



## **Vienna Insurance Group – Expanding the CEE Insurance Business**

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Citigroup European Insurance Conference, 4 December 2007

**A** Investment Proposition

**B** Targets and Summary

**C** 9M 2007 Highlights

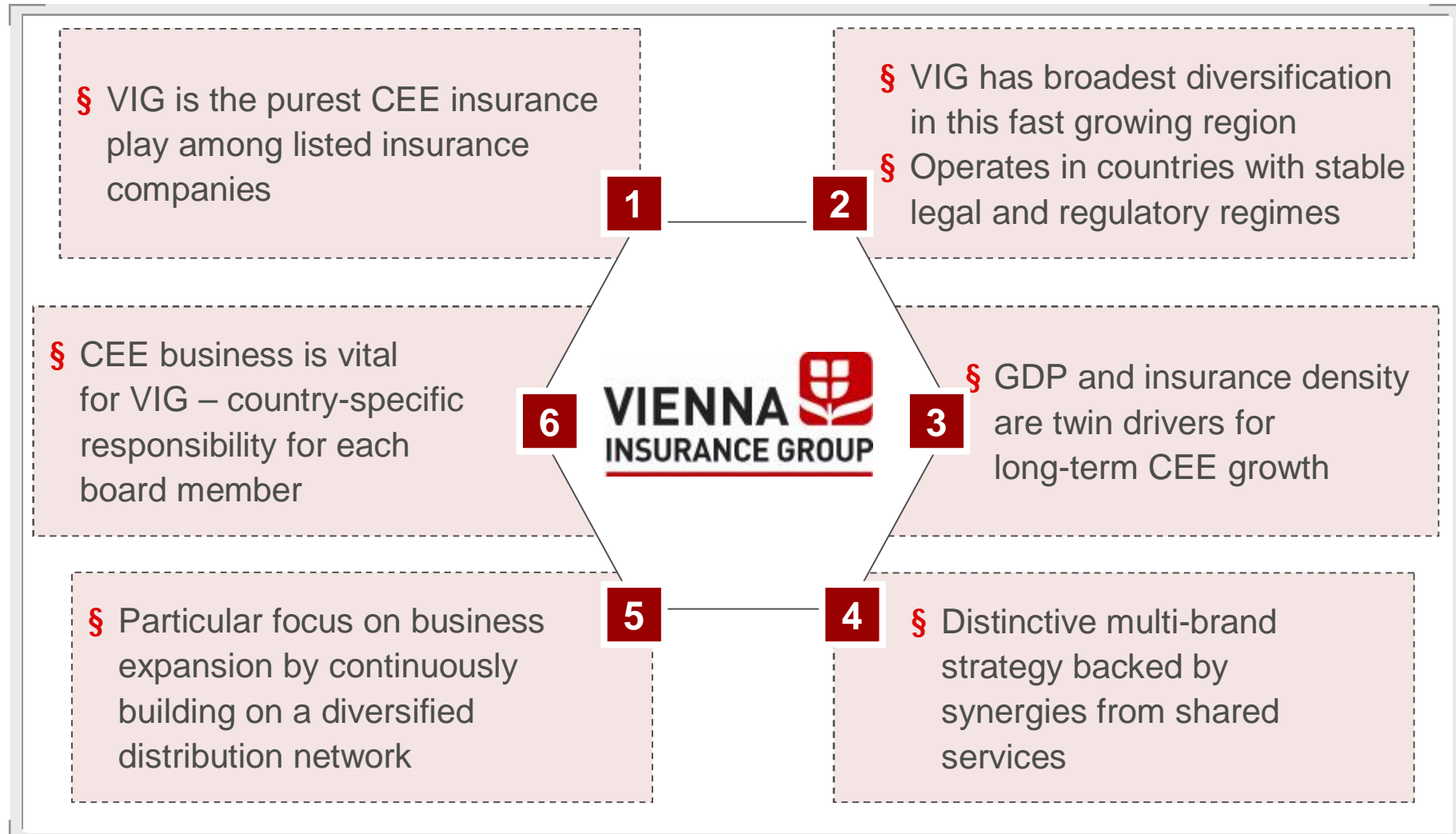
**D** P&L and Balance Sheet

**E** Appendix

# Investment Case in Brief

What is unique about VIG?

A 3

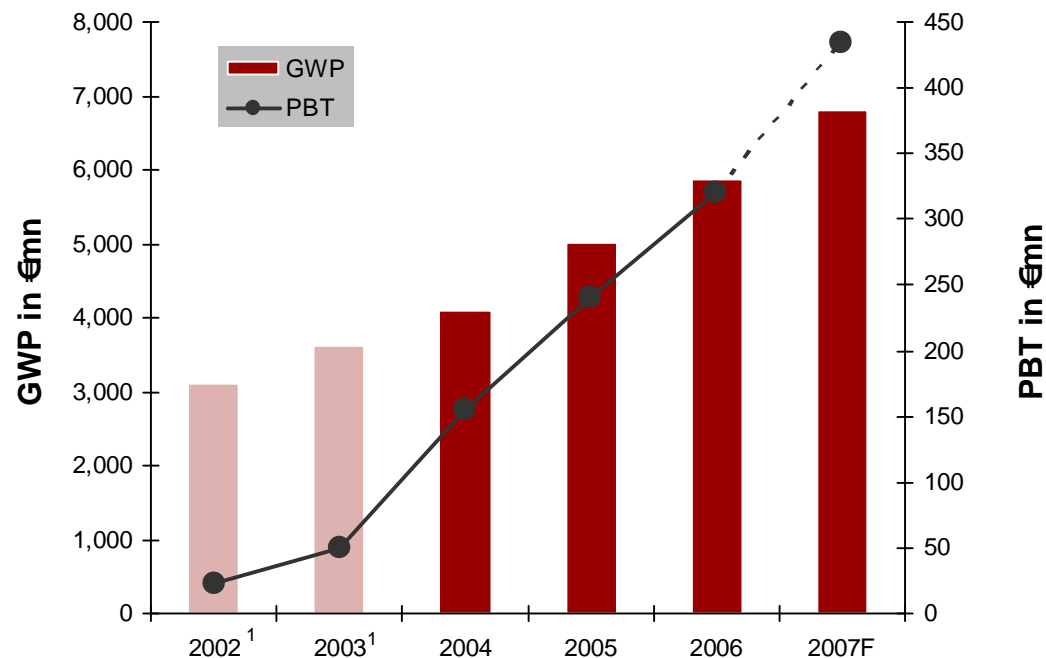


# VIG Strategy Delivers

Strong increase in profitability

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## VIG's Path of Profitability



1: Figures for 2002 and 2003 according to Austrian Commercial Code

## Comments

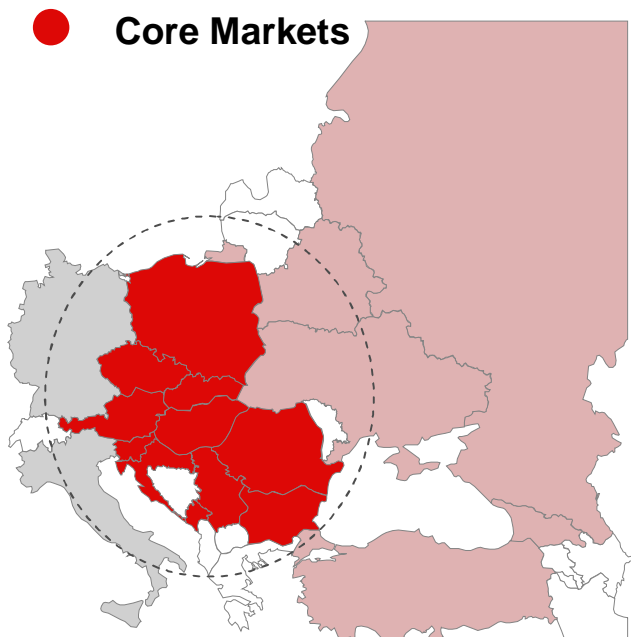
§ From 2002 to 2006 VIG succeeded in nearly doubling Group gross written premiums implying a CAGR of more than 17%

§ From 2004 to 2007F VIG increases profit before tax from € 156mn to € 435mn corresponding to a CAGR of 41.8%

