

## VIENNA INSURANCE GROUP STAYS ON COURSE IN 1<sup>ST</sup> QUARTER OF 2012:

**Group premiums grew by 5.5 percent to more than EUR 2.7 billion**

**Increase in Group profit (before taxes) by 6.0 percent to EUR 151.4 million**

**Significant increase in profit in CEE by 13.8 percent**

**Combined ratio decreased to excellent 96.4 percent**

*“Our assumptions for the current financial year have been confirmed by the business data for the 1<sup>st</sup> quarter of 2012”, explained **Günter Geyer, CEO of Vienna Insurance Group.** “We observe a very differentiated situation in our markets. In general, we continue on our growth path and succeeded in increasing our profit despite the difficult economic environment by 6.0 percent. It is remarkable that profit in the CEE region rose significantly by 13.8 percent. Vienna Insurance Group is pursuing a consistent strategy to keep volatilities as low as possible and to increase premiums and profit.”*

*“Our partnership with Erste Group proves to be fruitful, and the increase in the volume of premiums of s Versicherung Group by 15.4 percent highlights the great success of this sales channel, **Peter Hagen, Deputy General Manager of Vienna Insurance Group,** points out and adds: “We will continue to pursue our goal of growing above market average and sustainably increasing our profitability.”*

### **I. OVERVIEW OF KEY GROUP DATA FOR THE 1<sup>ST</sup> QUARTER OF 2012 (in accordance with IFRS)**

In the 1<sup>st</sup> quarter of 2012 Vienna Insurance Group earned a total of **EUR 2.7 billion** of (consolidated) **premiums** written, **growing by 5.5 percent** compared to the same period of the previous year.

The **Group profit** (before taxes, consolidated) amounted to **EUR 151.4 million** in the 1<sup>st</sup> quarter of 2012. This corresponds to a **significant increase by 6.0 percent** compared to the prior-year period.

The **Group profit after taxes and minority interests** went up by **7.9 percent** to **EUR 117.7 million.**

In the 1<sup>st</sup> quarter of 2012 the Group's **combined ratio** after reinsurance (excluding investment income) was successfully decreased by 1.4 percentage points to an excellent **96.4 percent** – which is considerably below the 100-percent threshold.

The Group posted **total investments**, including cash and cash equivalents, of **EUR 28.7 billion** as of 31 March 2012. Increasing by **9.4 percent**, the **financial result** totalled **EUR 277.0 million**. The **hidden reserves** of the Group amounted to about **EUR 1.5 billion**.

## **II. GROUP DATA BY SEGMENTS FOR THE 1<sup>st</sup> QUARTER OF 2012 (consolidated)**

### **Property/casualty insurance**

In the **property/casualty insurance** segment the volume of **premiums** grew by **4.1 percent** to **EUR 1.5 billion**.

### **Life insurance**

In the **life insurance** the Group companies of Vienna Insurance Group achieved a volume of premiums of more than **EUR 1.1 billion**, i.e. a **plus** of **7.4 percent**.

### **Health insurance**

In the **health insurance** Vienna Insurance Group reported an **increase** in **premiums** written by **6.1 percent** to **EUR 97.8 million**.

## **III. GROUP DATA BY REGIONS FOR THE 1<sup>st</sup> QUARTER OF 2012 (consolidated)**

### **Austria**

The Vienna Insurance Group companies in Austria posted **premiums** written of about **EUR 1.4 billion**; this corresponds to an **increase** of **6.6 percent**. In the **property/casualty insurance** premiums written rose by **11.7 percent** to a total of **EUR 727.7 million**. The **life insurance** segment reported a minor increase in premiums by **1.2 percent** to **EUR 552.3 million** in total.

**Profit** (before taxes) amounted to **EUR 75.4 million**.

The **combined ratio** improved to an excellent **91.8 percent**, decreasing by more than 2 percentage points.

### **Czech Republic**

The Group companies in the Czech Republic earned **premiums** written of **EUR 494.1 million**.

In the **non-life insurance** segment **premiums** written amounted to **EUR 283.3 million**. In the **life insurance premiums** written totalled **EUR 210.8 million**.

Achieving a market share of **30.2 percent**, the Vienna Insurance Group companies are the **number one** in the insurance market of the **Czech Republic**.

**Profit** (before taxes) rose by **6.6 percent** (compared to the same period of the previous year) to **EUR 43.8 million**.

The **combined ratio** stood at a favourable level of **95.2 percent**.

## Slovakia

The Group companies in Slovakia boosted the volume of **premiums** written by **2.3 percent** to **EUR 192.9 million**.

**Increasing** by **2.3 percent**, **premiums** written amounted to **EUR 105.7 million** in the **non-life insurance** segment. The **life insurance** segment reported a growth of **2.3 percent** in **premiums** written, totalling **EUR 87.1 million**.

