



V.I.G. – Well Prepared for the Next Uptake

KBW European Financial Services Conference, London
16 September 2009

A

Investment proposition

B

Growth potential in CEE and Austria

C

Achievements

D

Diversification

E

6M 2009 results – highlights and dividend

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 geographic proximity

Story

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

- Successful track record of exploiting growth potentials
- Continuous expansion of its business areas and geographic regions
- 16.0% market share in CEE¹ – clear no. 1 of international insurers

Milestone 2

§ V.I.G. - Extending distribution power

- Acquisition of s Versicherung Group
- Long-term distribution agreement with Erste Group

Footprint



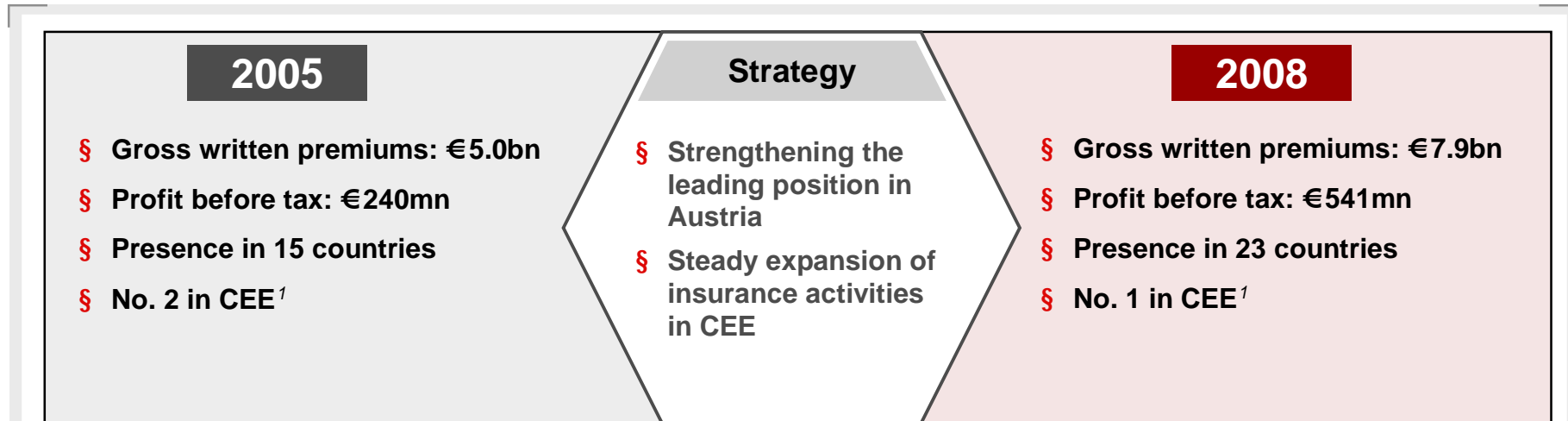
● Core Markets

CEE share ~50% of premiums

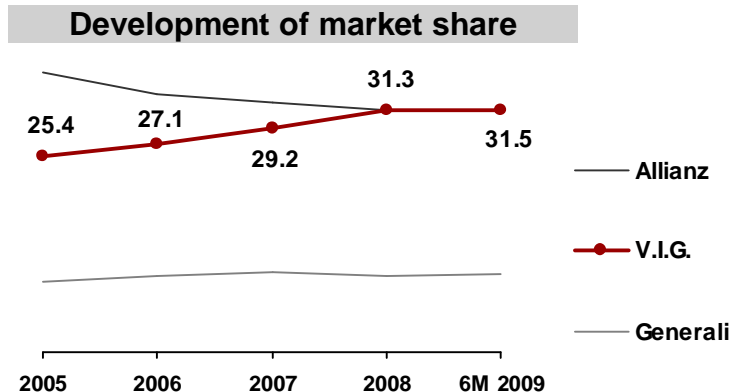
1: CEE is defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia and Slovakia

V.I.G. – Leading Insurer in CEE (I)

Market strategy proves effective



Taking on the Leadership in the Slovakian Insurance Market



- § V.I.G. achieved leadership in motor insurance in 2007
- § Excellent development in life insurance and cooperation with Erste Group boosted market share significantly
- § V.I.G. now new number 1 in Slovakian insurance market

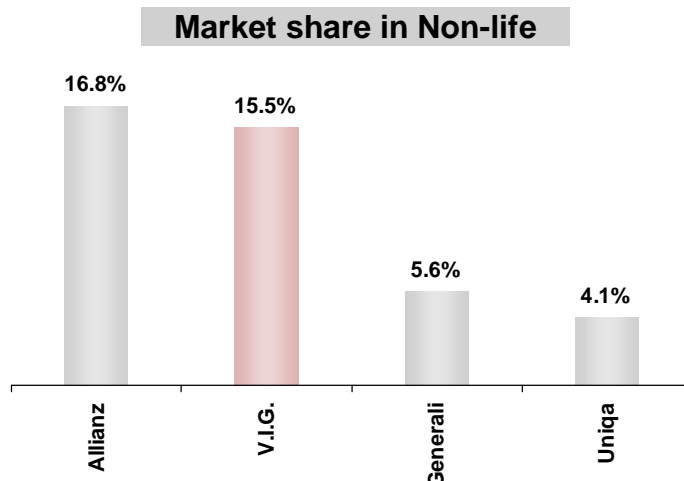
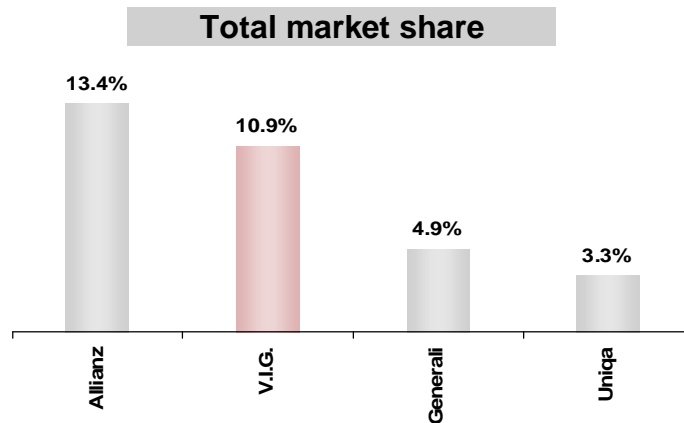
V.I.G. ranks now first in Austria, Bulgaria, Romania and Slovakia

