

OPPORTUNITIES – RISK
= **SECURITY**

Letter from the Chairwoman of the Managing Board

**Dear Shareholders,
Ladies and Gentlemen!**

It is my pleasure to once again present a very good result for Vienna Insurance Group (VIG) in the 1st–3rd quarters of 2017. In addition to raising the premium volume by 2.7% to EUR 7.2 billion, we also further increased the profit before taxes by almost 10% to EUR 331.2 million. This positive development is also reflected in the combined ratio, which improved to 97.3% in the 1st–3rd quarters of 2017, from 97.9% in the same period of the previous year. In-depth information on all important developments in our markets, key figures and details are presented over the following pages.



As one of the largest insurance groups in Austria and Central and Eastern Europe (CEE) the topics, risk, security and opportunities are part of our daily business. Vienna Insurance Group has had success with the equation on the cover page of this interim report, “Opportunities – Risk = Security”, more than once in the past. For example, our decision to make a risk-conscious expansion – i.e. at a reasonable pace using well-considered entrepreneurial steps – into the neighbouring countries east of Austria created the excellent foundation that makes us number 1 in Austria and Central and Eastern Europe, with a great deal more growth potential.

Appropriately taking advantage of the opportunities that arise each day in our local markets and using technical innovations for the benefit of all, protects the continued existence and further development of the Group, and provides security for our customers, employees and shareholders. I am thinking, in particular, about the subject of digitisation, which Vienna Insurance Group is currently working on intensively.

We all know only too well, however, that there is no such thing as absolute security. Risk is and remains a part of our life. The question is how we deal with it. Risk appetite is

different for every company and every person. And the ways to provide for the future and obtain protection are just as different. In the end, it is important for people to consciously face the topic of risk, as nobody likes to think about potentially requiring nursing care or the possible consequences of accidents that suddenly make one require support. This is where we, as a leading insurance group with around 50 companies in 25 countries, can offer custom-tailored and needs-appropriate solutions for both individuals and businesses.

With this in mind, I would like to wish you a risk-conscious New Year with many opportunities and the best possible protection. Best wishes for 2018,

A handwritten signature in black ink, appearing to read 'Stadler'.

Elisabeth Stadler

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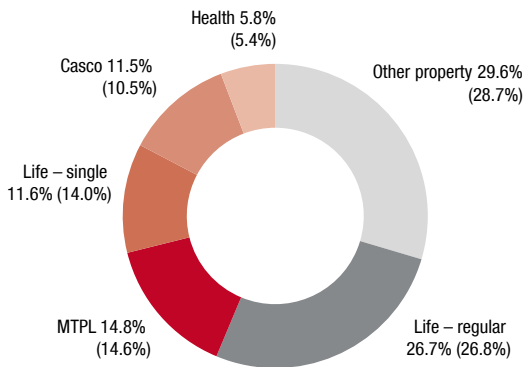
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Interim management report

BUSINESS DEVELOPMENT (IN ACCORDANCE WITH IFRS)

Vienna Insurance Group wrote EUR 7,152.6 million in Group premiums in the 1st–3rd quarters of 2017, an increase of 2.7% compared to the same period in the previous year. Excluding single premium life insurance business, the Group recorded a significant increase in premiums of 5.6%.

PREMIUM PERCENTAGE BY LINE OF BUSINESS IN THE 1ST–3RD QUARTERS OF 2017



Values for 1st–3rd quarter 2016 parantheses

Expenses for claims and insurance benefits less reinsurers' share were EUR 5,167.8 million in the first nine months of 2017, representing a year-on-year increase of 1.5%. Acquisition and administrative expenses less reinsurance commissions rose 6.4% year-on-year to EUR 1,513.5 million (1st–3rd quarters of 2016: EUR 1,422.4 million). This was mainly due to first-time consolidation of BTA Baltic and an increase in commissions – due to VIG's focus on more attractive, less price-sensitive lines of business, which also tends to lead to higher distribution costs.

Group profit before taxes rose to EUR 331.2 million in the 1st–3rd quarters of 2017, representing a significant year-on-year increase of 9.9% that was primarily due to good growth in the financial result and an improved combined ratio.

VIG IN THE 1ST–3RD QUARTERS OF 2017

- Premium volume increased 2.7% to EUR 7,152.6 million
- Profit before taxes rose to EUR 331.2 million, representing a significant increase of 9.9%
- The combined ratio was an excellent 97.3%

The Group's combined ratio after reinsurance (not including investment income) improved slightly compared to the previous period to 97.3% (1st–3rd quarters of 2016: 97.9%).

Due to increased investment activity, Group investments including cash and cash equivalents rose to EUR 37.2 billion as of 30 September 2017 (31 December 2016: EUR 36.2 billion).

Vienna Insurance Group generated a financial result of EUR 732.1 million in the 1st–3rd quarters of 2017, corresponding to a year-on-year increase of 4.1%. This was primarily due to an increase in current income resulting from full consolidation of the non-profit societies and an increase in realised profits due to the sale of shares.

BUSINESS DEVELOPMENT BY SEGMENT

Austria

The Austrian VIG companies recorded premiums written of EUR 3,009.6 million in the first nine months of 2017. As before, this year-on-year decline of 3.1% was due to a reduction in single premium life insurance. When adjusted for this, the Austrian Group companies recorded an increase of 1.3%.

Due to an improvement in the combined ratio, profit before taxes increased by 2.2% year-on-year to EUR 105.7 million in the 1st–3rd quarters of the current year.

Due to the relatively stable claims situation, the combined ratio improved to 97.0% in the first nine months of 2017 (1st–3rd quarters of 2016: 99.3%).

DEVELOPMENT BY SEGMENT

	Premiums written		Result before taxes	
	1.1.-30.9.17	1.1.-30.9.16	1.1.-30.9.17	1.1.-30.9.16
in EUR million				
Austria	3,009.6	3,107.4	105.7	103.4
Czech Republic	1,206.5	1,156.7	113.7	114.1
Slovakia	589.2	547.9	39.9	39.6
Poland	675.2	616.5	31.0	17.3
Romania	373.4	391.8	8.9	6.4
Baltic states	239.7	104.5	-1.2	-7.8
Hungary	171.8	162.0	3.5	2.8
Bulgaria	119.6	107.8	5.7	5.3
Turkey/Georgia	154.7	160.7	6.9	6.9
Remaining CEE ¹	263.1	240.4	12.4	11.6
Other Markets ²	228.5	269.4	20.3	16.7
Central Functions ³	1,068.1	1,019.0	-15.2	-15.1
Consolidation	-946.8	-922.5	-0.2	0.0
Total	7,152.6	6,961.8	331.2	301.3

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, VIG Fund, the non-profit societies, corporate IT service providers and intermediate holding companies.

Czech Republic

The Czech VIG companies wrote EUR 1,206.5 million in premiums in the 1st-3rd quarters of 2017, an increase of 4.3% 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.

Profit before taxes was EUR 113.7 million in the 1st-3rd quarters of the current year. This corresponds to a year-on-year decrease of 0.4% (1st-3rd quarters of 2016: EUR 114.1 million).

In spite of several large losses in the other property and casualty insurance and indirect business areas, the combined ratio continued to be good, at 96.8% (1st-3rd quarters of 2016: 92.9%).

Slovakia

The VIG companies in Slovakia wrote EUR 589.2 million in premiums in the first nine months of the current year. This represented a year-on-year increase of 7.5%, which was primarily due to good performance in the life insurance lines of business.

Profit before taxes rose 0.7% to EUR 39.9 million in the 1st-3rd quarters of 2017 (1st-3rd quarters of 2016: EUR 39.6 million).

The combined ratio was also an excellent 95.8% in the first nine months of 2017 (1st-3rd quarters of 2016: 95.3%).

Poland

EUR 675.2 million in premiums were written in Poland in the first three quarters of 2017, representing a year-on-year increase of 9.5%. The significant increase was mainly due to good performance in motor third party liability and other property and casualty insurance.

Profit before taxes rose to EUR 31.0 million in the first nine months of the current year (1st-3rd quarters of 2016: EUR 17.3 million). In addition to a favourable change in expenses, the significant year-on-year increase was also due to sustained positive growth in the motor business, which continues to show the effects of the measures taken to increase the profitability of the motor portfolio.

The combined ratio improved to an excellent 94.7% in the 1st-3rd quarters of 2017 due to positive performance in the motor lines of business (1st-3rd quarters of 2016: 100.7%).

Romania

The Romanian VIG companies wrote EUR 373.4 million in premiums in the 1st-3rd quarters of 2017, representing a decrease of 4.7%. This decrease was mainly due to regulatory measures for motor third party liability insurance (reference policy rates).

Profit before taxes increased 39.0% year-on-year to EUR 8.9 million (1st-3rd quarters of 2016: EUR 6.4 million). The improvement in the combined ratio helped increase the operating result.

The combined ratio improved again compared to the same period in the previous year to 98.2%. This was primarily due to better profitability in the motor own damage business (1st-3rd quarters of 2016: 101.6%).

Baltic states

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

The VIG companies in the Baltic states wrote EUR 239.7 million in premiums in the first nine months of 2017 (1st–3rd quarters of 2016: EUR 104.5 million). In addition to the good performance achieved by all Group companies, the significant year-on-year increase in premiums was also due to first-time consolidation of the non-life insurance company BTA Baltic that was acquired.

The result improved significantly year-on-year in the Baltic states, although another loss of EUR 1.2 million was recorded (1st–3rd quarters of 2016: loss of EUR 7.8 million). The improvement was due to a better combined ratio and good performance by unit-linked life insurance products.

Although the combined ratio improved significantly compared to the same period in the previous year to 102.2%, primarily due to the improvement in the technical result, it nevertheless continued to be above the 100% mark (1st–3rd quarters of 2016: 133.4%).

Hungary

Premiums written in Hungary rose 6.1% in the 1st–3rd quarters of 2017 to EUR 171.8 million, mainly due to strong premium growth in motor third party liability and regular premium life insurance.

Due to a significant improvement in the underwriting result for motor third-party liability, profit before taxes rose to EUR 3.5 million, representing a major year-on-year increase of 24.9%.

As a result, the combined ratio improved significantly compared to the same period in the previous year to 99.2% (1st–3rd quarters of 2016: 104.3%).

Bulgaria

EUR 119.6 million in premiums were written in Bulgaria in the 1st–3rd quarters of 2017. The major increase of 10.9% was primarily due to good performance in the motor lines of business and health insurance.

The VIG companies in Bulgaria contributed EUR 5.7 million to the Group profit before taxes in the 1st–3rd quarters of 2017. This year-on-year increase of 7.5% was primarily due to an improvement in the combined ratio.

The combined ratio improved compared to the same period in the previous year to 97.1% due to a decrease in large losses (1st–3rd quarters of 2016: 98.4%).

Turkey/Georgia

The Vienna Insurance Group companies in the Turkey/Georgia segment recorded premiums written of EUR 154.7 million in the first nine months of 2017. This year-on-year decline of 3.7% was due to negative currency effects in Turkey. When adjusted for these effects, however, the Turkey/Georgia segment recorded an increase of 14.1%.

In spite of the negative currency effects, the profit before taxes remained stable at the level of the previous year at EUR 6.9 million in the 1st–3rd quarters of 2017.

A higher loss ratio, primarily due to large losses in Turkey, led to a combined ratio of 102.3% (1st–3rd quarters of 2016: 97.6%).

Remaining CEE

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

The Vienna Insurance Group companies in the Remaining CEE countries wrote EUR 263.1 million in premiums in the 1st–3rd quarters of 2017. The year-on-year increase of 9.4% was mainly due to positive performance in other property and casualty insurance in Croatia and Serbia and good performance in motor third party liability in Serbia.

Profit before taxes rose 6.2% to EUR 12.4 million, primarily due to positive performance in Albania and Serbia.

This led to an improvement in the combined ratio to 99.3% in the 1st–3rd quarters of the current year (1st–3rd quarters of 2016: 100.3%).

Other Markets

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

The Vienna Insurance Group companies in the Other Markets segment wrote EUR 228.5 million in premiums in the first nine months of the year 2017. The year-on-year decrease of 15.2% was due to the decrease in single premium life insurance business.

Profit before taxes increased 21.8% year-on-year to EUR 20.3 million in the 1st–3rd quarters of 2017 due to an increase in the financial and the technical result.

The combined ratio improved again in the 1st–3rd quarters of the current year to an excellent 78.9% due to good performance in casualty insurance (1st–3rd quarters of 2016: 80.2%).

Central Functions

Premiums written in the Central Functions segment rose 4.8% in the 1st–3rd quarters of 2017 to EUR 1,068.1 million. This was mainly the result of an increase in premiums generated by Group company VIG Re entering new reinsurance business areas (Western Europe).

The Central Functions reported a loss of EUR 15.2 million in the first nine months of the current year (1st–3rd quarters of 2016: loss of EUR 15.1 million).

EMPLOYEES

Vienna Insurance Group had 25,007 employees in the 1st–3rd quarters of 2017. This was 406 more than 2016 as a whole. This was due to an increase in the number of sales employees, primarily in Georgia, the Czech Republic and Slovakia.

GROUP BUSINESS DEVELOPMENT IN THE 3RD QUARTER OF 2017

VIG generated EUR 2,180.2 million in premiums written in the 3rd quarter of 2017. This increase of 7.2%, which was achieved in spite of the decrease in single premium life insurance, was due to positive performance in all lines of business, especially motor own damage insurance.

Expenses for claims and insurance benefits less reinsurers' share increased as a result to EUR 1,773.1 million in the

3rd quarter of 2017, representing a year-on-year increase of 9.2%.

Acquisition and administrative expenses less reinsurance commissions received rose 7.5% in the 3rd quarter of 2017 to EUR 482.7 million. This increase was primarily due to a higher volume of business.

Profit before taxes rose to EUR 110.7 million in the 3rd quarter of 2017. The increase of 10.7% corresponds to the gains in the first nine months of the current reporting year.

The financial result was EUR 243.7 million in the 3rd quarter of 2017. The year-on-year decrease of 4.0% compared to the 3rd quarter of the previous year was mainly due to seasonal fluctuations in cost allocation.

