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## SPECIAL REPORT

# CEE, RUSSIA & CIS

## INSURANCE MARKETS

### 1H2010



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Michaela KOLLER

General Director CEA

Nic de MAESSCHALCK

Director BIPAR

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MONTE CARLO

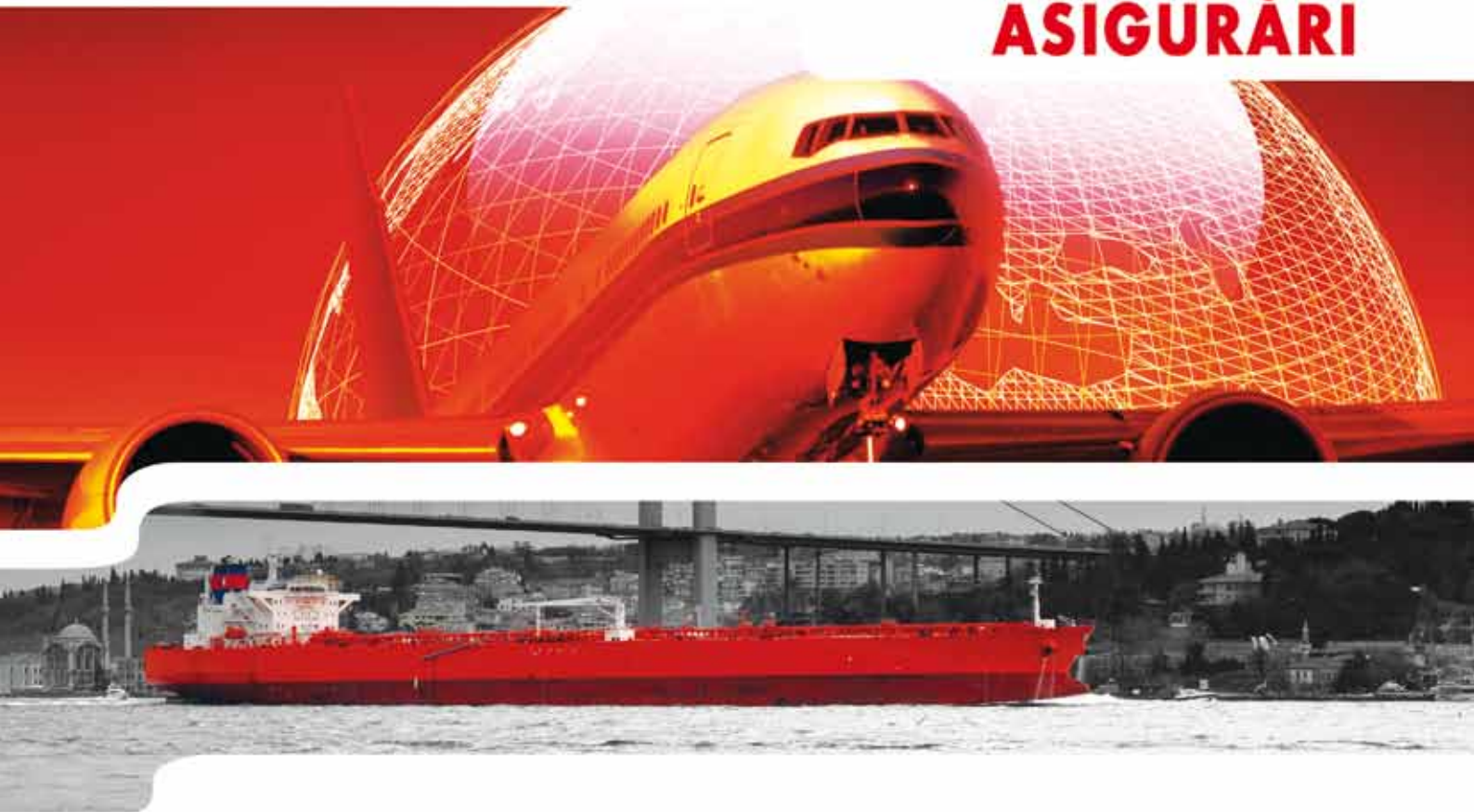
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**ASIGURĂRI**



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For the successful implementation of the electronic issuing system of insurance policies, ASTRA Asigurari has also been awarded with the Special Prize for Professionalism and Performance.



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# We are going global

Monte Carlo, Baden-Baden, London, Frankfurt, Amsterdam, Bruxelles, Vienna, Prague, Istanbul, Chisinau – not to mention Moscow, Yalta and Tashkent – this are just a few international business hubs reached by the distribution area of PRIMM Magazine SPECIAL REPORT “CEE, RUSSIA & CIS Insurance Markets” survey.

Besides the ever growing circulation, the report offers a detailed overview of the industry, including relevant data on business lines, a comprehensive analysis of 8 CIS markets and a broad perspective on all major European insurance groups.

So now, at its 3rd Edition, the SPECIAL REPORT reaches its main objective in full, bringing together the global insurance and reinsurance markets. And where else its release would have suited better than at The Annual Baden Baden Meetings?



**P.S.** As for the entire 2010 results, let's just say that all FIAR – the International Insurance – Reinsurance Forum participants will have a special surprise.

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# The International Insurance - Reinsurance Forum



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**Sinaia, Romania**

**14<sup>th</sup> Edition**

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FIAR stands as the most important European spring event dedicated to the insurance, reinsurance and private pensions markets.

Every year, Sinaia becomes the "spring metropolis of insurance", not only for the Romanian market, but also for **CEE, Turkey, Russia & CIS**. Its name has become synonymous with **FIAR - THE INTERNATIONAL INSURANCE-REINSURANCE FORUM**.

FIAR gathers representatives of major worldwide insurance and reinsurance companies which use this opportunity to meet with their high level counterparties.

FIAR traditionally takes place in Sinaia, Romania during the last decade of May.



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**INTERNATIONAL MARKETS Day**

**BROKERS' Day**

**LIFE & HEALTH INSURANCE Day**

**MOTOR INSURANCE Day**

**FINANCIAL INVESTMENTS Day**

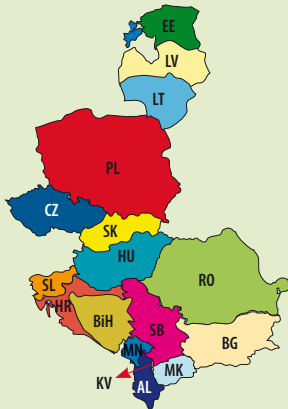
**PRIVATE PENSIONS Day**

**BILATERAL MEETINGS**

**NETWORKING EVENTS**

**XPRIMM TV LIVE**

**FIAR JOURNAL**



**Note from the editor**

This article considers the CEE Region in the OECD sense, referring to the following countries: Albania (AL), Bosnia and Herzegovina (BiH), Bulgaria (BG), Croatia (HR), Czech Republic (CZ), Estonia (EE), Hungary (HU), Kosovo (KV) Latvia (LV), Lithuania (LT), Macedonia (MK), Montenegro (MN), Poland (PL), Romania (RO), Serbia (SB), Slovakia (SK), Slovenia (SI).

In all cases, we have given preference to data obtained from national supervisory authorities. Where official data were not available, we have used information provided by the national insurers associations. Also, domestic financial

press represented a valuable source of information regarding the local tendencies and events. For conversion of the national currencies into the euro, we have use the official exchange rate valid in the last day of the period considered.

Although the authors have undertaken every effort to obtain data from the most reliable sources, inaccuracies and technical errors are still possible. Thus, please take into consideration this article is not a source of business information and we will not accept any claims for compensation in this regard.

# Back in black



Daniela GHEȚU  
Editorial Director

By the end of Q1/2010 the World Bank said that EU newcomers' growth was supported by the upturn in global trade, the low interest rate environment and the EU funds and restocking. As for Q2 2010, the international institution was foreseeing a continued recovery. Nevertheless, the economic upturn seemed week and the World Bank estimated that *it will take until the second half of next year before real output in the EU10 region regains its pre-crisis level. Private consumption and private investment are likely to add to growth only from*

*2011 onwards. And post-crisis growth is likely to stay below pre-crisis growth in view of reduced capital flows, restrained credit growth and structural adjustments in the economy.*

The pace of the recovery also differs widely across the region. According to WB, growth in the Slovak Republic and the Czech Republic is supported by the strong rebound in global trade. The robust expansion in Poland remains on track due to stable domestic demand, a competitive exchange rate and EU funds. After seeing the largest contraction of a country of the euro area in 2009, Slovenia is set for moderate rebound due to the rise in external demand, restocking, and continued policy support. Economic activity in Bulgaria, Estonia, Hungary, Lithuania and Romania is set to stagnate, as the unwinding of imbalances continues. The contraction is likely to remain sizable in Latvia in spite of a sharp improvement in growth performance compared to last year.

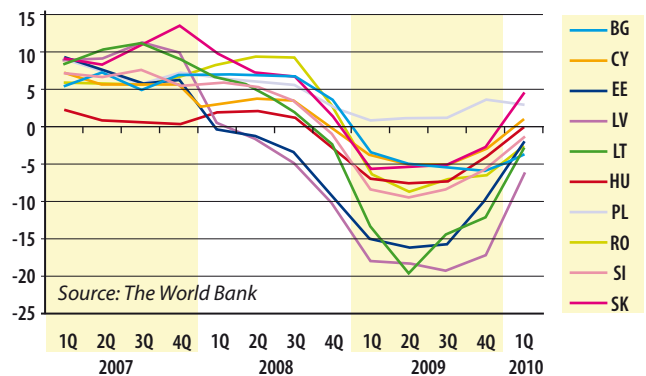
A couple of months later, Michal DYBULA of BNP Paribas noted that the economic recovery picked up speed in the CEE region in Q2, but he also questioned the sustainability of the pace of growth for some reasons as the strong contribution to growth from inventory restocking, the expectation that external demand in all major trading partners will unwind or the potential slowdown of the export growth due to the unwinding of base effects as well as exchange rate appreciation in certain CEE economies. Also, the weak consumption and investment spending, mainly determined by the slow or no credit growth, is an important risk for the economic growth in the CEE region.

## Two years of ups and downs

The slow, uneven and hesitant recovery process in the region had was strongly reflected by the insurance market evolution as well. Looking back, at the last two years' results, there are some interesting facts to remember.

Hungarian and Estonian insurance markets were the first hit by the crisis, recording y-o-y negative growth rates already in December 2008. The massive drops in life insurance, mainly on the single premium and Unit-Linked insurance lines were the main drivers of the downward trend. Half year later, by the end of June 2009, almost all of the CEE insurance markets entered into the negative territory, reporting massive falls in turnover. The most developed markets in the region – Poland, Czech Republic and Hungary -, where the life insurance market has a significant presence in the national portfolio, recorded an abrupt depreciation of the written premium volume. But besides the loss of popularity suffered by the life insurance products, mainly the ones with an investment component, motor insurance was the other main cause of the turnover reduction. The huge drop in car sales strongly affected the Motor Hull line, while the weakening market of transported goods resulted in a significant reduction of the fleet insurance turnover. On top of that, in many countries across the region, a tougher competition forced down the motor insurance tariffs to almost breakneck limits. As a results, during the first half of 2009 only the very small and young markets, as Albania or Bosnia & Herzegovina were still reporting positive growth rates.

**EU10 countries GDP growth, y-o-y, 2007 - 2010**



The end of 2009 revealed the first signs of negative trend slowing down. Although still negative, the changes in gross written premium figures were, in most of the countries, less bad than the previous ones. The first half of 2010 confirmed this general trend, many CEE insurance markets managing to cross the "0" barrier, back into the positive territory. The main source of this upturn lies again in the life insurance business, but usually reflects more the public's aspiration to build on the positive developments showed by the capital



| Country                | Overall GWP      |                  | Change<br>10/09 | Regional market share |                | Population    | Insurance<br>density | Overall paid claims |                 | Change<br>10/09 |
|------------------------|------------------|------------------|-----------------|-----------------------|----------------|---------------|----------------------|---------------------|-----------------|-----------------|
|                        | 1H 2010          | 1H 2009          |                 | 1H 2010               | 1H 2009        |               |                      | 1H 2010             | 1H 2009         |                 |
|                        | EUR m.           | EUR m.           | %               | %                     | Inhabitants m. | EUR/capita    | EUR m.               | EUR m.              | %               |                 |
| Albania                | 28.97            | 30.97            | -6.47           | 0.18                  | 0.20           | 3.1           | 9.34                 | 7.39                | 5.91            | 25.02           |
| Bosnia and Herzegovina | 91.27            | 88.04            | 3.67            | 0.56                  | 0.58           | 3.9           | 23.40                | NA                  | NA              | NA              |
| Bulgaria               | 414.29           | 429.03           | -3.44           | 2.56                  | 2.82           | 7.5           | 55.24                | 202.43              | 183.41          | 10.37           |
| Croatia                | 702.07           | 708.08           | -0.85           | 4.33                  | 4.65           | 4.4           | 159.56               | 293.62              | 316.28          | -7.16           |
| Czech Republic         | 2,974.83         | 2,731.62         | 8.90            | 18.37                 | 17.95          | 10.4          | 286.04               | NA                  | NA              | NA              |
| Estonia                | 218.55           | 165.85           | 31.78           | 1.35                  | 1.09           | 1.3           | 168.11               | 121.94              | 98.22           | 24.15           |
| Hungary                | 1,549.02         | 1,498.36         | 3.38            | 9.56                  | 9.85           | 10.0          | 154.90               | 998.38              | 924.57          | 7.98            |
| Kosovo                 | 34.80            | 33.10            | 5.14            | 0.21                  | 0.22           | 1.8           | 19.33                | 13.20               | 8.00            | 65.00           |
| Latvia                 | 135.43           | 197.34           | -31.37          | 0.84                  | 1.30           | 2.3           | 58.88                | 86.84               | 122.77          | -29.27          |
| Lithuania              | 154.82           | 214.04           | -27.67          | 0.96                  | 1.41           | 3.4           | 45.53                | 88.47               | 120.86          | -26.80          |
| Macedonia              | 50.20            | 48.85            | 2.77            | 0.31                  | 0.32           | 2.1           | 23.90                | 22.52               | 24.47           | -7.96           |
| Montenegro*            | 30.23            | 32.00            | -5.52           | 0.19                  | 0.21           | 0.6           | 50.39                | NA                  | NA              | NA              |
| Poland                 | 6,307.28         | 5,486.53         | 14.96           | 38.94                 | 36.06          | 38.0          | 165.98               | 4,657.59            | 4,642.61        | 0.32            |
| Romania                | 1,043.23         | 1,085.36         | -3.88           | 6.44                  | 7.13           | 21.4          | 48.75                | 582.76              | 639.64          | -8.89           |
| Serbia                 | 287.13           | 305.09           | -5.89           | 1.77                  | 2.01           | 7.4           | 38.80                | 95.95               | 110.42          | -13.10          |
| Slovakia               | 1,054.25         | 1,049.16         | 0.49            | 6.51                  | 6.90           | 5.4           | 195.23               | NA                  | NA              | NA              |
| Slovenia               | 1,121.74         | 1,112.84         | 0.80            | 6.93                  | 7.31           | 2.0           | 560.87               | 599.05              | 595.42          | 0.61            |
| <b>CEE REGION</b>      | <b>16,198.09</b> | <b>15,216.26</b> | <b>6.45</b>     | <b>100.00</b>         | <b>100.00</b>  | <b>125.00</b> | <b>129.58</b>        | <b>7,770.14</b>     | <b>7,792.58</b> | <b>-0.29</b>    |

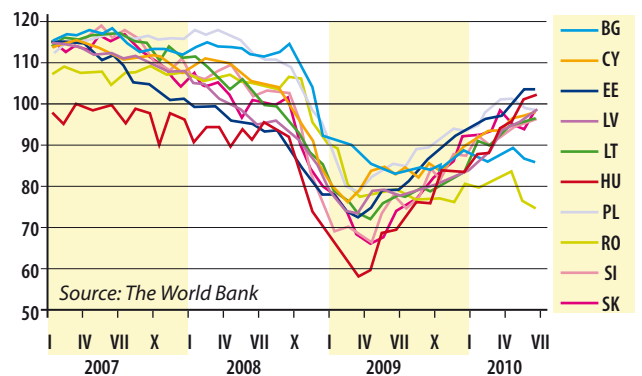
\*PRIMM estimation for 1H 2009

markets by the end of 2009 and in the first quarter of 2010, by investing in single-premium or Unit-Linked insurance products, than to get real life insurance coverage. Motor insurance market situation remains fragile, with a strong competition on its main segment, the MTPL insurance business, and a continuous contraction in the number of new insured cars.

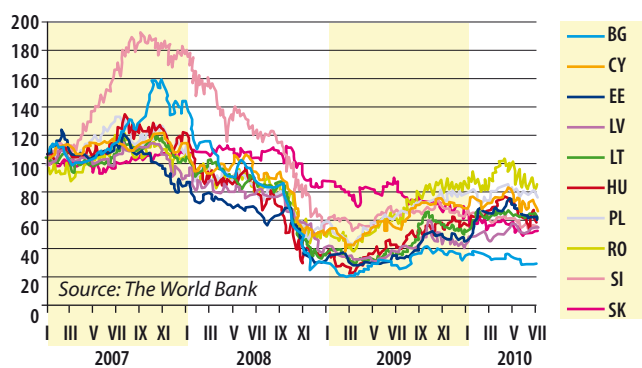
Still, there are exceptions to the general trend drawn by the main markets in the region. The first notable exception is the evolution of Latvia and Lithuania, the most affected insurance markets in the region. Drastic fiscal consolidation measures taken by the Baltic governments, involving pensions and wages freezing or lowering, as well as the high unemployment rates led to a visible weakening of the populations' purchasing power. According to the insurance market's representatives, this poor economic climate turned into a significant decrease of the number of policies sold and, consequently, into a massive reduction of the motor insurance tariffs. As the general economic outlook is far from being optimistic, the general apprehension is that most probable insurers will not see better times until 2011.

On the other hand, among the main CEE insurance markets, Romania, Croatia and Bulgaria followed the general trend with a certain delay. Thus, while in the first instances it seems they will not experience quite a significant fall in the insurance markets' turnover, now they are lagging behind the overall trend, still below the "0" line. One of the possible explanations is the small share of the life insurance in the national portfolio of these countries, as compared to Poland, Hungary or the Czech Republic. The low penetration of the life insurance preserved them somehow from the initial strong blow, but in second stage the breakdown of the motor insurance lines kept them on a descending trend unmatched by the slight recovery seen in the life business.

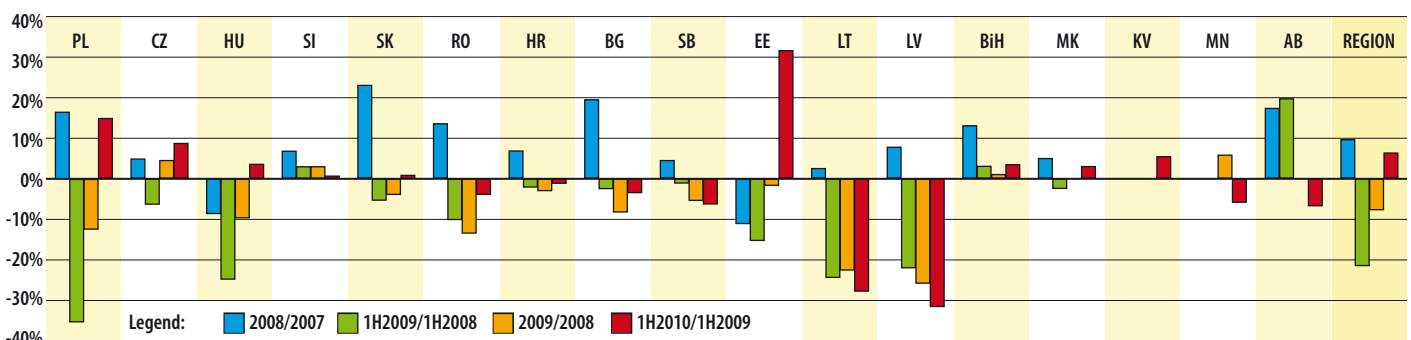
European Sentiment Indicator (ESI) 2007 - 2010



Stock exchange indices in EU10, 2007 - 2010



Growth rates in the CEE insurance markets



| Country                | LIFE GWP        |                 |              | Change 10/09<br>% | Regional market share |               | Indemnities     |                 | Change 10/09<br>% |
|------------------------|-----------------|-----------------|--------------|-------------------|-----------------------|---------------|-----------------|-----------------|-------------------|
|                        | 1H 2010         | 1H 2009         | % in all GWP |                   | 1H 2010               | 1H 2009       | 1H 2010         | 1H 2009         |                   |
|                        | EUR m.          | EUR m.          |              |                   | %                     | %             | EUR m.          | EUR m.          |                   |
| Albania                | 2.68            | 2.60            | 9.26         | 3.29              | 0.04                  | 0.04          | 0.21            | 0.17            | 23.12             |
| Bosnia and Herzegovina | 16.38           | 15.27           | 17.95        | 7.30              | 0.23                  | 0.24          | NA              | NA              | NA                |
| Bulgaria               | 62.29           | 58.22           | 15.04        | 6.99              | 0.86                  | 0.92          | 26.50           | 21.94           | 20.75             |
| Croatia                | 162.18          | 161.16          | 23.10        | 0.63              | 2.23                  | 2.55          | 73.35           | 59.18           | 23.94             |
| Czech Republic         | 1,327.74        | 1,084.88        | 44.63        | 22.39             | 18.25                 | 17.15         | NA              | NA              | NA                |
| Estonia                | 94.20           | 57.87           | 43.10        | 62.77             | 1.29                  | 0.91          | 45.41           | 31.37           | 44.75             |
| Hungary                | 805.80          | 697.28          | 52.02        | 15.56             | 11.07                 | 11.02         | 638.86          | 567.01          | 12.67             |
| Kosovo                 | 1.04            | 0.99            | 3.00         | 5.14              | 0.01                  | 0.02          | NA              | NA              | NA                |
| Latvia                 | 19.64           | 17.88           | 14.50        | 9.80              | 0.27                  | 0.28          | 12.27           | 18.24           | -32.71            |
| Lithuania              | 34.54           | 55.63           | 22.31        | -37.92            | 0.47                  | 0.88          | 5.57            | 15.47           | -64.03            |
| Macedonia              | 2.57            | 2.17            | 5.12         | 18.29             | 0.04                  | 0.03          | 0.49            | 1.04            | -53.08            |
| Montenegro             | 3.84            | 4.00            | 12.70        | -4.01             | 0.05                  | 0.06          | NA              | NA              | NA                |
| Poland                 | 3,637.66        | 3,110.79        | 57.67        | 16.94             | 49.99                 | 49.18         | 3,048.55        | 3,346.36        | -8.90             |
| Romania                | 195.11          | 187.07          | 18.70        | 4.30              | 2.68                  | 2.96          | 23.45           | 23.79           | -1.45             |
| Serbia                 | 40.65           | 39.94           | 14.16        | 1.76              | 0.56                  | 0.63          | 7.85            | 9.62            | -18.37            |
| Slovakia               | 548.48          | 519.66          | 52.03        | 5.55              | 7.54                  | 8.22          | NA              | NA              | NA                |
| Slovenia               | 322.43          | 310.12          | 28.74        | 3.97              | 4.43                  | 4.90          | 110.93          | 96.56           | 14.88             |
| <b>CEE REGION</b>      | <b>7,277.22</b> | <b>6,325.53</b> | <b>44.93</b> | <b>15.05</b>      | <b>100.00</b>         | <b>100.00</b> | <b>3,993.43</b> | <b>4,190.75</b> | <b>-4.71</b>      |

Note: for Kosovo (1H 2009 & 1H 2010) and Montenegro (1H 2009), the numbers are PRIMM estimations

| Country                | NON-LIFE GWP    |                 |              | Change 10/09<br>% | Regional market share |               | Paid claims     |                 | Change 10/09<br>% |
|------------------------|-----------------|-----------------|--------------|-------------------|-----------------------|---------------|-----------------|-----------------|-------------------|
|                        | 1H 2010         | 1H 2009         | % in all GWP |                   | 1H 2010               | 1H 2009       | 1H 2010         | 1H 2009         |                   |
|                        | EUR m.          | EUR m.          |              |                   | %                     | %             | EUR m.          | EUR m.          |                   |
| Albania                | 26.29           | 28.38           | 90.74        | -7.37             | 0.29                  | 0.32          | 7.17            | 5.73            | 25.08             |
| Bosnia and Herzegovina | 74.89           | 72.77           | 82.05        | 2.91              | 0.84                  | 0.82          | NA              | NA              | NA                |
| Bulgaria               | 352.00          | 370.81          | 84.96        | -5.07             | 3.95                  | 4.17          | 175.93          | 161.47          | 8.96              |
| Croatia                | 539.89          | 546.92          | 76.90        | -1.29             | 6.05                  | 6.15          | 220.27          | 257.10          | -14.32            |
| Czech Republic         | 1,647.09        | 1,646.74        | 55.37        | 0.02              | 18.46                 | 18.52         | NA              | NA              | NA                |
| Estonia                | 124.35          | 107.97          | 56.90        | 15.17             | 1.39                  | 1.21          | 76.53           | 66.85           | 14.48             |
| Hungary                | 743.22          | 801.08          | 47.98        | -7.22             | 8.33                  | 9.01          | 359.51          | 357.57          | 0.55              |
| Kosovo                 | 33.76           | 32.11           | 97.00        | 5.14              | 0.38                  | 0.36          | NA              | NA              | NA                |
| Latvia                 | 115.79          | 179.46          | 85.50        | -35.48            | 1.30                  | 2.02          | 74.57           | 104.53          | -28.67            |
| Lithuania              | 120.28          | 158.41          | 77.69        | -24.07            | 1.35                  | 1.78          | 82.91           | 105.39          | -21.33            |
| Macedonia              | 47.63           | 46.67           | 94.88        | 2.04              | 0.53                  | 0.52          | 22.03           | 23.43           | -5.95             |
| Montenegro             | 26.39           | 28.00           | 87.30        | -5.74             | 0.30                  | 0.31          | NA              | NA              | NA                |
| Poland                 | 2,669.62        | 2,375.74        | 42.33        | 12.37             | 29.93                 | 26.72         | 1,609.04        | 1,296.25        | 24.13             |
| Romania                | 848.12          | 898.29          | 81.30        | -5.59             | 9.51                  | 10.10         | 559.31          | 615.85          | -9.18             |
| Serbia                 | 246.48          | 265.14          | 85.84        | -7.04             | 2.76                  | 2.98          | 88.10           | 100.80          | -12.60            |
| Slovakia               | 505.77          | 529.50          | 47.97        | -4.48             | 5.67                  | 5.96          | NA              | NA              | NA                |
| Slovenia               | 799.31          | 802.72          | 71.26        | -0.42             | 8.96                  | 9.03          | 488.13          | 498.87          | -2.15             |
| <b>CEE REGION</b>      | <b>8,920.87</b> | <b>8,890.73</b> | <b>55.07</b> | <b>0.34</b>       | <b>100.00</b>         | <b>100.00</b> | <b>3,763.51</b> | <b>3,593.83</b> | <b>4.72</b>       |

Note: for Kosovo (1H 2009 & 1H 2010) and Montenegro (1H 2009), the numbers are PRIMM estimations

Slovenia is the only relevant CEE insurance market who got through the crisis experiencing only marginal negative effects. Its well-developed life segment remained stable. Unit-Linked premiums – the main life insurance business line –, remained virtually unchanged, despite the volatility in financial markets. On the other hand, on the non-life insurance segment, the main insurance lines – as health insurance, Motor Hull or compulsory MTPL –, registered small positive growth rates or, at least, remained unchanged. As a result, the market continued to grow, even it did it at a lower pace, showing strength and stability.

Beside Slovenia, the only markets who got off almost scot-free until now are the very little ones. Characterized by a very low penetration degree, they have so much room for growth that even the weak economic climate didn't run low insurers capacity of finding new clients.

### Small adjustments

All in all, the CEE insurance market shows clear signs of recovery, although the happy times of "double digit" growth rates will probably return only in a couple of years, if they will ever return in the form we were used to in the last decade before crisis. Again Poland,

as the main player in the region, is recovery driver. In fact, by placing a significantly above average growth rate, the Polish market starts to regain part its lost regional weigh. Also the Czech Republic's market improved its share with about one percentage point, while Hungarian one is slowly, but constantly losing small fractions of its regional weight. Since 2008, Romania also lost almost 1 percentage point of its share.

Ten Polish and Czech life insurers dominate the regional life insurance ranking, cumulating almost 46% of the regional life insurance GWP. PZU ZYCIE is the life insurance leader across the region, with a 12.3% share of the entire life GWP. The following two steps of the podium belong to EUROPA and WARTA, also from Poland.

The non-life rankings' Top 10 includes companies from Poland, the Czech Republic, Hungary, Slovakia and Slovenia, with a cumulated market share of about 40%. The non-life insurance arm of the PZU Group leads the non-life regional market, with an about 11% market share. On the second and third places there are two Czech companies, KOOPERATIVA Pojistovna and CESKA Pojistovna, each of them with an about 5% share of the overall non-life GWP.



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# Motor insurance – tight competition

The motor insurance markets remained very competitive in the first half of 2010, with insurers battling to “capture” more clients in a still hostile economic environment.

As a result, many of the motor markets in the region saw a further depreciation of the GWP figures, although the number of policies sold grew. Lower tariffs, frequently accompanied by an inventive policy of discounts and bonuses, was the main line of conduct across the region.

Innovation was another option, especially for the “big names” in the insurance industry: better or extended travel assistance services, offered in connection to the Motor Hull policies, co-branded campaigns organized together with the cars dealers etc.

Poland and Estonia are the only markets belonging to the “mature” echelon of the region which recorded positive results both on the compulsory MTPL and Motor Hull lines. According to our estimations, based on the previous results, in the “young” team Bosnia&Herzegovina, Kosovo and Montenegro reported positive growth rates in motor insurance. The regional overall result for the motor lines remains “in red”, with an y-o-y negative change of 1.88%.

Insurance fraud continues to be one of the most important concerns of the motor insurers, along with the continuously rising cost of the personal injuries indemnities.

| Country                | OVERALL MOTOR INSURANCE GWP |                 | % in all GWP | Change 10/09 | Regional market share |               | Paid claims     |                 | Change 10/09 |
|------------------------|-----------------------------|-----------------|--------------|--------------|-----------------------|---------------|-----------------|-----------------|--------------|
|                        | 1H 2010                     | 1H 2009         |              |              | 1H 2010               | 1H 2009       | 1H 2010         | 1H 2009         |              |
|                        | EUR m.                      | EUR m.          |              |              | %                     | %             | EUR m.          | EUR m.          |              |
| Albania                | 16.84                       | 18.60           | 58.13        | -9.49        | 0.34                  | 0.37          | 6.31            | 5.23            | 20.66        |
| Bosnia and Herzegovina | 54.76                       | 52.82           | 60.00        | 3.67         | 1.12                  | 1.06          | NA              | NA              | NA           |
| Bulgaria               | 248.97                      | 258.72          | 60.10        | -3.77        | 5.09                  | 5.20          | 145.98          | 144.26          | 1.19         |
| Croatia                | 272.41                      | 280.77          | 38.80        | -2.98        | 5.57                  | 5.64          | 136.26          | 160.67          | -15.19       |
| Czech Republic         | 777.92                      | 824.44          | 26.15        | -5.64        | 15.91                 | 16.56         | NA              | NA              | NA           |
| Estonia                | 74.41                       | 70.64           | 34.05        | 5.33         | 1.52                  | 1.42          | 54.56           | 49.03           | 11.29        |
| Hungary                | 369.80                      | 411.13          | 23.87        | -10.05       | 7.56                  | 8.26          | 215.86          | 236.37          | -8.68        |
| Kosovo                 | 29.58                       | 28.14           | 85.00        | 5.14         | 0.60                  | 0.57          | NA              | NA              | NA           |
| Latvia                 | 53.13                       | 89.02           | 39.23        | -40.32       | 1.09                  | 1.79          | 39.80           | 59.45           | -33.05       |
| Lithuania              | 71.19                       | 88.58           | 45.98        | -19.63       | 1.46                  | 1.78          | 49.79           | 67.76           | -26.52       |
| Macedonia              | 28.98                       | 28.50           | 57.72        | 1.65         | 0.59                  | 0.57          | 16.60           | 17.31           | -4.10        |
| Montenegro             | 17.40                       | 19.00           | 57.54        | -8.44        | 0.36                  | 0.38          | NA              | NA              | NA           |
| Poland                 | 1,494.45                    | 1,361.18        | 23.69        | 9.79         | 30.56                 | 27.34         | 1,121.85        | 979.51          | 14.53        |
| Romania                | 640.94                      | 676.42          | 61.44        | -5.25        | 13.11                 | 13.59         | 510.84          | 365.72          | 39.68        |
| Serbia                 | 121.67                      | 135.22          | 42.37        | -10.02       | 2.49                  | 2.72          | 59.14           | 67.22           | -12.03       |
| Slovakia               | 300.54                      | 316.28          | 28.51        | -4.98        | 6.15                  | 6.35          | NA              | NA              | NA           |
| Slovenia               | 317.26                      | 319.31          | 28.28        | -0.64        | 6.49                  | 6.41          | 180.67          | 200.09          | -9.70        |
| <b>CEE REGION</b>      | <b>4,890.23</b>             | <b>4,978.77</b> | <b>30.19</b> | <b>-1.78</b> | <b>100.00</b>         | <b>100.00</b> | <b>2,537.66</b> | <b>2,352.62</b> | <b>7.87</b>  |

Note: for Bosnia and Herzegovina & Kosovo (1H 2009 & 1H 2010) and Montenegro (1H 2009), the numbers are PRIMM estimations

| Country                | Motor Hull |        |         |        | MTPL    |        |         |        |
|------------------------|------------|--------|---------|--------|---------|--------|---------|--------|
|                        | 1H 2010    |        | 1H 2009 |        | 1H 2010 |        | 1H 2009 |        |
|                        | GWP        | CLAIMS | GWP     | CLAIMS | GWP     | CLAIMS | GWP     | CLAIMS |
|                        | EUR m.     | EUR m. | EUR m.  | EUR m. | EUR m.  | EUR m. | EUR m.  | EUR m. |
| Albania                | 2.21       | 1.82   | 2.13    | 1.61   | 14.62   | 4.49   | 16.48   | 3.62   |
| Bosnia and Herzegovina | NA         | NA     | NA      | NA     | NA      | NA     | NA      | NA     |
| Bulgaria               | 128.78     | 85.83  | 156.96  | 94.34  | 120.20  | 60.15  | 101.76  | 49.92  |
| Croatia                | 66.98      | 52.24  | 74.88   | 56.46  | 205.43  | 84.02  | 205.89  | 104.21 |
| Czech Republic         | 309.64     | NA     | 330.33  | NA     | 468.28  | NA     | 494.10  | NA     |
| Estonia                | 43.56      | 33.56  | 40.92   | 30.56  | 30.84   | 21.00  | 29.71   | 18.47  |
| Hungary                | 151.68     | 95.96  | 170.78  | 104.49 | 218.12  | 119.90 | 240.35  | 131.89 |
| Kosovo                 | NA         | NA     | NA      | NA     | NA      | NA     | NA      | NA     |
| Latvia                 | 26.38      | 21.45  | 46.43   | 34.84  | 26.75   | 18.35  | 42.59   | 24.61  |
| Lithuania              | 25.16      | 23.62  | 35.62   | 33.87  | 46.03   | 26.17  | 52.96   | 33.89  |
| Macedonia              | 6.59       | 4.36   | 6.81    | 3.93   | 22.39   | 12.24  | 21.69   | 13.38  |
| Montenegro             | 3.00       | NA     | NA      | NA     | 14.39   | NA     | NA      | NA     |
| Poland                 | 608.88     | 480.32 | 554.15  | 415.72 | 885.57  | 641.53 | 807.03  | 563.79 |
| Romania                | 310.38     | 310.88 | 400.64  | 218.73 | 330.56  | 199.97 | 275.78  | 146.99 |
| Serbia                 | 37.43      | 23.62  | 42.38   | 27.14  | 84.24   | 35.51  | 92.84   | 40.08  |
| Slovakia               | 140.60     | NA     | 150.35  | NA     | 159.94  | NA     | 165.92  | NA     |
| Slovenia               | 141.28     | 95.50  | 134.13  | 106.65 | 175.97  | 85.17  | 185.18  | 93.43  |

# Property insurance

According to MUNICH Re, the June 2010 floods affecting Austria, Croatia, Czech Republic, Germany, Hungary, Poland, Romania and Slovakia, produced overall losses of EUR3bn. Insured losses represented only EUR225m of the entire sum. On the other hand, EQECAT's preliminary estimations were of about EUR3bn losses only in Poland.

Only in Poland, insurers were reported above 191,000 flood-related losses up to the first week of July, evaluated at to approx. EUR265m, as results from the data of Financial Supervision Authority. In Romania, the supervision's authority estimations were of about EUR10m, while the EQECAT assessment for Slovakia and the Czech Republic mentioned figures of over EUR35m for each of these countries.

There are not available official data with regard to the overall insured losses for all the countries affected. Still, the above mentioned facts are relevant. The overall property claims paid figures in the region grew by almost EUR150m, as compared to 1H2009, but the 1H figures are not entirely reflecting the losses dimensions, as by the end of June only a part of the flood related claims were already paid. Also, some of these losses are not visible, as there were lots of motor insurance claims produced by floods.

| Country                | OVERALL PROPERTY INSURANCE GWP |                 | % in all GWP | Change 10/09 | Regional market share |               | Paid claims   |               | Change 10/09 |
|------------------------|--------------------------------|-----------------|--------------|--------------|-----------------------|---------------|---------------|---------------|--------------|
|                        | 1H 2010                        | 1H 2009         |              |              | 1H 2010               | 1H 2009       | 1H 2010       | 1H 2009       |              |
|                        | EUR m.                         | EUR m.          |              |              | %                     | %             | EUR m.        | EUR m.        |              |
| Albania                | 3.96                           | 3.58            | 13.68        | 10.61        | 0.20                  | 0.18          | 0.39          | 0.23          | 65.34        |
| Bosnia and Herzegovina | 9.13                           | 8.80            | 10.00        | 3.67         | 0.46                  | 0.45          | NA            | NA            | NA           |
| Bulgaria               | 67.16                          | 68.25           | 16.21        | -1.60        | 3.36                  | 3.47          | 13.73         | 5.91          | 132.39       |
| Croatia                | 124.71                         | 125.20          | 17.76        | -0.39        | 6.24                  | 6.36          | 35.44         | 44.21         | -19.84       |
| Czech Republic         | 416.48                         | 408.19          | 14.00        | 2.03         | 20.84                 | 20.73         | NA            | NA            | NA           |
| Estonia                | 31.79                          | 26.77           | 14.55        | 18.74        | 1.59                  | 1.36          | 12.84         | 12.45         | 3.10         |
| Hungary                | 267.52                         | 273.32          | 17.27        | -2.12        | 13.38                 | 13.88         | 108.07        | 74.24         | 45.57        |
| Kosovo                 | 3.48                           | 3.31            | 10.00        | 5.14         | 0.17                  | 0.17          | NA            | NA            | NA           |
| Latvia                 | 20.90                          | 27.56           | 15.43        | -24.16       | 1.05                  | 1.40          | 9.72          | 7.07          | 37.37        |
| Lithuania              | 23.68                          | 34.33           | 15.30        | -31.01       | 1.18                  | 1.74          | 11.80         | 20.49         | -42.44       |
| Macedonia              | 9.32                           | 8.68            | 18.56        | 7.37         | 0.47                  | 0.44          | 2.03          | 3.18          | -36.30       |
| Montenegro             | 3.51                           | 3.20            | 11.60        | 9.61         | 0.18                  | 0.16          | NA            | NA            | NA           |
| Poland                 | 533.51                         | 471.06          | 8.46         | 13.26        | 26.69                 | 23.92         | 270.69        | 147.47        | 83.56        |
| Romania                | 134.04                         | 150.88          | 12.85        | -11.16       | 6.71                  | 7.66          | 19.38         | 16.42         | 18.01        |
| Serbia                 | 82.10                          | 85.19           | 28.59        | -3.63        | 4.11                  | 4.33          | 15.29         | 17.03         | -10.23       |
| Slovakia               | 126.51                         | 125.53          | 12.00        | 0.78         | 6.33                  | 6.38          | NA            | NA            | NA           |
| Slovenia               | 140.94                         | 145.21          | 12.56        | -2.94        | 7.05                  | 7.37          | 57.93         | 64.38         | -10.01       |
| <b>CEE REGION</b>      | <b>1,998.75</b>                | <b>1,969.08</b> | <b>12.34</b> | <b>1.51</b>  | <b>100.00</b>         | <b>100.00</b> | <b>557.30</b> | <b>413.10</b> | <b>34.91</b> |

Note: for Bosnia and Herzegovina (1H 2009 & 1H 2010), Kosovo (1H 2009 & 1H 2010), Slovakia (1H 2010), Czech Republic (1H 2010) and Montenegro (1H 2009), the numbers are PRIMM estimations

| Country                | Fire and allied perils |        |         |        | Damages to property |        |         |        |
|------------------------|------------------------|--------|---------|--------|---------------------|--------|---------|--------|
|                        | 1H 2010                |        | 1H 2009 |        | 1H 2010             |        | 1H 2009 |        |
|                        | GWP                    | CLAIMS | GWP     | CLAIMS | GWP                 | CLAIMS | GWP     | CLAIMS |
|                        | EUR m.                 | EUR m. | EUR m.  | EUR m. | EUR m.              | EUR m. | EUR m.  | EUR m. |
| Albania                | 3.25                   | 0.33   | 3.00    | 0.23   | 0.71                | 0.06   | 0.59    | 0.00   |
| Bosnia and Herzegovina | NA                     | NA     | NA      | NA     | NA                  | NA     | NA      | NA     |
| Bulgaria               | 51.15                  | 8.55   | 48.42   | 4.32   | 16.01               | 5.18   | 19.83   | 1.59   |
| Croatia                | 50.26                  | 10.14  | 51.12   | 16.13  | 74.46               | 25.31  | 74.09   | 28.09  |
| Czech Republic         | 252.86                 | NA     | NA      | NA     | 163.62              | NA     | NA      | NA     |
| Estonia                | 21.85                  | NA     | NA      | NA     | 9.94                | NA     | NA      | NA     |
| Hungary                | 161.22                 | 67.01  | 166.41  | 42.99  | 106.30              | 41.05  | 106.91  | 31.25  |
| Kosovo                 | NA                     | NA     | NA      | NA     | NA                  | NA     | NA      | NA     |
| Latvia                 | 14.81                  | 5.73   | 20.25   | 4.30   | 6.09                | 3.99   | 7.30    | 2.77   |
| Lithuania              | NA                     | NA     | NA      | NA     | NA                  | NA     | NA      | NA     |
| Macedonia              | 3.85                   | 0.36   | 2.56    | 0.61   | 5.47                | 1.67   | 6.12    | 2.57   |
| Montenegro             | 1.57                   | NA     | NA      | NA     | 1.94                | NA     | NA      | NA     |
| Poland                 | 337.54                 | 206.16 | 293.53  | 100.44 | 195.97              | 64.53  | 177.53  | 47.03  |
| Romania                | 123.56                 | 17.15  | 140.13  | 13.94  | 10.49               | 2.22   | 10.75   | 2.48   |
| Serbia                 | 29.07                  | 4.70   | 30.90   | 3.56   | 53.03               | 10.59  | 54.29   | 13.47  |
| Slovakia               | NA                     | NA     | NA      | NA     | NA                  | NA     | NA      | NA     |
| Slovenia               | 57.77                  | 24.60  | 54.91   | 27.81  | 83.17               | 33.33  | 90.30   | 36.56  |

Note: for Czech Republic (1H 2010) & Estonia (1H 2010), the numbers are PRIMM estimations



Top 120 life insurance companies in CEE region - as at June 30<sup>th</sup>, 2010

| No. | Country | Rank in home country | Company                        | 1H 2010 |          | 1H 2009 |          | NOMINAL EVOLUTION (%) |
|-----|---------|----------------------|--------------------------------|---------|----------|---------|----------|-----------------------|
|     |         |                      |                                | GWP     | CLAIMS   | GWP     | CLAIMS   |                       |
|     |         |                      |                                | EUR m.  | EUR m.   | EUR m.  | EUR m.   | EUR                   |
| 1   | PL      | 1                    | PZU ŻYCIE SA                   | 897.85  | 1,152.86 | 876.72  | 1,200.29 | 2.41                  |
| 2   | PL      | 2                    | TUnŻ EUROPA                    | 658.28  | 207.73   | 221.04  | 150.06   | 197.81                |
| 3   | PL      | 3                    | TUnŻ WARTA                     | 294.79  | 291.59   | 291.88  | 430.81   | 1.00                  |
| 4   | CZ      | 1                    | CESKA Pojistovna               | 253.71  | -        | 268.41  | -        | -5.48                 |
| 5   | PL      | 4                    | ING TUnŻ                       | 244.01  | 284.72   | 347.17  | 426.94   | -29.72                |
| 6   | PL      | 5                    | TUIR ALLIANZ ŻYCIE POLSKA      | 210.43  | 162.30   | 221.71  | 82.64    | -5.09                 |
| 7   | PL      | 6                    | AVIVA TUnŻ                     | 207.90  | 183.79   | 183.18  | 278.70   | 13.50                 |
| 8   | PL      | 7                    | NORDEA POLSKA TU na ŻYCIE      | 206.58  | 151.69   | 142.96  | 157.33   | 44.50                 |
| 9   | CZ      | 2                    | KOMERCNI Pojistovna            | 200.73  | -        | 70.83   | -        | 183.40                |
| 10  | CZ      | 3                    | Pojistovna CESKE sporitelny    | 161.66  | -        | 96.19   | -        | 68.07                 |
| 11  | PL      | 8                    | PAPTUnŻiR AMPLICO LIFE         | 153.08  | 78.22    | 190.97  | 74.08    | -19.84                |
| 12  | CZ      | 4                    | KOOPERATIVA Pojistovna VIG     | 141.96  | -        | 139.43  | -        | 1.81                  |
| 13  | CZ      | 5                    | CSOBP                          | 138.08  | -        | 107.35  | -        | 28.63                 |
| 14  | HU      | 1                    | ING                            | 131.39  | -        | 148.22  | -        | -11.36                |
| 15  | HU      | 2                    | ALLIANZ                        | 125.23  | -        | 48.14   | -        | 160.15                |
| 16  | SK      | 1                    | ALLIANZ - Slovenská            | 122.92  | -        | 126.54  | -        | -2.86                 |
| 17  | PL      | 9                    | UNIQA TU na ŻYCIE              | 120.75  | 109.33   | 111.70  | 119.72   | 8.10                  |
| 18  | PL      | 10                   | GENERALI ŻYCIE TU              | 120.24  | 151.83   | 101.02  | 54.46    | 19.03                 |
| 19  | SK      | 2                    | KOOPERATIVA VIG                | 108.20  | -        | 94.81   | -        | 14.13                 |
| 20  | SL      | 1                    | TRIGLAV                        | 104.08  | -        | 106.46  | -        | -2.24                 |
| 21  | CZ      | 6                    | ING                            | 101.14  | -        | 109.38  | -        | -7.53                 |
| 22  | PL      | 11                   | STUnŻ ERGO HESTIA              | 93.17   | 14.85    | 34.34   | 13.78    | 171.35                |
| 23  | PL      | 12                   | AXA ŻYCIE TU                   | 90.73   | 37.04    | 49.81   | 114.51   | 82.16                 |
| 24  | PL      | 13                   | AEGON TU na ŻYCIE              | 87.20   | 77.27    | 63.35   | 91.22    | 37.65                 |
| 25  | HU      | 3                    | GROUPAMA GARANCIA              | 80.80   | -        | 67.08   | -        | 20.46                 |
| 26  | CZ      | 7                    | ALLIANZ                        | 74.44   | -        | 68.40   | -        | 8.82                  |
| 27  | HU      | 4                    | GENERALI-PROVIDENCIA           | 74.37   | -        | 76.30   | -        | -2.54                 |
| 28  | HU      | 5                    | AEGON                          | 73.76   | -        | 77.95   | -        | -5.38                 |
| 29  | HU      | 6                    | MAGYAR Posta Elet              | 70.98   | -        | 35.55   | -        | 99.63                 |
| 30  | SL      | 2                    | KAD (PFM)                      | 70.37   | -        | 69.40   | -        | 1.40                  |
| 31  | RO      | 1                    | ING Asig. de Viață             | 66.16   | 1.88     | 61.40   | 1.61     | 7.76                  |
| 32  | SK      | 3                    | AMSLICO AIG Life               | 61.09   | -        | 60.38   | -        | 1.18                  |
| 33  | CZ      | 8                    | GENERALI Pojistovna            | 57.77   | -        | 51.44   | -        | 12.30                 |
| 34  | PL      | 14                   | BENEFIA TUnŻ VIG               | 46.60   | 23.64    | 51.44   | 52.86    | -9.40                 |
| 35  | PL      | 15                   | SKANDIA ŻYCIE TU               | 45.22   | 29.13    | 34.20   | 21.94    | 32.21                 |
| 36  | CZ      | 9                    | AXA - ŽP                       | 44.35   | -        | 38.36   | -        | 15.61                 |
| 37  | HU      | 7                    | AVIVA                          | 44.22   | -        | 41.85   | -        | 5.65                  |
| 38  | EE      | 1                    | Swedbank Life Ins.             | 41.05   | 20.34    | 18.52   | 10.10    | 121.60                |
| 39  | CZ      | 10                   | CESKA podnikatelska pojistovna | 39.55   | -        | 37.24   | -        | 6.19                  |
| 40  | HU      | 8                    | UNIQA                          | 37.28   | -        | 36.80   | -        | 1.30                  |
| 41  | RO      | 2                    | BCR Asig. de Viață             | 37.10   | 2.94     | 20.10   | -        | 84.58                 |
| 42  | CZ      | 11                   | AMCICO                         | 36.36   | -        | 35.07   | -        | 3.67                  |
| 43  | SL      | 3                    | MARIBOR                        | 35.35   | -        | 33.66   | -        | 5.02                  |
| 44  | EE      | 2                    | Mandatum Life Ins.             | 33.83   | 14.69    | 19.32   | 7.65     | 75.12                 |
| 45  | PL      | 16                   | HDI-GERLING ŻYCIE TU           | 33.17   | 14.51    | 18.43   | 11.21    | 80.02                 |
| 46  | SL      | 4                    | KD LIFE                        | 31.68   | -        | 32.71   | -        | -3.17                 |
| 47  | PL      | 17                   | TUnŻ CARDIF POLSKA             | 31.59   | 9.85     | 45.91   | 8.17     | -31.20                |
| 48  | HU      | 9                    | CIG                            | 29.78   | -        | 14.17   | -        | 110.18                |
| 49  | SK      | 7                    | ČSOB poist.                    | 29.58   | -        | 26.77   | -        | 10.50                 |
| 50  | PL      | 18                   | COMPENSA TUnŻ VIG              | 27.05   | 23.91    | 43.06   | 31.28    | -37.18                |
| 51  | RO      | 3                    | ALICO*                         | 23.70   | -        | 24.83   | -        | -4.55                 |
| 52  | HR      | 1                    | Allianz Zagreb                 | 23.45   | -        | 21.89   | -        | 7.17                  |
| 53  | CZ      | 12                   | UNIQA                          | 23.31   | -        | 21.56   | -        | 8.11                  |
| 54  | HU      | 10                   | AXA                            | 22.86   | -        | 22.84   | -        | 0.08                  |
| 55  | HR      | 2                    | Čroatia                        | 22.61   | -        | 23.65   | -        | -4.38                 |
| 56  | SK      | 8                    | AXA ž.p.                       | 22.05   | -        | 17.06   | -        | 29.23                 |
| 57  | HU      | 11                   | ERSTE                          | 22.01   | -        | 19.84   | -        | 10.97                 |
| 58  | PL      | 19                   | PRAMERICA ŻYCIE TUIR           | 20.25   | 4.62     | 17.43   | 4.27     | 16.22                 |
| 59  | SL      | 5                    | MERKUR                         | 20.05   | -        | 18.94   | -        | 5.85                  |
| 60  | HU      | 12                   | K&H                            | 17.45   | -        | 29.43   | -        | -40.71                |

| No. | Country | Rank in home country | Company                          | 1H 2010 |        | 1H 2009 |        | NOMINAL EVOLUTION (%) |
|-----|---------|----------------------|----------------------------------|---------|--------|---------|--------|-----------------------|
|     |         |                      |                                  | GWP     | CLAIMS | GWP     | CLAIMS |                       |
|     |         |                      |                                  | EUR m.  | EUR m. | EUR m.  | EUR m. |                       |
| 61  | CZ      | 13                   | AEGON                            | 17.25   | -      | 11.36   | -      | 51.81                 |
| 62  | HR      | 3                    | Merkur                           | 17.12   | -      | 17.31   | -      | -1.08                 |
| 63  | HR      | 4                    | Grawe Hrvatska                   | 16.16   | -      | 17.14   | -      | -5.71                 |
| 64  | CZ      | 14                   | AVIVA                            | 16.14   | -      | 15.37   | -      | 5.00                  |
| 65  | HU      | 13                   | UNION                            | 15.88   | -      | 19.19   | -      | -17.25                |
| 66  | SL      | 6                    | NLB VITA                         | 15.81   | -      | 9.01    | -      | 75.55                 |
| 67  | PL      | 20                   | METLIFE TUnž                     | 15.52   | 28.81  | 13.62   | 15.01  | 13.97                 |
| 68  | SK      | 9                    | Poist. SLOVENSKEJ sporitelne VIG | 15.21   | -      | 14.31   | -      | 6.30                  |
| 69  | SK      | 10                   | UNIQA poist.                     | 14.51   | -      | 13.85   | -      | 4.76                  |
| 70  | HR      | 5                    | Kvarner VIG                      | 14.35   | -      | 13.47   | -      | 6.53                  |
| 71  | HU      | 14                   | SIGNAL                           | 14.11   | -      | 14.64   | -      | -3.56                 |
| 72  | HR      | 6                    | Agram životno                    | 13.82   | -      | 14.87   | -      | -7.07                 |
| 73  | SK      | 11                   | WUSTENROT poist.                 | 13.64   | -      | 12.36   | -      | 10.36                 |
| 74  | HR      | 7                    | Basler osig. Zagreb              | 13.51   | -      | 16.25   | -      | -16.84                |
| 75  | LV      | 1                    | SEB Dzīvības apdr.               | 13.09   | 6.12   | 10.58   | 6.36   | 23.80                 |
| 76  | HU      | 15                   | AHICO                            | 12.65   | -      | 13.92   | -      | -9.14                 |
| 77  | LT      | 1                    | SEB g.d.                         | 12.50   | 1.42   | 12.68   | 0.73   | -1.39                 |
| 78  | BG      | 1                    | ALLIANZ LIFE                     | 12.33   | 5.77   | 12.14   | 4.69   | 1.57                  |
| 79  | SK      | 12                   | AEGON Ž.p.                       | 12.21   | -      | 9.18    | -      | 33.05                 |
| 80  | LT      | 2                    | Aviva Lietuva                    | 11.92   | 1.00   | 10.90   | 1.28   | 9.33                  |
| 81  | RO      | 4                    | ASIROM                           | 11.26   | 9.66   | 11.72   | 10.79  | -3.94                 |
| 82  | RO      | 5                    | GENERALI                         | 10.92   | 1.65   | 10.54   | 0.91   | 3.64                  |
| 83  | RO      | 6                    | ALLIANZ-TIRIAC                   | 10.20   | 1.22   | 11.22   | 0.76   | -9.10                 |
| 84  | HU      | 16                   | GRAWE                            | 10.06   | -      | 13.84   | -      | -27.29                |
| 85  | RO      | 7                    | AVIVA                            | 9.27    | 1.10   | 11.02   | 3.94   | -15.88                |
| 86  | LV      | 2                    | MANDATUM Life Ins.               | 9.12    | 1.96   | 2.13    | 1.87   | 329.00                |
| 87  | CZ      | 15                   | WÜST - ŽP                        | 9.10    | -      | 4.99    | -      | 82.44                 |
| 88  | HR      | 8                    | Helios VIG                       | 8.98    | -      | 9.35    | -      | -3.95                 |
| 89  | EE      | 3                    | SEB Elu- ja Pensionikindl.       | 8.75    | 5.39   | 8.42    | 7.10   | 3.87                  |
| 90  | EE      | 4                    | Compensa Life VIG                | 8.63    | 3.99   | 9.21    | 5.23   | -6.36                 |
| 91  | BG      | 2                    | DZI                              | 8.61    | 6.20   | 9.46    | 5.65   | -9.05                 |
| 92  | BG      | 3                    | SyVZK                            | 8.50    | 3.81   | 1.79    | 0.16   | 375.10                |
| 93  | HR      | 9                    | Uniqa                            | 7.97    | -      | 5.57    | -      | 43.05                 |
| 94  | RO      | 8                    | GROUPAMA                         | 7.29    | 2.73   | 9.14    | 2.99   | -20.17                |
| 95  | RO      | 9                    | GRAWE                            | 7.02    | 0.20   | 10.00   | 1.08   | -29.79                |
| 96  | HR      | 10                   | Erste VIG                        | 7.02    | -      | 6.30    | -      | 11.44                 |
| 97  | SL      | 10                   | ADRIATIC SLOVENICA               | 6.91    | -      | 7.44    | -      | -7.12                 |
| 98  | CZ      | 16                   | VICTORIA                         | 6.78    | -      | 4.53    | -      | 49.71                 |
| 99  | HR      | 11                   | Generali                         | 6.67    | -      | 7.56    | -      | -11.82                |
| 100 | BG      | 4                    | BULSTRAD LIFE                    | 6.55    | 2.30   | 5.49    | 1.30   | 19.26                 |
| 101 | HU      | 17                   | DIMENZIO                         | 6.35    | -      | 9.74    | -      | -34.81                |
| 102 | SK      | 13                   | ERGO Ž.p.                        | 6.28    | -      | -       | -      | -                     |
| 103 | LV      | 3                    | ERGO Latvija dzīvība             | 6.27    | 6.21   | 7.10    | 11.63  | -11.66                |
| 104 | BG      | 5                    | UNIQA LIFE                       | 6.07    | 3.49   | 7.27    | 4.69   | -16.49                |
| 105 | SK      | 14                   | UNION poist.                     | 5.89    | -      | 6.21    | -      | -5.12                 |
| 106 | LT      | 3                    | ERGO Lietuva g.d.                | 5.38    | 1.01   | 5.38    | 1.05   | -0.14                 |
| 107 | HU      | 18                   | MKB Elet                         | 5.28    | -      | 1.80    | -      | 192.69                |
| 108 | BG      | 6                    | ALICO BULGARIA                   | 5.24    | 1.25   | 5.67    | 1.35   | -7.60                 |
| 109 | HR      | 12                   | Triglav                          | 5.22    | -      | 5.67    | -      | -7.86                 |
| 110 | SL      | 11                   | TILIA                            | 5.20    | -      | 5.15    | -      | 0.89                  |
| 111 | CZ      | 17                   | CARDIF                           | 5.19    | -      | 4.71    | -      | 10.18                 |
| 112 | SK      | 15                   | VICTORIA - VOLKSBANKEN poist.    | 4.93    | -      | 3.43    | -      | 43.96                 |
| 113 | BiH     | 1                    | Merkur BH                        | 4.74    | -      | 4.25    | -      | 11.56                 |
| 114 | SB      | 4                    | DUNAV*                           | 4.19    | -      | -       | -      | -                     |
| 115 | BiH     | 2                    | Grawe                            | 4.17    | -      | 4.56    | -      | -8.69                 |
| 116 | BG      | 7                    | UBB-ALICO LIFE                   | 3.94    | 0.48   | 3.47    | 0.66   | 13.65                 |
| 117 | LV      | 4                    | Swedbank Life Ins.               | 3.89    | 0.75   | 4.34    | 0.79   | -10.27                |
| 118 | RO      | 10                   | EUREKO                           | 3.68    | 0.41   | 4.25    | 0.32   | -13.60                |
| 119 | BG      | 8                    | GENERALI LIFE                    | 3.57    | 1.58   | 4.90    | 2.05   | -27.22                |
| 120 | BiH     | 3                    | Uniqa                            | 3.46    | -      | 2.96    | -      | 16.59                 |

**Top 120 non-life insurance companies in CEE region - as at June 30<sup>th</sup>, 2010**

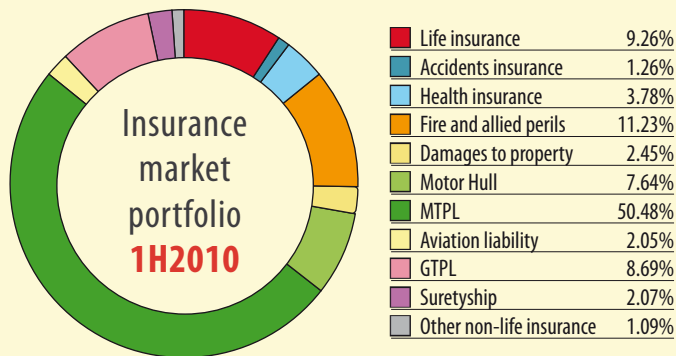
| No. | Country | Rank in home country | Company                        | 1H 2010 |        | 1H 2009 |        | NOMINAL EVOLUTION (%) |
|-----|---------|----------------------|--------------------------------|---------|--------|---------|--------|-----------------------|
|     |         |                      |                                | GWP     | CLAIMS | GWP     | CLAIMS |                       |
|     |         |                      |                                | EUR m.  | EUR m. | EUR m.  | EUR m. | EUR                   |
| 1   | PL      | 1                    | PZU SA                         | 975.37  | 632.03 | 946.59  | 559.46 | 3.04                  |
| 2   | CZ      | 1                    | KOOPERATIVA Pojistovna VIG     | 467.08  | -      | 491.21  | -      | -4.91                 |
| 3   | CZ      | 2                    | CESKA Pojistovna               | 458.63  | -      | 502.79  | -      | -8.78                 |
| 4   | SL      | 1                    | TRIGLAV                        | 305.59  | -      | 315.04  | -      | -3.00                 |
| 5   | PL      | 2                    | STU ERGO HESTIA                | 279.85  | 161.93 | 242.88  | 119.22 | 15.22                 |
| 6   | PL      | 3                    | TUIR WARTA                     | 238.67  | 165.23 | 228.49  | 137.96 | 4.46                  |
| 7   | HU      | 1                    | ALLIANZ                        | 235.50  | -      | 264.42  | -      | -10.94                |
| 8   | HR      | 1                    | CROATIA                        | 230.20  | -      | 237.94  | -      | -3.25                 |
| 9   | PL      | 4                    | TUIR ALLIANZ POLSKA            | 207.72  | 113.44 | 178.44  | 102.91 | 16.41                 |
| 10  | SK      | 1                    | ALLIANZ - Slovenská            | 196.36  | -      | 204.15  | -      | -3.81                 |
| 11  | HU      | 2                    | GENERALI-PROVIDENCIA           | 155.00  | -      | 162.56  | -      | -4.65                 |
| 12  | CZ      | 3                    | ALLIANZ                        | 143.93  | -      | 149.84  | -      | -3.94                 |
| 13  | SK      | 2                    | KOOPERATIVA VIG                | 140.39  | -      | 157.75  | -      | -11.00                |
| 14  | RO      | 1                    | ASTRA                          | 138.57  | 55.82  | 96.66   | 35.01  | 43.36                 |
| 15  | CZ      | 4                    | GENERALI Pojistovna            | 128.50  | -      | 128.42  | -      | 0.06                  |
| 16  | SL      | 2                    | ADRIATIC SLOVENICA             | 126.76  | -      | 124.01  | -      | 2.22                  |
| 17  | SL      | 3                    | VZAJEMNA (MUTUAL)              | 124.51  | -      | 127.50  | -      | -2.35                 |
| 18  | PL      | 5                    | INTERRISK TU VIG               | 121.81  | 54.05  | 75.94   | 34.27  | 60.40                 |
| 19  | RO      | 2                    | ALLIANZ-ȚIRIAC                 | 119.62  | 94.93  | 148.58  | 113.85 | -19.49                |
| 20  | PL      | 6                    | HDI ASEKURACJA TU              | 116.84  | 70.55  | 93.11   | 55.44  | 25.49                 |
| 21  | RO      | 3                    | OMNIASIG                       | 116.71  | 87.59  | 140.91  | 105.63 | -17.17                |
| 22  | SL      | 4                    | MARIBOR                        | 112.37  | -      | 122.63  | -      | -8.37                 |
| 23  | PL      | 7                    | UNIQA TU                       | 104.69  | 72.39  | 88.59   | 52.89  | 18.17                 |
| 24  | PL      | 8                    | COMPENSA TU VIG                | 93.84   | 59.71  | 75.52   | 39.69  | 24.27                 |
| 25  | CZ      | 5                    | CESKA Podnikatelska Pojistovna | 93.70   | -      | 91.14   | -      | 2.81                  |
| 26  | PL      | 9                    | GENERALI TU                    | 92.91   | 52.82  | 80.69   | 41.41  | 15.13                 |
| 27  | RO      | 4                    | GROUPAMA                       | 88.76   | 71.05  | 95.09   | 99.89  | -6.66                 |
| 28  | HU      | 3                    | GROUPAMA GARANCIA              | 80.99   | -      | 84.75   | -      | -4.44                 |
| 29  | CZ      | 6                    | CSOBP                          | 80.34   | -      | 81.03   | -      | -0.84                 |
| 30  | SB      | 1                    | DUNAV*                         | 79.58   | -      | -       | -      | -                     |
| 31  | HU      | 4                    | AEGON                          | 77.37   | -      | 77.82   | -      | -0.57                 |
| 32  | CZ      | 7                    | UNIQA                          | 73.13   | -      | 68.20   | -      | 7.24                  |
| 33  | HR      | 2                    | Euroherc                       | 68.23   | -      | 72.27   | -      | -5.59                 |
| 34  | RO      | 5                    | BCR Asigurări                  | 62.35   | 41.88  | 74.16   | 48.72  | -15.93                |
| 35  | HU      | 5                    | UNIQA                          | 61.78   | -      | 62.94   | -      | -1.85                 |
| 36  | PL      | 10                   | MTU Moje                       | 60.84   | 37.34  | 46.50   | 24.78  | 30.83                 |
| 37  | PL      | 11                   | TU EUROPA                      | 57.79   | 1.80   | 31.46   | 0.47   | 83.69                 |
| 38  | RO      | 6                    | ASIROM                         | 56.96   | 42.18  | 71.24   | 62.29  | -20.04                |
| 39  | BG      | 1                    | BULSTRAD                       | 56.53   | 33.11  | 61.50   | 25.04  | -8.07                 |
| 40  | SK      | 3                    | GENERALI Slovensko             | 56.17   | -      | 59.65   | -      | -5.82                 |
| 41  | EE      | 1                    | If P&C Ins. AS                 | 56.05   | 33.02  | 34.90   | 20.09  | 60.63                 |
| 42  | PL      | 12                   | PTU                            | 56.04   | 35.27  | 49.10   | 28.26  | 14.12                 |
| 43  | SB      | 2                    | DDOR*                          | 55.58   | -      | -       | -      | -                     |
| 44  | RO      | 7                    | UNIQA                          | 52.07   | 47.40  | 58.72   | 50.47  | -11.32                |
| 45  | HR      | 3                    | Allianz Zagreb                 | 50.38   | -      | 50.63   | -      | -0.49                 |
| 46  | LT      | 1                    | Lietuvos draudimas             | 49.03   | 28.73  | 52.18   | 35.47  | -6.04                 |
| 47  | CZ      | 8                    | EGAP                           | 48.55   | -      | 13.44   | -      | 261.11                |
| 48  | RO      | 8                    | GENERALI                       | 45.58   | 27.38  | 47.41   | 25.56  | -3.86                 |
| 49  | HR      | 4                    | Jadransko                      | 44.75   | -      | 46.72   | -      | -4.22                 |
| 50  | BG      | 2                    | DZI - General Ins.             | 44.63   | 31.23  | 53.70   | 27.11  | -16.88                |
| 51  | RO      | 9                    | EUROINS                        | 42.31   | 23.63  | 41.68   | 16.01  | 1.51                  |
| 52  | SB      | 3                    | DELTA GENERALI osig.*          | 40.63   | -      | -       | -      | -                     |
| 53  | RO      | 10                   | CARPATICA Asig.                | 40.61   | 12.58  | 17.45   | 4.55   | 132.66                |
| 54  | BG      | 3                    | ARMEEC                         | 36.47   | 16.78  | 37.90   | 14.72  | -3.77                 |
| 55  | BG      | 4                    | Allianz Bulgaria               | 36.26   | 17.58  | 36.19   | 18.49  | 0.21                  |
| 56  | SK      | 4                    | UNIQA poist.                   | 36.06   | -      | 37.05   | -      | -2.66                 |
| 57  | SL      | 5                    | TILIA                          | 36.01   | -      | 35.32   | -      | 1.95                  |
| 58  | SL      | 6                    | TRIGLAV HEALTH                 | 36.01   | -      | 33.51   | -      | 7.44                  |
| 59  | BG      | 5                    | BUL INS                        | 34.08   | 12.96  | 29.08   | 15.43  | 17.21                 |
| 60  | RO      | 11                   | ARDAF                          | 34.02   | 30.52  | 38.60   | 30.87  | -11.85                |



| No. | Country | Rank in home country | Company                | 1H 2010 |        | 1H 2009 |        | NOMINAL EVOLUTION (%)<br>EUR |
|-----|---------|----------------------|------------------------|---------|--------|---------|--------|------------------------------|
|     |         |                      |                        | GWP     | CLAIMS | GWP     | CLAIMS |                              |
|     |         |                      |                        | EUR m.  | EUR m. | EUR m.  | EUR m. |                              |
| 61  | SL      | 7                    | GENERALI               | 33.67   | -      | 27.85   | -      | 20.91                        |
| 62  | BG      | 6                    | LEV INS                | 32.97   | 17.28  | 39.40   | 12.13  | -16.32                       |
| 63  | LV      | 1                    | BTA                    | 32.83   | 17.28  | 43.17   | 23.65  | -23.95                       |
| 64  | PL      | 13                   | TUWTUW                 | 32.73   | 19.60  | 25.63   | 11.03  | 27.72                        |
| 65  | CZ      | 9                    | CARDIF                 | 31.03   | -      | 27.33   | -      | 13.56                        |
| 66  | PL      | 14                   | TU EULER HERMES        | 30.33   | 33.08  | 24.03   | 13.58  | 26.22                        |
| 67  | PL      | 15                   | PTR                    | 30.29   | 16.96  | 36.90   | 20.68  | -17.91                       |
| 68  | PL      | 16                   | AVIVA TU OGÓLNYCH      | 29.52   | 14.77  | 22.11   | 8.20   | 33.53                        |
| 69  | PL      | 17                   | LINK4 TU               | 27.95   | 17.52  | 28.08   | 16.33  | -0.44                        |
| 70  | HU      | 6                    | K&H                    | 27.77   | -      | 31.05   | -      | -10.57                       |
| 71  | LV      | 2                    | GJENSIDIGE Baltic      | 27.62   | 20.16  | 35.57   | 19.92  | -22.34                       |
| 72  | PL      | 18                   | CONCORDIA POLSKA TUW   | 27.05   | 10.88  | 17.18   | 4.74   | 57.50                        |
| 73  | HU      | 7                    | UNION                  | 26.77   | -      | 46.38   | -      | -42.27                       |
| 74  | SK      | 5                    | KOMUNÁLNA VIG          | 26.44   | -      | 24.51   | -      | 7.86                         |
| 75  | PL      | 19                   | BENEFIA TU VIG         | 26.27   | 15.58  | 20.51   | 12.61  | 28.12                        |
| 76  | HR      | 5                    | Triglav                | 25.69   | -      | 24.36   | -      | 5.43                         |
| 77  | PL      | 20                   | TUW SKOK               | 25.36   | 0.74   | 23.01   | 0.49   | 10.22                        |
| 78  | LV      | 3                    | BALTA                  | 24.25   | 14.59  | 37.62   | 20.45  | -35.55                       |
| 79  | HR      | 6                    | Kvarner VIG            | 23.02   | -      | 24.24   | -      | -5.04                        |
| 80  | EE      | 2                    | ERGO Kindl.            | 22.07   | 15.40  | 24.42   | 18.31  | -9.63                        |
| 81  | EE      | 3                    | Swedbank Varakindl.    | 20.46   | 10.88  | 20.23   | 11.53  | 1.14                         |
| 82  | LT      | 2                    | PZU Lietuva            | 19.09   | 12.67  | 21.08   | 13.47  | -9.41                        |
| 83  | LT      | 3                    | BTA draudimas          | 18.86   | 10.20  | 20.65   | 10.98  | -8.70                        |
| 84  | LT      | 4                    | ERGO Lietuva           | 18.82   | 11.41  | 22.08   | 15.73  | -14.79                       |
| 85  | BG      | 7                    | EUROINS                | 17.56   | 9.16   | 18.54   | 9.91   | -5.27                        |
| 86  | MN      | 1                    | Lovćen                 | 16.67   | -      | -       | -      | -                            |
| 87  | BG      | 8                    | VICTORIA               | 16.55   | 4.52   | 13.92   | 4.59   | 18.95                        |
| 88  | BG      | 9                    | UNIQA Ins.             | 16.43   | 9.81   | 16.14   | 14.50  | 1.79                         |
| 89  | HR      | 7                    | Basler osig. Zagreb    | 15.65   | -      | 15.67   | -      | -0.16                        |
| 90  | BG      | 10                   | Generali Ins.          | 14.78   | 5.40   | 17.68   | 7.52   | -16.41                       |
| 91  | HR      | 8                    | Generali               | 14.76   | -      | 11.99   | -      | 23.10                        |
| 92  | HU      | 8                    | MAGYAR Posta           | 14.71   | -      | 13.06   | -      | 12.62                        |
| 93  | EE      | 4                    | Seesam Rahvusvaheline  | 14.69   | 9.41   | 15.33   | 9.38   | -4.18                        |
| 94  | BiH     | 1                    | Sarajevo               | 14.64   | -      | 13.18   | -      | 11.08                        |
| 95  | HU      | 9                    | CHARTIS                | 14.06   | -      | 12.21   | -      | 15.20                        |
| 96  | CZ      | 10                   | TRIGLAV                | 13.92   | -      | 14.82   | -      | -6.05                        |
| 97  | SK      | 6                    | UNION poist.           | 13.60   | -      | 11.01   | -      | 23.62                        |
| 98  | SB      | 4                    | UNIQA nezivot          | 13.08   | -      | -       | -      | -                            |
| 99  | HR      | 9                    | Sunce                  | 13.08   | -      | 13.57   | -      | -3.67                        |
| 100 | RO      | 12                   | GARANTA                | 12.94   | 11.05  | 17.57   | 11.76  | -26.35                       |
| 101 | BG      | 11                   | BULGARSKI IMOTI        | 12.71   | 9.91   | 13.35   | 5.86   | -4.85                        |
| 102 | SB      | 5                    | WIENER*                | 12.54   | -      | -       | -      | -                            |
| 103 | CZ      | 11                   | PCS                    | 12.45   | -      | 2.01    | -      | 520.21                       |
| 104 | HU      | 10                   | KOBE                   | 12.39   | -      | 15.43   | -      | -19.73                       |
| 105 | HR      | 10                   | HOK                    | 12.12   | -      | 10.29   | -      | 17.72                        |
| 106 | BiH     | 2                    | Bosna-Sunce            | 11.78   | -      | 12.14   | -      | -3.02                        |
| 107 | CZ      | 12                   | SLAVIA                 | 11.61   | -      | 5.08    | -      | 128.45                       |
| 108 | LV      | 4                    | IF LATVIA              | 11.56   | 6.09   | 14.81   | 8.13   | -21.96                       |
| 109 | SK      | 7                    | WUSTENROT poist.       | 11.30   | -      | 7.90    | -      | 42.97                        |
| 110 | SK      | 8                    | ČSOB poist.            | 11.25   | -      | 11.07   | -      | 1.64                         |
| 111 | CZ      | 13                   | HVP                    | 11.06   | -      | 10.25   | -      | 7.95                         |
| 112 | MK      | 1                    | Vardar                 | 10.68   | 6.25   | 11.76   | 7.24   | -9.19                        |
| 113 | HR      | 11                   | Grawe Hrvatska         | 10.54   | -      | 10.77   | -      | -2.16                        |
| 114 | BiH     | 3                    | Euroherc               | 10.41   | -      | 9.64    | -      | 8.01                         |
| 115 | HU      | 11                   | QBE Europe Fioktelep   | 10.11   | -      | 11.01   | -      | -8.21                        |
| 116 | SB      | 6                    | TAKOVO                 | 9.47    | -      | -       | -      | -                            |
| 117 | HR      | 12                   | Croatia zdravstveno    | 9.36    | -      | 8.67    | -      | 7.94                         |
| 118 | SL      | 8                    | SID-PKZ (SEC-FCI)      | 9.35    | -      | 4.93    | -      | 89.42                        |
| 119 | BG      | 12                   | Municipal Ins. Company | 9.08    | 1.54   | 5.12    | 0.97   | 77.13                        |
| 120 | HU      | 12                   | GENERTEL               | 9.05    | -      | 7.26    | -      | 24.75                        |



## ALBANIA



### Sources:

Albanian Financial Supervisory Authority (AFSA)  
Albanian Insurers Association; Bank of Albania

### Albanian currency exchange rate for calculations:

1 EUR = 130,76 Lek - ALL (June 30<sup>th</sup> 2009)

1 EUR = 136,45 Lek - ALL (June 30<sup>th</sup> 2010)

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 3.1      | 3.1      |
| Nominal GDP (ALL billion)        | 1161.1   | 1259.8   |
| GDP per capita (USD)             | 3,962    | 3,326    |
| Real GDP growth, % change y/y    | 4.0      | 5.1      |
| Consumer price, % y-o-y, eop     | 3.5      | 3.2      |

In all cases: (e) - estimation  
(f) - forecast

The Albanian economy has been partially sheltered from the global financial crisis and the economic downturn. Albania's economy grew 2.8% in 2009, according to International Monetary Fund data.

