

PRESS CONFERENCE

Vienna Insurance Group

Preliminary results for 2017 and
current developments

(based on preliminary and unaudited data)

Vienna, 22 March 2018



- 1 PRELIMINARY RESULTS FOR 2017
- 2 TARGETS FOR 2018 AND OUTLOOK FOR 2020
- 3 CURRENT DEVELOPMENTS IN MANAGEMENT AGENDA 2020



PRELIMINARY RESULTS FOR 2017



KEY FIGURES FOR 2017

Preliminary results

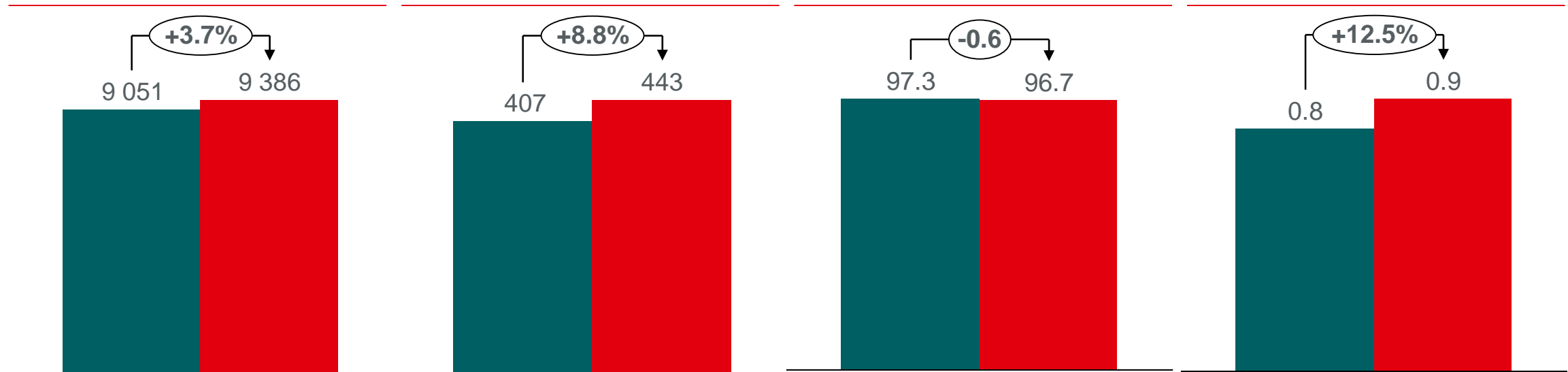
2016
2017

Premium volume
~EUR 9.4b

Profit before taxes
~ EUR 443m

Combined ratio
96.7%

Dividend
EUR 0.90

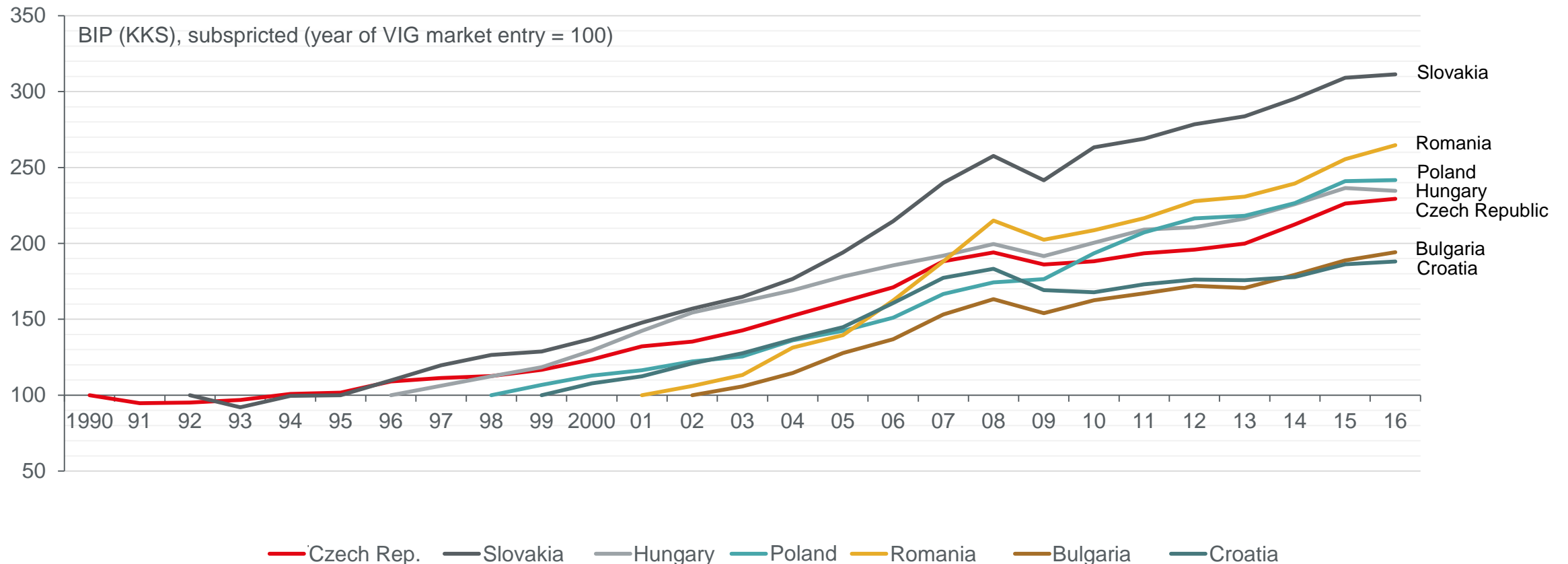




LONG-TERM INVESTMENT IN DYNAMIC MARKETS

Take advantage of the positive effects of a long-term business strategy

Growth in economic output since VIG market entry

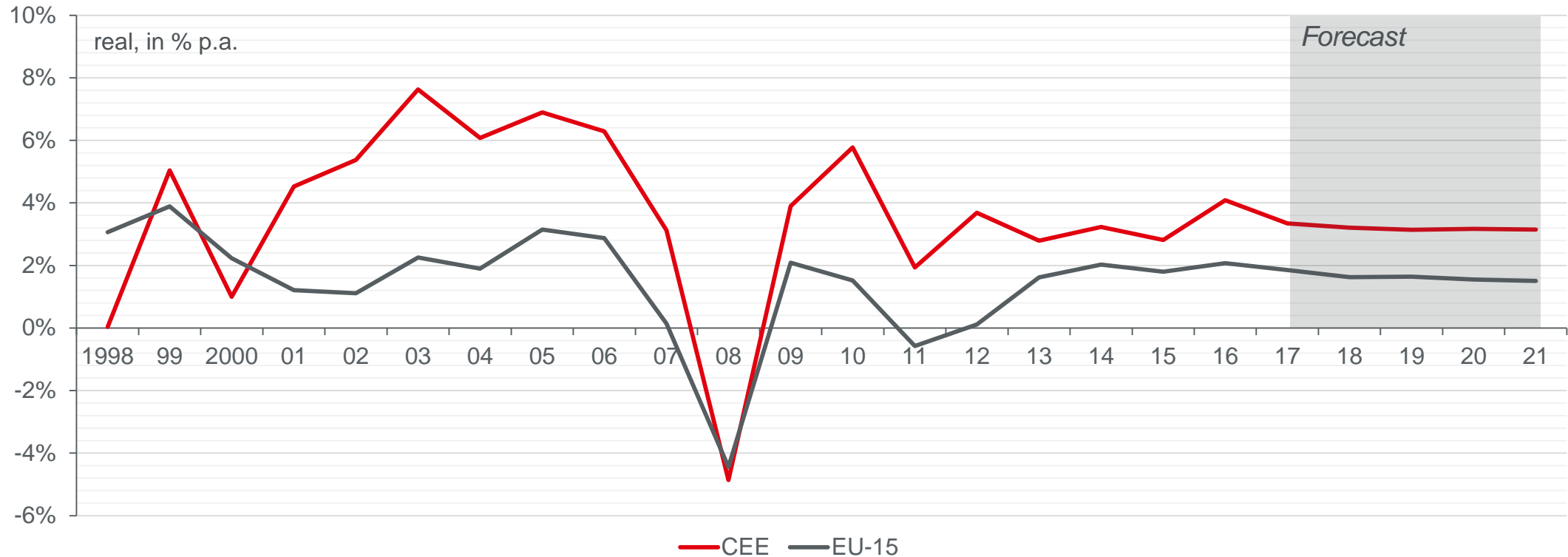


Source: EU Commission (Eurostat/Ameco), March 2018

LONG-TERM TREND: FASTER GROWTH IN THE CEE REGION

Economic growth in the CEE region was, is and will remain higher than in the EU-15.