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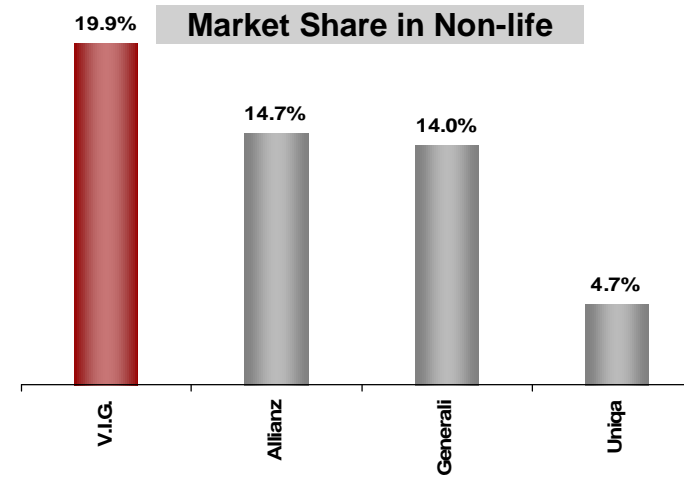
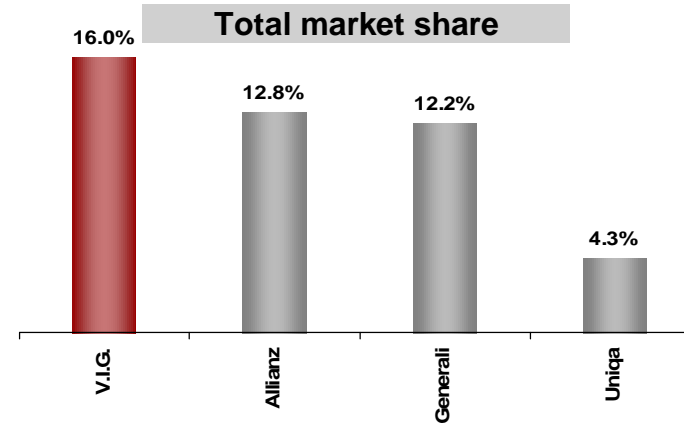
V.I.G. – Leading Insurer in CEE (II)

Clear No. 1 in its core markets

Market Share in CEE¹ as of 3M 2006



Market Share in CEE¹ as of 3M 2009



Source: National insurance associations of the respective countries as of 3M 2006 and 3M 2009; ¹ CEE is defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia and Slovakia

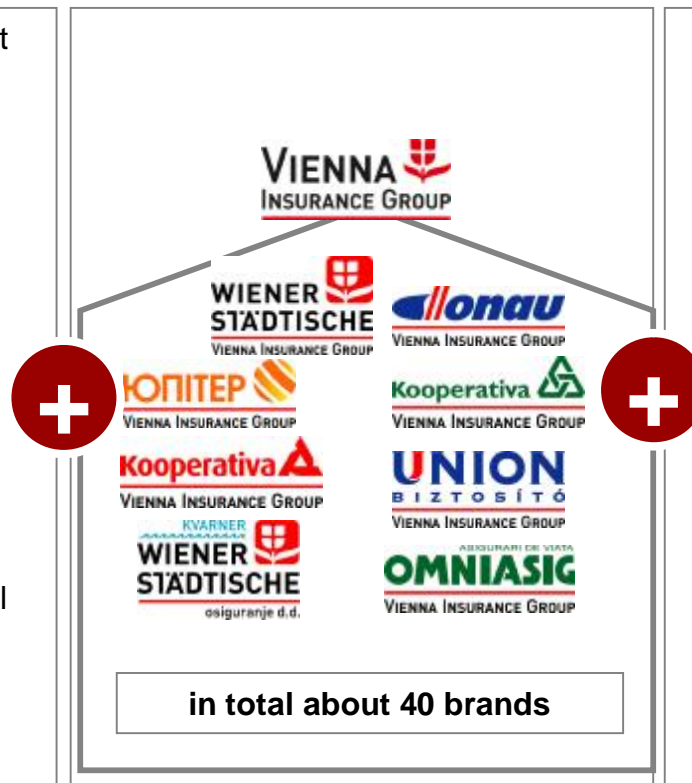
V.I.G. Management Approach

Success in CEE is based on three cornerstones

Steering Approach

- § Each board member of VIG parent has direct responsibility for CEE countries
- § V.I.G. 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
Austria	ü	ü	ü	ü
Czech Rep.	ü	ü	ü	ü
Slovakia	ü	ü	ü	ü
Romania	ü	ü	ü	ü
Croatia	ü	ü	ü	ü
Hungary	ü	ü	ü	ü
Serbia	ü	ü	ü	ü
Ukraine	ü	ü	ü	ü

