



## **VIG – A Top Insurance Player in CEE**

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**Canada/US Roadshow – October 2008**

**A** Investment proposition

**B** Growth potential in CEE and Austria

**C** Value creation

**D** Progressing on the path of growth

**E** 6M 2008 results - highlights

**F** Appendix

# Investment Proposition at a Glance

## VIG set two strategic milestones

A 3

### Milestone 1

- **VIG - Pioneer in CEE; start of expansion in 1990**
  - “Big fish in a small pond”
  - Going east immediately after the fall of the iron curtain due to potential of emerging markets and proximity

### Story

- **VIG - Progressing on the path of growth**
  - Successful track record in exploiting growth potentials
  - Continuous expansion of its business areas and geographic regions
  - 13.3% market share in CEE<sup>1</sup> – clear no. 1

### Milestone 2

- **VIG - Accelerating in life**
  - Long-term distribution agreement / acquisition of Erste Bank insurance operations
  - VIG is already among top life insurers
  - Taking on leadership in life insurance

## Footprint



- YE 2007: CEE share already 43% of premiums

1: CEE is defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia

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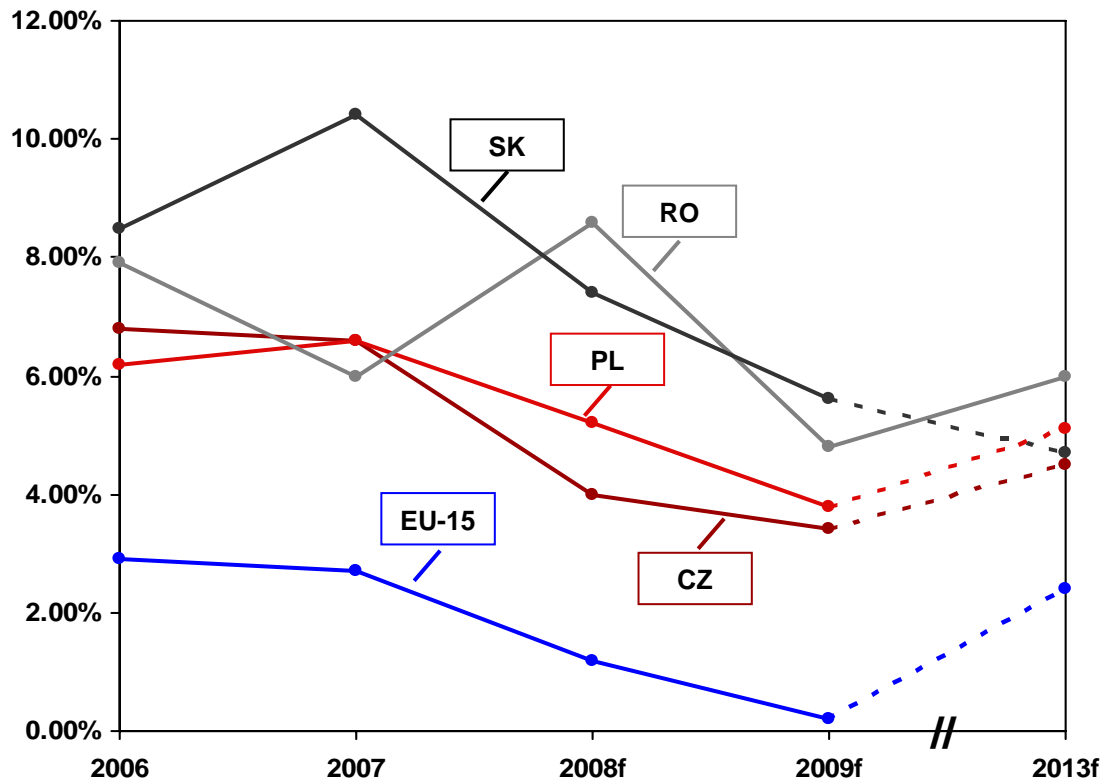
**F** Appendix

# Macro Environment in CEE Countries

## CEE growth to outperform EU-15 levels

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### GDP Growth Comparison<sup>1</sup>

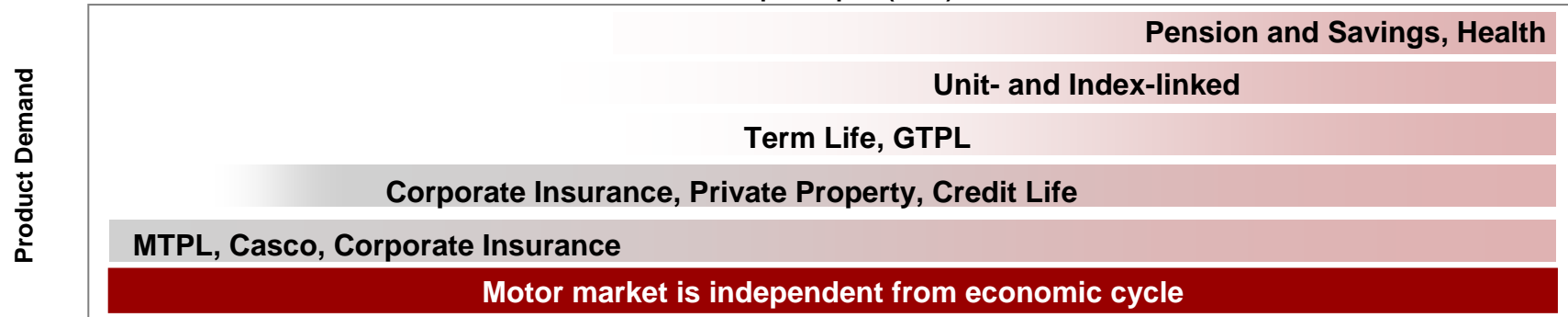
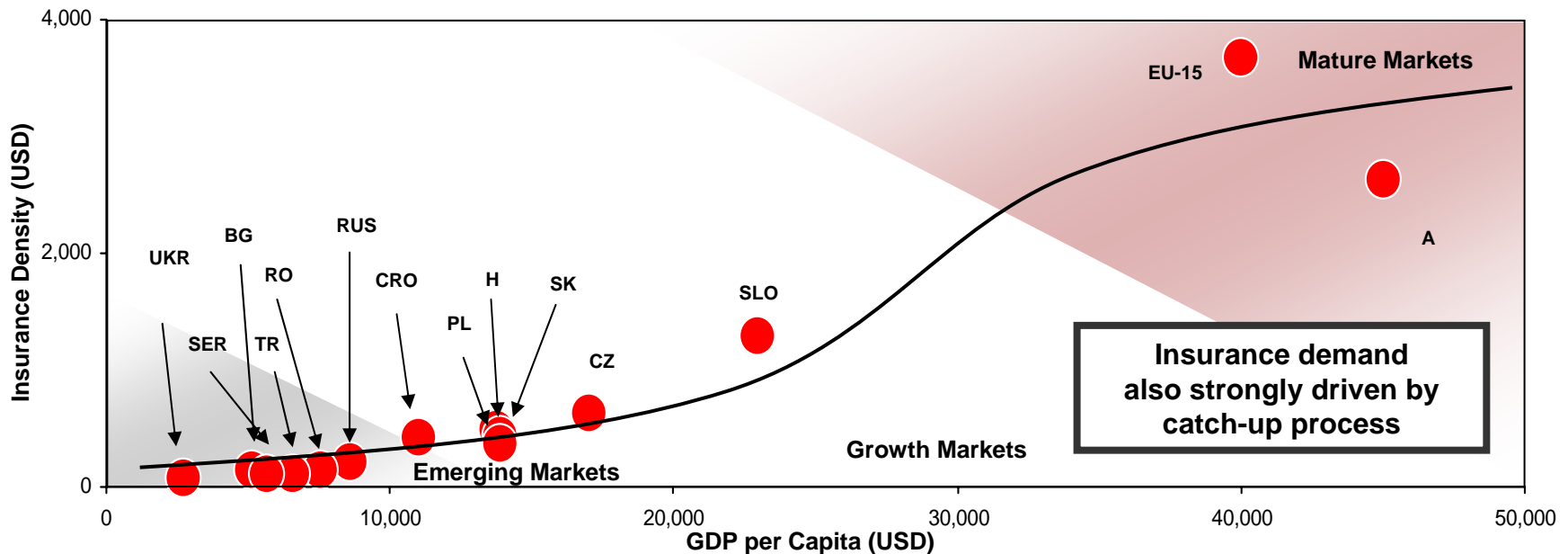


### Comments

- CEE region still appears to be resilient to economic downturn
  - Prospects for investments remain positive thanks to robust business activity and a number of infrastructure projects financed by EU funds
  - Wealth growth is fuelled by rising household income and declining unemployment
- CEE is autochthonous, forecast GDP growth outpacing EU-15 levels

# CEE Region Offers Multiple Growth

Insurance density and product demand correlate with GDP growth

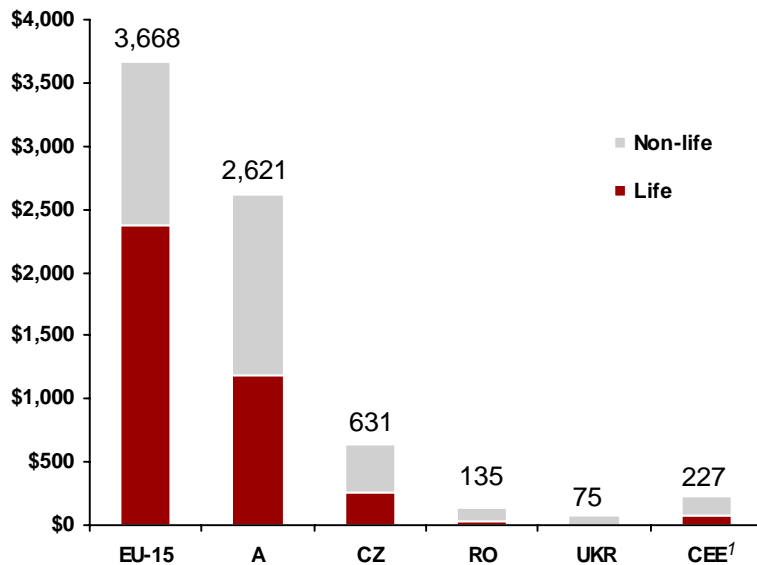


# Catch-Up Potential in CEE

## Potential both in Non-life and Life

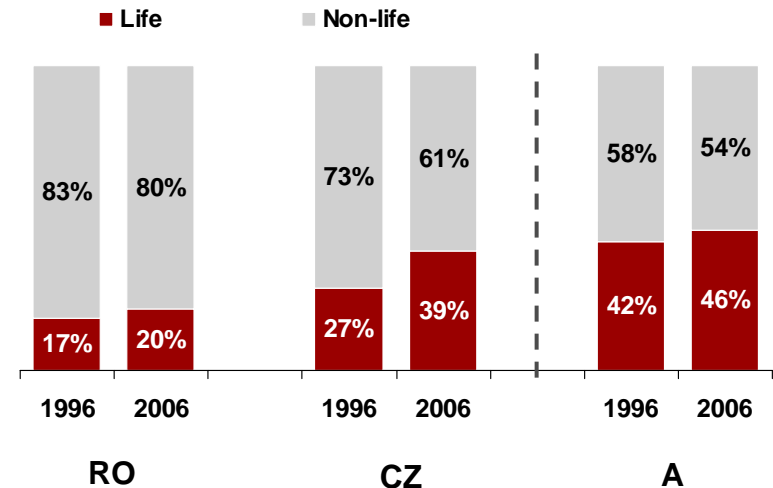
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### Insurance Density 2007



