


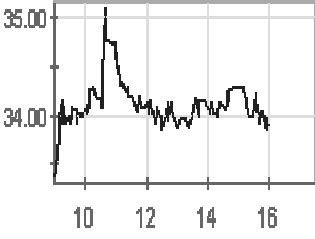
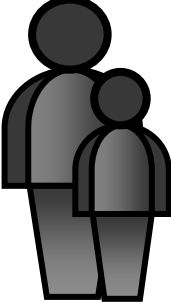




Turkey as an Attractive Place for the European Insurance Sector?

Istanbul, 22 May 2011

Vienna Insurance Group

The Group at one glance

 <ul style="list-style-type: none"> ▶ active in 24 countries of Europe 	 <ul style="list-style-type: none"> ▶ listed on the stock exchange in Vienna and Prague
<p>About EUR 8,600,000,000</p> <ul style="list-style-type: none"> ▶ of premiums written in 2010 	 <ul style="list-style-type: none"> ▶ more than 25,000 employees working for VIG groupwide
 <ul style="list-style-type: none"> ▶ Rating: A+ with a stable outlook (Standard and Poor's) 	 <ul style="list-style-type: none"> ▶ operates about 50 insurance companies

Top positions in Austria and CEE

The Vienna Insurance Group in 2010: Number 1 in its core markets

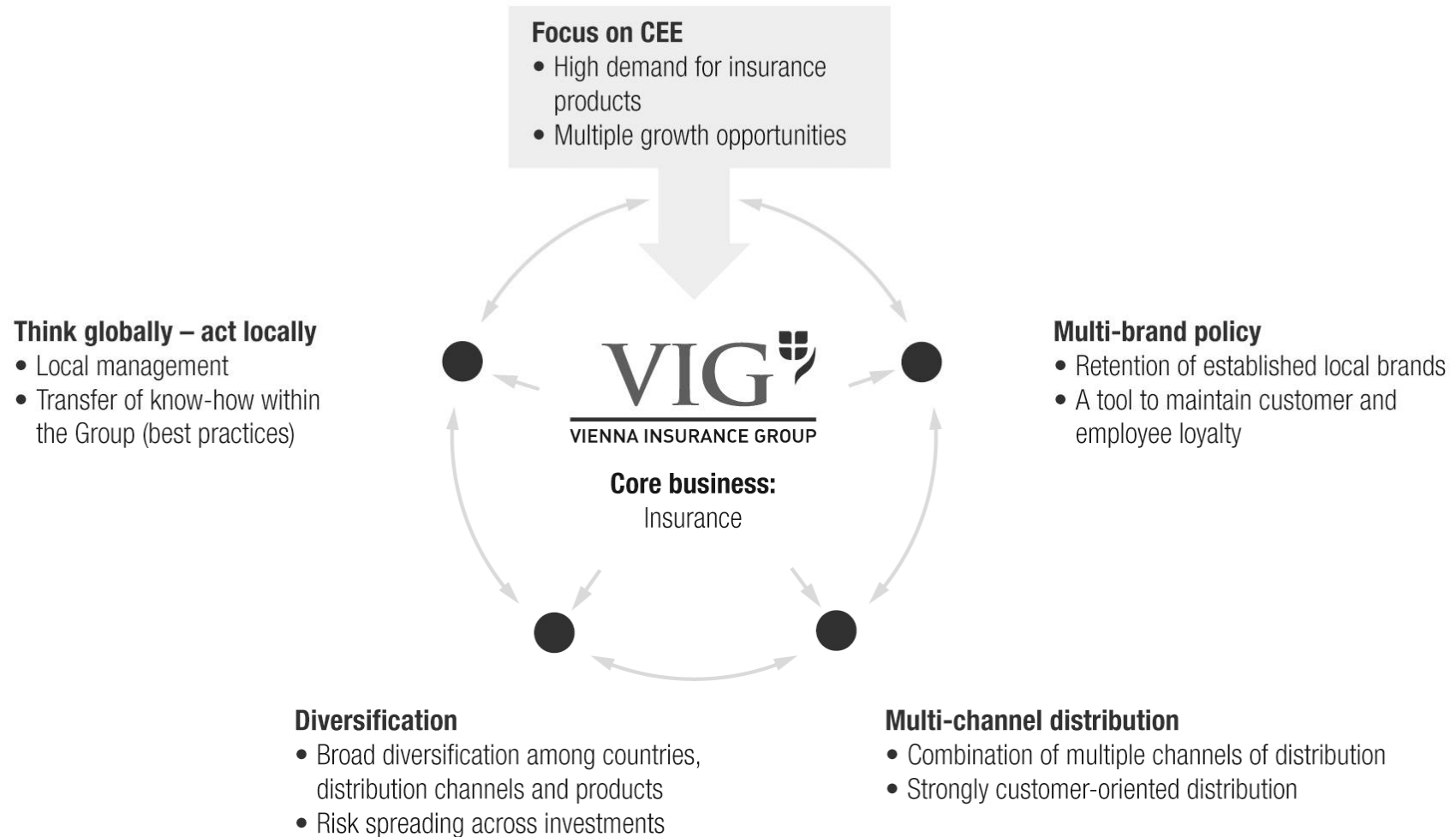
	Market position	Market share
Austria	1st place	24.1%
Czech Republic	2nd place	30.7%
Slovakia	1st place	31.9%
Poland	NL: 3rd place	NL: 9.8%
Romania	1st place	26.9%
Bulgaria	1 st place	17.6%
Croatia	4 th place	8.6%
Serbia	4 th place	7.7%
Ukraine	4 th place	3.0%
Hungary	7 th place	4.4%



