

Steady performance during and beyond crisis



## Roadshow Geneva & Brussels

21 - 22 October 2010

## **Insurance development over time**

Current management focus

Preparing for future take-off

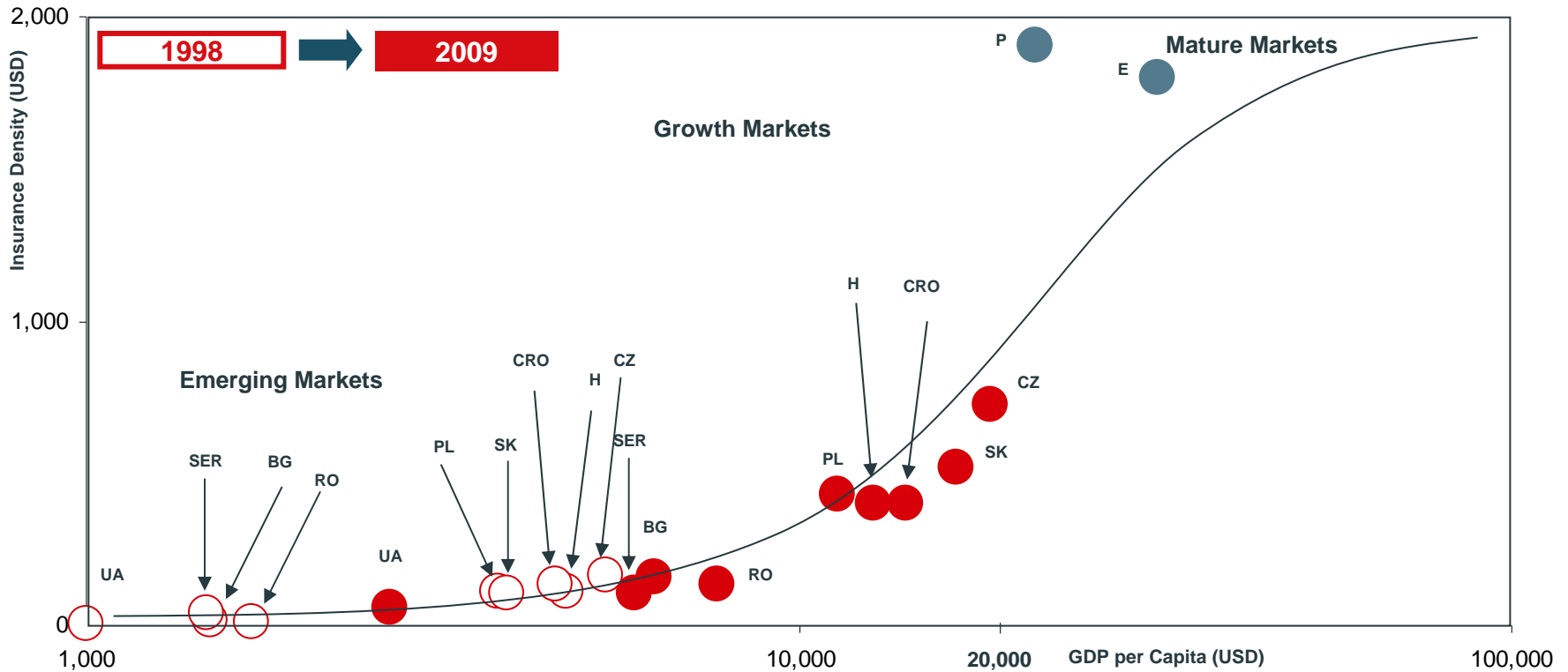
Sound financials

Appendix

# Development of Insurance Demand in CEE

GDP growth and underpenetration are insurance drivers

Insurance development over time



Insurance demand also strongly driven by catch-up process

# New Challenge for VIG

From exponential to steady growth in CEE

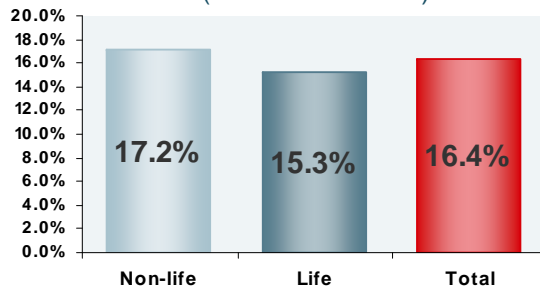
Insurance development over time

## 1990-2008

### Unique expansion in CEE

- ▶ Early mover in CEE due to potential and geographic proximity of emerging markets
- ▶ VIG grabbed lion share of market during demonopolisation of MTPL insurance and strong upturn of insurance demand in CEE
- ▶ Successful M&A policy when insurance markets were split up among international players
- ▶ Banking cooperation started when life picked up at last

VIG reported growth **pre crisis**  
(CAGR 2005-2008)



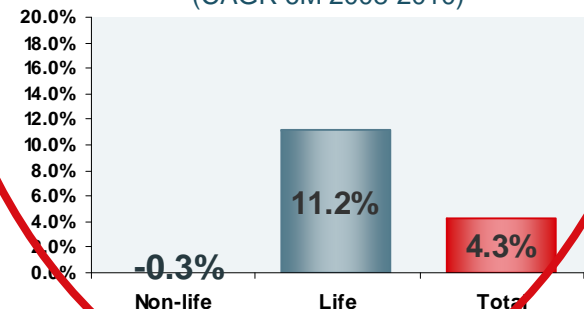
**New environment**

## 2009- ...

### Reengineering

- ▶ New Group structure to improve stewardship
- ▶ Focus on Group synergies and efficiency to increase performance
- ▶ Building a strong platform for the future

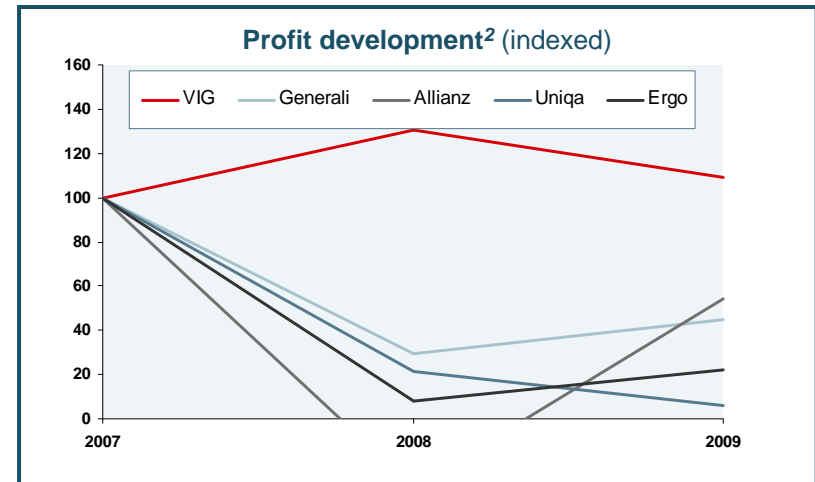
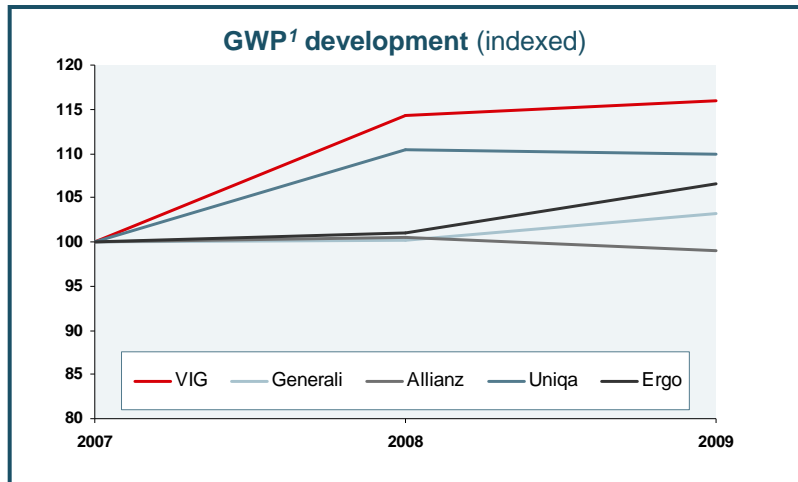
VIG reported growth **during crisis**  
(CAGR 6M 2008-2010)



# VIG with Sustainable Performance

Steady development during and beyond economic crises

Insurance development  
over time



1: Respective group premium development; 2: Respective group net income; Source: Group annual reports