BUSINESS DEVELOPMENT BY BALANCE SHEET UNIT

Further information on business development by balance sheet units is provided in the additional disclosures in accordance with the Austrian Insurance Supervision Act (VAG) starting on page 55.

RELATED PARTY TRANSACTIONS

Information on related party transactions is provided in the notes to the consolidated financial statements on page 54.

RISK REPORT

The VIG risk environment remained practically unchanged in the 3rd quarter of 2017, 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 2016 and the Solvency and Financial Condition Report (SFCR) for 2016.

The Group's excellent capital adequacy under Solvency II and the A+ rating from Standard & Poor's confirm its high risk-bearing capacity.

The situation in financial markets, in particular changes in the interest rate environment, continue to be monitored

closely. Vienna Insurance Group will continue to maintain the conservative, security-oriented investment policy it has used to access financial markets in the past.

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

OUTLOOK

VIG has set itself a goal of continuously optimising profitability. The Group aims to generate healthy, well-considered growth and will continue to follow a profit-oriented growth policy based on this principle in the future. Vienna Insurance Group plans to continuously increase Group premiums to EUR 9.5 billion by 2019, and steadily increase result before taxes to between EUR 450 and 470 million.

The Group will focus more strongly on its underwriting result in future years and endeavour to make improvements in both the claims and expenses areas that will improve the combined ratio in the direction of 95% over the medium term. Life insurance with biometric components and regular premiums will also be further promoted. These measures are aimed at compensating for the decrease in the ordinary financial result due to the current low interest rate environment.

Vienna Insurance Group will also continue to pursue its strategic initiatives for optimising its business model, ensuring future viability and organisation and cooperation as part of its Agenda 2020. For example, Vienna Insurance Group will focus on exploiting insurance potential in the health insurance segment and optimising the profitability of motor insurance. There will also be a new focus on digitisation on the product and service side.

Vienna Insurance Group would also like to further expand its bank insurance business in the future, as bank distribution has become more important in many markets in previous years. Vienna Insurance Group recognised this trend early on and now benefits from a partnership with Erste Group, a leading banking group in Austria and the CEE region. Personal insurance typically dominates the

range of insurance products sold through banks. Vienna Insurance Group also sees a great deal of potential in sales of health and property and casualty insurance. A project group was formed with our bank insurance partner Erste Group for this purpose. The aim of the project is to optimise products, distribution and profits for the banks and insurance companies in all countries where Erste Group and Vienna Insurance Group cooperate. The focus is on customer needs and requirements, easily understandable products and integration into the bank's digitisation initiative. This also includes organisational and structural considerations on the insurance side that will improve communications and service for customers and banking partners.

CURRENT TOPICS

Increased losses due to storm "Herwart"

A strong cyclone passed through parts of Austria, the Czech Republic and Poland at the end of October 2017. From today's perspective, Vienna Insurance Group expects gross storm losses of around EUR 40 to 45 million.

Changes in the Vienna Insurance Group Managing Board

On 1 July 2017, Roland Gröll left his position in Vienna Insurance Group to become a member of the Managing Boards of Wiener Städtische and Donau Versicherung. Martin Simhandl will also be leaving the Vienna Insurance Group Managing Board on 30 June 2018. The Supervisory Board has already arranged for his successor. Liane Hirner will be appointed as a member of the Managing Board of Vienna Insurance Group for a full five-year term of office effective 1 February 2018. This ensures an orderly, long-term handover of responsibilities.

Rating confirmed

In the middle of August 2017, Standard & Poor's rating agency once again confirmed its rating of A+ with a stable outlook for Vienna Insurance Group AG Wiener Versicherung Gruppe. Its excellent capital resources continue to receive a rating of AAA, and its market leadership in Austria and Central and Eastern Europe, geographic and product-specific diversification and excellent distribution network were also noted as strengths. This means that VIG continues to enjoy the best credit rating of all companies in the ATX Index.

Subordinated bond placement

Vienna Insurance Group privately placed a EUR 200 million subordinated bond with international institutional investors on 6 April 2017. The subordinated bond can be called by VIG after 10 years and satisfies the tier 2 requirements under Solvency II. Inclusion for trading in the Third Market of the Vienna Stock Exchange will take place on 13 April 2017. Wiener Städtische also issued a EUR 250 million subordinated bond on 2 May 2017 with a maturity of 10 years. The bond satisfies Solvency II tier-2 capital requirements and was included for trading in the Third Market of the Vienna Stock Exchange on 1 June 2017.

ENSURING FUTURE VIABILITY

Vienna Insurance Group uses Poland as an innovation centre and launches the “Genesis” digitisation project

Innovation and digitisation are important elements in the new “Agenda 2020” management programme for ensuring the future viability of Vienna Insurance Group. The local Polish Group company Compensa launched the “Genesis” project, by far the most comprehensive digitisation project in the Group. The project includes all forward-looking areas concerned with digitisation and is developing concrete initiatives. These include, among other things, process automation using artificial intelligence and robot technology, loss settlement and direct policy purchase using an app, the inclusion of insurance in the digitised world of the customer and the use of IT technologies. Vienna Insurance Group will contribute part of the total planned investment of around EUR 25 million.

BUSINESS MODEL OPTIMISATION

VIG to merge Wiener Städtische and s Versicherung in Austria*

Sparkassen Versicherung (s Versicherung) will be merged with Wiener Städtische in 2018, subject to approval by the boards of the Group companies and the authorities. The merger is aimed at pooling the strengths of the two insurance companies to promote the bank insurance business. Wiener Städtische will become the largest life insurance company in Austria as a result. The s Versicherung brand will remain unchanged in the market and s Versicherung will continue to act as a central hub for insurance solutions provided through Erste Bank and the Sparkasse banks.

Merger of the Slovakian bank insurance company PSLSP with Kooperativa*

The Slovakian bank insurance company Poist'ovňa Slovenskej sporitel'ne (PSLSP) will be merged with Kooperativa poist'ovňa on 1 April 2018, subject to approval by the local authorities. Pooling the resources and expertise of the two companies will ensure optimal support for customers, the bank and insurance company.

Successful merger of Wiener Städtische Osiguranje and the AXA companies in Serbia

The merger between the Group company Wiener Städtische Osiguranje (WSO) and the two AXA companies that were acquired in the previous year was concluded in August 2017. The merger was aimed at improving VIG's market presence in Serbia. VIG announced its acquisition of the AXA Neživotno Osiguranje a.d.o. Beograd non-life company and AXA Životno Osiguranje a.d.o. Beograd life company (AXA Serbia) in July 2016 and concluded the acquisition in the same year at the end of November.

Planned merger of the Hungarian Vienna Insurance Group companies

A merger of the Hungarian VIG companies is planned. The increased size of business operations would allow operating processes to be optimised, resources to be concentrated on developments in the area of digitisation and a greater focus to be placed on taking advantage of market potential.

STRENGTHENING MARKET POSITION

VIG purchase of Merkur insurance subsidiary in Bosnia-Herzegovina*

VIG is acquiring 100% of the shares of Merkur Osiguranje d.d. (“Merkur”), a subsidiary of MERKUR International Holding AG in Bosnia-Herzegovina. The purchase agreement for the acquisition was signed on 30 October 2017. The purchase is subject to approval by the local authorities. Merkur's product range mainly consists of life insurance and is primarily distributed through financial intermediaries such as banks and insurance agents. The acquisition significantly strengthens VIG's market presence in Bosnia-Herzegovina.

Reinsurance company VIG Re opens branch in Frankfurt

The Czech Group company VIG Re in Prague opened its first branch in Frankfurt at the end of September 2017. This marks an important step in the planned expansion of the German business and provision of customer support in the DACH region (D - Germany, A - Austria, CH - Switzerland). The branch in Frankfurt focuses on reinsurance underwriting in the non-life segment and providing support for its customers in Germany, Austria and Switzerland. VIG Re's expansion of the German business represents the next stage in development that VIG announced in the spring of 2017 as part of the implementation of the strategic "Agenda 2020" work programme.

AWARDS

s Versicherung receives its sixth Recommender Award

Sparkassen Versicherung one of Austria's leading provider of life insurance products, was awarded by the FMVÖ (Finanz-Marketing-Verband Österreich) with the Recommender Award 2017 in the "Bank Insurance" category for the sixth time. 8,000 customers of Austrian banks and insurance companies were surveyed in a representative study about their readiness for recommendation.

Wiener Städtische achieves excellent results in the AssCompact Award 2017

In addition to being the winner in the traditional life insurance category of this year's AssCompact Awards, Austrian Group company Wiener Städtische also received third place for unit-linked life insurance, third place in the overall rating and bronze for casualty insurance.

Compensa receives award for best digital insurer

Polish Group company Compensa received an award in the "Best Digital Insurer" category of the sixth "Grand Gala of Banking and Insurance Leaders". The company received the award for implementing modern technologies in the work process that made Compensa the first choice for customers, employees and partners.

Bulstrad Life receives award for social involvement

Bulstrad Life received 1st place in the third "Insurers for the Society" awards organised by the Association of Bulgarian Insurers and Bulgarian Association of Insurance Brokers.

The company received the award for its long-term contribution to "Ready for Success" programme established by "BCause" Foundation and "Orphan" Foundation in 2006. The project provides financial grants for excellent school and university students - orphans or half-orphans, or living in social institutions. Bulstrad Life has been involved in the programme as one of the most dedicated supporters since 2011.

Vienna Life receives an award for innovation

An international jury awarded Polish Group company Vienna Life the Golden Statue in the "Business Intelligence Solution" category of the renowned "Stevie Awards for Sales & Customer Service". Particular recognition was given to the innovativeness and efficiency of its NAVIGO service. NAVIGO is a unique programme developed by Vienna Life to provide customers comprehensive service for their investment decisions.

* Events occurring after the balance sheet date (30 September 2017)

Capital markets & investor relations & share

CAPITAL MARKETS

International overview

Driven by high corporate earnings, favourable economic conditions and prospects of an ongoing low level of interest rates, stock markets continued to record generally positive performance in the 3rd quarter of 2017. The MSCI World Index in USD, which tracks price movements in industrialised countries, rose 4.4% in the 3rd quarter of 2017 for a gain of 14.2% since the end of 2016. The MSCI Emerging Markets Index in USD recorded an even larger gain of 7.0% in the 3rd quarter of the current year, raising the year-to-date increase to 25.5%.

Internal and external political uncertainty had almost no effect on US stock market gains in the 3rd quarter of 2017, where prices were driven by fast growing corporate earnings and lower inflation expectations. Both the Dow Jones Industrial (DJI) leading index and technology-oriented NASDAQ Composite Index have recorded a series of historical highs in the year to date, with the DJI reaching twenty new all-time highs in the 3rd quarter of 2017 alone. The Dow Jones Industrial rose 13.4% since the beginning of the year and the NASDAQ Composite 20.7%.

Price gains were somewhat smaller in Europe, where appreciation of the euro and concerns about a more restrictive European Central Bank policy caused prices to fall in the middle of the 2nd quarter of 2017. Favourable macroeconomic data and, in particular, positive corporate news led to strong price gains starting in August 2017, allowing the Eurostoxx 50 in EUR to close the 3rd quarter of 2017 with a respectable gain of 4.4% that raised the current year increase to 9.2%. Rapid growth in corporate earnings and an uninterrupted expansive central bank policy also contributed to stock market gains in Japan. The Nikkei 225 leading index rose 6.5% during the year to date, with a moderate increase of 1.6% in the 3rd quarter of 2017.

Positive economic growth in major countries and prospects of interest rates remaining low for a long period of time caused prices to soar in many emerging markets, as reflected in the gains recorded by the MSCI Emerging

Markets Index. The Eastern European CECE Index in EUR recorded similarly high growth rates as the MSCI Emerging Markets Index, gaining 5.4% in the 3rd quarter of 2017 for a year-to-date increase of 23.4%. The region benefited from strong demand and good growth in the Eurozone this year and a stable domestic economy.

Vienna Stock Exchange

The ATX leading index of the Vienna Stock Exchange continued its positive gains for the fifth quarter in a row with an increase of 6.7% in the 3rd quarter of 2017. The index rose more than a quarter since the end of 2016 to reach 3,315.97 points at the end of September 2017, making the Vienna Stock Exchange one of the fastest growing stock markets worldwide. Rapid growth in corporate earnings and generally favourable economic data increased interest in Austrian equities, which is also shown by a corresponding increase in trading volume.

INVESTOR RELATIONS

Conference activities started again following the holidays in September 2017. At Baader Bank's invitation, Vienna Insurance Group attended its investment conference in Munich. The annual CEO Conference held by Bank of America Merrill Lynch also took place in September 2017 in London, where Elisabeth Stadler had a heavy schedule with many individual and group meetings. The focus was on the strategic aspects of Agenda 2020 and investor questions on the topic of digitisation. Investor Relations also met – primarily new – institutional investors in Madrid to present VIG and its specific business model in Austria and the CEE region.

In October 2017, VIG management was represented at the European Financial Conference organised by Commerzbank in Warsaw and the traditional Erste Bank investor conference in Stegersbach, where national and international investor interest focused primarily on positive developments in Central and Eastern Europe. Information on all events, including associated presentations, is available at all times on the Internet at www.vig.com/events under Roadshows & Bank Conferences.

To provide an opportunity for investment advisors and private investors to also learn about Vienna Insurance Group's business model and potential, Investor Relations made a presentation at the stock exchange information day organised by the Vienna Stock Exchange. Around 40 participants from a wide variety of banks who frequently act as the first point of contact for private customers attended and raised interesting questions.

VIG SHARE PERFORMANCE

Vienna Insurance Group shares closed at a price of EUR 25.010 on 29 September 2017 to achieve a positive 3rd quarter (+1.3%) and further raise its good performance for the year to 17.4%. A sharp increase at the beginning of July took VIG shares to an interim high for the year of EUR 26.200 on 12 July. This was followed by a slowdown in momentum, with the price moving at a somewhat lower level parallel to the ATX Index until the end of August 2017. VIG shares then fell to EUR 24.315 at the beginning of September 2017, before returning again to a price range above EUR 25.00 by the end of the quarter. Vienna Insurance Group shares traded in a narrow range between EUR 25.00 and EUR 25.50 until the editorial deadline.