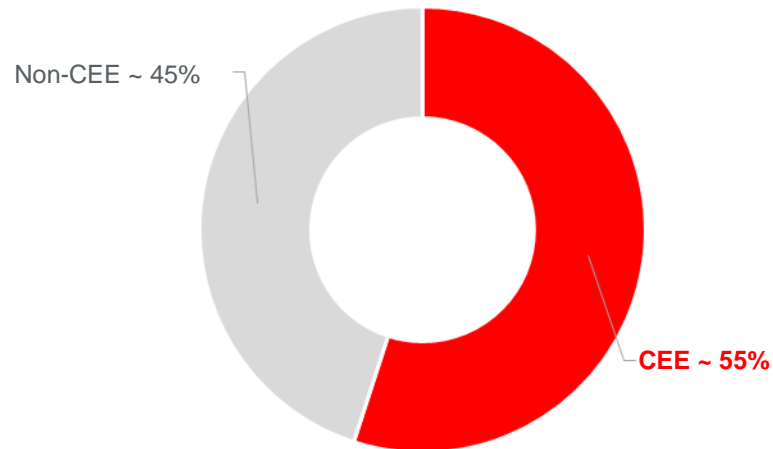
Annual economic growth in the CEE region and EU-15



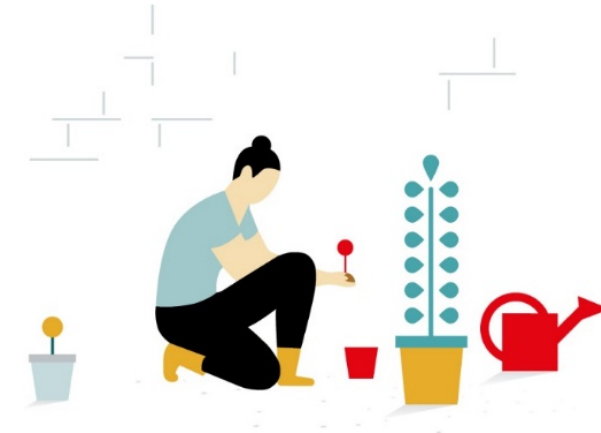
Source: IMF World Economic Outlook database, October 2017

PREMIUMS AND PROFIT SHARE

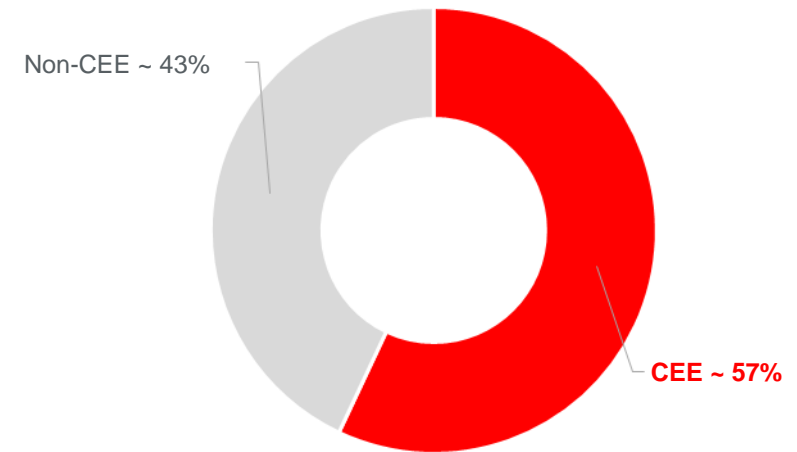
Around 55% of VIG's premiums are generated in Central and Eastern Europe



Non-CEE: Austria, Germany, Liechtenstein



Around 57% of VIG's profits are generated in Central and Eastern Europe





VIG VALUES

Diversity



Customer proximity



Responsibility



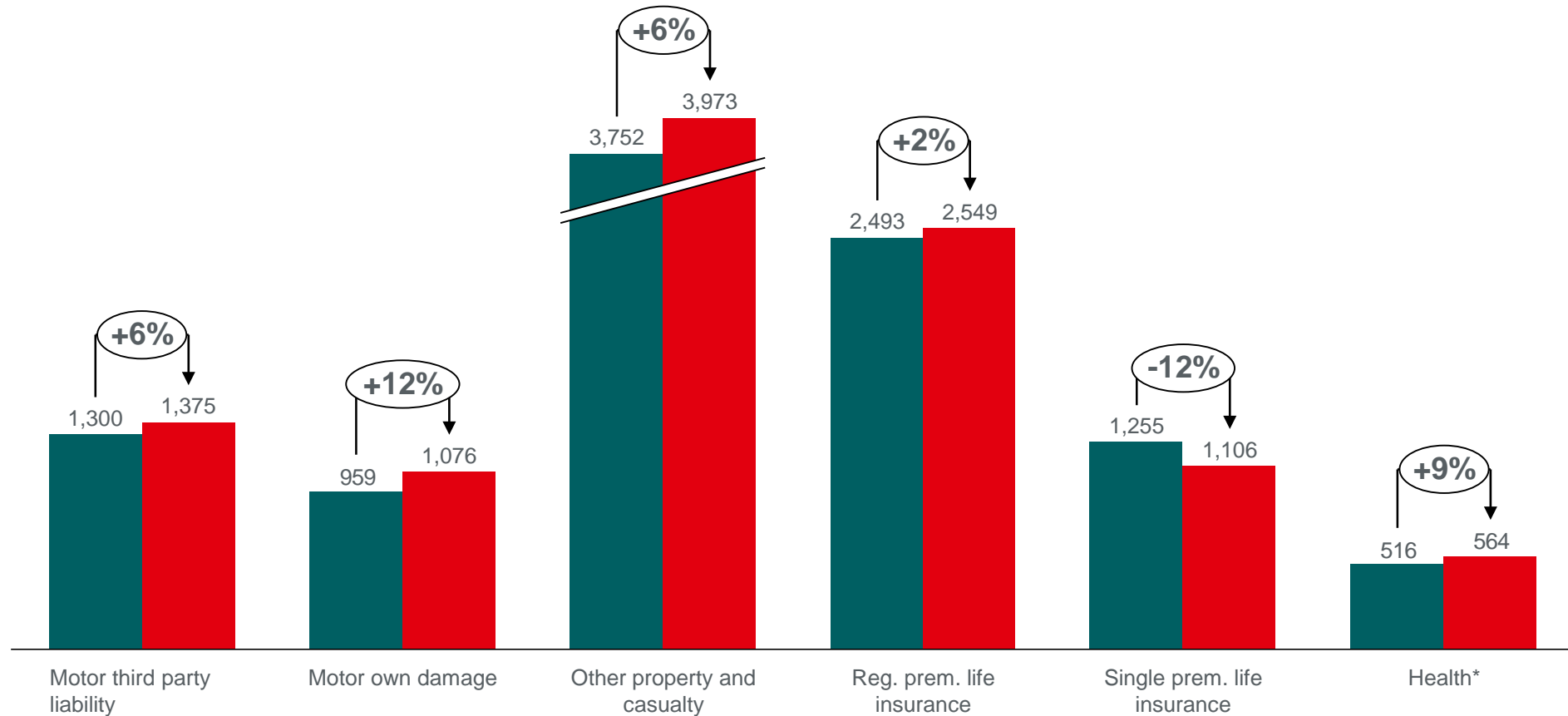


PREMIUMS

Premiums written by line of business, IFRS, in EUR millions

Significant increase in premiums in all lines of business, except the single-premium business