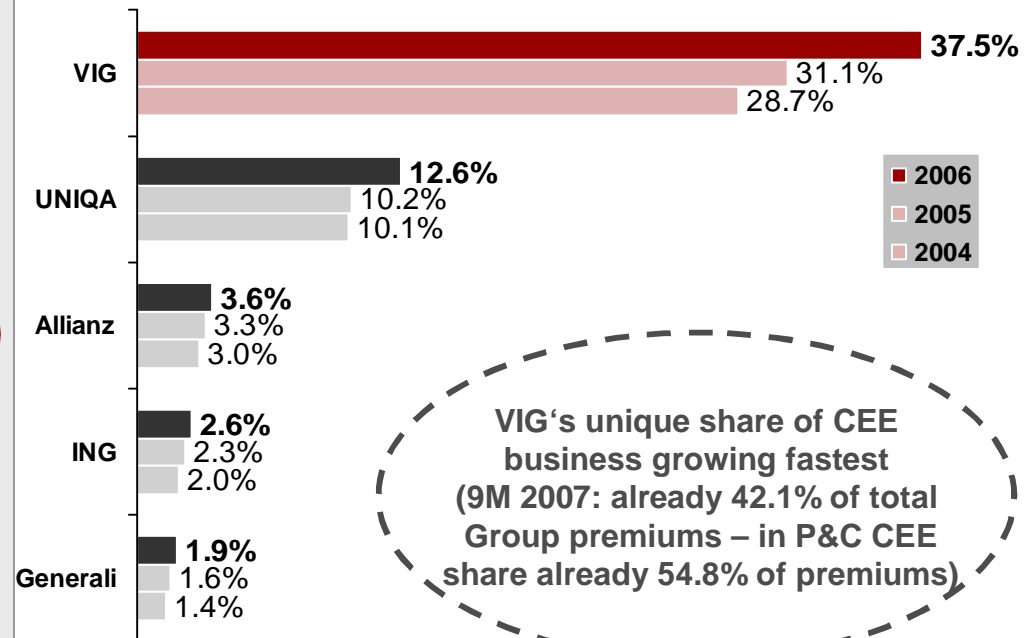
# Purest CEE Insurance Play

VIG is the leading Austrian insurance group operating in 20 countries

## Footprint



## CEE Premiums as % of Total Group Premiums

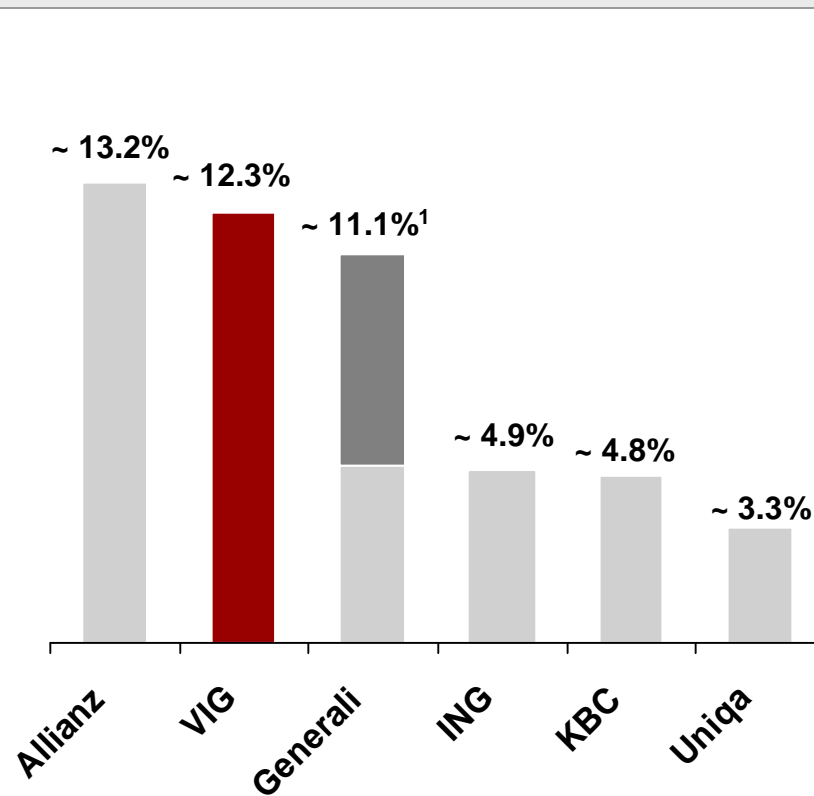


Source: publicly available information

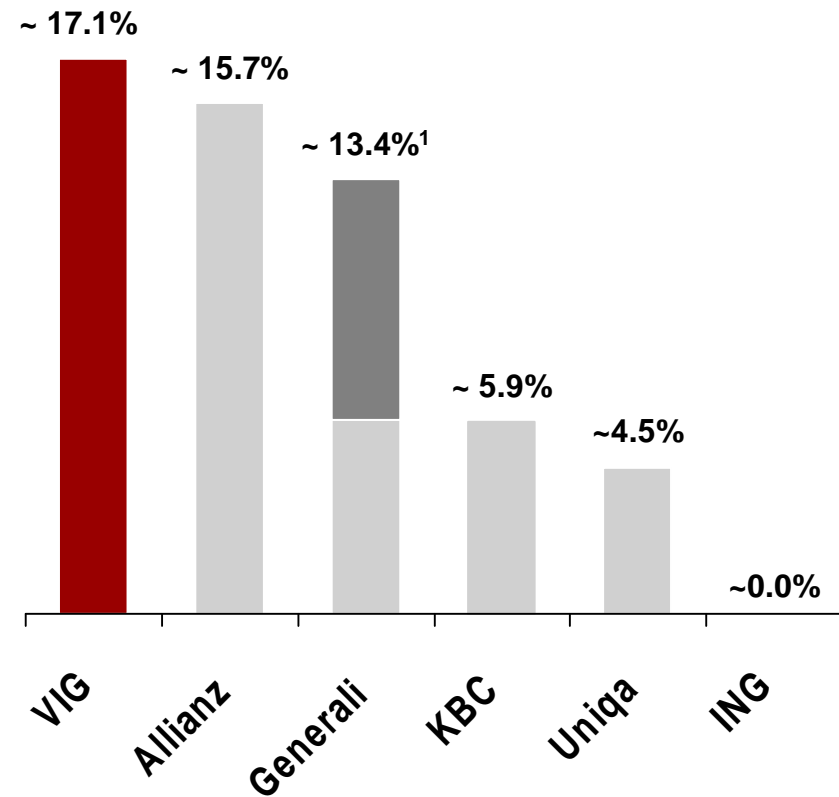
# VIG – Top Player in its CEE Markets

Number 2 among international insurance groups

## Market Share in CEE<sup>2</sup>



## Market Share in CEE<sup>2</sup> Non-life



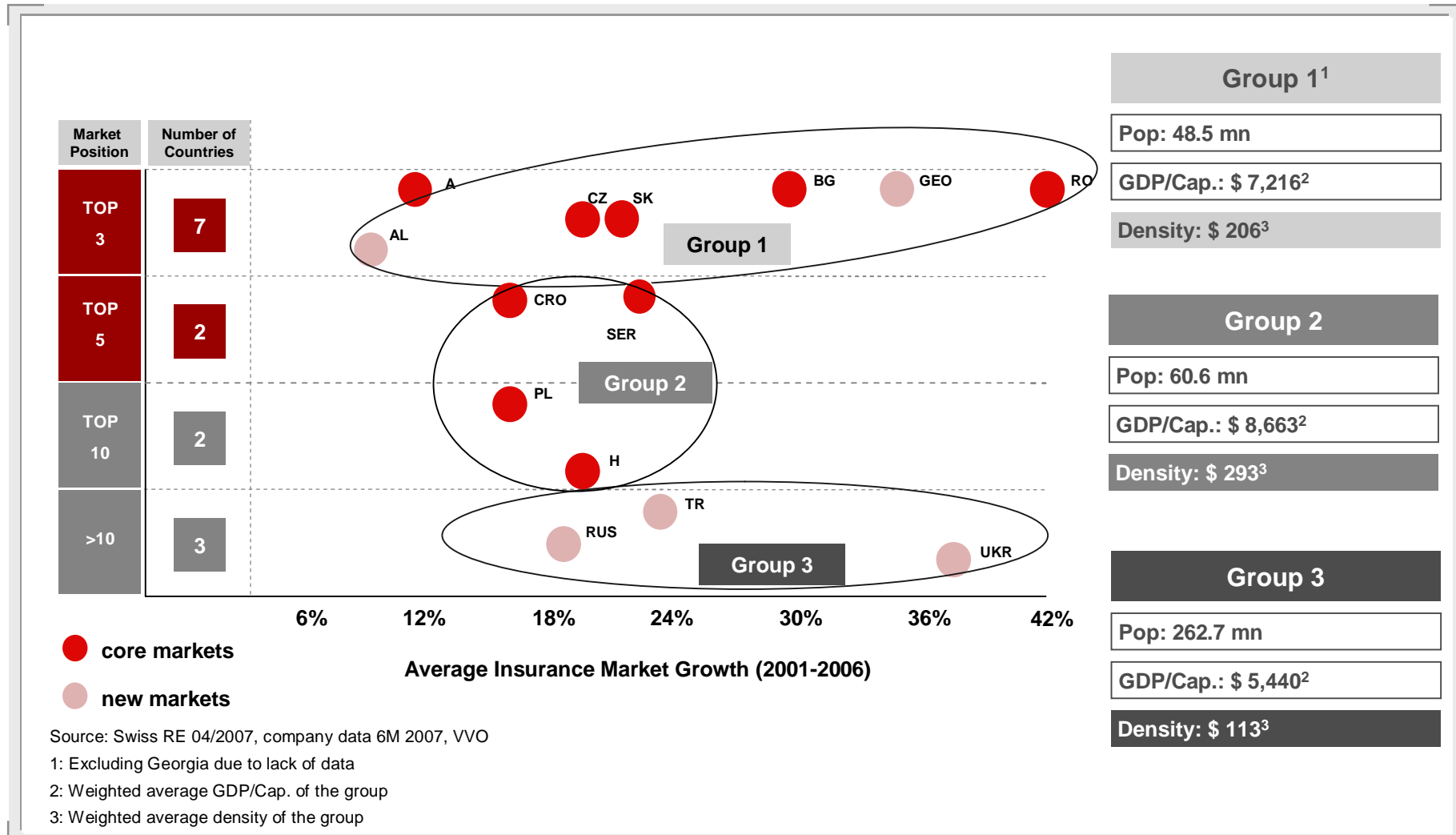
Source: National insurance associations, based on local currencies

1: pro forma incl. recent acquisition, 6M 2007

2: CEE is defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania and Slovakia

# VIG Is Well Positioned in Its Markets

Broad portfolio of insurance markets with different dynamics

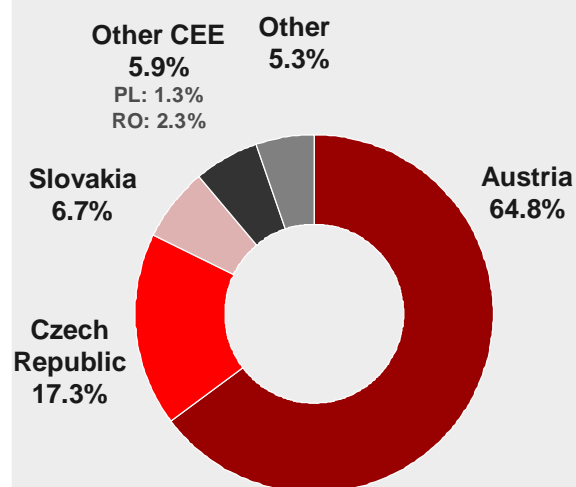


# Geographical Diversification Enhanced

GWP split by region

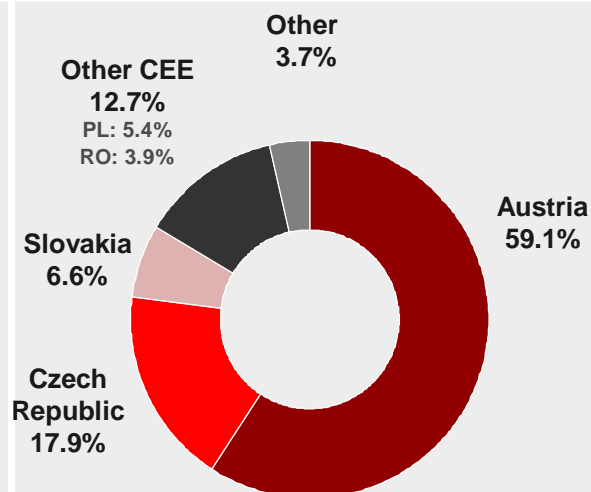
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**GWP by Geography 9M 05**



