Wiener Städtische Versicherung AG Vienna Insurance Group

Supplementary information on the Group Embedded Value results for 2007

1. Introduction

The Wiener Städtische Versicherung AG Vienna Insurance Group (VIG) last disclosed its Group Embedded Value (GEV) results in April 2007 for the year 2006. The disclosure included the European Embedded Value (EEV) or the Traditional Embedded Value for the long standing Life and Health (L&H) businesses and the Adjusted Net Asset Value (ANAV) for the Property & Casualty (P&C) businesses in Austria, Germany, the Czech Republic, Slovakia, Hungary and Poland. In accordance with VIG's goal of continually extending the scope of the GEV reporting the TEV for Life business and the ANAV for the P&C business of Compensa in Poland has been included in the GEV for the first time. The ANAV for the P&C business of Compensa includes the IFRS equity of Compensa Holding. Previously the GEV only included the IFRS equity of these Polish operations.

VIG has a successful track record of, and continues to, expanding dynamically in Central and Eastern Europe (CEE). The integration of the acquired businesses in VIG, and the resultant restructuring, is in many cases still ongoing. Therefore, the companies listed in the table below have been included in the GEV on the basis of their IFRS equity and it has not yet been possible to determine the EEV or the ANAV.

Table 1

Country	Company	EV calculated	VIG member since
Czech Republic	Kooperativa CPP	yes no	1993 2005
Slovakia	Kooperativa Komunalna Kontinuita	yes no no	1990 2001 2003
Hungary	Union	yes	1996
Poland	Compensa Compensa Life Benefia Royal Polska InterRisk (former Cigna) TU PZM	yes yes no no no no	1998 *) 1999 *) 2005 2005 2006 2007

*) Year of entry into the Polish Insurance Market with HEROS and Vienna Life which have been merged into Compensa and Compensa Life in 2001.

The restatement of the 2006 GEV results excludes the IFRS equity and includes the TEV and the ANAV of the Compensa companies in Poland.

VIG has chosen a bottom-up, market consistent methodology in setting the economic assumptions for the EEV calculations. The EEV results include an explicit allowance for the Cost of Non-Market Risks (CoNMR).

The directors of VIG acknowledge their responsibility for the preparation of the supplementary information. B&W Deloitte GmbH, Cologne, has been retained to review VIG's GEV calculation. The scope and the results of its independent review are set out in the Appendix A.

The GEV disclosure should not be viewed as a substitute for VIG's primary financial statements.

2. Summary of results

The GEV includes the following components:

- ANAV – for the P&C business only this component is included
- Value of In-Force (VIF) after Time Value of Financial Options and Guarantees (FOG)
- Cost of Capital and Non-Market Risks (CoCNMR)

The FOG and the Cost of Non-Market Risk have only been explicitly determined for the EEV businesses. Unless otherwise stated the ANAV is shown after Cost of Capital and the VIF is shown after FOG and Cost of Non-Market Risk.

All the values shown in this disclosure are after tax and exclude minority interests unless otherwise stated. The results are generally shown separately for the Austrian and German (A / G) and the CEE countries.

2.1 Group Embedded Value

The following table shows the GEV results for the year ending December 31, 2007 and the restated GEV results for the year ending December 31, 2006.

€ mn Table 2

	Life & Health		Property & Casualty		Total		± %
	2007	2006	2007	2006	2007	2006	
Austria / Germany							
ANAV	735.4	1,053.1	617.5	832.4	1,352.9	1,885.5	-28.2%
VIF	1,384.5	1,214.1	n/a	n/a	1,384.5	1,214.1	14.0%
- FOG	-31.6	-32.6	n/a	n/a	-31.6	-32.6	-3.1%
- CoCNMR	-75.7	-62.7	n/a	n/a	-75.7	-62.7	20.7%
Subtotal A/G	*2,012.6*	*2,171.9*	*617.5*	*832.4*	*2,630.1*	*3,004.3*	*-12.5%*
CEE							
ANAV	148.2	109.0	1,374.2	833.6	1,522.4	942.6	61.5%
VIF	429.1	358.8	n/a	n/a	429.1	358.8	19.6%
- FOG	-17.5	-34.3	n/a	n/a	-17.5	-34.3	-49.0%
- CoCNMR	-13.1	-12.6	n/a	n/a	-13.1	-12.6	4.0%
Subtotal CEE	*546.7*	*420.9*	*1,374.2*	*833.6*	*1,920.9*	*1,254.5*	*53.1%*
Total	**2,559.3**	**2,592.8**	**1,991.7**	**1,666.0**	**4,551.0**	**4,258.8**	**6.9%**

