

Vienna Insurance Group in the 1st quarter of 2010:

Best 1st quarter in the corporate history

Profit (before taxes) increased by 10.4 percent to EUR 133.4 million

Group premiums for the first time above EUR 2.5 billion

Premiums grow by 7.9 percent

CEE core markets* – market leadership also in life insurance

Number one in the Czech Republic

Foundation of a life insurance company in Macedonia

*“The business figures for the first quarter of 2010 confirm our forecast for the result of the current financial year”, stated **Günter Geyer**, CEO of Vienna Insurance Group, with regard to the Group’s development. “We are particularly pleased about growth achieved by our Group companies in the life insurance segment through insurance contracts sold by banks, proving that our decision to acquire the Sparkassen Versicherung Group one and a half years ago was right. This has made us the market leader in the Czech Republic for the first time. Moreover, we have also managed to move into leadership ranks in this segment in our CEE core markets. This success has encouraged us to expand our engagement in the life insurance business in new markets. After Montenegro, we will open up another market in the life insurance segment in Macedonia.”*

I. OVERVIEW OF KEY GROUP DATA FOR THE 1ST QUARTER OF 2010 (based on IFRS)

In the first quarter of 2010, **Vienna Insurance Group** reported a total of **premiums written (consolidated)** of **EUR 2.53 billion**; this is a **plus of 7.9 percent** compared to the same period of the previous year. The Group achieved an **increase of 13.8 percent** in **net earned premiums**.

The **Group’s profit (before taxes, consolidated)** for the first three months of 2010 amounted to **EUR 133.44 million**, corresponding to a total growth of **10.4 percent**. This is the best first-quarter result ever achieved in the corporate history.

The **combined ratio of the Group after reinsurance** (without taking into account investment income) stood at **97.5 percent** in the first quarter of the current year.

* CEE core markets defined as follows: Bulgaria, the Czech Republic, Croatia, Hungary, Poland, Romania, Serbia, Slovakia

The **financial result** of the Group totaled **EUR 310.36 million** in the first quarter of 2010, climbing by **30.3 percent** from the prior-year level.

The **investments of the Group** amounted to **EUR 26.85 billion** as at **31 March 2010**; this is an increase by **3.7 percent** compared to 31 December 2009.

II. GROUP DATA BY SEGMENTS 1ST QUARTER OF 2010 (consolidated)

Property/casualty insurance

In this segment, the Group companies of Vienna Insurance Group earned **premiums written** of a total of **EUR 749.52 million** in the **CEE markets**, corresponding to a **plus of 1.6 percent**. The Group succeeded in increasing the **net earned premiums** in this segment by **8.3 percent**.

In the **non-CEE countries**, the premiums in this segment remained on a stable level of **EUR 634.56 million**. In **Austria**, **premiums** in this segment showed a similar development as in the previous year, totaling **EUR 614.01 million**. In **Germany**, **premiums** went up by **1.7 percent** to **EUR 20.54 million**.

Life insurance

In this segment, the Group companies of Vienna Insurance Group reported **premiums written** totaling **EUR 1.06 billion**. Compared to the prior-year period, this corresponds to a **growth of 19.4 percent**.

The **CEE markets** reported a strong growth of **12.8 percent** in the life-insurance segment; **premiums written** increased to **EUR 362.11 million**.

In the **non-CEE countries**, the **premiums written** earned in this segment amounted to **EUR 700 million**, going up by **23.2 percent** compared to the same period of the previous year.

Health insurance

With **premiums written** totaling **EUR 84.78 million**, Vienna Insurance Group reported a growth of **1.0 percent** in health insurance.

III. GROUP DATA BY REGIONS 1ST QUARTER OF 2010 (consolidated)

Austria

In the first quarter of 2010, the Group companies of Vienna Insurance Group in Austria reported **premiums written** of a total of **EUR 1.30 billion**, achieving an **increase** by **4.5 percent**. In the segment **property/casualty insurance**, **premiums written** of **EUR 614.01 million** were earned. Growing by **10.2 percent**, **premiums** in the **life-insurance** segment rose to **EUR 602.32 million**.

The **profit (before taxes)** totaled **EUR 70.29 million** in the first quarter of 2010.

The **combined ratio** amounted to **94.3 percent**.

Czech Republic

By increasing **premiums written** to a total of **EUR 454.46 million** in the Czech Republic, the Group companies of Vienna Insurance Group achieved a **plus of 12.4 percent**.

In the **non-life insurance** segment, **premiums written** amounted to **EUR 285.05 million**; this corresponds to an increase by **4.2 percent**.

Thanks to a **strong growth** by **29.3 percent**, premiums written in the **life insurance** segment climbed to a level of **EUR 169.41 million**.

With a **market share of 32.5 percent** after the first quarter of 2010, the Group companies of Vienna Insurance Group became the **new number one** in the Czech insurance market. This makes Vienna Insurance Group the Czech Republic's **market leader** in both **non-life insurance** and **life insurance**.

Compared to the same period of the previous year, the **profit (before taxes)** surged by **30.0 percent** to **EUR 31.47 million**.

The **combined ratio** amounted to **94.8 percent** in the first quarter of 2010.

Slovakia

The Group companies reported **premiums written** of **EUR 181.77 million** in total (minus 2.4 percent) in Slovakia. The Group achieved a clear plus of **5.8 percent** in **net earned premiums**.

Premiums written of **EUR 101.63 million** were registered in the **non-life insurance** segment. Growing by **11.4 percent**, **premiums written** in the **life insurance** segment totaled **EUR 80.13 million**.

