



xprimm

INSURANCE REPORT

by Media XPRIMM

Year VI - Issue 1/2014(10) - MAY

CEE • SEE • CIS

FY 2013

**Regional & country profiles
Trends & facts**

www.xprimm.com

GROWING TOGETHER

PANAMA

MIAMI

PARIS

BEIRUT

ROME

LONDON

MADRID

MOSCOW

PROPERTY · ENGINEERING

MARINE · ENERGY & POWER · TREATY

LIABILITY · PERSONAL ACCIDENT · BONDS

PROFESSIONAL RISKS · SPECIALTY



FINANCIAL STRENGTH
A- Excellent rating by A.M. Best

SUMMARY

COVER STORY

Destination East: a Success Story? 7

SURVEY

CEE, SEE and CIS insurance markets in 2013: Ready for recovery 14

CEE INSURANCE MARKETS

Albania	24	Lithuania	44
Bosnia & Herzegovina	26	Macedonia	46
Bulgaria	28	Montenegro	48
Croatia	30	Poland	50
Czech Republic	32	Romania	52
Estonia	34	Serbia	54
Hungary	36	Slovak Rep.	56
Kosovo	38	Slovenia	58
Latvia	42		

SEE INSURANCE MARKETS

Cyprus	62	Turkey	66
Greece	64		

CIS INSURANCE MARKETS

Armenia	68	Moldova	84
Azerbaijan	70	Russia	86
Belarus	72	Tajikistan	88
Georgia	78	Turkmenistan	88
Kazakhstan	80	Ukraine	90
Kyrgyzstan	82	Uzbekistan	92

EVENT

European Conference on Consumer Protection in Financial Services 94

INTERVIEWS



Gabriel BERNARDINO,
Chairman, EIOPA 4



Mikhail I. BULAVKIN, General
Manager, BELARUS Re 74

Edition Responsible: Vlad BOLDIJAR
Edition closing date: May 22nd, 2014

Although Media XPRIMM has made every effort to ensure accuracy of this publication, neither it or any contributor can accept any legal responsibility whatsoever for consequences that may arise from errors or omissions or any opinions or advice given, as well as for the actions or omissions taken based on the articles content.

Reproducing of the contents of this publication in any manner is prohibited without the prior consent of the publisher.

10 years after

A decade ago, the first CEE countries were joining the EU family, adding to the founding members a group of younger financial markets, less developed but vested with very high expectations due to their interesting growth potential.

Now, their evolution is confirming the initial expectations. Although somewhat affected by the crisis, the CEE financial markets – in particular insurance –, are still growing, on average, at a higher pace than the mature Western markets.

Outside the EU borders, Turkey, Russia and the other CIS countries, as well as the young ex-Yugoslavian markets are becoming more and more interesting due to their rapid economic growth and to the consistent efforts of aligning their market conduct rules to the Western standards.

However, not always and not in all respects, the initial expectations were fulfilled and, most probably, the targets set for the first decade will be achieved later than expected. But insurance is not a short term business and, although some of the players recently decided to leave the Eastern ground, many of the big players seem to remain confident in the overall success.

This is why the present issue of the XPRIMM Insurance Report FY2013 is investigating the results of the main Western and local players over the past decade. Their opinions, as well as the main statistical data on the subject are presented in the Report's cover story. Also, timeline graphs are included for each of the 32 CEE, SEE and CIS market that were analyzed.

We strongly encourage you to digest by yourselves the data compressed in the Report, as well as the extended statistical sheets uploaded on www.xprimm.com, and decide: is the original "Eastern promise" still valid?

Daniela GHETU

Acknowledgements

In doing the necessary research, the relevant professionals of the analyzed markets represented one of the most helpful resources. It is our duty and pleasure to address our public thanks to the Supervisory Authorities, Associations, insurance companies, local press groups and rating agencies that have supported the elaboration of the report by providing financial data and their comments on the industry evolution.



EDITORIAL DIRECTOR

Daniela GHETU

EDITOR IN CHIEF INT'L XPRIMM Publications

Vlad BOLDIJAR

EDITORS

Mihai CRĂCEA, Oleg DORONCEANU, Olesea ADONEV,
Alina CIOBANU, Adina TUDOR, Andreea RADU, Evelyne
PISCAN

CONSULTANTS

Mihaela CIUNCAN, Cristina DUCULESCU

ART DIRECTOR

Claudiu BĂJAN

DTP

Sabin VĂNĂ

Published by Media XPRIMM

Offices: Str. Horei nr. 15 - 17, Sector 2

021377 București, ROMÂNIA

Tel.: 0740 XPRIMM; Tel./Fax: 004 021 252 46 72

e-mail: media@xprimm.com

PRESIDENT

Sergiu COSTACHE

CEO

Adriana PANCIU

MANAGING PARTNER

Alexandru D. CIUNCAN

DEVELOPMENT DIRECTOR

Mihaela CÎRCU

EDITOR IN CHIEF ROMANIAN XPRIMM PUBLICATIONS

Alex ROȘCA

EDITOR IN CHIEF XPRIMM NEWSLETTERS

Mihai CRĂCEA

ACCOUNTS MANAGER

Georgiana OPREA

PR COORDINATOR

Oana RADU

XPRIMM TV COORDINATOR

Camelia ANGELESCU

CIRCULATION

Dana ZAHARIA, Loredana MANOLACHE,

Cătălin ENACHE

TECHNICAL SUPPORT

Octavian GRIGOR - IT Coordinator, Dorin PALADE

Cosmin ARMĂȘESCU, Florin TURICĂ, George MARE

PREPRESS and PRINTING

MasterPrint Super Offset - Phone: 004 021 223 04 00

PHOTO

www.stockfreeimages.com

Advertising

Alexandru CIUNCAN

0040 752 111 400



Established in 2004, up to date Unity Re has conquered a position of a market leading specialist reinsurer within the territories of Russian Federation and former Soviet Union.

A fully open market player, Unity Re is the part of Group RESO, one of the leading insurance groups in Russia. The activities of the company are based on the License No. 1643 77 of 04.07.2007 issued by Federal Service on Insurance Supervision of Russian Federation.

Unity Re being a reinsurance center of Group RESO provides effective coverage for all major lines of business and accounts situated both domestically and overseas:

- ▶ commercial property
- ▶ construction & engineering
- ▶ energy
- ▶ motor
- ▶ marine hull & cargo
- ▶ aviation
- ▶ accident & health
- ▶ liability & professional risks

Thanks to a solid, experienced and active team, within this scope for 2004-2014 Unity Re has managed to create, maintain and develop a balanced and well diversified reinsurance portfolio based on large commercial, energy and industrial risks.

Unity Re's stable and efficient market offer is backed by a significant financial strength and professional skills. With total assets of over \$102m and gross premium income of \$64m in 2013, the company performed at a combined ratio of 88%.

For the last 10 years, Unity Re remains a leading Russian specialized reinsurance company, in terms of written premium as well as profitability, keeping a spotless reputation and building a highly professional team. Successfully combining global expertise with local knowledge, the company maintains a very wide client base of over 650 insurance companies and brokers from around 100 countries around the world.



Unity Re is currently rated «B+» (Good), outlook positive by A.M.Best Company.

Consumer protection, especially on the financial services segment, represents a key-problem in Europe, numerous regulatory changes concerning this issue being already announced. At the same time, the markets become increasingly dynamic and the products are growing more innovative. Given this context, Gabriel BERNARDINO, Chairman of EIOPA, explained the main trends identified on the European markets and the directions towards which the protection measures for consumers are heading.

Gabriel BERNARDINO

Chairman, European Insurance and Occupational Pensions Authority

XPRIMM: Which are the main consumer trends throughout Europe at this moment? How was the consumer's perception about insurance products affected by the financial crisis?

Gabriel BERNARDINO: The main consumer trend is the lack of or misleading disclosure of information and poor advice given to consumers. This could potentially lead to the mis-selling of in particular life products such as unit-linked ones. Mystery shopping was in some cases the method of choice for investigating whether essential information on insurance contracts was disclosed.

We identified new or emerging products as well, for example, mobile phone insurance and packaged bank accounts bundled with

the sale of insurance. A number of issues were identified including the consumer receiving insufficient information both on their contract as well as in the case of a claim or complaint and poor advice on the scope of the guarantee being provided.

Overall, the consumer's perception about insurance products has been affected by the financial crisis. It has led to a loss of consumer confidence.

A number of issues were identified including the consumer receiving insufficient information both on their contract as well as in the case of a claim or complaint and poor advice on the scope of the guarantee being provided.

Sale of complex products to retail investors and lack of adequate governance rules relating to the development of these products were trends we found. We recognized new or evolving channels for sales and marketing including social media, increasing advertising especially via the Internet, and the rise in the use of comparison websites, particularly where price competition could be acting as a driver of poor practice. Other trends are the unilateral changes in the terms of the contracts by insurance undertakings, the development of business models to reduce

pressure of high guarantees for insurers, during the life of the contract, and the use of telematics (also known as 'black box' technology) by insurers in the sale of motor insurance.

Overall, the consumer's perception about insurance products has been affected by the financial crisis. It has led to a loss of consumer confidence. The mis-selling events occurred in a number of countries, for example in the payment protection insurance (PPI) market, have led to considerable consumer detriment and negatively affected the reputation of the insurance sector as a whole.

We have observed in certain countries business models where market power of distributors led to levels of commissions as high as 80% of premiums paid. This is clearly not proportionate and needs to be ended.

Last year we issued an Opinion to obtain a clear picture of the reality in all EU countries in order to better protect consumers and promote regulatory and supervisory convergence in Europe. We are in the process of evaluating feedbacks to the EIOPA Opinion, and we could see that a number of countries have decided to take action in their national PPI markets. We will review these actions in the first half of this year.

Very importantly, EIOPA has been creating the necessary basis conditions to identify consumer protection issues as they arise.

Last year we issued an Opinion to obtain a clear picture of the reality in all EU countries in order to better protect consumers and promote regulatory and supervisory convergence in Europe. We will review these actions in the first half of this year.

In this context we developed an enhanced methodology for collecting, analysing and reporting on consumer trends and we are exploring the use of social media monitoring tools for our consumer trends analysis.

XPRIMM: Do you believe that there is a gap between the levels of financial education of consumers in the CEE and those of Western Europe? If so, how can it be decreased?

Gabriel BERNARDINO: That is difficult to say. I don't think we can generalise on that point. In any event, financial education of consumers only really works well if it is implemented at an early stage both in primary, secondary and tertiary education. We published a Report on Financial Literacy and Education Initiatives by national authorities. What we found was that most Member States do not have a national strategy on financial education or have one under preparation and those that do have national strategies, are at different stages of development with regards to the processes they use to evaluate their financial education programmes. This does not mean that the issue of financial education and literacy is not gaining importance in the scope of Member States, but more work certainly needs to be done.

XPRIMM: In a report published by EIOPA about training standards used by the insurance industry in different European countries it is revealed that Member States have considerably different approaches. What is your opinion on this matter and how does it influence customer care and consumer protection?



GABRIEL BERNARDINO: The reason we have very different national approaches at present is that this derives historically out of the “minimum harmonisation” approach envisaged in the Insurance Mediation Directive (IMD1). The legislation was reluctant to impose a higher level of harmonisation and this left it to Member States to determine at national level what “knowledge and ability” means. By listing, in our Report, what we considered good supervisory practice in the area of knowledge and ability requirements for distributors of insurance products, we are seeking to promote more convergence amongst national authorities in this

We found that most Member States do not have a national strategy on financial education or have one under preparation.

area. One practical initiative should be to include in the different exam levels some material about the concept of risk and the role of insurance mitigating risk.

I think it is fundamental that distributors deeply understand the products they are selling, in order to assess if they are appropriate for the different consumers, particularly if they are selling a complex product. In that respect, the rules on knowledge and ability should be

I think consumer protection begins even earlier than the sale, as insurance undertakings need already to be thinking about the needs of consumers when they are designing products.

commensurate to the level of complexity of products the distributor is selling. It is also very important that distributors regularly update their knowledge and ability. Ultimately, however, training and competence standards are no good unless they are accompanied by codes of conduct/provisions on ethical behaviour and appropriate sanctions in case of breach of legal requirements. Rules on knowledge and ability apply to all levels of staff hierarchy and senior management have ultimate responsibility for ensuring the knowledge and ability of staff members is at the requisite level. We need a fundamental change in culture to influence customer care.

XPRIMM: Does consumer protection begin when selling an insurance product? Are misinforming and lack of transparency issues throughout the industry? What can there be done, from a supervisory point of view, to have a better informed client about his rights and obligations from the beginning?

Gabriel BERNARDINO: I would start by saying that I think consumer protection begins even earlier than the sale, as insurance undertakings need already to be thinking about the needs of consumers when they are designing products. We have done some initial thinking already jointly with the European Supervisory Authorities for the banking and securities sectors on this. Consumer protections

then moves on to sales processes – to ensure customers get quality advice that is motivated by the interests and needs of the customer. Here the focus has to be on removing or managing conflicts of interest. It also needs to be on ensuring those selling know and understand their customer's needs, and the products they have to offer, as I just outlined under the previous question. Next comes transparency for the customer about what is being proposed: tackling poor quality information and getting rid of unnecessary jargon or overly legalistic information is a crucial measure across all areas of the financial services. Different approaches might be needed for different products: for the more complex ones, we are already starting work on standardised key information documents (KIDs) to improve information and comparisons. For simpler products, issues might be different, warranting a different approach. Much better disclosure should help customers' understanding where they stand, but of course it is not a magic bullet. It will be important too to ensure customers are aware in general of their rights when making complaints and seeking redress at the national level. Recent European legislation on alternative dispute resolution could well help here, as also steps on collective protection schemes when things go wrong.

Rules on transparency and sales will be tightened, and more will be done on financial literacy.

XPRIMM: Does the distribution of insurance products over the Internet pose any threats for consumers? Which are the main measures to be taken to increase the degree of consumer protection in this field?

Gabriel BERNARDINO: The internet as a way of distributing insurance products can offer benefits as well as threats. It can help consumers compare different options and gather information quickly and efficiently. This could increase competition and also be a way of improving consumer understanding and

literacy. But distribution over the internet also has a downside: such distribution could lead to consumers focusing on one part of the offering (e.g. price) to the exclusion of others, and ultimately to a reduction in the quality of the products on offer. Also, providing advice over the internet may be particularly difficult. I think it is important to be proactive as new distribution methods evolve, and so it will be important to keep an eye on developments and see how these benefits and threats evolve, and see whether more needs to be done. We have already done some work on comparison websites.

XPRIMM: What rules are to be enforced in order to enhance consumer protection throughout Europe? Which types of products are the most customer "unfriendly" and need to be addressed in the near future?

Gabriel BERNARDINO: There are of course many rules aimed at consumer protection, at national and European level, and the proper enforcement of these is a crucial step. EIOPA was created in part to help improve this situation, to ensure consumers throughout Europe can be confident of strong consumer protection measures and the enforcement of these. More is also coming, as I have already mentioned in these answers. For instance, rules on transparency and sales will be tightened, and more will be done on financial literacy. The responsibilities of those designing products for the consumer market also become increasingly important. This points to a further area of focus for supervisors and regulators: product oversight and governance and even product intervention. Financial innovation is important in building products suited to consumer needs, but it also can lead to complex products that are not well suited to most consumers. Some of these are very complex, niche products that are not suited for almost any consumer. There are debates underway at the European level on ensuring supervisors always have the powers to intervene when needed, the ultimate 'backstop' to protect consumers. This shows how central consumer protection is now to regulatory thinking.

Alexandru D. CIUNCAN
Mihai CRĂCEA



Daniela GHEȚU
Editorial Director

A couple of decades ago many of the Western insurers were looking at the Central and Eastern region of Europe as at the much-needed new growth source. With high economic growth rates and a population exceeding 450 million people in the CEE, Turkey and the former soviet countries, the insurance markets of the region were underdeveloped enough to allow a rapid growth for almost any kind of business plan. Both financial analysts and the local citizens were crediting the region with very optimistic expectations regarding the future. There were many who believed that it will take just two or three decades for the local living standard to become, at least comparable with the Western one if not equal.

Twenty years and an economic crisis later we have asked ourselves how are the main investors in the regional insurance markets evaluating their results and perspectives.

Destination East: a Success Story?

In April 2014, a Raiffeisen Bank International AG report entitled “EU Enlargement @10: a Success Story for Central Europe” was assessing the economic development produced in the EU member states belonging to the CEE region during the 10 years of their Union membership in the following terms:

The share of the five CE countries in the total EU GDP rose from 4.2% in 2004 to 5.7% in 2013. The average GDP per capita (at Purchasing Power Parity) in CE, compared to the EU average, has increased by 12 pp since 2004. Also, the share of the CE region in the EU world market export increased from 6.2% in 2004 to 9.7% in 2013. Other indicators like low unemployment rates, solid public debt positions, fairly stable sovereign ratings or solid banking sector developments also confirm the high degree of through-the-cycle resilience in major CE economies and the past quality of the growth in the region. Given its solid performance, it is no surprise that financial markets are pricing most CE countries fairly close to so-called “core” euro area countries. That said, the 10th anniversary of the EU expansion to CE should result in rethinking the outdated “East-West-divide” inside the EU, the authors of the Raiffeisen report summarize the positive development of the CE region over the past decade.

On the insurance side, a brief comparison of the main insurance indicators’ value at the beginning and at the end of the EU membership decade looks like this:

GWP in the ten CEE markets member of the EU grew from EUR 16.7 billion, in 2004, to about EUR 31 billion in 2013;

According to Insurance Europe statistical data, the share of the European insurance market held by the 10 countries under

consideration grew from 1.7% in 2004, to 3% in 2012;

The aggregated penetration degree for the 10 CEE markets under consideration changed from 2.75% in 2004, to 3.35% in 2013, while the regional insurance density went up from 161.3 EUR/capita in 2004, to 309 EUR/capita in 2013.

Thus, it is visible that the business volume almost doubled in the markets of the



VIG	6.75
ALLIANZ	4.76
GENERALI	3.87
GROUPAMA	1.18
UNIQA	1.12
METLIFE	1.52
AXA	2.63
ING	1.59
PZU	5.72
other	70.86



VIG	14.17
ALLIANZ	3.34
GENERALI	8.28
GROUPAMA	1.43
UNIQA	1.98
METLIFE	2.49
AXA	1.39
ING	3.37
PZU	12.37
other	51.17

New Europe, as well as the share held by them in the total premium production of the Insurance Europe member markets, demonstrating the high growth rate maintained for many years by the region.

3.35%

The share of the 10 markets of the New Europe in the total European GWP

However, although the sums spent annually by the CEE citizens for insurance almost doubled, there is still a large gap between the CEE average of 309 EUR/capita and the European one, amounting in 2013 to 1,843 EUR/capita. The difference is even higher for the life insurance segment where the “density” indicator for the CEE countries was of about 131 EUR/capita in 2012, compared with the

European average, of 1,083 EUR/capita. There is also a substantial difference in what the contribution of the insurance sector to the GDP formation is concerned: while CEE insurance markets’ contribution to the regional GDP was of about 3.35% in 2012, the European average value of the indicator was of 7.6%. In fact, looking to the penetration degree’s evolution in CEE, as shown above, it is obvious that the CEE insurance markets grew a little slower than the overall economies, as their contribution to the GDP grew by only about 20% while the premiums volume almost doubled.

Widening the picture, from the 10 CEE market belonging to EU member states, to the entire region of the CEE, SEE and CIS countries, is it worth taking into consideration at least the evolution of the two most important non-EU markets: Turkey and Russia.

Turkish GWP grew from EUR 3.7 billion to EUR 8.24 billion, while the penetration degree rose from 1.2% to 1.54% between 2004 and 2013. At the same time the average insurance expenditure grew from

EUR 52.5/capita to about 111 EUR/capita. As far as Russia is concerned, the GWP volume changed from about EUR 11 billion in 2004, to EUR 20.12 billion in 2013, when the average Russian citizen was spending annually about EUR 140 for insurance and the industry’s outcome was contributing with about 1.35% to the country’s GDP. It is also worth mentioning that during the 10 years under consideration, the New Europe’s countries recorded positive

36.5%

of the CEE GWP belong to 8 major European insurance groups

double digit growth rates close to or even over 20% only in the first five years, falling by about 18% in the first year of the crisis (2009) and recording an oscillating evolution, with ups and downs, in the following period. It seems that only



	AXA	METLIFE	ALLIANZ	GENERALI	UNIQA	VIG	GROUPAMA	ING	
CEE	Albania				X	X			
	Bosnia & Herzegovina				X	X			
	Bulgaria		X	X	X	X		X	
	Croatia			X	X	X			
	Czech Republic	X	X	X	X	X		X	
	Estonia							X	
	Hungary	X	X	X	X	X		X	
	Kosovo					X			
	Latvia		X				X		
	Lithuania		X				X		
	Macedonia					X	X		
	Montenegro				X	X			
	Poland	X	X	X	X	X	X		X
	Romania	X	X	X	X	X	X	X	X
	Serbia	X	X		X	X	X		
	Slovak Republic	X	X	X	X	X	X	X	X
Slovenia				X					
SEE	X	X	X			X	X	X	
CIS	Armenia								
	Azerbaijan	X							
	Belarus								
	Georgia						X		
	Kazakhstan			X					
	Kyrgyzstan								
	Moldova								
	Russia		X	X		X			
	Tajikistan								
	Turkmenistan								
	Ukraine	X	X	X		X	X		
Uzbekistan									
Total markets (2013)	9	12	11	10	15	17	4	7	

The CEE insurance market - GWP by selected insurance groups (EUR million)

	2013	2012	2011	2010	2009	2008
TOTAL market	32,984	34,367.6	31,763.7	33,141.9	31,387.9	33,972.3
VIG	4,674.17	5,131.91	4,500.58	4,198.60	3,865.20	3,841.25
ALLIANZ	1,101	2,068	2,313	2,373	2,487	3,109
GENERALI	2,731.10	3,043.63	3,022.92	3,344.81	3,319.80	3,056.35
GROUPAMA	472.57	478.79	464.79	520.15	346.62	372.58
UNIQA	652.20	645.24	668.09	768.25	710.35	817.24
Market share in the total CEE GWP						
VIG	14.17	14.93	14.17	12.67	12.31	11.31
ALLIANZ	3.34	6.02	7.28	7.16	7.92	9.15
GENERALI	8.28	8.86	9.52	10.09	10.58	9.00
GROUPAMA	1.43	1.39	1.46	1.57	1.10	1.10
UNIQA	1.98	1.88	2.10	2.32	2.26	2.41
Total	29.20	33.08	34.53	33.81	34.18	32.96

The CEE, SEE and CIS insurance market - GWP by selected insurance groups (EUR million)

	2013	2012	2011	2010	2009	2008
TOTAL market	71,289.20	72,704.85	64,750.86	63,908.62	58,505.63	62,646.85
VIG	4,809.55	5,260.27	4,606.53	4,295.61	3,933.14	3,925.04
ALLIANZ	3,390	3,569	3,676	3,686	3,647	4,181
GENERALI	2,760.93	3,079.20	3,066.27	3,386.08	3,319.80	3,056.35
GROUPAMA	842.05	869.46	827.73	881.17	909.00	926.61
UNIQA	797.10	751.79	736.50	817.95	740.84	846.91
Market share in the total CEE GWP						
VIG	6.75	7.24	7.11	6.72	6.72	6.27
ALLIANZ	4.76	4.91	5.68	5.77	6.23	6.67
GENERALI	3.87	4.24	4.74	5.30	5.67	4.88
GROUPAMA	1.18	1.20	1.28	1.38	1.55	1.48
UNIQA	1.12	1.03	1.14	1.28	1.27	1.35
Total	17.67	18.61	19.94	20.45	21.45	20.65

The CEE, SEE and CIS insurance market - profit before taxes by selected insurance groups (EUR million)

	2013	2012	2011	2010	2009	2008
VIG	244.87	287.7	287.8	256.9	193.76	196.47
ALLIANZ	205	250	255	118	306	346
GENERALI*	na	201.15	145.21	485.75	332.97	201.08
UNIQA	24.85	3.25	-27.83	-34.72	15.12	38.34

* the Generali aggregate figures do not include results from Serbia, Montenegro and Turkey

Turkey and Russia have passed the crisis years almost "untouched" in what the GWP evolution is concerned. However, both countries are currently experiencing difficult times, mostly because of the internal political instability and the strong devaluation of their currencies.

In this context, may the evolution of the region's insurance industries be described

17.4 %

of the CEE GWP belong to the 3 most important CEE insurance groups

as a success story? All in all, in our opinion, the answer should be definitely YES, although maybe at a lower extent than

the region's economies. However, should it be defined as a success also from the investors' perspective? Perhaps in this respect a more refined answer is needed.

The major Western players

At the end of 2013, eight of the major Western insurance groups operating on the CEE, CIS and Turkish markets - VIG, GENERALI, ING, ALLIANZ, METLIFE, UNIQA, GROUPAMA and AXA -, were harvesting about 23.4% of total written premium across the region, meaning in absolute terms, about EUR 16.7 billion, or about 36.5% of the CEE premium production, i.e. EUR 45.7 billion. At the same time, the three most important "domestic" players in the CEE - PZU, TRIGLAV and CROATIA Osiguranje -, gathered GWP of about EUR 5.4 billion while only on the Russian market, the Top 5 companies - ROSGOSSTRACH Lyubertsy, SOGAZ,

INGOSSTRACH, RESO-GARANTIA and SOGLASIE -, totalled written premiums of over EUR 7.5 billion. Looking at these figures, it is obvious that the "Westerners" who entered the region over the last 20 years have encountered a strong competition on the Eastern markets.

If on the business "battlefield" the Westerners came with the obvious advantage of their know-how and financial power, the big local players - most of them former state owned entities -, used especially the strength of their well established brands and extended sales networks. Nevertheless, the cultural advantage also played an important part in the confrontation, while the dramatic changes in the macroeconomic conditions brought by the crisis equally challenged both sides.

Among the numerous Western insurers operating on the CEE markets, we have looked closer at only the eight we have considered the most representative both in terms of GWP volume and regional expansion.

- Vienna Insurance Group has the largest presence in the CEE region, operating in 14 countries, with a 14.17% share of the total CEE underwritings. Out of the CEE region, VIG is present in Turkey, Ukraine and Georgia. However, these three last countries were only adding some EUR 135 million to the EUR 4.8 billion GWP in CEE. Thus, in the total CEE, SEE and CIS premium volume, VIG held only a 6.75% share by the end of 2013.
- The Italian group GENERALI is currently present in 10 CEE countries after it has recently sold its insurance businesses from Russia and the other CIS states. Though, in terms of GWP volume, GENERALI ranks second among the big foreign players operating in CEE with underwritings of about EUR 2.7 billion in 2013 and a market share of 8.3%.
- The insurance arm of the Dutch financial group ING (soon to become NN Group) and the German ALLIANZ were holding roughly equal market shares in the CEE, of about 3.35% of the total GWP volume, but the Germans' leading position on the Turkish market, as well as their good position on the Russian market are really making the difference. Thus, ALLIANZ underwritings in the overall CEE, SEE and CIS market amounted to about EUR 3.4

billion (4.76% market share; 11 countries), while ING totalled about EUR 1.1 billion in GWP (1.6% market share, 7 countries).

Top 5 Russian insurers account for GWP of **EUR 7.5 bln.**

● The American group METLIFE, recently arrived in the region by acquiring the ALICO business, is controlling about 2.5% of the CEE GWP premium, with a business volume in 2013 of EUR 823 million, operating in 9 countries across the region. Out of the CEE, METLIFE is also present in Turkey, Russia and Ukraine, but with businesses of a lower dimension, so that in the total CEE, SEE and CIS market it accounts for only 1.5% of the total GWP.

● The Austrian group UNIQA, operating in 13 CEE markets plus Belarus and Ukraine, holds a 2% share of the CEE GWP (EUR 652 million) and about 1.1% of the total premiums underwritten in CEE, SEE and CIS.

● The French group AXA is active on 6 CEE insurance markets and preparing to withdraw from some of them, like Hungary and Romania. By the end 2013, AXA's market share in CEE was of about 1.4%, corresponding to GWP of about EUR 460 million. Beside the CEE region, AXA operates in Azerbaijan and Ukraine and also has a strong presence on the Turkish market. Thus, with total GWP in the CEE, SEE and CIS region of about EUR 1.88 billion, the French group's market share is of 2.6%.

● The second French relevant player in the region is GROUPAMA, with operations in only 4 CEE countries and a GWP volume of EUR 473 million, i.e. 1.43% of the total CEE GWP.

If the groups listed above are the most relevant Western players in the CEE, SEE and CIS regions, it wouldn't be fair to talk about the most important insurers of the region without mentioning at least three "local" entities which have a strong presence in the CEE market: the Polish group PZU, the Slovenian TRIGLAV and the Croatian CROATIA Osiguranje.

Although PZU has only recently began a more aggressive international expansion, adding the Baltic markets to its older foreign investment in Ukraine, it would be hard to ignore its 12.4% share in the CEE GWP or the 5.4% market share held in the total insurance business from the CEE, SEE and CIS countries. On the other hand, even though present only in the Adriatic markets, TRIGLAV and CROATIA Osiguranje ended 2013 with GWP of EUR 901 million and EUR 400 million respectively, holding together a share of about 4% of the CEE business.

The Groups have the floor

The current context:

Manuel BAUER, Member of the Board of Management of Allianz SE, responsible for Insurance Growth Markets: *The situation in Central and Eastern Europe remains persistently difficult. Most economies in the region are relatively stagnant, so there is little room for growth. The region as a whole saw almost two decades of growth, which is now in jeopardy. Retrospective changes in structures and increasing tensions could jeopardize the well-being of the region as a whole.*



Luciano CIRINA, CEO of GPH, the Italian GENERALI group's holding company for the CEE region: *CEE is for sure not one single homogenous market – you cannot compare the markets e.g. of Poland and Bulgaria or of Czech Republic and Croatia. All these markets are quite different as the needs of the clients are quite different depending on the development of local economies. As a whole we are very satisfied with the development of the region which proved also in 2013 to have a positive perspective for the years ahead.*

Benjamin JOŠAR, Member of the Management Board, TRIGLAV Group: *The year 2013 has not been easy since the economic crisis has continued in both Slovenia and Croatia, while other countries in South-Eastern Europe experienced only a weak economic growth.*

The insurance industry in this region faced many challenges, such as the economic downturn, unemployment, a decline in purchasing power, political instability in some areas, and as a result of all this, the demand for insurance products has declined.

As far as 2014 is concerned, I expect the economic conditions in the region to remain challenging.



Peter HAGEN, CEO of VIG: *In overall terms, I think we can be quite satisfied with developments in 2013. There were some challenges, of course, but VIG's broad base, which now extends to 24 countries, is an especially beneficial asset in a volatile environment. We increased our earnings, significantly increased premiums and expanded our market position in many of these markets also in 2013. However, achieving healthy sustainable growth also means foregoing premium growth in the short term when necessary. [...] In view of these developments, our 4.4% decline in premiums to EUR 9.2 billion is consistent with our top priority: profitable growth rather than growth at any price.*

Why is sometimes difficult to do business in the CEE?

Luciano CIRINA: *Let me say it very open: Generali is interested in a long term development of the insurance business in the region. We are aware of the fact that you have to invest in the markets before you can gain profits. But the most important basis for investments is a stable legal environment. In this respect we are facing – let's say – some unpleasant developments in some of the countries. For example the legislation*

regarding the second pillar changes in some markets, also the changes in tax legislation do not support us in providing secure employment for thousands of people in the various countries. I think also the governments should work on a more long term perspective and recognize that the financial industry is of great value in stabilizing the local economies.



Manuel BAUER: The Central and Eastern European countries are a diverse region with different market developments. Due to our broad product portfolio we are uniquely positioned to adapt our business to all of these diverse markets. Our strong presence in the region gives us a considerable competitive advantage. We offer insurance solutions that help improve the standard of living for large parts of the population.

But there is a huge need to inform the population on risks that can be covered by P&C insurance, risks like natural catastrophes. Many people are not aware that they could easily prevent financial losses from damage to their property by buying insurance against floods or storms. People usually affected the most live in rural areas and are not easy to reach out to.

The same could be said for life insurance and retirement planning. Societies in CEE are aging and the more people learn about pension systems, the clearer they understand the need for private old age provision. State pension systems have come to a stage where one cannot just rely on money being paid out by the state. This process of insight and learning should be supported by governments, their official bodies and private companies alike. Eventually, a great growth potential could be unlocked.

Another challenge is arising from growing economies. Corporate insurance will be sought after as economies develop and infrastructure projects lie ahead. Engineering insurance, transport and property insurance are key areas of growth for corporate insurance.



Benjamin JOŠAR: Each of the eight markets where we are present has its characteristics. The greatest challenges are market diversity, diverse consumer habits, different legislative and regulatory frameworks, and specific risks. We believe the legislative and regulatory frameworks in all the markets will gradually be harmonised with the European Union standards, which will facilitate the operating activities of all the participants that are active in more than one market. We have to be very responding to the market situation and demand by different sales measures as well as by launching new products and redesigning the existing ones. We have to be very responsive to the market situation and demand by using different sales measures as well as by launching new products and redesigning existing ones. Skupina Triglav continues with portfolio selection activities and focuses on building relationships with high-quality clients.

What about profitability in the CEE markets?

Manuel BAUER: Several insurance companies decided to withdraw from certain markets, a clear indicator that doing business in CEE remains challenging, with not only margins under pressure, but additionally downward adjusted growth expectations. [...] Most important for us is that our underlying business remains solid. This implies we have to follow a selective approach in underwriting business; and in some cases it might even mean foregoing a business. We are not willing to take risks that can affect our profitability. But some markets are in the grip of severe price competition. The pricing issue is our biggest concern in some of the CEE market. In countries like Romania or Hungary we noticed a price squeeze, especially in the motor lines.

Luciano CIRINA: Within these 25 years the CEE markets gained high relevance within the Generali Group not only in terms of gross written premiums but even more in terms

of profit. The businesses in the CEE region accounts already for 10 per cent of the Group's operations profit. Comparing this figure with 14 per cent in Germany and 13 per cent in France this is quite an impressive proof of success.

Benjamin JOŠAR: In general it is possible to say that the life insurance segment has greater potential in Slovenia in the medium-term, while a greater potential for non-life segments is visible in the Adriatic region. My belief is that the markets where the Triglav Group is present are among the most promising in terms of the future development of the insurance premium. Because of the extreme growth potential, the profitability of these markets is more challenging since market participants expect substantial growth in the future and their business models have been adjusted to include these expectations.

Future expectations:

Manuel BAUER: In the long run, and this is the timeframe we have to think in, this region will continue to grow - moderately. For 2014 we still expect to see growth as well but on a lower level. We have been operating in the CEE region for decades and we are here to stay. When it comes to strategy, we follow a certain steadiness in our strategy for each market. Insurance penetration in CEE is still on a low level compared to many countries in the rest of Europe. With rising income people will want to protect what they have achieved, also during old age. This will help us offer/sell our insurance and old age provision solutions.

That said, we will have to address challenges in some of our markets. I have earlier mentioned the pricing issue in countries like Hungary and Romania. In Russia, for example, there are many different market players, both international and local, and not all of them follow a long-term strategy. This makes it more difficult to create trust among our (potential) customers. The market for life insurance is underdeveloped, and, as life insurance is a long-term business, it is even more important to create trust among our customers. After all, they invest their money today and have to be sure that they get it back at a later stage, often after 20 or 25 years, with a nice profit on top.

We are optimistic about the region as a whole, even though it might take some time for the insurance markets in the region to fully take off.

Luciano CIRINA: *I expect our business to grow depending on the development of the local economies. There are better perspectives in some countries than in others – for some countries it will take longer to reach a sustainable level of material prosperity. Our business depends to a large extent on how much money private consumers could invest in goods like cars and houses and how much companies could invest in their facilities. Insurance is more a mid and a long term business and in this respect the forecasts are very positive.*

Benjamin JOŠAR: *The Triglav Group is planning further growth and development of the Group in the target markets in the South-East European region. By 2017 we plan to acquire at least a 10 percent market share of our target markets. In 2014 we will continue our activities to consolidate our position in the markets of the Adriatic region. We will consider the opportunities of individual insurance markets in the region and study the possibilities of organic growth, acquisitions and strengthening through the development of partnerships with relevant insurance companies, as well as complementary finance companies. In the region itself, we consider both the Croatian and Serbian insurance markets promising due to their size, as well as the growth potential of both countries. The Triglav Group is already present in both markets and we intend to further strengthen our position.*



Franz FUCHS, Member of the Managing Board, VIG: *Our CEE markets already generate more than 50% of Group premiums, and a closer look at insurance density shows that they are set to become even more important. [...] From a strategic point*

of view, however, we do not think of the CEE as a homogeneous region. Economic momentum varies greatly between these countries, as do political and social factors. These are important differences that we also have to take into account when defining our strategy.



Andreas BRANDSTETTER, CEO, UNIQA Group: *Increasing the number of CEE customers to 15 million by 2020 is one of our key targets. I expect the Eastern Europe to generate half of our EBT (earnings before tax) sometime in the early 2020s – maybe in the first year of the decade, maybe a few years later. CEE currently accounts for 60 per cent of our customers and around 23 per cent of our premiums. The figure for EBT is lower. Premiums will enjoy above-average growth as prosperity in the region rises.*

The CONCLUSION: did the CEE deliver the very attractive promise made 20 years ago?

Benjamin JOŠAR: *The expectations two decades ago were set very high, in some cases too high, and individual countries within the region have justified these expectations to different degrees. Speaking from the business insurance industry point of view, these markets have not reached their potential by any means. < The progress is clearly visible but there remains a lot of room for development.*

Luciano CIRINA: *It's a matter of fact that twenty years ago you could read in many economic researches that the CEE markets*

will align very fast to Western Europe. But once again: We are aware that the potential is proven when bearing in mind that premiums per capita reached in Central and Eastern Europe just 223 US-Dollars compared to 2,716 in Western Europe. We as GENERALI do not enter markets squeezing them out but developing our business in line with the needs of the local consumers and economies. And this for sure will take some time.

Manuel BAUER: *20 years ago the situation was different. There was a lot of enthusiasm concerning the vast market potential, but the challenges that came along were often underestimated. That said, we have indeed managed to establish flourishing businesses in many markets, and the CEE region is an important part of our overall presence in Europe.*

Over the years, we have learned a lot. Now we continue to focus our businesses on profitable growth.

Editor's note:

All figures with regard to the insurance Group's results were collected from the annual reports published by each entity.

In all cases where the geographical definition of the CEE region didn't coincide with the OECD one used in the Report, we have collected and added the individual results of the groups' subsidiaries operating in the area.

As despite our efforts inaccuracies or technical errors and misinterpretations are still possible, 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.

Special thanks to all who contributed to the success of the event



by Media XPRIMM

The International Insurance - Reinsurance Forum



Brasov, Romania

May 25th - 29th, 2014

With the Outstanding Contribution of



With the Official Support of

Strategic Partners



Main Partners



Daniel Florea & Asociații



Partners



With the Support of



FIAR's Official Car



Media Partners



www.fiar.ro

CEE, SEE and CIS insurance markets in 2013

Ready for recovery

The recovery is picking up speed. GDP growth in the EU, which has turned positive in the second quarter of 2013, is increasingly driven by domestic demand. This year, domestic consumption and investment are set to expand further, reducing the dependency of the recovery on the external sector. Growth has also returned in many of the vulnerable Member States, and growth differentials across EU Member States are expected to narrow, states the European Economic Forecast Winter 2014 released by the European Commission Directorate - General for Economic and Financial Affairs.

Looking closer to the CEE region, a good starting point may be an article written by Jan Cienski, the Warsaw correspondent of Financial Times by the end of 2013, when with a touch of British humor the FT journalist started his comment by saying that *maybe it's time to start preparing for a return wave of CEE migrants from western Europe, as the GDP third quarter numbers show that most of the region's economies are experiencing a sharp recovery – in contrast to stagnation in the eurozone.* Leaving aside the idea of preparing to greet at the border a wave of returning locals, one should notice the optimism put by the international analysts in their assessments with regard to the CEE countries' evolution in 2013. Capital Economics, a British independent macro-economic research company which is usually one of the most pessimistic reviewers of the CEE economies, was assessing by the end of the year: *Assuming that the single currency bloc manages to muddle through without spiralling into a fresh crisis, Russia and Turkey aside, the conditions may now be falling into place in much of Eastern Europe for a Goldilocks period of relatively strong growth accompanied by low inflation (Eastern Europe: towards a Goldilocks era?).*

In fact, after growing in average by over 6%/year in the five years preceding the crisis, the CEE economies have continued to advance by about 1.5%/year in the

last five years and for the future years the forecasts are mentioning anyway a higher growth pace in the region than in the advanced economies of the Western Europe. As many analysts say, the most important factor for sustaining this positive evolution is a strong increase in the domestic demand, more probable in the following years than in the crisis period when the austerity measures have put a visible brake to the household consumption. However, these optimistic predictions may be fulfilled only if the eurozone does not enter into a new crisis.

The prospects for a recovery in demand seem to be strongest in the Czech Republic, Poland and Slovakia. [...] Low interest rates boosting the real estate market, a reduced fiscal squeeze as well as an industrial boom, all with continued low inflation is a scenario which looks pretty good from the point of view of investors, says the Capital Economics analysis, concluding that growth that's neither too hot nor too cold, accompanied by low inflation and loose monetary policy, means the next five to seven years could just be a Goldilocks period for the region.

Insurance in CEE: an apparently negative trend

How much of this macroeconomic optimism may be or has already been translated into the insurance industry of the region? The aggregated 2013 results seem to offer a rather pessimistic answer. Yet, a closer country by country look shows in many cases clear signs of recovery.

The regional gross written premium volume witnessed a 4.23% fall y-o-y, to EUR 32.98 billion, continuing the downward trend already established in the first half of the year. As compared with the previous year (2012), when the CEE market recorded

a positive evolution growing by over 8% y-o-y, the 2013 outcome may seem more the result of an accident than a real trend, an impression that is actually not completely wrong.

As a result of the overall fall in GWP, the main market indicators also worsened: insurance density fell from the average value of EUR 277.6 in 2012 to EUR 266.3; the penetration degree also decreased from 3.15% to 2.98% of the total regional GDP.



EUR 266.3

spent for insurance the average CEE citizen in 2013



Seven countries showed a reversed trend, for better or worse, as compared with the previous year: Albania (from +6.9% in 2012 to -5.04% in 2013), the Czech Republic (from +1.6% in 2012 to -6% in 2013), Poland (from +18.4% in 2012 to -8.94% in 2013), Romania (from +1.8% in 2012 to -0.34% in 2013) and Hungary (from -0.4% in 2012 to +3.35% in 2013), Bulgaria (from -0.6% in 2012 to +7.77% in 2013) and Serbia (from -1.3% in 2012 to +3.35% in 2013). Bosnia&Herzegovina, Croatia, Estonia, Lithuania, Montenegro and Slovakia maintained a positive trend, at a higher growth trend than in the previous year, while Latvia, although remained in the positive territory, recorded a small decline of the growth rate as compared with the 2012/2011 one.

A special mention is needed for Romania, where the official market data published by the market authority do not take into account a substantial correction suffered by the 2012 market figures as a

result of the GWP volume realignment performed by Vienna Insurance Group for its Romanian life insurance subsidiary, BCR Asigurari de Viata-VIG. The EUR 36 million abatement of the 2012 life insurance GWP volume determined by this retroactive change modifies the 2012/2011 trend pushing it into negative territory while the 2013/2012 growth rate goes up to about 1%, thus moving the market's turning point one year later.

It can not be overlooked the Baltic performance, with Estonia recording a spectacular 24% y-o-y growth rate, in line with the country's overall economic performance, and Latvia and Lithuania also reporting a consistent positive evolution.

Life insurance is the segment responsible for the most important changes. More precisely, while the consolidated regional non-life GWP figures show a quasi stable situation at a EUR 18.2 billion level, on the life segment a 9% y-o-y fall in GWP was recorded, to EUR 14.75 billion. In fact, it was the EUR 1.36 billion decrease in the Polish life insurance premiums that resulted in the overall CEE life insurance market fall. The EUR 256 million diminish recorded by the Czech market also made a significant contribution to the establishment of a negative trend. Excluding the Polish and the Czech results, the consolidated result of the rest of the region improved by 3.5% in 2013 as compared with 2012.

However, if the Czech decrease in life insurance underwriting seems to fit into a pre-existing trend, the Polish fall in premiums is more likely a contextual one, caused by the uncertainties regarding the statutory amendments taking effect in 2014 that will affect the short-term life insurances class -the so called policy-deposits which are combining the features of a life insurance policy and a bank deposit.

3%
the average contribution of the insurance industry to the GDP formation in CEE, in 2013

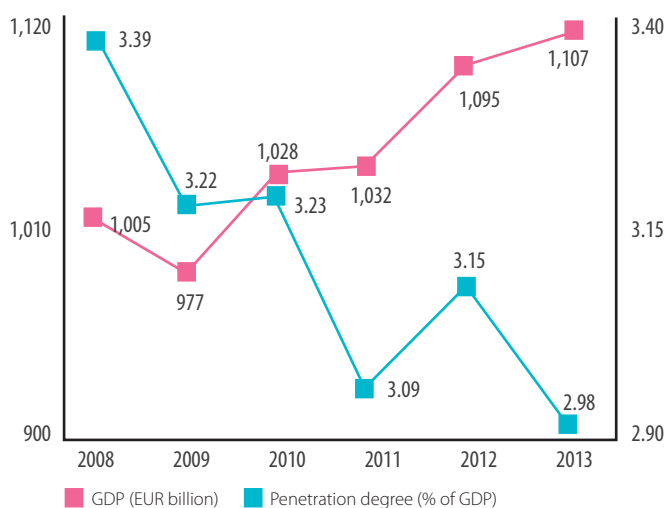
Considering the above, it would be probably more accurate to say that the CEE market is prepared to feel the effects of the economic recovery, but the time being is still late in capitalizing on the first recovery signs. As a matter of fact, most of the insurance associations or market authorities we have interviewed believe that the true revival of their markets will come more likely in 2015, after economical growth in the region will strengthen and also put some money in the CEE citizens' pockets.

Non-life insurance still challenged by the motor lines

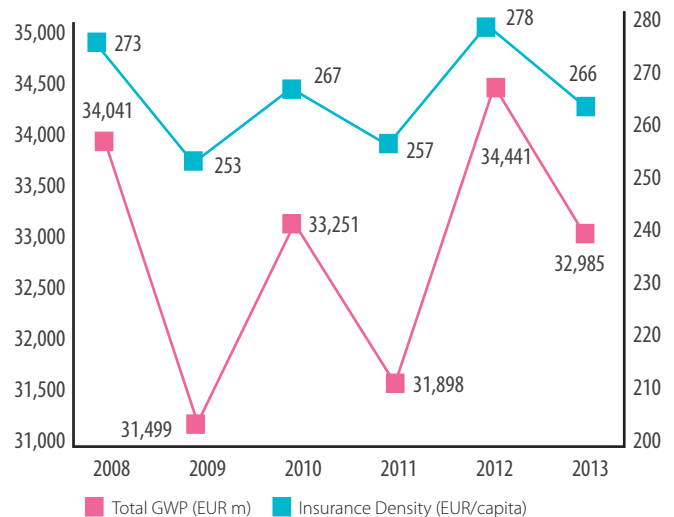
Coming back to the non-life insurance segment, it is fair to say that the Czech market is the one that significantly pulled back the overall result, reporting a EUR 146 million decrease in the non-life business volume. On the positive side, Estonia, Bulgaria and Romania had the most important contributions to balancing the total result.

Once again motor insurance lines didn't perform well. Except for the Baltics, Motor Hull recorded a negative trend in all countries, as car sales are still very low and insurers have to deal with an ever lower number of insurable cars as a consequence of the ageing national fleets. As far as the MTPL insurance is concerned, maintaining or returning to a primarily technical underwriting seems to be the main challenge for the CEE insurers and some of the country results are reflecting it. However it would be premature to declare the price war's end, as MTPL prices are almost everywhere still under the necessary level, as stated by many market representatives. It is also true that the motor insurance lines are in most cases a source of losses, recording too high combined ratios and negative technical results.

