



Growing the Value Central & Eastern Europe

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- ◆ Successful expansion into 4 new countries
- ◆ Opportunities for further expansion
- ◆ Regional model works – leveraging best practices
- ◆ 2010 VNB target increased to EUR 100 million
- ◆ Earnings growth driven by strong business performance

Major financial targets for CEE 2005 – 2010

Original (May 2005)

- ◆ VNB 22% annual growth
- ◆ New countries profitable within 5 years
- ◆ AuM EUR 8 bn in 2010
- ◆ One of top-providers in life & pension



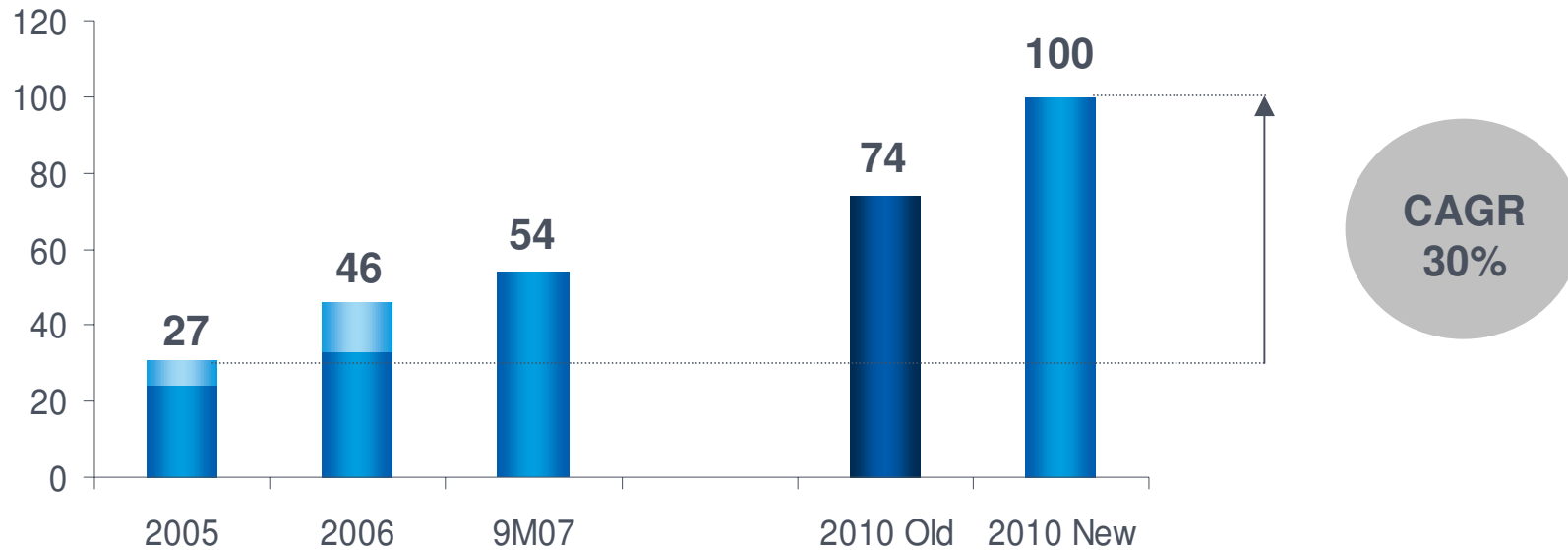
Revised (November 2007)

- ◆ VNB 30% annual growth
- ◆ Reiterated
- ◆ AuM EUR 10 bn in 2010
- ◆ 5-10% market share in new sales in major business lines

