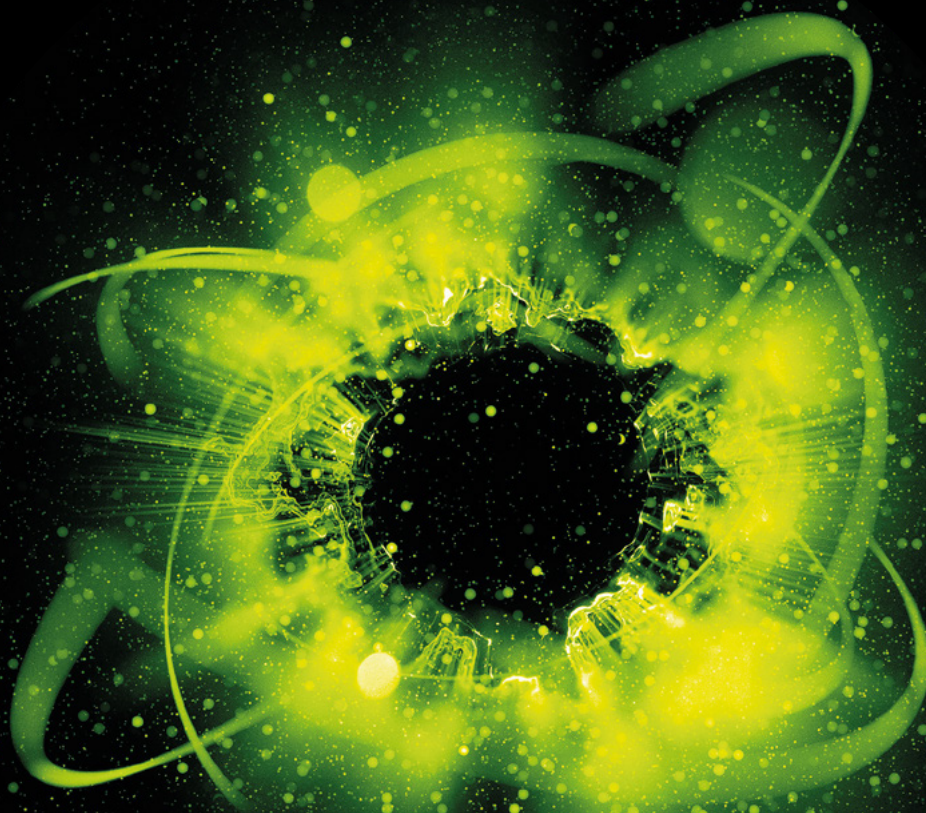


Deloitte.



CEE insurance M&A outlook

Momentum is picking up

October 2019

#1 M&A Advisor by deal count
 CEE | Europe | Global
Mergermarket, 2018, 2019H1



**#1 M&A advisor in Central Europe
 pursuant to the number of transactions**
 (Mergermarket, 2006, 2007, 2008, 2009 and 2010, 2018, 2019H1)

**#1 M&A advisor
 in terms of the 4 biggest advisory firms - Big 4**
 (Mergermarket, 2006, 2007, 2008, 2009 and 2010, 2018, 2019H1)

Global M&A Advisor Award of the year 2009
 by M&A Advisor

**#1 Accounting / Due Diligence Firm
 at the International M&A Awards**
 by M&A Advisor, 2011

Professional Services Firm of the Year
 (April 2011) Private Equity Awards 2011

Ranked #1 in global consulting
 by Gartner for the third consecutive year, 2013

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Foreword



Leveraging on the success of the 1st release of the CEE insurance M&A study, we decided to continue our research, provide intelligence on insurance market trends and present the recent M&A activity in the CEE region.

Despite the slight decrease of total gross written premiums (GWP) of the Polish market last year, the total CEE market GWP managed to grow by 2.0% year over year in 2018. The growth was driven by the continuing expansion of non-life insurance, while the life-segment continued to decline in line with the trend of previous years. The regional economies continued to record healthy economic growth accompanied by further improving labour market conditions.

When assessing general insurance market maturity, the average GWP penetration (GWP compared to GDP) remained stable over the examined period. 2018 was the first time since 2012 when the total CEE market loss ratio (paid claims to GWP) increased above 60%. Increasing loss ratios translates into lower profitability that could put further pressure on insurance companies with lower market shares

(lower economies of scale) to reconsider their strategy in CEE. The continued exit of large international groups from non-core CEE markets and the acquisitive growth of major regional market players are additional key factors boosting momentum for transactions and market consolidation.

Although the consolidation has started in some of the markets, most of them are still fragmented in both, life and non-life segments. There are a relatively high number of insurance companies with less than 5% market share in many countries, which signals a need for further consolidation.

Besides market dynamics, the new regulatory requirements such as Solvency II and the introduction of IFRS 17 are likely to make insurance business more capital extensive thus requiring robust profitability. The market is heavily working towards the implementation of IFRS 17, which is expected to bring substantially enhanced transparency via standardization of financial statements and consequently reducing costs of M&A.

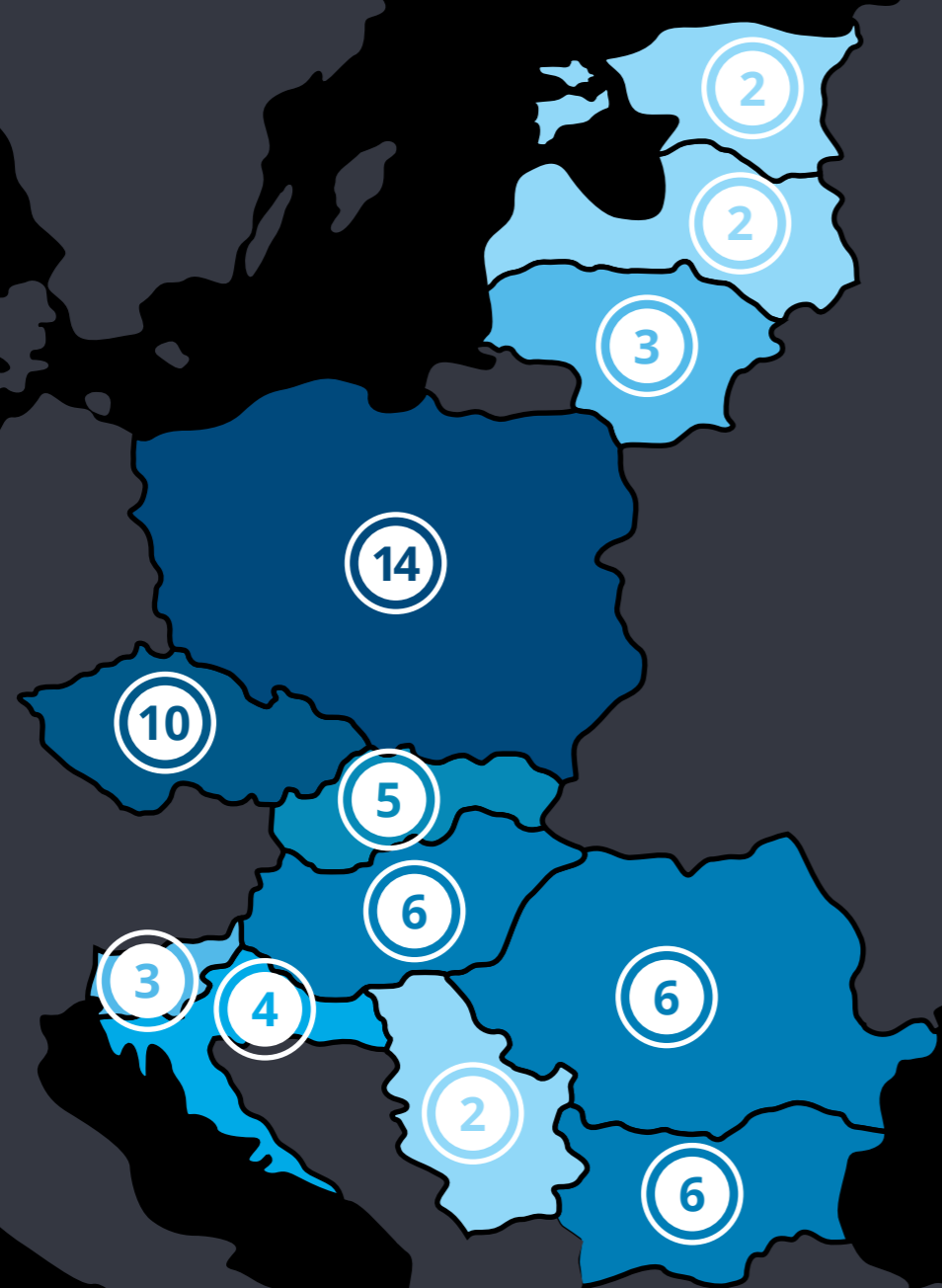
The CEE region's market growth potential, the increasing capital intensity of the sector driven by IFRS17 and SII, together with the strategic moves of large insurance groups provide motivating factors to consider trading on both the sell and buy side. There are a high number of potential players, who are ready to move up a gear and engage in executing deals. 2018 could be considered as one of the most active years in terms of transaction volume, and the forthcoming years could have the potential to even exceed that level of activity.

We hope the second release of CEE M&A Insurance study will support potential investors to navigate the restless sea of the CEE insurance markets in the upcoming year.

Balázs Mérth
Partner,
Regional Insurance Industry Leader,
Financial Advisory

Number of M&A deals in the CEE Region

(2015 – 2019 August)



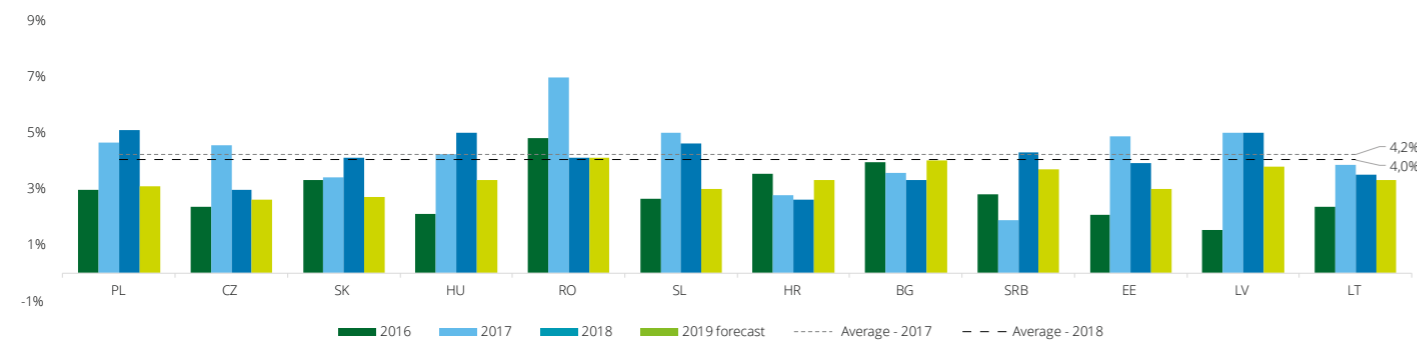
Poland	14
Czech Republic	10
Hungary	6
Romania	6
Bulgaria	6
Slovakia	5
Croatia	4
Slovenia	3
Lithuania	3
Serbia	2
Estonia	2
Latvia	2

CEE macroeconomic overview

Economic progress in the CEE region has been remarkable over the past decade. After the cyclical peak of 4.2% average GDP growth rate experienced by the 12 CEE-based countries analysed in 2017, the region recorded a healthy 4.0% growth rate in 2018. This pace of growth, however, might slow down in 2019 due to a

potentially weaker global trade. The highest growth rates were achieved in Poland (5.2%), Hungary (5.0%) and Latvia (5.0%) in 2018. Growth was driven by an increasing domestic demand fueled by improving labour market conditions and favorable consumer prices across Europe.

Figure 1. Changes in real GDP, 2015-2019

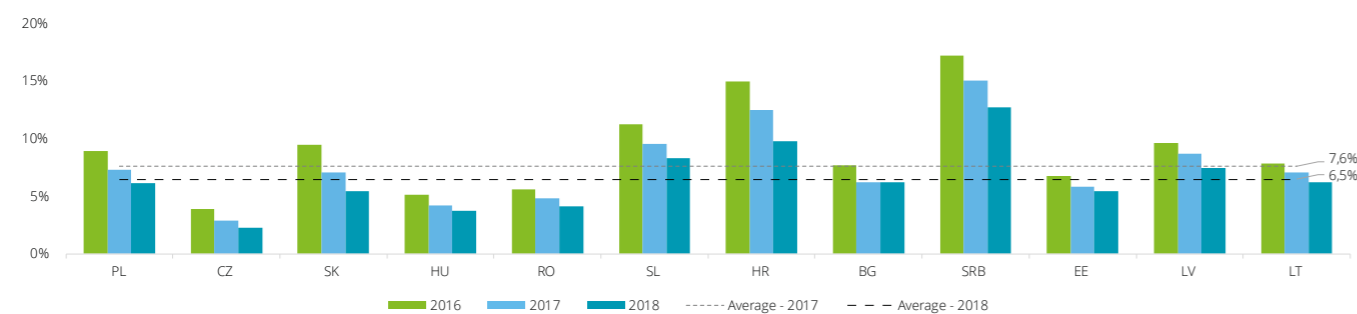


Source: EIU

On average the unemployment rate decreased by 1.1% point from 7.6% to 6.5% in 2018 considering all the twelve countries. Serbia reserved the highest unemployment rate (12.7%), which nevertheless indicates a 2.3% point improvement from the previous

year. Croatia recorded the most significant improvement: a reduction by 2.6% points. Most countries saw a significant increase of real wages together with a falling unemployment rate, which resulted in a climbing inflation.

Figure 2. Unemployment rate, 2015 - 2018



Source: EIU

Insurance market trends in CEE

The CEE insurance industry is increasingly dominated by the non-life sector, specifically the motor segment. Life insurance plays a less significant role and suffers from a general lack of awareness and shrinking of the unit-linked segment. In 2019, the total gross written premium (GWP) of the CEE region recorded its highest value since 2010. The region showed a 2.0% increase of total GWP from 2017 to 2018, which was driven by

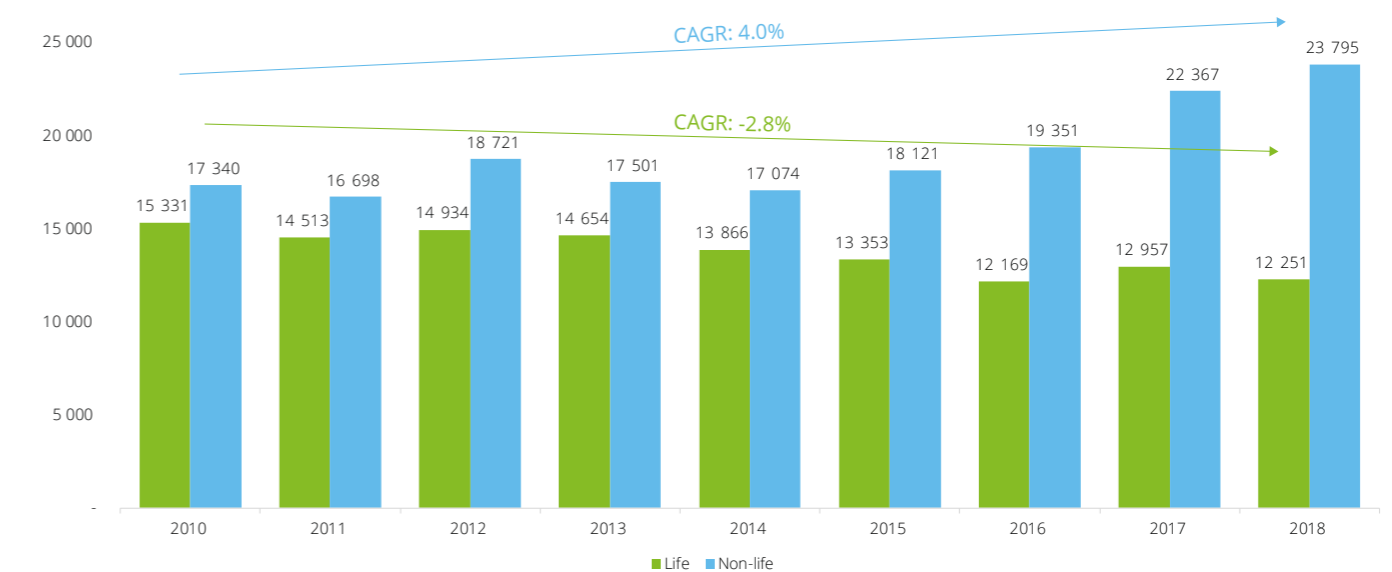
the expansion of the non-life insurance segment (6.4%). Meanwhile, the life-segment recorded a 5.5% decline in 2018 from the previous year.

Almost every country recorded rising GWP figures in 2018, except for Poland, which experienced a 3.3% decline. Since Poland accounted for 40.1% of the total GWP in the CEE region in 2018, this decline resulted in the loss of EUR 492m of regional GWP.

The life segment of Poland fell by EUR 884m (32.4%) mainly due to the unit-linked segment, which was partly compensated by the increase experienced in the non-life segment (property and motor insurance).

The regional average GWP growth rate was 8.6% in 2018, which was outperformed by Bulgaria, Croatia, Estonia, Latvia and Lithuania.

Figure 3. Gross Written Premiums in CEE, 2010 - 2018 (EUR m)

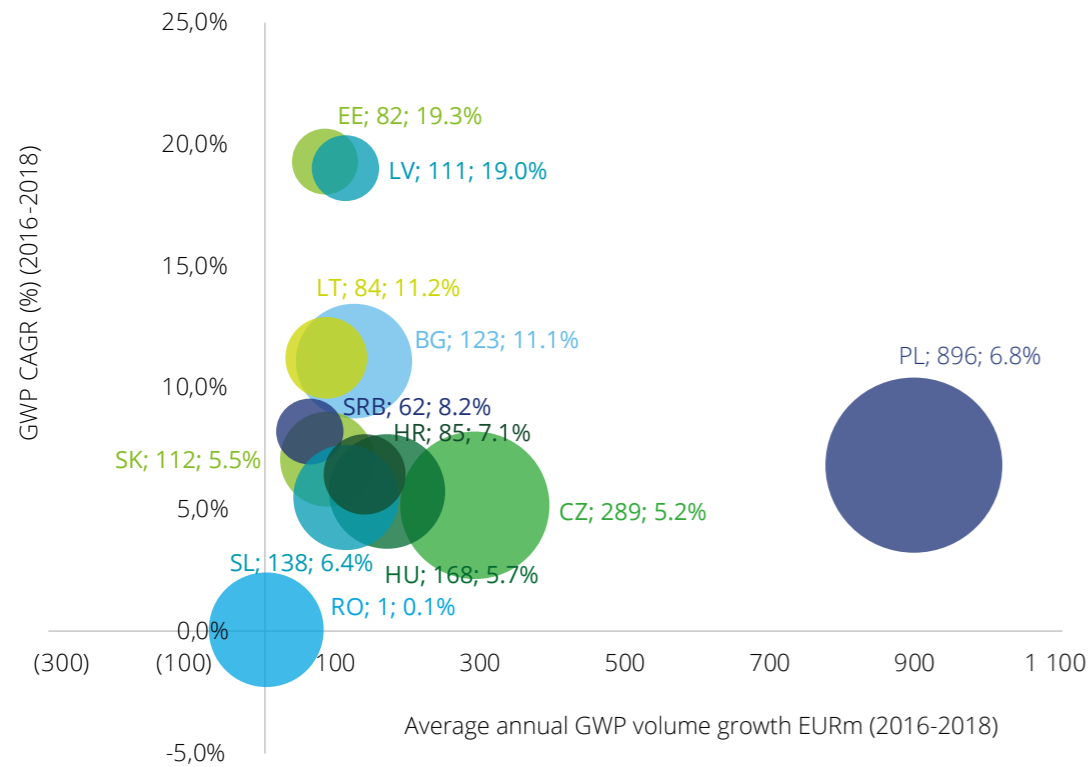


Source: Xprimm

With results of EUR 12,251m and EUR 23,795m, the life and non-life segments accounted for 34.0% and 66.0% of total GWP in 2018, respectively.

The Estonian and Latvian market experienced the highest annual growth rate (19.3% and 19.0% respectively) in the examined period. Nominally, the increase of the whole CEE market was driven by the Polish market, which could increase with a CAGR of 6.8% or by EUR 896m annually.

Figure 4. Average annual GWP volume growth and GWP CAGR (2016-2018, EUR m, %)



Source: Xprimm, Intelligence Research

Note: Size of the bubbles represents the number of transactions

The CEE countries fall into three categories based on their GWP/capita and GWP penetration.

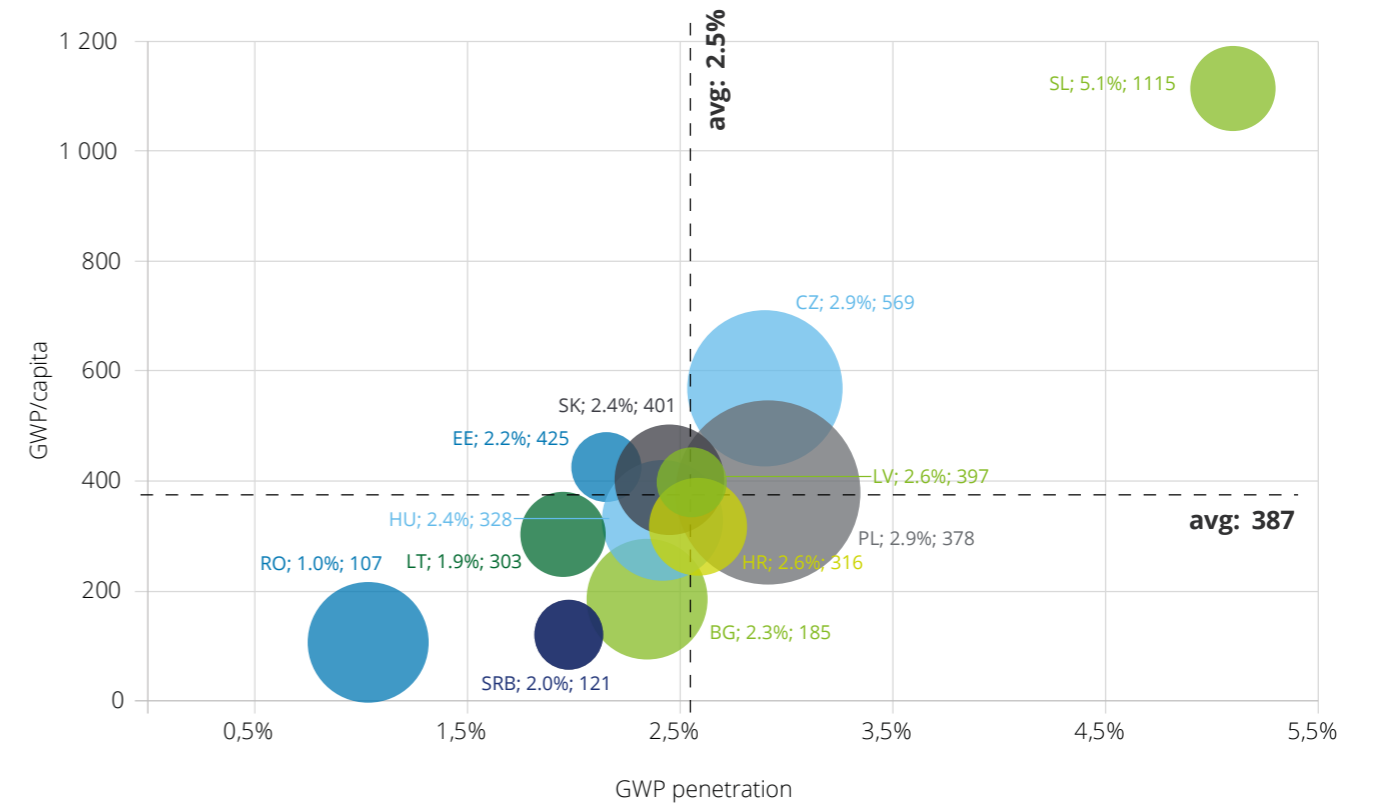
Countries with average GWP/capita and GWP penetration experienced lower transaction numbers (3 on average).

Due to its very special health insurance system generating a large volume of GWP, Slovenia' is considered an outlier in terms of our classification.

Developing markets like Bulgaria, Romania, Lithuania and Serbia had lower GWP penetration and GWP/capita and offer further growth potential. Due to the higher growth potential and the lower market concentration, these countries experienced a higher number of transactions during the analyzed period.

Poland and the Czech Republic, which are closer to the European indicators in terms of GWP/capita and GWP penetration, experienced the most transactions in the examined period with 14 and 10 transactions respectively.

Figure 5. Insurance market GWP penetration and GWP/capita, 2018

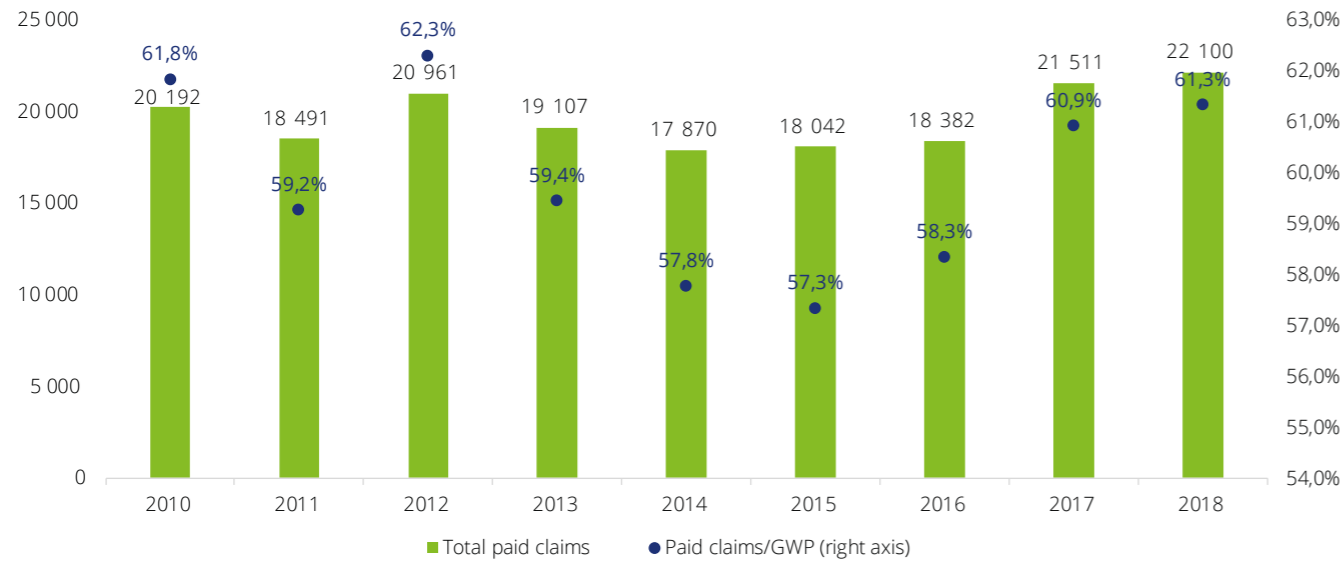


Source: Xprimm, Deloitte Intelligence

Total paid claims in the region increased slightly, by 2.7% in 2018 on year over year. The highest nominal increase was recorded in Romania (EUR 167m or 15.1%), whilst the Czech Republic saw the

sharpest decline (EUR 202m or 5.3%). After the significant increase in 2017, paid claims to GWP increased only moderately in 2018— from 60.9% to 61.3%.

