

Getting in shape for economic recovery in CEE



Austrian Companies Conference
HSBC

22 June 2010

V.I.G. – a model expansion

Adopting to a changing environment

Distribution is key in insurance

Exploiting potential going forward

Appendix

V.I.G. in 1990 – The Big Bang

Leading Austrian position as basis for international growth story

V.I.G. – a model expansion

1990 – Pioneer in CEE

- ▶ Early mover advantage due to exploiting opportunities offered by underdeveloped insurance markets in CEE

- ▶ Gross written premiums: € 1.2bn
- ▶ Profit before tax: € 86mn
- ▶ Employees: ~ 5,800
- ▶ Presence in Austria
- ▶ Market share in Austria: ~18%

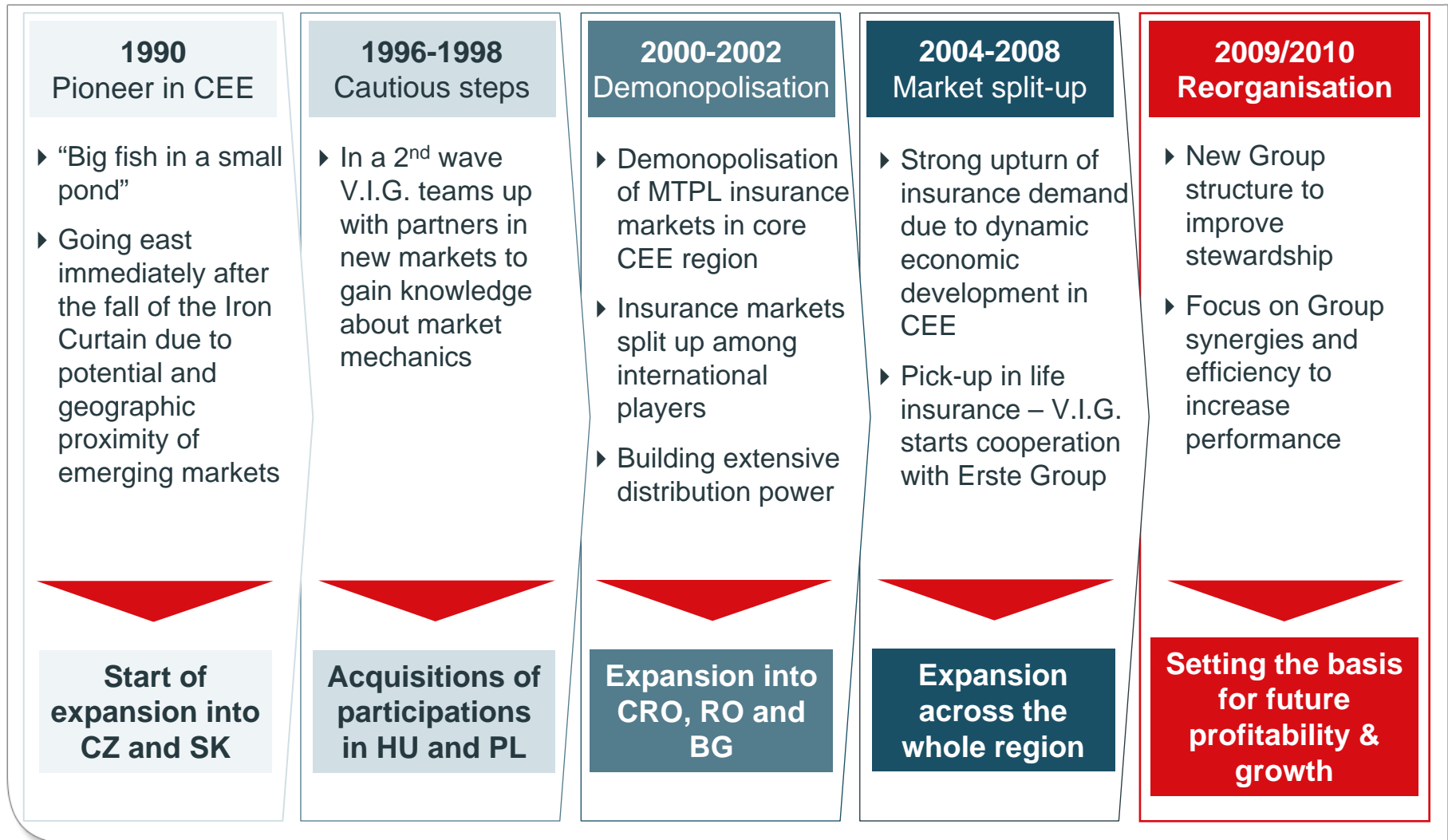
Footprint in 1990



Building a Strong Franchise

Dynamic yet risk-aware expansion into CEE

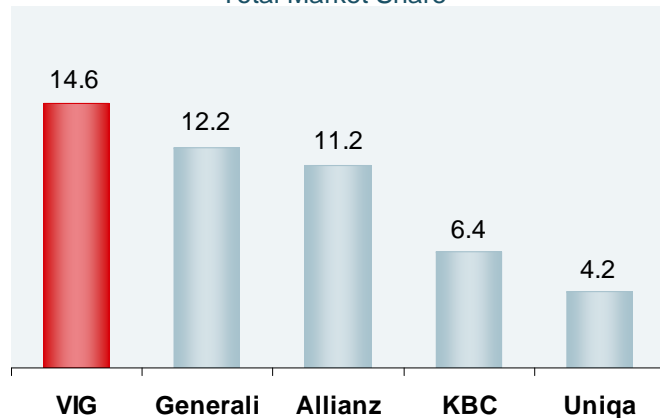
V.I.G. – a model expansion



2009 – No. 1 in its Core Markets

- ▶ Gross written premiums: € 8.0bn
- ▶ Profit before tax: € 441mn
- ▶ Employees: ~ 24,000
- ▶ Presence in 23 countries
- ▶ Clear No. 1 position in CEE¹ core markets: ~15%

Total Market Share¹



Footprint in 2009



CEE share ~50% of premiums

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

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Focus on Efficiency

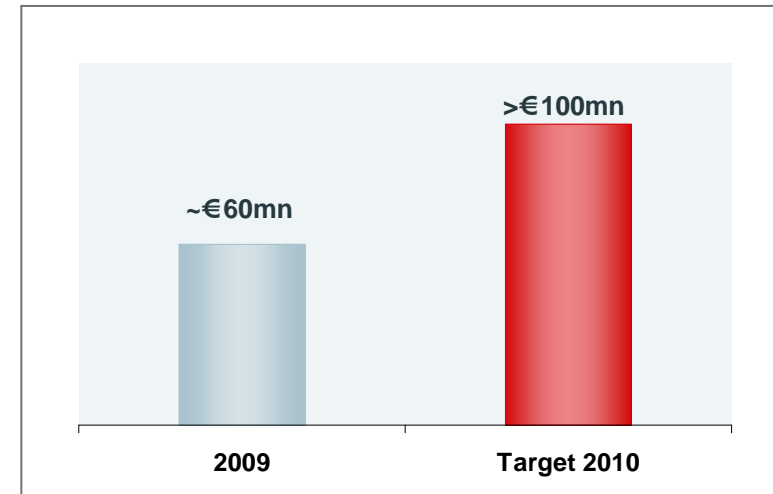
Setting the basis for future sustainable profitability

Adopting to a
changing environment

Efficiency Programme

- 1 Streamlining of regional head offices in A**
Focus on reduction of administrative tasks
- 2 Accelerated implementation of shared services concept in line with multi-brand approach in CEE**
- 3 Strengthening of central administration**
Higher service commitment
- 4 Reduction of overall non-personnel costs**
In particular in IT and office space

Savings of € 100mn by 2010



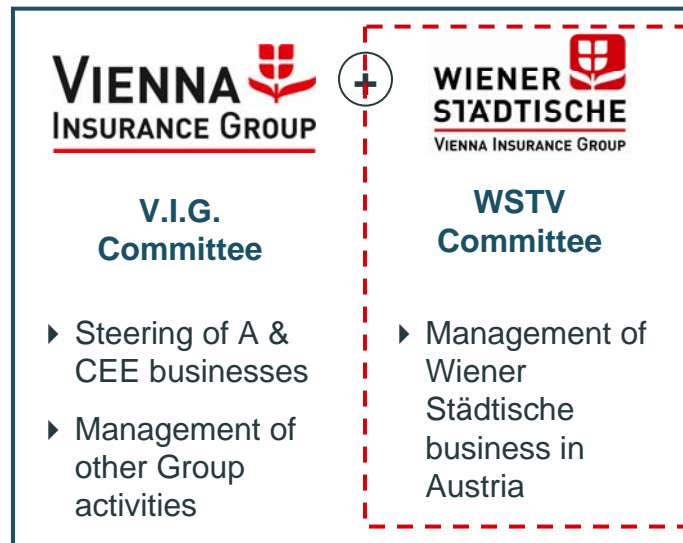
- ▶ Cost savings target of at least € 100mn, to be reached by end of 2010
- ▶ Includes companies in CEE and Austria
- ▶ Accelerated efficiency programme in CEE

New Governance Structure

Improving Group transparency by spinning-off WSTV

Adopting to a changing environment

Structure



Details

- ▶ Continuous expansion of V.I.G. resulted in greater Group-wide management requirements
- ▶ Existing governance framework does not reflect increasing scope of management tasks
- ▶ Evolving Group architecture reflects increasing importance of CEE business

- ▶ **Clear corporate governance**
 - ▶ Local companies manage operating retail and SME business
 - ▶ Holding will be insurance company with direct and reinsurance business
- ▶ Transparency, internally and externally
 - ▶ Improved benchmarking
- ▶ Clear-cut responsibilities between operational Austrian business and Group matters

Distribution is key in insurance

V.I.G. – a model expansion

Adopting to a changing environment

Distribution is key in insurance

Exploiting potential going forward

Appendix

Distribution Model (I)

Multi-brand strategy is paramount for distribution

Distribution is key in insurance

Multi-brand



Features

- ▶ Strong brand awareness in local markets
- ▶ Entrepreneurship of management builds up well established local brands thus retaining loyalty of employees and management, customers and distribution networks
- ▶ Several brands also within one country
- ▶ Multi-brand allows for internal benchmarking
- ▶ Regular appraisal of brand efficiency – otherwise merger of companies (e.g. in SK)
- ▶ Multi-brand also strongly supports multi-channel distribution

Multi-brand and multi-channel differentiate V.I.G. from most of its competitors

Distribution Model (II)

































Diversified distribution supports future growth

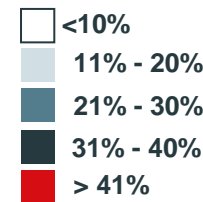
Distribution is key in insurance

Comment

- ▶ V.I.G. has one of the broadest distribution networks
- ▶ Distribution differs from country to country according to local market practice and legal regulations
- ▶ Backbone of distribution are tied agents (employed or freelancers)
- ▶ In advanced growth markets, bank-channel gaining importance in life business
- ▶ Benchmarking of distribution channels within Group raises motivation to be first at client

Multi-channel

	Tied agents	Banks	Brokers	Other
Austria				
Czech Rep.				
Slovakia				
Romania				
Poland				
Hungary				
Croatia				
Others				