Building up a growing presence

Value of New Business

In EUR mln

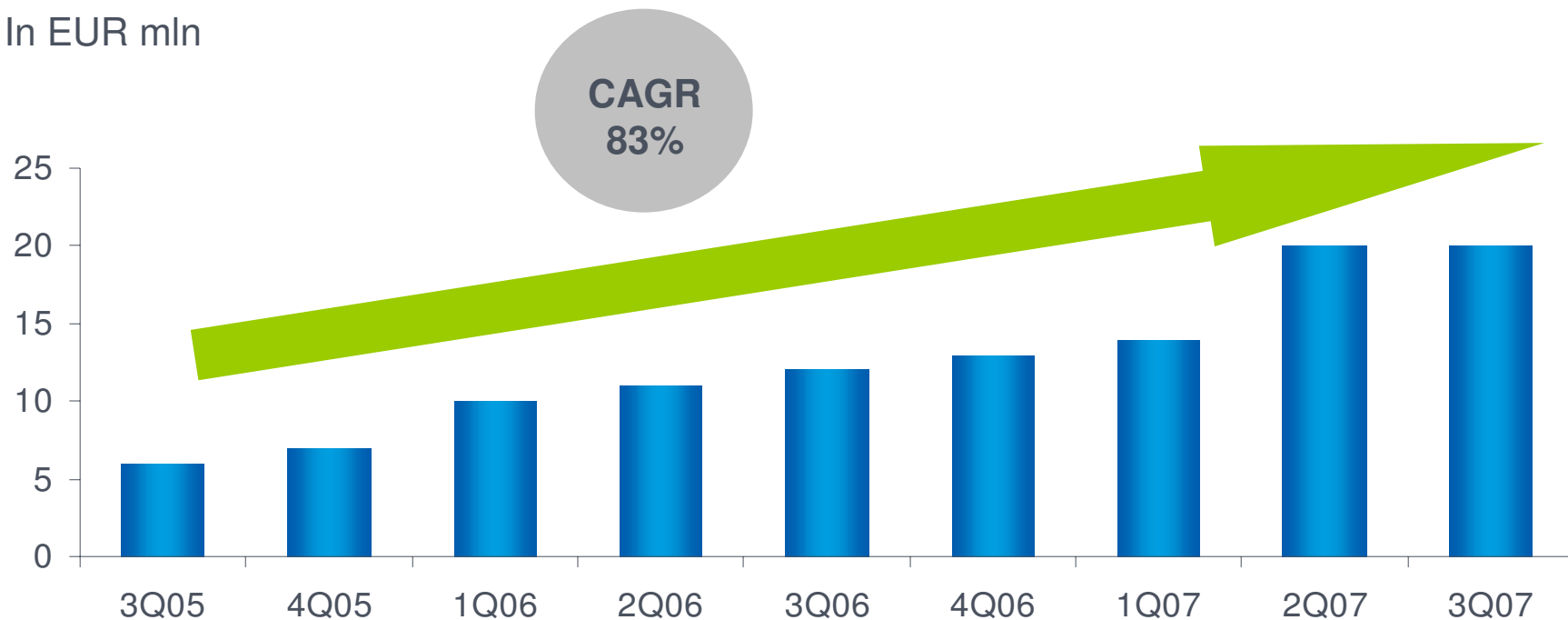


◆ Reasons for increased VNB target

- Margins
- Volumes
- Expansion into new markets

Value of New Business

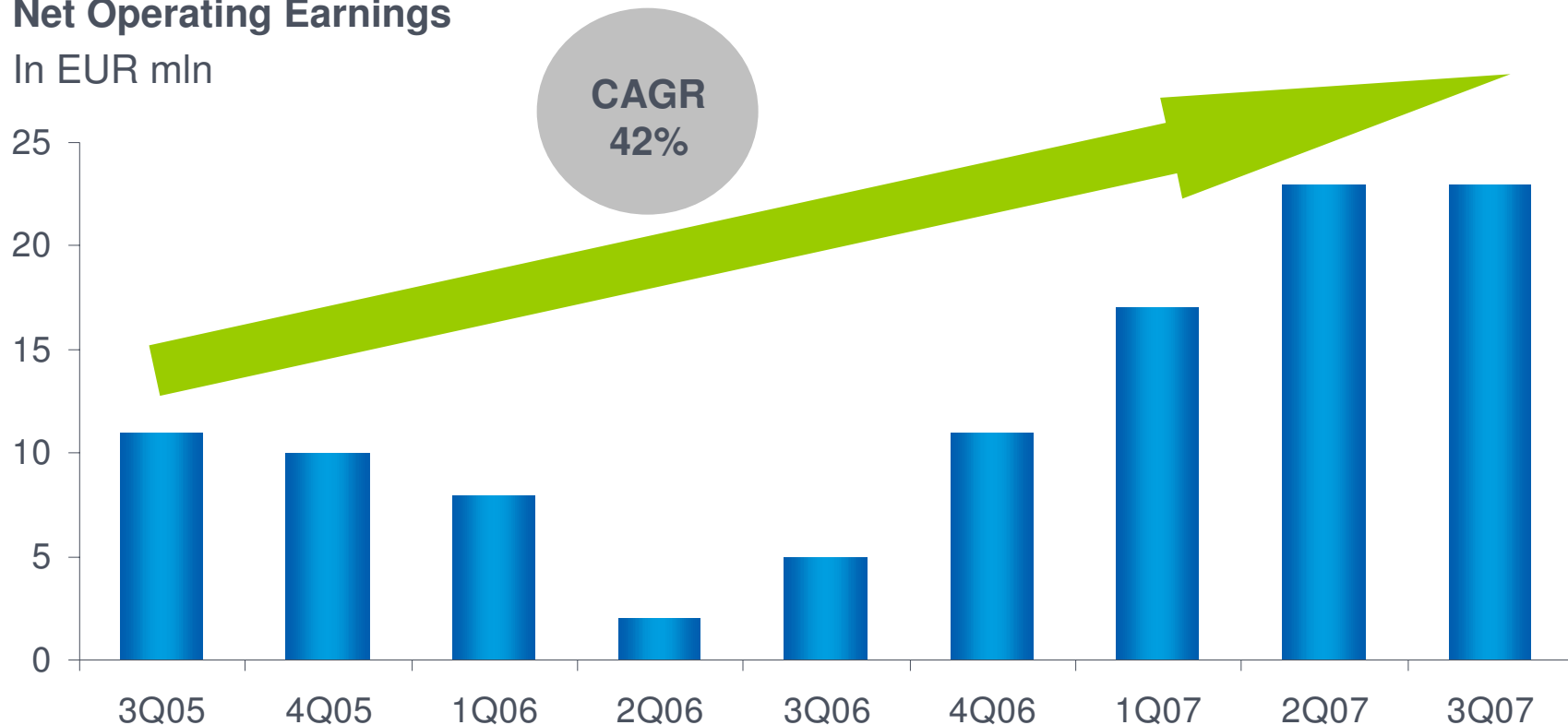
In EUR mln



- ◆ Stable high-margin life business in Hungary from 2003
- ◆ Continuous high volume growth in Poland from 2005
- ◆ Successful entry into Slovakian pension fund market in 2006
- ◆ Rapid growth in new mortgage business in Hungary in 2007

