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NEWS RELEASE

Euroins has successfully finalized its plan for capitalizing its business

All the subsidiaries of the insurance holding passed the Balance Sheet Review

On February 3rd, 2017, the Financial Supervision Commission (FSC) published the report on the Balance Sheet Review (BSR) of the insurance undertakings in Bulgaria as of June 30th, 2016. The assessment encompassed all the Bulgarian insurance undertakings, including [Euroins Insurance Group AD](#) (EIG) and its insurance subsidiaries - Euroins Insurance, Euroins Life Insurance, Euroins Health Assurance and EIG Re (formerly known as HDI Zastrahovane).

The BSRs of EIG and its fourth subsidiaries were conducted by Mazars Group, an international audit, tax and advisory services firm. The assessment made by Mazars Group as well as the measures EIG implemented in 2016 in order to support its insurance subsidiaries, confirmed the soundness of the capital position and the solvency of [Euroins Insurance Group](#) and its subsidiaries in Bulgaria. They also indicated that EIG and its subsidiaries have sufficient capital and eligible own funds to ensure the compliance with the requirements as laid down in the Solvency II Directive and the coverage of the two most important indicators for stability in the insurance sector - SCR and MCR ratios, to an extent that is in line with the provisions of the Law.

Regarding the adjustments made by the external auditor to the balance sheets of EIG and its Bulgarian subsidiaries as of June 30th, 2016, [Euroins Insurance Group](#) fully compensated for them in the second half of 2016, taking into account the amount of BGN 63.5 million that EIG's shareholders paid in the capital of the holding and the positive annual financial results of the group. This is confirmed in the BSR report published by the FSC.

The capital of the insurance holding was increased by BGN 195.58 million in 2016, exceeding BGN 483 million. The aim of the capital increase was to finance the group expansion and to support its subsidiaries. In December part of the funds - BGN 44 million, were used to raise the capital of Euroins Romania up to RON 530 million. Further BGN 15 million were transferred in the capital of EIG's fourth insurance subsidiaries in Bulgaria as these new funds fully covered the adjustments revealed by Mazars Group during their BSRs (in the table below). Regarding the BSR of Euroins Insurance, specialized in the general insurance, as it is mentioned in the BSR report published by the FSC, the deficit is fully covered and only the agreements for the provided funds will be reviewed in future.

Insurance undertaking	BSR Adjustments	Paid capital in Q4 2016
Euroins Insurance	BGN 11.9 mln	BGN 12 mln
Euroins Life Insurance*	BGN 1.288 mln	BGN 1.250 mln
Euroins Health Assurance	BGN 0.307 mln	BGN 1 mln
EIG Re	BGN 0.567 mln	BGN 0.6 mln
Total	BGN 14.062 mln	BGN 14.85 mln

**The difference at the amount of BGN 0.38 mln is covered by the financial results achieved in the 2nd half of 2016 and there is no necessity this sum to be paid in additionally.*

In line with the measures to optimize and restructure the insurance holding's business in Bulgaria, EIG adopted a decision to merge Euroins Health Assurance into EIG Re. For this purpose the necessary documents subject to regulatory approval have already been submitted to the Financial Supervision Commission. With this merger the share capital of EIG Re will be further increased and the merged company will generate a significant capital buffer the value of which will exceed by far the minimum legal requirements for the SCR and MCR ratios.

With the steps taken in 2016, EIG has successfully finalized its plan for capitalizing its insurance subsidiaries in order to support the development of their business, to ensure capital buffers and to guarantee the compliance with the capital requirements laid down in the Solvency II Directive.

Kiril Boshov, CEO of Euroins Insurance Group, commented: *"With the measures we took in 2016 we fully complied with the requirements of Solvency II regime and we provided a solid foundation for a healthy and sustainable growth of our business in Southeast Europe. This year we will place our main focus on strengthening and expanding our market position".*

Euroins Insurance Group

Euroins Insurance Group (EIG) is one of the largest independent insurance groups operating in the CEE and SEE insurance markets. EIG provides services in seven European countries and owns insurance subsidiaries in four of them – Bulgaria, Romania, FYROM and Ukraine. The insurance group has been operating in Greece since 2014. It has over 2 million clients, 1600 employees and annual revenues of EUR 300 million. EIG is a subsidiary of Eurohold Bulgaria – a leading Bulgarian company, listed on BSE-Sofia and WSE. Eurohold Bulgaria operates across the CEE and SEE, focused on non-banking financial services and asset management.

www.eig.bg www.eurohold.bg