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## NEWS RELEASE

### **Eurohold and Euroins Provided Additional Guarantees for the Stability of Group's Romanian Unit to Protect the Company from Further Regulatory Overpressure**

*Euroins Romania signed a new agreement with the group's reinsurer - EIG Re, fulfilling all the remarks of the Romanian insurance supervision. Nevertheless, the company will continue to defend administratively and legally the validity of the previous reinsurance agreements disputed by supervisory officials*

**Sofia, 17 February 2023** - The management of **Eurohold Bulgaria** informs the public that despite its disagreement with the actions of some officials of the insurance supervisory authority in Romania against the local unit of Euroins and the ongoing disputes with them, the company has provided additional guarantees for the financial stability of the Romanian insurance company in order to protect the insurer from further regulatory overpressure.

Euroins Romania signed a quota share reinsurance agreement with EIG Re EAD, the reinsurer of **Euroins Insurance Group AD (EIG)**, Eurohold's subsidiary subholding and owner of the Romanian company. This is due to ongoing disputes with officials of the insurance regulator in Romania over the existing reinsurance contracts of the local unit of Euroins. The new reinsurance agreement is consulted with a team of experienced international experts and lawyers. Eurohold and EIG Re have duly informed the competent state authorities and the financial supervision in Bulgaria about this new measure, and Euroins Romania - the relevant financial regulator in Romania.

The agreement with EIG Re complies with all European requirements and covers the full amount of insurance claims of the Romanian company. The new reinsurance contract ensures that a significant part of the risk undertaken by Euroins Romania will be transferred outside the company. This decision is associated with higher costs for the company, but it is well established and widely adopted in world practice. It is an additional guarantee for stability and responds to the requirements of regulatory authorities. Furthermore, this measure resolves all the issues raised by the insurance supervisory body in Romania, which continue to be a subject of discussions and disputes.

The engagement of the group's reinsurer is another guarantee of the management's confidence in the good financial state of Euroins Romania and in the correctness of the company's theses presented to the relevant regulatory authorities. An additional security for Euroins Romania and EIG Re is that a significant part of the risks taken by the new reinsurer are retroceded to leading European reinsurers. In this way, the interests of the policyholders are protected to an even higher degree and this guarantees an even higher

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level of stability. The newly adopted measures ensure a higher coverage of the Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR) of Euroins Romania - the two key indicators that determine whether an insurer is stable and solvent.

The management of Eurohold and EIG, as well as the team of international experts consulted by the two companies, are convinced of the correctness of the previous actions of Euroins Romania's management and have no doubt that the existing reinsurance contracts fully cover the risks assumed by the company. This is why and despite the signed new quota share reinsurance contract, the efforts defending the validity of the previous reinsurance contracts, contested by officials of the insurance supervision in Romania, will continue. The request for an independent international audit of the state of Euroins Romania before and after these additional measures remains as well.

The management of Eurohold and EIG assure once again that Euroins Romania is in excellent financial state and servicing its obligations to clients regularly and on time. The expectations are that the company will continue to be one of the leading insurers on the market. The management of both companies hopes that in future the Romanian company will not be again subject to attacks or actions that directly breach European legislation. In conclusion, the management of Eurohold expresses gratitude for the support provided by all state authorities, including and the financial regulator in Bulgaria.

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#### **Eurohold Bulgaria AD**

*Eurohold Bulgaria AD is a leading energy and financial group operating in Central, Eastern and Southeastern Europe. It is listed on the Bulgarian and Warsaw Stock Exchange. Eurohold owns Euroins Insurance Group AD (EIG), one of the largest insurance groups in the region. EIG provides a full range of insurance products, serves over 4 million customers in 11 countries and has over 3,000 employees. Eurohold is owner of Electrohold, a leading energy group in Bulgaria with a 40% share in power distribution. Electrohold has 3000 employees and serves more than 3 million consumers in the country.*

**[www.eurohold.bg](http://www.eurohold.bg); [www.eig.bg](http://www.eig.bg); [www.electrohold.bg](http://www.electrohold.bg)**