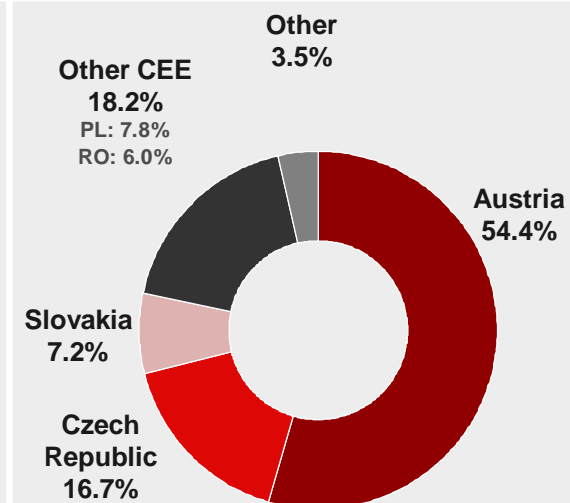
**9M 2005 Total: €3.8bn**

**GWP by Geography 9M 06**



**9M 2006 Total: €4.3bn**

**GWP by Geography 9M 07**



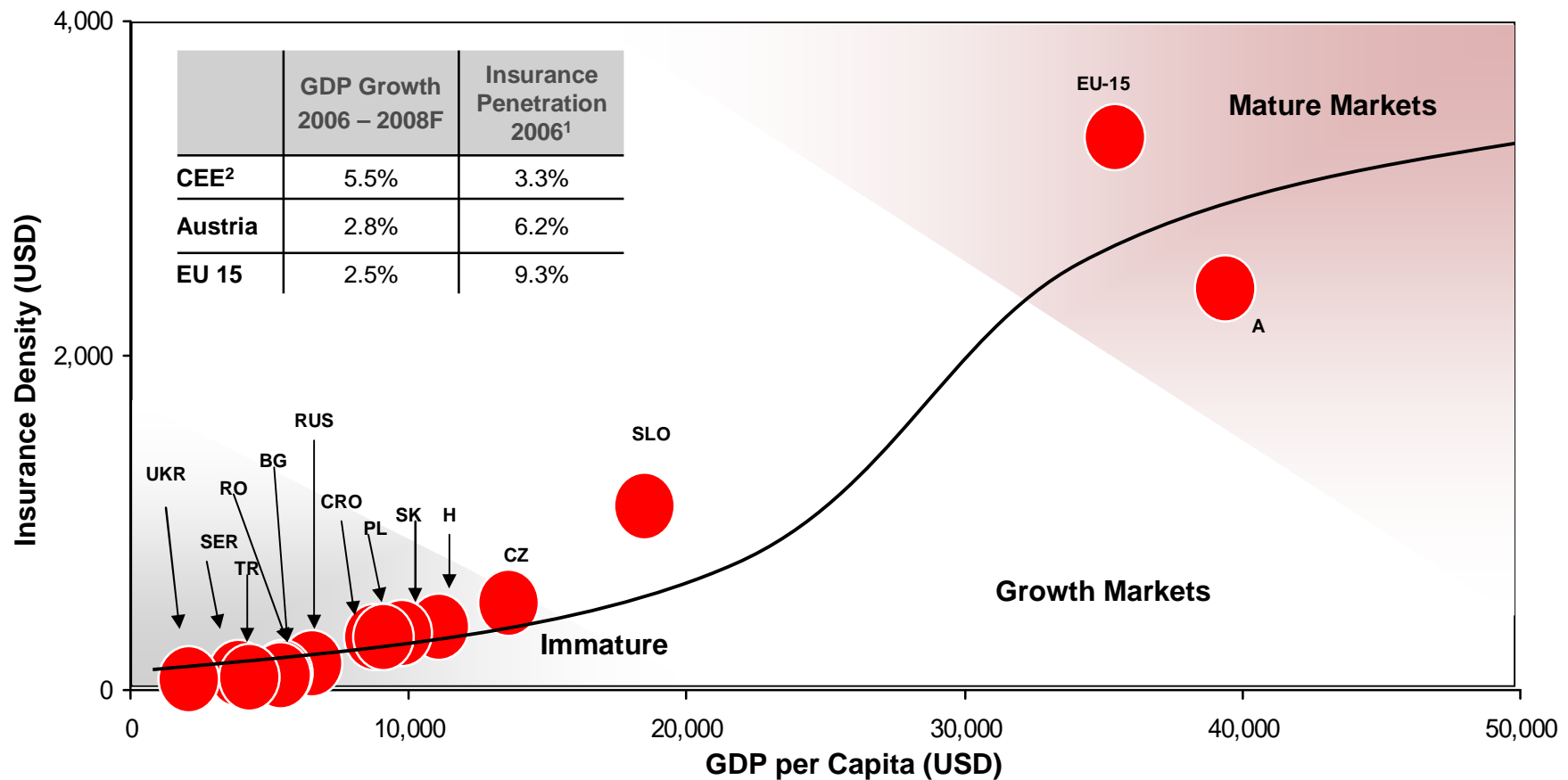
**9M 2007 Total: €5.0bn**

- § Other CEE (incl. Poland and Romania) more than tripling to close to 20% of premium share
- § Czech Republic and Slovakia stable
- § Substantially better diversification attained in 2 years only



# CEE Region Offers Twin Growth

Sustainable growth through GDP and insurance penetration



<sup>1</sup> Premiums in % of GDP.

<sup>2</sup> Weighted average for CEE. CEE is defined as Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.

Source: For GDP Growth IMF(World Economic Outlook as of 2007). For all other data Swiss Re Sigma Nr. 4/2007 (July 2007)

# CEE – A Long-term Growth Perspective

Markets need at least 20 years to catch up with the Austrian level of 2000

| Austrian Insurance market |                         |                           |               |                  |
|---------------------------|-------------------------|---------------------------|---------------|------------------|
| Year                      | Premium income (EUR bn) | Insurance penetration (%) | Density (EUR) | GDP/Capita (EUR) |
| 1967                      | 0.59                    | 2.8%                      | 79            | 2,813            |
| 1977                      | 2.19                    | 3.7%                      | 289           | 7,883            |
| 1982                      | 3.44                    | 4.1%                      | 454           | 11,140           |
| <b>2000</b>               | <b>11.68</b>            | <b>5.7%</b>               | <b>1,440</b>  | <b>25,486</b>    |

*Note: Blue arrows and circles indicate growth trends. Multiplication factors are shown: x 1.5 for insurance penetration (2.8% to 4.1%) and x 3.2 for GDP/Capita (2,813 to 11,140).*

| CEE Insurance markets in 2006 |                           |               |                  |           |
|-------------------------------|---------------------------|---------------|------------------|-----------|
|                               | Insurance penetration (%) | Density (EUR) | GDP/Capita (EUR) |           |
| Serbia                        | 1.8%                      | 61            | 3,267            | } Group 1 |
| Romania                       | 1.7%                      | 75            | 4,504            |           |
| Bulgaria                      | 2.6%                      | 80            | 3,260            |           |
| Poland                        | 3.3%                      | 245           | 7,780            | } Group 2 |
| Croatia                       | 3.5%                      | 247           | 7,123            |           |
| Slovakia                      | 3.4%                      | 268           | 8,156            |           |
| Hungary                       | 3.4%                      | 299           | 8,847            |           |
| Czech Republic                | 3.8%                      | 414           | 10,977           |           |

Assuming that group 1 catches up within 10 years to group 2 the CAGR for this periods is >13 %

Assuming that group 2 catches up within 5 years to Czech Rep. the CAGR for this periods is >10 %

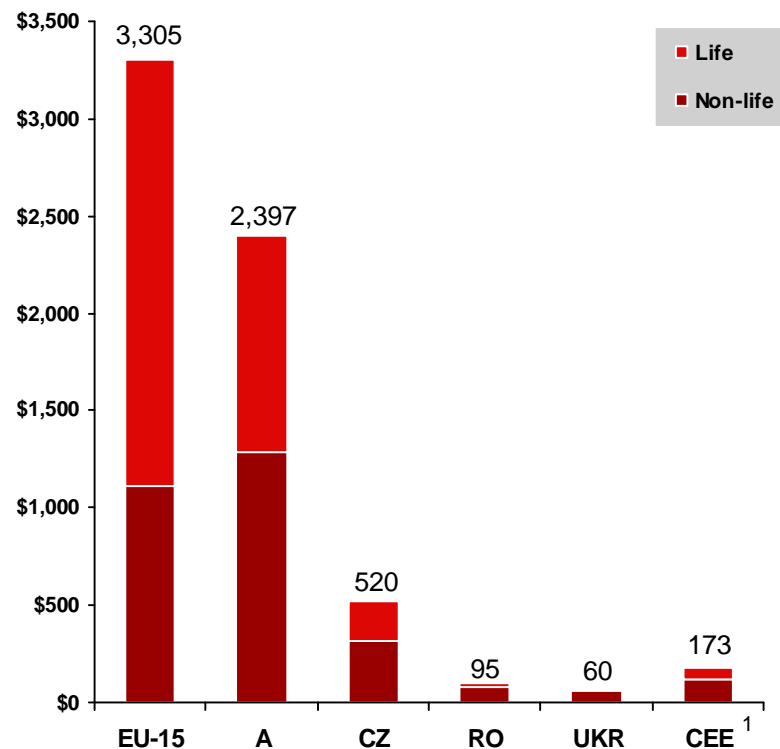
Source: Erste Bank Research, VVO, Sigma

# VIG Markets – Underpenetrated in Insurance

Insurance density, 2006 (Premiums per Capita)

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## Insurance Density 2006



Source: SwissRe Sigma Nr. 4/2007

1: Weighted average, CEE is defined as Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey and Ukraine.

## Example: Romania

- § Market volume Romania  
YE 2006: USD 2.0bn
- § Assuming that Romania will reach  
density level of Czech Republic in  
2006 this implies a premium  
volume of more than USD 11bn
- § A market share of about 30%  
implies GWP of more than  
USD 3bn for VIG in Romania
- § Romanian ministry of finance  
estimates a premium volume of  
EUR 10bn for 2015

# Acquisitions

A systematic approach

## Acquisition Process

### Criteria

- § Sound risk assessment of target company
- § What does the company add to help us grab the lion's share of future growth
- § Appraisal of management skills

### Principles

- § Leveraging of local brand names in the context of multi-brand approach combined with shared services concept for back office
- § Strong local management with in-depth market experience and full discretionary power
- § Backed by Group and supervision (re-insurance, actuarial, asset management)
- § Long-term goal to reach CZ and SK ROE levels

## Acquisition of Ukrainian UIG\*

TBIH  
(60% owned by VIG)

62 %

### UIG

- § listed Non-life and Life insurance company with expected premium volume of ~\$ 40mn in 2007
- § 50 branches, 20 regional points of sale, 460 employees

### VIG market position

- § VIG had a market share of 1.2% in Q2 2007 and is ranking no 2 in motor insurance
- § VIG's premium volume in Ukraine amounting to ~€ 17mn by 9M 2007

\*subject to approval of authorities

# Management Approach

Excellent track record in integrating CEE subsidiaries into VIG

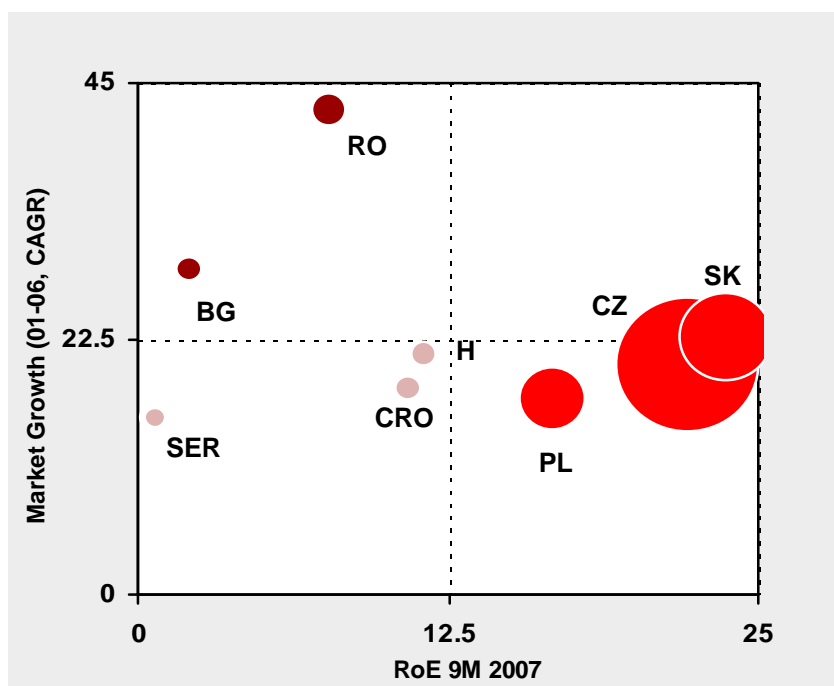
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## Management Approach

- § Local incumbent management is responsible for sales and profitability - usually one board member delegated from Austria
- § Each board member of VIG parent has responsibility for CEE countries
- § Hands-on approach of VIG board members with subsidiaries to build know-how and for quick decisions
- § Long-term focus on retail customers
- § Capital
  - available capital concentrated at parent level
  - allocation to Group companies according to their needs to fund organic growth
- § 2-4 years to reach break-even, accelerated growth of profitability thereafter

## Track Record

- § CEE already contributes 40 percent of premium income and more than 30 percent of Group profits



