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| CREDIT RATING | Initial Rating | Review |
|-----------------------------------|----------------|------------|
| Date of Rating Committee: | 25.07.2017 | 22.08.2018 |
| Date of Publication: | 27.07.2017 | 27.08.2018 |
| Long-term Rating : | BBB- | BBB- |
| Outlook : | stable | stable |
| Short-term Rating : | A-3 | A-3 |
| National-scale Long-term Rating: | A (BG) | A (BG) |
| Outlook: | stable | stable |
| National-scale Short-term Rating: | A-1 (BG) | A-1 (BG) |

BCRA – CREDIT RATING AGENCY (BCRA) is the third qualified rating agency in the EU, registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council. The credit ratings, assigned by BCRA, are recognized throughout the EU and are entirely equal with the other ratings, recognized by the European Securities and Markets Authority (ESMA), without any territorial or other restrictions.

With respect to the **annual review** of the activities of **Eurohold Bulgaria AD**, BCRA – credit rating Agency affirms the assigned credit ratings as follows:

- Long-term Credit Rating: **BBB-**, Short-term Credit Rating: **A-3**;
- National-scale Long-term Rating: **A (BG)**, National-scale Short-term Rating: **A-1 (BG)**;
- **Affirms** the outlook of the ratings as „**stable**“.

The company's valuation has taken into account the improvements in the capitalization of the holding companies during the review period, improvements in the structure and nature of the liabilities, the retained growth in assets and income, as well as the positive performance achieved in group development. In terms of the preservation of the credit rating, BCRA has taken into account the influence of the high levels of total indebtedness and the significant increase in insurance reserve liabilities as well the impact of Romania's sovereign rating on the most significant holding company structure in the Group – “Euroins-Romania Insurance-reinsurance ”SA

BCRA uses the methodology which is officially adopted for preparing a credit report and assigning a credit rating to group of companies and/or individual companies in the group: https://www.bcra-bg.com/files/Holding_Methodology_2016_bg.pdf

The report has been prepared and the rating - assigned based on information, provided by the rated company, National Statistic Insitute, Bulgarian National Bank, BCRA`s database, consultants and other sources of public information.

In 2017, **the economy of the country** grows by 3.6% in real terms (3.9% in 2016), supported by domestic consumption. Final consumption growth accelerates to 4.5% on an annual basis, backed by positive developments in both private and government spending. Supported by continued wage hikes and employment gains, household consumption increases by 4.8%. After the registered decline of 6.6% in 2016, the investment flow in the country increases by 3.8% as a result of private investment activity, as well as of the deceleration in government capital expenditures. Net exports generate a negative contribution to the economic growth in 2017.

At the end of 2017 **the foreign reserves** of the Bulgarian National Bank stand at EUR 23 662 million (46.9% of GDP), thus, ensuring the stability of the currency board in the country. Reserve coverage of average nominal imports of goods and non-factor services for the past twelve months is 8.7 months, high enough to avoid potential external shocks.

The **foreign direct investment (FDI)** flow continues to decrease. The net amount of the FDI in Bulgaria equals to EUR 950 million (1.9% of GDP) which is a nominal decline of 12.0% compared to 2016.

The **labour market data** in 2017 reports record high indicators of economic activity and employment of the population. The unemployment rate (5.7 % in the last quarter of 2017), almost approaching its pre-crisis level.

The **price level** in Bulgaria, measured by HICP continues to gradually rising and in the period September 2017 – March 2018 the inflation is reaching 1.4%. Accelerated growth in services' prices and rising administrative prices have a more significant contribution to the inflation in the country for the first three months of 2018, while the impact of the international prices is weakening. The internal factors which favours the increase of price index are the household's income growth and consumption.

Public finance indicators are improving, backed by the robust economic activity in recent years. Since 2016, the budget balance under the Consolidated Fiscal Programme (CFP) posts a surplus in 2017 the trend is preserved and the budget balance reports a surplus for a second consecutive year. In 2017, the surplus amounts to BGN 846 million (0.9% of GDP) and is formed both from the national budget and the EU funds. A deficit in the amount of 1.4% of GDP has been set as a target for 2017, i.e. the budget balance reports improvement of 2.3 p.p. compared to the forecast.

