

15 March 2007

Please note: this is a translation; only the German version of this release is legally binding.

**Wiener Städtische Versicherung AG Vienna Insurance Group and ERGO  
Versicherungsgruppe:  
Merger of UNION Versicherungs-AG und BA-CA Versicherung AG**

ERGO Versicherungsgruppe AG, Wiener Städtische Versicherung AG Vienna Insurance Group and Bank Austria Creditanstalt AG as shareholders of UNION Versicherungs-Aktiengesellschaft and Bank Austria Creditanstalt Versicherung Aktiengesellschaft have jointly agreed to merge both insurance companies. Wiener Städtische Versicherung AG Vienna Insurance Group will take over the lead in the to-be merged insurance companies BA-CA and UNION. The implementation of this agreement is subject to the approval of the relevant authorities. At the same time, the contracting parties have agreed to allow a shift in the majority stakes in favor of ERGO Versicherungsgruppe in the course of some years.

Günter Geyer, CEO of Wiener Städtische Versicherung AG Vienna Insurance Group: *„With the agreement of ERGO Versicherungsgruppe and Bank Austria Creditanstalt we now carry out the logical step from the administrative union to the merger of both insurance companies which will enable us to strengthen our focus on the Austrian market.”*

Dr. Klaus Flemming, in charge of International Operations on the Board of Management of the ERGO Insurance Group: *“Both companies have a successful business model which has already proven its quality in the past. As a unit, they will be in an excellent position to participate in the positive development of the Austrian financial services market in the future, too.”*

The Vienna Insurance Group is the leading Austrian insurance group in Central and Eastern Europe. Among the international competitors, the Vienna Insurance Group ranks an excellent second in the region.

Outside its Austrian home market, the Vienna Insurance Group operates (through subsidiaries) in Belarus, Bulgaria, Croatia, the Czech Republic, Georgia, Germany, Hungary, Liechtenstein, Poland, Romania, Russia, Serbia, Slovakia and Ukraine. Branch offices are maintained in Italy and Slovenia.

Alongside WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group, the Vienna Insurance Group in Austria includes Donau Versicherung, Bank Austria Creditanstalt Versicherung and Union Versicherung. The Group also has ownership interests in Wüstenrot Versicherung and Sparkassen Versicherung.

The Vienna Insurance Group is among the market leaders in Austria, the Czech Republic, Slovakia, Romania, Bulgaria and Georgia.

You will also find this press release on <http://www.wienerstaedtiche.at>

### **The ERGO Insurance Group**

With total premiums of almost € 17 billion, the ERGO Insurance Group is a leading European Insurance Group and no. 2 in the German primary insurance market. 30 million customers throughout Europe place their trust in the ERGO companies – among which rank Victoria, Hamburg-Mannheimer, DKV, D.A.S. and KarstadtQuelle Versicherungen in Germany. ERGO leads the European market in private health and legal expenses insurance, operating in 24 countries. The major shareholder is Munich Re with a 94.7% stake in the company.

Up-to-date company information is available at [www.ergo.com](http://www.ergo.com).

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