

OUR **UPWARD TREND** CONTINUES

Protecting what matters.

Letter from the Chairwoman of the Managing Board

**Dear Shareholders,
Ladies and Gentlemen!**

Our cover page and business development in the first nine months of 2018 both show that “our upward trend continues” – with due care and a clear vision for the future. Premium volume increased 2.9% to EUR 7.4 billion, and our Group result before taxes rose significantly by 6.4% to EUR 352.3 million. Our combined ratio also improved to 96.3% (compared to 97.3% in the first nine months of 2017). This shows that we continue to be well on our way to achieving our targets for premium growth and result before taxes for 2018 as a whole.



rating with stable outlook assigned by Standard & Poor's at the end of August, which once again makes us the highest rated company in the ATX index. This also gives us the financial foundation needed to digitally modernise products, sales and internal processes in order to remain fit for the future.

After the first nine months of 2018, we remain highly confident about achieving our plans for 2018 as a whole. Our continued upward trend of profitable growth confirms our long-term Group strategy and shows we can successfully implement our Agenda 2020 initiatives in our business model.

A handwritten signature in black ink that reads "Stadler".

Elisabeth Stadler

Our premium volume and result before taxes once again increased significantly both in some important CEE markets (Baltic states, Czech Republic, Hungary) and some smaller markets in the Remaining CEE segment, such as Bosnia-Herzegovina, Croatia, Macedonia, Serbia and Ukraine. This confirms our belief that a broad presence in the CEE region pays off. Romania is the only market where performance in the motor business has been less favourable. We are therefore monitoring the market situation carefully and, following a goodwill impairment in the 2nd quarter, we made additional precautions in the 3rd quarter. Nevertheless, due to our decentralised organisation and broad risk diversification across countries, isolated events like these do not have a considerable effect on the overall earnings power of the Group. Our financial result of EUR 795.9 million, 8.7% higher than in the same period in the previous year, also contributed to our positive performance.

VIG strengthened its market position in important CEE markets in previous months with new acquisitions and purchase conclusions (Poland, Baltic states) and by merging local composite insurers with its life insurers specialising in bank distribution. We also continue to enjoy a solid financial position and high capital strength, as recognised by the A+

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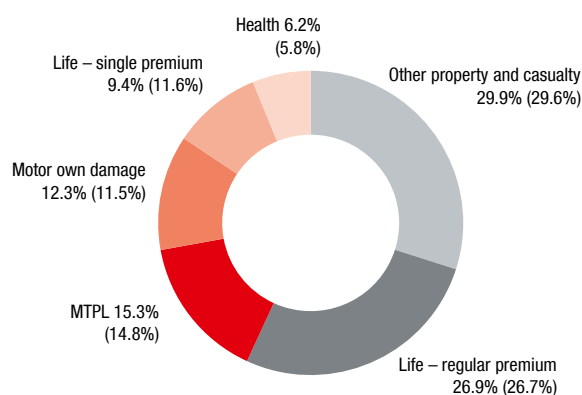
Interim management report

BUSINESS DEVELOPMENT (IN ACCORDANCE WITH IFRS)

In 1st–3rd quarter 2018, Vienna Insurance Group wrote EUR 7,357.5 million in Group premiums, an increase of 2.9% compared to the same period in the previous year. Adjusted for single premium life insurance products, Vienna Insurance Group recorded an even larger increase in premiums of 5.4%.

PREMIUM PERCENTAGE BY LINES OF BUSINESS

1ST–3RD QUARTER 2018



Values for 1st–3rd quarter 2017 in parentheses

Expenses for claims and insurance benefits less reinsurers' share were EUR 5,195.6 million in the first nine months of 2018 (1st–3rd quarter 2017: EUR 5,167.8 million), representing a year-on-year increase of 0.5%.

Acquisition and administrative expenses less reinsurance commissions rose 5.8% year-on-year to EUR 1,600.6 million (1st–3rd quarter 2017: EUR 1,513.5 million). This was primarily due to an increase in commissions and generally corresponded to the increase in premiums, not including single premium products.

The Group result before taxes rose to EUR 352.3 million in the first nine months of 2018 (1st–3rd quarter 2017: EUR 331.2 million). The year-on-year increase of 6.4% was mainly due to good growth in the financial result and an improved combined ratio.

VIG in 1st–3rd quarter 2018

- Premiums increased 2.9% to EUR 7,357.5 million
- Result before taxes rose to EUR 352.3 million, representing a significant increase of 6.4%
- The combined ratio is at an excellent 96.3%

The Group's combined ratio after reinsurance (not including investment income) improved to 96.3% compared to the previous period (1st–3rd quarter 2017: 97.3%).

Group investments including cash and cash equivalents were EUR 37.5 billion as of 30 September 2018, which was slightly higher than the level in the previous year (31 December 2017: EUR 37.4 billion).

VIG earned a financial result of EUR 795.9 million in the 1st–3rd quarter 2018 (1st–3rd quarter 2017: EUR 732.1 million). This year-on-year increase of 8.7% was primarily due to investment gains, both from the sale of the interest in S IMMO AG and from real estate.

BUSINESS DEVELOPMENT BY SEGMENT

Austria

The Austrian Vienna Insurance Group companies wrote premiums of EUR 2,996.4 million in the first nine months of 2018, slightly less than in the same period in the previous year (1st–3rd quarter 2017: EUR 3,009.6 million). When adjusted for single premium life insurance products, the Austrian Group companies recorded an increase of 1.9%.

Due to the improved combined ratio, result before taxes rose 23.2% in the 1st–3rd quarter of the current year to EUR 130.2 million (1st–3rd quarter 2017: EUR 105.7 million).

The combined ratio continued to improve in the 1st–3rd quarter 2018 as a result of positive performance in fire and natural hazards insurance and the motor lines of business, reaching an outstanding level of 94.9% (1st–3rd quarter 2017: 97.0%).

DEVELOPMENT BY SEGMENT

	Premiums written		Result before taxes	
	1.1.-30.9.18	1.1.-30.9.17	1.1.-30.9.18	1.1.-30.9.17
in EUR million				
Austria	2,996.4	3,009.6	130.2	105.7
Czech Republic	1,274.4	1,206.5	123.8	113.7
Slovakia	591.7	589.2	31.8	39.9
Poland	668.7	675.2	23.5	31.0
Romania	392.9	373.4	-72.2	8.9
Baltic states	279.2	239.7	3.1	-1.2
Hungary	191.1	171.8	4.7	3.5
Bulgaria	129.6	119.6	7.0	5.7
Turkey/Georgia	149.1	154.7	4.9	6.9
Remaining CEE ¹	284.6	263.1	20.0	12.4
Other Markets ²	232.7	228.5	20.1	20.3
Central Functions ³	1,168.1	1,068.1	55.5	-15.2
Consolidation	-1,001.2	-946.8	-0.1	-0.2
Total	7,357.5	7,152.6	352.3	331.2

¹ Remaining CEE: Albania incl. Kosovo, Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Serbia, Ukraine

² Other Markets: Germany, Liechtenstein

³ Central Functions include VIG Holding, VIG Re, the Wiener RE, VIG Fund, the non-profit societies, corporate IT service providers and intermediate holding companies.

Czech Republic

The VIG companies in the Czech Republic wrote EUR 1,274.4 million in premiums in the 1st-3rd quarter 2018, an increase of 5.6% compared to the same period in the previous year. The increase was mainly due to good performance in the regular premium life insurance and other property and casualty areas.

The result before taxes was EUR 123.8 million in the 1st-3rd quarter of the current year, corresponding to a year-on-year increase of 9.0% (1st-3rd quarter 2017: EUR 113.7 million). The increase was primarily due to the improvement in the combined ratio.

The combined ratio decreased compared to the same period in the previous year to an excellent 93.6% (1st-3rd quarter 2017: 96.8%). It must be noted that the combined ratio was negatively affected by large losses in the first nine months of the previous year.

Slovakia

The VIG companies in Slovakia wrote EUR 591.7 million in premiums in the first nine months of the current year, with an increase of 0.4% they were slightly higher than in the previous year (1st-3rd quarter 2017: EUR 589.2 million). After adjusting for single premium life insurance, the increase was even 3.8%.

The result before taxes was EUR 31.8 million in 1st-3rd quarter 2018 (1st-3rd quarter 2017: EUR 39.9 million). The decrease was predominantly due to a clear deterioration in the combined ratio resulting from an increase in reserves performed in the 1st quarter of 2018.

The combined ratio in the first nine months of 2018 was higher than in the previous year at 97.6% (1st-3rd quarter 2017: 95.8%).

Poland

The premiums written by the VIG companies in Poland in the 1st-3rd quarter 2018 were EUR 668.7 million, representing a year-on-year decrease of 1.0%. After adjusting for single premium life insurance, the increase was 11.1%. This significant increase was mainly due to positive performance in the motor lines of business and other property and casualty insurance.

Result before taxes decreased to EUR 23.5 million in the first nine months of the current year. This was due to new reserves for expenses incurred as a result of a change in cancellation terms when certain life insurance products are surrendered. (1st-3rd quarter 2017: EUR 31.0 million).

The combined ratio improved to an excellent 93.5% in the 1st-3rd quarter 2018 due to continued good performance in the motor lines of business (1st-3rd quarter 2017: 94.7%).

Romania

The Romanian VIG companies wrote EUR 392.9 million in premiums in the 1st-3rd quarter 2018, implying an increase of 5.2%. The increase was primarily due to strong premium growth in the motor own damage insurance.

A loss of EUR 72.2 million was reported in the 1st-3rd quarter 2018 (1st-3rd quarter 2017: result before taxes of EUR 8.9 million). This was altogether due to a goodwill impairment of

EUR 50.1 million carried out in the 2nd quarter, the building of a provision for an ongoing market-wide antitrust procedure and a reserve strengthening in the motor lines of business in the 3rd quarter 2018.

As a result of the reserve strengthening mentioned above, the combined ratio was 106.4% (1st–3rd quarter 2017: 98.2%).

Baltic states

The Baltic states consist of the countries of Estonia, Latvia and Lithuania.

VIG companies in the Baltic states wrote EUR 279.2 million in premiums in the first nine months of 2018 representing a year-on-year increase of 16.5%. This significant increase in premiums was due to a generally positive performance achieved in all lines of business, in particular the motor lines of business and other property and casualty insurance.

The result before taxes improved clearly year-on-year in the Baltic states to EUR 3.1 million (1st–3rd quarter 2017: loss of EUR 1.2 million). The positive development was primarily due to an improvement in the combined ratio.

The combined ratio improved compared to the same period in the previous year to 99.8% due to the good performance in the motor lines of business (1st–3rd quarter 2017: 102.2%).

Hungary

Premiums written rose 11.2% in Hungary in the 1st–3rd quarter 2018 to EUR 191.1 million, mainly due to growth in single premium life insurance, motor third party liability insurance and health insurance.

The result before taxes rose to EUR 4.7 million (1st–3rd quarter 2017: EUR 3.5 million). This major year-on-year increase of 34.9% was primarily due to the absence of the write-down of Vienna Life insurance portfolios performed in the previous year.

The combined ratio was 98.9% in the 1st–3rd quarter 2018, which was slightly lower than in the previous year (1st–3rd quarter 2017: 99.2%).

Bulgaria

EUR 129.6 million in premiums were written in Bulgaria in the 1st–3rd quarter 2018. The large increase of 8.4% was predominantly due to good growth in motor own damage and health insurance.

The VIG companies in Bulgaria contributed EUR 7.0 million to the Group result before taxes in the 1st–3rd quarter 2018. This corresponds to a year-on-year increase of 21.7%, which was primarily due to the absence of insurance portfolio write-downs in the Doverie pension fund.

The combined ratio of 97.8% was slightly higher than in the same period in the previous year (1st–3rd quarter 2017: 97.1%).

Turkey/Georgia

The VIG companies in the Turkey/Georgia segment registered written premiums of EUR 149.1 million in the first nine months of 2018, corresponding to a year-on-year decrease of 3.6%. When adjusted for negative exchange rate effects, however, the Turkey/Georgia segment recorded an increase of 25.4%.

The result before taxes declined to EUR 4.9 million in the 1st–3rd quarter of the current year, primarily due to negative exchange rate effects (1st–3rd quarter 2017: EUR 6.9 million).

Although the combined ratio improved significantly to 100.8% compared to the same period in the previous year, mainly due to an improvement in the claims ratio in Georgia, it nevertheless remained slightly above the 100% mark (1st–3rd quarter 2017: 102.3%).

Remaining CEE

The Remaining CEE segment includes the countries of Albania incl. Kosovo, Bosnia-Herzegovina, Croatia, Macedonia, Moldova, Serbia and Ukraine.

The VIG companies in the Remaining CEE countries wrote EUR 284.6 million in premiums in the 1st–3rd quarter 2018. This year-on-year increase of 8.2% was mainly due to growth in life insurance and other property and casualty insurance in Croatia and the first-time consolidation of Vienna

osiguranje (formerly Merkur Osiguranie) in Bosnia-Herzegovina, the purchase of which was concluded in February 2018.

The result before taxes rose 61.6% to EUR 20.0 million, primarily due to positive performance in the combined ratio (1st-3rd quarter 2017: EUR 12.4 million).

The combined ratio improved to 95.6%, mainly due to positive performance in Moldova and Serbia (1st-3rd quarter 2017: 99.3%).

Other Markets

The Other Markets segment includes the countries of Germany and Liechtenstein.

The VIG companies in the Other Markets segment wrote EUR 232.7 million in premiums in the first nine months of 2018. The 1.8% year-on-year increase was mainly due to growth in life insurance and other property and casualty insurance in Germany.

The result before taxes declined 0.9% to EUR 20.1 million in the 1st-3rd quarter 2018, primarily due to storm damages in the 1st quarter of 2018 (1st-3rd quarter 2017: EUR 20.3 million).

In spite of higher losses due to storm Friederike in the 1st quarter 2018, the combined ratio was an excellent 80.6% in the 1st-3rd quarter 2018 (1st-3rd quarter 2017: 78.9%).

Central Functions

Premiums written in the Central Functions segment rose 9.4% in the 1st-3rd quarter 2018 to EUR 1,168.1 million. This was mainly the result of an increase in internal Group reinsurance premiums received by VIG Holding and an increase in premiums generated by the Group company VIG Re entering new reinsurance business areas (Western Europe). In addition, Wiener Re was added to the Central Functions segment in the 2nd quarter of 2018.

The Central Functions reported a result before taxes of EUR 55.5 million in the first nine months of the current year (1st-3rd quarter 2017: loss of EUR 15.2 million). The positive result was predominantly due to significantly higher results

from the non-profit societies as well as lower expenses in the IT area and an improved technical result.

EMPLOYEES

Vienna Insurance Group had 25,325 employees in the 1st-3rd quarter 2018. This was 266 more than 2017 as a whole. The increase was primarily due to a larger number of field employees in the Czech Republic.

GROUP BUSINESS DEVELOPMENT IN THE 3RD QUARTER OF 2018

Vienna Insurance Group generated EUR 2,207.2 million in premiums written in the 3rd quarter 2018. This increase of 1.2%, which was achieved in spite of the decrease in single premium life insurance, was primarily due to growth in other property and casualty and motor own damage insurance.

Due to fluctuations in the Swiss franc to the euro exchange rate, expenses for claims and insurance benefits less reinsurers' share decreased to EUR 1,737.9 million in the 3rd quarter 2018, 2.0% less than the same period in the previous year.

Acquisition and administrative expenses less reinsurance commissions received rose 5.7% in the 3rd quarter 2018 to EUR 510.1 million. The increase was mainly due to a significant decrease in reinsurance commissions for externally ceded reinsurance.

The result before taxes rose to EUR 119.6 million in the 3rd quarter 2018, representing an increase of 8.0% that was primarily due to good development in the financial result and an improved combined ratio.

The financial result was EUR 284.6 million in the 3rd quarter 2018. The year-on-year increase of 16.8% was mainly due to investment gains from real estate.