Insurance development over time

**Current management focus**

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Sound financials

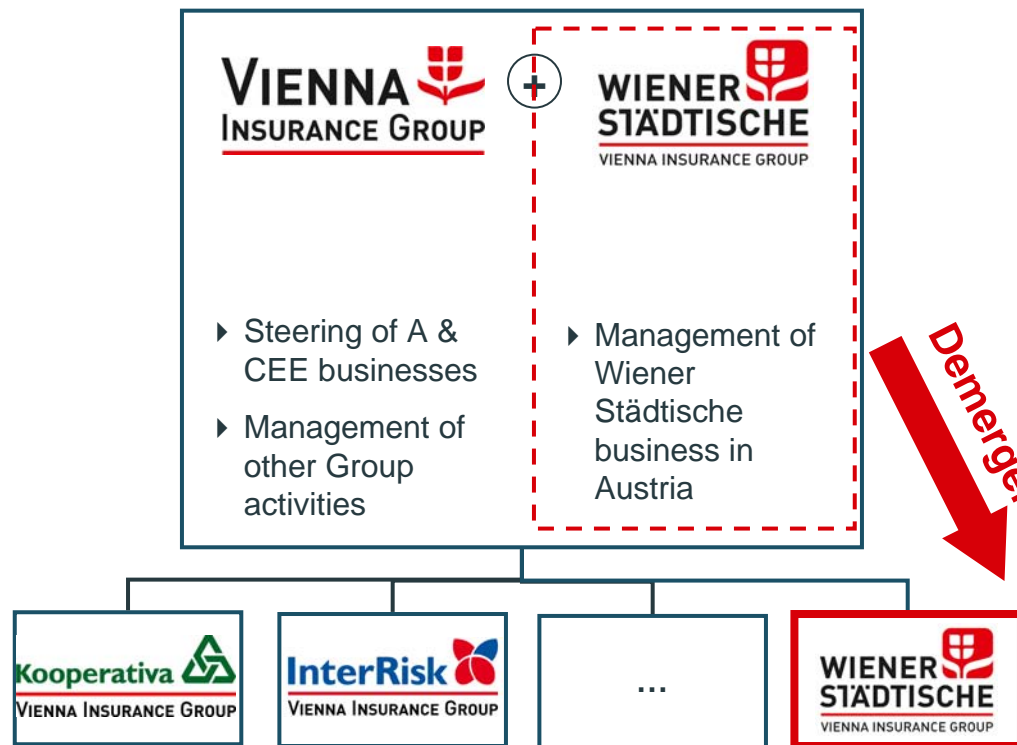
Appendix

# New Governance Structure

Improved Group transparency following demerger of WSTV

Current management focus

## Structure



## Details

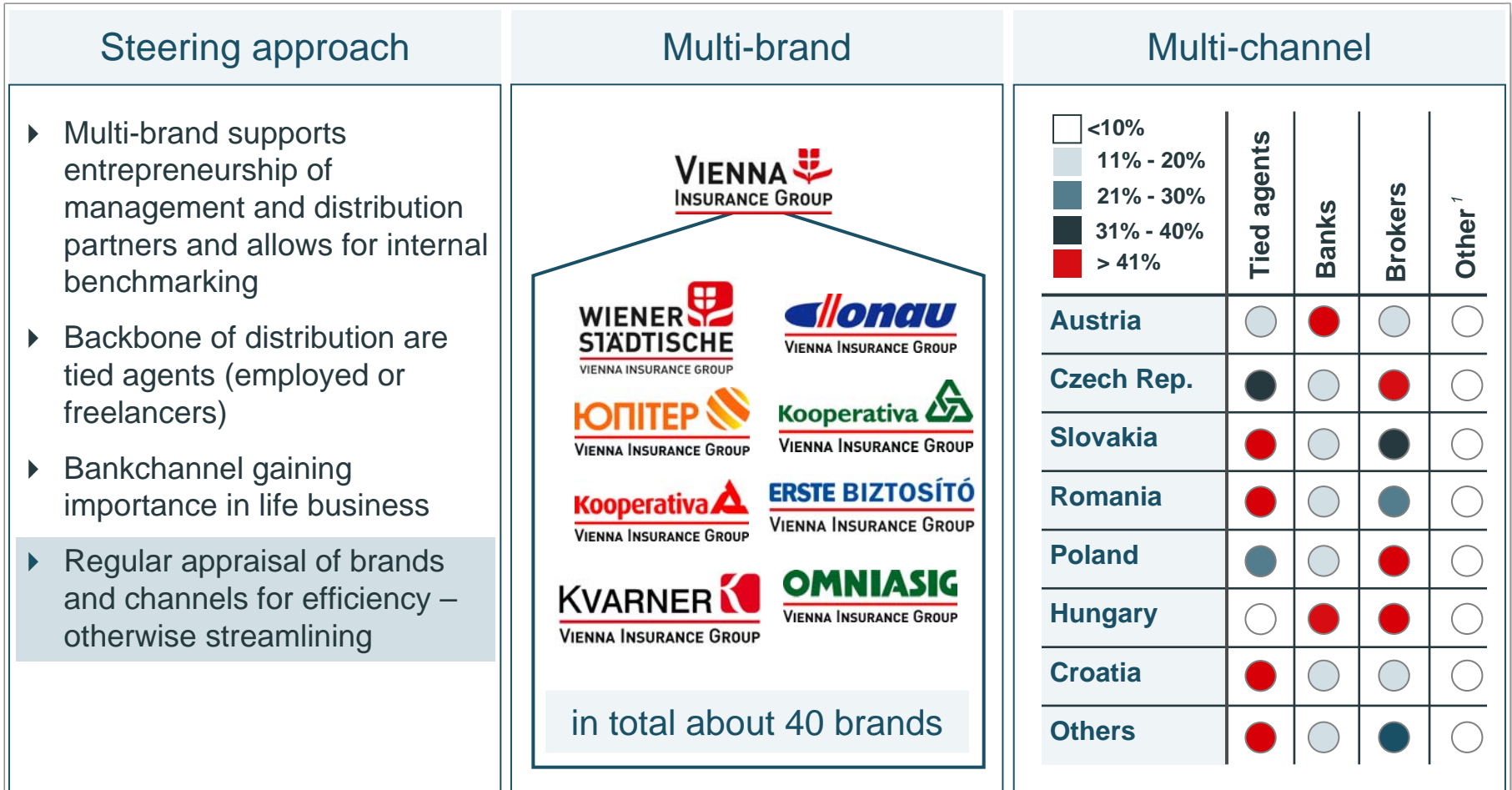
Evolving Group architecture reflects increasing importance of CEE business:

- ▶ **Change in corporate structure**
  - ▶ Local companies manage operating retail and SME business
  - ▶ Holding will also write direct and reinsurance business
- ▶ Transparency in order to improve steering in particular of risk and asset management
- ▶ Better benchmarking
- ▶ Clear-cut responsibilities between operational Austrian business and Group matters

# Adapted Management Focus (I)

Remain committed to proven fundamentals

Current management focus



Multi-brand and multi-channel remain success factors for VIIG

<sup>1</sup>: direct insurance, leasing, car dealers, affinity groups,...

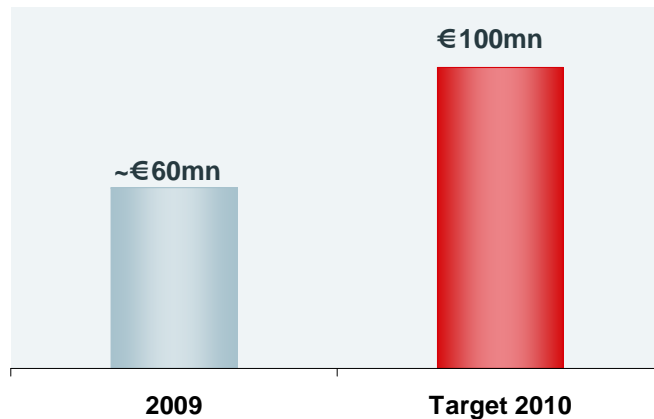


# Adapted Management Focus (II)

## Increasing efficiency and business diversification

Current management focus

### Efficiency



- ▶ Streamlining of regional head offices
- ▶ Bundling of operating and service departments
- ▶ Strengthening of central administration
- ▶ Reduction of overall non-personnel costs
- ▶ Cost savings measures to be continued in 2011
- ▶ Accelerated implementation of shared services concept to back up multi-brand approach in CEE
- ▶ Bundling of IT systems and procurement activities in CEE

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### Diversification

- 1 New focus on Life in CEE**
  - ▶ Cooperation with Erste Group
- 2 Geographic**
  - ▶ VIG present in markets with different dynamics
  - ▶ Ukraine recently declared new core market
- 3 Completion of product portfolio**
  - ▶ Pleasing start of VIGRe
  - ▶ Preparation for health insurance business in CEE
  - ▶ Launch of motor legal expenses insurance business in CZ, SK and PL

Insurance development over time

Current management focus

**Preparing for future take-off**

Sound financials

Appendix

# VIG – Building its Market Position (I)

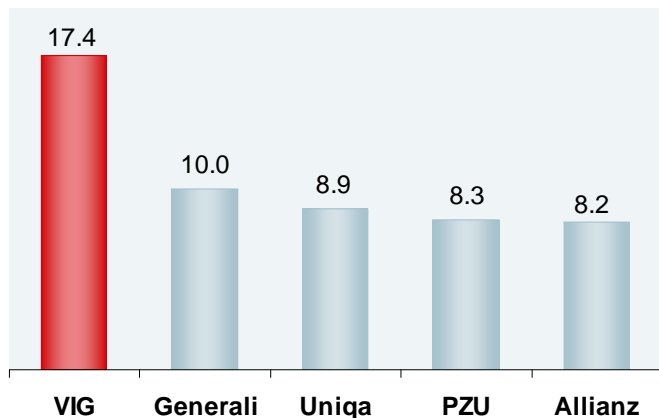
## Perfect timing for banking cooperation in CEE

Preparing for future take-off

### Cooperation s Versicherung

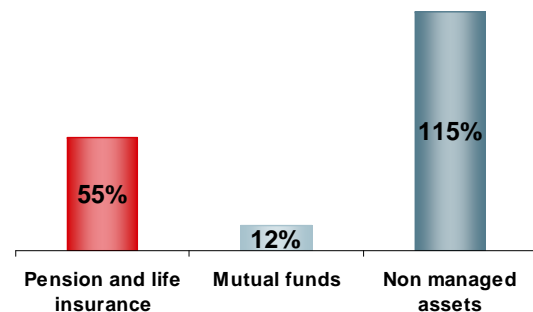
- ▶ S Versicherung shows strongest growth dynamic in CEE (=> more than 60% in 6M 2010), in CZ premium increase of 66.8%, in RO even more (~80%)
- ▶ Profitability of s Versicherung operations well ahead of schedule
- ▶ Banking distribution was paramount to become new no. 1 in Life core<sup>1</sup> markets

Market Share Life<sup>1</sup>

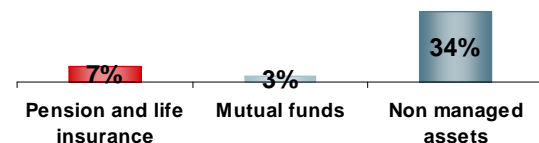


### Households' wealth composition<sup>2</sup>

Euro area (% of GDP, 2009)



CEE (% of GDP, 2009)



1: Austria, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia and Ukraine; National insurance associations of the respective countries as of 3M 2010 2: Source: Unicredit Group

# VIG – Building its Market Position (II)

## New core market & expansion into the Balkans

Preparing for future  
take-off

### Ukraine – on the path of economic recovery

- ▶ VIG is among leading insurers in the Ukraine
- ▶ Focus on retail business
- ▶ Current market share: 2.9%
- ▶ No. 4 market position

%	2009	2010f	2011f
Real GDP growth	-15.1	4.3	4.5
Unemployment rate	8.8	8.6	8.3
C/A (% of GDP)	-1.7	0.5	0.0
CPI	13.0	9.0	8.0
Budget balance (% GDP)	-6.3	-5.0	-4.0

#### Details of market<sup>1</sup>:

- ▶ Population: ~45.7mn
- ▶ GDP/Capita: ~\$ 2,700
- ▶ Density/Capita: \$ 57
- ▶ Penetration: 2.1%
- ▶ Market volume: ~ \$ 2.6bn

Source: Erste Group, 1: Sigma.02/2010,

### VIG in the Ukraine

- ▶ Ukrainian business will benefit from the take-over of the TBIH shares due to inclusion of UIG
- ▶ Pro-forma premium volume as of 6M 2010 increases from € 10mn to € 28mn due to inclusion of UIG

