



V.I.G.

Building its Market Position and Financial Strength

Paris Roadshow, 15 - 16 October 2009

A Investment proposition

B Growth potential in CEE and Austria

C Recent developments

D 6M 2009 results – highlights

Investment Proposition at a Glance

V.I.G. set two strategic milestones

Milestone 1

§ V.I.G. - Pioneer in CEE; start of expansion in 1990

- “Big fish in a small pond”
- Going east immediately after the fall of the iron curtain due to potential of emerging markets and geographic proximity

Story

§ V.I.G. - Progressing on the path of growth

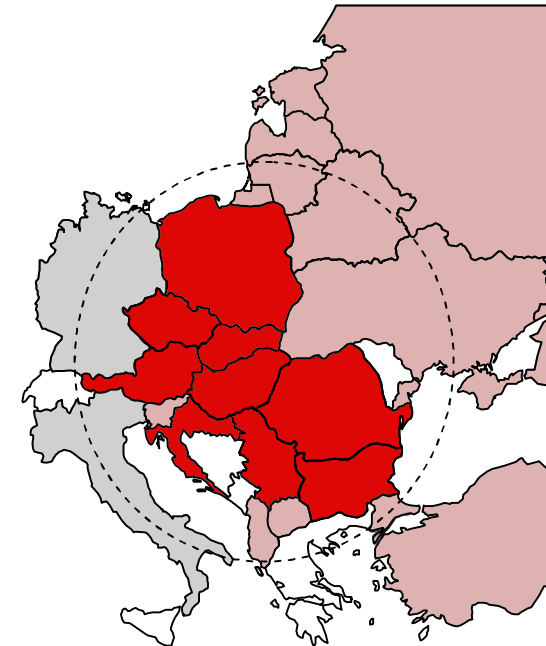
- Successful track record of exploiting growth potentials
- Continuous expansion of its business areas and geographic regions
- 15.3% market share in CEE¹ – clear no. 1 of international insurers

Milestone 2

§ V.I.G. - Extending distribution power

- Acquisition of s Versicherung Group
- Long-term distribution agreement with Erste Group

Footprint



● Core Markets

CEE share ~50% of premiums

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

V.I.G. – Leading Insurer in CEE

Market strategy proves effective

2005

2008

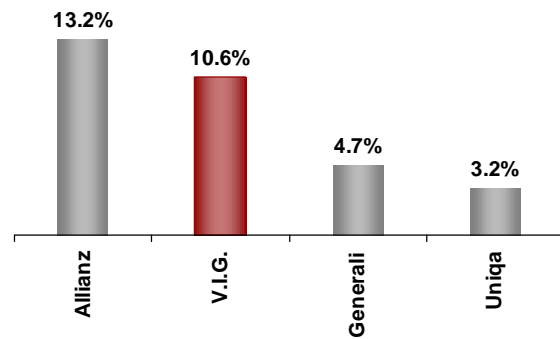
- § Gross written premiums: €5.0bn
- § Profit before tax: €240mn
- § Presence in 15 countries
- § No. 2 in CEE¹

- § Gross written premiums: €7.9bn
- § Profit before tax: €541mn
- § Presence in 23 countries
- § No. 1 in CEE¹

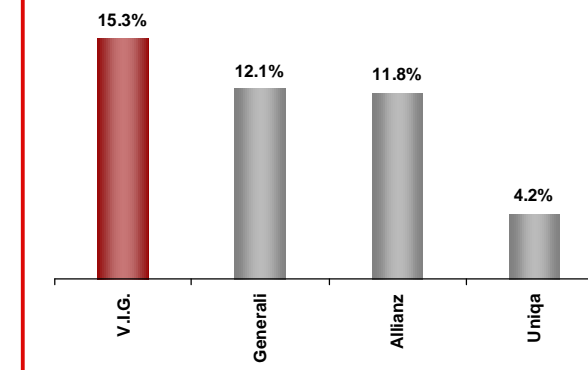
Strategy

- § Strengthening the leading position in Austria
- § Steady expansion of insurance activities in CEE

Total market share



Total market share



1: CEE is defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania Serbia and Slovakia, 2: National insurance associations of the respective countries as of 6M 2006 and 6M 2009