BUSINESS DEVELOPMENT BY BALANCE SHEET UNITS

Further information on business development by balance sheet units is provided in the additional disclosures in ac-

cordance with the Austrian Insurance Supervision Act (VAG) starting on page 53.

RELATED PARTY TRANSACTIONS

Information on related party transactions is provided in the notes to the consolidated financial statements on page 51.

RISK REPORT

The Vienna Insurance Group risk environment remained practically unchanged in the 3rd quarter of 2018, so that information on the significant business risks to which VIG is exposed can be obtained from the risk reporting in the Group Annual Report for 2017 and the Solvency and Financial Condition Report (SFCR) for 2017.

The VIG solvency ratio was 220.3% on 31 December 2017. The solvency ratio was affected by repayment of hybrid capital in the 3rd quarter, which led to a change of around 6 percentage points. The otherwise moderate change in the market environment and riskless yield curve will help keep the solvency ratio in the upper part of our target solvency corridor at the end of the 3rd quarter of 2018. The final results of the solvency calculation were not yet available at the editorial deadline.

The Group's excellent regulatory capital and A+ rating from Standard & Poor's confirm its high risk-bearing capacity.

Vienna Insurance Group will continue to maintain its current investment policy of maintaining a conservative, low-risk asset allocation.

Given the effective management of risks based on a conservative business and risk strategy and its strong capital base, Vienna Insurance Group feels it is well-prepared for the future.

OUTLOOK

Vienna Insurance Group sees growth potential in the bank insurance business and would like to further expand this distribution channel. The main goal was, and continues to

be, broadening the range of products offered and optimising the cooperation between banks and insurance companies in all ten countries where Erste Bank and Sparkassen are working together with Vienna Insurance Group. To optimise implementation of the cooperation, a decision was made in 2017 to merge life insurance companies specialising in bank distribution with local composite insurers. Subject to approval by the local authorities, these mergers are expected to be implemented by the beginning of 2019.

The Group will continue to focus on efficiency improvements and making use of synergies, and will work systematically on reducing both losses and expenses with the aim of achieving a sustainable combined ratio of 95%. In life insurance, efforts will also be made to further promote biometric risk coverage and the regular premium business. This is aimed to offset the ongoing reduction in the ordinary financial result caused by the low interest rate environment.

The strategic measures and initiatives set by the Agenda 2020 work programme to optimise our business model, organisation and cooperation and ensure future viability will be further promoted and shall thereby further contribute to the positive development of the Group in the future. Based on this, VIG plans to generate EUR 9.5 billion in gross written premiums and a result before taxes of EUR 450 to 470 million in the financial year 2018.

Based on current conditions and the positive macroeconomic development of the region, VIG aims to steadily increase premiums to more than EUR 10 billion and achieve a result before taxes in the range of EUR 500 million to EUR 520 million over the medium term by 2020. This will also benefit our shareholders, who can expect to receive stable dividends that increase with corporate earnings based on Vienna Insurance Group's established dividend policy.

CURRENT TOPICS

Call and repayment of a hybrid bond

VIG called the hybrid capital bond (Bond 08/S1/T1) with ISIN AT0000A09SA8 effective 12 September 2018 for early repayment at its redemption amount of 100% of nominal

value plus all accrued interest up to (but not including) the repayment date. This only marginally reduced the solvency ratio by around 6 percentage points.

Rating confirmed again

The international rating agency Standard & Poor's (S&P) once again confirmed its A+ rating with stable outlook for Vienna Insurance Group at the end of August 2018. Its capital resources continue to receive a rating of AAA. S&P also rated VIG's business risk profile as "strong", due to its market leadership in Austria and Central and Eastern Europe and broad product portfolios in the non-life, life and health areas. VIG continues to have the best credit rating of all companies listed on the ATX leading index of the Vienna Stock Exchange.

VIG qualifies again for two sustainability indices

Vienna Insurance Group was included in the Austrian VÖNIX sustainability index and in the global FTSE4Good index again this year. Both of the sustainability indices include companies involved in the environmental, social and governance areas. Being included in the indices confirms the importance that corporate social responsibility has for Vienna Insurance Group.

PERSONNEL CHANGES

Changes in the Managing Board

Peter Thirring moved from his position as General Manager of the VIG company Donau Versicherung to the Managing Board of VIG Holding on 1 July 2018. Furthermore Liane Hirner, who is a member of the VIG Managing Board since February 2018, has as of 1 July assumed the position of CFO from Martin Simhandl, who voluntarily decided to leave the Managing Board after 32 years of working for the Group.

ENSURING FUTURE VIABILITY

Erste Group and VIG renew cooperation agreement

Erste Group and VIG have worked together closely in a very successful strategic partnership since 2008. The signing of the cooperation agreement on 17 May 2018 extended the underlying distribution agreement to the end of 2033. The extensive range of products and, in particular, services will

be made more readily accessible to customers of both companies under the renewed agreement. Vienna Insurance Group created a Bancassurance area at the beginning of the year to manage this change and implement Group-wide strategic initiatives.

Vienna Insurance Group expands assistance in Poland and Romania

A motor assistance centre was set up in 2016 for the VIG companies in Poland as part of VIG's assistance project. Growth of the Polish assistance market led to the foundation of the company "Global Assistance Polska" in August 2018. The Global Assistance company established last year in Romania has also been operating in the motor area since 1 October 2018.

BUSINESS MODEL OPTIMISATION

Mergers of local composite insurers with life insurance companies specialising in bank distribution continue

Following Hungary, Slovakia and Croatia in the 1st half of 2018, the bank insurance company in Austria has now also been successfully merged with the local composite insurer according to schedule. Entry into the commercial register officially concludes the merger of Wiener Städtische and s Versicherung. This leaves just the merger of Pojišťovna České spořitelny (PČS) and Kooperativa pojišťovna (Kooperativa) in the Czech Republic, which is planned for the end of the year.

Merger of Compensa Life and Polisa-Zycie concluded in Poland

The Polish Group company Polisa-Zycie was merged with Compensa on 30 May 2018. The company will operate under the Compensa brand in the future and will, therefore, retain its focus on life insurance, both single and regular premium.

Vienna Insurance Group merges AXA Life with VIG company BCR Life in Romania

AXA Life Insurance S.A. (AXA Life), which was acquired in Romania in 2017, was successfully merged with BCR Life on 1 June 2018. The merged company will operate under the BCR Life brand in the future in the Romanian insurance market.

STRENGTHENING MARKET POSITION

Acquisition of Seesam in the Baltic states successfully concluded

Following signing of the purchase agreement in December 2017, the receipt of approval by the local authorities on 3 September 2018 has now concluded the acquisition of 100% of the shares of Seesam Insurance AS (Seesam). Vienna Insurance Group is using the acquisition to further expand its leading position in the Baltic market.

VIG purchases Gothaer insurance company in Poland

The purchase agreement to acquire Gothaer Towarzystwo Ubezpieczen (Gothaer TU) was signed on 6 June 2018. The purchase is subject to approval by the local authorities. The acquisition strengthens VIG's position in non-life insurance in the Polish market.

Acquisition and renaming of Merkur in Bosnia-Herzegovina

The acquisition of 100% of the shares of Merkur Osiguranje d.d. ("Merkur") was concluded on 8 February 2018 with the approval of the local authorities. This adds the life segment to the range of products offered by VIG in Bosnia-Herzegovina, which was previously heavily dominated by the property and casualty business. Merkur's regional presence in the Federation of Bosnia-Herzegovina is also an important factor in its acquisition. The company was subsequently renamed Vienna osiguranje d.d. in October 2018.

AWARDS

Global Assistance named Company of the Year for 2017 in the Czech Republic

The 20th annual award ceremony for "The Czech Automotive Company of the Year" took place in Prague. The Czech Global Assistance company won the competition held by the Automotive Industry Association (AIA) against 25 other companies to receive the award for Best Company of the Year for 2017.

Bulgarian Bulstrad Life wins first place in the "Insurers for Society" awards

For the second time in a row, Bulstrad Life won the first place in the "Insurers for Society" initiative organised by the

Association of Bulgarian Insurers and Association of Bulgarian Insurance Brokers. The award recognised four social projects implemented by Bulstrad Life under the "Stories of Goodness" initiative.

Wiener Städtische receives "excellent" rating as an occupational disability insurer

The research house Morgen & Morgen awarded Wiener Städtische a five-star rating for the second time in a row. 31 questions about benefits were used to evaluate and analyse its insurance terms and conditions. This makes the company one of the best-rated occupational disability insurers in Austria.

VIG one of the top brands in Austria

The "Austrian Brand Value Study 2018" issued by the European Brand Institute presents the most valuable brand companies in Austria. Vienna Insurance Group, the only insurance company at the top of the list, maintained its Top 10 ranking from the previous year.

Wiener Städtische is a superbrand

The Superbrands Austria Brand Council and Business Brand Council selected the most successful brands in Austria again this year. Wiener Städtische was a winner for the second time in a row, receiving awards both in the "superbrands" and "business superbrands" categories.

InterRisk Germany receives awards

FOCUS MONEY magazine has published the latest winners of its 2017 insurance awards and the best insurance brokers. As in the previous year, InterRisk Versicherungs-AG Vienna Insurance Group once again received two first prizes. InterRisk was also named "Germany's best insurance company" by the Franke and Bornberg rating agency and Deutsche Institut für Service-Qualität in cooperation with the news network n-tv.

Capital markets & investor relations & share

CAPITAL MARKETS

International overview

Rising corporate earnings and sustained favourable economic data helped create a generally positive atmosphere in stock markets in the 3rd quarter of 2018. The global MSCI World equity index gained 4.5% in the 3rd quarter, and more than compensated for the substantial price correction in the 1st quarter of the year by rising 3.8% between the end of 2017 and the end of September. The overall positive performance recorded by stock markets did, however, show considerable regional differences.

US stock markets performed particularly well, with the leading Dow Jones Industrial (DJI) index and NASDAQ Composite technology index achieving new historical highs in the 3rd quarter of 2018. The DJI has recorded a 7.0% increase so far this year and the NASDAQ Composite even achieved a gain of 16.6%, reflecting the current investor preference for technology-oriented growth equities. The continued strength of the economy and investor's beliefs that current trade policy conflicts will have less of an effect on the US than export-oriented economies were the market drivers.

In contrast, most European stock markets – which focus on export-oriented companies and include fewer technology-oriented growth shares – only recovered slowly from the market downturn in the 1st quarter of 2018. The Eurostoxx 50 European benchmark index rose 0.1% in the 3rd quarter of 2018, resulting in a 3.0% loss after three quarters compared to the end of 2017. Thanks to strong performance of 8.1% in the 3rd quarter of 2018, mainly due to a yen exchange rate favourable to exports and positive economic data for the East Asian economic area, the leading Japanese Nikkei 225 index turned around to reach positive territory, rising 6.0% between the end of 2017 and the end of September 2018.

As expected, the trend of interest rate increases in the US put pressure on the emerging market's stock markets. The MSCI Emerging Markets index has recorded a loss of 9.5% so far this year, including a decrease of 2.0% in the 3rd quarter of 2018. The Eastern European CECE index, calculated in EUR, fell 8.1% in the first three quarters, with

a very weak 1st half year followed by a significant increase in the 3rd quarter of 2018 (6.7%).

Vienna Stock Exchange

The leading ATX index of the Vienna Stock Exchange rose 2.7% in the third quarter of 2018, significantly exceeding overall European gains. At the end of September 2018, the ATX was nevertheless 2.2% below its level at the end of 2017, since the Vienna Stock Exchange was unable to fully escape the general caution of global investors towards investments in strongly export-oriented European economies, in spite of the good economic situation in Austria and positive earnings growth for listed companies.

INVESTOR RELATIONS

The Investor Relations agenda in the fall was concerned with the investor conferences organised by investment banks. Vienna Insurance Group took part in the Austrian & CEE Investor Conference and Bank of America Merrill Lynch CEO Conference in London in September. Many meetings were also held with institutional investors during the Baader Investment Conference in Munich, the Erste Bank Investor Conference in Stegersbach, and the European Financial Conference of Wood & Company in Warsaw.

The results of the investor survey conducted between the middle of June and beginning of July 2018 were presented to the Managing Board following the summer. The answers indicated that the respondents considered the growth potential in the CEE, mergers that had been introduced and the focus on profitable growth and cost management to be particularly attractive strategically. The responses concerning capital allocation, dividend policy and investor communication were analysed and discussed and included in the planning for the coming year.

VIG SHARE PERFORMANCE

VIG shares significantly outperformed the ATX index with an increase of 5.2% in the 3rd quarter of 2018. The overall picture, however, reveals a similar negative development to the Austrian leading Index. Vienna Insurance Group shares ending the 3rd quarter down 4.6% compared to the end of 2017.

Following an interim high of EUR 28.740 on 1 February 2018, the price of VIG shares fell to a low of EUR 22,940 on 3 July 2018, before returning once again to a range above EUR 23. Although the price temporarily rose above the EUR 25 mark in September, it was unable to sustain that level. VIG shares were trading at EUR 24,280 on the editorial deadline of 9 November 2018.

Key share information 1st-3rd quarter 2018

High	EUR	28,740
Low	EUR	22,940
Year-end price	EUR	24,580
Market capitalisation	EUR	3,1 billion
Dividend 2017	EUR	0,90
Book value per share	EUR	35,48

Overview of VIG shares

Initial listing (Vienna)	17 October 1994
Initial listing (Prague)	5 February 2008
Number of common shares	128 million
Free float	around 30%
ISIN	AT0000908504
Securities symbol	VIG
Bloomberg	VIG AV / VIG CP
Reuters	VIGR.VI / VIGR.PR
Rating – Standard & Poor's	A+, stable outlook

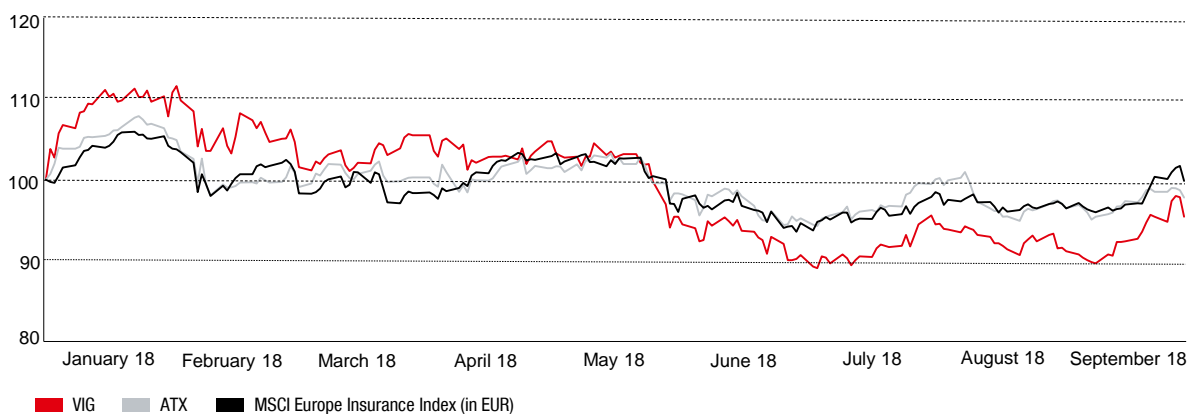
VIG financial calendar*

Preliminary results for financial year 2018	21 March 2019
Result for the year and 2018 Annual Report	17 April 2019
Annual General Meeting record date	14 May 2019
Results for the 1 st quarter of 2019	22 May 2019
Annual General Meeting	24 May 2019
Ex-dividend date	27 May 2019
Dividend record date	28 May 2019
Dividend payment day	29 May 2019
Results for the 1 st half of 2019	27 August 2019
Results for the 1 st -3 rd quarters of 2019	27 November 2019

* Preliminary schedule

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND MSCI EUROPE INSURANCE INDEX (IN EUR) 1 JANUARY 2018 TO 30 SEPTEMBER 2018

Indexed (basis =100)



Consolidated interim financial statements in accordance with IFRS

CONSOLIDATED BALANCE SHEET

Assets	Notes	30.9.2018	31.12.2017
in EUR '000			
Intangible assets	1	1,905,494	1,970,641
Investments	2	36,530,212	35,932,907
Investments for unit-linked and index-linked life insurance		8,742,965	9,061,073
Reinsurers' share in underwriting provisions	3	1,081,015	1,066,320
Receivables	4	1,544,185	1,475,862
Tax receivables and advance payments out of income tax		276,598	239,455
Deferred tax assets		90,553	80,806
Other assets		407,905	389,160
Cash and cash equivalents		976,847	1,497,731
Total		51,555,774	51,713,955
Liabilities and shareholders' equity			
in EUR '000			
Shareholders' equity		5,813,032	6,043,949
Subordinated liabilities		1,458,675	1,458,839
Underwriting provisions	6	30,520,580	30,168,173
Underwriting provisions for unit-linked and index-linked life insurance		8,339,997	8,612,749
Non-underwriting provisions	7	793,660	793,792
Liabilities	8	4,015,049	4,032,102
Tax liabilities out of income tax		221,305	202,050
Deferred tax liabilities		250,266	255,064
Other liabilities		143,210	147,237
Total		51,555,774	51,713,955

The numbers for the individual items in the consolidated balance sheet and consolidated income statement refer to detailed disclosures for these items in the Notes to the consolidated financial statements starting with the "Notes to the consolidated balance sheet" section on page 29.

CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated income statement	Notes	1.1.-30.9.2018	1.1.-30.9.2017	1.7.-30.9.2018	1.7.-30.9.2017
in EUR '000					
Net earned premiums – retention		6,518,053	6,325,767	2,163,175	2,106,721
Premiums written – retention		6,689,741	6,473,068	2,041,119	2,017,130
Premiums written – gross	9	7,357,472	7,152,648	2,207,208	2,180,209
Premiums written – reinsurers' share		-667,731	-679,580	-166,089	-163,079
Change in unearned premiums – retention		-171,688	-147,301	122,056	89,591
Change in unearned premiums – gross		-236,000	-213,968	151,912	128,380
Change in unearned premiums – reinsurers' share		64,312	66,667	-29,856	-38,789
Financial result excluding at equity consolidated companies	10	753,847	695,860	277,646	230,242
Result from shares in at equity consolidated companies		42,004	36,211	6,931	13,474
Other income	11	83,304	131,738	17,017	71,895
Expenses for claims and insurance benefits – retention	12	-5,195,590	-5,167,822	-1,737,881	-1,773,099
Acquisition and administrative expenses	13	-1,600,603	-1,513,467	-510,112	-482,673
Other expenses	14	-248,687	-177,055	-97,197	-55,871
Result before taxes		352,328	331,232	119,579	110,689
Taxes		-76,850	-65,021	-17,788	-16,725
Result of the period		275,478	266,211	101,791	93,964
thereof attributable to Vienna Insurance Group shareholders		206,923	214,951	70,294	68,373
thereof other non-controlling interests		7,073	4,097	3,232	680
thereof non-controlling interests in non-profit societies		61,482	47,163	28,265	24,911
Result per share (annualised)*	5	2.07	2.15	2.12	2.04
Result of the period (carryforward)		275,478	266,211	101,791	93,964

*The calculation of these figures includes the aliquot portion of interest expenses for hybrid capital. The undiluted result equals the diluted result per share (in EUR).

Consolidated statement of comprehensive income	1.1.-30.9.2018	1.1.-30.9.2017	1.7.-30.9.2018	1.7.-30.9.2017
in EUR '000				
Result of the period (carryforward)	275,478	266,211	101,791	93,964
Other comprehensive income (OCI)				
Items that will not be reclassified to profit and loss in subsequent periods	-2,654	3,161	-624	1,133
+/- Underwriting gains and losses from provisions for employee benefits	-4,296	5,230	-1,055	1,844
+/- Deferred profit participation	854	-1,031	247	-344
+/- Deferred taxes	788	-1,038	184	-367
Items that will be reclassified to profit or loss in subsequent periods	-167,062	30,585	-15,961	16,048
+/- Exchange rate changes through equity	-25,717	37,902	10,823	-9,878
+/- Unrealised gains and losses from financial instruments available for sale	-536,388	-73,922	-158,418	84,805
+/- Cash flow hedge reserve	319	416	260	-8
+/- Share of other reserves of associated companies	-6,797	1,328	92	1,170
+/- Deferred mathematical reserve	123,401	27,286	44,699	-21,683
+/- Deferred profit participation	235,734	31,947	77,633	-32,227
+/- Deferred taxes	42,386	5,628	8,950	-6,131
Total OCI	-169,716	33,746	-16,585	17,181
Total profit	105,762	299,957	85,206	111,145
thereof attributable to Vienna Insurance Group shareholders	40,252	247,405	54,371	85,021
thereof other non-controlling interests	3,702	4,849	2,310	1,223
thereof non-controlling interests in non-profit societies	61,808	47,703	28,525	24,901

CONSOLIDATED SHAREHOLDERS' EQUITY

Development	Share capital	Capital reserves		Retained earnings	Other reserves		Subtotal*
		Other	payments hybrid capital		Currency reserve	Other	
in EUR '000							
As of 1 January 2017	132,887	2,109,003	193,619	1,929,339	-181,373	380,788	4,564,263
Changes in scope of consolidation/ownership interests	0	0	0	-2,453	0	0	-2,453
Other comprehensive income	0	0	0	214,951	37,572	-5,118	247,405
Other comprehensive income excluding currency changes	0	0	0	0	0	-5,118	-5,118
Currency change	0	0	0	0	37,572	0	37,572
Result of the period	0	0	0	214,951	0	0	214,951
Dividend payment	0	0	0	-114,281	0	0	-114,281
As of 30. September 2017	132,887	2,109,003	193,619	2,027,556	-143,801	375,670	4,694,934
As of 1 January 2018	132,887	2,109,003	193,619	2,108,029	-121,616	410,089	4,832,011
Changes in scope of consolidation/ownership interests	0	0	0	-9,174	0	0	-9,174
Other comprehensive income	0	0	0	206,923	-25,761	-140,910	40,252
Other comprehensive income excluding currency changes	0	0	0	0	0	-140,910	-140,910
Currency change	0	0	0	0	-25,761	0	-25,761
Result of the period	0	0	0	206,923	0	0	206,923
Repurchase of hybrid capital	0	0	-193,619	-1,094	0	0	-194,713
Dividend payment	0	0	0	-127,081	0	0	-127,081
As of 30. September 2018	132,887	2,109,003	0	2,177,603	-147,377	269,179	4,541,295

Development	Subtotal*	Non-controlling interests		Shareholders' equity
		Others	Non-profit societies	
in EUR '000				
As of 1 January 2017	4,564,263	114,219	1,032,775	5,711,257
Changes in scope of consolidation/ownership interests	-2,453	-736	0	-3,189
Other comprehensive income	247,405	4,849	47,703	299,957
Other comprehensive income excluding currency changes	-5,118	422	540	-4,156
Currency change	37,572	330	0	37,902
Result of the period	214,951	4,097	47,163	266,211
Dividend payment	-114,281	-6,658	-5,224	-126,163
As of 30. September 2017	4,694,934	111,674	1,075,254	5,881,862
As of 1 January 2018	4,832,011	115,944	1,095,994	6,043,949
Changes in scope of consolidation/ownership interests	-9,174	7,289	0	-1,885
Other comprehensive income	40,252	3,702	61,808	105,762
Other comprehensive income excluding currency changes	-140,910	-3,415	326	-143,999
Currency change	-25,761	44	0	-25,717
Result of the period	206,923	7,073	61,482	275,478
Repurchase of hybrid capital	-194,713	0	0	-194,713
Dividend payment	-127,081	-7,776	-5,224	-140,081
As of 30. September 2018	4,541,295	119,159	1,152,578	5,813,032

*The above subtotal equals the equity attributable to shareholders and other capital providers of the parent company.

Composition of dividend payments - retention

	30.9.2018	31.12.2017
in EUR '000		
Dividends	115,200	102,400
Interest payments on the hybrid capital	15,841	15,841
Deferred taxes shown in equity	-3,960	-3,960
Total	127,081	114,281

Composition of other reserves

	30.9.2018					
	Unrealised gains and losses	Cash flow hedge reserve	Underwriting gains and losses from provisions for employee benefits	Share of other reserves of associated companies	Currency reserve	Total
in EUR '000						
Gross	2,184,482	-2,173	-291,256	-6,190	-148,603	1,736,260
+/- Exchange rate changes from financial instruments available for sale	7,878					7,878
+/- Deferred mathematical reserve	-787,766					-787,766
+/- Deferred profit participation	-857,858	0	87,829	0	0	-770,029
+/- Deferred taxes	-121,536	0	47,493	0	0	-74,043
+/- Other non-controlling interests	-5,941	0	1,319	318	1,226	-3,078
+/- Non-controlling interests in non-profit societies	0	2,208	10,372	0	0	12,580
Net	419,259	35	-144,243	-5,872	-147,377	121,802

Composition of other reserves

	31.12.2017					
	Unrealised gains and losses	Cash flow hedge reserve	Underwriting gains and losses from provisions for employee benefits	Share of other reserves of associated companies	Currency reserve	Total
in EUR '000						
Gross	2,720,471	-2,492	-286,960	607	-122,886	2,308,740
+/- Exchange rate changes from financial instruments available for sale	8,277					8,277
+/- Deferred mathematical reserve	-911,167					-911,167
+/- Deferred profit participation	-1,093,592	0	86,975	0	0	-1,006,617
+/- Deferred taxes	-163,922	0	46,705	0	0	-117,217
+/- Other non-controlling interests	-9,184	0	1,474	-9	1,270	-6,449
+/- Non-controlling interests in non-profit societies	0	2,534	10,372	0	0	12,906
Net	550,883	42	-141,434	598	-121,616	288,473

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR '000	1.1.-30.9.2018	1.1.-30.9.2017
Result of the period	275,478	266,211
Change in underwriting provisions net	442,472	774,403
Change in underwriting receivables and liabilities	-185,133	-182,851
Change in deposit receivables and liabilities as well as in reinsurance receivables and liabilities	40,356	77,246
Change in other receivables and liabilities	76,930	-73,187
Change in financial instruments recognised at fair value through profit and loss (incl. held for trading)	-13,635	124,782
Gain/loss from disposal of investments	-115,708	-86,849
Depreciation/appreciation of all other investments	124,264	119,979
Change in pension, severance and other personnel provisions	6,519	-24,297
Change in deferred tax asset/liability excl. tax liabilities	29,158	237
Change in other balance sheet items	-27,979	-31,317
Change in goodwill and other intangible assets	100,536	64,960
Other cash-neutral income and expenses and adjustments to the result of the period ¹	78,614	-75,084
Cash flow from operating activities	831,872	954,233
Cash inflow from the sale of associated companies	110,392	0
Payments for the acquisition of subsidiaries	-8,094	-37,626
Cash inflow from the sale of available for sale securities	1,871,961	2,257,306
Payments for the acquisition of available for sale securities	-2,884,135	-3,152,441
Cash inflow from disposals/repayments of held to maturity securities	226,013	153,832
Payments for the addition of held to maturity securities	-79,741	-93,879
Cash inflow from the sale of land and buildings	70,045	37,846
Payments for the acquisition of land and buildings	-251,529	-176,475
Cash inflow for the sale of intangible assets	1,022	2,899
Payments for the acquisition of intangible assets	-43,333	-44,443
Change in investments for unit-linked and index-linked life insurance	209,372	18,251
Change in loans and other investments	-180,379	-63,493
Cash flow from investing activities	-958,406	-1,098,223
Corporate actions, incl. hybrid capital	-198,017	0
Cash inflow from subordinated liabilities	0	450,000
Cash outflow from subordinated liabilities	0	-253,055
Dividend payments	-140,081	-130,123
Cash inflow from other financing activities	126,726	147,288
Cash outflow from other financing activities	-174,794	-74,798
Cash flow from financing activities	-386,166	139,312
Change in cash and cash equivalents	-512,700	-4,678
Cash and cash equivalents at beginning of period ²	1,497,731	1,589,941
Change in cash and cash equivalents	-512,700	-4,678
Effects of foreign currency exchange differences on cash and cash equivalents	-8,184	3,308
Cash and cash equivalents at end of period²	976,847	1,588,571
thereof non-profit societies	99,831	118,823

¹ The non-cash income and expenses are primarily from the results of shares held in at equity consolidated companies and exchange rate changes.

² The amount of cash and cash equivalents at the beginning and the end of period correlates with position cash and cash equivalents on the asset side and consists of cash on hand and overnight deposits.

Additional information on the statement of cash flows
1.1.-30.9.2018
1.1.-30.9.2017
in EUR '000

Received interest ¹	578,857	581,354
Received dividends ¹	84,623	109,660
Interest paid ²	57,728	54,535
Income taxes paid ¹	60,098	48,147

¹ Income tax payments, received dividends and received interest are included in the cash flow from operating activities.

² Interest paid result primarily from financing activities.

Reconciliation of liabilities from financing activities
30.9.2018

	Subordinated liabilities (including interests)	Liabilities to financial institutions	Liabilities from public funding	Financing liabilities ¹	Derivative financial instruments ²
in EUR '000					
Book value as of 31.12. of the previous year	1,490,999	1,201,031	100,018	1,480,417	1,166
Cash changes	-35,530	-73,226	3,904	1,702	0
Cash inflows	0	59,742	5,756	61,228	0
Payments	0	-123,506	-1,816	-49,472	0
Interest paid	-35,530	-9,462	-36	-10,054	0
Non-cash changes	47,904	9,476	288	9,950	-821
Additions	48,065	9,491	288	14,290	0
Disposals	0	-15	0	-3,512	-68
Reclassifications	0	0	0	-849	0
Measurement changes	0	0	0	65	-423
Exchange rate differences	-161	0	0	-44	-330
Book value as of 30.9.	1,503,373	1,137,281	104,210	1,492,069	345

¹ Contains lease liabilities, derivative liabilities from financing liabilities and other financing liabilities

² Only for derivatives from financing activities

Reconciliation of liabilities from financing activities
31.12.2017

	Subordinated liabilities (including interests)	Liabilities to financial institutions	Liabilities from public funding	Financing liabilities ¹	Derivative financial instruments ²
in EUR '000					
Book value as of 31.12. of the previous year	1,265,009	1,304,900	91,049	1,528,828	38
Cash changes	131,660	-113,179	4,274	-23,327	55
Cash inflows	450,000	106,595	7,742	57,808	213
Payments	-257,355	-205,190	-3,418	-64,020	-158
Interest paid	-60,985	-14,584	-50	-17,115	0
Non-cash changes	94,330	9,310	4,695	-25,084	1,073
Additions	59,852	12,352	5,210	17,579	0
Disposals	0	-11	-522	-10,436	0
Change in the scope of consolidation	0	0	0	-14	0
Reclassifications	33,326	341	0	-33,326	0
Measurement changes	0	-3,373	0	1,120	144
Exchange rate differences	1,152	1	7	-7	929
Book value as of 31.12.	1,490,999	1,201,031	100,018	1,480,417	1,166

¹ Contains lease liabilities, derivative liabilities from financing liabilities and other financing liabilities

² Only for derivatives from financing activities

Notes to the consolidated financial statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for the 1st–3rd quarter 2018 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and the applicable commercial law provisions of § 245a(1) of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB) and Chapter 7 of the Austrian Insurance Supervision Act (Versicherungsaufsichtsgesetz – VAG).

The same IFRS accounting policies were used as for the last financial statements for the previous financial year. Similarly, the estimates and discretionary assessments needed to prepare the consolidated financial statements were made in the same way. This does not include newly applicable or amended standards.

Adoption of new standards and new interpretations

To the extent they are relevant to Vienna Insurance Group (VIG), VIG has applied the IFRS annual improvements (2014–2016 cycle), IFRS 15 “Revenue from contracts with customers”, including clarifications, IFRIC 22 “Foreign currency transactions and advance consideration”, amendments to IFRS 2 “Clarifications and measurement of share-based payments”, amendments to IFRS 4 “Application of IFRS 9 “Financial instruments” in conjunction with IFRS 4 “Insurance contracts” and amendments to IAS 40 “Classification of property under construction” since 1 January 2018. Application of the amended standards had either no effect, or no material effect on the condensed consolidated interim financial statements.

