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for Southeast Europe's biggest companies

in 2022

16th annual edition

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Letter from the editor

In 2022, Russia's war on Ukraine stirred an unprecedented upheaval on global energy markets, which spilled over to all sectors of the economy. The surge in prices fuelled inflation, eroding personal incomes and restricting demand across Europe. The southeastern part of the continent was no exception.

Amid this turbulence the biggest companies in the region showed a remarkable resilience and booked impressive results. Energy companies took in most of the market stress but emerged bigger than ever from the storm. On the other hand, the automotive sector, traditionally a top performer in the region, has been ceding positions as it struggles to adapt to the green agenda.

Exacerbating the impact of war and inflation, climate change posed numerous challenges to the economies of Southeast Europe.

In 2022, Slovenia was in the grip of a severe drought that slashed yields of all crops, with maize yield almost 30% lower than in the previous year. The output of the country's hydropower plants declined and as a result the state-owned electricity producer closed the year with a loss of millions of euro.

And while this year's edition of TOP 100 SEE was in the making, we saw torrential rains in Slovenia causing damage estimated at several billions of euro. In August, floods wrecked houses, roads and production facilities in two-thirds of the country. The aftermath of this natural disaster was not confined to Slovenia. Thousands of kilometres away, in Portugal, Volkswagen suspended production at its factory due to a disruption of car part deliveries by its Slovenian supplier.

In this ever more challenging environment in which a crisis sends shockwaves along various industry verticals or economies, resilience and sustainability have become key to businesses, irrespective of their geographical or industrial area of operation.

To ride out the next storm, the companies in Southeast Europe need to clearly define their sustainability agenda, taking example from the top performers in the region. For the energy majors, investing in renewables is already a strategic priority. The champion of this year's edition, OMV Petrom, plans to have an installed renewables capacity of at least 1 GW by 2030 and targets net-zero carbon operations by 2050. Retailers, manufacturers in various industries and logistic companies are installing rooftop solar systems and investing in sustainable transportation, readily supported by local banks.

Boosting sustainability has long ago become a necessity demanded by regulators, partners and customers, shareholders and investors, the head of VIG, a leading insurance group in the region, tells this year's edition of TOP 100 SEE. And insurers know best about storms.

Nevena Krasteva,
Editor-in-chief

in millions of euro

Rank 2022	Rank 2021	Company name	Country	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021	Rank by net profit/ loss
1	1	OMV Petrom SA	Romania	Petroleum/Natural Gas	13,387.0	6,043.5	122.71%	2,079.4	546.3	1
2	4	Petrol d.d.	Slovenia	Petroleum/Natural Gas	7,961.8	3,858.6	106.34%	19.4	66.5	65
3	13	Holding Slovenske Elektrarne d.o.o.	Slovenia	Electricity	5,591.5	2,746.3	103.60%	-319.7	18.9	98
4	3	OMV Petrom Marketing SRL	Romania	Petroleum/Natural Gas	5,493.6	3,858.8	43.13%	112.3	102.0	23
5	2	Automobile-Dacia SA	Romania	Automobiles	5,261.8	4,398.0	20.29%	106.5	101.3	24
6	14	Rompetrol Rafinare SA	Romania	Petroleum/Natural Gas	5,019.5	2,646.1	90.72%	134.7	-91.7	19
7	8	INA d.d.	Croatia	Petroleum/Natural Gas	4,644.6	2,964.6	56.93%	243.7	165.6	15
8	6	GEN-I d.o.o.	Slovenia	Electricity	4,435.5	3,554.2	24.79%	30.8	73.5	54
9	12	Prvo Plinarsko Drustvo d.o.o.	Croatia	Petroleum/Natural Gas	4,366.9	2,798.6	56.30%	38.8	34.8	47
10	18	Naftna Industrija Srbije AD	Serbia	Petroleum/Natural Gas	4,324.2	2,421.0	77.70%	799.0	196.7	3
11	5	Aurubis Bulgaria AD	Bulgaria	Metals	4,214.4	3,399.7	23.96%	255.3	149.3	14
12	28	Astra Bioplant EOOD	Bulgaria	Petroleum/Natural Gas	3,932.8	1,706.1	130.51%	63.7	116.1	36
13	7	Lidl Discount SRL	Romania	Wholesale/Retail	3,842.1	3,056.5	26.38%	213.2	149.9	16
14	30	Lukoil-Bulgaria EOOD	Bulgaria	Petroleum/Natural Gas	3,771.7	1,649.7	128.63%	76.3	38.5	28
15	15	Rompetrol Downstream SRL	Romania	Petroleum/Natural Gas	3,395.6	2,510.7	35.98%	38.4	18.8	49
16	11	Kaufland Romania SCS	Romania	Wholesale/Retail	3,256.2	2,847.8	14.96%	178.7	180.3	17
17	17	Belektron d.o.o.	Slovenia	Financial Services	3,165.5	2,460.6	28.64%	27.7	77.8	56
18	10	Elektroprivreda Srbije AD	Serbia	Electricity	3,152.3	2,808.2	11.68%	-620.8	-127.8	100
19	29	Engie Romania SA	Romania	Petroleum/Natural Gas	3,128.3	1,665.0	88.90%	128.9	14.3	20
20	40	AETs Kozloduy EAD	Bulgaria	Electricity	3,099.2	1,390.0	122.96%	373.0	455.2	10
21	new	Axpo Bulgaria EAD	Bulgaria	Petroleum/Natural Gas	3,078.0	505.0	509.54%	20.6	9.0	62
22	19	Ford Otosan Romania SRL	Romania	Automobiles	2,907.9	2,376.4	23.03%	-4.9	12.5	82
23	36	E.ON Energie Romania SA	Romania	Petroleum/Natural Gas	2,860.5	1,455.3	97.62%	-72.5	9.8	94
24	46	Romgaz SA	Romania	Petroleum/Natural Gas	2,747.4	1,274.4	116.75%	511.8	398.8	9
25	32	Lukoil Romania SRL	Romania	Petroleum/Natural Gas	2,708.4	1,612.4	68.89%	47.5	32.6	42
26	20	Natsionalna Elektricheska Kompania EAD	Bulgaria	Electricity	2,697.8	2,105.5	28.13%	553.9	332.4	8
27	16	British American Tobacco (Romania) Trading SRL	Romania	Food/Drinks/Tobacco	2,601.1	2,495.2	4.81%	18.5	31.2	66
28	54	Bulgargaz EAD	Bulgaria	Petroleum/Natural Gas	2,520.0	1,091.9	130.78%	-51.3	32.7	91
29	23	Profi Rom Food SRL	Romania	Wholesale/Retail	2,496.5	2,071.1	21.19%	-57.8	-26.6	92
30	22	Johnson Matthey DOOEL	North Macedonia	Chemicals	2,477.3	2,077.1	19.10%	72.8	79.8	32
31	41	Hrvatska Elektroprivreda d.d.	Croatia	Electricity	2,473.6	1,373.7	80.36%	-620.7	140.9	99
32	49	Electrica Furnizare SA	Romania	Electricity	2,290.9	1,222.3	88.44%	74.9	-94.1	31
33	21	Dedeman SRL	Romania	Wholesale/Retail	2,274.9	2,093.0	9.28%	344.1	341.1	12
34	24	Gorenje d.o.o.	Slovenia	Electronics	2,224.8	2,062.2	7.88%	3.7	-1.2	77
35	26	Carrefour Romania SA	Romania	Wholesale/Retail	2,140.5	1,945.1	10.64%	63.5	67.0	37
36	new	TETs Maritsa Iztok 2 EAD	Bulgaria	Electricity	2,049.8	686.1	198.77%	608.3	-70.3	6
37	67	Tinmar Energy SA	Romania	Electricity	2,015.0	961.2	110.77%	105.9	29.0	26
38	42	Hidroelectrica SA	Romania	Electricity	1,999.7	1,351.0	48.82%	888.2	613.6	2
39	69	Complexul Energetic Oltenia SA	Romania	Electricity	1,934.4	,957.9	103.03%	707.4	-309.6	4
40	57	JP Srbijagas	Serbia	Petroleum/Natural Gas	1,919.7	1,021.5	86.96%	46.9	32.1	43
41	35	Metro Cash & Carry Romania SRL	Romania	Wholesale/Retail	1,902.8	1,490.2	28.38%	7.7	13.3	75
42	new	MET Energy Trading Bulgaria EAD	Bulgaria	Electricity	1,900.6	373.3	409.21%	14.3	19.7	71
43	31	MOL Romania Petroleum Products SRL	Romania	Petroleum/Natural Gas	1,886.4	1,615.8	17.38%	32.7	71.1	52
44	37	Star Assembly SRL	Romania	Automobiles	1,849.8	1,448.0	28.44%	72.4	66.3	33
45	27	Compania Nationala de Administrare a Infrastructurii Rutiere SA - CNAIR	Romania	Construction	1,830.1	1,741.5	5.65%	1.6	2.6	79
46	25	Liberty Galati SA	Romania	Metals	1,815.7	2,032.7	-10.19%	-166.1	276.4	97
47	33	Mega Image SRL	Romania	Wholesale/Retail	1,768.4	1,521.4	16.87%	28.2	21.9	55
48	51	Ameropa Grains SA	Romania	Agriculture	1,760.2	1,172.2	50.97%	21.4	12.1	61
49	new	MVM CEEnergy Croatia d.o.o.	Croatia	Electricity	1,720.6	468.4	267.93%	5.8	-18.7	76
50	new	Engie Energy Management Romania SRL	Romania	Petroleum/Natural Gas	1,632.9	388.3	322.83%	34.5	4.9	51

THE EASY FINWAY

in millions of euro

Rank 2022	Rank 2021	Company name	Country	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021	Rank by net profit/ loss
51	38	Konzum Plus d.o.o.	Croatia	Wholesale/Retail	1,597.8	1,405.2	13.89%	17.4	5.4	67
52	new	Cofco International Romania SRL	Romania	Agriculture	1,593.1	1,150.6	39.21%	22.4	-13.9	60
53	43	Lek d.d.	Slovenia	Pharmaceuticals	1,591.7	1,295.6	22.85%	163.7	147.0	18
54	39	Krka d.d.	Slovenia	Pharmaceuticals	1,558.2	1,388.0	12.26%	348.2	245.2	11
55	new	HEP-Proizvodnja d.o.o.	Croatia	Electricity	1,510.2	689.8	119.30%	0.6	39.4	80
56	99	Enel Energie SA	Romania	Electricity	1,489.5	701.8	113.38%	-79.0	-22.1	96
57	34	Dante International SA	Romania	Wholesale/Retail	1,460.2	1,505.3	-2.47%	25.0	-37.0	57
58	85	Oscar Downstream SRL	Romania	Petroleum/Natural Gas	1,459.8	782.6	87.54%	71.0	60.4	34
59	new	BA Glass Bulgaria EAD	Bulgaria	Glass Products	1,457.9	1,027.6	41.87%	75.9	64.8	29
60	89	Geoplin d.o.o.	Slovenia	Petroleum/Natural Gas	1,455.0	762.4	90.83%	-28.6	17.5	88
61	53	REWE (Romania) SRL	Romania	Wholesale/Retail	1,455.0	1,101.1	32.85%	30.9	25.0	53
62	63	Robert Bosch SRL	Romania	Automobiles	1,444.5	987.9	47.02%	38.3	23.4	50
63	65	RCS & RDS SA	Romania	Telecommunications	1,441.9	969.9	49.48%	269.2	102.9	13
64	45	Auchan Romania SA	Romania	Wholesale/Retail	1,412.5	1,287.8	10.28%	20.3	17.3	63
65	90	Oliva AD	Bulgaria	Food/Drinks/Tobacco	1,352.8	741.8	82.37%	106.4	72.0	25
66	new	Nuclearelectrica SA	Romania	Electricity	1,350.5	660.4	105.60%	558.8	210.6	7
67	new	Enel Energie Muntenia SA	Romania	Electricity	1,341.6	689.1	95.75%	-76.3	-46.5	95
68	48	Altex Romania SRL	Romania	Wholesale/Retail	1,341.6	1,226.5	9.98%	23.2	26.3	59
69	60	Impol d.o.o.	Slovenia	Metals	1,334.6	1,024.4	30.28%	42.5	36.5	46
70	44	Orange Romania SA	Romania	Telecommunications	1,332.4	1,298.8	3.14%	121.7	121.3	21
71	88	Transelectrica SA	Romania	Electricity	1,283.8	764.5	68.84%	104.0	0.1	27
72	new	MET Croatia Energy Trade d.o.o.	Croatia	Electricity	1,280.2	162.7	688.01%	2.8	3.1	78
73	47	Poslovni Sistem Mercator d.d.	Slovenia	Wholesale/Retail	1,276.8	1,232.3	3.61%	-10.4	-3.1	84
74	new	Petrol d.o.o.	Croatia	Petroleum/Natural Gas	1,227.2	567.4	116.62%	-2.8	20.9	81
75	66	Fildas Trading SRL	Romania	Wholesale/Retail	1,226.6	966.1	27.66%	49.9	43.0	41
76	59	Delhaize Serbia DOO	Serbia	Wholesale/Retail	1,176.1	1,026.7	13.97%	57.7	25.3	39
77	62	Samsung Electronics Romania SRL	Romania	Electronics	1,167.4	987.9	18.80%	17.4	15.2	68
78	70	Mediplus Exim SRL	Romania	Wholesale/Retail	1,159.3	954.6	22.11%	16.1	14.8	70
79	76	Cargill Agricultura SRL	Romania	Agriculture	1,155.8	857.1	35.59%	38.7	6.5	48
80	72	Tigar Tyres DOO	Serbia	Rubber/Rubber Products	1,154.0	889.9	29.01%	75.6	77.9	30
81	64	Kaufland Bulgaria EOOD & Co KD	Bulgaria	Wholesale/Retail	1,135.0	968.0	17.25%	61.7	60.5	38
82	52	HBIS Group Serbia Iron & Steel DOO	Serbia	Metals	1,115.8	1,123.1	-1.16%	-42.4	201.9	90
83	new	Lukoil Neftochim Burgas AD	Bulgaria	Petroleum/Natural Gas	1,112.7	587.7	89.34%	66.3	34.8	35
84	new	MOL & INA d.o.o. (formerly known as OMV Slovenija d.o.o.)	Slovenia	Petroleum/Natural Gas	1,093.1	648.7	68.50%	-13.2	27.3	85
85	new	YugoRosGaz AD	Serbia	Petroleum/Natural Gas	1,077.6	423.2	153.36%	19.8	9.1	64
86	68	Telekom Srbija AD	Serbia	Telecommunications	1,066.4	954.5	11.15%	114.0	111.8	22
87	new	MET Romania Energy SA	Romania	Electricity	1,059.2	514.0	107.19%	-6.3	19.7	83
88	75	Michelin Romania SA	Romania	Rubber/Rubber Products	1,057.1	860.0	23.59%	24.3	29.1	58
89	87	Interbrands Orbico SRL	Romania	Wholesale/Retail	1,053.1	771.8	37.19%	8.3	3.6	74
90	74	Lidl Hrvatska d.o.o. k.d.	Croatia	Wholesale/Retail	1,047.0	872.0	20.26%	52.0	50.5	40
91	new	Serbia Zijin Mining DOO	Serbia	Metals	1,043.6	472.5	119.72%	641.4	292.2	5
92	83	CFR SA	Romania	Transportation	1,026.9	805.5	28.17%	-19.1	-1.8	86
93	84	Lidl Bulgaria EOOD and Co. KD	Bulgaria	Wholesale/Retail	1,022.1	802.2	27.42%	45.7	37.9	44
94	79	Autoliv Romania SRL	Romania	Automobiles	1,018.3	834.0	22.75%	-33.3	-6.1	89
95	61	Vodafone Romania SA	Romania	Telecommunications	1,007.2	1,005.1	0.76%	-24.6	-83.5	87
96	94	Viterra Romania SRL	Romania	Agriculture	1,003.9	718.9	40.40%	14.0	-1.1	72
97	95	Continental Automotive Systems SRL	Romania	Automobiles	991.8	717.8	38.93%	-66.9	-49.6	93
98	new	Bunge Romania SRL	Romania	Wholesale/Retail	985.2	696.5	42.23%	44.2	-25.6	45
99	new	Okta AD	North Macedonia	Petroleum/Natural Gas	976.3	425.0	129.38%	8.9	6.1	73
100	73	Spar Slovenija d.o.o.	Slovenia	Wholesale/Retail	975.6	874.3	11.59%	16.9	16.7	69

