

## Vienna Insurance Group in the 1<sup>st</sup> to 3<sup>rd</sup> quarter 2009:

**Group premiums of more than EUR 6 billion**

**Solid development of the result – profit (before taxes, consolidated) about EUR 340 million**

**Continuing growth in the CEE core markets\***

**Excellent capitalisation of the Group**

*“Vienna Insurance Group continues growing also in tough economic times. Very clear growth is observed especially in our core markets in Central and Eastern Europe. In this context, the very good development in the Czech Republic and in Slovakia should be mentioned as an example”, stated **Günter Geyer, CEO of Vienna Insurance Group**, highlighting the good news. “Moreover, Group-wide growth provides Vienna Insurance Group with a basis for continuing to develop the result in 2009 at a steady pace. Hence, our strategy of concentrating on profitable growth has proven right and confirms our successful business model, which has been based on the strong demand for insurance products in Central and Eastern Europe.”*

### **I. OVERVIEW OF KEY GROUP DATA FOR THE FIRST THREE QUARTERS OF 2009 (in accordance with IFRS)\*\***

**Vienna Insurance Group** registered **premiums written** of a total of **EUR 6.11 billion** in the first three quarters of the current year. This corresponds to an increase of **1.5 percent** (on a euro basis) compared to the same period of the previous year. The **net earned premiums** of the Group rose by a remarkable **4.0 percent** (based on euros).

On a **local currency basis**, the Group's premiums written showed a significant plus of **6.6 percent**, and the net earned premiums climbed by no less than **9.2 percent**.

With a **Group profit (before taxes, consolidated)** of **EUR 340.50 million**, Vienna Insurance Group has achieved a very continuous development of the result in the current year, which is even better than the result for the same period in 2007. This comparison shows an increase in the result by more than **EUR 16 million** or **5 percent**. Excluding special effects – in particular those resulting from the sale of BA-CAV and Unita – the result even surpassed that for the first three quarters of 2008.

\* Definition CEE: Czech Republic, Slovakia, Poland, Romania, Bulgaria, Croatia, Serbia and Hungary

\*\* All statements for the 1<sup>st</sup> to 3<sup>rd</sup> quarter of 2009 include figures from s Versicherung Group and BCR insurance companies. BA-CAV and Unita are included only in comparisons to the first six months of 2008.

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 **combined ratio of the Group after reinsurance** (excluding income from investments) of **96.2 percent** was significantly below the 100-percent threshold and remained on a stable level despite the storm damages. These damages entailed expenses – in particular in Austria – totalling about EUR 130 million. As a result, the loss ratio went up by 1.7 percentage points compared to the same period of the previous year. Thanks to the stringent implementation of the cost-cutting programme, the expense ratio of the Group was reduced by 1.5 percentage points in the same period, compensating for the increase in the loss ratio.

The current income from investments increased by 13.3 percent. The total **financial result** of the Group amounted to **EUR 727.21 million** in the first three quarters of the current year. Comparison to the prior-year level is possible only to a limited extent due to the one-off effects of the sale of BA-CAV and Unita.

As of 30 September 2009, the **investments of the Group** amounted to **EUR 26.05 billion**. Compared to 1 January 2009, this corresponds to an increase of **6.1 percent**.

The **shareholders' equity** of the Group rose by **13.1 percent** to **EUR 4.68 billion**.

## **II. DATA OF THE GROUP BY SEGMENTS 1<sup>ST</sup> TO 3<sup>RD</sup> QUARTER OF 2009 (CONSOLIDATED)**

### **Property/casualty insurance**

In the property/casualty segment, Vienna Insurance Group reported **premiums written** of a total of **EUR 3.34 billion** (minus 1.1 percent on a euro basis). The Group succeeded in increasing the **net earned premiums** in local currencies by **10.5 percent** in this segment.

In the **CEE markets**, **Vienna Insurance Group** reported a growth of premiums written of **8.6 percent** based on local currencies. The Group posted **premiums written** of **EUR 1.99 billion** (minus 2.4 percent) on a euro basis in Central and Eastern Europe.

In the **non-CEE markets**, the premiums written in the property/casualty insurance segment amounted to **EUR 1.35 billion** (corresponding to a growth by 0.9 percent on a euro basis). The Austrian Group companies attained a **growth rate of 0.8 percent** and thus, **premiums** of **EUR 1.29 billion**. With **premiums** of **EUR 53.80 million**, a pleasing **growth** of **3.1 percent** was achieved in **Germany** compared to the same period of the previous year.

### **Life insurance**

In the life insurance segment, the Group's **premium volume** totalled **EUR 2.52 billion**, representing a **plus** of **5.0 percent**. The companies of s Versicherung Group made a major contribution to this good result. Vienna Insurance Group achieved a significant plus of **8.5 percent** in **net earned premiums** on a local currency basis.