These three cornerstones differentiate V.I.G. from most of its competitors

A Investment proposition

B Growth potential in CEE and Austria

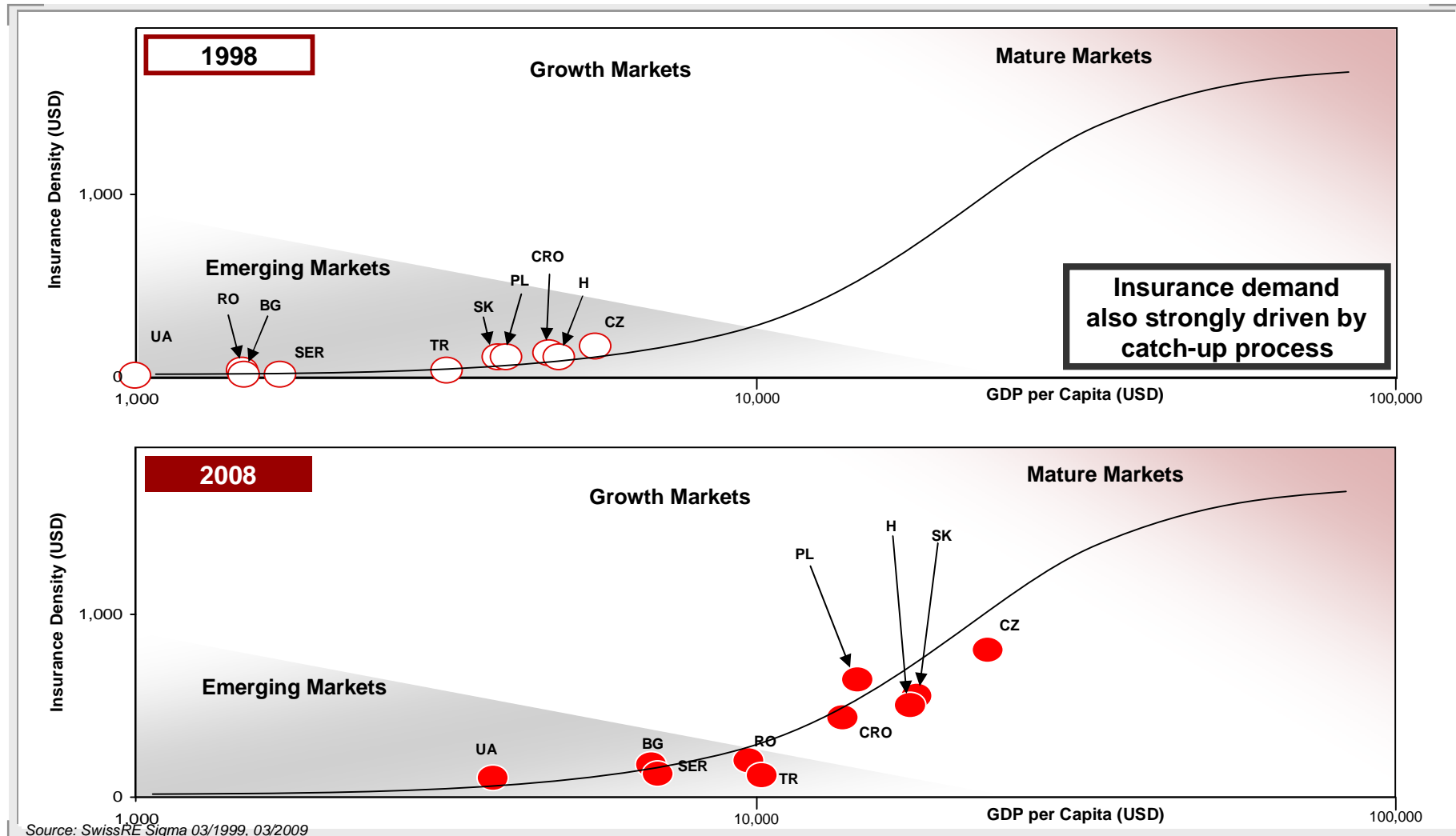
C Achievements

D Diversification

E 6M 2009 results – highlights and dividend

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

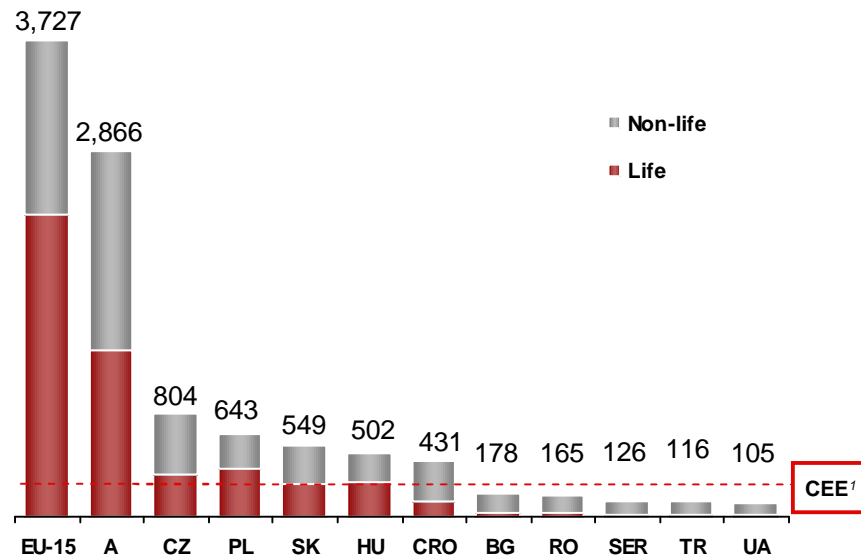
GDP growth and underpenetration are insurance drivers