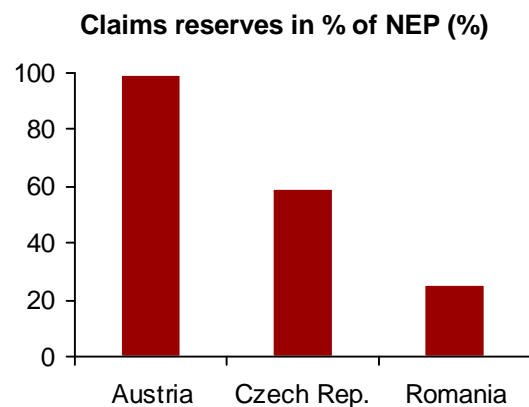
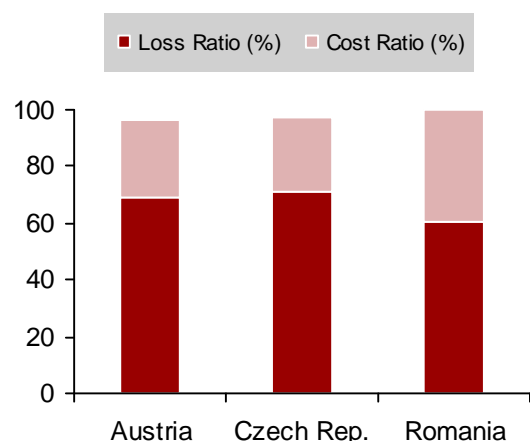
Source: SwissRE Sigma 04/2007, company data

# Profit Drivers in CEE

Creating value from cost ratio, investment income and reinsurance

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## Earnings Potential



## Comments

### § Decrease in cost ratio

- economies of scale in less advanced markets
- cost reduction programmes in advanced markets
- shared services

### § Investment income from reserves

- long-term building up of reserves
- long tail products gaining weight (GTPL)
- going forward life business will create major reserves

### § Reinsurance

- increasing risk bearing capacity of growing Group companies
- creation of Group wide reinsurance cover packages (e.g. NatCat)

# VIG – Distribution Is Key (I)

Multi-brand policy to retain loyalty

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## Multi-brand

**VIENNA**   
INSURANCE GROUP

**WIENER**   
**STÄDTISCHE**  
VIENNA INSURANCE GROUP

Bank  Austria  
**Creditanstalt** Versicherung  
VIENNA INSURANCE GROUP

**Kooperativa**   
VIENNA INSURANCE GROUP

**ROYAL Polska**   
VIENNA INSURANCE GROUP

**onau**  
VIENNA INSURANCE GROUP

**Kooperativa**   
VIENNA INSURANCE GROUP

**UNION**  
BIZTOSÍTÓ  
VIENNA INSURANCE GROUP

**OMNIASIG**  
VIENNA INSURANCE GROUP

## Features

- § VIG is umbrella brand and “family name” of Group companies
- § Local companies retain individual brands as “first name”
- § Strong brand awareness in local markets
- § Retain loyalty of employees and management, customers, affinity groups and distribution networks with well established local brands
- § Sales are local responsibility
- § Multi-brand also strongly supports multi-channel distribution

Multi-brand & multi-channel differentiate VIG from most of its competitors

# VIG – Distribution Is Key (II)

Multi-channel strategy to get access to customers

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## Strong Multi-channel distribution



## Details

- § Tied agents (employed sales force and/or exclusive agents) are backbone in all markets
- § Extensive use of brokers, bank cooperations, multilevel and direct distribution
- § The Group builds on existing distribution networks of acquired companies in CEE pursuing a clear bottom-up strategy
- § Building powerful distribution channels is one of the key success factors for CEE expansion
- § Distribution differs according to market conditions



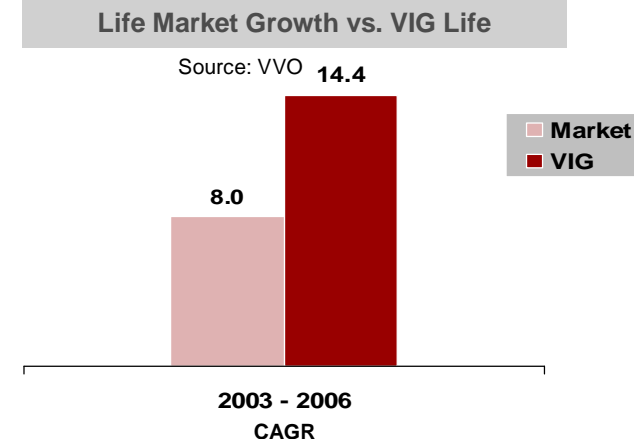
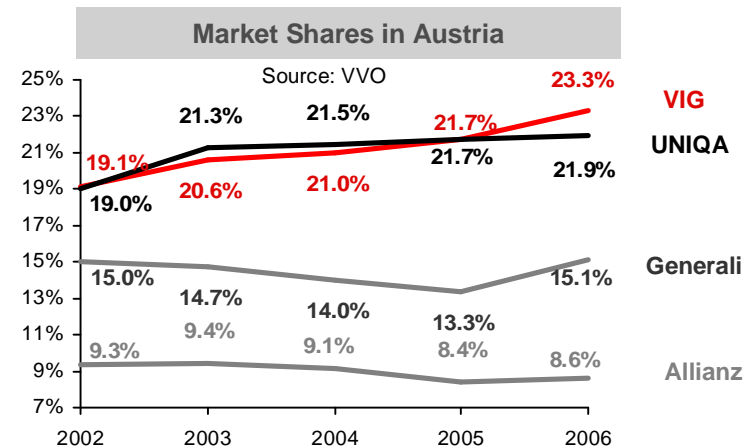
# VIG in Austria

Attractive franchise plus catch up potential in life insurance

## Situation in Austria

- § Leading market position in all business lines
  - #1 in property & casualty with 21% market share
  - #1 in life with 23% market share
  - #2 in health with 21% market share
- § Overall market share gains through organic growth
- § Strong growth potential in life: Austria lags behind EU-15 in premium per capita
- § Ongoing reforms of social security system to generate strong demand for life savings and pension products
- § Austrian business is very profitable and WST AG has been outperforming market in C/R for years

## Details



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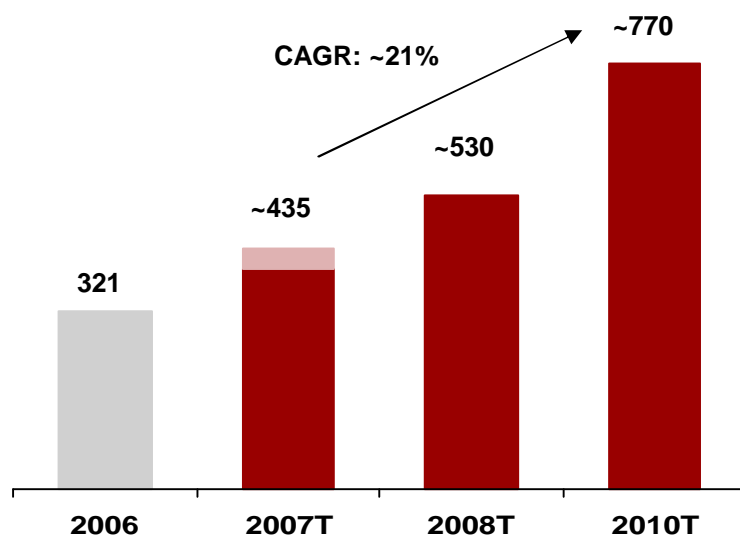
# Financial Targets

Ambitious Group targets for the period of 2007 - 2010

## VIG's Financial Targets

## Comments

Profit before tax targets in €mn



RoE before tax



§ 9M results allow to expect YE 2007 PBT of about € 435mn

§ PBT target for 2008 set at ~€ 530mn

§ For the first time VIG sets PBT target for 2010 of ~€ 770mn, implying a CAGR of 21%

§ VIG expects to score ~€ 10bn in GWP by 2010

§ For the business year 2007 management will propose a dividend of € 1.1 per share, i.e. an increase of 34% as compared to the previous year

- It is company philosophy to keep the Combined Ratio well below 100% throughout the business cycles

- VIG dividend policy is defined as a payout ratio of min. 30% of Group net profit

# VIG Outperforming Promises

Progress in VIG´s strategic and operative position

## Undertaking two years ago

- § Strengthening of leading position in Austria
- § Expansion of CEE business through acquisitions and organic growth
  - Benefit from twin growth drivers of GDP and insurance (penetration/density)
- § Increase of profitability
- § Improve geographical diversification

## Position today

- § Increased market share in Austria by more than 2% pts – VIG clearly no. 1
- § CEE premium volume doubled
- § Ongoing expansion
- § Among top 5 insurers in nearly all core markets, top 3 position reached in 5 core markets
- § EPS boosted despite SPO
- § Share of Other CEE markets (incl. PL & RO) has overtaken Czech Republic and Slovakia

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## 9M 2007 Highlights (I)

CEE business expanding at fast pace

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§ Continued organic growth in all major markets – increase of market shares

§ CEE premium share in non-life at 55%

§ Total CEE business already at 42% of Group premiums

§ Poland and Romania new business segments due to dynamic growth

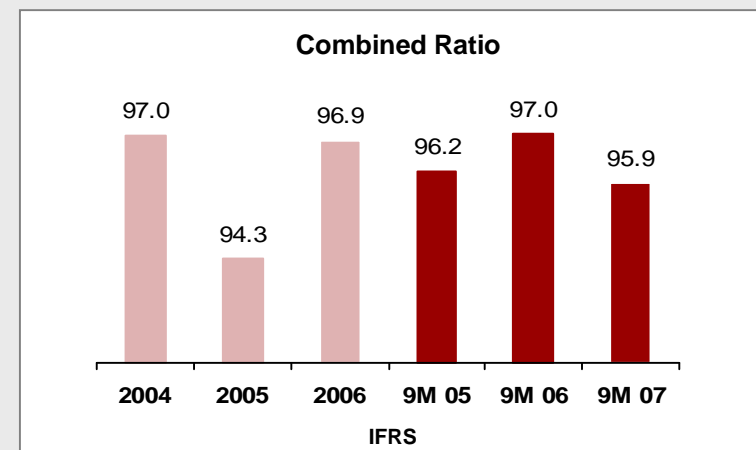
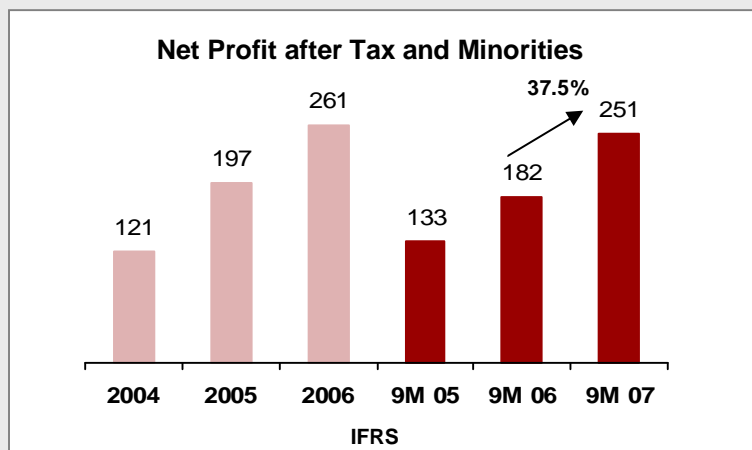
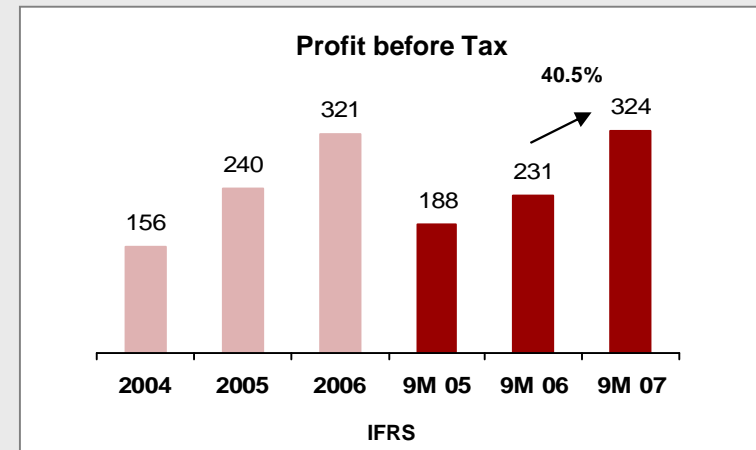
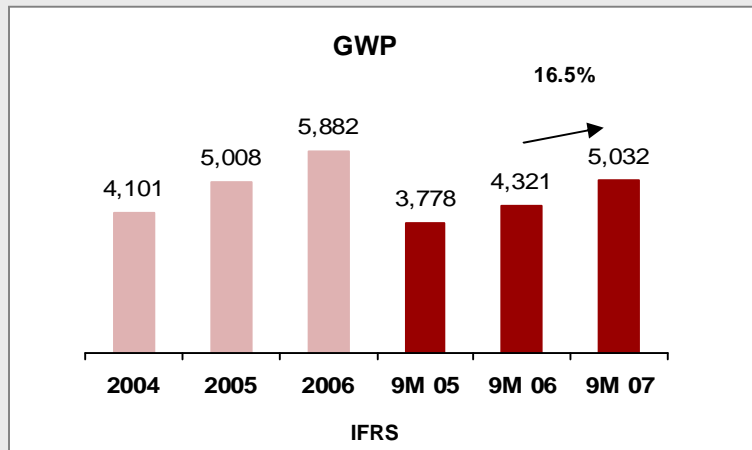
§ PBT for 9M 07 already passed FY 06 result