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

Key share information 1st–3rd quarter 2017

High	EUR	26.200
Low	EUR	21.590
Year-end price	EUR	25.010
Market capitalisation	EUR	3.2 billion
Dividend 2016	EUR	0.80
Average daily stock exchange trading volume*	EUR	3.0 million

*Using single counting

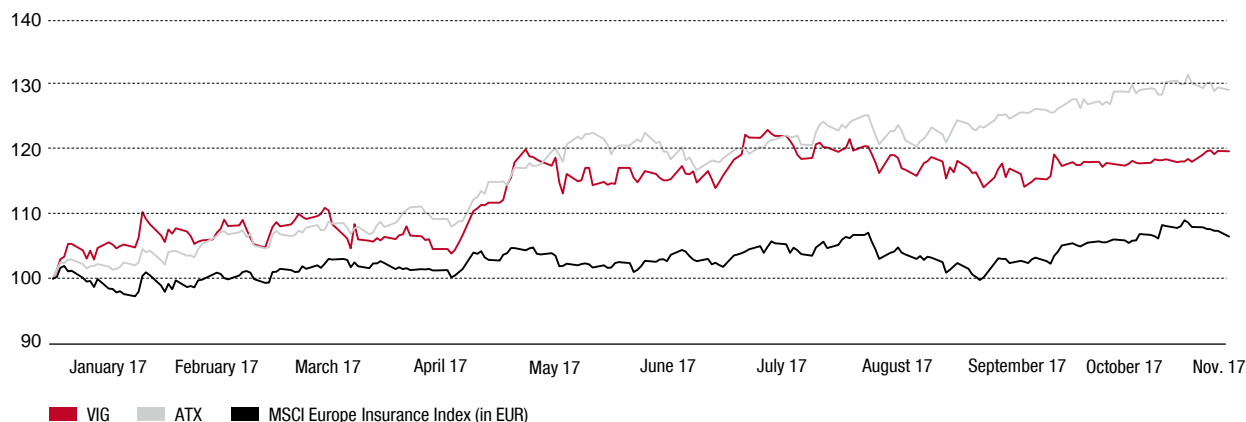
VIG financial calendar*

Preliminary results for financial year 2017	22 March 2018
Result for the year and 2017 Annual Report	18 April 2018
Annual General Meeting record date	15 May 2018
Annual General Meeting	25 May 2018
Ex-dividend date	28 May 2018
Dividend record date	29 May 2018
Results for the 1 st quarter of 2018	29 May 2018
Dividend payment day	30 May 2018
Results for the 1 st half of 2018	28 August 2018
Results for the 1 st –3 rd quarters of 2018	28 November 2018

*Preliminary schedule

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND MSCI EUROPE INSURANCE INDEX (IN EUR) 1 JANUARY 2017 TO 13 NOVEMBER 2017

Indexed (basis = 100)



Consolidated interim financial statements in accordance with IFRS

CONSOLIDATED BALANCE SHEET

Assets	Notes	30.9.2017	31.12.2016
in EUR '000			
A. Intangible assets	1		
I. Goodwill		1,547,923	1,532,190
II. Purchased insurance portfolios		31,405	43,339
III. Other intangible assets		468,000	478,971
Total intangible assets		2,047,328	2,054,500
B. Investments			
I. Land and buildings		5,675,835	5,601,623
a) Self-used property		429,025	429,484
b) Investment property		5,246,810	5,172,139
II. Shares in at equity consolidated companies		290,233	269,699
III. Financial instruments		29,678,632	28,774,934
a) Loans and other investments		3,450,620	3,396,574
b) Other securities	2	26,228,012	25,378,360
Financial instruments held to maturity		3,092,397	3,065,822
Financial instruments available for sale		22,783,356	21,851,248
Financial instruments recognised at fair value through profit and loss*		352,259	461,290
Total investments		35,644,700	34,646,256
C. Investments for unit-linked and index-linked life insurance		8,918,525	8,549,580
D. Reinsurers' share in underwriting provisions	3	1,147,357	985,211
E. Receivables	4	1,571,476	1,459,631
F. Tax receivables and advance payments out of income tax		258,124	236,940
G. Deferred tax assets		72,493	138,230
H. Other assets		364,138	347,819
I. Cash and cash equivalents		1,588,571	1,589,941
Total		51,612,712	50,008,108

*Including held for trading

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 balance sheet" section in the Notes to the consolidated financial statements starting on page 32.

CONSOLIDATED BALANCE SHEET

Liabilities and shareholders' equity	Notes	30.9.2017	31.12.2016
<i>in EUR '000</i>			
A. Shareholders' equity			
I. Share capital		132,887	132,887
II. Other capital reserves		2,109,003	2,109,003
III. Capital reserves from additional payments on hybrid capital		193,619	193,619
IV. Retained earnings		2,027,556	1,929,339
V. Other reserves		231,869	199,415
Subtotal		4,694,934	4,564,263
VI. Other non-controlling interests		111,674	114,219
VII. Non-controlling interests from non-profit societies		1,075,254	1,032,775
Total shareholders' equity		5,881,862	5,711,257
B. Subordinated liabilities		1,462,769	1,265,009
C. Underwriting provisions	6		
I. Provision for unearned premiums		1,513,979	1,282,164
II. Mathematical reserve		21,906,666	21,528,896
III. Provision for outstanding claims		5,116,082	4,815,063
IV. Provision for profit-unrelated premium refunds		59,483	63,605
V. Provision for profit-related premium refunds		1,538,535	1,491,192
VI. Other underwriting provisions		64,335	39,151
Total underwriting provisions		30,199,080	29,220,071
D. Underwriting provisions for unit-linked and index-linked life insurance		8,473,812	8,129,884
E. Non-underwriting provisions			
I. Provisions for pensions and similar obligations		495,532	518,766
II. Other provisions		293,552	296,482
Total non-underwriting provisions		789,084	815,248
F. Liabilities	7	4,201,826	4,202,585
G. Tax liabilities out of income tax		206,079	181,300
H. Deferred tax liabilities		253,460	325,150
I. Other liabilities		144,740	157,604
Total		51,612,712	50,008,108

CONSOLIDATED INCOME STATEMENT

in EUR '000	Notes	1.1.-30.9.2017	1.1.-30.9.2016
Premiums			
Premiums written – gross	8	7,152,648	6,961,765
Premiums written – reinsurers' share		-679,580	-664,906
Premiums written – retention		6,473,068	6,296,859
Change in unearned premiums – gross		-213,968	-218,507
Change in unearned premiums – reinsurers' share		66,667	80,544
Net earned premiums – retention		6,325,767	6,158,896
Financial result excluding at equity consolidated companies	9	695,860	667,872
Income from investments		1,176,957	986,895
Expenses for investments and interest expenses		-481,097	-319,023
Result from shares in at equity consolidated companies		36,211	35,348
Other income	10	131,738	122,761
Expenses for claims and insurance benefits – retention	11	-5,167,822	-5,091,459
Expenses for claims and insurance benefits – gross		-5,509,290	-5,315,827
Expenses for claims and insurance benefits – reinsurers' share		341,468	224,368
Acquisition and administrative expenses	12	-1,513,467	-1,422,353
Acquisition expenses		-1,319,124	-1,250,269
Administrative expenses		-307,466	-282,141
Reinsurance commissions		113,123	110,057
Other expenses	13	-177,055	-169,741
Result before taxes		331,232	301,324
Tax expenses/income		-65,021	-70,325
Result of the period		266,211	230,999
thereof attributable to Vienna Insurance Group shareholders		214,951	219,751
thereof other non-controlling interests		4,097	3,171
thereof non-controlling interests in non-profit societies		47,163	8,077
Result per share (annualised)*	5		
Undiluted = diluted earnings per share (in EUR)		2.15	2.17
Result of the period (Carry-forward)		266,211	230,999

*The calculation of these figures includes the aliquot portion of interest expenses for hybrid capital.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1.1.-30.9.2017	1.1.-30.9.2016
in EUR '000		
Result of the period (Carry-forward)	266,211	230,999
Other comprehensive income (OCI)		
Items that will not be reclassified to profit and loss in subsequent periods		
+/- Underwriting gains and losses from provisions for employee benefits	5,230	-26,697
+/- Deferred profit participation	-1,031	8,168
+/- Deferred taxes	-1,038	4,541
Subtotal	3,161	-13,988
Items that will be reclassified to profit or loss in subsequent periods		
+/- Exchange rate changes through equity	37,902	-2,154
+/- Unrealised gains and losses from financial instruments available for sale	-73,922	1,020,640
+/- Cash flow hedge reserve	416	2,659
+/- Share of other reserves of associated companies	1,328	27
+/- Deferred mathematical reserve	27,286	-269,543
+/- Deferred profit participation	31,947	-428,459
+/- Deferred taxes	5,628	-74,395
Subtotal	30,585	248,775
Total OCI	33,746	234,787
Total profit of the period including other comprehensive income after taxes	299,957	465,786
thereof attributable to Vienna Insurance Group shareholders	247,405	449,902
thereof other non-controlling interests	4,849	7,799
thereof non-controlling interests in non-profit societies	47,703	8,085

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER

	Notes	1.7.-30.9.2017	1.7.-30.9.2016
in EUR '000			
Premiums			
Premiums written – gross		2,180,209	2,033,657
Premiums written – reinsurers' share		-163,079	-151,623
Premiums written – retention		2,017,130	1,882,034
Change in unearned premiums – gross		128,380	130,380
Change in unearned premiums – reinsurers' share		-38,789	-45,130
Net earned premiums – retention		2,106,721	1,967,284
Financial result excluding at equity consolidated companies		230,242	243,287
Income from investments		391,145	347,179
Expenses for investments and interest expenses		-160,903	-103,892
Result from shares in at equity consolidated companies		13,474	10,480
Other income		71,895	18,877
Expenses for claims and insurance benefits – retention		-1,773,099	-1,624,420
Expenses for claims and insurance benefits – gross		-1,863,821	-1,639,172
Expenses for claims and insurance benefits – reinsurers' share		90,722	14,752
Acquisition and administrative expenses		-482,673	-449,088
Acquisition expenses		-413,850	-399,028
Administrative expenses		-101,670	-89,194
Reinsurance commissions		32,847	39,134
Other expenses		-55,871	-66,386
Result before taxes		110,689	100,034
Tax expenses/income		-16,725	-24,018
Result of the period		93,964	76,016
thereof attributable to Vienna Insurance Group shareholders		68,373	67,071
thereof other non-controlling interests		680	868
thereof non-controlling interests in non-profit societies		24,911	8,077
Result per share (annualised)*	5		
Undiluted = diluted earnings per share (in EUR)		2.04	1.97
Result of the period (Carry-forward)		93,964	76,016

*The calculation of these figures includes the aliquot portion of interest expenses for hybrid capital.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER

	1.7.-30.9.2017	1.7.-30.9.2016
in EUR '000		
Result of the period (Carry-forward)	93,964	76,016
Other comprehensive income (OCI)		
Items that will not be reclassified to profit and loss in subsequent periods		
+/- Underwriting gains and losses from provisions for employee benefits	1,844	-10,045
+/- Deferred profit participation	-344	2,928
+/- Deferred taxes	-367	1,720
Subtotal	1,133	-5,397
Items that will be reclassified to profit or loss in subsequent periods		
+/- Exchange rate changes through equity	-9,878	21,505
+/- Unrealised gains and losses from financial instruments available for sale	84,805	350,010
+/- Cash flow hedge reserve	-8	901
+/- Share of other reserves of associated companies	1,170	56
+/- Deferred mathematical reserve	-21,683	-86,038
+/- Deferred profit participation	-32,227	-135,246
+/- Deferred taxes	-6,131	-28,387
Subtotal	16,048	122,801
Total OCI	17,181	117,404
Total profit of the period including other comprehensive income after taxes	111,145	193,420
thereof attributable to Vienna Insurance Group shareholders	85,021	182,578
thereof other non-controlling interests	1,223	2,757
thereof non-controlling interests in non-profit societies	24,901	8,085

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 2016	132,887	2,109,003	193,619	1,718,620	-157,711	306,087	4,302,505
Changes in scope of consolidation/ownership interests	0	0	0	14,715	0	0	14,715
Other comprehensive income	0	0	0	219,751	-2,127	232,278	449,902
Other comprehensive income exclusive currency changes	0	0	0	0	0	232,278	232,278
Currency change	0	0	0	0	-2,127	0	-2,127
Result of the period	0	0	0	219,751	0	0	219,751
Dividend payment	0	0	0	-88,681	0	0	-88,681
As of 30. September 2016	132,887	2,109,003	193,619	1,864,405	-159,838	538,365	4,678,441
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 exclusive 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

Development	Subtotal	Non-controlling interests		Shareholders' equity
		Others	Non-profit societies	
in EUR '000				
As of 1 January 2016	4,302,505	111,995	0	4,414,500
Changes in scope of consolidation/ownership interests	14,715	1,008,586	189	1,023,490
Other comprehensive income	449,902	7,799	8,085	465,786
Other comprehensive income exclusive currency changes	232,278	4,655	8	236,941
Currency change	-2,127	-27	0	-2,154
Result of the period	219,751	3,171	8,077	230,999
Dividend payment	-88,681	-6,716	0	-95,397
As of 30. September 2016	4,678,441	1,121,664	8,274	5,808,379
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 exclusive 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

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

Composition dividend payments – retention	30.9.2017	31.12.2016
in EUR '000		
Dividends	102,400	76,800
Interest payments on the hybrid capital	15,841	15,841
Deferred taxes shown in equity	-3,960	-3,960
Total	114,281	88,681

Composition other reserves	30.9.2017	31.12.2016
in EUR '000		
Unrealised gains and losses	522,447	531,956
Cash flow hedge reserve	41	-68
Underwriting gains and losses from provisions for employee benefits	-145,697	-148,749
Share of other reserves of associated companies	-1,121	-2,351
Total	375,670	380,788