The CFP for 2018 projects a budget deficit amounting to 1.0% of GDP. The government declares its intention to pursue a policy of gradual consolidation and plans to achieve a balanced budget in 2020. No significant changes in tax policy are planned during the projection horizon. The policy for gradual consolidation is a prerequisite for minimizing the potential negative impact of the fiscal policy on the economic activity.

Government debt to GDP ratio drops to 23.9% against 27.4% at the end of December 2016. The country has a significantly lower level of government debt compared to the Maastricht convergence criterion of 60%. In comparative perspective, Bulgaria retains its third position among the Member States at the lowest level of

government indebtedness being outpaced only by Estonia (9.0%) and Luxembourg (23.0%).

For the period under review the **banking system** remains stable and is characterized by a continual assets increase, with a sustained growth in lending in the last two years and an increase in attracted funds in the form of deposits. High levels of capital adequacy and liquidity are retained with asset quality improvement, and non-performing exposures shrinking to 10.2% by the end of 2017 (12.9% at the end of 2016). For the favourable state of the Bulgarian banking sector testify the successfully conducted asset quality review and stress tests for banks sustainability (announced in August 2016). The results announced show that the banking sector is stable, well capitalized and support with government resources is not necessary.

„Eurohold Bulgaria“ AD is a holding joint-stock company, established in 2006 through a merger of “Eurohold” AD and “Starcom Holding” AD, and the company is a universal successor of both legal entities, which terminated without liquidation.

Eurohold is a public company registered under the regulations of Public Securities Offering Act and during the period under review the **registered capital is increased twice** and as of the date of review amounts at BGN 197 525 600 (127 345 000 as of 31 December 2016), distributed at the same number of registered ordinary shares with a right to one vote, right to dividend and a liquidation quota, of BGN 1 each.

The first capital increase, by BGN 34 000 000 is completed on February 6, 2017 with newly issued, registered and paid in full shares by the majority shareholder Starcom Holding AD (entered in the Commercial Register on March 28, 2017). The second subscription for capital increase is completed on December 18, 2017 whereas the registered and paid in full shares are at the amount of BGN 36 180 600. Thus the equity reached the amount of BGN 197 525 600 (entered in the Commercial Register on December 22, 2017).

All shares are in circulation and are registered for trading in the main market of the Bulgarian Stock Exchange - Sofia, Stocks Standard Segment, Stock Exchange Code 4EN. The shares of the company are also listed for trading on the Warsaw

Stock Exchange, main market of shares, Stock Exchange Code EHG..

The company has UIC 175187337, with headquarters and management address: Sofia 1592, Iskar area, 43, Christopher Columbus Blvd.

The scope of activity is acquisition, management, evaluations and sale of participations in Bulgarian and foreign companies, bonds, patents (including granting of licenses for their use by the companies in which the company participates); financing of companies in which it participates.

The reviewed period is characterized by an amendment in the **shareholding structure** namely decrease of the share of Dar Finance EOOD by below 5%.

| Shareholder | Equity Share | |
|---|---------------|---------------|
| | 31.12.2016 | 31.12.2017 |
| Starcom Holding | 50.05% | 54.20% |
| Dar Finans EOOD | 19.04% | n/a* |
| KJK Fund II Sicav-Sif Balkan Discovery | 12.00% | 12.46% |
| Other legal persons with a share below 5% | 14.36% | 30.62% |
| Other natural persons with a share below 5% | 4.55% | 2.72% |
| TOTAL | 100.0% | 100.0% |

* below 5% as of the end of 2017.

With biggest share in Eurohold Bulgaria is Starcom Holding. The company has same scope of activity, namely acquisition, management, evaluations and sale of Bulgarian and foreign legal entities. Initially it is registered as "Bulgarian Holding Corporation" AD. At present the capital is at the amount of 66.9 million (paid in are BGN 46.9 million) distributed among the following shareholders: Assen Milkov Hristo – 51%, Kiril Ivanov Boshov – 34% and Velislav Milkov Hristov – 15%. The investment of Starcom Holding in subsidiaries is limited to that of Eurohold Bulgaria AD.

As from 31 December 2017, 77 387 number of shares of Eurohold Bulgaria capital are possessed by subsidiaries (number of 2 946 813 shares or 2.31% as of end of 2016). Към 31.12.2017г. 77 387 бр. акции (под 0.04%) от капитала на „Еврохолд България“ АД се притежават от негови дъщерни дружества (при 2 946 813 бр., или 2.31% към края на 2016г.).

