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Vienna Insurance Group plans to issue subordinated bond worth up to EUR 500 million

Vienna Insurance Group AG Wiener Versicherung Gruppe plans to issue a subordinated bond (after implementing Solvency II, this is expected to be recognised as Tier 2 capital, from today's perspective) of a probable volume of up to EUR 500 million and the optional increase by a maximum of EUR 70 million. The bond will have a basic maturity of 30 years and will be callable after ten years by the issuer.

The proceeds from the bond issue will be used to further strengthen the financial base of Vienna Insurance Group, to finance continuing growth in Central and Eastern Europe as well as to prepare for meeting the capital adequacy requirements under the Solvency II Directive.

The main target group of the bond issue are institutional investors. Moreover, the Group also intends to offer the bond in the retail segment in Austria, the Czech Republic, Germany, Luxembourg and perhaps in Switzerland. Vienna Insurance Group has an "A+" rating with stable outlook. The international rating agency Standard & Poor's has awarded a probable "A-" rating to the planned issue of the subordinated bond.

In the next few days, road shows will be held for institutional investors. The terms of the bond will then be laid down in accordance with demand determined in the book building process based on current market conditions. The issuing banks are Erste Group Bank AG as well as BNP Paribas.

The listed Vienna Insurance Group (VIG) 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, Bulgaria, Germany, Estonia, Georgia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, the Czech Republic, Turkey, Hungary, Ukraine 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 (VIG) 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>

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