### Macedonia/Montenegro

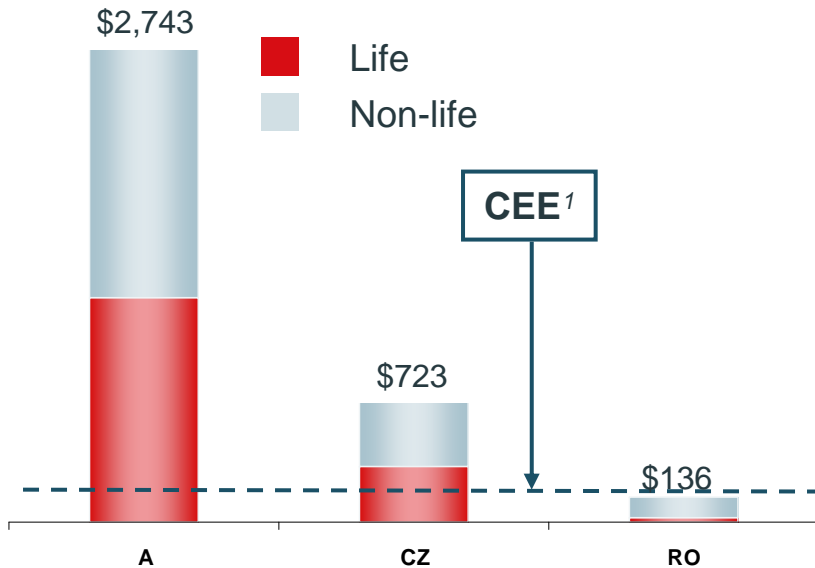
- ▶ Planning to set up a life insurance company in Macedonia in 2010
- ▶ Distribution of products via Erste Group subsidiary
- ▶ Further extension of partnership with Erste Group to 10 countries

# Potential to be Unleashed after the Crisis

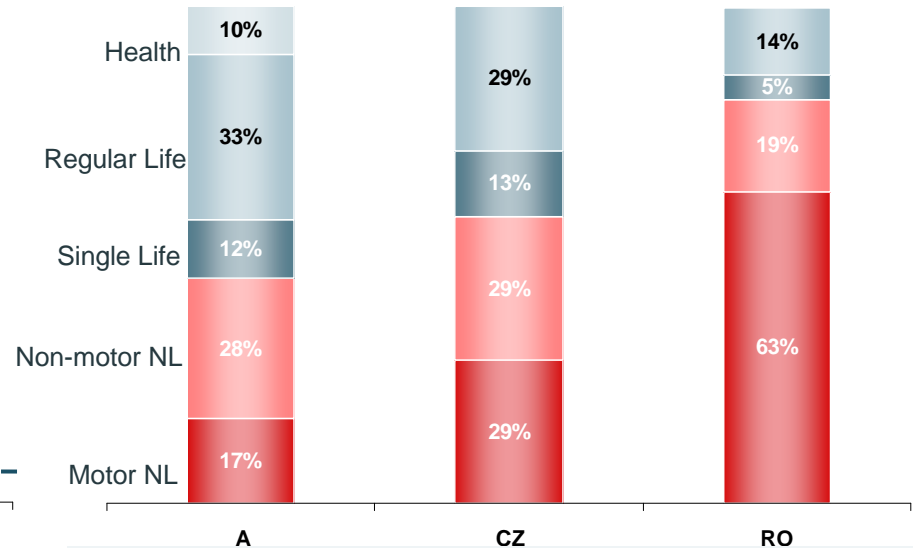
## Catch-up potential in CEE in non-life and life

Preparing for future take-off

### Insurance density 2009 (USD/per capita)



### Break down of business lines<sup>2</sup> (%)



#### Completion of product portfolio:

- ▶ VIGRe
- ▶ Health insurance business
- ▶ Legal expenses

### Health insurance potential in CEE

- ▶ Austria 2006: Private health spending of \$ 1,000 - thereof 25% for private health insurance
- ▶ In CZ assumption to reach 30% of Austrian level (2006) by 2018

VIG potential of private health insurance of about € 500mn in CZ, PL, SK and RO

1: weighted average of CZ, SK, H, PL, CRO, BG, RO, SER, UA, TR; Source: Swiss RE Sigma 02/2010

2: Source: local insurance authorities

Insurance development over time

Current management focus

Preparing for future take-off

**Sound financials**

Appendix

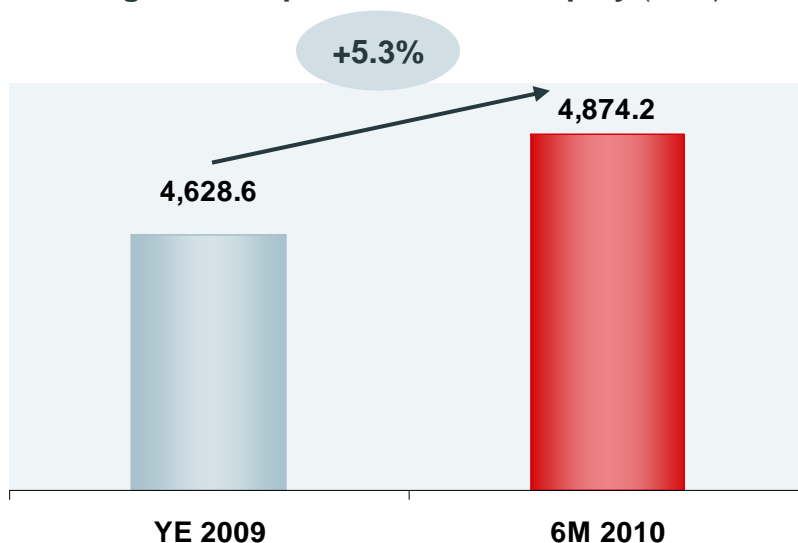
# Sound Financial Basis is Focal Point

## Capitalisation & investment strategy

Sound financials

### Capitalisation

Change in Group Shareholders' Equity (€mn)



- ▶ Comfortable solvency I ratio of above 200% on IFRS basis

- ▶ **Management clearly wants to maintain capitalisation which supports S&P rating level of at least A+**

### Investment strategy

- ▶ Average guaranteed interest rate of total life book of 3.24% at YE 2009; newly issued policies offer lower guaranteed interest rates
- ▶ Real estate portfolio of VIG offering attractive running yield of about 6% (more than € 400mn unrealised gains)

- ▶ Intention to further increase real estate investments
- ▶ Further investments into high quality CEE sovereign bonds
- ▶ Acquisition of good quality corporate bonds (defensive sectors)
- ▶ Moderate increase of equity ratio

### Trends by business line

#### Non-life trends

- ▶ Motor business influenced by lower volumes (trend to smaller cars, sharply reduced leasing) and competitive environment
- ▶ Fairly stable corporate business and non-motor non-life products

+

- ▶ Increased tendency to save
- ▶ Pick-up of single premium business
- ▶ Banking channel becomes more important distribution channel

#### Life trends

### 2011

- ▶ Insurance is characterised by time lag between economic cycle and the industry's cycle
- ▶ **Non-life:** current subdued volume expected to continue
- ▶ **Life:** Propensity to save under uncertain environment

#### Positive results drive to be sustained in 2011:

- PBT to increase again by about 10%

- Single-digit premium growth expected (in %)

- ▶ Subject to overall economic and legal environment and benign Nat Cat trend



Insurance development over time

Current management focus

Preparing for future take-off

Sound financials

**Appendix**

# Outlook for 2010

Confidence about rising PBT despite economic uncertainty

APPENDIX

VIG's Path of Profitability (€mn)

2010

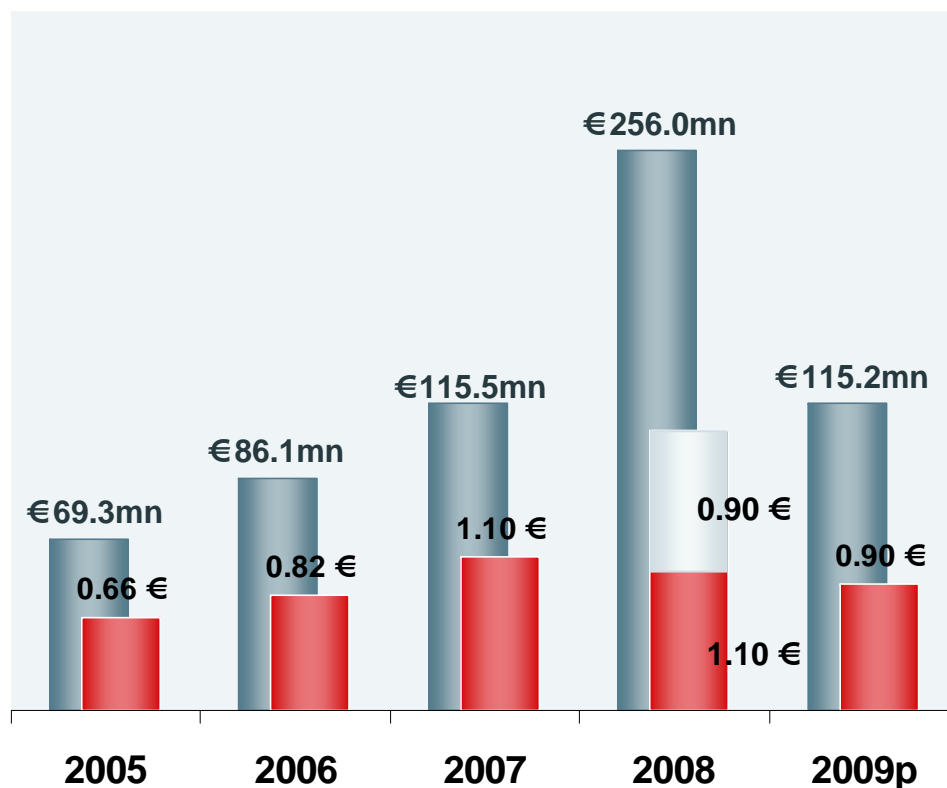
**CAGR:  
+15.7%**



- Single-digit premium growth expected (in %)