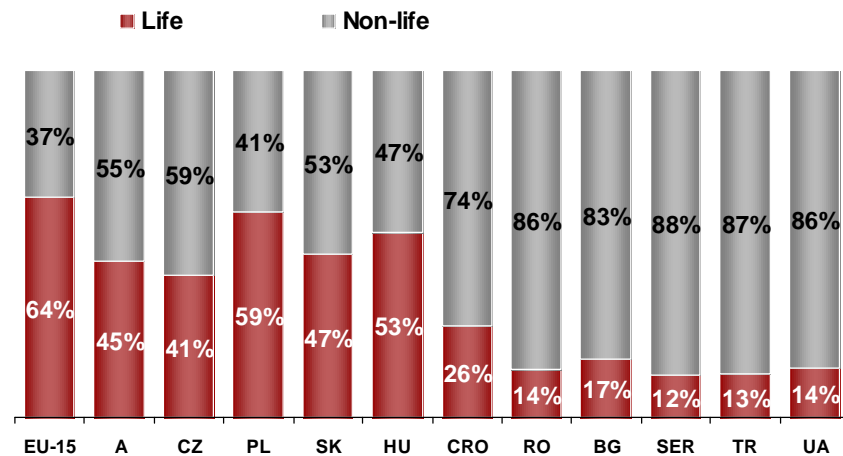
V.I.G. Business Model Still in Place (II)

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

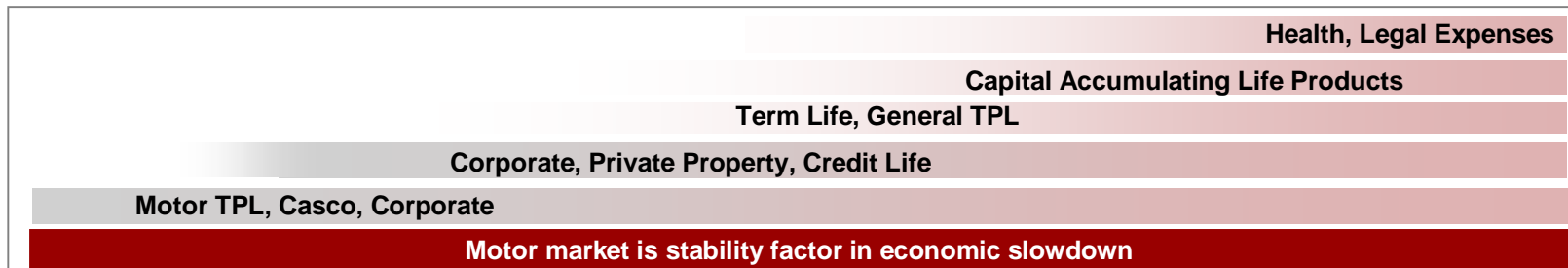
Insurance Density 2008 (USD)



Proportion of NL & L in CEE Markets



Product Demand Timeline



¹: weighted average of CZ, SK, H, PL, CRO, BG, RO, SER, UA, TR; Source: Swiss RE Sigma 03/2009

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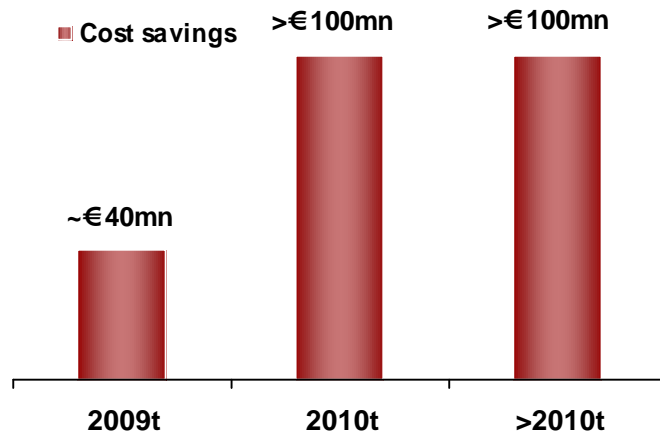
D Diversification

E 6M 2009 results – highlights and dividend

Reinforced Financial Performance

Efficiency programme and business initiatives

Scale-based



Annual cost savings target of at least €100mn, to be reached by end of 2010

- § Streamlining of regional head offices
- § Bundling of operating and service departments
- § Strengthening of central administration
- § Reduction of overall non-personnel costs
- § Accelerated implementation of shared services concept to backup multi-brand approach in CEE