2016
2017

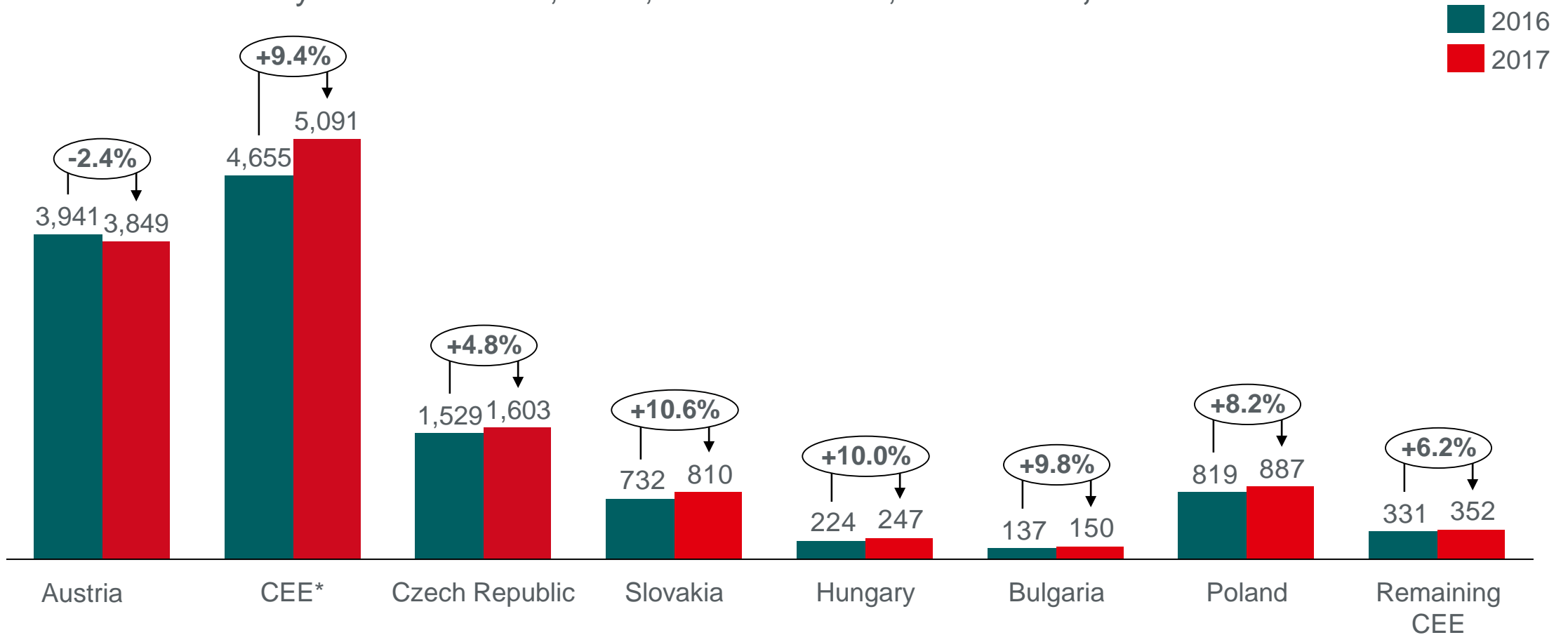


* not including health insurance similar to life insurance



PREMIUMS

Premiums written by line of business, IFRS, in EUR millions, **total VIG: 9,386.06**