- PBT to be raised by at least 10%

### Development of Dividend



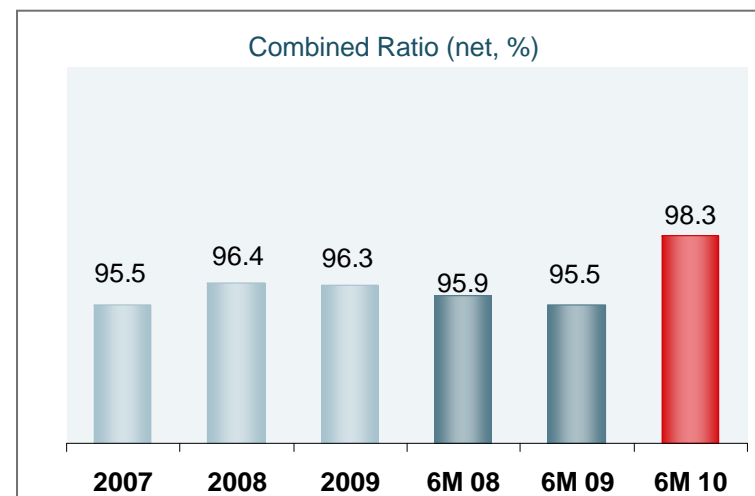
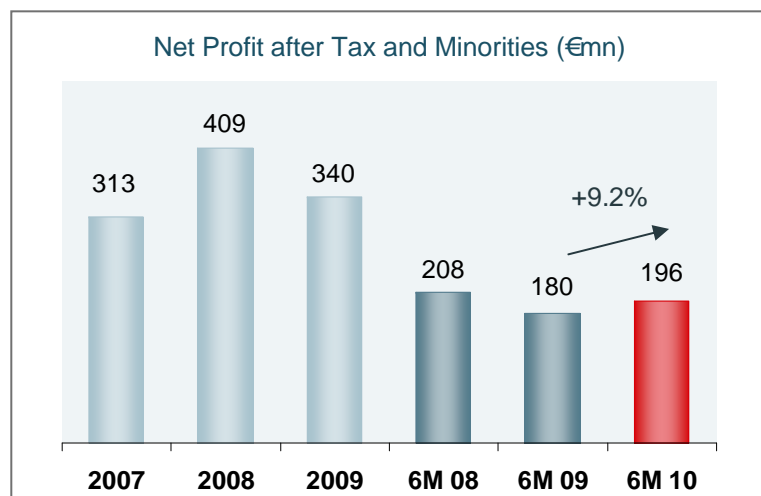
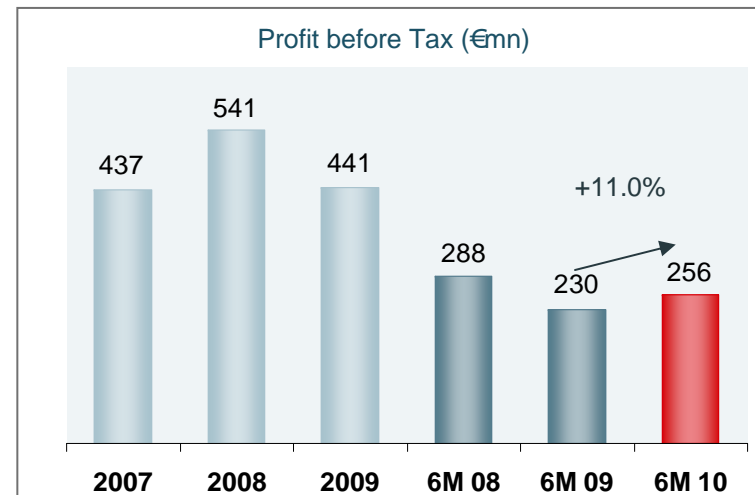
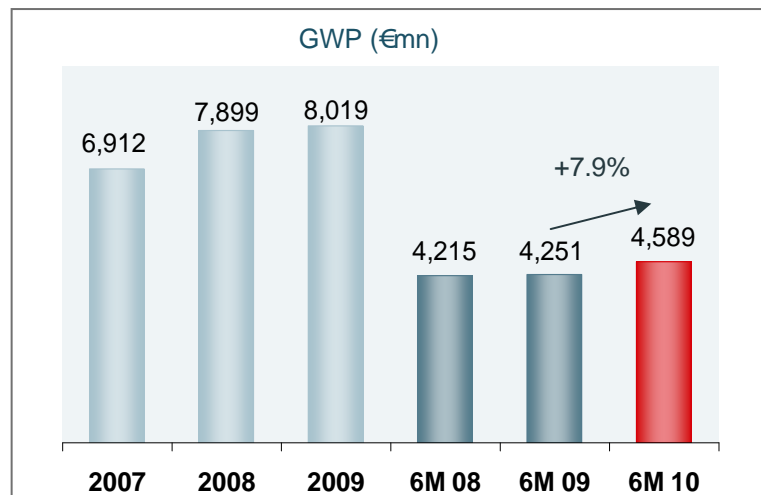
### Comments

- ▶ 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
- ▶ VIIG keeping to its dividend policy which is defined as a payout ratio of minimum 30% of Group net profit

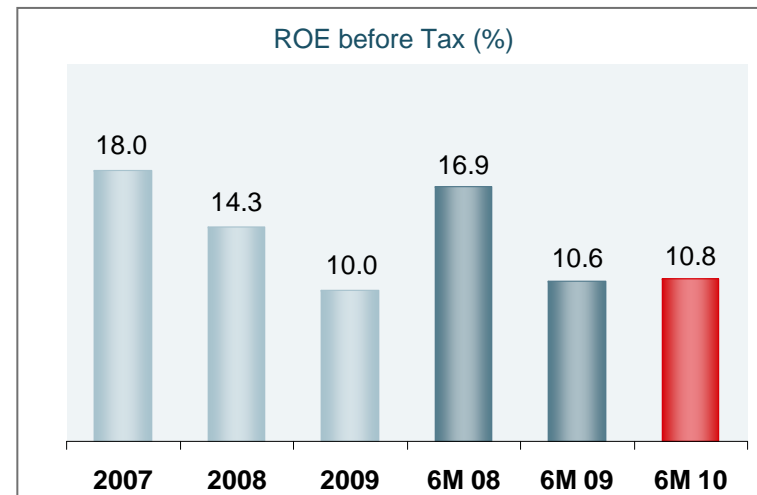
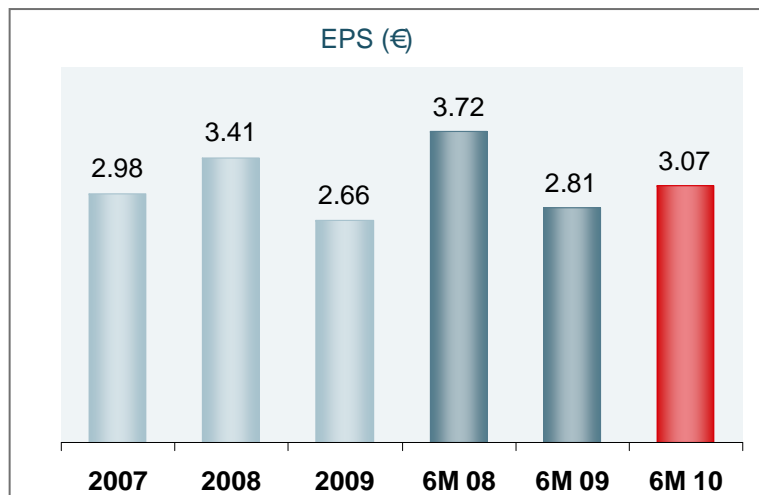
# 6M 2010 Financial Highlights (I)

PBT in line with forecast for full year 2010

APPENDIX



# 6M 2010 Financial Highlights (II)



# 6M 2010 Income Statement

IFRS (€mn)

APPENDIX

€mn	6M 2010	6M 2009	+/-%
1. Gross premiums written	4,588.6	4,251.1	7.9
2. Net earned premiums	4,000.3	3,612.8	10.7
3. Financial result	646.6	471.6	37.1
4. Other income	85.5	62.0	37.8
<b>Total income</b>	<b>4,732.3</b>	<b>4,146.4</b>	<b>14.1</b>
6. Expenses for claims and insurance benefits	-3,416.6	-2,962.9	15.3
7. Operating expenses	-885.8	-823.6	7.6
8. Other expenses	-174.3	-129.6	34.5
<b>Total expenses</b>	<b>-4,476.7</b>	<b>-3,916.1</b>	<b>5.2</b>
<b>Profit before taxes</b>	<b>255.6</b>	<b>230.3</b>	<b>11.0</b>
Taxes	-45.8	-40.2	13.9
<b>Net profit before minorities (Profit for the period)</b>	<b>209.8</b>	<b>190.0</b>	<b>10.4</b>
Minorities	-13.4	-10.2	30.9
<b>Net profit after minorites</b>	<b>196.4</b>	<b>179.8</b>	<b>9.2</b>

# 6M 2010 Balance Sheet

IFRS (€mn)

APPENDIX

€mn	6M 2010	YE 2009	+/-%
Intangible assets	1,986	1,975	0.5
Investments	26,839	25,894	3.6
Unit- and index-linked investments	5,151	4,628	11.3
Reinsurers' share in underwriting provisions	1,205	1,117	7.9
Receivables	1,730	1,563	10.7
Tax receivables and advance payments out of income tax	107	111	-3.3
Deferred tax assets	107	122	-12.6
Other assets	366	376	-2.8
Cash and cash equivalents	624	485	28.8
<b>Total assets</b>	<b>38,114</b>	<b>36,272</b>	<b>5.1</b>
Shareholders' equity	4,874	4,629	5.3
<i>thereof minorities</i>	302	289	4.2
Subordinated liabilities	545	545	0.0
Underwriting provisions	23,813	22,578	5.5
Unit- and index-linked technical provisions	4,874	4,376	11.4
Non-underwriting provisions	566	585	-3.3
Liabilities	2,963	3,052	-2.9
Tax liabilities out of income tax	100	112	-10.8
Deferred tax liabilities	162	160	1.0
Other liabilities	218	234	-7.0
<b>Total liabilities and equity</b>	<b>38,114</b>	<b>36,272</b>	<b>5.1</b>

# 6M 2010 P&L– Gross Written Premiums

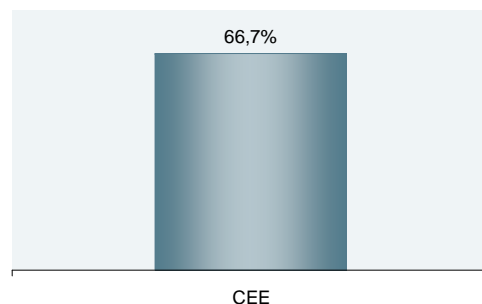
Growth with different dynamics by lines and markets (€mn)

APPENDIX

€mn	GWP Non-life			GWP Life			Total		
	6M 2010	6M 2009	+/-%	6M 2010	6M 2009	+/-%	6M 2010	6M 2009	+/-%
Austria	1,131.1	1,125.5	0.5	1,188.7	1,059.7	12.2	2,319.8	2,185.2	6.2
Czech Rep.	519.3	507.6	2.3	350.0	268.9	30.1	869.3	776.6	11.9
Slovakia	167.2	184.4	-9.3	159.1	140.0	13.6	326.3	324.4	0.6
Poland	270.9	170.4	59.0	75.7	92.5	-18.2	346.5	262.9	31.8
Romania	225.7	278.4	-18.9	48.3	34.6	39.8	274.0	313.0	-12.5
Other CEE	194.5	209.3	-7.1	95.3	91.3	4.4	289.8	300.7	-3.6
Other	37.6	36.9	1.9	125.2	51.5	143.1	162.8	88.4	84.2
<b>Total</b>	<b>2,546.3</b>	<b>2,512.5</b>	<b>1.3</b>	<b>2,042.4</b>	<b>1,738.6</b>	<b>17.5</b>	<b>4,588.6</b>	<b>4,251.1</b>	<b>7.9</b>

