

## CEE insurance M&A outlook

Navigating challenges, positioning  
for inorganic growth

**2024**

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# FOREWORD

We are delighted to present you with the 2024 M&A Insurance Report for Central and Eastern Europe (CEE), covering a sector and region that has been very quiet compared to the booming period of 2018-2021.

2023 marked a year of overall premium growth in the CEE insurance market, a positive trend that continued in the region's largest markets through the first three quarters of 2024 as well.

The non-life insurance segment has taken the lead, with recent record high inflation being reflected in policy pricing. In 2023 this premium increase, combined with the easing of claim inflation, helped balance the higher claims in the property business line due to significant environmental events such as storms, earthquakes, and floods. However, it is already visible that the massive floods in autumn 2024 will cause a surge in property related claims in the region.

The life insurance segment saw moderate growth, primarily driven by the region's largest market, Poland, where customer awareness regarding the importance of self-care was notably elevated due to the adverse experiences of the pandemic. In the other larger markets, life business rather stagnated. In a higher interest rate environment, individuals typically prefer more attractive, relatively risk-free investment alternatives such as government bonds, over unit-linked insurance or other types of life policies with saving component. This, combined with the overall reduction in household savings, driven by higher cost of living, and one-off adverse measures such as the extra tax imposed in Hungary, led to a decreased sale of life insurance products in the region.

Regarding M&A activity, the record-breaking period of 2018-2021, when the insurance M&A market was thriving with over 20 deals annually, now seems like distant memories. Although the total number of deals in 2024 might suggest a gradual recovery, examining core insurance companies and other sector-related entities separately reveals a more mixed picture.

The overall number of transactions did not decrease further in 2024, as investors continued to show strong interest in insurance brokers and agencies. Brokerages continue to appeal to private equity (PE) firms as the fundamentals of the business fit the

investment strategy and business model of this type of investors. The market is relatively fragmented, presenting numerous opportunities among small and mid-sized entities for potential acquisition. The regulatory and capital requirements of a brokerage company are much lower, facilitating easier market entry compared to traditional insurance company acquisitions. As brokers' remuneration is generally linked to the premium sold, the sector benefited from the rising premium levels of the recent years.

M&A activity in the core insurance sector has reached unprecedented lows in 2024 with just one closed transaction in the CEE region. The primary reason for the decline in transaction activity is the lack of stability. As stability is a crucial factor in insurance M&A, insurers adopted a highly cautious approach to transactions amid the macroeconomic and geopolitical uncertainties arising from the war in Ukraine. Even the most active buyers from the large 2018-2021 consolidation wave took a step back and decided to wait the economic volatility to settle before returning to regional expansion. VIG, one of the largest consolidators in CEE has also focused on streamlining its market presence and operations in Poland by merging two of its subsidiaries. As for the potential sellers, large international groups like MetLife, which had previously initiated the divestiture of their non-core portfolios have opted to suspend these disposals.

Although insurance M&A activity is currently at its lowest level in many years, market participants remain optimistic. There are several indicators suggesting that dealmaking will rebound in the near future.

The moderating inflation and interest rates allow potential buyers to assess the value of the target company with more certainty. On the other hand, sellers seem to find peace with the passing of the high valuation levels as experienced before the pandemic. As a result, the valuation gap that hindered transaction activity in recent years should gradually close, leading to stronger deal flow.

Although inflationary pressure seems to ease and the interest rates are anticipated to decrease, in the near term they are not expected to return to the levels experienced in the pre-pandemic era.

Insurers appear to have adapted to the altered landscape, which includes higher interest rates, persistent inflation, and a generally more volatile trading environment. As they come to accept this situation as the 'new normal', their reluctance towards M&A deals is also likely to diminish. Moreover, the expected turn in the insurance market cycle might further bolster M&A activity. The insurance market cycle over the last couple of years has provided a hard market with growing premium levels however there are signs that the end of hard market is in sight and the sector is entering a soft market cycle. Softening premiums limit the potential for organic growth, forcing the market players to consider inorganic growth opportunities to meet their growth objectives.

The last, but maybe the most important factor that could drive transactions is the increased regulatory scrutiny and consequently the cost of maintaining compliance with the complex new regulations. Insurers must be prepared to navigate an intense regulatory agenda in the near future: Digital Operational Resilience Act (DORA) is aimed at enhancing cyber-security and operational resilience, while the Insurance Recovery and Resolution Directive (IRRD) will establish a uniform cross-border regulation for insurance companies under stress by requiring the development of pre-emptive recovery plans for financial distress. There is a growing emphasis on the societal importance of the insurance sector, which is expected to play a pivotal role in achieving sustainability goals. Concurrently, insurers must comply with the stringent disclosure requirements set forth by the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy for Sustainable Activities. Although the increased regulatory oversight should strengthen the resilience of the insurance industry, the changes in the regulatory environments may encourage larger international insurance groups to review their portfolio as ensuring compliance in multiple jurisdictions can be very costly.

Overall, numerous signs suggest that the CEE insurance M&A market may experience significant transformations in the coming years. We hope that the seventh release of our study will support M&A considerations of market players with a transaction appetite. Feel free to reach out to our regional team of experts in case you wish to discuss any topics around the regional insurance markets.



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# 1. CEE MACROECONOMIC OVERVIEW

The macroeconomic landscape of the CEE region in 2024 demonstrates modest progress towards recovery compared to 2023, although at varying speed and scale across individual economies. With inflation subsiding, several nations have begun implementing easing monetary policies, a development poised to support future economic growth, however several uncertainties remain in connection with the economic outlook of the region.

In 2023, the economic momentum in the CEE region has continued to slow down considerably compared to 2021 and 2022. The region continues to face uncertainty and downside risks to its economic outlook, driven by the prolonged war in Ukraine, lingering geopolitical tensions and escalating trade disputes.

While over 2024, energy markets have stabilized compared to recent years, they remain susceptible to disruptions, particularly in the context of global supply chain vulnerabilities and geopolitical conflicts.

Inflation has declined significantly across the region, driven by stabilizing energy prices and effective monetary policies. The inflation rate is expected to range between 0.8% and 5.4% in 2024 across CEE countries, reflecting these positive developments. Labor markets have remained resilient, with stable unemployment rates and expectations for sustained real wage growth throughout the year. These trends signal a cautiously optimistic outlook for the region's economic recovery.

Change in real GDP (2022 - 2024E, in %)



Source: EIU, National Banks

After a period of subdued economic activity in 2022 (compared to the CEE average GDP growth of 7.1% in 2021) and further challenges in 2023, real GDP growth in CEE is showing signs of recovery in 2024. The region's average real GDP growth was 1.3% in 2023 and is anticipated to increase to 1.9% in 2024, driven by easing inflation, rising real wages, enhanced household consumption, and a resurgence in external demand. Among the countries

analyzed, Serbia (3.8% in 2023, 4.0% in 2024E) and Albania (3.9% in 2023, 3.7% in 2024E) recorded the highest real GDP growth rates in 2023 and are expected to continue leading in 2024 in EUR terms. In contrast, Estonia is expected to remain the only country with negative growth rates across the two years, highlighting the vulnerability of its small, open economy to external shocks.

Unemployment rate (2022 - 2024E, in %)

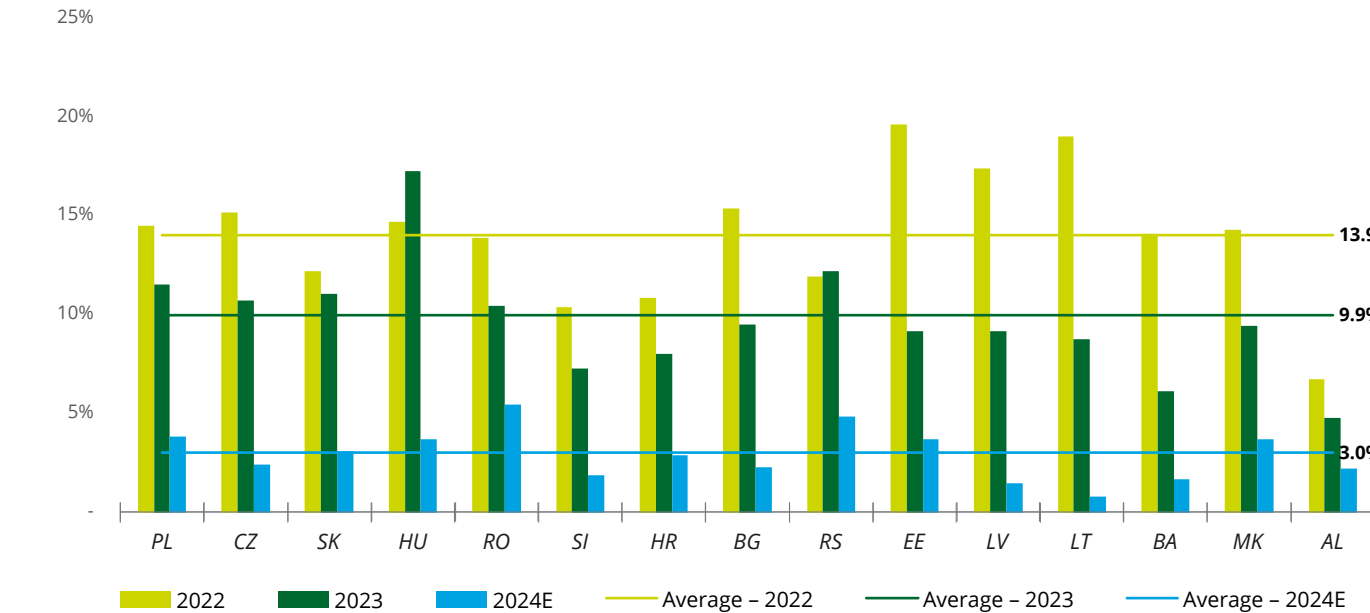


Source: EIU, National Banks  
\*Bosnia and Herzegovina was excluded from the average calculations.

Despite the challenges of recent years, the labor market has remained strong. In 2024, only a few countries are expected to see a rise in unemployment rates compared to 2023. The average unemployment rate across the observed CEE countries was 6.6% in 2023 and is projected to stay relatively stable with a slight decrease in 2024 (6.4%), according to EIU forecast. Following a temporary

drop in real wages in 2022, sustained nominal wage growth that surpasses inflation has been observed from 2023 onwards in most regions, driven by a consistently tight labor market. This trend is boosting real wages and leading to a recovery in purchasing power starting from 2023.

Consumer price (2022 - 2024E, in %)

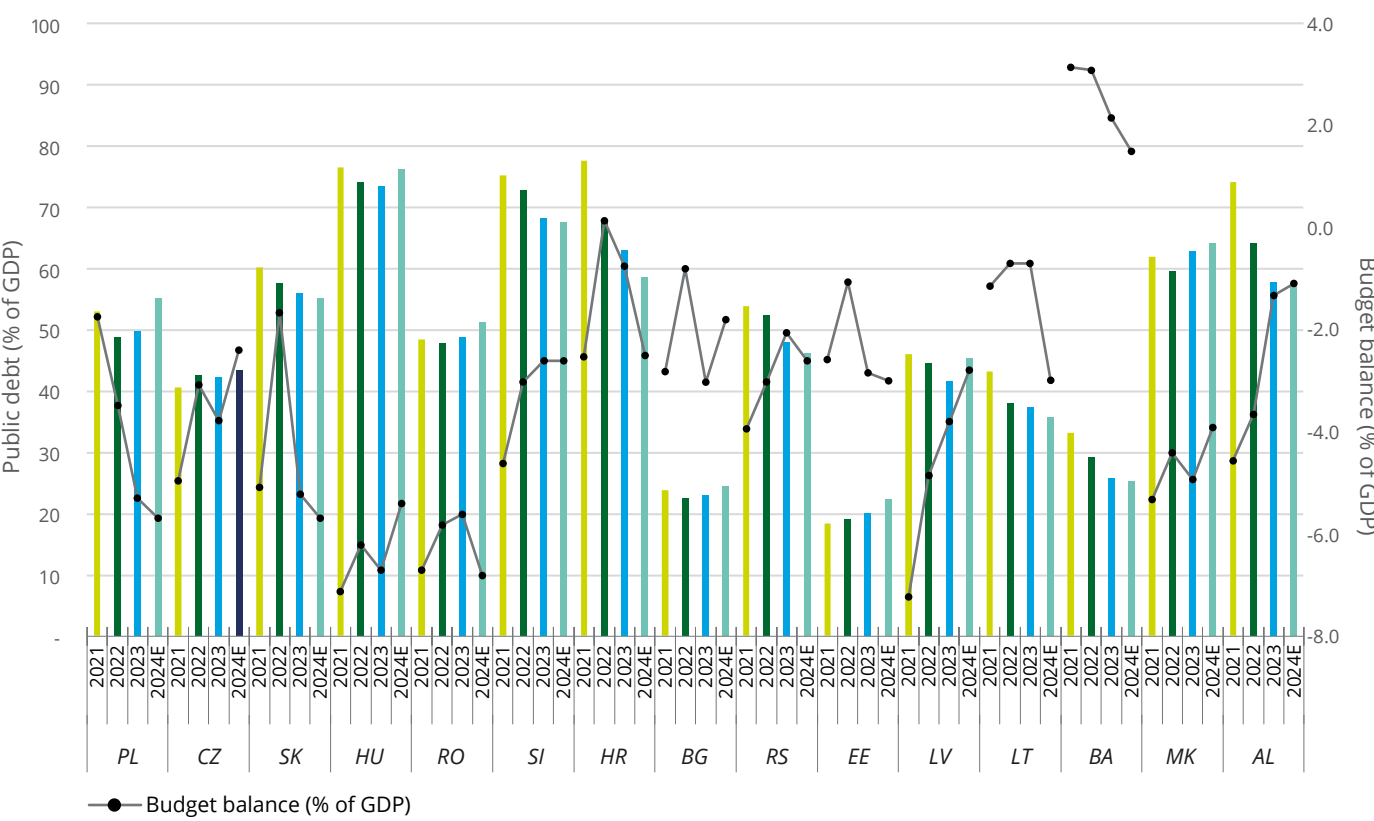


Source: EIU, National Banks

Inflation has continued its downward trajectory in 2024, with the average inflation rate across CEE countries projected to significantly decline from 9.9% in 2023 to 3.0% in 2024, according to estimates by EIU. This substantial improvement compared to 2023 reflects the success of tighter monetary policies implemented in previous years.

Key drivers of this disinflation include stabilized energy prices, further reductions in food prices, and a continued easing of supply chain constraints. However, inflation in services remains elevated in certain countries, preventing sharper declines in overall inflation.

Public debt (% of GDP) and budget balance (% of GDP), 2021-2024E



Source: EIU, National Banks

In 2023, the budget deficit increased in most countries in the region following the fiscal pressures experienced in 2022. Although the fiscal support measures introduced during the pandemic have largely been phased out, higher interest expenditures continued to strain public finances. In 2024, most countries are expected to see marginal improvements in budget deficits, while others will experience budget deficit increases but at a lower rate compared to previous years. Governments are exercising fiscal restraint to help prevent additional inflationary pressures and ensure fiscal sustainability in the medium term.

Based on preliminary data, public debt as a percentage of GDP indicated a slight increase in more than half of the observed countries in 2024 across the region due to subdued economic growth and persistently high interest expenditures in some countries. However, the influence of higher nominal GDP growth, supported by disinflation and economic stabilization, has mitigated a more significant rise in debt ratios. This balance between fiscal discipline and economic recovery is expected to stabilize public debt levels across the region in 2025, ensuring long-term fiscal sustainability.

## 2. INSURANCE MARKET TRENDS IN CEE

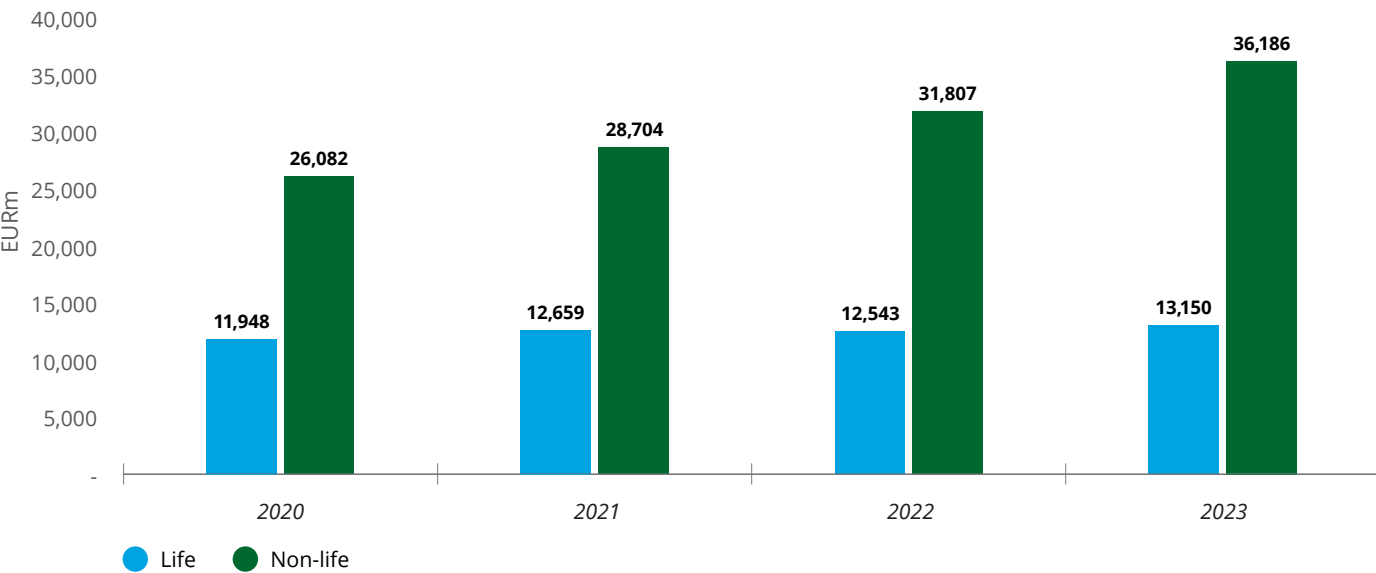
In 2023, the overall insurance market experienced an 11.2% increase in Gross Written Premium (GWP) terms. This growth was primarily driven by the non-life segment, which grew by 13.8%, while the life segment saw a modest growth of 4.8% compared to 2022. Every analyzed market experienced a positive shift in market dynamics, with some even achieving double-digit growth.

2023 has been a challenging year as a result of geopolitical tensions and ensuing macroeconomic instability. The war in Ukraine destabilized the market and caused disruption in the supply chains while series of bank failures in Switzerland and in the US eroded trust in the financial sector. The inflation eased somewhat in most of the CEE countries, but stayed well above the EU average of 6.4%, putting a pressure on the local insurance sector through increased claim payments and higher operating costs. The 13.8% growth in Gross Written Premium (GWP) within the non-life segment

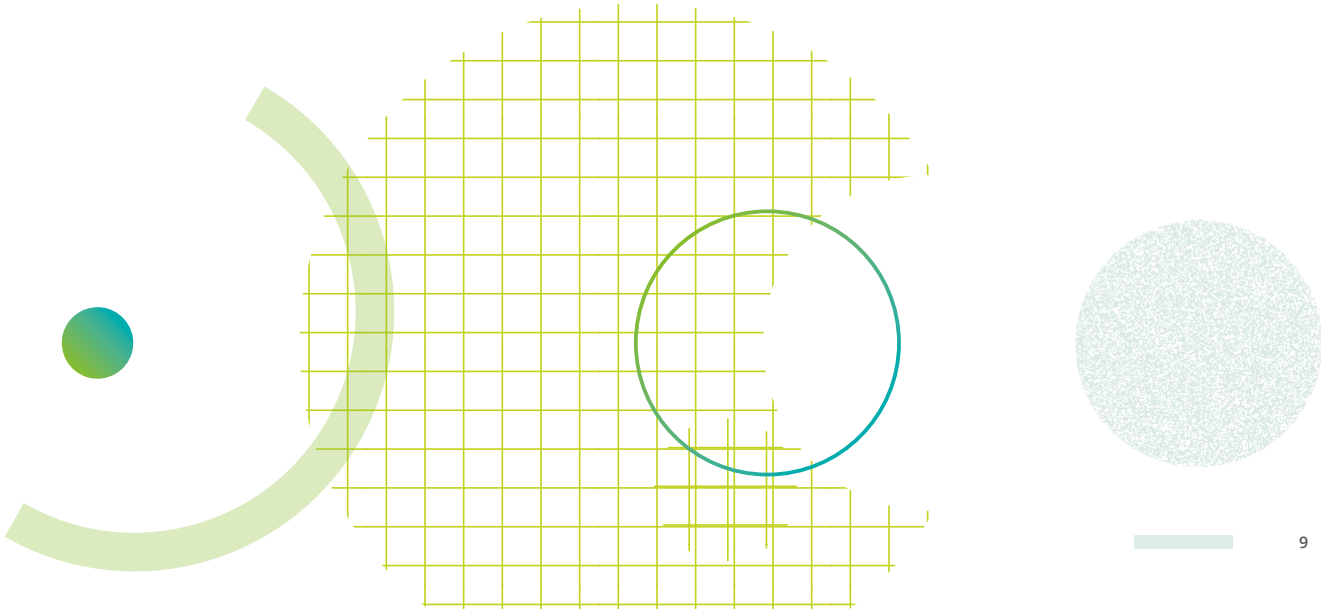
corresponded with the rise in claim payments. This suggests that non-life insurers have effectively adjusted their premiums to restore underwriting profits to levels seen before the inflationary shock. Claims inflation is generally not relevant for life business as claims are typically defined in nominal terms. Consequently, the 4.8% increase in segmental Gross Written Premium (GWP) can be attributed primarily to developments in Poland, the largest market in the region, rather than being driven by general inflation. In Poland the demand for traditional life and accident & sickness policies increased by 10.7% and 13.8%, respectively, suggesting that customers now place greater importance on self-care following the COVID-19 pandemic.

The highest GWP growth rates in 2023 were recorded in the smaller markets, such as in Bulgaria (21.5%), Albania (18.3%), Lithuania (17.2%), Serbia (16.4%), and Estonia (15.9%).

Gross written premiums in CEE, 2020 - 2023 (EUR mn)



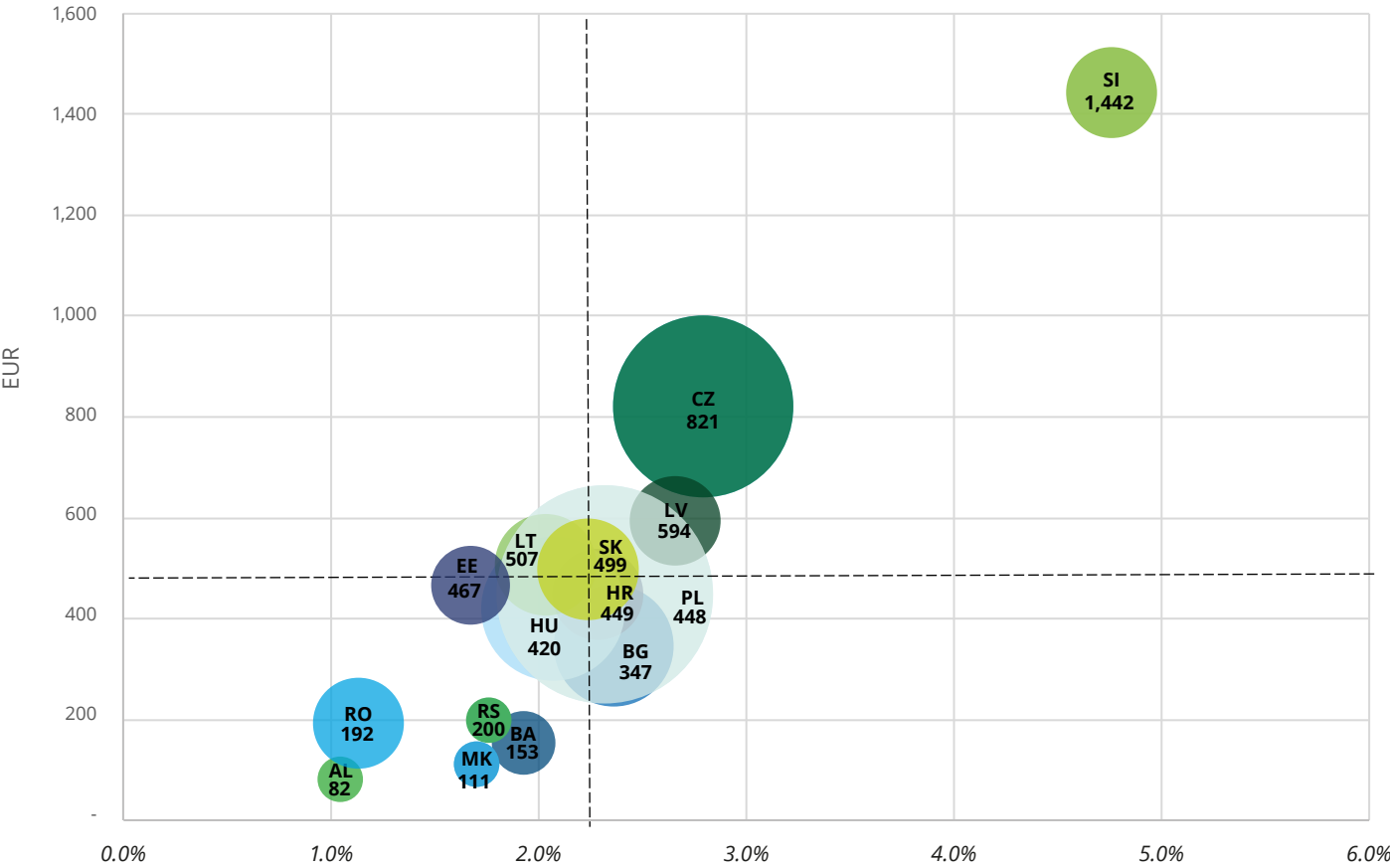
Source: Xprimm, National insurance associations, Deloitte intelligence



In the life insurance segment, traditional life insurance products accounted for the largest share of GWP. The non-life market growth was mainly driven by MTPL products, which made up 29.9% of the total CEE market. Considering the total insurance sector, Poland with EUR 17,362 mn, Czechia with EUR 8,887 mn, and Hungary with EUR 4,138 mn were the largest markets in the region, collectively accounting for 61.6% of the total GWP generated.

The average GWP per capita in the region was EUR 421 in 2023, which lags behind the average of the European Economic Area (EEA). Both GWP/capita and insurance market penetration exhibit a wide range among the CEE countries, with the former spanning from EUR 82 to EUR 1,442, while the latter ranging from 1.0% to 4.8%. Generally, countries with GWP per capita slightly below or close to the CEE average tend to exhibit stronger M&A activity, indicating potential for further growth in these markets.

Insurance market GWP penetration (%) and GWP/Capita (EUR), 2023



Source: Xprimm, National insurance associations, Deloitte intelligence

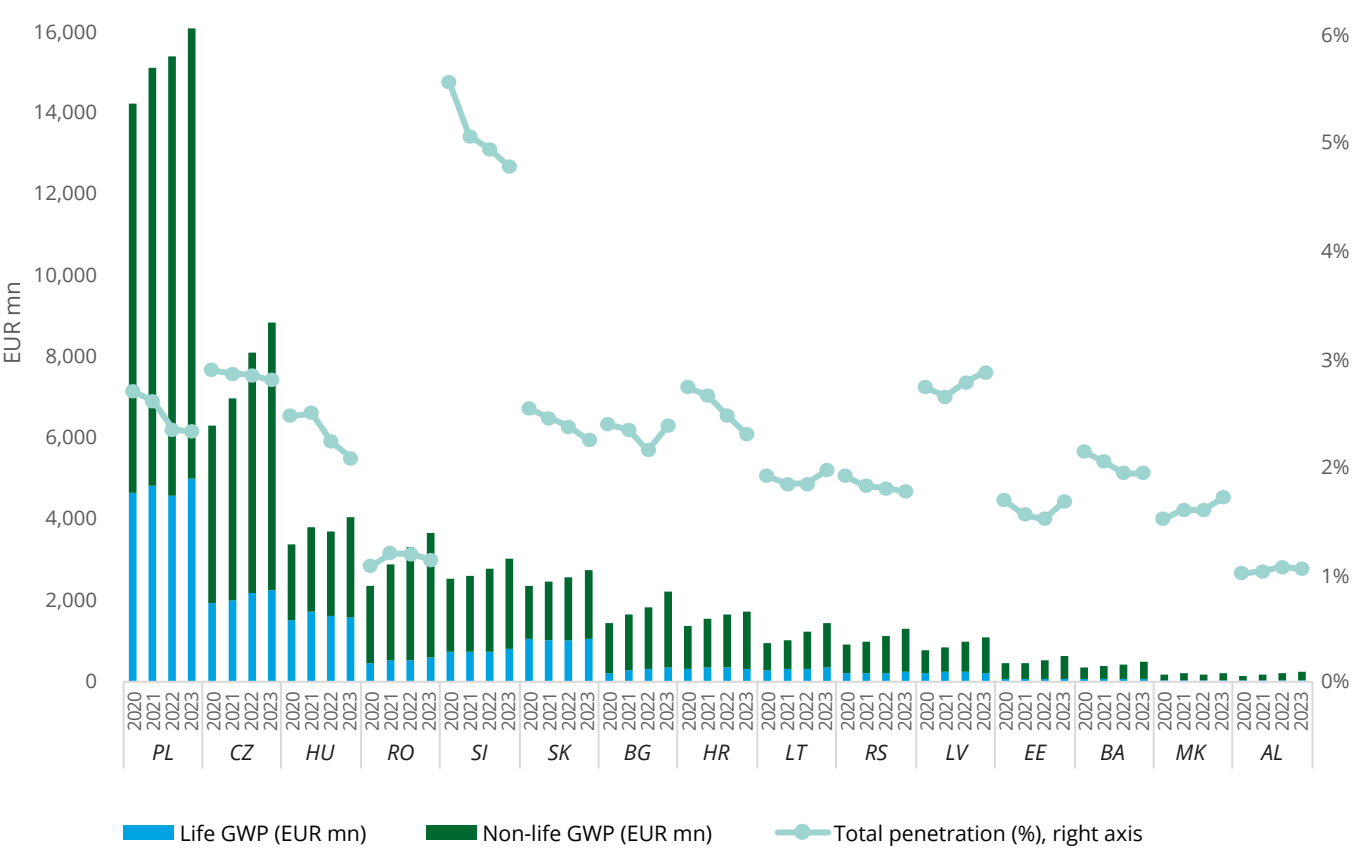
Between 2020 and December 2024, Poland recorded the highest number of transactions with 29 deals, followed by Hungary with 14, and both Romania and Lithuania with 8 transactions each. The insurance markets in these countries, along with Slovenia, Czechia, and Slovakia, are considered the most developed in the region.

Typically, countries with higher growth potential such as Poland, Romania, and Hungary see more transactions. These markets are more attractive to major industry players as it is often easier to achieve economies of scale. Smaller markets such as North Macedonia, Serbia, and Albania each displaying GWP per capita well below EUR 200, consistently experience fewer transactions. Insurers may find it challenging to achieve scale rapidly in these

markets, often requiring a more extended timeline to consolidate smaller portfolios. As a result, these countries attract less interest from major industry players, leading to fewer deals despite the potential for long term growth.

An interesting outlier is Slovenia, where both GWP per capita and GWP penetration are the highest in the region. This is attributed to the voluntary supplementary health insurance, which is chosen by almost all Slovenes to cover expenses not included in the mandatory health insurance scheme. Nevertheless, the Slovenian insurance sector has fewer transactions, attributed to the relatively small size of its economy and the already mature state of its market.

GWP and GWP penetration in CEE, 2020 - 2023 (EUR mn and %)

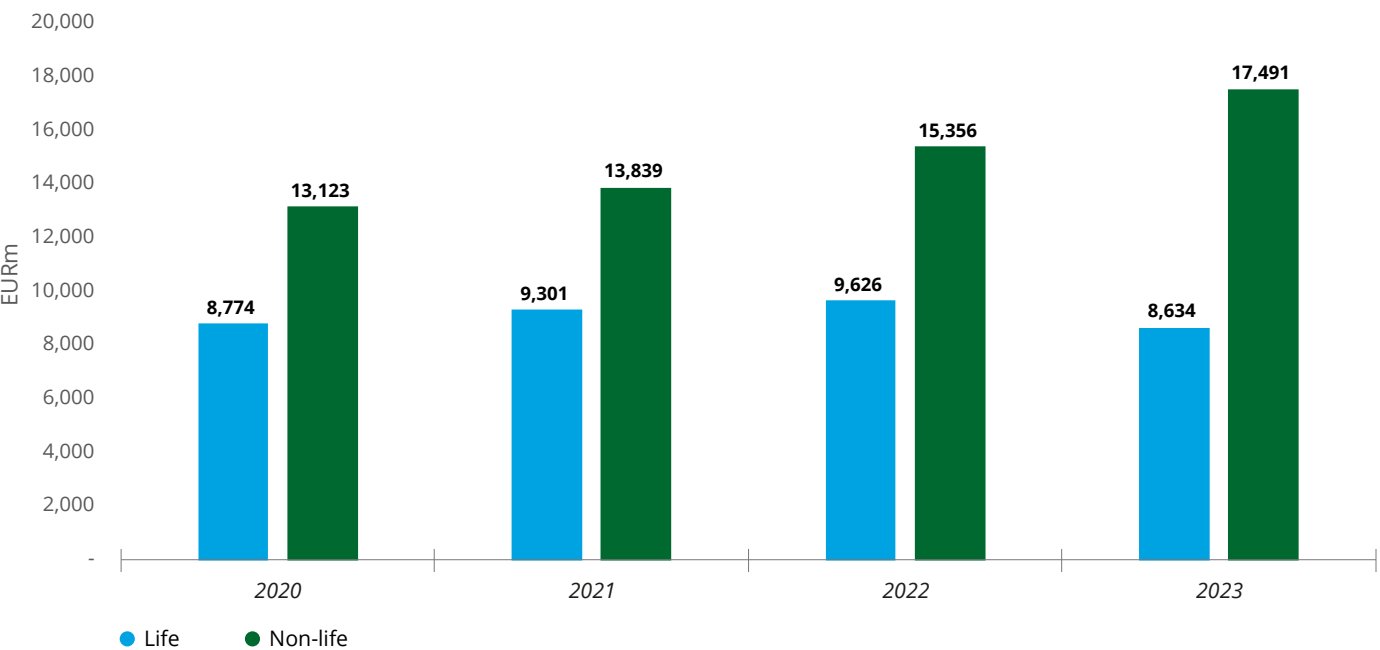


Source: Xprimm, National insurance associations, Deloitte intelligence

In the insurance sector of CEE, the non-life segment is generally larger than the life segment. This trend has persisted for several years and is also evident in 2023. Most countries in the region saw a rise in GWP from 2022 to 2023. The penetration, the ratio used to measure the sector's development, overall remained unchanged at 2.2%, indicating that the expansion of the insurance market was in line with the growth of the regional economy.



Paid claims in CEE, 2020 - 2023 (EUR mn)



Source: Xprimm, National insurance associations, Deloitte intelligence

The inflationary pressure eased somewhat in 2023 as the average inflation in the CEE region dropped from 13.9% to 9.6%, however it stayed well above the EU average. To address claim inflation, non-life insurers typically try to adjust their premiums, but this can be done only with a time lag. Moreover, the ability to do so is limited by the competition and the willingness of the customer to buy the same policy for a higher price. In 2023, the claim cost in the non-life segment grew by 13.9%, mirroring the GWP growth rate. This suggests that reduced inflation allowed the sector to catch up and work towards restoring underwriting profit to pre-inflationary shock levels.

The six largest markets – Poland, Czechia, Hungary, Slovenia, Romania, and Slovakia – collectively accounted for 81.2% of the total CEE GWP.

The Polish markets saw significant growth in its insurance market in 2023. The demand for traditional life insurance products increased, as the aftermath of COVID-19 pandemic highlighted the significance of self-care, resulting in a growth of 9.6% in the life segment. The non-life segment grew by 14.0%, primarily due to inflationary adjustments in property and motor insurance pricing, mainly driven by motor hull policies. Overall, paid claims increased modestly by 3.0%. However, non-life segment claims rose by 13.5% due to claims inflation. This, together with stagnant MTPL prices, caused MTPL insurers to record and stagnant MTPL prices, causing MTPL insurers to record a technical loss for the first time since 2016. Property insurance claims remained stable compared to 2022, a year marked by violent weather disasters. Also reports from Polish insurance companies show improvements in profitability and overall market performance in 2023. These results reflect an efficiency boost in cost management as well as the newly implemented practices that revolve around digital processes. For

instance, PZU launched an automated digital claims solution in partnership with the Swedish insurtech Upptec. It streamlined the claims process, reduced processing times and errors, hence cut administrative costs.

The insurance sector in Czechia has been growing consistently since the 2020 recession. Between 2022 and 2023, the Czech insurance sector rose by 9.2% in EUR terms. This growth was primarily driven by the non-life sector, which increased by 11.8%, while the life sector grew by 2.2%. Within the non-life sector, motor insurance products were significant contributors, growing by 19.3%. Total paid claims decreased by 5.1% by 2023, even though climate-related insurance events in the fourth quarter increased respective claim costs by 128% compared to the same period in 2022.

