

■ VIG – A Unique Growth Story in CEE



Erste Group Investor Conference

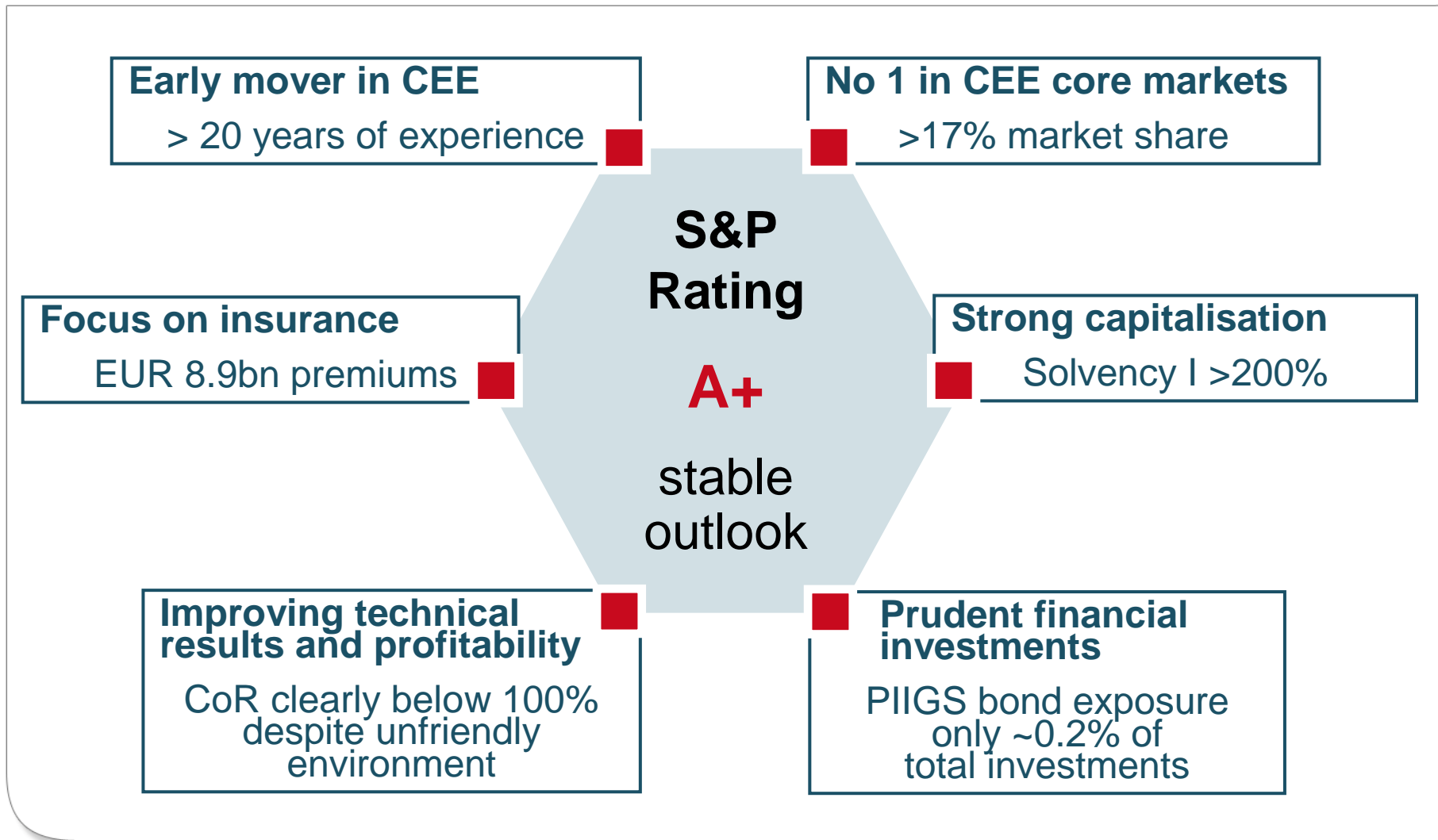
Stegersbach, 3 October 2012

Introduction
Strategy
Performance
Potential
Financials

VIG an Investment Proposition

Facts & Figures

Introduction



Introduction

Strategy

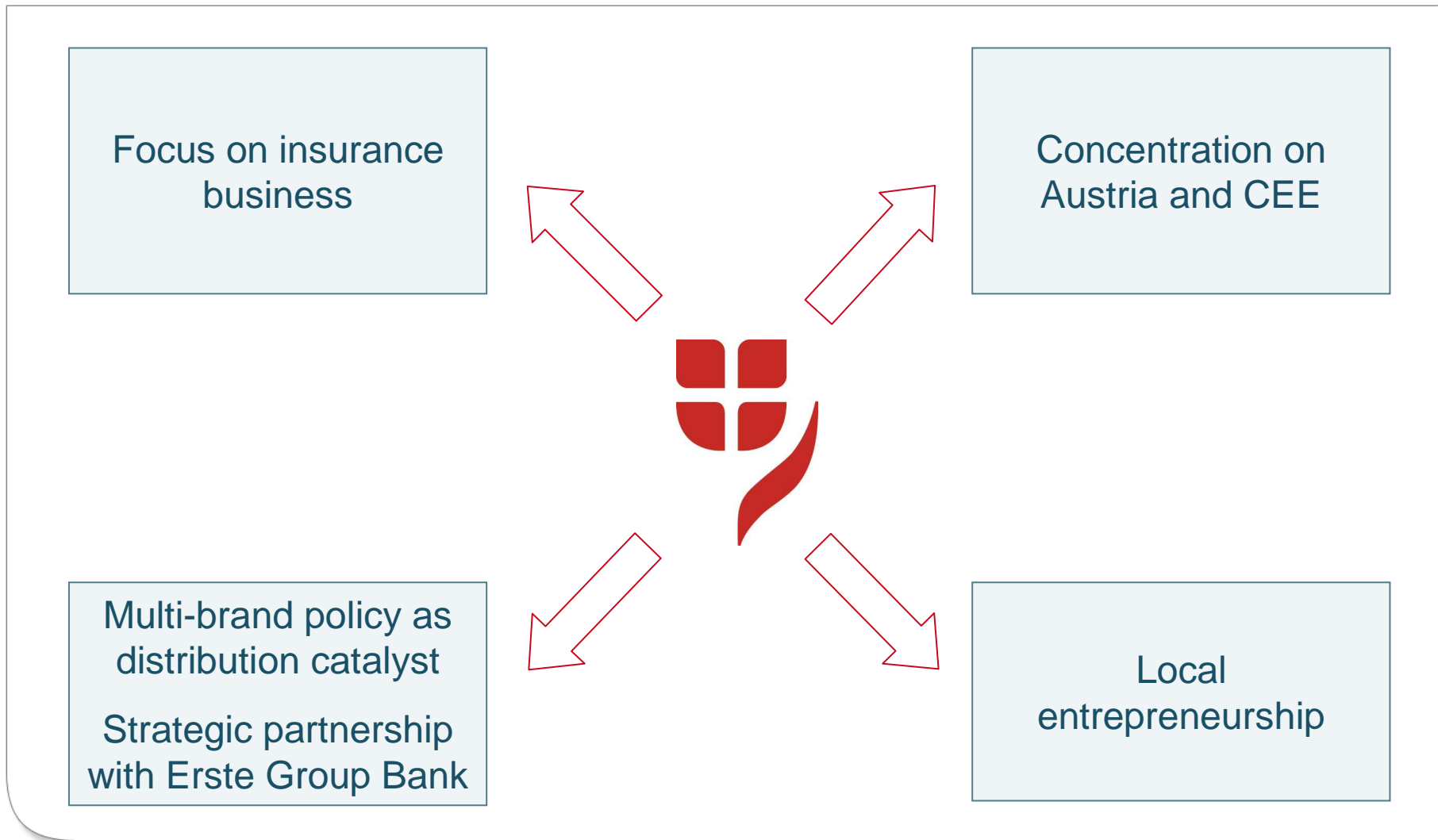
Performance

Potential

Financials

Well-proven Business Model of VIG to Continue

Strategic cornerstones of VIG



Dynamic Expansion into CEE

Focus on Austria and CEE

Strategy

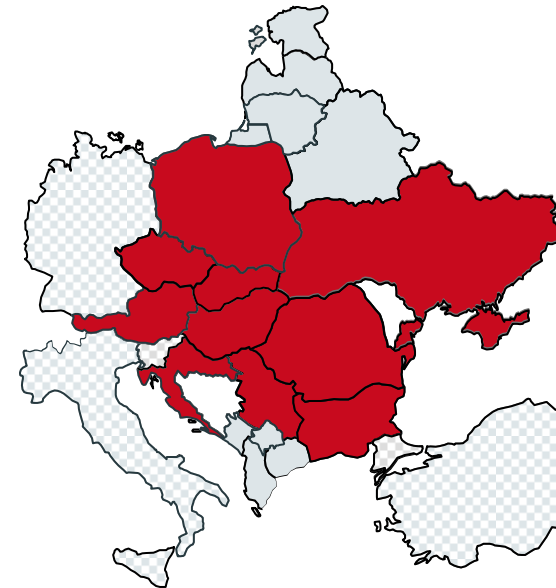
Successful Track Record

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

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)

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																																											