The company has a two-tier management system – Management Board (MB) and Supervisory Board (SB) with the following members:

Supervisory Board – mandate expires on May 9, 2022:

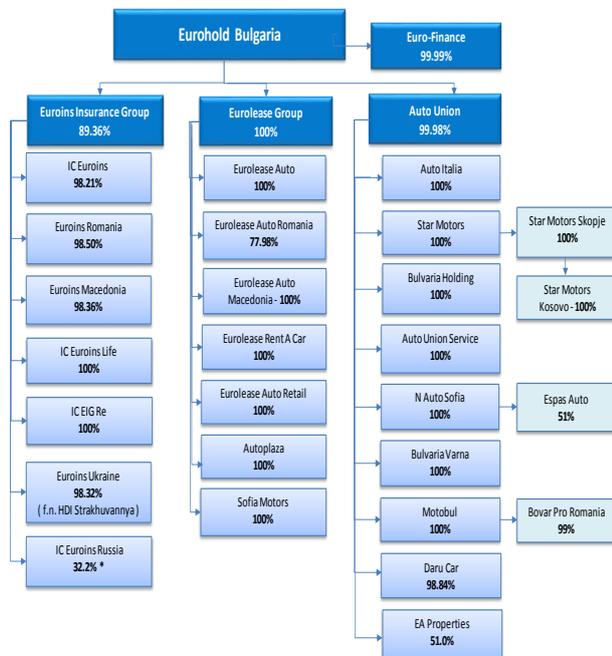
- Assen Milkov Hristov – Chairman;
- Dimitar Stoyanov Dimitrov – Deputy Chairman;
- Radi Georgiev Georgiev – member;
- Kustaa Lauri Äimä – independent member, (**joined the SB** – 27 July 2017) – representative of the shareholder KJK Fund II Sicav-Sif and Chairman of its Management Board);
- Liubomir Christov Stoev – independent member, (**joined the SB** during the review period – 27 July 2017);
- „Dar Finance“ EOOD – independent member (**dismissed as a member of SB** during the review period) – shareholder with share above 15% until February 2017;
- Razvan Stefan Leter – independent member (**dismissed as a member of SB and joined as a member the MB**)

Management Board – mandate expires on 14 August 2022: Управителен съвет с мандат до 14.08.2022г.:

- Kiril Ivanov Boshov – Chairman and Executive member;
- Assen Minchev Minchev – Executive member;
- Velislav Milkov Christov – member;
- Assen Emanuilov Assenov – member;
- Razvan Stefan Leter – member (joined the board during the review period – 22 August 2017).

During the review period, the changes in the **investment structure** in subsidiaries are mainly related to capital expenditures and, to a lesser extent, to changes and restructuring of subsidiaries and equity participations.

Chart of participations of "Eurohold Bulgaria" AD as of 31.12.2017r.



*equity participation in „IC Euro Ins Russa“ AD, as from 31.3.2018

Major changes in “Insurance” division are taking place. In 2017, Eurohold Bulgaria AD invested for a capital increase of “Euroins Insurance Group” AD the amount of BGN 47.5 million (and more BGN 1.963 million on January 3, 2018), while the latter increases the capital of the subsidiary “IC Euroins” by BGN 19.1 million. По-значимите промени са извършени в направление „Застраховане“. През 2017г. „Еврохолд България“ АД инвестира в увеличение на капитала на „Евроинс Иншурънс Груп“ АД сума в размер на 47.5 млн.лв. (и още 1.963 млн.лв. на 03.01.2018г.), а последното от своя страна, увеличава капитала на дъщерното „ЗД Евроинс“ АД с 19.1 млн.лв.

In 2017, a transformation has been carried out of “IC Euroins Health Insurance” merged in “IC EIG Re” EAD, under conditions of a universal succession and termination of the company without liquidation. As of the end of 2016 the restructuring process of “IC EIG Re” EAD and after the offset of its insurance portfolio, since the beginning of 2017, the latter operates under newly developed strategy, carrying out active reinsurance policy (proportional and non-proportional).

As of the end of 2017 (November) “Euroins Insurance Group” AD (EIG) acquired 14.1 % of the capital of “IC Euroins Russia”AO and invested RUB 80 million in the followed capital increase

(made in February 2018). As of the end of first quarter of 2018 the share in the company reaches 32.2%. This new market entry is in line with the stated management strategy for expansion of market share in Central and Eastern Europe.