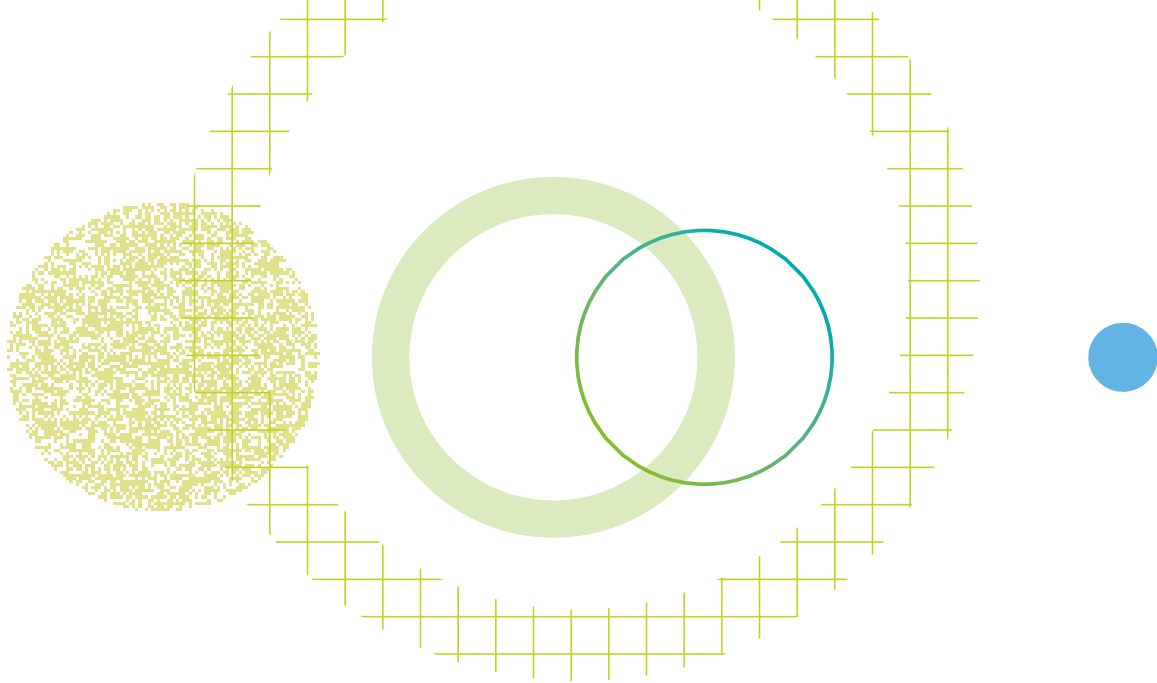
The Hungarian insurance market showed mixed trends in 2023. The life segment declined by 3.3%, primarily due to an extra tax imposed on the insurance sector, which affected new sales of traditional single premium policies. Additionally, clients sought more attractive investment alternatives with higher returns, such as government bonds. Conversely, the non-life segment experienced significant growth, increasing by 19.4%, mainly driven by an increased pricing of motor and property insurance policies. Total paid claims rose marginally by 0.4%.

In 2023, the Slovenian insurance market experienced steady growth in both segments compared to the previous year. The life segment grew by 7.4%, while the non-life segment saw an increase of 9.6% compared to 2022. However, year-on-year paid claims rose significantly by 22.8%, mainly due to extreme weather events, particularly floods. In August 2023, extensive flooding hit most of Slovenia's territory, followed by unprecedented rainfall. The major rivers, including Sava, Drava, and Mura, overflowed,

resulting in significant property damage and substantial insurance claims. Additionally, the Slovenian parliament passed a bill in 2023 to convert supplementary health insurance into a mandatory contribution to regular health insurance premiums starting in 2024. The government plans to set price caps on this product until the supplementary health insurance system is reformed in accordance with amendments to the Healthcare and Health Insurance Act.

In 2023, the Romanian insurance market grew by 9.9%, primarily driven by the non-life sector. Significant changes occurred in the non-life sector following the collapse of City Insurance in September 2021, which had positioned Euroins as the leading MTPL product provider, followed by Groupama and Allianz. However, in March 2023, Euroins lost its license and was declared bankrupt, causing another major disruption in the market. In response to rising prices set by market competitors, the Financial Supervisory Authority (ASF) introduced a cap on MTPL premiums. The ASF stated that in 2024, the MTPL law is expected to be adjusted. The proposed changes aim to increase access for consumers and improve process efficiency through the integration of databases and an enhancement of the Bonus Malus system to better reflect driver behavior. Additionally, the market authority aims to expand the market by introducing new players to support the development of the capital base.

In Slovakia, the life insurance market had been shrinking since the outbreak of COVID-19 in 2020, however, it grew by 2.4% in 2023. The non-life sector experienced more substantial growth, increasing by 8.1% compared to 2022, primarily due to a rise in motor insurance policies. In October 2023, an earthquake in eastern Slovakia resulted in nearly 2,400 damage reports, increasing claim costs by EUR 16 mn. As the last earthquake of a similar magnitude was recorded in 1930, customers are becoming more aware of the importance of proper coverage of their homes.



### 3. KEY REGIONAL INSURANCE GROUPS AND MARKET CONCENTRATION

The largest insurers in the CEE market typically belong to leading international insurance groups such as Vienna Insurance Group (VIG), Allianz, Generali, Uniqa and NN Group with presence in several countries across the region. These companies have been historically active players of the M&A landscape which significantly contributed to achieving their regional leading positions through inorganic growth (VIG, Allianz and Generali were among the top buyers in CEE

over the period of 2019-2023). Additionally, significant local players dominate domestic markets, such as PZU in Poland. PZU is the market leader in Poland and one of the largest insurance companies in the CEE region. It operates in both the life and the non-life insurance segments. While primarily based in Poland and Lithuania, PZU also has a presence in the non-life insurance markets of Estonia and Latvia.

Ranking of the leading life insurance groups by total GWP in the respective countries, 2023

| RANK | LIFE INSURER GROUP     | CHANGE IN RANK (22-23) | PL | CZ | SK | HU | RO | SI | HR | BG | RS | EE | LV | LT | AL | MK | BH | NR. OF COUNTRIES WITH PRESENCE | TOTAL CEE GWP (EUR MN) | TOTAL CEE MARKET SHARE | CUMMULATED MARKET SHARE |
|------|------------------------|------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|--------------------------------|------------------------|------------------------|-------------------------|
| 1    | Vienna Insurance Group | -                      | 4  | 1  | 1  | 1  | 2  | 6  | 2  | 2  | 2  | 3  | 2  | 1  |    | 3  | 2  | 14                             | 2,325                  | 17.7%                  | 17.7%                   |
| 2    | PZU                    | -                      | 1  |    |    |    |    |    |    |    |    |    |    | 7  |    |    |    | 2                              | 2,044                  | 15.5%                  | 33.2%                   |
| 3    | Allianz                | -                      | 2  | 4  | 2  | 5  | 3  | 10 | 1  | 3  |    |    |    | 3  |    |    |    | 9                              | 1,432                  | 10.9%                  | 44.1%                   |
| 4    | NN                     | -                      | 3  | 3  | 4  | 2  | 1  |    |    |    |    |    |    |    |    |    |    | 5                              | 1,264                  | 9.6%                   | 53.7%                   |
| 5    | Generali               | -                      | 6  | 2  | 3  | 4  | 7  | 4  | 5  |    | 1  |    |    |    |    |    |    | 8                              | 1,149                  | 8.7%                   | 62.5%                   |
| 6    | Uniqa                  | -                      | 7  | 5  | 5  | 10 | 6  |    | 8  | 4  | 6  |    |    |    | 1  | 5  | 3  | 11                             | 679                    | 5.2%                   | 67.6%                   |
| 7    | KBC                    | 1                      |    | 6  | 7  | 11 |    |    |    | 1  |    |    |    |    |    |    |    | 4                              | 392                    | 3.0%                   | 70.6%                   |
| 8    | Talanx Group           | -1                     | 5  |    |    |    |    |    |    |    |    |    |    |    |    |    |    | 1                              | 381                    | 2.9%                   | 73.5%                   |
| 9    | MetLife                | -                      |    | 7  | 6  | 7  |    |    |    |    |    |    |    |    |    |    |    | 3                              | 305                    | 2.3%                   | 75.8%                   |
| 10   | Triglav Group          | -                      |    |    |    |    |    | 1  | 10 |    | 10 |    |    |    |    | 4  | 4  | 5                              | 283                    | 2.2%                   | 78.0%                   |

Source: Xprimm, National insurance associations, Deloitte intelligence

TOP 1-5TOP 6-10TOP 11-15

In 2023, the ranking of the top 10 life insurers in the CEE region saw only minimal changes compared to 2022. VIG maintained its leading position in the regional market, while PZU remained in second place and Allianz in third position. The only change in the ranking took place at the seventh and eighth spot where KBC surpassed Talanx Group. Talanx Group dropped one position as a result of exiting the Hungarian market in 2023 by selling its shares in Magyar Posta Életbiztosító Zrt. to Corvinus Nemzetközi Befektetési Zrt., an asset manager owned by the Hungarian state.

In 2023, the top 10 life insurance groups achieved a total of EUR 10,225 mn in GWP, accounting for 78.0% of the total CEE life insurance market.

The country-level presence of these insurers varied. Some players, like VIG, Uniqa, Allianz, and Generali, operated in most countries of the region, while others, such as PZU, Talanx Group, KBC, MetLife, NN, and Groupama, were active in 1-5 countries. Despite challenging market conditions, leading insurers with diversified portfolios across multiple countries, such as VIG and Allianz, managed to maintain resilient GWP figures.

Ranking of the leading non-life insurance groups by total GWP in the respective countries, 2023

| RANK | NON-LIFE INSURER GROUP | CHANGE IN RANK (22-23) | PL | CZ | SK | HU | RO | SI | HR | BG | RS | EE | LV | LT | AL | MK | BH | NR. OF COUNTRIES WITH PRESENCE | TOTAL CEE GWP (EUR MN) | TOTAL CEE MARKET SHARE | CUMMULATED MARKET SHARE |
|------|------------------------|------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|--------------------------------|------------------------|------------------------|-------------------------|
| 1    | Vienna Insurance Group | -                      | 4  | 1  | 2  | 1  | 2  | 7  | 5  | 3  | 4  | 3  | 1  | 2  | 2  | 1  | 9  | 15                             | 5,699                  | 15.7%                  | 15.7%                   |
| 2    | PZU                    | -                      | 1  |    |    |    |    |    |    |    |    | 5  | 2  | 1  |    |    |    | 4                              | 4,673                  | 12.9%                  | 28.7%                   |
| 3    | Generali               | -                      | 6  | 2  | 3  | 2  | 4  | 3  | 4  | 8  | 2  |    |    |    |    |    |    | 9                              | 3,638                  | 10.1%                  | 38.7%                   |
| 4    | Allianz                | -                      | 7  | 3  | 1  | 3  | 3  | 6  | 3  | 9  |    |    |    |    |    |    |    | 8                              | 3,066                  | 8.5%                   | 47.2%                   |
| 5    | Munich Re              | -                      | 3  | 8  |    |    |    |    |    |    |    | 4  | 6  | 3  |    |    |    | 5                              | 2,278                  | 6.3%                   | 53.5%                   |
| 6    | Talanx Group           | -                      | 2  |    |    |    |    |    |    |    |    |    |    |    |    |    |    | 1                              | 2,126                  | 5.9%                   | 59.4%                   |
| 7    | Uniqa                  | -                      | 5  | 5  | 4  | 5  | 7  |    | 7  | 11 | 8  |    |    |    | 1  | 4  | 10 | 11                             | 1,945                  | 5.4%                   | 64.7%                   |
| 8    | Groupama               | 1                      |    |    |    | 4  | 1  | 13 |    | 12 |    |    |    |    |    |    |    | 4                              | 1,147                  | 3.2%                   | 67.9%                   |
| 9    | Triglav Group          | -1                     |    |    |    |    |    | 1  | 6  |    | 5  |    |    |    |    | 3  | 6  | 5                              | 1,109                  | 3.1%                   | 71.0%                   |
| 10   | KBC                    | NEW                    | 4  | 6  | 6  |    |    |    |    |    |    |    |    |    |    |    |    | 4                              | 913                    | 2.5%                   | 73.0%                   |

Source: Xprimm, National insurance associations, Deloitte intelligence

TOP 1-5TOP 6-10TOP 11-15

In 2023, the non-life insurance segment saw only slight changes among the top 10 insurers compared to the previous year. The top seven positions remained unchanged, with VIG holding the first position, followed by PZU in second and Generali in third. Groupama advanced from ninth to eighth place, surpassing Triglav Group. KBC joined the top 10, taking the tenth position and replacing Euroins Insurance Group, whose license was revoked by the Romanian supervisory authority in March 2023.

Most insurers on this list have diversified portfolios offering both life and non-life products across at least five countries. VIG and Uniqa are notable for their operations in more than ten CEE countries, with VIG operating in all countries in the region. The top 10 insurers in the non-life segment generated a total of EUR 26,595 mn in GWP, representing 73.5% of the total CEE market. Consistent with market trends in the non-life segment, each group managed to increase its GWP on an individual level.



## 4. M&A ACTIVITY IN THE CEE REGION

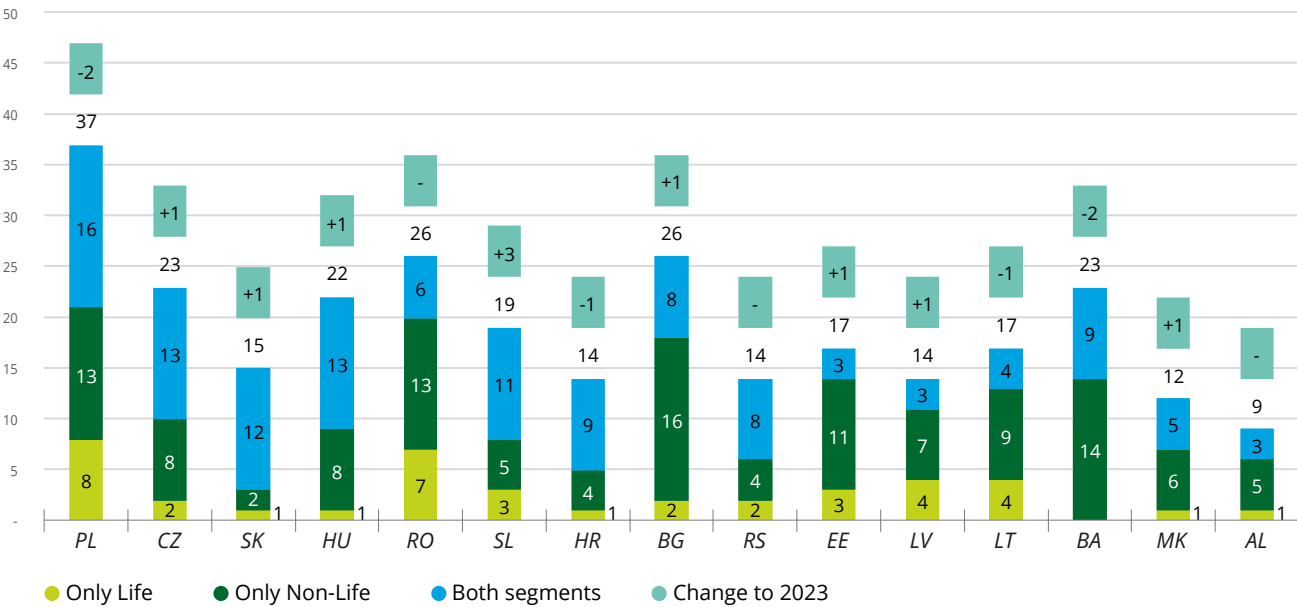
The global economic and geopolitical situation remained tense in 2023, with ongoing conflicts in Eastern Europe and new ones emerging in the Middle East, having a negative impact on transactional appetite of insurance companies in the CEE region. The number of closed deals decreased from the record highs of 2020 (24 deals) and 2021 (22 deals) to 16 deals in 2022 and 16 deals in 2023. Insurance related M&A deals started to recover in 2024, however the majority of the deals involved brokerage firms rather than traditional insurance companies. Out of the total 18 transactions in 2024 (13 completed and 5 ongoing deals), only five involved the sale of a core insurer out of which four are still ongoing.

In 2024, M&A activity in the CEE region is more common among insurance brokers than core insurance companies for several reasons. The brokerage market is highly fragmented, presenting opportunities for consolidation that larger firms and private equity (PE) investors find attractive for growth. Acquiring brokers involves fewer regulatory hurdles and less capital requirement compared to insurance companies, making these deals easier and more appealing to execute. Brokers also benefit from the currently rather hard insurance markets, leading to higher premiums, consequently higher brokerage fee volumes which typically are tied to premium levels.

Additionally, private equity firms favor brokers due to their recurring revenue models and significant growth potential compared to traditional insurance businesses.

In contrast, M&A deals in the core insurance sector are relatively limited due to several challenges. In the CEE region M&A deals in the insurance sector are generally driven by the large consolidator insurance groups. The sector is not appealing to PE investors, due to the presence of these large players, which limit their options for growth and achieving high return on their investments. Furthermore, in general the strict regulatory frameworks, interest rate hikes, solvency capital requirements, and lengthy approval processes make acquisitions complex and costly, deterring potential non-strategic buyers. The recent economic volatility and high inflation have driven up claim expenses, reducing insurers' profitability. This coupled with the lingering geopolitical tensions in the region make strategic investors more cautious and they are waiting for stabilization with their M&A plans. Furthermore, high valuation expectations from sellers create a gap between asking prices and what buyers are willing to pay, stalling deal activity. As a result, M&A activity in the core insurance sector remained subdued, while broker transactions continued to drive consolidation in the region.

Nr. of insurance companies

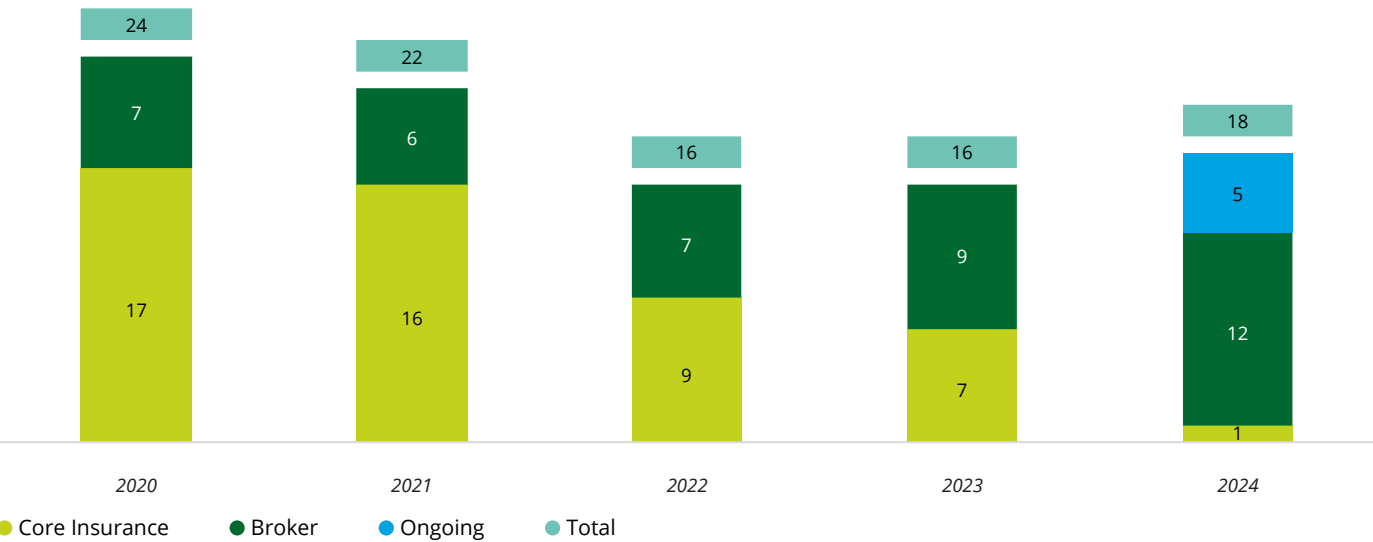


Source: Xprimm, national insurance associations of the individual countries

There is still room for further consolidation in the region based on the numerous smaller insurers (less than 5% market share) present in several countries. These consolidations would improve the economies of scale for cost reduction and operating effectiveness for the remaining companies in the market, making the whole market more efficient.

The rising volume of transactions in 2024 (although driven by broker deals) reflects growing confidence in a more stable economy, driven by the stabilization of inflation and the gradual decline in interest rates. Insurance companies on the other hand seem to be more cautious waiting for further stabilization of the macroeconomic environment to enter into new M&A deals.

M&A activity by year - nr. of transactions by segment



Source: Mergermarket, Deloitte intelligence

During the observed period (2020 - 2024 December), the most transactions were completed in Poland, with 28 completed and 1 ongoing deal. Hungary followed with 15 completed deals, while Lithuania and Romania each had 7 completed and 1 ongoing deal. With the exception of Serbia, all CEE countries experienced M&A activity between 2020 and 2024.

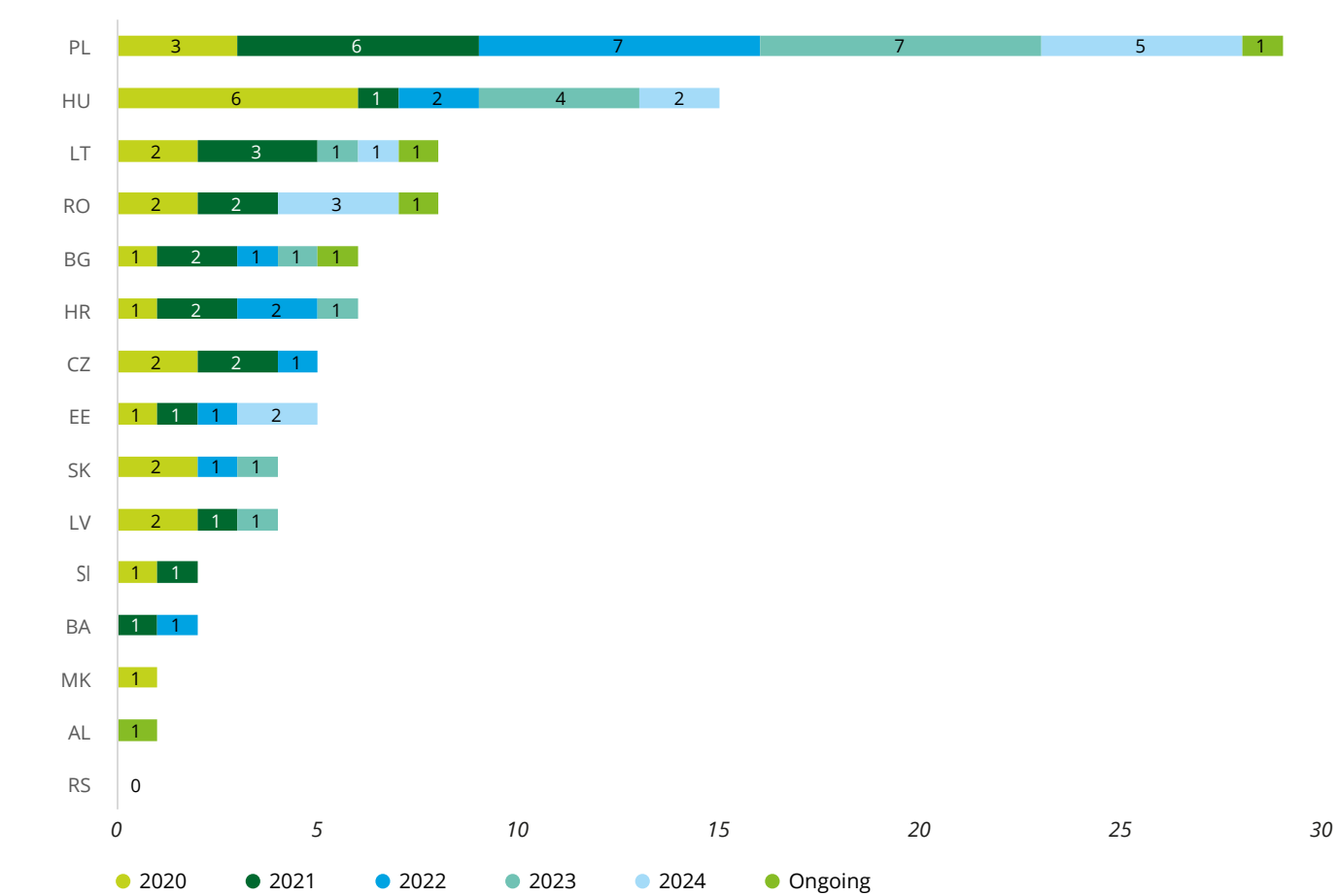
Looking ahead to 2025, several factors could indicate an increase in M&A activity compared to 2024. A shift in macroeconomic indicators, particularly lower interest rates and reduced inflation, could lead to more deals. Additionally, insurers could cut costs by avoiding investments in non-core businesses and instead focusing on streamlining their processes and operations. Streamlining operations in terms of geographies can also help optimizing costs and capital allocation, since ensuring compliance in each country of operation with different regulatory framework requires significant financial and legal resources. Enhanced cooperation with Insurtech throughout the overall customer journey, rather than just single-point solutions, could also drive M&A activity.

Insurance is frequently described by industry professionals as a cyclical business, oscillating between hard and soft markets every few years. When the market is soft, insurers are more willing to take risk by relaxing their underwriting rules, resulting in more underwriting, favorable policy terms and attractive rates for the customers. In contrast, when the economic environment deteriorates, insurers become more reluctant to take risk. Claims and operational costs increase and there is less capital to fund new business, leading to a hard market. In a hard market, insurance companies focus on protecting existing clients as they must ensure that there is sufficient fund available to pay for the increased claims. This results in tightening underwriting rules, restricted coverage,

and rising premiums. This pattern has been particularly noticeable in recent market trends: the market hardened as a reaction to the inflationary shock as insurers tried to adjust their rates to cover the claims inflation and the increasing OPEX. Industry players expect the market to soften from 2025 which could also lead insurance companies to pursue alternative growth strategies to achieve their efficiency and growth targets, generating demand on the buy-side. Meanwhile, potential sellers may be motivated as they can benefit from higher valuations due to the recent increased revenues earned during the hard market.

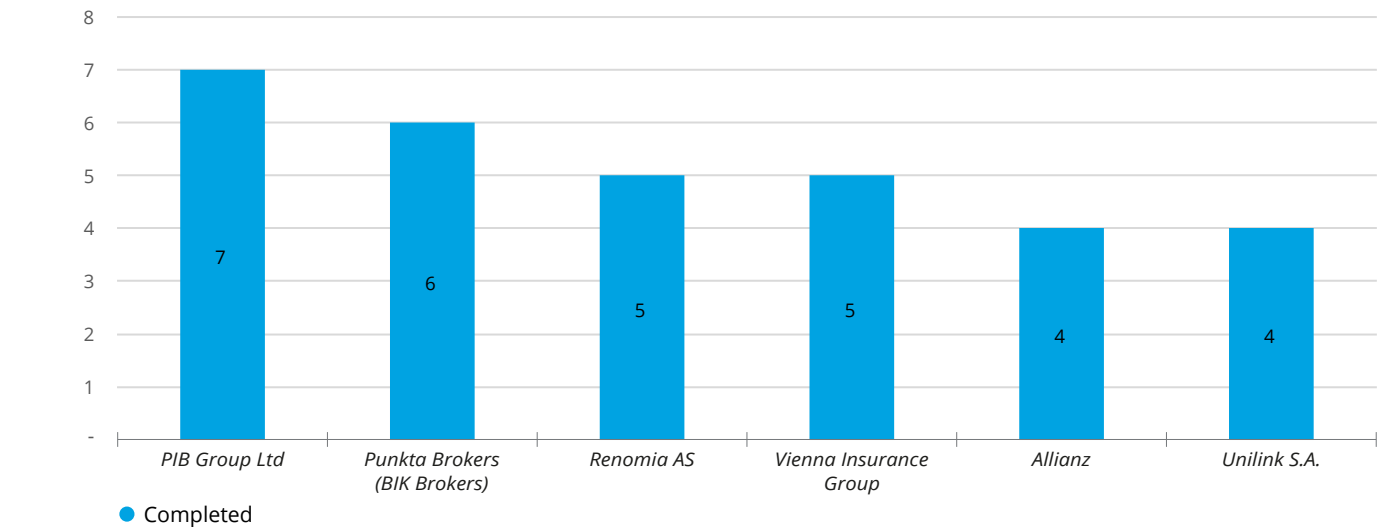
Additionally, certain recent regulatory changes introduced under Basel III, might positively impact the insurance M&A landscape. Specifically, the CRR3 regulation effective from 1 January 2025 allows financial conglomerates to permanently benefit from the so-called 'Danish Compromise' (subject to approval from the respective central bank). The Danish Compromise permits institutions to risk-weight their investments in insurance companies instead of fully deducting them from their regulatory capital. Moreover, CRR3 reduces the risk-weight of the corresponding investments from the previous maximum of 350% to 270%, thereby further easing the capital requirements related to holding insurance assets. These regulatory alleviations are expected to enhance investor's interest in acquiring insurance companies and to strengthen bancassurance relationships. The positive impact of these changes is already evident, as demonstrated by UniCredit's current example. The bank is currently in the process of fully internalizing its life insurance business in Italy by taking over the full ownership of its two life insurance joint ventures with Allianz (UniCredit Allianz Vita S.p.A.) and CNP Assurance (CNP UniCredit Vita S.p.A.). The closure of the transactions is subject to regulatory approvals expected in 2025.

M&A activity by country – Nr. of transactions, 2020 - 2024 December



Source: Mergermarket, Deloitte intelligence

Top buyers by nr. of transactions, 2020 - 2024 December



Source: Mergermarket, Deloitte intelligence

Looking at the most active buyers during the observed period, it is evident that larger brokerage groups dominated the M&A landscape, with the top three buyers being brokerage companies. This indicates that the number of core insurance deals has lagged behind compared to acquisitions in the brokerage segment.

PIB Group Limited, a UK-based insurance brokerage service provider, completed 7 acquisitions in the CEE region between 2020 and 2024, making them the most active buyer in the area. PIB Group is actively expanding in Poland and entered the Romanian market as part of its strategic growth across the CEE. In Poland, PIB Group acquired 100% of the shares in Nord Group, a leading independent brokerage, and Equinum Broker Sp. z o.o. in separate transactions in 2024. These acquisitions aim to strengthen PIB's presence in the Polish market and enhance its service offerings. In the same year, PIB Group entered the Romanian market through a partnership with STEIN Bestasig Insurance Broker. STEIN Bestasig will coordinate PIB's expansion in Romania, with the goal of attracting at least 20 more local brokers through mergers and acquisitions. This move is designed to establish PIB as a major player in Romania and Southern Europe.

Punkta Brokers, formerly known as BIK Brokers, is a leading insurance brokerage firm specializing in general insurance, particularly motor insurance. The company completed six deals, making it the second most active buyer during the observed period. In 2022, the company rebranded to reflect its evolution as a technology-driven professional broker. In 2021, BIK Brokers expanded by acquiring Punkta, a top online comparison platform in Poland, and April Group's subsidiaries in Poland, Slovenia, and Croatia, thereby strengthening its motor insurance services and retail strategy. In August 2022, Punkta partnered with Arrant, one of Poland's largest independent insurance agencies. Continuing its expansion, in March 2024, Punkta Group acquired Centrum, a regional insurance brokerage firm, to enhance its regional expertise and expand its distribution network. These strategic initiatives have solidified Punkta's position as a leading insurance related brokerage services provider in Poland.

Between 2020 and 2024, RENOMIA has significantly expanded its presence in the CEE region through strategic acquisitions and partnerships, completing five transactions and becoming the third most active buyer along with Vienna Insurance Group (VIG). In 2020, the company entered the Latvian market by acquiring

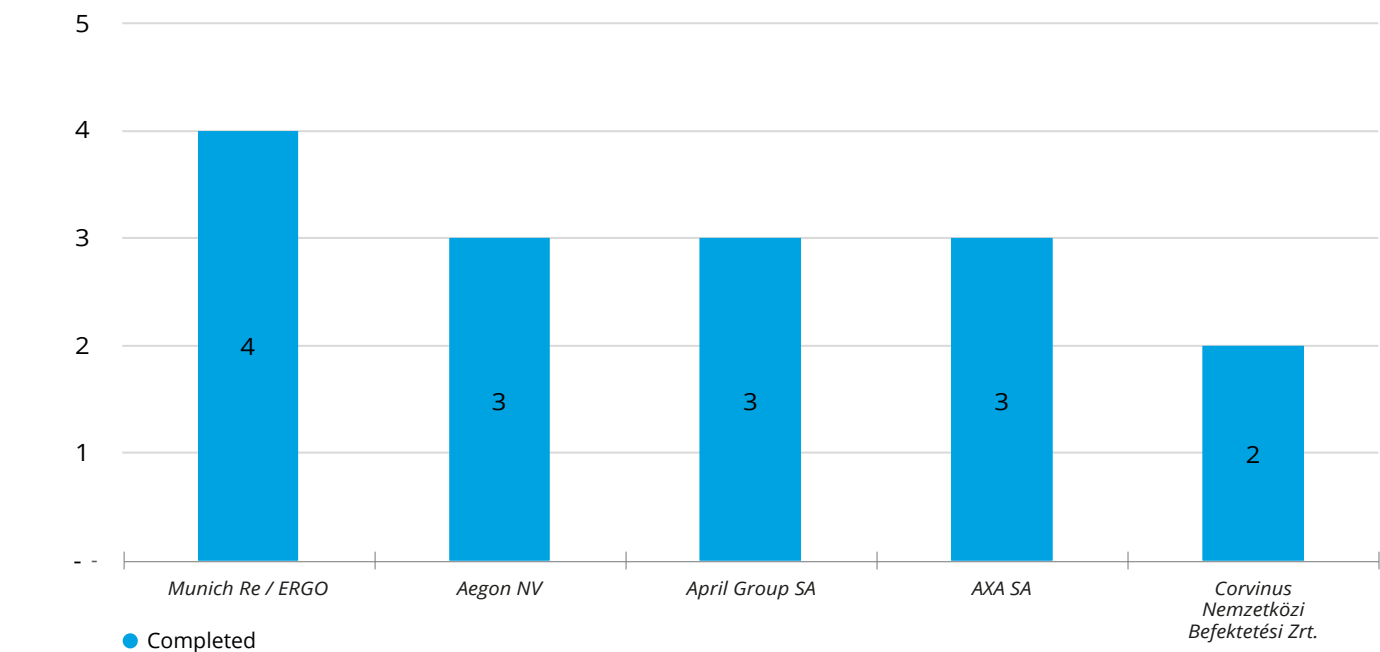
a majority stake in R&D Insurance Brokers Ltd., Latvia's largest insurance broker. In 2021, it expanded into Southeast Europe by acquiring a 30% stake in Fortius, Croatia's largest broker, thereby extending its operations to Slovenia and Bosnia and Herzegovina. RENOMIA further entered the Polish and Hungarian markets in 2022 by acquiring Alfa Brokers and Ensure Pénzügyi Szolgáltató Kft., respectively.

By 2020, Vienna Insurance Group (VIG) had achieved its goal of becoming the market leader in the CEE region and in the larger economies. Since then, VIG has been involved in two transactions, one in Slovakia and one in Hungary. In Slovakia, VIG acquired DSS 365.life pension in 2023, expanding its presence in the second pillar pension market in the country. In Hungary, VIG increased its ownership in VIG Magyarország Befektetési Zrt. by purchasing a 35% stake from Corvinus Nemzetközi Befektetési Zrt. thereby raising its share from 55% to 90%. These transactions have helped VIG consolidate its market position and extend its influence in these key markets.

Allianz remained among the top five most active buyers in the CEE region but has not engaged in any M&A activity since 2022, when it bought out a minority shareholder in Allianz Hrvatska d.d., resulting in a 16.8% increase in its stake, thereby strengthening its presence in the Croatian insurance market. The Group's main purchase during this period was the acquisition of Aviva in March 2021 for a total consideration of EUR 2.5 bn. This acquisition included Aviva's life, non-life, asset management, and pension businesses in Poland, as well as its life business in Lithuania.

Unilink S.A. had four transactions during the period under review. In 2020, Unilink acquired a majority stake in I&G Brokers, the leader in the Bulgarian insurance market. To further strengthen its position in the region, it acquired Insia AS, a Czech-based insurance company, in 2022. In 2023, Unilink acquired LGK/Viviamo, a Polish insurance multiagency, and SDI Group, an insurance broker based in Bulgaria. In 2023, following the successful expansion of Unilink in the region, its private equity investor sold its shares in the company to Acrisure L.C.C., a US-based global fintech and insurance brokerage firm. This acquisition marked Acrisure's entry into the CEE region and elevated Unilink to become a part of a top-10 global insurance brokerage group.

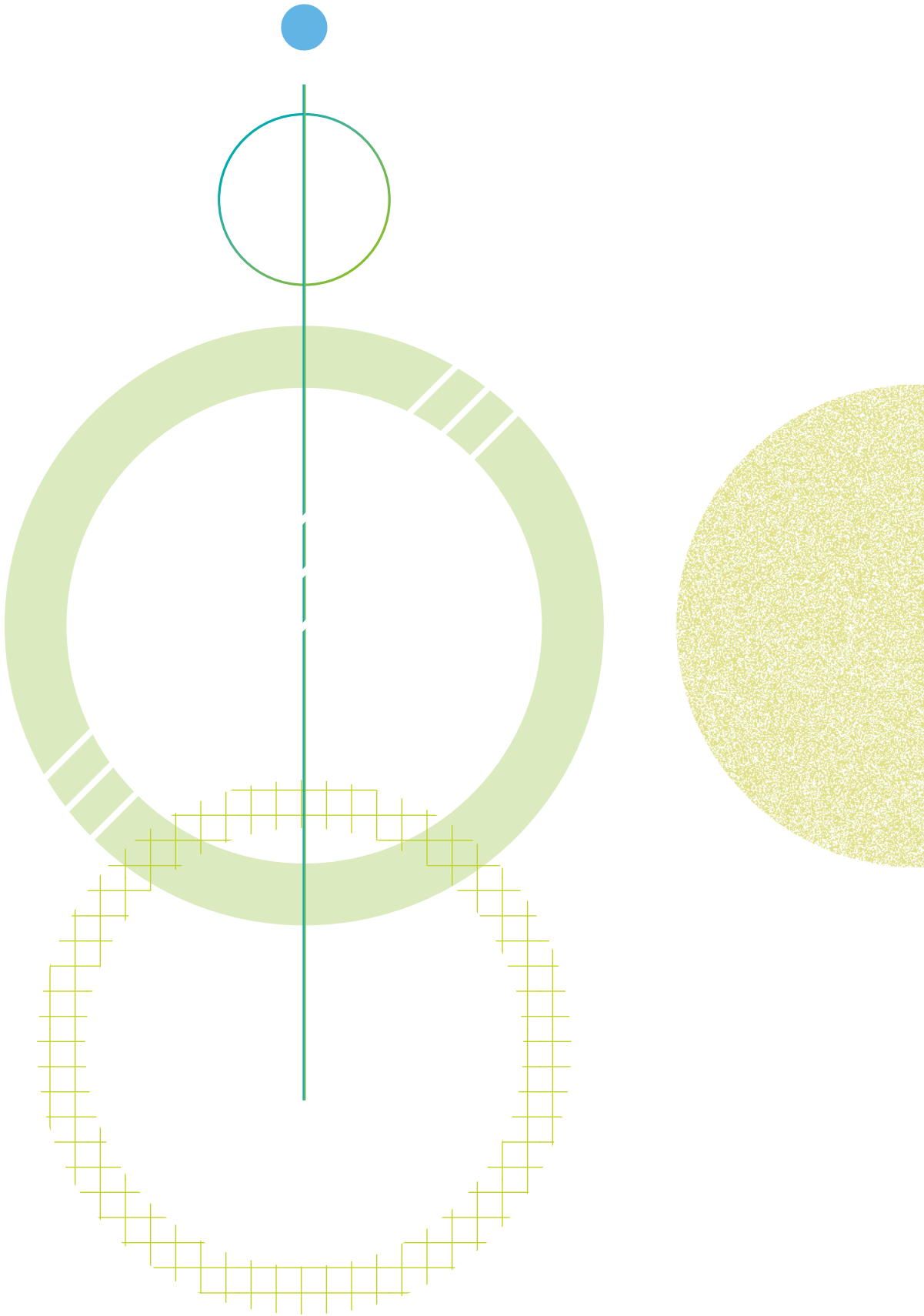
Top sellers by nr. of transactions, 2020 - 2024 December



Source: Mergermarket, Deloitte intelligence

The top sellers remained relatively unchanged compared to 2023. Munich Re / ERGO has maintained its position as the most active seller in the region for five consecutive years, with its recent sales of Ergo in Czechia, and Romania in 2021. In 2023 Munich Re also sold its share in D.A.S Jogvédelem Biztosító to a private individual in Hungary.