In addition to the ANAV shown above for the P&C companies, the VIF has been calculated for personal lines segments of Wiener Städtische AG and Donau Versicherung AG sold through VIG's employed sales force. Internal analyses show that the development of the in force portfolio for the personal lines segments is reasonably predictable and can be compared to the run-off of an existing life insurance portfolio. This VIF, excluding any value arising from new business sold in the future to new policyholders, amounts to € 602.3 mn as at December 31, 2007 (€ 576.9 mn as at December 31, 2006). The development of the VIF is one of the key performance indicators used internally to manage this business. Owing to the lack of comparable figures from peer companies, the VIF for the P&C business has been excluded from the GEV shown above.

2.2 Return on GEV by segment

The return on GEV allows for transfers between segments and regions.

€ mn | Table 3

	Life & Health		Property & Casualty		Total	
Austria / Germany						
EV Dec 31, 2007	2,012.7		617.5		2,630.2	
EV Dec 31, 2006 Reported	2,159.1		832.4		2,991.5	
EV Dec 31, 2006 Restated	2,171.9		832.4		3,004.3	
+ Dividends	33.3		52.8		86.1	
+/- Transfers	298.5		225.9		524.4	
Return on EV	*172.6*	*9.4%*	*63.8*	*11.5%*	*236.4*	*9.9%*
CEE						
EV Dec 31, 2007	546.7		1,374.2		1,920.9	
EV Dec 31, 2006 Reported	369.9		833.6		1,203.5	
EV Dec 31, 2006 Restated	420.9		833.6		1,254.5	
+ Dividends	- 1.1		0.7		- 0.4	
+/- Transfers			- 382.9		- 382.9	
Return on EV	*124.7*	*29.5%*	*158.4*	*13.0%*	*283.1*	*17.3%*
Return on Total GEV	**297.3**	**13.1%**	**222.2**	**12.6%**	**519.5**	**12.9%**

The return on GEV in 2007 has been driven by the following economic and operating factors:

Higher interest rates compared to 2006 have a negative impact on the bond portfolio and lead to a reduction in the ANAV, but the VIF of the business with profit participation increases due to the shareholder participation in the higher returns.

The Surplus in Claims Reserves (SCR) for the P&C businesses has increased as additional data, particularly in CEE, have allowed a more robust quantification of the best estimate reserves and also due to the prudent reserves set up under IFRS in respect of the profitable 2007 business. The reported combined ratio has decreased from 96.9% in 2006 to 95.5% in 2007.

Further positive effects include the profitable L&H new business in both A / G and CEE, and the expense reductions in CEE due to the ongoing efficiency program. Modelling changes, in particular further improvements to the grouping of liability data in A / G and the inclusion of a higher degree of specification in the projection models for CEE, especially in Slovakia, also had a positive impact. The Health business continues to produce excellent technical results due to the claims management system that was introduced in 2004/2005.

2.3 New Business Value (NBV)

The NBV is calculated as the VIF for the new business sold in 2007 less the new business strain, the cost of capital and, in case of the Austrian, German, Czech and Slovakian companies, the cost of non-market risks. The L&H companies in Austria do not defer acquisition costs in the local statutory accounts or in VIG’s consolidated IFRS accounts and therefore the new business strain for the Austrian business also includes the acquisition expenses.

The NBV has only been calculated for the L&H business and the following table shows the results for 2007 and 2006.