- ▶ Austria: competitive motor market with lower volumes and switch to smaller cars; life still benefiting from single premiums
- ▶ Slovakia: more selective underwriting in motor; strong single premium life business
- ▶ In Poland deliberate reduction of one single premium life product
- ▶ Romania: dynamic banking distribution in life; low motor volumes due to substantial rate increases
- ▶ Other CEE: competitive motor markets and low demand for new cars

s Versicherung Group life business (yoy)



- ▶ Premium growth of 66.8% in CZ mainly driven by unit-linked business
- ▶ Also, Hungary showing double-digit (16.7%) premium development
- ▶ In Romania, banking distribution volume almost doubled
- ▶ Overall, double-digit premium increase of 16.6% to €744.6mn in s Versicherung Group

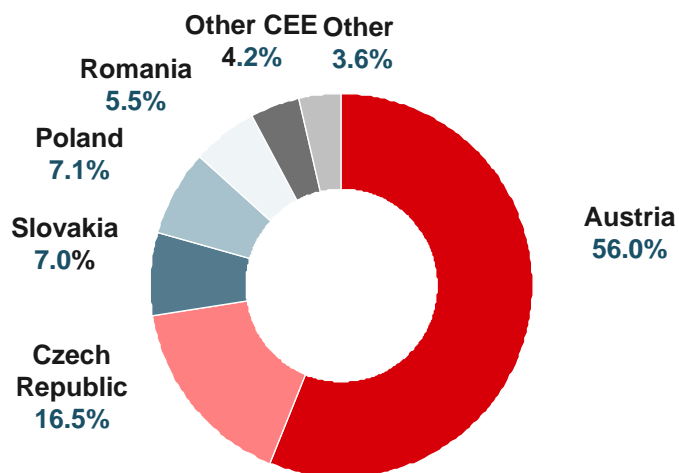
Note: First time consolidation of PZM and WienerRe as of 3M 2010, deconsolidation of Omniasig life as of YE 2009



Basis of business origination substantially widened

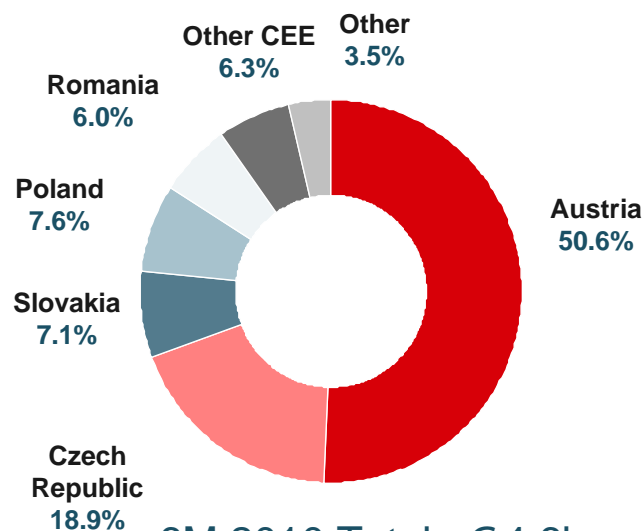
APPENDIX

GWP by Geography 6M 07



6M 2007 Total: € 4.2bn

GWP by Geography 6M 10



6M 2010 Total: € 4.6bn

- ▶ **VIG 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)**

# 6M 2010 – Expenses for Claims Incurred

## Loss ratio affected by weather induced damage in CEE in Q1 and Q2

APPENDIX

- ▶ Group loss ratio (net) up by 1.8% pts
- ▶ Austrian loss ratio saw slight decrease by 0.3% pts
- ▶ Czech Republic recorded loss ratio up by 7.5% pts as a consequence of adverse weather conditions
- ▶ In Slovakia loss ratio down by 1.3% pts mainly due to more selective underwriting
- ▶ Poland: increasing loss ratio by 6.2% pts as a consequence of exceptional claims frequency also due to severe weather conditions
- ▶ Romania saw decrease of claims ratio by 7.1% pts reflecting increased motor tariffs, introduction of deductibles and FX development
- ▶ Other CEE: loss ratio up by 5.8% pts mainly from motor business

%	Claims Ratio		
	6M 2010	6M 2009	+/- %-pts
Austria	66.0	66.3	-0.3
Czech Rep.	67.5	60.0	7.5
Slovakia	59.2	60.5	-1.3
Poland	70.1	63.9	6.2
Romania	70.2	77.3	-7.1
Other CEE	67.1	61.3	5.8
Other	64.3	53.7	10.6
	<b>66.9</b>	<b>65.1</b>	<b>1.8</b>

€mn	P&C	
	6M 2010	6M 2009
Net Earned Premiums:	1,814.9	1,734.2
Expenses for Claims Incurred:	1,214.9	1,128.7
<b>Ratio</b>	<b>66.9%</b>	<b>65.1%</b>

# 6M 2010 – Operating Expenses

Cost ratio up mainly due to commissions, acquisition costs and FX

APPENDIX

- ▶ Group cost ratio (net) increasing by 1.0% pts
- ▶ Cost ratio in Austria slightly increasing by 0.7% pts due to acquisition costs; administration costs down by 0.5% pts
- ▶ Costs in the Czech Republic stable, lower reinsurance commissions balanced by effects from efficiency programme
- ▶ Cost ratio in Romania up by 7.1% pts driven by FX effects from EUR-denominated policies, basic cost ratio stable
- ▶ In Other CEE improved cost ratio by 2.6% pts

%	Cost Ratio		
	6M 2010	6M 2009	+/- %-pts
Austria	29.1	28.4	0.7
Czech Rep.	28.2	28.3	-0.1
Slovakia	36.0	35.8	0.2
Poland	35.3	35.4	-0.1
Romania	33.1	26.0	7.1
Other CEE	39.5	42.1	-2.6
Other	22.4	30.2	-7.8
	<b>31.4</b>	<b>30.4</b>	<b>1.0</b>

€mn	P&C	
	6M 2010	6M 2009
Net Earned Premiums:	1,814.9	1,734.2
Operating Expenses: <sup>1</sup>	569.1	527.0
<b>Ratio</b>	<b>31.4%</b>	<b>30.4%</b>

<sup>1</sup>: Including other underwriting result of €48.7mn

# 6M 2010 P&L Major Items – Financial Result

Sound financial result driven by improved markets

APPENDIX

Income	P&C		Life		Health		Total	
	6M 2010	6M 2009	6M 2010	6M 2009	6M 2010	6M 2009	6M 2010	6M 2009
Current income	94,855	80,353	547,229	553,814	22,291	17,746	664,375	651,913
Income from appreciations	7,513	4,864	45,797	31,818	648	2,965	53,958	39,647
Income from the disposal of investments	41,308	78,678	73,549	141,697	2,538	6,244	117,395	226,619
Other income	1,189	1,442	12,634	11,659	139	785	13,962	13,886
<b>Total Income</b>	<b>144,865</b>	<b>165,337</b>	<b>679,209</b>	<b>738,988</b>	<b>25,616</b>	<b>27,740</b>	<b>849,690</b>	<b>932,065</b>

Expenses	P&C		Life		Health		Total	
	6M 2010	6M 2009	6M 2010	6M 2009	6M 2010	6M 2009	6M 2010	6M 2009
Depreciation of investments	8,293	12,457	49,610	65,555	2,542	1,587	60,445	79,599
Impairment of investments	4,151	23,472	5,883	100,835	2,969	2,682	13,003	126,989
Exchange rate changes	-3,920	-4,903	-5,037	-1,621	10	-6	-8,947	-6,530
Losses from the disposal of investments	4,800	26,816	19,132	115,014	744	13,711	24,676	155,541
Interest expenses	11,919	14,418	39,482	46,629	2,969	3,372	54,370	64,419
Other expenses	13,079	6,178	44,462	33,065	2,031	1,220	59,572	40,463
<b>Total Expenses</b>	<b>38,322</b>	<b>78,438</b>	<b>153,532</b>	<b>359,477</b>	<b>11,265</b>	<b>22,566</b>	<b>203,119</b>	<b>460,481</b>

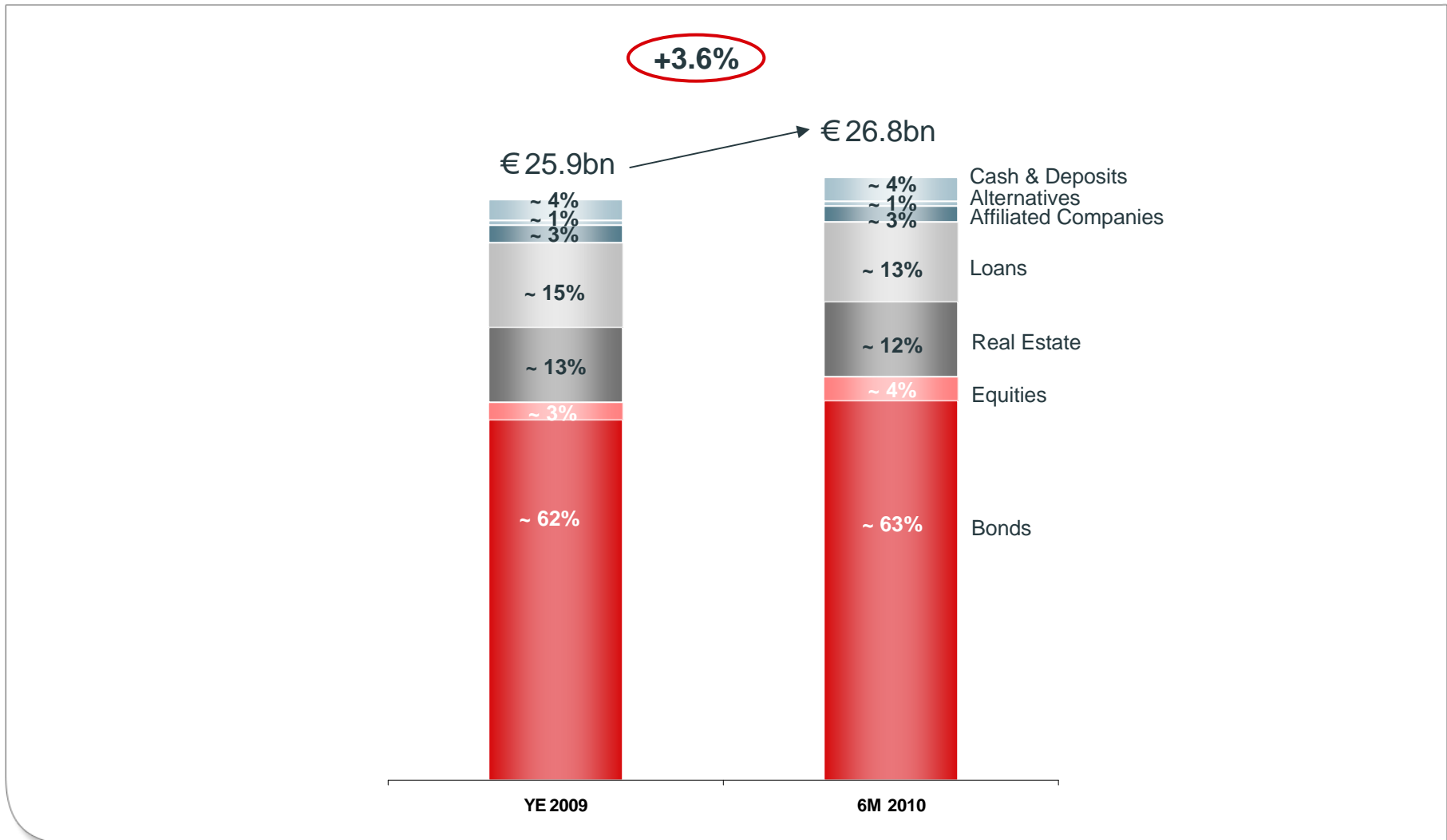
<b>Total Financial Result</b>	<b>106,543</b>	<b>86,899</b>	<b>525,677</b>	<b>379,511</b>	<b>14,351</b>	<b>5,174</b>	<b>646,571</b>	<b>471,584</b>
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- ▶ Lower income from disposals more than balanced by substantial drop in depreciation, impairments and losses from disposals, resulting in 37.1% total increase of financial result