Figure 6. Total paid claims in CEE, 2010 - 2018 (EUR m)

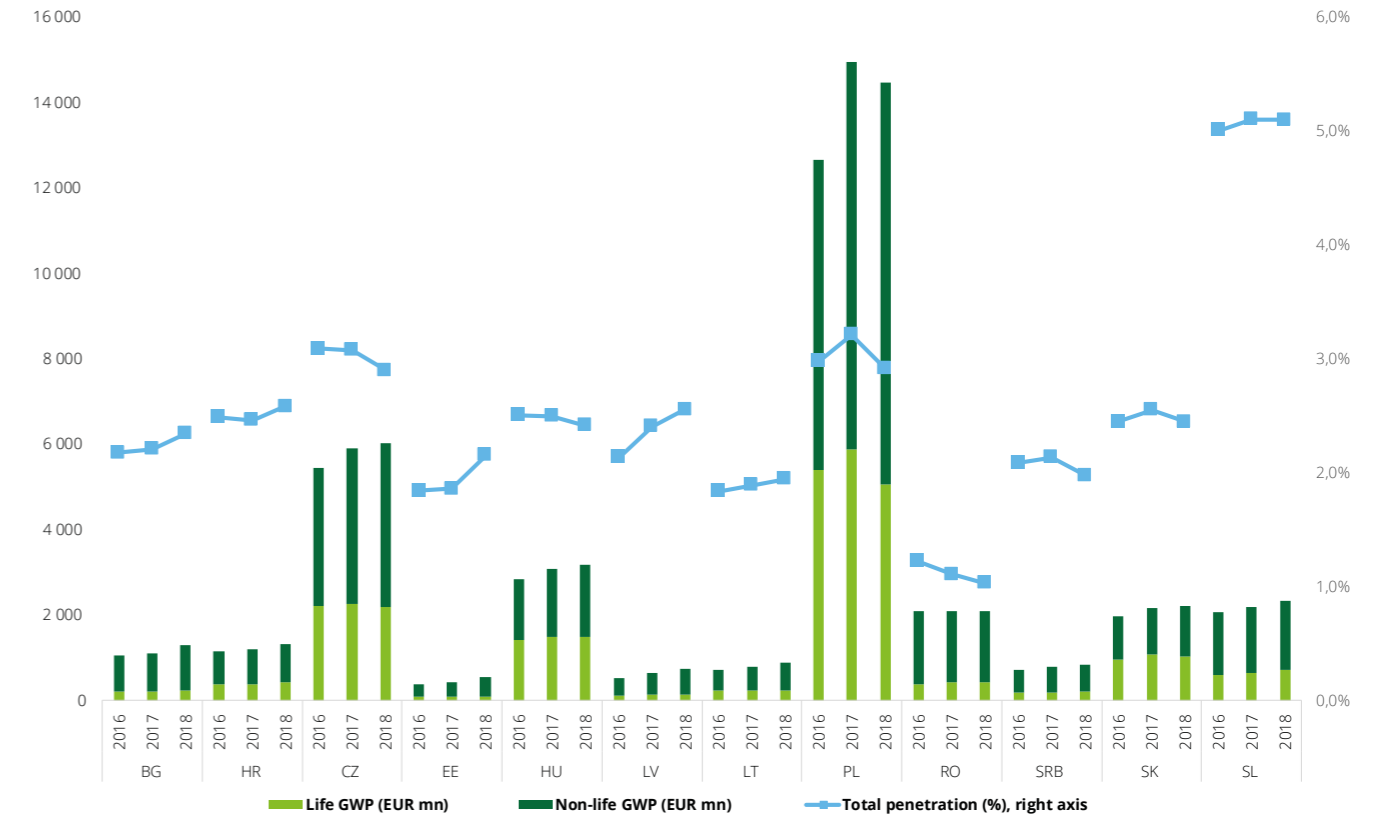


Source: Xprimm

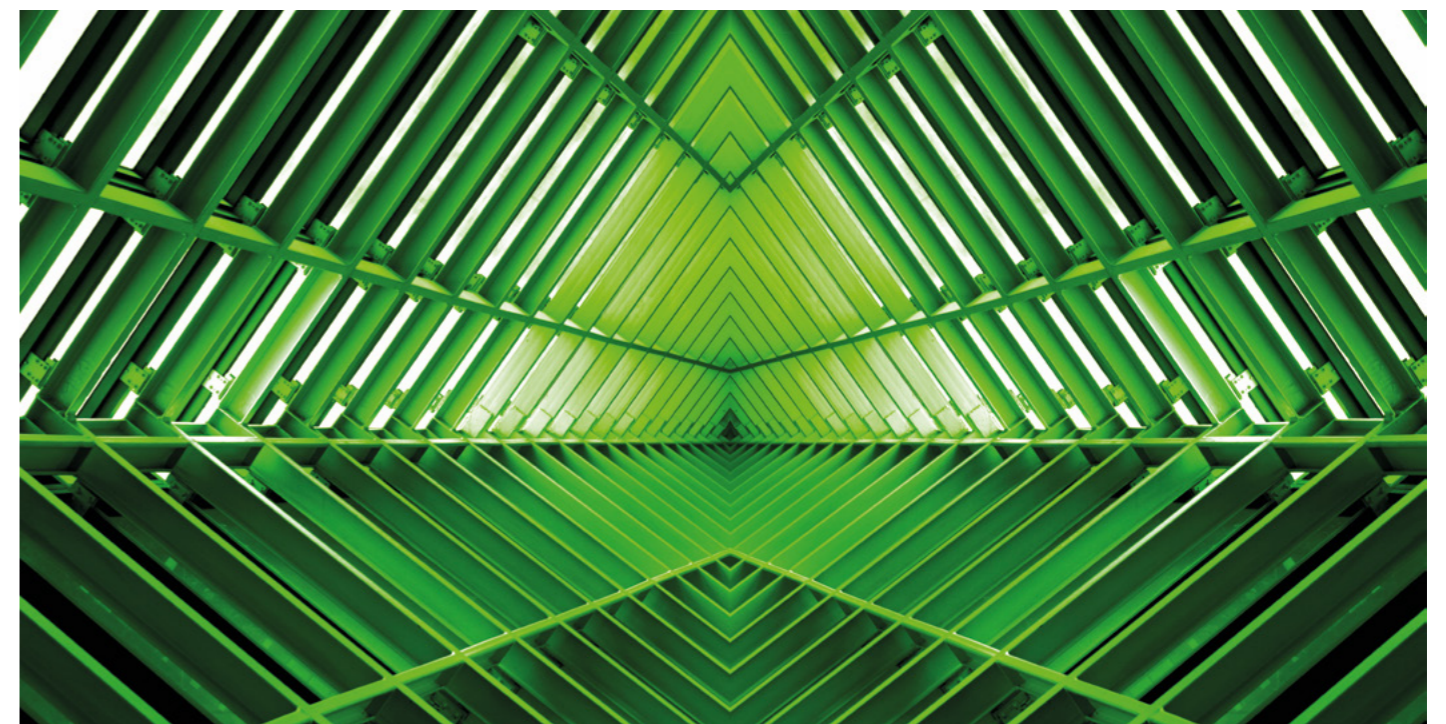
Average insurance penetration on the CEE market remained unchanged (2.5%) in 2018. Due to falling GWP in Poland and high GDP growth rate, the GWP penetration rate dropped to 2.9% in Poland, which was the lowest in the past three years. Slovakia and Hungary also recorded higher GDP growth rates than GWP growth, which resulted in decreasing insurance penetrations. Romania had the lowest overall insurance penetration with 1.0% while Slovenia had the highest rate with 5.1%.

Typically, the life segment has lower insurance penetration rates. Average life insurance penetration dropped by 0.1% point to 0.8% in the CEE region in 2018, with only Poland seeing a significant decline from 1.3% to 1.0%. The average non-life penetration rate was 1.8% in 2018, which indicates a 0.1% point increase on year over year.

Figure 7. GWP and GWP penetration in CEE, 2016 - 2018 (EUR m)



Source: Xprimm, Deloitte Intelligence



Key regional insurance groups and market concentration

Although there are sizeable, well-known national players on the local insurance markets such as the Polish PZU or the Slovenian Triglav, the largest insurers are typically owned by large international groups such as Allianz, Vienna Insurance Group, Generali or NN, who have presence in multiple countries in the region.

The top 10 leading life insurance groups remained more or less the same in 2018 as in 2017 although Uniqa ranked 12th and KBC could make it to the top 10 this year. The biggest mover was LC Corp, the owner of the Polish Open Life Tu Życie S.A., which ended up three positions lower in Poland. The top 10 life insurer groups covered 69.6% of the total life gross written premiums in the presented twelve countries. The largest life insurance group in terms of GWP was the state-owned Polish PZU with EUR 1,940m GWP in 2018 despite being only present in Poland and Lithuania.

The second largest insurance group, being present in all twelve countries, Vienna Insurance Group could increase its market positions in Bulgaria and Croatia; however it lost from its position in almost all of the remaining countries. Another player with significant geographic coverage, Generali which resulted still to be the 3rd biggest life insurance company in the CEE region.

The leading life insurance companies operate in an average of 4.9 countries, representing a GWP of EUR 902m on average.

The top 10 leading non-life insurance companies remained mostly unchanged. Vienna Insurance Group's (VIG) recent acquisitions and increasing market shares helped to strengthen its positions and became the leading insurer company in the region. The total non-life GWP of

VIG reached EUR 3,323m in 2018, which accounts for 14.9% of the total non-life market. PZU became the 2nd largest insurer with its 14.6% share of the total CEE market.

The top 10 leading non-life insurance groups accounted for 76.7% of the total non-life gross written premiums of the presented twelve countries. The leading non-life insurance companies operate in an average of 5.8 countries representing an average GWP of EUR 1,715 m.

Table 1. Ranking of the leading life insurance groups by total gwp in the respective countries, 2018

Rank	Life insurer group	Change in rank (17-18)	PL	CZ	SK	HU	RO	SL	HR	BG	SRB	EE	LV	LT	Nr. of countries with presence	Total CEE GWP (EUR m)	Total CEE market share	Cummulated market share
1	PZU		1					6							2	1 940	15,0%	15,0%
2	VIG		6	1	1	5	2	9	2	1	2	3	4	4	12	1 847	14,3%	29,2%
3	Generali		7	2	4	3	6	3	4		1				8	1 127	8,7%	37,9%
4	NN		5	3	3	1	1								5	1 087	8,4%	46,3%
5	Allianz		10	5	2	6	4		3	2					7	765	5,9%	52,2%
6	Talanx Group	▲2	3			2									2	615	4,7%	57,0%
7	Aviva	▲1	2										2		2	561	4,3%	61,3%
8	Metlife	▼-1	8	6	n.a.	9				5					5	378	2,9%	64,2%
9	LC CORP	▼-3	4												1	366	2,8%	67,0%
10	KBC			4	5	12		5		4					5	338	2,6%	69,6%

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

Source: Xprimm, Deloitte Intelligence

Note: Ranking of insurer group was calculated based on 2018 data, but reflecting the change of ownership since 2018.

Table 2. Ranking of the leading non-life insurance groups by total gwp in the respective countries, 2018

Rank	Non-life insurer group	Change in rank (17-18)	PL	CZ	SK	HU	RO	SL	HR	BG	SRB	EE	LV	LT	Nr. of countries with presence	Total CEE GWP (EUR m)	Total CEE market share	Cummulated market share
1	VIG	▲1	4	2	2	7	1	7	7	4	4	6	1	2	12	3 323	14,9%	14,9%
2	PZU	▼-1	1												1	3 262	14,6%	29,4%
3	Generali		7	1	3	2	6	2	4	1	2				9	2 700	12,1%	41,5%
4	Allianz		5	3	1	1	3	8	3	6					8	2 100	9,4%	50,9%
5	Munich Re		2	9				9	10			4	5	3	7	1 683	7,5%	58,4%
6	Talanx Group		3			12										1 398	6,3%	64,7%
7	Uniqa		8	5	4	5	7		5	10	6				8	932	4,2%	68,8%
8	Triglav Group							1	6		5				3	699	3,1%	72,0%
9	KBC	▲1		4	6	6		11		3					5	537	2,4%	74,4%
10	AXA	▼-1	6	7	n.a.										3	515	2,3%	76,7%

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

Source: Xprimm, Deloitte Intelligence

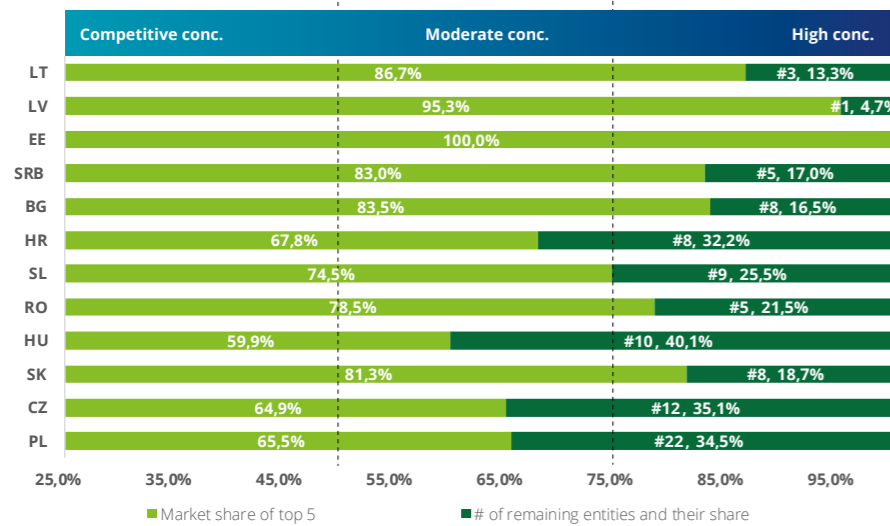
Note: Ranking of insurer group was calculated based on 2018 data, but reflecting the change of ownership since 2018.

Most of the markets can be considered as moderately or highly concentrated in both segments, however in many cases there are a significant number of smaller companies present as well. This implies

that there is room for further consolidation in the region, especially for players who struggle to reach economies of scale in their given markets. On average, the top five insurers control 78.4% of the total GWP.

In the life segment, on average 75.8% of the total GWP is controlled by the top five insurers. The least concentrated market is Hungary.

Figure 8. Life segment market concentration, share of Top 5 and other remaining players in total GWP, per country, 2018

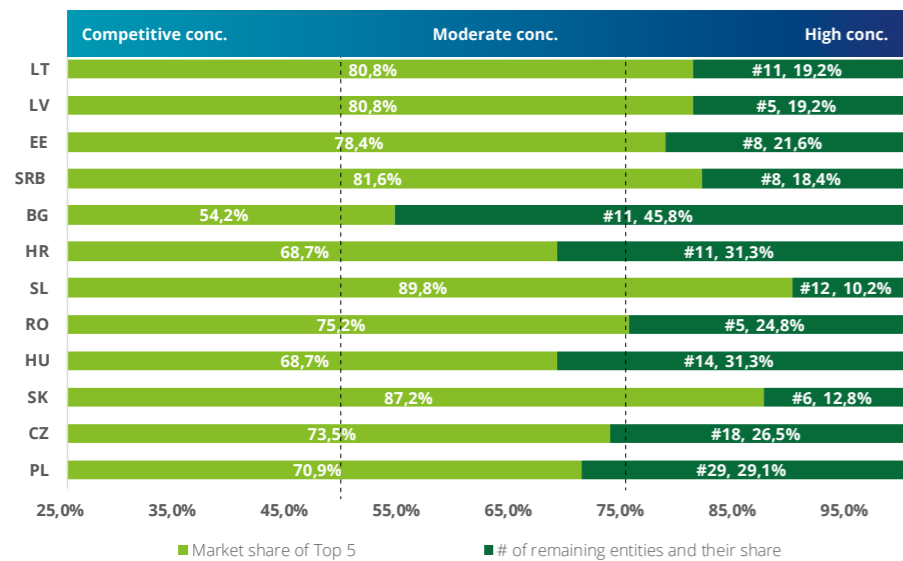


Source: Xprimm, Deloitte Intelligence

In the non-life segment on average 75.9% of the total GWP is controlled by the top five insurers. Seven out of the twelve

countries can be considered highly concentrated. The least concentrated market is Bulgaria.

Figure 9. Non-Life segment market concentration in terms of total GWP in the respective countries, 2018



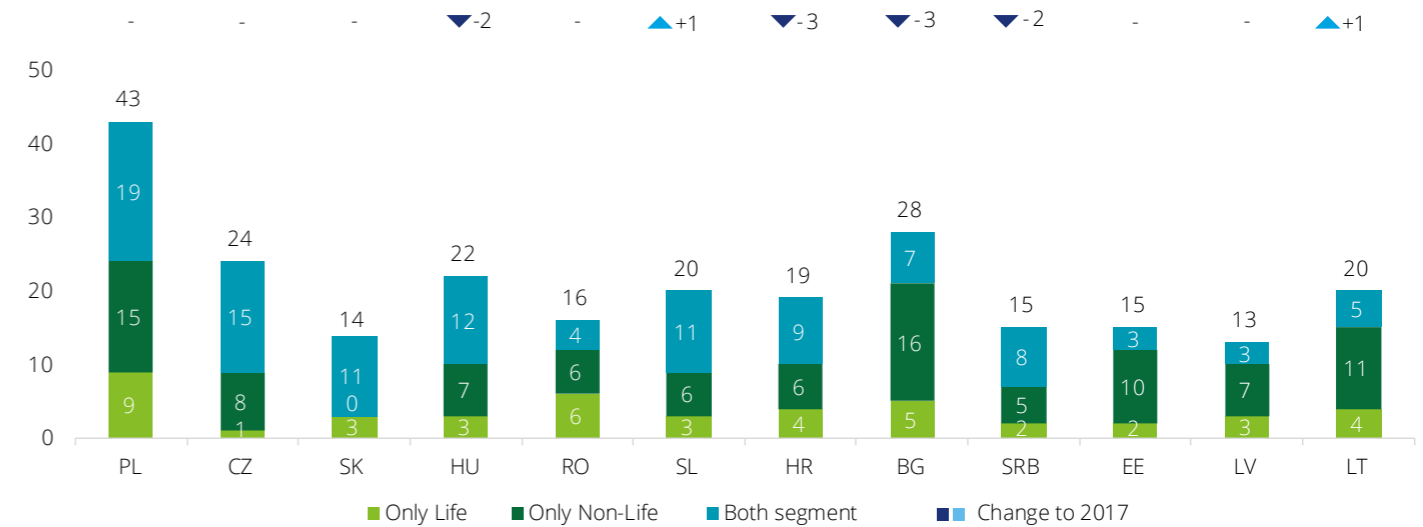
Source: Xprimm, Deloitte Intelligence

*Note: The concentration represents the top five insurer's share of the respective total GWP. From 0% - 50% the market is classified as competitive, 50-75% moderately concentrated and 75-100% highly concentrated.

M&A activity in the CEE region

Since 2018 resulted in a remarkably high number of transactions amidst market consolidation in the region, the number of insurance companies changed significantly from last year.

Figure 10. Number of insurance companies

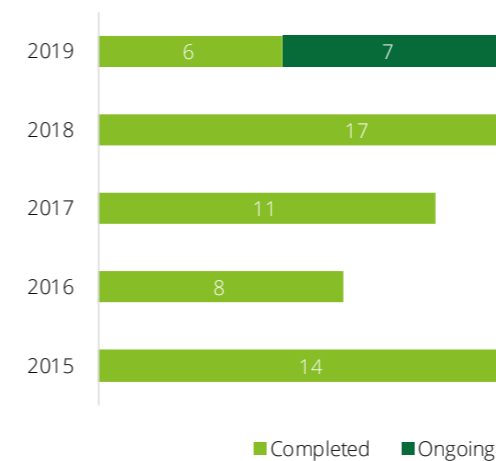


Source: Xprimm, Deloitte Intelligence

Compared to the last M&A study, there were twelve recent M&A deals in Central and Eastern Europe. Poland was still the most active market with two additional completed deals in 2019. The long-term strategy of the Polish state to increase the share of local

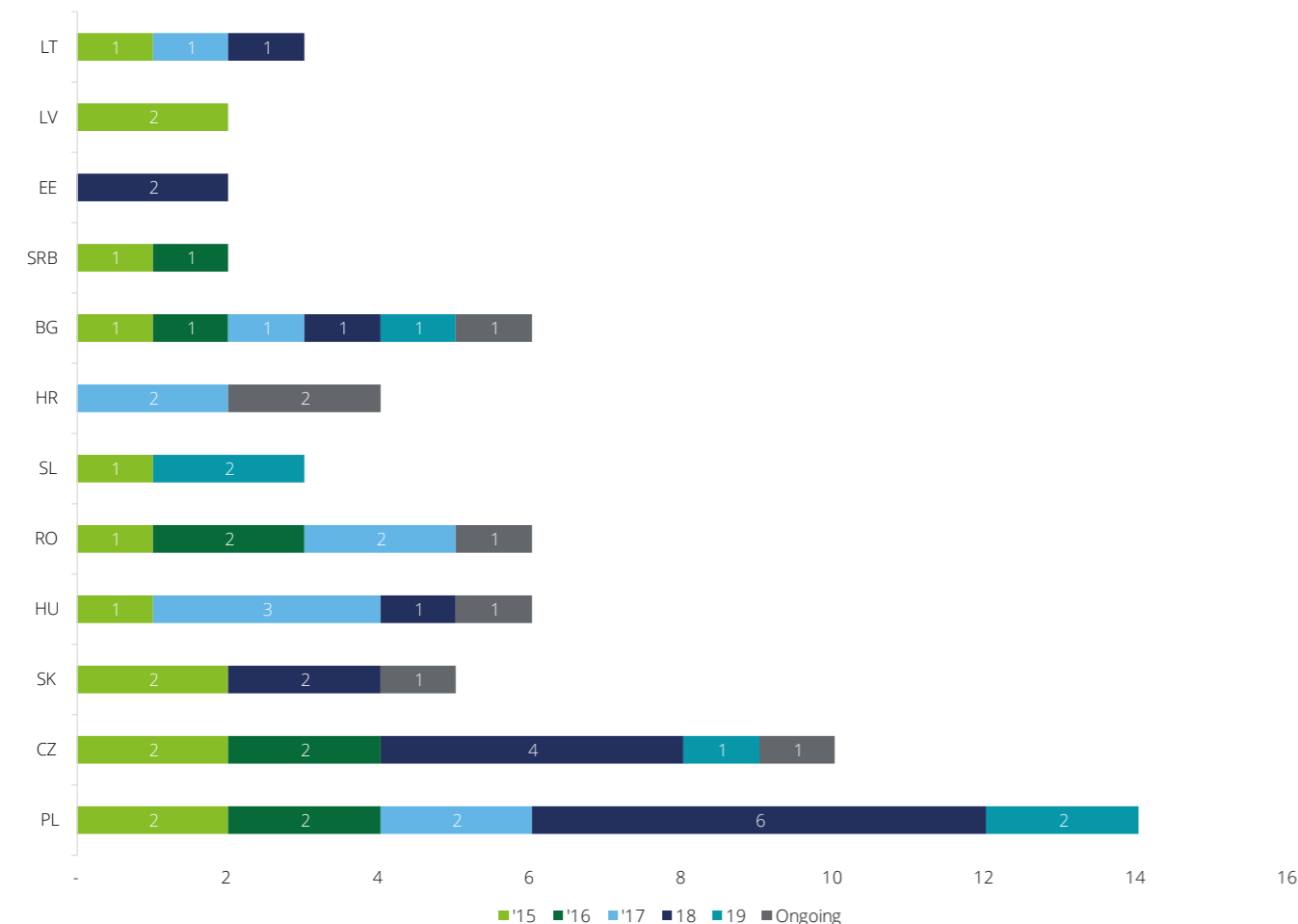
ownership in the financial services market is still in focus. The Czech Republic is catching up with the Polish market in terms of transactions. There were no reported developments in the North and South East of the CEE region.

Figure 11. M&A activity by year - Nr. of transactions



Source: Deloitte Intelligence

Figure 12. M&A activity by country - Nr. of transactions, 2015 – 2019 September



Source: Deloitte Intelligence

The Vienna Insurance Group (VIG) continued its aggressive expansion strategy in Central Europe. Compared to the previous M&A study, it has increased its presence with two completed transactions. One which was outstanding in 2018 in Hungary and another in 2019, when InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna, a subsidiary of Vienna Insurance Group AG, has acquired an undisclosed majority stake in Towarzystwo Ubezpieczen Wzajemnych (TUW) for an undisclosed consideration. In 2017, VIG announced to merge its three companies (Erste Biztosító, Union Biztosító and Vienna Life Biztosító) into Union Biztosító with the purpose of increasing its market share over 10% in the Hungarian insurance market. According to VIG's long-term strategy, the Romanian market remained in focus, but no public

activity has been reported recently. Prior to that in 2016, VIG acquired two subsidiaries of AXA in Romania and Serbia.

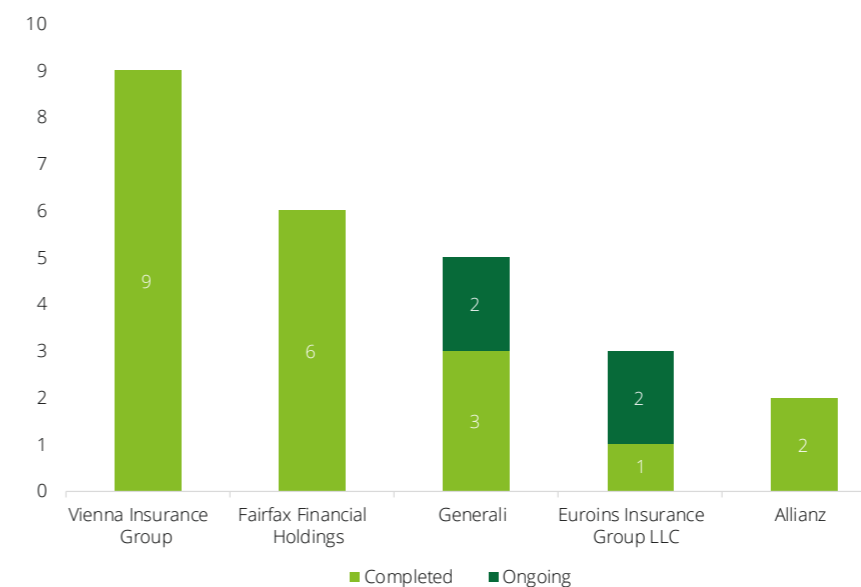
The second most active buyer remained the Canadian Fairfax Financial Holdings, which acquired six insurance companies by 2018. AIG's global insurance operations in Argentina, Bulgaria, Chile, Columbia, the Czech Republic, Hungary, Poland, Romania, Slovakia, Turkey, Uruguay, and Venezuela were taken over by Fairfax.

The third most active buyer in the period under review was the listed, Italy-based insurer Generali, which—compared to its status in last year's study—signed two transactions in Slovakia and Hungary, one with ERGO Poistovna, a.s. and another with Ergo Eletbiztosito Zrt., the

Hungarian branch of Ergo Versicherung Aktiengesellschaft for an undisclosed consideration. The sale is in line with ERGO's international strategy of expanding its position in core European markets like Poland and Greece and to divest its operations in other non-core European countries.

By 2019, the Dutch insurer AEGON completed the sales of its insurance companies in the Czech Republic and in the Slovakian market. In the Czech-Republic, the NN Group acquired 100% of Aegon Pojistovna, a.s. for EUR 155m, and the private investor Mr. Jiri Patak, acquired a 79.50% stake in Chytryhonza.cz, s.r.o., a Czech company offering online financial services from Aegon NV..

Figure 13. Top buyers by number of transactions, 2015 – 2019 September



Source: Deloitte Intelligence

Figure 14. Top sellers by the Nr. of transactions, 2015 – 2019 September



Source: Deloitte Intelligence

Current regulatory matters with potential impact on Insurance M&A

IFRS17

The greatest regulatory change of the next few years is undoubtedly the introduction of the new accounting standard. The International Accounting Standards Board remained very principle based in the standard. Nevertheless, the main purpose of providing a coherent framework in which the financial positions are comparable industrywide is clear. We do not intend to provide a detailed overview of the standard here; however, a few aspects are highlighted which could have implications for M&A.