Still, the insurance market declined in 2009 the by 0.14%, and in 1H/2010 lost 6.47% as compared to January – June 2009, to EUR28.97m.

Non-life insurers concluded 274,054 policies, a 17.89% lower volume than one year ago, while the number of life insurance policies was of 32,447, 13.16% y-o-y higher.

As far as claims are concerned, during 1H/2010 the market witnessed an increase of the claims volume by 1,540 files, to a total number of 7,478 for the analyzed period. Most of the claims, ie 7,441 was related to non-life insurance, while life insurers registered only 35 claims. Only 2 claims were filed on the reinsurance line of business.

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                     | 1H 2010      |             | 1H 2009      |             | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|-----------------------------------|--------------|-------------|--------------|-------------|-----------------------|-------------------------|---------------|
|                                   | GWP          | CLAIMS      | GWP          | CLAIMS      |                       |                         |               |
|                                   | EUR m.       | EUR m.      | EUR m.       | EUR m.      |                       |                         |               |
| <b>TOTAL MARKET</b>               | <b>28.97</b> | <b>7.39</b> | <b>30.97</b> | <b>5.91</b> | <b>-6.47</b>          | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>                 | <b>2.68</b>  | <b>0.21</b> | <b>2.60</b>  | <b>0.17</b> | <b>3.29</b>           | <b>100.00</b>           | <b>9.26</b>   |
| Debtor's life                     | 1.77         | 0.21        | 1.73         | 0.16        | 2.00                  | 65.92                   | 6.11          |
| Group life                        | 0.23         | 0.00        | 0.26         | 0.01        | -9.74                 | 8.75                    | 0.81          |
| Life with savings                 | 0.49         | -           | 0.31         | -           | 54.79                 | 18.13                   | 1.68          |
| Other life insurance              | 0.19         | 0.01        | 0.29         | 0.00        | -33.25                | 7.20                    | 0.67          |
| <b>TOTAL NON-LIFE</b>             | <b>26.29</b> | <b>7.17</b> | <b>28.38</b> | <b>5.73</b> | <b>-7.37</b>          | <b>100.00</b>           | <b>90.74</b>  |
| Accidents insurance               | 0.36         | 0.05        | 0.40         | 0.03        | -9.94                 | 1.39                    | 1.26          |
| Health insurance                  | 1.09         | 0.20        | 1.18         | 0.15        | -7.41                 | 4.16                    | 3.78          |
| <b>Overall property insurance</b> | <b>3.96</b>  | <b>0.39</b> | <b>3.58</b>  | <b>0.23</b> | <b>10.61</b>          | <b>15.08</b>            | <b>13.68</b>  |
| Fire and allied perils            | 3.25         | 0.33        | 3.00         | 0.23        | 8.50                  | 12.37                   | 11.23         |
| Damages to property               | 0.71         | 0.06        | 0.59         | 0.00        | 21.42                 | 2.70                    | 2.45          |
| <b>Overall motor insurance</b>    | <b>16.84</b> | <b>6.31</b> | <b>18.60</b> | <b>5.23</b> | <b>-9.49</b>          | <b>64.06</b>            | <b>58.13</b>  |
| Motor Hull                        | 2.21         | 1.82        | 2.13         | 1.61        | 4.00                  | 8.42                    | 7.64          |
| MTPL                              | 14.62        | 4.49        | 16.48        | 3.62        | -11.23                | 55.64                   | 50.48         |
| DMTPL                             | 10.68        | 2.91        | 11.13        | 2.22        | -4.05                 | 40.63                   | 36.86         |
| Green Card                        | 3.10         | 1.51        | 4.56         | 1.36        | -32.15                | 11.78                   | 10.69         |
| Border                            | 0.85         | 0.06        | 0.78         | 0.04        | 8.60                  | 3.23                    | 2.93          |
| Aviation liability                | 0.60         | -           | 0.35         | -           | 70.27                 | 2.26                    | 2.05          |
| GTPL                              | 2.52         | -           | 3.00         | 0.07        | -16.07                | 9.57                    | 8.69          |
| Suretyship                        | 0.60         | 0.21        | 0.93         | 0.01        | -35.92                | 2.28                    | 2.07          |
| Other non-life insurance          | 0.31         | 0.02        | 0.32         | 0.01        | -1.88                 | 1.20                    | 1.09          |

## Life insurance ranking

| No.                 | Company    | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |            | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |            | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | SIGAL LIFE | 1.59        | 0.08        | 1.42        | 0.13        | 11.59                 | 59.19         |
| 2                   | SICRED     | 0.59        | 0.11        | 0.64        | 0.03        | -8.17                 | 21.84         |
| 3                   | INSIG      | 0.51        | 0.03        | 0.54        | 0.02        | -5.12                 | 18.96         |
| <b>TOTAL MARKET</b> |            | <b>2.68</b> | <b>0.21</b> | <b>2.60</b> | <b>0.17</b> | <b>3.29</b>           | <b>100.00</b> |

## Non-Life insurance ranking

| No.                 | Company       | 1H 2010      |             | 1H 2009      |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|--------------|-------------|--------------|-------------|-----------------------|---------------|
|                     |               | GWP          | CLAIMS      | GWP          | CLAIMS      |                       |               |
|                     |               | EUR m.       | EUR m.      | EUR m.       | EUR m.      |                       |               |
| 1                   | SIGAL         | 8.05         | 2.34        | 7.94         | 2.01        | 1.35                  | 30.62         |
| 2                   | SIGMA         | 4.37         | 1.41        | 4.54         | 1.26        | -3.87                 | 16.61         |
| 3                   | INTERALBANIAN | 2.98         | 0.89        | 3.27         | 0.61        | -9.05                 | 11.32         |
| 4                   | ATLANTIK      | 2.60         | 0.71        | 2.68         | 0.45        | -2.99                 | 9.90          |
| 5                   | INSIG         | 2.53         | 0.64        | 3.98         | 0.56        | -36.27                | 9.64          |
| 6                   | INTERSIG      | 2.25         | 0.46        | 2.45         | 0.37        | -8.16                 | 8.56          |
| 7                   | ALBSIG        | 1.94         | 0.39        | 1.98         | 0.31        | -1.84                 | 7.39          |
| 8                   | EUROSIG       | 1.56         | 0.32        | 1.53         | 0.17        | 2.20                  | 5.95          |
| <b>TOTAL MARKET</b> |               | <b>26.29</b> | <b>7.17</b> | <b>28.38</b> | <b>5.73</b> | <b>-7.37</b>          | <b>100.00</b> |

## Overall motor insurance ranking

| No.                 | Company       | 1H 2010      |             | 1H 2009      |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|--------------|-------------|--------------|-------------|-----------------------|---------------|
|                     |               | GWP          | CLAIMS      | GWP          | CLAIMS      |                       |               |
|                     |               | EUR m.       | EUR m.      | EUR m.       | EUR m.      |                       |               |
| 1                   | SIGAL         | 4.44         | 1.38        | 4.58         | 1.17        | -3.02                 | 26.37         |
| 2                   | SIGMA         | 2.57         | 0.82        | 3.52         | 0.60        | -26.86                | 15.29         |
| 3                   | INTERALBANIAN | 2.06         | 0.48        | 2.17         | 0.28        | -4.77                 | 12.25         |
| 4                   | ATLANTIK      | 1.98         | 0.41        | 2.23         | 0.40        | -11.32                | 11.73         |
| 5                   | INTERSIG      | 1.87         | 0.29        | 2.00         | 0.24        | -6.42                 | 11.11         |
| 6                   | ALBSIG        | 1.48         | 0.25        | 1.58         | 0.18        | -6.08                 | 8.82          |
| 7                   | INSIG         | 1.31         | 0.21        | 1.42         | 0.24        | -7.93                 | 7.77          |
| 8                   | EUROSIG       | 1.12         | 0.17        | 1.11         | 0.12        | 1.02                  | 6.66          |
| <b>TOTAL MARKET</b> |               | <b>16.84</b> | <b>4.00</b> | <b>18.60</b> | <b>3.23</b> | <b>-9.49</b>          | <b>100.00</b> |

## DMTPL insurance ranking

| No.                 | Company       | 1H 2010      |             | 1H 2009      |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|--------------|-------------|--------------|-------------|-----------------------|---------------|
|                     |               | GWP          | CLAIMS      | GWP          | CLAIMS      |                       |               |
|                     |               | EUR m.       | EUR m.      | EUR m.       | EUR m.      |                       |               |
| 1                   | SIGAL         | 2.78         | 0.91        | 2.62         | 0.68        | 6.27                  | 26.08         |
| 2                   | SIGMA         | 1.70         | 0.48        | 1.93         | 0.49        | -12.22                | 15.88         |
| 3                   | INTERSIG      | 1.27         | 0.37        | 1.25         | 0.27        | 1.29                  | 11.90         |
| 4                   | ATLANTIK      | 1.21         | 0.26        | 1.27         | 0.20        | -4.69                 | 11.32         |
| 5                   | INTERALBANIAN | 1.12         | 0.24        | 1.16         | 0.17        | -3.94                 | 10.46         |
| 6                   | ALBSIG        | 0.96         | 0.23        | 1.07         | 0.13        | -10.44                | 8.96          |
| 7                   | EUROSIG       | 0.90         | 0.23        | 0.89         | 0.17        | 0.49                  | 8.42          |
| 8                   | INSIG         | 0.75         | 0.20        | 0.93         | 0.09        | -19.63                | 6.99          |
| <b>TOTAL MARKET</b> |               | <b>10.68</b> | <b>2.91</b> | <b>11.13</b> | <b>2.22</b> | <b>-4.05</b>          | <b>100.00</b> |



# country profile

## Green Card insurance ranking

| No.                 | Company       | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |               | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |               | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | SIGAL         | 0.82        | 0.49        | 1.20        | 0.41        | -31.47                | 26.46         |
| 2                   | SIGMA         | 0.47        | 0.35        | 1.15        | 0.10        | -59.40                | 15.13         |
| 3                   | ATLANTIK      | 0.46        | 0.35        | 0.65        | 0.56        | -29.54                | 14.72         |
| 4                   | INTERSIG      | 0.44        | 0.12        | 0.56        | 0.01        | -21.77                | 14.18         |
| 5                   | ALBSIG        | 0.34        | 0.07        | 0.34        | 0.05        | 2.37                  | 11.11         |
| 6                   | INTERALBANIAN | 0.32        | 0.07        | 0.51        | 0.14        | -36.69                | 10.48         |
| 7                   | INSIG         | 0.25        | 0.06        | 0.16        | 0.09        | 55.87                 | 7.92          |
| 8                   | EUROSIG       | 1.12        | 0.17        | 1.11        | 0.12        | 1.02                  | 6.66          |
| <b>TOTAL MARKET</b> |               | <b>3.10</b> | <b>1.51</b> | <b>4.56</b> | <b>1.36</b> | <b>-32.15</b>         | <b>100.00</b> |

## Overall property insurance ranking\*

| No.                 | Company       | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |               | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |               | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | SIGAL         | 3.19        | 0.21        | 2.98        | 0.13        | 7.15                  | 39.18         |
| 2                   | SIGMA         | 1.61        | 0.16        | 0.78        | 0.08        | 105.93                | 19.75         |
| 3                   | INSIG         | 1.17        | 0.11        | 2.45        | 0.02        | -52.25                | 14.37         |
| 4                   | INTERALBANIAN | 0.70        | 0.07        | 0.85        | 0.02        | -17.57                | 8.58          |
| 5                   | ATLANTIK      | 0.54        | 0.04        | 0.32        | 0.04        | 71.33                 | 6.69          |
| 6                   | ALBSIG        | 0.35        | 0.01        | 0.26        | 0.02        | 33.83                 | 4.26          |
| 7                   | EUROSIG       | 0.34        | 0.01        | 0.31        | 0.01        | 9.35                  | 4.20          |
| 8                   | INTERSIG      | 0.24        | 0.00        | 0.32        | 0.00        | -25.48                | 2.97          |
| <b>TOTAL MARKET</b> |               | <b>8.14</b> | <b>0.61</b> | <b>8.27</b> | <b>0.32</b> | <b>-1.55</b>          | <b>100.00</b> |

\*In property portfolio, only for statistical purpose, all insurance classes except motor insurance and accident & health insurance are included

## Accidents and health insurance ranking

| No.                 | Company       | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |               | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |               | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | SIGAL         | 0.57        | 0.21        | 0.47        | 0.12        | 21.66                 | 39.26         |
| 2                   | INTERALBANIAN | 0.22        | 0.03        | 0.26        | 0.02        | -16.95                | 14.77         |
| 3                   | SIGMA         | 0.18        | 0.01        | 0.24        | 0.00        | -23.85                | 12.67         |
| 4                   | INTERSIG      | 0.14        | 0.00        | 0.13        | 0.00        | 8.67                  | 9.43          |
| 5                   | ALBSIG        | 0.11        | 0.00        | 0.14        | 0.01        | -20.06                | 7.65          |
| 6                   | EUROSIG       | 0.10        | 0.00        | 0.11        | 0.02        | -6.53                 | 6.88          |
| 7                   | ATLANTIK      | 0.08        | 0.00        | 0.14        | 0.00        | -40.31                | 5.57          |
| 8                   | INSIG         | 0.05        | 0.00        | 0.10        | 0.01        | -47.11                | 3.77          |
| <b>TOTAL MARKET</b> |               | <b>1.46</b> | <b>0.25</b> | <b>1.59</b> | <b>0.18</b> | <b>-8.06</b>          | <b>100.00</b> |





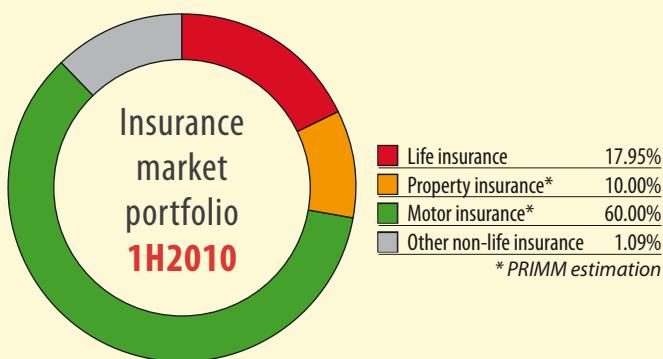
# BOSNIA & HERZEGOVINA

Total gross premiums realized on the insurance market of BiH in 1H/2009 amounted to EUR88m, while in 1H/2010 a growth rate of 3.67% was achieved, and gross premiums reached EUR91.3m.

The new leader on life insurance segment is MERKUR osiguranje. The insurer holds a market share of around 29%. So, first three ranked insurance companies, in terms of gross written premiums for life insurance, are: MERKUR, GRAWE and UNIQA osiguranje, their cumulated market share amounting to 75% in 1H/2010.

Like previous years, SARAJEVO osiguranje has a dominant position on the non-life insurance market, as its premiums represented almost 20% of the total premiums. The second and the third positions in the non-life ranking belong to BOSNA-SUNCE and EUROHERC.

Although there are no market data available concerning the paid claims amount, according to the local media, Bosnian insurers are dealing with a worrying escalation of the paid claims for motor insurance, especially for car thefts. According to "Nezavisne novine", car claim settlements in this area amounted to EUR2.7m in 2009, reflecting the increasing by around 61% registered in the last two years by the number of insured vehicles stolen.



#### Sources:

Insurance Supervisory Agency of Federation of Bosnia and Herzegovina (NADOS)

Association of Insurance and Re-insurance Companies in BiH (AZO BiH); Central Bank of Bosnia and Herzegovina

**Bosnian currency exchange rate for calculations:**  
1 EUR = 1.95583 Convertible marks - BAM (fixed)

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 3.9      | 3.9      |
| Nominal GDP (BAM billion)        | 28.3     | 28.8     |
| GDP per capita (USD)             | 5283     | 5178     |
| Real GDP growth, % change y/y    | -3.0     | 1.5      |
| Consumer price, % y-o-y, eop     | 0.0      | 2.0      |

#### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line               | GWP 1H 2010 | GWP 1H 2009 | Nominal Evolution (%) | % in all GWP |
|-----------------------------|-------------|-------------|-----------------------|--------------|
|                             | EUR m.      | EUR m.      | EUR                   | %            |
| TOTAL MARKET                | 91.27       | 88.04       | 3.67                  | 100.00       |
| LIFE                        | 16.38       | 15.27       | 7.30                  | 17.95        |
| NON-LIFE                    | 74.89       | 72.77       | 2.91                  | 82.05        |
| Overall property insurance* | 9.13        | 8.80        | 3.67                  | 10.00        |
| Overall motor insurance*    | 54.76       | 52.82       | 3.67                  | 60.00        |
| Other non-life insurance    | 11.00       | 11.15       | -1.30                 | 12.05        |

\* PRIMM estimation

#### Life insurance ranking

| Company      | GWP 1H 2010 | GWP 1H 2009 | Nominal Evolution (%) | MARKET SHARE |
|--------------|-------------|-------------|-----------------------|--------------|
|              | EUR m.      | EUR m.      | EUR                   | %            |
| MERKUR BH    | 4.74        | 4.25        | 11.56                 | 28.95        |
| GRAWE        | 4.17        | 4.56        | -8.69                 | 25.44        |
| UNIQA        | 3.46        | 2.96        | 16.59                 | 21.10        |
| CROATIA      | 1.80        | 1.65        | 9.39                  | 11.02        |
| SARAJEVO     | 0.80        | 0.57        | 40.72                 | 4.91         |
| TRIGLAV BH   | 0.65        | 0.50        | 30.67                 | 3.98         |
| BOSNA-SUNCE  | 0.62        | 0.36        | 73.25                 | 3.80         |
| LOK          | 0.10        | 0.10        | -3.99                 | 0.59         |
| HERCEGOVINA  | 0.04        | 0.31        | -88.36                | 0.22         |
| TOTAL MARKET | 16.38       | 15.27       | 7.30                  | 100.00       |

#### Non - Life insurance ranking

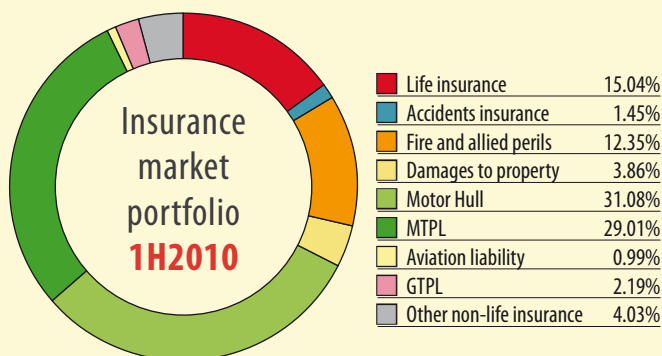
| Company      | GWP 1H 2010 | GWP 1H 2009 | Nominal Evolution (%) | MARKET SHARE |
|--------------|-------------|-------------|-----------------------|--------------|
|              | EUR m.      | EUR m.      | EUR                   | %            |
| SARAJEVO     | 14.64       | 13.18       | 11.08                 | 19.54        |
| BOSNA-SUNCE  | 11.78       | 12.14       | -3.02                 | 15.72        |
| EUROHERC     | 10.41       | 9.64        | 8.01                  | 13.90        |
| CROATIA      | 8.18        | 7.17        | 14.01                 | 10.92        |
| TRIGLAV BH   | 8.00        | 8.55        | -6.43                 | 10.68        |
| VGT          | 6.73        | 5.88        | 14.57                 | 8.99         |
| UNIQA        | 5.52        | 5.37        | 2.82                  | 7.37         |
| ASA          | 2.43        | 2.06        | 18.06                 | 3.25         |
| CAMELIJA     | 2.10        | 2.50        | -15.68                | 2.81         |
| LIDO         | 1.96        | 2.71        | -27.62                | 2.62         |
| ZOVKO        | 1.89        | 1.69        | 11.99                 | 2.52         |
| HERCEGOVINA  | 0.66        | 1.56        | -57.69                | 0.88         |
| GRAWE        | 0.53        | 0.25        | 113.96                | 0.71         |
| MERKUR BH    | 0.06        | 0.09        | -30.90                | 0.08         |
| TOTAL 10     | 71.75       | 69.19       | 3.70                  | 95.80        |
| TOTAL MARKET | 16.38       | 15.27       | 7.30                  | 100.00       |



## BULGARIA

In 2009, for the first time in six years, Bulgaria's insurance market decreased by 6.3%. In 2010, it continued the same trend, with premiums adding up to EUR 414.3 million, according to the figures presented by the Financial Supervisory Commission (FSC).

Life insurance grew by 7% to EUR 62,3 million, but according to the Bulgarian sources, most of the increase came from a methodological change in the reporting



#### Sources:

The Financial Supervision Commission of Bulgaria (FSC)

The Association of Bulgarian Insurers (ABZ)

Bulgarian National Bank

[www.insurance.bg](http://www.insurance.bg)

#### Bulgarian currency exchange rate for calculations:

1 EUR = 1.95583 Leva - BGN (fixed)

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 7.5      | 7.5      |
| Nominal GDP (BGN billion)        | 67.5     | 67.3     |
| GDP per capita (USD)             | 5775     | 5437     |
| Real GDP growth, % change y/y    | -5.3     | -2.6     |
| Consumer price, % y-o-y, eop     | 1.0      | 3.2      |

procedures used by Sindikalna VKZ, which distorted the market also in the early months of the year. Beyond this technical change, the life insurance market remained victim to stale demand. The most affected line remains the UL insurance, with a y-o-y nominal drop in underwritings of 6.5% and a 44% rise in paid indemnities.

The non-life insurance market has fallen by more than 3,7%. According to FSC data, motor third-party liability and comprehensive policies account for as much as more than 70% of Bulgaria's non-life insurance market.

The mandatory comprehensive motor policy remains the main prop for the performance, saving the sector from a steeper drop. Orlin PENEV, Chairman of the Bulgarian Insurers' Association, told Dnevnik that the motor third-party liability policy has played the key role in offsetting a deeper decline. While almost all other business lines went down, MTPL premiums surged by 18% y-o-y, to over EUR120.15m, although according insurers' opinion the MTPL tariffs are still to low. The market penetration of the MTPL policy has been hovered around 76% over the past couple of months against the European Union (EU) requirement of more than 90%.

Paid claims rose by more than 6% in the first six months of the year to EUR202.4m.

The Bulgarian insurance market swung to a combined profit of EUR15.28m in 1H2010, compared with a EUR4m loss for the same period of last year. This comes mostly from either higher investment income or a change in the size of some reserves in line with shrinking business, according to the industry.

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                     | 1H 2010       |               | 1H 2009       |               | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|-----------------------------------|---------------|---------------|---------------|---------------|-----------------------|-------------------------|---------------|
|                                   | GWP           | CLAIMS        | GWP           | CLAIMS        |                       |                         |               |
|                                   | EUR m.        | EUR m.        | EUR m.        | EUR m.        |                       |                         |               |
| <b>TOTAL MARKET</b>               | <b>414.29</b> | <b>202.43</b> | <b>429.03</b> | <b>183.41</b> | <b>-3.44</b>          | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>                 | <b>62.29</b>  | <b>26.50</b>  | <b>58.22</b>  | <b>21.94</b>  | <b>6.99</b>           | <b>100.00</b>           | <b>15.04</b>  |
| Life insurance and annuities      | 47.82         | 20.11         | 43.71         | 16.32         | 9.40                  | 76.77                   | 11.54         |
| Unit-linked                       | 2.60          | 2.59          | 2.78          | 1.80          | -6.46                 | 4.17                    | 0.63          |
| Other life insurance              | 11.87         | 3.80          | 11.74         | 3.82          | 1.19                  | 19.06                   | 2.87          |
| <b>TOTAL NON-LIFE</b>             | <b>352.00</b> | <b>175.93</b> | <b>370.81</b> | <b>161.47</b> | <b>-5.07</b>          | <b>100.00</b>           | <b>84.96</b>  |
| Accident                          | 6.00          | 1.13          | 7.15          | 1.16          | -16.08                | 1.70                    | 1.45          |
| <b>Overall property insurance</b> | <b>67.16</b>  | <b>13.73</b>  | <b>68.25</b>  | <b>5.91</b>   | <b>-1.60</b>          | <b>19.08</b>            | <b>16.21</b>  |
| Fire and allied perils            | 51.15         | 8.55          | 48.42         | 4.32          | 5.64                  | 14.53                   | 12.35         |
| Damages to property               | 16.01         | 5.18          | 19.83         | 1.59          | -19.27                | 4.55                    | 3.86          |
| <b>Overall motor insurance</b>    | <b>248.97</b> | <b>145.98</b> | <b>258.72</b> | <b>144.26</b> | <b>-3.77</b>          | <b>70.73</b>            | <b>60.10</b>  |
| Motor Hull                        | 128.78        | 85.83         | 156.96        | 94.34         | -17.96                | 36.58                   | 31.08         |
| MTPL                              | 120.20        | 60.15         | 101.76        | 49.92         | 18.12                 | 34.15                   | 29.01         |
| Aviation                          | 4.09          | 0.00          | 3.71          | 0.16          | 10.32                 | 1.16                    | 0.99          |
| GTPL                              | 9.06          | 2.17          | 8.95          | 1.20          | 1.23                  | 2.57                    | 2.19          |
| Other non-life insurance          | 16.71         | 12.92         | 24.03         | 8.79          | -30.45                | 4.75                    | 4.03          |

## Life insurance ranking

| No.                 | Company              | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|----------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                      | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                      | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | ALLIANZ LIFE         | 12.33        | 5.77         | 12.14        | 4.69         | 1.57                  | 19.79         |
| 2                   | DZI                  | 8.61         | 6.20         | 9.46         | 5.65         | -9.05                 | 13.82         |
| 3                   | SyVZK                | 8.50         | 3.81         | 1.79         | 0.16         | 375.10                | 13.64         |
| 4                   | BULSTRAD LIFE        | 6.55         | 2.30         | 5.49         | 1.30         | 19.26                 | 10.52         |
| 5                   | UNIQA LIFE           | 6.07         | 3.49         | 7.27         | 4.69         | -16.49                | 9.74          |
| 6                   | ALICO BULGARIA       | 5.24         | 1.25         | 5.67         | 1.35         | (7.60)                | 8.42          |
| 7                   | UBB-ALICO LIFE       | 3.94         | 0.48         | 3.47         | 0.66         | 13.65                 | 6.33          |
| 8                   | GENERALI LIFE        | 3.57         | 1.58         | 4.90         | 2.05         | -27.22                | 5.73          |
| 9                   | GRAWE LIFE           | 2.53         | 0.50         | 2.74         | 0.51         | (7.72)                | 4.06          |
| 10                  | SOGE LIFE BULGARIA   | 1.52         | 0.30         | 1.24         | 0.10         | 21.95                 | 2.43          |
| 11                  | GROUPAMA LIFE        | 1.46         | 0.34         | 1.95         | 0.37         | -25.13                | 2.34          |
| 12                  | CCB LIFE             | 0.66         | 0.12         | 0.39         | 0.06         | 69.20                 | 1.06          |
| 13                  | KD LIFE              | 0.57         | 0.07         | 0.59         | 0.01         | -3.91                 | 0.91          |
| 14                  | INTERAMERICAN LIFE   | 0.36         | 0.01         | 0.32         | 0.00         | 12.73                 | 0.58          |
| 15                  | JZI                  | 0.34         | 0.22         | 0.17         | 0.07         | 97.39                 | 0.55          |
| 16                  | VZK DOBRUDJA-M-LIFE  | 0.05         | 0.02         | 0.02         | 0.04         | 97.99                 | 0.07          |
| 17                  | BULGARSKI IMOTI LIFE | 0.00         | 0.05         | 0.59         | 0.22         | -99.95                | 0.00          |
| <b>TOTAL TOP 10</b> |                      | <b>58.85</b> | <b>25.68</b> | <b>54.18</b> | <b>21.16</b> | <b>8.62</b>           | <b>94.48</b>  |
| <b>TOTAL MARKET</b> |                      | <b>62.29</b> | <b>26.50</b> | <b>58.22</b> | <b>21.94</b> | <b>6.99</b>           | <b>100.00</b> |

## Unit-linked life insurance ranking

| No.                 | Company             | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |                     | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |                     | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | DZI                 | 1.08        | 2.10        | 1.51        | 1.53        | -28.73                | 41.49         |
| 2                   | ALLIANZ LIFE        | 0.52        | 0.37        | 0.47        | 0.18        | 9.71                  | 19.96         |
| 3                   | KD LIFE             | 0.51        | 0.07        | 0.53        | 0.01        | -5.00                 | 19.52         |
| 4                   | GENERALI LIFE       | 0.20        | 0.05        | 0.09        | 0.06        | 129.30                | 7.56          |
| 5                   | GRAWE LIFE          | 0.13        | -           | 0.10        | -           | 37.69                 | 5.05          |
| 6                   | ALICO BULGARIA      | 0.11        | -           | 0.06        | -           | 81.43                 | 4.31          |
| 7                   | UNIQA LIFE          | 0.05        | 0.00        | 0.01        | 0.00        | 501.16                | 1.97          |
| 8                   | INTERAMERICAN LIFE  | 0.00        | -           | 0.00        | -           | 18.49                 | 0.13          |
| 9                   | VZK DOBRUDJA-M-LIFE | 0.00        | 0.01        | 0.00        | 0.01        | -97.79                | 0.00          |
| 10                  | BULSTRAD LIFE       | -           | -           | 0.00        | -           | -                     | -             |
| <b>TOTAL MARKET</b> |                     | <b>2.60</b> | <b>2.59</b> | <b>2.78</b> | <b>1.80</b> | <b>-6.46</b>          | <b>100.00</b> |

## Life insurance and annuities ranking

| No.                 | Company              | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|----------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                      | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                      | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | ALLIANZ LIFE         | 10.54        | 5.06         | 10.45        | 4.20         | 0.90                  | 22.05         |
| 2                   | SyVZK                | 8.44         | 3.78         | 1.75         | 0.15         | 383.01                | 17.65         |
| 3                   | DZI                  | 5.34         | 2.82         | 5.59         | 2.86         | -4.52                 | 11.16         |
| 4                   | UNIQA LIFE           | 4.69         | 3.08         | 6.33         | 4.33         | -25.97                | 9.80          |
| 5                   | ALICO BULGARIA       | 4.29         | 1.16         | 4.37         | 1.25         | -1.81                 | 8.98          |
| 6                   | BULSTRAD LIFE        | 3.99         | 1.38         | 3.62         | 0.57         | 10.09                 | 8.34          |
| 7                   | UBB-ALICO LIFE       | 2.94         | 0.43         | 2.48         | 0.57         | 18.63                 | 6.15          |
| 8                   | GRAWE LIFE           | 2.23         | 0.49         | 2.45         | 0.48         | -9.16                 | 4.66          |
| 9                   | GENERALI LIFE        | 2.19         | 1.03         | 3.29         | 1.39         | -33.46                | 4.58          |
| 10                  | SOGE LIFE BULGARIA   | 1.44         | 0.30         | 1.24         | 0.10         | 16.01                 | 3.02          |
| 11                  | GROUPAMA LIFE        | 0.98         | 0.29         | 1.28         | 0.21         | -23.42                | 2.05          |
| 12                  | INTERAMERICAN LIFE   | 0.32         | -            | 0.28         | 0.00         | 11.30                 | 0.66          |
| 13                  | JZI                  | 0.30         | 0.19         | 0.12         | 0.05         | 158.93                | 0.64          |
| 14                  | CCB LIFE             | 0.08         | 0.03         | 0.10         | 0.03         | -21.54                | 0.16          |
| 15                  | VZK DOBRUDJA-M-LIFE  | 0.05         | 0.01         | 0.02         | 0.03         | 135.86                | 0.10          |
| 16                  | KD LIFE              | 0.01         | -            | 0.00         | -            | 100.14                | 0.01          |
| 17                  | BULGARSKI IMOTI LIFE | 0.00         | 0.05         | 0.33         | 0.09         | -99.92                | 0.00          |
| <b>TOTAL TOP 10</b> |                      | <b>46.09</b> | <b>19.52</b> | <b>41.58</b> | <b>15.91</b> | <b>10.85</b>          | <b>96.38</b>  |
| <b>TOTAL MARKET</b> |                      | <b>47.82</b> | <b>20.11</b> | <b>43.71</b> | <b>16.32</b> | <b>9.40</b>           | <b>100.00</b> |



## Non-Life insurance ranking

| No.                 | Company                      | 1H 2010       |               | 1H 2009       |               | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|------------------------------|---------------|---------------|---------------|---------------|-----------------------|---------------|
|                     |                              | GWP           | CLAIMS        | GWP           | CLAIMS        |                       |               |
|                     |                              | EUR m.        | EUR m.        | EUR m.        | EUR m.        |                       |               |
| 1                   | BULSTRAD                     | 56.53         | 33.11         | 61.50         | 25.04         | -8.07                 | 16.06         |
| 2                   | DZI - General Ins.           | 44.63         | 31.23         | 53.70         | 27.11         | -16.88                | 12.68         |
| 3                   | ARMEEC                       | 36.47         | 16.78         | 37.90         | 14.72         | -3.77                 | 10.36         |
| 4                   | Allianz Bulgaria             | 36.26         | 17.58         | 36.19         | 18.49         | 0.21                  | 10.30         |
| 5                   | BUL INS                      | 34.08         | 12.96         | 29.08         | 15.43         | 17.21                 | 9.68          |
| 6                   | LEV INS                      | 32.97         | 17.28         | 39.40         | 12.13         | -16.32                | 9.37          |
| 7                   | EUROINS                      | 17.56         | 9.16          | 18.54         | 9.91          | -5.27                 | 4.99          |
| 8                   | VICTORIA                     | 16.55         | 4.52          | 13.92         | 4.59          | 18.95                 | 4.70          |
| 9                   | UNIQA Ins.                   | 16.43         | 9.81          | 16.14         | 14.50         | 1.79                  | 4.67          |
| 10                  | Generali Ins.                | 14.78         | 5.40          | 17.68         | 7.52          | -16.41                | 4.20          |
| 11                  | BULGARSKI IMOTI              | 12.71         | 9.91          | 13.35         | 5.86          | -4.85                 | 3.61          |
| 12                  | Municipal Ins. Company       | 9.08          | 1.54          | 5.12          | 0.97          | 77.13                 | 2.58          |
| 13                  | ENERGIA                      | 7.64          | 0.65          | 8.23          | 0.58          | -7.17                 | 2.17          |
| 14                  | INTERAMERICAN BULGARIA       | 7.28          | 2.73          | 8.30          | 2.07          | -12.29                | 2.07          |
| 15                  | HDI Ins.                     | 4.40          | 2.25          | 4.99          | 1.63          | -11.76                | 1.25          |
| 16                  | UBB - CHARTIS                | 1.74          | 0.07          | 1.22          | 0.04          | 42.15                 | 0.49          |
| 17                  | Bulgarian Export Ins. Agency | 1.54          | 0.78          | 1.12          | 0.41          | 37.87                 | 0.44          |
| 18                  | Groupama Ins.                | 1.32          | 0.14          | 1.50          | 0.18          | -11.95                | 0.37          |
| 19                  | GRAWE General Ins.           | 0.03          | 0.00          | 0.03          | 0.00          | 2.54                  | 0.01          |
| <b>TOTAL TOP 10</b> |                              | <b>306.27</b> | <b>157.84</b> | <b>324.03</b> | <b>149.47</b> | <b>-5.48</b>          | <b>87.01</b>  |
| <b>TOTAL MARKET</b> |                              | <b>352.00</b> | <b>175.93</b> | <b>370.81</b> | <b>161.47</b> | <b>-5.07</b>          | <b>100.00</b> |

## Motor Hull insurance ranking

| No.                 | Company                | 1H 2010       |              | 1H 2009       |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|------------------------|---------------|--------------|---------------|--------------|-----------------------|---------------|
|                     |                        | GWP           | CLAIMS       | GWP           | CLAIMS       |                       |               |
|                     |                        | EUR m.        | EUR m.       | EUR m.        | EUR m.       |                       |               |
| 1                   | BUL INS                | 21.31         | 11.75        | 23.65         | 13.81        | -9.89                 | 16.55         |
| 2                   | ARMEEC                 | 20.98         | 10.94        | 23.68         | 10.73        | -11.42                | 16.29         |
| 3                   | BULSTRAD               | 18.65         | 15.08        | 23.37         | 13.26        | -20.19                | 14.48         |
| 4                   | DZI - General Ins.     | 18.63         | 12.47        | 26.36         | 14.87        | -29.31                | 14.47         |
| 5                   | Allianz Bulgaria       | 12.63         | 8.88         | 14.58         | 13.04        | -13.35                | 9.81          |
| 6                   | UNIQA Ins.             | 7.10          | 5.67         | 8.57          | 7.57         | -17.18                | 5.51          |
| 7                   | EUROINS                | 7.09          | 4.15         | 8.49          | 5.05         | -16.40                | 5.51          |
| 8                   | LEV INS                | 7.08          | 6.21         | 10.70         | 4.79         | -33.77                | 5.50          |
| 9                   | VICTORIA               | 3.55          | 2.16         | 4.92          | 2.50         | -27.87                | 2.75          |
| 10                  | Generali Ins.          | 3.51          | 2.67         | 5.23          | 4.75         | -32.78                | 2.73          |
| 11                  | BULGARSKI IMOTI        | 2.72          | 2.62         | 2.26          | 1.47         | 20.67                 | 2.12          |
| 12                  | INTERAMERICAN BULGARIA | 2.35          | 1.56         | 2.12          | 1.03         | 10.81                 | 1.83          |
| 13                  | HDI Ins.               | 1.47          | 0.95         | 1.74          | 1.01         | -15.34                | 1.14          |
| 14                  | Municipal Ins. Company | 1.42          | 0.58         | 0.96          | 0.26         | 48.45                 | 1.10          |
| 15                  | ENERGIA                | 0.26          | 0.14         | 0.35          | 0.18         | -24.95                | 0.20          |
| <b>TOTAL TOP 10</b> |                        | <b>120.54</b> | <b>79.98</b> | <b>149.54</b> | <b>90.38</b> | <b>-19.39</b>         | <b>93.61</b>  |
| <b>TOTAL MARKET</b> |                        | <b>128.78</b> | <b>85.83</b> | <b>156.96</b> | <b>94.34</b> | <b>-17.96</b>         | <b>100.00</b> |

## Damages to property insurance ranking

| No.                 | Company                | 1H 2010      |             | 1H 2009      |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|------------------------|--------------|-------------|--------------|-------------|-----------------------|---------------|
|                     |                        | GWP          | CLAIMS      | GWP          | CLAIMS      |                       |               |
|                     |                        | EUR m.       | EUR m.      | EUR m.       | EUR m.      |                       |               |
| 1                   | UNIQA Ins.             | 3.70         | 0.59        | 4.05         | 0.55        | -8.46                 | 23.13         |
| 2                   | Allianz Bulgaria       | 3.21         | 0.61        | 2.57         | 0.15        | 25.06                 | 20.06         |
| 3                   | Generali Ins.          | 2.93         | 0.48        | 4.55         | 0.19        | -35.64                | 18.31         |
| 4                   | BULSTRAD               | 1.91         | 3.03        | 2.02         | 0.36        | -5.77                 | 11.91         |
| 5                   | INTERAMERICAN BULGARIA | 1.04         | 0.10        | 3.14         | 0.05        | -67.03                | 6.47          |
| 6                   | BUL INS                | 0.61         | 0.03        | 0.63         | (0.01)      | -3.49                 | 3.80          |
| 7                   | DZI - General Ins.     | 0.51         | 0.15        | 0.71         | 0.16        | -27.70                | 3.22          |
| 8                   | EUROINS                | 0.48         | 0.04        | 0.45         | 0.03        | 7.29                  | 3.00          |
| 9                   | ARMEEC                 | 0.44         | 0.05        | 0.39         | 0.01        | 12.19                 | 2.73          |
| 10                  | Municipal Ins. Company | 0.39         | 0.01        | 0.37         | 0.03        | 5.25                  | 2.43          |
| 11                  | VICTORIA               | 0.23         | 0.05        | 0.24         | 0.03        | -1.87                 | 1.45          |
| 12                  | LEV INS                | 0.18         | 0.02        | 0.28         | 0.01        | -35.01                | 1.15          |
| 13                  | ENERGIA                | 0.17         | 0.01        | 0.20         | 0.00        | -15.36                | 1.06          |
| 14                  | HDI Ins.               | 0.10         | 0.01        | 0.07         | 0.03        | 42.95                 | 0.63          |
| 15                  | BULGARSKI IMOTI        | 0.09         | 0.00        | 0.13         | 0.00        | -29.73                | 0.57          |
| 16                  | GRAWE General Ins.     | 0.01         | 0.00        | 0.01         | 0.00        | 7.53                  | 0.08          |
| <b>TOTAL TOP 10</b> |                        | <b>15.22</b> | <b>5.09</b> | <b>18.89</b> | <b>1.52</b> | <b>-19.41</b>         | <b>95.06</b>  |
| <b>TOTAL MARKET</b> |                        | <b>16.01</b> | <b>5.18</b> | <b>19.83</b> | <b>1.59</b> | <b>-19.27</b>         | <b>100.00</b> |

## Fire and allied perils insurance ranking

| No. | Company                | 1H 2010      |             | 1H 2009      |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|-----|------------------------|--------------|-------------|--------------|-------------|-----------------------|---------------|
|     |                        | GWP          | CLAIMS      | GWP          | CLAIMS      |                       |               |
|     |                        | EUR m.       | EUR m.      | EUR m.       | EUR m.      |                       |               |
| 1   | Allianz Bulgaria       | 10.09        | 1.68        | 7.02         | 1.14        | 43.70                 | 19.73         |
| 2   | VICTORIA               | 8.27         | 0.23        | 3.08         | 0.07        | 168.86                | 16.17         |
| 3   | ENERGIA                | 6.80         | 0.36        | 7.42         | 0.16        | -8.34                 | 13.30         |
| 4   | BULSTRAD               | 6.26         | 1.94        | 9.18         | 0.90        | -31.78                | 12.25         |
| 5   | DZI - General Ins.     | 6.04         | 1.28        | 5.72         | 0.94        | 5.55                  | 11.80         |
| 6   | Generali Ins.          | 3.16         | 0.48        | 4.80         | 0.20        | -34.13                | 6.18          |
| 7   | ARMEEC                 | 2.69         | 0.35        | 2.18         | 0.18        | 23.53                 | 5.25          |
| 8   | EUROINS                | 2.23         | 0.30        | 1.61         | 0.10        | 38.46                 | 4.37          |
| 9   | Groupama Ins.          | 1.24         | 0.08        | 1.32         | 0.07        | -5.73                 | 2.43          |
| 10  | Municipal Ins. Company | 1.09         | 0.07        | 1.06         | 0.04        | 2.13                  | 2.12          |
| 11  | UBB - CHARTIS          | 0.84         | 0.04        | 0.89         | 0.03        | -4.66                 | 1.65          |
| 12  | HDI Ins.               | 0.68         | 0.21        | 0.64         | 0.07        | 6.07                  | 1.33          |
| 13  | INTERAMERICAN BULGARIA | 0.67         | 0.14        | 0.60         | 0.08        | 11.02                 | 1.30          |
| 14  | LEV INS                | 0.61         | 1.33        | 0.93         | 0.04        | -34.92                | 1.19          |
| 15  | BULGARSKI IMOTI        | 0.24         | 0.03        | 0.56         | 0.04        | -56.52                | 0.47          |
| 16  | UNIQA Ins.             | 0.18         | 0.05        | 0.35         | 0.08        | -49.35                | 0.35          |
| 17  | BUL INS                | 0.03         | 0.01        | 0.01         | -           | 140.08                | 0.06          |
| 18  | GRAWE General Ins.     | 0.02         | 0.00        | 0.02         | -           | 0.50                  | 0.03          |
|     | <b>TOTAL TOP 10</b>    | <b>47.88</b> | <b>6.75</b> | <b>43.40</b> | <b>3.79</b> | <b>10.34</b>          | <b>93.61</b>  |
|     | <b>TOTAL MARKET</b>    | <b>51.15</b> | <b>8.55</b> | <b>48.42</b> | <b>4.32</b> | <b>5.64</b>           | <b>100.00</b> |

## MTPL insurance ranking

| No. | Company                | 1H 2010       |              | 1H 2009       |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|-----|------------------------|---------------|--------------|---------------|--------------|-----------------------|---------------|
|     |                        | GWP           | CLAIMS       | GWP           | CLAIMS       |                       |               |
|     |                        | EUR m.        | EUR m.       | EUR m.        | EUR m.       |                       |               |
| 1   | LEV INS                | 24.61         | 9.05         | 23.62         | 5.53         | 4.20                  | 20.48         |
| 2   | BULSTRAD               | 21.18         | 9.99         | 16.35         | 7.79         | 29.53                 | 17.62         |
| 3   | DZI - General Ins.     | 16.08         | 12.53        | 17.41         | 10.32        | -7.63                 | 13.38         |
| 4   | BUL INS                | 11.50         | 1.60         | 4.05          | 1.29         | 183.81                | 9.57          |
| 5   | BULGARSKI IMOTI        | 9.52          | 7.25         | 10.07         | 4.32         | -5.43                 | 7.92          |
| 6   | ARMEEC                 | 6.56          | 3.48         | 6.02          | 3.21         | 9.11                  | 5.46          |
| 7   | EUROINS                | 6.18          | 4.14         | 6.13          | 3.52         | 0.79                  | 5.14          |
| 8   | Municipal Ins. Company | 5.25          | 0.80         | 1.77          | 0.54         | 197.18                | 4.37          |
| 9   | UNIQA Ins.             | 4.66          | 3.29         | 2.37          | 5.98         | 96.47                 | 3.88          |
| 10  | Generali Ins.          | 4.44          | 1.59         | 2.42          | 2.30         | 83.90                 | 3.70          |
| 11  | VICTORIA               | 3.04          | 1.93         | 4.27          | 1.91         | -28.84                | 2.53          |
| 12  | Allianz Bulgaria       | 2.74          | 2.67         | 3.01          | 1.94         | -8.81                 | 2.28          |
| 13  | INTERAMERICAN BULGARIA | 2.33          | 0.76         | 1.78          | 0.72         | 30.66                 | 1.94          |
| 14  | HDI Ins.               | 1.94          | 1.00         | 2.35          | 0.41         | -17.44                | 1.61          |
| 15  | ENERGIA                | 0.15          | 0.03         | 0.07          | 0.10         | 118.16                | 0.13          |
| 16  | Groupama Ins.          | 0.01          | 0.05         | 0.08          | 0.03         | -91.81                | 0.01          |
|     | <b>TOTAL TOP 10</b>    | <b>109.98</b> | <b>53.72</b> | <b>90.19</b>  | <b>44.81</b> | <b>21.94</b>          | <b>91.50</b>  |
|     | <b>TOTAL MARKET</b>    | <b>120.20</b> | <b>60.15</b> | <b>101.76</b> | <b>49.92</b> | <b>18.12</b>          | <b>100.00</b> |

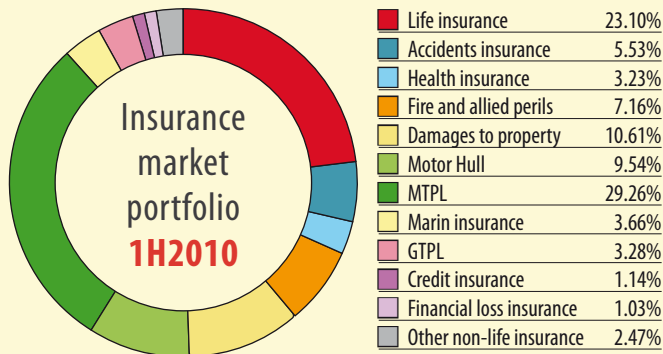
## GTPM insurance ranking

| No. | Company                | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|-----|------------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|     |                        | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|     |                        | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1   | BULSTRAD               | 2.93        | 1.67        | 2.53        | 0.76        | 16.15                 | 32.38         |
| 2   | Allianz Bulgaria       | 1.81        | 0.15        | 2.12        | 0.12        | -14.67                | 19.98         |
| 3   | DZI - General Ins.     | 1.07        | 0.01        | 1.03        | 0.03        | 3.96                  | 11.80         |
| 4   | ARMEEC                 | 0.60        | 0.04        | 0.53        | 0.01        | 14.18                 | 6.65          |
| 5   | Municipal Ins. Company | 0.49        | 0.01        | 0.58        | 0.01        | -16.91                | 5.36          |
| 6   | UNIQA Ins.             | 0.46        | 0.05        | 0.41        | 0.05        | 11.30                 | 5.03          |
| 7   | EUROINS                | 0.37        | 0.11        | 0.44        | 0.11        | -15.15                | 4.10          |
| 8   | INTERAMERICAN BULGARIA | 0.36        | 0.02        | 0.16        | 0.00        | 126.01                | 3.96          |
| 9   | Generali Ins.          | 0.33        | 0.03        | 0.35        | 0.08        | -6.93                 | 3.62          |
| 10  | BUL INS                | 0.17        | 0.00        | 0.07        | 0.00        | 153.12                | 1.85          |
| 11  | VICTORIA               | 0.17        | 0.05        | 0.17        | 0.01        | -1.81                 | 1.84          |
| 12  | LEV INS                | 0.14        | 0.01        | 0.15        | 0.00        | -5.31                 | 1.58          |
| 13  | ENERGIA                | 0.13        | 0.01        | 0.04        | 0.00        | 270.95                | 1.45          |
| 14  | BULGARSKI IMOTI        | 0.02        | 0.00        | 0.06        | 0.00        | -67.85                | 0.21          |
| 15  | HDI Ins.               | 0.01        | 0.00        | 0.01        | 0.00        | 13.79                 | 0.16          |
| 16  | GRAWE General Ins.     | 0.00        | -           | 0.00        | -           | -8.66                 | 0.02          |
|     | <b>TOTAL TOP 10</b>    | <b>8.58</b> | <b>2.11</b> | <b>8.21</b> | <b>1.18</b> | <b>4.51</b>           | <b>94.74</b>  |
|     | <b>TOTAL MARKET</b>    | <b>9.06</b> | <b>2.17</b> | <b>8.95</b> | <b>1.20</b> | <b>1.23</b>           | <b>100.00</b> |



## CROATIA

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 4.4      | 4.4      |
| Nominal GDP (HRK billion)        | 333.5    | 344.6    |
| GDP per capita (USD)             | 14258    | 14741    |
| Real GDP growth, % change y/y    | -5.1     | 1.1      |
| Consumer price, % y-o-y, eop     | 1.9      | 2.3      |



### Sources:

Croatian Financial Services Supervisory Agency (HANFA)  
Croatian Insurance Bureau  
Croatian National Bank

### Croatian currency exchange rate for calculations:

1 EUR = 7,292035 Kuna - HRK (June 30<sup>th</sup> 2009)

1 EUR = 7,193455 Kuna - HRK (June 30<sup>th</sup> 2010)

By the end June 2010, the Croatian insurance market amounted to EUR702m. Thus, the insurance market recorded a decrease of 0.85%, as compared to 1H2009.

Life insurers managed to conserve their turnover, of about EUR162m, as the 0.63% nominal growth in EUR seems to be more the effect of the Kuna's exchange rate depreciation than a real growth. Among the main life insurance lines, the Unit-Linked class recorded a new y-o-y fall, of 6%. Still, compared to the previous year, when the U-L line recorded a 37% fall, 2010 seem to show a relative slow-down of the negative trend.

The future perspectives of the life business are not quite bright, as a recent decision of the Croatian government repealed the fiscal incentives for life insurance policies. Croatian insurers expect a reduction of customer's interest in life insurance which will probably become more visible in 2011, as for the moment the policyholders who had already concluded a life insurance contract will be

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line  | 1H 2010       |               | 1H 2009       |               | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|--|---------------|---------------|---------------|---------------|-----------------------|-------------------------|---------------|
|  | GWP           | CLAIMS        | GWP           | CLAIMS        |                       |                         |               |
|  | EUR m.        | EUR m.        | EUR m.        | EUR m.        |                       |                         |               |
| <b>TOTAL MARKET</b>                                      | <b>702.07</b> | <b>293.62</b> | <b>708.08</b> | <b>316.28</b> | <b>-0.85</b>          | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>  | <b>162.18</b> | <b>73.35</b>  | <b>161.16</b> | <b>59.18</b>  | <b>0.63</b>           | <b>100.00</b>           | <b>23.10</b>  |
| Life Insurance   | 140.68        | 67.89         | 139.05        | 54.56         | 1.17                  | 86.74                   | 20.04         |
| Life insurance, annuities and supplementary insurance    | 10.86         | 2.38          | 10.80         | 2.78          | 0.61                  | 6.70                    | 1.55          |
| Life insurance and annuities related to investment funds | 9.53          | 2.52          | 10.14         | 1.35          | -6.09                 | 5.87                    | 1.36          |
| Other life insurance                                     | 1.11          | 0.56          | 1.17          | 0.49          | -5.14                 | 0.69                    | 0.16          |
| <b>TOTAL NON-LIFE</b>                                    | <b>539.89</b> | <b>220.27</b> | <b>546.92</b> | <b>257.10</b> | <b>-1.29</b>          | <b>100.00</b>           | <b>76.90</b>  |
| Accidents insurance                                      | 38.80         | 10.23         | 41.24         | 10.40         | -5.91                 | 7.19                    | 5.53          |
| Health insurance   | 22.69         | 12.60         | 23.07         | 13.82         | -1.64                 | 4.20                    | 3.23          |
| <b>Overall property insurance</b>                        | <b>124.71</b> | <b>35.44</b>  | <b>125.20</b> | <b>44.21</b>  | <b>-0.39</b>          | <b>23.10</b>            | <b>17.76</b>  |
| Fire and allied perils                                   | 50.26         | 10.14         | 51.12         | 16.13         | -1.68                 | 9.31                    | 7.16          |
| Damages to property                                      | 74.46         | 25.31         | 74.09         | 28.09         | 0.50                  | 13.79                   | 10.61         |
| <b>Overall motor insurance</b>                           | <b>272.41</b> | <b>136.26</b> | <b>280.77</b> | <b>160.67</b> | <b>-2.98</b>          | <b>50.46</b>            | <b>38.80</b>  |
| Motor Hull   | 66.98         | 52.24         | 74.88         | 56.46         | -10.56                | 12.41                   | 9.54          |
| MTPL   | 205.43        | 84.02         | 205.89        | 104.21        | -0.22                 | 38.05                   | 29.26         |
| Boat insurance   | 25.69         | 4.99          | 23.48         | 8.65          | 9.41                  | 4.76                    | 3.66          |
| GTPL   | 23.04         | 7.54          | 24.14         | 7.33          | -4.53                 | 4.27                    | 3.28          |
| Credit insurance   | 8.00          | 8.26          | 5.47          | 4.62          | 46.31                 | 1.48                    | 1.14          |
| Financial loss insurance                                 | 7.22          | 1.62          | 6.78          | 1.24          | 6.56                  | 1.34                    | 1.03          |
| Other non-life insurance                                 | 17.32         | 3.33          | 16.78         | 6.15          | 3.21                  | 3.21                    | 2.47          |



able to benefit of the tax deduction for 2010. *It is difficult to estimate the fall in number of clients and premiums written, especially since the abolition of exemptions is not the only aggravating factor in the current situation in the Croatian financial market,* said a market representative quoted by osiguranje.hr.

On the other hand, underwritings recorded on the non-life insurance have dropped, in EUR, by 1.3%, especially driven by the poor underwriting performance in the Motor Hull class (-10.5% y-o-y nominal fall in premiums).

ALLIANZ Zagreb is the new leader of the life insurance market after the first six months of this year, position gained thanks to a business growth in euro of around 7% and under the circumstances of the underwritings' decrease of CROATIA osiguranje (second place) and MERKUR (third position).

The non-life insurance chapter can be considered

as an "oligopoly" market because the largest part of the gross revenue comes from the first two companies: CROATIA osiguranje and EUROHERC. In 1H/2010, they produced over 55% of the total insurance revenues on Croatian life insurance market.

EUROHERC osiguranje and ALLIANZ Zagreb recorded the highest profits among Croatia's 26 insurance companies in the first six months of the year. EUROHERC deals exclusively with life insurance and its H1 profit reached EUR8.66m. ALLIANZ Zagreb, a composite insurer, recorded a profit of EUR6m, improving the results both in life and non-life insurance.

Surprisingly, the Croatian life insurance market proved to be more profitable in 2010. The combined profit was EUR11.63m, after EUR2.6m loss in 1H2009. Overall, the entire insurance industry placed an EUR33.7m profit.

### Life insurance ranking

| Company             | GWP 1H 2010   | GWP 1H 2009   | Nominal Evolution (%) | MARKET SHARE  |
|---------------------|---------------|---------------|-----------------------|---------------|
|                     | EUR m.        | EUR m.        | EUR                   | %             |
| ALLIANZ ZAGREB      | 23.45         | 21.89         | 7.17                  | 14.46         |
| CROATIA             | 22.61         | 23.65         | -4.38                 | 13.94         |
| MERKUR              | 17.12         | 17.31         | -1.08                 | 10.56         |
| GRAWE HRVATSKA      | 16.16         | 17.14         | -5.71                 | 9.96          |
| KVARNER VIG         | 14.35         | 13.47         | 6.53                  | 8.85          |
| AGRAM ŽIVOTNO       | 13.82         | 14.87         | -7.07                 | 8.52          |
| BASLER OSIG. ZAGREB | 13.51         | 16.25         | -16.84                | 8.33          |
| HELIOS VIG          | 8.98          | 9.35          | -3.95                 | 5.53          |
| UNIQA               | 7.97          | 5.57          | 43.05                 | 4.91          |
| ERSTE VIG           | 7.02          | 6.30          | 11.44                 | 4.33          |
| GENERALI            | 6.67          | 7.56          | -11.82                | 4.11          |
| TRIGLAV             | 5.22          | 5.67          | -7.86                 | 3.22          |
| SOCIETE GENERALE    | 2.05          | 0.60          | 242.23                | 1.26          |
| VICTORIA ŽIVOTNO    | 1.84          | 0.84          | 120.64                | 1.14          |
| VELEBIT ŽIVOTNO     | 0.93          | 0.48          | 92.15                 | 0.57          |
| KD LIFE             | 0.49          | 0.24          | 103.24                | 0.30          |
| <b>TOTAL TOP 10</b> | <b>144.98</b> | <b>145.78</b> | <b>-0.54</b>          | <b>89.39</b>  |
| <b>TOTAL MARKET</b> | <b>162.18</b> | <b>161.16</b> | <b>0.63</b>           | <b>100.00</b> |

### Non-Life insurance ranking

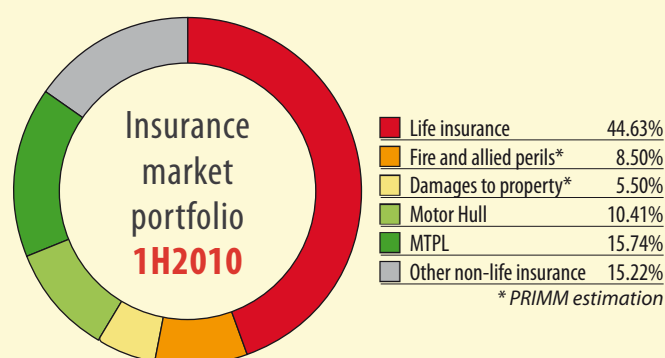
| Company             | GWP 1H 2010   | GWP 1H 2009   | Nominal Evolution (%) | MARKET SHARE  |
|---------------------|---------------|---------------|-----------------------|---------------|
|                     | EUR m.        | EUR m.        | EUR                   | %             |
| CROATIA             | 230.20        | 237.94        | -3.25                 | 42.64         |
| EUROHERC            | 68.23         | 72.27         | -5.59                 | 12.64         |
| ALLIANZ ZAGREB      | 50.38         | 50.63         | -0.49                 | 9.33          |
| JADRANSKO           | 44.75         | 46.72         | -4.22                 | 8.29          |
| TRIGLAV             | 25.69         | 24.36         | 5.43                  | 4.76          |
| KVARNER VIG         | 23.02         | 24.24         | -5.04                 | 4.26          |
| BASLER OSIG. ZAGREB | 15.65         | 15.67         | -0.16                 | 2.90          |
| GENERALI            | 14.76         | 11.99         | 23.10                 | 2.73          |
| SUNCE               | 13.08         | 13.57         | -3.67                 | 2.42          |
| HOK                 | 12.12         | 10.29         | 17.72                 | 2.24          |
| GRAWE HRVATSKA      | 10.54         | 10.77         | -2.16                 | 1.95          |
| CROATIA ZDRAVSTVENO | 9.36          | 8.67          | 7.94                  | 1.73          |
| UNIQA               | 7.98          | 8.63          | -7.60                 | 1.48          |
| VELEBIT             | 4.54          | 3.61          | 25.64                 | 0.84          |
| CARDIF              | 4.20          | 2.10          | 100.05                | 0.78          |
| HELIOS VIG          | 3.24          | 3.17          | 2.46                  | 0.60          |
| MERKUR              | 2.13          | 2.28          | -6.62                 | 0.39          |
| VICTORIA            | 0.03          | 0.00          | 2,021                 | 0.01          |
| <b>TOTAL TOP 10</b> | <b>497.86</b> | <b>507.68</b> | <b>-1.93</b>          | <b>92.22</b>  |
| <b>TOTAL MARKET</b> | <b>539.89</b> | <b>546.92</b> | <b>-1.29</b>          | <b>100.00</b> |





## Czech Republic

The traditional never in red Czech insurance market has registered very good results in the first half of 2010. Both the life and the non-life segment reported positive dynamics resulting in a almost 9% y-o-y growth rate in written premium, up to EUR2.97bn.



### Sources:

The Czech National Bank (CNB)  
Czech Insurance Association (CAP)

### Czech currency exchange rate for calculations:

1 EUR = 25,890 Krown - CZK (June 30<sup>th</sup> 2009)

1 EUR = 25,695 Krown - CZK (June 30<sup>th</sup> 2010)

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 10.4     | 10.4     |
| Nominal GDP (CZK billion)        | 186.6    | 221.6    |
| GDP per capita (USD)             | 3514.7   | 3743.8   |
| Real GDP growth, % change y/y    | 17977    | 21308    |
| Consumer price, % y-o-y, eop     | 1.0      | 2.3      |

Life insurance results look quite stupendous, with a 22.4% y-o-y growth rate, up to EUR1.33bn. The explanation lies in the underwriting boom recorded by the single premium insurance class, with a 74% growth rate, while the current premium policies remained almost at the same level as in the first half 2009. Some of the market professionals are not really happy with this result, as it seems to originate more in the life insurance companies' ability to make capital out of peoples' appetite for high return investments, than in covering the risks coverage need. *I am afraid*, says Tomas SIKORA, Executive Director of the Czech Insurers Association *this trend represents a future time bomb, because the high expectations of the insurance companies' clients, who once put money in the long-term insurance products may not be met. Frankly I would be much more delighted if premiums rose more in the segment of the normally paid contracts, where a larger part of the premium is used for the client's protection.*

On the other hand, in non-life segment, insurers only managed to preserve their 2009 overall turnover. Still, it is noticeable that the motor lines produced negative results, in line with the regional tendency. According to the insurers' association representatives, the drop in motor insurance premium is mainly an effect of the lowering tariffs policy adopted by the companies fighting for customers, as far as the number of motor insurance contracts concluded for new cars recorded a small appreciation, of about 1%.