€ mn Table 4

	2007	2006	+ / - %
Austria / Germany			
NBV	63.1	50.9	+ 24.0%
APE	205.1	225.1	
APE-Ratio	*30.7%*	*22.6%*	
PVNBP	1,906.3	1,982.6	
PVNBP-Ratio	*3.3%*	*2.6%*	
CEE			
NBV	45.0	30.7	+ 46.6%
APE	71.0	45.4	
APE-Ratio	*63.3%*	*67.5%*	
PVNBP	409.7	262.4	
PVNBP-Ratio	*11.0%*	*11.7%*	
NBV-Total	**108.1**	**81.6**	**+ 32.5%**
APE-Total	**276.1**	**270.5**	
APE-Ratio Total	***39.1%***	***30.9%***	
PVNBP-Total	**2,316.0**	**2,245.0**	
PVNBP-Ratio Total	***4.7%***	***3.6%***	

3. Methodology

The shareholders' interest in the covered business is represented by the GEV. The GEV is the total of the adjusted net asset value and the value of the covered in force business less FOG and CoCNMR. Calculations are performed separately for each business and are based on the cash flows of that business after allowing for both external and intra-Group reinsurance.

3.1 Covered business

The GEV results cover:

- the life insurance, savings, pensions and annuity, disability and health insurance business written by the majority of VIG's L&H companies in Austria, Germany, the Czech Republic and Slovakia on an EEV basis;
- the life insurance, savings, pensions and annuity and disability business written by Union (Hungary) and by Compensa Life (Poland) on a TEV basis;
- the majority of the P&C businesses in Austria, Germany, the Czech Republic, Slovakia, Hungary and Poland.

The businesses listed in table 1, which are not reported with a separate EV, have been included in the GEV on the basis of their IFRS equity as shown in published IFRS accounts of VIG.

Where one part of the covered business has an interest in another part of the covered business, the ANAV of that business excludes the book value of the dependent business.

3.2 Adjusted Net Asset Value

The ANAV is defined as:

- the shareholders' funds under the local accounting bases including the profit for the reporting year 2007;
- plus the "untaxed reserves" after tax – these reserves are available to cover the solvency requirements and are not required to cover the liabilities on the basis of best estimate assumptions;

- plus the shareholders' share of the unrealized capital gains after tax to the extent that these are not included in the calculation of the VIF for the life businesses;
- plus the surplus in the claims reserves after tax (only for the P&C businesses);
- less goodwill and other intangible items after tax in respect of the companies for which the EEV, TEV or SCR has been calculated;
- less the difference between the market and nominal value of the subordinated debt.

VIG is a composite insurance group and the assets are split between the operating segments (i.e. P&C, Life and Health) on the basis of the statutory balance sheets. In Austria it is possible to transfer assets between the segments on the basis of their book values.

In 2006 all VIG's insurance subsidiaries had been allocated to the P&C segment. In 2007 BACA-Versicherung and Donau have been reallocated to the Life segment equity (i.e. not in the policyholder fund).

The unrealized capital gains for the P&C segment have been fully allocated to the shareholders and have been included after tax in the ANAV. For the Life segment the unrealized capital gains have been included in the calculation of the VIF to the extent that they were required to support the policyholder's profit participation. The balance has been included in the ANAV after allowing for the Minimum Profit Participation Rules. The unrealized capital gains for the Health segment have been divided 75%:25% between the ANAV and VIF.

For the P&C businesses, the SCR is the amount by which the claims reserves (including the claims equalization reserves) in the local statutory balance sheets exceed a given actuarial best estimate of the required reserve. The best estimate reserve has been defined as the mean of the eventual payments that will be made in respect of outstanding claims from the in force portfolio, whether currently reported or not. Carrying an accounted reserve with a surplus means that the accounted reserve includes a margin above the expected value of the eventual claims payments. This margin allows for a degree of adverse claims settlement outcome without exhausting the reserve. Future claims payments are not discounted in the calculation of the SCR.

