



## **V.I.G. – A Top Insurance Player in CEE**

---

**Frankfurt & London Roadshow, 29 - 30 January 2009**

**A** Investment proposition

**B** Growth potential in CEE and Austria

**C** Business initiatives

**D** YE 2008 preliminary results

**E** Appendix

# Investment Proposition at a Glance

V.I.G. set two strategic milestones

A 3

Milestone 1

§ **V.I.G. - 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

§ **V.I.G. - Progressing on the path of growth**

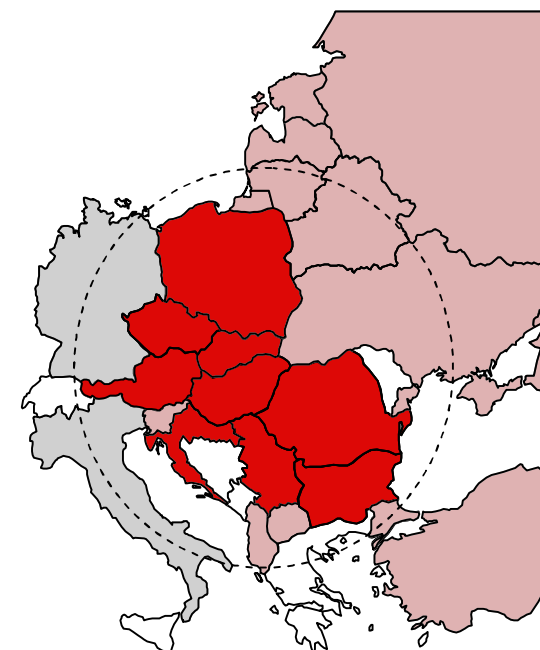
- Successful track record in exploiting growth potentials
- Continuous expansion of its business areas and geographic regions
- 13.8% market share in CEE<sup>1</sup> – clear no. 1

Milestone 2

§ **V.I.G. - Extending distribution power**

- Acquisition of Erste Group insurance operations
- Long-term distribution agreement with Erste Group

## Footprint



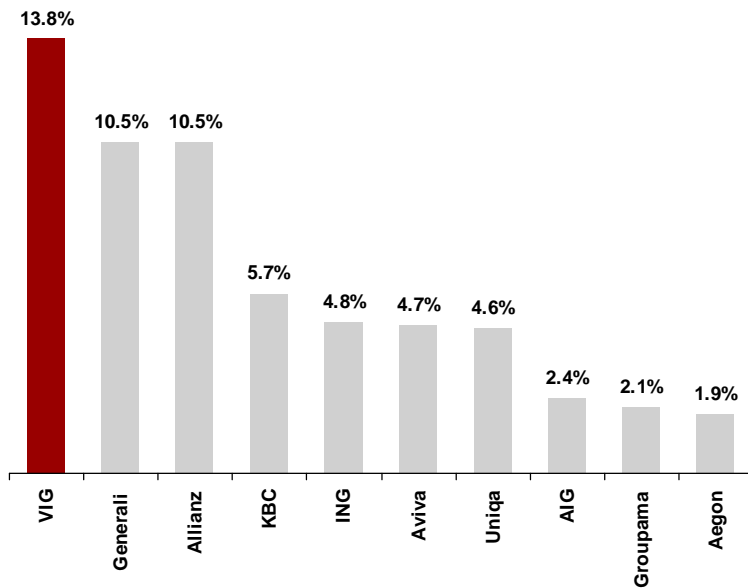
● **Core Markets**

§ YE 2008<sup>2</sup>: CEE share already 50% of premiums

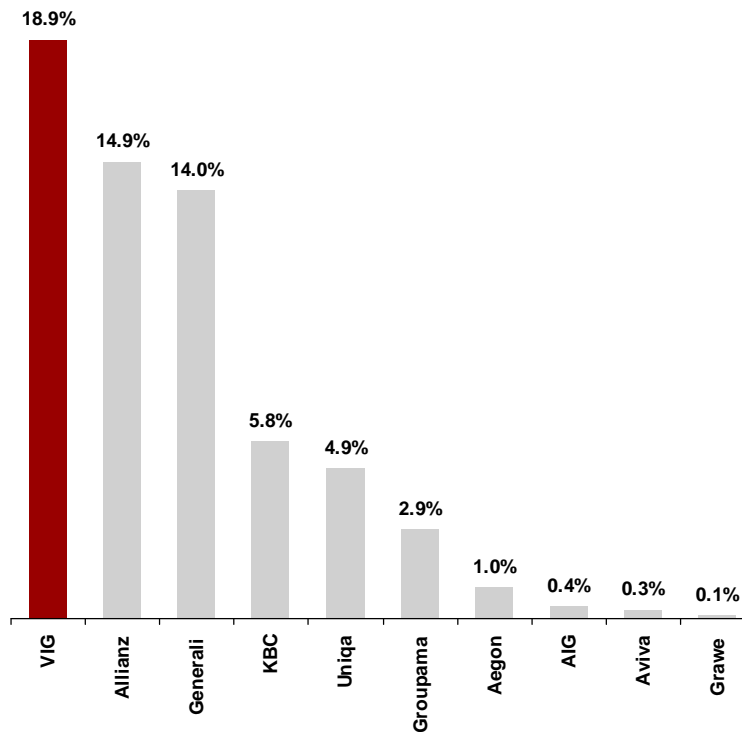
# V.I.G. – Top Insurer

No. 1 position in its core markets

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



## Market Share in CEE<sup>1</sup> Non-life



Source: National insurance associations of the respective countries as of 9M 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.

# V.I.G. Outperformed own Commitments

Focus on profitable growth

A 5

## 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

**A** Investment proposition

**B** Growth potential in CEE and Austria

**C** Business initiatives

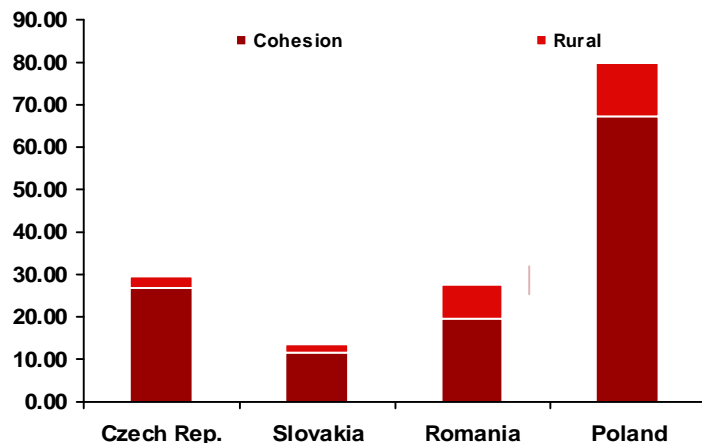
**D** YE 2008 preliminary results

**E** Appendix

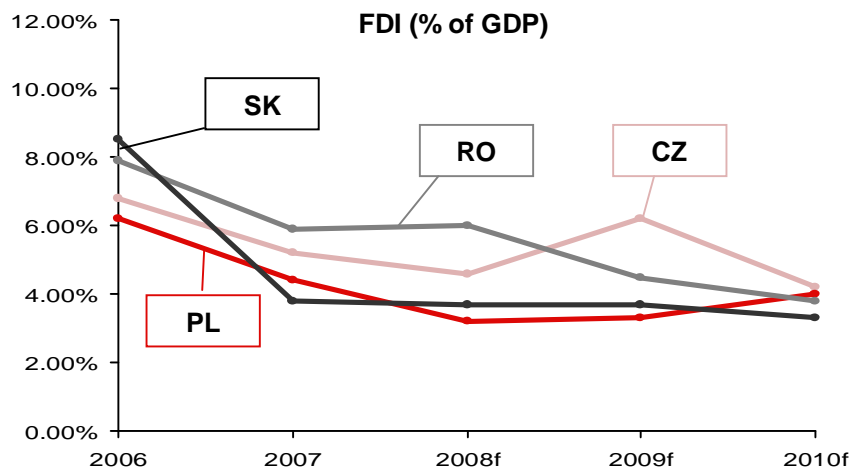
# Macro Environment in CEE Countries

## Foreign resources to support CEE economies

EU Spendings 2007 – 2013 (€bn)



FDI (% of GDP)



Source: EU Spendings: EU Commission; FDI: Unicredit Group CEE Quarterly Q4 2008

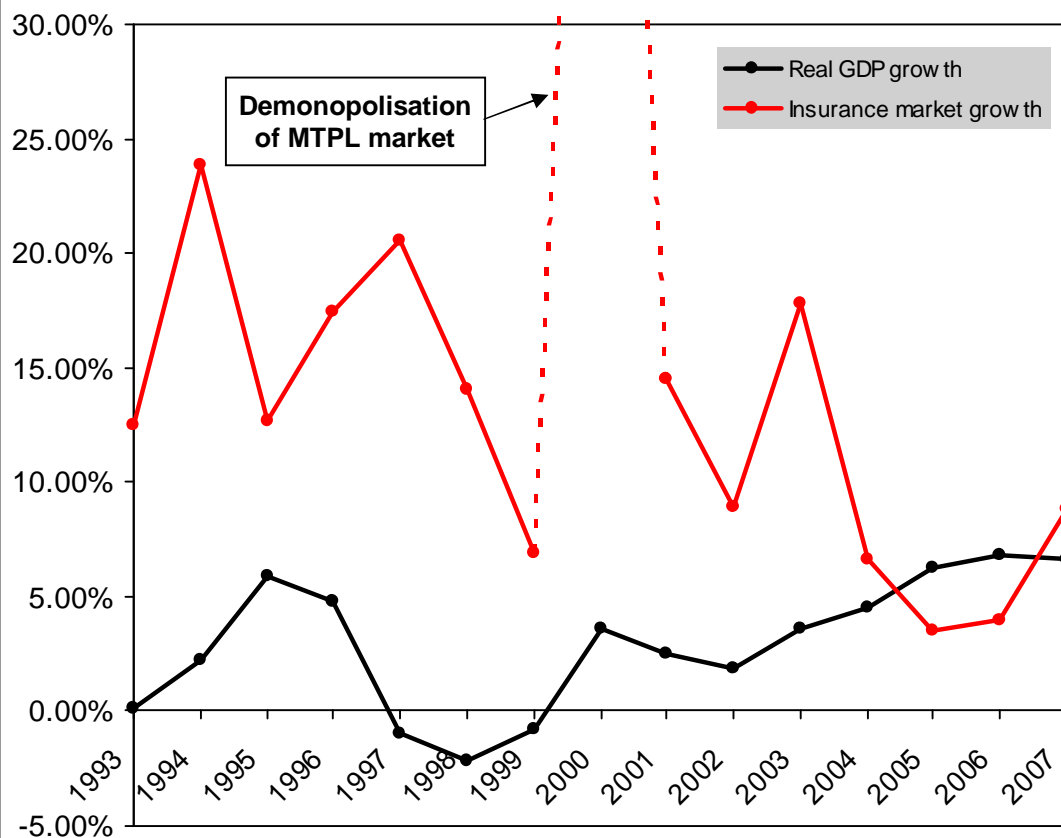
## Comments

- § FDI into CEE to be maintained as largely influenced by dedicated EU funds for infrastructure and defined economic sectors
- § At VIG local insurance premiums are invested in local assets – natural currency hedge
- § In slowdown situations transition countries usually supported by grey economy and funds from expatriate workers

