

November 1, 2017

## **NEWS RELEASE**

### **Strong growth for Eurohold's main business**

*Fitch rates Euroins Romania at IFS „BB-“ with stable outlook*

The main business of Eurohold Bulgaria AD, one of the largest Bulgarian public-listed companies, rose significantly in the first nine months of 2017 due to a strong growth in the revenues and earnings before interest, taxes, depreciation and amortization (EBITDA) of its three major business lines - insurance, car sales and leasing, the company's Jan-Sep consolidated financial statement showed.

The consolidated operating revenues of the group grew 18% on the year to over BGN 880 million in the January-September period. The insurance business of Eurohold, operating in Eastern Europe under Euroins Insurance Group AD (EIG) brand, contributed most of all to the result. The holding's revenues from insurance operations grew by 21% on the year to BGN 715 million in the January-September period and EIG's operating profit doubled to BGN 27.3 million. The automotive and leasing business of Eurohold Bulgaria AD, operating under Avto Union AD and Eurolease Group EAD brands, also reported a double-digit sales and operating profit growth (in the table below).

At the same time on October 30, 2017, the international credit rating agency Fitch assigned Euroins Romania, the largest company within the insurance business of Eurohold, an insurer financial strength (IFS) rating of 'BB-' with stable outlook. The ratings agency has simultaneously assigned Eurohold Bulgaria AD a long-term issuer default rating (IDR) of 'B', with stable outlook and Eurohold's 200 million euro medium term note (EMTN) programme ratings of 'B'/RR4'.

Again on October 30, 2017, the Financial Supervision Commission approved Eurohold's prospect to increase its capital by more than BGN 40 million to approximately BGN 202 million via the issuance of 40 336 250 shares with a nominal value of BGN 1 each and issued at a price of BGN 1.3 apiece.

#### **Kiril Boshov, chairman of Eurohold Bulgaria's management board, commented:**

*„We got our first rating by one of the three leading rating agencies in the world which is part of our efforts to follow the best corporate practices and comply with the principles for good corporate governance. With the rating assigned the investors have one more point of view and assessment on how the business is being managed. Regarding the financial results achieved we continued the stable growth of the revenues and the earnings of the group's three main business lines in the third quarter of 2017. We also continued to improve the profitability of our core business.“*

## Consolidated results of Eurohold Bulgaria in January-September 2017

Segments	Revenue			Operating Profit (EBITDA)			Net Profit		
	30.9.2017	30.9.2016	Change	30.9.2017	30.9.2016	Change	30.9.2017	30.9.2016	Change
	000'BGN	000'BGN	%	000'BGN	000'BGN	%	000'BGN	000'BGN	%
Insurance	714 885	592 383	21%	27 306	13 398	104%	24 454	10 178	140%
Automotive business	140 900	115 621	22%	4 224	3 307	28%	(43)	(194)	-78%
Leasing services	18 558	15 763	18%	3 276	2 096	56%	81	85	-5%
Asset management and brokerage	4 568	8 624	-47%	621	233	167%	576	194	197%
<b>Total subsidiaries</b>	<b>878 911</b>	<b>732 391</b>	<b>20%</b>	<b>35 427</b>	<b>19 034</b>	<b>86%</b>	<b>25 068</b>	<b>10 263</b>	<b>144%</b>
Parent company	1 178	15 979	-93%	924	14 288	-94%	(12 529)	7 218	-274%
<b>Total without eliminations</b>	<b>880 089</b>	<b>748 370</b>	<b>18%</b>	<b>36 351</b>	<b>33 322</b>	<b>9%</b>	<b>12 539</b>	<b>17 481</b>	<b>-28%</b>
<i>Intragroup eliminations</i>	<i>(12 529)</i>	<i>(7 655)</i>	<i>64%</i>	<i>(2 621)</i>	<i>(756)</i>	<i>247%</i>	<i>(539)</i>	<i>(245)</i>	<i>120%</i>
<b>Total</b>	<b>867 560</b>	<b>740 715</b>	<b>17%</b>	<b>33 730</b>	<b>32 566</b>	<b>4%</b>	<b>12 000</b>	<b>17 236</b>	<b>-30%</b>

Source: Consolidated statement for the period ended September 30<sup>th</sup>, 2017

### Eurohold Bulgaria AD

*Eurohold Bulgaria is a leading Bulgarian company, listed on the BSE-Sofia and the WSE. The holding company operates across CEE and SEE, focused on non-banking financial services and asset management. Eurohold Bulgaria is a majority shareholder of Euroins Insurance Group (EIG), one of the largest independent insurance groups operating in the CEE and SEE insurance markets. EIG operates 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.*

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