- VIG core markets still underpenetrated in insurance
- Genuine demand driven by catch-up process in CEE
- Still strong growth potential also in Austria mainly in life

### Proportion of NL & L in CEE Markets



- Life gaining importance in mature markets
- Strong growth rates in life in immature markets
- In EU-15 about 2/3 of insurance market is life business
- In advanced markets major part of life insurance distributed via bancassurance

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

# Acquisition of s Versicherung

## A deal to reap CEE life growth potential



- Long-term agreement: 15 years plus renewal for 10 years
- VIIG successfully diversifies its distribution channels in core markets
- Erste Bank's distribution system is a perfect fit for VIIG
- Erste Bank targets strong increase in its penetration of retail clients with insurance products

### Erste Bank Strengths

- Largest retail bank in the CEE region
- More than 16mn customers and 2,900 branches in home market of 120mn people
- s Versicherung already integrated in Erste Bank IT systems – easy data handling

- Local mutual distribution agreements concluded, cooperation and integration already started
- Local business plans confirm original business case
- Continuous coordination between VIIG and Erste Bank management focusing on marketing, sales support, product development and asset management

**Mutuality is the key success factor for the cooperation**



# VIG Management Approach

Success in CEE is based on three cornerstones

## Steering Approach

- Each board member of VIG parent has direct responsibility for CEE countries
- VIG board members closely involved in management of subsidiaries to build up know how and for quick decisions
- Local incumbent management is responsible for sales and profitability - usually one board member delegated from Austria
- Capital
  - available capital concentrated at parent level
  - allocation to Group companies according to their needs to fund organic growth

## Multi-Brand



## Multi-Channel

	Tied agents	Banks	Brokers	Other
A	✓	✓	✓	✓
CZ	✓	✓	✓	✓
SK	✓	✓	✓	✓
RO	✓	✓	✓	✓
CRO	✓	✓	✓	✓
H	✓	✓	✓	✓
SER	✓	✓	✓	✓
UKR	✓	✓	✓	✓

These three cornerstones differentiate VIG from most of its competitors

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# Group Wide Initiatives

Measures to enhance future performance

**Business growth and shared services  
concept within each country**



**Rollout of Group IT**



**Group reinsurance company**



**Group underwriting platform for  
corporate clients**



**New management structure**

**Business growth**



**Efficiency**

# Value Drivers in CEE

## Business growth, cost ratio and investment income

Local entrepreneurship and market know how



Expansion of distribution channels



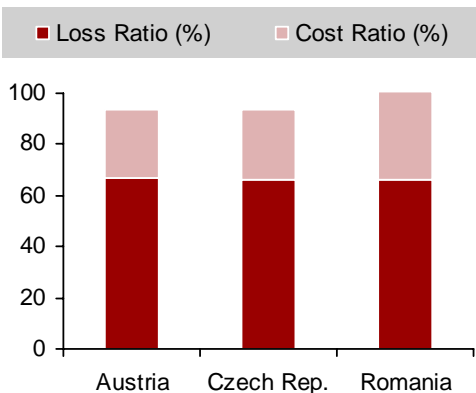
Cross selling potential



Diversification of business mix

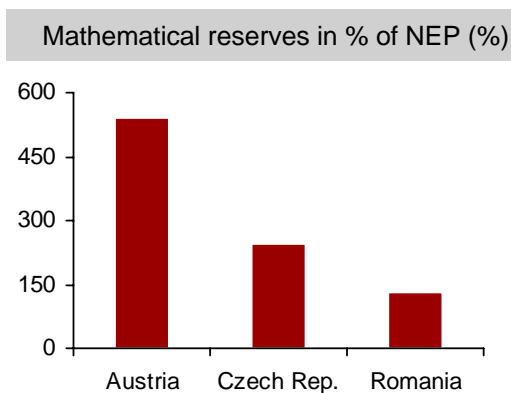
### Value Creation

#### 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 non-life reserves
- Long-tail products gaining weight (GTPL)
- Going forward life business will create major reserves

# VIG – Exploiting the Potential

Building on market shares – tremendous expansion

## Development of Market Shares

Poland	YE 05	YE 07	6M 08
Total Market	3.2%	5.1%	<b>5.0%</b>

## Development of Premium Volume (€mn)

Poland	YE 05	YE 07	6M 08
Total	74,1	543.1	339.9
TU PZM	1.4	7.4	20.2

Romania	YE 05	YE 07	6M 08
Total Market	19.5%	27.8%	<b>30.8%</b>

Romania	YE 05	YE 07	6M 08
Total	136.2	413.5	360.6

Ukraine	YE 05	YE 07	3M 08
Total Market	0.4%	2.6%	<b>3.1%</b>
Motor Market	n.a.	12.5%	<b>12.3%</b>

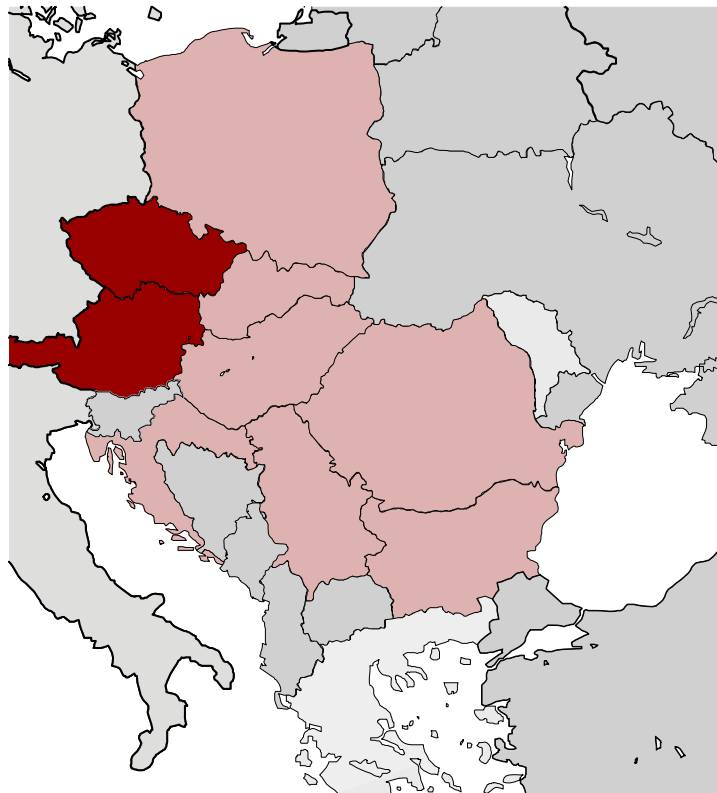
Ukraine	YE 05	YE 07	6M 08
Total	7.0	26.0	20.5

# Measures to Enhance Performance (I)

Long-term process to enhance operational efficiency

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## IT Restructuring in VIG



● Rollout plan for 2008-2010

## VIG IT Strategy

2008

- Fast expansion of VIG resulted in higher Group IT complexity:
  - 23 countries, 20 currencies, 21 languages
  - 45 companies with individual organisation

2012

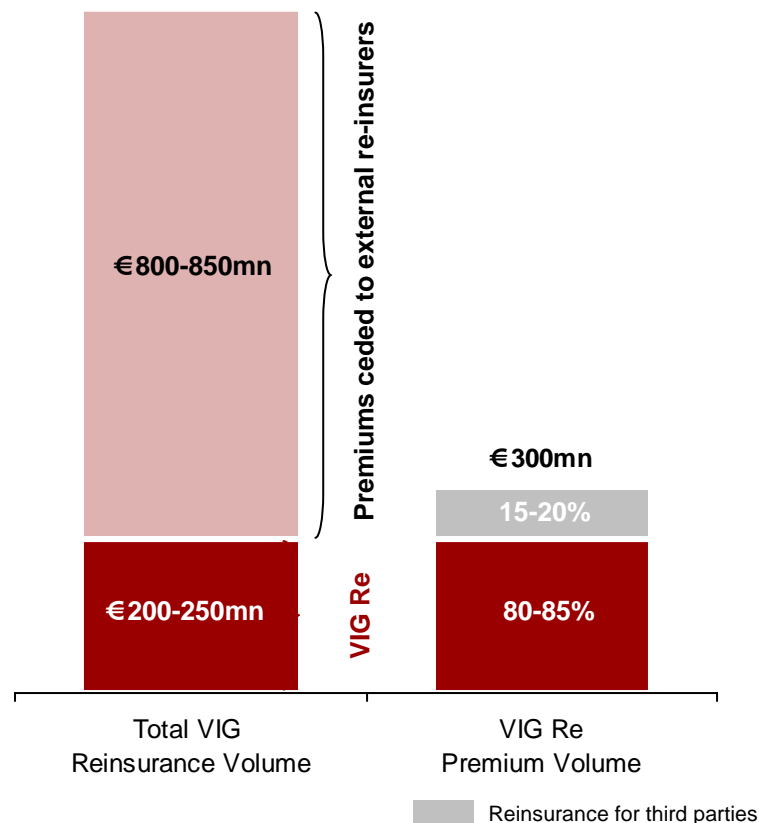
**Set the basis for long-term cost containment and product development**