Unrealised gains and losses	30.9.2017	31.12.2016
in EUR '000		
Bonds	2,257,849	2,463,824
Shares and other participations	225,120	170,005
Investment funds	137,251	58,767
Subtotal	2,620,220	2,692,596
+/- Exchange rate changes from financial instruments available for sale	9,320	10,866
+/- Deferred mathematical reserve	-901,579	-928,865
+/- Deferred profit participation	-1,041,922	-1,073,869
+/- Deferred taxes	-154,300	-159,695
+/- Other non-controlling interests	-9,292	-9,077
Total	522,447	531,956

Cash flow hedge reserve	30.9.2017	31.12.2016
in EUR '000		
Cash flow hedge reserve	-2,697	-3,113
+/- Deferred taxes	0	-233
+/- Non-controlling interests for non-profit societies	2,738	3,278
Total	41	-68

Underwriting gains and losses from provisions for employee benefits	30.9.2017	31.12.2016
in EUR '000		
Pension provision and severance provision	-294,752	-299,982
+/- Deferred profit participation	89,306	90,337
+/- Deferred taxes	48,117	49,155
+/- Other non-controlling interests	1,504	1,613
+/- Non-controlling interests for non-profit societies	10,128	10,128
Total	-145,697	-148,749

Share of other reserves of associated companies	30.9.2017	31.12.2016
in EUR '000		
Share of other reserves of associated companies	-1,204	-2,532
+/- Other non-controlling interests	83	181
Total	-1,121	-2,351

Currency reserve	30.9.2017	31.12.2016
in EUR '000		
Currency reserve	-145,156	-183,058
+/- Other non-controlling interests	1,355	1,685
Total	-143,801	-181,373

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE REPORTING PERIOD

	1.1.-30.9.2017	1.1.-30.9.2016
in EUR '000		
Result of the period	266,211	230,999
Change in underwriting provisions net	774,403	764,608
Change in underwriting receivables and liabilities	-182,851	-277,483
Change in deposit receivables and liabilities as well as in reinsurance receivables and liabilities	77,246	15,315
Change in other receivables and liabilities	-73,187	55,862
Change in securities held for trading	124,782	49,067
Gain/loss from disposal of investments	-86,849	-69,716
Depreciation/appreciation of all other investments	119,979	47,967
Change in pension, severance and other personnel provisions	-24,297	25,512
Change in deferred tax asset/liability excl. tax liabilities	237	4,504
Change in other balance sheet items	-31,317	-56,919
Change in goodwill and other intangible assets	64,960	54,812
Other cash-neutral income and expenses and adjustments to the result of the period ¹	-75,084	79,039
Cash flow from operating activities	954,233	923,567
Cash inflow from the sale of associated companies	0	6,840
Payments for the acquisition of subsidiaries	-37,626	-3,057
Cash inflow from the sale of available for sale securities	2,257,306	2,476,936
Payments for the acquisition of available for sale securities	-3,152,441	-3,064,267
Cash inflow from the disposals/repayments of held to maturity securities	153,832	132,514
Payments for the addition of held to maturity securities	-93,879	-113,356
Cash inflow from the sale of land and buildings	37,846	2,216
Payments for the acquisition of land and buildings	-176,475	-179,494
Cash inflow for the sale of intangible assets	2,899	234
Payments for the acquisition of intangible assets	-44,443	-24,179
Change in unit-linked and index-linked life insurance items	18,251	-113,884
Change in other investments	-63,493	328,983
Cash flow from investing activities	-1,098,223	-550,514
Increase in subordinated liabilities	450,000	0
Decrease of subordinated liabilities	-253,055	-9,300
Dividend payments	-130,123	-95,397
Cash inflow from other financing activities	147,288	11,637
Cash outflow from other financing activities	-74,798	-41,027
Cash flow from financing activities	139,312	-134,087
Change in cash and cash equivalents	-4,678	238,966
Cash and cash equivalents at beginning of period²	1,589,941	1,101,212
Change in cash and cash equivalents	-4,678	238,966
Additions/disposals from change in consolidation method	0	162,233
Effects of foreign currency exchange differences on cash and cash equivalents	3,308	-1,621
Cash and cash equivalents at end of period²	1,588,571	1,500,790
thereof non-profit societies	118,823	160,094

¹ The non-cash income and expenses are primarily the result of 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.

Additional information on Cash Flow Statement	1.1.-30.9.2017	1.1.-30.9.2016
in EUR '000		
Received interest ⁴	581,354	626,683
Received dividends ⁴	109,660	119,802
Interest paid ³	54,535	37,701
Income taxes paid ⁴	48,147	26,128

³ Interest paid result primarily from financing activities.

⁴ Income tax payments, received dividends and received interest are included in the cash flow from operating activities.

Notes to the consolidated interim financial statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for the 1st–3rd quarters of 2017 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).

They are in compliance with IAS 34 “Interim Financial Reporting”. 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.

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

New standards and changes to current reporting standards		Applicable as of
Those already adopted by the EU		
Amendments to IAS 7	Changes to the statement of cash flows	1.1.2017
IFRS 15	Revenue from contracts with customers	1.1.2018
Clarification of IFRS 15	Clarifications concerning revenue from contracts with customers	1.1.2018
IFRS 16	Leases	1.1.2019
IFRS 9	Financial instruments	1.1.2018 [*]
Amendments to IFRS 4	Application of IFRS 9 Financial Instruments in conjunction with IFRS 4 Insurance Contracts	1.1.2018
Amendments to IAS 12	Recognition of deferred tax assets for unrealised losses	1.1.2017
Those 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
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	deferred
Amendments to IFRS 2	Clarifications and measurement of share-based payments	1.1.2018
All IFRS	Annual improvements (cycle 2014–2016)	1.1.2017 or 1.1.2018
IFRIC 22	Foreign currency transactions and advance consideration	1.1.2018
Amendments to IAS 40	Classification of property under construction	1.1.2018
IFRIC 23	Uncertainty over income tax treatments	1.1.2019
Amendments to IFRS 9	Prepayment features with negative compensation	1.1.2019
Amendments to IAS 28	Clarification for application of impairment requirements to long-term interests	1.1.2019

^{*}The first time adoption for insurance companies can be delayed to 1 January 2021.

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

IFRS 17 “Insurance contracts”, which was submitted to EFRAG for endorsement, will be applicable retrospectively on 1 January 2021. Although IFRS 17 can be expected to have a material effect on the Group’s financial reporting, the effect cannot currently be quantified due to the high level of complexity.

The new requirements in IFRS 16 primarily concern the accounting presentation of leases by the lessee. The Group does not expect any significant effect on the result before taxes. The effects on the balance sheet of recognising the liability and the right of use are still being examined.

The amendment to IFRS 9 can be expected to lead to considerably higher volatility of profit for the period. Further amendments which are likely to have greater effects on VIG primarily concern the treatment of interest clauses in debt instruments and the treatment of impairment. It must be noted that there is an amendment to IFRS 4 that allows insurance companies to apply IFRS 9 at the same time as IFRS 17 for insurance contracts after performing a test. In this case, the date of first application for IFRS 9 is no later than 1 January 2021. VIG has performed the predominance test and the Group satisfies the criteria for deferring application of IFRS 9.

Foreign currency translation

FOREIGN CURRENCY TRANSACTIONS

The separate financial statements of each Group subsidiary are prepared in the currency that generally prevails for the ordinary business activities of the company (functional currency). Transactions not concluded in the functional currency are recognised using the mean rate of exchange on the date of the transaction. Monetary assets and liabilities in foreign currency existing on the balance sheet date are translated to euros using the mean rate of exchange on the balance sheet date. Any resulting foreign currency gains and losses are recognised in profit or loss during the reporting period.

TRANSLATION OF SEPARATE FINANCIAL STATEMENTS IN FOREIGN CURRENCIES

These interim financial statements present assets, liabilities, income and expenses in euros, the reporting currency of VIG. All assets and liabilities reported in the separate financial statements are translated to euros using the mean rate of exchange on the balance sheet date. Items in the income statement are translated using the average month-end mean rate of exchange during the reporting period. In the statement of cash flows, the mean rate of exchange on the balance sheet date is used for changes in balance sheet items, and the mean rate of exchange at the end of the period is used for income statement items. Unless otherwise indicated, all of the financial information presented in euros has been commercially rounded up or down. Currency translation differences, including those that result from accounting using the equity method, are recognised directly in equity.

Name	Currency	Period-end exchange rate		Average exchange rate	
		30.9.2017	31.12.2016	1.1.-30.9.2017	1.1.-30.9.2016
		1 EUR ≙	1 EUR ≙	1 EUR ≙	1 EUR ≙
Albanian lek	ALL	133.7000	135.2300	134.3349	137.7784
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	2.9252	2.7940	2.7620	2.5925
Croatian kuna	HRK	7.4950	7.5597	7.4411	7.5368
Macedonian denar	MKD	61.4680	61.4812	61.5939	61.6287
Moldovan leu	MDL	20.7465	20.8895	20.9524	22.1929
Turkish new lira	TRY	4.2013	3.7072	4.0031	3.2766
Polish zloty	PLN	4.3042	4.4103	4.2651	4.3582
Romanian leu	RON	4.5993	4.5390	4.5523	4.4850
Swiss franc	CHF	1.1457	1.0739	1.0951	1.0936
Serbian dinar	RSD	119.3659	123.4723	122.1763	123.0463
Czech koruna	CZK	25.9810	27.0210	26.5475	27.0361
Ukraine hryvnia	UAH	31.2365	28.4226	29.4746	28.4398
Hungarian forint	HUF	310.6700	309.8300	308.4044	312.1330
Belarusian ruble	BYR	2.3141	2.0450	2.1293	2.2360

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) 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 TO THE SCOPE OF CONSOLIDATION

Acquired companies are added to the scope of consolidation based on internal Group guidelines. The guidelines include quantitative thresholds and criteria that take into account IFRS 10. Detailed information on the criteria and procedure is provided in the Group Annual Report for 2016 starting on page 128.

The following changes were made to the scope of consolidation during the reporting period:

Expansion of the scope of consolidation ¹	Acquisition Date	Shares in %	First time consolidation Date	Method
Axa Life Rumänien ²	2016	100.00	1.7.2017	full consolidation
CP Solutions	2017	100.00	1.9.2017	full consolidation
Porzellangasse 4 Liegenschaftsverwaltung	2017	100.00	1.7.2017	full consolidation
Prazska softwarova	2017	100.00	1.7.2017	at-equity consolidation

¹ Unless indicated otherwise, no goodwill exists.

² The profit from acquisition is reported in the income statement as other non-underwriting income.

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 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

The non-profit societies have the following balance sheet effects:

Assets	30.9.2017	thereof non-profit societies
in EUR '000		
A. Intangible assets	2,047,328	1,297
B. Investments	35,644,700	3,761,949
C. Investments for unit-linked and index-linked life insurance	8,918,525	0
D. Reinsurers' share in underwriting provisions	1,147,357	0
E. Receivables	1,571,476	61,677
F. Tax receivables and advance payments out of income tax	258,124	0
G. Deferred tax assets	72,493	232
H. Other assets	364,138	5,039
I. Cash and cash equivalents	1,588,571	118,823
Total	51,612,712	3,949,017

*incl. their subsidiaries

Liabilities and shareholders' equity	30.9.2017	thereof non-profit societies
in EUR '000		
B. Subordinated liabilities	1,462,769	0
C. Underwriting provisions	30,199,080	0
D. Underwriting provisions for unit-linked and index-linked life insurance	8,473,812	0
E. Non-underwriting provisions	789,084	43,796
F. Liabilities	4,201,826	2,660,695
G. Tax liabilities out of income tax	206,079	6
H. Deferred tax liabilities	253,460	0
I. Other liabilities	144,740	122
Subtotal	45,730,850	2,704,619
Shareholders' equity	5,881,862	
Total	51,612,712	2,704,619

*incl. their subsidiaries

Income statement	1.1.-30.9.2017	thereof non-profit societies*
in EUR '000		
Premiums written – gross	7,152,648	0
Net earned premiums – retention	6,325,767	0
Financial result excluding at equity consolidated companies	695,860	48,356
Income from investments	1,176,957	210,768
Expenses for investments and interest expenses	-481,097	-162,412
Result from shares in at equity consolidated companies	36,211	0
Other income	131,738	0
Expenses for claims and insurance benefits – retention	-5,167,822	0
Acquisition and administrative expenses	-1,513,467	0
Other expenses	-177,055	-1,689
Result before taxes	331,232	46,667
Tax expenses/income	-65,021	164
Result of the period	266,211	46,831

*incl. their subsidiaries

SEGMENT REPORTING

DETERMINATION OF REPORTABLE SEGMENTS

The segments were determined in accordance with IFRS 8 Operating segments based on internal reporting to the principal decision-maker. The individual markets in which the Group operates were identified as the operating segments. The Group Managing Board, the principal decision-maker, regularly evaluates earning power based on the segments and decides on the allocation of resources to the segments. The focus on countries is also reflected in the country responsibilities of the members of the VIG Managing Board. The countries Estonia, Latvia and Lithuania are combined in the Baltic States operating segment, and Albania and Kosovo are combined in the Albania incl. Kosovo operating segment when reporting to the Managing Board. The countries of Turkey and Georgia are also combined into one reporting segment.

The reportable segments were determined using the aggregation criteria in IFRS 8.12 and IFRS 8.14 and the defined quantitative thresholds in IFRS 8.13.

GENERAL INFORMATION ON SEGMENT REPORTING

Like transactions with third parties, transfer prices between reportable segments are determined using market prices. Intragroup transactions between segments are eliminated in the consolidation column. The only exception is dividends and intercompany profits, which are eliminated in each segment.

Further information on segment reporting is available in the Group Annual Report for 2016 starting on page 136.