Austria	●	●	●	●																																											
Czech Rep.	●	●	●	●																																											
Slovakia	●	●	●	●																																											
Romania	●	●	●	●																																											
Poland	●	●	●	●																																											
Hungary	●	●	●	●																																											
Croatia	●	●	●	●																																											
Others	●	●	●	●																																											

Multi-brand and multi-channel are paramount for VIG

1: Direct marketing, leasing, car dealers

Introduction

Strategy

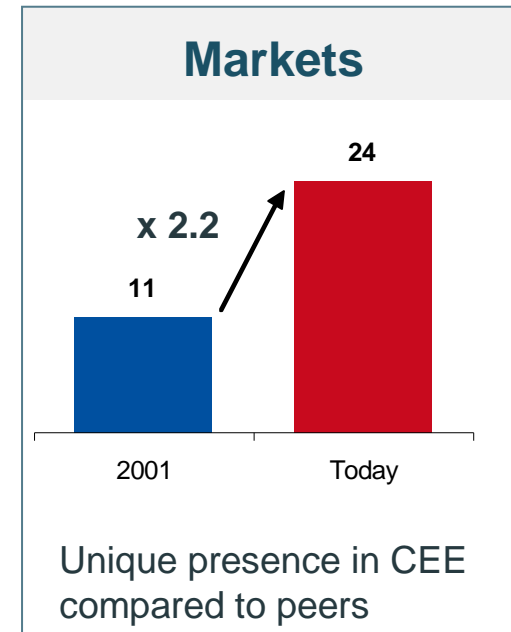
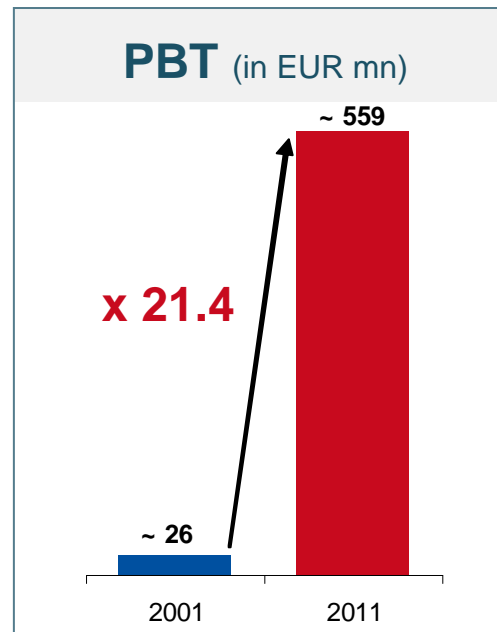
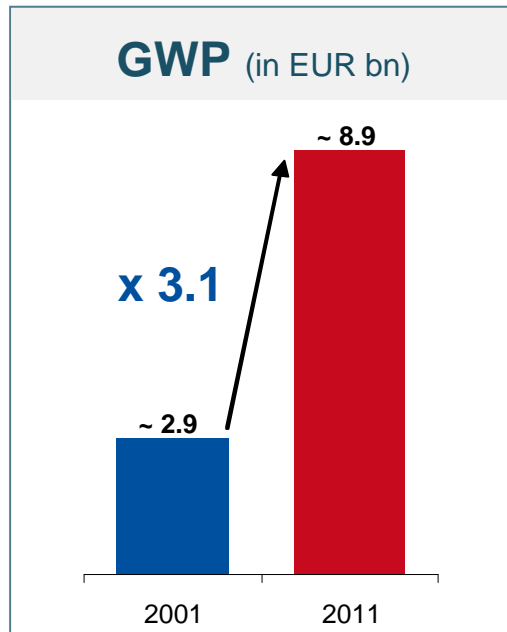
Performance

