



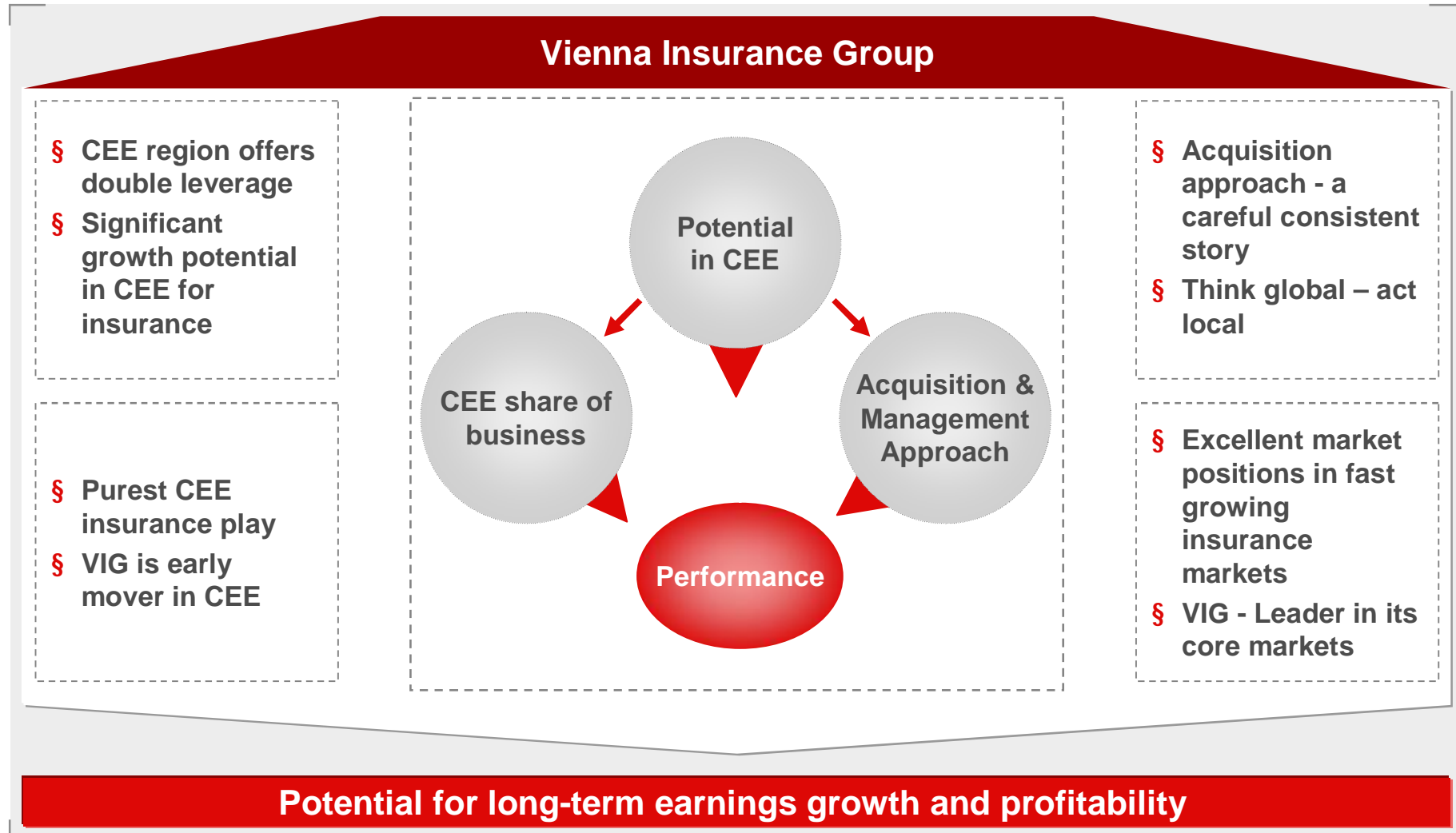
Vienna Insurance Group - Extending the CEE insurance play

Merrill Lynch Banking & Insurance CEO Conference - London, 2 October 2007

VIG – Capturing CEE Insurance

The cornerstones of the VIG business model

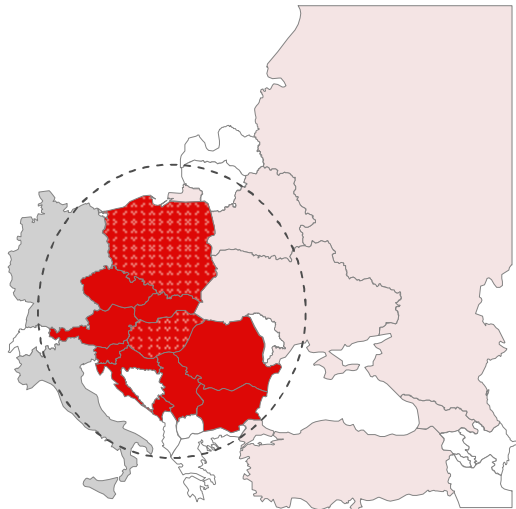
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Purest CEE Insurance Play