A new top seller in the market compared to 2023 is Corvinus Nemzetközi Befektetési Zrt., which sold its 35% shares in VIG Magyarország Befektetési Zrt., and its shares in Magyar Posta Biztosító Zrt. and Magyar Posta Életbiztosító Zrt. in 2023 and 2024 respectively.



# 5. CURRENT SNAPSHOT AND OUTLOOK FOR THE FUTURE

The study primarily examines insurance market trends in 2023. However, it is also valuable to explore recent developments and trends in the CEE region's largest markets. To do this, we have gathered the latest available information for Poland, Czechia, Hungary, Romania, Slovenia, and Slovakia. This data provides insights into current trends and the performance of the regional insurance sector in response to recent macroeconomic developments marked by reducing interest rates on the wake of easing inflationary pressure.

The Slovenian insurance sector faced a decline of 10.8% while all other major insurance markets saw premium growth in both local currencies and euros during the first three quarters of 2024 compared to the same period in 2023. Poland and Hungary were the top performers with growth rates of 18.7% and 9.9% respectively, primarily driven by the non-life insurance segment.

In the first three quarters of 2024, the life insurance segments expanded in all major markets in terms of premiums. Romania saw the highest growth rate at approximately 13.3%, followed by Poland at 12.7%. The non-life insurance segments also grew in most major markets, except in Slovenia, where it contracted by 17.3% compared to the same period in 2023. This significant decline in GWP is largely attributed to a major reform in health insurance, whereas the Slovenian government abolished voluntary supplementary health insurance and starting from 2024 introduced a flat rate compulsory health-care contribution that will be paid together with other mandatory social security contributions.

## Poland

Compared to the same period in 2023, Poland exhibited superior growth relative to its peers. The life insurance segment's GWP, measured in euro terms, increased by 12.7%. This growth was mainly fueled by an increasing interest among Poles in protection and accident products. It is particularly noteworthy considering the traditionally low savings and high levels of indebtedness in the country. This trend indicates a growing awareness among Poles of the importance of financial protection.

The non-life insurance segment saw a 21.3% GWP growth, attributed mostly to increases in both property and motor insurance. This growth is still reflecting the price adjustments insurers are implementing following the recent high inflationary environment, although at a slower pace compared to the increase seen over 2023 as inflation is subsiding. At the same time claims paid saw an even higher increase of 28.6%, resulting from several factors. For motor insurance products claim inflation remained evident over Q1-Q3 2024, with comprehensive motor insurance products experiencing 20% higher claim expenses year-on-year and average claim value of MTPL lines increasing by approx. 11% in the same period. Poland experienced extreme weather conditions over the first three quarters of 2024. During the spring-summer period several local events occurred such as fires, hailstorms, gales, torrential rains, and flash floods affecting cities like Łódź, Bielsko-Biała, Wrocław, and Warsaw. In the autumn months, Storm Boris hit causing extensive floodings in the southern part of the country. As per data of the Polish Chamber of Insurers, these extreme weather conditions resulted in an approx. 40% increase in property claim amounts compared to the same period of the prior year and the

full effects still unfolding. These weather phenomena underscore a critical issue for insurers in the near future: how to provide sufficient coverage for such extreme losses while keeping policy pricing at acceptable level.

## Czechia

The second largest insurance market in the region exhibited a GWP growth of 4.3% year-on-year in EUR terms over Q1-Q3 2024, a more moderate increase compared to Poland. This indicated a continued deceleration in growth following the swift recovery from the COVID-19 pandemic.

The rise in non-life insurance premiums (4.7% from Q1-Q3 2023 to Q1-Q3 2024) can be attributed to heightened demand for various insurance products, including property, motor, and liability insurance, driven by both an increasing number of policies and price increases. Factors such as economic growth, increased consumer awareness, and a greater emphasis on risk management have contributed to this upward trend.

In the life insurance segment, there has been a growing interest among consumers in securing financial protection and long-term savings, leading to an overall 3.2% increase in life insurance premiums. This trend reflects a broader awareness of the importance of financial planning and security among the Czech population. Not only did the number of active life insurance policies rise, but the average annual premium per policy increased as well. This price increase was particularly noticeable in newly concluded contracts, where average annual premium levels reached EUR 746, compared to the overall average of EUR 445 experienced in the same period prior year, according to data of the Czech Insurance Association.

At the same time, claim expenses show a drastic increase of 27.5% year-on-year, led by non-life insurance segment, where paid claims grew by a shocking 36.9%. The primary reason for such elevated claim expenses – similarly to Poland – was the flooding caused by Storm Boris in the autumn. The floods resulted in the evacuation of thousands of residents, destruction of homes, and substantial infrastructure damage, making it the second most costly disaster in the country's history after the 2002 floods. The severity of these floods contributed to a 164.1% increase in property insurance claims during Q1-Q3 2024. However, besides the floods, damage from other climate change related natural events such as storms and precipitation increased as well.

## Hungary

The Hungarian insurance market showed an overall 9.9% growth in terms of GWP in Q1-Q3 2024 compared to Q1-Q3 2023, a slowing growth compared to 2023, however still well-above the 3% inflation rate. After periods of decline in 2022-2023, the life insurance sector also contributed to the overall growth with an increase in premiums of 6.8%. Following the significant popularity of investing in Hungarian government bonds due to their high yields, individuals sought alternative investment options as interest rates began to decline and household savings started to rise. This trend contributed to the increase in both the number of policies issued and the policy premiums compared to the fourth quarter of 2023.

The Association of Hungarian Insurance Companies is preparing for the implementation of the Ethical 2.0 program by the Hungarian National Bank. This program aims to enhance trust in investment products among customers by making product offerings more customer-oriented, increasing value added, and improving transparency in line with EIOPA's Value for Money concept. The program is expected to be fully implemented by 2026, with partial implementation starting in July 2025.

The extra profit tax imposed on the insurance sector introduced in 2022 got extended up until the end of 2025, causing a significant burden on insurer's profitability and had a specifically negative effect on the new disbursements of single premium life policies.

The non-life insurance segment experienced a significant growth of GWP by 11.7% in the first three quarters of 2024, primarily driven by increases in MTPL and property insurance. The surge in property insurance can be attributed to a combination of factors, including HNB's local campaign on home insurance, a higher frequency of extreme weather events leading to increased claims, inflationary pressures affecting construction and repair costs, and a growing awareness among homeowners of the importance of insurance coverage. Similarly, the rise in MTPL insurance can be linked to heightened claims inflation and escalating repair costs, prompting insurers to adjust premium rates accordingly.

Life insurance claims decreased by 5.0% in EUR (3.5% in HUF), while non-life insurance claims increased by 12.2% (14.0% in HUF), resulting in an overall increase in paid claims of 3.2% in Hungary. Although Hungary was not so severely impacted by flooding as other countries in the region, the effects of climate change, which increases the frequency and intensity of extreme weather conditions are evident in this country as well. Claims paid due to droughts, floods, and extended storm seasons amounted to EUR 31.6 million over Q1-Q3 2024, as per data of the Association of Hungarian Insurance Companies. According to the Association, the average property damage caused by storms in the first half of 2024 exceeds HUF 120,000, which is about 20-40% higher than the amounts from a few years ago.

## Romania

In Romania, the insurance market grew by 11.5% in overall GWP in 2024 Q1-Q3 year-on-year, primarily driven by the non-life sector. Despite the disruptions caused by the Euroins bankruptcy in 2023, and the MTPL insurance premium cap introduced in the same year, the non-life segment managed to increase by 11.0% year-on-year.

The Romanian government has repeatedly extended the MTPL price cap, which was initially set at February 28, 2023 premium levels with a maximum of 6.8% adjustment limit. This cap, intended to stabilize the market, has been extended until March 31, 2025, to prevent price hikes. While the measure aims to protect consumers, critics argue it could reduce competition and place additional strain on insurers risking stability in the market. Despite the introduced cap, MTPL premium income increased by 7.8% year-on-year, which can be partially explained by the aging vehicle fleet in Romania.

Although data for the third quarter of 2024 is not yet available as of the study's release, Romania witnessed a significant rise in insurance claims, particularly in property and motor insurance.



MTPL related claim amounts rose due to increased service prices and also an increase in the number of accidents filed, reaching 312,000 based on data from the Romanian Insurance Association (UNRAR). Storm-related damages resulted in claims totaling approximately RON 24 million (about EUR 4.8 million) in just the first half of the year, nearly matching the total for 2023. These trends highlight the growing financial strain on insurers, primarily due to higher claims payouts resulting from extreme weather and vehicle-related incidents.

Slovenia

The life segment in Slovenia grew by 7.7% in 2024 Q1-Q3, while the non-life segment decreased by 17.3% compared to 2023 Q1-Q3. Slovenia's non-life insurance sector experienced a significant decline in GWP, primarily due to a major policy change in health insurance. Effective January 1, 2024, the Slovenian government abolished voluntary supplementary health insurance and replaced it with a mandatory health contribution managed by the public Health Insurance Institute of Slovenia. Consequently, all existing supplementary health insurance policies expired on December 31, 2023. This shift led to a 90.4% decrease in health insurance GWP, dropping to EUR 49.6 million and reducing its share in the total insurance market from 22.0% to 2.3%. Besides the negative effect of dropping GWP, the expiry of these policies also caused significant savings in claim expenses related to these policies.

Specific data on the total claims paid in the first three quarters of 2024 is not yet fully available at the publication of this study.

Slovakia

Overall, Slovakia's insurance market grew by 7.0% in terms of GWP in Q1-Q3 2024 compared to the same period of 2023, driven by the non-life segment, especially motor and property products (increase of 9.1% y-o-y). The life segment also saw an overall premium growth (3.5% y-o-y), despite decreases in index-linked and unit-linked product premiums.

The increase in total paid claims outpaced the GWP growth by far in Q1-Q3 2024, showing an overall increase of 23.7%, with both segments experiencing large increases (+26.7% and +21.3% in life and non-life segment respectively). The largest claim volumes are reported in motor and property insurance lines. Slovakia was also heavily affected by the flooding in the autumn months, related damages are estimated to amount to approx. EUR 21 million which alone represents approx. 4% of total paid claims of Q1-Q3 2024.

Overall CEE trends

The growing trend of premiums continued in the first three quarters of 2024 in most of the largest insurance markets of the region, however, claim costs have also risen sharply alongside GWP. In most countries, non-life insurance claims have significantly outpaced the growth in GWP, primarily due to the severe natural disasters occurring in the region. Notably, Storm Boris in September 2024 caused flash floods in the CEE region, particularly in Poland, Czechia and Slovakia, leading to insurance claims estimated at up to EUR 3 billion. These developments illustrate the

growing financial challenges faced by insurers in the CEE region due to the increasing frequency and severity of natural disasters linked to climate change. The recent high inflationary environment still shows its effects in increased cost of materials and labor needed to settle claims, as well as insurers' operating expenses. Industry players are trying to keep pace in 2024 by introducing rate increases across the majority of non-life business categories, particularly in motor third-party liability (MTPL) insurance and property insurance.

As the macroeconomic environment has started to stabilize and inflation is slowly returning to close-to-target levels, industry professionals expect non-life insurance premiums to moderate, potentially turning the market into a softening cycle in several products heading into 2025.

Soft market generally goes together with increased competition among the insurers, reducing premium levels further and consequently limiting organic growth options. This limited potential for organic growth could boost insurers' transaction appetite, looking for inorganic ways to grow.

Looking at global trends as well, the following key challenges are expected for insurers in the near future.

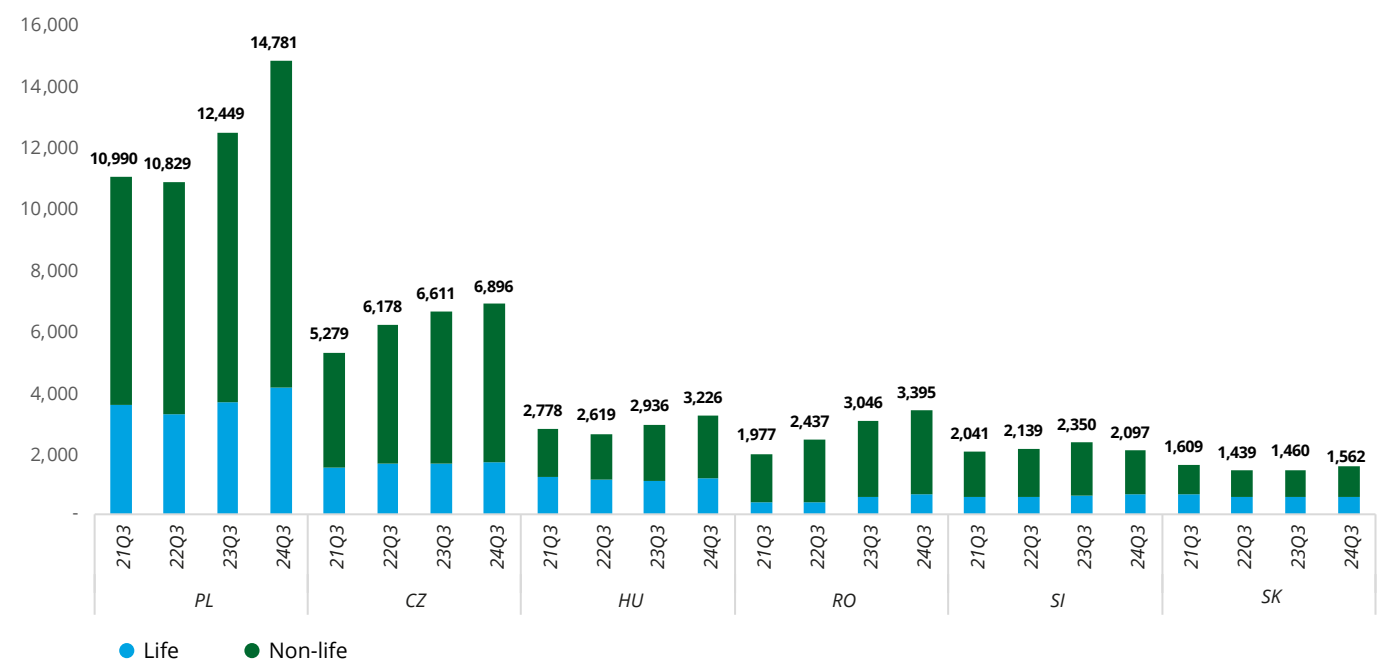
As 2024 made it especially evident, the occurrence of extreme weather events are becoming more and more frequent resulting from the climate change with increasing damages caused. Insurers are now confronted with the challenge of providing reliable protection with sufficient coverage for such events. To adequately cover the associated risks, premium prices must be increased, while also ensuring that they remain affordable.

Digitalisation has posed a significant challenge for insurers over the past several years, given their traditional lag in adopting innovations compared to other financial services sectors such as banking. Nevertheless, the advent and proliferation of generative AI have made these efforts increasingly critical. Generative AI possesses the capability to disrupt economies and significantly enhance productivity. Within the insurance sector, AI holds promise for achieving efficiency gains, reducing costs, and improving decision-making processes. According to Allianz's research, early AI adopters could realize operational efficiency improvements of 15–20% and a revenue increase of up to 3%.

Over the recent years there has been a significant increase in regulatory requirements and reporting obligations for the insurance sector, resulting in a heavy and costly compliance burden for insurers. This trend continues with new regulations on the horizon. Alongside the increasingly stringent regulatory environment, government measures such as additional taxes intended to support the state budget created further challenges for the sector.

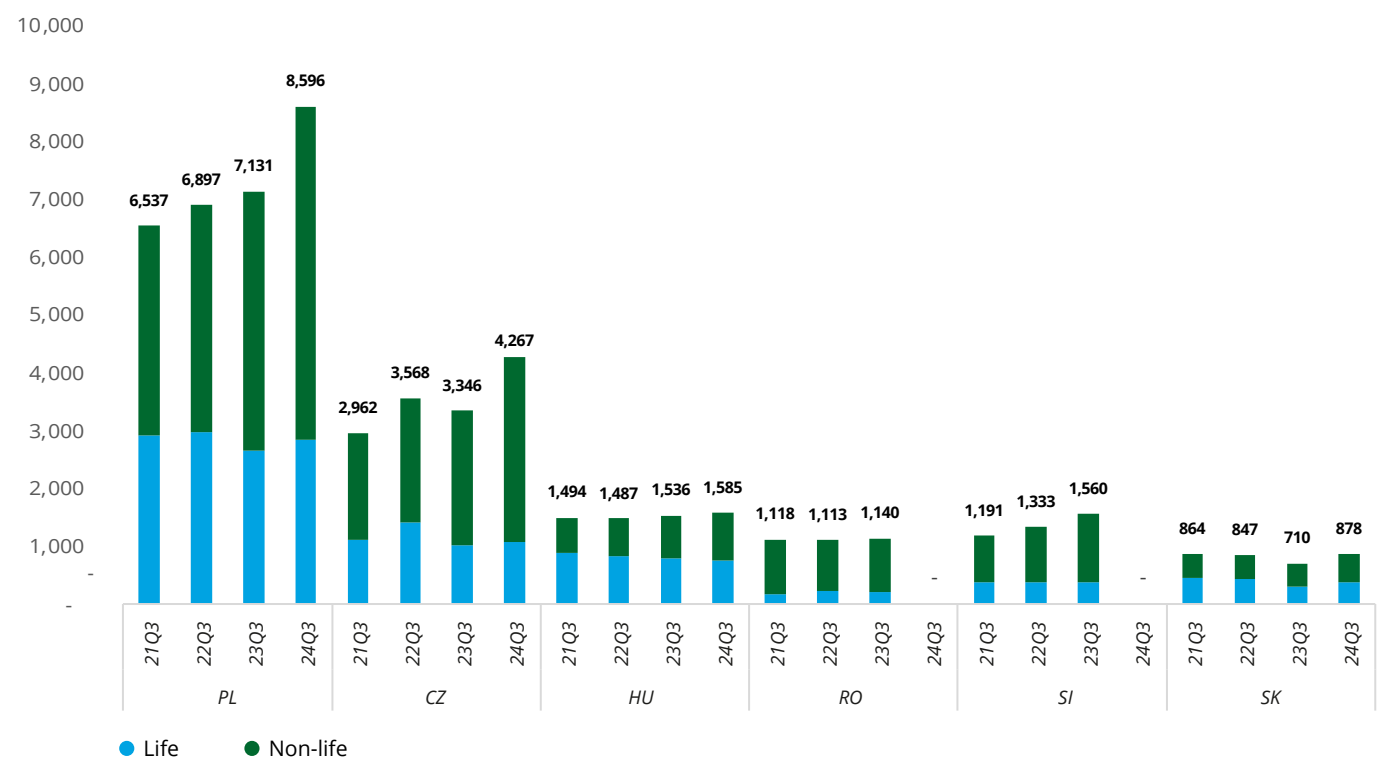
In the CEE region, where significant protection gaps persist and insurance penetration lags behind Western Europe, insurers must prioritize making insurance products more popular and heightening customer awareness about the importance of having robust safety net provided by insurance policies in place.

Gross written premiums (EUR mn)



Note: In Slovakia, figures represent the members of the Slovak Insurance Association (SLASPO) and the data of branches are not included. Source: Xprimm

Total paid claims (EUR mn)



Note: In Slovakia figures represent the members of the Slovak Insurance Association (SLASPO) and the data of branches are not included. 24Q3 data for Romania and Slovenia are not available at the publication of this study Source: Xprimm

## 6. REGULATORY OUTLOOK

### Navigating the regulatory landscape

Regulatory compliance is essential for the stability and integrity of the insurance industry. Regulations ensure that the insurers operate fairly, protect consumers, and maintain the financial stability of the market. The regulatory environment for insurance companies is constantly evolving. New laws and regulations are introduced regularly, often in response to economic shifts, technological advancements, or major financial crises.

Navigating this regulatory landscape and staying up-to-date with the changes is a significant challenge for insurance companies. On the following pages we highlight some of the key areas of the regulatory landscape.

### IFRS 17 – Take-aways of the first time adoption

The IFRS 17 standard - which determines a unified evaluation for insurance contracts - became mandatory for publicly listed companies starting from January 1, 2023. However, the number of affected entities in CEE is significantly larger, as most insurers are part of international insurance groups. Most of these firms needed to prepare their financial reports according to IFRS for their parent company's consolidated financial statements.

In recent years, these companies have struggled with implementing IFRS 17. Typically, the implementation required the development of a completely new IT infrastructure capable of managing the significantly increased volume of information to be stored and performing complex calculations. Additionally, new actuarial and accounting processes had to be developed, all demanding substantial investments in financial and human resources.

Following the implementation, in 2024 the companies advanced to the next stage, aiming to enhance the system that had been developed over recent years. This involved automating previously manual processes to reduce human errors and gaining a more detailed understanding of the results under IFRS 17. Given the reporting requirements, there is a need to achieve this within a shorter timeframe and effectively communicate the results and underlying reasons to management and end users of financial reports.

#### Few of the main differences in the results are the following:

- under IFRS 4 there was no explicit guidance on the timing of profit recognition, while IFRS 17 introduces the definition of Contractual Service Margin (CSM), which can be considered as the unearned profit and shall be recognized in line with the services provided;
- reserves / future cash-flows shall be determined at each reporting date on a best estimate basis using up-to-date market consistent assumptions;
- under IFRS 4 implicit level of prudence was allowed in the reserves, under IFRS 17 an explicit risk adjustment for non-financial risk shall be determined, quantifying the uncertainty in the amount and timing of cash flows from insurance contracts;
- discounting is (more widely) applied usually using a discount curve determined by either the so-called bottom-up approach or the top-down approach;

- IFRS 17 offers entities the option to present insurance finance income or expenses either in profit or loss (P&L) or to disaggregate the income and expenses between the P&L and other comprehensive income (OCI). This decision should be made at the portfolio level, taking into account the underlying assets and their accounting treatment to avoid any potential mismatches.
- Investment components (amounts paid to the policyholder regardless of events) are excluded from the insurance revenue to align the revenue with the actual service provided (i.e. covering risk). This may significantly reduce the total revenue for insurance policies with material savings component compared to IFRS 4.

#### Upon reviewing several first-time IFRS 17 financial statements from various European insurance groups, we can observe that:

- The transition to IFRS 17 rather negatively impacted the equity due to the various factors and decisions mentioned above. For the majority, this impact could exceed 5-10%.
- The vast majority of the insurance companies used the bottom-up approach for discount curve creation in which the discount rate is based on a liquid risk-free yield curve (i.e. the bottom) to which additions are made to reflect illiquidity premiums and duration adjustments for long-term insurance contracts;
- For risk adjustment calculation, about half of the insurers used a confidence level method based on a Value at Risk (VaR) model to quantify loss distribution, while slightly less than half used a cost of capital method similar to Solvency II risk margin method. Generally, the confidence level equivalent ranged from the 60th to 90th percentile.
- The majority of the insurers utilized the OCI option which involves the disaggregation of the insurance finance income or expenses as detailed above;
- While IFRS 17 requires more comprehensive disclosures compared to IFRS 4, the first IFRS 17-based financial statements show varying approaches by insurance companies to meet these requirements in terms of depth and breadth of the information provided. With the release of the first financial statements under IFRS 17, insurers can see how their competitors have implemented the new standard, potentially leading to greater harmonization of disclosures.

### ESG

Insurance companies must address ESG risks and challenges in both underwriting and asset management, as they are also significant investors. Additionally, there is increasing demand from regulators, customers, employees, and investors for concrete actions and improvements in ESG.

Below we provide a snapshot on the recent trending topics in ESG.

#### Regulation, market readiness

##### Poland

Based on market research, it is estimated that nearly 60% of the companies subject to local supervision will need to prepare disclosures under the Directive on Corporate Sustainability

Reporting (CSRD) and Taxonomy disclosures in 2026 (for 2025) in alignment with ESG regulations – 62% of life and 57% of non-life insurance entities.

Polish insurance companies show limited interest in relying on external providers for comprehensive support in preparing and implementing “green changes” in line with ESG requirements. They prefer to independently address these challenges, which allows them to align their activities with the new regulations.

##### Hungary

The Hungarian National Bank (HNB) as local regulator outlined its expectations regarding the identification, measurement, management, control, and disclosure of climate change and environmental risks, and the application of environmental sustainability criteria in the business activities of insurers. The recommendation mainly focuses on the E part of the ESG framework.

In the course of our 2024 survey conducted in the Hungarian insurance sector, we observed that while there are one or two market pioneers, most market players are primarily focused on achieving the minimum level of compliance with the regulation. The local subsidiaries of large global insurers have the advantage of possessing the group-level, well-established strategies of their parent group that ensure a consistent and coherent approach to ESG initiatives across all markets where the group is present. On the other hand, independent market players without a foreign background may encounter significant challenges when they must formulate their own sustainability policies and strategies.

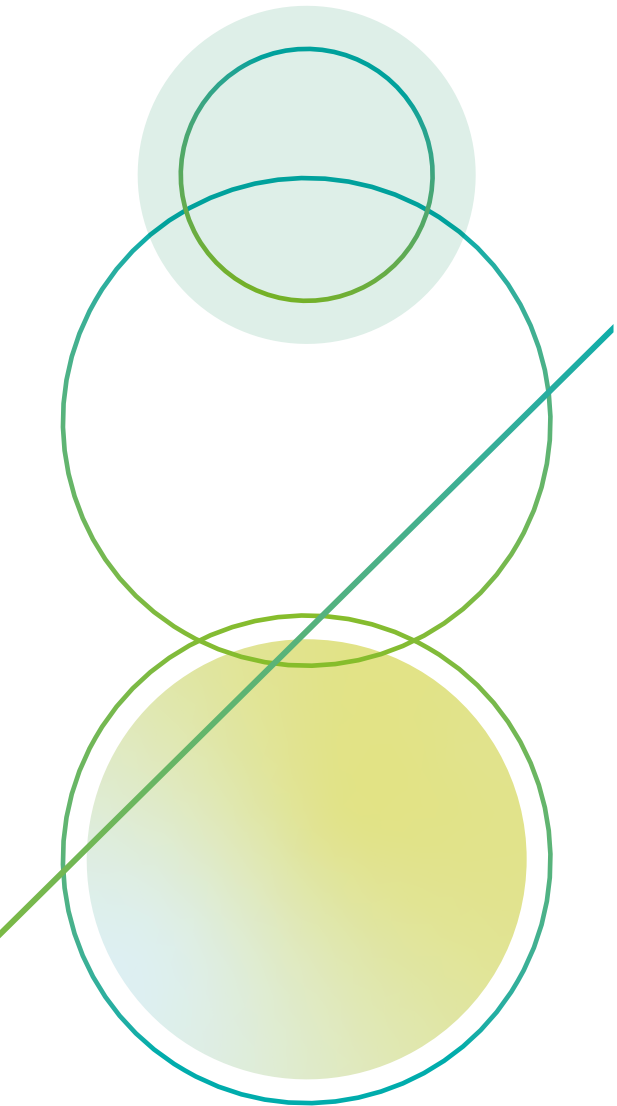
Despite the increasing global focus on ESG, customers in the Hungarian market appear to be unprepared for its integration and demonstrate limited interest in green investments. Financial considerations primarily drive their investment decisions, overshadowing the growing importance of sustainable and responsible practices. Most insurers agreed that the biggest challenge in ESG implementation is educating and motivating customers to select green financial products.

##### Czechia

Insurers on the market are introducing insurance products that cover ESG-related physical risks. Several already have products for EV cars that cover their specific risks such as battery depletion, and some are offering products covering long-term care for persons who need assistance with basic life needs due to illness or old age. Furthermore, some insurance companies are members of financial groups that have made public commitments to decarbonization or limitation of insurance of certain risks (e.g., coal power plants). Nevertheless, commitments by Czech entities themselves remain limited, and it seems insurers in the Czech Republic chose a conservative strategy in adopting ESG principles.

#### Climate change and natural disasters – lessons from local experience

In September 2024, Poland experienced floods in the southern part of the country caused by the cyclone “Boris”. Its effects and material losses still affect the society. Due to its scale, this event has been compared to the 1997 flood, often referred to as the “Flood of the Millennium”. It significantly impacted insurers, with





an estimated 40% increase in payouts related to natural disasters, such as sudden weather changes and floods. It also put the claims handling capacity of the Polish insurers to test and raised the awareness concerning the importance of property insurance against extreme weather events.

Even before the flood had reached Hungary, due to the stormy weather and the heavy summer rains property damages reached HUF 10bn (EUR 25m). Although the flood in Hungary did not break the all-time record, in 2024, the water reached the highest levels experienced in the past decade, leading insurers to anticipate record-high claim payments.

The same flood hit the Czech Republic, as well, where total insured losses are estimated around CZK 17 bn (EUR 685m). Total damages as estimated by the government are two or even three times as high; about half of those are on state property. This makes the 2024 flood far less severe in terms of damages than the floods in 2002 and 1997, which caused damages in the amounts of CZK 144 bn and 146 bn, respectively, in 2024 prices. On the other hand, the difference in severity measured by volume of precipitation is far lower. This indicates a significant positive effect of flood control measures built in the last 20 years (although other effects may also be present, such as different distribution of the rain over the state's area between the three floods).

The hidden risk: underinsurance in the non-life sector

Insurers must not only offer appropriate products, but also educate clients on properly determining the sum insured and the scope of coverage. Policyholders are often unaware that the premium level depends on the value of their property and underestimating it can result in insufficient compensation.

Estimates from the Polish Chamber of Insurance indicate that up to 3 out of 10 properties in Poland may be underinsured, with the average underinsurance reaching 30% of the value of a house or apartment.

The home insurance penetration in Hungary exceeds 70%. Properties that are uninsured often remain so, due to their poor condition or their location in high-risk areas, such as floodplains, which makes them ineligible for insurance. As for the insurable properties, financial constraints or opposition deter many residents from obtaining insurance. A solution for the future could be introducing a mandatory, low-cost basic insurance to cover damages from natural disasters where premium payment could be subsidized on socially disadvantaged basis.

In the Czech Republic, based on the information from the Czech Insurance Association as of 2024, only about 30% of households are adequately insured. The average rate of underinsurance is 31%, that is, only 69% of the value of the property is paid out in case of a total loss. About 1.7 million households and 1.6 million buildings are not insured at all, in a country of about 10 million inhabitants.

Value for Money

Insurance companies in CEE need to make sure that their insurance products provide the Value for Money (VfM) for their customers. The Value for Money initiative by European Insurance and Occupational Pensions Authority (EIOPA) places customers in the

centre of the insurance products, aiming for simplicity, transparent pricing, and clarity; ensuring that consumers' expected benefits align with product cost. Over recent years, EIOPA has helped to define more precise characteristics of VfM while pointing out that the whole concept is closely related to fundamental regulatory principles, such as always acting in the best interest of the customer and avoiding customer detriment.

According to insurance regulators, VfM has always been part of the existing Insurance Distribution Directive (IDD) regulatory framework introduced in the EU in 2016-2018 and consequently, all insurance market participants are expected to fully comply. The focus will primarily be on the product and distribution, with the proper definition of the target market being an essential step in determining the VfM.

The most significant impact is currently anticipated for the following lines of insurance business:

- Unit-linked
- Credit protection insurance (CPI) distributed by banks
- Travel

Unit-linked

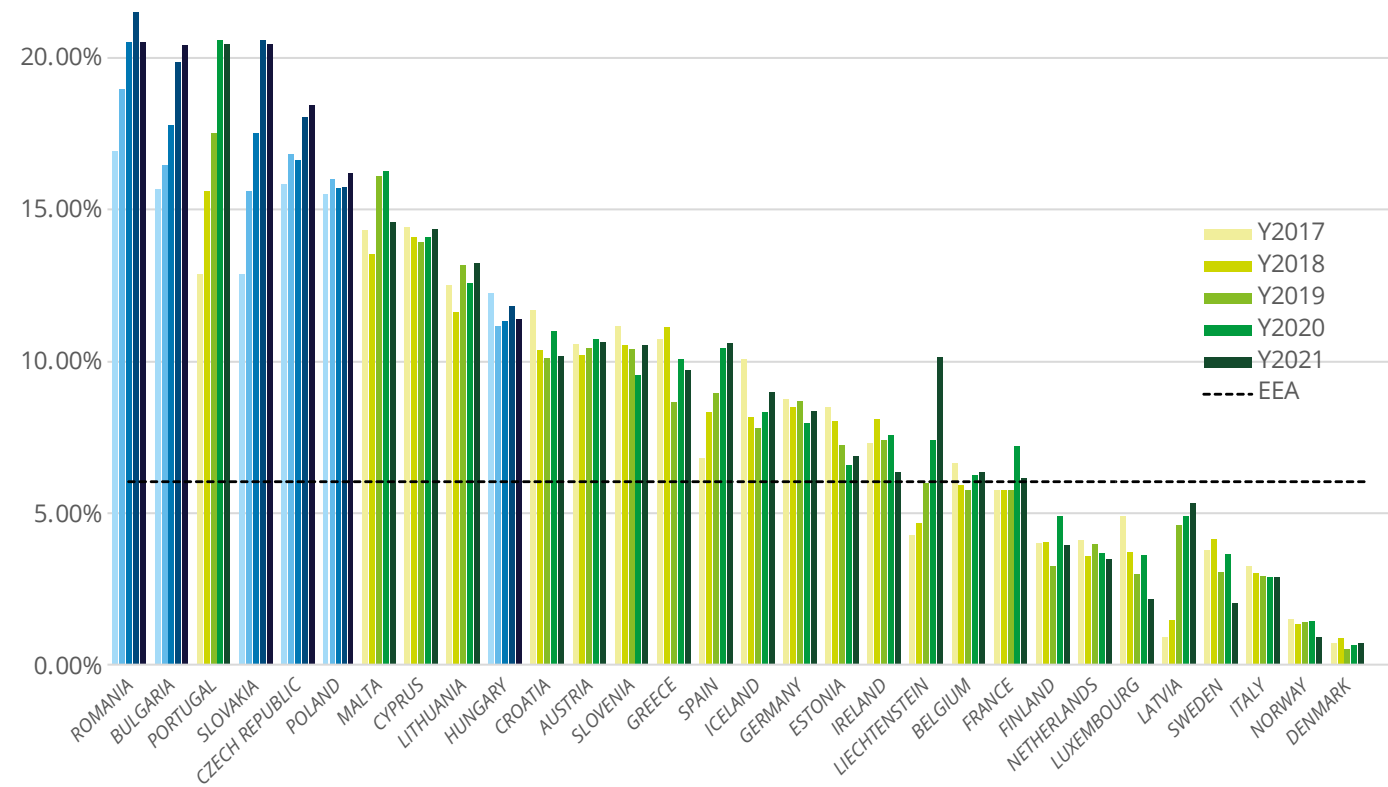
Unit-linked products, including hybrid products, are often designed for distributors rather than for the end customers, making them complex and difficult for some customers to understand. Insurance regulators are concerned about a high risk of mis-selling and mismatches between customers' expectations and actual returns. They will be identifying risks of low/no-value in the unit-linked market and push the market players to ensure that those risks are effectively mitigated. For example, the regulators will require insurance companies to define carefully the target market of product that is compatible with the needs, characteristics and objectives of the customers belonging to the target market.

On top of the existing IDD framework, the EU Retail Investment Strategy (RIS) has, as of the end of 2024, entered the final stage of negotiations between the European Parliament, the Council of the European Union, and the European Commission and is expected to come into force in 2026/2027.

The RIS will introduce the concept of 'Value for Money' more explicitly and will require insurance companies and distributors to assess whether costs and charges related to a product are justified and proportionate to their performance, other benefits and characteristics. Insurance companies will be obligated to compare their products to a peer group of similar products within the EU. The adoption of RIS will also bring new benchmarks as a supervisory tool.

Some CEE countries feature significantly higher life insurance commission rates compared to the EEA average. Life insurance companies operating in these CEE markets may find challenging to prove the VfM for their customers (chart 1).

Commission rates for life insurance (gross acquisition costs / gross written premium) – chart 1



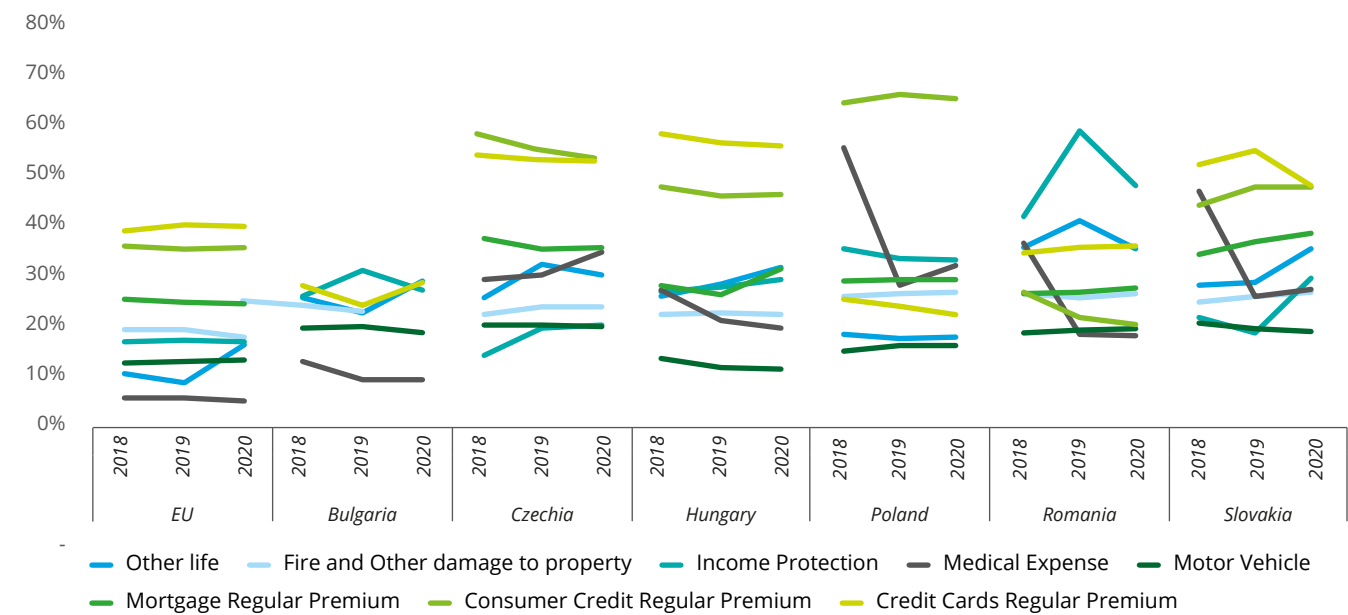
Source: EIOPA, Deloitte analysis

Credit Protection Insurance (CPI)

CPI products are mostly sold via banks and are often linked to a credit product, meaning that consumers can only purchase the CPI product if they also buy the primary credit product from the same bank. This business model, along with the high remuneration paid to insurance distributors for the sale of CPI products and low claim ratio, has raised concern of insurance regulators regarding VfM. The specific role of banks in this distribution process also raises questions about potential conflicts of interest that may be detrimental to costumers. This will put pressure on the margins for both banks and insurance companies in some of the existing CPI products and may result in redesigning the product and/or the business model.

