

■ VIG – A Unique Growth Story in CEE



KBW – European Financials Conference

London, 18 September 2012

Introduction
Strategy
Performance
Potential
Financials

Welcome to
the family of
VIENNA INSURANCE
GROUP AG
Wiener Versicherung
Gruppe

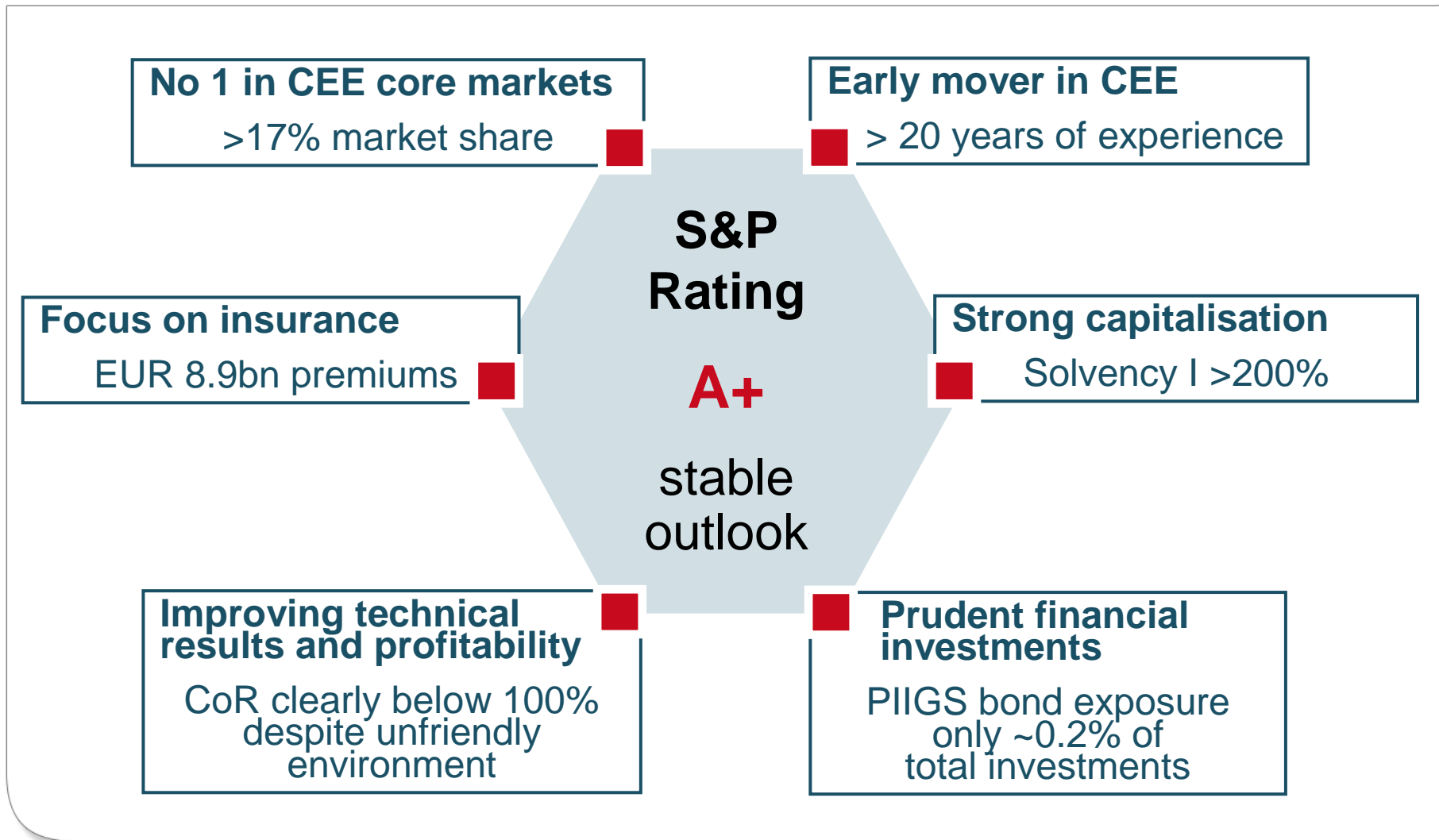


<p>AUSTRIA</p> <p>WIENER STÄDTISCHE VIENNA INSURANCE GROUP</p> <p>onau VIENNA INSURANCE GROUP</p> <p>S-VERSICHERUNG VIENNA INSURANCE GROUP</p>	<p>SLOVAKIA</p> <p>Kooperativa VIENNA INSURANCE GROUP</p> <p>KOMUNÁLNA poisťovňa VIENNA INSURANCE GROUP</p> <p>POIŠŤOVŇA SLOVENSKEJ SPORITELNE VIENNA INSURANCE GROUP</p>	<p>BULGARIA</p> <p>BULSTRAD VIENNA INSURANCE GROUP</p> <p>Life BULSTRAD VIENNA INSURANCE GROUP</p> <p>БЪЛГАРСКИ ИМОТИ VIENNA INSURANCE GROUP</p>	<p>UKRAINE</p> <p>КНЯЖА VIENNA INSURANCE GROUP</p> <p>ГЛОБУС VIENNA INSURANCE GROUP</p> <p>ЮПИТЕР VIENNA INSURANCE GROUP</p> <p>УКРАЇНСЬКА СТРАХОВА ГРУПА VIENNA INSURANCE GROUP</p>	<p>TURKEY</p> <p>RAYSIGORTA VIENNA INSURANCE GROUP</p> <p>BELARUS</p> <p>КУПАЛА VIENNA INSURANCE GROUP</p>	<p>MACEDONIA</p> <p>WINNER VIENNA INSURANCE GROUP</p> <p>Life WINNER VIENNA INSURANCE GROUP</p>
<p>ITALY BRANCH</p> <p>WIENER STÄDTISCHE VIENNA INSURANCE GROUP</p> <p>onau VIENNA INSURANCE GROUP</p>	<p>POLAND</p> <p>COMPENSA VIENNA INSURANCE GROUP</p> <p>InterRisk VIENNA INSURANCE GROUP</p> <p>BENEFIA VIENNA INSURANCE GROUP</p>	<p>CROATIA</p> <p>KVARNER VIENNA INSURANCE GROUP</p> <p>HELIOS VIENNA INSURANCE GROUP</p> <p>ERSTE OSIGURANJE VIENNA INSURANCE GROUP</p>	<p>ESTONIA</p> <p>COMPENSA VIENNA INSURANCE GROUP</p>	<p>GEORGIA</p> <p>GPIA VIENNA INSURANCE GROUP</p> <p>IRAO VIENNA INSURANCE GROUP</p>	<p>MONTENEGRO</p> <p>Život WIENER STÄDTISCHE VIENNA INSURANCE GROUP</p>