# Czech Insurance Demand History

Strong demand for insurance also when economy was weak

## Real GDP Growth vs. Insurance Market Growth<sup>1</sup>



## Comments

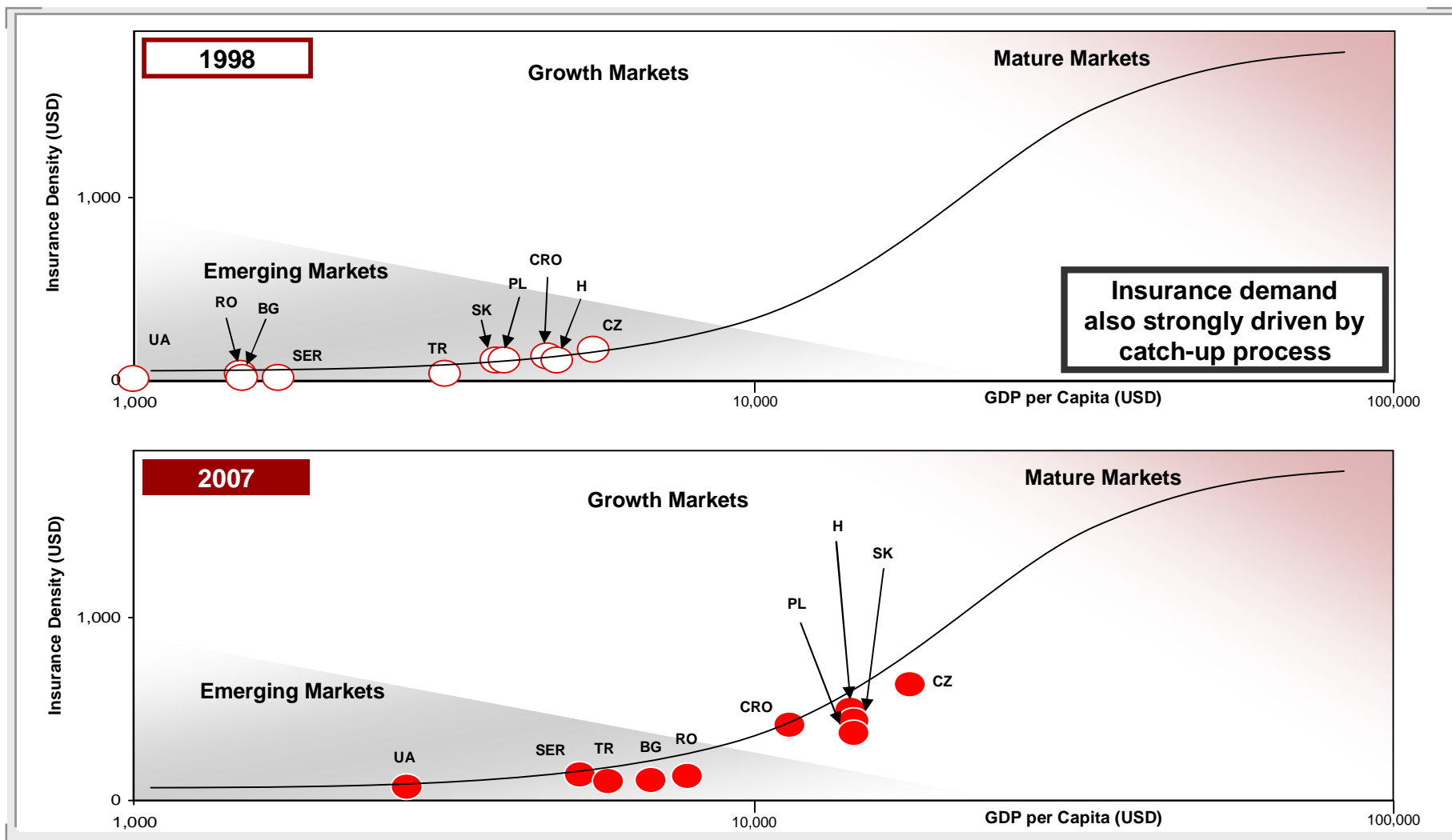
- § Czech Republic showed sound insurance demand even in times of economic recession in the late 90ies
- § Corporate business was stable – e.g. fire policies not cancelled
- § Upcoming SME sector with need for new insurance packages
- § Motor TPL is major stability factor
- § 2005/06: after EU entry of CZ, fronting business lost to international programmes
- § Most CEE markets still largely dominated by motor business which is stable factor in economic downturn

<sup>1</sup>: Source: GDP growth: IMF World Economic Outlook; Insurance market growth: Axco



# V.I.G. Business Model Still in Place (I)

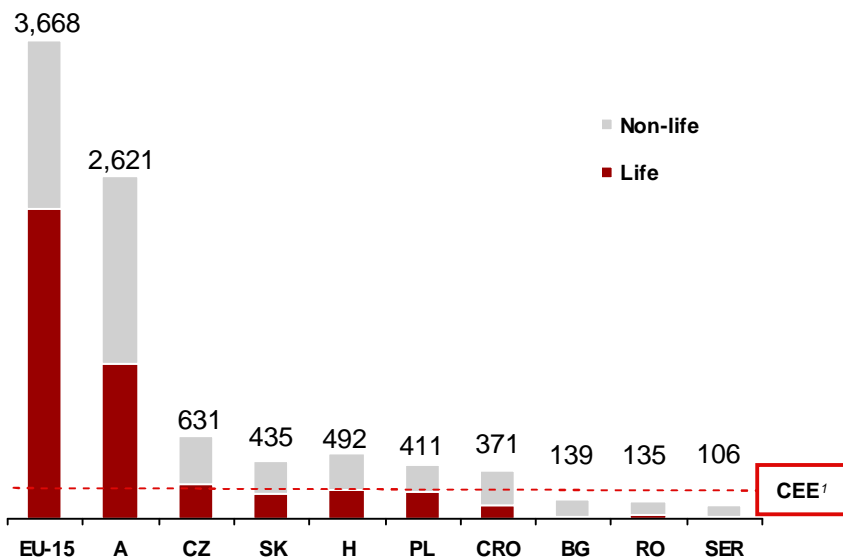
GDP growth and underpenetration are insurance drivers



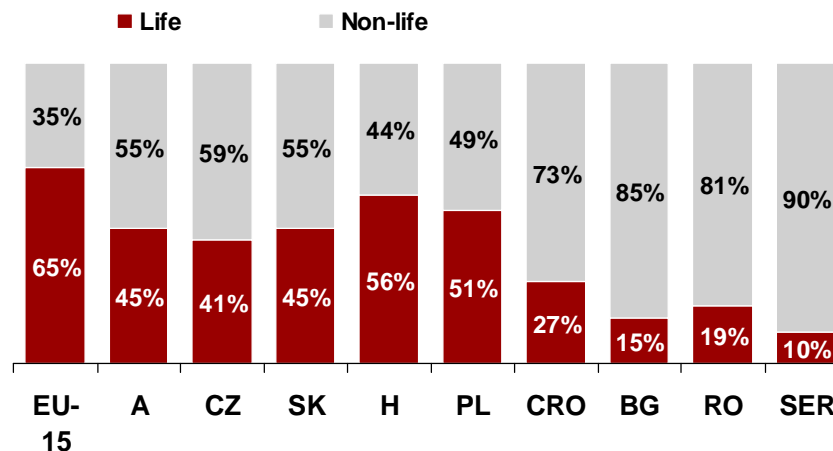
# V.I.G. Business Model Still in Place (II)

## Catch-up potential in CEE in Non-life and Life

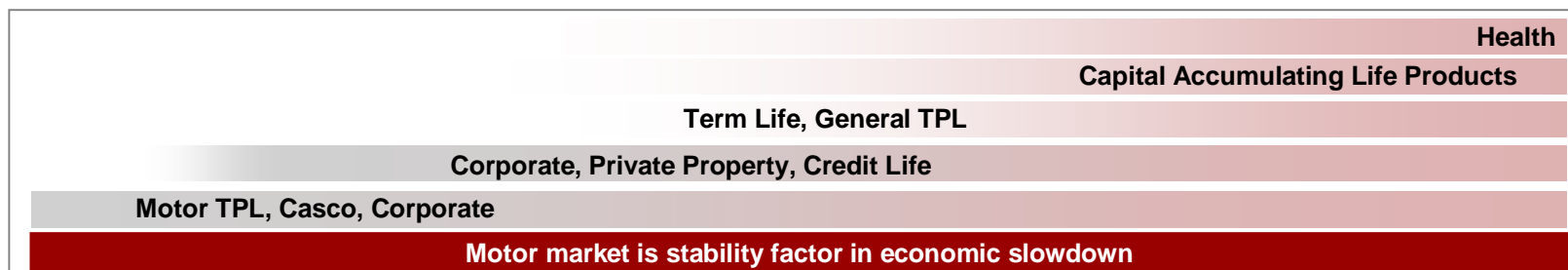
### Insurance Density 2007



### Proportion of NL & L in CEE Markets



### Product Demand Timeline



1: weighted average of CZ, SK, H, PL. CRO, BG, RO, SER; Source: Swiss RE Sigma 03/2008

**A** Investment proposition

**B** Growth potential in CEE and Austria

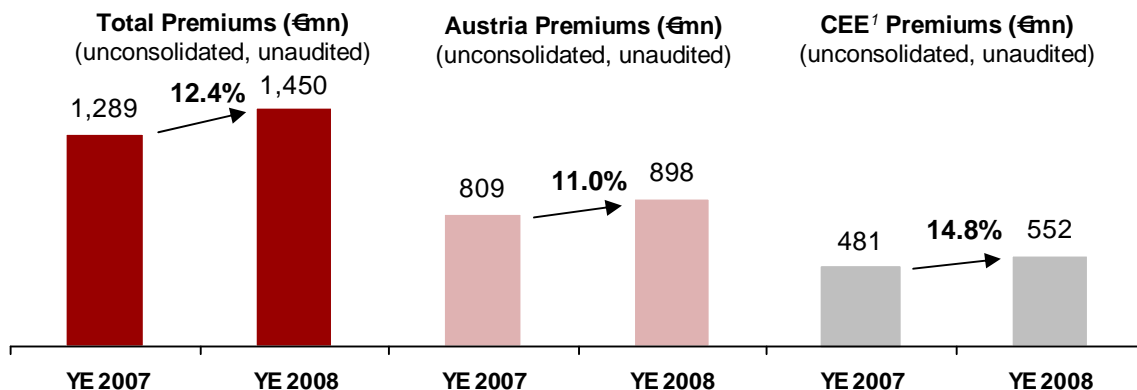
**C** Business initiatives

**D** YE 2008 preliminary results

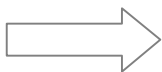
**E** Appendix

## Extending successful cooperation with Erste Group

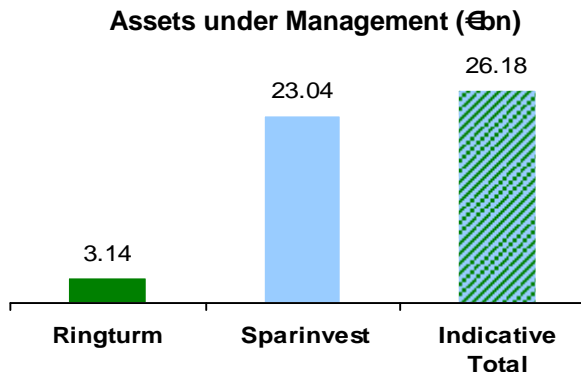
### IG s Versicherung Group



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



- § Sale of 95% of Ringturm AM company to Erste Group; VIG to keep 5% stake
- § Basis for broader cooperation in asset management
- § Erste Group offering particular know-how and distribution power



1: incl. BCR Asigurari and BCR Asigurari de Viata



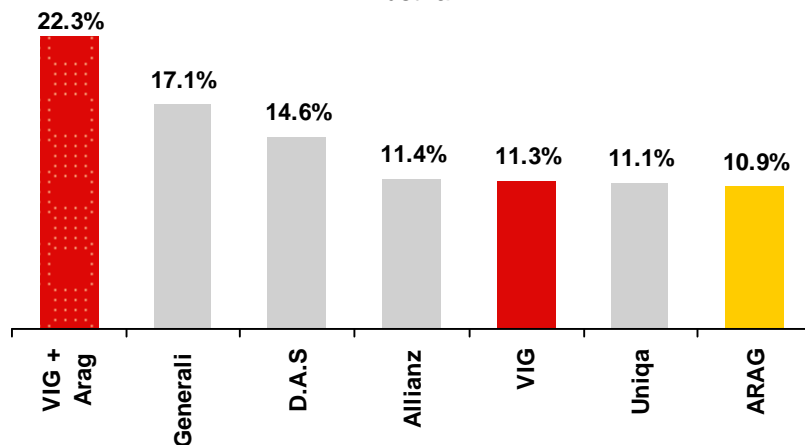
**Joint Venture**



- § A leading insurance Group in CEE
- § Enormous distribution power

- § Leading legal expenses insurance Group worldwide
- § More than 70 years of experience in legal expenses insurance
- § GWP of about € 1.4bn, 3,400 employees worldwide