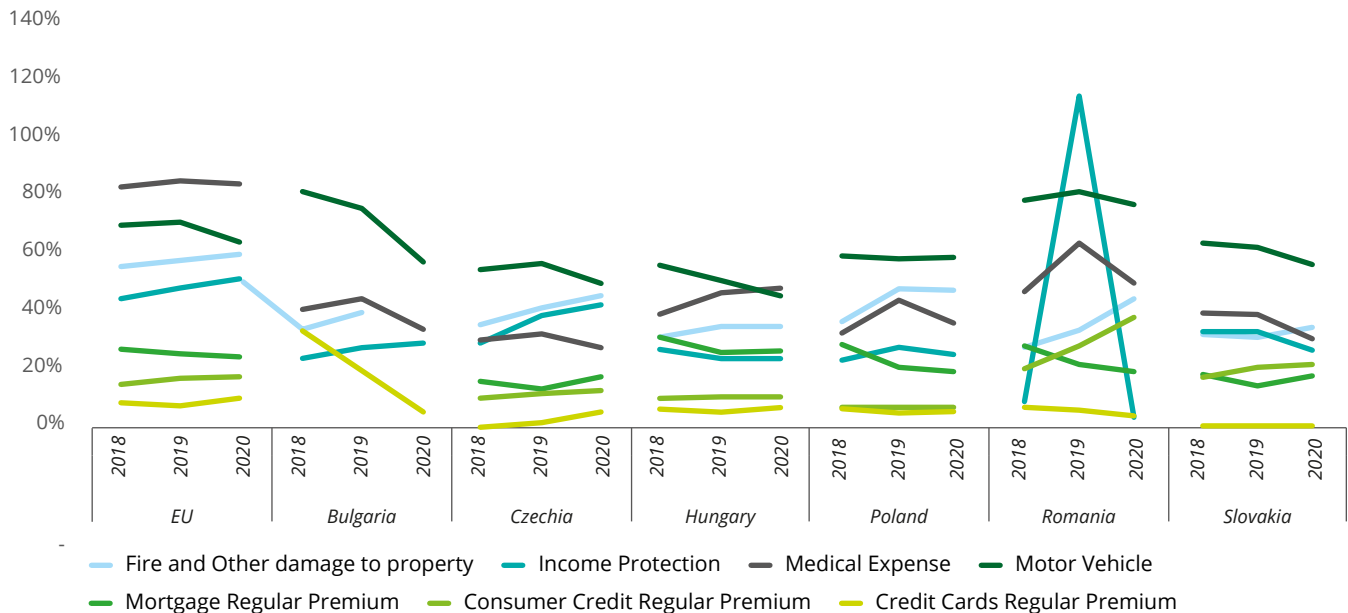
CPI commission rates for banks in the CEE region are often higher than commission rates for other lines of business (LoB) and higher compared to the EU average for CPI products (chart 2). This, along with a rather low average claims ratio around 20% (chart 3), suggests that the Value for Money (VfM) may be a relevant topic for CPI distributed by banks in CEE.

Commission rates for Regular Premium CPI vs other LoB – chart 2



Source: EIOPA, Thematic Review on Credit Protection Insurance (CPI) sold via banks, 2022

Average claims ratio for Regular Premium CPI vs other LoB – chart 3



Source: EIOPA, Thematic Review on Credit Protection Insurance (CPI) sold via banks, 2022

Travel insurance

Some business models for travel insurance products, which are based on extremely high commissions often combined with extremely low claims ratios, lead to poor VfM for customers. Taking action on improving the VfM may have impact on current product margins for insurance companies or distributors of travel insurance or in some cases on the business model itself.

IRR

The Insurance Recovery and Resolution Directive (IRR) enhances the stability and resilience of the EU insurance sector. It mandates insurers to develop recovery plans and requires supervisory authorities to assess their effectiveness. The directive aims to protect policyholders, maintain market stability, ensure the continuity of critical functions and minimize the need for public financial support during crises.

The IRRD was published in the Official Journal of the EU on the 8th of January 2025 and will come into force on the 28th of January 2025 without any transitional period. Member States have until the 29th of January 2027 to transpose the directive into national laws. This period allows for the establishment of necessary resolution authorities and new planning requirements, with full operational relevance expected by late 2026 or early 2027.

The IRRD follows the framework established by the Bank Recovery and Resolution Directive (BRRD), which manages the recovery and

resolution of failing banks. While the BRRD focuses on banks, the IRRD is tailored for insurers and reinsurers, taking into account the insurance sector’s unique characteristics. One difference is that the IRRD does not include Minimum Requirement for Own Funds and Eligible Liabilities (MREL) requirements. The IRRD has been adapted to suit the complexities of insurance business models, drawing inspiration from the BRRD’s emphasis on preparation, resolution measures, and cross-border cooperation.

To support the implementation of the IRRD, EIOPA will develop numerous Regulatory Technical Standards (RTS), Implementing Technical Standards (ITS) and guidelines. These materials will be released in batches, with extensive public consultations to ensure stakeholder engagement and transparency. The planned timeline for these supporting materials is as follows:

- Batch 1:**
- Part 1: April - July 2025
  - Part 2: July - October 2025
- Batch 2:**
- December 2025 - March 2026
- Batch 3:**
- July 2026 - October 2026



Introduction of DORA in the insurance sector

The Digital Operational Resilience Act (DORA) entered into force in January 2023 and became applicable as of 17 January 2025. Designed to enhance the digital operational resilience of the financial services industry, DORA seeks to strengthen the sector’s capacity to withstand and recover from Information and Communication Technology (ICT)-related disruptions. Its primary goal is to standardize and streamline information security risk management across financial entities, ensuring that they maintain robust systems to address digital threats. For the insurance sector in Central Europe, DORA represents a significant shift in how digital risks are managed, particularly in the context of increasing reliance on ICT and the growing sophistication of cyber threats.

Key Areas of Impact for the insurance sector

ICT Risk Management

One of the most important areas where DORA impacts the insurance sector is ICT risk management. Insurers are required to

implement a comprehensive and effective ICT risk management framework, particularly for functions critical to their operations. This means that insurers must rigorously assess their digital infrastructure and ensure their systems are resilient against relevant cyber threats, which could disrupt business continuity. As the insurance industry continues to digitize and adopt more advanced technologies, these measures are crucial for protecting against operational vulnerabilities and maintaining consumer trust.

An important dimension is implementation of Three Lines of Defense model or similar, that allows insurance companies independent management and control of IT-related risks.

Incident Reporting

Another critical component of DORA is incident reporting. Insurers must establish systems to classify and report ICT-related incidents to the relevant supervisory authorities. This regulation mandates that insurers develop robust processes to detect, assess, and report major cyber incidents quickly and efficiently. By improving the overall responsiveness to ICT risks, DORA seeks to enhance the sector’s resilience and ensure that regulators have a clearer understanding of the scale and frequency of such incidents. This

requirement aligns with broader goals of greater transparency towards regulators in financial services and encourages more proactive management of digital risks.

It is worth mentioning that the banking sector is in general more familiar with this process, having reported ICT incidents under the NIS1 directive and existing local cybersecurity laws. In comparison, a smaller proportion of companies in the insurance sector has ICT incident reporting obligations and experience, and for many, this will be a new requirement.

Operational Resilience Testing

DORA also introduces mandatory operational resilience testing. Insurers are required to conduct regular tests on their ICT systems, including annual vulnerability assessments and threat-led penetration testing (TLPT).

TLPT is a scenario-based test, carried out in a live ICT environment by a dedicated red team that simulates a cyberattack to identify weaknesses in the systems and help insurers strengthen their defenses. For most insurance companies and financial institutions at large, TLPTs will be new and require proper risk management. However, only systemically important financial institutions selected by respective DORA competent authorities should undergo TLPT, and smaller insurance companies may not need to perform it.

DORA takes a holistic view on resilience testing. The regulation addresses various types of tests, including tests of physical security. All of these should be planned and executed from a single point – this integrated testing program ensures that institutions approach resilience testing in a comprehensive and coordinated manner, focusing on both digital and physical aspects of operational resilience.

Such proactive testing is essential for identifying vulnerabilities before they can be exploited by malicious actors. It also helps insurers validate their cybersecurity strategies and ensure that they are prepared to respond to threats swiftly and efficiently.

Third-Party Risk Management

The regulation places a strong emphasis on third-party risk management (TPRM), requiring insurers to adopt a more structured approach to managing the risks associated with third-party ICT service providers. Insurance companies will need to conduct rigorous assessments and due diligence of ICT third-party providers before entering into contractual arrangements. This includes evaluating the criticality of services, assessing potential operational, concentration, and systemic risks, and identifying dependencies and associated costs.

DORA also stipulates specific contractual requirements, such as service continuity details, insolvency procedures, and clear exit strategies. A key requirement is the maintenance of a comprehensive information register for all ICT service contracts, distinguishing between those supporting critical functions and others. This register must be regularly updated and available at various organizational levels, ready for reporting to competent authorities upon request.

Continuous monitoring and oversight of third-party providers is also emphasized, with insurers expected to perform regular reviews and risk assessments throughout the duration of these relationships.

Exit planning is another crucial aspect, requiring insurers to develop and maintain comprehensive, well-documented, and tested exit plans for critical ICT third-party providers.

Large insurance groups with internally owned IT companies need to review the ways these are monitored and steered. Following DORA, the intragroup IT subcontracting should not be treated differently from subcontracting outside of the group and should be subject to the same regulatory framework.

Impact on Insurtechs

For insurtech firms, DORA presents both challenges and opportunities. Insurtechs – companies that leverage technology to transform the insurance industry – must comply with DORA's requirements, particularly around ICT risk management and third-party oversight. While this may require additional investments in cybersecurity and compliance measures, it also opens opportunities to support traditional insurers. By offering technological solutions that help insurers meet DORA's requirements, insurtechs can drive innovation, streamline operations, and improve compliance with regulatory standards.

Progress of the CEE countries and local Insights

The impact of DORA across CEE will differ by country, depending on the maturity of their regulatory frameworks, digital infrastructures, and overall preparedness for ICT risk management. While some countries are already ahead in terms of regulatory maturity, others face challenges in meeting DORA's stringent requirements. As already noted, the banking sector is a bit ahead in the implementation process compared to the insurance sector, which is still catching up in some areas. Below, we explore the progress and insights from various CEE markets.

Regulatory Maturity and Market Readiness

In several CEE countries, there is already a strong foundation for digital resilience and ICT risk management, meaning that DORA's implementation will be a natural progression of existing regulations. For example, Poland and the Czech Republic are leading the region in terms of regulatory development for cybersecurity and financial resilience. Their financial sectors have been aligning with EU standards for some time, which could facilitate smoother adoption of the regulation.

On the other hand, countries with less developed digital regulatory frameworks may need more time to implement DORA. While these markets are making progress, they may face greater challenges in terms of digital infrastructure, staff expertise, and regulatory oversight. The implementation of DORA in these countries will likely involve a phased approach, giving insurers additional time to comply with the regulation.

Cooperation Among Regional Regulators

A notable trend across CEE is the growing collaboration among national regulators to create a more harmonized regulatory environment. Given the cross-border nature of many financial institutions operating in the region, regulators are increasingly aligning their policies to ensure consistency. This regional cooperation is crucial in facilitating the consistent application of DORA, as well as fostering greater trust between insurers and regulators.

Additionally, the alignment with EU regulations provides a framework for CEE countries to follow, helping to minimize discrepancies in the interpretation and enforcement of DORA. However, as some countries may have a greater degree of regulatory flexibility, we could see variations in enforcement timelines, depending on national priorities and readiness.

Challenges Faced by Smaller Insurers

While large, established insurance companies in the CEE region may have the resources and expertise to quickly adapt to DORA's requirements, smaller insurers, especially in emerging markets, may struggle with compliance. These insurers often face challenges in terms of digital infrastructure, cybersecurity capabilities, and internal governance structures. For these companies, compliance with DORA will require significant investments, both in terms of technology and skilled personnel. On the other hand, DORA incorporates a proportionality principle, allowing smaller and less complex institutions, in some cases, to apply simplified requirements and thereby achieve DORA compliance.

Smaller insurers may lack the financial resources to implement the extensive testing, incident reporting, and third-party risk management processes that DORA mandates. This creates an opportunity for local consultancy firms and insurtechs to step in and provide tailored solutions that support compliance. Through partnerships with these service providers, smaller insurers can bridge the gap and meet regulatory expectations without facing prohibitive costs.

Conclusion: the path forward for insurers in CEE

The successful implementation of DORA across CEE will depend on the region's ability to adapt to evolving digital risks and regulatory standards. While some countries are well-positioned to comply, others will require additional time and resources. The key to successful DORA compliance will lie in cooperation between regulators, insurers, and technology providers, as well as a continued focus on digital infrastructure modernization.

Smaller insurers and insurtechs have a unique opportunity to leverage partnerships and technological solutions to meet the challenges posed by DORA. With the right investment in digital resilience, CEE insurers can not only comply with the regulation but also position themselves for long-term success in a more secure, digitally-driven insurance market.





# 7. TECH TRENDS – IT SYSTEMS IN THE INSURANCE SECTOR

## IT and core systems consolidation in the insurance industry: Challenges, Risks and Benefits

In the context of mergers and acquisitions, IT consolidation plays a key role in achieving operational efficiency and cost optimization. It involves streamlining disparate IT infrastructures, applications, and processes to create a cohesive and efficient ecosystem.

*Beyond cost savings, IT consolidation is critical for enabling unified operations, fostering better collaboration, and supporting strategic goals across the enterprise.*

By reducing redundancies and improving data consistency, IT consolidation not only lowers operational costs, but also sets the stage for more agile and innovative business practices.

### The Importance of Core Systems in IT Consolidation

Among the many facets of IT consolidation, core systems are of particular importance. These systems serve as the backbone of business operations, managing critical functions such as customer data, financial transactions, risk management, and regulatory compliance.

*As the central hubs of key business processes, core systems have a direct impact on an organization's ability to deliver seamless customer experiences and maintain operational excellence.*

However, due to their complexity and interdependencies with other IT components, core system consolidation is one of the most challenging and strategic initiatives in post-merger integration efforts.

### Benefits of Core System Consolidation

Although challenging and resource-intensive, core system consolidation offers numerous long-term benefits. One of the most important benefits is cost reduction. By eliminating redundant systems, infrastructure and licensing fees, organizations can realize significant savings. Maintenance is streamlined with fewer legacy systems to support, resulting in lower operating costs. Integration enables improved efficiency by reducing manual intervention and fostering better data flow across departments, from customer service to claims.

A unified core system provides enhanced data management capabilities, enabling a single, accurate view of customer data. This supports faster, more informed decision making and ensures compliance with stringent data protection regulations, such as GDPR. In addition, consolidated systems offer greater flexibility and scalability, enabling companies to adapt to market changes, introduce new products, and respond more efficiently to customer demands.

*The ability to innovate and deliver improved customer experiences underscores the strategic importance of system consolidation.*

Improved risk management and compliance are additional benefits, as modernized systems often include advanced tools to identify and mitigate risk.

### The Importance of Standardizing Business Processes

Before any IT integration project can be successful, business process standardization must take place. Merging organizations typically bring disparate business models and workflows, and aligning these processes is essential to avoid operational inconsistencies. Streamlining workflows ensures that the integrated systems meet business needs while remaining flexible and scalable. Business process harmonization minimizes inefficiencies and sets the stage for smooth IT integration, ensuring that the selected systems effectively support the organization's strategic goals.

The interdependence of business process standardization and IT integration cannot be overstated.

*Unified processes enable better data management and integrity, ensure regulatory compliance, and enhance the organization's ability to leverage its IT systems for strategic purposes.*

Without process alignment, even the most advanced core systems will struggle to realize their full potential.

### Cultural and Organizational Integration

Beyond technology and processes, the success of core systems consolidation depends heavily on cultural and organizational integration. Employees may be reluctant to adopt new systems, especially if they are accustomed to legacy platforms.

*Transitioning to a new IT environment often requires significant training and change management to ensure smooth adoption.*

In addition, merging organizational cultures and fostering collaboration between teams are critical to the success of the project. A lack of alignment between business and IT leadership can create additional challenges, underscoring the importance of clear communication and unified goals.

### Three approaches to core systems integration

When planning to integrate IT and core systems, organizations typically consider one of three target stages: maintaining separate core systems with underlying shared services, adopting an interim transitional model, or undertaking full consolidation.

#### 1. Separate Core Systems with Integrated Supporting Systems

In this scenario, core systems are left as they are, while supporting systems-such as satellite applications, reporting tools or client front-ends - are consolidated to provide shared functionality. This approach is often chosen when full integration is not financially or technically feasible, or when the core systems serve different purposes that do not justify merging them. While this approach offers short-term cost savings by avoiding the complexity of full system integration, it can lead to long-term inefficiencies. Maintaining separate platforms can increase

operating costs over time and make it more difficult to achieve a truly seamless customer experience. This is most evident in the day-to-day work of software developers, who spend an estimated 33% of their time on maintenance and development tasks due to outdated technology, affecting not only efficiency metrics, but also morale and engagement (Deloitte Tech Trends 2024).

#### 2. Transitional approach: Phased Consolidation

Companies that adopt this strategy, initially maintain separate core systems, and start with integrating the low-hanging fruits into common components such as customer master data, reporting modules, or front-end applications. Over time, as the organization becomes more prepared and resources become available, the consolidation effort can progress further. The incremental approach provides the benefits of improved operational coordination and data consistency without requiring immediate, large-scale changes to the core systems. While this approach offers a middle ground between full integration and separation, it also risks creating long transition periods that can increase costs and delay the realization of benefits.

#### 3. Full Core System Consolidation

This is the most comprehensive approach, involving the full integration of multiple core systems into a unified platform. While it promises the greatest long-term benefits-such as significant cost reductions, streamlined processes, and a single view of customer data-it is also the most resource-intensive and complex option. The enablers of a successful implementation are the sweat and the tears: employee engagement and strong dedication, significant financial investment, project management expertise, and careful alignment of business processes are essential. In addition, cultural and organizational challenges must be addressed to ensure that employees can effectively adapt to the new systems after Go-Live.

### Management Considerations and Challenges

The decision to consolidate IT operations is a strategic one that can unlock significant opportunities for growth, innovation, and operational efficiency. While such projects are undeniably complex and resource-intensive, they also represent an opportunity to modernize the organization's IT landscape, streamline processes, and create a more agile and future-ready business. This is also important, as

*Deloitte's Tech Trends research shows that IT managers consistently spend 10-20% of their annual budget on chasing the technology debt.*

This technology debt not only requires constant attention but can be a barrier to innovation and improvement. Smart consolidation and modernization are the enablers and key to the success of business strategy, and to keeping IT spending under control.

Careful planning, sufficient funding, and a clear vision are critical to success. When approached thoughtfully, these projects can deliver transformational benefits such as improved customer experiences, faster time to market for new products, and significant cost savings through operational efficiencies. While challenges such as project delays and resource allocation must be addressed, organizations

that commit to well-structured consolidation efforts often find themselves better positioned to adapt to changing market demands and gain competitive advantage.

The key to success is balancing immediate needs with long-term goals and ensuring that each phase of the project is aligned with the organization's strategic vision. By fostering strong collaboration between IT and business leaders, providing robust change management support, and focusing on delivering value throughout the process, management can turn these projects into powerful enablers of future success.

### Different Regional Experiences with Core System Consolidation

In recent years, the Central and Eastern European region has witnessed a variety of approaches to core systems consolidation within the insurance sector. Numerous projects, initiated by both multinationals and regional players, have been undertaken with varying levels of ambition, complexity and success. While some organizations have fully consolidated their core systems and achieved significant efficiencies, others have adopted more incremental or limited strategies, often due to budget constraints, operational challenges, or unique market conditions.

*Public examples and industry-rumors show mixed results: while some projects delivered measurable improvements in cost efficiency and customer experience, others faced delays, scope reductions, or even failure to meet their original objectives.*

These challenges were often related to inadequate resource allocation, unrealistic timelines, or underestimation of cultural and organizational hurdles. These varied experiences underscore the importance of carefully tailoring core system consolidation projects to the specific needs, capabilities, and circumstances of each organization.

### Conclusion

Core systems consolidation is a critical but challenging endeavor for insurance companies. The benefits - from cost savings and improved efficiency to better data management and an enhanced customer experience - make it a worthwhile investment for long-term growth and competitiveness. However,

*the approach and target state of the integration must be carefully tailored to the needs and capabilities of the organization. Companies that do not try to follow the ever-changing market trends, but rather prioritize their own needs and move towards a modernized technology ecosystem, will gain a competitive advantage.*

By considering the primary strategies of integration, companies can choose the one that best fits their resources and strategic goals. Each option has its own risks and rewards and requires a balance between immediate needs and long-term goals. Whether the chosen strategy involves incremental integration or a complete overhaul, the success of these projects depends on careful planning, robust project management, and alignment of business, IT, and organizational priorities.

## Upgrade of insurers’ legacy SAP systems to S/4HANA

In the preceding pages, we highlighted the critical importance of selecting the appropriate IT architecture for an insurance company. However, this question is relevant not only after during mergers and acquisitions but also as part of the day-to-day operations. Insurers are currently undergoing a digital transformation, increasingly leveraging advanced technologies such as AI, machine learning, and cloud-based solutions. It is essential for them to have an IT platform that is both stable and reliable, while also possessing the necessary functionality to support their digital transformation journey.

SAP is a widely used ERP system among insurers many of whom are now facing a critical choice: whether to migrate to the new version SAP S/4HANA, and if so, when.

Before elaborating on the question of timing and the potential scenarios, let us highlight the main benefits the new version of SAP offers for the insurance sector.

### Why S/4HANA?

With S/4HANA, SAP offers transformative solutions that address many pressing issues faced by insurance companies today, especially for those still using outdated legacy systems. By providing a comprehensive, single source of truth and ensuring data accuracy and consistency, SAP S/4HANA meets the unique needs of insurance businesses. The integration of AI and automation in workflows enhances operational excellence across various functions, from sustainability reporting to HR management and customer engagement. Advanced analytics and AI technologies embedded in SAP S/4HANA enhance insurers’ ability to make informed decisions and stay competitive in a rapidly changing market. Upgrading from a legacy SAP system to SAP S/4HANA can significantly boost operational efficiencies, reduce costs, and unlock new growth opportunities.

### Migration to the cloud

Migration to the cloud with SAP S/4HANA also unlocks an agile operating model, reduces technical debt, and ensures compliance with data regulations, positioning insurers to take advantage of modern technological capabilities. The cloud’s agility and scalability, as facilitated by SAP S/4HANA, enable seamless data access and integration across multiple operations. This data-driven approach supports improved transparency and efficiency, crucial for complying with evolving regulations and achieving significant returns on investment. The use of AI, machine learning, and big data within SAP S/4HANA enables more accurate risk assessments, fraud detection, and predictive capabilities.

### ESG compliance and sustainable finance

ESG compliance and sustainable finance are increasingly significant priorities for insurers. SAP S/4HANA facilitates creating a green, ESG-compliant business environment, helping insurers meet environmental targets and attract talent interested in sustainable practices. The advanced analytics capabilities within SAP S/4HANA enable effective data management, breaking down information silos and enhancing decision-making processes.

### Supporting HR Operations

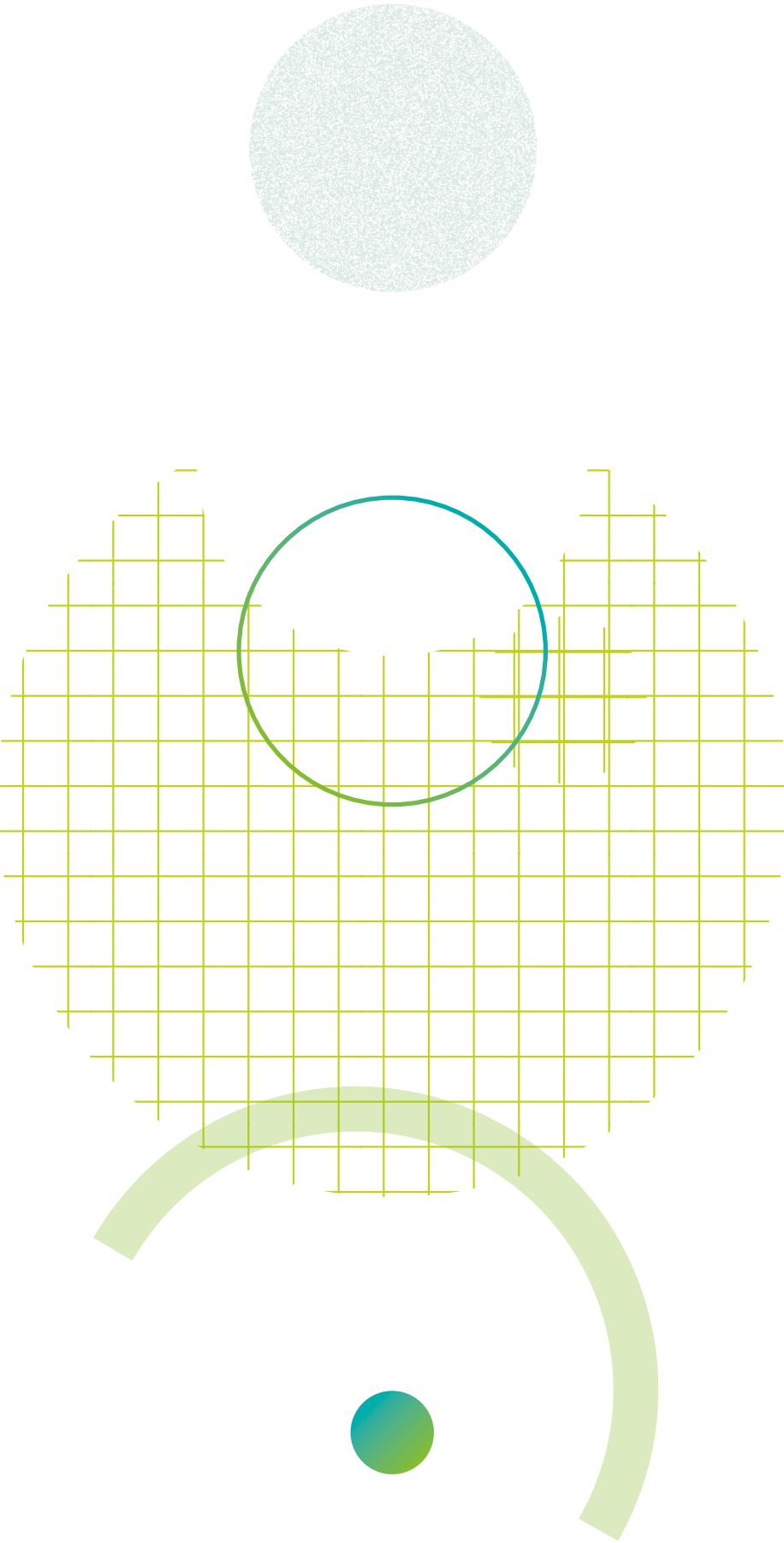
Additionally, SAP S/4HANA addresses technological and talent challenges by enabling insurers to automate numerous processes, freeing up human resources for more strategic tasks. SAP SuccessFactors enhances HR operations by providing tailored learning paths, improving onboarding processes, and increasing employee training uptake, thereby contributing to employee retention and skill development.

### Timing matters

SAP will discontinue support for the legacy version in 2027. However, an extended support option will be available until 2030, offered at a premium of 2 percent, giving more time to the insurance companies but at a price of higher maintenance cost. The 2027 deadline is approaching fast, so insurers must choose their migration approach. It is possible for them to either convert existing SAP ECC system to limit the costs and change impact (“brownfield”) or use the migration as an opportunity to transform the way their whole business works – and create a totally new SAP environment (“greenfield”). The latter option may be time-consuming and resource-intensive, and it is evidently more costly but on other hand it gives a chance to start afresh and have an ERP that has been cleaned from existing systems and processes. Insurers can also opt for hybrid implementation, or selective data transition, allowing customization of the legacy SAP system to utilize SAP S/4HANA innovations.

### Conclusion

All in all, irrespective from the migration approach, transitioning to SAP S/4HANA equips insurance companies with the tools and strategies needed to move beyond the constraints of legacy systems. It could help address current industry challenges, capitalize on new opportunities, and drive continuous improvement throughout their operations, ensuring they remain innovative and competitive.



# **COUNTRY REPORTS**





# POLAND

## Macroeconomic Environment

| MACRO INDICATORS              | 2020    | 2021    | 2022    | 2023    | 2024E   | CHANGE 2022-23<br>(% OR %P) |   |
|-------------------------------|---------|---------|---------|---------|---------|-----------------------------|---|
| Nominal GDP (EUR mn)          | 530,920 | 582,372 | 660,166 | 748,633 | 838,957 | 13.4%                       | ● |
| Nominal GDP/capita (EUR)      | 13,909  | 15,309  | 17,198  | 19,313  | 21,768  | 12.3%                       | ● |
| EUR/PLN exchange rate         | 4.45    | 4.57    | 4.70    | 4.54    | 4.31    | -3.3%                       | ● |
| GDP (% real change pa)        | -2.0%   | 6.9%    | 5.3%    | 0.1%    | 2.3%    | -5.1%p                      | ● |
| Consumer prices (% change pa) | 3.4%    | 5.1%    | 14.4%   | 11.4%   | 3.8%    | -2.9%p                      | ● |
| Recorded unemployment (%)     | 6.0%    | 6.4%    | 5.4%    | 5.2%    | 5.1%    | -0.2%p                      | ● |
| Budget balance (% of GDP)     | -6.9%   | -1.7%   | -3.4%   | -5.3%   | -5.7%   | -1.9%p                      | ● |
| Public debt (% of GDP)        | 56.6%   | 53.0%   | 48.8%   | 49.7%   | 55.2%   | 0.9%p                       | ● |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

## Insurance Market Trends

### Insurance market in Poland

|                                 | 2020   | 2021   | 2022   | 2023   | CHANGE 2022-23<br>(% OR %P) |   |
|---------------------------------|--------|--------|--------|--------|-----------------------------|---|
| Gross Written Premiums (EUR mn) |        |        |        |        |                             |   |
| Life                            | 4,661  | 4,842  | 4,587  | 5,028  | 9.6%                        | ● |
| Non-life                        | 9,589  | 10,305 | 10,819 | 12,334 | 14.0%                       | ● |
| Total                           | 14,250 | 15,147 | 15,405 | 17,362 | 12.7%                       | ● |
| Insurance Penetration           |        |        |        |        |                             |   |
| Life                            | 0.9%   | 0.8%   | 0.7%   | 0.7%   | 0.0%p                       | ● |
| Non-life                        | 1.8%   | 1.8%   | 1.6%   | 1.6%   | 0.0%p                       | ● |
| Total                           | 2.7%   | 2.6%   | 2.3%   | 2.3%   | 0.0%p                       | ● |
| GWP/capita (EUR)                |        |        |        |        |                             |   |
| Total                           | 373    | 398    | 401    | 448    | 11.6%                       | ● |
| Total Paid Claims (EUR mn)      |        |        |        |        |                             |   |
| Life                            | 3,913  | 4,037  | 4,017  | 3,572  | (11.1%)                     | ● |
| Non-life                        | 4,996  | 5,001  | 5,432  | 6,165  | 13.5%                       | ● |
| Total                           | 8,909  | 9,038  | 9,450  | 9,736  | 3.0%                        | ● |
| Paid Claims/GWP                 |        |        |        |        |                             |   |
| Life                            | 84.0%  | 83.4%  | 87.6%  | 71.0%  | (16.6%p)                    | ● |
| Non-life                        | 52.1%  | 48.5%  | 50.2%  | 50.0%  | (0.2%p)                     | ● |
| Total                           | 62.5%  | 59.7%  | 61.3%  | 56.1%  | (5.3%p)                     | ● |

Source: Xprimm

## Insurance Market Players

In 2023, there were 23 life insurers and 29 non-life insurers on the Polish insurance market. Out of the 52 insures 16 operated in both life and non-life segments

### List of life insurers in Poland, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                       | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP                |
|-----------|---------------|---|------------------------------------|--------------|--------------|---------------------|--|
| 1         | -             | ● | PZU Życie SA*                      | 2,021        | 40.2%        | 0.1%p               | State of Poland                            |
| 2         | -             | ● | TU Allianz Życie Polska S.A.*      | 573          | 11.4%        | -0.4%p              | Allianz                                    |
| 3         | 5             | ▲ | Nationale-Nederlanden TunŻ S.A.*   | 493          | 9.8%         | 6.9%p               | NN   |
| 4         | -             | ● | TUnŻ Warta S.A.*                   | 302          | 6.0%         | 0.5%p               | Talanx Group                               |
| 5         | -             | ● | Compensa TU na Życie S.A. VIG*     | 265          | 5.3%         | 0.1%p               | Vienna Insurance Group                     |
| 6         | -             | ● | Generali Życie T.U. S.A.*          | 210          | 4.2%         | -0.4%p              | Generali                                   |
| 7         | -             | ● | UNIQA TU na Życie S.A.*            | 204          | 4.1%         | 0.1%p               | Uniqa                                      |
| 8         | 1             | ▲ | Stunż Ergo Hestia Sa*              | 129          | 2.6%         | 0.3%p               | Munich Re                                  |
| 9         | 1             | ▲ | PKO Życie TU S.A.*                 | 122          | 2.4%         | 0.1%p               | PKO BP S.A.                                |
| 10        | 3             | ▲ | Unum Życie TUiR S.A.               | 115          | 2.3%         | 0.3%p               | Unum Group                                 |
| 11        | 1             | ▲ | Credit Agricole Życie TU S.A.*     | 105          | 2.1%         | 0.0%p               | Crédit Agricole Assurances Société Anonyme |
| 12        | -1            | ▼ | Santander Aviva TU na Życie S.A.*  | 102          | 2.0%         | -0.1%p              | Allianz                                    |
| 13        | 1             | ▲ | Aegon TU na Życie S.A.             | 87           | 1.7%         | -0.1%p              | Vienna Insurance Group                     |
| 14        | 2             | ▲ | Vienna Life TU na Życie S.A. VIG   | 81           | 1.6%         | 0.1%p               | Vienna Insurance Group                     |
| 15        | -             | ● | TU na Życie Europa S.A.*           | 79           | 1.6%         | 0.0%p               | Talanx Group                               |
| 16        | 1             | ▲ | Tunż Cardif Polska S.A.            | 63           | 1.2%         | 0.2%p               | BNP Paribas                                |
| 17        | 1             | ▲ | Open Life TU Życie S.A.            | 25           | 0.5%         | 0.0%p               | Open Finance S.A                           |
| 18        | 2             | ▲ | Pocztowe Tunż S.A.                 | 16           | 0.3%         | 0.0%p               | Poczta Polska S.A.                         |
| 19        | -             | ● | Saltus TU Życie SA*                | 11           | 0.2%         | -0.1%p              | SaltLux Holding S.á.r.l                    |
| 20        | 1             | ▲ | Signal Iduna Życie Polska TU S.A.* | 11           | 0.2%         | 0.0%p               | Signal Iduna                               |
| 21        | 1             | ▲ | Polski Gaz TUW Na Życie*           | 5            | 0.1%         | 0.0%p               | n.a.                                       |
| 22        | 1             | ▲ | TU Inter-Życie Polska S.A.*        | 4            | 0.1%         | 0.0%p               | Inter Beteiligungen AG                     |
| 23        | 1             | ▲ | TUW Rejent-Life                    | 4            | 0.1%         | 0.0%p               | Several municipalities                     |
| Total     |               |   |                                    | 5,028        | 100.0%       |                     |  |

\*Has non-life business as well  
Source: Xprimm

### List of non-life insurers in Poland, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                             | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-----------|---------------|---|--|--------------|--------------|---------------------|-----------------------------|
| 1         | -             | ● | PZU Sa*                                  | 3,563        | 28.9%        | 0.0%p               | State of Poland             |
| 2         | -             | ● | TUiR Warta S.A.*                         | 2,064        | 16.7%        | 0.9%p               | Talanx Group                |
| 3         | -             | ● | STU Ergo Hestia SA*                      | 1,897        | 15.4%        | 0.2%p               | Munich Re                   |
| 4         | -             | ● | UNIQA TU S.A.*                           | 821          | 6.7%         | 0.0%p               | Uniqa                       |
| 5         | -             | ● | GENERALI T.U. S.A.*                      | 557          | 4.5%         | -0.7%p              | Generali                    |
| 6         | 1             | ▲ | Compensa TU S.A. Vienna Insurance Group* | 550          | 4.5%         | 0.0%p               | Vienna Insurance Group      |