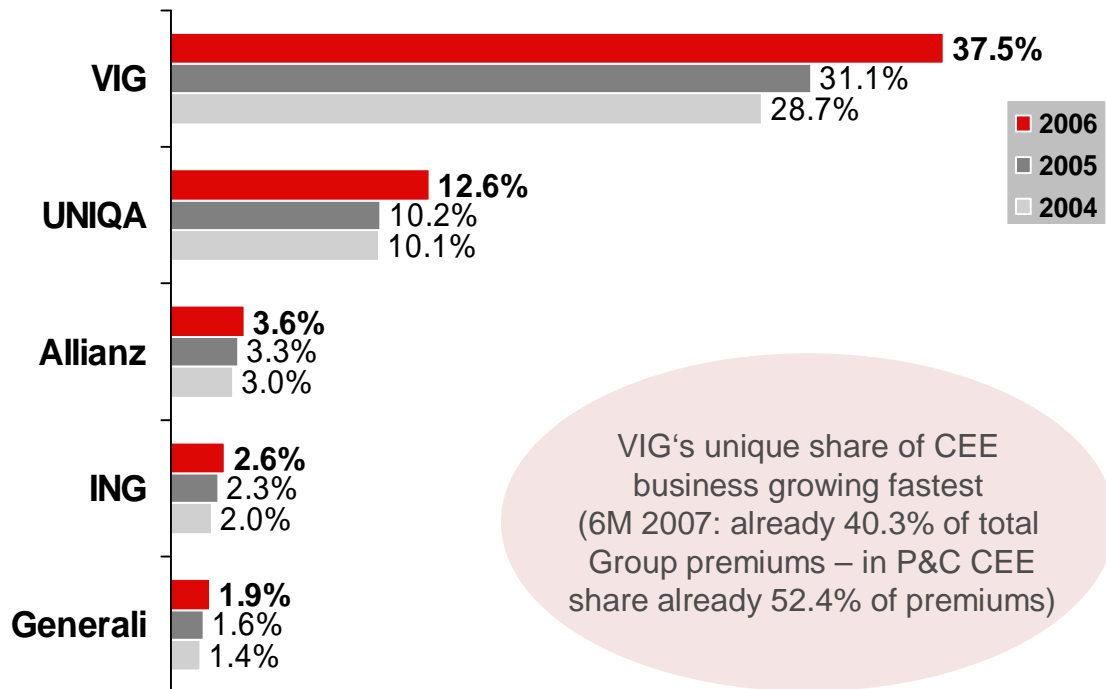
Only Vienna Insurance Group widely captures CEE potential

Footprint



§ **VIG is the leading Austrian insurance group operating in 20 countries**

CEE Premiums as % of Total Group Premiums



VIG's unique share of CEE business growing fastest (6M 2007: already 40.3% of total Group premiums – in P&C CEE share already 52.4% of premiums)

Source: Publicly available information; CEE share of Aviva unavailable

VIG Has Excellent CEE Market Position



VIG is early mover in CEE

Overview of Core Markets

Slovakia	Czech Rep.	Bulgaria	Romania
Pop.: 5.4 mn	Pop.: 10.2 mn	Pop.: 8.2 mn	Pop.: 21.6 mn
GDP/Cap.: \$ 10 k	GDP/Cap.: \$ 14 k	GDP/Cap.: \$ 4 k	GDP/Cap.: \$ 5 k
Density NL: \$ 207	Density NL: \$ 316	Density NL: \$ 88	Density NL: \$ 76
Density L: \$ 130	Density L: \$ 204	Density L: \$ 13	Density L: \$ 19
Market share: 29.8%	Market share: 27.7%	Market share: 20.8%	Market share: 17.7%
Croatia	Serbia	Poland	Hungary
Pop.: 4.6 mn	Pop.: 8.2 mn	Pop.: 38.5 mn	Pop.: 10.1 mn
GDP/Cap.: \$ 9 k	GDP/Cap.: \$ 4 k	GDP/Cap.: \$ 9 k	GDP/Cap.: \$ 11 k
Density NL: \$ 286	Density NL: \$ 69	Density NL: \$ 160	Density NL: \$ 184
Density L: \$ 82	Density L: \$ 8	Density L: \$ 151	Density L: \$ 192
Market share: 7.4%	Market share: 6.4%	Market share: 4.3%	Market share: 2.5%