In the **CEE region**, the growth rate in this segment climbed to a pleasing **12.9 percent** – with **premiums written** of **EUR 953.57 million**. Particularly remarkable are the continuing double-digit growth rates in the Czech Republic, Slovakia, Romania, Croatia, Bulgaria as well as Hungary.

In the **non-CEE countries**, the **premiums written** climbed to **EUR 1.57 billion**, corresponding to an increase of 0.6 percent compared to the same period of the previous year.

## Health insurance

In the health insurance segment, **Vienna Insurance Group** attained a total of **premiums written** of **EUR 241.71 million** and an increase of **2.2 percent**.

### III. DATA OF THE GROUP BY REGIONS 1<sup>ST</sup> TO 3<sup>RD</sup> QUARTER OF 2009 (CONSOLIDATED)

#### Austria

In Austria, the **premiums written** of Vienna Insurance Group amounted to **EUR 3.01 billion** in the first nine months of this year. This corresponds to a solid plus of **1.6 percent** compared to the same period of the previous year.

In the **property/casualty** segment, the Group companies reported **premiums written** of **EUR 1.29 billion** – this is an increase by **0.8 percent**. In the **life insurance** segment, the **premiums written** amounted to **EUR 1.47 billion** (plus 2.1 percent).

Taking into account Group-related aspects, the **profit (before taxes)** totalled **EUR 184.21 million** (minus 23.7 percent) in the first nine months of the current year. Due to the sale of Unita and BA-CAV, prior-year comparison is possible only to a very limited extent.

The **combined ratio** amounted to **96.3 percent**.

#### Czech Republic

The Group companies in the Czech Republic reported a total of **premiums written** of **EUR 1.20 billion**. They succeeded in continuing the double-digit premium growth with a plus of **19.1 percent** from the level of the same period of the previous year. In the **non-life insurance** segment, a total of **premiums written** of **EUR 782.82 million** represented a **4.1 percent** increase over the same period of the previous year. In the **life insurance** segment, the **premiums** surged by **63.2 percent** to **EUR 415.71 million**.

On a local currency basis, the **premiums written** recorded an even stronger growth of **27.7 percent**. In the **non-life insurance** segment, the volume of premiums went up by **11.6 percent**, while a sharp increase of **75.0 percent** was reported in the **life insurance** segment. Compared to the same period of the previous year, the total **net earned premiums** rose by **35.1 percent**.

The Group was able to increase the **profit (before taxes)** by **39.6 percent** to a total of **EUR 98.39 million** from the level of the same period in the previous year. With this excellent result, the Czech Group companies demonstrated once more their strong earning power, contributing almost one third to the Group profit.

The **combined ratio** amounted to **88.0 percent** in the first three quarters of 2009.

#### Slovakia

The Slovak Group companies of Vienna Insurance Group have continued their very favourable trend during the current year. They reported a total of **premiums written** of **EUR 469.37 million**, corresponding to an increase of **11.0 percent**. The **net earned premiums** grew by **15.0 percent** compared to the same period of the previous year.

In the **non-life insurance** segment, the **premiums written** rose by **3.6 percent** to **EUR 256.24 million** compared to the same period of the previous year. In the **life insurance** segment, **premiums** grew by **21.5 percent** to **EUR 213.13 million**.

The **profit (before taxes)** for the first nine months of the current year totalled **EUR 16.07 million**, showing an increase by **42.6 percent**.

In Slovakia the **combined ratio** stood at **94.3 percent**.

## **Poland**

The Polish Group companies of Vienna Insurance Group reported **premiums written** of **EUR 405.75 million** in the first three quarters of 2009.

**Premiums written** of **EUR 277.39 million** were recorded in the **non-life insurance** segment. On a local currency basis, this is an increase by **9.4 percent**. Based on **net earned premiums**, a **9.9 percent** growth was achieved in the **non-life insurance** segment.

In the **life insurance** segment, **premiums written** amounted to **EUR 128.36 million**. On a local currency basis, this is a minus of 42.5 percent, which may be attributed exclusively to the downward trend in the single premium business in the wake of the economic situation.

The **profit (before taxes)** rose by **8.7 percent** to **EUR 19.48 million** compared to the same period of the previous year.

## **Romania**

The Romanian Group companies of Vienna Insurance Group reported **premiums written** of **EUR 455.92 million**. On a local currency basis, the **premiums written** grew by **7.1 percent**. In Romania the Group recorded an increase in **net earned premiums** (on a local currency basis) of **13.9 percent**.

In the **non-life insurance** segment, the Group recorded **premiums written** amounting to **EUR 396.24 million**. The ongoing portfolio restructuring in this segment led to a decrease by 1.2 percent on a local currency basis.