CEE GDP and insurance penetration degree



CEE GWP and insurance density



CEE, SEE & CIS MACRO INDICATORS 2008-2013

	GDP, current prices (EUR bilion)						GDP per capita, current prices (EUR)						Population (million)					
	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
CEE - CENTRAL AND EASTERN EUROPE																		
Albania	8.80	8.32	8.81	9.23	9.50	9.69	3,006	2,871	3,069	3,246	3,375	3,475	2.93	2.90	2.87	2.84	2.82	2.79
Bosnia & Herzegovina	12.77	12.43	12.72	13.18	13.16	13.43	3,266	3,183	3,264	3,387	3,388	3,463	3.91	3.90	3.90	3.89	3.88	3.88
Bulgaria	35.43	34.93	36.05	38.50	39.93	39.94	4,658	4,618	4,804	5,255	5,483	5,518	7.61	7.56	7.51	7.33	7.28	7.24
Croatia	46.89	44.99	43.85	43.65	43.54	43.04	10,878	10,454	10,220	10,197	10,171	10,055	4.31	4.30	4.29	4.28	4.28	4.28
Czech Republic	142.90	142.04	151.27	148.19	152.98	141.52	13,816	13,624	14,459	14,132	14,562	13,457	10.34	10.43	10.46	10.49	10.51	10.52
Estonia	16.24	13.97	14.37	16.22	17.42	18.44	12,107	10,422	10,724	12,100	13,453	14,330	1.34	1.34	1.34	1.34	1.29	1.29
Hungary	100.25	94.62	95.11	88.82	96.29	98.06	9,980	9,433	9,498	8,895	9,695	9,926	10.05	10.03	10.01	9.99	9.93	9.88
Kosovo	3.94	4.01	4.29	4.77	4.92	5.15	2,170	2,208	2,363	2,627	2,708	2,836	1.82	1.82	1.82	1.82	1.82	1.82
Latvia	16.09	13.07	12.78	14.28	15.52	16.39	7,339	6,043	6,029	6,881	7,601	8,050	2.19	2.16	2.12	2.08	2.04	2.04
Lithuania	32.41	26.65	27.71	30.96	32.94	34.60	10,135	8,427	8,946	10,224	11,025	11,643	3.20	3.16	3.10	3.03	2.99	2.97
Macedonia	6.70	6.71	7.06	7.48	7.46	7.71	3,273	3,271	3,431	3,626	3,609	3,722	2.05	2.05	2.06	2.06	2.07	2.07
Montenegro	3.09	2.98	3.10	3.23	3.15	3.30	5,001	4,821	5,011	5,212	5,064	5,290	0.62	0.62	0.62	0.62	0.62	0.62
Poland	305.70	327.27	357.70	345.98	390.20	393.46	8,020	8,582	9,372	8,980	10,125	10,211	38.12	38.14	38.17	38.53	38.54	38.53
Romania	139.76	118.27	124.40	131.52	131.68	142.82	6,496	5,505	5,800	6,150	6,172	6,710	21.52	21.48	21.45	21.38	21.34	21.29
Serbia	30.04	28.37	27.32	30.66	29.45	31.58	4,087	3,875	3,746	4,239	4,090	4,387	7.35	7.32	7.29	7.23	7.20	7.20
Slovak Republic	66.84	62.79	65.90	68.97	71.10	72.13	12,387	11,608	12,154	12,790	13,155	13,331	5.40	5.41	5.42	5.39	5.40	5.41
Slovenia	37.24	35.42	35.49	36.15	35.32	35.28	18,527	17,428	17,335	17,633	17,183	17,134	2.01	2.03	2.05	2.05	2.06	2.06
Total CEE	1,005.09	976.84	1,027.92	1,031.79	1,094.54	1,106.52	8,057	7,836	8,259	8,298	8,823	8,933	124.74	124.66	124.46	124.35	124.06	123.87
SEE - SOUTHEASTERN EUROPE																		
Cyprus	17.16	16.85	17.41	17.98	17.89	16.43	21,530	20,575	20,726	20,858	20,518	18,643	0.80	0.82	0.84	0.86	0.87	0.88
Greece	233.20	231.08	222.15	208.53	193.35	182.05	20,854	20,649	19,864	18,747	17,383	16,457	11.18	11.19	11.18	11.12	11.12	11.06
Turkey	443.45	442.43	532.11	528.47	600.80	535.86	6,237	6,141	7,289	7,146	8,023	7,006	71.10	72.05	73.00	73.95	74.89	76.48
Total SEE	693.80	690.37	771.66	754.98	812.03	734.34	8,352	8,213	9,076	8,785	9,347	8,304	83.07	84.06	85.03	85.94	86.88	88.43
CIS - COMMONWEALTH OF INDEPENDENT STATES																		
Armenia	8.20	5.79	7.19	7.58	7.51	7.67	2,536	1,783	2,204	2,314	2,289	2,332	3.23	3.25	3.26	3.27	3.28	3.29
Azerbaijan	33.66	30.96	40.21	50.26	52.01	53.53	3,833	3,480	4,469	5,517	5,632	5,751	8.78	8.90	9.00	9.11	9.24	9.31
Belarus	42.18	33.47	41.40	27.51	46.77	48.68	4,420	3,518	4,358	2,902	4,941	5,144	9.54	9.51	9.50	9.48	9.47	9.46
Georgia	8.07	7.43	8.83	11.24	11.99	11.25	1,841	1,695	1,990	2,515	2,666	2,510	4.38	4.39	4.44	4.47	4.50	4.48
Kazakhstan	93.94	79.91	111.74	143.81	152.33	158.74	5,954	4,933	6,800	8,625	9,007	9,252	15.78	16.20	16.43	16.67	16.91	17.16
Kyrgyzstan	3.39	3.17	3.57	4.76	4.96	5.17	634	585	651	861	887	916	5.35	5.42	5.48	5.53	5.59	5.64
Moldova	4.11	3.89	4.38	5.04	5.67	5.97	1,152	1,091	1,230	1,416	1,593	1,678	3.57	3.57	3.56	3.56	3.56	3.56
Russia	996.04	894.42	1,148.15	1,335.30	1,536.49	1,495.68	6,975	6,268	8,035	9,344	10,745	10,465	142.80	142.70	142.90	142.90	143.00	142.93
Tajikistan	3.62	3.28	4.18	4.80	5.74	6.16	491	436	549	615	721	758	7.37	7.53	7.62	7.80	7.96	8.13
Turkmenistan	12.31	14.10	16.73	22.57	26.62	29.52	2,336	2,633	3,075	4,085	4,742	5,176	5.27	5.35	5.44	5.53	5.61	5.70
Ukraine	87.33	79.78	102.39	126.44	133.71	131.49	1,891	1,736	2,236	2,773	2,942	2,898	46.19	45.96	45.78	45.60	45.45	45.37
Uzbekistan	17.05	22.15	28.54	33.25	36.91	39.02	619	791	1,001	1,143	1,241	1,290	27.55	28.00	28.50	29.10	29.75	30.24
Total CIS	1,309.89	1,178.35	1,517.31	1,772.57	2,020.70	1,992.89	4,681	4,197	5,382	6,263	7,107	6,986	279.83	280.78	281.91	283.03	284.32	285.28
CEE+SEE+CIS	3,008.79	2,845.56	3,316.90	3,559.34	3,927.27	3,833.76	6,170	5,813	6,750	7,215	7,930	7,705	487.64	489.50	491.40	493.31	495.26	497.58

Sources: You can find the sources of all presented data, to the dedicated pages of each country profile

The East – currently difficult, but attractive on the long term

In the South-Eastern Europe, Turkey – the dominant market by far -, recorded “mixed” evolution. More precisely, although in local currency the GWP volume showed a 22% y-o-y growth, when denominated in European currency, because of the strong depreciation of the Turkish lira,

the figures are offering the picture of a descending market. Thus, although in the local context the market grew, the foreign shareholders of many of the important Turkish companies have felt the currency devaluation effect directly in their books. Yet, it seems the current difficulties are not significant enough to diminish the investors’ enthusiasm for the Turkish economy as a whole and for the local insurance market in particular.

In the Commonwealth of Independent States (CIS), Russia was not the trendsetter despite the 80% share of the consolidated market it holds. However, we should speak one again about the currency effect, as in local currency the market saw an almost 12% growth in GWP, but the Russian ruble’s devaluation in the second part of the year translated it into a “stagnant” state when denominating the indicators’ values in European currency.

Gross written premiums (EUR million)						Insurance penetration degree (% in GDP)						Insurance density (EUR/capita)						
2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013	
CEE - CENTRAL AND EASTERN EUROPE																		
57.27	57.11	59.14	60.00	64.11	60.88	0.65%	0.69%	0.67%	0.65%	0.67%	0.63%	19.56	19.71	20.61	21.10	22.77	21.84	Albania
231.66	234.50	241.33	249.57	258.25	269.49	1.81%	1.89%	1.90%	1.89%	1.96%	2.01%	59.23	60.07	61.93	64.16	66.49	69.49	Bosnia & Herzegovina
925.87	859.74	830.06	825.10	820.19	883.89	2.61%	2.46%	2.30%	2.14%	2.05%	2.21%	121.71	113.66	110.60	112.61	112.63	122.12	Bulgaria
1,321.65	1,288.13	1,251.91	1,214.30	1,197.84	1,188.40	2.82%	2.86%	2.86%	2.78%	2.75%	2.76%	306.65	299.36	291.82	283.65	279.80	277.60	Croatia
5,192.74	5,447.61	6,224.91	6,011.34	6,110.18	5,707.28	3.63%	3.84%	4.12%	4.06%	3.99%	4.03%	502.05	522.50	595.00	573.22	581.64	542.72	Czech Republic
291.64	306.43	313.33	311.83	344.97	427.98	1.80%	2.19%	2.18%	1.92%	1.98%	2.32%	217.48	228.68	233.83	232.71	266.52	332.80	Estonia
3,365.10	3,049.01	3,023.43	2,619.61	2,611.03	2,698.47	3.36%	3.22%	3.18%	2.95%	2.71%	2.75%	335.00	303.96	301.92	262.33	262.89	273.15	Hungary
56.38	67.76	71.24	78.10	81.53	77.39	1.43%	1.69%	1.66%	1.64%	1.66%	1.50%	31.05	37.32	39.24	43.01	44.91	42.62	Kosovo
503.70	368.24	327.46	395.74	447.09	470.94	3.13%	2.82%	2.56%	2.77%	2.88%	2.87%	229.79	170.24	154.39	190.72	218.95	231.31	Latvia
576.26	446.60	449.46	492.29	517.96	563.45	1.78%	1.68%	1.62%	1.59%	1.57%	1.63%	180.20	141.19	145.13	162.58	173.35	189.58	Lithuania
104.56	101.06	105.37	110.69	114.04	116.95	1.56%	1.51%	1.49%	1.48%	1.53%	1.52%	51.03	49.23	51.23	53.68	55.20	56.47	Macedonia
60.58	65.57	62.19	64.79	66.92	72.77	1.96%	2.20%	2.00%	2.00%	2.13%	2.21%	98.18	106.10	100.46	104.33	107.59	116.80	Montenegro
14,210.51	12,497.53	13,672.73	12,939.36	15,322.79	13,952.23	4.65%	3.82%	3.82%	3.74%	3.93%	3.55%	372.82	327.71	358.23	335.83	397.60	362.09	Poland
2,426.56	2,093.25	1,972.83	1,845.80	1,852.99	1,876.26	1.74%	1.77%	1.59%	1.40%	1.41%	1.31%	112.77	97.43	91.99	86.32	86.85	88.15	Romania
589.01	558.30	535.75	547.72	540.49	558.62	1.96%	1.97%	1.96%	1.79%	1.84%	1.77%	80.14	76.26	73.48	75.71	75.08	77.60	Serbia
2,100.11	1,985.38	2,014.84	2,040.21	2,036.37	2,082.29	3.14%	3.16%	3.06%	2.96%	2.86%	2.89%	389.20	367.05	371.60	378.38	376.83	384.83	Slovak Republic
2,027.66	2,072.92	2,094.78	2,091.52	2,054.03	1,977.50	5.44%	5.85%	5.90%	5.79%	5.82%	5.61%	1,008.79	1,020.14	1,023.34	1,020.25	999.53	960.42	Slovenia
34,041.28	31,499.14	33,250.77	31,897.96	34,440.80	32,984.80	3.39%	3.22%	3.23%	3.09%	3.15%	2.98%	272.89	252.68	267.16	256.53	277.61	266.28	Total CEE

SEE - SOUTHEASTERN EUROPE																		
759.00	797.00	840.00	854.00	809.98	750.17	4.42%	4.73%	4.83%	4.75%	4.53%	4.56%	952.32	973.14	1,000.00	990.72	928.87	851.50	Cyprus
5,212.50	5,448.10	5,332.30	4,987.30	4,410.00	3,843.14	2.24%	2.36%	2.40%	2.39%	2.28%	2.11%	466.15	486.83	476.78	448.38	396.48	347.39	Greece
5,495.63	5,776.16	6,842.32	6,990.18	8,413.65	8,242.21	1.24%	1.31%	1.29%	1.32%	1.40%	1.54%	77.30	80.17	93.73	94.53	112.35	107.76	Turkey
11,467.13	12,021.26	13,014.62	12,831.48	13,633.63	12,835.52	1.65%	1.74%	1.69%	1.70%	1.68%	1.75%	138.04	143.01	153.06	149.32	156.92	145.15	Total SEE

CIS - COMMONWEALTH OF INDEPENDENT STATES																		
15.11	14.94	17.16	44.88	66.74	63.86	0.18%	0.26%	0.24%	0.59%	0.89%	0.83%	4.67	4.60	5.26	13.71	20.34	19.43	Armenia
158.75	142.02	147.34	209.26	330.08	376.32	0.47%	0.46%	0.37%	0.42%	0.63%	0.70%	18.08	15.96	16.37	22.97	35.74	40.43	Azerbaijan
305.37	271.60	337.83	219.04	382.50	508.04	0.72%	0.81%	0.82%	0.80%	0.82%	1.04%	32.00	28.55	35.56	23.10	40.41	53.68	Belarus
115.03	148.98	153.81	148.27	236.18	197.21	1.43%	2.00%	1.74%	1.32%	1.97%	1.75%	26.25	33.97	34.67	33.18	52.51	43.98	Georgia
877.82	622.42	786.24	1,035.38	1,191.15	1,322.17	0.93%	0.78%	0.70%	0.72%	0.78%	0.83%	55.64	38.43	47.84	62.10	70.43	77.06	Kazakhstan
4.99	7.53	8.61	11.81	13.41	14.29	0.15%	0.24%	0.24%	0.25%	0.27%	0.28%	0.93	1.39	1.57	2.13	2.40	2.53	Kyrgyzstan
54.75	52.60	55.78	61.60	69.99	71.57	1.33%	1.35%	1.27%	1.22%	1.23%	1.20%	15.32	14.74	15.65	17.30	19.66	20.11	Moldova
13,317.74	11,827.53	13,814.46	15,926.10	20,111.56	20,121.54	1.34%	1.32%	1.20%	1.19%	1.31%	1.35%	93.26	82.88	96.67	111.45	140.64	140.78	Russia
16.02	14.32	18.27	21.05	25.39	27.37	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	2.17	1.90	2.40	2.70	3.19	3.37	Tajikistan
21.44	31.79	39.63	45.66	53.24	59.05	0.17%	0.23%	0.24%	0.20%	0.20%	0.20%	4.07	5.94	7.29	8.26	9.48	10.35	Turkmenistan
2,211.66	1,785.51	2,183.05	2,203.67	2,041.17	2,595.82	2.53%	2.24%	2.13%	1.74%	1.53%	1.97%	47.88	38.85	47.68	48.33	44.91	57.21	Ukraine
39.75	66.00	81.06	94.71	109.10	111.64	0.23%	0.30%	0.28%	0.28%	0.30%	0.29%	1.44	2.36	2.84	3.25	3.67	3.69	Uzbekistan
17,138.43	14,985.24	17,643.23	20,021.42	24,630.53	25,468.88	1.31%	1.27%	1.16%	1.13%	1.22%	1.28%	61.25	53.37	62.58	70.74	86.63	89.28	Total CIS
62,646.85	58,505.63	63,908.62	64,750.86	72,704.95	71,289.20	2.08%	2.06%	1.93%	1.82%	1.85%	1.86%	128.47	119.52	130.05	131.26	146.80	143.27	CEE+SEE+CIS

24%
the highest y-o-y growth rate in CEE belongs to Estonia

Except for Georgia and Armenia, all the other CIS countries apart Russia have recorded positive evolutions in underwriting, some of them – as Belarus, Ukraine, Azerbaijan, Kazakhstan and Turkmenistan -, even at a double digit rate.

The long-term evolution of these markets can only be upward, but there are still many thresholds to pass over in terms of legislation, market conduct and sophistication etc. In the immediate future the challenges raised by the political

volatile situation in the region may slowdown the market's development and further delay the major foreign players' entry. However, their potential remains unaltered.

D.G.



CEE - OVERALL MARKET DATA

Country	Overall GWP			Change	Overall paid claims			Change	Regional market share	
	2013	2012	%		2013	2012	%		2013	2012
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
Albania	60.88	64.11	-5.04	19.35	20.11	-3.76	0.18	0.19		
Bosnia & Herzegovina	269.49	258.25	4.35	102.71	96.39	6.56	0.82	0.75		
Bulgaria	883.89	820.19	7.77	528.35	404.62	30.58	2.68	2.38		
Croatia	1,188.40	1,197.84	-0.79	612.78	614.24	-0.24	3.60	3.48		
Czech Republic	5,707.28	6,110.18	-6.59	3,668.66	3,508.27	4.57	17.30	17.74		
Estonia	427.98	344.97	24.06	237.89	204.83	16.14	1.30	1.00		
Hungary	2,698.47	2,611.03	3.35	1,896.62	1,962.62	-3.36	8.18	7.58		
Kosovo	77.39	81.53	-5.09	38.45	30.58	25.73	0.23	0.24		
Latvia	470.94	447.09	5.33	261.66	240.02	9.02	1.43	1.30		
Lithuania	563.45	517.96	8.78	311.81	315.06	-1.03	1.71	1.50		
Macedonia	116.95	114.04	2.55	48.11	49.00	-1.83	0.35	0.33		
Montenegro	72.77	66.92	8.74	na	na	-	0.22	0.19		
Poland	13,952.23	15,322.79	-8.94	8,873.03	9,774.97	-9.23	42.30	44.49		
Romania	1,876.26	1,852.99	1.26	1,117.94	1,163.23	-3.89	5.69	5.38		
Serbia	558.62	540.49	3.35	230.60	220.76	4.46	1.69	1.57		
Slovak Republic	2,082.29	2,036.37	2.26	1,207.59	1,176.50	2.64	6.31	5.91		
Slovenia	1,977.50	2,054.03	-3.73	1,362.34	1,388.21	-1.86	6.00	5.96		
Total CEE	32,984.80	34,440.80	-4.23	20,517.89	21,169.42	-3.08	100.00	100.00		

CEE - LIFE INSURANCE

Country	GWP			Change	Paid claims			Change	Weight in all GWP	
	2013	2012	%		2013	2012	%		2013	2012
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
Albania	6.85	6.31	8.58	0.54	1.13	-52.62	11.25	9.84		
Bosnia & Herzegovina	51.01	44.05	15.80	15.02	10.30	45.84	18.93	17.06		
Bulgaria	156.43	137.07	14.12	156.43	54.66	186.17	17.70	16.71		
Croatia	332.36	326.17	1.90	204.81	188.27	8.79	27.97	27.23		
Czech Republic	2,609.86	2,866.18	-8.94	1,873.37	1,846.06	1.48	45.73	46.91		
Estonia	78.77	73.18	7.65	39.80	57.54	-30.82	18.41	21.21		
Hungary	1,469.71	1,383.31	6.25	1,282.69	1,370.17	-6.38	54.46	52.98		
Kosovo	na	na	na	na	na	na	-	-		
Latvia	89.21	78.60	13.50	58.11	45.92	26.57	18.94	17.58		
Lithuania	181.30	166.43	8.93	96.65	112.99	-14.46	32.18	32.13		
Macedonia	11.86	9.73	21.93	1.86	1.50	24.18	10.14	8.53		
Montenegro	10.87	9.47	14.76	na	na	-	14.94	14.16		
Poland	7,538.55	8,898.15	-15.28	5,566.89	6,339.49	-12.19	54.03	58.07		
Romania	374.19	404.52	-7.50	167.90	163.75	2.53	19.94	21.83		
Serbia	122.69	104.25	17.69	32.59	27.61	18.03	21.96	19.29		
Slovak Republic	1,169.79	1,111.58	5.24	738.05	724.94	1.81	56.18	54.59		
Slovenia	552.96	596.96	-7.37	391.99	433.36	-9.55	27.96	29.06		
Total CEE	14,756.41	16,215.95	-9.00	10,626.69	11,377.69	-6.60	44.74	47.08		

CEE - LIFE UNIT-LINKED INSURANCE

Country	GWP			Change	Paid claims			Change	Weight in all GWP	
	2013	2012	%		2013	2012	%		2013	2012
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
Albania	na	na	na	na	na	na	-	-		
Bosnia & Herzegovina	na	na	na	na	na	na	-	-		
Bulgaria	9.12	10.01	-8.84	9.12	3.59	153.91	1.03	1.22		
Croatia	16.96	19.19	-11.62	12.34	9.91	24.52	1.43	1.60		
Czech Republic	1,267.60	1,503.54	-15.69	766.49	701.60	9.25	22.21	24.61		
Estonia	na	na	na	na	na	na	-	-		
Hungary	966.28	896.35	7.80	795.57	811.65	-1.98	35.81	34.33		
Kosovo	na	na	na	na	na	na	-	-		
Latvia	23.24	20.98	10.75	16.17	19.32	-16.29	4.93	4.69		
Lithuania	127.16	116.85	8.82	64.83	54.82	18.27	22.57	22.56		
Macedonia	na	na	na	na	na	na	-	-		
Montenegro	na	na	na	na	na	na	-	-		
Poland	3,147.07	2,946.53	6.81	1,786.05	1,623.62	10.00	22.56	19.23		
Romania	124.11	140.55	-11.70	73.49	68.44	7.38	6.61	7.58		
Serbia	na	na	na	na	na	na	-	-		
Slovak Republic	357.96	359.40	-0.40	118.96	129.68	-8.27	17.19	17.65		
Slovenia	288.63	335.56	-13.99	161.48	209.42	-22.89	14.60	16.34		
Total CEE	6,328.13	6,348.95	-0.33	3,804.50	3,632.06	4.75	19.18	18.43		

CEE - NON-LIFE INSURANCE

Country	GWP			Change	Paid claims			Change	Weight in all GWP	
	2013	2012	%		2013	2012	%		2013	2012
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
Albania	53.65	57.61	-6.87	18.81	18.97	-0.84	88.12	89.85		
Bosnia & Herzegovina	218.47	214.20	2.00	87.69	86.09	1.86	81.07	82.94		
Bulgaria	727.47	683.12	6.49	371.92	349.96	6.28	82.30	83.29		
Croatia	856.05	871.67	-1.79	407.96	425.97	-4.23	72.03	72.77		
Czech Republic	3,097.42	3,244.00	-4.52	1,795.30	1,662.21	8.01	54.27	53.09		
Estonia	349.21	271.80	28.48	198.14	147.29	34.52	81.59	78.79		
Hungary	1,228.76	1,227.72	0.08	613.93	592.46	3.63	45.54	47.02		
Kosovo	77.39	81.53	-5.09	38.45	30.58	25.73	100.00	100.00		
Latvia	381.73	368.49	3.59	203.55	194.10	4.86	81.06	82.42		
Lithuania	382.15	351.53	8.71	215.16	202.07	6.48	67.82	67.87		
Macedonia	105.09	104.32	0.74	46.25	47.51	-2.65	89.86	91.47		
Montenegro	61.90	57.45	7.74	na	na	-	85.06	85.84		
Poland	6,413.68	6,424.65	-0.17	3,306.14	3,435.47	-3.76	45.97	41.93		
Romania	1,502.07	1,448.47	3.70	950.05	999.49	-4.95	80.06	78.17		
Serbia	435.93	436.24	-0.07	198.01	193.15	2.52	78.04	80.71		
Slovak Republic	912.50	924.79	-1.33	469.54	451.56	3.98	43.82	45.41		
Slovenia	1,424.54	1,457.07	-2.23	970.34	954.85	1.62	72.04	70.94		
Total CEE	18,228.00	18,224.65	0.02	9,891.25	9,791.74	1.02	55.26	52.92		

CEE - MOTOR HULL INSURANCE

Country	GWP			Change	Paid claims			Change	Weight in all GWP	
	2013	2012	%		2013	2012	%		2013	2012
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
Albania	3.69	3.88	-5.01	2.28	2.94	-22.47	6.06	6.06		
Bosnia & Herzegovina	28.56	29.48	-3.12	20.28	20.66	-1.85	10.60	11.42		
Bulgaria	209.91	213.03	-1.46	127.97	139.99	-8.58	23.75	25.97		
Croatia	86.78	95.49	-9.12	80.83	82.38	-1.88	7.30	7.97		
Czech Republic	529.89	578.62	-8.42	389.14	415.54	-6.35	9.28	9.47		
Estonia	103.89	85.25	21.86	68.95	50.94	35.36	24.27	24.71		
Hungary	207.73	221.56	-6.24	129.10	138.42	-6.73	7.70	8.49		
Kosovo	na	na	na	na	na	na	-	-		
Latvia	82.49	75.65	9.04	52.29	45.82	14.13	17.52	16.92		
Lithuania	88.99	83.10	7.08	61.78	57.46	7.52	15.79	16.04		
Macedonia	11.73	12.39	-5.26	7.07	8.14	-13.13	10.03	10.86		
Montenegro	5.05	5.39	-6.29	na	na	-	6.94	8.06		
Poland	1,283.18	1,376.48	-6.78	843.12	841.64	0.18	9.20	8.98		
Romania	406.30	430.14	-5.54	398.75	436.97	-8.75	21.65	23.21		
Serbia	56.09	60.92	-7.94	38.80	39.60	-2.01	10.04	11.27		
Slovak Republic	243.11	250.87	-3.09	192.65	179.30	7.44	11.68	12.32		
Slovenia	226.41	239.35	-5.41	177.99	174.95	1.74	11.45	11.65		
Total CEE	3,573.78	3,761.60	-4.99	2,591.02	2,634.76	-1.66	10.83	10.92		

CEE - MTPL INSURANCE

Country	GWP			Change	Paid claims			Change	Weight in all GWP	
	2013	2012	%		2013	2012	%		2013	2012
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
Albania	27.57	32.79	-15.92	13.49	12.23	10.33	45.29	51.15		
Bosnia & Herzegovina	130.41	125.17	4.18	47.17	44.90	5.05	48.39	48.47		
Bulgaria	296.24	267.34	10.81	179.34	157.85	13.61	33.52	32.59		
Croatia	389.93	389.62	0.08	142.09	147.38	-3.59	32.81	32.53		
Czech Republic	775.65	789.61	-1.77	426.76	430.79	-0.94	13.59	12.92		
Estonia	86.14	67.81	27.03	58.30	43.35	34.48	20.13	19.66		
Hungary	252.14	257.03	-1.90	207.72	199.80	3.96	9.34	9.84		
Kosovo	43.92	44.22	-0.68	21.42	18.92	13.26	56.76	54.24		
Latvia	49.99	48.21	3.69	30.31	32.57	-6.93	10.62	10.78		
Lithuania	135.84	123.09	10.35	78.58	70.53	11.41	24.11	23.76		
Macedonia	54.95	53.28	3.13	25.21	22.85	10.31	46.99	46.72		
Montenegro	33.13	31.57	4.96	na	na	-	45.53	47.17		
Poland	2,041.09	2,184.62	-6.57	1,329.17	1,332.32	-0.24	14.63	14.26		
Romania	558.49	479.59	16.45	435.75	418.02	4.24	29.77	25.88		
Serbia	170.74	170.00	0.43	72.41	73.53	-1.53	30.56	31.45		
Slovak Republic	265.57	275.70	-3.67	154.11	146.80	4.98	12.75	13.54		
Slovenia	242.48	264.53	-8.34	144.71	143.81	0.62	12.26	12.88		
Total CEE	5,554.28	5,604.18	-0.89	3,366.53	3,295.66	2.15	16.84	16.27		

CEE - PROPERTY INSURANCE (Fire, allied perils and other damages to property, summed)

Country	GWP			Change	Paid claims			Change	Weight in all GWP	
	2013	2012	%		2013	2012	%		2013	2012
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
Albania	14.05	12.23	14.90	1.20	2.31	-48.17	23.07	19.07		
Bosnia & Herzegovina	27.14	30.23	-10.21	7.00	7.83	-10.60	10.07	11.70		
Bulgaria	133.98	132.89	0.82	30.97	33.68	-8.05	15.16	16.20		
Croatia	163.98	171.72	-4.51	96.85	104.58	-7.39	13.80	14.34		
Czech Republic	781.86	829.80	-5.78	500.42	354.52	41.15	13.70	13.58		
Estonia	86.47	70.29	23.01	38.17	32.31	18.12	20.20	20.38		
Hungary	536.00	524.04	2.28	202.58	187.21	8.21	19.86	20.07		
Kosovo	na	na	na	na	na	na	-	-		
Latvia	67.47	62.64	7.71	24.66	26.92	-8.40	14.33	14.01		
Lithuania	73.91	67.95	8.78	22.51	30.24	-25.58	13.12	13.12		
Macedonia	21.39	22.65	-5.58	7.15	9.55	-25.15	18.29	19.86		
Montenegro	10.08	7.51	34.17	na	na	-	13.86	11.23		
Poland	1,339.84	1,259.60	6.37	490.98	598.52	-17.97	9.60	8.22		
Romania	303.45	278.85	8.82	68.02	67.07	1.42	16.17	15.05		
Serbia	120.90	119.96	0.79	50.05	44.51	12.46	21.64	22.19		
Slovak Republic	231.22	228.74	1.08	66.90	75.76	-11.70	11.10	11.23		
Slovenia	229.69	236.56	-2.90	119.63	122.20	-2.11	11.62	11.52		
Total CEE	4,141.43	4,055.65	2.12	1,727.08	1,697.21	1.76	12.56	11.78		

CEE - GTPL INSURANCE

Country	GWP			Change	Paid claims			Change	Weight in all GWP	
	2013	2012	%		2013	2012	%		2013	2012
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
Albania	1.75	2.43	-28.01	-	0.00	-	2.87	3.78		
Bosnia & Herzegovina	3.06	2.81	9.11	0.41	0.49	-15.01	1.14	1.09		
Bulgaria	17.40	16.69	4.25	3.11	3.86	-19.66	1.97	2.03		
Croatia	40.58	38.23	6.15	18.72	17.34	7.99	3.41	3.19		
Czech Republic	469.24	494.67	-5.14	232.92	244.19	-4.62	8.22	8.10		
Estonia	13.64	10.57	29.12	4.06	3.32	22.12	3.19	3.06		
Hungary	63.09	59.77	5.56	12.91	13.18	-2.03	2.34	2.29		
Kosovo	na	na	na	na	na	na	-	-		
Latvia	16.94	20.50	-17.37	3.27	3.39	-3.48	3.60	4.59		
Lithuania	22.80	20.57	10.79	7.87	4.31	82.68	4.05	3.97		
Macedonia	2.61	2.28	14.55	0.34	0.21	66.36	2.23	2.00		
Montenegro	1.16	0.94	23.03	na	na	-	1.59	1.41		
Poland	448.32	427.17	4.95	151.13	150.18	0.63	3.21	2.79		
Romania	82.25	94.33	-12.81	8.25	13.09	-36.97	4.38	5.09		
Serbia	10.73	10.02	7.07	3.01	2.37	27.16	1.92	1.85		
Slovak Republic	63.11	59.05	6.86	17.41	13.61	27.94	3.03	2.90		
Slovenia	58.76	57.79	1.68	28.27	26.02	8.68	2.97	2.81		
Total CEE	1,315.44	1,317.81	-0.18	491.70	495.55	-0.78	3.99	3.83		

SEE - OVERALL MARKET DATA

Country	Overall GWP			Change	Overall paid claims			Change	Regional market share	
	2013	2012	%		2013	2012	%		2013	2012
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
Cyprus	750.17	809.98	-7.38	620.01	620.61	-0.10	5.84	5.94		
Greece	3,843.14	4,410.00	-12.85	na	na	-	29.94	32.35		
Turkey	8,242.21	8,413.65	-2.04	na	na	-	64.21	61.71		
Total SEE	12,835.52	13,633.62	-5.85	na	na	-	100.00	100.00		

CIS - OVERALL MARKET DATA

Country	Overall GWP			Change	Overall paid claims			Change	Regional market share	
	2013	2012	%		2013	2012	%		2013	2012
	EUR m.	EUR m.			EUR m.	EUR m.			%	%
Armenia	63.86	66.74	-4.31	35.25	27.22	29.51	0.25	0.27		
Azerbaijan	376.32	330.08	14.01	113.92	90.45	25.95	1.48	1.34		
Belarus	508.04	382.50	32.82	211.11	182.08	15.95	1.99	1.55		
Georgia	197.21	236.18	-16.50	162.24	121.30	33.75	0.77	0.96		
Kazakhstan	1,322.17	1,191.15	11.00	291.29	379.97	-23.34	5.19	4.84		
Kyrgyzstan	14.29	13.41	6.61	1.37	0.82	67.14	0.06	0.05		
Moldova	71.57	69.99	2.26	25.86	27.66	-6.52	0.28	0.28		
Russia	20,121.54	20,111.56	0.05	9,356.68	9,183.51	1.89	79.00	81.65		
Tajikistan (est)	27.37	25.39	7.77	na	na	-	0.11	0.10		
Turkmenistan (est)	59.05	53.24	10.90	na	na	-	0.23	0.22		
Ukraine	2,595.82	2,041.17	27.17	421.30	488.84	-13.82	10.19	8.29		
Uzbekistan	111.64	109.10	2.33	22.07	17.56	25.71	0.44	0.44		
Total CIS	25,468.88	24,630.53	3.40	10,641.09	10,519.41	1.16	100.00	100.00		

TOP 100 life insurance companies in CEE Region – as at December 31st, 2013

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2013 EUR m	2012 EUR m	Change %
1	PL	1	PZU ŻYCIE SA	2,132.29	2,278.12	-6.40
2	PL	2	OPEN LIFE TU ŻYCIE S.A.	635.05	815.17	-22.10
3	PL	3	TUnŻ WARTA S.A.	536.15	743.38	-27.88
4	PL	4	ING TUnŻ S.A.	490.98	432.26	13.58
5	PL	5	AMPLICO LIFE S.A.	479.17	416.71	14.99
6	PL	6	AVIVA TUnŻ S.A.	449.53	448.39	0.26
7	PL	7	TU na ŻYCIE EUROPA S.A.	432.17	596.20	-27.51
8	PL	8	BENEFIA TU na ŻYCIE S.A. VIG	405.41	891.91	-54.55
9	CZ	1	ČESKÁ pojišťovna	379.91	435.35	-12.73
10	PL	9	NORDEA POLSKA TU na ŻYCIE S.A.	302.83	351.19	-13.77
11	PL	10	AXA ŻYCIE TU S.A.	287.49	225.15	27.69
12	SK	1	KOOPERATIVA poisťovňa VIG	258.50	241.04	7.25
13	SK	2	ALLIANZ Slovenská poisťovňa	245.33	244.08	0.51
14	CZ	2	KOOPERATIVA VIG	242.24	249.01	-2.72
15	HU	1	ING	239.00	225.71	5.89
16	PL	11	AEGON TU na ŻYCIE S.A.	237.60	193.29	22.93
17	PL	12	GENERALI ŻYCIE T.U. S.A.	227.12	234.48	-3.14
18	CZ	3	PČS VIG	218.37	227.90	-4.18
19	SL	1	TRIGLAV	179.20	191.82	-6.58
20	CZ	4	ING	177.12	197.33	-10.24
21	HU	2	MPÉ Hungarian Post Life	170.04	123.82	37.33
22	HU	3	ALLIANZ	166.70	146.79	13.56
23	HU	4	GROUPAMA	155.49	143.46	8.39
24	PL	13	COMPENSA TU na ŻYCIE S.A. VIG	139.31	157.35	-11.47
25	HU	5	GENERALI-PROVIDENCIA	131.47	129.84	1.25
26	PL	14	STUnŻ ERGO HESTIA SA	131.15	181.92	-27.91
27	PL	15	TU ALLIANZ ŻYCIE POLSKA S.A.	128.67	423.74	-69.63
28	RO	1	ING Asigurari de Viata	126.63	121.80	3.97
29	HU	6	AEGON	123.95	123.80	0.12
30	PL	16	BZ WBK - AVIVA TUnŻ S.A.	123.15	129.82	-5.14
31	SK	3	MetLife AMSLICO poisťovňa	118.26	117.59	0.57
32	SK	4	KOMUNÁLNA poisťovňa VIG	110.76	106.72	3.79
33	CZ	5	ČSOBP	108.75	137.62	-20.98
34	CZ	6	ALLIANZ	107.43	101.13	6.23
35	CZ	7	GENERALI	102.05	105.73	-3.48
36	HU	7	UNIQA	99.66	81.46	22.34
37	PL	17	SKANDIA ŻYCIE TU S.A.	95.67	93.46	2.37
38	PL	18	UNIQA TU na ŻYCIE S.A.	94.31	78.55	20.05
39	CZ	8	METLIFE	88.12	101.52	-13.20
40	SL	2	MODRA	82.80	112.43	-26.35
41	SK	5	GENERALI Poistovňa	80.08	79.22	1.09
42	SK	6	ING Životná poisťovňa	79.10	78.45	0.82
43	SL	3	MARIBOR	75.50	76.99	-1.94
44	SK	7	Poisťovňa Slovenskej sporiteľne VIG	69.28	53.02	30.68
45	PL	19	TUnŻ CARDIF POLSKA S.A.	63.54	80.17	-20.74
46	HU	8	MetLife (AVIVA)	63.48	54.38	16.73
47	HR	1	ALLIANZ Zagreb	61.72	54.34	13.58
48	SK	8	AXA životní poisťovna	60.65	52.37	15.81
49	RO	2	METROPOLITAN Life (est)	57.75	52.06	10.92
50	SL	4	ADRIATIC SLOVENICA	56.84	63.61	-10.65

Kosovo & Latvian companies are not included

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2013 EUR m	2012 EUR m	Change %
51	HU	9	CIG Pannónia Life	56.30	77.32	-27.19
52	CZ	9	KOMERČNÍ pojišťovna	56.22	52.94	6.19
53	SK	9	ČSOB Poistovňa	54.14	53.27	1.64
54	HU	10	ERSTE	53.22	51.90	2.53
55	CZ	10	AXA - ŽP	52.56	64.06	-17.96
56	RO	3	BCR Asigurari de Viata VIG (est)	49.92	92.37	-45.95
57	HR	2	CROATIA Osiguranje	46.62	48.22	-3.31
58	CZ	11	ČPP VIG	46.37	47.97	-3.34
59	PL	20	PRAMERICA ŻYCIE TUIR SA	44.89	42.64	5.29
60	PL	21	POLISA - ŻYCIE TU S.A. VIG	44.56	32.21	38.32
61	CZ	12	UNIQA	42.96	47.56	-9.66
62	SL	5	NLB VITA	42.59	35.62	19.56
63	CZ	13	AEGON	42.37	40.73	4.01
64	HU	11	SIGNAL	39.65	30.79	28.81
65	LT	1	SWEDBANK Life Insurance SE L.f.	39.61	37.72	5.03
66	HU	12	K&H	39.14	36.72	6.58
67	SL	6	MERKUR	38.96	39.93	-2.45
68	SK	10	AEGON Životná poisťovňa	38.15	33.00	15.61
69	HU	13	AXA	38.13	42.51	-10.33
70	SK	11	WÜSTENROT poisťovňa	37.82	33.50	12.89
71	LT	2	AVIVA Lietuva	36.84	32.59	13.04
72	LT	3	SEB Gyvybės draudimas	36.83	35.43	3.94
73	HR	3	WIENER Osiguranje VIG	35.38	37.87	-6.59
74	BG	1	ALLIANZ Bulgaria Life	35.05	30.67	14.29
75	SK	12	UNIQA poisťovňa	33.03	31.56	4.63
76	EE	1	COMPENSA Life VIG SE	32.65	23.67	37.92
77	HR	4	GRAWE Hrvatska	32.20	33.23	-3.08
78	SB	1	DELTA GENERALI	32.13	27.18	18.25
79	HR	5	MERKUR Osiguranje	31.88	33.77	-5.59
80	SB	2	WIENER	31.35	24.18	29.63
81	EE	2	SWEDBANK Life Ins. SE	30.29	33.58	-9.78
82	HU	14	GRAWE	29.89	28.08	6.45
83	HU	15	UNION	28.61	31.90	-10.32
84	HR	6	AGRAM Životno	26.92	26.94	-0.08
85	PL	22	TU SKOK ŻYCIE SA	26.58	25.82	2.96
86	HR	7	BASLER Osiguranje	25.17	26.56	-5.22
87	BG	2	BULSTRAD Life VIG	23.62	19.05	23.98
88	SL	7	GENERALI	22.72	22.08	2.88
89	RO	4	ALLIANZ-TIRIAC	21.43	20.99	2.11
90	RO	5	ASIROM VIG	20.14	18.87	6.75
91	SB	3	GRAWE	19.91	19.01	4.71
92	SL	8	GRAWE	19.16	20.43	-6.23
93	RO	6	GENERALI Romania	19.10	18.77	1.75
94	HR	8	ERSTE VIG	18.24	15.34	18.92
95	LT	4	ERGO Life Insurance SE	17.80	16.22	9.75
96	SK	13	ERGO Poistovňa	17.67	13.85	27.62
97	LT	5	MANDATUM Life Insurance Baltic SE L.f.	16.83	17.50	-3.84
98	BG	3	UNIQA LIFE	16.75	14.98	11.76
99	HR	9	UNIQA Osiguranje	16.67	12.42	34.15
100	SL	9	WIENER STÄDTISCHE	15.87	15.61	1.61

TOP 100 non-life insurance companies in CEE Region - as at December 31st, 2013

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2013	2012	Change
				EUR m	EUR m	%
1	PL	1	PZU SA	1,995.13	2,067.78	-3.51
2	PL	2	TUIR WARTA S.A.	824.08	852.73	-3.36
3	PL	3	STU ERGO HESTIA SA	723.72	670.93	7.87
4	CZ	1	ČESKÁ pojišťovna	672.05	754.75	-10.96
5	CZ	2	KOOPERATIVA VIG	573.72	626.82	-8.47
6	PL	4	TUIR ALLIANZ POLSKA S.A.	433.35	433.77	-0.10
7	SL	1	TRIGLAV	424.58	453.80	-6.44
8	SK	1	ALLIANZ Slovenská poisťovňa	326.94	338.96	-3.55
9	HR	1	CROATIA Osiguranje	297.09	310.63	-4.36
10	PL	5	UNIQA TU S.A.	269.54	282.21	-4.49
11	HU	1	ALLIANZ	269.00	307.35	-12.48
12	SL	2	VZAJEMNA	266.99	270.89	-1.44
13	CZ	3	ALLIANZ	261.39	277.85	-5.92
14	PL	6	INTERRISK TU S.A. VIG	260.76	275.03	-5.19
15	PL	7	COMPENSA TU S.A. VIG	251.54	268.56	-6.34
16	SK	2	KOOPERATIVA poisťovňa VIG	250.58	249.97	0.24
17	SL	3	ADRIATIC SLOVENICA	249.32	256.53	-2.81
18	HU	2	GENERALI-PROVIDENCIA	239.13	247.25	-3.29
19	RO	1	ASTRA Asigurari (est)	238.94	248.52	-3.85
20	PL	8	GENERALI T.U. S.A.	234.12	258.31	-9.36
21	RO	2	OMNIASIG VIG	199.39	230.55	-13.52
22	RO	3	ALLIANZ-TIRIAC	186.48	181.03	3.01
23	CZ	4	GENERALI	183.13	207.57	-11.77
24	SL	4	MARIBOR	176.47	186.92	-5.59
25	PL	9	TU EUROPA S.A.	171.68	92.51	85.58
26	CZ	5	ČPP VIG	171.13	181.63	-5.78
27	PL	10	MTU Moje Towarzystwo Ubezpieczeń S.A.	166.66	183.16	-9.01
28	CZ	6	ČSOBP	161.30	173.89	-7.24
29	CZ	7	UNIQA	157.20	164.52	-4.45
30	RO	4	GROUPAMA Asigurari	152.86	170.69	-10.45
31	HU	3	AEGON	150.97	144.78	4.28
32	HU	4	GROUPAMA	147.81	147.33	0.33
33	SB	1	DUNAV	141.88	147.53	-3.83
34	RO	5	UNIQA Asigurari	129.02	113.31	13.86
35	HR	2	EUROHERC	127.04	129.41	-1.84
36	PL	11	GOTHAER TU S.A.	121.23	124.60	-2.71
37	LT	1	LIETUVOS draudimas	118.72	110.02	7.91
38	PL	12	TUW TUW	117.38	109.40	7.29
39	EE	1	If P&C Insurance AS	116.91	115.17	1.51
40	RO	6	EUROINS Romania	116.33	101.60	14.49
41	RO	7	CARPATICA ASIG	109.32	66.91	63.38
42	EE	2	ERGO Kindlustus	108.19	41.73	159.23
43	HU	5	UNIQA	104.21	104.92	-0.68
44	SL	5	TRIGLAV ZDRAVSTVENA	104.05	91.45	13.77
45	RO	8	ASIROM VIG	102.98	114.98	-10.44
46	SK	3	GENERALI Poistovňa	94.27	101.91	-7.50
47	BG	1	LEV INS	93.09	46.69	99.39
48	HR	3	ALLIANZ Zagreb	92.71	90.03	2.98
49	PL	13	AVIVA TU OGÓLNYCH S.A.	90.74	90.23	0.57
50	BG	2	ARMEEC	90.64	39.24	131.02
51	PL	14	LINK4 TU S.A.	89.87	78.68	14.23

Kosovo & Latvian companies are not included

No.	Country	Rank in home country	Company	GROSS WRITTEN PREMIUMS		
				2013	2012	Change
				EUR m	EUR m	%
52	BG	3	BULSTRAD VIG	88.28	57.72	52.96
53	HU	6	UNION	85.60	61.04	40.24
54	PL	15	CONCORDIA POLSKA TUW	83.62	91.77	-8.88
55	HR	4	JADRANSKO Osiguranje	81.97	83.14	-1.40
56	RO	9	GENERALI Romania	80.18	78.18	2.56
57	PL	16	PTR S.A.	78.68	91.89	-14.37
58	SB	2	DELTA GENERALI	76.91	80.89	-4.93
59	SL	6	TILIA	76.87	72.56	5.93
60	SK	4	UNIQA poisťovňa	75.11	70.77	6.14
61	CZ	8	CARDIF	73.86	80.91	-8.70
62	BG	4	DZI - General Insurance	72.38	40.90	76.97
63	RO	10	CITY Insurance	68.96	59.20	16.48
64	SB	3	DDOR	67.10	67.09	0.02
65	PL	17	TU EULER HERMES S.A.	66.39	69.16	-4.00
66	BG	5	ALLIANZ Bulgaria	65.57	35.40	85.23
67	PL	18	TUW SKOK	65.02	53.34	21.91
68	PL	19	TUZ TUW	63.10	50.52	24.91
69	SL	7	GENERALI	62.46	66.07	-5.47
70	PL	20	BENEFIA TU S.A. VIG	62.35	67.65	-7.84
71	PL	21	AXA TUIR S.A.	62.32	45.08	38.24
72	BG	6	EUROINS	60.54	31.06	94.92
73	SK	5	KOMUNÁLNA poisťovňa VIG	60.50	58.84	2.82
74	HU	7	K&H	59.80	56.94	5.03
75	BG	7	BUL INS	54.42	33.83	60.86
76	LT	2	BTA akcinės draudimo bendrovės filialas Lietuvoje	54.11	46.26	16.96
77	EE	3	SEESAM Insurance AS	53.48	47.94	11.55
78	LT	3	PZU Lietuva	52.05	46.89	11.01
79	PL	22	BRE UBEZPIECZENIA TUIR S.A.	47.85	46.80	2.24
80	EE	4	SWEDBANK Varakindlustus	45.64	42.43	7.56
81	LT	4	ERGO Insurance SE L.f.	44.79	45.27	-1.04
82	BG	8	UNIQA Insurance	39.33	21.32	84.52
83	PL	23	BZ WBK - AVIVA TU OGÓLNYCH S.A.	38.53	37.21	3.55
84	HR	5	TRIGLAV Osiguranje	38.06	36.96	2.97
85	HR	6	WIENER Osiguranje VIG	36.94	40.58	-8.97
86	BG	9	VICTORIA	35.18	8.94	293.58
87	HR	7	GENERALI	32.19	29.58	8.84
88	BiH/FBiH	1	SARAJEVO	31.52	31.41	0.33
89	SK	6	UNION poisťovňa	31.08	31.78	-2.21
90	SB	4	UNIQA Nezivot	30.72	30.64	0.27
91	LT	5	AAS "Gjensidige Baltic" L.f.	29.85	27.50	8.51
92	PL	24	TU INTER POLSKA S.A.	28.31	27.91	1.45
93	MN	1	LOVČEN	28.31	27.28	3.76
94	BG	10	GENERALI Insurance	28.28	17.42	62.38
95	CZ	9	AXA	27.60	17.43	58.36
96	HR	8	BASLER Osiguranje	27.45	26.99	1.71
97	SB	5	WIENER	27.34	25.60	6.81
98	SK	7	ČSOB Poistovňa	27.05	25.38	6.59
99	BG	11	OZK Insurance	26.88	11.57	132.38
100	CZ	10	TRIGLAV	26.80	26.85	-0.19

Search and find the best coverage
Kee up with the market changes
Assessing of insurance portfolios
Local and international placement
Assistance at each and every request.



the **rock** in the ocean of dangers

Business center 'Sushchevskiy', 8-12 Sushchevskaya Str. Moscow, Russia, 127055
Tel: +7 (499)973 3842, +7 (499)973 3852, Fax: +7 (499) 973 3844
e-mail: office@skalasb.ru, www.skalasb.ru

Albania



S&P Rating
B/STABLE

Moody's rating
B1/STABLE

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	ALL billion ¹	1,089.29	1,148.08	1,222.46	1,282.26	1,326.47	1,357.94
	EUR billion ⁴	8.80	8.32	8.81	9.23	9.50	9.69
GDP per capita, current prices	ALL ¹	372,161.65	396,138.61	425,882.69	451,033.74	471,089.23	487,132.43
	EUR ⁴	3,006.15	2,871.40	3,068.98	3,246.48	3,374.81	3,474.55
Unemployment rate	% of total labor force ¹	12.55	13.62	13.50	13.30	13.00	12.80
Population	Millions ¹	2.93	2.90	2.87	2.84	2.82	2.79
ALL/EUR exchange rate	end of period ²	123.80	137.96	138.77	138.93	139.59	140.20
Gross written premiums	ALL million ³	7,089.54	7,878.26	8,207.49	8,335.90	8,949.78	8,535.43
	EUR million ⁴	57.27	57.11	59.14	60.00	64.11	60.88
Paid claims	ALL million ³	1,549.69	1,728.63	2,292.03	2,211.27	2,806.81	2,713.10
	EUR million ⁴	12.52	12.53	16.52	15.92	20.11	19.35
Insurance penetration degree	% in GDP ⁴	0.65%	0.69%	0.67%	0.65%	0.67%	0.63%
Insurance density	EUR/capita ⁴	19.56	19.71	20.61	21.10	22.77	21.84

The insurance market totaled ALL 8.53 billion (EUR 60.88 million) at the end of 2013, or 4.63% less y-o-y;

The number of insurance contracts showed a 5.87% decrease y-o-y to 995,732;

Amendments to tax legislation are underway with the aim to exclude from VAT all the insurance products, MTPL included;

Introduction of new compulsory insurances in certain professions and liability lines is being planned;

The life insurance ranking was formed by SIGAL UNIQA (~60% market share), SICRED (~23%) and INSIG (~17%);

Top 3 non-life generated cca. 59% of the market and was lead by SIGAL UNIQA (~35%), followed by EUROSIG (13%) and INTERSIG VIG (11%);

In 1Q2014, the insurance market increased 26.6% y-o-y "due the stabilization of MTPL tariffs.

2013 was considered a challenging one in terms of economic and financial market developments, according to Enkeleda SHEHI, Chairperson, Albanian FSA: *The aggregate demand was weak due to sluggish consumption and private investment, which were not offset by the fiscal stimulus and the foreign demand. The private sector demand was negatively affected by the weak business and consumer confidence, slowing of income and the relatively tight financing conditions. The general elections held last year contributed further to the increase of*

uncertainty of the economy and financial markets, contributing adversely to the consumption and investment. Therefore, the Albanian economy performed under the potential, employment and salaries grew at a lower speed, thus keeping the inflationary pressures at low levels.

All in all, Albanian insurance market totaled ALL 8.53 billion (EUR 60.88 million) at the end of 2013, or 4.63% less y-o-y. The downward trend was felt in the decrease of the number of insurance contracts, which showed a 5.87% decrease y-o-y to 995,732.

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	60.88	64.11	-5.04	19.35	20.11	-3.76	100.00	100.00
TOTAL LIFE	6.85	6.31	8.58	0.54	1.13	-52.62	11.25	9.84
Debtor's life	4.35	3.74	16.23	0.40	0.83	-51.41	7.14	5.84
Group life	0.73	0.94	-23.04	0.01	0.08	-92.50	1.19	1.47
Life with savings	1.08	0.92	17.01	0.02	0.07	-	1.77	1.44
Other life insurance	0.69	0.70	-0.80	0.10	0.15	-28.96	1.14	1.09
TOTAL NON-LIFE	53.65	57.61	-6.87	18.81	18.97	-0.84	88.12	89.85
Accidents insurance	2.48	2.77	-10.51	0.38	0.38	1.16	4.07	4.32
Health insurance	2.29	1.68	36.64	1.42	1.02	39.17	3.76	2.62
Overall property insurance	14.05	12.23	14.90	1.20	2.31	-48.17	23.07	19.07
Fire and allied perils	8.28	8.65	-4.21	1.08	2.17	-50.34	13.61	13.49
Damages to property	5.76	3.58	61.11	0.12	0.14	-14.07	9.47	5.58
Overall motor insurance	31.26	36.68	-14.76	15.77	15.17	3.97	51.35	57.21
Motor Hull	3.69	3.88	-5.01	2.28	2.94	-22.47	6.06	6.06
MTPL	27.57	32.79	-15.92	13.49	12.23	10.33	45.29	51.15
- DMTPL	19.57	24.14	-18.94	8.29	8.99	-7.80	32.14	37.65
- Green Card	5.16	4.93	4.72	4.85	2.70	79.75	8.48	7.69
- Border	2.84	3.72	-23.66	0.35	0.54	-34.70	4.67	5.81
Goods in transit	0.33	0.28	17.00	0.00	0.00	-33.38	0.54	0.43
GTPL	1.75	2.43	-28.01	-	0.00	-	2.87	3.78
Suretyship	1.26	1.30	-3.07	0.04	0.09	-56.35	2.07	2.02
Other non-life insurance	0.24	0.25	-6.07	-	-	-	0.39	0.39
REINSURANCE ACCEPTED	0.38	0.20	89.50	-	-	-	0.63	0.32

The Albanian market continued to be dominated by non-life insurance, with an about 88% share in the total premium volume. Life insurance market's share was slightly above 11%, while the reinsurance accounted for less than 1%. *MTPL insurance remained the most important portfolio in the Albanian insurance market, although the gross written premiums decreased by 15.6%, compared to 2012. That was primarily due to the fierce competition that led to under pricing of the product*, commented Enkeleda SHEHI.