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                      | GWP<br>1H 2010  | GWP 1H 2009     | Nominal Evolution (%) | % In Life/<br>Non-Life Gwp | % in all GWP  |
|------------------------------------|-----------------|-----------------|-----------------------|----------------------------|---------------|
|                                    | EUR m.          | EUR m.          | EUR                   | %                          | %             |
| <b>TOTAL MARKET</b>                | <b>2,974.83</b> | <b>2,731.62</b> | <b>8.90</b>           | <b>-</b>                   | <b>100.00</b> |
| <b>TOTAL LIFE</b>                  | <b>1,327.74</b> | <b>1,084.88</b> | <b>22.39</b>          | <b>100.00</b>              | <b>44.63</b>  |
| Current premiums                   | 796.38          | 780.07          | 2.09                  | 59.98                      | 26.77         |
| Single payment total               | 531.36          | 304.81          | 74.32                 | 40.02                      | 17.86         |
| <b>TOTAL NON-LIFE</b>              | <b>1,647.09</b> | <b>1,646.74</b> | <b>0.02</b>           | <b>100.00</b>              | <b>55.37</b>  |
| <b>Overall property insurance*</b> | <b>416.48</b>   | <b>408.19</b>   | <b>2.03</b>           | <b>25.29</b>               | <b>14.00</b>  |
| Fire and allied perils*            | 252.86          | NA              | -                     | 15.35                      | 8.50          |
| Damages to property*               | 163.62          | NA              | -                     | 9.93                       | 5.50          |
| <b>Overall motor insurance</b>     | <b>777.92</b>   | <b>824.44</b>   | <b>-5.64</b>          | <b>47.23</b>               | <b>26.15</b>  |
| Motor Hull                         | 309.64          | 330.33          | -6.26                 | 18.80                      | 10.41         |
| MTPL                               | 468.28          | 494.10          | -5.23                 | 28.43                      | 15.74         |
| Other non-life insurance           | 452.69          | 414.12          | 9.32                  | 27.48                      | 15.22         |

\* PRIMM estimation

## Life insurance ranking

| Company                        | GWP 1H 2010     | GWP 1H 2009     | Nominal Evolution (%) | MARKET SHARE  |
|--------------------------------|-----------------|-----------------|-----------------------|---------------|
|                                | EUR m.          | EUR m.          | EUR                   | %             |
| CESKA Pojistovna               | 253.71          | 268.41          | -5.48                 | 19.11         |
| KOMERCNI Pojistovna            | 200.73          | 70.83           | 183.40                | 15.12         |
| Pojistovna CESKE sporitelny    | 161.66          | 96.19           | 68.07                 | 12.18         |
| KOOPERATIVA Pojistovna         | 141.96          | 139.43          | 1.81                  | 10.69         |
| CSOBP                          | 138.08          | 107.35          | 28.63                 | 10.40         |
| ING                            | 101.14          | 109.38          | -7.53                 | 7.62          |
| ALLIANZ                        | 74.44           | 68.40           | 8.82                  | 5.61          |
| GENERALI Pojistovna            | 57.77           | 51.44           | 12.30                 | 4.35          |
| AXA - ŽP                       | 44.35           | 38.36           | 15.61                 | 3.34          |
| CESKA Podnikatelska Pojistovna | 39.55           | 37.24           | 6.19                  | 2.98          |
| AMCICO                         | 36.36           | 35.07           | 3.67                  | 2.74          |
| UNIQA                          | 23.31           | 21.56           | 8.11                  | 1.76          |
| AEGON                          | 17.25           | 11.36           | 51.81                 | 1.30          |
| AVIVA                          | 16.14           | 15.37           | 5.00                  | 1.22          |
| WÜST - ŽP                      | 9.10            | 4.99            | 82.44                 | 0.69          |
| VICTORIA                       | 6.78            | 4.53            | 49.71                 | 0.51          |
| CARDIF                         | 5.19            | 4.71            | 10.18                 | 0.39          |
| HVP                            | 0.21            | 0.23            | -9.81                 | 0.02          |
| MAXIMA                         | 0.02            | 0.02            | -13.18                | 0.00          |
| <b>TOTAL TOP 10</b>            | <b>1,213.39</b> | <b>987.04</b>   | <b>22.93</b>          | <b>91.39</b>  |
| <b>TOTAL MARKET</b>            | <b>1,327.74</b> | <b>1,084.88</b> | <b>22.39</b>          | <b>100.00</b> |

## Non-Life insurance ranking

| Company                        | GWP 1H 2010     | GWP 1H 2009     | Nominal Evolution (%) | MARKET SHARE  |
|--------------------------------|-----------------|-----------------|-----------------------|---------------|
|                                | EUR m.          | EUR m.          | EUR                   | %             |
| KOOPERATIVA Pojistovna         | 467.08          | 491.21          | -4.91                 | 28.36         |
| CESKA Pojistovna               | 458.63          | 502.79          | -8.78                 | 27.84         |
| ALLIANZ                        | 143.93          | 149.84          | -3.94                 | 8.74          |
| GENERALI Pojistovna            | 128.50          | 128.42          | 0.06                  | 7.80          |
| CESKA Podnikatelska Pojistovna | 93.70           | 91.14           | 2.81                  | 5.69          |
| CSOBP                          | 80.34           | 81.03           | -0.84                 | 4.88          |
| UNIQA                          | 73.13           | 68.20           | 7.24                  | 4.44          |
| EGAP                           | 48.55           | 13.44           | 261.11                | 2.95          |
| CARDIF                         | 31.03           | 27.33           | 13.56                 | 1.88          |
| TRIGLAV                        | 13.92           | 14.82           | -6.05                 | 0.85          |
| Pojistovna CESKE sporitelny    | 12.45           | 2.01            | 520.21                | 0.76          |
| SLAVIA                         | 11.61           | 5.08            | 128.45                | 0.70          |
| HVP                            | 11.06           | 10.25           | 7.95                  | 0.67          |
| PVZP                           | 8.77            | 6.41            | 36.78                 | 0.53          |
| KOMERCNI Pojistovna            | 8.10            | 8.87            | -8.58                 | 0.49          |
| MAXIMA                         | 7.56            | 3.82            | 97.90                 | 0.46          |
| CP ZDRAVI                      | 7.43            | 7.09            | 4.81                  | 0.45          |
| HDI                            | 7.29            | 5.45            | 33.55                 | 0.44          |
| WÜST                           | 6.30            | 4.27            | 47.52                 | 0.38          |
| DIRECT                         | 5.74            | 4.25            | 34.96                 | 0.35          |
| <b>TOTAL TOP 10</b>            | <b>1,538.82</b> | <b>1,568.21</b> | <b>-1.87</b>          | <b>93.43</b>  |
| <b>TOTAL TOP 20</b>            | <b>1,625.12</b> | <b>1,625.70</b> | <b>-0.04</b>          | <b>98.67</b>  |
| <b>TOTAL MARKET</b>            | <b>1647.09</b>  | <b>1646.74</b>  | <b>0.02</b>           | <b>100.00</b> |

## Life current premium insurance ranking

| Company                        | GWP 1H 2010   | GWP 1H 2009   | Nominal Evolution (%) | MARKET SHARE  |
|--------------------------------|---------------|---------------|-----------------------|---------------|
|                                | EUR m.        | EUR m.        | EUR                   | %             |
| CESKA Pojistovna               | 223.27        | 238.04        | -6.21                 | 28.04         |
| KOOPERATIVA Pojistovna         | 100.14        | 100.03        | 0.10                  | 12.57         |
| ING                            | 97.30         | 105.30        | -7.60                 | 12.22         |
| Pojistovna CESKE sporitelny    | 76.96         | 55.92         | 37.62                 | 9.66          |
| GENERALI Pojistovna            | 50.69         | 48.11         | 5.37                  | 6.36          |
| CSOBP                          | 49.85         | 49.26         | 1.18                  | 6.26          |
| ALLIANZ                        | 36.45         | 35.22         | 3.47                  | 4.58          |
| AMCICO                         | 33.90         | 33.83         | 0.21                  | 4.26          |
| AXA - ŽP                       | 29.42         | 24.91         | 18.14                 | 3.69          |
| CESKA Podnikatelska Pojistovna | 21.11         | 17.30         | 22.02                 | 2.65          |
| UNIQA                          | 20.92         | 20.31         | 2.98                  | 2.63          |
| KOMERCNI Pojistovna            | 15.16         | 16.47         | -7.98                 | 1.90          |
| AVIVA                          | 14.96         | 13.37         | 11.97                 | 1.88          |
| AEGON                          | 12.60         | 8.37          | 50.50                 | 1.58          |
| WÜST - ŽP                      | 4.74          | 4.82          | -1.76                 | 0.59          |
| CARDIF                         | 4.72          | 4.71          | 0.10                  | 0.59          |
| VICTORIA                       | 3.98          | 3.83          | 3.83                  | 0.50          |
| HVP                            | 0.21          | 0.23          | -9.81                 | 0.03          |
| MAXIMA                         | 0.02          | 0.02          | -13.18                | 0.00          |
| <b>TOTAL TOP 10</b>            | <b>719.08</b> | <b>707.93</b> | <b>1.58</b>           | <b>90.29</b>  |
| <b>TOTAL MARKET</b>            | <b>796.38</b> | <b>780.07</b> | <b>2.09</b>           | <b>100.00</b> |

## Life single paid premium insurance ranking

| Company                        | GWP 1H 2010   | GWP 1H 2009   | Nominal Evolution (%) | MARKET SHARE  |
|--------------------------------|---------------|---------------|-----------------------|---------------|
|                                | EUR m.        | EUR m.        | EUR                   | %             |
| KOMERCNI Pojistovna            | 185.57        | 54.35         | 241.41                | 34.92         |
| CSOBP                          | 88.24         | 58.09         | 51.90                 | 16.61         |
| Pojistovna CESKE sporitelny    | 84.70         | 40.27         | 110.36                | 15.94         |
| KOOPERATIVA Pojistovna         | 41.82         | 39.40         | 6.15                  | 7.87          |
| ALLIANZ                        | 37.99         | 33.18         | 14.50                 | 7.15          |
| CESKA Pojistovna               | 30.44         | 30.37         | 0.24                  | 5.73          |
| CESKA Podnikatelska Pojistovna | 18.44         | 19.95         | -7.53                 | 3.47          |
| AXA - ŽP                       | 14.93         | 13.46         | 10.93                 | 2.81          |
| GENERALI Pojistovna            | 7.08          | 3.33          | 112.35                | 1.33          |
| AEGON                          | 4.65          | 2.99          | 55.47                 | 0.87          |
| WÜST - ŽP                      | 4.36          | 0.17          | 2,518.33              | 0.82          |
| ING                            | 3.84          | 4.07          | -5.72                 | 0.72          |
| VICTORIA                       | 2.80          | 0.69          | 303.38                | 0.53          |
| AMCICO                         | 2.46          | 1.24          | 97.72                 | 0.46          |
| UNIQA                          | 2.39          | 1.25          | 91.42                 | 0.45          |
| AVIVA                          | 1.17          | 2.00          | -41.53                | 0.22          |
| CARDIF                         | 0.47          | -             | -                     | 0.09          |
| <b>TOTAL TOP 10</b>            | <b>513.86</b> | <b>295.38</b> | <b>73.96</b>          | <b>96.71</b>  |
| <b>TOTAL MARKET</b>            | <b>531.36</b> | <b>304.81</b> | <b>74.32</b>          | <b>100.00</b> |

## MTPL insurance ranking

| Company                        | GWP 1H<br>2010 | GWP 1H<br>2009 | Nominal<br>Evolution (%) | MARKET<br>SHARE |
|--------------------------------|----------------|----------------|--------------------------|-----------------|
|                                | EUR m.         | EUR m.         | EUR                      | %               |
| CESKA Pojistovna               | 137.63         | 155.13         | -11.28                   | 29.39           |
| KOOPERATIVA Pojistovna         | 108.07         | 113.41         | -4.71                    | 23.08           |
| CESKA Podnikatelska Pojistovna | 58.46          | 59.03          | -0.98                    | 12.48           |
| ALLIANZ                        | 45.35          | 49.30          | -8.02                    | 9.68            |
| GENERALI Pojistovna            | 43.39          | 49.60          | -12.52                   | 9.27            |
| CSOBP                          | 27.78          | 28.32          | -1.89                    | 5.93            |
| UNIQA                          | 17.95          | 16.50          | 8.79                     | 3.83            |
| TRIGLAV                        | 10.75          | 11.16          | -3.70                    | 2.30            |
| SLAVIA                         | 5.09           | 1.19           | 327.72                   | 1.09            |
| WÜST                           | 4.66           | 3.33           | 39.96                    | 0.99            |
| DIRECT                         | 4.02           | 3.39           | 18.64                    | 0.86            |
| AXA                            | 2.85           | 1.57           | 81.02                    | 0.61            |
| HVP                            | 2.28           | 2.16           | 5.46                     | 0.49            |
| Ceska KANCELAR Pojistitelu     | 0.01           | 0.01           | -1.02                    | 0.00            |
| <b>TOTAL TOP 10</b>            | <b>459.13</b>  | <b>486.97</b>  | <b>-5.72</b>             | <b>98.04</b>    |
| <b>TOTAL MARKET</b>            | <b>468.28</b>  | <b>494.10</b>  | <b>-5.23</b>             | <b>100.00</b>   |

## Motor Hull insurance ranking

| Company                        | GWP 1H<br>2010 | GWP 1H<br>2009 | Nominal<br>Evolution (%) | MARKET<br>SHARE |
|--------------------------------|----------------|----------------|--------------------------|-----------------|
|                                | EUR m.         | EUR m.         | EUR                      | %               |
| CESKA Pojistovna               | 97.65          | 108.85         | -10.29                   | 31.54           |
| KOOPERATIVA Pojistovna         | 86.24          | 92.25          | -6.52                    | 27.85           |
| ALLIANZ                        | 42.43          | 45.91          | -7.58                    | 13.70           |
| UNIQA                          | 22.91          | 21.24          | 7.89                     | 7.40            |
| GENERALI Pojistovna            | 21.28          | 22.80          | -6.63                    | 6.87            |
| CSOBP                          | 17.61          | 20.48          | -14.02                   | 5.69            |
| CESKA Podnikatelska Pojistovna | 15.00          | 13.32          | 12.65                    | 4.85            |
| TRIGLAV                        | 2.45           | 2.76           | -11.10                   | 0.79            |
| DIRECT                         | 1.65           | 0.89           | 85.37                    | 0.53            |
| SLAVIA                         | 0.71           | 0.41           | 73.61                    | 0.23            |
| HVP                            | 0.67           | 0.76           | -11.13                   | 0.22            |
| WÜST                           | 0.54           | 0.26           | 105.87                   | 0.18            |
| AXA                            | 0.28           | 0.18           | 50.84                    | 0.09            |
| MAXIMA                         | 0.20           | 0.22           | -12.57                   | 0.06            |
| <b>TOTAL TOP 10</b>            | <b>307.95</b>  | <b>328.90</b>  | <b>-6.37</b>             | <b>99.45</b>    |
| <b>TOTAL MARKET</b>            | <b>309.64</b>  | <b>330.33</b>  | <b>-6.26</b>             | <b>100.00</b>   |

## 2010 floods prompting insurance rates rise

Increasing frequency of flooding have pushed the Czech insurance companies to re-evaluate their property insurance policies. Companies are looking to increase premiums and also to refuse coverage in at-risk areas. Such decisions could leave residents of flood-prone zones with less coverage than they thought they had, writes The Prague Post.

Storms and flooding in August 2010 alone resulted in damages of more than EUR126m, and insurance companies received nearly 10,000 claims. Insurers paid out about EUR2m on policies, according to the Czech Insurance Association (ČAP).

*Higher frequency of floods and other natural disasters in recent years are likely to increase the cost of reinsurance cover in the global reinsurance market, which will probably be - to some extent - transferred to the price of the cover for policyholders, said a*

spokesman of the Czech National Bank (ČNB), the market watchdog.

Premiums and restrictions on flood insurance have been increasing over the past decade in tandem with increasing losses of storms and flooding. Although price hikes are inconvenient, changes in flood insurance specifics and restricted availability of coverage are hurting clients the most, because they may go unnoticed by policyholders until it's too late. Insurers say that contracts may often prove too complicated and difficult to understand for the clients, mostly for those with a lower education level. As a consequence, in many cases customers do not have the full picture about the scope of the flood insurance coverage under the policy. Moreover, people usually just forget to review their insurance often enough or underinsure their property.





## ESTONIA

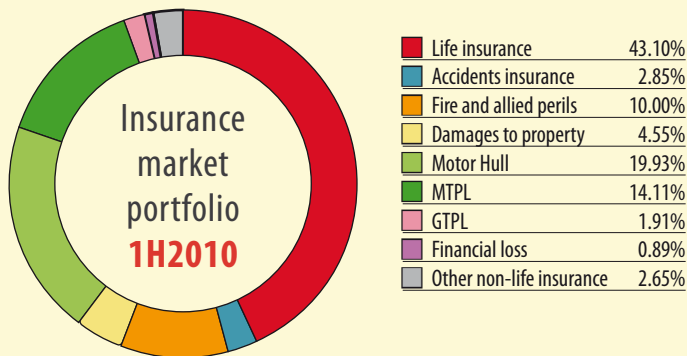
| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 1.3      | 1.3      |
| Nominal GDP (EEK billion)        | 214.8    | 203.6    |
| GDP per capita (USD)             | 14284    | 13655    |
| Real GDP growth, % change y/y    | -14.1    | -4.6     |
| Consumer price, % y-o-y, eop     | -1.7     | 0.5      |



Estonian insurance market has 12 players: 5 life and 7 non-life companies.

In 1H/2010, the life insurance business has grown exponentially, the share of life insurance gross premiums in the total insurance premiums is over 43,1% (EUR94.2m). At the end of 2009, the volume of premiums increased in life insurance by 5%.

After a decrease in gross written premiums from non-life insurance in 2009, this line of business is recovering slowly, the business of insurance companies totaling more than EUR124m.



### Sources:

Financial Supervision Authority of Estonia (Finantsinspektsioon)  
Estonian Insurance Association (EKL)  
National Bank of Estonia

### Estonian currency exchange rate for calculations:

1 EUR = 15.6466 Kroons - EEK (fixed)

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                     | 1H 2010       |               | 1H 2009       |              | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|-----------------------------------|---------------|---------------|---------------|--------------|-----------------------|-------------------------|---------------|
|                                   | GWP           | CLAIMS        | GWP           | CLAIMS       |                       |                         |               |
|                                   | EUR m.        | EUR m.        | EUR m.        | EUR m.       |                       |                         |               |
| <b>TOTAL MARKET</b>               | <b>218.55</b> | <b>121.94</b> | <b>165.85</b> | <b>98.22</b> | <b>31.78</b>          | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>                 | <b>94.20</b>  | <b>45.41</b>  | <b>57.87</b>  | <b>31.37</b> | <b>62.77</b>          | <b>100.00</b>           | <b>43.10</b>  |
| Term and whole insurance          | 5.57          | 0.89          | 3.42          | 0.31         | 62.90                 | 5.91                    | 2.55          |
| Endowment insurance               | 23.62         | 16.69         | 17.47         | 13.92        | 35.20                 | 25.07                   | 10.81         |
| Birth and marriage                | 1.04          | 1.23          | 0.05          | 0.22         | 2,114                 | 1.10                    | 0.48          |
| Annuities                         | 3.10          | 1.88          | 3.80          | 2.60         | -18.38                | 3.29                    | 1.42          |
| Unit-linked                       | 55.16         | 22.57         | 29.01         | 12.49        | 90.14                 | 58.56                   | 25.24         |
| Supplementary insurances          | 5.71          | 2.16          | 4.13          | 1.84         | 38.24                 | 6.06                    | 2.61          |
| <b>Total Non-Life</b>             | <b>124.35</b> | <b>76.53</b>  | <b>107.97</b> | <b>66.85</b> | <b>15.17</b>          | <b>100.00</b>           | <b>56.90</b>  |
| Accident                          | 6.24          | 3.59          | 4.69          | 2.48         | 32.90                 | 5.01                    | 2.85          |
| <b>Overall property insurance</b> | <b>31.79</b>  | <b>12.84</b>  | <b>26.77</b>  | <b>12.45</b> | <b>18.74</b>          | <b>25.57</b>            | <b>14.55</b>  |
| Fire and allied perils*           | 21.85         | NA            | NA            | NA           | -                     | 17.58                   | 10.00         |
| Damages to property*              | 9.94          | NA            | NA            | NA           | -                     | 7.99                    | 4.55          |
| <b>Overall motor insurance</b>    | <b>74.41</b>  | <b>54.56</b>  | <b>70.64</b>  | <b>49.03</b> | <b>5.33</b>           | <b>59.84</b>            | <b>34.05</b>  |
| Motor Hull                        | 43.56         | 33.56         | 40.92         | 30.56        | 6.45                  | 35.03                   | 19.93         |
| MTPL                              | 30.84         | 21.00         | 29.71         | 18.47        | 3.80                  | 24.80                   | 14.11         |
| GTPL                              | 4.17          | 1.45          | 2.31          | 0.80         | 80.16                 | 3.35                    | 1.91          |
| Pecuniary loss                    | 1.95          | 0.58          | 1.68          | 1.23         | 16.00                 | 1.57                    | 0.89          |
| Other non-life insurance          | 5.80          | 3.50          | 1.88          | 0.87         | 209.34                | 4.66                    | 2.65          |

\* PRIMUM estimation



## Life insurance ranking

| No.                 | Company                    | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|----------------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                            | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                            | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | Swedbank Life Ins.         | 41.05        | 20.34        | 18.52        | 10.10        | 121.60                | 43.57         |
| 2                   | Mandatum Life Ins.         | 33.83        | 14.69        | 19.32        | 7.65         | 75.12                 | 35.91         |
| 3                   | SEB Elu- ja Pensionikindl. | 8.75         | 5.39         | 8.42         | 7.10         | 3.87                  | 9.29          |
| 4                   | Compensa Life VIG          | 8.63         | 3.99         | 9.21         | 5.23         | -6.36                 | 9.16          |
| 5                   | ERGO Elukindl.             | 1.95         | 0.99         | 2.40         | 1.29         | -18.71                | 2.07          |
| <b>TOTAL MARKET</b> |                            | <b>94.20</b> | <b>45.41</b> | <b>57.87</b> | <b>31.37</b> | <b>62.77</b>          | <b>100.00</b> |

## Endowment insurance ranking

| No.                 | Company                    | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|----------------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                            | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                            | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | Swedbank Life Ins.         | 14.93        | 11.46        | 7.72         | 6.26         | 93.37                 | 63.22         |
| 2                   | SEB Elu- ja Pensionikindl. | 4.92         | 2.48         | 5.46         | 3.48         | -9.86                 | 20.83         |
| 3                   | Compensa Life VIG          | 1.60         | 1.03         | 1.78         | 1.59         | -9.92                 | 6.77          |
| 4                   | Mandatum Life Ins.         | 1.13         | 1.13         | 1.32         | 1.85         | -14.34                | 4.77          |
| 5                   | ERGO Elukindl.             | 1.04         | 0.60         | 1.20         | 0.73         | -13.12                | 4.41          |
| <b>TOTAL MARKET</b> |                            | <b>23.62</b> | <b>16.69</b> | <b>17.47</b> | <b>13.92</b> | <b>35.20</b>          | <b>100.00</b> |

## Unit-linked insurance ranking

| No.                 | Company                    | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|----------------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                            | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                            | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | Mandatum Life Ins.         | 31.91        | 13.40        | 17.17        | 5.56         | 85.92                 | 57.85         |
| 2                   | Swedbank Life Ins.         | 18.12        | 6.26         | 7.26         | 3.31         | 149.79                | 32.85         |
| 3                   | Compensa Life VIG          | 2.73         | 0.51         | 2.80         | 0.45         | -2.46                 | 4.95          |
| 4                   | SEB Elu- ja Pensionikindl. | 2.40         | 2.39         | 1.79         | 3.18         | 33.85                 | 4.34          |
| <b>TOTAL MARKET</b> |                            | <b>55.16</b> | <b>22.57</b> | <b>29.01</b> | <b>12.49</b> | <b>90.14</b>          | <b>100.00</b> |

## Non-Life insurance ranking

| No.                 | Company               | 1H 2010       |              | 1H 2009       |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|-----------------------|---------------|--------------|---------------|--------------|-----------------------|---------------|
|                     |                       | GWP           | CLAIMS       | GWP           | CLAIMS       |                       |               |
|                     |                       | EUR m.        | EUR m.       | EUR m.        | EUR m.       |                       |               |
| 1                   | If P&C Ins. AS        | 56.05         | 33.02        | 34.90         | 20.09        | 60.63                 | 45.08         |
| 2                   | ERGO Kindl.           | 22.07         | 15.40        | 24.42         | 18.31        | -9.63                 | 17.75         |
| 3                   | Swedbank Varakindl.   | 20.46         | 10.88        | 20.23         | 11.53        | 1.14                  | 16.46         |
| 4                   | Seesam Rahvusvaheline | 14.69         | 9.41         | 15.33         | 9.38         | -4.18                 | 11.81         |
| 5                   | Salva Kindl.          | 8.42          | 5.18         | 9.30          | 4.96         | -9.39                 | 6.77          |
| 6                   | Inges Kindl.          | 2.47          | 2.59         | 3.73          | 2.55         | -33.95                | 1.98          |
| 7                   | D.A.S. Õigusabikulu   | 0.18          | 0.05         | 0.06          | 0.03         | 206.53                | 0.15          |
| <b>TOTAL MARKET</b> |                       | <b>124.35</b> | <b>76.53</b> | <b>107.97</b> | <b>66.85</b> | <b>15.17</b>          | <b>100.00</b> |

## Accident insurance ranking

| No.                 | Company               | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|-----------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |                       | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |                       | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | If P&C Ins. AS        | 2.43        | 1.14        | 1.20        | 0.43        | 103.47                | 38.99         |
| 2                   | Salva Kindl.          | 1.14        | 0.68        | 1.23        | 0.81        | -7.46                 | 18.25         |
| 3                   | ERGO Kindl.           | 1.09        | 0.68        | 0.80        | 0.46        | 36.81                 | 17.47         |
| 4                   | Seesam Rahvusvaheline | 0.91        | 0.78        | 0.98        | 0.66        | -7.26                 | 14.58         |
| 5                   | Swedbank Varakindl.   | 0.56        | 0.31        | 0.40        | 0.12        | 39.04                 | 8.95          |
| 6                   | Inges Kindl.          | 0.11        | 0.00        | 0.09        | 0.00        | 22.84                 | 1.75          |
| <b>TOTAL MARKET</b> |                       | <b>6.24</b> | <b>3.59</b> | <b>4.69</b> | <b>2.48</b> | <b>32.90</b>          | <b>100.00</b> |

## Property insurance ranking

| No.                 | Company               | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|-----------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                       | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                       | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | If P&C Ins. AS        | 16.76        | 6.60         | 11.81        | 5.03         | 41.90                 | 52.71         |
| 2                   | ERGO Kindl.           | 5.25         | 2.76         | 6.03         | 4.60         | -12.96                | 16.51         |
| 3                   | Swedbank Varakindl.   | 4.80         | 1.28         | 3.38         | 0.81         | 42.00                 | 15.09         |
| 4                   | Seesam Rahvusvaheline | 3.20         | 1.20         | 3.51         | 1.37         | -8.99                 | 10.05         |
| 5                   | Salva Kindl.          | 1.79         | 1.00         | 2.05         | 0.64         | -12.32                | 5.64          |
| 6                   | Inges Kindl.          | 0.00         | -            | 0.00         | -            | -                     | 0.00          |
| <b>TOTAL MARKET</b> |                       | <b>31.79</b> | <b>12.84</b> | <b>26.77</b> | <b>12.45</b> | <b>18.74</b>          | <b>100.00</b> |

## Motor Hull insurance ranking

| No.                 | Company               | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|-----------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                       | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                       | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | If P&C Ins. AS        | 15.94        | 12.76        | 10.02        | 7.47         | 59.03                 | 36.59         |
| 2                   | Swedbank Varakindl.   | 12.01        | 7.58         | 13.20        | 9.19         | -9.03                 | 27.56         |
| 3                   | ERGO Kindl.           | 7.55         | 6.69         | 8.45         | 7.20         | -10.62                | 17.33         |
| 4                   | Seesam Rahvusvaheline | 6.21         | 5.02         | 6.89         | 5.05         | -9.97                 | 14.25         |
| 5                   | Salva Kindl.          | 1.85         | 1.51         | 2.35         | 1.60         | -21.06                | 4.25          |
| 6                   | Inges Kindl.          | 0.00         | -            | 0.01         | 0.06         | -62.07                | 0.01          |
| <b>TOTAL MARKET</b> |                       | <b>43.56</b> | <b>33.56</b> | <b>40.92</b> | <b>30.56</b> | <b>6.45</b>           | <b>100.00</b> |

## MTPL insurance ranking

| No.                 | Company               | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|-----------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                       | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                       | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | If P&C Ins. AS        | 13.08        | 8.71         | 9.95         | 5.49         | 31.46                 | 42.40         |
| 2                   | ERGO Kindl.           | 6.31         | 4.30         | 7.29         | 5.33         | -13.34                | 20.47         |
| 3                   | Seesam Rahvusvaheline | 3.82         | 2.17         | 3.25         | 1.99         | 17.66                 | 12.40         |
| 4                   | Salva Kindl.          | 3.40         | 1.94         | 3.43         | 1.87         | -0.81                 | 11.04         |
| 5                   | Inges Kindl.          | 2.13         | 2.54         | 3.39         | 2.42         | -37.32                | 6.89          |
| 6                   | Swedbank Varakindl.   | 2.10         | 1.35         | 2.41         | 1.36         | -12.79                | 6.81          |
| <b>TOTAL MARKET</b> |                       | <b>30.84</b> | <b>21.00</b> | <b>29.71</b> | <b>18.47</b> | <b>3.80</b>           | <b>100.00</b> |

## GTPL insurance ranking

| No.                 | Company               | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|-----------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |                       | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |                       | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | If P&C Ins. AS        | 2.76        | 0.98        | 1.12        | 0.57        | 146.47                | 66.14         |
| 2                   | ERGO Kindl.           | 0.78        | 0.38        | 0.69        | 0.13        | 11.80                 | 18.64         |
| 3                   | Seesam Rahvusvaheline | 0.35        | 0.05        | 0.31        | 0.08        | 13.84                 | 8.52          |
| 4                   | Swedbank Varakindl.   | 0.20        | 0.03        | 0.12        | 0.01        | 69.72                 | 4.89          |
| 5                   | Salva Kindl.          | 0.08        | 0.01        | 0.07        | 0.00        | 10.70                 | 1.81          |
| <b>TOTAL MARKET</b> |                       | <b>4.17</b> | <b>1.45</b> | <b>2.31</b> | <b>0.80</b> | <b>80.16</b>          | <b>100.00</b> |



## HUNGARY

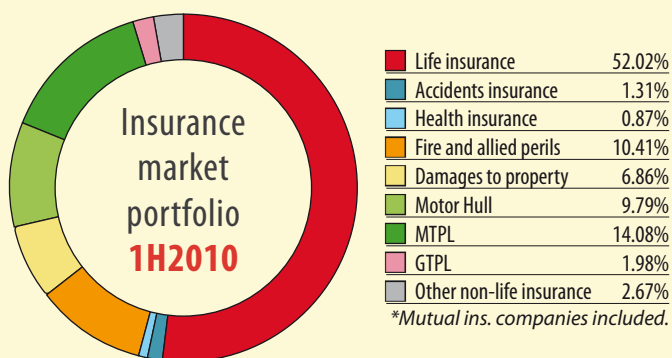
| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 10.0     | 10.0     |
| Nominal GDP (HUF billion)        | 25564.0  | 26898.1  |
| GDP per capita (USD)             | 12705    | 14518    |
| Real GDP growth, % change y/y    | -6.4     | 0.1      |
| Consumer price, % y-o-y, eop     | 5.6      | 4.5      |

Despite the impact of the global economic crisis, the insurance sector in Hungary looks stable and safe. The total market's gross written premiums increased with 3.38 percent during the first half of 2010.

The Hungarian life market growth was exclusively based on the unit-linked and single premium policies evolution. The attractiveness of investment products grew in relation to the upturn of the capital market, a significant drop in bank deposit interest rates and the launch of increasingly flexible and liquid insurance products. In return, insurance revenues from traditional life and non-life products continued to stagnate or even decrease.

The largest share in the non-life market portfolio is represented by motor insurance, despite the downward trend (-10%) in the first six months of 2010. Motor Hull and motor third party liability (MTPL) cumulate 50% of non-life insurance market, or 24% of the total market premium volume. The property insurance declined by more than 2% in the first six months of 2010, and this trend was mostly supported by the fire and allied perils segment.

The premium revenues fell in relation to the unfavourable macro economic impacts, which kept demand



### Sources:

Hungarian Financial Supervision Authority (PSZAF)  
Association of Hungarian Insurance Companies (MABISZ)  
National Bank of Hungary

### Hungarian currency exchange rate for calculations:

1 EUR = 272.43 Forints - HUF (June 30<sup>th</sup> 2009)  
1 EUR = 286.46 Forints - HUF (June 30<sup>th</sup> 2010)

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                     | 1H 2010         |               | 1H 2009         |               | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|-----------------------------------|-----------------|---------------|-----------------|---------------|-----------------------|-------------------------|---------------|
|                                   | GWP             | CLAIMS        | GWP             | CLAIMS        |                       |                         |               |
|                                   | EUR m.          | EUR m.        | EUR m.          | EUR m.        |                       |                         |               |
| <b>TOTAL MARKET</b>               | <b>1,549.02</b> | <b>998.38</b> | <b>1,498.36</b> | <b>924.57</b> | <b>3.38</b>           | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>                 | <b>805.80</b>   | <b>638.86</b> | <b>697.28</b>   | <b>567.01</b> | <b>15.56</b>          | <b>100.00</b>           | <b>52.02</b>  |
| Assurance on death                | 27.58           | 8.18          | 30.81           | 10.37         | -10.48                | 3.42                    | 1.78          |
| Endowment                         | 172.02          | 190.05        | 174.37          | 221.90        | -1.34                 | 21.35                   | 11.11         |
| Unit-linked                       | 534.52          | 368.25        | 409.29          | 254.87        | 30.60                 | 66.33                   | 34.51         |
| Other life insurance*             | 71.68           | 72.39         | 82.82           | 79.87         | -13.44                | 8.90                    | 4.63          |
| <b>TOTAL NON-LIFE</b>             | <b>743.22</b>   | <b>359.51</b> | <b>801.08</b>   | <b>357.57</b> | <b>-7.22</b>          | <b>100.00</b>           | <b>47.98</b>  |
| Accident                          | 20.32           | 6.89          | 19.90           | 7.36          | 2.11                  | 2.73                    | 1.31          |
| Health                            | 13.53           | 3.82          | 13.04           | 4.35          | 3.72                  | 1.82                    | 0.87          |
| <b>Overall property insurance</b> | <b>267.52</b>   | <b>108.07</b> | <b>273.32</b>   | <b>74.24</b>  | <b>-2.12</b>          | <b>35.99</b>            | <b>17.27</b>  |
| Fire and allied perils            | 161.22          | 67.01         | 166.41          | 42.99         | -3.12                 | 21.69                   | 10.41         |
| Damages to property               | 106.30          | 41.05         | 106.91          | 31.25         | -0.57                 | 14.30                   | 6.86          |
| <b>Overall motor insurance</b>    | <b>369.80</b>   | <b>215.86</b> | <b>411.13</b>   | <b>236.37</b> | <b>-10.05</b>         | <b>49.76</b>            | <b>23.87</b>  |
| Motor Hull                        | 151.68          | 95.96         | 170.78          | 104.49        | -11.19                | 20.41                   | 9.79          |
| MTPL                              | 218.12          | 119.90        | 240.35          | 131.89        | -9.25                 | 29.35                   | 14.08         |
| GTPL                              | 30.72           | 6.77          | 36.47           | 8.39          | -15.75                | 4.13                    | 1.98          |
| Other non-life insurance*         | 41.33           | 18.10         | 47.22           | 26.86         | -12.47                | 5.56                    | 2.67          |

\*Mutual insurance companies included

low, and the premium cuts, as an expression of the higher competitiveness of the market. The still unfavourable housing and vehicle market outlook, and moderate dynamism of new loans also limit the growth potential of the insurance companies.

The Hungarian insurance market remained profitable in 1H2010 although its financial results were threatened by several factors with a potentially large effect, including the approximately EUR104m claims caused

by the storm and flood damages in May and June, the estimated deterioration in investment results following the capital market correction in May, the impact of the significant average price drop of MTPL insurance and the Government's financial special tax plan, the details of which are still unknown. According to the PsZAF's figures, the consolidated after tax profit shrank almost 21%, as compared to the previous years' first half, to some EUR95m.



## Non-Life insurance ranking

| Company                    | GWP 1H 2010   | GWP 1H 2009   | Nominal Evolution (%) | MARKET SHARE  |
|----------------------------|---------------|---------------|-----------------------|---------------|
|                            | EUR m.        | EUR m.        | EUR                   | %             |
| ALLIANZ                    | 235.50        | 264.42        | -10.94                | 31.33         |
| GENERALI-PROVIDENCIA       | 155.00        | 162.56        | -4.65                 | 20.62         |
| GROUPAMA GARANCIA          | 80.99         | 84.75         | -4.44                 | 10.78         |
| AEGON                      | 77.37         | 77.82         | -0.57                 | 10.29         |
| UNIQA                      | 61.78         | 62.94         | -1.85                 | 8.22          |
| K&H                        | 27.77         | 31.05         | -10.57                | 3.69          |
| UNION                      | 26.77         | 46.38         | -42.27                | 3.56          |
| MAGYAR Posta               | 14.71         | 13.06         | 12.62                 | 1.96          |
| CHARTIS                    | 14.06         | 12.21         | 15.20                 | 1.87          |
| KOBE                       | 12.39         | 15.43         | -19.73                | 1.65          |
| QBE Europe Fioltelep       | 10.11         | 11.01         | -8.21                 | 1.35          |
| GENERTEL                   | 9.05          | 7.26          | 24.75                 | 1.20          |
| SIGNAL                     | 7.10          | 7.32          | -2.91                 | 0.94          |
| AIM                        | 5.88          | 2.96          | 98.59                 | 0.78          |
| EULRE HERMES               | 4.68          | 4.45          | 5.17                  | 0.62          |
| EUROPAI Utazasi Bizt.      | 3.15          | 3.53          | -10.76                | 0.42          |
| MKB Altalanos              | 1.83          | 0.72          | 154.54                | 0.24          |
| AHICO                      | 1.14          | 1.52          | -25.10                | 0.15          |
| AXA                        | 0.96          | 1.17          | -18.34                | 0.13          |
| PORSCHE                    | 0.95          | 1.01          | -6.78                 | 0.13          |
| <b>TOTAL TOP 10</b>        | <b>706.33</b> | <b>770.62</b> | <b>-8.34</b>          | <b>93.98</b>  |
| <b>TOTAL TOP 20</b>        | <b>751.18</b> | <b>811.58</b> | <b>-7.44</b>          | <b>99.94</b>  |
| <b>TOTAL MARKET MABISZ</b> | <b>751.61</b> | <b>814.07</b> | <b>-7.67</b>          | <b>100.00</b> |
| <b>TOTAL MARKET PSZAF</b>  | <b>743.22</b> | <b>801.08</b> | <b>-7.22</b>          |               |

## Life insurance ranking

| Company                    | GWP 1H 2010   | GWP 1H 2009   | Nominal Evolution (%) | MARKET SHARE  |
|----------------------------|---------------|---------------|-----------------------|---------------|
|                            | EUR m.        | EUR m.        | EUR                   | %             |
| ING                        | 131.39        | 148.22        | -11.36                | 16.54         |
| ALLIANZ                    | 125.23        | 48.14         | 160.15                | 15.76         |
| GROUPAMA GARANCIA          | 80.80         | 67.08         | 20.46                 | 10.17         |
| GENERALI-PROVIDENCIA       | 74.37         | 76.30         | -2.54                 | 9.36          |
| AEGON                      | 73.76         | 77.95         | -5.38                 | 9.28          |
| MAGYAR Posta Elet          | 70.98         | 35.55         | 99.63                 | 8.93          |
| AVIVA                      | 44.22         | 41.85         | 5.65                  | 5.57          |
| UNIQA                      | 37.28         | 36.80         | 1.30                  | 4.69          |
| CIG                        | 29.78         | 14.17         | 110.18                | 3.75          |
| AXA                        | 22.86         | 22.84         | 0.08                  | 2.88          |
| ERSTE                      | 22.01         | 19.84         | 10.97                 | 2.77          |
| K&H                        | 17.45         | 29.43         | -40.71                | 2.20          |
| UNION                      | 15.88         | 19.19         | -17.25                | 2.00          |
| SIGNAL                     | 14.11         | 14.64         | -3.56                 | 1.78          |
| AHICO                      | 12.65         | 13.92         | -9.14                 | 1.59          |
| GRAWE                      | 10.06         | 13.84         | -27.29                | 1.27          |
| DIMENZIO                   | 6.35          | 9.74          | -34.81                | 0.80          |
| MKB Elet                   | 5.28          | 1.80          | 192.69                | 0.66          |
| <b>TOTAL TOP 10</b>        | <b>690.65</b> | <b>568.91</b> | <b>21.40</b>          | <b>86.93</b>  |
| <b>TOTAL MARKET MABISZ</b> | <b>794.45</b> | <b>691.31</b> | <b>14.92</b>          | <b>100.00</b> |
| <b>TOTAL MARKET PSZAF</b>  | <b>805.80</b> | <b>697.28</b> | <b>15.56</b>          |               |

## MTPL insurance ranking

| Company                    | GWP 1H 2010   | GWP 1H 2009   | Nominal Evolution (%) | MARKET SHARE  |
|----------------------------|---------------|---------------|-----------------------|---------------|
|                            | EUR m.        | EUR m.        | EUR                   | %             |
| ALLIANZ                    | 80.14         | 100.50        | -20.26                | 35.81         |
| GENERALI-PROVIDENCIA       | 32.02         | 32.56         | -1.66                 | 14.31         |
| UNIQA                      | 19.95         | 18.78         | 6.25                  | 8.92          |
| GROUPAMA GARANCIA          | 16.99         | 19.44         | -12.59                | 7.59          |
| K&H                        | 15.24         | 17.01         | -10.42                | 6.81          |
| AEGON                      | 15.22         | 15.78         | -3.54                 | 6.80          |
| KOBE                       | 11.77         | 15.01         | -21.54                | 5.26          |
| MAGYAR Posta               | 11.06         | 9.79          | 12.94                 | 4.94          |
| GENERTEL                   | 7.95          | 6.78          | 17.29                 | 3.55          |
| UNION                      | 6.26          | 7.25          | -13.63                | 2.80          |
| AIM                        | 4.13          | 0.96          | 331.58                | 1.84          |
| SIGNAL                     | 2.68          | 3.08          | -13.00                | 1.20          |
| MKB Altalanos              | 0.37          | 0.16          | 140.83                | 0.17          |
| TIR BE                     | -             | 1.92          | -                     | -             |
| <b>TOTAL TOP 10</b>        | <b>216.60</b> | <b>242.90</b> | <b>-10.82</b>         | <b>96.79</b>  |
| <b>TOTAL MARKET MABISZ</b> | <b>223.78</b> | <b>249.00</b> | <b>-10.13</b>         | <b>100.00</b> |
| <b>TOTAL MARKET PSZAF</b>  | <b>218.12</b> | <b>240.35</b> | <b>-9.25</b>          |               |





## KOSOVO



### Sources:

Insurance Association of Kosovo  
Central Bank of the Republic Kosovo

Kosovo currency: EURO

### Macroeconomic indicators 2009

|                                  |       |
|----------------------------------|-------|
| Population (million inhabitants) | 1.8   |
| Nominal GDP (EUR billion)        | 3.79  |
| GDP per capita (EUR)             | 1,731 |
| Real GDP growth, % change y/y    | 3.8   |
| Consumer price, % y-o-y, eop     | 0.1   |

Kosovo is the youngest insurance market in the CEE Region. Despite this, the insurance market has grown substantially in the recent period (higher than GDP growth). Also, the compulsory insurance lines were the most important factor of growth (liabilities, accidents/health and transport).

For the development of life insurance line, the market needs new products and improved sales channels. The development of life insurance is also dependent on the investment markets.

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line       | 1H 2010      |              | 1H 2009      |             | Nominal Evolution (%) | % in all GWP  |
|---------------------|--------------|--------------|--------------|-------------|-----------------------|---------------|
|                     | GWP          | CLAIMS       | GWP          | CLAIMS      |                       |               |
|                     | EUR m.       | EUR m.       | EUR m.       | EUR m.      | EUR                   | %             |
| <b>TOTAL MARKET</b> | <b>34.80</b> | <b>13.20</b> | <b>33.10</b> | <b>8.00</b> | <b>5.14</b>           | <b>100.00</b> |
| MTPL                | 21.30        | 9.80         | 18.40        | 6.30        | 15.76                 | 61.21         |
| Border policies     | 3.50         | 0.50         | 3.90         | 0.40        | -10.26                | 10.06         |
| Other (non MTPL)    | 10.00        | 2.90         | 10.80        | 1.30        | -7.41                 | 28.74         |

# CEE & CIS INSURANCE STATISTICS AND NEWS

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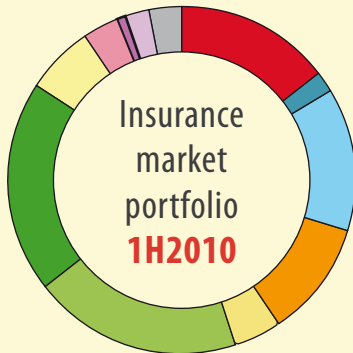
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## LATVIA



|                              |        |
|------------------------------|--------|
| Life insurance               | 14.50% |
| Accidents insurance          | 1.98%  |
| Health insurance             | 13.25% |
| Fire and allied perils       | 10.94% |
| Damages to property          | 4.50%  |
| Motor Hull                   | 19.48% |
| MTPL                         | 19.75% |
| Carriers liability insurance | 6.22%  |
| GTPL                         | 3.27%  |
| Accepted reinsurance         | 1.07%  |
| Assistance insurance         | 2.14%  |
| Other non-life insurance     | 2.90%  |

### Sources:

The Financial and Capital Market Commission of Latvia (FKTK)  
Latvian Insurers Association (LAA)  
National Bank of Latvia

### Latvia currency exchange rate for calculations:

1 EUR = 0.702804 Lats - LVL (fixed)

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 2.3      | 2.3      |
| Nominal GDP (LVL billion)        | 13.3     | 13.0     |
| GDP per capita (USD)             | 11582    | 9701     |
| Real GDP growth, % change y/y    | -18.4    | -2.3     |
| Consumer price, % y-o-y, eop     | -1.2     | 2.0      |

In 1H/2010, the insurance market in Latvia continued to decrease due to the financial crisis that hit the country's economy. Total gross insurance premiums written on the insurance market amounted to EUR135.43m, a 31.37 percent decrease from the previous year. The insurance density in Latvia remains relatively small, below the average for the CEE: EUR58.88/capita.

### Market portfolio as of June 30<sup>th</sup>, 2010\*

| Business Line                           | 1H 2010       |              | 1H 2009       |               | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|---|---------------|--------------|---------------|---------------|-----------------------|-------------------------|---------------|
|   | GWP           | CLAIMS       | GWP           | CLAIMS        |                       |                         |               |
|   | EUR m.        | EUR m.       | EUR m.        | EUR m.        |                       |                         |               |
| <b>TOTAL MARKET</b>                     | <b>135.43</b> | <b>86.84</b> | <b>197.34</b> | <b>122.77</b> | <b>-31.37</b>         | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>                       | <b>19.64</b>  | <b>12.27</b> | <b>17.88</b>  | <b>18.24</b>  | <b>9.80</b>           | <b>100.00</b>           | <b>14.50</b>  |
| Unit-linked                             | 2.67          | 1.14         | 1.13          | 1.27          | 136.09                | 13.59                   | 1.97          |
| Life ins. with savings                  | 12.29         | 7.13         | 11.66         | 6.47          | 5.35                  | 62.57                   | 9.07          |
| Other life insurance                    | 4.68          | 4.00         | 5.09          | 10.50         | -8.05                 | 23.84                   | 3.46          |
| <b>TOTAL NON-LIFE</b>                   | <b>115.79</b> | <b>74.57</b> | <b>179.46</b> | <b>104.53</b> | <b>-35.48</b>         | <b>100.00</b>           | <b>85.50</b>  |
| Accident                                | 2.68          | 1.29         | 3.26          | 1.03          | -18.00                | 2.31                    | 1.98          |
| Health                                  | 17.94         | 14.90        | 37.46         | 28.93         | -52.11                | 15.49                   | 13.25         |
| <b>Overall property insurance</b>       | <b>20.90</b>  | <b>9.72</b>  | <b>27.56</b>  | <b>7.07</b>   | <b>-24.16</b>         | <b>18.05</b>            | <b>15.43</b>  |
| Fire and allied perils                  | 14.81         | 5.73         | 20.25         | 4.30          | -26.87                | 12.79                   | 10.94         |
| Damages to property                     | 6.09          | 3.99         | 7.30          | 2.77          | -16.64                | 5.26                    | 4.50          |
| <b>Overall motor insurance</b>          | <b>53.13</b>  | <b>39.80</b> | <b>89.02</b>  | <b>59.45</b>  | <b>-40.32</b>         | <b>45.89</b>            | <b>39.23</b>  |
| Motor Hull                              | 26.38         | 21.45        | 46.43         | 34.84         | -43.18                | 22.78                   | 19.48         |
| MTPL                                    | 26.75         | 18.35        | 42.59         | 24.61         | -37.19                | 23.10                   | 19.75         |
| Transport ownership liability insurance | 8.43          | 6.05         | 7.43          | 5.04          | 13.44                 | 7.28                    | 6.22          |
| GTPL                                    | 4.43          | 0.54         | 5.35          | 1.05          | -17.22                | 3.83                    | 3.27          |
| Accepted reinsurance                    | 1.45          | 0.13         | 1.14          | 0.02          | 27.30                 | 1.25                    | 1.07          |
| Assistance insurance                    | 2.90          | 0.86         | 3.33          | 0.87          | -12.82                | 2.50                    | 2.14          |
| Other non-life insurance                | 3.93          | 1.28         | 4.90          | 1.08          | -19.75                | 3.40                    | 2.90          |

\*Source: Financial and Capital Market Commission (FKTK)

## Life insurance ranking

| No.                      | Company              | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|--------------------------|----------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                          |                      | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                          |                      | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                        | SEB Dzīvības apdr.   | 13.09        | 6.12         | 10.58        | 6.36         | 23.80                 | 36.08         |
| 2                        | MANDATUM Life Ins.   | 9.12         | 1.96         | 2.13         | 1.87         | 329.00                | 25.13         |
| 3                        | ERGO Latvija dzīvība | 6.27         | 6.21         | 7.10         | 11.63        | -11.66                | 17.29         |
| 4                        | Swedbank Life Ins.   | 3.89         | 0.75         | 4.34         | 0.79         | -10.27                | 10.73         |
| 5                        | COMPENSA Life VIG    | 2.73         | 1.39         | 4.39         | 2.85         | -37.83                | 7.52          |
| 6                        | ALICO                | 0.35         | 0.02         | 0.28         | 0.03         | 27.34                 | 0.97          |
| 7                        | VITAL Life           | 0.35         | 0.01         | 0.39         | 0.01         | -10.88                | 0.95          |
| 8                        | PAREKSS Dzīvība      | 0.30         | 0.00         | 0.23         | 0.01         | 30.38                 | 0.83          |
| 9                        | LKB Life             | 0.18         | 0.14         | 0.13         | 0.25         | 42.37                 | 0.50          |
| <b>TOTAL MARKET LAA</b>  |                      | <b>36.29</b> | <b>16.61</b> | <b>29.56</b> | <b>23.81</b> | <b>22.79</b>          | <b>100.00</b> |
| <b>TOTAL MARKET FKTK</b> |                      | <b>19.64</b> | <b>12.27</b> | <b>17.88</b> | <b>18.24</b> | <b>9.80</b>           |               |

## Non-Life insurance ranking

| No.                      | Company             | 1H 2010       |              | 1H 2009       |               | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|--------------------------|---------------------|---------------|--------------|---------------|---------------|-----------------------|---------------|
|                          |                     | GWP           | CLAIMS       | GWP           | CLAIMS        |                       |               |
|                          |                     | EUR m.        | EUR m.       | EUR m.        | EUR m.        |                       |               |
| 1                        | BTA                 | 32.83         | 17.28        | 43.17         | 23.65         | -23.95                | 25.30         |
| 2                        | GJENSIDIGE Baltic   | 27.62         | 20.16        | 35.57         | 19.92         | -22.34                | 21.28         |
| 3                        | BALTA               | 24.25         | 14.59        | 37.62         | 20.45         | -35.55                | 18.69         |
| 4                        | IF LATVIA           | 11.56         | 6.09         | 14.81         | 8.13          | -21.96                | 8.91          |
| 5                        | BALTIKUMS           | 7.51          | 4.76         | 10.53         | 5.88          | -28.68                | 5.79          |
| 6                        | ERGO LATVIJA        | 7.47          | 3.88         | 10.91         | 5.05          | -31.48                | 5.76          |
| 7                        | SEESAM Latvia       | 5.73          | 4.19         | 8.73          | 5.31          | -34.35                | 4.41          |
| 8                        | BALTIJAS Apdr. Nams | 4.99          | 3.71         | 5.71          | 3.81          | -12.64                | 3.84          |
| 9                        | BALVA               | 4.89          | 4.57         | 7.86          | 6.89          | -37.85                | 3.77          |
| 10                       | SWEDEBANK Apdr.     | 2.93          | 1.65         | 2.31          | 0.05          | 26.99                 | 2.26          |
| 11                       | LAUTO Klubs         | NA            | NA           | NA            | NA            | -                     | -             |
| 12                       | RSK Apdr.           | -             | -            | 6.42          | 4.54          | -                     | -             |
| <b>TOTAL MARKET LAA</b>  |                     | <b>129.78</b> | <b>80.88</b> | <b>183.64</b> | <b>103.67</b> | <b>-29.33</b>         | <b>100.00</b> |
| <b>TOTAL MARKET FKTK</b> |                     | <b>115.79</b> | <b>74.57</b> | <b>179.46</b> | <b>104.53</b> | <b>-35.48</b>         |               |

Note: LAUTO Klubs is not a member of the association; RSK Apdr. is in liquidation progress; SWEDEBANK Apdr. underwriting premiums since March 2009

## Latvian MTPL tariffs, the lowest in the Baltic states

Latvian insurance market experienced a massive drop in the insurance prices level, as prices were in 2009/2010 the main argument in the hardening competition for clients. According to the Central Statistical Bureau data, the overall prices declined by 10.6%, but insurance prices fell sharply, in average by 28% as compared to 1H2009. Average compulsory MTPL tariffs were subjected to the most impressive decrease, with 44% in average, so that Latvian insurers are offering now the lowest MTPL tariffs in the Baltic region. For comparison, in Lithuania and Estonia the price reduction was of about 6.8% and 14.5% respectively. Still, despite the very cheap policies, only 57% on the Latvian vehicles are MTPL insured.

While it still accounts for the largest part of the market portfolio, the motor insurance – Motor Hull and MTPL -, felt heavily the recessions' ef-

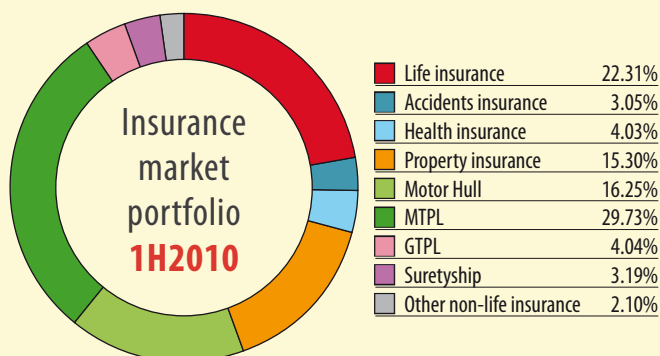


fects. While new cars sales dropped by aprox. 80%, many people already possessing a car are not using it anymore, trying to save money by using cars in common with their neighbors.





## LITHUANIA



### Sources:

Insurance Supervisory Commission of the Republic of Lithuania (DPK)  
Lithuanian Insurers Association (LDA)  
Bank of Lithuania

### Lithuanian currency exchange rate for calculations:

1 EUR = 3.45228 Litas, LTL (fixed)

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 3.4      | 3.3      |
| Nominal GDP (LTL billion)        | 92.4     | 94.5     |
| GDP per capita (USD)             | 10608    | 10501    |
| Real GDP growth, % change y/y    | -15.0    | -0.3     |
| Consumer price, % y-o-y, eop     | 1.3      | -1.0     |



Insurance premiums written in Lithuania in 1H/2010 were approximately EUR155m. In the analyzed period, the insurance density per capita was almost EUR 46.

The share of life insurance as of the total insurance business in Lithuania was 22.3%, which is very low in comparison with the average of CEE figure. Analyzing the portfolio insurance market, we can draw one conclusion: in 1H/2010, compared to same period of 2009, all classes of insurance declined, except for accident and illness insurance.

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                                    | 1H 2010       |              | 1H 2009       |               | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|--|---------------|--------------|---------------|---------------|-----------------------|-------------------------|---------------|
|  | GWP           | CLAIMS       | GWP           | CLAIMS        |                       |                         |               |
|  | EUR m.        | EUR m.       | EUR m.        | EUR m.        |                       |                         |               |
| <b>TOTAL MARKET</b>                              | <b>154.82</b> | <b>88.47</b> | <b>214.04</b> | <b>120.86</b> | <b>-27.67</b>         | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>                                | <b>34.54</b>  | <b>5.57</b>  | <b>55.63</b>  | <b>15.47</b>  | <b>-37.92</b>         | <b>100.00</b>           | <b>22.31</b>  |
| The investment risk is borne by the policyholder | 27.80         | 2.59         | 36.58         | 2.98          | -24.00                | 80.50                   | 17.96         |
| Life assurance not covered in other classes      | 6.52          | 1.59         | 17.45         | 9.85          | -62.66                | 18.87                   | 4.21          |
| Marriage and birth assurance                     | 0.22          | 1.39         | 1.60          | 2.65          | -86.40                | 0.63                    | 0.14          |
| <b>Total Non-Life</b>                            | <b>120.28</b> | <b>82.91</b> | <b>158.41</b> | <b>105.39</b> | <b>-24.07</b>         | <b>100.00</b>           | <b>77.69</b>  |
| Accident   | 4.72          | 1.62         | 4.68          | 1.90          | 0.69                  | 3.92                    | 3.05          |
| Health   | 6.24          | 3.00         | 6.11          | 4.84          | 2.13                  | 5.19                    | 4.03          |
| <b>Overall property insurance</b>                | <b>23.68</b>  | <b>11.80</b> | <b>34.33</b>  | <b>20.49</b>  | <b>-31.01</b>         | <b>19.69</b>            | <b>15.30</b>  |
| Fire and allied perils                           | NA            | NA           | NA            | NA            | -                     | -                       | -             |
| Damages to property                              | NA            | NA           | NA            | NA            | -                     | -                       | -             |
| <b>Overall motor insurance</b>                   | <b>71.19</b>  | <b>49.79</b> | <b>88.58</b>  | <b>67.76</b>  | <b>-19.63</b>         | <b>59.18</b>            | <b>45.98</b>  |
| Motor Hull                                       | 25.16         | 23.62        | 35.62         | 33.87         | -29.37                | 20.92                   | 16.25         |
| MTPL   | 46.03         | 26.17        | 52.96         | 33.89         | -13.08                | 38.27                   | 29.73         |
| GTPL   | 6.25          | 1.49         | 8.78          | 1.78          | -28.73                | 5.20                    | 4.04          |
| Suretyship                                       | 4.94          | 1.27         | 4.13          | 0.94          | 19.67                 | 4.11                    | 3.19          |
| Other non-life insurance                         | 3.26          | 13.95        | 11.81         | 7.67          | -72.42                | 2.71                    | 2.10          |

## Life insurance ranking

| No.                 | Company            | 1H 2010      |             | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|--------------------|--------------|-------------|--------------|--------------|-----------------------|---------------|
|                     |                    | GWP          | CLAIMS      | GWP          | CLAIMS       |                       |               |
|                     |                    | EUR m.       | EUR m.      | EUR m.       | EUR m.       |                       |               |
| 1                   | SEB G.D.           | 12.50        | 1.42        | 12.68        | 0.73         | -1.39                 | 36.19         |
| 2                   | AVIVA LIETUVA      | 11.92        | 1.00        | 10.90        | 1.28         | 9.33                  | 34.51         |
| 3                   | ERGO LIETUVA G.D.  | 5.38         | 1.01        | 5.38         | 1.05         | -0.14                 | 15.56         |
| 4                   | BONUM PUBLICUM     | 2.28         | 0.20        | 2.45         | 0.22         | -7.03                 | 6.61          |
| 5                   | PZU LIETUVA G.D.   | 2.19         | 0.36        | 2.19         | 0.44         | 0.13                  | 6.34          |
| 6                   | LIETUVOS DRAUDIMAS | 0.27         | 1.57        | 0.41         | 2.16         | -33.20                | 0.78          |
| 7                   | SWEDBANK G.D.      | NA           | NA          | 21.62        | 9.59         | -                     | -             |
| <b>TOTAL MARKET</b> |                    | <b>34.54</b> | <b>5.57</b> | <b>55.63</b> | <b>15.47</b> | <b>-37.92</b>         | <b>100.00</b> |

## Life insurance - The investment risk is borne by the policyholder - ranking

| No.                 | Company           | 1H 2010      |             | 1H 2009      |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|-------------------|--------------|-------------|--------------|-------------|-----------------------|---------------|
|                     |                   | GWP          | CLAIMS      | GWP          | CLAIMS      |                       |               |
|                     |                   | EUR m.       | EUR m.      | EUR m.       | EUR m.      |                       |               |
| 1                   | SEB G.D.          | 12.21        | 1.27        | 12.34        | 0.59        | -1.03                 | 43.91         |
| 2                   | AVIVA LIETUVA     | 11.92        | 1.00        | 10.90        | 1.28        | 9.33                  | 42.87         |
| 3                   | BONUM PUBLICUM    | 2.04         | 0.17        | 2.23         | 0.17        | -8.61                 | 7.34          |
| 4                   | PZU LIETUVA G.D.  | 1.39         | 0.14        | 1.58         | 0.10        | -11.91                | 5.00          |
| 5                   | ERGO LIETUVA G.D. | 0.24         | 0.02        | 0.25         | 0.01        | -2.93                 | 0.88          |
| 6                   | SWEDBANK G.D.     | NA           | NA          | 9.28         | 0.82        | -                     | -             |
| <b>TOTAL MARKET</b> |                   | <b>27.80</b> | <b>2.59</b> | <b>36.58</b> | <b>2.98</b> | <b>-24.00</b>         | <b>100.00</b> |

## Life insurance not covered in other classes ranking

| No.                 | Company            | 1H 2010     |             | 1H 2009      |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|--------------------|-------------|-------------|--------------|-------------|-----------------------|---------------|
|                     |                    | GWP         | CLAIMS      | GWP          | CLAIMS      |                       |               |
|                     |                    | EUR m.      | EUR m.      | EUR m.       | EUR m.      |                       |               |
| 1                   | ERGO LIETUVA G.D.  | 5.13        | 0.99        | 5.13         | 1.05        | -0.01                 | 78.75         |
| 2                   | PZU LIETUVA G.D.   | 0.80        | 0.23        | 0.61         | 0.34        | 31.27                 | 12.29         |
| 3                   | SEB G.D.           | 0.29        | 0.15        | 0.34         | 0.14        | -14.67                | 4.44          |
| 4                   | BONUM PUBLICUM     | 0.24        | 0.03        | 0.22         | 0.05        | 8.96                  | 3.70          |
| 5                   | LIETUVOS DRAUDIMAS | 0.05        | 0.18        | 0.07         | 0.23        | -25.61                | 0.82          |
| 6                   | SWEDBANK G.D.      | NA          | NA          | 11.08        | 8.04        | -                     | -             |
| <b>TOTAL MARKET</b> |                    | <b>6.52</b> | <b>1.59</b> | <b>17.45</b> | <b>9.85</b> | <b>-62.66</b>         | <b>100.00</b> |

## Non-Life insurance ranking

| No.                 | Company              | 1H 2010       |              | 1H 2009       |               | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|----------------------|---------------|--------------|---------------|---------------|-----------------------|---------------|
|                     |                      | GWP           | CLAIMS       | GWP           | CLAIMS        |                       |               |
|                     |                      | EUR m.        | EUR m.       | EUR m.        | EUR m.        |                       |               |
| 1                   | LIETUVOS DRAUDIMAS   | 49.03         | 28.73        | 52.18         | 35.47         | -6.04                 | 40.76         |
| 2                   | PZU LIETUVA          | 19.09         | 12.67        | 21.08         | 13.47         | -9.41                 | 15.87         |
| 3                   | BTA DRAUDIMAS        | 18.86         | 10.20        | 20.65         | 10.98         | -8.70                 | 15.68         |
| 4                   | ERGO LIETUVA         | 18.82         | 11.41        | 22.08         | 15.73         | -14.79                | 15.64         |
| 5                   | SEESAM LIETUVA       | 4.99          | 3.52         | 4.92          | 3.35          | 1.43                  | 4.15          |
| 6                   | INDUSTRIJOS GARANTAS | 3.39          | 1.57         | 2.84          | 1.14          | 19.37                 | 2.81          |
| 7                   | ERGO LIETUVA G.D.    | 1.72          | 1.00         | 1.41          | 1.76          | 22.54                 | 1.43          |
| 8                   | SEB G.D.             | 1.71          | 1.11         | 1.57          | 1.77          | 9.12                  | 1.43          |
| 9                   | LAMANTINAS           | 1.70          | 0.06         | 1.18          | 0.15          | 44.08                 | 1.41          |
| 10                  | BŪSTO P.D.           | 0.97          | 12.63        | 8.64          | 4.03          | -88.78                | 0.81          |
| 11                  | BONUM PUBLICUM       | 0.00          | 0.00         | 0.01          | 0.01          | -38.12                | 0.00          |
| 12                  | PZU LIETUVA G.D.     | 0.00          | 0.00         | 0.00          | 0.00          | -18.75                | 0.00          |
| 13                  | BALTIJOS GARANTAS    | NA            | NA           | -0.02         | 0.48          | -                     | -             |
| 14                  | IF DRAUDIMAS         | NA            | NA           | 18.25         | 14.91         | -                     | -             |
| 15                  | RESO EUROPA          | NA            | NA           | 3.64          | 2.14          | -                     | -             |
| <b>TOTAL TOP 10</b> |                      | <b>120.27</b> | <b>82.90</b> | <b>136.54</b> | <b>87.85</b>  | <b>-11.91</b>         | <b>99.99</b>  |
| <b>TOTAL MARKET</b> |                      | <b>120.28</b> | <b>82.91</b> | <b>158.41</b> | <b>105.39</b> | <b>-24.07</b>         | <b>100.00</b> |

## Motor Hull insurance ranking

| No.                 | Company              | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|----------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                      | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                      | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | LIETUVOS DRAUDIMAS   | 14.32        | 12.20        | 15.03        | 15.34        | -4.67                 | 56.93         |
| 2                   | ERGO LIETUVA         | 3.91         | 3.64         | 5.12         | 5.36         | -23.69                | 15.54         |
| 3                   | PZU LIETUVA          | 2.97         | 4.02         | 4.49         | 3.79         | -33.80                | 11.80         |
| 4                   | SEESAM LIETUVA       | 2.47         | 2.30         | 2.45         | 1.62         | 0.72                  | 9.82          |
| 5                   | BTA DRAUDIMAS        | 0.89         | 1.13         | 1.23         | 1.08         | -27.54                | 3.55          |
| 6                   | INDUSTRIJOS GARANTAS | 0.59         | 0.34         | 0.59         | 0.25         | 0.25                  | 2.35          |
| 7                   | BALTIJOS GARANTAS    | NA           | NA           | -0.15        | 0.10         | -                     | -             |
| 8                   | IF DRAUDIMAS         | NA           | NA           | 6.50         | 5.90         | -                     | -             |
| 9                   | RESO EUROPA          | NA           | NA           | 0.36         | 0.44         | -                     | -             |
| <b>TOTAL MARKET</b> |                      | <b>25.16</b> | <b>23.62</b> | <b>35.62</b> | <b>33.87</b> | <b>-29.37</b>         | <b>100.00</b> |

## MTPL insurance ranking

| No.                 | Company              | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|----------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                      | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                      | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | LIETUVOS DRAUDIMAS   | 16.28        | 7.79         | 16.87        | 10.38        | -3.46                 | 35.38         |
| 2                   | BTA DRAUDIMAS        | 11.96        | 7.59         | 12.79        | 9.05         | -6.50                 | 25.99         |
| 3                   | PZU LIETUVA          | 9.40         | 5.13         | 9.98         | 5.55         | -5.80                 | 20.42         |
| 4                   | ERGO LIETUVA         | 5.37         | 4.00         | 5.91         | 4.36         | -9.14                 | 11.68         |
| 5                   | INDUSTRIJOS GARANTAS | 2.16         | 0.92         | 1.62         | 0.81         | 33.20                 | 4.70          |
| 6                   | SEESAM LIETUVA       | 0.84         | 0.73         | 0.92         | 1.07         | -8.70                 | 1.83          |
| 7                   | IF DRAUDIMAS         | NA           | NA           | 2.95         | 1.37         | -                     | -             |
| 8                   | RESO EUROPA          | NA           | NA           | 1.91         | 1.30         | -                     | -             |
| <b>TOTAL MARKET</b> |                      | <b>46.03</b> | <b>26.17</b> | <b>52.96</b> | <b>33.89</b> | <b>-13.08</b>         | <b>100.00</b> |

## Property insurance ranking

| No.                 | Company              | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|----------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                      | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                      | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | LIETUVOS DRAUDIMAS   | 13.48        | 6.47         | 15.81        | 8.19         | -14.72                | 56.93         |
| 2                   | ERGO LIETUVA         | 5.73         | 2.76         | 7.26         | 4.79         | -21.17                | 24.18         |
| 3                   | PZU LIETUVA          | 2.48         | 1.69         | 2.15         | 3.36         | 15.10                 | 10.47         |
| 4                   | SEESAM LIETUVA       | 0.94         | 0.18         | 0.85         | 0.48         | 10.64                 | 3.97          |
| 5                   | BTA DRAUDIMAS        | 0.80         | 0.64         | 1.78         | 0.09         | -55.32                | 3.37          |
| 6                   | INDUSTRIJOS GARANTAS | 0.26         | 0.07         | 0.24         | 0.00         | 5.06                  | 1.08          |
| 7                   | BALTIJOS GARANTAS    | NA           | NA           | -0.04        | 0.05         | -                     | -             |
| 8                   | IF DRAUDIMAS         | NA           | NA           | 5.99         | 3.27         | -                     | -             |
| 9                   | RESO EUROPA          | NA           | NA           | 0.27         | 0.25         | -                     | -             |
| <b>TOTAL MARKET</b> |                      | <b>23.68</b> | <b>11.80</b> | <b>34.33</b> | <b>20.49</b> | <b>-31.01</b>         | <b>100.00</b> |

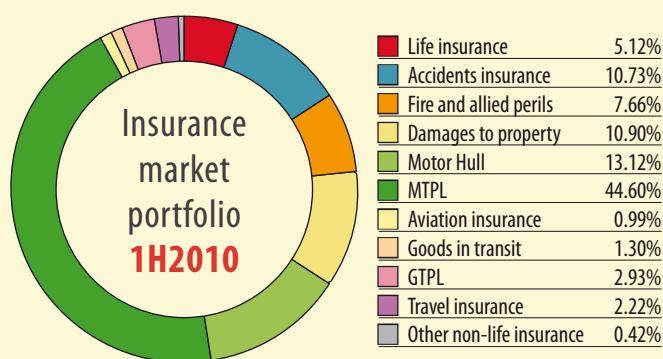
## GTPL insurance ranking

| No.                 | Company              | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|----------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |                      | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |                      | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | BTA DRAUDIMAS        | 1.91        | 0.10        | 2.01        | 0.11        | -5.07                 | 30.49         |
| 2                   | PZU LIETUVA          | 1.44        | 0.82        | 1.74        | 0.44        | -17.55                | 22.99         |
| 3                   | LIETUVOS DRAUDIMAS   | 1.39        | 0.25        | 1.39        | 0.36        | 0.33                  | 22.29         |
| 4                   | ERGO LIETUVA         | 1.14        | 0.31        | 1.17        | 0.36        | -1.99                 | 18.26         |
| 5                   | SEESAM LIETUVA       | 0.27        | 0.02        | 0.17        | 0.03        | 53.79                 | 4.26          |
| 6                   | INDUSTRIJOS GARANTAS | 0.11        | -           | 0.12        | -           | -8.87                 | 1.71          |
| 7                   | BALTIJOS GARANTAS    | NA          | NA          | -0.02       | 0.00        | -                     | -             |
| 8                   | IF DRAUDIMAS         | NA          | NA          | 1.43        | 0.46        | -                     | -             |
| 9                   | RESO EUROPA          | NA          | NA          | 0.76        | 0.02        | -                     | -             |
| <b>TOTAL MARKET</b> |                      | <b>6.25</b> | <b>1.49</b> | <b>8.78</b> | <b>1.78</b> | <b>-28.73</b>         | <b>100.00</b> |



# MACEDONIA

Macedonian insurance market is on an upward trend. This statement is based upon the increases recorded in recent years, and over 2.7% positive growth registered in the first six months of 2010. On the classes of insurance, life insurance increased by more than 18 percent, while non-life by 2%.



#### Sources:

Ministry of Finance of the Republic of Macedonia  
National Bank of the Republic of Macedonia

#### Macedonian currency exchange rate for calculations:

1 EUR = 61.1642 Denars, MKD (June 30<sup>th</sup> 2009)

1 EUR = 61.5467 Denars, MKD (June 30<sup>th</sup> 2010)

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 2.1      | 2.1      |
| Nominal GDP (MKD billion)        | 394.0    | 400.4    |
| GDP per capita (USD)             | 4089     | 4039     |
| Real GDP growth, % change y/y    | -1.3     | 1.2      |
| Consumer price, % y-o-y, eop     | -1.6     | 2.5      |

From the insurers' point of view, only five companies have registered negative evolution of the GWP. Also, Macedonian insurers have paid approximately EUR 22.5 million in indemnities.

One of the main concerns of the Macedonian authorities is that, despite the big losses, farmers do not insure their properties, not even after the Macedonian Government made a decision to subsidize insurance policies with 60 percent. Recently, the Macedonian Ministry of Agriculture has managed to secure EUR35m for the agricultural insurance subsidies, but for the moment being there are no noticeable results. Many farmers say that they do not insure their crops because they cannot meet the conditions set by the Ministry of Agriculture.