Core markets
 Further VIG markets

Management principles

The five cornerstones of the corporate strategy

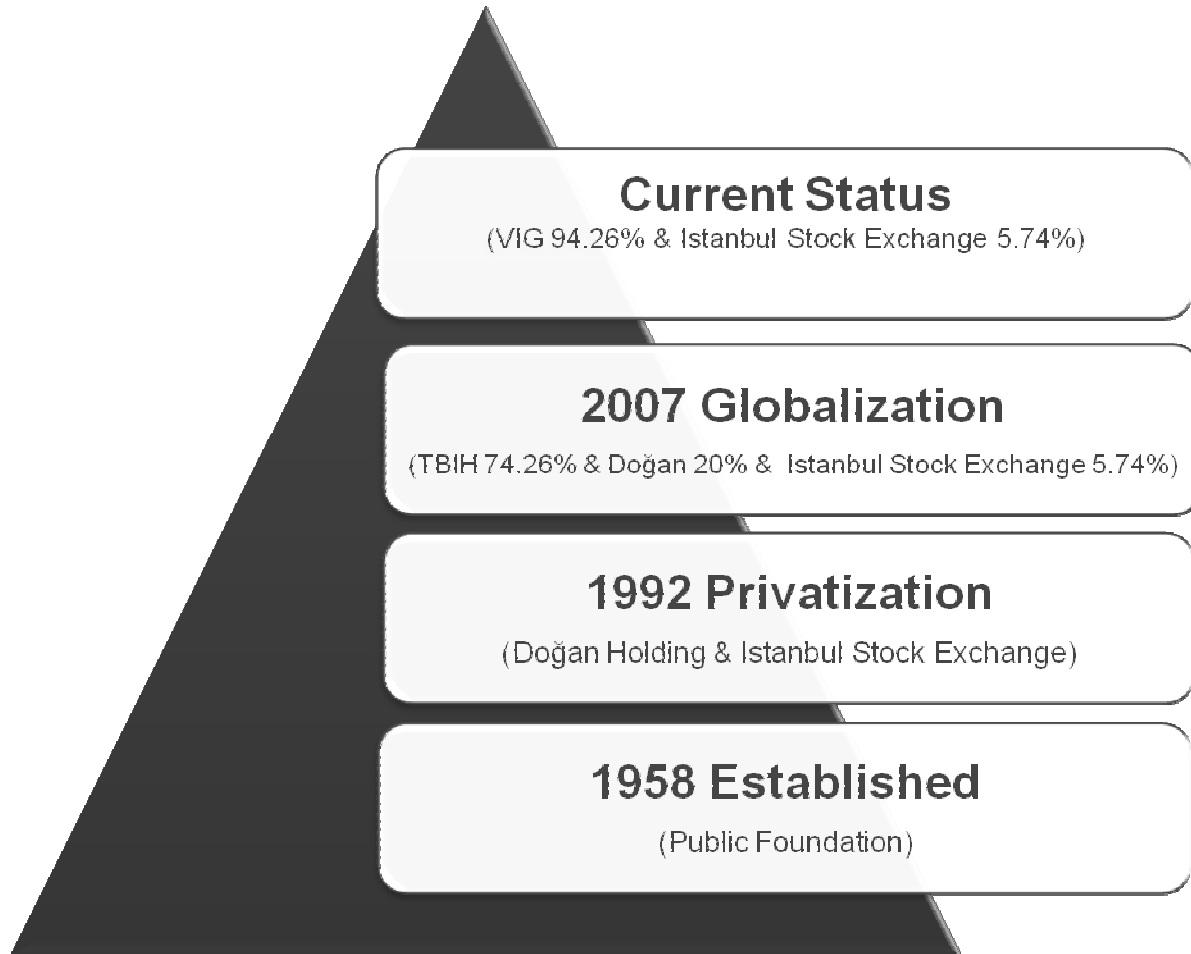


Vienna Insurance Group in Turkey



- ▶ **Company name:** Ray Sigorta A.Ş.
- ▶ **Business area:** non-life insurance
- ▶ **Founded:** in 1958
- ▶ Well-known brand in Turkey
- ▶ Offices all over Turkey
- ▶ Very experienced staff

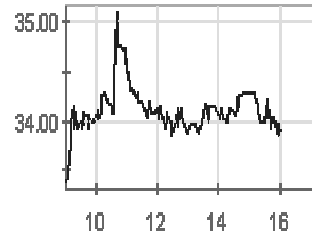
About Ray Sigorta A.Ş.



About Ray Sigorta A.Ş.



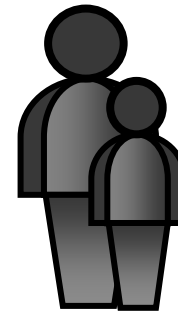
▶ **Headquartered in Istanbul**



▶ **Listed on the stock exchange in Turkey**



▶ **8 Regional Directorate**



▶ **Approx. 280 employees** working for Ray Sigorta



▶ **Multi-level distribution**

▶ **780 Agencies, 50 Brokers, 6 Leasing Companies and a Bank**



▶ **Wide product variety**

▶ **Fire, Vehicle, Marine, Liability, Engineering, Health, Travel, Aviation, MTPL etc.**

What makes Turkey an attractive place for business?

Insights from and experiences of the insurance industry

Besides numerous other aspects, the European insurance sector profits from three important aspects:

1 Population:

Large market with a high number of potential customers

2 Economy:

Growth in GDP and prosperity, prospect of economic convergence

3 Insurance demand:

Insurance density comparably low, very high development possibilities

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Population as of 1 January 2010

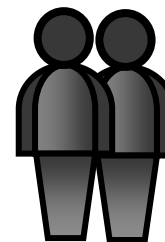
Source: Eurostat

VIG Countries¹



~ 405 million

VIG Core markets²



~ 154 million

Turkey



~ 73 million

¹ Excluding Russia

² VIG Core markets: Austria, Czech Republic, Slovakia, Poland, Romania, Bulgaria, Croatia, Hungary, Serbia, Ukraine

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2 Economy:

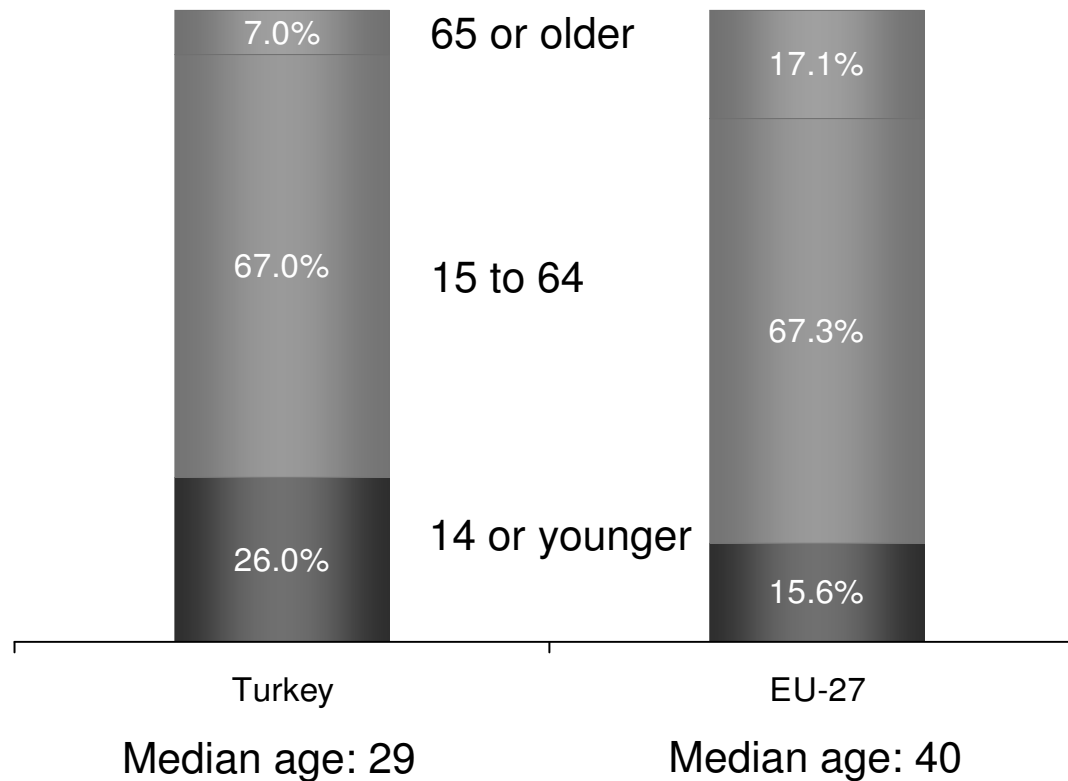
Growth in GDP and prosperity, prospect of economic convergence

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Age structure of population

Sources: Eurostat, Turkish Statistical Institute



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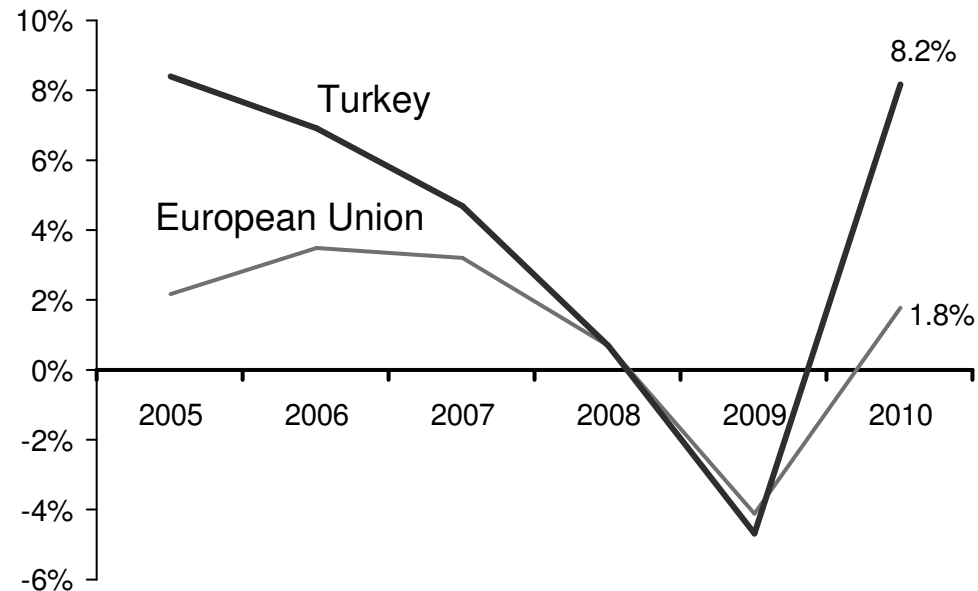
Growth in GDP and prosperity, prospect of economic convergence