**Market Share in Legal Expenses Insurance YE 2007<sup>1</sup> (%)**  
Austria



- § Letter of intent for cooperation signed
- § Start of Joint Venture in Austria, combined premium volume of € 83.7mn at YE 2007 – new no. 1 in Austria
- § Step-by-step expansion into CEE markets (CZ, SK, PL, HU, SLO)
- § Total long-term premium potential in CEE of more than € 500mn

# A New Business Initiative in CEE

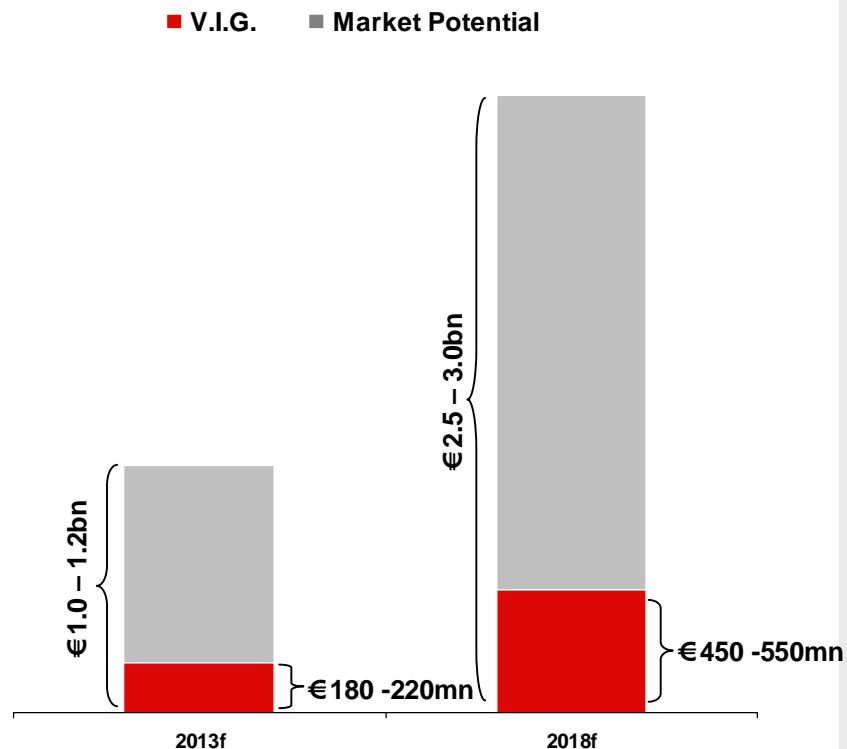
## Upcoming demand for private health insurance in CEE

### Health Business in CEE

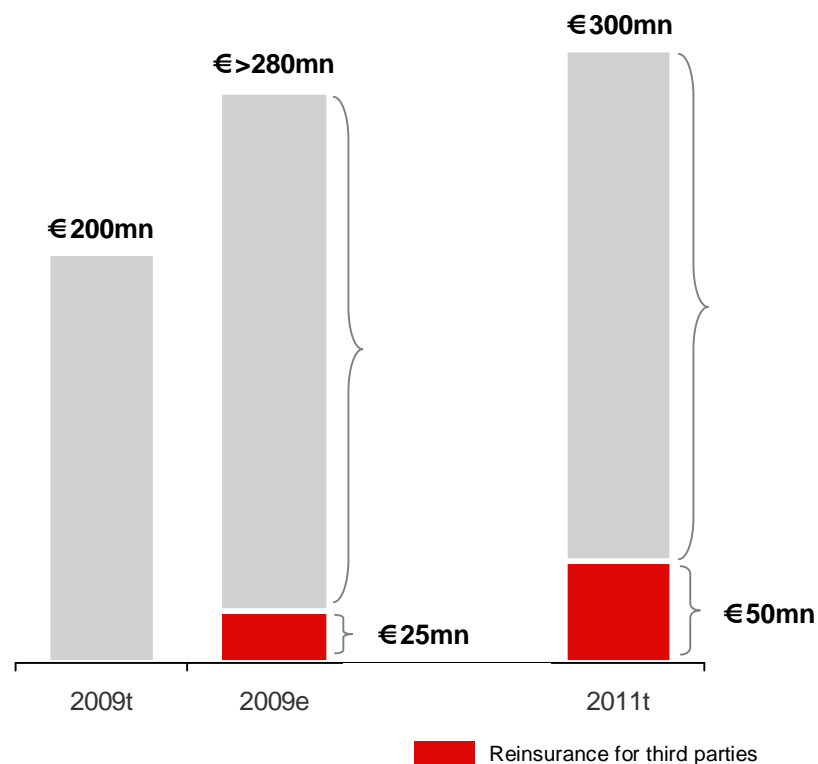
**VIG exploits further growth potential in CEE**

- § Health business as new business line in CEE
- § Sales promotion to start in Czech Republic, Slovakia, Poland, Romania and Hungary
- § CEE region underpenetrated in private health insurance business compared to Western Europe
- § Increase in private health spendings expected
- § VIG premium potential of about € 180 – 220mn per annum estimated within the next 5 years

### Market Potential



### VIG RE – Development



Source: Company data

### Key Considerations

- § To leverage longstanding market knowledge and strong CEE footprint – incorporated in Czech Republic
- § Pooling of VIG reinsurance volume in order to avoid inefficiencies
- § VIG RE covering only moderate insurance risks, e.g. no net exposure to natural disasters

---

- § Estimated premium volume of at least € 280mn in 2009 outperforming original business plan
- § € 25mn premium volume originated already from non-VIG companies
- § RoE of ~20% after 3 years: expectation confirmed

**A** Investment proposition

**B** Growth potential in CEE and Austria

**C** Business initiatives

**D** YE 2008 preliminary results

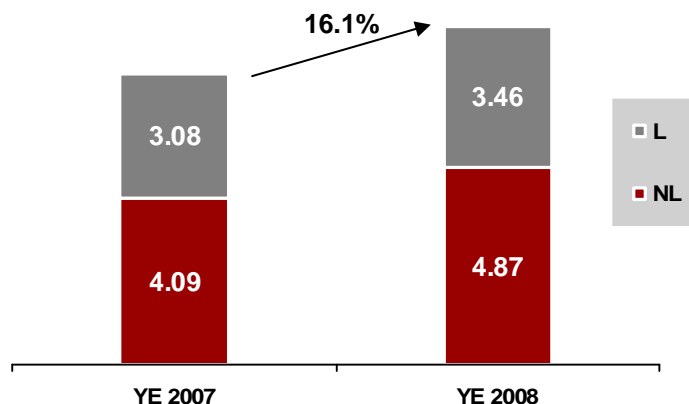
**E** Appendix



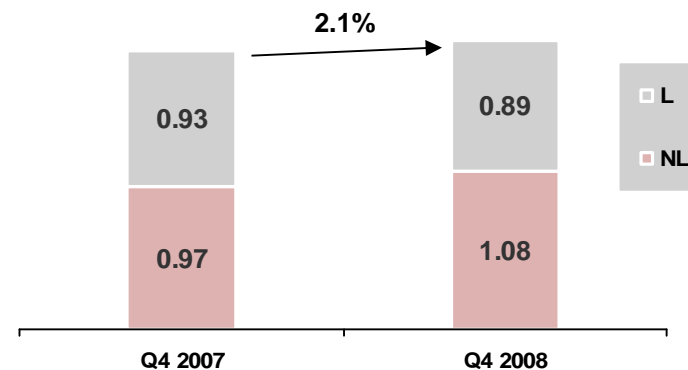
# YE 2008 Financial Highlights

GWP, unconsolidated, unaudited

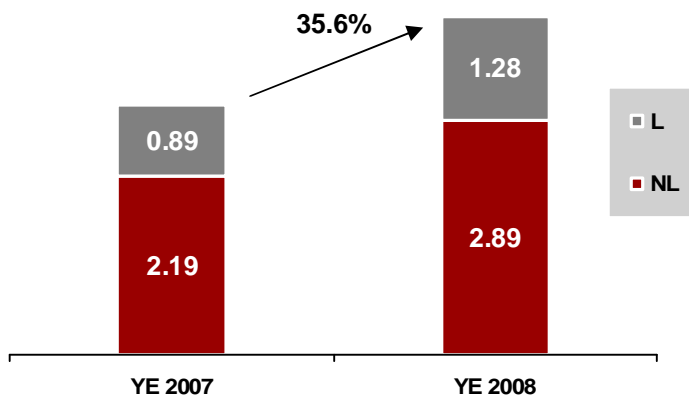
**YE 2008: Total Group Premiums (€bn)**  
(unconsolidated, unaudited)



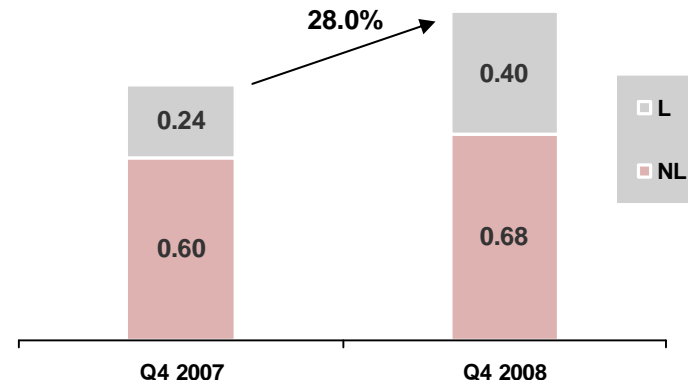
**Q4 2008: Total Group Premiums (€bn)**  
(unconsolidated, unaudited)



**YE 2008: CEE Group Premiums (€bn)**  
(unconsolidated, unaudited)



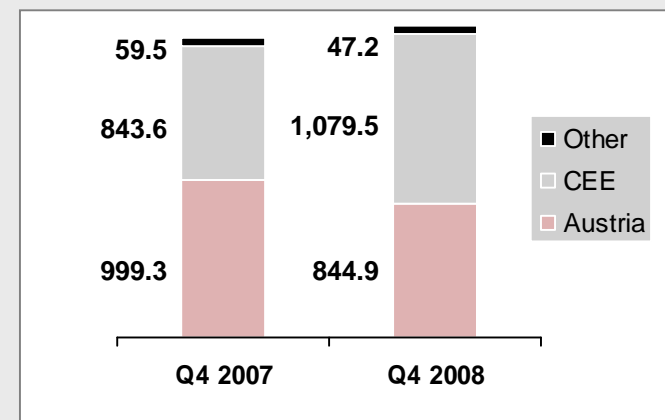
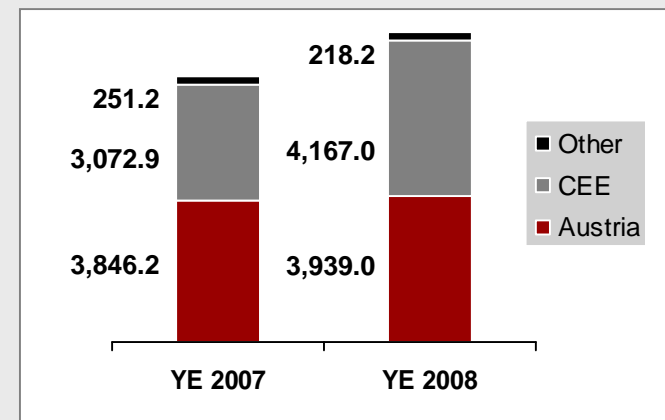
**Q4 2008: CEE Group Premiums (€bn)**  
(unconsolidated, unaudited)



# YE 2008 Gross Written Premiums

## YE 08 growth rates sustaining picture of first 9M (€mn)

- § Overall, VIG recorded sound double digit premium growth in 2008 – both in non-life and life.
- § In Austria, overall good business trend in 2008; life business showed slowdown in Q4, heavily influenced by reduction of single premium volume. In FY 2008 flat development of motor business vs. stable growth in non-life non-motor business
- § For the first time, CEE business constitutes 50% of total Group premiums
- § CEE volume grew by more than 35%
- § CZ saw a good premium development both in total 08 and in particular in Q4 in life due to introduction of new unit linked product; excellent growth also at newly acquired s Versicherung subsidiary
- § SK was stable on a high level
- § PL reached particularly high growth rates in 2008 both in life and non-life; Q4 weaker due to intended profit-focused portfolio adjustments in Life and Non-life.
- § High double digit growth in RO in FY 2008, in Q4 slowdown mainly in motor casco business
- § Other CEE recorded high double digit growth rates throughout 2008



