THE SAFE, SIDE **6** STRATEGY

A strategic framework is the basic foundation for actively shaping corporate future. Here we outline the main cornerstones of the company strategy.

The VIG strategy

Core business insurance

VIG concentrates on its core business, namely providing insurance solutions and advisory services that best address the different security and future provision needs of the people in its markets.



KEY STRATEG

Local entrepreneurship

- Decentralised structures and rapid decision-making
- Exchange of best practices/networking within the Group







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Shared services and mergers

Generate cost advantages by combining back-office functions within a country or, if applicable, within a region, and by mergers where the synergy effects of the merger outweigh the advantages of a diversified market presence in the long-term.

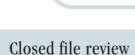
Anti-fraud

Establish a Group-wide best practice approach for managing fraud in retail business.



Optimising our business model

Creating added value by increasing operating performance.



Uniform Group procedure for identifying and preventing unjustified overpayments due to vulnerability in the claims process.

Organisation cooperation

Support for measures in the ar ensuring future viability by est

- clear rules and instruments
- an infrastructure for cooperat

-MANAGEMENT

Conservative investment and reinsurance policy

• Emphasis on quality and sustainability

Optimising the

insurance

profitability of motor

Develop targeted measures

focused on underwriting and risk selection, and the use of new pricing methods.

• Broad risk spreading through diversification



MANAGEMENT PRINCIPLE

Our core business has always required being able to think in terms of and for many generations, assume responsibility and satisfy anytime the commitments we make to customers today. We want to actively fulfil our responsibility by helping create a future worth living.





Vienna Insurance Group Supplement to the Annual Report 2016

THE SAFE'SIDE STRATEGY 7

at a glance



Focus on Austria and CEE

VIG is committed to Austria and the CEE region as its home market and is convinced of the many growth opportunities offered by the CEE region. The difference in the economic and insurance-specific maturity of these markets ensures broad risk diversification across countries.



IC ELEMENTS





Multi-brand strategy

- Use of established local brands
- Addressing a variety of different target groups
- A tool to maintain customer and employee loyalty

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PRINCIPLES

OBJECTIVES



Ensuring future viability

Measures for adapting the business model to (future) opportunities and challenges.

Digitisation

Develop a digitisation strategy and integrate the opportunities to adapt our business model that arise as a result of digitisation (such as customer contact, advanced analytics, automation).

Insurance of the future

Medium and long-term changes to the business model due to trends, innovations and technical developments, focusing on life and motor insurance.

Assistance

Expand internal Group assistance to generate competitive advantages and round off the insurance business model.

Intensification of lines of business

Taking advantage of growth potential in the health insurance, bank assurance and reinsurance businesses.

Life insurance of the future

Considerations for the design of life insurance as an attractive instrument for future provisions for a self-determined life, in particular during old age.

MANAGEMENT PRINCIPL

Motor business of the future

Examine future trends in the motor line of business, such as self-driving vehicles and sensor networks, and the necessary adjustments this creates for the business model.



- Combination of multiple channels of distribution
- Strongly customer-oriented distribution
- Long-term cooperation with Erste Group



Employer of Choice

VIG also aims to be number 1 for their employees. We pursue this objective by identifying and promoting the individual skills of our employees and creating a work environment in which diversity plays a central role.