V.I.G. – a model expansion

Adopting to a changing environment

Distribution is key in insurance

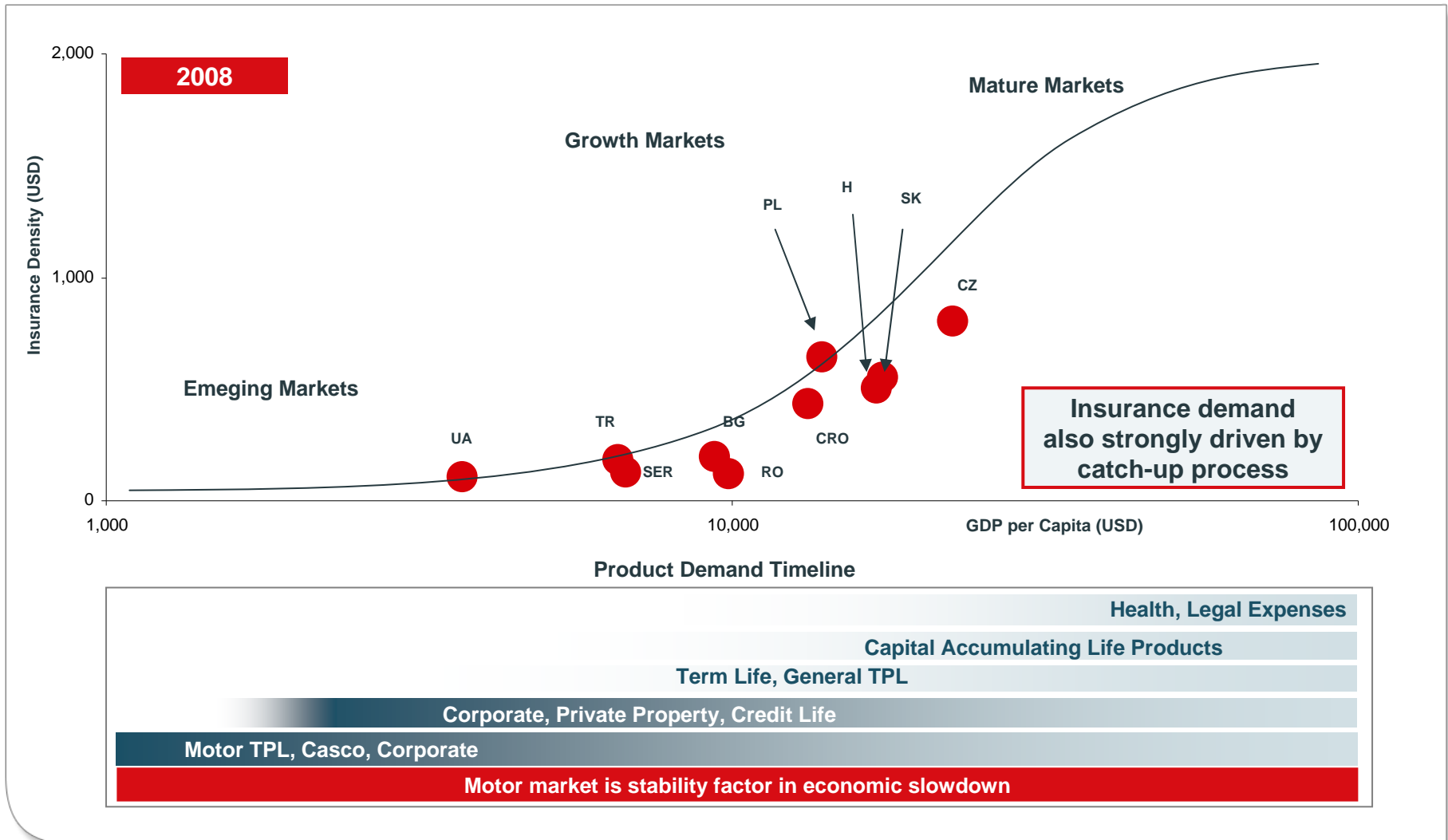
Exploiting potential going forward

Appendix

Development of Insurance Demand

GDP growth and underpenetration are insurance drivers

Exploiting potential
going forward

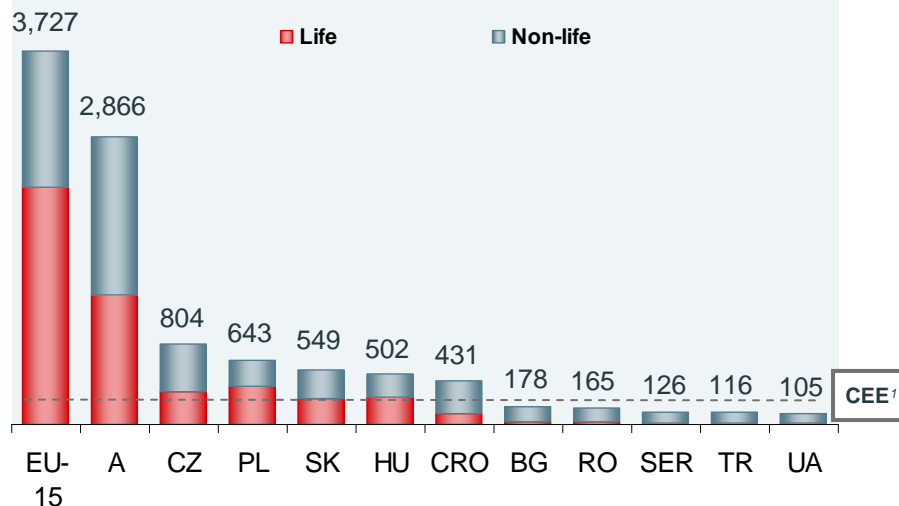


Low Penetration of Insurance Markets

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

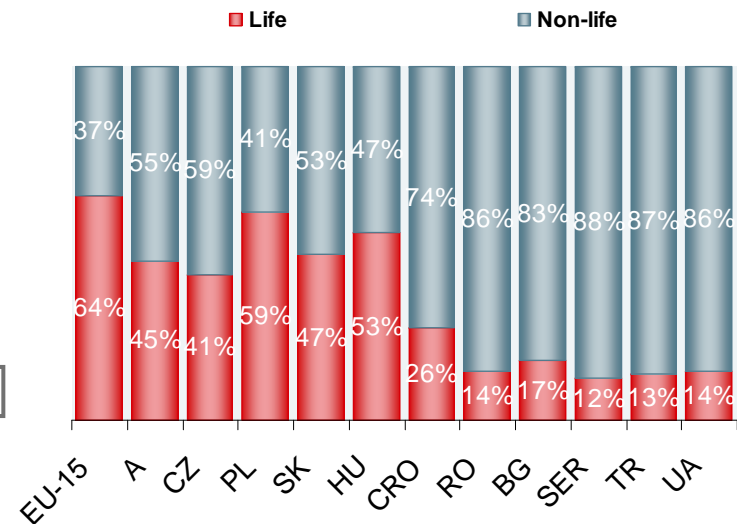
Exploiting potential
going forward

Insurance Density 2008 (USD)



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

Proportion of NL & L in CEE Markets



Austrian Insurance Market				
Year	Premium Income (€bn)	Insurance penetration (%)	Density (€)	GDP/Capita (€)
1970	0.81	3.0%	109	3,659
1980	2.85	3.9%	378	9,782
1985	4.36	4.4%	575	13,130
2008	16.21	5.7%	1,942	33,807

x1.5 (Premium Income growth from 1980 to 2008)
x3.5 (Density growth from 1980 to 2008)

CEE Insurance Markets in 2008			
	Insurance Penetration (%)	Density (€)	GDP/Capita (€)
Serbia	1.9%	86	4,594
Romania	1.8%	112	6,384
Bulgaria	2.7%	121	6,579
Croatia	3.2%	293	9,016
Hungary	3.1%	341	10,878
Slovakia	3.1%	373	11,835
Poland	4.6%	437	9,500
Czech Republic	3.5%	547	15,330

Source: Swiss RE Sigma 03/2009; VVO

Macro Environment in CEE Countries

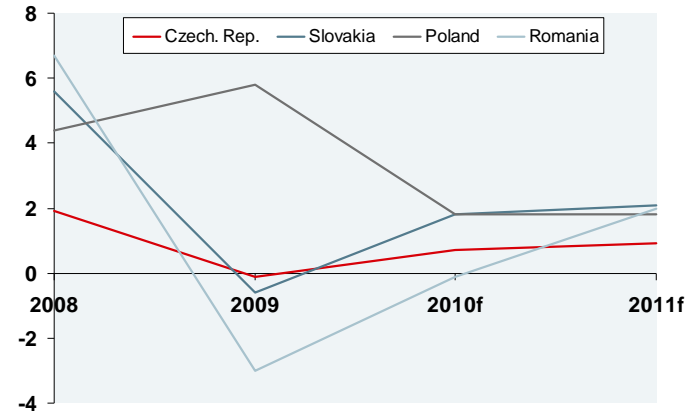
Recovery in CEE region exceeds development of Euro area

Exploiting potential
going forward

GDP Development (real, % change vs. previous year)

	2008	2009	2010f	2011f
Euro area	0.6	-4.1	0.9	1.5
Czech Rep.	2.5	-4.2	1.6	2.4
Slovakia	6.2	-4.7	2.7	3.6
Poland	5.0	1.7	2.7	3.3
Romania	7.3	-7.1	0.8	3.5

GDP Development vs. Euro Area (indexed, Euro area = 0)



Current Account (% of GDP)

	2008	2009	2010f	2011f
Euro area	-0.9	-0.6	-0.4	-0.3
Czech Rep.	-3.4	-1.0	-0.3	-1.5
Slovakia	-6.7	-3.1	-4.5	-4.1
Poland	-5.0	-1.6	2.8	-3.3
Romania	-12.7	-4.4	-4.4	-5.6

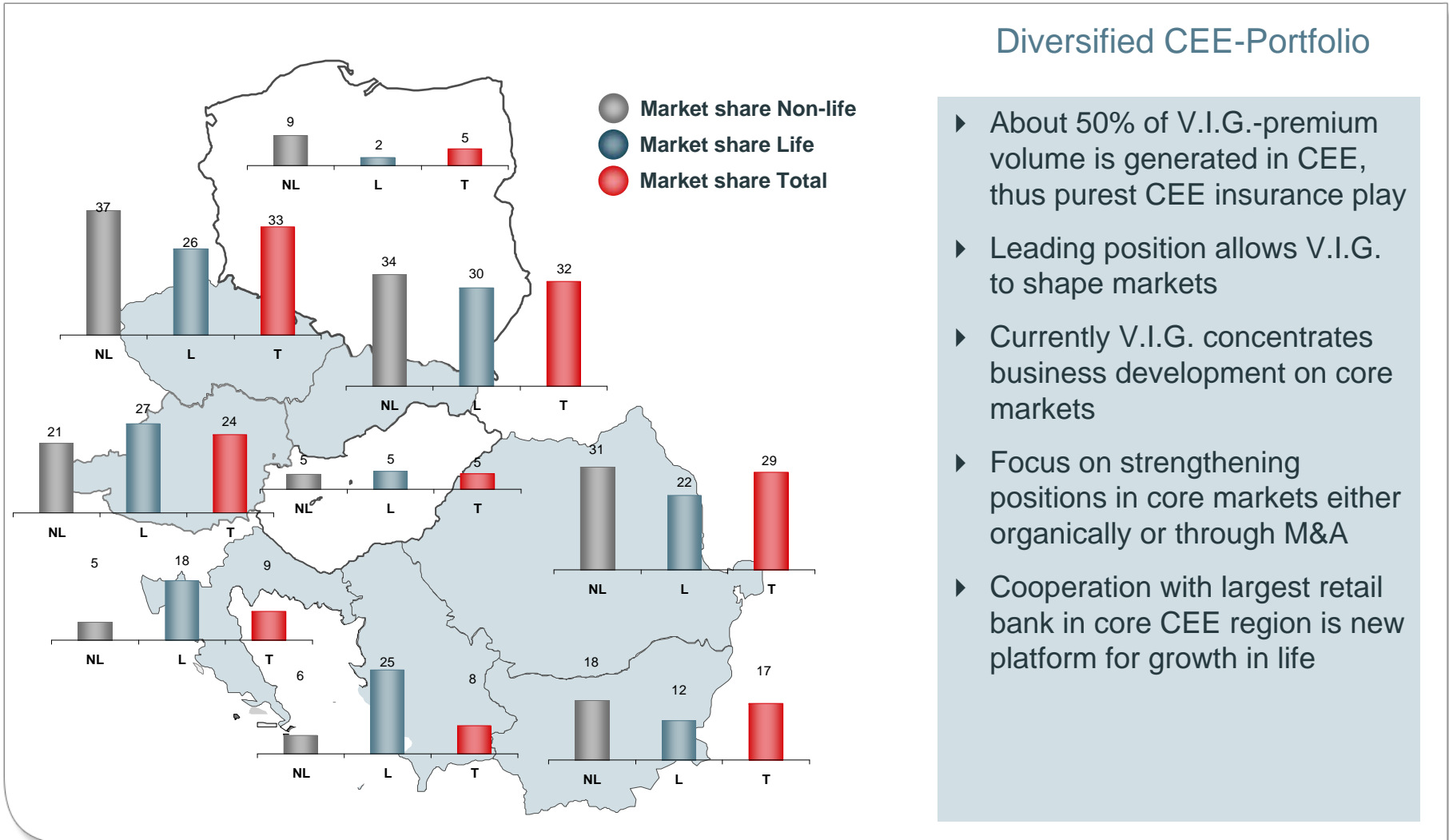
Gross Government Debt (% of GDP)