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

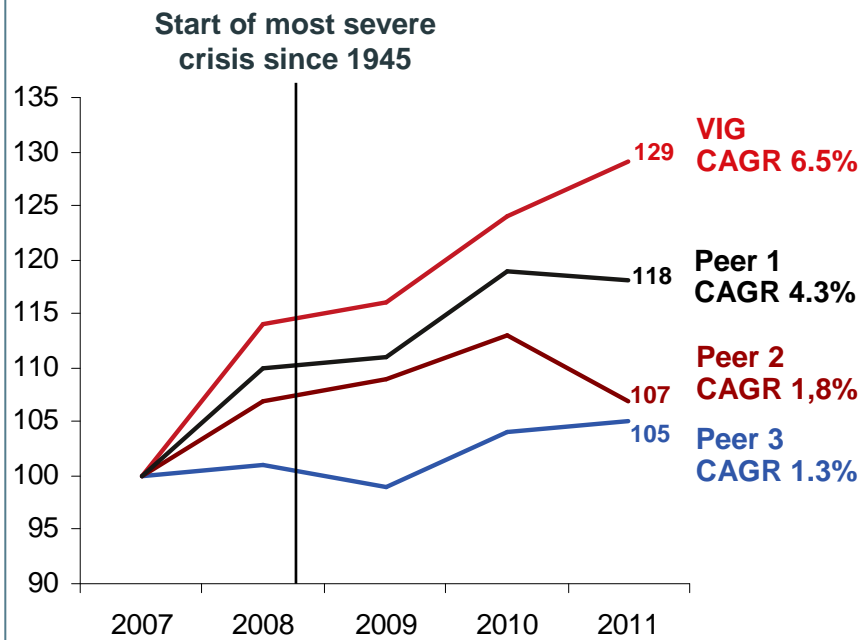


VIENNA INSURANCE GROUP

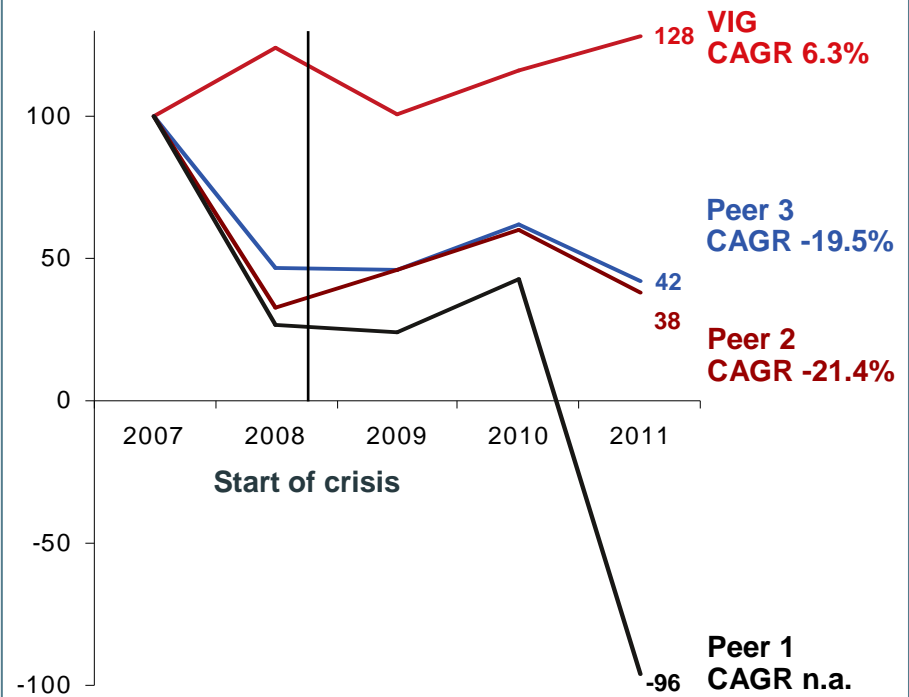
Performance

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

Gross premiums written



Profit before taxes