# Measures to Enhance Performance (II)

## Set-up of a CEE reinsurance company

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### VIG Re – 3 Year Business Plan



### Key Considerations

- Levering longstanding market knowledge and strong CEE footprint – incorporated in Czech Republic
- Pooling of VIG reinsurance volume in order to avoid inefficiencies
- VIG Re to cover only moderate insurance risks, e.g. no exposure to natural disasters
- Premium volume of about €300mn expected by 2011
- Equity of €100mn; RoE of ~20% after 3 years

# Measures to Enhance Performance (III)

## VIU – Group platform for multinational corporates

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### Vienna International Underwriters

**VIENNA INTERNATIONAL  
UNDERWRITERS**



**One  
global brand for  
corporate clients**

**Cost efficient Group  
network to increase  
local  
business**

**Tailor-made  
transnational  
solutions for  
corporate clients**

**Building of a global brand for better recognition and to ensure best-practice approach and know how transfer among Group members**

### Features

- Increasing demand for insurance solutions for large corporate clients in CEE
- Target group are top 250 corporate clients in CEE countries
- Focus on property insurance
- Underwriting guidelines include:
  - Measurement and evaluation
  - Risk exposure monitoring
- Distribution of services in close cooperation with qualified insurance brokers
- VIU underwriting academy to train staff already launched



# Measures to Enhance Performance (IV)

## New management structure

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### Management Structure of VIG

**Managing Board**

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graph TD; MB[Managing Board] --> VIGC[Vienna Insurance Group Committee]; MB --> WSA[Wien Städtische Austria Committee];
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**Vienna Insurance Group  
Committee**

Responsibility: Group

**Wiener Städtische Austria  
Committee**

Responsibility: Austrian  
operations of parent company

### Comments

- Today VIG is operating in 23 countries with more than 50 companies and about 21,000 employees
- Vigorous growth over the past few years requires an amended, future-oriented form of management of the Group
- Increase of the managing board by 4 to reach 10 members
- Approved by the supervisory board, subject to the approval of the next AGM

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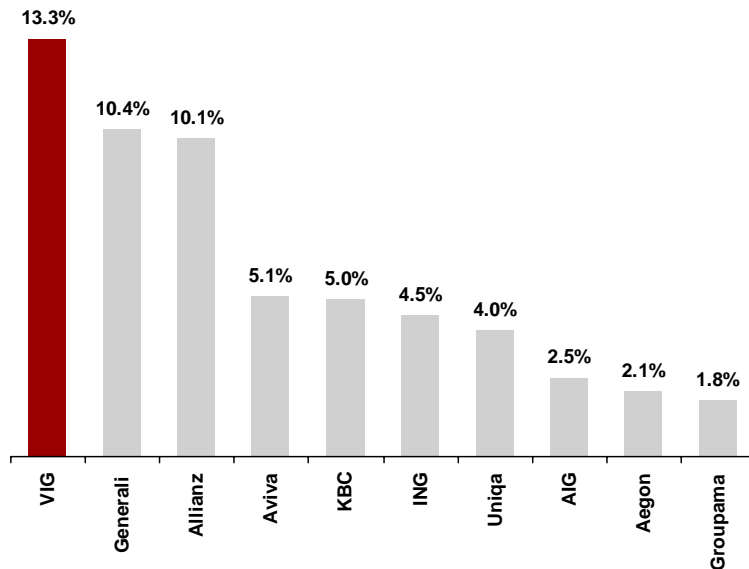
**F** Appendix

# Strengthening No.1 Position in CEE

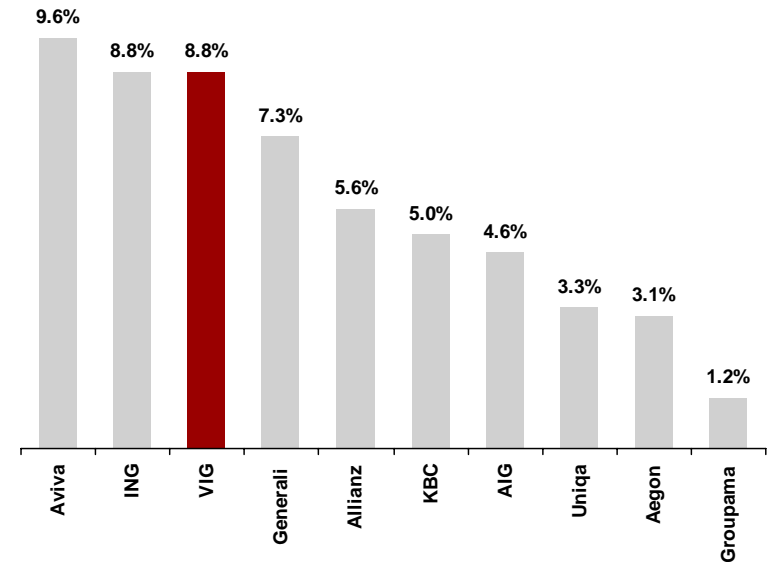
Taking on leadership in life insurance

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## Total Market Share in CEE<sup>1</sup>



## Market Share in CEE<sup>1</sup> Life



Source: National insurance associations of the respective countries as of 6M 2008

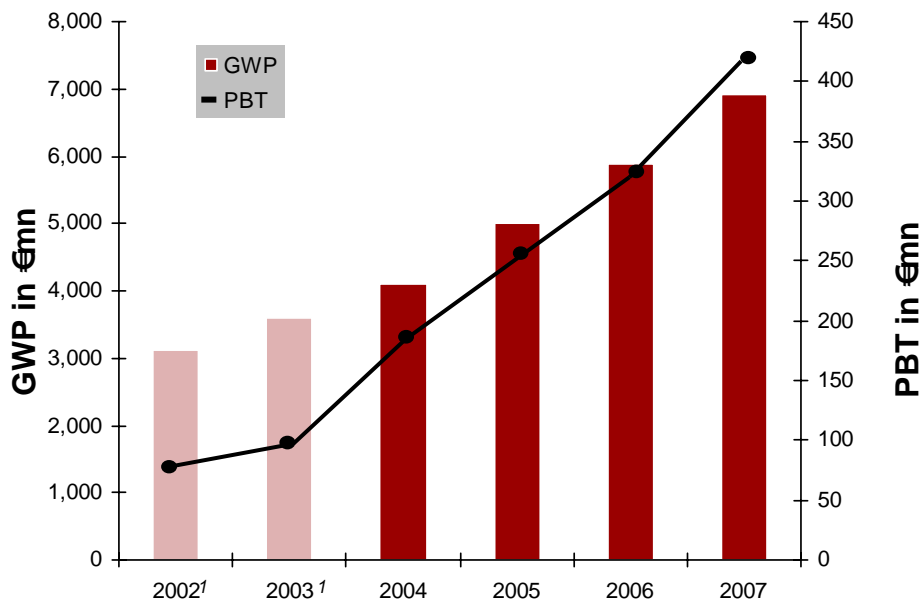
<sup>1</sup> CEE is defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania and Slovakia; interim data for Serbia n.a.

Note: All market shares in this presentation are based on industry statistics and define the markets from a production perspective. Please note that this perspective does not necessarily coincide with market definitions used for marketing research purposes, e.g. studies on customer demand, or merger control purposes.

# VIG Growth Strategy Delivers

Growth materialises in strong increase in profitability

## VIG's Path of Profitability

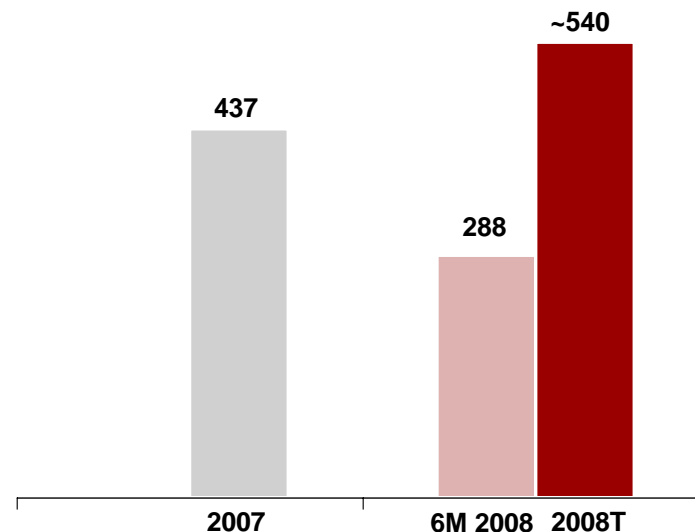


**Profit before tax YE 2007: €437mn**

1: Figures for 2002 and 2003 according to Austrian Commercial Code, thereafter IFRS

## VIG's Financial Outlook

Profit before tax target in €mn



- It is company philosophy to keep the combined ratio well below 100% throughout the business cycle
- VIG dividend policy is defined as a payout ratio of min. 30% of Group net profit

# VIG - Progressing on the Path of Growth

## VIG outperformed own commitments

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### Undertakings

- Expansion of its position in Austria
- Expansion of CEE business through acquisitions and organic growth
- Become top 5 insurer in core markets
  - Benefit from multiple growth drivers of GDP, insurance (penetration/ density) and wealth composition
- Improve geographical diversification
- Increase of profitability

### Proof

- Increased market share in Austria by more than 3% pts – VIG no. 1
- CEE premium volume doubled
- Ongoing expansion
- Among top 5 insurers in nearly all core markets, top 3 position reached in 5 core markets
- Share of Other CEE markets (incl. PL & RO) has overtaken Czech Republic and Slovakia, PL third largest market, RO third largest non-life market
- EPS boosted despite SPO

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# 6M 2008 Highlights (I)