Enkeleda SHEHI
Chairperson, Albanian FSA

Read the full interview on www.xprimm.com

Payment of claims, during the year 2013, decreased by 3.34% y-o-y to ALL 2.71 billion (EUR 19.35 million). Most of the gross paid claims were related to motor insurance, about ALL 2.21 billion or 81.50% of total gross paid claims.

According preliminary figures, 2014 has started better in terms of premium volume, due to the stabilisation of DMTPL prices, in the first quarter. *The insurance premium revenues for January-March 2014 were 26.6% more compared to the January-March 2013, while DMTPL gross written premiums alone experienced an increase by 37.5% compared with January-March 2013*, declared the Chairperson of AFSA.

Thus, the stability of prices in the MTPL portfolio will be maintained, *the market will experience a considerable growth by the end of 2014. It remains to be seen also whether the dynamics of growth of voluntary insurance will be maintained throughout the year. Some insurance products, such as debtor's life and property are also driven to some extent by bank credit, which in the first quarter of 2014 is still at stagnation*, the AFSA official told XPRIMM.

Regarding important future legislative reforms, *a legal package is currently being discussed in Parliamentary*

commissions, after Government approval that comprises amendments to Albanian FSA law and a new insurance bill. At the end of this process Albanian FSA is aiming to gain more independence as a financial regulator and reforming the supervisory regime, thus being in a position to implement risk based supervision. At the same time, of the main changes that are underway or targeted in the near future aims to exclude all the insurance products from VAT, the introduction of new compulsory insurances in certain professions and liability lines, while in the medium term a bill on compulsory insurance on catastrophic risks will be developed.

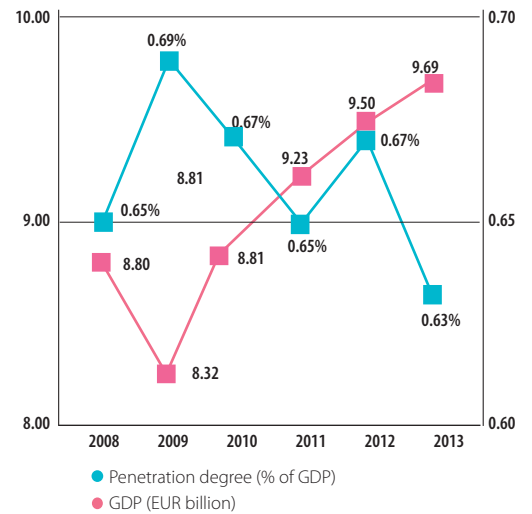


Life	11.25
Property	23.07
Motor Hull	6.06
MTPL	45.29
GTP	2.87
Other	11.46

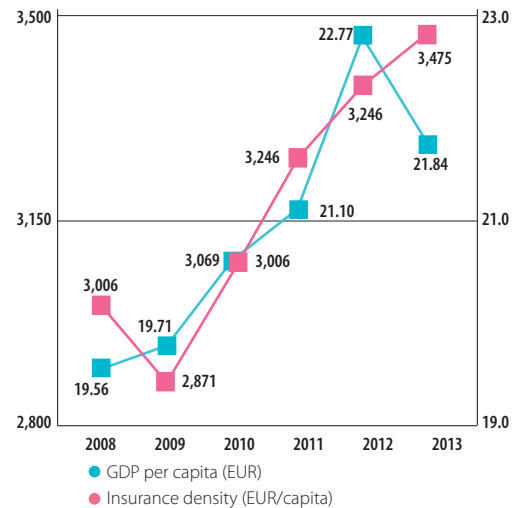
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Bank of Albania
- (3) Albanian Financial Supervisory Authority (AFSA)
- (4) XPRIMM calculation

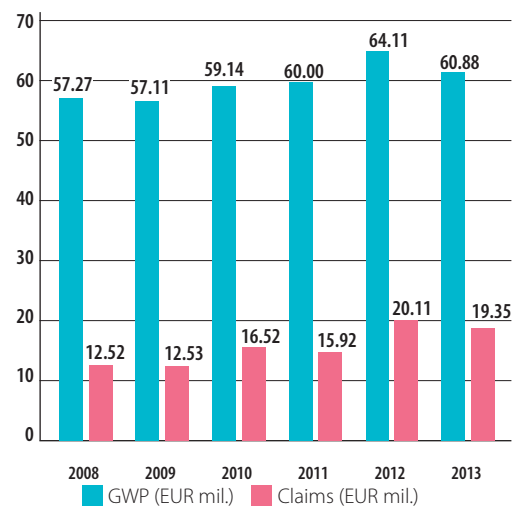
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Access www.xprimm.com

and get in **MSExcels format** (in EUR and ALL)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life, motor, DMTPL, Green Card, property, accidents & health

Bosnia and Herzegovina



S&P Rating
B/STABLE

Moody's rating
B1/STABLE

On March 28, 2014, STANDARD & POOR's, affirmed sovereign credit rating on Bosnia and Herzegovina „B with Stable Outlook“;

XPRIMM calculations indicate that the insurance penetration in GDP exceeds 2% for first time;

Promising figures for the insurance market in 1Q2014: GWP of EUR 69.6 million, 12.5% up y-o-y, the highest growth rate in the past five years:

Insurers domiciled in FBiH generated 73.4% of the total GWP; the remaining 26.6% of premium production was realized by RS insurers;

The strongest life insurers were MERKUR (25.5% market share), followed by UNIQA (24%) and the FBiH based subsidiary of GRAWE (19.8%);

On the non-life side, SARAJEVO leads the market ranking, with a 14.4% market share, followed by EUROHERC (10.5%) and BOSNA-SUNCE (9.8%)

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	BAM billion ¹	24.98	24.31	24.88	25.77	25.73	26.26
	EUR billion ⁴	12.77	12.43	12.72	13.18	13.16	13.43
GDP per capita, current prices	BAM ¹	6,388.24	6,225.93	6,384.07	6,625.06	6,626.09	6,772.68
	EUR ⁴	3,266.25	3,183.27	3,264.12	3,387.34	3,387.86	3,462.82
Unemployment rate	% of total labor force ¹	23.41	24.07	27.20	27.60	28.00	27.00
Population	Millions ¹	3.91	3.90	3.90	3.89	3.88	3.88
BAM/EUR exchange rate	fixed ²	1.96	1.96	1.96	1.96	1.96	1.96
Gross written premiums	BAM million ³	453.09	458.63	472.01	488.11	505.09	527.07
	EUR million ⁴	231.66	234.50	241.33	249.57	258.25	269.49
Paid claims	BAM million ³	196.89	186.84	193.68	185.59	188.53	200.89
	EUR million ⁴	100.67	95.53	99.02	94.89	96.39	102.71
Insurance penetration degree	% in GDP ⁴	1.81%	1.89%	1.90%	1.89%	1.96%	2.01%
Insurance density	EUR/capita ⁴	59.23	60.07	61.93	64.16	66.49	69.49

The economic recovery of the euro zone in the third and fourth quarter of 2013, and the stabilization of the economic activity of Bosnia and Herzegovina after the "fall experience" during 2012, manifested itself directly on the development of the country's exports: *Bosnia and Herzegovina has seen an increased expansion and differentiation of its export goods base in the past few years, where it recorded both good results and growth, which is a very positive indicator of further economic development and competitiveness of its products in the European market,* stated Samir OMERHODZIC, Director

of the Insurance Agency of Bosnia and Herzegovina - AZOBIH.

Parallel to the general recovery of economic situation in Bosnia and Herzegovina, the insurance industry followed an ascending trend as well. At the end of 2013 the total value of gross written premiums by insurance companies active in the two administrative entities that formed Bosnia and Herzegovina (FBiH - Federation of Bosnia and Herzegovina and RS - Republika Srpska) increased by 4.4% y-o-y, to EUR 270 million. The upward trend was due the double-digit increasing performance in the life insurance segment, while the value of

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	269.49	258.25	4.35	102.71	96.39	6.56	100.00	100.00
TOTAL LIFE	51.01	44.05	15.80	15.02	10.30	45.84	18.93	17.06
TOTAL NON-LIFE	218.47	214.20	2.00	87.69	86.09	1.86	81.07	82.94
Accidents	18.68	18.22	2.55	11.12	10.53	5.63	6.93	7.05
Health	3.14	3.02	3.92	0.79	0.71	12.03	1.16	1.17
Overall property insurance	27.14	30.23	-10.21	7.00	7.83	-10.60	10.07	11.70
Fire and allied perils	13.86	14.10	-1.72	2.82	3.20	-11.84	5.14	5.46
Damages to property	13.28	16.12	-17.64	4.17	4.62	-9.74	4.93	6.24
Overall motor insurance	158.97	154.65	2.79	67.45	65.56	2.88	58.99	59.88
Motor Hull	28.56	29.48	-3.12	20.28	20.66	-1.85	10.60	11.42
MTPL	130.41	125.17	4.18	47.17	44.90	5.05	48.39	48.47
GTPL	3.06	2.81	9.11	0.41	0.49	-15.01	1.14	1.09
Other non-life insurance	7.48	5.27	41.85	0.92	0.98	-6.31	2.78	2.04

GWP in the non-life insurance segment was up by 2% y-o-y and accounted for 81% of the overall market. *Although the slowdown was expected in the sector of life insurance, final results in 2013 are showing stable growth due to the more active marketing campaigns of different insurance companies and to usage of the policies of life insurance as some type of guarantee in obtaining banks' loans. The growth in the non-life sector was only 2% y-o-y, mostly because of the decline in motor Casco insurance,* explained OMERHODZIC.



Samir OMERHODZIC
Director, Insurance Agency of Bosnia and Herzegovina

Read the full interview on www.xprimm.com

Despite these promising figures the growth of the insurance market is still restricted by other factors such as *the economic and political situation, high unemployment rate and lack of investment.*

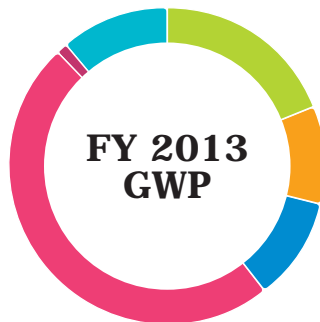
Regarding the premiums portfolio distribution, *the Motor TPL and motor hull insurance amounted to EUR 158.97 million what represents almost 60% of total market portfolio. This is again the confirmation on underdevelopment of BiH insurance market.*

At the same time, according to the financial figures published by the two market authorities (NADOS - Insurance Supervisory Agency of FBiH and AZORS - Insurance Agency of RS), 73.4% of the total GWP were made by the insurance companies which are registered in the FBiH (or EUR 198 million) the remaining 26.6% (EUR 72 million) being reported by the RS's insurers.

Analyzing the preliminary figures for the BiH insurance market for 1Q2014 (the highest growth rate in the past five years: GWP of EUR 69.6 million, 12.5% more y-o-y) and considering the economic outlook related to the

economic recovery in the euro zone (with a projected growth of 1.5% y-o-y in 2014) and the expected economic growth rate for Bosnian economy we can say that the period of recession is over, (...) but we should be careful in expectations as one can see that economy changes fast and unpredictably. However, the life insurance shall surely continue to grow. What might jeopardize base economic scenario is the political uncertainty caused by the election year.

V.B.

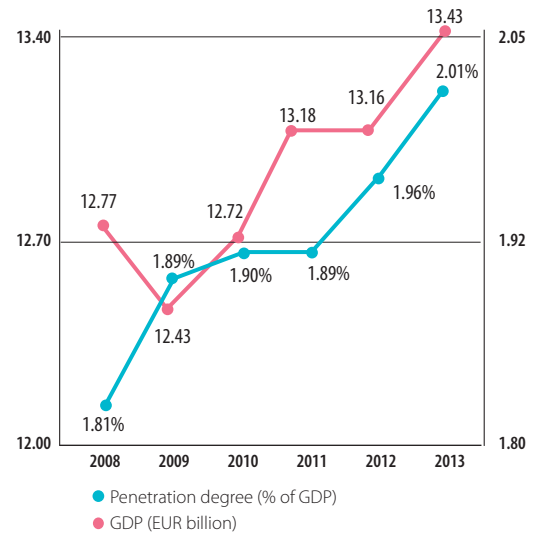


Life	18.93
Property	10.07
Motor Hull	10.60
MTPL	48.39
GTPL	1.14
Other	10.87

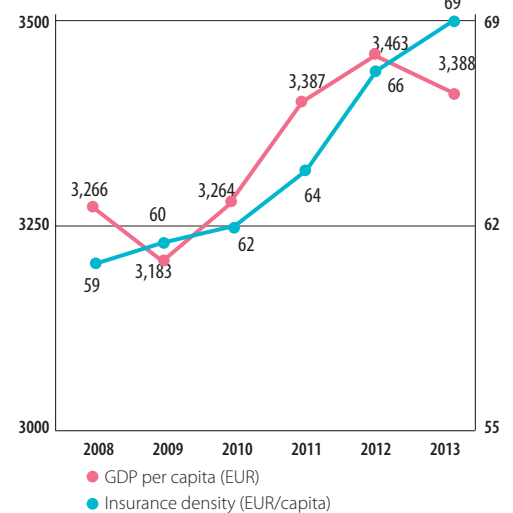
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Central Bank of Bosnia and Herzegovina
- (3) Insurance Supervisory Agency of Federation of Bosnia and Herzegovina (NADOS) and Insurance Agency of Republika Srpska (AZORS)
- (4) XPRIMM calculations

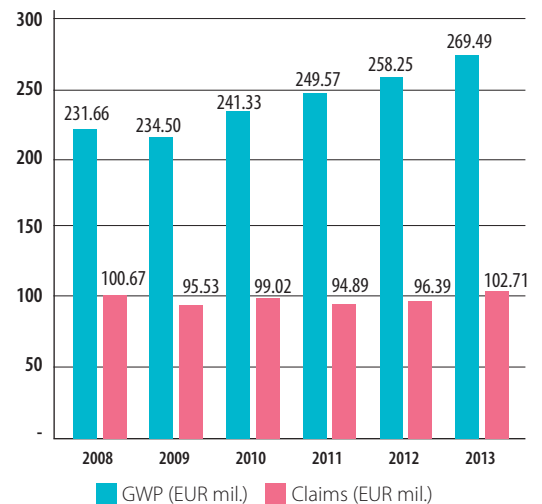
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Access www.xprimm.com

and get in **MSEcel format** (in EUR and BAM)

Market indicators

GWP, claims, growth rates, portfolio (for BiH, FBiH and RS)

Market rankings

total market, life, non-life (for BiH, FBiH and RS)

Bulgaria



S&P Rating

BBB/NEGATIVE

Moody's rating

BAA2/STABLE

Fitch Rating

BBB-/STABLE

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	BGN billion ¹	69.30	68.32	70.51	75.31	78.09	78.12
	EUR billion ⁴	35.43	34.93	36.05	38.50	39.93	39.94
GDP per capita, current prices	BGN ¹	9,109.92	9,032.82	9,395.40	10,277.82	10,723.54	10,791.87
	EUR ⁴	4,657.83	4,618.41	4,803.79	5,254.97	5,482.86	5,517.79
Unemployment rate	% of total labor force ¹	5.66	6.88	10.31	11.35	12.38	13.04
Population	Millions ¹	7.61	7.56	7.51	7.33	7.28	7.24
BGN/EUR exchange rate	fixed ²	1.96	1.96	1.96	1.96	1.96	1.96
Gross written premiums	BGN million ³	1,810.85	1,681.50	1,623.46	1,613.76	1,604.14	1,728.74
	EUR million ⁴	925.87	859.74	830.06	825.10	820.19	883.89
Paid claims	BGN million ³	687.89	771.39	779.14	733.88	791.37	1,033.36
	EUR million ⁴	351.71	394.40	398.37	375.23	404.62	528.35
Insurance penetration degree	% in GDP ⁴	2.61%	2.46%	2.30%	2.14%	2.05%	2.21%
Insurance density	EUR/capita ⁴	121.71	113.66	110.60	112.61	112.63	122.12

In 2013 the health system's reform was implemented in Bulgaria, leading to the establishment of 11 specialized insurers;

The 8% GWP growth reported by the market should be carefully considered, as the 2013 contain also the premium production of the newly established health insurers;

QBE has announced in December its exit from the market, as part of a larger operation through which QBE sold its Romanian and Bulgarian operations to the Bulgarian EUROINS Insurance Group;

Car theft is a growing threat for the Bulgarian insurers, as the phenomenon grew by 50% in 2013, according to market sources.

It is usually considered that a growing economy enables insurance companies and thus the insurance industry to expand. However, this is not entirely a valid statement for the case of the Bulgarian market in 2013, as the data presented by FSC - Financial Supervision Commission for 2013 are not fully comparable with those for the previous year. The difference consist in taking into consideration the premium production belonging to the newly established health insurers operating

under the rules of the health reform adopted last year. Therefore, the 8% y-o-y growth rate, to EUR 884 million, doesn't reflect the real dynamics of the insurance market.

All in all, the life insurance market totaled EUR 156 million or 14% more y-o-y due to the increase of traditional segment by 15%, to ~EUR 117 million. Non-life insurance generated about 82% of the total insurance market, the equivalent of EUR 727 million, up by 6.5% compared to 2012. Due the

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	883.89	820.19	7.77	528.35	404.62	30.58	100.00	100.00
TOTAL LIFE	156.43	137.07	14.12	156.43	54.66	186.17	17.70	16.71
Life ins. and annuities	117.08	101.86	14.95	117.08	43.41	169.70	13.25	12.42
Unit-linked	9.12	10.01	-8.84	9.12	3.59	153.91	1.03	1.22
Marriage and birth	4.75	4.53	4.80	4.75	1.53	209.80	0.54	0.55
Supplementary insurance	8.95	8.30	7.72	8.95	2.61	242.92	1.01	1.01
Other life insurance	16.53	12.37	33.60	16.53	3.51	370.17	1.87	1.51
TOTAL NON-LIFE	727.47	683.12	6.49	371.92	349.96	6.28	82.30	83.29
Accidents insurance	12.96	13.28	-2.41	3.95	3.68	7.55	1.47	1.62
Health	18.79	0.18	10,572	12.75	0.03	42,633	2.13	0.02
Railway, aircraft and ships	11.16	13.04	-14.42	3.46	2.02	71.45	1.26	1.59
Goods in transit	8.01	7.45	7.42	1.78	1.25	43.23	0.91	0.91
Overall property insurance	133.98	132.89	0.82	30.97	33.68	-8.05	15.16	16.20
Fire and allied perils	105.99	102.41	3.49	25.03	23.19	7.93	11.99	12.49
Damages to property	27.99	30.48	-8.15	5.94	10.49	-43.38	3.17	3.72
Overall motor insurance	506.15	480.37	5.37	307.31	297.84	3.18	57.26	58.57
Motor Hull	209.91	213.03	-1.46	127.97	139.99	-8.58	23.75	25.97
MTPL	296.24	267.34	10.81	179.34	157.85	13.61	33.52	32.59
Carriers' liability (air and sea)	4.91	4.32	13.63	0.01	0.04	-85.98	0.56	0.53
GTPL	17.40	16.69	4.25	3.11	3.86	-19.66	1.97	2.03
Credit insurance	3.85	4.41	-12.74	3.26	1.89	72.13	0.44	0.54
Travel	6.75	6.51	3.74	1.81	2.07	-12.79	0.76	0.79
Other non-life insurance	3.50	3.98	-11.97	3.52	3.60	-2.25	0.40	0.49



Ralitsa AGAYN-GURI

The Parliament elected two new members of the FSC Board

At the end of January, the Bulgarian Parliament elected, for a 6-year term, two new members of the Financial Supervision Commission Board: Mrs. Ralitsa AGAYN-GURI, as Deputy Chairperson in charge of "Insurance supervision" and Mr. Vladimir SAVOV - member of the regulator, responsible for policy analysis and risk assessment in financial markets, improving supervisory practice and protecting the interests of investors and insured persons.

reporting differences, the health insurance segment reported the highest growth rate increasing from EUR 0.18 million in 2012 to almost EUR 19 million, at the end of 2013. By the market weight criterion, among all general insurance classes, "the supremacy" was held by MTPL (~33.5% of total), followed by Motor Hull (24%) and property insurances which accounted for more than 15% of the total market.

ALLIANZ Bulgaria Life, BULSTRAD Life VIG, UNIQA Life, DZI and UBB-ALICO Life were the Top 5 life insurers, with an aggregate market share of ~67%, while LEV INS, ARMEEC, BULSTRAD VIG, DZI - General Ins. and ALLIANZ Bulgaria were the Top 5 general insurers, gaining a total market share of over 56%.

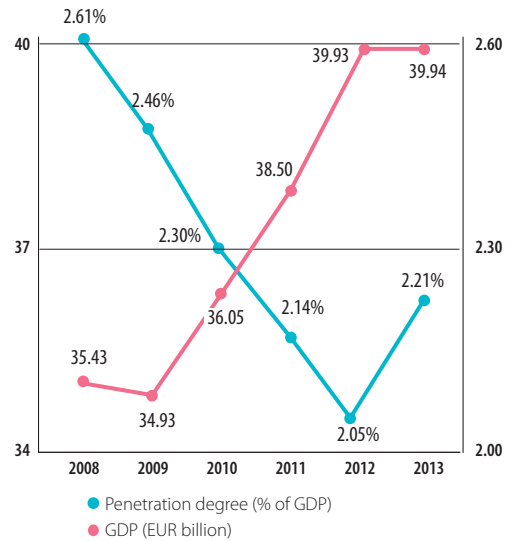
The Bulgarian market didn't witness only the establishment of new companies. The Australian group QBE has announced in December its exit from the market, as part of a larger operation through which QBE sold its Romanian and Bulgarian operations

to the Bulgarian EUROINS Insurance Group. *This transaction is in line with the group's strategy to strengthen its dominant position as a regional player. Therefore, EUROINS will increase its presence on the non-motor segment and, through its network, will be able to provide a wider range of products,* said Kiril BOSHOV, Chairman of the Board of Directors of EUROINS Insurance Group.

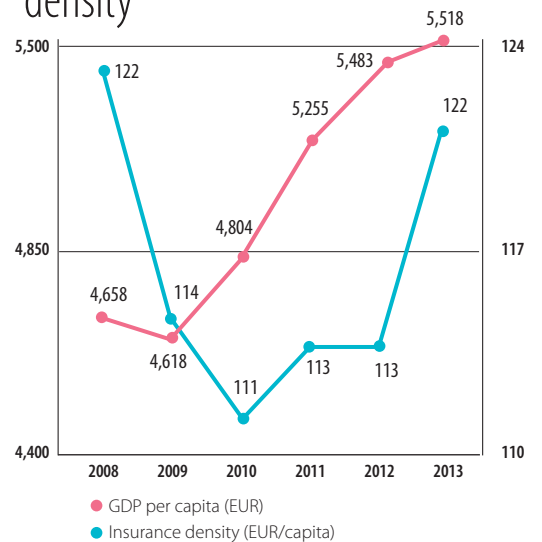
According to local media, car theft is a phenomenon that has grown in Bulgaria and could cause increasingly damages to Motor Hull insurers. The car thefts in Bulgaria grew by 50% in 2013, top insurance companies in Bulgaria recently reported. According to the official data released by the Ministry of Internal Affairs, the number of stolen cars increased by 23% in 2013, *but these discrepancies are explained by the slower centralized procedures of the police,* novinite.com informed. The insurers' data show that the most frequently stolen cars in Bulgaria are BMWs.

V.B.

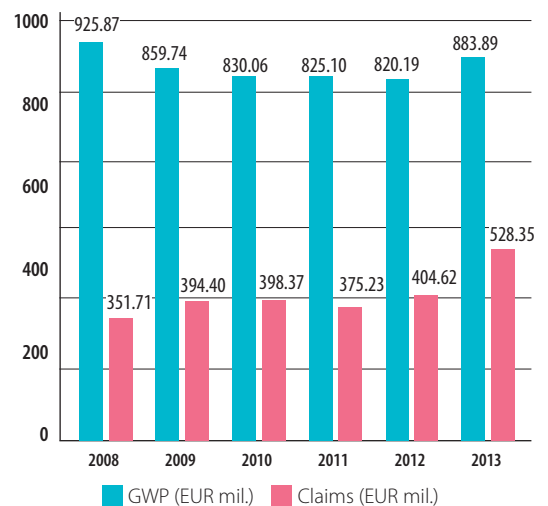
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Access www.xprimm.com and get in **MSExcel format** (in EUR and BGN)

Market indicators
GWP, claims, growth rates, portfolio

Market rankings
life, non-life



Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Bulgarian National Bank
- (3) The Financial Supervision Commission of Bulgaria (FSC)
- (4) XPRIMM calculations

Croatia



S&P Rating

BB/Stable

Moody's rating

BA1/NEGATIVE

Fitch Rating

BB+/NEGATIVE

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	HRK billion ¹	343.41	328.67	323.81	328.74	328.56	328.76
	EUR billion ⁴	46.89	44.99	43.85	43.65	43.54	43.04
GDP per capita, current prices	HRK ¹	79,677.96	76,382.06	75,479.25	76,789.77	76,748.89	76,795.47
	EUR ⁴	10,878.39	10,454.42	10,220.38	10,197.28	10,171.31	10,054.86
Unemployment rate	% of total labor force ¹	8.28	9.00	12.10	13.58	16.06	16.46
Population	Millions ¹	4.31	4.30	4.29	4.28	4.28	4.28
HRK/EUR exchange rate	End of period ²	7.32	7.31	7.39	7.53	7.55	7.64
Gross written premiums	HRK million ³	9,680.34	9,411.35	9,245.56	9,144.18	9,038.48	9,076.60
	EUR million ⁴	1,321.65	1,288.13	1,251.91	1,214.30	1,197.84	1,188.40
Paid claims	HRK million ³	4,591.69	4,781.01	4,395.12	4,557.40	4,634.84	4,680.18
	EUR million ⁴	626.90	654.38	595.13	605.20	614.24	612.78
Insurance penetration degree	% in GDP ⁴	2.82%	2.86%	2.86%	2.78%	2.75%	2.76%
Insurance density	EUR/capita ⁴	306.65	299.36	291.82	283.65	279.80	277.60

2013 was a year of relative stagnation for the Croatian insurance market, with an overall growth in GWP of 0.4%;

According HANFA, insurance and reinsurance companies reported solid profits, with all companies meeting statutory capital adequacy requirements;

In the last quarter of 2013 the insurance market grew for the first time after four years, with life insurance premiums increasing 3.1% compared with the same period last year and non-life premiums still falling, but at a much slower rate of 0.6%;

The level and impact of uninsured driving in Croatia: the number of uninsured claims has been reduced by over 70% in the last five years.

The Croatian insurance market closed 2013 with a tied score in the 2013/2012 match: a 0.4% growth in GWP, when denominated in local currency, but a 0.8% decrease in euro, reflecting, in fact, a stagnant status of the insurance business. Total GWP amounted to aprox. EUR 1.2 billion, with a 28% share of life insurance premiums.

The slowdown of the economy coupled with rising unemployment rates and stagnating wages of the existing and potential policyholders obviously results in a decreased demand for both business

and private insurance products, Hrvoje PAUKOVIC, Director, Croatian Insurance Bureau told XPRIMM.

However, responding to the difficult environment, the industry managed to adapt, cut costs and maintain resilience, said the CIB director showing that data published by the Croatian Supervisory Authority HANFA show that the insurance and reinsurance companies reported solid profits, with all companies meeting statutory capital adequacy requirements. Also, a worth mentioning fact is that in the last quarter of 2013 the insurance

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,188.40	1,197.84	-0.79	612.78	614.24	-0.24	100.00	100.00
TOTAL LIFE	332.36	326.17	1.90	204.81	188.27	8.79	27.97	27.23
Life insurance	292.20	282.90	3.28	186.85	171.25	9.11	24.59	23.62
Supplementary insurance	20.76	21.90	-5.20	3.67	4.34	-15.56	1.75	1.83
Unit-linked	16.96	19.19	-11.62	12.34	9.91	24.52	1.43	1.60
Other life insurance	2.45	2.18	12.14	1.96	2.77	-29.24	0.21	0.18
TOTAL NON-LIFE	856.05	871.67	-1.79	407.96	425.97	-4.23	72.03	72.77
Accident insurance	64.97	66.80	-2.74	16.14	17.41	-7.31	5.47	5.58
Health insurance	32.66	31.63	3.25	21.35	24.39	-12.49	2.75	2.64
Goods in transit	7.27	6.84	6.29	1.88	2.73	-31.39	0.61	0.57
Overall property insurance	163.98	171.72	-4.51	96.85	104.58	-7.39	13.80	14.34
Fire and allied perils	76.32	77.73	-1.81	36.02	39.82	-9.54	6.42	6.49
Damages to property	87.66	93.99	-6.74	60.84	64.77	-6.07	7.38	7.85
Overall motor insurance	476.71	485.11	-1.73	222.93	229.76	-2.98	40.11	40.50
Motor Hull	86.78	95.49	-9.12	80.83	82.38	-1.88	7.30	7.97
MTPPL	389.93	389.62	0.08	142.09	147.38	-3.59	32.81	32.53
GTPL	40.58	38.23	6.15	18.72	17.34	7.99	3.41	3.19
Marine insurance (hull)	23.03	24.04	-4.22	10.92	15.27	-28.48	1.94	2.01
Marine liability	4.95	4.76	4.17	0.72	0.84	-14.22	0.42	0.40
Credit insurance	19.11	19.53	-2.15	5.76	9.16	-37.13	1.61	1.63
Financial loss insurance	12.26	11.88	3.13	9.38	2.19	328.78	1.03	0.99
Travel insurance	6.55	7.32	-10.55	2.20	1.53	43.47	0.55	0.61
Other non-life insurance	3.99	3.82	4.43	1.12	0.76	48.15	0.34	0.32

Access
www.xprimm.com
 and get in **MSExcels format**
 (in EUR and HRK)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life



Hrvoje PAUKOVIC, Director,
 Croatian Insurance Bureau

Read the full interview on www.xprimm.com

market grew for the first time after four years, with life insurance premiums increasing 3.1% compared with the same period last year and non-life premiums still falling, but at a much slower rate of 0.6%. PAUKOVIC emphasized that although the total market premium grew a moderate 0.4%, which may seem insignificant, it is still an important achievement. However, the total GWP is still below the 2008 level and the insurance industry has a lot of work ahead to achieve satisfying growth figures.

Life insurance witnessed a slightly ascending trend, with an overall y-o-y growth rate of almost 2% despite the continuous fall in unit-linked underwritings. On the other hand, non-life lines recorded mixed trends, from the about 10% decline in Motor Hull or travel insurance premiums, to the about 6% increase in GWP for GTPL or goods in transit insurance lines.

MTPL premiums continued to rise y-o-y by 1.3%, currently holding a 32.81% share in the market portfolio. The declining claims figures, both in number and amount of claims paid, a trend that continues since 2009, resulted in a favourable claims ratio, giving the insurers some room to lower MTPL premiums (the average MTPL premium in 2012 was EUR 201). Several MTPL insurers have launched new personalized MTPL tariffs in the autumn of 2013 showed Hrvoje PAUKOVIC. But probably more important than the GWP volume increase is another market achievement, i.e. reducing the level and impact of uninsured driving in Croatia: the number of uninsured claims has been reduced by over 70% in the last five years (2 047 claims reported in 2008 and only 535 in 2013), as stated by CIB's head.

Motor Hull premiums on the other hand continue their downward spiral and returned to figures recorded in 2002. In 2012 the motor hull premiums decreased by 9.7% and the number of policies by almost 6%.

CROATIA Osiguranje leads the non-life insurance market, with a 34.7% market share, followed by EUROHERC (14.8%) and ALLIANZ Zagreb (10.3%). The company is also the unchallenged leader of the entire market, although in the last 12 months has lost 1pp of its market weight, to 28.9%. On the life side, ALLIANZ Zagreb holds the largest market share, of 18.6%, up 2pp y-o-y. The second and third positions are occupied by CROATIA Osiguranje (14%) and WIENER Osiguranje (10.6%).

D.G.

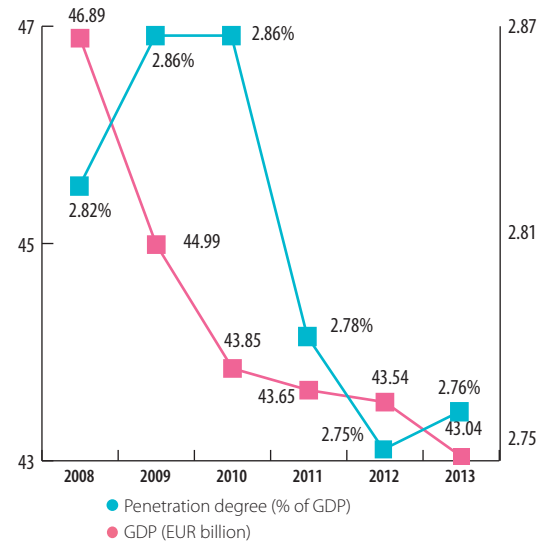


Life	27.97
Property	13.80
Motor Hull	7.30
MTPL	32.81
GTPL	3.41
Other	14.71

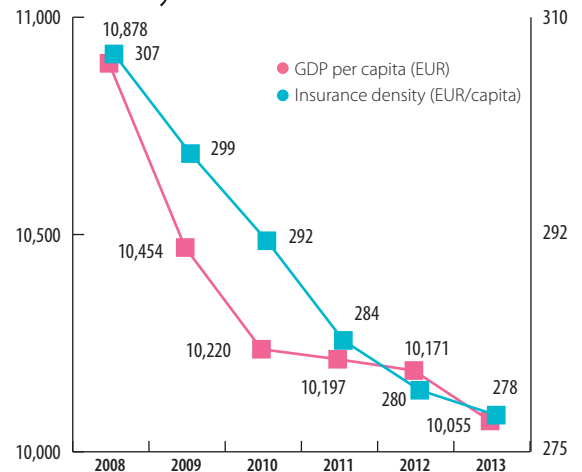
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Croatian National Bank
- (3) Croatian Insurance Bureau
- (4) XPRIMM calculations

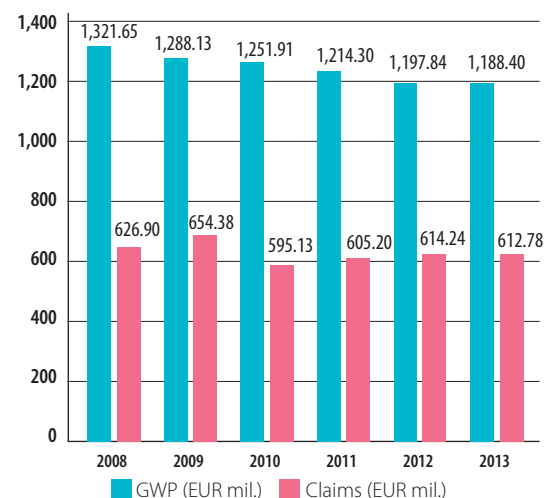
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Czech Republic



S&P Rating
AA-/STABLE

Moody's rating
A1/STABLE

Fitch Rating
A+/STABLE

⚙️ Economical stagnation and political instability challenged the Czech insurance market in 2013 which ended the year with a most 1.9% growth in GWP;

⚙️ Life insurance maintained a negative trend losing in average about 200,000 contracts/year;

⚙️ MTPL performed well, with a 7% growth in GWP following a 7% growth of the average price/policy; further price increases are expected as a result of the legislative changes and the introduction of the new Civil Code;

⚙️ A full recovery of the insurance market is expected for 2015, as for the current year only a slight economic improvement is forecasted, not enough to determine a radical change in the purchasing behaviour of individuals and firms.

Market's main indicators – timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	CZK billion ¹	3,848.41	3,758.98	3,790.88	3,823.40	3,845.93	3,881.09
	EUR billion ³	142.90	142.04	151.27	148.19	152.98	141.52
GDP per capita, current prices	CZK ¹	372,063.62	360,546.45	362,344.50	364,594.17	366,088.82	369,060.37
	EUR ³	13,815.95	13,623.52	14,459.08	14,131.56	14,562.01	13,457.08
Unemployment rate	% of total labor force ¹	4.39	6.66	7.28	6.71	6.98	6.95
Population	Millions ¹	10.34	10.43	10.46	10.49	10.51	10.52
CZK/EUR exchange rate	End of period ²	26.93	26.47	25.06	25.80	25.14	27.43
Gross written premiums	CZK million ²	139,840.58	144,170.95	155,996.36	155,092.58	153,609.89	156,522.24
	EUR million ³	5,192.74	5,447.61	6,224.91	6,011.34	6,110.18	5,707.28
Paid claims	CZK million ²	69,219.43	75,731.87	82,690.72	85,207.94	88,197.79	100,613.04
	EUR million ³	2,570.35	2,861.59	3,299.71	3,302.63	3,508.27	3,668.66
Insurance penetration degree	% in GDP ³	3.63%	3.84%	4.12%	4.06%	3.99%	4.03%
Insurance density	EUR/capita ³	502.05	522.50	595.00	573.22	581.64	542.72

2013 was a challenging year for the Czech insurance market because of *the persistent stagnation of the economy and of the political instability*, as Tomas SIKORA, Executive Director, Czech Insurance Association (CAP) told XPRIMM. *At the national level we were hugely employed by preparation for the implementation of the new Civil Code. From the European perspective our key issue was Solvency II and the discussion about IMD 2 regulation, which will significantly change the rules for the intermediation of insurance products he explained.*

Thus, the Czech insurance market ended 2013 with a modest premium growth of 1.9% y-o-y, to GWP of CZK 156.5 billion, showing an already traditional picture of steadiness. However, in European currency, following the about 9% depreciation of the Czech kroon over the last 12 months, the overall market results show a negative change of 6.6% y-o-y, to a total amount of GWP of EUR 5.7 billion.

The life insurance segment recorded a negative trend both in local and European currency, as the unit-linked line of business, the most relevant in

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	5,707.28	6,110.18	-6.59	3,668.66	3,508.27	4.57	100.00	100.00
TOTAL LIFE	2,609.86	2,866.18	-8.94	1,873.37	1,846.06	1.48	45.73	46.91
Assurance on death, survival etc.	854.09	848.21	0.69	788.00	803.03	-1.87	14.96	13.88
Unit-linked	1,267.60	1,503.54	-15.69	766.49	701.60	9.25	22.21	24.61
Personal injury/sickness	375.78	381.33	-1.46	149.45	136.66	9.36	6.58	6.24
Other life insurance	112.39	133.10	-15.56	169.42	204.76	-17.26	1.97	2.18
TOTAL NON-LIFE	3,097.42	3,244.00	-4.52	1,795.30	1,662.21	8.01	54.27	53.09
Accidents insurance	99.44	98.11	1.36	36.28	35.80	1.35	1.74	1.61
Sickness insurance	100.41	118.06	-14.96	24.91	26.34	-5.42	1.76	1.93
Overall property insurance	781.86	829.80	-5.78	500.42	354.52	41.15	13.70	13.58
Fire and allied perils	433.36	497.42	-12.88	307.71	192.40	59.93	7.59	8.14
Damages to property	348.50	332.37	4.85	192.71	162.12	18.87	6.11	5.44
Overall motor insurance	1,305.53	1,368.22	-4.58	815.90	846.33	-3.60	22.87	22.39
Motor Hull	529.89	578.62	-8.42	389.14	415.54	-6.35	9.28	9.47
MTPL	775.65	789.61	-1.77	426.76	430.79	-0.94	13.59	12.92
GPL	469.24	494.67	-5.14	232.92	244.19	-4.62	8.22	8.10
Credit insurance	125.85	112.40	11.97	106.04	71.11	49.13	2.21	1.84
Financial loss insurance	80.72	85.45	-5.54	28.47	15.85	79.57	1.41	1.40
Travel insurance	89.59	92.23	-2.86	34.01	33.87	0.44	1.57	1.51
Other non-life insurance	44.79	45.07	-0.62	16.34	34.20	-52.22	0.78	0.74

*in addition to life assurance

Access
www.xprimm.com
 and get in **MSExcels format**
 (in EUR and CZK)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

total market, life, non-life, MTPL, CASCO



Tomas SIKORA
 Executive Director, Czech Insurance
 Association (CAP)

Read the full interview on www.xprimm.com

terms of portfolio share among the life insurance lines, has recorded a 8% y-o-y fall in local currency (-15.7% in euro). In terms of citizens' risk coverage a decline in current premium payment contracts of life insurance (-14.2%) and a further reduction in the volume of life insurance contracts are considered to be negative. The annual loss of nearly 200,000 contracts indicates that the trend of decreasing insurance penetration in the life risk sphere is continuing. Compared with the situation recorded four years ago, the number of inhabitants with life insurance in the Czech Republic is currently half a million lower, commented the CAP representative.

On the non-life side, GWP amounted to CZK 84.95 billion (EUR 3.1 billion), recording a 4.16% growth in local currency (-4.5% in euro). Credit insurance, with a 22.15% growth rate was the business line showing the best dynamic. However, due to its very low share in the market portfolio, its contribution to the market dynamic remains rather discrete. Motor insurance performed well on the MTPL line (7% growth in GWP, to CZK 21.7 billion). Last year the average price growth was 7% and further price increases can be expected in 2014 in connection with legislative changes and the introduction of the new Civil Code, said SIKORA. On the Motor Hull class the market continued to loose ground, recording a steady evolution in local currency (GWP of CZK 14.5 billion) and an 8.5% decrease in premium for the results denominated in euro.

Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) The Czech National Bank (CNB)
- (3) XPRIMM calculations

The same uneven evolution was recorded for the two property insurance lines: while on the fire and allied perils line the GWP amount decreased by about 5%, on the damages to property line a 14.4% growth in underwritings was recorded. All in all, the property insurance segment ended 2013 with a 2.8% increase in premium, to CZK 21.44 billion.

Paid claims rose by 14% y-o-y, mostly because of the almost 75% increase in claims paid for the fire insurance line following the extreme floods of the 2013 summer.

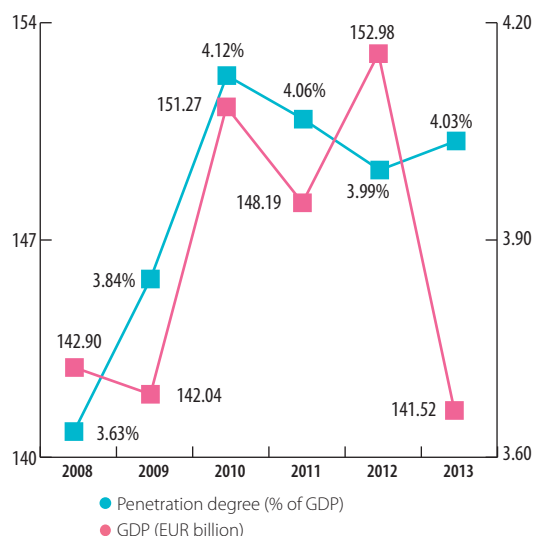
General forecasts for 2014 suggest a slight recovery of the economy and a slight increase in the wage bill sector, but we do not expect a radical change in the purchasing behaviour of individuals and firms. Full recovery of the insurance market can be most probably anticipated in 2015, is the opinion of Tomas SIKORA.

D.G.

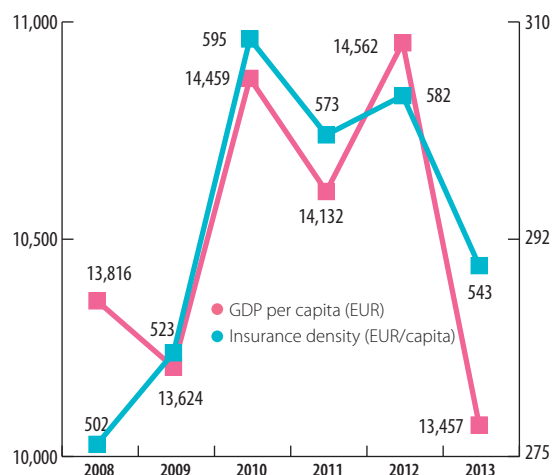


Life	45.73
Property	13.70
Motor Hull	9.28
MTPL	13.59
GTPL	8.22
Other	9.48

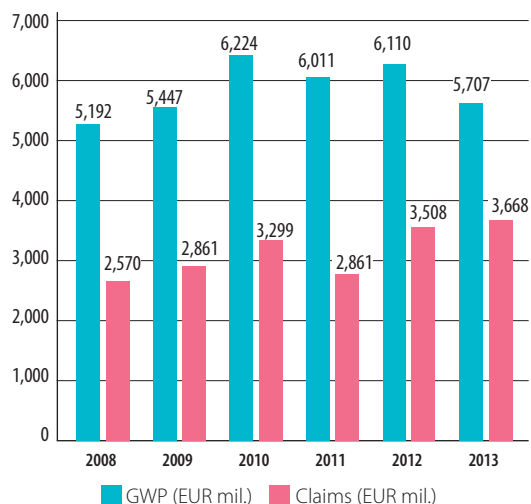
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Estonia



S&P Rating
AA-/STABLE

Moody's rating
A1/STABLE

Fitch Rating
A+/STABLE

Market's main indicators – timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	EUR billion ¹	16.24	13.97	14.37	16.22	17.42	18.44
GDP per capita, current prices	EUR ¹	12,107.27	10,421.94	10,723.71	12,100.04	13,453.32	14,329.60
Unemployment rate	% of total labor force ¹	5.46	13.55	16.71	12.33	10.02	8.63
Population	Millions ¹	1.34	1.34	1.34	1.34	1.29	1.29
Gross written premiums	EUR million ²	291.64	306.43	313.33	311.83	344.88	427.98
Paid claims	EUR million ²	161.77	184.05	185.83	190.27	204.80	237.89
Insurance penetration degree	% in GDP ³	1.80%	2.19%	2.18%	1.92%	1.98%	2.32%
Insurance density	EUR/capita ³	217.48	228.68	233.83	232.71	266.52	332.80

One of the higher per capita income levels in CEE Region (second place after Slovenia with EUR 14,320 per inhabitant);

The highest growth rate in GWP: +24% y-o-y;

The fifth largest insurance density after much stronger markets such as Slovenia, Slovakia, Czech Republic and Poland;

If P&C Insurance AS and ERGO Kindlustus are the absolute leaders on the non-life segment;

On the life side, COMPENSA Life VIG SE and SWEDBANK Life Ins. SE are controlling together about 80% of the Estonian life insurance business.

With a modern market-based economy and one of the higher per capita income levels in CEE Region (second place after Slovenia with EUR 14,320 per inhabitant in 2013), Estonia could not avoid the economic crisis, both economic and insurance market falling into recession in mid-2008.

As a result of consumption increasing and the increase in exports – especially with Finland, Sweden, Russia, and Germany, the economy has recovered strongly in the last five years especially in 2012 and 2013. Meanwhile, government performance on the absorption of European funds (71%) makes from Estonia the leading European beneficiary, thus supporting

public investment (Source: COFACE). At the same time, most analysts expect the upward trend to be maintained in 2014 by stimulating the private consumption due the increases in salaries, as well as to the end of recession of the main export markets.

Besides the macro indicators, referring to the insurance industry, it can be said that, despite a population of only EUR 1.3 million inhabitants (the second lowest in CEE Region after Montenegro), Estonia had some of the most interesting achievements if we analyze some comparative aggregate indicators: the highest growth rate in GWP, the fifth largest insurance density after much stronger markets such as

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	427.98	344.97	24.06	237.89	204.83	16.14	100.00	100.00
TOTAL LIFE	78.77	73.18	7.65	39.80	57.54	-30.82	18.41	21.21
TOTAL NON-LIFE	349.21	271.80	28.48	198.14	147.29	34.52	81.59	78.79
Accidents insurance	22.39	16.62	34.68	10.66	7.68	38.81	5.23	4.82
Health insurance	9.25	7.63	21.22	5.98	5.55	7.66	2.16	2.21
Overall property insurance	86.47	70.29	23.01	38.17	32.31	18.12	20.20	20.38
Fire and allied perils	58.97	46.56	26.66	17.91	16.59	7.98	13.78	13.50
Damages to property	27.50	23.73	15.86	20.25	15.72	28.83	6.43	6.88
Overall motor insurance	190.02	153.06	24.15	127.25	94.29	34.96	44.40	44.37
Motor Hull	103.89	85.25	21.86	68.95	50.94	35.36	24.27	24.71
MTPL	86.14	67.81	27.03	58.30	43.35	34.48	20.13	19.66
GTPL	13.64	10.57	29.12	4.06	3.32	22.12	3.19	3.06
Other non-life insurance (reinsurance included)	27.43	13.62	101.43	12.02	4.14	190.50	6.41	3.95

Slovenia, Slovakia, Czech Republic and Poland, or the 2.3% insurance market penetration in GDP.

The upswing trend established in the Estonian market is the previous quarters continued also in the last three months of the previous year. Thus, the market ended 2013 with a 24% y-o-y growth in GWP, to almost EUR 428 million, driven by the non-life insurance lines which recorded impressive double digit growth rates (Editor's note: the presented figures includes the premiums written inward and outward Estonia). At the same time, claims paid by the Estonian insurers in 2013 amounted to EUR 238 million, 16% up y-o-y.

Both motor insurance lines witnessed a strong GWP growth, at an over 20% rate which is highly uncommon for this business segment in the region. Thus, Motor Hull GWP grew by 21.8% y-o-y, while on the MTPL line a 27% increase in premium production was recorded. With a significantly increasing business volume on all the non-life insurance lines, this sector recorded an overall augmentation in GWP of 28.5%, to EUR 349.2 million. However, the bad shape of the national roads following the first three winter months of 2013, as well as the stormy season installed in autumn determined a significant increase also in the claims paid for non-life insurance (34.5% y-o-y).

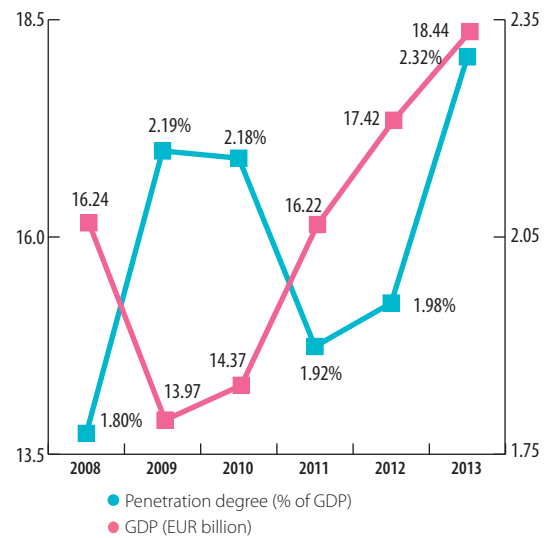
Life insurance showed a quasi modest increase in GWP, of 7.6% y-o-y,

but a significant reduction in paid indemnities, by almost 31% y-o-y.