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                             | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP                |
|-----------|---------------|---|--|--------------|--------------|---------------------|--|
| 7         | -1            | ▼ | TUIR Allianz Polska S.A.*                | 491          | 4.0%         | -0.6%p              | Allianz                                    |
| 8         | -             | ● | Interrisk TU S.A. Vienna Insurance Group | 371          | 3.0%         | -0.1%p              | Vienna Insurance Group                     |
| 9         | 1             | ▲ | Wiener TU S.A. Vienna Insurance Group    | 284          | 2.3%         | 0.1%p               | Vienna Insurance Group                     |
| 10        | -1            | ▼ | Link4 TU S.A.                            | 273          | 2.2%         | -0.2%p              | PZU  |
| 11        | -             | ● | TUW PZUW                                 | 253          | 2.1%         | 0.0%p               | State of Poland                            |
| 12        | 1             | ▲ | PTR S.A.                                 | 190          | 1.5%         | 0.4%p               | Fairfax                                    |
| 13        | -1            | ▼ | TUW TUW                                  | 158          | 1.3%         | -0.1%p              | Macif                                      |
| 14        | -             | ● | PKO TU S.A.*                             | 149          | 1.2%         | 0.1%p               | PKO BP S.A.                                |
| 15        | -             | ● | Agro Ubezpieczenia TUW                   | 115          | 0.9%         | 0.0%p               | n.a.                                       |
| 16        | -             | ● | TU Euler Hermes S.A.                     | 109          | 0.9%         | 0.0%p               | Euler Hermes Deutschland                   |
| 17        | -             | ● | TUZ TUW                                  | 98           | 0.8%         | 0.0%p               | Private individual                         |
| 18        | -             | ● | TU Europa S.A.*                          | 62           | 0.5%         | 0.0%p               | Talanx Group                               |
| 19        | 1             | ▲ | Saltus TUW*                              | 47           | 0.4%         | 0.0%p               | n.a.                                       |
| 20        | 2             | ▲ | TU Inter Polska S.A.*                    | 46           | 0.4%         | 0.0%p               | Inter Beteiligungen AG                     |
| 21        | -             | ● | Kuke S.A.                                | 42           | 0.3%         | 0.0%p               | Skarb Państw (State Treasury)              |
| 22        | -3            | ▼ | Polski Gaz TUW*                          | 37           | 0.3%         | -0.1%p              | n.a.                                       |
| 23        | 1             | ▲ | TU Zdrowie S.A.                          | 36           | 0.3%         | 0.1%p               | Pomerania Investment S.A.                  |
| 24        | 1             | ▲ | Nationale-Nederlanden TU S.A.*           | 28           | 0.2%         | 0.1%p               | NN   |
| 25        | -2            | ▼ | Santander Allianz TU S.A.*               | 28           | 0.2%         | 0.0%p               | Allianz                                    |
| 26        | 2             | ▲ | Signal Iduna Polska TU S.A.*             | 27           | 0.2%         | 0.1%p               | Signal Iduna                               |
| 27        | -1            | ▼ | TUW- Cuprum                              | 18           | 0.1%         | 0.0%p               | KGHM Polska Miedź S.A.                     |
| 28        | -1            | ▼ | Credit Agricole TU S.A.*                 | 18           | 0.1%         | 0.0%p               | Crédit Agricole Assurances Société Anonyme |
| 29        | -             | ● | Partner Tuir S.A.                        | 2            | 0.0%         | 0.0%p               | Private individual                         |
| Total     |               |   |  | 12,334       | 100.0%       |                     |  |

\*Has life business as well  
Source: Xprimm

MARKET CONCENTRATION IN Poland, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Poland, 2020 – Dec 2024

| YEAR | TARGET  | BUYER                                  | % ACQUIRED           | DEAL VALUE IN EUR MN | SELLER                  | COMPLETED (Y/N) |
|------|---|--|----------------------|----------------------|-------------------------|-----------------|
| 2024 | Leadenhall Insurance SA                                 | MJM Holdings Spolka z o.o.             | 100%                 | n.a                  | Efinity Insurance Group | Y               |
| 2024 | Grupa Brokerska Odys Sp z oo                            | GGW Group GmbH                         | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2024 | Nord Partner Sp z oo                                    | PIB Group Ltd                          | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2024 | Equinum Broker Sp Z oo                                  | PIB Group Ltd                          | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2024 | Centrum Likwidacji Szkod Inotis                         | Punkta                                 | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2024 | MJM Holdings Spolka z o.o.                              | Corsair Capital LLC                    | undisclosed majority | n.a                  | Solter Capital          | N               |
| 2023 | LGK/Viviamo   | Unilink S.A.                           | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2023 | EINS Polska Sp Z oo                                     | Acrisure LLC                           | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2023 | 4Life Direct Sp. z o.o                                  | Assicurazioni Generali SpA             | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2023 | Polski Gaz Towarzystwo Ubezpieczen Wzajemnych           | Powszechny Zaklad Ubezpieczen SA   PZU | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2023 | ReSolutions Sp. z o.o.                                  | PIB Group Ltd                          | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2023 | Netins Insurance Sp. z o.o.                             | PIB Group Ltd                          | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2023 | Unilink SA  | Acrisure LLC                           | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2022 | Asist Sp. z o.o.  | PIB Group Ltd                          | 100%                 | n.a                  | Undisclosed seller      | Y               |
| 2022 | Towarzystwo Ubezpieczen Europa SA                       | Meiji Yasuda Life Insurance Co         | 16%                  | n.a                  | Getin Noble Bank SA     | Y               |
| 2022 | TU Europa SA  | Meiji Yasuda Life Insurance Co         | 17%                  | n.a                  | Getin Noble Bank SA     | Y               |
| 2022 | Arrant Sp. Z.o.o.                                       | Punkta                                 | 100%                 | n.a.                 | Undisclosed seller      | Y               |
| 2022 | Metlife PTE   | Generali                               | 100%                 | n.a.                 | NN Group N.V.           | Y               |
| 2022 | Alfa Brokers Sp. z o.o.                                 | Renomia AS                             | 65%                  | n.a.                 | Undisclosed seller      | Y               |
| 2022 | Exito Consulting Sp. z o.o.                             | PIB Group Ltd                          | 100%                 | n.a.                 | Undisclosed seller      | Y               |
| 2021 | Concordia Polska TUW                                    | Assicurazioni Generali SpA             | 100%                 | n.a.                 | Undisclosed seller      | Y               |
| 2021 | MetLife, Inc.(Business activities in Poland and Greece) | NN Group N.V.                          | 100%                 | 584                  | MetLife                 | Y               |
| 2021 | Smartt Re Sp. z o.o. (60%                               | MJM Holdings Spolka z o.o.             | 60%                  | n.a.                 | SMARTT GROUP Sp. z o.o. |                 |
| 2021 | Aviva Poland  | Allianz                                | 100%                 | 2500                 | Aviva Plc               | Y               |
| 2021 | Punkta  | BIK Brokers Sp. z o.o.                 | 100%                 | n.a.                 | MCI Capital S.A.        | Y               |
| 2021 | April Group SA (CEE businesses)                         | BIK Brokers Sp. z o.o.                 | 100%                 | n.a.                 | April Group SA          | Y               |
| 2020 | WDB S.A.  | PIB Group Ltd                          | 100%                 | n.a.                 | Private individuals     | Y               |
| 2020 | AEGON TU na ŻYCIE                                       | Vienna Insurance Group                 | 100%                 | 830                  | Aegon NV                | Y               |
| 2020 | AXA SA  | UNIQA Insurance Group AG               | 100%                 | 1002                 | AXA SA                  | Y               |

Source: Mergermarket, Deloitte intelligence

# CZECHIA

## Macroeconomic Environment

| MACRO INDICATORS              | 2020    | 2021    | 2022    | 2023    | 2024E   | CHANGE 2022-23<br>(% OR %P) |   |
|-------------------------------|---------|---------|---------|---------|---------|-----------------------------|---|
| Nominal GDP (EUR mn)          | 220,087 | 245,786 | 286,344 | 317,655 | 316,280 | 10.9%                       | ● |
| Nominal GDP/capita (EUR)      | 20,861  | 23,339  | 26,829  | 29,385  | 29,449  | 9.5%                        | ● |
| EUR/CZK exchange rate         | 26.49   | 25.66   | 24.62   | 24.01   | 25.16   | -2.5%                       | ● |
| GDP (% real change pa)        | -5.3%   | 4.0%    | 2.9%    | 0.0%    | 1.0%    | -2.8%p                      | ● |
| Consumer prices (% change pa) | 3.2%    | 3.9%    | 15.1%   | 10.6%   | 2.4%    | -4.5%p                      | ● |
| Recorded unemployment (%)     | 2.5%    | 2.8%    | 2.2%    | 2.6%    | 2.7%    | 0.4%p                       | ● |
| Budget balance (% of GDP)     | -5.6%   | -5.0%   | -3.1%   | -3.8%   | -2.4%   | -0.7%p                      | ● |
| Public debt (% of GDP)        | 36.9%   | 40.7%   | 42.5%   | 42.4%   | 43.4%   | -0.1%p                      | ● |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

## Insurance Market Trends

### Insurance market in Czechia

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23<br>(% OR %P) |   |
|---------------------------------|-------|-------|-------|-------|-----------------------------|---|
| Gross Written Premiums (EUR mn) |       |       |       |       |                             |   |
| Life                            | 1,957 | 2,015 | 2,206 | 2,255 | 2.2%                        | ● |
| Non-life                        | 4,384 | 4,990 | 5,922 | 6,621 | 11.8%                       | ● |
| Total                           | 6,341 | 7,005 | 8,128 | 8,876 | 9.2%                        | ● |
| Insurance Penetration           |       |       |       |       |                             |   |
| Life                            | 0.9%  | 0.8%  | 0.8%  | 0.7%  | -0.1%p                      | ● |
| Non-life                        | 2.0%  | 2.0%  | 2.1%  | 2.1%  | 0.0%p                       | ● |
| Total                           | 2.9%  | 2.8%  | 2.8%  | 2.8%  | 0.0%p                       | ● |
| GWP/capita (EUR)                |       |       |       |       |                             |   |
| Total                           | 601   | 665   | 762   | 821   | 7.8%                        | ● |
| Total Paid Claims (EUR mn)      |       |       |       |       |                             |   |
| Life                            | 1,416 | 1,543 | 1,917 | 1,415 | -26.2%                      | ● |
| Non-life                        | 2,057 | 2,434 | 2,840 | 3,099 | 9.1%                        | ● |
| Total                           | 3,473 | 3,977 | 4,757 | 4,514 | -5.1%                       | ● |
| Paid Claims/GWP                 |       |       |       |       |                             |   |
| Life                            | 72.4% | 76.6% | 86.9% | 62.7% | -24.1%p                     | ● |
| Non-life                        | 46.9% | 48.8% | 48.0% | 46.8% | -1.2%p                      | ● |
| Total                           | 54.8% | 56.8% | 58.5% | 50.9% | -7.7%p                      | ● |

Source: CNB, CAP

## Insurance Market Players

In 2023, there were 15 life insurers and 21 non-life insurers on the Czech insurance market. Out of the 36 insures 13 operated in both life and non-life segments

### List of life insurers in Czechia, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS  | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP      |
|-----------|---------------|---|---|--------------|--------------|---------------------|----------------------------------|
| 1         | -             | ● | Kooperativa, Pojišťovna, A.S.*                            | 651          | 28.9%        | 1.3%p               | Vienna Insurance Group           |
| 2         | -             | ● | Generali Česká Pojišťovna A.S.*                           | 428          | 19.0%        | 0.0%p               | Generali                         |
| 3         | -             | ● | NN Životní pojišťovna N.V., pobočka pro Českou republiku  | 194          | 8.6%         | 0.0%p               | NN                               |
| 4         | -             | ● | Allianz Pojišťovna, A.S.*                                 | 167          | 7.4%         | 0.4%p               | Allianz                          |
| 5         | -             | ● | Uniqa Pojišťovna, A.S.*                                   | 161          | 7.1%         | 0.3%p               | Uniqa                            |
| 6         | -             | ● | Čsob Pojišťovna, A. S., člen Holdingu Čsob*               | 158          | 7.0%         | 0.3%p               | KBC                              |
| 7         | -             | ● | Česká Podnikatelská Pojišťovna, A.S.*                     | 125          | 5.5%         | 0.3%p               | Vienna Insurance Group           |
| 8         | -             | ● | Metlife Europe D.A.C., Pobočka Pro Českou Republiku*      | 115          | 5.1%         | 0.0%p               | MetLife                          |
| 9         | -             | ● | Komerční Pojišťovna, A.S.*                                | 69           | 3.0%         | 0.0%p               | Societe Generale                 |
| 10        | -             | ● | Simplea Pojišťovna, A.S.                                  | 35           | 1.6%         | 0.4%p               | Partners Financial Services, a.s |
| 11        | 1             | ▲ | Youplus Životní Pojišťovna, Pobočka Pro Českou Republiku* | 18           | 0.8%         | 0.3%p               | Mutschler Holding AG             |
| 12        | -1            | ▼ | BNP Paribas Cardif Pojišťovna, A.S.*                      | 13           | 0.6%         | 0.0%p               | BNP Paribas                      |
| 13        | -             | ● | Sv Pojišťovna, A.S.*                                      | 5            | 0.2%         | 0.0%p               | S. V. Holding AG                 |
| 14        | -             | ● | Maxima Pojišťovna, A.S.*                                  | 4            | 0.2%         | 0.0%p               | Mella Holding                    |
| 15        | -             | ● | Hasičská Vzájemná Pojišťovna, A.S.*                       | 0.0          | 0.0%         | 0.0%p               | Fire Fighters Association        |
|           |               |   | Branch operations   | 116          | 5.1%         | -3.2%p              |                                  |
|           |               |   | Total   | 2,255        | 100.0%       |                     |                                  |

\*Has non-life business as well  
Source: CNB, CAP

### List of non-life insurers in Czechia, 2023

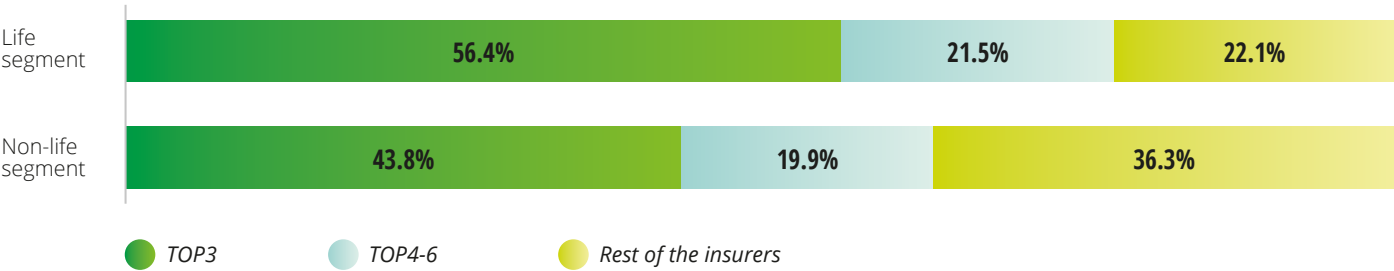
| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                                 | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-----------|---------------|---|--|--------------|--------------|---------------------|-----------------------------|
| 1         | -             | ● | Generali Česká Pojišťovna A.S.*              | 1,265        | 19.1%        | -0.7%p              | Generali                    |
| 2         | -             | ● | Kooperativa, Pojišťovna, A.S.*               | 988          | 14.9%        | -0.3%p              | Vienna Insurance Group      |
| 3         | -             | ● | Allianz Pojišťovna, A.S.*                    | 649          | 9.8%         | 0.2%p               | Allianz                     |
| 4         | -             | ● | ČSOB Pojišťovna, a. s., člen holdingu ČSOB*  | 471          | 7.1%         | 0.2%p               | KBC                         |
| 5         | -             | ● | Česká Podnikatelská Pojišťovna, A.S.*        | 457          | 6.9%         | 0.1%p               | Vienna Insurance Group      |
| 6         | -             | ● | Uniqa Pojišťovna, A.S.*                      | 387          | 5.8%         | -0.1%p              | Uniqa                       |
| 7         | 1             | ▲ | Direct Pojišťovna, A.S.                      | 143          | 2.2%         | 0.2%p               | VIGO Investments            |
| 8         | -1            | ▼ | BNP Paribas Cardif Pojišťovna, a.s.*         | 139          | 2.1%         | 0.0%p               | BNP Paribas                 |
| 9         | 2             | ▲ | Slavia Pojišťovna A.S.                       | 60           | 0.9%         | 0.2%p               | Private individuals         |
| 10        | -1            | ▼ | Colonnade Insurance S.A., Organizační Složka | 60           | 0.9%         | 0.0%p               | Colonnade                   |
| 11        | -1            | ▼ | ERV Evropská pojišťovna, a. s.               | 56           | 0.8%         | -0.1%p              | Munich Re                   |
| 12        | -             | ● | Hasičská Vzájemná Pojišťovna, A.S.*          | 43           | 0.7%         | 0.0%p               | Fire Fighters Association   |

\*Has life business as well, Source: CNB, CAP

| RANK 2023         | RANK 2022 YOY | INSTITUTIONS |  | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-------------------|---------------|--------------|--|--------------|--------------|---------------------|-----------------------------|
| 13                | -             | ●            | Komerční Pojišťovna, A.S.*   | 42           | 0.6%         | 0.1%p               | Societe Generale            |
| 14                | -             | ●            | Maxima Pojišťovna, A.S.*   | 42           | 0.6%         | 0.1%p               | Mella Holding               |
| 15                | -             | ●            | HDI Versicherung AG, OS  | 25           | 0.4%         | 0.0%p               | Munich Re                   |
| 16                | -             | ●            | SV pojišťovna, a.s.*   | 21           | 0.3%         | 0.0%p               | S. V. Holding AG            |
| 17                | -             | ●            | D.A.S. Právní Ochrana, Pobočka Ergo Versicherung Aktiengesellschaft Pro ČR | 19           | 0.3%         | 0.0%p               | Munich Re                   |
| 18                | -             | ●            | Metlife Europe D.A.C., Pobočka Pro Českou Republiku*                       | 9            | 0.1%         | 0.0%p               | MetLife                     |
| 19                | -             | ●            | Halali, Všeobecná Pojišťovna,A.S.  | 2            | 0.0%         | 0.0%p               | Českomoravská myslivecká    |
| 20                | -             | ●            | Youplus Životní Pojišťovna, Pobočka Pro Českou Republiku*                  | 0            | 0.0%         | 0.0%p               | Mutschler Holding AG        |
| 21                | -             | ●            | Česká Kancelář Pojistitelů   | 0            | 0.0%         | 0.0%p               | n/a                         |
| Branch operations |               |              |  | 1,743        | 26.3%        | 0.1%p               | n/a                         |
| Total             |               |              |  | 6,621        | 100.0%       |                     |                             |

\*Has life business as well, Source: CNB, CAP

Market concentration in Czechia, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Czechia, 2020 – Dec 2024

| YEAR | TARGET                 | BUYER                              | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER           | COMPLETED (Y/N) |
|------|------------------------|------------------------------------|------------|----------------------|------------------|-----------------|
| 2022 | Insia AS               | Unilink S.A.                       | 80%        | n.a.                 | Insia AS         | Y               |
| 2021 | Direct Pojistovna, a.s | VIGO Finance a.s.                  | 50%        | n.a.                 | Odyssey 44, a.s. | Y               |
| 2021 | ERGO pojistovna, a.s.  | Sparkassen-Versicherung Sachsen AG | 100%       | n.a.                 | Munich Re / ERGO | Y               |
| 2020 | Klikpojisteni.cz, a.s. | Netrisk Group                      | 100%       | n.a.                 | Benson Oak       | Y               |
| 2020 | AXA SA                 | UNIQA Insurance Group AG           | 100%       | 1,002                | AXA SA           | Y               |

Source: Mergermarket, Deloitte intelligence

SLOVAKIA

Macroeconomic Environment

| MACRO INDICATORS              | 2020   | 2021    | 2022    | 2023    | 2024E   | CHANGE 2022-23 (% OR %P) |   |
|-------------------------------|--------|---------|---------|---------|---------|--------------------------|---|
| Nominal GDP (EUR mn)          | 94,321 | 101,960 | 110,089 | 122,919 | 130,902 | 11.7%                    | ● |
| Nominal GDP/capita (EUR)      | 17,291 | 18,733  | 20,114  | 22,276  | 23,770  | 10.7%                    | ● |
| GDP (% real change pa)        | -2.6%  | 5.7%    | 0.5%    | 1.4%    | 2.0%    | 0.9%p                    | ● |
| Consumer prices (% change pa) | 2.0%   | 2.8%    | 12.1%   | 11.0%   | 3.1%    | -1.2%p                   | ● |
| Recorded unemployment (%)     | 6.8%   | 7.5%    | 6.3%    | 5.3%    | 5.0%    | -1.0%p                   | ● |
| Budget balance (% of GDP)     | -5.3%  | -5.1%   | -1.7%   | -5.2%   | -5.7%   | -3.5%p                   | ● |
| Public debt (% of GDP)        | 58.4%  | 60.2%   | 57.7%   | 56.1%   | 55.2%   | -1.6%p                   | ● |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average). Source: EIU

Insurance Market Trends

Insurance market in Slovakia

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23 (% OR %P) |   |
|---------------------------------|-------|-------|-------|-------|--------------------------|---|
| Gross Written Premiums (EUR mn) |       |       |       |       |                          |   |
| Life                            | 1,059 | 1,045 | 1,043 | 1,069 | 2.4%p                    | ● |
| Non-life                        | 1,321 | 1,444 | 1,557 | 1,683 | 8.1%p                    | ● |
| Total                           | 2,379 | 2,489 | 2,601 | 2,751 | 5.8%p                    | ● |
| Insurance Penetration           |       |       |       |       |                          |   |
| Life                            | 1.1%  | 1.0%  | 0.9%  | 0.9%  | -0.1%p                   | ● |
| Non-life                        | 1.4%  | 1.4%  | 1.4%  | 1.4%  | -0.0%p                   | ● |
| Total                           | 2.5%  | 2.4%  | 2.4%  | 2.2%  | -0.1%p                   | ● |
| GWP/capita (EUR)                |       |       |       |       |                          |   |
| Total                           | 436   | 457   | 475   | 499   | 4.9%                     | ● |
| Total Paid Claims (EUR mn)      |       |       |       |       |                          |   |
| Life                            | 634   | 626   | 560   | 553   | -1.2%                    | ● |
| Non-life                        | 576   | 515   | 559   | 533   | -4.7%                    | ● |
| Total                           | 1,209 | 1,141 | 1,119 | 1,086 | -3.0%                    | ● |
| Paid Claims/GWP                 |       |       |       |       |                          |   |
| Life                            | 59.8% | 59.9% | 53.7% | 51.8% | -1.9%p                   | ● |
| Non-life                        | 43.6% | 35.7% | 35.9% | 31.7% | -4.2%p                   | ● |
| Total                           | 50.8% | 45.9% | 43.0% | 39.5% | -3.6%p                   | ● |

Source: Xprimm

Insurance Market Players

In 2023, there were 12 life insurers and 14 non-life insurers on the insurance market, out of which 12 operated in both life and non-life segments

List of life insurers in Slovakia, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                          | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-----------|---------------|---|---------------------------------------|--------------|--------------|---------------------|-----------------------------|
| 1         | -             | ● | Kooperativa Poistovňa, a.s.*          | 320          | 29.9%        | 0.0%p               | Vienna Insurance Group      |
| 2         | -             | ● | Allianz - Slovenská poisťovňa, a. s.* | 199          | 18.6%        | -0.7%p              | Allianz                     |
| 3         | 1             | ▲ | Generali Poistovňa, a.s.*             | 124          | 11.6%        | -0.1%p              | Generali                    |
| 4         | -1            | ▼ | NN Životná Poistovňa, a. s.*          | 117          | 10.9%        | -0.1%p              | NN                          |
| 5         | 1             | ▲ | Uniqa pojišťovna, a.s.*               | 102          | 9.5%         | 0.5%p               | Uniqa                       |
| 6         | -1            | ▼ | Metlife Europe D. A. C.*              | 81           | 7.6%         | -0.3%p              | MetLife                     |
| 7         | -             | ● | ČSOB Poistovňa, a. s.*                | 30           | 2.8%         | 0.4%p               | KBC                         |
| 8         | 3             | ▲ | BNP Paribas Cardif Poistovňa, a. s.*  | 26           | 2.5%         | 0.3%p               | BNP Paribas                 |
| 9         | -1            | ▼ | Komunálna poisťovňa a. s.*            | 23           | 2.1%         | -0.3%p              | Vienna Insurance Group      |
| 10        | -             | ● | Union poisťovňa, a. s.*               | 19           | 1.8%         | 0.1%p               | Achmea B.V.                 |
| 11        | -2            | ▼ | Wüstenrot poisťovňa, a. s.*           | 15           | 1.4%         | -0.2%p              | Wüstenrot Versicherungs     |
| 12        | -             | ● | Youplus Insurance International AG*   | 13           | 1.2%         | 0.5%p               | Mutschler Holding AG        |
| Total     |               |   |                                       | 1,069        | 100.0%       |                     |                             |

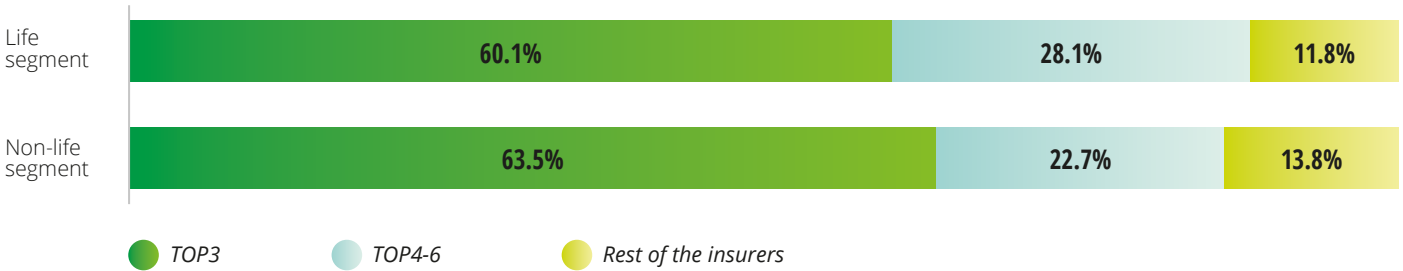
\*Has non-life business as well  
Source: Xprimm

List of non-life insurers in Slovakia, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                          | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-----------|---------------|---|---------------------------------------|--------------|--------------|---------------------|-----------------------------|
| 1         | -             | ● | Allianz - Slovenská poisťovňa, a. s.* | 475          | 28.2%        | -1.8%p              | Allianz                     |
| 2         | -             | ● | Kooperativa poisťovňa, a. s.*         | 360          | 21.4%        | 0.2%p               | Vienna Insurance Group      |
| 3         | -             | ● | Generali Poistovňa, a.s.*             | 234          | 13.9%        | 0.4%p               | Generali                    |
| 4         | -             | ● | Uniqa pojišťovna, a.s.*               | 194          | 11.5%        | 0.2%p               | Uniqa                       |
| 5         | -             | ● | Union poisťovňa, a. s.*               | 100          | 5.9%         | -0.3%p              | Achmea B.V.                 |
| 6         | -             | ● | Komunálna poisťovňa a. s.*            | 89           | 5.3%         | -0.2%p              | Vienna Insurance Group      |
| 7         | -             | ● | ČSOB Poistovňa, a. s.*                | 85           | 5.1%         | 0.0%p               | KBC                         |
| 8         | -             | ● | Wüstenrot poisťovňa, a. s.*           | 37           | 2.2%         | -0.1%p              | Wüstenrot Versicherungs     |
| 9         | 3             | ▲ | MetLife Europe D.A.C.*                | 33           | 2.0%         | -0.1%p              | MetLife                     |
| 10        | NEW           |   | Colonnade Insurance S.A.              | 29           | 1.7%         | 1.7%p               | FairFax                     |
| 11        | -2            | ▼ | NN Životná poisťovňa, a. s.*          | 27           | 1.6%         | -0.1%p              | NN                          |
| 12        | -2            | ▼ | BNP Paribas Cardif Poistovňa, a. s.*  | 19           | 1.1%         | 0.2%p               | BNP Paribas                 |
| 13        | -             | ● | Youplus Insurance International AG*   | 2            | 0.1%         | 0.0%p               | Mutschler Holding AG        |
| 14        | -             | ● | Slovenská kancelária poisťovateľov    | 0            | 0.0%         | 0.0%p               | State of Slovakia           |
| Total     |               |   |                                       | 1683         | 100.0%       |                     |                             |

\*Has life business as well  
Source: Xprimm

Market concentration in Slovakia, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Slovakia, 2020 – Dec 2024

| YEAR | TARGET                   | BUYER                    | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER                                  | COMPLETED (Y/N) |
|------|--------------------------|--------------------------|------------|----------------------|---|-----------------|
| 2023 | DSS 365 life (pension)   | Vienna Insurance Group   | 100%       | n.a.                 | 365 bank                                | Y               |
| 2022 | Groupama Poistovna       | Union Poistovna          | 100%       | n.a.                 | Groupama Poistovna                      | Y               |
| 2020 | Poštová poisťovňa, a. s. | Union Poistovna          | 100%       | n.a.                 | Postova Banka, a.s.; Slovenska Posta AS | Y               |
| 2020 | AXA SA                   | UNIQA Insurance Group AG | 100%       | 1,002                | AXA SA                                  | Y               |

Source: Mergermarket, Deloitte intelligence



# HUNGARY

## Macroeconomic Environment

| MACRO INDICATORS              | 2020    | 2021    | 2022    | 2023    | 2024E   | CHANGE 2022-23<br>(% OR %P) |   |
|-------------------------------|---------|---------|---------|---------|---------|-----------------------------|---|
| Nominal GDP (EUR mn)          | 138,712 | 154,256 | 168,053 | 196,224 | 196,774 | 16.8%                       | ● |
| Nominal GDP/capita (EUR)      | 14,228  | 15,890  | 17,353  | 20,257  | 20,336  | 16.7%                       | ● |
| EUR/HUF exchange rate         | 351.51  | 358.78  | 392.67  | 381.89  | 395.14  | -2.7%                       | ● |
| GDP (% real change pa)        | -4.5%   | 7.1%    | 4.3%    | -0.8%   | 0.4%    | -5.1%p                      | ● |
| Consumer prices (% change pa) | 3.3%    | 5.1%    | 14.6%   | 17.1%   | 3.7%    | 2.5%p                       | ● |
| Recorded unemployment (%)     | 4.1%    | 4.1%    | 3.7%    | 4.1%    | 4.4%    | 0.4%p                       | ● |
| Budget balance (% of GDP)     | -7.5%   | -7.1%   | -6.2%   | -6.7%   | -5.4%   | -0.5%p                      | ● |
| Public debt (% of GDP)        | 78.8%   | 76.5%   | 74.0%   | 73.6%   | 76.3%   | -0.5%p                      | ● |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

## Insurance Market Trends

### Insurance market in Hungary

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23<br>(% OR %P) |
|---------------------------------|-------|-------|-------|-------|-----------------------------|
| Gross Written Premiums (EUR mn) |       |       |       |       |                             |
| Life                            | 1,530 | 1,756 | 1,632 | 1,579 | -3.3% <span>🔴</span>        |
| Non-life                        | 1,886 | 2,083 | 2,142 | 2,559 | 19.4% <span>🟢</span>        |
| Total                           | 3,416 | 3,839 | 3,775 | 4,138 | 9.6% <span>🟢</span>         |
| Insurance Penetration           |       |       |       |       |                             |
| Life                            | 1.1%  | 1.1%  | 1.0%  | 0.8%  | -0.2%p <span>🔴</span>       |
| Non-life                        | 1.4%  | 1.4%  | 1.3%  | 1.3%  | 0.0%p <span>⚪</span>        |
| Total                           | 2.5%  | 2.5%  | 2.2%  | 2.1%  | -0.1%p <span>🔴</span>       |
| GWP/capita (EUR)                |       |       |       |       |                             |
| Total                           | 350   | 395   | 390   | 427   | 9.6% <span>🟢</span>         |
| Total Paid Claims (EUR mn)      |       |       |       |       |                             |
| Life                            | 1,081 | 1,189 | 1,182 | 1,076 | -9.0% <span>🟢</span>        |
| Non-life                        | 716   | 771   | 870   | 984   | 13.2% <span>🔴</span>        |
| Total                           | 1,797 | 1,959 | 2,052 | 2,060 | 0.4% <span>🔴</span>         |
| Paid Claims/GWP                 |       |       |       |       |                             |
| Life                            | 70.6% | 67.7% | 71.9% | 67.1% | -4.3%p <span>🟢</span>       |
| Non-life                        | 38.0% | 37.0% | 41.6% | 40.0% | -2.1%p <span>🟢</span>       |
| Total                           | 52.6% | 51.0% | 54.9% | 50.7% | -4.6%p <span>🟢</span>       |

Source: Xprimm, Mabisz

## Insurance Market Players

In 2023, there were 14 life insurers and 21 non-life insurers on the Hungarian insurance market. Out of the 33 insures 13 operated in both life and non-life segments

### List of life insurers in Hungary, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS  | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|---------------|---|---|--------------|--------------|---------------------|------------------------------------|
| 1         | 1             | ▲ | NN Biztosító Zrt.*                                  | 254          | 16.1%        | 2.0%p               | NN                                 |
| 2         | 3             | ▲ | GROUPAMA Biztosító Zrt.*                            | 183          | 11.6%        | 2.7%p               | Groupama                           |
| 3         | -             | ● | GENERALI Biztosító Zrt.*                            | 162          | 10.3%        | 1.4%p               | Generali                           |
| 4         | 3             | ▲ | ALFA Vienna Insurance Group Biztosító Zrt.*         | 153          | 9.7%         | 1.4%p               | Vienna Insurance Group             |
| 5         | 1             | ▲ | ALLIANZ Hungária Biztosító Zrt.*                    | 132          | 8.4%         | -0.4%p              | Allianz                            |
| 6         | -5            | ▼ | Magyar Posta Életbiztosító Zrt.*                    | 124          | 7.9%         | -8.9%p              | Gránit Biztosító                   |
| 7         | -3            | ▼ | UNION Vienna Insurance Group Biztosító Zrt.*        | 112          | 7.1%         | -2.1%p              | Vienna Insurance Group             |
| 8         | -             | ● | MetLife Europe d.a.c. Magyarországi Fióktelepe*     | 109          | 6.9%         | 0.9%p               | MetLife                            |
| 9         | 1             | ▲ | SIGNAL IDUNA Biztosító Zrt.*                        | 87           | 5.5%         | 0.7%p               | Signal Iduna                       |
| 10        | 1             | ▲ | CIG Pannónia Életbiztosító Nyrt.*                   | 82           | 5.2%         | 0.9%p               | Hungarikum Biztosítási Alkusz Zrt. |
| 11        | -2            | ▼ | UNIQA Biztosító Zrt.*                               | 73           | 4.6%         | -0.2%p              | Uniqa                              |
| 12        | -             | ● | K&H Biztosító Zrt.*                                 | 66           | 4.2%         | 1.8%p               | KBC                                |
| 13        | -             | ● | GRAWE Életbiztosító Zrt.                            | 34           | 2.1%         | -0.1%p              | Grazer Wechselseitige Versicherung |
| 14        | -             | ● | BNP Paribas CARDIF Életbiztosító Magyarország Zrt.* | 8            | 0.5%         | 0.0%p               | BNP Paribas                        |
| Total     |               |   |   | 1,579        | 100.0%       |                     |                                    |

\*Has non-life business as well  
Source: Xprimm, Mabisz

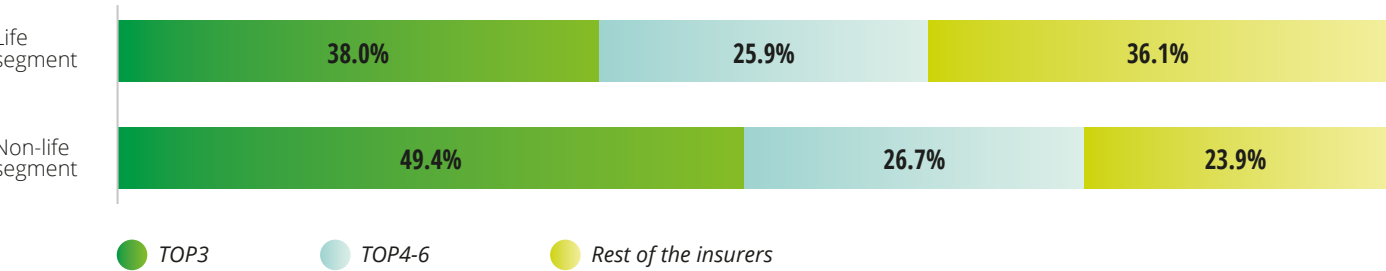


List of non-life insurers in Hungary, 2023

| RANK<br>2023 |    | RANK 2022<br>YOY | INSTITUTIONS  | GWP<br>(EUR MN) | MARKET<br>SHARE | CHANGE<br>2022-23 (%P) | GROUP MEMBERSHIP/<br>OWNERSHIP              |
|--------------|----|------------------|---|-----------------|-----------------|------------------------|---|
| 1            | -  | ●                | ALLIANZ Hungária Biztosító Zrt.*                        | 478             | 18.7%           | -1.5%p                 | Allianz                                     |
| 2            | -  | ●                | GENERALI Biztosító Zrt.*                                | 452             | 17.7%           | -0.3%p                 | Generali                                    |
| 3            | -  | ●                | ALFA Vienna Insurance Group<br>Biztosító Zrt.*          | 334             | 13.0%           | 0.1%p                  | Vienna Insurance<br>Group                   |
| 4            | -  | ●                | GROUPAMA Biztosító Zrt.*                                | 299             | 11.7%           | -0.2%p                 | Groupama                                    |
| 5            | -  | ●                | UNION Vienna Insurance Group<br>Biztosító Zrt.*         | 196             | 7.7%            | -0.1%p                 | Vienna Insurance<br>Group                   |
| 6            | 1  | ▲                | UNIQA Biztosító Zrt.*                                   | 189             | 7.4%            | 0.6%p                  | Uniqa                                       |
| 7            | -1 | ▼                | K&H Biztosító Zrt.*                                     | 175             | 6.8%            | 0.0%p                  | KBC   |
| 8            | -  | ●                | Gránit Biztosító Zrt.                                   | 90              | 3.5%            | -0.2%p                 | Waberer's<br>International                  |
| 9            | -  | ●                | KÖBE Közép-európai Kölcsönös<br>Biztosító Egyesület     | 53              | 2.1%            | -0.1%p                 | Private Individuals                         |
| 10           | 1  | ▲                | SIGNAL IDUNA Biztosító Zrt.*                            | 46              | 1.8%            | 0.0%p                  | Signal Iduna                                |
| 11           | -1 | ▼                | GENERTEL Biztosító Zrt.                                 | 46              | 1.8%            | 0.0%p                  | Generali                                    |
| 12           | 1  | ▲                | MEDICOVER Főrsakrings AG<br>Magyarországi Fióktelepe    | 44              | 1.7%            | 0.1%p                  | Medicover<br>Főrsakrings AG                 |
| 13           | -1 | ▼                | Magyar Posta Biztosító Zrt.*                            | 43              | 1.7%            | -0.1%p                 | Gránit Biztosító                            |
| 14           | 2  | ▲                | CIG Pannónia Első Magyar<br>Általános Biztosító Zrt.*   | 30              | 1.2%            | 0.5%p                  | Hungarikum<br>Biztosítási Alkusz<br>Zrt.    |
| 15           | 1  | ▲                | BNP Paribas CARDIF Biztosító<br>Magyarország Zrt.*      | 30              | 1.2%            | 0.0%p                  | BNP Paribas                                 |
| 16           | -2 | ▼                | Agrár Biztosító Magyarországi<br>Fióktelepe             | 19              | 0.8%            | 0.1%p                  | Österreichische<br>Hagelversicherung<br>VVG |
| 17           | -  | ●                | EURÓPAI Utazási Biztosító Zrt.                          | 14              | 0.5%            | 0.1%p                  | Generali                                    |
| 18           | -  | ●                | D.A.S. Jogvédelmi Biztosító Zrt.                        | 9               | 0.3%            | 0.0%p                  | Private Individuals                         |
| 19           | -  | ●                | MetLife Europe d.a.c.<br>Magyarországi Fióktelepe*      | 5               | 0.2%            | -0.1%p                 | MetLife                                     |
| 20           | -  | ●                | MÜBSE Magyar Ügyvédek<br>Kölcsönös Biztosító Egyesülete | 4               | 0.1%            | 0.0%p                  | n.a.  |
| 21           | -  | ●                | NN Biztosító Zrt.*                                      | 3               | 0.1%            | 0.1%p                  | NN  |
| Total        |    |                  |   | 1,428           | 100.0%          |                        |   |