New standards and amendments to existing reporting standards that have or have not been adopted or have not yet been adopted by the EU

New standards and changes to current reporting standards		Applicable as of ¹
Those already adopted by the EU		
IFRS 16	Leases	1.1.2019
IFRS 9	Financial instruments	1.1.2018 ²
Changes in IFRS 9	Prepayment features with negative compensation	1.1.2019
IFRIC 23	Uncertainty over income tax treatments	1.1.2019
Those which are not or not yet adopted by the EU		
IFRS 14	Regulatory Deferral Accounts	EU decided this standard shall not be transferred into EU law
IFRS 17	Insurance contracts	1.1.2021
Changes according IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	First-time application deferred for an indefinite period
All IFRS	Yearly improvements (cycle 2015–2017)	1.1.2019
Changes in IAS 19	Remeasurement due to a plan amendment, curtailment or settlement	1.1.2019
Changes in IAS 28	Clarification for application of impairment requirements to long-term interests	1.1.2019
Changes framework	New sections, such as Status and purpose of the conceptual framework and Presentation and disclosure, as well as addition of the Derecognition section to the Recognition section.	1.1.2020
Changes in IAS 1 and IAS 8	Definition of material	1.1.2020
Changes in IFRS 3	Business Combinations	1.1.2020

¹ VIG is not planning early adoption of the provisions listed in the table.

² The first time adoption for insurance companies can be delayed to 1 January 2021.

The status of IFRS 9, IFRS 16 and IFRS 17 that was published for the 1st half of 2018 remains unchanged for the current reporting date.

Foreign currency translation

Transactions and separate financial statements in foreign currencies were translated in the interim report for the 1st-3rd quarter 2018 as indicated on page 102 of the Group Annual Report for 2017.

Name	Currency	Period-end exchange rate		Average exchange rate	
		30.9.2018	31.12.2017	1.1.-30.9.2018	1.1.-30.9.2017
1 EUR ≙					
Albanian lek	ALL	126.2900	132.9500	128.5953	134.3349
Bosnian Convertible Marka	BAM	1.9558	1.9558	1.9558	1.9558
Bulgarian lev	BGN	1.9558	1.9558	1.9558	1.9558
Georgian lari	GEL	3.0306	3.1044	2.9683	2.7620
Croatian kuna	HRK	7.4346	7.4400	7.4176	7.4411
Macedonian denar	MKD	61.4938	61.4907	61.5170	61.5939
Moldovan leu	MDL	19.7618	20.4099	19.9466	20.9524
Turkish new lira	TRY	6.9650	4.5464	5.5098	4.0031
Polish zloty	PLN	4.2774	4.1770	4.2488	4.2651
Romanian leu	RON	4.6638	4.6585	4.6518	4.5523
Swiss franc	CHF	1.1316	1.1702	1.1611	1.0951
Serbian dinar	RSD	118.4179	118.4727	118.2478	122.1763
Czech koruna	CZK	25.7310	25.5350	25.5744	26.5475
Ukraine hryvnia	UAH	33.1288	33.4954	32.2088	29.4746
Hungarian forint	HUF	324.3700	310.3300	317.5141	308.4044

DISCLOSURES ON SEASONAL AND ECONOMIC INFLUENCES

Within VIG, seasonal fluctuations mainly occur in premiums, losses and the financial result. Due to the large number of insurance contracts beginning in January, the 1st quarter is also normally the strongest quarter of the year in terms of premiums. In terms of losses, the 1st quarter (or 1st half year) also normally shows a higher level of charges, mainly due to adverse environmental influences (snow, snowmelt, storms, floods). Adverse weather events, such as storms, can also occur during the summer and autumn. With respect to the financial result, most of the dividend income occurs in the 2nd quarter.

CHANGES IN THE SCOPE OF CONSOLIDATION

Acquired companies are added to the scope of consolidation based on an internal Group guideline. The guideline includes quantitative thresholds and criteria. Detailed information is available in the Group Annual Report for 2017 starting on page 121.

Deconsolidations	Reason for deconsolidation	Date of deconsolidation	Segment
S IMMO AG	Sale	9.4.2018	Austria

Expansion of the scope of consolidation*	acquisition/formation	Shares	First time consolidation	Method
	Date	in %	Date	
VIG-AT Beteiligungen	2017	100.00	1.1.2018	full consolidation
SVZD GmbH	2017	100.00	1.1.2018	full consolidation
Vienna Osiguranje (previously Merkur Osiguranje)	2018	100.00	1.4.2018	full consolidation

*Unless indicated otherwise, no goodwill exists.

Companies acquired

Companies acquired but not yet consolidated	Acquired shares
in %	
Seesam Insurance AS	100.00
Gothaer*	100.00

*Closing had not taken place yet by the balance sheet date.

Seesam Insurance AS was not yet included in the scope of consolidation in the 3rd quarter of 2018, as integration of the company into the Group-wide control system was not yet fully completed.

Due to the lack of closing for the transaction and lack of control over the company, Gothaer was not yet added to the scope of consolidation on the balance sheet date.

Effect of the changes in the scope of consolidation

Balance sheet	Additions	Disposals
in EUR '000		
Intangible assets	4,374	0
Investments (excl. shares in at equity consolidated companies)	68,904	0
Shares in at equity consolidated companies	0	95,361
Reinsurers' share in underwriting provisions	578	0
Receivables (incl. tax receivables and advance payments out of income tax)	324	0
Other assets	1,690	0
Cash and cash equivalents	5,039	0
Underwriting provisions	66,694	0
Non-underwriting provisions	140	0
Liabilities (incl. Tax liabilities out of income tax)	377	0
Other liabilities	506	0

The figures shown in the table above reflect the actual dates of first consolidation, as shown in the deconsolidation and expansion of the scope of consolidation tables.

Contribution to profit before taxes in reporting period	Additions	Disposals
in EUR '000		
Net earned premiums – retention	7,244	0
Financial result excluding at equity consolidated companies	1,247	0
Result from shares in at equity consolidated companies	0	20,530
Other income	50	0
Expenses for claims and insurance benefits – retention	-5,660	0
Acquisition and administrative expenses	-2,294	0
Other expenses	-86	0
Result before taxes	501	20,530

NON-PROFIT SOCIETIES

Non-profit societies build or renovate housing whose financing largely comes from housing construction subsidies that are provided for by subsidy laws and directives at the provincial level. Housing that is financed by housing construction subsidies

is subject to special restrictions set down in the Austrian Non-Profit Housing Act (Wohnungsgemeinnützigkeitsgesetz – WGG) that govern annual distributions and access to the assets of the housing society.

As a result, the total amount of annual profit that can be distributed may not exceed an amount equal to the total paid-in share capital times the interest rate (currently 3.5%) applicable under Section 14 (1) no. 3 WGG. In addition, when members leave a housing society or a housing society is dissolved, the members may not receive more than their paid-in capital contributions and their share of distributable profits. Any remaining assets are to be used for the purposes of non-profit housing. Reorganisation possibilities are also restricted. Merger agreements for merger of a housing society with other companies and spin-offs to other companies are considered legally invalid if the absorbing or newly formed company is not non-profit within the meaning of the WGG. Title to buildings, residential units and business units (co-ownership, condominium ownership) may only be transferred to the tenants or another building society within the meaning of the WGG.

VIG indirectly holds shares in the following consolidated non-profit societies:

- Neuland GmbH
- Sozialbau AG
- Urbanbau GmbH
- Erste Heimstätte GmbH
- Gemeinnützige Industrie-Wohnungsaktiengesellschaft
- Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH
- Schwarzatal GmbH
- Alpenländische Heimstätte GmbH
- Neue Heimat Oberösterreich GmbH

Assets	30.9.2018	thereof non-profit societies*	31.12.2017	thereof non-profit societies*
in EUR '000				
Intangible assets	1,905,494	1,472	1,970,641	1,592
Investments	36,530,212	3,869,709	35,932,907	3,772,645
Investments for unit-linked and index-linked life insurance	8,742,965	0	9,061,073	0
Reinsurers' share in underwriting provisions	1,081,015	0	1,066,320	0
Receivables	1,544,185	73,015	1,475,862	62,363
Tax receivables and advance payments out of income tax	276,598	6	239,455	6
Deferred tax assets	90,553	216	80,806	228
Other assets	407,905	5,137	389,160	5,570
Cash and cash equivalents	976,847	99,831	1,497,731	118,731
Total	51,555,774	4,049,386	51,713,955	3,961,135

*Incl. their subsidiaries

Liabilities and shareholders' equity	30.9.2018	thereof non-profit societies*	31.12.2017	thereof non-profit societies*
in EUR '000				
Subordinated liabilities	1,458,675	0	1,458,839	0
Underwriting provisions	30,520,580	0	30,168,173	0
Underwriting provisions for unit-linked and index-linked life insurance	8,339,997	0	8,612,749	0
Non-underwriting provisions	793,660	44,770	793,792	58,630
Liabilities	4,015,049	2,684,258	4,032,102	2,638,085
Tax liabilities out of income tax	221,305	10	202,050	7
Deferred tax liabilities	250,266	0	255,064	0
Other liabilities	143,210	661	147,237	322
Subtotal	45,742,742	2,729,699	45,670,006	2,697,044
Shareholders' equity	5,813,032		6,043,949	
Total	51,555,774	2,729,699	51,713,955	2,697,044

*Incl. their subsidiaries

Income statement	1.1.-30.9.2018	thereof non-profit societies*	1.1.-30.9.2017	thereof non-profit societies*
in EUR '000				
Premiums written – gross	7,357,472	0	7,152,648	0
Net earned premiums – retention	6,518,053	0	6,325,767	0
Financial result excluding at equity consolidated companies	753,847	63,066	695,860	48,356
Income from investments	1,219,953	225,170	1,176,957	210,768
Expenses for investments and interest expenses	-466,106	-162,104	-481,097	-162,412
Result from shares in at equity consolidated companies	42,004	0	36,211	0
Other income	83,304	0	131,738	0
Expenses for claims and insurance benefits – retention	-5,195,590	0	-5,167,822	0
Acquisition and administrative expenses	-1,600,603	0	-1,513,467	0
Other expenses	-248,687	-1,869	-177,055	-1,689
Result before taxes	352,328	61,197	331,232	46,667
Taxes	-76,850	-49	-65,021	164
Result of the period	275,478	61,148	266,211	46,831

*Incl. their subsidiaries

SEGMENT REPORTING

The statements concerning segment reporting made in the Group Annual Report for 2017 are still valid, continue to apply and can be read starting on page 126 of that report.

Wiener Re was added to the Central Functions segment in the 1st half of 2018.

CONSOLIDATED BALANCE SHEET BY SEGMENT

Assets	Austria		Czech Republic		Slovakia	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
in EUR '000						
Intangible assets	379,191	369,941	490,846	497,204	120,823	119,262
Investments	22,761,171	22,471,543	3,225,704	3,187,622	1,300,344	1,314,977
Investments for unit-linked and index-linked life insurance	5,695,115	5,869,028	366,900	358,039	216,982	211,392
Reinsurers' share in underwriting provisions	416,533	423,340	104,357	97,678	26,834	33,111
Receivables	579,107	581,646	133,931	123,510	71,326	65,381
Tax receivables and advance payments out of income tax	17,833	17,523	8,292	13,964	1,578	1,203
Deferred tax assets	6,620	3,415	5,134	5,168	9,613	5,432
Other assets	124,273	135,236	158,862	159,513	11,745	11,410
Cash and cash equivalents	419,564	798,824	18,226	166,807	63,322	67,027
Total	30,399,407	30,670,496	4,512,252	4,609,505	1,822,567	1,829,195

Assets	Poland		Romania		Baltic states	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
in EUR '000						
Intangible assets	147,934	148,146	135,305	186,909	128,148	132,976
Investments	969,194	935,138	702,882	669,064	458,138	398,310
Investments for unit-linked and index-linked life insurance	772,202	940,143	140,974	177,958	60,018	51,850
Reinsurers' share in underwriting provisions	52,049	51,954	32,754	31,785	31,025	23,049
Receivables	159,194	125,510	146,107	162,084	64,488	51,323
Tax receivables and advance payments out of income tax	1,728	1,463	2,118	2,120	854	258
Deferred tax assets	9,785	5,686	23,573	25,884	1,155	1,057
Other assets	6,513	9,078	7,511	7,227	10,088	7,012
Cash and cash equivalents	18,613	32,310	18,189	11,892	30,336	43,239
Total	2,137,212	2,249,428	1,209,413	1,274,923	784,250	709,074

Assets	Hungary		Bulgaria		Turkey/Georgia	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
in EUR '000						
Intangible assets	23,691	23,592	184,771	184,696	20,503	22,459
Investments	145,634	154,371	166,626	166,353	73,895	95,576
Investments for unit-linked and index-linked life insurance	424,493	430,862	5,895	3,586	0	0
Reinsurers' share in underwriting provisions	11,978	15,651	20,990	15,637	73,338	80,682
Receivables	23,490	16,240	51,793	40,256	60,666	56,739
Tax receivables and advance payments out of income tax	63	3	633	6	727	57
Deferred tax assets	1,835	1,941	1,069	1,063	1,395	1,370
Other assets	9,331	6,031	2,529	2,010	2,012	2,048
Cash and cash equivalents	7,894	4,282	31,978	21,781	15,430	21,007
Total	648,409	652,973	466,284	435,388	247,966	279,938

Liabilities and shareholders' equity	Austria		Czech Republic		Slovakia	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
in EUR '000						
Subordinated liabilities	337,300	337,300	21,375	21,539	0	0
Underwriting provisions	22,018,689	22,023,833	2,943,854	3,016,152	1,177,791	1,140,185
Underwriting provisions for unit-linked and index-linked life insurance	5,453,567	5,599,225	227,930	219,815	228,564	226,462
Non-underwriting provisions	495,740	513,529	8,711	3,970	2,102	3,331
Liabilities	537,470	542,969	214,523	217,640	74,236	83,901
Tax liabilities out of income tax	199,228	179,838	9,193	11,989	8	2,973
Deferred tax liabilities	173,411	166,449	32,185	33,419	10,380	11,809
Other liabilities	69,042	78,872	24,979	16,788	5,741	6,217
Subtotal	29,284,447	29,442,015	3,482,750	3,541,312	1,498,822	1,474,878

Liabilities and shareholders' equity	Poland		Romania		Baltic states	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
in EUR '000						
Subordinated liabilities	0	0	0	0	0	0
Underwriting provisions	864,402	822,376	640,972	590,822	452,794	387,366
Underwriting provisions for unit-linked and index-linked life insurance	748,433	903,983	140,583	176,822	60,018	51,850
Non-underwriting provisions	19,689	9,220	40,830	25,971	566	335
Liabilities	78,109	85,024	68,335	74,946	47,328	36,961
Tax liabilities out of income tax	3,677	203	0	0	1,157	217
Deferred tax liabilities	21,927	21,620	0	0	2,683	2,683
Other liabilities	12,858	13,442	3,380	8,260	2,404	1,959
Subtotal	1,749,095	1,855,868	894,100	876,821	566,950	481,371

Liabilities and shareholders' equity	Hungary		Bulgaria		Turkey/Georgia	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
in EUR '000						
Subordinated liabilities	0	0	0	0	0	0
Underwriting provisions	167,690	144,046	171,834	148,198	175,479	187,618
Underwriting provisions for unit-linked and index-linked life insurance	417,625	420,163	5,642	3,452	0	0
Non-underwriting provisions	1,783	3,718	27,006	24,133	8,341	7,293
Liabilities	24,683	20,314	24,372	18,618	17,149	26,772
Tax liabilities out of income tax	369	356	703	398	476	510
Deferred tax liabilities	339	652	1,098	1,315	475	53
Other liabilities	776	2,682	299	416	994	1,881
Subtotal	613,265	591,931	230,954	196,530	202,914	224,127