§ Planned dividend increase to EUR 1.1

**New targets set for period until 2010**

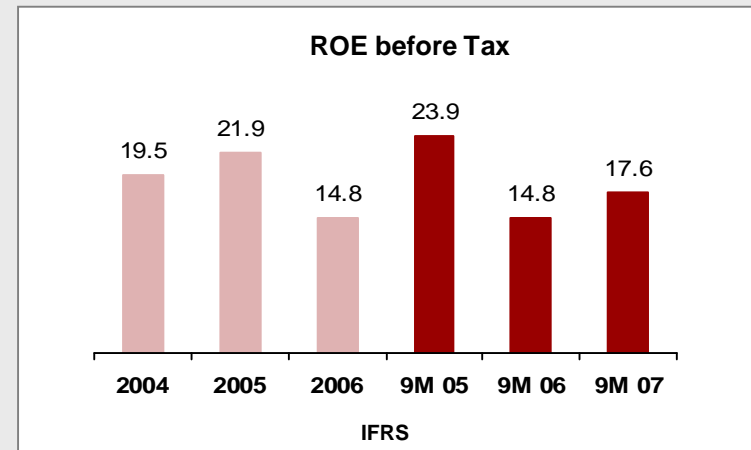
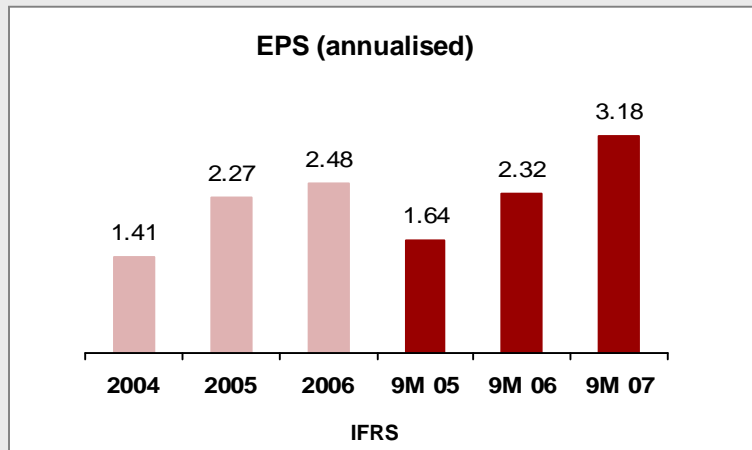
# 9M 2007 Highlights (II)

GWP growing faster than in first half year; C/R below 96%



# 9M 2007 Highlights (III)

Record EPS; ROE climbing fast towards 18%





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# 9M 2007 Income Statement

IFRS (€mn)

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|   | 9M 2007         | 9M 2006         | +/-%        |
|---|-----------------|-----------------|-------------|
| 1. Gross written premiums                                   | 5,031.8         | 4,320.6         | 16.5        |
| 2. Net earned premiums                                      | 4,220.3         | 3,586.8         | 17.7        |
| 3. Net investment income <sup>1</sup>                       | 743.1           | 538.6           | 38.0        |
| 4. Other income   | 31.8            | 38.7            | -17.9       |
| <b>Total income</b>   | <b>4,995.2</b>  | <b>4,164.2</b>  | <b>20.0</b> |
| 6. Expenses for claims incurred                             | -3,567.4        | -2,999.9        | 18.9        |
| 7. Operating expenses                                       | -988.9          | -822.1          | 20.3        |
| 8. Other expenses   | -114.7          | -111.5          | 2.9         |
| <b>Total expenses</b>                                       | <b>-4,671.0</b> | <b>-3,933.5</b> | <b>18.7</b> |
| <b>Profit before tax</b>                                    | <b>324.2</b>    | <b>230.7</b>    | <b>40.5</b> |
| Taxes   | -61.5           | -41.3           | 48.8        |
| <b>Net profit before minorities (Profit for the period)</b> | <b>262.7</b>    | <b>189.4</b>    | <b>38.7</b> |
| Minorities  | -11.9           | -7.0            | 70.3        |
| <b>Net profit after minorites</b>                           | <b>250.8</b>    | <b>182.4</b>    | <b>37.5</b> |

<sup>1</sup> incl. income from associated and affiliated companies

# 9M 2007 Balance Sheet

IFRS (€mn)

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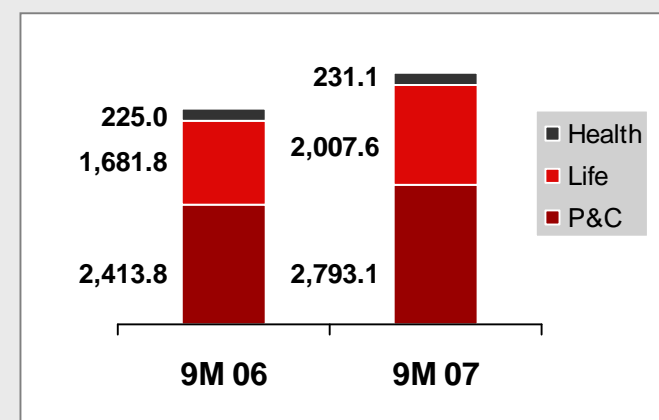
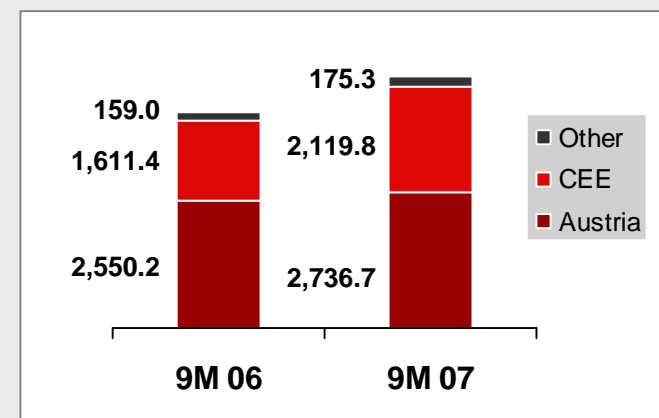
|   | 9M 2007       | 2006          | +/- %       |
|---|---------------|---------------|-------------|
| Intangible assets                           | 503           | 461           | 8.9         |
| Total investments                           | 19,212        | 17,260        | 11.3        |
| Unit- and index-linked investments          | 2,887         | 2,341         | 23.3        |
| Reinsurers' share in technical provisions   | 1,149         | 963           | 19.3        |
| Receivables                                 | 1,161         | 984           | 18.0        |
| Deferred tax assets                         | 32            | 24            | 35.3        |
| Other assets                                | 252           | 224           | 12.7        |
| Cash and cash equivalents                   | 224           | 226           | -1.1        |
| <b>Total assets</b>                         | <b>25,421</b> | <b>22,483</b> | <b>13.1</b> |
| Shareholders' equity                        | 2,409         | 2,283         | 5.5         |
| <i>thereof minorities</i>                   | 128           | 71            | 81.0        |
| Subordinated liabilities                    | 433           | 413           | 4.9         |
| Technical provisions                        | 16,874        | 14,628        | 15.4        |
| Unit- and index-linked technical provisions | 2,805         | 2,239         | 25.3        |
| Non-technical provisions                    | 764           | 836           | -8.5        |
| Liabilities                                 | 1,954         | 1,856         | 5.2         |
| Deferred tax liabilities                    | 111           | 122           | -8.6        |
| Other liabilities                           | 70            | 106           | -33.8       |
| <b>Total liabilities and equity</b>         | <b>25,421</b> | <b>22,483</b> | <b>13.1</b> |

# 9M 2007 P&L Major Items – Gross Written Premiums

Again growing above market in Austria and CEE (€ mn)

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- § Group GWP gained 16.5% to € 5,032mn
- § Austria: total GWP up 7.3% to reach € 2,737mn. Life up 12.5% at € 1,292mn with sound growth in subsidised pensions; includes ~€140mn premium effect from full consolidation of Austrian subsidiary Union; P&C up 3.1% at € 1,213mn influenced by weaker pricing in motor market (VIG still growing above market)
- § The Czech Republic saw GWP growing by 8.6% to € 842.3mn with Life gaining 15.7% to reach € 205.2mn and Non-life up 6.5% at € 637.1mn
- § In Slovakia business grew by 26.4% to reach € 362.8mn, with Life up 38.6% at € 136.1mn and P&C up 20.0% at € 226.7mn.
- § Poland reached € 390.7mn in total, up 68.0%, Non-life up 55.9% to € 240.2mn, Life up 91.8% to € 150.6mn
- § In Romania VIG attained a premium volume of € 301.7mn, an increase of 80.4%. Non-life was up 83.2% at € 291.0mn and Life up 27.2% at € 10.7mn
- § Substantial increase in Other CEE markets of 48.9% amounting to € 222.3mn, with high double digit organic growth
- § Other Markets attained GWP of € 175.3mn, stronger by 10.2% due to Life business in Liechtenstein



Note: the following companies were included as of Q2 06 only:  
Cigna (Poland) and the TBIH insurance companies (Bulstrad, Helios)

# 9M 2007 P&L Major Items – Expenses for Claims Incurred

Loss ratio improving vs. last year

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- § Group loss ratio (net) with marked improvement by 1.6% pts to 65.4% despite €10mn net effect from Kyrill storm in Q1 2007
- § Austrian loss ratio lower by 0.5% pts at 67.8%
- § Czech Republic which was severely affected by snow pressure and floodings in 2006 saw loss ratio improving by 6.2% pts to 68.4%
- § In Slovakia loss ratio further on a very attractive level of 53.8%
- § Poland improving by 1.4% pts to 60.1% due to effective claims and risk management
- § Romania saw increase of claims ratio by 1.4% pts to 62.5% influenced by motor business (in line with market trends)
- § Other CEE recorded loss ratio of 66.3%.