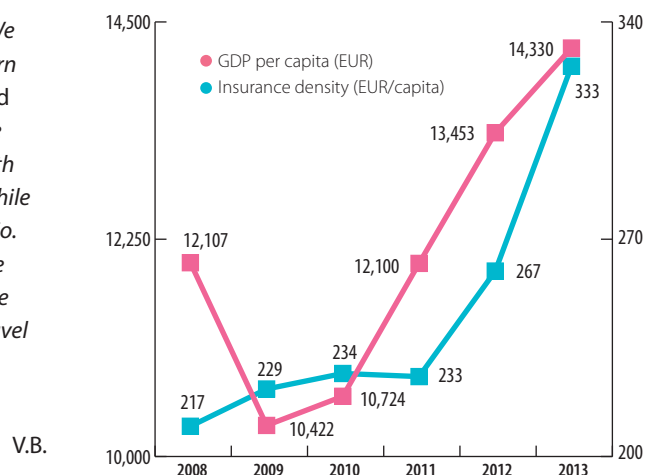
If P&C Insurance AS and ERGO Kindlustus are the absolute leaders on the non-life segment, with market shares of 33.5% and almost 31%, followed by SEESAM Insurance AS, with 15.3%. Yet, it is worth mentioning that while If P&C Insurance AS lost almost 9 pp of its weight in the Estonian market, the second best competitor, ERGO Kindlustus gained over 15 pp in market share continuing an expansionist path started a couple of years ago. On the life side, COMPENSA Life VIG SE and SWEDBANK Life Ins. SE are controlling together about 80% of the Estonian life insurance business.

The next period promises to be extremely interesting regarding the repositioning of local insurers, at the end of 2013 the Polish insurer PZU SA official announcing the expansion into Estonia in a press conference in Tallinn that was hosted by the company's board chairman Andrzej KLESYK: *We have come to Estonia to stay and earn a top 3 position*, said KLESYK quoted by balticbusinessnews.com. *We are planning for an extremely fast growth in insurance premiums in Estonia, while retaining an adequate gross loss ratio. This will also mean that we will strive to become the leading affinity service provider - from bancassurance to travel insurance*, added KLESYK.

GDP and insurance penetration degree



GDP per capita and insurance density



V.B.

Access www.xprimm.com and get in **MSExcel format**

Market indicators

GWP, claims, growth rates, portfolio

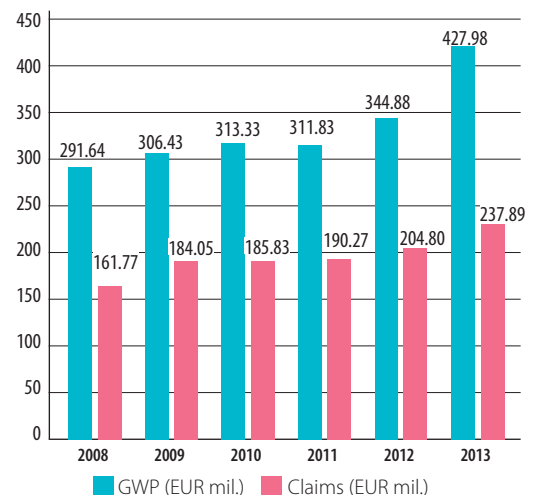
Market rankings

life, non-life



Life	18.41
Property	20.20
Motor Hull	24.27
MTPL	20.13
GTPL	3.19
Other	13.80

GWP and claims evolution



Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Financial Supervision Authority of Estonia
- (3) XPRIMM calculations

Hungary



S&P Rating

BB/STABLE

Moody's rating

BA1/NEGATIVE

Fitch Rating

BB+/STABLE

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	HUF billion ¹	26,543.31	25,626.48	26,513.03	27,635.44	28,048.07	29,114.43
	EUR billion ³	100.25	94.62	95.11	88.82	96.29	98.06
GDP per capita, current prices	HUF ¹	2,642,439.52	2,554,728.34	2,647,596.57	2,767,417.89	2,824,010.07	2,947,102.74
	EUR ³	9,979.75	9,432.61	9,498.10	8,894.73	9,694.84	9,925.91
Unemployment rate	% of total labor force ¹	8.00	10.50	10.80	10.93	10.92	10.23
Population	Millions ¹	10.05	10.03	10.01	9.99	9.93	9.88
HUF/EUR exchange rate	End of period ²	264.78	270.84	278.75	311.13	291.29	296.91
Gross written premiums	HUF million ²	891,012.39	825,793.28	842,781.03	815,038.31	760,567.36	801,202.66
	EUR million ³	3,365.10	3,049.01	3,023.43	2,619.61	2,611.03	2,698.47
Paid claims	HUF million ²	512,931.26	522,023.38	603,256.19	599,932.47	571,692.88	563,125.49
	EUR million ³	1,937.20	1,927.42	2,164.15	1,928.24	1,962.62	1,896.62
Insurance penetration degree	% in GDP ³	3.36%	3.22%	3.18%	2.95%	2.71%	2.75%
Insurance density	EUR/capita ³	335.00	303.96	301.92	262.33	262.89	273.15

🌸 GWP amounted to EUR 2.7 billion, 3.35% up y-o-y or HUF 801.2 billion (5.34% up y-o-y), the first positive trend recorded in the last five years;

🌸 Most part of the increase in life insurance premiums was due to the single-premium contracts;

🌸 The ageing fleet represents an increasing threat for the Motor Hull insurance business' evolution;

🌸 Although in the last three years the total number of household policies decreased by 66,000, Hungary is one of the countries with the best household insurance coverage, with over 3 million insured households;

🌸 Most market professionals expect a 2-8% growth for 2014, according to a recent poll.

For the first time in the last five years, the Hungarian insurance market ended the year with a positive change in the GWP volume, regardless of the currency in which it was calculated. Thus, in 2013 GWP amounted to EUR 2.7 billion, 3.35% up y-o-y or HUF 801.2 billion (5.34% up y-o-y). Paid claims dropped by 3.3% (1.5% in local currency), to EUR 1.89 billion. However, according to Daniel MOLNOS, Secretary General of MABISZ, the Association of Hungarian Insurance Companies, *although the multiple-year decline in premiums halted, there is still little evidence to justify the assessment*

of this development as a long-term one" He explained that the upward trend will only stabilize once the economic environment will improve.

The life insurance segment recorded the best dynamics, of 6.25% y-o-y (in EUR), thus increasing its weight in the market portfolio by about 1pp, to 54.5%. The fastest-growing life insurance line was the "Assurance on death" one, but the main source of the GWP increase for the life market segment, in absolute terms, was the Unit-Linked line for which a 7.8% growth rate was recorded. Also, it is worth mentioning that the most part

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	2,698.47	2,611.03	3.35	1,896.62	1,962.62	-3.36	100.00	100.00
TOTAL LIFE	1,469.71	1,383.31	6.25	1,282.69	1,370.17	-6.38	54.46	52.98
Assurance on death	97.80	69.94	39.82	31.44	20.93	50.20	3.62	2.68
Endowment	276.46	282.24	-2.05	360.06	423.89	-15.06	10.24	10.81
Unit linked	966.28	896.35	7.80	795.57	811.65	-1.98	35.81	34.33
Other life insurance (mutual companies included)	129.17	134.77	-4.16	95.61	113.70	-15.90	4.79	5.16
TOTAL NON-LIFE	1,228.76	1,227.72	0.08	613.93	592.46	3.63	45.54	47.02
Accidents insurance	58.19	55.72	4.44	15.78	15.33	2.97	2.16	2.13
Health insurance	29.10	24.47	18.92	8.29	6.24	32.86	1.08	0.94
Overall property insurance	536.00	524.04	2.28	202.58	187.21	8.21	19.86	20.07
Fire and allied perils	310.88	307.72	1.03	117.47	105.29	11.56	11.52	11.79
Damages to property	225.12	216.31	4.07	85.11	81.91	3.90	8.34	8.28
Overall motor insurance	459.87	478.59	-3.91	336.82	338.22	-0.41	17.04	18.33
Motor Hull	207.73	221.56	-6.24	129.10	138.42	-6.73	7.70	8.49
MTPL	252.14	257.03	-1.90	207.72	199.80	3.96	9.34	9.84
GTPL	63.09	59.77	5.56	12.91	13.18	-2.03	2.34	2.29
Financial loss	14.49	18.35	-21.04	7.09	5.81	22.11	0.54	0.70
Other non-life insurance (mutual companies included)	68.02	66.79	1.83	30.46	26.48	15.05	2.52	2.56

Access
www.xprimm.com
 and get in **MSExcels** format
 (in EUR and HUF)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life, MTPL



Daniel MOLNOS
 Secretary General of MABISZ

of the increase in premiums was due to the single-premium contracts – which may prove to be a temporary trend, while the growth in regular premium insurance contracts has not reached the desired level, as the MABISZ analysts consider.

The non-life segment ended 2013 with a positive change in GWP, of 2% in local currency (0.08% in euro). Motor insurance lines continued to underperform, recording negative y-o-y changes in the GWP volume, both in local and European currency. Beside the highly competitive market of the MTPL segment, the ageing fleet represents an increasing threat for the Motor Hull insurance development as new vehicle surge in sales is still to come.

It was the positive evolution of the other lines, especially the property insurance classes, which drove the overall non-life results into the positive range. However, a worrisome trend began to emerge also on the property insurance segment, namely a still modest but persistent decrease in the number of households covered by insurance. Thus, in the last three years the total number of household policies decreased by 66,000. Hungary is one of the countries with the best household insurance coverage, but if this trend persists, it may become significant in the following years although in relative terms the decrease is still not very important (~2%).

The Top 3 market rankings remained unchanged as compared with the end of 2012: ALLIANZ, GENERALI-PROVIDENCIA and GROUPAMA, although the first two competitors have each lost about 1pp of their market share. ING, MPE Hungarian Post

Life and ALLIANZ make the Top 3 Life insurance companies, while ALLIANZ, GENERALI-PROVIDENCIA and AEGON lead the non-life segment.

As far as the 2014 perspectives are concerned, Hungarian insurance professionals and analysts seem moderately optimistic. According to a poll recently performed by Portfolio.hu, 53% of the market professionals expect a 2-8% growth for 2014, while some 4% are even more optimistic (>8%). Still, a large number of the respondents, about 40%, estimate a market growth of less than 2%.

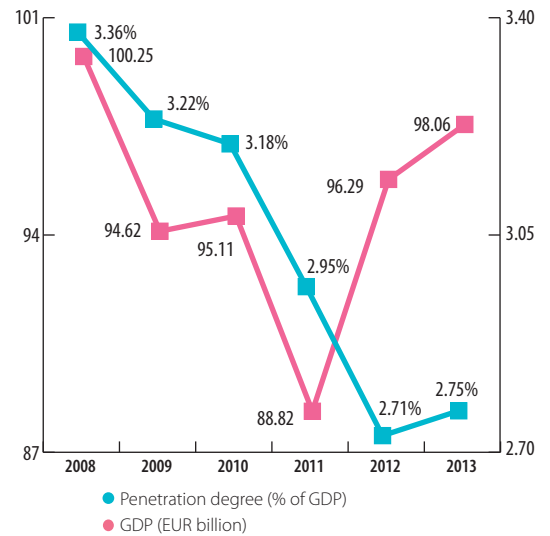
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) National Bank of Hungary
- (3) XPRIMM calculations



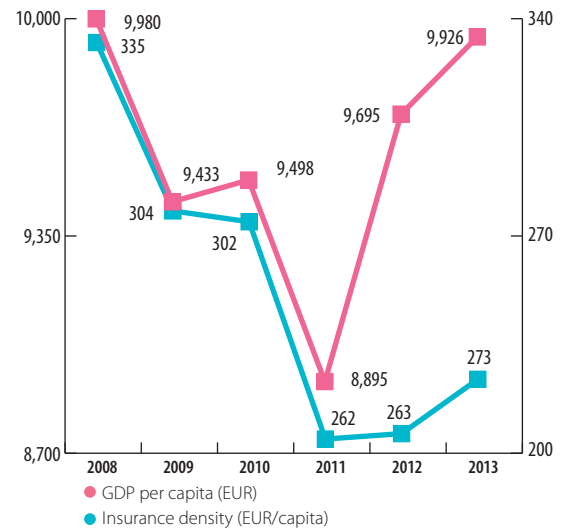
Life	54.46
Property	19.86
Motor Hull	7.70
MTPL	9.34
GTPL	2.34
Other	6.29

GDP and insurance penetration degree

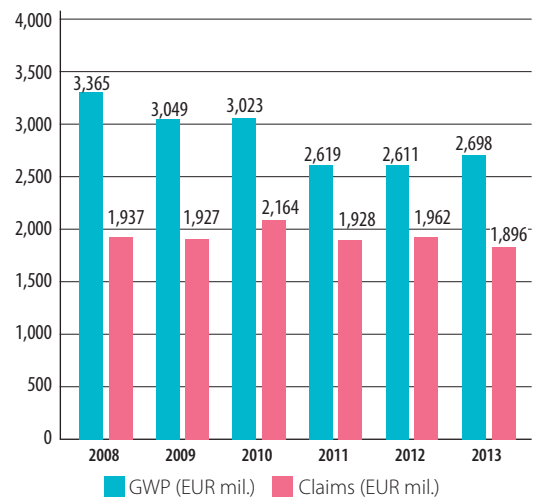


GDP per capita and insurance density

D.G.



GWP and claims evolution



Kosovo



Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	EUR billion ¹	3.94	4.01	4.29	4.77	4.92	5.15
GDP per capita, current prices	EUR ⁴	2,170.07	2,207.53	2,363.40	2,627.22	2,707.64	2,835.97
Unemployment rate	% of total labor force ¹	NA	NA	NA	NA	NA	NA
Population	Millions ²	1.82	1.82	1.82	1.82	1.82	1.82
Gross written premiums	EUR million ³	56.4	67.8	71.2	78.1	81.5	77.4
Paid claims	EUR million ³	17.7	18.8	26.5	26.8	30.6	38.4
Insurance penetration degree	% in GDP ⁴	1.43%	1.69%	1.66%	1.64%	1.66%	1.50%
Insurance density	EUR/capita ⁴	31.05	37.32	39.24	43.01	44.91	42.62

🌐 Kosovo's citizens GDP per capita is the lowest in the CEE, of ~EUR 2,836 in 2013, according to XPRIMM calculations;

🌐 The insurance density is one of the lowest in CEE (~EUR 43 per inhabitant);

🌐 The share of the insurance industry in the gross domestic product stands at around 1.5%;

🌐 Insurance market declined for the first time since 2008;

🌐 13 insurers activate on the local market: 10 non-life insurers and 3 specialized in life policies;

🌐 Well-known European insurance groups like Austrians from VIG, UNIQA or GRAWE, CROATIA Osiguranje Group or Slovenians from SAVA Re are present in the market

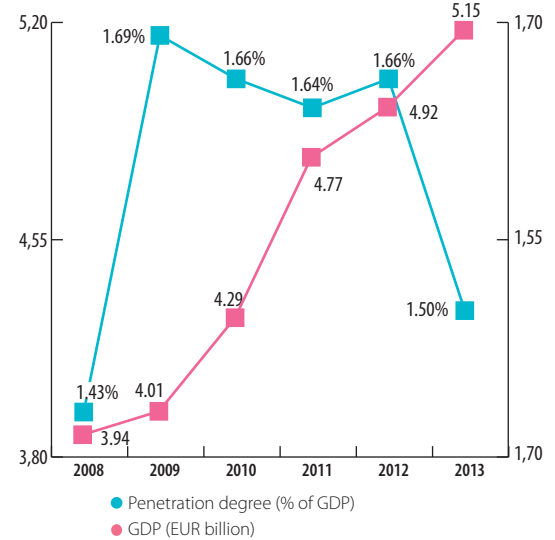
🌐 The official currency of Kosovo is the euro.

The youngest European state – Kosovo - has managed to cope with all the crises that have passed since the independence. The country has succeeded in recent years to progress in all domains, including insurance – an industry which, year by year experienced constant substantial increases. The country has succeeded to maintain the macroeconomic stability, but it is still highly dependent on the international community and the diaspora for financial and technical assistance.

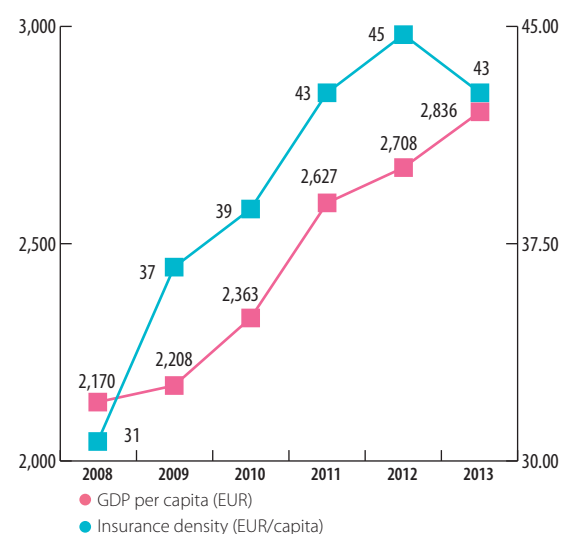
Kosovo's GDP per capita is the lowest in CEE region, of ~EUR 2,836 in 2013 according to XPRIMM calculations, while the unemployment rate of 45% encourages emigration and fuels a significant informal, unreported economy (Source: CIA, The World Factbook).

Thus, as a young state with a young economy, the local insurance market has growth potential, at the moment being one of the smallest and underdeveloped in the CEE region: the insurance density is low (~EUR 43 per inhabitant) while the share of the insurance industry in the gross domestic product stands at around 1.5%. In 2013, the Kosovo's insurance market was characterized by a 5% decrease in GWP, a 26% increase in claims paid by the insurers and a 21% increase in the total number of policies sold by the companies. The decreasing

GDP and insurance penetration degree



GDP per capita and insurance density





Anyone can take you for a ride. Only a few take you there safely.

You would not settle for the cheapest car. Why should reinsurance be different?
When your business is at risk, there is no room for error. One wrong turn can spell disaster. Trust the people you know. Because when it comes to the crunch, price will no longer be important.



Arig - your premium is our commitment.

www.arig.net

xprimm publications

Insurance in CEE, SEE and CIS

www.xprimm.com
Insurance in figures



XPRIMM Insurance Report
Insurance in 32 countries



MOTOR Insurance Report



PROPERTY Insurance Report



INSURANCE PROFILE



www.xprimmpublications.com

volume of premiums and the growth in claims paid affected the ratio between the two indicators, which increased to almost 50% in 2013. A year before, the same indicator was 38%.

Quantitatively, the number of policies sold by the Kosovar insurers reached 918 thousand, which represents an annual growth in absolute value by 160 thousand, compared to the number of policies sold a year ago.

On the other hand, the value of premiums recorded a 5% y-o-y decrease, to EUR 77.4 million, mainly due the 11% drop reported for the border policies and the 10% deficiency of the non-TPL insurance segment. As in previous reporting periods, the activity of local insurers was comprised of TPL policies which accounted for 56.8% of total market (EUR 43.9 million), down 0.7% y-o-y.

As far as claims are concerned, TPL payments dominate with a share of 55.8%, or EUR 21.4 million of EUR 38.5 million.

For the analyzed period, technical reserves of the Kosovo insurers

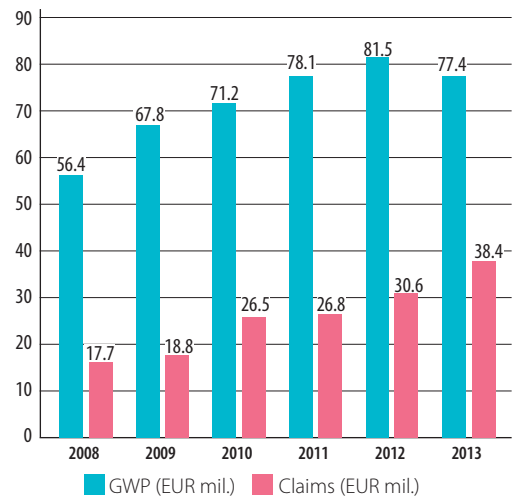
amounted to EUR 69.4 million or EUR 7.5 million more.

According CBK, 13 insurers are active on the local market, 10 of them providing non-life insurance, while 3 others are specialized in life insurance. At the same time, 10 companies are of foreign ownership (some of them members of well-known European insurance entities like Austrians from Vienna Insurance Group, UNIQA Group or GRAWE, CROATIA Osiguranje Group or Slovenians from SAVA Re) and 3 other are of domestic ownership.

Finally, it should be mentioned that the Central Bank of Kosovo is not providing data regarding the life insurance activity, although there are three active providers. According to the SAVA Re Group Annual Report, the owner of one of the three life insurance providers, at the end of 2013, the Kosovo life insurance market totaled EUR 2.1 million vs. EUR 1.5 million in 2012.

V.B.

GWP and claims evolution



■ MTPL 56.76
■ Border policies 16.92
■ Other 26.32

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	77.39	81.53	-5.09	38.45	30.58	25.73	100.00	100.00
MTPL	43.92	44.22	-0.68	21.42	18.92	13.26	56.76	54.24
Border policies	13.10	14.72	-11.00	1.23	1.13	8.75	16.92	18.05
Other (non TPL)	20.37	22.60	-9.87	15.80	10.54	49.94	26.32	27.71

Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Central Bank of Kosovo
- (3) XPRIMM calculations


Baden-Baden Insurance-Reinsurance Meetings

Save the date!

October 19th, 2014

BADEN-BADEN
xprimm RECEPTION

Launch of
XPRIMM Insurance Report
CEE • SEE • CIS 1H/2014



October 19th, 2014

AZERI EVENING

 Azerbaijan Insurers Association

Launch of
Insurance Profile
Azerbaijan 1H/2014



October 21st, 2014

TURKISH EVENING

Launch of
Insurance Profile
Turkey 1H/2014



www.xprimm.com

Latvia



S&P Rating
BBB+/POSITIVE

Moody's rating
BAA2/POSITIVE

Fitch Rating
BBB+/STABLE

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	EUR billion ¹	16.09	13.07	12.78	14.28	15.52	16.39
GDP per capita, current prices	EUR ¹	7,338.54	6,043.20	6,028.82	6,880.94	7,601.16	8,049.63
Unemployment rate	% of total labor force ¹	7.53	16.90	18.68	16.20	15.05	11.87
Population	Millions ¹	2.19	2.16	2.12	2.08	2.04	2.04
Gross written premiums	EUR million ²	503.70	368.24	327.46	395.74	447.09	470.94
Paid claims	EUR million ²	273.48	246.58	183.80	220.93	240.02	261.66
Insurance penetration degree	% in GDP ³	3.13%	2.82%	2.56%	2.77%	2.88%	2.87%
Insurance density	EUR/capita ³	229.79	170.24	154.39	190.72	218.95	231.31

Latvia entered the Eurozone on 1st January 2014;

The economy returned to pre-crisis levels, reporting one of the highest growth rates in EU;

The insurance market grew by 5.3%, reaching EUR 471 million;

GWP by EU branches increased by 30%, while the business of local insurers decreased by 1%;

The non-life segment accelerated by 3.6% y-o-y, while the value of life GWP increased by 13.5%;

The non-life insurers reported profits of EUR 8.8 million, while the life insurers ended the year in red: losses of EUR 0.6 million.

Latvia is a small, open economy with exports contributing nearly a third of GDP, which entered a severe recession in 2008 - the economy being hit with a 20% contraction of GDP over 2008-09. According to IMF estimates, at the end of 2013, the economy returned to pre-crisis levels, helped by a strong growth - one of the highest positive rates in EU - especially helped by the export sector.

The forecasts for Latvia are more than optimistic. According to a COFACE economic study, *in 2014 growth will be mainly supported by domestic demand in a context of softening austerity measures. For the first time in three years the minimum wage will be raised to EUR 320 in January (+12.5%). Unemployment is also expected to continue to fall, having dropped to 12% in September 2013 (20%*

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	470.94	447.09	5.33	261.66	240.02	9.02	100.00	100.00
TOTAL LIFE	89.21	78.60	13.50	58.11	45.92	26.57	18.94	17.58
Life insurance with savings	42.19	38.19	10.46	28.24	15.68	80.05	8.96	8.54
Unit-linked	23.24	20.98	10.75	16.17	19.32	-16.29	4.93	4.69
Other life insurance	23.78	19.42	22.45	13.70	10.91	25.57	5.05	4.34
TOTAL NON-LIFE	381.73	368.49	3.59	203.55	194.10	4.86	81.06	82.42
Accidents insurance	8.59	7.83	9.69	3.12	2.71	14.83	1.82	1.75
Helth insurance	37.89	36.38	4.14	26.70	24.13	10.65	8.05	8.14
Overall property insurance	67.47	62.64	7.71	24.66	26.92	-8.40	14.33	14.01
Fire and allied perils	50.27	44.98	11.76	18.08	21.27	-14.99	10.67	10.06
Damages to property	17.21	17.66	-2.59	6.58	5.65	16.38	3.65	3.95
Overall motor insurance	132.48	123.86	6.96	82.61	78.39	5.38	28.13	27.70
Motor hull	82.49	75.65	9.04	52.29	45.82	14.13	17.52	16.92
MTPL	49.99	48.21	3.69	30.31	32.57	-6.93	10.62	10.78
Transport ownership liability ins.	88.96	79.71	11.61	49.25	43.81	12.43	18.89	17.83
GTPL	16.94	20.50	-17.37	3.27	3.39	-3.48	3.60	4.59
Suretyship insurance	8.75	9.27	-5.57	4.28	2.30	86.41	1.86	2.07
Assistance insurance	11.44	10.24	11.66	3.11	2.39	30.05	2.43	2.29
Other non-life insurance	9.21	18.06	-49.00	6.56	10.07	-34.88	1.96	4.04
Of total market:								
By local insurers	350.09	354.22	-1.17	192.70	187.55	2.74	74.34	79.23
By branches of EU insurers	120.85	92.87	30.13	68.97	52.47	31.43	25.66	20.77

in 2010). The share of non-performing loans fell considerably to 9% in September 2013 (19% in 2011).

At the end of 2013, due to the persisting economic and consumption growth, the insurance market grew by 5.3%, reaching EUR 471 million. The gross written premiums by local insurers decreased 1% y-o-y to EUR 350 million, while the gross premiums written by the EU branches totaled EUR 121 million or 30% more y-o-y.

The non-life segment accelerated by 3.6% y-o-y, while the value of life GWP increased by 13.5%. At the same time, as the market authorities' figures showed, the insurance companies paid EUR 262 million in claims.

The largest market segment were life insurance and transport ownership liability (each generated ~19% of total market) followed by motor hull (~17%), property (~14%), MTPL (~11%) and health insurance (~8%).

The amount of investments of insurance companies has decreased by 3.6% y-o-y to EUR 431.4 million. By countries, the value of investments in Latvia represented 45.6% of the total; Lithuania accounted for 20%, Luxembourg - 8.4%, Poland - 6.2%, Germany - 3.9%, while the remaining 15.9% went to other 23 states. The structure of the investment portfolio consisted of debt securities and other fixed-income securities - 53.9%, time deposits with credit institutions - 16.5%, shares and other variable-yield securities - 10.5%, claims on demand to credit institutions - 6.5%, or investments for the benefit of life insurance policyholders bearing the investment risk - 6.3%.

According to the figures published by the Financial and Capital Market Commission - FKTK, in the reporting period, the total capital and reserves of insurance companies was EUR 135 million; the written share capital totaled EUR 76 million, while profitable activities were reported only for the non-life insurance lines of business - profit of EUR 8.8 million vs. EUR 7.90 million. For the life insurance segment, losses totaled EUR 0.6 million compared to a profit of EUR 4.1 million in 2012.

At the same time, according to the Latvian Insurers Association (LAA), the



Jānis ABĀŠINS
President, Latvian Insurers Association

value of gross written premiums by the member companies abroad, increases every year. For example, last year, the gross written premiums of LAA insurers outside Latvia totaled ~EUR 78 million. According LAA, many local insurers opened branches abroad, *not only the near neighborhood, but also in Western Europe.*

We all know that in Latvia the potential customers shrinks, so is more than commendable that the domestic insurers are able to find a cost-effective opportunities for growth outside the country, commented Jānis ABĀŠINS, President, Latvian Insurers Association.

V.B.

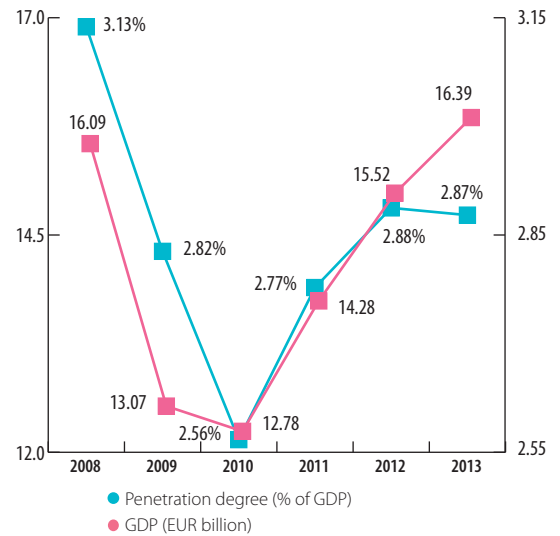
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) The Financial and Capital Market Commission of Latvia - FKTK (local and EU branches, added-up)
- (3) XPRIMM calculations

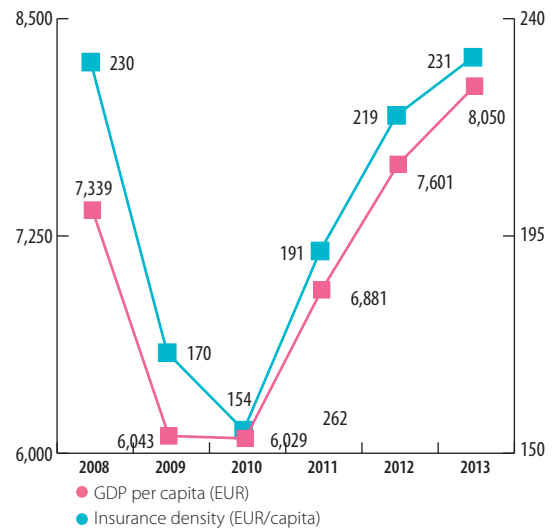


Life	18.94
Property	14.33
Motor Hull	17.52
MTPL	10.62
GTPL	3.60
Other	35.00

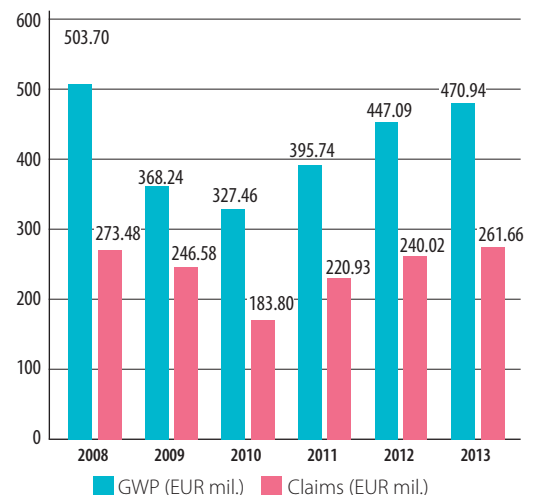
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Lithuania



S&P Rating
A-/STABLE

Moody's rating
BAA1/STABLE

Fitch Rating
BBB+/POSITIVE

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	LTL billion ¹	111.92	92.03	95.68	106.89	113.74	119.47
	EUR billion ³	32.41	26.65	27.71	30.96	32.94	34.60
GDP per capita, current prices	LTL ¹	34,994.73	29,097.48	30,890.13	35,300.49	38,067.01	40,199.53
	EUR ⁴	10,135.17	8,427.21	8,946.40	10,223.73	11,024.97	11,642.59
Unemployment rate	% of total labor force ¹	5.83	13.79	17.81	15.39	13.37	11.77
Population	Millions ¹	3.20	3.16	3.10	3.03	2.99	2.97
LTL/EUR exchange rate	fixed ²	3.45	3.45	3.45	3.45	3.45	3.45
Gross written premiums	LTL million ²	1,989.73	1,542.00	1,551.91	1,699.78	1,788.41	1,945.47
	EUR million ³	576.26	446.60	449.46	492.29	517.96	563.45
Paid claims	LTL million ²	1,011.95	1,059.96	935.39	1,080.79	1,087.84	1,076.63
	EUR million ³	293.08	306.99	270.91	313.02	315.06	311.81
Insurance penetration degree	% in GDP ³	1.78%	1.68%	1.62%	1.59%	1.57%	1.63%
Insurance density	EUR/capita ³	180.20	141.19	145.13	162.58	173.35	189.58

☀ Lithuania will adopt the European currency on January 1st, 2015;

☀ The insurance market grew faster than the economy, by 8.8% to EUR 563 million;

☀ The number of policyholders increased by 4% to around 5.25 million;

☀ The market authority projects that, if the trends of Lithuania's economic development remain similar, in 2014 the insurance market will grow by 8-10%;

☀ SWEDBANK Life Insurance SE, AVIVA Lietuva and SEB Gyvybės draudimas remained the life insurance leaders;

☀ The largest local insurer - LIETUVOS draudimas (member of the British group RSA) was recently acquired for EUR 180 million by the Polish insurance group PZU.

In 2013 the insurance companies registered in the Republic of Lithuania and branches of insurers of other European Union Member States established in the country wrote insurance premiums amounting to EUR 563 million (LTL 1.95 billion), an increase of even 8.8% from the previous year. *The growth rate of the insurance market in 2013 was consistent with the revised projections of the Bank of Lithuania. According to Statistics Lithuania, in 2013 domestic GDP grew by 3.4% (excluding seasonal and working day contributions). The Bank of Lithuania projects that, if the trends of Lithuania's economic*

development remain similar, in 2014 the insurance market will grow by 8-10%. The life assurance market volume is likely to expand faster - by 9-11%, while the non-life insurance market is likely to grow slightly less moderately, by 8-10%, according to the Review of Lithuania's Insurance Market of 2013, published by Bank of Lithuania.

According to the figures published by the market authority, both main market segments recorded similar growth rates: the life insurance expanded by 8.9%, the general insurance business line increased by 8.7%. *The life assurance market volume, as compared to the*

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	563.45	517.96	8.78	311.81	315.06	-1.03	100.00	100.00
TOTAL LIFE	181.30	166.43	8.93	96.65	112.99	-14.46	32.18	32.13
Life assurance*	52.87	47.91	10.36	28.66	52.19	-45.09	9.38	9.25
Unit-linked	127.16	116.85	8.82	64.83	54.82	18.27	22.57	22.56
Marriage and birth	1.27	1.68	-24.29	3.17	5.99	-47.07	0.23	0.32
TOTAL NON-LIFE	382.15	351.53	8.71	215.16	202.07	6.48	67.82	67.87
Health insurance	35.88	32.93	8.99	17.59	15.94	10.34	6.37	6.36
Property insurance	73.91	67.95	8.78	22.51	30.24	-25.58	13.12	13.12
Overall motor insurance	224.82	206.19	9.04	140.36	127.99	9.66	39.90	39.81
Motor Hull	88.99	83.10	7.08	61.78	57.46	7.52	15.79	16.04
MTPL	135.84	123.09	10.35	78.58	70.53	11.41	24.11	23.76
Goods in transit	2.43	2.31	4.99	0.60	1.26	-52.07	0.43	0.45
GTPL	22.80	20.57	10.79	7.87	4.31	82.68	4.05	3.97
Credit insurance	4.99	4.28	16.79	22.50	20.50	9.80	0.89	0.83
Suretyship insurance	11.14	12.38	-10.04	2.20	1.06	107.99	1.98	2.39
Financial loss insurance	3.85	2.65	45.27	0.31	0.36	-13.50	0.68	0.51
Other non-life insurance	2.32	2.27	2.51	1.21	0.41	195.07	0.41	0.44

*Annuities, death and survival insurance, summed

Access
www.xprimm.com
 and get in **MSEExcel format**
 (in EUR and LTL)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life

previous year, was the highest in six years; it was nonetheless 21% lower than in 2007, when the life assurance volume was at its peak. The volume of the non-life insurance market differed from the upswing in 2008 by a mere 9%.

The number of policyholders increased by 4% to around 5.25 million, due to the 4% increase in the non-life insurance segment to around 5.2 million. At the same time, in 2013, for the first time in the last six years, more robust growth was observed in the number of life assurance contracts: as compared to the previous year, the number of life assurance contracts concluded increased by as much as 14.9% or 65.4 thousand units", stated Bank of Lithuania. However, the figure "is still lagging behind the highest market performance, recorded in 2008, by 27.2%.

At the "claims chapter", the paid value totaled EUR 312 million or LTL 1.08 billion (1% less y-o-y), 69% of which related to the non-life insurance segment and 31% to life insurance. It is important to mention that, on the motor insurance segment, the value of paid claims represents more than 60% of the value of GWP, while on the credit business line the value of indemnities exceeds more than four times the value of gross written premiums. Regarding the life indemnities, a decline of 14.5% suggests that the boom of claims paid has come to an end; it was driven by the fact that, in 2012, a large number of life assurance contracts concluded before the end of 2002, before the tax environment was subject to changes, have expired.

SWEDBANK Life Insurance SE, AVIVA Lietuva and SEB Gyvybės draudimas remained the life insurance leaders, this hierarchy remaining unchanged for six years. Top 3 insurers generated

Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Bank of Lithuania (LB)
- (3) XPRIMM calculations

62.5% of total GWP. SWEDBANK Life Insurance SE branch continued to retain the highest positions despite the loss of 0.8% of the market, while the market share of COMPENSA Life Vienna Insurance Group SE expanded most over the year (+2.1%).

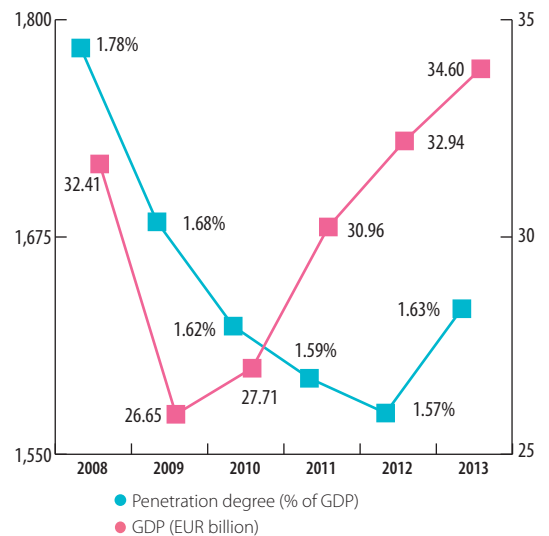
Strong competition in the non-life insurance market led to a contraction of insurance market shares of four of the ten largest non-life insurers (LIETUVOS draudimas, ERGO Insurance AS, AAS Gjensidige Baltic and IF P&C Insurance AS), while one insurance market participant rose to a higher position in the market (BTA Insurance Company SE).

All in all LIETUVOS draudimas remained the absolute market leader with market shares of 31%. LIETUVOS draudimas was recently acquired for EUR 180 million by the CEE's largest insurer – the Polish insurance group PZU, from the British group RSA.

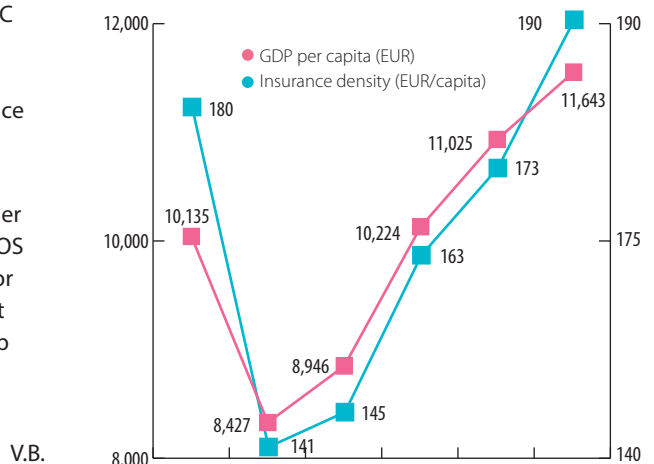


Life	32.18
Property	13.12
Motor Hull	15.79
MTPL	24.11
GTPL	4.05
Other	10.76

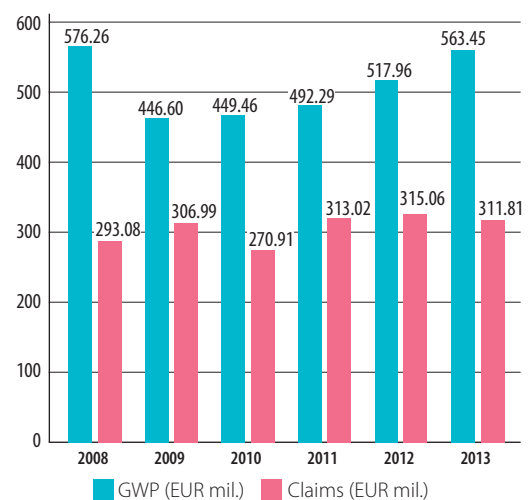
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Macedonia



S&P Rating
BB-/STABLE

Fitch Rating
BB+/STABLE

The macroeconomic stability was maintained by a prudent monetary policy, keeping the domestic currency pegged against the euro;

The insurance sector achieved profits after two years of losses;

For the first time life insurance exceeded 10% market share in the total GWP;

The absolute market leaders of the life segment were CROATIA and GRAWE, with an aggregated market share of about 87%;

The real growth of the market was 4.04% y-o-y in terms of sold policies. The low GWP increase rate was attributable to the high competition of the 11 non-life insurers which resulted in lower tariffs;

For FY2014, Macedonian ISA expects growth in GWP for both non-life insurance and life insurance.

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	MKD billion ¹	411.73	410.73	434.11	459.79	458.62	474.20
	EUR billion ⁴	6.70	6.71	7.06	7.48	7.46	7.71
GDP per capita, current prices	MKD ¹	200,978.32	200,092.37	211,012.19	222,997.13	221,937.90	228,966.16
	EUR ⁴	3,272.61	3,270.92	3,430.81	3,625.67	3,608.75	3,722.34
Unemployment rate	% of total labor force ¹	33.78	32.18	32.05	31.38	31.30	30.02
Population	Millions ¹	2.05	2.05	2.06	2.06	2.07	2.07
MKD/EUR exchange rate	End of period ²	61.41	61.17	61.51	61.51	61.50	61.51
Gross written premiums	MKD million ³	6,421.49	6,182.40	6,480.87	6,808.26	7,013.62	7,193.50
	EUR million ⁴	104.56	101.06	105.37	110.69	114.04	116.95
Paid claims	MKD million ³	3,182.34	2,962.25	2,988.37	3,006.17	3,013.67	2,959.20
	EUR million ⁴	51.82	48.42	48.59	48.88	49.00	48.11
Insurance penetration degree	% in GDP ⁴	1.56%	1.51%	1.49%	1.48%	1.53%	1.52%
Insurance density	EUR/capita ⁴	51.03	49.23	51.23	53.68	55.20	56.47

The Republic of Macedonia is one of the CEE countries which managed to maintain at a constant level the macro indicators during the 2008-2013. How did this happen? One of the explanations could be that the country maintained its macroeconomic stability through the global financial crisis by conducting prudent monetary policy - which keeps the domestic currency pegged against the euro, and by limiting fiscal deficits. As a result, the country's attractiveness for private investors and the domestic consumption increased year by year, while the unemployment rate dipped at one of its lowest point since the country's independence (1991).

The long-term sustainable strategy of the Government of Republic of Macedonia

for attracting foreign direct investments, which resulted in new production capacities, will continue, and will increase the demand for property insurance, accident insurance, transport insurance, as well as for the liability insurance, has declared Mr. Klime POPOSKI, President, Insurance Supervision Agency Macedonia.

As far as the insurance market is concerned, at the end of 2013 it totaled MKD 7.19 billion (~EUR 117 million), 2.6% up y-o-y and after two years of showing losses at industry level, in 2013 the insurance sector achieved profits in the amount of MKD 211.70 million (~EUR 3.44 million), Mr. POPOSKI emphasized.

Considering the major business lines, the non-life GWP reached the value of MKD 6.47 billion (89.86% of total

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	116.95	114.04	2.55	48.11	49.00	-1.83	100.00	100.00
TOTAL LIFE	11.86	9.73	21.93	1.86	1.50	24.18	10.14	8.53
TOTAL NON-LIFE:	105.09	104.32	0.74	46.25	47.51	-2.65	89.86	91.47
Overall property insurance	21.39	22.65	-5.58	7.15	9.55	-25.15	18.29	19.86
Fire and allied perils	7.90	9.95	-20.61	2.11	4.20	-49.77	6.75	8.72
Damages to property	13.49	12.70	6.20	5.04	5.35	-5.83	11.53	11.14
Overall motor insurance	66.68	65.67	1.55	32.28	30.99	4.15	57.02	57.58
Motor Hull	11.73	12.39	-5.26	7.07	8.14	-13.13	10.03	10.86
MTPL	54.95	53.28	3.13	25.21	22.85	10.31	46.99	46.72
GTPL	2.61	2.28	14.55	0.34	0.21	66.36	2.23	2.00
Other non-life insurance	14.40	13.72	5.00	6.48	6.76	-4.14	12.31	12.03

Access
www.xprimm.com
 and get in **MSExcels format**
 (in EUR and MKD)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life



Klime POPOSKI
 President, Insurance Supervision Agency
 Macedonia

Read the full interview on www.xprimm.com

market), or 0.79% more compared with December 2012, while underwritings in life insurance business reached the value of MKD 729 million (~10.14% of total), which indicate one of the highest growth rates among the countries in South-Eastern Europe: 21.96% y-o-y.

The real growth of the insurance market is much higher and is 4.04% compared to last year, if measured (expressed) through the number of insurance policies sold (2013: 1,058,074 vs. 2012: 1.418.575). The high competition of the 11 non-life insurance companies resulted in price decrease, resulting in only slight growth of 0.79% in the GWP, Macedonian ISA's President explained.

According to ISA's figures, based on the GWP volume criterion, on the life insurance segment, the first position is held by the local Subsidiary of CROATIA Osiguranje - almost 44% market share, followed by the Austrian GRAWE - 43%. On the non-life insurance segment, first two positions were taken by TRIGLAV (16.7%) and EUROLINK (12.1%). The market concentration is moderate, and none of the companies exceed the threshold of 20% share in the total gross written premium. Nevertheless, there is a trend of reduction in the market concentration among the market leaders, where 5 non-life insurance companies have shares above 10% of the total GWP for non-life insurance.

Assessing the 2014 perspectives, Mr. POPOSKI expects growth in GWP for both non-life insurance and life insurance. In case of non-life insurance the implementation of the EUROPE Re Project is expected to dynamise the segments of property insurance and agriculture insurance, while in case of life segment it will continue to grow by double digits this year as well.

Furthermore, the increasing involvement of the banks as an alternative sales channel for these products and their bundling with the banking products is one of the challenges for the development of the life insurance segment.

Nevertheless, one of the interesting novelties expected from 2014 is the voluntary health insurance debut: "This year, for the first time we are expecting that the insurance companies will offer voluntary health insurance. Voluntary health insurance has a great development potential on the insurance market, much to the satisfaction of the citizens, and the insurance companies as well," is Mr. POPOSKI's opinion.

V.B.

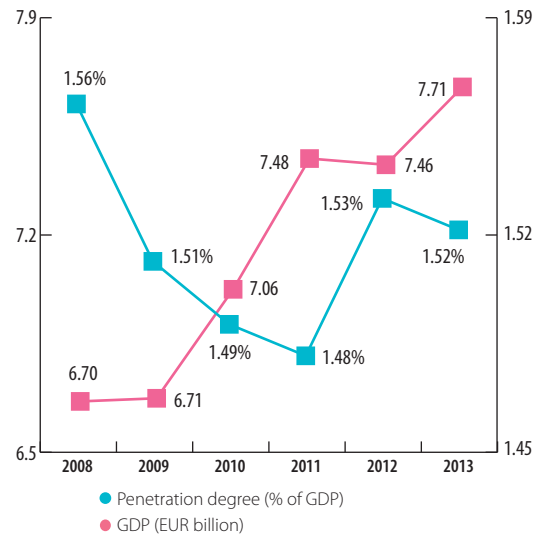
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) National Bank of the Republic of Macedonia
- (3) Insurance Supervision Agency
- (4) XPRIMM calculations

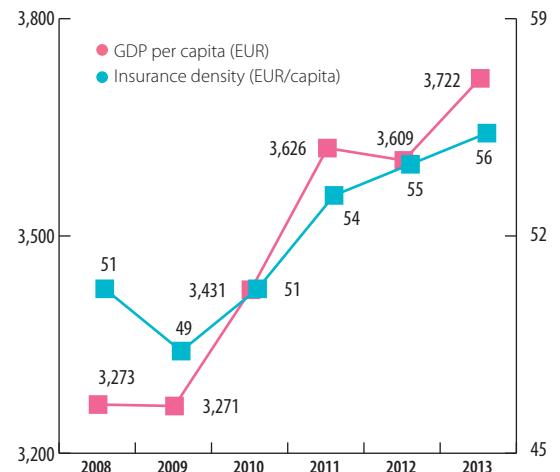


Life	10.14
Property	18.29
Motor Hull	10.03
MTPL	46.99
GTPL	2.23
Other	12.31

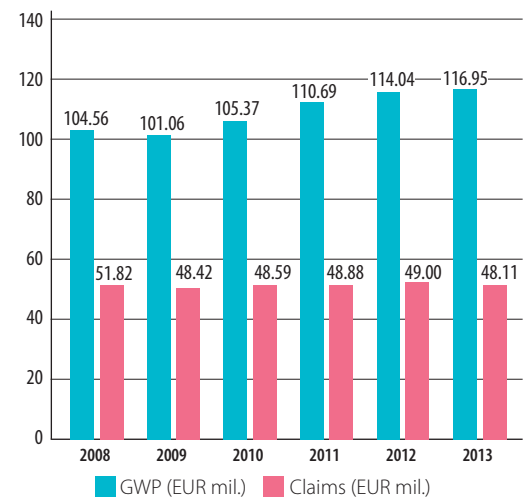
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Montenegro



S&P Rating
BB-/NEGATIVE

Moody's rating
BA3/STABLE

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	EUR billion ¹	3.09	2.98	3.10	3.23	3.15	3.30
GDP per capita, current prices	EUR ¹	5,001.26	4,821.27	5,010.84	5,211.70	5,064.46	5,290.35
Unemployment rate	% of total labor force ¹	NA	NA	NA	NA	NA	NA
Population	Millions ¹	0.62	0.62	0.62	0.62	0.62	0.62
Gross written premiums	EUR million ²	60.58	65.57	62.19	64.79	66.92	72.77
Insurance penetration degree	% in GDP ³	1.96%	2.20%	2.00%	2.00%	2.13%	2.21%
Insurance density	EUR/capita ³	98.18	106.10	100.46	104.33	107.59	116.80

Montenegro is the South East European country with the highest per capita income, but the high public debt as well as the critical unemployment rate are hindering its economic recovery;

There are eleven insurance companies performing insurance operations on the Montenegrin insurance market, of which six life insurance companies and five non-life insurers;

The Montenegrin insurers ended 2013 with an overall increase of the GWP of 8.7%, to almost EUR 73 million;

Further capital increase, especially for life insurers, in order to be aligned with applicable EU levels, as well as the increasing liability limits for the MTPL insurance are some of the most challenging issues related to the future EU accession of the country.

Montenegro is one of the smallest countries of the CEE region, with a population of only little over 600 thousand people and a EUR 3 billion economy (2013 data). In addition to its small size, although Montenegro has the highest per capita income in South East Europe, a high public debt as well as the critical unemployment rate is still crippling its economic recovery. As a result, currently the country is still from offering for the insurance industry a rich business environment. However, there are eleven insurance companies performing insurance operations on the Montenegrin insurance market, of which six life insurance companies and five non-life insurers. LOVCEN - member of Slovenian TRIGLAV Group - had a dominant position on the non-life

segment (45.7% - market share), while the Austrians from GRAWE accounted for over 42.45% of life market. Yet, it is worth mentioning that both market leaders lost during the last 12 months some of their market weight (about 2pp for LOVCEN and 7pp for GRAWE).