Assets	Remaining CEE		Other Markets		Central Functions		Total	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
<i>in EUR '000</i>								
Intangible assets	83,157	77,568	1,347	1,428	189,778	206,460	1,905,494	1,970,641
Investments	938,674	810,374	655,954	655,798	5,131,996	5,073,781	36,530,212	35,932,907
Investments for unit-linked and index-linked life insurance	77,061	86,497	983,325	931,718	0	0	8,742,965	9,061,073
Reinsurers' share in underwriting provisions	14,830	27,374	5,740	6,010	290,587	260,049	1,081,015	1,066,320
Receivables	73,719	77,580	14,180	15,355	166,184	160,238	1,544,185	1,475,862
Tax receivables and advance payments out of income tax	236	1,087	1,595	0	240,941	201,771	276,598	239,455
Deferred tax assets	5,082	3,836	2,552	1,894	22,740	24,060	90,553	80,806
Other assets	14,039	12,991	4,341	4,426	56,661	32,178	407,905	389,160
Cash and cash equivalents	24,854	22,103	41,981	25,263	286,460	283,196	976,847	1,497,731
Total	1,231,652	1,119,410	1,711,015	1,641,892	6,385,347	6,241,733	51,555,774	51,713,955

Liabilities and shareholders' equity	Remaining CEE		Other Markets		Central Functions		Total	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
<i>in EUR '000</i>								
Subordinated liabilities	0	0	0	0	1,100,000	1,100,000	1,458,675	1,458,839
Underwriting provisions	864,028	741,132	626,489	609,390	416,558	357,055	30,520,580	30,168,173
Underwriting provisions for unit-linked and index-linked life insurance	77,061	86,497	980,574	924,480	0	0	8,339,997	8,612,749
Non-underwriting provisions	7,547	7,611	8,616	9,061	172,729	185,620	793,660	793,792
Liabilities	28,454	40,392	31,795	36,219	2,868,595	2,848,346	4,015,049	4,032,102
Tax liabilities out of income tax	879	627	1,305	219	4,310	4,720	221,305	202,050
Deferred tax liabilities	3,603	2,694	334	584	3,831	13,786	250,266	255,064
Other liabilities	18,256	14,478	2	2	4,479	2,240	143,210	147,237
Subtotal	999,828	893,431	1,649,115	1,579,955	4,570,502	4,511,767	45,742,742	45,670,006
Shareholders' equity							5,813,032	6,043,949
Total							51,555,774	51,713,955

Intrasegment transactions have been eliminated from the amounts indicated for each segment. As a result, the segment assets and liabilities cannot be netted to determine the segment shareholders' equity.

CONSOLIDATED INCOME STATEMENT BY SEGMENT

	Austria		Czech Republic		Slovakia		Poland	
	1.1.-30.9.18	1.1.-30.9.17	1.1.-30.9.18	1.1.-30.9.17	1.1.-30.9.18	1.1.-30.9.17	1.1.-30.9.18	1.1.-30.9.17
in EUR '000								
Premiums written – gross	2,996,449	3,009,649	1,274,361	1,206,468	591,699	589,189	668,706	675,184
Net earned premiums – retention	2,364,491	2,380,250	955,696	896,553	490,000	486,299	508,642	541,412
Financial result excluding at equity consolidated companies	538,729	524,559	77,268	67,045	38,296	40,560	19,160	24,207
Income from investments	672,634	655,438	117,137	102,093	41,273	43,809	28,566	33,577
Expenses for investments and interest expenses	-133,905	-130,879	-39,869	-35,048	-2,977	-3,249	-9,406	-9,370
Result from shares in at equity consolidated companies	38,151	32,535	2,288	2,181	0	0	0	0
Other income	14,225	14,343	16,450	33,934	2,841	6,693	5,381	4,332
Expenses for claims and insurance benefits – retention	-2,318,077	-2,335,998	-605,790	-589,798	-393,887	-398,144	-371,733	-410,806
Acquisition and administrative expenses	-490,109	-492,897	-294,563	-270,146	-89,145	-76,367	-110,405	-114,741
Other expenses	-17,180	-17,124	-27,514	-26,115	-16,325	-19,147	-27,536	-13,413
Result before taxes	130,230	105,668	123,835	113,654	31,780	39,894	23,509	30,991
Taxes	-49,966	-23,511	-24,481	-23,359	-10,985	-11,472	-5,969	-7,054
Result of the period	80,264	82,157	99,354	90,295	20,795	28,422	17,540	23,937

	Romania		Baltic states		Hungary		Bulgaria	
	1.1.-30.9.18	1.1.-30.9.17	1.1.-30.9.18	1.1.-30.9.17	1.1.-30.9.18	1.1.-30.9.17	1.1.-30.9.18	1.1.-30.9.17
in EUR '000								
Premiums written – gross	392,934	373,364	279,200	239,712	191,131	171,843	129,617	119,566
Net earned premiums – retention	294,173	278,226	202,129	178,962	143,459	121,757	93,792	83,075
Financial result excluding at equity consolidated companies	9,684	9,969	4,069	4,719	4,808	4,928	7,575	8,341
Income from investments	15,875	14,124	5,851	6,222	6,069	6,408	18,586	20,161
Expenses for investments and interest expenses	-6,191	-4,155	-1,782	-1,503	-1,261	-1,480	-11,011	-11,820
Result from shares in at equity consolidated companies	0	0	0	0	0	0	0	0
Other income	3,414	12,752	864	1,470	4,424	1,992	338	5,574
Expenses for claims and insurance benefits – retention	-219,595	-191,707	-145,910	-125,349	-111,898	-86,390	-54,787	-48,579
Acquisition and administrative expenses	-78,839	-77,973	-49,618	-50,025	-28,687	-30,124	-33,902	-28,728
Other expenses	-81,037	-22,367	-8,448	-10,977	-7,425	-8,694	-6,052	-13,961
Result before taxes	-72,200	8,900	3,086	-1,200	4,681	3,469	6,964	5,722
Taxes	-3,104	-256	-1,148	59	-406	-262	-796	-464
Result of the period	-75,304	8,644	1,938	-1,141	4,275	3,207	6,168	5,258

	Turkey/Georgia		Remaining CEE		Other Markets	
	1.1.-30.9.18	1.1.-30.9.17	1.1.-30.9.18	1.1.-30.9.17	1.1.-30.9.18	1.1.-30.9.17
in EUR '000						
Premiums written – gross	149,090	154,724	284,647	263,149	232,700	228,513
Net earned premiums – retention	70,159	76,903	213,264	183,806	198,300	195,971
Financial result excluding at equity consolidated companies	5,129	6,730	26,058	20,062	14,557	15,373
Income from investments	9,305	9,771	31,710	31,459	15,987	17,235
Expenses for investments and interest expenses	-4,176	-3,041	-5,652	-11,397	-1,430	-1,862
Result from shares in at equity consolidated companies	0	0	0	0	0	0
Other income	14,968	3,431	4,869	10,650	2,006	35,897
Expenses for claims and insurance benefits – retention	-57,090	-63,120	-146,501	-123,922	-134,956	-189,774
Acquisition and administrative expenses	-14,197	-15,334	-70,001	-68,071	-20,310	-16,552
Other expenses	-14,021	-1,715	-7,725	-10,168	-39,460	-20,596
Result before taxes	4,948	6,895	19,964	12,357	20,137	20,319
Taxes	-879	-1,270	-3,555	-3,077	-4,978	-5,114
Result of the period	4,069	5,625	16,409	9,280	15,159	15,205

	Central Functions		Consolidation		Total	
	1.1.-30.9.18	1.1.-30.9.17	1.1.-30.9.18	1.1.-30.9.17	1.1.-30.9.18	1.1.-30.9.17
in EUR '000						
Premiums written – gross	1,168,149	1,068,130	-1,001,211	-946,843	7,357,472	7,152,648
Net earned premiums – retention	979,661	901,234	4,287	1,319	6,518,053	6,325,767
Financial result excluding at equity consolidated companies	8,476	-30,621	38	-12	753,847	695,860
Income from investments	305,143	280,018	-48,183	-43,358	1,219,953	1,176,957
Expenses for investments and interest expenses	-296,667	-310,639	48,221	43,346	-466,106	-481,097
Result from shares in at equity consolidated companies	1,565	1,495	0	0	42,004	36,211
Other income	13,527	1,235	-3	-565	83,304	131,738
Expenses for claims and insurance benefits – retention	-628,653	-604,563	-6,713	328	-5,195,590	-5,167,822
Acquisition and administrative expenses	-315,455	-268,451	-5,372	-4,058	-1,600,603	-1,513,467
Other expenses	-3,661	-15,572	7,697	2,794	-248,687	-177,055
Result before taxes	55,460	-15,243	-66	-194	352,328	331,232
Taxes	29,417	10,759	0	0	-76,850	-65,021
Result of the period	84,877	-4,484	-66	-194	275,478	266,211

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. INTANGIBLE ASSETS

Composition	30.9.2018	31.12.2017
<i>in EUR '000</i>		
Goodwill	1,479,656	1,537,694
Purchased insurance portfolios	26,817	28,092
Other intangible assets	399,021	404,855
Purchased software	330,879	334,821
Other	68,142	70,034
Total	1,905,494	1,970,641

Development of goodwill	30.9.2018	31.12.2017
<i>in EUR '000</i>		
Acquisition costs	1,906,517	1,884,782
Cumulative impairment as of 31.12. of previous years	-368,823	-352,592
Book value as of 31.12. of the previous year	1,537,694	1,532,190
Exchange rate differences	-8,756	23,790
Book value as of 1.1.	1,528,938	1,555,980
Additions	813	1,176
Impairments	-50,095	-19,462
Book value as of 30.9. and 31.12. respectively	1,479,656	1,537,694
Cumulative appreciation/depreciation as of 30.9. and 31.12. respectively	418,632	368,823
Acquisition costs	1,898,288	1,906,517

Due to the increase in the yields on Romanian government bonds in the 2nd quarter of 2018, VIG had the plans for its Romanian subsidiaries updated. They indicated a deterioration of results in one area, leading VIG to perform an impairment test for the Romanian CGU group for the 1st half of 2018. The resulting necessary impairment of EUR 50.1 million was recognised as an expense in the 2018 half-year report.

The impairments in the previous year concerned the Ukraine, Moldova and Albania incl. Kosovo CGU groups.

2. INVESTMENTS

Composition	30.9.2018	31.12.2017
<i>in EUR '000</i>		
Land and buildings	5,776,217	5,684,598
Shares in at equity consolidated companies	215,314	298,149
Loans and other investments	3,479,722	3,267,067
Other securities	27,058,959	26,683,093
Total	36,530,212	35,932,907

2.1. Other securities

Development	Held to maturity (incl. reclassified)		Available for sale		Recognised at fair value through profit and loss ¹	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
in EUR '000						
Acquisition costs	3,127,710	3,063,233				
Cumulative depreciation as of 31.12. of the previous years	-261	2,589				
Book value as of 31.12. of the previous year	3,127,449	3,065,822	23,220,303	21,851,248	335,341	461,290
Exchange rate differences	-21,711	136,911	-21,670	34,806	-4,041	5,569
Book value as of 1.1.	3,105,738	3,202,733	23,198,633	21,886,054	331,300	466,859
Reclassifications	0	0	-296	-10,676	-3,880	-1,988
Additions	76,161	149,434	2,886,846	4,187,627	226,990	174,378
Disposals/repayments	-225,864	-224,289	-1,883,671	-2,966,688	-216,122	-301,222
Change in the scope of consolidation	11,895	0	6,978	46,290	0	0
Changes in value recognised in profit and loss	0	0	0	0	-2,480	-2,686
Changes recognised directly in equity	0	0	-450,670	86,153	0	0
Impairments	0	-429	-2,599	-8,457	0	0
Book value as of 30.9. and 31.12. respectively	2,967,930	3,127,449	23,755,221	23,220,303	335,808	335,341
Cumulative appreciation/depreciation as of 30.9. and 31.12. respectively	950	261				
Acquisition costs	2,968,880	3,127,710				

¹Including held for trading

3. REINSURERS' SHARE IN UNDERWRITING PROVISIONS

Composition	30.9.2018	31.12.2017
in EUR '000		
Provision for unearned premiums	211,933	153,784
Mathematical reserve	37,951	37,850
Provision for outstanding claims	819,964	858,473
Provision for profit-unrelated premium refunds	10,348	14,670
Other underwriting provisions	819	1,543
Total	1,081,015	1,066,320

4. RECEIVABLES

Composition	30.9.2018	31.12.2017
in EUR '000		
Underwriting	838,071	768,188
Receivables from direct insurance business	714,878	639,792
from policyholders	567,165	492,952
from insurance intermediaries	99,767	102,919
from insurance companies	47,946	43,921
Receivables from reinsurance business	123,193	128,396
Non-underwriting	706,114	707,674
Other receivables	706,114	707,674
Total	1,544,185	1,475,862

5. EARNINGS PER SHARE (ANNUALISED)

		1.1.-30.9.2018	1.1.-30.9.2017	1.7.-30.9.2018	1.7.-30.9.2017
Result of the period	in EUR '000	275,478	266,211	101,791	93,964
Other non-controlling interests in net result of the period	in EUR '000	-7,073	-4,097	-3,232	-680
Non-controlling interests in the result of the period of non-profit societies	in EUR '000	-61,482	-47,163	-28,265	-24,911
Result of the period less non-controlling interests	in EUR '000	206,923	214,951	70,294	68,373
Accrued interest expenses for hybrid capital	in EUR '000	8,300	8,854	2,408	2,962
Number of shares at closing date	units	128,000,000	128,000,000	128,000,000	128,000,000
Result per share (annualised)*	EUR	2.07	2.15	2.12	2.04

*The undiluted result per share equals the diluted result per share (in EUR).

6. UNDERWRITING PROVISIONS – GROSS

Composition	30.9.2018	31.12.2017
in EUR '000		
Provision for unearned premiums	1,601,173	1,395,073
Mathematical reserve	22,085,562	21,962,632
Guaranteed policy benefits	20,558,293	20,296,586
Allocated and committed profit shares	739,503	754,879
Deferred mathematical reserve	787,766	911,167
Provision for outstanding claims	5,273,090	5,141,400
Provision for premium refunds	1,511,964	1,619,268
Profit-related premium refunds	359,436	315,181
Profit-unrelated premium refunds	61,309	65,620
Deferred profit participation recognised through profit and loss*	321,379	231,850
Deferred profit participation recognised directly in equity*	769,840	1,006,617
Other underwriting provisions	48,791	49,800
Total	30,520,580	30,168,173

*The deferred profit participation is solely due to the profit-related premium refund.