<p>SLOVENIA BRANCH</p> <p>WIENER STÄDTISCHE VIENNA INSURANCE GROUP</p>	<p>POLISA-ŻYCIE VIENNA INSURANCE GROUP</p>	<p>HUNGARY</p> <p>UNION BIZTOSÍTÓ VIENNA INSURANCE GROUP</p> <p>ERSTE BIZTOSÍTÓ VIENNA INSURANCE GROUP</p>	<p>LATVIA</p> <p>COMPENSA VIENNA INSURANCE GROUP</p>	<p>ALBANIA</p> <p>SIGMA VIENNA INSURANCE GROUP</p> <p>interalbanian VIENNA INSURANCE GROUP</p> <p>INTERSIG VIENNA INSURANCE GROUP</p>	<p>BOSNIA HERZEGOVINA</p> <p>JAHORINA OSIGURANJE VIENNA INSURANCE GROUP</p>
<p>CZECH REPUBLIC</p> <p>Kooperativa VIENNA INSURANCE GROUP</p> <p>ČPP VIENNA INSURANCE GROUP</p> <p>POJIŠŤOVNA ČESKÉ SPORITELNY VIENNA INSURANCE GROUP</p> <p>VIG Re</p>	<p>ROMANIA</p> <p>OMNIASIG VIENNA INSURANCE GROUP</p> <p>ASIROM VIENNA INSURANCE GROUP</p> <p>DE VIATA BCR ASIGURARI VIENNA INSURANCE GROUP</p>	<p>SERBIA</p> <p>WIENER STÄDTISCHE VIENNA INSURANCE GROUP</p>	<p>LITHUANIA</p> <p>COMPENSA VIENNA INSURANCE GROUP</p>	<p>GERMANY</p> <p>InterRisk VIENNA INSURANCE GROUP</p>	<p>LIECHTENSTEIN</p> <p>VIENNA-LIFE VIENNA INSURANCE GROUP</p>

Top Player in CEE

Facts & Figures

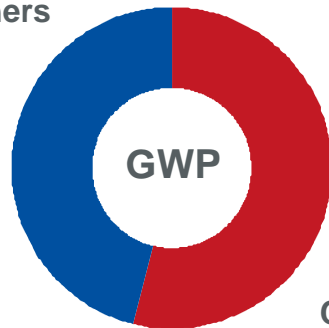
Introduction



Strong contribution from CEE

Share of CEE business to increase further going forward

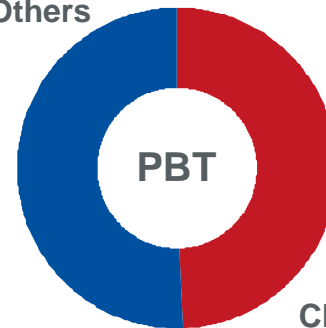
AT & Others



CEE

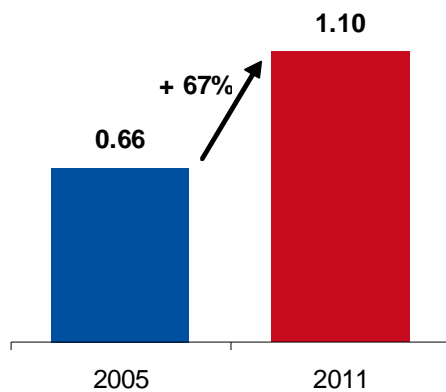
▶ **More than 50%** of gross written premiums from **CEE**

AT & Others

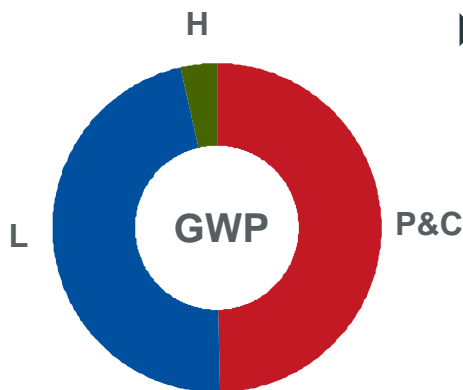


CEE

▶ **About 50%** of profit before taxes from **CEE**



▶ Since the SPO 2005 the **dividend** improved by a CAGR of 9%



▶ VIG is a composite insurer

Premium split:

- 49% P&C
- 47% Life
- 4% Health

Excellent Market Positions of VIG

VIG No 1 in its core markets - market share of 17.3%

Market	Share in %
AT	26.7%
CZ	30.2%
SK	34.1%
RO	25.1%
BG	15.5%
PL	8.3%
HR	6.9%
RS	8.5%
UA	3.0%
HU	5.6%



Source: Macroeconomic data: IWF, World Economic Outlook Databank, data as of Q1 2012 except for CZ and UA (YE 2011)