The Montenegrin insurers ended 2013 with an overall increase of the GWP of 8.7%, to almost EUR 73 million. Both life and non-life insurance businesses witnessed a positive y-o-y change, of 14.7% and 7.7% respectively. *Insurance market in Montenegro is characterized by a constant trend where non-life insurance premium has a dominant share in the market premium amounting to 85.06%, while the share of life insurance amounting to 14.94%. Considering the structure of gross premium, the highest*

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2013	2012	Change	2013	2012
	EUR m	EUR m	%	%	%
TOTAL MARKET	72.77	66.92	8.74	100.00	100.00
TOTAL LIFE	10.87	9.47	14.76	14.94	14.16
Life insurance	9.49	8.42	12.78	13.05	12.58
Supplementary insurance	1.31	1.00	30.67	1.80	1.50
Other life insurance	0.07	0.05	28.36	0.09	0.08
TOTAL NON-LIFE	61.90	57.45	7.74	85.06	85.84
Accident	8.13	7.77	4.64	11.18	11.62
Health	0.89	1.05	-14.65	1.23	1.57
Overall property insurance	10.08	7.51	34.17	13.86	11.23
Fire and allied perils	4.32	3.59	20.37	5.93	5.36
Damages to property	5.77	3.93	46.77	7.92	5.87
Overall motor insurance	38.18	36.96	3.32	52.47	55.22
Motor hull	5.05	5.39	-6.29	6.94	8.06
MTPL	33.13	31.57	4.96	45.53	47.17
GTPL	1.16	0.94	23.03	1.59	1.41
Other non-life insurance	3.44	3.21	7.23	4.73	4.80

Access
www.xprimm.com
 and get in **MSExcels** format

Market indicators

GWP, growth rates, portfolio

Market rankings

total market, life, non-life



Branko VUJOVIC
 President of the Council of the Insurance
 Supervision Agency of Montenegro

Read the full interview on www.xprimm.com

presence is still notable with compulsory insurances with the share of 47.76%. Montenegrin insurance market is characterized by a high concentration on a rather small number of insurance classes. Three mostly dominant insurance classes were MTPL, life insurance and accident insurance with the share of 45.53%, 13.05% and 11.18% to overall market premium, respectively, Branko VUJOVIC, President of the Council of the Insurance Supervision Agency of Montenegro commented for XPRIMM.

He also explained which are the challenges arising for the insurance companies from the future EU accession of the country: *Considering the current stage of negotiations for the EU accession, insurance industry in Montenegro has to be aware of changes that will have the most significant impact to the business, such as:*

Further capital increase, especially for life insurers, which needs to be aligned with applicable EU levels (at the moment EU requirement is around 3.5mil EUR),

Need for improvements in risk management, in line with future Solvency II regime and calculations,

Further rise in the level of sums insured in MTPL insurance, which would reflect the level of premiums for this compulsory line of insurance business,

Deregulation of the whole system of compulsory insurance in traffic, whose success would depend also on the quality of data and applicability of modern actuarial methods.

Regulator itself has to face a challenge of gradual pass from rule-based to risk-based supervision, which shall also require a knowledge on risks the market is exposed to, and how to measure those, a sufficient knowledge of actuarial skills, a constant upgrade in supervisory practice and further activities relating to consumer protection. Branko VUJOVIC concluded: *All these activities shall help in securing a stable and further evolving insurance market.*

D.G.

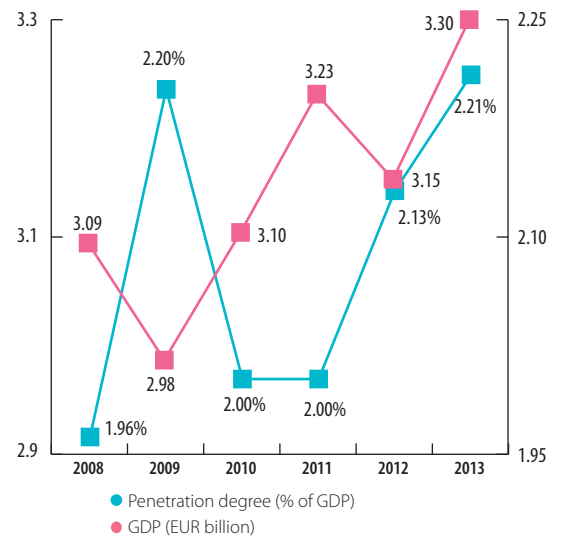
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Insurance Supervision Agency of Montenegro
- (3) XPRIMM calculations

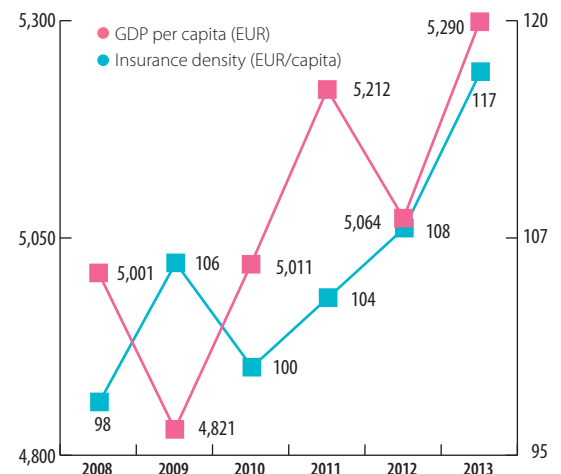


Life	14.94
Property	13.86
Motor Hull	6.94
MTPL	45.53
GTPL	1.59
Other	17.14

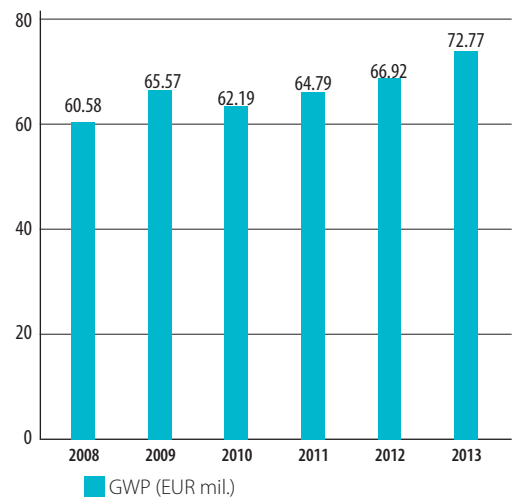
GDP and insurance penetration degree



GDP per capita and insurance density



GWP evolution



Poland



S&P Rating
A-/STABLE

Moody's rating
A2/STABLE

Fitch Rating
A-/STABLE

Market's main indicators – timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	PLN billion ¹	1,275.51	1,344.51	1,416.59	1,528.13	1,595.23	1,631.76
	EUR billion ⁴	305.70	327.27	357.70	345.98	390.20	393.46
GDP per capita, current prices	PLN ¹	33,464.17	35,255.65	37,115.13	39,660.85	41,393.09	42,346.85
	EUR ⁴	8,020.36	8,581.78	9,371.80	8,979.54	10,125.02	10,210.95
Unemployment rate	% of total labor force ¹	7.12	8.17	9.64	9.63	10.09	10.33
Population	Millions ¹	38.12	38.14	38.17	38.53	38.54	38.53
PLN/EUR exchange rate	End of period ²	4.17	4.11	3.96	4.42	4.09	4.15
Gross written premiums	PLN million ³	59,291.94	51,342.36	54,148.11	57,150.55	62,642.64	57,862.69
	EUR million ⁴	14,210.51	12,497.53	13,672.73	12,939.36	15,322.79	13,952.23
Paid claims	PLN million ³	29,567.83	40,172.28	36,858.97	39,808.23	39,962.03	36,798.22
	EUR million ⁴	7,086.53	9,778.56	9,307.12	9,012.91	9,774.97	8,873.03
Insurance penetration degree	% in GDP ⁴	4.65%	3.82%	3.82%	3.74%	3.93%	3.55%
Insurance density	EUR/capita ⁴	372.82	327.71	358.23	335.83	397.60	362.09

After the historical peak of 2012 (GWP of EUR 15.3 billion), 2013 brought a return to a level slightly inferior to the 2008 premium production, of EUR 13.95 billion, 8.9% down y-o-y;

The negative change recorded on the short-term life insurances class was responsible for the life insurance segment's GWP fall of over 15%;

Property insurance lines went well, with total GWP increasing by 6.4%;

Motor insurance lines recorded an about 6.7% decrease in GWP, while the claims paid remained almost stable as compared with 2012;

Net profit of life insurers exceeded EUR 675 million and was by 4.78% lower than the year before.

Strong internal demand and solid private consumption are considered the foundation of the Polish economy strength, helping the country to retain its economic growth even through the crisis and the current difficult conditions on international markets. In fact, during 2013 private consumption continued to grow and although the domestic demand slightly decreased, Poland's GDP recorded once again a positive evolution although at a somewhat

lower rate (1.3% growth in 2013 – the fifth best result in the EU -, as compared with 1.9% in 2012). Growing faster than its environment, Poland is catching up, in terms of wealth, with Western EU countries, a trend which is also positively influencing the insurance market's development.

However, 2013 didn't end so well as compared with the previous years: after the historical peak of 2012 (GWP

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	13,952.23	15,322.79	-8.94	8,873.03	9,774.97	-9.23	100.00	100.00
TOTAL LIFE	7,538.55	8,898.15	-15.28	5,566.89	6,339.49	-12.19	54.03	58.07
Life insurance	3,168.23	4,743.55	-33.21	3,302.53	4,245.57	-22.21	22.71	30.96
Unit-linked	3,147.07	2,946.53	6.81	1,786.05	1,623.62	10.00	22.56	19.23
Accident and sickness	1,164.52	1,148.09	1.43	430.20	420.54	2.30	8.35	7.49
Other life insurance (reinsurance accepted included)	58.72	59.98	-2.10	48.11	49.77	-3.32	0.42	0.39
TOTAL NON-LIFE	6,413.68	6,424.65	-0.17	3,306.14	3,435.47	-3.76	45.97	41.93
Accident	314.01	312.78	0.40	70.49	77.13	-8.60	2.25	2.04
Sickness	147.60	125.37	17.74	39.95	41.64	-4.06	1.06	0.82
Overall property insurance	1,339.84	1,259.60	6.37	490.98	598.52	-17.97	9.60	8.22
Fire and allied perils	751.56	709.78	5.89	316.37	281.19	12.51	5.39	4.63
Damages to property	588.28	549.82	7.00	174.61	317.33	-44.98	4.22	3.59
Overall motor insurance	3,324.27	3,561.10	-6.65	2,172.29	2,173.96	-0.08	23.83	23.24
Motor Hull	1,283.18	1,376.48	-6.78	843.12	841.64	0.18	9.20	8.98
MTPL	2,041.09	2,184.62	-6.57	1,329.17	1,332.32	-0.24	14.63	14.26
GTPL	448.32	427.17	4.95	151.13	150.18	0.63	3.21	2.79
Credit	126.32	122.94	2.75	86.69	71.16	21.82	0.91	0.80
Shuretyship	71.04	67.18	5.74	78.70	103.27	-23.79	0.51	0.44
Financial loss	245.86	176.98	38.91	42.66	32.45	31.46	1.76	1.16
Travel	119.66	111.23	7.58	57.01	56.27	1.31	0.86	0.73
Other non-life insurance (reinsurance accepted included)	276.75	260.29	6.32	116.24	130.89	-11.19	1.98	1.70

Access
www.xprimm.com
 and get in **MSExcel format**
 (in EUR and PLN)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life

of EUR 15.3 billion), 2013 brought a return to a level slightly inferior to the 2008 premium production, of EUR 13.95 billion, 8.9% down y-o-y. A substantial decrease, of over 15%, of the life insurance segment and a quasi stagnant conduct on the non-life sector were the two “ingredients” of the downsize trend installed during the last year.

Life insurance business volume’s fall was determined by the negative change recorded on the short-term life insurances class -the so called policy-deposits which are combining the features of a life insurance policy and a bank deposit -, a line that witnessed a 33% decrease in GWP most probably because of the uncertainties regarding the statutory amendments taking effect in 2014. At the same time, long-term savings (unit-linked products or insurance equity fund, as called by the Polish insurers) recorded a positive trend, with GWP going up by 6.8%, but also with an increasing claims volume.

In 2013 both property insurance lines went well, with total GWP increasing by 6.4%. A significant increase in the number of mandatory insurances of farm buildings was reported, probably resulting more from a change in the reporting style judging by the fact the premiums volume didn’t increase very much and the number of insurable farms is actually decreasing in Poland. Also GWP for the financial risks insurance line increased significantly, by almost 39%, a trend mostly arising from the adjustment of tariff rates to the risk level.

Finally, both motor insurance lines recorded an about 6.7% decrease in GWP, while the claims paid remained almost stable as compared with 2012. However, according to PIU - Polish insurance associations’ data, the

technical result of motor third party liability insurance remained negative, of about EUR - 64.14 million (in the previous year: EUR -114 million).

In 2013 the net profit of life insurers exceeded EUR 675 million and was by 4.78% lower than the year before. According to the data from financial statements, non-life insurers ended the year 2013 with a profit of EUR 1.48 billion. It should be clearly emphasized that this result is connected, first of all, with the dividend policy of the Polish largest insurance group. In 2013 Polish insurers paid EUR 275 million of income tax, is stated in a PIU press release.

PZU and the two Talanx subsidiaries - OPEN Life and WARTA -, are leading the life insurance market, with market shares of 28.3%, 8.4% and 7.1% respectively. On the non-life side, the first three top positions are occupied by PZU (31.1% market share), WARTA (12.85%) and ERGO HESTIA (11.28%).

It is worth mentioning that in 2013, the Polish insurers issued in total 5.18 million policies under the direct system, i.e. bought via the Internet or the telephone, with a total GWP volume of ~ EUR 283 million. Bancassurance accounted for a total GWP volume of about EUR 7.8 billion.

D.G.

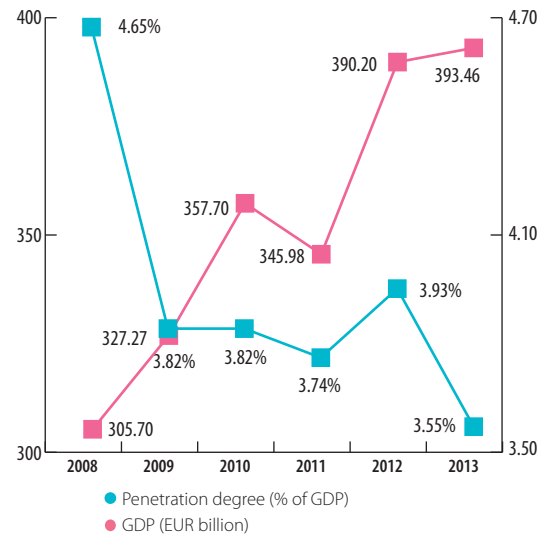
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) National Bank of Poland
- (3) The Polish Financial Supervision Authority (KNF)
- (4) XPRIMM calculations

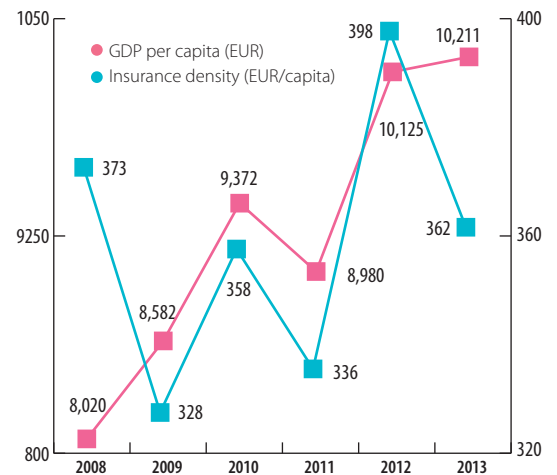


Life	54.03
Property	9.60
Motor Hull	9.20
MTPPL	14.63
GTPL	3.21
Other	9.33

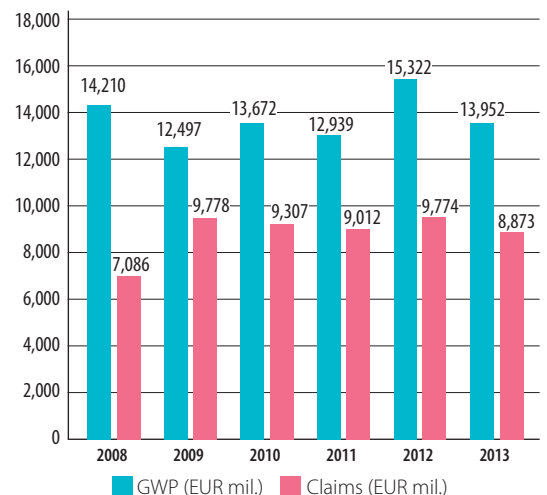
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Romania



S&P Rating

BBB-/POSITIVE

Moody's rating

BAA3/NEGATIVE

Fitch Rating

BBB-/STABLE

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	RON billion ¹	514.70	501.14	523.69	557.35	586.75	631.13
	EUR billion ⁴	139.76	118.27	124.40	131.52	131.68	142.82
GDP per capita, current prices	RON ¹	23,921.18	23,325.87	24,418.31	26,063.67	27,500.30	29,651.52
	EUR ⁴	6,495.55	5,504.89	5,800.21	6,150.14	6,171.52	6,710.01
Unemployment rate	% of total labor force ¹	5.79	6.86	7.28	7.40	7.04	7.29
Population	Millions ¹	21.52	21.48	21.45	21.38	21.34	21.29
RON/EUR exchange rate	End of period ²	3.68	4.24	4.21	4.24	4.46	4.42
Gross written premiums	RON million ³	8,936.29	8,869.75	8,305.40	7,822.31	8,256.91	8,291.20
	EUR million ⁴	2,426.56	2,093.25	1,972.83	1,845.80	1,852.99	1,876.26
Paid claims	RON million ³	4,363.56	5,435.50	5,069.48	4,483.07	5,183.37	4,940.18
	EUR million ⁴	1,184.88	1,282.78	1,204.18	1,057.85	1,163.23	1,117.94
Insurance penetration degree	% in GDP ⁴	1.74%	1.77%	1.59%	1.40%	1.41%	1.31%
Insurance density	EUR/capita ⁴	112.77	97.43	91.99	86.32	86.85	88.15

✿ GWP volume increased in 2013 by 1.26%, to EUR 1.9 billion;

✿ The market indicators reached their lowest values during the past 5 years, with an insurance density of EUR 89.17/capita and the insurance penetration degree, going down to 1.34% of GDP, from the 1.8% level, recorded in 2009;

✿ Although not shown by the official market figures, the life insurance market's GWP value for 2012 should be considered with EUR 36 million lower, following the realignment of BCR Asigurari de Viata – VIG's business turnover decided by the Austrian group;

✿ The non-life segment recorded a slight increase of about 1.4% mostly due to the development of the MTPL together with the insurance against fire and natural perils.

The Romanian insurance market is probably passing through the worst period of its existence, dealing not only with a difficult business environment, but also a high deficit of image. "Stagnation" seems to be the most appropriate word for defining the market's evolution during 2013. In fact, after five years of constant shrinking, a 1.26% increase in GWP seems almost impressive. All in all, gross written premium in 2013 amounted to EUR 1.9 billion.

The market indicators reached their lowest values during the past 5 years. Insurance density amounted to EUR 88/capita, about EUR 9 less than the 2009 value. The same goes for the insurance penetration degree, which stood at 1.31% of GDP, from the 1.8% level, recorded in 2009.

Life insurance lines made the difference in 2013. Unfortunately a negative one, mostly born by the realignment of BCR Asigurari de Viata - VIG which meant

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,876.26	1,852.99	1.26	1,117.94	1,163.23	-3.89	100.00	100.00
TOTAL LIFE	374.19	404.52	-7.50	167.90	163.75	2.53	19.94	21.83
Annuities and supplementary ins.	235.46	248.34	-5.19	89.91	91.26	-1.48	12.55	13.40
Unit-linked	124.11	140.55	-11.70	73.49	68.44	7.38	6.61	7.58
Other life insurance	14.34	15.33	-6.42	4.31	3.91	10.13	0.76	0.83
TOTAL NON-LIFE	1,502.07	1,448.47	3.70	950.05	999.49	-4.95	80.06	78.17
Accidents and illness	22.63	50.65	-55.31	3.00	3.17	-5.39	1.21	2.73
Health	11.45	10.01	14.37	2.96	2.37	24.81	0.61	0.54
Overall property insurance	303.45	278.85	8.82	68.02	67.07	1.42	16.17	15.05
Fire and allied perils	264.48	242.65	9.00	46.72	49.04	-4.73	14.10	13.09
Damages to property	38.96	36.20	7.63	21.30	18.03	18.17	2.08	1.95
Overall motor insurance	964.79	909.72	6.05	834.50	854.99	-2.40	51.42	49.09
Motor Hull	406.30	430.14	-5.54	398.75	436.97	-8.75	21.65	23.21
MTPL	558.49	479.59	16.45	435.75	418.02	4.24	29.77	25.88
GTPL	82.25	94.33	-12.81	8.25	13.09	-36.97	4.38	5.09
Credit	12.44	26.15	-52.42	13.96	34.04	-58.99	0.66	1.41
Warranties	46.42	34.17	35.85	4.33	1.88	130.97	2.47	1.84
Travel	15.28	13.14	16.31	4.51	4.63	-2.52	0.81	0.71
Other non-life insurance	43.36	31.46	37.84	10.52	18.26	-42.40	2.31	1.70

Access
www.xprimm.com
 and get in **MSEcel format**
 (in EUR and RON)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life, MTPL, CASCO, property

a decline of over EUR 42 million for the company or 46% y-o-y. Thus, considering VIG's restated results for 2012 on the life insurance segment are with about EUR 36 million lower than previously documented in the Romanian's market statistics, it is fair to say that in fact the life market remained quasi unchanged at the end of 2013 as compared with 2012. In fact, with very few exceptions, almost all the life insurance companies recorded at least a modest growth in GWP.

The non-life segment recorded a slight increase of about 1.4% mostly due to the development of the MTPL together with the insurance against fire and natural perils. Nine other insurance classes decreased during the last year. Motor HULL continued the decline recording a deficit of nearly EUR 30 million and went below 22% share of the total amount of GWP. However, the biggest drop came from the Accident and Health field. The decrease by almost EUR 26 million, recorded by ASTRA Asigurari, conducted to a drop of the mentioned class with near EUR 31 million.

MTPL underwritings increased by 14% y-o-y, to EUR 554.3 million while its share in the market portfolio is nearing 30%. The concentration on the MTPL remains at high levels, with 3 companies holding together more than 50% of the GWP volume. However, despite the positive evolution in the premiums amount, MTPL remains a challenging business line for the Romanian insurance market and the main source of losses.

Property insurance recorded a positive evolution in 2013, GWP growing by 9.2% y-o-y. The "fire and allied perils" line grew at a higher pace, of over

12%, to EUR 277.5 million, pushed ahead by the amendments adopted to the mandatory household insurance law allowing the mandatory policies' distribution by a larger number of insurers and finally clarifying the underwriting procedures. As a result, the cat risks pool's underwritings went up significantly and the number of mandatory policies grew from about 330.000 in January 2013 to over 724.000 by the end of December 2013, the total number of valid mandatory policies reaching about 1 million.

On the other side, at the beginning of 2014 the actions taken by the new supervising authority against some of the major MTPL insurers with regard to their market conduct and financial sustainability ended with the establishment of special surveillance for ASTRA, the market leader, but also with the disclosure of some corruption cases that went up to the top of the market watchdog itself. Although not yet completed, the investigations revealed a lot of chronic problems of the market which need strong corrective actions, also aggravating the image deficit not only for the players directly involved, but for the entire industry.

D.G.

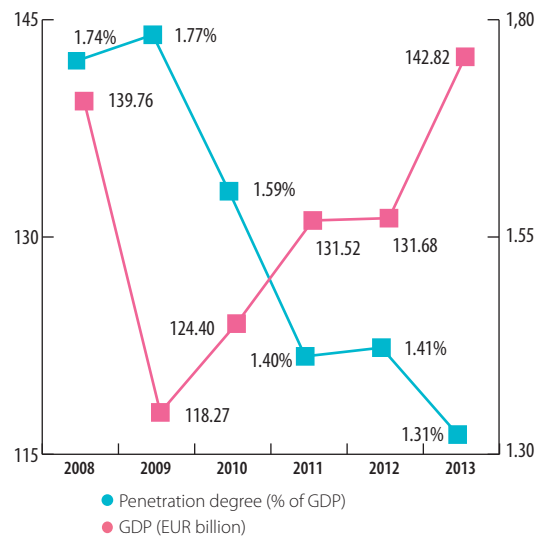
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) The National Bank of Romania
- (3) Financial Supervision Authority (FSA)
- (4) XPRIMM calculations

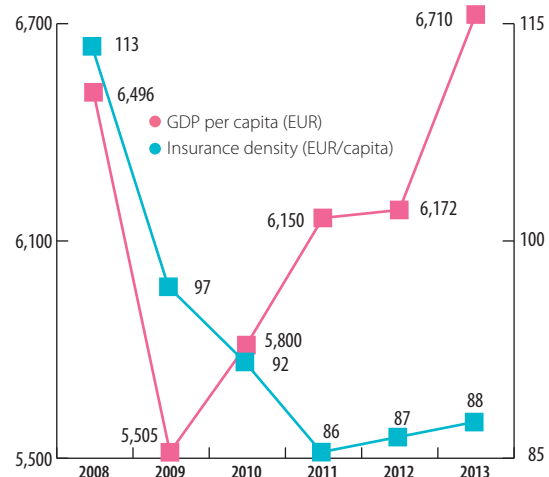


Life	19.94
Property	16.17
Motor Hull	21.65
MTPL	29.77
GTPL	4.38
Other	8.08

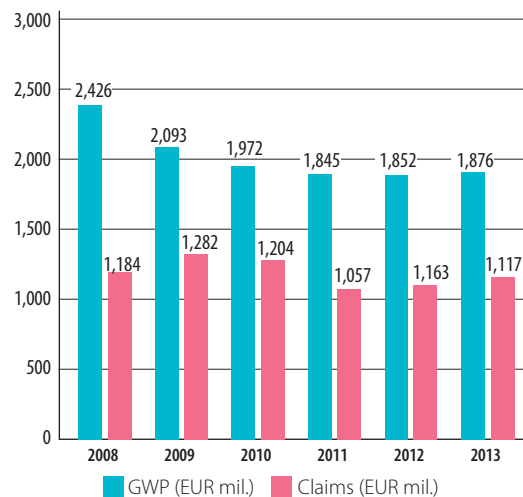
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Serbia



S&P Rating

BB-/NEGATIVE

Moody's rating

B1/STABLE

Fitch Rating

B+/STABLE

Market's main indicators – timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	RSD billion ¹	2,661.39	2,720.08	2,881.89	3,208.62	3,348.69	3,620.90
	EUR billion ³	30.04	28.37	27.32	30.66	29.45	31.58
GDP per capita, current prices	RSD ¹	362,082.49	371,555.14	395,243.27	443,541.10	465,155.35	502,967.75
	EUR ³	4,086.66	3,874.85	3,746.45	4,238.70	4,090.42	4,387.29
Unemployment rate	% of total labor force ¹	14.70	17.40	20.00	24.40	23.10	21.00
Population	Millions ¹	7.35	7.32	7.29	7.23	7.20	7.20
RSD/EUR exchange rate	End of period ²	88.60	95.89	105.50	104.64	113.72	114.64
Gross written premiums	RSD million ²	52,186.63	53,534.64	56,520.94	57,314.00	61,463.70	64,041.51
	EUR million ³	589.01	558.30	535.75	547.72	540.49	558.62
Paid claims	RSD million ²	20,936.83	22,436.00	23,180.31	23,847.09	25,104.52	26,436.22
	EUR million ³	236.30	233.98	219.72	227.89	220.76	230.60
Insurance penetration degree	% in GDP ³	1.96%	1.97%	1.96%	1.79%	1.84%	1.77%
Insurance density	EUR/capita ³	80.14	76.26	73.48	75.71	75.08	77.60

Most macroeconomic indicators improved in 2013, but unemployment rate is still high and the household's consumption recorded no significant change;

Serbian insurance market ended 2013 on a positive trend, recording a 4.2% growth rate in GWP terms, to RSD 64 billion (~ EUR 559 million);

Life insurance reached an almost 22% share in portfolio due to an over 18% growth rate;

Full coverage motor vehicle insurance premium continued to decrease recording a 7% fall in written premiums;

In the near future new Insurance Law, harmonized with the acquis, should be adopted providing for a better insurance customers' protection;

Slight increase in both life and non-life insurance premiums anticipated for 2014 year end.

The Serbian insurance sector continued to show resilience since the start of the financial crisis, recording positive trends throughout the period, but below the pre-crisis level, a representative of the National Bank of Serbia (NBS) told XPRIMM. However, macroeconomic determinants offered in 2013 a mixed picture, with an GDP growth estimated at 2.4% y-o-y, an annual inflation reaching a historical low (2.2%) and lowering of inflationary pressures, but also a still stubbornly high unemployment rate (20.1%). Thus, although far from benefiting from the effects of an improved consumer behavior, the Serbian insurance market

ended 2013 on a positive trend, recording a 4.2% growth rate in GWP terms, to RSD 64 billion (~ EUR 559 million). However, the insurance sector remained underdeveloped in 2013, with a share of total premium in GDP of 1.8%, and total premium per capita of 78 euros, almost unchanged from previous years. Nevertheless, insurance remains the second most important segment of the Serbian financial sector after banks, with an increasing share of the balance sheet total and employment.

Due to an impressive increase, of over 18%, life insurance gained a larger share of the market portfolio, reaching a share of almost 22% of the GWP. On

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	558.62	540.49	3.35	230.60	220.76	4.46	100.00	100.00
TOTAL LIFE	122.69	104.25	17.69	32.59	27.61	18.03	21.96	19.29
TOTAL NON-LIFE	435.93	436.24	-0.07	198.01	193.15	2.52	78.04	80.71
Accidents insurance	35.32	34.65	1.92	19.27	18.91	1.88	6.32	6.41
Health insurance	10.10	9.53	6.06	6.47	5.38	20.29	1.81	1.76
Goods in transit	6.44	7.00	-7.91	1.71	2.48	-31.05	1.15	1.29
Overall property insurance	120.90	119.96	0.79	50.05	44.51	12.46	21.64	22.19
Fire and allied insurance	37.95	41.44	-8.41	15.06	15.08	-0.10	6.79	7.67
Damages to property	82.95	78.52	5.64	34.99	29.43	18.89	14.85	14.53
Overall motor insurance	226.82	230.92	-1.78	111.22	113.13	-1.70	40.60	42.72
Motor Hull	56.09	60.92	-7.94	38.80	39.60	-2.01	10.04	11.27
MTPL	170.74	170.00	0.43	72.41	73.53	-1.53	30.56	31.45
GTPL	10.73	10.02	7.07	3.01	2.37	27.16	1.92	1.85
Financial loss	6.11	4.55	34.42	0.36	0.07	402.45	1.09	0.84
Travel	12.35	10.99	12.40	4.29	4.23	1.42	2.21	2.03
Other non-life insurance	7.15	8.62	-17.14	1.62	2.06	-21.31	1.28	1.60

Access
www.xprimm.com

and get in **MSEExcel format**
(in EUR and RSD)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life

the other hand, although still strongly dominating the market, non-life insurance lines' evolution in 2013 may be defined at best as stagnant. Thus, in the non life segment MTPL and property insurance premiums went up slightly, at a pace of 1.25% and 1.7% respectively, while full coverage motor vehicle insurance premium continued to decrease recording a 7% fall in written premiums.

According NBS, the total assets of the insurance sector reached 147.8 billion dinars (1,289 million euros) as at end of 2013, with a continuation of increase of the share of long term financial investment in the balance sheet, and a decrease of share of real estate and receivables. Capital stood at 35.0 billion dinars (305 million euros) as at end of 2013, with technical provisions reaching 96.2 billion dinars (840 million euros), out of which life insurance mathematical provision having the dominant share and recording a strong annual growth rate (19.5%).

Growth of technical provisions of 9.4% y-o-y outpaced premium growth in 2013. Looking back to 2004 as the base year, technical provisions had a much sharper growth relative to the total premium, and were more than 8 times larger than in the base year, indicating a continuation of long term trends of improvement of protection of interests of insureds and insurance beneficiaries.

DELTA GENERALI, WIENER and GRAWE are the Top 3 life insurance companies, with market shares of 26.2%, 25.5% and 16.2% respectively. On the non-life segment, DUNAV, DELTA GENERALI and DDOR are leading the market, holding market shares of 32.5%, 17.6% and 15.4%.

By the legislative point of view, in the near future new Insurance Law should be adopted. With the enforcement of this new Insurance Law, which provisions are harmonized with the acquis, it is expected that better protection of the insurance customers will be enabled. Furthermore, liberalization of the insurance market, envisaged in the Draft of the new Insurance Law as well, and in compliance with negotiations of Republic of Serbia and World Trade Organization, will create preconditions for better insurance market competition and further development of that market. Although important, this changes are not expected to significantly affect the status and operations of the insurance companies, mainly because of their gradual implementation. On the other hand, in 2014 economic growth in Serbia is expected to soften to around 1.0%, with still a high rate of unemployment and low domestic demand. Such environment is expected to influence the insurance market performance, where pressures on wages and private consumption could put pressure on insurance demand. Thus, NBS anticipates for the end of 2014 only a slight increase in both life and non-life insurance premiums.

D.G.

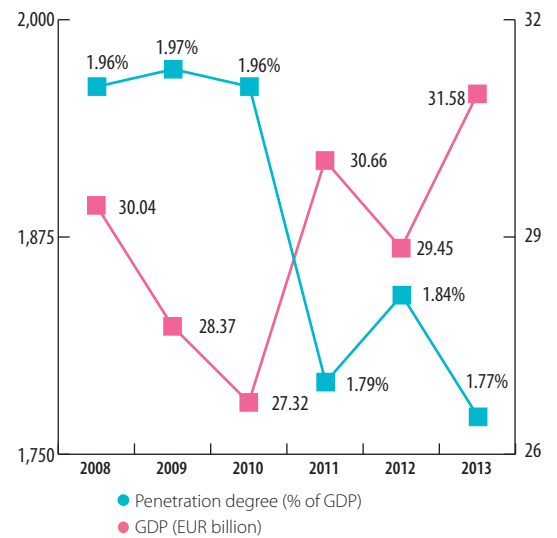
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) National Bank of Serbia
- (3) XPRIMM calculations

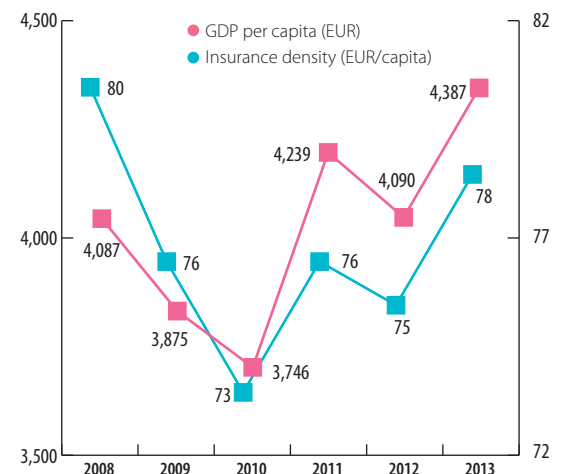


Life	21.96
Property	21.64
Motor Hull	10.04
MTPL	30.56
GTPL	1.92
Other	13.87

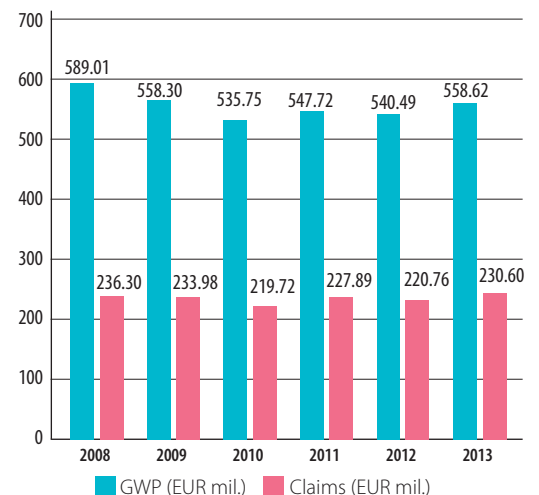
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Slovak Republic



S&P Rating

A/STABLE

Moody's rating

A2/STABLE

Fitch Rating

A+/STABLE

🌸 Slovak insurance market grew at a slow pace in 2013, of 2.3%, to EUR 2.08 billion; life insurance recorded a positive trend despite the unit-linked line's stagnation; motor insurance is still affected by the low tariffs

🌸 Government's plan to nationalize the two private health insurers and create a public health-insurer system has been postponed indefinitely because of lack of funds

🌸 Total assets of the Slovak insurers amounted to EUR 6,607.97 million

🌸 Persisting low rates of interest exerts a significant risk as the commercial insurance companies will enter the market with annuities from 2nd pillar of pension fund in 2015

Market's main indicators – timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	EUR billion ¹	66.84	62.79	65.90	68.97	71.10	72.13
GDP per capita, current prices	EUR1	12,387.86	11,608.28	12,154.19	12,790.87	13,155.45	13,331.42
Unemployment rate	% of total labor force ¹	9.58	12.12	14.49	13.68	13.97	14.17
Population	Millions ¹	5.40	5.41	5.42	5.39	5.40	5.41
Gross written premiums	EUR million ²	2,100.11	1,985.38	2,014.84	2,040.21	2,036.37	2,082.29
Paid claims	EUR million ²	963.70	1,034.12	1,131.97	1,176.57	1,176.50	1,207.59
Insurance penetration degree	% in GDP ³	3.14%	3.16%	3.06%	2.96%	2.86%	2.89%
Insurance density	EUR/capita ³	389.20	367.05	371.60	378.38	376.83	384.83

2013 was year stability for the Slovak insurance market, with no major changes. The market continued to increase its business volume at a slow pace, recording a 2.3% growth in GWP, to EUR 2.08 billion. However, looking at its two main segments, it is obvious that life insurance performed better, ending the year with a 5.2% growth in premiums, while on the non-life sector almost all the main business lines recorded a slightly negative trend.

Neither qualitative nor quantitative changes on the insurance market can be considered major. Compared to the last year, the standard life assurance was growing as well as new production, while the unit-linked insurance has stagnated. The number of repurchases declined, but there was growth in its volume, Ivan PODSTUPKA, Policy Advisor of Communications & PR of the Slovak Insurance Association – SLASPO told XPRIMM.

The non-life insurance business declined by 1.3% despite the growing number or registered vehicles because of the lower cost of insurance per contract. *The combined ratio in the car insurance (so called „CASCO“ insurance) recorded significant change as it was 109% at the end of the year 2013, what means that car insurance products are not profitable,* declared Julia CILLIKOVA, Director of the Regulation and Financial Analyses Department - NBS.



Ivan PODSTUPKA

Policy Advisor of Communications & PR, SLASPO

Read the full interview on www.xprimm.com

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	2,082.29	2,036.37	2.26	1,207.59	1,176.50	2.64	100.00	100.00
TOTAL LIFE	1,169.79	1,111.58	5.24	738.05	724.94	1.81	56.18	54.59
Traditional life ins.	592.97	557.75	6.31	549.99	531.92	3.40	28.48	27.39
Unit-Linked	357.96	359.40	-0.40	118.96	129.68	-8.27	17.19	17.65
Supplementary ins.	164.22	145.52	12.85	44.67	37.25	19.91	7.89	7.15
Other life ins.	54.63	48.91	11.70	24.44	26.08	-6.31	2.62	2.40
TOTAL NON-LIFE	912.50	924.79	-1.33	469.54	451.56	3.98	43.82	45.41
Accident and health	35.27	33.11	6.53	15.18	13.37	13.52	1.69	1.63
Overall motor insurance	508.69	526.57	-3.40	346.76	326.10	6.33	24.43	25.86
Motor Hull	243.11	250.87	-3.09	192.65	179.30	7.44	11.68	12.32
MTPL	265.57	275.70	-3.67	154.11	146.80	4.98	12.75	13.54
Fire and other damages to property	231.22	228.74	1.08	66.90	75.76	-11.70	11.10	11.23
GTPL	63.11	59.05	6.86	17.41	13.61	27.94	3.03	2.90
Credit, suretyship & other financial losses	16.69	16.45	1.46	4.11	7.09	-42.00	0.80	0.81
Travel	25.63	24.39	5.11	8.75	8.28	5.73	1.23	1.20
Other non-life*	31.89	36.47	-12.57	10.44	7.36	41.89	1.53	1.79

* Active reinsurance included



Julia CILLIKOVA
 Director of the Regulation and Financial
 Analyses Department, NBS
 Read the full interview on www.xprimm.com

However, 2013 was not quite a very quiet year for the entire market, as the two private health insurers have avoided nationalization only by chance. If the FICO's government plan adopted by the end of 2012 would have worked, then 2013 would have ended the private health insurance in Slovakia by reinstating a single public health-insurer system starting 2014.

The two private operators subjected to the planned nationalization are managing the health contracts of about 34% of the Slovak citizens: DOVERA, owned by Czech-Slovak private equity group Penta (1.4 million clients), and UNION, a subsidiary of the Dutch insurer ACHMEA (400,000 clients). The state-run General Health Insurance Company controls the health insurance issues for the rest of 3.6 Slovak citizens. Despite the opinion of a large part of the population who think private companies are providing better service, the government he has accused private health insurers of making profit from public funds, which instead should be spent fully on treatment. In fact, most probably

the real issue was reducing the budget deficit by cancelling the payments made to the two insurers. Yet, before producing budgetary advantages, the measure would cause a high expenditure, as the government intended to negotiate with the two private health insurance providers the buyout terms during the entire 2013 year, and expropriate them only if they would fail to reach a reasonable agreement. Finally, the entire operation was suspended because of lack of funds and delayed until the finance ministry will be able to cover the operation's costs. At all events, it seems the 2014 deadline can not be met.

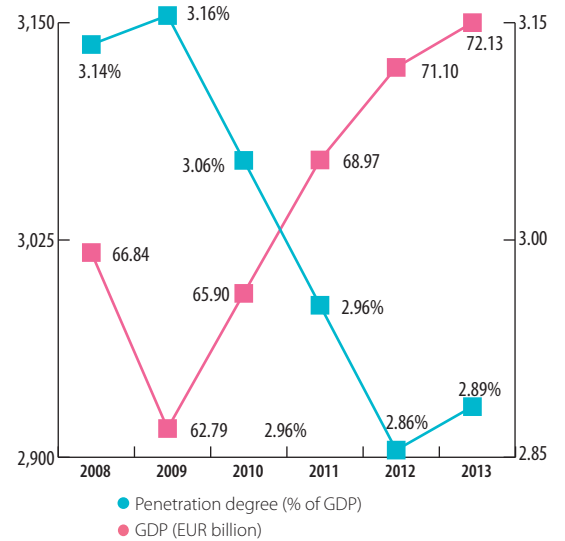
By the end of 2013 total assets of the Slovak insurance companies amounted to EUR 6,607.97 million, while total financial liabilities stood at EUR 5,942.3, according to the National Bank of Slovakia.

All in all, ALLIANZ Slovenska Poistovna is the market leader, with a 26.3% market share and GWP of EUR 572 million, followed by KOOPERATIVA Poistovna VIG (23.45% market share; EUR 509 million in GWP) and GENERALI Poistovna (8% market share; EUR 174 million in GWP).

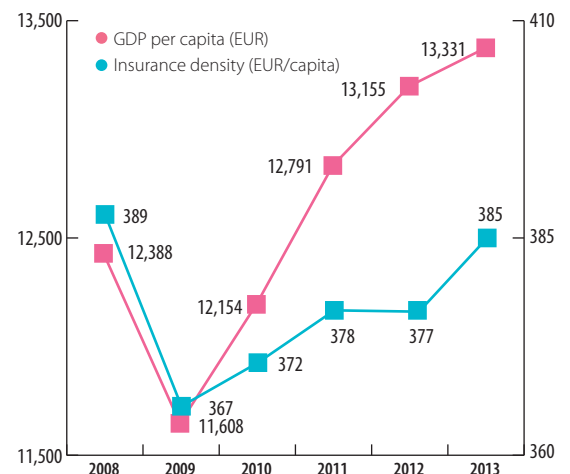
KOOPERATIVA Poistovna VIG, ALLIANZ Slovenska Poistovna, MetLife AMSLICO Poistovna are the life insurance market leaders, with an aggregated market share of about 50%, while on the non-life segment ALLIANZ Slovenska Poistovna holds the leading position, followed by KOOPERATIVA Poistovna VIG and GENERALI Poistovna (71.7% aggregated market share).

D.G.

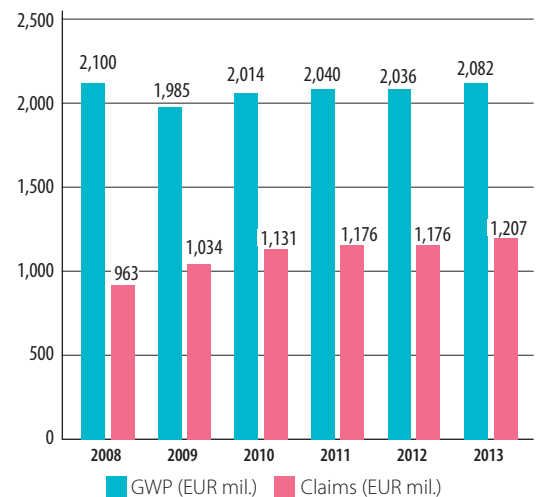
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) National Bank of Slovakia
- (3) XPRIMM calculations

Access
www.xprimm.com
 and get in **MSExcel format**

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, life U-L, non-life, MTPL, CASCO



**FY 2013
 GWP**

Life	56.18
Property	11.10
Motor Hull	11.68
MTPL	12.75
GTPL	3.03
Other	5.26

Slovenia



S&P Rating

A-/STABLE

Moody's rating

BA1/STABLE

Fitch Rating

BBB+/NEGATIVE

Harsh market conditions in 2013: increasing number of bankruptcies on the corporate side and the growing unemployment have driven to a lower demand for insurance products;

Measures imposed by the Bank of Slovenia to rehabilitate major Slovenian banks caused important financial losses for insurers;

In 2013 the market growth was negative for the first time in the last two decades and for the first time since 2008 premium has fallen under EUR 2 billion ;

The decreases recorded in property, motor and life lines pushed down the market by 3.7%;

Increasing number of mass loss events caused by natural factors pushed up the claims paid for property insurance.

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	EUR billion ¹	37.24	35.42	35.49	36.15	35.32	35.28
GDP per capita, current prices	EUR ¹	18,527.07	17,428.10	17,335.13	17,632.52	17,182.52	17,133.54
Unemployment rate	% of total labor force ¹	4.39	5.89	7.27	8.21	8.89	10.13
Population	Millions ¹	2.01	2.03	2.05	2.05	2.06	2.06
Gross written premiums	EUR million ²	2,027.66	2,072.92	2,094.78	2,091.52	2,054.03	1,977.50
Paid claims	EUR million ²	1,205.61	1,239.93	1,242.78	1,283.22	1,388.21	1,362.34
Insurance penetration degree	% in GDP ³	5.44%	5.85%	5.90%	5.79%	5.82%	5.61%
Insurance density	EUR/capita ³	1,008.79	1,020.14	1,023.34	1,020.25	999.53	960.42

Slovenian insurers had to play a tough game in 2013, as the economic environment worsened in many respects. The lowering purchasing power of the customers, both on the retail and corporate segments of the clientele, as well as the increasing number of bankruptcies on the corporate side and the growing unemployment have driven to a lower demand for insurance products, which put an additional pressure on the insurers' business.

As a result, in 2013 the market growth was negative for the first time in the last

two decades and for the first time since 2008 premium has fallen under EUR 2 billion, as Mateja LAMOVSEK, Insurance Analyst with Slovenian Insurance Association told XPRIMM. GWP reported by the Slovenian insurance companies totaled EUR 1.98 billion, a drop of 3.73% on the year before. The negative trend was observed in motor, property and life insurance. Property insurance premiums, which represent almost 12% of all gross written premiums, fell by 2.9% to EUR 230 million due the 6.2% y-o-y decrease reported by the damages to property insurance class. In case of motor insurance lines, MTPL decreased

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,977.50	2,054.03	-3.73	1,362.34	1,388.21	-1.86	100.00	100.00
TOTAL LIFE	552.96	596.96	-7.37	391.99	433.36	-9.55	27.96	29.06
Life assurance	248.58	238.81	4.09	208.07	193.62	7.46	12.57	11.63
Unit-linked	288.63	335.56	-13.99	161.48	209.42	-22.89	14.60	16.34
Other life insurance	15.75	22.60	-30.30	22.44	30.32	-25.99	0.80	1.10
TOTAL NON-LIFE	1,424.54	1,457.07	-2.23	970.34	954.85	1.62	72.04	70.94
Accident insurance	96.00	101.50	-5.42	34.35	35.16	-2.31	4.85	4.94
Health insurance	481.95	468.37	2.90	415.51	400.41	3.77	24.37	22.80
Overall property insurance	229.69	236.56	-2.90	119.63	122.20	-2.11	11.62	11.52
Fire and allied perils	111.91	111.10	0.73	54.57	46.62	17.06	5.66	5.41
Damages to property	117.78	125.46	-6.12	65.05	75.58	-13.93	5.96	6.11
Overall motor insurance	468.89	503.88	-6.94	322.70	318.76	1.24	23.71	24.53
Motor Hull	226.41	239.35	-5.41	177.99	174.95	1.74	11.45	11.65
MTPL	242.48	264.53	-8.34	144.71	143.81	0.62	12.26	12.88
Goods in transit	7.91	8.78	-9.95	1.52	2.49	-38.88	0.40	0.43
GTPL	58.76	57.79	1.68	28.27	26.02	8.68	2.97	2.81
Credit insurance	43.09	42.76	0.77	29.78	31.70	-6.06	2.18	2.08
Financial loss	6.20	5.91	4.86	2.56	2.44	4.98	0.31	0.29
Travel insurance	20.21	19.30	4.69	10.25	9.26	10.72	1.02	0.94
Other non-life insurance	11.84	12.21	-3.02	5.77	6.41	-9.96	0.60	0.59

Access www.xprimm.com and get in **MSExcel format**

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life



Mateja LAMOVSEK
Insurance Analyst, Slovenian Insurance Association
Read the full interview on www.xprimm.com

8.3% y-o-y to EUR 242 million while the motor hull GWP totaled EUR 226 million, or 5.4% less. The life insurance segment followed the negative trend established in the last three years, recording a 7.4% y-o-y fall in premiums, mostly driven by the 14% decrease of the unit-linked class.

On the claims side, with few exceptions, the paid compensations' volume decreased. However, on the fire and allied perils class, following an increasing number of mass loss events caused by wind storms, floods and other natural factors, claims rose by 17%, to about EUR 57 million.

The market leader was TRIGLAV Insurance Company member of one of the largest groups in the Adriatic region, TRIGLAV Group (30.5% market share). The second position was taken by VZAJEMNA (15.5%) - the first and the largest voluntary health insurance company in Slovenia, while the third place went to ADRIATIC SLOVENICA (13.5%), the company results including the KD Life figures as the merger between the two companies has been completed in October 2013.

The Slovenian insurance market witnessed in 2013 also an important acquisition operation, with SAVA Re getting the full ownership of Zavarovalnica MARIBOR and thus becoming the second largest insurance group in the region.