Note: including Asirom for FY, s Versicherung Austria as of Q3, s Versicherung CEE as of Q4 (excluding BCR NL and BCR L); excluding BACAV and Unita as of Q3

# YE 2008 Premium Development

Preliminary GWP for YE 2008 (€mn, unconsolidated, unaudited) <sup>1</sup>

D 19

	Total			Non-Life			Life		
	YE 2008	YE 2007	+/-%	YE 2008	YE 2007	+/-%	YE 2008	YE 2007	+/-%
Austria	3,939.0	3,846.2	2.4%	1,909.3	1,836.0	4.0%	2,029.7	2,010.2	1.0%
Czech Rep.	1,529.7	1,215.6	25.8%	1,092.8	923.5	18.3%	436.8	292.1	49.5%
Slovakia	614.6	499.8	23.0%	339.5	284.3	19.4%	275.0	215.5	27.6%
Poland	827.6	556.8	48.6%	468.1	327.1	43.1%	359.5	229.8	56.5%
Romania	613.0	402.8	52.2%	574.1	389.3	47.5%	38.9	13.4	189.7%
Other CEE <sup>1</sup>	582.2	397.9	46.3%	412.6	262.4	57.2%	169.6	135.5	25.2%
Other	218.2	251.2	-13.1%	69.4	66.0	5.3%	148.7	185.2	-19.7%
<b>Total</b>	<b>8,324.1</b>	<b>7,170.2</b>	<b>16.1%</b>	<b>4,865.8</b>	<b>4,088.5</b>	<b>19.0%</b>	<b>3,458.3</b>	<b>3,081.7</b>	<b>12.2%</b>

<sup>1</sup>: including Baltic States , Belarus, Russia, Georgia, Albania, Macedonia and Kosovo

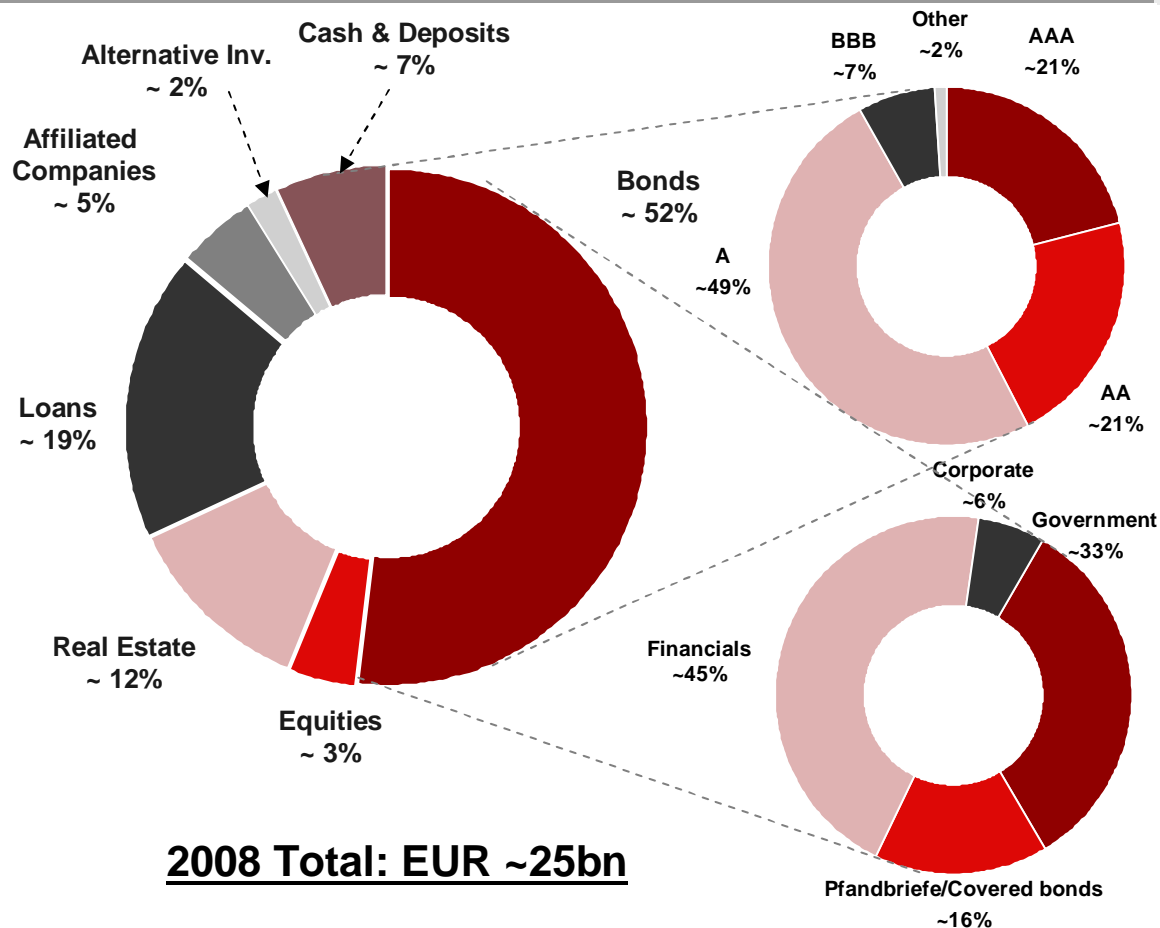
# YE 2008 Investment Split

V.I.G. follows a prudent investment policy – well diversified risks

## Investment policy

- § More than 50% of real estate with regulated Austrian housing societies; remainder also largely in Austria and property used by VIG itself
- § Bond portfolio well diversified, mainly in Western Europe
- § Investments mainly denominated in EUR; CEE premiums invested in local currencies, thus natural hedge
- § VIG has no US-subprime investments, monolines or CDOs
- § Tier 1 exposure of about 1.5% - 2% of total investments (no US risk)

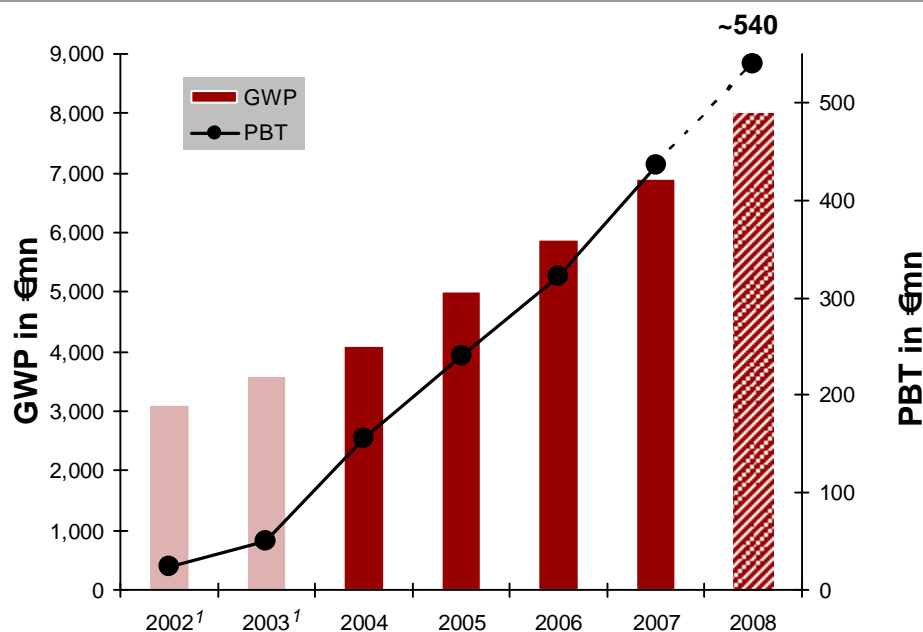
## Portfolio Overview



# PBT Outlook for YE 08 Confirmed

YE 2008 PBT expected to be in line with promises

## V.I.G.'s Path of Profitability/Outlook



**Expected profit before tax for YE 2008:**  
**~ €540mn**

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

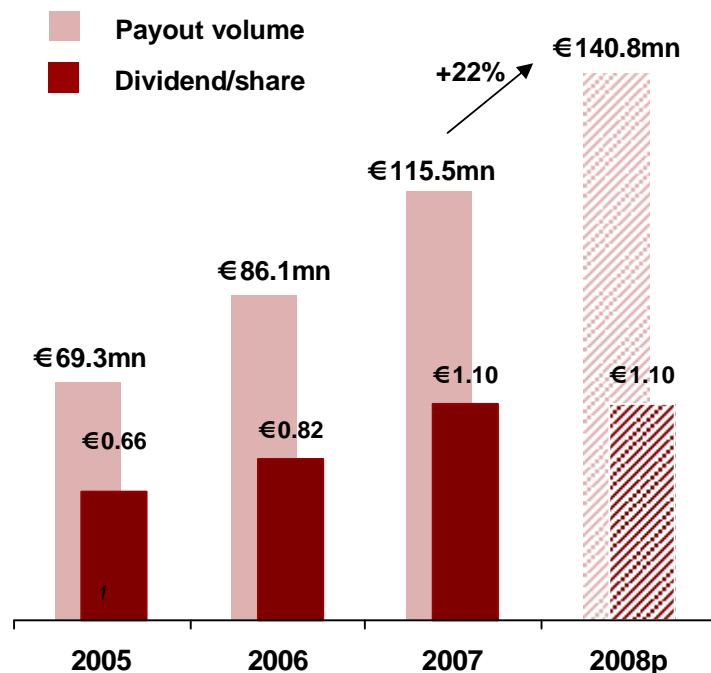
## Comments

- § PBT target of EUR ~ 540mn for year 2008 maintained
  - § Impact of financial markets on Group results balanced by extraordinary income from sale of companies
  - § Persistently shaky situation of capital markets does not allow for firm establishment of targets for 2009 and medium term
- 
- It is company philosophy to keep the combined ratio well below 100% throughout the business cycle
  - For YE 2008 VIG expects to keep the **combined ratio at about 96%**

Dividend per share of minimum €1.1 planned

D 22

## Development of Dividend



## Comments

§ Based on results, management is planning to propose dividend payout of at least EUR 1.1 per share despite 22% SPO in May 2008

§ Dividend yield of ~5% at current share price

- VIG dividend policy is defined as a payout ratio of min. 30% of Group net profit