2022: SEE TOP 100 companies' revenues soar amid price spikes

By Nevena Krasteva

After an economic rebound driven by strong private consumption, growth in Southeast Europe (SEE) slowed down in 2022 amid geopolitical turbulence and unprecedented volatility on energy markets. Soaring energy prices fuelled inflation, prompting governments to intervene. Declining household incomes and worsening external demand weighed down on all economies in the region but for those less exposed to Russia, such as Romania, Slovenia and Croatia, the impact was not so severe. Despite these odds, the biggest companies in the region booked a record-high increase in revenues, with energy businesses leading the pack.

The total revenue of the SEE TOP 100 companies reached 223.9 billion euro in 2022, up by a record-high 46% as compared to the revenues of the entrants in the ranking a year earlier. The rise in their profit was even sharper, by 61%, to 10.3 billion euro.

The threshold for entry into the ranking also rose sharply in 2022, to 975.6 million euro from 699 million euro a year earlier and more than double compared to 2012. The revenues of the last entrant in the ranking for 2022 would have put it at 64th place in 2021 and at 32nd spot ten years earlier.

Only three companies reported lower revenues compared to 2021, a record low number in the history of this publication.

The year of the energy behemoths

As energy security issues triggered by the war in Ukraine topped the global agenda, oil and natural gas companies recorded an exceptionally good year. Emerging as the biggest sector in the SEE region in 2021 on the back of a strong increase in post-pandemic demand, a year later the combined sales of its representatives in the ranking nearly doubled. The aggregate revenue of oil and gas companies exceeded 87 billion euro, twice as much as the turnover of the second biggest sector, electricity. More than a quarter of all companies in the ranking operate in the oil and gas sector, generating 39% of the total revenue of the SEE TOP 100 entrants. Profits also more than doubled, reaching 4.4 billion euro, despite decisions by some governments to cap fuel prices and introduce taxes on windfall profits.

Electricity companies recorded a revenue growth rate of 85%, replacing wholesale and retail as the second largest sector in the region. Higher production and risk-hedging costs, lower output of hydropower plants due to prolonged drought, and expensive imports dented profits. Government policies designed to soften the blow of price hikes on consumers too impacted bottom lines. Nevertheless, electricity companies saw their profits swell to 2.3 billion euro, from 1.1 billion euro posted by the biggest sector players a year earlier.

Twenty electricity companies entered the SEE TOP 100 2022 ranking. Among the new entrants, the subsidiaries of Swiss-based power trading companies Axpo and MET Group booked triple-digit revenue growth. MET Croatia Energy Trade was the fastest growing company in SEE last year as its revenue soared almost eightfold to 1.280 billion euro. Five other energy traders complemented the list of the region's ten fastest growing companies by revenue in 2022. Despite supply disruptions, energy price spikes and market intervention by governments, companies in these two sectors represent nearly a half of all the SEE TOP 100 companies and nine of the top ten. Furthermore, most new additions to the SEE TOP 100 list are energy companies.

OMV Petrom cements lead

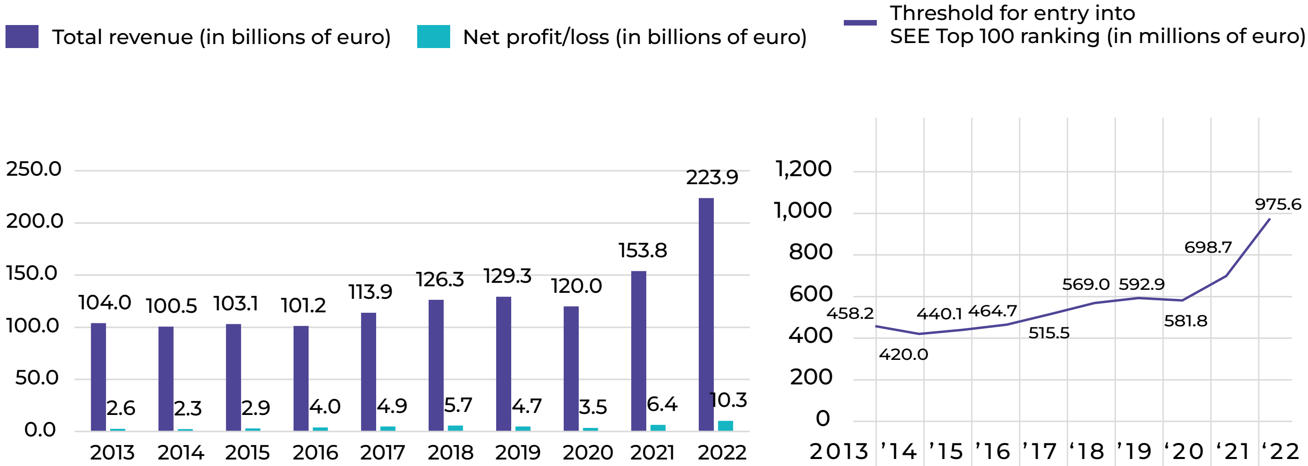
Romania's largest oil and gas producer, OMV Petrom, retained its top position in the region for a second consecutive year, as high commodity prices pumped up its financial results. High asset utilisation and refining margins enhanced the financial results, offsetting lower hydrocarbon production, cost inflation, as well as increased taxation. Its turnover more than doubled, to 13.4 billion euro, while profit more than trebled, to 2.1 billion euro.

The company, in which Austria's OMV holds a majority stake, is active along the entire energy value chain from exploration and production of oil and gas, to refining and fuels distribution, and further on to power generation and marketing of gas and power. Its key project, the Neptun Deep, which it is developing together with Romanian natural gas producer Romgaz, is one of the largest gas projects in the EU. The two companies have said they will invest up to 4 billion euro in the development of the offshore project, which will supply approximately 100 billion cu m (bcm) of natural gas, with the earliest anticipated delivery date being 2027.

Like all other energy giants, OMV Petrom is also investing heavily in renewables, aiming to have an installed renewables capacity of at least 1 GW by 2030. In 2021, the company adopted a strategy envisaging 11 billion euro investments by 2030, with about a third of the total to go towards low and zero carbon solutions. OMV Petrom targets a 30% reduction in carbon emissions by 2030 compared to 2019 and net zero carbon operations by 2050.

Earlier this year, OMV Petrom said it will invest some 74 million euro in the construction of a hydrogen production capacity at its Petrobrazi refinery. Petrobrazi also became Romania's first refinery certified to produce sustainable aviation fuel.

TOP 100 COMPANIES COMBINED FINANCIAL RESULTS IN 2013-2022



A fuel retailer, Slovenia's Petrol, climbed to second place in the ranking from the fourth place after its turnover doubled. In terms of profit, however, it ranked only 65th due to high cost of energy commodities, regulations that limited prices of motor fuels, and tighter purchasing conditions.

Another Slovenian company, state-owned electricity producer Holding Slovenske Elektrarne, took the third place even though it closed the year in the red. A drop in output at its hydropower plants due to drought and the temporary closure of a thermal power plant forced the company to import electricity at high prices, resulting in a loss and the need for a capital injection of 492 million euro from the state to bridge its liquidity gap and enable it to continue production.

EV transition poses challenge for automotive sector

At No. 5, Romania's Dacia, a member of France's Renault Group, is the only non-energy company in the top ten. Despite a 20% increase in turnover, it slid three positions from 2021.

Dacia's performance illustrates the state of the entire automotive sector, which faces growing competition from Chinese manufactures and strong regulatory pressure. By 2035, sales of cars with internal combustion engines will be banned in the EU. The shift to electric vehicles (EV) entails growing production costs, heavy investments in R&D and the need to develop new supply chains. Chinese EV manufacturers, on the other hand, have the advantage of proximity to raw materials allowing them to regionalise their supply chains. Thus, despite an increase in demand, the sector has been ceding ground in the ranking.

The wholesale and retail companies, which generated the biggest portion of revenue in 2020 ago and the second biggest in 2021, slid to the third place by this indicator in 2022. Twenty-two sector players generated a revenue of 3.6 billion euro on the back of soaring prices and a boom of e-commerce. The sector is dominated by foreign-owned supermarket operators Lidl, Kaufland and Carrefour.

Agriculture companies go up

Another sector to climb steadily in the ranking is agriculture, which rose to sixth place from ninth a year earlier and eleventh two years ago. As Ukraine struggled to harvest and export its crops, the aggregate revenue of the four agricultural companies in this year's edition of SEE TOP 100 - Ameropa Grains, Cofco, Cargill and Viterra in Romania - shot up over 41% to 5.5 billion euro. The highest-placed among them is the Romanian unit of Swiss group Ameropa active in the production and trading of grains and fertilizers. In Romania, the group owns the Azomures fertiliser plant and Constanta Port logistics operator Chimpex.

METHODOLOGY

SEE TOP 100 ranks the biggest companies in Southeast Europe by total revenue for the fiscal year ended December 31, 2022. Both 2022 figures and 2021 comparative counterparts are sourced from 2022 annual non-consolidated reports.

The SEE TOP 100 ranking covers non-financial companies registered in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, North Macedonia, Moldova, Montenegro, Romania, Serbia and Slovenia. Banks, investment intermediaries, insurers and real estate investment trusts (REITs) are excluded from the ranking as total revenue is not an accurate indicator of their performance. We have compiled separate rankings of the largest 100 banks and insurers. Holding companies, on the other hand, are represented in the ranking by their subsidiaries.

All data is sourced from national commercial registers, stock exchanges, government and corporate websites, industry regulators, local business information providers and companies themselves.

The initial pool of companies exceeds 3,000. The ranking does not include companies that declined or failed to provide financial results by the time SEE TOP 100's content was finalised.

To allow comparison, all local currencies in the rankings have been converted into euro, using the respective central bank's official exchange rate on the last working day of 2022 and 2021. Year-on-year changes in the companies' financial indicators have been calculated using the figures in the original currency.

The most dynamic SEE companies in 2022: Energy rush

By Annie Tsoneva

The energy sector completely took over the ranking of the fastest growing companies in Southeastern Europe (SEE) last year as the global energy crisis triggered by the Russia-Ukraine war propelled electricity and gas prices to record highs.

The most dynamic companies in SEE by revenue in 2022 were seven energy traders, a thermal power plant, an oil refiner and a biodiesel producer.

In comparison, a year earlier the ranking also included transportation, wholesale companies, and a steel producer.

Seven of the ten most dynamic companies in SEE in 2022 are foreign-owned, as two of the parent companies are Swiss-based sector majors. MET Group, one of the leading commodity traders in central and eastern Europe, is represented in the SEE TOP 100 ranking with three units, two of which are among the most dynamic companies. Axpo, Switzerland's largest producer of renewable energy and an international leader in energy trading and the marketing of solar and wind power, has one representative in the ranking – Axpo Bulgaria. All units of the two Swiss groups are entering the SEE TOP 100 ranking for the first time.

MET Croatia Energy Trade was the fastest growing company in SEE last year as its revenue soared almost eightfold to 1.280 billion euro from 162.7 million euro in 2021. It was set up in 2013 as a fully-owned subsidiary of MET Group to participate in Croatia's freshly liberalised energy market. MET Croatia offers a wide range of services to all natural gas customers of the de-regulated market. It took the 72nd spot in the overall top 100 ranking of the largest companies in the region.

Axpo Bulgaria was the second most dynamic company in 2022 as its revenue rose sixfold to 3.078 billion euro. The company is a wholesale trading hub for 15 markets in Central and Eastern Europe, managing over 30 power and gas trading licences and serving more than 150 clients. In November 2022, the company received a licence to use the Greece-Bulgaria natural gas interconnector allowing it to take part in future capacity auctions.