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Real GDP growth in %

Source: International Monetary Fund



Real GDP forecast 2011/2012	2011	2012
European Union	1.8%	2.1%
Turkey	4.6%	4.5%

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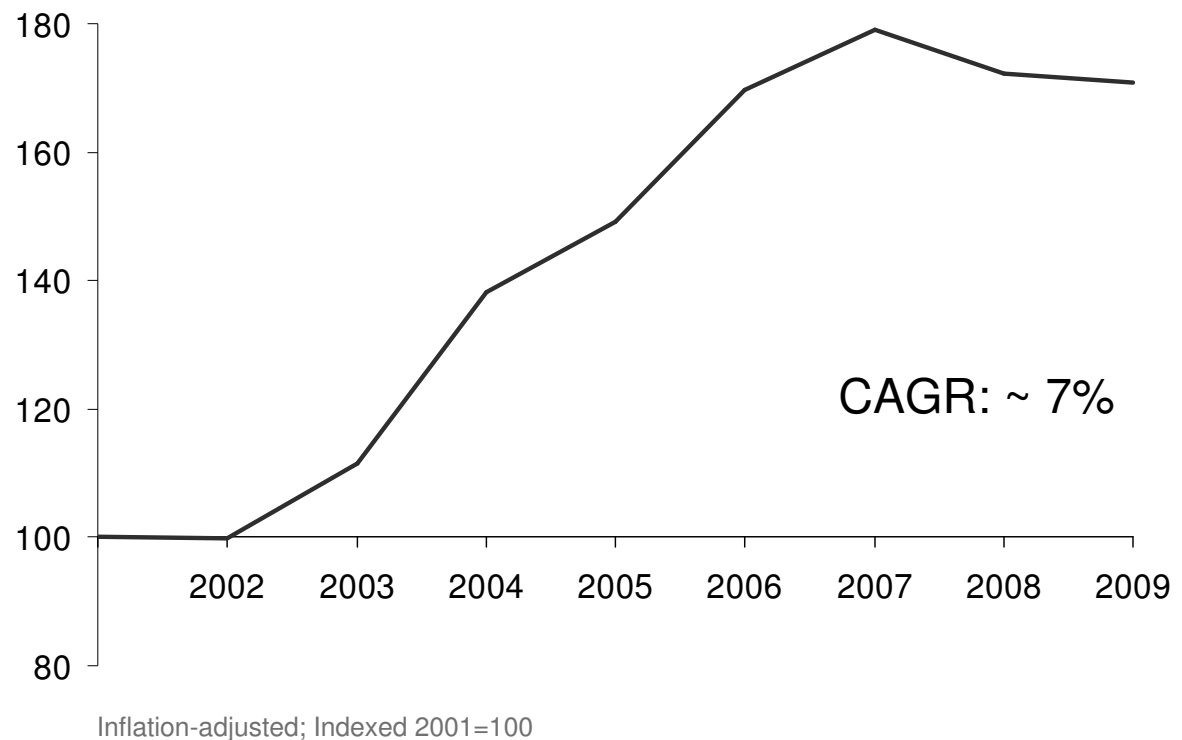
Growth in GDP and prosperity, prospect of economic convergence

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Premium growth in Turkey 2001-2009

Sources: Swiss Re, International Monetary Fund



What major economic challenges does Turkey bear?

Insights from and experiences of the insurance industry

1 Inflation:
high and volatile inflation rates

Inflation rate in %	2000	2004	2008	2010	2012p
European Union	3.1%	2.4%	3.7%	2.0%	1.9%
Austria	2.0%	2.0%	3.2%	1.7%	2.0%
Turkey	55.0%	8.6%	10.4%	8.6%	6.0%

Source: International Monetary Fund

2 Currency:
changes in currency exchange rates

The Turkish insurance market

1

Size

- ▶ Premium volume in 2010: TRY ~ 14 bn.