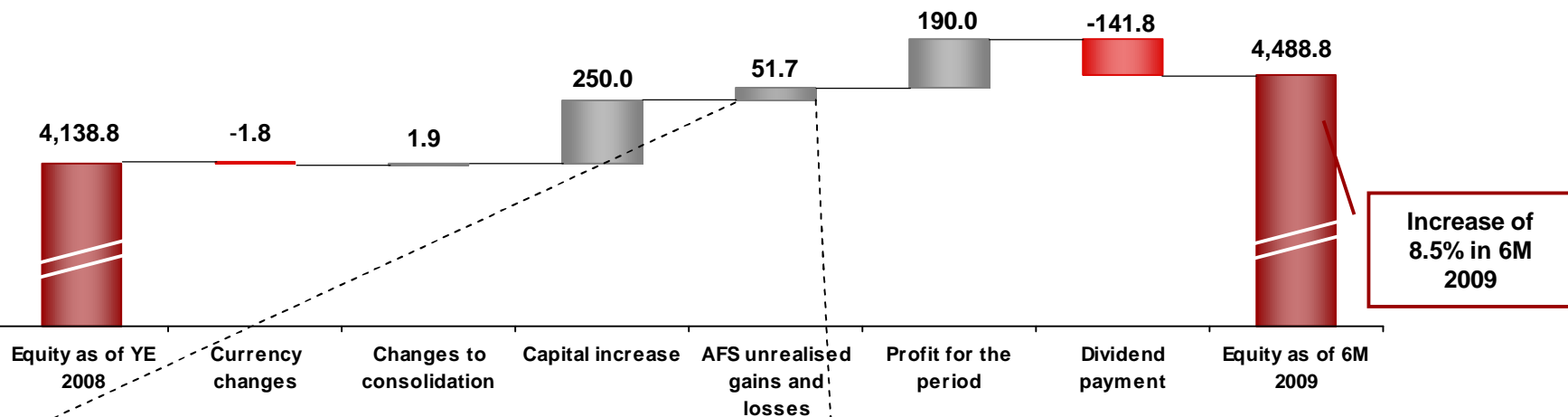
Skill-based

- 1 **Health business in CEE** § expected premium volume of about € 30mn for YE 2009
- 2 **VIGRe** § Promising start confirms RoE target for 2009 of 10%
- 3 **VIU** § VIU has acquired several international corporate clients
- 4 **Bancassurance in CEE** § Integration of s Versicherung well advanced: product design, asset management, accounting, controlling, actuarial services, risk management

6M 2009 Shareholders' Equity

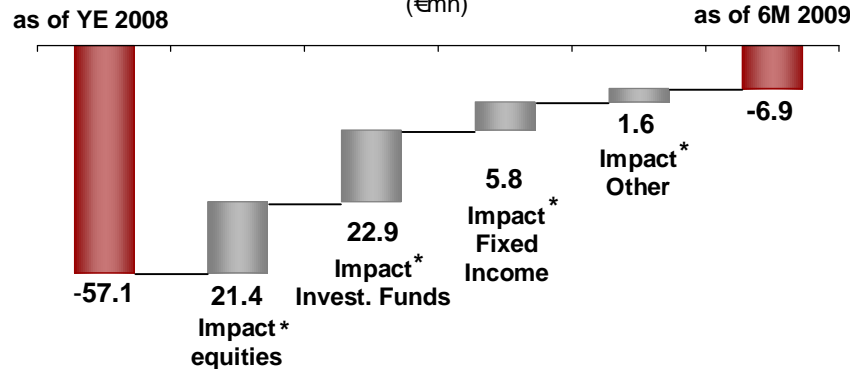
Shareholders' equity supports strong capitalisation

Change in Group Shareholders' Equity (€mn)



Increase of 8.5% in 6M 2009

Development of unrealised gains and losses (€mn)



* including minority interests

Capitalisation

- § V.I.G. has issued, within the scope of the existing € 500mn hybrid bonds programme of May 2008, a second tranche with a volume of € 250mn at the same terms in April 2009
- § Solvency ratio comfortably above 180% on IFRS basis
- § V.I.G. develops new risk based internal capital model according to Solvency II

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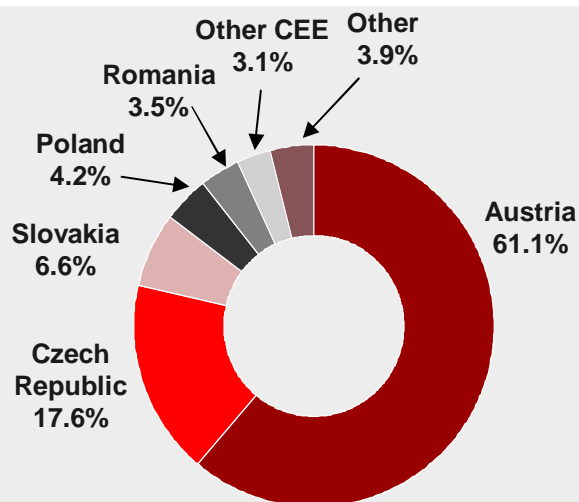
D Diversification

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Premium Portfolio

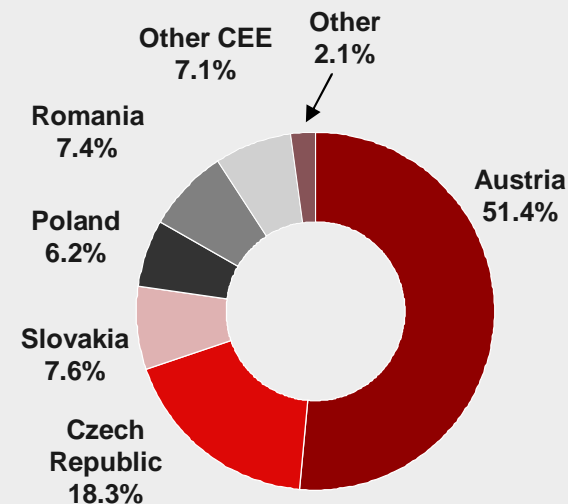
Basis of business origination substantially widened