After including the BCR Life Insurance Company, the Group achieved **premiums written** of **EUR 59.68 million** in the **life insurance** segment. This corresponds to a growth of 142.9 percent on a local currency basis.

The **profit (before taxes)** amounted to **EUR 16.58 million**. Due to the de-consolidation of Unita in 2008, a comparison with prior-year data is not meaningful.

## **Other CEE markets**

The result of Vienna Insurance Group in "Other CEE markets" for the first nine months of the current year includes the following countries: Albania, Bulgaria, Croatia, Macedonia, Serbia, Turkey, Ukraine as well as the three Baltic markets. Pleasing double-digit growth rates on a euro basis continue to be registered, notably in **Bulgaria** (plus 46.0 percent), **Croatia** (plus 17.3 percent) and **Hungary** (plus 28.2 percent).

In this segment, the Vienna Insurance Group companies reported **premiums written** of **EUR 418.80 million**, boasting a significant double-digit increase of **18.3 percent** compared to the same period of the previous year.

In the **non-life insurance** segment, a sizeable **11.3 percent** plus was achieved, with **premiums** amounting to **EUR 282.11 million**. In the **life insurance** segment, **premiums written** of **EUR 136.69 million** were recorded, corresponding to a substantial increase of **EUR 36.1 percent**.

In the segment “Other CEE markets” (excluding Croatia), the **profit (before taxes)** totalled **EUR 4.31 million**.

In **Croatia** a regulatory reduction of the guaranteed interest on life insurance contracts led to the recognition of a one-off provision in the financial statements amounting to more than EUR 10 million, entailing a negative result.

#### **Other markets**

In **Germany** and **Liechtenstein**, the Group companies reported **premiums** totalling **EUR 152.01 million**.

The **profit (before taxes)** amounted to **EUR 10.46 million**.

## Consolidated Income Statement (IFRS) 1 Jan. 2009 - 30 Sept. 2009

(in EUR mn)	9M 2009	9M 2008	+/- %
Gross premiums written	6,106.00	6,017.80	1.5
Net earned premiums	<b>5,374.29</b>	<b>5,169.08</b>	<b>4.0</b>
Financial result	727.21	806.24	-9.8
Other income	85.55	42.70	>100
Expenses for claims and insurance benefits	-4,414.01	-4,251.35	3.8
Operating expenses	-1,230.88	-1,191.47	3.3
Other expenses	-201.66	-168.42	19.7
<b>Profit before taxes</b>	<b>340.50</b>	<b>406.78</b>	<b>-16.3</b>
Taxes	-59.60	-77.82	-23.4
<b>Profit for the period</b>	<b>280.90</b>	<b>328.95</b>	<b>-14.6</b>
Minority interests	-17.82	-27.95	-36.3
<b>Net profit after minorities</b>	<b>263.08</b>	<b>301.00</b>	<b>-12.6</b>

<b>Combined Ratio (net)</b>	<b>96.2%</b>	96.0%
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## Segment Reporting - Main Positions of the P&L 1 Jan. 2009 - 30 Sept. 2009

Split by lines of business:

	P&C		Life		Health		Total	
	9M 2009	9M 2008	9M 2009	9M 2008	9M 2009	9M 2008	9M 2009	9M 2008
(in EUR mn)								
Gross premiums written	3,343.27	3,379.45	2,521.02	2,401.78	241.71	236.57	6,106.00	6,017.80
Profit before taxes	252.58	321.99	74.16	81.37	13.76	3.42	340.50	406.78

Split by regions:

	Austria		Czech Republic		Slovakia		Poland	
	9M 2009	9M 2008	9M 2009	9M 2008	9M 2009	9M 2008	9M 2009	9M 2008
(in EUR mn)								
Gross premiums written	3,005.62	2,959.43	1,198.53	1,006.74	469.37	422.82	405.75	609.14
Profit before taxes	184.21	241.41	98.39	70.49	16.07	11.27	19.48	17.93

	Romania		Other CEE		Other		Total	
	9M 2009	9M 2008	9M 2009	9M 2008	9M 2009	9M 2008	9M 2009	9M 2008
(in EUR mn)								
Gross premiums written	455.92	494.80	418.80	353.88	152.01	170.99	6,106.00	6,017.80
Profit before taxes	16.58	51.96	-4.69	1.14	10.46	12.59	340.50	406.78

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.

Contact:

VIENNA INSURANCE GROUP (V.I.G.)  
Barbara Hagen-Grötschnig  
Head of Public Relations  
Schottenring 30, 1010 Vienna  
Tel.: +43 (0)50 350-21027  
Fax: +43 (0)50 350 99-21027  
E-Mail: [barbara.hagen@vig.com](mailto:barbara.hagen@vig.com)

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