Introduction

Strategy

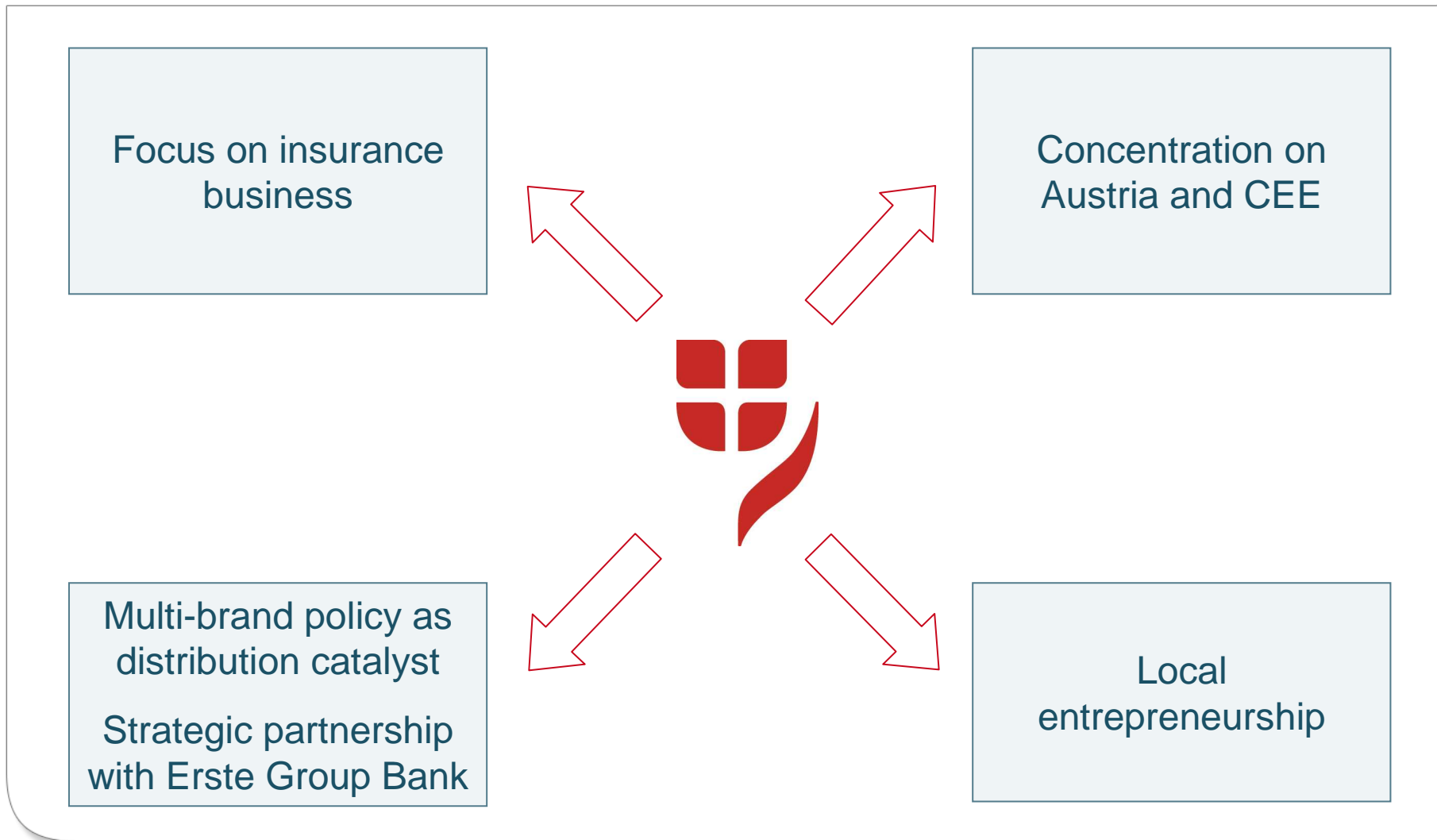
Performance

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Well-proven Business Model of VIG to Continue

Strategic cornerstones of VIG



Dynamic Expansion into CEE

Focus on Austria and CEE

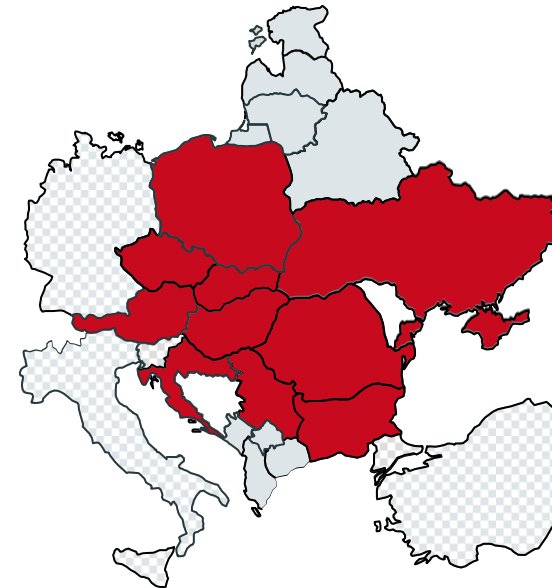
Successful Track Record

VIG in CEE 1990: 3 markets



Client/talent base: 24mn people

VIG today: 24 markets



Client/talent base: 174mn people

■ = VIG core markets (Austria, Czech Republic, Slovakia, Poland, Romania, Croatia, Serbia, Bulgaria, Hungary and Ukraine)

VIG as early mover is today one of the top players in the CEE region

Unique Market Approach with Long-Term Focus

Management remains committed to proven fundamentals

Multi-brand	Multi-channel	Erste Group Cooperation																																													
<p>Best approach for broad client access</p> <ul style="list-style-type: none"> ▶ Local brands with good customer recognition are retained ▶ Different brands target different client groups ▶ Multi-brand allows for internal benchmarking ▶ VIG pushes joint back-office activities and shared services within the markets ▶ Regular appraisal of brand efficiency → otherwise merger of companies 	<table border="1"> <thead> <tr> <th></th> <th>Tied agents</th> <th>Banks</th> <th>Brokers</th> <th>Other¹</th> </tr> </thead> <tbody> <tr> <td>Austria</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Czech Rep.</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Slovakia</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Romania</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Poland</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Hungary</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Croatia</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> <tr> <td>Others</td> <td>●</td> <td>●</td> <td>●</td> <td>●</td> </tr> </tbody> </table>		Tied agents	Banks	Brokers	Other ¹	Austria	●	●	●	●	Czech Rep.	●	●	●	●	Slovakia	●	●	●	●	Romania	●	●	●	●	Poland	●	●	●	●	Hungary	●	●	●	●	Croatia	●	●	●	●	Others	●	●	●	●	<p>Strong partners – 11 common markets</p> <ul style="list-style-type: none"> ▶ Strategic partnership between Erste Group and Vienna Insurance Group ▶ Long-term 15 years, mutual distribution agreement ▶ Successful cooperation in Austria and CEE ▶ Results of s Versicherung operations well ahead of original plans ▶ Bank distribution is key in sale of life insurance
	Tied agents	Banks	Brokers	Other ¹																																											
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Multi-brand and multi-channel are paramount for VIG