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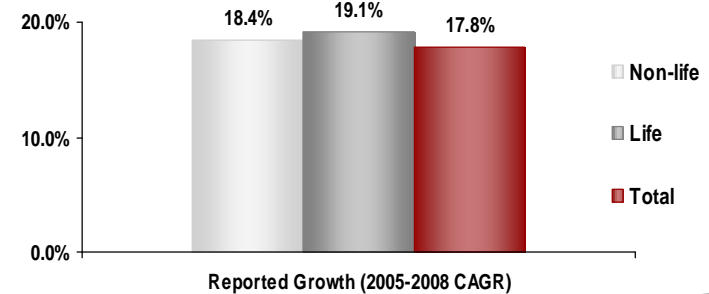
V.I.G.'s Path of Growth



CEE markets still growing

2005-2008

- § Reported Group growth rates (2005 – 2008 CAGR) showed strong double-digit development
- § About two thirds of growth rates were organic



6M 2009

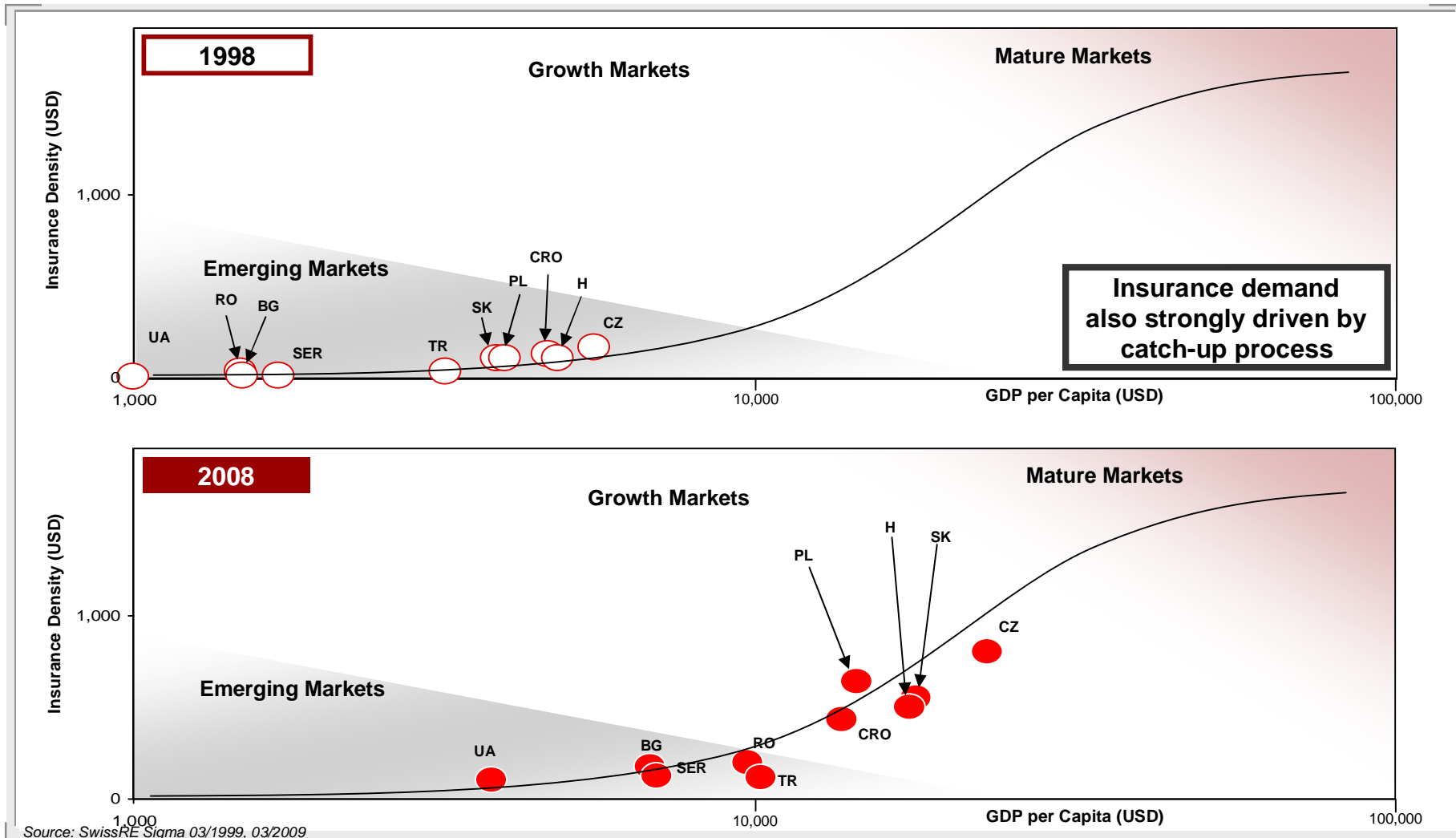
- § Extraordinary economic situation led to weak CEE currency rates
- § Restructuring of portfolio in RO: market shaper position of V.I.G. allows significant increase of tariffs
- § A and PL: weak development of life premiums is result of currently low demand for single premium business
- § Overall, still 3% premium growth excluding volatile life business parts