	2008	2009	2010f	2011f
Euro area	69.4	78.7	84.7	88.5
Czech Rep.	30.0	35.4	39.8	43.5
Slovakia	27.7	35.7	40.8	44.0
Poland	47.2	51.0	53.9	59.3
Romania	13.3	23.7	30.5	35.8

V.I.G. – Building its Market Position (I)

Expansion focus mainly on Poland and Hungary

Exploiting potential
going forward



Diversified CEE-Portfolio

- ▶ About 50% of V.I.G.-premium volume is generated in CEE, thus purest CEE insurance play
- ▶ Leading position allows V.I.G. to shape markets
- ▶ Currently V.I.G. concentrates business development on core markets
- ▶ Focus on strengthening positions in core markets either organically or through M&A
- ▶ Cooperation with largest retail bank in core CEE region is new platform for growth in life

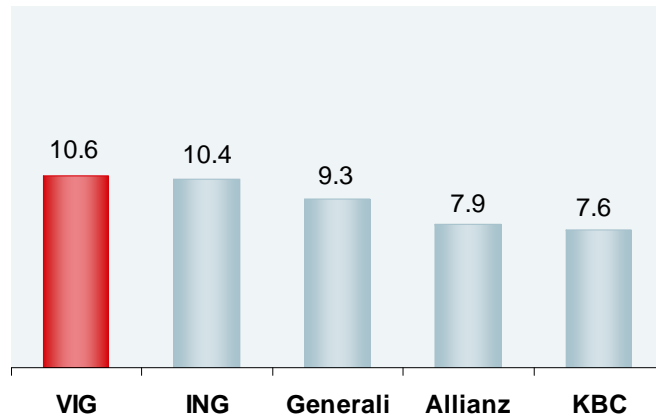
Continued Business Expansion

V.I.G. now also no. 1 in Life in core CEE markets

Exploiting potential
going forward

Banking distribution supports life growth

Market Share Life¹



▶ Life distribution via banking channel shows significant growth rates in CEE, in particular in CZ and RO, making V.I.G. new market leader in CZ

▶ Banking distribution was paramount to become new no. 1 in Life in core CEE¹ markets

Macedonia

- ▶ Planning to set up a life insurance company in Macedonia in 2010
- ▶ Distribution of products via Erste Group subsidiary
- ▶ Further extension of partnership with Erste Group to 10 countries

Details of market²:

- ▶ Population: ~2.1mn
- ▶ GDP/Capita: ~€3,200
- ▶ Density/Capita: €50
- ▶ Penetration: 1.5%
- ▶ Market volume: ~ €105mn

1: CEE is defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia and Slovakia, National insurance associations of the respective countries as of YE 2009 2: local authorities

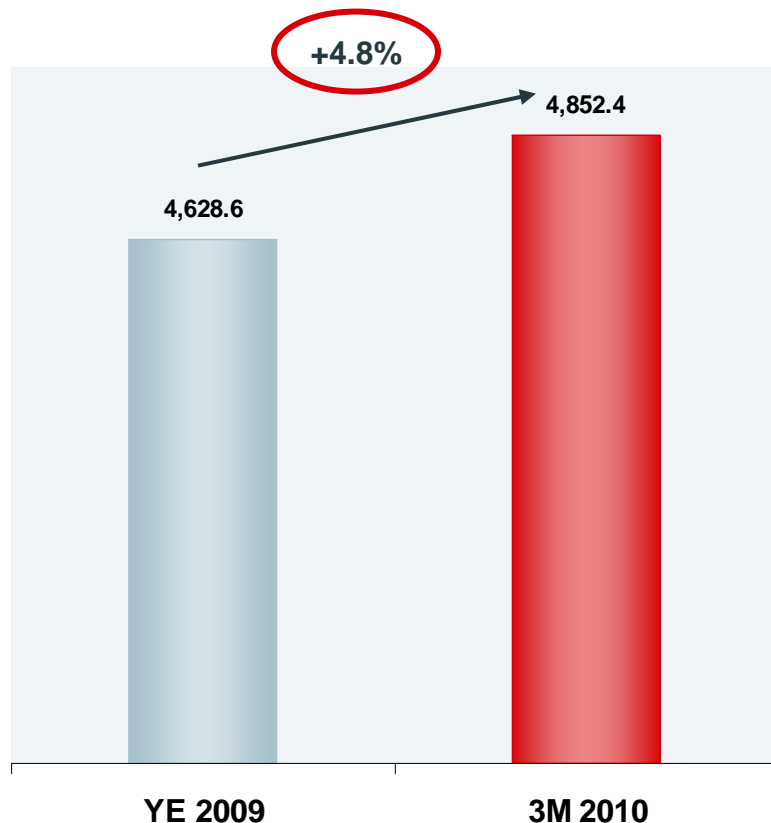
Strong capitalisation is excellent basis for future expansion

Exploiting potential
going forward

Shareholders' Equity

Capitalisation

Change in Group Shareholders' Equity (€mn)



- ▶ **Group shareholders' equity increased by 4.8% to about €4.9bn in 3M 2010**
- ▶ **S&P- Rating of A+ (stable outlook)**
- ▶ **Comfortable solvency ratio of above 200% on IFRS basis**
- ▶ **V.I.G. develops new risk based internal capital model according to Solvency II**

Summary

V.I.G. to benefit from its strong position

Exploiting potential
going forward



V.I.G. – a model expansion

Adopting to a changing environment

Distribution is key in insurance

Exploiting potential going forward

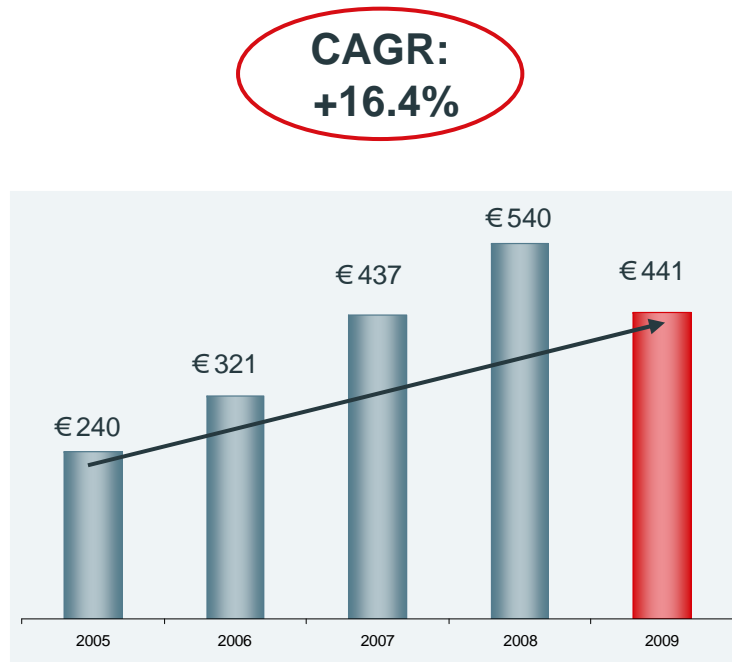
Appendix

Outlook for 2010

Confidence about rising PBT despite economic uncertainty

APPENDIX

V.I.G.'s Path of Profitability (€mn)



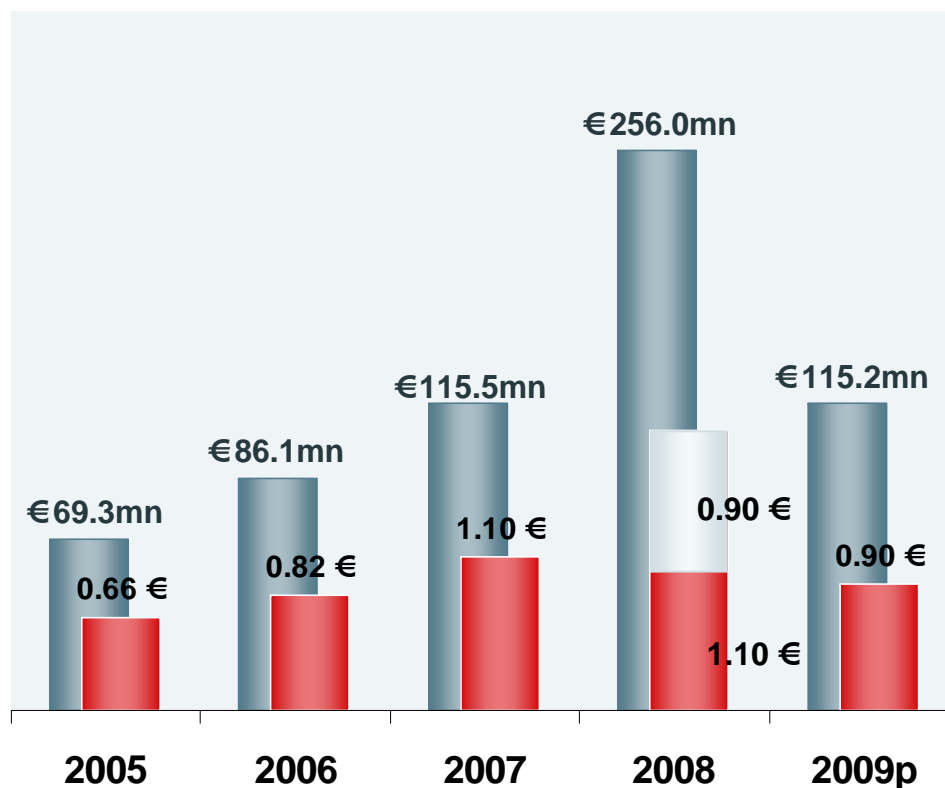
2010

- ▶ Subdued GDP growth outlook for Austria, higher unemployment rates expected
- ▶ CEE core countries slowly regaining GDP growth