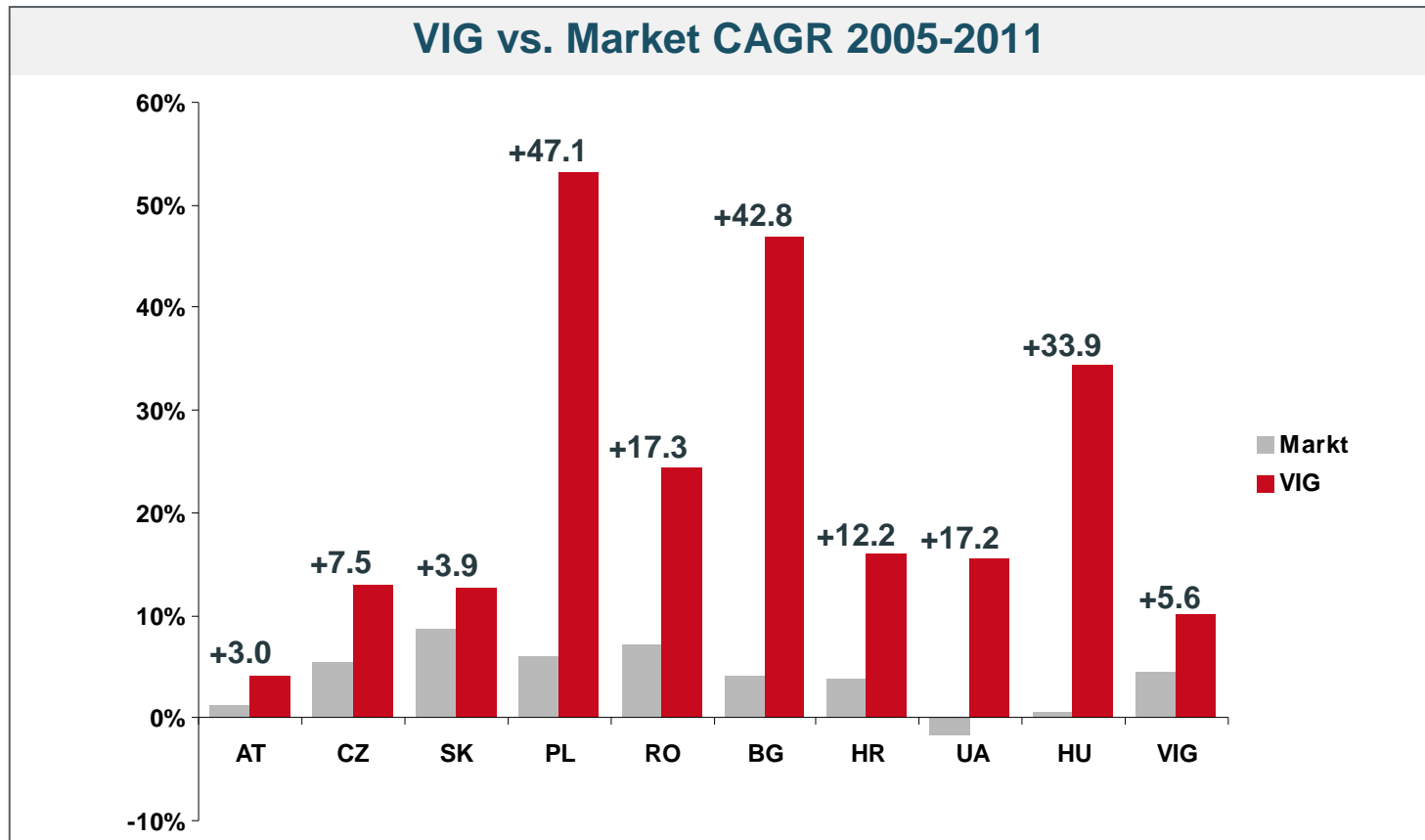


Low volatility despite negative market environment

Subscripted figures 2007=100 Source: Company reports

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

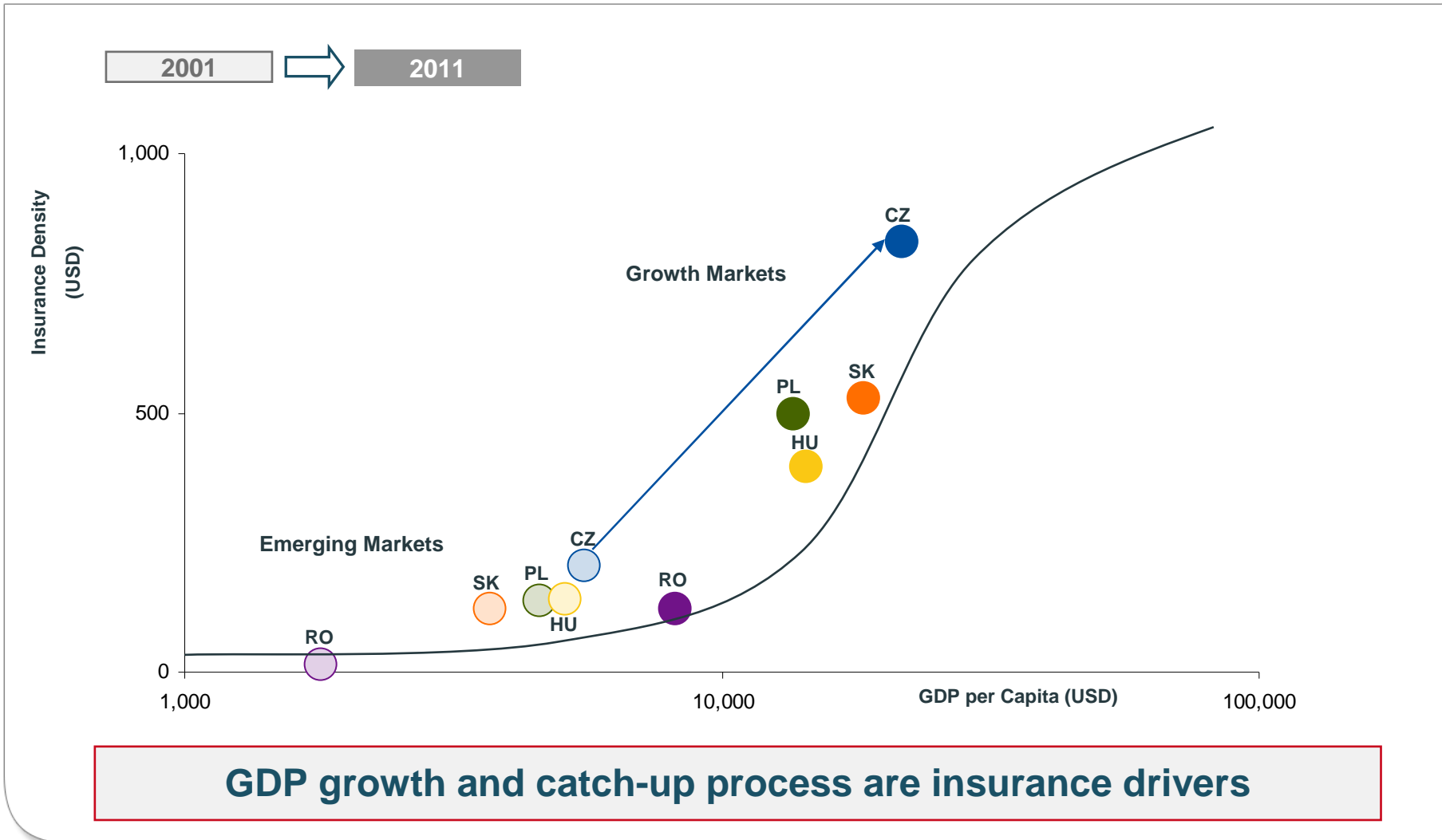
Performance

Potential

Financials