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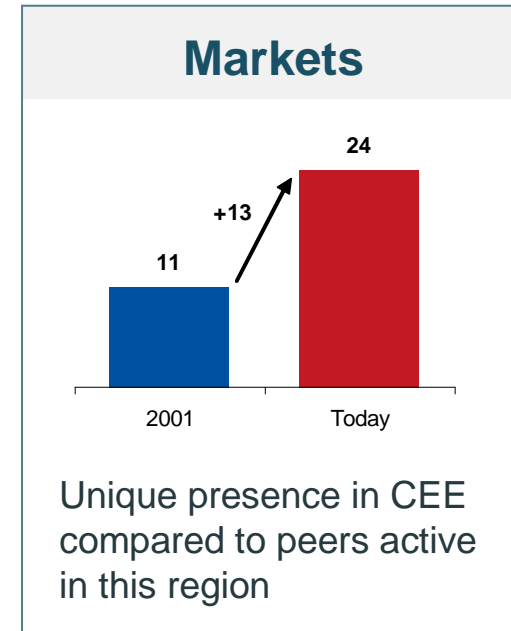
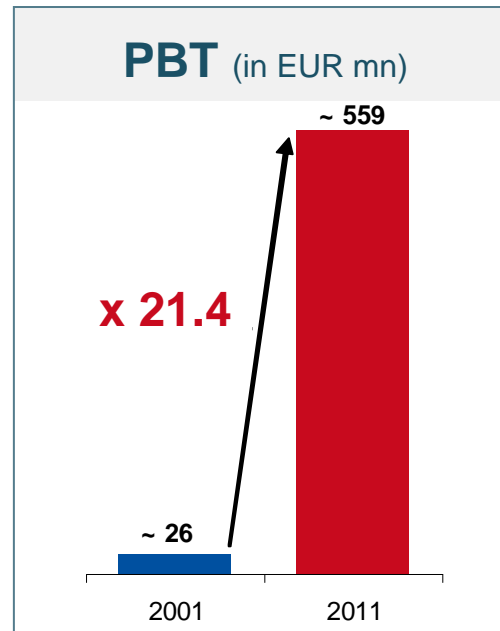
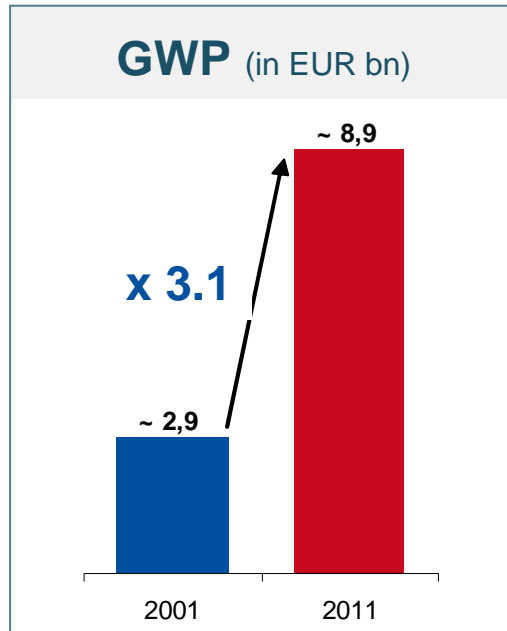
Performance

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Extraordinary Development in last 10 Years

Premium AND profit growth over the last decade



- ▶ Premiums more than tripled to EUR 8,9bn
- ▶ More than twenty-fold increase of profits to roughly EUR 560mn
- ▶ Strong increase in profitability

VIG's Business Model Pays Off

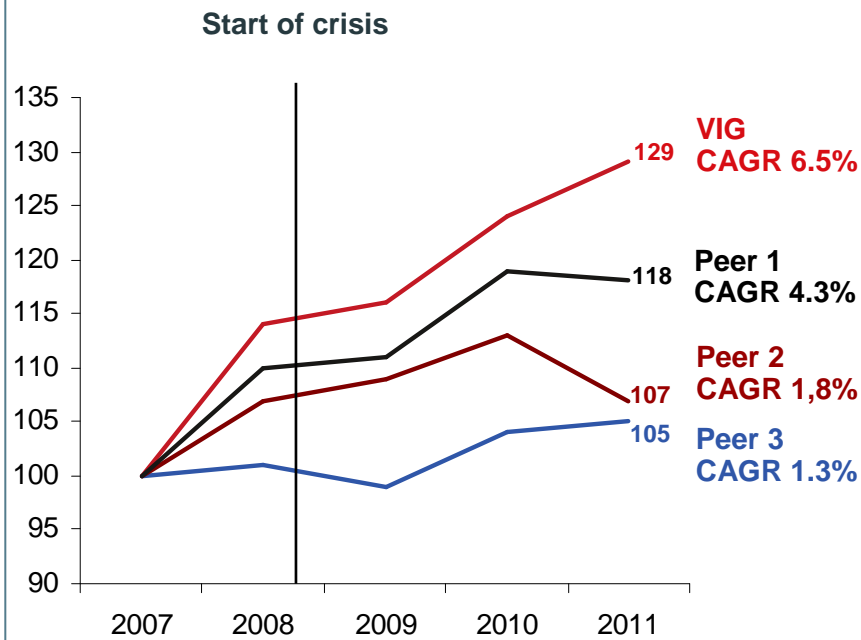


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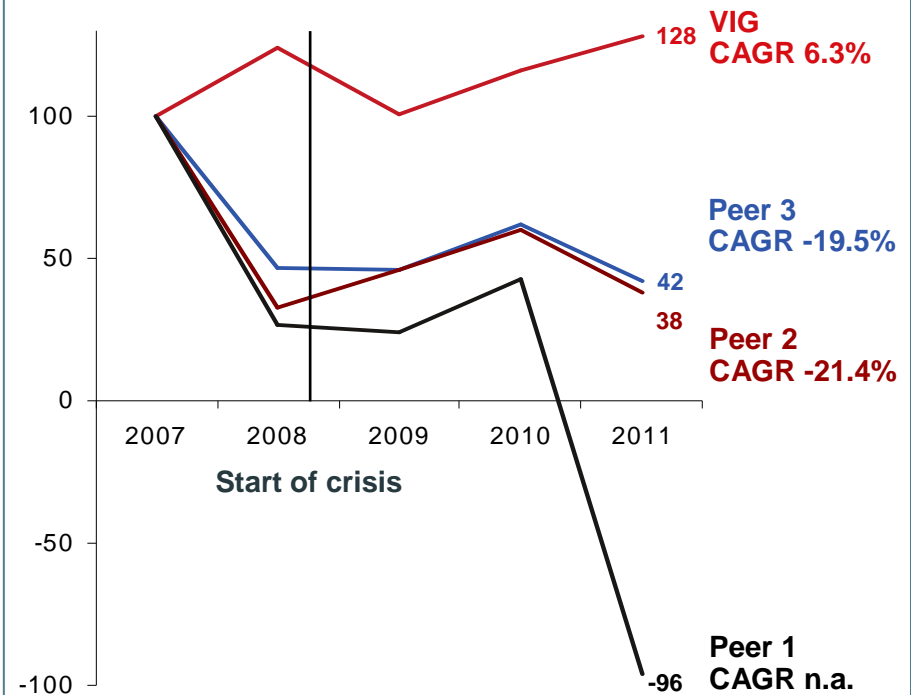
Performance