| EUR mn                        | P&C          |              |
|-------------------------------|--------------|--------------|
|                               | 9M 2007      | 9M 2006      |
| Net Earned Premiums:          | 1,997.5      | 1,690.5      |
| Expenses for Claims Incurred: | 1,306.7      | 1,132.9      |
| <b>Ratio</b>                  | <b>65.4%</b> | <b>67.0%</b> |

# 9M 2007 P&L Major Items – Operating Expenses

Cost ratio stable despite dynamic business growth

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- § Group cost ratio (net) gaining just 0.5% to reach 30.5% despite tremendous growth in CEE with acquisition cost effect: VIG does not account for DACs which affects cost ratio roughly by ~1.5% pts (premium income is high at start of the year and leads to higher deferrals while acquisition costs are not deferred); Group-wide containment of administrative costs
- § Austrian cost ratio down by 0.8% at 26.7% despite cost effects from IT development (Group wide standardisation)
- § Costs in the Czech Republic slightly higher at 27.1% due to acquisition costs
- § Cost ratio in Slovakia down by 2.5% as a result of economies of scale
- § Poland showing stable cost ratio at 39.4% influenced by tremendous business growth
- § Romania recording decrease by 1.6% pts to 37.6% owing to economies of scale
- § Cost ratio in Other CEE at 41.2%

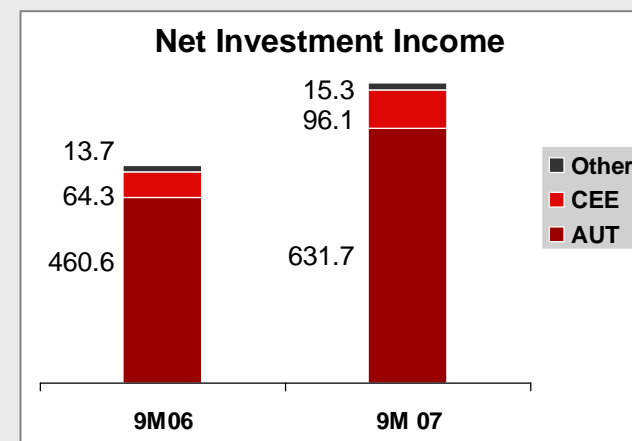
| EUR mn                          | P&C          |              |
|---------------------------------|--------------|--------------|
|                                 | 9M 2007      | 9M 2006      |
| Net Earned Premiums:            | 1,997.5      | 1,690.5      |
| Operating Expenses <sup>1</sup> | 609.7        | 507.3        |
| <b>Ratio</b>                    | <b>30.5%</b> | <b>30.0%</b> |

<sup>1</sup> incl. Other technical result (Other underwriting income and expenses)

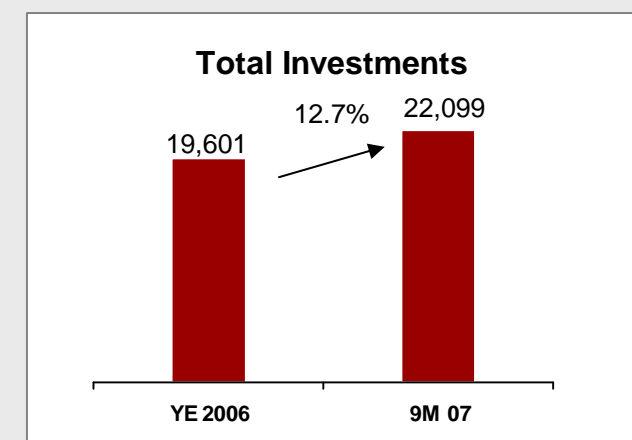
# 9M 2007 P&L Major Items – Net Investment Income

Sound growth in line with business expansion (€mn)

- § Increase in Group Net Investment Income by 38.0% to €743.1mn
- § Austria grew by 37.2% influenced by trading gains, full consolidation of Austrian life subsidiary Union (+ €55mn) and by deferred profit participation (- €115mn) due to strict lower of cost or market accounting of fixed income bonds at parent company
- § Increases of net investment income in the Czech Republic (up 21.3%), Slovakia (up 39.3%), Poland (71.9%), Romania (222.8%) and Other CEE (86.6%) influenced by business expansion
- § Larger CEE subsidiaries also show higher diversification in asset allocation



|   | 9M 2007       | 9M 2006       |
|---|---------------|---------------|
| <b>Investment Income</b>                        | <b>975.9</b>  | <b>751.5</b>  |
| <i>thereof: Current Income</i>                  | 636.9         | 553.6         |
| <i>thereof: Investment income from disposal</i> | 303.5         | 170.5         |
| <b>Expenses for investments and interest</b>    | <b>-236.5</b> | <b>-218.2</b> |
| <i>thereof: realised investment losses</i>      | -41.8         | -43.5         |
| <i>thereof: depreciation of investments</i>     | -90.3         | -75.6         |
| <b>Total</b>                                    | <b>739.4</b>  | <b>533.3</b>  |



1: excluding affiliated companies

**A** Investment Proposition

**B** Targets and Summary

**C** 9M 2007 Highlights

**D** P&L and Balance Sheet

**E** Appendix



# 9M 2007 P&L – Business Segments

Property & Casualty, IFRS (€mn)

E 33

|                                 | 9M 2007         | 9M 2006         | +/-%        |
|---------------------------------|-----------------|-----------------|-------------|
| 1. Gross written premiums       | 2,793.1         | 2,413.8         | 15.7        |
| 2. Net earned premiums          | 1,997.5         | 1,690.5         | 18.2        |
| 3. Net investment income        | 132.7           | 94.6            | 40.3        |
| 4. Other income                 | 19.2            | 26.2            | -26.9       |
| <b>Total income</b>             | <b>2,149.4</b>  | <b>1,811.3</b>  | <b>18.7</b> |
| 6. Expenses for claims incurred | -1,306.7        | -1,132.9        | 15.3        |
| 7. Operating expenses           | -552.1          | -452.7          | 22.0        |
| 8. Other expenses               | -81.3           | -80.9           | 0.4         |
| <b>Total expenses</b>           | <b>-1,940.0</b> | <b>-1,666.6</b> | <b>16.4</b> |
| <b>Profit before tax</b>        | <b>209.3</b>    | <b>144.7</b>    | <b>44.7</b> |

# 9M 2007 P&L – Business Segments

Life, IFRS (€mn)

E 34

|                           | 9M 2007         | 9M 2006         | +/-%        |
|---------------------------|-----------------|-----------------|-------------|
| 1. Gross written premiums | 2,007.6         | 1,681.8         | 19.4        |
| 2. Net earned premiums    | 1,993.9         | 1,673.5         | 19.1        |
| 3. Net investment income  | 598.8           | 436.2           | 37.3        |
| 4. Other income           | 12.6            | 12.5            | 0.9         |
| <b>Total income</b>       | <b>2,605.4</b>  | <b>2,122.2</b>  | <b>22.8</b> |
| 6. Life benefits          | -2,064.9        | -1,677.2        | 23.1        |
| 7. Operating expenses     | -406.7          | -341.3          | 19.2        |
| 8. Other expenses         | -31.4           | -29.8           | 5.2         |
| <b>Total expenses</b>     | <b>-2,502.9</b> | <b>-2,048.3</b> | <b>22.2</b> |
| <b>Profit before tax</b>  | <b>102.4</b>    | <b>73.9</b>     | <b>38.6</b> |

# 9M 2007 P&L – Business Segments

Health, IFRS (€mn)

|                                 | 9M 2007       | 9M 2006       | +/-%       |
|---------------------------------|---------------|---------------|------------|
| 1. Gross written premiums       | 231.1         | 225.0         | 2.7        |
| 2. Net earned premiums          | 228.9         | 222.8         | 2.7        |
| 3. Net investment income        | 11.5          | 7.9           | 46.7       |
| 4. Other income                 | 0.0           | 0.0           | -100.0     |
| <b>Total income</b>             | <b>240.5</b>  | <b>230.7</b>  | <b>4.2</b> |
| 6. Expenses for claims incurred | -195.9        | -189.8        | 3.2        |
| 7. Operating expenses           | -30.1         | -28.1         | 7.2        |
| 8. Other expenses               | -2.0          | -0.7          | 181.4      |
| <b>Total expenses</b>           | <b>-228.0</b> | <b>-218.6</b> | <b>4.3</b> |
| <b>Profit before tax</b>        | <b>12.5</b>   | <b>12.1</b>   | <b>2.6</b> |

## 9M 2007 P&L - Split by Regions (I)

Regional segments, IFRS (€mn)

E 36

|                                 | Austria         |                 |             | Czech Republic |               |             |
|---------------------------------|-----------------|-----------------|-------------|----------------|---------------|-------------|
|                                 | 9M 2007         | 9M 2006         | +/-%        | 9M 2007        | 9M 2006       | +/-%        |
| 1. Gross written premiums       | 2,736.7         | 2,550.2         | 7.3         | 842.3          | 775.3         | 8.6         |
| 2. Net earned premiums          | 2,375.0         | 2,216.2         | 7.2         | 665.4          | 595.0         | 11.8        |
| 3. Net investment income        | 631.7           | 460.6           | 37.2        | 35.7           | 29.4          | 21.3        |
| 4. Other income                 | 7.3             | 5.5             | 32.6        | 8.7            | 12.3          | -29.5       |
| <b>Total income</b>             | <b>3,014.0</b>  | <b>2,682.3</b>  | <b>12.4</b> | <b>709.8</b>   | <b>636.7</b>  | <b>11.5</b> |
| 6. Expenses for claims incurred | -2,331.7        | -2,066.5        | 12.8        | -462.4         | -432.8        | 6.8         |
| 7. Operating expenses           | -448.6          | -442.2          | 1.5         | -159.6         | -132.5        | 20.5        |
| 8. Other expenses               | -26.9           | -21.9           | 23.0        | -30.1          | -32.9         | -8.5        |
| <b>Total expenses</b>           | <b>-2,807.2</b> | <b>-2,530.6</b> | <b>10.9</b> | <b>-652.1</b>  | <b>-598.2</b> | <b>9.0</b>  |
| <b>Profit before tax</b>        | <b>206.8</b>    | <b>151.8</b>    | <b>36.3</b> | <b>57.6</b>    | <b>38.5</b>   | <b>49.6</b> |
| <b>Combined Ratio</b>           | <b>94.5%</b>    | <b>95.8%</b>    |             | <b>95.5%</b>   | <b>101.1%</b> |             |

## 9M 2007 P&L - Split by Regions (II)

Regional segments, IFRS (€mn)