VIG – The Basic Concept

Model of insurance demand development still valid



Source: Swiss Re, Sigma reports

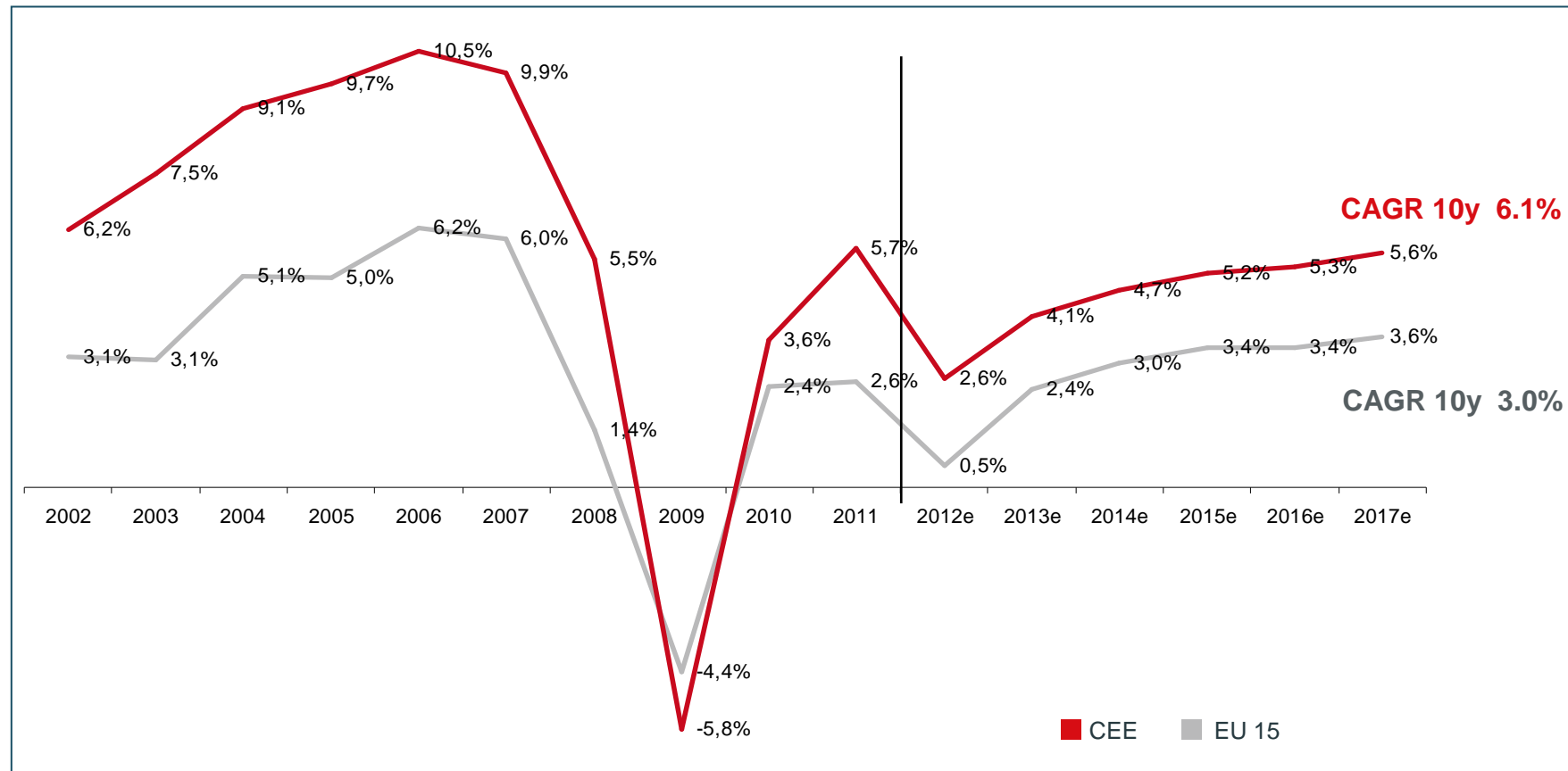
CEE to Grow Faster than the EU in Coming Years



VIENNA INSURANCE GROUP

Potential

GDP per capita (real, purchasing power parity)