CONSOLIDATED BALANCE SHEET BY SEGMENT

Assets	Austria		Czech Republic		Slovakia	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
in EUR '000						
A. Intangible assets	363,995	357,481	487,224	434,563	118,577	117,179
B. Investments	22,337,240	21,811,944	3,269,979	3,099,805	1,278,732	1,247,048
C. Investments for unit-linked and index-linked life insurance	5,782,512	5,581,420	339,040	300,123	217,583	199,144
D. Reinsurers' share in underwriting provisions	505,383	379,602	102,334	100,134	50,077	58,039
E. Receivables	600,339	624,222	129,670	117,146	60,968	58,915
F. Tax receivables and advance payments out of income tax	38,586	30,937	6,323	9,290	3,178	4,726
G. Deferred tax assets	5,789	66,186	5,552	3,913	4,906	4,321
H. Other assets	129,920	146,056	159,778	136,641	7,718	7,221
I. Cash and cash equivalents	854,938	728,287	117,000	169,692	61,358	45,748
Total	30,618,702	29,726,135	4,616,900	4,371,307	1,803,097	1,742,341

Assets	Poland		Romania		Baltic states	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
in EUR '000						
A. Intangible assets	142,263	138,792	197,537	199,247	132,733	141,066
B. Investments	891,407	854,330	667,298	588,776	366,633	323,192
C. Investments for unit-linked and index-linked life insurance	915,215	774,197	177,944	208,854	48,112	41,910
D. Reinsurers' share in underwriting provisions	52,627	51,284	36,172	29,399	17,182	17,328
E. Receivables	151,749	129,874	163,098	156,642	50,868	37,830
F. Tax receivables and advance payments out of income tax	4,370	5,765	2,147	2,176	1,057	721
G. Deferred tax assets	4,785	5,485	21,062	20,357	1,622	1,878
H. Other assets	8,869	8,652	11,119	6,651	4,461	3,861
I. Cash and cash equivalents	14,804	21,292	10,375	8,954	45,297	54,233
Total	2,186,089	1,989,671	1,286,752	1,221,056	667,965	622,019

Assets	Hungary		Bulgaria		Turkey/Georgia	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
in EUR '000						
A. Intangible assets	26,313	26,188	184,662	191,141	23,810	25,276
B. Investments	155,744	161,548	166,880	154,317	101,228	98,446
C. Investments for unit-linked and index-linked life insurance	409,023	405,665	3,259	1,420	0	0
D. Reinsurers' share in underwriting provisions	12,673	9,895	19,787	19,699	68,238	65,948
E. Receivables	18,852	17,822	47,645	37,195	61,841	53,437
F. Tax receivables and advance payments out of income tax	80	29	21	4	331	11
G. Deferred tax assets	134	165	1,121	1,124	2,251	2,151
H. Other assets	6,700	6,480	2,008	2,109	2,069	993
I. Cash and cash equivalents	6,758	2,411	18,954	11,906	22,872	23,832
Total	636,277	630,203	444,337	418,915	282,640	270,094

Assets	Remaining CEE		Other Markets		Central Functions		Total	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
in EUR '000								
A. Intangible assets	96,441	95,612	1,258	1,366	272,515	326,589	2,047,328	2,054,500
B. Investments	804,747	741,254	635,010	611,842	4,969,802	4,953,754	35,644,700	34,646,256
C. Investments for unit-linked and index-linked life insurance	81,329	74,307	944,508	962,540	0	0	8,918,525	8,549,580
D. Reinsurers' share in underwriting provisions	30,863	27,446	6,214	6,831	245,807	219,606	1,147,357	985,211
E. Receivables	71,150	69,779	13,983	15,603	201,313	141,166	1,571,476	1,459,631
F. Tax receivables and advance payments out of income tax	2,285	1,373	2,433	2,372	197,313	179,536	258,124	236,940
G. Deferred tax assets	3,474	3,323	982	987	20,815	28,340	72,493	138,230
H. Other assets	13,044	9,720	4,101	4,333	14,351	15,102	364,138	347,819
I. Cash and cash equivalents	23,489	25,433	35,409	47,454	377,317	450,699	1,588,571	1,589,941
Total	1,126,822	1,048,247	1,643,898	1,653,328	6,299,233	6,314,792	51,612,712	50,008,108

The investments included shares in at equity consolidated companies of EUR 249,953,000 in Austria (EUR 230,235,000), EUR 29,013,000 in the Czech Republic (EUR 28,022,000), and EUR 11,267,000 in the Central Functions segment (EUR 11,442,000).

Liabilities and shareholders' equity	Austria		Czech Republic		Slovakia	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
in EUR '000						
B. Subordinated liabilities	341,600	97,020	21,169	20,355	0	0
C. Underwriting provisions	22,141,902	21,634,337	3,007,144	2,926,311	1,117,810	1,046,660
D. Underwriting provisions for unit-linked and index-linked life insurance	5,512,195	5,320,409	204,557	168,628	231,661	215,728
E. Non-underwriting provisions	503,883	556,954	4,454	4,220	2,970	2,171
F. Liabilities	573,332	682,072	268,117	198,158	86,392	83,797
G. Tax liabilities out of income tax	182,223	164,337	13,759	9,262	3,138	98
H. Deferred tax liabilities	165,318	230,549	26,798	26,922	12,979	14,054
I. Other liabilities	81,558	91,125	17,023	11,612	8,642	8,409
Subtotal	29,502,011	28,776,803	3,563,021	3,365,468	1,463,592	1,370,917

Liabilities and shareholders' equity	Poland		Romania		Baltic states	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
in EUR '000						
B. Subordinated liabilities	0	0	0	0	0	0
C. Underwriting provisions	802,179	755,047	593,691	504,808	364,198	329,940
D. Underwriting provisions for unit-linked and index-linked life insurance	877,722	745,124	177,204	208,092	48,112	41,910
E. Non-underwriting provisions	9,953	8,358	20,342	11,283	281	2,039
F. Liabilities	77,168	91,307	79,162	85,561	35,049	29,129
G. Tax liabilities out of income tax	139	77	0	0	951	56
H. Deferred tax liabilities	23,515	19,847	0	0	8,944	10,333
I. Other liabilities	14,300	18,630	4,089	8,117	399	2,203
Subtotal	1,804,976	1,638,390	874,488	817,861	457,934	415,610

Liabilities and shareholders' equity	Hungary		Bulgaria		Turkey/Georgia	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
in EUR '000						
B. Subordinated liabilities	0	0	0	0	0	0
C. Underwriting provisions	147,182	127,540	155,841	143,365	189,838	178,515
D. Underwriting provisions for unit-linked and index-linked life insurance	397,788	392,680	3,398	1,420	0	0
E. Non-underwriting provisions	4,407	4,964	23,253	19,142	3,743	4,857
F. Liabilities	17,324	18,289	21,005	15,214	27,042	29,798
G. Tax liabilities out of income tax	254	213	340	214	293	572
H. Deferred tax liabilities	1,069	1,010	1,451	1,809	87	4
I. Other liabilities	2,540	2,609	281	178	1,959	2,062
Subtotal	570,564	547,305	205,569	181,342	222,962	215,808

Liabilities and shareholders' equity	Remaining CEE		Other Markets		Central Functions		Total	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
in EUR '000								
B. Subordinated liabilities	0	0	0	0	1,100,000	1,147,634	1,462,769	1,265,009
C. Underwriting provisions	739,837	684,490	603,463	583,345	335,995	305,713	30,199,080	29,220,071
D. Underwriting provisions for unit-linked and index-linked life insurance	81,329	74,307	939,846	961,586	0	0	8,473,812	8,129,884
E. Non-underwriting provisions	7,380	7,455	7,439	8,863	200,979	184,942	789,084	815,248
F. Liabilities	36,229	38,654	30,503	40,657	2,950,503	2,889,949	4,201,826	4,202,585
G. Tax liabilities out of income tax	1,905	1,155	0	1	3,077	5,315	206,079	181,300
H. Deferred tax liabilities	2,902	2,223	734	867	9,663	17,532	253,460	325,150
I. Other liabilities	12,103	9,959	2	21	1,844	2,679	144,740	157,604
Subtotal	881,685	818,243	1,581,987	1,595,340	4,602,061	4,553,764	45,730,850	44,296,851
Shareholders' equity							5,881,862	5,711,257
Total							51,612,712	50,008,108

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.-30.9.17	1.1.-30.9.16	1.1.-30.9.17	1.1.-30.9.16	1.1.-30.9.17	1.1.-30.9.16	1.1.-30.9.17	1.1.-30.9.16
in EUR '000								
Premiums written – gross	3,009,649	3,107,440	1,206,468	1,156,739	589,189	547,921	675,184	616,527
Net earned premiums – retention	2,380,250	2,481,264	896,553	861,469	486,299	444,520	541,412	502,661
Financial result excluding at equity consolidated companies	524,559	525,797	67,045	64,333	40,560	40,595	24,207	26,767
Income from investments	655,438	660,973	102,093	95,307	43,809	43,262	33,577	34,373
Expenses for investments and interest expenses	-130,879	-135,176	-35,048	-30,974	-3,249	-2,667	-9,370	-7,606
Result from shares in at equity consolidated companies	32,535	30,470	2,181	1,670	0	0	0	0
Other income	14,343	13,262	33,934	43,880	6,693	9,164	4,332	13,462
Expenses for claims and insurance benefits – retention	-2,335,998	-2,448,189	-589,798	-556,243	-398,144	-363,795	-410,806	-396,776
Acquisition and administrative expenses	-492,897	-478,024	-270,146	-267,360	-76,367	-70,091	-114,741	-117,323
Other expenses	-17,124	-21,161	-26,115	-33,600	-19,147	-20,763	-13,413	-11,477
Result before taxes	105,668	103,419	113,654	114,149	39,894	39,630	30,991	17,314
Tax expenses/income	-23,511	-37,845	-23,359	-23,245	-11,472	-10,562	-7,054	-4,486
Result of the period	82,157	65,574	90,295	90,904	28,422	29,068	23,937	12,828

	Romania		Baltic states		Hungary		Bulgaria	
	1.1.-30.9.17	1.1.-30.9.16	1.1.-30.9.17	1.1.-30.9.16	1.1.-30.9.17	1.1.-30.9.16	1.1.-30.9.17	1.1.-30.9.16
in EUR '000								
Premiums written – gross	373,364	391,779	239,712	104,517	171,843	161,994	119,566	107,839
Net earned premiums – retention	278,226	253,371	178,962	80,838	121,757	117,278	83,075	73,790
Financial result excluding at equity consolidated companies	9,969	9,508	4,719	4,193	4,928	5,326	8,341	9,057
Income from investments	14,124	14,660	6,222	5,561	6,408	6,763	20,161	19,535
Expenses for investments and interest expenses	-4,155	-5,152	-1,503	-1,368	-1,480	-1,437	-11,820	-10,478
Result from shares in at equity consolidated companies	0	0	0	0	0	0	0	0
Other income	12,752	5,348	1,470	3,170	1,992	1,544	5,574	793
Expenses for claims and insurance benefits – retention	-191,707	-168,365	-125,349	-63,604	-86,390	-87,446	-48,579	-45,603
Acquisition and administrative expenses	-77,973	-73,940	-50,025	-25,303	-30,124	-25,845	-28,728	-23,820
Other expenses	-22,367	-19,520	-10,977	-7,112	-8,694	-8,080	-13,961	-8,895
Result before taxes	8,900	6,402	-1,200	-7,818	3,469	2,777	5,722	5,322
Tax expenses/income	-256	-1,432	59	1,111	-262	-110	-464	-480
Result of the period	8,644	4,970	-1,141	-6,707	3,207	2,667	5,258	4,842

	Turkey/Georgia		Remaining CEE		Other Markets	
	1.1.-30.9.17	1.1.-30.9.16	1.1.-30.9.17	1.1.-30.9.16	1.1.-30.9.17	1.1.-30.9.16
in EUR '000						
Premiums written – gross	154,724	160,710	263,149	240,441	228,513	269,375
Net earned premiums – retention	76,903	75,811	183,806	166,275	195,971	239,013
Financial result excluding at equity consolidated companies	6,730	5,167	20,062	26,180	15,373	13,645
Income from investments	9,771	8,502	31,459	31,859	17,235	15,435
Expenses for investments and interest expenses	-3,041	-3,335	-11,397	-5,679	-1,862	-1,790
Result from shares in at equity consolidated companies	0	0	0	0	0	0
Other income	3,431	2,291	10,650	3,637	35,897	9,079
Expenses for claims and insurance benefits – retention	-63,120	-57,857	-123,922	-109,998	-189,774	-209,301
Acquisition and administrative expenses	-15,334	-16,286	-68,071	-61,445	-16,552	-15,142
Other expenses	-1,715	-2,251	-10,168	-13,018	-20,596	-20,613
Result before taxes	6,895	6,875	12,357	11,631	20,319	16,681
Tax expenses/income	-1,270	-2,556	-3,077	-3,054	-5,114	-4,016
Result of the period	5,625	4,319	9,280	8,577	15,205	12,665

	Central Functions		Consolidation		Total	
	1.1.-30.9.17	1.1.-30.9.16	1.1.-30.9.17	1.1.-30.9.16	1.1.-30.9.17	1.1.-30.9.16
in EUR '000						
Premiums written – gross	1,068,130	1,019,001	-946,843	-922,518	7,152,648	6,961,765
Net earned premiums – retention	901,234	855,323	1,319	7,283	6,325,767	6,158,896
Financial result excluding at equity consolidated companies	-30,621	-62,560	-12	-136	695,860	667,872
Income from investments	280,018	94,324	-43,358	-43,659	1,176,957	986,895
Expenses for investments and interest expenses	-310,639	-156,884	43,346	43,523	-481,097	-319,023
Result from shares in at equity consolidated companies	1,495	3,208	0	0	36,211	35,348
Other income	1,235	17,161	-565	-30	131,738	122,761
Expenses for claims and insurance benefits – retention	-604,563	-584,191	328	-91	-5,167,822	-5,091,459
Acquisition and administrative expenses	-268,451	-240,158	-4,058	-7,616	-1,513,467	-1,422,353
Other expenses	-15,572	-3,871	2,794	620	-177,055	-169,741
Result before taxes	-15,243	-15,088	-194	30	331,232	301,324
Tax expenses/income	10,759	16,350	0	0	-65,021	-70,325
Result of the period	-4,484	1,262	-194	30	266,211	230,999

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. INTANGIBLE ASSETS

Composition	30.9.2017	31.12.2016
<i>in EUR '000</i>		
Goodwill	1,547,923	1,532,190
Purchased insurance portfolios	31,405	43,339
Other intangible assets	468,000	478,971
Purchased software	389,922	395,761
Other	78,078	83,210
Total	2,047,328	2,054,500