In business line “Leasing Activities” during the review period a new company in the structure of Eurolease Group is established, namely Eurolease Auto Retail EAD (capital at the amount of BGN 1 million). It operates as financial leasing company with second hand cars, offered by Autoplaza EAD. As of the end of March 2018, the company is registered as a financial institution in BNB registers (order 32591 / 20.03.2018), and in April 2018 is renamed to Amigo Leasing EAD. Its activity has not been started during the review period.

“Eurolease Group” EAD invested BGN 98 thousand for a capital increase in its Macedonian subsidiary.

In business line “Trade and Repair of cars” the associated holding company “Auto Union” acquired 51% of “EA Properties” capital (main shareholder is another associated company “Espas Auto”) a capital amount of BGN 35.7 thousand.

In 2017, “Auto Union” invests BGN 250 thousand in capital increase in “Bulvaria Varna” and the associated company “Star Motors” invests in “Star Motors” DOEEL (Skopje) BGN 195.6 thousand.

In business line “Investment Intermediation and Asset Management” “Eurohold Bulgaria” AD has invested in capital increase in Euro-Finance” AD the amount of BGN 6.5 million.

During the review period of the credit rating the balance sum in the **individual report** of “Eurohold Bulgaria” AD retains its upward trend from the previous years with growth rates of 4.4% in 2017 and more of 3.7% in the first quarter of 2018, although they are smaller than the reported serious growth figures in past 2 years (11.6% in 2015 and 37.0% in 2016). The total upward trend in the net financial result for the past five years is changed by the considerable loss amount of 17.3 million in 2017. In first quarter of 2018 a negative financial result is also reported, a net loss of BGN 4.1 million.

The **Assets** structure of “Eurohold Bulgaria AD remains relatively unchanged with a major share of investments in subsidiaries (reached a share of 93.6 % as of the end of first quarter of 2018,

compared to 90.8% as of end of 2016), at the account of reduced amount of receivables from related parties. Apart from the above increases in investments in subsidiaries, in 2017, the investment in Greenhouse Properties AD ("Eurohold Property" AD) is sold at the amount of BGN 168 thousand, of which a profit of BGN 789 thousand is reported..

Investments in subsidiaries:

| Company – Net investment amount (in BGN thous.) | As of 31.12. 2016. | Change | As of 31.03. 2018a. | Share % |
|---|--------------------|--------|---------------------|---------|
| Euroins Insurance Group AD | 373 232 | 49 463 | 422 695 | 89.36% |
| Auto Union AD | 66 775 | - | 66 775 | 99.99% |
| Eurolease Group EAD | 27 368 | - | 27 368 | 100.0% |
| Euro-Finance AD | 18 145 | 6 500 | 24 645 | 99.99% |

The review period is characterized by the continuing increase in the relative and absolute amount of EIG's share in the structure of investments (78.1% at the end of March 2018 compared to 76.9% at the end of 2016), thus its significance for the rated company is increasing.

Other significant investment, the one in "Auto Union" AD reduces as a share in total investments, down to 12.3% (13.8% as of end of 2016, and this determines both companies as major factor from methodological view point for the analysis of the rating of "Eurohold Bulgaria" AD).

The change in Liabilities structure of "Eurohold Bulgaria" in the review period is characterized by a total repayment of liabilities under subordinated debts (BGN 53.7 million at the end of 2016), an increase in debts on bond loans (by BGN 30.1 million), as well as an increase of loans from financial institutions (by BGN 12.6 million).

The debts on Bond loans in the liabilities structure takes major share and account for 63.3% as of end of March 2018 (43.1% as of end of 2016) and increases in line with the exposure on issue of unsecured, medium-term Eurobonds at the amount of EUR 70 million (EMTN Programme). The raised funds are primarily used to support Euroins Insurance Group AD, by increasing its capital, the first instalment from the program was disbursed (€ 47 million placed in 2016) and the remaining amount is used for business development. The total raised funds on the issued Eurobonds are at the amount of BGN 154.9 million as of March 31,

2018, and at the end of 2016 are BGN 111.5 million.