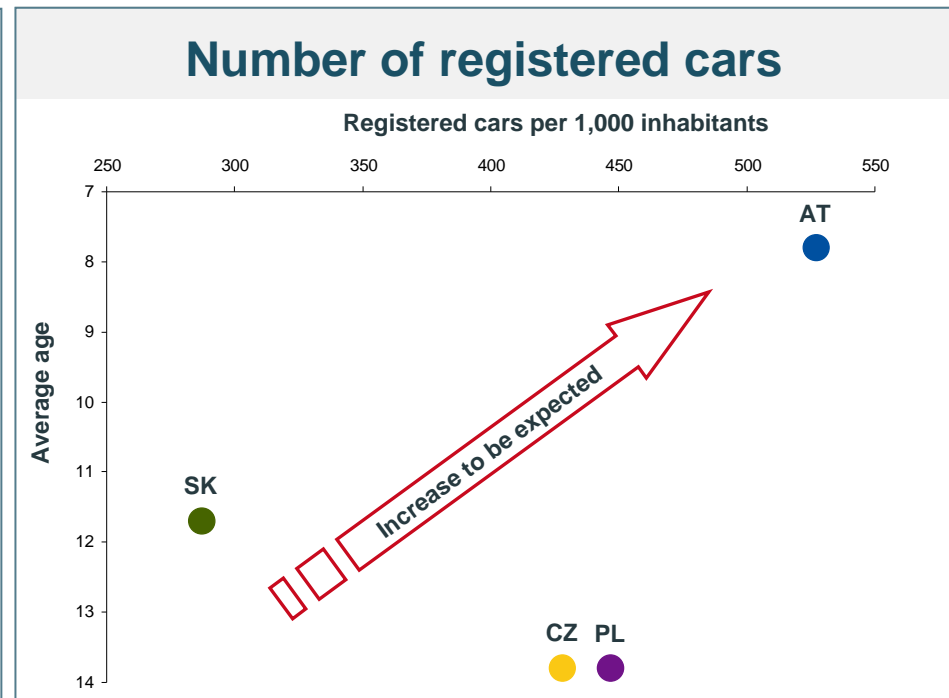
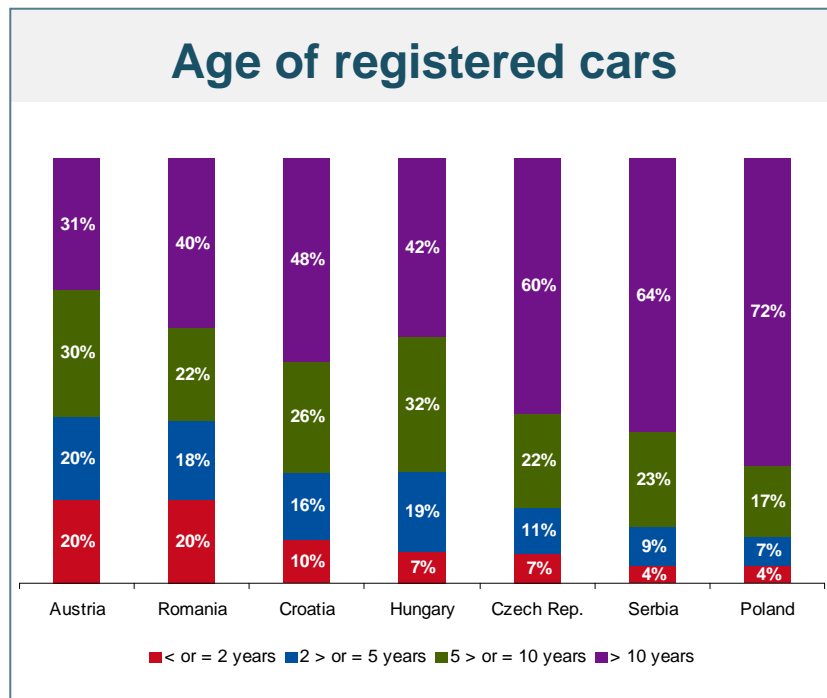


Economy in CEE expected to grow twice as fast as EU-15

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

Fundamental Indicators for Motor Business in CEE

Number of registered cars in CEE show motor under-penetration

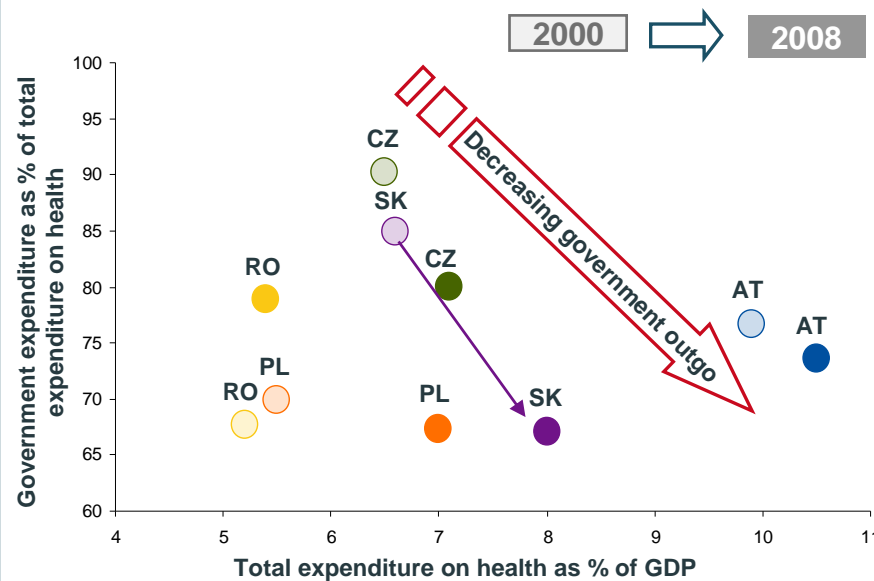


- ▶ Twofold opportunity: catch-up in motor penetration creates MTPL demand and exchange of old vehicles increases potential for Casco insurance
- ▶ Potential of additional 10mn vehicles to be insured when only motor penetration in CZ, SK, PL and RO reach current level of AT
- ▶ Extraordinary market positions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

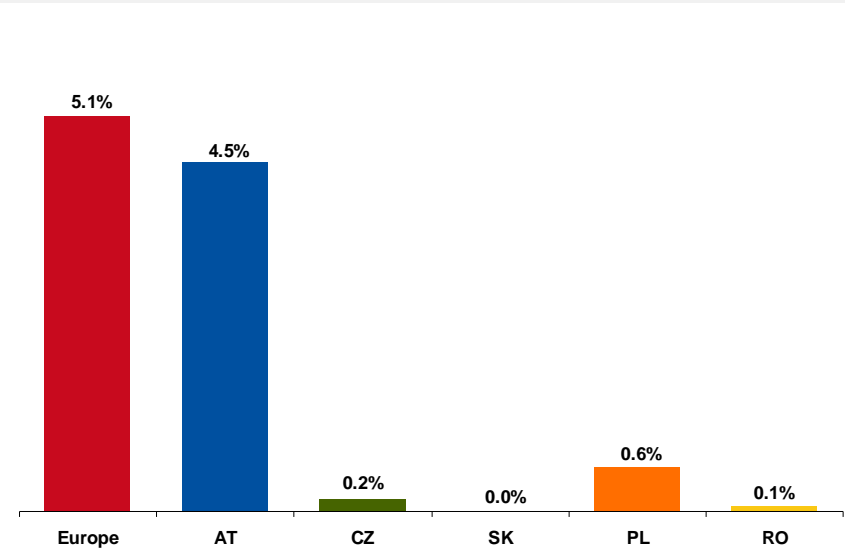
Health Insurance to become a Topic in CEE