Organic Growth Rates (net of FX)

	6M 2009		
	Non-Life	Life	Total
Austria	0.8%	-18.5%	-6.6%
Czech Republic	4.2%	8.0%	5.2%
Slovakia	4.6%	2.6%	3.8%
Romania	-10.6%	-20.0%	-10.6%
Poland	4.8%	-32.6%	-12.3%
Other CEE	9.3%	-12.5%	3.2%
Other	3.5%	-36.1%	-24.0%
Total	1.7%	-15.6%	-4.4%

V.I.G. Business Model Still in Place (I)

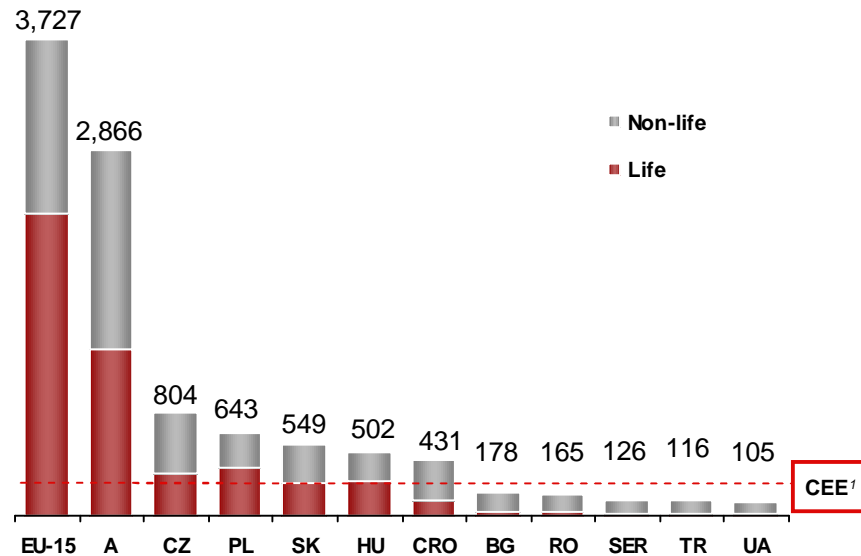
GDP growth and underpenetration are insurance drivers



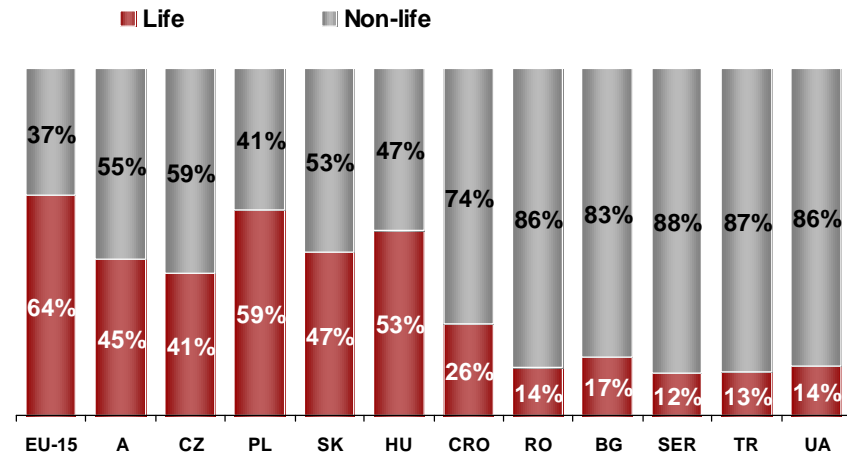
V.I.G. Business Model Still in Place (II)