# 6M 2010 Investment Split

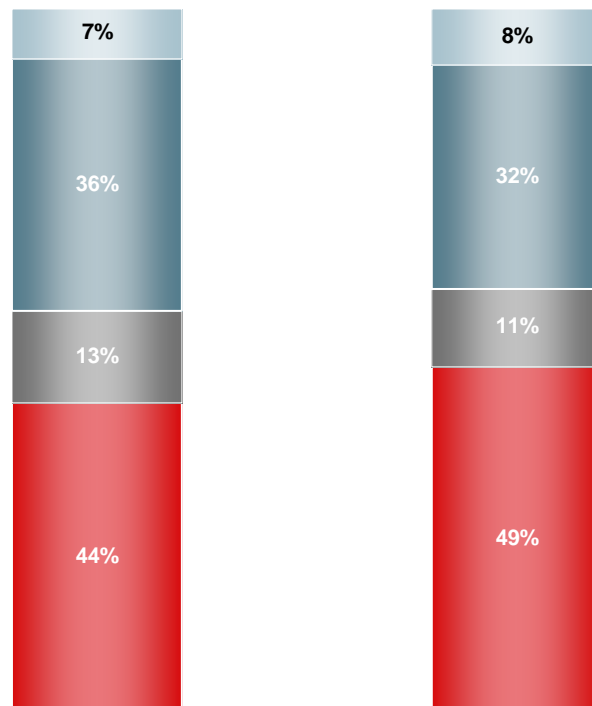
VIG follows a consistent investment approach

APPENDIX

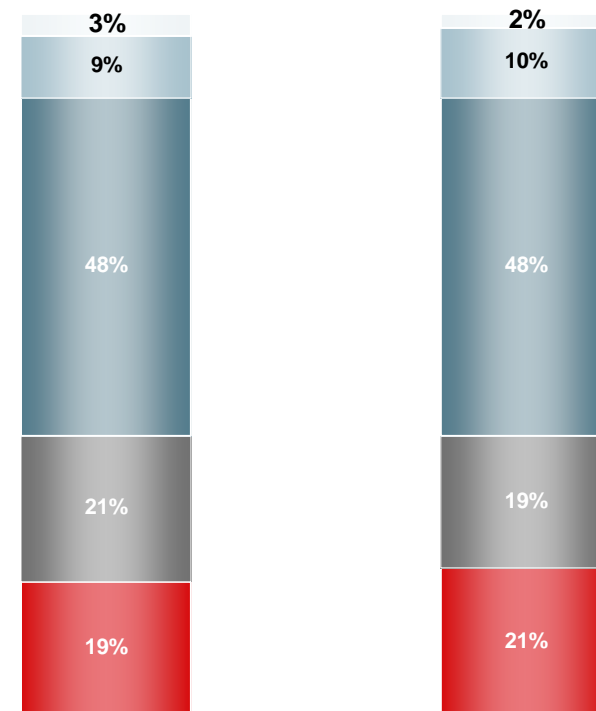


# Development of Bond Portfolio

## By Issuer



## By Rating



■ Government<sup>1</sup>

■ Pfandbriefe/Covered Bonds

■ Financials

■ Corporates

■ AAA

■ AA

■ A

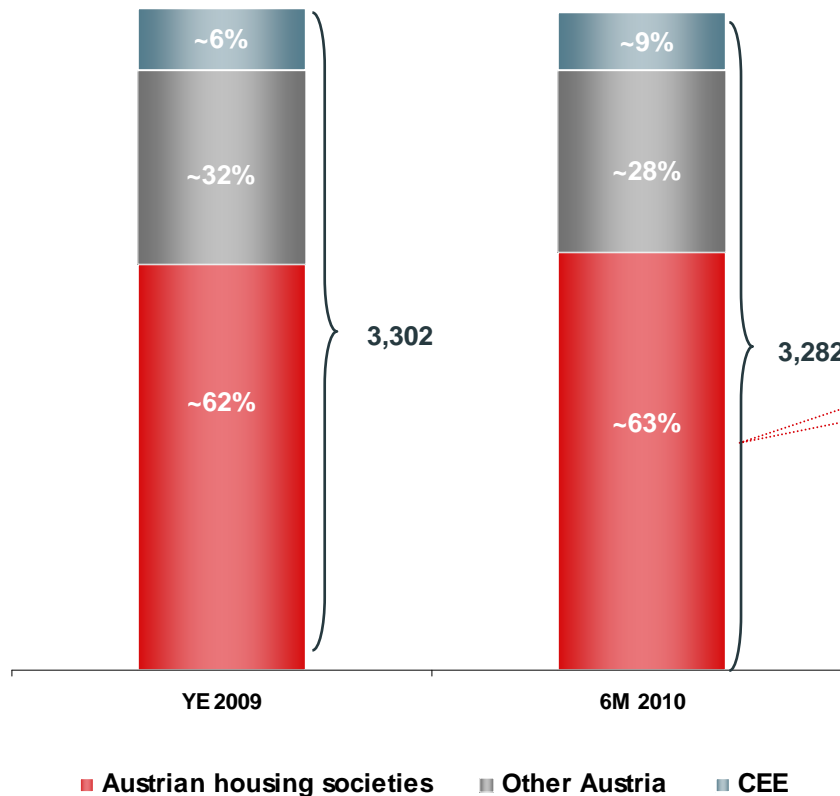
■ BBB

■ 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 VIG insurance clients

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

# 6M 2010 P&L – Business Segments

Property & Casualty, IFRS (€mn)

APPENDIX

€mn	6M 2010	6M 2009	+/-%
1. Gross premiums written	2,381.3	2,349.6	1.3
2. Net earned premiums	1,814.9	1,734.2	4.7
3. Financial result	106.5	86.9	22.6
4. Other income	22.2	38.6	-42.4
<b>Total income</b>	<b>1,943.7</b>	<b>1,859.7</b>	<b>4.5</b>
6. Expenses for claims and insurance benefits	-1,214.9	-1,128.7	7.6
7. Operating expenses	-520.4	-486.2	7.0
8. Other expenses	-81.8	-88.3	-7.4
<b>Total expenses</b>	<b>-1,817.0</b>	<b>-1,703.2</b>	<b>6.7</b>
<b>Profit before taxes</b>	<b>126.7</b>	<b>156.5</b>	<b>-19.1</b>



# 6M 2010 P&L – Business Segments

Life, IFRS (€mn)

APPENDIX

€mn	6M 2010	6M 2009	+/-%
1. Gross premiums written	2,042.4	1,738.6	17.5
2. Net earned premiums	2,022.7	1,718.2	17.7
3. Financial result	525.7	379.5	38.5
4. Other income	63.2	23.3	>100
<b>Total income</b>	<b>2,611.6</b>	<b>2,121.1</b>	<b>23.1</b>
6. Expenses for claims and insurance benefits	-2,058.9	-1,697.2	21.3
7. Operating expenses	-346.8	-316.8	9.5
8. Other expenses	-92.4	-40.9	>100
<b>Total expenses</b>	<b>-2,498.1</b>	<b>-2,054.9</b>	<b>21.6</b>
<b>Profit before taxes</b>	<b>113.5</b>	<b>66.2</b>	<b>71.4</b>

# 6M 2010 P&L – Business Segments

Health, IFRS (€mn)

APPENDIX

€mn	6M 2010	6M 2009	+/-%
1. Gross premiums written	164.9	162.8	1.3
2. Net earned premiums	162.6	160.4	1.4
3. Financial result	14.4	5.2	>100
4. Other income	0.0	0.1	-95.4
<b>Total income</b>	<b>177.0</b>	<b>165.7</b>	<b>6.8</b>
6. Expenses for claims and insurance benefits	-142.7	-137.1	4.1
7. Operating expenses	-18.6	-20.6	-9.7
8. Other expenses	-0.2	-0.4	-60.5
<b>Total expenses</b>	<b>-161.5</b>	<b>-158.1</b>	<b>2.1</b>
<b>Profit before taxes</b>	<b>15.5</b>	<b>7.5</b>	<b>&gt;100</b>

# 6M 2010 P&L – Split by Regions (I)

Regional segments, IFRS (€mn)

APPENDIX

€mn	Austria			Czech Republic		
	6M 2010	6M 2009	+/-%	6M 2010	6M 2009	+/-%
1. Gross premiums written	2,319.8	2,185.2	6.2	869.3	776.6	11.9
2. Net earned premiums	1,963.9	1,847.2	6.3	780.3	663.0	17.7
3. Financial result	480.5	358.5	34.0	61.7	26.3	>100
4. Other income	5.6	5.9	-4.4	7.4	12.5	-40.7
<b>Total income</b>	<b>2,450.1</b>	<b>2,211.7</b>	<b>10.8</b>	<b>849.4</b>	<b>701.8</b>	<b>21.0</b>
6. Expenses for claims/benefits	-1,958.6	-1,740.8	12.5	-544.9	-436.4	24.9
7. Operating expenses	-336.6	-316.4	6.4	-202.7	-172.6	17.5
8. Other expenses	-16.8	-22.1	-24.0	-34.1	-36.6	-6.7
<b>Total expenses</b>	<b>-2,312.0</b>	<b>-2,079.3</b>	<b>11.2</b>	<b>-781.8</b>	<b>-645.5</b>	<b>21.1</b>
<b>Profit before taxes</b>	<b>138.1</b>	<b>132.3</b>	<b>4.3</b>	<b>67.6</b>	<b>56.3</b>	<b>20.1</b>
<b>Combined Ratio</b>	<b>95.1%</b>	<b>94.7%</b>		<b>95.7%</b>	<b>88.4%</b>	