The statement of financial performance will be broken down by every company into insurance service result and insurance finance expense as the key building blocks of the profit and loss. Other comprehensive income will remain part of the statement. This breakdown contributes to the provisions of more transparent and comparable information on the performance of the portfolio held and on the performance of the company. Liabilities will consist of three items: the present value of future contractual cash flows, the risk adjustment and the contractual service margin. Contractual cash flows show what future incomes and outflows are expected, the risk adjustment figure provides information about how uncertain those expectations are, and finally, the contractual service margin reflects the remaining profits of the contracts.

This way of presentation of universal transparency could serve as the basis of more established investment decisions by mitigating the risks embedded in the financial statements and reducing the costs of M&A.

The IFRS 17 standard is not in effect yet. The market is heavily working towards the implementation of its requirements in terms of modelling and methodology. The new era also needs significant investment in IT infrastructure and accounting systems.

Solvency II

This regime is more established with conventions already set up. The IFRS 17 has similar characteristics but there are significant differences as well, especially in the time value of money and the risk adjustment methodology. The Solvency II regime requires substantial documentation and assessment of the companies' current and anticipated risk appetite. From this particular point of view it is also useful for M&A decisions.

Together with the IFRS 17 regime, it builds up a very powerful resource to understand the insurance sectors' financial positions, strengths and weaknesses. This regime has been fully in place since 2016 with a full review scheduled after a five-year period. However effective with 1st January 2019, the European Commission implemented some amendments to the regulation. This consisted some investment related choices to support simple, transparent and standardized securitization investments and a solvency capital requirement review. In the review, they adopted a few simplifications for proportionality, removal of unintended technical inconsistencies and unjustified constraints of financing.

The current amendments could be interesting looking at the asset side of the insurance sector. The liability side will not be affected significantly. Although with the revisions effective from 2022 and the IFRS 17 going live at the same horizon, it could also bring more useful insights and enhanced decision making for the ultimate stakeholders in the upcoming years.

Figure 15. IFRS and Solvency II stages and progress in the reviewed countries

IFRS and Solvency II stages and progress in the reviewed countries			
Country	IFRS	Solvency II	
1	Poland	IFRS17 is not compulsory for Companies that are not listed. There is a local GAAP that is based on specific local regulations. Nevertheless – biggest Company in the market is listed (has to report IFRS) and vast majority of the market are subsidiaries of Groups reporting IFRS. So IFRS17 is a topic for the local market.	SII is performed. SFCR is audited.
2	Czech-Republic	IFRS is not mandatory – the Czech Insurance association is lobbying for the possibility of voluntary adoption.	Solvency II is required, but not audited (audit is not mandatory).
3	Latvia	All insurance companies should report in accordance with IFRS as adopted by EU.	Solvency II is implemented, insurance companies prepare separate report on Solvency And Financial Condition Report, however, this report is not audited.
4	Lithuania	All insurance companies should report in accordance with IFRS as adopted by EU.	Solvency II is implemented, insurance companies prepare separate report on Solvency And Financial Condition Report, however, this report is not audited.
5	Estonia	In Estonia, insurance companies have to report under IFRS and Solvency II is audited as well. But please note that, local GAAP associate more IFRS SME, not full IFRS.	Currently we do not have any insurance companies in our portfolio and we haven't had discussion in our office regarding to IFRS17 implementation.
6	Serbia	Local GAAP is in place. No relevant activity towards IFRS 17.	They are slowly approaching towards SII but this is linked to their move towards EU as a country. The regulator conducted QIS 1 and QIS 2 studies but not for market as a whole since the participation was facultative.
7	Bulgaria	IFRS for insurance companies. IFRS is not the local GAAP, just for insurance companies IFRS is obligatory.	Solvency II - AUP as you know it.
8	Croatia	Local GAAP resembles IFRS. The local companies might want stay with the current GAAP even after IFRS 17 is in force. No official conclusion on this initiative.	SII is in place and has to be audited.
9	Slovenia	IFRS is in practice almost exactly local GAAP, the same is going to be with IFRS 17.	SII is in place and has to be audited.
10	Romania	The IFRS is performed by the insurance segment as comparative reporting, the Company being still responsible of issuing Financial Statements in Accordance with Romanian Accounting Standards. Actually, all decisions made by FSA are based on RAS/ Solvency II Figures, and not IFRS.	The Quantitative Templates of Solvency II (Economic Balance Sheet, Own Funds, SCR and MCR) are required to be audited on an annual basis.
11	Hungary	Local GAAP is in place. Local companies might report according to IFRS, in some cases it is required by the groups.	SII is in place and has to be audited.
12	Slovakia	In SK the IFRS is taken as a local GAAP as they already have EURO.	The SII shall be performed but audit is not compulsory.

Poland



Macroeconomic environment

The Polish economy showed a stable GDP growth between 2015 and 2018 mainly driven by the increase in EU funds-related investments and strong private consumption (supported by a tight labour market and social transfers). 2018 recorded a real GDP growth of 5.1%.

Inflation decreased between 2017 and 2018 mainly as a result of lower food and electricity price pressures. Consumer price inflation slowed to 1.7% in 2018 from 2.0% in 2017, followed by increasing consumption in 2018. Low interest rates stimulated the lending activity and improved the economic activity of Polish companies.

In tandem with the strengthening economy, unemployment rate stood at 6.1% in 2018, down from 7.3% in 2017. In 2018, budget deficit dropped to 0.4% from previous year's 1.7% together with a decrease of public debt by 1.7% to 48.9%.

Table 3. Macroeconomic environment in Poland

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	430 055	425 942	465 605	496 462	6,6%	●
Nominal GDP/capita (EUR)	11 199	11 108	12 172	12 996	6,8%	●
GDP (% real change pa)	3,8%	3,0%	4,7%	5,1%	0,4%	●
Consumer prices (% change pa)	-0,9%	-0,6%	2,0%	1,7%	-0,3%	●
Recorded unemployment (%)	10,5%	8,9%	7,3%	6,1%	-1,2%	●
Budget balance (% of GDP)	-2,6%	-2,3%	-1,7%	-0,4%	1,3%	●
Public debt (% of GDP)	51,1%	54,2%	50,6%	48,9%	-1,7%	●

Source: EIU, Eurostat



Insurance market trends

The general trend in the Polish insurance industry remains the shrinking of the life insurance and the expansion of the non-life insurance segment.

2017 was an outstanding year looking at both main subsectors of the industry expanding in business volumes. In 2018, life GWP decreased by 14.3%, while the non-life segment expanded by 3.9% year over year. Life insurance premium was mainly

dominated by simple life and unit-linked life insurance products, while the non-life segment's growth was mainly driven by motor insurance products. In total, the insurance market GWP increased by 12.4% from 2015 to 2018 with an average annual growth rate of 4.0%.

In 2018, life and non-life GWP accounted for 34.9% and 65.1% of the total market's GWP, respectively.

Insurance penetration was 2.9% in 2018, which is a decline by 0.3% points from 2017. GWP per capita decreased by 5.7% to EUR 378 from EUR 401 between the last two years, which is near the CEE average of EUR 387.

Paid claims per GWP was 67.0% in 2018, which is an increase by 4.9% points from 2017.

Table 4. Insurance market in Poland

GROSS WRITTEN PREMIUMS Product portfolio (EUR mn)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	6 459	5 393	5 889	5 048	-14,3%	●
Non-Life	6 401	7 275	9 061	9 410	3,9%	●
Total	12 860	12 667	14 950	14 458	-3,3%	●

Insurance penetration						
Life	1,5%	1,3%	1,3%	1,0%	-0,2%	●
Non-Life	1,5%	1,7%	1,9%	1,9%	-0,1%	●
Total	3,0%	3,0%	3,2%	2,9%	-0,3%	●

GWP / Capita (EUR)						
	335	331	390	378	-3,0%	●

Total Paid Claims						
Life	4 542	4 133	4 880	4 997	2,4%	●
Non-life	3 634	4 158	4 672	4 695	0,5%	●
Total	8 177	8 291	9 552	9 692	1,5%	●

Paid claims / GWP						
Life	70,3%	76,6%	82,9%	99,0%	16,1%	●
Non-life	56,8%	57,2%	51,6%	49,9%	-1,7%	●
Total	63,6%	65,4%	63,9%	67,0%	3,1%	●

Source: Xprimm



Insurance market

There were 27 life insurer and 34 non-life insurer companies in Poland, 19 of which operated in both segments in 2018.

Table 5. List of life insurers in Poland, 2018

List of Life Insurers in Poland 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank	
1	PZU ŻYCIE SA	1 925	38,1%	State	Yes	-
2	AVIVA TUŃŻ S.A.	445	8,8%	Aviva	Yes	▲ 1
3	OPEN LIFE TU ŻYCIE S.A.	366	7,3%	LC CORP	No	▼-1
4	NATIONALE-NEDERLANDEN TUŃŻ S.A.	352	7,0%	NN	No	-
5	GENERALI ŻYCIE T.U. S.A.	217	4,3%	Generali	Yes	▲ 2
6	TU na ŻYCIE EUROPA S.A.	201	4,0%	Talanx Group	Yes	▼-1
7	METLIFE TUŃŻIR S.A.	200	4,0%	Metlife	No	▲ 1
8	COMPENSA TU na ŻYCIE S.A. Vienna Insurance Group	194	3,8%	Compensa S.A. (Vienna Insurance Group)	Yes	▲ 5
9	TUŃŻ WARTA S.A.	188	3,7%	Talanx Group	Yes	-
10	AXA ŻYCIE TU S.A.	166	3,3%	AXA	Yes	▼-4
11	TU ALLIANZ ŻYCIE POLSKA S.A.	137	2,7%	Allianz	Yes	▲ 1
12	PKO ŻYCIE TU S.A.	117	2,3%	PKO BP S.A.	Yes	▲ 2
13	STUŃŻ ERGO HESTIA SA	103	2,0%	Munich Re	Yes	▲ 3
14	AEGON TU na ŻYCIE S.A.	90	1,8%	Aegon	No	▲ 1
15	VIENNA LIFE TU na ŻYCIE S.A. Vienna Insurance Group	72	1,4%	Vienna Insurance Group	No	▼-4
16	SANTANDER AVIVA TU na ŻYCIE S.A.	67	1,3%	Aviva	Yes	▲ 4
17	TUŃŻ CARDIF POLSKA S.A.	65	1,3%	BNP Paribas	No	▲ 1
18	UNUM ŻYCIE TUIR S.A.	61	1,2%	Prudential International Insurance Holdings Ltd	No	▲ 1
19	UNIQA TU na ŻYCIE S.A.	27	0,5%	Uniqa	Yes	▼-9
20	WTUŃŻIR CONCORDIA CAPITAL SA	15	0,3%	Concordia Versicherung Holding AG (Generali)	Yes	▲ 1
21	POCZTOWE TUŃŻ S.A.	11	0,2%	Poczta Polska S.A.	Yes	▲ 3
22	SALTUS TU ŻYCIE SA	8	0,2%	n.a.	Yes	-
23	SIGNAL IDUNA ŻYCIE POLSKA TU S.A.	8	0,2%	SIGNAL IDUNA	Yes	-
24	MACIF ŻYCIE TUW	4	0,1%	Macif, MUTAWE Societe Europene	Yes	▲ 1
25	TUW REJENT-LIFE	4	0,1%	Several municipalities	No	▲ 1
26	TU INTER-ŻYCIE POLSKA S.A.	3	0,1%	Inter Beteiligungen Ag	Yes	▲ 1
27	POLISA-ŻYCIE TU S.A. Vienna Insurance Group	0	0,0%	Vienna Insurance Group	No	▼-10
Total	5 048	100,0%				

Source: Xprimm

Note: () reflects the new major shareholder after a recent acquisition, however was not effective as at end of 2018.

Table 6. List of non-life insurers in Poland, 2018

List of Non-Life insurers in Poland 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank	
1	PZU SA	3 024	32,1%	State	Yes	-
2	STU ERGO HESTIA SA	1 417	15,1%	Munich Re	Yes	-
3	TUIR WARTA S.A.	1 298	13,8%	Talanx Group	Yes	-
4	TUIR ALLIANZ POLSKA S.A.	487	5,2%	Allianz	Yes	▲ 1
5	AXA UBEZPIECZENIA TUIR S.A.	450	4,8%	AXA	Yes	▼-1
6	COMPENSA TU S.A. Vienna Insurance Group	368	3,9%	Vienna Insurance Group	Yes	-
7	GENERALI T.U. S.A.	338	3,6%	Generali	Yes	-
8	UNIQA TU S.A.	279	3,0%	Uniqa	Yes	-
9	INTERRISK TU S.A. Vienna Insurance Group	244	2,6%	Vienna Insurance Group	No	▲ 1
10	LINK4 TU S.A.	239	2,5%	PZU	No	▼-1
11	GOTHAER TU S.A.	173	1,8%	Gothaer (Vienna Insurance Group)	No	▲ 1
12	TUW TUW	148	1,6%	Macif	Yes	▼-1
13	PKO TU S.A.	136	1,5%	PKO BP SA	Yes	-
14	TUW POLSKI ZAKŁAD UBEZPIECZEŃ WZAJEMNYCH	128	1,4%	State	No	▲ 2
15	AVIVA TU OGÓLNYCH S.A.	103	1,1%	Aviva	Yes	▼-1
16	CONCORDIA POLSKA TUW	93	1,0%	Concordia Versicherung Holding AG (Generali)	Yes	▼-1
17	TU EUROPA S.A.	69	0,7%	Talanx Group	Yes	-
18	TU EULER HERMES S.A.	67	0,7%	Euler Hermes Deutschland Ag	No	-
19	PTR S.A.	58	0,6%	Fairfax	No	-
20	TUZ TUW	47	0,5%	Andrzej SzymaNowski	No	▲ 2
21	T.U.W. POCZTOWE	43	0,5%	Poczta Polska S.A.	Yes	-
22	SALTUS TUW	39	0,4%	n.a.	Yes	▲ 1
23	TU INTER POLSKA S.A.	30	0,3%	INTER Beteiligungen AG	Yes	▲ 1
24	SANTANDER AVIVA TU S.A.	28	0,3%	Aviva	Yes	▼-4
25	POLSKI GAZ TUW	23	0,2%	n.a.	No	-
26	TU ZDROWIE S.A.	18	0,2%	Pomerania Investment S.A.	No	▲ 2
27	KUKE S.A.	18	0,2%	Skarb Państwa	No	▼-1
28	TUW- CUPRUM	13	0,1%	KGHM Polska Miedz S.A.	No	▼-1
29	SIGNAL IDUNA POLSKA TU S.A.	11	0,1%	SIGNAL IDUNA	Yes	-
30	NATIONALE-NEDERLANDEN TU S.A.	11	0,1%	National Nederlanden	Yes	▲ 2
31	CREDIT AGRICOLE TU S.A.	5	0,1%	Crédit Agricole Assurances Société ANonyme	No	-
32	D.A.S. TU OCHRONY PRAWNEJ S.A.	5	0,0%	Munich Re	No	▼-2
33	TUW MEDICUM	1	0,0%	n.a.	No	-
34	PARTNER TUIR S.A.	0	0,0%	Andrzej SzymaNowski	No	-
Total	9 410	100,0%				

Source: Xprimm

Note: () reflects the new major shareholder after a recent acquisition, however was not effective as at end of 2018.

The life insurance market is highly concentrated—based on GWP, the top five life insurers, control 65.5% of the total market. The rest of the market is shared by 29 further players.

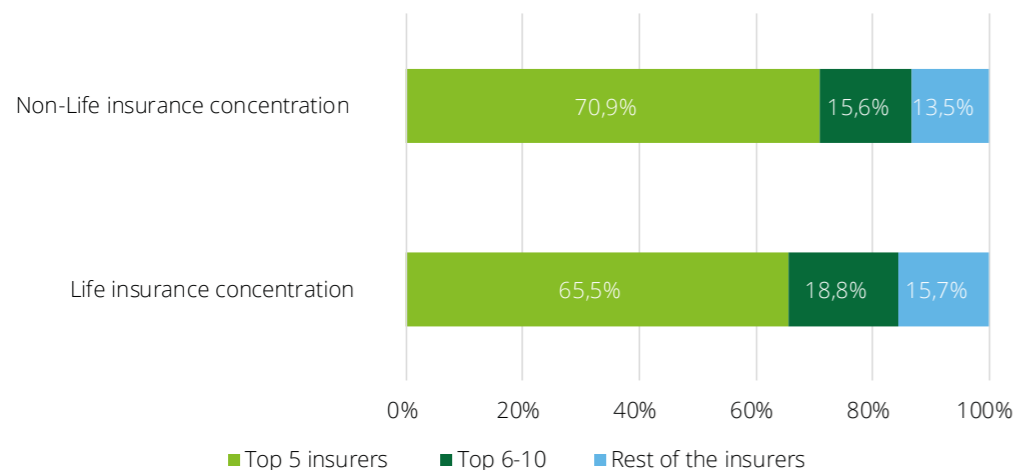
PZU's life insurance subsidiary still dominates the market with a 38.1% market share. However, foreign firms are also represented in the segment. There are nine entities with a market share of 2-5%, so the life insurance market is considered to be more fragmented.

Based on GWP in 2018, the non-life market was near 50% bigger in size than the life segment. The growth of the non-life market is due to tariff cycles and significant increases in average premiums for the motor business. The non-life market is even more concentrated than the life segment, with the top five companies holding a 70.9% of the total GWP. The remaining 29.1% of the market is shared by 29 other insurers.

PZU is the leading firm in the non-life segment as well, with 32.1% of total GWP. However, foreign firms are also prominent in this segment.

There are plenty of relatively small insurers in both segments, which means there is still room for consolidation.

Figure 15. Market concentration in Poland



Source: Xprimm, Deloitte Intelligence



M&A activity

Table 7. List of M&A transactions in Poland 2015-2019 September

List of insurance M&A deals in Poland 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2019	Towarzystwo Ubezpieczen Wzajemnych	Vienna Insurance Group	100%	n.a.	P&V Verzekeringen; Macif-Mutualite; MAIF	Y
2019	Bezpieczny.pl sp. z o.o.	Generali	51%	n.a.	Undisclosed seller	Y
2018	BIK Brokers Sp z oo	Pollen Street Capital	n.a.	n.a.	Syntaxis Capital U.F.B. GmbH	Y
2018	Unilink SA	Enterprise Investors Sp. z o.o.	38%	n.a.	Undisclosed seller	Y
2018	Gothaer Towarzystwo Ubezpieczen S.A.	Vienna Insurance Group	100%	n.a.	Gothaer Finanzholding AG	Y
2018	Concordia Ubezpieczenia	Generali	100%	n.a.	Concordia Versicherung Holding AG; Vereinigte Hagelversicherung VvaG	Y
2018	Pramerica Zycie TUIR SA	Unum Group	100%	n.a.	Prudential Financial, Inc.	Y
2018	Latona S.A.	Indigo Underwriters Ltd.	100%	124	mFinanse S.A.	Y
2017	AIG	Fairfax Financial Holdings	100,0%	n.a.	AIG	Y
2017	Pekao Pioneer Powszechne Towarzystwo Emerytalne S.A. (35% Stake); Pioneer Pekao Investment Management S.A. (51% Stake); Dom Inwestycyjny Xelion Sp. z o.o. (50% Stake)	Bank Pekao SA	35,0%, 50,0%, 51,0%	142	UniCredit Group	Y
2016	Open Life Towarzystwo Ubezpieczen Zycie SA	Leszek Czarnecki	51,0%	n.a.	TU Europa SA	Y
2016	Liberty Ubezpieczenia	AXA SA	100,0%	21,418	Liberty Seguros, Compania de Seguros y Reaseguros, S.A	Y
2015	BZ WBK-AVIVA Towarzystwo Ubezpieczen na Zycie S.A.; BZ WBK-Aviva Towarzystwo Ubezpieczen Ogolnych S.A.	Aviva International Insurance Limited	17,0%	n.a.	Bank Zachodni WBK SA	Y
2015	BRE Ubezpieczenia Towarzystwo Ubezpieczen i Reasekuracji S.A.	AVANSSUR S.A.	100,0%	140	mFinanse S.A.	Y

Source: Deloitte Intelligence

There were 14 insurance related transactions on the Polish insurance market from 2015 until 2019 Sept. By the time of the cut-off date in the examined period, all of the deals were completed.

Recent transactions since the last issue of the M&A study

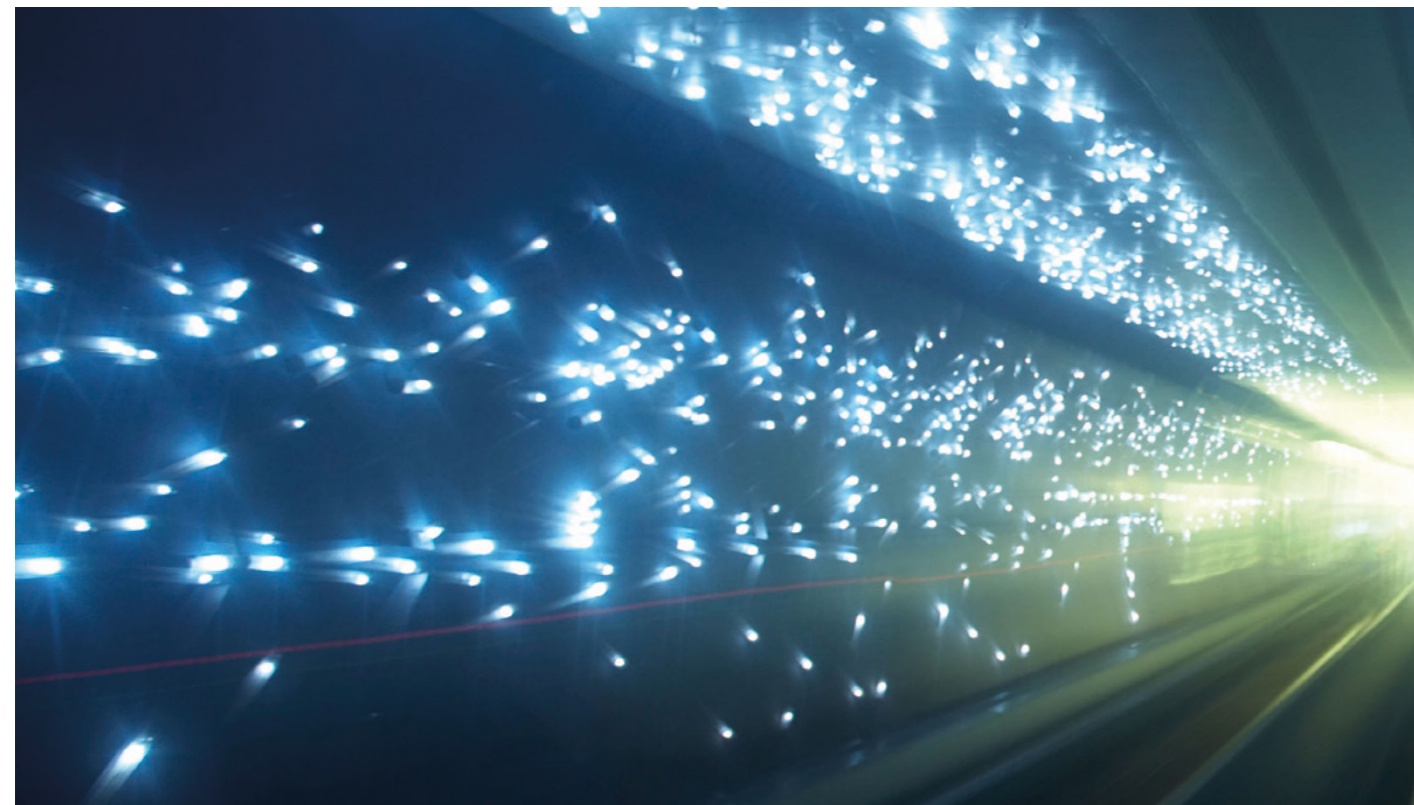
In 2019, InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna, a subsidiary of Vienna Insurance Group AG acquired an undisclosed majority stake in Towarzystwo Ubezpieczen Wzajemnych (TUW) for an undisclosed consideration. The acquisition will help InterRisk to strengthen its position in the non-life market.

Generali Finance Sp. z o.o. acquired a 51% stake in Bezpieczny.pl sp. z o.o., a Poland-based company engaged in the internet sale of insurance products for a consideration of EUR 10m. This acquisition will enable Generali to enhance its sales via the Bezpieczny.pl platform. This will also expand Generali's capacities in the area of e-commerce.

Previous major transactions since 2015

The top acquisitions of the past 3 years where the sales amount was made public included Latona S.A, which was acquired by Indigo Underwriters Ltd for EUR 123.95m,

and Bank Pekao SA, a Poland-based banking group which acquired several assets from UniCredit Group for EUR 142m.



Regulatory

Industry regulators

The main regulator in the Polish Insurance sector has been KNF, the Polish Financial Supervision Authority since 2006. KNF exercises supervision over the financial market, and its aim is to ensure the proper functioning of the insurance market, its stability, security and transparency and to ensure that the interests of the market's participants are protected.

Polish Insurance Association (PIU) is a local trade organization established in 1990 and representing all insurance firms operating in Poland. PIU's main task is to support the legislature in enacting law. The Association also works to raise public awareness of insurance and pursue a multilateral dialogue on the development of the insurance sector in Poland.

Insurance related acts

- Act of May 2003 – on insurance mediation.
- Act of May 2003 – compulsory insurance, Insurance Guarantee Fund and the Polish Motor Insurers' Bureau.
- Act of April 2005 – the supplementary supervision of credit institutions, insurance companies and investment firms in a financial conglomerate.
- Act of September 2015 – insurance and reinsurance activities.
- Act of July 2016 – on financial market supervision
- Decree on specific accounting principles for insurance and reinsurance companies

The Czech Republic



Macroeconomic environment

In the Czech Republic, real GDP grew by 2.9% in 2018, supported by vigorous domestic demand owing to a tight labour market, strong wage growth and robust fixed capital formation. In 2018, private consumption and a very robust growth in investment are the main economic drivers.

Consumer price inflation decreased by 0.4% points in 2018, compared to steady acceleration in the previous years.

Consumption was boosted mainly by the lowest unemployment rate and by growing nominal wages. After falling from 5.0% to 2.2% in the last 4 years, the unemployment rate remained low in 2018 and is expected to remain so in the next year.

Despite stable GDP and revenue growth in 2018, the budget surplus decreased by 0.7% points, and is expected to shrink to an average of 0.7% in the next 3 years. Public debt declined significantly by 2.1% points to 32.5% from 2017 to 2018, as the budget balance improved and growth picked up.

Table 8. Macroeconomic environment in Czech Republic

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	168 553	176 286	192 147	208 003	8,3%	●
Nominal GDP/capita (EUR)	15 986	16 685	18 142	19 572	7,9%	●
GDP (% real change pa)	5,4%	2,4%	4,5%	2,9%	-1,6%	●
Consumer prices (% change pa)	0,3%	0,7%	2,4%	2,0%	-0,4%	●
Recorded unemployment (%)	5,0%	3,9%	2,9%	2,2%	-0,7%	●
Budget balance (% of GDP)	-0,6%	0,7%	1,6%	0,9%	-0,7%	●
Public debt (% of GDP)	39,9%	36,8%	34,6%	32,5%	-2,1%	●

Source: EIU, Eurostat



Insurance market trends

Total GWP increased by 6.2% from 2015 to 2018 with an annual 2.0% growth rate. The market remains relatively limited but is growing in size and scope.

Both main subsectors of the industry increased in business volume year over year in 2017. In 2018, the life segment's GWP dropped by 3.0%, while that of the non-life segment increased by 5.2%. The non-life growth rate was mainly driven by motor insurance products.

Despite declining premiums of the previous years, the profitability of the industry was slightly growing in the last 4 years.

