

■ VIG – continuing the CEE story



Paris Roadshow

10 June 2011

Insurance development and exploitation by VIG

Outline of VIG's markets

Management focus

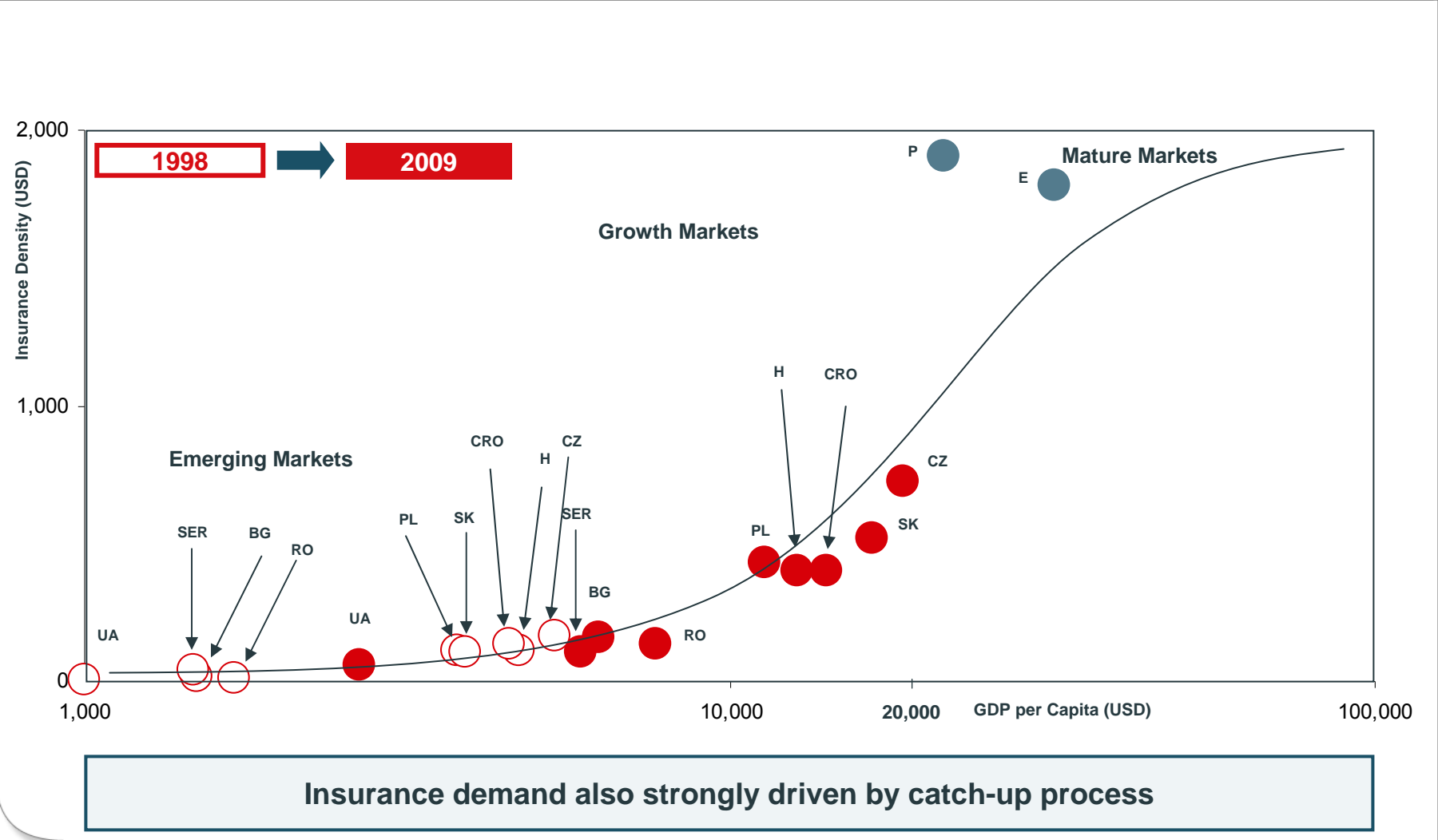
CEE business and earnings potential

Financials and outlook

Appendix

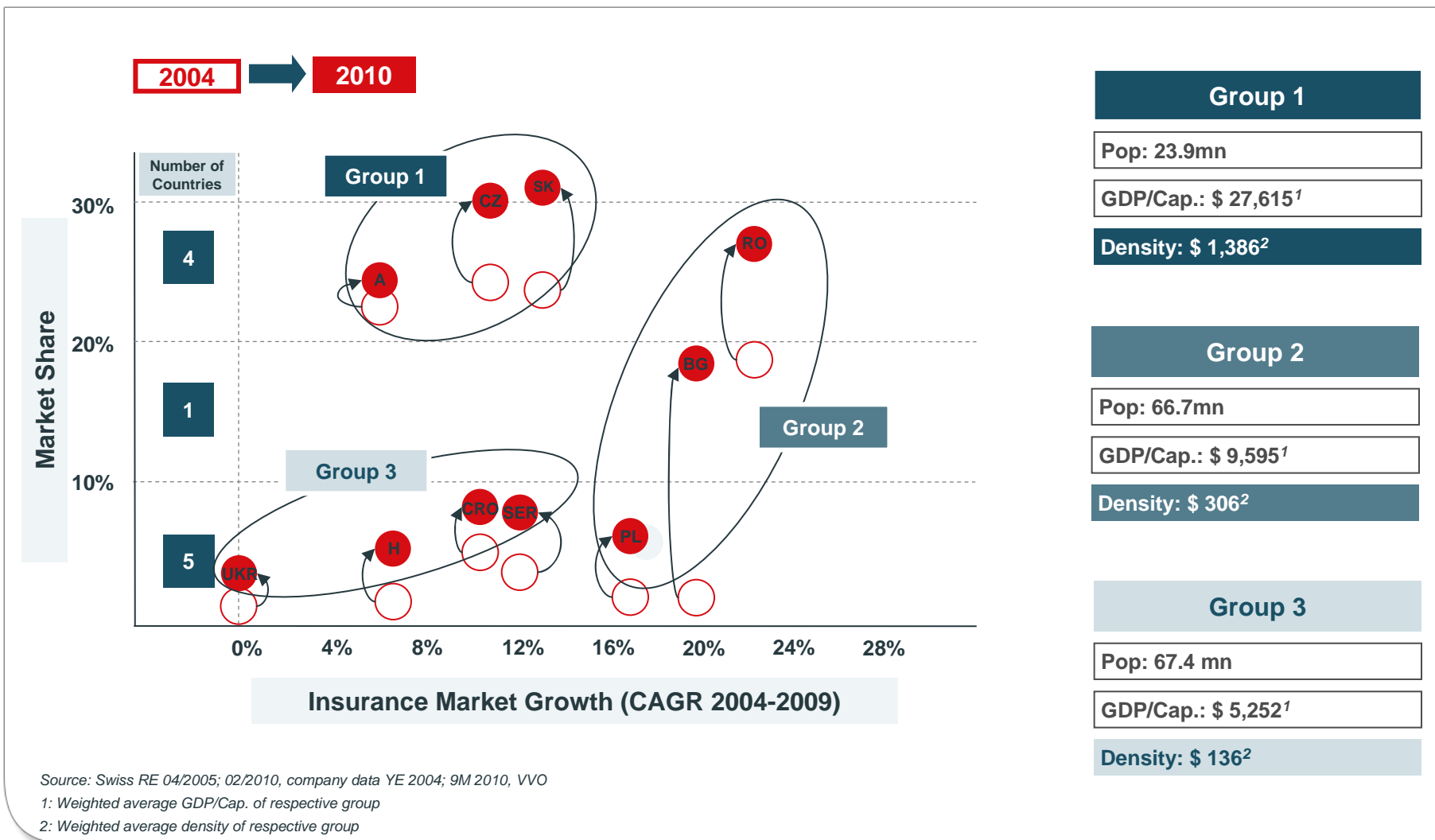
Development of Insurance Demand in CEE

GDP growth and underpenetration are insurance drivers



VIG Is Well Positioned in its Core Markets

Steady increase of market share within short period



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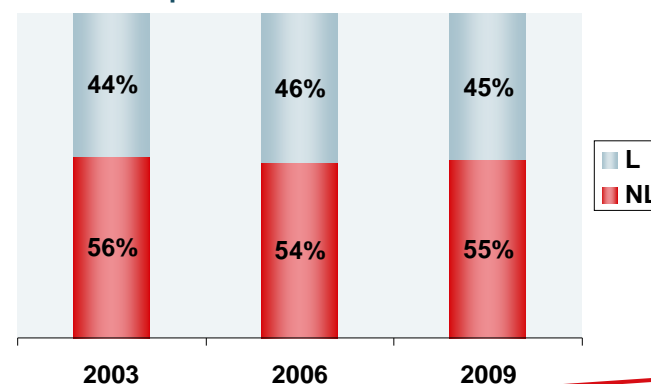
Appendix

Austria

Market Statistics

	2006	2009	2010
Austrian Insurance Market			
Market Volume (€mn) ¹	15,589	16,420	16,756
Insurance Density (\$) ²	2,397	2,743	na
VIG Austria (%)¹			
Growth	8.1	-2.5	5.3
Market Share Non-Life	20.8	21.0	20.8
Market Share Life	28.1	26.7	28.3

Proportion of Non-Life & Life²



Remarks

- ▶ Low unemployment rate throughout cycle ensures continuous growth of private consumption => positive for non-motor non-life
- ▶ Mature market in non-life: still potential in motor comprehensive insurance
- ▶ Still underpenetrated in life due to generous social security system in the past
- ▶ Market dominated by Top 4 players (~70% market share)

Current trends:

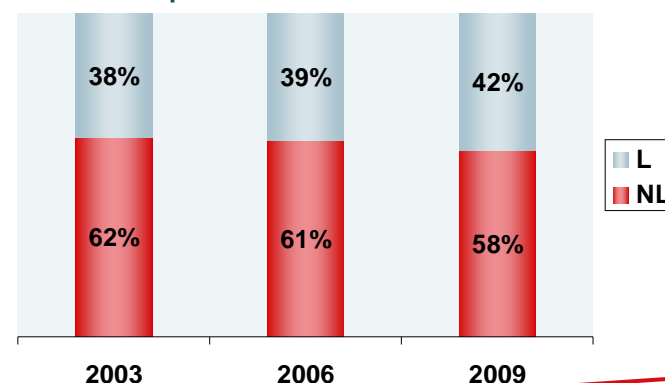
- ▶ MTPL market with attractive claims ratio (~67%), currently at bottom of pricing cycle
- ▶ Still trend to smaller cars
- ▶ Increasing demand for multi-year contracts from corporate clients => hardening of tariffs expected
- ▶ Recent mixed legal changes (tax advantage of life insurance vs. fund business, increase of minimum contract period for single premium business to 15 ys; lowering of statutory rates to 2%) => opaque business environment for life

Czech Republic

Market Statistics

	2006	2009	2010
Czech Insurance Market			
Market Volume (€mn) ¹	4,309	5,293	5,987
Insurance Density (\$) ²	520	723	na
VIG Czech Republic (%)¹			
Growth	2.9	3.0	-0.8
Market Share Non-Life	32.6	34.6	34.4
Market Share Life	14.9	27.4	28.6

Proportion of Non-Life & Life²



Remarks

- ▶ Sound fiscal situation with low debt levels supports economic recovery
- ▶ Most developed CEE core market, nevertheless still clearly underpenetrated in Non-life and Life
- ▶ High level of market concentration, top 5 players dominate market with a market share of more than 80%

Current trends:

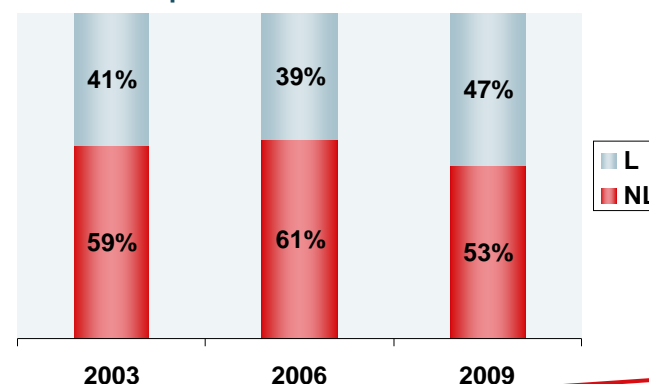
- ▶ Increasing competition for market share, decline in new car sales and trend to smaller cars leads to weaker motor business
- ▶ Non-motor non-life showing solid growth rates
- ▶ Excellent banking cooperation is growth driver for life business; rising demand for unit-/index-linked life contracts

