

## ERGO expansion in Austria

**Düsseldorf, 1 October 2008. With effect from 1 October 2008 the ERGO Insurance Group has taken over a majority interest in Bank Austria Creditanstalt Versicherung AG (BA-CA Insurance), and now holds 90 percent of total shares. As a result, the ERGO Insurance Group now climbs to No. 3 in the Austrian life insurance market. With the majority takeover, announced six months ago, the ERGO Insurance Group is expanding its international business further. ERGO is focussing on Austria as a platform for opening up future markets in Central and Eastern Europe.**

Central and Eastern Europe are the main focus in the company's international expansion strategy and provide ideal prospects. "The countries there are significant growth markets, offering excellent opportunities for developing and expanding business, as well as achieving high double-digit growth rates", stated Thomas Schöllkopf, member of the Board of ERGO International AG in charge of activities in Central and Eastern Europe.

Previously, ERGO held around 30 percent in the BA-CA Insurance. It has now taken over the 60 percent stake owned by the Wiener Städtische Versicherung AG Vienna Insurance Group which relinquished its stake in BA-CA Insurance for reasons of fair trade. UniCredit Bank Austria AG will retain the remaining ten percent.

BA-CA Insurance is one of the largest life and accident insurers in Austria, and in 2007 premium income amounted to 545 million euros. This takes the market share held by the ERGO Insurance Group in the Austrian life insurance market up to ten percent, making it No. 3 in the country. Victoria Volksbanken Versicherung, Quelle Lebensversicherung AG and D.A.S. Rechtsschutz Versicherung AG are also part of ERGO in Austria.

### **Key role in opening up new markets**

As part of the takeover ERGO is concentrating its bancassurance activities in Austria as well as in Central and Eastern Europe under the umbrella of ERGO Austria International AG, which acts as the holding company for BA-CA Versicherung, Victoria Volksbanken Versicherung and a service

company responsible for central services such as accounting, actuarial services or Human Resources for all companies within the Group. In this respect, ERGO Austria can count on the experience of the ERGO Insurance Group in developing central and innovative processes. For ERGO, Austria plays a key role in opening up new markets in Central and Eastern European countries where the sales channel bank partnerships is to be extended even further.

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#### **About ERGO Insurance Group**

With premium income amounting to over € 17 billion, ERGO is one of the major insurance groups in Europe. Worldwide, ERGO is represented in 26 countries in Europe and Asia. In Europe, ERGO is No. 1 in the health and legal expenses insurance segments. Within the home market of Germany, ERGO ranks among the market leaders across all the different insurance segments. 34 million clients currently place their trust in the services, expertise and security provided by ERGO and its companies. In Germany, 15 million clients place their faith in the strong brands of D.A.S., DKV, Hamburg-Mannheimer, KarstadtQuelle Insurance and Victoria. 50000 people work full-time for the ERGO Group, either as salaried employees or as self-employed sales representatives. The majority shareholder is Munich Re, one of the world's leading risk carriers, which holds a 94.7 percent stake in ERGO. Further up-to-date information on the ERGO Insurance Group is available at [www.ergo.de](http://www.ergo.de).