In 2018, the life and non-life segments' GWP accounted for 36.3% and 63.7% of total market GWP, respectively.

Insurance penetration has been falling steadily since 2015, mainly due to the shrinking life insurance segment. In 2018, total penetration was 2.9%, down by 0.2%

points from 2017, which is relatively strong in the CEE region, but there is still room for expansion in the industry.

In 2018, GWP per capita was EUR 556, up by 2.2% points from 2017, which is above the CEE average of EUR 387.

Paid claims per GWP was 59.5% in 2018, 7% down from 2017.

Table 9. Insurance market in Czech Republic

GROSS WRITTEN PREMIUMS Product portfolio (EUR mn)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	2 310	2 205	2 255	2 186	-3,0%	●
Non-Life	3 366	3 243	3 651	3 841	5,2%	●
Total	5 676	5 448	5 906	6 027	2,1%	●

Insurance penetration						
Life	1,4%	1,3%	1,2%	1,1%	-0,1%	●
Non-Life	2,0%	1,8%	1,9%	1,8%	-0,1%	●
Total	3,4%	3,1%	3,1%	2,9%	-0,2%	●

GWP / Capita (EUR)						
	535	513	556	569	2,2%	●

Total Paid Claims						
Life	1 894	1 662	1 670	1 677	0,5%	●
Non-life	1 794	1 866	2 112	1 911	-9,5%	●
Total	3 688	3 528	3 781	3 588	-5,1%	●

Paid claims / GWP						
Life	82,0%	75,4%	74,1%	76,7%	2,7%	●
Non-Life	53,3%	57,5%	57,8%	49,8%	-8,1%	●
Total	65,0%	64,8%	64,0%	59,5%	-4,5%	●

Source: Xprimm



Insurance market

There were 17 life insurers and 23 non-life insurers in the Czech Republic, 15 of which operated in both segments in 2018. The market is dominated by the Generali and Vienna Insurance Groups as both companies operate through multiple entities and control about two thirds of the market. Therefore, the market is, in fact, more concentrated than it appears.

The above-mentioned two insurance groups (Generali, VIG) earned 59.6% of life insurance premiums and 61% of non-life insurance premiums.

Table 10. Life insurers in the Czech Republic, 2018

List of Life Insurers in Czech Republic end of 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank	
1	ČESKÁ pojišťovna	293	17,1%	Generali	Yes	-
2	Pojišťovna České spořitelny*	271	15,9%	Vienna Insurance Group	Yes	▲1
3	KOOPERATIVA pojišťovna	258	15,1%	Vienna Insurance Group	Yes	▼-1
4	NN Životní pojišťovna N.V.	147	8,6%	NN	No	-
5	ČSOB Pojišťovna	139	8,1%	KBC	Yes	-
6	GENERALI Pojišťovna	113	6,6%	Generali	Yes	-
7	ALLIANZ pojišťovna	110	6,5%	Allianz	Yes	-
8	MetLife Europe	93	5,5%	MetLife	Yes	-
9	ČESKÁ podnikatelská pojišťovna	83	4,9%	Vienna Insurance Group	Yes	-
10	KOMERČNÍ pojišťovna	51	3,0%	Societe Generale	Yes	-
11	AEGON Pojišťovna	48	2,8%	Aegon (NN)	Yes	-
12	UNIQA pojišťovna	43	2,5%	Uniqa	Yes	-
13	AXA životní pojišťovna	40	2,4%	AXA	Yes	-
14	BNP Paribas Cardif Pojišťovna	8	0,4%	BNP Paribas	Yes	-
15	ERGO pojišťovna	6	0,3%	Munich Re	Yes	-
16	MAXIMA pojišťovna	3	0,2%	Mella Holding	Yes	-
17	Hasičská vzájemná pojišťovna	0	0,0%	Fire Fighters Association	Yes	-
Total	1 708	100,0%				

Source: Xprimm

Note: (*) Pojišťovna České spořitelny merged with KOOPERATIVA pojišťovna on 1 January 2019

Note: () reflects the new major shareholder after a recent acquisition, however was not effective as at end of 2018.

Table 11. Non-life insurers in the Czech Republic, 2018

List of Non-Life Insurers in Czech Republic end of 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank	
1	ČESKÁ pojišťovna	787	24,0%	Generali	Yes	-
2	KOOPERATIVA pojišťovna	704	21,5%	Vienna Insurance Group	Yes	-
3	ALLIANZ pojišťovna	396	12,1%	Allianz	Yes	-
4	ČESKÁ podnikatelská pojišťovna	270	8,2%	Vienna Insurance Group	Yes	-
5	ČSOB Pojišťovna	256	7,8%	KBC	Yes	-
6	GENERALI Pojišťovna	236	7,2%	Generali	Yes	-
7	UNIQA pojišťovna	227	6,9%	Uniqa	Yes	-
8	BNP Paribas Cardif Pojišťovna	90	2,7%	BNP Paribas	Yes	-
9	DIRECT pojišťovna	54	1,6%	VIGO Finance	No	▲1
10	AXA pojišťovna	50	1,5%	AXA	Yes	▼-1
11	SLAVIA pojišťovna	32	1,0%	SPGroup	No	-
12	ERV Evropská pojišťovna	26	0,8%	Munich Re	No	▲1
13	Pojišťovna VZP	23	0,7%	VZP (Czech government)	No	▲2
14	Hasičská vzájemná pojišťovna	22	0,7%	Fire Fighters Association	Yes	▼-2
15	ČESKÁ pojišťovna ZDRAVÍ	17	0,5%	Česká pojišťovna (Generali)	No	▼-1
16	ERGO pojišťovna	16	0,5%	Munich Re (Euroins Insurance Group LLC)	Yes	▲4
17	AXA životní pojišťovna	15	0,5%	AXA	No	-
18	D.A.S. Rechtsschutz AG	14	0,4%	Munich Re	No	-
19	HDI Versicherung AG	14	0,4%	HDI Versicherung	No	▼-3
20	KOMERČNÍ pojišťovna	13	0,4%	Societe Generale	Yes	▼-1
21	MAXIMA pojišťovna	10	0,3%	Mella Holding	Yes	-
22	MetLife Europe	7	0,2%	MetLife	Yes	-
23	Pojišťovna České spořitelny*	4	0,1%	Vienna Insurance Group	Yes	-
Total	3 283	100,0%				

Source: Xprimm

Note: (*) Pojišťovna České spořitelny merged with KOOPERATIVA pojišťovna on 1 January 2019

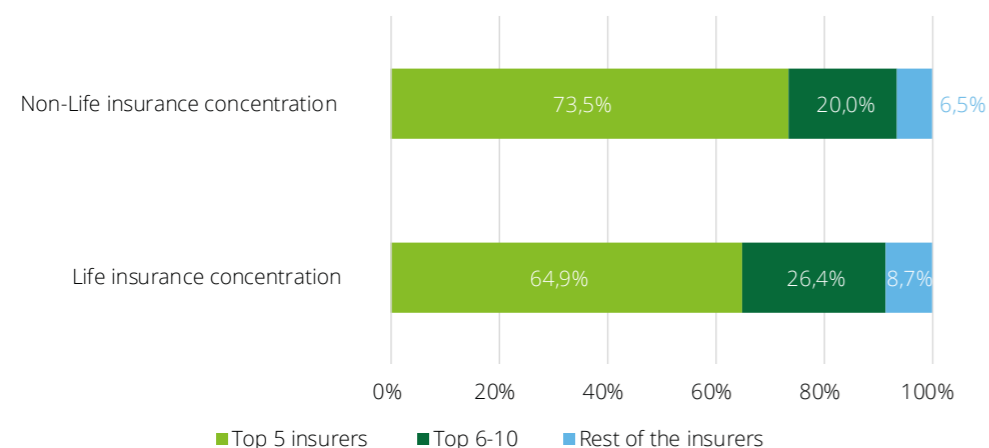
Note: () reflects the new major shareholder after a recent acquisition, however was not effective as at end of 2018.

The life insurance market is highly concentrated. Based on GWP, the top five companies control 64.9% of the market. The rest of the market is controlled by 18 other insurance companies.

Based on the GWP in 2018, the non-life segment is almost twice as large in size as the life segment. The non-life market is also highly concentrated, with the five largest firms accounting for 73.5% of the total GWP.

There are plenty of relatively small insurers in both segments, which means there is still room for consolidation.

Figure 16. Market concentration in Czech Republic



Source: Xprimm, Deloitte Intelligence



M&A activity

Table 12. M&A transactions in the Czech Republic 2015-2019 September

List of insurance M&A deals in Czech Republic 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2019	Defend Insurance Group sro	Fortegra Financial Corporation	100,0%	n.a.	Undisclosed seller	Y
2019	ERGO Insurance Company; ERGO Asigurari SA; ERGO pojistovna, a.s.	Euroins Insurance Group LLC	100,0%	n.a.	Munich Re / ERGO	N
2018	Chytrhonza.cz, s.r.o.	DRFG	79,50%	n.a.	Aegon NV	Y
2018	Kooperativa pojištovna, a.s, Pojištovna České sporitelny, a.s*	Vienna Insurance Group	100,0%	n.a.	Vienna Insurance Group	Y
2018	Direct Pojistovna	Odyssey 44	50,0%	n.a.	VIGO Finance a.s.	Y
2018	Aegon Pojistovna, a.s.	NN Group N.V.	100,0%	155	Aegon NV	Y
2016	AIG	Fairfax Financial Holdings	100,0%	n.a.	AIG	Y
2016	Wuestenrot pojistovna; Wuestenrot zivotni pojistovna, a.s.	Allianz	100%	25	Wuestenrot & Wuerttembergische AG	Y
2015	MAXIMA pojistovna a.s	Mella Holdings B.V.	67,0%	13	Undisclosed seller	Y
2015	Direct Pojistovna, a.s.	Vigo Investments	100,0%	n.a.	Zavarovalnica Triglav DD	Y

Source: Deloitte Intelligence

Note: (*) effect from 1 January 2019

There were nine completed transactions and one acquisition still ongoing in the Czech insurance market from 2015 until September 2019.

Recent transactions since the last issue of the M&A study

In 2019, Fortegra Financial Corporation acquired an undisclosed majority stake for an undisclosed consideration in Defend Insurance Group s.r.o., a Czech Republic-based insurance broker providing automotive specialty insurance solutions and claims administrator in Central Europe. The acquisition will enable Fortegra to expand its footprint across Europe and further develop and improve on its shared vision.

Euroins Insurance Group LLC, a Bulgaria-based provider of general insurance products and services agreed to acquire ERGO Asigurari SA, ERGO Insurance Company and ERGO pojistovna from ERGO Group AG for an undisclosed consideration. EIG will acquire all shares in the companies held by Ergo. The acquisition is in line with Euroins's strategy to expand its operations in the CEE region.

In 2019, a Czech Republic-based investment group, DRFG, a.s. acquired a 100% stake in Chytrý Honza a.s., the Czech Republic-based online insurance and mortgage aggregator and broker using webpage chytryhonza.cz, from Aegon NV and Mr. Jiří Paták. The transaction had a maximum estimated value of ~EUR 19.3m.

Previous major transactions since 2015

On 1 January 2019, Kooperativa pojišťovna, a.s., Vienna Insurance Group merged with its sister company Pojišťovna České spořitelny, a.s., Vienna Insurance Group, thus creating the largest insurance company on the Czech market.

In 2018, Odyssey 44 acquired a 50% stake of Direct Pojistovna from VIGO Investments for an undisclosed consideration. Previously in 2015, Vigo Investments acquired Direct Pojistovna, a.s. from Triglav for an undisclosed consideration.

In 2018, NN Group N.V. acquired 100% of Aegon Pojistovna, a.s. from Aegon NV for EUR 155m including the Slovakian assets of Aegon. The transaction was completed in January 2019.



Regulatory

Industry regulators

The main regulator in the Czech insurance industry is CNB, the Czech National Bank, which cooperates closely with the European Insurance and Occupational Pensions Authority. CNB is responsible for authorising insurance companies to operate legally and for ensuring the proper functioning of the insurance sector in the Czech Republic.

The Czech Insurance Association (CAP) is the principal industry body that was established in 1994. CAP was founded in order to support and organise mutual aid and cooperation between insurance and reinsurance companies. CAP's main objectives include: to defend and represent interests of member insurance companies, initiate amendments to legislation, prepare opinions to drafts of legal acts, and promote the importance of insurance.

Insurance related acts

- Insurance Act (277/2009 Coll. plus amendments)
- Civil Code Act (89/2012 Coll.)
- Motor Third Party Liability Act (168/1999 Coll. plus amendments)
- Insurance Distribution Act (in force from December 1, 2018)



Slovakia



Macroeconomic environment

The Slovak economy expanded by 4.1% in 2018, and showed a stable GDP growth during the last 4 years. Real GDP growth was mainly driven by strong investment and strengthening private consumption.

Inflation averaged 2.5% in 2018, mainly driven by a sharp uptick in global oil prices and strong wage growth.

The main indicator of economic growth was increased consumption fueled by rising wages, while the unemployment rate fell to historical lows.

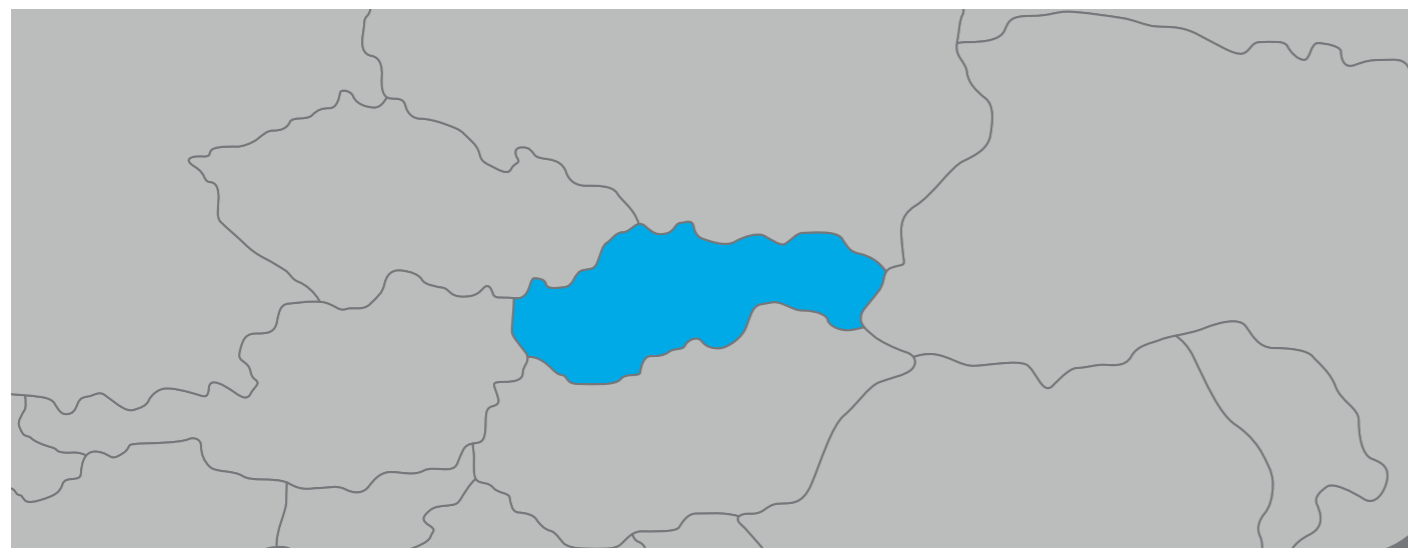
Unemployment rate decreased to 5.4% from 11.5% since 2015, and is expected to further decline in the next 3 years.

In 2018, the government budget deficit narrowed to 0.7% of GDP, which along with nominal GDP growth led to a decline in the public debt/GDP ratio to 48.9% from 50.9% in 2017.

Table 13. Macroeconomic environment in Slovakia

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	78 896	81 154	84 985	90 202	6,1%	●
Nominal GDP/capita (EUR)	14 506	14 907	15 602	16 400	5,1%	●
GDP (% real change pa)	3,9%	3,3%	3,4%	4,1%	0,7%	●
Consumer prices (% change pa)	-0,3%	-0,5%	1,4%	2,5%	1,1%	●
Recorded unemployment (%)	11,5%	9,5%	7,1%	5,4%	-1,7%	●
Budget balance (% of GDP)	-2,7%	-2,2%	-1,0%	-0,7%	0,3%	●
Public debt (% of GDP)	52,3%	51,8%	50,9%	48,9%	-2,0%	●

Source: EIU, Eurostat



Insurance market trends

Life and non-life GWP increased by 11.8% and 3.7%, respectively, on a year over year basis. In 2017, both segments expanded significantly; however, in 2018 only the non-life segment strengthened by 7.9%, while the life segment declined by 4.3% year over year. As a result, total insurance market GWP increased by 9.3% from 2015 to 2018 with an annual growth rate of 3.0%.

In 2018, life and non-life GWP accounted for 46.5% and 53.5% of total market GWP, respectively

Insurance penetration was 2.4% in 2018, down by 0.2% points from 2015. In 2018, GWP per capita was EUR 401, which is higher than the CEE average of EUR 387. Paid claims per GWP increased by 4.4% to 59.8% from 55.4% in 2017.

Table 14. Insurance market in Slovakia

GROSS WRITTEN PREMIUMS Product portfolio (EUR mn)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	1 055	960	1 073	1 027	-4,3%	●
Non-Life	965	1 024	1 094	1 181	7,9%	●
Total	2 020	1 984	2 167	2 208	1,9%	●

Insurance penetration						
Life	1,3%	1,2%	1,3%	1,1%	-0,1%	●
Non-Life	1,2%	1,3%	1,3%	1,3%	0,0%	●
Total	2,6%	2,4%	2,6%	2,4%	-0,1%	●

GWP / Capita (EUR)						
	371	364	398	401	0,9%	●

Total Paid Claims						
Life	661	659	680	741	9,0%	●
Non-life	494	501	520	578	11,2%	●
Total	1 155	1 160	1 200	1 319	9,9%	●

Paid claims / GWP						
Life	62,7%	68,6%	63,4%	72,2%	8,8%	●
Non-Life	51,2%	48,9%	47,5%	49,0%	1,4%	●
Total	57,2%	58,5%	55,4%	59,8%	4,4%	●

Source: Xprimm



Insurance market

There were 14 life insurance and 11 non-life insurance companies in Slovakia. Out of the 11 non-life insurers, all of the companies operated in both segments in 2018.

Table 15. Life insurers in Slovakia, 2018

List of Life Insurers in Slovakia 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank	
1	KOOPERATIVA	347	32,9%	Vienna Insurance Group	Yes	▲1
2	Allianz	233	22,1%	Allianz	Yes	▼-1
3	Generali	102	9,7%	Generali	Yes	▲2
4	Komunálna	100	9,5%	Vienna Insurance Group	Yes	-
5	NN Životná	75	7,1%	NN	No	▲1
6	ČSOB	53	5,0%	KBC	Yes	▲2
7	AEGON	51	4,8%	NN	No	-
8	UNIQA	32	3,0%	Uniqua	Yes	▲2
9	Wüstenrot	29	2,8%	Wüstenrot Versicherungs-AG	Yes	-
10	Poštová	14	1,3%	Poštová banka, a.s.	Yes	▲2
11	Union	9	0,9%	Achmea B. V.	Yes	▲2
12	BNP Paribas Cardif	6	0,6%	BNP PARIBAS	Yes	▲2
13	ERGO	3	0,3%	Munich Re (Generali)	Yes	▲2
14	Metlife	n.a.	n.a.	n.a.	No	-
Total	1 054	100,0%				

Source: Xprimm

Note: () reflects the new major shareholder after a recent acquisition, however was not effective as at end of 2018.

Table 16. Non-life insurers in Slovakia, 2018

List of Non-Life Insurers in Slovakia 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank	
1	Allianz	396	35,0%	Allianz	Yes	-
2	KOOPERATIVA	273	24,1%	Vienna Insurance Group	Yes	-
3	Generali	138	12,2%	Generali	Yes	-
4	UNIQA	98	8,6%	Uniqua	Yes	-
5	KOMUNÁLNA	83	7,3%	Vienna Insurance Group	Yes	-
6	Union	48	4,2%	Achmea B. V.	Yes	-
7	ČSOB	43	3,8%	KBC	Yes	-
8	Wüstenrot	27	2,4%	Wüstenrot Versicherungs-AG	Yes	-
9	BNP Paribas	24	2,1%	BNP PARIBAS	Yes	-
10	Poštová	2	0,2%	Poštová banka, a.s.	Yes	▲2
11	ERGO	1	0,1%	Munich Re (Generali)	Yes	▲2
Total	1 133	100,0%				

Source: Xprimm

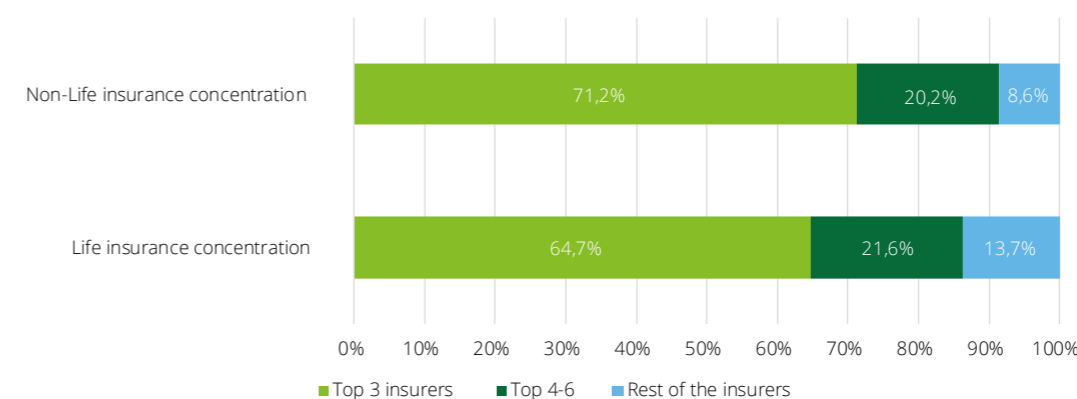
Note: () reflects the new major shareholder after a recent acquisition, however was not effective as at end of 2018.

The life insurance market is highly concentrated with the top three companies having a 64.7% share of the market in terms of GWP. The rest of the market is distributed among 10 players.

The non-life segment was of almost the same size as the life segment based on GWP in 2018. The non-life segment had a higher concentration rate with the top three companies accounting for 71.2% of the total GWP. The rest of the market is split among 8 players.

The largest two players in both markets are Allianz and Kooperativa, which together account for 55.0% and 59.0% of the life and non-life segment, respectively.

Figure 17. Market concentration in Slovakia



Source: Xprimm, Deloitte Intelligence



M&A activity

Table 17. List of M&A transactions in Slovakia 2015-2019 September

List of insurance M&A deals in Slovakia 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2019	ERGO Poistovna, as	Generali	100,0%	n.a.	Munich Re / ERGO	N
2018	DAS Rechtsschutz-Versicherungs-AG	Allianz	100,0%	n.a.	Munich Re / ERGO	Y
2018	Aegon Slovensko	NN Group N.V.	100,0%	155	Aegon NV	Y
2015	DOVERA	Penta Investments Limited	50,0%	n.a.	Prefto Holdings	Y
2015	AIG	Fairfax Financial Holdings	100,0%	n.a.	AIG	Y

Source: Deloitte Intelligence

There were four closed insurance related transactions on the Slovakian insurance market from 2015 until September 2019. One transaction is currently pending.

Recent transactions since the last issue of the M&A study

Assicurazioni Generali S.p.A., the listed Italy-based company providing insurance services agreed to acquire ERGO Poistovna, a.s., a Slovakia-based insurance company from Ergo International AG for an undisclosed consideration. Generali will acquire the life, non-life and composite portfolios of the Ergo companies. The transaction is subject to regulatory and anti-trust approvals. In 2017, the gross written premium of the three acquired companies totaled EUR 20.6m.

Previous major transactions since 2015

Allianz acquired DAS for an undisclosed consideration in 2018. The sale is in line with ERGO's internationalization strategy of expanding its position only in developed European markets like Poland and Greece and growth markets like India and China.

In 2018, NN Group N.V. announced that it would acquire Aegon Slovensko, the Slovakian subsidiary of Aegon NV for EUR 155m.



Regulatory

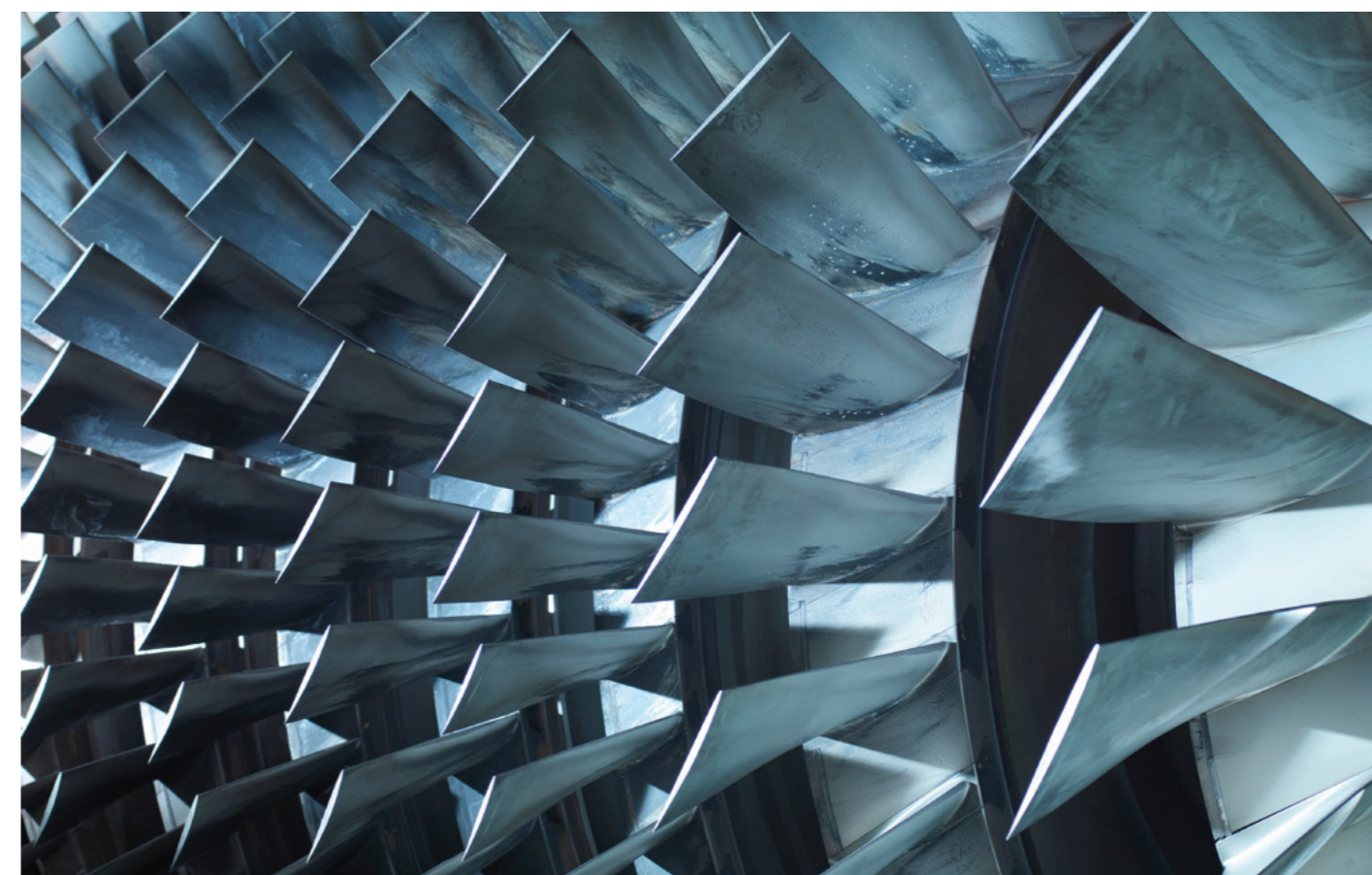
Industry regulators

The National Bank of Slovakia (NBS) is the regulator and supervisor of the Slovakian insurance sector, as well as all financial services. NBS is responsible for licensing insurance companies, determining macroprudential policy in line with the EU's Single Supervisory Mechanism, and supporting the National Resolution Council.