Still, the market is only in its infancy and fast developing, with new players entering every year. *Years ago, soon after independence, in Macedonia there were only three insurance companies. Now we see every year new entries, while insurers constantly develop new products, covering a wider range of risks. This indicates that the insurance market is still in the development phase and we hope that in the near future we shall see new players from Central and Eastern Europe, the spokesperson of the supervision authority said.*

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                     | 1H 2010      |              | 1H 2009      |              | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|-----------------------------------|--------------|--------------|--------------|--------------|-----------------------|-------------------------|---------------|
|                                   | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |                         |               |
|                                   | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |                         |               |
| <b>TOTAL MARKET</b>               | <b>50.20</b> | <b>22.52</b> | <b>48.85</b> | <b>24.47</b> | <b>2.77</b>           | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>                 | <b>2.57</b>  | <b>0.49</b>  | <b>2.17</b>  | <b>1.04</b>  | <b>18.29</b>          | <b>100.00</b>           | <b>5.12</b>   |
| <b>Total Non-Life</b>             | <b>47.63</b> | <b>22.03</b> | <b>46.67</b> | <b>23.43</b> | <b>2.04</b>           | <b>100.00</b>           | <b>94.88</b>  |
| Accident                          | 5.38         | 3.01         | 5.43         | 2.72         | -0.87                 | 11.31                   | 10.73         |
| <b>Overall property insurance</b> | <b>9.32</b>  | <b>2.03</b>  | <b>8.68</b>  | <b>3.18</b>  | <b>7.37</b>           | <b>19.57</b>            | <b>18.56</b>  |
| Fire and allied perils            | 3.85         | 0.36         | 2.56         | 0.61         | 50.18                 | 8.08                    | 7.66          |
| Damages to property               | 5.47         | 1.67         | 6.12         | 2.57         | -10.55                | 11.49                   | 10.90         |
| <b>Overall motor insurance</b>    | <b>28.98</b> | <b>16.60</b> | <b>28.50</b> | <b>17.31</b> | <b>1.65</b>           | <b>60.84</b>            | <b>57.72</b>  |
| Motor Hull                        | 6.59         | 4.36         | 6.81         | 3.93         | -3.28                 | 13.83                   | 13.12         |
| MTPL                              | 22.39        | 12.24        | 21.69        | 13.38        | 3.20                  | 47.01                   | 44.60         |
| Aviation insurance                | 0.50         | -            | 1.11         | -            | -55.50                | 1.04                    | 0.99          |
| Goods in transit                  | 0.65         | 0.03         | 0.56         | 0.06         | 16.17                 | 1.37                    | 1.30          |
| GTPL                              | 1.47         | 0.10         | 0.60         | 0.06         | 147.16                | 3.09                    | 2.93          |
| Travel                            | 1.11         | 0.16         | 1.27         | 0.08         | -12.01                | 2.34                    | 2.22          |
| Other non-life insurance          | 0.21         | 0.11         | 0.52         | 0.02         | -59.14                | 0.45                    | 0.42          |



## Life insurance ranking

| No.                 | Company | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |         | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |         | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | GRAWE   | 1.45        | 0.06        | 1.21        | 0.03        | 19.97                 | 56.49         |
| 2                   | CROATIA | 0.99        | 0.10        | 0.77        | 0.08        | 28.68                 | 38.60         |
| 3                   | QBE     | 0.13        | 0.32        | 0.19        | 0.93        | -34.12                | 4.91          |
| <b>TOTAL MARKET</b> |         | <b>2.57</b> | <b>0.49</b> | <b>2.17</b> | <b>1.04</b> | <b>18.29</b>          | <b>100.00</b> |

## Non-Life insurance ranking

| No.                 | Company       | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |               | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |               | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | VARDAR        | 10.68        | 6.25         | 11.76        | 7.24         | -9.19                 | 22.42         |
| 2                   | QBE           | 6.67         | 3.58         | 7.46         | 4.88         | -10.61                | 14.01         |
| 3                   | EUROLINK      | 6.06         | 1.96         | 4.15         | 1.66         | 46.11                 | 12.72         |
| 4                   | SAVA TABAK    | 5.95         | 3.09         | 7.03         | 3.27         | -15.37                | 12.49         |
| 5                   | INSUR. POLICY | 4.20         | 1.99         | 3.94         | 2.24         | 6.61                  | 8.81          |
| 6                   | EVROINS       | 3.46         | 1.48         | 3.30         | 1.07         | 4.83                  | 7.25          |
| 7                   | UNIQA         | 3.24         | 1.23         | 3.00         | 1.08         | 8.26                  | 6.81          |
| 8                   | WINNER        | 3.10         | 1.33         | 2.62         | 1.20         | 18.28                 | 6.52          |
| 9                   | ALBSIG        | 2.08         | 0.61         | 2.05         | 0.34         | 1.36                  | 4.37          |
| 10                  | INSIG         | 1.30         | 0.41         | 1.37         | 0.45         | -5.25                 | 2.72          |
| 11                  | CROATIA       | 0.89         | 0.10         | -            | -            | -                     | 1.87          |
| <b>TOTAL MARKET</b> |               | <b>47.63</b> | <b>22.03</b> | <b>46.67</b> | <b>23.43</b> | <b>2.04</b>           | <b>100.00</b> |

## Accident insurance ranking

| No.                 | Company       | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |               | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |               | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | VARDAR        | 1.23        | 0.63        | 1.25        | 0.65        | -1.60                 | 22.77         |
| 2                   | QBE           | 1.08        | 0.63        | 1.28        | 0.74        | -15.55                | 20.06         |
| 3                   | EUROLINK      | 0.86        | 0.54        | 0.81        | 0.30        | 5.59                  | 15.90         |
| 4                   | WINNER        | 0.77        | 0.39        | 0.87        | 0.05        | -11.44                | 14.23         |
| 5                   | EVROINS       | 0.48        | 0.20        | 0.32        | 0.15        | 49.07                 | 8.84          |
| 6                   | SAVA TABAK    | 0.39        | 0.29        | 0.37        | 0.33        | 3.62                  | 7.21          |
| 7                   | INSUR. POLICY | 0.28        | 0.19        | 0.28        | 0.46        | 1.93                  | 5.29          |
| 8                   | UNIQA         | 0.16        | 0.07        | 0.14        | 0.01        | 14.02                 | 3.02          |
| 9                   | INSIG         | 0.05        | 0.02        | 0.05        | 0.02        | 10.71                 | 0.98          |
| 10                  | CROATIA       | 0.05        | 0.01        | -           | -           | -                     | 0.95          |
| 11                  | ALBSIG        | 0.04        | 0.05        | 0.07        | 0.01        | -39.86                | 0.75          |
| <b>TOTAL MARKET</b> |               | <b>5.38</b> | <b>3.01</b> | <b>5.43</b> | <b>2.72</b> | <b>-0.87</b>          | <b>100.00</b> |

## Motor Hull insurance ranking

| No.                 | Company       | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |               | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |               | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | VARDAR        | 2.12        | 1.33        | 2.23        | 1.35        | -4.92                 | 32.15         |
| 2                   | QBE           | 1.00        | 0.62        | 1.15        | 0.68        | -12.84                | 15.18         |
| 3                   | EUROLINK      | 0.94        | 0.59        | 1.02        | 0.56        | -7.76                 | 14.23         |
| 4                   | SAVA TABAK    | 0.80        | 0.67        | 0.93        | 0.53        | -14.37                | 12.15         |
| 5                   | INSUR. POLICY | 0.62        | 0.42        | 0.60        | 0.27        | 3.97                  | 9.46          |
| 6                   | EVROINS       | 0.38        | 0.32        | 0.42        | 0.30        | -8.23                 | 5.82          |
| 7                   | UNIQA         | 0.26        | 0.15        | 0.21        | 0.09        | 21.76                 | 3.95          |
| 8                   | WINNER        | 0.23        | 0.13        | 0.11        | 0.08        | 114.39                | 3.57          |
| 9                   | CROATIA       | 0.10        | 0.03        | -           | -           | -                     | 1.51          |
| 10                  | ALBSIG        | 0.09        | 0.07        | 0.10        | 0.03        | -9.40                 | 1.33          |
| 11                  | INSIG         | 0.04        | 0.03        | 0.05        | 0.05        | -10.03                | 0.65          |
| <b>TOTAL MARKET</b> |               | <b>6.59</b> | <b>4.36</b> | <b>6.81</b> | <b>3.93</b> | <b>-3.28</b>          | <b>100.00</b> |

## Fire and allied perils ranking

| No.                 | Company       | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |               | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |               | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | EUROLINK      | 1.29        | 0.07        | 0.30        | 0.03        | 334.78                | 33.51         |
| 2                   | QBE           | 0.84        | 0.07        | 0.84        | 0.31        | -0.17                 | 21.71         |
| 3                   | VARDAR        | 0.61        | 0.12        | 0.50        | 0.13        | 22.85                 | 15.87         |
| 4                   | UNIQA         | 0.30        | 0.03        | 0.25        | 0.00        | 18.75                 | 7.76          |
| 5                   | SAVA TABAK    | 0.30        | 0.05        | 0.26        | 0.09        | 15.02                 | 7.73          |
| 6                   | WINNER        | 0.15        | 0.00        | 0.04        | -           | 251.83                | 3.91          |
| 7                   | INSUR. POLICY | 0.15        | 0.00        | 0.16        | 0.03        | -5.42                 | 3.87          |
| 8                   | EVROINS       | 0.13        | 0.01        | 0.12        | 0.02        | 5.09                  | 3.33          |
| 9                   | CROATIA       | 0.05        | -           | -           | -           | -                     | 1.21          |
| 10                  | ALBSIG        | 0.04        | 0.00        | 0.09        | 0.00        | -59.28                | 0.93          |
| 11                  | INSIG         | 0.01        | 0.00        | 0.01        | 0.00        | -46.09                | 0.16          |
| <b>TOTAL MARKET</b> |               | <b>3.85</b> | <b>0.36</b> | <b>2.56</b> | <b>0.61</b> | <b>50.18</b>          | <b>100.00</b> |

## Damages to property ranking

| No.                 | Company       | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |               | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |               | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | SAVA TABAK    | 1.67        | 0.55        | 2.36        | 1.03        | -29.25                | 30.56         |
| 2                   | VARDAR        | 1.17        | 0.30        | 1.30        | 0.40        | -9.88                 | 21.36         |
| 3                   | QBE           | 1.14        | 0.46        | 1.32        | 0.68        | -13.61                | 20.81         |
| 4                   | WINNER        | 0.43        | 0.06        | 0.40        | 0.17        | 8.36                  | 7.92          |
| 5                   | INSUR. POLICY | 0.34        | 0.10        | 0.18        | 0.09        | 93.39                 | 6.25          |
| 6                   | EUROLINK      | 0.25        | 0.06        | 0.20        | 0.08        | 22.20                 | 4.48          |
| 7                   | EVROINS       | 0.23        | 0.10        | 0.23        | 0.13        | 1.43                  | 4.22          |
| 8                   | UNIQA         | 0.17        | 0.03        | 0.12        | 0.00        | 43.87                 | 3.18          |
| 9                   | CROATIA       | 0.03        | 0.00        | -           | -           | -                     | 0.58          |
| 10                  | ALBSIG        | 0.03        | 0.01        | -           | -           | -                     | 0.48          |
| 11                  | INSIG         | 0.01        | 0.01        | 0.01        | 0.00        | -36.64                | 0.15          |
| <b>TOTAL MARKET</b> |               | <b>5.47</b> | <b>1.67</b> | <b>6.12</b> | <b>2.57</b> | <b>-10.55</b>         | <b>100.00</b> |

## MTPL ranking

| No.                 | Company       | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |               | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |               | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | VARDAR        | 5.12         | 3.77         | 5.30         | 4.71         | -3.40                 | 22.85         |
| 2                   | INSUR. POLICY | 2.57         | 1.23         | 2.48         | 1.38         | 3.79                  | 11.49         |
| 3                   | SAVA TABAK    | 2.54         | 1.49         | 2.87         | 1.24         | -11.45                | 11.37         |
| 4                   | UNIQA         | 2.07         | 0.94         | 2.08         | 0.96         | -0.84                 | 9.23          |
| 5                   | EVROINS       | 2.01         | 0.84         | 1.85         | 0.46         | 8.43                  | 8.97          |
| 6                   | QBE           | 1.94         | 1.72         | 2.17         | 2.40         | -10.58                | 8.65          |
| 7                   | ALBSIG        | 1.74         | 0.47         | 1.65         | 0.28         | 5.30                  | 7.77          |
| 8                   | EUROLINK      | 1.51         | 0.65         | 1.31         | 0.67         | 15.80                 | 6.76          |
| 9                   | WINNER        | 1.20         | 0.73         | 0.83         | 0.89         | 44.60                 | 5.38          |
| 10                  | INSIG         | 1.10         | 0.35         | 1.15         | 0.38         | -4.86                 | 4.89          |
| 11                  | CROATIA       | 0.59         | 0.04         | -            | -            | -                     | 2.64          |
| <b>TOTAL MARKET</b> |               | <b>22.39</b> | <b>12.24</b> | <b>21.69</b> | <b>13.38</b> | <b>3.20</b>           | <b>100.00</b> |

## GTPPL ranking

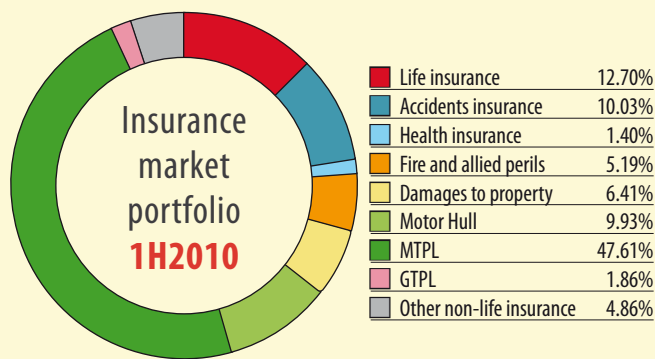
| No.                 | Company       | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |               | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |               | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | EUROLINK      | 0.93        | 0.00        | 0.17        | 0.00        | 433.59                | 63.23         |
| 2                   | QBE           | 0.12        | 0.03        | 0.09        | 0.00        | 36.03                 | 8.17          |
| 3                   | SAVA TABAK    | 0.10        | 0.03        | 0.05        | 0.04        | 110.21                | 6.85          |
| 4                   | VARDAR        | 0.08        | 0.01        | 0.05        | 0.00        | 68.44                 | 5.68          |
| 5                   | INSUR. POLICY | 0.08        | 0.03        | 0.08        | 0.00        | 0.56                  | 5.62          |
| 6                   | EVROINS       | 0.06        | 0.00        | 0.07        | 0.01        | -6.91                 | 4.34          |
| 7                   | WINNER        | 0.04        | 0.00        | 0.05        | 0.00        | -8.48                 | 2.93          |
| 8                   | UNIQA         | 0.04        | 0.01        | 0.04        | -           | 1.61                  | 2.56          |
| 9                   | CROATIA       | 0.01        | -           | -           | -           | -                     | 0.62          |
| 10                  | CROATIA       | 0.05        | 0.01        | -           | -           | -                     | 0.95          |
| 11                  | ALBSIG        | 0.04        | 0.05        | 0.07        | 0.01        | -39.86                | 0.75          |
| <b>TOTAL MARKET</b> |               | <b>1.47</b> | <b>0.10</b> | <b>0.60</b> | <b>0.06</b> | <b>147.16</b>         | <b>100.00</b> |



## MONTENEGRO



| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 0.6      | 0.6      |
| Nominal GDP (EUR billion)        | -0.6     | 2.3      |
| GDP per capita (USD)             | 7619     | 8072     |
| Real GDP growth, % change y/y    | -5.0     | 0.5      |
| Consumer price, % y-o-y, eop     | 2.0      | 1.5      |



### Sources:

Central Bank of Montenegro  
Insurance Supervision Agency of Montenegro  
Montenegro currency: EURO

In the first half-year of 2010, there have been 10 insurance companies performing insurance operations on Montenegro insurance market. Four insurance companies perform only non-life insurance operations, five companies deal only with life insurance operations, while one, LOVČEN Insurance, performs duties and tasks of both life insurance and non-life insurance, with final time limit for separation of these operations until December 30<sup>th</sup>, 2010.

Montenegro is, in terms of gross written premiums, the penultimate insurance market in Central and Eastern Europe area. Despite this reality, primarily due to the small size of the country and the small population, the indicator of insurance density, with more than EUR50/capita in 1H2010, placed Montenegro ahead of much larger countries, such as Romania and Serbia.

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                | GWP 1H 2010  | GWP 1H 2009  | Nominal Evolution (%) | in LIFE/ NON-LIFE GWP % | % in all GWP  |
|------------------------------|--------------|--------------|-----------------------|-------------------------|---------------|
|                              | EUR m.       | EUR m.       |                       |                         |               |
| <b>TOTAL MARKET</b>          | <b>30.23</b> | <b>32.00</b> | <b>-5.52</b>          | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>            | <b>3.84</b>  | <b>4.00</b>  | <b>-4.01</b>          | <b>100.00</b>           | <b>12.70</b>  |
| Life insurance               | 3.32         | NA           | -                     | 86.55                   | 10.99         |
| Supplementary ins.           | 0.38         | NA           | -                     | 9.84                    | 1.25          |
| Other life insurance         | 0.14         | NA           | -                     | 3.61                    | 0.46          |
| <b>TOTAL NON-LIFE</b>        | <b>26.39</b> | <b>28.00</b> | <b>-5.74</b>          | <b>100.00</b>           | <b>87.30</b>  |
| Accident                     | 3.03         | NA           | -                     | 11.49                   | 10.03         |
| Health                       | 0.42         | NA           | -                     | 1.61                    | 1.40          |
| <b>Overall property ins.</b> | <b>3.51</b>  | <b>3.20</b>  | <b>9.61</b>           | <b>13.29</b>            | <b>11.60</b>  |
| Fire and allied perils       | 1.57         | NA           | -                     | 5.95                    | 5.19          |
| Damages to property          | 1.94         | NA           | -                     | 7.34                    | 6.41          |
| <b>Overall motor ins.</b>    | <b>17.40</b> | <b>19.00</b> | <b>-8.44</b>          | <b>65.91</b>            | <b>57.54</b>  |
| Motor Hull                   | 3.00         | NA           | -                     | 11.37                   | 9.93          |
| MTPL                         | 14.39        | NA           | -                     | 54.54                   | 47.61         |
| GTPL                         | 0.56         | NA           | -                     | 2.14                    | 1.86          |
| Other non-life ins.          | 1.47         | NA           | -                     | 5.57                    | 4.86          |

\*PRIMM estimation

### Life insurance ranking

| No.                       | Company             | GWP 1H 2010 | MARKET SHARE  |
|---------------------------|---------------------|-------------|---------------|
|                           |                     | EUR m.      | %             |
| 1                         | GRAWE               | 2.23        | 57.98         |
| 2                         | LOVČEN              | 0.63        | 16.49         |
| 3                         | UNIQA LIFE          | 0.58        | 15.05         |
| 4                         | MERKUR              | 0.27        | 6.96          |
| 5                         | DELTA GENERALI LIFE | 0.07        | 1.78          |
| 6                         | ATLAS LIFE          | 0.07        | 1.74          |
| <b>TOTAL MARKET PSZAF</b> |                     | <b>3.84</b> | <b>100.00</b> |

### Non-Life insurance ranking

| No.                       | Company         | GWP 1H 2010  | MARKET SHARE  |
|---------------------------|-----------------|--------------|---------------|
|                           |                 | EUR m.       | %             |
| 1                         | LOVČEN          | 16.67        | 63.15         |
| 2                         | SAVA MONTENEGRO | 4.17         | 15.81         |
| 3                         | DELTA GENERALI  | 2.72         | 10.29         |
| 4                         | UNIQA NON-LIFE  | 2.10         | 7.96          |
| 5                         | SWISS           | 0.74         | 2.79          |
| <b>TOTAL MARKET PSZAF</b> |                 | <b>26.39</b> | <b>100.00</b> |



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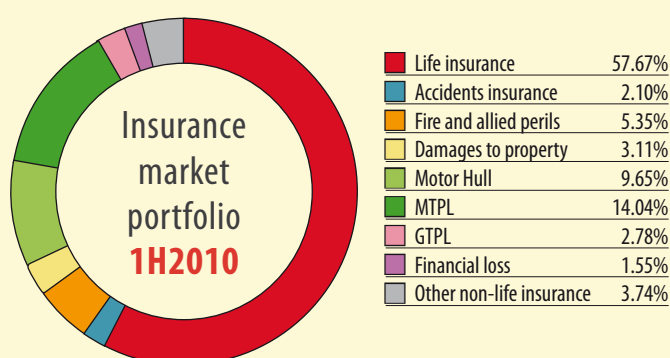
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## POLAND

Poland has the largest economy in CEE and a population of over 38 million. Poland's incredible economic growth in financial crises periods, with its moderate inflation and an export surplus, make it a solid economy and a powerful insurance market.



### Sources:

The Polish Financial Supervision Authority (KNF)  
The Polish Chamber of Insurance (PIU)  
National Bank of Poland

### Polish currency exchange rate for calculations:

1 EUR = 4.4696 Zlots - PLN (June 30<sup>th</sup> 2009)

1 EUR = 4.1458 Zlots - PLN (June 30<sup>th</sup> 2010)

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 38.0     | 38.0     |
| Nominal GDP (PLN billion)        | 1334.1   | 1420.3   |
| GDP per capita (USD)             | 11910    | 13123    |
| Real GDP growth, % change y/y    | 1.7      | 3.4      |
| Consumer price, % y-o-y, eop     | 3.5      | 2.7      |

Also, in the fiscal period of January-June 2010, Poland's insurers had a total premium of EUR6.3bn, up 15% compared with 1H2009. The life insurance market in Poland has a high penetration rate. In 1H2010 this type of business earned a total of EUR3.63bn GWP, which was almost 58% of the market's total value. The highest growth in the premium written pertained to products linked to insurance capital funds – 27.3%. The balance on technical life account after the 1st half of the year amounted to EUR433m and was 38% higher than a year ago. The net financial result amounted to EUR457m.

In 1H2010 insurance companies paid over EUR204m worth of claims for property insurance losses, mainly associated with the floods which occurred in Poland in the second quarter of this year. It is 90% more than a year ago. According to the Polish Chamber of Insurance (PIU) representatives, *this was the largest claim adjustment operation in the history of the Polish insurance market. During the flood the insurers provided assistance to over 200 thousand people and approx. 1.5 thousand companies.* It should be noted that not all claims associated with the natural disasters are reflected in the insurers' results for the 1st quarter of this year, as the floods in Bogatynia and Zgorzelec occurred more than a month after the 2nd quarter had been closed.

The technical loss of the non-life insurers after the 1st half of 2010 was EUR187m in comparison to EUR59m of technical profit the year before. The net profit of

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                     | 1H 2010         |                 | 1H 2009         |                 | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|-------------------------|---------------|
|                                   | GWP             | CLAIMS          | GWP             | CLAIMS          |                       |                         |               |
|                                   | EUR m.          | EUR m.          | EUR m.          | EUR m.          |                       |                         |               |
| <b>TOTAL MARKET</b>               | <b>6,307.28</b> | <b>4,657.59</b> | <b>5,486.53</b> | <b>4,642.61</b> | <b>14.96</b>          | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>                 | <b>3,637.66</b> | <b>3,048.55</b> | <b>3,110.79</b> | <b>3,346.36</b> | <b>16.94</b>          | <b>100.00</b>           | <b>57.67</b>  |
| Life insurance                    | 2,199.36        | 2,318.87        | 1,956.31        | 2,647.62        | 12.42                 | 60.46                   | 34.87         |
| Unit-linked                       | 897.74          | 521.77          | 654.26          | 525.97          | 37.21                 | 24.68                   | 14.23         |
| Other life insurance              | 540.56          | 207.91          | 500.21          | 172.76          | 8.07                  | 14.86                   | 8.57          |
| <b>TOTAL NON-LIFE</b>             | <b>2,669.62</b> | <b>1,609.04</b> | <b>2,375.74</b> | <b>1,296.25</b> | <b>12.37</b>          | <b>100.00</b>           | <b>42.33</b>  |
| Accident                          | 132.46          | 31.43           | 116.16          | 27.28           | 14.03                 | 4.96                    | 2.10          |
| <b>Overall property insurance</b> | <b>533.51</b>   | <b>270.69</b>   | <b>471.06</b>   | <b>147.47</b>   | <b>13.26</b>          | <b>19.98</b>            | <b>8.46</b>   |
| Fire and allied perils            | 337.54          | 206.16          | 293.53          | 100.44          | 14.99                 | 12.64                   | 5.35          |
| Damages to property               | 195.97          | 64.53           | 177.53          | 47.03           | 10.39                 | 7.34                    | 3.11          |
| <b>Overall motor insurance</b>    | <b>1,494.45</b> | <b>1,121.85</b> | <b>1,361.18</b> | <b>979.51</b>   | <b>9.79</b>           | <b>55.98</b>            | <b>23.69</b>  |
| Motor Hull                        | 608.88          | 480.32          | 554.15          | 415.72          | 9.88                  | 22.81                   | 9.65          |
| MTPL                              | 885.57          | 641.53          | 807.03          | 563.79          | 9.73                  | 33.17                   | 14.04         |
| GTPL                              | 175.56          | 70.29           | 146.48          | 59.02           | 19.85                 | 6.58                    | 2.78          |
| Financial loss                    | 97.83           | 8.06            | 85.60           | 6.40            | 14.28                 | 3.66                    | 1.55          |
| Other non-life insurance          | 235.81          | 106.71          | 195.25          | 76.57           | 20.77                 | 8.83                    | 3.74          |

non-life insurers after the 1st half of the year amounted to EUR747m and was 26% higher than a year ago. But it must be mentioned, as the PIU reports emphasize, that if the insurance group is constructed in such a way that the non-life company is the owner of a life company, then the profit of the life company transferred over to the owner in the form of a dividend is added in the financial statement to the financial result of the owner.

The key players in the life insurance sector are “the big five”, PZU, EUROPA, WARTA, ING and ALLIANZ, who accounted almost 64% of the market’s value. The non-life insurance market increased in 1H/2010 compared with the same period of 2009, by 12.4%. In fact, all classes of non-life insurance increased. Only 2 companies from TOP 20 have registered decreases. With GWP of more than EUR 957 million, “the giant” PZU owns more than one third of the total non-life insurance market.

### Life insurance ranking

| No. | Company                   | 1H 2010         |                 | 1H 2009         |                 | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|-----|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|---------------|
|     |                           | GWP             | CLAIMS          | GWP             | CLAIMS          |                       |               |
|     |                           | EUR m.          | EUR m.          | EUR m.          | EUR m.          |                       |               |
| 1   | PZU ŻYCIE SA              | 897.85          | 1,152.86        | 876.72          | 1,200.29        | 2.41                  | 24.68         |
| 2   | TUnŻ EUROPA               | 658.28          | 207.73          | 221.04          | 150.06          | 197.81                | 18.10         |
| 3   | TUnŻ WARTA                | 294.79          | 291.59          | 291.88          | 430.81          | 1.00                  | 8.10          |
| 4   | ING TUnŻ                  | 244.01          | 284.72          | 347.17          | 426.94          | -29.72                | 6.71          |
| 5   | TUIR ALLIANZ ŻYCIE POLSKA | 210.43          | 162.30          | 221.71          | 82.64           | -5.09                 | 5.78          |
| 6   | AVIVA TUnŻ                | 207.90          | 183.79          | 183.18          | 278.70          | 13.50                 | 5.72          |
| 7   | NORDEA POLSKA TU na ŻYCIE | 206.58          | 151.69          | 142.96          | 157.33          | 44.50                 | 5.68          |
| 8   | PAPTUnŻIR AMPLICO LIFE    | 153.08          | 78.22           | 190.97          | 74.08           | -19.84                | 4.21          |
| 9   | UNIQA TU na ŻYCIE         | 120.75          | 109.33          | 111.70          | 119.72          | 8.10                  | 3.32          |
| 10  | GENERALI ŻYCIE TU         | 120.24          | 151.83          | 101.02          | 54.46           | 19.03                 | 3.31          |
| 11  | STUnŻ ERGO HESTIA         | 93.17           | 14.85           | 34.34           | 13.78           | 171.35                | 2.56          |
| 12  | AXA ŻYCIE TU              | 90.73           | 37.04           | 49.81           | 114.51          | 82.16                 | 2.49          |
| 13  | AEGON TU na ŻYCIE         | 87.20           | 77.27           | 63.35           | 91.22           | 37.65                 | 2.40          |
| 14  | BENEFIA TUnŻ VIG          | 46.60           | 23.64           | 51.44           | 52.86           | -9.40                 | 1.28          |
| 15  | SKANDIA ŻYCIE TU          | 45.22           | 29.13           | 34.20           | 21.94           | 32.21                 | 1.24          |
| 16  | HDI-GERLING ŻYCIE TU      | 33.17           | 14.51           | 18.43           | 11.21           | 80.02                 | 0.91          |
| 17  | TUnŻ CARDIF POLSKA        | 31.59           | 9.85            | 45.91           | 8.17            | -31.20                | 0.87          |
| 18  | COMPENSA TUnŻ VIG         | 27.05           | 23.91           | 43.06           | 31.28           | -37.18                | 0.74          |
| 19  | PRAMERICA ŻYCIE TUIR      | 20.25           | 4.62            | 17.43           | 4.27            | 16.22                 | 0.56          |
| 20  | METLIFE TUnŻ              | 15.52           | 28.81           | 13.62           | 15.01           | 13.97                 | 0.43          |
|     | <b>TOTAL TOP 10</b>       | <b>3,113.92</b> | <b>2,774.06</b> | <b>2,688.34</b> | <b>2,975.05</b> | <b>15.83</b>          | <b>85.60</b>  |
|     | <b>TOTAL TOP 20</b>       | <b>3,604.43</b> | <b>3,037.70</b> | <b>3,059.92</b> | <b>3,339.30</b> | <b>17.79</b>          | <b>99.09</b>  |
|     | <b>TOTAL MARKET</b>       | <b>3,637.66</b> | <b>3,048.55</b> | <b>3,110.79</b> | <b>3,346.36</b> | <b>16.94</b>          | <b>100.00</b> |

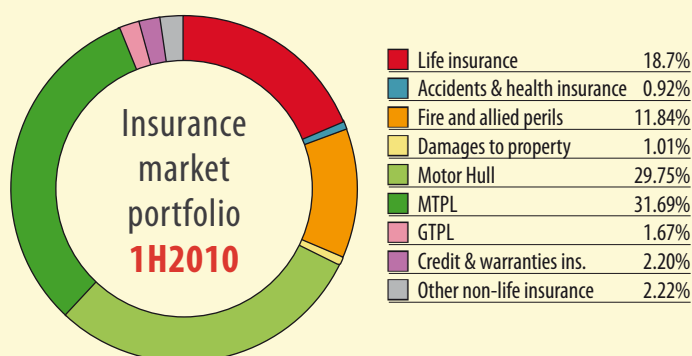
### Non - Life insurance ranking

| No. | Company              | 1H 2010         |                 | 1H 2009         |                 | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|-----|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|---------------|
|     |                      | GWP             | CLAIMS          | GWP             | CLAIMS          |                       |               |
|     |                      | EUR m.          | EUR m.          | EUR m.          | EUR m.          |                       |               |
| 1   | PZU SA               | 975.37          | 632.03          | 946.59          | 559.46          | 3.04                  | 36.54         |
| 2   | STU ERGO HESTIA      | 279.85          | 161.93          | 242.88          | 119.22          | 15.22                 | 10.48         |
| 3   | TUIR WARTA           | 238.67          | 165.23          | 228.49          | 137.96          | 4.46                  | 8.94          |
| 4   | TUIR ALLIANZ POLSKA  | 207.72          | 113.44          | 178.44          | 102.91          | 16.41                 | 7.78          |
| 5   | INTERRISK TU VIG     | 121.81          | 54.05           | 75.94           | 34.27           | 60.40                 | 4.56          |
| 6   | HDI ASEKURACJA TU    | 116.84          | 70.55           | 93.11           | 55.44           | 25.49                 | 4.38          |
| 7   | UNIQA TU             | 104.69          | 72.39           | 88.59           | 52.89           | 18.17                 | 3.92          |
| 8   | COMPENSA TU VIG      | 93.84           | 59.71           | 75.52           | 39.69           | 24.27                 | 3.52          |
| 9   | GENERALI TU          | 92.91           | 52.82           | 80.69           | 41.41           | 15.13                 | 3.48          |
| 10  | MTU Moje             | 60.84           | 37.34           | 46.50           | 24.78           | 30.83                 | 2.28          |
| 11  | TU EUROPA            | 57.79           | 1.80            | 31.46           | 0.47            | 83.69                 | 2.16          |
| 12  | PTU                  | 56.04           | 35.27           | 49.10           | 28.26           | 14.12                 | 2.10          |
| 13  | TUW TUW              | 32.73           | 19.60           | 25.63           | 11.03           | 27.72                 | 1.23          |
| 14  | TU EULER HERMES      | 30.33           | 33.08           | 24.03           | 13.58           | 26.22                 | 1.14          |
| 15  | PTR                  | 30.29           | 16.96           | 36.90           | 20.68           | -17.91                | 1.13          |
| 16  | AVIVA TU OGÓLNYCH    | 29.52           | 14.77           | 22.11           | 8.20            | 33.53                 | 1.11          |
| 17  | LINK4 TU             | 27.95           | 17.52           | 28.08           | 16.33           | -0.44                 | 1.05          |
| 18  | CONCORDIA POLSKA TUW | 27.05           | 10.88           | 17.18           | 4.74            | 57.50                 | 1.01          |
| 19  | BENEFIA TU VIG       | 26.27           | 15.58           | 20.51           | 12.61           | 28.12                 | 0.98          |
| 20  | TUW SKOK             | 25.36           | 0.74            | 23.01           | 0.49            | 10.22                 | 0.95          |
|     | <b>TOTAL TOP 10</b>  | <b>2,292.55</b> | <b>1,419.48</b> | <b>2,056.75</b> | <b>1,168.03</b> | <b>11.46</b>          | <b>85.88</b>  |
|     | <b>TOTAL TOP 20</b>  | <b>2,635.89</b> | <b>1,585.69</b> | <b>2,334.75</b> | <b>1,284.41</b> | <b>12.90</b>          | <b>98.74</b>  |
|     | <b>TOTAL MARKET</b>  | <b>2,669.62</b> | <b>1,609.04</b> | <b>2,375.74</b> | <b>1,296.25</b> | <b>12.37</b>          | <b>100.00</b> |



## ROMANIA

First quarter of the year brought in close-up, once again, the MTPL insurance class as main segment of the market and, also, as the one that has generated its new leader.



### Sources:

Insurance PROFILE  
Insurance Supervisory Commission (ISC)  
Romanian National Bank

Currency conversions were calculated for an average exchange rate of:

RON 4.2293/EUR - in 1H/2009  
RON 4.1482/EUR - in 1H/2010

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 21.4     | 21.4     |
| Nominal GDP (RON billion)        | 449.7    | 492.1    |
| GDP per capita (USD)             | 7614     | 7537     |
| Real GDP growth, % change y/y    | -7.0     | 2.0      |
| Consumer price, % y-o-y, eop     | 4.7      | 4.0      |

The first half has brought an apparent slowdown of the market decline, if we compare the results to the first six months of last year. If we also look at the second quarter of 2010, we realize that, in fact, the market decline is deepening.

However, it is not the underwritings decrease that should be the main concern of the market, but the fact that first half figures indicate a worrisome situation on the Motor Hull insurance segment.

Thus, the claims value on the above-mentioned class – continuously growing, has exceeded the underwritings level – steadily declining, with half a million euro. The figures of the companies also reveal that this reality was generated by 12, which is over half, of the 23 companies that sell this policy.

Therefore, a constantly debated danger, the increasing claims ratio, begins to have visible effects on the market figures and on the results of many companies. So far, shareholders have compensated, by share capital increase, these effects. From now on, due to the crisis, it will be harder and harder for them to do so.

In this context, two main questions are raised: what is there to be done and what other effects will companies have to suffer if this trend persists?

Courtesy INSURANCE Profile, Issue 3/2010

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                     | 1H 2010         |               | 1H 2009         |               | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|-----------------------------------|-----------------|---------------|-----------------|---------------|-----------------------|-------------------------|---------------|
|                                   | GWP             | CLAIMS        | GWP             | CLAIMS        |                       |                         |               |
|                                   | EUR m.          | EUR m.        | EUR m.          | EUR m.        |                       |                         |               |
| <b>TOTAL MARKET</b>               | <b>1,043.23</b> | <b>582.76</b> | <b>1,085.36</b> | <b>639.64</b> | <b>-3.88</b>          | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>                 | <b>195.11</b>   | <b>23.45</b>  | <b>187.07</b>   | <b>23.79</b>  | <b>4.30</b>           | <b>100.00</b>           | <b>18.70</b>  |
| Annuities & supplementary ins.    | 119.45          | 22.49         | 128.05          | 18.69         | -6.71                 | 61.22                   | 11.45         |
| Unit-linked insurance             | 75.41           | 0.94          | 58.73           | 3.80          | 28.41                 | 38.65                   | 7.23          |
| Other life insurance              | 0.25            | 0.02          | 0.29            | 1.29          | -15.19                | 0.13                    | 0.02          |
| <b>TOTAL NON-LIFE</b>             | <b>848.12</b>   | <b>559.31</b> | <b>898.29</b>   | <b>615.85</b> | <b>-5.59</b>          | <b>100.00</b>           | <b>81.30</b>  |
| Accident and illness              | 9.61            | 1.35          | 9.96            | 1.11          | -3.58                 | 1.13                    | 0.92          |
| <b>Overall property insurance</b> | <b>134.04</b>   | <b>19.38</b>  | <b>150.88</b>   | <b>16.42</b>  | <b>-11.16</b>         | <b>15.80</b>            | <b>12.85</b>  |
| Fire and allied perils            | 123.56          | 17.15         | 140.13          | 13.94         | -11.83                | 14.57                   | 11.84         |
| Damages to property               | 10.49           | 2.22          | 10.75           | 2.48          | -2.50                 | 1.24                    | 1.01          |
| <b>Overall motor insurance</b>    | <b>640.94</b>   | <b>510.84</b> | <b>676.42</b>   | <b>365.72</b> | <b>-5.25</b>          | <b>75.57</b>            | <b>61.44</b>  |
| Motor Hull                        | 310.38          | 310.88        | 400.64          | 218.73        | -22.53                | 36.60                   | 29.75         |
| MTPL                              | 330.56          | 199.97        | 275.78          | 146.99        | 19.86                 | 38.98                   | 31.69         |
| Credit and warranties             | 22.95           | 19.61         | 20.01           | 13.53         | 14.72                 | 2.71                    | 2.20          |
| GTPL                              | 17.44           | 1.53          | 16.85           | 0.83          | 3.51                  | 2.06                    | 1.67          |
| Other non-life insurance          | 23.15           | 6.61          | 24.17           | 218.24        | -4.26                 | 2.73                    | 2.22          |

## Life insurance ranking

| No. | Company              | 1H 2010       |              | 1H 2009       |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|-----|----------------------|---------------|--------------|---------------|--------------|-----------------------|---------------|
|     |                      | GWP           | CLAIMS       | GWP           | CLAIMS       |                       |               |
|     |                      | EUR m.        | EUR m.       | EUR m.        | EUR m.       |                       |               |
| 1   | ING Asig. de Viață   | 66.16         | 1.88         | 61.40         | 1.61         | 7.76                  | 33.91         |
| 2   | BCR Asig. de Viață   | 37.10         | 2.94         | 20.10         | -            | 84.58                 | 19.01         |
| 3   | ALICO                | 23.70         | -            | 24.83         | -            | -4.55                 | 12.15         |
| 4   | ASIROM               | 11.26         | 9.66         | 11.72         | 10.79        | -3.94                 | 5.77          |
| 5   | GENERALI             | 10.92         | 1.65         | 10.54         | 0.91         | 3.64                  | 5.60          |
| 6   | ALLIANZ-TIRIAC       | 10.20         | 1.22         | 11.22         | 0.76         | -9.10                 | 5.23          |
| 7   | AVIVA                | 9.27          | 1.10         | 11.02         | 3.94         | -15.88                | 4.75          |
| 8   | GROUPAMA             | 7.29          | 2.73         | 9.14          | 2.99         | -20.17                | 3.74          |
| 9   | GRAWE                | 7.02          | 0.20         | 10.00         | 1.08         | -29.79                | 3.60          |
| 10  | EUREKO               | 3.68          | 0.41         | 4.25          | 0.32         | -13.60                | 1.88          |
| 11  | EFG Eurolife Viață   | 2.25          | 0.50         | 2.42          | 0.34         | -6.86                 | 1.15          |
| 12  | OMNIASIG Viață       | 2.20          | 0.42         | 2.73          | 0.37         | -19.43                | 1.13          |
| 13  | BRD Asig. de Viață   | 1.53          | 0.18         | -             | -            | -                     | 0.78          |
| 14  | ASTRA                | 1.52          | 0.42         | 0.63          | 0.08         | 138.84                | 0.78          |
| 15  | GARANTA              | 0.49          | 0.16         | 1.99          | 0.39         | -75.48                | 0.25          |
| 16  | AEGON Asig. de Viață | 0.47          | 0.00         | -             | -            | -                     | 0.24          |
| 17  | SIGNAL IDUNA         | 0.03          | -            | 0.00          | -            | 1,336                 | 0.02          |
| 18  | ATE INSURANCE        | 0.03          | -            | 0.03          | 0.01         | 6.24                  | 0.02          |
|     | <b>TOTAL TOP 10</b>  | <b>186.60</b> | <b>21.77</b> | <b>174.21</b> | <b>22.41</b> | <b>7.11</b>           | <b>95.64</b>  |
|     | <b>TOTAL MARKET</b>  | <b>195.11</b> | <b>23.45</b> | <b>187.07</b> | <b>23.79</b> | <b>4.30</b>           | <b>100.00</b> |

## Annuities and supplementary insurance ranking

| No. | Company              | 1H 2010       |              | 1H 2009       |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|-----|----------------------|---------------|--------------|---------------|--------------|-----------------------|---------------|
|     |                      | GWP           | CLAIMS       | GWP           | CLAIMS       |                       |               |
|     |                      | EUR m.        | EUR m.       | EUR m.        | EUR m.       |                       |               |
| 1   | ING Asig. de Viață   | 27.96         | 1.17         | 25.22         | 1.13         | 10.87                 | 23.41         |
| 2   | ALICO                | 20.63         | -            | 22.69         | -            | -9.09                 | 17.27         |
| 3   | BCR Asig. de Viață   | 16.04         | 2.91         | 13.71         | -            | 16.94                 | 13.43         |
| 4   | ASIROM               | 11.26         | 9.66         | 11.72         | 10.79        | -3.94                 | 9.42          |
| 5   | GENERALI             | 9.07          | 1.60         | 9.11          | 0.88         | -0.42                 | 7.60          |
| 6   | GROUPAMA             | 7.29          | 2.73         | 9.14          | 2.46         | -20.17                | 6.11          |
| 7   | GRAWE                | 6.99          | 0.18         | 9.94          | 1.08         | -29.70                | 5.85          |
| 8   | ALLIANZ-TIRIAC       | 4.98          | 1.12         | 5.46          | -            | -8.84                 | 4.17          |
| 9   | AVIVA                | 4.34          | 1.05         | 5.33          | 0.67         | -18.45                | 3.64          |
| 10  | EUREKO               | 3.06          | 0.39         | 3.71          | 0.31         | -17.56                | 2.56          |
| 11  | EFG Eurolife Viață   | 2.25          | 0.50         | 2.42          | 0.34         | -6.86                 | 1.88          |
| 12  | OMNIASIG Viață       | 1.99          | 0.42         | 2.52          | 0.37         | -21.16                | 1.67          |
| 13  | BRD Asig. de Viață   | 1.53          | 0.18         | -             | -            | -                     | 1.28          |
| 14  | ASTRA                | 1.52          | 0.42         | 0.63          | 0.08         | 138.84                | 1.27          |
| 15  | GARANTA              | 0.49          | 0.16         | 1.99          | 0.39         | -75.48                | 0.41          |
| 16  | ATE INSURANCE        | 0.03          | -            | 0.03          | 0.01         | 6.24                  | 0.03          |
| 17  | AEGON Asig. de Viață | 0.02          | -            | -             | -            | -                     | 0.02          |
| 18  | SIGNAL IDUNA         | 0.01          | -            | 0.00          | -            | 517.05                | 0.01          |
|     | <b>TOTAL TOP 10</b>  | <b>111.62</b> | <b>20.82</b> | <b>116.02</b> | <b>17.32</b> | <b>-3.80</b>          | <b>93.44</b>  |
|     | <b>TOTAL MARKET</b>  | <b>119.45</b> | <b>22.49</b> | <b>128.05</b> | <b>18.69</b> | <b>-6.71</b>          | <b>100.00</b> |

## Unit-linked insurance ranking

| No. | Company              | 1H 2010      |             | 1H 2009      |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|-----|----------------------|--------------|-------------|--------------|-------------|-----------------------|---------------|
|     |                      | GWP          | CLAIMS      | GWP          | CLAIMS      |                       |               |
|     |                      | EUR m.       | EUR m.      | EUR m.       | EUR m.      |                       |               |
| 1   | ING Asig. de Viață   | 38.20        | 0.70        | 36.18        | 0.48        | 5.59                  | 50.66         |
| 2   | BCR Asig. de Viață   | 21.06        | 0.03        | 6.38         | -           | 229.89                | 27.93         |
| 3   | ALLIANZ-TIRIAC       | 5.22         | 0.10        | 5.76         | -           | -9.34                 | 6.93          |
| 4   | AVIVA                | 4.93         | 0.05        | 5.66         | 3.28        | -12.99                | 6.53          |
| 5   | ALICO                | 3.07         | -           | 2.14         | -           | 43.62                 | 4.07          |
| 6   | GENERALI             | 1.82         | 0.04        | 1.41         | 0.02        | 28.79                 | 2.41          |
| 7   | EUREKO               | 0.62         | 0.02        | 0.54         | 0.01        | 13.37                 | 0.82          |
| 8   | AEGON Asig. de Viață | 0.45         | 0.00        | -            | -           | -                     | 0.60          |
| 9   | GRAWE                | 0.02         | -           | 0.02         | -           | -10.33                | 0.03          |
| 10  | SIGNAL IDUNA         | 0.02         | -           | -            | -           | -                     | 0.02          |
|     | <b>TOTAL MARKET</b>  | <b>75.41</b> | <b>0.94</b> | <b>58.73</b> | <b>3.80</b> | <b>28.41</b>          | <b>100.00</b> |



## Non-Life insurance ranking

| No.                 | Company             | 1H 2010       |               | 1H 2009       |               | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------------|---------------|---------------|---------------|---------------|-----------------------|---------------|
|                     |                     | GWP           | CLAIMS        | GWP           | CLAIMS        |                       |               |
|                     |                     | EUR m.        | EUR m.        | EUR m.        | EUR m.        |                       |               |
|                     |                     |               |               |               |               | EUR                   | %             |
| 1                   | ASTRA               | 138.57        | 55.82         | 96.66         | 35.01         | 43.36                 | 16.34         |
| 2                   | ALLIANZ-TIRIAC      | 119.62        | 94.93         | 148.58        | 113.85        | -19.49                | 14.10         |
| 3                   | OMNIASIG            | 116.71        | 87.59         | 140.91        | 105.63        | -17.17                | 13.76         |
| 4                   | GROUPAMA            | 88.76         | 71.05         | 95.09         | 99.89         | -6.66                 | 10.46         |
| 5                   | BCR Asigurări       | 62.35         | 41.88         | 74.16         | 48.72         | -15.93                | 7.35          |
| 6                   | ASIROM              | 56.96         | 42.18         | 71.24         | 62.29         | -20.04                | 6.72          |
| 7                   | UNIQA               | 52.07         | 47.40         | 58.72         | 50.47         | -11.32                | 6.14          |
| 8                   | GENERALI            | 45.58         | 27.38         | 47.41         | 25.56         | -3.86                 | 5.37          |
| 9                   | EUROINS             | 42.31         | 23.63         | 41.68         | 16.01         | 1.51                  | 4.99          |
| 10                  | CARPATICA Asig.     | 40.61         | 12.58         | 17.45         | 4.55          | 132.66                | 4.79          |
| 11                  | ARDAF               | 34.02         | 30.52         | 38.60         | 30.87         | -11.85                | 4.01          |
| 12                  | GARANTA             | 12.94         | 11.05         | 17.57         | 11.76         | -26.35                | 1.53          |
| 13                  | ASITO KAPITAL       | 7.83          | 1.13          | 6.28          | 0.97          | 24.59                 | 0.92          |
| 14                  | CITY Insurance      | 6.66          | 0.08          | 3.24          | 0.07          | 105.31                | 0.79          |
| 15                  | CREDIT EUROPE Asig. | 5.30          | 2.33          | 5.11          | 1.34          | 3.76                  | 0.63          |
| 16                  | ALICO               | 3.30          | -             | 1.87          | -             | 76.76                 | 0.39          |
| 17                  | FATA Asigurări      | 2.94          | 2.86          | NA            | NA            | -                     | 0.35          |
| 18                  | CERTASIG            | 2.88          | 2.15          | 4.28          | 1.13          | -32.65                | 0.34          |
| 19                  | ABC Asigurări       | 2.43          | 1.38          | 1.92          | 0.51          | 26.32                 | 0.29          |
| 20                  | PORSCHE Asigurări   | 1.68          | -             | 1.90          | -             | -11.44                | 0.20          |
| <b>TOTAL TOP 10</b> |                     | <b>763.53</b> | <b>504.42</b> | <b>791.90</b> | <b>561.96</b> | <b>-3.58</b>          | <b>90.03</b>  |
| <b>TOTAL TOP 20</b> |                     | <b>843.52</b> | <b>555.93</b> | <b>872.67</b> | <b>608.62</b> | <b>-3.34</b>          | <b>99.46</b>  |
| <b>TOTAL MARKET</b> |                     | <b>848.12</b> | <b>559.31</b> | <b>898.29</b> | <b>615.85</b> | <b>-5.59</b>          | <b>100.00</b> |

## Motor Hull insurance ranking

| No.                 | Company             | 1H 2010       |               | 1H 2009       |               | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------------|---------------|---------------|---------------|---------------|-----------------------|---------------|
|                     |                     | GWP           | CLAIMS        | GWP           | CLAIMS        |                       |               |
|                     |                     | EUR m.        | EUR m.        | EUR m.        | EUR m.        |                       |               |
|                     |                     |               |               |               |               | EUR                   | %             |
| 1                   | ALLIANZ-TIRIAC      | 63.55         | 69.11         | 88.32         | -             | -28.04                | 20.47         |
| 2                   | OMNIASIG            | 56.63         | 59.33         | 76.55         | 67.35         | -26.03                | 18.24         |
| 3                   | GROUPAMA            | 43.07         | 41.39         | 49.66         | -             | -13.28                | 13.88         |
| 4                   | ASTRA               | 28.13         | 20.80         | 38.34         | 18.39         | -26.62                | 9.06          |
| 5                   | UNIQA               | 26.32         | 29.58         | 31.08         | 30.93         | -15.30                | 8.48          |
| 6                   | BCR Asigurări       | 25.60         | 27.06         | 37.71         | 31.52         | -32.12                | 8.25          |
| 7                   | GENERALI            | 19.48         | 16.78         | 23.07         | 19.40         | -15.58                | 6.28          |
| 8                   | ASIROM              | 18.76         | 17.76         | 23.77         | 26.69         | -21.06                | 6.05          |
| 9                   | ARDAF               | 11.22         | 12.26         | 12.09         | 9.51          | -7.17                 | 3.61          |
| 10                  | EUROINS             | 4.04          | 3.43          | 3.37          | 3.50          | 19.91                 | 1.30          |
| 11                  | CARPATICA Asig.     | 2.75          | 1.57          | 3.42          | 1.36          | -19.60                | 0.89          |
| 12                  | GARANTA             | 2.64          | 3.05          | 2.84          | 2.82          | -7.15                 | 0.85          |
| 13                  | CREDIT EUROPE Asig. | 2.26          | 1.38          | 1.53          | 0.78          | 48.01                 | 0.73          |
| 14                  | PORSCHE Asigurări   | 1.68          | -             | 1.90          | -             | -11.44                | 0.54          |
| 15                  | CERTASIG            | 1.31          | 1.93          | 2.32          | 0.79          | -43.36                | 0.42          |
| 16                  | ABC Asigurări       | 1.00          | 0.71          | 0.75          | 0.28          | 33.96                 | 0.32          |
| 17                  | ASITO KAPITAL       | 0.88          | 1.00          | 1.17          | 0.76          | -24.56                | 0.28          |
| 18                  | PLATINUM            | 0.63          | 0.47          | 0.24          | 0.78          | 163.22                | 0.20          |
| 19                  | FATA Asigurări      | 0.36          | 2.26          | NA            | NA            | -                     | 0.11          |
| 20                  | CITY Insurance      | 0.08          | 0.01          | 0.00          | -             | 33,992                | 0.03          |
| <b>TOTAL TOP 10</b> |                     | <b>296.79</b> | <b>297.50</b> | <b>383.95</b> | <b>207.29</b> | <b>-22.70</b>         | <b>95.62</b>  |
| <b>TOTAL MARKET</b> |                     | <b>310.38</b> | <b>310.88</b> | <b>400.64</b> | <b>218.73</b> | <b>-22.53</b>         | <b>100.00</b> |

## MTPL insurance ranking

| No.                 | Company         | 1H 2010       |               | 1H 2009       |               | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|-----------------|---------------|---------------|---------------|---------------|-----------------------|---------------|
|                     |                 | GWP           | CLAIMS        | GWP           | CLAIMS        |                       |               |
|                     |                 | EUR m.        | EUR m.        | EUR m.        | EUR m.        |                       |               |
| 1                   | ASTRA           | 78.25         | 31.45         | 24.09         | 14.16         | 224.86                | 23.67         |
| 2                   | EUROINS         | 36.80         | 19.71         | 37.07         | 12.37         | -0.73                 | 11.13         |
| 3                   | CARPATICA Asig. | 36.44         | 10.15         | 12.35         | 2.87          | 195.06                | 11.02         |
| 4                   | OMNIASIG        | 29.87         | 24.87         | 37.81         | 31.41         | -20.98                | 9.04          |
| 5                   | ALLIANZ-TIRIAC  | 28.82         | 19.56         | 28.15         | -             | 2.39                  | 8.72          |
| 6                   | BCR Asigurări   | 25.12         | 12.43         | 24.24         | 14.77         | 3.66                  | 7.60          |
| 7                   | ASIROM          | 24.12         | 20.56         | 32.27         | 27.24         | -25.25                | 7.30          |
| 8                   | GROUPAMA        | 21.76         | 17.85         | 25.63         | -             | -15.10                | 6.58          |
| 9                   | ARDAF           | 19.48         | 17.42         | 22.74         | 20.22         | -14.33                | 5.89          |
| 10                  | UNIQA           | 19.14         | 16.55         | 20.53         | 18.63         | -6.76                 | 5.79          |
| 11                  | GENERALI        | 9.79          | 8.03          | 9.31          | 4.18          | 5.11                  | 2.96          |
| 12                  | ABC Asigurări   | 0.94          | 0.65          | 0.76          | 0.22          | 22.63                 | 0.28          |
| 13                  | PLATINUM        | 0.01          | 0.08          | 0.07          | 0.06          | -86.53                | 0.00          |
| 14                  | FATA Asigurări  | 0.01          | 0.00          | NA            | NA            | -                     | 0.00          |
| 15                  | CITY Insurance  | 0.01          | -             | -             | -             | -                     | 0.00          |
| 16                  | GARANTA         | 0.00          | -             | 0.00          | -             | 1.96                  | 0.00          |
| <b>TOTAL TOP 10</b> |                 | <b>319.81</b> | <b>190.57</b> | <b>264.86</b> | <b>141.67</b> | <b>20.75</b>          | <b>96.75</b>  |
| <b>TOTAL MARKET</b> |                 | <b>330.56</b> | <b>199.97</b> | <b>275.78</b> | <b>146.99</b> | <b>19.86</b>          | <b>100.00</b> |

## Fire and allied perils insurance ranking

| No.                 | Company             | 1H 2010       |              | 1H 2009       |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------------|---------------|--------------|---------------|--------------|-----------------------|---------------|
|                     |                     | GWP           | CLAIMS       | GWP           | CLAIMS       |                       |               |
|                     |                     | EUR m.        | EUR m.       | EUR m.        | EUR m.       |                       |               |
| 1                   | ASTRA               | 22.65         | 0.81         | 25.35         | 0.44         | -10.64                | 18.33         |
| 2                   | OMNIASIG            | 21.96         | 1.45         | 18.57         | 1.97         | 18.27                 | 17.77         |
| 3                   | ALLIANZ-TIRIAC      | 20.94         | 3.66         | 23.14         | -            | -9.48                 | 16.95         |
| 4                   | GROUPAMA            | 10.80         | 1.88         | 11.48         | -            | -5.96                 | 8.74          |
| 5                   | GENERALI            | 10.42         | 1.94         | 9.31          | 1.17         | 11.92                 | 8.43          |
| 6                   | ASIROM              | 9.19          | 3.32         | 9.63          | 7.17         | -4.58                 | 7.44          |
| 7                   | BCR Asigurări       | 8.37          | 1.46         | 8.45          | 1.81         | -0.95                 | 6.77          |
| 8                   | ASITO KAPITAL       | 5.31          | 0.03         | 4.19          | 0.05         | 26.77                 | 4.29          |
| 9                   | UNIQA               | 4.92          | 1.06         | 5.83          | 0.75         | -15.62                | 3.98          |
| 10                  | GARANTA             | 2.20          | 0.15         | 2.92          | 0.17         | -24.68                | 1.78          |
| 11                  | ARDAF               | 1.80          | 0.48         | 1.86          | 0.10         | -3.46                 | 1.45          |
| 12                  | CREDIT EUROPE Asig. | 1.26          | 0.08         | 1.35          | 0.04         | -6.67                 | 1.02          |
| 13                  | CARPATICA Asig.     | 0.69          | 0.42         | 0.89          | 0.05         | -22.00                | 0.56          |
| 14                  | EUROINS             | 0.64          | 0.05         | 0.33          | 0.02         | 95.36                 | 0.52          |
| 15                  | EFG Generale        | 0.53          | 0.00         | 0.37          | 0.05         | 42.95                 | 0.43          |
| 16                  | FATA Asigurări      | 0.43          | 0.24         | NA            | NA           | -                     | 0.35          |
| 17                  | CITY Insurance      | 0.41          | -            | 0.00          | -            | 87,145                | 0.33          |
| 18                  | ATE INSURANCE       | 0.23          | -            | 0.14          | -            | 71.21                 | 0.19          |
| 19                  | CERTASIG            | 0.20          | 0.03         | 0.37          | 0.02         | -45.59                | 0.16          |
| 20                  | QBE Insurance       | 0.19          | 0.03         | 0.08          | 0.02         | 128.44                | 0.15          |
| <b>TOTAL TOP 10</b> |                     | <b>116.76</b> | <b>15.75</b> | <b>118.86</b> | <b>13.54</b> | <b>-1.77</b>          | <b>94.50</b>  |
| <b>TOTAL TOP 20</b> |                     | <b>123.13</b> | <b>17.08</b> | <b>124.25</b> | <b>13.82</b> | <b>-0.90</b>          | <b>99.66</b>  |
| <b>TOTAL MARKET</b> |                     | <b>123.56</b> | <b>17.15</b> | <b>140.13</b> | <b>13.94</b> | <b>-11.83</b>         | <b>100.00</b> |

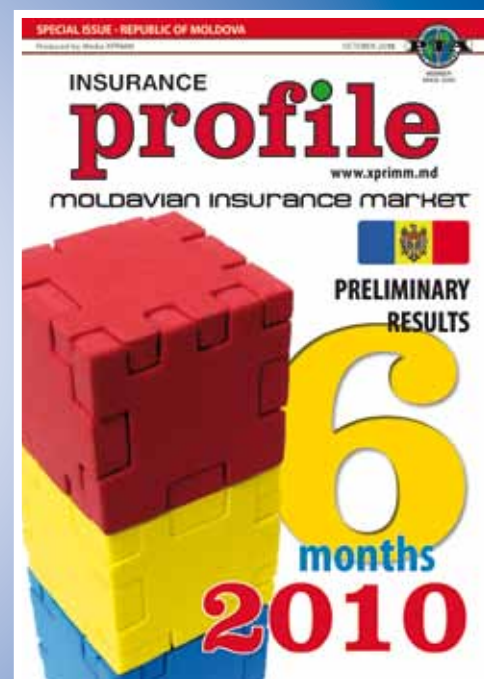
## Credit and warranties insurance ranking

| No.                 | Company             | 1H 2010      |              | 1H 2009      |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------------|--------------|--------------|--------------|--------------|-----------------------|---------------|
|                     |                     | GWP          | CLAIMS       | GWP          | CLAIMS       |                       |               |
|                     |                     | EUR m.       | EUR m.       | EUR m.       | EUR m.       |                       |               |
| 1                   | GROUPAMA            | 8.06         | 8.68         | 3.80         | -            | 111.94                | 35.13         |
| 2                   | GARANTA             | 7.13         | 7.75         | 10.73        | 8.63         | -33.58                | 31.06         |
| 3                   | CITY Insurance      | 5.58         | -            | 2.89         | -            | 92.85                 | 24.32         |
| 4                   | CREDIT EUROPE Asig. | 1.07         | 0.85         | 1.02         | 0.52         | 4.72                  | 4.66          |
| 5                   | ALLIANZ-TIRIAC      | 0.42         | 0.38         | 0.31         | -            | 36.02                 | 1.81          |
| 6                   | ASTRA               | 0.25         | 0.12         | 0.38         | 0.30         | -33.11                | 1.09          |
| 7                   | GENERALI            | 0.15         | -            | 0.03         | -            | 489.14                | 0.67          |
| 8                   | PLATINUM            | 0.09         | -            | -            | -            | -                     | 0.41          |
| 9                   | UNIQA               | 0.07         | 0.01         | 0.13         | 0.02         | -46.59                | 0.29          |
| 10                  | CERTASIG            | 0.06         | -            | 0.01         | -            | 528.85                | 0.25          |
| 11                  | EUROINS             | 0.05         | 0.00         | 0.05         | -            | 11.62                 | 0.23          |
| 12                  | CARPATICA Asig.     | 0.02         | 0.30         | 0.01         | 0.13         | 42.45                 | 0.09          |
| 13                  | EFG Generale        | 0.01         | -            | 0.01         | -            | -29.36                | 0.02          |
| 14                  | ARDAF               | 0.00         | 0.07         | 0.02         | 0.09         | -84.55                | 0.01          |
| 15                  | BCR Asigurări       | 0.00         | 0.27         | 0.03         | 0.11         | -89.42                | 0.01          |
| <b>TOTAL TOP 10</b> |                     | <b>22.88</b> | <b>17.78</b> | <b>19.30</b> | <b>9.47</b>  | <b>18.58</b>          | <b>99.69</b>  |
| <b>TOTAL MARKET</b> |                     | <b>22.95</b> | <b>19.61</b> | <b>20.01</b> | <b>13.53</b> | <b>14.72</b>          | <b>100.00</b> |

# INSURANCE profile

moldavian insurance market

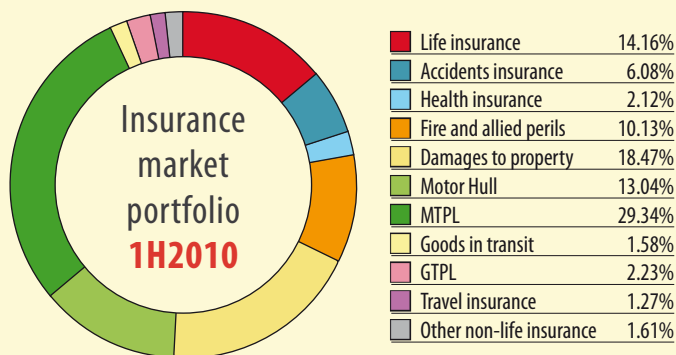
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# SERBIA



#### Sources:

National Bank of Serbia

#### Serbian currency exchange rate for calculations:

1 EUR = 93.4415 Dinars - RSD (June 30<sup>th</sup> 2009)

1 EUR = 104.3704 Dinars - RSD (June 30<sup>th</sup> 2010)

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 7.4      | 7.4      |
| Nominal GDP (RSD billion)        | 2512.4   | 2681.7   |
| GDP per capita (USD)             | 5061     | 5503     |
| Real GDP growth, % change y/y    | -2.9     | 1.0      |
| Consumer price, % y-o-y, eop     | 6.6      | 6.0      |

The Serbian insurance market registered a total amount of revenues of EUR287m during the first 6 months of 2010. Compared to the value recorded in the similar period of 2009, the nominal change in euro decreased by 5.89%. Also, in the first 6 months of 2010, the absolute value of the insurance market decreased with EUR18m. The absolute growth amounted to EUR0.7m on the life insurance field, while on the non-life insurance classes the decrease exceeded EUR18.7m. Thus, we can say the financial crisis has really hit Serbia, as most classes of insurance have recorded significant decreases. Largest declines were in health insurance (50%), motor (10%) and property insurance (-3.6%).

#### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                     | 1H 2010       |              | 1H 2009       |               | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|-----------------------------------|---------------|--------------|---------------|---------------|-----------------------|-------------------------|---------------|
|                                   | GWP           | CLAIMS       | GWP           | CLAIMS        |                       |                         |               |
|                                   | EUR m.        | EUR m.       | EUR m.        | EUR m.        |                       |                         |               |
| <b>TOTAL MARKET</b>               | <b>287.13</b> | <b>95.95</b> | <b>305.09</b> | <b>110.42</b> | <b>-5.89</b>          | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>                 | <b>40.65</b>  | <b>7.85</b>  | <b>39.94</b>  | <b>9.62</b>   | <b>1.76</b>           | <b>100.00</b>           | <b>14.16</b>  |
| <b>Total Non-Life</b>             | <b>246.48</b> | <b>88.10</b> | <b>265.14</b> | <b>100.80</b> | <b>-7.04</b>          | <b>100.00</b>           | <b>85.84</b>  |
| Accident                          | 17.44         | 8.35         | 16.70         | 8.92          | 4.48                  | 7.08                    | 6.08          |
| Health                            | 6.07          | 2.50         | 12.26         | 3.55          | -50.44                | 2.46                    | 2.12          |
| <b>Overall property insurance</b> | <b>82.10</b>  | <b>15.29</b> | <b>85.19</b>  | <b>17.03</b>  | <b>-3.63</b>          | <b>33.31</b>            | <b>28.59</b>  |
| Fire and allied perils            | 29.07         | 4.70         | 30.90         | 3.56          | -5.91                 | 11.80                   | 10.13         |
| Damages to property               | 53.03         | 10.59        | 54.29         | 13.47         | -2.33                 | 21.52                   | 18.47         |
| <b>Overall motor insurance</b>    | <b>121.67</b> | <b>59.14</b> | <b>135.22</b> | <b>67.22</b>  | <b>-10.02</b>         | <b>49.36</b>            | <b>42.37</b>  |
| Motor Hull                        | 37.43         | 23.62        | 42.38         | 27.14         | -11.68                | 15.19                   | 13.04         |
| MTPL                              | 84.24         | 35.51        | 92.84         | 40.08         | -9.26                 | 34.18                   | 29.34         |
| Goods in transit                  | 4.53          | 0.63         | 5.91          | 1.59          | -23.32                | 1.84                    | 1.58          |
| GTPL                              | 6.39          | 0.79         | 5.70          | 1.48          | 12.10                 | 2.59                    | 2.23          |
| Travel                            | 3.64          | 0.46         | 0.12          | 0.02          | 2,866                 | 1.48                    | 1.27          |
| Other non-life insurance          | 4.62          | 0.96         | 4.04          | 0.98          | 14.37                 | 1.88                    | 1.61          |



## Life and non-life insurance ranking

| No.                 | Company                 | 1H 2010       |              | 1H 2009       |               | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|-------------------------|---------------|--------------|---------------|---------------|-----------------------|---------------|
|                     |                         | GWP           | CLAIMS       | GWP           | CLAIMS        |                       |               |
|                     |                         | EUR m.        | EUR m.       | EUR m.        | EUR m.        |                       |               |
| 1                   | DUNAV                   | 83.77         | 26.52        | 87.57         | 32.32         | -4.34                 | 29.18         |
| 2                   | DDOR                    | 58.50         | 25.79        | 72.38         | 33.23         | -19.17                | 20.38         |
| 3                   | DELTA GENERALI osig.    | 50.79         | 12.49        | 52.54         | 14.35         | -3.33                 | 17.69         |
| 4                   | WIENER                  | 20.90         | 7.98         | 23.31         | 9.95          | -10.32                | 7.28          |
| 5                   | UNIQA nezivot           | 13.08         | 4.80         | 10.95         | 3.50          | 19.49                 | 4.56          |
| 6                   | TAKOVO                  | 9.47          | 3.66         | 11.06         | 2.93          | -14.36                | 3.30          |
| 7                   | TRIGLAV Kopaonik        | 9.30          | 2.40         | 9.70          | 2.11          | -4.11                 | 3.24          |
| 8                   | GRAWE                   | 9.06          | 1.83         | 9.06          | 1.66          | 0.05                  | 3.16          |
| 9                   | SAVA nezivot            | 7.30          | 3.08         | 6.27          | 2.54          | 16.41                 | 2.54          |
| 10                  | AMS                     | 6.76          | 3.03         | 8.00          | 2.46          | -15.55                | 2.35          |
| 11                  | AS osiguranje           | 4.74          | 0.45         | 1.75          | 0.05          | 170.98                | 1.65          |
| 12                  | MILENIJUM               | 4.06          | 1.98         | 5.23          | 2.11          | -22.31                | 1.41          |
| 13                  | UIQA zivot              | 2.98          | 0.90         | 2.60          | 2.21          | 14.78                 | 1.04          |
| 14                  | ENERGOPROJEKT           | 1.70          | 0.06         | 0.95          | 0.11          | 77.97                 | 0.59          |
| 15                  | MERKUR osiguranje       | 1.65          | 0.06         | 1.07          | 0.08          | 54.98                 | 0.58          |
| 16                  | GLOBOS                  | 1.62          | 0.91         | 1.72          | 0.77          | -5.91                 | 0.56          |
| 17                  | CREDIT AGRICOLE Life    | 0.74          | 0.01         | 0.63          | 0.01          | 17.62                 | 0.26          |
| 18                  | BASLER nezivot          | 0.30          | 0.01         | 0.18          | 0.00          | 65.93                 | 0.11          |
| 19                  | ALICO a.d.o.            | 0.16          | 0.00         | 0.06          | -             | 174.89                | 0.06          |
| 20                  | BASLER zivot            | 0.12          | -            | 0.06          | -             | 107.68                | 0.04          |
| 21                  | SAVA zivotno osiguranje | 0.11          | -            | 0.01          | -             | 1,165                 | 0.04          |
| 22                  | SOCIETE GENERALE        | 0.01          | -            | -             | -             | -                     | 0.00          |
| <b>TOTAL TOP 10</b> |                         | <b>268.93</b> | <b>91.57</b> | <b>290.83</b> | <b>105.07</b> | <b>-7.53</b>          | <b>93.66</b>  |
| <b>TOTAL TOP 20</b> |                         | <b>287.01</b> | <b>95.95</b> | <b>305.08</b> | <b>110.42</b> | <b>-5.92</b>          | <b>99.96</b>  |
| <b>TOTAL MARKET</b> |                         | <b>287.13</b> | <b>95.95</b> | <b>305.09</b> | <b>110.42</b> | <b>-5.89</b>          | <b>100.00</b> |

## Life insurance ranking

| No.                 | Company                 | % in all GWP | GWP          | MARKET SHARE  |
|---------------------|-------------------------|--------------|--------------|---------------|
|                     |                         | %            | EUR m.       | %             |
| 1                   | DELTA GENERALI osig.*   | 20           | 10.16        | 24.99         |
| 2                   | GRAWE*                  | 97           | 8.78         | 21.61         |
| 3                   | WIENER*                 | 40           | 8.36         | 20.57         |
| 4                   | DUNAV*                  | 5            | 4.19         | 10.30         |
| 5                   | UIQA zivot              | 100          | 2.98         | 7.33          |
| 6                   | DDOR*                   | 5            | 2.93         | 7.20          |
| 7                   | MERKUR osiguranje       | 100          | 1.65         | 4.06          |
| 8                   | CREDIT AGRICOLE Life    | 100          | 0.74         | 1.82          |
| 9                   | TRIGLAV Kopaonik*       | 5            | 0.47         | 1.14          |
| 10                  | ALICO a.d.o.            | 100          | 0.16         | 0.40          |
| 11                  | BASLER zivot            | 100          | 0.12         | 0.30          |
| 12                  | SAVA zivotno osiguranje | 100          | 0.11         | 0.26          |
| <b>TOTAL TOP 10</b> |                         | -            | <b>40.42</b> | <b>99.43</b>  |
| <b>TOTAL MARKET</b> |                         | <b>14.16</b> | <b>40.65</b> | <b>100.00</b> |

\* PRIMM estimation.

## Life insurance ranking

| No.                 | Company               | % in all GWP | GWP           | MARKET SHARE  |
|---------------------|-----------------------|--------------|---------------|---------------|
|                     |                       | %            | EUR m.        | %             |
| 1                   | DUNAV*                | 95           | 79.58         | 32.29         |
| 2                   | DDOR*                 | 95           | 55.58         | 22.55         |
| 3                   | DELTA GENERALI osig.* | 80           | 40.63         | 16.49         |
| 4                   | UNIQA nezivot         | 100          | 13.08         | 5.31          |
| 5                   | WIENER*               | 60           | 12.54         | 5.09          |
| 6                   | TAKOVO                | 100          | 9.47          | 3.84          |
| 7                   | TRIGLAV Kopaonik*     | 95           | 8.84          | 3.58          |
| 8                   | SAVA nezivot          | 100          | 7.30          | 2.96          |
| 9                   | AMS                   | 100          | 6.76          | 2.74          |
| 10                  | AS osiguranje         | 100          | 4.74          | 1.92          |
| 11                  | MILENIJUM             | 100          | 4.06          | 1.65          |
| 12                  | ENERGOPROJEKT         | 100          | 1.70          | 0.69          |
| 13                  | GLOBOS                | 100          | 1.62          | 0.66          |
| 14                  | BASLER nezivot        | 100          | 0.30          | 0.12          |
| 15                  | GRAWE*                | 3            | 0.28          | 0.11          |
| 16                  | SOCIETE GENERALE      | 100          | 0.01          | 0.00          |
| <b>TOTAL TOP 10</b> |                       | -            | <b>238.51</b> | <b>96.77</b>  |
| <b>TOTAL MARKET</b> |                       | <b>85.84</b> | <b>246.48</b> | <b>100.00</b> |

\* PRIMM estimation



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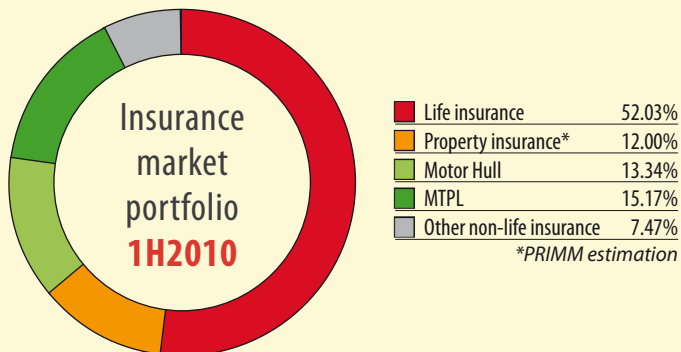
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## SLOVAKIA



### Sources:

Slovak Insurers Association (SLASPO)

National Bank of Slovakia

Slovak currency : EURO

The insurance market was characterized by stable development in 2010. In terms of the dynamic rate of non-life underwritings, 1H/2010 saw a continuation of last year's trend. The 4.5% decrease in non-life written premiums reflects a further slowdown in insurance market growth. On life insurance market, compared to 1H/2009, total written premiums increased by 5.55%.

As far as companies are concerned, ALLIANZ Slovenska and KOOPERATIVA VIG are the first two companies ranked on both segments: life and non-life. The two companies own together 42% of the life insurance market, respectively 66.5% of the non-life insurance market.