7. NON-UNDERWRITING PROVISIONS

Composition	30.9.2018	31.12.2017
in EUR '000		
Provisions for pensions and similar obligations	489,789	483,408
Other non-underwriting provisions	303,871	310,384
Total	793,660	793,792

8. LIABILITIES

Composition	30.9.2018	31.12.2017
in EUR '000		
Underwriting	705,493	778,908
Liabilities from direct business	515,896	625,886
to policyholders	282,923	407,101
to insurance intermediaries	188,234	191,205
to insurance companies	44,739	27,580
Liabilities from reinsurance business	143,509	102,197
Deposits from ceded reinsurance business	46,088	50,825
Non-underwriting	3,309,556	3,253,194
Liabilities to financial institutions	1,137,281	1,201,031
Other liabilities	2,172,275	2,052,163
Total	4,015,049	4,032,102

NOTES TO THE CONSOLIDATED INCOME STATEMENT

9. PREMIUMS WRITTEN

Premiums written	1.1.-30.9.2018						
Gross	Motor own damage insurance (Casco)	Motor third party liability insurance	Other property and casualty insurance	Life insurance – regular premium	Life insurance – single premium	Health insurance	Total
in EUR '000							
Austria	227,143	258,792	1,080,031	937,115	179,841	313,527	2,996,449
Czech Republic	182,320	219,364	365,154	457,740	39,379	10,404	1,274,361
Slovakia	80,865	114,185	86,984	128,021	173,736	7,908	591,699
Poland	122,550	155,366	179,385	141,535	60,108	9,762	668,706
Romania	103,874	129,901	71,785	35,073	44,272	8,029	392,934
Baltic states	50,788	83,294	57,833	39,845	14,168	33,272	279,200
Hungary	13,419	21,893	43,769	65,056	37,041	9,953	191,131
Bulgaria	41,297	17,200	31,193	19,953	7,297	12,677	129,617
Turkey/Georgia	22,982	28,686	71,789	0	0	25,633	149,090
Remaining CEE	34,703	70,624	72,828	51,888	41,648	12,956	284,647
Other Markets	0	0	91,842	59,255	81,603	0	232,700
Central Functions	0	0	1,137,403	13,901	0	16,845	1,168,149
Consolidation							-1,001,211
Total	879,941	1,099,305	3,289,996	1,949,382	679,093	460,966	7,357,472

Premiums written	1.1.-30.9.2017						
Gross	Motor own damage insurance (Casco)	Motor third party liability insurance	Other property and casualty insurance	Life insurance – regular premium	Life insurance – single premium	Health insurance	Total
in EUR '000							
Austria	221,440	253,210	1,056,452	932,395	244,473	301,679	3,009,649
Czech Republic	172,346	208,800	343,617	422,719	49,113	9,873	1,206,468
Slovakia	78,042	108,878	85,025	123,618	186,700	6,926	589,189
Poland	99,606	133,762	158,782	147,935	127,598	7,501	675,184
Romania	93,801	128,025	69,388	31,136	45,294	5,720	373,364
Baltic states	42,020	74,329	49,360	35,685	11,019	27,299	239,712
Hungary	12,636	17,033	44,225	65,165	26,525	6,259	171,843
Bulgaria	35,342	15,624	31,032	20,512	6,902	10,154	119,566
Turkey/Georgia	23,177	32,699	74,571	0	0	24,277	154,724
Remaining CEE	32,141	66,432	79,039	45,483	31,232	8,822	263,149
Other Markets	0	0	86,839	55,590	86,084	0	228,513
Central Functions	0	0	1,040,404	12,823	0	14,903	1,068,130
Consolidation							-946,843
Total	810,551	1,038,792	3,118,734	1,893,061	814,940	423,413	7,152,648

10. FINANCIAL RESULT EXCLUDING AT EQUITY CONSOLIDATED COMPANIES

Composition	1.1.-30.9.2018						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Current income	555,451	72,839	32,497	16,623	14,333	5,332	4,033
Income from appreciation	2,771	1,711	968	989	6	166	0
of which a reduction in impairment	0	0	0	0	0	0	0
Gains from disposal of investments	73,531	29,457	6,736	2,860	978	272	213
Other income	40,881	13,130	1,072	8,094	558	81	1,823
Total income	672,634	117,137	41,273	28,566	15,875	5,851	6,069
Depreciation of investment	30,992	5,977	1,640	3,272	1,223	651	330
of which impairment of investments	2,069	0	0	0	0	0	317
Exchange rate differences	153	-3,739	-7	-1,195	-204	63	19
Losses from disposal of investments	6,275	17,821	502	857	535	175	157
Interest expenses	41,926	3,237	88	2,939	2,857	300	58
Personnel provisions	4,464	0	0	0	0	0	4
Interest expenses for liabilities to financial institutions	31	0	0	0	0	0	0
Interest expenses for financing liabilities	1,606	0	0	0	0	0	0
Interest expenses for subordinate liabilities	26,943	812	0	399	802	270	0
Other interest expenses	8,882	2,425	88	2,540	2,055	30	54
Other expenses	54,559	16,573	754	3,533	1,780	593	697
Managed Portfolio Fees	2,933	1,727	113	1,055	517	142	147
Asset management expenses	43,236	1,573	640	2,478	1,252	366	550
Other expenses	8,390	13,273	1	0	11	85	0
Total expenses	133,905	39,869	2,977	9,406	6,191	1,782	1,261

Composition

1.1.-30.9.2018

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
<i>in EUR '000</i>							
Current income	3,055	7,763	28,070	14,993	287,702	-48,183	994,508
Income from appreciation	256	72	84	18	97	0	7,138
of which a reduction in impairment	0	0	64	18	0	0	82
Gains from disposal of investments	740	123	2,796	719	13,788	0	132,213
Other income	14,535	1,347	760	257	3,556	0	86,094
Total income	18,586	9,305	31,710	15,987	305,143	-48,183	1,219,953
Depreciation of investment	1,206	834	937	507	86,987	0	134,556
of which impairment of investments	0	0	124	97	0	0	2,607
Exchange rate differences	44	147	2,957	4	15,377	0	13,619
Losses from disposal of investments	368	807	21	82	2,896	0	30,496
Interest expenses	266	1,432	346	165	85,992	-48,221	91,385
Personnel provisions	0	0	0	0	562	0	5,030
Interest expenses for liabilities to financial institutions	0	0	0	0	8,950	0	8,981
Interest expenses for financing liabilities	108	65	25	0	35,258	-21,171	15,891
Interest expenses for subordinate liabilities	120	0	0	0	37,397	-17,927	48,816
Other interest expenses	38	1,367	321	165	3,825	-9,123	12,667
Other expenses	9,127	956	1,391	672	105,415	0	196,050
Managed Portfolio Fees	123	8	5	0	218	0	6,988
Asset management expenses	8,913	515	1,055	647	103,601	0	164,826
Other expenses	91	433	331	25	1,596	0	24,236
Total expenses	11,011	4,176	5,652	1,430	296,667	-48,221	466,106

Composition

1.1.-30.9.2017

	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Current income	561,881	72,988	32,192	18,071	11,829	5,481	4,107
Income from appreciation	3,812	3,059	1,935	3,925	114	630	0
of which a reduction in impairment	0	0	0	0	0	0	0
Gains from disposal of investments	50,382	19,550	8,731	3,295	1,558	77	755
Other income	39,363	6,496	951	8,286	623	34	1,546
Total income	655,438	102,093	43,809	33,577	14,124	6,222	6,408
Depreciation of investment	38,713	4,485	2,228	1,574	1,007	723	0
of which impairment of investments	2,572	0	0	274	44	0	0
Exchange rate differences	73	18,544	24	1,499	-411	33	127
Losses from disposal of investments	6,336	3,206	88	634	8	53	325
Interest expenses	35,914	2,257	86	2,941	1,894	214	263
Personnel provisions	2,985	0	0	0	0	0	0
Interest expenses for liabilities to financial institutions	35	0	0	0	0	0	0
Interest expenses for financing liabilities	1,683	0	0	0	0	0	0
Interest expenses for subordinate liabilities	21,498	1,046	0	401	803	185	204
Other interest expenses	9,713	1,211	86	2,540	1,091	29	59
Other expenses	49,843	6,556	823	2,722	1,657	480	765
Managed Portfolio Fees	3,056	1,942	103	1,009	583	8	186
Asset management expenses	39,308	1,070	632	1,713	906	469	579
Other expenses	7,479	3,544	88	0	168	3	0
Total expenses	130,879	35,048	3,249	9,370	4,155	1,503	1,480

Composition

1.1.-30.9.2017

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Current income	3,019	7,663	26,306	15,561	268,408	-42,906	984,600
Income from appreciation	803	1,263	727	34	159	0	16,461
of which a reduction in impairment	0	0	621	6	0	0	627
Gains from disposal of investments	1,456	76	3,706	1,346	8,808	0	99,740
Other income	14,883	769	720	294	2,643	-452	76,156
Total income	20,161	9,771	31,459	17,235	280,018	-43,358	1,176,957
Depreciation of investment	1,069	1,378	1,272	971	90,148	0	143,568
of which impairment of investments	0	0	445	0	6,148	0	9,483
Exchange rate differences	478	-237	7,939	0	-7,205	0	20,864
Losses from disposal of investments	493	23	254	71	1,399	0	12,890
Interest expenses	264	1,019	485	151	85,142	-42,894	87,736
Personnel provisions	0	0	0	0	465	0	3,450
Interest expenses for liabilities to financial institutions	0	0	0	0	10,608	0	10,643
Interest expenses for financing liabilities	109	75	53	0	34,518	-20,989	15,449
Interest expenses for subordinate liabilities	120	0	118	0	35,516	-15,610	44,281
Other interest expenses	35	944	314	151	4,035	-6,295	13,913
Other expenses	9,516	858	1,447	669	141,155	-452	216,039
Managed Portfolio Fees	119	8	10	0	161	0	7,185
Asset management expenses	8,913	185	1,199	506	136,908	0	192,388
Other expenses	484	665	238	163	4,086	-452	16,466
Total expenses	11,820	3,041	11,397	1,862	310,639	-43,346	481,097

11. OTHER INCOME

Composition	1.1.-30.9.2018			1.1.-30.9.2017		
	Underwriting	Non-underwriting	Total	Underwriting	Non-underwriting	Total
Other income						
in EUR '000						
Austria	7,275	6,950	14,225	7,071	7,272	14,343
Czech Republic	15,868	582	16,450	33,023	911	33,934
Slovakia	2,208	633	2,841	6,286	407	6,693
Poland	322	5,059	5,381	1,192	3,140	4,332
Romania	2,826	588	3,414	4,615	8,137	12,752
Baltic states	367	497	864	881	589	1,470
Hungary	2,606	1,818	4,424	773	1,219	1,992
Bulgaria	289	49	338	524	5,050	5,574
Turkey/Georgia	581	14,387	14,968	399	3,032	3,431
Remaining CEE	3,347	1,522	4,869	3,646	7,004	10,650
Other Markets	1,778	228	2,006	35,830	67	35,897
Central Functions	295	13,232	13,527	105	1,130	1,235
Consolidation	-3	0	-3	-565	0	-565
Total	37,759	45,545	83,304	93,780	37,958	131,738

The year-on-year decrease in underwriting income in the Other Markets segment was primarily caused by larger exchange rate fluctuations, which were due to the Swiss franc being unpegged from the euro. This exchange rate effect is neutral with respect to the Group result, since an offsetting change takes place in the technical result.

12. EXPENSES FOR CLAIMS AND INSURANCE BENEFITS

Composition	1.1.-30.9.2018						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
<i>in EUR '000</i>							
Expenses for claims and insurance benefits – gross	2,584,479	741,959	436,722	443,252	280,865	194,713	142,666
Payments for claims and insurance benefits	2,386,175	778,405	398,568	518,490	268,403	136,514	104,735
Changes in the provision for outstanding claims	-24,279	20,880	-11,593	20,975	20,596	31,281	23,251
Change in mathematical reserve	53,299	-75,878	49,188	-97,367	-7,960	27,007	10,327
Change in other underwriting provisions	-80	-1,837	0	-134	-347	-107	1,674
Expenses for profit-related and profit-unrelated premium refunds	169,364	20,389	559	1,288	173	18	2,679
Expenses for claims and insurance benefits – reinsurers' share	-266,402	-136,169	-42,835	-71,519	-61,270	-48,803	-30,768
Payments for claims and insurance benefits	-296,249	-143,332	-54,710	-69,142	-65,100	-31,921	-13,198
Changes in the provision for outstanding claims	30,625	3,708	11,145	-2,396	3,836	-16,882	-18,432
Change in mathematical reserve	-278	0	0	19	-6	0	0
Change in other underwriting provisions	0	0	0	0	0	0	753
Expenses for profit-unrelated premium refunds	-500	3,455	730	0	0	0	109
Expenses for claims and insurance benefits – retention	2,318,077	605,790	393,887	371,733	219,595	145,910	111,898
Payments for claims and insurance benefits	2,089,926	635,073	343,858	449,348	203,303	104,593	91,537
Changes in the provision for outstanding claims	6,346	24,588	-448	18,579	24,432	14,399	4,819
Change in mathematical reserve	53,021	-75,878	49,188	-97,348	-7,966	27,007	10,327
Change in other underwriting provisions	-80	-1,837	0	-134	-347	-107	2,427
Expenses for profit-related and profit-unrelated premium refunds	168,864	23,844	1,289	1,288	173	18	2,788

Composition

1.1.-30.9.2018

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Expenses for claims and insurance benefits – gross	65,580	120,235	188,770	147,809	687,311	-577,666	5,456,695
Payments for claims and insurance benefits	52,199	80,668	136,373	86,051	617,725	-524,303	5,040,003
Changes in the provision for outstanding claims	8,459	39,401	24,834	13,639	69,942	-53,360	184,026
Change in mathematical reserve	4,748	0	27,463	44,617	-675	-3	34,766
Change in other underwriting provisions	0	166	39	0	3	0	-623
Expenses for profit-related and profit-unrelated premium refunds	174	0	61	3,502	316	0	198,523
Expenses for claims and insurance benefits – reinsurers' share	-10,793	-63,145	-42,269	-12,853	-58,658	584,379	-261,105
Payments for claims and insurance benefits	-7,982	-31,680	-25,120	-8,387	-56,542	540,499	-262,864
Changes in the provision for outstanding claims	-2,812	-31,353	-17,126	-4,437	-1,871	43,878	-2,117
Change in mathematical reserve	1	0	-23	-29	2	2	-312
Change in other underwriting provisions	0	-112	0	0	0	0	641
Expenses for profit-unrelated premium refunds	0	0	0	0	-247	0	3,547
Expenses for claims and insurance benefits – retention	54,787	57,090	146,501	134,956	628,653	6,713	5,195,590
Payments for claims and insurance benefits	44,217	48,988	111,253	77,664	561,183	16,196	4,777,139
Changes in the provision for outstanding claims	5,647	8,048	7,708	9,202	68,071	-9,482	181,909
Change in mathematical reserve	4,749	0	27,440	44,588	-673	-1	34,454
Change in other underwriting provisions	0	54	39	0	3	0	18
Expenses for profit-related and profit-unrelated premium refunds	174	0	61	3,502	69	0	202,070

Composition

1.1.-30.9.2017

	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Expenses for claims and insurance benefits – gross	2,712,607	707,974	463,440	482,518	265,581	153,459	97,701
Payments for claims and insurance benefits	2,325,794	735,082	392,311	424,735	233,938	120,429	99,226
Changes in the provision for outstanding claims	113,890	-3,835	20,169	8,398	41,510	11,477	4,468
Change in mathematical reserve	163,892	-36,146	49,921	48,733	-8,432	21,073	-10,117
Change in other underwriting provisions	-592	1,188	0	-212	-958	0	1,784
Expenses for profit-related and profit-unrelated premium refunds	109,623	11,685	1,039	864	-477	480	2,340
Expenses for claims and insurance benefits – reinsurers' share	-376,609	-118,176	-65,296	-71,712	-73,874	-28,110	-11,311
Payments for claims and insurance benefits	-296,130	-132,972	-52,310	-65,604	-58,943	-26,372	-9,009
Changes in the provision for outstanding claims	-79,247	13,067	-13,764	-6,142	-14,956	-1,738	-1,760
Change in mathematical reserve	-316	0	0	34	25	0	0
Change in other underwriting provisions	0	0	0	0	0	0	-567
Expenses for profit-unrelated premium refunds	-916	1,729	778	0	0	0	25
Expenses for claims and insurance benefits – retention	2,335,998	589,798	398,144	410,806	191,707	125,349	86,390
Payments for claims and insurance benefits	2,029,664	602,110	340,001	359,131	174,995	94,057	90,217
Changes in the provision for outstanding claims	34,643	9,232	6,405	2,256	26,554	9,739	2,708
Change in mathematical reserve	163,576	-36,146	49,921	48,767	-8,407	21,073	-10,117
Change in other underwriting provisions	-592	1,188	0	-212	-958	0	1,217
Expenses for profit-related and profit-unrelated premium refunds	108,707	13,414	1,817	864	-477	480	2,365