2

Competition

- ▶ Top 5 insurers generated more than 39% of total premium volume, Top 10 insurers approximately 63%.
- ▶ Ray Sigorta A.Ş. was ranked on 12th place in the overall market (11th in the non-life area) in 2010 with a market share of approximately 1.8%.

3

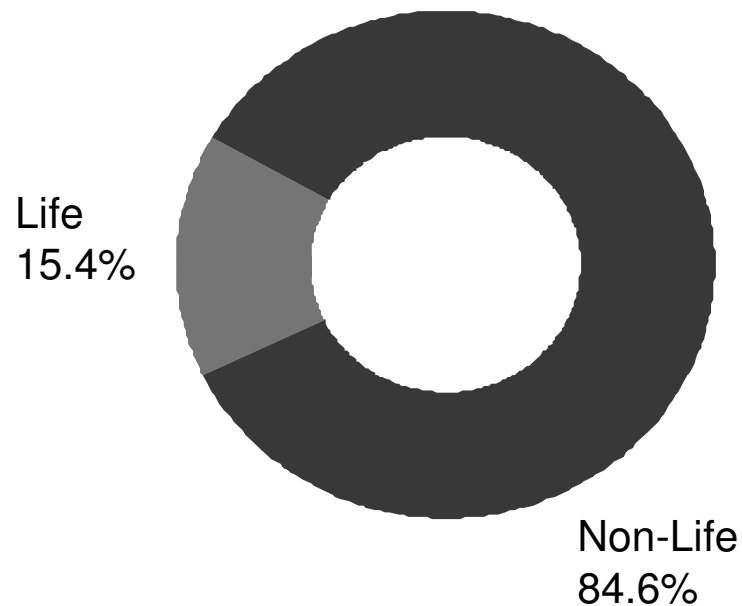
Distribution channels

- ▶ Agency networks are still the principal distribution channel for insurance products.
- ▶ Among others, bancassurance has gained importance, especially in life insurance.