Development of goodwill	30.9.2017	31.12.2016
<i>in EUR '000</i>		
Acquisition costs	1,884,782	1,838,652
Cumulative impairment as of 31.12. of previous years	-352,592	-349,613
Book value as of 31.12. of the previous year	1,532,190	1,489,039
Exchange rate changes	15,733	-7,332
Book value as of 1.1.	1,547,923	1,481,707
Additions	0	55,082
Impairments	0	-4,599
Book value as of 30.9. and 31.12. respectively	1,547,923	1,532,190
Cumulative appreciation/depreciation as of 30.9. and 31.12. respectively	351,003	352,592
Acquisition costs	1,898,926	1,884,782

2. OTHER SECURITIES

Development	Held to maturity (incl. reclassified)		Available for sale		Held for trading		Recognised at fair value through profit and loss	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
in EUR '000								
Acquisition costs	3,063,233	3,080,231						
Cumulative depreciation as of 31.12. of the previous years	2,589	-14,116						
Book value as of 31.12. of the previous year	3,065,822	3,066,115	21,851,248	20,649,481	131,400	171,410	329,890	229,374
Exchange rate changes	90,348	-6,265	14,163	-10,417	2,756	-2,769	1,208	24
Book value as of 1.1.	3,156,170	3,059,850	21,865,411	20,639,064	134,156	168,641	331,098	229,398
Reclassifications	0	0	-7,851	11,186	-3,180	-14	1,827	11,273
Additions	90,131	192,014	3,155,304	3,887,838	51,048	103,090	83,448	199,800
Disposals/repayments	-153,782	-186,151	-2,246,310	-3,234,330	-74,774	-135,619	-173,793	-225,915
Change in scope of consolidation	0	0	46,886	3,877	0	0	0	111,101
Changes in value recognised in profit and loss	0	187	0	20,820	-108	-4,698	2,537	4,233
Changes recognised directly in equity	0	0	-27,238	546,944	0	0	0	0
Impairments	-122	-78	-2,846	-24,151	0	0	0	0
Book value as of 30.9. and 31.12. respectively	3,092,397	3,065,822	22,783,356	21,851,248	107,142	131,400	245,117	329,890
Cumulative appreciation/depreciation as of 30.9. and 31.12. respectively	-542	-2,589						
Acquisition costs	3,091,855	3,063,233						

3. REINSURERS' SHARE IN UNDERWRITING PROVISIONS

Composition	30.9.2017	31.12.2016
in EUR '000		
Provision for unearned premiums	209,451	149,918
Mathematical reserve	40,397	40,141
Provision for outstanding claims	885,898	781,567
Provision for profit-unrelated premium refunds	8,885	11,291
Other underwriting provisions	2,726	2,294
Total	1,147,357	985,211

4. RECEIVABLES

Composition	30.9.2017	31.12.2016
in EUR '000		
Underwriting	821,177	794,974
Receivables from direct insurance business	715,964	651,748
from policyholders	572,473	486,109
from insurance intermediaries	95,576	109,638
from insurance companies	47,915	56,001
Receivables from reinsurance business	105,213	143,226
Non-underwriting	750,299	664,657
Other receivables	750,299	664,657
Total	1,571,476	1,459,631

5. EARNINGS PER SHARE (ANNUALISED)

Under IAS 33.10, basic earnings per share “shall be calculated by dividing profit or loss attributable to common shareholders of the parent entity (the numerator) by the weighted average number of common shares outstanding (the denominator) during the period.”

		1.1.-30.9.2017		1.1.-30.9.2016	
Result of the period	in EUR '000	266,211	in EUR '000	230,999	
Other non-controlling interests in net result for the period	in EUR '000	-4,097	in EUR '000	-3,171	
Non-controlling interests in non-profit societies in net result for the period	in EUR '000	-47,163	in EUR '000	-8,077	
Result for the period less non-controlling interests	in EUR '000	214,951	in EUR '000	219,751	
Accrued interest expenses for hybrid capital	in EUR '000	8,854	in EUR '000	11,862	
Number of shares at closing date	units	128,000,000	units	128,000,000	
Earnings per share (annualised)	EUR	2.15	EUR	2.17	

		1.7.-30.9.2017		1.7.-30.9.2016	
Result of the period	in EUR '000	93,964	in EUR '000	76,016	
Other non-controlling interests in net result for the period	in EUR '000	-680	in EUR '000	-868	
Non-controlling interests in non-profit societies in net result for the period	in EUR '000	-24,911	in EUR '000	-8,077	
Result for the period less non-controlling interests	in EUR '000	68,373	in EUR '000	67,071	
Accrued interest expenses for hybrid capital	in EUR '000	2,962	in EUR '000	3,984	
Number of shares at closing date	units	128,000,000	units	128,000,000	
Earnings per share (annualised)	EUR	2.04	EUR	1.97	

Since there were no potential dilution effects in either the comparative period or the current reporting period, the basic earnings per share equal the diluted earnings per share.

6. UNDERWRITING PROVISION – GROSS

Composition	30.9.2017	31.12.2016
in EUR '000		
Provision for unearned premiums	1,513,979	1,282,164
Mathematical reserve	21,906,666	21,528,896
Guaranteed policy benefits	20,215,462	19,791,408
Allocated and committed profit shares	789,625	808,622
Deferred actuarial reserve	901,579	928,866
Provision for outstanding claims	5,116,082	4,815,063
Provision for premium refunds	1,598,018	1,554,797
Profit-related premium refunds	338,647	297,704
Profit-unrelated premium refunds	59,483	63,605
Deferred profit participation recognised through profit and loss*	247,272	209,956
Deferred profit participation recognised directly in equity*	952,616	983,532
Other underwriting provisions	64,335	39,151
Total	30,199,080	29,220,071

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

7. LIABILITIES

Composition	30.9.2017	31.12.2016
in EUR '000		
Underwriting	771,102	852,885
Liabilities from direct business	534,022	653,676
to policyholders	328,286	442,872
to insurance intermediaries	172,103	175,597
to insurance companies	33,633	35,207
Liabilities from reinsurance business	190,246	144,063
Deposits from ceded reinsurance business	46,834	55,146
Non-underwriting	3,430,724	3,349,700
Liabilities to financial institutions	1,313,408	1,304,901
Other liabilities	2,117,316	2,044,799
Total	4,201,826	4,202,585

NOTES TO THE CONSOLIDATED INCOME STATEMENT

8. PREMIUMS WRITTEN

Premiums written	1.1.-30.9.2017						
Gross	Motor own damage insurance	Motor third party liability insurance	Other property and casualty insurance	Life insurance – regular premium	Life insurance – single premium	Health insurance	Total
<i>in EUR '000</i>							
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

Premiums written	1.1.-30.9.2016						
Gross	Motor own damage insurance	Motor third party liability insurance	Other property and casualty insurance	Life insurance – regular premium	Life insurance – single premium	Health insurance	Total
<i>in EUR '000</i>							
Austria	210,926	253,639	1,035,782	936,709	376,397	293,987	3,107,440
Czech Republic	156,645	199,723	317,476	395,530	77,269	10,096	1,156,739
Slovakia	74,222	100,819	88,478	118,764	160,071	5,567	547,921
Poland	92,201	108,042	141,724	153,074	114,162	7,324	616,527
Romania	81,022	189,518	69,261	31,988	16,971	3,019	391,779
Baltic states	11,228	23,802	11,527	30,867	13,993	13,100	104,517
Hungary	11,958	10,886	42,257	59,069	34,129	3,695	161,994
Bulgaria	29,893	12,487	33,916	18,912	5,301	7,330	107,839
Turkey/Georgia	23,587	40,049	78,784	0	0	18,290	160,710
Remaining CEE	29,044	62,768	69,618	44,622	28,062	6,327	240,441
Other Markets	0	0	80,993	54,783	133,599	0	269,375
Central Functions	0	0	987,463	13,944	0	17,594	1,019,001
Consolidation							-922,518
Total	720,726	1,001,733	2,957,279	1,858,262	959,954	386,329	6,961,765

9. FINANCIAL RESULT

Composition	1.1.-30.9.2017						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Current income	601,244	79,484	33,143	26,357	12,452	5,515	5,653
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
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
F/X 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 liabilities from public funding	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	17,902	8,432	27,026	15,855	271,051	-43,358	1,060,756
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
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
F/X 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 liabilities from public funding	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

Composition

1.1.-30.9.2016

	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Current income	610,886	76,992	32,879	23,455	10,777	3,831	6,413
Income from appreciation	3,859	2,038	1,291	2,676	1,309	478	0
of which a reduction in impairment	0	0	0	0	1,123	0	0
Gains from disposal of investments	46,228	16,277	9,092	8,242	2,574	1,252	350
Total income	660,973	95,307	43,262	34,373	14,660	5,561	6,763
Depreciation of investment	48,080	5,360	1,587	1,717	1,449	781	317
of which impairment of investments	15,352	0	0	0	514	0	317
F/X differences	-25	2,215	10	118	401	0	-95
Losses from disposal of investments	8,201	12,437	179	1,025	94	108	103
Interest expenses	28,523	2,735	234	2,161	1,776	179	529
Personnel provisions	5,166	0	0	0	0	0	0
Interest expenses for liabilities to financial institutions	39	0	0	0	0	0	0
Interest expenses for liabilities from public funding	1,668	0	0	0	0	0	0
Interest expenses for subordinate liabilities	15,231	768	0	476	805	139	399
Other interest expenses	6,419	1,967	234	1,685	971	40	130
Other expenses	50,397	8,227	657	2,585	1,432	300	583
Managed Portfolio Fees	4,406	2,673	135	748	1,078	16	102
Asset management expenses	38,446	3,131	521	1,837	354	284	481
Other expenses	7,545	2,423	1	0	0	0	0
Total expenses	135,176	30,974	2,667	7,606	5,152	1,368	1,437

Composition	1.1.-30.9.2016						Total
	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	
in EUR '000							
Current income	16,790	6,556	28,246	15,390	91,906	-43,659	880,462
Income from appreciation	1,148	1,642	149	3	32	0	14,625
of which a reduction in impairment	0	0	9	0	0	0	1,132
Gains from disposal of investments	1,597	304	3,464	42	2,386	0	91,808
Total income	19,535	8,502	31,859	15,435	94,324	-43,659	986,895
Depreciation of investment	1,221	1,323	1,726	994	15,746	0	80,301
of which impairment of investments	268	0	843	343	0	0	17,637
F/X differences	183	46	761	0	2,234	0	5,848
Losses from disposal of investments	601	446	154	38	1,457	0	24,843
Interest expenses	209	706	1,467	190	72,832	-43,523	68,018
Personnel provisions	0	0	0	0	596	0	5,762
Interest expenses for liabilities to financial institutions	0	0	1	0	4,205	0	4,245
Interest expenses for liabilities from public funding	157	141	59	0	20,035	-19,063	2,997
Interest expenses for subordinate liabilities	0	0	118	0	41,010	-12,774	46,172
Other interest expenses	52	565	1,289	190	6,986	-11,686	8,842
Other expenses	8,264	814	1,571	568	64,615	0	140,013
Managed Portfolio Fees	114	14	267	0	501	0	10,054
Asset management expenses	8,068	252	885	466	62,956	0	117,681
Other expenses	82	548	419	102	1,158	0	12,278
Total expenses	10,478	3,335	5,679	1,790	156,884	-43,523	319,023

10. OTHER INCOME

Composition	1.1.-30.9.2017			1.1.-30.9.2016		
	Underwriting	Non-underwriting	Total	Underwriting	Non-underwriting	Total
in EUR '000						
Austria	7,071	7,272	14,343	6,619	6,643	13,262
Czech Republic	33,023	911	33,934	42,158	1,722	43,880
Slovakia	6,286	407	6,693	8,860	304	9,164
Poland	1,192	3,140	4,332	3,415	10,047	13,462
Romania	4,615	8,137	12,752	4,265	1,083	5,348
Baltic states	881	589	1,470	2,958	212	3,170
Hungary	773	1,219	1,992	307	1,237	1,544
Bulgaria	524	5,050	5,574	530	263	793
Turkey/Georgia	399	3,032	3,431	455	1,836	2,291
Remaining CEE	3,646	7,004	10,650	3,186	451	3,637
Other Markets	35,830	67	35,897	9,052	27	9,079
Central Functions	105	1,130	1,235	54	17,107	17,161
Consolidation	-565	0	-565	-30	0	-30
Total	93,780	37,958	131,738	81,829	40,932	122,761

11. EXPENSES FOR CLAIMS AND INSURANCE BENEFITS

Composition	1.1.-30.9.2017						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
<i>in EUR '000</i>							
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 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 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 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 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 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 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

Composition

1.1.-30.9.2016

	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
in EUR '000							
Expenses for claims and insurance benefits – gross	2,714,279	691,470	416,515	464,983	240,724	78,641	102,337
Payments for claims and insurance benefits	2,462,383	685,171	394,051	390,363	179,585	44,217	94,709
Changes in provision for outstanding claims	-10,029	15,906	14,993	-2,299	54,160	9,911	9,177
Change in mathematical reserve	191,681	-18,107	4,993	76,740	7,000	24,513	-1,087
Change in other underwriting provisions	0	-4,324	0	-135	0	0	-2,463
Expenses for profit-related and profit-unrelated premium refunds	70,244	12,824	2,478	314	-21	0	2,001
Expenses for claims and insurance benefits – reinsurers' share	-266,090	-135,227	-52,720	-68,207	-72,359	-15,037	-14,891
Payments for claims and insurance benefits	-321,147	-131,315	-48,772	-65,018	-52,661	-7,306	-8,528
Changes in provision for outstanding claims	55,658	-7,424	-3,948	-3,217	-19,698	-7,731	-6,507
Change in mathematical reserve	-197	7	0	28	0	0	0
Change in other underwriting provisions	0	0	0	0	0	0	132
Expenses for profit-unrelated premium refunds	-404	3,505	0	0	0	0	12
Expenses for claims and insurance benefits – retention	2,448,189	556,243	363,795	396,776	168,365	63,604	87,446
Payments for claims and insurance benefits	2,141,236	553,856	345,279	325,345	126,924	36,911	86,181
Changes in provision for outstanding claims	45,629	8,482	11,045	-5,516	34,462	2,180	2,670
Change in mathematical reserve	191,484	-18,100	4,993	76,768	7,000	24,513	-1,087
Change in other underwriting provisions	0	-4,324	0	-135	0	0	-2,331
Expenses for profit-related and profit-unrelated premium refunds	69,840	16,329	2,478	314	-21	0	2,013

