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Preliminary development of Vienna Insurance Group in 2011¹:

Excellent corporate data despite a generally difficult economic situation

Premiums written: growing by 3.4 percent to EUR 9 billion

Best result in the corporate history – increase in Group profit (before taxes) by about 10 percent to nearly EUR 560 million

Managing Board considers increase in dividend

*“With the preliminary data for 2011 Vienna Insurance Group demonstrates once more that it is operating successfully even against the background of difficult economic conditions. Pursuing our consistent strategy, we have achieved a sizeable growth, as expected. Despite partly significant fluctuations of important CEE currencies, we report a substantial increase in premiums of 3.4 percent and are again performing above the market average. The increase in profit before taxes by about 10 percent to nearly EUR 560 million underlines the long-term favourable development of our Group“, explains **Günter Geyer, CEO of Vienna Insurance Group**, and adds: “Our market entry in Bosnia and Herzegovina will allow us to take advantage of existing opportunities in this new market. Furthermore, we have strengthened our presence in interesting markets by acquiring Intersig in Albania as well as the life insurance company Polisa in Poland. Taking efficiency-boosting measures, we optimise the profitability of our Group on an ongoing basis. Our goal is to gain a clear competitive edge as the leading insurance Group in Central and Eastern Europe through the best customer service.“*

I. OVERVIEW OF KEY GROUP DATA FOR THE YEAR 2011

In the financial year 2011 **Vienna Insurance Group** earned **unconsolidated premiums written of EUR 9 billion**; this corresponds to a **plus** of about **3.4 percent**. In the **non-life insurance** segment Vienna Insurance Group increased **premiums written** by a remarkable **4.9 percent** to **EUR 5.1 billion**. In the **life insurance** business the Group reported a total of **EUR 3.9 billion**, achieving a **growth of 1.4 percent** – despite the difficult economic setting.

Based on preliminary data, the forecast **Group profit (before taxes, consolidated)** for the year 2011 will amount to **nearly EUR 560 million**. This corresponds to an **increase** by approximately **10 percent**.

¹ THE BUSINESS FIGURES ARE BASED ON PRELIMINARY DATA AND ARE UNCONSOLIDATED AND UNAUDITED. ALL FIGURES STATED ARE BASED ON EURO.

VIENNA INSURANCE GROUP: Wiener Städtische (AT) • Donau (AT) • s Versicherung Gruppe (AT, CZ, HR, HU, SK) • InterAlbanian (AL) • Intersig (AL) • Sigma (AL) • Bulstrad (BG) • Bulstrad Life (BG) • Bulgarski Imoti (BG) • Jahorina (BIH) • Kupala (BY) • Kooperativa (CZ) • CPP (CZ) • VIG RE (CZ) • InterRisk (DE) • Compensa Life (EE, LT, LV) • GPIH (GE) • IRAO (GE) • Kvarner (HR) • Helios (HR) • Union Biztosito (HU) • Vienna-Life (LI) • Wiener Städtische Podgorica (ME) • Winner (MK) • Winner Life (MK) • Compensa (PL) • InterRisk (PL) • Benefia (PL) • PZM (PL) • Omniasig (RO) • Asirom (RO) • BCR Asigurari (RO) • BCR Asigurari de Viata (RO) • Wiener Städtische Beograd (RS) • MSK-Life (RU) • Kooperativa (SK) • Komunálna poisťovňa (SK) • Ray Sigorta (TR) • Kniazha (UA) • Globus (UA) • Jupiter (UA) • UIG (UA)
Branches: Donau (IT), Wiener Städtische (IT), Wiener Städtische (SI)

The management of Vienna Insurance Group assumes that the **combined ratio of the Group (net, after reinsurance)** for 2011 will amount to the target value of about 97 percent.

II. DIVIDEND

The Managing Board of Vienna Insurance Group considers proposing an increase in dividend for the year 2011 to the corporate bodies. This would result in a dividend yield of about 3.6 percent.²

III. DEVELOPMENT OF THE KEY REGIONS IN THE YEAR 2011

Austria

Based on preliminary data, the Austrian Group companies earned **premiums of EUR 4.0 billion**; this result reflects a stable development as compared to the previous year.