Details

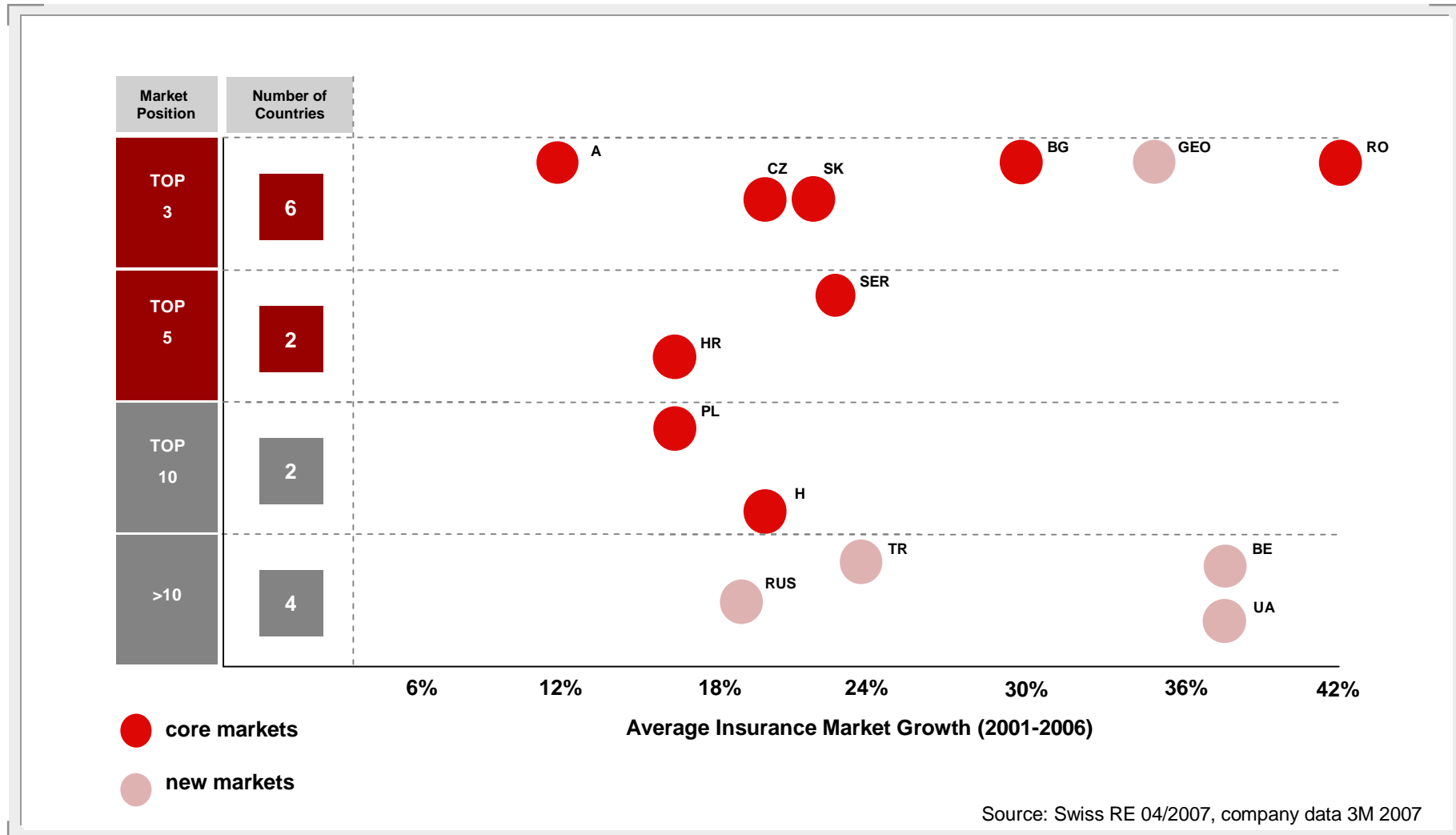
- § leading market position in nearly all core markets
- § strong market positions also in Turkey, Ukraine, Belarus, Georgia and Albania

- § focus on retail business
- § step-by-step market entry
- § tight operational management