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



VIENNA INSURANCE GROUP

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

Introduction

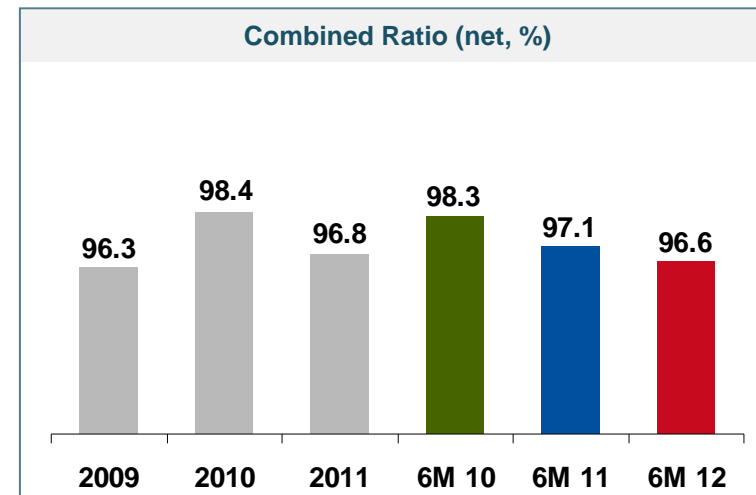
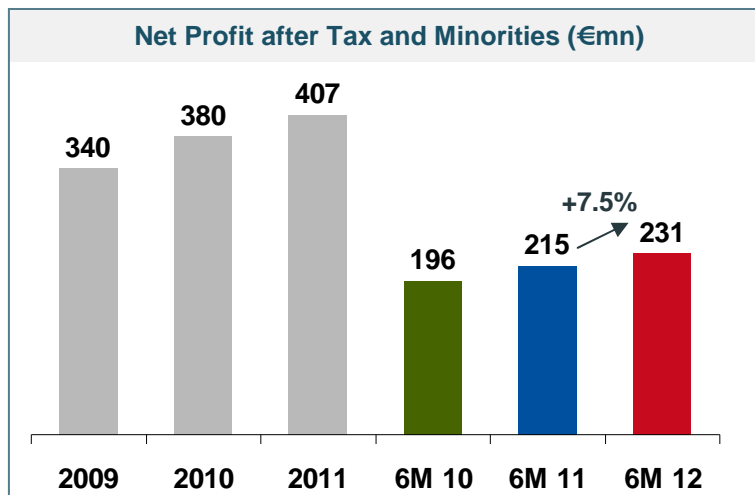
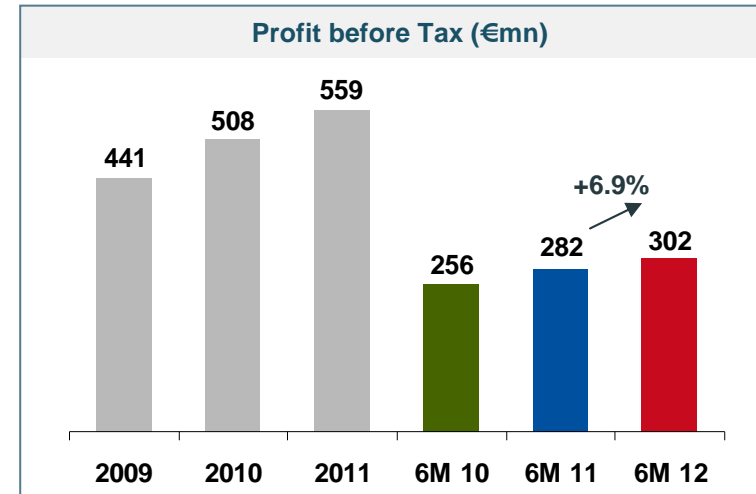
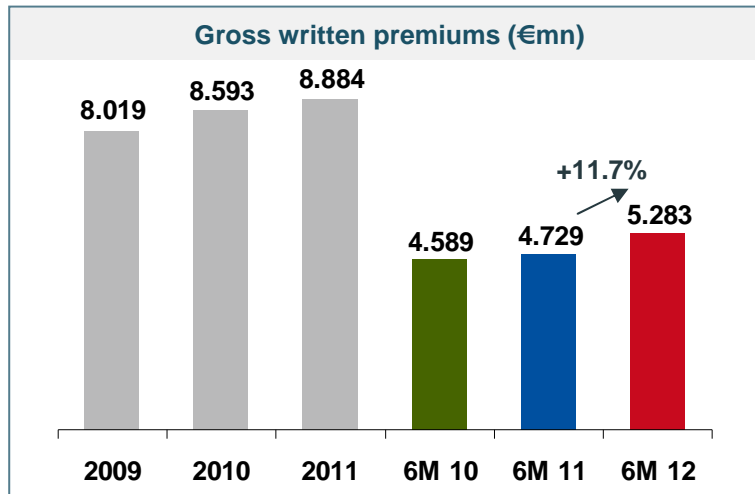
Strategy

