

■ VIG – A Unique Growth Story in CEE



Baader Investment Conference

Munich, 27 September 2012

Introduction
Strategy
Performance
Potential
Financials

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

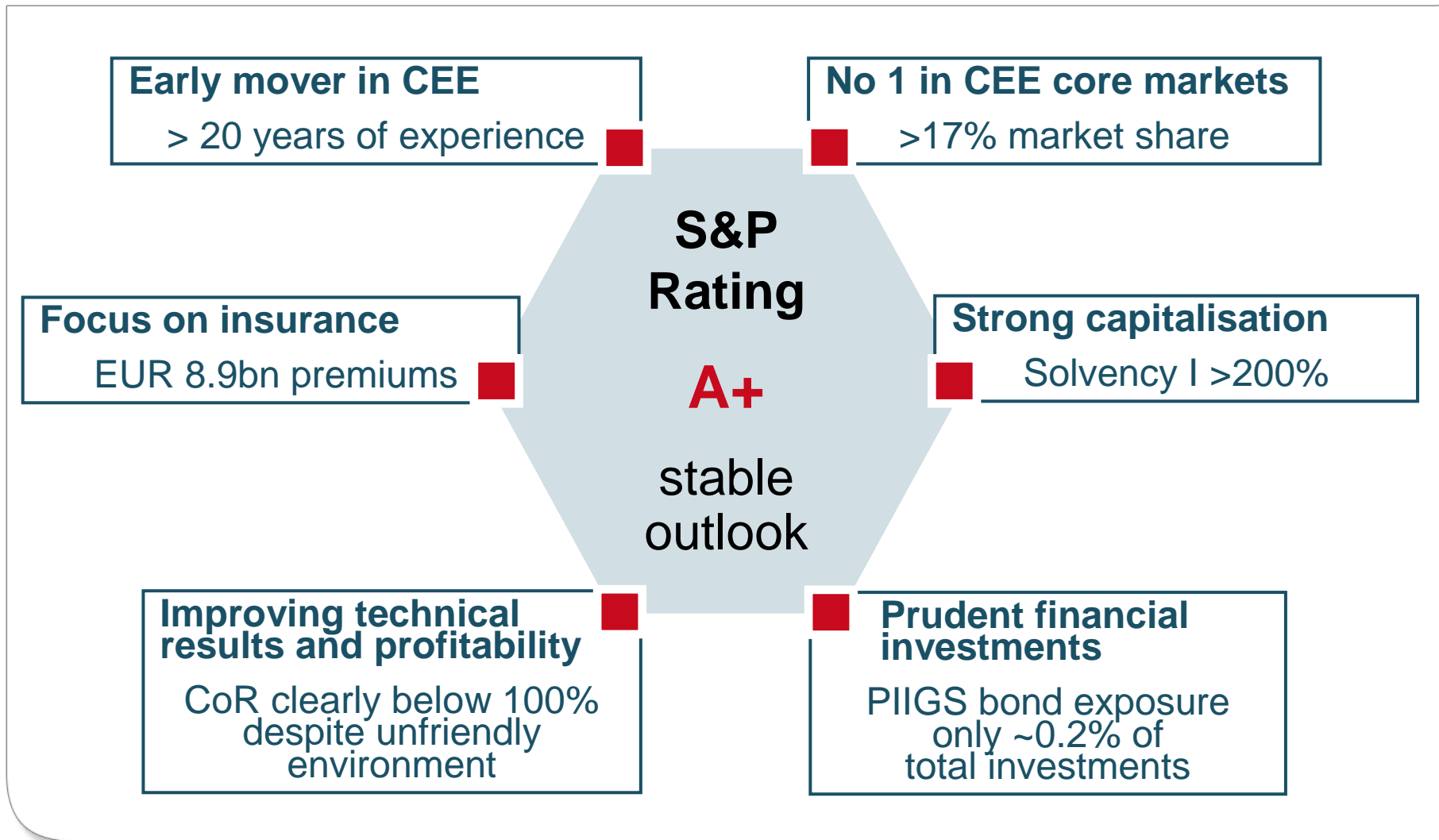


AUSTRIA	SLOVAKIA	BULGARIA	UKRAINE	TURKEY	MACEDONIA
WIENER STÄDTISCHE VIENNA INSURANCE GROUP onau VIENNA INSURANCE GROUP S-VERSICHERUNG VIENNA INSURANCE GROUP	Kooperativa VIENNA INSURANCE GROUP KOMUNÁLNA poisťovňa VIENNA INSURANCE GROUP POIŠŤOVŇA SLOVENSKEJ SPORITELNE VIENNA INSURANCE GROUP	BULSTRAD VIENNA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

Top Player in CEE

Facts & Figures

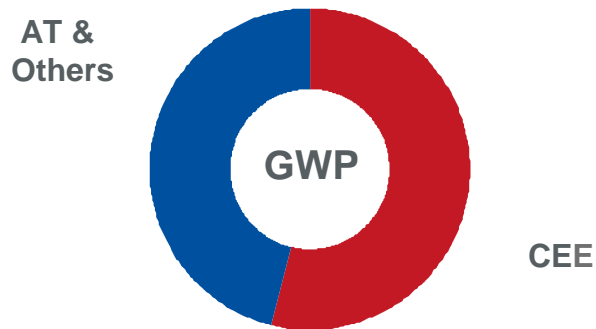
Introduction



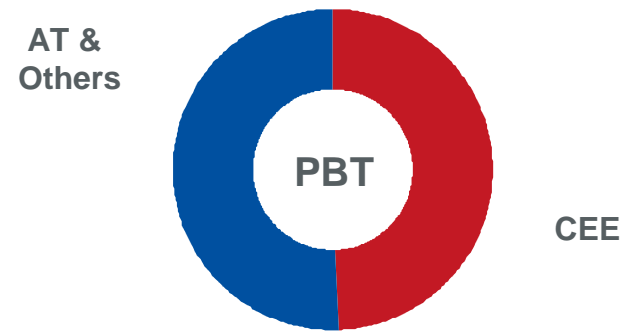
Strong Contribution from CEE

CEE is growth driver for VIG also going forward

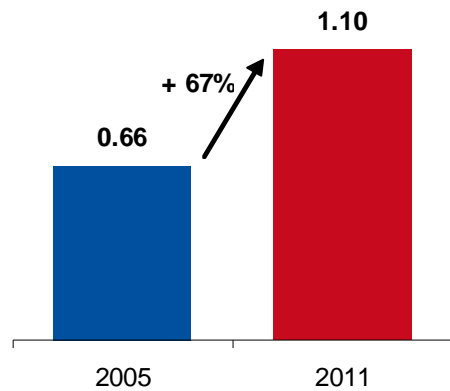
More than 50% of premiums from CEE



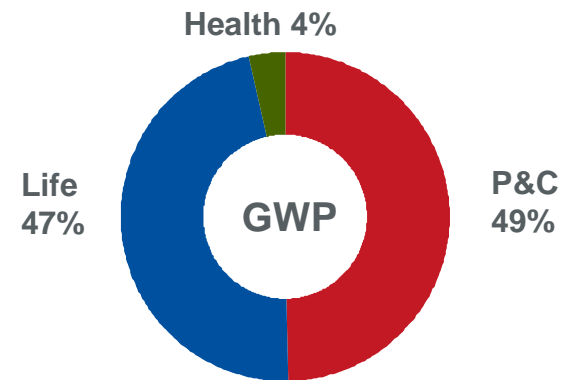
About 50% of profit before taxes from CEE



Dividend increase by CAGR of 9% since SPO



Overall premium split by line of business



Excellent Market Positions of VIG

VIG No 1 in its core markets - market share of more than 17%

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%



VIG is 1.5x bigger than peers in its core markets

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

Introduction

Strategy

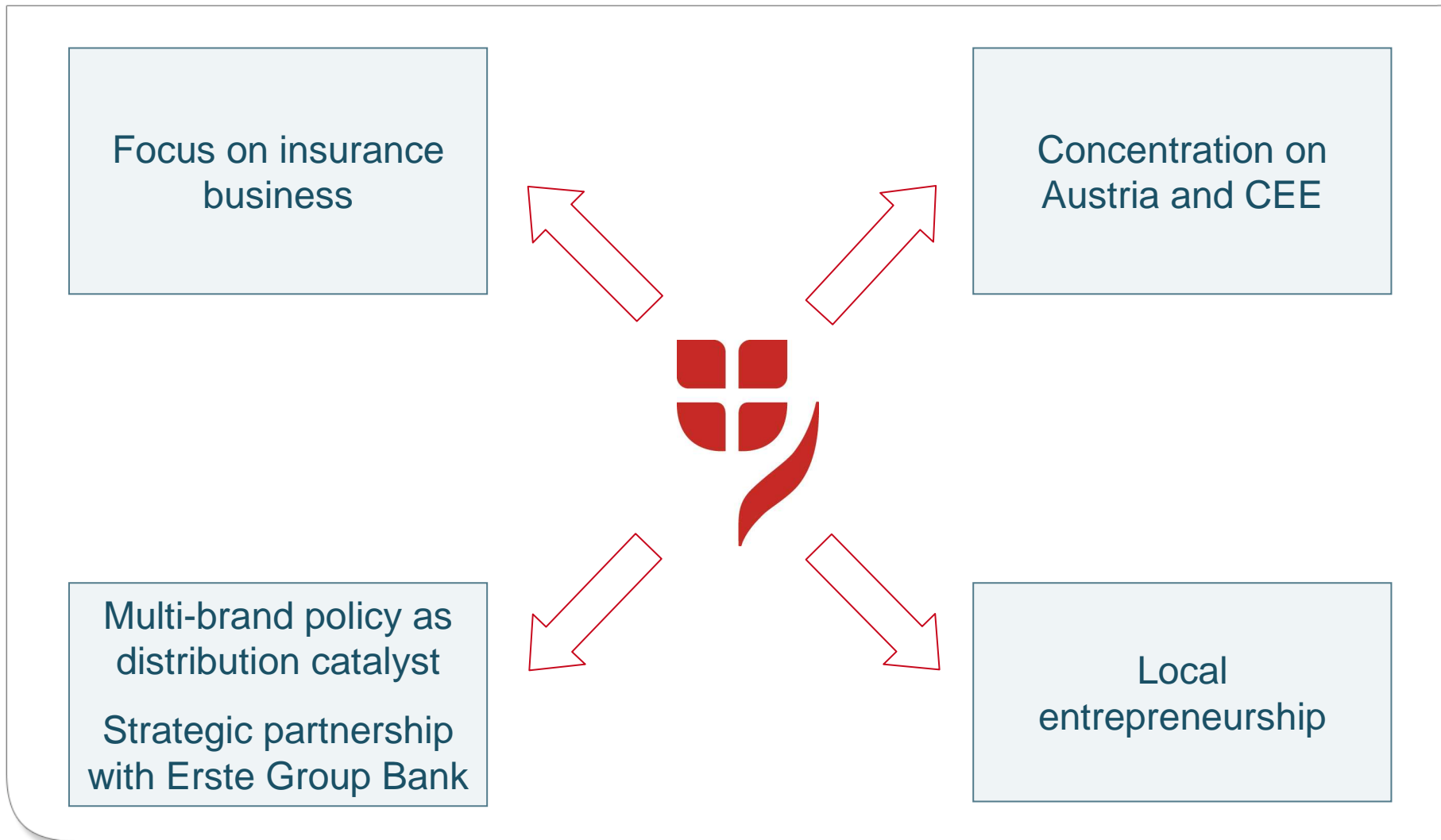
Performance

Potential

Financials

Well-proven Business Model of VIG to Continue

Strategic cornerstones of VIG



Change in Management, not in Business Model

Managing Team with outstanding experience in CEE



Peter Hagen

- ▶ General Manager, CEO
- ▶ With VIG since 1989
- ▶ In Group Mgmt. since 1999
- ▶ Countries: AT, CZ, HR



Franz Kosyna

- ▶ Deputy General Manager
- ▶ With VIG since 1983
- ▶ In Group Mgmt. since 2005
- ▶ Countries: AL,BA,MK,ME,RS