Strategy stood the test of deepest economic crisis since World War II

Gross premiums written



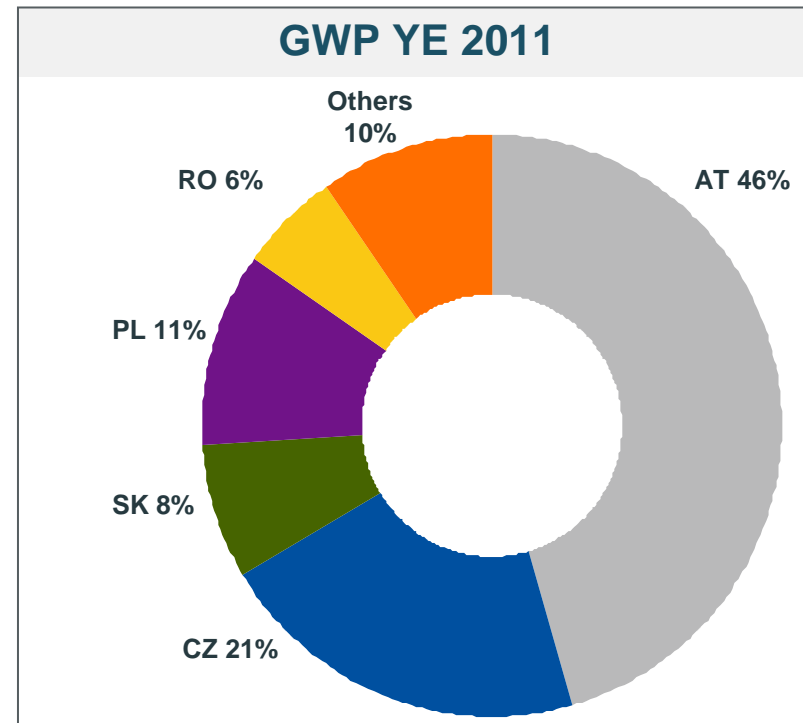
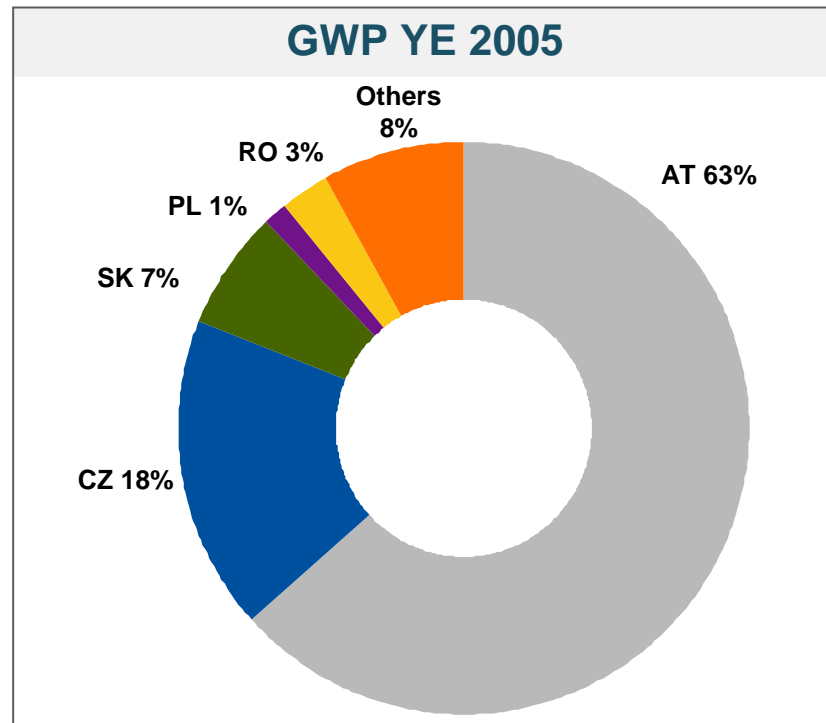
Profit before taxes