The SCR in Slovakia allows for a part of VIG's expected future share of the IBNR claims arising from motor liability portfolio of the former national monopoly insurer. In line with local legislation, that requires one third of the "SPK" best estimate liability to be included in the reserves at the end of 2008, one-third of the best estimate liability has been included in the estimation of the SCR. It has been assumed that margins in future motor insurance premiums will be sufficient to finance the balance of the liability.

The ANAV (€ 883.6 mn at December 31, 2007 and € 1,162.1 mn at December 31, 2006) for the L&H companies is split into Required Capital (€ 563.4 mn at December 31, 2007 and € 470.4 mn at December 31, 2006) and Free Surplus (€ 320.2 mn at December 31, 2007 and € 691.7 mn at December 31, 2006). Consistent with the capital requirements determined by Standard & Poors for an A rating, the total Required Capital is defined as 150% of the statutory solvency margin for all companies that have applied EEV methodology and 100% of the statutory solvency margin for all other companies. A part of the total Required Capital can be covered by subordinated debt. The Free Surplus is the ANAV in excess of the total Required Capital covered by the shareholders' funds.

3.3 Value of In-Force and Financial Options and Guarantees

The VIF calculated for the L&H companies is the value of the projected net of tax distributable profits arising from the in force business. It does not include profits from future new business.

The EEV and the TEV for the life businesses allow for the local minimum legal requirements for profit sharing. The EEV for the Austrian health insurance business does not allow for the minimum profit sharing rules that were introduced by the Austrian Supervisory Authority (FMA) in 2007 because these rules are not applicable to VIG's health insurance portfolio.

The VIF for the Austrian, German, Czech and Slovakian life companies is determined by projecting cash flows under the assumption that the future investment returns on all assets are equal to the rates implied by the risk-free interest curve at the valuation date. The other assumptions (including expenses, surrender rates, mortality and morbidity rates, shareholder participation rates and tax rates) are set on a best estimate basis that reflects each business' recent experience and expected future trends. Where appropriate, the projection models allow for management actions and policyholder behaviours, i.e. some assumptions (e.g. the asset allocation or surrender rates) vary depending on the future economic conditions. The resulting statutory shareholder profits are discounted at the risk-free interest rates and this is defined as the "certainty equivalent" VIF. This value takes account of the intrinsic value of financial options and guarantees.

The VIF for the health insurance company (which does not have long-term interest guarantees or significant financial options in the products), the Hungarian and the Polish life company is determined by projecting cash flows using best estimate investment return assumptions. The resulting projected shareholder profits are discounted at risk discount rates that include a margin to cover aggregate risks (including the FOG and CoNMR).

The FOG are valued explicitly for the Austrian, German, Czech and Slovakian life business as the difference between the "stochastic" VIF and the "certainty equivalent" VIF. The "stochastic" VIF is defined as the average − over one thousand economic scenarios − of the discounted value of the projected after-tax statutory shareholder profits. The economic scenarios represent possible future outcomes for capital market variables such as interest rates, equity returns and inflation. The economic scenarios and the corresponding scenario-specific discount rates are market consistent, i.e. they are calibrated to the market prices of a range of capital market instruments at the valuation date.

3.4 Cost of Capital and Non-Market Risks

The Required Capital for the Austrian, German, Czech and Slovakian life companies, that have determined the EEV, has been defined as 100% of the statutory solvency margin to cover the Cost of Capital and a further 50% of the statutory solvency margin to cover the Cost of Non-Market Risks. For the purpose of determining the CoCNMR it has been assumed that the statutory solvency margin is covered by subordinated debt (to the extent that subordinated debt actually exists) up to the legal maximum allowable for the statutory solvency margin. The balance of the statutory solvency margin is covered by shareholder funds.