Slovakia

Market Statistics

	2006	2009	2010
Slovak Insurance Market			
Market Volume (€mn) ¹	1,444	2,018	2,067
Insurance Density (\$) ²	337	517	na
VIG Slovakia (%)¹			
Growth	10.8	0.9	0.3
Market Share Non-Life	31.0	33.8	31.9
Market Share Life	22.9	29.6	31.9

Proportion of Non-Life & Life²



Remarks

- ▶ Change in private consumption due to economic crises
- ▶ Strong economic recovery under way
- ▶ High level of market concentration, Top 5 players dominate market with market share of about 75%

Current trends:

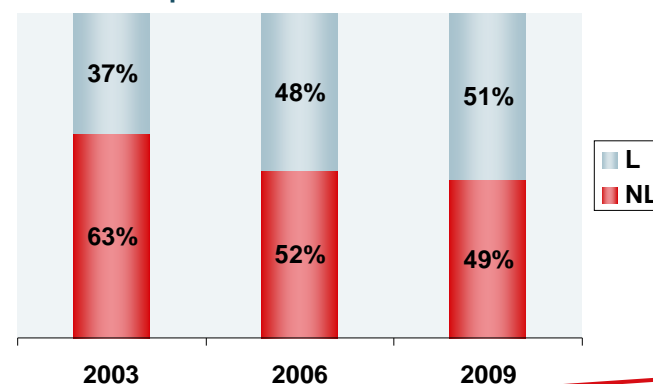
- ▶ Currently competitive motor market results in subdued non-life premiums
- ▶ Overall premium growth driven by life insurance with rising demand for single premium policies

Poland

Market Statistics

	2006	2009	2010
Poland Insurance Market			
Market Volume (€mn) ¹	9,634	11,503	13,559
Insurance Density (\$) ²	310	430	na
VIG Poland (%)¹			
Growth	47.7	-12.7	0.5
Market Share Non-Life	5.9	9.0	9.9
Market Share Life	2.4	2.4	2.4

Proportion of Non-Life & Life²



Remarks

- ▶ Only European economy which showed sustainable GDP growth rates throughout the crisis
- ▶ Non-life and life business nearly evenly split, life share of business so prominent due to tax driven products
- ▶ Competition: despite shrinking market share (29.4% 6M 2010 vs. 32.8% 9M 2009) former monopoly insurer still dominates market; recent SPO of market leader should support profitability of this market

Current trends:

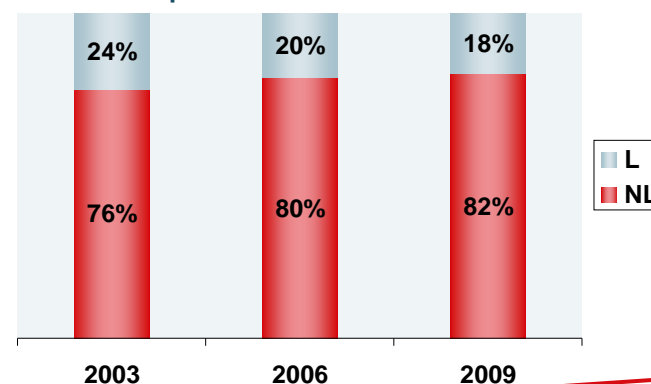
- ▶ Motor business facing strong growth rates due to extension of distribution and new corporate customers
- ▶ Distribution cooperation with local banks results in recovery of life business (single premium)

Romania

Market Statistics

	2006	2009	2010
Romanian Insurance Market			
Market Volume (€mn) ¹	1,625	2,114	1,988
Insurance Density (\$) ²	94	136	na
VIG Romania (%)¹			
Growth	1.5	-1.0	-1.0
Market Share Non-Life	17.8	30.9	29.2
Market Share Life	4.2	21.3	24.5

Proportion of Non-Life & Life²



Remarks

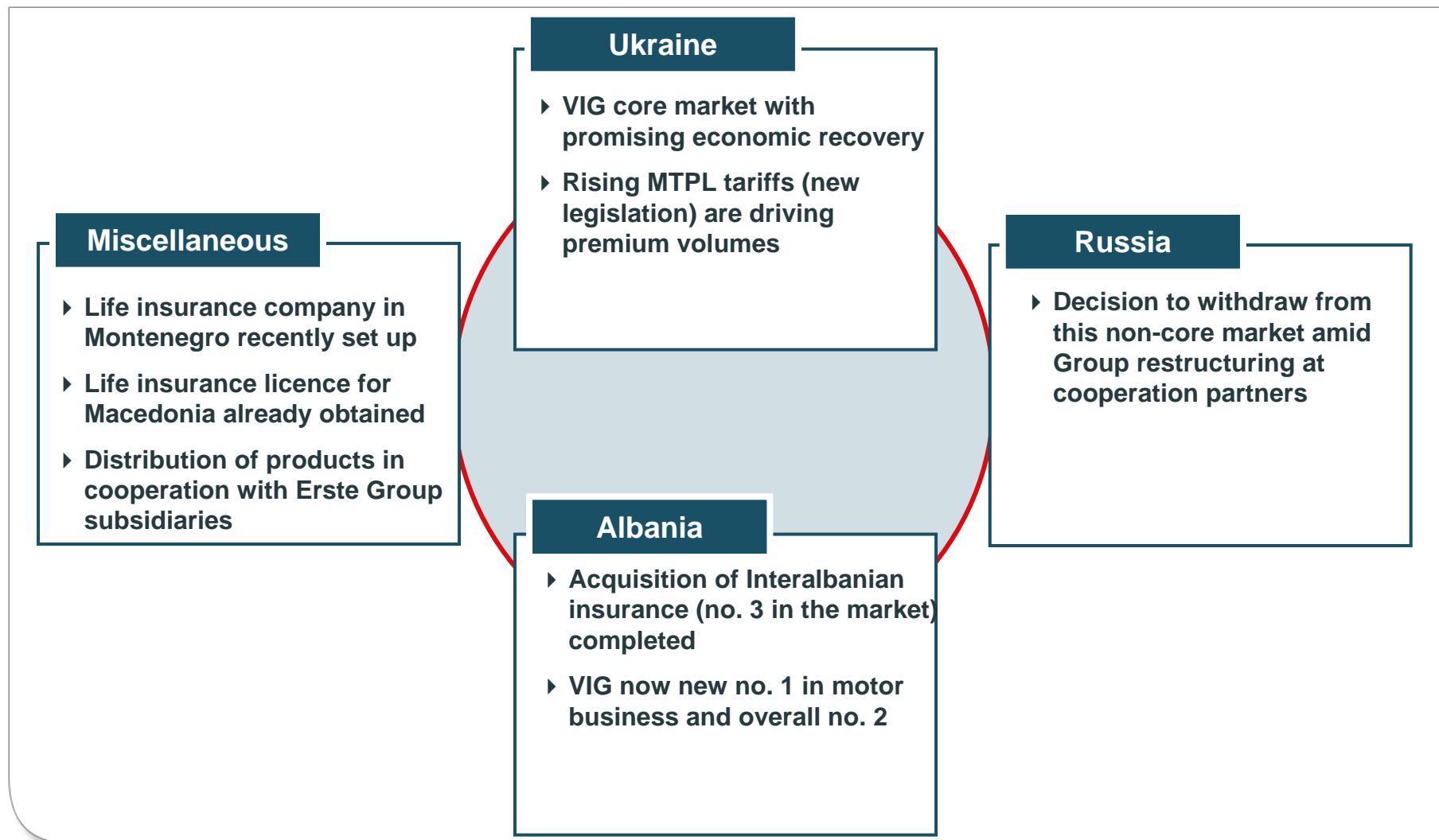
- ▶ Difficult economic situation also affecting insurance market
 - Cut in salary of civil servants by 25%
 - Increase of VAT from 19% to 24%
- ▶ Non-life business still accounts for about 82% of total market

Current trends:

- ▶ Decreasing motor business leads to weaker overall market; due to increase of tariffs (slowly also expected for competitors) stabilisation already seen
- ▶ Successful banking cooperation with BCR bank especially in life

Overview of other VIG Core Markets

Bulgaria	Croatia	Hungary	Serbia	Ukraine
Pop.: 7.6 mn	Pop.: 4.6 mn	Pop.: 10.0 mn	Pop.: 7.4 mn	Pop.: 45.7 mn
GDP/Cap.: \$ 7 k	GDP/Cap.: \$ 13 k	GDP/Cap.: \$ 17 k	GDP/Cap.: \$ 7 k	GDP/Cap.: \$ 3 k
Density NL: \$ 154	Density NL: \$ 318	Density NL: \$ 236	Density NL: \$ 111	Density NL: \$ 55
Density L: \$ 24	Density L: \$ 113	Density L: \$ 266	Density L: \$ 15	Density L: \$ 2
Market share ¹ : 17.6%	Market share: 8.6%	Market share: 4.4%	Market share: 8.7%	Market share: 3.0%



Insurance development and exploitation by VIG

Outline of VIG's markets

Management focus

CEE business and earnings potential

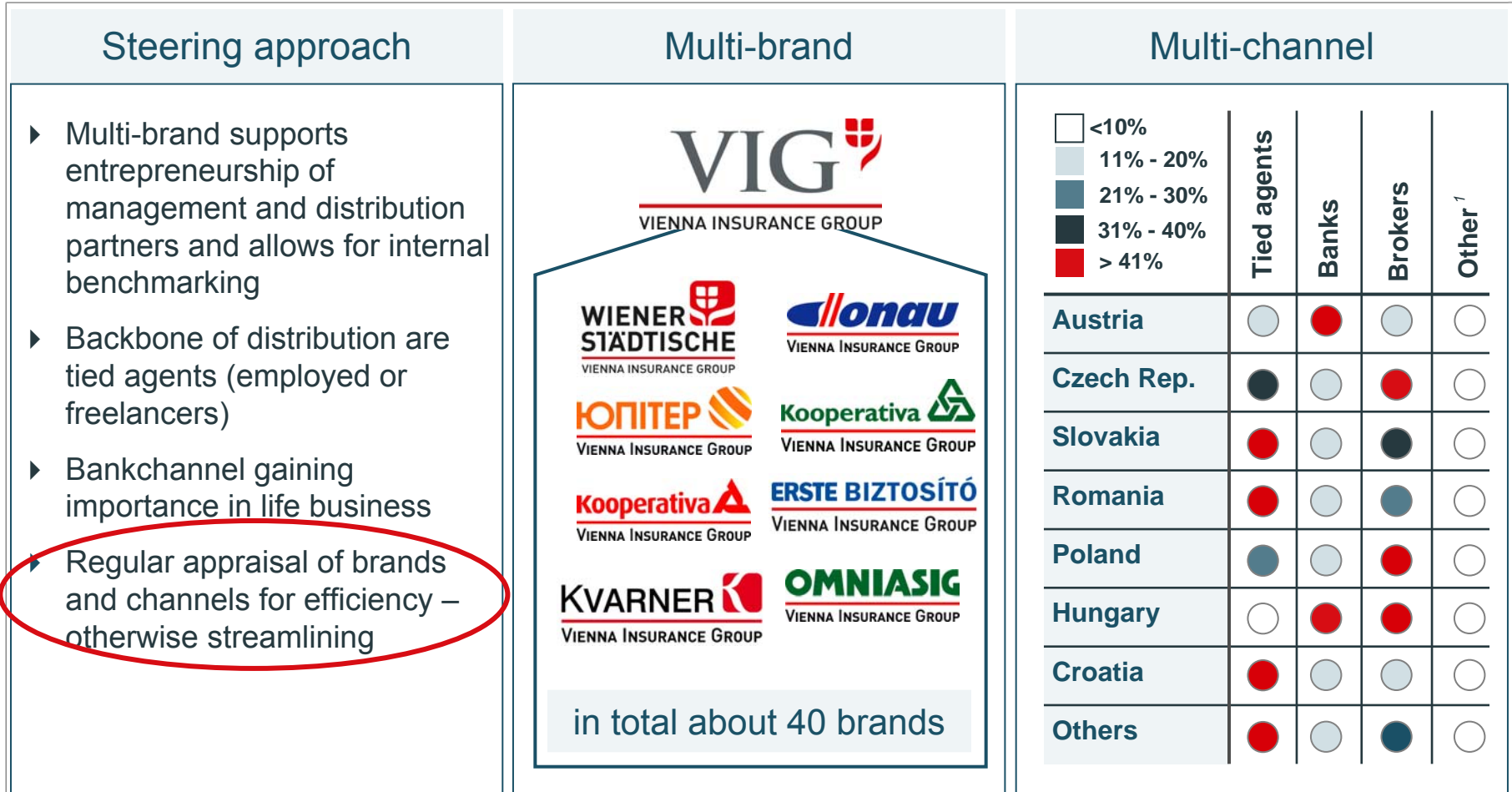
Financials and outlook

Appendix

Management Focus (I)

Remain committed to proven fundamentals

Management focus



Multi-brand and multi-channel remain core success factors for VIG

¹: direct insurance, leasing, car dealers, affinity groups,...