Low volatility despite negative market environment

Premium Contribution from CEE Increased

More than 50% of premiums are generated in the CEE markets

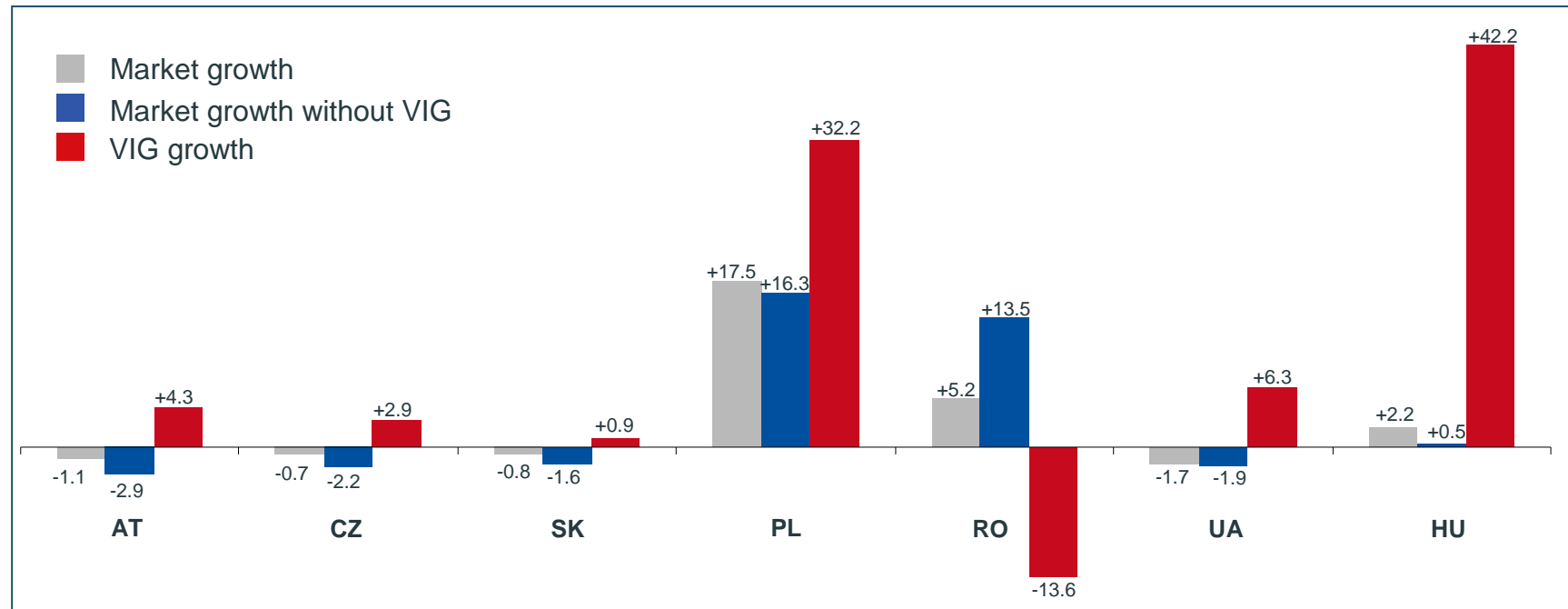


► Expectations from capital increase 2005 met:

Basis of business origination clearly diversified in premiums and profits

VIG Companies Outperforming Market

Outstanding franchise and unique strategy are the basis



- ▶ Due to the extraordinary market positions in its core markets and a distribution network without comparison VIG is best positioned to also develop above market in the future

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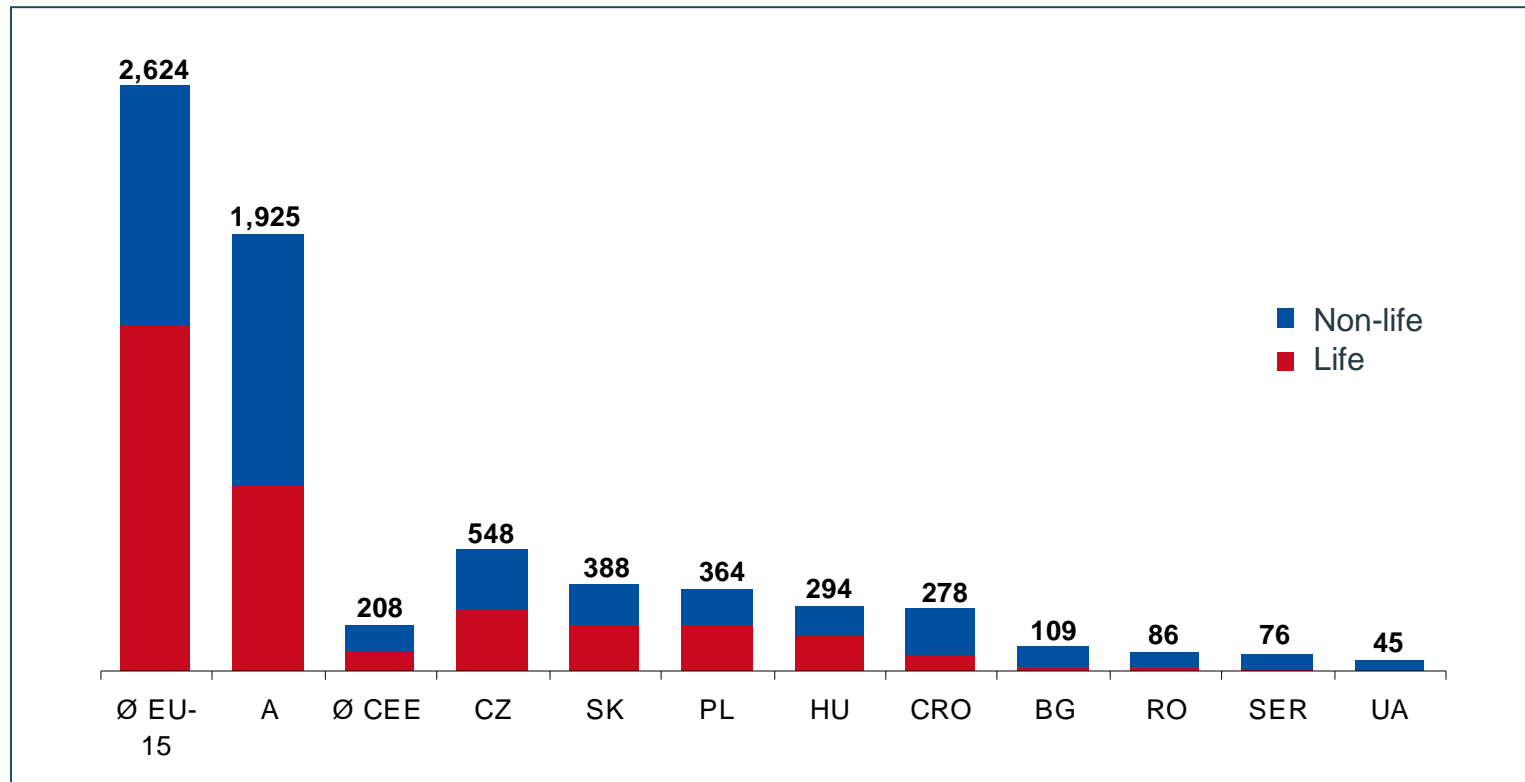
Performance

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Striking Under-Penetration Shows Potential

Premiums written per capita (insurance density), in EUR



Growth potential in CEE still lies ahead

CEE is the Best Place to be for VIG

VIG to exploit full potential of the region

Potential

	Population	GWP	PBT
Austria	~ 5%	~ 47%	~ 51%
Czech Republic, Slovakia & Hungary	~ 15%	~ 31%	~ 44%
Albania, Croatia, Georgia, Macedonia & Serbia	~ 12%	~ 3%	< 1%
The Baltic, Bulgaria, Poland, Romania & Ukraine	~ 68%	~ 19%	~ 5%