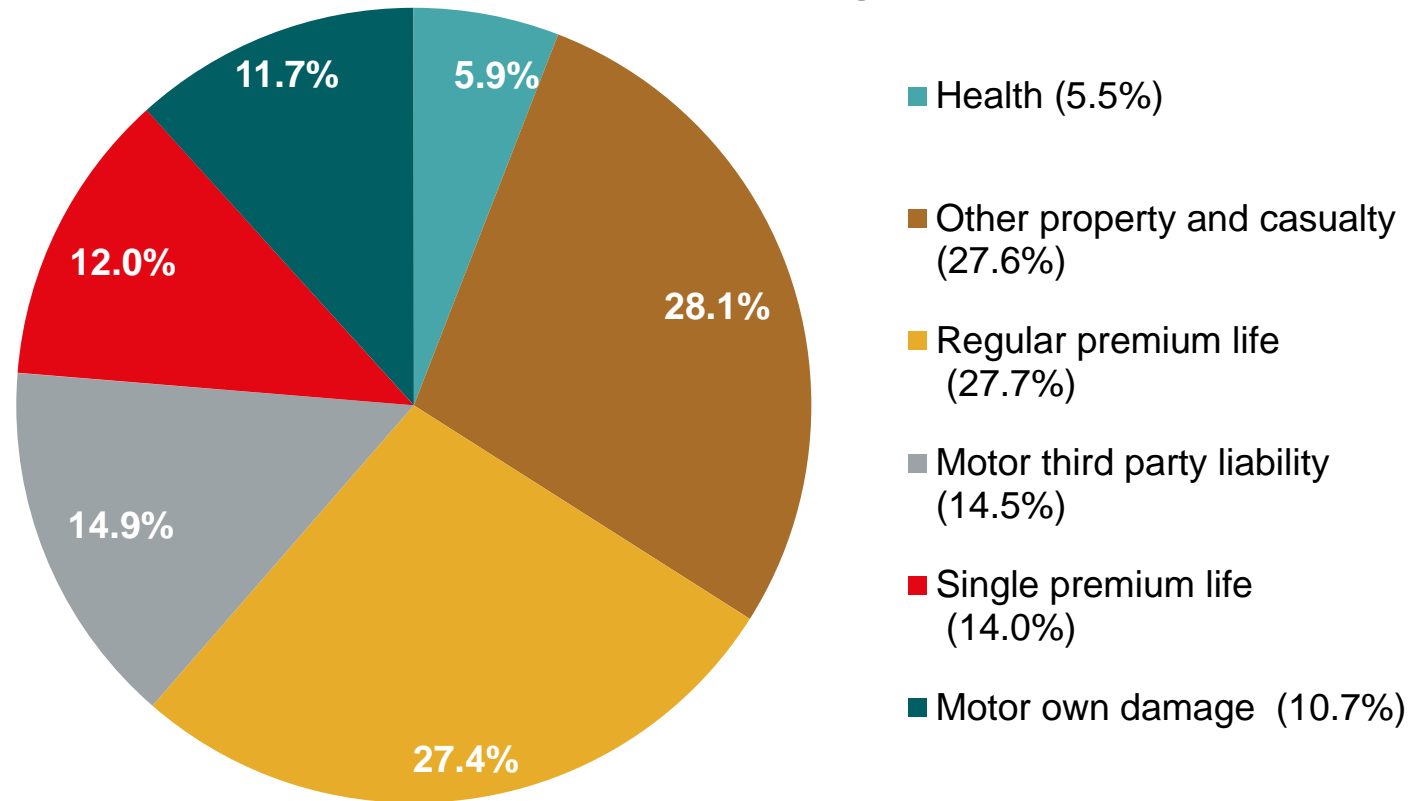


* CEE: excluding Austria, Germany, Liechtenstein



PREMIUM SHARE BY LINE OF BUSINESS IN 2017

Figures for 2016 in brackets

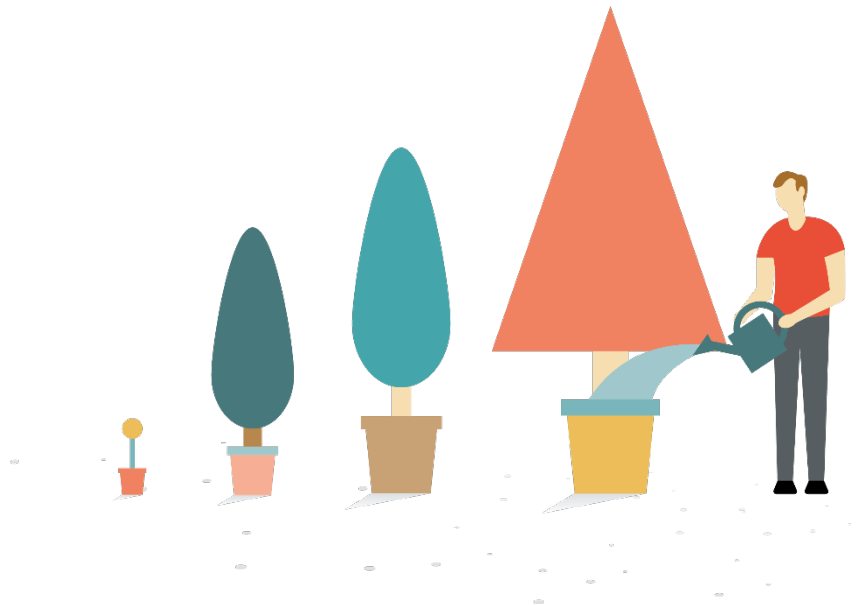


Excl. Central Functions

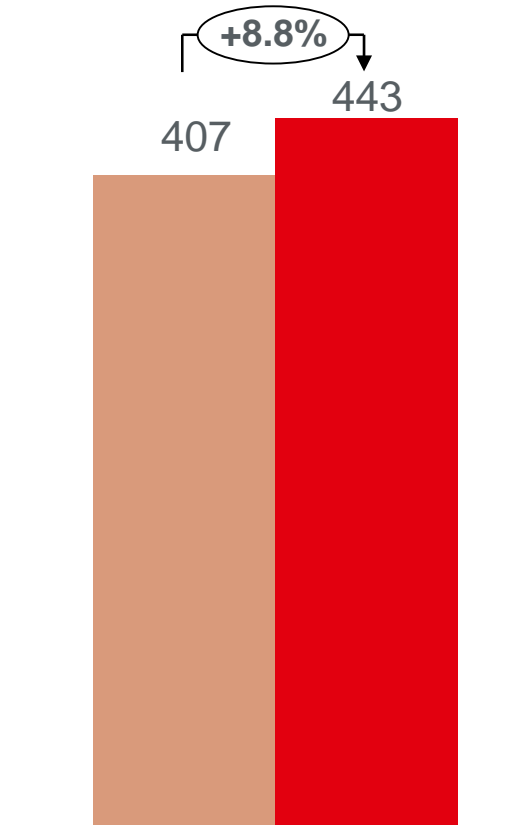
PROFIT BEFORE TAXES IN 2017

in EUR millions

Increase of ~EUR 36 million

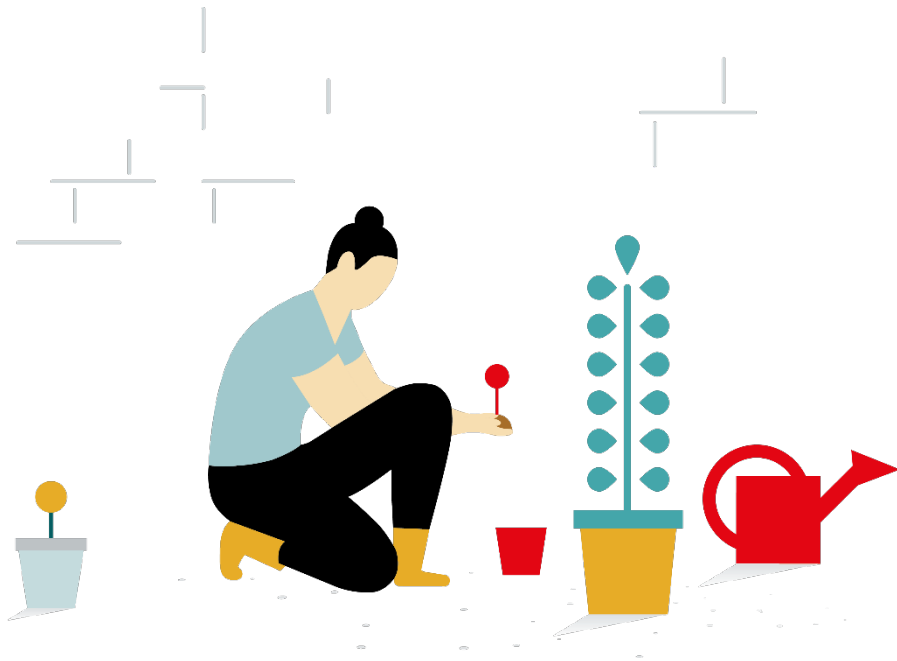


2016
2017



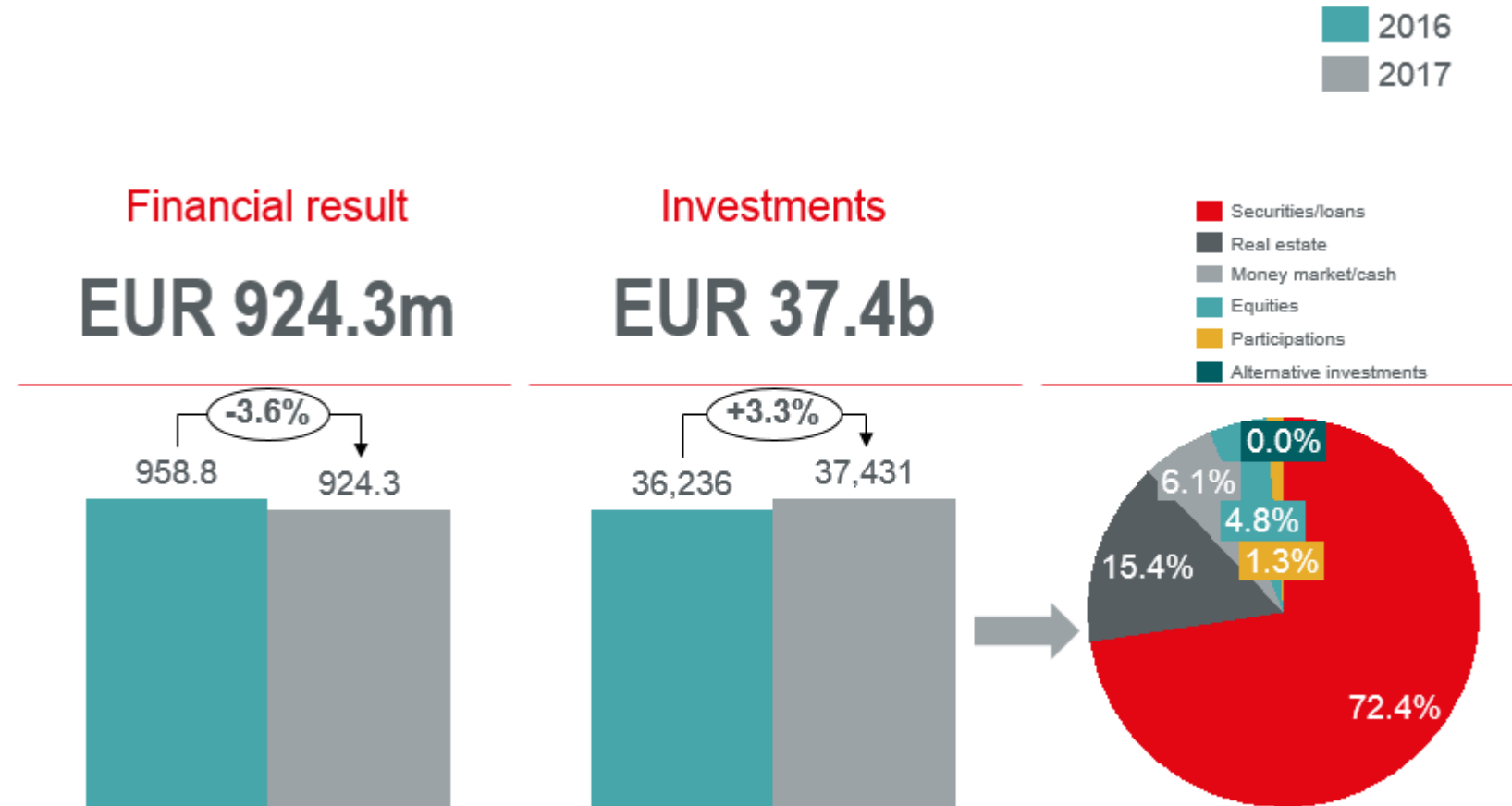
COMBINED RATIO

Property and casualty, IFRS, net in %





KEY FIGURES FOR 2017

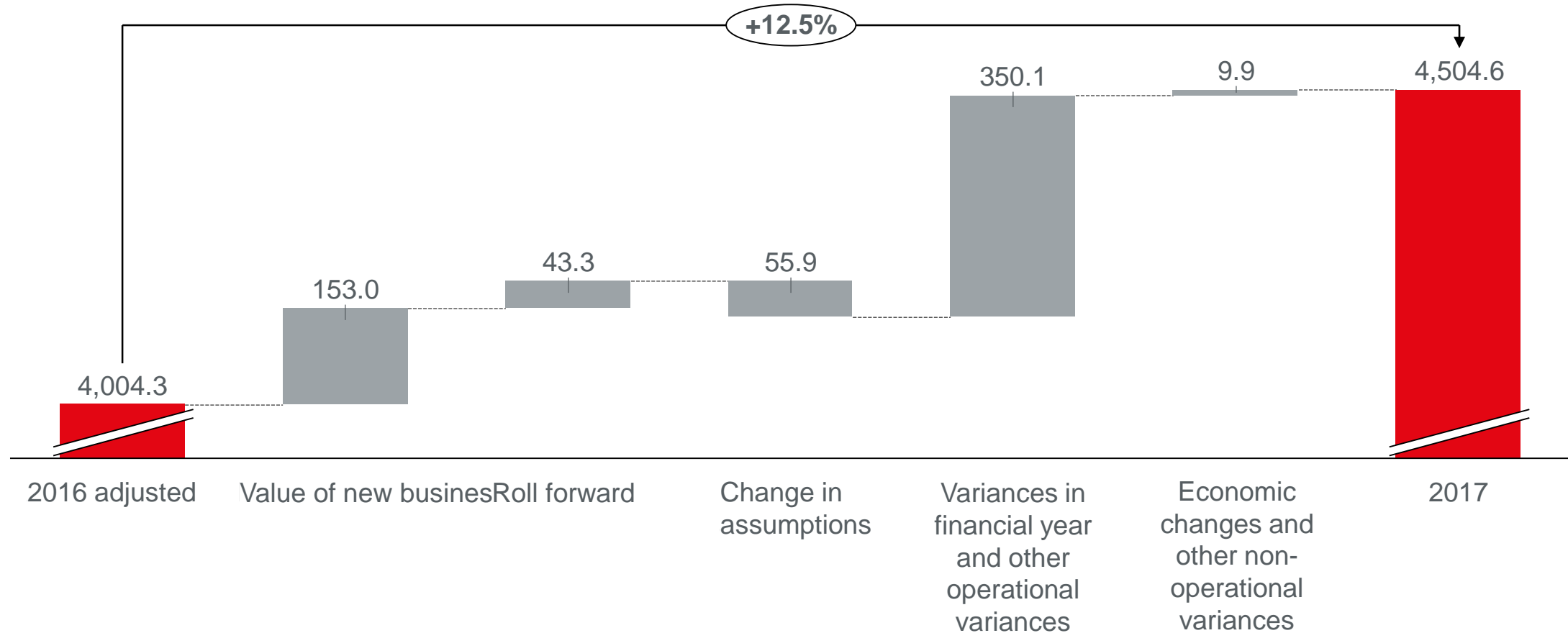




EMBEDDED VALUE FOR 2017

Analysis of changes