GWP by Geography 6M 06



6M 2006 Total: €3.0bn

GWP by Geography 6M 09



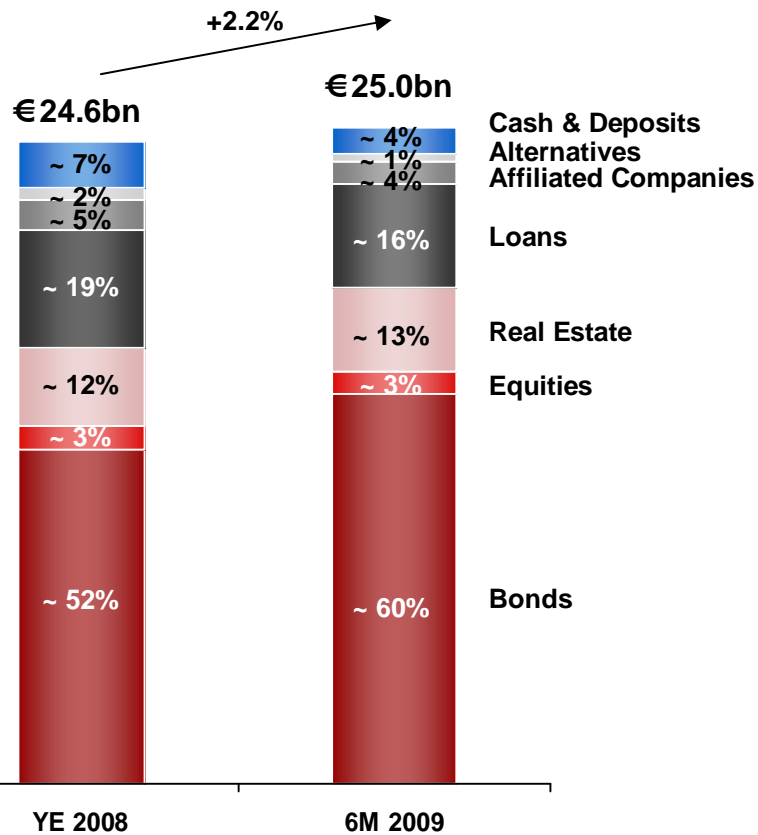
6M 2009 Total: €4.3bn

- § V.I.G. has attained a much wider array of premium origination within a relatively short period
- § Non-life business (60%) still dominates portfolio

6M 2009 Investment Split

V.I.G. follows a prudent investment approach

Portfolio Overview



Current Investment Strategy

- 1 Further investments into high quality sovereign bonds
- 2 For trading reasons acquisition of good quality corporate bonds (defensive sectors) => taking advantage of attractive yield pick-ups
- 3 Equity ratio to remain at fairly low level in order to limit volatility of investment portfolio