Martin Simhandl

- ▶ CFO
- ▶ With VIG since 1985
- ▶ In Group Mgmt. since 2000
- ▶ Countries: GE, TR, UA



Peter Höfinger

- ▶ With VIG since 2003
- ▶ In Group Mgmt. since 2007
- ▶ Countries: BG, BY, HU, SK



Franz Fuchs

- ▶ With VIG since 2003
- ▶ In Group Mgmt. since 2007
- ▶ Countries: PL, RO, The Baltic

Deputy Members of the Managing Board



- Roland Gröll
- Judith Havasi
- Martin Divis

Dynamic Expansion into CEE

Focus on Austria and CEE

Strategy

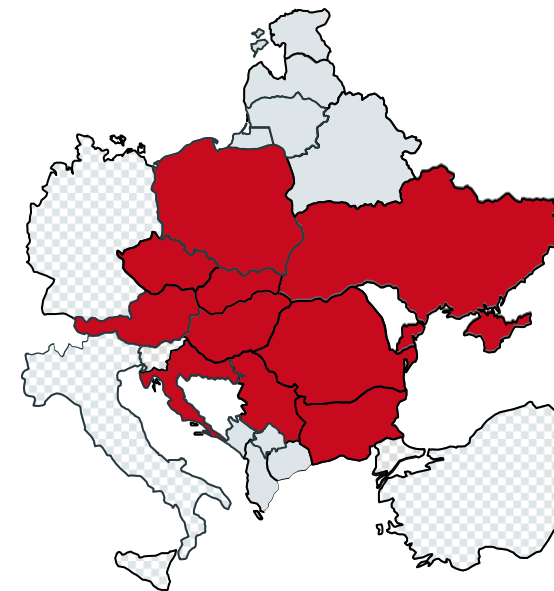
Successful Track Record

VIG in CEE 1990: 3 markets



Client/talent base: 24mn people

VIG today: 24 markets



Client/talent base: >175mn people

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

VIG as early mover established most diversified network throughout the 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 partner in 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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Others	●	●	●	●																																											

Multi-brand and multi-channel are paramount for VIG

1: Direct marketing, leasing, car dealers

Introduction

Strategy

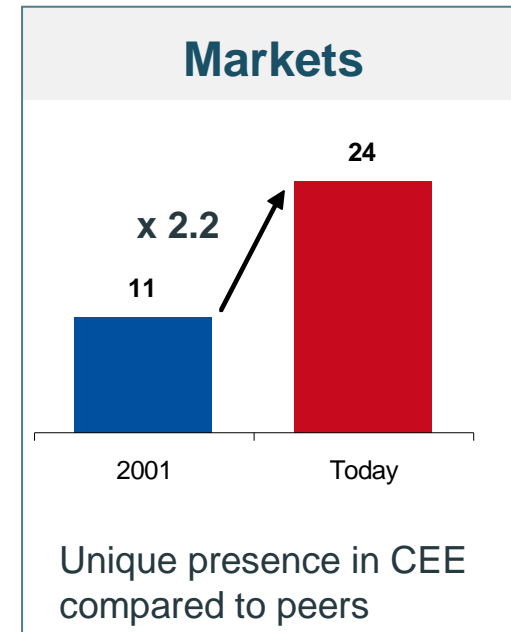
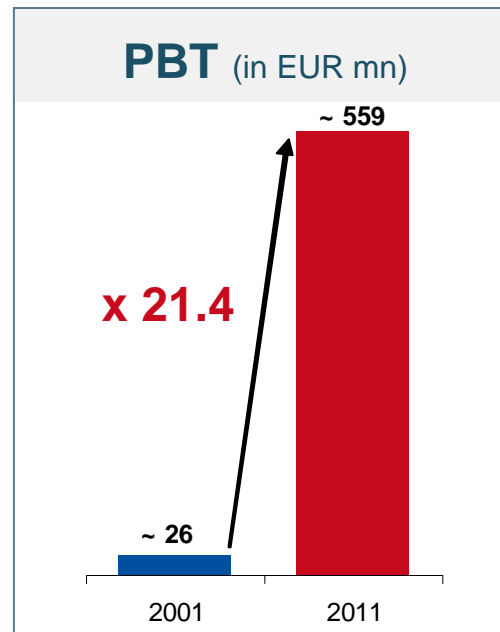
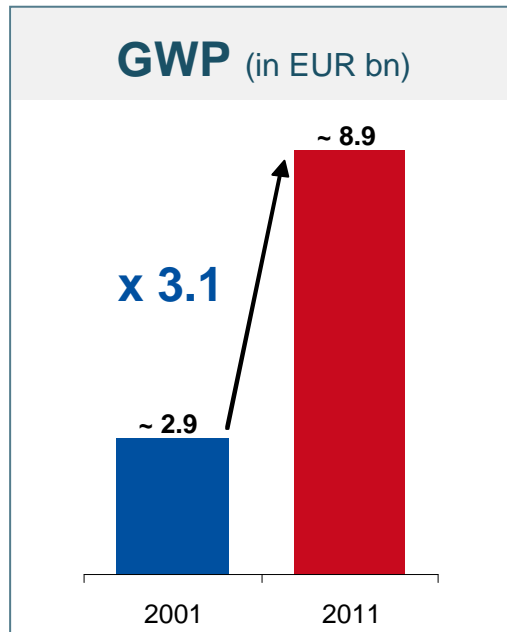
Performance

Potential

Financials

Extraordinary Development in previous 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

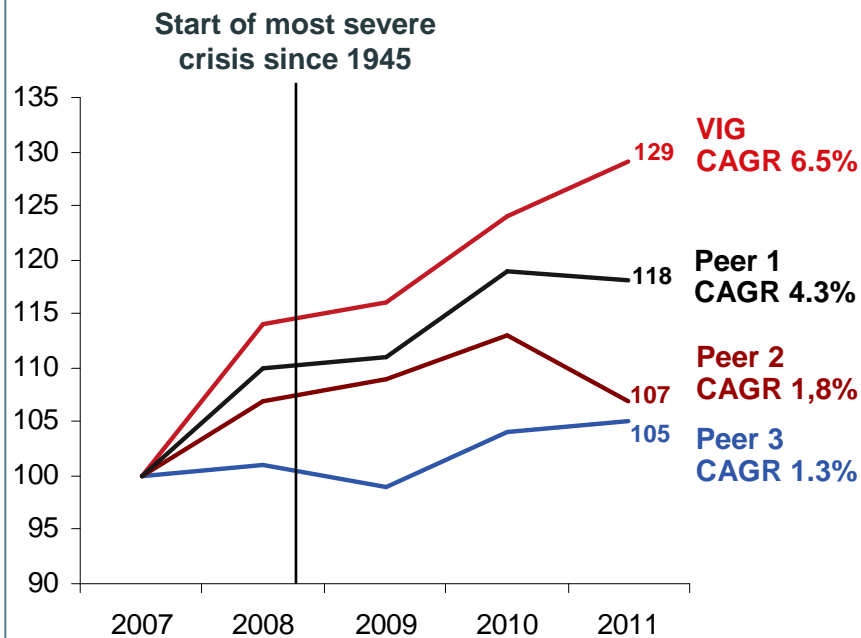


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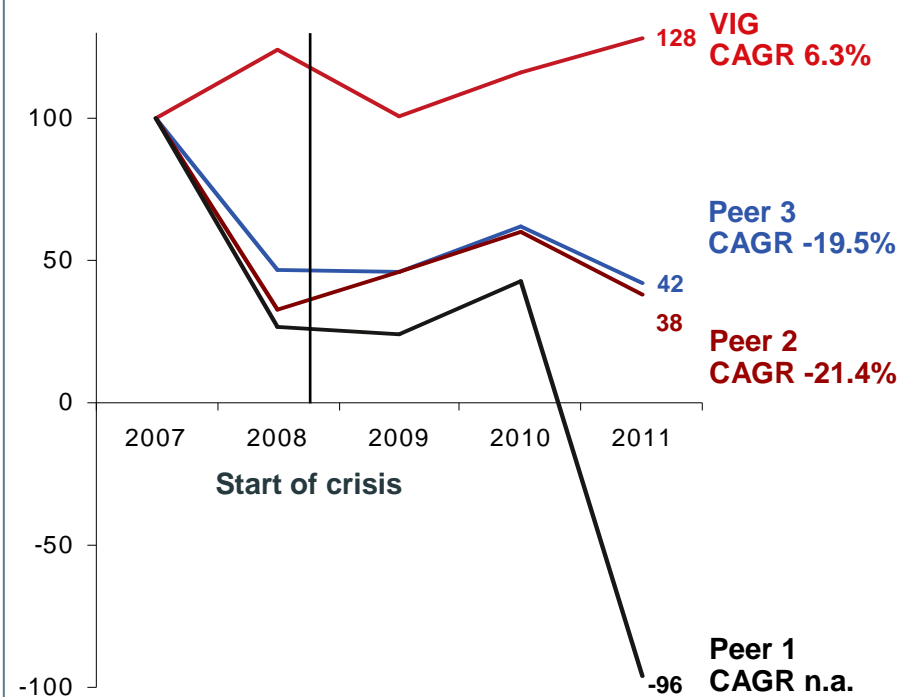
Performance

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

Gross premiums written



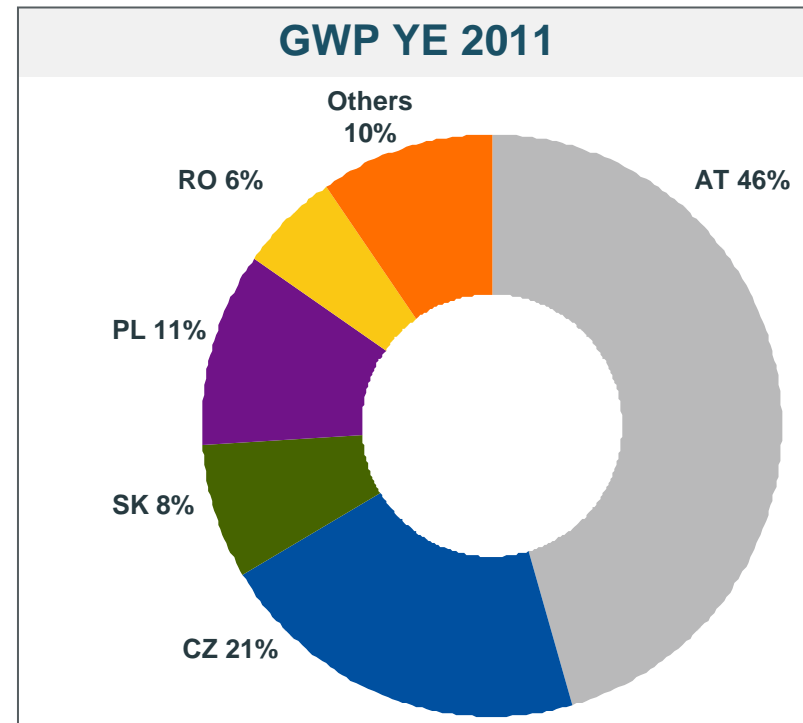
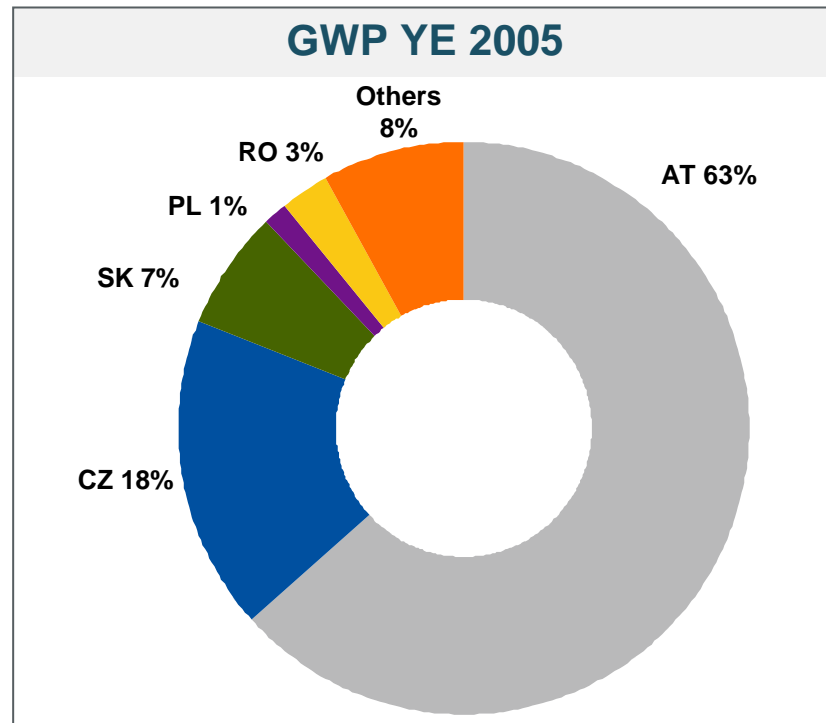
Profit before taxes