- **Single-digit premium growth expected**

- **PBT to be raised by more than 10%**

Development of Dividend



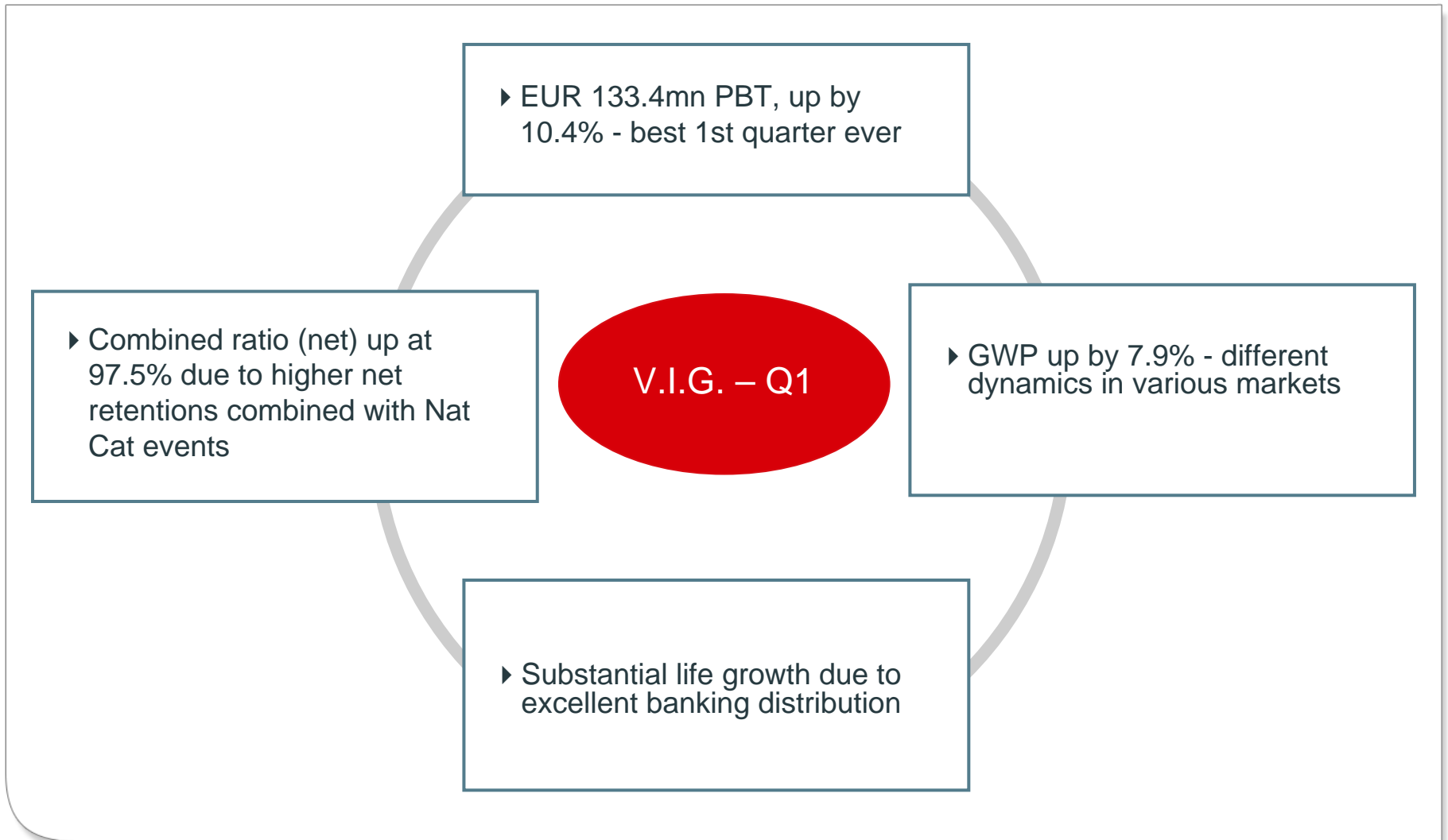
Comments

- ▶ 2005 – 2007 payout ratio ranging from 33-37%
- ▶ One-off bonus dividend paid-out last year as a reward for shareholder support during capital increase in 2008
- ▶ V.I.G. keeping to its dividend policy which is defined as a payout ratio of minimum 30% of Group net profit

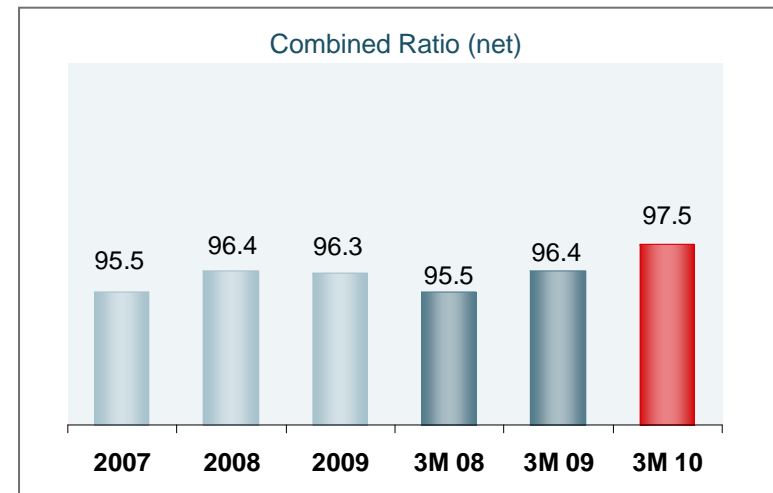
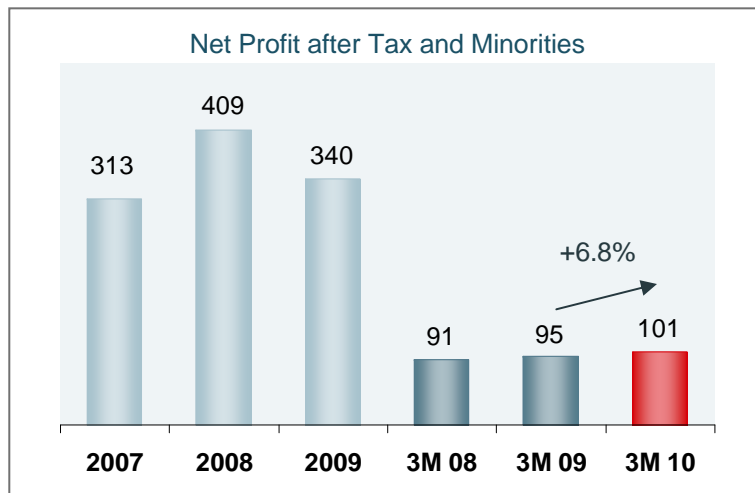
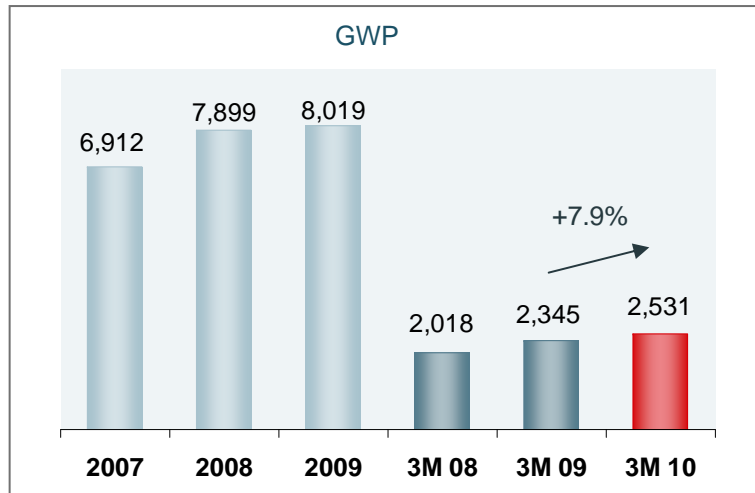
3M 2010 Highlights

V.I.G. beating strong Q1 of last year

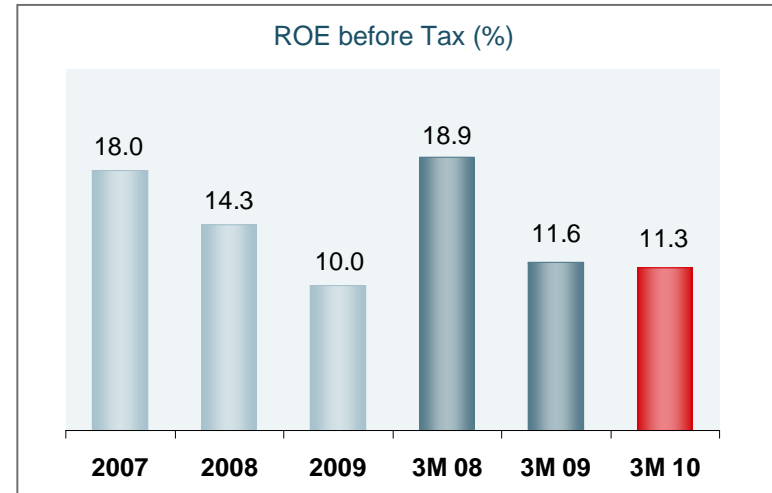
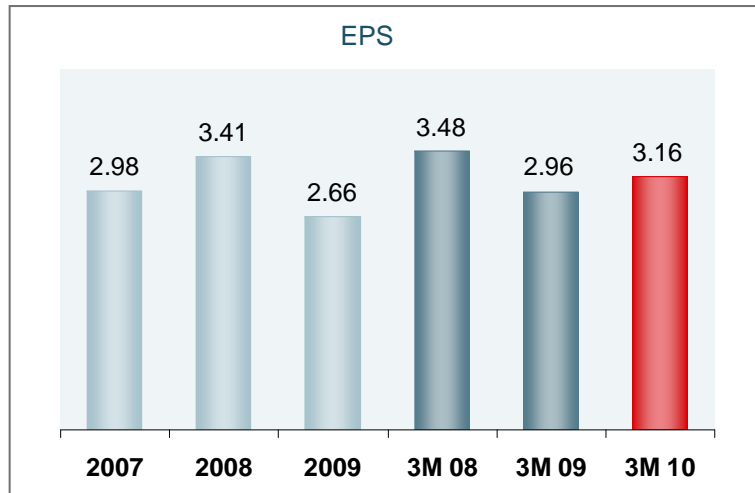
APPENDIX



3M 2010 Financial Highlights (I)



3M 2010 Financial Highlights (II)



3M 2010 Income Statement

IFRS (€mn)

APPENDIX

€mn	3M 2010	3M 2009	+/-%
1. Gross premiums written	2,531.0	2,345.4	7.9
2. Net earned premiums	2,047.2	1,798.2	13.8
3. Financial result	310.4	238.2	30.3
4. Other income	32.4	41.2	-21.3
Total income	2,389.9	2,077.6	15.0
6. Expenses for claims and insurance benefits	-1,727.8	-1,473.1	17.3
7. Operating expenses	-447.6	-409.9	9.2
8. Other expenses	-81.1	-73.8	9.9
Total expenses	-2,256.5	-1,956.8	5.2
Profit before taxes	133.4	120.8	10.4
Taxes	-24.2	-21.8	10.9
Net profit before minorities (Profit for the period)	109.3	99.0	10.3
Minorities	-8.0	-4.3	88.5
Net profit after minorites	101.2	94.8	6.8

3M 2010 Balance Sheet

IFRS (€mn)