# 6M 2010 P&L – Split by Regions (II)

Regional segments, IFRS (€mn)

APPENDIX

€mn	Slovakia			Poland			Romania		
	6M 2010	6M 2009	+/-%	6M 2010	6M 2009	+/-%	6M 2010	6M 2009	+/-%
1. Gross premiums written	326.3	324.4	0.6	346.5	262.9	31.8	274.0	313.0	-12.5
2. Net earned premiums	286.6	270.8	5.8	313.6	241.0	30.1	250.4	272.3	-8.0
3. Financial result	23.0	17.8	29.1	26.3	14.5	81.6	20.2	25.2	-19.9
4. Other income	2.4	3.0	-20.2	3.0	1.7	77.2	9.0	20.7	-56.4
<b>Total income</b>	<b>312.0</b>	<b>291.6</b>	<b>7.0</b>	<b>342.9</b>	<b>257.2</b>	<b>33.3</b>	<b>279.7</b>	<b>318.3</b>	<b>-12.1</b>
6. Expenses for claims/benefits	-228.6	-213.8	6.9	-195.8	-137.0	42.9	-180.6	-209.5	-13.8
7. Operating expenses	-44.3	-47.0	-5.7	-131.8	-99.5	32.4	-75.8	-90.7	-16.4
8. Other expenses	-26.2	-23.1	13.4	-5.2	-6.3	-18.1	-9.0	-6.0	50.4
<b>Total expenses</b>	<b>-299.1</b>	<b>-283.9</b>	<b>5.3</b>	<b>-332.7</b>	<b>-242.8</b>	<b>37.0</b>	<b>-265.3</b>	<b>-306.2</b>	<b>-13.3</b>
<b>Profit before taxes</b>	<b>12.9</b>	<b>7.7</b>	<b>67.7</b>	<b>10.2</b>	<b>14.4</b>	<b>-29.1</b>	<b>14.3</b>	<b>12.1</b>	<b>18.7</b>
<b>Combined Ratio</b>	<b>95.2%</b>	<b>96.3%</b>		<b>105.4%</b>	<b>99.3%</b>		<b>103.3%</b>	<b>103.4%</b>	

# 6M 2010 P&L – Split by Regions (III)

Regional segments, IFRS (€mn)

APPENDIX

€mn	Other CEE			Other			TOTAL		
	6M 2010	6M 2009	+/-%	6M 2010	6M 2009	+/-%	6M 2010	6M 2009	+/-%
1. Gross premiums written	289.8	300.7	-3.6	162.8	88.4	84.2	4,588.6	4,251.1	7.9
2. Net earned premiums	247.1	233.9	5.7	158.3	84.6	87.1	4,000.3	3,612.8	10.7
3. Financial result	26.4	19.9	32.4	8.4	9.3	-9.2	646.6	471.6	37.1
4. Other income	5.4	4.4	20.9	52.6	13.7	>100	85.5	62.0	37.8
<b>Total income</b>	<b>278.9</b>	<b>258.3</b>	<b>8.0</b>	<b>219.3</b>	<b>107.5</b>	<b>&gt;100</b>	<b>4,732.3</b>	<b>4,146.4</b>	<b>14.1</b>
6. Expenses for claims/benefits	-177.5	-165.9	7.0	-130.6	-59.5	>100	-3,416.6	-2,962.9	15.3
7. Operating expenses	-81.3	-81.0	0.4	-13.3	-16.5	-19.7	-885.8	-823.6	7.6
8. Other expenses	-16.5	-13.7	20.0	-66.5	-21.8	>100	-174.3	-129.6	34.5
<b>Total expenses</b>	<b>-275.3</b>	<b>-260.6</b>	<b>5.7</b>	<b>-210.5</b>	<b>-97.9</b>	<b>&gt;100</b>	<b>-4,476.7</b>	<b>-3,916.1</b>	<b>14.3</b>
<b>Profit before taxes</b>	<b>3.6</b>	<b>-2.3</b>	<b>na</b>	<b>8.8</b>	<b>9.7</b>	<b>-8.8</b>	<b>255.6</b>	<b>230.3</b>	<b>11.0</b>
<b>Combined Ratio</b>	<b>106.6%</b>	<b>103.4%</b>		<b>86.7%</b>	<b>83.9%</b>		<b>98.3%</b>	<b>95.5%</b>	

# 6M 2010 Results by Country

IFRS (€mn)

APPENDIX

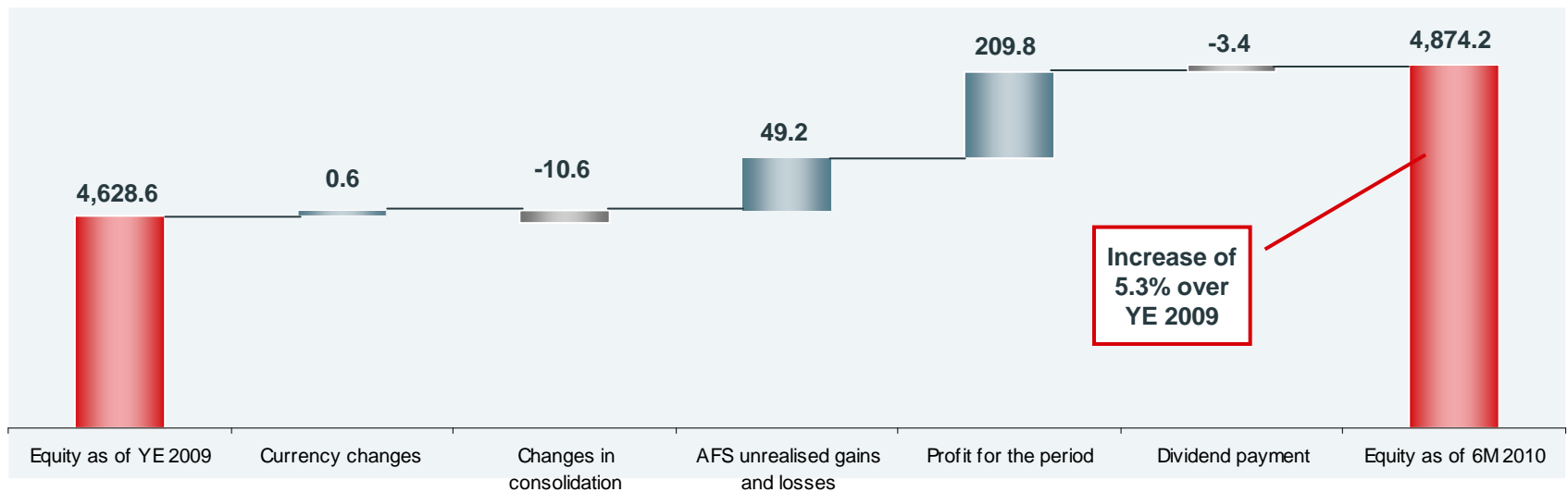
€mn	GWP Non-Life		Life GWP		GWP Total		Profit before Taxes		Net Combined Ratio	
	6M 2010	6M 2009	6M 2010	6M 2009	6M 2010	6M 2009	6M 2010	6M 2009	6M 2010	6M 2009
Austria	1,131.1	1,125.5	1,188.7	1,059.7	2,319.8	2,185.2	138.1	132.3	95.1%	94.7%
Czech Rep.	519.3	507.6	350.0	268.9	869.3	776.6	67.6	56.3	95.7%	88.4%
Slovakia	167.2	184.4	159.1	140.0	326.3	324.4	12.9	7.7	95.2%	96.3%
Poland	270.9	170.4	75.7	92.5	346.5	262.9	10.2	14.4	105.4%	99.3%
Romania	225.7	278.4	48.3	34.6	274.0	313.0	14.3	12.1	103.3%	103.4%
Other CEE	194.5	209.3	95.3	91.3	289.8	300.7	3.6	-2.3	106.6%	103.4%
<i>Hungary</i>	24.5	41.2	39.9	36.7	64.5	77.9	2.5	2.2	103.5%	99.2%
<i>Croatia</i>	25.2	25.8	30.0	28.9	55.2	54.7	4.5	-7.4	100.8%	103.8%
<i>Serbia</i>	16.9	13.3	9.8	9.9	26.7	23.1	1.6	0.8	98.1%	108.0%
<i>Bulgaria</i>	68.5	74.9	6.6	6.4	75.1	81.3	-2.2	0.6	107.5%	103.1%
<i>Ukraine</i>	10.2	10.2	0.6	0.4	10.8	10.6	-2.1	0.1	139.4%	112.1%
<i>Turkey</i>	37.5	32.9	-	-	37.5	32.9	-1.8	-1.0	105.5%	108.0%
<i>Baltics</i>	-	-	8.5	9.1	8.5	9.1	0.5	0.9	-	-
<i>Albania</i>	8.5	8.6	-	-	8.5	8.6	0.6	1.5	96.8%	85.9%
<i>Macedonia</i>	3.1	2.6	-	-	3.1	2.6	0.1	0.1	96.3%	95.11
Other	37.6	36.9	125.2	51.5	162.8	88.4	8.8	9.7	86.7%	83.9%
<i>Liechtenstein</i>	-	-	94.8	23.5	94.8	23.5	0.1	0.3	-	-
<i>Germany</i>	37.6	36.9	30.4	28.0	68.0	64.9	8.7	9.4	86.7%	83.9%
<b>Total</b>	<b>2,546.3</b>	<b>2,512.5</b>	<b>2,042.3</b>	<b>1,738.6</b>	<b>4,588.6</b>	<b>4,251.1</b>	<b>255.6</b>	<b>230.3</b>	<b>98.3%</b>	<b>95.5%</b>

# 6M 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. - 30.06.2010	1.1. - 30.06.2009
Equity as of 1 January	4,628,573	4,138,790
Exchange rate changes	658	-1,788
Changes in scope of consolidation	-10,562	1,920
Capital increase	-	250,000
Unrealised gains and losses from financial instruments available for sale	49,165	51,731
Profit for the period	209,799	190,032
Dividend payment	-3,447	-141,849
<b>Equity as of 30 June</b>	<b>4,874,186</b>	<b>4,488,836</b>



# Life Insurance Premium Split

IFRS (€mn)

APPENDIX

Premiums written - direct business	6M 2010	6M 2009	+/- %
Regular premiums	1,120.2	1,080.2	3.7%
Single premiums	914.0	649.4	40.7%
<b>Total premiums written - direct business</b>	<b>2,034.2</b>	<b>1,729.6</b>	<b>17.6%</b>
<b>thereof:</b>			
Policies with profit participation	976.4	953.0	2.5%
Policies without profit participation	159.2	177.6	-10.4%
unit- and index-linked life insurance	898.6	598.9	50.0%
<b>thereof:</b>			
Individual insurance	1,922.1	1,632.3	17.8%
Group insurance	112.1	97.3	15.1%