Low volatility despite negative market environment

Premium Contribution from CEE Increased

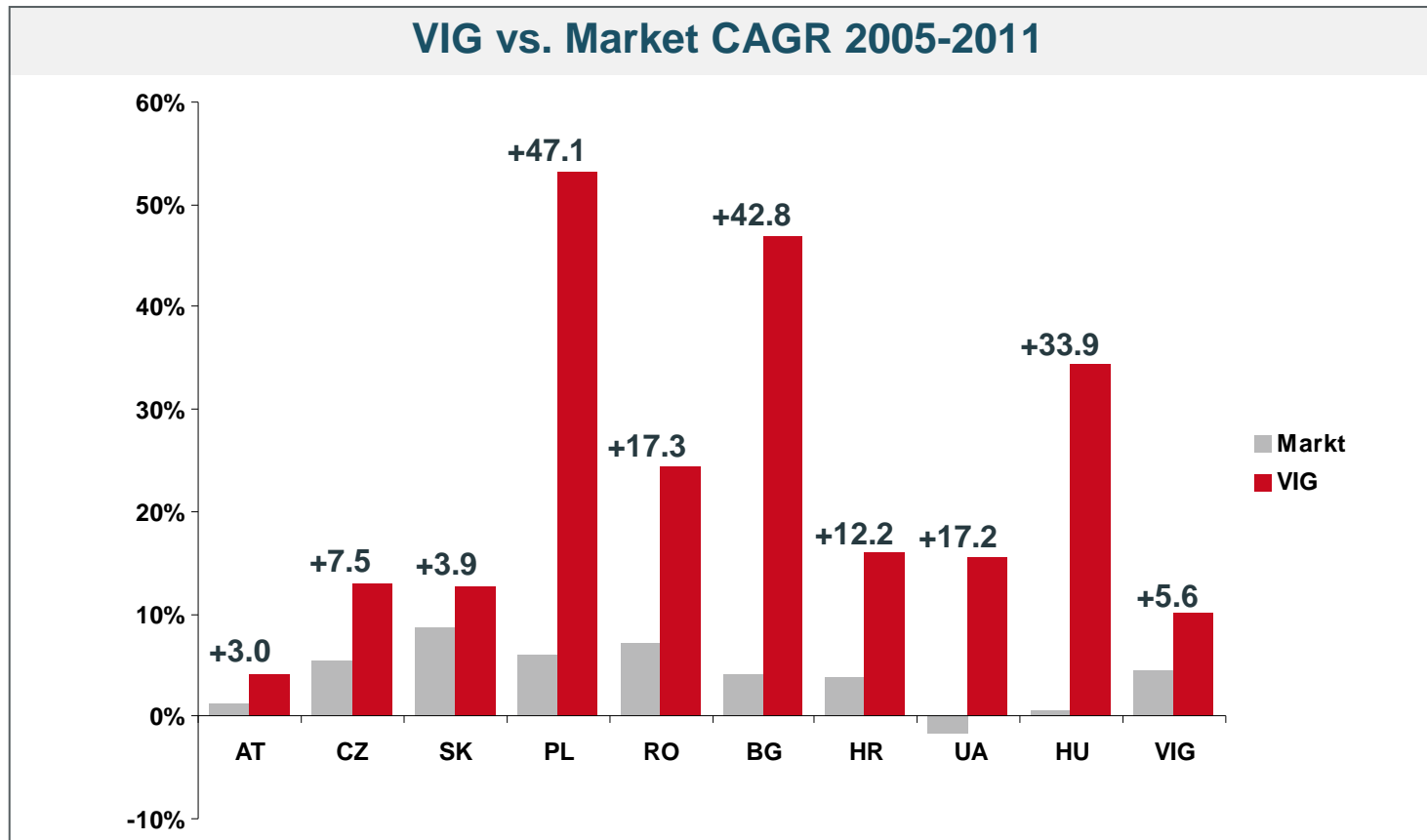
More than 50% of premiums are generated in the CEE markets



- ▶ Basis of business origination diversified in premiums and profits
- ▶ Expectations from SPO 2005 met:
CEE share in premiums increased from 31% in 2005 to 52% in 2011

VIG Outperforming Market

VIG to grow continuously above market also in coming years



VIG's overall organic growth on average outperformed the market by more than 20% each year

Source: McKinsey and VIG based on data of local insurance associations
Difference between VIG and market CAGR's in percentage points

Introduction

Strategy

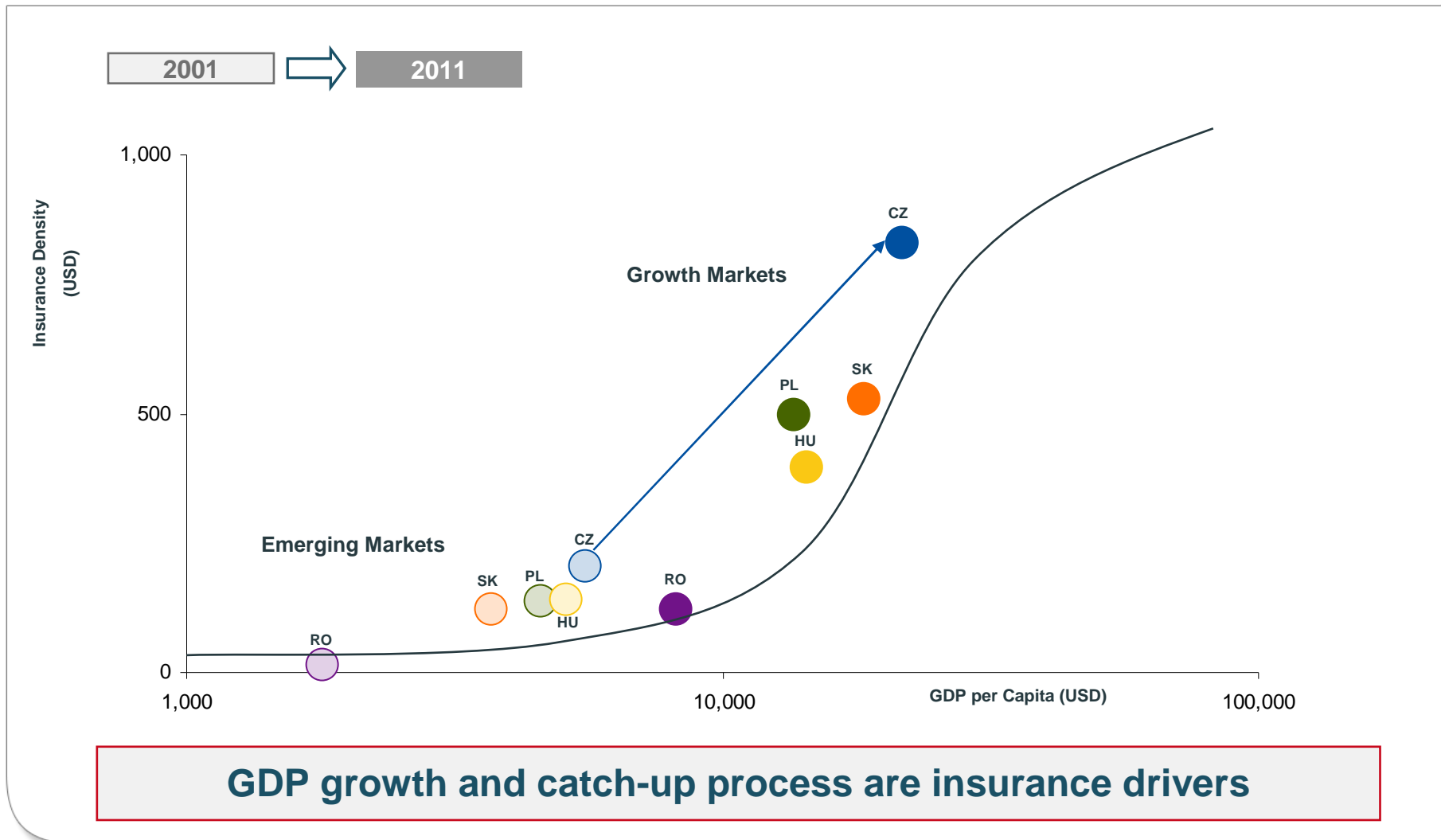
Performance

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Financials

VIG – The Basic Concept

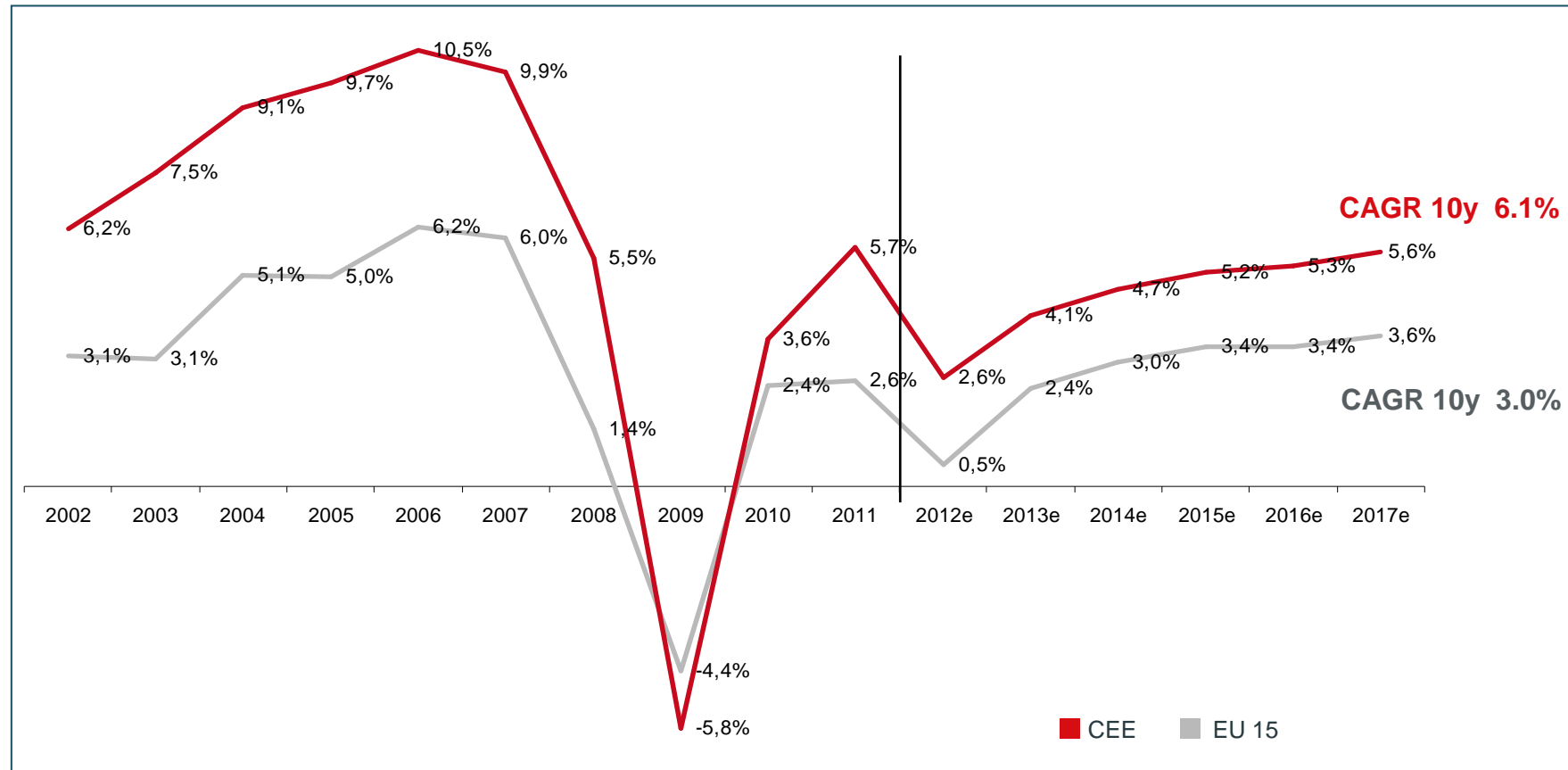
Model of insurance demand development still valid