The liabilities on loans from financial institutions increase by 4.7% in 2017 (and by 12.7% in the first quarter of 2018). They change their character by repayment of a part of obligations with an agreed interest rate of above 8.5%, and short-term financing at interest rates ranging from 1.25% to 5.0%.

In the review period, the total aggregated indebtedness of the rated company is slightly decreasing compared to 2016 (when it significantly grows more than two times).

For *liabilities to related parties*, the review period is characterized by full repayment of liabilities to the majority owner Starcom Holding AD (BGN 16.7 million at the end of 2016) and a decrease of liabilities to Eurolease Group EAD.

The balance between receivables and payables to related parties retains positive and at the end of 2017 reaches relatively low value of 3.9 million, thus confirming the status quo of year 2016 as a financing company. In the first quarter of 2018, after a significant increase in financing of related parties the positive balance is reached at the amount of BGN 18.8 million.

Trade and other obligations as of end of 2017 increase (by 59.5%), in line with the increased amount of interest payable on bond loans.

The company's **income** on an individual basis decreases considerably (more than four times) in 2017, due to lack of significant transactions with owned financial assets, along with high increase in **costs** (almost twice), related to the increased amount of attracted financial resources and the interest due payments, which is not compensated by the increased interest income on loans granted by the company. The above facts result in high net financial loss for year 2017 amounting to BGN 17.3 million (while a profit of BGN 2.3 million is reported one year earlier). The dividends remain with insignificant relative value in the income structure, and as such are continued to be charged/paid only by Euro-Finance AD.

The consolidated assets of company's sub holding entities increase at a constant pace and report growth of 16.9 % in 2017 and 3.04% in the first quarter of 2018, reaching the total amount of

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|  | <p>CREDIT RATING „EUROHOLD BULGARIA“ AD Long-term / Short-term credit rating: BBB- / A-3 (Outlook: stable); National-scale Long-term / Short-term rating: A (BG) / A-1 (BG) (Outlook: stable); August 2018</p> |
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BGN 1 366.8 million. (BGN 1 134.5 million at the end of 2016). The equity of the company, in line with the significant increase of the financial result for 2017, and the completed share capital increases, has risen almost twice in the review period to BGN 215.4 million as of the end of the first quarter of 2018. (BGN 115.3 thousand at the end of 2016).

However, regardless of the positive results in 2016 and 2017 the losses accumulated in 2014 and 2015 are not covered yet. As of December 31, 2017 “Eurohold Bulgaria” AD reports positive current financial result at the amount of BGN 23 300 thousand (BGN 18 174 thousand for the shareholders of the parent company), compared to BGN 9 435 thousand (BGN 8 474 thousand for the shareholders) as of 31.12.2016. Thus, the accumulated loss as of 2016 amounting to BGN 44 659 thousand is reduced to BGN 25 968 thousand.

The total increase in assets is mainly formed by the increase of the current ones. The most significant increase of the current assets for the period is the rise in *Financial assets held for trading* (96.6%, or BGN 153.0 million), mainly due to acquisitions in 2017 of companies operating in the insurance business and new government securities at the total amount of BGN 133.3 million. Next as a share in current assets base is the growth of *Trade and other receivables*, mainly due to an increase in receivables from reinsurers, recorded as a share in the technical reserves of the insurers in the holding structure.

For the review period is observed a trend of continuing increase of total amount of **attracted resources**, where amount of short-term liabilities reduces and long-term liabilities significantly increases. The growth in long-term liabilities is 16.7% (BGN 31.9 million) in 2017, followed by another 5.0% (BGN 11.0 million in the first quarter of 2018) due to the increase in attracted funds from the parent company on bonds issues on the Irish Stock Exchange.

The amount of *bank loans* decreases by total of 5.5% in 2017 (from BGN 105.1 million to BGN 99.2 million) retaining nearly same value as of March 31, 2018 (BGN 100.1 million). The total increase is reported from the leasing business (by 19.5% amounting to BGN 68.6 at the end of 2017), which is the biggest beneficiary of attracted resource, followed by the trade and servicing of vehicles

business (reported total decrease of 13%). The insurance business does not directly borrowing, but much of the money attracted by the parent company is used by insurance business, including the capital support.

The ratio between long-term and short-term credit liabilities changed from 85/15% as of 31 December 2016 to 89/11% as of 31 March 2018, which is positively assessed from a rating view point.