Diversification

Life in CEE

- ▶ Cooperation with Erste Group, focus on UL, extension into 10 countries

Geographic

- ▶ VIG present in markets with different dynamics
- ▶ Ukraine recently declared new core market, further expansion in Albania

Completion

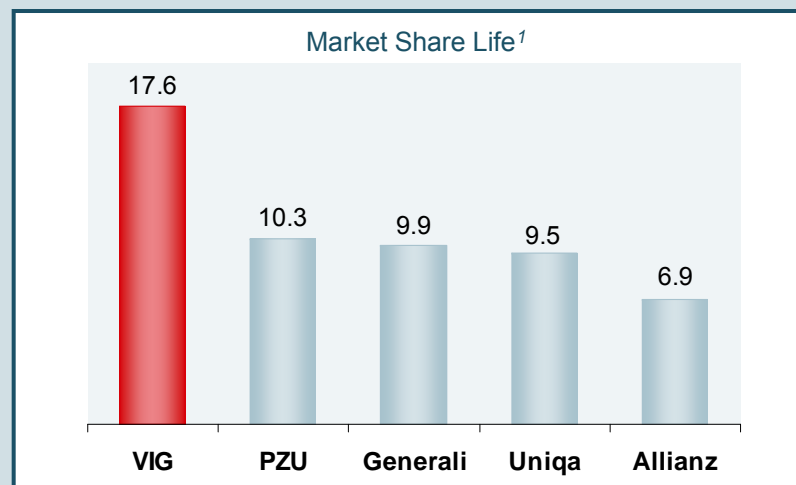
- ▶ Excellent implementation of VIGRe
- ▶ Preparation for health insurance business in CEE
- ▶ Launch of motor legal expenses insurance business in CZ, SK and PL

Efficiency

- ▶ Accelerated implementation of shared services concept to back up multi-brand approach in CEE to be continued in 2011
- ▶ Bundling of IT systems and procurement activities in CEE

Cooperation of s Versicherung

- ▶ s Versicherung shows strongest growth dynamic in CEE (=> about 22% in 3M 2011), in CZ premium increase of 24.3%, also strong in RO (+10.0%)
- ▶ Profitability of s Versicherung operations well ahead of schedule
- ▶ Banking distribution was paramount to become new no. 1 in Life in core¹ markets



1: Austria, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia and Ukraine; National insurance associations of the respective countries as of YE 2010

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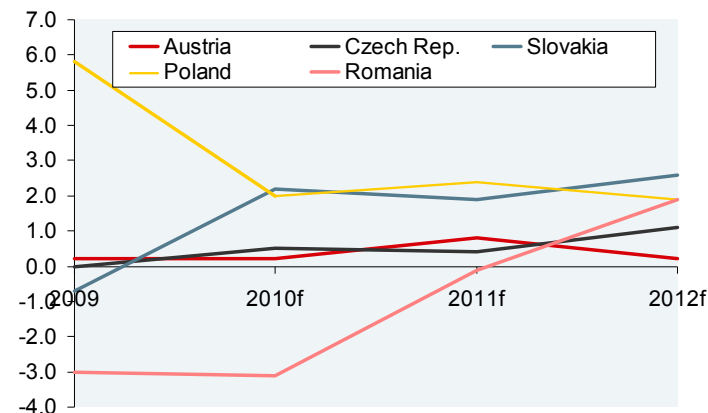
Recovery in CEE region exceeds development of Euro area

Appendix

GDP Development (real, % change vs. previous year)

	2009	2010f	2011f	2012f
Euro area	-4.1	1.8	1.6	1.8
Austria	-3.9	2.0	2.4	2.0
Czech Rep.	-4.1	2.3	2.0	2.9
Slovakia	-4.8	4.0	3.5	4.4
Poland	1.7	3.8	4.0	3.7
Romania	-7.1	-1.3	1.5	3.7

GDP Development vs. Euro Area (indexed. Euro area = 0)



Unemployment Rate (%)

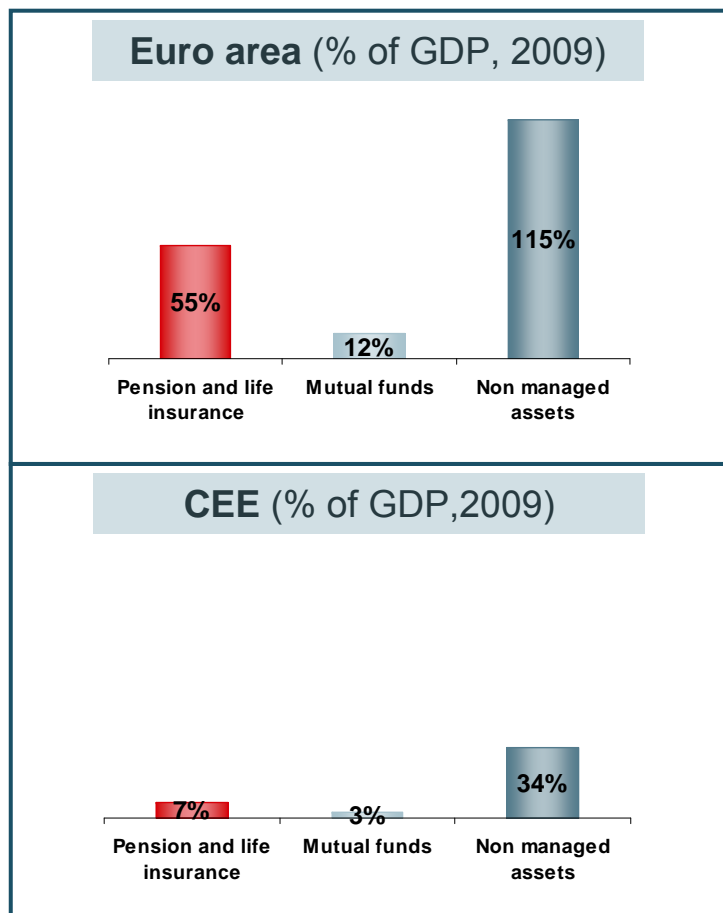
	2009	2010f	2011f	2012f
Euro area	9.6	10.1	10.0	9.7
Austria	4.8	4.4	4.3	4.2
Czech Rep.	6.7	7.3	6.8	6.4
Slovakia	12.0	14.4	14.0	13.3
Poland	8.2	9.6	9.3	8.8
Romania	6.9	7.3	7.2	6.8

Gross Government Debt (% of GDP)

	2009	2010f	2011f	2012f
Euro area	79.3	85.4	87.7	88.5
Austria	69.6	72.3	73.8	75.4
Czech Rep.	35.3	38.5	41.3	42.9
Slovakia	35.4	41.0	44.8	46.8
Poland	50.9	55.0	55.4	55.1
Romania	23.6	30.8	33.7	34.8


Two examples: life & health

Households' wealth composition¹



Health insurance potential in CEE

- ▶ Austria 2006: Private health spending of \$ 1,000 - thereof 25% for private health insurance
- ▶ In CZ assumption to reach 30% of Austrian level (2006) by 2018

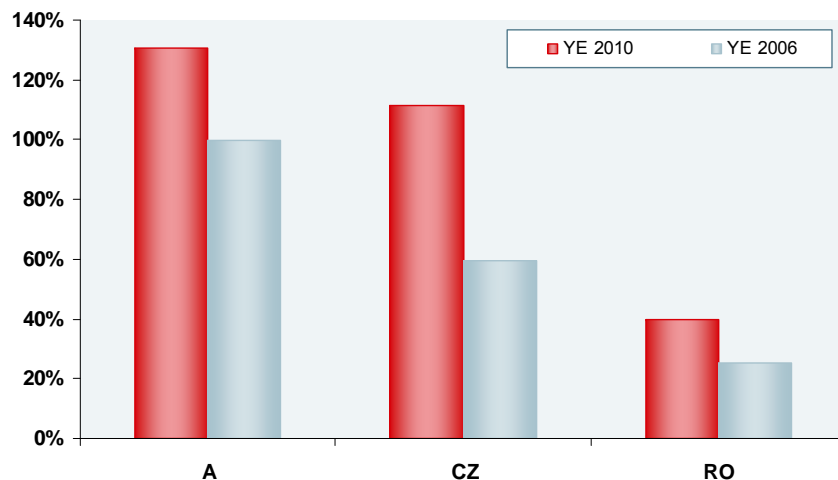


Potential of private health insurance for VIG of about € 500mn in CZ, PL, SK and RO

1: Source: Unicredit Group

Earnings Potential

Reserving Level Comparison
(Claims reserve in % of NEP)



▶ Decrease in cost ratio

- ▶ Economies of scale in less advanced markets
- ▶ Cost reduction programmes in advanced markets
- ▶ Shared services

▶ Investment income from reserves

- ▶ Long-term building up of reserves
- ▶ Long tail products gaining weight (GTPL)
- ▶ Going forward life business will create major reserves

▶ Reinsurance

- ▶ Increasing risk bearing capacity of growing Group companies allowed for pooling within VIGRe
- ▶ Creation of Group wide reinsurance cover packages (e.g. NatCat)
- ▶ Services also offered to external local insurers in the region