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 5.4      | 5.4      |
| Nominal GDP (EUR billion)        | 65.2     | 66.8     |
| GDP per capita (USD)             | 16868    | 17905    |
| Real GDP growth, % change y/y    | -4.9     | 1.5      |
| Consumer price, % y-o-y, eop     | 0.0      | 2.0      |

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                 | GWP             | GWP 1H          | Nominal Evolution (%) | in LIFE/      | % in all GWP  |
|-------------------------------|-----------------|-----------------|-----------------------|---------------|---------------|
|                               | 1H 2010         | 2009            |                       | NON-LIFE      |               |
|                               | EUR m.          | EUR m.          | EUR                   | %             |               |
| <b>TOTAL MARKET</b>           | <b>1,054.25</b> | <b>1,049.16</b> | <b>0.49</b>           |               | <b>100.00</b> |
| <b>TOTAL LIFE</b>             | <b>548.48</b>   | <b>519.66</b>   | <b>5.55</b>           | <b>100.00</b> | <b>52.03</b>  |
| Unit-linked                   | 166.54          | 158.61          | 5.00                  | 30.36         | 15.80         |
| Rider                         | 67.12           | 56.08           | 19.67                 | 12.24         | 6.37          |
| Other life insurance          | 314.83          | 304.96          | 3.23                  | 57.40         | 29.86         |
| <b>Total Non-Life</b>         | <b>505.77</b>   | <b>529.50</b>   | <b>-4.48</b>          | <b>100.00</b> | <b>47.97</b>  |
| <b>Overall property ins.*</b> | <b>126.51</b>   | <b>125.53</b>   | <b>0.78</b>           | <b>25.01</b>  | <b>12.00</b>  |
| Fire and allied perils        | NA              | NA              | -                     | -             | -             |
| Damages to property           | NA              | NA              | -                     | -             | -             |
| <b>Overall motor ins.</b>     | <b>300.54</b>   | <b>316.28</b>   | <b>-4.98</b>          | <b>59.42</b>  | <b>28.51</b>  |
| Motor Hull                    | 140.60          | 150.35          | -6.49                 | 27.80         | 13.34         |
| MTPL                          | 159.94          | 165.92          | -3.60                 | 31.62         | 15.17         |
| Other non-life ins.           | 78.72           | 87.70           | -10.24                | 15.56         | 7.47          |

\*PRIMM estimation

### Life insurance ranking

| Company                          | GWP           | GWP           | Nominal Evolution (%) | MARKET SHARE  |
|----------------------------------|---------------|---------------|-----------------------|---------------|
|                                  | 1H 2010       | 1H 2009       |                       |               |
|                                  | EUR m.        | EUR m.        | EUR                   | %             |
| ALLIANZ - Slovenská              | 122.92        | 126.54        | -2.86                 | 22.41         |
| KOOPERATIVA VIG                  | 108.20        | 94.81         | 14.13                 | 19.73         |
| AMSLICO AIG Life                 | 61.09         | 60.38         | 1.18                  | 11.14         |
| KOMUNÁLNA VIG                    | 44.84         | 3.89          | 1,054                 | 8.18          |
| GENERALI Slovensko               | 42.51         | 47.51         | -10.53                | 7.75          |
| ING Ž.p.                         | 41.78         | 44.50         | -6.11                 | 7.62          |
| ČSOB poist.                      | 29.58         | 26.77         | 10.50                 | 5.39          |
| AXA ž.p.                         | 22.05         | 17.06         | 29.23                 | 4.02          |
| Poist. SLOVENSKEJ sporiteľne VIG | 15.21         | 14.31         | 6.30                  | 2.77          |
| UNIQA poist.                     | 14.51         | 13.85         | 4.76                  | 2.65          |
| WUSTENROT poist.                 | 13.64         | 12.36         | 10.36                 | 2.49          |
| AEGON Ž.p.                       | 12.21         | 9.18          | 33.05                 | 2.23          |
| ERGO Ž.p.                        | 6.28          | -             | -                     | 1.14          |
| UNION poist.                     | 5.89          | 6.21          | -5.12                 | 1.07          |
| VICTORIA - VOLKSBANKEN poist.    | 4.93          | 3.43          | 43.96                 | 0.90          |
| Poist. POSTOVEJ banky            | 1.51          | 0.84          | 78.79                 | 0.28          |
| Poist. CARDIF Slovakia.          | 0.81          | 0.88          | -8.38                 | 0.15          |
| GROUPAMA Ž.p.                    | 0.53          | 0.44          | 19.64                 | 0.10          |
| KONTINUITA poist. VIG            | -             | 36.72         | -                     | -             |
| <b>TOTAL TOP 10</b>              | <b>502.69</b> | <b>449.60</b> | <b>11.81</b>          | <b>91.65</b>  |
| <b>TOTAL MARKET</b>              | <b>548.48</b> | <b>519.66</b> | <b>5.55</b>           | <b>100.00</b> |

## Unit-linked insurance ranking

| Company                          | GWP           | GWP           | Nominal       | MARKET        |
|----------------------------------|---------------|---------------|---------------|---------------|
|                                  | 1H 2010       | 1H 2009       | Evolution (%) | SHARE         |
|                                  | EUR m.        | EUR m.        | EUR           | %             |
| ALLIANZ - Slovenská              | 40.61         | 45.17         | -10.09        | 24.38         |
| GENERALI Slovensko               | 23.83         | 26.15         | -8.86         | 14.31         |
| ING Ž.p.                         | 20.82         | 29.92         | -30.43        | 12.50         |
| AXA Ž.p.                         | 19.16         | 16.60         | 15.39         | 11.50         |
| AMSLICO AIG Life                 | 13.27         | 8.47          | 56.63         | 7.97          |
| AEGON Ž.p.                       | 8.43          | 6.48          | 30.23         | 5.06          |
| KOMUNÁLNA VIG                    | 7.11          | 0.00          | -711400       | 4.27          |
| WUSTENROT poist.                 | 6.83          | 5.26          | 30.02         | 4.10          |
| ERGO Ž.p.                        | 6.26          | -             | -             | 3.76          |
| UNIQA poist.                     | 6.04          | 5.13          | 17.57         | 3.62          |
| VICTORIA - VOLKSBANKEN poist.    | 3.91          | 1.45          | 169.93        | 2.35          |
| KOOPERATIVA VIG                  | 3.49          | 1.92          | 81.42         | 2.09          |
| Poist. SLOVENSKEJ sporitelne VIG | 3.05          | 3.54          | -14.00        | 1.83          |
| ČSOB poist.                      | 2.49          | 2.01          | 24.20         | 1.50          |
| UNION poist.                     | 1.25          | 1.21          | 2.72          | 0.75          |
| KONTINUITA poist. VIG            | -             | 5.31          | -             | -             |
| <b>TOTAL TOP 10</b>              | <b>152.35</b> | <b>143.17</b> | <b>6.41</b>   | <b>91.48</b>  |
| <b>TOTAL MARKET</b>              | <b>166.54</b> | <b>158.61</b> | <b>5.00</b>   | <b>100.00</b> |

## Rider insurance ranking

| Company                          | GWP          | GWP          | Nominal       | MARKET        |
|----------------------------------|--------------|--------------|---------------|---------------|
|                                  | 1H 2010      | 1H 2009      | Evolution (%) | SHARE         |
|                                  | EUR m.       | EUR m.       | EUR           | %             |
| ALLIANZ - Slovenská              | 16.96        | 15.84        | 7.08          | 25.27         |
| AMSLICO AIG Life                 | 11.35        | 11.47        | -1.06         | 16.91         |
| ING Ž.p.                         | 10.51        | 3.46         | 204.05        | 15.66         |
| KOOPERATIVA VIG                  | 9.16         | 9.72         | -5.69         | 13.65         |
| GENERALI Slovensko               | 3.99         | 3.68         | 8.34          | 5.94          |
| AEGON Ž.p.                       | 3.14         | 2.11         | 48.96         | 4.68          |
| AXA Ž.p.                         | 2.89         | 0.46         | 528.91        | 4.31          |
| ČSOB poist.                      | 2.20         | 2.49         | -11.42        | 3.28          |
| KOMUNÁLNA VIG                    | 2.12         | 0.41         | 419.36        | 3.16          |
| UNIQA poist.                     | 1.52         | 1.42         | 7.20          | 2.26          |
| Poist. POSTOVEJ banky            | 0.94         | 0.47         | 101.28        | 1.40          |
| UNION poist.                     | 0.83         | 0.91         | -8.56         | 1.24          |
| Poist. SLOVENSKEJ sporitelne VIG | 0.81         | 0.69         | 17.30         | 1.20          |
| WUSTENROT poist.                 | 0.64         | 0.69         | -6.96         | 0.96          |
| GROUPAMA Ž.p.                    | 0.05         | 0.05         | 2.22          | 0.07          |
| ERGO Ž.p.                        | 0.01         | -            | -             | 0.01          |
| KONTINUITA poist. VIG            | -            | 2.24         | -             | -             |
| <b>TOTAL TOP 10</b>              | <b>63.84</b> | <b>51.04</b> | <b>25.08</b>  | <b>95.11</b>  |
| <b>TOTAL MARKET</b>              | <b>67.12</b> | <b>56.08</b> | <b>19.67</b>  | <b>100.00</b> |

## Non-Life insurance ranking

| Company                            | GWP           | GWP           | Nominal       | MARKET        |
|------------------------------------|---------------|---------------|---------------|---------------|
|                                    | 1H 2010       | 1H 2009       | Evolution (%) | SHARE         |
|                                    | EUR m.        | EUR m.        | EUR           | %             |
| ALLIANZ - Slovenská                | 196.36        | 204.15        | -3.81         | 38.82         |
| KOOPERATIVA VIG                    | 140.39        | 157.75        | -11.00        | 27.76         |
| GENERALI Slovensko                 | 56.17         | 59.65         | -5.82         | 11.11         |
| UNIQA poist.                       | 36.06         | 37.05         | -2.66         | 7.13          |
| KOMUNÁLNA VIG                      | 26.44         | 24.51         | 7.86          | 5.23          |
| UNION poist.                       | 13.60         | 11.01         | 23.62         | 2.69          |
| WUSTENROT poist.                   | 11.30         | 7.90          | 42.97         | 2.23          |
| ČSOB poist.                        | 11.25         | 11.07         | 1.64          | 2.22          |
| Poist. CARDIF Slovakia.            | 4.95          | 3.95          | 25.37         | 0.98          |
| GROUPAMA poist.                    | 3.62          | 3.08          | 17.82         | 0.72          |
| AMSLICO AIG Life                   | 3.06          | 2.44          | 25.49         | 0.60          |
| D.A.S. poist. právnej ochrany      | 1.17          | 1.34          | -12.49        | 0.23          |
| AXA Ž.p.                           | 0.77          | 0.49          | 56.29         | 0.15          |
| Poist. POSTOVEJ banky              | 0.35          | 0.25          | 41.63         | 0.07          |
| VICTORIA - VOLKSBANKEN poist.      | 0.27          | 0.22          | 24.19         | 0.05          |
| Slovenská KANCELARIA poisťovateľov | 0.00          | 0.00          | 12.87         | 0.00          |
| HDI Versicherung AG                | -             | 4.49          | -             | -             |
| KONTINUITA poist. VIG              | -             | 0.18          | -             | -             |
| <b>TOTAL TOP 10</b>                | <b>500.16</b> | <b>520.10</b> | <b>-3.83</b>  | <b>98.89</b>  |
| <b>TOTAL MARKET</b>                | <b>505.77</b> | <b>529.50</b> | <b>-4.48</b>  | <b>100.00</b> |

## Motor Hull insurance ranking

| Company               | GWP           | GWP           | Nominal       | MARKET        |
|-----------------------|---------------|---------------|---------------|---------------|
|                       | 1H 2010       | 1H 2009       | Evolution (%) | SHARE         |
|                       | EUR m.        | EUR m.        | EUR           | %             |
| ALLIANZ - Slovenská   | 48.69         | 50.72         | -3.99         | 34.63         |
| KOOPERATIVA VIG       | 41.48         | 46.65         | -11.08        | 29.50         |
| GENERALI Slovensko    | 18.95         | 22.32         | -15.09        | 13.48         |
| UNIQA poist.          | 15.12         | 14.99         | 0.87          | 10.75         |
| KOMUNÁLNA VIG         | 10.02         | 10.35         | -3.23         | 7.13          |
| ČSOB poist.           | 2.53          | 2.96          | -14.70        | 1.80          |
| WUSTENROT poist.      | 2.06          | 1.36          | 51.85         | 1.46          |
| GROUPAMA poist.       | 0.93          | 0.94          | -0.74         | 0.66          |
| UNION poist.          | 0.82          | -             | -             | 0.58          |
| Poist. POSTOVEJ banky | -             | 0.07          | -             | -             |
| <b>TOTAL MARKET</b>   | <b>140.60</b> | <b>150.35</b> | <b>-6.49</b>  | <b>100.00</b> |

## MTPL insurance ranking

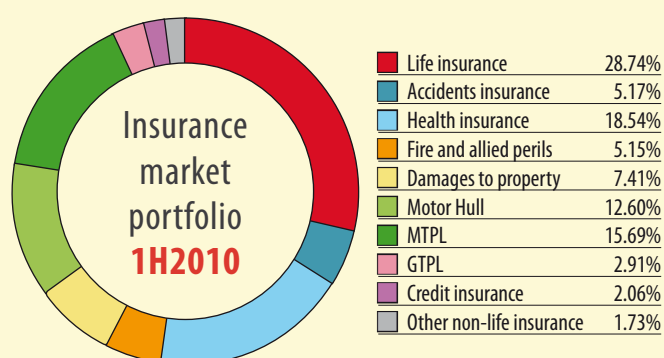
| Company                            | GWP           | GWP           | Nominal       | MARKET        |
|------------------------------------|---------------|---------------|---------------|---------------|
|                                    | 1H 2010       | 1H 2009       | Evolution (%) | SHARE         |
|                                    | EUR m.        | EUR m.        | EUR           | %             |
| ALLIANZ - Slovenská                | 57.97         | 63.79         | -9.12         | 36.24         |
| KOOPERATIVA VIG                    | 54.62         | 60.08         | -9.08         | 34.15         |
| GENERALI Slovensko                 | 13.40         | 14.71         | -8.91         | 8.38          |
| KOMUNÁLNA VIG                      | 11.83         | 9.41          | 25.73         | 7.40          |
| UNIQA poist.                       | 8.83          | 8.70          | 1.43          | 5.52          |
| WUSTENROT poist.                   | 5.90          | 3.52          | 67.41         | 3.69          |
| ČSOB poist.                        | 3.92          | 4.25          | -7.83         | 2.45          |
| GROUPAMA poist.                    | 1.83          | 1.47          | 24.68         | 1.14          |
| UNION poist.                       | 1.66          | -             | -             | 1.04          |
| Slovenská KANCELARIA poisťovateľov | 0.00          | 0.00          | 12.87         | 0.00          |
| <b>TOTAL MARKET</b>                | <b>159.94</b> | <b>165.92</b> | <b>-3.60</b>  | <b>100.00</b> |





## SLOVENIA

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 2.0      | 2.0      |
| Nominal GDP (EUR billion)        | 33.7     | 34.9     |
| GDP per capita (USD)             | 21170    | 22056    |
| Real GDP growth, % change y/y    | -7.9     | 1.7      |
| Consumer price, % y-o-y, eop     | 1.8      | 1.7      |



### Sources:

Insurance Supervision Agency (ISA)

Slovenian Insurance Association

National Bank of Slovenia

Slovenian currency: EURO



The Slovenian insurance sector was one of the strongest and most stable in Central and Eastern Europe in 1H/2010. In the first half of 2010, premium growth in the Slovenian insurance market was 0.6%. The Slovenian insurance market was characterized by decline in non-life insurance as well as by an above-average increase of 4 percent in the life insurance segment.

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                                    | 1H 2010         |               | 1H 2009         |               | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP  |
|--|-----------------|---------------|-----------------|---------------|-----------------------|-------------------------|---------------|
|  | GWP             | CLAIMS        | GWP             | CLAIMS        |                       |                         |               |
|  | EUR m.          | EUR m.        | EUR m.          | EUR m.        |                       |                         |               |
| <b>TOTAL MARKET</b>                              | <b>1,121.74</b> | <b>599.05</b> | <b>1,112.84</b> | <b>595.42</b> | <b>0.80</b>           | <b>-</b>                | <b>100.00</b> |
| <b>TOTAL LIFE</b>                                | <b>322.43</b>   | <b>110.93</b> | <b>310.12</b>   | <b>96.56</b>  | <b>3.97</b>           | <b>100.00</b>           | <b>28.74</b>  |
| <b>Life assurance</b>                            | <b>116.50</b>   | <b>79.28</b>  | <b>115.26</b>   | <b>72.68</b>  | <b>1.07</b>           | <b>36.13</b>            | <b>10.39</b>  |
| Life assurance related to investment funds units | 194.36          | 30.39         | 184.52          | 22.23         | 5.33                  | 60.28                   | 17.33         |
| Capital redemption insurance                     | 11.27           | 0.99          | 10.00           | 1.50          | 12.69                 | 3.50                    | 1.00          |
| Other life insurance                             | 0.30            | 0.27          | 0.33            | 0.15          | -9.18                 | 0.09                    | 0.03          |
| <b>TOTAL NON-LIFE</b>                            | <b>799.31</b>   | <b>488.13</b> | <b>802.72</b>   | <b>498.87</b> | <b>-0.42</b>          | <b>100.00</b>           | <b>71.26</b>  |
| Accident   | 57.97           | 20.03         | 59.54           | 20.95         | -2.63                 | 7.25                    | 5.17          |
| Health   | 208.00          | 184.22        | 209.34          | 174.74        | -0.64                 | 26.02                   | 18.54         |
| <b>Overall property insurance</b>                | <b>140.94</b>   | <b>57.93</b>  | <b>145.21</b>   | <b>64.38</b>  | <b>-2.94</b>          | <b>17.63</b>            | <b>12.56</b>  |
| Fire and allied perils                           | 57.77           | 24.60         | 54.91           | 27.81         | 5.20                  | 7.23                    | 5.15          |
| Damages to property                              | 83.17           | 33.33         | 90.30           | 36.56         | -7.89                 | 10.41                   | 7.41          |
| <b>Overall motor insurance</b>                   | <b>317.26</b>   | <b>180.67</b> | <b>319.31</b>   | <b>200.09</b> | <b>-0.64</b>          | <b>39.69</b>            | <b>28.28</b>  |
| Motor Hull                                       | 141.28          | 95.50         | 134.13          | 106.65        | 5.33                  | 17.68                   | 12.60         |
| MTPL   | 175.97          | 85.17         | 185.18          | 93.43         | -4.97                 | 22.02                   | 15.69         |
| GTPL   | 32.62           | 13.59         | 32.44           | 16.42         | 0.55                  | 4.08                    | 2.91          |
| Credit   | 23.10           | 23.09         | 16.98           | 13.47         | 36.07                 | 2.89                    | 2.06          |
| Other non-life insurance                         | 19.43           | 8.60          | 19.89           | 8.83          | -2.36                 | 2.43                    | 1.73          |

## Life insurance ranking

| Company              | GWP           | GWP           | Nominal       | MARKET        |
|----------------------|---------------|---------------|---------------|---------------|
|                      | 1H 2010       | 1H 2009       | Evolution (%) | SHARE         |
|                      | EUR m.        | EUR m.        | EUR           | %             |
| TRIGLAV              | 104.08        | 106.46        | -2.24         | 32.28         |
| KAD (PFM)            | 70.37         | 69.40         | 1.40          | 21.83         |
| MARIBOR              | 35.35         | 33.66         | 5.02          | 10.96         |
| KD LIFE              | 31.68         | 32.71         | -3.17         | 9.83          |
| MERKUR               | 20.05         | 18.94         | 5.85          | 6.22          |
| NLB VITA             | 15.81         | 9.01          | 75.55         | 4.90          |
| GRAWE                | 11.50         | 11.86         | -3.06         | 3.57          |
| GENERALI             | 8.95          | 9.45          | -5.28         | 2.78          |
| WIENER STÄDTISCHE    | 7.17          | 3.35          | 113.90        | 2.22          |
| ADRIATIC SLOVENICA   | 6.91          | 7.44          | -7.12         | 2.14          |
| TILIA                | 5.20          | 5.15          | 0.89          | 1.61          |
| ERGO                 | 2.11          | -             | -             | 0.65          |
| SOP (FCE)            | 1.85          | 2.06          | -9.92         | 0.57          |
| VICTORIA-VOLKSBANKEN | 1.39          | 0.56          | 148.05        | 0.43          |
| <b>TOTAL TOP 10</b>  | <b>311.86</b> | <b>302.29</b> | <b>3.17</b>   | <b>96.73</b>  |
| <b>TOTAL MARKET</b>  | <b>322.42</b> | <b>310.06</b> | <b>3.99</b>   | <b>100.00</b> |

## Non-life insurance ranking

| Company              | GWP           | GWP           | Nominal       | MARKET        |
|----------------------|---------------|---------------|---------------|---------------|
|                      | 1H 2010       | 1H 2009       | Evolution (%) | SHARE         |
|                      | EUR m.        | EUR m.        | EUR           | %             |
| TRIGLAV              | 305.59        | 315.04        | -3.00         | 38.23         |
| ADRIATIC SLOVENICA   | 126.76        | 124.01        | 2.22          | 15.86         |
| VZAJEMNA (MUTUAL)    | 124.51        | 127.50        | -2.35         | 15.58         |
| MARIBOR              | 112.37        | 122.63        | -8.37         | 14.06         |
| TILIA                | 36.01         | 35.32         | 1.95          | 4.50          |
| TRIGLAV HEALTH       | 36.01         | 33.51         | 7.44          | 4.50          |
| GENERALI             | 33.38         | 27.85         | 19.86         | 4.18          |
| SID-PKZ (SEC-FCI)    | 9.42          | 4.93          | 90.90         | 1.18          |
| GRAWE                | 6.23          | 5.82          | 7.10          | 0.78          |
| MERKUR               | 3.56          | 3.34          | 6.58          | 0.45          |
| WIENER STÄDTISCHE    | 2.36          | 1.86          | 26.50         | 0.30          |
| ALLIANZ              | 1.15          | -             | -             | 0.14          |
| ARAG                 | 0.96          | 0.88          | 8.84          | 0.12          |
| NLB VITA             | 0.87          | 0.82          | 6.15          | 0.11          |
| VICTORIA-VOLKSBANKEN | 0.14          | 0.09          | 50.78         | 0.02          |
| <b>TOTAL TOP 10</b>  | <b>793.83</b> | <b>799.95</b> | <b>-0.76</b>  | <b>99.31</b>  |
| <b>TOTAL MARKET</b>  | <b>799.31</b> | <b>803.62</b> | <b>-0.54</b>  | <b>100.00</b> |

## TRIGLAV's future is on the Balkans

In the first six months of 2010 TRIGLAV Group posted EUR17.9m in net profit, 55% more than in the respective period of 2009. The parent company acquired EUR410m in gross premiums, and saw net profit rise by 17%, to EUR25.3m.

In the first six months TRIGLAV Group acquired EUR557.1m in gross insurance premiums and thus reported a 2% drop, as compared to the first half of 2009. Talking to finance.si, the Chairman of the Board, Matjaz RAKOVEC, pointed out that the key

## SAVA Re reduces its exposure on the Slovenian market

In the first half 2010, the SAVA Re Group wrote EUR141.2m in gross premiums, an increase of 0.4% y-o-y. Premium growth on the Group level was only a marginal one largely as a result of a decrease in premiums collected by the parent. SAVA Reinsurance Company generated 16.8% less premiums in the Slovenian market than in the first half of 2009 because the Company is lowering its participation in Slovenian proportional reinsurance business. This drop in premium had been planned and is part of the strategy of lowering SAVA's double exposure on the Slovenian market, says the company's semiannual business report. Foreign-sourced premium, on the other hand, grew by 9.8%. The gross non-consolidated non-life insurance premium recorded a 6% growth.

According finance.si, the company posted EUR2.7m in net profit, which is considerably more than last year

market for the Slovenian insurance company is still SE Europe. *The future of the TRIGLAV is surely tied to the Balkans*, he said.

TRIGLAV, which has so far purchased numerous companies in the former Yugoslavia, is currently not planning any new takeovers. These companies are not generating profit at the moment, but RAKOVEC expects improvements to corporate management process to generate positive results.

when the company suffered EUR15m. It is worth adding that the company earned EUR8m in revenue from investments.

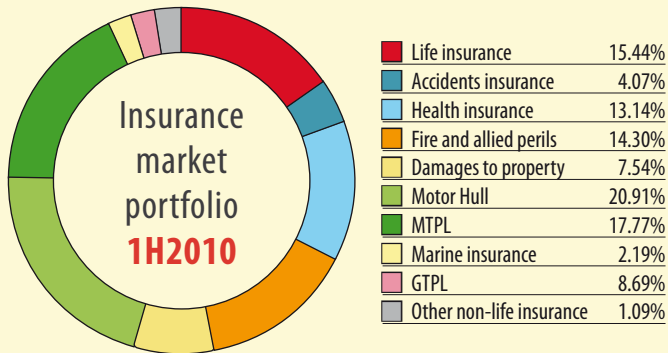
On the other hand, according dnevnik.si, SAVA Re is one more step closer to withdrawing from the Macedonian insurance market. Negotiations on the sale of insurance company SAVA Tabak are about to end, the most probable buyer being the current Macedonian co-owners. The sale will depend on their ability to put together a financial construction for the purchase, claim unofficial sources.

Slovenian company set aside almost EUR9m for a two third stake in SAVA Tabak. The decision to sell the company was allegedly triggered by poor business results generated by SAVA Re and the Macedonian company, which amassed almost EUR6m in losses last year.





## TURKEY



**Source:**

Association of Insurance and Reinsurance Companies of Turkey  
Central Bank of the Republic of Turkey

**Turkish currency exchange rate for calculations:**

1 EUR = 2.1523 Turkish lira - TRY (June 30<sup>th</sup> 2009)

1 EUR = 1.9292 Turkish lira - TRY (June 30<sup>th</sup> 2010)

We have survived the 2008-2009 financial crisis just as we did in 1994 and in 2001, said Ahmet GENÇ, Head of Insurance Supervision in Turkey, in the Istanbul International Insurance Conference, the most important profile event dedicated to the local market and countries in the MENA region (*editor's note*: Middle East, North Africa). GENÇ said that insurers in Turkey were a bit more fortunate than their European counterparts, so that society and business environment are already familiar with periods of generalized financial crisis and therefore have

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 72.2     | 73.2     |
| Nominal GDP (TRY billion)        | 943.8    | 1039.1   |
| GDP per capita (USD)             | 8416     | 9983     |
| Real GDP growth, % change y/y    | -6.2     | 3.7      |
| Consumer price, % y-o-y, eop     | 6.5      | 6.5      |

**Market portfolio as of June 30<sup>th</sup>, 2010**

| Business Line                  | GWP             | GWP             | Nominal Evolution (%) | in LIFE/ NON-LIFE GWP % | % in all GWP  |
|--------------------------------|-----------------|-----------------|-----------------------|-------------------------|---------------|
|                                | 1H 2010         | 1H 2009         |                       |                         |               |
|                                | EUR m.          | EUR m.          | EUR                   | %                       |               |
| <b>TOTAL MARKET</b>            | <b>3,712.15</b> | <b>2,980.82</b> | <b>24.53</b>          | -                       | <b>100.00</b> |
| <b>TOTAL LIFE</b>              | <b>573.10</b>   | <b>452.93</b>   | <b>26.53</b>          | <b>100.00</b>           | <b>15.44</b>  |
| <b>TOTAL NON-LIFE</b>          | <b>3,139.05</b> | <b>2,527.89</b> | <b>24.18</b>          | <b>100.00</b>           | <b>84.56</b>  |
| Accident                       | 151.16          | 122.46          | 23.44                 | 4.82                    | 4.07          |
| Health                         | 487.92          | 354.37          | 37.69                 | 15.54                   | 13.14         |
| <b>Overall property ins.</b>   | <b>810.64</b>   | <b>719.34</b>   | <b>12.69</b>          | <b>25.82</b>            | <b>21.84</b>  |
| Fire and allied perils         | 530.87          | 484.40          | 9.59                  | 16.91                   | 14.30         |
| Damages to property            | 279.77          | 234.94          | 19.08                 | 8.91                    | 7.54          |
| <b>Overall motor insurance</b> | <b>1,435.93</b> | <b>1,120.18</b> | <b>28.19</b>          | <b>45.74</b>            | <b>38.68</b>  |
| Motor Hull                     | 776.32          | 618.02          | 25.61                 | 24.73                   | 20.91         |
| MTPL                           | 659.61          | 502.16          | 31.35                 | 21.01                   | 17.77         |
| Marine                         | 81.33           | 64.48           | 26.12                 | 2.59                    | 2.19          |
| GTP                            | 82.11           | 66.11           | 24.20                 | 2.62                    | 2.21          |
| Other non-life insurance       | 89.95           | 80.94           | 11.13                 | 2.87                    | 2.42          |

not reacted sharply, keeping policies already signed without substantial changes of premiums or coverage.

His point of view is almost entirely shared by insurers, through the voice of Hulusi TASKIRAN, President of TSRSB - Insurers Association of Turkey: *The insurance industry has grown over the past 10 years from about USD1.5bn to nearly USD10bn, passing through a whole series of crises of the banking system. The companies were thus prepared, the capital being invested mostly in low-risk government bonds.*



## Life insurance ranking

| Company                    | GWP           | GWP           | Nominal       | MARKET SHARE  |
|----------------------------|---------------|---------------|---------------|---------------|
|                            | 1H 2010       | 1H 2009       | Evolution (%) |               |
|                            | EUR m.        | EUR m.        | EUR           |               |
| ZIRAAT HAYAT VE EMEKLILIK  | 162.12        | -             | -             | 28.29         |
| ANADOLU HAYAT EMEKLILIK    | 96.17         | 102.84        | -6.49         | 16.78         |
| GARANTI EMEKLILIK          | 66.65         | 44.87         | 48.54         | 11.63         |
| AVIVA SA                   | 34.38         | 28.59         | 20.26         | 6.00          |
| BIRLIK HAYAT               | 32.63         | 16.49         | 97.86         | 5.69          |
| YAPI KREDI EMEKLILIK       | 26.92         | 22.84         | 17.85         | 4.70          |
| FINANS EMEKLILIK VE HAYAT  | 20.80         | 7.73          | 169.09        | 3.63          |
| VAKIF EMEKLILIK            | 20.16         | 14.95         | 34.90         | 3.52          |
| ALLIANZ HAYAT VE EMEKLILIK | 18.81         | 18.93         | -0.63         | 3.28          |
| AXA HAYAT                  | 16.87         | 16.19         | 4.22          | 2.94          |
| AMERICAN LIFE HAYAT        | 14.47         | 14.41         | 0.41          | 2.52          |
| DENIZ EMEKLILIK VE HAYAT   | 14.15         | 9.15          | 54.70         | 2.47          |
| CARDIF HAYAT               | 9.97          | 15.75         | -36.72        | 1.74          |
| GROUPAMA EMEKLILIK         | 7.98          | 118.29        | -93.26        | 1.39          |
| ERGO EMEKLILIK VE HAYAT    | 7.13          | 5.64          | 26.55         | 1.24          |
| CIV HAYAT                  | 5.50          | 1.85          | 197.56        | 0.96          |
| FORTIS EMEKLILIK VE HAYAT  | 5.38          | 4.88          | 10.06         | 0.94          |
| MAPFRE GENEL YASAM         | 3.91          | 2.95          | 32.22         | 0.68          |
| AEGON EMEKLILIK VE HAYAT   | 3.53          | 2.30          | 53.77         | 0.62          |
| ACIBADEM SAGLIK VE HAYAT   | 1.43          | 1.61          | -11.53        | 0.25          |
| <b>TOTAL TOP 10</b>        | <b>495.51</b> | <b>273.42</b> | <b>81.22</b>  | <b>86.46</b>  |
| <b>TOTAL TOP 20</b>        | <b>568.94</b> | <b>450.25</b> | <b>26.36</b>  | <b>99.27</b>  |
| <b>TOTAL MARKET</b>        | <b>573.10</b> | <b>452.93</b> | <b>26.53</b>  | <b>100.00</b> |

## Accident insurance ranking

| Company                  | GWP           | GWP           | Nominal       | MARKET SHARE  |
|--------------------------|---------------|---------------|---------------|---------------|
|                          | 1H 2010       | 1H 2009       | Evolution (%) |               |
|                          | EUR m.        | EUR m.        | EUR           |               |
| ALLIANZ                  | 88.37         | 68.67         | 28.68         | 18.11         |
| YAPI KREDI               | 81.51         | 59.41         | 37.21         | 16.71         |
| ANADOLU                  | 53.34         | 37.72         | 41.42         | 10.93         |
| AK SIGORTA               | 45.21         | 33.07         | 36.71         | 9.27          |
| MAPFRE GENEL YASAM       | 41.94         | 30.56         | 37.22         | 8.60          |
| ACIBADEM SAGLIK VE HAYAT | 39.38         | 28.91         | 36.22         | 8.07          |
| GROUPAMA                 | 23.52         | 17.86         | 31.65         | 4.82          |
| AXA                      | 18.18         | 0.72          | 2,408         | 3.73          |
| EUREKO                   | 17.80         | 11.57         | 53.80         | 3.65          |
| GUNES                    | 17.51         | 14.64         | 19.60         | 3.59          |
| DEMIR HAYAT              | 14.37         | 10.95         | 31.25         | 2.94          |
| ERGO                     | 13.70         | 9.45          | 44.98         | 2.81          |
| MAPFRE GENEL SIGORTA     | 11.25         | 8.19          | 37.41         | 2.31          |
| ZIRAAT SIGORTA           | 8.49          | -             | -             | 1.74          |
| AMERICAN LIFE HAYAT      | 4.39          | 4.04          | 8.62          | 0.90          |
| SBN                      | 1.98          | 1.28          | 54.84         | 0.41          |
| CHARTIS SIGORTA          | 1.63          | 1.37          | 18.91         | 0.33          |
| FIBA                     | 1.12          | 0.88          | 27.68         | 0.23          |
| ZURICH                   | 1.06          | 0.95          | 10.91         | 0.22          |
| ANKARA                   | 0.89          | 0.57          | 55.06         | 0.18          |
| <b>TOTAL TOP 10</b>      | <b>426.75</b> | <b>303.14</b> | <b>40.78</b>  | <b>87.46</b>  |
| <b>TOTAL TOP 20</b>      | <b>485.63</b> | <b>340.83</b> | <b>42.49</b>  | <b>99.53</b>  |
| <b>TOTAL MARKET</b>      | <b>487.92</b> | <b>354.37</b> | <b>37.69</b>  | <b>100.00</b> |

## Non-Life insurance ranking

| Company                  | GWP             | GWP             | Nominal       | MARKET SHARE  |
|--------------------------|-----------------|-----------------|---------------|---------------|
|                          | 1H 2010         | 1H 2009         | Evolution (%) |               |
|                          | EUR m.          | EUR m.          | EUR           |               |
| AXA                      | 379.49          | 305.49          | 24.23         | 12.09         |
| ANADOLU                  | 368.36          | 290.64          | 26.74         | 11.73         |
| ALLIANZ                  | 288.58          | 235.12          | 22.74         | 9.19          |
| AK SIGORTA               | 238.53          | 214.91          | 10.99         | 7.60          |
| YAPI KREDI               | 194.65          | 129.36          | 50.48         | 6.20          |
| GUNES                    | 191.55          | 157.58          | 21.56         | 6.10          |
| GROUPAMA                 | 187.73          | 178.95          | 4.90          | 5.98          |
| ERGO                     | 176.34          | 170.38          | 3.50          | 5.62          |
| EUREKO                   | 164.04          | 131.51          | 24.73         | 5.23          |
| MAPFRE GENEL SIGORTA     | 110.19          | 85.99           | 28.13         | 3.51          |
| FIBA                     | 84.44           | 69.26           | 21.92         | 2.69          |
| AVIVA                    | 75.87           | 62.94           | 20.53         | 2.42          |
| RAY                      | 67.93           | 57.28           | 18.58         | 2.16          |
| ZURICH                   | 58.03           | 45.70           | 26.96         | 1.85          |
| HDI                      | 57.87           | 42.24           | 37.01         | 1.84          |
| ANKARA                   | 52.86           | 44.57           | 18.59         | 1.68          |
| CHARTIS SIGORTA          | 43.10           | 51.61           | -16.49        | 1.37          |
| MAPFRE GENEL YASAM       | 42.13           | 30.68           | 37.34         | 1.34          |
| ACIBADEM SAGLIK VE HAYAT | 41.24           | 29.60           | 39.35         | 1.31          |
| ZIRAAT SIGORTA           | 40.80           | -               | -             | 1.30          |
| <b>TOTAL TOP 10</b>      | <b>2,299.46</b> | <b>1,899.92</b> | <b>21.03</b>  | <b>73.25</b>  |
| <b>TOTAL TOP 20</b>      | <b>2,863.73</b> | <b>2,333.80</b> | <b>22.71</b>  | <b>91.23</b>  |
| <b>TOTAL MARKET</b>      | <b>3,139.05</b> | <b>2,527.89</b> | <b>24.18</b>  | <b>100.00</b> |

## Health insurance ranking

| Company                  | GWP           | GWP           | Nominal       | MARKET SHARE  |
|--------------------------|---------------|---------------|---------------|---------------|
|                          | 1H 2010       | 1H 2009       | Evolution (%) |               |
|                          | EUR m.        | EUR m.        | EUR           |               |
| ALLIANZ                  | 88.37         | 68.67         | 28.68         | 18.11         |
| YAPI KREDI               | 81.51         | 59.41         | 37.21         | 16.71         |
| ANADOLU                  | 53.34         | 37.72         | 41.42         | 10.93         |
| AK SIGORTA               | 45.21         | 33.07         | 36.71         | 9.27          |
| MAPFRE GENEL YASAM       | 41.94         | 30.56         | 37.22         | 8.60          |
| ACIBADEM SAGLIK VE HAYAT | 39.38         | 28.91         | 36.22         | 8.07          |
| GROUPAMA                 | 23.52         | 17.86         | 31.65         | 4.82          |
| AXA                      | 18.18         | 0.72          | 2,408         | 3.73          |
| EUREKO                   | 17.80         | 11.57         | 53.80         | 3.65          |
| GUNES                    | 17.51         | 14.64         | 19.60         | 3.59          |
| DEMIR HAYAT              | 14.37         | 10.95         | 31.25         | 2.94          |
| ERGO                     | 13.70         | 9.45          | 44.98         | 2.81          |
| MAPFRE GENEL SIGORTA     | 11.25         | 8.19          | 37.41         | 2.31          |
| ZIRAAT SIGORTA           | 8.49          | -             | -             | 1.74          |
| AMERICAN LIFE HAYAT      | 4.39          | 4.04          | 8.62          | 0.90          |
| SBN                      | 1.98          | 1.28          | 54.84         | 0.41          |
| CHARTIS SIGORTA          | 1.63          | 1.37          | 18.91         | 0.33          |
| FIBA                     | 1.12          | 0.88          | 27.68         | 0.23          |
| ZURICH                   | 1.06          | 0.95          | 10.91         | 0.22          |
| ANKARA                   | 0.89          | 0.57          | 55.06         | 0.18          |
| <b>TOTAL TOP 10</b>      | <b>426.75</b> | <b>303.14</b> | <b>40.78</b>  | <b>87.46</b>  |
| <b>TOTAL TOP 20</b>      | <b>485.63</b> | <b>340.83</b> | <b>42.49</b>  | <b>99.53</b>  |
| <b>TOTAL MARKET</b>      | <b>487.92</b> | <b>354.37</b> | <b>37.69</b>  | <b>100.00</b> |



## Motor Hull insurance ranking

| Company              | GWP           | GWP           | Nominal       | MARKET        |
|----------------------|---------------|---------------|---------------|---------------|
|                      | 1H 2010       | 1H 2009       | Evolution (%) | SHARE         |
|                      | EUR m.        | EUR m.        | EUR           | %             |
| ANADOLU              | 108.79        | 78.59         | 38.43         | 14.01         |
| AXA                  | 108.19        | 104.78        | 3.25          | 13.94         |
| AK SIGORTA           | 77.56         | 63.42         | 22.29         | 9.99          |
| ERGO                 | 55.58         | 49.26         | 12.84         | 7.16          |
| GROUPAMA             | 50.77         | 49.21         | 3.16          | 6.54          |
| ALLIANZ              | 50.11         | 42.44         | 18.06         | 6.45          |
| GUNES                | 45.11         | 41.60         | 8.43          | 5.81          |
| YAPI KREDI           | 40.29         | 18.95         | 112.62        | 5.19          |
| EUREKO               | 36.56         | 25.54         | 43.19         | 4.71          |
| MAPFRE GENEL SIGORTA | 27.30         | 21.79         | 25.27         | 3.52          |
| FIBA                 | 22.08         | 18.50         | 19.33         | 2.84          |
| RAY                  | 19.67         | 15.48         | 27.08         | 2.53          |
| ANKARA               | 19.63         | 13.27         | 47.93         | 2.53          |
| HDI                  | 18.86         | 15.16         | 24.39         | 2.43          |
| AVIVA                | 15.25         | 10.53         | 44.86         | 1.96          |
| DUBAI GROUP SIGORTA  | 14.80         | 6.35          | 133.22        | 1.91          |
| ZURICH               | 12.72         | 8.82          | 44.26         | 1.64          |
| BIRLIK               | 8.21          | 6.72          | 22.21         | 1.06          |
| LIBERTY              | 7.00          | 6.60          | 6.07          | 0.90          |
| GENERALI             | 6.82          | 7.31          | -6.71         | 0.88          |
| <b>TOTAL TOP 10</b>  | <b>600.26</b> | <b>495.58</b> | <b>21.12</b>  | <b>77.32</b>  |
| <b>TOTAL TOP 20</b>  | <b>745.30</b> | <b>604.32</b> | <b>23.33</b>  | <b>96.00</b>  |
| <b>TOTAL MARKET</b>  | <b>776.32</b> | <b>618.02</b> | <b>25.61</b>  | <b>100.00</b> |

## MTPL insurance ranking

| Company              | GWP           | GWP           | Nominal       | MARKET        |
|----------------------|---------------|---------------|---------------|---------------|
|                      | 1H 2010       | 1H 2009       | Evolution (%) | SHARE         |
|                      | EUR m.        | EUR m.        | EUR           | %             |
| AXA                  | 125.10        | 70.70         | 76.94         | 18.97         |
| ANADOLU              | 74.56         | 57.89         | 28.80         | 11.30         |
| GUNES                | 50.02         | 33.79         | 48.04         | 7.58          |
| ERGO                 | 44.77         | 60.61         | -26.14        | 6.79          |
| GROUPAMA             | 40.07         | 38.80         | 3.26          | 6.07          |
| AK SIGORTA           | 34.67         | 35.42         | -2.10         | 5.26          |
| ALLIANZ              | 27.91         | 25.41         | 9.85          | 4.23          |
| AVIVA                | 27.78         | 20.73         | 34.06         | 4.21          |
| MAPFRE GENEL SIGORTA | 27.14         | 18.68         | 45.31         | 4.12          |
| HDI                  | 27.02         | 18.57         | 45.50         | 4.10          |
| FIBA                 | 24.85         | 20.16         | 23.25         | 3.77          |
| DUBAI GROUP SIGORTA  | 19.02         | 4.67          | 307.65        | 2.88          |
| ANKARA               | 18.01         | 13.70         | 31.49         | 2.73          |
| YAPI KREDI           | 15.47         | 10.16         | 52.34         | 2.35          |
| SBN                  | 15.10         | 11.11         | 35.89         | 2.29          |
| EUREKO               | 14.22         | 9.80          | 45.08         | 2.16          |
| RAY                  | 13.46         | 11.13         | 20.96         | 2.04          |
| HUR                  | 12.02         | 10.97         | 9.54          | 1.82          |
| ISIK                 | 10.32         | 9.45          | 9.23          | 1.57          |
| EURO                 | 9.38          | 6.86          | 36.78         | 1.42          |
| <b>TOTAL TOP 10</b>  | <b>479.05</b> | <b>380.59</b> | <b>25.87</b>  | <b>72.63</b>  |
| <b>TOTAL TOP 20</b>  | <b>630.90</b> | <b>488.60</b> | <b>29.12</b>  | <b>95.65</b>  |
| <b>TOTAL MARKET</b>  | <b>659.61</b> | <b>502.16</b> | <b>31.35</b>  | <b>100.00</b> |

## Fire and allied perils insurance ranking

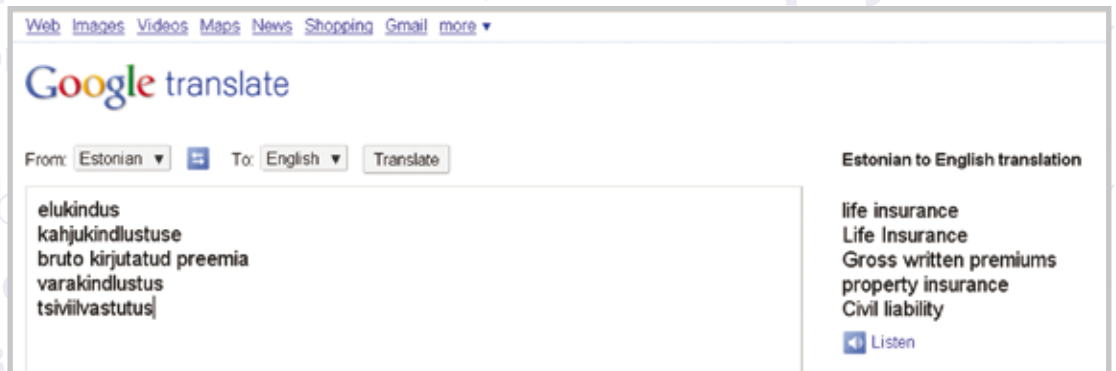
| Company              | GWP           | GWP           | Nominal       | MARKET        |
|----------------------|---------------|---------------|---------------|---------------|
|                      | 1H 2010       | 1H 2009       | Evolution (%) | SHARE         |
|                      | EUR m.        | EUR m.        | EUR           | %             |
| AXA                  | 77.55         | 79.76         | -2.77         | 14.61         |
| ANADOLU              | 57.83         | 52.72         | 9.69          | 10.89         |
| ALLIANZ              | 54.77         | 45.85         | 19.44         | 10.32         |
| AK SIGORTA           | 41.07         | 43.09         | -4.68         | 7.74          |
| GUNES                | 35.94         | 32.21         | 11.60         | 6.77          |
| EUREKO               | 32.81         | 31.06         | 5.63          | 6.18          |
| ERGO                 | 28.76         | 25.16         | 14.33         | 5.42          |
| YAPI KREDI           | 26.85         | 20.70         | 29.72         | 5.06          |
| GROUPAMA             | 23.39         | 32.25         | -27.49        | 4.41          |
| MAPFRE GENEL SIGORTA | 18.11         | 18.18         | -0.39         | 3.41          |
| AVIVA                | 17.87         | 17.94         | -0.37         | 3.37          |
| FIBA                 | 16.19         | 12.12         | 33.59         | 3.05          |
| ZIRAAT SIGORTA       | 14.64         | -             | -             | 2.76          |
| BIRLIK               | 13.86         | 9.92          | 39.78         | 2.61          |
| RAY                  | 12.76         | 11.86         | 7.55          | 2.40          |
| ZURICH               | 12.62         | 11.89         | 6.17          | 2.38          |
| GENERALI             | 7.69          | 7.63          | 0.74          | 1.45          |
| CHARTIS SIGORTA      | 7.52          | 7.24          | 3.88          | 1.42          |
| ISIK                 | 7.28          | 6.04          | 20.61         | 1.37          |
| HDI                  | 6.38          | 4.71          | 35.38         | 1.20          |
| <b>TOTAL TOP 10</b>  | <b>397.08</b> | <b>380.98</b> | <b>4.22</b>   | <b>74.80</b>  |
| <b>TOTAL TOP 20</b>  | <b>513.87</b> | <b>470.31</b> | <b>9.26</b>   | <b>96.80</b>  |
| <b>TOTAL MARKET</b>  | <b>530.87</b> | <b>484.40</b> | <b>9.59</b>   | <b>100.00</b> |

## Damages to property insurance ranking

| Company              | GWP           | GWP           | Nominal       | MARKET        |
|----------------------|---------------|---------------|---------------|---------------|
|                      | 1H 2010       | 1H 2009       | Evolution (%) | SHARE         |
|                      | EUR m.        | EUR m.        | EUR           | %             |
| GROUPAMA             | 37.40         | 30.50         | 22.62         | 13.37         |
| ANADOLU              | 29.84         | 25.03         | 19.20         | 10.67         |
| GUNES                | 29.36         | 20.07         | 46.24         | 10.49         |
| EUREKO               | 21.85         | 22.30         | -2.02         | 7.81          |
| AXA                  | 21.24         | 22.50         | -5.59         | 7.59          |
| ALLIANZ              | 17.12         | 15.26         | 12.17         | 6.12          |
| YAPI KREDI           | 16.93         | 9.75          | 73.71         | 6.05          |
| AK SIGORTA           | 16.80         | 21.69         | -22.52        | 6.01          |
| MAPFRE GENEL SIGORTA | 13.84         | 10.48         | 32.09         | 4.95          |
| FIBA                 | 13.11         | 10.96         | 19.64         | 4.69          |
| ZURICH               | 9.38          | 9.88          | -5.07         | 3.35          |
| ERGO                 | 8.22          | 6.93          | 18.57         | 2.94          |
| ZIRAAT SIGORTA       | 7.57          | -             | -             | 2.71          |
| BIRLIK               | 7.39          | 2.87          | 157.26        | 2.64          |
| RAY                  | 6.90          | 7.81          | -11.65        | 2.47          |
| AVIVA                | 6.59          | 6.36          | 3.58          | 2.35          |
| ANKARA               | 5.60          | 5.64          | -0.77         | 2.00          |
| GENERALI             | 2.79          | 1.36          | 105.37        | 1.00          |
| CHARTIS SIGORTA      | 2.07          | 1.12          | 85.49         | 0.74          |
| ISIK                 | 1.51          | 1.70          | -11.09        | 0.54          |
| <b>TOTAL TOP 10</b>  | <b>217.50</b> | <b>188.55</b> | <b>15.35</b>  | <b>77.74</b>  |
| <b>TOTAL TOP 20</b>  | <b>275.51</b> | <b>232.21</b> | <b>18.65</b>  | <b>98.48</b>  |
| <b>TOTAL MARKET</b>  | <b>279.77</b> | <b>234.94</b> | <b>19.08</b>  | <b>100.00</b> |

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REGIONAL & COUNTRY INSURANCE STATISTICS - **CEE:** Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey; **CIS:** Azerbaidjan, Belarus, Moldova, Kazakhstan, Kyrgystan, Russia, Ukraine, Uzbekistan

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"Middle East and North Africa" (MENA), refers to an extensive region, extending from Morocco in northwest Africa to Iran in southwest Asia. It includes all the Arab Middle East and North Africa countries. The population of the MENA region as it is typically defined comprises about 6% of the total world population, and is almost equivalent to the population of the European Union. The MENA countries are controlling about 60% of the world's oil reserves and 45% of the world's natural gas, which gives them a vital role in preserving the global economic stability.



### MENA: macroeconomic highlights

The economies of the Middle East and North Africa (MENA) region were better placed than many in the world to weather the global economic downturn but their need to stimulate sustainable growth is no less pressing, says the Middle East Economic Review 2010. The resource-poor countries of the MENA region continued to evolve solidly during the crisis. Lebanon, in particular, maintained a steady course, with gross domestic product (GDP) growth of 9 per cent in both 2008 and 2009, according to the International Monetary Fund (IMF). Of the North African economies, Morocco was the strongest performer, with GDP growth of 5.2 per cent.



Source: IMF

One of the most significant impacts on the region of the financial crisis was the collapse in oil prices from the historic high of USD147 a barrel in July 2008 to less than USD40 a barrel in early 2009. The sharp fall eased some of the inflationary pressures in the oil-importing countries, but triggered a slowdown in the economies of the six GCC member states. The combined GDP of the bloc, which counts among it several of the world's leading oil producers, fell 80%, from more than USD1,000bn in 2008, to USD855bn in 2009. The main reason for the decrease was a 58% drop in their combined hydrocarbon revenues to about USD330bn, from USD570bn in 2008.

Source: MEED News

### MENA countries - insurance indicators, 2009

| COUNTRY                  | Population | GDP/capita | Nr. of companies | Non-life Insurance density | Non-life Insurance penetration |
|--------------------------|------------|------------|------------------|----------------------------|--------------------------------|
|                          | inhab. m   | USD        |                  | USD/capita                 | %of GDP                        |
| <b>Middle East (ME)</b>  |            |            |                  |                            |                                |
| UAE                      | 4.6        | 44,565     | 58               | 952.7                      | 2.1                            |
| Iran                     | 74.2       | 4,973      | 19               | 55.1                       | 1.1                            |
| Saudi Arabia             | 25.7       | 15,175     | 29               | 141.1                      | 0.9                            |
| Lebanon                  | 4.2        | 7,380      | 54               | 170.5                      | 2.3                            |
| Qatar                    | 1.4        | 66,248     | 19               | 548.6                      | 0.8                            |
| Oman                     | 2.8        | 18,928     | 16               | 187.5                      | 1                              |
| Jordan                   | 6.3        | 3,492      | 28               | 72.9                       | 2.1                            |
| Bahrain                  | 0.8        | 27,500     | 26               | 446.3                      | 1.6                            |
| Kuwait                   | 3          | 33,666     | 24               | 123.5                      | 0.4                            |
| <b>North Africa (NA)</b> |            |            |                  |                            |                                |
| Morocco                  | 32         | 2,843      | 27               | 55                         | 1.9                            |
| Egypt                    | 83         | 2,265      | 26               | 10.4                       | 0.5                            |
| Algeria                  | 34.9       | 3,725      | 16               | 21                         | 0.6                            |
| Tunisia                  | 10.3       | 3,883      | 22               | 64                         | 1.65                           |



# MENA insurance: The foundation is set

In the last three years, policy makers and regulatory authorities have made progress in promoting the growth, competitiveness and development of the insurance industry in the Middle East and North Africa (MENA) region.

Aided by regulatory authorities' efforts, the MENA region's insurance market saw 26 percent compounded annual growth between 2005 and 2008, which was surpassed only by Central and Eastern Europe's 27 percent growth rate. In 2008, the market in the United Arab Emirates (UAE) was the largest in terms of Gross Premium Income (GPI), representing more than \$5 billion, followed by Saudi Arabia with \$3.1 billion and Morocco with \$2.5 billion. Bahrain, Algeria, and the UAE showed the strongest GPI growth rates between 2007 and 2008, at 46 percent, 45 percent, and 41 percent, respectively.

## Region's progress to date

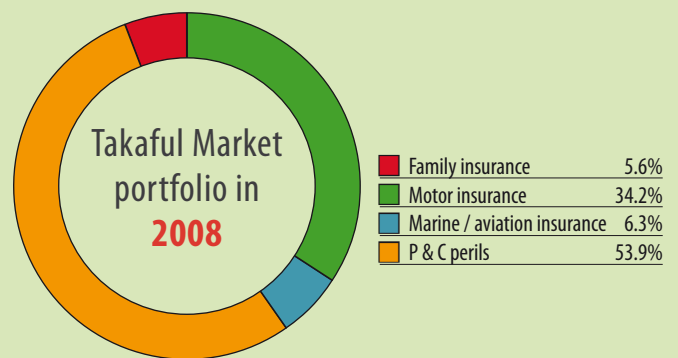
In 2006, Booz & Company introduced a framework to assess the development of insurance in the region, identify gaps, and prescribe a set of policy recommendations to be adopted. The framework was based on five key market "enablers": a legal framework, regulatory bodies, the nature of competition, skills and training, and market-led initiatives. *The industry has made significant progress in addressing these issues, though some critical gaps still exist*, stated Roger KASTOUN, a senior associate at Booz & Company.

**Legal framework:** several countries of the MENA region have improved or expanded their legal frameworks.

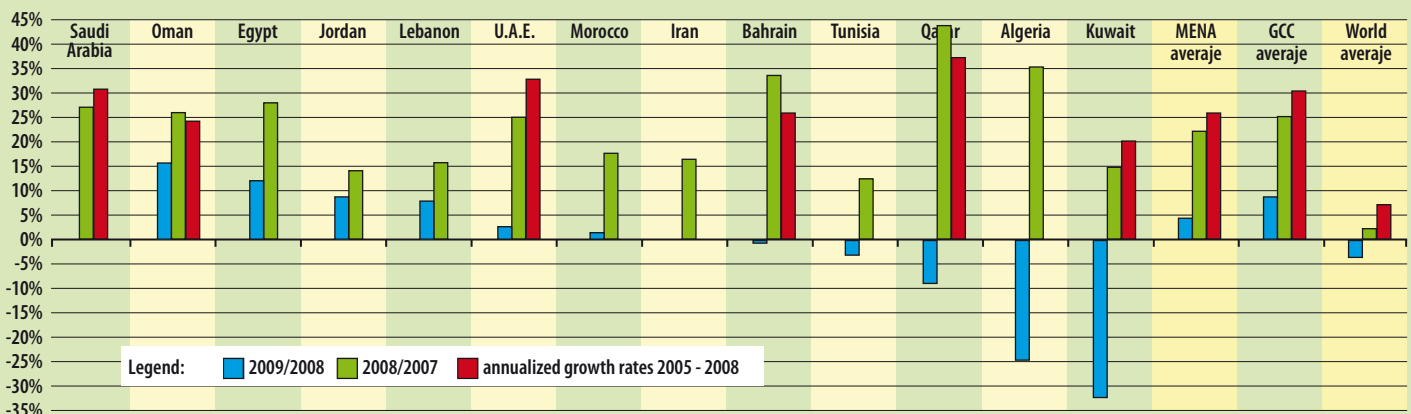
**Regulatory bodies:** the region remains a patchwork of sophisticated and underdeveloped regulatory regimes, with Bahrain leading in terms of regulatory oversight.

Gross written premium in the MENA countries, 2009

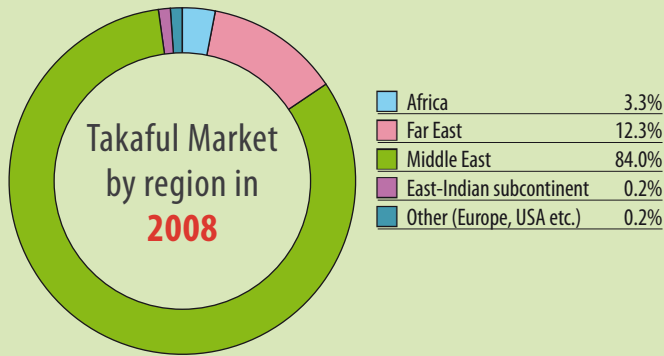
| COUNTRY                  | Overall GWP      | Share of world market | Life insurance GWP | Non-life insurance GWP |
|--------------------------|------------------|-----------------------|--------------------|------------------------|
|                          | USD m            | %                     | USD m              | USD m                  |
| <b>Middle East (ME)</b>  |                  |                       |                    |                        |
| UAE                      | 5.113            | 0,13                  | 732                | 4.381                  |
| Iran                     | 4.316            | 0,11                  | 225                | 4.091                  |
| Saudi Arabia             | 3.896            | 0,10                  | 267                | 3.629                  |
| Lebanon                  | 952              | 0,02                  | 232                | 720                    |
| Qatar                    | 773              | 0,02                  | 0                  | 773                    |
| Oman                     | 627              | 0,02                  | 102                | 525                    |
| Jordan                   | 510              | 0,01                  | 49                 | 460                    |
| Bahrain                  | 494              | 0,01                  | 137                | 357                    |
| Kuwait                   | 457              | 0,01                  | 88                 | 369                    |
| <b>Sub-total ME</b>      | <b>17.48</b>     | <b>0,39</b>           | <b>2,207</b>       | <b>14.277</b>          |
| <b>North Africa (NA)</b> |                  |                       |                    |                        |
| Morocco                  | 2.583            | 0,06                  | 825                | 1.758                  |
| Egypt                    | 1.565            | 0,06                  | 704                | 861                    |
| Algeria                  | 797              | 0,02                  | 63                 | 734                    |
| Tunisia                  | 758              | 0,02                  | 100                | 658                    |
| <b>Sub-total NA</b>      | <b>5.865</b>     | <b>0,14</b>           | <b>1.657</b>       | <b>4.244</b>           |
| <b>Total MENA</b>        | <b>23.345</b>    | <b>0,53</b>           | <b>3.864</b>       | <b>18.522</b>          |
| <b>Total Asia</b>        | <b>933.358</b>   | <b>21,26</b>          | <b>690.951</b>     | <b>242.407</b>         |
| <b>Total World</b>       | <b>4.269.737</b> | <b>100</b>            | <b>2.490.421</b>   | <b>1.779.316</b>       |



Growth rates in selected MENA countries







**Nature of competition:** most MENA countries have more than 20 insurers in operation and are keen on attracting foreign players. Some markets however are still dominated by state-owned or partially state-owned companies.

**Skills and training:** An adequate insurance knowledge base helps assess the risks to be insured, provides customers with the appropriate products and services, and ensures the availability and development of locally-based skills. Two recent initiatives have helped to ad-

dress knowledge gaps: The Gulf Insurance Institute (GII) was established recently in Bahrain. In Qatar, the Qatar Financial Centre (QFC) established a training institute offering accredited courses in several specialist areas, including banking, insurance and wealth management.

**Market-led initiatives:** A vibrant insurance market should be able to stand on its own two feet, with little government intervention. Some markets have attempted to foster the availability of insurance market data and conduct consumer awareness campaigns to promote a better understanding of the market and help attract talent. Insurance market data however is largely unavailable. Similarly, limited coordination among policy-makers at the regional level is causing key issues to slip through the cracks.

*Source: BOOZ&Company*

*Booz & Company is a leading global management consulting firm, helping the world's top businesses, governments, and organizations.*

*In the Middle East, Booz & Company has worked on a number of high-profile projects that have had a substantial impact on the region's development as restructuring of a country's electricity sector, establishing a commercial bank from concept to launch, establishment of the first dedicated pediatric oncology center in the Middle East and Africa etc.*

### Qatar: QFC Authority enacts new tax regime



Captive insurance, reinsurance and asset management profits will enjoy tax incentives under the QATAR Financial Centre's (QFC's) new tax regime, as part of plans to grow these three areas.

The new tax regime, officially promulgated by the QFC Authority, took effect retroactively from 1 January 2010, replacing the temporary tax holiday which expired on 31 December 2009. Under the new regime, all QFC-registered companies are subject to 10% corporation tax to be charged on locally-sourced profits. Other key features include a self-assessment regime and advance transaction ruling scheme and no changes to zero personal income tax. The new regulations also ensure QFC inclusion in Qatar tax treaties negotiated with other countries.

### UAE: Five new takaful firms expected by 2011

Up to five new takaful companies, backed by strong existing entities, are expected to launch in the UAE

by mid-2011, according to local media reports.

Ezzeldin ELMASSRY, Chief Operating Officer of ABU DHABI NATIONAL ISLAMIC FINANCIE (ADNIC), said that at least four companies have applied for licences and could launch an IPO. Thus far, reports have identified ADNIC as one of the leading candidates to form a new takaful entity.



There are now six takaful companies in the UAE, with a seventh expected to be launched as early as first quarter next year.

### Lebanon: ZURICH acquires COMPAGNIE LIBANAISE D'ASSURANCES

ZURICH Insurance Co has signed an agreement to acquire 99.98% of COMPAGNIE LIBANAISE D'ASSURANCES SAL, a privately owned Lebanese insurer with branch operations in the UAE, Kuwait and Oman. Subject to the approval of the relevant regulatory authorities, the transaction is expected to close in the fourth quarter of 2010.



## Private health insurance gains ground in the Gulf



Regulatory reforms for mandatory health insurance and increasing opportunities are making the healthcare sector more attractive for private investment in the MENA region, says the Health Challenge Supplement of MEED journal. Private sector participation in the health sector is growing.

To date, most progress has been made on this in Saudi Arabia, where more than 6 million people have private health insurance. From a market where premiums were just \$365m in 2005, growth has been massive thanks to the introduction of the Cooperative Health Insurance Law in October 2005. This began the process of making health insurance compulsory for expatriates.

### Saudi Arabia health premiums (USDm)

| Year                                    | 2005  | 2006  | 2007  | 2008  | 2009  |
|---|-------|-------|-------|-------|-------|
| Health insurance                        | 365   | 592   | 817   | 1,281 | 1,944 |
| Health insurance as % of total premiums | 26    | 32    | 36    | 44    | 49.9  |
| Total premiums                          | 1,374 | 1,849 | 2,288 | 2,911 | 3,893 |

By the end of 2009, this had expanded to cover Saudi nationals and their families working in the private sector and has resulted in a market where gross written premiums totalled \$1.94bn by the end of 2009.

Insurers are optimistic that legislation will also be introduced in Kuwait and Qatar with regulatory reviews expected in 2011. Abu Dhabi is also contemplating its approach to health insurance.

#### Sources:

■ "Recent Re/Insurance Trends in the MENA Region", Gökhan AKTAŞ, Chief Area Underwriter – MILLI Re (presentation at The 2nd International Istanbul Insurance Conference "Will MENA Insurance Market Continue its Growth Momentum?", September 2010, Roubini Global Economics

■ "Good health in the Gulf is a top priority", MEED Supplement "The Health Challenge", www.meed.com

■ www.clydeco.com

## Trends and opportunities in the MENA countries

|                           |  |
|---------------------------|--|
| ALGERIA                   | Domination of state owned insurance companies  |
|                           | Compulsory insurance against catastrophes  |
|                           | Gold Mines: Personal Liability and Life Insurance                                      |
|                           | Public Investment Programme  |
| EGYPT                     | Regulatory changes   |
|                           | The first stage of reforms (2004-2008)   |
|                           | The second stage of reforms (2009-2012)  |
| IRAN                      | Privatisation law  |
|                           | A new draft of the Insurance Overhaul Plan   |
|                           | Dominance of the state owned insurance companies.                                      |
|                           | Dominance of the XL Treaties versus Proportional Treaties                              |
| JORDAN                    | New minimum capital requirement  |
|                           | New instructions to regulate the bancassurance business                                |
|                           | Amendment on civil health insurance  |
| KUWAIT                    | 85.5% of the market premium is written by the local companies                          |
|                           | More than 10 takaful companies   |
|                           | Significant growth potential due to young population                                   |
| LEBANON                   | One of the largest Life Insurance Markets in MENA Region                               |
|                           | Efforts to be recognised as a regional hub   |
|                           | A new pension plan   |
| MOROCCO                   | Need of a new insurance law  |
|                           | Leader in North Africa.  |
|                           | Free trade agreement with US   |
|                           | Removal of obligatory cession for non-life business by 2012                            |
| OMAN                      | Launch of first risk management association  |
|                           | The formation of Oman Re   |
|                           | Orange Card  |
| SAUDI ARABIA              | Medical Insurance offering vast potential  |
|                           | Strong growth over the next five years   |
|                           | Enforcement of compulsory health insurance   |
|                           | Establishment of Saudi Re  |
| TUNISIA                   | Young population and the overall growth of the financial sector                        |
|                           | Partial privatisation of The Societe Tunisienne d'Assurances et de Reassurances (STAR) |
|                           | Updated regulations  |
| UNITED EMIRATED OF ARABIA | Tunis Financial Harbour  |
|                           | Leader in GCC countries i.r.o premium production                                       |
|                           | Disappointing absence of regulatory development  |
| Low rates, large losses   |  |

Source: MILLI Re

# Promises for better



Vlad BOLDIJAR  
Coordinating Editor

The region of the Commonwealth of Independent States offers important potentials for future growth of the insurance market. This statement is reinforced if we compare the figures recorded in the first six months of this year to those recorded in Central and Eastern Europe.

Thus exploring the total lines, the insurance market in CEE recorded a gross written premium volume by just EUR950m more, given that in CEE, unlike CIS, there is, especially in EU member states, a more developed insurance products culture. Also, the presence of major insurance groups in Western Europe, as well as annual growth of importance of groups based in CEE (TRIGLAV or PZU) perhaps helped the CEE insurance market growth.

At a brief glance over CIS, it is noticeable that the potential is high, as the CIS population is two times the one in CEE. Furthermore, it is also one of the explanations for the CIS insurance density being half the value of the CEE one.

If we analyze the insurance market in CIS excluding Russia, which is the largest insurance market in the region, the number of residents is similar to that of CEE, and this makes figures to be much lower as compared to CEE. The average insurance density would be EUR12.1 per capita.

Three other important insurance markets are Ukraine, Kazakhstan and Belarus, in the rest of the countries gross written premiums being under EUR100m. Moreover, in many of the CIS countries, there are already strong insurance groups from CEE and Russia, such as ROSGOSSTRAKH and INGOSSTRAKH, these two being the most important ones.

There is growth potential for all insurance markets. In almost all countries of the region, laws regarding insurance were recently reformed or are in progress of being modified. Also, the number of insurance companies is increasing, and so are the ones of insurance products distribution channels, of insurance brokers and of specialized agents.

Thus, greater competition and a better defined legal framework can only help the insurance industry evolution.

## Commonwealth of Independent States (CIS) insurance markets main indicators

| Nr.                                  | Country        | OVERALL GWP     | OVERALL PAID CLAIMS | MARKET SHARE | POPULATION<br>Inhabitants m. | Insurance density<br>EUR/capita |
|--------------------------------------|----------------|-----------------|---------------------|--------------|------------------------------|---------------------------------|
|                                      |                | 1H 2010         | 1H 2010             | 1H 2010      |                              |                                 |
|                                      |                | EUR m.          | EUR m.              | %            |                              |                                 |
| 1                                    | Armenia        | 9.8             | 1.6                 | 0.6          | 3.1                          | 3.1                             |
| 2                                    | Azerbaijan*    | 84.4            | 25.5                | 5.3          | 8.6                          | 9.8                             |
| 3                                    | Belarus        | 166.2           | 97.8                | 10.3         | 9.6                          | 17.3                            |
| 4                                    | Kazakhstan     | 416.4           | NA                  | 25.9         | 16.0                         | 26.0                            |
| 5                                    | Kyrgyzstan     | 2.6             | 0.1                 | 0.2          | 5.3                          | 0.5                             |
| 6                                    | Moldova        | 26.2            | 9.2                 | 1.6          | 3.6                          | 7.3                             |
| 7                                    | Tajikistan**   | 5.5             | NA                  | 0.3          | 7.3                          | 0.8                             |
| 8                                    | Turkmenistan** | 20.0            | NA                  | 1.2          | 6.0                          | 3.3                             |
| 9                                    | Ukraine        | 836.4           | NA                  | 52.1         | 45.9                         | 18.2                            |
| 10                                   | Uzbekistan     | 38.8            | 6.1                 | 2.4          | 27.5                         | 1.4                             |
| <b>TOTAL CIS</b>                     |                | <b>1,606.2</b>  | <b>140.4</b>        | <b>100.0</b> | <b>132.9</b>                 | <b>12.1</b>                     |
| 11                                   | Russia         | 13,644.9        | 9,617.1             | -            | 141.2                        | 96.6                            |
| <b>TOTAL CIS &amp; RUSSIA REGION</b> |                | <b>15,251.2</b> | <b>9,757.5</b>      | <b>-</b>     | <b>274.1</b>                 | <b>55.6</b>                     |

\* Related to January-July 2010

\*\* PRIMM estimations, based on 2009 figures published by SAIPRO



## About Commonwealth of Independent States (CIS)

Commonwealth of Independent States is a regional organization which was created in December 1991 by the former Soviet Republics. In the adopted Declaration the participants of the Commonwealth declared their interaction on the basis of sovereign equality.

At present the CIS member states are: Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine. In 2008, Georgia leaves the organization.



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## AZERBAIDJAN

Azerbaijan insurance sector has grown rapidly in the past few years and ranked fourth in CIS. State commercial insurance company AZERSIGORTA holds a leading position on the market, considering the total volume of insurance premiums written by Azerbaijan insurers in 2010. In regard to payments, AZERSIGORTA was also leader according to the Insurance Supervision Service. At the end of July there were 27 insurers.

### Source:

Central Bank of Azerbaijan Republic  
<http://abc.az>

Azerbaijan currency exchange rate for calculations:  
 1 EUR = 1.0494 Manat - AZN (July 31<sup>th</sup> 2010)

### Life and non-life insurance ranking

| Company      | 1H 2010       |                  | MARKET SHARE<br>% |
|--------------|---------------|------------------|-------------------|
|              | GWP<br>EUR m. | CLAIMS<br>EUR m. |                   |
| AZERSIGORTA  | 13.13         | 5.76             | 15.56             |
| AZAL SIGORTA | 10.34         | NA               | 12.25             |
| AZ SIGORTA   | 7.31          | NA               | 8.66              |
| ATESHGAH     | 6.95          | NA               | 8.23              |
| IIC          | 5.72          | 3.00             | 6.78              |
| TOTAL TOP 5  | 43.44         | 8.76             | 51.48             |
| TOTAL MARKET | 84.39         | 25.55            | 100.00            |

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 8.7      | 8.8      |
| Nominal GDP (USD billion)        | 42.9     | 51.8     |
| Real GDP growth, % change y/y    | 9.3      | 11.0     |
| Consumer price, % y-o-y, eop     | 1.5      | 7.0      |



## CEE & CIS INSURANCE STATISTICS AND NEWS

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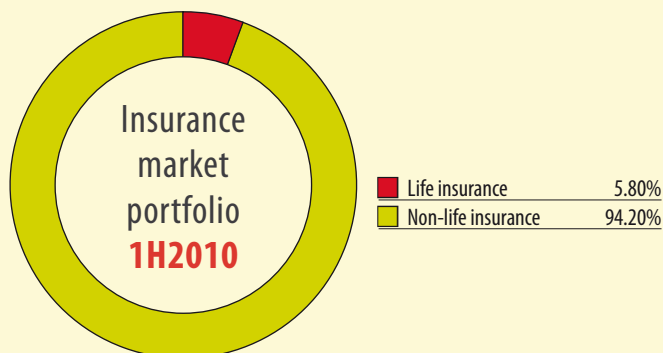




# BELARUS

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 9.6      | 9.5      |
| Nominal GDP (USD billion)        | 55.3     | 53.8     |
| Real GDP growth, % change y/y    | -0.8     | 0.9      |
| Consumer price, % y-o-y, eop     | 10.0     | 9.0      |

At the end of June there were 25 insurance companies registered in Republic of Belarus, including 4 state-owned companies (BELGOSTRAKH, BELAK-SIMGARANT, STRAVITA and BELARUSIAN National Reinsurance Company). At the same time, there were 4 companies specialized on the life and pension insurance segment. In 1H/2010 the insurance sector employed some 15.744 people, of which 8.355 were company staff.



#### Source:

The Belarusian Association of Insurers

#### Belarusian currency exchange rate for calculations:

1 EUR = 3978.61 Ruble - BYR (June 30<sup>th</sup> 2009)

1 EUR = 3689.81 Ruble - BYR (June 30<sup>th</sup> 2010)

#### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line  | 1H 2010 |        | % in all GWP |
|----------------|---------|--------|--------------|
|                | GWP     | CLAIMS |              |
|                | EUR m.  | EUR m. |              |
| TOTAL MARKET   | 166.19  | 97.81  | 100.00       |
| TOTAL LIFE     | 9.64    | 1.92   | 5.80         |
| TOTAL NON-LIFE | 156.55  | 95.89  | 94.20        |

#### Life insurance ranking

| Company                       | 1H 2010 |        | MARKET SHARE |
|-------------------------------|---------|--------|--------------|
|                               | GWP     | CLAIMS |              |
|                               | EUR m.  | EUR m. |              |
| STRAVITA                      | 7.04    | 1.09   | 73.08        |
| National Belarusian Ins. Fund | 1.89    | 0.76   | 19.62        |
| SEDYMAIA LINYA                | 0.61    | 0.06   | 6.36         |
| PENSIONNIE GARANTYI           | 0.09    | 0.02   | 0.94         |
| TOTAL MARKET                  | 9.64    | 1.92   | 100.00       |



#### Non-life insurance ranking

| Company             | 1H 2010       |              | MARKET SHARE  |
|---------------------|---------------|--------------|---------------|
|                     | GWP           | CLAIMS       |               |
|                     | EUR m.        | EUR m.       |               |
| BELGOSSTRAKH        | 87.73         | 56.54        | 56.04         |
| B&B Insurance       | 12.22         | 11.37        | 7.80          |
| TASK                | 12.08         | 7.85         | 7.72          |
| PROMTRANSINVEST     | 10.59         | 3.90         | 6.76          |
| BELNEFTSTRAKH       | 8.09          | 3.94         | 5.17          |
| BELAKSIMGARANT      | 7.36          | 2.60         | 4.70          |
| BELKOOPTSSTRAKH     | 5.65          | 2.55         | 3.61          |
| BELROSSTRAKH        | 3.77          | 2.72         | 2.41          |
| BELINGOSSTRAKH      | 2.42          | 1.43         | 1.54          |
| KUPALA              | 1.58          | 0.82         | 1.01          |
| BELNEVSHTRAKH       | 1.35          | 0.61         | 0.86          |
| GENERALI            | 1.04          | 0.00         | 0.66          |
| ZEPTER Insurance    | 0.85          | 0.41         | 0.54          |
| KENTAVR             | 0.60          | 0.53         | 0.38          |
| ERGO                | 0.57          | 0.39         | 0.37          |
| GARANTYA            | 0.43          | 0.04         | 0.27          |
| BAGACH              | 0.18          | 0.15         | 0.12          |
| VICTORIA            | 0.04          | 0.06         | 0.02          |
| DELTA Insurance     | 0.01          | -            | 0.00          |
| <b>TOTAL TOP 10</b> | <b>151.49</b> | <b>93.72</b> | <b>96.77</b>  |
| <b>TOTAL MARKET</b> | <b>156.55</b> | <b>95.89</b> | <b>100.00</b> |

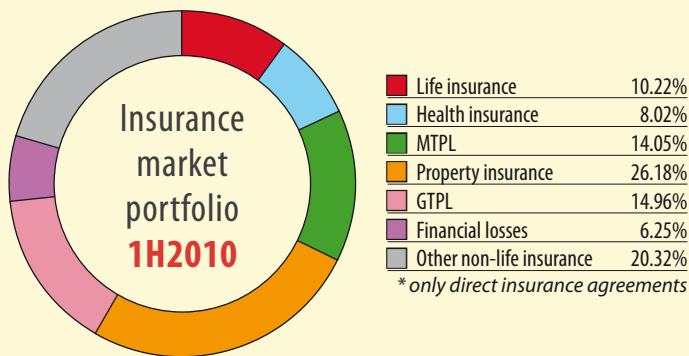




## KAZAKHSTAN

As of July 1<sup>st</sup>, 2010, 41 insurance organizations (including 7 organizations on life insurance), 13 insurance brokers and 63 actuaries were engaged in licensed activity in the insurance market of the Republic of Kazakhstan. Also, 30 insurance/reinsurance organizations were the participants of Insurance Payments Guaranteeing Fund, JSC. Total insurance reserves established by insurance/reinsurance organizations in order to fulfill the undertaken obligations under current insurance and reinsurance agreements equaled EUR667,85m, which is more than established reserves as of July 1st 2009.