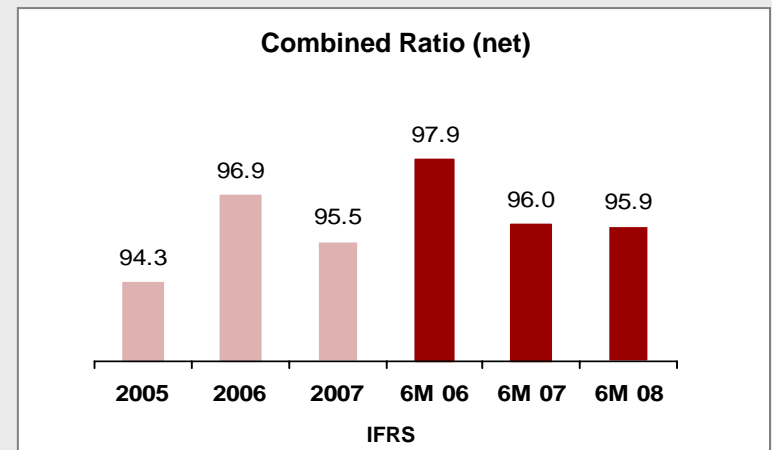
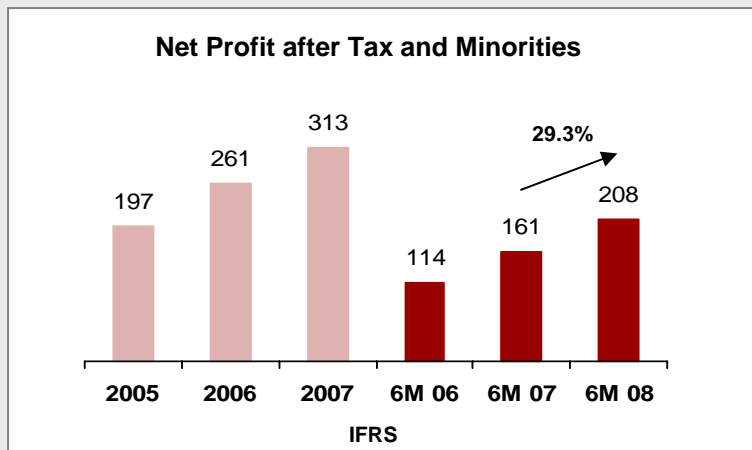
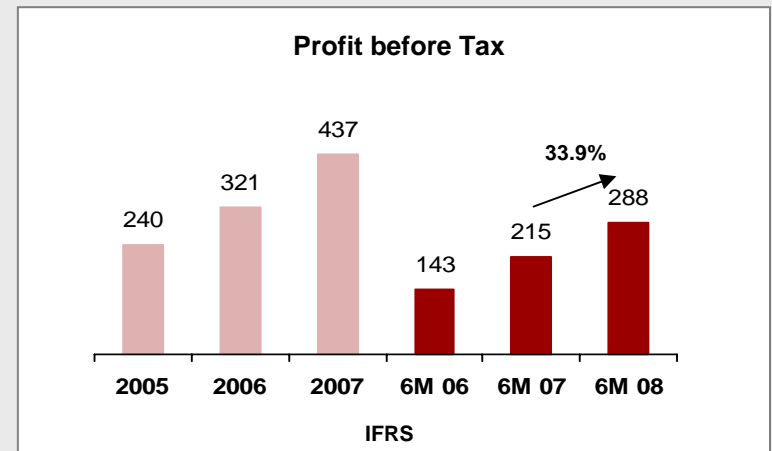
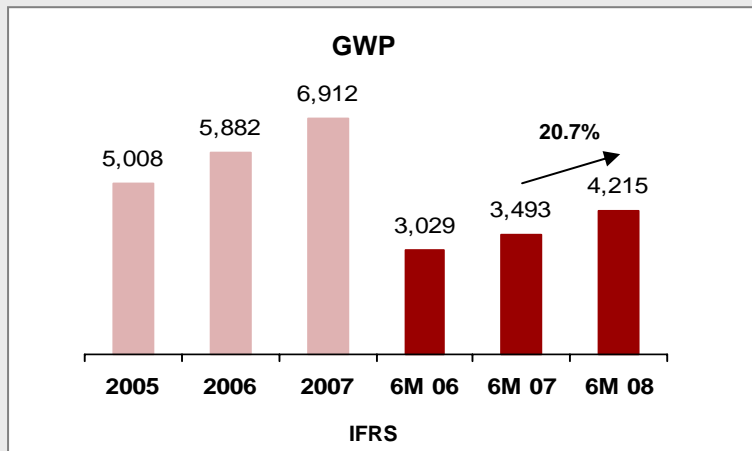
**Guidance for 2008 unchanged**

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- Excellent top-line growth, in particular in CEE (also net of acquisitions)
- For the first time ever, in Q2 share of CEE business more than 50 % of total premiums
- Combined ratio (net) stable at 95.9%
- Profit before tax growing at faster pace than premiums
- Half-year PBT development supports EUR 540mn target for full year 2008
- Final consolidation of Austrian BACAV and Romanian UNITA

# 6M 2008 Highlights (II)

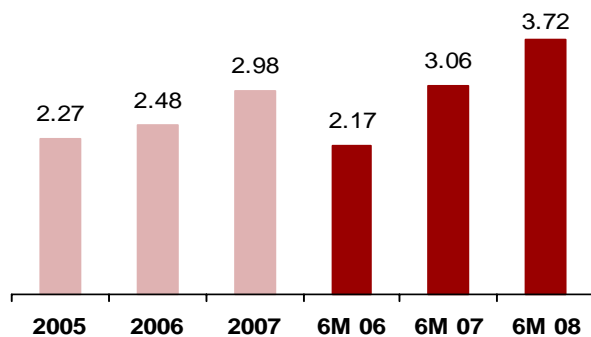
## VIG defying market trends





# 6M 2008 Highlights (III)

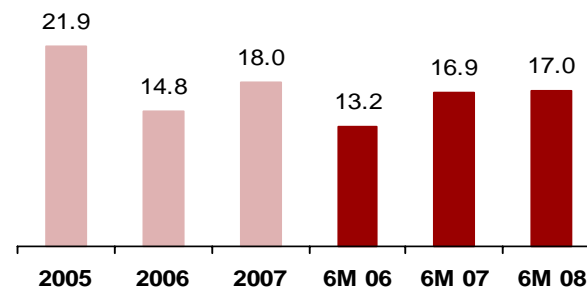
**EPS\***



\* diluted, annualised

IFRS

**ROE before Tax (%)\***



\* diluted, annualised

IFRS

# 6M 2008 Investment Split

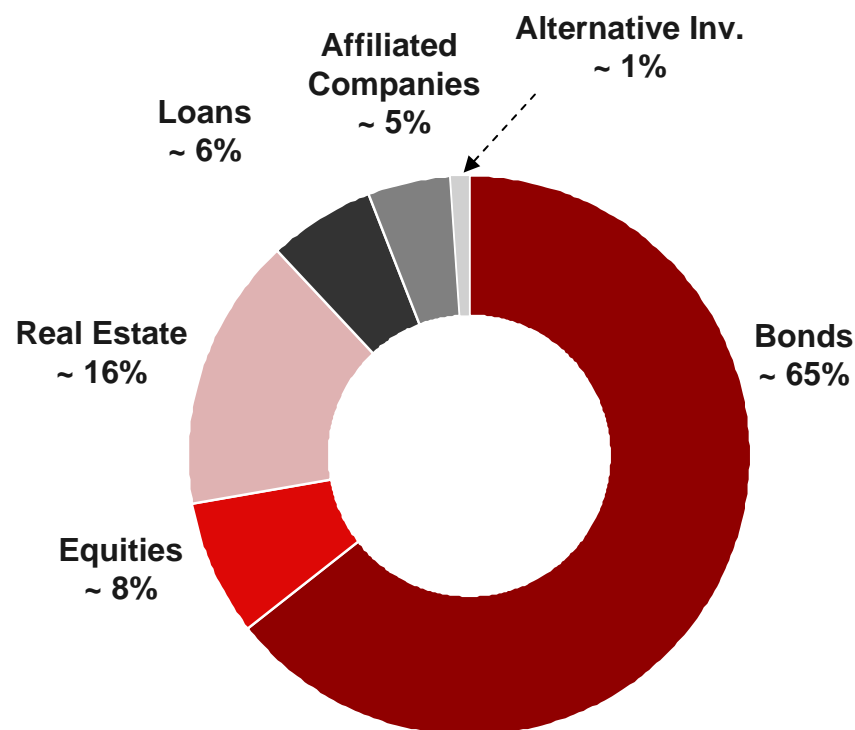
Prudent investment policy paying off

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## Investment Policy

- VIG follows a conservative investment policy throughout market cycles
- VIG has no US-subprime investments
- VIG has no investments in monolines or CDOs
- Total exposure to the structured credit market is less than 0.5% of total investments
- Real estate consists mainly of housing societies and residential portfolio in Austria

## Portfolio Overview



**6M 2008 Total: EUR 18,625mn**

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# 6M 2008 Income Statement

IFRS (€mn)

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	6M 2008	6M 2007	+/-%
1. Gross written premiums	4,215.1	3,493.1	20.7
2. Net earned premiums	3,471.3	2,829.1	22.7
3. Net investment income	618.7	553.2	11.8
4. Other income	30.7	20.7	48.5
<b>Total income</b>	<b>4,120.7</b>	<b>3,403.0</b>	<b>21.1</b>
6. Expenses for claims incurred	-2,912.4	-2,420.6	20.3
7. Operating expenses	-799.9	-677.4	18.1
8. Other expenses	-120.1	-89.6	34.1
<b>Total expenses</b>	<b>-3,832.3</b>	<b>-3,187.6</b>	<b>20.2</b>
<b>Profit before tax</b>	<b>288.3</b>	<b>215.4</b>	<b>33.9</b>
Taxes	-59.5	-41.1	44.5
<b>Net profit before minorities (Profit for the period)</b>	<b>228.9</b>	<b>174.3</b>	<b>31.4</b>
Minorities	-21.1	-13.6	55.2
<b>Net profit after minorites</b>	<b>207.7</b>	<b>160.6</b>	<b>29.3</b>

# 6M 2008 Balance Sheet

IFRS (€mn)