Performance

Potential

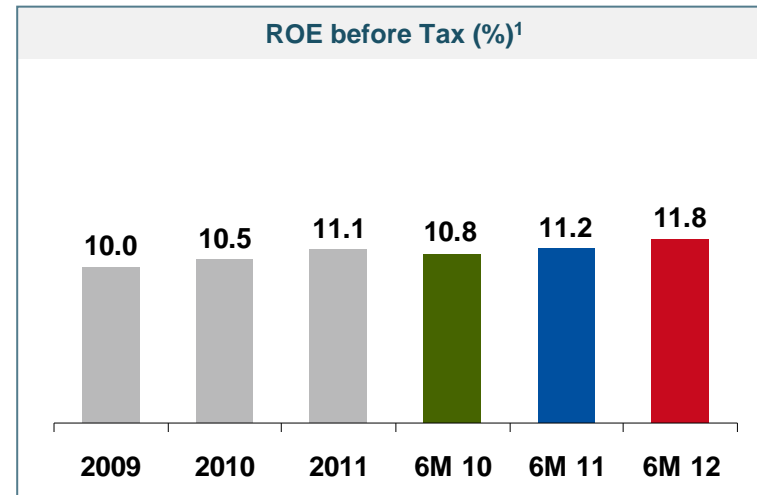
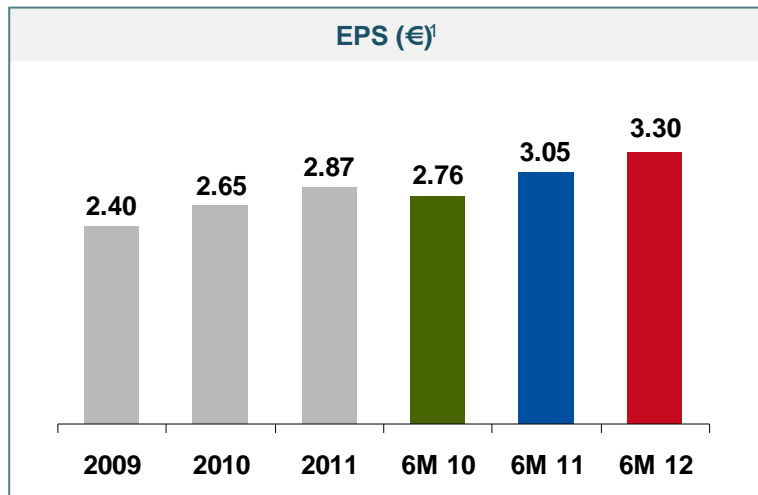
Financials

6M 2012 – Financial Highlights (I)



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

6M 2012 – Financial Highlights (II)

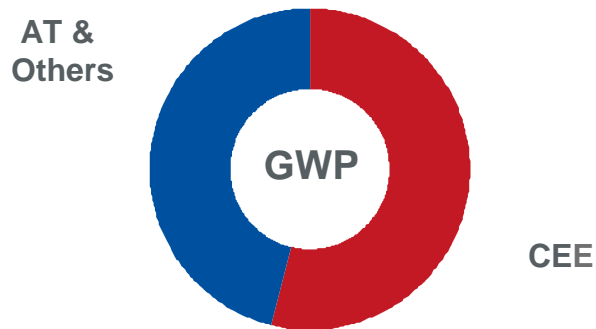


1: annualised figures; EPS net of hybrid interest

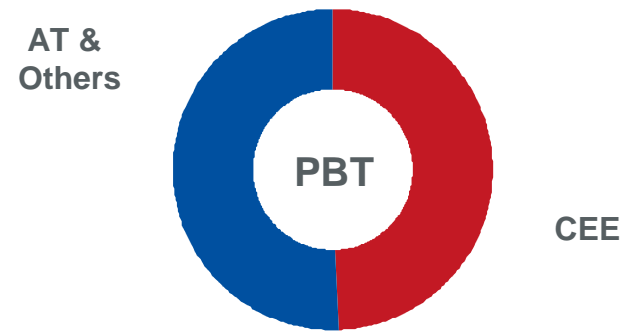
Strong Contribution from CEE

CEE is growth driver for VIG also going forward

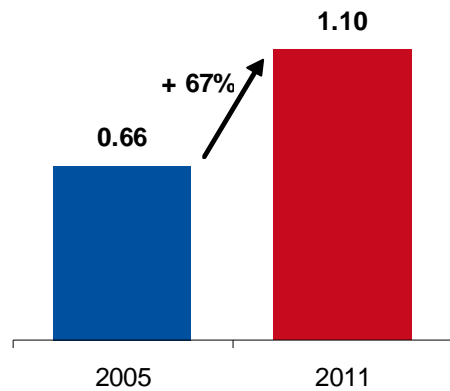
More than 50% of premiums from CEE



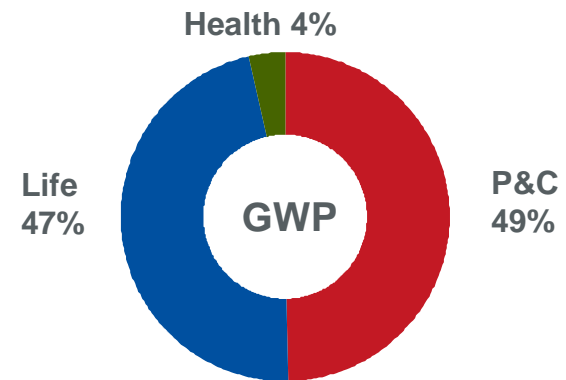
About 50% of profit before taxes from CEE



Dividend increase by CAGR of 9% since SPO



Overall premium split by line of business



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**

IMPORTANT NOTICE

These materials do not constitute or form part, or all, of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities in any jurisdiction in which such solicitation, offer or sale would be unlawful, nor shall part, or all, of these materials form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities.

These materials contain forward-looking statements based on the currently held beliefs and assumptions of the management of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (“VIG”), which are expressed in good faith and, in their opinion, reasonable. These statements may be identified by words such as “expectation” or “target” and similar expressions, or by their context. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of VIG, or results of the insurance industry generally, to differ materially from the results, financial condition, performance or achievements express or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. VIG disclaims any obligation to update these forward-looking statements to reflect future events or developments.