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 15.5     | 15.5     |
| Nominal GDP (KZT billion)        | 16038.6  | 17619.0  |
| GDP per capita (USD)             | 7008     | 7972     |
| Real GDP growth, % change y/y    | -1.9     | 2.4      |
| Consumer price, % y-o-y, eop     | 5.0      | 10.0     |



**Source:**

National Bank of Kazakstan

**Kazakh currency exchange rate for calculations:**

1 EUR = 210,81 Tenge - KZT (June 30<sup>th</sup> 2009)

1 EUR = 179.81 Tenge - KZT (June 30<sup>th</sup> 2010)



**Market portfolio as of June 30<sup>th</sup>, 2010\***

| Business Line    | 1H 2010 | 1H 2009 | Nominal Evolution (%) | % In Life/ Non-Life Gwp | % in all GWP |
|------------------|---------|---------|-----------------------|-------------------------|--------------|
|                  | GWP     | GWP     |                       |                         |              |
|                  | EUR m.  | EUR m.  |                       |                         |              |
| TOTAL MARKET     | 416.39  | 265.72  | 56.70                 |                         | 100.00       |
| TOTAL LIFE       | 42.54   | 18.20   | 133.78                | 100.00                  | 10.22        |
| Total NON-LIFE   | 373.84  | 247.52  | 51.03                 | 100.00                  | 89.78        |
| Health           | 33.41   | NA      | NA                    | 8.94                    | 8.02         |
| MTPL             | 58.51   | NA      | NA                    | 15.65                   | 14.05        |
| Property         | 109.02  | NA      | NA                    | 29.16                   | 26.18        |
| GTPL             | 62.27   | NA      | NA                    | 16.66                   | 14.96        |
| Financial losses | 26.02   | NA      | NA                    | 6.96                    | 6.25         |
| Other            | 84.61   | NA      | NA                    | 22.63                   | 20.32        |

*\* only direct insurance agreements*

## Life and non-life insurance ranking

| No.                 | Company                   | 1H 2010       |              | 1H 2009       |              | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|---------------------------|---------------|--------------|---------------|--------------|-----------------------|---------------|
|                     |                           | GWP           | CLAIMS       | GWP           | CLAIMS       |                       |               |
|                     |                           | EUR m.        | EUR m.       | EUR m.        | EUR m.       |                       |               |
| 1                   | EURASIA                   | 67.80         | 5.16         | 96.22         | 6.87         | -29.54                | 14.58         |
| 2                   | KAZKOMMERTS Policy        | 66.85         | 2.85         | 19.02         | 3.99         | 251.45                | 14.37         |
| 3                   | HALYK Bank Kazakhstan     | 57.34         | 12.43        | 41.78         | 8.20         | 37.25                 | 12.33         |
| 4                   | AIG Kazakhstan            | 30.10         | 0.22         | 12.34         | 13.66        | 143.91                | 6.47          |
| 5                   | OIL Insurance Company     | 23.92         | 4.06         | 12.27         | 2.98         | 94.96                 | 5.14          |
| 6                   | ALLIANZ Kazakhstan        | 22.84         | 0.63         | 3.75          | 0.84         | 509.59                | 4.91          |
| 7                   | AMANAT Ins.               | 20.95         | 0.97         | 7.81          | 0.62         | 168.25                | 4.50          |
| 8                   | CENTRAS Insurance         | 15.37         | 2.82         | 8.23          | 1.03         | 86.79                 | 3.30          |
| 9                   | KASPI Bank                | 10.63         | -1.25        | -             | -            | -                     | 2.29          |
| 10                  | NOMAD Insurance           | 10.60         | 1.73         | 8.99          | 1.02         | 17.95                 | 2.28          |
| 11                  | STATE ANNUITY Company     | 9.65          | 3.87         | 6.23          | 1.32         | 54.74                 | 2.07          |
| 12                  | VICTORY                   | 9.08          | 1.14         | 1.69          | 0.61         | 435.87                | 1.95          |
| 13                  | ALLIANCE Policy           | 7.94          | 3.19         | 8.85          | 3.80         | -10.27                | 1.71          |
| 14                  | HALYK Life                | 7.88          | 2.69         | 1.67          | 0.29         | 371.17                | 1.69          |
| 15                  | ALLIANCE Life             | 7.75          | 1.91         | 0.66          | 0.08         | 1,071                 | 1.67          |
| 16                  | KAZKOMMERTS Life          | 7.41          | 1.66         | 4.28          | 0.51         | 73.12                 | 1.59          |
| 17                  | INTER Teach               | 7.14          | 4.39         | 5.70          | 2.45         | 25.32                 | 1.53          |
| 18                  | Bank TuranAlem BTA Life   | 6.98          | 1.86         | 5.71          | 1.24         | 22.29                 | 1.50          |
| 19                  | KAZKOMMESK Omir           | 6.80          | 1.52         | 3.51          | 1.58         | 93.74                 | 1.46          |
| 20                  | PANA Insurance            | 5.17          | 0.47         | 2.58          | 0.20         | 100.75                | 1.11          |
| 21                  | TSASO                     | 4.85          | 0.13         | 3.40          | 0.11         | 42.81                 | 1.04          |
| 22                  | BTA Insurance             | 4.73          | 1.97         | 3.97          | 3.74         | 18.90                 | 1.02          |
| 23                  | LONDON ALMATY             | 4.71          | 2.83         | 7.88          | 0.82         | -40.20                | 1.01          |
| 24                  | KAZAKHMYS                 | 4.62          | 2.41         | 3.12          | 1.90         | 48.34                 | 0.99          |
| 25                  | ALATAU                    | 4.60          | 0.06         | 4.08          | 0.05         | 12.75                 | 0.99          |
| 26                  | ASTANA Finance            | 4.45          | 0.86         | 35.31         | 0.10         | -87.41                | 0.96          |
| 27                  | TRANS OIL                 | 4.28          | 1.08         | 3.22          | 0.67         | 32.69                 | 0.92          |
| 28                  | ASKO                      | 3.71          | 0.52         | 2.20          | 0.37         | 68.37                 | 0.80          |
| 29                  | NURPOLICY                 | 3.64          | 1.04         | 4.13          | 0.36         | -11.96                | 0.78          |
| 30                  | ASTANA Finance Life       | 3.29          | 0.41         | 1.19          | 0.08         | 176.27                | 0.71          |
| 31                  | SAYA                      | 3.24          | 0.45         | 1.44          | 0.14         | 124.07                | 0.70          |
| 32                  | ATLANTA Policy            | 3.21          | 0.90         | 2.56          | 1.12         | 25.41                 | 0.69          |
| 33                  | EKO Policy                | 3.08          | 0.68         | 1.45          | 0.32         | 112.85                | 0.66          |
| 34                  | GRAIN Ins. Company        | 2.72          | 0.03         | 0.78          | 0.16         | 248.26                | 0.58          |
| 35                  | GENERALI Life             | 2.00          | 0.27         | -             | -            | -                     | 0.43          |
| 36                  | TRUST Insurance           | 1.92          | -            | -             | -            | -                     | 0.41          |
| 37                  | ARCHIMEDES Kazakhstan     | 1.52          | 1.33         | 0.42          | 0.43         | 265.15                | 0.33          |
| 38                  | STATE Ins. Corporation    | 1.16          | 0.16         | 0.58          | 0.03         | 98.85                 | 0.25          |
| 39                  | Bank TuranAlem BTA Zabota | 0.84          | 1.51         | 2.38          | 1.99         | -64.57                | 0.18          |
| 40                  | TSESNA Garant             | 0.31          | -            | -             | -            | -                     | 0.07          |
| <b>TOTAL TOP 10</b> |                           | <b>326.40</b> | <b>29.62</b> | <b>210.40</b> | <b>39.21</b> | <b>55.13</b>          | <b>70.18</b>  |
| <b>TOTAL TOP 20</b> |                           | <b>402.18</b> | <b>52.32</b> | <b>251.28</b> | <b>51.27</b> | <b>60.05</b>          | <b>86.48</b>  |
| <b>TOTAL TOP 30</b> |                           | <b>445.06</b> | <b>63.63</b> | <b>319.79</b> | <b>59.47</b> | <b>39.17</b>          | <b>95.70</b>  |
| <b>TOTAL MARKET</b> |                           | <b>465.06</b> | <b>68.95</b> | <b>355.66</b> | <b>69.40</b> | <b>30.76</b>          | <b>100.00</b> |



## KYRGYZSTAN

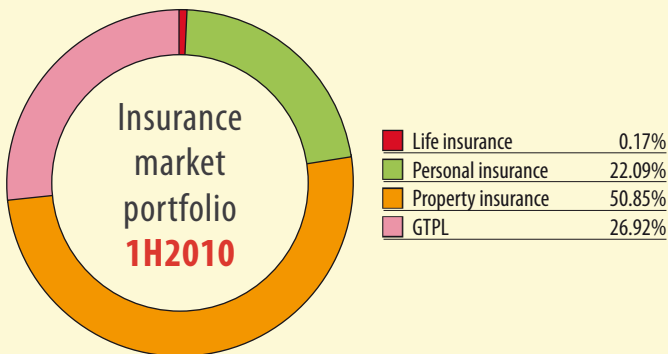
| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 5.4      | 5.5      |
| Nominal GDP (USD billion)        | 3.4      | 3.1      |
| Real GDP growth, % change y/y    | 3.0      | 3.5      |
| Consumer price, % y-o-y, eop     | 0.5      | 9.0      |

At the end of June were active 19 insurance companies, of which seven are non-resident: SAOZT KIRGYZINSSTRAKH, ENGLISH - KYRGYZ, LONDON BISHKEK, OIL Insurance, INSURANCE House, INSURANCE Reserve and ROSSTROY Kyrgyzstan. A total of 18 insurance companies have headquarters in the capital. Also, only a total of four companies have regional offices.



### Life and non-life insurance ranking

| Company               | 1H 2010     |             | MARKET SHARE  |
|-----------------------|-------------|-------------|---------------|
|                       | GWP         | CLAIMS      |               |
|                       | EUR m.      | EUR m.      | %             |
| SAOZT KIRGYZINSSTRAKH | 0.42        | 0.02        | 16.35         |
| OIL Insurance         | 0.33        | 0.01        | 12.93         |
| KIRGYSTAN             | 0.32        | 0.04        | 12.37         |
| LONDON BISHKEK        | 0.25        | 0.01        | 9.85          |
| MEGA Insurance Group  | 0.25        | 0.00        | 9.83          |
| AK-JOL                | 0.19        | 0.00        | 7.26          |
| ROSTAKHKIRGYSTAN      | 0.18        | 0.01        | 6.82          |
| KIRGIZ Re             | 0.11        | 0.00        | 4.15          |
| FAVORIT               | 0.11        | -           | 4.12          |
| FKB Insurance         | 0.08        | 0.02        | 3.17          |
| <b>TOTAL TOP 10</b>   | <b>2.25</b> | <b>0.12</b> | <b>86.85</b>  |
| <b>TOTAL MARKET</b>   | <b>2.59</b> | <b>0.15</b> | <b>100.00</b> |



#### Source:

National Bank of the Kyrgyz Republic  
FSA - Gosfinaadzora

#### Kyrgyzstan currency exchange rate for calculations:

1 EUR = 60.6908 Som - KGS (June 30<sup>th</sup> 2009)

1 EUR = 56.8557 Som - KGS (June 30<sup>th</sup> 2010)

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line         | 1H 2010     |             | 1H 2009     |             | Nominal Evolution (%) | % In Life     | % in all GWP  |
|-----------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|---------------|
|                       | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |               |
|                       | EUR m.      | EUR m.      | EUR m.      | EUR m.      | EUR                   | %             | %             |
| <b>TOTAL MARKET</b>   | <b>2.59</b> | <b>0.15</b> | <b>2.04</b> | <b>0.16</b> | <b>26.53</b>          | <b>-</b>      | <b>100.00</b> |
| <b>TOTAL LIFE</b>     | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>90.62</b>          | <b>100.00</b> | <b>0.17</b>   |
| <b>TOTAL NON-LIFE</b> | <b>2.58</b> | <b>0.15</b> | <b>2.04</b> | <b>0.16</b> | <b>26.46</b>          | <b>100.00</b> | <b>99.83</b>  |
| Personal ins.         | 0.57        | 0.05        | 0.50        | 0.06        | 14.50                 | 22.13         | 22.09         |
| Property              | 1.32        | 0.08        | 1.06        | 0.09        | 23.60                 | 50.94         | 50.85         |
| Liability             | 0.70        | 0.01        | 0.48        | 0.01        | 45.26                 | 26.97         | 26.92         |



# MOLDOVA

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 3.6      | 3.6      |
| Nominal GDP (USD billion)        | 5.3      | 5.0      |
| Real GDP growth, % change y/y    | -6.5     | 1.0      |
| Consumer price, % y-o-y, eop     | -0.8     | 3.0      |

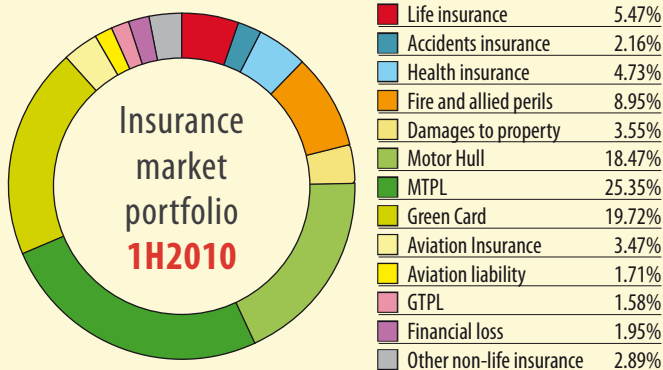
At the end of the first six months of 2010, the insurance market was a little over EUR26m. Looking closely, one can see stagnation around this value compared to the correspondent periods of 2008 and 2009, under the circumstances of exchange rate variations, respectively of the beginning of the financial crisis at global level.

The cumulated result of the "profit and loss account" for the insurance market was EUR4.02m. In 1H2009, the same indicator was EUR3.79m.

The underwritten share capital of the 24 insurance companies licensed in Moldova reached approximately EUR24.22m in late June 2010. In 1H2010, the market capitalization was supported by the increases made by the shareholders of a number of 14 insurance companies.

Total value of premiums ceded in reinsurance by Moldavian insurers was, in the analyzed period, of EUR6.69m, in decrease in European currency by about one percentage point, compared to 1H2009. Thus, the share of the premiums ceded to reinsurers dropped to 25.57%, from 25.87% in the first half of 2009. Seven insurers have not ceded premiums in reinsurance.

Courtesy INSURANCE Profile – Republic of Moldova (special issue)



#### Source:

National Commission of Financial Market  
National Bank  
Insurance PROFILE

Currency conversions were calculated for an average exchange rate of:

MDL 14.5883/EUR - in 1H/2009

MDL 16.7763/EUR - in 1H/2010

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line                     | 1H 2010      |             | 1H 2009      |             | Nominal Evolution (%) | % in LIFE/<br>NON-LIFE GWP | % in all GWP  |
|-----------------------------------|--------------|-------------|--------------|-------------|-----------------------|----------------------------|---------------|
|                                   | GWP          | CLAIMS      | GWP          | CLAIMS      |                       |                            |               |
|                                   | EUR m.       | EUR m.      | EUR m.       | EUR m.      |                       |                            |               |
| <b>TOTAL MARKET</b>               | <b>26.16</b> | <b>9.24</b> | <b>26.03</b> | <b>9.42</b> | <b>0.49</b>           | <b>-</b>                   | <b>100.00</b> |
| <b>TOTAL LIFE</b>                 | <b>1.43</b>  | <b>0.43</b> | <b>1.66</b>  | <b>0.50</b> | <b>-13.98</b>         | <b>100.00</b>              | <b>5.47</b>   |
| <b>TOTAL NON-LIFE</b>             | <b>24.73</b> | <b>8.82</b> | <b>24.37</b> | <b>8.92</b> | <b>1.47</b>           | <b>100.00</b>              | <b>94.53</b>  |
| Accident                          | 0.56         | 0.20        | 1.09         | 0.17        | -48.14                | 2.28                       | 2.16          |
| <b>Overall health insurance</b>   | <b>1.24</b>  | <b>0.25</b> | <b>1.10</b>  | <b>0.30</b> | <b>12.06</b>          | <b>5.00</b>                | <b>4.73</b>   |
| Health - valid in Moldova         | 0.46         | 0.14        | 0.46         | 0.22        | 0.93                  | 1.86                       | 1.76          |
| Health - valid outside Moldova    | 0.78         | 0.11        | 0.65         | 0.08        | 19.88                 | 3.14                       | 2.97          |
| <b>Overall property insurance</b> | <b>3.27</b>  | <b>0.44</b> | <b>2.35</b>  | <b>0.57</b> | <b>39.18</b>          | <b>13.22</b>               | <b>12.50</b>  |
| Fire and allied perils            | 2.34         | 0.16        | 1.31         | 0.55        | 78.34                 | 9.46                       | 8.95          |
| Damages to property               | 0.93         | 0.28        | 1.04         | 0.02        | -10.37                | 3.76                       | 3.55          |
| <b>Overall motor insurance</b>    | <b>17.23</b> | <b>7.83</b> | <b>17.13</b> | <b>7.83</b> | <b>0.58</b>           | <b>69.68</b>               | <b>65.87</b>  |
| Motor Hull                        | 4.83         | 4.00        | 5.34         | 4.57        | -9.50                 | 19.54                      | 18.47         |
| MTPL                              | 6.63         | 2.57        | 6.27         | 2.46        | 5.83                  | 26.81                      | 25.35         |
| Green Card                        | 5.16         | 1.25        | 5.01         | 0.80        | 3.07                  | 20.86                      | 19.72         |
| Other motor insurance             | 0.61         | 0.02        | 0.52         | 0.00        | 17.10                 | 2.46                       | 2.33          |
| Aviation insurance                | 0.91         | 0.01        | 0.82         | 0.01        | 10.42                 | 3.67                       | 3.47          |
| Aviation liability                | 0.45         | -           | 0.89         | -           | -49.88                | 1.81                       | 1.71          |
| GTPL                              | 0.41         | 0.07        | 0.30         | 0.05        | 37.93                 | 1.67                       | 1.58          |
| Financial loss                    | 0.51         | 0.02        | 0.49         | 0.00        | 5.00                  | 2.07                       | 1.95          |
| Other non-life insurance          | 0.15         | 0.00        | 0.19         | 0.00        | -24.92                | 0.59                       | 0.56          |



## Life insurance ranking

| No.                 | Company      | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|--------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |              | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |              | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | GRAWE CARAT  | 1.29        | 0.10        | 1.54        | 0.10        | -16.47                | 90.23         |
| 2                   | SIGUR-ASIGUR | 0.10        | -           | 0.07        | -           | 43.76                 | 7.24          |
| 3                   | ASITO        | 0.03        | 0.30        | 0.05        | 0.39        | -34.56                | 2.09          |
| 4                   | ASTERRA GRUP | 0.01        | -           | -           | -           | -                     | 0.44          |
| <b>TOTAL MARKET</b> |              | <b>1.43</b> | <b>0.43</b> | <b>1.66</b> | <b>0.50</b> | <b>-13.98</b>         | <b>100.00</b> |

## Non-Life insurance ranking

| No.                 | Company            | 1H 2010      |             | 1H 2009      |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|--------------------|--------------|-------------|--------------|-------------|-----------------------|---------------|
|                     |                    | GWP          | CLAIMS      | GWP          | CLAIMS      |                       |               |
|                     |                    | EUR m.       | EUR m.      | EUR m.       | EUR m.      |                       |               |
| 1                   | MOLDASIG           | 7.37         | 2.67        | 8.41         | 2.26        | -12.28                | 29.82         |
| 2                   | ASITO              | 6.04         | 1.80        | 6.07         | 2.17        | -0.44                 | 24.42         |
| 3                   | GRAWE CARAT        | 1.80         | 0.48        | 1.11         | 0.57        | 62.42                 | 7.29          |
| 4                   | DONARIS-GROUP      | 1.75         | 0.79        | 1.74         | 0.74        | 0.69                  | 7.09          |
| 5                   | MOLDCARGO          | 1.12         | 0.48        | 1.24         | 0.62        | -9.56                 | 4.52          |
| 6                   | ACORD-GRUP         | 0.91         | 0.04        | 0.52         | 0.00        | 73.88                 | 3.69          |
| 7                   | EUROASIG           | 0.86         | 0.26        | 0.30         | 0.10        | 189.14                | 3.48          |
| 8                   | MOLDOVA-ASTROVAZ   | 0.85         | 0.45        | 1.12         | 0.42        | -23.54                | 3.45          |
| 9                   | TRANSELIT          | 0.56         | 0.16        | 0.48         | 0.09        | 15.04                 | 2.25          |
| 10                  | EXIM-ASINT         | 0.52         | 0.17        | 0.52         | 0.13        | 1.09                  | 2.11          |
| 11                  | KLASSIKA ASIGURĂRI | 0.52         | 0.30        | 0.40         | 0.14        | 27.51                 | 2.09          |
| 12                  | VICTORIA ASIGURĂRI | 0.49         | 0.31        | 0.49         | 0.24        | 1.73                  | 2.00          |
| 13                  | GALAS              | 0.36         | 0.17        | 0.29         | 0.27        | 24.19                 | 1.46          |
| 14                  | GARANȚIE           | 0.34         | 0.21        | 0.32         | 0.51        | 8.46                  | 1.39          |
| 15                  | AUTO-SIGURANȚA     | 0.31         | 0.12        | 0.32         | 0.15        | -3.28                 | 1.26          |
| 16                  | ASTERRA GRUP       | 0.26         | 0.06        | 0.25         | 0.04        | 2.20                  | 1.05          |
| 17                  | ARTAS              | 0.18         | 0.14        | 0.20         | 0.12        | -10.33                | 0.74          |
| 18                  | VITORIASIG         | 0.18         | 0.05        | 0.19         | 0.06        | -4.92                 | 0.73          |
| 19                  | IDEEA ASIGURĂRI    | 0.18         | 0.06        | 0.26         | 0.11        | -31.92                | 0.73          |
| 20                  | GARANT             | 0.05         | 0.05        | 0.01         | 0.01        | 276.76                | 0.20          |
| <b>TOTAL TOP 10</b> |                    | <b>21.79</b> | <b>7.30</b> | <b>21.50</b> | <b>7.11</b> | <b>1.37</b>           | <b>88.13</b>  |
| <b>TOTAL TOP 20</b> |                    | <b>24.67</b> | <b>8.77</b> | <b>24.24</b> | <b>8.75</b> | <b>1.76</b>           | <b>99.76</b>  |
| <b>TOTAL MARKET</b> |                    | <b>24.73</b> | <b>8.82</b> | <b>24.37</b> | <b>8.92</b> | <b>1.47</b>           | <b>100.00</b> |



## Accident insurance ranking

| No.                 | Company            | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|--------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |                    | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |                    | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | ASITO              | 0.15        | 0.08        | 0.22        | 0.09        | -33.55                | 26.14         |
| 2                   | MOLDASIG           | 0.10        | 0.01        | 0.59        | 0.04        | -83.53                | 17.12         |
| 3                   | MOLDCARGO          | 0.06        | 0.00        | 0.01        | 0.00        | 929.15                | 10.89         |
| 4                   | ACORD-GRUP         | 0.05        | 0.04        | 0.07        | -           | -20.36                | 9.22          |
| 5                   | DONARIS-GROUP      | 0.04        | 0.03        | 0.05        | 0.00        | -18.09                | 7.41          |
| 6                   | GARANȚIE           | 0.03        | 0.00        | 0.03        | 0.00        | 3.14                  | 4.99          |
| 7                   | KLASSIKA ASIGURĂRI | 0.02        | 0.00        | 0.01        | 0.00        | 89.30                 | 3.53          |
| 8                   | GALAS              | 0.02        | -           | 0.01        | 0.00        | 31.83                 | 2.81          |
| 9                   | EXIM-ASINT         | 0.01        | 0.00        | 0.01        | 0.00        | 131.99                | 2.64          |
| 10                  | AUTO-SIGURANȚA     | 0.01        | 0.00        | 0.02        | 0.01        | -35.06                | 2.36          |
| 11                  | VICTORIA ASIGURĂRI | 0.01        | -           | 0.02        | 0.00        | -31.81                | 2.26          |
| 12                  | GRAWE CARAT        | 0.01        | 0.00        | 0.02        | 0.00        | -47.75                | 2.11          |
| 13                  | GARANT             | 0.01        | 0.03        | -           | -           | -                     | 1.96          |
| 14                  | ALIANȚA-MOLDCOOP   | 0.01        | 0.00        | 0.00        | 0.00        | 37.72                 | 1.20          |
| 15                  | MOLDOVA-ASTROVAZ   | 0.01        | -           | 0.01        | 0.00        | -38.03                | 1.16          |
| 16                  | VITORIASIG         | 0.01        | 0.00        | 0.01        | 0.00        | -41.95                | 1.09          |
| 17                  | ASTERRA GRUP       | 0.01        | 0.00        | 0.00        | 0.00        | 1,374                 | 0.91          |
| 18                  | EUROASIG           | 0.00        | 0.00        | 0.00        | 0.00        | 1,035                 | 0.84          |
| 19                  | TRANSELIT          | 0.00        | 0.00        | 0.01        | 0.00        | -33.83                | 0.69          |
| 20                  | IDEEA ASIGURĂRI    | 0.00        | 0.00        | 0.00        | 0.00        | -65.85                | 0.29          |
| <b>TOTAL TOP 10</b> |                    | <b>0.49</b> | <b>0.16</b> | <b>1.01</b> | <b>0.15</b> | <b>-51.22</b>         | <b>87.12</b>  |
| <b>TOTAL TOP 20</b> |                    | <b>0.56</b> | <b>0.20</b> | <b>1.09</b> | <b>0.17</b> | <b>-48.28</b>         | <b>99.62</b>  |
| <b>TOTAL MARKET</b> |                    | <b>0.56</b> | <b>0.20</b> | <b>1.09</b> | <b>0.17</b> | <b>-48.14</b>         | <b>100.00</b> |

## Motor Hull insurance ranking

| No.                 | Company            | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|--------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |                    | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |                    | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | MOLDASIG           | 1.09        | 1.11        | 1.38        | 1.07        | -20.75                | 22.55         |
| 2                   | DONARIS-GROUP      | 0.68        | 0.55        | 0.78        | 0.59        | -13.02                | 14.11         |
| 3                   | ASITO              | 0.61        | 0.51        | 0.74        | 0.92        | -17.69                | 12.66         |
| 4                   | EUROASIG           | 0.52        | 0.18        | 0.10        | 0.05        | 426.42                | 10.86         |
| 5                   | GRAWE CARAT        | 0.30        | 0.19        | 0.29        | 0.23        | 1.97                  | 6.22          |
| 6                   | KLASSIKA ASIGURĂRI | 0.28        | 0.26        | 0.27        | 0.13        | 4.64                  | 5.81          |
| 7                   | VICTORIA ASIGURĂRI | 0.26        | 0.22        | 0.31        | 0.20        | -15.29                | 5.46          |
| 8                   | MOLDCARGO          | 0.19        | 0.29        | 0.43        | 0.53        | -56.43                | 3.85          |
| 9                   | EXIM-ASINT         | 0.14        | 0.08        | 0.07        | 0.05        | 86.18                 | 2.80          |
| 10                  | ASTERRA GRUP       | 0.12        | 0.03        | 0.16        | 0.03        | -26.00                | 2.51          |
| 11                  | TRANSELIT          | 0.12        | 0.09        | 0.08        | 0.02        | 41.55                 | 2.44          |
| 12                  | GALAS              | 0.11        | 0.13        | 0.15        | 0.23        | -24.28                | 2.33          |
| 13                  | GARANȚIE           | 0.11        | 0.07        | 0.09        | 0.05        | 13.49                 | 2.21          |
| 14                  | IDEEA ASIGURĂRI    | 0.08        | 0.05        | 0.12        | 0.09        | -32.18                | 1.71          |
| 15                  | MOLDOVA-ASTROVAZ   | 0.07        | 0.08        | 0.11        | 0.11        | -36.11                | 1.41          |
| 16                  | AUTO-SIGURANȚA     | 0.06        | 0.00        | 0.10        | 0.04        | -41.70                | 1.20          |
| 17                  | ARTAS              | 0.04        | 0.09        | 0.06        | 0.07        | -40.46                | 0.80          |
| 18                  | VITORIASIG         | 0.02        | 0.01        | 0.03        | 0.01        | -21.09                | 0.48          |
| 19                  | AFES-MOLDOVA       | 0.01        | 0.04        | 0.03        | 0.13        | -65.57                | 0.24          |
| 20                  | GARANT             | 0.01        | 0.01        | 0.01        | 0.01        | -5.27                 | 0.20          |
| <b>TOTAL TOP 10</b> |                    | <b>4.20</b> | <b>3.42</b> | <b>4.54</b> | <b>3.80</b> | <b>-7.58</b>          | <b>86.84</b>  |
| <b>TOTAL TOP 20</b> |                    | <b>4.82</b> | <b>3.99</b> | <b>5.33</b> | <b>4.56</b> | <b>-9.50</b>          | <b>99.83</b>  |
| <b>TOTAL MARKET</b> |                    | <b>4.83</b> | <b>4.00</b> | <b>5.34</b> | <b>4.57</b> | <b>-9.50</b>          | <b>100.00</b> |

## MTPL insurance ranking

| No.                 | Company            | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|--------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |                    | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |                    | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | ASITO              | 1.79        | 0.72        | 1.78        | 0.83        | 0.60                  | 27.07         |
| 2                   | MOLDASIG           | 1.53        | 0.68        | 1.60        | 0.63        | -4.57                 | 23.00         |
| 3                   | DONARIS-GROUP      | 0.61        | 0.20        | 0.58        | 0.14        | 5.53                  | 9.25          |
| 4                   | GRAWE CARAT        | 0.45        | 0.17        | 0.37        | 0.12        | 19.13                 | 6.72          |
| 5                   | TRANSELIT          | 0.40        | 0.07        | 0.36        | 0.06        | 10.69                 | 6.08          |
| 6                   | EUROASIG           | 0.30        | 0.08        | 0.19        | 0.05        | 53.82                 | 4.46          |
| 7                   | AUTO-SIGURANȚA     | 0.23        | 0.11        | 0.20        | 0.09        | 18.98                 | 3.52          |
| 8                   | MOLDOVA-ASTROVAZ   | 0.22        | 0.10        | 0.27        | 0.16        | -18.20                | 3.36          |
| 9                   | MOLDCARGO          | 0.16        | 0.09        | 0.15        | 0.08        | 10.37                 | 2.45          |
| 10                  | VITORIASIG         | 0.15        | 0.03        | 0.15        | 0.04        | 0.33                  | 2.24          |
| 11                  | EXIM-ASINT         | 0.14        | 0.05        | 0.12        | 0.07        | 15.96                 | 2.04          |
| 12                  | ARTAS              | 0.12        | 0.05        | 0.11        | 0.06        | 3.95                  | 1.76          |
| 13                  | GALAS              | 0.11        | 0.03        | 0.05        | 0.03        | 138.62                | 1.69          |
| 14                  | GARANȚIE           | 0.10        | 0.05        | 0.11        | 0.03        | -1.36                 | 1.58          |
| 15                  | KLASSIKA ASIGURĂRI | 0.10        | 0.03        | 0.04        | 0.00        | 143.43                | 1.57          |
| 16                  | ASTERRA GRUP       | 0.07        | 0.02        | 0.05        | 0.01        | 50.02                 | 1.05          |
| 17                  | VICTORIA ASIGURĂRI | 0.06        | 0.05        | 0.05        | 0.01        | 25.48                 | 0.98          |
| 18                  | IDEEA ASIGURĂRI    | 0.03        | 0.01        | 0.05        | 0.02        | -41.40                | 0.46          |
| 19                  | GARANT             | 0.03        | 0.01        | -           | 0.00        | -                     | 0.42          |
| 20                  | ALIANȚA-MOLDCOOP   | 0.01        | 0.00        | 0.01        | 0.00        | 17.91                 | 0.16          |
| <b>TOTAL TOP 10</b> |                    | <b>5.84</b> | <b>2.26</b> | <b>5.66</b> | <b>2.21</b> | <b>3.31</b>           | <b>88.14</b>  |
| <b>TOTAL TOP 20</b> |                    | <b>6.62</b> | <b>2.57</b> | <b>6.24</b> | <b>2.44</b> | <b>6.07</b>           | <b>99.85</b>  |
| <b>TOTAL MARKET</b> |                    | <b>6.63</b> | <b>2.57</b> | <b>6.27</b> | <b>2.46</b> | <b>5.83</b>           | <b>100.00</b> |

## Green Card insurance ranking

| No.                 | Company          | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |                  | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |                  | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | MOLDASIG         | 2.16        | 0.58        | 2.54        | 0.28        | -14.82                | 41.90         |
| 2                   | ASITO            | 1.58        | 0.29        | 1.49        | 0.19        | 5.82                  | 30.58         |
| 3                   | GRAWE CARAT      | 0.89        | 0.10        | 0.26        | 0.17        | 246.57                | 17.25         |
| 4                   | MOLDOVA-ASTROVAZ | 0.53        | 0.26        | 0.72        | 0.15        | -26.54                | 10.25         |
| 5                   | MOLDCARGO        | 0.00        | 0.01        | -           | -           | -                     | 0.02          |
| <b>TOTAL MARKET</b> |                  | <b>5.16</b> | <b>1.25</b> | <b>5.01</b> | <b>0.80</b> | <b>3.07</b>           | <b>100.00</b> |

## Health (valid in Moldova) insurance ranking

| No.                 | Company            | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|---------------------|--------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|                     |                    | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|                     |                    | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1                   | ASITO              | 0.24        | 0.08        | 0.35        | 0.10        | -29.96                | 53.04         |
| 2                   | MOLDASIG           | 0.15        | 0.03        | 0.02        | 0.08        | 774.04                | 31.89         |
| 3                   | GRAWE CARAT        | 0.04        | 0.01        | 0.05        | 0.01        | -21.93                | 9.21          |
| 4                   | VICTORIA ASIGURĂRI | 0.01        | 0.00        | 0.01        | 0.00        | -20.92                | 1.90          |
| 5                   | KLASSIKA ASIGURĂRI | 0.01        | 0.01        | -           | 0.00        | -                     | 1.33          |
| 6                   | DONARIS-GROUP      | 0.01        | 0.00        | 0.00        | 0.00        | 75.95                 | 1.23          |
| 7                   | GALAS              | 0.00        | 0.00        | 0.01        | 0.00        | -79.59                | 0.64          |
| 8                   | SIGUR-ASIGUR       | 0.00        | 0.00        | 0.01        | 0.00        | -58.37                | 0.59          |
| 9                   | MOLDCARGO          | 0.00        | 0.00        | 0.00        | 0.01        | -14.37                | 0.18          |
| <b>TOTAL MARKET</b> |                    | <b>0.46</b> | <b>0.14</b> | <b>0.46</b> | <b>0.22</b> | <b>0.93</b>           | <b>100.00</b> |

## Health (valid outside Moldova) insurance ranking

| No. | Company             | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|-----|---------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|     |                     | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|     |                     | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1   | MOLDASIG            | 0.30        | 0.04        | 0.19        | 0.04        | 58.45                 | 38.52         |
| 2   | ASITO               | 0.10        | 0.03        | 0.12        | 0.01        | -18.48                | 12.34         |
| 3   | VICTORIA ASIGURĂRI  | 0.07        | 0.01        | 0.03        | 0.00        | 98.30                 | 8.60          |
| 4   | IDEEA ASIGURĂRI     | 0.05        | 0.00        | 0.04        | 0.00        | 22.50                 | 6.82          |
| 5   | DONARIS-GROUP       | 0.04        | 0.00        | 0.04        | 0.00        | 23.39                 | 5.69          |
| 6   | GALAS               | 0.04        | 0.00        | 0.05        | 0.00        | -21.10                | 5.33          |
| 7   | GRAWE CARAT         | 0.04        | 0.00        | 0.04        | 0.02        | -4.21                 | 4.86          |
| 8   | ASTERRA GRUP        | 0.03        | 0.01        | 0.03        | 0.00        | 7.39                  | 4.08          |
| 9   | EXIM-ASINT          | 0.03        | 0.00        | 0.03        | 0.01        | -2.86                 | 3.23          |
| 10  | MOLDCARGO           | 0.02        | 0.00        | 0.02        | 0.00        | 13.39                 | 2.26          |
| 11  | EUROASIG            | 0.01        | -           | 0.00        | -           | 218.78                | 1.84          |
| 12  | TRANSELIT           | 0.01        | -           | 0.01        | -           | 39.60                 | 1.62          |
| 13  | ARTAS               | 0.01        | 0.00        | 0.02        | 0.00        | -30.96                | 1.60          |
| 14  | KLASSIKA ASIGURĂRI  | 0.01        | 0.00        | 0.01        | 0.00        | 47.76                 | 1.55          |
| 15  | GARANȚIE            | 0.01        | 0.01        | 0.01        | 0.00        | 33.55                 | 1.07          |
| 16  | ACORD-GRUP          | 0.00        | -           | 0.00        | -           | -12.42                | 0.50          |
| 17  | MOLDOVA-ASTROVAZ    | 0.00        | -           | -           | -           | -                     | 0.09          |
|     | <b>TOTAL TOP 10</b> | <b>0.71</b> | <b>0.11</b> | <b>0.58</b> | <b>0.08</b> | <b>22.46</b>          | <b>91.72</b>  |
|     | <b>TOTAL MARKET</b> | <b>0.78</b> | <b>0.11</b> | <b>0.65</b> | <b>0.08</b> | <b>19.88</b>          | <b>100.00</b> |

## Fire and allied perils insurance ranking

| No. | Company             | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|-----|---------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|     |                     | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|     |                     | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1   | MOLDASIG            | 1.29        | 0.01        | 0.57        | 0.12        | 125.27                | 54.99         |
| 2   | DONARIS-GROUP       | 0.28        | 0.01        | 0.22        | 0.01        | 27.45                 | 11.77         |
| 3   | MOLDCARGO           | 0.22        | 0.08        | 0.21        | 0.01        | 5.17                  | 9.50          |
| 4   | EXIM-ASINT          | 0.15        | 0.01        | 0.02        | -           | 681.61                | 6.38          |
| 5   | KLASSIKA ASIGURĂRI  | 0.08        | -           | 0.07        | 0.00        | 19.91                 | 3.36          |
| 6   | ASITO               | 0.06        | 0.01        | 0.10        | 0.01        | -41.38                | 2.51          |
| 7   | GALAS               | 0.05        | 0.00        | 0.01        | -           | 311.29                | 2.24          |
| 8   | GRAWE CARAT         | 0.05        | 0.00        | -           | 0.00        | -                     | 2.22          |
| 9   | VICTORIA ASIGURĂRI  | 0.05        | 0.02        | 0.02        | -           | 107.13                | 2.13          |
| 10  | GARANȚIE            | 0.04        | 0.01        | 0.03        | 0.41        | 26.47                 | 1.75          |
| 11  | ASTERRA GRUP        | 0.02        | -           | 0.01        | -           | 227.94                | 1.02          |
| 12  | EUROASIG            | 0.02        | -           | 0.00        | -           | 1,410.36              | 0.67          |
| 13  | TRANSELIT           | 0.01        | 0.00        | 0.02        | -           | -14.80                | 0.63          |
| 14  | ARTAS               | 0.01        | -           | 0.00        | -           | 552.18                | 0.49          |
| 15  | IDEEA ASIGURĂRI     | 0.01        | 0.00        | 0.03        | -           | -79.97                | 0.22          |
| 16  | ALIANȚA-MOLDCOOP    | 0.00        | -           | 0.00        | 0.00        | -13.53                | 0.07          |
| 17  | ACORD-GRUP          | 0.00        | -           | 0.00        | -           | 138.61                | 0.05          |
| 18  | GARANT              | 0.00        | -           | 0.00        | -           | -86.81                | 0.02          |
|     | <b>TOTAL TOP 10</b> | <b>2.27</b> | <b>0.16</b> | <b>1.25</b> | <b>0.55</b> | <b>80.92</b>          | <b>96.84</b>  |
|     | <b>TOTAL MARKET</b> | <b>2.34</b> | <b>0.16</b> | <b>1.31</b> | <b>0.55</b> | <b>78.34</b>          | <b>100.00</b> |

## Damages to property insurance ranking

| No. | Company             | 1H 2010     |             | 1H 2009     |             | NOMINAL EVOLUTION (%) | MARKET SHARE  |
|-----|---------------------|-------------|-------------|-------------|-------------|-----------------------|---------------|
|     |                     | GWP         | CLAIMS      | GWP         | CLAIMS      |                       |               |
|     |                     | EUR m.      | EUR m.      | EUR m.      | EUR m.      |                       |               |
| 1   | ASITO               | 0.88        | 0.07        | 0.72        | 0.01        | 22.32                 | 94.62         |
| 2   | MOLDOVA-ASTROVAZ    | 0.03        | -           | 0.01        | -           | 229.55                | 2.75          |
| 3   | MOLDASIG            | 0.01        | 0.20        | 0.04        | -           | -83.54                | 0.79          |
| 4   | DONARIS-GROUP       | 0.00        | 0.00        | 0.01        | -           | -25.05                | 0.44          |
| 5   | ALIANȚA-MOLDCOOP    | 0.00        | 0.00        | 0.01        | 0.00        | -41.13                | 0.41          |
| 6   | AUTO-SIGURANȚA      | 0.00        | 0.00        | 0.00        | 0.00        | 294.66                | 0.29          |
| 7   | VITORIASIG          | 0.00        | -           | 0.00        | -           | 46.34                 | 0.28          |
| 8   | SIGUR-ASIGUR        | 0.00        | -           | 0.00        | -           | -30.86                | 0.18          |
| 9   | GARANT              | 0.00        | -           | -           | -           | -                     | 0.10          |
| 10  | GALAS               | 0.00        | -           | -           | -           | -                     | 0.09          |
| 11  | ARTAS               | 0.00        | 0.00        | -           | -           | -                     | 0.04          |
| 12  | AFES-MOLDOVA        | 0.00        | -           | -           | -           | -                     | 0.02          |
|     | <b>TOTAL TOP 10</b> | <b>0.93</b> | <b>0.28</b> | <b>0.79</b> | <b>0.01</b> | <b>17.91</b>          | <b>99.95</b>  |
|     | <b>TOTAL MARKET</b> | <b>0.93</b> | <b>0.28</b> | <b>1.04</b> | <b>0.02</b> | <b>-10.37</b>         | <b>100.00</b> |





## RUSSIA



|                        |        |
|------------------------|--------|
| Life insurance         | 1.72%  |
| (V) Personal insurance | 14.11% |
| (V) Property insurance | 26.03% |
| (V) Liability          | 2.71%  |
| (V) Financial risks    | 0.65%  |
| (M) MTPL               | 8.34%  |
| (M) Health             | 45.21% |
| (M) other              | 1.24%  |

V - voluntary; M - mandatory

### Sources:

Central Bank of the Russian Federation  
Federal Insurance Supervision Service

### Russian currency exchange rate for calculations:

1 EUR = 43.8191 Ruble - RUB (June 30<sup>th</sup> 2009)

1 EUR = 38.1863 Ruble - RUB (June 30<sup>th</sup> 2010)

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line  | 1H 2010          |                 | % in LIFE/<br>NON-LIFE<br>GWP | % in all GWP  |
|--|------------------|-----------------|-------------------------------|---------------|
|  | GWP              | CLAIMS          |                               |               |
|  | EUR m.           | EUR m.          | %                             | %             |
| <b>TOTAL MARKET</b>  | <b>13,644.95</b> | <b>9,617.06</b> | -                             | <b>100.00</b> |
| <b>TOTAL LIFE</b>  | <b>234.38</b>    | <b>71.75</b>    | <b>100.00</b>                 | <b>1.72</b>   |
| <b>TOTAL NON-LIFE</b>  | <b>13,410.57</b> | <b>9,545.31</b> | <b>100.00</b>                 | <b>98.28</b>  |
| Voluntary ins. lines<br>(excluding life ins.)                        | 5,935.11         | 2,705.94        | 44.26                         | 43.50         |
| Personal ins.  | 1,925.82         | 851.35          | 14.36                         | 14.11         |
| Property   | 3,551.54         | 1,789.91        | 26.48                         | 26.03         |
| Liability  | 369.50           | 33.78           | 2.76                          | 2.71          |
| Commercial and<br>financial risks                                    | 88.25            | 30.90           | 0.66                          | 0.65          |
| Mandatory ins. lines   | 7,475.46         | 6,839.36        | 55.74                         | 54.79         |
| MTPL   | 1,138.10         | 683.49          | 8.49                          | 8.34          |
| Mandatory insurance<br>(excluding mandatory<br>health ins. and MTPL) | 168.65           | 71.75           | 1.26                          | 1.24          |
| Mandatory health ins.  | 6,168.70         | 6,084.12        | 46.00                         | 45.21         |

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 141.2    | 140.5    |
| Nominal GDP (RUB billion)        | 41390.4  | 46823.6  |
| GDP per capita (USD)             | 9242     | 11335    |
| Real GDP growth, % change y/y    | -7.9     | 4.0      |
| Consumer price, % y-o-y, eop     | 8.8      | 9.5      |

According to the national watchdog, there were 666 insurers registered in Russia by the end of June 2010, of which 660 insurance companies and 6 mutual insurance companies, approx. 10% less operating entities than in June 2009.

A regional breakdown of the premium, as at June 30<sup>th</sup> 2010, shows that 54% of the premium volume comes from the Central Federal District, followed by the Volga Federal District, with about 12%, and the North-West Federal District, with a 10.2% share.

Top 5 Russian insurers are: ROSGOSSTRAKH (11.96% market share), SOGAZ (10.29%), INGOSSTRAKH (7.66%), RESO-Garantia (6.30%), ALFA Insurance (4.08%). All in all, the companies belonging to the ROSGOSSTRAKH Group cumulate a 13.45% market share, while the SOGAZ Group accounts for a 10.62% market share. In the top of the foreign insurers operating in Russia, the ROSNO-ALLIANZ Group - ROSNO, PROGRESS-GARANT and ALLIANCE -, holds the main position, with a 4.66% market share.

The main problem on the Russian insurance market continues to be dumping practices and low capitalization of insurers. Not all insurers will be able to increase the capital, which means that soon will follow a new wave of withdrawal from the market. However, there are some positive trends. Reflecting the overall economic stability in the country, premiums on the MTPL segment increased and credit insurance became more popular.

According to the latest news published by the Russian media, there is a serious concern of the authorities with regard to the low penetration of the property insurance. Recently, the President Dmitry MEDVEDEV spoke about the weak insurance protection of the Russian households and farms, showing that only 15% of the fire risks occurred and 20% of the destroyed crops were covered by insurance. As a result, it is very likely Russian authorities will soon discuss about introducing mandatory insurance policies for farmers and again the fire risk.

Courtesy to Olyga GERASIMOVA, Editor in Chief,  
REMARK Magazine and [www.ins-union.ru](http://www.ins-union.ru)



### Insurance market ranking (excluding mandatory health insurance)

| Nr.                 | Company                  | 1H 2010         |                 | MARKET SHARE  |
|---------------------|--------------------------|-----------------|-----------------|---------------|
|                     |                          | GWP             | CLAIMS          |               |
|                     |                          | EUR m.          | EUR m.          |               |
| 1                   | ROSGOSSTRAKH Group       | 894.36          | 459.07          | 11.96         |
| 2                   | SOGAZ                    | 769.48          | 231.55          | 10.29         |
| 3                   | INGOSSTRAKH              | 572.43          | 375.61          | 7.66          |
| 4                   | RESO Garantia            | 470.97          | 237.50          | 6.30          |
| 5                   | ALFA Insurance           | 305.10          | 144.90          | 4.08          |
| 6                   | VSK                      | 303.79          | 131.16          | 4.06          |
| 7                   | ROSN0                    | 277.72          | 239.86          | 3.71          |
| 8                   | SOGLASIE                 | 180.20          | 73.77           | 2.41          |
| 9                   | KAPITAL Insurance        | 178.53          | 35.69           | 2.39          |
| 10                  | MAKS                     | 155.22          | 54.61           | 2.08          |
| 11                  | URALSIB                  | 137.77          | 124.44          | 1.84          |
| 12                  | RENAISSANCE Group        | 136.89          | 92.60           | 1.83          |
| 13                  | JASO                     | 123.28          | 93.56           | 1.65          |
| 14                  | MSK Insurance Group      | 109.17          | 70.38           | 1.46          |
| 15                  | SPASSKYE Vorota          | 107.47          | 76.69           | 1.44          |
| 16                  | TRANSNEFTY               | 98.43           | 25.02           | 1.32          |
| 17                  | ZURICH                   | 92.34           | 80.59           | 1.24          |
| 18                  | YUGORYA                  | 83.71           | 51.95           | 1.12          |
| 19                  | ROSTRA                   | 77.84           | 24.94           | 1.04          |
| 20                  | VTB Insurance            | 73.86           | 24.04           | 0.99          |
| 21                  | ROSGOSSTRAKH             | 73.28           | 41.80           | 0.98          |
| 22                  | GENERALI PPF             | 67.69           | 2.56            | 0.91          |
| 23                  | SURGUTNEFTEGAZ           | 66.73           | 31.77           | 0.89          |
| 24                  | ENERGOGARANT             | 62.04           | 26.16           | 0.83          |
| 25                  | GUTA Insurance           | 55.17           | 34.23           | 0.74          |
| 26                  | ALICO                    | 51.80           | 15.38           | 0.69          |
| 27                  | PROGRESS Garant          | 49.15           | 38.25           | 0.66          |
| 28                  | ORANTA                   | 43.59           | 34.68           | 0.58          |
| 29                  | ROSSIA                   | 41.13           | 34.56           | 0.55          |
| 30                  | Russian Insurance Center | 40.72           | 7.41            | 0.54          |
| <b>TOTAL TOP 10</b> |                          | <b>4,107.80</b> | <b>1,983.71</b> | <b>54.94</b>  |
| <b>TOTAL TOP 20</b> |                          | <b>5,148.56</b> | <b>2,647.92</b> | <b>68.87</b>  |
| <b>TOTAL TOP 30</b> |                          | <b>5,699.86</b> | <b>2,914.73</b> | <b>76.24</b>  |
| <b>TOTAL MARKET</b> |                          | <b>7,476.24</b> | <b>3,532.94</b> | <b>100.00</b> |

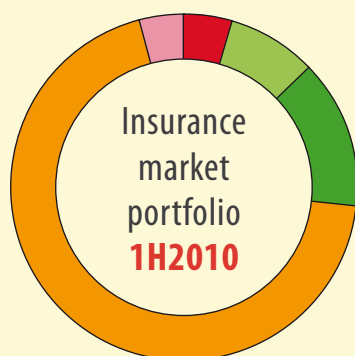
### Life insurance ranking

| Nr.                 | Company                    | 1H 2010       |              | MARKET SHARE  |
|---------------------|----------------------------|---------------|--------------|---------------|
|                     |                            | GWP           | CLAIMS       |               |
|                     |                            | EUR m.        | EUR m.       |               |
| 1                   | ALICO                      | 37.06         | 11.19        | 15.81         |
| 2                   | ROSGOSSTRAKH Life          | 29.48         | 4.59         | 12.58         |
| 3                   | ALFASTRAKHOVANIIE Life     | 18.63         | 0.80         | 7.95          |
| 4                   | RUSSIAN Standard Insurance | 17.21         | 0.83         | 7.34          |
| 5                   | ALLIANZ Rosno Life         | 13.86         | 1.50         | 5.91          |
| 6                   | GENERALI PPF Life          | 13.11         | 1.48         | 5.59          |
| 7                   | CIV Life                   | 12.03         | 0.41         | 5.13          |
| 8                   | GEOPOLIS                   | 9.90          | 4.16         | 4.22          |
| 9                   | CHULPAN Life               | 9.64          | 3.07         | 4.11          |
| 10                  | DISKONT                    | 7.65          | 6.06         | 3.27          |
| 11                  | SOGEKAP Life Insurance     | 7.33          | 0.23         | 3.13          |
| 12                  | SOGAZ Life                 | 6.81          | 5.06         | 2.91          |
| 13                  | ROSSIA                     | 6.09          | 1.35         | 2.60          |
| 14                  | RENAISSANCE Life           | 5.06          | 0.98         | 2.16          |
| 15                  | JASO Life                  | 3.94          | 1.64         | 1.68          |
| 16                  | INGOSTRAKH Life            | 3.77          | 0.79         | 1.61          |
| 17                  | KOLYMSKAYA                 | 3.70          | 1.62         | 1.58          |
| 18                  | ERGO Life                  | 3.25          | 0.16         | 1.39          |
| 19                  | NSG Life Insurance         | 3.22          | 0.45         | 1.37          |
| 20                  | RAIFFEISEN Life            | 2.67          | 0.07         | 1.14          |
| 21                  | ASKO Life                  | 2.39          | 2.24         | 1.02          |
| 22                  | MSK Life                   | 2.31          | 1.28         | 0.99          |
| 23                  | SURGUTNEFTEGAZ-Life        | 2.24          | 1.38         | 0.95          |
| 24                  | SOYUZ Life                 | 1.45          | 0.61         | 0.62          |
| 25                  | VSK Life                   | 1.36          | 1.96         | 0.58          |
| 26                  | ADMIRAL                    | 1.11          | 1.06         | 0.47          |
| 27                  | KAPITAL Life Insurance     | 0.95          | 0.18         | 0.40          |
| 28                  | URALSIB Life               | 0.87          | 1.73         | 0.37          |
| 29                  | ALLIANZ Rosno Life         | 0.73          | 2.12         | 0.31          |
| 30                  | AVIVA                      | 0.71          | 4.12         | 0.30          |
| <b>TOTAL TOP 10</b> |                            | <b>168.57</b> | <b>34.10</b> | <b>71.92</b>  |
| <b>TOTAL TOP 20</b> |                            | <b>214.41</b> | <b>46.46</b> | <b>91.48</b>  |
| <b>TOTAL TOP 30</b> |                            | <b>228.53</b> | <b>63.15</b> | <b>97.50</b>  |
| <b>TOTAL MARKET</b> |                            | <b>234.38</b> | <b>71.75</b> | <b>100.00</b> |



## UKRAINE

In the first half of 2010, Ukrainian insurance companies have managed to avoid bankruptcy, but had quite a difficult task to accomplish: to improve the quality of insurance services, to increase the capitalization and financial strength, as well as the liquidity of assets.



|                     |        |
|---------------------|--------|
| Life insurance      | 4.63%  |
| Personal insurance  | 8.19%  |
| Mandatory insurance | 14.04% |
| Property insurance  | 69.05% |
| Liability insurance | 4.10%  |

**Source:**

Insurance TOP Magazine  
Federal Insurance Supervision Service

**Ukrainian currency exchange rate for calculations:**

1 EUR = 10.755671 Hryvnia - UAH (June 30<sup>th</sup> 2009)  
1 EUR = 9.644959 Hryvnia - UAH (June 30<sup>th</sup> 2010)

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 45.9     | 45.7     |
| Nominal GDP (UAH billion)        | 824.3    | 955.8    |
| GDP per capita (USD)             | 2237     | 2534     |
| Real GDP growth, % change y/y    | -15.3    | 1.9      |
| Consumer price, % y-o-y, eop     | 12.3     | 16.0     |

Total assets on 30.06.2010 amounted to EUR4bn, insurance reserves – EUR920m and the share capital – EUR1.4bn. However, the insurance reserves of the insurers were practically impossible to invest in precious metals, mortgage certificates and long-term loans for housing. However, in the banking system there are placed over 44% of the total market assets, mainly on the current and short-term deposit accounts.

Retail insurance in the years 2005-2008 developed very rapidly, with the increasing rates of 60-75%. The fight for customers provoked dumping and deteriorating customer service. The financial crisis and weak management practiced by several companies in 2009 conducted to their collapse that spurred other insurance companies to change their strategy. These measures helped to improve the benchmarks but didn't avoid the decline in premiums (-28%). In general, retail segment has managed to avoid the panic, comparing to banking industry.

Potential clients of the retail insurance are 48-50% of Ukraine's population, representing 9.6 million households (average per household has 2.6 people.). This segment accounts for more than 70% of all country income.

Courtesy to Aleksandr ZALETOV, Deputy President of the Council of the League of Insurance Organizations of Ukraine (LIOU) and Editor in Chief, Insurance Top Magazine

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line       | 1H 2010 | 1H 2009 | Nominal Evolution (%) | % in LIFE/<br>NON-LIFE GWP | % in all GWP |
|---------------------|---------|---------|-----------------------|----------------------------|--------------|
|                     | GWP     | GWP     |                       |                            |              |
|                     | EUR m.  | EUR m.  |                       |                            |              |
| TOTAL MARKET        | 836.40  | 821.30  | 1.84                  | -                          | 100.00       |
| TOTAL LIFE          | 38.70   | 38.30   | 1.04                  | 100.00                     | 4.63         |
| TOTAL NON-LIFE      | 797.70  | 783.00  | 1.88                  | 100.00                     | 95.37        |
| Personal insurance  | 68.50   | 56.80   | 20.60                 | 8.59                       | 8.19         |
| Mandatory insurance | 117.40  | 101.90  | 15.21                 | 14.72                      | 14.04        |
| Property insurance  | 577.50  | 587.70  | -1.74                 | 72.40                      | 69.05        |
| Liability insurance | 34.30   | 36.60   | -6.28                 | 4.30                       | 4.10         |

Source: INSURANCE TOP



## Life insurance ranking

| Nr.          | Company          | 1H 2010 |        | NOMINAL EVOLUTION (%) | MARKET SHARE |
|--------------|------------------|---------|--------|-----------------------|--------------|
|              |                  | GWP     | CLAIMS |                       |              |
|              |                  | EUR m.  | EUR m. | EUR                   | %            |
| 1            | ALICO Ukraine    | 8.70    | 7.64   | 13.87                 | 22.48        |
| 2            | TAS              | 5.51    | 6.51   | -15.36                | 14.24        |
| 3            | RENEANS Life     | 3.61    | 2.26   | 59.73                 | 9.33         |
| 4            | PZU Ukraine Life | 2.01    | 1.10   | 82.73                 | 5.19         |
| 5            | UNIQA Life       | 1.89    | 1.07   | 76.64                 | 4.88         |
| 6            | BLAKITNYI Polis  | 1.38    | 1.38   | -                     | 3.57         |
| 7            | FORTIS Life      | 1.30    | 0.94   | 38.30                 | 3.36         |
| 8            | GARANT Life      | 1.03    | 1.32   | -21.97                | 2.66         |
| 9            | KD Life          | 0.81    | 1.60   | -49.38                | 2.09         |
| 10           | LEMMA Life       | 0.74    | 0.65   | 13.85                 | 1.91         |
| 11           | VIG-Yupiter Life | 0.58    | 0.40   | 45.00                 | 1.50         |
| 12           | YLICHEVSKAYA     | 0.55    | 0.46   | 19.57                 | 1.42         |
| 13           | USG Life         | 0.53    | 0.59   | -10.17                | 1.37         |
| 14           | ORANTA Life      | 0.49    | 0.52   | -5.77                 | 1.27         |
| 15           | ASKA Life        | 0.44    | 0.66   | -33.33                | 1.14         |
| 16           | EKKO             | 0.40    | 0.37   | 8.11                  | 1.03         |
| 17           | INGO Life        | 0.39    | 0.28   | 39.29                 | 1.01         |
| 18           | DELYTA Life      | 0.31    | 0.47   | -34.04                | 0.80         |
| 19           | UNIVERSALYNAYA   | 0.21    | 0.39   | -46.15                | 0.54         |
| 20           | TEKOM Life       | 0.15    | 0.34   | -55.88                | 0.39         |
| TOTAL TOP 10 |                  | 26.98   | 24.47  | 10.26                 | 69.72        |
| TOTAL TOP 20 |                  | 31.03   | 28.95  | 7.18                  | 80.18        |
| TOTAL MARKET |                  | 38.70   | 38.30  | 1.04                  | 100.00       |

## Non-Life insurance ranking

| Nr.          | Company              | 1H 2010 |        | MARKET SHARE |
|--------------|----------------------|---------|--------|--------------|
|              |                      | GWP     | CLAIMS |              |
|              |                      | EUR m.  | EUR m. | %            |
| 1            | KREMENY              | 54.30   | 0.80   | 6.81         |
| 2            | AXA Group            | 34.20   | 16.50  | 4.29         |
| 3            | ORANTA               | 31.10   | 15.60  | 3.90         |
| 4            | LEMMA                | 21.50   | 10.30  | 2.70         |
| 5            | PROVIDNA             | 21.30   | 12.50  | 2.67         |
| 6            | AVANTE               | 20.80   | 15.70  | 2.61         |
| 7            | INGO Ukraine         | 20.10   | 9.40   | 2.52         |
| 8            | UNIQA                | 19.90   | 10.50  | 2.49         |
| 9            | UPSK                 | 19.00   | 3.50   | 2.38         |
| 10           | Ukrainian Ins. Group | 17.70   | 10.50  | 2.22         |
| 11           | TAS                  | 14.10   | 5.60   | 1.77         |
| 12           | ASKA                 | 13.90   | 5.60   | 1.74         |
| 13           | GENERALI Garant      | 12.90   | 8.30   | 1.62         |
| 14           | UNIVERSALINAYA       | 12.30   | 3.70   | 1.54         |
| 15           | PZU Ukraine          | 12.10   | 4.30   | 1.52         |
| 16           | BROKBYSNES           | 8.50    | 3.70   | 1.07         |
| 17           | DOBROBUT             | 8.50    | 0.70   | 1.07         |
| 18           | OMEGA                | 8.20    | 1.40   | 1.03         |
| 19           | KNYAJA               | 7.40    | 4.20   | 0.93         |
| 20           | PROSTO Insurance     | 7.40    | 3.60   | 0.93         |
| TOTAL TOP 20 |                      | 259.90  | 105.30 | 32.58        |
| TOTAL TOP 30 |                      | 365.20  | 146.40 | 45.78        |
| TOTAL MARKET |                      | 797.70  | NA     | 100.00       |





## UZBEKISTAN

### All insurance lines ranking

| Nr.                 | Company           | GWP 1H 2010  | MARKET SHARE  |
|---------------------|-------------------|--------------|---------------|
|                     |                   | EUR m.       | %             |
| 1                   | UZAGRO Insurance  | 7.86         | 20.24         |
| 2                   | UZBEKINVEST       | 5.63         | 14.50         |
| 3                   | UVT Insurance     | 3.10         | 7.98          |
| 4                   | KAFOLAT           | 2.99         | 7.70          |
| 5                   | ALFA Invest       | 2.24         | 5.76          |
| 6                   | ASIA Insurance    | 1.99         | 5.13          |
| 7                   | INGO Uzbekistan   | 1.83         | 4.70          |
| 8                   | KAPITAL Insurance | 1.74         | 4.49          |
| 9                   | ALSKOM            | 1.46         | 3.77          |
| 10                  | AGRO Invest       | 1.29         | 3.33          |
| <b>TOTAL TOP 10</b> |                   | <b>30.14</b> | <b>77.60</b>  |
| <b>TOTAL MARKET</b> |                   | <b>38.84</b> | <b>100.00</b> |

### Retail segment insurance ranking

| Nr.                 | Company             | GWP 1H 2010  | MARKET SHARE  |
|---------------------|---------------------|--------------|---------------|
|                     |                     | EUR m.       | %             |
| 1                   | UZAGRO Insurance    | 4.57         | 37.95         |
| 2                   | KAFOLAT             | 1.62         | 13.42         |
| 3                   | ALFA Invest         | 1.28         | 10.65         |
| 4                   | ALSKOM              | 0.75         | 6.20          |
| 5                   | ASIA Insurance      | 0.74         | 6.13          |
| 6                   | KAPITAL Insurance   | 0.69         | 5.71          |
| 7                   | UZBEKINVEST         | 0.54         | 4.50          |
| 8                   | TRANSINSURANCE Plus | 0.34         | 2.83          |
| 9                   | UZBEKINVEST HAET    | 0.19         | 1.54          |
| 10                  | EUROASIA Insurance  | 0.16         | 1.37          |
| <b>TOTAL TOP 10</b> |                     | <b>10.87</b> | <b>90.30</b>  |
| <b>TOTAL MARKET</b> |                     | <b>12.04</b> | <b>100.00</b> |

### Market portfolio as of June 30<sup>th</sup>, 2010

| Business Line               | 1H 2010      |             | 1H 2009      |             | Nominal Evolution (%) | % in all GWP  |
|-----------------------------|--------------|-------------|--------------|-------------|-----------------------|---------------|
|                             | GWP          | CLAIMS      | GWP          | CLAIMS      |                       |               |
|                             | EUR m.       | EUR m.      | EUR m.       | EUR m.      |                       |               |
| <b>TOTAL MARKET</b>         | <b>38.84</b> | <b>6.09</b> | <b>28.76</b> | <b>4.00</b> | <b>35.07</b>          | <b>100.00</b> |
| <b>BY TYPE OF INS. LINE</b> |              |             |              |             |                       |               |
| MANDATORY                   | 13.28        | NA          | NA           | NA          | -                     | 34.20         |
| VOLUNTARY                   | 25.56        | NA          | NA           | NA          | -                     | 65.80         |
| <b>BY TYPE OF CLIENTS</b>   |              |             |              |             |                       |               |
| RETAIL                      | 12.04        | NA          | NA           | NA          | -                     | 31.00         |
| CORPORATE                   | 26.80        | NA          | NA           | NA          | -                     | 69.00         |
| <b>BY REGIONS</b>           |              |             |              |             |                       |               |
| TASHKENT                    | 20.67        | NA          | 16.22        | NA          | 27.45                 | 53.22         |
| REGION                      | 18.17        | NA          | 12.54        | NA          | 44.93                 | 46.78         |

| Macroeconomic indicators         | 2009 (e) | 2010 (f) |
|----------------------------------|----------|----------|
| Population (million inhabitants) | 27.5     | 27.9     |
| Nominal GDP (USD billion)        | 30.7     | 34.5     |
| Real GDP growth, % change y/y    | 7.6      | 8.0      |
| Consumer price, % y-o-y, eop     | 14.2     | 11.3     |

According to preliminary data, in the first half of 2010 the insurance market of Uzbekistan continued its trend of rapid growth. Also, almost all major indicators of the insurance market are experiencing growth performances compared to the previous year.

During 1H/2010 there were 33 insurance companies on the market, of which 30 specialized on non-life insurance, 2 life insurance companies and 1 reinsurer. There are 3 insurance brokers and 1 actuary.

#### Source:

Information and Rating Agency SAIPRO

According to [www.bloomberg.com](http://www.bloomberg.com), currency conversions were calculated for an average exchange rate of: UZS 2201.0903/EUR - in 1H2009 & 1H2010

### Corporate segment insurance ranking

| Nr.                 | Company            | GWP 1H 2010  | MARKET SHARE  |
|---------------------|--------------------|--------------|---------------|
|                     |                    | EUR m.       | %             |
| 1                   | UZBEKINVEST        | 5.09         | 18.99         |
| 2                   | UZAGRO Insurance   | 3.30         | 12.31         |
| 3                   | UVT Insurance      | 3.10         | 11.55         |
| 4                   | INGO Uzbekistan    | 1.74         | 6.48          |
| 5                   | KAFOLAT            | 1.38         | 5.14          |
| 6                   | ASIA Insurance     | 1.25         | 4.67          |
| 7                   | AGRO Invest        | 1.22         | 4.55          |
| 8                   | KAPITAL Insurance  | 1.06         | 3.94          |
| 9                   | ALFA Invest        | 0.96         | 3.57          |
| 10                  | TEMIRYOL Insurance | 0.94         | 3.51          |
| <b>TOTAL TOP 10</b> |                    | <b>20.02</b> | <b>74.71</b>  |
| <b>TOTAL MARKET</b> |                    | <b>26.80</b> | <b>100.00</b> |

# ASITO is your primary choice in insurance!

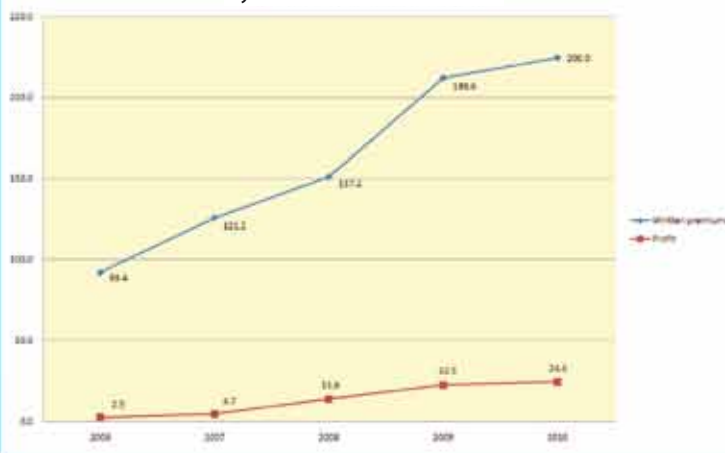
It possesses the biggest on-line sales network in Moldova - 41 offices!

It has the most skilled insurance team!

ASITO's assets constitute 20.5% of the total insurance market assets!

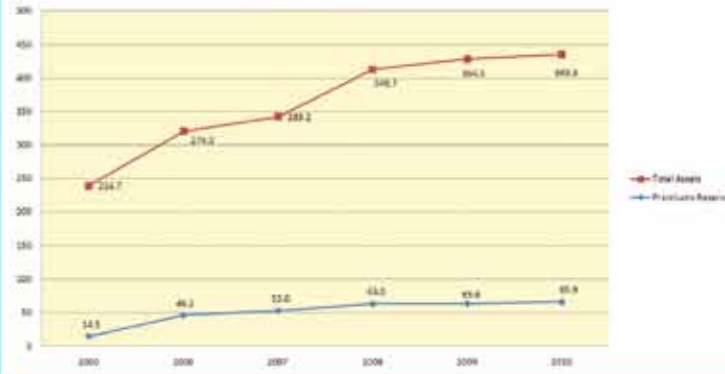
ASITO has demonstrated the most impressive GWP and profit growth in the recent years!

Dynamics of GWP and Profit



Unearned Premium Reserve

000' MDL



# Premiums remain stable



ALLIANZ in Central and Eastern Europe (CEE) reported for the first six months of 2010 a total premium increase of 5% to EUR2bn, from EUR1.9bn in the first half of 2009. Adjusted for the devaluation of CEE currencies, premiums dropped by 1%.

While the Life and Health business continued to grow, Property and Casualty insurance was impacted by weather-related losses during the second quarter, especially in Bulgaria, the Czech Republic, Hungary, Poland, Romania and Slovakia.

*Not only flooding, but also thunderstorms and prolonged rain showers plagued the region during the second quarter. I am very proud of my colleagues in the affected countries, who handled the claims of our customers both efficiently and with great service. Besides advance payments to cover immediate expenses or the sending of emergency supplies to various catastrophe areas, our services also included special teams who were dispatched to pre-identified policyholders based on claims predictions and weather forecasts. This was done even before our customers contacted us, said Werner ZEDELIOUS, Member of the Board of Management of ALLIANZ SE responsible for growth markets.*

In the **property and casualty business**, the value of GWP in CEE increased by 1% to EUR1.39bn in the first half of 2010, compared to EUR1.38bn in the respective period of 2009. Adjusted for currency effects, premiums dropped by 5%. Operating profit decreased by 54% in the first half year to EUR56m (adjusted for currency effects, the decrease amounted to 56%). Besides weather-related losses in the region, the continuing decline of new car sales across the region, resulting in a further shrinking new business volume in motor, further impacts the results. Furthermore, an increase of VAT in Romania from 19% to 24% leads to an additional revaluation of claims reserves. Also, in the countries affected by floods, storm and rain, ALLIANZ recorded more than 91,000 claims in Q2 alone.

In the **life and health lines** in CEE countries, the business increased by 18% in the first six months of 2010 to EUR607m, compared to EUR514m in the same period of 2009. Adjusted for currency effects, premiums increased by 11%.

Half-yearly operating profit grew to EUR45m, compared to EUR38m in the first half of 2009. This translates to an 18% increase, or internal growth of 14%.

One of the drivers of the positive development throughout the first six months of the year was the stable demand for traditional life products accompanied by successful sales campaigns for single premium products in countries such as the Czech Republic and Hungary. The Life and Health business saw some more remarkable positive developments. ALLIANZ in Croatia achieved the market leader position based on revenues.

## Renewal of Formula One™ partnership

ALLIANZ SE announced the renewal of the company's Formula One™ partnership.