- ▶ The potential client base of VIG in Austria and all its CEE markets amounts to 174mn people
- ▶ Noticeable results contribution from those markets where VIG is active the longest
- ▶ Countries with largest client base are comparatively underrepresented in their share in premiums and profits

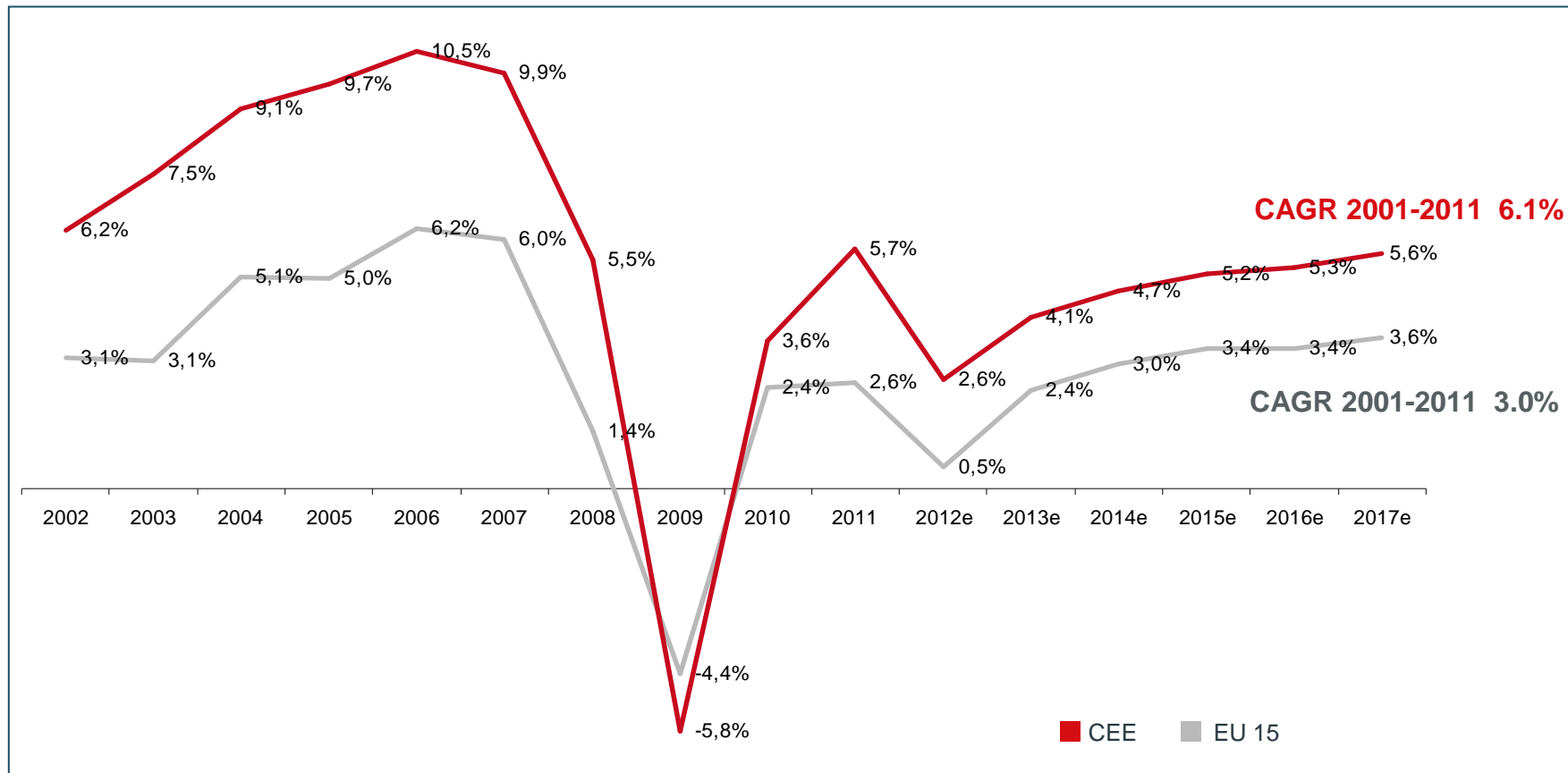
CEE to Grow Faster than the EU in Coming Years



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Potential

GDP per capita (real, purchasing power parity)



Economy in CEE expected to grow twice as fast as EU-15

Source: International Monetary Fund, World Economic Outlook Database, April 2012 (2012 – 2017 estimated figures)

