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Vienna Insurance Group shows strong resilience in EIOPA stress test VIG was the only Austrian insurance group to participate

Vienna Insurance Group (VIG) was the sole Austrian insurance group to be invited to take part in the European Insurance and Occupational Pensions Authority's (EIOPA) stress test. In all three quantitative test scenarios, VIG achieved results of between 158 percent and 215 percent including the volatility adjustment – well above the required minimum solvency ratio of 100 percent.

42 European insurance groups took part in the EIOPA stress test between May and August 2018. Three quantitative scenarios were assessed on the basis of VIG's solvency ratio of 220 percent as of 31 December 2017. The first scenario examined the impact on solvency of increasing interest rates combined with market value decline, mass surrender of insurance contracts and rising costs due to inflation. The second scenario considered the protracted period of low interest rates, combined with market value decline and increased life expectancy. The third scenario focused on natural disasters, assuming the occurrence of eight specifically defined catastrophes across Europe. In contrast to previous EIOPA stress tests, this year's assessment covered not only the effects on equity, but also the impact of stress on solvency.

Overall, the results of the tests were very satisfactory for VIG. Even in the most challenging scenario for the Group, the solvency ratio was a solid 158 percent, or 138 percent without the volatility adjustment. Performance in the low-interest-rate scenario was even stronger, at 186 percent, or 171 percent without the volatility adjustment. Owing to VIG's conservative and effective reinsurance policy, natural disasters would have only a minimal impact – in this scenario, the solvency ratio would decrease from 220 percent as at year-end 2017 to 215 percent. *"The results of the EIOPA stress test underscore the outstanding strength of Vienna Insurance Group's capital base, which was again confirmed by the rating agency Standard & Poor's in the summer of 2018. We have shown strong resilience in conducted crisis scenarios under very difficult market conditions. We see this as another positive indication that we can be a stable and reliable partner,"* commented Elisabeth Stadler, CEO of Vienna Insurance Group.

The results of the EIOPA stress test and charts on VIG's solvency are available on the VIG website at <https://www.vig.com/en/investor-relations/downloads/solvency-ii.html>.

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 has close to 200 years of experience in the insurance business. With more than 25,000 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.

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