**A** Investment proposition

**B** Growth potential in CEE and Austria

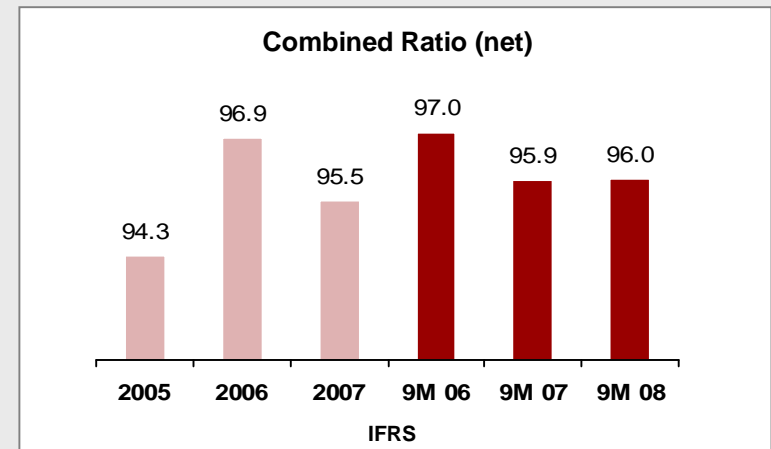
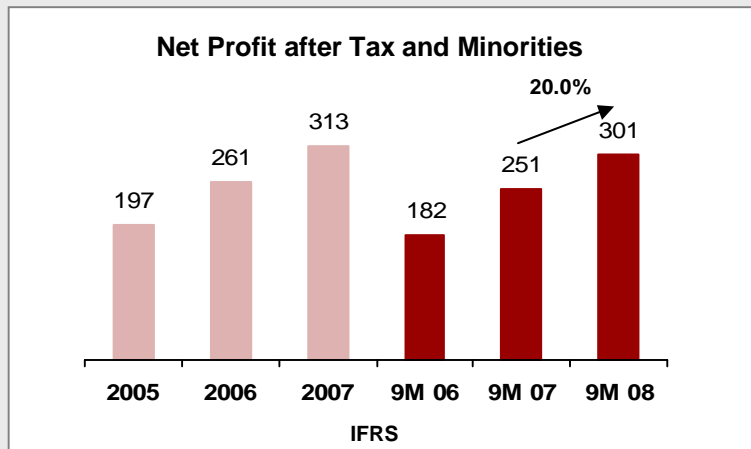
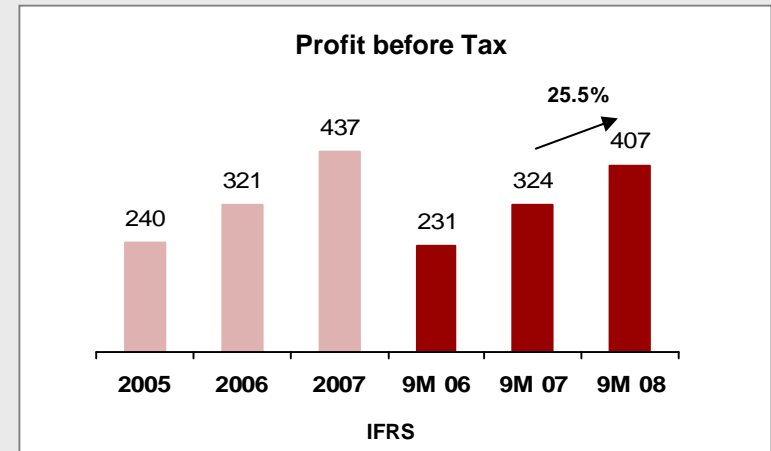
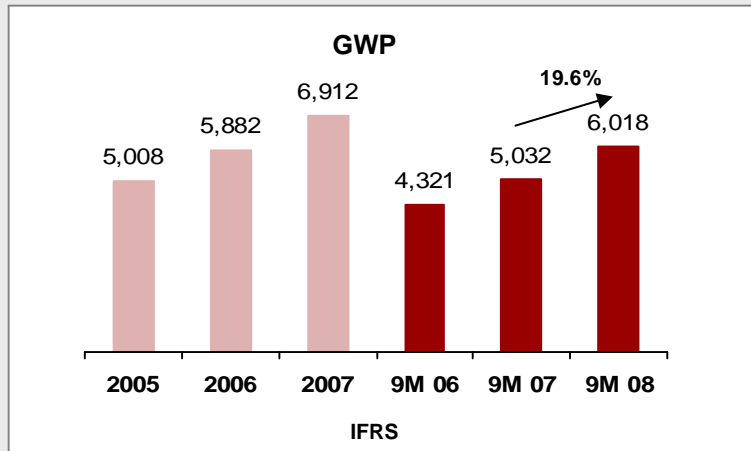
**C** Business initiatives

**D** YE 2008 preliminary results

**E** Appendix

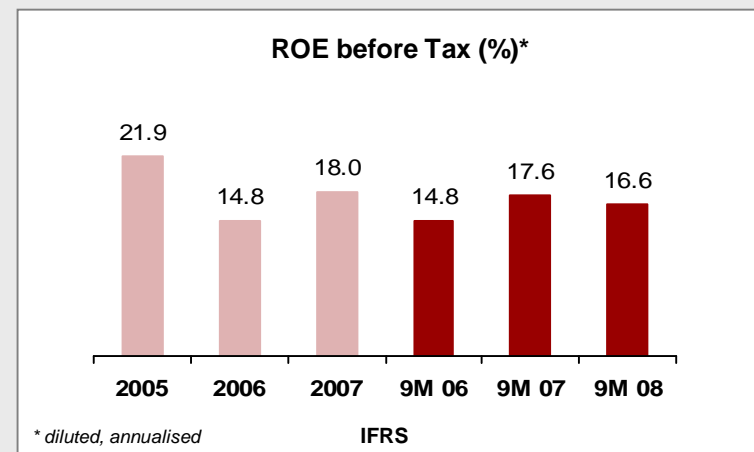
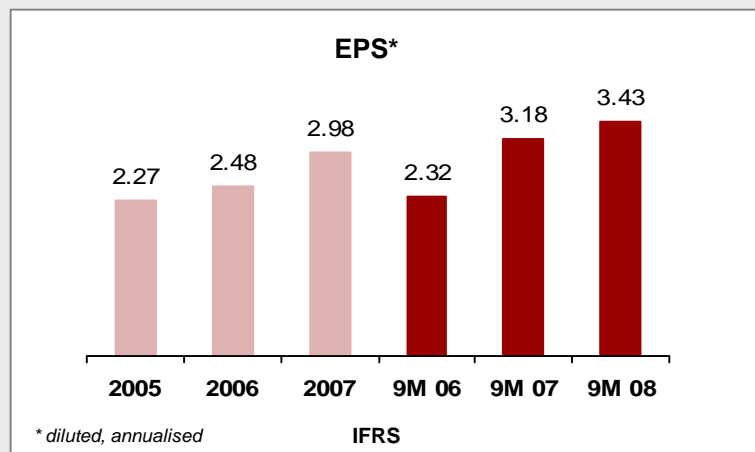
# 9M 2008 Highlights (I)

V.I.G. with stable performance





# 9M 2008 Highlights (II)



# 9M 2008 Income Statement

IFRS (€mn)

E 26

	9M 2008	9M 2007	+/-%
1. Gross written premiums	6,017.8	5,031.8	19.6
2. Net earned premiums	5,169.1	4,220.3	22.5
3. Net investment income	806.2	743.1	8.5
4. Other income	42.7	31.8	34.3
<b>Total income</b>	<b>6,018.0</b>	<b>4,995.2</b>	<b>20.5</b>
6. Expenses for claims incurred	-4,251.4	-3,567.4	19.2
7. Operating expenses	-1,191.5	-988.9	20.5
8. Other expenses	-168.4	-114.7	46.9
<b>Total expenses</b>	<b>-5,611.2</b>	<b>-4,671.0</b>	<b>20.1</b>
<b>Profit before tax</b>	<b>406.8</b>	<b>324.2</b>	<b>25.5</b>
Taxes	-77.8	-61.5	26.6
<b>Net profit before minorities (Profit for the period)</b>	<b>329.0</b>	<b>262.7</b>	<b>25.2</b>
Minorities	-28.0	-11.9	>100
<b>Net profit after minorites</b>	<b>301.0</b>	<b>250.8</b>	<b>20.0</b>

# 9M 2008 Balance Sheet

IFRS (€mn)

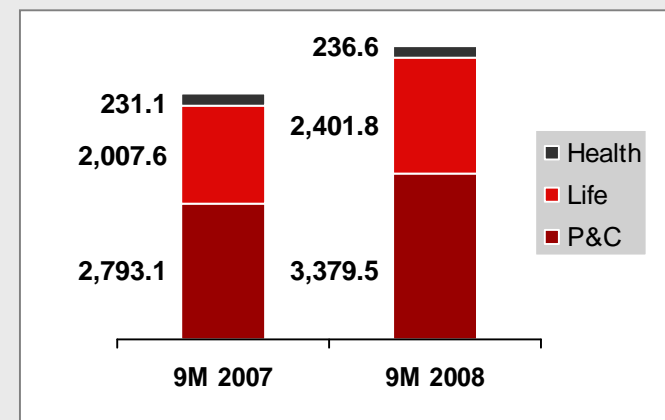
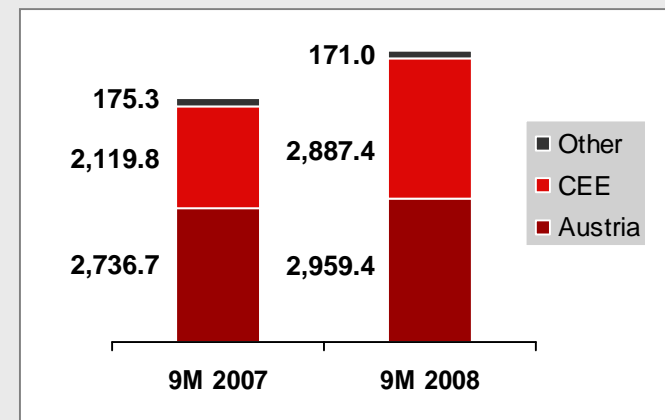
E 27

	9M 2008	YE 2007	+/- %
Intangible assets	1,222	525	>100
Total investments	24,221	20,171	20.1
Unit- and index-linked investments	3,567	3,066	16.3
Reinsurers' share in technical provisions	1,154	1,187	-2.7
Receivables	1,769	1,200	47.4
Deferred tax assets	112	34	>100
Other assets	246	285	-13.4
Cash and cash equivalents	781	278	>100
<b>Total assets</b>	<b>33,074</b>	<b>26,745</b>	<b>23.7</b>
Shareholders' equity	4,101	2,616	56.8
<i>thereof minorities</i>	257	277	-7.3
Subordinated liabilities	502	443	13.3
Technical provisions	21,413	17,092	25.3
Unit- and index-linked technical provisions	3,311	2,949	12.3
Non-technical provisions	742	795	-6.6
Liabilities	2,769	2,689	3.0
Deferred tax liabilities	153	81	88.9
Other liabilities	82	82	0.7
<b>Total liabilities and equity</b>	<b>33,074</b>	<b>26,745</b>	<b>23.7</b>

# 9M 2008 P&L Major Items – Gross Written Premiums

Sustained strong premium growth (€mn)

- § Group GWP gained 19.6% to €6,018mn
- § Austria: total GWP up 8.1% to reach €2,959mn. Life up 11.3% at €1,439mn; P&C up 5.8% at €1,284mn influenced by flat motor market (VIG still growing above market)
- § The Czech Republic saw GWP growing by 19.5% to €1,007mn with Life gaining 24.2% to reach €254.8mn and Non-life up 18.0% at €752.0mn
- § In Slovakia business grew by 16.5% to reach €422.8mn, with Life up 29.0% at €175.5mn and P&C up 9.1% at €247.4mn
- § Poland reached €609.1mn in total, up 55.9%, Non-life up 34.9% to €324.1mn, Life up 89.3% to €285.1mn
- § In Romania, VIG attained a premium volume of €494.8mn, an increase of 64.0% despite disposal of UNITA in Q3. Non-life was up 60.2% at €466.2mn and Life up 167.5% at €28.6mn (€18.8mn contribution from Asirom)
- § Substantial increase in Other CEE markets of 59.2% amounting to €353.9mn, with high double digit organic growth
- § Other Markets attained GWP of €171.0mn, weaker by 2.4% 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 Asirom (Romania);  
pro rata consolidation of TBIH insurance companies (Bulstrad, Helios) increased from 40% to 60%