Composition

1.1.-30.9.2016

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Expenses for claims and insurance benefits – gross	56,696	97,901	141,133	218,051	655,995	-562,898	5,315,827
Payments for claims and insurance benefits	46,801	75,772	116,456	130,872	554,637	-492,957	4,682,060
Changes in provision for outstanding claims	2,691	21,477	-938	8,968	102,428	-69,241	157,204
Change in mathematical reserve	6,954	0	25,505	75,822	-1,079	-700	392,235
Change in other underwriting provisions	0	652	481	0	0	0	-5,789
Expenses for profit-related and profit-unrelated premium refunds	250	0	-371	2,389	9	0	90,117
Expenses for claims and insurance benefits – reinsurers' share	-11,093	-40,044	-31,135	-8,750	-71,804	562,989	-224,368
Payments for claims and insurance benefits	-9,857	-26,429	-36,103	-9,349	-53,320	493,067	-276,738
Changes in provision for outstanding claims	-1,234	-13,486	5,071	445	-18,489	69,225	48,665
Change in mathematical reserve	-2	0	-103	154	5	697	589
Change in other underwriting provisions	0	-129	0	0	0	0	3
Expenses for profit-unrelated premium refunds	0	0	0	0	0	0	3,113
Expenses for claims and insurance benefits – retention	45,603	57,857	109,998	209,301	584,191	91	5,091,459
Payments for claims and insurance benefits	36,944	49,343	80,353	121,523	501,317	110	4,405,322
Changes in provision for outstanding claims	1,457	7,991	4,133	9,413	83,939	-16	205,869
Change in mathematical reserve	6,952	0	25,402	75,976	-1,074	-3	392,824
Change in other underwriting provisions	0	523	481	0	0	0	-5,786
Expenses for profit-related and profit-unrelated premium refunds	250	0	-371	2,389	9	0	93,230

12. ACQUISITION AND ADMINISTRATIVE EXPENSES

Composition	1.1.-30.9.2017						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
<i>in EUR '000</i>							
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
Received 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
<i>in EUR '000</i>							
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
Received 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

Composition	1.1.-30.9.2016						
	Austria	Czech Republic	Slovakia	Poland	Romania	Baltic states	Hungary
<i>in EUR '000</i>							
Acquisition expenses	470,283	295,371	80,300	113,151	84,488	20,591	24,425
Commission expenses	283,883	205,696	61,705	95,370	64,361	17,691	18,546
Pro rata personnel expenses	104,128	50,325	8,558	11,040	12,472	1,678	2,823
Pro rata material expenses	82,272	39,350	10,037	6,741	7,655	1,222	3,056
Administrative expenses	114,319	44,763	18,627	29,597	11,392	7,084	12,251
Pro rata personnel expenses	53,373	20,297	7,714	14,563	4,735	4,548	4,765
Pro rata material expenses	60,946	24,466	10,913	15,034	6,657	2,536	7,486
Received reinsurance commissions	-106,578	-72,774	-28,836	-25,425	-21,940	-2,372	-10,831
Total	478,024	267,360	70,091	117,323	73,940	25,303	25,845

Composition

1.1.-30.9.2016

	Bulgaria	Turkey/ Georgia	Remaining CEE	Other Markets	Central Functions	Consolidation	Total
in EUR '000							
Acquisition expenses	25,048	25,264	59,293	25,667	254,841	-228,453	1,250,269
Commission expenses	19,602	18,641	36,289	22,157	252,977	-228,453	868,465
Pro rata personnel expenses	3,327	4,290	13,780	1,900	698	0	215,019
Pro rata material expenses	2,119	2,333	9,224	1,610	1,166	0	166,785
Administrative expenses	3,850	8,350	22,643	6,602	2,663	0	282,141
Pro rata personnel expenses	1,732	5,166	10,319	3,640	787	0	131,639
Pro rata material expenses	2,118	3,184	12,324	2,962	1,876	0	150,502
Received reinsurance commissions	-5,078	-17,328	-20,491	-17,127	-17,346	236,069	-110,057
Total	23,820	16,286	61,445	15,142	240,158	7,616	1,422,353

13. OTHER EXPENSES

Composition

1.1.-30.9.2017

1.1.-30.9.2016

Other expenses	1.1.-30.9.2017			1.1.-30.9.2016		
	Underwriting	Non-underwriting	Total	Underwriting	Non-underwriting	Total
in EUR '000						
Austria	7,343	9,781	17,124	11,244	9,917	21,161
Czech Republic	23,947	2,168	26,115	31,409	2,191	33,600
Slovakia	19,104	43	19,147	20,739	24	20,763
Poland	5,353	8,060	13,413	4,882	6,595	11,477
Romania	10,926	11,441	22,367	18,388	1,132	19,520
Baltic states	6,103	4,874	10,977	6,023	1,089	7,112
Hungary	6,442	2,252	8,694	5,794	2,286	8,080
Bulgaria	4,541	9,420	13,961	4,283	4,612	8,895
Turkey/Georgia	395	1,320	1,715	942	1,309	2,251
Remaining CEE	7,377	2,791	10,168	9,148	3,870	13,018
Other Markets	20,089	507	20,596	19,094	1,519	20,613
Central Functions	775	14,797	15,572	123	3,748	3,871
Consolidation	-484	-2,310	-2,794	-37	-583	-620
Total	111,911	65,144	177,055	132,032	37,709	169,741

ADDITIONAL DISCLOSURES

14. 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 2016 starting on page 144.

Fair value and book value of financial instruments and other investments

The table below shows the book values and fair values of holdings of financial instruments and other investments:

Fair values and book values of financial instruments and other	30.9.2017				Fair value
	Book value	Level 1	Level 2	Level 3	
in EUR '000					
Land and buildings¹	5,675,835	0	66,845	6,710,235	6,777,080
Self-used land and buildings	429,025	0	35,681	620,135	655,816
Investment properties	5,246,810	0	31,164	6,090,100	6,121,264
thereof non-profit societies	3,594,687				3,594,687
Shares in at equity consolidated companies	290,233				
Loans	2,648,142	238,526	2,741,025	30,777	3,010,328
Loans	1,407,794	0	1,521,093	19,291	1,540,384
Reclassified loans	245,981	128,495	167,817	0	296,312
Bonds classified as loans	994,367	110,031	1,052,115	11,486	1,173,632
Other securities	26,228,012	23,170,241	3,238,973	307,612	26,716,826
Financial instruments held to maturity	2,380,659	2,331,912	386,267	9,334	2,727,513
Financial instruments reclassified as held to maturity	711,738	796,719	56,979	0	853,698
Financial instruments available for sale	22,783,356	19,877,131	2,656,525	249,700	22,783,356
Held for trading	107,142	72,084	4,633	30,425	107,142
Financial instruments recognised at fair value through profit and loss	245,117	92,395	134,569	18,153	245,117
Other investments	802,478				
Investments for unit-linked and index-linked life insurance	8,918,525	8,918,525	0	0	8,918,525
Subordinated liabilities	1,462,769	0	1,514,877	21,438	1,536,315
Liabilities to financial institutions	1,313,408				1,313,408
thereof non-profit societies	1,048,652				1,048,652
Liabilities from funding of housing projects	1,535,262				1,535,262
thereof non-profit societies	1,428,133				1,428,133
Liabilities for derivatives²	5,718	0	5,718	0	5,718

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

² Included in Other liabilities

Fair values and book values of financial instruments and other

31.12.2016

	Book value	Level 1	Level 2	Level 3	Fair value
in EUR '000					
Land and buildings ¹	5,601,623	0	70,499	6,619,470	6,689,969
Self-used land and buildings	429,484	0	37,400	610,665	648,065
Investment properties	5,172,139	0	33,099	6,008,805	6,041,904
thereof non-profit societies	3,562,729				3,562,729
Shares in at equity consolidated companies	269,699				
Loans	2,777,645	424,847	2,721,444	37,635	3,183,926
Loans	1,397,395	0	1,529,603	15,233	1,544,836
Reclassified loans	339,591	238,555	159,290	0	397,845
Bonds classified as loans	1,040,659	186,292	1,032,551	22,402	1,241,245
Other securities	25,378,360	22,532,287	3,174,206	326,828	26,033,321
Financial instruments held to maturity	2,330,071	2,466,364	321,614	9,702	2,797,680
Financial instruments reclassified as held to maturity	735,751	865,916	57,187	0	923,103
Financial instruments available for sale	21,851,248	18,943,142	2,650,989	257,117	21,851,248
Held for trading	131,400	81,041	6,778	43,581	131,400
Financial instruments recognised at fair value through profit and loss	329,890	175,824	137,638	16,428	329,890
Other investments	618,929				
Investments for unit-linked and index-linked life insurance	8,549,580	8,549,580	0	0	8,549,580
Subordinated liabilities	1,265,009	0	1,277,003	20,807	1,297,810
Liabilities to financial institutions	1,304,901				1,304,901
thereof non-profit societies	1,065,466				1,065,466
Liabilities from funding of housing projects	1,470,177				1,470,177
thereof non-profit societies	1,374,064				1,374,064
Liabilities for derivatives ²	9,809	0	9,809	0	9,809

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

² Included in Other liabilities

The book values were 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 fair value for derivative financial instruments equals the book value reported in the balance sheet.

Measurement process

For information on the measurement process, please see Note 36 "Financial instruments and fair value measurement hierarchy" in the Group Annual Report for 2016 starting on page 233.

Reclassification of financial instruments

Reclassifications were performed based on the criteria and time points indicated in Note 36 "Financial instruments and fair value measurement hierarchy" in the Group Annual Report for 2016 starting on page 235.

Reclassification of financial instruments

	30.9.2017				
	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
Quantity					
Financial instruments available for sale	12	7	6	10	6
Financial instruments recognised at fair value through profit and loss	1	0	0	0	0
Held for trading	1	0	0	0	0
Total	14	7	6	10	6

The reclassifications between Level 1 and Level 2 are primarily due to changes in liquidity, trading frequency and trading activity. Reclassifications between Level 2 and Level 3 and from Level 1 to Level 3 also took place based on the availability or non-availability of prices or comparable financial instruments used for measurement. The reclassification from Level 3 to Level 1 in the financial instruments available for sale category is mainly due to Bloomberg prices that are now available.

Reclassification of financial instruments

	31.12.2016				
	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
Quantity					
Financial instruments available for sale	42	1	0	5	106
Financial instruments recognised at fair value through profit and loss	3	0	0	0	0
Held for trading	4	0	0	0	0
Liabilities for derivatives*	0	0	0	5	0
Total	49	1	0	10	106

*Included in Other liabilities

Reclassifications between Level 1 and Level 2 in the comparative period were primarily due to changes in liquidity, trading frequency and trading activity, but also resulted from a harmonisation of measurement hierarchies due to the introduction of Solvency II, and consolidation effects between the measurement hierarchies. The harmonisation of hierarchies due to the introduction of Solvency II also led to reclassifications between level 3 and level 2 in the financial instruments available for sale and derivative liabilities categories. The reclassification from level 3 to level 1 in the financial instruments available for sale category was due to consolidation effects.

Hierarchy for financial instruments measured at fair value

Valuation hierarchy	Level 1		Level 2		Level 3	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
Financial instruments measured at fair value						
in EUR '000						
Financial assets						
Financial instruments available for sale	19,877,131	18,943,142	2,656,525	2,650,989	249,700	257,117
Bonds	17,542,316	16,715,094	2,517,162	2,505,492	18,207	54,997
Shares and other participations	475,757	441,393	94,168	95,101	189,928	202,120
Investment funds	1,859,058	1,786,655	45,195	50,396	41,565	0
Held for trading	72,084	81,041	4,633	6,778	30,425	43,581
Bonds	18,824	14,901	2,221	3,058	1,527	2,499
Shares and other non-fixed-interest securities	21,798	21,111	53	52	0	0
Investment funds	31,412	44,997	0	837	0	0
Derivatives	50	32	2,359	2,831	28,898	41,082
Financial instruments recognised at fair value through profit and loss	92,395	175,824	134,569	137,638	18,153	16,428
Bonds	69,108	149,359	115,879	121,071	16,820	15,253
Shares and other non-fixed-interest securities	118	112	18,690	16,567	0	0
Investment funds	23,169	26,353	0	0	1,333	1,175
Investments for unit-linked and index-linked life insurance	8,918,525	8,549,580	0	0	0	0
Financial liabilities						
Liabilities for derivatives*	0	0	5,718	9,809	0	0

*Included in Other liabilities

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 -4,627,000 during the reporting year (EUR -226,000).

Unobservable input factors

Asset class	Measurement methods	Unobservable input factors	Range
Real estate	Market value	Capitalisation rate	1.5%–7.5%
		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	130,000 EUR–4,263,000 EUR

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.

The following sensitivities were calculated for the derivative with the most material fair value: a 50bps increase in the discount rate leads to a 31% increase in option value; a 50bps decrease leads to a 37% drop in option value. The changes would have an effect on the income statement.