Source: Swiss RE 04/2007,
Market shares: company data, 3M 2007

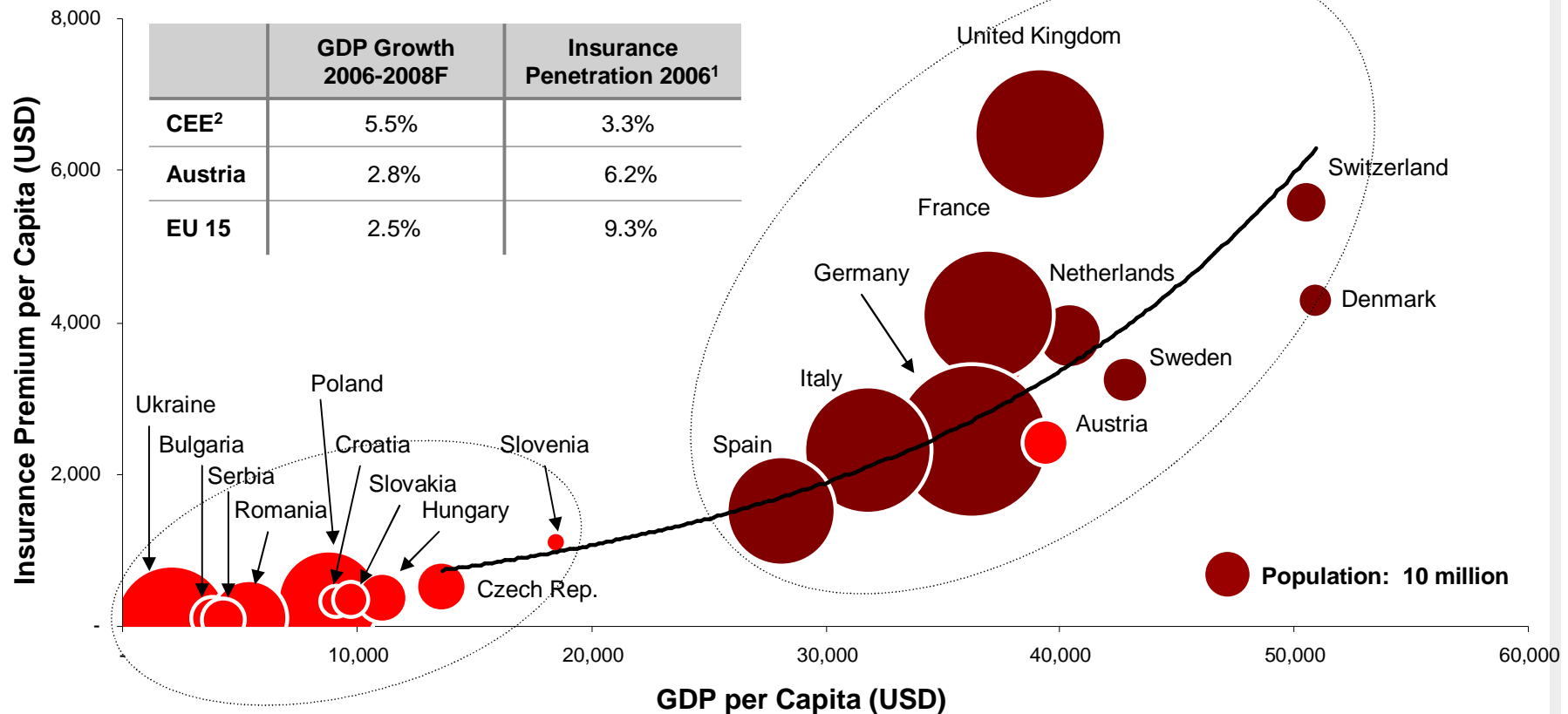
VIG Is Well Positioned in Its Markets

Broad portfolio of insurance markets with different dynamics



CEE Region Offers Double Leverage

Sustainable growth through GDP and insurance penetration



1: Premiums in % of GDP

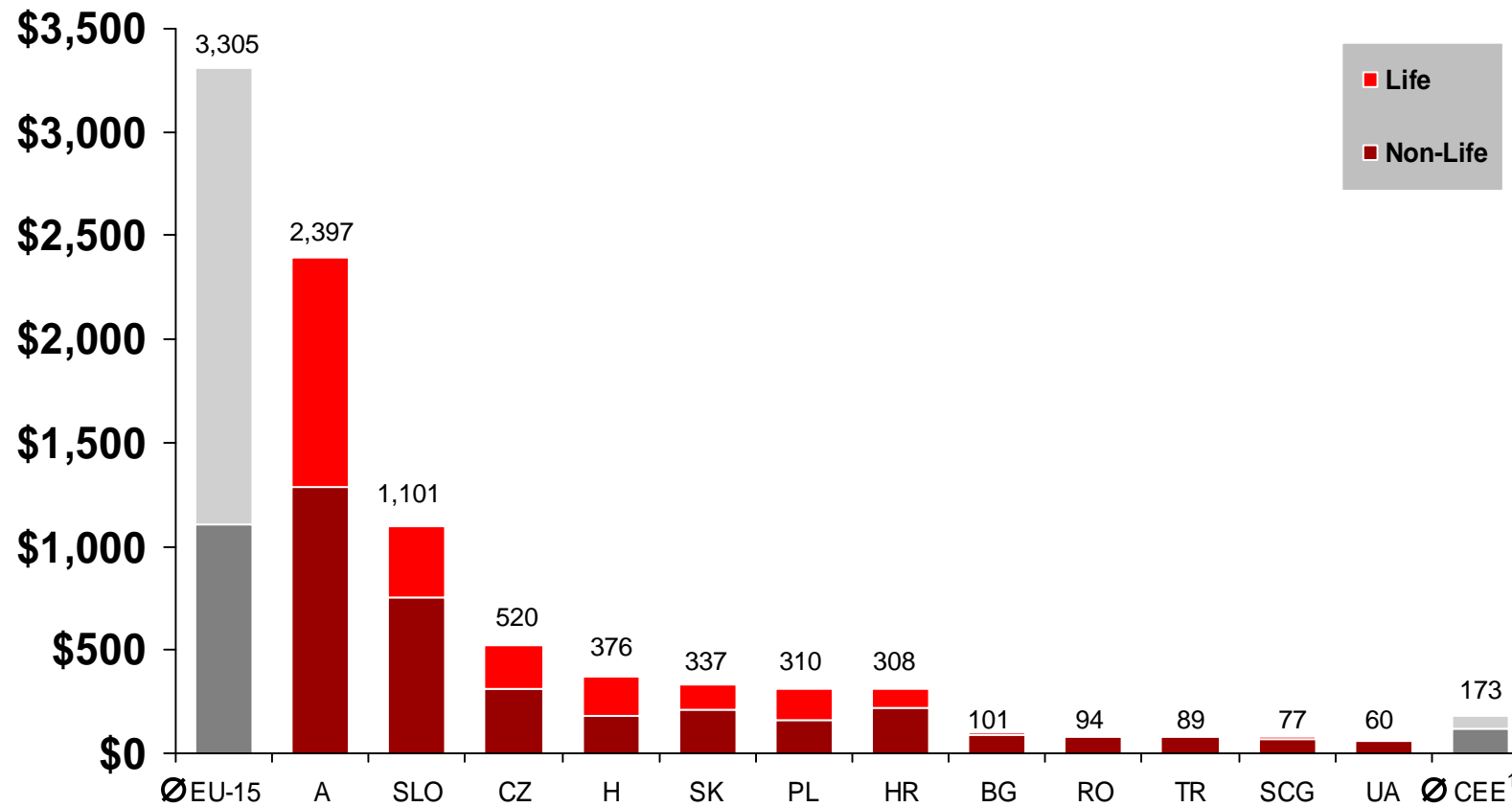
2: Weighted averages for CEE. CEE defined as Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.