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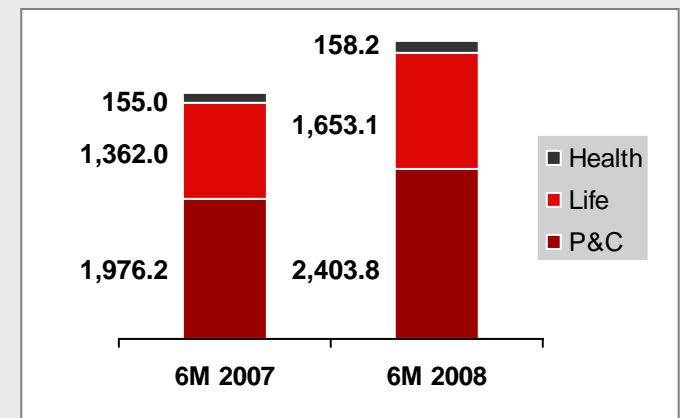
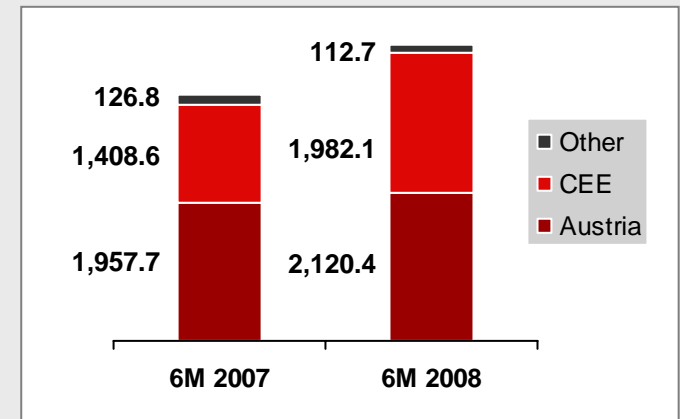
	6M 2008	YE 2007	+/- %
Intangible assets	848	525	61.7
Total investments	18,625	20,171	-7.7
Unit- and index-linked investments	2,214	3,066	-27.8
Reinsurers' share in technical provisions	1,088	1,187	-8.3
Receivables	1,976	1,200	64.6
Deferred tax assets	83	34	144.4
Other assets	256	285	-10.2
Cash and cash equivalents	359	278	29.4
<b>Total assets</b>	<b>25,449</b>	<b>26,745</b>	<b>-4.8</b>
Shareholders' equity	4,085	2,616	56.2
<i>thereof minorities</i>	245	277	-11.8
Subordinated liabilities	375	443	-15.2
Technical provisions	15,352	17,092	-10.2
Unit- and index-linked technical provisions	2,134	2,949	-27.6
Non-technical provisions	704	795	-11.4
Liabilities	2,585	2,689	-3.8
Deferred tax liabilities	124	81	53.7
Other liabilities	89	82	8.7
<b>Total liabilities and equity</b>	<b>25,449</b>	<b>26,745</b>	<b>-4.8</b>

# 6M 2008 P&L Major Items – Gross Written Premiums

## Premium growth stronger than in Q1 (€mn)

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- Group GWP gained 20.7% to €4,215mn (+ 15.4% net of acquisitions)
- Austria: total GWP up 8.3% to reach €2,120mn. Life up 13.3% at €1,014mn (strong single premiums); P&C up 4.5% at €947.7mn influenced by flat motor market (VIG still growing above market) and shift of premium payments
- The Czech Republic saw GWP growing by 19.7% to €691.0mn with Life gaining 26.5% to reach €170.5mn and Non-life up 17.7% at €520.5mn
- In Slovakia business grew by 22.1% to reach €297.5mn, with Life up 47.1% at €122.0mn and P&C up 9.1% at €175.5mn
- Poland reached €393.9mn in total, up 59.1%, Non-life up 36.7% to €213.5mn, Life up 97.5% to €180.4mn
- In Romania, VIG attained a premium volume of €360.5mn, an increase of 87.5% (organic growth was 30.3%). Non-life was up 83.6% at €339.5mn and Life up 183.4% at €21.0mn (€13.3mn contribution from Asiom)
- Substantial increase in Other CEE markets of 61.8% amounting to €239.2mn, with high double digit organic growth
- Other Markets attained GWP of €112.7mn, weaker by 11.1% due to volatility in single premium business



Note: the following companies were not included in HY 2007: Jupiter, Globus, Kniazha (Ukraine), Ray Sigorta (Turkey) and Asiom (Romania);  
pro rata consolidation of TBIH insurance companies (Bulstrad, Helios) increased from 40% to 60%

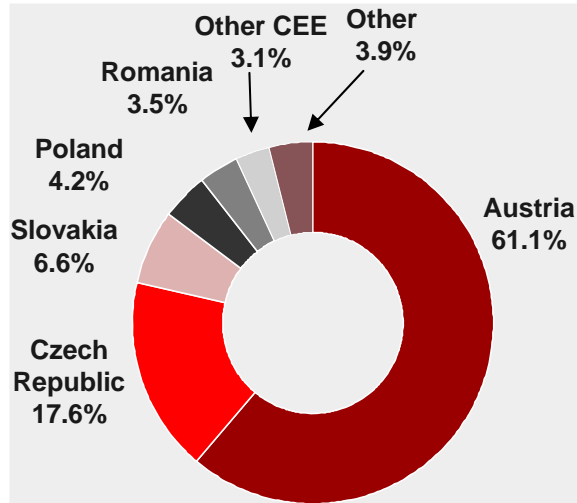
# Geographical Diversification Enhanced

## GWP split by region

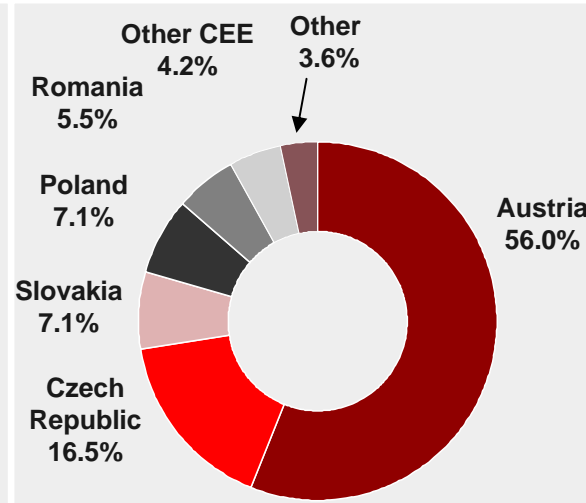
**GWP by Geography 6M 06**

**GWP by Geography 6M 07**

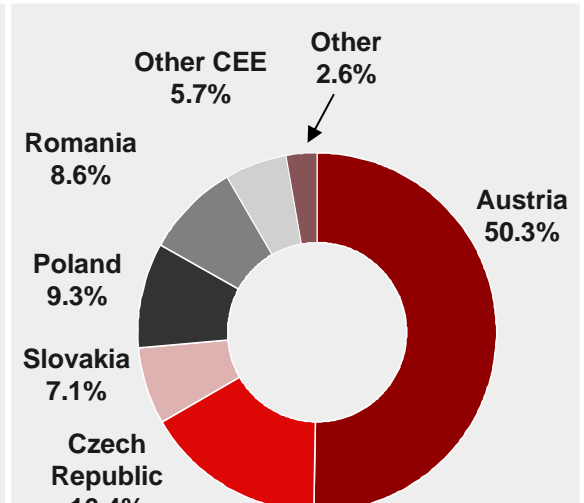
**GWP by Geography 6M 08**



**6M 2006 Total: €3.0bn**



**6M 2007 Total: €3.5bn**



**6M 2008 Total: €4.2bn**

- Poland and Romania have more than doubled their share
- Other CEE substantially gaining weight
- Czech Republic and Slovakia stable
- VIIG steadily improving balance of its portfolio

# 6M 2008 P&L Major Items – Expenses for Claims Incurred

## Loss ratio improving despite one-off effects in RO, SK

- Group loss ratio (net) at 63.4% (down from 64.7% in 6M 2007 )
- Austrian loss ratio lower by 3.2% pts at 63.7%, was affected by storms in early 2007
- Czech Republic saw loss ratio improving by 5.7% pts to 62.4%, was also affected by storms in early 2007
- In Slovakia loss ratio higher at 56.5% (6M 07: 52.7%) due to increase of reserves for claims from former state monopoly (legal requirement)
- Poland improving by 8.6% pts to 54.2% due to effective claims and risk management and benign motor pricing
- Romania saw increase of claims ratio to 75.5% influenced by motor business (in line with market trends) and one-off increase of claims reserve from Unita sales proceeds (7%pts, € 15mn)
- Other CEE recorded slightly improving ratio of 61.1% (with very moderate claims level in the Ukraine)

EUR mn	P&C	
	6M 2008	6M 2007
Net Earned Premiums:	1,690.1	1,331.9
Expenses for Claims Incurred:	1,072.3	861.5
<b>Ratio</b>	<b>63.4%</b>	<b>64.7%</b>



# 6M 2008 P&L Major Items – Operating Expenses

## Cost ratio slightly up due to acquisition expenses

- Group cost ratio (net) increasing by 1.2% to reach 32.5%
- Impact in Austria is 1.3% with cost ratio at 28.8%
- Costs in the Czech Republic increased to 30.0% due to new IT roll-out expenses
- Cost ratio in Slovakia down by 0.9% pts at 37.3% due to stable administrative expenses while business is growing substantially
- Poland showing higher cost ratio at 42.1% influenced by acquisition costs resulting from fast business growth and Religa tax issue
- Romania recording decrease to 32.5% thanks to scale effects
- Cost ratio in Other CEE at 42.0%, down by 2.0% pts due to economies of scale

EUR mn	P&C	
	6M 2008	6M 2007
Net Earned Premiums:	1,690.1	1,331.9
Operating Expenses: <sup>1</sup>	549.1	417.3
<b>Ratio</b>	<b>32.5%</b>	<b>31.3%</b>