Another member of the MET Group, MET Energy Trading Bulgaria, was the third fastest growing company as its revenue went up to 1.9 billion euro from 373 million euro. MET Energy Trading Bulgaria, established in 2017, focuses on the purchase and sale of electricity and natural gas to retail and wholesale customers in SEE through cross-border transactions and in close cooperation with other MET subsidiaries in the region.

Natural gas trader Engie Energy Management Romania, a subsidiary of France's Engie, took the fourth position in the ranking of the most dynamic SEE companies with a 323% surge in revenue, to 1.633 billion euro last year.

MVM CEEnergy Croatia, a unit of the largest energy holding company in Hungary, MVM, set up to use the LNG terminal on the Adriatic island of Krk, ranked fifth. The company is another new entrant in SEE TOP 100.

Bulgarian state-owned thermal power plant Maritsa East 2 followed in the sixth place as its revenue almost tripled to more than 2 billion euro from 686 million in 2021.

The only Serbian company in the ranking was natural gas distributor and transportation company YugoRosGaz, a subsidiary of Russia's Gazprom. It took the seventh place on the back of 153% annual growth in revenue, to 1.073 billion euro.

State-owned gas supplier Bulgargaz ranked eighth as its revenue rose 130% on the year, to 2.5 billion euro.

Bulgarian vegetable oils and biodiesel fuel producer Astra Bioplant recorded the region's ninth highest revenue growth rate last year, of some 130% to 3.9 billion euro, on the back of a strong rise in sales. Astra Bioplant, which launched operations in 2009, expanded its production facilities to include plants with a combined annual capacity of some 360,000 tonnes of biodiesel. The business also makes distilled pharmaceutical-grade glycerin, rapeseed oils, acid oils and forages, and technical oils - feedstock for advanced biofuels, or biofuels with non-feed or food origin. It is part of energy products supply group Bulmarket.

North Macedonia's oil refinery Okta took the tenth position among the fastest growing companies in the region after its revenue rose 129% to 976 million euro in 2022. Okta, a member of the Hellenic Petroleum Group, owns crude oil refining facilities with a nameplate capacity of 2.5 million metric tonnes and storage facilities with a total capacity of 350 million litres.

METHODOLOGY

Most dynamic companies is a ranking of the top 10 companies with the highest change in revenue in SEE TOP 100. Change in revenue is calculated as a year-on-year change of total revenue, calculated in local currencies. In order to ensure fair comparison, companies established after December 31, 2020 are omitted.

MOST DYNAMIC COMPANIES

in millions of euro

No	SEE TOP 100 No	Company name	Country	Industry	Y/Y Change in revenue 2022
1	72	MET Croatia Energy Trade d.o.o.	Croatia	Electricity	688.01%
2	21	Axpo Bulgaria EAD	Bulgaria	Petroleum/Natural Gas	509.54%
3	42	MET Energy Trading Bulgaria EAD	Bulgaria	Electricity	409.21%
4	50	Engie Energy Management Romania SRL	Romania	Petroleum/Natural Gas	322.83%
5	49	MVM CEEnergy Croatia d.o.o.	Croatia	Electricity	267.93%
6	36	TETs Maritsa Iztok 2 EAD	Bulgaria	Electricity	198.77%
7	85	YugoRosGaz AD	Serbia	Petroleum/Natural Gas	153.36%
8	28	Bulgargaz EAD	Bulgaria	Petroleum/Natural Gas	130.78%
9	12	Astra Bioplant EOOD	Bulgaria	Petroleum/Natural Gas	130.51%
10	99	Okta AD	North Macedonia	Petroleum/Natural Gas	129.38%

Energy companies swing between highs and lows

By Genta Hodo

Extreme volatility on the energy markets in 2022 impacted industry players in different ways, pushing some to the top spots of the most profitable companies ranking in SEE and burdening others with substantial losses. For metal producing companies, however, the economic recovery and global shift to green energy is all good news as demand for their output surges.

Gold-copper producer Serbia Zijin Mining, a subsidiary of China's Zijin Mining Group, topped the most profitable companies' chart with a 61.46% return on revenue. Serbia Zijin Mining doubled the production of copper and increased its gold product by 50% in 2022, shortly after establishing operation in its Cukaru Peki mines in 2021. An ongoing investment of $3.8 billion in its Serbia mines promises a further boost to production and sales.

The next three places in the ranking are taken up by Romanian state-owned energy producers. Hydro power producer Hidroelectrica, which was No. 1 in the ranking for three years, came in second with a return on revenue of 44.42%. Its profit increased by over 40%, as a surge in electricity prices and efficient operations offset a drop in electricity sales. The company's excellent performance preceded an IPO in July 2023, the biggest in Romania's history, which put the company's market capitalisation at 9.4 billion euro.

Nuclearelectrica, operator of Romania's sole nuclear power plant Cernavoda, expanded its profitability to 41.37% in 2022 from 31.89% in the previous year, also due to the increase in energy prices. Despite a sharp 75% rise in operating expenses and a slight drop in energy production, the company's profits spiked 165% to 558.8 million euro in 2022.

Romanian coal-based energy producer Complexul Energetic Oltenia (CE Oltenia) rebounded to profitability in 2022 following two years of financial difficulties. However, the 36.57% profitability in 2022 is largely attributed to restructuring aid it has received.

Three power utilities topped the money-losers chart as unfavourable weather conditions, high import prices and government policies dented their results.
At the top of the list, Serbian state-owned power utility Elektroprivreda Srbije (EPS) quadrupled its 2021 loss to 620.8 million euro in 2022. The company attributed its loss to the record-high price it was forced to pay for imports after production fell due to problems with the coal supplies and a long drought.

Croatia's state-owned power utility Hrvatska Elektroprivreda turned to losses of 620.7 million euro as it too had to pay for expensive imports while struggling with price caps imposed by the government.
In the third place, Slovenia's Holding Slovenske Elektrarne's financial result was impacted by a drop in output due to drought and the temporary closure of a thermal power plant.

The biggest earners list included six new entrants, two of which are based in Serbia, three in Romania and one in Bulgaria. Romania was best represented with five entrants, followed by Serbia with two, and Slovenia and Bulgaria with one each.

Romania also dominated the money losers' chart, with six companies. Other countries represented in the biggest money losers' chart were Serbia, Croatia, Slovenia and Bulgaria with one company each.

METHODOLOGY

Most profitable companies is a ranking of the top 10 companies with the highest return on revenue in SEE TOP 100. Return on revenue is calculated as net profit divided by total revenue, both in euro terms. To allow comparison, all local currencies have been converted into euro, using the central banks' official exchange rates on the last working day of 2022 and 2021, respectively.

Money losers is a ranking of 10 companies with the most significant losses in SEE TOP 100. To allow comparison, all local currencies have been converted into euro, using the central banks' official exchange rates on the last working day of 2022 and 2021, respectively.

MOST PROFITABLE COMPANIES *in millions of euro*

Rank	SEE TOP 100 Rank	Company name	Country	Industry	Return on revenue 2022	Return on revenue 2021
1	91	Serbia Zijin Mining DOO	Serbia	Metals	61.46%	61.84%
2	38	Hidroelectrica SA	Romania	Electricity	44.42%	45.42%
3	66	Nuclearelectrica SA	Romania	Electricity	41.37%	31.89%
4	39	Complexul Energetic Oltenia SA	Romania	Electricity	36.57%	-32.32%
5	36	TETs Maritsa Iztok 2 EAD	Bulgaria	Electricity	29.68%	-10.24%
6	54	Krka d.d.	Slovenia	Pharmaceuticals	22.35%	17.67%
7	26	Natsionalna Elektricheska Kompania EAD	Bulgaria	Electricity	20.53%	15.79%
8	63	RCS & RDS SA	Romania	Telecommunications	18.67%	10.61%
9	24	Romgaz SA	Romania	Petroleum/Natural Gas	18.63%	31.30%
10	10	Naftna Industrija Srbije AD	Serbia	Petroleum/Natural Gas	18.48%	8.13%

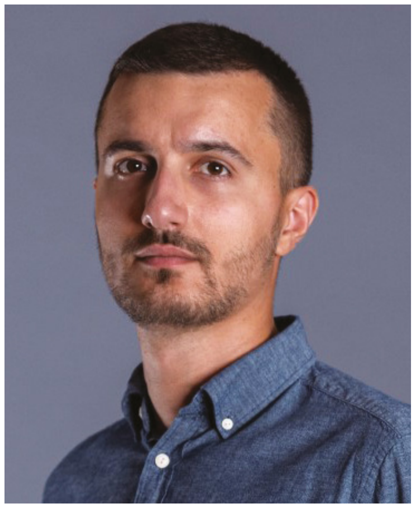
MONEY LOSERS *in millions of euro*

Rank	SEE TOP 100 Rank	Company name	Country	Industry	Net loss 2021	Net profit/loss 2020
1	18	Elektroprivreda Srbije AD	Serbia	Electricity	-620.8	-127.8
2	31	Hrvatska Elektroprivreda d.d.	Croatia	Electricity	-620.7	140.9
3	3	Holding Slovenske Elektrarne d.o.o.	Slovenia	Electricity	-319.7	18.9
4	46	Liberty Galati SA	Romania	Metals	-166.1	276.4
5	56	Enel Energie SA	Romania	Electricity	-79.0	-22.1
6	67	Enel Energie Muntenia SA	Romania	Electricity	-76.3	-46.5
7	23	E.ON Energie Romania SA	Romania	Petroleum/Natural Gas	-72.5	9.8
8	97	Continental Automotive Systems SRL	Romania	Automobiles	-66.9	-49.6
9	29	Profi Rom Food SRL	Romania	Wholesale/Retail	-57.8	-26.6
10	28	Bulgargaz EAD	Bulgaria	Petroleum/Natural Gas	-51.3	32.7

Team comes first when deciding on potential investment

Stanimir Vassilev
Co-founder,
MFG Invest

Ina Ilieva
Legal Services Director,
MFG Invest



Simeon Iliev
Investment Associate,
MFG Invest

MFG Invest (BUL:MFG) invests in start-up and scale-up companies whose activity is in the field of fintech services, e-commerce, creation and sale of technologies that have applications in various business areas such as, but not limited to, education, agriculture, security, storage of data and more. MFG Invest does not invest in companies that are at the "idea" stage and do not have a developed product or permanent team. The purpose of the company is to manage its equity portfolio by supporting the development of the companies in it through sharing the long-term experience and expertise of MFGI team members. The company is traded on the beam market of the Bulgarian Stock Exchange since the beginning of 2023.

MFG Invest is part of the MFG group. MFG is a 100% Bulgarian group of companies whose mission is to provide easy access to financing for everyone, regardless of their current social and financial situation. The group is active in Bulgaria, Romania, Ukraine, Poland, North Macedonia, Spain and Croatia, and plans large-scale geo-expansion in key European and international markets such as Germany, Mexico, USA and India. The MFG Group is a responsible employer of more than 8,300 people in more than 450 offices in the countries in which it operates.

MFG's main focus is offering financial products for individuals and small and medium-sized businesses. The companies in the group have active registrations and licenses for lending, credit intermediation, postal money transfers, payment services and issuance of electronic money, general insurance, which have been issued by the relevant supervisory authorities. The group's portfolio includes companies and brands such as Easy Credit, Biala Karta, Viva Credit, Fintrade, ACOD, iuvo, NewPay, Instinct Insurance, etc.

Stanimir Vassilev is an entrepreneur and investor and co-founder of MFG Invest. Together with Nedelcho Spasov, he is the co-founder of the first company from the MFG Group - Easy Asset Management. This happened way back in 2005, as the idea of the founders was to offer an alternative and simplified, innovative for its time, access to financing to users (initially only in Bulgaria, and over the years the successful business model was applied in Ukraine, Poland, Romania, Spain, North Macedonia). This business model works successfully to this day, and over the years it has been upgraded and supplemented. Stanimir Vasilev studied strategic management in INSEAD University, Singapore, and holds a master's degree in finance from the University of National and World Economy and a master's degree in engineering from Sofia Technical University.

Ina Ilieva is a legal expert and business start-up expert. She has been the Legal Services director of MFG Invest since its establishment until now. Ina is a lawyer with over 15 years of experience in civil, commercial and bond law. Her law degree is from Sofia University "St. Kliment Ohridski". Ina has been part of the MFG group for 10 years, having held various management positions: Director of Legal Department, Director of Legal Department and Corporate Relations and Director of European Markets. In addition to being a lawyer, Ina has experience in leading projects, launching and managing operations in foreign markets, as well as managing people and building new teams.

Simeon Iliev co-founded his first online business in 2008 as a student at TUES. He studied international economic relations at University of National and World Economy and engaged in online marketing as a freelancer. For five years he managed projects at Kantar for Fortune Global 500 clients, and for the past two years he has been working on investment projects and evaluation of potential start-ups at MFG Invest.

Following the IPO in late 2022, how big is your investment portfolio now and what are your expectations for its size by the end of the year and in 2024?

Ina Ilieva: As of June 30, 2023, the value of our portfolio is nearly 23 million euros or almost 45 million Bulgarian leva. At the time of listing on BEAM almost a year ago, our portfolio was nearly 21 million euros or 41 million leva. This represents an increase of 4 million leva. The primary reason for this increase is the new investments we've made. During the first six months of 2023, we used the capital raised from the BEAM market, amounting to 4,039,154 leva, for the core activities of the company, namely equity investments in startup companies. In total, the company has made 17 investments, with six of them being carried out after our listing on the BEAM market, between December 2022 and the end of June 2023. Our new investments are in the following companies: Ondo, Hydrogenera, FindMeCure, Native Spaces, StarForge, and Canopy. We also made a follow-up investment in Tiger Technology.

Simeon Iliev: By the end of the year, we will certainly conclude two new investments that we are currently preparing and have not yet announced. While it is possible that we may make more investments, at the moment, we haven't made any other investment decisions. In 2024, our goal is to make a minimum of five or six new investments. It is also possible that our portfolio may grow as a result of higher valuations and positive developments in the companies we have already invested in. Of course, we do not rule out the possibility of negative effects in case of lower valuations or negative developments in companies.