Source: Swiss Re, Sigma reports

CEE to Grow Faster than the EU in Coming Years

GDP per capita (real, purchasing power parity)



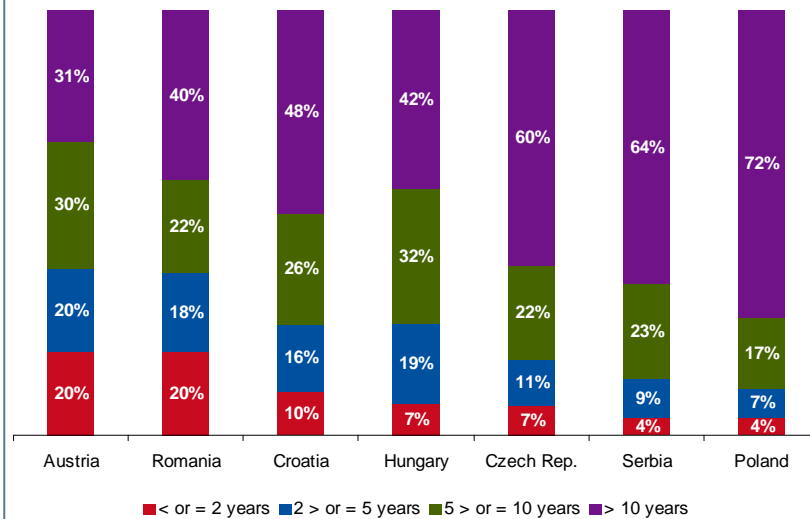
Economy in CEE expected to grow twice as fast as EU-15

Source: International Monetary Fund, World Economic Outlook Database, April 2012 (2012 – 2017 estimated figures)
CEE = VIG markets without Austria, Italy, Liechtenstein and Germany

Fundamental Indicators for Motor Business in CEE

Number of registered cars in CEE show motor under-penetration

Age of registered cars



Number of registered cars

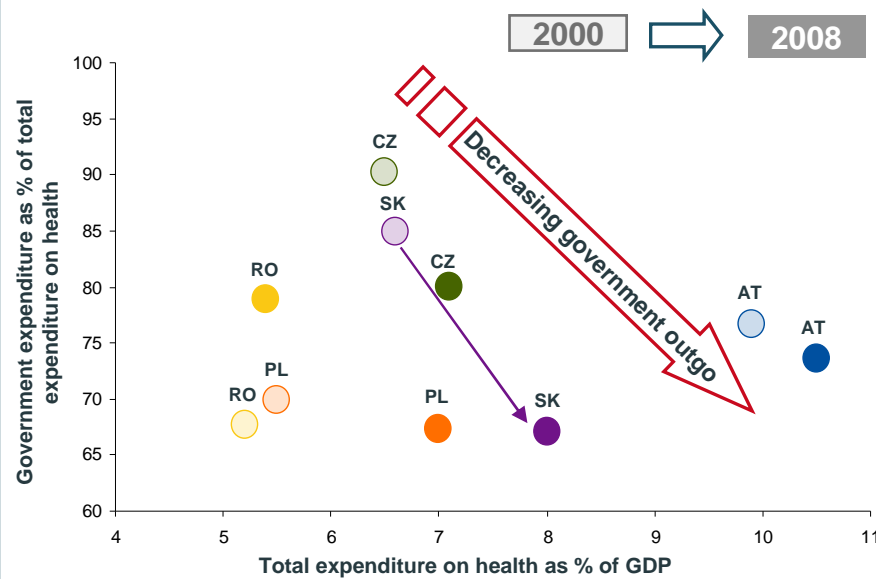


- ▶ Twofold opportunity: catch-up in motor penetration creates MTPL demand and exchange of old vehicles increases potential for Casco insurance
- ▶ Potential of additional 10mn vehicles to be insured when only motor penetration in CZ, SK, PL and RO reach current level of AT
- ▶ Extraordinary market positions and broad distribution network will help VIG to make best use of future market developments

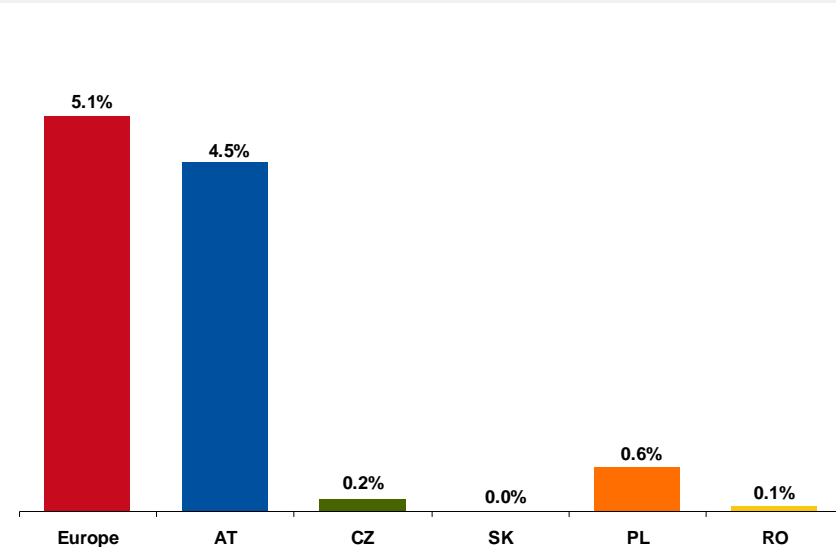
Health Insurance to become a Topic in CEE

Reforms of health insurance systems in discussion

Government expenditure on health



Private prepaid plans as % of total expenditures on health



- ▶ Governments facing expensive social security systems and high costs for medical schemes
- ▶ Regulatory changes to come offer possibility for private health insurance similar to Austrian model

CEE is the Best Place to be for VIG



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Potential

VIG to exploit full potential of the region

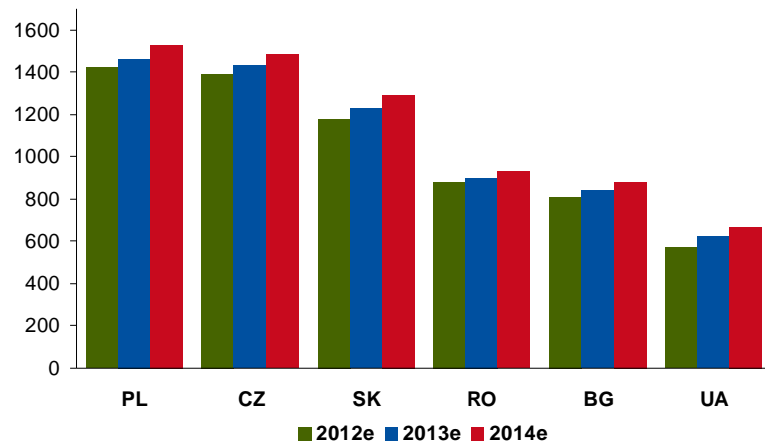
	Population	GWP	PBT
Austria	~ 5%	~ 47%	~ 51%
Czech Republic, Slovakia & Hungary	~ 15%	~ 31%	~ 44%
Albania, Croatia, Georgia, Macedonia, Montenegro & Serbia	~ 12%	~ 3%	< 1%
The Baltic, Bulgaria, Poland, Romania & Ukraine	~ 68%	~ 19%	~ 5%

- ▶ The potential client base of VIG in Austria and all its CEE markets amounts to more than 175mn people
- ▶ Strong results contribution from those markets where VIG is active the longest
- ▶ Countries with largest client base are still underrepresented in their share in premiums and profits

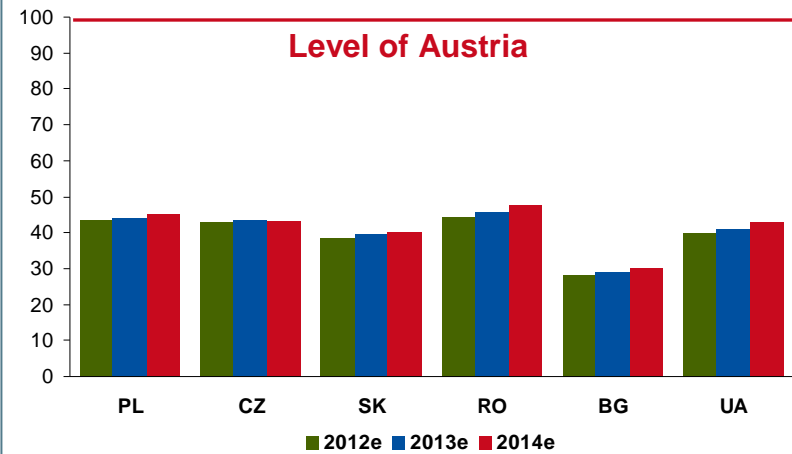
Promising Development of Wages

Forecast 2012 - 2014

Average monthly gross wages, EUR (PPP)



Unit labour costs, PPP adj.; AT = 100%



Expected wage increases support insurance demand in coming years

Positive Macro Economic Data for CEE

GDP per capita and Gross Government Debt for VIG core markets

Potential

GDP (real, purchase price adjusted) ¹	2011	2012e	2013e	2017e	Gross Government Debt (% of GDP)	2011	2012e	2013e	2017e
Austria	5.3	2.2	3.4	3.8	Austria	72.2	73.9	74.3	69.2
Czech Republic	3.8	1.4	3.6	5.6	Czech Republic	41.5	43.9	45.4	47.1
Slovakia	5.6	3.7	4.7	5.6	Slovakia	44.6	47.1	48.8	54.6
Poland	6.6	4.0	4.7	5.8	Poland	55.4	55.7	55.2	48.7
Romania	4.6	2.8	4.6	6.0	Romania	33.0	34.2	33.0	27.4
Bulgaria	3.8	2.1	3.0	6.5	Bulgaria	17.0	21.3	17.6	11.7
Croatia	2.1	0.8	2.5	4.5	Croatia	45.6	52.8	55.7	63.1
Serbia	4.0	1.8	4.5	5.5	Serbia	47.9	53.7	52.9	47.9
Hungary	3.9	1.3	3.3	4.2	Hungary	80.4	76.3	76.0	71.9
Ukraine	7.5	4.3	5.1	5.5	Ukraine	36.5	35.9	33.2	33.2

- ▶ Economy in CEE markets of VIG expected to grow twice as fast as EU-15
- ▶ Debt levels in most CEE markets well below Austria
- ▶ Unemployment rates showing downward momentum

1: Change to previous year in percent

Source: International Monetary Fund, World Economic Outlook Database, April 2012

Strategic Priorities of Managing Board

Promising story still ahead

Vienna Insurance Group committed to

1. Insurance business and
2. Austria and CEE

and set itself the following goals:

- ▶ to outperform market growth also in the next years
- ▶ to keep volatilities as low as possible
- ▶ to continuously identify cost-cutting potentials
- ▶ to further focus on underwriting profitability

Integration of new CEE talents will help VIG to grab the potential of all its markets