Source: For GDP Growth IMF (World Economic Outlook as of 2007). For all other data Swiss Re Sigma Nr. 4/2007 (July 2007)

CEE – Underpenetrated in Insurance

Insurance Density, 2006 (Premiums per Capita)

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Source: Swiss Re, Sigma Nr. 4/2007

1: Weighted Average, CEE is defined as Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey and Ukraine.

Acquisition Approach: A Success Story

Excellent track record in integrating CEE subsidiaries into the VIG

Acquisition Process

Basics

- § Disclosure level of target company
- § What does the company add to help us grow?
- § Potential to grab lion's share of future market growth

Principles

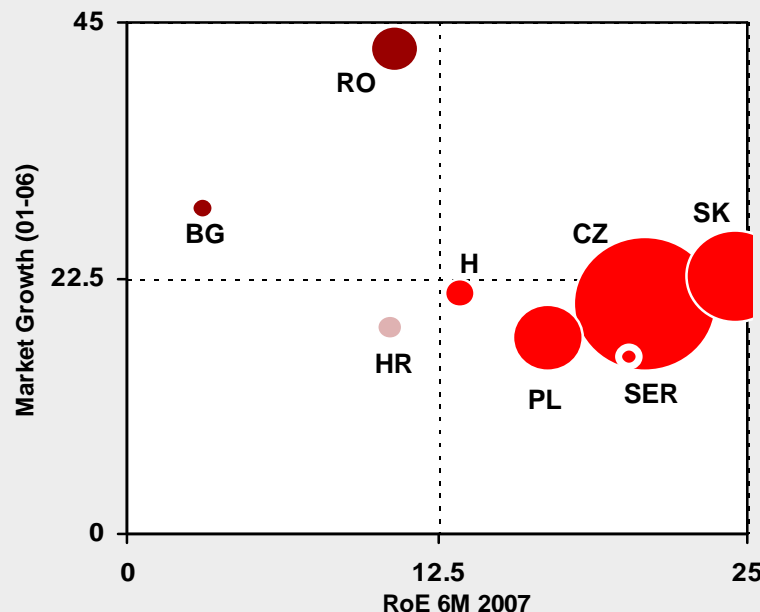
- § leveraging of local brand names and brand recognition in the context of multi-brand approach
- § strong local management with in-depth market experience and full discretionary power
- § backed by Group and supervision (re-insurance, actuarial, asset management)

Criteria

- § further sustainable distribution access
- § Management skills

Track Record

- § 2-4 years to reach break-even, accelerated growth of profitability thereafter
- § CEE already contributes 40 percent of premium income and more than 30 percent of Group profits



Acquisition of Asirom

Strengthening VIIG's no.1 position in dynamic Romanian market

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Acquisition of Asirom*



30 %

Asirom

- § listed Non-life and Life insurance company with €190mn premium volume in 2006
- § 160 branches, 2,200 employees and nation-wide non-bank distribution system
- § well positioned also in Life
- § best insurance brand in Romania

Romanian Insurance Market

Population (mn)	21.6
GDP/Capita	5,463 USD
Penetration	1.7%
Density	94.5 USD
Market Growth (01-06, CAGR)	42.8%

- § Market growth in Non-life was 40.7% yoy vs. Life growth by 15.4% yoy in 2006
- § Top-five insurance groups have a total market share of nearly 60% in Q1 2007
- § VIIG had a market share of 17.7% in Q1 2007