What kind of companies is MFG Invest investing in?

Stanimir Vassilev: MFG Invest is a company that invests in the early stages of a company's development, typically during pre-seed and seed funding rounds. At this stage, companies have already developed a product ready for the market or are already offering it, but they still have relatively few customers. The most important criterion we consider is the team, especially the founders of the company. We assess their experience and competencies, as well as their full dedication to the company. We also evaluate the business model, its competitive advantages, the founders' market entry strategy, and the potential for the business to scale internationally.

We make an effort to understand in depth the company's product and its customer base. Subsequently, we assess whether there is competition for this product on a global and regional scale. If we determine that the product is unique, or if it is not unique but has significant competitive advantages over other solutions in the field, and if we see potential in the respective market and the company's ability to grow the business internationally, then we decide that this business model has good potential.

In which industries do you see potential investment targets?

Simeon Iliev: We invest in companies with disruptive technology across various industries. We have invested in FinTech, AgriTech, e-Commerce, HealthTech, EdTech and others. What holds greater significance to us than the sector itself is the potential impact that the company can make within its domain. In the future, we would also like to invest in more companies that are building AI-based products.

What will be your investment strategy going forward?

Stanimir Vassilev: We believe that the investment criteria we currently apply are guiding us in the right direction, and we do not plan to make radical changes to them. However, over the past year, there have been substantial shifts in the investment valuation landscape, and this will inevitably impact our decision-making process for individual investments.

instinct

We can provide coverage to those who need it most, we aim at speed and clear terms

Evgeny Benbasat
CEO,
Instinct

Peter Damyanov
Chief Financial Officer,
Instinct

Evgeni Benbasat is a professional with many years of experience in developing early stage businesses with a rich portfolio of successful companies behind him such as AIG Life, Achieve Global, UBB MetLife, etc. He was most recently in the position of executive director at DZI, where together with his team, he turned DZI Life into a market leader for the last three years. He has a bachelor's degree in economics from The University of National and World Economy and a master's degree in marketing from City University of Seattle, Seattle, USA.

Peter Damyanov has been the Chief Financial Officer (CFO) of MFG since 2016. He holds a master's degree in finance and statistics from the University of Paderborn, Germany, as well as a bachelor's degree in international business and management from Dickinson College, Pennsylvania , USA. Damyanov is a financial expert with many years of banking and insurance experience, and before joining the MFG team he was part of the management of Alfa Bank - Bulgaria branch (currently part of Eurobank Bulgaria), holding the position of financial director, and for eight years he was responsible for the investment strategy of MetLife Bulgaria.

Instinct's ambitions go beyond the already developed seven European markets of the other companies in the MFG group. In October, the company launches sales with a partner network of brokers, travel agencies, etc., which are outside the MFG group's own sales network and customer base, and will also look for a higher segment of customers, and through its online sales channel - customers who primarily use technology through a computer, phone or other device. The company is focused on innovating different and unfamiliar solutions to existing products within the scope of the granted license, which are unique to the Bulgarian insurance market.

Earlier this year Instinct Insurance, part of MFG, received a licence from the financial regulator to operate on the local market. What prompted you to set up an insurance company?

Evgeny Benbasat: We believe that the insurance penetration in Bulgaria is still low and there are high margins for development especially for the client segments that our company operates in. Having in mind our geographical reach in other countries in Europe we can capitalise on MFG presence there and develop the markets there.

Peter Damyanov: One of our main motivations was the success of MFG's trading structure, which showed that it can sell and understand products, and can explain them to our clients. Our prior partnership with an insurance company (before we made the decision with our shareholders to apply for a licence) demonstrated the potential to expand our group's reach. The next step for Instinct is to work with other partners beyond our trading structure.

Evgeny Benbasat: First and foremost, we want to help build trust in the insurance sector. We believe that this is one of the main reasons people hesitate to get insurance. Our approach to changing this perception involves being faster, more user-friendly, transparent, and closer to the customer in their moments of need. We want to shift people's view of insurance in a positive direction and make it more accessible and convenient for them.

Peter Damyanov: We aim at speed and clear terms when resolving claims. People should get an answer – whether positive or negative – as soon as possible.

What are your key advantages on which you plan to capitalise?

Evgeny Benbasat: Our main advantage is that we can provide coverage to those who need it most, especially people with lower incomes.

We want to improve the world of insurance by making our services crystal clear, being easy to do business with, fast and close to customers in times of need. We are offering products that try to differentiate us from the rest and give customers comfort and peace of mind.
Peter Damyanov: As I said our main advantage is speed. Regardless of whether the response is positive or negative, we aim to provide faster and clearer responses. For some of the products we discuss with our colleagues, our idea is to make them "modular" – to offer smaller and more basic coverage options. Our goal is to increase the adoption of insurance services among customers.

What kind of clients do you target?

Evgeny Benbasat: We target all uninsured customer on the market, with a special focus on the underprivileged customers which we serve in the group. We primarily target clients who traditionally are not well-served by banks or other insurance providers because they are considered "risky." These may include individuals with lower incomes. We want to reach out to those who have the greatest need for insurance. If someone with an average or higher income experiences an event, they likely have savings or resources to help them. However, for someone with lower income and existing debt, insurance becomes crucial. One of our primary goals is to reach this segment, make insurance more accessible to this segment and change their perception of insurance, and then expand into other markets.

How big is your client base and what are your growth expectations?

Evgeny Benbasat: After operating for only three months on the Bulgarian market our customers have become more than 30,000 and we plan to double them by the end of the year.

On which segments and markets do you plan to operate?

Evgeny Benbasat: Initially, our focus was on providing coverage to clients of the lending companies in MFG – Easy Credit, Viva Credit and Biala Karta.
Peter Damyanov: In the coming months, we will add new products targeting various consumer segments. These will cover not only property insurance but also travel and medical insurance for treatment abroad.

Evgeny Benbasat: Our ultimate goal is to provide coverage to as many people as possible and to make the insurance process faster, more transparent, and more user-friendly. We want to change the perception of insurance and make it a positive experience for our customers. Our special focus will be on home insurance where we see a lot of potential, as well accident and travel. Our initial plans are to start EU operations where the MFG group has active business operation - Bulgaria, Romania, Poland, Spain and Croatia.

About Instinct
Instinct is an insurance company, part of MFG, with a general insurance company license, according to Bulgarian Insurance Code.
We aim to increase:
• Understanding the protection offered by different types of insurance;
• Trust in the insurance sector;
• Insurance coverage against risks beyond the mandatory ones.
We are here to change the general perception of insurance companies in the market by being:
• Faster. We quickly make decisions, quickly pay or give feedback;
• Easier. We do not complicate processes and speak in simple and accessible language.
• More caring. We do everything with the customer in mind - solutions, products, processes. We are there for the customer in difficult times to help him find a solution.
• More transparent. Our terms are clear. We're open about what we cover and what we don't. All information is available to the customer.
• More innovative. We create new and different solutions that keep up with modern trends. And wherever we decide, we are directly ahead of time.
The executive directors of the company are Evgeni Benbasat and Peter Damyanov, who have been assigned a key role in the strategic positioning of the new insurance company, in the development and launch of products and services, in the deployment of new distribution and sales channels, in the overall construction of the organization as business processes, as well as in building its identity with an innovative, bold and different approach to the market.

UniCredit Bulbank

in millions of euro

2022	2021	Bank Name	Country	Assets 2022	Y/Y Change in GWP 2022 (%)	Net profit/loss 2022	Net profit/loss 2021
1	1	Banca Transilvania SA	Romania	27,076.9	7.12%	440.2	362.3
2	3	Zagrebacka Banka d.d.	Croatia	19,961.9	13.59%	237.7	266.9
3	2	Banca Comerciala Romana SA	Romania	19,759.1	9.73%	369.9	280.0
4	4	Privredna Banka Zagreb d.d.	Croatia	15,826.8	14.00%	189.2	148.2
5	8	DSK Bank AD	Bulgaria	14,811.0	18.66%	289.8	201.2
6	6	UniCredit Bulbank AD	Bulgaria	14,770.8	15.80%	238.2	160.5
7	5	BRD – Groupe Societe Generale SA	Romania	14,456.7	6.73%	259.9	260.0
8	7	Nova Ljubljanska Banka d.d.	Slovenia	13,939.3	9.76%	159.6	208.4
9	11	Erste&Steiermarkische Banka d.d.	Croatia	13,610.7	23.96%	129.7	112.6
10	10	ING Bank N.V. Amsterdam - Branch Bucharest	Romania	12,596.2	5.84%	252.6	212.8
11	9	Raiffeisen Bank SA	Romania	12,534.4	4.83%	249.6	160.2
12	12	CEC Bank SA	Romania	12,481.0	22.00%	85.8	74.5
13	13	UniCredit Bank SA	Romania	12,217.3	20.47%	177.7	129.9
14	14	Nova Kreditna Banka Maribor d.d.	Slovenia	10,414.4	4.72%	115.6	108.9
15	15	United Bulgarian Bank AD	Bulgaria	8,961.6	12.86%	77.5	87.5
16	16	Eurobank Bulgaria AD	Bulgaria	8,367.8	12.95%	105.7	86.5
17	17	OTP Banka d.d.	Croatia	7,635.1	16.31%	89.6	83.9
18	18	Banca Intesa AD	Serbia	7,051.6	10.63%	108.4	88.2
19	19	First Investment Bank AD	Bulgaria	6,500.6	12.82%	41.5	51.2
20	20	OTP Banka Srbija AD (formerly known as Vojvodjanska Banka AD)	Serbia	6,360.7	11.78%	92.9	49.0
21	22	Raiffeisenbank Austria d.d.	Croatia	6,352.4	15.19%	37.0	59.7
22	21	KBC Bank Bulgaria EAD (formerly known as Raiffeisenbank (Bulgaria) EAD) - non-existent	Bulgaria	6,343.7	14.47%	68.7	65.2
23	23	Unicredit Bank Srbija AD	Serbia	4,983.1	8.33%	71.6	50.0
24	24	NLB Komercijalna Banka AD	Serbia	4,687.6	12.03%	71.6	31.0
25	35	Exim Banca Romaneasca SA (formerly known as Eximbank SA)	Romania	4,641.1	4.15%	8.7	9.9
26	31	Raiffeisen Banka AD	Serbia	4,566.1	23.45%	82.9	58.3
27	30	Hrvatska Postanska Banka d.d.	Croatia	4,562.0	23.52%	17.6	26.9
28	25	SKB Banka d.d.	Slovenia	4,419.9	15.46%	63.6	50.7
29	27	Banka Kombetare Tregtare Sh.a.	Albania	4,313.0	7.00%	71.4	59.6
30	26	Alpha Bank Romania SA	Romania	4,271.1	12.28%	26.1	21.5
31	29	OTP Bank Romania SA	Romania	4,002.2	7.24%	13.9	-1.9
32	28	Central Cooperative Bank AD	Bulgaria	3,981.1	5.45%	18.8	12.6
33	32	Banka Intesa Sanpaolo d.d.	Slovenia	3,692.5	6.33%	16.4	17.7
34	48	AIK Banka AD	Serbia	3,525.3	60.47%	223.4	50.6
35	36	Banka Postanska Stedionica AD	Serbia	3,408.9	14.54%	29.5	18.7
36	34	UniCredit Banka Slovenija d.d.	Slovenia	3,346.4	8.58%	41.4	12.8
37	33	UniCredit Bank d.d. Mostar	Bosnia and Herzegovina	3,342.0	3.87%	57.5	45.0
38	38	Erste Bank AD	Serbia	3,013.2	10.28%	20.0	20.5
39	40	Citibank Europe Plc Dublin - Romania Branch	Romania	2,900.3	17.87%	70.7	66.8
40	37	SID – Slovenska Izvozna in Razvojna Banka d.d.	Slovenia	2,799.7	-1.21%	8.3	24.0
41	43	Garanti Bank SA	Romania	2,699.3	17.91%	40.1	26.3
42	44	Credins Bank Sh.a.	Albania	2,606.5	5.42%	10.2	9.8
43	41	Eurobank Direktna AD	Serbia	2,591.0	4.40%	2.8	3.5
44	39	Raiffeisen Bank d.d. Sarajevo	Bosnia and Herzegovina	2,569.2	2.92%	51.5	35.6
45	47	Raiffeisen Bank Sh.a.	Albania	2,465.0	3.19%	33.6	28.1
46	42	Komercijalna Banka AD	North Macedonia	2,455.1	1.64%	34.9	37.4
47	45	Gorenjska Banka d.d.	Slovenia	2,311.0	1.78%	27.9	27.8
48	46	Addiko Bank d.d.	Croatia	2,285.5	1.90%	6.8	10.6
49	52	Moldova Agroindbank SA	Moldova	2,111.5	15.68%	55.5	34.5
50	51	Allianz Bank Bulgaria AD	Bulgaria	2,043.7	10.33%	11.9	8.9

