

VIENNA INSURANCE GROUP

Investor Presentation

Half-year results 2018





VIG – THE LEADING INSURANCE GROUP IN AUSTRIA & CEE

Close to

200

years of experience

Around

50

Group companies

Represented in

25

markets

More than

50%

of premiums coming from CEE

More than

25,000

employees

About

55%

of profits coming from CEE

Since

1994

continuous payout of dividends

Current market capitalization

~ € 3.0

billion

S&P Rating

A+

with stable outlook

MANAGEMENT PRINCIPLES



**CORE BUSINESS
INSURANCE**

1

Local entrepreneurship

- Knowledge of local needs and markets
- Decentralised structures and efficient decision-making procedures

2

Multi-brand strategy

- Around 50 brands in 25 countries
- Utilisation of established local brands

3

Multi-channel distribution

- Various distribution channels, including partnership with Erste Group
- Strongly customer-oriented distribution

4

Conservative investment and reinsurance policy

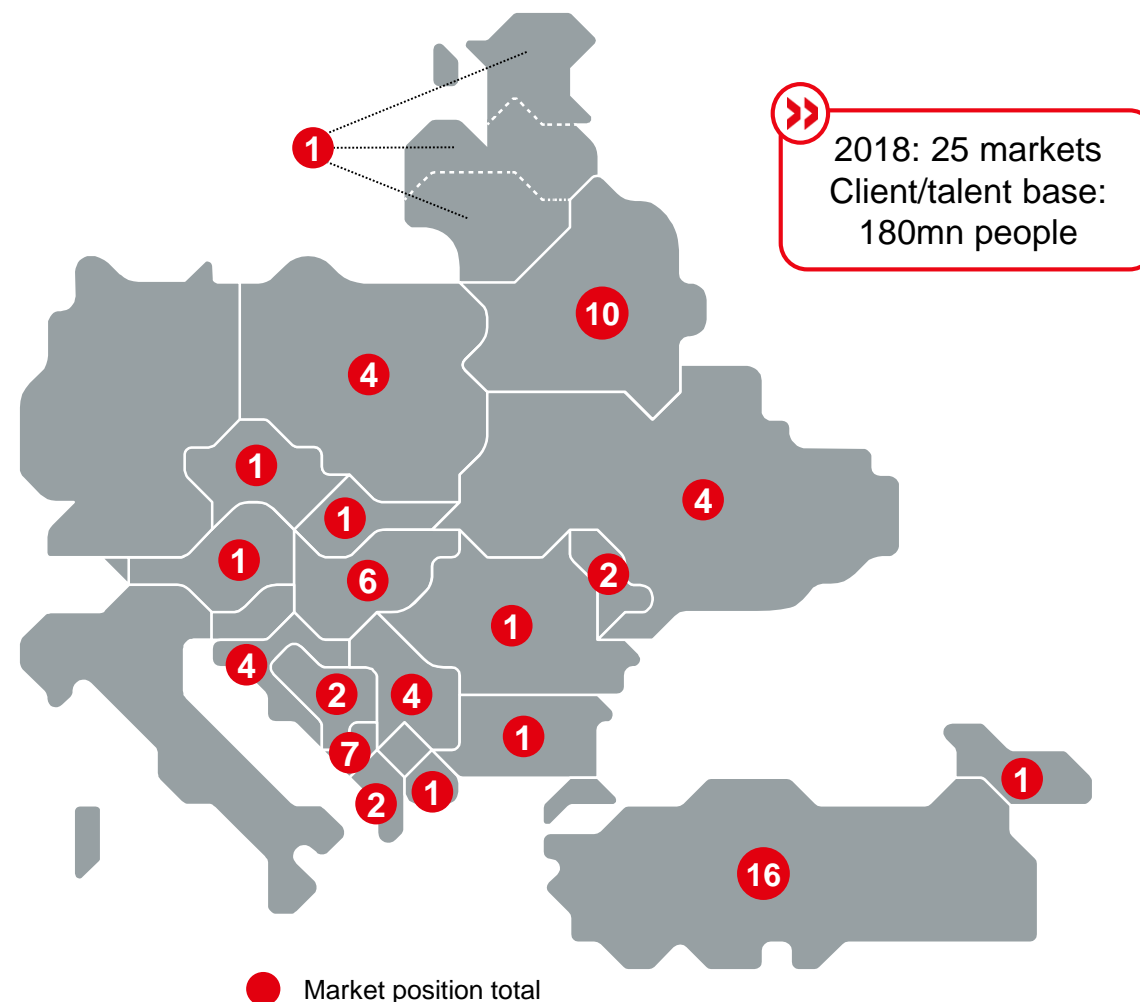
- Quality, peace of mind and sustainability are our priorities
- Spreading risk by means of diversification

VIG IS BEST POSITIONED TO LEVERAGE ON THE POSITIVE MARKET DEVELOPMENT IN CEE

Excellent market shares throughout the region



Country	Market position			Market share total
Austria	1	1	1	24.4%
Czech Rep.	1	1	1	32.6%
Slovakia	1	2	1	33.4%
Poland	4	4	5	5.6%
Romania	1	1	2	27.2%
The Baltic	1	2	3	20.1%
Hungary	6	7	4	8.1%
Bulgaria	1	2	1	15.1%
	total	non-life	life	

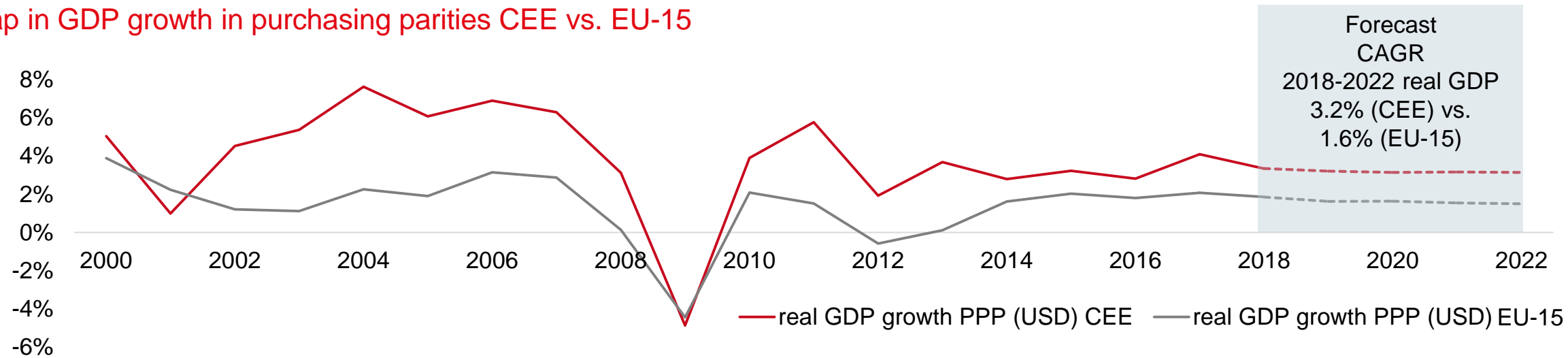


Source: local authorities - data as of Q1 2018; SK and HU as of YE 2017

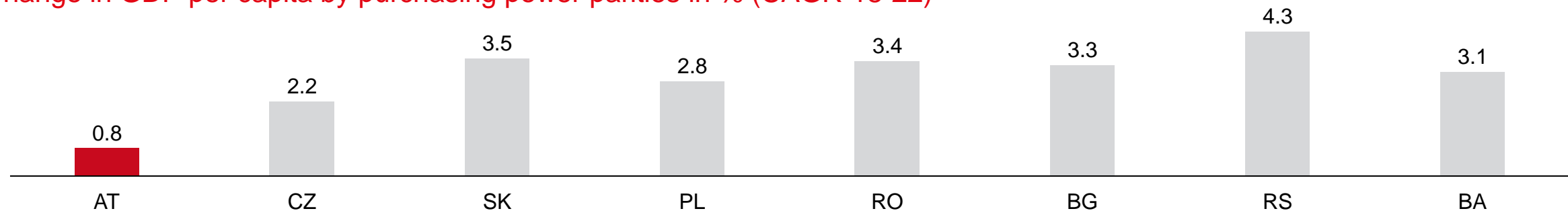
CEE REGION GROWING STRONGER THAN EU-15

Promising GDP per capita growth 2018 - 2022

Gap in GDP growth in purchasing parities CEE vs. EU-15



Change in GDP per capita by purchasing power parities in % (CAGR 18-22)



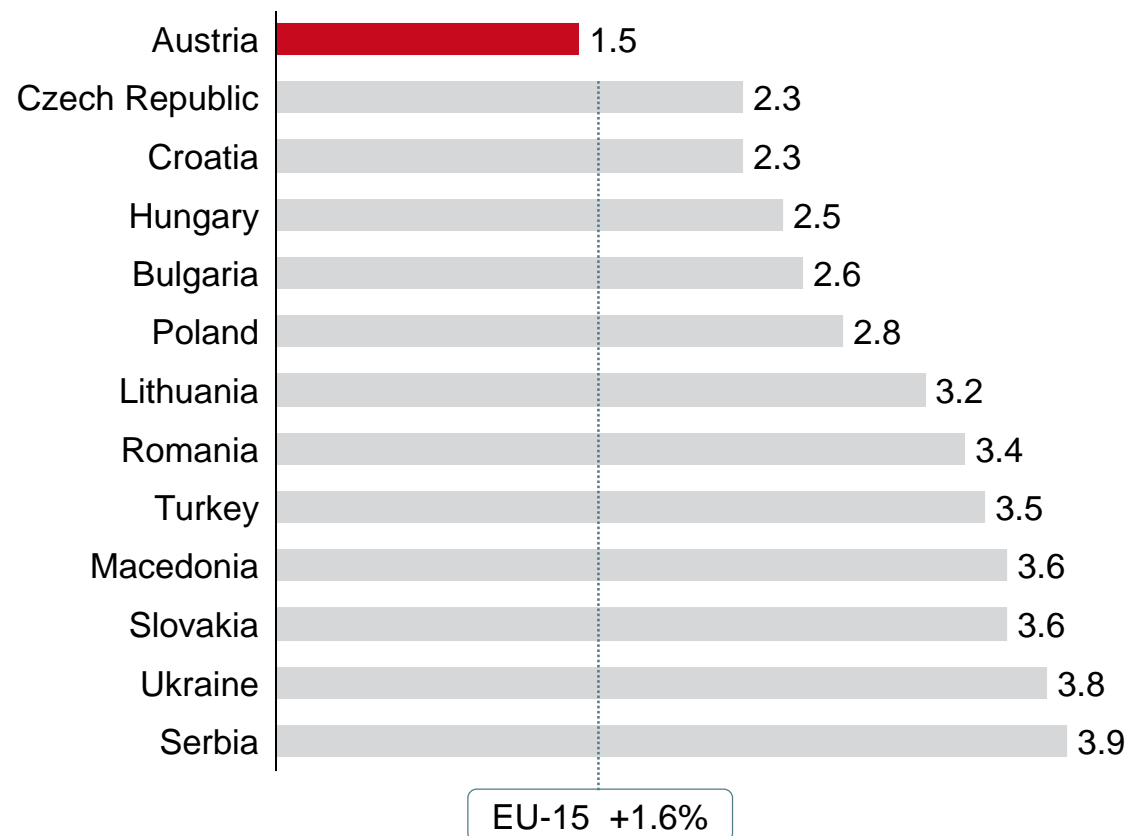
Source: IMF World Economic Outlook Database, October 2017

POSITIVE ECONOMIC ENVIRONMENT AND STRONG GROWTH POTENTIAL GOING FORWARD



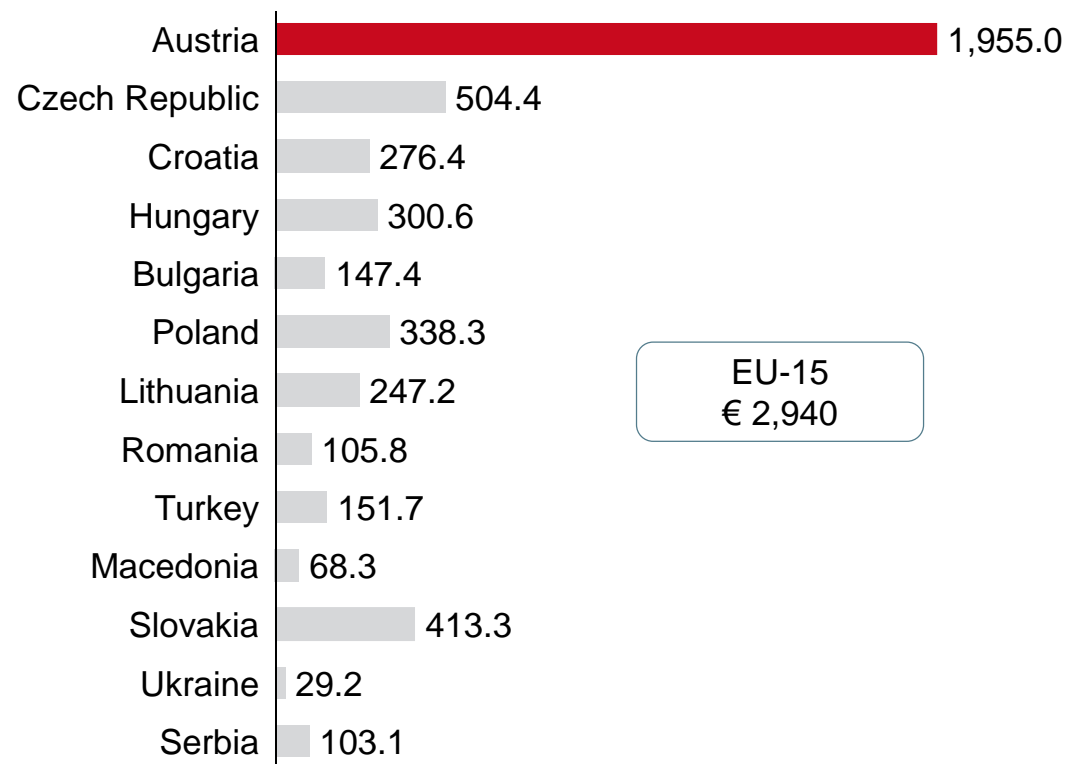
Annual insurance spending shows significant growth potential in the CEE region