E 37

|                                 | Slovakia      |               |             | Poland        |               |              | Romania       |               |             |
|---------------------------------|---------------|---------------|-------------|---------------|---------------|--------------|---------------|---------------|-------------|
|                                 | 9M 2007       | 9M 2006       | +/-%        | 9M 2007       | 9M 2006       | +/-%         | 9M 2007       | 9M 2006       | +/-%        |
| 1. Gross written premiums       | 362.8         | 287.1         | 26.4        | 390.7         | 232.6         | 68.0         | 301.7         | 167.2         | 80.4        |
| 2. Net earned premiums          | 288.6         | 203.5         | 41.9        | 337.3         | 176.3         | 91.3         | 221.1         | 138.2         | 60.0        |
| 3. Net investment income        | 17.4          | 12.5          | 39.3        | 18.5          | 10.8          | 71.9         | 6.6           | 2.0           | 222.7       |
| 4. Other income                 | 1.6           | 5.2           | -69.0       | 2.2           | 4.0           | -43.8        | 4.6           | 5.5           | -15.1       |
| <b>Total income</b>             | <b>307.6</b>  | <b>221.1</b>  | <b>39.1</b> | <b>358.0</b>  | <b>191.1</b>  | <b>87.4</b>  | <b>232.3</b>  | <b>145.7</b>  | <b>59.5</b> |
| 6. Expenses for claims incurred | -199.5        | -129.7        | 53.8        | -181.3        | -93.0         | 95.0         | -138.0        | -83.2         | 65.9        |
| 7. Operating expenses           | -59.1         | -42.9         | 37.8        | -153.1        | -87.6         | 74.8         | -83.5         | -53.2         | 57.0        |
| 8. Other expenses               | -22.9         | -28.1         | -18.3       | -10.3         | -5.1          | 103.0        | -6.4          | -5.9          | 8.2         |
| <b>Total expenses</b>           | <b>-281.5</b> | <b>-200.7</b> | <b>40.3</b> | <b>-344.8</b> | <b>-185.7</b> | <b>85.7</b>  | <b>-227.9</b> | <b>-142.3</b> | <b>60.2</b> |
| <b>Profit before tax</b>        | <b>26.1</b>   | <b>20.5</b>   | <b>27.6</b> | <b>13.2</b>   | <b>5.4</b>    | <b>144.1</b> | <b>4.4</b>    | <b>3.4</b>    | <b>29.2</b> |
| <b>Combined Ratio</b>           | <b>90.4%</b>  | <b>84.4%</b>  |             | <b>99.6%</b>  | <b>100.6%</b> |              | <b>100.1%</b> | <b>100.3%</b> |             |

## 9M 2007 P&L - Split by Regions (III)

Regional segments, IFRS (€mn)

E 38

|                                 | Other CEE     |               |              | Other         |               |             | TOTAL           |                 |             |
|---------------------------------|---------------|---------------|--------------|---------------|---------------|-------------|-----------------|-----------------|-------------|
|                                 | 9M 2007       | 9M 2006       | +/-%         | 9M 2007       | 9M 2006       | +/-%        | 9M 2007         | 9M 2006         | +/-%        |
| 1. Gross written premiums       | 222.3         | 149.3         | 48.9         | 175.3         | 159.0         | 10.2        | 5,031.8         | 4,320.6         | 16.5        |
| 2. Net earned premiums          | 178.9         | 118.7         | 50.7         | 154.1         | 139.0         | 10.9        | 4,220.3         | 3,586.8         | 17.7        |
| 3. Net investment income        | 17.9          | 9.6           | 86.6         | 15.3          | 13.7          | 11.5        | 743.1           | 538.6           | 38.0        |
| 4. Other income                 | 4.1           | 2.8           | 48.0         | 3.2           | 3.5           | -8.3        | 31.8            | 38.7            | -17.9       |
| <b>Total income</b>             | <b>200.9</b>  | <b>131.1</b>  | <b>53.2</b>  | <b>172.6</b>  | <b>156.2</b>  | <b>10.5</b> | <b>4,995.2</b>  | <b>4,164.2</b>  | <b>20.0</b> |
| 6. Expenses for claims incurred | -125.9        | -78.9         | 59.6         | -128.6        | -115.8        | 11.1        | -3,567.4        | -2,999.9        | 18.9        |
| 7. Operating expenses           | -64.9         | -44.9         | 44.6         | -20.1         | -19.0         | 6.0         | -988.9          | -822.1          | 20.3        |
| 8. Other expenses               | -5.2          | -5.4          | -2.9         | -12.8         | -12.3         | 4.5         | -114.7          | -111.5          | 2.9         |
| <b>Total expenses</b>           | <b>-196.0</b> | <b>-129.1</b> | <b>51.8</b>  | <b>-161.5</b> | <b>-147.1</b> | <b>9.9</b>  | <b>-4,671.0</b> | <b>-3,933.5</b> | <b>18.7</b> |
| <b>Profit before tax</b>        | <b>5.0</b>    | <b>2.0</b>    | <b>146.1</b> | <b>11.1</b>   | <b>9.1</b>    | <b>21.4</b> | <b>324.2</b>    | <b>230.7</b>    | <b>40.5</b> |
| <b>Combined Ratio</b>           | <b>107.6%</b> | <b>101.2%</b> |              | <b>86.2%</b>  | <b>86.4%</b>  |             | <b>95.9%</b>    | <b>97.0%</b>    |             |

# 9M 2007 Results by Country

IFRS (€mn)

E 39

|                   | Non-Life       |                | Life           |                | Total          |                | Profit before Tax |              | Combined Ratio |               |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|--------------|----------------|---------------|
|                   | 9M 2007        | 9M 2006        | 9M 2007        | 9M 2006        | 9M 2007        | 9M 2006        | 9M 2007           | 9M 2006      | 9M 2007        | 9M 2006       |
| <b>Austria</b>    | <b>1,444.5</b> | <b>1,401.5</b> | <b>1,292.3</b> | <b>1,148.6</b> | <b>2,736.7</b> | <b>2,550.2</b> | <b>206.8</b>      | <b>151.8</b> | <b>94.5%</b>   | <b>95.8%</b>  |
| <b>Czech Rep.</b> | <b>637.1</b>   | <b>597.9</b>   | <b>205.2</b>   | <b>177.4</b>   | <b>842.3</b>   | <b>775.3</b>   | <b>57.6</b>       | <b>38.5</b>  | <b>95.5%</b>   | <b>101.1%</b> |
| <b>Slovakia</b>   | <b>226.7</b>   | <b>188.9</b>   | <b>136.1</b>   | <b>98.1</b>    | <b>362.8</b>   | <b>287.1</b>   | <b>26.1</b>       | <b>20.5</b>  | <b>90.4%</b>   | <b>84.4%</b>  |
| <b>Poland</b>     | <b>240.2</b>   | <b>154.1</b>   | <b>150.6</b>   | <b>78.5</b>    | <b>390.7</b>   | <b>232.6</b>   | <b>13.2</b>       | <b>5.4</b>   | <b>99.6%</b>   | <b>100.6%</b> |
| <b>Romania</b>    | <b>291.0</b>   | <b>158.8</b>   | <b>10.7</b>    | <b>8.4</b>     | <b>301.7</b>   | <b>167.2</b>   | <b>4.4</b>        | <b>3.4</b>   | <b>100.1%</b>  | <b>100.3%</b> |
| <b>Other CEE</b>  | <b>135.3</b>   | <b>90.8</b>    | <b>87.0</b>    | <b>58.5</b>    | <b>222.3</b>   | <b>149.3</b>   | <b>5.0</b>        | <b>2.0</b>   | <b>107.6%</b>  | <b>101.2%</b> |
| Hungary           | 31.1           | 24.4           | 39.6           | 24.7           | 70.7           | 49.1           | 2.6               | 1.1          | 101.6%         | 92.9%         |
| Croatia           | 33.3           | 26.4           | 28.3           | 23.1           | 61.6           | 49.5           | 2.1               | 0.4          | 112.1%         | 111.7%        |
| Serbia            | 19.2           | 12.2           | 13.7           | 7.7            | 32.9           | 19.9           | 0.0               | 0.0          | 110.8%         | 86.8%         |
| Bulgaria          | 51.7           | 27.8           | 5.4            | 3.1            | 57.1           | 30.8           | 0.2               | 0.5          | 106.8%         | 101.5%        |
| <b>Other</b>      | <b>49.4</b>    | <b>46.7</b>    | <b>125.9</b>   | <b>112.3</b>   | <b>175.3</b>   | <b>159.0</b>   | <b>11.1</b>       | <b>9.1</b>   | <b>86.2%</b>   | <b>86.4%</b>  |
| Liechtenstein     | -              | -              | 86.5           | 74.2           | 86.5           | 74.2           | 2.0               | 0.9          | -              | -             |
| Germany           | 49.4           | 46.7           | 39.3           | 38.2           | 88.7           | 84.9           | 9.1               | 8.2          | 86.2%          | 86.4%         |
| <b>Total</b>      | <b>3,024.2</b> | <b>2,638.8</b> | <b>2,007.6</b> | <b>1,681.8</b> | <b>5,031.8</b> | <b>4,320.6</b> | <b>324.2</b>      | <b>230.7</b> | <b>95.9%</b>   | <b>97.0%</b>  |

# Change in Group Shareholders' Equity / APE

IFRS

E 40

|   | 1.1. - 30.09.2007 | 1.1. - 30.09.2006 |
|---|-------------------|-------------------|
| Equity as of 1 January  | 2,283,208         | 2,059,332         |
| Currency Changes  | 1,302             | 2,066             |
| Changes to consolidation  | 55,719            | 2,113             |
| Capital Increase  | -                 | -                 |
| Unrealised Gains and Losses on financial instruments available for sale | -90,081           | -56,687           |
| Profit for the period   | 262,724           | 189,389           |
| Dividend payment  | -104,143          | -63,585           |
| <b>Equity as of 30 September</b>  | <b>2,408,729</b>  | <b>2,132,628</b>  |

| APE Life & Health | 9M 2007      | 9M 2006      | +/-%        |
|-------------------|--------------|--------------|-------------|
| Austria, Germany  | 166.0        | 176.7        | -6.1%       |
| CEE (CZ, SK)      | 37.9         | 26.4         | 43.6%       |
|                   | <b>203.9</b> | <b>203.1</b> | <b>0.4%</b> |



# Life Insurance Premium Split

IFRS (€mn)

E 41

| Premiums written - direct business              | 9M 2007        | 9M 2006        | +/- %        |
|---|----------------|----------------|--------------|
| Regular premiums                                | 1,343.8        | 1,075.5        | 24.9%        |
| Single premiums                                 | 662.3          | 594.9          | 11.3%        |
| <b>Total premiums written - direct business</b> | <b>2,006.1</b> | <b>1,670.3</b> | <b>20.1%</b> |
| <b>thereof:</b>                                 |                |                |              |
| Policies with profit participation              | 1,134.7        | 1,096.5        | 3.5%         |
| Policies without profit participation           | 269.6          | 219.8          | 22.6%        |
| unit- and index-linked life insurance           | 601.8          | 354.0          | 70.0%        |
| <b>thereof:</b>                                 |                |                |              |
| Individual insurance                            | 1,774.2        | 1,507.0        | 17.7%        |
| Group insurance                                 | 231.9          | 163.3          | 42.0%        |

# Q3 2007 Income Statement

IFRS (€mn)

E 42

|   | Q3 2007         | Q3 2006         | +/-%        |
|---|-----------------|-----------------|-------------|
| 1. Gross written premiums                                 | 1,538.7         | 1,291.3         | 19.2        |
| 2. Net earned premiums                                    | 1,391.2         | 1,175.5         | 18.4        |
| 3. Net investment income <sup>1</sup>                     | 189.9           | 177.5           | 6.9         |
| 4. Other income   | 11.1            | 9.7             | 14.8        |
| <b>Total income</b>                                       | <b>1,592.2</b>  | <b>1,362.7</b>  | <b>16.8</b> |
| 6. Expenses for claims incurred                           | -1,146.8        | -954.5          | 20.1        |
| 7. Operating expenses                                     | -311.5          | -295.7          | 5.3         |
| 8. Other expenses   | -25.1           | -25.1           | 0.0         |
| <b>Total expenses</b>                                     | <b>-1,483.4</b> | <b>-1,275.4</b> | <b>16.3</b> |
| <b>Profit before tax</b>                                  | <b>108.8</b>    | <b>87.4</b>     | <b>24.5</b> |
| Taxes   | -20.3           | -16.8           | 20.9        |
| <b>Net profit before minorities (Profit for the year)</b> | <b>88.5</b>     | <b>70.6</b>     | <b>25.4</b> |
| Minorities  | 1.7             | -2.3            |             |
| <b>Net profit after minorites</b>                         | <b>90.2</b>     | <b>68.3</b>     | <b>32.0</b> |