Catch-up potential in CEE in Non-life and Life

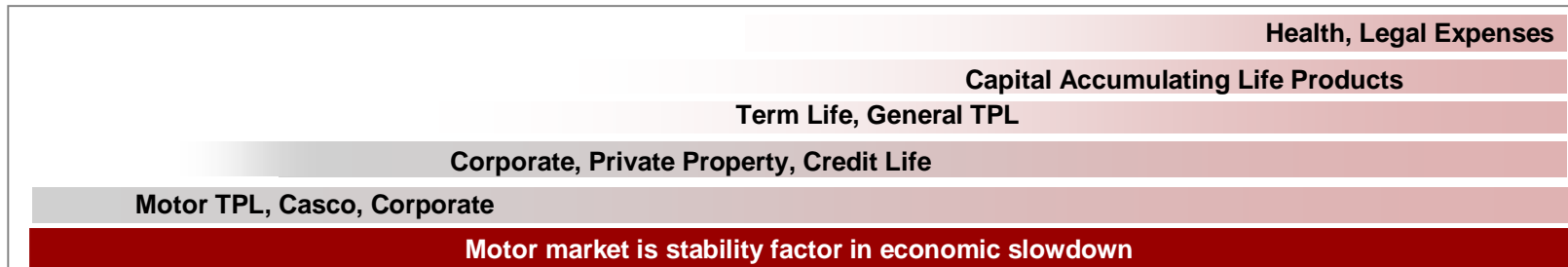
Insurance Density 2008 (USD)



Proportion of NL & L in CEE Markets



Product Demand Timeline



1: weighted average of CZ, SK, H, PL, CRO, BG, RO, SER, UA, TR; Source: Swiss RE Sigma 03/2009

V.I.G. Management Approach

Strength of distribution supports future growth

Multi-Brand



- § Strong brand awareness in local markets
- § Retain loyalty of employees and management, customers, affinity groups and distribution networks with well established local brands
- § Multi-brand also strongly supports multi-channel distribution



Multi-Channel

	Tied agents	Banks	Brokers	Other
Austria	11% - 20%	31% - 40%	11% - 20%	<10%
Czech Rep.	31% - 40%	21% - 30%	31% - 40%	<10%
Slovakia	31% - 40%	<10%	31% - 40%	<10%
Romania	31% - 40%	<10%	21% - 30%	<10%
Poland	21% - 30%	21% - 30%	31% - 40%	<10%
Hungary	31% - 40%	11% - 20%	11% - 20%	<10%
Croatia	31% - 40%	11% - 20%	31% - 40%	<10%
Others	31% - 40%	11% - 20%	31% - 40%	<10%

- § Distribution differs according to market conditions
- § Group relies on well diversified distribution channels within the whole region but also in individual markets to enhance internal competition

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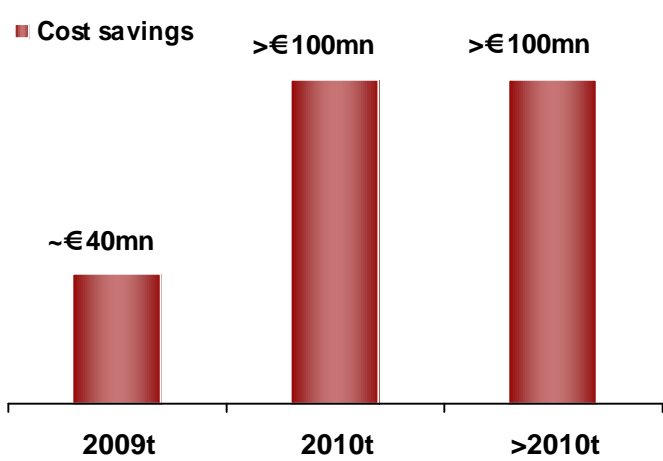
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Financial Control and Business Initiatives