An evaluation of various global sponsorship platforms and of ALLIANZ' activities over the past 10 years has shown that this partnership remains the strongest platform for global brand building and the communication of key safety messages to a worldwide audience. The emphasis on road safety issues will remain at the heart of an envisaged long-term partnership.

ALLIANZ first entered into Formula One™ sponsoring in 2000 by partnering with BMW Williams F1, in a bid to position the ALLIANZ brand on a global platform. This partnership is still linking Formula One™ related topics with ALLIANZ core lines of business, now in its 11th successful year. In 2002, trackside advertising was initiated to drive brand awareness worldwide, primarily targeting Europe and Asia.

## Brand value increases

ALLIANZ has achieved a strong placement in the INTERBRAND 2010 ranking of the most important global brands. ALLIANZ placed 67th, which is up 14 positions compared to 2009. According to INTERBRAND, the value of the ALLIANZ brand is now some EUR4.9bn, which represents an increase of 28% compared to 2009.

## ALLIANZ's ranking in CEE countries

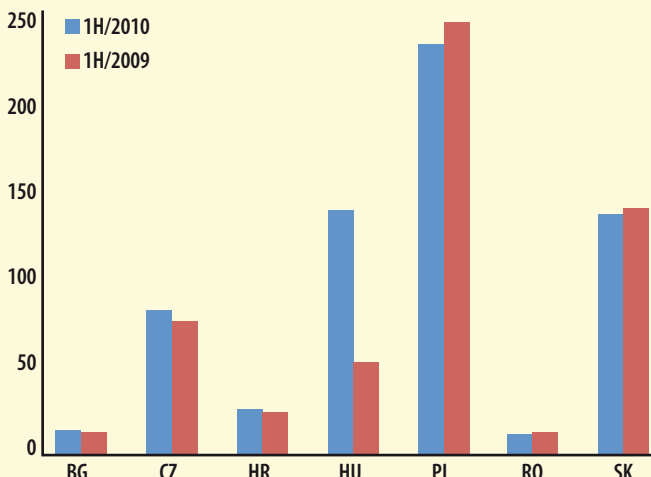
### On life segment:

- Market leader in Bulgaria, Croatia and Slovakia
- Ranked second in Hungary
- 5<sup>th</sup> place in Poland
- 6<sup>th</sup> position in Romania
- 7<sup>th</sup> position in Czech Republic

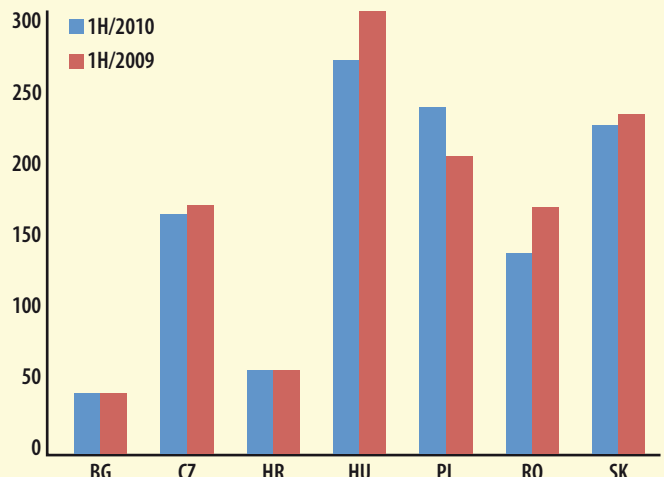
### On non-life segment:

- Market leader in Hungary and Slovakia
- Ranked second in Romania
- 3<sup>th</sup> place in Croatia and Czech Republic
- 4<sup>th</sup> position in Bulgaria and Poland

Life GWP(EUR m.)/CEE countries



Non - Life GWP(EUR m.)/CEE countries







# Above-average growth of the whole group in CEE

For the first half of 2010, consolidated gross revenues of AXA Group reached EUR49,925m, up 3% compared to first half year 2009. Total life/savings gross revenues were up 3% to EUR30,881m and property/casualty gross revenues were up 3% to EUR15,394m. The international insurance revenues were up 2% to EUR1,762m or remained stable on a comparable basis mainly driven by AXA Corporate Solutions Assurance (down 1% to EUR1,271m) and AXA Assistance up 5% to EUR392m. Asset management revenues increased by 11% to EUR1,670m and net banking revenues were up 12% to EUR218m.

**In Central and Eastern Europe, on life/health segment,** the gross revenues of AXA increased by EUR10m (4%) to EUR239m. On a comparable basis, gross revenues decreased by EUR5m (-2%) driven by lower Pension Funds revenues in Czech Republic partly offset by the improvement of traditional group life insurance contracts in Poland. APE (acquisitions, disposals and business transfers) increased by EUR41m (61%) to EUR109m. On a comparable basis, APE increased by EUR20m (25%) driven by Pension funds (EUR15m, 37%) and life and savings (EUR5m, 13%) benefiting from a strong performance in unit-linked products. The main country contributing to growth was Poland (EUR16m, 47%), mainly Pension funds, and to a lower extent Hungary (EUR6m, 45%), partly offset by Czech Republic (EUR-2m, -6%). Underlying earnings decreased by EUR3m (-38%) to EUR5m. On a constant exchange rate basis, underlying earnings decreased by EUR3m (-41%) due to a reduction in pension funds fees as a result of regulatory changes partly offset by portfolio growth and cost savings. As a result, the underlying cost income ratio increased by 5.6 points to 91.4%. Adjusted earnings decreased by EUR1m (-19%) to EUR5m. On a constant exchange rate basis, adjusted earnings decreased by EUR1m (-22%) as a result of lower underlying earnings partly offset by lower impairment on equity and fixed income securities. Net income decreased by EUR2m (-32%) to EUR4m (decreased by EUR2m (-34%) driven by adjusted earnings).

**On property/casualty segment,** gross revenues increased by EUR39m to EUR52m. On a comparable basis, gross revenues increased by EUR9m driven by Poland (36% or EUR5m) with continuing net inflows in Personal Motor (27,000 in 2010 and 35,000 in 2009) and Ukraine (17% or EUR4m) mainly in Motor despite a softening market and in health. Underlying earnings and adjusted earnings increased by EUR1m to EUR-4m reflecting EUR1m higher net technical result. Net income decreased by EUR2m to EUR-4m. In case of RESO GARANTIA (RUSSIA) underlying earnings, adjusted earnings and net income decreased by EUR5m (-32%) to EUR10m. On a constant exchange rate basis, underlying earnings, adjusted earnings and net income decreased by EUR6m driven by higher technical result due to both growth and improved loss ratio, more than offset by higher expenses and lower investment result including lower foreign exchange gains.

## Plans to extend business in emerging markets

According to BLOOMBERG, AXA SA will extend its presence in emerging markets. *We won't target all markets and we are not limiting ourselves to Asia,* said the Chief Executive Officer, Henri de CASTRIES, in an interview with French newspaper LES ECHOS.

Separately, de CASTRIES, alluding to the global financial crisis, said Europe has a *formidable competitive advantage* in its savings rate. The region misses an opportunity to do more with those savings because they are invested at sub-optimal levels, said Henri de CASTRIES.

## AXA will invest massively in Romania

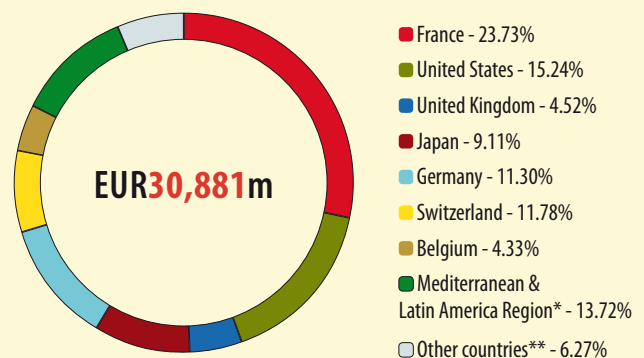
AXA Group is decided to invest massively in the local insurance market, to develop a quality and sustainable business in the life insurance field, and this is demonstrated by the strategy promoted by the group in Central and Eastern Europe, stated Violeta CIUREL (photo), the new President of AXA Life Insurance (former OMNIASIG Life), in an interview for XPRIMM TV.



Regarding the development of the company, the President of AXA Life Insurance underlined that the intention is to massively extend the range of products. *Right now, there are in the company's portfolio only traditional and protection products, as well as health insurance, but we will come with new products very soon,* continued Violeta CIUREL.

*Therefore, the company's intention is to develop more products, distribution channels and to offer to customers the products and services they need, at very high standards and quality, and I personally commit in front of consumers to see that these things happen as soon as possible,* concluded the President of the insurer.

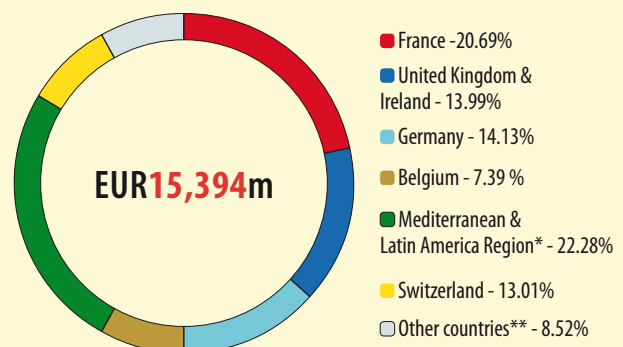
### Consolidated gross revenues - life & savings segment



\* includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Mexico

\*\* includes Canada, Asia, Luxembourg and Central and Eastern Europe

### Consolidated gross revenues - property & casualty segment



\* includes Italy, Spain, Portugal, Greece, Turkey, Morocco and Mexico

\*\* includes Canada, Asia, Luxembourg and Central and Eastern Europe



# The positive trend has continued

From January to June 2010, total premium income across all segments was up by 7.5% to EUR10.4bn (EUR9.7bn). Gross premiums written in accordance with IFRS, i.e. excluding savings premiums of unit-linked and capitalization products, rose by 5.4% to EUR9.4bn (EUR8.9bn). Increases were recorded in all segments but most especially in International which recorded growth of 14.7% (total premium income) and 14.6% (gross written premiums). Here, compared with the same period last year, positive developments in exchange rates were also evident in major international markets such as Poland and Turkey. Total premium income from Germany and abroad would have risen by 6.7% if adjusted to take into account the impact of exchange rates.

**Distribution of GWP**



The investment result for the first six months of 2010 stood at EUR2.9bn (EUR1.8bn) which, at 61.9%, is considerably more than for the same period last year. This is mainly due to the net amount from gains and losses on disposals and write-ups and write-downs: during the reporting period ERGO recorded a profit of EUR551m, compared to the loss of EUR570m made in the same period of the previous year. Operating income, at EUR2.49bn (EUR2.47bn), was generally on par with last year's results.

Total net insurance benefits were up by 15.2% to EUR9.0bn (EUR7.8bn) in the first six months of 2010. This is predominantly based on expenses incurred for premium refunds with our personal insurers which rose significantly to EUR1,049m (EUR223m) as a result of the dramatically improved investment result. In addition, appropriations to provisions for future policy benefits rose by EUR330m compared to the same quarter in the previous year. With an increase of 1.4%, pure claims expenditure was virtually on par with last year's level. Although only a slight rise was recorded in the combined ratio for domestic property-casualty insurance (including legal expenses) in the first half-year, 91.1% (90.6%), property-casualty insurance recorded from our international business rose to 105.5% (103.0%). This was mainly on account of the long and severe winter, as well as flood damage in the second quarter.

An 8.9% increase in net operating expenditure was recorded for the first six months of the year. The technical result for the first six months of 2010 stood at EUR217m (EUR459m). Investments as at June 30, 2010 were EUR117bn (December 31, 2009: EUR113bn). The net amount from realized gains and losses on other securities available for sale is EUR2.6bn after EUR2.3bn at the end of the previous year. Shareholders' funds, including minority interests as at June 30, 2010, amount to EUR4.0bn following EUR3.9bn as at December 31, 2009. This is mainly due to the rise in earnings reserves in the 2009 consolidated accounts after the payment of dividends.

## Romania: UNICREDIT and ERGO Asigurari de Viata are selling life insurance with performance reported to the S&P 40 BRIC index

UNICREDIT Tiriac Bank and ERGO Asigurari de Viata have announced the launch of a new life insurance product, bearing an investment component, entitled ERGO Oportun. This index-linked life policy offers the possibility of investment through the STANDARD&Poor's 40 BRIC index, based on the evolution of the shares of the 40 most important companies in Brazil, Russia, India and China. The minimum investment for the ERGO Oportun product is that of EUR3,000, and the underwriting period closes on November 30th, 2010. Among other advantages offered by this product, there is also a 100% guarantee from UNICREDIT Bank AG Munchen, the entity which will be responsible with managing the assets, on the invested capital. Just as well, the policy offers the possibility of increased income through the participation in the benefits offered by the growth on the S&P BRIC 40 index, as well as surrendering the contract at the current market worth.

The composition of the S&P BRIC 40 index takes into account fields of activity acknowledged by 4 countries as having a major economic impact: natural resources, energy and financial services. Financial experts estimate that BRIC economies will in fact end up by dominating the world economy. Just the same, ERGO Oportun offers life protection all throughout the unfolding of the contract, a minimum of 110% of the invested capital. This unit-linked insurance product is the second one launched on the Romanian market by UNICREDIT Tiriac Bank and ERGO Asigurari de Viata, as part of their partnership consisting of selling life insurance through the banking infrastructure, as part of a more extensive collaboration between the two entities on the European market.





## Huge rise in profit

EUREKO ended the first half of 2010 with a good net profit of EUR864m, a significant increase compared to the figure of EUR115m for the same period last year. The settlement with the Polish government in respect of insurer Powszechny Zakład Ubezpieczeń S.A. (PZU S.A.) was a major factor in this increase. Gross written premiums increased modestly to EUR10.7 billion (1H/2009: EUR10.5 billion).

*Our cooperative group performed strongly in the first half of 2010 and our financial position improved further. Serving our customers with good insurance at a reasonable price is our prime objective. That is why efficiency, reducing complexity and enhancing operational excellence will remain a priority,* comments Willem van DUIN, Chairman of the Executive Board (photo).



By insurance classes, **health** is a core business for EUREKO. It represents 58% of total EUREKO gross written premiums. Under the ACHMEA umbrella in the Dutch market, EUREKO offers basic and supplementary health insurance. In Greece, Russia, Slovakia, Romania and Turkey, EUREKO offers basic, supplementary and private health insurance. Overall, the gross written premiums from health insurance increased by 7% to EUR6,189m (1H/2009: EUR5,766m). Premiums from policyholders increased 5% to EUR2,955m (1H/2009: EUR2,808m) through growth in number of and higher premiums per policyholder. Contributions from the Dutch State increased by EUR275m to EUR3,234m.

EUREKO's **non-life business** accounts for 23% of total gross written premiums. EUREKO operate on non-life insurance market in Netherlands, Turkey, Greece, Russia, Slovakia, Romania and Bulgaria. In May 2010, EUREKO sold its Cyprus activities via a management buyout. In July 2010, EUREKO announced the sale of AVÉRO Insurance Belgium to Swiss insurance company BALOISE for EUR75m. In the first half of 2010, EUREKO achieved total gross written premiums of EUR2,441m (1H/2009: EUR2,368m and, if Cyprus is excluded, EUR2,363m). The growth of 3% is primarily in the Netherlands, Greece and Turkey.

The GWP on **life insurance** decreased by 12%, from EUR2,368m in 1H/2009 to EUR2,083m in 1H/2010 due primarily to increasing competition from banks (fiscally facilitated saving products) and in the Group pensions business. Profit before tax in the first half of 2010 is EUR100m (1H/2009: EUR117m). The value of new business decreased to EUR6m (1H/2009: EUR11m).

### EUREKO sells EUROCLINIC Hospital and EUROCLINIC Medical Centers in Romania

EUREKO signed an agreement to sell EUROCLINIC Hospital (photo) and EUROCLINIC Medical Centers in Romania to CENTRUL MEDICAL UNIREA (CMU). After the transaction, EUREKO Asigurari health insurance clients will have access to the medical facilities of the new group. Closing of the deal is expected before year end 2010. Finalization of the transaction is subject to approval by the regulatory authorities.

EUROCLINIC has a hospital and three medical centers through which it provides medical services. EUROCLINIC has 350 employees and realized just under EUR8m revenue in 2009.



CMU is a top-class Romanian healthcare services provider which has 18 clinics, an imaging center and in-patient facilities for surgery and maternity. Its ambitious development plans are backed by ADVENT International, one of the world's largest private equity groups.

### About the business with GARANTI



In Turkey, EUREKO currently has a 15% stake in GARANTI Emeklilik, partner GARANTI Bank's Life and Pension business. EUREKO has the option to acquire a further 35% of this business. The option can be exercised from mid-June 2010 through mid-June 2012. On the other hand, GARANTI Bank has a put option on 20% of the shares in EUREKO Sigorta that can be exercised from July 2010. To date, no option has been exercised.

### New CEO in Russia

EUREKO has appointed Reinhard STARY to the position of General Director and Chief Executive Officer (CEO) of its operating company ORANTA Insurance in Russia, effective September 1, 2010. STARY has held several senior management positions with ZURICH FINANCIAL SERVICES Group. He was Deputy CEO of ZURICH Insurance in Russia from 2008 to 2009. STARY replaces Sergey USTYUKOV, who will remain a member of the Board of ORANTA and act as an advisor to Reinhard STARY. *Mr. USTYUKOV has greatly contributed to ORANTA's achievements and success in Russia during the last 15 years and we thank him for that,* said EUREKO Executive Board member, Thomas van RIJCKEVORSEL. *To take over this key role for EUREKO, we are pleased to appoint someone with Mr. STARY's strong background and track record.*



# Strong growth in an uncertain environment

In a first half affected by continuing economic uncertainty and high volatility on the financial markets, the GENERALI Group confirmed the growth trend of recent quarters, closing the first six months of 2010 with significant growth in both production and net profit.

First-half net profit was EUR873m (+73.2%; EUR504m at June 30, 2009). A key factor was the strong improvement in the Life operating result to EUR1.6bn (+23.5%), the best half-year result in the Life segment for the past three years, bringing the total operating result to EUR2.2bn (+14.5%; EUR1.9bn at June 30, 2009).

This performance was driven by Life net inflows, the improvement in financial margins and containment of costs. GENERALI Group continued to report robust production growth, with total gross written premiums of EUR38.1bn (+9.1%; EUR34.7bn at June 30, 2009), reflecting an increase in Life premiums to EUR26.4bn (+13.3%) and a small rise in Non-Life premiums to EUR11.8bn (+0.7%), despite the difficult macroeconomic situation.

According to the Group press release, the healthy first-half performance was also supported by cost-cutting measures. The expense ratio decreased to 14.9%, from 15.9% at June 30, 2009. This reflected a lower proportion of acquisition costs (from 12.5% to 11.8%), as well as action to contain administrative expenses, which decreased to 3.1% (3.4% in the first half of 2009).

On life insurance segment, against a market backdrop characterized by a steep interest-rate curve, very low short-term yields and uncertainty on the equities markets, life production reflected the strength of the Group's strategy based on product quality and an offer focused on traditional medium/long term policies, multi-channel distribution and geographical diversification. Life gross written premiums for the first half rose to EUR26,351m (+13.3%; EUR23,124m in the first half of 2009), confirming the growth trend since the beginning of the year.

The Life segment's excellent first half reflected contributions

## GWP breakdown by business region

| Region  | LIFE GWP EUR m. |         | NON-LIFE GWP EUR m. |         |
|---------|-----------------|---------|---------------------|---------|
|         | 1H 2010         | 1H 2009 | 1H 2010             | 1H 2009 |
| Italy   | 6.753           | 5.757   | 3.610               | 3.566   |
| France  | 6.505           | 6.431   | 2.128               | 2.037   |
| Germany | 6.743           | 5.998   | 1.828               | 1.855   |
| CEE     | 824             | 781     | 1.159               | 1.091   |

## No GENERALI - MEDIOBANCA merger



**MEDIOBANCA**  
Banca di Credito Finanziario S.p.A.

According to BLOOMBERG BUSINESSWEEK, Assicurazioni GENERALI Chairman, Cesare GERONZI, doesn't plan a merger with the insurer's biggest shareholder MEDIOBANCA SpA, the executive told LA REPUBBLICA in an interview.

GERONZI also said he didn't act to oust Alessandro PROFUMO from UNICREDIT and that what happened in the last period at UNICREDIT created *great damage to Italy* and gave the *international markets a poor demonstration of what is the Italian financial system*, the Italian daily reported.

## Changes in the Management Board of GENERALI Group Poland

GENERALI Group in Poland will have a new President of the Management Board. Mr Andrzej JARCZYK decided, in a situation of up-coming expiry of the term of office of the current Management Board, not to serve for the next period. As of the November 1, 2010, the office of President of the Group's Management Board will be taken by Mr. Artur OLECH, the current Deputy President of the Management Board of the life GENERALI Życie T.U. S.A. company, as well as Member of the Board of the non-life GENERALI T.U. S.A. company. Mr. OLECH has been involved in the activity of GENERALI Group in Poland for 11 years, i.e. since the beginning of the activities in Poland.

*We have decided to appoint Mr. Artur OLECH as President of the Management Board of GENERALI Group in Poland, not only because he has been familiar with the Group's activity in Poland since the very beginning and is the creator of the recent success of GENERALI on the life and pension insurance market, but most of all because he is a guarantee for continuity and unwavering further development of GENERALI on the Polish market, says Klara STARKOVA, Chairwoman of the Supervisory Board of GENERALI in Poland.*

from all the Group core countries. Italy reported growth of 17.3%, driven above all by traditional individual policies distributed through the proprietary networks and by supplementary pension plans. The agency channel continued to make excellent progress (+10.7%), outperforming the market. Performance in traditional policies was also a key factor in production in Germany (+12.4%) – with a significant contribution from the Health line (+19.8%) – and in Austria (+10.8%). Premium growth was also reported in France (+1.2%), thanks to individual linked policies. The contribution from countries in **Central Eastern Europe** was substantially stable (-0.5%). Among the emerging countries Life production improved in China (+48.5%) and South America (+33.6%).

On **non-life segment**, despite the difficult macroeconomic situation in the Group core countries, Non-Life gross written premiums increased to EUR11,778m (+0.7%; EUR11,558m at June 30, 2009), reflecting, in particular, growth in direct business premiums in the Non-Motor lines (+1.9%). Non-Life performance was the outcome of healthy progress in Italy (+1.2%) and France (+4.4%). Results in Germany (-1.5%) and **Central Eastern Europe** countries (-2.3%) were largely due to the continuing adverse trend in the Motor business.

The combined ratio was 98.8% (97.9% in the first half of 2009), with an increase in the loss ratio mainly as a result of a series of catastrophic events (the Xynthia windstorm, floods in France and Eastern Europe, the earthquake in Chile), which accounted for 2.3 percentage points of the combined ratio, compared with an impact of 2 p.p. in the first half of 2009. The trend was positive in Italy, where the combined ratio improved by 3 p.p. to 99.5% thanks to the reduction in the loss ratio, specifically as a result of a decrease in catastrophic events, cost-cutting measures and early signs of an improvement in the Motor business. The worsening of the combined ratio in CEE countries was largely determined by natural catastrophes which accounted for 7.1 percentage points.





Groupama

# Increase in a difficult environment

As at June 30, 2010, the consolidated premium income of GROUPAMA S.A. was up 3.4% to EUR8.6bn (on a like-for-like basis, it rose 4.4%). Consolidated premium income for the insurance business rose 3.6% to EUR8.5bn (growth was 4.6% on a like-for-like basis). Life and health premium income grew 3.3% on a reported basis and 5.6% on a like-for-like basis. Property and casualty premium income was up 3.8% on a reported basis figures and up 3.6% on a like-for-like basis.



Commenting on the 2010 half-year results, Jean AZÉMA (photo), GROUPAMA's Chief Executive Officer, said: *Since the beginning of the year, GROUPAMA has been close to the results of the first half of 2009, with sustainable activity in a difficult economic context and profit impacted by climate-related claims.*

In France, on "home market", insurance premium income was up 4.2% over June 30, 2009, at EUR6,238m. On property and casualty insurance, the rise of 3.4% was produced by motor insurance, which increased with 5.2%. Life and health insurance premium income rose 4.7% especially because this growth was mainly generated by the individual savings/retirement segment whose premium income after an exceptional year in 2009 continues to grow, with an increase of 5.8%.

On international markets, the Group's consolidated premium income totaled EUR2,265m as at June 30, 2010, up by 5.7% over June 30, 2009. The Group saw the growth rate of its business exceed the average rate of the market in the main countries in which it operates. Property and casualty insurance posted premium income of EUR1,673m as at June 30, 2010, up 3.9% over June 30, 2009. Growth in motor insurance (3.2%), household insurance (4.8%) and commercial insurance (8.8%) contributed to this increase. Life and health insurance premium income rose 11.0% to EUR592m, driven by the individual savings/retirement segment. This segment represents 53.4% of premiums written in life and health insurance and was up 15.0% notably as a result of successful promotional campaigns in Hungary, Italy and Portugal. In spite of the decline in the financial markets and the impact of the climatic event Xynthia, the net profit (Group share) amounted to EUR127m as at June 30, 2010. It was EUR166m as at June 30, 2009.

Gross technical reserves totaled EUR71.9bn as at June 30, 2010, up from EUR69.2bn as at December 31, 2009. The Group's solvency I ratio was covered at 153% as at June 30, 2010.

## New company dedicated exclusively to the tourism industry

In September 2010, GROUPAMA has created GROUPAMA Assistance Voyage, a new company that brings together, under a single brand, all of the Group's travel-related insurance and assistance business lines: GAN EUROCOURTAGE for the insurance business, PRÉSENCE ASSISTANCE TOURISME for the distribution business and MUTUAIDE for the assistance and repatriation business. This global solution it covers not only the tourism products distributed to customers by tour operators and offline and online agencies, but also their own operating risks (TPL, non-life, social welfare etc.), as well as those of their associates.

## New General Manager at GROUPAMA Asigurari Romania

GROUPAMA Asigurari will have a new General Manager - announced the company on July 26, 2010. The current General Manager, Denis ROUSSET, will end his term in Romania in fall and will be succeeded by Sanda NICOARA (photo), who is currently Deputy General Manager and Manager of operations of the company.

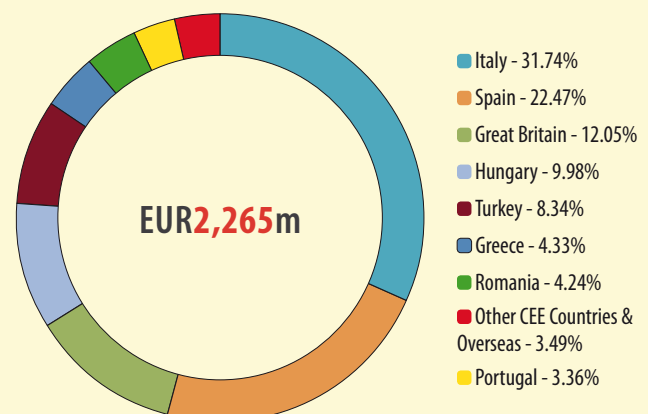


GROUPAMA Asigurari was created when ROUSSET reunited three companies that the group acquired on the local market: ASIBAN, BT Asigurari and OTP Garancia, which all merged and formed GROUPAMA. ROUSSET will take over the position of Chief Controller at the level of the entire Group.

## Territorial distribution of GWP

| Territory                                | GWP (EUR m.) |
|--|--------------|
| <b>TOTAL</b>                             | <b>8,503</b> |
| I France                                 | 6,238        |
| II International & overseas              | 2,265        |
| A South Western Europe                   | 585          |
| Spain                                    | 509          |
| Portugal                                 | 76           |
| B South Eastern Europe                   | 1,006        |
| Italy                                    | 719          |
| Turkey                                   | 189          |
| Greece                                   | 98           |
| C Central and Eastern European Countries | 322          |
| Hungary                                  | 226          |
| Romania                                  | 96           |
| D Great Britain                          | 273          |
| E Other CEE & Overseas                   | 79           |

## Territorial distribution of GWP on International Markets





# Central and Rest of Europe: 7% of total premiums



For the first half of 2010, net result for ING Insurance totaled EUR112m.

Also, ING Insurance posted an underlying net result of EUR186m in the first six months of 2010, up from EUR-609m in the same period last year, as market conditions improved and the volume growth in insurance remained healthy.

Insurance results were impacted by the sharp decline in equity markets in the second quarter of 2010. ING Insurance's underlying result before tax increased to EUR220m from EUR-684m in the first six months of 2009.

Total underlying income from the insurance operations for the first six months increased 14.7%, to EUR20,882m from EUR18,206m in the same period last year.

Total assets increased by EUR42bn, or 14.5%, to EUR332bn compared to December 2009. Shareholders' equity rose by EUR4.7bn or 29.9%, to EUR20.6 bn.

Total premium income decreased by 6.0% to EUR15,058m most notably in the US and Latin America. In Central and Rest of Europe, premiums increased by 6%, totaling more than EUR1,06bn. This region has produced more than 7% of total premiums made by the company.

Investment and other income increased by 269.3%, to EUR4,926m in the first six months of 2010 compared with EUR1,334m in the same period a year ago, mainly driven by revaluations from no trading derivatives hedging guarantees on and interest rate risk in the US and Japan closed block variable annuity businesses.

The operating result from life insurance and investment management increased to EUR1,122m from EUR1,057m in the first six months of 2009. Fees and premium-based revenues increased 12.9% to EUR2,412m, driven by higher premium-based revenues in Asia, following higher sales of corporate-owned life products in Japan and of endowment products in Hong Kong.

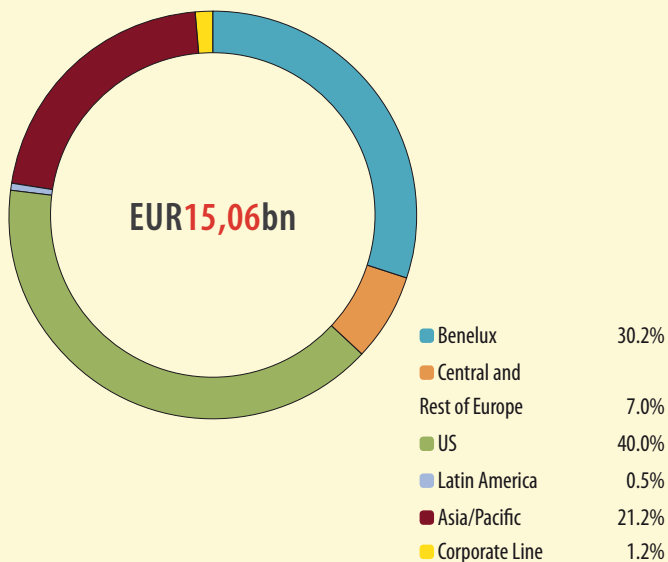
The technical margin of EUR360m decreased from EUR473m in the first six months of 2009. This decline was largely attributable to lower mortality results in the US, lower surrender results in Central & Rest of Europe, and a EUR54m one-off release of a morbidity provision in the Benelux in the second quarter of 2009.

The non-life operating results of EUR117m improved by 12.5% compared with the first six months of 2009 due to higher investment income and lower expenses.

## Gross premium income by Regions (EUR m.)

| Region                     | 1H 2010       | 1H 2009       | Change       |
|----------------------------|---------------|---------------|--------------|
| Benelux                    | 4,597         | 4,112         | 11.79        |
| Central and Rest of Europe | 1,065         | 1,005         | 5.97         |
| US                         | 6,086         | 7,251         | -16.07       |
| Latin America              | 69            | 107           | -35.51       |
| Asia/Pacific               | 3,228         | 3,536         | -8.71        |
| Corporate Line             | 188           | 172           | 9.30         |
| <b>Total by Regions</b>    | <b>15,233</b> | <b>16,183</b> | <b>-5.87</b> |
| Eliminations               | -175          | -156          | 12.18        |
| <b>Total</b>               | <b>15,058</b> | <b>16,027</b> | <b>-6.05</b> |

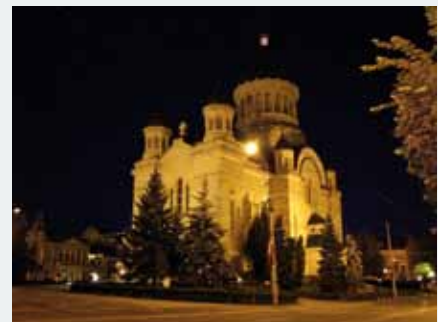
## Distribution by regions of gross premium income



## ING inaugurated in Romania, Cluj-Napoca, a Regional Service Center for customers in Central Europe

The life insurance division of ING Group opened on September 8th, 2010, at AMERA Tower building in Cluj-Napoca, the Regional Center Services for Central European countries - ING Service Center Europe. It will centralize the functions of several finance departments, IT and Operations of ING Central Europe insurance subsidiaries, the company's officials announced. ING Group is thus creating 300 new jobs in the local market this year, following their number to reach 1,000 by 2013.

The center in Cluj-Napoca is part of a regional project of ING Insurance Central Europe, to improve customer service and increase the efficiency of life insurance activity in the Central and Eastern European



zone, that the group started in 2008. The Center will unify the activities of the Finance, IT, Risk and Operations departments of ING in Romania, Slovakia, Poland, Hungary, Spain and Greece, providing shared back-office services to insurance customers within these countries, while the marketing and sales activities will continue to be delivered locally, in each market in the region.

The objectives of the ING Regional Center of Services consist both in the centralization and the consolidation of activities for clients, on one hand, and in conducting service activities as an independent business and delivering them at competitive costs and high quality, with the advantages of regional expertise.



# Weather conditions affecting indicators

The net result for the first six months of the 2010 financial year amounted to EUR591m (a year earlier, the same indicator was EUR-3.3bn). In 1H/2010, gross earned insurance premiums stood at EUR2,392m, down 7% on the year-earlier figure. Net of technical charges and the ceded reinsurance result, technical insurance income came to EUR147m. The claims level continued to be high during first half of 2010 because of factors such as Xynthia storm and flooding in Central Europe.

Analyzing only the **second quarter of 2010** (April-June), gross earned insurance premiums amounted to EUR1,146m, which breaks down into EUR666m for life insurance and EUR480m for non-life insurance. On Belgian insurance market, gross earned insurance premiums in the second quarter amounted to EUR721m and break down into EUR465m for life insurance and EUR256m for non-life insurance.

In **Central and Eastern Europe**, in the second quarter of 2010, gross earned insurance premiums amounted to EUR358m, which breaks down into EUR164m for life insurance and EUR194m for non-life insurance. On an organic basis, the non-life premium income increased some 3% compared with the previous quarter, but fell 6% year-on-year (mainly due to lower sales in Poland).

The technical results of the non-life insurance activities in the region were negatively affected by the bad weather conditions (floods and storms) in the region in May and June, bringing the combined ratio in the quarter under review to a high 117%. Following an already high combined ratio in the first quarter (110%), the six-month ratio now stands at 114% for the region as a whole.

With the positive exception of the Czech Republic (95%), the six-month combined ratio now surpasses 100% in all the other countries (120% for Poland, 113% for Bulgaria, 110% for Hungary and 106% for Slovakia).

Life sales, including unit-linked products (which are not included in the premium figures under IFRS) amounted to EUR278m in the quarter under review. On an organic basis, this is a significant increase on both the previous and year-earlier quarter (+24% and +19%, respectively), thanks mainly to increased sales of unit-linked insurance products, especially in Poland and the Czech Republic. At June 30, 2010, the outstanding life reserves in this business unit amounted to EUR1.9bn.

## Rankings of the insurance companies owned by KBC in CEE (1H 2010)

| Country        | Name of subsidiary | Life insurance | Non-life insurance |
|----------------|--------------------|----------------|--------------------|
| Bulgaria       | DZI                | 2              | 2                  |
| Czech Republic | CSOB               | 5              | 6                  |
| Hungary        | K&H                | 12             | 6                  |
| Poland         | WARTA              | 3              | 3                  |
| Slovakia       | CSOB               | 7              | 8                  |
| Slovenia       | NLB                | 6              | 14                 |

## Gross earned premiums by regions (EUR m.)

| Region       | 1Q 2009 | 2Q 2009 | 1Q 2010 | 2Q 2010 |
|--------------|---------|---------|---------|---------|
| CEE          | 254     | 265     | 303     | 358     |
| Belgium      | 957     | 891     | 839     | 721     |
| Group Centre | 97      | 101     | 107     | 66      |

## SECURA - out for sale

In July, KBC Group and QBE Insurance Group reached an agreement on the sale of reinsurance company SECURA NV for a consideration of EUR267m plus gains to be realized on the investment portfolio and earnings for the year 2010 until completion. For KBC, the transaction will result in a capital release of EUR139m, based on an estimate of the gains and profit for the year.

*We have known SECURA for many years. They have an unique client base, a long track record of profitability and an excellent team of experienced insurance professionals. Together, the combined expertise and strength of QBE and SECURA's reinsurance offering present a significant platform for growth and development, comment the acquisition Frank O'HALLORAN, CEO, QBE.*

SECURA NV is a specialized European non-life and life reinsurer with a diversified and Europe-focused customer portfolio. The company is located in Brussels and employs 86 staff. SECURA operates on a stand-alone basis within the KBC group and has consistently returned excellent operating results. At the end of 2009, SECURA contributed EUR28.6m to KBC Group's consolidated net profit. The transaction will immediately release an estimated EUR139m in capital for KBC and will have a positive impact of 10 basis points on KBC's tier-1 ratio. The transaction is expected to close in the third quarter and is subject to relevant regulatory approvals.

[www.insurance.1asig.ro](http://www.insurance.1asig.ro)

# Profit shrinks to EUR300m

Poland's largest insurer, PZU (Powszechny Zakład Ubezpieczeń) said that consolidated net profit fell by 49% in the first half of the year due to a weaker investment result and flood-related claims. PZU posted consolidated net profit of EUR300m, down from EUR580m a year earlier.

For the full year, the insurer's net profit will be at least EUR250m (PLN1bn) lower than last year's figure of EUR950m, the company's CEO, Andrzej KLESYK, stated.

However, he expects a significant improvement in the company's performance in the second half of the year. *Provided, of course, there won't be any major disasters*, KLESYK said.

In the first six-months of the year, PZU's gross written premium fell by 1.2% to EUR1.9bn, due to lower premiums in its non-life insurance business, which was only partly offset by higher premiums in life insurance.

Also, net income from investment activity fell by 16% to EUR320m, due to changes in the value of equities and bonds held in the insurer's portfolio.

In addition, PZU's own capital shrank by half in the first six months, to EUR2.87bn from EUR5.67bn, after the company paid over EUR3.2bn this year earlier as dividend within the settlement between the two major shareholders that ended a decade-old conflict over the ownership of PZU.



## About May 12, 2010



WARSAW  
STOCK  
EXCHANGE

The PZU Group was floated on the Warsaw Stock Exchange on May 12, 2010. This was one of the largest offerings in 2010 in Central and Eastern Europe and the largest one in the history of the Warsaw Stock Exchange. The floatation ended the conflict that had been pending for more than 10 years between the two largest shareholders: the State Treasury and the Dutch insurance Group EUREKO. Approximately 30% of PZU's share capital was offered, comprising around 20% from EUREKO and 10% from the Polish State Treasury. After the IPO, EUREKO continued to hold a minority stake of 13% in PZU.

## In court with GOODYEAR?

According to WARSAW BUSINESS JOURNAL, PZU has tried to cooperate amicably with tire maker DEBICA's majority shareholder, GOODYEAR, in resolving its issues over the transparency of DEBICA's accounts. The insurer, which itself holds a significant minority stake in DEBICA, even wrote a letter to the head of GOODYEAR, proposing a peaceful resolution to their differences, but its advances were rebuffed. The question at hand concerns doubts over whether GOODYEAR (which owns 66% of DEBICA's shares) is rewarding minority shareholders fairly or perhaps funneling profits to other parts of the business group. PZU asked the company and then a court to shine some light on the situation and DEBICA was ordered on July 14 to deliver financial agreements and other documents to PZU by August 2 in order to clarify the situation. The company has so far failed to deliver the documents. Now, PZU feels it has no other option but to take GOODYEAR to court.

## EUR1.2bn for new acquisitions?



According to WARSAW BUSINESS JOURNAL, PZU has revealed that it could spend EUR1.2bn (PLN5bn) on acquisitions. The majority of that, EUR0.96bn (PLN4bn) would come from PZU's own resources, with the remainder raised via a loan or issue of debt securities.

*We have around EUR2.4bn (PLN10bn) of capital, EUR0.96bn (PLN4bn) of which is capital that could be allocated for acquisitions. In addition, we also have debt financing*, said PZU Presi-

dent, Andrzej KLESYK (photo). *In theory, we could have over EUR1.2bn (PLN5bn) for acquisitions*, added KLESYK.

Even if PZU officials stated its plans did not include any acquisitions in 2010, according to Polish newspapers, it could have turned its attention to the insurance company from Belarus, BELGOSSTRAKH. *It makes no sense to buy companies that are not in the top three or five in a given market*, said PZU President.





## Under the sign of the crisis

In the first half of 2010, TRIGLAV Group operations have been affected by economic crisis. In this sense, the consolidated results were affected by declines in the motor insurance segment and in the segment of life insurance, because of lower activity of the economy and increases in unemployment.

Also, TRIGLAV Group accounted EUR557.1m (including reinsurance activity), which is 2% less than the same period last year.

The premiums that came from life insurance totaled EUR110.8m and EUR446.3m from non-life insurance. The structure of the consolidated insurance premium was: 73,7% in non-life insurance, 19,9% - life insurance and 6,4% - health insurance.

Also, including the activity of TRIGLAV Re, in the first half of 2010, 84.6% of consolidated gross written premiums were collected on the Slovenian insurance market. The share of insurance premiums in Slovenia, according to the last six months, fell by 0.2 percentage points. Excluding TRIGLAV Re activity, share of premiums "on home market" is reduced to 82.8%.

In the first half of 2010, the value of paid claims amounted to EUR278.0m, which is 3% less than the same period in 2009. Non-life insurance has generated claims in value of EUR200m, while value of life insurance claims amounted to EUR49.8m, and health insurance totaled EUR28.3m.

### Flood claims: EUR20m



The 2010 Slovenia floods, on the weekend of September 17<sup>th</sup>-19<sup>th</sup>, 2010, were caused by heavy rains in Slovenia, resulting in one of the worst floods in the country's history. Among the regions affected were the capital Ljubljana, the Zasavje region, Laško, the Slovenian Littoral and the Lower Carniola region. Three people were killed. Preliminary assessments show that the country's biggest insurance company Zavarovalnica TRIGLAV will have to pay out over EUR20m in claims due to the devastating floods that hit Slovenia.

### TRIGLAV & NLB: first place in SEE

According to SEE TOP 100, Zavarovalnica TRIGLAV was in 2009 the largest insurer in South-Eastern Europe Region. The Slovenian insurer ended 2009 with gross written premiums of some EUR744.5m, slightly down from the previous year's EUR754m. The second-ranked was CROATIA Osiguranje. Romanian insurer ALLIANZ-TIRIAC Asigurari ranks third.

In banking sector, Slovenia's largest bank, NOVA LJUBLJANSKA Banka (NLB), leads the SEE TOP 100 Banks ranking for a second year running, ending 2009 with EUR15.5bn in total assets. However, the bank reported an unconsolidated net loss of EUR23.6m in 2009 due to higher provisions. Romania's largest bank, BANCA COMERCIALA Romana (BCR), occupied the second place in the 2009 ranking, unchanged from 2008. Croatia's ZAGREBACKA Banka (ZABA) ranked third.

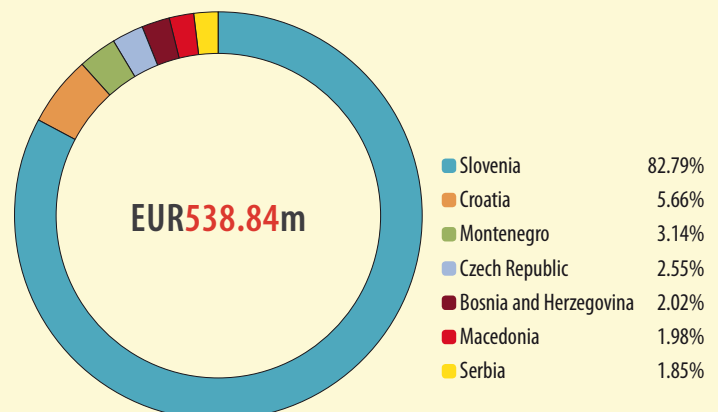
### Structure of GWP (EUR m) by companies member of TRIGLAV Group

| Company                            | Country | TOTAL GWP     | GWP Life insurance | GWP Non-life insurance |
|------------------------------------|---------|---------------|--------------------|------------------------|
| Zavarovalnica TRIGLAV              | SL      | 410,09        | 104,08             | 306,02                 |
| TRIGLAV, Zdravstvena zavarovalnica | SL      | 36,01         | -                  | 36,01                  |
| TRIGLAV Osiguranje                 | HR      | 30,48         | 5,15               | 25,34                  |
| TRIGLAV BH Osiguranje              | BiH     | 8,64          | 0,65               | 7,99                   |
| TRIGLAV Pojištovna                 | CZ      | 13,75         | -                  | 13,75                  |
| LOVCEN Osiguranje                  | MN      | 16,92         | 0,63               | 16,29                  |
| TRIGLAV Kopaonik                   | SB      | 9,99          | 0,28               | 9,71                   |
| TRIGLAV Krajina Kopaonik           | BiH     | 2,26          | -                  | 2,26                   |
| VARDAR Osiguranje                  | MK      | 10,69         | -                  | 10,69                  |
| <b>TOTAL INSURANCE OPERATIONS</b>  |         | <b>538,84</b> | <b>110,79</b>      | <b>428,05</b>          |
| Pozavarovalnica TRIGLAV Re         | SL      | 65,20         | 0,13               | 65,07                  |
| Exclusions                         |         | -46,95        | -0,13              | -46,82                 |
| <b>TOTAL GROUP OPERATIONS</b>      |         | <b>557,09</b> | <b>110,79</b>      | <b>446,30</b>          |

### Evolution of insurance operations

| Business type                     | GWP (EUR m.)  |               | Change 10/09 % | % in all GWP %  |
|-----------------------------------|---------------|---------------|----------------|-----------------|
|                                   | 1H 2010       | 1H 2009       |                |                 |
| <b>TOTAL GWP</b>                  | <b>538,84</b> | <b>548,92</b> | <b>-1,84</b>   | <b>3.919,05</b> |
| <b>LIFE GWP</b>                   | <b>110,79</b> | <b>113,49</b> | <b>-2,38</b>   | <b>805,80</b>   |
| Life                              | 50,93         | 53,61         | -5,01          | 370,41          |
| Unit-Linked                       | 49,08         | 50,35         | -2,52          | 356,93          |
| Capital redemption                | 10,79         | 9,53          | 13,19          | 78,45           |
| <b>NON-LIFE GWP</b>               | <b>428,05</b> | <b>435,43</b> | <b>-1,69</b>   | <b>3.113,26</b> |
| Accident                          | 30,82         | 33,07         | -6,81          | 224,17          |
| Health                            | 36,55         | 34,04         | 7,38           | 265,83          |
| <b>Overall property insurance</b> | <b>116,65</b> | <b>117,92</b> | <b>-1,08</b>   | <b>848,41</b>   |
| Fire and allied perils            | 101,03        | 102,17        | -1,12          | 734,77          |
| Damages to property               | 15,62         | 15,75         | -0,77          | 113,64          |
| <b>Overall motor insurance</b>    | <b>209,64</b> | <b>216,36</b> | <b>-3,11</b>   | <b>1.524,77</b> |
| Motor Hull                        | 82,36         | 80,72         | 2,03           | 599,00          |
| MTPL                              | 127,29        | 135,64        | -6,16          | 925,77          |
| GPL                               | 22,89         | 23,91         | -4,27          | 166,48          |
| Credit                            | 11,49         | 10,12         | 13,60          | 83,60           |

### Insurance operations by countries







# Despite crisis, profit has doubled

In 1H/2010, the Group's written premiums increased by 9.2% to EUR3,226m. Across the Group, the strongest growth in the first half-year was achieved in life insurance (written premiums increased by 15.5%, to EUR1,312m). The volume of premiums in property and casualty insurance was increased by 5.7%, to EUR1,419m, and in health insurance by 4.2%, to EUR495m. The UNIQA Group's investment portfolio stood at EUR23,732m at the half-year point, which is 9.0% above the figure at June 30, 2009. Net earnings from investments were up 36.7% over the first half-year of 2009 to EUR457m, as financial markets stabilised. The profit on ordinary activities has been doubled by comparison with the first six-month figure for 2009, to EUR71m (100.3%).

By regions, in **Eastern and South-Eastern Europe**, the growth in premiums for the UNIQA Group up 12.9%, to EUR642m. The biggest growth was achieved in life insurance, up 14.7% (to EUR228m). Premiums in property and casualty insurance grew by 11.8% to EUR407m. GWP from health insurance in this region increased by 26.8% to EUR6m.

The UNIQA companies in the **Western European markets** succeeded in increasing premiums written by a total of 35.8%, to EUR601m. Premiums from life insurance were more than double, thanks to high demand in Italy and the intensified collaboration

with VENETO Banca (they rose by 107%, to EUR274m). In property and casualty insurance, the volume of premiums grew by 3.3% to EUR236m and in health insurance - by 11.1% to EUR90m.

In **Austria**, the premiums growth in the first half-year 2010 was of 2.0%, to EUR1,984m. The strongest increases were achieved in property and casualty insurance, up 3.4% to EUR775m. In life insurance, premiums rose by 0.6% to EUR810m. Health insurance premiums rose by 2.4% to EUR399m.

## Distribution of GWP in 1H/2010 (EUR m.)

| Business line/<br>Region | Western<br>European<br>markets | Eastern and<br>South-Eastern<br>Europe | Austria | TOTAL |
|--------------------------|--------------------------------|--|---------|-------|
| TOTAL GWP                | 601                            | 642                                    | 1,984   | 3226  |
| Life                     | 274                            | 228                                    | 810     | 1312  |
| Property/Casualty        | 236                            | 407                                    | 775     | 1419  |
| Health                   | 90                             | 6                                      | 399     | 495   |

## New CEO starting July 2011

On June 30, 2011, Dr. Konstantin KLIEN (photo) will resign as the CEO of UNIQA Versicherungen AG. Starting from July 1, 2011, the current Deputy CEO of UNIQA Group Austria, Dr. Andreas BRANDSTETTER, will take over the responsibility as the CEO of the Group.



In his 10 years period as the CEO of UNIQA Group, Dr. KLIEN has managed to lead UNIQA to become a major player on the CEE insurance market with business operations successfully performed in 21 countries.

Through its dynamic expansion of the international business activities from 6 to currently 21 European countries, UNIQA has boosted its turnover to almost EUR6bn in insurance premiums in a period over the recent 10 years.

41-year-old Andreas BRANDSTETTER has been Board Member in UNIQA Versicherungen AG since 2002. In the recent years he has been responsible for the international business development for the new markets in Eastern and South Eastern Europe, as well as for the entire Bankassurance business in UNIQA Group. In 2009, BRANDSTETTER was appointed as the Deputy CEO of UNIQA Group Austria.

## First life insurance policy for UNIQA Asigurari de Viata Romania

In September, UNIQA Asigurari de Viata started its activity in the Romanian market by selling its first life insurance product. The policy was sold within an insurance package dedicated to a corporate client and offers the specific protection of a life insurance, along with complementary medical services.



*It is a group premium that symbolizes our entry in the market and it includes all our knowledge about the clients needs. An achievement, technically speaking, is the fact that we managed to include in the clients budget both the standard protection clauses as well as medical services, explained Liviu CHIRIC (photo), UNIQA Asigurari de Viata President.*

The company, controlled by UNIQA International, received its operational license from the Insurance Supervisory Commission on April 8, 2010, when AGRAS Insurance changed its name and became UNIQA Asigurari de Viata.

## Paid claims influenced by storms

In the first half-year 2010, UNIQA paid EUR2,348m in insurance benefits for customers, 12.1% more compared with the figure for the first six months of 2009. This trend was characterised by a large number of smaller and more severe storm events and by a number of major losses. In connection with the flood events in May and June alone, the UNIQA Group paid out more than EUR20m claims to its customers.

## BiH return on plus

*The recovery of the insurance market in BiH is notable in this year, and the consequences of the crisis will be reduced over the next eighteen months, said Dr. Konstantin KLIEN, CEO of UNIQA, at Sarajevo, at the tenth anniversary of the existence of the Austrian Group.*

*The insurance market was not as strongly affected by this crisis as banking. However, a trend which has been permeated the whole of Europe had an influence on the development of insurance markets. This year, we found that the effects of the crisis are gradually reduced, the prospects opened. We hope that the crisis is even more diminished during the next 18 months, added Dr. KLIEN.*



## Remarkable growth of profit

With GWP totaling EUR4.6bn in the first six months of 2010, VIENNA Insurance Group achieved a plus of 7.9% compared to the same period of the previous year. Also, the Group profit amounted to EUR255.6m. Despite the natural disasters, a remarkable growth of 11.0 percent was achieved. In the first half of 2010, the combined ratio was 98.3% due to the natural disasters of the current year. The damages produced by these events (before reinsurance) – in particular in Austria, the Czech Republic, Poland and Romania – caused total expenses of about EUR100m. The financial result totaled EUR646.6m and the investments amounted to EUR26.8bn as at June 30, 2010 (3.6% more compared to the year-end level of 2009).

By segments, VIENNA Insurance Group recorded in **property/casualty** written premiums of EUR2.4bn, achieving a plus of 1.3%. Net earned premiums in this segment grew by 4.7 percent. By area, in the CEE markets, the VIG companies reported written premiums of a total of EUR1.4bn, corresponding to a plus of 2.0%. In the non-CEE countries, premiums in this segment increased slightly, totaling about EUR1.0bn. With EUR966.2m, premiums in Austria remained on the prior-year level. In Germany, premiums rose by 1.9% to EUR37.6m.

In **life insurance**, the Group companies of VIG reported written premiums in this segment of a total of more than EUR2.0bn. In the CEE markets, the life insurance segment posted a substantial growth of 16.1%, increasing written premiums to EUR728.4m. In non-CEE markets, written premiums amounted to EUR1.3bn; this corresponds to a plus of 18.2% compared to the same period of last year.

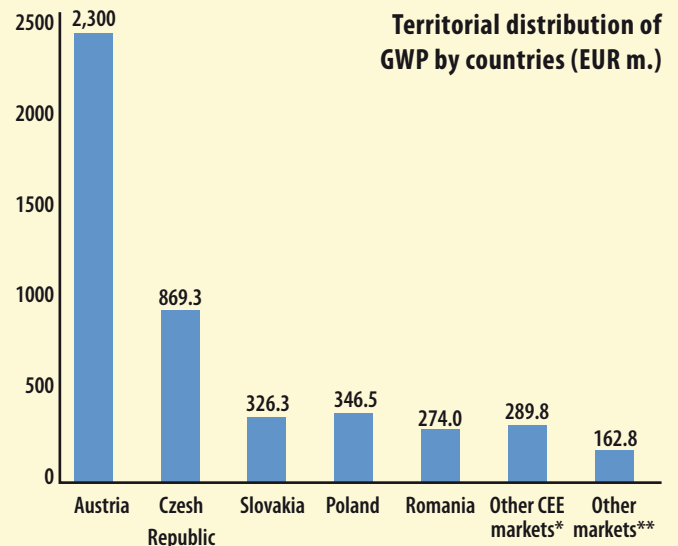
Also, with written premiums of EUR164.9m, VIENNA Insurance Group records a growth of 1.3 percent in **health insurance**.

### Acquisition of 10 percent stake in RAY Sigorta

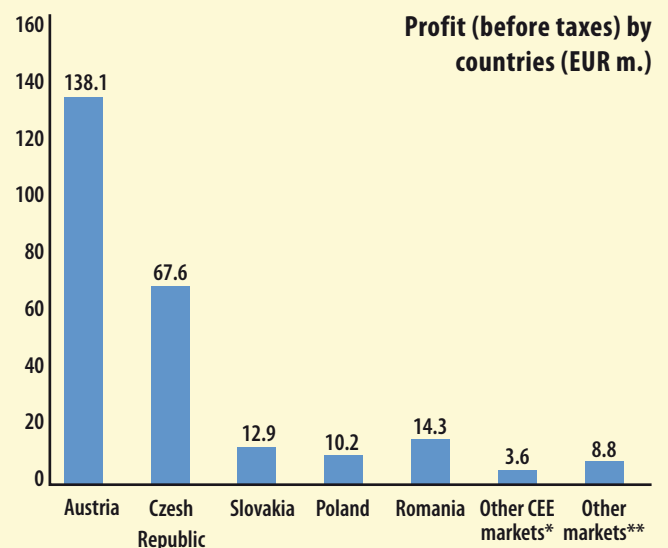
The VIENNA Insurance Group AG Wiener Versicherung Gruppe has signed an agreement with DOGAN SIRKETLER Grubu Holding S.A. (DOGAN Group) regarding the acquisition from the DOGAN Group of an approximately 10 percent stake in the Turkish non-life insurer RAY Sigorta. The TBIH Financial Services Group N.V. (TBIH), in which VIENNA Insurance Group has a majority holding, already has an approximately 84.3 percent stake in RAY Sigorta.

### Winner of the "FORMAT Strategic Performance Test"

VIG was ranked 1st in the "Banks and Insurance Companies" category in the "FORMAT Strategic Performance Test", according to the news magazine FORMAT. The expert study has been compiled annually for the last 12 years by CONTRAST Management Consulting and uses a range of criteria, such as return on equity, annual growth and shareholder return. *The fantastic results of this independent study are really pleasing and confirm again that our safety-oriented and ambitious strategy of growth is accurate for us. It is our aim to achieve maximum value for our clients and shareholders by continuing with the positive development of the VIENNA Insurance Group,* comments Günter GEYER, CEO of VIENNA Insurance Group.



\* Albania, Bulgaria, Croatia, Macedonia, Serbia, Turkey, Ukraine, Hungary and Baltic states  
\*\* Germany and Liechtenstein



\* Albania, Bulgaria, Croatia, Macedonia, Serbia, Turkey, Ukraine, Hungary and Baltic states  
\*\* Germany and Liechtenstein

### Montenegro, the 24th market for VIG

With the granting of the life insurance licence for WIENER STÄDTISCHE zivotno osiguranje Podgorica a.d. by the Montenegrin authorities, VIENNA Insurance Group is continuing its market entry in this young country. From September 2010, the group can sell insurance products through brokers and with its partner, ERSTE Group. Hence, VIENNA Insurance Group is continuing to pursue its strategy and has expanded its geographical network to include a total of 24 countries in Central and Eastern Europe.

## Conservative approach

The preliminary data for the first 6 months of 2010 show the consolidated insurance premium collected by the companies of the INGO Group totaled EUR688.7m according to IFRS, which was 2.7% more than the EUR670.9m collected in premiums in the same period of 2009.

The fall in earnings resulted from the company pursuing a conservative approach towards risks. While the insurance market is still affected by under pricing in the majority of insurance sectors the company still employs a very strict approach to underwriting and very carefully selects risks. Another factor that contributed to the fall in total premiums was the loss by the INGO Group of SOFAG in the fourth quarter of 2009.

The consolidated insurance premiums of the group were collected primarily by INGOSSTRAKH, whose collected amounts represent 92% of the group's total premiums. The insurance portfolio of INGOSSTRAKH at the end of the first six months of 2010 broke down by type of insurance as follows: 54% was motor vehicle and liability of motor vehicle owners insurance, 17% was property insurance against fire and accompanying risks, 14% was personal insurance, 6% was CARGO insurance, comprehensive insurance of vessels and insurance of the liability of vessel owners, 9% was other types of insurance.

In the reporting period the INGO Group paid indemnities of EUR395.4m. The loss coefficient for the INGO Group for the first six months of 2010 is at 70%, which, when combined with a balance expenditure policy and professional management of the group's investment assets, allows the group to maintain an operations coefficient 90%.

Consolidated net profit for the first 6 months of 2010 was EUR34m. The group's consolidated assets at July 1st 2010 were EUR1.93bn, the insurance reserves have grown to EUR1.19bn, and the equity capital was EUR502.8m.

### The largest insurance indemnities in 2010

According to INGO web-site, the highest indemnities paid by the company in 2010 totaled USD2.2m for the partial loss of the Indonesian communication satellite PALAPA D as a result of failed launch of the Chinese Long March 3B carrier rocket, due to a third stage launcher engine failure, and putting KA into a lower transfer orbit.

### What is INGOSSTRAKH?

INGOSSTRAKH OJSIC has been operating in the local and international markets since 1947. The Company is a leading Russian insurer in terms of the size of insurance premiums in voluntary insurance, other than life insurance. INGOSSTRAKH is authorized to offer all types of insurance services (depending on the insurer's profile) provided for in Article 32.9 of the Law on Insurance in the Russian Federation, as well as reinsurance services. The company has its offices in 220 cities of Russia.

The companies of the INGO Group are: INGOSSTRAKH OJSIC (Russia), INGO Ukraine (Ukraine), GARANT (Austria), INGO Nord (Finland), BELINGOSTRAKH (Belarus), INGO Armenia (Armenia), KYRGYZINSTRAKH (Kirgizia), INGO Uzbekistan (Uzbekistan), IC INGOSSTRAKH-Life (Russia), EMERGENCY Insurance Company (Russia), INGOSSTRAKH ONDD Credit Insurance (Russia) and JSIC INGO Ukraine Life (Ukraine).

### Sponsor for Sochi 2014

The insurance company has become an official partner of the 2014 Winter Olympic and Paralympic Games in Sochi. The total value of the tier two contracts is USD40m.

Under the deal, INGOSSTRAKH will have the right to use the symbols of the Games, as well as those of the National Olympic and Paralympic Committees, on Russian territory.

*It is a great honor for us to become a Partner of the Sochi 2014 Olympic and Paralympic Games, said OSAO INGOSSTRAKH General Director, Alexander GRIGORIEV.*

*INGOSSTRAKH was the general insurer for the 1980 Moscow Olympic Games, and thirty four years later, it will be a Partner of Russia's first Winter Games. We are very proud of this status, added Alexander GRIGORIEV.*

OSAO INGOSSTRAKH will also be an official partner of the Russian Olympic and Paralympic Committees until the end of 2016, as well as official insurance partner to each of the 2012, 2014 and 2016 Russian Olympic and Paralympic teams.







## Corporation of the East

ROSGOSSTRACH is the largest insurance company in Russia. ROSGOSSTRACH has been around for over 88 years. With more than 25 million private and 250,000 corporate clients from all over the country, 3,000 regional offices and 400 claim centers, the company strives to provide a full range of high-quality insurance products from popular motor policies to insurance of domestic animals and spacecraft. ROSGOSSTRACH offers more than 50 different types of insurance to cover individuals and businesses. Also, ROSGOSSTRACH is the main sponsor of Russian National Football Championship.

The company has 83 regional branches and five subsidiaries: RGS-Life, RGS-Medicine, PROVIDNA (Ukraine), MOLDASIG (Moldova) and RGS-Armenia.

According to company website, in 2009, ROSGOSSTRACH was the market leader in Russia in non-life insurance with 12.6% market share. Also, 30% of all MTPL policies are written by ROSGOSSTRACH. The value of GWP in 2009 was more than EUR1.4bn (RUR60bn).

### Russian government sells ROSGOSSTRACH stake

The Russian government sold a 13.1% stake in ROSGOSSTRACH to investors in the company, for the amount of USD285m. After this transaction, the Russian government retained an 11.9 share of the insurer.

Danil KHACHATUROV, the main investor, and his partners spent about USD60m between 2001 and 2003 gaining control of the then insolvent company. Last year it generated premiums of about USD2bn.

In the first half of 2010, ROSGOSSTRACH Group recorded a total volume of gross written premiums of EUR894m (excluding mandatory health insurance), situating on first place in the ranking of insurance companies in Russia. On the life insurance segment, the company underwrote premiums of EUR29.5m (second place in the market).

In 2009, RGS Group of Companies was given the highest A++ rating by Expert Rating Agency, and is the best known brand in insurance industry, and second in financial sector. Not least, the insurance group is working with internationally renowned reinsurers, with outstanding international ratings: SWISS Re, GEN Re, SCOR, TRANSATLANTIC Re, CCR.

### First place in Moldova

According to preliminary results, MOLDASIG, the subsidiary of ROSGOSSTRACH in the Republic of Moldova, is in 1H/2010 the market leader. MOLDASIG underwrote in the first half of the year gross premiums worth over EUR7.37m, down nearly 12% in European currency compared to the results of the similar period of last year. The company underwrote on the motor insurance segment EUR4.9m. More than 17.5% of underwritings made by MOLDASIG in the analyzed period come from property insurance. The growth on this segment was over 110% in European currency, gross written premiums totaling EUR1.3m.

## The CEE, RUSSIA & CIS Insurance Market Report's team



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# ASTRA Asigurări

## ASTRA ASIGURĂRI

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### Shareholders:

**SC NOVA TRADE SA**, majority shareholder, which holds 99.69% of the package of shares;

27.01% of the share package owned by the minority shareholder is current trading to NOVA TRADE

**Individuals and legal persons:** 0.30%

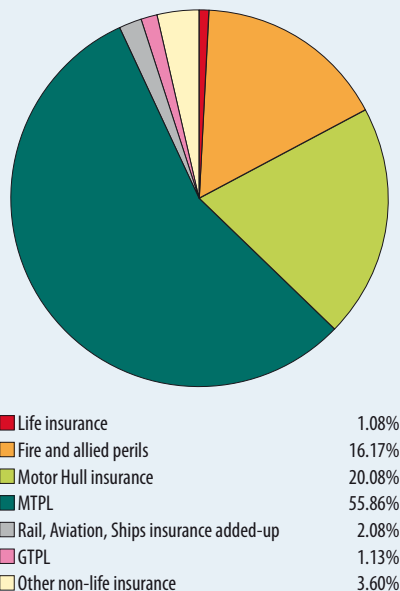
ASTRA Asigurări is the sole Romanian insurance company, from Top 10, with preponderantly domestic share capital and shareholding.

### The structure of the management:

**Radu MUSTĂŢEA** President of the Board  
**Dacian VINEREANU** Vicepresident of the Board  
**Răzvan IEREMIA** Member of the Board

### The Manager of Reinsurance and Aviation

**Filip STAVROSITU**  
**Phone:** 004 021 403 81 14  
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## THE NEW ROMANIAN INSURANCE MARKET LEADER

After the first quarter of the current year, ASTRA Asigurari became the leader of the Romanian insurance market ranked by the total amount of GWP. During the mentioned period the company managed a 72% increase, to underwritings of over EUR 80 million.

ASTRA Asigurari kept its leading position also after the first half of 2010, with underwritings whose value exceeds EUR 140 million. The company has made the most significant growth from the market, + EUR 43 million in absolute value and a relative increase of nearly 44% in European currency. ASTRA Asigurari gained nearly 4.5 percentage points of market share, holding at the end of the analyzed period approximately 13.4% of the insurance market.

## KEY FACTS

The company ASTRA Asigurari entered on the insurance market as a strong and stable player since 1991, when it separated from the former state company ADAS, thus benefiting from a vast experience on national and international insurance market.

With over 270 local units throughout the country, offering over 60 types of general, life and health insurance, ASTRA Asigurari has full territorial coverage, taking Responsibility for the safety of our customer's future and taking their risks. For us, responsibility is part of the business strategy – it is the continuous commitment assumed by the company to help improve the lives of clients.

We are a company with Tradition, we gathered nearly two decades of continuity, and thus, we gained experience, credibility and reputation, having a long history in our back and bold plans for the future.

**BACKGROUND INFORMATION**

ASTRA Asigurari is the most important company in the insurance market with shareholders which are predominately Romanian, having a capital of more than EUR 55 million.

A strong company, ASTRA Asigurari is the leader of the maritime and aviation insurance market. Starting June 2009, the company became the leader in the property insurance market on the retail segment.

ASTRA Asigurari has a portfolio of important clients such as: TAROM, BLUE AIR, ROMAVIA, RAIFFEISEN Bank, WORLD Trade Center, Hotel INTERCONTINENTAL Bucharest, Romtelecom, RCI Leasing, CEC, PORSCHE Romania, The International Airport "Henry COANDA" Otopeni, The International Airport "Aurel VLAICU" Baneasa, The International Airport „Mihail KOGALNICEANU”, Constanta Shipping, Orsova Shipyard, Constanta Shipyard.

ASTRA Asigurari is the company that paid the greatest claim in the history of insurance in Romania, for a

TAROM aircraft , a Boeing 737-300, which was flying to Sharm El Sheikh, on December 30, 2007. During takeoff from International Airport „Henri Coanda” the aircraft hit a vehicle on the runaway Track. Based on the Airline Hull&Liability policy, ASTRA paid to TAROM the aircraft's insured value, amounting to USD 10 million, as well as USD 432,400 representing expenses for moving the wreck.

At the end of March 2010, at the Insurance Market Awards Gala, ASTRA Asigurari was distinguished with the „Insurer of the Year” Award in the non-life insurance segment.

According to the GWP rankings of 2009, the company received 24 territorial awards.

For the successful implementation of the electronic issuing system of insurance policies, ASTRA Asigurari has also been granted the Special Award for Professionalism and Performance.



We are a company with a continuous dynamic. Every day, we want to be closer to the Romanians, offering prompt, quality services. (...) We climbed on the first place in Romanians Insurers Top, and this is forcing us to be even better, more prompt, more efficient, closer to clients and associates who have granted us their trust. We approach each client seriously, in addition, the Seriousness of ASTRA team is the added guarantee for the quality of the services we offer. It is important for us to maintain our image and business practices, therefore we can not afford to lower our standards

Radu MUSTĂŢEA, President of the Board

# CERTASIG



James GRINDLEY, CEO

*CERTASIG is a non-life insurer selling specialized products, primarily to corporate and SME clients through insurance brokers.*

## Improved productivity for CERTASIG

Since the appointment of James GRINDLEY as CEO in February 2010, CERTASIG has experienced some striking changes including a dramatic increase in productivity. Gross Written Premium levels for 2010 are estimated to be the same as 2009 (approximately EUR7m-EUR8m) whilst annualized operating costs have been reduced by more than 50%.

## Claims management focus

A new team has been hired and already a positive impact on results has been observed. Claims are handled more efficiently and valid claims paid immediately after agreement.

## Key features and developments in 2010

■ Main investors including the European Bank for Reconstruction and Development (EBRD) and European Investment Fund (EIF) in conjunction with CEE specialist private equity firm, ROYALTON Partners;



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### Shareholders:

**ROYALTON Capital Investors** - 92,31%

**Other shareholders** - 7,69%

### The structure of the management:

**Nigel WILLIAMS** (53), British - Chairman of the Board, 33 years experience in financial markets. Managing Partner of ROYALTON

**Ivan VOHLMUTH** (44), Czech - Vice - Chairman, 19 years experience in financial markets. Founding Partner of ROYALTON

**James GRINDLEY** (35), British - CEO, 15 years insurance experience. Prior to joining CERTASIG he was a Director in AON Romania and Associate Director in International Solutions Limited, a LLOYD's broker

**Mihai BLAJAN** (42), Romanian - Chief Marine Underwriter, marine mechanical engineer with 16 years underwriting experience. Prior to joining CERTASIG he was a Director of Marine Division in ARDAF

**Mihaela COJOCARU** (44), Romanian - Chief Underwriter, 14 years experience in financial markets. Prior to joining CERTASIG she was a Director at ASTRA-UNIQA

### Non Executive Directors

**Rupert VILLERS** (58), British - More than 30 years experience in insurance and reinsurance. Former LLOYD's Active Underwriter. Chief Executive of ASPEN Insurance

**Michal VETROVSKY** (46), Czech - 25 years experience in financial markets, including a period Deputy CEO of the Czech insurance company

**Wynaendts WILLEM** (47), Dutch - 12 years experience in financial markets. Former Chief Executive of AXA CEE, AXA Switzerland

### Reinsurance Manager

**Andrei MIRAUTA**

e-mail: andrei.mirauta@certasig.ro



■ More than 85% of CERTASIG's portfolio derives from more than 100 insurance brokers in Romania – brokers are at the heart of our development strategy;

■ CERTASIG differentiates itself by offering brokers fast response time to offer-requests and efficient claims service;

■ During 2010 CERTASIG has re-balanced and improved its underwriting portfolio (Motor Hull less than 45%) leading to improved underwriting profitability;

■ Specialized products offered:

- ✓ Motor Hull (low premium-high deductible);
- ✓ Liabilities including professional indemnity;
- ✓ Bonds;
- ✓ Black Sea Hull & Machinery and P&I;
- ✓ Cargo;
- ✓ CMR;
- ✓ General Aviation;

✓ Health;

✓ Personal Accident / Health / Travel;

✓ Event insurance (concerts, weddings, shows etc.);

■ Operating expenses have been rationalized and un-profitable offices closed;

■ Core offices include: Bucharest (HQ), Constanta, Timisoara, Cluj, Suceava and Baia Mare;

■ The result is that CERTASIG is moving quickly towards overall profitability. The plan for 2011 is to become one of the profitable insurance companies in Romania;

■ CERTASIG is delighted to have recently signed a partnership with high profile STEAUA Bucharest handball team and other STEAUA sports teams;

■ CERTASIG's commitment to the market is demonstrated by its membership of the compulsory household insurance scheme (PAID).

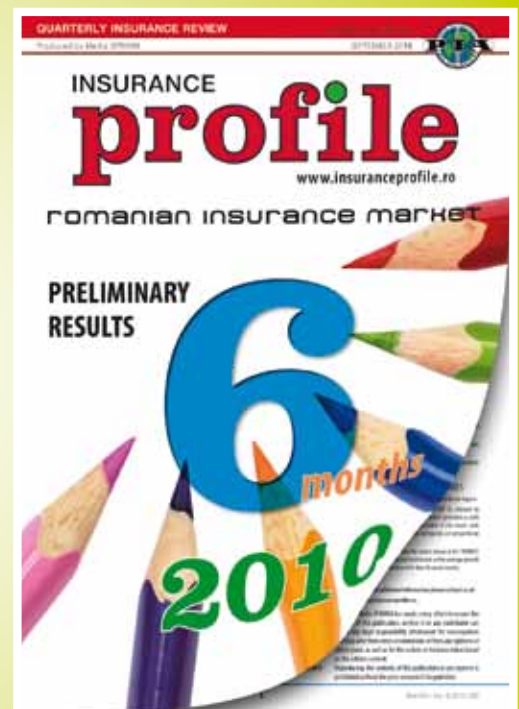
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# EXIM ROMANIA

## COMPANY PROFILE

EXIM Romania Insurance and Reinsurance was established as a professional entity, specialized in insuring financial risks, both for export and for domestic business operations. EXIM Romania is acting on the financial risk insurance sector and is determined to offer to the Romanian business environment effective protection against any financial losses that may occur and to facilitate its clients access to financial resources.