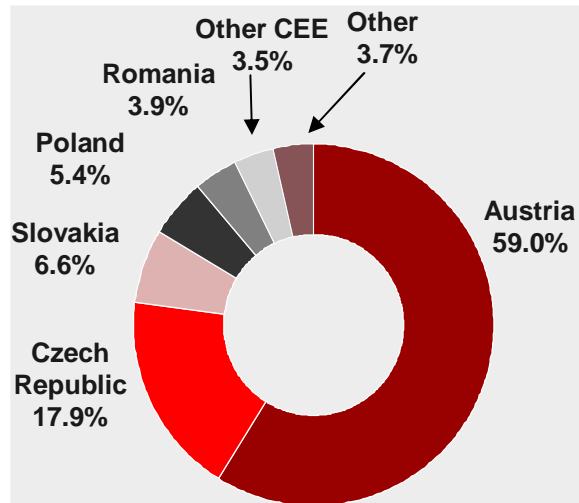
# Geographical Diversification Enhanced

## GWP split by region

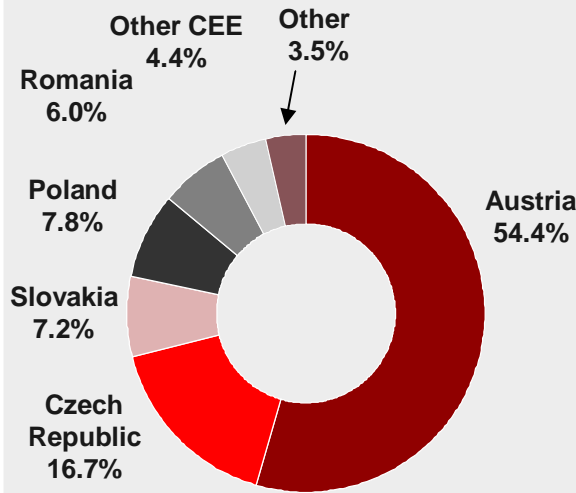
**GWP by Geography 9M 06**

**GWP by Geography 9M 07**

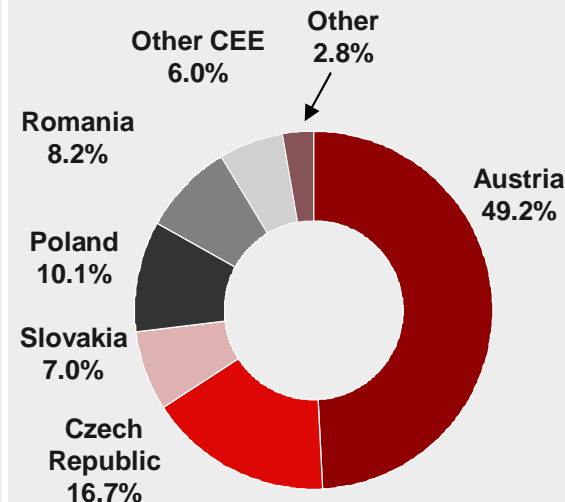
**GWP by Geography 9M 08**



**9M 2006 Total: €4.3bn**



**9M 2007 Total: €5.0bn**



**9M 2008 Total: €6.0bn**

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

# 9M 2008 P&L Major Items – Expenses for Claims Incurred

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

- § Group loss ratio (net) at 64.2% (down from 65.4% in 9M 2007 )
- § Austrian loss ratio lower by 3.0% pts at 64.8%, was affected by storms in early 2007
- § Czech Republic saw loss ratio improving by 4.7% pts to 63.7%, was also affected by storms in early 2007
- § In Slovakia loss ratio higher at 59.4% (9M 07: 53.8%) mainly due to increase of reserves for claims from former state monopoly (legal requirement)
- § Poland improving by 3.0% pts to 57.1% due to effective claims and risk management and benign motor pricing
- § Romania saw increase of claims ratio to 72.8% (down by 3 pts vs. 1st HY) influenced by motor business (in line with market trends) and one-off increase of claims reserve from Unita sales proceeds (5% pts, € 15mn)
- § Other CEE recorded slightly improving ratio of 61.2%, stable vs. 1st HY

EUR mn	P&C	
	9M 2008	9M 2007
Net Earned Premiums:	2,545.4	1,997.5
Expenses for Claims Incurred:	1,633.7	1,306.7
<b>Ratio</b>	<b>64.2%</b>	<b>65.4%</b>

# 9M 2008 P&L Major Items – Operating Expenses

Cost ratio slightly up due to acquisition expenses

- § Group cost ratio (net) increasing by 1.3% pts to reach 31.8% (vs. 32.5% in 1st HY)
- § Cost ratio in Austria up by 1.8% pts at 28.5% due to salary increases
- § Costs in the Czech Republic increased to 28.5% (vs. 30.0% in 1st HY) due to new IT roll-out expenses
- § Cost ratio in Slovakia down by 2.1% pts at 34.4% due to strict cost management and lower commissions
- § Poland showing higher cost ratio at 41.7% influenced by Religa tax issue
- § Romania recording substantial decrease to 31.8% thanks to scale effects
- § Cost ratio in Other CEE fairly stable at 42.2%

EUR mn	P&C	
	9M 2008	9M 2007
Net Earned Premiums:	2,545.4	1,997.5
Operating Expenses: <sup>1</sup>	809.6	609.7
<b>Ratio</b>	<b>31.8%</b>	<b>30.5%</b>

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

# 9M 2008 P&L Major Items – Net Investment Income

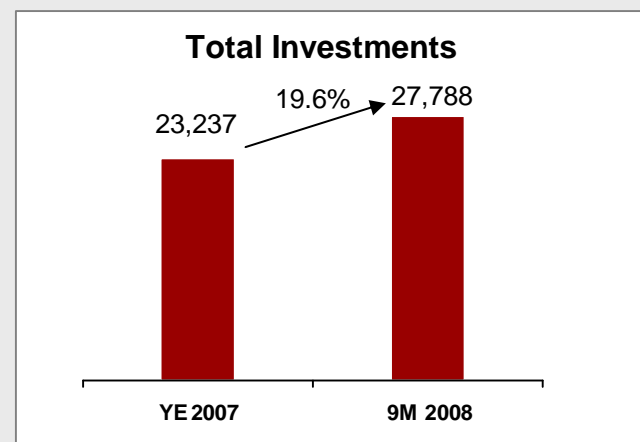
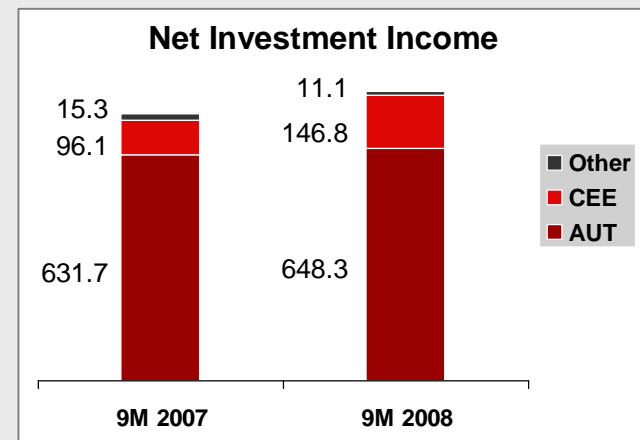
One-off gains balanced by market downturn (€mn)

§ Increase in Group Net Investment Income by 8.5% to € 806.2mn 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

	9M 2008	9M 2007
<b>Investment Income</b>	<b>1,519.7</b>	<b>979.7</b>
<i>thereof: Current Income</i>	865.6	642.3
<i>thereof: Investment income from disposal</i>	627.8	303.9
<b>Expenses for investments and interest</b>	<b>-713.5</b>	<b>-236.6</b>
<i>thereof: realised investment losses</i>	-241.9	-41.8
<i>thereof: depreciation of investments</i>	-176.9	-82.2
<b>Total</b>	<b>806.2</b>	<b>743.1</b>





# 9M 2008 P&L – Business Segments

Property & Casualty, IFRS (€mn)

E 33

	9M 2008	9M 2007	+/-%
1. Gross written premiums	3,379.5	2,793.1	21.0
2. Net earned premiums	2,545.4	1,997.5	27.4
3. Net investment income	234.0	132.7	76.3
4. Other income	28.1	19.2	46.4
<b>Total income</b>	<b>2,807.5</b>	<b>2,149.4</b>	<b>30.6</b>
6. Expenses for claims incurred	-1,633.7	-1,306.7	25.0
7. Operating expenses	-725.3	-552.1	31.4
8. Other expenses	-126.5	-81.3	55.6
<b>Total expenses</b>	<b>-2,485.5</b>	<b>-1,940.0</b>	<b>28.1</b>
<b>Profit before tax</b>	<b>322.0</b>	<b>209.3</b>	<b>53.8</b>

# 9M 2008 P&L – Business Segments

Life, IFRS (€mn)

E 34

	9M 2008	9M 2007	+/-%
1. Gross written premiums	2,401.8	2,007.6	19.6
2. Net earned premiums	2,389.4	1,993.9	19.8
3. Net investment income	564.2	598.8	-5.8
4. Other income	14.6	12.6	15.5
<b>Total income</b>	<b>2,968.2</b>	<b>2,605.4</b>	<b>13.9</b>
6. Life benefits	-2,410.5	-2,064.9	16.7
7. Operating expenses	-435.2	-406.7	7.0
8. Other expenses	-41.2	-31.4	31.4
<b>Total expenses</b>	<b>-2,886.9</b>	<b>-2,502.9</b>	<b>15.3</b>
<b>Profit before tax</b>	<b>81.4</b>	<b>102.4</b>	<b>-20.5</b>

# 9M 2008 P&L – Business Segments

Health, IFRS (€mn)

E 35

	9M 2008	9M 2007	+/-%
1. Gross written premiums	236.6	231.1	2.4
2. Net earned premiums	234.2	228.9	2.3
3. Net investment income	8.0	11.5	-30.5
4. Other income	0.0	0.0	0.0
<b>Total income</b>	<b>242.3</b>	<b>240.5</b>	<b>0.8</b>
6. Expenses for claims incurred	-207.2	-195.9	5.8
7. Operating expenses	-31.0	-30.1	3.0
8. Other expenses	-0.7	-2.0	-65.8
<b>Total expenses</b>	<b>-238.9</b>	<b>-228.0</b>	<b>4.8</b>
<b>Profit before tax</b>	<b>3.4</b>	<b>12.5</b>	<b>-72.6</b>

# 9M 2008 P&L - Split by Regions (I)

Regional segments, IFRS (€mn)

E 36

	Austria			Czech Republic		
	9M 2008	9M 2007	+/-%	9M 2008	9M 2007	+/-%
1. Gross written premiums	2,959.4	2,736.7	8.1	1,006.7	842.3	19.5
2. Net earned premiums	2,582.5	2,375.0	8.7	815.1	665.4	22.5
3. Net investment income	648.3	631.7	2.6	36.8	35.7	3.1
4. Other income	7.7	7.3	5.6	9.6	8.7	10.1
<b>Total income</b>	<b>3,238.5</b>	<b>3,014.0</b>	<b>7.4</b>	<b>861.4</b>	<b>709.8</b>	<b>21.4</b>
6. Expenses for claims incurred	-2,472.8	-2,331.7	6.1	-547.8	-462.4	18.5
7. Operating expenses	-488.5	-448.6	8.9	-202.4	-159.6	26.8
8. Other expenses	-35.7	-26.9	32.9	-40.7	-30.1	35.0
<b>Total expenses</b>	<b>-2,997.1</b>	<b>-2,807.2</b>	<b>6.8</b>	<b>-790.9</b>	<b>-652.1</b>	<b>21.3</b>
<b>Profit before tax</b>	<b>241.4</b>	<b>206.8</b>	<b>16.7</b>	<b>70.5</b>	<b>57.6</b>	<b>22.3</b>
<b>Combined Ratio</b>	<b>93.3%</b>	<b>94.5%</b>		<b>92.2%</b>	<b>95.5%</b>	

# 9M 2008 P&L - Split by Regions (II)

Regional segments, IFRS (€mn)

E 37

	Slovakia			Poland			Romania		
	9M 2008	9M 2007	+/-%	9M 2008	9M 2007	+/-%	9M 2008	9M 2007	+/-%
1. Gross written premiums	422.8	362.8	16.5	609.1	390.7	55.9	494.8	301.7	64.0
2. Net earned premiums	358.1	288.6	24.1	564.7	337.3	67.4	423.3	221.1	91.5
3. Net investment income	10.7	17.4	-38.2	8.3	18.5	-55.0	83.5	6.6	>100
4. Other income	2.8	1.6	77.1	5.0	2.2	>100	11.1	4.6	>100
<b>Total income</b>	<b>371.7</b>	<b>307.6</b>	<b>20.8</b>	<b>577.9</b>	<b>358.0</b>	<b>61.4</b>	<b>518.0</b>	<b>232.3</b>	<b>123.0</b>
6. Expenses for claims incurred	-262.2	-199.5	31.4	-358.7	-181.3	97.8	-320.1	-138.0	>100
7. Operating expenses	-64.8	-59.1	9.7	-184.2	-153.1	20.3	-132.9	-83.5	59.2
8. Other expenses	-33.4	-22.9	45.7	-17.2	-10.3	66.3	-13.0	-6.4	>100
<b>Total expenses</b>	<b>-360.5</b>	<b>-281.5</b>	<b>28.0</b>	<b>-560.0</b>	<b>-344.8</b>	<b>62.4</b>	<b>-466.0</b>	<b>-227.9</b>	<b>&gt;100</b>
<b>Profit before tax</b>	<b>11.3</b>	<b>26.1</b>	<b>-56.8</b>	<b>17.9</b>	<b>13.2</b>	<b>35.7</b>	<b>52.0</b>	<b>4.4</b>	<b>&gt;100</b>
<b>Combined Ratio</b>	<b>93.9%</b>	<b>90.4%</b>		<b>98.9%</b>	<b>99.6%</b>		<b>104.6%</b>	<b>100.1%</b>	