Setting the basis for future performance

Scale-based



Year	Cost Savings (€mn)
2009t	~€40mn
2010t	>€100mn
>2010t	>€100mn

Annual cost savings target of at least €100mn, to be reached by end of 2010

- § Streamlining of regional head offices
- § Bundling of operating and service departments
- § Strengthening of central administration
- § Reduction of overall non-personnel costs
- § Accelerated implementation of shared services concept to backup multi-brand approach in CEE

Skill-based

1

VIGRe

§ Promising start confirms RoE target for 2009 of 10%

2

VIU

§ Vienna International Underwriters has acquired several international corporate clients

3

Cooperation with Erste Group

§ Integration of s Versicherung well advanced: product design, asset management, accounting, controlling, actuarial services, risk management

4

Health business in CEE

§ Expected premium volume of about €30mn for YE 2009

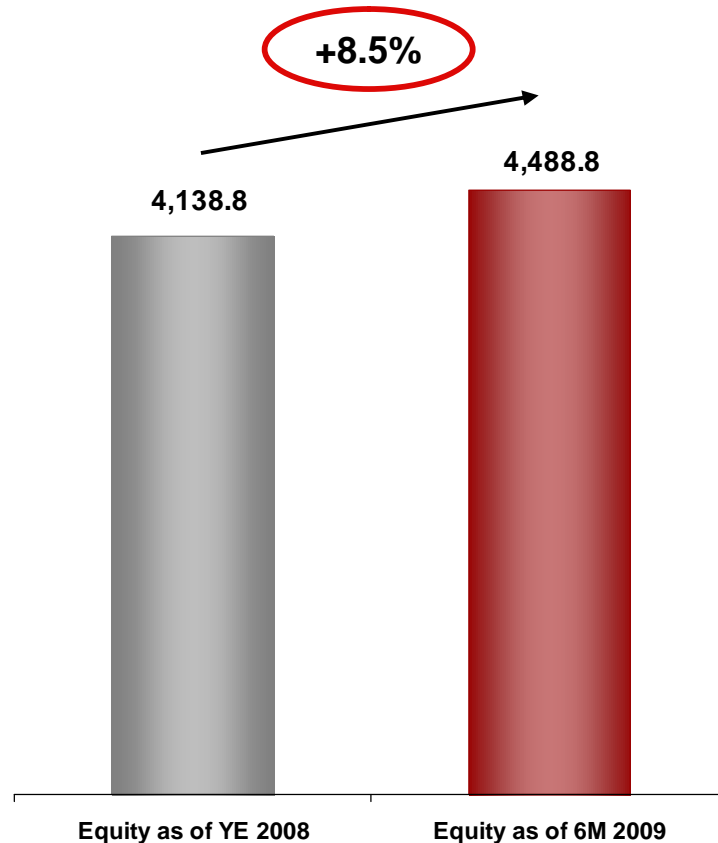
Capitalisation

Strong capitalisation is excellent basis for future expansion

Shareholders' Equity

Capitalisation

Change in Group Shareholders' Equity (€mn)