Its founder and majority shareholder is EXIMBANK Romania, the single state owned bank in Romania. EXIMBANK acting as Export Credit Agency has made financial operations, insurance and commercial warranties for its customers. For the compliance with EU Directives, which provide the separation of insurance and the other financial activities, the Bank decided to outsource the insurance component, by setting up EXIM Romania Insurance and Reinsurance.

EXIM Romania Insurance and Reinsurance paid up share capital is around 7 mil Euros ( RON 29,209,990)

The Company's operational team has the great competitive advantage to have been formed by well known professionals with vast expertise in insurance and banking specialists who worked in the financial insurance department of the Bank.

Moreover, together with the underwriting specialists, the shareholder, has transferred the know-how in financial risks, informational capabilities and standard rating procedures.

## OBJECTIVES

- offering to customers effective financial protection
- providing advisory services so that the client will benefit from the most appropriate financial protection plan for their specific activity
- dynamically adapting existing products from the European area and implementing them on the Romanian market
- supporting the Romanian business environment through effective financial protection instruments
- occupying a top position on the credit insurance and guarantees sector

The company has been authorized by Romanian Insurance Supervisory Commission in August 2010 to underwrite following lines of business:

- Credit Insurance
- Suretyship Insurance (Bid Bonds, Advance Bonds, Performance Bonds, Maintenance Bonds)



Radu FRÎNCU, CEO

## CONTACT

|                 |   |
|-----------------|---|
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| <b>e-mail</b>   | <a href="mailto:office@eximasig.ro">office@eximasig.ro</a>                                      |
| <b>web</b>      | <a href="http://www.eximasig.ro">www.eximasig.ro</a>  |

### Shareholders:

|                         |        |
|-------------------------|--------|
| <b>EXIMBANK Romania</b> | 90.84% |
| <b>Natural persons</b>  | 9.16%  |

### MANAGEMENT BOARD

- Radu FRÎNCU** – President of the Board, 15 years of experience on the domestic and international insurance domain;
- Dan BACIU** – Member of the Board, 20 years of experience on Romanian financial and banking market;
- Marius BANU** – Member of the Board, 15 years of experience in insurance and insurance legislation;

### Reinsurance Manager

**Dragoş CIOCAN**  
e-mail: [dragos.ciocan@eximasig.ro](mailto:dragos.ciocan@eximasig.ro)

# cross roads

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#### **This conference will:**

- Share existing international knowledge
- Identify major issues and interdependencies
- Examine successful approaches (best practices / outside-in views)
- Explore new approaches, techniques, and models (innovation)

#### **Share the experience of our top professionals and key-note speakers:**

**Georg Fischer** (Director European Commission, Employment, Social Affairs and Equal Opportunities), **Lans Bovenberg** (University of Tilburg, Netspar), **Elizabeth Corley** (Allianz Global Investors Europe), **Zvi Bodie** (Boston University), **Joanne Kellermann** (De Nederlandsche Bank), **Adjiedj Bakas** (Trendwatcher), **Jung Lichtenberger** (EU Commission DG Internal Market), **Don Ezra** (Russell Investments), **Leen Paape** (Nyenrode Business University), **Jason Nyilas** (Global Pension Leader IBM - Australia), **Rudolf Hagendijk** (Mn Services), **Sikko van Katwijk** (Kasbank), **Jianmao Wang** (CEIBS- Shanghai), **Klaas Knot** (Ministry of Finance), **Johan van der Ende** (PGGM), **Peter Schonewille** (EU Commission - DG Taxation), **Vinod Kalloe** (KPMG Meijburg), **Reinoud van den Broek** (Hewitt) and many others.

#### **WorldPensionSummit program structure:**

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- New Pension Perspectives; the global challenges
  - How will the pension landscape in Europe evolve?
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# OLSA RE

REINSURANCE BROKERS

## OLSA RE

OLSA RE is an expanding Insurance and Reinsurance Broking House specializing in all forms of Treaty and Facultative reinsurance. Majority of OLSA RE group companies are also specialized in most lines of direct insurance.

Established in 1966 on insurance and 1985 on reinsurance line of business as an answer to the risk placement necessities the company is proud to say

that they have managed to expand and grow to be a solid and prestigious group, with its own offices in several countries in South America and Europe.

OLSA RE maintained its own independence as a privately owned company group with a solid reputation of reinsurance specialists. OLSA RE works with top reinsurance markets, placing reinsurance business for ceding companies located in over 10 countries.

### **CORPORATE PHYLOSOPHY**

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The company provides a high quality personal service to its clients and markets, thus enhancing the understanding of their needs and requirements.

OLSA RE utilize the following criteria to achieve these goals:

- Knowledgeable and experienced team of people;
- Personal attention to clients by the key staff of OLSA RE;
- Constant research and development of markets and products;
- Design, negotiation and management of underwriting facilities;
- Sound advise, risk analysis and surveys;
- Efficient and fast claims handling.

### **TREATY**

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OLSA RE has great experience in the subscription / placement of Proportional and Non Proportional Treaties. Some of the group's treaty business's as follows:

Fire and Allied Lines. Engineering. Casualty. Life, Health, Personal Accidents. Credit, Bonds & Guarantees. Travel. Bloodstock/Livestock. Automobile Hull. Automobile Liability. Green Card. Motor Extended Warranty. Terrorism and Political Risks. Cargo. Marine Hull. Specie and Fine Art. Energy. Aquaculture. Liabilities. Non Marine Treaties. Other types of Treaties tailor made to requirements.

### **OLSA RE OFFICES**

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#### **OLSA RE Group of companies:**

ROMANIA:

UK:

PERU:

BOLIVIA:

COLOMBIA:

ECUADOR:

OLSA RE Broker de Asigurare-Reasigurare

OLSA UK

OLSA RE Corredores de Reaseguros

OLSA RE Bolivia Corredores de Reaseguros

OLSA RE Colombia Corredores de Reaseguros

OLSA RE Corredora de Reaseguros

## PRODUCTS

### FACULTATIVE

OLSA RE has developed a solid international book of facultative business in the majority of the reinsurance lines of risks. The company has a vast and solid number of first class international reinsurers that supports its reinsurance placements allowing it to obtain not only the most competitive rates and conditions for its partners but also to access a whole range of coverages and innovations that can be obtained in the international market.

Some of the group's facultative risks are as follows:

All Risk of Physical Loss or Damage, including Earthquake, Terrorism, Strikes, Riots, Civil, Commotion, Malicious Damage, Vandalism and Consequential Loss. Construction All Risk Insurance (CAR).

Erection All Risks (EAR). Plant and Machinery Insur-

ance. Machinery Breakdown and Consequential Loss Insurance. Electronic Equipment Insurance. Completed Civil Works. Terrorism Insurance. Aviation Insurance. Hangar Keepers Legal Liability Insurance. Bankers Blanket Bond (BBB). Directors & Officers (Legal Liability). Marine Hull and Pluvial, including fishing vessels. Cargo Vessels. Transport / Cargo Insurance. General Legal Liability, Extra-contractual, Contractual, Employers, Products. Car Collection Insurance. Artworks Insurance. Life & Personal Accident Insurance (Group or Individual). Kidnap & Extortion Insurance (Individual or Group of Family). Bond Insurance. Livestock Insurance. ATMsafe Insurance. Contingency Insurance. Healthcare Insurance. Mobile Telephone All Risks. Non Appearance and Cancellation Insurance Contractual, Patronal, and Products. Other Facultative Risks.

# OLSA RE Romania

OLSA RE Broker de Asigurare-Reasigurare started to operate in 2003 and since then has had a steady and sustained growth positioning itself as one of the top leading brokers in Romania, with a 4% market share, successfully leading the way to a business expansion in the European Union territory.

OLSA RE reputation as reinsurance specialists extended the company's business relationship beyond Romania's borders thus soon after opening the Romanian office was conducting reinsurance negotiations for ceding companies located in other Eastern European countries as well, for both facultative and treaty lines of risks. The reinsurance activity of OLSA RE Romania represents 99%

of its portfolio of business, facultative and treaty together as follows:

- 30% MTPL & Motor Hull Reinsurance
- 35% Property Reinsurance
- 10% Liability Reinsurance
- 14% Aviation Reinsurance
- 10% Other Miscellaneous Risks Reinsurance

OLSA RE FACTS, reinsurance premium for both facultative and treaty lines of risks:

2007: EUR 5,403,564

2008: EUR 15,213,800

2009: EUR 22,688,400

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**website:** [www.olsare.ro](http://www.olsare.ro)

### OLSA RE ROMANIA KEY STAFF

**Claudiu VILCEANU**, Executive Director, over 25 years top management experience and 15 in insurance field

**Ciprian CACEU**, Commercial Director, over 13 years top management experience and 7 in insurance field

**Ramona LAUTARESCU**, Assistant Manager, over 7 years experience in the field



The crisis wasn't generated by the insurance industry; we were more on the receiving end, when you look at the investment portfolio. But now regulators, policyholders, also supervisors who are acting in the interest of the policyholders and generally Governments feel that we need to scrutinize the different roles of the different players in the crisis, and even if we have more of a siderole, we are still part of the financial services sector, and in that context we are also under scrutiny.

# Michaela KOLLER

## General Director CEA – European Insurance and Reinsurance Federation

### **PRIMM: What has been the impact of the European financial and economic crisis upon the insurance industry in general?**

**Michaela KOLLER:** You obviously start with the trickiest question. This is clearly a time when we, the insurance and reinsurance federation, are experiencing every day the after-shocks of the crisis, but we experienced it more on the legislative side. When we look at our industry, I think we can say we have of course been affected - when you look at the investment portfolio of our members, we have obviously suffered -, but when you look at the overall picture of our industry, with very few exceptions, the industry has weathered the storm very well. The fact that this industry has been, to a certain extent, a stabilizer in a very uncertain environment does not necessarily help the industry, in the sense that we are now completely insulated from any legislative activity. There is a lot of legislative activity, not just at European level, but also at international level, and in that respect we feel the crisis, beyond the economic impact.

The crisis wasn't generated by the insurance industry; we were more on the receiving end, when you look at the investment portfolio. But now regulators, policyhol-

ders, also supervisors who are acting in the interest of the policyholders and generally Governments feel that we need to scrutinize the different roles of the different players in the crisis, and even if we have more of a siderole, we are still part of the financial services sector, and in that context we are also under scrutiny. From my perspective, I think the problem is to what extent will our sector be subject to new regulations. We are now in this phase where everybody is trying to draw lessons from the crisis, trying to find the best ways forward, and because the focus is obviously on the banking sector, a lot of the ideas that are developed for banks are ideas that we are also confronted with, in the insurance sector.

### **PRIMM: CEA sent a letter to the G 20 meetings that took place in Canada a few weeks ago, asking them to take into consideration the fact that banking and insurance are two different industries, and the new wave of regulations which is about to be discussed should take into consideration the difference between the two industries.**

**M. K.:** It is something we feel very strongly about. Our very recent experience in the

aftermath and crisis digestion mode has shown that regulators look at the banking industry or at the unregulated market first. We want therefore to establish a level playing field. In this context, a lot of the ideas that are genuinely developed in the different sectors or with a sector in mind are tested with us. Is it time, at this very moment, to come out and say: not everything that works for banking or for a different financial services sector is also working for us. May be you can take some principles, but then you have to find distinct, different regulatory responses for our sector. We have a distinctly different business model, a distinctly different balance sheet, we have had so far different regulations. A different behavior is then triggered by the respective market players and we have also a very different risk profile than other financial services sectors.

### **PRIMM: You are speaking about a new wave of regulations that will affect the insurance industry, too. What exactly are those pieces of legislation?**

**M. K.:** We see activity in 4 broad areas. First, we have activity in the area of everything that relates to stability and maintaining stability. I guess one of the big conclusions from the crisis is that, at international level, but also in individual countries and regions of the world, there wasn't sufficient focus on macroeconomic issues. So, regulators, supervisors, are now saying: we need to look at systemic risk and at systemic relevance, may be of institutions, may be of whole sectors, and

**The very high level of participation in such an exercise indicates that there is not only an interest, but also a high level of preparedness, in the sense that companies want to test what Solvency II is all about, how it will affect their business**

we need to address this. This is one big workstream and insurance is also concerned by it, because we have big insurance or reinsurance companies that should be part of this debate. The insurance sector is a huge institution investor, so it can contribute to absorbing shocks, to stability. A recent report has stated that insurance has effectively worked as a shock absorber in the crisis, and in that respect we are keen on maintaining this model. We are also keen to participate in a debate to demonstrate where insurance works differently than banking and how it can have this balancing mode that we believe is very important and proved its value in the last crisis.

The second big workstream is microprudential supervision. We already have a project on-going, in the insurance sector, on which we have also worked very intensely in the CEA - that is Solvency II, in Europe. We are now faced with a supervisory community that is very impressed by the crisis and wants to introduce higher levels of prudence to this system - and that is currently one discussion point. But we want to warn about the risk of introducing too much prudence in the system. We have also issued a report this year, where we warn about excessive capital requirements, because we warn about the bad impact it would have, not just on the insurance sector and the insurers, but on the economy overall, and ultimately on the policyholder.

**PRIMM: Is the insurers' community in Central and Eastern Europe prepared for implementing Solvency II, which has been on debate for the last couple of years?**

**M. K.:** Solvency II is a change of paradigm and it will involve a huge change for all the European markets. We have seen, and from the Federation's perspective this gives me confidence, that we have very high levels of participation in the quantitative impact study. In the last exercise assessment, QIS 4, we had 1,250 insurance companies, which represents a very high level of participation in such an exercise, that indicates that there is not only an interest, but also a high level of preparedness, in the sense that companies want to test what Solvency II is all about, how it will affect their business, what will change. Is everybody already prepared? It is difficult to say, but clearly there is an interest in this sector and those who have not yet participated are strongly encouraged to participate this year in the quantitative impact study. The Commission is already telling us we should offer support for this exercise and, again from a federation perspective, we would encourage this, because this is the only way to





find out if it fits our sector, if there are still problems that we need to identify. And, if we have the data available, afterwards, it will also help us with the final calibration of Solvency II.

In July we will send out the specifications for this study, then we will start throughout the summer, and then in the autumn we will have a deadline and results will be available next spring.

### **PRIMM: There is a growing demand on debates regarding the consumer protection in the insurance market and there is growing focus upon this subject. Is it also or mainly because of the financial crisis?**

**M. K.:** I think it is a combination of the two. At European level, since February, we have now a new Commissioner, Commissioner BARNIER, and when he took the office he already made it very clear that he wanted to have a strong consumer protection focus in his work, so he has already asked the services to look into issues to protect individual consumers.

Then, you see the effects of the crisis. In some sectors there was a feeling that consumers didn't always understand when they were buying certain products. For example, the famous Lehman certificates - consumers weren't entirely aware that they were risking a big part, if not all of their money.

The 3rd workstream is represented by a debate we have now in 3 areas of consumer protection: first is to increase information, second is to look at distribution channels and to see to what extent they can be improved, from a consumer perspective and the third is insurance guarantee schemes - to what extent do we need an insurance guarantee scheme.

From an industry perspective, we do not have too little information, we maybe have too much, sometimes... I don't know how you feel when you read your insurance policies, but you don't really feel like reading it and you sometimes don't see the wood for the trees, so what we would argue is we need something shorter, to the point, the relevant information on one page, and we have proposed to the European supervisors a standardized information sheet, the Key Investor Checklist, as we call it, and we want to promote, basically, a more to-the-point information.

The issue of distribution is very tricky. Here, also, we are being confronted with demands from other sectors, for example the securities market sector, where they say maybe we should have the same regulations as they have. But not everything that fits MIFID necessarily fits to our sector.

When we talk now about the second channel of distribution, I think it is important to notice that both the information and the distribution discussions are being held in the context of PRIIPS (Package Retail Investment Products). This actually means another blank field debate: To what extent is the insurance product, specifically the life insurance product, so close to other products that they require the same regulation? And we would argue again that there is a distinct difference between different players on the market and different products on the market. We have put forward a standardized information sheet that has a couple of lines where specific insurance issues are being raised. After we have really insisted that the differences and the potential impact on our sector should be tested before we are being subjected to MIFID Law, they have now agreed to undertake a study. On the market, they test MIFID rules on insurance companies and they want to find out: does it make a difference? Does it have a negative impact? We expect the study results in the autumn.

### **The insurance industry has been, to a certain extent, a stabilizer in a very uncertain environment.**

#### **PRIMM: When exactly will the Package Retail Insurance Products Directive come into force? When will it become mandatory?**

**M. K.:** We are currently in the preparatory phase. So, the commission hasn't entirely decided to what extent PRIIPs will be addressed. This is really a very intense consultation phase, so there is a lot of consultation, cost-benefit analysis, studies. And, at the end of this process (that is at least my experience), it improves the quality of the regulation quite considerably and the Commission will come forward with proposals in this respect. There will probably be a PRIIPs directive for information requirements, and then there might be different directives where the distribution issue is addressed - a MIFID review for the securities markets part and an IMD review for the insurance markets part. But they should be very closely aligned, in terms of policy, objectives, but also, to a certain extent, in the regulation.

#### **PRIMM: Currently, there are talks about the second Insurance Mediation Directive. What are the key challenges or the main focuses on that?**

**M. K.:** The IMD is meant to be reviewed,

because when it was adopted, in the text there was already foreseen a review period that has now expired, so the Commission, by law, is meant to revise it. But, obviously, since the IMD has been adopted, a lot of other things have happened. We have had the MIFID Directive for the securities market, it has set a certain level of standards, hence there is a maximum harmonization approach, and IMD was the minimum, so the Commission feels that the IMD also needs to be brought up to a certain regulatory standard. So, that is one challenge.

#### **PRIMM: I really want to present to the Romanian insurance market some key features about your activity, about CEA's activity and also about the involvement of UNSAR in the Commission. Could you emphasize on that?**

**M. K.:** We, the CEA, are a federation of associations, so our members are the associations in 27 member states, the main associations, plus we also have members in 6 additional countries. These countries are the European Economic Area countries, Liechtenstein, Luxembourg and Norway, then we have Turkey as a founding member, Switzerland, Croatia. This is our membership. UNSAR takes a very active role in our organization, Florentina ALMAJANU is in our executive committee, she is a very active contributor, there are lots of proposals that are being launched by her, and in that respect we have a very fruitful cooperation.

#### **PRIMM: What would be your message for the Romanian and for the CEE insurers, in general, in times of crisis?**

**M. K.:** A message in times of crisis? The way I see it, we should be sending to the regulators the messages that the insurers have, so I don't think I should use this opportunity now, to try to send messages. So, I am very interested in getting messages from your market.

#### **PRIMM: Thank you!**

Alexandru CIUNCAN  
Vlad PANCIU

We must be realistic, we are living in an economically difficult market, the crisis will have its consequences over the next years, we will have to deal with that, but may be it is in times of crisis that added value is, very often, even more important than price. Competition becomes more important, competition on the quality of the service.

# Nic de MAESSCHALCK

Director

## BIPAR - The European Federation of Insurance Intermediaries

**PRIMM: What is the role and the history of BIPAR, the Federation of Insurance Intermediaries in Europe? You have quite an impressive history.**

**Nic de MAESSCHALCK:** Indeed, we have been functioning since 1937 and we are based in Brussels since 1989. We have here a small permanent secretariat of 6 people, and the fact that we came to Brussels in 1989 was of course because of the growing importance of Europe. We have now 27 member states in the European Union and BIPAR represents 32 member states, actually, because we also have a couple of member states around the Mediterranean area. We represent 45 national associations in those 32 countries. Taking into consideration these national associations of insurance agents and insurance brokers, we can say that we represent about 50 to 70 percent of the insurance distribution market. All together, our intermediaries, who are members of our national associations, have around 200.000 employees. UNSICAR, in Romania, is an active member, we were already in Romania for some of the UNSICAR Conferences, where we have

met some politicians and regulators, too, and we felt really welcome there. Bogdan ANDRIESCU is an active representative in our meetings and a member of our working parties, so we are very glad to have this interview and the opportunity to make BIPAR known to the Romanian members of our associations and to the Romanian insurance public.

**PRIMM: Tell us about your activity and your main purpose, as a Federation, at the moment.**

**Nic de MAESSCHALCK:** We are the representative body and the single voice of insurance intermediaries in Europe, in relationship with the European regulators. Our main purpose is to dialogue with all those who, at European level, have a decision making or are opinion makers in terms of insurance mediation regulation. We are in contact with the European Commission, we are the voice of insurance intermediaries in relationship with the European Commission, with European Parliament, with Council, but also in relationship with, for example, CEIOPS - CEIOPS is the European Committee of Insurance Supervisors and they

are working together with the European Commission on future regulations. That is our main purpose. Here in Brussels, almost every sector of the economy is represented, because this is one of the main public affairs centers in the world, not only dealing with European affair, but also international affairs. That is where our main activity goes to. Of course, there is always an interaction with our national associations. We are the bridge between our national association and the European institutions, but the role of national associations is increasingly important. It is very important and, in the same time, it is our strength that we speak with one voice on almost every subject that we have on our agenda – one single voice of the European intermediaries in relationship with the European institutions. On the other hand, the insurance markets and, in particular, the insurance mediation markets still have some differences, there are differences from one market to another and there are, of course, nuances that must be taken into consideration. But that is based on a very good cooperation between us and the national associations, so we have – and that is another aspect of our role – meetings, on regular basis. We exchange information, we watch new developments, because we are in a world where today, a development in France is very quickly spreading to Romania or vice-versa. All the parties involved in this European process are talking to one another on an almost permanent basis. It's a permanent European debate that is going on. That is where we find our role in, that is why we are representing, defending and promoting

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the interests of insurance intermediaries. Making sure that the role of intermediaries is recognized as an important role in the economy and as an important role in the insurance process is something that has to be done on a daily basis. Insurance intermediation is not on top of the agenda of all the politicians, but in the meantime we are part of the financial sector, of the insurance sector, and it is very important that, before people take decisions - because they are the decision makers -, they are informed. So, we have the role to make sure, together with our national associations, that decision makers understand exactly, firstly, what the real value that we bring to the economy is, for the consumer, for the insurer. Based upon that, we hope that they make the right decisions.

### **PRIMM: What are the key challenges that affect the insurance intermediaries market in the current economical situation? What are the forthcoming regulations which are being discussed now at European level?**

**Nic de MAESSCHALCK:** Since last year, we have been focusing on trying to ensure that decision makers understand very well the difference between the investment banking world and the insurance world. There are many nuances in that, but it was necessary to stress that over the last year, in particular in the context of the crisis. This indeed reflects in future regulations, but we do not want regulators to take decisions that have an effect on the non-life market, which are based upon an experience in the investment market. These are two different markets, two different business models, completely different, even historically. Of course, the crisis has had an impact on the regulatory perspectives on the other hand, so many of the deuces that we see today on the table at European level are issues which were already there before the crisis. Due to the crisis, some of the concepts and issues have been prioritized, others have been delayed and others have been taken together into a wider picture. But, basically, the issues were there already, most of them were there before the crisis. An extra aspect that is brought in here, which was also a reality before the crisis, but which has been emphasized due to the crisis, is the international impact. G 20, for example, is giving the high level guideline, and then the USA and the countries from Europe have to bring that into real life. This international aspect has been emphasized now, it is a real interaction where many players are now involved. So, for us the challenge was to make sure that regulators take into consideration the dif-

ferences, the nuances.

This is where we are talking about PRIPs – in general terms, if life with investment element insurance (a unit-linked insurance) is more an investment product than an insurance product. That will have an impact on future regulations, on sales and distribution of these products and also, on their transparency. From our perspective, we believe that some of these products may have some of the aspects of an investment product, hence there may be more transparency in terms of information requirements to the client, but it should also be taken into consideration that they are an insurance product. So, you cannot completely compare them, but some of these aspects must be taken into consideration.

In what IMD (Insurance Mediation Directive) is concerned, the revision of the Directive has been on the table since before the crisis. The current IMD was adopted in 2002, and then implemented in various member states in the years after 2002. In that national implementation, there have been differences in interpretation, differences in implementation, and now the European Commission is considering that the IMD may need some changes, in order to create more legal certainty and to have less differences. So, the IMD revision is not so directly linked to the crisis but, of course, some of the influences of the crisis play their role and will be taken into consideration, for IMD II.

### **PRIMM: Which of these aspects will influence the Central and Eastern Europe insurance intermediaries (as there are differences between the state of the current intermediary market in the CEE, in the emerging economies, and the state of the same market in Western Europe)?**

**Nic de MAESSCHALCK:** All over Europe, there are still many differences in the insurance intermediation and the insurance distribution landscape. One of the differentiating aspects for the CEE markets, but also for some other markets, is that intermediation is maybe younger, since the 90's. I must say that this market has developed very quickly. This is a fantastic thing. Intermediaries, in these new markets, have picked up very quickly and have really shown that they add value to the insurance market. But, besides that, I really don't see, from a regulatory perspective, any major differences between the Romanian market and the French market, for example. Of course there are some differences, but each market has developed in a certain way and the current IMD has tried to bring some level of harmonization in that. Of

course, each national market or each national regulator has adopted measures at national level which are reflecting the state of specificity of a certain market. IMD has two objectives: one – consumer protection; and secondly - the creation of a single insurance market. So, in order to create a single market, you have to build bridges, you have to make sure that people understand one another, even if they are coming from different countries. That is on the agenda for the next step and that means an IMD II, so the revision of the regulation on intermediation.

For example, one of the issues that will be considered and it is under consideration is scope. Scope of IMD – very specifically, must this scope be further broadened? From our perspective, the scope must be very broad, because one of the reasons for an intermediation directive is to protect the consumer. So, that means that everyone who is in contact with somebody who wants to intermediate, sell, offer advice in insurance, must more or less fall under the same regulation. You need a level playing field. And the consumer must be protected, in the same way.

A second aspect that will probably be revised within the IMD is dealing with the freedom of services. The concept of freedom of services is in the current IMD but, in order to create more legal certainty, a few things must be clarified. For example, what is the triggering element, when are you doing a cross-border activity. Is that when the Romanian broker crosses the border in order to sell a product or to intermediate a product to a Belgium client, or is the moment when he sends a fax or an e-mail? These are the kind of things that are, for the moment, clear, but which we have different interpretations, from one country compared to another. And we believe that IMD II will bring some further clarifications, which is a good thing.

A third aspect that is into consideration is related to qualification requirements. Regarding the qualifications requirements necessary in order to be an intermediary, there is a big variety of systems in the different markets. In some markets you have a compulsory state exemption, in other markets you have certifications, in other markets our national associations are setting up training systems or institutes, there are some commercial training institutes – so, it is a very broad, diversified landscape. It would be difficult to regulate that into more nuance, but still the regulators are looking and finding common denominators, so may be there can be established some high level principles that would be applicable to qualifications. It is an area where there is probably some work over the next couple of years.



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Then, there are a couple of other aspects, like the reduction of the administrative burden, so we are going to look in the registration and notification procedures, to see what could be optimized. We are very much in favor of keeping the registration system, as an intermediary must be registered. In order to register, you have to comply with a couple of professional requirements. We believe that is a very good system because the consumer can check whether you are really registered or not. The bulk of the work is already done in any case, so we just want to continue what exists.

One other aspect that will be looked at is the transparency. This is a debate that is going on all over the world, not only in Europe. There is the whole aspect of transparent remuneration. We have nothing against transparency, but we believe that insurance is not only about price alone. So, what we are promoting is transparency upon request. If your client asks you what your remuneration is on that particular contract, then you tell your client. That cannot be an issue. Transparency is a key, indeed, but transparency upon request. Why? Because, as I already said, insurance is not about price alone, so the price (premium, and also remuneration) must be seen in the context of the services that are related to that. An insurance premium must be seen in the context of the quality of the insurance. And this is important for

the client, because sometimes there are nuances which make a product much better for a certain client, even if it is a little bit more expensive, then for another client. We are talking about personal lines. In the SMEs market and the more commercial lines market, many of these products are tailor-made, the dialogue between the client and the intermediary is much more intense, so, again, transparency is almost a fact. But if the client is interested to know whatever about the premium, he should be able to ask. There must be a dialogue, because there are so many aspects to insurance that the client does not immediately see, so it must be a dialogue, there must be a conversation and explanations about that. We, in BI-PAR, are indeed in favor of transparency upon request, but all kinds of remuneration systems must continue to exist and be possible.

**PRIMM: What is your message towards the CEE and the Romanian insurance intermediaries? We are speaking about developing markets, but very different markets.**

**Nic de MAESSCHALCK:** You know that better than I do, but I believe that the general message for every intermediary is to never take it for granted. The client is the purpose of our existence. Wherever you are, in business, and in insurance intermediation business in particular,

if you focus on your client, if you build your own strategy, if you choose your segment, if you know where you want to go to, between now and five years, then I am certain whether you decide to remain small, working on a local level, or whether your ambition is to become big, working on a national or international level, as long as you have your strategy built and you are capable of giving your client the added value that he expects, but also capable of giving the insurer the added value that he expects from you as intermediary, business will go well. We must be realistic, we are living in an economically difficult market, the crisis will have its consequences over the next years, we will have to deal with that, but maybe it is in times of crisis that added value is, very often, even more important than price. Competition becomes more important, competition on the quality of the service.

**PRIMM: Thank you!**

Alexandru CIUNCAN  
Vlad PANCIU

# Transforming the Insurance Enterprise through Adaptive Systems

The insurance industry, like so many other business sectors, has undergone a historic transformation within the last 10 to 15 years. Even before the economic meltdown of 2008, the insurance industry was experiencing tectonic change in everything from market dynamics and regulations, business processes, to the technologies that insurers use to run their organizations, manage distribution channels and satisfy customer demand.

What was previously a very stable, static industry where insurers experienced incremental, controllable change, has become an extremely volatile environment where things are shifting faster than ever before. Yet as the velocity of change has increased, the line of sight has decreased dramatically, inhibiting the ability of insurers to see five, or even two years out. This impacts insurers' ability to effectively respond to dramatic changes in their business and plan for the future.

What can insurers do to prepare for this transformation in the new economy?

## Finding Opportunity in Risk

The technologies and tools built for the insurance industry 20 to 30 years ago were massive systems that required a lot of planning, took time to implement and were truly built to last — in a steady environment where significant change was not the norm. However, these legacy insurance systems are immense, immovable systems that are difficult to alter and maneuver. Systems that

performed and worked so well 10 or 20 years ago are now unable to meet the demands of an industry that must adjust to sudden, unexpected changes that define the new insurance reality.

Insurers are being hampered by the legacy systems, inflexible processes, and even resources within their own enterprise, as well as other third-party challenges and constraints such as regulations, distribution channels and market conditions. What were previously enablers in the insurance enterprise are now constraints that inhibit growth.

The challenge for most companies is to identify what those constraints are and remove or reduce those they have some control over, while optimizing the ones they don't.

## The Theory of Constraints in Insurance

The theory of constraints is a well-studied model, popularized in Eli GOLDRATT's book entitled "The Goal." GOLDRATT's Theory of Constraints seeks to simplify process optimization. Though based on the manufacturing industry, his hypothesis applies equally well to the insurance industry. The goal is to create a simple, structured method to look at the business and identify where the constraints really are. Knowing what these constraints are, insurance companies can then:

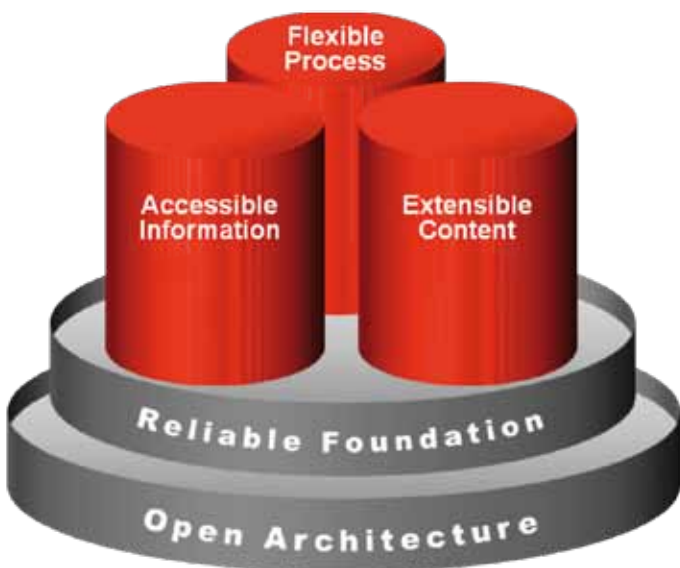
- Simplify process improvement;
- Structure process for constraint management;
- Eliminate constraints when possible;
- Optimize constraints when necessary;
- Continually iterate and optimize processes as needed.

It is also important to identify "reasonable constraints" in the business. Business constraints such as market opportunity, channels, geography, and regulations, are factors that an enterprise cannot generally control, but they can certainly try to optimize. Technology, processes, and people should not be the constraints that drive (or hinder) the business, for these are areas that can be controlled.

By removing or reducing constraints and optimizing reasonable business constraints, insurers can more easily and quickly maneuver changes and roadblocks, enabling them to enter new markets or exit old ones, accelerate speed to market, issue policies more quickly, or reduce costs.

## Freedom through Adaptive Systems

The ability to reduce or remove constraints requires flexibility and adaptive systems that enable companies to react to changing conditions and business requirements, and help them achieve business and IT alignment. Process improvement can occur large-





scale or incrementally. A well-designed adaptive system should provide an organization with the freedom to quickly respond and adjust to changes in product, customers, geography, regulations, and information. Adaptive systems should combine:

- Rules-based applications;
- Adaptive data models;
- Configurable dashboards;
- Globalization;
- Integration.

## What is an Adaptive System?

An adaptive system provides the flexibility needed to handle any process the business requires. For example, the ORACLE Insurance Adaptive System provides three key pillars: process flexibility, data elasticity and information access, all of which are built on a reliable foundation and open architecture.

For an application to be truly adaptive, process flexibility is paramount. A significant challenge for many organizations occurs when they look at their business processes and decide they want IT to implement new processes; often, the legacy IT system cannot support these new processes. The question is whether a business process must change when implementing a system or whether the system can adapt to best practices that have been established to run the business.

Extensible content is also critical. When business requirements change rapidly and unexpectedly, a company's data model must be flexible enough to respond quickly; for example, a new regulation that requires the business to capture extra attributes in a particular application. Can the organization add data elements on the fly, or does it require a lengthy IT engagement? Extensible content enables the insurance enterprise to make these kinds of changes to the system in days, not months.

Information access is a crucial third pillar of an adaptive system, providing reliable access to complete, accurate information. Adaptive systems must be built on a solid, reliable foundation with an open architecture to enable integration and interoperability with other systems. These elements are also important because they drive down total cost of ownership.

Many insurance industry leaders are responding to the uncertainty of the market and transforming their businesses with ORACLE Insurance's adaptive systems. From insurance processes such as rating and underwriting to new product introduction to claims processing and document automation, the systems provide best-in-class applications that enable insurers to achieve tangible business benefits by reducing or removing constraints, allowing processes to flow more swiftly.

## Conclusion

The question for today's insurance carriers and providers is this: how adaptable are their IT systems and what impact can adaptive systems have on their business? Having adaptive systems can help them identify and remove constraints that impede their ability to prepare for and respond to an ever-changing market. By using adaptive systems that provide a solid foundation along with process flexibility, data elasticity, and information access, organizations can open the "dam" that is holding back the potential of their business to seize new opportunities.

Charles "Chuck" JOHNSTON

Vice President of Global Strategy and Alliances for ORACLE Insurance  
(Oracle.com/insurance).





**INTERNATIONAL INSURANCE MARKETS DAY** in the 2010 Edition of FIAR, Romania, has drawn, inevitably, a bitter-sweet review of the evolution of insurance markets in Central and Eastern European region, in the context of the global financial crisis, but also sought to emphasize the influences and challenges for the profile industry this year. And, as “double-digit” dreams were shattered, all we have to do now is to illustrate...



**International insurance markets in FIAR 2010, Sinaia, Romania...**

# First year under the crisis empire



With the difference that 2009 requested a little more spontaneity from the companies in rethinking strategies because of the inevitable and rapid installation of the financial crisis, we notice that 2010 found the market more prepared and also more cautious regarding the outlook for the next period. Just as in 2009, this year also represents a real “challenge”, both for the Romanian economy and for the insurance industry, when companies will have to shift direction properly and exploit all opportunities in current conditions.

## The vicious circle of market profitability...

In the second day of FIAR, the works of the Main Conference, on the subject of the evolution of insurance markets in the CEE, Russia and CIS region, and, mainly, of the Romanian insurance market, have started with good news: the net loss of the market has reduced in 2009 more than five times, to RON 103 million.

20 out of the 45 insurance companies reported profit in 2009, whereas 25 sustained losses, according to the data presented on May 25, 2010, by the Insurance Supervisory Commission during the MAIN CONFERENCE at FIAR.

The cumulated value of the profit increased in real terms by 12.83% compared to 2008, reaching more than RON 315 million, whereas the total volume of losses was down by 44%, from RON 850 million in 2008 to RON 418 million in 2009.



Angela TONCESCU  
President  
ISC



Cristian CONSTANTINESCU  
President  
UNSAR



Radu MUSTATEA  
President of the Directorate  
ASTRA Asigurari



Daniela GHETU  
Editorial Director  
PRIMM Insurance & Pensions



Romeo JANTEA  
CEO  
GUILD Broker

*This repositioning of the financial results was influenced by the fact that 6 insurance companies that reported losses in 2008 had a positive result in 2009, stated Angela TONCESCU, President of ISC, Insurance Supervisory Commission, Romania.*

The insurance penetration share in the GDP was 1.8% in 2009, with a slight increase compared to the 1.77% in 2008, despite the decrease in underwriting. Thus, the degree of penetration of non-life insurance was 1.47%, with 0.33% for life insurance.

As for the insurance density, calculated as a ratio between the volume of gross written premiums and the number of inhabitants, it decreased by 2.38% compared to 2008, from RON 415.62/inhabitant to RON 413.27/inhabitant.

At the end of 2009, the paid-up share capital of the insurance companies amounted to over RON 3 billion, where 1 billion represented the share capital increases made by the shareholders of the insurance companies in 2009, despite the difficult economic context.

*As of December 31st, 2009, we had 8,575,377 non-life insurance contracts in place, namely 529,720 more than in 2008. On the same date, we had 7,732,947 life insurance contracts in place, representing 962,486 more than in 2008.*

*The life insurance segment was however hit harder by the financial crisis than non-life insurance. The trend was anticipated both by the Insurance Supervisory Commission and by the insurance companies based on higher unemployment rates, lower income and uncertainties regarding the business climate, according to the data provided by the commission.*

The main feature of the Romanian insurance market is the high concentration level. Thus, the turnover of the first ten insurers on the market totaled over RON 6.8 billion, namely almost 77% in the overall market.

## CONSTANTINESCU, UNSAR: 2010, the most difficult year after 1989

*The Romanian insurance market experiences "interesting" times, although none of us would have liked to live them. I believe that 2010 is the most difficult year after 1989 for the Romanian insurance market, this perception being also endorsed by the figures reported after the three months of activity of the insurance companies, as they evolve at the same pace as the economy, stated Cristian CONSTANTINESCU, President of UNSAR (National Union of Insurance and Reinsurance Companies from Romania), at FIAR, during the INTERNATIONAL MARKETS' DAY.*

*The non-life insurance sector experienced the first drop in the last 20 years and recent events lead us to believe that the situation will not improve, added the President of UNSAR.*



## CEE region – different reactions to the economic crunch

European insurance markets have reacted differently to the financial crisis, so differentiation was dictated by their specific features and degree of development and maturity of each local market. Following the same pattern, the revival of these markets will also manifest in just as different terms.

*Clearly, recovery from economic recession will be very slow and "inconsistent" throughout Central and Eastern European region. GDP growth will not return, of course, to the same pre-crisis levels in the near future, investments and private consumption are still quite weak and not showing signs of improvement in 2010, explained Daniela GHETU, Editorial Director of PRIMM Insurance & Pensions, in a presentation of the realities of insurance markets in the region.*

Next, to get an overview of the role that insurance in the CEE region occupies in the European landscape, the representatives of emerging profile markets present in FIAR analyzed the current state of development of insurance in Russia, Turkey, Central Asia and CIS area, under the new economic realities:

## EASTERN Re: Russian insurance and reinsurance market, the same trend as the world economy

Insurance and reinsurance markets in Russia have experienced in the previous year the trend of the global economy, affected by the economic downturn: *In the previous year, revenues of specialized reinsurers have experienced a reduction of up to 40%, while revenues of insurers fell by 10 percent, said Dmitry DANILENKO, EASTERN Re, one of the most active reinsurance companies in the CIS markets. Finally, the amount of claims paid by specialized reinsurers*





Dmitry DANILENKO  
International Business  
Development, EASTERN Re, Russia



Sezi MERIC  
Senior Underwriter  
MILLI Re, Turkey



Veaceslav IONITA, President of  
the Economy, Budget and Finance  
Committee, Republic of Moldova



Irina MERZLYAKOVA  
General Director  
Belarusian Insurance Union



Alex ROSCA  
Editor in Chief  
PRIMM Publications



decreased in 2009 compared with 2008, with 44%, while insurance companies have paid about 6% less claims. *The volume of insurance premiums amounted in 2009 to EUR 32.6 billion. What is noteworthy is the amount of USD 3.3 billion of premiums ceded to reinsurance companies*, said DANILENKO.

### MILLI Re: The potential of the insurance market has attracted massive investments in the field

Market in Turkey has recorded significant growth in recent years, both in terms of economic environment and in the insurance industry. Evidence of high potential of the insurance is represented by the massive investment in this sector, as most major insurers in the European market are present in this country.

*It is notable that the Turkish market registered a growth of the volume of gross written premiums, even if it ended last year in the red*, has underlined Sezi MERIC, MILLI Re.

*The structure of the market is that of a typical regional market in South-Eastern Europe, where motor share is significant. However, there are premises for development of the life insurance segment, although currently it is poorly developed. Also, the existence of the pool of insurance against earthquake was a good starting point for the development of household insurance and of potential business for insurers*, continued Sezi MERIC.

### Development directions of the Moldavian insurance market

*The insurance market of Moldova is found at an early stage, the total volume of underwritings being EUR 50 million in 2009, representing about 1.4% of GDP*, said Veaceslav IONITA, Representative of the Economy, Budget and Finance Committee of the



Parliament of the Republic of Moldova.

According to Moldavian official, property insurance covers less than 1 percent of the entire market. The experience of last year, when the Republic of Moldova has undergone a series of major floods and offered compensations amounting to about EUR 20 million (more than the total volume of claims paid in 2009 by all insurance companies operating in Moldova), has created the premises of an initial reform designed to modernize the insurance market: establishing a fund for natural disasters and promoting these types of insurance. *The goal is for property insurance market to grow 10 times in 2-3 years, for these types of policies to represent more than 0.3% of GDP and, last but not least, to take the social responsibility in recovering after natural calamities from the Government and divert it towards the insurance companies,* added the Moldavian official.

At the same time, the Republic of Moldova also aims significant increases in agricultural insurance segment and developing the Pillar II and Pillar III pension system.

### **SAIPRO: Insurance in Central Asia, less affected by the crisis**

*In the five countries that form Central Asia Region, local insurance premium dynamics is directly influenced by economic activity. In the last two years, cumulated, the five markets have suffered a reduction in business much less serious than other regions of the Globe,* pointed Dilshod SULTANOV, SAIPRO, Uzbekistan.

Speaking of growth, but especially of potential, Central Asian region is a growth opportunity for the insurance industry, regional governments paying real attention to this sector of the financial industry: *These countries gained their independence in 1991; they are actually developing and have a real potential. They*

*have started modernization of the market and legislation is constantly improved, in line with the market development,* added SULTANOV.

### **BELARUS: Being an emerging market keeps us away from the crisis, but the motor segment is becoming a problem**

*The market is at an early stage and, therefore, the financial crisis effects were felt to a very small extent, but there is still the major problem of motor insurance, which has the predominant market share,* said Irina MERZLYAKOVA, General Director of Belarusian Insurance Union.

In Belarus, the claims ratio on the motor segment has been steadily increasing, now reaching almost 100%, which resulted in a change of policy regarding prices charged by companies.

Reviewing the experiences of these countries, but also that of Romania, we can bring everything to a single common denominator: since the insurance industry is a less common one, meaning it responds to current economic developments and reflects the economic climate with some delay compared to the rest of the financial sectors, it is expected that both the market in Romania and the other regional markets may still have to face, for another long enough period, the volatility and current uncertainties.



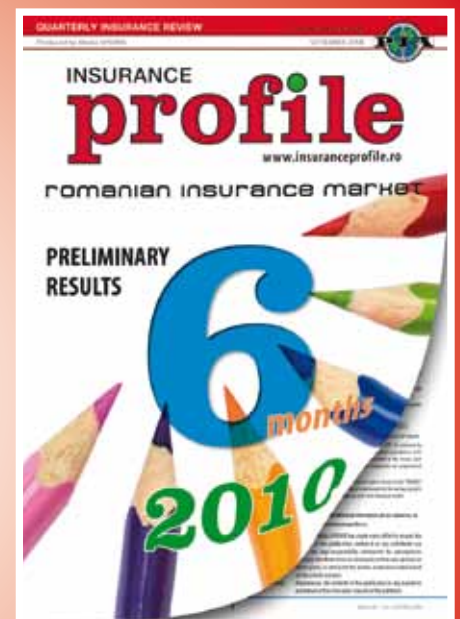
Dilshod SULTANOV, Director of the Financial Analysis and Rating Department, SAIPRO, Uzbekistan

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## CEA International Insurance Conference

# Insurance in a Changing World



London, June 11<sup>th</sup>, 2010

The Second Edition of the International Conference "Insurance in a Changing World", held on June 11, 2010, in London, organized by CEA - Comité Européen des Assurances, took place in a context where, compared with other segments of the financial market, the insurance industry faced the economic crisis with flying colors, showing resistance in front

of the "storm". However, some conclusions must be drawn from this, both by insurers and by supervisory authorities. One thing is certain, namely that customer expectations and needs have changed. In this period of reorganization of business and of regulatory policies, services consumers, supervisory authorities and profile industry representatives discussed the possibilities of adapting to new realities of the market, as well as the opportunities and threats they will have to face.

Professional unions of Romanian insurance market were represented by Bogdan ANDRIESCU - President, UNSICAR, Florentina ALMAJANU - General Director, UNSAR, and Constantin NASTASE - Executive Director, UNSICAR, while the Association for Promoting Insurance - APPA was represented at the event by the Secretary General of the organization, Alexandru CIUNCAN.

Media XPRIMM was represented at this Conference by Adriana PANCIU, CEO, and Alex ROSCA, Editor in Chief, PRIMM Publications.



Tommy PERSSON, President, CEA

### Tommy PERSSON: Insurance industry did not generate the crisis

*Although affected by the financial crisis, the insurance industry is not the one that generated it. Therefore, CEA believes that measures to strengthen supervision of the financial-banking system at European level should not be extended to insurers, said CEA President, Tommy PERSSON, in the opening of the event.*

The necessity of increasing capitalization, the main threat Increasing capital requirements - that is according to participants at the event in London, the most important concern for European insurers. According to a survey conducted right during the Conference, about 64% of those present were concerned about the capitalization that insurers will need after the entry into force of Solvency II.

At the same time, only 15% are worried about the tax increase





Rt. Hon. Lord REID, Chairman, Institute of Security & Resilience Studies, University College London



Peter BRAUMÜLLER, Chairman, International Association of Insurance Supervisors (IAIS) & Managing Director, Austrian Financial Market Authority (FMA)



Steven WEISBART, Senior Vice-President & Chief Economist, Insurance Information Institute (III), USA



Alberto CORINTI, Deputy Director General, CEA



Mick McATEER, Director, Financial Inclusion Centre, UK & Member, Consultative Panel, CEIOPS & Chairman, FIN-USE

### What is the biggest concern for insurers in the wave of new regulatory requirements?

1. Higher capital requirements - 64%
2. Additional regulatory reporting - 15%
3. Introduction of new taxes/levies - 14%
4. New corporate governance requirements - 7%

in the profile industry, while 14% are considering the possible introduction of new regulations regarding corporate governance.

*Given the current macroeconomic climate, the insurance companies with short-term objectives, such as market share, will suffer the most. The crisis has proved that the industry should focus on underwritings based on technical criteria, on the core-business that it knows and it should take risks that it understands,* said John KEOGH, CEO, ACE Overseas General, USA, during the CEA Conference.

### Major threats for European insurers

The insurance industry business model is different from any other financial industry, which is why there should be specific regulations in this field. *Thus, the insurance industry may be affected by the danger of systemic risks, but the particularity is that they come from other industries,* said Peter BRAUMULLER, President of IAIS - International Association of Insurance Supervisors.



Adriana PANCIU, CEO, Media XPRIMM, Bogdan ANDRIESCU, President, UNSICAR, Florentina ALMAJANU, General Director, UNSAR, Constantin NASTASE, Executive Director, UNSICAR, and Alexandru CIUNCAN, Secretary General, APPA – Association for Promoting Insurance

### Which feature of the insurance business model — in contrast to the banking business model — is most important to the sector's financial stability?

1. Long-term investment approach - 26%
2. Ability to match assets to liabilities - 31%
3. Limited liquidity risk - 21%
4. Stable upfront funding through premiums- 21%







However, European insurers will have to face, over the next two years, the four major threats: inflation trends affecting most economies, lower investment returns, increasing capital requirements in response to tightening regulations in force and the way they have adapted to the new economic climate, since 2007 until now, believes Steven WEISBART, Vice President of the Insurance Information Institute in USA.

Lessons learned by European insurance markets, followed with interest at the CEA Conference by Romanian representatives *I am glad I had the chance to participate in the CEA Conference, representing the Romanian insurance brokerage market. I discov-*

*ered with pleasure that, at international level, the attitude towards insurance brokers and towards their role in the profile market is a very positive and open one,* said Bogdan ANDRIESCU.

*Participation in this Conference brings real benefits to the countries represented here. On this occasion, there are presented lessons learned from the crisis by insurance markets around the world, lessons the more important as, in this changing environment, changes are being prepared for some parts of the European legislation, following that, starting 2012, Solvency II Directive will be applied,* said Florentina ALMAJANU, General Director of UNSAR.

### When seeking insurance coverage, what are the main selection criteria?

1. Price (and return) of the product - 29%
2. Insurer's brand and reputation - 22%
3. Product design - 17%
4. Comprehensiveness of the information provided - 17%
5. Insurer's financial strength - 15%

### Does policyholder protection need strengthening?

1. Yes - 48%
2. No - 31%
3. Not sure - 21%

### How can policyholder protection best be strengthened?

1. Macro-prudential initiatives - 23%
2. Micro-prudential regulation - 24%
3. Information and transparency - 32%

4. Protective measures such as price ceilings - 4%
5. Introduction of insurance guarantee schemes - 17%

### How can financial sector company failures best be prevented?

1. High capital requirements - 6%
2. Detailed supervisory scrutiny - 10%
3. Strong corporate governance, with good risk management and controls - 84%

### What is the best way to achieve international convergence in regulation?

1. Binding minimal global standards - 51%
2. Increased formal dialogue between regulators - 35%
3. Regulatory staff exchanges/secondments - 7%
4. Lobbying by global companies of governments/regulators - 7%



## Monte Carlo

## Les Rendez-Vous de Septembre

September, 11<sup>th</sup> - 17<sup>th</sup>, 2010

For more than 50 years, the beginning of September marks for the elite global insurance, reinsurance and brokerage markets the Meeting in Monte Carlo - Les Rendez-Vous de Septembre (SVR). 2010 was no exception in this respect, the principality of Monaco reinforcing its reputation as a neutral and "fertile" ground for negotiation and renewal of reinsurance programs for the coming year between the world leaders in the field.

Despite the financial crisis in the previous year and the difficulties that several world renowned companies had to face, the event was attended by over 2,500 specialists from 80 countries (reinsurers, insurers, brokers, financial consultants and international press), confirming the status of the SVR as one of the biggest and most important international profile meetings.

At the 2010 edition of the traditional meeting, Media XPRIMM was represented by a team consisting of Alexandru CIUNCAN, Business Development Director, Vlad PANCIU, XPRIMM TV Coordinator, and Oleg DORONCEANU, International Markets Coordinator.

### The market recovered.

#### Where do we place the capital?

For the international reinsurance industry, this year's edition of Rendez-Vous de Septembre (SVR) reminded of the similar event in 2007, taking into account the fact that *the reinsurance industry has recovered from the financial crisis and showed an increase*, according to Henry KEELING, CEO, International Operations,

Guy CARPENTER. Thus, reinsurers must come up with new strategies to streamline the excess of capacity on the international profile market, focusing on emerging markets and investing in new technologies.



The Management of MUNICH Re announces the launch of a new product

Speaking in this context of Guy CARPENTER's strategy for next year, the company takes into account the development of the micro-insurance segment, that industry experts evaluated at approximately USD 1 billion with a growth potential in the future up to USD 5,000 billion.

One of the major points discussed at RVS was the divergent policy which is currently followed by the insurance and reinsurance companies. Prices charged by insurers are generally declining. At the same time, insurers are reducing prices in a more accelerated pace, which does nothing but decrease their ability to cede risks in reinsurance.

**Les Rendez-Vous de Septembre was attended by over 2,500 specialists from 80 countries. The first edition took place in 1957, bringing together 462 people.**

On the other hand, reinsurers are placed in a situation where they can not reduce prices too much, because of the catastrophic events of the first half of the year - earthquakes in Chile, Haiti, storms in Australia and Europe or ecological disaster in the Gulf of Mexico. Moreover, there should be considered the long-term effects of current claims, because a rising trend in inflation can be felt in most countries around the globe. Also, investment yields have been affected by financial turmoil in capital markets and by low interest rates.

### Reinsurers strike back

Another topic discussed intensively in the SVR was excess capacity existing on the international reinsurance market and the implications of this on prices charged by the major players in the field. In this context, the pervasive question is *How will prices evolve during the 2011 renewal season?*, especially in the event that this excess capacity could be affected by natural disasters produced in 2010. In the first half of the current year, the claims dynamics significantly increased, as the amount of losses suffered by reinsurers in the reference period exceeded the similar indicator recorded throughout the year 2009. Thus, the earthquake in Chile and the Xynthia storm alone caused claims of about USD 11.4 billion, while claims related to the catastrophe in the Gulf of Mexico could rise to around USD 4-6 billion.





Torsten JEWORREK  
Board Member, MUNICH Re



Jean-Philippe THIERRY  
President of the RVS Committee



Franco URLINI, Assistant General  
Manager, GENERALI



Rob JONES, Managing Director  
STANDARD&POOR'S

**AON Benfield: Reinsurance prices will evolve differently for each line of business and for each geographical area.**

**TOP 10 reinsurers in 2009 (USD bn.)**

|                      | Total | Life (%) | Non-Life (%) |
|----------------------|-------|----------|--------------|
| 1 MUNICH Re          | 22,7  | 40       | 60           |
| 2 SWISS Re           | 16    | 43       | 57           |
| 3 HANNOVER Re        | 9,5   | 44       | 56           |
| 4 BERKSHIRE Hathaway | 8,7   | 21       | 79           |
| 5 SCOR               | 5,8   | 48       | 52           |
| 6 RGA                | 4     | 100      |              |
| 7 TRANSATLANTIC      | 2,8   |          | 100          |
| 8 PARTNER Re         | 2,8   | 14       | 86           |
| 9 EVEREST Re         | 2,7   |          | 100          |
| 10 TRANSAMERICA      | 1,6   | 100      |              |

Source: SCOR

According to Dominic CHRISTIAN, one of the Executive Directors of AON Benfield, *prices will evolve differently for each line of business.* Thus, for casualty insurance, claims ratio increased significantly in countries such as Belgium, South Korea, Ireland and Sweden, as for them an increasing trend of prices is already a certainty. A similar situation will be for countries such as Austria, Australia, Ireland and Denmark, which took heavy losses on property segment. Chile, Spain and other countries in Eastern Europe that have been affected by natural disasters will be no exception to this scenario", says the quoted official.

*The evolution of prices depends on the individual performance of insurance companies and on the impact of natural disasters in each country. For example, Central and Eastern Europe has been hit hard by flooding this summer, which will make its mark on the renewal season,* said exclusively for XPRIMM Publications, Marek CZERSKI, President of POLISH Re.

However, an important part of the leaders of reinsurance and brokerage companies predict a stagnation of prices on the international profile market. *They will continue to stagnate, in the absence of significant claims events,* predicts Christopher KLEIN, Manager Reinsurance Department, Guy CARPENTER. Although in the first six months there have been registered more natural disasters (Haiti, the ecological disaster in the Gulf of Mexico), prices continue their downward trend. *Their sudden increase is possible only after a major event similar to the terrorist attack in the U.S. in September 2001,* KLEIN added.

A forecast slightly different in this context belongs to the specialists from MUNICH Re, who have estimated, during RVS, *stable prices, in the context of sufficient capacity on all insurance segments.* Thus, *tarrifs increased significantly in some segments, a direct consequence of losses due to natural disasters, particularly in Latin America,* said Torsten JEWORREK, Member of the Managing Board of MUNICH Re.

**Energy giants - the target of MUNICH Re**

German reinsurer MUNICH Re has changed the tradition of the Monte Carlo annual meetings of reinsurers and announced in a press conference the launch of a new insurance product, for oil companies.

The concept launched by German reinsurer comes following the ecological disaster from BP oil platform in the Gulf of Mexico earlier this year. The event has generated losses of USD 3.5 billion for the global insurance and reinsurance industry.

In this context, MUNICH Re aims to cover liabilities of oil companies during extraction operations with limits of up to USD 20 billion on the international market, providing a coverage of USD 2 billion per drill.

**Guy CARPENTER: Reinsurance capital has come out of the financial crisis and has shown an increase.**



Press Conference of the RVS Organizing Committee



Interview with Marek CZERSKI, President, POLISH Re



Alexandru CIUNCAN, Business Development Director, Media XPRIMM, with the POLISH Re team



Vlad PANCIU, XPRIMM TV Coordinator

**Top 10 reinsurance brokers in 2009 (USD m.)**

|                     |               |                |
|---------------------|---------------|----------------|
| 1                   | AON Benfield  | 1 485          |
| 2                   | Guy CARPENTER | 911            |
| 3                   | WILLIS Re     | 636            |
| 4                   | COOPER Gay    | 162            |
| 5                   | TOWERS Watson | 156            |
| 6                   | JLT           | 102            |
| 7                   | BMS           | 49             |
| 8                   | UIB           | 46             |
| 9                   | AXIOM Re      | n/a            |
| 10                  | HOLBORN       | 26             |
| <b>Total Top 10</b> |               | <b>~ 3 600</b> |

Source: BEST Review

Oil companies will buy this coverage because they will not be able to cope with large claims to be paid in the event of such disasters, said Torsten JEWORREK for XPRIMM Publications. Currently, there aren't separate insurance policies for each distinct operation of oil extraction.

**The moment of review: the insurance-reinsurance world market in figures**

The international reinsurance business in 2009 reached the figure of EUR 132 billion, representing 4.6% of total underwritings made on the global insurance market (EUR 2,900 billion). The figures were made public in a press conference, by the President of the Organizing Committee of RVS, Jean-Philippe THIERRY.

According to the presented report, the life insurance segment has a share of 29% of total reinsurance written premiums, representing a slight increase compared to 2008. Moreover, Europe remains the largest exporter of capacity in the international market, with a share of 55%, while the ceding rate rises to 37%.

Regarding reinsurance companies ranking, MUNICH Re has maintained its leading position, with net premiums of USD 22.7 billion in 2009, followed by SWISS Re (USD 16 billion) and HANNOVER Re (USD 9.5 billion). The tendency of concentration on this market was also manifest in 2009, so that the top 10 reinsurers have a share of 57% of the total underwritings.

Regarding reinsurance brokers, AON Benfield leads the rankings, the value of its business reaching, in 2009, USD 1.480 million. Top of the brokers is completed by companies Guy CARPENTER and WILLIS Re, with businesses worth USD 911 million, respectively, USD 636 million. The total amount of underwritings of the top 10 reinsurance brokers, in the reference period, amounted to USD 3.6 billion.

*The financial crisis emphasized the fragility of business models that are used improperly. At the same time, there is an increase in technical and geographical diversification of business, hence the number of local and specialized operators is declining,* added Jean-Philippe THIERRY.

**How will the reinsurance market evolve in 2011?**

According to Jean-Philippe THIERRY, reinsurance techniques have remained unchanged for almost 30 years, but we must keep in mind, in the future, the fact that there is excess capacity in the market, and the accent will be placed on its geographic diversification. However, *natural business expansion phases are followed by a contraction in an area that basically follows a cyclical development. Thus, financial market players should be prepared to think long term when deciding to invest in reinsurance.*

**POLISH Re: The evolution of prices depends on the individual performance of insurance companies and on the impact of natural disasters in each country. Central and Eastern Europe has been hit hard by flooding this summer, which will make its mark on the renewal season.**

Also, for future renewals of reinsurance contracts, no major changes are expected in the approach of ceding companies and of reinsurers; negotiations will focus on discussions about price. Mostly, these will be for reinsurance programs for catastrophic risks, which currently hold a significant share in the budget of ceding companies.

**From Monte Carlo to Baden-Baden**

RVS is mainly known for its significant networking component and for the ideal opportunity for participants to analyze each other's underwriting capacity and to get an idea of prices and products before the renewal season at the end of the year. Also, the event was, like every year, a good opportunity to begin negotiations that could be continued in future specialized events, such as the one in Baden-Baden.

*Negotiations tend to be more fierce than ever, given the market conditions we are in. Customers are more careful with the amounts they can afford for reinsurance sessions and have difficult decisions to make. On the other hand, it is a test of the reinsurance underwriting discipline and an evaluation of interpersonal relationships that have developed over time,* stated the President of ENDU-RANCE Specialty Holdings, William JEWETT.

Oleg DORONCEANU  
Vlad PANCIU

**Watch the XPRIMM TV  
Monte Carlo interviews on  
[www.xprimm.tv](http://www.xprimm.tv)**



September, 20<sup>th</sup> - 24<sup>th</sup>, 2010



# Yalta, between East and West

**Bleak outlook in Yalta: Eastern European markets are becoming less and less attractive to foreign investors, in the context of the financial crisis and of the disappearance of those “double digits” increases of underwritings, specific to this area of the "old continent".**

International Financial Forum in Yalta began its works, this year, with a dark image upon insurance business in Eastern Europe for the next period.

Traditionally, PRIMM - Insurance & Pensions Magazine was, this year too, Media Partner of the Forum, being represented by Vlad PANCIU, International Markets Responsible.

In Ukraine, the host of the Forum, the poor results recorded by Ukrainian insurers amid economic crisis determined foreign investors to postpone investments planned for the near future. Thus, *the entry of new investors in the insurance market in Ukraine does not come into discussion for at least 2 years*, said the Vice-president of the Insurers Ukrainian League (LIOU), Alexander ZALETOV, in the opening of International Forum in Yalta.

Another reason for this decision is the intention of the authorities in Kiev to establish state insurance companies, in areas such as agriculture and reinsurance, which pulls foreign investors even further away.

Also, foreign shareholders who have already invested in Ukrainian companies have drastically reduced the planned budgets,

so that insurers will be forced to significantly reduce their costs, including those for development.

Talking about problems on the Ukrainian insurance market, Oleksandr FILONYUK, the President of the Insurers League in Ukraine (LIOU), said to PRIMM Magazine:

*The most important risks are related to the rapid development and loss of control of the situation, and finally negative results are obtained, as it has happened. There is also the problem of dumping, which we can not yet solve. In general, we predict that business will increase along with overall economic development and we hope that authorities will implement all measures in this regard.*



Oleksandr FILONYUK, President of the Insurers League in Ukraine (LIOU)



# Russian reinsurers target Eastern Europe

Although the perspectives do not seem positive, the Russian reinsurance companies see great business potential on the Eastern Europe markets, given prices and lower rating requirements. Olga SIGALOVICI, General Director, EASTERN Re, Irina POSTNIKOVA, General Director, TRANSSIB Re, and Dmitri GARMASH, Deputy CEO, UNITY Re, leaders of some of the most important reinsurance companies in Russia, commented on the situation on the Russian reinsurance market and on business expansion in Eastern Europe.

## PRIMM: What is the situation, at the moment, in the Russian reinsurance market? What are the growth perspectives for the next period?

**Dmitri GARMASH:** The market presents a stable development at the moment, despite the global financial crisis of the recent year; maybe the main trend which can be observed in the market is one of consolidation. Many companies unite in order to become larger and capable of accepting more business. Such a trend is especially beneficial when it is supervised by authorities and that is the policy developed in the Russian Federation. There is a new law in Russia that raises the capital requirements for reinsurance companies, more specifically tripling the required capital.

From the 1st of January 2010, all reinsurers active in the Russian Federation should have a paid up capital of at least EUR 12 million; this is probably the best measure taken towards a further market facilitation.

**Olga SIGALOVICI:** 2010 will be not significantly different from 2009, considering the market conditions at the moment. I anticipate that the industry will see a 10-15% decrease in 2010, in comparison with 2009.

**Irina POSTNIKOVA:** The crisis period is not over yet, and the Russian reinsurance market, as all big markets, feels its influence. Reinsurance companies come after direct insurance companies, in the sense that direct insurance is doing well, while reinsurance not so much, but the results of 2009 show that our luck will change in time.

## PRIMM: How competitive are the companies on the Russian reinsurance market compared to international groups? Is price the reason for which Russian companies have an advantage in Eastern Europe compared to other international groups?

**Olga SIGALOVICI:** As far as our company EASTERN Re goes, we only saw a 2% decrease, in spite of the fact that many of our clients had to leave the market, due to the economical crisis.

In 2009 our international business portfolio share was 12%, in 2010 it reached 25%. To be more exact, at the moment, we are in business with many countries, such as Ukraine, Moldova, India and Singapore. We've noticed that the international market is interested in partnerships with the Russian insurance and reinsurance companies, due both to offered conditions and to better price.

**Dmitri GARMASH:** If we are talking about the CIS and the Russian Federation, there is no doubt that the main strategy here for Russian reinsurers is to be a supporting market. We can not currently compete with the leading opportunities, financial strength and capital of the global players. At any rate, I think Russian reinsurers are more flexible in many ways, they are developed enough to provide a very good label of reinsurance services and they are



Olga SIGALOVICI  
General Director, EASTERN Re



Irina POSTNIKOVA  
General Director, TRANSSIB Re



Dmitri GARMASH  
Deputy CEO, UNITY Re

financially stable enough at their own scale. We know our place, our position in the market and we can serve it very efficiently.

In addition, the price of Russian companies is highly competitive, hence resulting their advantage on these markets.

**Irina POSTNIKOVA:** Russian companies are not leading companies, even though the Russian market is a very good one. We can only be leaders in small or medium markets in Eastern Europe, for the Eastern countries.

For each reinsurance company, it is very important to create its own portfolio and to implement diversity from a geographical point of view. Our company tries to establish its portfolio within Russian territories and foreign ones as well. For many years, Russia has brought premium income to TRANSIBERIAN Re, but as things stand now, the percentage is fairly equal.



# Claims assessment - a business with perspectives in the East



Richard NATSCHLAEGER  
Regional Manager CEE and CIS  
AUDATEX

Another developing business in Eastern Europe markets is claims assessment. Current situation and perspectives have been commented by Richard NATSCHLAEGER in an exclusive interview for PRIMM Magazine:

## XPRIMM: How important is Ukraine for AUDATEX at this moment?

**Richard NATSCHLAEGER:** Ukraine is still underdeveloped, we are not yet at the level we would like to be, but Ukraine belongs to the five biggest potential markets in Central and Eastern Europe - due to the fact that it is a big country, with big population, with big car fleet - so, we see a lot of opportunities in the future, even if we are not there yet.

## XPRIMM: Because you said that Ukraine is a special market, what could you tell me about the approach used by AUDATEX in this country?

**R.N.:** We cooperate especially with big insurance companies, whose customers request the use of our system. We are partners with insurance companies, big body shops and big important networks. It is in this context, in this community that we are working. It is basically the same approach we have pursued in Romania, for instance.

## XPRIMM: In Romania, AUDATEX has been present on the market for five years now. How do you see the development in this country?

**R.N.:** We have been present in Romania for five years now. On the 26th of October 2005 we had the official inauguration party and we also signed the very first two contracts on this date.

The development in Romania has been extraordinarily positive - it is by far our most powerful and fastest developing country in the region. We had our first potential customer visits in July 2003; preparing the system, doing pilot tests with the first potential customers took us one and a half years, and then we started in the summer of 2005 and from then on, in five years, did Romania become a successful country.

Vlad PANCIU, Media XPRIMM, and Stanislav NUTA, Insurance Specialist, Republic of Moldova



The anniversary edition of the Forum in Yalta was attended by about 400 participants from 28 countries, including officials of regulatory bodies in Ukraine and abroad, representatives of insurance, auditing, reinsurance companies, and many experts in the economic and financial field.

Vlad PANCIU

# INSURANCE profile

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# Istanbul International Insurance Conference

## Turkish insurers:

### *It's just another crisis...*



September 30<sup>th</sup> - October 1<sup>st</sup>, 2010

The first half of 2010 represented for the Turkish insurance market an increase in underwritings of about 25%, their total value amounting to EUR 3.71 billion (*editor's note: in 1H2009, the same indicator amounted to EUR 2.98 billion*).

Thus, insurers in Turkey have been more fortunate than their European counterparts, because society and the business community were already familiar with periods of widespread financial crisis and therefore did not react sharply, as the clients maintained their already bought policies without substantial changes of premiums or coverage.



Ahmet GENÇ, Representative of the Insurance Regulatory Authority in Turkey

This is the conclusion of the second edition of the International Insurance Conference in Istanbul, organized by STD - Insurance Practitioners' Society, with support from Istanbul Underwriting Center.

*We have survived the 2008-2009 financial crisis just as we did in 1994 and 2001. This is how Ahmet GENÇ, head of insurance supervision in Turkey, began its presentation, held in the most important*

profile event dedicated to the local market and MENA region countries (*editor's note: Middle East, North Africa*).

His point of view is also shared by insurers, through the voice of Hulusi TASKIRAN, President of TSRSB - Insurers Association of Turkey:

*Insurance industry has grown over the past ten years, from around USD 1,5 billion to almost USD 10 billion, going through a series of*



Hulki YALCIN (left), General Director of MILLI Re, with Ahmet GENÇ and Hulusi TASKIRAN, President of TSRSB



Adriana PANCIU, CEO, Media XPRIMM, and Muge HORASAN, ISTANBUL Underwriting Center



Vlad PANCIU, XPRIMM TV Coordinator, Dmitri DANILENKO, Chancellor of General Director, EASTERN Re, Menekşe UCAROĞLU, Director General, ISTANBUL Underwriting Center, Fahri ALTINGOZ, President of STD – Insurance Practitioner's Society, and Alexandru CIUNCAN, Business Development Director, Media XPRIMM



*crises of the banking system. Companies were thus prepared, the capital was largely invested in government bonds with low risk. Obviously, however, the market declined as a result of the crisis, the competition has tightened, which led to an increase in claims ratio, said for XPRIMM Publications the representative of Turkish insurers.*

Despite this progress, the insurance market in Turkey is still in an early stage of development, with a penetration rate of 1.2% of GDP.

However, insurance and reinsurance companies in this country are already working on implementing a new solvency regime.

*It is obvious that, facing such challenges, we must establish how to implement these changes of rules regarding capitalization and solvency, how they will impact on the whole Turkish market and on each and every company, said Fahri ALTINGOZ, President of STD - Insurance Practitioners' Society.*

The event was organized with the support of MILLI Re, the only reinsurance company in Turkey and, moreover, an important player in the region.

*3 years ago, MILLI Re business from abroad generated about 5% of our income, whereas now the figure is close to 20%. So, the structure of the company is still changing, and I think that we play a very important role in the insurance industry in Turkey and in the region, said Hulki YALCIN, General Director, MILLI Re, referring to the company's expansion in the MENA and Central and Eastern European region.*

Organizing this event in Istanbul is not a random choice, as the ancient capital of Byzantium is a focal point at the intersection between Europe and Asia.



*We are very proud and grateful for having the chance to organize this event. We also want to send our thanks to our supporting partners, our supporting media, such as XPRIMM Publications. We are convinced that the discussions occasioned by this event will bring great benefits for this region, said Menekse UCAROGLU, Director General, ISTANBUL Underwriting Center.*

PRIMM - Insurance & Pensions Magazine, Media Partner of the event, was represented at Istanbul by Adriana PANCIU, CEO, Alexandru D. CIUNCAN, Business Development Director, Vlad PANCIU, XPRIMM TV Coordinator, and Georgiana OPREA, Accounts Manager.

Alexandru CIUNCAN  
Vlad PANCIU



Special thanks to all who contributed to the success of the event

# BADEN-BADEN **xprimm** RECEPTION

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**CEE, RUSSIA & CIS**  
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## SPECIAL REPORT CEE, RUSSIA & CIS Insurance Markets 2009



Regional outlook – life and non-life regional statistics on gross written premium and claims paid

Regional statistics on the motor and property insurance lines

- Top 120 CEE life insurers
- Top 120 CEE non-life insurers
- CEE insurance markets profiles
  - Market portfolio
  - Life insurers ranking
  - Non-life insurers ranking
  - Insurance market review

Turkish insurance market profile

RUSSIA & CIS insurance markets profiles

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Major insurance companies in CEE

Major insurance groups in CEE

Major reinsurance groups based in CEE, RUSSIA & CIS

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Top 150 CEE non-life insurers

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