During the review period Eurohold repays a significant part of its subordinated debt loan, out of a total of BGN 77.3 million as of December 31, 2016, and as of March 31, 2018 liabilities amount to BGN 28.1 million, which is also positively assessed in terms of the company’ rating.

Insurance reserves and reinsurance liabilities record significant growth over the review period (17.1% in 2017, followed by a further increase of 1.9% in the first quarter of 2018), as a result of a sustained strong growth rates of the Romanian insurance group of EIG.

As a share of the Total Liabilities excl. Equity, the debt value remains relatively alike, and at the end of 2017 reaches 62.4% (61.4% at the end of 2016), and by 31.03.2018. is 61.5% (at an absolute value of BGN 690.8 million).

During the period under review increase of the *trade and other liabilities* is observed and a significant share being generated by the trade and servicing of vehicles, which at the end of 2017 reports an increase of 39.5% (at an absolute value of BGN 14.5 million), corresponding to an increase in Inventories by 49.0% (BGN 17.5 million).

In the period under review the total **Consolidated Income** of “Eurohold Bulgaria” AD preserve the upward trend from last two years and in 2017 report growth of 17.8% (after the reported high growth rate of 111.2 % in 2016), while in the first quarter of 2018 the reported growth is 2.3%. Observed is a slowdown in growth rates, which could be interpreted as a first sign of getting closer to the maximum opportunities for the businesses after significant investments and restructuring of their activities over the last three years.

In 2017, the total increase in the operating result is by 36.2% (BGN 34.983 million) and the upward trend is maintained as well in the first quarter of 2018 with a growth rate of 10.0% (BGN 2,621 million).

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The substantial expansion of insurance activities – a raise in revenues of 19.1% (BGN 161.4 million in absolute terms) which exceeds the increase in costs (by 14.9%), result in a high increase of the profit – in 2017, the net one reaches an amount of BGN 41.7 million compared to BGN 8.9 million in 2016. (or an increase of 4.7 times). As a result, the insurance activity is determined as the most significant for the Group and is increasing during the analysed period due to the high pace of business development and the profit generated by the Romanian insurance company. The share of insurance revenue reaches 81% of total consolidated revenue (remaining close to 80% in 2016), while cost share is 83% (compared to 72% for the period).

The revenue from trade with vehicles, spare parts and vehicle servicing retain the constant growth trend and in the review period reach their highest value BGN 204.3 million for 2017 (BGN 166.8 million in 2016), recording an increase of 22.5% on an annual basis. A net positive financial result at the amount of BGN 258 thousand is reported, after the reported loss of BGN 842 thousand a year earlier. The share of this revenue is changed and reaches 16.5%, compared to 15.8% in 2016.

The revenue from leasing activities grow by 17.9%, reaching in absolute terms the amount of BGN 25.4 million, while in previous two years they slightly vary in the range of BGN 21.9-21.5 million. The annual net financial result is positive and is at the amount of BGN 112 thousand, compared to the loss of BGN 481 thousand in 2016. The share of revenue from this activity in total activities is less substantial and is unchanged in last reported financial year – 2%.

Revenues from financial and investment activities decreased for a second consecutive year - by 22.9% in 2017 (after a more significant decline in 2016 by 63.3%). Nevertheless, the net financial result remains positive - at the amount of BGN 209 thousand (BGN 265 thousand). The revenue share decreases to 0.3% (0.5% in 2016 and 1.5% in 2015).

The income from investment management activity carried out by the parent company decreases significantly during the review period and, as already discussed of the individual report, result in a net financial loss of BGN 17,306 thousand

compared to year 2016 when is realised a profit of BGN 2,309 thousand.

During the review period, the increase of **costs** of all articles is reported due to the expansion of the activity in all the main business lines of the Group. The most significant growth is reported in the costs for external services – 43.8%, main share formed by “Insurance” business line. Next as a share are the costs for remuneration - 7.4% - in the same business line, where reported growth of the employee rate is by 22%. Slight increases in wage costs are reported in all business lines, with share of 3.7% of the car business and 4.1% of leasing business.

The growth of the financial costs was discussed above. It is formed by the parent company as a result of the increased interest costs on EMTN Programme bonds issues (BGN 10.6 million) and obtained loans (BGN 1.8 million). A decrease is observed in interest costs on loans granted by third parties (by BGN 4.5 million).