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

**Sustainable
profit
development**

**Long-term
growth
potential**

**Sound
capitalisation**

Introduction

Strategy

Performance

Potential

Financials

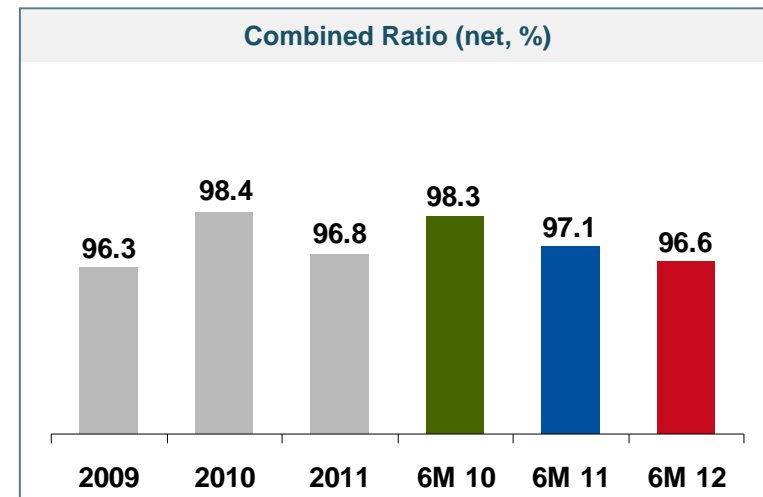
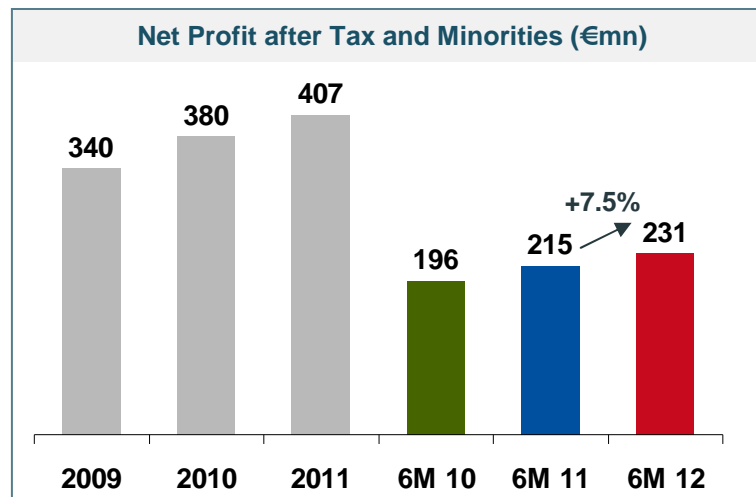
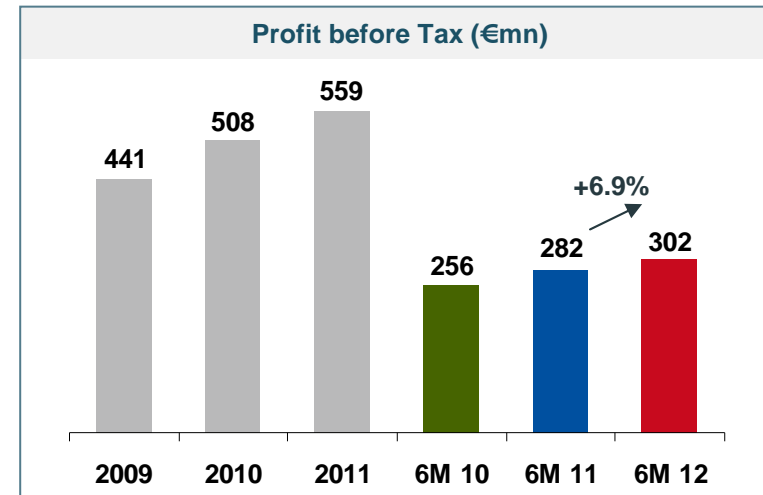
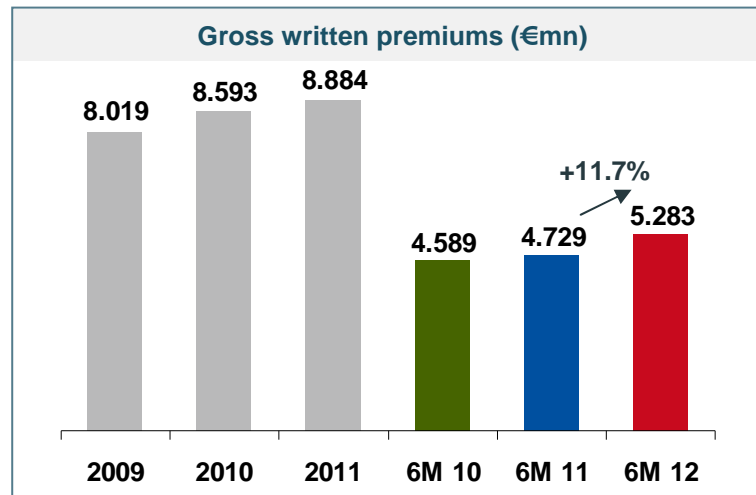
6M 2012 – Overview

Best half-year result: PBT in 6M 2012 for the first time above € 300mn

- ▶ Strong overall premium growth: GWP up 11.7% to EUR 5.3 billion; 54% of premiums coming from CEE
- ▶ Positive development of regular life premium business in s Versicherung Group:
 - ✓ Double-digit growth rates in RO (+47%), SK (+18%) and CZ (+12%)
- ▶ Profit before taxes increased by 6.9% to EUR 301.7 million
 - ✓ Profit growth in CEE + 13.6%
 - ✓ CEE contributing roughly 50% of profits
- ▶ Excellent combined ratio (net) of 96.6% despite bad weather situation especially in Austria
- ▶ Ongoing strong capitalisation with Solvency I ratio of >200%
- ▶ Merger of InterRisk and PZM as well as acquisition of Polisa in Poland completed

6M 2012 – Financial Highlights (I)

PBT increase driven by positive developments in Remaining markets



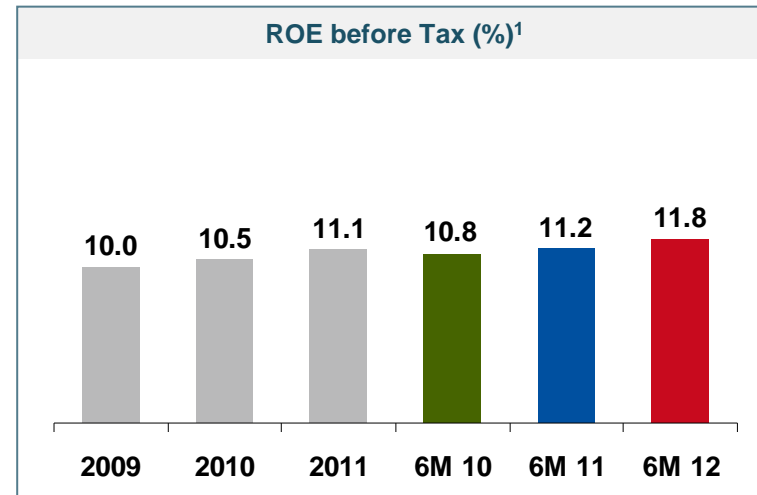
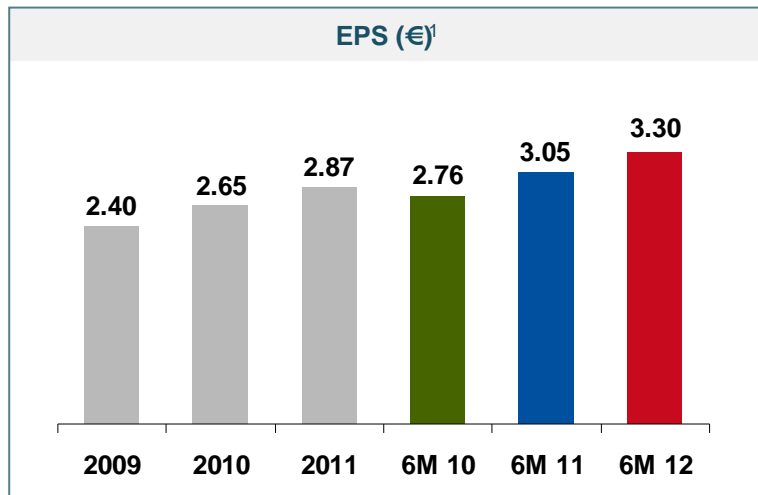
Rounding differences may occur when rounded amounts or percentages are added up.

6M 2012 – Financial Highlights (II)



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VIG in 6M 2012



1: annualised figures; EPS net of hybrid interest

6M 2012 – Gross Written Premiums



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VIG in 6M 2012

Overall premium growth excluding FX effects of 13.6%

€mn	GWP Non-life			GWP Life			Total		
	6M 2012	6M 2011	+/-%	6M 2012	6M 2011	+/-%	6M 2012	6M 2011	+/-%
Austria	1,332.4	1,210.1	10.1	999.4	1,022.4	-2.2	2,331.9	2,232.4	4.5
Czech Rep.	523.5	542.3	-3.5	404.2	431.5	-6.3	927.8	973.7	-4.7
Slovakia	176.0	171.3	2.8	182.1	167.7	8.6	358.1	339.0	5.6
Poland	302.4	323.3	-6.5	649.8	174.8	271.8	952.2	498.1	91.2
Romania	184.1	225.2	-18.3	51.6	50.5	2.1	235.7	275.8	-14.5
Remaining	298.2	270.4	10.3	179.1	139.9	28.0	477.3	410.3	16.3
Total	2,816.6	2,742.5	2.7	2,466.2	1,986.7	24.1	5,282.9	4,729.2	11.7

- ▶ Austria: good motor development and increased corporate business; NL growth includes branch office business; overall decrease in life due to difficult market situation
- ▶ Czech Republic: MTPL - continuing competition -> decreased average premiums; sound growth in other property insurance; decline in single premium business but solid development in regular premiums
- ▶ Poland: excluding FX effects stable non-life development; life growth from short-term endowment single premium business
- ▶ Romania: restructuring measures especially in motor are ongoing; life growth deriving from BCR life
- ▶ Ongoing negative currency effects in Czech Republic, Poland and Romania
- ▶ Slovakia: MTPL as well as property and other NL business increased; life growth is driven by single premium business
- ▶ Remaining: double digit growth in Non-life and Life in HU, UA as well as in the Baltics (L)

6M 2012 – Expenses for Claims Incurred

Despite bad weather situation claims ratio still at favourable level

- ▶ Group claims ratio (net) up by 0.5 pp
- ▶ Austria: due to hail and heavy rainfall in Q2 the loss ratio increased by 2.2 pp to 67.7%
- ▶ Czech Republic: claims ratio down by 3.2 pp due to less claims both in motor and non-motor business
- ▶ Stable claims ratio development in Slovakia and Poland (in PL slight down by 0.6 pp)
- ▶ Romania: difficult market situation remains; claims ratio up by 10.6 pp reflecting increased claims payments in motor and the legally required reserving for personal injuries
- ▶ Remaining: claims ratio improved by 4.5 pp, better claims ratios in Croatia and Bulgaria

in %	Claims Ratio		
	6M 2012	6M 2011	+/- %-pts
Austria	67.7	65.6	2.2
Czech Rep.	61.8	65.0	-3.2
Slovakia	55.6	55.6	0.0
Poland	66.0	66.6	-0.6
Romania	83.5	73.0	10.6
Remaining	57.5	62.0	-4.5
	65.8	65.4	0.5

€mn	P&C	
	6M 2012	6M 2011
Net Earned Premiums	2,027.1	1,926.8
Expenses for Claims Incurred	1,334.7	1,259.2
Ratio	65.8%	65.4%

6M 2012 – Acquisition and Administrative Expenses

Decreased cost ratio leads to overall improved CoR of 96.6%

- ▶ Group cost ratio (net) decreased by 1.1 pp
- ▶ Austria: reduction of cost ratio by 3.1 pp; increased premium basis is main driver for the positive development
- ▶ Czech Republic: cost ratio up by 3.5 pp impacted by higher reinsurance no-claims bonuses paid by VIG Re and higher commission payments due to changes in distribution
- ▶ Slovakia: stable cost ratio
- ▶ Poland: reduction of cost ratio by 1.5 pp reflects disciplined cost management and declining commissions
- ▶ Romania: restructuring measures taken lowered the cost ratio by 6.0 pp despite decreasing premium volume
- ▶ Remaining: cost ratio increased by 3.5 pp, influenced by depreciation of acquired insurance portfolios and FX effects

in %	Cost Ratio		
	6M 2012	6M 2011	+/- %-pts
Austria	25.7	28.9	-3.1
Czech Rep.	32.1	28.6	3.5
Slovakia	40.2	39.7	0.4
Poland	32.0	33.5	-1.5
Romania	26.9	32.9	-6.0
Remaining	43.1	39.7	3.5
	30.7	31.8	-1.1

