **EUR 927.8 million**.

In **non-life premiums** written amounted to **EUR 523.5 million**. In **life premiums** written totalled **EUR 404.2 million**.

The Vienna Insurance Group companies are the **number one** in the insurance market of the **Czech Republic**, holding a market share of **30.2 percent**.

**Profit** (before taxes) increased by **1.7 percent** to **EUR 92.9 million**.

The **combined ratio** achieved a very satisfactory level of **93.9 percent**.

## Slovakia

The Group companies in Slovakia raised their **premiums written** by **5.6 percent** to **EUR 358.1 million**.

**Increasing** by **2.8 percent**, premiums written in the **non-life insurance** segment amounted to **EUR 176.0 million**. The **life insurance** reported a growth in **premiums written** by **8.6 percent** to a total of **EUR 182.1 million**.

The Vienna Insurance Group companies strengthened their position as the **number one** in the Slovak insurance market, holding a **market share** of **34.1 percent**.

**Profit** (before taxes) climbed by **2.6 percent** to **EUR 29.3 million**.

The **combined ratio** stood at **95.8 percent**.

## Poland

In the Polish market the Group companies of Vienna Insurance Group earned **premiums written** of **EUR 952.2 million, increasing substantially** by **91.2 percent**. This significant growth in premiums was driven by the strong demand in the life insurance segment, especially in the business with single-premium products sold via banks.

The **non-life** segment achieved **premiums written** of **EUR 302.4 million**. Thanks to a **significant plus**, the **life insurance** earned **premiums written** of **EUR 649.8 million**.

**Profit** (before taxes) increased by **14.0 percent** to a total of **EUR 28.0 million** compared to the same period of the previous year.

Decreasing by about 2 percentage points to **98.0 percent**, the **combined ratio** remained clearly under the 100-percent threshold.

## Romania

Reporting **premiums written** of **EUR 235.7 million**, the Romanian Group companies remain the number one in the insurance market.

Due to restructuring the portfolio, **premiums written** declined to **EUR 184.1 million** in the **non-life** segment. **Life insurance premiums written** grew by **2.1 percent** to **EUR 51.6 million**.

A loss of EUR 4.1 million was reported in the first half-year of 2012.

The **combined ratio** stood at 110.4 percent.

## **Remaining markets**

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

In this segment the Vienna Insurance Group companies earned **premiums** written of **EUR 477.3 million, growing strongly by 16.3 percent. Non-life premiums** written **increased by 10.3 percent to EUR 298.2 million**. The **life** segment reported a rise in **premiums** written of **28.0 percent to EUR 179.1 million**.

**Profit** (before taxes) amounted to **EUR 11.4 million**.

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

## **IV. OUTLOOK**

In 2012 the focus will remain on strengthening organic growth – by promoting business with existing companies. This will, however, not exclude the possibility of acquisitions rounding off the portfolio. Vienna Insurance Group set itself the goal of growing above market average in the next few years. The Management of Vienna Insurance Group has committed itself to keeping volatilities as low as possible by taking into account the economic background. Vienna Insurance Group also strives to identify cost-cutting potentials on an ongoing basis and to use them to the best advantage.

## Consolidated Income Statement (IFRS) 01.01.2012 - 30.06.2012

(in EUR mn)	6M 2012	6M 2011	+/- %
Gross premiums written	5.282,9	4.729,2	11,7
<b>Net earned premiums</b>	<b>4.656,4</b>	<b>4.070,5</b>	<b>14,4</b>
Financial result	581,4	554,2	4,9
Other income	53,0	45,5	16,3
Expenses for claims and insurance benefits	-3.943,4	-3.348,7	17,8
Acquisition and administrative expenses	-909,7	-897,1	1,4
Other expenses	-135,9	-142,3	-4,5
<b>Profit before taxes</b>	<b>301,7</b>	<b>282,2</b>	<b>6,9</b>
Taxes	-63,2	-51,7	22,2
<b>Profit for the period</b>	<b>238,5</b>	<b>230,5</b>	<b>3,5</b>
Minority interests	-7,2	-15,4	-53,2
<b>Net profit after minorities</b>	<b>231,3</b>	<b>215,1</b>	<b>7,5</b>
<b>Combined Ratio (net)</b>	<b>96,6</b>	<b>97,1</b>	

## Segment Reporting - Main Positions of the P&L 1 Jan. - 30 June 2012

### Split by lines of business:

(in EUR mn)	P&C		Life		Health		Total	
	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011
Gross premiums written	2.622,4	2.561,8	2.466,2	1.986,7	194,2	180,7	5.282,9	4.729,2
Profit before taxes	166,7	148,8	112,4	112,0	22,6	21,4	301,7	282,2

### Split by regions:

(in EUR mn)	Austria		Czech Republic		Slovakia	
	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011
Gross premiums written	2.331,9	2.232,4	927,8	973,7	358,1	339,0
Profit before taxes	144,3	140,0	92,9	91,3	29,3	28,6

(in EUR mn)	Poland		Romania		Remaining		Total	
	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011
Gross premiums written	952,2	498,1	235,7	275,8	477,3	410,3	5.282,9	4.729,2
Profit before taxes	28,0	24,6	-4,1	1,6	11,4	-3,9	301,7	282,2

The Vienna Insurance Group (VIG) is the company with the best rating of the leading index ATX of the Austrian Stock Exchange. The Vienna Insurance Group 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, Bosnia-Herzegovina, Bulgaria, Germany, Estonia, Georgia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, the Czech Republic, Turkey, Ukraine, Hungary 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 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>