The CoCNMR for the EEV businesses have been calculated as the present value at the risk free interest rates of the frictional costs on the total Required Capital. The frictional costs on the proportion of the total Required Capital covered by the shareholders' funds have been defined as the corporation tax on the future investment returns and investment expenses. The frictional costs on the proportion of the total Required Capital covered by subordinated debt have been defined as the after tax difference between the coupon on the subordinated debt and the assumed future investment returns on the assets.

The Cost of Capital for the TEV businesses have been calculated as the present value of the difference between the risk discount rate and the after-tax investment return to shareholder applied to the proportion of the total Required Capital covered by the shareholders' funds.

The same definitions for the Cost of Capital and the Cost of Non-Market Risks have been applied for the in force business and also the new business.

3.5 New Business Value

The NBV represents the value generated by new business sold during the reporting period. New business premiums are defined as premiums arising from sales of new contracts during the period and renewals of contracts. New business includes policies where a new contract is signed or underwriting is carried out. Renewal premiums include contractual renewals and changes to health insurance premiums due to medical inflation.

4. Assumptions

4.1 Economic assumptions

Table 5

	Austria / Germany	
Yield curve	**2007**	**2006**
1 year	3.88%	3.87%
5 years	4.13%	3.91%
10 years	4.44%	4.02%
15 years	4.65%	4.10%
20 years	4.66%	4.11%
25 years	4.68%	4.11%

The yields shown are risk-free euro-zone spot rates.

Table 6

	Austria / Germany	
	2007	**2006**
Interest rate volatility (*)	14.64%	14.25%
Equity volatility	27.32%	22.31%
Medical inflation	2.00%	2.00%
Tax rate Austria	25.00%	25.00%
Tax rate Germany	40.00%	40.00%

(*) 5 into 5 implied swaption volatility

Table 7

	Czech Republic	
Yield curve	**2007**	**2006**
1 year	4.32%	2.94%
5 years	4.43%	3.41%
10 years	4.72%	3.87%
15 years	5.11%	4.18%
20 years	5.27%	4.24%
25 years	5.45%	4.33%

The yields shown are risk-free spot rates.

Table 8

	Czech Republic	
	2007	**2006**
Interest rate volatility (*)	14.16%	15.89%
Equity volatility	25.02%	24.73%
Tax rate	24.00% (2007) 21.00% (2008) 20.00% (2009) 19.00% (2010+)	24.00%
Currency rate (CZK for 1 EUR)	26.63	27.49

(*) 5 into 5 implied swaption volatility

Table 9

	Slovakia	
Yield curve	**2007**	**2006**
1 year	3.88%	4.88%
5 years	4.13%	4.19%
10 years	4.44%	4.19%
15 years	4.65%	4.19%
20 years	4.66%	4.19%
25 years	4.68%	4.19%

The yields shown are risk-free euro-zone spot rates due to the planned inclusion of Slovakia into the euro-zone.

Table 10

	Slovakia	
	2007	**2006**
Interest rate volatility (*)	14.16%	15.89%
Equity volatility	25.02%	24.73%
Tax rate	19.00%	19.00%
Currency rate (SKK for 1 EUR)	33.58	34.44

(*) 5 into 5 implied swaption volatility

Table 11

	Hungary	
	2007	**2006**
Average reinvestment rate	7.63%	7.55%
10 year government bonds	6.90%	6.71%
Risk discount rates	9.89%	10.50%
Tax rate	20.00%	20.00%
Currency rate (HUF for 1 EUR)	253.73	251.77

Table 12

	Poland	
	2007	**2006**
Average reinvestment rate	6.01%	5.40%
10 year government bonds	5.93%	5.23%
Risk discount rates	9.93%	9.23%
Tax rate	19.00%	19.00%
Currency rate (PLN for 1 EUR)	3.59	3.83

4.2 Operating assumptions

Shareholder returns for with-profit business are determined in accordance with local legal minimum profit participation rules and are consistent with company practice.

The assumed profit sharing for the Austrian Health insurance company, in accordance with current practice, has been limited to the “no claims bonus”. The minimum profit participation rules published by the FMA in 2007 are not applicable for VIG’s Austrian Health insurance business.