§ Group shareholders' equity increased by 8.5% to about €4.5bn in 6M 2009

§ Comfortable solvency ratio of above 180% on IFRS basis

§ V.I.G. develops new risk based internal capital model according to Solvency II

A Investment proposition

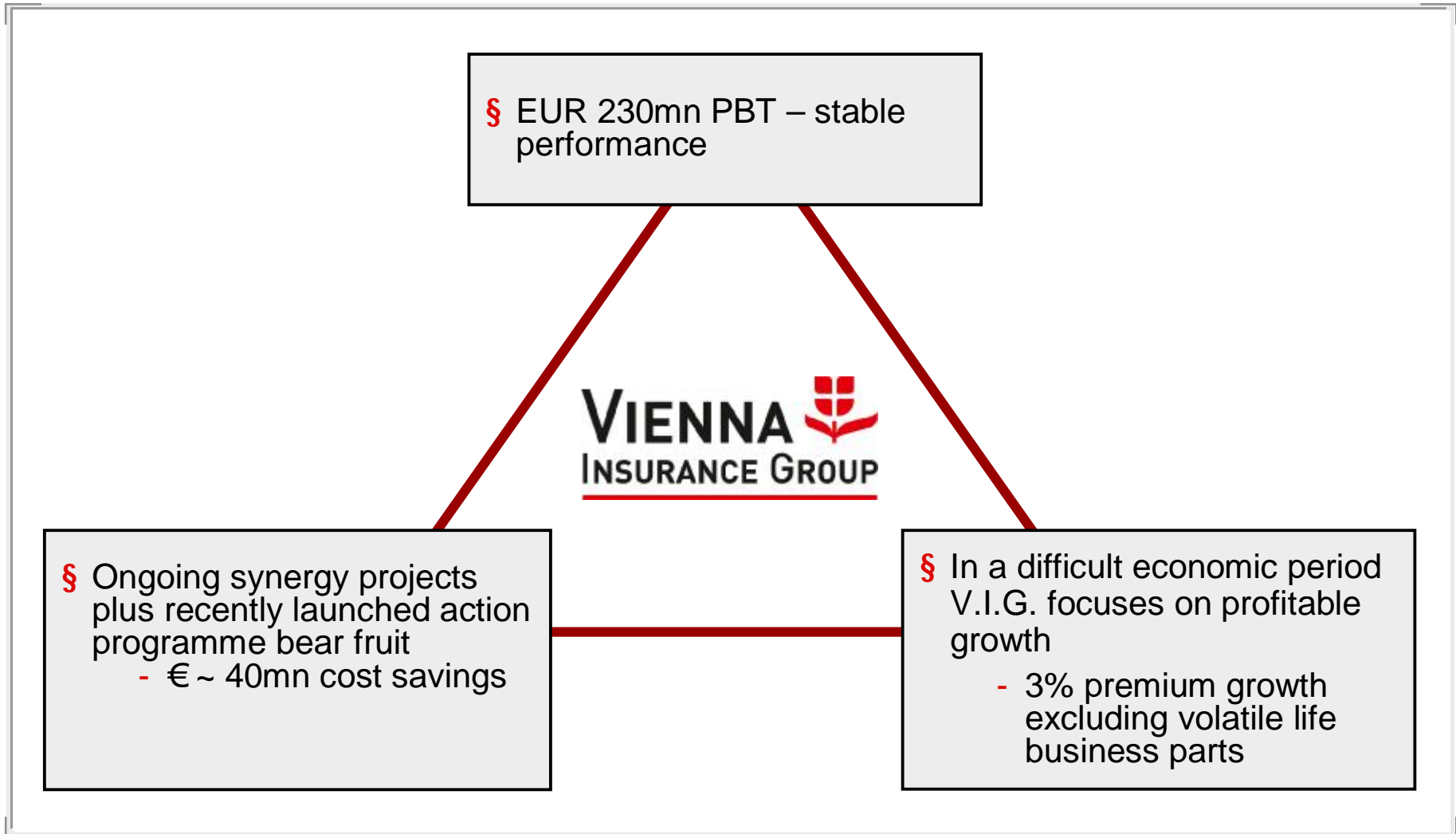
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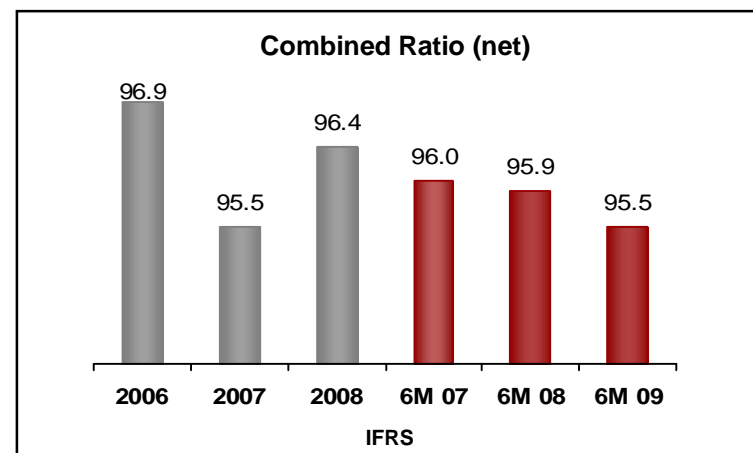
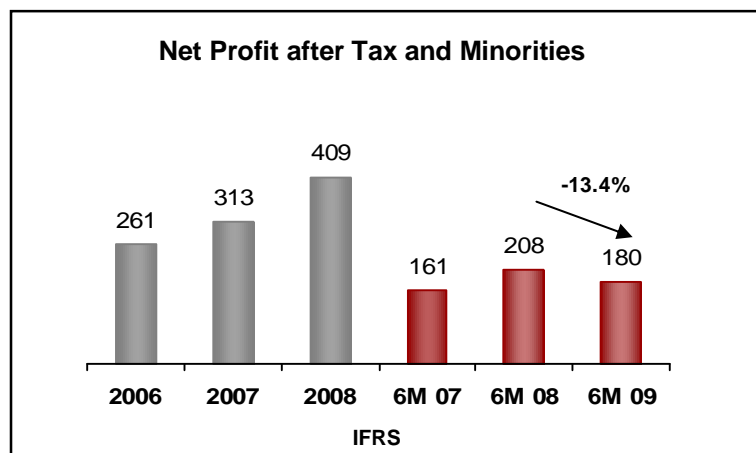
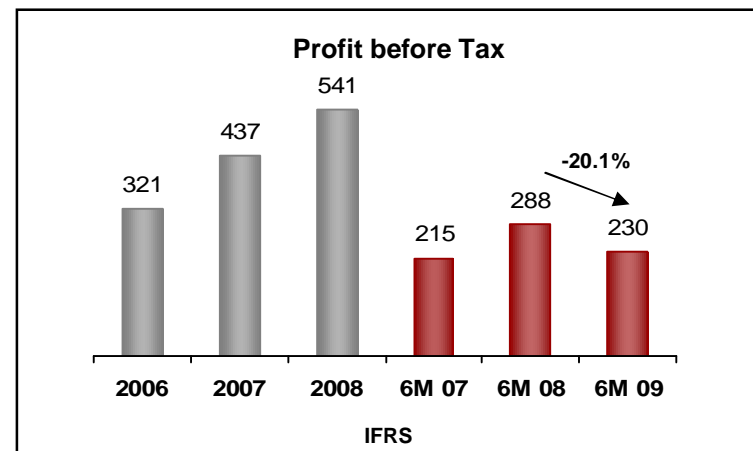
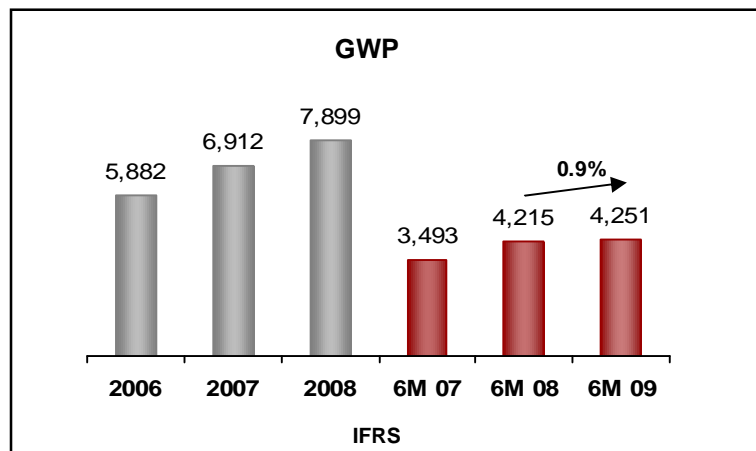
6M 2009 Highlights

V.I.G. – showing a solid business performance



6M 2009 Financial Highlights


HY results shaped by good operations and weaker capital markets



 **V.I.G. ahead of the game**

 **Local knowledge and brand awareness**

 **Extending distribution power and product development**

 **Significant catch-up potential in underpenetrated CEE insurance markets**

 **Experienced management and strong integration skills**

 **Strong balance sheet and prudent financial investment**