

31 March 2010

Vienna Insurance Group in 2009 according to IFRS:

Group premiums more than EUR 8 billion for the first time

Profit (before taxes): EUR 441.25 million – excellent result of 2007 exceeded

90 cents dividend per share proposed

CEE premium share in non-life more than 60 percent

CEE premium share in life insurance just under 40 percent

*“The result of the Group for 2009 confirms the accuracy of our strategic decisions for expansion of the business with simultaneous focus on earnings. In this way we succeeded, even despite the economic head wind, in increasing the premium volume to over EUR 8 billion”, emphasizes **Günter Geyer, CEO of Vienna Insurance Group.** “In addition, our Group continues to show profitability with a profit of over EUR 441 million. This allows us to distribute a dividend of 90 cents per share for 2009 to our shareholders.”*

I. OVERVIEW OF KEY GROUP DATA FOR 2009

For the first time, **Vienna Insurance Group** achieved **premiums written (consolidated)** of **EUR 8.02 billion** overall in the business year 2009. This corresponds to an increase of **1.5 percent**. The Group even achieved a plus of **4.0 Percent** on a euro basis with the **net earned premiums**.

On a **local currency basis**, the Group **premiums written** showed a clear plus of **5.9 percent**, and the **net earned premiums** were even increased by **8.5 percent**.

The **Group profit (before taxes, consolidated)** amounted to **EUR 441.25 million** in 2009. With that the Group exceeded the result of the outstanding year of 2007.

The **combined ratio of the Group after reinsurance** (excluding income from investments) is **96.3 percent** for 2009 and could thus be clearly kept under the 100 percent mark.

The **financial results** for 2009 with **EUR 929.12 million** were increased by **1.2 percent** vis-à-vis 2008.

* Proposal to the appropriate bodies

Wiener Städtische (AT) • Donau (AT) • s Versicherung Group (AT, CZ, HR, HU, SK) • Sigma (AL) • Bulstrad (BG) • Bulstrad Life (BG) • Bulgarski Imoti (BG) • Kupala (BY) • Victoria (BY) • Kooperativa (CZ) • CPP (CZ) • VIG RE (CZ) • InterRisk (DE) • Compensa Life (EE, LT, LV) • GPIH (GE) • IRAO (GE) • Kvarner (HR) • Cosmopolitan Life (HR) • Helios (HR) • Union Biztosito (HU) • Vienna-Life (LI) • Winner (MK) • Compensa (PL) • InterRisk (PL) • Benefia (PL) • PZM (PL) • Omnisig (RO) • Omnisig Life (RO) • Asirom (RO) • BCR Asigurari (RO) • BCR Asigurari de Viata (RO) • Wiener Städtische Beograd (RS) • MSK-Life (RU) • Kooperativa (SK) • Komunálna poisťovňa (SK) • Ray (TR) • Kniazha (UA) • Globus (UA) • Jupiter (UA) • USG (UA) • Branches: Wiener Städtische (IT), Wiener Städtische (SI)

The **investments of the Group** amounted to **EUR 25.89 billion** as of December 31, 2009. This corresponds to a growth of **5.5 percent** in comparison to the end of 2008.

It will be proposed to the appropriate bodies that a **dividend of EUR 0.90 per share** shall be distributed. July 5, 2010 is set as the dividend payment date.

II. DATA OF THE GROUP BY SEGMENTS 2009 (consolidated)

Property/casualty insurance

In the **property/casualty insurance**, premiums of **EUR 4.21 billion** overall were written (on a euro basis minus 1.7 percent). The Group attained a plus of **8.9 percent** on the basis of **net earned premiums** on a local currency basis.

The Group attained on a local basis a growth of **13.4 percent** on the **CEE markets** with **net earned premiums**. The Group companies in **CEE** achieved **premiums written** in the amount of **EUR 2.57 billion** (minus 2.7 percent) on a euro basis in this segment.

In the **non-CEE countries** the **premiums written** in this segment amounted to a stable **EUR 1.64 billion**. In **Austria**, the Group companies achieved a stable result with premiums of **EUR 1.57 billion**. In **Germany**, the **premiums** climbed by **2.9 percent** to **EUR 71.42 million**.

Life insurance

With premiums of **EUR 3.49 billion**, the Group companies of **Vienna Insurance Group** achieved a plus of **5.6 percent** in the life insurance on a euro basis. On a local basis, the **net earned premiums** were increased by a clear **8.8 percent**.

On the markets in **CEE** in the life insurance segment, a growth in the **premiums written** of **6.3 percent** overall to **EUR 1.37 billion** could be recorded. In the **Czech Republic**, the growth of Vienna Insurance Group in this segment even amounted to **43.7 percent** and in **Romania** the Group companies recorded a growth of an outstanding **123.4 percent**.