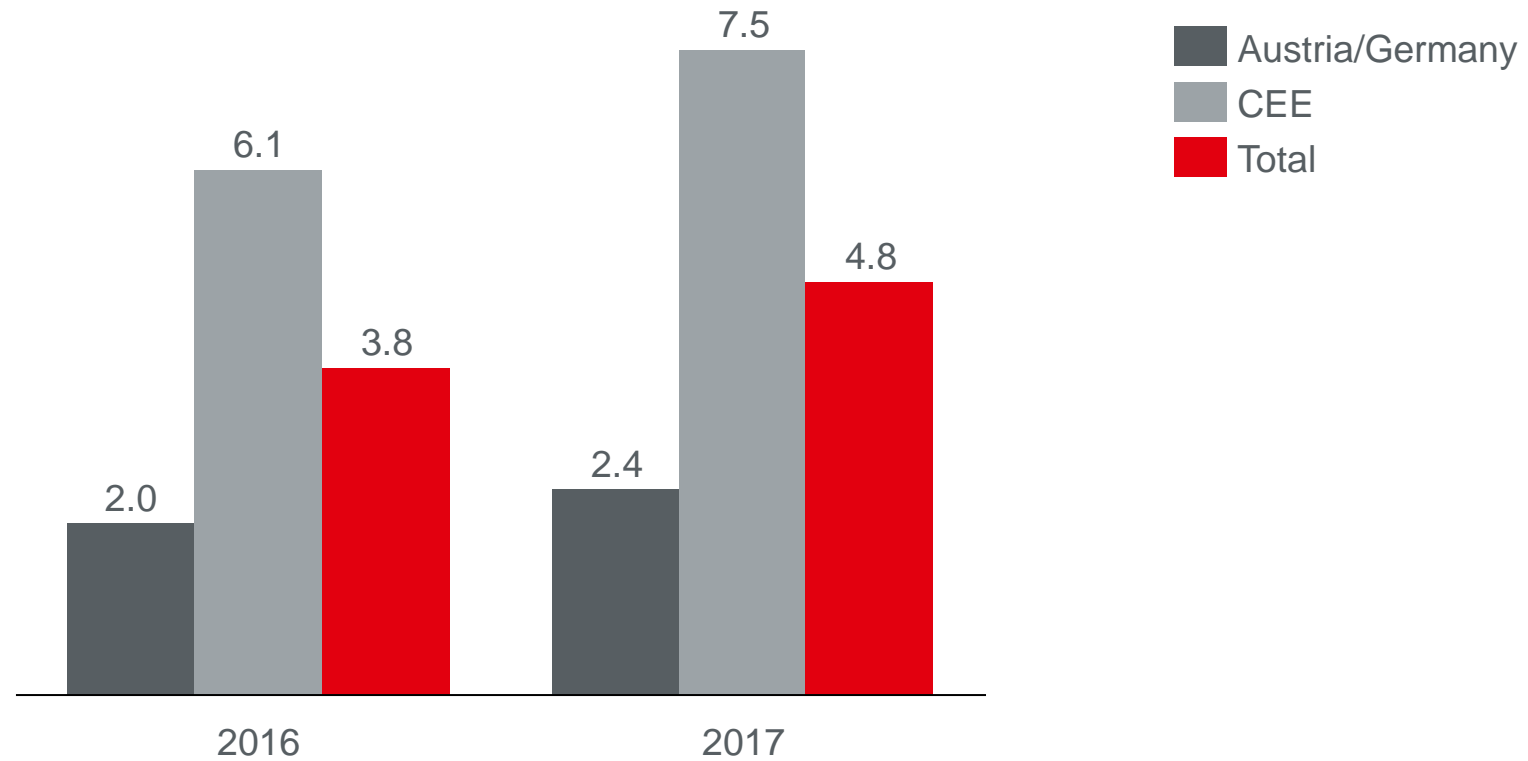
Embedded value for life insurance and health insurance business in EUR millions





EMBEDDED VALUE FOR 2017

New business margin in %



PROPOSED DIVIDEND FOR 2017

**Dividend increase
to EUR 0.90 (+12.5%)**

Dividend payout ratio 38.7%

Dividend yield 3.49%

Dividend policy:
Minimum distribution of 30% of net Group profit after
minority interests remains unchanged since 2005



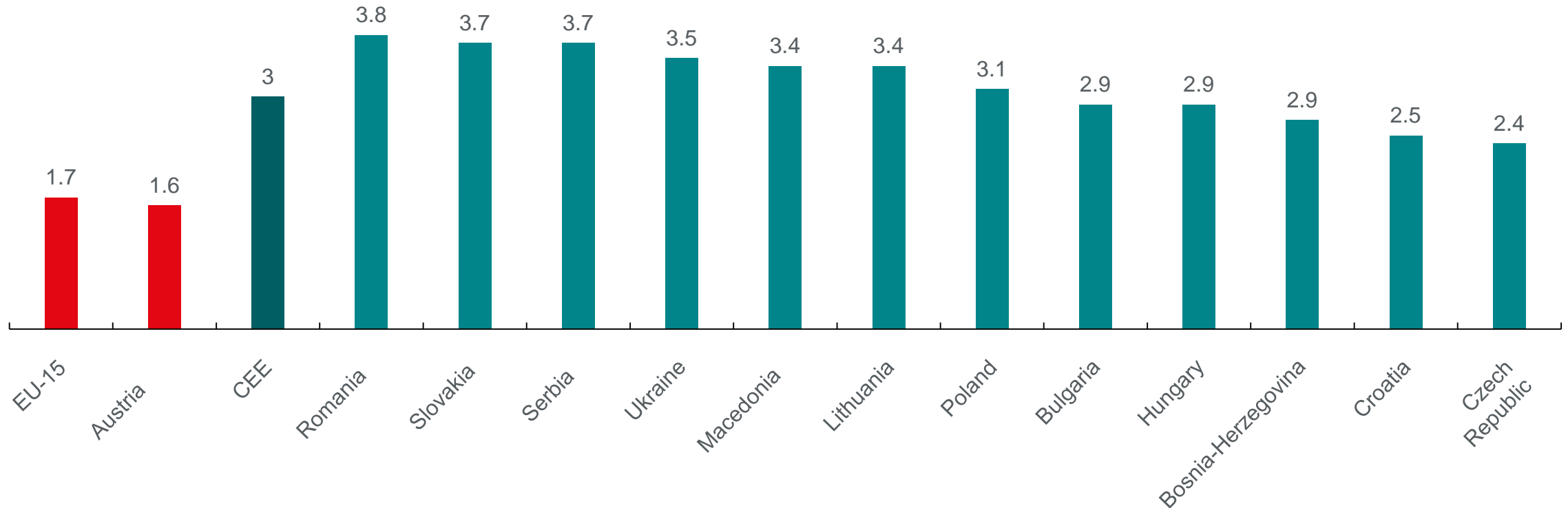
TARGETS FOR 2018 AND OUTLOOK FOR 2020



CEE ECONOMY REMAINS DYNAMIC

Average economic growth rate is significantly higher in the CEE region than Austria and the EU-15.