A Investment proposition

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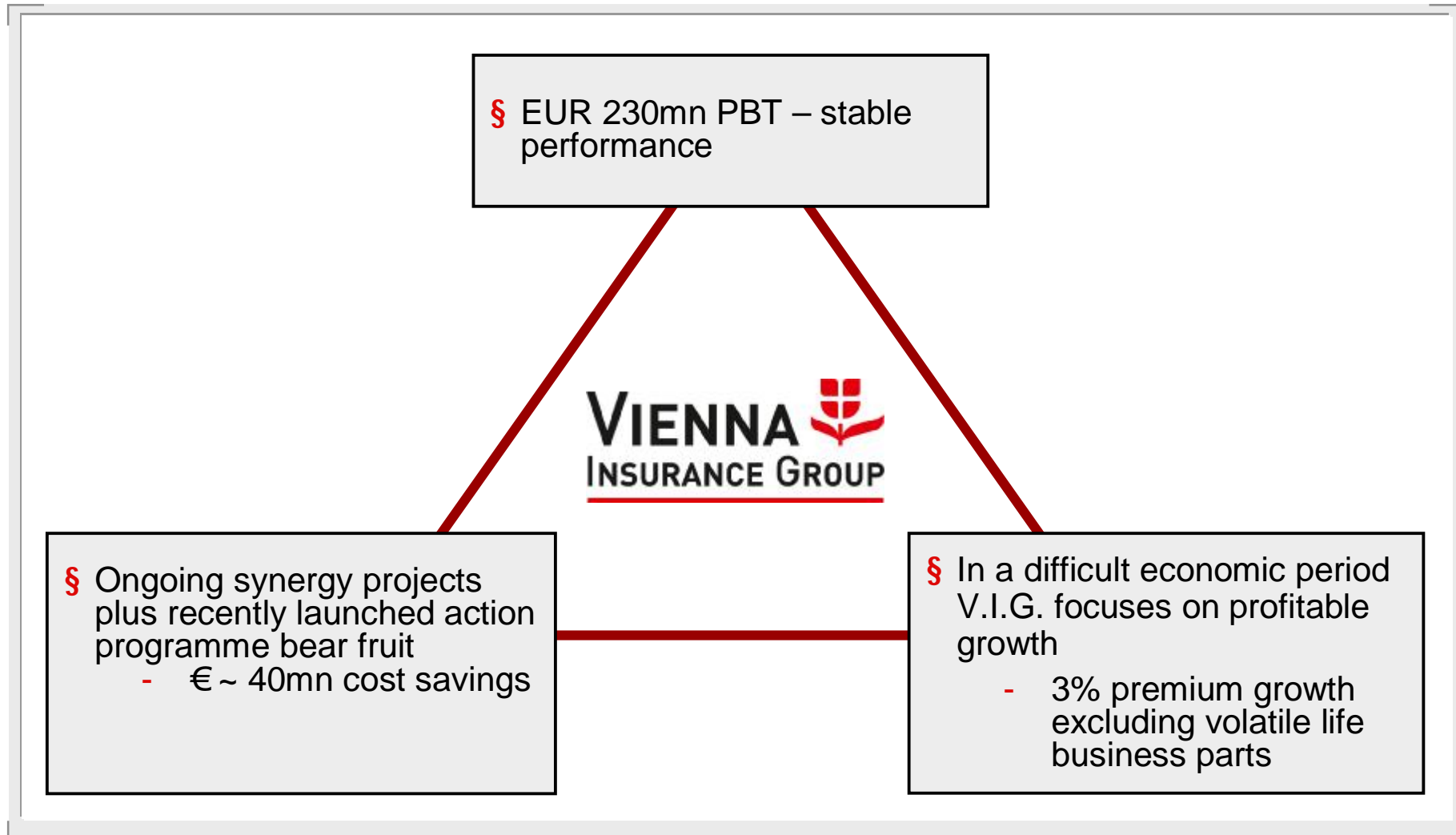
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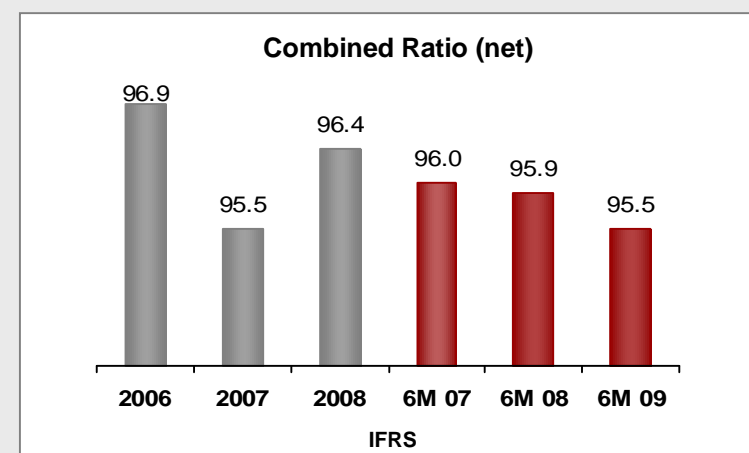
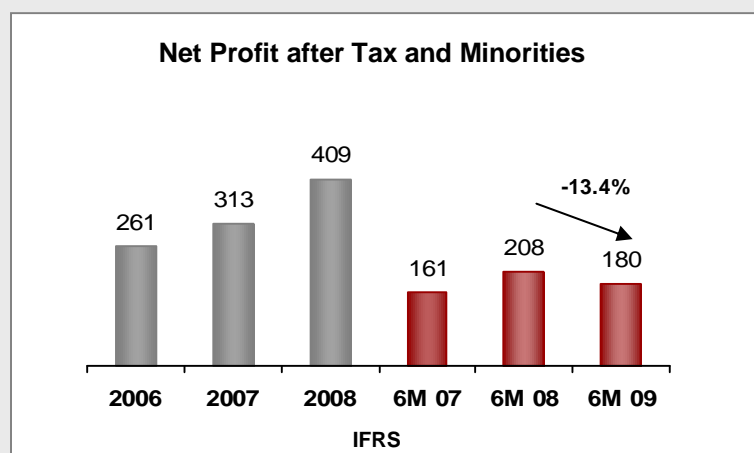
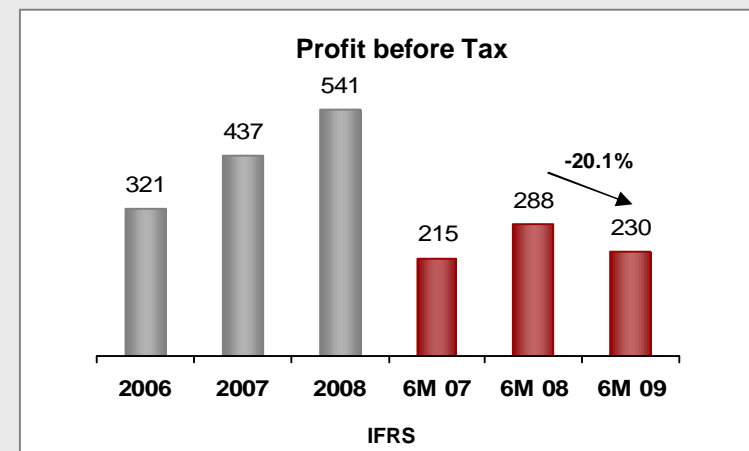
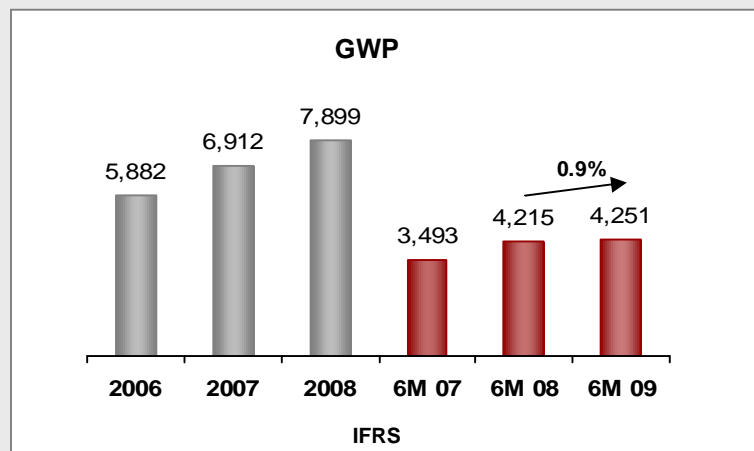
6M 2009 Highlights