UniCredit Bulbank

in millions of euro

2022	2021	Bank Name	Country	Assets 2022	Y/Y Change in GWP 2022 (%)	Net profit/loss 2022	Net profit/loss 2021
51	50	Stopanska Banka AD Skopje	North Macedonia	1,997.8	7.66%	39.7	40.0
52	49	Libra Internet Bank SA	Romania	1,964.1	1.32%	48.1	36.8
53	58	ProCredit Bank (Bulgaria) EAD	Bulgaria	1,906.3	16.89%	20.2	19.8
54	53	NLB Banka AD Skopje	North Macedonia	1,832.7	4.63%	39.6	36.0
55	60	Banka Sparkasse d.d.	Slovenia	1,741.5	10.72%	11.7	15.5
56	57	Intesa Sanpaolo Bank Albania Sh.a.	Albania	1,687.8	-1.47%	11.3	4.2
57	65	Crnogorska Komercijalna Banka A.D.	Montenegro	1,658.6	19.41%	30.9	2.3
58	83	Vista Bank (Romania) SA	Romania	1,639.1	15.69%	4.8	46.2
59	55	Bulgarian Development Bank EAD	Bulgaria	1,571.3	-7.68%	18.4	-79.7
60	64	First Bank SA	Romania	1,561.7	11.41%	11.7	11.6
61	80	Banka OTP Albania Sh.a. (formerly known as Banka Societe Generale Albania Sh.a.)	Albania	1,554.1	55.17%	27.6	15.6
62	62	Intesa Sanpaolo Romania SA	Romania	1,550.6	9.81%	6.2	2.6
63	69	Investbank AD	Bulgaria	1,453.5	11.79%	25.0	7.1
64	67	Nova Banka a.d. Banja Luka	Bosnia and Herzegovina	1,442.0	5.90%	21.0	11.9
65	new	ASA Banka d.d.	Bosnia and Herzegovina	1,431.9	170.02%	9.6	3.4
66	63	RBA Banka AD (formerly known as Credit Agricole Banka Srbija AD) - non-existent	Serbia	1,405.3	-1.44%	9.1	14.5
67	73	Halk Banka AD Skopje	North Macedonia	1,364.6	15.34%	12.1	10.6
68	76	Bulgarian-American Credit Bank AD	Bulgaria	1,358.1	20.80%	22.3	9.0
69	72	Sparkasse Bank AD Skopje	North Macedonia	1,351.6	13.75%	16.8	10.4
70	66	Addiko Bank d.d.	Slovenia	1,329.8	-2.96%	19.6	25.3
71	70	Intesa Sanpaolo Banka d.d.	Bosnia and Herzegovina	1,307.9	2.91%	13.3	15.7
72	54	N Banka d.d. (formerly known as Sberbank Banka d.d.)	Slovenia	1,298.9	-24.51%	4.3	10.3
73	71	Raiffeisen Bank Kosovo Sh.a.	Kosovo	1,298.2	8.55%	29.4	26.3
74	68	ProCredit Bank AD	Serbia	1,271.5	-4.25%	10.5	4.0
75	74	Moldindconbank SA	Moldova	1,267.9	5.82%	44.2	34.2
76	61	Nova Hrvatska Banka d.d. (formerly known as Sberbank d.d.)	Croatia	1,232.6	-16.24%	-32.9	4.5
77	75	Dezelna Banka Slovenije d.d.	Slovenia	1,190.0	3.20%	7.4	4.9
78	79	International Asset Bank AD	Bulgaria	1,137.7	16.40%	7.8	10.8
79	77	Municipal Bank AD	Bulgaria	1,102.4	11.83%	2.8	-4.7
80	81	NLB Banka Sh.a. Prishtina	Kosovo	1,083.6	16.45%	32.4	24.4
81	78	Sparkasse Bank d.d. Sarajevo	Bosnia and Herzegovina	1,080.4	9.74%	13.1	12.6
82	new	TBI Bank EAD	Bulgaria	1,069.7	59.83%	64.5	14.6
83	84	ProCredit Bank Sh.a.	Kosovo	1,029.7	13.80%	20.7	17.4
84	90	Banka Kombetare Tregtare Kosove Sh.a.	Kosovo	1,012.3	22.58%	19.7	15.9
85	93	Tirana Bank Sh.a.	Albania	1,005.6	18.32%	9.2	7.1
86	91	American Bank of Investments Sh.a.	Albania	1,000.9	18.42%	18.0	11.5
87	82	NLB Banka a.d. Banja Luka	Bosnia and Herzegovina	999.5	7.76%	19.1	19.3
88	88	Halkbank AD	Serbia	963.2	12.91%	11.0	7.6
89	new	Citibank Europe AD, Bulgaria Branch	Bulgaria	936.8	55.01%	12.2	5.5
90	92	OTP Bank SA (formerly known as Mobiasbanca - OTP Group SA)	Moldova	909.1	10.40%	19.8	13.0
91	94	Victoriabank SA	Moldova	902.7	11.04%	31.5	13.3
92	85	Addiko Bank AD	Serbia	876.8	-0.12%	5.0	6.8
93	97	NLB Banka A.D.	Montenegro	852.1	13.26%	15.5	10.9
94	95	Patria Bank SA	Romania	840.3	8.65%	4.1	1.9
95	99	NLB Banka d.d. Sarajevo	Bosnia and Herzegovina	835.9	15.21%	11.3	10.8
96	new	Hipotekarna Banka A.D.	Montenegro	822.8	23.97%	6.0	4.4
97	100	D Commerce Bank AD	Bulgaria	808.7	12.80%	11.1	9.5
98	new	Union Bank Sh.a.	Albania	804.1	14.11%	8.0	8.4
99	86	Credit Europe Bank (Romania) SA	Romania	788.2	-7.88%	7.0	14.3
100	98	TEB Sh.a.	Kosovo	760.4	1.10%	21.0	17.8

SEE's banks continue to grow amid turbulence

By Mihaela Miteva

The banking sector in Southeast Europe faced a dynamic landscape in 2022, amidst higher profits, growing assets and some notable M&A deals. A rise in energy and food prices caused by the war in Ukraine and the continuing post-pandemic economic recovery fueled inflation. After an extended period of historical lows, interest rates increased substantially throughout the year, reflecting a broader global trend. Banks grappled with remaining challenges from the pandemic and the ongoing concern of non-performing loans (NPLs). As the year progressed, efforts by the governments and financial institutions led to gradual improvements in NPL ratios, with stricter regulations and economic growth having a crucial role in facilitating loan recovery and mitigating risks. Consolidation in the banking sector continued, with units of Russia's Sberbank across the region changing their owners.

The combined net profit of the 100 largest banks in Southeast Europe (SEE) amounted to 5.858 bil- lion euro in 2022, significantly higher than the 4.567 billion euro net profit reported by the top lenders in 2021 and well above the 4.673 billion euro achieved in pre-pandemic 2019.

5.858 bln euro

The combined net profit of SEE's top 100 banks in 2022

Most of the region's largest lenders saw their profits increase in 2022. Among the top 100 banks in SEE, 70 reported higher net profit in 2022, three swung to profit and only one turned to loss.

In parallel, the region's biggest banks steadily expanded their assets throughout the year. The combined assets of the top one hundred banks reached 428.9 billion euro in 2022, as compared to 384.3 billion euro of the entrants in the ranking a year earlier. Ten banks in the ranking reported a decline in assets, in comparison with eight in 2021.

Banca Transilvania keeps lead, Zagrebacka Banka climbs to second place

Romania's Banca Transilvania retained its leading position among SEE's biggest lenders. The bank's assets rose by 7.1% on the year in 2022 to some 27.1 billion euro on the back of increased loans and deposits.

It was also the region's top performer in terms of net profit with 440.2 million euro, up from 362.3 million euro a year earlier, on the back of a 20% rise in operating profit. Its market capitalisation totalled 2.8 billion euro at the end of 2022. Dutch-based insurer NN Group held the largest stake in the Romanian lender as of the end of 2022, at 10.11%, fol lowed by the European Bank for Reconstruction and Development (EBRD) with a 6.87% interest.

Romania continued to dominate the ranking with 18 banks on the list. The banking sector's strong performance came amid 4.7% growth of the country's economy, driven by private consumption and investments. Non-government loans in Romania increased by 12.1% year-on-year, reaching 73.5 billion euro, whereas deposits went up 7.1% to some 103.8 billion euro. At the end of 2022, the country's monetary policy rate stood at 6.75%, compared to 1.75% at the beginning of the year. Romanian banks held assets of 137.98 billion euro, which is nearly a third of the total assets of the region's largest banks. Their combined net profits came in at 2.077 billion euro, equivalent to 35% of the total.

Romania was followed by Bulgaria and Serbia with 17 and 13 banks, respectively.

Croatia's Zagrebacka Banka, part of Italy's UniCredit Group, moved up to the second position, swapping places with Romania's Banca Comerciala Romana (BCR), a unit of Austria's Erste. Zagrebacka Banka held assets of nearly 20 billion euro, up 13.6% in annual terms. In terms of profit, however, it ranked eighth.

For its part, Banca Comerciala Romana ranked third, having ended 2022 with assets of 19.8 billion euro, 9.7% higher than a year earlier. In terms of profit, it occupied the second spot. BCR booked a net profit of 369.9 million euro in 2022, as compared to 280 million euro reported for 2021, reflecting an improved operating result driven by continued strong loan growth.

In contrast, Zagrebacka Banka saw its net profit in 2022 decline to 237.7 million euro from 266.9 million euro in 2021, mostly as a result of lower dividend income and higher operating expenses.

The three banks that turned to net profit in 2022 were OTP Bank Romania, part of Hungarian financial services group OTP, the Bulgarian Development Bank (BDB) and Bulgaria's Municipal Bank. OTP Bank Romania recorded a net profit of 13.9 million euro in 2022, compared to a loss of 1.9 million euro a year earlier. BDB booked a profit of 18.4 million euro against a loss of 79.7 million euro in 2021, while Municipal Bank swung to a net profit of 2.8 million euro from a loss of 4.7 million euro reported for the prior year.

Croatia's Nova Hrvatska Banka, formerly known as Sberbank d.d., was the sole bank to report a net loss in 2022. Nova Hrvatska Banka posted a net loss of 32.9 million euro, compared to a net profit of 4.5 million euro in 2021. The lender, formerly a subsidiary of Austria-based Sberbank Europe, in turn controlled by Russia's Sberbank, was acquired by Croatian majority state-owned Hrvatska Postanska Banka.

The ranking welcomed five entrants in 2022, including two from Bulgaria and one each from Albania, Montenegro, and Bosnia and Herzegovina. Bosnia's ASA Banka joined the ranking at the highest position, in 65th place, registering the largest surge in assets on the list, by 170% to 1.43 billion euro. In 2022, the lender acquired Sarajevo-based Sberbank BH, a subsidiary of Sberbank Europe, making it the third-largest lender in Bosnia. The Bosnian bank's net profit jumped to 9.6 million euro in 2022 from 3.4 million euro a year earlier.

Slovenia's N Banka saw the largest drop in assets among all lenders, as they declined by 25% to some 1.3 billion euro, causing it to slip from 54th to 72nd place. N Banka, which was also a subsidiary of Sberbank Europe, was acquired by Slovenia's Nova Ljubljanska Banka (NLB) and subsequently merged with it.

Up the ladder

Among the top ten lenders, Bulgaria's DSK Bank, part of Hungarian financial services provider OTP Group, climbed to the fifth place from the eighth spot in 2021 and was the country's largest lender by assets. The bank's assets added 19% year-on-year to 14.8 billion euro, as both loans and deposits grew considerably. At the same time, its net profit increased to 289.8 million euro from 201.2 million euro, as a result of higher net interest income and net fee and commission income.

Further down the list, Exim Banca Romaneasca rose ten places to the 25th position as its assets grew 4.2% to 4.64 billion euro. The bank's net profit, however, declined to 8.7 million euro in 2022 from 9.9 million euro in 2021. Exim Banca Romaneasca was formed after Romania's state-owned export-import bank, Exim Bank, absorbed its subsidiary Banca Romaneasca, becoming a universal commercial bank.

Elsewhere in Romania, Vista Bank jumped 25 positions to secure the 58th spot, marking the most significant reshuffle on the list. The lender's assets leapt by 16% to 1.64 billion euro following a rise in loans and advances, while its net profit plunged to 4.8 million euro from 46.2 million euro, primarily due to a lack of gains from acquisitions and higher operating expenses.

Banka OTP Albania, a subsidiary of Hungary's OTP Group, rose by 19 positions to 61st place following OTP's acquisition of Alpha Bank Albania SH.A., the local unit of Greece's Alpha Bank Group. Banka OTP's assets surged by 55% to some 1.55 billion euro. The lender's net profit increased to 27.6 million euro in 2022 from 15.6 million euro a year earlier on the back of higher interest income and a reversal in expected credit loss on financial assets.

Consolidation continues

In Serbia, Slovenia's NLB integrated lender Komercijalna Banka into its operations. Meanwhile, AIK Banka finalised the acquisition of Sberbank Serbia, another unit of Russia's Sberbank. In early 2023, AIK Banka set out for further expansion, signing a deal to acquire the entire capital of Eurobank Direktna, the local subsidiary of Greece's Eurobank, for 280 million euro. At the same time, Belgrade-based Raiffeisen Banka, a unit of Austria's Raiffeisen Bank International (RBI), acquired the entire capital of the local sub- sidiary of French lender Credit Agricole. RBI's operations in Bulgaria, on the other hand, were acquired by KBC Bank, part of Belgian financial group KBC. Subsequently, KBC Bank Bulgaria and United Bulgarian Bank (UBB), also in KBC's ownership, merged in 2023 to establish the largest lender in the country. In Bosnia, Nova Banka completed the acquisition of Sberbank Banja Luka, a subsidiary of Sberbank Europe.

METHODOLOGY

SEE TOP 100 banks is a ranking of the largest banks in Southeast Europe in terms of total assets from non-consolidated balance sheets as of December 31, 2022.

To allow comparison, all local currencies have been converted into euro, using the central banks' official exchange rates on the last working day of 2022 and 2021, respectively. Local currency figures have been used when calculating year-on-year changes.

All data is sourced from central banks, national commercial registers, financial supervision commissions, bank associations, government and corporate websites, and companies themselves.

The initial pool of companies exceeds 200 active banks registered in the region, including branches and representative offices of foreign banks. In this year's edition of the ranking, banks from Kosovo are included for the first time.

We are present where other banks do not reach

By Bogdan Todasca

Ömer Tetik,
CEO,
Banca Transilvania

In 2022, Banca Transilvania topped the ranking of the largest banks in Southeast Europe for the fifth consecutive year, withstanding global tensions. What was the key to its resilience?