Composition

1.1.-30.9.2017

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Expenses for claims and insurance benefits – gross	58,999	104,507	156,880	200,333	678,261	-572,970	5,509,290
Payments for claims and insurance benefits	55,086	72,595	123,157	151,577	594,377	-553,082	4,775,225
Changes in the provision for outstanding claims	-840	31,723	8,829	12,178	85,510	-58,504	274,973
Change in mathematical reserve	4,813	0	25,108	34,138	-1,630	38,616	329,969
Change in other underwriting provisions	0	189	-6	0	0	0	1,393
Expenses for profit-related and profit-unrelated premium refunds	-60	0	-208	2,440	4	0	127,730
Expenses for claims and insurance benefits – reinsurers' share	-10,420	-41,387	-32,958	-10,559	-73,698	572,642	-341,468
Payments for claims and insurance benefits	-11,207	-22,481	-68,541	-8,417	-48,889	553,399	-247,476
Changes in the provision for outstanding claims	786	-18,900	-3,708	-2,035	-24,710	58,151	-94,956
Change in mathematical reserve	1	0	39,291	-107	-99	-38,908	-79
Change in other underwriting provisions	0	-6	0	0	0	0	-573
Expenses for profit-unrelated premium refunds	0	0	0	0	0	0	1,616
Expenses for claims and insurance benefits – retention	48,579	63,120	123,922	189,774	604,563	-328	5,167,822
Payments for claims and insurance benefits	43,879	50,114	54,616	143,160	545,488	317	4,527,749
Changes in the provision for outstanding claims	-54	12,823	5,121	10,143	60,800	-353	180,017
Change in mathematical reserve	4,814	0	64,399	34,031	-1,729	-292	329,890
Change in other underwriting provisions	0	183	-6	0	0	0	820
Expenses for profit-related and profit-unrelated premium refunds	-60	0	-208	2,440	4	0	129,346

13. ACQUISITION AND ADMINISTRATIVE EXPENSES

Composition

1.1.-30.9.2018

	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Acquisition expenses	487,127	327,196	94,810	120,465	88,561	51,851	27,558
Commission expenses	295,584	219,583	74,167	102,078	62,385	37,237	21,852
Pro rata personnel expenses	105,414	65,100	11,144	12,659	15,487	10,263	3,096
Pro rata material expenses	86,129	42,513	9,499	5,728	10,689	4,351	2,610
Administrative expenses	127,727	54,217	19,319	30,503	9,345	17,193	12,892
Pro rata personnel expenses	56,388	23,651	8,103	14,867	5,446	10,458	5,671
Pro rata material expenses	71,339	30,566	11,216	15,636	3,899	6,735	7,221
Reinsurance commissions	-124,745	-86,850	-24,984	-40,563	-19,067	-19,426	-11,763
Total	490,109	294,563	89,145	110,405	78,839	49,618	28,687

Composition

1.1.-30.9.2018

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Acquisition expenses	32,541	21,606	68,046	29,863	334,882	-294,838	1,389,668
Commission expenses	24,993	15,116	44,485	26,179	329,777	-294,838	958,598
Pro rata personnel expenses	3,857	4,272	14,063	1,875	3,363	0	250,593
Pro rata material expenses	3,691	2,218	9,498	1,809	1,742	0	180,477
Administrative expenses	4,334	7,095	22,984	6,979	4,145	-514	316,219
Pro rata personnel expenses	2,146	4,297	10,461	3,803	1,368	0	146,659
Pro rata material expenses	2,188	2,798	12,523	3,176	2,777	-514	169,560
Reinsurance commissions	-2,973	-14,504	-21,029	-16,532	-23,572	300,724	-105,284
Total	33,902	14,197	70,001	20,310	315,455	5,372	1,600,603

Composition

1.1.-30.9.2017

	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Acquisition expenses	478,129	308,432	83,454	118,102	77,513	43,040	28,838
Commission expenses	285,751	213,650	62,863	101,098	56,697	31,239	23,089
Pro rata personnel expenses	104,790	56,508	10,559	11,619	13,059	8,486	3,055
Pro rata material expenses	87,588	38,274	10,032	5,385	7,757	3,315	2,694
Administrative expenses	124,488	46,158	18,128	30,390	13,417	16,874	12,848
Pro rata personnel expenses	54,348	21,642	7,846	15,111	5,902	10,593	5,351
Pro rata material expenses	70,140	24,516	10,282	15,279	7,515	6,281	7,497
Reinsurance commissions	-109,720	-84,444	-25,215	-33,751	-12,957	-9,889	-11,562
Total	492,897	270,146	76,367	114,741	77,973	50,025	30,124

Composition

1.1.-30.9.2017

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Acquisition expenses	28,779	22,575	66,875	27,869	289,192	-253,674	1,319,124
Commission expenses	23,191	15,663	42,919	24,356	284,882	-253,674	911,724
Pro rata personnel expenses	3,409	4,346	13,946	1,932	2,335	0	234,044
Pro rata material expenses	2,179	2,566	10,010	1,581	1,975	0	173,356
Administrative expenses	3,717	8,102	23,004	6,838	3,502	0	307,466
Pro rata personnel expenses	1,876	5,101	10,367	3,798	632	0	142,567
Pro rata material expenses	1,841	3,001	12,637	3,040	2,870	0	164,899
Reinsurance commissions	-3,768	-15,343	-21,808	-18,155	-24,243	257,732	-113,123
Total	28,728	15,334	68,071	16,552	268,451	4,058	1,513,467

14. OTHER EXPENSES

Composition	1.1.-30.9.2018			1.1.-30.9.2017		
	Underwriting	Non-underwriting	Total	Underwriting	Non-underwriting	Total
Other expenses						
in EUR '000						
Austria	12,935	4,245	17,180	7,343	9,781	17,124
Czech Republic	20,938	6,576	27,514	23,947	2,168	26,115
Slovakia	16,271	54	16,325	19,104	43	19,147
Poland	5,562	21,974	27,536	5,353	8,060	13,413
Romania	15,103	65,934	81,037	10,926	11,441	22,367
Baltic states	5,593	2,855	8,448	6,103	4,874	10,977
Hungary	5,804	1,621	7,425	6,442	2,252	8,694
Bulgaria	3,872	2,180	6,052	4,541	9,420	13,961
Turkey/Georgia	501	13,520	14,021	395	1,320	1,715
Remaining CEE	6,616	1,109	7,725	7,377	2,791	10,168
Other Markets	38,885	575	39,460	20,089	507	20,596
Central Functions	546	3,115	3,661	775	14,797	15,572
Consolidation	-21	-7,676	-7,697	-484	-2,310	-2,794
Total	132,605	116,082	248,687	111,911	65,144	177,055

Goodwill impairment of EUR 50.1 million was recognised in the Romania segment for the reporting period.

The year-on-year increase in underwriting expenses in the Other Markets segment was primarily caused by larger exchange rate fluctuations, which were due to the Swiss franc being unpegged from the euro. This exchange rate effect is neutral with respect to the Group result, since an offsetting change takes place in the technical result.

Further information is provided in Note 1 "Intangible assets" on page 29.

ADDITIONAL DISCLOSURES

15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT HIERARCHY

Information on the nature and extent of risks arising from financial instruments is provided in the section titled “Financial instruments and risk management” in the Group Annual Report for 2017 starting on page 133.

Fair values and book values of financial instruments and other investments

Fair values and book values of financial instruments and other investments	30.9.2018				Fair value
	Book value	Level 1	Level 2	Level 3	
in EUR '000					
Land and buildings excluding non-profit societies¹	2,076,372	0	66,684	3,291,561	3,358,245
Self-used land and buildings	453,312	0	34,976	664,080	699,056
Investment property	1,623,060	0	31,708	2,627,481	2,659,189
Land and buildings non-profit societies	3,699,845				
Self-used land and buildings	1,781				
Investment property	3,698,064				
Loans	2,486,433	216,198	2,432,537	142,019	2,790,754
Loans	1,371,320	0	1,346,452	127,132	1,473,584
Reclassified loans	179,015	84,842	130,822	0	215,664
Bonds classified as loans	936,098	131,356	955,263	14,887	1,101,506
Other securities	27,058,959	23,468,364	3,369,840	480,427	27,318,631
Financial instruments held to maturity	2,403,589	2,227,651	350,297	8,787	2,586,735
Financial instruments reclassified as held to maturity	564,341	623,436	17,431	0	640,867
Financial instruments available for sale	23,755,221	20,468,277	2,891,460	395,484	23,755,221
Financial instruments recognised at fair value through profit and loss ²	335,808	149,000	110,652	76,156	335,808
Other investments	993,289				
Investments for unit-linked and index-linked life insurance	8,742,965	8,742,965			8,742,965
Subordinated liabilities	1,458,675	0	1,501,865	21,059	1,522,924
Liabilities to financial institutions	1,137,281				1,137,281
thereof non-profit societies	1,035,276				1,035,276
Financing liabilities³	1,487,974				1,487,974
thereof non-profit societies	1,430,319				1,430,319

¹ The market values are derived from internal and external expert reports.

² Including held for trading

³ Not including lease liabilities and derivative liabilities

Book value was generally used for the fair value of the financial liabilities (except for subordinated liabilities), which were primarily due to the non-profit societies, as no market exists for property subject to the Austrian Non-Profit Housing Act (WGG). The same applies to their financing loans and bonds, whose terms are determined by the special nature of the non-profit sector and consequently are not available in this form to companies outside the sector. As a result, no market can be found for these forms of financing either.

Fair values and book values of financial instruments and other investments	31.12.2017				Fair value
	Book value	Level 1	Level 2	Level 3	
in EUR '000					
Land and buildings excluding non-profit societies ¹	2,068,351	0	72,101	3,180,883	3,252,984
Self-used land and buildings	429,086	0	40,432	634,323	674,755
Investment property	1,639,265	0	31,669	2,546,560	2,578,229
Land and buildings non-profit societies	3,616,247				
Self-used land and buildings	1,820				
Investment property	3,614,427				
Loans	2,588,679	261,277	2,479,234	196,127	2,936,638
Loans	1,394,260	0	1,330,410	181,086	1,511,496
Reclassified loans	241,511	127,478	160,665	0	288,143
Bonds classified as loans	952,908	133,799	988,159	15,041	1,136,999
Other securities	26,683,093	23,571,234	3,209,867	312,333	27,093,434
Financial instruments held to maturity	2,443,702	2,367,296	360,487	8,426	2,736,209
Financial instruments reclassified as held to maturity	683,747	782,948	18,633	0	801,581
Financial instruments available for sale	23,220,303	20,259,701	2,696,134	264,468	23,220,303
Financial instruments recognised at fair value through profit and loss ²	335,341	161,289	134,613	39,439	335,341
Other investments	678,388				
Investments for unit-linked and index-linked life insurance	9,061,073	9,061,073			9,061,073
Subordinated liabilities	1,458,839	0	1,515,965	21,732	1,537,697
Liabilities to financial institutions	1,201,031				1,201,031
thereof non-profit societies	1,040,498				1,040,498
Financing liabilities ³	1,476,569				1,476,569
thereof non-profit societies	1,417,446				1,417,446

¹ The market values are derived from internal and external expert reports.

² Including held for trading

³ Not including lease liabilities and derivative liabilities

Measurement process

For information on the measurement process, please see Note 23 "Financial instruments and fair value measurement hierarchy" in the Group Annual Report for 2017 starting on page 204.

Reclassification of financial instruments

Reclassifications were performed based on the criteria and time points indicated in Note 23 "Financial instruments and fair value measurement hierarchy" in the Group Annual Report for 2017 starting on page 206.

Reclassification of financial instruments	30.9.2018				
	Between Level 1 and Level 2	Level 3 to Level 1	Level 1 to Level 3	Level 3 to Level 2	Level 2 to Level 3
Number					
Financial instruments available for sale	12	0	3	3	2
Financial instruments recognised at fair value through profit and loss*	0	0	45	0	1
Total	12	0	48	3	3

*Including held for trading

The reclassifications between Level 1 and Level 2 are primarily due to changes in liquidity, trading frequency and trading activity. Reclassifications from Level 1 to Level 3 also took place based on the non-availability of prices or comparable financial instruments used for measurement. The reclassifications from Level 3 to Level 2 were performed due to consolidation effects between the measurement hierarchies. Financial instruments whose unobservable input factors now have a greater influence on fair value than the observable factors were reclassified from Level 2 to Level 3.

Reclassification of financial instruments	31.12.2017				
	Between Level 1 and Level 2	Level 3 to Level 1	Level 1 to Level 3	Level 3 to Level 2	Level 2 to Level 3
Number					
Financial instruments available for sale	22	5	10	7	8
Financial instruments recognised at fair value through profit and loss*	2	0	3	0	0
Total	24	5	13	7	8

*Including held for trading

The reclassifications between Level 1 and Level 2 are primarily due to changes in liquidity, trading frequency and trading activity. The reclassifications to Level 3 were performed due to consolidation effects between the measurement hierarchies, and reclassifications from Level 3 to Level 1 in the financial instruments available for sale category were performed for the same reason.

Hierarchy for financial instruments measured at fair value

Measurement hierarchy	Level 1		Level 2		Level 3	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
Financial instruments recognised at fair value						
in EUR '000						
Financial assets						
Financial instruments available for sale	20,468,277	20,259,701	2,891,460	2,696,134	395,484	264,468
Bonds	18,020,734	17,693,862	2,789,037	2,559,555	39,962	58,129
Shares and other participations	495,108	534,841	63,553	92,359	342,990	206,339
Investment funds	1,952,435	2,030,998	38,870	44,220	12,532	0
Financial instruments recognised at fair value through profit and loss [*]	149,000	161,289	110,652	134,613	76,156	39,439
Bonds	74,078	80,713	95,985	112,607	25,358	14,209
Shares and other non-fixed-interest securities	17,616	21,746	13,847	19,887	0	0
Investment funds	57,257	57,738	0	938	28,737	3,169
Derivatives	49	1,092	820	1,181	22,061	22,061
Investments for unit-linked and index-linked life insurance	8,742,965	9,061,073				

*Including held for trading

The unrealised effect on the result (net profit or loss) from Level 3 financial instruments that are still in the portfolio and whose fair value is recognised in the income statement was EUR 75,000 during the reporting year (EUR -4,627,000).

Nicht beobachtbare Inputfaktoren

Asset class	Measurement methods	Unobservable input factors	Range
Real estate	Market value	Capitalisation rate	1.00%–7.00%
		Rental income	3,000 EUR–3,703,000 EUR
		Land prices	0 EUR–5,000 EUR
	Discounted Cash flow	Capitalisation rate	4.00%–9.75%
		Rental income	EUR 88,000–EUR 4,090,000

Sensitivities

With respect to the value of shares measured using a Level 3 method (multiples approach), the Group assumes that alternative inputs and alternative methods do not lead to significant changes in value.

Due to a lack of available data, no sensitivity analysis information can be provided for the other securities whose fair value in Level 3 has been determined by independent third parties.

The following sensitivities result from calculations using the Solvency II partial internal model:

sensitivities – real estate	Fair value
<i>in EUR million</i>	
Fair value at 30.9.2018	2,536.37
Rental income -5%	2,445.65
Rental income +5%	2,630.07
Capitalisation rate -50bp	2,671.24
Capitalisation rate +50bp	2,422.12
Land prices -5%	2,507.69
Land prices +5%	2,567.25

Since real estate is measured at amortised cost in the VIG balance sheet, negative sensitivities would only affect the income statement if property value fell below book value. Other comprehensive income was therefore unaffected.