Real GDP growth p.a. 2018-2022



Source: IMF, World Economic Outlook Database, October 2017

Insurance density 2016, in EUR (premiums per capita)



Source: insurance density: in-house calculations based on information published by national insurance supervisory authorities and associations, the IMF and Swiss Re (Sigma)

AGENDA 2020:

CREATING ADDED VALUE BY INCREASING OPERATING PERFORMANCE

Medium-term target: combined ratio sustainably at level of 95%

Optimisation of business model

▪ Shared Services

Creating cost benefits by merging back-office functions and companies

▪ Profit optimisation in motor

Development of targeted measures focusing on underwriting and risk selection

▪ Anti-fraud

Group-wide initiative on fraud management supported by specialised VIG team

▪ Closed File Review

Group-wide procedure for identifying and avoiding excessive claims payments

Ongoing activities

Mergers in AT, CZ, SK, HU and HR

VIG merged the former insurance operations acquired in 2008 from Erste Group Bank with local Group companies in SK, HU and Croatia. AT and CZ to follow soon

Establishment of Group-wide active Foreign Claims Team

In order to decrease foreign claims payments, motor portfolios were reviewed as a first step and a savings potential in foreign claims of ~€10mn per annum was identified

Increase in participating Group companies

After a successful pilot project in Poland in 2016, further roll-out to Romania, Bulgaria and Croatia in 2017

Specific VIG method for closed file review developed in 2017

Companies in Poland and in Lithuania effected closed file review and showed savings potential for claims expenses in a medium single-digit percentage range



AGENDA 2020:

SPECIFIC INITIATIVES TO CONTRIBUTE TO FUTURE SUCCESS

Main focus is on digital transformation of the Group

Ensuring future growth

- **Use of growth potentials**
Intensify selected business areas → e.g. health insurance, reinsurance, cooperation with Erste Group
- **Digitisation**
Development of a digital hub to support and coordinate activities within the Group
- **Insurance of the future**
Trends, innovation, technical developments → medium to long-term adaptation of business model
- **Assistance**
Assistance services companies already active in CZ, SK, PL, BG and RO → creating additional value

Ongoing activities

Focus on health insurance and expansion of reinsurance activities

Health premiums in the target markets of Poland, Romania, Hungary, Bulgaria and Turkey increased by 31.8% in 2017; VIG Re opened office in Frankfurt; focus on SME business unchanged.

VIG created a comprehensive “Digital Vision”

Measurable key parameters for 6 elements translate into a common understanding of what needs to be achieved to manage the digital transformation process in each individual company; VIG Xelerate: financial support for local companies

End of 2017 marks the beginning of a half-year programme for InsurTechs

Together with the Insurance Innovation Lab Leipzig and SpinLab VIG selected and supports start-ups – a.o. InsurTechs – to further develop new tools and ideas

Newly established assistance company in Romania in 2017

Apart from road assistance services, companies in CZ, SK, BG und PL also offer household, travel and legal assistance; further expansion of services planned

STRATEGY & AGENDA 2020

KEY DEVELOPMENTS

RESULTS 6M 2018

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KEY DEVELOPMENTS IN THE FIRST HALF-YEAR OF 2018

Overview

VIG well on track in implementing Agenda 2020 initiatives

Erste Group cooperation

- Mutual distribution agreement with Erste Group extended until 2033

Mergers

- Mergers of former bank insurance companies in Hungary, Croatia and Slovakia completed
- Announced mergers in Austria and the Czech Republic progressing as planned and expected to be finalised by the end of 2018 or beginning of 2019
- **Poland**
Polisa-Zycie was merged with Compensa Life
- **Romania**
Mergers of AXA Life and BČR Life completed with 1 June 2018

Acquisitions

- **Poland**
Acquisition of Gothaer
- **Bosnia and Herzegovina**
Acquisition of Merkur completed
- **Baltic states**
Acquisition of Seesam Insurance AS completed on 31 August 2018

VIG Xelerate

- Group-wide initiative to enhance the digital transformation of the Group will be relaunched again in 2018 due to the successful first round

VIG PURCHASES GOTHAER INSURANCE COMPANY IN POLAND

Another decisive step towards achieving the goal of a market share of at least 10% in Poland

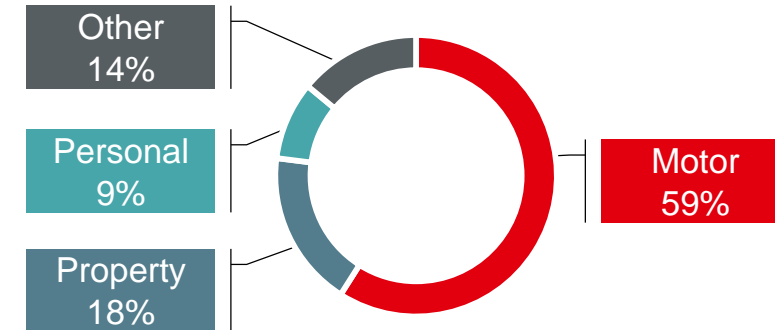


Key facts

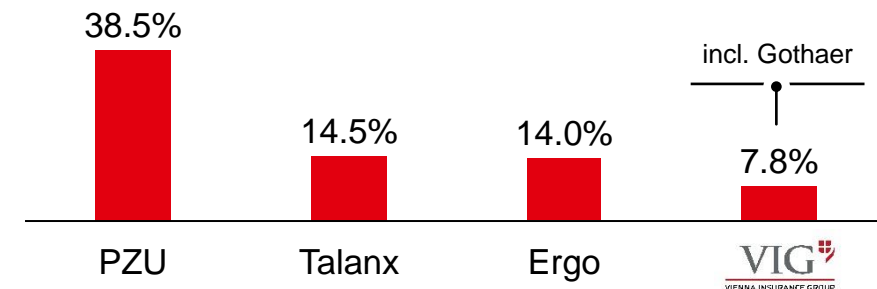
- More than 632,000 customers
- Around 2 million insurance policies
- 530 employees
- Strong sales network with agents & brokers
- Premium volume of ~ €150mn
- Improving technical result and combined ratio (CoR) though CoR still above 100%

Purchase agreement for 100% of Gothaer TU signed in June 2018
(subject to approval by the local authorities)
Closing is expected by the end of 2018 or at the beginning of 2019

Portfolio split 2017*



VIG market share increases from 6.2% to 7.8% (Non-Life)



* Report of the management board of Gothaer 2017

VIG IS INCLUDED IN TWO SUSTAINABILITY INDICES

Sustainability forms an integral part of the Group's corporate DNA



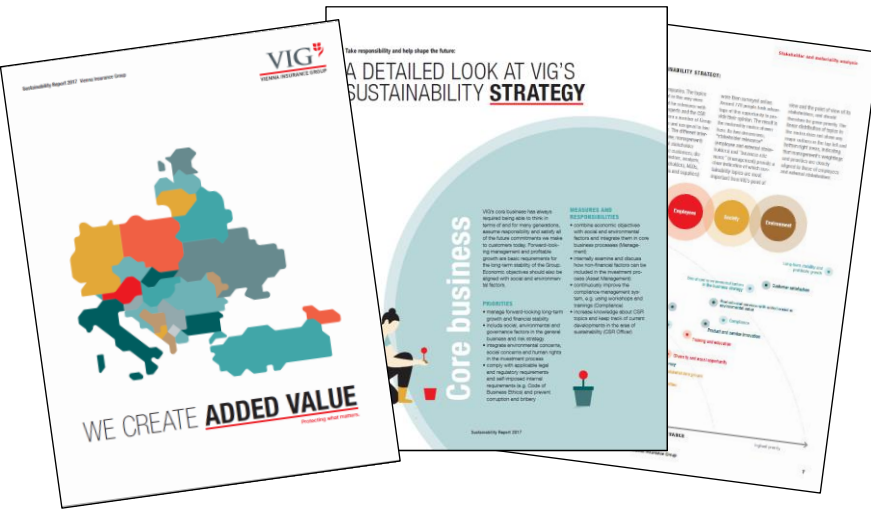
Austria's first sustainability index. It is comprised of listed Austrian companies that are leaders in terms of social and environmental performance. VIG shares have been included in this index since the middle of 2005.

- VÖNIX (AT0000496906) currently consists of 19 companies
- VIG is one of 9 companies that have been included since the start of the index in 2005



Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

- The FTSE4Good indices are used to create and assess responsible investment funds/products.
- VIG is a constituent since mid-2007



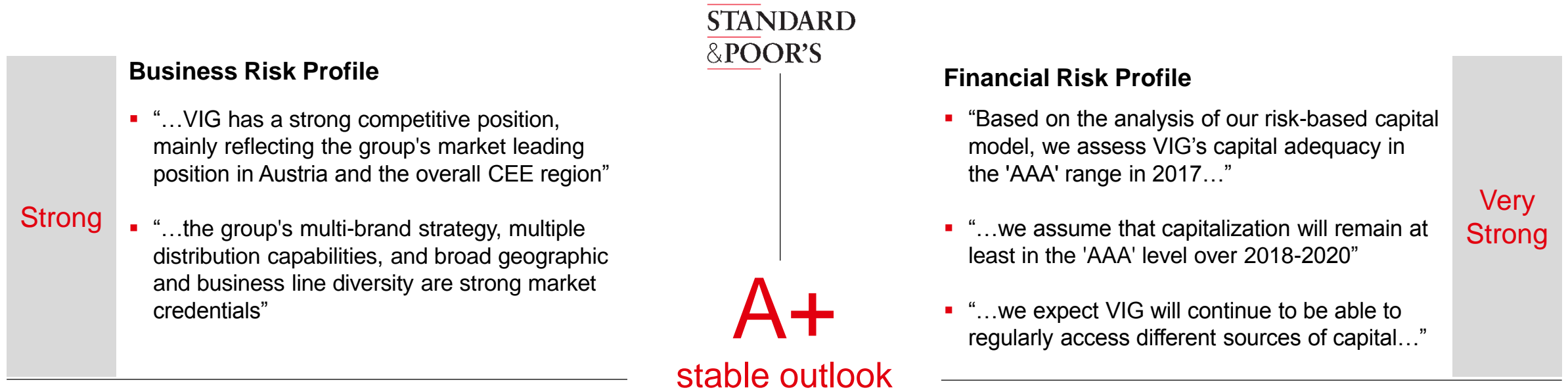
VIG published its first sustainability report in 2018 for the reporting year 2017. It illustrates the great importance that CSR has for the whole Group.

- Presenting the sustainability strategy
- Social and environmental projects and products
- Report according to GRI (Global Reporting Initiative) standards



S&P RATING CONFIRMED IN AUGUST 2018: A+/STABLE OUTLOOK

VIG remains best-rated company in the ATX



Other Assessments

- "We expect VIG's liquidity to remain exceptional over the next two years. The group has ample liquidity sources available, mainly premium income and a highly liquid asset portfolio"
- "We consider VIG's importance to enterprise risk management as high given the complexity of its business..."

Source: S&P Rating Report August 2018

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HIGHLIGHTS

Strong operating performance in the first half-year of 2018 despite impairment of goodwill in Romania

Gross written premium

€ 5,150.3mn

GWP up 3.6% compared to 6M 2017

- Current premium business: +5.7%
- CEE premium growth: +5.1%

Profit before taxes

€ 232.7mn

PBT increased by 5.5%

- CEE profit growth impacted by €50.1mn goodwill impairment of CGU Romania

Combined Ratio

96.3%

Down from 96.9% in 6M 2017

- Claims ratio improved to 64.7%
- Cost ratio slightly up to 31.6%

Solvency Ratio

222%

Fairly stable compared to 220% at YE 2017

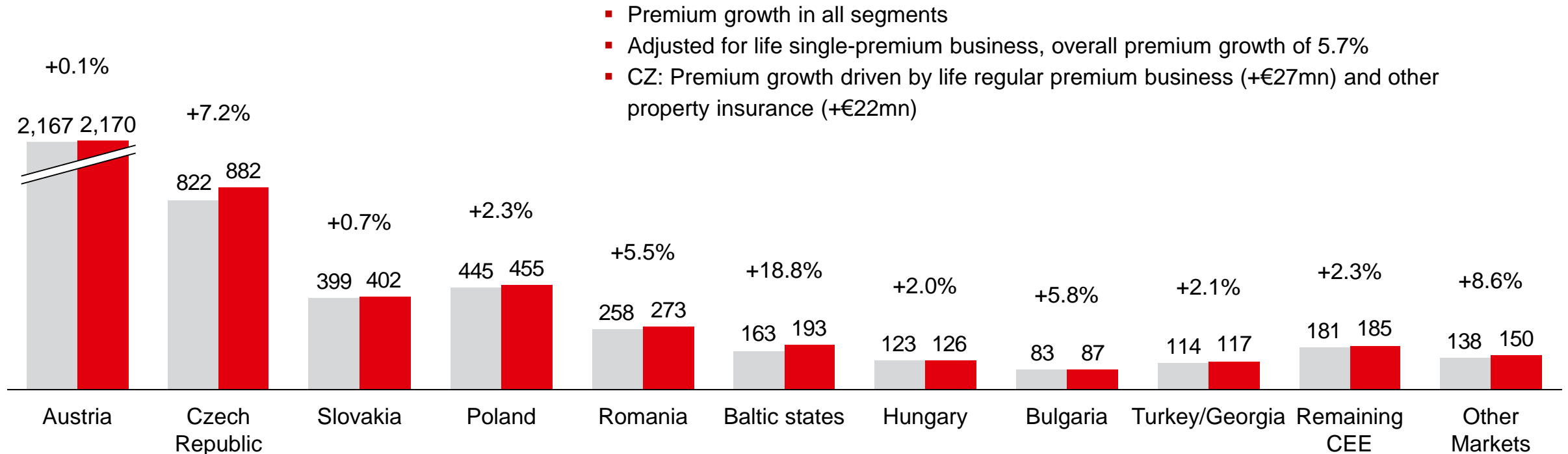
- Eligible own funds of €7,659
- Solvency capital requirement of €3,452



GROSS WRITTEN PREMIUMS OF €5.2bn UP 3.6%

Overview by segments

Gross written premiums (€mn; y-o-y chg.)