Real GDP growth 2017-2020 in % p.a.

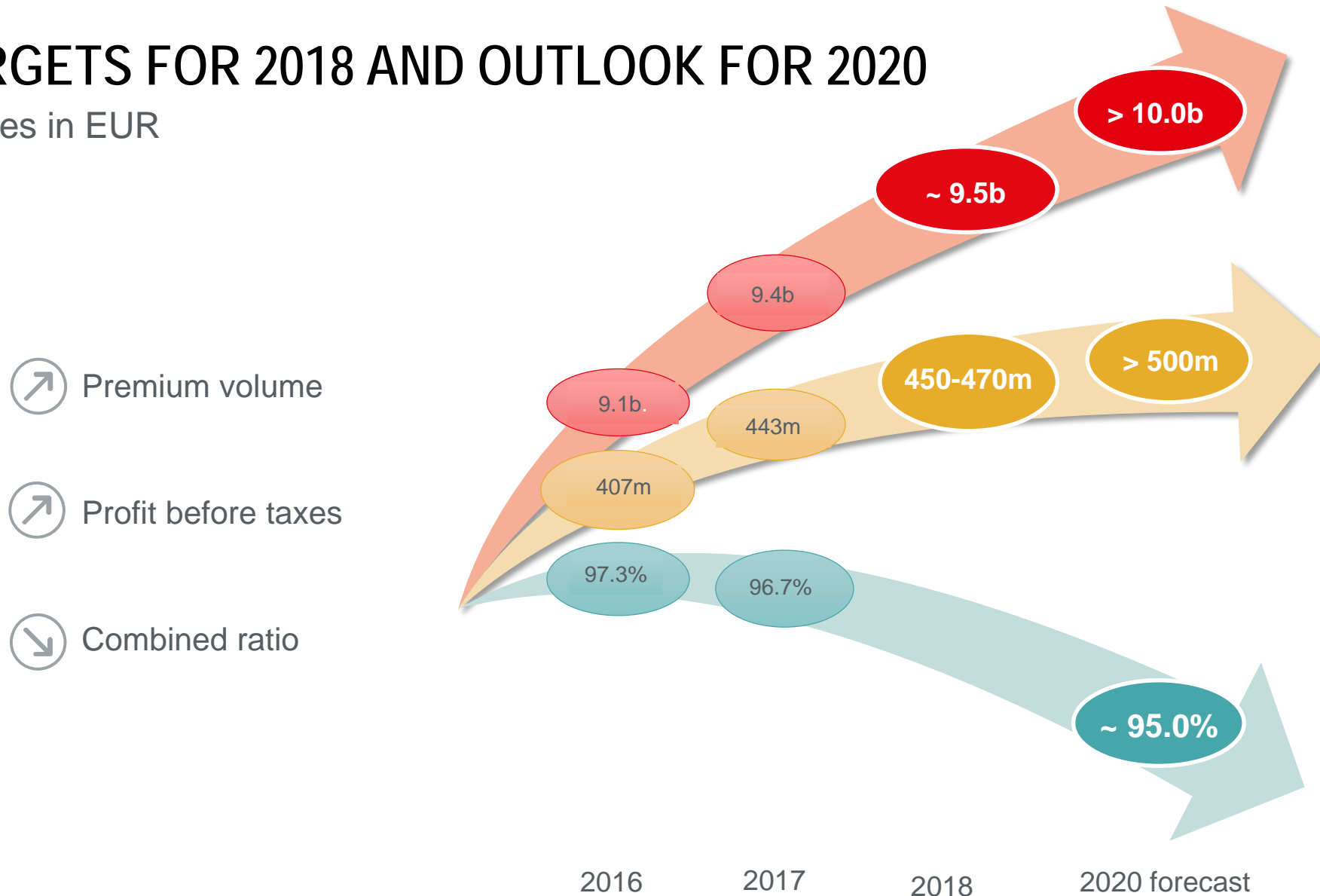


Source: IMF World Economic Outlook database, October 2017; Note: Individual countries based on national currencies; CEE region and EU-15 based on IMF exchange rate nom. GDP/nom. GDP USD



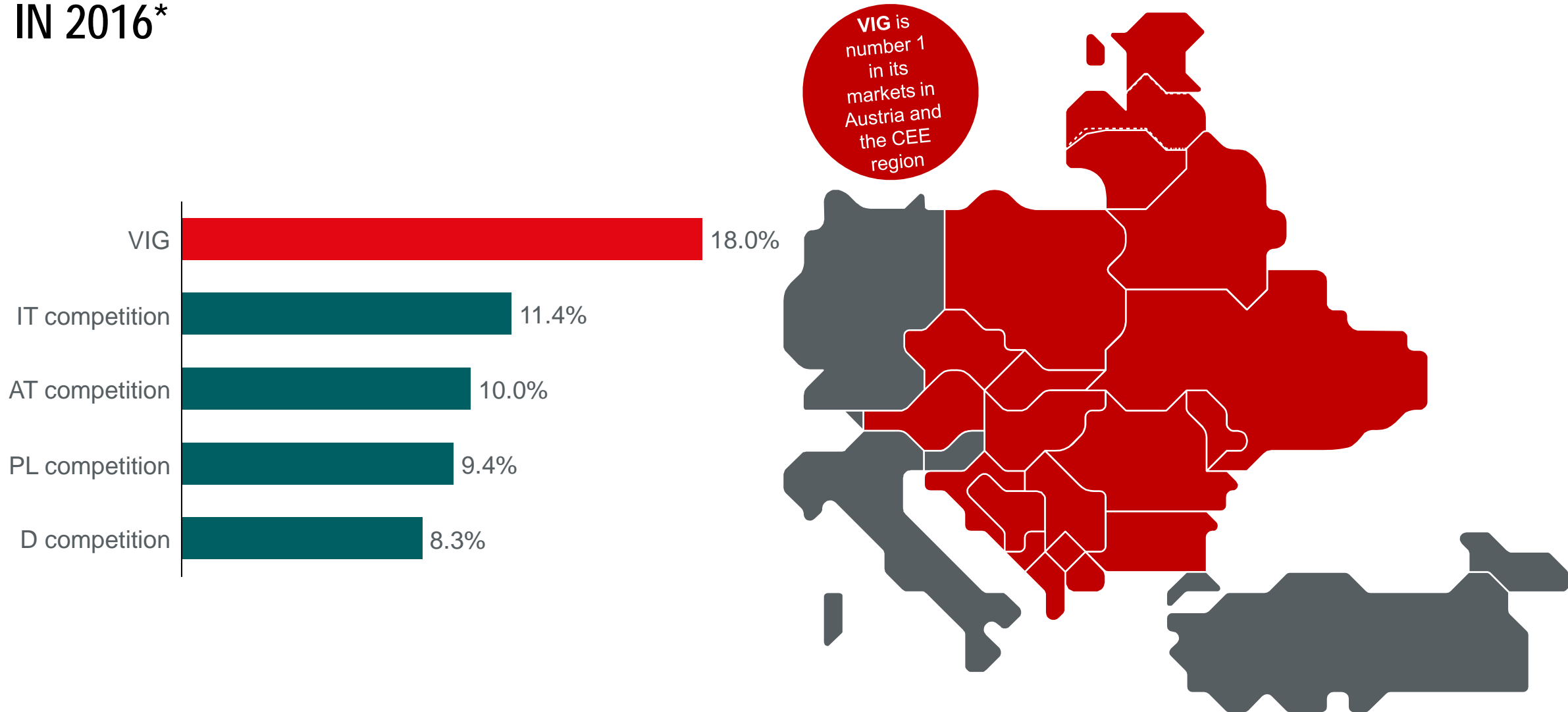
TARGETS FOR 2018 AND OUTLOOK FOR 2020

Figures in EUR





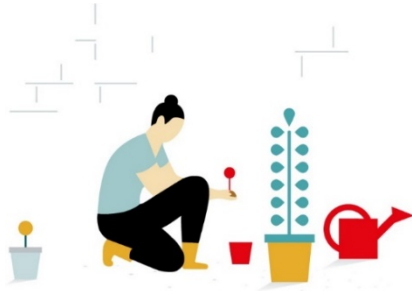
VIG MARKET SHARE IN THE CEE REGION IN 2016*