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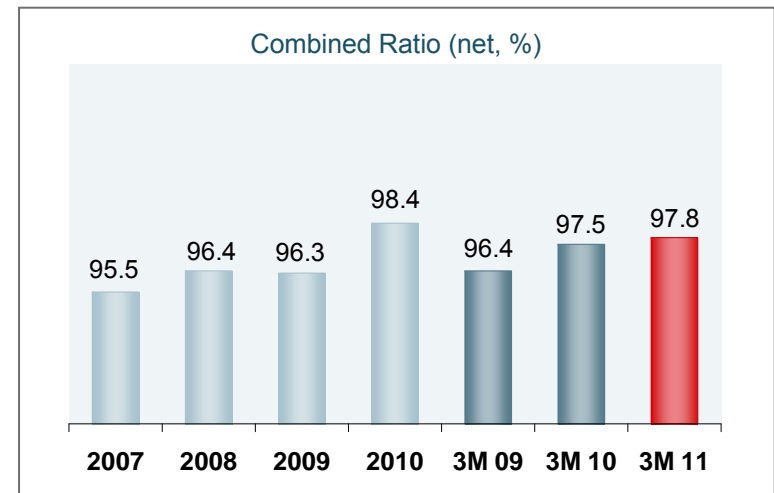
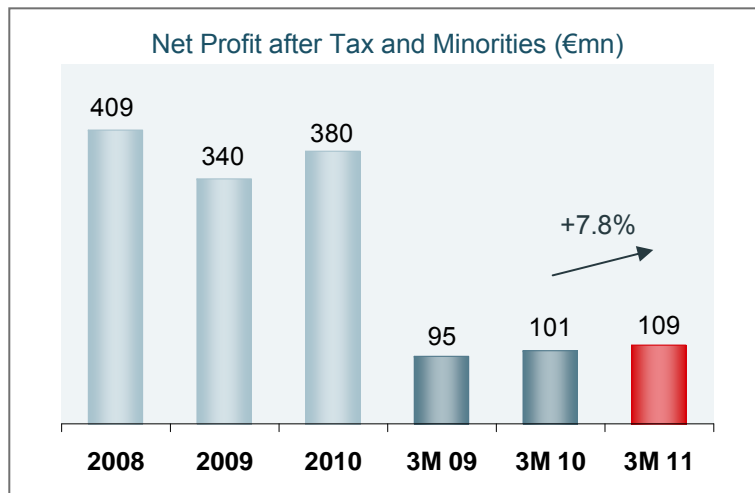
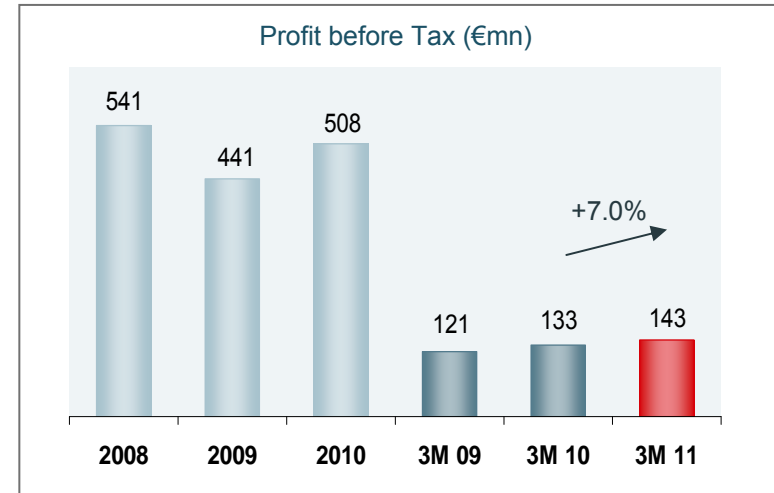
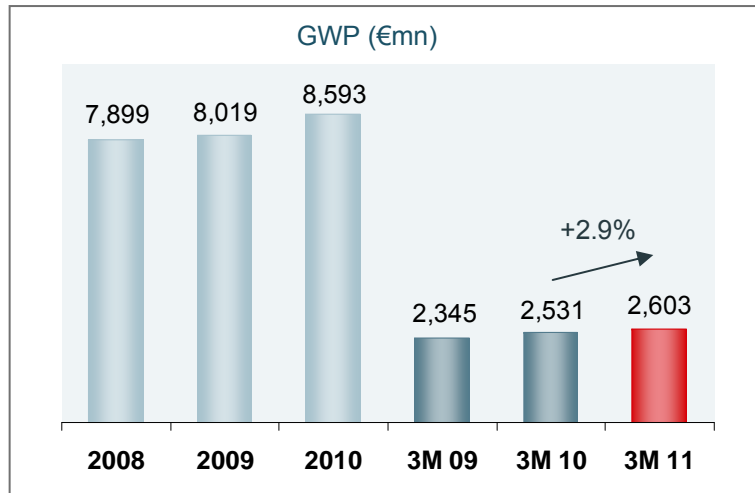
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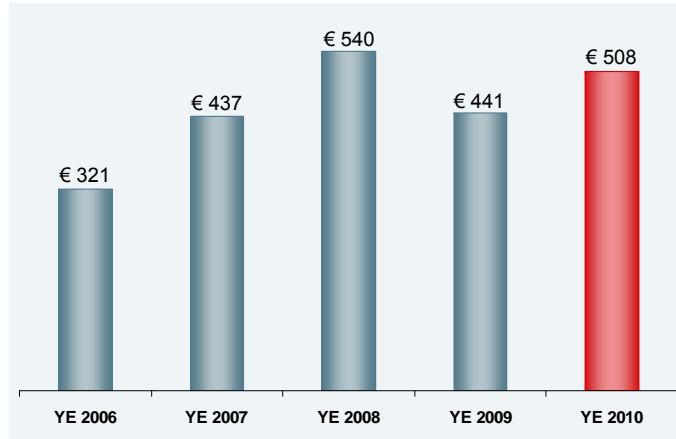
Appendix

3M 2011 Financial Highlights (I)

PBT increase driven by CEE performance



VIG's Path of Profitability (€mn)

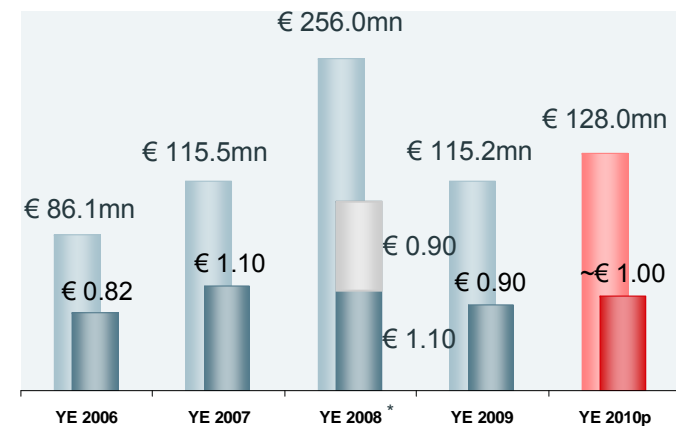


2011

Positive results drive to be sustained in 2011:

- PBT to increase again by about 10%
 - Low percentage premium growth expected
 - Combined ratio of about 97%
- ▶ Subject to overall economic and legal environment and benign Nat Cat trend

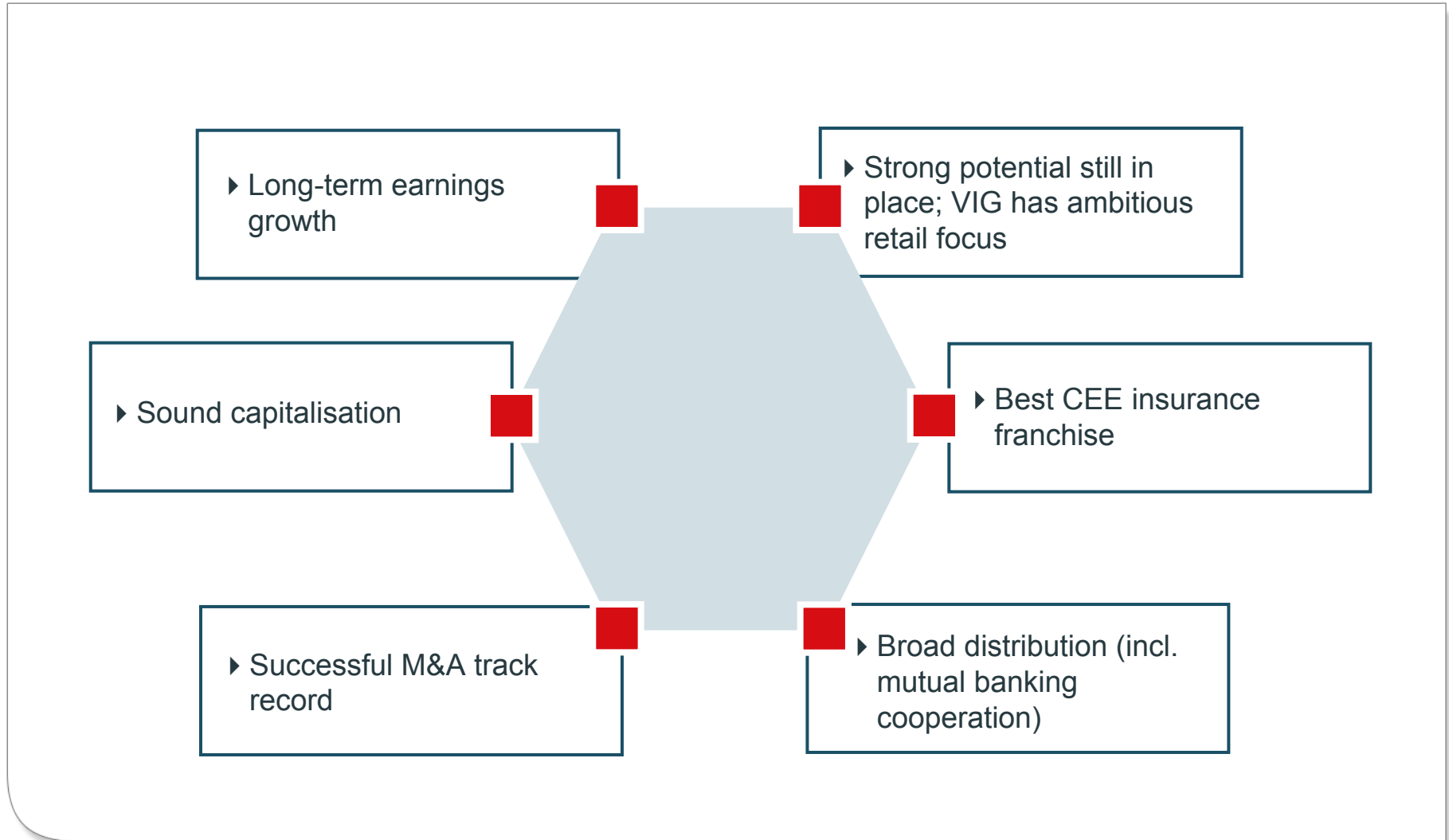
Development of Dividend



*: One-off bonus dividend paid out in 2009

- Payout volume
- Dividend/share
- Bonus dividend/share

- ▶ VIG keeping to its dividend policy which is defined as a payout ratio of minimum 30% of Group net profit



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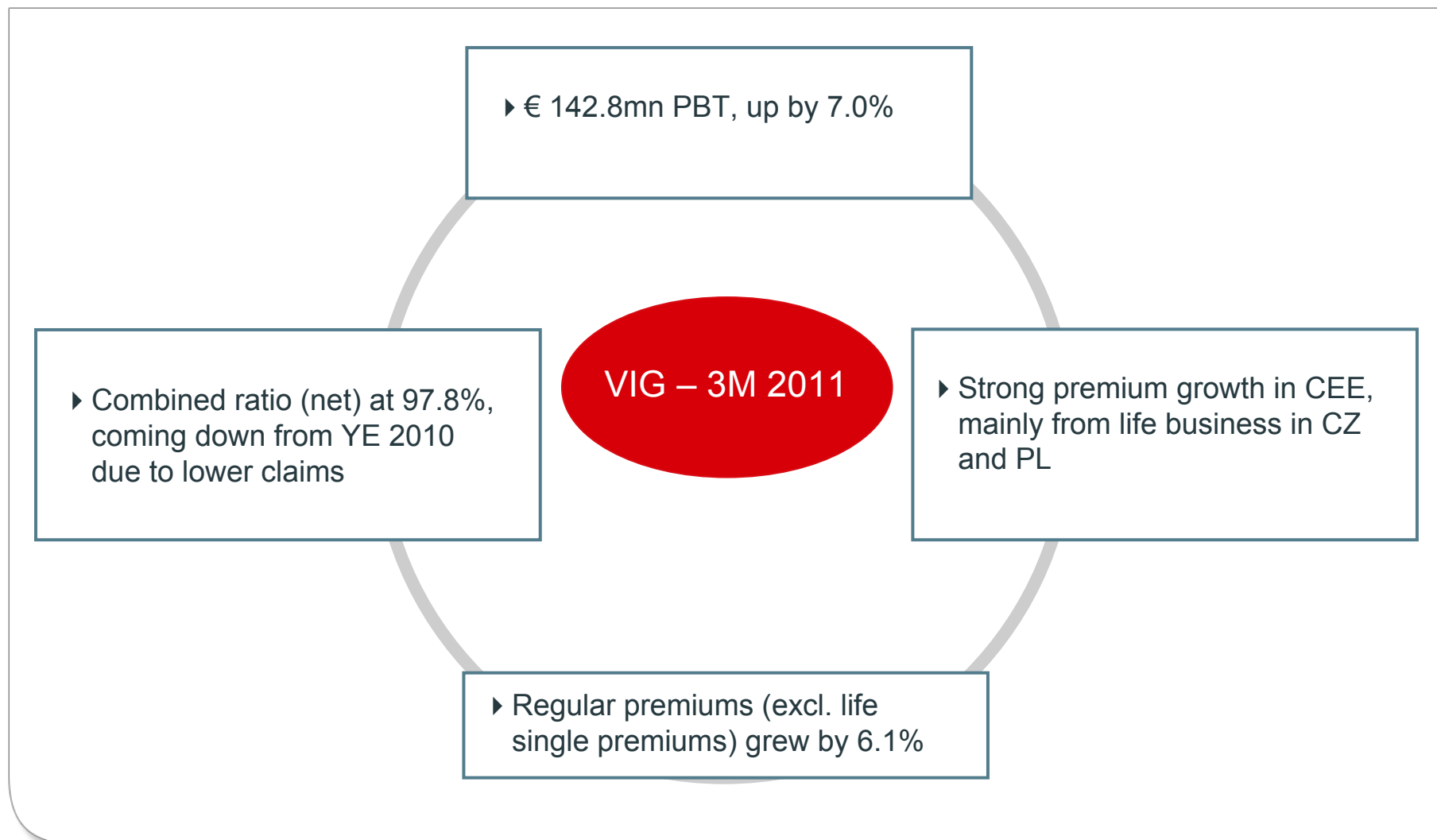
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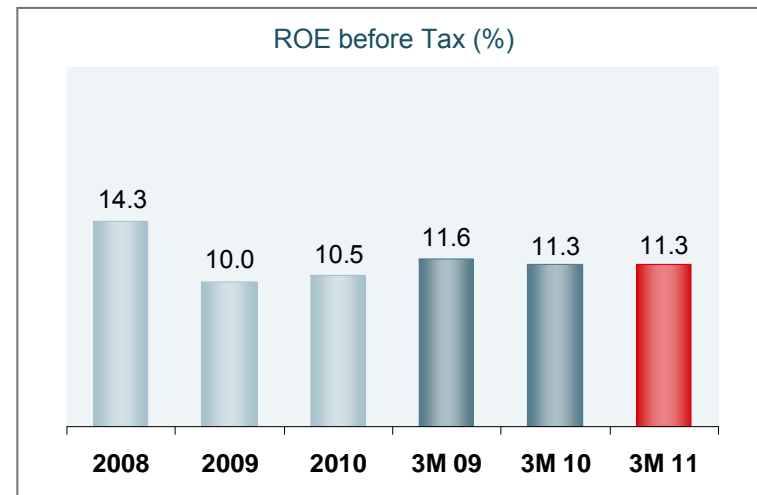
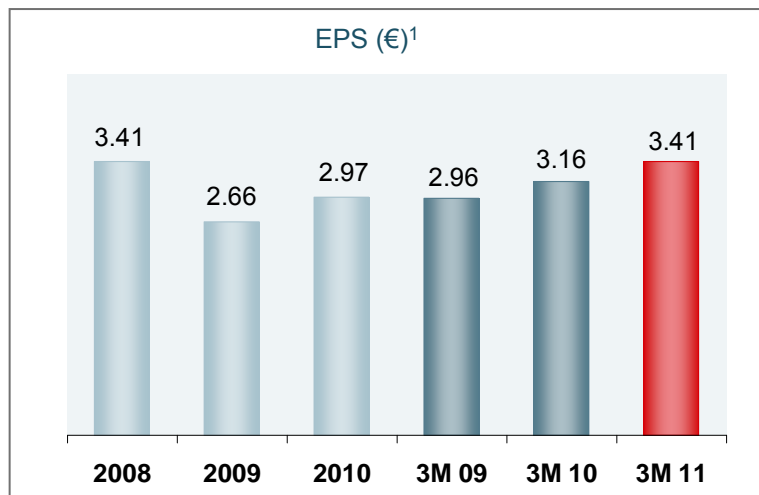
Financials and outlook