# 9M 2008 P&L - Split by Regions (III)

Regional segments, IFRS (€mn)

E 38

	Other CEE			Other			TOTAL		
	9M 2008	9M 2007	+/-%	9M 2008	9M 2007	+/-%	9M 2008	9M 2007	+/-%
1. Gross written premiums	353.9	222.3	59.2	171.0	175.3	-2.4	6,017.8	5,031.8	19.6
2. Net earned premiums	277.9	178.9	55.4	147.5	154.1	-4.3	5,169.1	4,220.3	22.5
3. Net investment income	7.5	17.9	-58.2	11.1	15.3	-27.3	806.2	743.1	8.5
4. Other income	4.2	4.1	2.2	2.3	3.2	-29.6	42.7	31.8	34.3
<b>Total income</b>	<b>289.6</b>	<b>200.9</b>	<b>44.1</b>	<b>160.9</b>	<b>172.6</b>	<b>-6.8</b>	<b>6,018.0</b>	<b>4,995.2</b>	<b>20.5</b>
6. Expenses for claims incurred	-175.3	-125.9	39.2	-114.4	-128.6	-11.0	-4,251.4	-3,567.4	19.2
7. Operating expenses	-101.5	-64.9	56.4	-17.2	-20.1	-14.4	-1,191.5	-988.9	20.5
8. Other expenses	-11.7	-5.2	>100	-16.7	-12.8	30.3	-168.4	-114.7	46.9
<b>Total expenses</b>	<b>-288.5</b>	<b>-196.0</b>	<b>47.2</b>	<b>-148.4</b>	<b>-161.5</b>	<b>-8.2</b>	<b>-5,611.2</b>	<b>-4,671.0</b>	<b>20.1</b>
<b>Profit before tax</b>	<b>1.1</b>	<b>5.0</b>	<b>-77.1</b>	<b>12.6</b>	<b>11.1</b>	<b>13.5</b>	<b>406.8</b>	<b>324.2</b>	<b>25.5</b>
<b>Combined Ratio</b>	<b>103.4%</b>	<b>107.6%</b>		<b>81.3%</b>	<b>86.2%</b>		<b>96.0%</b>	<b>95.9%</b>	

# 9M 2008 Results by Country

IFRS (€mn)

	Non-Life		Life		Total		Profit before Tax		Combined Ratio	
	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007
<b>Austria</b>	<b>1,520.8</b>	<b>1,444.5</b>	<b>1,438.6</b>	<b>1,292.3</b>	<b>2,959.4</b>	<b>2,736.7</b>	<b>241.4</b>	<b>206.8</b>	<b>93.3%</b>	<b>94.5%</b>
<b>Czech Rep.</b>	<b>752.0</b>	<b>637.1</b>	<b>254.8</b>	<b>205.2</b>	<b>1,006.7</b>	<b>842.3</b>	<b>70.5</b>	<b>57.6</b>	<b>92.2%</b>	<b>95.5%</b>
<b>Slovakia</b>	<b>247.4</b>	<b>226.7</b>	<b>175.5</b>	<b>136.1</b>	<b>422.8</b>	<b>362.8</b>	<b>11.3</b>	<b>26.1</b>	<b>93.9%</b>	<b>90.4%</b>
<b>Poland</b>	<b>324.1</b>	<b>240.2</b>	<b>285.1</b>	<b>150.6</b>	<b>609.1</b>	<b>390.7</b>	<b>17.9</b>	<b>13.2</b>	<b>98.9%</b>	<b>99.6%</b>
<b>Romania</b>	<b>466.2</b>	<b>291.0</b>	<b>28.6</b>	<b>10.7</b>	<b>494.8</b>	<b>301.7</b>	<b>52.0</b>	<b>4.4</b>	<b>104.6%</b>	<b>100.1%</b>
<b>Other CEE</b>	<b>253.4</b>	<b>135.3</b>	<b>100.5</b>	<b>87.0</b>	<b>353.9</b>	<b>222.3</b>	<b>1.1</b>	<b>5.0</b>	<b>103.4%</b>	<b>107.6%</b>
Hungary	32.1	31.1	47.0	39.6	79.0	70.7	2.5	2.6	100.5%	101.6%
Croatia	36.9	33.3	31.2	28.3	68.1	61.6	0.1	2.1	108.8%	112.1%
Serbia	25.3	19.2	14.6	13.7	40.0	32.9	-0.7	0.0	103.5%	110.8%
Bulgaria	68.4	51.7	6.7	5.4	75.1	57.1	-1.6	0.2	101.2%	106.8%
Ukraine	32.0	-	1.0	-	33.0	-	0.2	-	101.9%	-
Turkey	58.8	-	-	-	58.8	-	0.6	-	104.2%	-
<b>Other</b>	<b>52.2</b>	<b>49.4</b>	<b>118.8</b>	<b>125.9</b>	<b>171.0</b>	<b>175.3</b>	<b>12.6</b>	<b>11.1</b>	<b>81.3%</b>	<b>86.2%</b>
Liechtenstein	-	-	78.7	86.5	78.7	86.5	1.9	2.0	-	-
Germany	52.2	49.4	40.1	39.3	92.3	88.7	10.7	9.1	81.3%	86.2%
<b>Total</b>	<b>3,616.0</b>	<b>3,024.2</b>	<b>2,401.8</b>	<b>2,007.6</b>	<b>6,017.8</b>	<b>5,031.8</b>	<b>406.8</b>	<b>324.2</b>	<b>96.0%</b>	<b>95.9%</b>

# Change in Group Shareholders' Equity

IFRS

E 40

	1.1. - 30.09.2008	1.1. - 30.09.2007
Equity as of 1 January	2,615,563	2,283,208
Currency changes	39,237	1,302
Changes to consolidation	42,810	55,719
Capital Increase	1,343,078	-
Unrealised gains and losses on financial instruments available for sale	-149,545	-90,081
Profit for the period	328,953	262,724
Dividend payment	-119,050	-104,143
<b>Equity as of 30 September</b>	<b>4,101,046</b>	<b>2,408,729</b>



# Life Insurance Premium Split

IFRS (€mn)

E 41

Premiums written - direct business	9M 2008	9M 2007	+/- %
Regular premiums	1,356.7	1,343.8	1.0%
Single premiums	1,037.7	662.3	56.7%
<b>Total premiums written - direct business</b>	<b>2,394.4</b>	<b>2,006.1</b>	<b>19.4%</b>
<b>thereof:</b>			
Policies with profit participation	1,347.1	1,134.7	18.7%
Policies without profit participation	251.9	269.6	-6.6%
unit- and index-linked life insurance	795.4	601.8	32.2%
<b>thereof:</b>			
Individual insurance	2,045.7	1,774.2	15.3%
Group insurance	348.7	231.9	50.4%

# Q3 2008 Income Statement

IFRS (€mn)

E 42

	Q3 2008	Q3 2007	+/-%
1. Gross written premiums	1,802.7	1,538.7	17.2
2. Net earned premiums	1,697.8	1,391.2	22.0
3. Net investment income	187.5	189.9	-1.2
4. Other income	12.0	11.1	7.9
<b>Total income</b>	<b>1,897.4</b>	<b>1,592.2</b>	<b>19.2</b>
6. Expenses for claims incurred	-1,339.0	-1,146.8	16.8
7. Operating expenses	-391.6	-311.5	25.7
8. Other expenses	-48.4	-25.1	92.4
<b>Total expenses</b>	<b>-1,778.9</b>	<b>-1,483.4</b>	<b>19.9</b>
<b>Profit before tax</b>	<b>118.4</b>	<b>108.8</b>	<b>8.8</b>
Taxes	-18.4	-20.3	-9.7
<b>Net profit before minorities (Profit for the year)</b>	<b>100.1</b>	<b>88.5</b>	<b>13.1</b>
Minorities	-6.8	1.7	n.a.
<b>Net profit after minorites</b>	<b>93.3</b>	<b>90.2</b>	<b>3.4</b>

# 9M 2008 Exchange Rates

National currency unit per EUR

9M 2008				9M 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	7.1049	7.2401	7.2773	7.3407
Liechtenstein	EUR/CHF	1.5774	1.6082	1.6601	1.6370
Poland	EUR/PLN	3.3967	3.4275	3.7730	3.8257
Romania	EUR/RON	3.7413	3.6380	3.3441	3.2972
Serbia	EUR/CSD	76.5972	80.0137	78.8581	79.9808
Slovakia	EUR/SKK	30.3000	31.5657	33.8765	33.8926
Czech Republik	EUR/CZK	24.6600	24.8137	27.5323	28.0804
Hungary	EUR/HUF	242.8300	247.5620	250.6894	250.8781
Turkey	EUR/TRY	1.8136	1.8665		
Ukraine	EUR/UAH	6.9751	7.5359		

# Embedded Value (I)

Group Embedded Value - Dec 31, 2007

E 44

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>

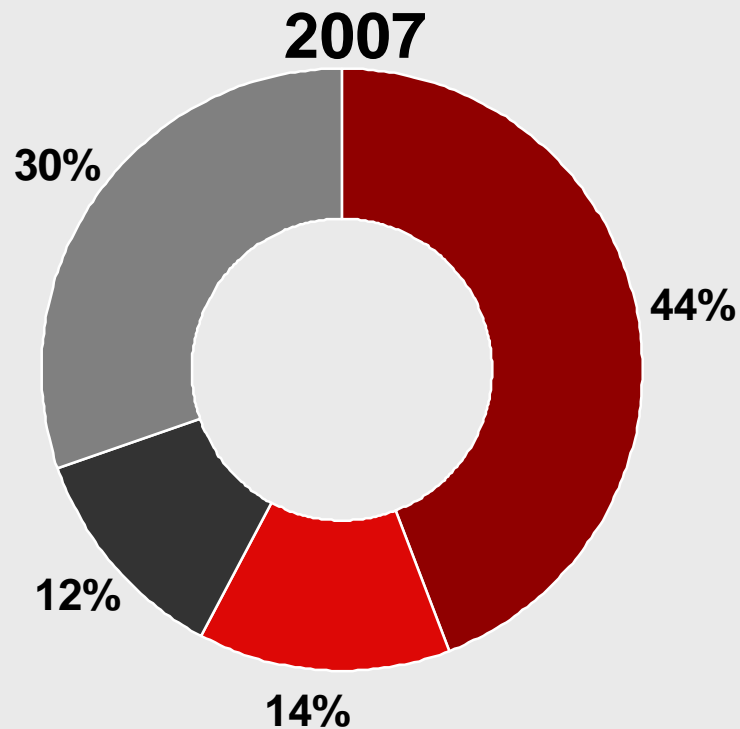
COMPENSA-LIFE and COMPENSA in Poland included for the first time