However, the harsh economic environment had a say also in what profitability is concerned. As an example, SAVA Re missed it's the after-tax profit target for 2013, of EUR 30 million and reported a lower figure, of EUR 16 million. *The Group suffered significant investment losses*

from both the measures imposed by the Bank of Slovenia to rehabilitate major Slovenian banks and the cancellation of subordinated bank bonds of major banks, specifies the group's annual report for 2013. The same difficulties made Zavarovalnica TRIGLAV to post a net profit of EUR 48.3 million which although with 15% higher than initially expected, is still 4% lower than the 2012 result.

For the 2014 year end, considering the continued bad shape of the Slovenian economy and the trends manifested on the insurance market in first quarter, insurers are not expecting better results.

D.G.

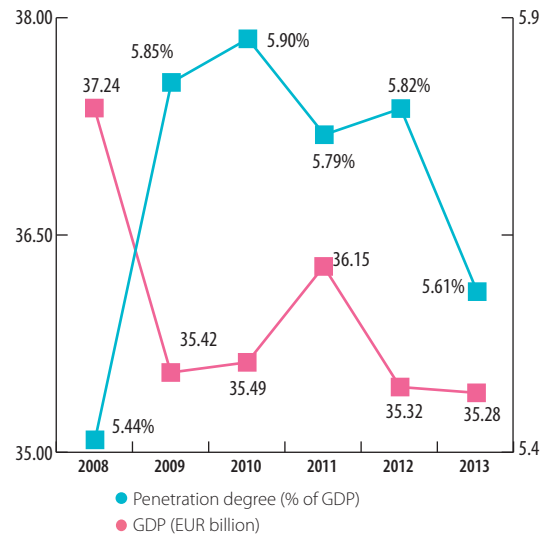
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Slovenian Insurance Association
- (3) XPRIMM calculations

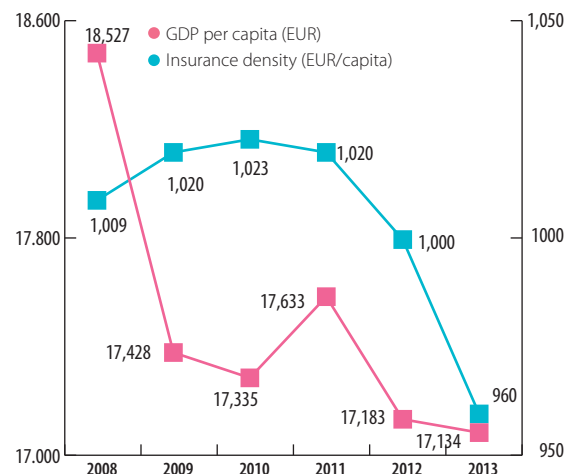


Life	27.96
Property	11.62
Motor Hull	11.45
MTPL	12.26
GTPL	2.97
Other	33.74

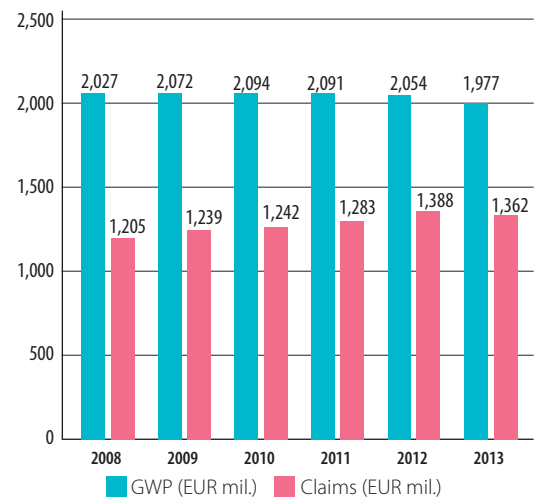
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



IN SOLID FOUNDATIONS WE TRUST

At Trust Re, we believe that great and prosperous futures are built on solid foundations. That's why we maintain a rock-solid commitment to serve your every need.



TRUST RE
REINSURER OF CHOICE

Trust Tower, Building 125, Road 1702, Diplomatic Area 317
P.O. Box 10002, Manama, Kingdom of Bahrain

T + 973 17 517 171

F + 973 17 531 586

www.trustre.com

mail@trustre.com

MEMBER OF TRUST GROUP

Management Team

Executive Council



Fadi AbuNahl
CEO

Fadi has been working in the insurance industry for 16 years including a period with a leading insurance broker in the UK.

Romel Tabaja
Deputy CEO

Romel has been working in the insurance and reinsurance industry for more than 10 years. He held various senior underwriting and managerial positions before being appointed Deputy CEO in April 2011.

Michail Karafoulidis
Corporate Services Officer

Michail has more than 20 years of actuarial and financial experience including in London and other international markets. He has worked in various capacities from managerial and directorship to consultancy roles.

Mark Buisseret
Planning & Business Development officer

Mark is a UK graduate in Actuarial Science. He started his professional career at SCOR and has acquired almost 20 years of experience working for various international reinsurance companies. His areas of expertise include pricing, reserving and capital modelling.

Samir Shaman
Executive Management Advisor

Samir is a Civil Engineer by education and holds the ACII professional qualification. His experience spans over 40 years in the insurance and reinsurance industry with various such companies in the Middle East.

Trust International Insurance and Reinsurance Company B.S.C. (c) Trust Re, was incorporated in 1989 in the Kingdom of Bahrain as an exempt company with a fully paid up share capital of US\$15 million. Following the successful development of the business and the excellent results of the operation, the paid up capital was increased to US\$140 million in 2013.

In addition to the security provided by the share capital, through its successful operations over the years, Trust Re has accumulated significant capital reserves to show total equity of more than twice its paid up capital. The Company enjoys strong relationships with blue-chip, international Reinsurers, amongst which Lloyd's of London market participants are included. This further enhances its security, already provided for by its strong capital position.

Trust Re operates in the Afro-Asian markets (including the Middle East and North Africa [MENA] region), Russia, Central and Eastern Europe (CEE), South Eastern Europe (SEE) and Commonwealth of Independent States (CIS) countries, Cyprus and Turkey. Trust Re provides reinsurance protection to many leading direct insurance companies in its geographical area of operation, in the form of annual Treaties on proportional and non-proportional bases with a sizable underwriting capacity. The Company offers Facultative reinsurance in the following classes: Oil & Energy (offshore and onshore), Marine, Renewable Energy, Engineering, Property and Speciality Lines.

The Company has obtained particular knowledge and expertise in the Afro-Asian markets to the extent that the Federation of Afro-Asian Insurers & Reinsurers (FAIR) chose Trust Re to manage the FAIR Oil & Energy Insurance Syndicate.



Cyprus



S&P Rating
B-/STABLE

Moody's rating
CAA3/POSITIVE

Fitch Rating
B-/NEGATIVE

Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	EUR billion ¹	17.16	16.85	17.41	17.98	17.89	16.43
GDP per capita, current prices	EUR ¹	21,529.80	20,575.27	20,726.36	20,857.66	20,517.51	18,643.37
Unemployment rate	% of total labor force ¹	3.66	5.42	6.27	7.92	11.90	16.04
Population	Millions ¹	0.80	0.82	0.84	0.86	0.87	0.88
Gross written premiums	EUR million ²	759.00	797.00	840.00	854.00	809.98	750.17
Paid claims	EUR million ²	411.00	461.00	495.00	867.00	620.61	620.01
Insurance penetration degree	% in GDP ³	4.42%	4.73%	4.83%	4.75%	4.53%	4.56%
Insurance density	EUR/capita ³	952.32	973.14	1,000.00	990.72	928.87	851.50

Cypriot insurers reported EUR 750 million in GWP last year, an annual decrease of 7.4% y-o-y;

In the case of life insurance, the local insurers reported a negative dynamic of 9.1% y-o-y to EUR 319 million while in case of non-life insurance segment, the decrease was only 6% y-o-y;

In the life insurance segment, the top three businesses remained the same as in 2012: EUROLIFE (28.4% market share), CNP CYPRIALIFE (25.4%) and UNIVERSAL Life Company (14.3%);

In non-life insurance, General Insurance of Cyprus (a 13% market share) led the field ahead of CNP Asfalistiki (12.5%) and PANCYPRIAN (7.4%);

On the life insurance market, seven of 10 insurers recorded a decrease in GWP, while on the non-life side, 17 of the 27 active companies reported negative dynamics.

Cyprus has been a member of the European Union (EU) since May 2004 and adopted the euro as its national currency in January 2008. According CIA World Factbook, during the first five years of EU membership, the Cyprus economy grew at an average rate of about 4%, with unemployment between 2004 and 2008 averaging about 3%. The economy contracted by an accumulated 8.2% between 2009 and 2013 and is not expected to return to positive growth before 2015.

Household consumption, the driver of growth, will again remain greatly depressed, due the increase in unemployment (17% of the economically active population in 2013) due to restructuring in the banking sector, the rise in VAT (from 18% to 19%), the 3% fall in public

sector wages (on top of the 12.5% fall in 2013), a lack of consumer confidence as well as still high household debt, are expected to depress demand (Source: COFACE).

In July 2012, Cyprus became the fifth eurozone government to request an economic bailout program from the European Commission, European Central Bank and the International Monetary Fund - known collectively as the "Troika".

Regarding insurance industry, this market has seen steady growth for a number of years, but as with the rest of the economy, was badly affected by the financial crisis that struck in 2012. Cypriot insurers reported EUR 750 million in gross written premiums last year, an annual decrease of 7.4%, according to the figures published by

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	750.17	809.98	-7.38	620.01	620.61	-0.10	100.00	100.00
TOTAL LIFE**	319.16	351.21	-9.13	399.24	355.22	12.39	42.55	43.36
TOTAL NON-LIFE	431.01	458.77	-6.05	220.76	265.39	-16.81	57.45	56.64
Accident & health*	97.66	99.26	-1.61	64.85	66.98	-3.18	13.02	12.25
Motor	164.84	178.21	-7.50	117.43	126.01	-6.81	21.97	22.00
MAT	3.80	4.67	-18.66	1.01	0.24	320.55	0.51	0.58
Fire	113.23	116.83	-3.08	22.89	54.02	-57.62	15.09	14.42
Liability	37.74	43.11	-12.47	14.06	12.15	15.70	5.03	5.32
Credit	0.20	0.22	-6.81	0.04	-0.13	-127.33	0.03	0.03
Miscellaneous	13.54	16.47	-17.81	0.48	6.11	-92.08	1.80	2.03

* Including A&H premiums by Life Companies

** In case of life claims, the figures include Death Claims, Maturities, Surrenders & Other insured events

Access
www.xprimm.com
 and get in **MSExcels format**

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life



Christos CHRISTODOULOU
 CEO, TRUST Insurance Cyprus

the Insurance Association of Cyprus.

In case of life insurance, the local insurers reported a negative dynamic of 9.1% y-o-y to EUR 319 million while in case of non-life insurance segment, the decrease was only 6% y-o-y.

In the life insurance segment, the top three businesses remained the same as in 2012, with slight changes in the companies' market shares: EUROLIFE with a 28.4% market share, CNP CYPRIALIFE with 25.4% and UNIVERSAL Life Company with a 14.3% market share.

In non-life insurance, General Insurance of Cyprus (a 13% market share) led the field ahead of CNP Asfaltiki (12.5%) and PANCYPRIAN (7.4%), as data from the Insurance Association of Cyprus shows.

On the life insurance market, seven of 10 insurers recorded a decrease in GWP, while on the non-life side, 17 of the 27 active companies reported negative dynamics.

According to Christos CHRISTODOULOU, CEO, TRUST Insurance Cyprus, for the coming period, the biggest challenge of the insurance industry, even greater than the financial crisis, is Solvency II: *A lot of companies have lost assets through the bail in, such as the drop in real estate prices and the shareholding in the banks. The likely consequence of the financial crisis is that companies that were preparing for the Solvency II capital requirement rules will now struggle to meet them, forcing a level of industry consolidation. The capital requirements of Solvency II will push a lot of the companies to merge. We expect*

to see over the next few years in the industry changes with regards to who the key players are. There will be a lot of consolidation. The industry has been preparing for the past three or four years for Solvency II. However, now with the financial crisis, I am not sure whether some companies will be facing worse problems, as a result of their assets decreasing. (Source: World Finance)

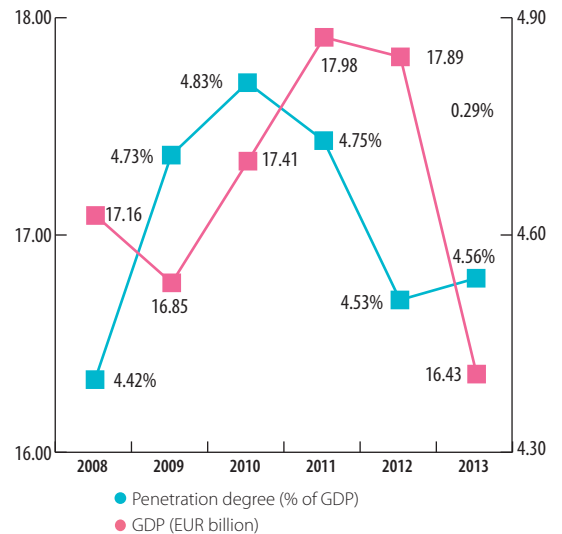
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Insurance Association of Cyprus Annual Reports - IAC (2008-2011), IAC preliminary figures (2012-2013)
- (3) XPRIMM calculations

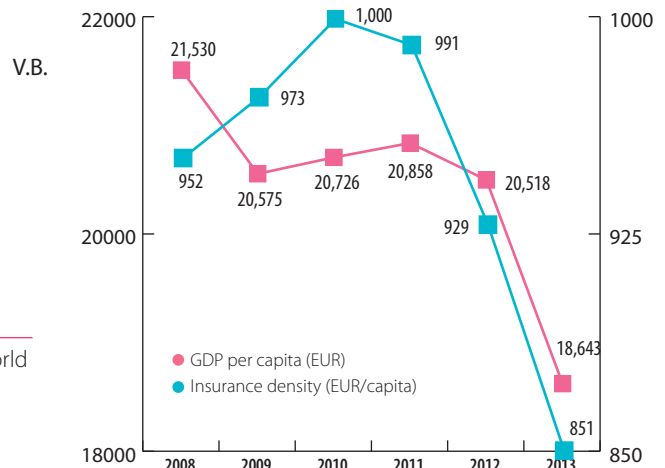


Life	42.55
Motor	21.97
Fire	15.09
Liability	5.03
Other	15.36

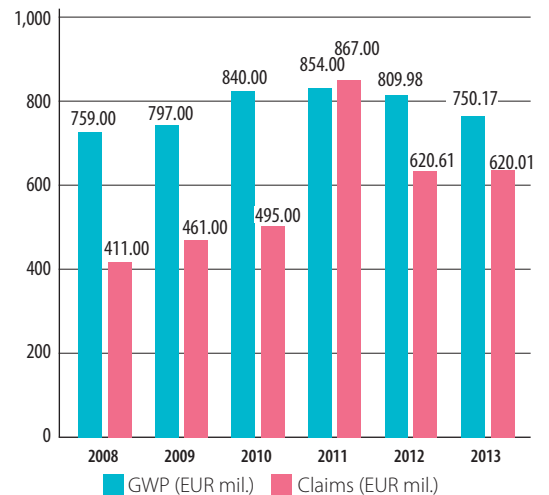
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Greece



S&P Rating
B-/STABLE

Moody's rating
CAA3/STABLE

Fitch Rating
B-/STABLE

Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	EUR billion ¹	233.20	231.08	222.15	208.53	193.35	182.05
GDP per capita, current prices	EUR ¹	20,854.32	20,649.48	19,864.19	18,747.13	17,382.58	16,456.87
Unemployment rate	% of total labor force ¹	7.65	9.46	12.53	17.65	24.24	27.25
Population	Millions ¹	11.18	11.19	11.18	11.12	11.12	11.06
Gross written premiums	EUR million ²	5,212.50	5,448.10	5,332.30	4,987.30	4,410.00	3,843.14
Insurance penetration degree	% in GDP ³	2.24%	2.36%	2.40%	2.39%	2.28%	2.11%
Insurance density	EUR/capita ³	466.15	486.83	476.78	448.38	396.48	347.39

Since 2010, the insurance market began to decline, dropping below EUR 4 billion in 2013 (preliminary data), thus reaching a volume fairly comparable to the one recorded a decade ago;

Life insurance segment decreased by 15% y-o-y, basically still being one of the insurance business lines most affected by the global economic and Eurozone debt crises;

Because of the harsh competition, MTPL insurance premiums fell by 15% while in 2014 it is expected that they will decrease by 8%;

5.6 million cars were insured in Greece as of December 2013, down from 5.8 million in July.

The Greek economy grew in average by about 4% per year between 2003 and 2007, but in 2009 went into a deep recession as a result of the world financial crisis, tightening credit conditions and of Athens' failure to address a growing budget deficit. By 2013 the economy had contracted 26%, compared with the pre-crisis level of 2007 and is expected to continue to decrease over the first part of 2014, with recovery possibly starting towards the end of the year, according COFACE estimates.

Analyzing the insurance market evolution, the figures presented by the Hellenic Association of Insurance Companies indicate that the insurance industry had positive developments in 2008 and 2009 (when totaled EUR 5.45 billion, the highest value in 2000-2013 period). Since 2010, the insurance

market began to decline, dropping below EUR 4 billion in 2013 (preliminary data), thus reaching a volume fairly comparable to the one recorded a decade ago.

In 2013, the Greek insurance market totaled EUR 3.84 billion, 13% less y-o-y, according to the preliminary figures presented by the Hellenic Association of Insurance Companies. The life insurance segment decreased by 15% y-o-y to approximately EUR 1.65 billion, basically still being one of the insurance business lines most affected by the global economic and Eurozone debt crises. For the future insurance analysts forecasted an increase for the life GWP, but this projection's fulfillment depends on the gradual improvement in the economy.

As for the non-life segment, it reported a negative dynamics of 11% y-o-y, due to a 13% decrease in motor hull insurance,

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2013 EUR m	2012 EUR m	Change %	2013 %	2012 %
TOTAL MARKET	3,843.14	4,410.00	-12.85	100.00	100.00
TOTAL LIFE	1,644.76	1,938.92	-15.17	42.80	43.97
Annuities and supplementary ins.	1,177.99	1,302.82	-9.58	30.65	29.54
Unit-linked	247.22	367.78	-32.78	6.43	8.34
Other life insurance*	219.55	268.32	-18.17	5.71	6.08
TOTAL NON-LIFE	2,198.38	2,471.07	-11.04	57.20	56.03
Overall property insurance	523.52	523.00	0.10	13.62	11.86
Fire and allied perils	396.36	396.80	-0.11	10.31	9.00
Damages to property	127.15	126.20	0.76	3.31	2.86
Overall motor insurance	1,317.25	1,560.98	-15.61	34.28	35.40
Motor Hull	234.15	267.97	-12.62	6.09	6.08
MTPL	1,083.10	1,293.01	-16.23	28.18	29.32
GTPL	76.75	76.54	0.27	2.00	1.74
Other non-life insurance	280.87	833.55	-66.30	7.31	18.90

*health insurance included

while the MTPL insurance sector - the most representative non-life insurance class (28.2% of total market) - went down by 16% y-o-y.

According to the local media, the price war in Greece's car insurance premiums lies behind the drop in the sector turnover. "Due to the competition between the insurance companies, insurance premiums have been significantly reduced. Last year, insurance premiums fell by 15% while in 2014 it is expected that they will decrease by 8%," greekreporter.com reported.

At the same time, it is estimated that some two million cars and one million motorbikes in Greece have not had an annual check-up, according to the same source. Meanwhile, as many as 500,000 fewer vehicles have been taxed than last year, costing the Greek state around EUR 400 million in lost revenue.

According to the latest data from the Hellenic Association of Insurance Companies, 5.6 million cars were insured as of December, down from 5.8 million in July. In 2014, a total of 5.5 million tax vignettes have been purchased, compared to 6 million last year.

In Greece, the owner of an uninsured car would pay a fine of EUR 500, while the license plates, driving licenses and vehicle registrations are removed by the police. The fine for an uninsured motorcycle is EUR 250 and EUR 1,000 for buses and trucks.

Besides the cost of the inspection, car owners are afraid of the findings and how much they will cost, stated Konstantinos VIKAS, director of a technical inspection centre quoted by greekreporter.com. If, for example, the tires are worn out, the owner must replace them and then pay for a second examination to obtain the document. A cross-check of databases between the ministries of Transport and Finance is still being developed in order to levy fines directly against owners of uninsured or uninspected vehicles.

The year 2014 started with a seismic sequence which strongly affected the island of Kefalonia between January 26th and February 3rd. According to a survey conducted by HAIC among the

Greek insurers, the 415 declared losses were found worth EUR 7.8 million. After exemptions, it is estimated that finally claims payments will amount to EUR 6.2 million. The average loss is estimated at EUR 18,900, notes the Greek insurance magazine Asfaltiki Agora.

Note: HAIC surveyed the Greek market regarding the premium production for the twelve months of 2013. 60 insurance enterprises-members responded, which accumulated 94.6% of premiums (including policy fee) according to the full data on insurance market for 2012. From the above, 22 were active in Life insurance (98.8% market share) and 49 were active in Non-life insurance (91.3% market share).

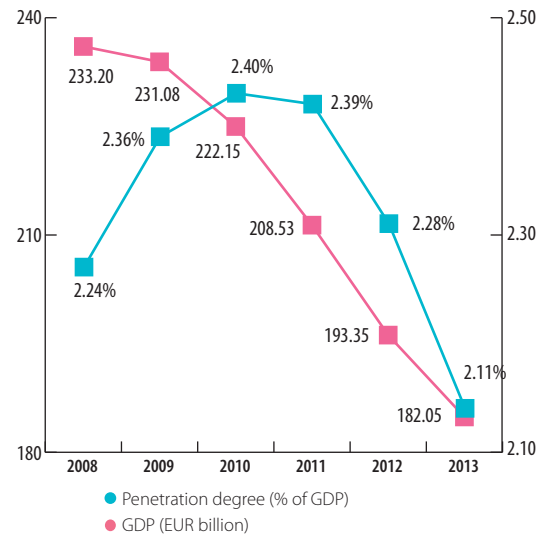
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Hellenic Association of Insurance Companies
- (3) XPRIMM calculations



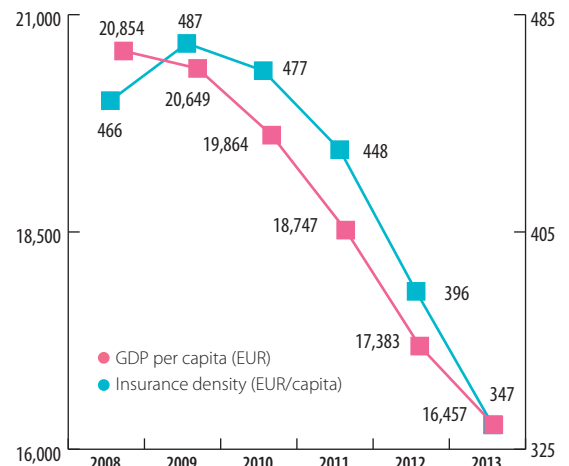
Life	42.80
Property	13.62
Motor Hull	6.09
MTPL	28.18
GTPL	2.00
Other	7.31

GDP and insurance penetration degree

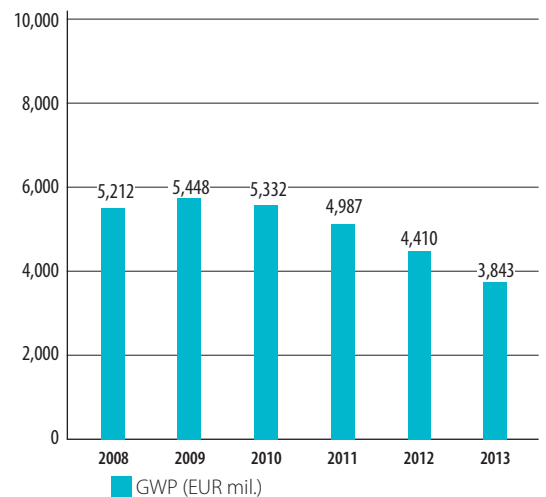


V.B.

GDP per capita and insurance density



GWP evolution



Turkey



S&P Rating

BB+/Negative

Moody's rating

BAA3/NEGATIVE

Fitch Rating

BBB-/STABLE

The Turkish market results for 2013 were strongly affected by the 20% devaluation of the Turkish Lira, so that converted in European currency the figures show a negative trend although in local currency GWP for almost all insurance classes grew at a double digit rate;

The Turkish Catastrophe Insurance Pool (DASK) has issues 6.03 million mandatory household insurance policies last year, collecting EUR 230 million in premiums;

Non-life insurance market ended 2013 with a profit of EUR 260 million, the first positive aggregate financial result in the last five years;

Pushed up by a strong banking lending activity, life insurance grew both in terms of GWP and profitability, reaching an aggregated profit of EUR 226 million.

Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	TRY billion ¹	950.53	952.56	1,098.80	1,297.71	1,415.79	1,575.26
	EUR billion ⁴	443.45	442.43	532.11	528.47	600.80	535.86
GDP per capita, current prices	TRY ¹	13,369.92	13,220.80	15,051.43	17,548.52	18,906.14	20,595.92
	EUR ⁴	6,237.42	6,140.64	7,288.83	7,146.33	8,022.97	7,006.13
Unemployment rate	% of total labor force ¹	10.95	14.03	11.89	9.79	9.21	9.73
Population	Millions ¹	71.10	72.05	73.00	73.95	74.89	76.48
TRY/EUR exchange rate	End of period ²	2.14	2.15	2.07	2.46	2.36	2.94
Gross written premiums	TRY million ³	11,779.88	12,436.06	14,129.39	17,165.08	19,826.76	24,229.62
	EUR million ⁴	5,495.63	5,776.16	6,842.32	6,990.18	8,413.65	8,242.21
Insurance penetration degree	% in GDP ⁴	1.24%	1.31%	1.29%	1.32%	1.40%	1.54%
Insurance density	EUR/capita ⁴	77.30	80.17	93.73	94.53	112.35	107.76

The 20% devaluation of the Turkish Lira (TRY) against the European currency in the last 12 months has made the local insurance market's results for 2013 look completely different when denominated in TRY or EUR: from a 22% GWP growth rate calculated in local currency, to about a 2% decrease of the same indicator denominated in euro. Thus, the 2013 overall premium production amounted to TRY 24.23 billion (EUR 8.24 billion), with a quasi even dynamics on both the life and non-life segments.

In fact, regardless of the TRY devaluation, the market kept growing in nominal terms at its already "regular" double-digit pace. Life insurance GWP recorded a y-o-y increase of 25.25%, while on the non-life side the GWP volume saw a

y-o-y 21.7% growth rate. Almost every insurance class recorded an over 20% growth rate, except for health insurance (10.5%), goods in transit insurance (10.07%) and Motor Hull (10.85%).

In 2013 the Turkish Catastrophe Insurance Pool (DASK), the government-backed compulsory insurance plan has issues 6.03 million mandatory household insurance policies, collecting EUR 230 million in premiums. Government officials quoted by the Turkish financial press said the pool could provide as high as \$5 billion in insurance payments for a single disaster, this amount making the Turkish catastrophe insurance system one of the largest in the world.

However, a regulation imposed at the beginning of 2014 by the Public Treasury,

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	2013	2012	Change	2013	2012
	EUR m	EUR m	%	%	%
TOTAL MARKET	8,242.21	8,413.65	-2.04	100.00	100.00
TOTAL LIFE	1,154.99	1,150.36	0.40	14.01	13.67
TOTAL NON-LIFE	7,087.22	7,263.29	-2.42	85.99	86.33
Accident	301.83	284.32	6.16	3.66	3.38
Health	841.28	949.33	-11.38	10.21	11.28
Goods in transit	141.49	160.36	-11.77	1.72	1.91
Overall property insurance	1,874.55	1,861.69	0.69	22.74	22.13
Fire and allied perils	1,130.89	1,122.48	0.75	13.72	13.34
Damages to property	743.65	739.21	0.60	9.02	8.79
Overall motor insurance	3,540.75	3,594.67	-1.50	42.96	42.72
Motor Hull	1,709.63	1,923.90	-11.14	20.74	22.87
MTPPL	1,831.12	1,670.77	9.60	22.22	19.86
GPLL	172.85	178.23	-3.02	2.10	2.12
Other non-life insurance	214.48	234.68	-8.61	2.60	2.79

Access
www.xprimm.com
 and get in **MSExcEL format**
 (in EUR and TRY)

Market indicators

GWP, growth rates, portfolio

Market rankings

life, non-life, accidents, health, MTPL, CASCO, fire, damages to property, GTPL

forcing DASK to keep its TRY 2.5 billion deposits only in the three state-run banks resulted in a significant financial loss for the fund, of about EUR 17 million. Instead of benefitting of high interest rates born by the commercial banks' competition, DASK saw itself forced to accept an ever decreasing interest rate offered by the state-controlled banks.

The Turkish subsidiary of the French group AXA is leading the market, with a 13.08% share of the overall market and a 15.2% share of the non-life insurance market. On the life side, ZIRAAT Hayat ve Emeklilik is leading, with a 23.45% market share. However, it is interesting to observe that once the ALLIANZ merger with YAPI KREDI will be finalized and their results consolidated, the leading position of AXA will be under a serious threat.

According a recent Fitch report, after four years of poor results, the Turkish non-life insurance market ended 2013 with a profit of EUR 260 million, mostly driven by the improved underwriting results, particularly in motor and health insurance, stronger investment returns and a reduction in reserve strengthening. However, it seems to be too early for considering this positive result as a market trend as there could be more reserve strengthening in coming years negatively affecting profitability.

On the life insurance side, the last five years' trend was a constant growth in profit, by about 13% annually, up to a profit amount in 2013 of about EUR 226 million. According Fitch Ratings, *strong premium growth has been buoyed by strong growth in credit in Turkey, but this will be tempered in 2014 as some adverse effects from economic*

readjustment could feed into insurers' results.

All in all, in 2013 Turkey maintained its "rising star" statute among the emerging insurance markets, although the TRY devaluation raises strong concerns with regard to the country's future economic development and financial health.

As far as the 2014 development perspectives are concerned, Fitch estimates the household consumption, the main engine of growth (70% of GDP), will suffer from the combined effects of the depreciation of the Turkish lira, high inflation, rising interest rates and the measures aimed at controlling imports (namely increased taxes on imported cars). In this climate of slowing growth, new arrivals on the labour market could have difficulty finding a job. As a result unemployment could increase to more than 10% of the active population (9.9% in November 2013). For the insurance business such an environment could be a hindering factor.

D.G.

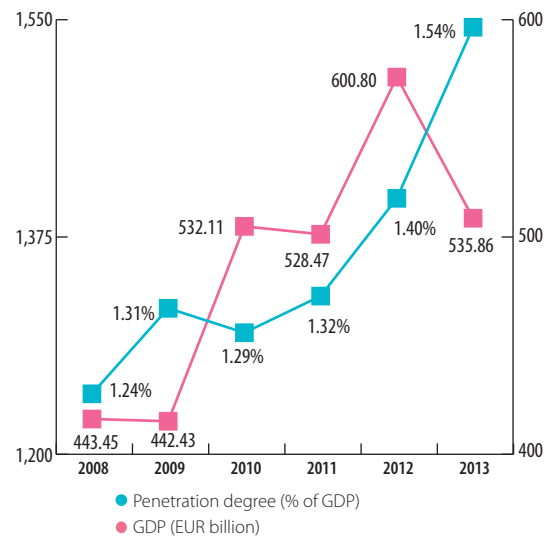
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Central Bank of the Republic of Turkey
- (3) Association of Insurance and Reinsurance Companies of Turkey
- (4) XPRIMM calculations

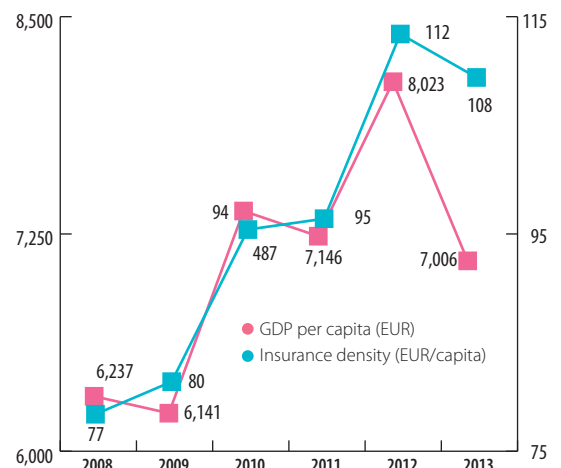


Life	14.01
Property	22.74
Motor Hull	20.74
MTPL	22.22
GTPL	2.10
Other	18.19

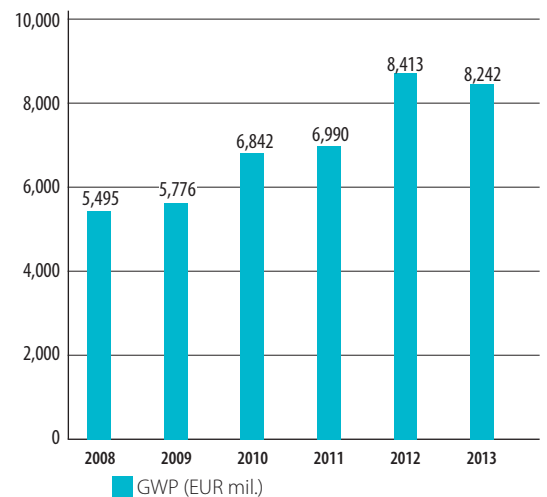
GDP and insurance penetration degree



GDP per capita and insurance density



GWP evolution



Armenia



Moody's rating
BA2/STABLE

Fitch Rating
BB-/STABLE

Market's main indicators - timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	AMD billion ¹	3,568.23	3,141.65	3,460.20	3,777.95	3,997.63	4,290.43
	EUR billion ⁴	8.20	5.79	7.19	7.58	7.51	7.67
GDP per capita, current prices	AMD ¹	1,103,279.82	966,810.59	1,060,566.02	1,153,817.79	1,218,474.64	1,305,109.05
	EUR ⁴	2,536.28	1,783.03	2,204.19	2,313.56	2,289.33	2,332.47
Unemployment rate	% of total labor force ¹	16.40	18.70	19.00	19.00	19.00	18.50
Population	Millions ¹	3.23	3.25	3.26	3.27	3.28	3.29
AMD/EUR exchange rate	End of period ²	435.00	542.23	481.16	498.72	532.24	559.54
Gross written premiums	AMD million ³	6,573.22	8,102.64	8,256.00	22,382.44	35,522.14	35,734.33
	EUR million ⁴	15.11	14.94	17.16	44.88	66.74	63.86
Paid claims	AMD million ³	2,163.67	1,900.67	1,742.41	8,125.84	14,486.73	19,723.37
	EUR million ⁴	4.97	3.51	3.62	16.29	27.22	35.25
Insurance penetration degree	% in GDP ⁴	0.18%	0.26%	0.24%	0.59%	0.89%	0.83%
Insurance density	EUR/capita ⁴	4.67	4.60	5.26	13.71	20.34	19.43

☀ In 2013 the Armenian insurance market decreased by 4.31% y-o-y;

☀ Only four out of seven domestic insurance companies ended the year 2013 with positive results in terms of GWP;

☀ insurance types such as health insurance, fire and allied perils, other damages to property and GTPL became more unprofitable for local companies in 2013;

☀ In the past year the Motor Hull segment increased by only 3.61% while in 2012 insurance premiums on this segment increased, in local currency, by almost 40%;

☀ In the structure of the insurance portfolio the main market share is traditionally occupied by the MTPL insurance - 45.1% or EUR 28.78 million. Since 2011 until the present the number of road accidents in the country has increased three times;

☀ All seven insurance companies operating in Armenia appeared on the list of the 1,000 largest taxpayers in the fourth quarter of 2013, paying a total of AMD 2.3 billion or EUR 4.1 million in various taxes.

At the end of 2013 the Armenian insurance market decrease by 4.31% y-o-y, to EUR 63.86 million, in comparison with the results of 2012, when insurance companies had collected EUR 66.74 million in premiums. At the same time, it should be noted that the size of claims paid by insurers amounted to EUR 35.25 million, 29.51% more than a year before, according to data presented by the ArmInfo News Agency. Only four out of seven domestic insurance companies ended 2013 with positive results in terms of GWP: ROSGOSSTRAKH Armenia, RESO, NAIRI Insurance and SIL Insurance.

In 2013 types of insurance such as health insurance, fire and allied perils, other damages to property and GTPL

became more unprofitable for local companies. From the 18 types of non-life insurance, for 4 of them (such as: shipping insurance and liability arising from the use of transportation, given guarantees and rail transportation insurance) Armenian insurance companies have not concluded any contracts in the past year. It should be noted that in Armenia only ROSGOSSTRAKH Armenia engaged credit risk insurance. And only two companies, ROSGOSSTRAKH Armenia and INGO Armenia, are engaged in the segment of aircraft insurance.

In the past year the Motor Hull segment increased by only 3.61% to EUR 3.8 million. Meanwhile, in 2012 insurance premiums on this segment increased in the local currency by almost 40%.

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	63.86	66.74	-4.31	35.25	27.22	29.51	100.00	100.00
Accidents	0.80	0.65	23.32	0.06	0.09	-37.10	1.26	0.98
Health	20.67	24.15	-14.40	13.35	5.72	133.43	32.37	36.19
Overall property insurance	4.25	4.91	-13.41	0.36	0.25	42.80	6.66	7.36
Fire and allied perils	3.82	4.35	-12.30	0.36	0.25	42.48	5.97	6.52
Other damages to property	0.44	0.56	-22.07	0.01	0.00	61.03	0.68	0.84
Overall motor insurance	32.58	32.09	1.51	21.07	19.61	7.43	51.01	48.08
Motor Hull	3.80	3.67	3.61	2.56	2.51	2.34	5.95	5.50
MTPL	28.78	28.42	1.24	18.51	17.11	8.18	45.06	42.59
CARGO	1.08	1.03	5.12	0.03	0.04	-26.88	1.69	1.54
GTPL	0.73	0.82	-11.53	0.14	0.99	-85.40	1.14	1.23
Credit insurance	1.60	1.55	2.88	-	0.23	-	2.50	2.32
Travel	0.81	0.79	2.79	0.13	0.25	-48.20	1.27	1.18
Other	1.35	0.75	79.43	0.10	0.03	254.86	2.11	1.12

Access
www.xprimm.com

and get in **MSEExcel format**
(in EUR and AMD)

Market indicators

GWP, claims, growth rates, portfolio

Total market ranking

It should be noted that in 2011, due to the introduction of compulsory insurance MTPL, Motor Hull insurance declined by 3% in Armenia. Until that time, the total portfolio of voluntary motor insurance increased by 30-40% annually.

In the structure of the insurance portfolio the main market share is traditionally occupied by MTPL insurance - 45.1% or EUR 28.78 million. Despite the fact that MTPL insurance was introduced in Armenia relative recently, in 2011, according to experts and sociologists, the number of road accidents in the country has increased three times.

At present some of the drivers are sure that the insurance company will pay for their damage and therefore they neglect traffic rules. According to the Armenian Car Insurers Bureau's latest report, insurance companies paid 48,809 compensations totaling EUR 16.9 million for car accidents in Jan-Nov 2013 – a 15.3% year-on-year growth. More than 399,140 motor vehicles were insured in Armenia over eleven months in 2013 – a 5.2% growth.

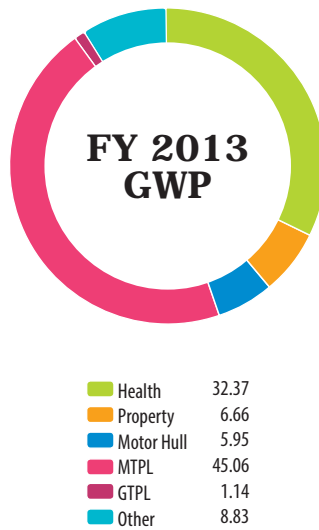
As a result, as the Car Insurers' Bureau of Armenia announced on its website, the aggregated loss ration of seven Armenia-based MTPL insurers rose in 2013 to 77%, from 74% one year before.

It should also be mentioned that on January 1 2013 Armenia began introducing the so-called bonus-malus system designed to reduce an insurance premium, especially one covering a motor vehicle, if no claims have been made within a specified period. According to Anna VARDIKYAN, Executive director of the Motor Insurers Bureau, 75 percent of

car owners who were not involved in road accidents have been awarded bonuses worth AMD 350 million (EUR 626,118). Starting on January 1, 2014 car owners who have been involved in car accidents more than once within a specific period will have to pay larger premiums (malus).

All seven insurance companies operating in Armenia appeared on the list of the 1,000 largest taxpayers in the fourth quarter of 2013 paying a total of AMD 2.3 billion or EUR 4.1 million in various taxes, according to the statement posted by the State Revenue Committee (SRC). Moreover, 0.34% of the total volume of taxes was paid by insurance companies.

O.A.



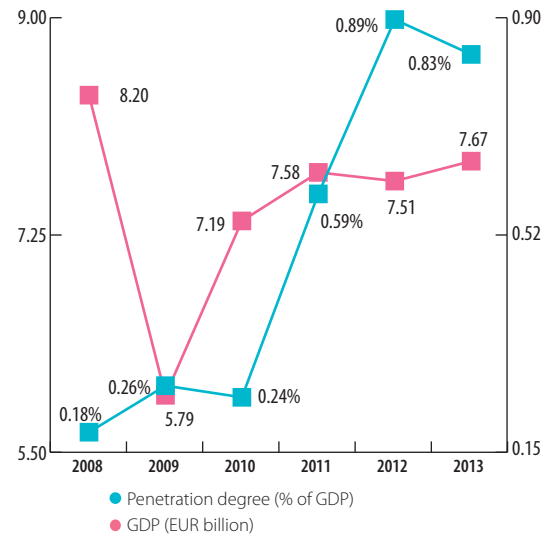
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Central Bank of Armenia
- (3) ArmInfo News Agency
- (3) XPRIMM calculations

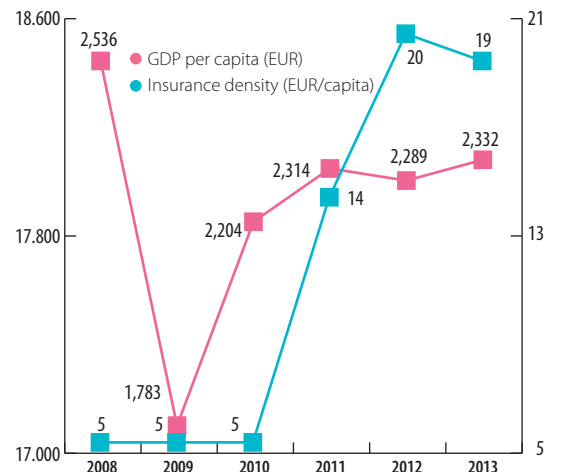
Courtesy to



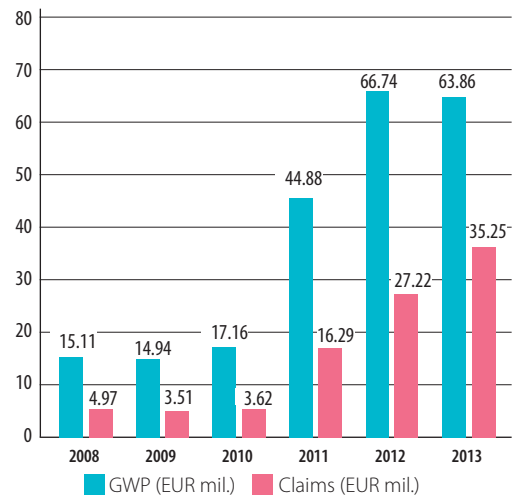
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Azerbaijan



S&P Rating
BBB-/STABLE

Moody's rating
BAA3/STABLE

Fitch Rating
BBB-/STABLE

Market's main indicators – timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	AZN billion ¹	38.01	35.60	42.47	51.16	53.97	57.71
	EUR billion ⁴	33.66	30.96	40.21	50.26	52.01	53.53
GDP per capita, current prices	AZN ¹	4,328.71	4,001.52	4,719.59	5,614.85	5,843.82	6,199.21
	EUR ⁴	3,833.43	3,479.88	4,469.31	5,516.66	5,631.52	5,750.66
Unemployment rate	% of total labor force ¹	6.07	6.05	6.05	6.05	6.05	6.05
Population	Millions ¹	8.78	8.90	9.00	9.11	9.24	9.31
AZN/EUR exchange rate	End of period ²	1.13	1.15	1.06	1.02	1.04	1.08
Gross written premiums	AZN million ³	179.26	163.31	155.59	212.98	342.52	405.67
	EUR million ⁴	158.75	142.02	147.34	209.26	330.08	376.32
Paid claims	AZN million ³	49.81	53.07	53.83	61.57	93.86	122.80
	EUR million ⁴	44.11	46.15	50.98	60.49	90.45	113.92
Insurance penetration degree	% in GDP ⁴	0.47%	0.46%	0.37%	0.42%	0.63%	0.70%
Insurance density	EUR/capita ⁴	18.08	15.96	16.37	22.97	35.74	40.43

In 2013 the insurance market of Azerbaijan totaled EUR 376.32 million, marking an increase rate of 14.01% y-o-y in European currency;

In 2013, gross premiums written by life insurers increased by 79.85% and totaled almost EUR 63.80 million;

The weight of the first 10 players increased during last year from 70.05% (EUR 257.05 million) in 2012 to 73.71% (EUR 277.38 millions);

Last year some insurers were in a state of technical bankruptcy but they finally solved that situation by the end of the year;

The Ministry of Health of Azerbaijan expects major changes in the process of financing the insurance industry through the use of compulsory health insurance.

At the end of 2013 the insurance market of Azerbaijan totaled EUR 376.32 million, marking an increase rate of 14.01% y-o-y in European currency, while the payments amounted to EUR 113.92 million (25.95% more), according to data presented by the Ministry of Finance of the Republic of Azerbaijan. For the second consecutive year, the ratio of insurance premiums in the gross

domestic product (GDP) exceeds the parameters in the 2008-2011 period raising to 0.63% in 2012 and to 0.70% in 2013.

In 2013, GWP by life insurers increase by 79.85% and totaled almost EUR 63.80 million. The market share of life insurance increased from 11% (2012) to 16.95%. In the reporting period, the basis of the life insurance

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	376.32	330.08	14.01	113.92	90.45	25.95	100.00	100.00
TOTAL LIFE INSURANCE	63.80	35.47	79.85	3.61	4.07	-11.43	16.95	10.75
Voluntary life insurance	40.71	14.54	180.08	2.25	2.93	-23.21	10.82	4.40
Compulsory life insurance*	23.08	20.94	10.26	1.35	1.14	18.98	6.13	6.34
TOTAL NON-LIFE INSURANCE	312.52	294.60	6.08	110.31	86.38	27.71	83.05	89.25
Accident and diseases (V)	10.10	9.98	1.23	1.33	1.52	-12.50	2.68	3.02
Medical insurance (V)	60.70	57.68	5.23	42.82	39.40	8.69	16.13	17.47
Fire and other perils insurance (V)	44.26	35.81	23.59	2.94	2.34	25.49	11.76	10.85
Aircraft insurance (V)	10.65	5.81	83.18	0.00	0.86	-99.85	2.83	1.76
Ships insurance (V)	1.25	0.92	35.96	0.00	0.72	-99.83	0.33	0.28
Cargo insurance (V)	14.61	15.50	-5.70	0.19	0.35	-46.93	3.88	4.69
Aircraft liability insurance (V)	3.72	1.85	100.64	-	1.15	-	0.99	0.56
GTPL (V)	4.92	3.63	35.68	0.21	0.14	51.24	1.31	1.10
Overall motor insurance	118.83	126.42	-6.00	51.34	29.87	71.89	31.58	38.30
Motor Hull (V)	52.75	54.64	-3.48	25.94	22.01	17.82	14.02	16.56
Motor Vehicle liability (V)	1.88	2.12	-11.19	0.42	0.25	70.05	0.50	0.64
Liability for owners of motor vehicles (M)	64.20	69.66	-7.83	24.95	7.05	253.98	17.06	21.10
MTPL (M)	-	-	-	0.03	0.56	-95.18	-	-
Immovable property (M)	12.32	11.00	12.00	1.34	0.88	53.09	3.27	3.33
Military servants (M)	15.83	15.20	4.14	6.36	7.03	-9.47	4.21	4.60
Fire insurance (M)	-	-	-	0.10	0.42	-75.27	-	-
Servants of judicial and law-enforcement bodies (M)	8.98	5.56	61.50	0.95	0.79	20.90	2.39	1.69
Other non-life insurance (V)+(M)	6.35	5.25	21.03	2.73	0.92	197.48	1.69	1.59
TOTAL VOLUNTARY INSURANCE	251.36	207.19	21.32	78.75	72.58	8.49	66.79	62.77
TOTAL MANDATORY INSURANCE	124.96	122.88	1.69	35.17	17.87	96.85	33.21	37.23

*compulsory insurance against industrial disability arising out of industrial accidents and occupational illnesses
(V) - Voluntary insurance / (M) - Mandatory insurance

Access
www.xprimm.com

and get in **MSExcels format**
(in EUR and AZN)

Market indicators

GWP, claims, growth rates, portfolio

Total market ranking

market increase was sustained by the voluntary types of insurance - GWP of EUR 40.71 million.

At the same time, the insurance companies' overall non-life GWP amounted to EUR 312.52 million, 6.08% more compared with 2012. The largest share of the segment was represented by civil liability for owners of motor vehicles (17.06% of the total market), followed by medical insurance (16.13%), Motor Hull (14.02%) and fire and other perils insurance (11.76%).

The main market tendency-concentration of business

By the end of 2013, 96.98% of premiums, or EUR 364.94 million, was occupied by the Top 20 players, a proportion unchanged for the last 3 years. However, inside the Top 20 echelon, the weight of the first 10 players increased during last year from 70.05% (EUR 257.05 million) in 2012 to 73.71% (EUR 277.38 millions).

Starting 2014 the Azerbaijani insurance market was reorganized. For example, a company with integral American capital CHARTIS Azerbaijan (local subsidiary of AIG) resumed its activity and another company ERA-TRANS was still in the situation of technical bankruptcy. Last year some insurers were also in a state of technical bankruptcy but finally solved that by the end of the year.

Azerbaijan expects the start of compulsory health insurance soon

According to the local press ABS.az, the Ministry of Health of Azerbaijan prepares major changes in the process of financing the insurance industry through the use of compulsory

health insurance. *The delay with the compulsory health insurance application is related to the lack of specific mechanisms, as well as to financing and cooperation issues of relevant agencies, with the selection of clinics within the compulsory health insurance framework. I'm sure that for the shortest period, with the approval of such a mechanism, the country will start using the compulsory health insurance which is a really important issue at present,* explained Anar GADIROV, head of the Health Ministry's press service.

The compulsory health insurance application will also change the health care system of Azerbaijan as a whole, as it means the refusal from the Soviet system (the SEMASHKO system) which has been applied until the present and implies the centralized financing of the system. *After the start of the compulsory health insurance, insurance products will be used by each citizen of the country. The growth of the insurance market reached almost 60% in 2013 after the adoption of the Law on the Mandatory Types of Insurance in the country,* said Orhan BAYRAMOV, Chairman, Azerbaijan Insurers Association.

O.A.