Appendix

3M 2011 Performance Drivers



3M 2011 Financial Highlights (II)



1: before deduction of hybrid interest

3M 2011 Income Statement

IFRS (€mn)

Appendix

€mn	3M 2011	3M 2010	+/-%
1. Gross premiums written	2,603.4	2,531.0	2.9
2. Net earned premiums	2,078.8	2,047.2	1.5
3. Financial result	253.2	310.4	-18.4
4. Other income	25.5	32.4	-21.2
Total income	2,357.6	2,389.9	-1.4
6. Expenses for claims and insurance benefits	-1,679.7	-1,727.8	-2.8
7. Operating expenses	-456.8	-447.6	2.1
8. Other expenses	-78.3	-81.1	-3.5
Total expenses	-2,214.8	-2,256.5	5.2
Profit before taxes	142.8	133.4	7.0
Taxes	-27.2	-24.2	12.5
Net profit before minorities (Profit for the period)	115.6	109.3	5.8
Minorities	-6.5	-8.0	-19.4
Net profit after minorites	109.1	101.2	7.8

3M 2011 Balance Sheet

IFRS (€mn)

Appendix

€mn	3M 2011	YE 2010	+/-%
Intangible assets	2,092	2,104	-0.6
Investments	28,221	28,160	0.2
Unit- and index-linked investments	5,479	5,479	0.0
Reinsurers' share in underwriting provisions	1,190	1,118	6.4
Receivables	1,916	1,681	13.9
Tax receivables and advance payments out of income tax	71	68	3.3
Deferred tax assets	97	108	-9.6
Other assets	354	359	-1.3
Cash and cash equivalents	602	396	51.9
Total assets	40,022	39,473	1.4
Shareholders' equity	5,093	5,030	1.3
<i>thereof minorities</i>	401	396	1.1
Subordinated liabilities	540	539	0.1
Underwriting provisions	24,444	24,018	1.8
Unit- and index-linked technical provisions	5,317	5,228	1.7
Non-underwriting provisions	531	558	-4.8
Liabilities	3,698	3,675	0.6
Tax liabilities out of income tax	69	64	6.8
Deferred tax liabilities	108	127	-15.3
Other liabilities	223	234	-4.4
Total liabilities and equity	40,022	39,473	1.4

3M 2011 P&L– Gross Written Premiums

Growth with different dynamics by lines and markets (€mn)

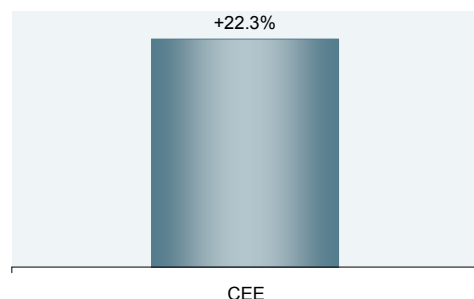
Appendix

€mn	GWP Non-life			GWP Life			Total		
	3M 2011	3M 2010	+/-%	3M 2011	3M 2010	+/-%	3M 2011	3M 2010	+/-%
Austria	738.7	698.8	5.7	546.0	602.3	-9.3	1,284.7	1,301.1	-1.3
Czech Rep.	287.0	285.1	0.7	227.3	169.4	34.2	514.3	454.5	13.2
Slovakia	103.4	101.6	1.8	85.2	80.1	6.3	188.6	181.8	3.7
Poland	162.0	134.9	20.1	96.6	41.8	131.0	258.6	176.7	46.3
Romania	117.4	121.4	-3.3	27.1	26.0	4.3	144.5	147.4	-2.0
Remaining	151.9	127.1	19.5	60.8	142.4	-57.3	212.7	269.5	-21.1
Total	1,560.4	1,468.9	6.2	1,043.0	1,062.1	-1.8	2,603.4	2,531.0	2.9

- ▶ Austria: competitive motor market but sound non-motor growth; life single premiums weaker due to new tax regime
- ▶ Czech Republic: weak motor market; life strong both in regular and single premiums
- ▶ Slovakia: more selective underwriting in motor; strong single premium life business from Erste Bank channel
- ▶ Poland: non-life growing above market; dynamics in life from tax-driven single premiums
- ▶ Romania: weak motor comprehensive market; in life strong basis in Q1 2010

▶ Remaining: very mixed picture by country and business line

s Versicherung Group CEE¹ business (yoy)



- ▶ Premium growth of 24.3% in CZ
- ▶ In Romania, banking distribution increased by 10.0%, mainly from regular premiums; single premiums to increase further until YE 2011
- ▶ Double-digit premium increase in all major CEE markets

1: s Versicherung Group without BCR Non-Life

Note: First time consolidation of UIG, Georgia and TBIH as of Q3 2010, full consolidation of Ray Sigorta as of Q3 2010

3M 2011 – Expenses for Claims Incurred

Loss ratio improving due to absence of NatCat events

Appendix

- ▶ Group loss ratio (net) down by 1.3% pts
- ▶ Austria and Czech Republic recorded loss ratio down by 2.2% pts and 4.0% pts as a consequence of better weather conditions
- ▶ In Slovakia, loss ratio improved by 5.2% pts as mandatory reserving for former MTPL state monopoly is no longer required
- ▶ Poland: decrease of loss ratio by 4.7% pts due to absence of NatCat claims and improved motor rates
- ▶ Romania saw increase of claims ratio by 12.8% pts reflecting difficult motor claims situation
- ▶ Remaining: loss ratio improved by 1.0% pt, mainly from Ukraine, Hungary and Germany

%	Claims Ratio		
	3M 2011	3M 2010	+/- %-pts
Austria	62.5	64.7	-2.2
Czech Rep.	63.4	67.4	-4.0
Slovakia	50.6	55.8	-5.2
Poland	67.7	72.4	-4.7
Romania	76.1	63.3	12.8
Remaining	61.8	62.8	-1.0
	64.1	65.3	-1.3

No NatCat claims in Q1 2011

€mn	P&C	
	3M 2011	3M 2010
Net Earned Premiums:	966.2	918.4
Expenses for Claims Incurred:	618.9	599.8
Ratio	64.1%	65.3%

3M 2011 – Operating Expenses

Higher acquisitions costs and lower reinsurance commissions

Appendix

- ▶ Group cost ratio (net) increased by 1.6% pts
- ▶ Cost ratio in Austria increased by 1.9% pts due to timing differences in accounting between gross sales costs and reinsurance commissions/profit shares and between quarters
- ▶ Costs in the Czech Republic up by 3.6% pts from VIG Re (building up of general reserve for run-off portfolios)
- ▶ In Slovakia, cost ratio up by 5.5% pts due to lower reinsurance commissions
- ▶ Poland recorded a reduction of the cost ratio by 1.8% pts due to lower admin and acquisition costs
- ▶ In Romania, decrease by 0.8% pts, reduction due to accounting change (premium discounts formerly charged on acquisition costs)
- ▶ In Remaining, cost ratio improved by 0.5% pts, influenced by the Ukraine and Hungary

%	Cost Ratio		
	3M 2011	3M 2010	+/- %-pts
Austria	31.5	29.6	1.9
Czech Rep.	31.1	27.4	3.6
Slovakia	45.8	40.3	5.5
Poland	33.2	35.1	-1.8
Romania	34.0	34.8	-0.8
Remaining	39.5	40.0	-0.5
	33.8	32.2	1.6

€mn	P&C	
	3M 2011	3M 2010
Net Earned Premiums:	966.2	918.4
Operating Expenses: ¹	326.1	295.6
Ratio	33.8%	32.2%

¹: Including other underwriting result of €30.6mn for 3M 2011 (3M 2010: € 30,6mn)

3M 2011 P&L Major Items – Financial Result

Financial result driven by improved markets

Appendix

Income in €'000	P&C		Life		Health		Total	
	3M 2011	3M 2010	3M 2011	3M 2010	3M 2011	3M 2010	3M 2011	3M 2010
Current income	109,185	41,258	220,385	249,920	8,693	9,634	338,263	300,812
Income from appreciations	7,122	6,207	2,747	25,383	0	206	9,869	31,796
Income from the disposal of investments	5,585	39,468	45,194	32,036	2,262	1,539	53,041	73,043
Other income	4,402	1,306	7,740	6,620	0	1	12,142	7,927
Total Income	126,294	88,239	276,066	313,959	10,955	11,380	413,315	413,578

Expenses in €'000	P&C		Life		Health		Total	
	3M 2011	3M 2010	3M 2011	3M 2010	3M 2011	3M 2010	3M 2011	3M 2010
Depreciation of investments	27,206	4,606	18,964	25,263	1,159	1,097	47,329	30,966
Impairment of investments	1,162	2,892	16,932	4,140	128	2,605	18,222	9,637
Exchange rate changes	1,690	12	4,648	-1,134	6	4	6,344	-1,118
Losses from the disposal of investments	3,903	3,105	8,428	8,943	658	359	12,989	12,407
Interest expenses	15,173	6,405	7,758	18,877	1,375	1,529	24,306	26,811
Other expenses	34,601	3,649	14,609	19,806	1,712	1,056	50,922	24,511
Total Expenses	83,735	20,669	71,339	75,895	5,038	6,650	160,112	103,214