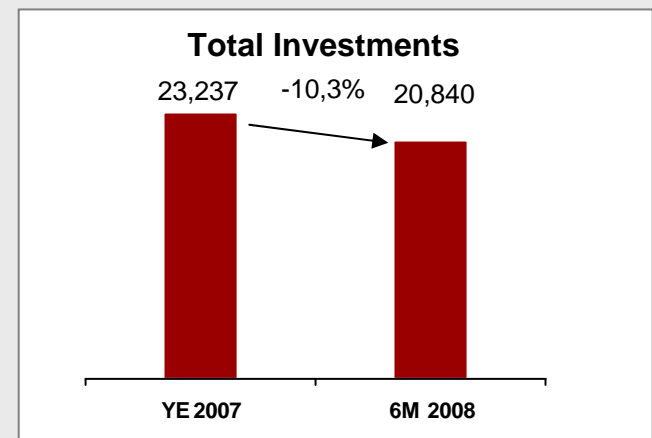
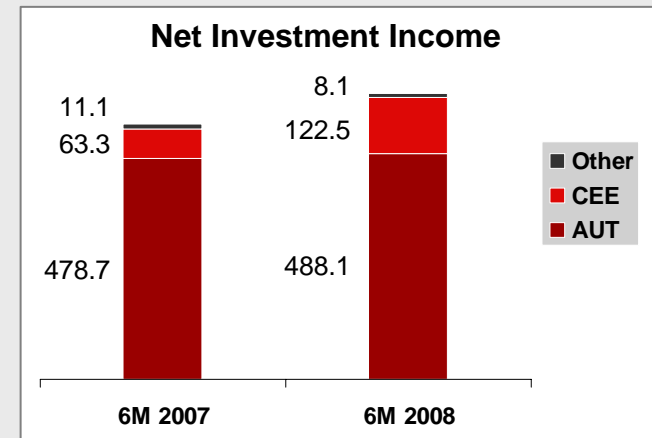
<sup>1</sup> incl. Other technical result (Other underwriting income and expenses)

# 6M 2008 P&L Major Items – Net Investment Income

One-off gains balanced by market downturn (€mn)

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- Increase in Group Net Investment Income by 11.8% to €618.7mn influenced mainly by
  - one-off gains from sale of BACAV and UNITA
  - adverse market conditions (interest rates, spreads, equities)
  - higher realised losses mainly in bond portfolio
  - lower payout by investment funds
- Conservative investment policy, e.g. no US-subprime, no monolines or CDOs



	6M 2008	6M 2007
<b>Investment Income</b>	<b>1,033.7</b>	<b>705.8</b>
<i>thereof: Current Income</i>	531.2	419.2
<i>thereof: Investment income from disposal</i>	490.3	260.8
<b>Expenses for investments and interest</b>	<b>-415.0</b>	<b>-152.6</b>
<i>thereof: realised investment losses</i>	-160.7	-28.0
<i>thereof: depreciation of investments</i>	-104.7	-52.9
<b>Total</b>	<b>618.7</b>	<b>553.2</b>

# 6M 2008 P&L – Business Segments

## Property & Casualty, IFRS (€mn)

	6M 2008	6M 2007	+/-%
1. Gross written premiums	2,403.8	1,976.2	21.6
2. Net earned premiums	1,690.1	1,331.9	26.9
3. Net investment income	154.2	93.3	65.3
4. Other income	19.2	11.9	60.9
<b>Total income</b>	<b>1,863.5</b>	<b>1,437.2</b>	<b>29.7</b>
6. Expenses for claims incurred	-1,072.3	-861.5	24.5
7. Operating expenses	-494.7	-377.3	31.1
8. Other expenses	-88.8	-64.3	38.2
<b>Total expenses</b>	<b>-1,655.7</b>	<b>-1,303.1</b>	<b>27.1</b>
<b>Profit before tax</b>	<b>207.8</b>	<b>134.1</b>	<b>55.0</b>

# 6M 2008 P&L – Business Segments

Life, IFRS (€mn)

F 36

	6M 2008	6M 2007	+/-%
1. Gross written premiums	1,653.1	1,362.0	21.4
2. Net earned premiums	1,625.5	1,344.3	20.9
3. Net investment income	458.3	445.8	2.8
4. Other income	11.5	8.7	31.5
<b>Total income</b>	<b>2,095.2</b>	<b>1,798.8</b>	<b>16.5</b>
6. Life benefits	-1,701.0	-1,423.9	19.5
7. Operating expenses	-284.7	-279.6	1.8
8. Other expenses	-30.9	-24.7	24.9
<b>Total expenses</b>	<b>-2,016.5</b>	<b>-1,728.2</b>	<b>16.7</b>
<b>Profit before tax</b>	<b>78.7</b>	<b>70.7</b>	<b>11.4</b>

# 6M 2008 P&L – Business Segments

## Health, IFRS (€mn)

	6M 2008	6M 2007	+/-%
1. Gross written premiums	158.2	155.0	2.1
2. Net earned premiums	155.7	152.9	1.8
3. Net investment income	6.2	14.1	-56.0
4. Other income	0.0	0.0	0.0
<b>Total income</b>	<b>161.9</b>	<b>166.9</b>	<b>-3.0</b>
6. Expenses for claims incurred	-139.1	-135.3	2.9
7. Operating expenses	-20.6	-20.5	0.5
8. Other expenses	-0.4	-0.6	-31.8
<b>Total expenses</b>	<b>-160.1</b>	<b>-156.3</b>	<b>2.4</b>
<b>Profit before tax</b>	<b>1.8</b>	<b>10.7</b>	<b>-83.0</b>

# 6M 2008 P&L - Split by Regions (I)

Regional segments, IFRS (€mn)

F 38

	Austria			Czech Republic		
	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%
1. Gross written premiums	2,120.4	1,957.7	8.3	691.0	577.1	19.7
2. Net earned premiums	1,757.8	1,611.2	9.1	542.0	445.8	21.6
3. Net investment income	488.1	478.7	2.0	23.4	21.6	8.2
4. Other income	5.0	4.4	14.1	6.6	5.5	18.9
<b>Total income</b>	<b>2,250.9</b>	<b>2,094.4</b>	<b>7.5</b>	<b>571.9</b>	<b>472.9</b>	<b>20.9</b>
6. Expenses for claims incurred	-1,745.6	-1,617.8	7.9	-353.9	-310.4	14.0
7. Operating expenses	-316.1	-308.4	2.5	-142.8	-108.5	31.6
8. Other expenses	-34.7	-29.6	17.2	-28.8	-18.6	54.5
<b>Total expenses</b>	<b>-2,096.4</b>	<b>-1,955.8</b>	<b>7.2</b>	<b>-525.6</b>	<b>-437.6</b>	<b>20.1</b>
<b>Profit before tax</b>	<b>154.5</b>	<b>138.5</b>	<b>11.5</b>	<b>46.3</b>	<b>35.3</b>	<b>31.2</b>
<b>Combined Ratio</b>	<b>92.4%</b>	<b>94.3%</b>		<b>92.4%</b>	<b>95.4%</b>	

# 6M 2008 P&L - Split by Regions (II)

## Regional segments, IFRS (€mn)

F 39

	Slovakia			Poland			Romania		
	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%
1. Gross written premiums	297.5	243.8	22.1	393.9	247.6	59.1	360.5	192.3	87.5
2. Net earned premiums	245.7	189.9	29.4	361.4	216.3	67.1	289.6	139.6	>100
3. Net investment income	9.9	12.2	-18.9	6.4	12.1	-47.3	76.0	5.9	>100
4. Other income	1.4	1.2	17.2	3.7	1.8	>100	9.3	2.2	>100
<b>Total income</b>	<b>257.0</b>	<b>203.3</b>	<b>26.4</b>	<b>371.5</b>	<b>230.2</b>	<b>61.4</b>	<b>374.9</b>	<b>147.7</b>	<b>&gt;100</b>
6. Expenses for claims incurred	-170.8	-126.8	34.7	-225.8	-108.0	>100	-229.0	-83.3	>100
7. Operating expenses	-48.8	-40.9	19.4	-120.7	-105.9	14.0	-93.9	-57.1	64.4
8. Other expenses	-21.5	-18.0	19.3	-10.8	-7.5	44.5	-7.5	-3.1	>100
<b>Total expenses</b>	<b>-241.1</b>	<b>-185.7</b>	<b>29.9</b>	<b>-357.4</b>	<b>-221.5</b>	<b>61.4</b>	<b>-330.3</b>	<b>-143.5</b>	<b>&gt;100</b>
<b>Profit before tax</b>	<b>15.9</b>	<b>17.6</b>	<b>-10.1</b>	<b>14.1</b>	<b>8.7</b>	<b>61.6</b>	<b>44.6</b>	<b>4.2</b>	<b>&gt;100</b>
<b>Combined Ratio</b>	<b>93.8%</b>	<b>90.8%</b>		<b>96.3%</b>	<b>101.8%</b>		<b>107.9%</b>	<b>100.1%</b>	

# 6M 2008 P&L - Split by Regions (III)

## Regional segments, IFRS (€mn)

	Other CEE			Other			TOTAL		
	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%
1. Gross written premiums	239.2	147.8	61.8	112.7	126.8	-11.1	4,215.1	3,493.1	20.7
2. Net earned premiums	178.5	114.3	56.2	96.4	112.0	-13.9	3,471.3	2,829.1	22.7
3. Net investment income	6.9	11.5	-40.0	8.1	11.1	-27.4	618.7	553.2	11.8
4. Other income	3.3	3.0	8.5	1.4	2.6	-44.9	30.7	20.7	48.5
<b>Total income</b>	<b>188.7</b>	<b>128.8</b>	<b>46.5</b>	<b>105.9</b>	<b>125.7</b>	<b>-15.8</b>	<b>4,120.7</b>	<b>3,403.0</b>	<b>21.1</b>
6. Expenses for claims incurred	-113.7	-77.0	47.6	-73.5	-97.2	-24.4	-2,912.4	-2,420.6	20.3
7. Operating expenses	-65.8	-43.2	52.3	-11.7	-13.3	-11.8	-799.9	-677.4	18.1
8. Other expenses	-4.9	-4.1	19.1	-11.9	-8.6	37.6	-120.1	-89.6	34.1
<b>Total expenses</b>	<b>-184.4</b>	<b>-124.3</b>	<b>48.3</b>	<b>-97.2</b>	<b>-119.2</b>	<b>-18.5</b>	<b>-3,832.3</b>	<b>-3,187.6</b>	<b>20.2</b>
<b>Profit before tax</b>	<b>4.3</b>	<b>4.5</b>	<b>-3.6</b>	<b>8.7</b>	<b>6.5</b>	<b>33.3</b>	<b>288.3</b>	<b>215.4</b>	<b>33.9</b>
<b>Combined Ratio</b>	<b>103.2%</b>	<b>106.3%</b>		<b>78.7%</b>	<b>88.6%</b>		<b>95.9%</b>	<b>96.0%</b>	



# 6M 2008 Results by Country

IFRS (€mn)