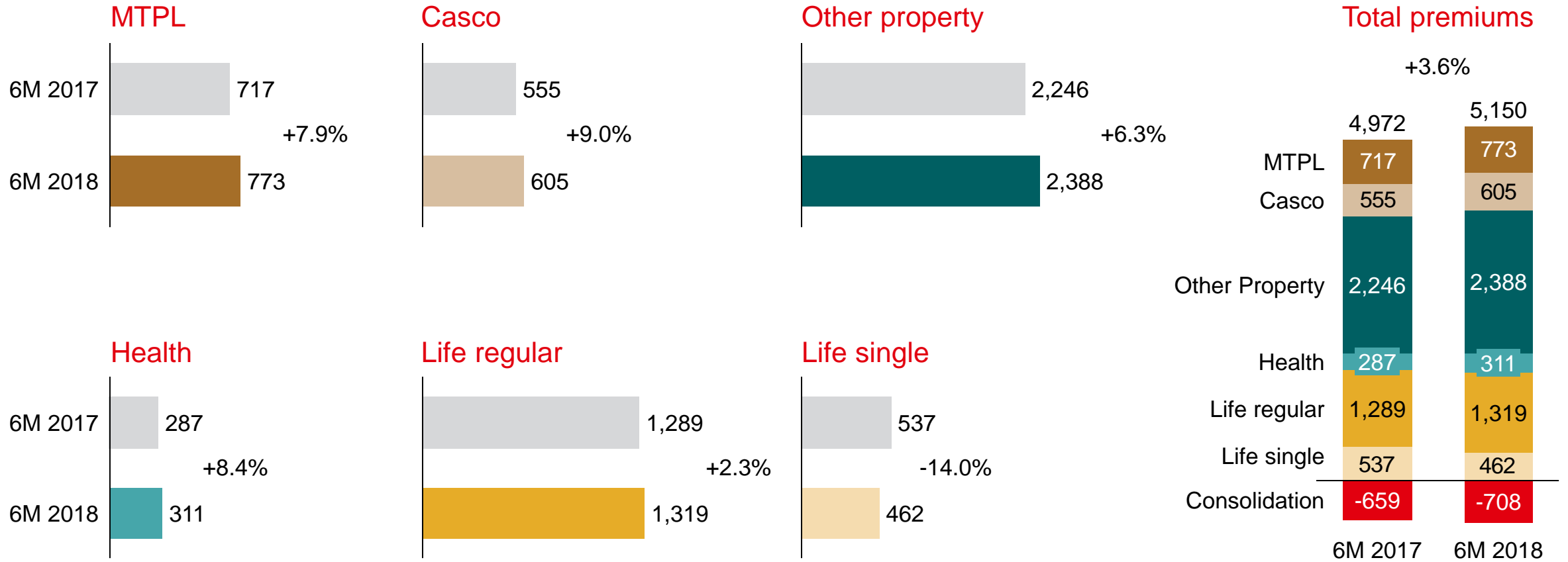
Central Functions 820 (6M 2017: 738) +11.0%; Consolidation -708 (6M 2017: -659) +7.5%

6M 2017 6M 2018



EXCELLENT PREMIUM DEVELOPMENT, APART FROM ONGOING PLANNED REDUCTION OF LIFE SINGLE PREMIUM BUSINESS

Gross written premiums by lines of business (€mn; y-o-y chg.); incl. Central Functions

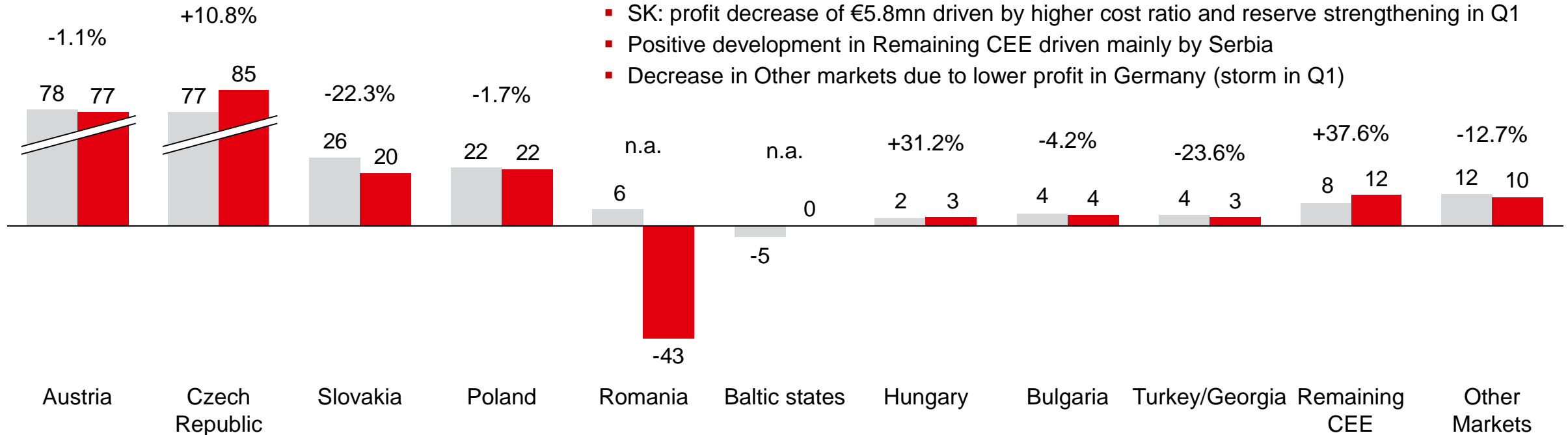


GROUP PROFIT BEFORE TAXES OF €232.7mn UP 5.5%

Overview by segments

Result before taxes (€mn; y-o-y change)

- CZ: Profit growth driven by CoR improvement and better financial result
- RO: impairment test during the period triggered by changing market environment; review of planning data and conservative evaluation practice of management result in goodwill impairment of €50.1mn; adjusted for this impairment, profit before taxes of €7.0mn (+€1.2mn)
- SK: profit decrease of €5.8mn driven by higher cost ratio and reserve strengthening in Q1
- Positive development in Remaining CEE driven mainly by Serbia
- Decrease in Other markets due to lower profit in Germany (storm in Q1)



Central Functions 39.6 (6M 2017: -13.5); Consolidation 0.5 (6M 2017: -0.3)

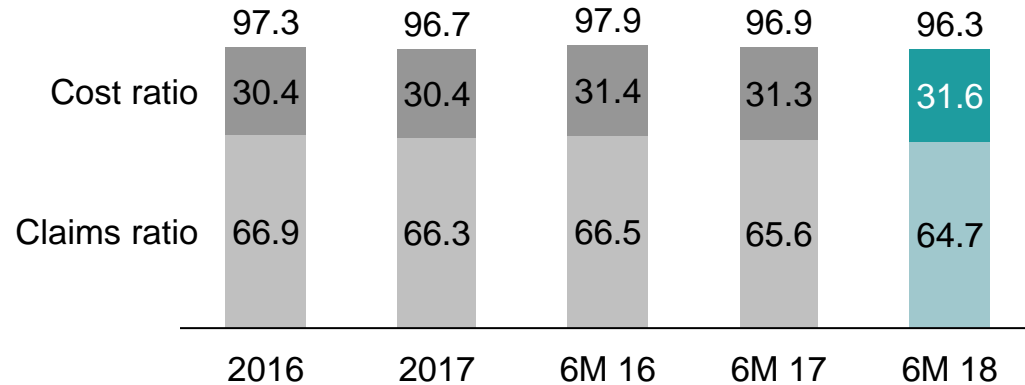
6M 2017 6M 2018

COMBINED RATIO (P&C) IMPROVED TO 96.3%

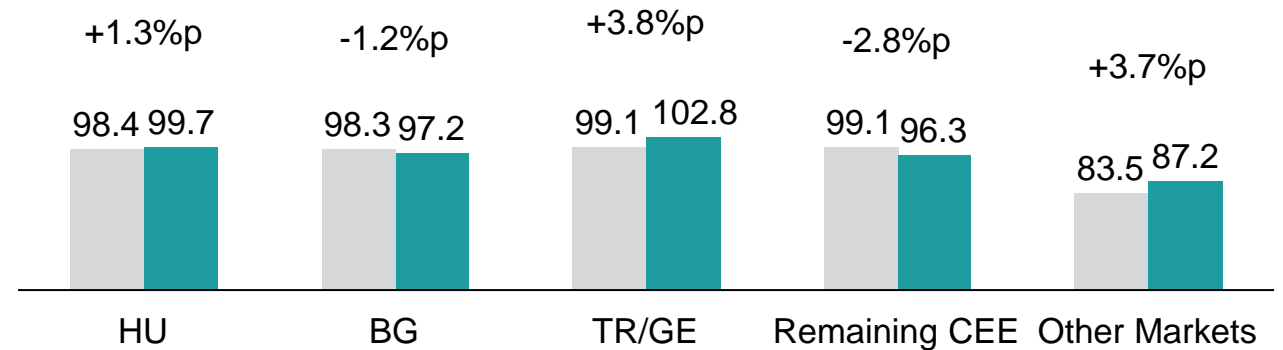
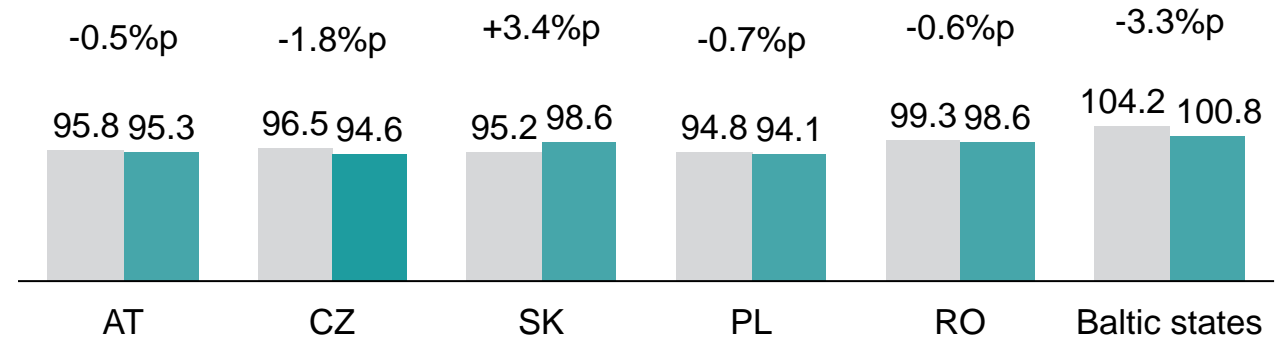
Positive development driven by improved claims ratio in AT, CZ and PL

P&C Combined Ratio development

- CZ: improved cost and claims ratio
- SK: CoR increase driven by cost ratio (up from 31.6% to 35.8%) linked to reserve strengthening in Q1
- Baltics: substantial improvement of cost ratio due to positive developments in the motor lines of business
- TR/GE: deterioration driven by cost ratio in TR
- Other markets CoR impacted by Q1 storm Friederike



Overview by segments (6M y-o-y development net, %)

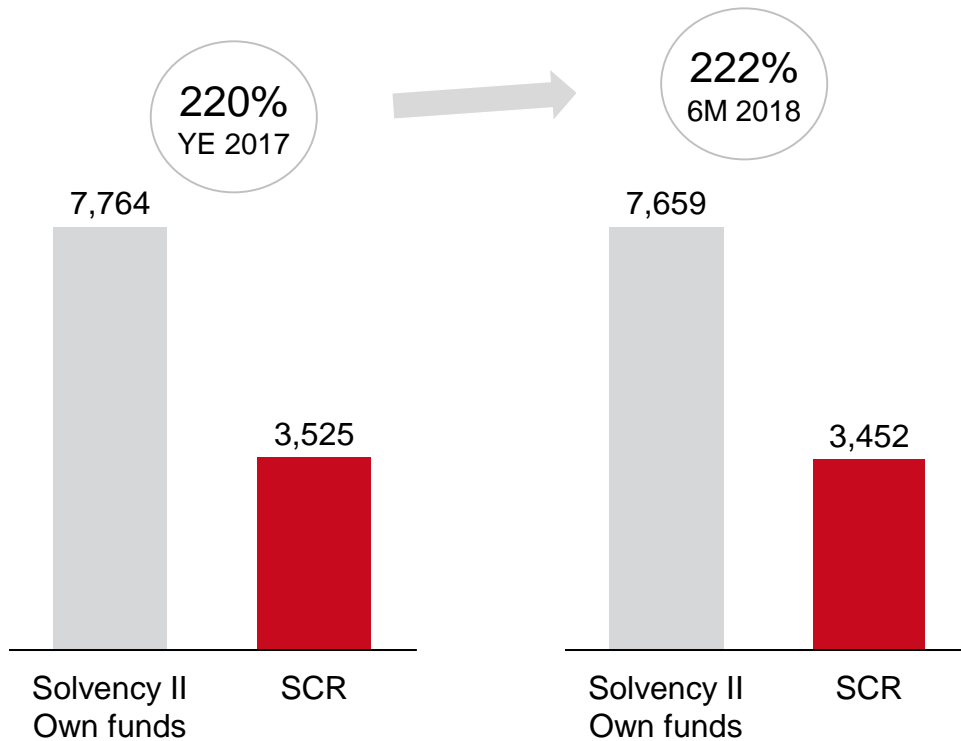


6M 2017 6M 2018

SOLVENCY RATIO OF 222% AS OF 30 JUNE 2018

Calculation based on Partial Internal Model (PIM)

in €mn



- Solvency ratio of Vienna Insurance Group at 222%
- Results include volatility adjustment
- Solvency target range 170% - 230%



OUTLOOK 2020 AND TARGETS FOR 2018 UNCHANGED

Despite a more cautious stance towards Romania, VIG maintains its guidance

Gross written premium

> € 10bn

Based on the positive macroeconomic development, VIG aims to achieve a premium volume of more than €10bn in 2020.

Profit before taxes

€ 500mn - € 520mn

In line with continuous premium growth, VIG plans to increase profit before taxes to be in a range of €500mn - €520mn by 2020.

