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NEWS RELEASE

Euroins merged its health insurance company into its subsidiary EIG Re

The merger will further improve the solvency of the group

[Euroins Insurance Group](#) AD (EIG), a leading independent insurance group in Southeast Europe, will further increase its capital and solvency after the Financial Supervision Commission (FSC) approved the merger of Euroins Health Assurance EAD, the Group's health insurance subsidiary, into EIG Re EAD (formerly known as HDI Zastrahovane)., other of the Group's subsidiaries.

The financial regulator approved the merger at its meeting held on June 7th, 2017. According to the decision Euroins Health Assurance EAD's property will be incorporated into the one of EIG Re EAD and all the insurance contracts signed by the first company will be assigned to the second company.

EIG adopted a decision to merge Euroins Health Assurance EAD into EIG Re EAD in line with the measures to optimize and restructure the insurance holding's business in Bulgaria in order to increase the capital and the solvency of the Group. With the merger EIG Re EAD's capital will surge by BGN 5 million exceeding BGN 16.3 million 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.

After the merger EIG will operate in Bulgaria through three undertakings - Euroins Insurance AD, Euroins Life Insurance EAD and EIG Re EAD, which will offer the full spectrum of insurance and reinsurance products. The business with the health insurance policies will be developed by Euroins Insurance AD, specialized in the general insurance.

EIG significantly increased its financial result in 2016 after its gross written premiums (GWP) rose by 16.5% in 2016 to BGN 527.7 million and it turned to BGN 8.9 million net profit. The GWP of EIG rose by 40% on an annual basis in the first quarter of 2017 to nearly BGN 170 million. Based on this figure EIG's management forecasts the Group would generate a premium income of BGN 700 million for the whole 2017.

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 almost 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.

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