Source: SwissRe 04/2007

* subject to approval of authorities

VIG Enters two New Promising Markets

Turkey and Albania offer high growth potential

	GDP Growth 2004-2006F ²	Penetration 2006	Density 2006 (USD)
EU 15	1.7%	9.3%	3,305
Austria	2.0%	6.1%	2,397
CEE ¹	4.2%	3.3%	173
Turkey	7.5%	1.6%	89
Albania	5.5%	0.5%	14

Turkish market data

Population (mn)	74.2
GDP/Capita	5,431 USD
Market Growth (01-06)	26.7%

- § market growth is driven by Non-life business (+17.4% yoy)
- § 84% of insurance business is produced by agents or placed directly with insurers
- § in 2005 EU entry negotiations started with Turkey

Albanian market data³

Population (mn)	3.6
GDP/Capita	2,993 USD
Market Growth (01-06)	8.8%

- § last European insurance market that was de-monopolised
- § market volume of €~37mn
- § booming number of contracts, market growth (~+12.0% yoy) is driven by Non-life business

Turkey/Albania: Acquisition Details

Ray Sigorta and Sigma

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Acquisition of Ray Sigorta

TBIH
(60% owned by VIG)

~75%

Ray Sigorta

- § listed Non-life insurance company with € 136mn premium volume (+30% yoy), market share of roughly 3.3%
- § 530 insurance agents, 220 employees and nationwide distribution system

Details of transaction:

- § Price: € 62mn for 58.2% stake
- § after mandatory offer for 22 percent free float TBIH holds ~75% stake
- § Capital increase for a maximum total amount of € 23mn in 2007 agreed

Acquisition of Sigma

TBIH
(60% owned by VIG)

75%

Sigma Sh.a

- § founded in 1998, Non-life insurance company with € 15mn premium volume in 2006, market share of roughly 18 percent
- § present in Macedonia and Kosovo, overall 25 branch offices as well as agents

Details of transaction:

- § Price: € 16.13mn
- § Acquisition closed

VIG – Distribution Is Key (I)

Multi-brand policy to retain loyalty

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Multi-brand



Features

- § VIG is umbrella brand
- § Local companies retain individual brands
- § Strong brand awareness in local markets
- § Retain loyalty of employees and management, customers and local agents with well established brands
- § Sales are local responsibility
- § Basis for multi-channel

Multi-brand & multi-channel differentiate VIG from most of its competitors

VIG – Distribution Is Key (II)

Multi-channel strategy to get access to customers

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Distribution Split

§ Austria

Roughly 30/30/30% split between tied agents/ bank distribution/ brokers etc. in new business

§ CEE

Different from country to country according to market practice and legal regulations

Strong Multi-Channel Distribution



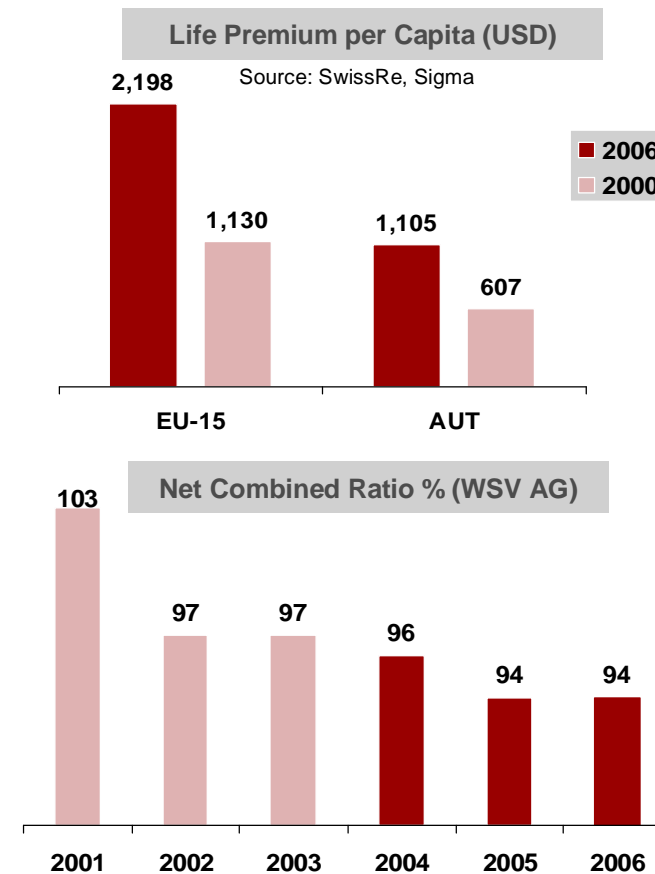
VIG in Austria

Attractive franchise plus catch up potential in life insurance

Situation in Austria

- § Leading market position in all business lines
 - #1 in property & casualty with 21% market share
 - #1 in life with 23% market share
 - #2 in health with 21% market share
- § Overall market share gains through organic growth
- § Austrian P&C highly profitable with declining C/R
- § Strong growth potential in life insurance: Austria lags behind EU-15 in premium per capita
- § Ongoing reforms of social security system to generate strong demand for life savings and pension products