Other actuarial assumptions such as mortality and morbidity rates, surrender and annuity take-up rates have been included on a best estimate basis. These assumptions are reviewed regularly and adjusted to reflect historical experience and expected trends.

Expense assumptions have been based on the companies' recent experience without anticipating future expense improvements. No expenses have been excluded as one-off expenses and all the expenses within VIG, including corporate center expenses, have been allocated to the operating segments L&H or P&C. The assumed expense inflation rate for the Austrian Health insurance business in 2007 is 2%. The stochastic calculations use inflation rates that are consistent with the capital market scenarios.

5. Analysis of change

The following table shows the analysis of change in the EEV and TEV for the L&H business.

€ mn Table 13

	A / G EEV			CEE EEV/TEV		
	ANAV	**VIF**	**EEV**	**ANAV**	**VIF**	**EEV**
Value as at Dec 31, 2006 reported	**1,007.0**	**1,152.1**	**2,159.1**	**86.3**	**283.6**	**369.9**
Value as at Dec 31, 2006 restated	**1,011.3**	**1,160.6**	**2,171.9**	**100.6**	**320.3**	**420.9**
Dividends paid and Transfers	-304.6	0.0	-304.6	1.1	0.0	1.1
Roll forward	152.8	-60.1	92.7	39.5	-21.3	18.2
Operating Returns						
Changes in operating assumptions	2.4	63.4	65.8	-1.8	-3.3	-5.1
Operating variance	9.5	10.0	19.5	3.5	9.0	12.5
Economic Returns						
Investment performance and changes in economic assumptions	-91.1	76.2	-14.9	0.7	26.8	27.5
Others	-42.0	-38.8	-80.8	15.5	11.1	26.6
New Business Value	-53.4	116.4	63.0	-19.6	64.6	45.0
Value as at Dec 31, 2007	**684.9**	**1,327.7**	**2,012.6**	**139.5**	**407.2**	**546.7**

The restatement changes in A / G mainly result from the merger between UNION and BACA-Versicherung due to slightly changing minorities and synergy effects as well as modelling improvements for the Health insurance business. The restatement changes in CEE are caused to a significant extent by the inclusion of the TEV instead of the IFRS equity for Polish Life insurance business.

The dividends paid and transfers comprise the dividends amounting € 33.3 mn paid from the L&H segments to shareholders and capital transfers of € 271.3 mn to P&C entities in CEE.

The operating returns are mainly driven by changes to the assumed persistency rates and the outperformance of most assumptions is reflected in the positive operating variances.

The economic returns are driven by higher interest rates and higher risk spreads on non government bonds and higher equity volatility. The resultant reduction in the ANAV is compensated by an increase of the VIF. In reaction to higher equity volatility rates the equity exposure throughout the group was reduced in 2007.

The "Others"-line of the analysis of change is mainly due to the the establishment of reserves following a decision by the Austrian supreme court concerning general policy terms and their consequences for the provision of minimum surrender values. In CEE this line includes the effects of exchange rate movements.

The New Business Value has increased due to higher interest rates and a reduction of single premium business in favour of higher regular premiums.

6. Sensitivity Analysis

6.1 EEV

The following table shows the sensitivity of the EEV or the TEV as at December 31, 2007 to changing various assumptions.

€ mn — Table 14

			A / G	As % of Base	CEE EEV/TEV	As % of Base
Base value			**2,012.6**	**100.0%**	**546.7**	**100.0%**
Change in Yield Curve		1%	2,044.2	101.6%	552.4	101.0%
		-1%	1,922.8	95.5%	525.7	96.2%
Equity and Property Prices		-10%	1,957.6	97.3%	543.6	99.4%
Interest volatility (*)		10%	2,004.7	99.6%	544.7	99.6%
Equity volatility (*)		10%	2,009.3	99.8%	544.4	99.6%
Administration Expenses		10%	1,963.1	97.5%	526.6	96.3%
		-10%	2,061.4	102.4%	564.0	103.2%
Lapses		-10%	2,027.6	100.7%	562.1	102.8%
		10%	1,997.1	99.2%	530.1	97.0%
Mortality	**for assurances**	-5%	2,017.1	100.2%	551.8	100.9%
	for annuities	-5%	2,012.2	100.0%	544.9	99.7%

(*) These sensitivities have not been calculated for the TEV.