Thanks to a **market share** of **32.7 percent**, the Group companies of Vienna Insurance Group strengthened their position as the **number one** in the **Slovak insurance market**.

**Profit** (before taxes) amounted to **EUR 15.7 million**.

The **combined ratio** stood at **94.8 percent**, decreasing by 1.6 percentage points.

## Poland

The Group companies of Vienna Insurance Group posted **premiums written** of **EUR 319.6 million**, **growing sharply** by **23.6 percent**.

The **non-life insurance** segment reported **premiums** written of **EUR 160.2 million**. Following a **significant increase** by **64.9 percent**, the **life insurance** segment posted **premiums** written of **EUR 159.3 million**.

Compared to the same period of the previous year, **profit** (before taxes) rose **by more than two thirds** to a total of **EUR 16.3 million**.

The **combined ratio** decreased by 2.5 percentage points. Amounting to **98.4 percent**, this is the first time that it dropped significantly below the 100-percent threshold.

## Romania

The Romanian Group companies earned **premiums** written of a total of **EUR 134.5 million**.

In the **non-life insurance premiums** written decreased to **EUR 106.8 million** due to restructuring the portfolio. In the **life insurance** segment **premiums** written grew by **2.0 percent** to **EUR 27.7 million**.

A loss of EUR 2.7 million was reported in the 1<sup>st</sup> quarter of 2012.

The **combined ratio** reached a very unsatisfactory level of 112 percent.

## Remaining markets

The segment "**remaining markets**" comprises the countries Albania, Bulgaria, Germany, Estonia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Serbia, Turkey, Ukraine, Hungary and Georgia.

In this segment the Group companies of Vienna Insurance Group achieved **premiums** written of **EUR 236.3 million**, **growing strongly** by **11.1 percent**. The **non-life insurance** segment reported an **increase** of **1.0 percent** in **premiums** written to **EUR 153.5 million**. In the **life insurance premiums** written rose by **36.3 percent** to **EUR 82.8 million**.

**Profit** (before taxes) amounted to **EUR 2.9 million**.

The **combined ratio** was slightly above 100 percent.

#### **IV. OUTLOOK**

In 2012 the focus will remain on strengthening organic growth – by promoting business with existing companies. This will, however, not exclude the possibility of acquisitions rounding off the portfolio. Vienna Insurance Group set itself the goal of growing above market average in the next years. The Management of Vienna Insurance Group has committed itself to keeping volatilities as low as possible by taking into account the economic background. Vienna Insurance Group also strives to identify cost-cutting potentials on an ongoing basis and to use them to the best advantage.

The Vienna Insurance Group (VIG) is the best rated company of the leading index ATX of the Austrian Stock Exchange. The Vienna Insurance Group 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, Bosnia-Herzegovina, Bulgaria, Germany, Estonia, Georgia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, the Czech Republic, Turkey, Ukraine, Hungary and Belarus. Moreover, Wiener Städtische Versicherung has branches in Italy and Slovenia; Donau Versicherung has a branch in Italy.

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

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All news releases are also available at <http://www.vig.com/ir>.

## Consolidated Balance Sheet (IFRS) 31 March 2012

<b>Assets (in EUR mn)</b>	<b>31/03/2012</b>	<b>31/12/2011</b>	<b>+/- %</b>
A. Intangible assets	2,399	2,382	0.7
B. Investments	27,971	28,085	-0.4
C. Investments of unit- and index-linked life insurance	5,873	5,503	6.7
D. Reinsurers' share in underwriting provisions	1,139	1,117	2.0
E. Receivables	1,825	1,582	15.4
F. Tax receivables and advance payments out of income tax	85	80	5.5
G. Deferred tax assets	108	124	-12.5
H. Other assets	325	328	-0.9
H. Cash and cash equivalents	748	568	31.6
<b>Total Assets</b>	<b>40,474</b>	<b>39,770</b>	<b>1.8</b>

<b>Liabilities and Shareholders' Equity (in EUR mn)</b>	<b>31/03/2012</b>	<b>31/12/2011</b>	<b>+/- %</b>
A. Shareholders' equity	5,271	5,050	4.4
B. Subordinated liabilities	538	531	1.3
C. Underwriting provisions	24,979	23,993	4.1
D. Unit- and index-linked underwriting provisions	5,690	5,329	6.8
E. Non-underwriting provisions	516	559	-7.8
F. Liabilities	3,038	3,904	-22.2
G. Tax liabilities out of income tax	71	63	12.7
G. Deferred tax liabilities	160	124	29.0
H. Other liabilities	211	216	-2.6
<b>Total Liabilities and Shareholders' Equity</b>	<b>40,474</b>	<b>39,770</b>	<b>1.8</b>