# 6M 2010 Exchange Rates

National currency unit per EUR

APPENDIX

6M 2010			
Country	Curr.	Balance Sheet EUR	P & L EUR
Bulgaria	EUR/BGN	1.9558	1.9558
Croatia	EUR/HRK	7.1980	7.2663
Estonia	EUR/EEK	15.6466	15.6466
Liechtenstein	EUR/CHF	1.3283	1.4359
Poland	EUR/PLN	4.1470	4.0020
Romania	EUR/RON	4.3700	4.1494
Serbia	EUR/CSD	104.3704	100.0290
Slovakia	EUR <sup>1</sup>	-	-
Czech Republic	EUR/CZK	25.6910	25.7296
Hungary	EUR/HUF	286.0000	271.6874
Turkey	EUR/TRY	1.9400	2.0213
Ukraine	EUR/UAH	9.6450	10.5600
Albania	EUR/ALL	136.4500	138.0600
Macedonia	EUR/MKD	61.5467	61.5009

6M 2009	
Balance Sheet EUR	P & L EUR
1.9558	1.9558
7.2638	7.2849
15.6466	15.6466
1.4276	1.4632
3.8673	3.9869
4.0970	4.1135
99.7606	98.6690
-	-
25.4400	25.8681
265.7525	268.5140
2.0512	2.0866
10.6845	11.0323
139.0492	139.0067
61.5199	61.4643

<sup>1</sup>: Introduction of Euro as of January 2009

# Group Embedded Value 2009

## Results (€mn)

APPENDIX

	L&H		P&C		Total	
	2009	2008(*)	2009	2008(*)	2009	2008(*)
<b>Austria / Germany</b>						
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	<b>1,684.2</b>	<b>1,658.9</b>	<b>73.3</b>	<b>164.4</b>	<b>1,757.5</b>	<b>1,823.3</b>
<b>CEE</b>						
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	<b>1,093.3</b>	<b>899.2</b>	<b>1,734.4</b>	<b>1,541.4</b>	<b>2,827.7</b>	<b>2,440.6</b>
<b>Total</b>	<b>2,777.5</b>	<b>2,558.0</b>	<b>1,807.7</b>	<b>1,705.8</b>	<b>4,585.3</b>	<b>4,263.9</b>

(\*) 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	
<b>Austria / Germany</b>						
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%
<b>CEE</b>						
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%
<b>Return on Total GEV</b>	<b>357.4</b>	<b>14.8%</b>	<b>253.7</b>	<b>16.3%</b>	<b>611.1</b>	<b>15.4%</b>

**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(*)	+ / - %
<b>Austria / Germany</b>			
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%
<b>CEE</b>			
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%
<b>NBV-Total</b>	<b>128.1</b>	<b>147.3</b>	<b>-13.0%</b>
<b>APE-Total</b>	<b>388.7</b>	<b>470.2</b>	
<b><i>APE-Ratio Total</i></b>	<b>32.9%</b>	<b>31.3%</b>	5.2%
<b>PVNBP-Total</b>	<b>3,177.9</b>	<b>3,780.5</b>	
<b><i>PVNBP-Ratio Total</i></b>	<b>4.0%</b>	<b>3.9%</b>	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).

# VIG Has Excellent Position in Core Markets

VIG an early mover in CEE

APPENDIX

## Overview of Core Markets

Slovakia	Czech Rep.	Romania	Austria	Bulgaria
Pop.: 5.4 mn	Pop.: 10.2 mn	Pop.: 21.3 mn	Pop.: 8.4 mn	Pop.: 7.6 mn
GDP/Cap.: \$ 17 k	GDP/Cap.: \$ 23 k	GDP/Cap.: \$ 10 k	GDP/Cap.: \$ 47 k	GDP/Cap.: \$ 7 k
Density NL: \$ 292	Density NL: \$ 478	Density NL: \$ 132	Density NL: \$ 1507	Density NL: \$ 154
Density L: \$ 257	Density L: \$ 326	Density L: \$ 33	Density L: \$ 1236	Density L: \$ 24
<b>Market share: 31.8%</b>	<b>Market share: 30.8%</b>	<b>Market share: 26.9%</b>	<b>Market share: 25.9%</b>	<b>Market share: 18.3%</b>
Croatia	Serbia	Poland	Hungary	Ukraine
Pop.: 4.6 mn	Pop.: 7.4 mn	Pop.: 38.0 mn	Pop.: 10.0 mn	Pop.: 45.7 mn
GDP/Cap.: \$ 13 k	GDP/Cap.: \$ 7 k	GDP/Cap.: \$ 14 k	GDP/Cap.: \$ 17 k	GDP/Cap.: \$ 3 k
Density NL: \$ 318	Density NL: \$ 111	Density NL: \$ 262	Density NL: \$ 236	Density NL: \$ 55
Density L: \$ 113	Density L: \$ 15	Density L: \$ 381	Density L: \$ 266	Density L: \$ 2
<b>Market share: 8.1%</b>	<b>Market share: 7.3%</b>	<b>Market share: 5.2%</b>	<b>Market share: 3.9%</b>	<b>Market share: 2.9%</b>

Source: Swiss RE; Market shares: data as of 6M 2010 except for RO and UA as of 3M 2010

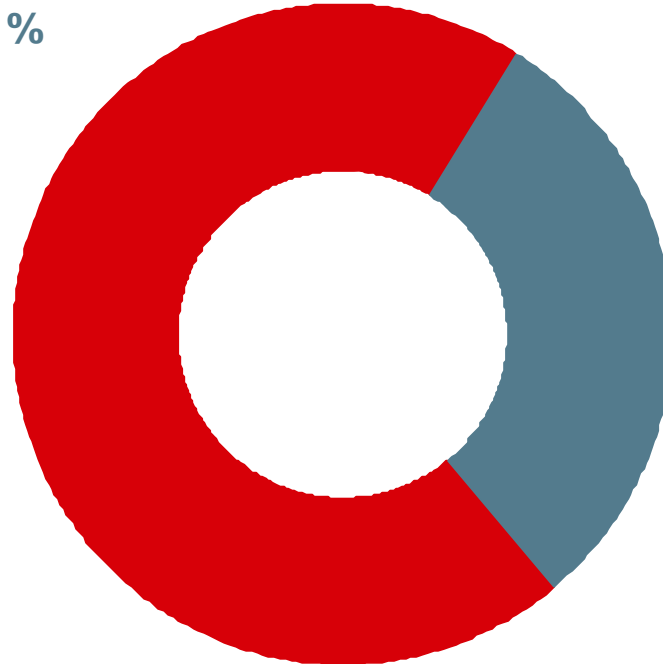
# Shareholder Structure (I)

Total number of shares 128,000,000

APPENDIX

**Wiener Städtische  
Wechselseitiger Versicherungsverein -  
Vermögensverwaltung – Vienna Insurance Group**

~70 %



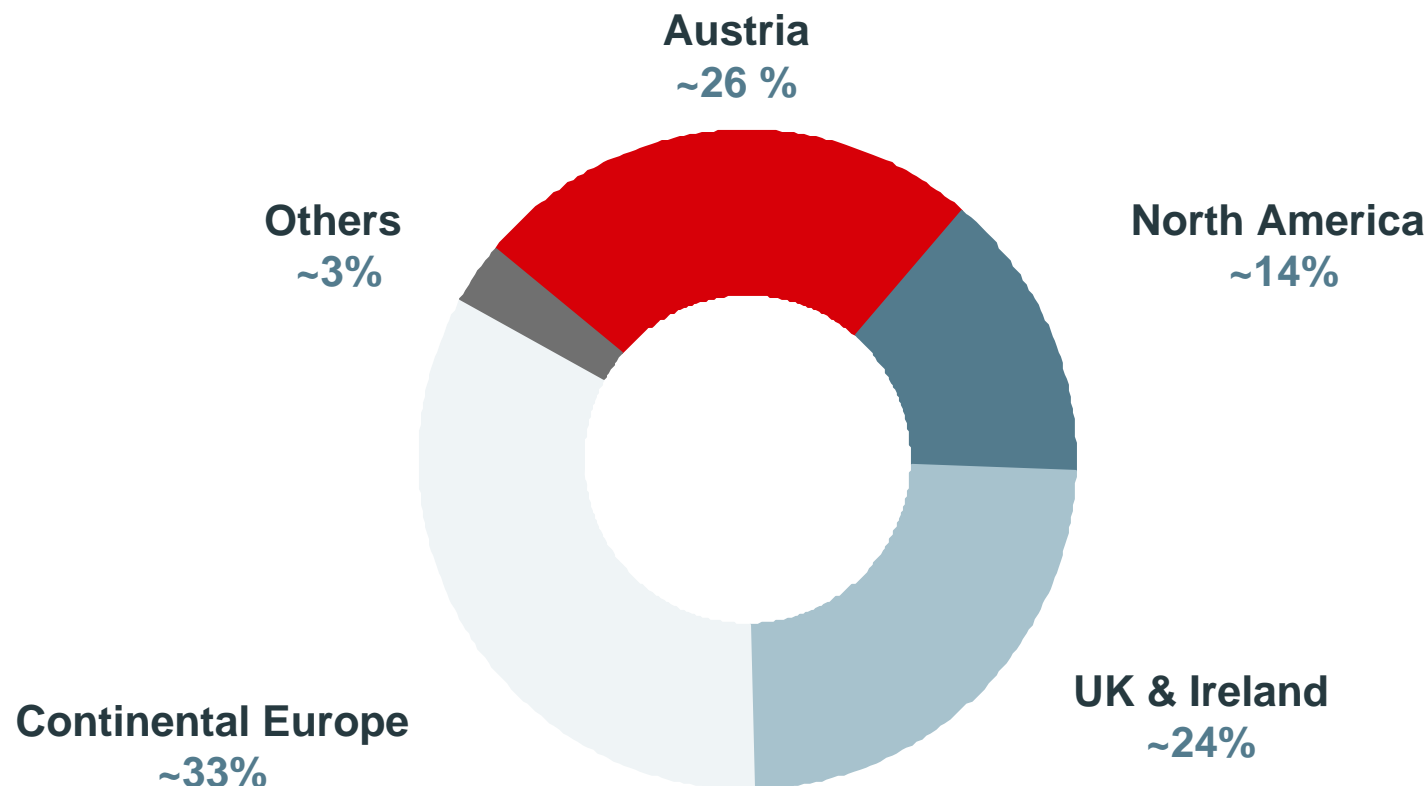
**Free Float**

~ 30 %

# Shareholder Structure (II)

Free float split

APPENDIX





# VIG Share & Contact Details

## Investor Relations

APPENDIX

### VIG 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

### Investor Relations

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