V.I.G. – showing a solid business performance

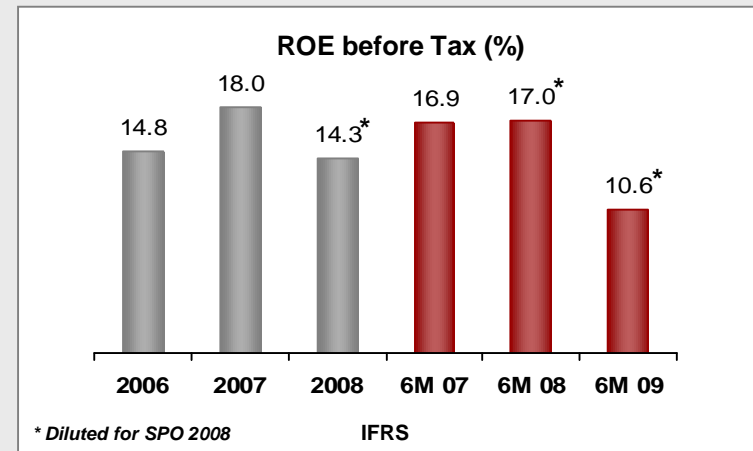
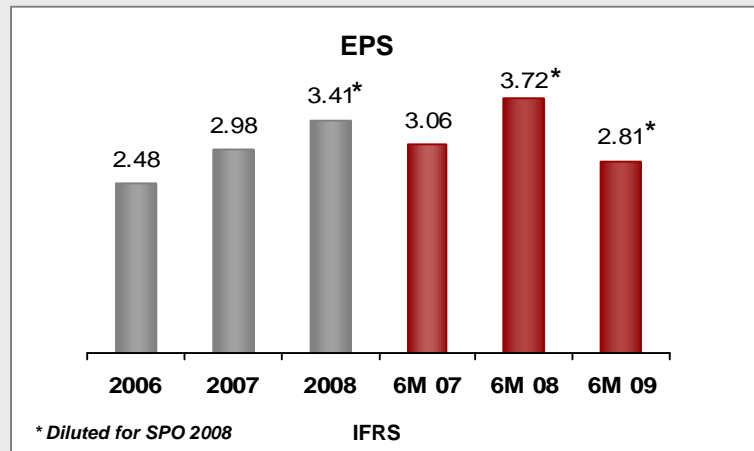


6M 2009 Financial Highlights (I)

HY results shaped by good operations and weaker capital markets



6M 2009 Financial Highlights (II)

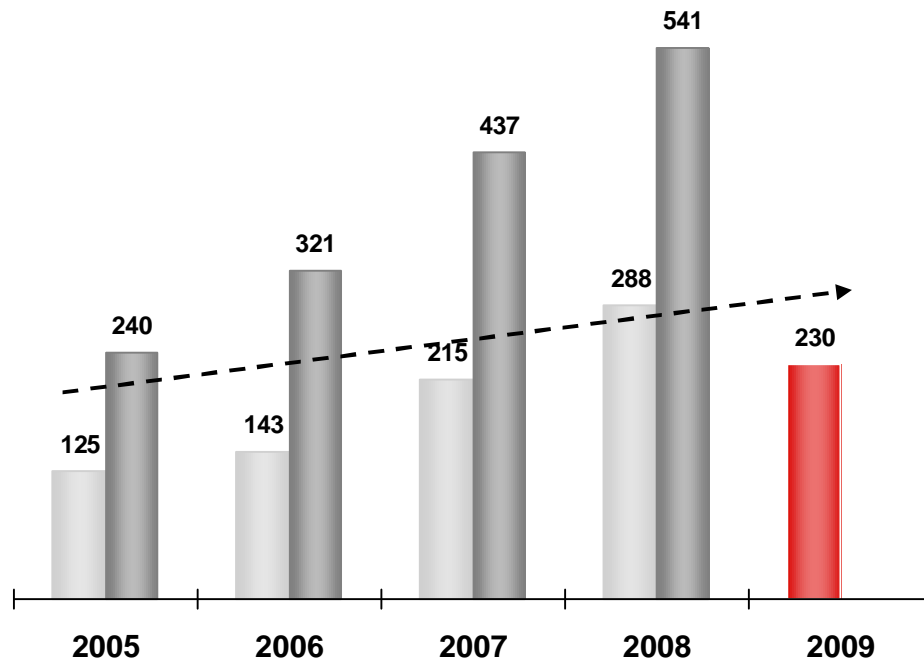


Performance/Outlook

Economic uncertainty and market volatility constrain forecasts

Development of HY profits vs. YE

Profit before Taxes (€mn)



Outlook

§ Current economic forecasts do not show a sufficiently stable picture. Thus management is not in a position to provide financial targets for 2009 or medium term

- It is company philosophy to keep the combined ratio well below 100% throughout the business cycle