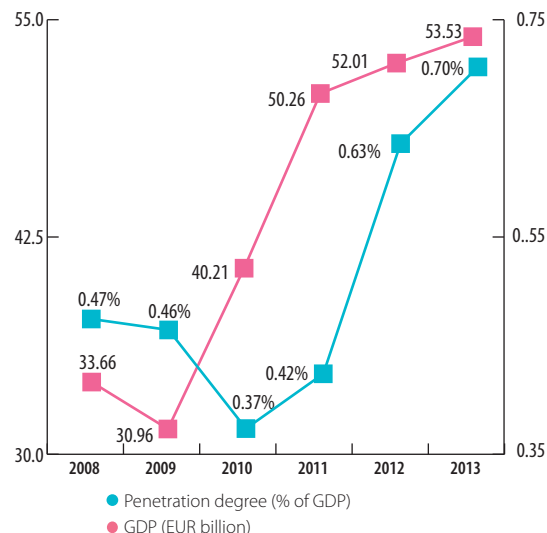
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) Central Bank of Azerbaijan Republic
- (3) Ministry of Finance of Republic of Azerbaijan
- (4) XPRIMM calculations

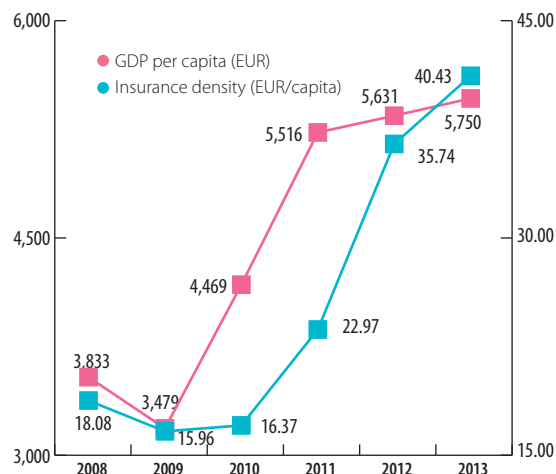


Life	16.95
Property	15.03
Motor Hull	14.02
MTPL	17.06
GTPL	1.31
Other	35.63

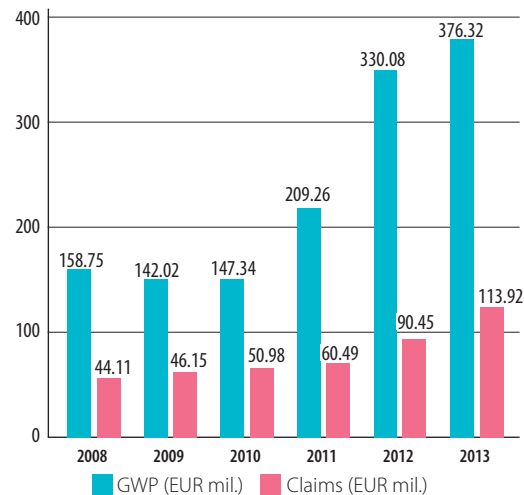
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Belarus



S&P Rating

B-/STABLE

Moody's rating

B3/NEGATIVE

Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	BYR billion ¹	129,790.80	137,442.20	164,476.10	297,157.70	530,355.50	636,784.26
	EUR billion ⁴	42.18	33.47	41.40	27.51	46.77	48.68
GDP per capita, current prices	BYR ¹	13,602,054	14,446,310	17,313,273	31,342,442	56,033,333	67,284,896
	EUR ⁴	4,420.36	3,518.25	4,358.17	2,902.08	4,941.21	5,144.11
Unemployment rate	% of total labor force ¹	0.80	0.90	0.70	0.60	0.60	0.60
Population	Millions ¹	9.54	9.51	9.50	9.48	9.47	9.46
BYR/EUR exchange rate	End of period ²	3,077.14	4,106.11	3,972.60	10,800.00	11,340.00	13,080.00
Gross written pre- premiums	BYR million ³	939,671	1,115,233	1,342,046	2,365,643	4,337,589	6,645,108
	EUR million ⁴	305.37	271.60	337.83	219.04	382.50	508.04
Paid claims	BYR million ³	460,702	631,981	804,447	1,338,675	2,064,765	2,761,334
	EUR million ⁴	149.72	153.91	202.50	123.95	182.08	211.11
Insurance penetration degree	% in GDP ⁴	0.72%	0.81%	0.82%	0.80%	0.82%	1.04%
Insurance density	EUR/capita ⁴	32.00	28.55	35.56	23.10	40.41	53.68

☀ In 2013 the Belarusian insurance market increased by 29.30% as compared with 2012;

☀ The share of insurance premiums in the GDP stood at 1.04%, with an outlook of reaching 1.2-1.3% by 2015 as a result of the legislative changes;

☀ Amendments in the insurance legislation were adopted in April 2014, such as: stronger requirements concerning insurers' capitalization, tighten consumer protection rules, improved procedures and conditions for the compulsory insurance lines;

☀ Two new types of mandatory insurance were introduced: civil liability of legal persons and individual entrepreneurs for damage caused by activities related to the operation of some facilities, and the carrier's liability for transportation of dangerous goods;

☀ Currently in Belarus there are 25 active insurance companies, 8 of which are under government control. Their share of the insurance market is 82%.

In 2013 the Belarusian insurers received insurance premiums for direct insurance and coinsurance in the amount of EUR 494.56 million, 29.30% more as compared with 2012. Calculating in local currency, the insurance market accounted for BYR 6,468,870 million,

up 49.14% y-o-y. Meanwhile, the total value of claims paid by the insurance companies reached BYR 2,755,267 million or EUR 210.65 million.

In 2013, premiums from life insurance reached BYR 373,264 million (EUR 28.54 million). The share of life insurance

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	508.04	382.50	32.82	211.11	182.08	15.95	100.00	100.00
TOTAL LIFE (V)	28.42	18.63	52.55	5.56	3.61	54.23	5.59	4.87
Life insurance	10.94	4.15	163.50	1.08	0.89	21.56	2.15	1.09
Supplementary pension ins.	17.48	14.48	20.73	4.48	2.72	64.96	3.44	3.78
TOTAL NON-LIFE (V)+(M)	479.62	363.88	31.81	205.55	178.47	15.17	94.41	95.13
VOLUNTARY INS. (V), OF WHICH:	249.28	168.66	47.80	82.90	75.94	9.17	49.07	44.09
Medical expenses insurance	12.28	6.12	100.69	5.49	3.18	72.57	2.42	1.60
Accidents	32.89	22.32	47.35	5.36	4.34	23.70	6.47	5.84
Property of legal entities	73.00	46.85	55.80	31.55	27.24	15.82	14.37	12.25
Property of individuals	69.23	56.35	22.86	33.91	34.79	-2.52	13.63	14.73
Cargo	4.13	5.08	-18.76	0.25	0.24	1.27	0.81	1.33
Business risks	24.15	12.92	86.97	3.12	3.08	1.45	4.75	3.38
Construction risks	15.45	6.81	127.06	0.12	0.06	85.16	3.04	1.78
Liability insurance	18.15	12.22	48.57	3.10	3.01	2.98	3.57	3.19
MANDATORY INS. (M), OF WHICH:	230.34	195.21	17.99	122.64	102.53	19.62	45.34	51.04
Real estate property of individuals	5.73	5.68	0.99	2.25	2.12	6.15	1.13	1.48
Ins. with State support of agricultural crops, livestock and poultry	20.50	9.77	109.72	11.96	2.61	357.78	4.03	2.55
Medical ins. for foreign citizens	3.46	3.22	7.66	0.48	0.33	47.83	0.68	0.84
Accidents at work and occupational diseases	93.88	74.63	25.79	55.00	45.06	22.07	18.48	19.51
Compulsory state insurance	0.26	0.18	45.04	0.24	0.17	44.95	0.05	0.05
MTPL	65.10	58.73	10.84	45.67	45.52	0.34	12.81	15.35
Green Card insurance	39.21	41.30	-5.06	6.64	6.22	6.71	7.72	10.80
Carriers' liability	1.94	1.57	23.40	0.39	0.50	-22.73	0.38	0.41
Commercial organizations engaged in real estate activities	0.22	0.11	105.42	-	0.00	-	0.04	0.03
Temporary managers in case of economic insolvency (bankruptcy)	0.04	0.03	43.16	0.00	0.00	331.20	0.01	0.01

Access
www.xprimm.com
 and get in **MSEExcel format**
 (in EUR and BYR)

Market indicators
 GWP, claims, growth rates, portfolio

Market rankings
 total market, life, non-life

in the total amount of insurance premiums was 5.77% (in 2012 - 4.87%). In parallel non-life insurance premiums accounted for 94.23% of the total insurance premiums (BYR 6,095,605 million).

Currently, in Belarus there are 25 active insurance companies, 8 of which are under government control. Their share of the insurance market is 82%. BELGOSSTRAKH (market share - 47.09%) is the market leader, followed by TASK and EXIMGARANT OF BELARUS, with shares of 7.94% and 7.12% respectively.

The market becomes more attractive

In April 2014, the head of state signed a Decree *On the Modifications and Additions to the Decrees of the President of the Republic of Belarus on Insurance Operations*. Thus, the insurance legislation was corrected on several important points such as: the increase in the level of capitalization of insurers and their financial stability, the strengthening of the protection of the policyholders' interests, the improvement of the procedure and conditions for the types of compulsory insurance. Two new types of mandatory insurance were introduced: civil liability of legal persons and individual entrepreneurs for damage caused by activities related to the operation of some facilities, and the carrier's liability for transportation of dangerous goods.

For the insured's benefit the amount of insurance indemnity for bodily injury under MTPL was increased in case of a car accident without turning to the traffic police for assistance. The amount of the insurance indemnity for bodily injuries under Passengers Legal

Liability Insurance was raised from EUR 3,000 to EUR 5,000.

Moreover, in the Belarusian legislation on insurance it is planned to make some changes in order to make the local market more attractive for investors, as well as to increase the competition and eliminate the misbalance between private and state companies. Currently, in Belarus there are unequal conditions for private and state insurance companies, which limit the potential for development in this area. Thus, only state-owned insurance companies have the right to exercise compulsory insurance, more than 50% of the authorized funds being owned by the state. Also, the clients served by the private and state-owned insurance companies have different tax regulations.

Legislative changes are expected to lead also to an market indexes improvement. Currently the share of insurance premiums in the GDP is 1.04%, which is very low in comparison with Russia -1.35% and Ukraine - 1.97%. Experts expect that as a result of the legislative changes this index will reach 1.2-1.3% by 2015.

According to the head of state all these amendments and changes are aimed at the harmonization of the upcoming legislation of the common financial market in the Eurasian Economic Union.

O.A.

Sources:

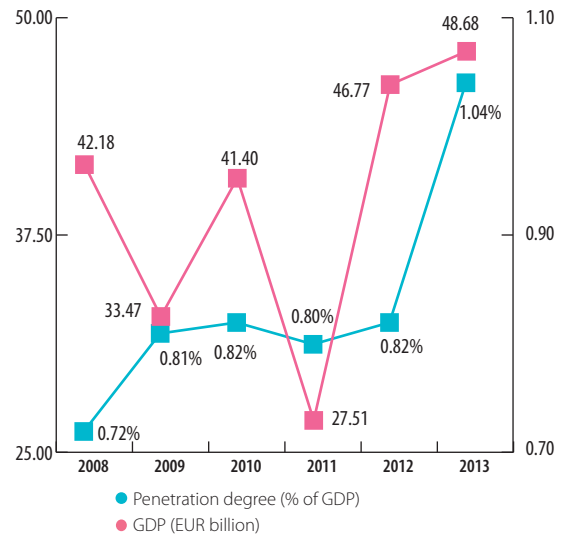
- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) National Bank of the Republic of Belarus
- (3) Ministry of Finance of the Republic of Belarus
- (4) XPRIMM calculations



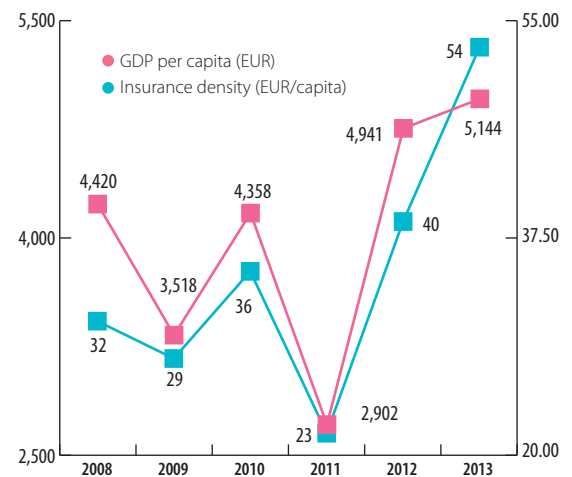
Legend for FY 2013 GWP:

- Voluntary life ins. 5.59
- Voluntary non-life ins. 49.07
- Mandatory non-life ins. 45.34

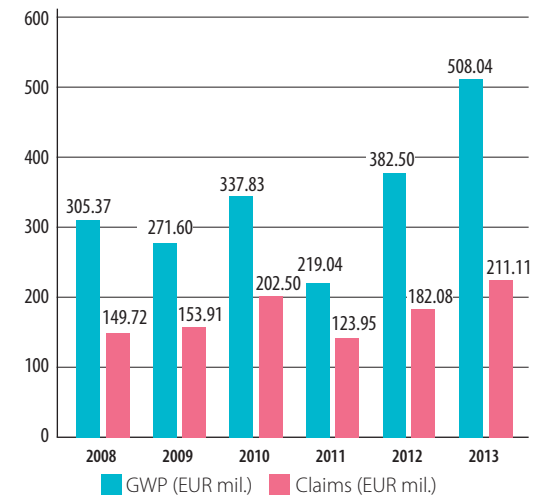
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



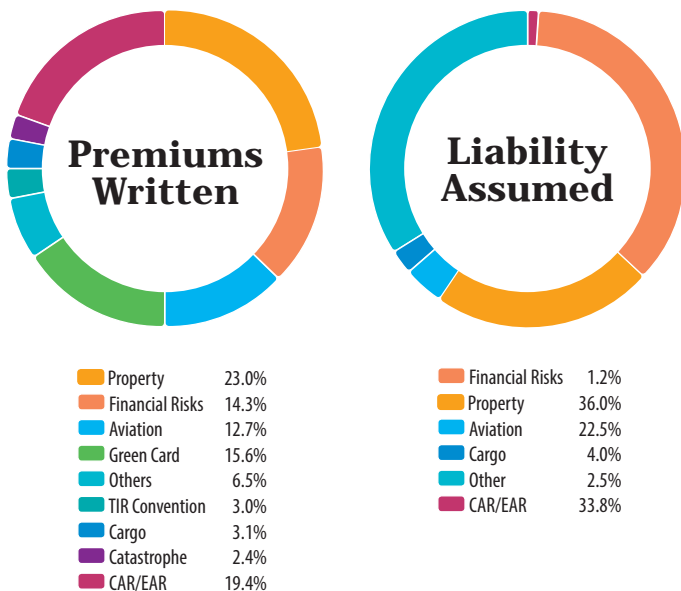
Interview with **Mikhail I. BULAVKIN**, General Manager, Republican Unitary Enterprise “Belarusian National Reinsurance Organization” (BELARUS Re)

XPRIMM: How do you evaluate the company’s results for 2013?

Mikhail BULAVKIN: In 2013, BELARUS Re reached its target so far as concerns the volume of premiums earned and written and improved its underwriting policy and balanced insurance portfolio.

	2012	2013
Premiums written, BYR	255,843,000,000	361,545,000,000
Liability assumed, BYR	251,532,899,000,000	240,292,074,000,000
Net profit, BYR	74,239,000,000	118,682,000,000
Combined ratio, %	29	26

The amount of premiums written in 2013 increased by 41.31% as compared with 2012; the volume of assumed liability decreased by 4.46%; the net profit increased by 59.86%; the combined ratio decreased by 10%. The data indicate that in 2013 the company managed to remain in the positive dynamics.



The diagram shows that the share of CAR/EAR in the insurance portfolio increased substantially, which was caused by the insurance of the same risks for the Belarusian Nuclear Power Plant. The increase in the relative share of property insurance also turned out to be positive for the portfolio. Thus, the total share of CAR/EAR and Property exceeded 50%. This was a key factor for

the significant reduction in the proportion of other conventional classes of business (Aviation, Green Card, TIR Convention, and Cargo).

Also, it should be noted that the percentage of space risks was reduced considerably in 2013, which was a consequence of more cautious limit policy on space risks from abroad because of the high loss ratio of this segment. In general, we assume that both the substantial diversification of risk portfolios and the lower percentage of Hull Insurance indicate its positive development.

XPRIMM: Which is the geographical distribution of your underwritings?

Mikhail BULAVKIN: One of the priorities of BELARUS Re is its activity on the international market. Our company is working with foreign counterparts, accumulating the necessary experience in the field of international reinsurance and developing new areas of cooperation with foreign insurance and reinsurance companies. The geography of the activity of BELARUS Re is constantly expanding, and as of 2013 our company is in a contractual relationship with representatives from 21 countries. The main foreign partners are companies from the Russian Federation and the CIS countries. However, in recent years, BELARUS Re is intensifying its cooperation with companies from foreign countries, namely South and Southeast Asia, the Middle East and Latin America.

XPRIMM: How do you evaluate last year for BELARUS Re in view of the reinsurance business development?

Mikhail BULAVKIN: The year 2013 can be considered as successful for BELARUS Re in view of the reinsurance business development. This is largely due to the implementation of a number of major infrastructure projects in the country, including those related to the preparation for the World Ice-Hockey Championship, which required reinsurance protection. In 2013, reinsurance cover was provided for international investment projects implemented on the territory of Belarus, such as the complex construction of BEREZA and LUKOML Hydroelectric Power Stations, POLOTSK Hydropower Station, KEMPINSKI Hotel Mall, VICTORIA Hotel, HILTON Hotel Mall & Parking in the city of Minsk, as well as the participation of the state enterprise in property risks reinsurance for GAZPROM TRANSGAZ Belarus, OJSC. Also, in March 2013, a project on CAR/EAR and Civil Liability Insurance in the construction of Belarusian Nuclear Power Plant was implemented. BELARUS Re provided the insurance companies of the Republic of Belarus with reinsurance coverage having retroceded these risks both on the local and international markets. The growth of written

Our main foreign partners are companies from the Russian Federation and the CIS countries. However, in recent years, BELARUS Re is intensifying its cooperation with companies from foreign countries, namely South and Southeast Asia, the Middle East and Latin America.



Mikhail I. BULAVKIN, General Manager, BELARUS Re



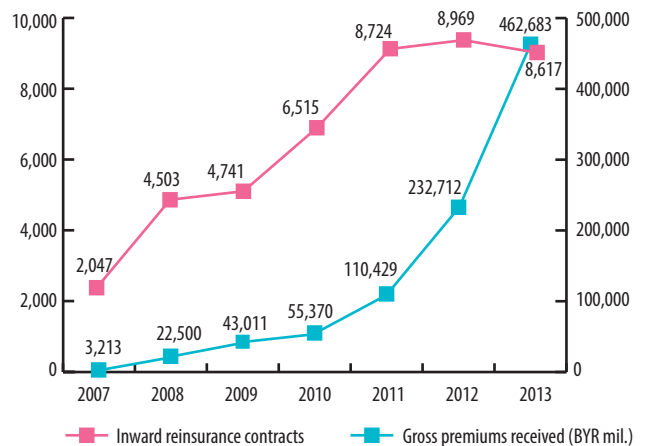
premiums from abroad should be noted. The amount of reinsurance premiums on risks accepted from non-residents amounted to BYR 45,614.8 million with a 120.7% growth rate for 2012.

XPRIMM: How did the insurance portfolio of BELARUS Re expand since its establishment until 2013?

Mikhail BULAVKIN: Since the company's foundation the insurance portfolio of Belarus Re has been showing steady growth.

As Insurance Portfolio Diagram shows, the number of inward reinsurance contracts more than quadrupled compared with 2007 at the end of 2013; the growth rate of the gross premiums income is 143.98, which indicates sustainable development of BELARUS Re's reinsurance business.

BELARUS Re's Insurance Portfolio



XPRIMM: What are your plans for the development of incoming and outgoing reinsurance this year?

Mikhail BULAVKIN: Our Company hopes to maintain positive dynamics in 2014. The further increase in coverage provided for domestic and foreign partners and the achievement of acceptable financial results is a priority. In 2014, our company will continue to develop international relations aimed at a mutually beneficial cooperation with our current international partners, as well as to consider the options of entering new reinsurance markets. At the same time, we look forward to further cooperation with domestic insurance companies in respect of reinsurance coverage and ensure the implementation of measures aimed at the development of the national insurance market.



Insurance companies with foreign investments were granted the right to enter into contracts of voluntary life insurance with citizens of the Republic of Belarus



On 1 April 2014, BELARUS Re's XL Obligatory Retrocession Program on Property and Engineering Risks was renewed with a liability limit of USD 20,000,000; the Green Card XL Motor Third Party Liability Reinsurance Program has been effective since 1 January 2014.

XPRIMM: How do you evaluate the development of the Belarusian insurance market over the past year?

Mikhail BULAVKIN: For 2013, the insurance companies of the Republic of Belarus received BYR 6,645.1 billion in insurance premiums under direct insurance and co-insurance, which is 53.2% more than in 2012. Insurance premiums under voluntary classes of business amounted to BYR 3,632.3 billion. The share of insurance premiums under voluntary classes of business in the total amount of insurance premiums is 54.7% (for 2012 – 49.0%).

Insurance premiums under compulsory classes of business for 2013 amounted to BYR 3,012.8 billion. The share of insurance premiums under compulsory classes of business in the total amount of insurance premiums is 45.3% (for 2012 – 51.0%). Thus, one can note the significant increase in voluntary insurance against the compulsory one. For 2013, insurance indemnity payments and sums insured raised to BYR 2,761.3 billion, where the share of voluntary classes of business is BYR 1,157.2 billion (41.9%) and BYR 1,604.2 billion (58.1%) for the compulsory classes of business.

The proportion of insurance payments in the total sum of insurance premiums for 2013 amounted to 41.6% (for 2012 – 47.6%). As of January 1st 2014 the equity capital of the insurance companies of the Republic of Belarus amounted to BYR 11,800.0 billion and increased by BYR 943.8 billion compared with 2012. The authorized capital is BYR 9,649.1 billion or 81.8% of the amount of the equity capital.

XPRIMM: In order to increase the investment attractiveness of the insurance market, a presidential decree was prepared, bringing a number of changes to the legislation. How do you evaluate these steps?

Mikhail BULAVKIN: On the 14th of April 2014, Decree No.165 "On the Modifications and Additions to the Decrees by the President of the Republic of Belarus on Insurance Operations" was signed by the head of state. The document makes amendments to the insurance legislation in order to improve the effectiveness of state regulation of insurance activity, competitiveness and sustainability of the insurance market of Belarus.

The Decree stipulates some measures aimed at increasing the level of capitalization of insurers and their financial stability, strengthening the protection of the policyholders' interests, improving the procedure and conditions for types of compulsory insurance.

In particular, to provide financial compensation for the harm to individuals and organizations in the event of an emergency at potentially dangerous facilities and transportation of dangerous goods, two new types of compulsory insurance were introduced: civil liability of legal persons and individual entrepreneurs for damage caused by activities related to the operation of some facilities, and the carrier's liability for transportation of dangerous goods.

For the Insured's benefit, the Decree increases the amount of insurance indemnity for bodily injuries under Motor Third Party Liability Insurance in case of a car accident without turning to the traffic police for assistance. The Decree lifted all the restrictions regarding the total amount of the insurance indemnity to several victims, due to one loss occurrence.

The amount of the insurance indemnity for bodily injuries under Passengers Legal Liability Insurance was changed from EUR 3,000 to EUR 5,000; under Building Insurance for individuals the rate was reduced from 0.15 to 0.14%.

In addition, within the implementation of Health Insurance for foreign citizens and stateless individuals temporarily staying or temporarily residing on the territory of the Republic of Belarus, these categories of citizens are entitled to using an insurance policy issued by a foreign insurance organization without additional agreements with the Belarusian insurer.

In order to strengthen the protection of policyholders' interests and to increase the attractiveness of the voluntary types of life insurance, any insurance company performing life insurance within the Decree shall direct at least 50% of the profit from the investment of insurance reserves to increasing savings of citizens.

In addition, insurance companies with foreign investments were granted the right to enter into contracts of voluntary life insurance with citizens of the Republic of Belarus.

Olesea ADONEV



ACHIEVING SUCCESS TOGETHER



to create an
international
reinsurance company

to offer a full range of
reinsurance services

to provide clients with
comprehensive
high-standard protection

Contact:
Belarus Re
220039, 14 Chkalova Str.
Minsk, Belarus
Tel / Fax: +375 17 256 07 11
E-mail: info@belarus-re.com
www.belarus-re.com



BELARUS RE

Belarus Re is currently rated "B-" by Standard & Poor's

Georgia



S&P Rating
BB-/STABLE

Moody's rating
BA3/STABLE

Fitch Rating
BB-/STABLE

🌸 In 2013 the market decreased by 16.50% in European currency. Both life and non-life insurance recorded a negative trend, decreasing y-o-y by 49.17% and 15% respectively;

🌸 On April 1st private insurance companies were completely removed from all government projects, in particular from the healthcare program;

🌸 A few companies are expected to leave the Georgian market in the near future;

🌸 Since April 15th, 2013 the market supervising activity went from the National Bank of Georgia to the Service for the state insurance supervision;

🌸 At present the government is working on a draft law on the introduction of MTPL insurance, which is due to come into force by 2015.

Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	GEL billion ¹	19.08	17.99	20.74	24.34	26.17	26.88
	EUR billion ⁴	8.07	7.43	8.83	11.24	11.99	11.25
GDP per capita, current prices	GEL ¹	4,352.90	4,101.33	4,675.72	5,447.06	5,818.06	5,995.56
	EUR ⁴	1,840.71	1,695.11	1,989.67	2,514.80	2,665.78	2,509.55
Unemployment rate	% of total labor force ¹	16.47	16.85	16.29	15.06	15.03	NA
Population	Millions ¹	4.38	4.39	4.44	4.47	4.50	4.48
GEL/EUR exchange rate	End of period ²	2.36	2.42	2.35	2.17	2.18	2.39
Gross written premiums	GEL million ³	272.01	360.45	361.46	321.15	515.47	471.15
	EUR million ⁴	115.03	148.98	153.81	148.27	236.18	197.21
Paid claims	GEL million ³	105.61	189.21	188.76	221.91	264.74	387.61
	EUR million ⁴	44.66	78.20	80.33	102.45	121.30	162.24
Insurance penetration degree	% in GDP ⁴	1.43%	2.00%	1.74%	1.32%	1.97%	1.75%
Insurance density	EUR/capita ⁴	26.25	33.97	34.67	33.18	52.51	43.98

The Georgian insurance market ended 2013 "on the red", as GWP decreased by 16.50% in European currency, to EUR 197.21 million (GEL 471.15 million), according to the Georgian State Insurance Supervisory Service.

According to the results published by the new insurance authority, the volume of gross written premiums in the life insurance industry have decreased by 49.17%, and totaled EUR 5.27 million, compared with 2012.

The non-life insurance segment recorded a negative trend too, as GWP fell by 15% y-o-y, to EUR 191.94 million. In the past years the main driver of the local market was health insurance. Thus, in 2012 the value of GWP written in the health segment totaled EUR 174

million, 90% up in comparison with 2011. The share of the health business in the market portfolio increased from 62% (in 2011) to 74% (in 2012). Now, in 2013 GWP in the health segment went down by 18%, to EUR 142.89 million, with a 72.46% market share. The main reason for the decline of the health insurance business is the complete removal of private insurance companies from all government projects. It should be noted that on February 28, 2013, the universal healthcare program was launched in Georgia, addressing the needs of citizens who do not have adequate health insurance. Moreover, one of the conditions for the private insurance companies to participate in the universal healthcare program was to build a clinic or provide timely medical

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	197.21	236.18	-16.50	162.24	121.30	33.75	100.00	100.00
TOTAL LIFE	5.27	10.37	-49.17	1.20	0.71	68.85	2.67	4.39
TOTAL NON-LIFE	191.94	225.81	-15.00	161.05	120.59	33.54	97.33	95.61
Accidents	1.18	1.33	-10.93	0.04	0.08	-47.46	0.60	0.56
Health	142.89	174.27	-18.00	144.09	107.81	33.66	72.46	73.78
Overall motor insurance	17.15	16.33	5.04	8.33	8.65	-3.75	8.70	6.91
Motor Hull	15.27	14.39	6.10	7.18	7.67	-6.36	7.74	6.09
MTPL	1.88	1.94	-2.82	1.14	0.98	16.68	0.95	0.82
Property	17.22	18.80	-8.38	1.11	1.68	-34.03	8.73	7.96
CARGO	1.91	1.75	9.15	0.16	0.15	4.21	0.97	0.74
GTPL	3.51	3.66	-4.16	0.20	0.05	283.88	1.78	1.55
Suretyship	2.34	2.22	5.46	1.43	1.88	-23.98	1.19	0.94
Travel	1.49	1.68	-10.99	0.15	0.14	3.43	0.76	0.71
Other	4.24	5.79	-26.75	5.54	0.15	3,626.22	2.15	2.45

Access
www.xprimm.com
 and get in **MSEcel format**
 (in EUR and GEL)

Market indicators
 GWP, claims, growth rates, portfolio
Total market ranking



Devi KHECHINASHVILI
 Chairman, Association of Insurance
 Companies of Georgia

care through other methods in modern hospitals as of 2012.

According to the Chairman of the Association of Insurance Companies of Georgia, Devi KHECHINASHVILI, in the insurance sector there was a difficult situation which he described as a process of "divorce from the state". Starting April 1st, 2014 insurance companies will no longer serve the socially poor segments of the population that will automatically diminish the amount of premiums received by insurance companies under state programs by 40%. As of September insurance companies will also be excluded from the insurance programs for students and teachers. In general, the transfer of these programs to the state insurance fund is not so easy, since it is associated with some problems. For example, insurers are waiting for decisions on a number of regional clinics that were built under the previous government and one of the conditions was the participation of companies in the state programs. Currently, insurance companies are working on additional services, although new packages are still being developed, said Devi KHECHINASHVILI.

According to experts' opinion, in the near future a few companies will leave the Georgian insurance market. The market competition is tougher and only those companies that have a strong "financial spin" will survive, more precisely those which are able to bear the loss of state premiums. We are talking about approximately 3-4 companies.

The remaining companies are forced to offer new products, particularly motor insurance – which is currently a voluntary one, property insurance and liability insurance.

At present the government is working on a draft of law on the introduction of MTPL insurance, which is due to come into force in 2015. According to the head of the Georgian State Insurance Supervisory Service, Lasha NIKOLADZE, many innovations will be introduced as a result - for example, in case of a person's death in a car accident, the insurance company will pay for compensation in the amount of GEL 17-18 thousand and GEL 15 000 for treatment. Before the adoption of this law, insurance tariffs will be developed and thus modern standards will be implemented at the highest professional level.

O.A.

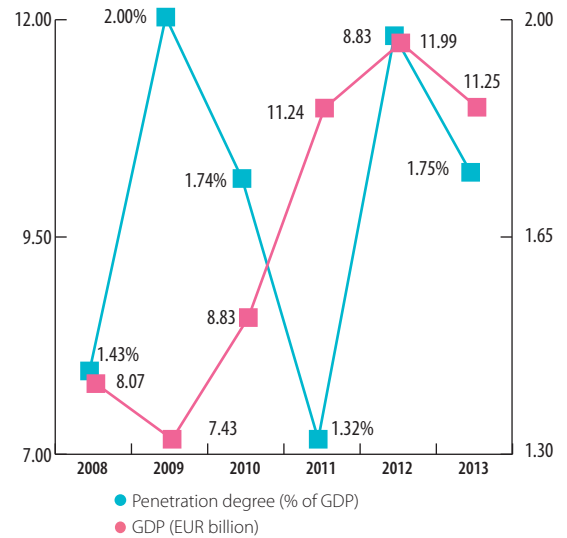
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) The National Bank of Georgia
- (3) State Insurance Supervision Service of Georgia
- (4) XPRIMM calculations

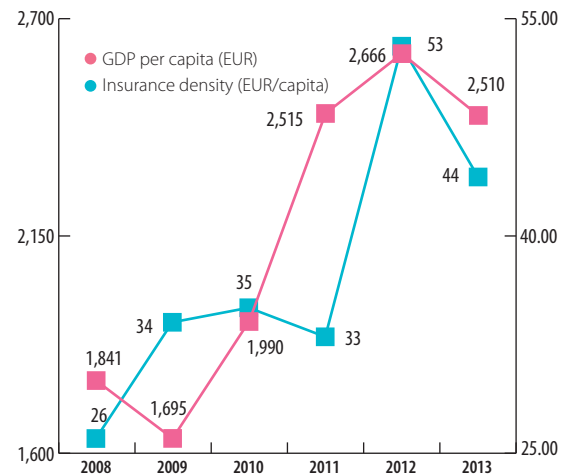


Life	2.67
Property	8.73
Motor Hull	7.74
MTPL	0.95
GTPL	1.78
Other	72.46

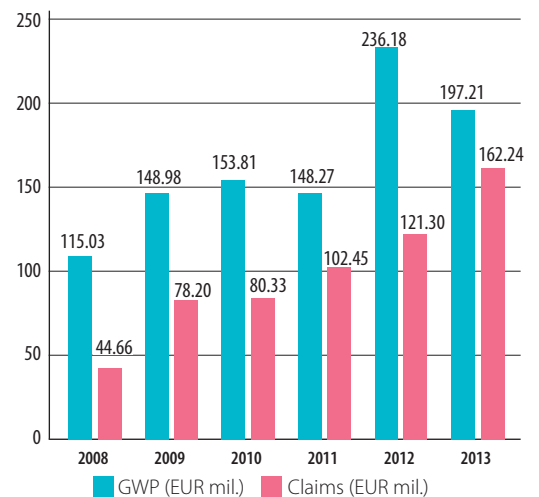
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Kazakhstan



S&P Rating

BBB+/STABLE

Moody's rating

BAA1/POSITIVE

Fitch Rating

BBB+/STABLE

Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	KZT billion ¹	16,052.92	17,007.65	21,815.52	27,571.89	30,346.96	33,521.19
	EUR billion ³	93.94	79.91	111.74	143.81	152.33	158.74
GDP per capita, current prices	KZT ¹	1,017,411.31	1,049,964.94	1,327,478.55	1,653,585.76	1,794,414.48	1,953,826.87
	EUR ³	5,953.60	4,933.12	6,799.56	8,625.00	9,007.20	9,252.39
Unemployment rate	% of total labor force ¹	6.63	6.58	5.78	5.40	5.29	5.20
Population	Millions ¹	15.78	16.20	16.43	16.67	16.91	17.16
KZT/EUR exchange rate	End of period ²	170.89	212.84	195.23	191.72	199.22	211.17
Gross written premiums	KZT million ²	150,011.10	132,476.46	153,496.82	198,503.34	237,301.43	279,203.42
	EUR million ³	877.82	622.42	786.24	1,035.38	1,191.15	1,322.17
Paid claims	KZT million ²	57,459.09	29,829.79	27,139.61	46,139.25	75,697.24	61,510.84
	EUR million ³	336.23	140.15	139.01	240.66	379.97	291.29
Insurance penetration degree	% in GDP ³	0.93%	0.78%	0.70%	0.72%	0.78%	0.83%
Insurance density	EUR/capita ³	55.64	38.43	47.84	62.10	70.43	77.06

At the end of 2013 GWP reached KZT 279.2 billion or EUR 1.3 billion, 17.66% up y-o-y in national currency;

The market's growth drivers were the voluntary lines such as Financial losses (+ 123.78%), Motor Hull (+ 80.87%), Cargo (+ 67%), GTPL (+22.22%) and Sickness (+15.63%);

Life insurance recorded an increase of only 7.89% y-o-y due to a 25.65% decrease in annuity insurance. The reason for this decline was a legislative interdiction on concluded contracts of pension annuity due to accumulative pension funds;

In 2013 the share of gross premiums in the gross domestic product amounted to 0.83%;

In 2014, voluntary motor insurance may become the growth driver of the insurance market since a growing number of motorists knowingly buy Motor Hull.

Since 2011 the Kazakh market has witnessed a steady growth in the insurance penetration degree, amounting to 0.79% in 2012 and to 0.83% in 2013.

In 2013, premiums in the Non-Life insurance segment totaled KZT 222.6 billion (EUR 1.05 billion), 20.43% up y-o-y. This growth was mostly due to the voluntary types of insurance such as Financial losses (+ 123.78%), Motor Hull (+ 80.87%), Cargo (+ 67%), GTPL (+22.22%) and Sickness (+15.63%).

Banking credit growth was the main source for the financial loss insurance line growth. In particular, the short-term consumer loans had a role to play, as they are very popular among customers but also very risky for banks because of the lack of guarantees. Therefore, banks are placing these risks with the insurance companies. However, as in the past year the default rate grew significantly, the National Bank plans to introduce restrictions on this type of credit, which will also affect the

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	1,322.17	1,191.15	11.00	291.29	379.97	-23.34	100.00	100.00
TOTAL LIFE	267.93	263.23	1.79	44.18	147.80	-70.11	20.26	22.10
Life insurance (v)	136.19	75.41	80.59	2.59	2.26	14.23	10.30	6.33
Annuity (v)	131.74	187.82	-29.86	41.59	145.54	-71.42	9.96	15.77
TOTAL NON-LIFE	1,054.24	927.92	13.61	247.11	232.17	6.44	79.74	77.90
Accidents (v)	89.85	91.28	-1.57	6.06	4.44	36.53	6.80	7.66
Sickness (v)	90.62	83.07	9.09	64.88	54.27	19.56	6.85	6.97
Property insurance (v)	217.16	235.16	-7.65	44.44	61.35	-27.56	16.42	19.74
Overall motor insurance	204.62	173.95	17.63	67.09	55.99	19.82	15.48	14.60
Motor Hull (v)	57.65	33.79	70.63	12.88	9.25	39.26	4.36	2.84
MTPL (c)	146.98	140.17	4.86	54.21	46.75	15.97	11.12	11.77
CARGO (v)	35.76	22.70	57.55	2.05	1.83	11.62	2.70	1.91
GTPL (v)	70.23	60.91	15.30	4.11	9.38	-56.15	5.31	5.11
Financial losses (v)	150.66	71.36	111.12	2.29	0.25	817.42	11.39	5.99
Worker against accidents (c)	125.23	130.84	-4.29	45.32	35.44	27.90	9.47	10.98
Others (c)+(v)	70.12	58.65	19.55	10.87	9.22	17.91	5.30	4.92
TOTAL COMPULSORY INSURANCE	290.20	287.61	0.90	102.20	88.05	16.08	21.95	24.15
TOTAL VOLUNTARY INSURANCE	1,031.98	903.54	14.22	189.08	291.92	-35.23	78.05	75.85
DIRECT PREMIUMS/CLAIMS	1,198.43	1,062.50	12.79	246.20	341.63	-27.93	90.64	89.20
REINSURANCE ACCEPTED	123.74	127.86	-3.22	45.09	38.34	17.61	9.36	10.73

(v) - voluntary insurance / (c) - compulsory insurance

Access
www.xprimm.com
 and get in **MSEcel format**
 (in EUR and KZT)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life

purchased insurance volume. For insurers, although the claims for this type of insurance recorded a severe growth, by 817.42%, the total amount of paid claims remained still small in absolute terms, of KZT 483.08 million, namely about 1.5% of the amount of insurance premiums.

The second growth driver of Non-life insurance in 2013 was the Motor Hull insurance. Gross premiums collected by insurance companies totaled KZT 12.17 billion or EUR 57.65 million, up by 80.87% y-o-y. The upward trend in motor insurance started in 2010, driven by the introduction of high customs duties for the imported second-hand cars and by the start of the car assembly production and the lending programs development. Thus, if before 2010 just a small number of new car owners and the corporate entities were buying motor insurance, after this date the sales of new cars rose by almost 6 times also driven a similar evolution in the specialty insurance segment. Moreover, Motor Hull policy became mandatory for the cars purchased by bank credit.

Regarding the further development trend for Motor Hull insurance, insurers have different opinions. Some insurers believe that the increase in premiums for Motor Hull insurance is a long term trend; others say that the *devaluation of the local currency (KZT) operated by the National Bank at the beginning of February would entail a slowdown of consumer demand so that the growth might be short-term.*

In 2013, the gross written premiums in the category of sickness insurance amounted to KZT 19 billion or EUR 90.62million, which was up by 15.63% compared with 2012. According to experts, the stable growth in recent years suggests that more and more

employers are including this type of insurance in their social packages.

Compulsory insurance of workers "saved" the life insurance industry

The volume of premiums in life insurance in 2013 amounted to KZT 56.5 billion, which was an increase of only 7.89% y-o-y (KZT 52.4 billion). Thus, this 2013 growth which was not so high in comparison with the results of the past years (an annual growth of 50%) was due to a significant decrease in annuity insurance (editor's note: in 2013 premiums for this product decreased by 25.65% in the local currency and by 29.86% in the European currency).

The reason for this decline was a legislative interdiction on concluded contracts of pension annuity due to accumulative pension funds. If it weren't for the legislative changes to transfer the compulsory insurance of workers against accidents to the life insurance segment, the dynamics of the life insurance industry would likely be negative. By the end of 2013 the total amount of insurance claims amounted to KZT 9.3 billion, which was 68.32% less compared with 2012.

O.A.

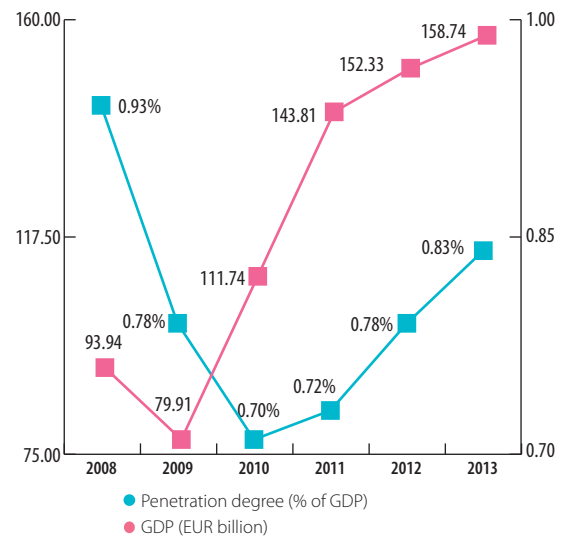
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) The National Bank of Kazakhstan
- (3) XPRIMM calculations

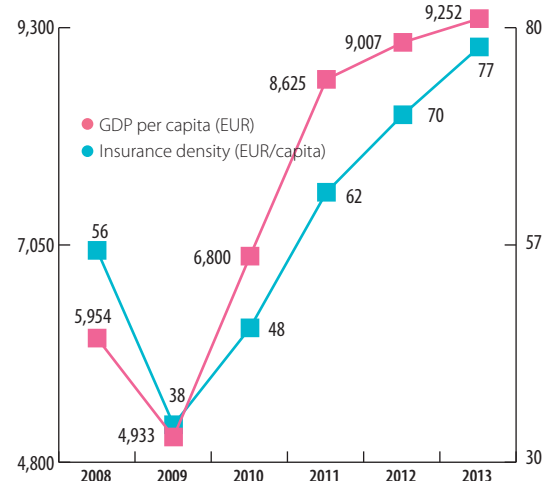


Life	20.26
Property	16.42
Motor Hull	4.36
MTPL	11.12
GTPL	5.31
Other	42.52

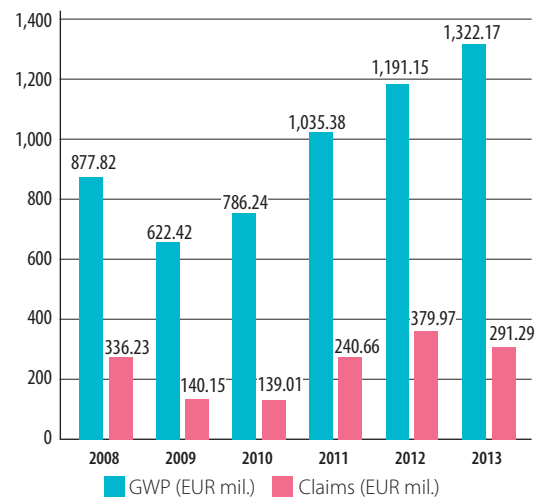
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Kyrgyzstan



In 2013 the total GWP amounted to KGS 967.8 million or EUR 14.29 million, 15.2% up y-o-y;

Paid claims have reached KGS 92.5 million or EUR 1.37 million, which in local currency means an 80.6% y-o-y increase;

The number of insurance contracts amounted to 178,943 units, showing a 29.5% increase y-o-y;

Kyrgyzstan is the first country in the ex-Soviet space that has introduced legislation to implement the principles of Islamic finance;

The international law firm SIMMONS&SIMMONS and the Kyrgyz Republic have signed a ground-breaking agreement to provide consultancy services for the development of laws and regulations, supporting the introduction of Takaful (Islamic insurance) and Sukuk (Islamic securities) in the Kyrgyz Republic.

Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	KGS billion ¹	187.99	201.22	220.37	285.99	310.47	350.03
	EUR billion ⁴	3.39	3.17	3.57	4.76	4.96	5.17
GDP per capita, current prices	KGS ¹	35,149.84	37,137.65	40,231.00	51,693.72	55,563.35	62,022.44
	EUR ⁴	633.57	584.63	651.04	860.63	886.78	916.07
Unemployment rate	% of total labor force ¹	8.20	8.40	8.60	7.92	7.74	7.65
Population	Millions ¹	5.35	5.42	5.48	5.53	5.59	5.64
KGS/EUR exchange rate	End of period ²	55.48	63.52	61.79	60.07	62.66	67.70
Gross written premiums	KGS million ³	276.7	478.34	531.8	709.2	840.10	967.8
	EUR million ⁴	4.99	7.53	8.61	11.81	13.41	14.29
Paid claims	KGS million ³	31.10	53.00	20.30	60.70	51.22	92.50
	EUR million ⁴	0.56	0.83	0.33	1.01	0.82	1.37
Insurance penetration degree	% in GDP ⁴	0.15%	0.24%	0.24%	0.25%	0.27%	0.28%
Insurance density	EUR/capita ⁴	0.93	1.39	1.57	2.13	2.40	2.53

According to the data of the Kyrgyz Financial Supervisory Commission (FSC), in 2013 the total premiums written by the local insurance companies amounted to KGS 967.8 million (EUR 14.29 million), which is 15.2% more in the local currency than in the previous year, when insurance premiums totaled KGS 840.10 million or EUR 13.41 million. The growth of insurance premiums suggests that population's trust in the insurance companies has increased.

In 2013 paid claims reached KGS 92.5 million (EUR 1.37 million), which in local currency means a y-o-y increase of 80.6%.

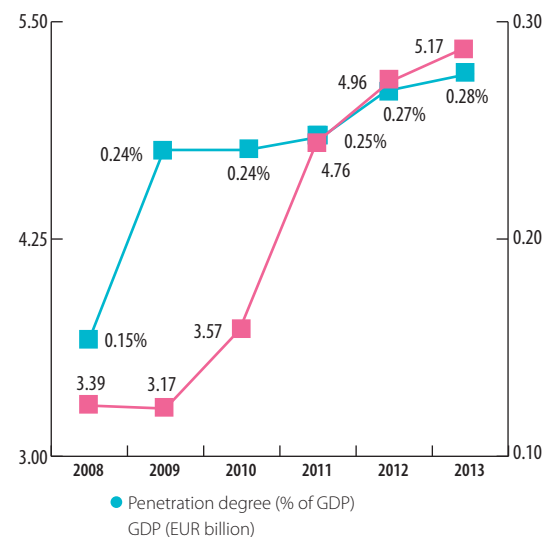
The number of insurance contracts concluded with legal entities and individuals amounted to 178,943 units, showing a 29.5% increase as compared with 2012.

By the end of 2013 17 insurance companies were operating in Kyrgyzstan.

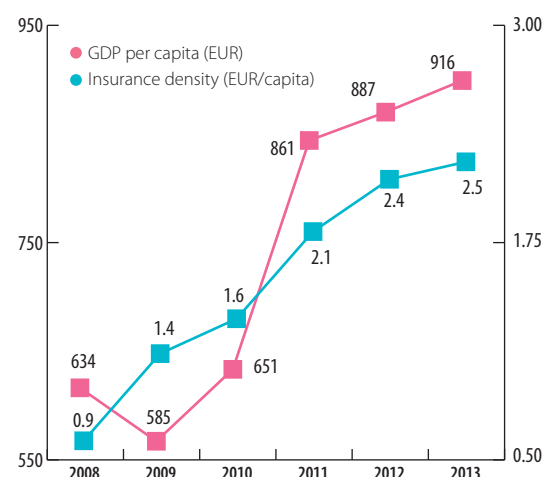
Kyrgyzstan passes on Islamic finance

Kyrgyzstan is the first country in the post-Soviet space that has introduced legislation to implement the principles of Islamic finance, said Talantbek KERIMBAYEV, Chairman of the

GDP and insurance penetration degree



GDP per capita and insurance density



Development Committee of Islamic Economics.

According to him, the fundamental document for the establishment of the principles of Islamic finance in Kyrgyzstan was the decree *On the introduction of Islamic financial services industry in the Kyrgyz Republic* from 2008.

The international law firm SIMMONS&SIMMONS and the Kyrgyz Republic have signed a ground-breaking agreement to provide consultancy services for the development of laws and regulations, supporting the introduction of Takaful (Islamic insurance) and Sukuk (Islamic securities) in the Kyrgyz Republic. The consultancy services to be provided by SIMMONS&SIMMONS are to be funded under a technical assistance grant provided by the Islamic Development Bank (IDB), according to the official portal of the international law firm SIMMONS&SIMMONS.

The agreement with SIMMONS & SIMMONS was signed by the State Service for Regulation and Supervision of the Financial Markets, on behalf of

the Kyrgyz Republic.

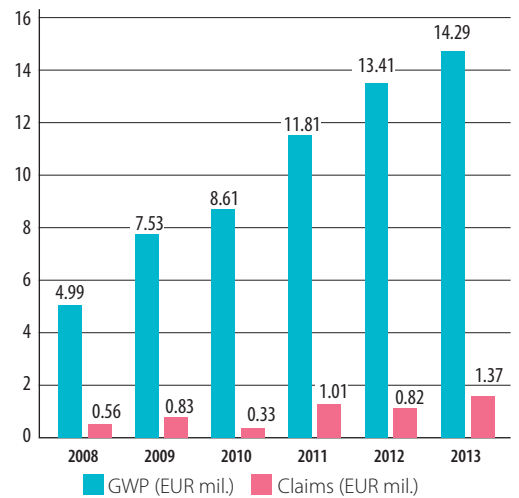
The first Vice Prime Minister of the Kyrgyz Republic, Tayirbek SARPASHEV, noted that upon the signing of this Agreement, the Government will begin a new phase in the introduction and expansion of the Islamic finance principles in Kyrgyzstan. He commented that *the government expects the economy to attract large investments that will favorably affect the development of the financial market and banking sector.*

Muneer KHAN, partner and head of the international Islamic finance practice at SIMMONS & SIMMONS, commented, *"we are very happy to have been selected to advise on this important initiative and look forward to working with the Kyrgyz Republic and the Islamic Development Bank, with the ultimate aim of helping Kyrgyzstan to grow its domestic Sukuk and Takaful markets, as well as helping the government to attract Shariah compliant funding internationally into some of its key infrastructure projects.*

Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) National Bank of the Kyrgyz Republic
- (3) FSA - FSA - Gosfinsnadzora
- (4) XPRIMM calculations

GWP and claims evolution



O.A.

xprimm.com

INSURANCE IN CEE • SEE • CIS



NEW FY 2013 figures

32
Country
Profiles

Quarterly
updates!