Combined Ratio

95%

VIG will further focus on its underwriting result, making best use of synergy potentials both on the claims and cost side. Target is a sustainable CoR level of 95%.

Targets for 2018

On the back of the Agenda 2020 initiatives, VIG plans to reach a premium volume of about €9.5bn and profit before taxes in a range of €450mn - €470mn in 2018

Dividends

Commitment to shareholder return: based on VIGs general dividend policy, dividend per share to track profit development

STRATEGY & AGENDA 2020

KEY DEVELOPMENTS

RESULTS 6M 2018

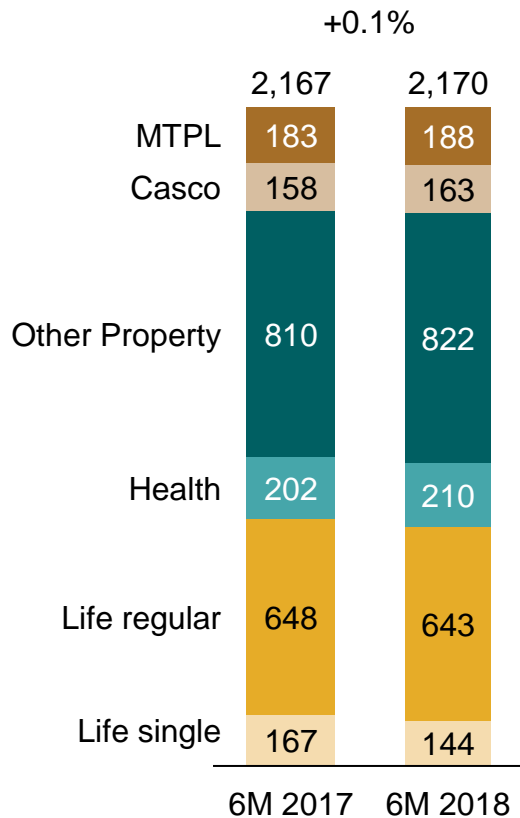
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AUSTRIA

Merger of Wiener Städtische and S-Versicherung progressing according to plan

GWP development (€mn)



€mn	6M 2018	6M 2017	+/- %
Gross premiums written	2,170.0	2,167.0	0.1
Net earned premiums	1,611.5	1,609.6	0.1
Financial result ¹	369.7	370.3	-0.2
Other income	10.6	9.9	6.8
Total income	1,991.8	1,989.8	0.1
Expenses for claims/benefits	-1,559.8	-1,556.0	0.2
Acquisition and admin. expenses	-342.2	-347.1	-1.4
Other expenses	-13.1	-9.2	42.5
Total expenses	-1,915.1	-1,912.3	0.1
Result before taxes	76.7	77.5	-1.1
Tax expenses/income	-42.6	-4.0	>100
Result of the period	34.1	73.5	-53.6
Claims Ratio	65.1%	65.4%	-0.3%p
Cost Ratio	30.2%	30.3%	-0.2%p
Combined Ratio	95.3%	95.8%	-0.5%p

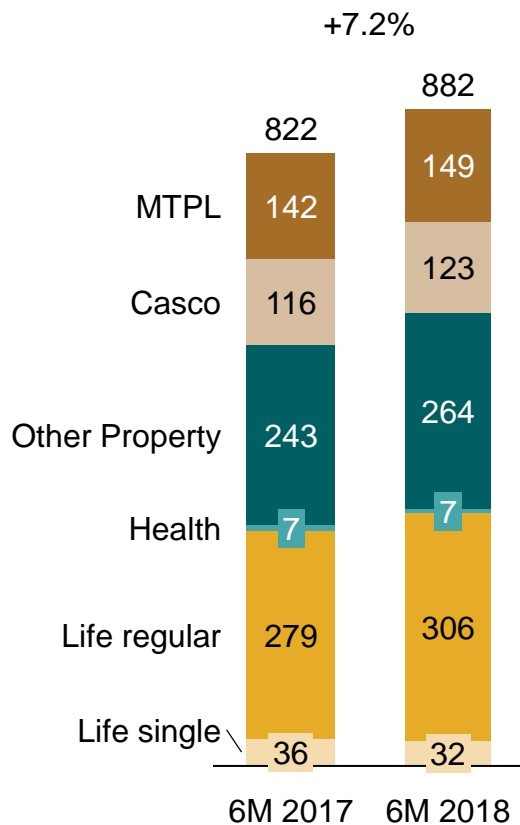
- Except for life, premium growth in all lines of business; adjusted for life single premium business, premiums in Austria up by 1.3%
- Result before taxes fairly stable
- Tax ratio in 6M 2017 impacted by one-off in Q2 last year
- CoR improved based on better claims and cost ratio

1: Incl. result from shares in at equity consolidated companies

CZECH REPUBLIC

Strong premium and profit growth

GWP development (€mn)



€mn	6M 2018	6M 2017	+/- %
Gross premiums written	881.7	822.2	7.2
Net earned premiums	641.1	593.3	8.0
Financial result ¹	56.5	48.2	17.3
Other income	14.8	23.7	-37.3
Total income	712.4	665.2	7.1
Expenses for claims/benefits	-410.6	-389.6	5.4
Acquisition and admin. expenses	-201.3	-182.0	10.6
Other expenses	-15.6	-16.9	-8.0
Total expenses	-627.5	-588.5	6.6
Result before taxes	84.9	76.6	10.8
Tax expenses/income	-20.1	-17.0	18.3
Result of the period	64.8	59.6	8.7
Claims Ratio	63.6%	64.6%	-1.0%p
Cost Ratio	31.0%	31.8%	-0.8%p
Combined Ratio	94.6%	96.5%	-1.8%p

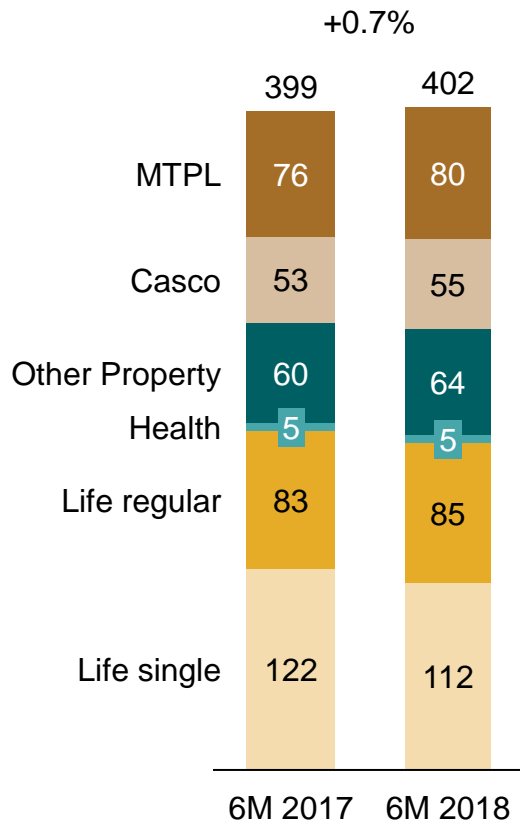
- Premium growth driven by life regular premium business (+€27mn) and other property (+€22mn)
- Financial result up by €8mn driven by realised gains from investment funds
- Decrease in other income due to fewer reversal of receivable adjustments
- Profit before taxes up by €8.3mn driven by increased financial result and improved CoR

1: Incl. result from shares in at equity consolidated companies

SLOVAKIA

Premiums up 4.3% adjusted for life single premium business

GWP development (€mn)



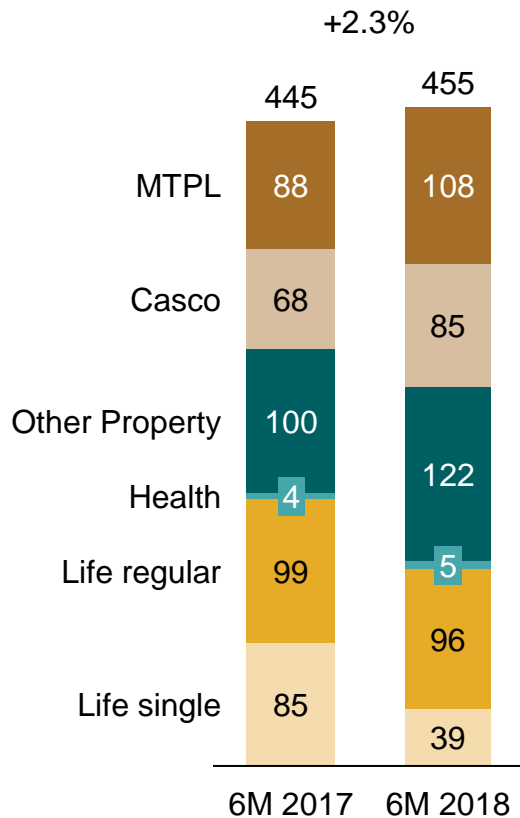
€mn	6M 2018	6M 2017	+/- %
Gross premiums written	401.8	399.2	0.7
Net earned premiums	323.6	322.9	0.2
Financial result	27.0	27.5	-1.9
Other income	1.9	4.3	-55.4
Total income	352.6	354.7	-0.6
Expenses for claims/benefits	-260.5	-266.6	-2.3
Acquisition and admin. expenses	-61.1	-50.2	21.8
Other expenses	-10.9	-12.1	-9.8
Total expenses	-332.5	-328.9	1.1
Result before taxes	20.1	25.9	-22.3
Tax expenses/income	-7.4	-8.6	-13.5
Result of the period	12.6	17.3	-26.8
Claims Ratio	62.8%	63.6%	-0.8%p
Cost Ratio	35.8%	31.6%	4.2%p
Combined Ratio	98.6%	95.2%	3.4%p

- Premium increase in all lines of business, except for life single premium business
- Result before taxes down by €5.8mn due to higher cost ratio and reserve strengthening in Q1 2018
- Half-year CoR below 100%, compared to 100.4% in Q1

POLAND

Double-digit premium growth in non-life and health

GWP development (€mn)



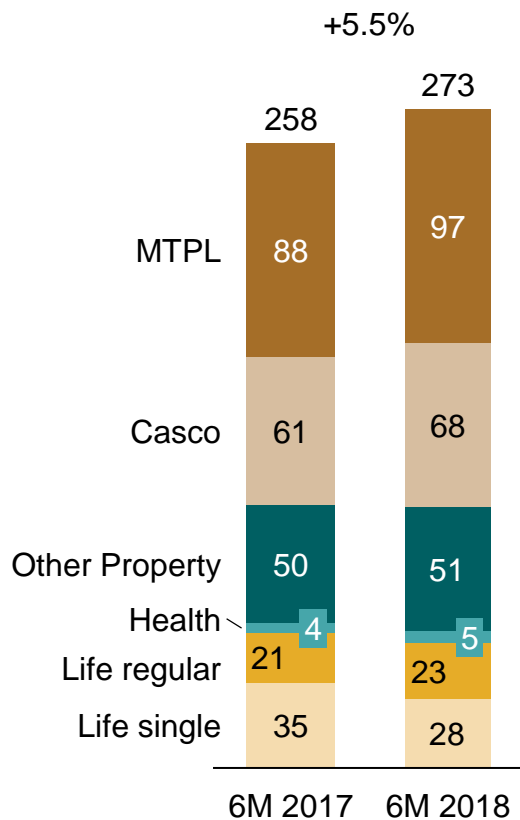
€mn	6M 2018	6M 2017	+/- %
Gross premiums written	455.2	445.0	2.3
Net earned premiums	338.1	358.1	-5.6
Financial result	13.9	16.0	-13.1
Other income	1.9	4.7	-60.1
Total income	353.9	378.8	-6.6
Expenses for claims/benefits	-246.3	-272.5	-9.6
Acquisition and admin. expenses	-74.8	-75.6	-1.0
Other expenses	-11.1	-8.8	26.7
Total expenses	-332.2	-356.9	-6.9
Result before taxes	21.6	22.0	-1.7
Tax expenses/income	-5.0	-4.9	1.2
Result of the period	16.6	17.1	-2.5
Claims Ratio	64.3%	65.3%	-1.1%p
Cost Ratio	29.8%	29.4%	0.4%p
Combined Ratio	94.1%	94.8%	-0.7%p

- Premium growth driven by motor lines of business (+€37mn) and other property (+€22mn) more than offsetting decrease in life lines of business (-€49mn)
- Result before taxes rather stable despite decreased financial result
- CoR improved to 94.1% driven by lower claims ratio

ROMANIA

Goodwill impairment of €50.1mn in Q2 2018

GWP development (€mn)



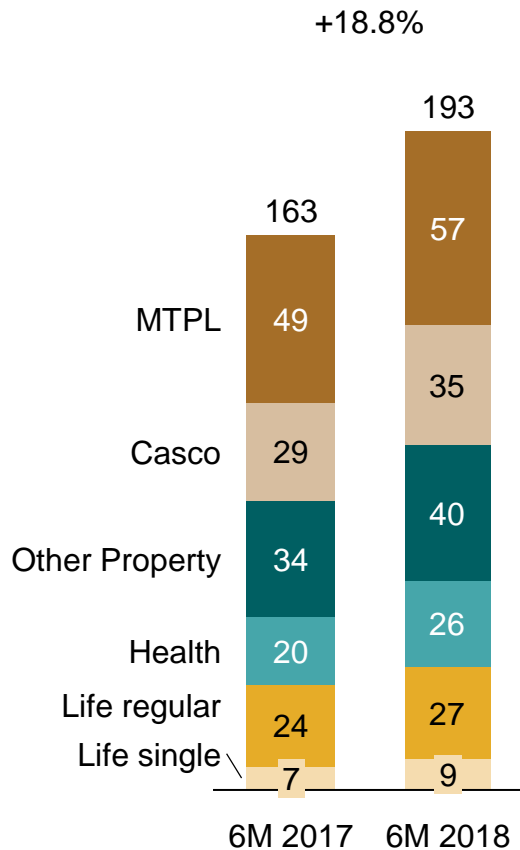
€mn	6M 2018	6M 2017	+/- %
Gross premiums written	272.7	258.5	5.5
Net earned premiums	194.0	188.9	2.7
Financial result	6.3	6.6	-4.1
Other income	5.2	3.4	51.8
Total income	205.5	198.9	3.3
Expenses for claims/benefits	-135.3	-130.8	3.4
Acquisition and admin. expenses	-52.3	-50.6	3.2
Other expenses	-61.0	-11.6	>100
Total expenses	-248.6	-193.1	28.8
Result before taxes	-43.1	5.8	n.a.
Tax expenses/income	-1.5	-1.0	48.4
Result of the period	-44.6	4.8	n.a.
Claims Ratio	66.8%	63.9%	2.9%p
Cost Ratio	31.9%	35.4%	-3.5%p
Combined Ratio	98.6%	99.3%	-0.6%p

