

NEWS RELEASE

EIG reports record results for 2021

Sofia, 22 June 2022 - Euroins Insurance Group AD (EIG), part of Eurohold Bulgaria AD and a leading holding in Central, East and Southeast Europe (CESEE), reported record-breaking premium income and profit in 2021, shows the company's annual consolidated and audited financial statement for the period.

All time highs

With a premium volume of BGN 1.37 billion/EUR 700 million (+50%), a net profit of BGN 79 million/EUR 40.4 million and a combined ratio of 87% (-28 percentage points), EIG reached all time high result in 2021. The group's total consolidated assets amounted to BGN 2.07 billion/EUR 1.06 billion at the end of December, up by 29% on the year. The insurance reserves rose by 19% year-on-year to BGN 1.43 billion/EUR 732 million. The solvency ratio stood at 131% at the end of 2021, highlighting the solid capitalization of the group.

The good overall business result of the group was due to the double-digit growth rates recorded by EIG's units across main markets. *"A glance at our key figures shows the strength of our group and the productivity of our development strategy and geographic diversification. We have coped with the major challenges facing the industry in the past year, including the customer service during the pandemic when we have not ceased our operations even for a second and in which period we developed further our digitization program. Moreover, last year we even expanded our insurance business geographically and EBRD became a minority shareholder in EIG, acquiring nearly 10% stake in the group"*, EIG's CEO Kiril Boshov explained.

Double-digit growth

The bulk of the premium income was accumulated by EIG's subsidiaries in Romania and Bulgaria. Euroins Romania and Euroins Bulgaria reported an increase of 67% and 15% in gross written premium (GWP) respectively. In addition to the local Bulgarian market, the Bulgarian subsidiary consolidates the operations of the insurer in Greece, Poland, UK and Netherlands where it operates through Freedom of Services act. Most of the other group's subsidiaries in Eastern Europe also posted double-digit and even triple-digit growth rates - Euroins Macedonia (+11%); the two Ukrainian insurers which have been developing successfully prior to the start of the military conflict in the country at the end of February - Euroins Ukraine (+62%) and European Travel Insurance (+135%); as well as Bulgaria-based Euroins Life (+121%). Euroins Georgia was the only exception that recorded a decrease in its premium income (-9%).

Ukrainian subsidiaries continue operations

Regarding the situation in Ukraine, EIG's management expects a very limited impact on the overall business of the group *“Our two companies in Ukraine have continued their operations, predominantly in the western part of the country, at a reduced capacity and according to the situation in the country. Our exposure in the Ukrainian market is limited – at the end of 2021, the assets of our Ukrainian insurers formed only 2% of our total assets in the insurance segment, and their combined premium income accounted for just 3% of the group's total premium volume. The most important thing is that we successfully evacuated all of our Ukrainian employees and their relatives and friends to Bulgaria. Some of the evacuated employees continued to perform their duties remotely from Bulgaria. We are grateful to all our colleagues and employees who supported this mission”*, Kiril Boshov said.

Organic growth and diversification

In the coming months, EIG will focus on organic growth and diversification of its portfolio while further improving its profitability. By the end of 2025 it aims to become the largest independent insurance group in SEE with a broad portfolio of general and life insurance products and over 10 million clients. Additional positive effects are expected through the combination of the insurance and energy business of EIG's owner. In July 2021, Eurohold's energy subholding Eastern European Electric Company B.V. acquired seven subsidiaries of the Czech energy group CEZ in Bulgaria for EUR 335 million, owning now the largest power grid operator (EDG West), the biggest power supplier (Electrohold Sales) and the largest licensed electricity trader in Bulgaria (Electrohold Trade). *“This combination provides our insurance holding with new opportunities for growth through cross-selling services and synergies”*, Kiril Boshov added.

Euroins Insurance Group AD

Euroins Insurance Group AD (EIG) is one of the largest insurance groups operating in Central, Eastern and Southeastern Europe (CESEE). EIG provides a full range of insurance products, serves over 4 million customers in 13 countries and has over 3000 employees. It is part of Eurohold Bulgaria AD, a leading energy and financial group operating in the CESEE region. It is listed on the Bulgarian and Warsaw Stock Exchange. In 2021, Eurohold acquired through its wholly-owned subholding, Eastern European Electric Company, the subsidiaries of the Czech energy company CEZ Group in Bulgaria, which operate now under Electrohold brand, have over 3000 employees and serve almost 3 million consumers in the country.

www.eig.bg www.eurohold.bg; www.electrohold.bg