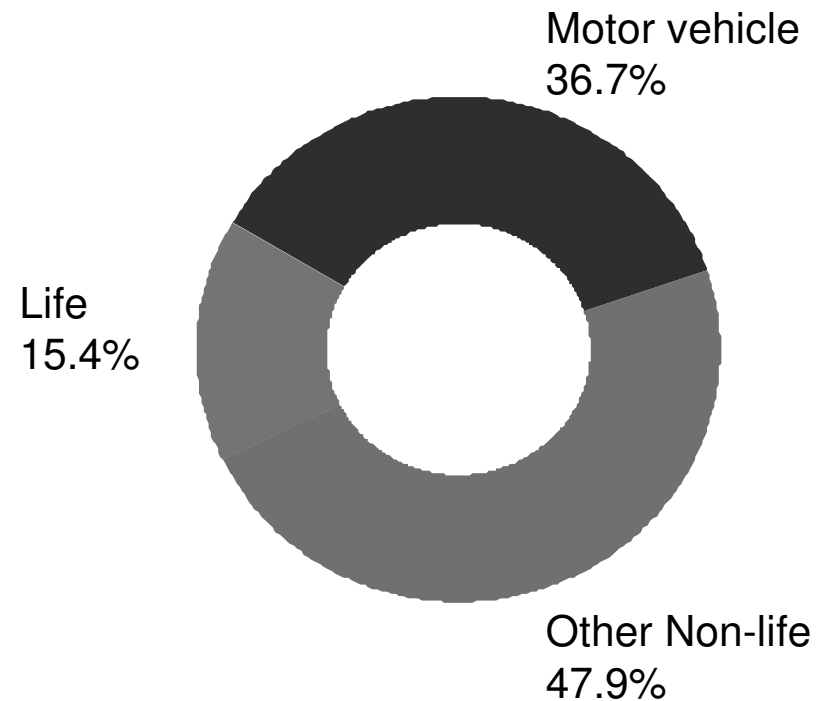
The Turkish insurance market

Insurance market class mix

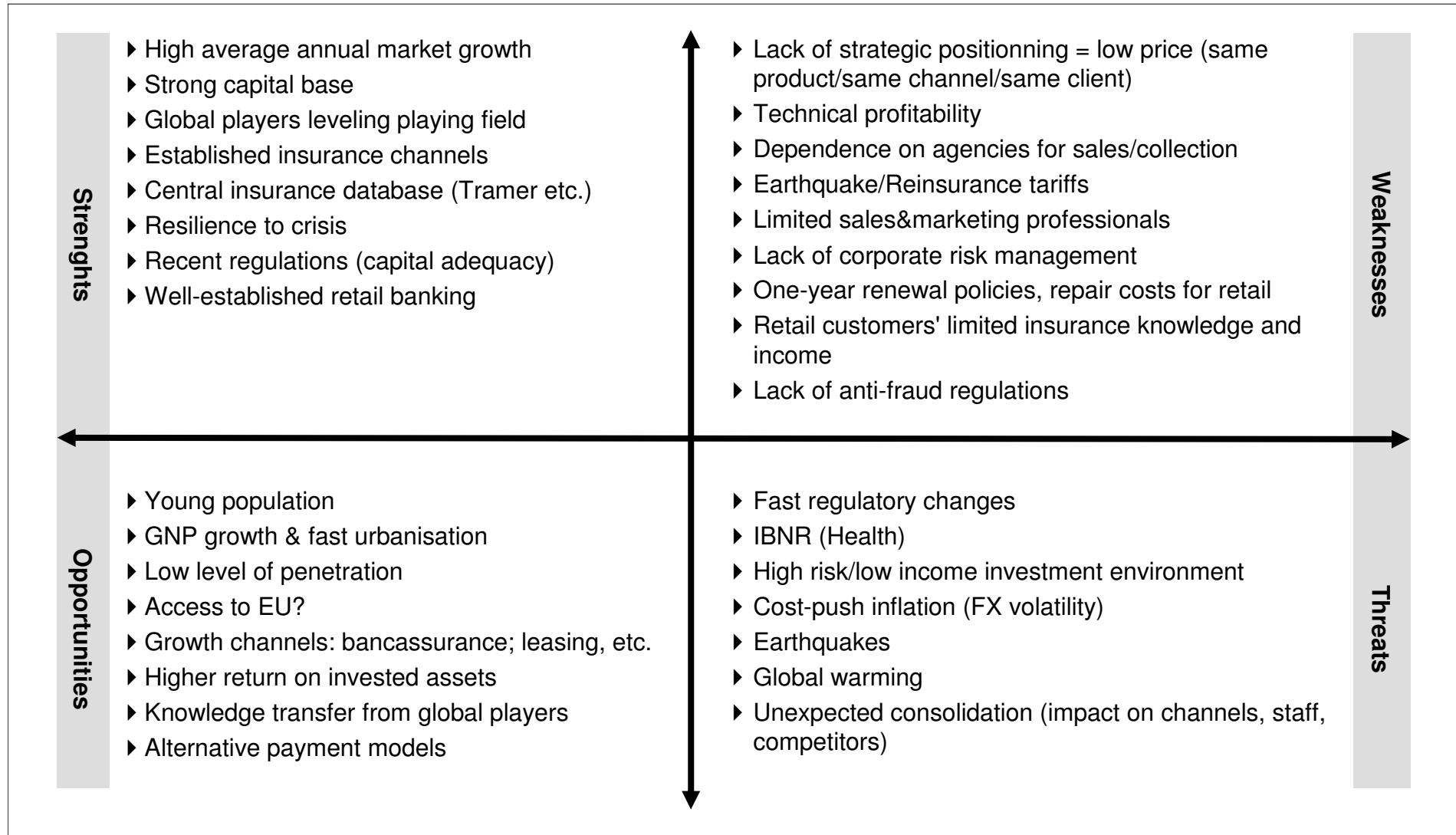
- ▶ The non-life insurance area (including casualty and health insurance) contributes about 85% to the total premium volume.



- ▶ The motor vehicle insurance segment accounts for more than a third of premiums.



SWOT-Analysis of the Turkish insurance market





Thank you for your attention!