In the **non-CEE** markets the **premiums written** in the life segment amounted to **EUR 2.13 billion**. This corresponds to a plus of **5.2 percent**.

Health insurance

In the health insurance segment, Vienna Insurance Group recorded an increase of **2.3 percent** with **premiums written** of **EUR 321.36 million**. Health insurance products are only sold to a relevant extent by **Wiener Städtische Versicherung** in Austria. In the **Czech Republic** the health insurance business was started in 2009. The **Donau Versicherung** will start the distribution of health insurance in Austria in the first six months of 2010.

III. GROUP DATA BY REGIONS 2009 (consolidated)

Austria

In 2009 the Austrian Group companies of Vienna Insurance Group achieved **premiums written** overall of **EUR 3.87 billion** and a **plus of 3.2 percent**. In the **non-life** segment premiums of **EUR 1.89 billion** overall were recorded (plus 0.3 percent). In the **life insurance** segment premiums amounted to **EUR 1.99 billion**. This corresponds to an increase of **6.0 percent** as compared to the previous year.

The **profit (before taxes)** amounted to **EUR 247.49 million** overall. Due to the sale of Unita and BA-CAV, comparison with the previous year is only possible to a limited extent.

The **combined ratio** amounted to **96.0 percent** in 2009.

Czech Republic

In 2009, the three Czech Group companies **Kooperativa pojišťovna, a.s., Česká podnikatelská pojišťovna, a.s. (ČPP)** and **Pojišťovna České spořitelny, a.s. (PČS)** achieved on a euro basis a growth of **12.9 percent** and with this increased the **premiums** to **EUR 1.60 billion**. With an increase of **43.7 percent** to **premiums** of **EUR 627.77 million**, the growth in **life insurance** proved to be very robust. In the **non-life** segment, the Group achieved premiums of **EUR 975.52 million** in the Czech Republic (on a euro basis minus 0.7 percent).

On a local currency basis, an even more robust growth of **19.5 percent** was attained with **premiums written**. In the area of **non-life insurance** the premium volume was increased on a local basis by **5.0 percent** and in the area of **life insurance** there was a clear growth of **52.1 percent**.

The Czech Group companies of Vienna Insurance Group took over – powered by the strong development in **life insurance** – the **market leadership** for the first time in this segment with a **market share of 27.4 percent**.

The **profit (before taxes)** amounted to **EUR 122.91 million** and was increased by **14.4 percent**.

The **combined ratio** for 2009 was **91.2 percent** and was decreased by close to one percentage point.

Slovakia

The three Slovakian Group companies **Kooperativa poisťovňa, a.s., Komunálna poisťovňa, a.s.** and **Poisťovňa Slovenskej sporiteľne, a.s.** achieved premiums of **EUR 628.38 million** overall in 2009 and thus an increase of **3.8 percent**. The **net earned premiums** increased in comparison to the previous year by **5.6 percent**. In the **non-life** segment the Group achieved premiums of **EUR 333.36 million** with an increase of **0.9 percent**, while in **life insurance** a growth of **7.2 percent** was attained with premiums in the amount of **EUR 295.02 million**.

Vienna Insurance Group is the **number one** in the insurance market in Slovakia. The Group is also the market leader in the life insurance as well as the motor vehicle insurance.

The **profit (before taxes)** was more than tripled to overall **EUR 23.01 million**.

The **combined ratio** was decreased by just under 2.5 percentage points and amounted to **90.8 percent** for 2009.

Poland

In Poland, Vienna Insurance Group achieved premiums of **EUR 548.26 million**. In the **non-life** segment, premiums of **EUR 384.07 million** were attained. This means an increase of **14.5 percent** on a local basis for the **premiums written**. In **life insurance** a decrease of 57.0 percent to **EUR 164.19 million** was recorded, which is to be traced back exclusively to the strongly declining development in the single-premium business as a result of the economic situation.

In 2009 the **profit (before taxes)** amounted to **EUR 27.43 million** and consequently grew by **5.0 percent**. On a local currency basis the group achieved an increase in the profit (before taxes) of **29.4 percent**.

The **combined ratio** amounted to around 100 percent.

Romania

In Romania the Group companies of Vienna Insurance Group achieved premiums of **EUR 606.66 million overall**. On a local basis, this means an increase of **14.8 percent** in **premiums written**. The increase in the **net earned premiums** amounted to **20.0 percent** for the Group in Romania. The premiums written in the **non-life insurance** segment amounted to **EUR 519.42 million**. On a local basis, this means a growth in this segment of **5.1 percent**. In **life insurance** the Group achieved premiums of **EUR 87.23 million** (plus 123.4 percent).

In Romania the **Vienna Insurance Group** is the **market leader** and also the **number one** in **non-life insurance**. In **life insurance** the companies of Vienna Insurance Group **rank second**.