APPENDIX

€mn	3M 2010	YE 2009	+/-%
Intangible assets	1,993	1,975	0.9
Investments	26,850	25,894	3.7
Unit- and index-linked investments	5,017	4,628	8.4
Reinsurers' share in underwriting provisions	1,205	1,117	7.9
Receivables	1,760	1,563	12.6
Tax receivables and advance payments out of income tax	107	111	-3.8
Deferred tax assets	108	122	-12.0
Other assets	369	376	-1.9
Cash and cash equivalents	376	485	-22.3
Total assets	37,785	36,272	4.2
Shareholders' equity	4,852	4,629	4.8
<i>thereof minorities</i>	299	289	3.2
Subordinated liabilities	546	545	0.0
Underwriting provisions	23,561	22,578	4.4
Unit- and index-linked technical provisions	4,800	4,376	9.7
Non-underwriting provisions	547	585	-6.5
Liabilities	2,965	3,052	-2.9
Tax liabilities out of income tax	116	112	3.4
Deferred tax liabilities	166	160	4.0
Other liabilities	231	234	-1.5
Total liabilities and equity	37,785	36,272	4.2

3M 2010 P&L– Gross Written Premiums

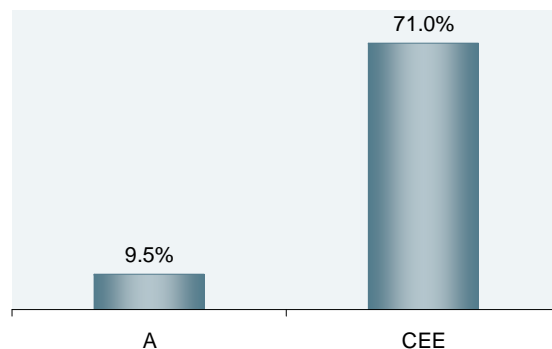
Growth with different dynamics in various markets (€mn)

APPENDIX

€mn	GWP Non-life			GWP Life			Total		
	3M 2010	3M 2009	+/-%	3M 2010	3M 2009	+/-%	3M 2010	3M 2009	+/-%
Austria	698.8	698.3	0.1	602.3	546.4	10.2	1,301.1	1,244.6	4.5
Czech Rep.	285.1	273.5	4.2	169.4	131.0	29.3	454.5	404.5	12.4
Slovakia	101.6	114.3	-11.1	80.1	71.9	11.4	181.8	186.2	-2.4
Poland	134.9	84.2	60.1	41.8	58.9	-28.9	176.7	143.1	23.5
Romania	121.4	151.5	-19.9	26.0	16.4	59.1	147.4	167.8	-12.2
Other CEE	106.6	114.2	-6.7	44.7	43.0	4.1	151.3	157.2	-3.8
Other	20.5	20.2	1.7	97.7	21.8	347.7	118.2	42.0	181.4
Total	1,468.9	1,456.2	0.9	1,062.1	889.3	19.4	2,531.0	2,345.4	7.9

- ▶ Austria: competitive motor market, but stable non-motor non-life business; life benefiting from single premiums
- ▶ Slovakia: more selective underwriting
- ▶ Romania: dynamic banking distribution in life
- ▶ Other CEE: competitive motor markets and low demand for new cars

s Versicherung Group life business (yoy)

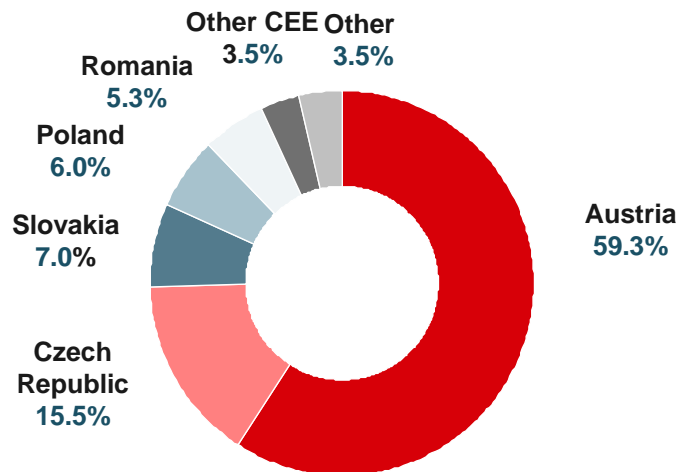


- ▶ Regular premium growth of 47.9% in CZ mainly driven by impressive unit-linked business
- ▶ Also Hungary showing double-digit (22.1%) premium development
- ▶ In Romania, banking distribution volume more than doubled
- ▶ Overall, excellent double-digit premium increase of 19.0% in s Versicherung Group

Basis of business origination substantially widened

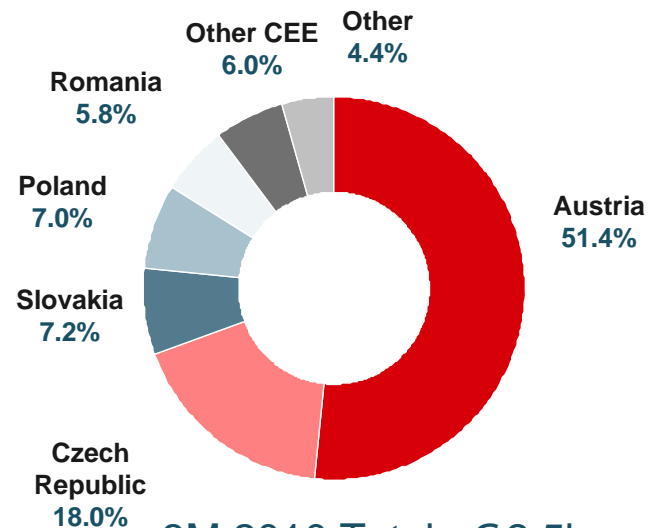
APPENDIX

GWP by Geography 3M 07



3M 2007 Total: € 2.0bn

GWP by Geography 3M 10



3M 2010 Total: € 2.5bn

- ▶ V.I.G. has gained a much wider geographical scope of premium origination within a relatively short period
- ▶ Non-life business (60%) still dominates portfolio (influenced by CEE, in Austria even split)

3M 2010 – Expenses for Claims Incurred

Loss ratio better despite weather induced damage in CEE

APPENDIX

- ▶ Group loss ratio (net) at 65.3% (66.0% in 3M 2009)
- ▶ Austrian loss ratio saw slight decrease by 0.3% pts
- ▶ Czech Republic saw loss ratio up by 8.7% pts to 67.4% as a consequence of adverse weather conditions
- ▶ In Slovakia loss ratio down by 5.7% pts to 55.8% (on YE 2009 level) due to more selective underwriting and claims management improvements
- ▶ Poland increasing by 7.7% pts to 72.4% due to exceptional claims frequency from severe winter weather conditions
- ▶ Romania saw decrease of claims ratio by 25.7% pts to 63.3% reflecting increased motor tariffs, introduction of deductibles and more favourable FX development
- ▶ Other CEE up by 4.1% pts at 63.5% mainly from motor business

€mn	P&C	
	3M 2010	3M 2009
Net Earned Premiums:	918.4	848.2
Expenses for Claims Incurred:	599.8	559.7
Ratio	65.3%	66.0%

3M 2010 – Operating Expenses

Cost ratio up due to higher net retentions and FX effects

APPENDIX

- ▶ Group cost ratio (net) increasing by 1.7% pts to reach 32.2%
- ▶ Cost ratio in Austria slightly increasing by 0.8% to 29.6% due to acquisition costs; administration costs down by 0.5% pts
- ▶ Costs in the Czech Republic reduced by 3.8% pts to 27.4% thanks to efficiency programme and lower acquisition costs in non-life
- ▶ Cost ratio in Slovakia down by 0.3% pts at 40.3% due to efficiency programme
- ▶ Poland showing stable cost ratio of 35.1%
- ▶ Romania recording increase of 15.4% pts to 34.8% driven by FX effects from EUR-denominated policies; administration costs down by 1.0% pts
- ▶ Cost ratio in Other CEE up by 1.1% pts at 42.7%

€mn	P&C	
	3M 2010	3M 2009
Net Earned Premiums:	918.4	848.2
Operating Expenses:	295.6	258.3
Ratio	32.2%	30.5%

3M 2010 P&L Major Items – Financial Result

Sound financial result

APPENDIX

Income	P&C		Life		Health		Total	
in €'000	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009
Current income	41,258	42,076	249,920	269,588	9,634	9,317	300,812	320,981
Income from appreciations	6,207	2,299	25,383	22,664	206	6,055	31,796	31,018
Income from the disposal of investments	39,468	31,068	32,036	110,524	1,539	6,977	73,043	148,569
Other income	1,306	508	6,620	9,243	1	2,003	7,927	11,754
Total Income	88,239	75,951	313,959	412,019	11,380	24,352	413,578	512,322

Expenses	P&C		Life		Health		Total	
in €'000	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009
Depreciation of investments	4,606	9,761	25,263	61,514	1,097	867	30,966	72,142
Impairment of investments	2,892	8,592	4,140	57,862	2,605	4,058	9,637	70,512
Exchange rate changes	12	-5,957	-1,134	-7,545	4	1	-1,118	-13,501
Losses from the disposal of investments	3,105	2,750	8,943	73,460	359	18,265	12,407	94,475
Interest expenses	6,405	5,770	18,877	19,670	1,529	1,731	26,811	27,171
Other expenses	3,649	2,014	19,806	20,543	1,056	813	24,511	23,370
Total Expenses	20,669	22,930	75,895	225,504	6,650	25,735	103,214	274,169

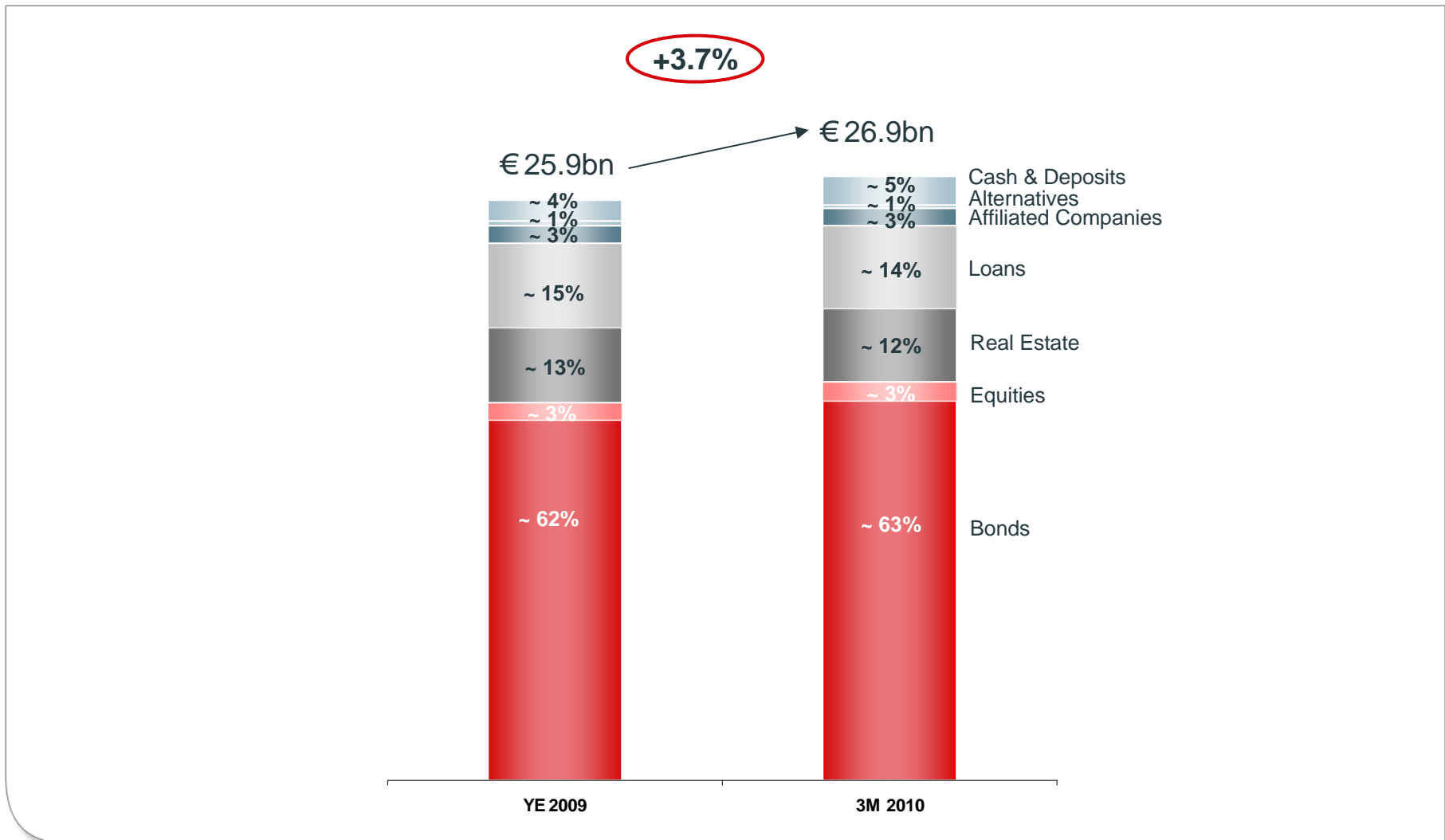
Total Financial Result	67,570	53,021	238,064	186,515	4,730	-1,383	310,364	238,153
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- ▶ Lower income from disposal more than balanced by substantial drop in depreciation, impairments and losses from disposal, resulting in 30% total increase of financial result