\*Has life business as well  
Source: Xprimm, Mabisz

Market concentration in Hungary, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Hungary, 2020 – Dec 2024

| YEAR | TARGET   | BUYER  | %<br>ACQUIRED | DEAL VALUE<br>IN EUR MN | SELLER                                  | COMPLETED<br>(Y/N) |
|------|--|--|---------------|-------------------------|---|--------------------|
| 2024 | Modesto Insurance Ltd  | GrECo International<br>Holding AG                | 100%          | n.a.                    | Private Individual                      | Y                  |
| 2024 | Magyar Posta Biztosító Zrt.<br>Magyar Posta Életbiztosító Zrt. | Gránit Biztosító Zrt.                            | 67%           | n.a.                    | Corvinus Nemzetközi<br>Befektetési Zrt. | Y                  |
| 2023 | VIG Magyarország Befektetési Zrt.                              | Vienna Insurance Group                           | 35%           | n.a                     | Corvinus Nemzetközi<br>Befektetési Zrt. | Y                  |
| 2023 | D.A.S Jogvédelem Biztosító                                     | Szabo Gyorgy                                     | 100%          | n.a.                    | Munich Re / ERGO                        | Y                  |
| 2023 | Bauer Media Group<br>online comparison business                | Netrisk.hu Első Online<br>Biztosítási Alkusz Kft | 100%          | n.a                     | Bauer Media Group                       | Y                  |
| 2023 | Magyar Posta Biztosító Zrt.<br>Magyar Posta Életbiztosító Zrt. | Corvinus Nemzetközi<br>Befektetési Zrt.          | 100%          | n.a.                    | Talanx AG                               | Y                  |
| 2022 | Ensure Penzugyi Szolgáltato Kft.                               | Renomia as                                       | Majority      | n.a.                    | Undisclosed seller                      | Y                  |
| 2022 | VIG Magyarország Befektetési Zrt.                              | Corvinus Nemzetközi<br>Befektetési Zrt.          | 45%           | 350                     | Vienna Insurance Group<br>AG            | Y                  |
| 2021 | CIG Pannónia Életbiztosító Nyrt.                               | Hungarikum Biztosítási<br>Alkusz Zrt.            | 24%           | n.a.                    | Private Individuals                     | Y                  |
| 2020 | Reticulum Insurance Kft  | Hungarikum Biztosítási<br>Alkusz Zrt.            | 100%          | n.a.                    | Undisclosed seller                      | Y                  |
| 2020 | Insurance Partners Biztositasi<br>Alkusz Kft                   | Hungarikum Biztosítási<br>Alkusz Zrt.            | Majority      | n.a.                    | Undisclosed seller                      | Y                  |
| 2020 | HUNBankbiztositas Kft  | Magyar<br>Takarékszövetkezeti Bank<br>Zrt        | 25%           | n.a.                    | Hungarikum Biztosítási<br>Alkusz Zrt.   | Y                  |
| 2020 | Netrisk Magyarország Kft.                                      | TA Associates                                    | 100%          | 55                      | MCI Group                               | Y                  |
| 2020 | Aegon Magyarország Általános<br>Biztosító Zrt.                 | Vienna Insurance Group                           | 100%          | 830                     | Aegon NV                                | Y                  |
| 2020 | Non-life portfolio of CIG Pannonia<br>General Insurance        | Aegon NV   | 100%          | n.a.                    | CIG Pannonia General<br>Insurance       | Y                  |

Source: Mergermarket, Deloitte intelligence

# ROMANIA

## Macroeconomic Environment

| MACRO INDICATORS              | 2020    | 2021    | 2022    | 2023    | 2024E   | CHANGE 2022-23<br>(% OR %P) |   |
|-------------------------------|---------|---------|---------|---------|---------|-----------------------------|---|
| Nominal GDP (EUR mn)          | 220,834 | 242,139 | 281,204 | 324,318 | 356,469 | 15.3%                       | ● |
| Nominal GDP/capita (EUR)      | 11,388  | 12,580  | 14,671  | 16,962  | 18,742  | 15.6%                       | ● |
| EUR/RON exchange rate         | 4.84    | 4.92    | 4.94    | 4.95    | 4.96    | 0.1%                        | ● |
| GDP (% real change pa)        | -3.7%   | 5.5%    | 3.9%    | 2.4%    | 0.8%    | -1.5%p                      | ● |
| Consumer prices (% change pa) | 2.6%    | 5.0%    | 13.8%   | 10.4%   | 5.4%    | -3.4%p                      | ● |
| Recorded unemployment (%)     | 6.1%    | 5.6%    | 5.6%    | 5.6%    | 5.1%    | -0.1%p                      | ● |
| Budget balance (% of GDP)     | -9.5%   | -6.7%   | -5.8%   | -5.6%   | -6.8%   | 0.2%p                       | ● |
| Public debt (% of GDP)        | 46.6%   | 48.3%   | 47.9%   | 48.9%   | 51.2%   | 1.0%p                       | ● |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

## Insurance Market Trends

### Insurance market in Romania

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23<br>(% OR %P) |   |
|---------------------------------|-------|-------|-------|-------|-----------------------------|---|
| Gross Written Premiums (EUR mn) |       |       |       |       |                             |   |
| Life                            | 458   | 530   | 536   | 599   | 11.9%                       | 🟢 |
| Non-life                        | 1,915 | 2,362 | 2,805 | 3,072 | 9.5%                        | 🟢 |
| Total                           | 2,373 | 2,892 | 3,341 | 3,672 | 9.9%                        | 🟢 |
| Insurance Penetration           |       |       |       |       |                             |   |
| Life                            | 0.2%  | 0.2%  | 0.2%  | 0.2%  | 0.0%p                       | 🟡 |
| Non-life                        | 0.9%  | 1.0%  | 1.0%  | 0.9%  | -0.1%p                      | 🔴 |
| Total                           | 1.1%  | 1.2%  | 1.2%  | 1.1%  | -0.1%p                      | 🔴 |
| GWP/capita (EUR)                |       |       |       |       |                             |   |
| Total                           | 122   | 150   | 174   | 192   | 10.2%                       | 🟢 |
| Total Paid Claims (EUR mn)      |       |       |       |       |                             |   |
| Life                            | 224   | 250   | 316   | 289   | -8.5%                       | 🟢 |
| Non-life                        | 1,211 | 1,300 | 1,262 | 1,268 | 0.5%                        | 🔴 |
| Total                           | 1,435 | 1,550 | 1,578 | 1,558 | -1.3%                       | 🟢 |
| Paid Claims/GWP                 |       |       |       |       |                             |   |
| Life                            | 48.8% | 47.2% | 59.0% | 48.3% | -10.8%p                     | 🟢 |
| Non-life                        | 63.2% | 55.0% | 45.0% | 41.3% | -3.7%p                      | 🟢 |
| Total                           | 60.5% | 53.6% | 47.2% | 42.4% | -4.8%p                      | 🟢 |

Source: Xprimm

## Insurance Market Players

In 2023, there were 13 life insurers and 19 non-life insurers on the Romanian insurance market. Out of the 32 insures 6 operated in both life and non-life segments

### List of life insurers in Romania, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                       | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|---------------|---|------------------------------------|--------------|--------------|---------------------|------------------------------------|
| 1         | -             | ● | NN Asigurări de Viață              | 206          | 34.4%        | -2.3%p              | NN                                 |
| 2         | -             | ● | BCR Asigurări de Viață VIG         | 97           | 16.1%        | -1.2%p              | Vienna Insurance Group             |
| 3         | -             | ● | Allianz-Țiriac Asigurări*          | 72           | 12.1%        | 1.7%p               | Allianz                            |
| 4         | -             | ● | BRD Asigurări De Viață             | 60           | 9.9%         | 1.2%p               | Societe Generale                   |
| 5         | -             | ● | Signal Iduna Asigurări Reasigurări | 55           | 9.2%         | 1.5%p               | Signal Iduna                       |
| 6         | -             | ● | Uniqa Asigurări De Viață*          | 36           | 6.0%         | 0.2%p               | Uniqa                              |
| 7         | -             | ● | Generali România*                  | 25           | 4.2%         | -0.1%p              | Generali                           |
| 8         | -             | ● | Asirom VIG*                        | 19           | 3.2%         | -0.4%p              | Vienna Insurance Group             |
| 9         | -             | ● | Groupama Asigurări*                | 13           | 2.1%         | -0.1%p              | Groupama                           |
| 10        | -             | ● | Grawe Romania*                     | 11           | 1.8%         | -0.1%p              | Grazer Wechselseitige Versicherung |
|           |               |   | Others                             | 5            | 0.9%         | -0.4%p              |                                    |
| Total     |               |   |                                    | 599          | 100.0%       |                     |                                    |

\*Has non-life business as well  
Source: Xprimm

### List of non-life insurers in Romania, 2023

| RANK 2023 | RANK 2022 YOY |     | INSTITUTIONS                 | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|---------------|-----|------------------------------|--------------|--------------|---------------------|------------------------------------|
| 1         | -             | ●   | Groupama Asigurări*          | 814          | 26.5%        | 5.4%p               | Groupama                           |
| 2         | 1             | ▲   | Allianz-Țiriac Asigurări*    | 634          | 20.6%        | 1.8%p               | Allianz                            |
| 3         | 1             | ▲   | Omniasig VIG                 | 481          | 15.7%        | 0.4%p               | Vienna Insurance Group             |
| 4         | 1             | ▲   | Asirom VIG*                  | 304          | 9.9%         | 2.3%p               | Vienna Insurance Group             |
| 5         | 1             | ▲   | Generali România*            | 263          | 8.6%         | 2.9%p               | Generali                           |
| 6         | 1             | ▲   | Grawe România*               | 188          | 6.1%         | 2.6%p               | Grazer Wechselseitige Versicherung |
| 7         | -5            | ▼   | Euroins România <sup>1</sup> | 142          | 4.6%         | -15.5%p             | Euroins Insurance Group            |
| 8         | -             | ●   | Uniqa Asigurări*             | 84           | 2.7%         | 0.0%p               | Uniqa                              |
| 9         | -             | ●   | P.A.I.D.                     | 41           | 1.4%         | 0.1%p               | Multiple shareholders              |
| 10        |               | NEW | Allianz-Țiriac Unit          | 22           | 0.7%         | 0.7%p               | Allianz                            |
|           |               |     | Others                       | 98           | 3.2%         | -0.8%p              |                                    |
| Total     |               |     |                              | 3,072        | 100.0%       |                     |                                    |

\*Has life business as well  
Source: Xprimm

<sup>1</sup> Euroins closed its operations in Romania during 2023.

Market concentration in Romania, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Romania, 2020 – Dec 2024

| YEAR | TARGET                                       | BUYER                          | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER                           | COMPLETED (Y/N) |
|------|--|--------------------------------|------------|----------------------|----------------------------------|-----------------|
| 2024 | Garanta Asigurari                            | SIGNAL IDUNA Holding AG        | 33%        | n.a.                 | National Bank of Greece SA   ETE | N               |
| 2024 | Transilvania Broker de Asigurari             | Partners Financial Services as | 33%        | 6.3                  | Undisclosed seller               | Y               |
| 2024 | Stein Bestasig Insurance Broker SRL          | PIB Group Ltd                  | 100%       | n.a.                 | Undisclosed seller               | Y               |
| 2024 | Globasig Broker de Asigurare Reasigurare srl | Safety Broker                  | 100%       | n.a.                 | Undisclosed seller               | Y               |
| 2021 | ERGO Asigurari SA                            | SIGNAL IDUNA Holding AG        | 100%       | n.a.                 | Munich Re / ERGO                 | Y               |
| 2021 | ERGO Asigurari de Viata SA                   | SIGNAL IDUNA Holding AG        | 100%       | n.a.                 | Munich Re / ERGO                 | Y               |
| 2020 | Gothaer Asigurari Reasigurari S.A.           | Allianz                        | 100%       | n.a.                 | Gothaer group                    | Y               |
| 2020 | Aegon   Branch of Polish AEGON TU na ZYCIE   | Vienna Insurance Group         | 100%       | 830                  | Aegon NV                         | Y               |

Source: Mergermarket, Deloitte intelligence

SLOVENIA

Macroeconomic Environment

| MACRO INDICATORS              | 2020   | 2021   | 2022   | 2023   | 2024E  | CHANGE 2022-23 (% OR %P) |
|-------------------------------|--------|--------|--------|--------|--------|--------------------------|
| Nominal GDP (EUR mn)          | 46,457 | 51,821 | 56,873 | 64,154 | 66,600 | 12.8% ●                  |
| Nominal GDP/capita (EUR)      | 22,097 | 24,519 | 26,890 | 30,290 | 31,430 | 12.6% ●                  |
| GDP (% real change pa)        | -4.8%  | 8.5%   | 2.5%   | 2.4%   | 1.5%   | -0.1%p ●                 |
| Consumer prices (% change pa) | -0.3%  | 2.0%   | 10.3%  | 7.2%   | 1.9%   | -3.1%p ●                 |
| Recorded unemployment (%)     | 8.7%   | 7.6%   | 4.0%   | 5.0%   | 4.6%   | 1.0%p ●                  |
| Budget balance (% of GDP)     | -7.7%  | -4.6%  | -3.0%  | -2.6%  | -2.6%  | 0.4%p ●                  |
| Public debt (% of GDP)        | 80.7%  | 75.1%  | 72.8%  | 68.2%  | 67.5%  | -4.6%p ●                 |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average). Source: EIU

Insurance Market Trends

Insurance market in Slovenia

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23 (% OR %P) |
|---------------------------------|-------|-------|-------|-------|--------------------------|
| Gross Written Premiums (EUR mn) |       |       |       |       |                          |
| Life                            | 749   | 747   | 773   | 831   | 7.4% ●                   |
| Non-life                        | 1,820 | 1,869 | 2,029 | 2,223 | 9.6% ●                   |
| Total                           | 2,570 | 2,616 | 2,802 | 3,054 | 9.0% ●                   |
| Insurance Penetration           |       |       |       |       |                          |
| Life                            | 1.6%  | 1.4%  | 1.4%  | 1.3%  | (0.1%)p ●                |
| Non-life                        | 3.9%  | 3.6%  | 3.6%  | 3.5%  | (0.1%)p ●                |
| Total                           | 5.5%  | 5.0%  | 4.9%  | 4.8%  | (0.2%)p ●                |
| GWP/capita (EUR)                |       |       |       |       |                          |
| Total                           | 1,222 | 1,238 | 1,325 | 1,442 | 8.9% ●                   |
| Total Paid Claims (EUR mn)      |       |       |       |       |                          |
| Life                            | 530   | 513   | 512   | 543   | 6.1% ●                   |
| Non-life                        | 1,088 | 1,121 | 1,302 | 1,684 | 29.4% ●                  |
| Total                           | 1,617 | 1,634 | 1,814 | 2,227 | 22.8% ●                  |
| Paid Claims/GWP                 |       |       |       |       |                          |
| Life                            | 70.7% | 68.7% | 66.2% | 65.4% | -0.9%p ●                 |
| Non-life                        | 59.7% | 60.0% | 64.2% | 75.7% | 11.6%p ●                 |
| Total                           | 62.9% | 62.5% | 64.7% | 72.9% | 8.2%p ●                  |

Source: Xprimm

Insurance Market Players

In 2023, there were 14 life insurers and 16 non-life insurers on the Slovenian insurance market, out of which 11 operated in both life and non-life segments.

List of life insurers in Slovenia, 2023

| RANK 2023 | RANK 2022 YOY |     | INSTITUTIONS   | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP            |
|-----------|---------------|-----|--|--------------|--------------|---------------------|--|
| 1         | 1             | ▲   | Modra Zavarovalnica, d. d.*                              | 211          | 25.4%        | 1.2%p               | Kapitalska Druzba                      |
| 2         | -1            | ▼   | Zavarovalnica Triglav, d. d.*                            | 208          | 25.0%        | -0.7%p              | Triglav Group                          |
| 3         | -             | ●   | GENERALI Zavarovalnica, d. d.*                           | 104          | 12.5%        | -0.2%p              | Generali                               |
| 4         | -             | ●   | Vita, Življenjska Zavarovalnica, d. d.*                  | 101          | 12.2%        | 0.7%p               | Sava Insurance Group                   |
| 5         | -             | ●   | Zavarovalnica Sava, d.d.*                                | 73           | 8.8%         | -0.7%p              | Sava Insurance Group                   |
| 6         | -             | ●   | Merkur Zavarovalnica, d.d.*                              | 42           | 5.1%         | -0.3%p              | Merkur                                 |
| 7         | -             | ●   | Triglav, Pokojninska Družba, d. d.                       | 38           | 4.6%         | 0.0%p               | Triglav Group                          |
| 8         | -             | ●   | Wiener Städtische Zavarovalnica, podružnica v Ljubljani* | 22           | 2.6%         | -0.1%p              | Vienna Insurance Group                 |
| 9         | -             | ●   | GRAWE Zavarovalnica, d. d.*                              | 16           | 2.0%         | -0.1%p              | Grazer Wechselseitige Versicherung     |
| 10        | -             | ●   | Prva Osebna Zavarovalnica, d. d.*                        | 12           | 1.4%         | 0.0%p               | PRVA                                   |
| 11        | -             | NEW | Groupama Biztosító Zrt. Zavarovalnica, podružnica*       | 1            | 0.1%         | 0.1%p               | Groupama                               |
| 12        | -1            | ▼   | Allianz Slovenija, Zavarovalna podružnica*               | 1            | 0.1%         | 0.0%p               | Allianz                                |
| 13        | -1            | ▼   | AVRIO Zavarovalnica, d. d.                               | 0            | 0.0%         | 0.0%p               | Craftsmen and Entrepreneurs Fund (SOP) |
| 14        | -1            | ▼   | Triglav, Zdravstvena Zavarovalnica, d. d.                | 0            | 0.0%         | 0.0%p               | Triglav Group                          |
| Total     |               |     |  | 831          | 100.0%       |                     |  |

\*Has non-life business as well  
Source: Xprimm

List of non-life insurers in Slovenia, 2023

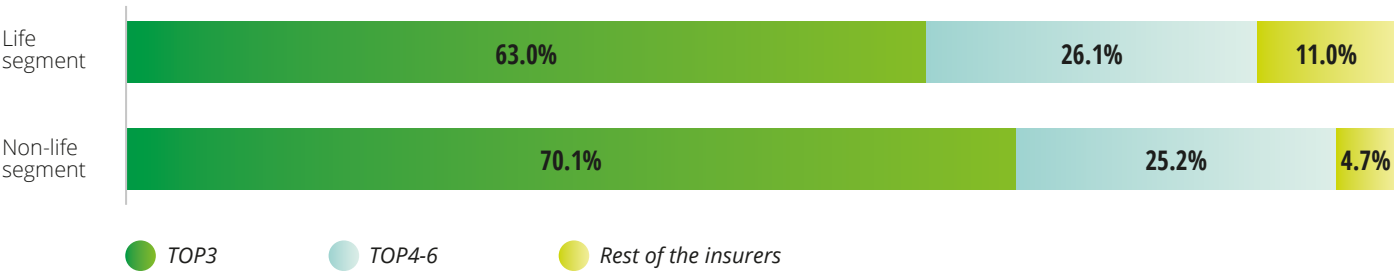
| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS  | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|---------------|---|---|--------------|--------------|---------------------|------------------------------------|
| 1         | -             | ● | Zavarovalnica Triglav, d. d.*                           | 674          | 30.3%        | 1.5%p               | Triglav Group                      |
| 2         | -             | ● | Zavarovalnica Sava, d. d.*                              | 465          | 20.9%        | 1.7%p               | Sava Insurance Group               |
| 3         | -             | ● | GENERALI Zavarovalnica, d. d.*                          | 420          | 18.9%        | -0.3%p              | Generali                           |
| 4         | -             | ● | Vzajemna Zdravstvena Zavarovalnica, d. v. z.            | 311          | 14.0%        | -2.7%p              | n/a                                |
| 5         | -             | ● | Triglav, Zdravstvena Zavarovalnica, d. d.               | 207          | 9.3%         | -0.8%p              | Triglav Group                      |
| 6         | -             | ● | GRAWE Zavarovalnica, d.d.*                              | 42           | 1.9%         | 0.3%p               | Grazer Wechselseitige Versicherung |
| 7         | -             | ● | Allianz Slovenija, zavarovalna podružnica*              | 35           | 1.6%         | 0.4%p               | Allianz                            |
| 8         | -             | ● | Wiener Städtische Zavarovalnica, odružnica v Ljubljani* | 19           | 0.9%         | 0.0%p               | Vienna Insurance Group             |
| 9         | -             | ● | Merkur Zavarovalnica, d. d.*                            | 18           | 0.8%         | 0.0%p               | Merkur                             |
| 10        | -             | ● | COFACE PKZ Zavarovalnica, podružnica v Sloveniji        | 11           | 0.5%         | -0.1%p              | Sid Banka                          |

List of non-life insurers in Slovenia, 2023

| RANK 2023 | RANK 2022 YOY |     | INSTITUTIONS   | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-----------|---------------|-----|--|--------------|--------------|---------------------|-----------------------------|
| 11        | -             | ●   | Croatia Zavarovanje d. d. podružnica Ljubljana               | 9            | 0.4%         | 0.0%p               | Adris Grupa                 |
| 12        | -             | ●   | Vita, Življenjska Zavarovalnica, d. d.*                      | 6            | 0.3%         | 0.0%p               | Sava Insurance Group        |
| 13        | -             | ●   | Prva Osebna Zavarovalnica, d. d.*                            | 4            | 0.2%         | 0.0%p               | PRVA                        |
| 14        | -             | ●   | ARAG SE- Zavarovalnica pravne zaštite podružnica v Sloveniji | 3            | 0.1%         | 0.0%p               | ARAG SE                     |
| 15        | -             | NEW | Groupama Biztosító Zrt. Zavarovalnica, podružnica*           | 0            | 0.0%         | 0.0%p               | Groupama                    |
| 16        | -1            | ▼   | Modra Zavarovalnica, d. d.*                                  | 0            | 0.0%         | 0.0%p               | Kapitalska Druzba           |
| Total     |               |     |  | 2,223        | 100.0%       |                     |                             |

\*Has life business as well  
Source: Xprimm

Market concentration in Slovenia, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Slovenia, 2020 – Dec 2024

| YEAR | TARGET                                   | BUYER                       | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER   | COMPLETED (Y/N) |
|------|--|-----------------------------|------------|----------------------|--|-----------------|
| 2021 | April Group SA (CEE businesses)          | BIK Brokers Sp. z o.o.      | N/A        | n.a.                 | April Group SA   | Y               |
| 2020 | NLB Vita, zivljenjska zavarovalnica d.d. | Pozavarovalnica Sava, d. d. | 100%       | n.a.                 | Nova Ljubljanska banka d.d., Ljubljana; KBC Verzekeringen SA | Y               |

Source: Mergermarket, Deloitte intelligence

# CROATIA

## Macroeconomic Environment

| MACRO INDICATORS              | 2020   | 2021   | 2022   | 2023   | 2024E  | CHANGE 2022-23<br>(% OR %P) |   |
|-------------------------------|--------|--------|--------|--------|--------|-----------------------------|---|
| Nominal GDP (EUR mn)          | 50,973 | 58,850 | 68,373 | 76,471 | 81,000 | 11.8%                       | ● |
| Nominal GDP/capita (EUR)      | 12,892 | 14,995 | 17,500 | 19,628 | 20,903 | 12.2%                       | ● |
| GDP (% real change pa)        | -8.5%  | 13.0%  | 7.0%   | 3.1%   | 3.0%   | -4.0%p                      | ● |
| Consumer prices (% change pa) | 0.2%   | 2.6%   | 10.8%  | 7.9%   | 2.9%   | -2.8%p                      | ● |
| Recorded unemployment (%)     | 9.0%   | 8.1%   | 6.8%   | 6.7%   | 6.1%   | -0.1%p                      | ● |
| Budget balance (% of GDP)     | -7.2%  | -2.5%  | 0.1%   | -0.8%  | -2.5%  | -0.9%p                      | ● |
| Public debt (% of GDP)        | 86.1%  | 77.5%  | 67.8%  | 63.0%  | 58.6%  | -4.8%p                      | ● |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

## Insurance Market Trends

### Insurance market in Croatia

|                                 | 2020   | 2021   | 2022   | 2023   | CHANGE 2022-23<br>(% OR %P) |   |
|---------------------------------|--------|--------|--------|--------|-----------------------------|---|
| Gross Written Premiums (EUR mn) |        |        |        |        |                             |   |
| Life                            | 351    | 385    | 378    | 322    | -14.9%                      | ● |
| Non-life                        | 1,039  | 1,170  | 1,305  | 1,428  | 9.4%                        | ● |
| Total                           | 1,390  | 1,555  | 1,682  | 1,749  | 4.0%                        | ● |
| Insurance Penetration           |        |        |        |        |                             |   |
| Life                            | 0.7%   | 0.7%   | 0.6%   | 0.4%   | -0.2%p                      | ● |
| Non-life                        | 2.0%   | 2.0%   | 1.9%   | 1.9%   | 0.0% p                      | ● |
| Total                           | 2.7%   | 2.6%   | 2.5%   | 2.3%   | -0.2%p                      | ● |
| GWP/capita (EUR)                |        |        |        |        |                             |   |
| Total                           | 212    | 255    | 284    | 347    | 22.1%                       | ● |
| Total Paid Claims (EUR mn)      |        |        |        |        |                             |   |
| Life                            | 369    | 398    | 426    | 420    | 1.5%                        | ● |
| Non-life                        | 500    | 574    | 599    | 743    | 24.2%                       | ● |
| Total                           | 869    | 972    | 1,025  | 1,164  | 13.5%                       | ● |
| Paid Claims/GWP                 |        |        |        |        |                             |   |
| Life                            | 105.1% | 103.4% | 112.9% | 130.6% | 17.7%p                      | ● |
| Non-life                        | 48.1%  | 49.1%  | 45.9%  | 52.1%  | 6.2%p                       | ● |
| Total                           | 62.5%  | 62.5%  | 60.9%  | 66.5%  | 5.6%p                       | ● |

Source: Xprimm, HUO, HANFA

## Insurance Market Players

In 2023, there were 10 life insurers and 13 non-life insurers on the Croatian insurance market. Out of the 23 insures 9 operated in both life and non-life segments.

### List of life insurers in Croatia, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS           | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|---------------|---|------------------------|--------------|--------------|---------------------|------------------------------------|
| 1         | 1             | ▲ | Allianz Hrvatska*      | 58           | 18.0%        | -2.1%p              | Allianz                            |
| 2         | -1            | ▼ | Wiener Osiguranje VIG* | 45           | 13.9%        | -8.4%p              | Vienna Insurance Group             |
| 3         | 2             | ▲ | Grawe Hrvatska d.d.*   | 40           | 12.6%        | 2.7%p               | Grazer Wechselseitige Versicherung |
| 4         | -1            | ▼ | Agram Life Osiguranje* | 40           | 12.4%        | 1.5%p               | Private individuals                |
| 5         | 2             | ▲ | Generali Osiguranje*   | 34           | 10.5%        | 4.3%p               | Generali                           |
| 6         | -             | ● | Merkur Osiguranje*     | 33           | 10.2%        | 2.4%p               | Merkur                             |
| 7         | -3            | ▲ | Croatia Osiguranje*    | 31           | 9.8%         | -0.9%p              | Adris Grupa                        |
| 8         | -             | ● | Uniqa Osiguranje*      | 24           | 7.5%         | 1.4%p               | Uniqa                              |
| 9         | 2             | ▲ | Groupama Osiguranje    | 8            | 2.6%         | 0.7%p               | Groupama                           |
| 10        | -1            | ▼ | Triglav Osiguranje*    | 8            | 2.5%         | 0.4%p               | Triglav Group                      |
| Total     |               |   |                        | 322          | 100.0%       |                     |                                    |

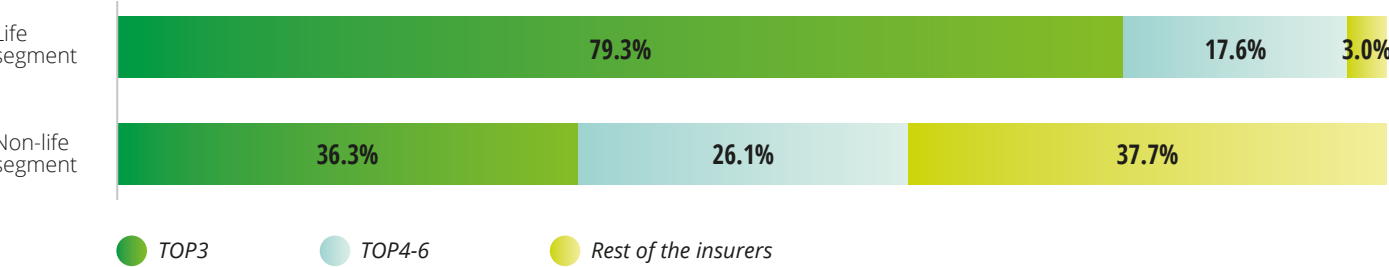
\*Has non-life business as well  
Source: Xprimm, HUO, HANFA

### List of non-life insurers in Croatia, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                 | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|---------------|---|------------------------------|--------------|--------------|---------------------|------------------------------------|
| 1         | -             | ● | Croatia Osiguranje*          | 408          | 28.6%        | 0.6%p               | Adris Grupa                        |
| 2         | -             | ● | Euroherc Osiguranje          | 229          | 16.0%        | 0.4%p               | Private individuals                |
| 3         | -             | ● | Adriatic Osiguranje          | 210          | 14.7%        | 0.7%p               | Private individuals                |
| 4         | -             | ● | Allianz Hrvatska*            | 143          | 10.0%        | 0.8%p               | Allianz                            |
| 5         | -             | ● | Generali Osiguranje*         | 89           | 6.3%         | -2.3%p              | Generali                           |
| 6         | 1             | ▲ | Wiener Osiguranje VIG*       | 88           | 6.2%         | -0.3%p              | Vienna Insurance Group             |
| 7         | -1            | ▼ | Triglav Osiguranje*          | 83           | 5.8%         | -0.8%p              | Triglav Group                      |
| 8         | -             | ● | Uniqa Osiguranje*            | 76           | 5.3%         | 0.3%p               | Uniqa                              |
| 9         | -             | ● | HOK Osiguranje               | 46           | 3.2%         | 0.4%p               | Zodaks D.O.O.                      |
| 10        | -             | ● | Grawe Hrvatska d.d.*         | 34           | 2.4%         | 0.2%p               | Grazer Wechselseitige Versicherung |
| 11        | -             | ● | Agram Life Osiguranje*       | 14           | 1.0%         | 0.0%p               | Private individuals                |
| 12        | -             | ● | Merkur Osiguranje*           | 5            | 0.4%         | 0.0%p               | Merkur                             |
| 13        | -             | ● | Hrvatsko Kreditno Osiguranje | 2            | 0.2%         | 0.0%p               | Hbor                               |
| Total     |               |   |                              | 1,428        | 100.0%       |                     |                                    |

\*Has life business as well  
Source: Xprimm, HUO, HANFA

Market concentration in Croatia, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Croatia, 2020 – Dec 2024

| YEAR | TARGET                          | BUYER                  | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER                     | COMPLETED (Y/N) |
|------|---------------------------------|------------------------|------------|----------------------|----------------------------|-----------------|
| 2023 | Euro Posredovanje doo           | Acrisure LLC           | 100%       | n.a.                 | Undisclosed seller         | Y               |
| 2022 | Wüstenrot životno osiguranje dd | Merkur Group           | 100%       | n.a.                 | Wüstenrot Versicherungs-AG | Y               |
| 2022 | Allianz Hrvatska dd             | Allianz                | 17%        | n.a.                 | Zagrebacka banka d.d.      | Y               |
| 2021 | FORTIUS INTER PARTES            | Renomia as             | 30%        | n.a.                 | Undisclosed seller         | Y               |
| 2021 | April Group SA (CEE businesses) | BIK Brokers Sp. z o.o. | 100%       | n.a.                 | April Group SA             | Y               |
| 2020 | OTP Osiguranje d.d.             | Groupama S.A.          | 100%       | n.a.                 | OTP banka Hrvatska d.d.    | Y               |

Source: Mergermarket, Deloitte intelligence

BULGARIA

Macroeconomic Environment

| MACRO INDICATORS              | 2020   | 2021   | 2022   | 2023   | 2024E   | CHANGE 2022-23 (% OR %P) |
|-------------------------------|--------|--------|--------|--------|---------|--------------------------|
| Nominal GDP (EUR mn)          | 61,817 | 71,324 | 85,882 | 94,673 | 100,495 | 10.2% ●                  |
| Nominal GDP/capita (EUR)      | 8,906  | 10,940 | 13,233 | 14,656 | 15,629  | 10.7% ●                  |
| EUR/BGN exchange rate         | 1.96   | 1.96   | 1.96   | 1.96   | 1.96    | -0.2% ●                  |
| GDP (% real change pa)        | -3.1%  | 7.4%   | 4.1%   | 2.0%   | 1.9%    | -2.1%p ●                 |
| Consumer prices (% change pa) | 1.7%   | 3.3%   | 15.3%  | 9.5%   | 2.3%    | -5.8%p ●                 |
| Recorded unemployment (%)     | 7.9%   | 6.1%   | 4.9%   | 5.1%   | 4.9%    | 0.1%p ●                  |
| Budget balance (% of GDP)     | -2.9%  | -2.8%  | -0.8%  | -3.0%  | -1.8%   | -2.2%p ●                 |
| Public debt (% of GDP)        | 24.4%  | 23.8%  | 22.5%  | 22.9%  | 24.5%   | 0.4%p ●                  |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

Insurance Market Trends

Insurance market in Bulgaria

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23 (% OR %P) |
|---------------------------------|-------|-------|-------|-------|--------------------------|
| Gross Written Premiums (EUR mn) |       |       |       |       |                          |
| Life                            | 226   | 310   | 319   | 371   | 16.2% ●                  |
| Non-life                        | 1,246 | 1,355 | 1,524 | 1,869 | 22.6% ●                  |
| Total                           | 1,472 | 1,665 | 1,843 | 2,240 | 21.5% ●                  |
| Insurance Penetration           |       |       |       |       |                          |
| Life                            | 0.4%  | 0.4%  | 0.4%  | 0.4%  | 0.0%p ●                  |
| Non-life                        | 2.0%  | 1.9%  | 1.8%  | 2.0%  | 0.2%p ●                  |
| Total                           | 2.4%  | 2.3%  | 2.1%  | 2.4%  | 0.2%p ●                  |
| GWP/capita (EUR)                |       |       |       |       |                          |
| Total                           | 212   | 255   | 284   | 347   | 22.1% ●                  |
| Total Paid Claims (EUR mn)      |       |       |       |       |                          |
| Life                            | 100   | 120   | 137   | 156   | 13.9% ●                  |
| Non-life                        | 517   | 542   | 596   | 797   | 33.8% ●                  |
| Total                           | 617   | 663   | 733   | 953   | 30.1% ●                  |
| Paid Claims/GWP                 |       |       |       |       |                          |
| Life                            | 44.5% | 38.8% | 43.0% | 42.1% | -0.9%p ●                 |
| Non-life                        | 41.5% | 40.0% | 39.1% | 42.7% | 3.6%p ●                  |
| Total                           | 42.0% | 39.8% | 39.8% | 42.6% | 2.8%p ●                  |

Source: Xprimm



Insurance Market Players

In 2023, there were 10 life insurers and 24 non-life insurers on the Bulgarian insurance market. Out of the 34 insures 8 operated in both life and non-life segments

List of life insurers in Bulgaria, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                              | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|---------------|---|---|--------------|--------------|---------------------|------------------------------------|
| 1         | -             | ● | DZI Life Insurance JSC*                   | 139          | 37.4%        | 7.1%p               | KBC                                |
| 2         | -             | ● | Bulstrad Life Vienna Insurance Group EAD* | 92           | 24.8%        | 0.7%p               | Vienna Insurance Group             |
| 3         | -             | ● | ZAD Allianz Bulgaria Zhivot*              | 63           | 17.1%        | -3.4%p              | Allianz                            |
| 4         | -             | ● | Uniqa Life Insurance pls*                 | 30           | 8.1%         | -3.2%p              | Uniqa                              |
| 5         | -             | ● | Grawe Bulgaria Jivotozastrahovane         | 22           | 6.1%         | -0.7%p              | Grazer Wechselseitige Versicherung |
| 6         | -             | ● | Groupama Life Insurance EAD*              | 13           | 3.5%         | 0.0%p               | Groupama                           |
| 7         | -             | ● | Euroins Life EAD*                         | 5            | 1.4%         | 0.0%p               | Euroins Insurance Group            |
| 8         | -             | ● | Life Insurance Institute PLC              | 3            | 0.8%         | -0.2%p              | Lev Ins AD                         |
| 9         | -             | ● | Saglasie AD/JSC*                          | 2            | 0.5%         | -0.2%p              | Web Finance Holding AD             |
| 10        | -             | ● | CCB Life JSC*                             | 1            | 0.3%         | -0.1%p              | CCB Group EAD                      |
| Total     |               |   |   | 371          | 100.0%       |                     |                                    |