Thanks to a **market share** of **33.2 percent**, the Group companies of Vienna Insurance Group are the **number one** in the **Slovakian insurance market**.

The **profit (before taxes)** doubled to **EUR 10.09 million**.

The **combined ratio** improved to **96.1 percent**.

Poland

In Poland, the Group companies of Vienna Insurance Group increased **premiums written** by **23.5 percent** to **EUR 176.72 million** in the first three months of the current year.

In the **non-life insurance** segment, Vienna Insurance Group achieved a **60.1 percent** plus, with premiums written amounting to **EUR 134.89 million**.

With premiums of **EUR 41.82 million**, the **life insurance** segment recorded a decline by 28.9 percent, which is exclusively due to the downward trend in the single premium business.

The **profit (before taxes)** amounted to **EUR 7.17 million** in the first quarter of 2010, climbing by **14.0 percent** compared to the same period of the previous year.

Due to weather-induced damages, the **combined ratio** rose to above 100 percent.

Romania

The Romanian Group companies reported **premiums written** totaling EUR **147.40 million** (minus 12.2 percent) in the first quarter of 2010. **Net earned premiums** went up by **4.7 percent**.

In the **non-life insurance** segment, premiums of **EUR 121.37 million** were written. In this segment, the income-oriented restructuring of the portfolio has resulted in a decline of premiums.

In the **life insurance** segment, premiums grew by an outstanding **59.1 percent** to a total of **EUR 26.03 million**. This significant increase is mainly due to the strong selling power of BCR life insurance.

The **profit (before taxes)** rose by **18.1 percent** to **EUR 7.41 million**.

As a result of this strategy, the **combined ratio** was decreased significantly by more than ten percentage points compared to the first quarter of the previous year, amounting to **98.1 percent**.

Other CEE markets

The segment "Other CEE markets" comprises the Group companies of Vienna Insurance Group in the following countries: Albania, Bulgaria, Croatia, Macedonia, Serbia, Turkey, Ukraine, Hungary as well as the three Baltic states.

Premiums written totaled **EUR 151.28 million** in total; out of this amount, **EUR 106.56 million** were attributable to the **non-life insurance** segment. In the **life insurance** segment, a growth of **4.1 percent** was registered, with **premiums** of **EUR 44.72 million**.

The **profit (before taxes)** amounted to **EUR 2.80 million**.

Other markets

In **Germany** and **Liechtenstein**, the Group companies reported a total of **premiums written** of **EUR 118.22 million** in the first quarter; this means that premiums more than doubled.

The **profit (before taxes)** amounted to **EUR 4.21 million**.

IV. OUTLOOK

Due to the business development in the first quarter of 2010, the management of Vienna Insurance Group reinforces the expected growth in the profit (before taxes) by more than ten percent and a single-digit increase in premiums.

V. FOUNDATION OF A LIFE INSURANCE COMPANY IN MACEDONIA

After the announced market entry in Montenegro, **Vienna Insurance Group** continues strengthening its presence in Central and Eastern Europe and plans to establish a **life insurance company** in **Macedonia**. The Group has already been represented in the **non-life insurance** sector of Macedonia through **Winner Vienna Insurance Group** since 2007.

The insurance products are to be sold through Investbanka a.d. Skopje, forming part of the Erste Group. As a result, sales cooperation with Erste Group will cover a total of ten countries.

Macedonia has 2.1 million inhabitants and is an insurance market with a strong development potential. The insurance density (premiums per capita) was almost EUR 50 in 2009 and the insurance penetration (share of premiums in the GDP in percent) amounted to slightly more than 1.5 percent. By comparison, the EU-15 Member States reported an insurance density of more than EUR 2,500 and an insurance penetration of 8.7 percent in this sector in 2009.

Consolidated Income Statement (IFRS) 1 January 2010 - 31 March 2010

(in EUR mn)	3M 2010	3M 2009	+/- %
Gross premiums written	2,530.95	2,345.43	7.9
Net earned premiums	2,047.17	1,798.25	13.8
Financial result	310.36	238.15	30.3
Other income	32.42	41.21	-21.3
Expenses for claims and insurance benefits	-1,727.84	-1,473.06	17.3
Operating expenses	-447.57	-409.91	9.2
Other expenses	-81.09	-73.82	9.9
Profit before taxes	133.44	120.82	10.4
Taxes	-24.17	-21.80	10.9
Profit for the period	109.26	99.02	10.3
Minority interests	-8.05	-4.27	88.5
Net profit after minorities	101.22	94.75	6.8

Combined Ratio (net)	97.5%	96.4%
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Segment Reporting - Main Positions of the P&L 1 January 2010 - 31 March 2010

Split by lines of business:

	P&C		Life		Health		Total	
	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009
(in EUR mn)								
Gross premiums written	1,384.07	1,372.26	1,062.10	889.26	84.78	83.91	2,530.95	2,345.43
Profit before taxes	86.35	81.71	37.57	34.72	9.52	4.39	133.44	120.82

Split by regions:

	Austria		Czech Republic		Slovakia		Poland	
	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009
(in EUR mn)								
Gross premiums written	1,301.11	1,244.62	454.46	404.47	181.77	186.23	176.72	143.09
Profit before taxes	70.29	77.26	31.47	24.21	10.09	4.91	7.17	6.29

	Romania		Other CEE		Other		Total	
	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009	3M 2010	3M 2009
(in EUR mn)								
Gross premiums written	147.40	167.83	151.29	157.19	118.22	42.01	2,530.95	2,345.43
Profit before taxes	7.41	6.28	2.80	-2.54	4.21	4.42	133.44	120.82

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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