In the analysed period, the peculiar characteristic of the Group is preserved and even strengthened, the final financial result is very reliant on the results of the insurance sub holding, which are in turn dependent on the results of the insurance company operating in Romania. The latter reports another successful year and as of year-end occupies 3-rd position with market share of 14.14%, compared to 11.28% in 2016, after City Insurance SA (16.33%) and Allianz-Tiriac Asigurari SA (14.22%), ahead of Omiasig TIG (13.77%), Groupama ASSAIRI SA (11.57%) and Asirom Vienna Insurance Group SA (10.92%).

Improvements in financial performance are reported on the basis of consolidated reports over the period under review, in terms of the credit more significant are the lower interest rates on external resources of financing, increased coverage of interest payments, continued improvement in current liquidity and decline of total indebtedness (with preserved high value).

The value of the indicator coverage of interest payments reduces substantially at an individual level.

The change in main economic indicators of Eurohold Bulgaria AD is presented in the tables below:

CREDIT RATING
„EUROHOLD BULGARIA“ AD

Long-term / Short-term credit rating:
BBB- / A-3 (Outlook: **stable**);
•National-scale Long-term / Short-term rating:
A (BG) / A-1 (BG) (Outlook: **stable**);
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Main Financial Data:

Consolidated Report

| <i>Indicator</i> | 2017 | 2016 | 2015 | 2014 | 2013 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Assets | 1 326 414 | 1 134 514 | 988 939 | 783 271 | 686 967 |
| Liabilities | 1 111 908 | 1 019 255 | 880 677 | 564 391 | 449 322 |
| Equity (вкл.неконтролиращо участие) | 214 506 | 115 259 | 109 162 | 187 925 | 237 645 |
| Income (incl. financial income) | 1 245 372 | 1 058 875 | 918 219 | 577 945 | 588 559 |
| Net Financial Result | 18 174 | 8 474 | -64 558 | -15 402 | 2 278 |
| Net Profitability | 1.46% | 0.80% | n/a | n/a | 0.39% |
| Equity Profitability | 8.47% | 7.35% | n/a | n/a | 0.96% |
| Financial Leverage * | 1.28 | 2.14 | 1.52 | 0.75 | 0.45 |
| Solvency Ratio | 0.19 | 0.11 | 0.12 | 0.39 | 0.53 |
| Interest Coverage ratio | 2.07 | 1.72 | -5.05 | -0.38 | 1.54 |
| Current Liquidity | 1.14 | 1.07 | 0.95 | 1.15 | 1.11 |
| Leverage | 0.84 | 0.90 | 0.89 | 0.72 | 0.65 |

* in calculating the indicator are taken into account the obligations to credit institutions and bond

Individual Report

| <i>Indicator</i> | 2017 | 2016 | 2015 | 2014 | 2013 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Assets | 557 922 | 534 517 | 390 534 | 349 821 | 335 761 |
| Total Income (incl. financial income) | 4 286 | 16 928 | 7 678 | 7 845 | 4 851 |
| Net Financial Result | -17 306 | 2 309 | 407 | 1 665 | -767 |
| Net Profitability | n/a | 13.6% | 5.3% | 21.2% | n/a |
| Equity profitability | n/a | 0.8% | 0.1% | 0.6% | n/a |
| Financial Leverage | 0.64 | 0.66 | 0.16 | 0.16 | 0.09 |
| Solvency Ratio | 1.54 | 1.07 | 2.35 | 3.62 | 4.31 |
| Interest Coverage ratio | 0.01 | 1.23 | 1.07 | 1.34 | 0.82 |
| Current Liquidity | 0.06 | 0.15 | 0.03 | 0.05 | 0.92 |
| Leverage | 0.39 | 0.48 | 0.30 | 0.22 | 0.19 |

Rating History:

| CREDIT RATING | Initial Rating | Review |
|--|-----------------------|-------------------|
| Publication Date: | 27.07.2017 | 27.08.2018 |
| Long-term Rating : | BBB- | BBB- |
| Outlook : | <i>Stable</i> | <i>Stable</i> |
| Short-term Rating : | A-3 | A-3 |
| National-scale Long-term Rating: | A (BG) | A (BG) |
| Outlook: | <i>Stable</i> | <i>Stable</i> |
| National-scale Short-term Rating: | A-1 (BG) | A-1 (BG) |