* CEE market share calculations for VIG and competitors: CEE includes all VIG markets except Germany/Liechtenstein/Italy/Slovenia/Turkey and Georgia, data from local insurance supervisory authorities

CURRENT DEVELOPMENTS IN MANAGEMENT AGENDA 2020

CURRENT DEVELOPMENTS IN MANAGEMENT AGENDA 2020



Business model
optimisation



Ensuring future
viability



Organisation and
cooperation



BUSINESS MODEL OPTIMISATION

- Motor insurance profit optimisation
- Anti-fraud
- Claims management optimisation
- Shared services & mergers

Around EUR
10m
per year in potential savings for
foreign motor insurance claims

A closed file review was
already performed in
4 companies
in Poland and Lithuania in
2017

M&A highlights
45 M&A projects
implemented
10 acquisitions in
the last 3 years



ENSURING FUTURE VIABILITY

- Assistance
- Insurance of the future
- Digitisation
- Expanding lines of business

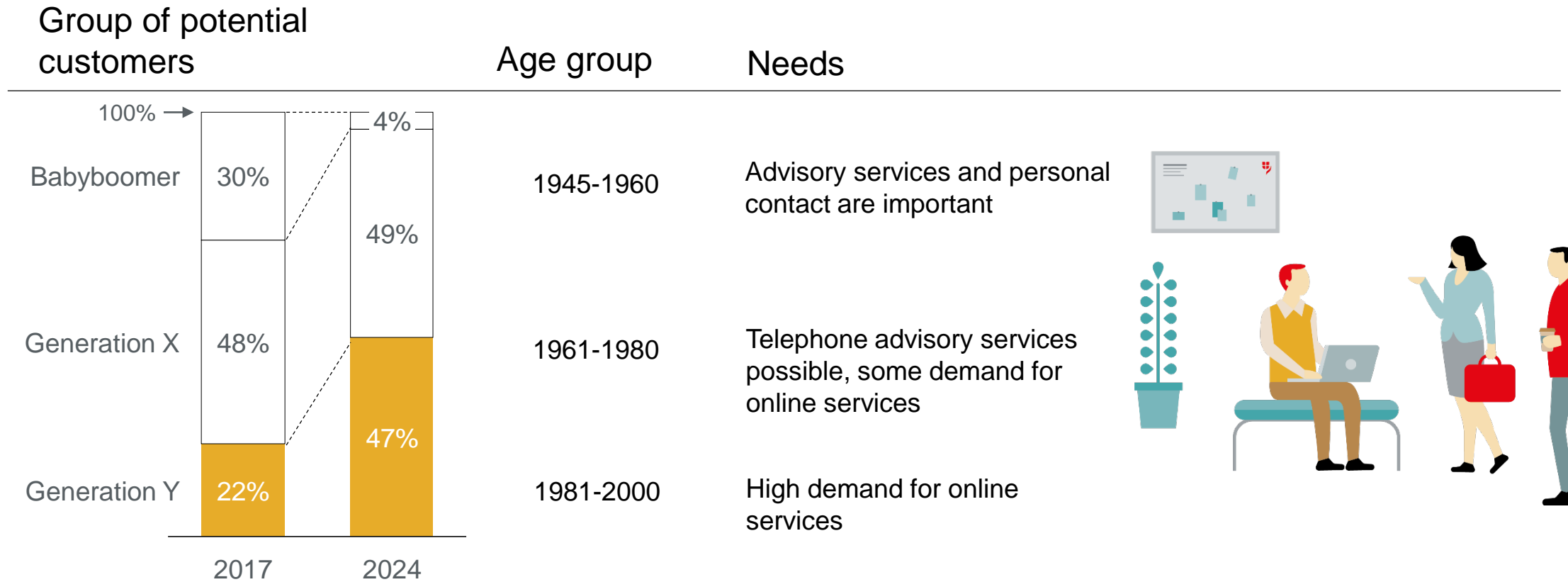
VIG handled more than
200.000
assistance cases
for its customers in 2017

**Promoting bank
distribution with
Erste Group**

+ 32%
premium growth in health
insurance in 5 key countries

INSURANCE OF THE FUTURE / DIGITISATION

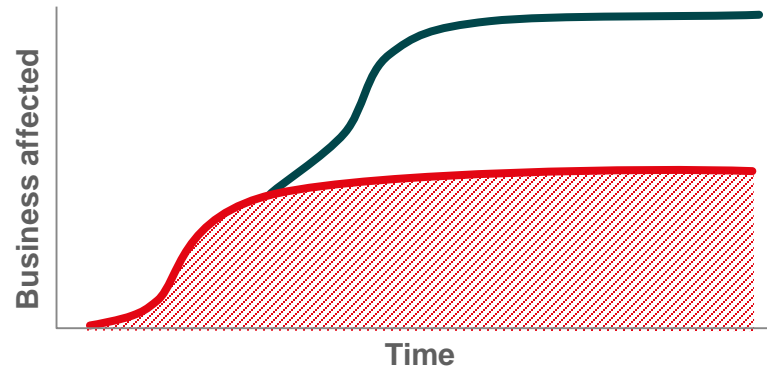
Around 50% of our customers will be from Generation Y in 2024



INSURANCE DIGITISATION WILL TAKE PLACE IN 2 WAVES

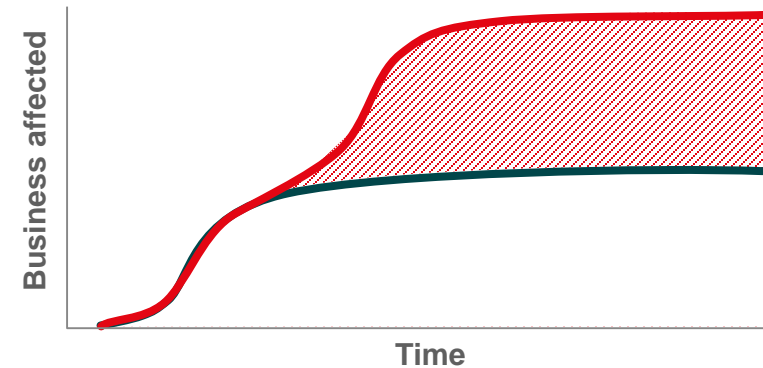
The first wave has already arrived

Wave 1 Digitalisation of current operating model



- “Digital to Consumer” – mobile and digital interfaces with customers
- Process and workflow automation, especially routine cases
- Creation of additional services that are scalable because they are automated

Wave 2 Creation of new business models



- New services offered by insurance companies based on new business model
- New forms of interaction created along the “customer journey”
- Requires digitisation of current operating model



VIG DIGITAL VISION





EXAMPLES OF DIGITAL SALES PROMOTION

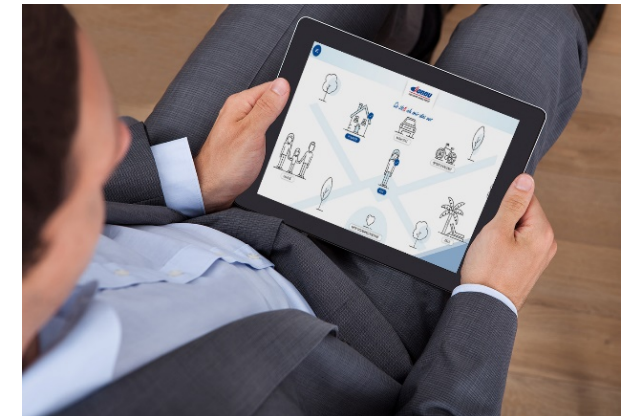
Mobile customer advisory services based on current life situation