We are proud to be one of the largest banks in this part of Europe. Our geography is Romania, so we have continued to be the main lender of the local economy throughout all these years, targeting almost all sectors of activity.
Our focus has always been on SMEs, where we have unique skills in the market and branches located in all areas of Romania, where other banks do not reach. We are well positioned in our relationship with our customers in several segments and we see that the bank is appreciated by its customers and they enjoy working with us. We are well positioned in the micro, SME and mid corporate segments, but also in the specialised sectors - medical and agriculture. Some of these will continue to benefit from public investments and European funds. We still have a significant gap with Western Europe in the medical sector – investments are needed and we have the know-how to help customers. In retail banking we have a few areas where we have reached network effects - BT Pay is the banking and payments app with most users in Romania, and STAR is the largest ecosystem of retailers and credit cards.

Given the challenges coming from the economic and international environment, each year we have been cautiously optimistic. Optimism gives us a special energy, a certain combustion while caution puts us on guard, given the volatility and fundamental changes in macroeconomic benchmarks during the recent years - a period in which we have had everything from pandemics to war. But we continue to move on.

What is your forecast for the bank's financial performance in 2023?

As we are listed on the stock exchange, I will unfortunately not be able to make any forecasts publicly. From the 2023 first-quarter and first half results, one can predict BT's performance to some extent, but - like any other element of the ecosystem - we depend on the challenges of the economic environment.

The bank is doing well, during the first half of the year we had continued the organic growth, mainly due to the increasing volume of transactions. More than 130,000 loans were granted, and we reached 4 million customers. We made further steps in terms of digitisation and inclusion, and a total of 88% of our customers ended up using at least one of BT's apps. Banca Transilvania Financial Group's consolidated net profit at the end of June 2023 amounted to 1,581.7 million lei (+51.14% compared to June 2022), of which the bank's net profit amounted to 1,269 million lei (+39.91% compared to June 2022). We generate value for the population and companies, we support the economy during a key period for Romania. We continue to invest in increasing the volumes, the number of transactions and the financing of the economy in order to ensure prosperity for the Romanians. The bank's profitability helps us strengthen BT's capital in order to fulfill our plans and meet legal regulations.

4 mln

Banca Transilvania customers

What obstacles to growth do you anticipate and what opportunities do you see in the short term?

I would refer to both Banca Transilvania and Romania because, if our country is doing well, so is the bank. For BT, an opportunity is the large number of customers. As I said, we have exceeded the 4 million clients' milestone, which allows us to have a critical mass for selling products and services, but also for risk dispersion. Another would be the bank's magnetism towards attracting new customers. For example, the first six months of the year saw more than 280,000 new customers, which means more than 1,600 clients every day. Obstacles in banking come from fiscal instability and increasing regulatory complexity in our business, but we are adapting.

As far as Romania is concerned, a first opportunity is to increase the level of investments in infrastructure, mainly because this is a necessity. Transport infrastructure, for example, plays a decisive role in the country's development because it fundamentally increases accessibility in various areas, reduces transport distance and time, and optimizes distances between economic areas. Another opportunity is the absorption of the National Recovery and Resilience Plan (NRRP) funds, which would help us, as a nation, grow economically and narrow the gap with the Western economies. Obstacles include the slowdown in the growth of the real economy, the intensification of geopolitical tensions and the pressure on international markets due to macroeconomic pressures globally.

The acquisition of three leasing companies in the last five years has strengthened your position in this market. What are your objectives within this division and how do you see Romania's appetite for leasing evolving?

Each of the three acquisitions - Țiriac Leasing (2022), Idea::Leasing (2021) and ERB Leasing (2018) - has brought us closer to the goal we have at BT Leasing, which is to strengthen our position in the market, to become number one in this segment, as we are in banking.

The leasing market in Romania has been growing in recent years and we believe in its potential because leasing is an easy, quick solution to purchase new, high-performance machinery and equipment. We are pleased to see the growing interest from customers in electric cars or energy efficient equipment. BT Leasing's synergies with Banca Transilvania Financial Group, digitalisation, products and team are all our growth engine in this business segment.

As projects in Romania's NRRP develop and new targets approach, do you anticipate a potential financing gap in any sector and how is the bank positioned to fill potential gaps?

I hope that Romania will respect the timetable for achieving the targets agreed in the NRRP and in line with the European Commission's requirements. This would bring billions of euro to our country, together with public investment and reforms. The largest amount of investments from the NRRP by the end of the implementation period will go to the construction sector, which has several sub-segments: infrastructure, renovations and utilities. Therefore, this is where a potential financing gap could be anticipated and we are ready to support companies involved in the completion of these projects.

Whether we are talking about investments in energy, education, digital transformation, sustainable transportation or investments to finance work to increase the energy efficiency of existing housing stock, our bank supports these public projects because they contribute to the sustainable development of the Romanian economy. Moreover, under the NRRP private sector facilities, BT participates by financing the SMEs sustainability and competitiveness plans, which are supported by portfolio guarantees managed by the European Investment Fund.

Interest in leasing electric cars is growing

We finance companies with long-term vision for sustainable development, well-defined goals

Borislav Bangeev,
Head of Corporate Banking,
UniCredit Bulbank

Bulgaria's economic growth in 2022 and so far in 2023 has been slow amid high inflation, sluggish exports and low investments. Going forward, do you expect a pickup in economic activity by the end of the year and in 2024?

We expect economic activity to gain momentum next year. Our economists at UniCredit Bulbank forecast real GDP growth to accelerate to 2.9% year-on-year next year, as compared to 1.9% anticipated in 2023.

We think that easing inflationary pressure would help private consumption growth to remain resilient, while, in the context of the persistent shortages of labour in almost every sector of the economy, real wages growth is set to accelerate next year, which bodes well for consumption.

Acceleration of investments will be a key growth driver next year. In fact, the first indications of investments growth shifting to a higher gear were already present in the middle of this year. Most recent data showed that real growth of gross fixed capital formation accelerated to 7.3% year-on-year in the second quarter of 2023.

In case political stability is preserved, investments are set to grow even stronger next year in my view. Absorption of more EU funds under the Recovery and Resilience Plan would be a key driver. But not only that, I think that the processes of reorganisation of supply chains, which was triggered by the corona virus pandemic and the shifts in geopolitical tectonic plates caused by the war in Ukraine, will positively affect investment flows to Bulgaria. I think that Bulgaria remains a promising destination for investments, which is why I expect the country to benefit from the drive to shift more production activities to friendly countries that are located closer to the western European markets. Here it is worth mentioning our significant international footprint and market leadership – more than 70% of the international companies which have operations in Bulgaria are with us. We also support the expansion of the Bulgarian business abroad.

Also, importantly, investments will draw support from the significant increase in the volume of newly launched residential construction in the capital and other large cities over the past few years.

A positive factor is the fact that Bulgaria finally has a regular government and a working parliament, which makes it possible for the decision-making processes to speed up. In June already we observed an accelerated pace of investment in the economy, which in the banking sector is manifested in an increase in loans in support of key sectors. Data for the July 2022 - July 2023 period show credit volumes growing on an annual basis, whereas real growth reached 10.6%. In terms of loans to companies, the rise in the same period is 7.2%. At UniCredit Bulbank it is 11.5%, which goes to show that we are outpacing the market and that we are the preferred bank in corporate lending.

Overall, we expect positive developments in the next months and a stable last quarter for the business. We will stand by our clients and will be glad to support their investment intentions.

In the corporate banking segment, what are the key trends and where does UniCredit Bulbank stand?

With the pressure that macro-economic conditions are placing on businesses across Europe and here, in the local market, it is more than ever important that banks help companies navigate these difficulties and surmount them to achieve success. For this reason, we at UniCredit Bulbank are relentlessly focused on executing our strategy, investing in ourselves by having the best professionals and the right balance of investments in technology and digital. I believe that the best is yet to come and we are enabling ourselves to transform further into a stronger cohesive entity that can better support our communities and deliver on commitments to clients and shareholders, in spite of the difficulties we are collectively facing.

UniCredit Bulbank is the leading bank in the country, number one in corporate banking and a preferred financial partner. Our strong team of nearly 3,500 colleagues every day strives to provide comprehensive solutions to our customers, irrespective of whether related to a large-scale investment project for the construction of renewable energy facilities, structuring complex transactions, a full banking service to a corporate client or payroll and preferential banking conditions for the employees of a corporate client.

We are committed to creating growth opportunities for all stakeholders – our customers, as well as our partners, suppliers and employees.
I believe that we will be able to achieve even greater success for our clients by pushing ourselves further to be a holistically different and better bank – the bank of Europe's future.

What are the highlights of your business strategy in corporate banking for 2023 and 2024?

To continue creating value, we believe that the role of a bank goes far beyond just lending. We are a business partner, we have professional expertise on the market and the macroeconomic and business environment. Our colleagues have in-depth knowledge of our clients' operations and a vision for their development, and this way we can offer the best solution for their diverse needs.

In the past year, we supported nearly 470 investment projects worth nearly 2 billion levs.

In the past year, we supported nearly 470 investment projects worth nearly 2 billion levs, of which about 500 million levs were earmarked for green solutions. In the first half of 2023 alone, we financed the construction of over 300 megawatts of renewable energy capacity. On the M&A advisory side, UniCredit sustained its leadership position as a preferred advisor in the renewable energy sector with a third deal in the recent years. UniCredit acted as a sole financial advisor in the disposal of the second largest wind park in Bulgaria with 72.5MW installed capacity. The deal team managed to attract significant interest from both international and local investors and lead the transaction to a successful close in challenging market conditions. We acknowledge the fact that we have a structurally determining role in the development of the country's economy, and we approach this role with the uttermost responsibility.

To be even closer to our customers, we are not only familiar with the business of our customers but we are open to dialogue with them at any time. With one of our important initiatives, *Give us food for thought*, we invite our corporate clients to evaluate the products and the service they receive from their UniCredit Bulbank banker within 30 days after their transaction discussion. We are glad that companies are increasingly open to share with us ideas and suggestions on how to improve our service and facilitate them. We believe that our clients are partners, and in such relationships the parties together define the work processes, rules and solutions.
Sustainability is integrated into everything we do. The topic of environmental, social and corporate governance (ESG) has entered the agenda of almost all companies, but for us it is not a simple concept. We finance companies that have a long-term vision for sustainable development and clearly defined key performance indicators. UniCredit Bulbank structures preferential terms with an exclusive focus on compliance with the ESG strategy and goals of the company. Practically every company has the opportunity to benefit if it has a clear vision and strategy for the sustainable development of its business.

We are hugely successful in attracting more and more customers - individuals and legal entities - to electric mobility and making it an affordable alternative with our Green Leasing exclusive offer. UniCredit Leasing holds approximately 35% of the leasing market of new electric cars in Bulgaria, according to data as of the end of 2022.

Moreover, we pay special attention to support SMEs as well as micro- and small mid-caps enterprises in developing regions. We offer a variety of guarantee instruments. In 2023, we signed a new agreement for the InvestEU program to support businesses for sustainable and also innovative investments. We are increasingly accepting sustainable transactions in our loan portfolio, supporting investments in renewables, energy efficiency and electric vehicles. We see huge potential in projects related to the transition to circular economy and energy efficiency.

Could you tell us more about the bank's comprehensive banking platform for business clients?

We listen and value the voice of our customers and proactively ask them for their opinion in order to meet their expectations as fully as possible. Today, we can say that more than 95% of our customers are actively using Bulbank Online and they are one of the main driving forces behind the upgrades of the platform that we make every day. What that means for them is precise and fast service, customized financial solutions and digital banking, with Bulbank Online as the main digital service platform for comprehensive communication with our corporate clients. Moreover, it is the platform, which we evolve into an ecosystem for exclusive financial customer experience and future value creation.
Our extensive experience and knowledge of different sectors have enabled us to develop innovative functionalities in online banking for our corporate clients - legal entities.

In July 2022, we launched a new functionality, embedded in the **Digital products menu** in Bulbank Online – a digital financial analysis of the companies. Our corporate clients can now compare their company performance with benchmark indicators and with other participants on the market in their industry or in other industries. They can obtain relevant information for their competitors, find relevant vendors and partners, as well as gain a better understanding of the environment. Having an extremely positive feedback from the market, we are further developing and enhancing this service. We are focused on perfecting customer experience and differentiating even further from the traditional banking and from the other players on the market. We aim to maintain a strong brand for all our stakeholders and further empower our customers to grow.

This year we are launching innovative **Digital Document Exchange platform** which will allow the companies to exchange and sign digitally documents with the bank. The usage of the new platform guarantees to the clients even more user-friendly and of course - secure process, completely free of charge. In the platform clients will be able to issue and use disposable qualified electronic signature for free or in case they prefer - to use their own qualified electronic signature for documents signing. Thanks to this essential platform, we are able to achieve the maximum level of convenience in the exchange of digitally signed documents. The platform has been developed to optimize the convenience for our customers by providing an intuitive, fast and easy workflow and is a step towards the transition to a fully digital service environment.

To better address client needs, what new solutions have you added to your portfolio lately?

We are actively developing the portfolio of digital Trade Finance services in Bulbank Online. We have already closed the loop to comprise all the steps from the Trade Finance process in a fully digital, time-saving way.

Based on customer feedback, we have launched **Host-to-Host (H2H)** - this service is an opportunity for legal entities to order a group of outgoing transfers in Bulgarian levs and/or foreign currency through their Bulbank Online using their own ERP system.

Over the past year we launched several new digital solutions. One of them is **ePOS**, which allows the mobile phone to become a POS terminal and to accept payments by a debit or credit card entirely contactless.

We have developed an entirely new digital functionality - Aggregated POS transactions, which allows for the aggregation on a daily basis of the total volume of card transactions and fees at merchant or retail level. We work a lot for the small companies and UniCredit Bulbank is offering reliable remote full banking service for the small companies.

Our digital and innovations teams work also on new functionalities of the Online and Mobile banking in order to enhance further the customer experience. Most of our clients are already using **M-token** to log-in and sign transactions in our Online banking and they experience really fast and smooth service of their daily operations.

Our main ambition is to offer integrated digital solutions that not only facilitate consumers, but also significantly improve their interaction with the bank. We strongly believe that the future lies in digital banking, but without losing human contact with the customer.