€mn	P&C	
	6M 2012	6M 2011
Net Earned Premiums	2,027.1	1,926.8
Acquisition and administrative expenses ¹	622.6	612.4
Ratio	30.7%	31.8%

1: Incl. other underwriting result of €44.7mn for 6M 2012 (€ 54.6mn for 6M 2011)

6M 2012 – Income Statement

IFRS (€mn)

Appendix

€mn	6M 2012	6M 2011	+/-%
Gross premiums written	5,282.9	4,729.2	11.7
Net earned premiums	4,656.4	4,070.5	14.4
Financial result ¹	581.4	554.2	4.9
Other income	53.0	45.5	16.3
Total income	5,290.7	4,670.2	13.3
Expenses for claims and insurance benefits	-3,943.4	-3,348.7	17.8
Acquisition and administrative expenses	-909.7	-897.1	1.4
Other expenses	-135.9	-142.3	-4.5
Total expenses	-4,989.0	-4,388.1	13.7
Profit before taxes	301.7	282.2	6.9
Taxes	-63.2	-51.7	22.2
Net profit before minorities (Profit for the period)	238.5	230.5	3.5
Minorities	-7.2	-15.4	-53.2
Net profit after minorites	231.3	215.1	7.5

1: Incl. result from shares in at equity consolidated companies

6M 2012 – Balance Sheet



VIENNA INSURANCE GROUP

Appendix

IFRS (€mn)

€mn	30.6. 2012	31.12.2011	+/-%
Intangible assets	2,418	2,382	1.5
Investments	28,230	28,085	0.5
Unit- and index-linked investments	5,916	5,503	7.5
Reinsurers' share in underwriting provisions	1,143	1,117	2.3
Receivables	1,664	1,582	5.2
Tax receivables and advance payments out of income tax	95	80	17.6
Deferred tax assets	107	124	-13.4
Other assets	329	328	0.2
Cash and cash equivalents	828	568	45.7
Total assets	40,730	39,770	2.4
Shareholders' equity	5,214	5,050	3.3
<i>thereof minorities</i>	306	419	-26.9
Subordinated liabilities	537	531	1.1
Underwriting provisions	25,390	23,993	5.8
Unit- and index-linked technical provisions	5,744	5,329	7.8
Non-underwriting provisions	505	559	-9.8
Liabilities	2,902	3,904	-25.7
Tax liabilities out of income tax	72	63	15.2
Deferred tax liabilities	162	124	30.7
Other liabilities	203	216	-6.1
Total liabilities and equity	40,730	39,770	2.4

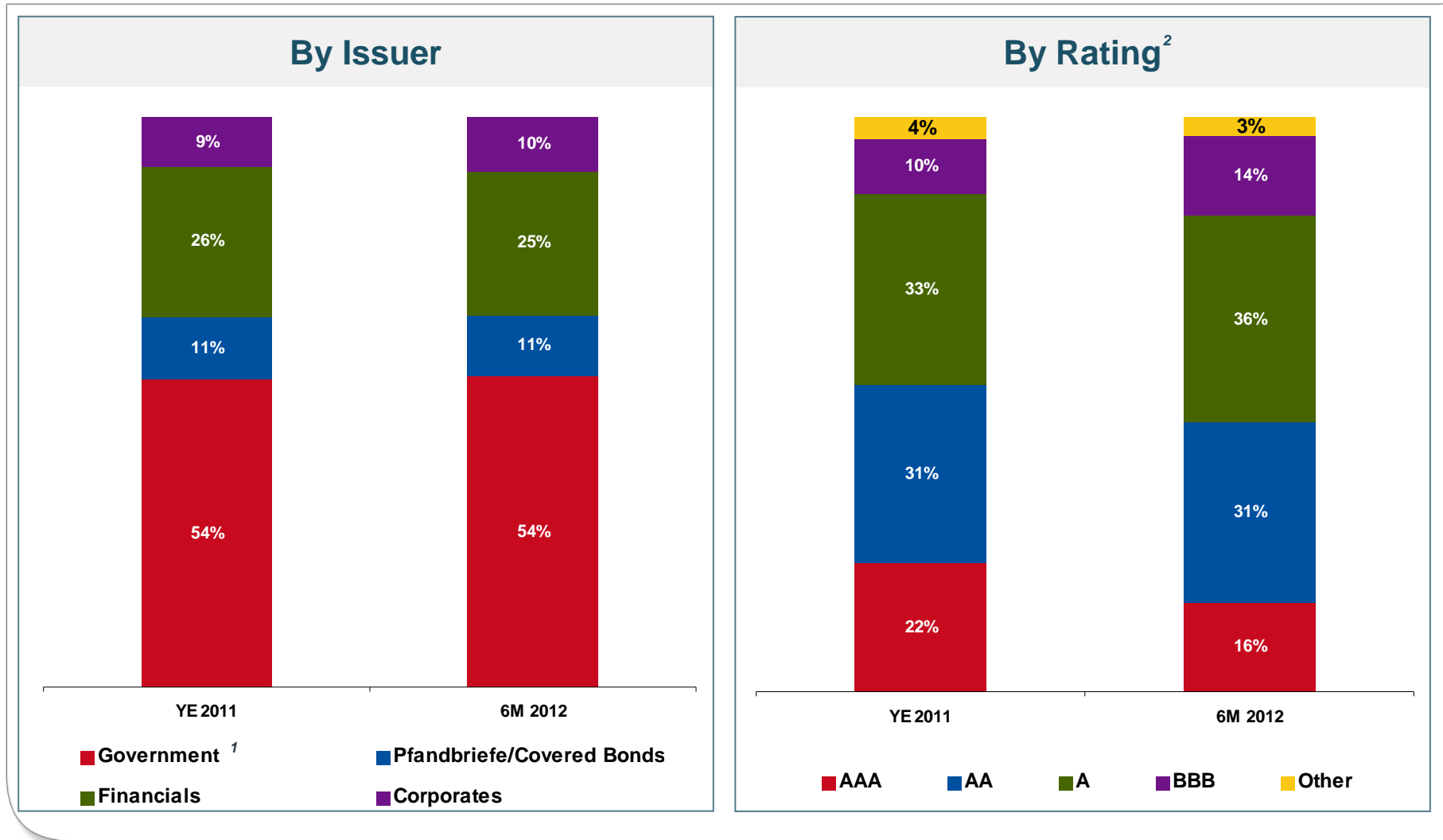
6M 2012 – Financial Result

Increase of 4.9 % in financial result

Income in € '000	P&C		Life		Health		Total	
	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011
Current income	202,383	246,497	445,796	452,327	20,886	21,789	669,065	720,613
Income from appreciations	22,250	3,158	23,936	5,815	666	230	46,852	9,203
Income from the disposal of investments	25,863	15,362	59,216	65,742	416	4,502	85,495	85,606
Other income	3,998	5,352	23,871	16,788	8	22	27,877	22,162
Total Income	254,494	270,369	552,819	540,672	21,976	26,543	829,289	837,584
Expenses in € '000	P&C		Life		Health		Total	
	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011
Depreciation of investments	37,072	48,131	23,854	23,066	1,700	1,066	62,626	72,263
Impairment of investments	12,390	1,545	6,161	23,648	1,491	206	20,042	25,399
Exchange rate changes	-437	773	-5,886	6,476	-179	8	-6,502	7,257
Losses from the disposal of investments	13,623	6,080	19,593	20,807	429	766	33,645	27,653
Interest expenses	30,519	35,541	14,269	15,718	2,308	2,762	47,096	54,021
Other expenses	53,028	63,801	34,724	29,525	3,274	3,465	91,026	96,791
Total Expenses	146,195	155,871	92,715	119,240	9,023	8,273	247,933	283,384
Total Financial Result	108,299	114,498	460,104	421,432	12,953	18,270	581,356	554,200

1: Incl. result from shares in at equity consolidated companies

6M 2012 – Development of Bond Portfolio

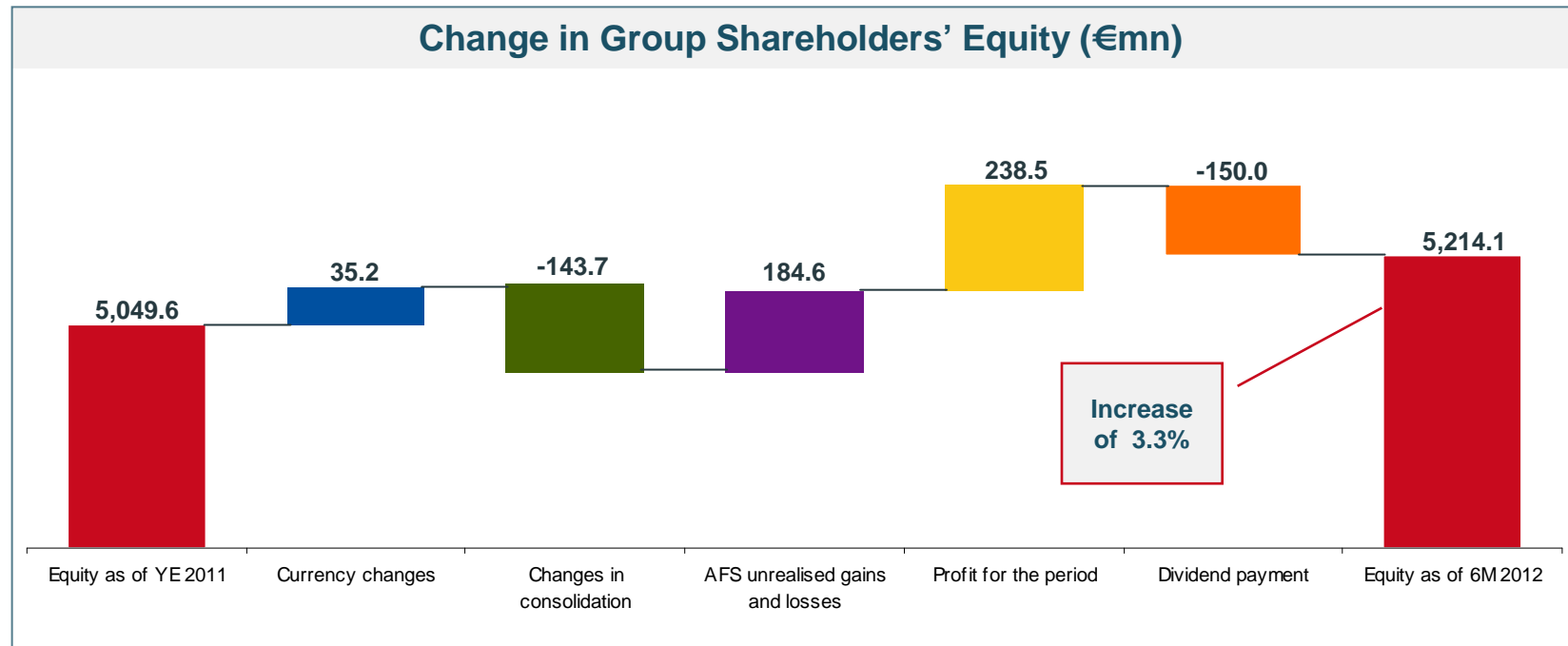


1: Government and government guaranteed

2: Based on the latest publicly available rating

6M 2012 – Shareholders' Equity

Strong Solvency I ratio again >200% - stable compared to 3M 2012



VIG has a Solvency I ratio of more than 200%

6M 2012 P&L – Property & Casualty

IFRS (€mn)

€mn	6M 2012	6M 2011	+/-%
Gross premiums written	2,622.4	2,561.8	2.4
Net earned premiums	2,027.1	1,926.8	5.2
Financial result	108.3	114.5	-5.4
Other income	33.1	27.9	18.6
Total income	2,168.5	2,069.2	4.8
Expenses for claims and insurance benefits	-1,334.7	-1,259.2	6.0
Acquisition and administrative expenses	-577.9	-557.7	3.6
Other expenses	-89.2	-103.6	-13.8
Total expenses	-2,001.8	-1,920.5	4.2
Profit before taxes	166.7	148.8	12.1