## Consolidated Income Statement (IFRS) 1 Jan. 2012 - 31 March 2012

<b>(in EUR mn)</b>	<b>3M 2012</b>	<b>3M 2011</b>	<b>+/- %</b>
<i>Gross premiums written</i>	2,746.5	2,603.4	5.5
<b>Net earned premiums</b>	<b>2,230.8</b>	<b>2,078.8</b>	<b>7.3</b>
Financial result	277.0	253.2	9.4
Other income	26.1	25.5	2.3
Expenses for claims and insurance benefits	-1,837.8	-1,679.7	9.4
Acquisition and administrative expenses	-465.2	-456.8	1.8
Other expenses	-79.5	-78.3	1.5
<b>Profit before taxes</b>	<b>151.4</b>	<b>142.8</b>	<b>6.0</b>
Taxes	-31.7	-27.2	16.5
<b>Profit for the period</b>	<b>119.8</b>	<b>115.6</b>	<b>3.6</b>
Minority interests	-2.0	-6.5	-68.5
<b>Net profit after minorities</b>	<b>117.7</b>	<b>109.1</b>	<b>7.9</b>
<b>Combined Ratio (net)</b>	<b>96.4</b>	<b>97.8</b>	

## Segment Reporting 1 Jan. 2012 - 31 March 2012

### Split by lines of business:

(in EUR mn)	P&C		Life		Health		Total	
	3M 2012	3M 2011	3M 2012	3M 2011	3M 2012	3M 2011	3M 2012	3M 2011
<i>Gross premiums written</i>	1,528.5	1,468.1	1,120.1	1,043.0	97.8	92.3	2,746.5	2,603.4
A. Net earned premiums	1,039.1	966.2	1,099.4	1,023.8	92.3	88.8	2,230.8	2,078.8
B. Financial result <sup>1</sup>	44.4	42.6	225.9	204.7	6.6	5.9	277.0	253.2
C. Other income	15.7	17.0	10.0	8.5	0.4	0.0	26.1	25.5
D. Expenses for claims/benefits	-679.4	-618.9	-1,081.0	-986.5	-77.5	-74.2	-1,837.8	-1,679.7
E. Acquisition and administrative expenses	-296.4	-295.6	-158.4	-151.8	-10.4	-9.4	-465.2	-456.8
F. Other expenses	-54.4	-57.3	-24.8	-20.8	-0.3	-0.2	-79.5	-78.3
<b>G. Profit before taxes</b>	<b>69.1</b>	<b>54.1</b>	<b>71.2</b>	<b>77.8</b>	<b>11.2</b>	<b>10.9</b>	<b>151.4</b>	<b>142.8</b>

### Split by regions:

(in EUR mn)	Austria		Czech Republic		Slovakia	
	3M 2012	3M 2011	3M 2012	3M 2011	3M 2012	3M 2011
<i>Gross premiums written</i>	1,369.2	1,284.7	494.1	514.3	192.9	188.6
A. Net earned premiums	1,042.6	942.5	423.1	451.6	161.7	151.9
B. Financial result <sup>1</sup>	183.8	177.0	35.5	32.0	14.0	10.6
C. Other income	4.1	5.8	9.0	7.0	1.2	1.7
D. Expenses for claims/benefits	-959.5	-866.1	-294.0	-321.4	-120.4	-108.9
E. Acquisition and administrative expenses	-177.6	-169.2	-110.5	-108.3	-29.9	-27.4
F. Other expenses	-18.0	-11.2	-19.3	-19.8	-11.0	-10.4
<b>G. Profit before taxes</b>	<b>75.4</b>	<b>78.8</b>	<b>43.8</b>	<b>41.1</b>	<b>15.7</b>	<b>17.5</b>

(in EUR mn)	Poland		Romania		Remaining		Total	
	3M 2012	3M 2011	3M 2012	3M 2011	3M 2012	3M 2011	3M 2012	3M 2011
<i>Gross premiums written</i>	319.6	258.6	134.5	144.5	236.3	212.7	2,746.5	2,603.4
A. Net earned premiums	297.0	231.7	118.1	133.0	188.3	168.0	2,230.8	2,078.8
B. Financial result <sup>1</sup>	15.6	12.3	5.3	4.9	22.7	16.4	277.0	253.2
C. Other income	1.2	1.0	6.8	5.9	3.9	4.0	26.1	25.5
D. Expenses for claims/benefits	-236.4	-171.4	-96.2	-101.7	-131.3	-110.2	-1,837.8	-1,679.7
E. Acquisition and administrative expenses	-58.9	-59.9	-33.6	-37.8	-54.8	-54.2	-465.2	-456.8
F. Other expenses	-2.2	-4.3	-2.9	-9.3	-26.0	-23.4	-79.5	-78.3
<b>G. Profit before taxes</b>	<b>16.3</b>	<b>9.6</b>	<b>-2.7</b>	<b>-5.0</b>	<b>2.9</b>	<b>0.7</b>	<b>151.4</b>	<b>142.8</b>

<sup>1</sup> including result from shares in at equity consolidated companies