F 41

	Non-Life		Life		Total		Profit before Tax		Combined Ratio	
	6M 2008	6M 2007	6M 2008	6M 2007	6M 2008	6M 2007	6M 2008	6M 2007	6M 2008	6M 2007
<b>Austria</b>	<b>1,105.9</b>	<b>1,062.0</b>	<b>1,014.4</b>	<b>895.7</b>	<b>2,120.4</b>	<b>1,957.7</b>	<b>154.5</b>	<b>138.5</b>	<b>92.4%</b>	<b>94.3%</b>
<b>Czech Rep.</b>	<b>520.5</b>	<b>442.3</b>	<b>170.5</b>	<b>134.8</b>	<b>691.0</b>	<b>577.1</b>	<b>46.3</b>	<b>35.3</b>	<b>92.4%</b>	<b>95.4%</b>
<b>Slovakia</b>	<b>175.5</b>	<b>160.8</b>	<b>122.0</b>	<b>82.9</b>	<b>297.5</b>	<b>243.8</b>	<b>15.9</b>	<b>17.6</b>	<b>93.8%</b>	<b>90.8%</b>
<b>Poland</b>	<b>213.5</b>	<b>156.2</b>	<b>180.4</b>	<b>91.3</b>	<b>393.9</b>	<b>247.6</b>	<b>14.1</b>	<b>8.7</b>	<b>96.3%</b>	<b>101.8%</b>
<b>Romania</b>	<b>339.5</b>	<b>184.9</b>	<b>21.0</b>	<b>7.4</b>	<b>360.5</b>	<b>192.3</b>	<b>44.6</b>	<b>4.2</b>	<b>107.9%</b>	<b>100.1%</b>
<b>Other CEE</b>	<b>171.5</b>	<b>91.2</b>	<b>67.7</b>	<b>56.6</b>	<b>239.2</b>	<b>147.8</b>	<b>4.3</b>	<b>4.5</b>	<b>103.2%</b>	<b>106.3%</b>
Hungary	21.8	21.5	31.9	24.7	53.7	46.2	1.7	1.7	105.1%	107.4%
Croatia	25.5	23.1	20.9	19.0	46.3	42.0	1.4	1.4	109.1%	112.1%
Serbia	16.6	12.2	9.6	9.5	26.2	21.7	0.2	1.2	94.3%	99.0%
Bulgaria	49.6	34.5	4.7	3.4	54.2	37.9	0.1	0.2	100.7%	103.4%
Ukraine	19.9	-	0.6	-	20.5	-	0.0	-	103.0%	-
Turkey	38.2	-	-	-	38.2	-	0.9	-	103.2%	-
<b>Other</b>	<b>35.6</b>	<b>33.7</b>	<b>77.1</b>	<b>93.1</b>	<b>112.7</b>	<b>126.8</b>	<b>8.7</b>	<b>6.5</b>	<b>78.7%</b>	<b>88.6%</b>
Liechtenstein	-	-	50.6	66.8	50.6	66.8	1.2	0.6	-	-
Germany	35.6	33.7	26.5	26.3	62.1	60.0	7.5	6.0	78.7%	88.6%
<b>Total</b>	<b>2,562.0</b>	<b>2,131.2</b>	<b>1,653.1</b>	<b>1,362.0</b>	<b>4,215.1</b>	<b>3,493.1</b>	<b>288.3</b>	<b>215.4</b>	<b>95.9%</b>	<b>96.0%</b>

# Change in Group Shareholders' Equity

IFRS

F 42

	1.1. - 30.06.2008	1.1. - 30.06.2007
Equity as of 1 January	2,615,563	2,283,208
Currency Changes	55,336	-1,957
Changes to consolidation	39,270	39,396
Capital Increase	1,343,078	-
Unrealised Gains and Losses on financial instruments available for sale	-76,857	-69,667
Profit for the period	228,882	174,251
Dividend payment	-120,324	-101,698
<b>Equity as of 30 June</b>	<b>4,084,948</b>	<b>2,323,533</b>

# Life Insurance Premium Split

IFRS (€mn)

F 43

Premiums written - direct business	6M 2008	6M 2007	+/- %
Regular premiums	926.9	880.5	5.3%
Single premiums	723.7	480.3	50.7%
<b>Total premiums written - direct business</b>	<b>1,650.6</b>	<b>1,360.8</b>	<b>21.3%</b>
<b>thereof:</b>			
Policies with profit participation	936.9	783.4	19.6%
Policies without profit participation	170.2	208.2	-18.2%
unit- and index-linked life insurance	543.4	369.2	47.2%
<b>thereof:</b>			
Individual insurance	1,413.7	1,211.1	16.7%
Group insurance	236.8	149.8	58.1%

# Q2 2008 Income Statement

IFRS (€mn)

F 44

	Q2 2008	Q2 2007	+/-%
1. Gross written premiums	1,903.9	1,474.8	29.1
2. Net earned premiums	1,734.5	1,364.8	27.1
3. Net investment income	443.1	347.9	27.4
4. Other income	13.2	11.8	12.1
<b>Total income</b>	<b>2,190.8</b>	<b>1,724.4</b>	<b>27.0</b>
6. Expenses for claims incurred	-1,553.2	-1,235.8	25.7
7. Operating expenses	-408.3	-329.7	23.8
8. Other expenses	-65.8	-44.2	48.9
<b>Total expenses</b>	<b>-2,027.3</b>	<b>-1,609.7</b>	<b>25.9</b>
<b>Profit before tax</b>	<b>163.5</b>	<b>114.7</b>	<b>42.6</b>
Taxes	-33.5	-22.6	48.2
<b>Net profit before minorities (Profit for the year)</b>	<b>130.0</b>	<b>92.1</b>	<b>41.2</b>
Minorities	-13.7	-7.4	84.3
<b>Net profit after minorites</b>	<b>116.3</b>	<b>84.6</b>	<b>37.4</b>

# Embedded Value (I)

Group Embedded Value - Dec 31, 2007

F 45

in €mn

	Life & Health	Property & Casualty	Total
<b>Austria/Germany</b>			
ANAV	735,4	617,5	1.352,9
VIF	1.384,5	n/a	1.384,5
- FOG	-31,6	n/a	-31,6
- CoCNMR	-75,7	n/a	-75,7
	<b>2.012,6</b>	<b>617,5</b>	<b>2.630,1</b>
<b>CEE</b>			
ANAV	148,2	1.374,2	1.522,4
VIF	429,1	n/a	429,1
- FOG	-17,5	n/a	-17,5
- CoCNMR	-13,1	n/a	-13,1
	<b>546,7</b>	<b>1.374,2</b>	<b>1.920,9</b>
<b>Total</b>	<b>2.559,3</b>	<b>1.991,7</b>	<b>4.551,0</b>

COMPENSA-LIFE and COMPENSA in Poland included for the first time

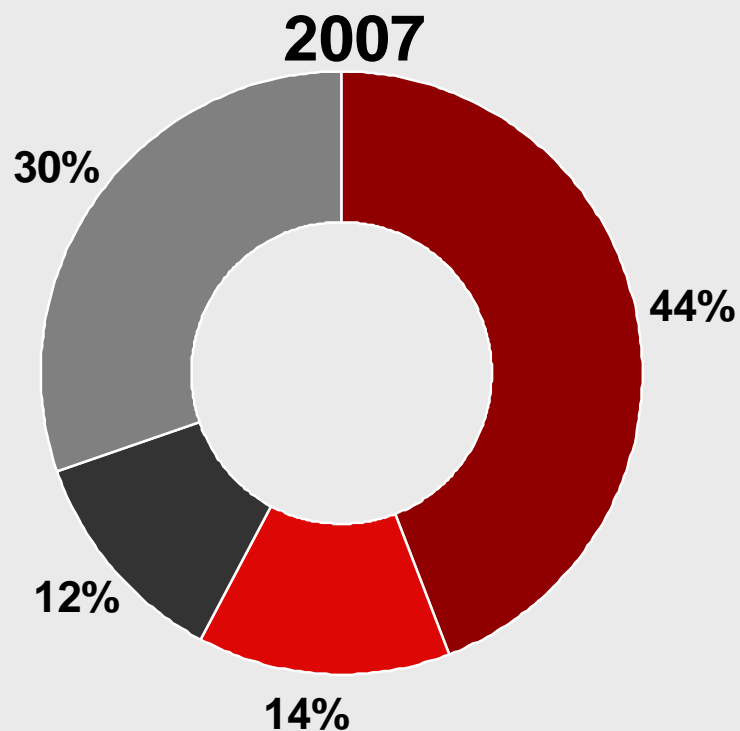
GEV for CEE is shown as a combination of EEV and TEV

The Group does not defer acquisition costs under IFRS unless it is common practice under local GAAP; liabilities under IFRS set equal to the local statutory liabilities; conservative valuation of some assets

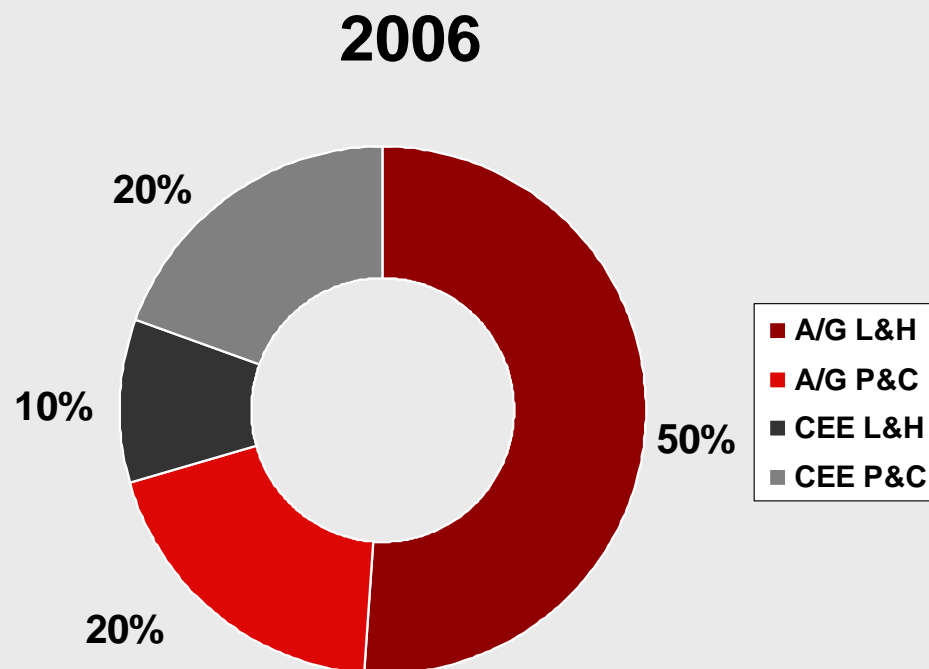
# Embedded Value (II)