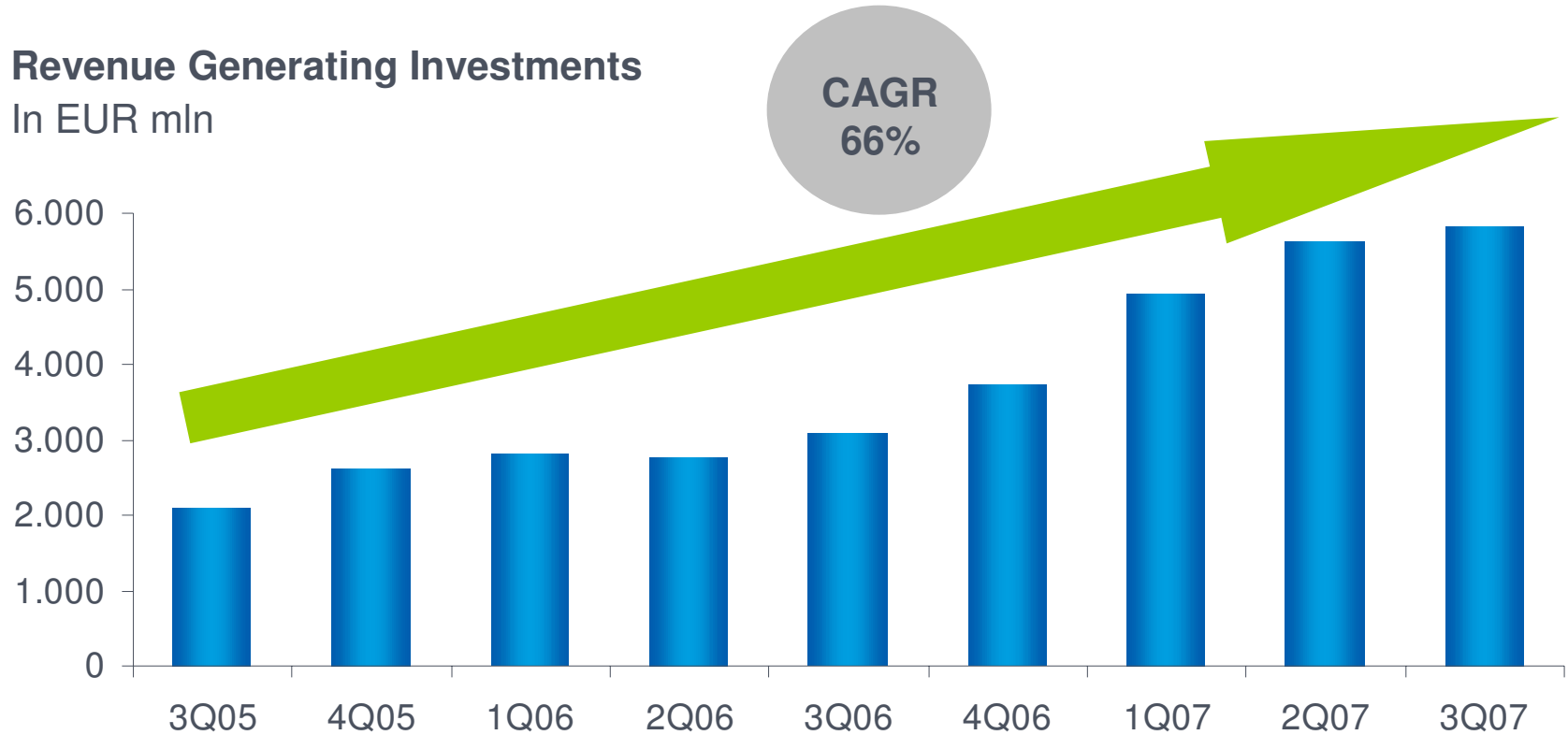
Net Operating Earnings

In EUR mln



- ◆ 3 countries profitable (ahead of target date)
- ◆ Efficiency in organization (small overhead) + leverage expertis

Revenue Generating Investments In EUR mln




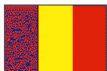




- ◆ High growth in unit-linked life insurance in Poland
- ◆ Increasing market share in Hungarian pension fund market
- ◆ Successful entry in Slovakian and Polish pension fund markets
- ◆ Strong retail mutual fund and third party asset management inflows

| | Original (May 2005) | Update (November 2007) |
|---------------------|---|--|
| Pension | 2 million members 10% market share in mandatory | 2.5 million members Reiterated |
| Distribution | 4.000 tied agents | Reiterated |
| Production | 25% CAGR of life production | 35% CAGR of life production |
| Product development | Diversify to risk and investment products | Reiterated |
| Mortgages | 5-10% market share in new mortgages in Hungary | Reiterated |

Focus on existing countries

- ◆ Pension
 - Continued growth in all country units
- ◆ Distribution
 - Country unit specific approach
- ◆ Strengthen new ventures
 - Hungary: mortgages – roll-out into other CEE countries
 - Czech/Slovakia: Voluntary pension funds
 - Poland: integrate two pension funds
 - Romania: set up life insurance company + grow pension fund
 - CEE: asset management
- ◆ Focus on best practices
 - IT
 - Common product development
 - CC/Internet as new sales channel

| Country | | Members | Market share | Rank |
|----------------|---|--|--------------|------|
| Hungary |  | 650,000 | 18% | 2 |
| Slovakia |  | 205,000 | 15% | 3 |
| Poland* |  | 800,000 | 5% | 5 |
| Romania |  | Started Mandatory Pension Fund in 2007 | | |
| Czech Republic |  | Started Voluntary Pension Fund in 2007 | | |
| Ukraine |  | Target market for Mandatory Pension Fund | | |