6M 2012 P&L – Life



VIENNA INSURANCE GROUP

IFRS (€mn)

Appendix

€mn	6M 2012	6M 2011	+/-%
Gross premiums written	2,466.2	1,986.7	24.1
Net earned premiums	2,443.8	1,966.8	24.3
Financial result	460.1	421.4	9.2
Other income	18.7	17.6	6.1
Total income	2,922.6	2,405.9	21.5
Expenses for claims and insurance benefits	-2,454.2	-1,935.7	26.8
Acquisition and administrative expenses	-309.9	-320.0	-3.2
Other expenses	-46.1	-38.2	20.8
Total expenses	-2,810.2	-2,293.9	22.5
Profit before taxes	112.4	112.0	0.3

6M 2012 P&L – Health



VIENNA INSURANCE GROUP

IFRS (€mn)

Appendix

€mn	6M 2012	6M 2011	+/-%
Gross premiums written	194.2	180.7	7.5
Net earned premiums	185.5	176.9	4.9
Financial result	13.0	18.3	-29.1
Other income	1.2	0.0	>100
Total income	199.6	195.2	2.3
Expenses for claims and insurance benefits	-154.5	-153.8	0.5
Acquisition and administrative expenses	-21.9	-19.4	13.3
Other expenses	-0.5	-0.6	-10.7
Total expenses	-177.0	-173.8	1.9
Profit before taxes	22.6	21.4	5.6

6M 2012 P&L – Split by Regions (I)

Regional segments, IFRS (€mn)

€mn	Austria			Czech Republic		
	6M 2012	6M 2011	+/-%	6M 2012	6M 2011	+/-%
Gross premiums written	2,331.9	2,232.4	4.5	927.8	973.7	-4.7
Net earned premiums	1,973.3	1,831.4	7.7	823.7	877.2	-6.1
Financial result	390.3	392.9	-0.7	73.6	68.4	7.6
Other income	7.8	9.3	-16.9	17.1	15.2	12.5
Total income	2,371.3	2,233.6	6.2	914.4	960.8	-4.8
Expenses for claims/benefits	-1,863.2	-1,748.6	6.6	-573.3	-615.9	-6.9
Acquisition and administrative expenses	-341.9	-324.2	5.5	-214.4	-214.6	-0.1
Other expenses	-21.9	-20.7	5.9	-33.7	-38.9	-13.2
Total expenses	-2,227.1	-2,093.6	6.4	-821.5	-869.4	-5.5
Profit before taxes	144.3	140.0	3.0	92.9	91.3	1.7
Combined Ratio	93.5%	94.4%		93.9%	93.6%	

6M 2012 P&L – Split by Regions (II)

Regional segments, IFRS (€mn)

€mn	Slovakia			Poland			Romania		
	6M 2012	6M 2011	+/-%	6M 2012	6M 2011	+/-%	6M 2012	6M 2011	+/-%
Gross premiums written	358.1	339.0	5.6	952.2	498.1	91.2	235.7	275.8	-14.5
Net earned premiums	313.9	298.1	5.3	917.4	450.6	>100	229.5	264.6	-13.3
Financial result	25.4	23.7	7.2	31.8	26.4	20.3	10.5	11.1	-4.9
Other income	1.9	2.8	-32.1	2.6	2.7	-2.9	14.8	6.9	>100
Total income	341.1	324.5	5.1	951.8	479.7	98.4	254.8	282.5	-9.8
Expenses for claims/benefits	-241.0	-228.3	5.6	-798.1	-324.5	>100	-185.5	-195.9	-5.3
Acquisition and administrative expenses	-53.3	-49.1	8.6	-120.0	-125.2	-4.2	-66.9	-74.8	-10.6
Other expenses	-17.5	-18.6	-5.9	-5.6	-5.4	4.2	-6.5	-10.2	-36.2
Total expenses	-311.8	-296.0	5.4	-923.8	-455.1	>100	-259.0	-281.0	-7.8
Profit before taxes	29.3	28.6	2.6	28.0	24.6	14.0	-4.1	1.6	na
Combined Ratio	95.8%	95.3%		98.0%	100.1%		110.4%	105.9%	

6M 2012 P&L – Split by Regions (III)

Regional segments, IFRS (€mn)

€mn	Remaining			TOTAL		
	6M 2012	6M 2011	+/-%	6M 2012	6M 2011	+/-%
Gross premiums written	477.3	410.3	16.3	5,282.9	4,729.2	11.7
Net earned premiums	398.6	348.7	14.3	4,656.4	4,070.5	14.4
Financial result	49.9	31.9	56.7	581.4	554.2	4.9
Other income	8.8	8.6	2.3	53.0	45.5	16.3
Total income	457.3	389.1	17.5	5,290.7	4,670.2	13.3
Expenses for claims/benefits	-282.3	-235.5	19.9	-3,943.4	-3,348.7	17.8
Acquisition and administrative expenses	-113.1	-109.1	3.7	-909.7	-897.1	1.4
Other expenses	-50.6	-48.5	4.3	-135.9	-142.3	-4.5
Total expenses	-445.9	-393.0	13.5	-4,989.0	-4,388.1	13.7
Profit before taxes	11.4	-3.9	n.a.	301.7	282.2	6.9
Combined Ratio	100.6%	101.6%		96.6%	97.1%	

6M 2012 – Results by Country



VIENNA INSURANCE GROUP

IFRS (€mn)

Appendix

€mn	GWP Non-Life		GWP Life		GWP Total		Profit before Taxes		Net Combined Ratio	
	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011	6M 2012	6M 2011
Austria	1,332.4	1,210.1	999.4	1,022.4	2,331.9	2,232.4	144.3	140.0	93.5%	94.4%
Czech Rep.	523.5	542.3	404.2	431.5	927.8	973.7	92.9	91.3	93.9%	93.6%
Slovakia	176.0	171.3	182.1	167.7	358.1	339.0	29.3	28.6	95.8%	95.3%
Poland	302.4	323.3	649.8	174.8	952.2	498.1	28.0	24.6	98.0%	100.1%
Romania	184.1	225.2	51.6	50.5	235.7	275.8	-4.1	1.6	110.4%	105.9%
Remaining	298.2	270.4	179.1	139.9	477.3	410.3	11.4	-3.9	100.6%	101.6%
<i>Hungary</i>	<i>31.2</i>	<i>24.0</i>	<i>48.8</i>	<i>32.5</i>	<i>80.0</i>	<i>56.5</i>	<i>3.5</i>	<i>3.0</i>	<i>90.5%</i>	<i>97.0%</i>
<i>Croatia</i>	<i>20.1</i>	<i>20.4</i>	<i>25.6</i>	<i>27.2</i>	<i>45.8</i>	<i>47.6</i>	<i>3.2</i>	<i>2.5</i>	<i>99.0%</i>	<i>106.5%</i>
<i>Serbia</i>	<i>17.6</i>	<i>16.3</i>	<i>11.3</i>	<i>11.4</i>	<i>28.9</i>	<i>27.6</i>	<i>1.8</i>	<i>1.1</i>	<i>115.3%</i>	<i>96.7%</i>
<i>Bulgaria</i>	<i>47.0</i>	<i>56.6</i>	<i>8.3</i>	<i>7.0</i>	<i>55.2</i>	<i>63.6</i>	<i>0.5</i>	<i>-2.3</i>	<i>105.1%</i>	<i>110.6%</i>
<i>Ukraine</i>	<i>33.2</i>	<i>26.9</i>	<i>1.4</i>	<i>0.9</i>	<i>34.5</i>	<i>27.8</i>	<i>2.1</i>	<i>0.6</i>	<i>103.1%</i>	<i>101.6%</i>
<i>Turkey</i>	<i>61.5</i>	<i>56.7</i>	<i>-</i>	<i>-</i>	<i>61.5</i>	<i>56.7</i>	<i>-1.0</i>	<i>-1.3</i>	<i>105.1%</i>	<i>109.2%</i>
<i>Georgien</i>	<i>28.1</i>	<i>19.1</i>	<i>-</i>	<i>-</i>	<i>28.1</i>	<i>19.1</i>	<i>1.4</i>	<i>1.6</i>	<i>43.5%</i>	<i>93.8%</i>
<i>Baltics</i>	<i>-</i>	<i>-</i>	<i>14.8</i>	<i>11.6</i>	<i>14.8</i>	<i>11.6</i>	<i>0.4</i>	<i>0.3</i>	<i>-</i>	<i>-</i>
<i>Albania</i>	<i>12.4</i>	<i>7.2</i>	<i>-</i>	<i>-</i>	<i>12.4</i>	<i>7.2</i>	<i>-0.1</i>	<i>1.0</i>	<i>104.8%</i>	<i>89.5%</i>
<i>Macedonia</i>	<i>6.4</i>	<i>4.7</i>	<i>-</i>	<i>-</i>	<i>6.4</i>	<i>4.7</i>	<i>0.4</i>	<i>0.3</i>	<i>89.6%</i>	<i>89.2%</i>
<i>Netherlands</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-9.3</i>	<i>-21.8</i>	<i>-</i>	<i>-</i>
<i>Liechtenstein</i>	<i>-</i>	<i>-</i>	<i>37.1</i>	<i>18.0</i>	<i>37.1</i>	<i>18.0</i>	<i>-1.8</i>	<i>0.2</i>	<i>-</i>	<i>-</i>
<i>Germany</i>	<i>40.7</i>	<i>38.5</i>	<i>31.8</i>	<i>31.3</i>	<i>72.5</i>	<i>69.8</i>	<i>10.3</i>	<i>10.9</i>	<i>84.7%</i>	<i>82.7%</i>
Total	2,816.6	2,742.5	2,466.2	1,986.7	5,282.9	4,729.2	301.7	282.2	96.6%	97.1%

Change in Group Shareholders' Equity

IFRS (€ '000)

in € '000	1.1. - 30.6.2012	1.1. - 30.6.2011
Equity as of 1 January	5,049,643	5,029,647
Exchange rate changes	35,161	17,757
Changes in scope of consolidation	-143,714	-4,179
Unrealised gains and losses from financial instruments available for sale	184,557	-38,283
Profit for the period	238,511	230,483
Dividend payment	-150,024	-137,150
Equity as of 30 June	5,214,134	5,098,275

6M 2012 – Life Insurance Premium Split

IFRS (€mn)

Appendix

Premiums written - direct business	6M 2012	6M 2011	+/- %
Regular premiums	1,172.4	1,164.0	0.7%
Single premiums	1,285.8	815.6	57.7%
Total premiums written - direct business	2,458.2	1,979.5	24.2%
thereof:			
<i>Policies with profit participation</i>	<i>1,479.4</i>	<i>977.3</i>	<i>51.4%</i>
<i>Policies without profit participation</i>	<i>209.0</i>	<i>169.1</i>	<i>23.6%</i>
<i>unit linked life insurance</i>	<i>674.2</i>	<i>724.2</i>	<i>-6.9%</i>
<i>index linked life insurance</i>	<i>95.5</i>	<i>108.9</i>	<i>-12.3%</i>

6M 2012 – Exchange Rates

Country	Curr.	6M 2012		6M 2011	
		Balance Sheet EUR	P & L EUR	Balance Sheet EUR	P & L EUR
Albania	EUR/ALL	138.1700	139.2678	141.4100	140.9517
Belarus	EUR/BYR	10,470.0000	10,665.9890	7,152.1300	5,218.5033
Bosnia	EUR/BAM	1.9558	1.9558	1.9558	1.9558
Bulgaria	EUR/BGN	1.9558	1.9558	1.9558	1.9558
Croatia	EUR/HRK	7.5178	7.5428	7.4018	7.3975
Czech Republic	EUR/CZK	25.6400	25.1742	24.3450	24.3495
Georgia	EUR/GEL	2.0704	2.1350	2.4054	2.4206
Hungary	EUR/HUF	287.7700	295.4498	266.1100	269.4495
Latvia	EUR/LVL	0.6967	0.6983	0.7093	0.7070
Liechtenstein	EUR/CHF	1.2030	1.2048	1.2071	1.2694
Lithuania	EUR/LTL	3.4528	3.4528	3.4528	3.4528
Macedonia	EUR/MKD	61.6321	61.5428	61.6200	61.5455
Poland	EUR/PLN	4.2488	4.2459	3.9903	3.9527
Romania	EUR/RON	4.4513	4.3904	4.2435	4.1798
Serbia	EUR/RSD	115.8203	111.2622	102.4631	101.8757
Turkey	EUR/TRY	2.2834	2.3361	2.3500	2.2081
Ukraine	EUR/UAH	9.9706	10.3680	11.5000	11.1665