The Slovak Insurance Association (SLASPO) is the principal trade body, which is a professional association of commercial insurance companies. The aim of SLASPO is to promote the common interests of its members in their relationship with national authorities and the wide general public.

Insurance related acts

- Act no. 39/2015 Coll. on insurance
- Act no. 186/2009 Coll. on financial intermediation and financial counselling
- Act no. 381/2001 Coll. on compulsory motor third-party liability insurance
- EU Solvency II Directive (2009/138/EC)
- Act no. 747/2004 Coll. on supervision of the financial market
- EU Insurance Distribution Directive (2016/97/EU)



Hungary



Macroeconomic environment

Real GDP increased by 5.0% in 2018 from 4.2% in 2017, mainly driven by the lingering impact of tax cuts and increased government expenditure. GDP growth in 2018 shows the strongest performance since 2015.

Consumer prices increased by 2.8% in 2018, the highest since 2015, and are expected to further increase in the next few years owing to robust growth in private consumption.

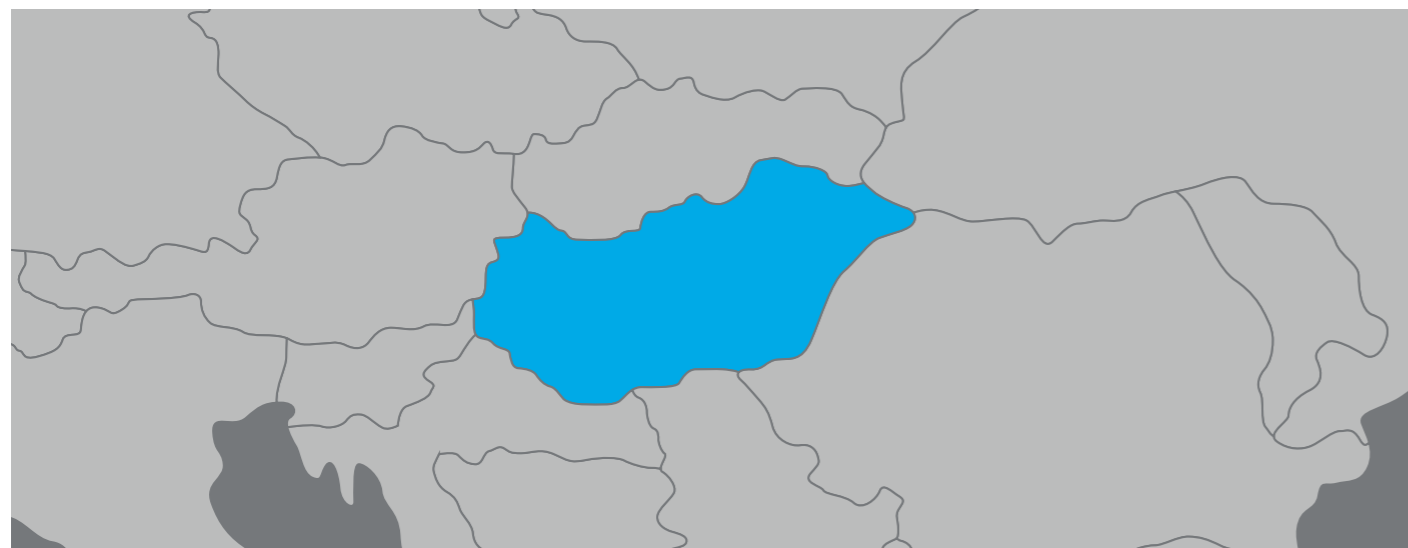
The recorded unemployment rate in Hungary fell to 3.7% in 2018 from 4.2% in the previous year. Labour shortage and the lack of skilled workers remained an issue to be dealt with in most fields of the economy. The labour shortage is mainly attributable to the migration of Hungarians to more attractive economies abroad.

Budget deficit increased by 0.2% points to 2.2% in 2018, while public debt dropped to 71% in 2018 from 73.7% in 2017.

Table 18. Macroeconomic environment in Hungary

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	110 723	113 731	123 495	131 935	6,8%	●
Nominal GDP/capita (EUR)	11 317	11 660	12 703	13 602	7,1%	●
GDP (% real change pa)	3,3%	2,1%	4,2%	5,0%	0,8%	●
Consumer prices (% change pa)	-0,1%	0,4%	2,4%	2,8%	0,4%	●
Recorded unemployment (%)	6,8%	5,1%	4,2%	3,7%	-0,5%	●
Budget balance (% of GDP)	-1,9%	-1,7%	-2,0%	-2,2%	-0,2%	●
Public debt (% of GDP)	76,8%	76,1%	73,7%	71,0%	-2,7%	●

Source: EIU, Eurostat



Insurance market trends

Life and non-life GWP increased by 5.2% and 11.1% year over year in 2017, respectively, and both segments overperformed the 2016 growth rate. In 2018, life GWP dropped by 0.1% points to EUR 1 483m, while non-life GWP increased by 6.6%, but could not overperform the growth rate of 2017. As a result, total insurance GWP increased by 19.4% from 2015 to 2018 with an annual growth rate of 6.1%.

In 2018, life and non-life GWP accounted for 46.6% and 53.4% of total market GWP, respectively

Insurance penetration was 2.4% in 2018 and remained broadly flat between 2017 and 2018. GWP per capita was EUR 328 in 2018, which shows an increasing trend since 2015 although it is still lower than the CEE average of EUR 387.

In 2018, paid claims per GWP was 58.3%, down by 3.6% from 61.9% in 2017.

Table 19. Insurance market in Hungary

GROSS WRITTEN PREMIUMS Product portfolio (EUR mn)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	1 364	1 411	1 485	1 483	-0,1%	●
Non-Life	1 304	1 438	1 597	1 702	6,6%	●
Total	2 668	2 849	3 082	3 185	3,4%	●

Insurance penetration						
Life	1,2%	1,2%	1,2%	1,1%	-0,1%	●
Non-Life	1,2%	1,3%	1,3%	1,3%	0,0%	●
Total	2,4%	2,5%	2,5%	2,4%	-0,1%	●

GWP / Capita (EUR)						
	273	292	317	328	3,6%	●

Total Paid Claims						
Life	1 048	1 095	1 175	1 132	-3,6%	●
Non-life	588	629	733	724	-1,1%	●
Total	1 636	1 724	1 908	1 857	-2,7%	●

Paid claims / GWP						
Life	76,8%	77,6%	79,1%	76,4%	-2,8%	●
Non-Life	45,1%	43,8%	45,9%	42,6%	-3,3%	●
Total	61,3%	60,5%	61,9%	58,3%	-3,6%	●

Source: Xprimm



Insurance market

There were 15 life insurer and 19 non-life insurer companies in Hungary, 12 of which operated in both segments in 2018.

Table 20. List of life insurers in Hungary, 2018

List of Life Insurers in Hungary end of 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank	
1	NN Biztosító	248	16,1%	NN	No	-
2	Magyar Posta Életbiztosító	225	14,6%	Talanx Group	Yes	-
3	Groupama Biztosító	155	10,1%	Groupama	Yes	-
4	UNION Biztosító*	149	9,7%	Vienna Insurance Group	Yes	▲5
5	Generali Biztosító	148	9,6%	Generali	Yes	▼-1
6	Allianz Hungária	140	9,1%	Allianz	Yes	-
7	Aegon	128	8,3%	Aegon	Yes	▼-2
8	Uniqa Biztosító	80	5,2%	Uniqa	Yes	▼-1
9	MetLife Europe Fióktelep	64	4,2%	Metlife	Yes	▼-1
10	Signal IDUNA	55	3,5%	SIGNAL IDUNA	Yes	▲1
11	CIG Pannónia Életbiztosító	51	3,3%	VINTON Vagyonkezelő	Yes	▼-1
12	K&H Biztosító	43	2,8%	KBC	Yes	▲2
13	Grawe Életbiztosító	42	2,7%	Grazer Wechselseitige Versicherung	No	▲3
14	Ergo Életbiztosító	8	0,5%	Munich Re (Generali)	No	▲3
15	Cardif Életbiztosító	8	0,5%	BNP Paribas	Yes	▲3
Total	1 544	100,0%				

Source: MABISZ

Note: (*) ERSTE Biztosító, UNION Biztosító and Vienna Life Biztosító merged together on 31 March 2018

Note: () reflects the new major shareholder after a recent acquisition, however was not effective as at end of 2018.

Table 21. List of non-life insurers in Hungary, 2018

List of Non-Life Insurers in Hungary end of 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank	
1	Allianz Hungária	365	20,7%	Allianz	Yes	-
2	Generali Biztosító	289	16,4%	Generali	Yes	-
3	Aegon	231	13,1%	AEGON	Yes	-
4	Groupama Biztosító	192	10,9%	Groupama	Yes	-
5	Uniqa Biztosító	132	7,5%	Uniqa	Yes	-
6	K&H Biztosító	114	6,5%	KBC	Yes	-
7	UNION Biztosító	112	6,4%	Vienna Insurance Group	Yes	-
8	Wáberer Hungária Biztosító	74	4,2%	Waberer's International	No	-
9	KÖBE	40	2,2%	Private individuals	No	▲2
10	Colonnade	37	2,1%	Fairfax	No	▲3
11	Signal Biztosító	34	1,9%	SIGNAL IDUNA	Yes	▼-1
12	Magyar Posta Biztosító	32	1,8%	Talanx Group	Yes	▼-3
13	CIG Pannónia Elso Magyar Általános Biztosító	29	1,6%	CIG Pannónia Életbiztosító	Yes	▼-1
14	Genertel Biztosító	24	1,3%	Generali	No	▼-11
15	Medicover	22	1,3%	Medicover Försakrings Ab	No	▲1
16	Cardif Magyarország	15	0,8%	BNP Paribas	Yes	▲1
17	Európai Utazási Biztosító	11	0,6%	Generali	No	▲1
18	Porsche	5	0,3%	Porsche Bank AG	No	▲1
19	MetLife Europe Fióktelep	3	0,1%	Metlife	Yes	▲2
Total	1 759	100,0%				

Source: MABISZ

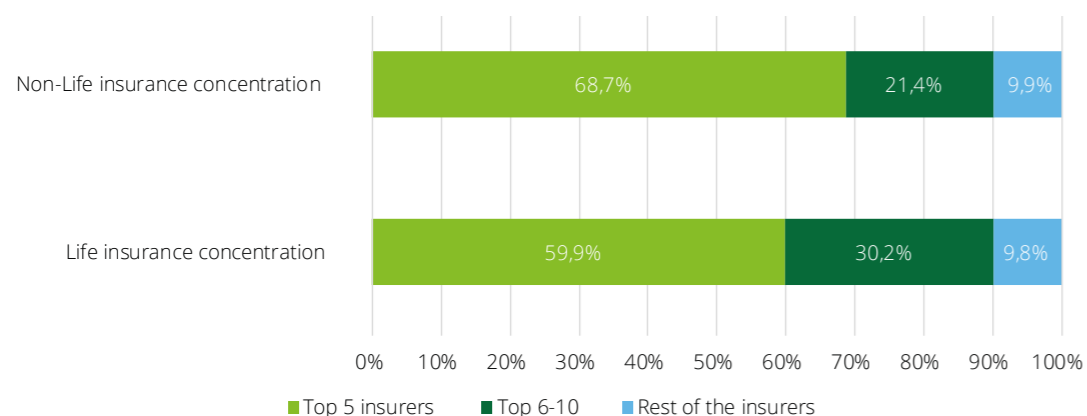
The life insurance market is highly concentrated. Based on GWP, the top five insurers control 59.9% of the market. The rest of the market share is distributed among 10 further companies. In 2018, the market leader was NN with a share of 16.1%.

The non-life segment is even more concentrated than the life segment, with the top five companies accounting for 68.7% of the total GWP. The remaining 31.3% of the market is controlled by other 14 insurers.

The non-life and life segments had almost the same market size based on GWP in 2017. The non-life insurance segment is also highly concentrated, the top five companies account for 68.7% of the total GWP. Earning 20.7% of the total GWP, Allianz is the leading firm in the non-life segment.

Based on GWP in 2018, life insurance and non-life insurance had almost the same market size.

Figure 18. Market concentration in Hungary



Source: Xprimm, Deloitte Intelligence



M&A activity

Table 22. List of M&A transactions in Hungary 2015-2019 September

List of insurance M&A deals in Hungary 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2019	Ergo Eletbiztosito Zrt.; Ergo Versicherung Aktiengesellschaft Magyarorszagj Fioktelepe	Generali	100,0%	n.a.	Munich Re / ERGO	N
2018	Erste Biztosító, Union Biztosító, Vienna Life Biztosító (merger)	Vienna Insurance Group	100,0%	n.a.	Vienna Insurance Group	Y
2017	Netrisk.hu	MCI Capital	100,0%	56,5	Enterprise Investors	Y
2017	MKB Life Insurance	CIG PanNonia Life Insurance	99,0%	n.a.	Versicherungskammer Bayern	Y
2017	MKB General Insurance	CIG PanNonia Life Insurance	99,0%	n.a.	Versicherungskammer Bayern	Y
2015	AIG	Fairfax Financial Holdings	100,0%	n.a.	AIG	Y

Source: Deloitte Intelligence

There were five completed insurance related acquisitions and one merger on the Hungarian insurance market from 2015 until September 2019.

Recent transactions since the last issue of the M&A study

Assicurazioni Generali S.p.A., the listed Italy-based company providing insurance services agreed to acquire Ergo Eletbiztosito Zrt., a Hungary-based life insurance company and Ergo

Versicherung Aktiengesellschaft Magyarorszagj Fioktelepe, a Hungary-based property insurance company, from Ergo International AG for an undisclosed consideration.

Previous major transactions since 2015

In 2017, Vienna Insurance Group announced the merging of Erste Biztosító, Union Biztosító and Vienna Life Biztosító into Union Biztosító. After the deal, Union Biztosító had an approximately 9.5% market share on the life segment and 5.8% on the non-life segment.

As to Insurtech companies, in 2017, MCI Capital, a Poland-based company acquired Netrisk.hu, an online non-life insurance brokerage for EUR 56m.



Regulatory

Industry regulators

The main regulator in the Hungarian Insurance sector is the National Bank of Hungary (MNB), responsible for ensuring the proper functioning and the stability of the financial services sector. MNB led the development of the so-called “ethical life insurance concept” with decrees aimed at improving defective insurance products, limiting costs and enhancing cost transparency.

Insurance related acts

- Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (The Banking Act)
- Act CXXXIX of 2013 on the National Bank of Hungary
- Act CII of 2012 on Insurance Tax
- Act LXII of 2009 on Compulsory Motor Third Party Liability Insurance (MTPL Act)
- Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (AIFCD)
- Anti-money laundering regulations

The Association of Hungarian Insurance companies (MABISZ) was established in 1990 by eight insurance companies, and now represents the interests of 24 member insurers. The activities of MABISZ can be divided into two main areas: the professional advocacy activities of the association and the tasks related to third-party insurance. The aim of the association is to represent the Hungarian insurance profession and to protect its interests.



Romania



Macroeconomic environment

The Romanian economy grew by 4.1% in real terms in 2018 after an exceptional growth of 7% in 2017. Real GDP growth is mainly due to a large increase in private consumption and exports, supported by accommodative economic policies and an improvement of EU economic conditions.

Consumer confidence remained slightly above its long-term average, and there is a strong demand for imports because higher disposable incomes also acted as a drag on growth.

Dropping to 4.1% from 6.8% in 2015, the unemployment rate showed continued improvement in 2018.

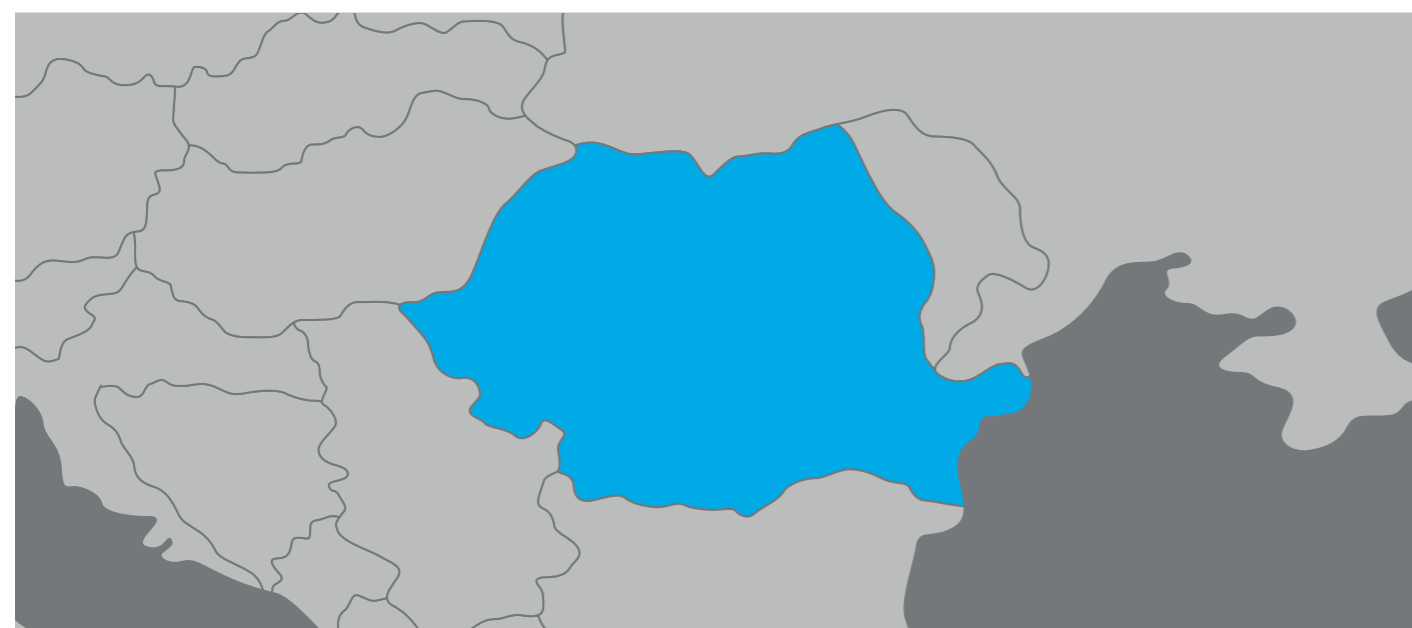
Budget deficit widened to 2.9% in 2018 from 1.5% in 2015 and increased slightly compared to the year before. It is expected to further widen in the next 3 years.

In 2018, public debt remained 35% but is expected to climb up in the next years.

Table 23. Macroeconomic environment in Romania

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	160 298	170 893	187 940	202 884	8,0%	●
Nominal GDP/capita (EUR)	8 064	8 641	9 550	10 404	8,9%	●
GDP (% real change pa)	3,9%	4,8%	7,0%	4,1%	-2,9%	●
Consumer prices (% change pa)	-0,6%	-1,6%	1,3%	4,6%	3,3%	●
Recorded unemployment (%)	6,8%	5,6%	4,8%	4,1%	-0,7%	●
Budget balance (% of GDP)	-1,5%	-2,4%	-2,8%	-2,9%	-0,1%	●
Public debt (% of GDP)	37,7%	37,1%	35,0%	35,0%	0,0%	●

Source: EIU, Eurostat



Insurance market trends

Romania is one of the largest untapped insurance markets in Eastern Europe with considerable growth potential. Regarding companies' product portfolios, the life segment's GWP increased by 16.1% while non-life GWP decreased by 4.0% year over year in 2017. In 2018, both segments expanded and could overperform the 2017 growth rate. Life GWP increased by 1.1%

while the non-life segment widened by 0.4% on a year over year basis. As a result, total insurance market GWP increased by 9% from 2015 to 2018 with an annual growth rate of 2.9%.

In 2018, life and non-life GWP accounted for 20.9% and 79.1% of total market GWP, respectively

Insurance penetration was 1.0% in 2018, down by 0.2% points from 2015. Paid claims per GWP increased by 16.3% to 60.9% in 2018 from 52.3% in 2017.

In 2018, GWP per capita was EUR 107, which is below the CEE average of EUR 387. It means, there is room for expansion.

Table 24. Insurance market in Romania

GROSS WRITTEN PREMIUMS Product portfolio (EUR mn)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	355	372	432	437	1,1%	●
Non-Life	1 565	1 719	1 650	1 657	0,4%	●
Total	1 920	2 091	2 082	2 093	0,5%	●

Insurance penetration						
Life	0,2%	0,2%	0,2%	0,2%	0,0%	●
Non-Life	1,0%	1,0%	0,9%	0,8%	-0,1%	●
Total	1,2%	1,2%	1,1%	1,0%	-0,1%	●

GWP / Capita (EUR)						
	97	106	106	107	1,5%	●

Total Paid Claims						
Life	180	158	214	220	2,7%	●
Non-life	849	802	875	1 054	20,5%	●
Total	1 029	960	1 089	1 274	17,0%	●

Paid claims / GWP						
Life	50,7%	42,5%	49,6%	50,4%	0,8%	●
Non-Life	54,2%	46,7%	53,0%	63,6%	10,6%	●
Total	53,6%	45,9%	52,3%	60,9%	8,5%	●

Source: Xprimm



Insurance market

There were 10 life insurer and 10 non-life insurer companies in Romania, four of which operated in both segments in 2018.

Table 25. List of life insurers in Romania, 2018

List of Life Insurers in Romania 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank
1 NN Asigurări de Viață	165	37,8%	NN	No	-
2 BCR Asigurări de Viață VIG	78	17,9%	Vienna Insurance Group	No	-
3 BRD Asigurări de Viață	39	9,0%	Sogecap	No	▲1
4 Allianz-Tiriac Asigurari	31	7,1%	Allianz	Yes	▲1
5 ASIROM VIG	29	6,6%	Vienna Insurance Group	Yes	▲1
6 ERGO Asigurări de Viață	27	6,2%	Munich Re	No	▼-3
7 Generali Romania Asigurare Reasigurare	24	5,5%	Generali	Yes	▲1
8 UNIQA Asigurări de Viață	17	4,0%	Uniqa	Yes	▲1
9 Signal Iduna Asigurare Reasigurare	16	3,7%	SIGNAL IDUNA	No	▲1
10 GRAWE Romania	9	2,2%	n.a.	No	n.a.
Total	437	100,0%			

Source: Xprimm

Table 26. List of non-life insurers in Romania, 2018

List of Non-life Insurers in Romania 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank
1 Societatea de Asigurare Reasigurare CITY Insurance	318	19,2%	Sc Vivendi International SRL	No	-
2 ALLIANZ-TIRIAC	251	15,2%	Allianz	Yes	-
3 OMNIASIG VIG	251	15,2%	Vienna Insurance Group	No	▲1
4 EUROINS Romania Asigurare Reasigurare	216	13,0%	Euroins Insurance Group	No	▼-1
5 GROUPAMA Asigurări	208	12,6%	Groupama	No	-
6 ASIROM VIG	157	9,5%	Vienna Insurance Group	Yes	-
7 GENERALI România	113	6,8%	Generali	Yes	-
8 UNIQA Asigurări	76	4,6%	Uniqa	Yes	-
9 Gothaer Asigurari Reasigurari	33	2,0%	Gothaer	No	▲1
10 P.A.I.D.	33	2,0%	Multiple sharholders	No	▼-1
Total	1 657	100,0%			

Source: Xprimm

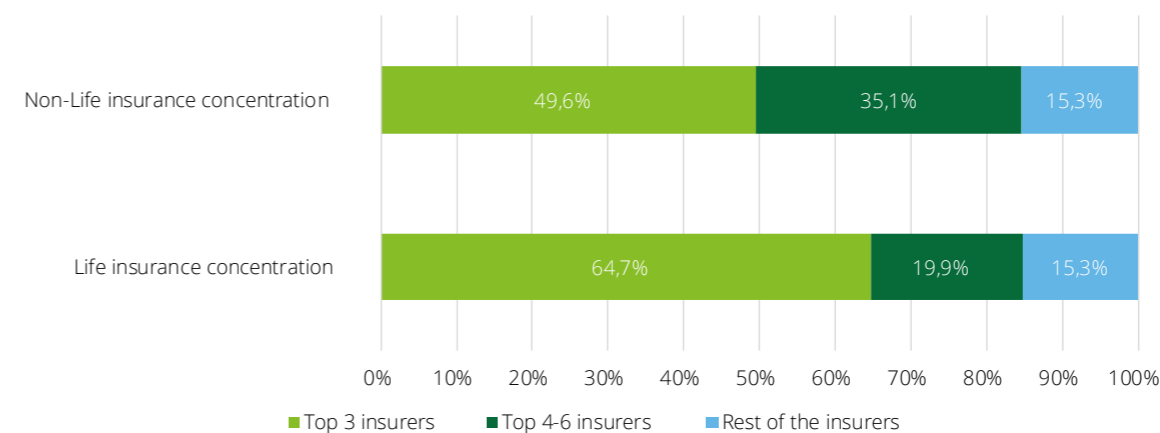
The life insurance market is highly concentrated. Based on GWP, the top three companies, control 64.7% of the market, the rest of the market is distributed among 7 companies.

The life insurance market is led by international groups such as NN, Vienna Insurance Group and Allianz.

The Romanian insurance market is dominated by non-life insurance, which is almost four times larger than the life segment based on GWP in 2018. on-life segment concentration is moderate, less concentrated than the life segment, given that the top three insurers account for only 49.6% of the total GWP. The rest of the market is shared by seven other players.

The biggest individual company in the non-life segment is City Insurance although based on GWP Vienna Insurance Group is the biggest among the other players.

Figure 19. Market concentration in Romania



Source: Xprimm, Deloitte Intelligence



M&A activity

Table 27. List of M&A transactions in Romania 2015-2019 September

List of insurance M&A deals in Romania 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2019	ERGO Insurance Company; ERGO Asigurari SA; ERGO pojistovna, a.s.	Euroins Insurance Group LLC	100%	n.a.	Munich Re / ERGO	N
2017	Societatea de Asigurare-Reasigurare City Insurance S.A.	Berlin London Beteiligungs Holding AG	undisclosed majority	50	Undisclosed seller	Y
2017	AIG	Fairfax Financial Holdings	100,0%	n.a.	AIG	Y
2016	SC AXA Life Insurance S.A.	Vienna Insurance Group	100,0%	n.a.	AXA SA	Y
2016	Credit Europe Asigurari-Reasigurari	Munich Re	100,0%	n.a.	Credit Europe Bank N.V.	Y
2015	SRBA Insurance Broker	Renomia AS	100,0%	n.a.	Undisclosed seller	Y

Source: Deloitte Intelligence

There were five closed transactions and one outstanding on the Romanian insurance market from 2015 until September 2019.

Recent transactions since the last issue of the M&A study

Euroins Insurance Group LLC agreed to a deal to acquire three ERGO companies. They agreed to acquire ERGO Asigurari SA, a Romania-based company engaged in providing non-life insurance products from ERGO Group AG for an undisclosed

consideration. EIG will acquire all shares in the companies held by Ergo. The acquisition is in line with Euroins's strategy to expand its operations in Central and Eastern Europe and to expand and diversify its products offering range.

Previous major transactions since 2015

In 2017, Berlin London Beteiligungs Holding AG acquired an undisclosed majority of Societatea de Asigurare-Reasigurare City Insurance S.A. for EUR 50m.

In 2016, Vienna Insurance Group acquired 100% of Axa Life Insurance SA through its BCR Life and Omniaisig entities.