6.2 NBV

The following table shows the sensitivity of the New Business Value for 2007 to changing various assumptions.

€ mn — Table 15

			A / G	As % of Base	CEE EEV/TEV	As % of Base
Base value			**63.1**	**100.0%**	**45.0**	**100.0%**
Change in Yield Curve		1%	62.8	99.6%	43.4	96.5%
		-1%	59.6	94.6%	47.7	106.1%
Interest volatility (*)		10%	62.1	98.5%	45.0	100.1%
Equity volatility (*)		10%	62.3	98.8%	45.0	100.0%
Administration Expenses		10%	59.2	93.9%	42.9	95.3%
		-10%	66.6	105.6%	47.3	105.0%
Lapses		-10%	65.7	104.1%	49.3	109.6%
		10%	60.7	96.2%	41.1	91.3%
Mortality	**for assurances**	-5%	63.5	100.7%	46.6	103.5%
	for annuities	-5%	63.0	99.9%	45.0	100.0%

(*) These sensitivities have not been calculated for the TEV.

7. Reconciliation of IFRS equity to the Adjusted Net Asset Value

The following table shows the reconciliation of the IFRS equity to the ANAV as shown in the GEV.

€ mn Table 16

	2007	2006
Consolidated IFRS equity	**2,615.6**	**2,283.2**
Minorities	-277.5	-70.8
Intangible assets	-513.2	-461.4
Sub Total	*1,824.9*	*1,751.0*
Add back goodwill for non GEV companies	399.1	320.7
Differences in capital consolidation	-13.6	118.2
Differences in valuation of capital assets	248.0	224.5
P&C Surplus in Claims Reserves	416.9	371.6
Other differences	0.0	23.5
Total differences	*1,050.4*	*1,058.5*
Adjusted Net Asset Value	**2,875.3**	**2,809.5**

The reconciliation shown above begins by deducting the minority interests from the consolidated IFRS equity. The deduction for intangible assets has increased from 2006 to 2007 due to the additional goodwill in respect of the companies acquired in 2007.

The ANAV, EEV or TEV have only been calculated for VIG's selected insurance business in Austria, Germany, the Czech Republic, Slovakia, Hungary and Poland. All the other companies in the Group have been included in the GEV on the basis of their IFRS equity and therefore their goodwill and other intangible assets have to be added back to the ANAV (see also Page 1 "Introduction").

VIG has adopted a prudent interpretation of IAS 39 and has chosen to value property assets and certain loans on the basis of the adjusted purchase price instead of the market value. The differences between the market values and the values shown in consolidated IFRS balance sheet are included in the "differences in valuation of capital assets".

The P&C reserves in the consolidated IFRS balance sheet are the same as the statutory reserves. The difference between the accounted reserves and the best estimate reserves is shown as the Surplus in Claims Reserves.

All values within this reconciliation are shown net of deferred tax in respect of all segments, and also net of deferred profit participation in respect of the Life segment.

The difference between the IAS 19 reserves in respect of the defined benefit pension schemes and the statutory reserves, as shown in the notes to the IFRS accounts, has not been added back to the ANAV (i.e. the ANAV allows for the pension scheme deficit on the basis of IAS 19).

8. Disclaimer - Cautionary statement regarding forward-looking information

This supplementary disclosure of the GEV results contains forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, and it might not be possible to achieve the predictions, forecasts, projections and other outcomes described or implied in forward-looking statements. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in these forward-looking statements.

These forward-looking statements will not be updated except as required by applicable laws.

This document was prepared with the due care in order to ensure that the information provided in all parts is correct and complete. Rounding, type-setting and printing errors can nevertheless not be completely ruled out.