3M 2010 Investment Split

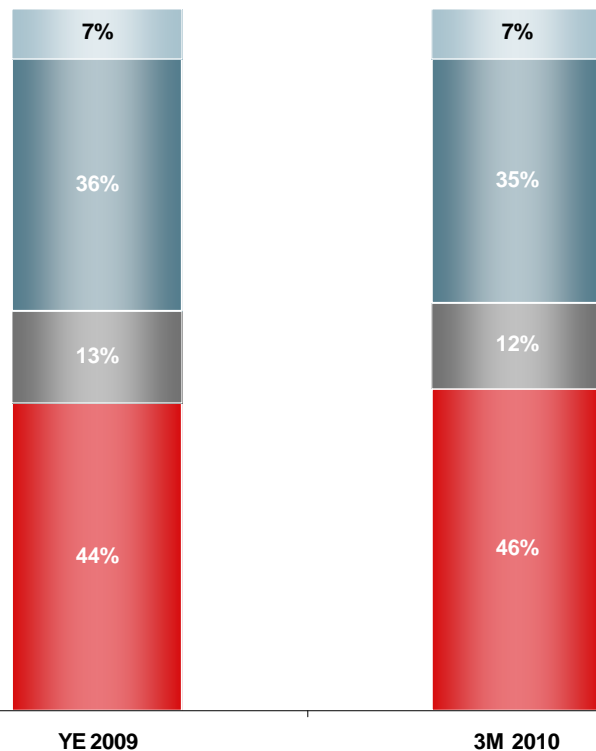
V.I.G. follows a consistent investment approach

APPENDIX

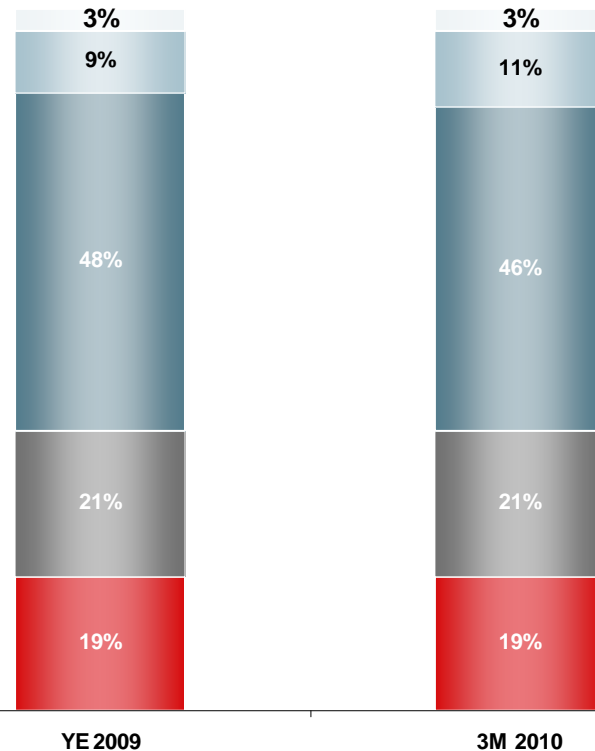


Development of Bond Portfolio

By Issuer



By Rating



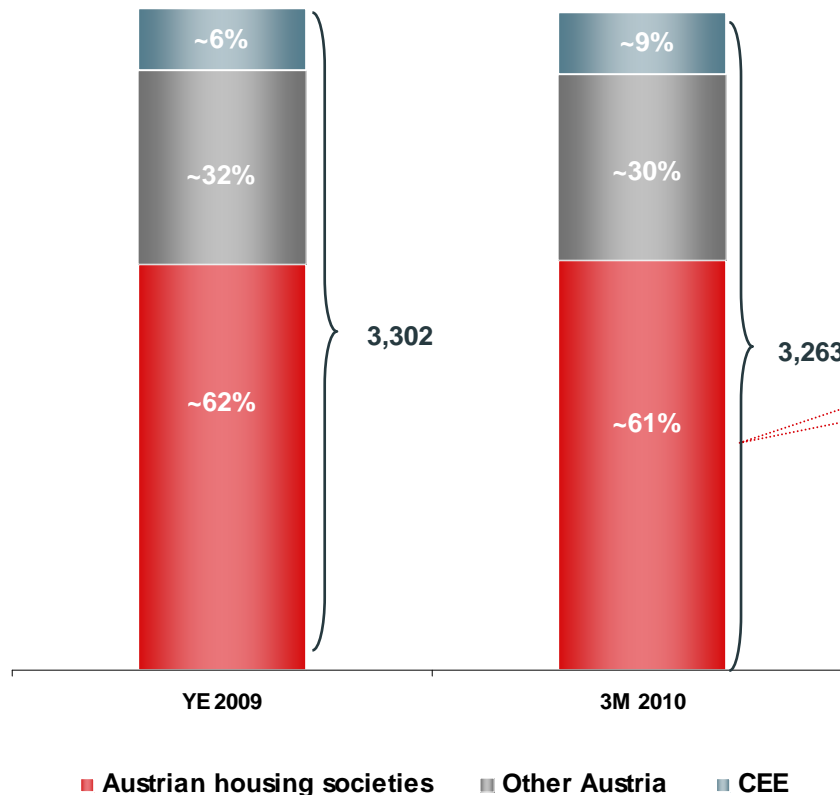
- Government¹
- Pfandbriefe/Covered Bonds
- Financials
- Corporates

- AAA
- AA
- A
- BBB
- Other

1: Government and government guaranteed

Composition of Real Estate

Real Estate (€mn)



- ▶ More than 60% of real estate with regulated Austrian housing societies
- ▶ Entities are governed by a specific legal framework
- ▶ Rents are subsidised by government => low vacancies
- ▶ Residents are V.I.G. insurance clients

- ▶ 91% of total portfolio invested in Austria, remaining 9% invested in CEE, mainly used by V.I.G. (offices)
- ▶ Hidden reserves (market value over book value) of more than €400mn

3M 2010 P&L – Business Segments

Property & Casualty, IFRS (€mn)

APPENDIX

€mn	3M 2010	3M 2009	+/-%
1. Gross premiums written	1,384.1	1,372.3	0.9
2. Net earned premiums	918.4	848.2	8.3
3. Financial result	67.6	53.0	27.4
4. Other income	8.6	26.0	-66.9
Total income	994.6	927.3	7.3
6. Expenses for claims and insurance benefits	-599.8	-559.7	7.2
7. Operating expenses	-265.1	-239.7	10.6
8. Other expenses	-43.3	-46.2	-6.2
Total expenses	-908.2	-845.6	7.4
Profit before taxes	86.3	81.7	5.7

3M 2010 P&L – Business Segments

Life, IFRS (€mn)

APPENDIX

€mn	3M 2010	3M 2009	+/-%
1. Gross premiums written	1,062.1	889.3	19.4
2. Net earned premiums	1,047.4	869.7	20.4
3. Financial result	238.1	186.5	27.6
4. Other income	23.8	15.2	56.8
Total income	1,309.3	1,071.4	22.2
6. Expenses for claims and insurance benefits	-1,060.9	-847.8	25.1
7. Operating expenses	-173.3	-161.4	7.3
8. Other expenses	-37.6	-27.5	36.9
Total expenses	-1,271.7	-1,036.7	22.7
Profit before taxes	37.6	34.7	8.2

3M 2010 P&L – Business Segments

Health, IFRS (€mn)

APPENDIX

€mn	3M 2010	3M 2009	+/-%
1. Gross premiums written	84.8	83.9	1.0
2. Net earned premiums	81.3	80.3	1.3
3. Financial result	4.7	-1.4	n/a
4. Other income	0.0	0.0	n/a
Total income	86.0	78.9	9.1
6. Expenses for claims and insurance benefits	-67.1	-65.6	2.3
7. Operating expenses	-9.2	-8.8	5.4
8. Other expenses	-0.1	-0.1	10.8
Total expenses	-76.5	-74.5	2.7
Profit before taxes	9.5	4.4	>100

3M 2010 P&L – Split by Regions (I)

Regional segments, IFRS (€mn)

APPENDIX

€mn	Austria			Czech Republic		
	3M 2010	3M 2009	+/-%	3M 2010	3M 2009	+/-%
1. Gross premiums written	1,301.1	1,244.6	4.5	454.5	404.5	12.4
2. Net earned premiums	980.7	934.1	5.0	392.6	320.6	22.5
3. Financial result	232.6	167.5	38.9	29.1	13.9	>100
4. Other income	2.5	2.4	5.2	3.6	6.3	-43.6
Total income	1,215.8	1,104.0	10.1	425.3	340.8	24.8
6. Expenses for claims/benefits	-970.4	-851.7	13.9	-277.0	-212.1	30.6
7. Operating expenses	-166.9	-164.0	1.8	-98.7	-87.5	12.8
8. Other expenses	-8.3	-11.1	-25.0	-18.1	-17.0	6.6
Total expenses	-1,145.6	-1,026.8	11.6	-393.8	-316.6	24.4
Profit before taxes	70.3	77.3	-9.0	31.5	24.2	30.0
Combined Ratio	94.3%	93.8%		94.8%	89.9%	

3M 2010 P&L – Split by Regions (II)

Regional segments, IFRS (€mn)