Group Embedded Value - Dec 31, 2007

F 46



**GEV = €4,551.0mn**



**GEV = €4,258.8mn<sup>1</sup>**

1 restated

# Embedded Value (III)

## New Business Values

in €mn	Life & Health		
	2007	2006	+ / - %
<b>Austria / Germany</b>			
NBV	63,1	50,9	+ 24,0%
APE	205,1	225,1	
<i>APE-Ratio</i>	30,7%	22,6%	
PVNBP	1.906,3	1.982,6	
<i>PVNBP-Ratio</i>	3,3%	2,6%	
<b>CEE</b>			
NBV	45,0	30,7	+ 46,6%
APE	71,0	45,4	
<i>APE-Ratio</i>	63,3%	67,5%	
PVNBP	409,7	262,4	
<i>PVNBP-Ratio</i>	11,0%	11,7%	
<b>NBV-Total</b>	<b>108,1</b>	<b>81,6</b>	<b>+ 32,5%</b>
<b>APE-Total</b>	<b>276,1</b>	<b>270,5</b>	
<b><i>APE-Ratio Total</i></b>	<b>39,1%</b>	<b>30,9%</b>	
<b>PVNBP-Total</b>	<b>2.316,0</b>	<b>2.245,0</b>	
<b><i>PVNBP-Ratio Total</i></b>	<b>4,7%</b>	<b>3,6%</b>	

# 6M 2008 Exchange Rates

## National currency unit per EUR

6M 2008				6M 2007	
Country	Curr.	Balance Sheet EUR	P & L EUR	Balance Sheet EUR	P & L EUR
Bulgaria	EUR/BGN	1.9558	1.9558	1.9558	1.9558
Croatia	EUR/HRK	7.2365	7.2556	7.3035	7.3576
Liechtenstein	EUR/CHF	1.6056	1.6114	1.6553	1.6318
Poland	EUR/PLN	3.3513	3.4070	3.7677	3.8441
Romania	EUR/RON	3.6415	3.6521	3.1340	3.3309
Serbia	EUR/CSD	78.9784	81.6813	79.0264	80.2504
Slovakia	EUR/SKK	30.2050	31.4028	33.6349	34.0530
Czech Republik	EUR/CZK	23.8930	24.8304	28.7183	28.1524
Hungary	EUR/HUF	235.4300	248.0447	246.1236	250.3756
Turkey	EUR/TRY	1.9323	1.9717		
Ukraine	EUR/UAH	7.6361	7.6895		



# VIG Has Excellent CEE Market Position

VIG an early mover in CEE

## Overview of Core Markets

Slovakia	Romania	Czech Rep.	Bulgaria
Pop.: 5.4 mn	Pop.: 21.4 mn	Pop.: 10.2 mn	Pop.: 7.6 mn
GDP/Cap.: \$ 14 k	GDP/Cap.: \$ 8 k	GDP/Cap.: \$ 17 k	GDP/Cap.: \$ 5 k
Density NL: \$ 241	Density NL: \$ 109	Density NL: \$ 370	Density NL: \$ 118
Density L: \$ 194	Density L: \$ 26	Density L: \$ 261	Density L: \$ 21
<b>Market share: 30.0%</b>	<b>Market share: 30.8%</b>	<b>Market share: 31.4%</b>	<b>Market share: 18.9%</b>
Serbia	Croatia	Poland	Hungary
Pop.: 7.4 mn	Pop.: 4.6 mn	Pop.: 38.0 mn	Pop.: 10.1 mn
GDP/Cap.: \$ 6 k	GDP/Cap.: \$ 11 k	GDP/Cap.: \$ 11 k	GDP/Cap.: \$ 14 k
Density NL: \$ 93	Density NL: \$ 270	Density NL: \$ 202	Density NL: \$ 218
Density L: \$ 11	Density L: \$ 101	Density L: \$ 209	Density L: \$ 274
<b>Market share: 7.5%</b>	<b>Market share: 7.7%</b>	<b>Market share: 5.0%</b>	<b>Market share: 3.8%</b>

## Details

- leading market position in nearly all core markets
  - strong market positions also in Turkey, Ukraine, Georgia and Albania
- 
- focus on retail business
  - systematic market entry
  - tight operational management

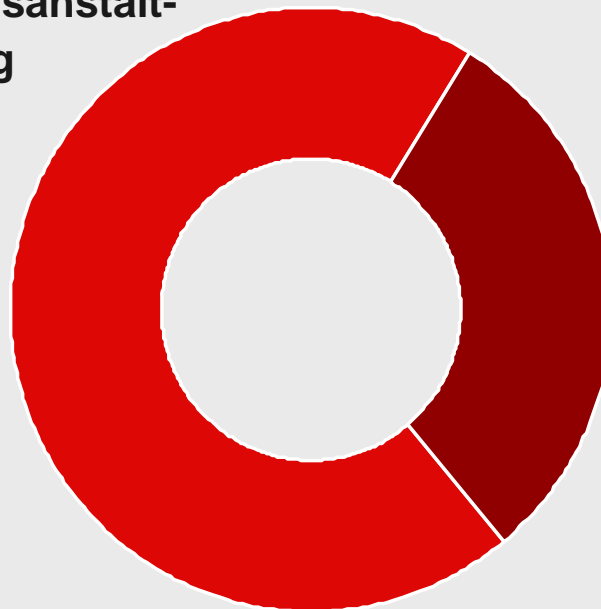
Source: Swiss RE 03/2008,  
Market shares: company data, 6M 2008

# Shareholder Structure (I)

Total number of shares 128,000,000

## Shareholder Structure

~71 %  
Wiener Städtische  
Wechselseitige Versicherungsanstalt-  
Vermögensverwaltung

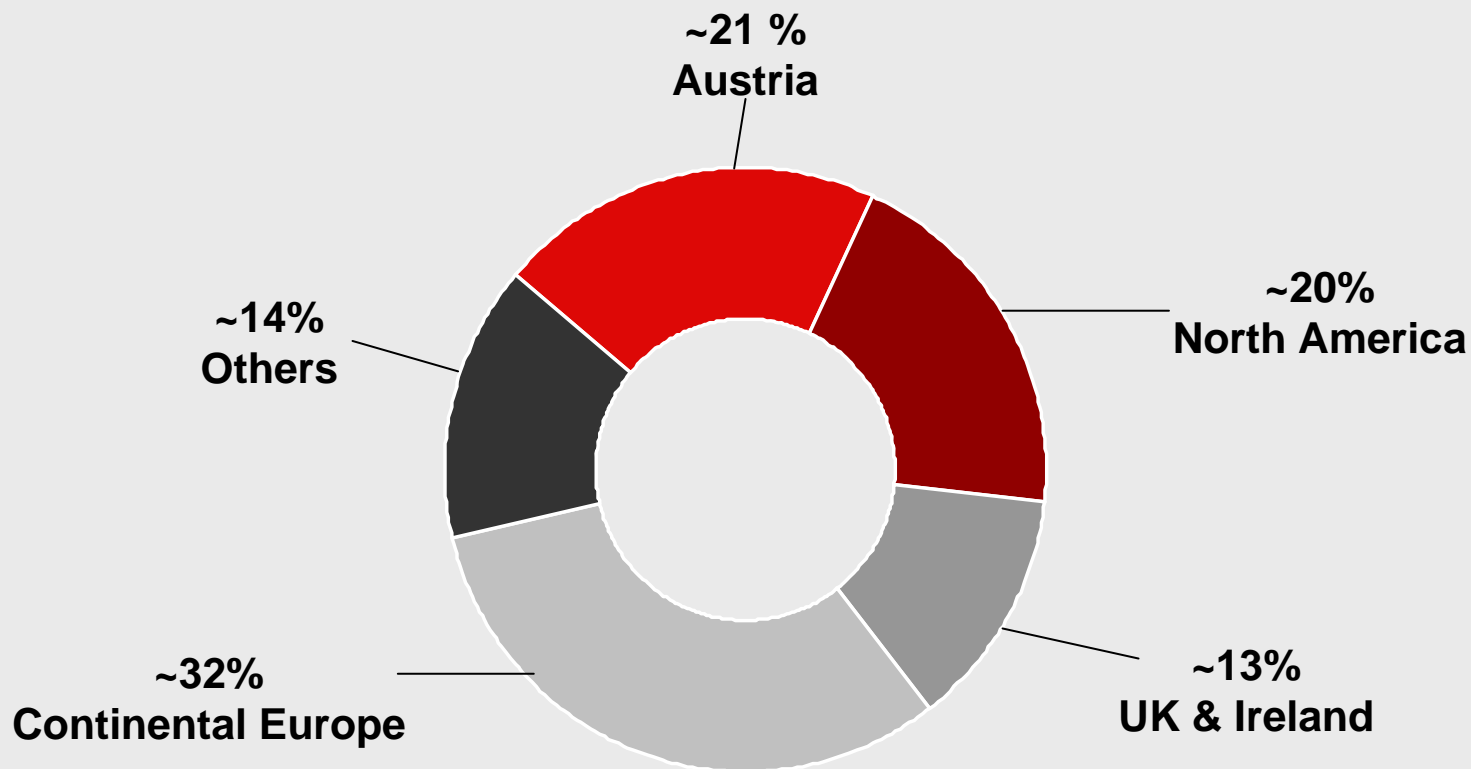


~ 29 %  
Free Float

# Shareholder Structure (II)

Total number of shares 128,000,000

## Free Float Geographical Split



**Wiener Städtische Versicherung AG**  
**Vienna Insurance Group**  
Schottenring 30, 1010 Vienna, Austria  
[www.viennainsurancegroup.com](http://www.viennainsurancegroup.com)

Stock exchange listing:	VIENNA / PRAGUE
Ticker symbol:	VIG / VIG
Reuters:	VIGR.VI / VIGR.PR
Bloomberg:	VIG AV / VIG CP

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