Regulatory

Industry regulators

The Romanian insurance regulator is the Financial Supervisory Authority (ASF) with three areas of activity: insurance-reinsurance, capital markets, and private pensions. In 2013, ASF replaced the Insurance Supervisory Commission as the insurance regulator in Romania. The ASF provides regulatory oversight and supervision for the activities of insurers and reinsurers and issues relevant rules and directives for their functioning.

UNSAR's main objectives: to protect and represent the interests of Romanian insurance and reinsurance companies and members of the Association; to take part in the improvement of the existent legal framework in the field of insurance, to initiate appropriate legal remedies regarding the modification of the legislation in force, to promote the insurance market activity in Romania and a most sustainable development strategy of the insurance industry at national and international level.

The National Association of Insurance and Reinsurance Companies (UNSAR) is an independent, non-profit organization established in order to develop and extend the collaboration and cooperation in the field of insurance and reinsurance.

Insurance related acts

- Government Emergency Decree No. 93/2012 ('GEO 93/2012')
- Law No. 136/1995 on Insurance and Reinsurance in Romania
- Law No. 32/2000 on the Activity and Supervision of Insurance and Reinsurance Intermediaries
- Law No. 82/1991, the 'Accounting Law'
- Law No. 656/2002 and Law No. 496/2006, the anti-money laundering/combating the financing of terrorism legal framework



Slovenia



Macroeconomic environment

The Slovenian GDP increased by a solid 6.2% in nominal terms to reach EUR 45.9 bn in 2018. Economic growth was mainly due to private consumption driven by the improvement of the labour market. Real GDP growth reached a decade high of 5.0% in 2017 due to private consumption and investment and supported by a cyclical upswing in the euro zone. Then it slowed to a still strong 4.6% in 2018.

The recorded unemployment rate slightly decreased in 2018 by 1.2%, which is still relatively high compared to the neighboring countries.

The budget was balanced for the first time in Slovenia's history in 2017 and reached a small surplus of 0.7% of GDP in 2018.

Public debt declined significantly by 3.6% points to 69.8% from 2017 to 2018 as the budget balance improved and growth picked up.

Table 28. Macroeconomic environment in Slovenia

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	38 837	40 418	43 278	45 948	6,2%	●
Nominal GDP/capita (EUR)	18 718	19 451	20 807	21 880	5,2%	●
GDP (% real change pa)	2,0%	2,6%	5,0%	4,6%	-0,4%	●
Consumer prices (% change pa)	-0,7%	-0,2%	1,5%	1,9%	0,4%	●
Recorded unemployment (%)	12,3%	11,2%	9,5%	8,3%	-1,2%	●
Budget balance (% of GDP)	-2,9%	-1,9%	0,0%	0,7%	0,7%	●
Public debt (% of GDP)	83,0%	78,7%	73,4%	69,8%	-3,6%	●

Source: EIU, Eurostat



Insurance market trends

In 2017, both the life and non-life segments could overperform the previous year's growth rates. Life GWP increased by 7.7% mostly due to the revitalization of the segment, while the non-life segment increased by 4.5% year over year, which was mainly driven by the supplementary segment of health insurance and the motor insurance lines. In 2018 as well, both segments expanded and could overperform the 2017 growth rate. Life GWP increased by 9.7% while the non-life segment increased by 6.5% on a year over

year basis. The Unit-Linked insurance product line grew by 15%, which triggered the life insurance segment to reach such positive trends.

As a result, total insurance market GWP increased by 16.9% from 2015 to 2018 with an annual growth rate of 5.3%.

The industry's GWP increase aligned with the country's nominal GDP and, therefore, the insurance penetration remained 5.1% as in the year before.

In 2018, life and non-life GWP accounted for 30.6% and 69.4% of the total market GWP, respectively

Insurance penetration was 5.1% in 2017 and declined by 0.1% points from 2015 to 2018. In 2018, GWP per capita was EUR 1,115, which is much higher than the CEE average of EUR 387.

Paid claims per GWP decreased by 1.2% to 67.5% in 2018 from 68.7% in 2017.

Table 29. Insurance market in Slovenia

GROSS WRITTEN PREMIUMS Product portfolio (EUR mn)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	594	607	654	717	9,7%	●
Non-Life	1 409	1 460	1 526	1 624	6,5%	●
Total	2 003	2 066	2 179	2 341	7,4%	●

Insurance penetration	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	1,5%	1,5%	1,5%	1,6%	0,0%	●
Non-Life	3,6%	3,6%	3,5%	3,5%	0,0%	●
Total	5,2%	5,0%	5,1%	5,1%	0,0%	●

GWP / Capita (EUR)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
	965	994	1 053	1 115	5,9%	●

Total Paid Claims	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	425	423	477	493	3,4%	●
Non-life	940	950	1 020	1 086	6,5%	●
Total	1 365	1 374	1 497	1 579	5,5%	●

Paid claims / GWP	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	71,5%	69,7%	73,0%	68,8%	-4,2%	●
Non-Life	66,7%	65,1%	66,9%	66,9%	0,0%	●
Total	68,1%	66,5%	68,7%	67,5%	-1,2%	●

Source: Xprim



Insurance market

Despite the small size of the insurance market, the number of insurance companies that may directly perform insurance operations in Slovenia is growing every year.

There were 14 life insurer and 17 non-life insurer companies in Slovenia, 11 of which operated in both segments in 2018.

Table 30. List of life insurers in Slovenia, 2018

List of Life insurance companies in Slovenia 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank	
1	Zavarovalnica TRIGLAV	174	24,3%	State	Yes	-
2	MODRA zavarovalnica	142	19,8%	Kapitalska Druzba (State)	Yes	-
3	Zavarovalnica SAVA	83	11,5%	Sava Re	Yes	-
4	NLB Vita	73	10,2%	KBC / NLB	Yes	-
5	ADRIATIC SLOVENICA	63	8,8%	Kd Group (Generali)	Yes	-
6	MERKUR zavarovalnica	38	5,2%	Merkur	Yes	-
7	Prva osebna zavarovalnica	36	5,0%	n.a.	Yes	-
8	GENERALI zavarovalnica	33	4,6%	Generali	Yes	-
9	Skupna pokojninska družba	31	4,4%	Triglav Group	No	-
10	WIENER STÄDTISCHE	19	2,7%	Vienna Insurance Group	Yes	-
11	GRAWE Zavarovalnica	16	2,3%	Clearstream Banking	Yes	-
12	Sklad obrtnikov in podjetnikov	7	0,9%	n.a.	No	-
13	ERGO zavarovalnica	2	0,3%	Munich Re	Yes	-
14	ERGO Življenjska zavarovalnica	0	0,0%	Munich Re	No	-
Total	717	100,0%				

Source: Xprim

Note: () reflects the new major shareholder after a recent acquisition, however was not effective as at end of 2018.



Table 31. List of non-life insurers in Slovenia, 2018

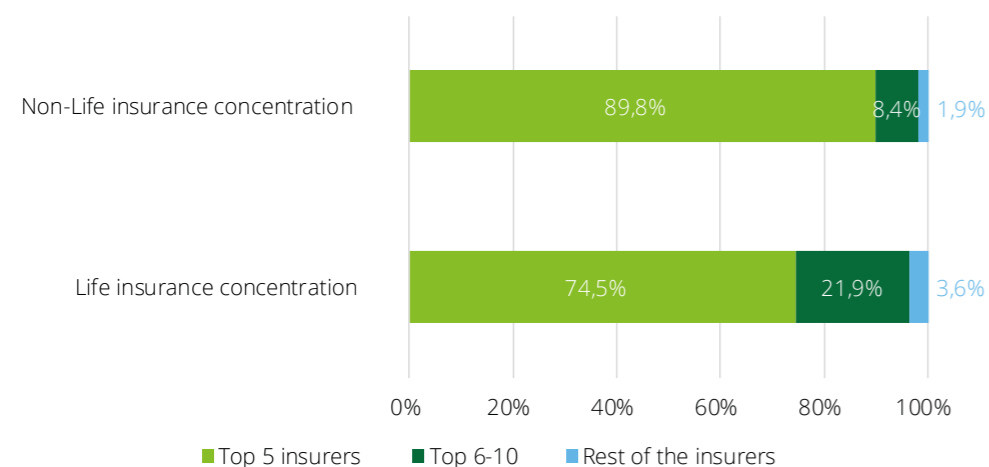
List of Non-Life insurance companies in Slovenia 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank	
1	Zavarovalnica TRIGLAV	459	28,2%	State	Yes	-
2	Zavarovalnica SAVA	310	19,1%	Sava Re	Yes	▲1
3	Vzajemna zdravstvena zavarovalnica	304	18,7%	n.a.	No	▼-1
4	ADRIATIC SLOVENICA	241	14,8%	Kd Group (General)	Yes	-
5	TRIGLAV Zdravstvena zavarovalnica	145	8,9%	Triglav Group	No	-
6	GENERALI zavarovalnica	73	4,5%	Generali	Yes	-
7	GRAWE Zavarovalnica	27	1,7%	Clearstream Banking Sa	Yes	-
8	SID - Prva kreditna zavarovalnica	14	0,9%	Sid Banka	No	-
9	WIENER STÄDTISCHE	12	0,7%	Vienna Insurance Group	Yes	▲1
10	ERGO zavarovalnica	11	0,7%	Munich Re	Yes	▲1
11	MERKUR zavarovalnica	10	0,6%	Merkur	Yes	▲1
12	ALLIANZ zavarovalnica	9	0,5%	Allianz	No	▼-3
13	NLB Vita	4	0,2%	KBC	Yes	-
14	ALLIANZ ZAGREB dioničko društvo za osiguranje	3	0,2%	Allianz	No	n.a.
15	ARAG SE	3	0,2%	ARAG SE	No	▼-1
16	Prva osebna zavarovalnica	2	0,1%	n.a.	Yes	▼-1
17	MODRA zavarovalnica	0	0,0%	Kapitalska Druzba	Yes	▼-1
Total	1 624	100,0%				

Source: Xprim

Note: () reflects the new major shareholder after a recent acquisition, however was not effective as at end of 2018.

The life insurance market is highly concentrated. Based on GWP, the top five companies control 74.5% of the market while the largest player Zavarovalnica Triglav itself has a 28.3% market share. Based on GWP, the non-life segment was twice as large as the life segment in 2018. The non-life segment had a higher concentration rate with the top five companies accounting for 89.8% of the total GWP.

Figure 20. Market concentration in Slovenia



Source: Xprimm, Deloitte Intelligence



M&A activity

Table 32. List of M&A transactions in Slovenia 2015-2019 September

List of insurance M&A deals in Slovenia 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2019	Adriatic Slovenica d.d.	Generali	100,0%	245	KD Group	Y
2019	Prva kreditna zavarovalnica, d.d.	Coface SA	100,0%	n.a.	SID Bank, Inc.	Y
2015	Skupna pokojninska druzba, d.d.	Zavarovalnica Triglav DD	69,9%	8	Undisclosed seller	Y

Source: Deloitte Intelligence

There were three closed insurance related transactions on the Slovenian insurance market from 2015 until September 2019.

Recent transactions since the last issue of the M&A study

On 13 February 2019, Generali CEE completed the acquisition of Adriatic Slovenica for a consideration of EUR 245m. The transaction included the acquisition of the mutual fund manager KD Skladi with over EUR 750m of assets under management and a presence in Croatia and Macedonia through its subsidiaries.

On 24 April 2019, Coface SA completed the acquisition of Prva kreditna zavarovalnica, d.d. for an undisclosed consideration. The acquisition is in line with Coface's strategy. It will help Coface strengthen its footprint in Central Europe and better serve its customers in the region. Post-acquisition, the transaction is expected to have a slightly positive impact on Coface's earnings per share in 2019 and a neutral impact on its solvency ratio. PKZ employees will join Coface.

Previous major transactions since 2015

Zavarovalnica Triglav DD acquired 69.9% the shares of Skupna pokojninska druzba, d.d. for EUR 8m, in 2015.



Regulatory

Industry regulators

The main regulator in the Slovenian Insurance sector is AZN, the Insurance Supervisory Agency established in 2000. The Regulator is a self-governing and independent body reporting to the National Assembly of Slovenia.

AZN was mainly entrusted with the exercise of control over the insurance business and activities of insurance agents and brokers while it is also responsible for the oversight and regulation of the insurance sector of the financial services industry in Slovenia.

Insurance related acts

- The Healthcare and Health Insurance Act (2007, plus amendments)
- The Compulsory Motor Third Party Liability Act (2007, plus amendments)
- EU Directive 2011/89/EU - On supplementary supervision of credit institution, insurance undertakings, and investment firms in a financial conglomerate.
- The Pension and Disability Insurance Act (2012, plus amendments)
- The Insurance Act (2015, plus amendments)
- The Prevention of Money Laundering and Terrorist Financing Act (2016)
- EU Directive 2016/97 - The Insurance Distribution Directive (in force since October 2018)

The Slovenian Insurance Association is the main trade body, a commercial interest association of Slovenian insurance companies. The Association represents the collective and individual interests of its members and performs tasks stipulated by national and international regulations and agreements.



Croatia



Macroeconomic environment

The Croatian economy grew by 2.6% in 2018 with the growth mainly driven by increasing exports of goods and services, private consumption and fixed investments.

The unemployment rate of 17.1% in 2015 saw a strong improvement by 7.3% points arriving to 9.8% in 2018.

Nevertheless, this ratio is still second-highest behind Serbia among the reported countries.

Inflation accelerated in 2018 to an average of 1.5% from 1.1% in 2017, mainly driven by rising global oil prices and domestic inflationary pressures from wage increases.

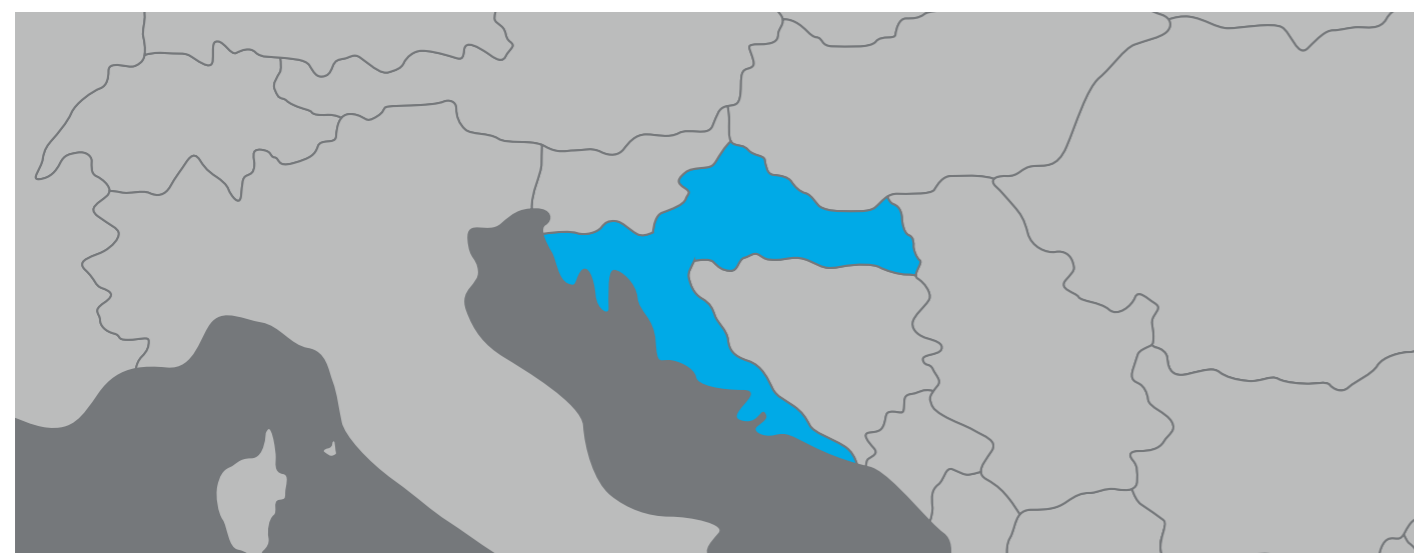
Budget deficit started to narrow rapidly; therefore, Croatia posted budget surpluses in 2017 and 2018. The 3.4% budget deficit of 2015 turned to a 0.2% budget surplus in 2018.

At the same time, public debt fell to 74.6% of GDP at the end of 2018 from 77.8% in 2017 and is expected to further decline until 2021.

Table 33. Macroeconomic environment in Croatia

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	44 606	46 640	48 990	51 468	5,1%	●
Nominal GDP/capita (EUR)	10 530	11 070	11 694	12 254	4,8%	●
GDP (% real change pa)	2,4%	3,5%	2,8%	2,6%	-0,2%	●
Consumer prices (% change pa)	-0,5%	-1,1%	1,1%	1,5%	0,4%	●
Recorded unemployment (%)	17,1%	15,0%	12,4%	9,8%	-2,6%	●
Budget balance (% of GDP)	-3,4%	-0,9%	0,8%	0,2%	-0,6%	●
Public debt (% of GDP)	83,7%	80,2%	77,8%	74,6%	-3,2%	●

Source: EIU, Eurostat



Insurance market trends

Life and non-life GWP increased by 1.4% and 5.3% year over year in 2017. Growth in the life segment was mainly driven by the increasing number of insurance contracts involving lump sum premium payments. In 2018, both the life and non-life segment could overperform the 2017 growth rates. Life and non-life GWP increased by 8.0% and 11.3% year over year, respectively. As a result, the total insurance GWP increased by 16.3% from 2015 to 2018 with an annual growth rate of 5.2%.

In 2018, life and non-life GWP accounted for 31.8% and 68.2% of the total market GWP, respectively.

Insurance penetration was 2.6% in 2018, down by 0.1% points from 2017. In 2018, GWP per capita was EUR 316, which is lower than the CEE average of EUR 387.

Paid claims per GWP decreased by 0.1% points to 56.3% in 2018 from 56.5% in 2017.

Table 34. Insurance market in Croatia

GROSS WRITTEN PREMIUMS Product portfolio (EUR mn)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	384	386	391	423	8,0%	●
Non-Life	758	773	814	906	11,3%	●
Total	1 143	1 159	1 205	1 329	10,2%	●

Insurance penetration						
Life	0,9%	0,8%	0,8%	0,8%	0,0%	●
Non-Life	1,7%	1,7%	1,7%	1,8%	0,1%	●
Total	2,6%	2,5%	2,5%	2,6%	0,1%	●

GWP / Capita (EUR)						
	270	275	288	316	9,7%	●

Total Paid Claims						
Life	216	242	273	312	14,1%	●
Non-life	385	388	407	437	7,2%	●
Total	601	630	681	749	10,0%	●

Paid claims / GWP						
Life	56,2%	62,6%	69,8%	73,8%	4,0%	●
Non-Life	50,8%	50,2%	50,1%	48,2%	-1,8%	●
Total	52,6%	54,3%	56,5%	56,3%	-0,1%	●

Source: Xprimm



Insurance market

There were 13 life insurer and 16 non-life insurer companies in Croatia, 9 of which operated in both segments in 2017.

Table 35. List of life insurers in Croatia, 2018

List of Life Insurers in Croatia end of 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank	
1	CROATIA Osiguranje	76	18,0%	Adris Grupa	Yes	-
2	ALLIANZ Zagreb	69	16,4%	Allianz	Yes	-
3	WIENER Osiguranje VIG	57	13,5%	Vienna Insurance Group	Yes	-
4	GENERALI Osiguranje	45	10,7%	Generali	Yes	▲2
5	GRAWE Hrvatska	39	9,2%	Grazer Wechselseitige Versicherung	Yes	▼-1
6	AGRAM Life Osiguranje	39	9,1%	Private individuals	Yes	▼-1
7	MERKUR Osiguranje	34	8,1%	Merkur	Yes	-
8	UNIQA Osiguranje	27	6,4%	Uniqa	Yes	-
9	ERSTE Osiguranje	17	4,0%	Vienna Insurance Group	No	-
10	TRIGLAV Osiguranje	8	1,8%	Triglav Group	Yes	-
11	OTP Osiguranje	6	1,4%	OTP banka Hrvatska	No	-
12	WÜSTENROT Životno Osiguranje	5	1,3%	Wüstenrot Versicherungs-AG	No	▲1
13	ERGO Životno Osiguranje	0	0,0%	Zavarovalnica Sava	No	▲1
Total	423	100,0%				

Source: Xprimm

Table 36. List of non-life insurers in Croatia, 2018

List of Non-Life Insurers in Croatia end of 2018						
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank	
1	CROATIA Osiguranje	295	32,5%	Adris Grupa	Yes	-
2	EUROHERC Osiguranje	151	16,6%	Private individuals	No	-
3	ADRIATIC Osiguranje	89	9,9%	Private individuals	No	▲1
4	ALLIANZ Zagreb	88	9,7%	Allianz	Yes	▼-1
5	GENERALI Osiguranje	51	5,7%	Generali	Yes	▲3
6	UNIQA Osiguranje	51	5,7%	Uniqa	Yes	▼-1
7	TRIGLAV Osiguranje	50	5,5%	Triglav Group	Yes	▼-1
8	WIENER Osiguranje VIG	46	5,1%	Vienna Insurance Group	Yes	▼-1
9	HOK Osiguranje	28	3,1%	Zodaks D.O.O.	No	-
10	GRAWE Hrvatska	19	2,1%	Grazer Wechselseitige Versicherung	Yes	▲1
11	ERGO Osiguranje	14	1,6%	Zavarovalnica Sava	No	▲1
12	AGRAM Life Osiguranje	9	1,0%	Private individuals	Yes	▲1
13	IZVOR Osiguranje	8	0,9%	Private individuals	No	▲1
14	MERKUR Osiguranje	4	0,4%	Merkur	Yes	▲1
15	HRVATSKO Kreditno Osiguranje	1	0,2%	Hbor	No	▲1
16	CROATIA Osiguranje Kredita	0	0,1%	Croatia Osiguranje	No	▲1
Total	906	100,0%				

Source: Xprimm

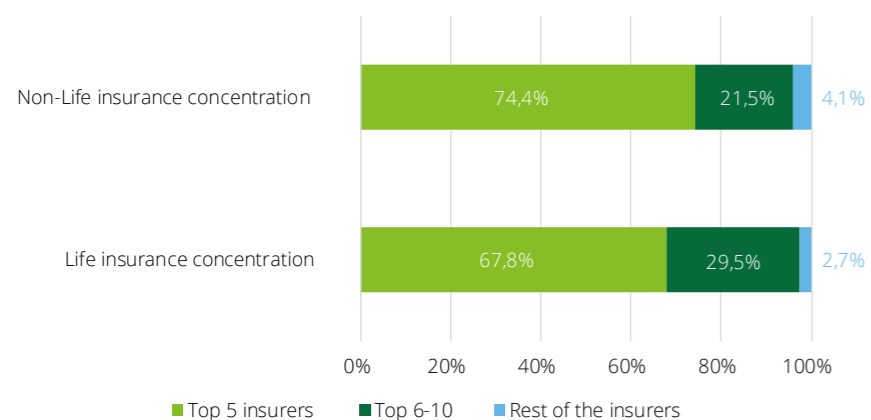
The life insurance market is highly concentrated. Based on GWP, the top five companies, controlled 67.8% of the market. The remaining market share is distributed among eight players.

The leading firm in the life segment is Croatia Osiguranje with 18.0% of the total GWP.

Based on the GWP in 2018, the non-life segment is twice as large as the life segment. The non-life segment's market is highly concentrated, given that the five largest firms generate 74.4% of the total GWP. The rest of the market is shared by 11 other companies.

There are plenty of relatively small insurers mainly in the non-life segment, where there is room for further consolidation.

Figure 21. Market concentration in Croatia



Source: Xprimm, Deloitte Intelligence



M&A activity

Table 37. List of M&A transactions in Croatia 2015-2019 September

List of insurance M&A deals in Croatia 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2018	ERGO osiguranje d.d.	Save Red.d	100,0%	n.a.	Munich Re / ERGO	N
2018	Ergo životno osiguranje d.d.	Save Red.d	100,0%	n.a.	Munich Re / ERGO	N
2017	Societe Generale Splitska Banka d.d.	OTP bank	100,0%	n.a.	Societe Generale SA	Y
2017	BNP Paribas Cardif osiguranje dionicko drustvo za osiguranje	Croatia Osiguranje D.D.	100,0%	n.a.	BNP Paribas Cardif SA	Y

Source: Deloitte Intelligence

Compared to the previous insurance M&A Outlook, there were no additional transactions on the Croatian insurance market until September 2019. During the acquisition of Societe Generale Splitska Banka d.d., OTP Banka Hrvatska d.d. indirectly acquired OTP Osiguranje d.d.

All transactions were approved by industry regulators.



Regulatory

Industry regulators

HANFA, the Croatian Financial Services Supervisory Agency was set up to maintain a stable insurance market and protect customers. Hanfa is responsible for licensing insurance companies operating in Croatia. Since joining the EU in 2003, foreign insurance companies have been able to provide services without physical presence in Croatia.

HUO, the Croatian Insurance Bureau (since 1992) is responsible for acting as an insurance ombudsman, and a mediator for out-of-court disputes. HUO provides national statistics on the insurance market.

Insurance related acts

- In 2016, the new Insurance Act came into force with the main focus on transposing the EU's Solvency II framework into national law.
 - In 2019, the government introduced new regulations for the pension system. Main changes included the raising of the retirement age to 67 years by 2033 and allowing pensioners to work up to 4 hours weekly.
- Key regulations in force:
 - Act on Mandatory Health Insurance
 - Act on Pension Insurance Companies
 - Act on Compulsory Insurance within the Transport Sector (ACITS)
 - Insurance Act (IA), updated in December 2018
 - The Civil Obligations Act (COA)



Bulgaria



Macroeconomic environment

Bulgaria's real GDP continued to grow steadily since 2014, after the slow post-crisis recovery. Bulgarian GDP was up by 9.4% in nominal terms to reach EUR 55.2 bn in 2018 and real GDP grew by 3.3% in 2018. The economic growth was mainly driven by the improving labour market, real wage growth and a recovery in domestic credit growth.

As the growth of food, transport and energy prices rebounded, inflation continued to grow in 2018. It climbed up to 2.8% from a slight deflation of -0.1% in 2015.

The recorded unemployment rate remained 6.2% in 2018 as in the year before, which is near the average rate of 6.5% in the CEE Region. The unemployment rate fell from 9.2% to 6.2% in the past 4 years and is expected to further decrease.

Although the budget targeted a deficit in 2018, it achieved a surplus of 0.1% at the end of the year due to faster than expected growth in revenue. This improvement was mainly the result of the expanding labour market and the increased consumption.

Public debt also fell significantly by 2.8% points to 22.6% from 25.4% between 2017 and 2018.

Table 38. Macroeconomic environment in Bulgaria

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	45 287	48 129	50 430	55 182	9,4%	●
Nominal GDP/capita (EUR)	6 310	6 748	7 118	7 883	10,8%	●
GDP (% real change pa)	3,6%	3,9%	3,6%	3,3%	-0,3%	●
Consumer prices (% change pa)	-0,1%	-0,8%	2,1%	2,8%	0,7%	●
Recorded unemployment (%)	9,2%	7,7%	6,2%	6,2%	0,0%	●
Budget balance (% of GDP)	-2,8%	1,6%	0,9%	0,1%	-0,8%	●
Public debt (% of GDP)	26,0%	29,0%	25,4%	22,6%	-2,8%	●

Source: EIU, Eurostat



Insurance market trends

In Bulgaria, the global economic crisis caused a major decline in insurance premiums in 2009, 2010 and 2012. The recovery from these years was constrained by deleveraging that followed pre-crisis years of growth mainly driven by domestic demand that was initially financed through capital inflow. Bulgaria's recovery from the 2009 recession has been gradual but uneven.

The life segment's GWP increased by 4.9% while non-life GWP increased by 8.2% year over year in 2017. In 2018, both segments expanded considerably and could overperform the growth rates of 2017. Life and non-life GWP increased by 3.7 and 19.1% year over year, respectively. The life insurance premium was mainly dominated by simple life and unit-linked products and the non-life segment's growth rate was mainly driven by motor insurance products. As a result, total insurance market GWP increased by 28.6% from 2015 to 2018 with an annual growth rate of 8.7%.