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

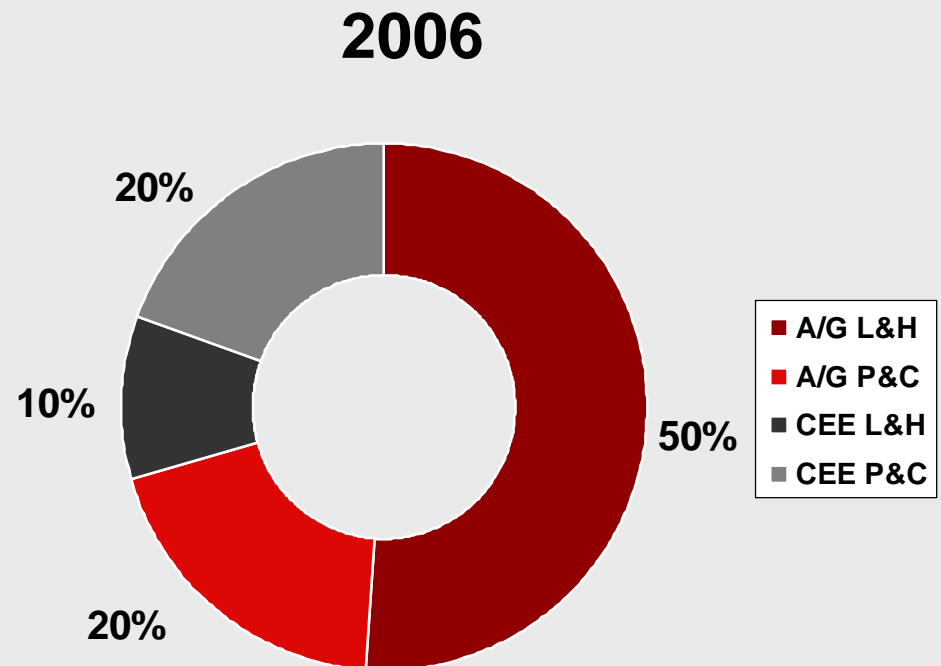
The Group does not defer acquisition costs under IFRS unless it is common practice under local GAAP; liabilities under IFRS set equal to the local statutory liabilities; conservative valuation of some assets

# Embedded Value (II)

Group Embedded Value - Dec 31, 2007



**GEV = €4,551.0mn**



**GEV = €4,258.8mn<sup>1</sup>**

<sup>1</sup> 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>	

# V.I.G. Has Excellent CEE Market Position

V.I.G. an early mover in CEE

## Overview of Core Markets

Czech Rep.	Romania	Slovakia	Bulgaria
Pop.: 10.2 mn	Pop.: 21.4 mn	Pop.: 5.4 mn	Pop.: 7.6 mn
GDP/Cap.: \$ 17 k	GDP/Cap.: \$ 8 k	GDP/Cap.: \$ 14 k	GDP/Cap.: \$ 5 k
Density NL: \$ 370	Density NL: \$ 109	Density NL: \$ 241	Density NL: \$ 118
Density L: \$ 261	Density L: \$ 26	Density L: \$ 194	Density L: \$ 21
<b>Market share: 31.2%</b>	<b>Market share: 30.6%</b>	<b>Market share: 29.3%</b>	<b>Market share: 17.9%</b>
Croatia	Serbia	Poland	Hungary
Pop.: 4.6 mn	Pop.: 7.4 mn	Pop.: 38.0 mn	Pop.: 10.1 mn
GDP/Cap.: \$ 11 k	GDP/Cap.: \$ 6 k	GDP/Cap.: \$ 11 k	GDP/Cap.: \$ 14 k
Density NL: \$ 270	Density NL: \$ 93	Density NL: \$ 202	Density NL: \$ 218
Density L: \$ 101	Density L: \$ 11	Density L: \$ 209	Density L: \$ 274
<b>Market share: 8.4%</b>	<b>Market share: 8.0%</b>	<b>Market share: 5.1%</b>	<b>Market share: 3.9%</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

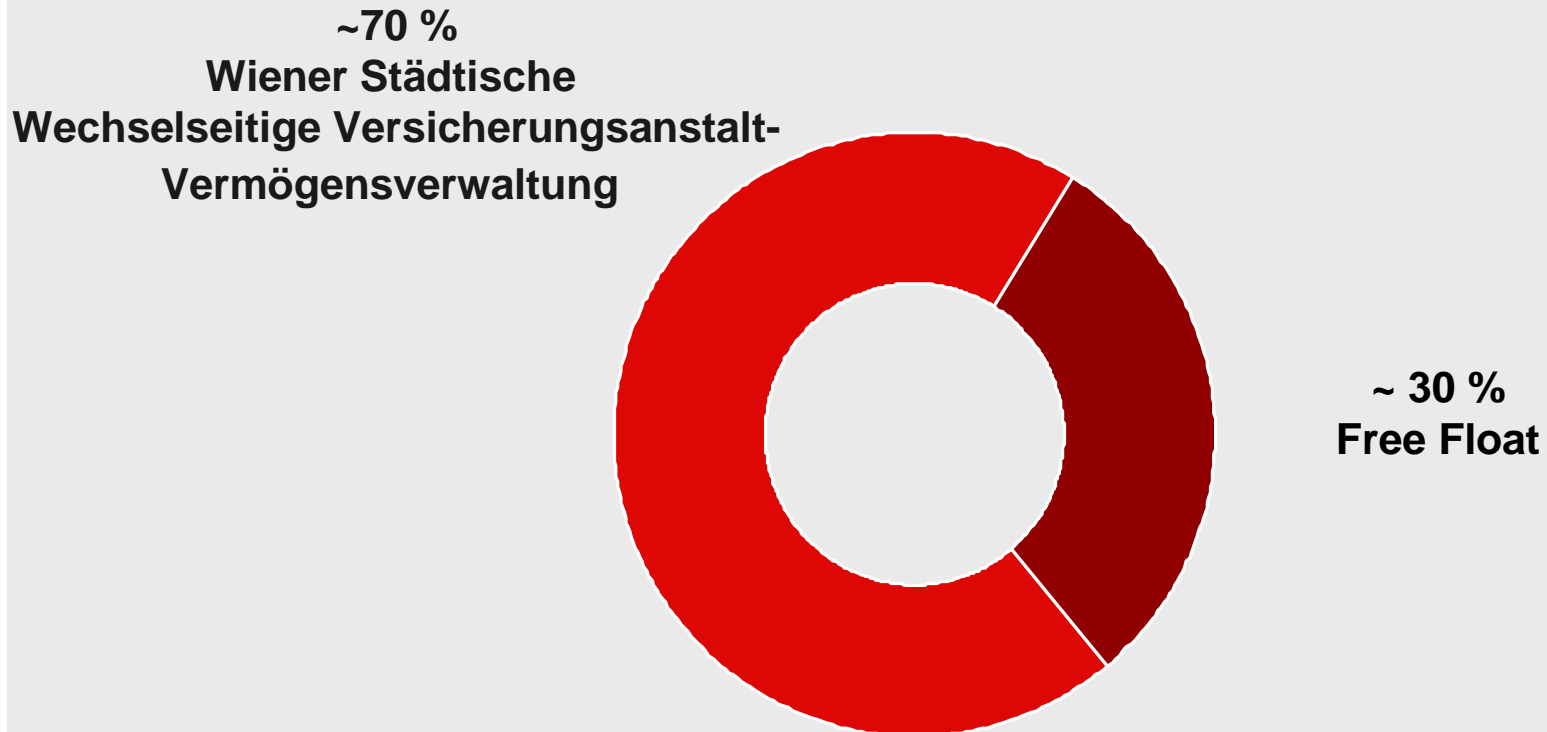
Source: Swiss RE 03/2008,

Market shares: data as of 9M 2008, HR as of YE 2008

# Shareholder Structure (I)

Total number of shares 128,000,000

## Shareholder Structure

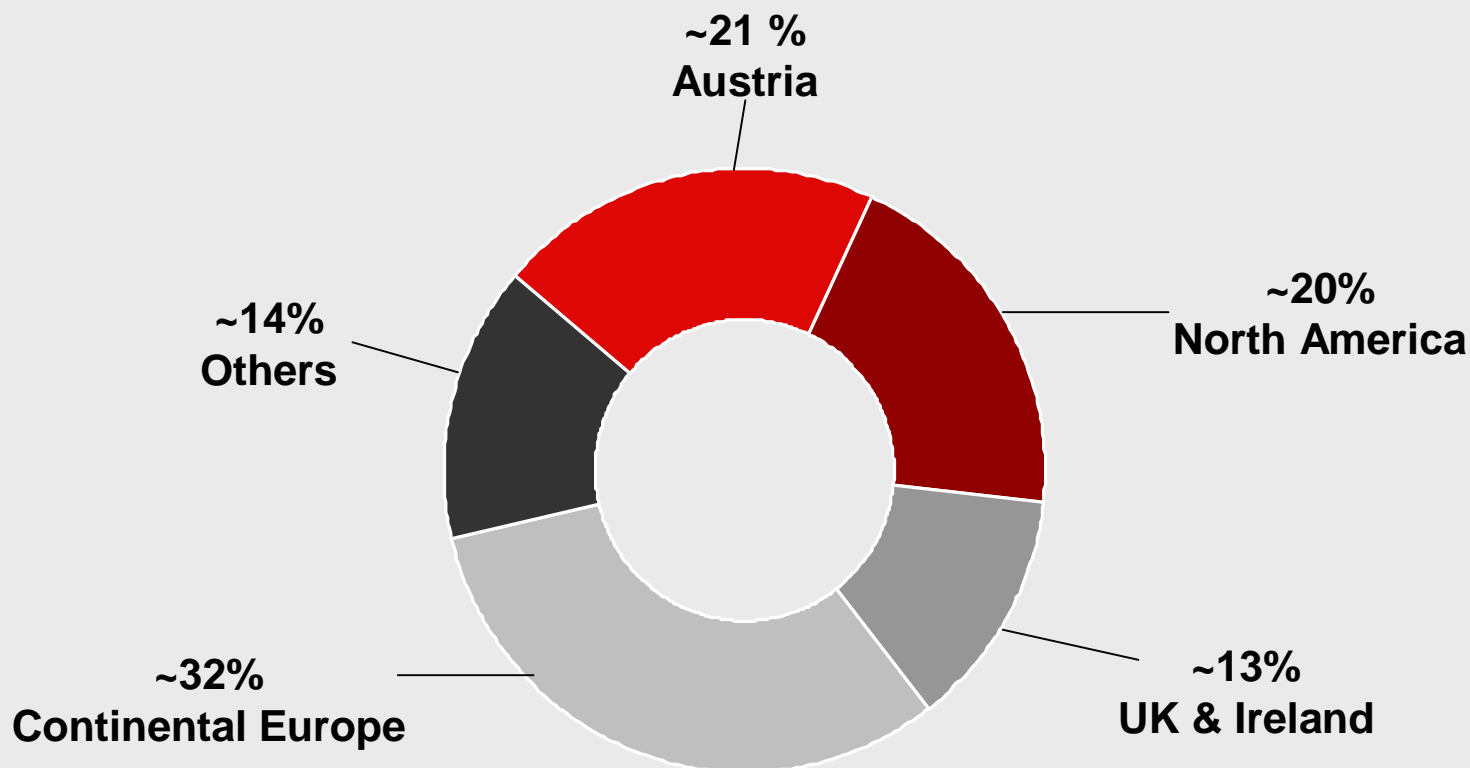




# Shareholder Structure (II)

Total number of shares 128,000,000

## Free Float Geographical Split



### **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

§ **Thomas Schmee**

Tel. +43 (0)50 350 – 21900      [thomas.schmee@vig.com](mailto:thomas.schmee@vig.com)

§ **Nina Higatzberger**

Tel. +43 (0)50 350 - 21920      [nina.higatzberger@vig.com](mailto:nina.higatzberger@vig.com)

§ **Nicolas Mucherl**

Tel. +43 (0)50 350 – 21930      [nicolas.mucherl@vig.com](mailto:nicolas.mucherl@vig.com)

§ **Sabine Pulz (Assistant)**

Tel. +43 (0)50 350 – 21919      [sabine.pulz@vig.com](mailto:sabine.pulz@vig.com)

Fax +43 (0)50 350 99 – 23303      [investor.relations@vig.com](mailto:investor.relations@vig.com)

## IMPORTANT NOTICE

These materials do not constitute or form part, or all, of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities in any jurisdiction in which such solicitation, offer or sale would be unlawful, nor shall part, or all, of these materials form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities.

These materials contain forward-looking statements based on the currently held beliefs and assumptions of the management of WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group (“VIG”), which are expressed in good faith and, in their opinion, reasonable. These statements may be identified by words such as “expectation” or “target” and similar expressions, or by their context. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of VIG, or results of the insurance industry generally, to differ materially from the results, financial condition, performance or achievements express or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. VIG disclaims any obligation to update these forward-looking statements to reflect future events or developments.