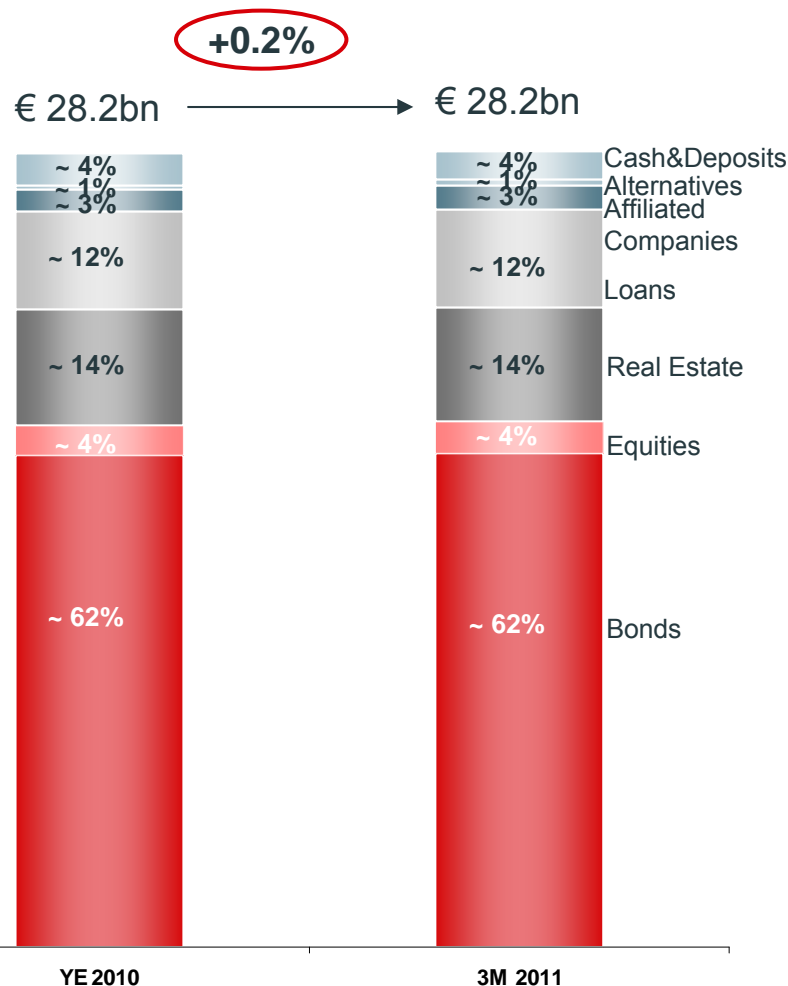
Total Financial Result¹	42,559	67,570	204,727	238,064	5,917	4,730	253,203	310,364
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1: Incl. result from equity participations

YE 2010 Investment Split

VIG follows a consistent investment approach

Appendix



Investment strategy

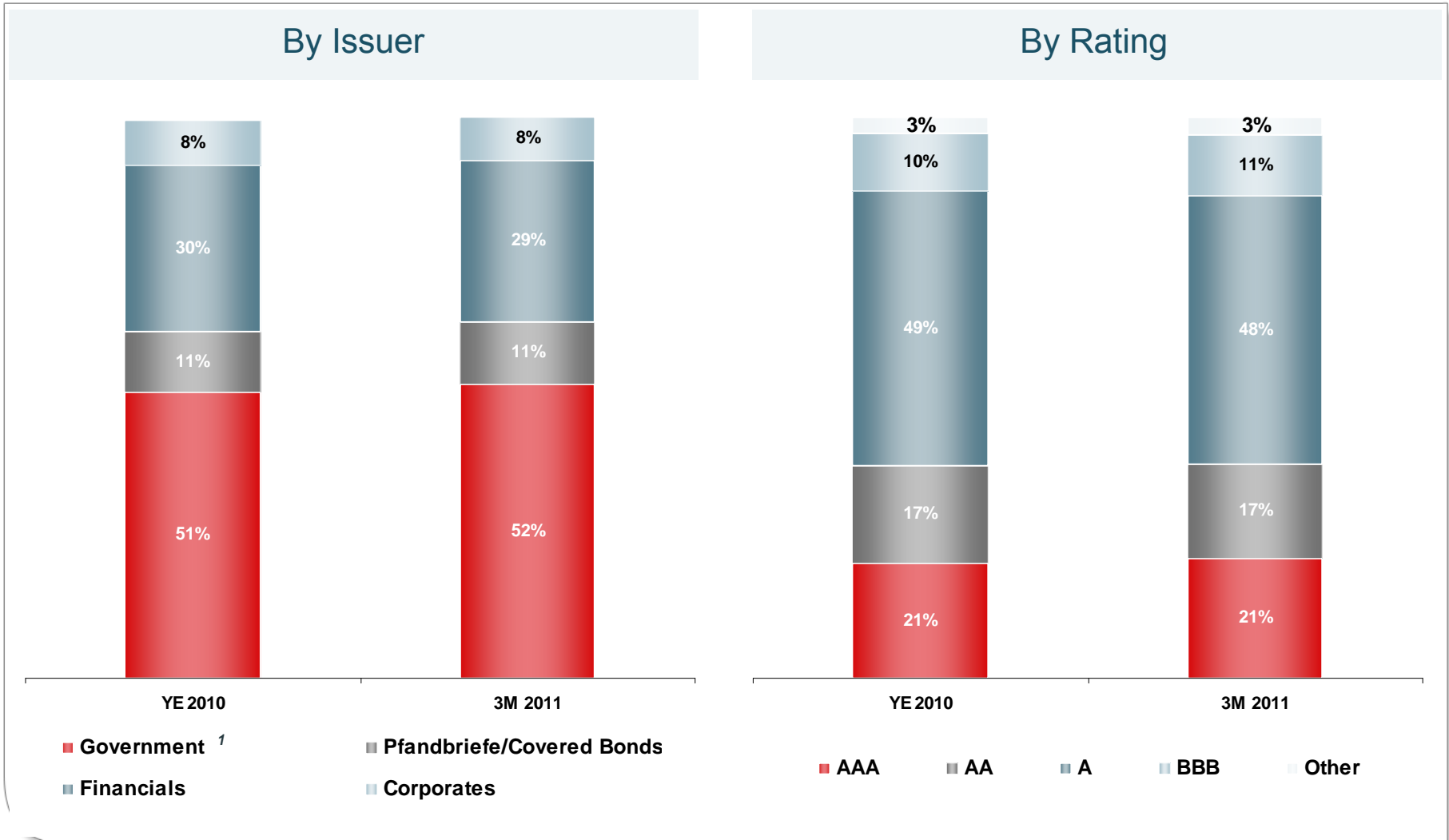
- ▶ Average guaranteed interest rate of total life book of 3.14% at YE 2010; newly issued policies offer lower guaranteed interest rates
- ▶ Real estate portfolio of VIG offering attractive running yield of about 6% (more than € 500mn unrealised gains)

- ▶ Intention to further increase real estate investments
- ▶ Further investments into high quality CEE sovereign bonds
- ▶ Acquisition of good quality corporate bonds (defensive sectors)
- ▶ Moderate increase of equity ratio

Development of Bond Portfolio

VIG follows a consistent investment approach

Appendix



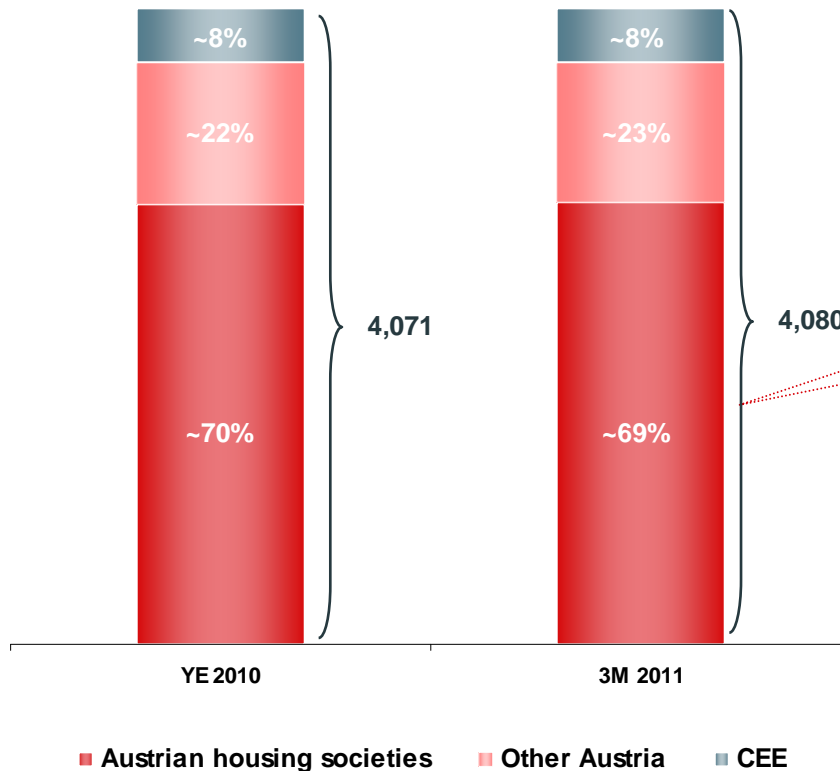
1: Government and government guaranteed

Composition of Real Estate

Increase from consolidation of a further housing society

Appendix

Real Estate (€mn)



- ▶ Nearly 70% of real estate with regulated Austrian housing societies
- ▶ Entities are governed by a specific legal framework
- ▶ Rents are subsidised by government => low vacancies
- ▶ Residents are VIG insurance clients

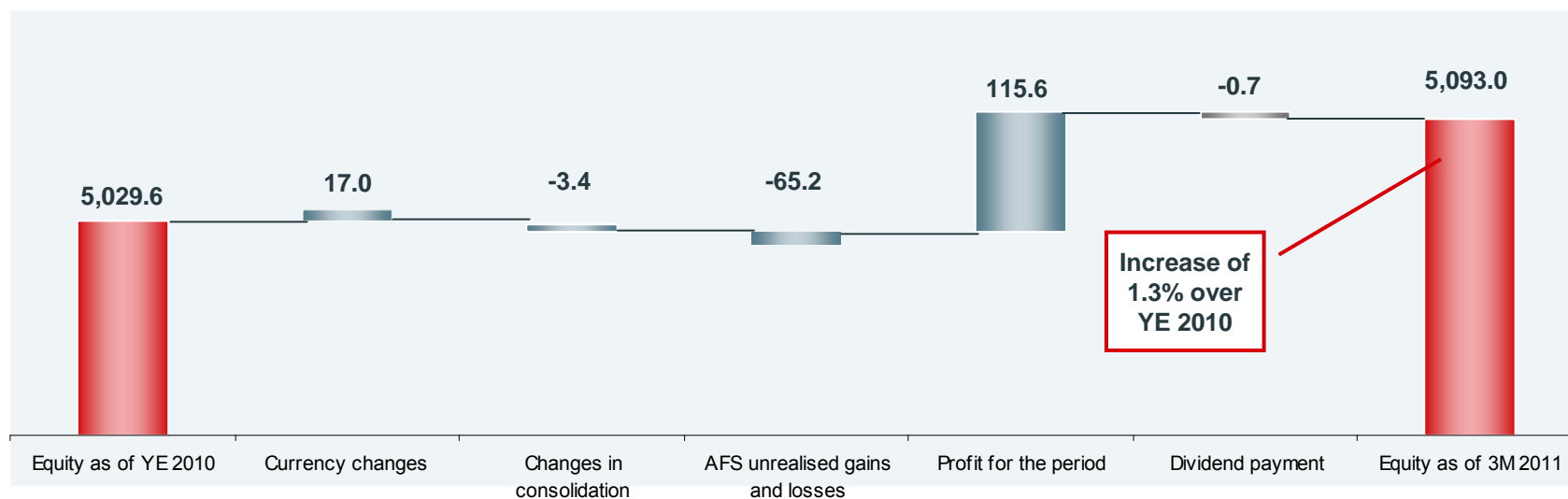
- ▶ 92% of total real estate portfolio invested in Austria, remaining 8% invested in CEE, mainly used by VIG (offices)
- ▶ Hidden reserves (market value over book value) of more than €500mn (excl. housing societies)

3M 2011 Shareholders' Equity

Shareholders' equity supports strong capitalisation

Appendix

Change in Group Shareholders' Equity (€mn)



3M 2011: VIG has a Solvency I ratio of more than 220%

3M 2011 P&L – Business Segments

Property & Casualty, IFRS (€mn)

Appendix

€mn	3M 2011	3M 2010	+/-%
1. Gross premiums written	1,468.1	1,384.1	6.1
2. Net earned premiums	966.2	918.4	5.2
3. Financial result	42.6	67.6	-37.0
4. Other income	17.0	8.6	98.2
Total income	1,025.8	994.6	3.1
6. Expenses for claims and insurance benefits	-618.9	-599.8	3.2
7. Operating expenses	-295.6	-265.1	11.5
8. Other expenses	-57.3	-43.3	32.1
Total expenses	-971.7	-908.2	7.0
Profit before taxes	54.1	86.3	-37.4

3M 2011 P&L – Business Segments

Life, IFRS (€mn)