In 2018, life and non-life GWP accounted for 17.6% and 82.4% of total market GWP, respectively.

Before the downturn, the sale of insurance products increased at a fast pace. Insurance penetration was 2.3% in 2018, down by 0.1% point from 2015. In 2018, GWP per capita remained relatively low (EUR 185) (as in the previous years) compared to the CEE average of EUR 387, which means the market has considerable potential for further growth.

Table 39. Insurance market in Bulgaria

GROSS WRITTEN PREMIUMS Product portfolio (EUR mn)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	201	219	219	227	3,7%	●
Non-Life	804	828	894	1 065	19,1%	●
Total	1 005	1 047	1 113	1 292	16,1%	●

Insurance penetration	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	0,4%	0,5%	0,4%	0,4%	0,0%	●
Non-Life	1,8%	1,7%	1,8%	1,9%	0,1%	●
Total	2,2%	2,2%	2,2%	2,3%	0,1%	●

GWP / Capita (EUR)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
	140	147	157	185	17,3%	●

Total Paid Claims	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	79	88	95	83	-12,6%	●
Non-life	446	438	437	492	12,7%	●
Total	525	526	532	575	8,1%	●

Paid claims / GWP	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	39,5%	40,4%	43,3%	36,5%	3,0%	●
Non-Life	55,5%	52,9%	48,9%	46,2%	-4,0%	●
Total	52,3%	50,3%	47,8%	44,5%	-3,3%	●

Source: Xprimm



Insurance market

There were 12 life insurer and 23 non-life insurer companies in Bulgaria, 7 of which companies operated in both segments in 2018.

Table 40. List of life insurers in Bulgaria, 2018

List of Life insurance companies in Bulgaria 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank
1 BULSTRAD	55	24,3%	Vienna Insurance Group	Yes	▲1
2 ALLIANZ	44	19,2%	Allianz	Yes	▼-1
3 UNIQA	40	17,7%	Uniqa	Yes	-
4 DZI	31	13,7%	KBC	Yes	-
5 UBB-METLIFE	19	8,6%	Metlife	No	-
6 GRAWE	18	7,9%	Grazer Wechselseitige Versicherung	No	-
7 SOGELIFE	8	3,4%	Societe Generale	No	-
8 Groupama	5	2,4%	Groupama	Yes	-
9 Saglasie	2	1,0%	Private Individuals	Yes	-
10 JZI	2	0,8%	Lev INS	No	▲2
11 CCB Life	1	0,6%	CCB Group	No	▼-1
12 Euroins Life	1	0,4%	Euroins Insurance Group	Yes	▼-1
Total	227	100,0%			

Source: Xprimm



Table 41 List of non-life insurers in Bulgaria, 2018

List of Non-Life insurance companies in Bulgaria 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank
1 LEV INS	143	13,5%	Lev Corporation	No	▲1
2 DZI	120	11,3%	KBC	Yes	▲2
3 BULSTRAD	118	11,1%	Vienna Insurance Group	Yes	▼-2
4 ARMEEC	106	10,0%	CCB Group	No	▼-1
5 BUL INS	90	8,5%	Generali	No	▲3
6 EUROINS	88	8,3%	Corporations	Yes	▲1
7 GENERALI	87	8,1%	Generali	No	▼-1
8 ALLIANZ	85	8,0%	Allianz	Yes	▼-3
9 OZK Insurance	74	7,0%	El Em Impeks	No	-
10 DallBogg	42	3,9%	Commercial League - National Pharma Centre	No	-
11 UNIQA	36	3,3%	Uniqa	Yes	-
12 Energia	20	1,9%	Allianz	No	-
13 Asset Insurance	13	1,2%	Bent Oil	No	-
14 GROUPAMA	12	1,2%	Groupama	Yes	-
15 ZAD BULGARIA INSURANCE	8	0,7%	OMZ OOD	No	▲1
16 OZOF DOVERIE	6	0,5%	Doverie United Holding	No	▼-1
17 EIG Re	6	0,5%	Euroins Insurance Group	No	-
18 Bulgarian Export Insurance Agency	3	0,3%	Ministry of EcoNomy	No	-
19 FI Health Insurance	3	0,3%	Fibank	No	-
20 SAGLASIE	2	0,2%	Corporations	Yes	▲5
21 MEDICO	1	0,1%	United Holding Doverie	No	-
22 OZOK INS	1	0,1%	OZK Insurance	No	▲1
23 NoVA Ins	1	0,1%	Vienna Insurance Group	No	▼-3
Total	1 065	100,0%			

Source: Xprimm

The life insurance market is highly concentrated. Based on GWP, the top five companies control 83.5% of the market and the remaining market share is distributed among seven players.

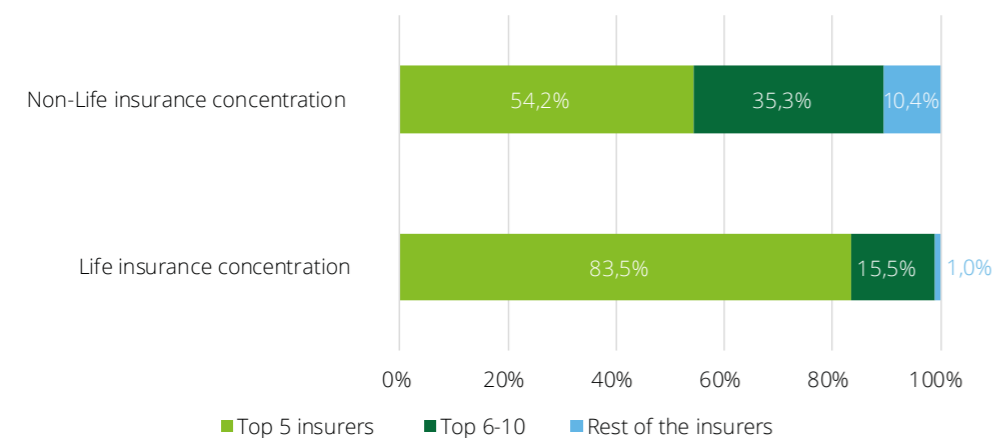
The life insurance segment remained small led by Vienna Insurance Group with a 24% market share.

Based on the GWP of 2018, the non-life segment is almost 5 times larger than the life segment. The non-life segment's market concentration is fairly moderate, given that the five largest firms account for 54.2% of the total GWP.

In 2018, the leading companies by market share of premium income in the non-life sector were Lev insurance, DZI and Bulstrad, together accounting for 35.8% of the total GWP.

There are plenty of relatively small insurers in both segments so there is room for consolidation.

Figure 22. Market concentration in Bulgaria



Source: Xprimm, Deloitte Intelligence



M&A activity

Table 42. List of M&A transactions in Bulgaria 2015-2019 September

List of insurance M&A deals in Bulgaria 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2019	Express Life Bulgaria IJSC	Groupama S.A.	100,0%	n.a.	OTP Bank Plc	N
2019	Express Life Bulgaria IJSC	OTP Bank	99,7%	n.a.	Societe Generale SA	Y
2018	UBB-METLIFE	DZI Life Insurance	40,0%	n.a.	MetLife	Y
2017	AIG	Fairfax Financial Holdings	100,0%	n.a.	AIG	Y
2016	Generali Life Insurance portfolio	Saglasie	100,0%	n.a.	Generali	Y
2015	HDI Zastrahovane	Euroins Insurance Group LLC	100,0%	n.a.	Talanx International	Y

Source: Deloitte Intelligence

There were five completed insurance related transactions and one outstanding on the Bulgarian insurance market from 2015 until September 2019. None of the deal values were publicly announced.

In 2019, Groupama S.A. agreed to acquire Express Life Bulgaria IJSC, a Bulgaria-based life insurance company from OTP Bank Plc for an undisclosed consideration. The transaction will strengthen Groupama's position in the life insurance market. Currently, the transaction is subject to regulatory approvals and is expected to close in the last quarter of 2019.

OTP Bank Plc acquired a 99.74% stake in Societe Generale Expressbank AD, a Bulgaria-based banking business from Societe Generale SA for an undisclosed consideration in 2019. The acquisition is in line with Societe Generale's strategy to focus on its core business of International retail banking.

In 2018, DZI Life Insurance acquired 40% of the shares of UBB-METLIFE from MetLife for an undisclosed consideration.

The Canadian Fairfax Financial Holdings acquired a significant number of insurance companies. In 2017, the Bulgarian AIG was taken over in the transaction for an undisclosed consideration.



Regulatory

Industry regulators

Financial Supervision Commission (FSC) (since 2003) is the regulator and supervisor of the Bulgarian non-banking financial sector. The aim of FSC is to provide and enforce administrative and legal requirements for the non-banking financial sector (including the insurance sector) in order to maintain stability and transparency and to protect customers. FSC also provides insurance companies with guidelines and instructions for the implementation of the law.

BZ, the Association of Bulgarian Insurers (since 1992), the principle trade body, is a non-profit organization set up for the protection of the interests of insurance companies. At the end of 2018, it had 30 members, i.e. covers more than 90% of the local insurance market.

Insurance related acts

- Health Insurance Act (1990, plus amendments)
- Export Insurance Act (1998, plus amendments)
- The FSC Act (2003, plus amendments)
- Law on Insurance Premium Tax (2011)
- Insurance Code (2015, plus amendments) - updated in order to implement the EU's Solvency II framework and IDD.



Serbia



Macroeconomic environment

Serbia's economic growth accelerated in the last 4 years. In 2018, GDP increased by 16.3% in nominal terms and by 4.3% in real terms, which was the strongest expansion since 2008. This growth was mainly driven by robust private consumption, foreign direct investments, the improvement of job market conditions, robust employment growth and higher wage inflation.

Inflation has been relatively stable since 2015, averaging about 2% from 1.4%. In 2018, inflation was mainly driven by shifting global commodity prices and lower energy costs.

The recorded unemployment rate continued to decrease, it fell from 19.3% in 2015 to 12.7% in 2018, which is considered low compared to other Balkan countries.

Between 2014 and 2017, Serbia achieved an improvement in the government fiscal balance, which in 2017 recorded the first surplus. In 2018, the budget surplus decreased from 1.1% and dropped to 0.6% of GDP. The smaller surplus was attributable to increased spending on public-sector salaries and capital infrastructure. Public debt has declined in recent years (the government cut it by 7.8% to 53.8% in 2018) and is expected to remain low in the next years.

Table 43. Macroeconomic environment in Serbia

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	33 491	34 617	36 795	42 780	16,3%	●
Nominal GDP/capita (EUR)	4 720	4 905	5 237	6 111	16,7%	●
GDP (% real change pa)	0,8%	2,8%	1,9%	4,3%	2,4%	●
Consumer prices (% change pa)	1,4%	1,2%	3,2%	2,0%	-1,2%	●
Recorded unemployment (%)	19,3%	17,2%	15,0%	12,7%	-2,3%	●
Budget balance (% of GDP)	-3,7%	-1,3%	1,1%	0,6%	-0,5%	●
Public debt (% of GDP)	74,7%	71,9%	61,6%	53,8%	-7,8%	●

Source: EIU, Eurostat



Insurance market trends

Table 44. Insurance market in Serbia

GROSS WRITTEN PREMIUMS Product portfolio (EUR m)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	159	187	192	201	4,8%	●
Non-Life	506	535	594	644	8,5%	●
Total	665	722	786	845	7,6%	●

Insurance penetration	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	0,5%	0,5%	0,5%	0,5%	-0,1%	●
Non-Life	1,5%	1,5%	1,6%	1,5%	-0,1%	●
Total	2,0%	2,1%	2,1%	2,0%	-0,2%	●

GWP / Capita (EUR)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
	94	102	112	121	8,0%	●

Total Paid Claims	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	42	52	77	93	21,3%	●
Non-life	211	218	234	252	7,7%	●
Total	253	270	311	346	11,1%	●

Paid claims / GWP	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	26,2%	27,8%	40,0%	46,3%	6,3%	●
Non-Life	41,7%	40,8%	39,5%	39,2%	-0,3%	●
Total	38,0%	37,5%	39,6%	40,9%	1,3%	●

Source: Xprimm

Life GWP increased by 2.6% while non-life GWP expanded by 11.1% year over year in 2017. In 2018, both insurance segments could overperform the previous pace. Life GWP increased by 4.8% while the non-life segment expanded by 8.5% year over year. As a result, total insurance market GWP increased by 27% from 2015 to 2018 with an annual growth rate of 8.3%.

In 2018, life and non-life GWP accounted for 23.8% and 76.2% of total market GWP.

Insurance penetration was 2.0% in 2018, i.e. it remained unchanged from 2015 to 2018. In 2018, GWP per capita was EUR 121, which is lower than the CEE average of EUR 387. It means that there is room for further growth.



Insurance market

There were 10 life insurer and 13 non-life insurer companies in Serbia, 8 of which operated in both segments in 2018.

Table 45. List of life insurers in Serbia, 2018

List of Life insurers in Serbia 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank
1 GENERALI Osiguranje	63	31,2%	Generali	Yes	-
2 WIENER	37	18,4%	Vienna Insurance Group	Yes	-
3 GRAWE	32	15,9%	Grazer Wechselseitige Versicherung	Yes	-
4 DUNAV	19	9,3%	Društveni kapital, Serbian state	Yes	▲ 2
5 UNIQA Zivot	17	8,2%	Uniqa	Yes	▼ -1
6 DDOR	15	7,3%	UNIPOLSAI S.P.A	Yes	▲ 2
7 MERKUR	7	3,4%	Merkur	No	-
8 Societe Gen.	7	3,3%	Societe Generale	No	▼ -3
9 TRIGLAV	4	1,9%	Triglav Group	Yes	-
10 SAVA Zivotno	2	1,1%	Pozavarovalnica Sava DD	Yes	▲ 1
Total	201	100,0%			

Source: National Bank of Serbia, Xprim

Table 46 List of non-life insurers in Serbia, 2018

List of Non-Life insurers in Serbia 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank
1 DUNAV	215	33,3%	Društveni kapital, Serbian state	Yes	-
2 GENERALI Osiguranje	118	18,4%	Generali	Yes	-
3 DDOR	86	13,4%	UNIPOLSAI S.P.A	Yes	-
4 WIENER	61	9,5%	Vienna Insurance Group	Yes	-
5 TRIGLAV	45	7,0%	Triglav Group	Yes	-
6 UNIQA Nezivot	33	5,2%	Uniqa	Yes	-
7 MILENJIJUM	29	4,5%	Croatia Osiguranje	No	▲ 1
8 AMS	28	4,3%	Auto-Moto Association of Serbia	No	▼ -1
9 SAVA Nezivot	19	3,0%	Pozavarovalnica Sava DD	Yes	▲ 1
10 SOGAZ	5	0,8%	SOGAZ Insurance Group	No	▲ 1
11 GLOBOS	2	0,3%	Milovan Durovic	No	▲ 1
12 GRAWE	1	0,1%	Grazer Wechselseitige Versicherung	Yes	▲ 2
13 ENERGOPROJEKT	0	0,0%	Energoprojekt Holding A.D.	No	-
Total	644	100,0%			

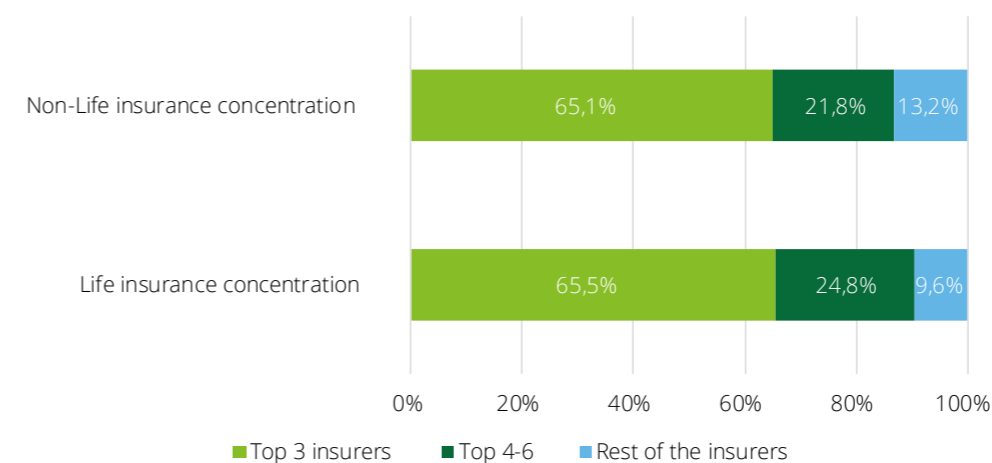
Source: National Bank of Serbia, Xprim

The life insurance market is highly concentrated. Based on GWP the top five companies control 83.0% of the market.

Based on GWP in 2018, the non-life segment was almost three times larger than the life segment. The non-life insurance segment is also highly concentrated, given that the top five companies account for 81.6% of the total GWP.

In 2018, there were 15 insurance companies operating in the Serbian market. Of the life insurers, only two companies, namely, Société General and Merkur did not have non-life business, and out of the 13 non-life insurance companies five operated only in the non-life segment. There are plenty of relatively small insurers in both segments so there is room for consolidation.

Figure 23. Market concentration in Serbia



Source: Xprim, Deloitte Intelligence



M&A activity

Table 47. List of M&A transactions in Serbia 2015-2019 September

List of insurance M&A deals in Serbia 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2016	AXA Zivot, AXA Nezivot	Vienna Insurance Group	100,0%	n.a.	AXA SA	Y
2015	Takovo Osiguranje	Dunav	100,0%	n.a.	Undisclosed seller	Y

Source: Deloitte Intelligence

Compared to Deloitte’s CEE insurance M&A Outlook 2018, there were no additional transactions on the Serbian insurance market until September 2019. Before that there were 2 closed insurance related transactions with none of the purchase amounts disclosed.



Regulatory

Industry regulators

NBS (National Bank of Serbia) is the regulator of the insurance industry in Serbia. The aim of NBS is to protect clients and to enforce all requirements in the insurance sector by supervising the activities of insurance businesses and by protecting and strengthening the financial stability of the insurance market. NBS is responsible to issue and revoke licenses for insurance activities and to perform supervision of insurance activities.

Insurance related acts

- The Law on Bankruptcy and Liquidation of Banks and Insurance Companies
- The Law on Compulsory Traffic Insurance
- The Law on Deposit Insurance
- The Insurance Law 2014 (with amendments)
- The Law on Pension and Disability Insurance
- The Law on the National Bank of Serbia
- The Law on Voluntary Pension Funds and Pension Schemes

Baltic region - Estonia



Macroeconomic environment

Estonia's economic growth accelerated in the recent years. In 2018, GDP grew by 3.9% in real terms compared to 2017, mainly driven by private consumption (construction, manufacturing, professional, scientific and technical activities) and real wage growth.

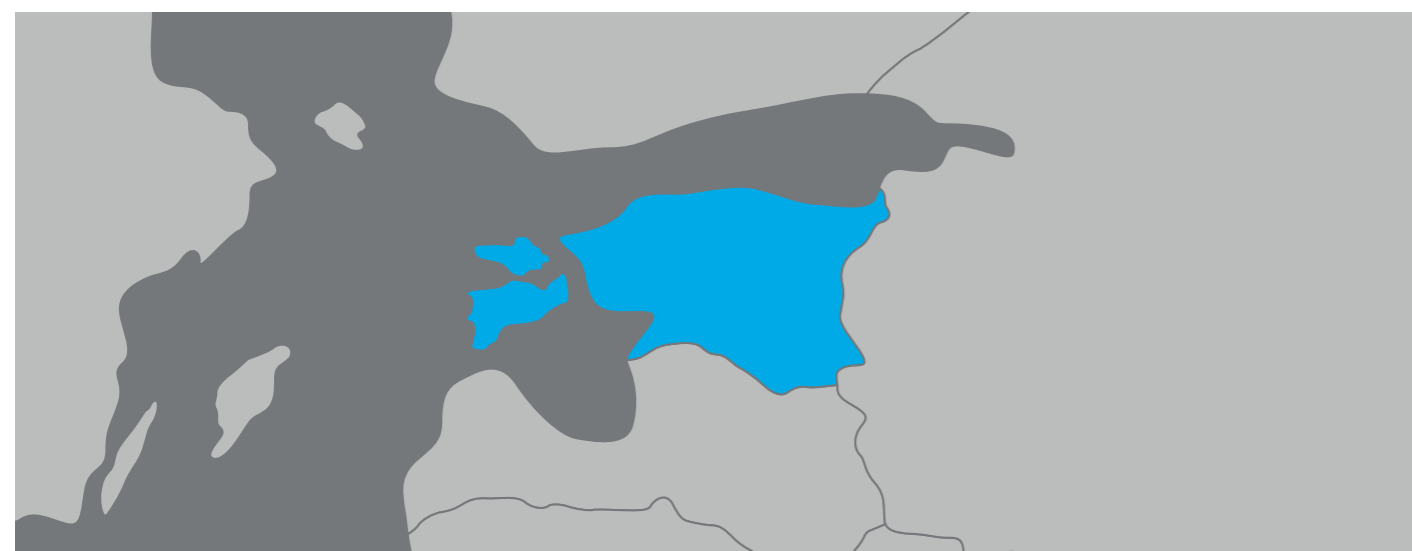
Following deflation between 2014 and 2016, inflation rebounded to an average of 3.4% in 2017 and 3.7% in 2018, which was due to rising energy and food prices, as well as the introduction of an income tax reform in early 2018 which increased real wages.

The recorded unemployment rate declined continuously in the last 3 years. It dropped to 5.4% in 2018 from 6.2% in 2015 and is expected to decrease more significantly in the next years. In 2018, budget deficit averaged -0.6% while public debt decreased to 8.4% of GDP from 9.2% in 2017.

Table 48. Macroeconomic environment in Estonia

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	20 348	21 098	23 002	25 657	11,5%	●
Nominal GDP/capita (EUR)	15 494	16 033	17 484	19 736	12,9%	●
GDP (% real change pa)	1,7%	2,1%	4,9%	3,9%	-1,0%	●
Consumer prices (% change pa)	-0,5%	0,1%	3,4%	3,4%	0,0%	●
Recorded unemployment (%)	6,2%	6,8%	5,8%	5,4%	-0,4%	●
Budget balance (% of GDP)	0,1%	-0,3%	-0,3%	-0,6%	-0,3%	●
Public debt (% of GDP)	10,0%	9,4%	9,0%	8,4%	-0,6%	●

Source: EIU, Eurostat



Insurance market trends

Table 49. Insurance market in Estonia

GROSS WRITTEN PREMIUMS Product portfolio (EUR mn)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	82	86	91	95	4,6%	●
Non-Life	279	302	336	457	35,9%	●
Total	361	388	427	552	29,2%	●

Insurance penetration	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	0,4%	0,4%	0,4%	0,4%	0,0%	●
Non-Life	1,4%	1,4%	1,5%	1,8%	0,3%	●
Total	1,8%	1,8%	1,9%	2,2%	0,3%	●

GWP / Capita (EUR)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
	275	295	325	425	30,8%	●

Total Paid Claims	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	46	55	58	63	7,5%	●
Non-life	161	177	181	199	9,9%	●
Total	207	232	240	262	9,3%	●

Paid claims / GWP	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	55,3%	64,1%	63,7%	65,5%	1,7%	●
Non-Life	57,9%	58,5%	54,0%	43,7%	-10,3%	●
Total	57,3%	59,8%	56,1%	47,4%	-8,6%	●

Source: Xprimm

Life GWP increased by 6.5% while non-life GWP increased by 11.1% year over year in 2017. In 2018, both the life and non-life segment expanded, but only the non-life segment could overperform the 2017 growth rates. Life segment and non-life segment GWP increased by 4.6% and 35.9% year over year, respectively. As a result, the Estonian total insurance market GWP increased by 52.8% from 2015 to 2018 with an annual growth rate of 15.2%.

In 2018, life and non-life GWP accounted for 17.3% and 82.7% of the total insurance market GWP, respectively

Insurance penetration was 2.2% in 2018, up by 0.4% points from 2015. In 2018, GWP per capita was EUR 425, which is greater than the CEE average of EUR 387.



Insurance market

There were five life insurer and 13 non-life insurer companies in Estonia, three of which operated in both segments in 2018.

Table 50. List of life insurers in Estonia, 2018

List of Life Insurers in Estonia end of 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank
1 SWEDBANK Life Insurance SE	38	39,9%	Swedbank	Yes	-
2 SEB Elu- ja Pensionikindlustuse AS	25	25,8%	SEB	No	-
3 COMPENSA Life VIG SE	20	20,9%	Vienna Insurance Group	Yes	-
4 Mandatum Life Insurance Company Limited Eesti filiaal	7	7,3%	Sampo Group	No	-
5 ERGO Life Insurance SE Eesti filiaal	6	6,1%	Munich Re	Yes	-
Total	95	100,0%			

Source: Estonian Financial Supervision Authority, Xprimm, Annual reports

Table 51. List of non-life insurers in Estonia, 2018

List of Non-Life Insurers in Estonia end of 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank
1 If P&C Insurance AS	88	19,2%	Skadeforsakring Holding AB	No	-
2 SWEDBANK P&C Insurance	87	19,2%	Swedbank	Yes	▲ 1
3 AB "Lietuvos draudimas" Eesti filiaal	73	16,0%	AB Lietuvos draudimas	No	▲ 1
4 ERGO Insurance SE	66	14,4%	Munich Re	Yes	▼ 2
5 Seesam Insurance AS	44	9,6%	OP Vakuutus Oy	No	-
6 SALVA Kindlustuse AS	37	8,2%	NN	No	▲ 1
7 AAS BTA Baltic Insurance Company Eesti filiaal	26	5,7%	Vienna Insurance Group	No	▼ 1
8 Compensa Vienna Insurance Group, ADB Eesti filiaal	15	3,2%	Vienna Insurance Group	Yes	▲ 1
9 Akciné draudimo bendrové "Gjensidige" Eesti filiaal	9	2,0%	Gjensidige Group	No	▼ 1
10 AS INGES Kindlustus	9	1,9%	OÜ Unix-V, Voldemar VailNo	No	-
11 KREDEX Krediidikindlustus AS	2	0,4%	Eesti Vabariigi Majandus-ja Kommunikatsiooniministeerium	No	-
12 Estonian Traffic Insurance Fund	1	0,2%	n.a.	No	▲ 1
13 Telia Försäkring AB Eesti filiaal	1	0,2%	n.a.	No	n.a.
Total	457	100,0%			

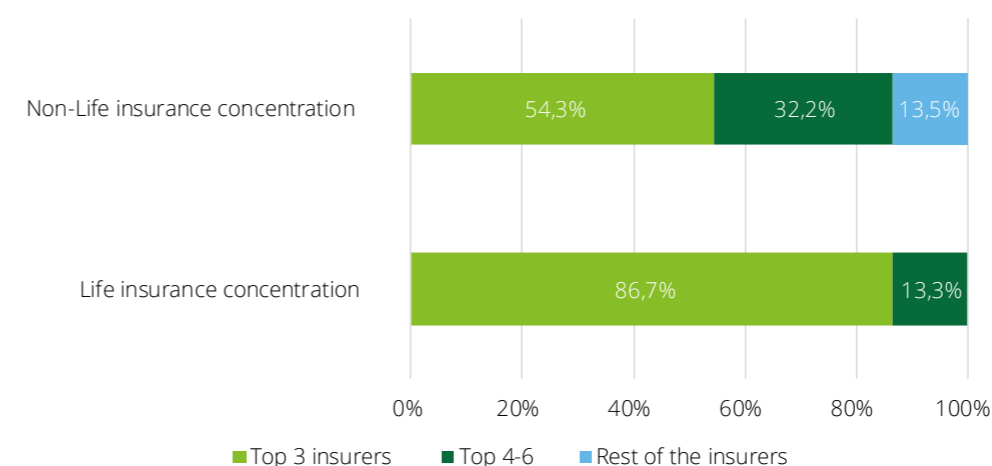
Source: Estonian Financial Supervision Authority, Xprimm, Annual reports

The life insurance market is highly concentrated. Based on GWP, the top three companies control 86.7% of the market, and two out of three also operate in the non-life insurance segment, of which Swedbank and SEB account for 65.7% of the total GWP.