The **profit (before taxes)** amounted to **EUR 24.19 million**, whereby a comparison with the previous year's value – due to the final consolidation of Unita at that time – is not conclusive.

The **combined ratio** for 2009 amounted to **99.3 percent** and was decreased by more than 5 percentage points.

Other CEE markets

In the **other CEE markets** segment Vienna Insurance Group achieved **premiums of EUR 546.56 million** and with this an increase of **10.1 percent**. Noteworthy are the double-digit growth rates in **Bulgaria (38.8 percent)** and **Croatia (11.7 percent)** in 2009.

Other markets

In Germany and Liechtenstein the Group companies of Vienna Insurance Group achieved premiums of **EUR 211.98 million** (minus 2.8 percent).

The **profit (before taxes)** amounted to **EUR 19.98 million**.

IV. GROUP EMBEDDED VALUE INCREASED

The **embedded value** calculated according to international guidelines represents the value of the in-force insurance business and is composed of the net asset value for life, health and property/casualty insurance as well as the present value of future earnings from the in-force business in the life and health insurance.

The sustainability of the insurance business of Vienna Insurance Group is reflected in the fact that the **Group embedded value** (after taxes) as of the effective date of December 31, 2009 was increased by **7.5 percent** to **EUR 4.59 billion** (2008 adjusted value: EUR 4.26 billion). The growth of the embedded value by **15.9 percent** to **EUR 2.83 billion in Central and Eastern Europe** is even more marked and impressively confirms the potential for value appreciation in this region.

The growth in embedded value, including dividend payments made, yields a return on Group embedded value of 15.4 percent.

The profitability of the new business represents a clear indication of the earnings power of the CEE countries, which was increased from 40.0 percent to 41.7 percent of the new business premiums. However, there was also an increase from 24.2 percent to 25.0 percent recorded in the region of Austria/Germany. The Group-wide efficiency programme implemented last year had a direct impact.

B & W Deloitte GmbH, Köln has fully confirmed the **Group embedded value** of **Vienna Insurance Group**.

V. FORECAST

The management of Vienna Insurance Group confirms the forecast already made in January and expects a growth in profit (before taxes) of at least ten percent and an increase of premiums in the single-digit percentage area.

The listed Vienna Insurance Group (VIG) is one of the leading insurance groups in CEE headquartered in Vienna. Outside of its home base in Austria, Vienna Insurance Group is also active, through subsidiaries and insurance holdings, in Albania, Bulgaria, Germany, Estonia, Georgia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Poland, Romania, Russia, Serbia, Slovakia, the Czech Republic, Turkey, Hungary, Ukraine and Belarus. It also has branches in Italy and Slovenia.

On the Austrian market, the Vienna Insurance Group (VIG) positions itself with Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung.

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Consolidated Balance Sheet (IFRS) 31 December 2009

Assets (in TEUR)	31/12/2009	31/12/2008	+/- %
A. Intangible assets	1,975,416	1,648,941	19.8
B. Investments	25,894,051	24,547,565	5.5
C. Investments of unit- and index-linked life insurance	4,628,446	3,602,404	28.5
D. Reinsurers' share in underwriting provisions	1,117,237	1,222,261	-8.6
E. Receivables	1,563,449	1,474,925	6.0
F. Tax receivables and advance payments out of income tax	110,806	124,211	-10.8
G. Deferred tax assets	122,329	131,170	-6.7
H. Other assets	376,008	294,316	27.8
H. Cash and cash equivalents	484,523	619,327	-21.8
Total Assets	36,272,265	33,665,120	7.7

Liabilities and Shareholders' Equity (in TEUR)	31/12/2009	31/12/2008	+/- %
A. Shareholders' equity	4,628,573	4,138,790	11.8
B. Subordinated liabilities	545,349	501,242	8.8
C. Underwriting provisions	22,578,257	21,682,367	4.1
D. Unit- and index-linked underwriting provisions	4,376,160	3,346,773	30.8
E. Non-underwriting provisions	584,901	599,169	-2.4
F. Liabilities	3,052,245	2,858,995	6.8
G. Tax liabilities out of income tax	112,351	136,613	-17.8
G. Deferred tax liabilities	160,035	141,483	13.1
H. Other liabilities	234,394	259,688	-9.7
Total Liabilities and Shareholders' Equity	36,272,265	33,665,120	7.7