Carry-over of assets and liabilities/financial assets and liabilities

Development of financial instruments by Level	Financial instruments available for sale					
	30.9.2018			31.12.2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<i>in EUR '000</i>						
Fair value at 31.12. of the previous year	20,259,701	2,696,134	264,468	18,943,142	2,650,989	257,117
Exchange rate differences	-18,581	-2,308	-781	27,737	6,480	589
Fair value at 1.1.	20,241,120	2,693,826	263,687	18,970,879	2,657,469	257,706
Reclassification between securities categories	6,704	464	-7,464	-1,655	0	-9,021
Reclassification to Level	30,241	116,611	37,061	14,168	108,277	30,475
Reclassification from Level	-101,887	-61,188	-20,838	-115,421	-17,727	-19,772
Additions	2,458,628	273,496	154,722	3,813,979	332,764	40,884
Disposals	-1,730,623	-136,095	-16,953	-2,515,668	-404,569	-46,451
Change in the scope of consolidation	7,048	0	-70	46,066	16	208
Changes in value recognised in profit and loss	0	0	0	0	0	0
Changes recognised directly in equity	-442,038	5,597	-14,229	51,827	21,833	12,493
Impairments	-916	-1,251	-432	-4,474	-1,929	-2,054
Fair value at 30.9. or 31.12.	20,468,277	2,891,460	395,484	20,259,701	2,696,134	264,468

Development of financial instruments
by Level

Financial instruments recognised at fair value through profit and loss*

	30.9.2018			31.12.2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
in EUR '000						
Fair value at 31.12. of the previous year	161,289	134,613	39,439	256,865	144,416	60,009
Exchange rate differences	-3,948	-429	336	2,001	3,236	332
Fair value at 1.1.	157,341	134,184	39,775	258,866	147,652	60,341
Reclassification between securities categories	-11,852	1,039	6,933	-1,988	0	0
Reclassification to Level	0	0	19,566	1,749	129	1,846
Reclassification from Level	-18,628	-938	0	-1,846	-1,749	-129
Additions	202,083	6,936	17,971	140,490	31,087	2,801
Disposals	-175,638	-32,881	-7,603	-239,726	-47,418	-14,078
Changes in value recognised in profit and loss	-4,306	2,312	-486	3,744	4,912	-11,342
Changes recognised directly in equity	0	0	0	0	0	0
Fair value at 30.9. or 31.12.	149,000	110,652	76,156	161,289	134,613	39,439

*Including held for trading

Please refer to Note 10. Financial result excluding at equity consolidated companies starting on page 34 for information on the effects of changes in value recognised in profit and loss.

Development of financial instruments assigned to Level 3

Subordinated liabilities

	30.9.2018	31.12.2017
in EUR '000		
Fair value at 31.12. of the previous year	21,732	20,807
Exchange rate differences	-164	1,202
Fair value at 1.1.	21,568	22,009
Reclassification to Level 3	0	0
Reclassification from Level 3	0	0
Changes in value recognised in profit and loss	-509	-277
Changes recognised directly in equity	0	0
Fair value at 30.9. or 31.12.	21,059	21,732

16. NUMBER OF EMPLOYEES

Employee statistics	30.9.2018			31.12.2017		
	Field staff	Office staff	Gesamt	Field staff	Office staff	Gesamt
Number						
Austria	2,799	2,291	5,090	2,806	2,335	5,141
Czech Republic	3,147	1,831	4,978	3,071	1,824	4,895
Slovakia	851	844	1,695	887	865	1,752
Poland	729	1,124	1,853	763	813	1,576
Romania	1,183	765	1,948	1,163	791	1,954
Baltic states	585	632	1,217	629	656	1,285
Hungary	36	432	468	35	433	468
Bulgaria	289	587	876	289	578	867
Turkey/Georgia	660	451	1,111	659	422	1,081
Remaining CEE	3,236	1,488	4,724	3,300	1,441	4,741
Other Markets	7	124	131	7	123	130
Central Functions		1,234	1,234		1,169	1,169
Total	13,522	11,803	25,325	13,609	11,450	25,059

The specified employee figures are average values based on full-time equivalents.

The Central Functions segment includes 682 employees (31 December 2017: 682) in the non-profit societies.

17. RELATED PARTY TRANSACTIONS

Related parties

Related companies are the affiliated companies, joint ventures and associated companies listed in Note 27 "Participations – Details" in the Annual Report published at the end of the year starting on page 214.

Information on relationships and transactions between fully consolidated companies is not included, as this interim report includes consolidated financial statements.

Wiener Städtische Versicherungsverein directly and indirectly holds around 71% of VIG's share capital and therefore controls VIG. Due to this control, Wiener Städtische Versicherungsverein is also a related company and its Managing Board and Supervisory Board members are related persons. VIG also defines all members of the managing boards and supervisory boards of all VIG insurance companies as related persons.

Members of the Managing Board and Supervisory Board did not receive any advances or loans and had no loans outstanding during the reporting periods.

There were also no guarantees outstanding for members of the Managing Board or Supervisory Board during the reporting periods.

Transactions with related companies

The Group charges Wiener Städtische Versicherungsverein for office space and provides other services (e.g. internal audit, Group accounting, provision of personnel) to Wiener Städtische Versicherungsverein under service agreements.

In addition, Wiener Städtische Versicherungsverein acts as the parent company of a tax group in accordance with §9 of the Austrian Corporate Income Tax Act (KStG).

Open items with related companies	30.9.2018	31.12.2017
in EUR '000		
Loans	113,865	65,410
Associated companies	1,389	1,631
Subsidiaries not included in the consolidated financial statements	112,476	63,779
Receivables	272,752	251,423
Parent company	233,916	218,641
Associated companies	2,204	3,509
Subsidiaries not included in the consolidated financial statements	36,632	29,273
Liabilities	201,730	184,164
Parent company	183,858	164,126
Associated companies	3,050	2,148
Subsidiaries not included in the consolidated financial statements	14,822	17,890

Transactions with related companies	30.9.2018	31.12.2017
in EUR '000		
Loans	44,695	13,260
Associated companies	241	796
Subsidiaries not included in the consolidated financial statements	44,454	12,464
Receivables	58,457	75,108
Parent company	16,420	30,426
Associated companies	5,033	10,529
Subsidiaries not included in the consolidated financial statements	37,004	34,153
Liabilities	142,531	160,068
Parent company	27,755	47,659
Associated companies	37,155	36,867
Subsidiaries not included in the consolidated financial statements	77,621	75,542

The transactions do not include changes in open items resulting from a change in the scope of consolidation.

Transactions with related persons

The amounts for related person transactions, open items and income statement items are insignificant.

18. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Storm VAIA sweeps across parts of Europe

Storm VAIA led to many damages in some VIG countries, particularly Italy, Croatia, Slovenia and Austria. The Group is unable to make a final estimate of the effects on the Group's financial figures at present.

Additional disclosures in accordance with the Austrian Insurance Supervision Act (VAG)

BUSINESS DEVELOPMENT BY BALANCE SHEET UNIT

	1.1.-30.9.2018				1.1.-30.9.2017			
	Property/ Casualty	Life	Health	Total	Property/ Casualty	Life	Health	Total
in EUR '000								
Premiums written – gross	4,348,787	2,641,518	367,167	7,357,472	4,089,567	2,717,651	345,430	7,152,648
Gross direct premiums written	4,186,630	2,627,191	367,092	7,180,913	3,954,940	2,704,884	345,355	7,005,179
Gross indirect premiums written	162,157	14,327	75	176,559	134,627	12,767	75	147,469
Operating result for direct business	296,844	318,543	30,149	645,536	209,797	244,116	33,226	487,139
Gross direct ¹	445,755	333,250	30,161	809,166	306,684	257,328	33,374	597,386
Underwriting result ²	345,247			345,247	219,716			219,716
Financial result ²	100,508			100,508	86,968			86,968
Direct reinsurance cessions	-148,911	-14,707	-12	-163,630	-96,887	-13,212	-148	-110,247
Operating result for indirect business	-62,917	1,022	66	-61,829	-32,800	2,020	60	-30,720
Gross indirect	9,829	1,676	66	11,571	14,263	3,032	60	17,355
Indirect reinsurance cessions	-72,746	-654	0	-73,400	-47,063	-1,012	0	-48,075
Operating result for direct and indirect retention	233,927	319,565	30,215	583,707	176,997	246,136	33,286	456,419
Other non-underwriting income and expenses	-26,968	-43,338	-231	-70,537	-35,150	8,440	-476	-27,186
Expenses for profit related premium refunds	0	-160,842	0	-160,842	0	-98,001	0	-98,001
Result before taxes	206,959	115,385	29,984	352,328	141,847	156,575	32,810	331,232
Taxes	-29,804	-41,588	-5,458	-76,850	-31,819	-28,073	-5,129	-65,021
Result of the period	177,155	73,797	24,526	275,478	110,028	128,502	27,681	266,211

¹ Includes commissions of EUR 916.973,000 (EUR 870,896,000) for direct insurance business.

² A breakdown of the underwriting result was only performed for property and casualty insurance. Due to immateriality, investments were not transferred to the underwriting account in property and casualty insurance. Investment results were transferred in full to the underwriting account for the life insurance and health business.

GROSS PREMIUMS – WRITTEN BY BALANCE SHEET UNIT (INCL. CONSOLIDATION EFFECTS)

Property and Casualty insurance	1.1.-30.9.2018	1.1.-30.9.2017
in EUR '000		
Direct business	4,186,630	3,954,940
Casualty insurance	301,118	286,572
Health insurance	58,229	47,842
Motor own damage insurance (Casco)	879,941	810,551
Rail vehicle own-damage	3,252	3,542
Aircraft own-damage insurance	4,501	4,740
Sea, lake and river shipping own-damage insurance	8,456	7,748
Transport insurance	41,604	41,703
Fire and natural hazards insurance	779,093	760,236
Other property	395,215	381,627
Third party liability insurance for self-propelled land vehicles	1,099,305	1,038,792
Carrier insurance	12,220	12,759
Aircraft liability insurance	4,177	4,658
Sea, lake and river shipping liability insurance	2,645	2,471
General liability insurance	367,604	341,562
Credit insurance	3,575	5,104
Guarantee insurance	31,886	29,688
Insurance for miscellaneous financial losses	79,920	78,321
Legal expenses insurance	44,161	43,302
Assistance insurance, travel health insurance	69,728	53,722
Indirect business	162,157	134,627
Marine, aviation and transport insurance	8,907	7,668
Other insurance	136,405	112,056
Health insurance	16,845	14,903
Total	4,348,787	4,089,567
Life insurance	1.1.-30.9.2018	1.1.-30.9.2017
in EUR '000		
Regular premium – direct business	1,944,540	1,887,400
Single-premium – direct business	682,651	817,484
Direct business	2,627,191	2,704,884
thereof policies with profit participation	1,111,975	1,144,932
thereof policies without profit participation	340,923	335,326
thereof unit-linked life insurance portfolio	1,150,816	1,194,932
thereof index-linked life insurance portfolio	23,477	29,694
Indirect business	14,327	12,767
Total	2,641,518	2,717,651
Health insurance	1.1.-30.9.2018	1.1.-30.9.2017
in EUR '000		
Direct business	367,092	345,355
Indirect business	75	75
Total	367,167	345,430

GROSS PREMIUMS – WRITTEN BY COUNTRY AND BALANCE SHEET UNIT

Composition	1.1.-30.9.2018	1.1.-30.9.2017
in EUR '000		
Property and Casualty insurance	4,348,787	4,089,567
Austria	1,536,796	1,497,724
Czech Republic	777,151	734,512
Slovakia	287,723	276,852
Poland	467,063	399,652
Romania	309,931	294,853
Turkey	112,184	118,674
Central Functions	190,203	166,509
Other countries	667,736	600,791
Life insurance	2,641,518	2,717,651
Austria	1,116,767	1,176,627
Czech Republic	497,119	471,831
Slovakia	301,757	310,318
Poland	201,643	275,532
Hungary	104,467	94,715
Other countries	419,765	388,628
Health insurance	367,167	345,430
Austria	313,527	301,679
Georgia	21,220	21,167
Other countries	32,420	22,584
Total	7,357,472	7,152,648

OPERATING RESULT FOR DIRECT AND INDIRECT RETENTION BY COUNTRY AND BALANCE SHEET UNIT

	1.1.-30.9.2018	1.1.-30.9.2017
in EUR '000		
Property and Casualty insurance	233,927	176,997
Austria	115,059	55,723
Czech Republic	93,701	79,157
Slovakia	15,259	5,484
Poland	36,105	28,358
Romania	-3,311	14,708
Turkey	4,945	8,281
Central Functions	-60,789	-71,223
Other countries	32,958	56,509
Life insurance	319,565	246,136
Austria	177,949	104,284
Czech Republic	80,015	83,225
Slovakia	19,693	24,572
Poland	15,494	12,376
Hungary	2,539	3,169
Other countries	23,875	18,510
Health insurance	30,215	33,286
Austria	28,843	33,690
Georgia	-481	122
Other countries	1,853	-526
Total	583,707	456,419

KEY FIGURES BY BALANCE SHEET UNIT

	1.1.-30.9.2018				1.1.-30.9.2017			
	Property/ Casualty	Life	Health	Total	Property/ Casualty	Life	Health	Total
in %								
Cost ratio	30.89	20.94	14.28	26.01	30.45	17.78	14.21	24.21
Claims ratio	65.36				66.83			
Combined Ratio	96.25				97.28			

Declaration by the Managing Board

We declare to the best of our knowledge that the consolidated interim financial statements prepared in accordance with applicable accounting standards give a true and fair view of the Group's net assets, financial position and results of operations, the interim management report gives a true and fair view of the net assets, financial position and results of operations of the Group with regard to the most important events during the first nine months of the financial year and their impact on the consolidated interim financial statements, of the principal risks and uncertainties for the remaining three months of the financial year and material related party transactions to be disclosed. The interim report was not fully audited or reviewed by an auditor.

Vienna, 9 November 2018

The Managing Board:



Elisabeth Stadler

General Manager, CEO,
Chairwoman of the Managing Board



Franz Fuchs

Member of the Managing Board



Judit Havasi

Member of the Managing Board



Liane Hirner

Member of the Managing Board, CFO



Peter Höfing

Member of the Managing Board



Peter Thirring

Member of the Managing Board

Managing Board areas of responsibility:

Elisabeth Stadler: Management of the VIG Group, Strategic Questions, General Secretariat, Asset Management, Treasury/Capital market, Affiliated companies department, European Affairs, Group Communication & Marketing, Group Sponsoring, Bancassurance, Human Resources, Group Development & Strategy; Country responsibilities: Germany, Austria, Czech Republic

Franz Fuchs: Performance management motor vehicle insurance; Country responsibilities: Baltic states, Moldova, Poland, Ukraine, Romania

Judit Havasi: Planning & controlling, Legal department, Group IT, Data Management & Processes, Performance management personal insurance, Asset-Risk Management

Liane Hirner: Finance and accounting

Peter Höfing: Corporate and large customer business, Vienna International Underwriters (VIU), Group reinsurance; Country responsibilities: Albania incl. Kosovo, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Macedonia, Montenegro, Serbia

Peter Thirring: Group external income reinsurance; Country responsibilities: Georgia, Liechtenstein, Slovakia, Turkey

The **Managing Board as a whole** is responsible for Enterprise Risk Management, Actuarial Department, Group Compliance, Internal Audit and Investor Relations.

General information

NOTICE

This report includes forward-looking statements based on current assumptions and estimates that were made by the management of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe to the best of its knowledge. Statements using the words “expectation”, “target” or similar formulations indicate such forward-looking statements. Forecasts related to the future development of the Company are estimates made on the basis of information available as of the date this interim report went to press. Actual results may differ from the forecasts if the assumptions underlying the forecast prove to be wrong or if unexpectedly high risks occur.

Calculation differences may arise when rounded amounts and percentages are summed automatically.

The interim report was prepared with the greatest possible care in order to ensure that the information provided in all parts is correct and complete. The possibility of rounding, type-setting or printing errors, however, cannot be ruled out completely.

All references in the text are to be understood as referring equally to men and women without discrimination.

The interim report can be downloaded as a PDF file in German or English from our website at:
www.vig.com/en/downloads.

Editorial deadline: 9 November 2018

In case of doubt, the German version is authoritative.

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ADDRESS

VIENNA INSURANCE GROUP AG
Wiener Versicherung Gruppe
Investor Relations
Nina Higtatzberger-Schwarz
Schottenring 30
1010 Vienna
Phone: +43 (0) 50 39021920
Fax: +43 (0) 50 390 9921920
Email: investor.relations@vig.com

MEDIA PUBLISHER AND OWNER

VIENNA INSURANCE GROUP AG
Wiener Versicherung Gruppe
Schottenring 30, 1010 Vienna
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