The non-life segment is almost five times as large as the life insurance segment based on the GWP in 2018. The non-life market is less concentrated than the life segment, given that the top three companies own only 54.3% of the total GWP.

There are some relatively small insurers in the non-life segments, which means there is room for consolidation.

Figure 24. Market concentration in Estonia



Source: Xprimm, Deloitte Intelligence



M&A activity

Table 52. List of M&A transactions in Estonia 2015-2019 September

List of insurance M&A deals in Estonia 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2018	IIZI Group AS	GrECo International AG	57,0%	n.a.	Undisclosed seller	Y
2018	Seesam Insurance AS	Vienna Insurance Group	100,0%	n.a.	OP Financial Group	Y

Source: Deloitte Intelligence

Compare to Deloitte’s CEE insurance M&A Outlook 2018, there were no additional transactions on the Estonian insurance market until September 2019. Prior to that, there were 2 completed insurance related transactions with the none of the purchase amounts disclosed.



Regulatory

Industry regulators

Estonian Financial Authority (Finantsinspektsioon) is the financial supervision and crisis resolution authority with autonomous responsibilities and budget that works on behalf of the state of Estonia and is independent in its decision-making. Finantsinspektsioon carries out state supervision over banks, insurance companies, insurance intermediaries, investment firms, fund managers, investment and pension funds,

payment institutions, e-money institutions, creditors and credit intermediaries, and the securities market, which all operate under activity licenses granted by the Estonian Financial Authority. Supervision over branches of banks, insurance companies and investment funds operating in Estonia is exercised by the supervision authority of the country of origin of the branch.

Insurance related acts

- Insurance Activities Act 01.01.2016
- Law of Obligations Act 01.07.2002
- State Pension Insurance Act 01.01.2002
- Health Insurance Act 01.09.2019
- Motor Insurance Act 01.10.2014
- Unemployment Insurance Act 01.01.2002
- Financial Supervision Authority Act 01.01.2002

Baltic region - Latvia



Macroeconomic environment

Latvia's economic growth stagnated in 2018 with a 5.0% real GDP growth after a strong upswing in the preceding years. Economic activity is expected to pick up in the next year. Main contributors to the high growth include vivid investment activity and a more intensive absorption of the resources of EU funds.

Following subdued inflation of about 0.2% on average in 2013 to 2016, inflation increased to 2.9% points in 2017, and then Latvia reported an inflation of 2.5% in 2018. Inflation is expected to remain above the euro zone average.

Real wages have been steadily growing over the past four years, while recorded unemployment has been falling. It stopped relatively high though at a 7.4%. The rise of real wages boosted private consumption, which is expected to remain the main driver of the country's economy.

The 1.4% budget deficit of 2015 narrowed to a 0.1% surplus in 2016 and turned again to a 0.1% budget deficit in 2018. Public debt with 35.9% in 2018 was one of the lowest among the twelve analysed countries, and is expected to remain broadly stable in the next years.

Table 53. Macroeconomic environment in Latvia

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	24 320	24 926	26 857	29 524	9,9%	●
Nominal GDP/capita (EUR)	12 221	12 653	13 710	15 539	13,3%	●
GDP (% real change pa)	2,8%	1,5%	5,0%	5,0%	0,0%	●
Consumer prices (% change pa)	0,2%	0,2%	2,9%	2,5%	-0,4%	●
Recorded unemployment (%)	9,9%	9,6%	8,7%	7,4%	-1,3%	●
Budget balance (% of GDP)	-1,4%	0,1%	-0,5%	-1,0%	-0,5%	●
Public debt (% of GDP)	36,8%	40,5%	40,3%	35,9%	-4,4%	●

Source: EIU, Eurostat



Insurance market trends

Life GWP increased by 17.3% while non-life GWP increased by 22.6% year over year in 2017. In 2018, both segments expanded but none of them could overperform the 2017 growth rates. Life and non-life GWP increased by 0.1% and 21.5% year over year, respectively. The non-life segment's growth rate was mainly driven by motor insurance products. As a result, total insurance market GWP expanded by 41.9% from 2015 to 2018 with an annual growth rate of 12.4%.

In 2018, life and non-life GWP accounted for 19.3% and 80.7% of total market GWP, respectively.

Insurance penetration was 2.6% in 2018, up by 0.4% points from 2015. In 2018, GWP per capita was EUR 397, which is near the CEE average of EUR 387.

Figure 54. Insurance market in Latvia

GROSS WRITTEN PREMIUMS Product portfolio (EUR mn)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	115	124	145	145	0,1%	●
Non-Life	416	409	501	609	21,5%	●
Total	531	532	646	754	16,7%	●

Insurance penetration						
Life	0,5%	0,5%	0,5%	0,5%	0,0%	●
Non-Life	1,7%	1,6%	1,9%	2,1%	0,2%	●
Total	2,2%	2,1%	2,4%	2,6%	0,1%	●

GWP / Capita (EUR)						
	267	270	330	397	20,2%	●

Total Paid Claims						
Life	63	73	91	91	0,0%	●
Non-life	248	240	271	315	16,3%	●
Total	311	314	362	406	12,2%	●

Paid claims / GWP						
Life	54,8%	59,1%	62,5%	62,4%	-0,1%	●
Non-Life	59,5%	58,8%	54,1%	51,8%	-2,3%	●
Total	58,5%	58,9%	56,0%	53,8%	-2,1%	●

Source: Xprimm



Insurance market

There were six life insurer and 10 non-life insurer companies in Latvia, three of which operated in both segments in 2018.

Table 55. List of life insurers in Latvia, 2018

List of Life Insurers in Latvia end of 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank
1 ERGO Life Ins. SE Latvijas filiāle	40	27,6%	Munich Re	Yes	▲ 1
2 SEB dzīvības apdrošināšana	38	26,0%	SEB	No	▼ -1
3 Swedbank Life Ins. SE Latvijas filiāle	29	19,9%	Swedbank	Yes	-
4 Compensa Life VIG SE Latvijas filiāle	19	13,3%	Vienna Insurance Group	Yes	-
5 CBL Life	12	8,4%	IPAS "CBL Asset Management"	No	-
6 Mandatum Life Ins. Baltic SE Latvijas filiāle	7	4,7%	Sampo Group	No	-
Total	145	100,0%			

Source: Xprimm

Table 56. List of non-life insurers in Latvia, 2018

List of Non-Life Insurers in Latvia end of 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank
1 BTA Baltic Ins. Company	207	34,0%	Vienna Insurance Group	No	-
2 Balcia Ins. SE (ex. BTA Ins. Company SE)	105	17,3%	B5 Holding Limited, HTT Holding Company Limited, MDA Holding Limited, Transport Information Agency AS, B6 Holding Limited	No	▲ 1
3 BALTA	105	17,2%	POWSZECHNY ZAKLAD UBEZPIECZEN S.A.	No	▼ -1
4 ADB "Gjensidige" Latvijas filiāle (ex. Gjensidige Baltic)	40	6,6%	Gjensidige Group	No	-
5 ERGO Ins. SE Latvijas filiāle	34	5,7%	Munich Re	Yes	-
6 If P&C Ins. AS Latvijas filiāle	30	4,9%	Sampo Group	No	-
7 Swedbank P&C Ins. AS Latvijas filiāle	26	4,3%	Swedbank	Yes	▲ 2
8 Compensa TU S.A. VIG Latvijas filiāle	22	3,7%	Vienna Insurance Group	Yes	▲ 2
9 Baltijas Apdrošināšanas Nams	19	3,2%	BAN Holdings	No	▼ -2
10 Seesam Ins. AS Latvijas filiāle	19	3,1%	OP Insurance Company Ltd	No	▼ -2
Total	609	100,0%			

Source: Xprimm

The life insurance market is highly concentrated. Based on GWP, the top three insurers, control 73.6% of the market. Only two locally registered companies, SEB dzīvības apdrošināšana and CBL Life are operating in the life segment and these together account for 36.1% of the GWP in the life segment as per 2018.

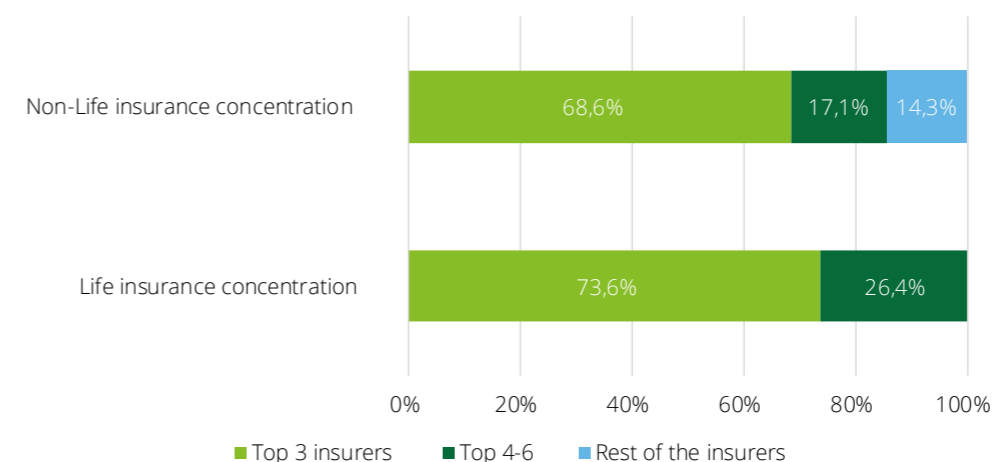
The non-life market was almost four times larger than life segment based on GWP in 2018. The non-life segment is also highly concentrated, considering that the top three companies account for 68.6% of the total GWP.

One life and two non-life insurers belong to the Vienna Insurance Group, but only BTA Baltic Ins. and Baltikums VIG are registered in Latvia. The rest are operating as foreign branches.

There are some relatively small insurers mainly in the non-life segment, which means there is room for further consolidation.

Latvian insurers operate cross-border in the Baltics Region because of the modest size of the national market. Cross-border operation in the region provides cost efficiency, economies of scale and synergies.

Figure 25. Market concentration in Latvia



Source: Xprimm, Deloitte Intelligence



M&A activity

Table 57. List of M&A transactions in Latvia 2015-2019 September

List of insurance M&A deals in Latvia 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2015	BTA Baltic Insurance Company AAS	Vienna Insurance Group	n.a.	n.a.	BTA Insurance Company SE	Y
2015	Baltikums AAS	Vienna Insurance Group	n.a.	n.a.	Baltikums Bank AS	Y

Source: Deloitte Intelligence

Compared to Deloitte’s CEE insurance M&A Outlook 2018, there were no additional transactions on the Latvian insurance market until September 2019.

Before that, there had been 2 completed insurance related transactions, both related to the Austria-based VIG, which in 2015 acquired majority stakes in the Latvia-based insurers Baltikums AAS and BTA Baltic Insurance Company AAS, both for an undisclosed amount.



Regulatory

Industry regulators

FCMC (Financial and Capital Market Commission) is the primary supervisor and regulator of the insurance sector. FCMC is responsible for licensing insurance companies that are operating in the Latvian market. Foreign European companies can operate without an authorization to provide insurance services via passporting. The aim of FCMC is to monitor and control the insurance sector and maintain stability of the market.

LIA (Latvian Insurers Association) is the main trade body including 15 members, so covering nearly 100% of the insurance market. The aim of the association is to represent the common interests of local insurance companies and to support the development of legislation regulating insurance activity.

Insurance related acts

- Activities of Insurance and Reinsurance Intermediaries Law (2007)
- Compulsory Liability for owners of Motor Vehicles Law (2007, plus amendments)
- EU Directive 2016/97 - The Insurance Distribution Directive
- EU Directive 2011/89/EU
- General legal requirements to capital markets and joint-stock companies
- Insurance and Reinsurance Act (2015, plus amendments)
- Insurance Contract Law (1998, amended in 2002 and 2018)

Baltic region - Lithuania



Macroeconomic environment

Economic growth eased although it remained firm in 2018. Real GDP growth was 3.5% mainly driven by strong private consumption as labour market conditions improved in the recent years. Real GDP growth is expected to further ease in the next years and stop at around an average of 3.3%, mainly driven by domestic demand.

After inflation had jumped to 3.7% in the year before, it eased back to 2.5% in 2018 but remained firm, underpinned by firm domestic demand and rising global energy prices. Inflation will edge down slightly in 2019, primarily due to a decline in global energy prices. Strong private demand on the back of solid wage growth will keep inflation at an annual average of 2.4% in 2019.

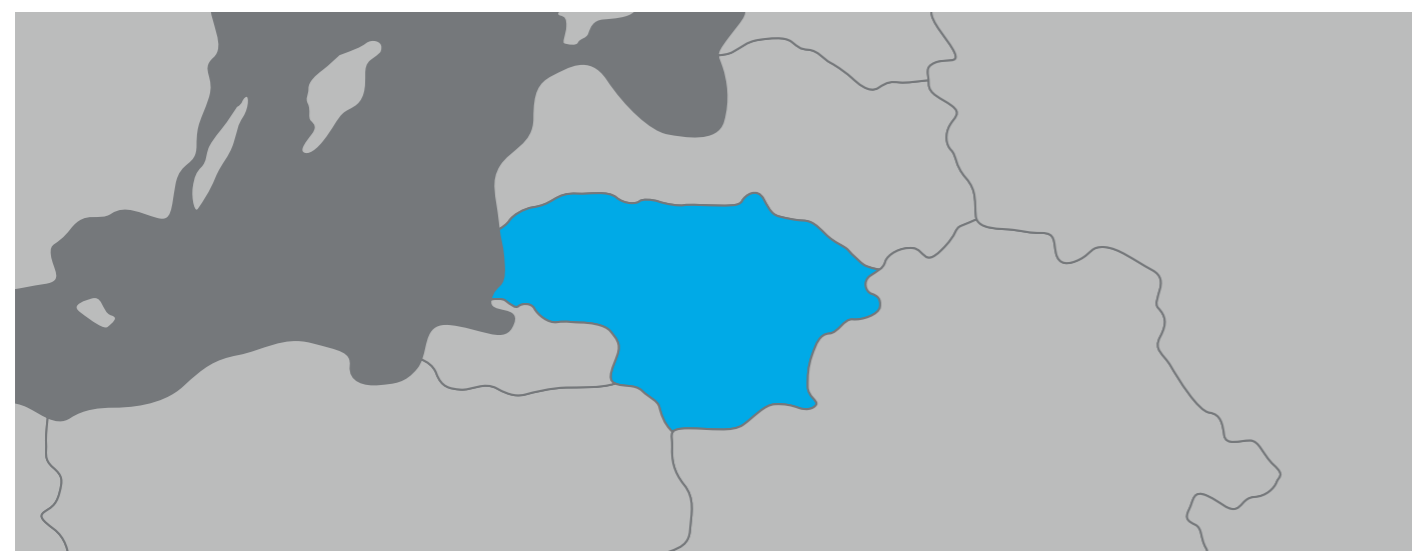
Recorded unemployment decreased to 6.2% in 2018 from 7.1% in 2017, continuing its downward trend.

In 2018, budget balance resulted in a positive ratio of 0.7% while the public debt decreased significantly by 2.3% to 34.2%. This trend is likely to hold in 2019.

Table 58. Macroeconomic environment in Lithuania

Macro indicators	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Nominal GDP (mEUR)	37 427	38 668	41 857	45 114	7,8%	●
Nominal GDP/capita (EUR)	12 765	13 296	14 483	15 556	7,4%	●
GDP (% real change pa)	2,0%	2,3%	3,9%	3,5%	-0,4%	●
Consumer prices (% change pa)	-0,7%	0,7%	3,7%	2,5%	-1,2%	●
Recorded unemployment (%)	9,1%	7,9%	7,1%	6,2%	-0,9%	●
Budget balance (% of GDP)	-0,2%	0,3%	0,5%	0,7%	0,2%	●
Public debt (% of GDP)	42,6%	40,1%	36,5%	34,2%	-2,3%	●

Source: EIU, Eurostat



Insurance market trends

Table 59. Insurance market in Lithuania

GROSS WRITTEN PREMIUMS Product portfolio (EUR mn)	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	236	247	231	248	7,5%	●
Non-Life	409	463	561	630	12,2%	●
Total	645	710	792	878	10,8%	●

Insurance penetration

Life	0,6%	0,6%	0,6%	0,6%	0,0%	●
Non-Life	1,1%	1,2%	1,3%	1,4%	0,1%	●
Total	1,7%	1,8%	1,9%	1,9%	0,1%	●

GWP / Capita (EUR)

	220	244	284	303	6,6%	●
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Total Paid Claims

Life	97	114	151	129	-14,6%	●
Non-life	235	259	304	324	6,5%	●
Total	332	373	455	453	-0,5%	●

Paid claims / GWP

	2015	2016	2017	2018	Change 2017-18 (% or % point)	
Life	41,1%	46,2%	65,4%	51,9%	-13,5%	●
Non-Life	57,5%	55,9%	54,2%	51,4%	-2,8%	●
Total	51,5%	52,5%	57,4%	51,5%	-5,9%	●

Source: Xprimm

Life GWP decreased by 6.5% while non-life GWP increased by 21.2% year over year in 2017. In 2018, both segments expanded but only the life segment could overperform the 2017 growth rate. In 2018, life and non-life GWP increased by 7.5% and 12.2% year over year, respectively. As a result, total insurance market GWP increased by 36.1% from 2015 to 2018 with an annual growth rate of 10.8%.

In 2018, life and non-life GWP accounted for 28.3% and 71.7% of total market GWP, respectively.

Insurance penetration was 1.9% in 2018, unchanged from 2015. In 2018, GWP per capita was EUR 303, which is below the CEE average of EUR 387. It means that there is room for expansion.



Insurance market

There were eight life insurer and 16 non-life insurer companies in Lithuania, five of which operated in both segments in 2018.

Table 60. List of life insurers in Lithuania, 2018

List of life insurers in Lithuania 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has Non-life business	Change in rank
1 SWEDBANK	55	22,3%	Swedbank	Yes	-
2 AVIVA	49	19,8%	Aviva	No	-
3 SEB	44	17,9%	SEB	Yes	-
4 COMPENSA	41	16,6%	Vienna Insurance Group	Yes	-
5 ERGO Life	25	10,1%	Munich Re	Yes	-
6 PZU	15	6,2%	PZU	No	-
7 MANDATUM	11	4,5%	Sampo Group	No	-
8 BONUM PUBLICUM	7	2,7%	Šiaulių bankas	No	-
Total	248	100,0%			

Source: Xprimm

Table 61. List of non-life insurers in Lithuania, 2018

List of Non-life insurers in Lithuania 2018					
Name of institution	GWP (EUR mn)	Market share %	Major shareholder	Has life business	Change in rank
1 LIETUVOS Draudimas	192	30,5%	Codan Limited	Yes	-
2 BTA Insurance Company	104	16,5%	Vienna Insurance Group	No	-
3 ERGO	92	14,6%	Munich Re	Yes	-
4 GJENSIDIGE	66	10,5%	Gjensidige Group	No	-
5 If P&C Insurance	45	7,2%	Sampo Group	No	-
6 COMPENSA VIG	40	6,3%	Vienna Insurance Group	No	-
7 SWEDBANK P&C	27	4,3%	Swedbank	Yes	-
8 SEESAM	18	2,8%	Vienna Insurance Group	No	-
9 BALCIA	15	2,4%	Balcia Insurance	Yes	▲1
10 COMPENSA	13	2,0%	Vienna Insurance Group	No	▼-1
11 COFACE	5	0,9%	COFACE CENTRAL EUROPE HOLDING	No	▲1
12 ERGO	5	0,8%	Munich Re	No	▲1
13 Vereinigte Hagelversicherung	5	0,7%	Vereinigte Hagelversicherung	No	▼-2
14 LAMANTINAS	3	0,5%	Bronius Bradauskas	No	-
15 InterRisk	0	0,0%	Vienna Insurance Group	No	-
16 SEB	0	0,0%	SEB	Yes	-
Total	630	100,0%			

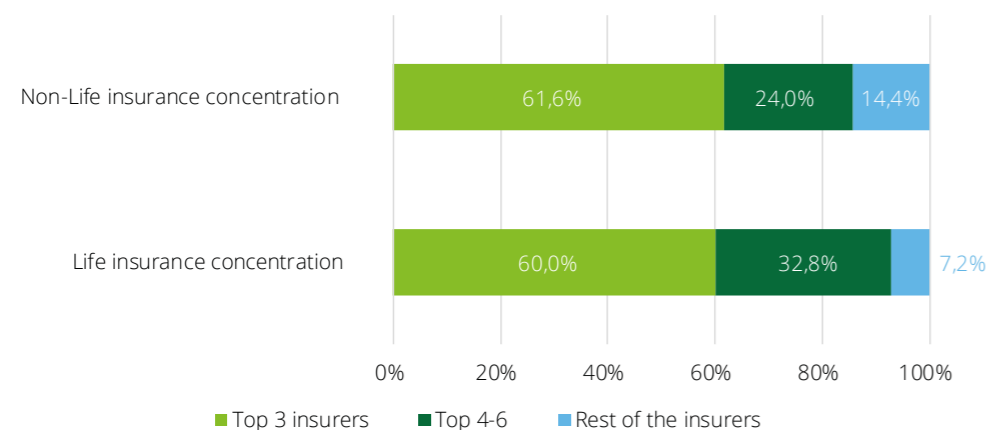
Source: Xprimm



The life insurance market is highly concentrated. The top three companies control 60.0% of the market based on GWP in 2018. Despite the high concentration, there are plenty of relatively small insurers in both segments, which show that there is room for consolidation.

The non-life market was twice as large as the life segment based on GWP in 2018. The non-life segment is also highly concentrated, given that the top three companies account for 61.6% of the total GWP. The remaining 38.4% of the market is shared by 13 businesses, most of which owned by foreign firms.

Figure 26. Market concentration in Lithuania



Source: Xprimm, Deloitte Intelligence



M&A activity

Table 62. List of M&A transactions in Lithuania 2015-2019 September

List of insurance M&A deals in Lithuania 2015 - 2019 September						
Year	Target	Buyer	% Acquired	Deal Value in EUR mn	Seller	Completed
2018	UAB Mokilizingas	Inbank AS	100,0%	15	UAB Inovatyvus prekybos sprendimai; LHV Group AS	Y
2017	Balto Link	Aon Baltic	100,0%	n.a.	Balto Link	Y
2015	PZU	Gjensidige Forsikring	99,9%	66	PZU	Y

Source: Deloitte Intelligence

There were three closed insurance related transactions on the Lithuanian insurance market from 2015 until September 2019.

Recent transactions since the last issue of the M&A study

In 2018, Inbank AS, a listed Estonia-based bank agreed to acquire UAB Mokilizingas from LHV Group AS and UAB Inovatyvus prekybos sprendimai for a consideration of EUR 15m. The acquisition is the next step in the implementation of the international growth strategy of Inbank. The transaction will provide well-functioning and profitable business in Lithuania, as well as capability to serve its partner merchants who operate throughout the Baltic states. Mokilizingas has a significant growth potential, which fits well with the Inbank business model.

Previous major transactions since 2015

In 2017, Aon Baltic, a Lithuania-based insurance services company acquired Balto Link, a Lithuania-based insurance brokerage company for an undisclosed consideration.

In 2015, Gjensidige Forsikring, the listed Norway-based company providing non-life insurance, banking and pension services agreed to acquire PZU business in Lithuania for a consideration of EUR 66m.



Regulatory

Industry regulators

BoL (Bank of Lithuania) is the single supervisor and regulator of all financial markets, including the insurance sector in Lithuania. BoL performs prudential and market conduct supervision of financial markets.

Insurance related acts

- Law on Companies (2000, with amendments);
- Law on Financial Institutions (2002, with amendments);
- Labour Code (2016, with amendments)
- Civil Code (2000, with amendments);
- Law on Insurance (2003, with amendments);
- Law on Health Insurance (1996, with amendments);
- Law on Compulsory Insurance against Civil Liability in respect of the Use of Motor Vehicles (2001, with amendments);
- Law on Unemployment Social Insurance (2003, with amendments);
- Law on Accumulation of Pensions (2003, with amendments);
- Law on Supplementary Voluntary Accumulation of Pensions (1999, with amendments);
- Law on Prevention of Money Laundering and Terrorist Financing (1997, with amendments);
- Law on the Bank of Lithuania (1994, with amendments).



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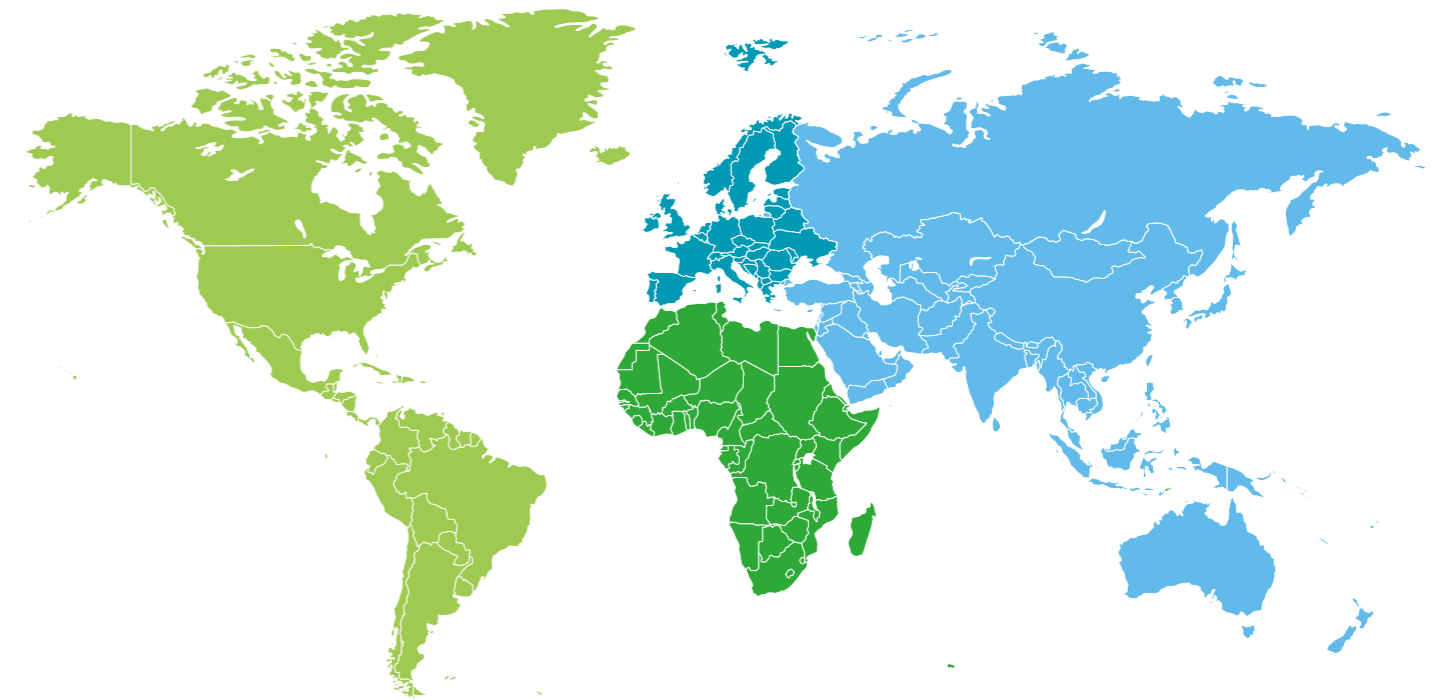
Roman Lux
Assistant Director
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Our Global Insurance M&A team

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Explore all the data
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