Achieving 10% market share in mandatory pension fund market in CEE

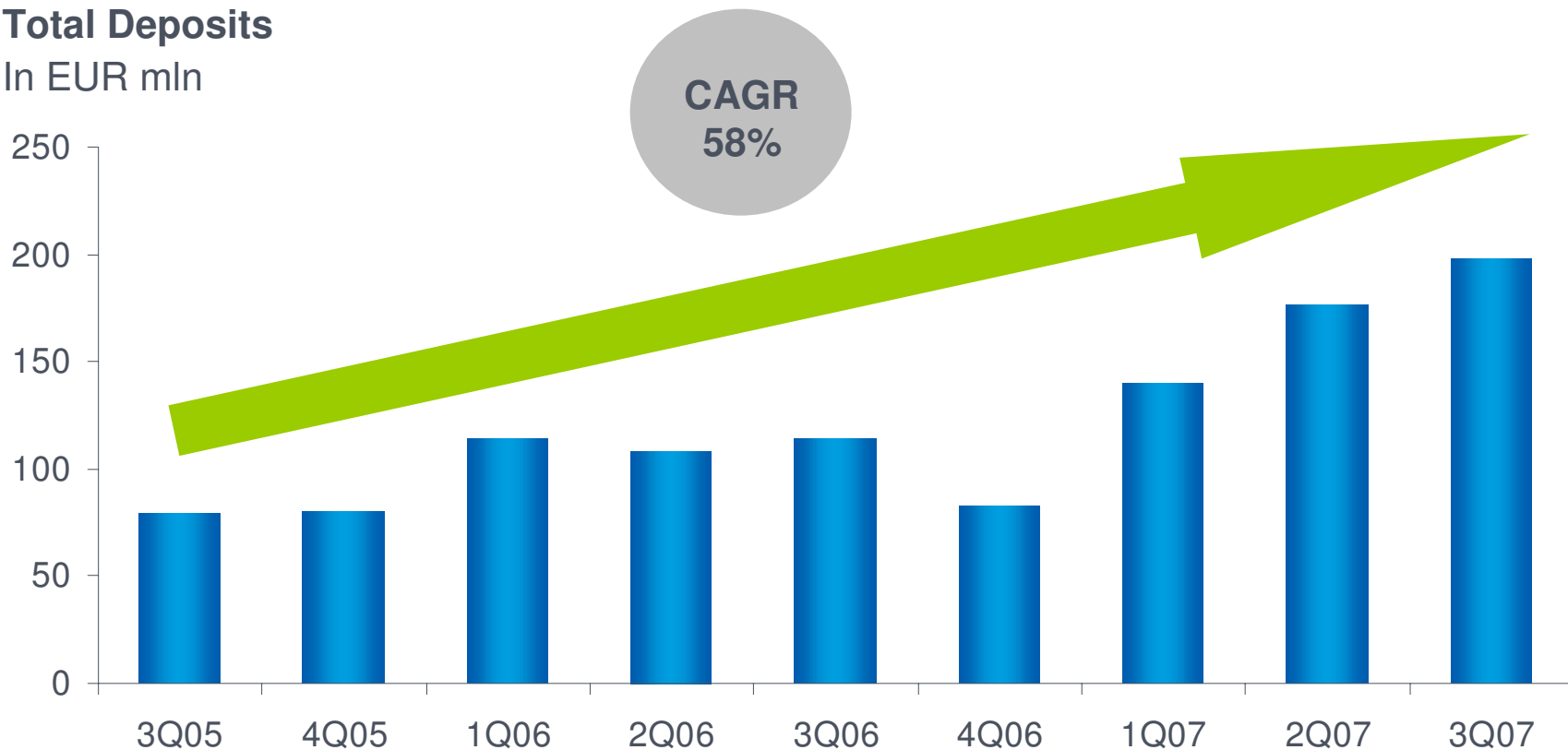
* Including the newly acquired pension fund PTE Skarbiec; approval for merger with existing fund is expected in 1Q 2008

- ◆ Continue to grow pension funds in Hungary
- ◆ Successful operation of the pension fund in Poland
- ◆ Integrate Skarbiec acquisition in 2008
- ◆ Further expansion in Czech Republic and Slovakia: start voluntary funds utilising synergies
- ◆ Start mandatory fund in Romania

} **#5 in pensions
in Poland**

Drivers for rapid growth in members and AuM of pension funds

Total Deposits
In EUR mln



- ◆ Already 1.6 million members' contribution
- ◆ Growing real wages in every country units
- ◆ Improved client mix

Multi-channel distribution

- ◆ Tied network – long-term stability: 4,000 active agents by 2010 in CEE
- ◆ Real growth in broker channel – new big partners in Czech Republic /Slovakia from 3Q 2007
- ◆ Develop bank channel in all countries (Banca Transilvania, Citibank, Raiffeisen, Unicredit)
- ◆ Call Centre/Direct Sales
 - Pension Fund
 - Mortgage
 - Non-life