- Gross Written Premium
- Paid Claims
- Growth Rates
- Market portfolios
- Rankings
- Market shares



Moldova



Moody's rating
B3/STABLE

Market's main indicators–timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	MDL billion ¹	62.92	60.43	71.89	82.35	88.23	99.88
	EUR billion ⁴	4.11	3.89	4.38	5.04	5.67	5.97
GDP per capita, current prices	MDL ¹	17,611.76	16,938.98	20,171.61	23,128.81	24,786.27	28,059.90
	EUR ⁴	1,151.73	1,091.09	1,230.01	1,415.74	1,592.62	1,677.81
Unemployment rate	% of total labor force ¹	4.00	6.40	7.40	6.70	5.60	5.20
Population	Millions ¹	3.57	3.57	3.56	3.56	3.56	3.56
MDL/EUR exchange rate	End of period ²	15.29	15.52	16.40	16.34	15.56	16.72
Gross written premiums	MDL million ³	837.23	816.55	914.72	1,006.32	1,089.27	1,197.02
	EUR million ⁴	54.75	52.60	55.78	61.60	69.99	71.57
Paid claims	MDL million ³	273.82	361.25	322.69	348.42	430.51	432.45
	EUR million ⁴	17.91	23.27	19.68	21.33	27.66	25.86
Insurance penetration degree	% in GDP ⁴	1.33%	1.35%	1.27%	1.22%	1.23%	1.20%
Insurance density	EUR/capita ⁴	15.32	14.74	15.65	17.30	19.66	20.11

✿ Moldova signed the Association Agreement with the EU in late 2013;

✿ Starting April 28, 2014 all citizens of Moldova can travel visa-free to Europe's Schengen zone;

✿ The share of insurance industry in the economy has remained at around 1.2%;

✿ The insurance density indicator has crossed the threshold of EUR 20 per inhabitant;

✿ The ratio between the ceded premiums and the GWP dropped to 19.8%;

✿ MOLDASIG, the most profitable company in 2013: EUR 2.3 million;

✿ VIG entered the country this year by acquiring the local insurer DONARIS Group;

✿ Top 5 insurers generated ~74.2% of total market.

Despite recent progress, Moldova remains one of the poorest countries in Europe. With a moderate climate and good farmland, Moldova's economy relies heavily on its agriculture sector (about 30% of GDP), and also depends on annual remittances from the roughly one million Moldovans working in Europe, Russia, and other former Soviet Bloc countries.

With few natural energy resources, Moldova imports almost all of its energy supplies from Russia, but the construction of the Romania-Moldova

gas pipeline (Ungheni-Iasi) may eventually break the monopoly on the country's gas supplies.

At the same time, the Moldovan business climate will benefit from progress towards EU integration, after that the country signed the Association Agreement in late 2013. As a first important benefit, starting April 28, 2014 all citizens of Moldova with a biometric passport can travel visa-free to Europe's Schengen zone.

In 2013 the Moldavian insurance market remained on a positive trend, with a

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET	71.57	69.99	2.26	25.86	27.66	-6.52	100.00	100.00
TOTAL LIFE	4.40	4.41	-0.20	0.41	0.59	-31.60	6.14	6.30
TOTAL NON-LIFE	67.18	65.58	2.43	25.45	27.07	-5.97	93.86	93.70
Accidents insurance	1.53	1.45	5.02	0.23	0.22	3.66	2.13	2.08
Overall health insurance	2.81	2.82	-0.31	1.11	1.25	-11.45	3.92	4.02
Health - valid in Moldova	1.09	1.10	-0.27	0.56	0.80	-29.19	1.53	1.57
Health - valid outside Moldova	1.71	1.72	-0.34	0.54	0.45	19.79	2.39	2.46
Overall property insurance	10.55	9.88	6.76	2.33	6.79	-65.61	14.74	14.12
Fire and allied perils	8.39	3.58	134.07	1.80	0.30	496.74	11.72	5.12
Damages to property	2.17	6.30	-65.62	0.53	6.48	-91.84	3.03	9.00
Overall motor insurance	43.78	42.20	3.74	16.96	18.61	-8.90	61.17	60.30
Motor Hull	13.08	12.38	5.66	7.45	7.82	-4.80	18.27	17.68
MTP	14.27	14.57	-2.06	5.12	5.57	-8.19	19.94	20.82
Green Card	14.75	13.55	8.84	4.26	5.13	-17.11	20.60	19.36
Other motor insurance	1.69	1.71	-1.25	0.13	0.08	65.66	2.35	2.44
Aircraft insurance	2.36	2.22	6.44	0.21	0.06	267.12	3.30	3.17
Aircraft liability	3.93	4.52	-13.07	0.00	-	-	5.48	6.45
Goods in transit	0.58	0.56	5.13	0.01	0.04	-59.77	0.82	0.79
GTP	1.16	1.40	-17.33	0.04	0.02	148.76	1.62	2.01
Other non-life insurance	0.48	0.54	-9.93	4.56	0.09	4,710.64	0.68	0.77

Access
www.xprimm.com
 and get in **MSExcels format**
 (in EUR and MDL)

Market indicators

GWP, claims, growth rates, portfolio

Total market ranking

GWP increase of 9.89% to MDL 1.2 billion (EUR 71.6 million,) of which almost 27% (EUR 19.2 million) were realized by the insurance brokers.

Overall motor insurances (CASCO, MTPL and Green Card) generated more than 61% of total premiums, while the life insurance represented only 6% of total market. One of the reasons of which the life insurance segment is undeveloped may be the limited number of active insurers on this line of business: GRAWE CARAT Asigurari (which holds a 95% market share on this segment) and SIGUR-ASIGUR.

In the same period, the value of gross claims paid totaled MDL 432.45 million (EUR 25.86 million), up 0.45% over 2012. Total value of premiums ceded in reinsurance was EUR 14.2 million (MDL 237 million), while the ratio between the ceded premiums and the GWP dropped to 19.8%, from 24% in 2012.

The share of insurance industry in the economy has remained at around 1.2%, while insurance density indicator has crossed the threshold of EUR 20 per inhabitant.

The cumulated result of the "profit and loss account" for the insurance market was MDL 53.2 million or EUR 3.2 million compared to MDL 57.5 million a year before. Last year only nine insurers reported profits, "champion companies" being MOLDASIG (EUR 2.3 million), SIGUR-ASIGUR (EUR 1.1 million) and GRAWE CARAT (EUR 0.6 million).

Last year, on the local market were active 16 insurers compared with 24 a year before. This reality has affected the aggregate result of the market capitalization, which decreased to MDL 469 million (EUR 28 million) compared to MDL 557 million at the end of December 2012.

The largest Moldovan insurer remained

MOLDASIG (28.7% market share), followed by ASITO (15.9%), GRAWE CARAT Asigurari (10.9%), MOLDCARGO (10.2%) and DONARIS GROUP (8.4%).

The main foreign investors in the local insurance market are the two Austrian insurance groups VIENNA INSURANCE and GRAWE. GRAWE entered the insurance market in April 2004 through the life company GRAWE Asigare de Viata, than by acquiring the non-life insurer CARAT, formed the current company GRAWE CARAT Asigurari. VIENNA INSURANCE Group entered the country in early 2014. The Austrian Group announced at the end of January that it had signed an agreement to acquire around 94% of the insurer DONARIS Group.

In the past, there were two other large groups present in Moldova: the Australian QBE and the Russian ROSGOSSTRAXH. In 2007, QBE announced its exit from Moldova by selling its shares to ASITO, while ROSGOSSTRAXH left the local insurance market by selling its majority share, of 80%, to the local insurance company MOLDASIG.

V.B.

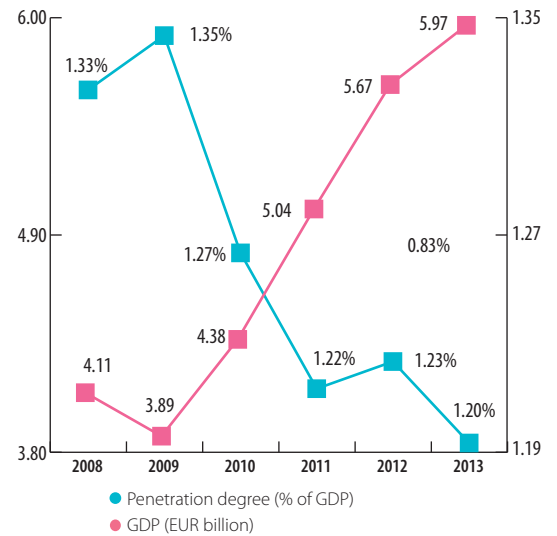
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) The National Bank of Moldova
- (3) The National Commission of Financial Market (NCFM)
- (4) XPRIMM calculations

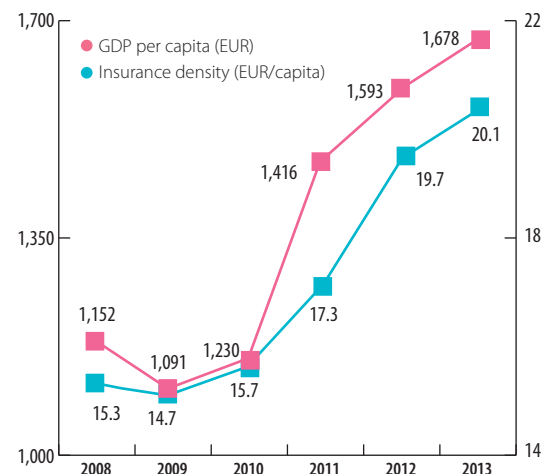


Life	6.14
Property	14.74
Motor Hull	18.27
MTPL	19.94
Green Card	20.60
GTPL	1.62
Other	18.68

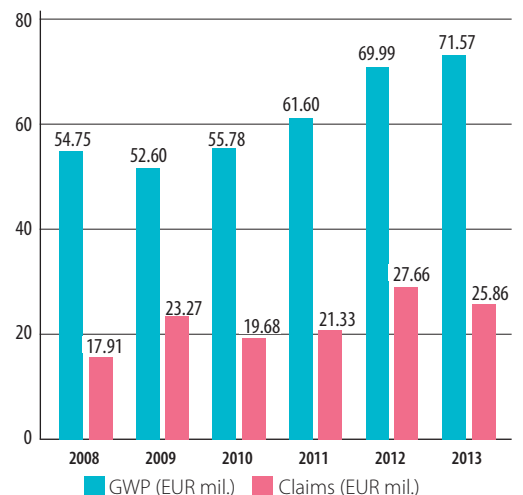
GDP and insurance penetration degree



GDP per capita and insurance density



GWP and claims evolution



Russia



S&P Rating
BBB-/NEGATIVE

Moody's rating
BAA1/RUR-

Fitch Rating
BBB/NEGATIVE

Market growth slowed down but still remained in the double digit territory, with GWP of EUR 20.12 billion, 11.84% up y-o-y in local currency;

Property insurance of legal entities, borrowers' insurance and Motor Hull classes were the most affected business lines in 2013;

Bancassurance distribution for life insurance products with an investment component, recorded a rapid development (282% growth in sales);

Many insurers tend to leave the MTPL insurance business, especially in the underdeveloped regions of the Federation, because of the high unprofitability.

Access
www.xprimm.com
and get in **MSExcels format**
(in EUR and RUB)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life, accidents, health, CASCO, CARGO, agricultural ins., property, MTPL, Green Card, TPL, business risks, financial risks

Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	RUB billion ¹	41,276.80	38,807.20	46,308.50	55,644.00	61,810.80	67,260.47
	EUR billion ⁴	996.04	894.42	1,148.15	1,335.30	1,536.49	1,495.68
GDP per capita, current prices	RUB ¹	289,053.22	271,949.54	324,062.28	389,391.18	432,243.36	470,588.24
	EUR ⁴	6,975.04	6,267.81	8,034.65	9,344.33	10,744.68	10,464.52
Unemployment rate	% of total labor force ¹	6.30	8.40	7.30	6.50	5.50	5.53
Population	Millions ¹	142.80	142.70	142.90	142.90	143.00	142.93
RUB/EUR exchange rate	End of period ²	41.44	43.39	40.33	41.67	40.23	44.97
Gross written premiums	RUB million ³	551,901.60	513,176.28	557,180.08	663,662.97	809,059.77	904,863.56
	EUR million ⁴	13,317.74	11,827.53	13,814.46	15,926.10	20,111.56	20,121.54
Paid claims	RUB million ³	248,649.61	285,129.39	294,508.68	303,134.39	369,439.73	420,769.03
	EUR million ⁴	6,000.07	6,571.57	7,301.91	7,274.40	9,183.51	9,356.68
Insurance penetration degree	% in GDP ⁴	1.34%	1.32%	1.20%	1.19%	1.31%	1.35%
Insurance density	EUR/capita ⁴	93.26	82.88	96.67	111.45	140.64	140.78

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013 EUR m	2012 EUR m	Change %	2013 EUR m	2012 EUR m	Change %	2013 %	2012 %
TOTAL MARKET	20,121.54	20,111.56	0.05	9,356.68	9,183.51	1.89	100.00	100.00
OVERALL LIFE INSURANCE	1,887.71	1,337.96	41.09	274.25	331.84	-17.35	9.38	6.65
Life insurance ¹	1,437.74	1,126.70	27.61	220.63	292.56	-24.59	7.15	5.60
Life insurance with an investment component ²	414.72	184.48	124.80	39.28	24.89	57.85	2.06	0.92
Other ³	35.25	26.78	31.64	14.34	14.39	-0.38	0.18	0.13
OVERALL NON-LIFE INSURANCE	18,233.82	18,773.60	-2.88	9,082.43	8,851.67	2.61	90.62	93.35
VOLUNTARY NON-LIFE INSURANCE	14,548.44	15,046.48	-3.31	6,975.02	6,965.63	0.13	72.30	74.82
Personal insurance, of which:	4,641.59	4,534.22	2.37	2,293.50	2,282.07	0.50	23.07	22.55
Accidents and diseases	2,085.08	1,833.31	13.73	293.46	254.87	15.14	10.36	9.12
Health	2,556.51	2,700.91	-5.35	2,000.04	2,027.20	-1.34	12.71	13.43
Property insurance, of which:	8,757.32	9,275.67	-5.59	4,485.80	4,500.33	-0.32	43.52	46.12
Motor Hull	4,721.09	4,854.52	-2.75	3,464.48	3,124.26	10.89	23.46	24.14
Railway, aircraft and ships insurance	262.40	293.66	-10.64	151.86	129.80	17.00	1.30	1.46
CARGO insurance	473.42	537.45	-11.91	59.48	82.74	-28.12	2.35	2.67
Real estate property insurance, of which:	2,982.71	3,259.03	-8.48	681.81	971.70	-29.83	14.82	16.20
Property of legal entities	2,319.00	2,618.18	-11.43	554.25	850.98	-34.87	11.52	13.02
Property of individuals	663.71	640.85	3.57	127.56	120.72	5.67	3.30	3.19
Agricultural insurance	317.70	331.01	-4.02	128.17	191.83	-33.18	1.58	1.65
Liability insurance	661.44	744.58	-11.17	158.74	131.98	20.28	3.29	3.70
Voluntary MTPL, including:	170.68	200.68	-14.95	88.95	60.91	46.03	0.85	1.00
Green Card insurance	77.63	76.68	1.25	9.56	6.54	46.14	0.39	0.38
Carriers' liability (air, sea, rail)	97.29	106.13	-8.33	21.94	27.83	-21.15	0.48	0.53
Third party liability	287.61	315.87	-8.95	33.03	24.66	33.92	1.43	1.57
Other ⁴	105.87	121.90	-13.15	14.82	18.58	-20.22	0.53	0.61
Business risks	156.96	152.13	3.17	14.30	22.26	-35.76	0.78	0.76
Financial risks	331.13	339.88	-2.57	22.68	28.99	-21.77	1.65	1.69
MANDATORY INSURANCE	3,685.38	3,727.12	-1.12	2,107.41	1,886.04	11.74	18.32	18.53
Personal insurance ⁵	412.19	481.96	-14.48	372.46	290.91	28.04	2.05	2.40
Liability insurance	3,191.48	3,245.16	-1.65	1,729.29	1,595.14	8.41	15.86	16.14
Compulsory MTPL	2,985.29	3,013.07	-0.92	1,720.59	1,588.98	8.28	14.84	14.98
Dangerous installations' owners TPL insurance	204.17	225.23	-9.35	6.20	3.60	72.29	1.01	1.12
Other ⁶	2.02	6.87	-70.53	2.50	2.56	-2.40	0.01	0.03
Other	81.72	-	-	5.66	-	-	0.41	-

¹ Life insurance in case of death, survival to a certain age or period or occurrence of an event

² Annuities and/or policies with the insured's participation to the investment return

³ Pension insurance

⁴ Manufacturer's liability, professional liability, Liability of organizations operating hazardous production facilities

⁵ Passengers' insurance, life and health insurance of patients participating in clinical trials of drugs for medical use; mandatory life and health insurance for military personnel; professional TPL of public servants

⁶ Passenger aircraft carriers' TPL

The Russian insurance market ended 2013 with an overall 11.84% y-o-y growth in GWP, to about RUB 904.8 billion (EUR 20.12 billion). The last year's result seems unsatisfying for the local players, which perceive it as a sign of stagnation after the over 20% growth rates recorded in the past years. In fact, according to Expert RA analysts, this market shrinking may lead to the withdrawal from the market of a number of insurers.

The negative situation in the economy has primarily affected property insurance of legal entities, borrowers' insurance and Motor Hull classes. During the second half of 2013, the highest growth rate of premiums was shown by life insurance with the condition of annuities and/or participation payment in investment income.

The most actively-growing premiums of such insurance types are:

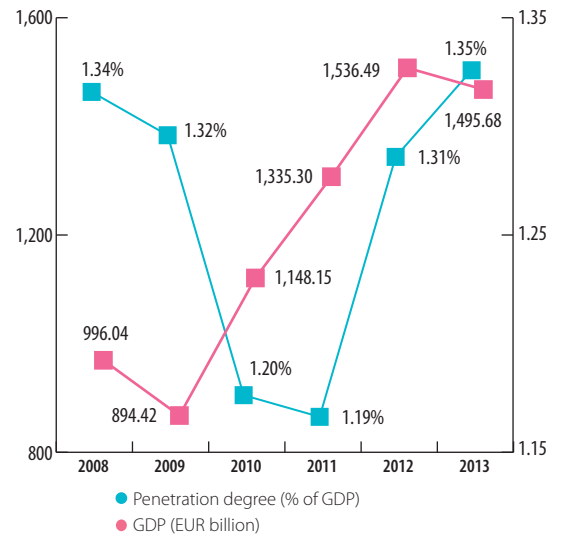
- Life insurance, including the participation of policyholders in the insurer's investment income (sales through banks) – with a 145% y-o-y increase in GWP in the second half of 2013;
- Insurance of individuals' property (sales through banks and through other entities) - 22% y-o-y increase in the 2nd half of 2013.
- Insurance against accidents and diseases (sale through individuals and through the non-insurance intermediaries, banks) - 24% y-o-y premiums growth for the 2nd half of 2013 was equal to only 7%.
- Insurance in case of critical illness. In 2013, leading insurers began to develop and implement programs on the market which include critical illness. Mass start of sales is expected in 2014.

Unlike in 2008-2009, when most of the companies focused on business volumes retention, which led to dumping and "loop" losses and

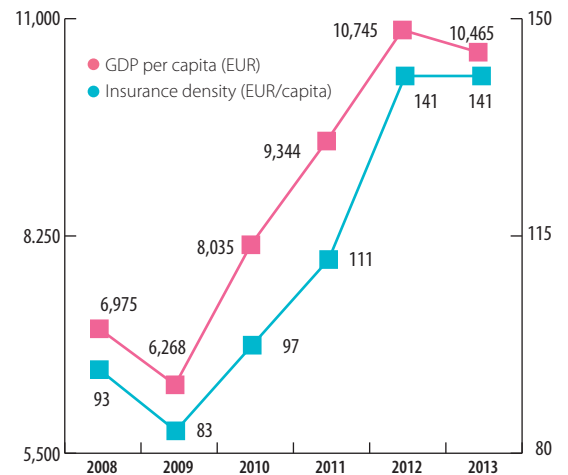
bankruptcies, last year the leading strategy adopted by the Russian insurers was the reorganization of insurance portfolios.

In 2013 the situation changed also in other respects. The slowing down of the premium growth has occurred gradually and insurers' reserves were better provided with liquid assets than they used to be 5 years ago. The most pressing issue was the decline in profitability. That's why the exit from unprofitable insurance lines strategy has become very popular. For the first time in many years, the market-leading companies actively began to reduce their MTPL business. This trend become massiv at the end of 2013. The uncontrolled growth of the litigation costs, the depreciation of the ruble and raising costs of the motor repairs put under pressure the financial results of insurance companies, with the MTPL combined ratio exceeding 100% in more than 25 regions of Russia. As the current legislation prevents insurers to to reduce drastically the quality of claims settlement, as it happened in 2008-2009, MTPL providers are trying to reduce their presence in deprived regions by refusing to sell MTPL policies. As a result, in February 2014 the Federal Service for the Supervision of Consumers' Rights Protection and Human Welfare and the Ministry of Emergency Situations began an extensive background check of MTPL in insurers' offices. In this context, most probably some companies would voluntarily close their retail business.

GDP and insurance penetration degree



GDP per capita and insurance density



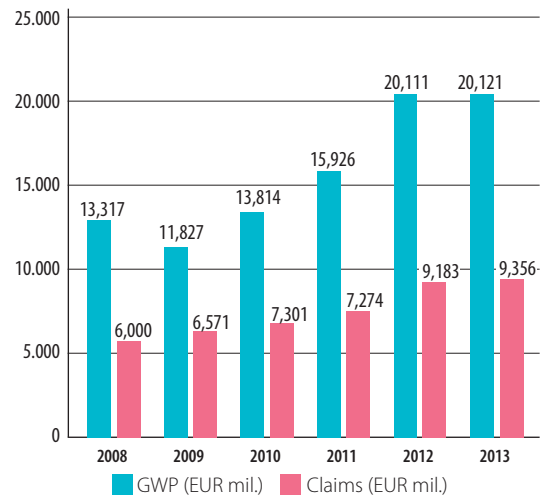
D.G.



Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) The Central Bank of the Russian Federation
- (3) Media-Information Group - "Insurance Today" (2007-2010), Financial Markets Service of the Bank of Russia (2011-2013)
- (4) XPRIMM calculations

GWP and claims evolution



Tajikistan



Sources:

(1) International Monetary Fund, World Economic Outlook Database, April 2014)

(2) The National Bank of Tajikistan

(3) XPRIMM estimates as 0.44% in GDP

(4) XPRIMM calculations

Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	TJS billion ¹	17.61	20.62	24.71	30.07	36.16	40.53
	EUR billion ⁴	3.62	3.28	4.18	4.80	5.74	6.16
GDP per capita, current prices	TJS ¹	2,388.09	2,738.90	3,243.62	3,854.79	4,540.39	4,983.61
	EUR ⁴	490.60	435.86	548.79	614.81	720.59	757.71
Unemployment rate	% of total labor force ¹	NA	NA	NA	NA	NA	NA
Population	Millions ¹	7.37	7.53	7.62	7.80	7.96	8.13
TJS/EUR exchange rate	End of period ²	4.87	6.28	5.91	6.27	6.30	6.58
Gross written premiums	TJS million ³	78.00	90.00	108.00	132.00	160.00	180.00
	EUR million ⁴	16.02	14.32	18.27	21.05	25.39	27.37
Insurance density	% in GDP ⁴	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
	EUR/capita ⁴	2.17	1.90	2.40	2.70	3.19	3.37

Turkmenistan



Sources:

(1) International Monetary Fund, World Economic Outlook Database, April 2014)

(2) Central Bank of Turkmenistan

(3) State Insurance Organization (2008-2011), XPRIMM estimates as 0.2% in GDP (2012-2013)

(4) XPRIMM calculations

Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	TMT billion ¹	49.47	57.61	63.12	83.32	100.22	115.62
	EUR billion ⁴	12.31	14.10	16.73	22.57	26.62	29.52
GDP per capita, current prices	TMT ¹	9,388.84	10,761.72	11,605.49	15,076.91	17,850.12	20,269.19
	EUR ⁴	2,336.40	2,633.22	3,075.36	4,085.00	4,741.57	5,175.73
Unemployment rate	% of total labor force ¹	NA	NA	NA	NA	NA	NA
Population	Millions ¹	5.27	5.35	5.44	5.53	5.61	5.70
TMT/EUR exchange rate	End of period ²	4.02	4.09	3.77	3.69	3.76	3.92
Gross written premiums	TMT million ³	86.17	129.94	149.57	168.51	200.44	231.24
	EUR million ⁴	21.44	31.79	39.63	45.66	53.24	59.05
Insurance density	% in GDP ⁴	0.17%	0.23%	0.24%	0.20%	0.20%	0.20%
	EUR/capita ⁴	4.07	5.94	7.29	8.26	9.48	10.35

Any two weeks, insurance news from

32 CEE, SEE and CIS countries

xprimm
NEWS

Insurance news * Interviews * Events * Press Cuttings * Financial news

FREE SUBSCRIPTION at www.xprimm.com

SOCHI

IBF

INSURANCE
BUSINESS
FORUM

2014

September 29th - October 3rd
Swissotel Kamelia, SOCHI, RUSSIA

CHALLENGES OF THE YEAR

Organizers:



ДЕЛОВОЙ
ФОРМАТ



Co-organizer:

Media X PRIMM

Details:

format@ins-df.com
+7 (925) 507-35-60
+7 (495) 988-29-89



Ukraine



S&P Rating

CCC/NEGATIVE

Moody's rating

CAA3/NEGATIVE

Fitch Rating

CCC/NEGATIVE

Despite the political and economic instability, the market has grown by 33.26% in local currency;

In 2013, the volume of MTPL insurance premiums went down by 0.4% compared with 2012, and totaled EUR 222 million due to the deterioration of the financial condition of the insurers with the consequent loss of membership in MTIBU and bankruptcy;

The life insurance market grew by 36.87% in local currency and totaled UAH 2.4 billion;

In 2013 the largest acquisitions in the life insurance segment took place, with VIG acquiring the life insurance subsidiary of UNIVERSALNA Insurance Company;

By the end of 2013, 407 insurance companies were operating in Ukraine. Over the past year 7 non-life insurance companies have been liquidated;

The structure of the presence of foreign capital in recent years remains relatively unchanged.

Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	UAH billion ¹	948.06	913.35	1,082.57	1,302.08	1,408.89	1,451.88
	EUR billion ⁴	87.33	79.78	102.39	126.44	133.71	131.49
GDP per capita, current prices	UAH ¹	20,524.11	19,871.14	23,645.86	28,555.49	30,996.41	31,998.89
	EUR ⁴	1,890.67	1,735.64	2,236.41	2,772.90	2,941.62	2,898.05
Unemployment rate	% of total labor force ¹	6.36	8.84	8.10	7.86	7.53	7.41
Population	Millions ¹	46.19	45.96	45.78	45.60	45.45	45.37
UAH/EUR exchange rate	End of period ²	10.86	11.45	10.57	10.30	10.54	11.04
Gross written premiums	UAH million ³	24,008.60	20,442.10	23,081.70	22,693.50	21,508.21	28,661.84
	EUR million ⁴	2,211.66	1,785.51	2,183.05	2,203.67	2,041.17	2,595.82
Paid claims	UAH million ³	7,050.70	6,737.20	6,104.60	4,864.00	5,151.04	4,651.85
	EUR million ⁴	649.51	588.46	577.37	472.32	488.84	421.30
Insurance penetration degree	% in GDP ⁴	2.53%	2.24%	2.13%	1.74%	1.53%	1.97%
Insurance density	EUR/capita ⁴	47.88	38.85	47.68	48.33	44.91	57.21

In 2013 Ukraine insurance market's premium production totaled UAH 28.6 billion (EUR 2.5 billion), 33.26% more in local currency compared with 2012, according to the figures presented by the local financial authority and Insurance Top Magazine. Claims paid by the insurance companies in the same period decreased to UAH 4.6 billion, 9.69% less y-o-y.

The gross written premiums on the non-life insurance segment increased by 32.93% y-o-y and totaled UAH 26.1 billion (EUR 2.3 billion). In 2013, the volume of insurance premiums of MTPL decreased by 0.4% compared with 2012, and totaled EUR 222 million. Some of the main risks for MTPL in Ukraine are the following: the deterioration of the financial condition of the insurers with the consequent loss of membership in MTIBU and bankruptcy; the non-payment and delayed payment of insurance claims; the inadequate supervision by the relevant government authorities regarding the technical condition of vehicles involved in road traffic; dumping on the market; the

bad quality of insurance services; the insufficient amount of insurance reserves.

The life insurance market grew by 36.87% in local currency and totaled UAH 2.4 billion (EUR 224 million). The main factors which influenced the development of the life insurance segment in Ukraine were: the increase in consumer lending; the significant increase in "endowment" insurance premiums and in social responsibility of the middle class for their families. In the structure of insurance premiums UAH 2.3 billion (or 94.4%) derives from individuals and UAH 139.3 million (or 5.6%) from legal entities.

By the end of 2013, 407 insurance companies were operating in Ukraine. Over the past year 7 non-life insurance companies were liquidated.

Despite the significant number of insurers, in fact 99% of insurance claims are paid by the 100 non-life and 20 life insurance companies. About 200 companies that represent less than 1% of the insurance market have frozen their

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013 EUR m	2012 EUR m	Change %	2013 EUR m	2012 EUR m	Change %	2013 %	2012 %
TOTAL MARKET	2,595.82	2,041.17	27.17	421.30	488.84	-13.82	100.00	100.00
LIFE INSURANCE	224.31	171.73	30.62	13.51	7.79	73.53	8.64	8.41
NON-LIFE	2,371.52	1,869.45	26.86	407.79	481.06	-15.23	91.36	91.59

Access
www.xprimm.com
 and get in **MSEcel format**
 (in EUR and UAH)

Market indicators

GWP, claims, growth rates, portfolio

Market rankings

life, non-life

activity and it is unlikely that in the near future they can create competition on the market.

The structure of the presence of foreign capital in recent years has remained relatively unchanged. Thus, Austria - 14.8% of investments, Russia - 13.5%, France - 6%, Kazakhstan -5.2%, Germany -3.5%, U.S. - 2.5%, Poland -1.3% and Netherlands -0.9%. Cyprus and the offshore territory of the UK represent more than 40% of the investment.

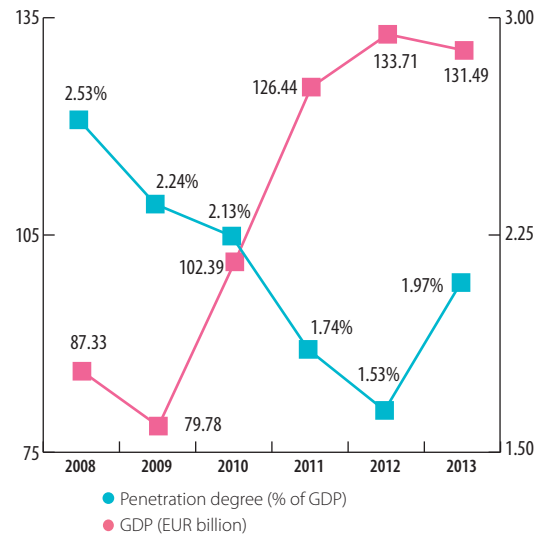
The Ukrainian insurance market showed a positive development in 2013 particularly in life insurance, medical insurance and bancassurance operations. Moreover, in 2013 the largest acquisitions in the life insurance segment took place, with the Austrian Vienna Insurance Group (VIG) acquiring the life insurance subsidiary of UNIVERSALNA Insurance Company in a USD 25 - 30 million deal.

The difficult situation in Crimea has determined several insurance companies - members of important groups such as AXA or VIG and local companies such as TEKOM, VUSO and PERVAYA - to cease their activity in the peninsula.

AXA Insurance has stopped its operations in Crimea starting April 18, 2014 and all the offices of the company were closed due to absence of legal grounds for the operation of financial institutions on the peninsula, according to the insurer's website. From the same date, the insurance company GLOBUS Vienna Insurance Group stopped the activity of its regional office in Crimea and Sevastopol. On the other hand, the local companies closed their offices in the peninsula due to insufficient economic activity.

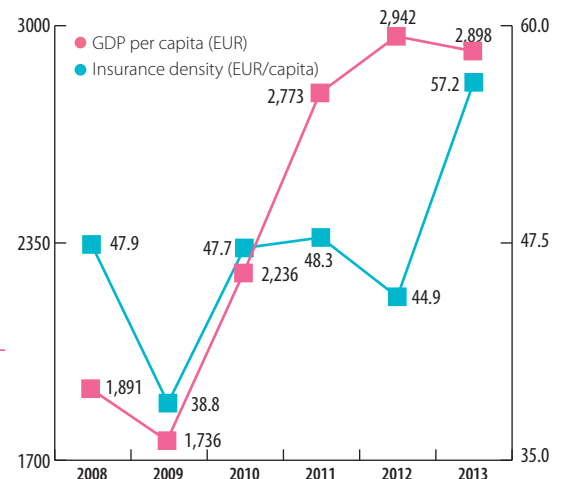
The year 2014 doesn't portend positively for Ukraine in terms of economic growth. The country's economy is heavily dependent on the world market conditions and the demand for commodity products on the foreign markets is still unstable. The debt problems in the European region, the political instability in the Middle East, the deterioration of trade relations with Russia as well as the increased competition in export markets will affect the Ukrainian producers in 2014. The deterioration of the investment climate and the resulting outflow of capital from Ukraine will also limit the economic growth and the development of the insurance market.

GDP and insurance penetration degree



O.A.

GDP per capita and insurance density

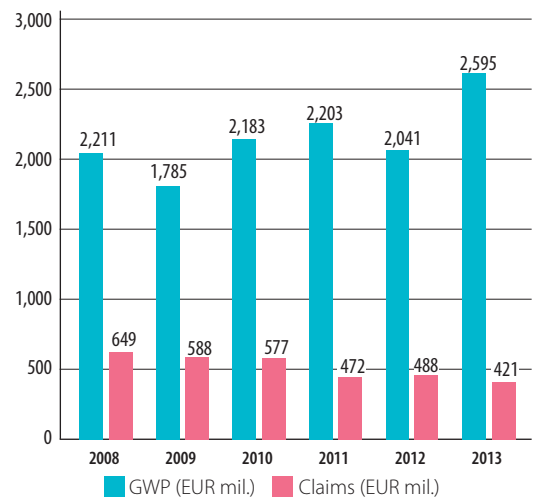


Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) National Bank of Ukraine
- (3) State Commission for Regulation of Financial Services of Ukraine and Insurance TOP Magazine
- (4) XPRIMM calculations



GWP and claims evolution



Uzbekistan



Market's main indicators-timeline

		2008	2009	2010	2011	2012	2013
GDP, current prices	UZS billion ¹	37,746.70	49,042.50	61,793.90	77,866.10	96,723.40	118,298.00
	EUR billion ⁴	17.05	22.15	28.54	33.25	36.91	39.02
GDP per capita, current prices	UZS ¹	1,369,966.97	1,751,517.86	2,168,207.02	2,675,811.00	3,251,649.38	3,911,835.07
	EUR ⁴	618.84	791.20	1,001.42	1,142.55	1,240.94	1,290.23
Unemployment rate	% of total labor force ¹	NA	NA	NA	NA	NA	NA
Population	Millions ¹	27.55	28.00	28.50	29.10	29.75	30.24
UZS/EUR exchange rate	End of period ²	2,213.75	2,213.75	2,165.13	2,341.97	2,620.31	3,031.90
Gross written premiums	UZS million ³	88,000.00	146,100.00	175,500.00	221,800.00	285,885.52	338,483.34
	EUR million ⁴	39.75	66.00	81.06	94.71	109.10	111.64
Paid claims	UZS million ³	15,500.00	20,700.00	27,600.00	45,100.00	46,006.06	66,919.81
	EUR million ⁴	7.00	9.35	12.75	19.26	17.56	22.07
Insurance penetration degree	% in GDP ⁴	0.23%	0.30%	0.28%	0.28%	0.30%	0.29%
Insurance density	EUR/capita ⁴	1.44	2.36	2.84	3.25	3.67	3.69

🌀 In 2013 the total gross written premiums totaled EUR 111.64 million, up by 2.3% in European currency, as compared with 2012; the share of voluntary insurance in the total amount of insurance premiums reached 69.59%;

🌀 The average insurance premium for an MTPL policy was EUR 10.8, which is 9.9% higher than in 2012;

🌀 In 2013, 9 insurance companies such as UZBEKINVEST, UZAGROSUGURTA, KAFOLAT, ALSKOM, ALFA Invest, ASIA Insurance, ISHONCH, KAPITAL Sugurta and UNIVERSAL Sugurta were operating in MTPL segment;

🌀 In the reporting period the Minister of Finance suspended licenses for three insurance companies;

🌀 In 2013, the share of insurance premiums in the country's GDP decreased to 0.29% compared with 0.30% a year earlier.

The Uzbek insurance market ended 2013 with a total gross written premiums volume of EUR 111.64 million, up by 2.3% in European currency, as compared with 2012. Claims paid for all types of insurance amounted to EUR 22.07 million, 25.71% more than in 2012. In 2013 the share of voluntary insurance in the total amount of insurance premiums reached 69.59% (EUR 77.69 million). The share of compulsory insurance in the total amount of insurance premiums was 30.41% (EUR 33.95 million).

In the reporting period, the total volume of gross written premiums on mandatory insurance of civil liability of the employer totaled EUR 8.31 million, up by 14.33% y-o-y.

The number of insurance contracts increased by 9.2 percent to 6.104 million, of which 4.136 million (a 2.8% increase) were concluded in voluntary insurance, 1.968 million (a 25.8% increase) - in compulsory insurance.

Total insurance premiums on the Uzbek market of compulsory insurance of

vehicle owners' civil liability (MTPL) in 2013 amounted to EUR 20.51 million, an increase by 14.37% as compared with last year. The number of issued insurance policies increased by 16.1%, amounting to 1,768.4 thousand.

According to SAIPRO Information-rating agency, in this period the average insurance premium on an insurance MTPL policy was EUR 10.8, which is 9.9% higher than in 2012. The amount of insurance paid claims in 2013 was EUR 2.74 million, a 13.05% increase relatively to the previous year. Growth was observed in the number of solved insurance claims on the MTPL segment. Thus, the figure rose to 13.0%, which is 552 units more than in 2012. In 2013, 9 insurance companies such as UZBEKINVEST, UZAGROSUGURTA, KAFOLAT, ALSKOM, ALFA Invest, ASIA Insurance, ISHONCH, KAPITAL Sugurta and UNIVERSAL Sugurta were operating in the MTPL segment.

According to the Ministry of Finance of the Republic of Uzbekistan, 31 insurance companies as well as one reinsurance

Market portfolio as of December 31st, 2013

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2013	2012	Change	2013	2012	Change	2013	2012
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL MARKET, of which:	111.64	109.10	2.33	22.07	17.56	25.71	100.00	100.00
MTPL	20.51	17.94	14.37	2.74	2.43	13.05	18.38	16.44
Civil liab. of the employer (M)	8.31	7.27	14.33	2.55	1.83	39.84	7.44	6.66
Voluntary ins.	77.69	78.92	-1.57	15.78	12.25	28.79	69.59	72.34
Mandatory ins.	33.95	30.18	12.50	6.29	5.31	18.62	30.41	27.66

Access
www.xprimm.com
 and get in **MSEcel format**
 (in EUR and UZS)

Market indicators
 GWP, claims, growth rates, portfolio
Total market ranking

company and four insurance brokers were active in 2013. According to SAIPRO, in line with the Cabinet of the Ministers Resolution No 350 dated December 30 2013 CHARTIS Uzbekinvest Agency changed its name to AIG Uzbekinvest. This modification was carried out in connection with the return of the CHARTIS Group of companies to the name AIG, as well as taking into account the decision of CHARTIS Uzbekinvest founders to change its name to AIG Uzbekinvest. In 2013, the share of insurance premiums in the country's GDP decreased to 0.29% compared with 0.30% a year earlier.

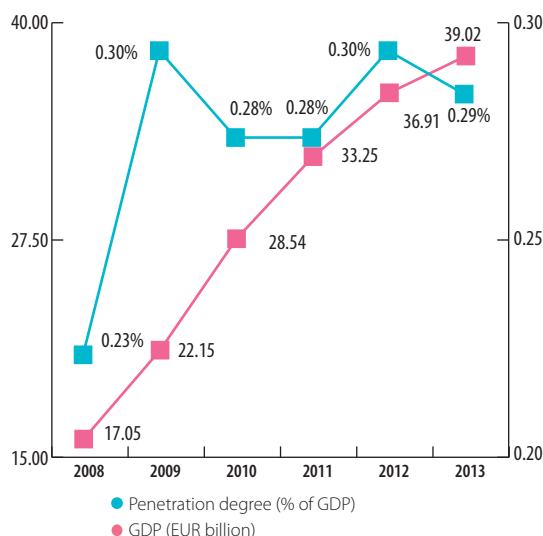
Sources:

- (1) International Monetary Fund, World Economic Outlook Database, April 2014)
- (2) The Central Bank of the Republic of Uzbekistan
- (3) Ministry of Finance of the Republic of Uzbekistan
- (4) XPRIMM calculations

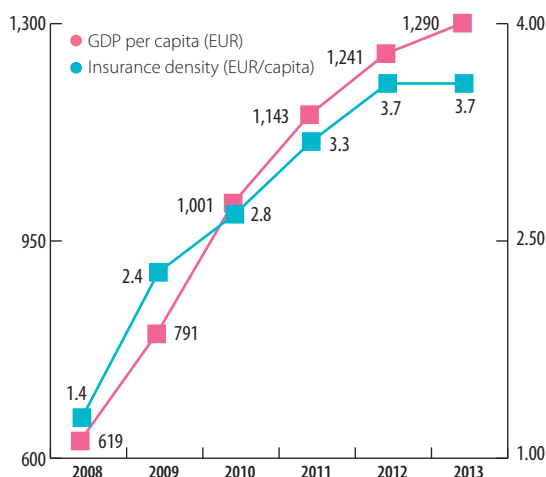


Voluntary ins. 69.59
 Mandatory ins. 30.41

GDP and insurance penetration degree

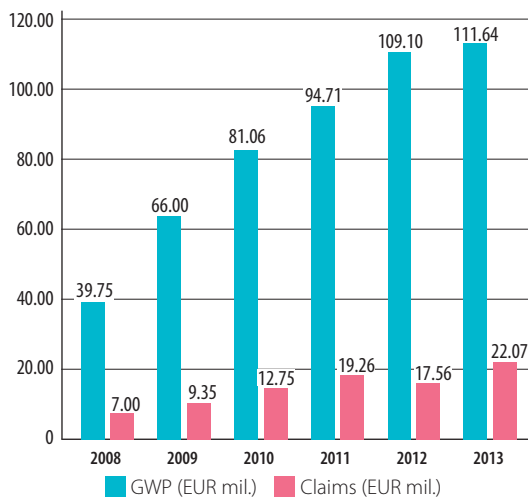


GDP per capita and insurance density



O.A.

GWP and claims evolution



xprimm.com
 INSURANCE IN CEE • SEE • RUSSIA & CIS

Insurance news and statistics

32
COUNTRIES
 CEE SEE CIS



FREE TRIAL

Please send us your subscription request at media@xprimm.com or contact Mrs. Daniela GHETU,

e-mail: daniela.ghetu@mxp.ro
 Tel.: +40744.366.069

This spring, the first edition of the European Conference on Consumer Protection in Financial Services took place in Bucharest, gathering specialists and experts from the insurance and financial industries, as well as members of associations and specialized institutions.

Consumer protection, a three step process: **unified legislation, simplified information and client responsibility**

The consumer protection in financial services represents a central point for the European legislation which is currently undergoing important changes. Information regarding financial products available on the market, as well as the details offered to clients need to be simplified in order to increase transparency. Last but not least, the consumer himself must become more

responsible as far as his own protection is concerned, which means that his financial education degree must increase.

These were just a few of the main ideas presented during the first edition of the European Conference on Consumer Protection in Financial Services, which took place in March at the Parliament Palace in Bucharest, Romania. The event was organized with the support



Consumers are more demanding and more aware of their rights.



of the Law, Discipline and Immunities Commission of the Chamber of Deputies - the Romanian Parliament, APPA - Association for Promoting Insurance and UNSAR - The National Association of Insurance and Reinsurance Companies from Romania.

The event was attended by European and Romanian specialists in the financial markets, as well as representatives of the supervisory authorities and institutions in the region. During the conference a number of relevant case studies were presented, highlighting different options that supervisors, other market bodies or insurers have for increasing consumer protection, improving market conduct and raising public trust in the financial services sector.

The consumer - the heart of the provider's business

The consumer should be at the heart of the provider's business, not the other way around, this being a clear prerequisite for being trusted by the consumer, explained Gabriel BERNARDINO, Chairman of EIOPA - European Insurance and Occupational Pensions Authority. *Trust is an essential element of society and a major determinant of economic success. Trust affects how the legal system works, which affects the economy, due to its overall effect on transaction costs. This is the key for a modern economy,* Gabriel BERNARDINO declared during the conference.

However, the recent financial crisis created a huge lack of trust in the financial sector. The restoring of trust and confidence are the responsibility of companies, as well as the regulation and supervision authorities. Restoring customer trust in the financial services becomes a strategic priority for all the actors involved: market players, national supervisors and European bodies alike.

In EIOPA's view, consumer protection has two main dimensions that need to be addressed, Gabriel BERNARDINO explained: *Firstly, it is about ensuring that undertakings are soundly managed and have a robust solvency position in order to fulfill, on an on-going basis, all the commitments made to their customers. Secondly, it is about making sure that customers receive the information they need*

on conditions, costs and risks of the products, that they are treated fairly and that they get value for money.

In the given context, "transparency for consumers" "reinforced fairness in selling practices" and "simplicity" become key concepts, especially since the on-going digitalization gives the consumers greater access to information. *We are living in a period of rapid transformation on the consumer side. Consumers are more demanding, more aware of their rights. The 'Web generation' demands greater transparency, comparability and flexibility. Consumers demand more integrity and they don't trust so easily anymore. The perception of poor quality service is rapidly transmitted and exposed through social media networks,* the Chairman of EIOPA added.

Consumers' trust in the global context of the increased interconnectivity between

Trust is an essential element of society and a major determinant of economic success.

the financial sectors was the main theme addressed by Peter BRAUMULLER, Chair of IAIS Executive Committee: *Even if this is not currently present in all countries, increased interconnectivity is actually a global trend. Now we are aware of the way what happened in the US or in another area of the world is affecting the global system. Therefore, the approach must take into account that we are not isolated; we are related to the external environment. This is why we got to understand more, to get more information and to cooperate more,* Peter BRAUMULLER pointed out.

The financial industry as a whole is affected by a general lack of trust, Peter BRAUMULLER pointed out: *We are now facing a situation in which the clients do not trust the system enough. This is why the supervision authorities will play a major role in increasing the trust in the industry.*

The more rights the clients have, the better protected they become, and this must be true for every market. *It is true that the insured in the emergent countries are more vulnerable. On the other hand, many mis-selling practices were discovered*



Gabriel BERNARDINO
Chairman of EIOPA

in developed countries. This is why the supervision authority must be proactive everywhere, Peter BRAUMULLER concluded.

The Romanian market, affected by a trust crisis

As far as the local Romanian market is concerned, at the moment, it is marked by a trust crisis, the local representatives pointed out during the conference. Thus, as a result of the numerous media events that affected the market this year, the insurance players' reputation was damaged and the consumers' trust decreased. *Similar to the institutions that ensure fair competition, we can intervene in the market: those that have a correct behavior should put pressure on the authorities to intervene in case of irregular behavior. Moreover, we need to fight against abuses and against*



Peter BRAUMULLER
Chair of IAIS Executive Committee

the unfair treatment of clients, and thus we must talk about transparency and fairness, Daniel DĂIANU, First – Vicepresident of ASF - Financial Supervisory Authority in Romania, declared, addressing the issue.

Remi VRIGNAUD, President of UNSAR, Artur BOROWINSKI, representative of OMNIASIG VIG, Corneliu MOLDOVEANU, Vicepresident, FSA, Daniel FLOREA, Deputy, Romanian Parliament, Alexandru CIUNCAN, General Secretary, APPA – Association for Promoting Insurance, Member of IRSG, EIOPA, as well as Marius POPESCU, Vicepresident of UNSAR - Life and Health Insurance Responsible, Florentina ALMĂJANU, General Director, UNSAR, and Bogdan ANDRIESCU, President of UNSICAR joined the discussions, pointing out the solutions necessary for redressing the situation on the local market.

Other important representatives of the local authorities and international



insurance and financial companies also participated as key-note speakers of the first edition of the European Conference on Consumer Protection in Financial Services: Sergej SIMONITI, Director of Insurance Supervision Agency, Slovenia, William VIDONJA, Head of Single Market & Social Affairs, Insurance Europe, Malgorzata WIECKO-TULOWIECKA

Attorney At Law, The Insurance Ombudsman Office, Poland, Vladimir

SAVOV, Member of the Board, Financial Supervisory Commission, Bulgaria and Eric CLURFAIN, Regional Head, Central Europe, METROPOLITAN Life.

Vlad BOLDIJAR
Mihai CRĂCEA
Adina TUDOR



LUSTRUM
EDITION
SPECIAL
20%
READER OFFER
Registration code:
MEDIA2014WPS20



'The attractiveness of Risk Based Supervision (RBS)...'

Solange Berstein
Head of the Pensions
Supervisory Authority & Chair IOPS TechCom |
Santiago de Chile



'Multipillar Pensions will benefit China's Capital Market substantially and sustainably...'

Jiye Hu
Professor of Law and
Finance, Center for Law and Economics,
China University of Political Science and
Law | Beijing



'We need to industrialize pensions to build a better retirement world'

Josef Pilger
Asia Pacific Pension
Practice Leader EY | Sydney

5-6 NOV 2014 THE HAGUE WorldPensionSummit

→ Financing Pensions

For more information:
worldpensionsummit.com
info@worldpensionsummit.com

The only platform 'for and by' Pension Professionals, exchanging knowledge and innovative ideas on how to secure sufficient pension provision.



AZERBAIJAN INTERNATIONAL INSURANCE FORUM

19th - 20th June, 2014

Fairmont Hotel, Baku, Republic of Azerbaijan

Organizers



Azerbaijan Insurers Association

Media XPRIMM

Official Partners



Gələcəyin təminatı

Partners



HƏYAT SİĞORTASI



SILK WAY INSURANCE

General Media Partner Azerbaijan



With the Official Support of



Ministry of Finance of the Azerbaijan Republic

General Partner

Azre

TƏKRARSİĞORTA — REINSURANCE

Main Partners



Standard Insurance
sizi qoruyan siğorta



MEQA SİĞORTA

General Media Partner Russia



Медиа-Информационная Группа
«Страхование сегодня»

Media Partners



Belarusian association of insurers



Казахстанский портал о страховании



xprimm.com
INSURANCE IN CEE • SEE • RUSSIA & CIS

www.aiif.az



DIFFERENTIATING YOU

A vertical orange line extends from the bottom of the word "YOU" down towards the middle of the page.

JLT Towers Re provides a unique reinsurance broking platform for our clients. Instead of trying to be all things to all people, we utilize our transactional and analytical capabilities to excel in our areas of expertise and specialization. The JLT Re – Towers Watson Alliance supplements our transactional and analytical capabilities and serves as a bridge between modern reinsurance broking and traditional consulting services.

We have three simple aims:

- 1 To bring you a long-term commitment to service through our 'client first' ethos
- 2 To bring you unconflicted advocacy in the market, that differentiates you from your peers
- 3 To bring you the widest platform of analytics in the market, always remembering that it is insight not just analytics you need

www.jlttowersre.com