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UniCredit Bulbank

VIG
VIENNA INSURANCE GROUP

in millions of euro

2022	2021	Company Name	Country	Gross written premium 2022	Y/Y Change in GWP 2022 (%)	Net profit/ loss 2022	Net profit/loss 2021
1	1	Zavarovalnica Triglav d.d.	Slovenia	868.9	9.38%	120.5	73.4
2	7	Groupama Asigurari SA	Romania	601.1	82.52%	26.5	4.3
3	5	Allianz - Tiriac Asigurari SA	Romania	581.9	41.48%	48.8	24.3
4	2	Generali Zavarovalnica d.d.	Slovenia	480.8	6.81%	13.3	24.5
5	4	Zavarovalnica Sava d.d.	Slovenia	463.1	6.60%	46.5	58.1
6	8	Omniasig Vienna Insurance Group SA	Romania	428.4	31.57%	5.7	1.8
7	6	Croatia Osiguranje d.d.	Croatia	412.1	6.71%	41.5	44.4
8	9	Vzajemna Zdravstvena Zavarovalnica d.v.z.	Slovenia	339.2	5.42%	2.6	8.9
9	10	Dunav Osiguranje AD	Serbia	301.3	11.59%	11.0	21.4
10	17	Asirom Vienna Insurance Group SA	Romania	232.0	38.94%	-0.5	-3.7
11	15	Euroins AD	Bulgaria	231.9	31.84%	0.8	1.4
12	16	Lev Ins AD	Bulgaria	228.2	30.04%	0.5	3.7
13	12	Generali Osiguranje Srbija AD	Serbia	212.4	6.19%	25.1	28.9
14	11	Triglav Zdravstvena Zavarovalnica d.d.	Slovenia	204.2	2.62%	-1.2	6.4
15	13	Euroherc Osiguranje d.d.	Croatia	203.9	3.67%	17.4	16.9
16	14	NN Asigurari de Viata SA	Romania	196.1	3.14%	18.4	14.6
17	18	Allianz Hrvatska d.d.	Croatia	195.9	20.10%	17.0	14.2
18	21	Generali Romania SA	Romania	183.3	17.48%	18.2	8.5
19	19	Adriatic Osiguranje d.d.	Croatia	181.9	12.08%	5.2	9.7
20	22	Bulstrad Vienna Insurance Group AD	Bulgaria	174.4	12.56%	23.3	20.8
21	20	Wiener Osiguranje Vienna Insurance Group d.d.	Croatia	168.6	5.39%	0.2	6.4
22	23	DZI - General Insurance EAD	Bulgaria	148.7	6.20%	22.3	21.1
23	24	Generali Osiguranje d.d.	Croatia	134.8	3.65%	-0.4	0.9
24	26	Wiener Stadtische Osiguranje AD	Serbia	134.1	16.06%	10.2	10.0
25	25	DDOR Novi Sad AD	Serbia	130.8	9.67%	1.1	6.0
26	27	Armeec AD	Bulgaria	119.9	8.01%	7.0	4.4
27	41	Grawe Romania Asigurare SA	Romania	108.4	82.66%	4.7	-2.1
28	28	Dall Bogg Zhivot i Zdrave EAD	Bulgaria	105.5	3.18%	1.8	2.2
29	32	Generali Insurance AD	Bulgaria	99.5	6.50%	8.0	6.1
30	30	Bul Ins AD	Bulgaria	98.6	1.01%	0.4	4.2
31	31	OZK - Insurance AD	Bulgaria	96.1	0.21%	9.1	11.9
32	33	Triglav Osiguranje d.d.	Croatia	94.5	8.92%	-3.2	1.8
33	29	Vita d.d.	Slovenia	94.1	-6.97%	9.3	7.7
34	35	BCR Asigurari de Viata Vienna Insurance Group SA	Romania	93.0	12.64%	8.7	6.2
35	34	Allianz Bulgaria AD	Bulgaria	89.1	5.46%	6.3	7.9
36	36	UNIQA Osiguranje d.d.	Croatia	88.3	10.50%	-5.2	4.0
37	39	Triglav Osiguranje AD	Serbia	80.2	15.11%	1.5	4.1
38	37	UNIQA Asigurari SA	Romania	77.3	-0.35%	3.3	3.4
39	46	Bulstrad Life Vienna Insurance Group AD	Bulgaria	74.2	27.55%	4.0	2.4
40	40	Grawe Hrvatska d.d.	Croatia	66.2	7.52%	3.2	3.7
41	42	Modra Zavarovalnica d.d.	Slovenia	64.2	13.29%	-15.9	34.0
42	43	Merkur Zavarovalnica d.d.	Slovenia	57.5	4.65%	3.2	3.5
43	44	Agram Life Osiguranje d.d.	Croatia	53.8	1.37%	2.8	2.5
44	45	Grawe Zavarovalnica d.d.	Slovenia	49.1	2.87%	0.8	1.0
45	49	AMS Osiguranje AD	Serbia	47.5	19.62%	1.8	4.4
46	38	BRD Asigurari de Viata SA	Romania	46.9	-34.63%	3.6	1.8
47	47	DZI - Life Insurance AD	Bulgaria	46.2	11.73%	28.9	24.2
48	51	Sigal UNIQA Group Austria Sh.a.	Albania	45.7	13.71%	4.1	3.1
49	56	Globos Osiguranje AD	Serbia	45.2	26.83%	2.8	3.3
50	48	Grawe Osiguranje AD	Serbia	41.6	9.67%	5.2	6.4

VIG VIENNA INSURANCE GROUP

in millions of euro

2022	2021	Company Name	Country	Gross written premium 2022	Y/Y Change in GWP 2022 (%)	Net profit/ loss 2022	Net profit/loss 2021
51	69	Signal Iduna Asigurare Reasigurare SA	Romania	41.4	44.96%	-1.5	0.1
52	50	Adriatic Osiguranje d.d.	Bosnia and Herzegovina	41.1	7.75%	3.6	3.3
53	54	UNIQA Nezivotno Osiguranje AD	Serbia	41.1	13.90%	1.3	0.2
54	59	Lovcen Osiguranje AD	Montenegro	40.9	5.99%	2.5	1.2
55	57	UNIQA AD	Bulgaria	40.3	15.02%	-3.8	2.7
56	53	UNIQA Osiguranje d.d. Sarajevo	Bosnia and Herzegovina	38.0	4.29%	1.5	1.1
57	52	Wiener Stadtische Versicherung AG - Branch Ljubljana	Slovenia	38.0	5.07%	6.9	5.1
58	63	HOK - Osiguranje d.d.	Croatia	36.8	13.25%	0.1	0.8
59	65	Milenijum Osiguranje AD	Serbia	36.5	17.86%	1.9	2.4
60	64	Triglav Osiguranje d.d. Sarajevo	Bosnia and Herzegovina	36.1	15.29%	1.3	1.3
61	55	Pool-ul de Asigurare Impotriva Dezastrelor Naturale SA	Romania	36.0	1.97%	7.9	8.0
62	66	UNIQA Life Insurance AD	Bulgaria	35.9	19.27%	-3.4	0.9
63	58	Triglav Pokojninska Druzba d.d.	Slovenia	35.4	3.52%	n/a	1.7
64	61	Euroherc Osiguranje d.d.	Bosnia and Herzegovina	35.2	6.42%	4.4	5.7
65	60	Sarajevo Osiguranje d.d.	Bosnia and Herzegovina	34.9	4.24%	0.3	0.6
66	62	Merkur Osiguranje d.d.	Croatia	33.9	4.21%	-0.5	1.6
67	71	UNIQA Asigurari de Viata SA	Romania	31.1	28.90%	2.2	0.0
68	70	Albsig sh.a.	Albania	30.7	5.51%	2.6	2.0
69	74	Sava Nezivotno Osiguranje AD	Serbia	29.7	27.88%	1.2	0.6
70	68	Grawe Osiguranje d.d. Sarajevo	Bosnia and Herzegovina	29.5	2.32%	1.2	2.2
71	67	Onix Asigurari SA	Romania	27.7	-7.22%	10.5	11.8
72	72	ASA Central Osiguranje d.d. (formerly known as ASA Osiguranje d.d.)	Bosnia and Herzegovina	26.0	11.85%	1.3	1.7
73	75	Triglav Insurance AD	North Macedonia	24.7	13.88%	0.1	0.5
74	76	Allianz Bulgaria Life AD	Bulgaria	24.5	14.90%	1.6	0.4
75	89	Allianz Slovenija Zavarovalna Podruznica	Slovenia	24.0	47.09%	-1.3	0.0
76	82	Groupama Insurance EAD	Bulgaria	22.9	22.75%	1.9	1.0
77	81	Eurosig Sh.a.	Albania	22.8	12.49%	1.8	-1.7
78	78	GRAWE Bulgaria Life Insurance EAD	Bulgaria	21.7	5.35%	0.5	0.8
79	80	Sigma Vienna Insurance Group Sh.a.	Albania	21.1	3.88%	2.4	1.2
80	85	Vienna Osiguranje d.d.	Bosnia and Herzegovina	20.6	12.06%	0.3	0.3
81	79	Croatia Osiguranje d.d.	Bosnia and Herzegovina	20.4	0.56%	0.6	0.5
82	84	Allianz-Tiriac Unit SA	Romania	20.2	10.46%	0.1	-5.0
83	new	Moldasig SA	Moldova	19.4	55.47%	-0.7	0.1
84	73	Wiener Osiguranje Vienna Insurance Group a.d. Banja Luka	Bosnia and Herzegovina	19.4	19.20%	0.1	0.1
85	87	Uniqa AD	North Macedonia	18.6	11.56%	n/a	-0.4
86	83	Grawe Osiguranje a.d. Banja Luka	Bosnia and Herzegovina	18.5	-0.83%	0.4	1.2
87	86	Eurolink Osiguruvanje AD	North Macedonia	18.3	0.09%	1.4	1.5
88	95	Grawe Carat Asigurari SA	Moldova	17.7	19.15%	2.5	1.7
89	91	Sava Osiguruvanje AD	North Macedonia	17.4	13.96%	1.6	-0.3
90	96	Sava Osiguranje AD	Montenegro	17.4	20.73%	n/a	n/a
91	92	Asterra Grup SA	Moldova	16.8	9.56%	0.7	1.7
92	98	Sigal Uniqa Group Austria Sh.a.	Kosovo	16.5	17.22%	0.3	0.1
93	new	General Asigurari SA	Moldova	16.5	19.35%	2.2	1.2
94	93	Makedonija Osiguruvanje AD Skopje - Vienna Insurance Group	North Macedonia	16.2	9.44%	0.7	0.9
95	new	Scardian Sh.a.	Kosovo	16.2	27.74%	1.4	1.3
96	new	Illyria Sh.a.	Kosovo	16.1	18.92%	1.1	0.8
97	100	Winner Vienna Insurance Group AD	North Macedonia	16.0	15.86%	0.4	0.3
98	97	Intersig Vienna Insurance Group Sh.a.	Albania	15.9	3.82%	1.0	0.7
99	new	Donaris Vienna Insurance Group SA	Moldova	15.6	39.00%	0.7	0.5
100	new	Euroins Insurance AD Skopje	North Macedonia	15.6	18.49%	0.9	0.8

Top SEE insurers' premium growth slows down

By Radomir Ralev

The gross written premiums (GWP) of the top insurers in Southeast Europe continued to expand, though at a slower pace than a year earlier amid high inflation, a slowdown in economic activity and geopolitical uncertainties. Profit growth too decelerated, following a robust double-digit increase a year earlier. Nevertheless, the sector remained stable and resilient.

The combined GWPs of the region's 100 biggest insurers stood at 10.6 billion euro in 2022, as compared to 9.7 billion euro booked by the entrants in the ranking a year earlier. This translates into 9.3% growth in 2022 versus an increase by 11.65% a year earlier.

Five companies registered a decline in their GWP in 2022, as many as a year earlier.

10.6 bln euro

Combined GWPs of SEE TOP 100 insurers in 2022

The region's top insurers reported a total net profit of 634.2 million euro in 2022, up by 5.8% as compared to the profit posted by the biggest insurers in the region a year earlier. In 2021, SEE's biggest insurers saw their combined net profit jump by 26%.

Ljubljana-based Zavarovalnica Triglav generated close to one-fifth of the total net profit of the region's biggest insurers.

Triglav's uncontested dominance

Zavarovalnica Triglav was the top insurer in Southeast Europe for yet another year, comfortably ahead of the pack and continuing to improve on its own financial performance. Its GWP amounted to 868.9 million euro, up from 794.4 million euro a year earlier.

Zavarovalnica Triglav was also the top performer in terms of net profit earned in 2022 with 120.5 million euro versus 73.4 million euro in 2021. Its net profit was more than double that of the runner-up by this indicator, Romania's Allianz - Tiriac Asigurari.

Zavarovalnica Triglav reported premium growth in all three insurance segments and in all insurance markets where it is active. The company maintained its leading position among insurance groups in the highly-concentrated Slovenian market where its 38.9% overall market share is supported by a robust 46.4% share of the non-life insurance segment.

