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Vienna Insurance Group in Albania

Expanding involvement through acquisition of Intersig

The **Vienna Insurance Group AG Wiener Versicherung Gruppe** signed an agreement in Tirana on 24 August, 2011 to acquire a majority share in the Albanian insurance company **Intersig Sh.a**. As a result of this transaction, subject to official approval, Vienna Insurance Group will acquire 75 percent of the shares plus one share of the company from private ownership. The parties have agreed not to disclose the purchase price.

CEO Günter Geyer explained the purchase: *“This acquisition will enable the Group to broaden its base in Albania considerably. Our positive experience with the business development of our existing Albanian Group companies has encouraged us to decide to strengthen our presence further. The catch-up process in the Albanian market means we are expecting increased demand for insurance products in the coming years. The country’s stable economic development over the past few years has created a good foundation for this.”*

Facts about Intersig Sh.a

Intersig was founded in 2001 as a joint-stock company and operates in the general insurance market. The largest proportion of premiums is generated in the motor insurance sector. With a total market share of around 9 percent in 2010, Intersig ranks sixth overall in the market. In the 2010 financial year, premium volume was around EUR 5.3 million. Intersig has its headquarters in Tirana and is represented in all 12 regions of the country. The company operates 140 sales outlets and around 90 percent of its products are distributed through its own sales force.

Vienna Insurance Group in Albania

In 2007, the company entered the Albanian insurance market with the acquisition of **Sigma**. Most recently, Vienna Insurance Group’s involvement was considerably extended through the acquisition of **Interalbanian** in 2010. With the acquisition of **Intersig** Vienna Insurance Group’s market share raises to about 30 percent and an estimated premium volume of about EUR 20 million. The Group ranks – subject to official approval of the transaction – second on the Albanian insurance market and is the market leader in the motor insurance segment.

Albanian insurance market

Albania has 3.2 million inhabitants and almost a quarter of the population lives in the metropolitan area of Tirana. The economy grew by 3.5 percent in 2010 and is forecast to grow 3.4 percent in 2011. In 2010, an overall premium volume of just under EUR 60 million was generated. Motor insurance is the dominant line of business with around a 60 percent share of total premium volume.

At present there are ten companies operating in the Albanian insurance market. Seven of these only operate in the non-life sector, two companies are purely involved in life insurance and one insurance company is active in both segments. Insurance density (per capita annual premiums) in Albania stood at around EUR 18 in 2010. In the same year, this figure came to around EUR 75 in Serbia and around EUR 2,500 in the EU15 countries. Insurance penetration (premiums as a proportion of GDP) was around 0.67 percent in Albania, compared with 1.8 percent in Serbia and 8.7 percent in the EU15 countries.

The listed Vienna Insurance Group (VIG) is one of the leading insurance groups in CEE headquartered in Vienna. Outside of its home base in Austria, Vienna Insurance Group is also active, through subsidiaries and insurance holdings, in Albania, Bulgaria, Germany, Estonia, Georgia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, the Czech Republic, Turkey, Hungary, Ukraine and Belarus. Moreover, Wiener Städtische Versicherung has branches in Italy and Slovenia; Donau Versicherung has a branch in Italy.

On the Austrian market, the Vienna Insurance Group (VIG) positions itself with Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung.

Contact:

VIENNA INSURANCE GROUP (VIG)
Alexander Jedlicka
Head of Public Relations
Schottenring 30, 1010 Vienna
Tel.: +43 (0)50 350-21029
Fax: +43 (0)50 350 99-21029
E-Mail: alexander.jedlicka@vig.com

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