- Impairment test during the period triggered by changing market environment; review of planning data and conservative evaluation practice of management led to impairment of €50.1mn shown under other expenses
- Result before taxes of €7.0mn adjusted for impairment
- Deteriorating claims ratio off-set by improved cost ratio

BALTIC STATES

Break-even reached in the first half-year 2018

GWP development (€mn)



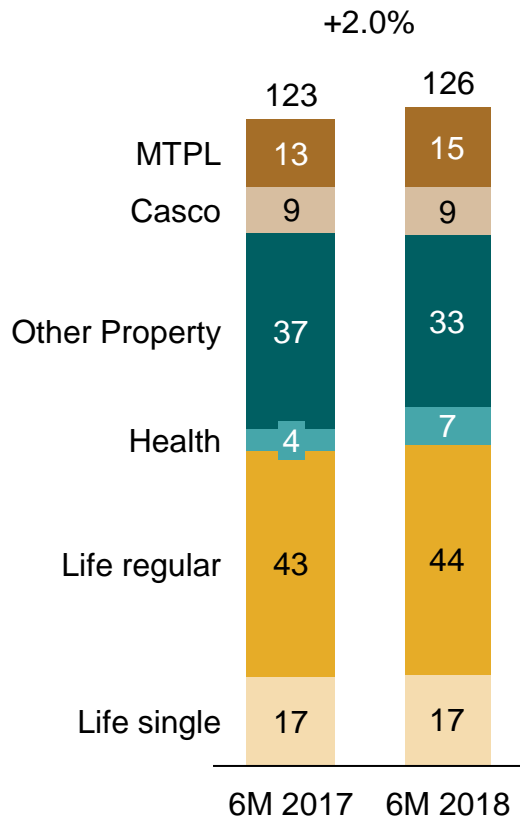
€mn	6M 2018	6M 2017	+/- %
Gross premiums written	193.2	162.7	18.8
Net earned premiums	132.1	120.9	9.3
Financial result	2.7	3.0	-10.9
Other income	0.5	0.5	0.9
Total income	135.4	124.5	8.8
Expenses for claims/benefits	-95.1	-83.6	13.8
Acquisition and admin. expenses	-34.6	-35.5	-2.6
Other expenses	-5.7	-10.0	-43.2
Total expenses	-135.4	-129.1	4.9
Result before taxes	0.0	-4.6	n.a.
Tax expenses/income	-0.6	0.9	n.a.
Result of the period	-0.6	-3.8	-83.6
Claims Ratio	65.9%	63.9%	2.0%p
Cost Ratio	34.9%	40.2%	-5.3%p
Combined Ratio	100.8%	104.2%	-3.3%p

- Strong premium growth in all lines of business
- CoR down to 100.8% driven by significantly improved cost ratios

HUNGARY

Positive top- and bottom-line development

GWP development (€mn)



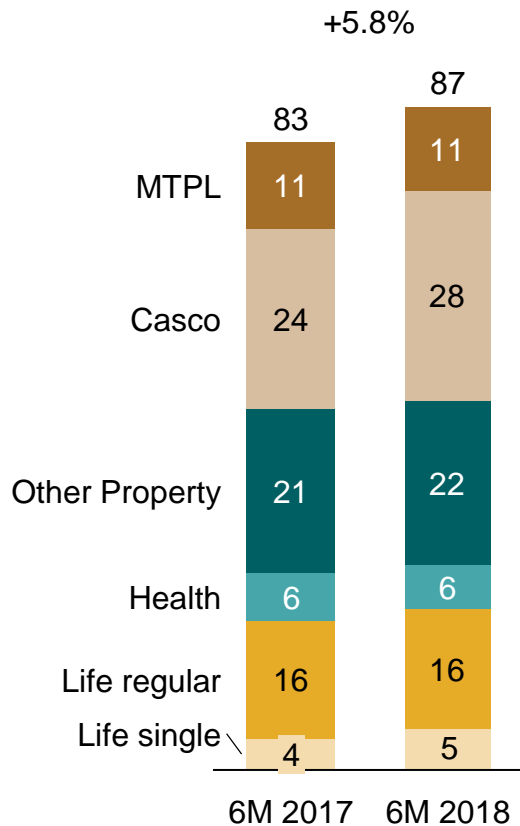
€mn	6M 2018	6M 2017	+/- %
Gross premiums written	125.6	123.1	2.0
Net earned premiums	85.8	78.6	9.1
Financial result	3.3	3.2	3.9
Other income	3.5	0.9	>100
Total income	92.6	82.7	11.9
Expenses for claims/benefits	-65.2	-55.3	17.9
Acquisition and admin. expenses	-19.2	-19.5	-1.4
Other expenses	-5.0	-5.6	-9.1
Total expenses	-89.5	-80.4	11.4
Result before taxes	3.1	2.4	31.2
Tax expenses/income	-0.3	-0.2	30.6
Result of the period	2.8	2.2	31.3
Claims Ratio	59.6%	58.2%	1.4%p
Cost Ratio	40.1%	40.3%	-0.2%p
Combined Ratio	99.7%	98.4%	1.3%p

- Premium growth driven by MTPL and health business
- Last year, result before taxes still impacted by depreciation of insurance portfolios
- Cost ratio reduction could not make up for increase in claims ratio

BULGARIA

Strong top-line growth

GWP development (€mn)



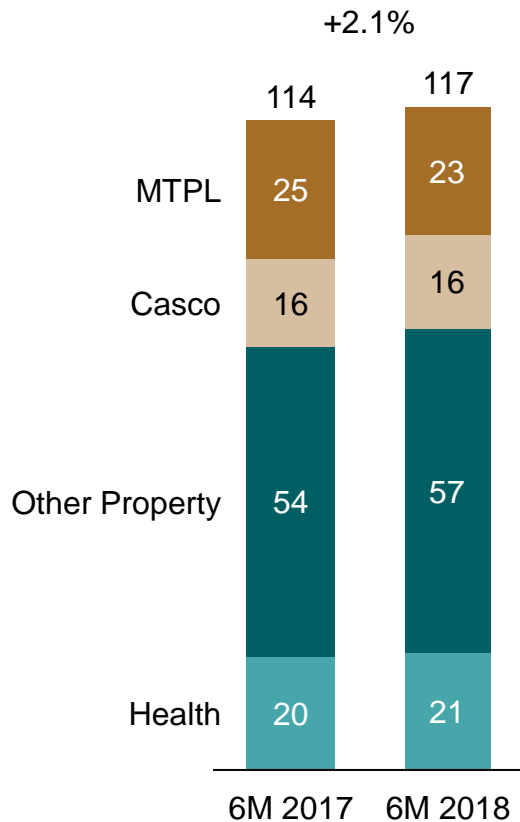
€mn	6M 2018	6M 2017	+/- %
Gross premiums written	87.3	82.5	5.8
Net earned premiums	64.4	56.0	14.9
Financial result	5.1	5.5	-6.6
Other income	0.2	0.3	-27.4
Total income	69.8	61.8	12.8
Expenses for claims/benefits	-37.9	-32.8	15.3
Acquisition and admin. expenses	-22.5	-19.5	15.4
Other expenses	-5.3	-5.2	1.5
Total expenses	-65.7	-57.6	14.1
Result before taxes	4.1	4.3	-4.2
Tax expenses/income	-0.6	-0.4	41.8
Result of the period	3.5	3.9	-8.9
Claims Ratio	54.9%	52.9%	2.0%p
Cost Ratio	42.3%	45.4%	-3.2%p
Combined Ratio	97.2%	98.3%	-1.2%p

- Premium increase driven by Casco
- Result before taxes nearly at same level as last year
- CoR improved to 97.2% due to lower cost ratio

TURKEY/GEORGIA

Developments driven by FX situation in Turkey

GWP development (€mn)



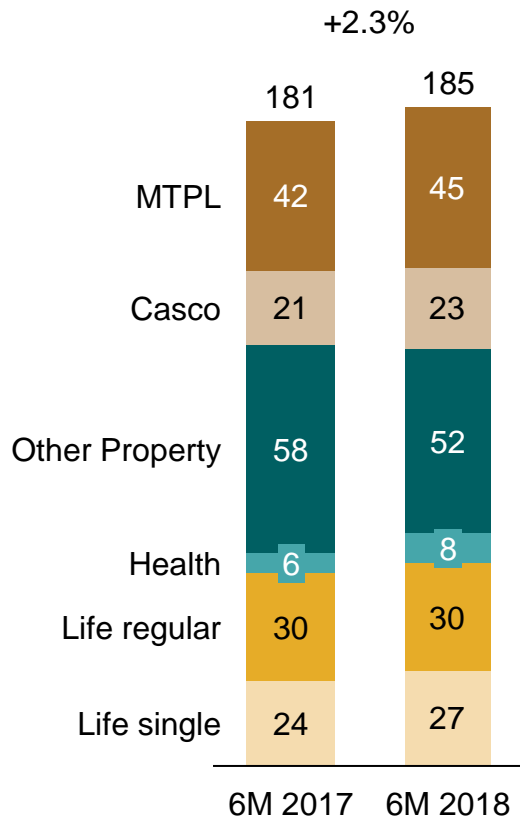
€mn	6M 2018	6M 2017	+/- %
Gross premiums written	116.5	114.1	2.1
Net earned premiums	47.5	50.9	-6.7
Financial result	3.3	4.4	-23.6
Other income	5.4	3.7	45.0
Total income	56.3	59.0	-4.7
Expenses for claims/benefits	-38.5	-41.3	-6.7
Acquisition and admin. expenses	-10.6	-10.6	0.4
Other expenses	-3.9	-2.9	33.0
Total expenses	-53.0	-54.8	-3.2
Result before taxes	3.3	4.3	-23.6
Tax expenses/income	-0.6	-0.8	-20.8
Result of the period	2.6	3.5	-24.2
Claims Ratio	78.9%	80.8%	-1.9%p
Cost Ratio	23.9%	18.2%	5.7%p
Combined Ratio	102.8%	99.1%	3.8%p

- Premiums as well as the result mainly impacted by TRY FX effects
- CoR above 100% driven by cost ratio increases

REMAINING CEE

Strong performance in the first half-year 2018

GWP development (€mn)



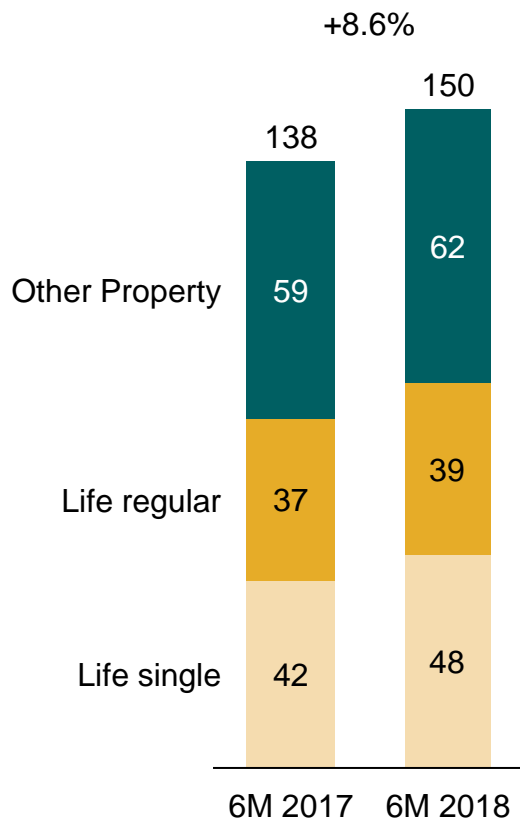
€mn	6M 2018	6M 2017	+/- %
Gross premiums written	185.1	181.0	2.3
Net earned premiums	133.4	121.8	9.5
Financial result	12.5	10.0	26.0
Other income	4.1	6.6	-37.6
Total income	150.0	138.4	8.5
Expenses for claims/benefits	-88.7	-78.5	13.0
Acquisition and admin. expenses	-44.5	-45.1	-1.4
Other expenses	-5.3	-6.4	-16.8
Total expenses	-138.4	-129.9	6.6
Result before taxes	11.6	8.4	37.6
Tax expenses/income	-2.2	-2.1	4.9
Result of the period	9.4	6.3	48.7
Claims Ratio	54.8%	51.1%	3.7%p
Cost Ratio	41.5%	48.0%	-6.6%p
Combined Ratio	96.3%	99.1%	-2.9%p

- Remaining CEE includes Albania (incl. Kosovo), Bosnia & Herzegovina, Croatia, Macedonia, Moldova, Serbia and Ukraine
- Premium increase mainly driven by motor business in the Ukraine and Serbia plus life in Croatia.
- Profit before taxes up €3.2mn due to improved performances in Serbia and in the Ukraine
- CoR down to 96.3% due to improved cost ratio in nearly all markets

OTHER MARKETS

Germany and Liechtenstein

GWP development (€mn)