APPENDIX

€mn	Slovakia			Poland			Romania		
	3M 2010	3M 2009	+/-%	3M 2010	3M 2009	+/-%	3M 2010	3M 2009	+/-%
1. Gross premiums written	181.8	186.2	-2.4	176.7	143.1	23.5	147.4	167.8	-12.2
2. Net earned premiums	147.7	139.6	5.8	157.1	131.9	19.1	135.2	129.1	4.7
3. Financial result	10.8	8.8	23.7	16.5	6.6	>100	4.9	17.5	-72.0
4. Other income	1.1	1.4	-24.6	1.2	1.2	3.5	4.2	16.0	-73.6
Total income	159.6	149.8	6.5	174.8	139.7	25.1	144.3	162.5	-11.2
6. Expenses for claims/benefits	-114.2	-108.8	5.0	-96.5	-79.7	21.1	-89.8	-112.5	-20.2
7. Operating expenses	-25.1	-26.5	-5.5	-68.7	-50.1	37.0	-38.3	-40.0	-4.3
8. Other expenses	-10.2	-9.6	6.6	-2.4	-3.6	-31.4	-8.8	-3.8	>100
Total expenses	-149.5	-144.9	3.2	-167.6	-133.4	25.7	-136.9	-156.3	-12.4
Profit before taxes	10.1	4.9	>100	7.2	6.3	14.0	7.4	6.3	18.1
Combined Ratio	96.1%	102.1%		107.4%	99.2%		98.1%	108.4%	

3M 2010 P&L – Split by Regions (III)

Regional segments, IFRS (€mn)

APPENDIX

€mn	Other CEE			Other			TOTAL		
	3M 2010	3M 2009	+/-%	3M 2010	3M 2009	+/-%	3M 2010	3M 2009	+/-%
1. Gross premiums written	151.3	157.2	-3.8	118.2	42.0	>100	2,531.0	2,345.4	7.9
2. Net earned premiums	119.3	111.0	7.5	114.7	31.9	>100	2,047.2	1,798.2	13.8
3. Financial result	12.4	19.4	-36.3	4.1	4.6	-10.5	310.4	238.2	30.3
4. Other income	2.4	3.2	-23.1	17.4	10.7	62.1	32.4	41.2	-21.3
Total income	134.1	133.6	0.4	136.1	47.2	>100	2,389.9	2,077.6	15.0
6. Expenses for claims/benefits	-81.4	-85.3	-4.6	-98.6	-22.9	>100	-1,727.8	-1,473.1	17.3
7. Operating expenses	-42.1	-36.4	15.6	-7.9	-5.4	47.5	-447.6	-409.9	9.2
8. Other expenses	-7.8	-14.4	-45.6	-25.4	-14.5	75.6	-81.1	-73.8	9.9
Total expenses	-131.3	-136.1	-3.5	-131.9	-42.7	>100	-2,256.5	-1,956.8	15.3
Profit before taxes	2.8	-2.5	n/a	4.2	4.4	-4.7	133.4	120.8	10.4
Combined Ratio	106.2%	100.9%		88.8%	78.5%		97.5%	96.4%	

3M 2010 Results by Country

IFRS (€mn)

APPENDIX

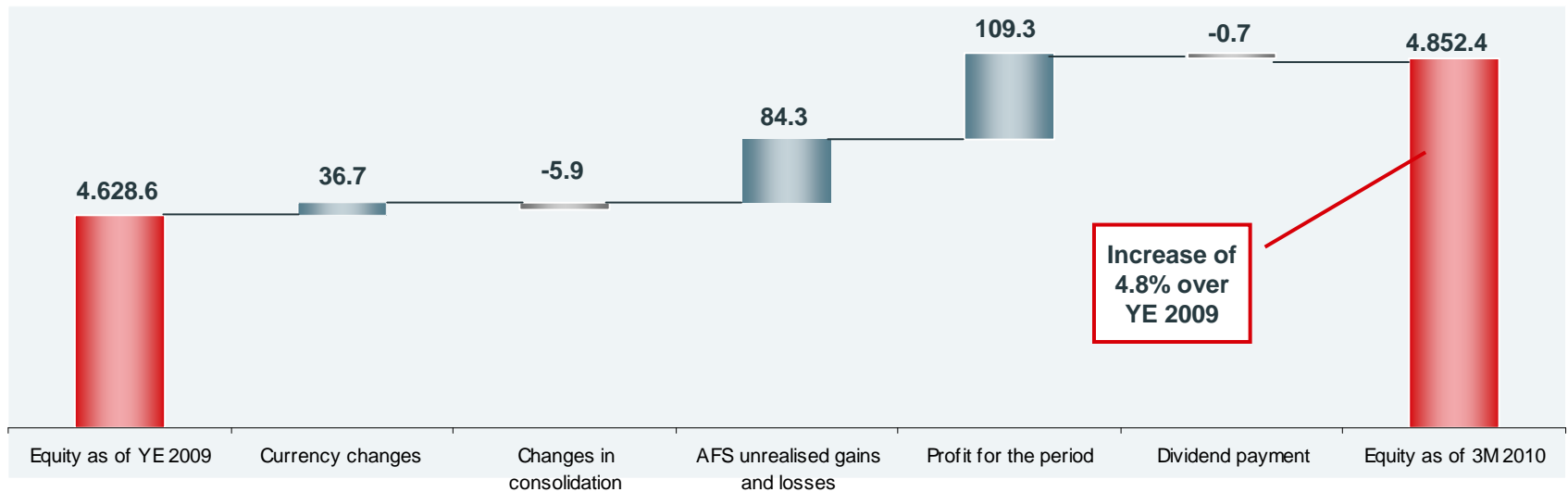
€mn	GWP Non-Life		Life GWP		GWP Total		Profit before Taxes		Net Combined Ratio	
	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009
Austria	698.8	698.3	602.3	546.4	1,301.1	1,244.6	70.3	77.3	94.3%	93.8%
Czech Rep.	285.1	273.5	169.4	131.0	454.5	404.5	31.5	24.2	94.8%	89.9%
Slovakia	101.6	114.3	80.1	71.9	181.8	186.2	10.1	4.9	96.1%	102.1%
Poland	134.9	84.2	41.8	58.9	176.7	143.1	7.2	6.3	107.4%	99.2%
Romania	121.4	151.5	26.0	16.4	147.4	167.8	7.4	6.3	98.1%	108.4%
Other CEE	106.6	114.2	44.7	43.0	151.3	157.2	2.8	-2.5	106.2%	100.9%
<i>Hungary</i>	14.5	28.2	17.6	16.1	32.2	44.3	1.3	0.7	101.6%	92.0%
<i>Croatia</i>	12.7	13.2	14.5	13.9	27.2	27.2	2.2	-7.3	106.6%	105.7%
<i>Serbia</i>	6.3	6.6	4.6	4.6	11.0	11.2	1.1	1.1	93.3%	115.6%
<i>Bulgaria</i>	41.4	44.4	3.4	3.4	44.8	47.8	-0.6	2.0	105.6%	99.0%
<i>Ukraine</i>	4.7	5.1	0.2	0.2	5.0	5.3	-0.7	0.2	131.1%	107.7%
<i>Turkey</i>	20.5	16.7	-	-	20.5	16.7	-1.3	0.6	114.3%	100.1%
<i>Baltics</i>	-	-	4.3	4.7	4.3	4.7	0.4	0.2	-	-
<i>Albania</i>	5.2	-	-	-	5.2	-	0.5	-	91.3%	-
<i>Macedonia</i>	1.1	-	-	-	1.1	-	0.1	-	96.6%	-
Other	20.5	20.2	97.7	21.8	118.2	42.0	4.2	4.4	88.8%	78.5%
<i>Liechtenstein</i>	-	-	83.3	8.2	83.3	8.2	0.3	0.2	-	-
<i>Germany</i>	20.5	20.2	14.4	13.6	34.9	33.8	3.9	4.2	88.8%	78.5%
Total	1,468.9	1,456.2	1,062.1	889.3	2,531.0	2,345.4	133.4	120.8	97.5%	96.4%

3M 2010 Shareholders' Equity

Shareholders' equity supports strong capitalisation

APPENDIX

Change in Group Shareholders' Equity (€mn)



Change in Group Shareholders' Equity

IFRS (€ '000)

APPENDIX

	1.1. - 31.03.2010	1.1. - 31.03.2009
Equity as of 1 January	4,628,573	4,138,790
Exchange rate changes	36,714	-40,170
Changes in scope of consolidation	-5,879	7,780
Capital increase	-	-
Unrealised gains and losses from financial instruments available for sale	84,339	-29,085
Profit for the period	109,263	99,019
Dividend payment	-660	-640
Equity as of 31 March	4,852,350	4,175,694

Life Insurance Premium Split

IFRS (€mn)

APPENDIX

Premiums written - direct business	3M 2010	3M 2009	+/- %
Regular premiums	566.6	571.3	-0.8%
Single premiums	491.3	317.9	54.5%
Total premiums written - direct business	1,057.9	889.2	19.0%
thereof:			
Policies with profit participation	549.5	471.9	16.4%
Policies without profit participation	77.1	87.8	-12.1%
unit- and index-linked life insurance	431.2	329.5	30.9%
thereof:			
Individual insurance	1,002.5	835.1	20.0%
Group insurance	55.4	54.2	2.3%

3M 2010 Exchange Rates

National currency unit per EUR

APPENDIX

3M 2010			
Country	Curr.	Balance Sheet EUR	P & L EUR
Bulgaria	EUR/BGN	1.9558	1.9558
Croatia	EUR/HRK	7.2638	7.2849
Estonia	EUR/EEK	15.6466	15.6466
Liechtenstein	EUR/CHF	1.4276	1.4632
Poland	EUR/PLN	3.8673	3.9869
Romania	EUR/RON	4.0970	4.1135
Serbia	EUR/CSD	99.7606	98.6690
Slovakia	EUR/SKK	-	-
Czech Republik	EUR/CZK	25.4400	25.8681
Hungary	EUR/HUF	265.7525	268.5140
Turkey	EUR/TRY	2.0512	2.0866
Ukraine	EUR/UAH	10.6845	11.0323
Albania	EUR/ALL	139.0492	139.0067
Macedonia	EUR/MKD	61.5199	61.4643

3M 2009	
Balance Sheet EUR	P & L EUR
1.9558	1.9558
7.4769	7.4116
15.6466	15.6466
1.5152	1.4977
4.6885	4.4988
4.2385	4.2682
94.7777	94.2267
-	-
27.3880	27.6008
308.1759	294.1869
2.2212	2.1635
308.1759	294.1869
131.0204	129.0539
61.4134	61.4130

Group Embedded Value 2009

Results (€mn)

APPENDIX

	L&H		P&C		Total	
	2009	2008(*)	2009	2008(*)	2009	2008(*)
Austria / Germany						
Free Surplus	227.6	351.0				
Required Capital	356.7	320.5				
ANAV	584.2	671.4	73.3	164.4	657.6	835.8
PVFP	1,440.3	1,304.8			1,440.3	1,304.8
- TVFOG	-180.2	-199.8			-180.2	-199.8
- CoC/FCRC	-55.4	-43.9			-55.4	-43.9
- CRNHR	-104.8	-73.6			-104.8	-73.6
VIF	1,099.9	987.4			1,099.9	987.4
Subtotal A/G	1,684.2	1,658.9	73.3	164.4	1,757.5	1,823.3
CEE						
Free Surplus	301.7	242.8				
Required Capital	147.6	135.4				
ANAV	449.3	378.2	1,734.4	1,541.4	2,183.7	1,919.6
PVFP	740.2	622.3			740.2	622.3
- TVFOG	-46.5	-47.2			-46.5	-47.2
- CoC/FCRC	-15.8	-15.8			-15.8	-15.8
- CRNHR	-33.8	-38.2			-33.8	-38.2
VIF	644.1	521.0			644.1	521.0
Subtotal CEE	1,093.3	899.2	1,734.4	1,541.4	2,827.7	2,440.6
Total	2,777.5	2,558.0	1,807.7	1,705.8	4,585.3	4,263.9