Smart & Easy



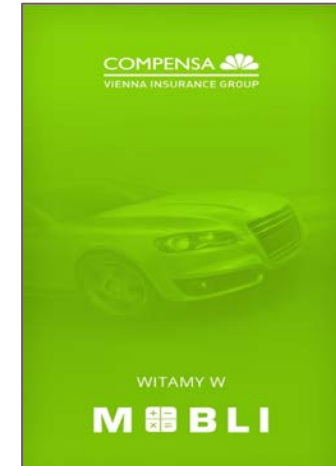
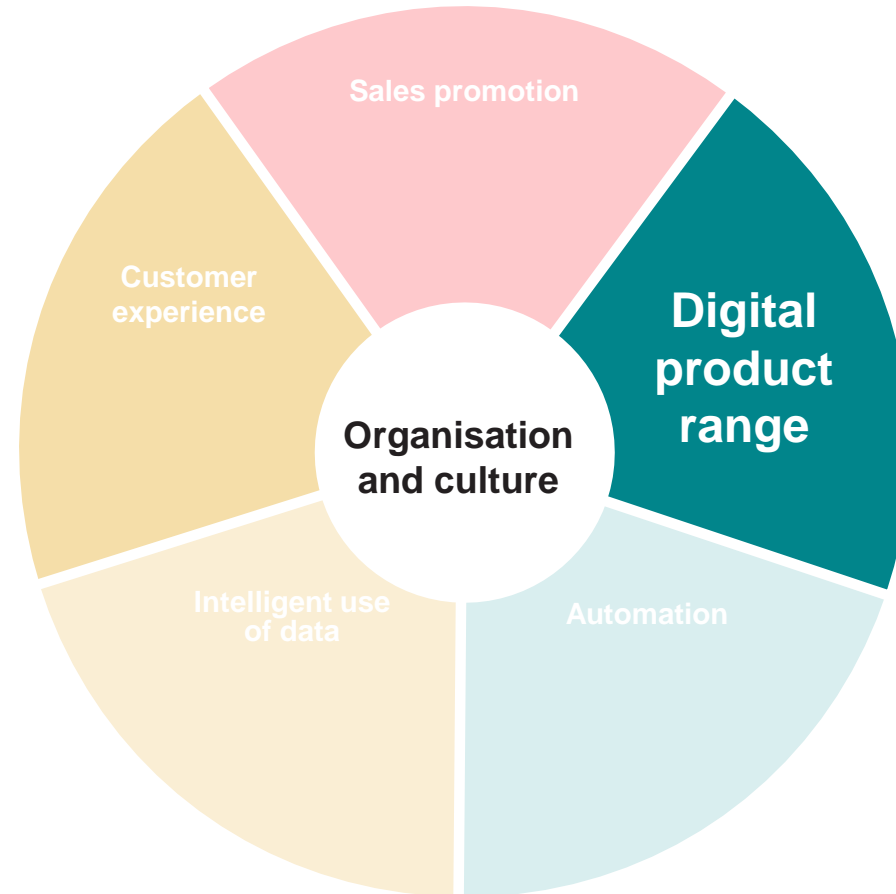
Klara





EXAMPLES OF DIGITAL PRODUCTS

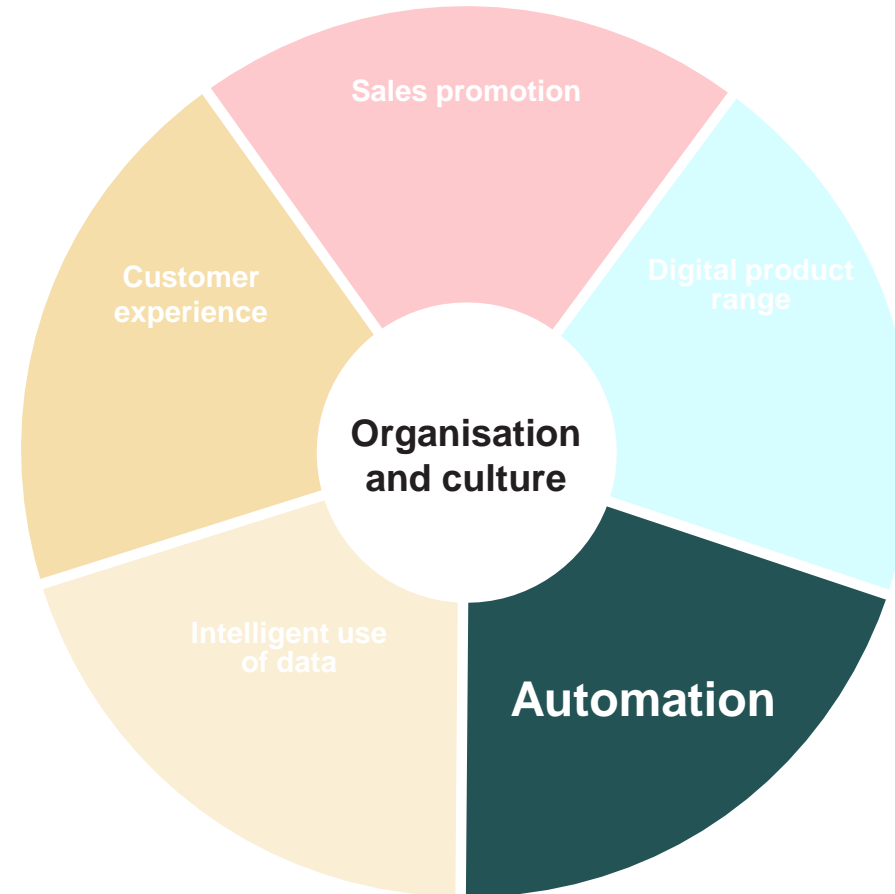
Apps for mobile sales of motor insurance



EXAMPLES OF AUTOMATION

Genesis digitisation project

- Use of robot technology and artificial intelligence to automate workflows
- Testing and use of telematics
- Bot testing

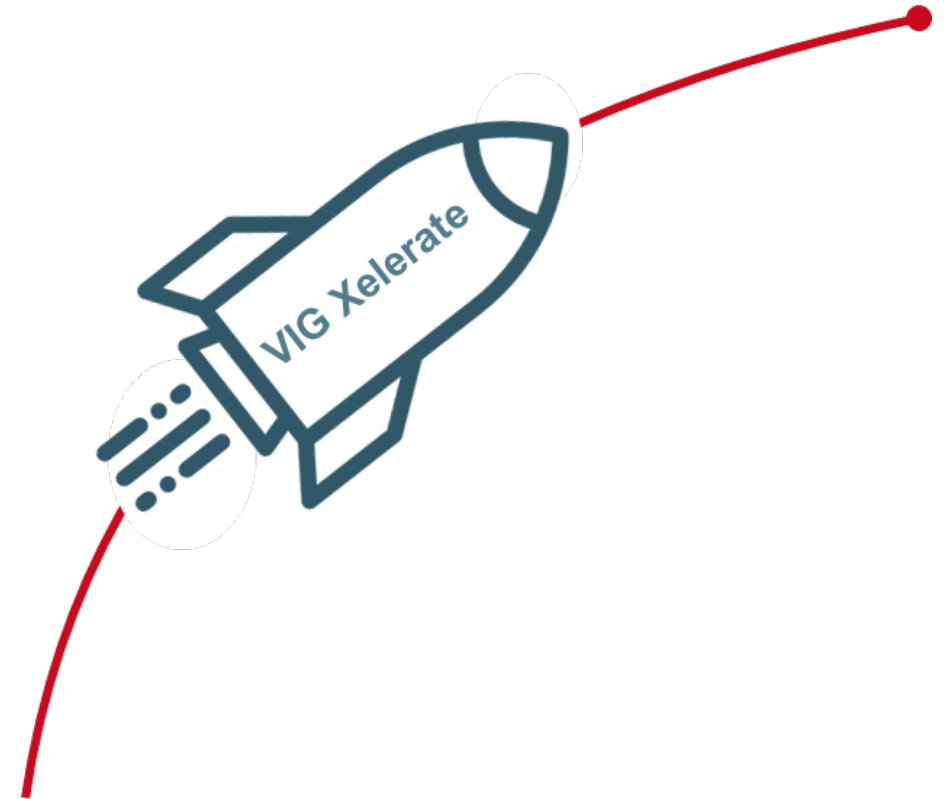


GENESIS



VIG DIGITISATION INITIATIVES

- **VIG Xelerate**
 - An initiative that supports projects aimed at the digital transformation of VIG
 - Group companies submit digitisation projects
 - Project checked for relevance to the company and Group
 - Project receives financial support from VIG



VIG 

VIENNA INSURANCE GROUP

Protecting what matters.