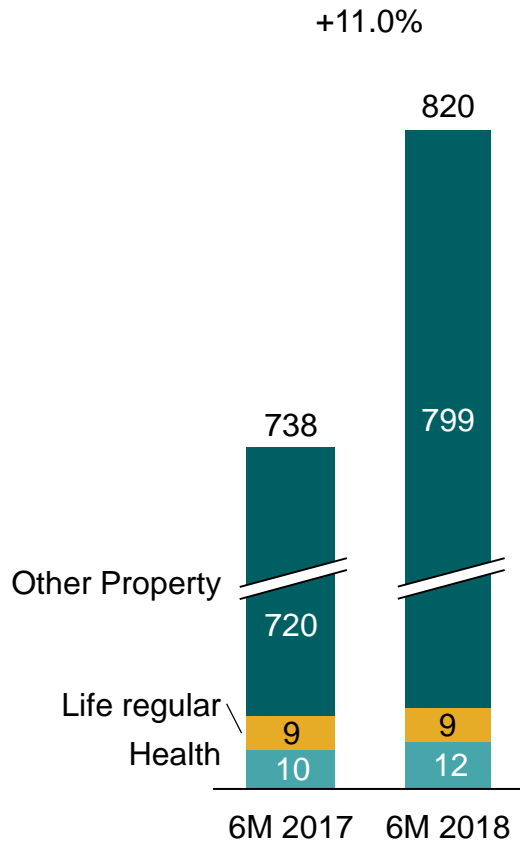
€mn	6M 2018	6M 2017	+/- %
Gross premiums written	149.7	137.9	8.6
Net earned premiums	126.5	115.3	9.7
Financial result	10.1	10.9	-7.1
Other income	1.3	1.1	16.7
Total income	137.9	127.2	8.3
Expenses for claims/benefits	-93.9	-85.0	10.5
Acquisition and admin. expenses	-14.8	-13.9	6.8
Other expenses	-18.8	-16.5	13.7
Total expenses	-127.5	-115.4	10.5
Result before taxes	10.3	11.8	-12.7
Tax expenses/income	-2.5	-2.9	-13.2
Result of the period	7.8	8.9	-12.5
Claims Ratio	60.4%	54.3%	6.1%p
Cost Ratio	26.8%	29.2%	-2.4%p
Combined Ratio	87.2%	83.5%	3.7%p

- Premium increase driven by other property in Germany and life single premium business in Liechtenstein
- Result before taxes down by €1.5mn heavily impacted by storm Friederike in Q1 in Germany
- CoR of 87.2% increased due to higher claims (storm in Germany in Q1)

CENTRAL FUNCTIONS

Substantial improvement driven by financial result and other expenses

GWP development (€mn)



€mn	6M 2018	6M 2017	+/- %
Gross premiums written	819.7	738.2	11.0
Net earned premiums	653.2	600.1	8.9
Financial result ¹	0.4	-17.1	n.a.
Other income	16.8	1.0	>100
Total income	670.3	584.0	14.8
Expenses for claims/benefits	-422.5	-404.7	4.4
Acquisition and admin. expenses	-206.7	-177.7	16.3
Other expenses	-1.6	-15.1	-89.3
Total expenses	-630.7	-597.5	5.6
Result before taxes	39.6	-13.5	n.a.
Tax expenses/income	24.4	-7.2	n.a.
Result of the period	64.0	-20.7	n.a.
Claims Ratio			
Cost Ratio			
Combined Ratio			

- Central Functions include VIG Holding, VIG Re, VIG Fund, the non-profit societies, corporate IT service providers, intermediate holding companies and in Q2 for the first time also Wiener Re, the Serbian reinsurance company
- Premium increase due to Group internal reinsurance in connection with the increased motor business and enlarged external business of VIG Re
- Result before taxes strongly improved driven by fluctuations of the housing societies results and lower IT-expenses

1: Incl. result from shares in at equity consolidated companies

STRATEGY & AGENDA 2020

KEY DEVELOPMENTS

RESULTS 6M 2018

SEGMENTS

APPENDIX

MANAGING BOARD AS OF 1 JULY 2018



Elisabeth Stadler, CEO



Franz Fuchs



Judit Havasi



Liane Hirner, CFO



Peter Höfinger



Peter Thirring

Fotos: Ian Ehm, Thomas Pitterle

Mgmt. of the VIG Group,
General Secretariat,
Asset Management,
Bancassurance,
Sponsoring, HR,
Treasury / Capital
Markets,
European Affairs,
Communications &
Marketing, Group
Develop. & Strategy,
Affiliated companies
department

Performance
Management Personal &
Motor insurance,
Asset-Risk Management

Planning & Controlling
Legal department
Group IT
Data Management &
Processes

Finance & Accounting

Corporate and Large
Customer Business,
Vienna International
Underwriters (VIU),
Passive Reinsurance

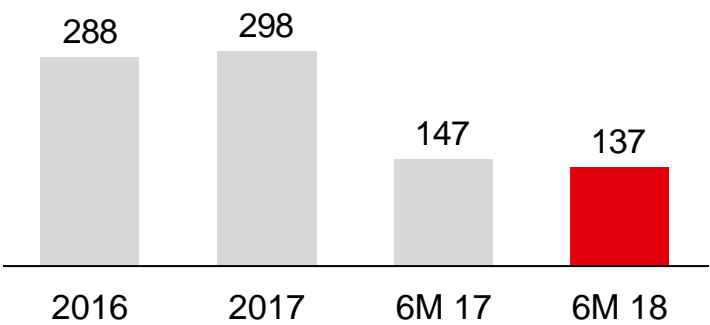
Group external income
reinsurance

Responsibilities of the entire Managing Board: Enterprise Risk Management, Group Actuary, Group Compliance, Internal Audit, Investor Relations

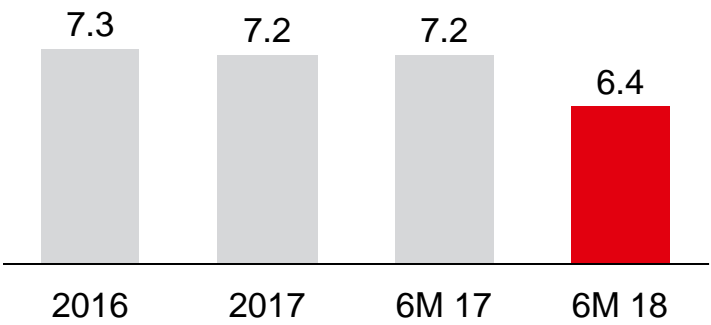
6M 2018 KEY FINANCIALS

Overview of KPIs

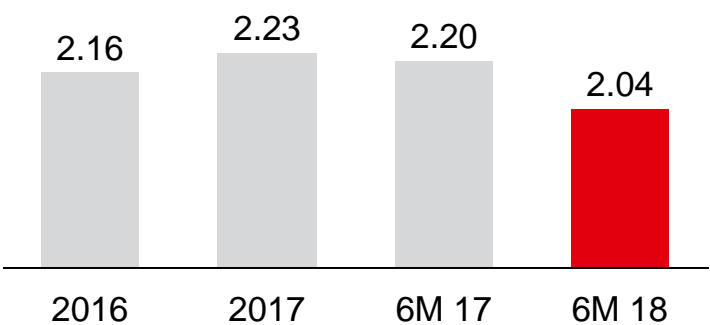
Net result for the period after taxes and non-controlling interest (€mn)



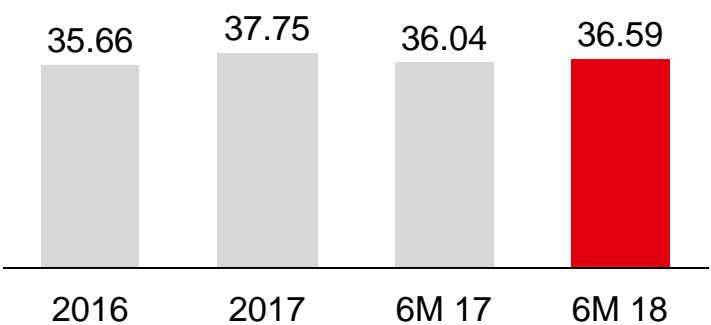
ROE after tax and minorities (%)



EPS¹ (€)



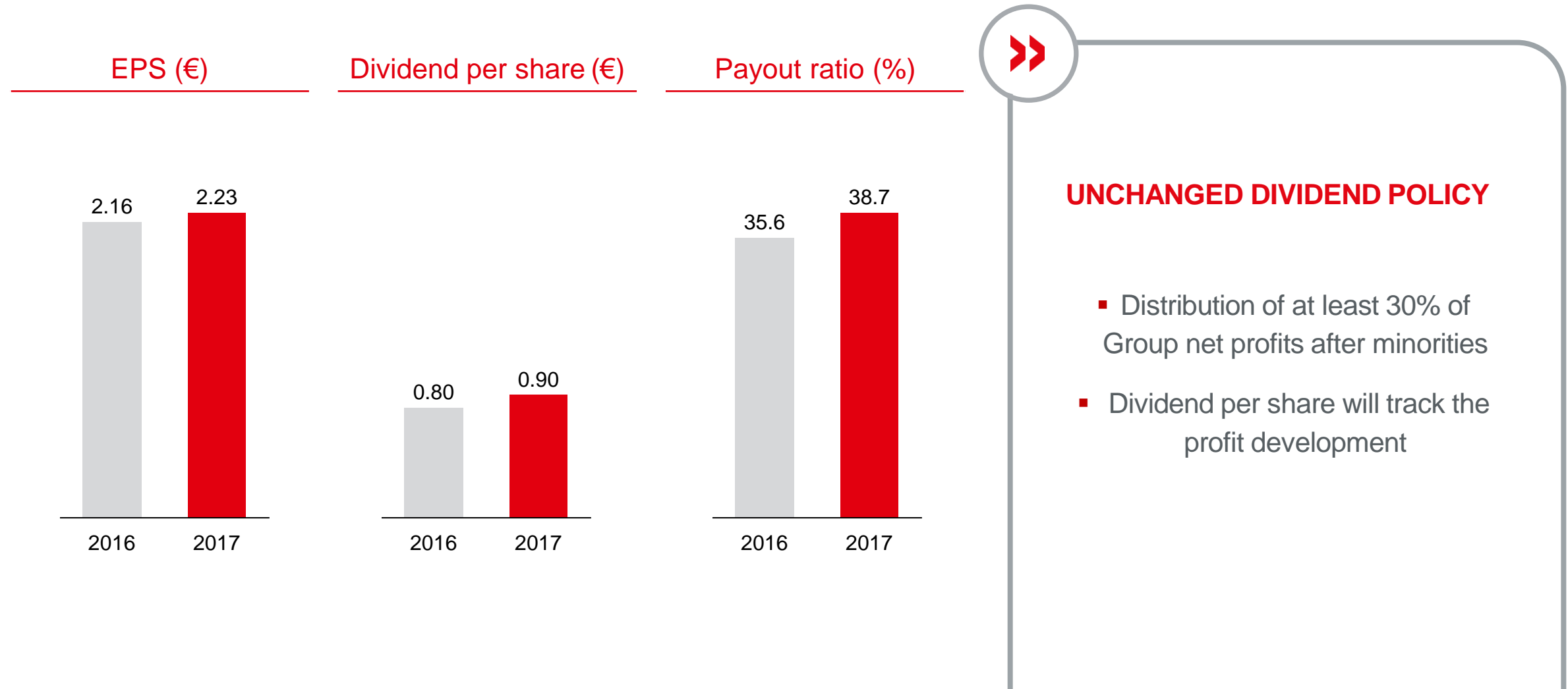
Book value per share (€)



1: EPS net of hybrid interest (6M 2017 and 6M 2018 annualised figures)

DIVIDEND PER SHARE AT €0.90 FOR THE BUSINESS YEAR 2017

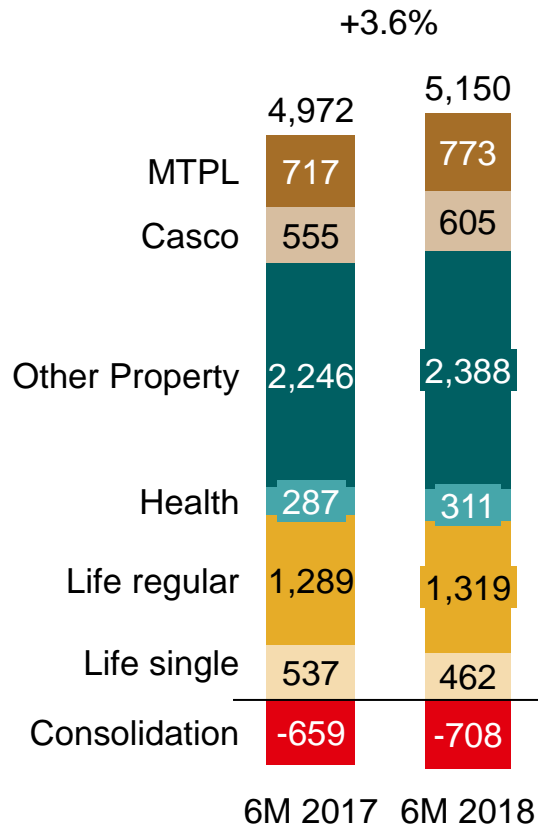
Earnings per share up 3.2%; payout ratio increased to 38.7%



6M 2018 INCOME STATEMENT

Strong operating performance despite impairment in Romania

GWP development (€mn)



€mn	6M 2018	6M 2017	+/- %
Gross premiums written	5,150.3	4,972.4	3.6
Net earned premiums	4,354.9	4,219.0	3.2
Financial result ¹	511.3	488.4	4.7
Other income	66.3	59.8	10.8
Total Income	4,932.4	4,767.2	3.5
Expenses for claims/benefits	-3,457.7	-3,394.7	1.9
Acquisition and administrative expenses	-1,090.5	-1,030.8	5.8
Other expenses	-151.5	-121.2	25.0
Total Expenses	-4,699.7	-4,546.7	3.4
Result before taxes	232.7	220.5	5.5
Tax expenses/income	-59.1	-48.3	22.3
Result of the period	173.7	172.2	0.8
Non-controlling interests	-37.1	-25.7	44.4
Net profit after non-controlling interests	136.6	146.6	-6.8
Claims Ratio	64.7%	65.6%	-0.9%p
Cost Ratio	31.6%	31.3%	0.2%p
Combined Ratio	96.3%	96.9%	-0.6%p

- Premiums increased by 3.6%; adjusted for life single premium business premium growth of 5.7%
- Financial result up by €22.9mn driven by realised gains from investment funds and the sale of s Immo
- Increase of other expenses due to goodwill impairment of €50.1mn in Romania
- Result before taxes increased by 5.5% mainly supported by the financial result and the improved CoR