Appendix

€mn	3M 2011	3M 2010	+/-%
1. Gross premiums written	1,043.0	1,062.1	-1.8
2. Net earned premiums	1,023.8	1,047.4	-2.3
3. Financial result	204.7	238.1	-14.0
4. Other income	8.5	23.8	-64.4
Total income	1,237.0	1,309.3	-5.5
6. Expenses for claims and insurance benefits	-986.5	-1,060.9	-7.0
7. Operating expenses	-151.8	-173.3	-12.4
8. Other expenses	-20.8	-37.6	-44.6
Total expenses	-1,159.2	-1,271.7	-8.8
Profit before taxes	77.8	37.6	107.1

3M 2011 P&L – Business Segments

Health, IFRS (€mn)

Appendix

€mn	3M 2011	3M 2010	+/-%
1. Gross premiums written	92.3	84.8	8.8
2. Net earned premiums	88.8	81.3	9.2
3. Financial result	5.9	4.7	25.1
4. Other income	0.0	0.0	>100
Total income	94.7	86.0	10.1
6. Expenses for claims and insurance benefits	-74.2	-67.1	10.5
7. Operating expenses	-9.4	-9.2	1.9
8. Other expenses	-0.2	-0.1	19.4
Total expenses	-83.8	-76.5	9.5
Profit before taxes	10.9	9.5	14.5

3M 2011 P&L – Split by Regions (I)

Regional segments, IFRS (€mn)

Appendix

€mn	Austria			Czech Republic		
	3M 2011	3M 2010	+/-%	3M 2011	3M 2010	+/-%
1. Gross premiums written	1,284.7	1,301.1	-1.3	514.3	454.5	13.2
2. Net earned premiums	942.5	980.7	-3.9	451.6	392.6	15.0
3. Financial result	177.0	232.6	-23.9	32.0	29.1	10.2
4. Other income	5.8	2.5	130.9	7.0	3.6	96.7
Total income	1,125.3	1,215.8	-7.4	490.7	425.3	15.4
6. Expenses for claims/benefits	-866.1	-970.4	-10.7	-321.4	-277.0	16.0
7. Operating expenses	-169.2	-166.9	1.4	-108.3	-98.7	9.8
8. Other expenses	-11.2	-8.3	34.1	-19.8	-18.1	9.4
Total expenses	-1,046.4	-1,145.6	-8.7	-449.6	-393.8	14.2
Profit before taxes	78.8	70.3	12.2	41.1	31.5	30.6
Combined Ratio	94.0%	94.3%		94.5%	94.8%	

3M 2011 P&L – Split by Regions (II)

Regional segments, IFRS (€mn)

Appendix

€mn	Slovakia			Poland			Romania		
	3M 2011	3M 2010	+/-%	3M 2011	3M 2010	+/-%	3M 2011	3M 2010	+/-%
1. Gross premiums written	188.6	181.8	3.7	258.6	176.7	46.3	144.5	147.4	-2.0
2. Net earned premiums	151.9	147.7	2.9	231.7	157.1	47.5	133.0	135.2	-1.6
3. Financial result	10.6	10.8	-2.3	12.3	16.5	-25.3	4.9	4.9	0.2
4. Other income	1.7	1.1	62.0	1.0	1.2	-15.1	5.9	4.2	39.1
Total income	164.3	159.6	2.9	245.1	174.8	40.2	143.8	144.3	-0.3
6. Expenses for claims/benefits	-108.9	-114.2	-4.6	-171.4	-96.5	77.6	-101.7	-89.8	13.2
7. Operating expenses	-27.4	-25.1	9.4	-59.9	-68.7	-12.9	-37.8	-38.3	-1.2
8. Other expenses	-10.4	-10.2	2.1	-4.3	-2.4	74.7	-9.3	-8.8	5.4
Total expenses	-146.8	-149.5	-1.8	-235.5	-167.6	40.5	-148.7	-136.9	8.7
Profit before taxes	17.5	10.1	73.3	9.6	7.2	33.9	-5.0	7.4	-167.0
Combined Ratio	96.4%	96.1%		100.9%	107.4%		110.1%	98.1%	

3M 2011 P&L – Split by Regions (III)

Regional segments, IFRS (€mn)

Appendix

€mn	Remaining			TOTAL		
	3M 2011	3M 2010	+/-%	3M 2011	3M 2010	+/-%
1. Gross premiums written	212.7	269.5	-21.1	2,603.4	2,531.0	2.9
2. Net earned premiums	168.0	234.0	-28.2	2,078.8	2,047.2	1.5
3. Financial result	16.4	16.4	-0.2	253.2	310.4	-18.4
4. Other income	4.0	19.8	-79.6	25.5	32.4	-21.2
Total income	188.5	270.2	-30.2	2,357.6	2,389.9	-1.4
6. Expenses for claims/benefits	-110.2	-180.0	-38.8	-1,679.7	-1,727.8	-2.8
7. Operating expenses	-54.2	-50.0	8.4	-456.8	-447.6	2.1
8. Other expenses	-23.4	-33.2	-29.7	-78.3	-81.1	-3.5
Total expenses	-187.8	-263.2	-28.7	-2,214.8	-2,256.5	-1.8
Profit before taxes	0.7	7.0	na	142.8	133.4	7.0
Combined Ratio	101.3%	102.8%		97.8%	97.5%	

3M 2011 Results by Country

IFRS (€mn)

Appendix

€mn	GWP Non-Life		Life GWP		GWP Total		Profit before Taxes		Net Combined Ratio	
	3M 2011	3M 2010	3M 2011	3M 2010	3M 2011	3M 2010	3M 2011	3M 2010	3M 2011	3M 2010
Austria	738.7	698.8	546.0	602.3	1,284.7	1,301.1	78.8	70.3	94.0%	94.3%
Czech Rep.	287.0	285.1	227.3	169.4	514.3	454.5	41.1	31.5	94.5%	94.8%
Slovakia	103.4	101.6	85.2	80.1	188.6	181.8	17.5	10.2	96.4%	96.1%
Poland	162.0	134.9	96.6	41.8	258.6	176.7	9.6	7.2	100.9%	107.4%
Romania	117.4	121.4	27.1	26.0	144.5	147.4	-5.0	7.4	110.1%	98.1%
Remaining	151.9	127.1	60.8	142.4	212.7	269.5	0.7	7.0	101.3%	102.8%
<i>Hungary</i>	19.2	14.5	12.7	17.6	31.9	32.2	1.9	1.3	89.7%	101.6%
<i>Croatia</i>	9.6	12.7	13.8	14.5	23.4	27.2	2.0	2.2	103.6%	106.6%
<i>Serbia</i>	7.2	6.3	5.4	4.6	12.6	11.0	0.4	1.1	105.4%	93.3%
<i>Bulgaria</i>	36.8	41.4	3.5	3.4	40.3	44.8	-1.4	-0.6	117.2%	105.6%
<i>Ukraine</i>	12.9	4.7	0.4	0.2	13.2	5.0	0.4	-0.7	101.8%	131.1%
<i>Turkey</i>	30.0	20.5	-	-	30.0	20.5	-1.2	-1.3	108.9%	114.3%
<i>Georgien</i>	9.2	-	-	-	9.2	-	0.7	-	93.0%	-
<i>Baltics</i>	-	-	5.78	4.3	5.8	4.3	0.3	0.4	-	-
<i>Albania</i>	3.7	5.2	-	-	3.7	5.2	0.9	0.5	80.2%	91.3%
<i>Macedonia</i>	2.2	1.1	-	-	2.2	1.1	0.4	0.1	77.9%	96.6%
<i>Netherlands</i>	-	-	-	-	-	-	-9.7	-	-	-
<i>Liechtenstein</i>	-	-	4.3	83.3	4.3	83.3	0.1	0.3	-	-
<i>Germany</i>	21.0	20.5	14.9	14.4	35.9	34.9	5.9	3.9	79.4%	88.8%
Total	1,560.4	1,468.9	1,043.0	1,062.1	2,603.4	2,531.0	142.8	133.5	97.8%	97.5%

Change in Group Shareholders' Equity

IFRS (€ '000)

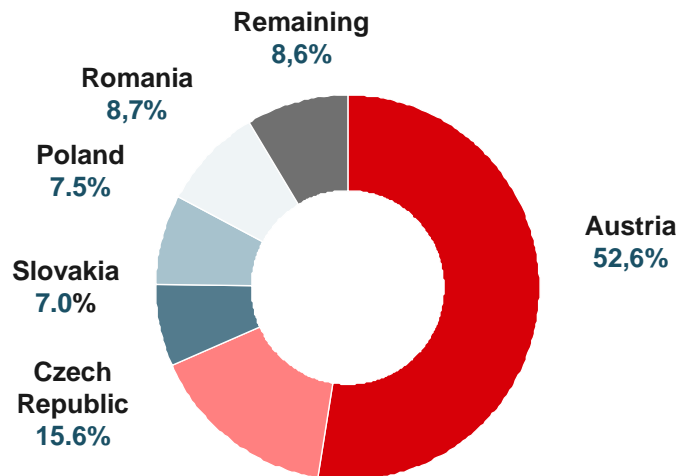
Appendix

	1.1. - 31.3.2011	1.1. - 31.3.2010
Equity as of 1 January	5,029,647	4,628,573
Exchange rate changes	17,048	36,714
Changes in scope of consolidation	-3,416	-5,879
Capital increase	0	0
Unrealised gains and losses from financial instruments available for sale	-65,209	84,339
Profit for the period	115,602	109,263
Dividend payment	-672	-660
Equity as of 31 March	5,093,000	4,852,350

Basis of business origination substantially widened

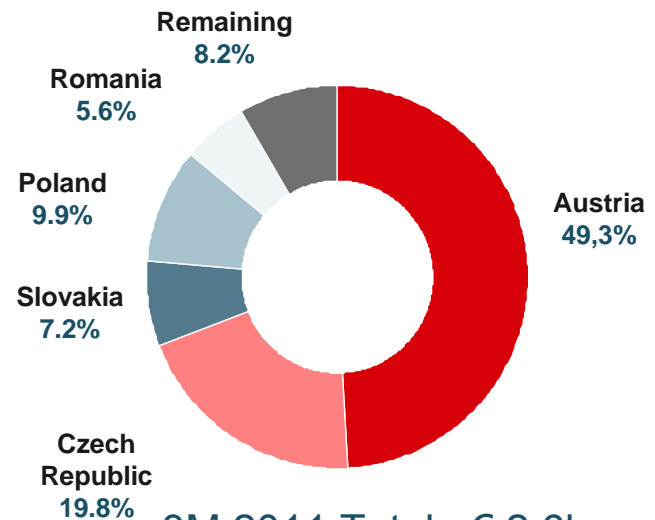
Appendix

GWP by Geography 3M 08



3M 2008 Total: € 2.3bn

GWP by Geography 3M 11



3M 2011 Total: € 2.6bn

- ▶ **VIG has gained a much wider geographical scope of premium origination within a relatively short period**
- ▶ **Non-life business still dominates portfolio (influenced by CEE, in Austria even split)**

Life Insurance Premium Split

IFRS (€mn)

Appendix

Premiums written - direct business	3M 2011	3M 2010	+/- %
Regular premiums	600.1	566.6	5.9%
Single premiums	439.4	491.3	-10.6%
Total premiums written - direct business	1,039.4	1,057.9	-1.7%
thereof:			
Policies with profit participation	492.7	549.5	-10.4%
Policies without profit participation	89.5	77.1	16.0%
unit linked life insurance	394.9	327.0	20.8%
index linked life insurance	62.4	104.2	-40.1%

Group Embedded Value 2010

Results (€mn)

Appendix

	L&H		P&C		Total	
	2010	2009 (*)	2010	2009 (*)	2010	2009 (*)
Austria / Germany						
Free Surplus	342.8	207.8				
Required Capital	394.1	381.4				
ANAV	736.9	589.1	-197.4	73.9	539.5	663.0
PVFP	1,484.8	1,444.0			1,484.8	1,444.0
- TVFOG	-222.0	-185.7			-222.0	-185.7
- CoC/FCRC	-48.9	-49.3			-48.9	-49.3
- CRNHR	-99.2	-105.7			-99.2	-105.7
VIF	1,114.7	1,103.2			1,114.7	1,103.2
Subtotal A/G	1,851.6	1,692.4	-197.4	73.9	1,654.2	1,766.3
CEE						
Free Surplus	461.5	278.6				
Required Capital	216.7	184.8				
ANAV	678.2	463.4	1,858.1	1,706.6	2,536.3	2,170.0
PVFP	1,004.9	840.6			1,004.9	840.6
- TVFOG	-55.0	-50.4			-55.0	-50.4
- CoC/FCRC	-15.2	-15.3			-15.2	-15.3
- CRNHR	-62.5	-43.8			-62.5	-43.8
VIF	872.2	731.1			872.2	731.1
Subtotal CEE	1,550.4	1,194.5	1,858.1	1,706.6	3,408.5	2,901.1
Total	3,402.0	2,886.9	1,660.7	1,780.5	5,062.7	4,667.4