Group Embedded Value 2011

Results (€mn)

Appendix

	L&H		P&C		Total	
	2011	2010 (*)	2011	2010 (*)	2011	2010 (*)
Austria / Germany						
Free Surplus	- 120.6	444.9				
Required Capital	384.6	383.6				
ANAV	264.1	828.5	679.7	65.2	943.8	893.7
PVFP	1,478.8	1,510.9			1,478.8	1,510.9
- TVFOG	- 247.5	- 247.5			- 247.5	- 247.5
- FCRC	- 54.0	- 49.8			- 54.0	- 49.8
- CRNHR	95.8	97.1			95.8	97.1
VIF	1,081.5	1,116.6			1,081.5	1,116.6
Subtotal A/G	1,345.6	1,945.1	679.7	65.2	2,025.3	2,010.4
CEE						
Free Surplus	500.5	494.1				
Required Capital	227.0	218.9				
ANAV	727.5	713.1	1,713.3	1,659.5	2,440.8	2,372.6
PVFP	945.5	932.9			945.5	932.9
- TVFOG	- 47.9	- 52.0			- 47.9	- 52.0
- FCRC	- 15.2	- 14.7			- 15.2	- 14.7
- CRNHR	- 64.3	- 61.8			- 64.3	- 61.8
VIF	818.1	804.4			818.1	804.4
Subtotal CEE	1,545.6	1,517.4	1,713.3	1,659.5	3,258.9	3,177.0
Total	2,891.2	3,462.6	2,393.1	1,724.7	5,284.2	5,187.3

(*) The results shown above are after restatement

Remarks

- ▶ All results are based on local GAAP
- ▶ GEV reflects the present value of amounts deemed to be distributable to shareholders
- ▶ MCEV is based on stochastic cash flow projections using market consistent capital market scenarios and an allowance for liquidity premiums. The MCEV allows for management actions (e.g. in respect of profit participation and asset allocation) and policyholder behaviour
- ▶ 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) MCEV plus Adjusted Net Asset Value (ANAV) for Property & Casualty (P&C)
- ▶ Calculation of P&C ANAV for the first time: Sparkassen Versicherung AG in Austria
- ▶ Change to Market Consistent Embedded Value^{©1} Principles
- ▶ MCEV for L&H: Adjusted Net Asset Value (ANAV) plus Value of In-Force (VIF) determined as Present Value of Future Profits (PVFP) minus Time Value of Financial Options and Guarantees (TVFOG) minus Frictional Cost of Required Capital (FCRC) minus Cost for Residual Non-Hedgable Risks (CRNHR)
- ▶ ANAV for P&C includes Surplus in Claims Reserves based on undiscounted actuarial best estimates of claims payments and Surplus in Unearned Premium Reserves
- ▶ Methodology, assumptions and calculations reviewed by B&W Deloitte GmbH, Cologne

Group Embedded Value 2011

Return on Adjusted Embedded Value (€mn)

	L&H		P&C		Total	
Austria / Germany						
EEV 2010 Reported	1,851.6		-197.4		1,654.2	
MCEV 2010 Restated	1,945.1		65.2		2,010.3	
Opening Adjustments	-575.1		520.7		-54.4	
<i>thereof Dividends</i>	-20.6		68.4		47.8	
MCEV 2010 Restated and Adjusted	1,370.0		585.9		1,955.9	
Return on GEV	-24.5	-1.8%	93.8	16.0%	69.3	3.5%
MCEV 2011	1,345.6		679.7		2,025.3	
CEE						
EEV 2010 Reported	1,550.4		1,858.1		3,408.5	
MCEV 2010 Restated	1,517.4		1,659.5		3,176.9	
Opening Adjustments	-111.9		-47.8		-159.7	
<i>thereof Dividends</i>	-84.7		-91.1		-175.8	
MCEV 2010 Restated and Adjusted	1,405.6		1,611.7		3,017.3	
Return on GEV	140.0	10.0%	101.6	6.3%	241.6	8.0%
MCEV 2011	1,545.6		1,713.3		3,258.9	
Return on Total GEV	115.6	4.2%	195.4	8.90%	311.0	6.3%

In YE 2011 P&C surplus in claims and unearned premium reserves increased by 3.5% to € 499.6mn.

Change in Methodology and Assumptions

- ▶ The reference rates used for the MCEV calculations are based on the corresponding swap rates at December 31, 2011 and include a liquidity spread of 100 bp (EUR) and 80 bp (other currencies) for all terms
- ▶ Volatilities used to calibrate the economic scenario generator are based on market implied volatilities as at December 31, 2011
- ▶ All results shown after minorities and tax
- ▶ GEV allows for all consolidation effects

Group Embedded Value 2011

Value of New Business (€mn)

Austria / Germany	2011	2010 (*)	+ / - %
VNB	33.5	42.8	- 21.7%
APE	173.3	209.8	- 17.4%
PVNB	1,692.4	2,055.6	- 17.7%
APE-Ratio	19.3%	20.4%	- 5.2%
PVNB-Ratio	2.0%	2.1%	- 4.9%
CEE	2011	2010 (*)	+ / - %
VNB	161.8	151.0	+ 7.2%
APE	266.9	225.1	+ 18.6%
PVNB	1,849.0	1,608.8	+ 14.9%
APE-Ratio	60.6%	67.1%	- 9.6%
PVNB-Ratio	8.8%	9.4%	- 6.8%
Total	2011	2010 (*)	+ / - %
VNB	195.3	193.8	+ 0.8%
APE	440.2	434.9	+ 1.2%
PVNB	3,541.4	3,664.4	- 3.4%
APE-Ratio	44.4%	44.6%	- 0.4%
PVNB-Ratio	5.5%	5.3%	+ 4.3%

Comments

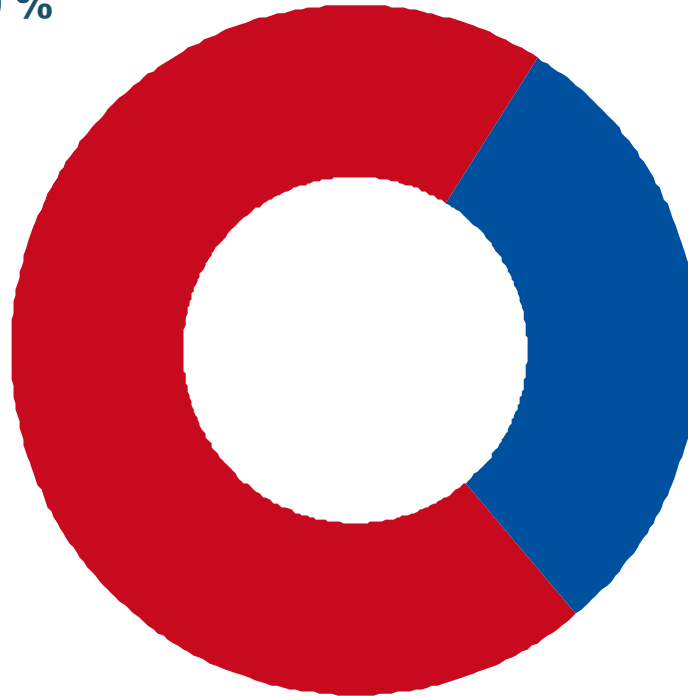
- ▶ The VNB represents the value generated by new business sold during the reporting period
- ▶ Increase of life insurance business in CEE
- ▶ Stable profit margins in A/G
- ▶ Profitability in CEE remains on high level
- ▶ More than 80% of VNB is generated in CEE

Shareholder Structure (I)

Total number of shares 128,000,000

Appendix

**Wiener Städtische
Wechselseitiger Versicherungsverein -
Vermögensverwaltung – Vienna Insurance Group**
~70 %

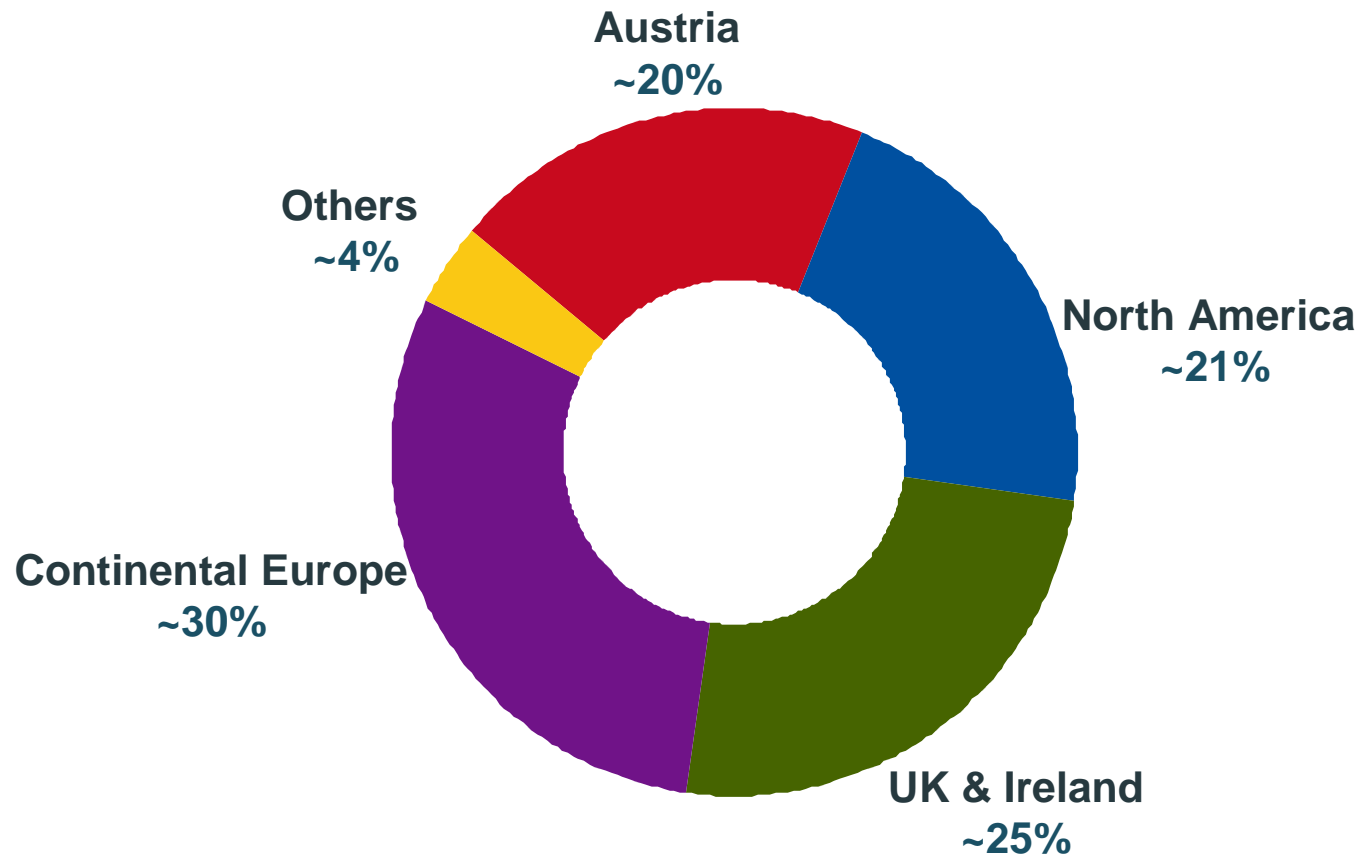


Free Float
~ 30 %

Shareholder Structure (II)

Free float split as of 02/2012

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

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