1: Incl. €35.1mn (6M 2017: €22.7mn) as result from shares in at equity consolidated companies

Q2 2018 INCOME STATEMENT

IFRS (€mn)

€mn	Q2 2018	Q2 2017	+/- %
Gross premiums written	2,324.2	2,252.9	3.2
Net earned premiums	2,151.8	2,066.2	4.1
Financial result ¹	272.9	240.6	13.4
Other income	33.1	30.3	9.2
Total Income	2,457.8	2,337.2	5.2
Expenses for claims/benefits	-1,720.1	-1,653.3	4.0
Acquisition and administrative expenses	-522.7	-512.6	2.0
Other expenses	-99.7	-60.4	65.1
Total Expenses	-2,342.4	-2,226.2	5.2
Result before taxes	115.4	110.9	4.0
Tax expenses/income	-32.7	-26.3	24.4
Result of the period	82.7	84.6	-2.3
Non-controlling interests	-21.6	-7.1	>100
Net profit after non-controlling interests	61.1	77.5	-21.2
Claims Ratio	66.2%	66.3%	-0.1%p
Cost Ratio	30.2%	30.7%	-0.5%p
Combined Ratio	96.4%	97.0%	-0.6%p

1: Incl. result from shares in at equity consolidated companies

- Premiums up by 3.2% due to positive development of other property and motor
- Financial result increased by 13.4% mainly driven by the sale of s Immo
- Other expenses Q2 2018 include €50.1mn impairment in Romania
- Result before taxes increased by 4.0% mainly supported by the financial result and the improved CoR
- Development of non-controlling interests reflects fluctuations of the housing societies

6M 2018 BALANCE SHEET

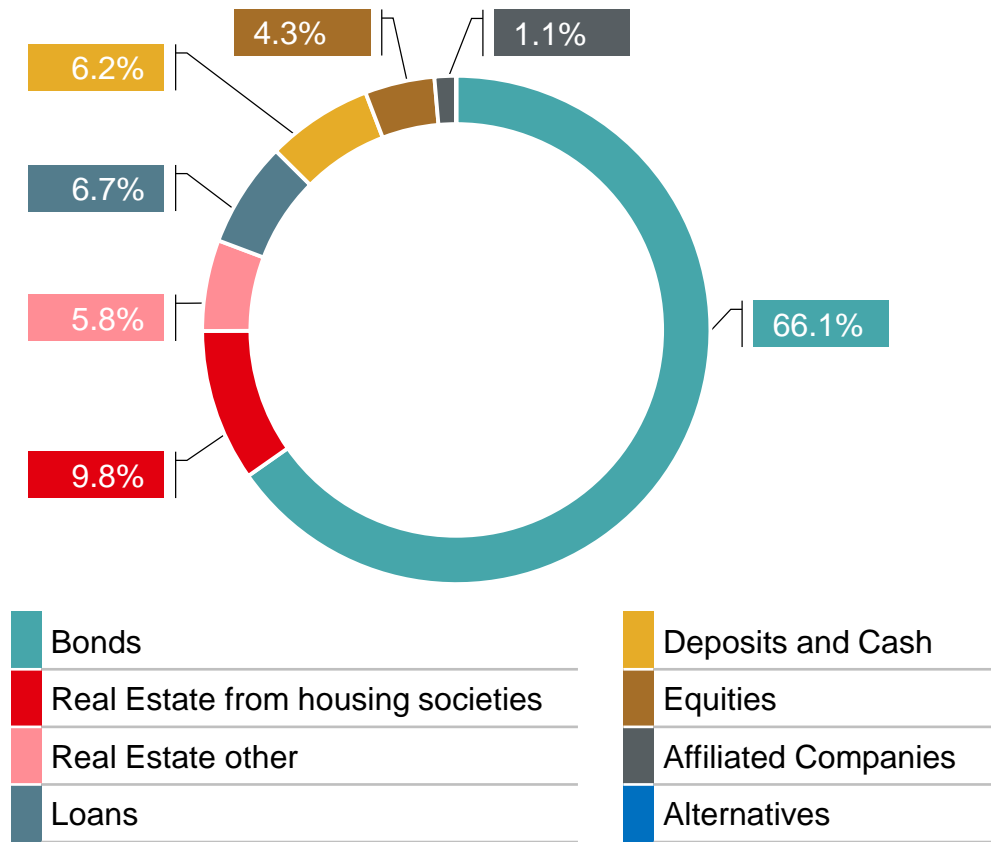
IFRS (€mn)

€mn	30.06.2018	31.12.2017	+/- %
Intangible assets	1,895	1,971	-3.8
Investments	36,193	35,933	0.7
Unit- and index-linked investments	8,742	9,061	-3.5
Reinsurers' share in underwriting provisions	1,134	1,066	6.3
Receivables	1,666	1,476	12.9
Tax receivables and advance payments out of income tax	274	239	14.4
Deferred tax assets	81	81	0.4
Other assets	406	389	4.2
Cash and cash equivalents	1,204	1,498	-19.6
Total assets	51,594	51,714	-0.2
Shareholders' equity	5,923	6,044	-2.0
thereof minorities (incl. non-profit housing societies)	1,240	1,212	2.3
Subordinated liabilities	1,458	1,459	0.0
Underwriting provisions	30,471	30,168	1.0
Unit- and index-linked technical provisions	8,300	8,613	-3.6
Non-underwriting provisions	746	794	-6.0
Liabilities	4,093	4,032	1.5
Tax liabilities out of income tax	218	202	7.7
Deferred tax liabilities	250	255	-1.9
Other liabilities	135	147	-8.1
Total liabilities and equity	51,594	51,714	-0.2

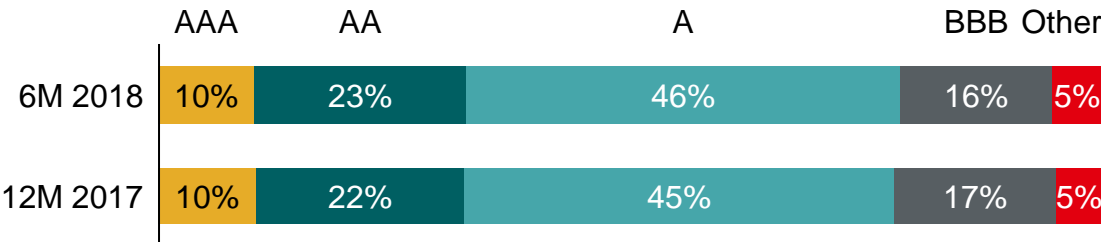
INVESTMENT SPLIT AND BOND PORTFOLIO OVERVIEW

Bond portfolio split by rating expected to change in Q3 due to rating upgrade of CZ

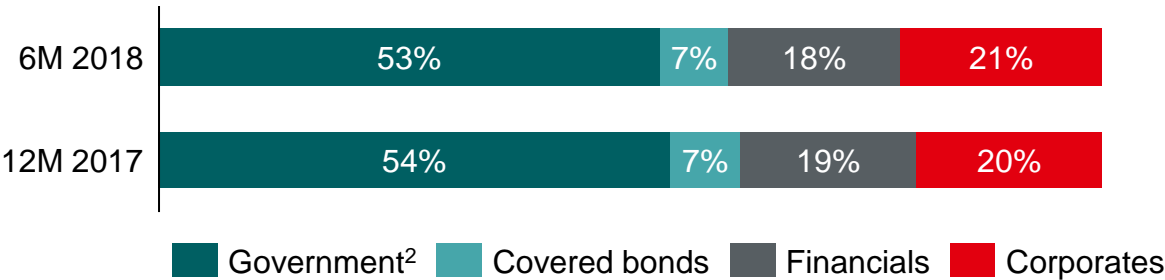
6M 2018: Total €37.4bn



Bond portfolio by rating¹



Bond portfolio by issuer



1: Based on second-best rating 2: Government, government guaranteed, government agencies, municipalities and supranationals

FINANCIAL RESULT INCREASED BY 4.7%

Current income and income from disposal of investments incl. at equity consolidated companies

	Total		
Income	6M 2018	6M 2017	+/- %
Current income	668,209	667,002	0.2
Income from appreciations	7,059	16,339	-56.8
Income from the disposal of investments	104,173	74,427	40.0
Other income	59,179	50,781	16.5
Total Income	838,620	808,549	3.7
Expenses			
Depreciation of investments	93,179	89,580	7.0
Impairment of investments	2,178	7,893	-72.4
Exchange rate changes	14,198	13,332	6.5
Losses from the disposal of investments	23,008	7,409	>100
Interest expenses	61,335	57,803	6.1
Other expenses	133,448	144,177	-7.4
Total Expenses	327,346	320,194	2.2
Total Financial Result	511,274	488,355	4.7

- Financial result up by €22.9mn incl. at equity consolidated companies
- Income from appreciations decreased by €9.3mn impacted by all asset classes
- Income from disposal of investments increased by €29.7mn mainly due to realised gains from investment funds and the sale of the stake in s Immo
- Losses from disposal of investments up €15.6mn driven by derivatives
- Other expenses down by €10.7mn due to quarterly fluctuations

6M 2018 PREMIUMS BY BUSINESS LINES AND COUNTRY (I)

IFRS (€mn)

	MTPL			Casco			Other property		
	6M 2018	6M 2017	+/- %	6M 2018	6M 2017	+/- %	6M 2018	6M 2017	+/- %
Austria	188.1	183.0	2.8	162.5	157.9	2.9	822.1	809.9	1.5
Czech Republic	149.4	141.8	5.3	123.5	116.3	6.2	264.4	242.7	8.9
Slovakia	79.5	75.7	5.0	55.0	53.3	3.3	64.1	60.3	6.3
Poland	108.1	88.2	22.5	85.0	68.4	24.3	121.6	100.0	21.5
Romania	97.3	88.4	10.1	67.8	61.2	10.9	51.1	49.5	3.2
Baltic states	57.1	49.4	15.7	35.1	28.7	22.2	39.7	34.1	16.3
Hungary	15.1	12.8	18.3	9.4	8.8	6.0	32.6	37.2	-12.3
Bulgaria	11.1	11.3	-1.3	27.6	23.8	16.0	21.8	21.5	1.6
Turkey/Georgia	22.7	24.5	-7.4	16.4	15.5	6.0	56.9	54.3	4.7
Georgia	0.9	0.4	>100	2.9	3.9	-25.7	6.2	5.7	9.3
Turkey	21.8	24.1	-9.6	13.5	11.6	16.7	50.6	48.6	4.1
Remaining CEE	44.9	41.7	7.7	23.0	21.4	7.7	51.8	58.0	-10.6
Albania incl. Kosovo	12.1	11.4	6.2	0.9	0.8	18.6	3.6	4.3	-15.8
Bosnia & Herzegovina	1.9	2.3	-16.2	0.6	0.6	2.9	4.5	4.5	0.2
Croatia	6.0	7.0	-14.1	2.7	2.9	-6.2	15.2	11.3	35.0
Macedonia	5.7	5.5	3.8	0.9	0.9	-1.4	7.8	7.9	-1.6
Moldova	1.7	1.8	-6.6	1.4	1.5	-1.3	1.1	1.2	-5.9
Serbia	5.8	4.1	43.5	6.4	4.9	31.6	15.6	25.0	-37.6
Ukraine	11.7	9.7	20.7	10.0	9.8	1.5	4.0	3.8	5.1
Other Markets	0.0	0.0		0.0	0.0		62.2	58.7	5.9
Germany	0.0	0.0		0.0	0.0		62.2	58.7	5.9
Liechtenstein	0.0	0.0		0.0	0.0		0.0	0.0	

6M 2018 PREMIUMS BY BUSINESS LINES AND COUNTRY (II)

IFRS (€mn)

	Life regular			Life single			Health		
	6M 2018	6M 2017	+/- %	6M 2018	6M 2017	+/- %	6M 2018	6M 2017	+/- %
Austria	643.5	647.8	-0.7	144.3	166.6	-13.4	209.6	201.7	3.9
Czech Republic	305.8	279.0	9.6	31.6	35.9	-11.9	6.9	6.5	5.8
Slovakia	85.5	83.4	2.5	112.5	121.8	-7.7	5.2	4.6	12.7
Poland	96.0	99.5	-3.5	39.2	84.7	-53.7	5.3	4.2	26.9
Romania	23.5	20.9	12.4	27.9	34.8	-19.9	5.1	3.7	38.3
Baltic states	26.7	24.0	11.7	8.8	6.7	32.0	25.8	19.9	29.8
Hungary	43.9	43.2	1.6	17.4	16.7	4.0	7.2	4.4	64.7
Bulgaria	15.7	15.5	1.0	5.4	4.0	34.9	5.7	6.5	-11.4
Turkey/Georgia	0.0	0.0		0.0	0.0		20.5	19.8	3.6
Georgia	0.0	0.0		0.0	0.0		17.2	17.8	-3.0
Turkey	0.0	0.0		0.0	0.0		3.3	2.1	61.1
Remaining CEE	30.5	30.3	0.4	26.6	23.5	12.9	8.3	6.0	37.6
Albania incl. Kosovo	0.0	0.0		0.0	0.0		1.6	1.4	17.7
Bosnia & Herzegovina	0.8	0.7	10.4	0.3	0.9	-73.5	0.0	0.0	>100
Croatia	14.8	15.9	-7.0	24.3	16.4	48.3	1.2	0.9	42.3
Macedonia	0.0	0.0		0.0	0.0		0.0	0.0	>100
Moldova	0.0	0.0		0.0	0.0		0.3	0.2	18.6
Serbia	14.0	12.9	8.6	1.9	6.1	-68.3	2.3	1.5	47.7
Ukraine	0.9	0.8	5.7	0.1	0.1	-13.2	2.9	2.1	41.3
Other Markets	39.1	36.8	6.4	48.4	42.4	14.2	0.0	0.0	
Germany	35.0	33.0	6.2	9.4	6.5	44.3	0.0	0.0	
Liechtenstein	4.1	3.8	8.0	39.0	35.9	8.7	0.0	0.0	

6M 2018 COUNTRY OVERVIEW GWP / PBT / COMBINED RATIO

IFRS (€mn)