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
in EUR million	
Fair value at 30.9.2017	2,438.96
Rental income -5%	2,358.15
Rental income +5%	2,522.70
Capitalisation rate -50bps	2,561.60
Capitalisation rate +50bps	2,335.39
Land prices -5%	2,407.16
Land prices +5%	2,472.91

Since real estate is measured at 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					
	30.9.2017			31.12.2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
in EUR '000						
Fair value at 31.12. of the previous year	18,943,142	2,650,989	257,117	17,750,295	2,763,552	135,634
Exchange rate changes	10,081	4,269	-187	-11,312	1,742	-847
Fair value at 1.1.	18,953,223	2,655,258	256,930	17,738,983	2,765,294	134,787
Reclassification between securities categories	1,170	0	-9,021	12,076	-230	-660
Reclassification to Level	12,463	110,240	17,290	194,727	172,035	117,274
Reclassification from Level	-90,864	-8,741	-40,388	-125,383	-309,054	-49,599
Additions	2,908,435	190,203	56,666	3,644,530	167,319	75,989
Disposals	-1,908,288	-305,790	-32,232	-2,855,790	-360,741	-17,799
Change in scope of consolidation	46,659	17	210	-123,407	129,673	-2,389
Changes in value recognised in profit and loss	0	0	0	648	20,019	153
Changes recognised directly in equity	-44,739	16,982	519	462,928	75,143	8,873
Impairments	-928	-1,644	-274	-6,170	-8,469	-9,512
Fair value at 30.9. or 31.12.	19,877,131	2,656,525	249,700	18,943,142	2,650,989	257,117

Development of financial instruments by level

in EUR '000	Held for trading					
	30.9.2017			31.12.2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Fair value at 31.12. of the previous year	81,041	6,778	43,581	117,560	1,955	51,895
Exchange rate changes	283	2,490	-17	-3,238	469	0
Fair value at 1.1.	81,324	9,268	43,564	114,322	2,424	51,895
Reclassification between securities categories	-3,180	0	0	-14	0	0
Reclassification to Level	836	0	0	0	8,647	0
Reclassification from Level	0	-836	0	-8,647	0	0
Additions	48,197	1,583	1,268	99,314	1,195	2,581
Disposals	-58,480	-6,862	-9,432	-125,886	-5,572	-4,161
Changes in value recognised in profit and loss	3,387	1,480	-4,975	1,952	84	-6,734
Changes recognised directly in equity	0	0	0	0	0	0
Fair value at 30.9. or 31.12.	72,084	4,633	30,425	81,041	6,778	43,581

Development of financial instruments by level

in EUR '000	Financial instruments recognised at fair value through profit and loss					
	30.9.2017			31.12.2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Fair value at 31.12. of the previous year	175,824	137,638	16,428	54,331	160,142	14,901
Exchange rate changes	506	456	246	20	3	1
Fair value at 1.1.	176,330	138,094	16,674	54,351	160,145	14,902
Reclassification between securities categories	1,827	0	0	11,273	0	0
Reclassification to Level	0	4,913	0	17,255	0	0
Reclassification from Level	-4,913	0	0	0	-17,255	0
Additions	49,928	21,164	12,356	70,131	127,327	2,342
Disposals	-129,481	-33,207	-11,105	-86,286	-138,338	-1,291
Change in scope of consolidation	0	0	0	108,887	2,214	0
Changes in value recognised in profit and loss	-1,296	3,605	228	213	3,545	475
Changes recognised directly in equity	0	0	0	0	0	0
Fair value at 30.9. or 31.12.	92,395	134,569	18,153	175,824	137,638	16,428

Please refer to Note 9 "Financial result" starting on page 37 for information on the effects of changes in value recognised in profit and loss.

Development of financial instruments assigned to Level 3

in EUR '000	Subordinated liabilities		Liabilities for derivatives*	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016
	Fair value at 31.12. of the previous year	20,807	20,761	0
F/X differences	829	83	0	0
Fair value at 1.1.	21,636	20,844	0	41
Reclassification from Level 3	0	0	0	-41
Additions	0	98	0	0
Disposals	0	0	-196	0
Changes in value recognised in profit and loss	-198	-135	196	0
Fair value at 30.9. or 31.12.	21,438	20,807	0	0

*Included in Other liabilities

15. NUMBER OF EMPLOYEES

Employee statistics	30.9.2017	31.12.2016
Quantity		
Austria	5,138	5,170
Field staff	2,796	2,787
Office staff	2,342	2,383
Czech Republic	4,865	4,762
Field staff	3,044	2,949
Office staff	1,821	1,813
Slovakia	1,751	1,678
Field staff	886	826
Office staff	865	852
Poland	1,576	1,586
Field staff	765	784
Office staff	811	802
Romania	1,958	1,991
Field staff	1,169	1,187
Office staff	789	804
Baltic states	1,310	1,281
Field staff	642	622
Office staff	668	659
Hungary	472	464
Field staff	35	36
Office staff	437	428
Bulgaria	865	834
Field staff	290	285
Office staff	575	549
Turkey/Georgia	1,056	888
Field staff	636	480
Office staff	420	408
Remaining CEE	4,737	4,720
Field staff	3,305	3,301
Office staff	1,432	1,419
Other Markets	130	126
Field staff	7	7
Office staff	123	119
Central Functions	1,149	1,101
Office staff	1,149	1,101
Total	25,007	24,601
thereof field staff	13,575	13,264
thereof office staff	11,432	11,337

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

The Central Functions segment includes 679 employees (31 December 2016: 664) in the non-profit societies.

16. RELATED PARTY TRANSACTIONS

These mainly concern minor reinsurance relationships between companies in the Group, financing at market terms, chiefly in the real estate area, and intercompany charges. These transactions, however, have no material effect on the performance of the Company. No loans or guarantees were granted to the members of the Managing Board or Supervisory Board during the reporting period.

17. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Increased losses due to storm “Herwart”

A strong cyclone passed through parts of Austria, the Czech Republic and Poland at the end of October 2017. Based on current knowledge, Vienna Insurance Group expects gross storm losses of around EUR 40 to 45 million.

VIG to merge Wiener Städtische and s Versicherung in Austria

Sparkassen Versicherung (s Versicherung) will be merged with Wiener Städtische in 2018, subject to approval by the boards of the Group companies and the authorities. The merger is aimed at pooling the strengths of the two insurance companies to promote the bank insurance business. Wiener Städtische will become the largest life insurance company in Austria as a result. The s Versicherung brand will remain unchanged in the market and s Versicherung will continue to act as a central hub for insurance solutions provided through Erste Bank and the Sparkasse banks.

Merger of the Slovakian bank insurance company PSLSP with Kooperativa

The Slovakian bank insurance company Poist'ovňa Slovenskej sporitel'ne (PSLSP) will be merged with Kooperativa poist'ovňa on 1 April 2018, subject to approval by the local authorities. Pooling the resources and expertise of the two companies will ensure optimal support for customers, the bank and insurance company.

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

GROUP EXPENSES FOR PROFIT-RELATED PREMIUM REFUNDS

The Group had EUR -98,001,000 in expenses for profit-related premium refunds incl. policy holder profit participation (EUR -56,890,000).

BUSINESS DEVELOPMENT BY BALANCE SHEET UNIT

	1.1.-30.9.2017				1.1.-30.9.2016			
	Property/ Casualty	Life	Health	Total	Property/ Casualty	Life	Health	Total
in EUR '000								
Overall result for direct business	209,797	244,116	33,226	487,139	143,242	212,049	35,209	390,500
Gross direct premiums written	3,954,940	2,704,884	345,355	7,005,179	3,716,361	2,818,473	309,285	6,844,119
Gross direct¹	306,684	257,328	33,374	597,386	345,083	222,367	35,296	602,746
Underwriting result ²	219,716			219,716	301,774			301,774
Financial result ²	86,968			86,968	43,309			43,309
Direct reinsurance cessions	-96,887	-13,212	-148	-110,247	-201,841	-10,318	-87	-212,246
Overall result for indirect business	-32,800	2,020	60	-30,720	-36,589	1,020	60	-35,509
Gross indirect premiums written	134,627	12,767	75	147,469	105,988	11,583	75	117,646
Gross indirect	14,263	3,032	60	17,355	966	1,157	60	2,183
Indirect reinsurance cessions	-47,063	-1,012	0	-48,075	-37,555	-137	0	-37,692
Overall result for direct and indirect retention	176,997	246,136	33,286	456,419	106,653	213,069	35,269	354,991
Other non-underwriting income and expenses	-35,150	8,440	-476	-27,186	4,221	-648	-350	3,223
Expenses for profit related premium refunds	0	-98,001	0	-98,001	0	-56,890	0	-56,890
Result before taxes	141,847	156,575	32,810	331,232	110,874	155,531	34,919	301,324
Tax expenses/income	-31,819	-28,073	-5,129	-65,021	-22,661	-40,552	-7,112	-70,325
Result of the period	110,028	128,502	27,681	266,211	88,213	114,979	27,807	230,999

¹ Includes commissions of EUR 870,896,000 (EUR 837,242,000) 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.-30.9.2017	1.1.-30.9.2016
in EUR '000		
Direct business	3,954,940	3,716,361
Casualty insurance	286,572	275,581
Health insurance	47,842	40,803
Land vehicle own-damage insurance	810,551	720,726
Rail vehicle own-damage	3,542	3,356
Aircraft own-damage insurance	4,740	4,686
Sea, lake and river shipping own-damage insurance	7,748	6,598
Transport insurance	41,703	38,523
Fire explosion and other natural risks	760,236	710,870
Other property	381,627	369,686
Liability insurance for land vehicles having their own drive train	1,038,792	1,001,733
Carrier insurance	12,759	11,667
Aircraft liability insurance	4,658	4,062
Sea, lake and river shipping liability insurance	2,471	2,019
General liability insurance	341,562	331,310
Credit insurance	5,104	5,082
Guarantee insurance	29,688	20,458
Insurance for miscellaneous financial losses	78,321	76,959
Legal expenses insurance	43,302	42,586
Assistance insurance, travel health insurance	53,722	49,656
Indirect business	134,627	105,988
Marine, aviation and transport insurance	7,668	8,158
Other insurance	112,056	80,236
Health insurance	14,903	17,594
Total	4,089,567	3,822,349
Life insurance	1.1.-30.9.2017	1.1.-30.9.2016
in EUR '000		
Regular premium products - direct business	1,887,400	1,857,283
Single premium products - direct business	817,484	961,190
Direct business	2,704,884	2,818,473
thereof policies with profit participation	1,144,932	1,256,810
thereof policies without profit participation	335,326	325,417
thereof unit-linked life insurance portfolio	1,194,932	1,205,611
thereof index-linked life insurance portfolio	29,694	30,635
Indirect business	12,767	11,583
Total	2,717,651	2,830,056
Health insurance	1.1.-30.9.2017	1.1.-30.9.2016
in EUR '000		
Direct business	345,355	309,285
Indirect business	75	75
Total	345,430	309,360

GROSS PREMIUMS – WRITTEN BY COUNTRY AND BALANCE SHEET UNIT

Composition	1.1.-30.9.2017	1.1.-30.9.2016
in EUR '000		
Property and Casualty insurance	4,089,567	3,822,349
Austria	1,497,724	1,469,588
Czech Republic	734,512	683,712
Slovakia	276,852	266,601
Poland	399,652	349,291
Romania	294,853	341,276
Turkey	118,674	124,806
Other states	767,300	587,075
Life insurance	2,717,651	2,830,056
Austria	1,176,627	1,312,940
Czech Republic	471,831	472,798
Slovakia	310,318	278,835
Poland	275,532	267,236
Hungary	94,715	95,085
Liechtenstein	82,572	130,126
Other states	306,056	273,036
Health insurance	345,430	309,360
Austria	301,679	293,987
Georgia	21,167	15,373
Other states	22,584	0
Total	7,152,648	6,961,765

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

	1.1.-30.9.2017	1.1.-30.9.2016
in EUR '000		
Property and Casualty insurance	176,997	106,653
Austria	55,723	59,444
Czech Republic	79,157	76,575
Slovakia	5,484	26,501
Poland	28,358	17,337
Romania	14,708	11,182
Turkey	8,281	623
Other states	-14,714	-85,009
Life insurance	246,136	213,069
Austria	104,284	93,172
Czech Republic	83,225	70,406
Slovakia	24,572	23,317
Poland	12,376	450
Hungary	3,169	4,070
Liechtenstein	183	165
Other states	18,327	21,489
Health insurance	33,286	35,269
Austria	33,690	35,393
Georgia	122	-124
Other states	-526	0
Total	456,419	354,991

KEY FIGURES BY BALANCE SHEET UNIT

	1.1.-30.9.2017				1.1.-30.9.2016			
	Property/ Casualty	Life	Health	Total	Property/ Casualty	Life	Health	Total
in %								
Cost ratio	30.45	17.78	14.21	24.21	30.53	17.78	13.99	23.91
Claims ratio	66.83				67.39			
Combined Ratio	97.28				97.92			

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 net assets, financial position and results of operations of the Group and that the interim Group management report gives a true and fair view of the net assets, financial position and results of operations of the Group with respect 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 of material related party transactions to be disclosed. The interim report was not fully audited or reviewed by an auditor.

Vienna, 13 November 2017

The Managing Board:



Elisabeth Stadler
General Manager,
Chairwoman of the Managing Board



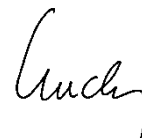
Martin Simhandl
CFO, Member of the Managing Board



Peter Höfner
Member of the Managing Board



Judit Havasi
Member of the Managing Board



Franz Fuchs
Member of the Managing Board

Managing Board areas of responsibility:

Elisabeth Stadler: Management of the VIG Group, Strategic Questions, European Affairs, Group Communication & Marketing, Group Sponsorship, Human Resources, Group Development and Strategy; Country responsibilities: Austria, Czech Republic

Martin Simhandl: Asset Management, Affiliated companies department, Finance and Accounting, Treasury/Capital Market; Country responsibilities: Germany, Georgia, Liechtenstein, Turkey

Peter Höfner: Corporate and Large Customer Business, Vienna International Underwriters (VIU), Reinsurance; Country responsibilities: Albania (incl. Kosovo), Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Macedonia, Montenegro, Serbia

Judit Havasi: Planning & Controlling, Legal department, Group IT, Data Management & Processes; Country responsibilities: Slovakia, Romania

Franz Fuchs: Performance Management Personal insurance, Performance Management Motor insurance, Asset-Risk Management; Country responsibilities: Baltic states, Moldova, Poland, Ukraine

The **Managing Board as a whole** is responsible for Enterprise Risk Management (Solvency II), General Secretariat, 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 large 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: 13 November 2017

In case of doubt, the German version is authoritative.

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