Details



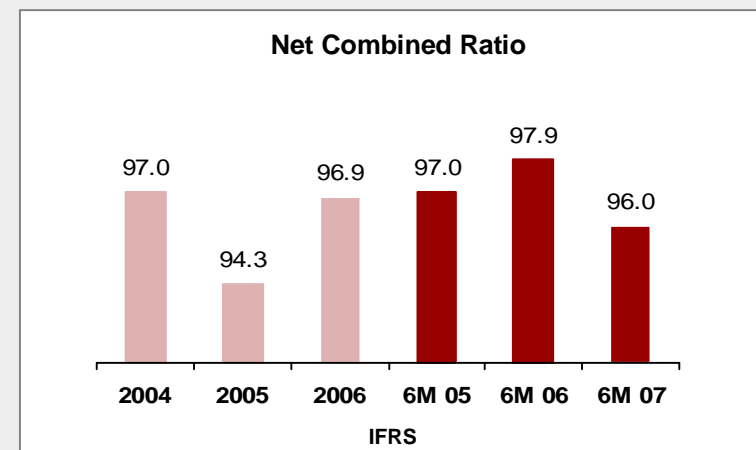
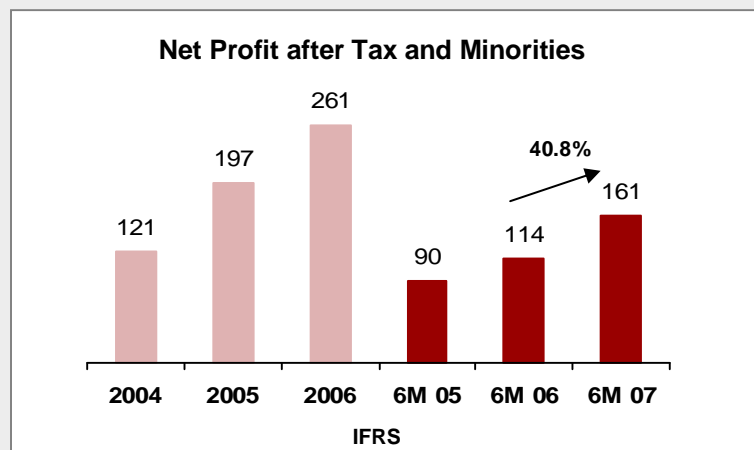
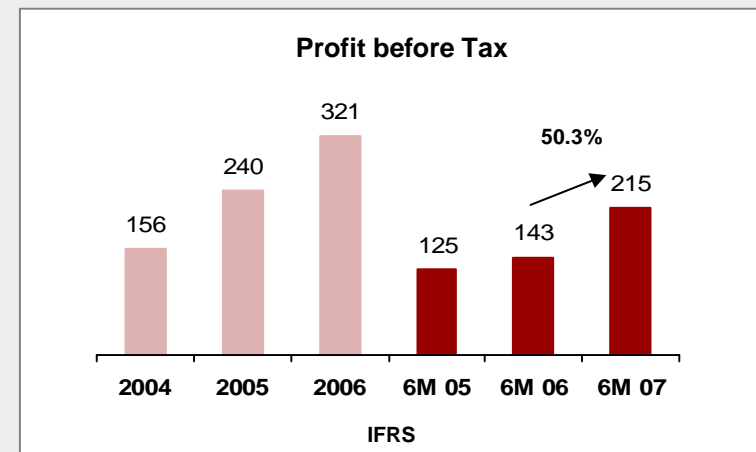
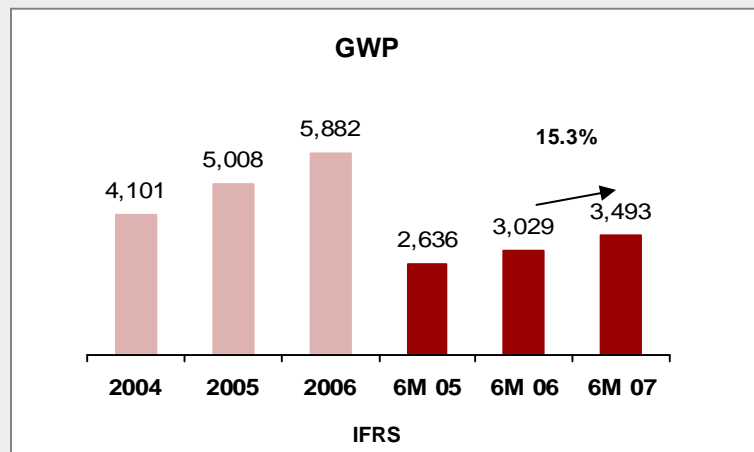