(*) The results shown above are after restatement

Remarks

- ▶ All results are based on local GAAP
- ▶ GEV reflects the present value of amounts deemed to be distributable to shareholders
- ▶ EEV is based on stochastic cash flow projections using market consistent capital market scenarios and an allowance for liquidity premiums. The EEV allows for management actions (e.g. in respect of profit participation and asset allocation) and policyholder behaviour
- ▶ Assumed policyholder profit participation allows for local supervisory laws and contractual agreements and current company practice
- ▶ Best estimate actuarial assumptions for expenses, mortality, etc.
- ▶ ANAV for P&C includes Surplus in Claims Reserves based on undiscounted

Scope of GEV-Reporting:

- ▶ Group Embedded Value (GEV) calculated as Life & Health (L&H) EEV plus Adjusted Net Asset Value (ANAV) for Property & Casualty (P&C)
- ▶ Change to EEV for all companies formerly on TEV basis: Interrisk (DE), Erste Osiguranje (HR), Union and Erste Biztosito (HU), Compensa Life and Benefia Life (PL), BCR Life (RO) PCS in Czech Republic and PSLSP in Slovakia: Change from TEV to EEV
- ▶ Calculation of EEV and ANAV for the first time: VIG RE (CZ) and Komunalna (SK)
- ▶ Inclusion of VIG Holding company
- ▶ Methodology, assumptions and calculations reviewed by B&W Deloitte GmbH, Cologne

Return on Adjusted Embedded Value (€mn)

Appendix

	L&H		P&C		Total	
Austria / Germany						
EV Dec 31, 2010	1,851.6		-197.4		1,654.2	
EV Dec 31, 2009 Reported	1,684.2		73.3		1,757.5	
EV Dec 31, 2009 Restated	1,692.4		73.9		1,766.3	
EV Dec 31, 2009 Restated and	1,772.0		-142.0		1,630.0	
Dividends	-52.1		63.7		11.6	
Closing Adjustments	0.0		-46.3		-46.3	
<i>Return on EV</i>	<i>79.6</i>	<i>4.5%</i>	<i>-9.1</i>	<i>-6.4%</i>	<i>70.5</i>	<i>4.3%</i>
CEE						
EV Dec 31, 2010	1,550.4		1,858.1		3,408.5	
EV Dec 31, 2009 Reported	1,093.3		1,734.4		2,827.7	
EV Dec 31, 2009 Restated	1,194.5		1,706.6		2,901.1	
EV Dec 31, 2009 Restated and	1,316.9		1,692.2		3,009.1	
Dividends	-24.2		-102.7		-126.9	
Closing Adjustments	0.0		46.3		46.3	
<i>Return on EV</i>	<i>233.5</i>	<i>17.7%</i>	<i>119.6</i>	<i>7.1%</i>	<i>353.1</i>	<i>11.7%</i>
Return on Total GEV	313.1	10.1%	110.5	7.1%	423.6	9.1%

Change in Methodology and Assumptions

- ▶ The reference rates used for the EEV calculations are based on the corresponding swap rates at December 31, 2010 and include a liquidity spread of 25 bp for all terms
- ▶ Volatilities used to calibrate the economic scenario generator are based on market implied volatilities as at December 31, 2010
- ▶ All results shown after minorities and tax
- ▶ GEV allows for all consolidation effects

In YE 2010 P&C surplus in claims reserve increased by 9.7% to €482.3mn

New Business Values (€mn)

Appendix

Austria / Germany	2010	2009 (*)	+ / - %
NBV	49.8	51.5	- 3.3%
APE	216.5	203.8	+ 6.3%
PVNBP	2,045.1	1,987.5	+ 2.9%
APE-Ratio	23.0%	25.3%	- 9.0%
PVNBP-Ratio	2.4%	2.6%	- 6.1%
CEE	2010	2009 (*)	+ / - %
NBV	148.9	81.6	+ 82.4%
APE	224.3	178.8	+ 25.4%
PVNBP	1,506.8	1,140.3	+ 32.1%
APE-Ratio	66.4%	45.7%	+ 45.4%
PVNBP-Ratio	9.9%	7.2%	+ 38.1%
Total	2010	2009 (*)	+ / - %
NBV	198.7	133.1	+ 49.3%
APE	440.8	382.6	+ 15.2%
PVNBP	3,552.0	3,127.8	+ 13.6%
APE-Ratio	45.1%	34.8%	+ 29.5%
PVNBP-Ratio	5.6%	4.3%	+ 31.4%

(*) The results shown above are after restatement

Comments

- ▶ The NBV represents the value generated by new business sold during the reporting period
- ▶ Significant increase of life insurance business in CEE
- ▶ Stable profit margins in A/G
- ▶ Increased profitability in CEE
- ▶ 75% of NBV is now generated in CEE

3M 2011 Exchange Rates

National currency unit per EUR

Appendix

3M 2011			
Country	Curr.	Balance Sheet EUR	P & L EUR
Bulgaria	EUR/BGN	1.9558	1.9558
Croatia	EUR/HRK	7.3778	7.4018
Estonia	EUR/EEK	1.0000	1.0000
Liechtenstein	EUR/CHF	1.3005	1.2871
Poland	EUR/PLN	4.0106	3.9460
Romania	EUR/RON	4.1221	4.2212
Serbia	EUR/CSD	103.5947	103.9544
Slovakia	EUR	-	-
Czech Republic	EUR/CZK	24.5430	24.3749
Hungary	EUR/HUF	265.7172	272.4276
Turkey	EUR/TRY	2.1947	2.1591
Ukraine	EUR/UAH	11.2156	10.8715
Albania	EUR/ALL	140.5699	139.9326
Macedonia	EUR/MKD	61.5161	61.5086
Georgia	EUR/GEL	2.4036	2.4365

3M 2010	
Balance Sheet EUR	P & L EUR
1.9558	1.9558
7.2638	7.2849
15.6466	15.6466
1.4276	1.4632
3.8673	3.9869
4.0970	4.1135
99.7606	98.6690
-	-
25.4400	25.8681
265.7525	268.5140
2.0512	2.0866
10.6845	11.0323
139.0492	139.0067
61.5199	61.4643
-	-

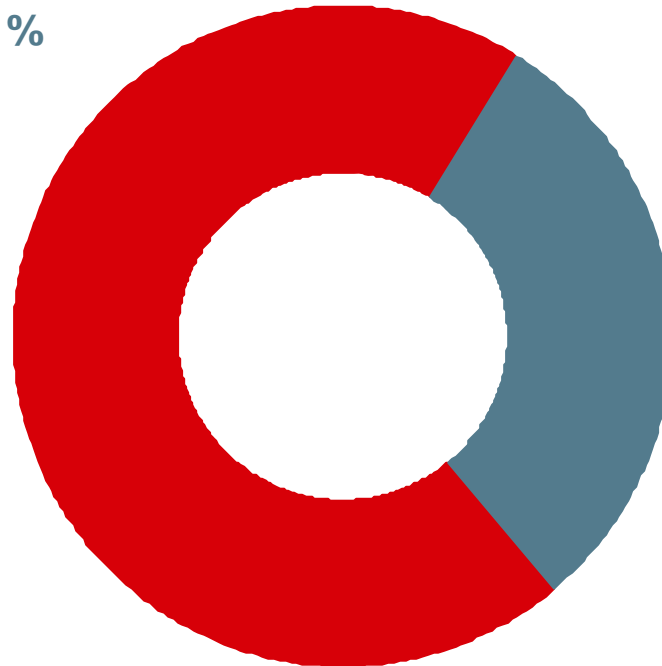
Shareholder Structure (I)

Total number of shares 128,000,000

Appendix

**Wiener Städtische
Wechselseitiger Versicherungsverein -
Vermögensverwaltung – Vienna Insurance Group**

~70 %



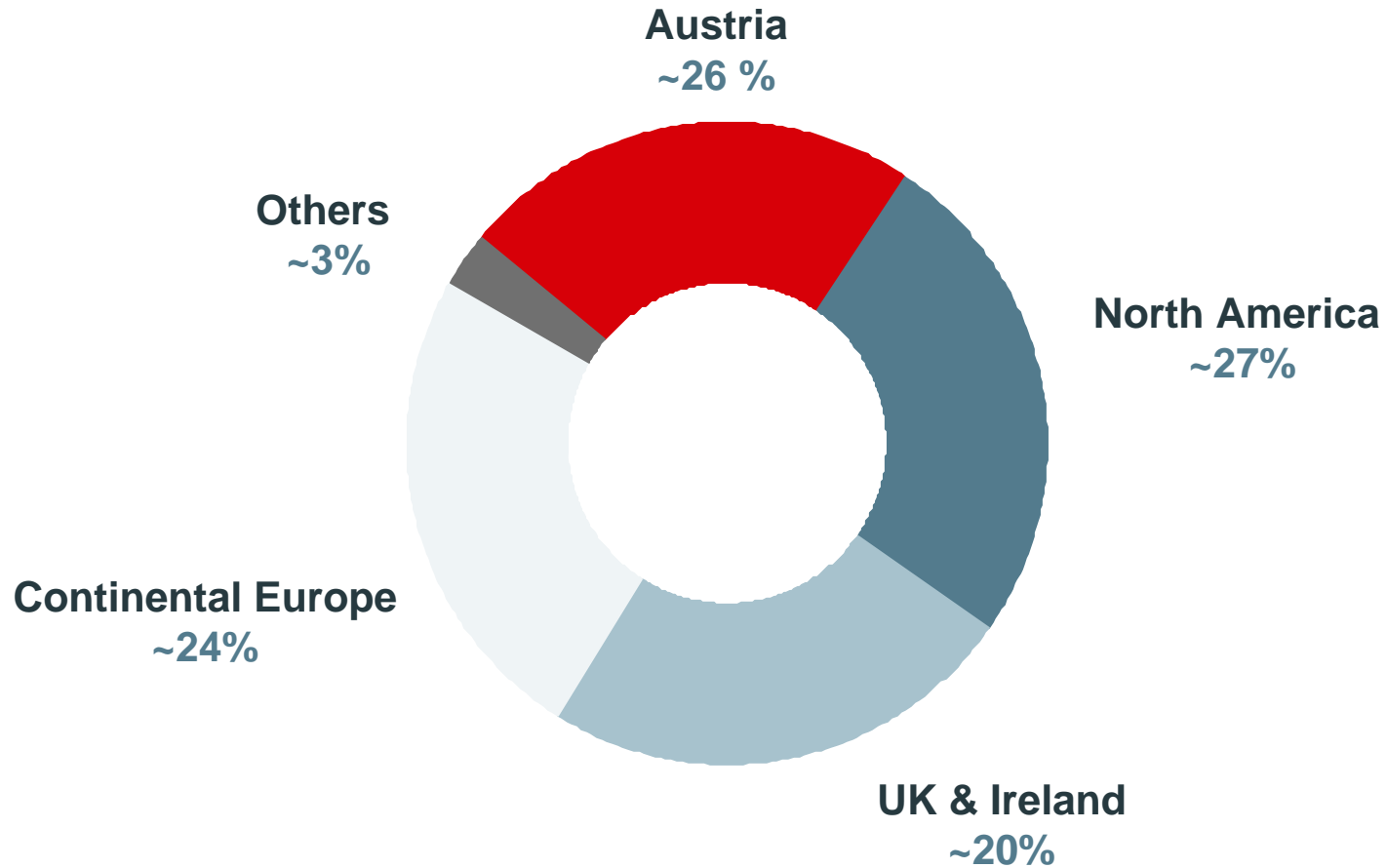
Free Float

~ 30 %

Shareholder Structure (II)

Free float split

Appendix



VIG Share

- ▶ Number of common shares
128mn
- ▶ ISIN
AT0000908504
- ▶ Listing
Vienna – since 17 Oct. 1994
Prague – since 5 Feb. 2008
- ▶ Ticker symbol
VIG
- ▶ Bloomberg
VIG AV / VIG CP
- ▶ Reuters
VIGR.VI / VIGR.PR

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