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2016 final results of Vienna Insurance Group: Profit (before taxes) of around EUR 407 million confirmed

- **Solvency II ratio stable at 195 percent**
- **Group Embedded Value increased to about EUR 6 billion**
- **Dividend increased by 33 percent to EUR 0.80 per share**

Vienna Insurance Group will publish its Group Annual Report for the 2016 financial year on 20 April 2017 at www.vig.com. It confirms the most important KPIs preliminary announced on 23 March 2017. 2016 the premium volume was increased to EUR 9,051 million. The profit (before taxes) reached EUR 406.7 million. The combined ratio was with 97.3 percent at the level of the previous year. The Supervisory Board has in the meantime also confirmed the Managing Board's dividend proposal of EUR 0.80 per share.

Solvency II ratio stable at 195 percent

The Solvency II ratio calculated at the level of the listed VIG Group was 195 percent at the end of 2016. This already includes the call and repayment of around EUR 256 million for the two supplementary capital bonds as of 12 January 2017. VIG's solvency therefore remains at an excellent level.

Group Embedded Value reaches about EUR 6 billion

The Group Embedded Value (after taxes) as of 31 December 2016 was increased to about EUR 6 billion in spite of the low interest rate environment. This reflects the sustainability of Vienna Insurance Group's insurance business. The new business margin once again reached a high international standard of 6.1 percent in the CEE region. The 2.0 percent new business margin in Austria was a clear improvement compared to the previous year.

The Embedded Value is calculated according to international standards as the net asset value of Vienna Insurance Group plus the present value of expected future profits from existing life and health insurance policies. This has been certified by KPMG Austria GmbH.

Adjustments due to goodwill impairments in 2015

Due to an assessment by the Austrian Financial Reporting Enforcement Panel (AFREP) the Group shareholders' equity was adjusted by around EUR 90 million due to changes in the goodwill recognised in Romania, Croatia, Hungary and Albania/Kosovo. Profit (before taxes) in the 2015 financial year declined by the same amount. According to AFREP, the method that VIG used to determine the interest rate for calculating the value in use of the cash generating units (CGUs) was not IFRS-compliant because VIG used a peer group financing structure that did not verifiably reflect the asset-specific risk of the CGUs.

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 more than 24,000 employees, Vienna Insurance Group is the clear market leader in its Austrian and CEE 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.

Disclaimer

This press release contains forward-looking statements that concern future developments in Vienna Insurance Group. These statements are based on current assumptions and forecasts by the management of Vienna Insurance Group. Changes in general economic developments, future market conditions, capital markets and other circumstances could result in actual events or results differing significantly from these forward-looking statements. Vienna Insurance Group assumes no obligation to update these forward-looking statements or modify them based on future events or developments.

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