	GWP Total			Result before taxes			Combined Ratio net		
	6M 2018	6M 2017	+/- %	6M 2018	6M 2017	+/- %	6M 2018	6M 2017	+/- %p
Austria	2,170.0	2,167.0	0.1	76.7	77.5	-1.1	95.3%	95.8%	-0.5
Czech Republic	881.7	822.2	7.2	84.9	76.6	10.8	94.6%	96.5%	-1.8
Slovakia	401.8	399.2	0.7	20.1	25.9	-22.3	98.6%	95.2%	3.4
Poland	455.2	445.0	2.3	21.6	22.0	-1.7	94.1%	94.8%	-0.7
Romania	272.7	258.5	5.5	-43.1	5.8	n.a.	98.6%	99.3%	-0.6
Baltic states	193.2	162.7	18.8	0.0	-4.6	n.a.	100.8%	104.2%	-3.3
Hungary	125.6	123.1	2.0	3.1	2.4	31.2	99.7%	98.4%	1.3
Bulgaria	87.3	82.5	5.8	4.1	4.3	-4.2	97.2%	98.3%	-1.2
Turkey/Georgia	116.5	114.1	2.1	3.3	4.3	-23.6	102.8%	99.1%	3.8
Georgia	27.3	27.8	-1.9	0.8	1.3	-40.8	70.4%	80.6%	-10.2
Turkey	89.2	86.4	3.3	2.5	3.0	-16.0	108.1%	102.3%	5.8
Remaining CEE	185.1	181.0	2.3	11.6	8.4	37.6	96.3%	99.1%	-2.9
Albania incl. Kosovo	18.2	17.8	2.4	1.2	1.0	12.9	92.9%	90.4%	2.4
Bosnia & Herzegovina	8.0	9.0	-10.4	0.1	-0.2	n.a.	103.4%	106.6%	-3.2
Croatia	64.3	54.3	18.3	3.9	4.3	-10.5	99.3%	99.0%	0.3
Macedonia	14.4	14.3	0.5	1.9	1.5	24.5	79.9%	81.2%	-1.3
Moldova	4.6	4.7	-3.6	0.4	0.0	>100	93.0%	108.2%	-15.2
Serbia	46.1	54.5	-15.4	3.3	1.3	>100	97.1%	103.0%	-5.9
Ukraine	29.5	26.3	12.3	0.8	0.4	>100	100.0%	104.2%	-4.2
Other Markets	149.7	137.9	8.6	10.3	11.8	-12.7	87.2%	83.5%	3.7
Germany	106.6	98.2	8.6	10.3	11.8	-12.8	87.2%	83.5%	3.7
Liechtenstein	43.1	39.7	8.6	0.1	0.1	15.5	0.0%	0.0%	0.0

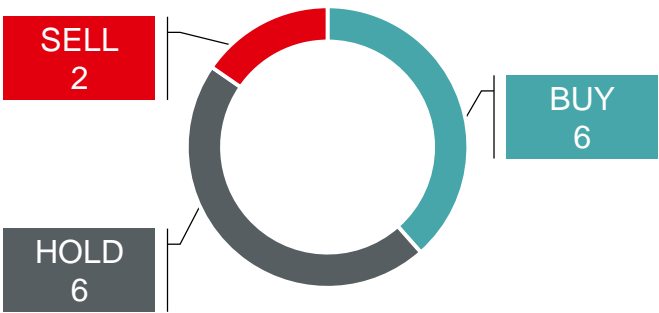
VIG SHARE (I)

Number of common shares: 128,000,000 / ISIN: AT0000908504

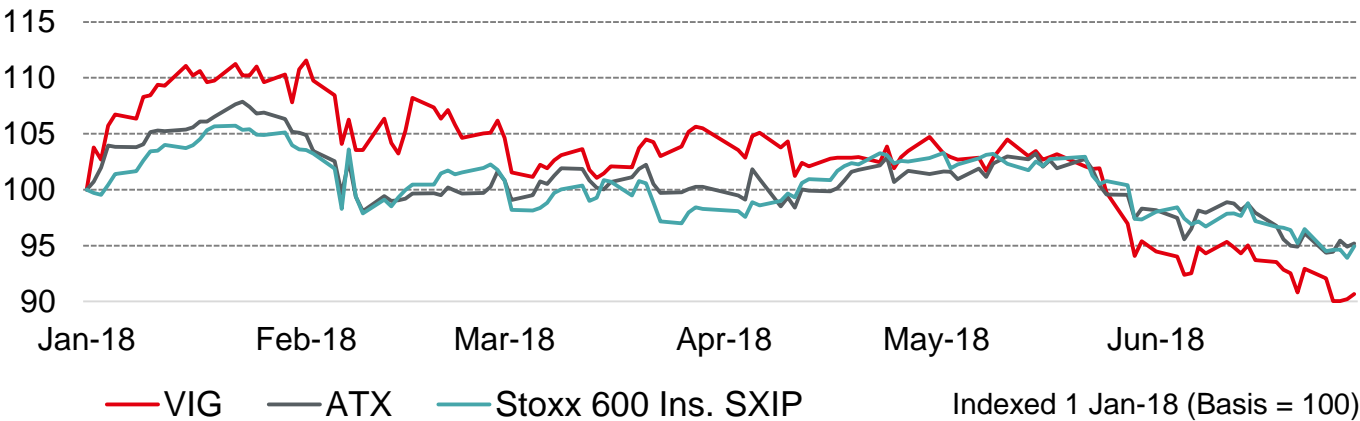
General information

Current listings	Ticker	Rating	Major Indices
Vienna	▪ Vienna Stock Exchange: VIG	Standard & Poor's:	ATX
Prague	▪ Bloomberg: VIG AV / VIG CP	A+, stable outlook	ATX Prime
	▪ Reuters: VIGR.VI / VIGR.PR		PX

Current analyst recommendation split



VIG compared to ATX and Stoxx Europe 600 Ins.

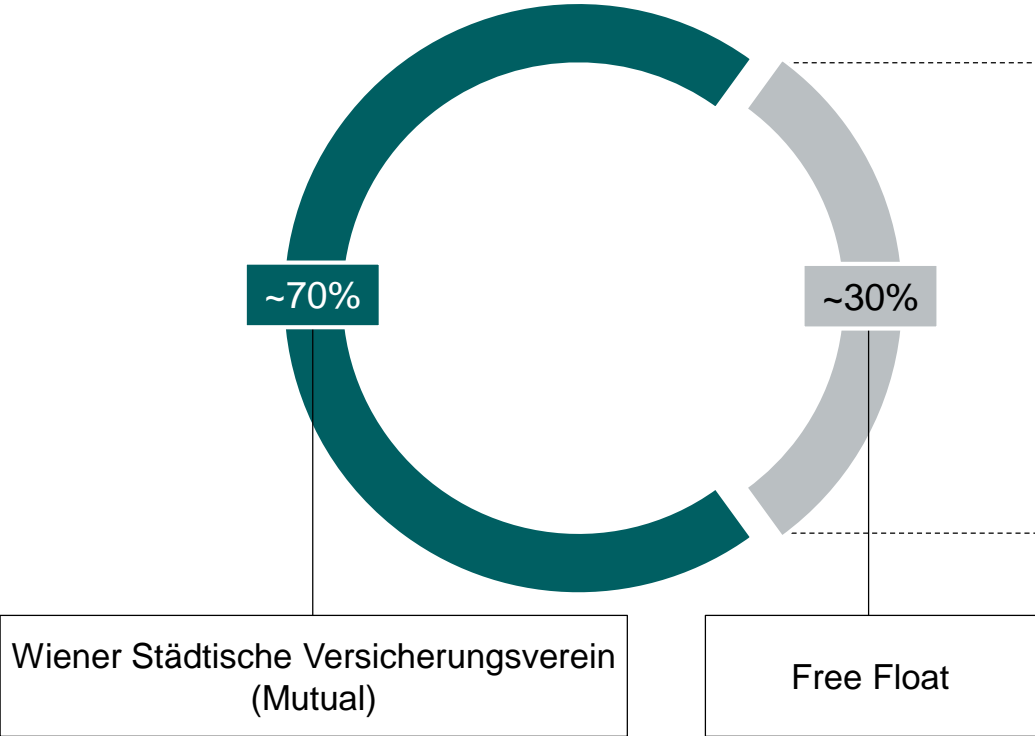


Share price development 6M 2018

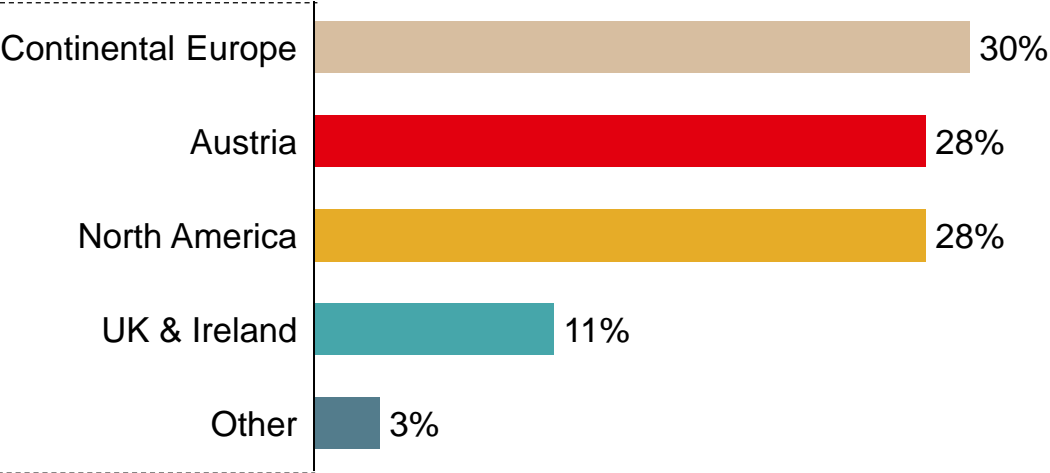
High	EUR	28.740
Low	EUR	23.200
Price as of 29 June	EUR	23.360
Market cap.	EUR	2.99bn
Share performance (excl. dividends)	%	-9.3

VIG SHARE (II)

Shareholder structure



Free float split by region¹



¹ Split of identified shares, May 2018 (Source: CMi2i)

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AND CEE.

VIG
VIENNA INSURANCE GROUP



AUSTRIA WIENER STÄDTISCHE VIENNA INSURANCE GROUP onau VIENNA INSURANCE GROUP S-VERSICHERUNG VIENNA INSURANCE GROUP	SLOVAKIA Kooperativa VIENNA INSURANCE GROUP KOMUNÁLNA POISTOVŇA VIENNA INSURANCE GROUP	BULGARIA BULSTRAD VIENNA INSURANCE GROUP Life BULSTRAD VIENNA INSURANCE GROUP novains VIENNA INSURANCE GROUP DOVERIE VIENNA INSURANCE GROUP	UKRAINE КНЯЖА VIENNA INSURANCE GROUP КНЯЖА VIENNA INSURANCE GROUP ГЛОБУС VIENNA INSURANCE GROUP УКРАЇНСЬКА СТРАХОВА ГРУПА VIENNA INSURANCE GROUP	MOLDOVA DONARIS VIENNA INSURANCE GROUP	MACEDONIA ОСИГУРУВАЊЕ МАКЕДОНИЈА VIENNA INSURANCE GROUP WINNER VIENNA INSURANCE GROUP Life WINNER VIENNA INSURANCE GROUP
ITALY BRANCH WIENER STÄDTISCHE VIENNA INSURANCE GROUP onau VIENNA INSURANCE GROUP	POLAND COMPENSA VIENNA INSURANCE GROUP InterRisk VIENNA INSURANCE GROUP Vienna Life VIENNA INSURANCE GROUP	CROATIA WIENER OSIGURANJE VIENNA INSURANCE GROUP	ESTONIA COMPENSA VIENNA INSURANCE GROUP bta VIENNA INSURANCE GROUP	GEORGIA GPI VIENNA INSURANCE GROUP IRAO VIENNA INSURANCE GROUP	MONTENEGRO Život WIENER STÄDTISCHE VIENNA INSURANCE GROUP
SLOVENIA BRANCH WIENER STÄDTISCHE VIENNA INSURANCE GROUP	ROMANIA OMNIASIG VIENNA INSURANCE GROUP ASIROM VIENNA INSURANCE GROUP DE VIATA BCR ASIGURARI VIENNA INSURANCE GROUP	HUNGARY UNION BIZTOSÍTÓ VIENNA INSURANCE GROUP	LATVIA COMPENSA VIENNA INSURANCE GROUP bta VIENNA INSURANCE GROUP	TURKEY RAYSIGORTA VIENNA INSURANCE GROUP	BOSNIA-HERZEGOVINA WIENER OSIGURANJE VIENNA INSURANCE GROUP
CZECH REPUBLIC Kooperativa VIENNA INSURANCE GROUP ČPP VIENNA INSURANCE GROUP POJIŠŤOVNA ČESKÉ SPORITELNY VIENNA INSURANCE GROUP VIG Re		SERBIA WIENER STÄDTISCHE VIENNA INSURANCE GROUP WIENER RE Beograd VIENNA INSURANCE GROUP	LITHUANIA COMPENSA VIENNA INSURANCE GROUP bta VIENNA INSURANCE GROUP	ALBANIA Stoma INTERALBANIAN VIENNA INSURANCE GROUP INTERSIG VIENNA INSURANCE GROUP	GERMANY InterRisk VIENNA INSURANCE GROUP VIG Re
				LICHTENSTEIN VIENNA-LIFE VIENNA INSURANCE GROUP	

June 2018
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Financial calendar 2018/2019*

Date	Event
28 Nov. 2018	Results for the first three quarters 2018
21 Mar. 2019	Preliminary results for the financial year 2018
17 Apr. 2019	Results and Annual Report for the year 2018
14 May 2019	Record data Annual General Meeting
22 May 2019	Results for the first quarter 2019
24 May 2019	Annual General Meeting
27 May 2019	Ex-dividend-day
28 May 2019	Record date dividend
29 May 2019	Dividend payment day
27 Aug. 2019	Results for the first half-year 2019
27 Nov. 2019	Results for the first three quarters 2019

* Preliminary planning

DISCLAIMER

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