\*Has non-life business as well  
Source: Xprimm

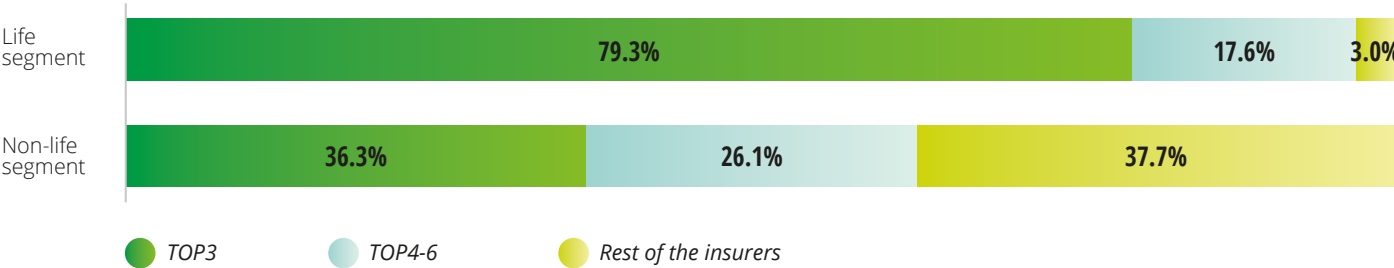
List of non-life insurers in Bulgaria, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                     | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP                   |
|-----------|---------------|---|----------------------------------|--------------|--------------|---------------------|---|
| 1         | 1             | ▲ | ZK LEV INS AD                    | 256          | 13.7%        | -1.2%p              | Rahiti Meir Classic Ltd                       |
| 2         | -1            | ▼ | Euroins Insurance JSC*           | 226          | 12.1%        | -3.2%p              | Euroins Insurance Group                       |
| 3         | -             | ● | Bulstrad Vienna Insurance Group* | 196          | 10.5%        | -0.9%p              | Vienna Insurance Group                        |
| 4         | -             | ● | DZI - General Insurance JSC*     | 181          | 9.7%         | -0.3%p              | KBC   |
| 5         | 1             | ▲ | DallBogg: Zhivot I zdrave        | 166          | 8.9%         | 2.0%p               | Commercial League – National Pharma Centre AD |
| 6         | -1            | ▼ | Armeec Insurance JSC*            | 141          | 7.5%         | -0.3%p              | CCB Group EAD                                 |
| 7         | 1             | ▲ | JSIC OZK - Insurance JSC         | 115          | 6.2%         | -0.1%p              | LM Impex EOOD                                 |
| 8         | -1            | ▼ | GENERALI Insurance AD            | 114          | 6.1%         | -0.4%p              | Generali                                      |
| 9         | -             | ● | BUL INS LTD                      | 105          | 5.6%         | -0.4%p              | Multiple shareholders                         |
| 10        | 4             | ▲ | EIG Re EAD                       | 104          | 5.5%         | 4.8%p               | Euroins Insurance Group                       |
| 11        | -1            | ▼ | ZAD Allianz Bulgaria*            | 103          | 5.5%         | -0.3%p              | Allianz                                       |
| 12        | -1            | ▼ | Uniqa Insurance pls*             | 52           | 2.8%         | 0.2%p               | Uniqa   |
| 13        | -1            | ▼ | Groupama Zastrahovane EAD*       | 35           | 1.9%         | 0.4%p               | Groupama                                      |
| 14        | -1            | ▼ | Asset Insurance AD               | 17           | 0.9%         | -0.1%p              | Bent Oil AD                                   |
| 15        | -             | ● | OZOF Doverie AD                  | 14           | 0.8%         | 0.1%p               | Doverie–Obedinen Holding AD                   |

| RANK 2023 | RANK 2022 YOY |     | INSTITUTIONS                             | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-----------|---------------|-----|--|--------------|--------------|---------------------|-----------------------------|
| 16        | -             | ●   | Bulgaria Insurance AD                    | 10           | 0.5%         | -0.1%p              | LM Impex EOOD               |
| 17        | -             | ●   | ZAD "ENERGY"                             | 8            | 0.4%         | -0.1%p              | Allianz                     |
| 18        | 2             | ▲   | OZOK Ins AD                              | 5            | 0.3%         | 0.1%p               | OZK-Insurance AD            |
| 19        | -             | ●   | Fi Health Insurance AD                   | 5            | 0.2%         | -0.1%p              | First Investment Bank AD    |
| 20        | -2            | ▼   | Bulgarian export insurance agency \BAEZ\ | 5            | 0.2%         | -0.1%p              | State of Bulgaria           |
| 21        | 2             | ▲   | Axiom Insurance Company JSC              | 4            | 0.2%         | 0.1%p               | N/A                         |
| 22        | -1            | ▼   | Saglasie Insurance JSC*                  | 3            | 0.1%         | 0.0%p               | Multiple shareholders       |
| 23        | -1            | ▼   | ZAD European Insurance Company           | 3            | 0.1%         | 0.1%p               | OMZ OOD                     |
| 24        | -             | NEW | INStinct                                 | 2            | 0.1%         | 0.1%p               | Management Financial Group  |
| Total     |               |     |  | 1,869        | 100.0%       |                     |                             |

\*Has life business as well  
Source: Xprimm

Market concentration in Bulgaria, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Bulgaria, 2020 – Dec 2024

| YEAR | TARGET  | BUYER  | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER                                | COMPLETED (Y/N) |
|------|---|--|------------|----------------------|---------------------------------------|-----------------|
| 2024 | United Health Insurance Fund (OZOF) Doverie ZAD           | Assicurazioni Generali SpA   G                                 | 100%       | n.a.                 | Doverie United Holding AD Sofia   DUH | N               |
| 2023 | SDI Group   | Unilink S.A.   | 100%       | n.a.                 | Undisclosed seller                    | Y               |
| 2022 | Pension Assurance Company Doverie AD                      | International Finance Corporation                              | 10%        | n.a.                 | Vienna Insurance Group AG             | Y               |
| 2021 | Euroins Insurance Group LLC                               | The European Bank for Reconstruction and Development, Eurohold | 10%        | 30                   | Eurohold                              | Y               |
| 2021 | NN Insurance Co. Ltd and NN Pension Insurance Company EAD | KBC Groep NV   | 100%       | 77.7                 | NN Group N.V.                         | Y               |
| 2020 | I&G Insurance Brokers                                     | Unilink S.A.   | 100%       | n.a.                 | Asigest Holding s.r.l.                | Y               |

Source: Mergermarket, Deloitte intelligence

# SERBIA

## Macroeconomic Environment

| MACRO INDICATORS              | 2020   | 2021   | 2022   | 2023   | 2024E  | CHANGE 2022-23<br>(% OR %P) |   |
|-------------------------------|--------|--------|--------|--------|--------|-----------------------------|---|
| Nominal GDP (EUR mn)          | 48,957 | 55,901 | 63,383 | 75,207 | 81,528 | 18.7%                       | ● |
| Nominal GDP/capita (EUR)      | 7,096  | 8,179  | 9,511  | 11,355 | 12,385 | 19.4%                       | ● |
| EUR/ALL exchange rate         | 117.74 | 117.64 | 117.68 | 117.25 | 117.89 | -0.4%                       | ● |
| GDP (% real change pa)        | -1.0%  | 7.9%   | 2.6%   | 3.8%   | 4.0%   | 1.2%p                       | ● |
| Consumer prices (% change pa) | 1.6%   | 4.0%   | 11.8%  | 12.1%  | 4.8%   | 0.3%p                       | ● |
| Recorded unemployment (%)     | 9.7%   | 11.1%  | 9.5%   | 9.4%   | 8.7%   | -0.1%p                      | ● |
| Budget balance (% of GDP)     | -7.7%  | -3.9%  | -3.0%  | -2.1%  | -2.6%  | 1.0%p                       | ● |
| Public debt (% of GDP)        | 54.4%  | 53.9%  | 52.4%  | 48.0%  | 46.2%  | -4.4%p                      | ● |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

## Insurance Market Trends

### Insurance market in Serbia

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23<br>(% OR %P) |   |
|---------------------------------|-------|-------|-------|-------|-----------------------------|---|
| Gross Written Premiums (EUR mn) |       |       |       |       |                             |   |
| Life                            | 222   | 230   | 244   | 260   | 6.7%                        | 🟢 |
| Non-life                        | 711   | 785   | 894   | 1,064 | 19.0%                       | 🟢 |
| Total                           | 934   | 1,015 | 1,138 | 1,324 | 16.4%                       | 🟢 |
| Insurance Penetration           |       |       |       |       |                             |   |
| Life                            | 0.5%  | 0.4%  | 0.4%  | 0.3%  | -0.1%p                      | 🔴 |
| Non-life                        | 1.5%  | 1.4%  | 1.4%  | 1.4%  | 0.0%p                       | ⚪ |
| Total                           | 1.9%  | 1.8%  | 1.8%  | 1.8%  | -0.0%p                      | 🔴 |
| GWP/capita (EUR)                |       |       |       |       |                             |   |
| Total                           | 135   | 149   | 171   | 200   | 17.1%                       | 🟢 |
| Total Paid Claims (EUR mn)      |       |       |       |       |                             |   |
| Life                            | 121   | 148   | 164   | 180   | 9.9%                        | 🔴 |
| Non-life                        | 306   | 309   | 392   | 485   | 23.8%                       | 🔴 |
| Total                           | 427   | 457   | 555   | 665   | 19.7%                       | 🔴 |
| Paid Claims/GWP                 |       |       |       |       |                             |   |
| Life                            | 54.5% | 64.1% | 67.2% | 69.2% | 2.0%p                       | 🔴 |
| Non-life                        | 42.9% | 39.4% | 43.8% | 45.6% | 1.8%p                       | 🔴 |
| Total                           | 45.7% | 45.0% | 48.8% | 50.2% | 1.4%p                       | 🔴 |

Source: Xprimm

## Insurance Market Players

In 2023, there were 10 life insurers and 12 non-life insurers on the Serbian insurance market. Out of the 22 insures 8 operated in both life and non-life segments

### List of life insurers in Serbia, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                         | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|---------------|---|--------------------------------------|--------------|--------------|---------------------|------------------------------------|
| 1         | -             | ● | Generali Osiguranje Srbija A.D.o.*   | 63           | 24.1%        | -0.9%p              | Generali                           |
| 2         | -             | ● | Wiener Stadtische Osiguranje A.D.o.* | 57           | 21.8%        | -0.1%p              | Vienna Insurance Group             |
| 3         | -             | ● | Grawe Osiguranje A.D.o.*             | 38           | 14.8%        | -0.2%p              | Grazer Wechselseitige Versicherung |
| 4         | -             | ● | Dunav Osiguranje A.D.o.*             | 36           | 13.9%        | 0.2%p               | Republic of Serbia                 |
| 5         | -             | ● | DDOR Novi Sad A.D.o.*                | 22           | 8.4%         | 0.6%p               | UNIPOLSAI S.P.A                    |
| 6         | -             | ● | Uniqa Zivotno Osiguranje A.D.o.*     | 14           | 5.2%         | -0.7%p              | Uniqa                              |
| 7         | -             | ● | OTP Osiguranje A.D.o.                | 10           | 4.0%         | 0.8%p               | OTP Group                          |
| 8         | 2             | ▲ | Sava Zivotno Osiguranje A.D.o.*      | 7            | 2.7%         | 0.4%p               | Sava Insurance Group               |
| 9         | -1            | ▼ | Merkur Osiguranje A.D.o.             | 7            | 2.7%         | -0.1%p              | Merkur                             |
| 10        | -1            | ▼ | Triglav Osiguranje A.D.o.*           | 6            | 2.4%         | -0.1%p              | Triglav Group                      |
| Total     |               |   |                                      | 260          | 100.0%       |                     |                                    |

\*Has non-life business as well  
Source: Xprimm

### List of non-life insurers in Serbia, 2023

| RANK 2023 | RANK 2022 |   | INSTITUTIONS                         | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP   |
|-----------|-----------|---|--------------------------------------|--------------|--------------|---------------------|---|
| 1         | -         | ● | Dunav Osiguranje A.D.o.*             | 307          | 28.9%        | -0.9%p              | Republic of Serbia  |
| 2         | -         | ● | Generali Osiguranje A.D.o.*          | 184          | 17.3%        | 0.5%p               | Generali  |
| 3         | -         | ● | DDOR Novi Sad A.D.o.*                | 122          | 11.5%        | -0.9%p              | UNIPOLSAI S.P.A   |
| 4         | -         | ● | Wiener Stadtische Osiguranje A.D.o.* | 92           | 8.7%         | -0.3%p              | Vienna Insurance Group  |
| 5         | -         | ● | Triglav Osiguranje A.D.o.*           | 91           | 8.5%         | 0.3%p               | Triglav Group   |
| 6         | -         | ● | AMS Osiguranje A.D.o.                | 55           | 5.2%         | -0.1%p              | Auto-Moto Association of Serbia   |
| 7         | -         | ● | Globos Osiguranje A.D.o.             | 62           | 5.8%         | 0.8%p               | Private individuals   |
| 8         | -         | ● | Uniqa Nezivotno Osiguranje A.D.o.*   | 49           | 4.6%         | 0.0%p               | Uniqa   |
| 9         | -         | ● | Milenijum Osiguranje A.D.o.          | 43           | 4.1%         | 0.0%p               | Croatia Osiguranje  |
| 10        | -         | ● | Sava Nezivotno Osiguranje A.D.o.*    | 40           | 3.7%         | 0.4%p               | Sava Insurance Group  |
| 11        | -         | ● | Grawe Osiguranje A.D.o.*             | 14           | 1.3%         | 0.3%p               | Grazer Wechselseitige Versicherung  |
| 12        | -         | ● | Sogaz A.D.o. Novi Sad                | 5            | 0.4%         | -0.2%p              | SOGAZ Insurance Group Moscow (51%), Public company "Srbijagas" Novi Sad (49%) |
| Total     |           |   |                                      | 1064         | 100.0%       |                     |   |

\*Has life business as well  
Source: Xprimm

Market concentration in Serbia, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Serbia, 2020 – Dec 2024

| YEAR | TARGET | BUYER | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER | COMPLETED (Y/N) |
|------|--------|-------|------------|----------------------|--------|-----------------|
|------|--------|-------|------------|----------------------|--------|-----------------|

No transactions during the reviewed period

Source: Mergermarket, Deloitte intelligence

BOSNIA AND HERZEGOVINA

Macroeconomic Environment

| MACRO INDICATORS              | 2020   | 2021   | 2022   | 2023   | 2024E  | CHANGE 2022-23 (% OR %P) |
|-------------------------------|--------|--------|--------|--------|--------|--------------------------|
| Nominal GDP (EUR mn)          | 18,160 | 20,503 | 23,268 | 26,028 | 27,055 | 11.9% ●                  |
| Nominal GDP/capita (EUR)      | 5,536  | 6,254  | 7,101  | 7,943  | 8,253  | 11.9% ●                  |
| EUR/BAM exchange rate         | 1.96   | 1.96   | 1.96   | 1.96   | 1.96   | -0.1% ●                  |
| GDP (% real change pa)        | -2.8%  | 6.8%   | 3.9%   | 1.9%   | 2.4%   | -1.9%p ●                 |
| Consumer prices (% change pa) | -1.1%  | 2.0%   | 14.0%  | 6.1%   | 1.7%   | -7.9%p ●                 |
| Recorded unemployment (%)     | 15.9%  | 17.4%  | 15.4%  | 13.3%  | 28.0%  | -2.1%p ●                 |
| Budget balance (% of GDP)     | -0.1%  | 3.1%   | 3.1%   | 2.2%   | 1.5%   | -0.9%p ●                 |
| Public debt (% of GDP)        | 35.2%  | 33.1%  | 29.3%  | 25.8%  | 25.4%  | -3.5%p ●                 |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

Insurance Market Trends

Insurance market in Bosnia and Herzegovina

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23 (% OR %P) |
|---------------------------------|-------|-------|-------|-------|--------------------------|
| Gross Written Premiums (EUR mn) |       |       |       |       |                          |
| Life                            | 80    | 89    | 96    | 102   | 6.1% ●                   |
| Non-life                        | 306   | 329   | 354   | 401   | 13.4% ●                  |
| Total                           | 386   | 418   | 450   | 503   | 11.8% ●                  |
| Insurance Penetration           |       |       |       |       |                          |
| Life                            | 0.4%  | 0.4%  | 0.4%  | 0.4%  | 0.0%p ●                  |
| Non-life                        | 1.7%  | 1.6%  | 1.5%  | 1.5%  | 0.0%p ●                  |
| Total                           | 2.1%  | 2.0%  | 1.9%  | 1.9%  | 0.0%p ●                  |
| GWP/capita (EUR)                |       |       |       |       |                          |
| Total                           | 118   | 128   | 137   | 153   | 11.8% ●                  |
| Total Paid Claims (EUR mn)      |       |       |       |       |                          |
| Life                            | 37    | 46    | 54    | 56    | 3.3% ●                   |
| Non-life                        | 121   | 131   | 150   | 164   | 9.5% ●                   |
| Total                           | 158   | 177   | 203   | 219   | 7.9% ●                   |
| Paid Claims/GWP                 |       |       |       |       |                          |
| Life                            | 46.1% | 52.0% | 55.9% | 54.4% | (1.5%p) ●                |
| Non-life                        | 39.6% | 39.8% | 42.3% | 40.9% | (1.5%p) ●                |
| Total                           | 41.0% | 42.4% | 45.2% | 43.6% | (1.6%p) ●                |

Source: Xprimm

Insurance Market Players

The insurance market in Bosnia and Herzegovina, the Federation, and the Republika Srpska together, consisted of 9 life and 25 non-life insurers in 2023. In the sector, all life insurance companies operate in the non-life segment as well.

List of life insurers in the Federation Bosnia and Herzegovina, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS              | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP  |
|-----------|---------------|---|---------------------------|--------------|--------------|---------------------|--|
| 1         | 1             | ▲ | Vienna Osiguranje d.d.*   | 24           | 27.4%        | 3.2%p               | Vienna Insurance Group   |
| 2         | -1            | ▼ | Uniqa Osiguranje d.d.*    | 23           | 26.0%        | -1.1%p              | Uniqa  |
| 3         | -             | ● | Grawe Osiguranje d.d.*    | 17           | 19.1%        | -0.9%p              | Grazer Wechselseitige Versicherung   |
| 4         | -             | ● | Triglav Osiguranje d.d.*  | 15           | 17.2%        | -1.8%p              | Triglav Group  |
| 5         | -             | ● | Adriatic Osiguranje d.d.* | 4            | 5.0%         | 0.1%p               | Euroherc Osiguranje d.d., Euroherc Osiguranje d.d. Sarajevo, Agram Life Osiguranje d.d., Adriatic Osiguranje d.d. Zagreb |
| 6         | 1             | ▲ | Croatia Osiguranje d.d.*  | 3            | 3.0%         | 0.6%p               | Croatia Osiguranje   |
| 7         | -1            | ▼ | Sarajevo Osiguranje d.d.* | 2            | 2.3%         | 0.0%p               | State, ZIF BIG-Investiciona grupa d.d. Sarajevo  |
| Total     |               |   |                           | 87           | 100.0%       |                     |  |

\*Has non-life business as well  
Source: Xprimm

List of life insurers in the Republika Srpska, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS            | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|---------------|---|-------------------------|--------------|--------------|---------------------|------------------------------------|
| 1         | -             | ● | Grawe Osiguranje a.d.*  | 13           | 90.8%        | 1.2%p               | Grazer Wechselseitige Versicherung |
| 2         | -             | ● | Wiener Osiguranje a.d.* | 1            | 9.2%         | -1.2%p              | Vienna Insurance Group             |
| Total     |               |   |                         | 15           | 100.0%       |                     |                                    |

\*Has non-life business as well  
Source: Xprimm

List of non-life insurers in the Federation Bosnia and Herzegovina, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS              | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP  |
|-----------|---------------|---|---------------------------|--------------|--------------|---------------------|--|
| 1         | 3             | ▲ | ASA Osiguranje d.d.       | 56           | 20.1%        | 9.5%p               | ASA Finance d.d. Sarajevo  |
| 2         | -1            | ▼ | Adriatic Osiguranje d.d.* | 44           | 16.0%        | 0.9%p               | Euroherc Osiguranje d.d., Euroherc Osiguranje d.d. Sarajevo, Agram Life Osiguranje d.d., Adriatic Osiguranje d.d. Zagreb |
| 3         | -1            | ▼ | Euroherc Osiguranje d.d.  | 40           | 14.4%        | 0.1%p               | Euroherc Osiguranje d.d, Private individuals   |
| 4         | -1            | ▼ | Sarajevo Osiguranje d.d.* | 33           | 11.8%        | -1.1%p              | State, ZIF BIG-Investiciona grupa d.d. Sarajevo  |
| 5         | 1             | ▲ | Triglav Osiguranje d.d.*  | 23           | 8.3%         | 0.2%p               | Triglav Group  |
| 6         | 1             | ▲ | Croatia Osiguranje d.d.*  | 20           | 7.3%         | -0.1%p              | Croatia Osiguranje   |
| 7         | 1             | ▲ | Uniqa Osiguranje d.d.*    | 18           | 6.4%         | 0.0%p               | Uniqa  |
| 8         | 1             | ▲ | Grawe Osiguranje d.d.*    | 13           | 4.8%         | -0.5%p              | Grazer Wechselseitige Versicherung   |
| 9         | 1             | ▲ | Camelija Osiguranje d.d.  | 12           | 4.5%         | 0.5%p               | Cavkic d.o.o.  |
| 10        | 1             | ▲ | Brčko-gas Osiguranje d.d. | 9            | 3.2%         | -0.1%p              | Brčko Gas d.o.o. Brcko   |
| 11        | 1             | ▲ | Osiguranje Garant d.d.    | 7            | 2.5%         | 0.1%p               | Private individuals  |
| 12        | -7            | ▼ | Central Osiguranje d.d.   | 1            | 0.4%         | -9.6%p              | ASA Finance d.d. Sarajevo  |
| 13        | -             | ● | Vienna Osiguranje d.d.*   | 1            | 0.3%         | 0.0%p               | Vienna Insurance Group   |
| Total     |               |   |                           | 277          | 100.0%       |                     |  |

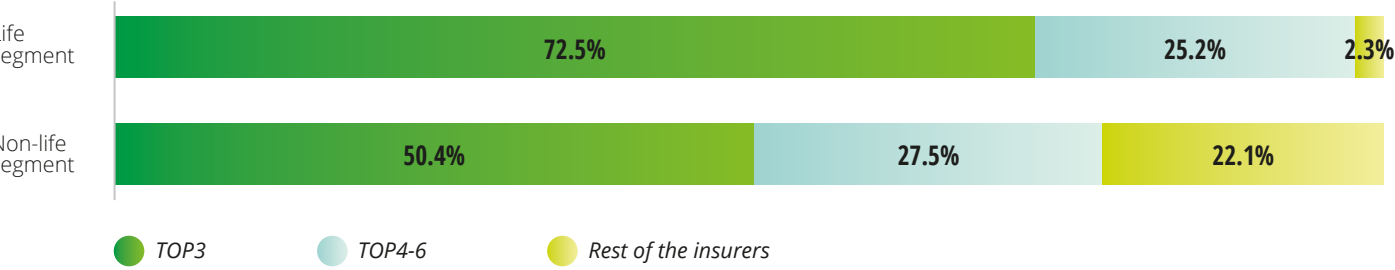
\*Has life business as well  
Source: Xprimm

List of non-life insurers in Republika Srpska, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                  | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|---------------|---|-------------------------------|--------------|--------------|---------------------|------------------------------------|
| 1         | -             | ● | Wiener Osiguranje a.d.*       | 19           | 15.4%        | -1.2%p              | Vienna Insurance Group             |
| 2         | -             | ● | Osiguranje Aura a.d.          | 16           | 13.3%        | -0.6%p              | Private individuals                |
| 3         | -             | ● | Dunav Osiguranje a.d.         | 16           | 12.7%        | -0.8%p              | Dunav Stockbroker AD Beograd       |
| 4         | -             | ● | Drina Osiguranje a.d.         | 13           | 10.7%        | -0.2%p              | Mileks d.o.o. Milici               |
| 5         | 1             | ▲ | Mikrofin Osiguranje a.d.      | 11           | 8.9%         | 1.0%p               | Private individuals                |
| 6         | -1            | ▼ | Premium Osiguranje a.d.       | 11           | 8.7%         | 0.6%p               | Private individuals                |
| 7         | -             | ● | Nešković Osiguranje a.d.      | 10           | 8.0%         | 0.1%p               | Nešković d.o.o                     |
| 8         | -             | ● | Triglav Osiguranje a.d.*      | 9            | 7.1%         | 0.9%p               | Triglav Group                      |
| 9         | -             | ● | Grawe Osiguranje a.d.*        | 7            | 5.4%         | 0.1%p               | Grazer Wechselseitige Versicherung |
| 10        | -             | ● | Euros Osiguranje a.d.         | 6            | 5.0%         | -0.2%p              | A&K Konsalting d.o.o.              |
| 11        | -             | ● | Krajina Osiguranje a.d.       | 4            | 3.2%         | 0.4%p               | Private individuals                |
| 12        | -             | ● | SAS - Super P Osiguranje a.d. | 2.0          | 1.6%         | 0.0%p               | Private individuals                |
| Total     |               |   |                               | 124          | 100.0%       |                     |                                    |

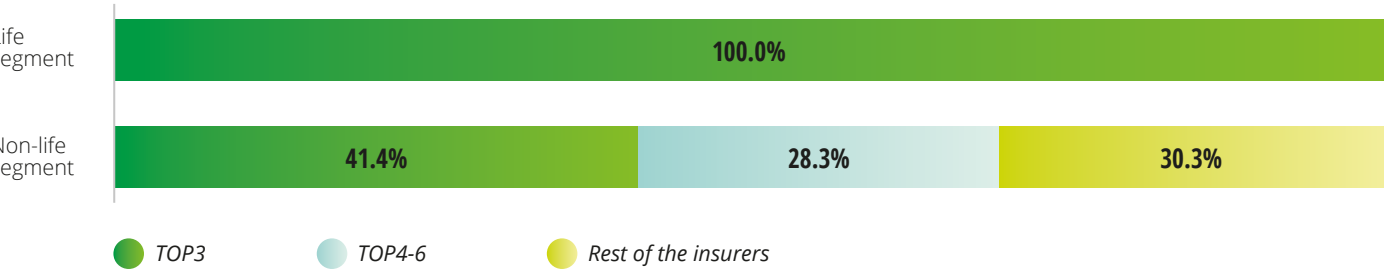
\*Has life business as well  
Source: Xprimm

Market concentration in the Federation Bosnia and Herzegovinaa, 2023



Source: Xprimm, Deloitte intelligence

Market concentration in Republika Srpska, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Bosnia and Herzegovina, 2020 – Dec 2024

| YEAR | TARGET             | BUYER       | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER             | COMPLETED (Y/N) |
|------|--------------------|-------------|------------|----------------------|--------------------|-----------------|
| 2022 | Central Osiguranje | ASA Finance | 9%         | 1.53                 | Undisclosed seller | Y               |
| 2021 | Central Osiguranje | ASA Finance | 86%        | 13.1                 | Undisclosed seller | Y               |

Source: Mergermarket, Deloitte intelligence

ALBANIA

Macroeconomic Environment

| MACRO INDICATORS              | 2020   | 2021   | 2022   | 2023   | 2024E  | CHANGE 2022-23 (% OR %P) |
|-------------------------------|--------|--------|--------|--------|--------|--------------------------|
| Nominal GDP (EUR mn)          | 13,355 | 15,236 | 18,045 | 21,771 | 24,892 | 20.6% ●                  |
| Nominal GDP/capita (EUR)      | 4,637  | 5,441  | 6,445  | 7,775  | 8,890  | 20.6% ●                  |
| EUR/ALL exchange rate         | 124.00 | 122.52 | 119.13 | 108.86 | 100.20 | -8.6% ●                  |
| GDP (% real change pa)        | -3.3%  | 9.0%   | 4.8%   | 3.9%   | 3.7%   | -0.9%p ●                 |
| Consumer prices (% change pa) | 1.6%   | 2.0%   | 6.7%   | 4.8%   | 2.2%   | -2.0%p ●                 |
| Recorded unemployment (%)     | 11.7%  | 11.6%  | 11.0%  | 10.7%  | 10.4%  | -0.2%p ●                 |
| Budget balance (% of GDP)     | -6.7%  | -4.6%  | -3.6%  | -1.3%  | -1.1%  | 2.3%p ●                  |
| Public debt (% of GDP)        | 73.9%  | 74.1%  | 64.1%  | 57.8%  | 57.6%  | -6.4%p ●                 |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

Insurance Market Trends

Insurance market in Albania

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23 (% OR %P) |
|---------------------------------|-------|-------|-------|-------|--------------------------|
| Gross Written Premiums (EUR mn) |       |       |       |       |                          |
| Life                            | 9     | 12    | 15    | 19    | 19.8% ●                  |
| Non-life                        | 125   | 145   | 177   | 210   | 18.4% ●                  |
| Total                           | 134   | 157   | 193   | 228   | 18.5% ●                  |
| Insurance Penetration           |       |       |       |       |                          |
| Life                            | 0.1%  | 0.1%  | 0.1%  | 0.1%  | 0.0%p ●                  |
| Non-life                        | 0.9%  | 1.0%  | 1.0%  | 1.0%  | 0.0%p ●                  |
| Total                           | 1.0%  | 1.0%  | 1.1%  | 1.0%  | 0.1%p ●                  |
| GWP/capita (EUR)                |       |       |       |       |                          |
| Total                           | 47    | 56    | 69    | 82    | 18.5% ●                  |
| Total Paid Claims (EUR mn)      |       |       |       |       |                          |
| Life                            | 1     | 3     | 3     | 3     | 5.1% ●                   |
| Non-life                        | 42    | 49    | 57    | 63    | 9.5% ●                   |
| Total                           | 43    | 52    | 60    | 66    | 9.3% ●                   |
| Paid Claims/GWP                 |       |       |       |       |                          |
| Life                            | 15.2% | 23.0% | 17.3% | 15.2% | (2.1%p) ●                |
| Non-life                        | 33.5% | 34.1% | 32.4% | 29.9% | (2.4%p) ●                |
| Total                           | 32.2% | 33.3% | 31.2% | 28.7% | (2.4%p) ●                |

Source: Xprimm



Insurance Market Players

In 2023, there were 4 life insurers and 8 non-life insurers on the Albanian insurance market. Out of the 12 insures 3 operated in both life and non-life segments

List of life insurers in Albania, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                    | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-----------|---------------|---|---------------------------------|--------------|--------------|---------------------|-----------------------------|
| 1         | -             | ● | Sigal Life Uniqa Group Austria* | 8            | 44.4%        | -1.4%p              | Uniqa**                     |
| 2         | 2             | ▲ | Insig Jeta*                     | 4            | 21.7%        | 4.0%p               | Albsig                      |
| 3         | -             | ● | Albsig Jeta*                    | 3            | 17.9%        | 0.2%p               | Eurosig Sh.a.               |
| 4         | -2            | ▼ | Sicred                          | 3            | 16.0%        | -2.9%p              | Private individuals         |
| Total     |               |   |                                 | 19           | 100.0%       |                     |                             |

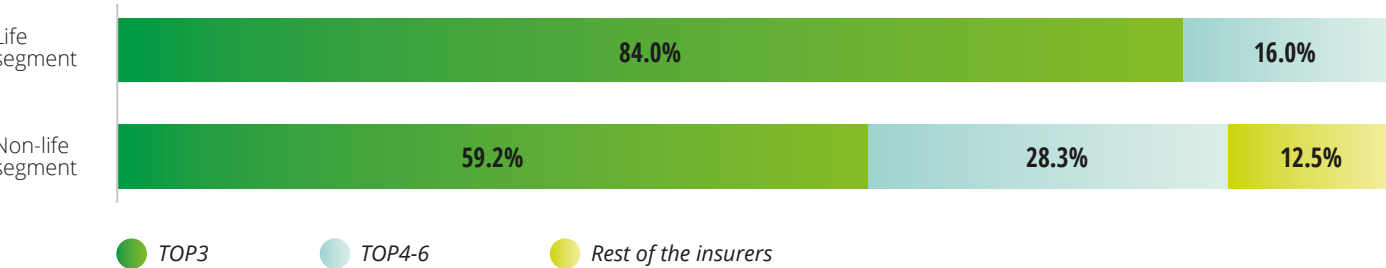
\*Has non-life business as well  
Source: Xprimm

List of non-life insurers in Albania, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS               | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-----------|---------------|---|----------------------------|--------------|--------------|---------------------|-----------------------------|
| 1         | -             | ● | Sigal Uniqa Group Austria* | 55           | 26,2%        | -0,7%p              | Uniqa**                     |
| 2         | -             | ● | Albsig*                    | 41           | 19,4%        | 1,3%p               | Absig                       |
| 3         | -             | ● | Eurosig                    | 29           | 13,7%        | 0,2%p               | Private individuals         |
| 4         | -             | ● | Sigma Interlbanian VIG     | 26           | 12,3%        | -0,2%p              | Vienna Insurance Group      |
| 5         | -             | ● | Intersig VIG               | 19           | 9,2%         | -0,2%p              | Vienna Insurance Group      |
| 6         | -             | ● | Insig*                     | 14           | 6,9%         | -0,2%p              | Eurosig Sh.a.               |
| 7         | -             | ● | Ansig                      | 13           | 6,3%         | -0,2%p              | Private individual          |
| 8         | -             | ● | Atlantik                   | 13           | 6,1%         | 0,1%p               | Private individual          |
| Total     |               |   |                            | 210          | 100.0%       |                     |                             |

\*Has life business as well  
Source: Xprimm  
\*\*Uniqa has agreed to sell its life and non-life business in Albania to private individuals, however, the deal has not yet closed at Dec 2024

Market concentration in Albania, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Albania, 2020 – Dec 2024

| YEAR | TARGET                         | BUYER              | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER              | COMPLETED (Y/N) |
|------|--------------------------------|--------------------|------------|----------------------|---------------------|-----------------|
| 2024 | Sigal Life Uniqa Group Austria | Private Individual | 100%       | N/A                  | Uniqa International | N               |

Source: Mergermarket, Deloitte intelligence

ESTONIA

Macroeconomic Environment

| MACRO INDICATORS              | 2020   | 2021   | 2022   | 2023   | 2024E  | CHANGE 2022-23 (% OR %P) |
|-------------------------------|--------|--------|--------|--------|--------|--------------------------|
| Nominal GDP (EUR mn)          | 27,859 | 31,456 | 36,443 | 38,188 | 39,296 | 4.8% ●                   |
| Nominal GDP/capita (EUR)      | 20,964 | 23,650 | 27,364 | 27,958 | 28,915 | 2.2% ●                   |
| GDP (% real change pa)        | -2.5%  | 7.2%   | -0.0%  | -3.1%  | -0.1%  | -3.1%p ●                 |
| Consumer prices (% change pa) | -0.6%  | 4.5%   | 19.5%  | 9.1%   | 3.7%   | -10.3%p ●                |
| Recorded unemployment (%)     | 6.8%   | 6.2%   | 5.6%   | 6.4%   | 7.6%   | 0.8%p ●                  |
| Budget balance (% of GDP)     | -5.4%  | -2.6%  | -1.1%  | -2.8%  | -3.0%  | -1.8%p ●                 |
| Public debt (% of GDP)        | 19.1%  | 18.4%  | 19.1%  | 20.2%  | 22.4%  | 1.1%p ●                  |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

Insurance Market Trends

Insurance market in Estonia

|                                 | 2020  | 2021   | 2022   | 2023   | CHANGE 2022-23 (% OR %P) |
|---------------------------------|-------|--------|--------|--------|--------------------------|
| Gross Written Premiums (EUR mn) |       |        |        |        |                          |
| Life                            | 86    | 87     | 79     | 84     | 5.7% ●                   |
| Non-life                        | 383   | 400    | 471    | 554    | 17.6% ●                  |
| Total                           | 469   | 486    | 551    | 638    | 15.9% ●                  |
| Insurance Penetration           |       |        |        |        |                          |
| Life                            | 0.3%  | 0.3%   | 0.2%   | 0.2%   | 0.0%p ●                  |
| Non-life                        | 1.4%  | 1.3%   | 1.3%   | 1.5%   | 0.2%p ●                  |
| Total                           | 1.7%  | 1.5%   | 1.5%   | 1.7%   | 0.2%p ●                  |
| GWP/capita (EUR)                |       |        |        |        |                          |
| Total                           | 353   | 366    | 414    | 467    | 13.0% ●                  |
| Total Paid Claims (EUR mn)      |       |        |        |        |                          |
| Life                            | 63    | 112    | 96     | 133    | 38.3% ●                  |
| Non-life                        | 214   | 244    | 286    | 305    | 6.7% ●                   |
| Total                           | 277   | 355    | 383    | 439    | 14.7% ●                  |
| Paid Claims/GWP                 |       |        |        |        |                          |
| Life                            | 73.8% | 128.8% | 121.3% | 158.6% | 37.3%p ●                 |
| Non-life                        | 55.7% | 61.0%  | 60.7%  | 55.1%  | -5.6%p ●                 |
| Total                           | 59.0% | 73.1%  | 69.4%  | 68.7%  | -0.7%p ●                 |

Source: Xprimm

Insurance Market Players

In 2023, there were 6 life insurers and 14 non-life insurers on the Estonian insurance market. Out of the 20 insures 3 operated in both life and non-life segments

List of life insurers in Estonia, 2023

| RANK 2023 | RANK 2022 YOY |     | INSTITUTIONS                                | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-----------|---------------|-----|---|--------------|--------------|---------------------|-----------------------------|
| 1         | -             | ●   | Swedbank P&C Insurance SE*                  | 39           | 47.0%        | -2.2%p              | Swedbank                    |
| 2         | -             | ●   | SEB Life And Pension Baltic SE              | 19           | 23.1%        | -1.4%p              | SEB                         |
| 3         | -             | ●   | Compensa Life VIG SE*                       | 13           | 15.2%        | -0.1%p              | Vienna Insurance Group      |
| 4         | -             | ●   | Ergo Insurance SE*                          | 9            | 10.7%        | 2.4%p               | Munich Re                   |
| 5         | 1             | ▲   | INVL Life Uždaroji Akcinė Draudimo Bendrovė | 3            | 3.7%         | 1.1%p               | Šiauliu Bankas              |
| 6         | -             | NEW | Gyvybės draudimo UAB SB draudimas           | 0            | 0.3%         | 0.3%p               | Šiauliu Bankas              |
| Total     |               |     |   | 84           | 100.0%       |                     |                             |

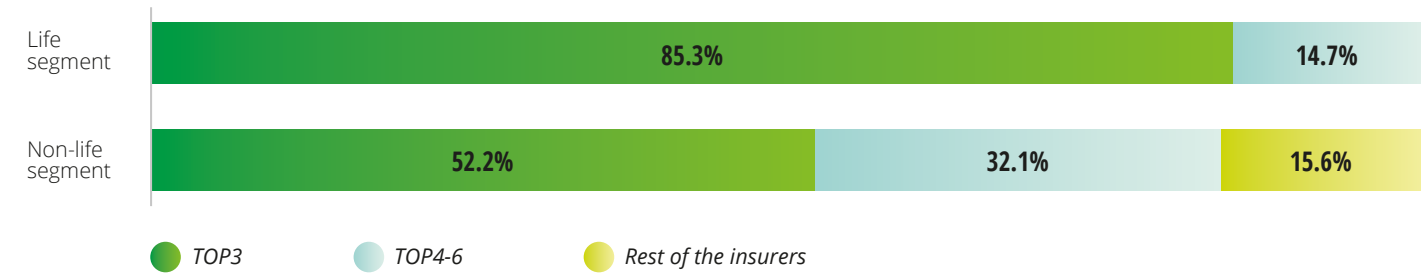
\*Has non-life business as well  
Source: Xprimm

List of non-life insurers in Estonia, 2023

| RANK 2023 | RANK 2022 YOY |     | INSTITUTIONS                                 | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP  |
|-----------|---------------|-----|--|--------------|--------------|---------------------|--|
| 1         | 1             | ▲   | Swedbank P&C Insurance AS*                   | 104          | 18.8%        | 1.0%p               | Swedbank   |
| 2         | -1            | ▼   | If P&C Insurance AS                          | 99           | 17.8%        | -1.0%p              | Skadeforsakring Holding AB   |
| 3         | -             | ●   | Ergo Insurance SE*                           | 87           | 15.6%        | 0.1%p               | Munich Re  |
| 4         | -             | ●   | AB Lietuvos Draudimas                        | 84           | 15.2%        | 0.1%p               | PZU  |
| 5         | -             | ●   | Compensa VIG UADB*                           | 60           | 10.7%        | 0.2%p               | Vienna Insurance Group   |
| 6         | 1             | ▲   | Salva Kindlustuse AS                         | 34           | 6.2%         | -0.3%p              | Amber Trust  |
| 7         | 1             | ▲   | LHV Kindlustus AS                            | 31           | 5.7%         | 2.0%p               | LHV Group  |
| 8         | -2            | ▼   | AAS BTA Baltic Insurance Company             | 29           | 5.3%         | -1.3%p              | Vienna Insurance Group   |
| 9         | 1             | ▲   | Akcinė draudimo bendrovė Gjensidige          | 10           | 1.8%         | 0.1%p               | Gjensidige Group   |
| 10        | -1            | ▼   | AS Inges Kindlustus                          | 7            | 1.2%         | -0.5%p              | OÜ Unix-V , Voldemar VaiNo   |
| 11        | -             | ●   | Telia Försäkring AB                          | 6            | 1.0%         | -0.2%p              | Telia  |
| 12        | -             | ●   | Kredex Krediidikindlustus AS                 | 2            | 0.4%         | -0.2%p              | Eesti Vabariigi Majandus-ja Kommunikatsiooni-ministeerium            |
| 13        | -             | ●   | Estonian Traffic Insurance Fund <sup>1</sup> | 2            | 0.3%         | 0.0%p               | n.a.   |
| 14        |               | NEW | Balcia Insurance SE                          | 0            | 0.0%         | 0.0%p               | B5 Holding Limited, HTT Holding Company Limited, MDA Holding Limited |
| Total     |               |     |  | 554          | 100.0%       |                     |  |

\*Has life business as well  
Source: Xprimm  
<sup>1</sup> The Estonian Traffic Insurance Fund is the primary organization responsible for managing motor third-party liability insurance (MTPL) in Estonia. Additionally, it operates as a licensed non-life insurance company under the regulation of the Estonian Financial Supervisory Authority.