<sup>1</sup> incl. income from associated and affiliated companies

# 9M 2007 Exchange Rates

| Country        | Curr. | 9M 2007              |              | 9M 2006              |              |
|----------------|-------|----------------------|--------------|----------------------|--------------|
|                |       | Balance Sheet<br>EUR | P & L<br>EUR | Balance Sheet<br>EUR | P & L<br>EUR |
| Bulgaria       | BGN   | 0.511300             | 0.511300     | 0.511300             | 0.511300     |
| Croatia        | HRK   | 0.137414             | 0.136226     | 1.475579             | 1.460814     |
| Liechtenstein  | CHF   | 0.602373             | 0.610855     | 0.629683             | 0.638430     |
| Poland         | PLN   | 0.265041             | 0.261391     | 0.251807             | 0.255649     |
| Romania        | RON   | 0.299034             | 0.303284     | 0.282789             | 0.282393     |
| Serbia         | CSD   | 0.012681             | 0.012503     | 0.012195             | 0.011689     |
| Slovakia       | SKK   | 0.029519             | 0.029505     | 0.026749             | 0.026552     |
| Czech Republic | CZK   | 0.036321             | 0.035612     | 0.035303             | 0.035163     |
| Hungary        | HUF   | 0.003989             | 0.003986     | 0.003663             | 0.003765     |

# VIG Has Excellent CEE Market Position

VIG an early mover in CEE

## Overview of Core Markets

| Slovakia                   | Czech Rep.                 | Romania                    | Bulgaria                   |
|----------------------------|----------------------------|----------------------------|----------------------------|
| Pop.: 5.4 mn               | Pop.: 10.2 mn              | Pop.: 21.6 mn              | Pop.: 8.2 mn               |
| GDP/Cap.: \$ 10 k          | GDP/Cap.: \$ 14 k          | GDP/Cap.: \$ 5 k           | GDP/Cap.: \$ 4 k           |
| Density NL: \$ 207         | Density NL: \$ 316         | Density NL: \$ 76          | Density NL: \$ 88          |
| Density L: \$ 130          | Density L: \$ 204          | Density L: \$ 19           | Density L: \$ 13           |
| <b>Market share: 28.2%</b> | <b>Market share: 26.8%</b> | <b>Market share: 26.7%</b> | <b>Market share: 18.4%</b> |
| Croatia                    | Serbia                     | Poland                     | Hungary                    |
| Pop.: 4.6 mn               | Pop.: 8.2 mn               | Pop.: 38.5 mn              | Pop.: 10.1 mn              |
| GDP/Cap.: \$ 9 k           | GDP/Cap.: \$ 4 k           | GDP/Cap.: \$ 9 k           | GDP/Cap.: \$ 11 k          |
| Density NL: \$ 286         | Density NL: \$ 69          | Density NL: \$ 160         | Density NL: \$ 184         |
| Density L: \$ 82           | Density L: \$ 8            | Density L: \$ 151          | Density L: \$ 192          |
| <b>Market share: 7.2%</b>  | <b>Market share: 7.2%</b>  | <b>Market share: 4.5%</b>  | <b>Market share: 2.6%</b>  |

## Details

- § leading market position in nearly all core markets
- § strong market positions also in Turkey, Ukraine, Georgia and Albania

- § focus on retail business
- § systematic market entry
- § tight operational management

Source: Swiss RE 04/2007,  
Market shares: company data, 6M 2007

# Acquisition of Asirom in 3 Steps

Strengthening VIG's no.1 position in dynamic Romanian market

## Acquisition of Asirom



50.2 %

### Asirom

- § listed Non-life and Life insurance company with € 190mn premium volume in 2006
- § 160 branches, 2,200 employees and nation-wide non-bank distribution system
- § well positioned also in Life
- § best insurance brand in Romania

#### Acquisition steps:

1. Acquisition of 30% of Asirom on July 24, 2007
2. Increase by 20.2% on November 7, 2007 to reach majority
3. Offer to minority shareholders soon in line with Romanian regulations

## Romanian Insurance Market

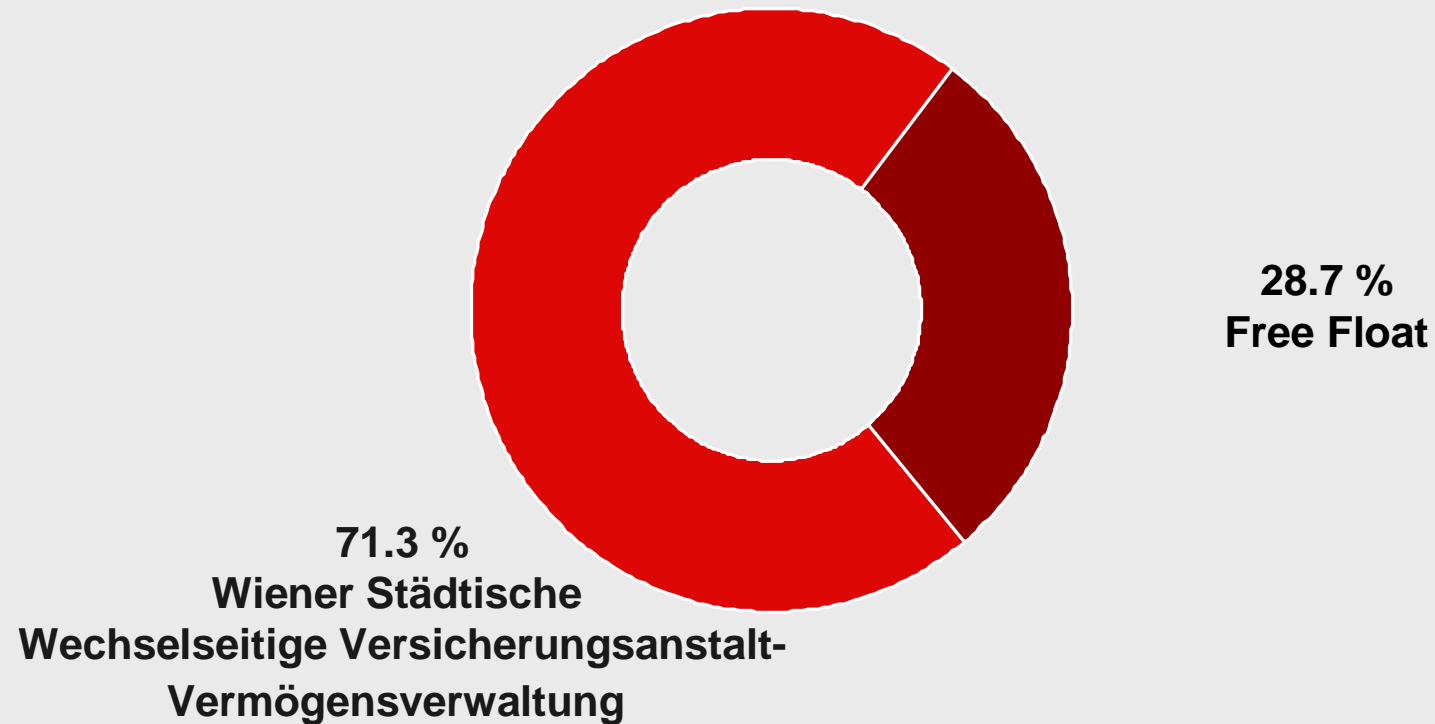
|                             |           |
|-----------------------------|-----------|
| Population (mn)             | 21.6      |
| GDP/Capita                  | 5,463 USD |
| Penetration                 | 1.7%      |
| Density                     | 94.5 USD  |
| Market Growth (01-06, CAGR) | 42.8%     |

- § market growth in Non-life was 40.7% YoY vs. Life growth by 15.4% YoY in 2006
- § Top-five insurance groups have a total market share of nearly 60%
- § VIG has a market share of ~27% incl. Asirom

# Shareholder Structure (I)

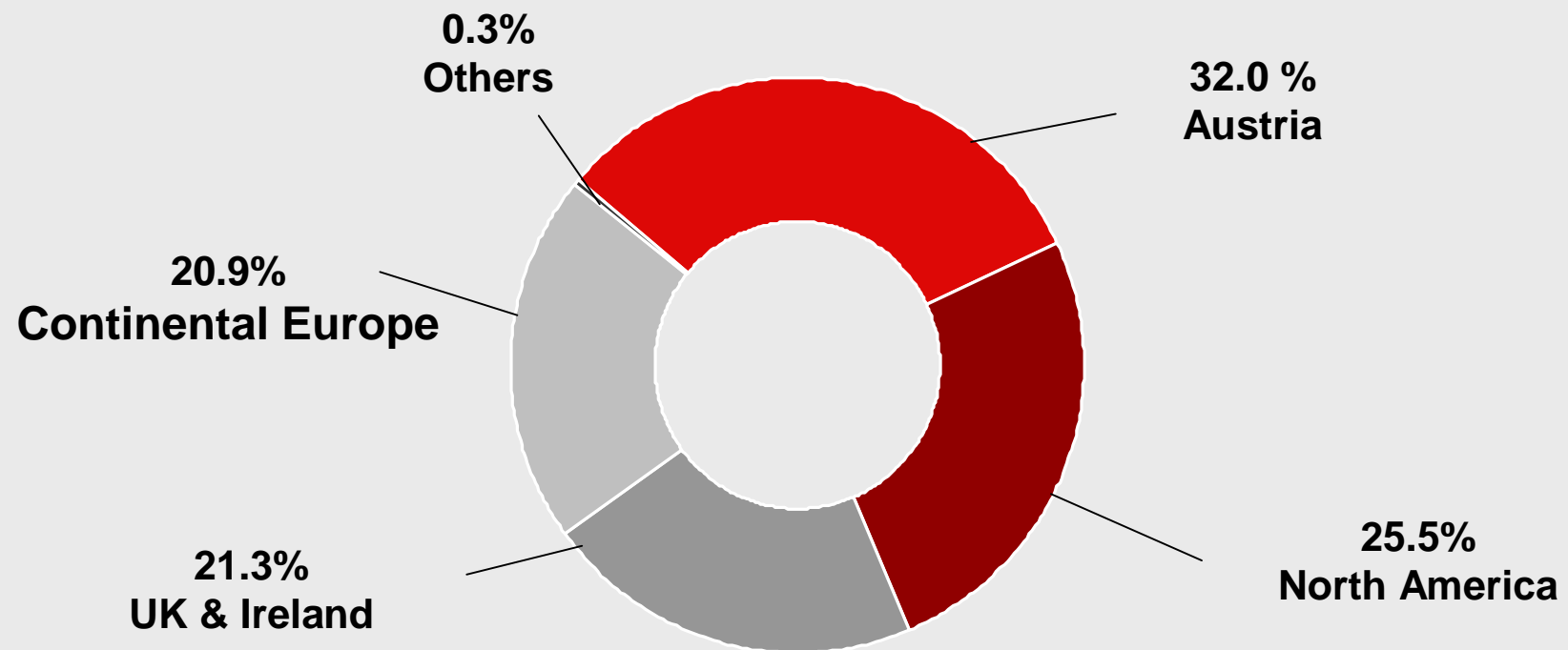
Total number of shares 105,000,000

## Shareholder Structure



## Shareholder Structure (II)

### Free Float Geographical Split



# Contact Details

Investor Relations

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## Wiener Städtische Versicherung AG

### Vienna Insurance Group

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[www.wienerstaedtische.com](http://www.wienerstaedtische.com)

|                        |         |
|------------------------|---------|
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| Reuters:               | WISV.VI |
| Bloomberg:             | WST AV  |
| Datastream:            | O:WNST  |

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