(*) The results shown above for 2008 are after restatement

Comments

- ▶ All results based on local GAAP
- ▶ GEV reflects amounts deemed to be distributable to shareholders
- ▶ ANAV for P&C includes Surplus in Claims Reserves based on undiscounted, actuarial best estimates of claims payments
- ▶ EEV based on stochastic cashflow projections using market consistent capital market scenarios and allows for management actions (e.g. in respect of profit participation and asset allocation) and policyholder behaviour
- ▶ TEV based on deterministic projections
- ▶ Assumed policyholder profit participation allows for local supervisory laws and contractual agreements and current company practice
- ▶ Best estimate actuarial assumptions for expenses, mortality, etc

Scope of GEV-Reporting:

- ▶ Group Embedded Value (GEV) calculated as Life & Health (L&H) EEV or TEV plus Adjusted Net Asset Value (ANAV) for Property & Casualty (P&C)
- ▶ PCS in Czech Republic and PSLSP in Slovakia: Change from TEV to EEV;
- ▶ Methodology, assumptions and calculations reviewed by B&W Deloitte GmbH, Cologne

Group Embedded Value 2009

Return on Adjusted Embedded Value (€mn)

APPENDIX

	L&H		P&C		Total	
Austria / Germany						
EV Dec 31, 2009	1,684.2		73.3		1,757.5	
EV Dec 31, 2008 Reported	1,670.3		151.4		1,821.7	
EV Dec 31, 2008 Restated	1,658.9		164.4		1,823.3	
EV Dec 31, 2008 Restated and Adjusted	1,516.8		-16.1		1,500.7	
Dividends	-58.9		-186.7		-245.6	
Closing Adjustments	-11.0		-23.8		-34.8	
<i>Return on EV</i>	178.4	11.8%	113.2	>100%	291.6	19.4%
CEE						
EV Dec 31, 2009	1,093.3		1,734.4		2,827.7	
EV Dec 31, 2008 Reported	969.1		1,371.6		2,340.7	
EV Dec 31, 2008 Restated	899.2		1,541.4		2,440.6	
EV Dec 31, 2008 Restated and Adjusted	901.5		1,572.0		2,473.5	
Dividends	-3.1		-7.3		-10.4	
Closing Adjustments	12.8		21.9		34.7	
<i>Return on EV</i>	179.0	19.9%	140.5	8.9%	319.5	12.9%
Return on Total GEV	357.4	14.8%	253.7	16.3%	611.1	15.4%

In YE 2009 P&C surplus in claims reserve remained stable at €439.8mn

Change in Methodology and Assumptions

- ▶ The reference interest rates used for the EEV calculations are based on the corresponding swap rates at December 31, 2009 and include a liquidity spread of 25 bp for all terms
- ▶ Volatilities used to calibrate the economic scenario generator are based on market implied volatilities as at December 31, 2009
- ▶ All results shown after minorities and tax
- ▶ GEV allows for all consolidation effects

Group Embedded Value 2009

New Business Values (€mn)

APPENDIX

	L&H		
	2009	2008(*)	+ / - %
Austria / Germany			
NBV	51.0	62.8	-18.8%
APE	203.8	259.1	
<i>APE-Ratio</i>	25.0%	24.2%	3.2%
PVNBP	1,991.1	2,529.8	
<i>PVNBP-Ratio</i>	2.6%	2.5%	3.1%
CEE			
NBV	77.1	84.4	-8.7%
APE	184.9	211.1	
<i>APE-Ratio</i>	41.7%	40.0%	4.2%
PVNBP	1,186.8	1,250.7	
<i>PVNBP-Ratio</i>	6.5%	6.8%	-3.8%
NBV-Total	128.1	147.3	-13.0%
APE-Total	388.7	470.2	
<i>APE-Ratio Total</i>	32.9%	31.3%	5.2%
PVNBP-Total	3,177.9	3,780.5	
<i>PVNBP-Ratio Total</i>	4.0%	3.9%	3.5%

(*) The results shown above for 2008 are after restatement

Comments

- ▶ The NBV represents the value generated by new business sold during the reporting period.
- ▶ The NBV has decreased due to slowing down life insurance sales.
- ▶ Despite decreased NBV, the key indicators for profitability show a slight increase (APE-Ratio and PVNBP-Ratio).

V.I.G. Has Excellent CEE Market Position

V.I.G. an early mover in CEE

APPENDIX

Overview of Core Markets

Czech Rep.	Slovakia	Romania	Bulgaria
Pop.: 10.2 mn	Pop.: 5.4 mn	Pop.: 21.3 mn	Pop.: 7.6 mn
GDP/Cap.: \$ 23 k	GDP/Cap.: \$ 17 k	GDP/Cap.: \$ 10 k	GDP/Cap.: \$ 7 k
Density NL: \$ 478	Density NL: \$ 292	Density NL: \$ 132	Density NL: \$ 154
Density L: \$ 326	Density L: \$ 257	Density L: \$ 33	Density L: \$ 24
Market share: 32.5%	Market share: 31.5%	Market share: 29.3%	Market share: 17.0%

Croatia	Serbia	Poland	Hungary
Pop.: 4.6 mn	Pop.: 7.4 mn	Pop.: 38.0 mn	Pop.: 10.0 mn
GDP/Cap.: \$ 13 k	GDP/Cap.: \$ 7 k	GDP/Cap.: \$ 14 k	GDP/Cap.: \$ 17 k
Density NL: \$ 318	Density NL: \$ 111	Density NL: \$ 262	Density NL: \$ 236
Density L: \$ 113	Density L: \$ 15	Density L: \$ 381	Density L: \$ 266
Market share: 8.7%	Market share: 8.4%	Market share: 5.1%	Market share: 4.6%

Details

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

Source: Swiss RE 03/2009,

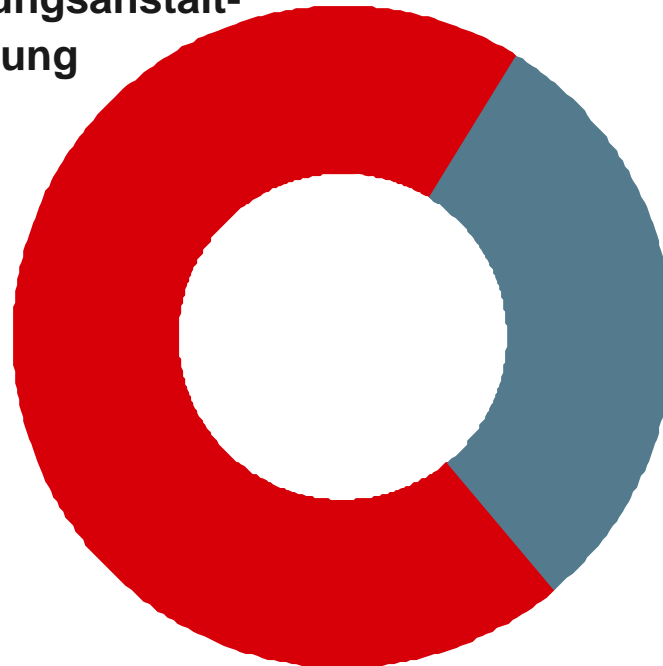
Market shares: data as of YE 2009 except for CZ as of 3M 2009

Shareholder Structure (I)

Total number of shares 128,000,000

APPENDIX

**Wiener Städtische
Wechselseitige Versicherungsanstalt-
Vermögensverwaltung**
~70 %

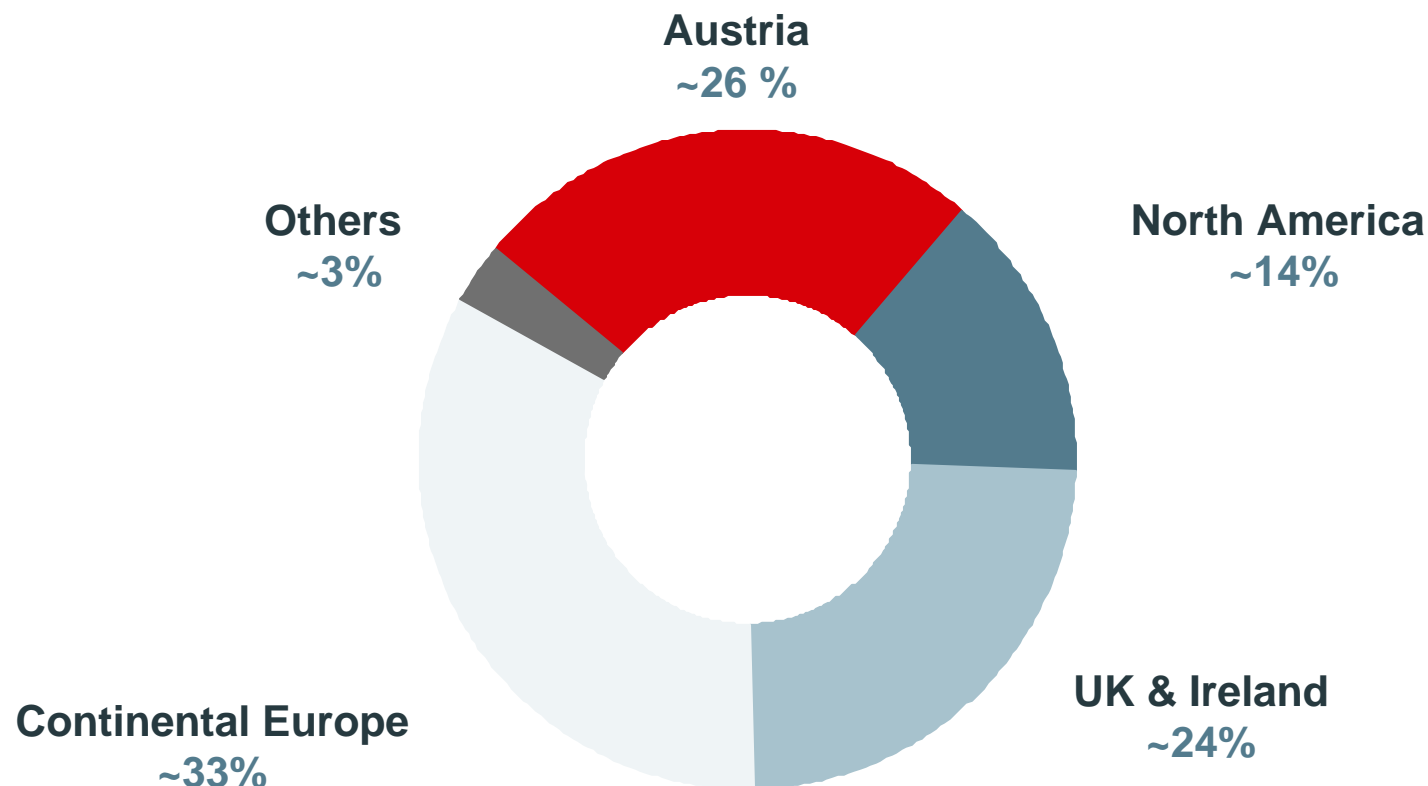


Free Float
~ 30 %

Shareholder Structure (II)

Free float split

APPENDIX



V.I.G. Share & Contact Details

Investor Relations

APPENDIX

V.I.G. Share

- ▶ Number of common shares
128mn
- ▶ ISIN
AT0000908504
- ▶ Listing

Vienna – since 17 Oct. 1994
Prague – since 5 Feb. 2008
- ▶ Ticker symbol
VIG
- ▶ Bloomberg
VIG AV / VIG CP
- ▶ Reuters
VIGR.VI / VIGR.PR

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