In the **non-life insurance** segment (including health insurance) **premiums** increased substantially by **10.2 percent** to a total of **EUR 2.1 billion**.

In the **life insurance** the Group reported **premiums of EUR 1.9 billion** in Austria. The decline in the life insurance business may be attributed to the changed legislation on the minimum lock-up period for single-premiums. In contrast, regular premiums were increasing.

Czech Republic

The **premiums** of the three Czech Group companies **Kooperativa pojišťovna, a.s.**, **Česká podnikatelská pojišťovna, a.s.** and **Pojišťovna České spořitelny, a.s.** climbed by a highly welcomed **5.7 percent** (compared to the previous year) to a total of **EUR 1.9 billion**. The Group companies of Vienna Insurance Group have a **market share of about 30 percent** in the overall Czech insurance market.

Growing by a significant 13.1 percent, the **life insurance** segment proved once more to be an important growth engine, reporting **premiums of EUR 837.1 million**. In the **non-life insurance** business the **premium income** remained at a stable level of **EUR 1.1 billion**.

Slovakia

The Slovak Group companies **Kooperativa poisťovňa, a.s.**, **Komunálna poisťovňa, a.s.** as well as **Poisťovňa Slovenskej sporiteľne, a.s.** achieved a growth of **4.2 percent**, earning **premiums** of a total of **EUR 686.5 million**. Vienna Insurance Group has continued strengthening its market leadership in Slovakia, holding a market share of **about 32 percent**.

The **life insurance** reported a growth of **6.7 percent**, with **premiums** amounting to **EUR 363.2 million**. In the **non-life insurance** segment **premiums** rose by **1.5 percent** to **EUR 323.3 million**.

² SUBJECT TO THE APPROVAL OF THE CORPORATE BODIES

Poland

The Polish Group companies of Vienna Insurance Group succeeded in achieving a growth clearly above the average of the local market. With **premiums** written totalling **EUR 962.1 million**, they reported a **significant increase** of **27.7 percent**.

In the **non-life insurance** business the Group registered **premiums** of **EUR 618.4 million**, boasting a sizeable **growth** of **9.5 percent**. In the **life insurance** segment **premiums** almost doubled to **EUR 343.6 million** – this is mainly due to the strong demand for single-premium contracts. Vienna Insurance Group is the **number 3** in the **non-life insurance** segment in the Polish insurance market.

Romania

In Romania Vienna Insurance Group earned **premiums** of a total of **EUR 510.9 million**. In the wake of the income-oriented restructuring of the portfolio in the **non-life insurance** segment, a decline of 4.7 percent in total was reported.

In the **life insurance** segment the Group stepped up **premiums** by a **gratifying 7.9 percent** to **EUR 100.9 million** – this may be attributed in particular to using banks as a sales channel. The **non-life** segment earned **premiums** of **EUR 410.0 million**. With its Romanian Group companies, Vienna Insurance Group holds a **market share** of about **30 percent**.

Remaining markets

The remaining markets of Vienna Insurance Group currently comprise the countries of Albania, Bulgaria, Bosnia-Herzegovina, Germany, Georgia, Croatia, Liechtenstein, Macedonia, Montenegro, Russia, Serbia, Turkey, Ukraine, Hungary, Belarus as well as the three Baltic states. The companies of Vienna Insurance Group earned a total of **premiums written** of **EUR 887.1 million** in these countries; this amount reflects a minor decline by 2.2 percent. A favourable development of premiums was observed in Ukraine and the Baltic states.

IV. OUTLOOK FOR THE FINANCIAL YEAR 2012

The Management of Vienna Insurance Group continues its efforts to keep volatilities affecting earnings as low as possible, taking into account the economic environment, and to promote the organic growth in premiums.

The Vienna Insurance Group (VIG) is the company with the best rating 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, Hungary, Ukraine 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 (VIG) positions itself with Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung.

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