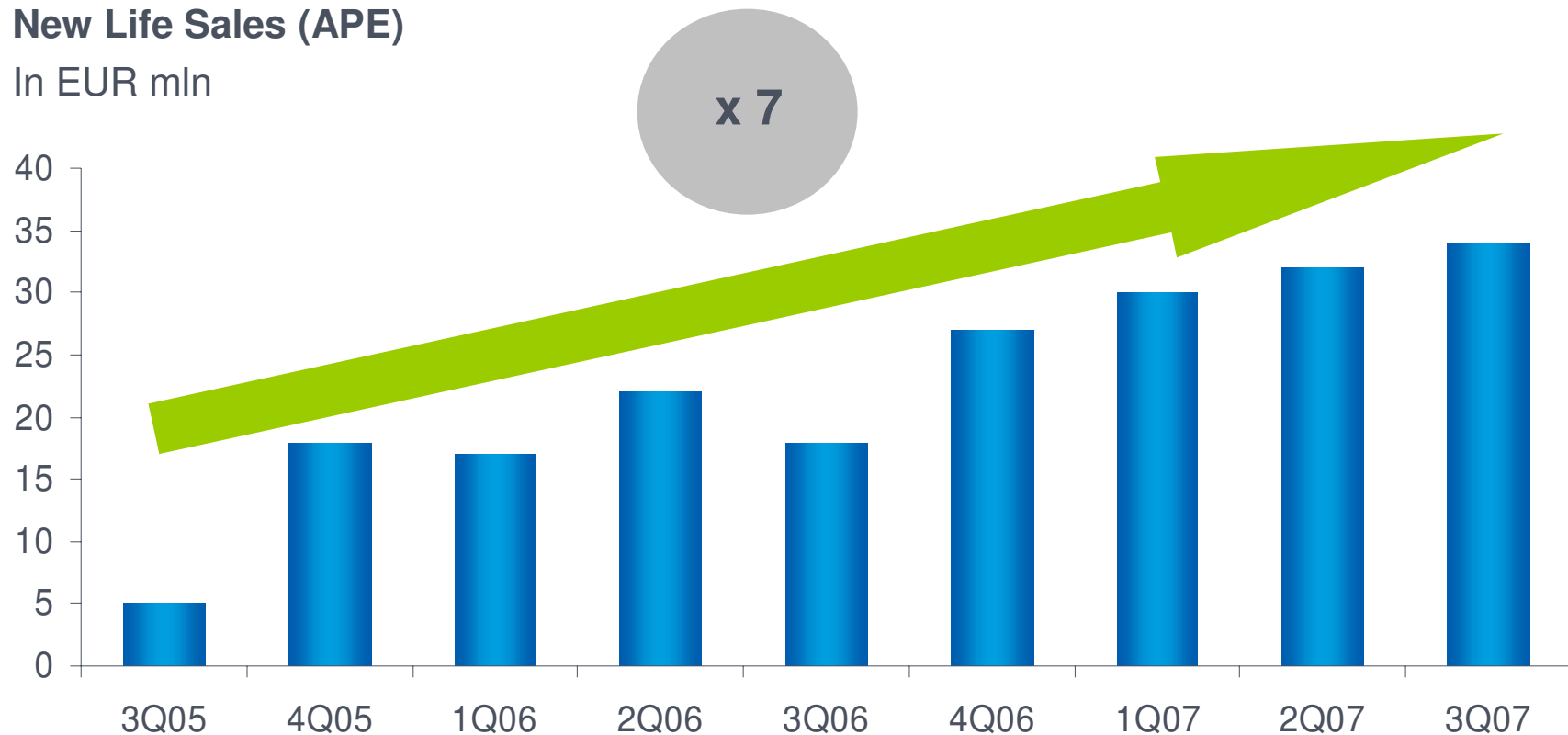
The best practice in the region

- ◆ Aggressive development of the tied network: 50% growth
 - Office in every city with population of more than 100,000 in 2007
- ◆ Compliment partnership with Citibank
 - Expand cooperation to other banks
 - Special product design
- ◆ Serve brokers with quality service and product innovation
- ◆ Change product-mix in line with the requirements of different sales channels
- ◆ Market position*:
 - # 3 overall in gross written premiums in 2Q 2007
 - # 1 with EUR 342m gross written single premium

* source: KNF

New Life Sales (APE)

In EUR mln



- ◆ Strong growth in Poland
- ◆ Improvements in contributions from Czech and Slovakian operations
- ◆ Focusing on profitable growth in Hungary

- ◆ Mortgage
 - Leverage Hungarian business model in other CEE country units
 - Real estate booming in CEE

- ◆ Asset management
 - Increasing number of new funds
 - Introduce funds in other CEE country units
 - Growing third party asset management

- ◆ Romania
 - Launch life operation in 2008

- ◆ Turkey
 - Exploring entry opportunities
 - Growing importance of life and pension systems in Turkey
 - Ongoing pension reforms, introduction of a mandatory pension system

- ◆ Ukraine
 - Further monitoring the market – looking for attractive opportunities
 - Target market for mandatory pension fund
 - Potential start-up with life and pensions



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