Vienna Insurance Group- 6M 2007 results

Highlights

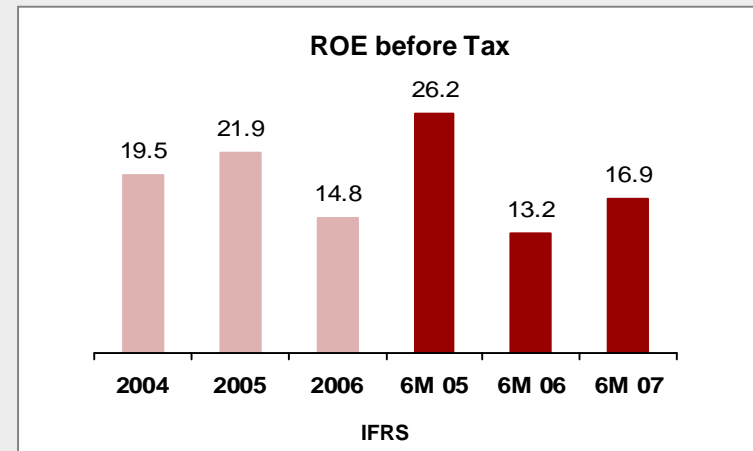
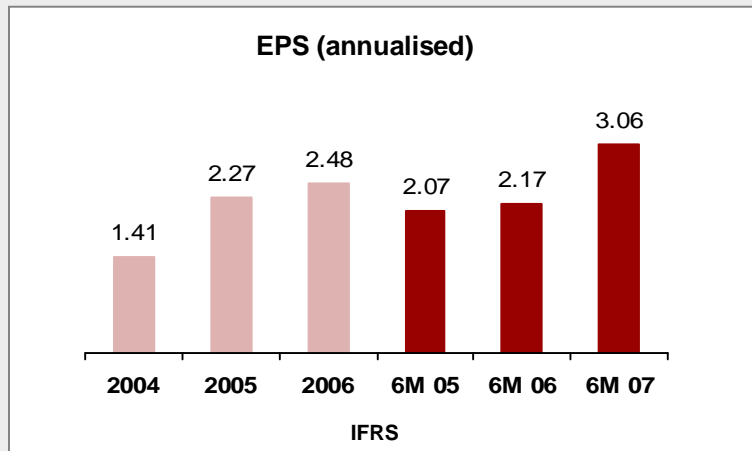
6M 2007 Highlights (I)

GWP up by 15.3%; profitability rising significantly



6M 2007 Highlights (II)

Sound increase in EPS





Vienna Insurance Group- Extending the CEE insurance play

Targets and Summary

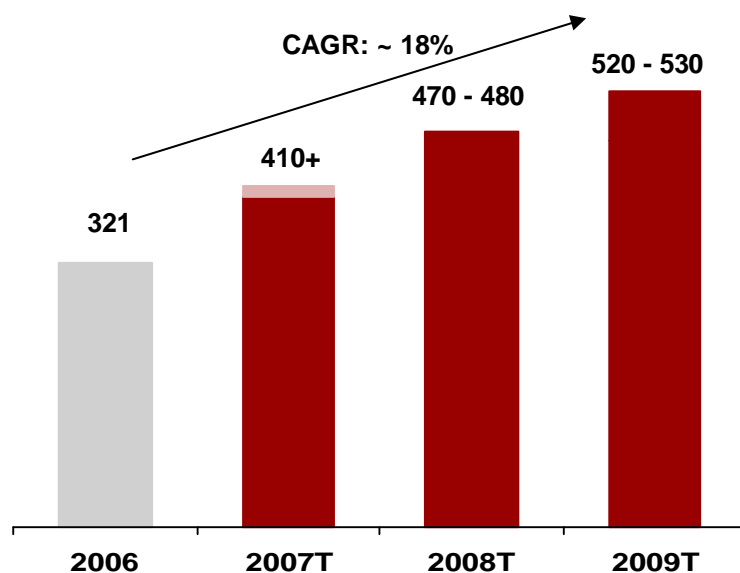
Financial Targets

Target for 2007 to be exceeded; dividend increase of 25%

VIG's financial targets

Comments

Profit before Tax Targets in €mn



RoE before Tax



- § Based on the 1st HY results the 2007 target of €410mn will be exceeded
- § For the business year 2007 management will propose a dividend of above €1.0 per share, i.e. an increase of 25% as compared to the previous year
- § It is company policy to keep the Combined Ratio well below 100% throughout the business cycles
- § VIG dividend policy is defined as a payout ratio of min. 30% of Group net profit

Summary

Progress in VIG's strategic position

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Plan two years ago

- § Strengthening of leading position in Austria
- § Expansion of CEE business through acquisitions and organic growth
 - Benefit from low insurance density across region
- § Increase of profitability

Position today

- § Increased market share in Austria by more than 2% pts thus attaining number one position
- § VIG almost doubled CEE premium volume
- § Ongoing expansion
- § Top 5 position in nearly all core markets
- § EPS boosted despite SPO