Consolidated Income Statement (IFRS) 1 Jan. 2009 - 31 Dec. 2009

(in EUR mn)	2009	2008	+/- %
<i>Gross premiums written</i>	8,019.28	7,898.87	1.5
Net earned premiums	7,242.28	6,961.61	4.0
Financial result	929.12	918.14	1.2
Other income	124.99	127.46	-1.9
Expenses for claims and insurance benefits	-5,877.16	-5,607.36	4.8
Operating expenses	-1,649.42	-1,562.12	5.6
Other expenses	-328.56	-296.92	10.7
Profit before taxes	441.25	540.80	-18.4
Taxes	-77.53	-98.45	-21.2
Profit for the period	363.71	442.34	-17.8
Minority interests	-23.23	-33.81	-31.3
Net profit after minorities	340.49	408.53	-16.7

Combined Ratio (net)	96.3%	96.4%
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Consolidated Income Statement (IFRS) - 4th Quarter 2009

(in EUR mn)	Q4 2009	Q4 2008	+/- %
<i>Gross premiums written</i>	1,913.28	1,881.06	1.7
Net earned premiums	1,867.99	1,792.53	4.2
Financial result	201.92	111.90	80.4
Other income	39.44	84.76	-53.5
Expenses for claims and insurance benefits	-1,463.15	-1,356.00	7.9
Operating expenses	-418.55	-370.65	12.9
Other expenses	-126.90	-128.51	-1.3
Profit before taxes	100.75	134.02	-24.8
Taxes	-17.93	-20.63	-13.1
Profit for the period	82.82	113.39	-27.0
Minority interests	-5.41	-5.86	-7.6
Net profit after minorities	77.40	107.53	-28.0

Combined Ratio (net)	96.5%	97.6%
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Segment Reporting 1 Jan. 2009 - 31 Dec. 2009

Split by lines of business:

(in EUR mn)	P&C		Life		Health		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
<i>Gross premiums written</i>	4,206.75	4,278.85	3,491.17	3,305.73	321.36	314.28	8,019.28	7,898.87
A. Net earned premiums	3,457.66	3,375.41	3,463.96	3,272.86	320.66	313.34	7,242.28	6,961.61
B. Financial result ¹	164.92	307.01	748.36	598.45	15.84	12.67	929.12	918.14
C. Other income	77.35	77.86	47.57	49.56	0.07	0.04	124.99	127.46
D. Expenses for claims/benefits	-2,257.20	-2,175.74	-3,347.09	-3,171.92	-272.87	-259.70	-5,877.16	-5,607.36
E. Operating expenses	-973.67	-958.34	-639.07	-562.17	-36.68	-41.61	-1,649.42	-1,562.12
F. Other expenses	-230.19	-211.99	-95.98	-84.38	-2.39	-0.56	-328.56	-296.92
G. Profit before taxes	238.86	414.23	177.77	102.40	24.62	24.17	441.25	540.80

Split by regions:

(in EUR mn)	Austria		Czech Republic		Slovakia		Poland	
	2009	2008	2009	2008	2009	2008	2009	2008
<i>Gross premiums written</i>	3,874.15	3,755.72	1,603.29	1,419.72	628.38	605.60	548.26	795.14
A. Net earned premiums	3,529.64	3,409.34	1,440.95	1,189.54	552.76	523.23	496.18	747.55
B. Financial result ¹	682.28	732.66	82.18	59.49	37.42	3.45	40.38	5.15
C. Other income	16.12	14.47	20.76	19.41	24.35	6.78	3.80	6.57
D. Expenses for claims/benefits	-3,274.60	-3,165.92	-999.53	-806.31	-437.59	-388.40	-282.28	-456.39
E. Operating expenses	-606.38	-599.26	-359.10	-281.58	-91.63	-96.72	-217.00	-255.40
F. Other expenses	-99.58	-46.98	-62.35	-73.10	-62.29	-43.35	-13.66	-21.36
G. Profit before taxes	247.49	344.33	122.91	107.45	23.01	4.99	27.43	26.11

(in EUR mn)	Romania		Other CEE		Other		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
<i>Gross premiums written</i>	606.66	608.22	546.56	496.35	211.98	218.11	8,019.28	7,898.87
A. Net earned premiums	550.56	528.17	464.55	378.78	207.64	185.00	7,242.28	6,961.61
B. Financial result ¹	25.15	98.62	41.44	10.25	20.27	8.52	929.12	918.14
C. Other income	22.47	45.15	9.23	7.09	28.26	28.01	124.99	127.46
D. Expenses for claims/benefits	-385.54	-395.44	-343.99	-254.84	-153.64	-140.07	-5,877.16	-5,607.36
E. Operating expenses	-171.52	-171.57	-166.49	-136.44	-37.29	-21.16	-1,649.42	-1,562.12
F. Other expenses	-16.93	-47.48	-28.49	-19.25	-45.26	-45.42	-328.56	-296.92
G. Profit before taxes	24.19	57.46	-23.75	-14.41	19.98	14.87	441.25	540.80

¹ including result from shares in at-equity consolidated companies