CEE = VIG without Austria, Italy, Liechtenstein and Germany

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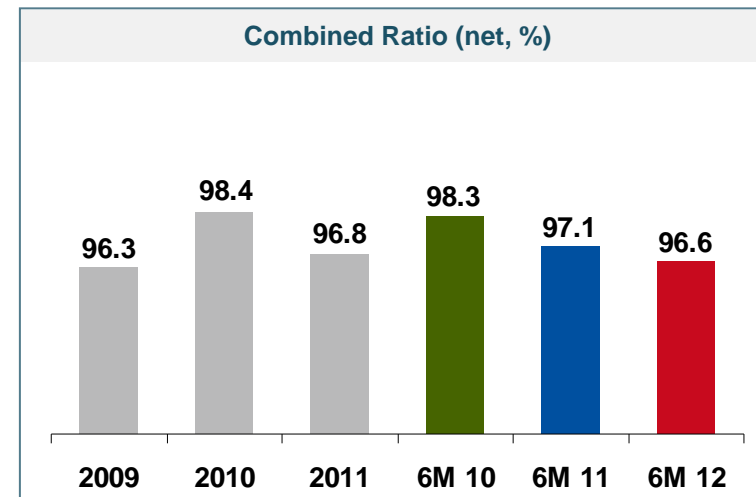
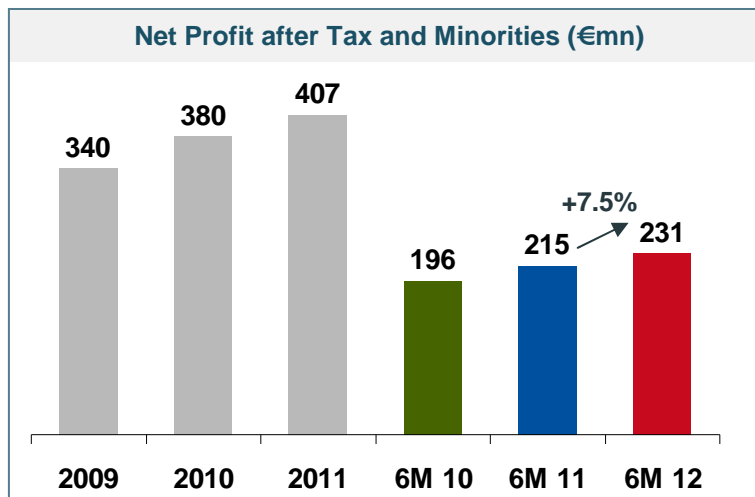
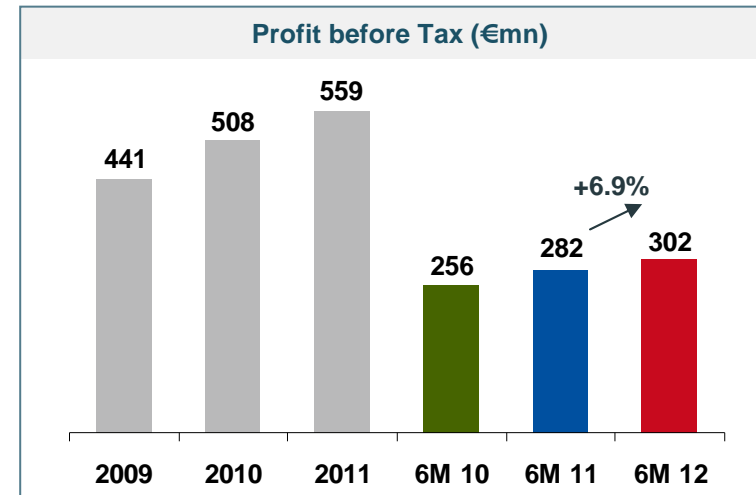
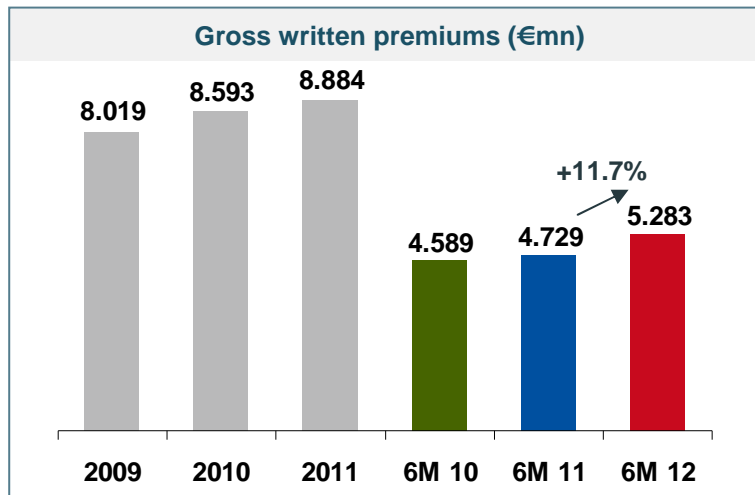
6M 2012 – Financial Highlights (I)



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VIG in 6M 2012

PBT increase driven by positive developments in Remaining markets



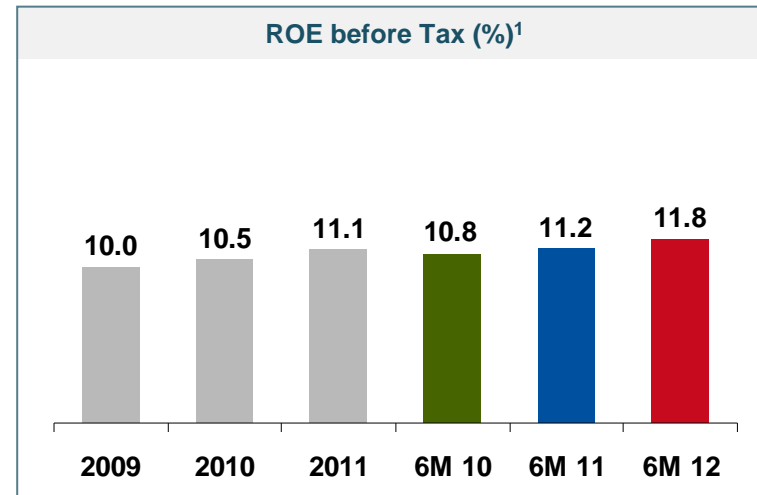
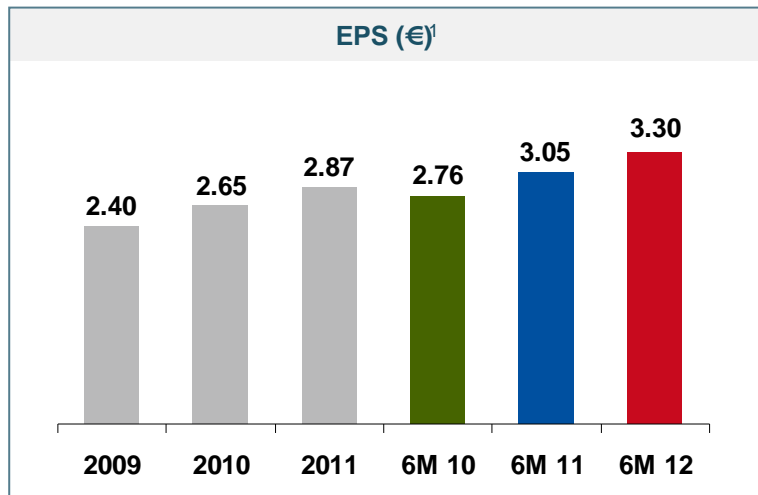
Rounding differences may occur when rounded amounts or percentages are added up.

6M 2012 – Financial Highlights (II)



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VIG in 6M 2012



1: annualised figures; EPS net of hybrid interest

Vienna Insurance Group is focused on:

1. Insurance business and
2. Austria and CEE

and set itself the following goals:

- ▶ to grow above market average in the next years
- ▶ to keep volatilities as low as possible by taking into account the economic background
- ▶ to identify cost-cutting potentials on an ongoing basis and use them to the best advantage

**No 1
insurer
in its
CEE core
markets**

**Sustainable
profit
development**

**Long-term
growth
potential**

**Sound
capitalisation**

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