Market concentration in Estonia, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Estonia, 2020 – Dec 2024

| YEAR | TARGET                             | BUYER  | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER             | COMPLETED (Y/N) |
|------|------------------------------------|--|------------|----------------------|--------------------|-----------------|
| 2024 | AS Smart Kindlustusmaakler         | Howden Kindlustusmaakler OU                    | 100%       | n.a.                 | Undisclosed seller | Y               |
| 2024 | KindlustusEst Kindlustusmaakler OU | Howden Kindlustusmaakler OU                    | 100%       | n.a.                 | Undisclosed seller | Y               |
| 2022 | Cachet OU                          | Truffle Capital, Icebreaker Oy, UNIQA Ventures | N/A        | 5.5                  | Undisclosed seller | Y               |
| 2021 | CHB Kindlustsmaakler OÜ            | Howden Finland Oy                              | 100%       | n.a.                 | Undisclosed seller | Y               |
| 2020 | SIA UniCredit Insurance Broker     | Citadele Bank                                  | 100%       | n.a.                 | UniCredit Group    | Y               |

Source: Mergermarket, Deloitte intelligence

# LATVIA

## Macroeconomic Environment

| MACRO INDICATORS              | 2020   | 2021   | 2022   | 2023   | 2024E  | CHANGE 2022-23<br>(% OR %P) |   |
|-------------------------------|--------|--------|--------|--------|--------|-----------------------------|---|
| Nominal GDP (EUR mn)          | 29,228 | 33,472 | 38,882 | 42,012 | 41,136 | 8.0%                        | ● |
| Nominal GDP/capita (EUR)      | 15,374 | 17,751 | 20,670 | 22,318 | 21,951 | 8.0%                        | ● |
| GDP (% real change pa)        | -3.2%  | 7.0%   | 2.2%   | 0.9%   | 1.2%   | -1.3%p                      | ● |
| Consumer prices (% change pa) | 0.1%   | 3.2%   | 17.2%  | 9.1%   | 1.5%   | -8.1%p                      | ● |
| Recorded unemployment (%)     | 8.1%   | 7.6%   | 6.9%   | 7.0%   | 5.0%   | 0.1%p                       | ● |
| Budget balance (% of GDP)     | -4.1%  | -7.2%  | -4.9%  | -3.8%  | -2.8%  | 1.1%p                       | ● |
| Public debt (% of GDP)        | 44.0%  | 46.0%  | 44.4%  | 41.8%  | 45.5%  | -2.6%p                      | ● |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

## Insurance Market Trends

### Insurance market in Latvia

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23<br>(% OR %P) |   |
|---------------------------------|-------|-------|-------|-------|-----------------------------|---|
| Gross Written Premiums (EUR mn) |       |       |       |       |                             |   |
| Life                            | 241   | 258   | 257   | 236   | -8.1%                       | ● |
| Non-life                        | 557   | 591   | 743   | 883   | 18.8%                       | ● |
| Total                           | 797   | 849   | 1,000 | 1,119 | 11.9%                       | ● |
| Insurance Penetration           |       |       |       |       |                             |   |
| Life                            | 0.8%  | 0.8%  | 0.7%  | 0.6%  | -0.1%p                      | ● |
| Non-life                        | 1.9%  | 1.8%  | 1.9%  | 2.1%  | 0.2%p                       | ● |
| Total                           | 2.7%  | 2.5%  | 2.6%  | 2.7%  | 0.1%p                       | ● |
| GWP/capita (EUR)                |       |       |       |       |                             |   |
| Total                           | 419   | 450   | 532   | 594   | 11.8%                       | ● |
| Total Paid Claims (EUR mn)      |       |       |       |       |                             |   |
| Life                            | 152   | 167   | 206   | 199   | -3.3%                       | ● |
| Non-life                        | 350   | 374   | 440   | 512   | 16.3%                       | ● |
| Total                           | 501   | 541   | 646   | 711   | 10.1%                       | ● |
| Paid Claims/GWP                 |       |       |       |       |                             |   |
| Life                            | 62.9% | 64.8% | 80.2% | 84.3% | 4.2%p                       | ● |
| Non-life                        | 62.8% | 63.3% | 59.2% | 58.0% | -1.2%p                      | ● |
| Total                           | 62.8% | 63.7% | 64.6% | 63.5% | -1.1%p                      | ● |

Source: Xprimm

## Insurance Market Players

In 2023, there were 7 life insurers and 10 non-life insurers on the Latvian insurance market. Out of the 17 insures 3 operated in both life and non-life segments

### List of life insurers in Latvia, 2023

| RANK 2023 | RANK 2022 YOY |     | INSTITUTIONS                             | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-----------|---------------|-----|--|--------------|--------------|---------------------|-----------------------------|
| 1         | -             | ●   | SEB Life And Pension Baltic SE           | 95           | 40.4%        | 3.6%p               | SEB                         |
| 2         | -             | ●   | Compensa Life Vienna Insurance Group SE* | 49           | 20.6%        | -1.8%p              | Vienna Insurance Group      |
| 3         | -             | ●   | Ergo Life Insurance SE*                  | 45           | 18.9%        | 0.4%p               | Munich Re                   |
| 4         | -             | ●   | Swedbank Life Insurance SE*              | 35           | 14.6%        | 1.0%p               | Swedbank                    |
| 5         | -             | ●   | CBL Life                                 | 11           | 4.5%         | -3.7%p              | IPAS "CBL Asset Management" |
| 6         | -             | ●   | INVL Life                                | 2            | 0.8%         | 0.4%p               | Šiauliu Bankas              |
| 7         |               | NEW | Gyvybes draudimo UAB "SB draudimas"      | 0            | 0.2%         | 0.2%p               | Šiauliu Bankas              |
| Total     |               |     |  | 236          | 100.0%       |                     |                             |

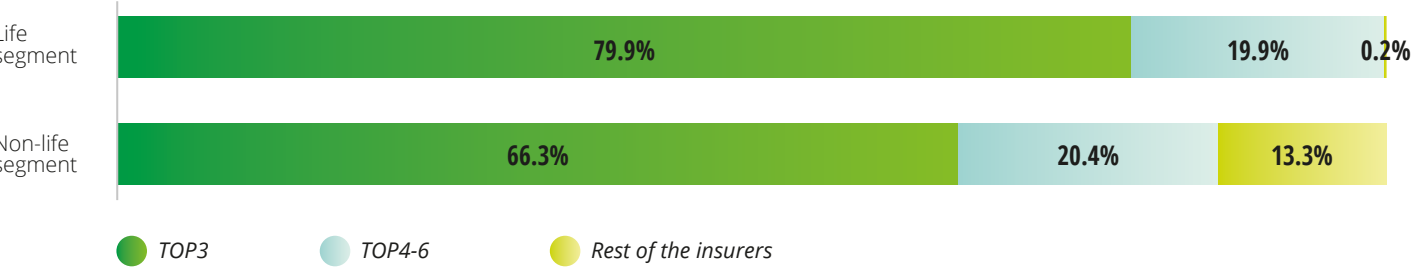
\*Has non-life business as well  
Source: Xprimm

### List of non-life insurers in Latvia, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                         | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP  |
|-----------|---------------|---|--------------------------------------|--------------|--------------|---------------------|--|
| 1         | -             | ● | BTA Baltic Insurance Company         | 296          | 33.5%        | -1.8%p              | Vienna Insurance Group   |
| 2         | -             | ● | Balta                                | 170          | 19.2%        | -0.3%p              | PZU  |
| 3         | -             | ● | Balcia Insurance SE                  | 120          | 13.6%        | 2.7%p               | B5 Holding Limited, HTT Holding Company Limited, MDA Holding Limited |
| 4         | -             | ● | Compensa Vienna Insurance Group ADB* | 77           | 8.7%         | -0.1%p              | Vienna Insurance Group   |
| 5         | -             | ● | If P&C Insurance AS                  | 54           | 6.1%         | -0.4%p              | Sampo Group  |
| 6         | -             | ● | Gjensidige                           | 50           | 5.6%         | -0.5%p              | Gjensidige Group   |
| 7         | -             | ● | Ergo Insurance SE*                   | 45           | 5.1%         | 0.1%p               | Munich Re  |
| 8         | -             | ● | Swedbank P&C Insurance AS*           | 42           | 4.7%         | 0.3%p               | Swedbank   |
| 9         | -             | ● | Baltijas Apdrošināšanas Nams         | 23           | 2.7%         | -0.1%p              | BAN Holdings   |
| 10        | -             | ● | Telia Forsakring AB                  | 7            | 0.8%         | 0.0%p               | Telia  |
| Total     |               |   |                                      | 883          | 100.0%       |                     |  |

\*Has life business as well  
Source: Xprimm

Market concentration in Latvia, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Latvia, 2020 – Dec 2024

| YEAR | TARGET                                | BUYER         | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER                                  | COMPLETED (Y/N) |
|------|---------------------------------------|---------------|------------|----------------------|---|-----------------|
| 2023 | Unibrokker Insurance & Consulting SIA | Renomia AS    | 100%       | n.a.                 | Undisclosed seller                      | Y               |
| 2021 | Mandatum Life                         | Invalda INVL  | 100%       | n.a.                 | Mandatum Life Insurance Company Limited | Y               |
| 2020 | R&D Insurance Brokers Ltd.            | Renomia AS    | 100%       | n.a.                 | Undisclosed seller                      | Y               |
| 2020 | SIA UniCredit Insurance Broker        | Citadele Bank | 100%       | n.a.                 | UniCredit Group                         | Y               |

Source: Mergermarket, Deloitte intelligence

LITHUANIA

Macroeconomic Environment

| MACRO INDICATORS              | 2020   | 2021   | 2022   | 2023   | 2024E  | CHANGE 2022-23 (% OR %p) |
|-------------------------------|--------|--------|--------|--------|--------|--------------------------|
| Nominal GDP (EUR mn)          | 50,265 | 56,680 | 66,793 | 71,006 | 77,600 | 6.3% ●                   |
| Nominal GDP/capita (EUR)      | 17,979 | 20,283 | 23,712 | 24,879 | 27,142 | 4.9% ●                   |
| GDP (% real change pa)        | 0.0%   | 6.4%   | 2.5%   | 0.3%   | 2.1%   | -2.2%p ●                 |
| Consumer prices (% change pa) | 1.1%   | 4.6%   | 18.9%  | 8.7%   | 0.8%   | -10.2%p ●                |
| Recorded unemployment (%)     | 8.5%   | 7.2%   | 5.9%   | 6.8%   | 7.6%   | 0.9%p ●                  |
| Budget balance (% of GDP)     | -6.3%  | -1.1%  | -0.7%  | -0.7%  | -3.0%  | 0.0%p ●                  |
| Public debt (% of GDP)        | 45.9%  | 43.3%  | 38.1%  | 37.3%  | 35.9%  | -0.7%p ●                 |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

Insurance Market Trends

Insurance market in Lithuania

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23 (% OR %p) |
|---------------------------------|-------|-------|-------|-------|--------------------------|
| Gross Written Premiums (EUR mn) |       |       |       |       |                          |
| Life                            | 291   | 319   | 340   | 354   | 4.3% ●                   |
| Non-life                        | 664   | 721   | 895   | 1,093 | 22.1% ●                  |
| Total                           | 955   | 1,041 | 1,235 | 1,447 | 17.2% ●                  |
| Insurance Penetration           |       |       |       |       |                          |
| Life                            | 0.6%  | 0.6%  | 0.5%  | 0.5%  | 0.0%p ●                  |
| Non-life                        | 1.3%  | 1.3%  | 1.3%  | 1.5%  | 0.2%p ●                  |
| Total                           | 1.9%  | 1.8%  | 1.8%  | 2.0%  | 0.2%p ●                  |
| GWP/capita (EUR)                |       |       |       |       |                          |
| Total                           | 342   | 372   | 438   | 507   | 15.7% ●                  |
| Total Paid Claims (EUR mn)      |       |       |       |       |                          |
| Life                            | 127   | 139   | 23    | 24    | 4.9% ●                   |
| Non-life                        | 374   | 408   | 501   | 608   | 21.4% ●                  |
| Total                           | 501   | 547   | 524   | 632   | 20.7% ●                  |
| Paid Claims/GWP                 |       |       |       |       |                          |
| Life                            | 43.5% | 43.6% | 6.8%  | 6.9%  | 0.0%p ●                  |
| Non-life                        | 56.3% | 56.5% | 56.0% | 55.6% | -0.3%p ●                 |
| Total                           | 52.4% | 52.6% | 42.4% | 43.7% | 1.3%p ●                  |

Source: Xprimm

Insurance Market Players

In 2023, there were 8 life insurers and 13 non-life insurers on the Lithuanian insurance market. Out of the 21 insures 4 operated in both life and non-life segments

List of life insurers in Lithuania, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS                      | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP |
|-----------|---------------|---|-----------------------------------|--------------|--------------|---------------------|-----------------------------|
| 1         | 1             | ▲ | Compensa Life Insurance*          | 83           | 23.5%        | 1.7%p               | Vienna Insurance Group      |
| 2         | -1            | ▼ | Swedbank Life Insurance*          | 75           | 21.2%        | -0.8%p              | Swedbank                    |
| 3         | -             | ● | Allianz Lietuva gyvybės draudimas | 65           | 18.3%        | -0.5%p              | Allianz                     |
| 4         | -             | ● | SEB Life and Pension Baltic SE    | 55           | 15.6%        | -0.4%p              | SEB                         |
| 5         | -             | ● | Ergo Life*                        | 26           | 7.2%         | -0.7%p              | Munich Re                   |
| 6         | -             | ● | PZU Lietuva gyvybės draudimas*    | 24           | 6.7%         | 0.1%p               | PZU                         |
| 7         | -             | ● | SB draudimas                      | 14           | 3.9%         | 0.8%p               | Šiauliu Bankas              |
| 8         | -             | ● | INVL Life                         | 13           | 3.7%         | 1.6%p               | Šiauliu Bankas              |
| Total     |               |   |                                   | 354          | 100.0%       |                     |                             |

\*Has non-life business as well  
Source: Xprimm

List of non-life insurers in Lithuania, 2023

| RANK 2023 | RANK 2022 YOY |   | INSTITUTIONS  | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP  |
|-----------|---------------|---|---|--------------|--------------|---------------------|--|
| 1         | -             | ● | Lietuvos Draudimas*                                   | 330          | 30.2%        | 0.4%p               | PZU  |
| 2         | -             | ● | BTA Insurance Company SE Filialas                     | 171          | 15.6%        | -0.4%p              | Vienna Insurance Group   |
| 3         | -             | ● | Ergo Insurance Se Filialas                            | 144          | 13.2%        | -0.2%p              | Munich Re  |
| 4         | -             | ● | Compensa Vig  | 116          | 10.6%        | 0.4%p               | Vienna Insurance Group   |
| 5         | -             | ● | Gjensidige  | 92           | 8.5%         | -0.2%p              | Gjensidige Group   |
| 6         | -             | ● | If P&C Insurance As Filialas                          | 86           | 7.8%         | 0.1%p               | Sampo Group  |
| 7         | -             | ● | Swedbank P&C Insurance As Filialas*                   | 50           | 4.5%         | 0.2%p               | Swedbank   |
| 8         | -             | ● | Compensa Life Insurance Filialas*                     | 38           | 3.5%         | 0.1%p               | Vienna Insurance Group   |
| 9         | -             | ● | Balcia Insurance SE Filialas                          | 32           | 2.9%         | 0.2%p               | B5 Holding Limited, HTT Holding Company Limited, MDA Holding Limited |
| 10        | -             | ● | Vereinigte Hagelversicherung VVaG Filialas VH Lietuva | 18           | 1.6%         | -0.3%p              | Vereinigte Hagelversicherung   |
| 11        | -             | ● | Coface Lietuvos Filialas                              | 8            | 0.8%         | -0.1%p              | COFACE Central Europe Holding  |
| 12        | -             | ● | Ergo Life*  | 6            | 0.5%         | -0.1%p              | Munich Re  |
| 13        | -             | ● | Lamantinas  | 2            | 0.2%         | -0.1%p              | Private individual   |
| Total     |               |   |   | 1,093        | 100.0%       |                     |  |

\*Has life business as well  
Source: Xprimm

Market concentration in Lithuania, 2023



Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in Lithuania, 2020 – Dec 2024

| YEAR | TARGET   | BUYER  | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER                                  | COMPLETED (Y/N) |
|------|--|--|------------|----------------------|---|-----------------|
| 2024 | ADB Gjensidige   | Muenchener Rueckversicherungs gesellschaft AG   MUV2 | 100%       | 80                   | Gjensidigestiftelsen                    | N               |
| 2024 | MAK Elio   | MAK Ubezpieczenia Sp Zoo                             | Majority   | n.a.                 | Undisclosed seller                      | Y               |
| 2023 | Invalda INVL   | Šiauliu Bankas                                       | 100%       | 41.8                 | Invalda AB                              | Y               |
| 2021 | Aviva Lietuva  | Allianz  | 100%       | 2500                 | Aviva Plc                               | Y               |
| 2021 | Edrauda.lt   | Netrisk Group  | 100%       | n.a.                 | ME Investicija UAB; Private individuals | Y               |
| 2021 | Mandatum Life  | Invalda INVL   | 100%       | n.a.                 | Mandatum Life Insurance Company Limited | Y               |
| 2020 | SIA UniCredit Leasing ; SIA UniCredit Insurance Broker | Citadele Bank  | 100%       | n.a.                 | UniCredit Group                         | Y               |
| 2020 | Seesam Insurance                                       | Compensa VIG   | 100%       | n.a.                 | OP Financial Group                      | Y               |

Source: Mergermarket, Deloitte intelligence



# NORTH MACEDONIA

## Macroeconomic Environment

| MACRO INDICATORS              | 2020   | 2021   | 2022   | 2023   | 2024E  | CHANGE 2022-23<br>(% OR %P) |   |
|-------------------------------|--------|--------|--------|--------|--------|-----------------------------|---|
| Nominal GDP (EUR mn)          | 10,848 | 11,836 | 13,010 | 13,648 | 14,464 | 4.9%                        | ● |
| Nominal GDP/capita (EUR)      | 5,131  | 5,607  | 6,186  | 6,519  | 6,934  | 5.4%                        | ● |
| EUR/MKD exchange rate         | 61.69  | 61.63  | 61.73  | 61.59  | 61.80  | 0.2%                        | ● |
| GDP (% real change pa)        | -4.7%  | 4.5%   | 2.2%   | 1.0%   | 2.6%   | -1.2%p                      | ● |
| Consumer prices (% change pa) | 1.2%   | 3.2%   | 14.2%  | 9.4%   | 3.7%   | -4.8%p                      | ● |
| Recorded unemployment (%)     | 16.4%  | 15.4%  | 14.4%  | 13.1%  | 12.9%  | -1.3%p                      | ● |
| Budget balance (% of GDP)     | -8.0%  | -5.3%  | -4.4%  | -4.9%  | -3.9%  | -0.5%p                      | ● |
| Public debt (% of GDP)        | 63.4%  | 61.9%  | 59.6%  | 62.7%  | 64.1%  | 3.1%p                       | ● |

E – Estimated data for 2024, except for the exchange rate, which shows actual values (average).  
Source: EIU

## Insurance Market Trends

### Insurance market in North Macedonia

|                                 | 2020  | 2021  | 2022  | 2023  | CHANGE 2022-23<br>(% OR %P) |   |
|---------------------------------|-------|-------|-------|-------|-----------------------------|---|
| Gross Written Premiums (EUR mn) |       |       |       |       |                             |   |
| Life                            | 28    | 32    | 37    | 40    | 9.5%                        | ● |
| Non-life                        | 135   | 156   | 170   | 192   | 13.1%                       | ● |
| Total                           | 163   | 189   | 207   | 233   | 12.4%                       | ● |
| Insurance Penetration           |       |       |       |       |                             |   |
| Life                            | 0.3%  | 0.3%  | 0.3%  | 0.3%  | 0.0%p                       | ● |
| Non-life                        | 1.2%  | 1.3%  | 1.3%  | 1.4%  | 0.1%p                       | ● |
| Total                           | 1.5%  | 1.6%  | 1.6%  | 1.7%  | 0.1%p                       | ● |
| GWP/capita (EUR)                |       |       |       |       |                             |   |
| Total                           | 77    | 89    | 98    | 111   | 13.0%                       | ● |
| Total Paid Claims (EUR mn)      |       |       |       |       |                             |   |
| Life                            | 7     | 10    | 11    | 14    | 21.8%                       | ● |
| Non-life                        | 58    | 66    | 71    | 81    | 12.9%                       | ● |
| Total                           | 65    | 76    | 83    | 95    | 14.1%                       | ● |
| Paid Claims/GWP                 |       |       |       |       |                             |   |
| Life                            | 25.1% | 29.7% | 31.0% | 34.4% | 3.5%p                       | ● |
| Non-life                        | 42.9% | 42.3% | 41.9% | 41.9% | -0.1%p                      | ● |
| Total                           | 39.8% | 40.1% | 40.0% | 40.6% | 0.6%p                       | ● |

Source: Xprimm

## Insurance Market Players

In 2023, there were 6 life insurers and 11 non-life insurers on the North Macedonian insurance market. Out of the 17 insures 5 operated in both life and non-life segments

### List of life insurers in North Macedonia, 2023

| RANK 2023 | RANK 2022 YOY |     | INSTITUTIONS                     | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|---------------|-----|----------------------------------|--------------|--------------|---------------------|------------------------------------|
| 1         | -             | ●   | Croatia Insurance AD*            | 12           | 29.4%        | -2.2%p              | Adris Grupa                        |
| 2         | 1             | ▲   | Winner – Vienna Insurance Group* | 8            | 19.8%        | 2.3%p               | Vienna Insurance Group             |
| 3         | -1            | ▼   | Grawe AD Skopje*                 | 8            | 20.3%        | -1.8%p              | Grazer Wechselseitige Versicherung |
| 4         | -             | ●   | Triglav Osiguruvane AD*          | 7            | 18.1%        | 2.0%p               | Triglav Group                      |
| 5         | -             | ●   | Uniqa Life AD Skopje*            | 5            | 12.3%        | -0.2%p              | Uniqa                              |
| 6         | -             | NEW | PRVA Life                        | 0            | 0.0%         | 0.0%p               | PRVA                               |
| Total     |               |     |                                  | 40           | 100.0%       |                     |                                    |

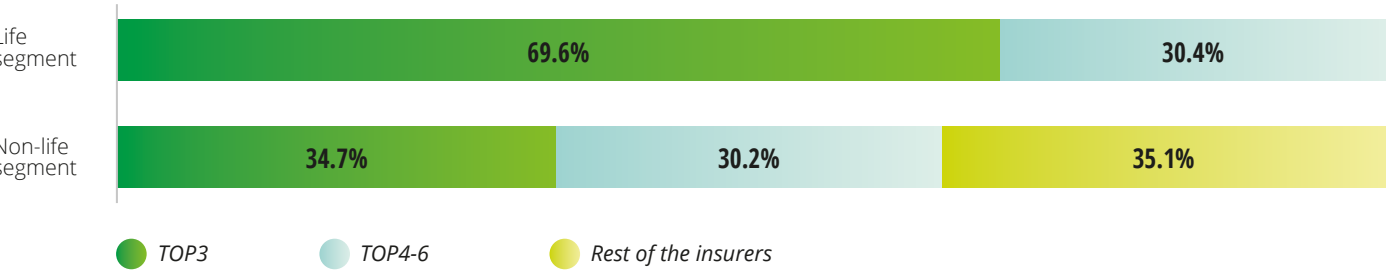
\*Has non-life business as well  
Source: Xprimm

### List of non-life insurers in North Macedonia, 2023

| RANK 2023 | RANK 2022 |   | INSTITUTIONS  | GWP (EUR MN) | MARKET SHARE | CHANGE 2022-23 (%P) | GROUP MEMBERSHIP/ OWNERSHIP        |
|-----------|-----------|---|---|--------------|--------------|---------------------|------------------------------------|
| 1         | -         | ● | Triglav Osiguruvane AD*                                   | 24           | 12.4%        | -2.0%p              | Triglav Group                      |
| 2         | 1         | ▲ | Eurolink Osiguravanje AD Skopje                           | 22           | 11.3%        | 0.6%p               | Grazer Wechselseitige Versicherung |
| 3         | -1        | ▼ | Uniqa AD Skopje*  | 21           | 11.0%        | 0.1%p               | Uniqa                              |
| 4         | -         | ● | Sava Osiguruvanje AD                                      | 20           | 10.6%        | 0.4%p               | Sava Insurance Group               |
| 5         | 1         | ▲ | Winner – Vienna Insurance Group*                          | 19           | 9.8%         | 0.4%p               | Vienna Insurance Group             |
| 6         | -1        | ▼ | Makedonija Osiguruvane AD Skopje - Vienna Insurance Group | 19           | 9.8%         | 0.3%p               | Vienna Insurance Group             |
| 7         | 1         | ▲ | Croatia Nonlife Insurance AD*                             | 18           | 9.2%         | 0.2%p               | Adris Grupa                        |
| 8         | -1        | ▼ | Euroins Insurance AD Skopje                               | 16           | 8.2%         | -0.9%p              | Euroins Insurance Group            |
| 9         | -         | ● | Insurance Policy AD                                       | 13           | 6.7%         | -0.1%p              | Individuals                        |
| 10        | -         | ● | Halk Osiguruvanje AD Skopje                               | 13           | 6.5%         | -0.1%p              | Halk Banka AD                      |
| 11        | -         | ● | Grawe Nonlife AD Skopje*                                  | 9            | 4.5%         | 1.0%p               | Grazer Wechselseitige Versicherung |
| Total     |           |   |   | 192          | 100.0%       |                     |                                    |

\*Has life business as well  
Source: Xprimm

Market concentration in North Macedonia, 2023



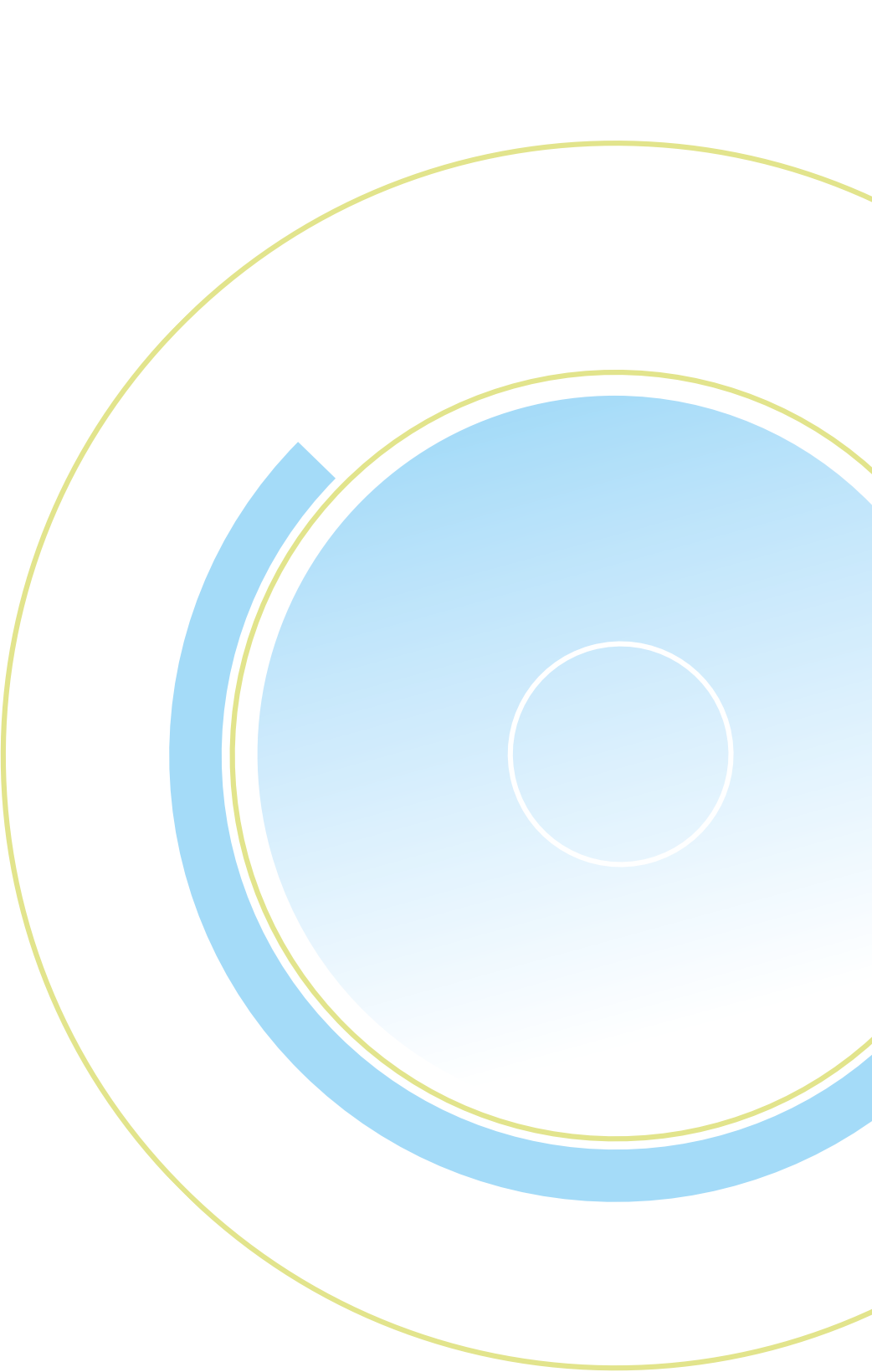
Source: Xprimm, Deloitte intelligence

M&A Activity

M&A Transactions in North Macedonia, 2020 – Dec 2024

| YEAR | TARGET                          | BUYER                                 | % ACQUIRED | DEAL VALUE IN EUR MN | SELLER                                  | COMPLETED (Y/N) |
|------|---------------------------------|---------------------------------------|------------|----------------------|---|-----------------|
| 2020 | Eurolink Osiguravanje AD Skopje | Grazer Wechselseitige Versicherung AG | 100%       | 17.5                 | Gofi-Group of Finance and Investment SA | Y               |

Source: Mergermarket, Deloitte intelligence



SOURCES

Albanian Financial Supervisory Authority

Allianz Global Insurance Report 2024

Association of Hungarian Insurance Companies

Bank of England

Bank of Lithuania

Bank of Slovenia

Croatian Financial Services Supervisory Agency

Croatian Insurance Bureau

Czech Insurance Association

Czech National Bank

Economist Intelligence Unit

European Insurance and Occupational Pensions Authority (EIOPA)

EMIS

Estonian Financial Supervisory Authority

European Banking Authority

European Central Bank

Financial Supervisory Authority of Romania

Fitch Solutions

Insurance Agency of Bosnia and Herzegovina

International Monetary Fund

Mergermarket

National Bank of Croatia

National Bank of Hungary

National Bank of Poland

National Bank of Romania

National Bank of Serbia

National Bank of Slovakia

National Bank of the Republic of North Macedonia

Polish Financial Supervision Authority

Polish Chamber of Insurers

Reuters

Romanian Insurance Association

Slovak Insurance Association

World Bank

Xprimm

LIST OF ABBREVIATIONS

|                |  |                |   |
|----------------|--|----------------|---|
| <b>AL</b>      | Albania  | <b>LoB</b>     | Line of Business  |
| <b>ALL</b>     | Albanian lek   | <b>LT</b>      | Lithuania   |
| <b>Approx.</b> | Approximately  | <b>LV</b>      | Latvia  |
| <b>ASF</b>     | Autoritatea de Supraveghere Financiară (Romanian Financial Supervisory Authority)                | <b>mn</b>      | million   |
| <b>Avg.</b>    | average  | <b>M&amp;A</b> | Mergers & Acquisitions  |
| <b>BA</b>      | Bosnia and Herzegovina   | <b>MABISZ</b>  | Association of Hungarian Insurance Companies (Magyar Biztosítók Szövetsége) |
| <b>BG</b>      | Bulgaria   | <b>MK</b>      | North Macedonia   |
| <b>BGN</b>     | Bulgarian lev  | <b>MKD</b>     | Macedonian denar mn million   |
| <b>Bn</b>      | billion  | <b>MTPL</b>    | Motor Third Party Liability   |
| <b>CAGR</b>    | Compound annual growth rate  |                |   |
| <b>CAP</b>     | Czech Insurance Association (Česká asociace pojišťoven)  | <b>nr.</b>     | number  |
| <b>CEE</b>     | Central and Eastern Europe (only the countries involved in this study)                           | <b>PL</b>      | Poland  |
| <b>CNB</b>     | Czech National Bank  | <b>PLN</b>     | Polish zloty  |
| <b>CPI</b>     | Consumer Price Index   | <b>Q1</b>      | First quarter of the year   |
| <b>CZ</b>      | Czechia  | <b>Q2</b>      | Second quarter of the year  |
| <b>CZK</b>     | Czech koruna   | <b>Q3</b>      | Third quarter of the year   |
| <b>e.g.</b>    | for example  | <b>Q4</b>      | Fourth quarter of the year  |
| <b>ECB</b>     | European Central Bank  | <b>RO</b>      | Romania   |
| <b>EE</b>      | Estonia  | <b>RON</b>     | Romanian leu  |
| <b>EEA</b>     | European Economic Area   | <b>RS</b>      | Serbia (Republika Srpska)   |
| <b>EIOPA</b>   | European Insurance and Occupational Pensions Authority   | <b>RSD</b>     | Serbian dinar   |
| <b>EIU</b>     | Economist Intelligence Unit  | <b>SCR</b>     | Solvency Capital Requirement  |
| <b>ESG</b>     | Environmental, Social, and Corporate Governance  | <b>SI</b>      | Slovenia  |
| <b>etc.</b>    | and so on  | <b>SK</b>      | Slovakia  |
| <b>EUR</b>     | Euro   | <b>SLASPO</b>  | Slovak Insurance Association (Slovenská asociácia poisťovní)                |
| <b>EURIBOR</b> | Euro Interbank Offered Rate  | <b>Ths</b>     | thousand  |
| <b>GDP</b>     | Gross Domestic Product   | <b>USD</b>     | United States dollar  |
| <b>GWP</b>     | Gross Written Premium  | <b>VIG</b>     | Vienna Insurance Group  |
| <b>H1</b>      | First half of the year   | <b>Y-o-y</b>   | Year-on-year  |
| <b>H2</b>      | Second half of the year  |                |   |
| <b>HANFA</b>   | Croatian Financial Services Supervisory Agency (Hrvatska Agencija za Nadzor Financijskih Usluga) |                |   |
| <b>HNB</b>     | National Bank of Hungary   |                |   |
| <b>HR</b>      | Croatia  |                |   |
| <b>HU</b>      | Hungary  |                |   |
| <b>HUF</b>     | Hungarian forint   |                |   |
| <b>HUO</b>     | Croatian Insurance Bureau  |                |   |
| <b>HNB</b>     | Hungarian National Bank  |                |   |
| <b>IFRS</b>    | International Financial Reporting Standards  |                |   |
| <b>IT</b>      | Information technology   |                |   |

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