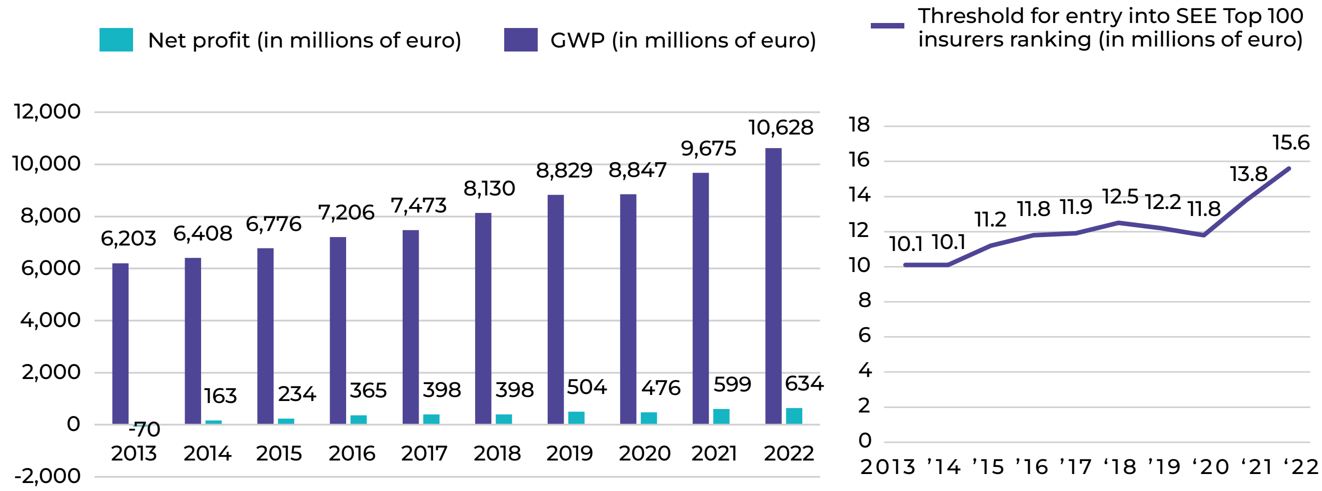
Romania's Groupama Asigurari gained five spots to the second place with GWP of 601.1 million euro. It recorded the second largest increase in GWP, by 82.5 million euro, driven by strong growth in property and casualty insurance. The company booked a six-fold increase in net profit to 26.5 million euro. At the end of 2022, Groupama Asigurari held a share of 18.02% on the Romanian market. Its leading market position was backed by a solid 21.04% market share on the non-life insurance market.

Another Romanian insurer, Allianz - Tiriac Asigurari, came third in the ranking, replacing Euroins Romania Asigurare Reasigurare, against which bankruptcy proceedings have been launched. Allianz - Tiriac Asigurari booked a 41.5% rise in GWP to 581.9 million euro amid a robust growth in auto and health insurance subscriptions. The increase in GWP was also driven by the acquisition of local sector player Gothaer Asigurari, whose contribution was estimated at about 20 million euro. Allianz - Tiriac Asigurari recorded a 60% growth in car civil liability premium income in 2022, with policies in the property and health insurance segments expanding by 16% and 23%, respectively. Life insurance corresponded to 9.7% of total GWP at the end of 2022. The net profit of Allianz - Tiriac Asigurari doubled to 48.8 million euro from 24.3 million euro. The company's market share was 17.44%.

Grawe Romania Asigurare reported the steepest growth in GWP among the entrants in the ranking – by 83% to 108.4 million euro. However, in terms of places gained, the most impressive leap in the ranking was recorded by Romania's Signal Iduna Asigurare Reasigurare which climbed up 18 positions to the 51th spot. It posted a 45% growth in GWP to 41.4 million euro in 2022.

On the opposite side of the table, another Romanian insurer, BRD Asigurari de Viata, recorded the steepest decline of GWP – by 35% to 46.9 million euro, dragged down by a decrease of over 50% in life

TOP 100 INSURERS COMBINED FINANCIAL RESULTS 2012 - 2021



insurance with an investment component.

Slovenian and Romanian insurers dominated the top ten positions of the ranking, but Bulgaria had the highest total number of representatives in the ranking, 17.

In terms of profit, Slovenian insurers were the top performers. They booked a combined profit of 185.4 million euro in 2022, followed by Romanian and Bulgarian insurance companies, with 162.5 million euro and 119.7 million euro, respectively.

Interestingly, the fifth place in the ranking in terms of profit was taken by Bulgaria's DZI – Life Insurance, otherwise 47th in terms of GWP, with a net result of 28.9 million euro.

A total of 12 entrants in the ranking reported a loss in 2022, at a combined 37.7 million euro, versus a total loss of just above 13 million euro reported by six insurers in 2022.

Slovenian insurer Modra Zavarovalnica stands out in this department, as it recorded a loss of 15.9 million euro in 2022, nearly half of the total loss reported by the top hundred SEE insurers. Modra Zavarovalnica incurred a 15.5 million euro loss from investments, as the returns on all funds managed by the company were negative.

Croatia's Uniqa Osiguranje booked the second largest loss among the ranking entrants, of 5.2 million euro, although its GWP rose 10.5% to 88.3 million euro.

Two other Uniqa subsidiaries in SEE, Bulgaria's Uniqa AD and Uniqa Life Insurance, booked a loss of 3.8 million euro and 3.4 million euro, respectively, but their GWPs too increased. In March 2022, Uniqa started a transformation of its operations in SEE, aiming to strengthen its market position. However, its representatives in the ranking fell to eight from eleven a year earlier.

A total of six new entrants made it into the ranking, as three of them are headquartered in Moldova. Chisinau-based Moldasig booked a 55.5% growth in GWP to 19.4 million euro, the third-largest growth among the SEE TOP 100 insurers. Moldasig's impressive GWP growth, however, did not compensate for a 1.2 million euro net investment loss which resulted in a 700,000 euro net loss for 2022.

634.2 mln euro

Total net profit of the region's biggest insurers

METHODOLOGY

SEE TOP 100 insurers is a ranking of the largest insurers (excluding re-insurers) in Southeast Europe in terms of gross written premium from non-consolidated income statements for 2022.

To allow comparison, all local currencies have been converted into euro, using the central banks' official exchange rates on the last working day of 2022 and 2021, respectively. Local currency figures have been used when calculating year-on-year changes.

All data is sourced from central banks, national commercial registers, financial supervision commissions, insurance associations, government and corporate websites, and companies themselves.

The initial pool of companies exceeds 200 active insurers based in the region.

Interest in voluntary insurance likely to grow as risk awareness rises

By Bogdan Todasca

Calin Matei,
CEO, Groupama Romania

In 2022, Groupama led the Romanian insurance market and was the runner-up in SEE. What drove your success and which were the best-performing segments?

In 2022, Groupama became the leader of the insurance market in Romania, an acheivement that, of course, brings us great satisfaction and further validates our strategy to grow sustainably while respecting our promises to customers and partners.

We have always focused on providing quality products and services at the right price, bringing continuity to our customers' lives in a simple and predictable way. In other words, we focused on being that partner that people need to live their lives confidently.
All of this, together with a high-performing team and a strong brand, determined our success. We achieved very good results across all business lines and recorded double-digit increases, both in the Motor or Non-Motor sectors. We continued to consolidate these results throughout this year as well. Furthermore, Groupama now has a significantly enhanced presence in the MTPL sector (Motor Third Party Liability insurance), a position undertaken and built on the principle of delivering quality at a fair price.

We have never made it a goal in itself to be the market leader; instead, our aim was to grow sustainably and set a positive example for our industry.

What are your key targets for this year?

Our target has remained the same – to respond to the needs of our customers and partners by offering high-quality products and services, to make every interaction with us pleasant, simple and predictable, while committing to achieve this in a sustainable and responsible way.

Following the reshuffling of Romania's insurance market in 2021 and 2022, how do you see its development in the short term?

The insurance market in Romania is currently undergoing a normalisation process, a process that will continue in the coming period. Its evolution is ultimately also the responsibility of each market player, and I think it is crucial to prioritise quality at a fair price while talking about risks more often and putting prevention first.

Do you see any segments of the Romanian insurance market as underdeveloped?

I believe that there is still quite a significant concentration in the compulsory car insurance sector and that we are situated quite below the European average in terms of insurance coverage, despite leading in the prevalence of certain risks, such as road accidents. And this is not all. We face increasingly more intense and harder to predict climate phenomena, earthquakes, floods, storms, which affect our homes, cars, goods, not to mention the risks that can endanger our health or lives.

I hope that everything that has happened recently has made us more aware of the risks we are exposed to and more open to the idea of prevention. That is why I am optimistic that, in the future, we will perhaps witness a potentially accelerated growth in interest in voluntary insurance and more of us will insure our health, life, homes and assets. At least as far as we are concerned, we are focused on diversification, Groupama also having stablished a strong presence in other business lines, such as health, life or home insurance, where we are also market leaders.

Do you anticipate any acquisitions or the entry of new players on the market?

The Romanian market undoubtedly provides opportunities, but it also requires legislative and fiscal predictability for new players to enter the market. Currently, the MTPL price is capped, and such interventions do not help Romania's competitiveness.

In terms of acquisitions, in our case, we will consider any suitable opportunities that may arise.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VIG
VIENNA INSURANCE GROUP

Strong capital position, regional focus underlie VIG's success

Hartwig Löger
Vienna Insurance Group CEO

The Corona crisis, high inflation and uncertainties caused by the war in Ukraine have been impacting the global economy in the past year. How is the insurance market in Southeast Europe (SEE) evolving in these circumstances?

Clearly, those factors have had a significant impact on the insurance business and the Vienna Insurance Group as well. There were significant increases in raw material and procurement prices, which caused claims costs to go up, putting pressure on the combined ratio. This affects all areas of the property insurance business, especially motor vehicle insurance, as contract workshops are demanding significantly higher hourly wages for repairs. Inflation is likely to remain on a high level and, despite inflation adjustments, will also influence future business development. The decrease in real incomes despite inflation adjustments could lead to a partially weakened demand for insurance coverage among consumers. However, it has been shown that the insurance industry in particular is able to cope well with these numerous challenges, as it naturally acts conservatively and has to calculate risks in a long-term and sustainable manner. In addition, especially in times of crisis, people very much appreciate protection against risks. Having at least some security in uncertain times is very important to people. This shows in all our reportable segments and we see the same development in our segment Extended CEE, which includes all SEE countries we operate in.

Against this backdrop, how did VIG perform in the past year and what are your expectations for your results in SEE in 2023?

Extended CEE segment generated almost 30% of Group's premiums in 2022

We had a very satisfactory result in 2022, which underlined our growth strategy and our claim to be a stable and reliable partner for our stakeholders. At 12.6 billion euro, VIG's premium volume improved by 14.1%; the profit before taxes was 10% higher, profit after taxes 24% higher than in the previous year. The numbers concerning our performance in the first half of 2023 too are extremely positive despite the continuing challenges. Our excellent capital position and our business model with a strong regional focus – which allows rapid, customised action where required – remain fundamental factors behind our continuing success in very challenging times. However, we expect a weak macroeconomic environment and volatile capital markets going forward. There is a considerable number of uncertainties that limit our ability to predict our business performance for the second half of 2023 – besides the factors already mentioned, we have also experienced severe weather events this summer and there is a probability for further extreme weather, which will likely dampen the result for 2023 as a whole. We still expect a result before taxes for the Group between 700 million euro and 750 million euro. Our segment Extended CEE generated almost 30% of Group premiums in 2022, and we are confident that it will continue to develop positively and have a strong impact on our balance sheet.

12.6 bln euro

VIG's premium volume in 2022

What are the main trends you see in insurance now? Does SEE stand out in any way?

One main trend that can be seen across various industries and businesses is of course the growing importance of ESG and sustainability in general. I think climate change and its effects will be drivers of global risks in the coming years, so the insurance industry needs to not only follow the developments closely, but also take measures to influence the situation positively. The occurrence of a tornado in southern Moravia some time ago was an event that made me realise how immediately new effects of climate change will be felt in Europe and the CEE region as well. Until now, we had probably mentally assigned tornadoes to other continents, but we have to adapt our mindset as well as our planning and our strategies. However, we do not limit our measures on the "environmental" part of ESG, but also want to deliberately set priorities in the "social" area, for instance on the issue of affordable housing.

Does ESG evoke fear of more management and regulation in insurance companies, or is it more of an opportunity to change some things?

Fear of regulations is never a good sign with insurance companies but in regard to sustainability it is especially unwelcome. Sustainability has been an integral part of VIG's business model for years. It has long since ceased to be a question of whether we, as a company, take sustainability measures; it has developed from a question or opportunity to a necessity that is clearly demanded by regulators such as the EU and its Green Deal, and also by partners and customers, shareholders and investors. The Vienna Insurance Group has been pursuing a sustainability strategy since 2018, with measures to support the EU's climate goal of becoming climate neutral by 2050. We are currently working very intensively on the survey of the CO2 emission impact for all our companies, which includes the entire investment and insurance portfolio as well as all locations of our companies. 90% of the CO2 emissions relate to underwriting and investments, 10% to office ecology and climate-neutral locations. These numbers give us a very good understanding of where we need to come up with new ideas and strategies regarding sustainability first.

Climate change and its effects will be drivers of global risks in the coming years

Another global trend is the use of Artificial Intelligence (AI). How will AI influence the insurance business? What will be important for customers in the future?

As an insurance company, we are continually challenged to work on cost and process optimisation programmes in order to remain competitive and fit for the future. Digitalisation and artificial intelligence do of course play an important role in supporting us here. We are already using artificial intelligence within the Group in claims processing, quoting, data collection and rate calculation, and there will be more touch points. So we must – and will – continue to work on automating processes and increasing productivity. This will possibly take away some work steps, which will allow us to create free space for other capacities that are important for us. For me, personal advice is still the most important sales channel, especially when we are talking about more complex and comprehensive insurance products. Especially when it comes to corporate clients, the necessary insurance coverage is very individual, and insurance expertise is indispensable. But there is a target group that prefers digital contacts, and we have to be prepared for that. The trend is towards hybrid customer care, a mixture of personal and digital contact. We are already responding to that and need to prepare further for the changing customer needs and points of contact with customers. The frequency of face-to-face contact with customers is decreasing, while the numbers of contact via digital touchpoints has increased. To address this trend, we will have to be more present with products and services on platforms where customers are and where insurance is relevant to them. We also want to offer new customer experiences in addition to risk coverage, such as assistance services. I am convinced that online sales will increase further, but nevertheless, neither digital services nor artificial intelligence can fully replace personal and individual consulting – at least not for all of our customers, and we want to offer best possible service to everyone.

What potential does telematics have and how is VIG making use of it?

We recently launched an app based on telematics that is an excellent example for our approach regarding additional services. It is designed for motor vehicle insurance customers and offers cashback payments dependent upon responsible driving behaviour and the vehicle being driven. The app includes an automatic driver's logbook and gives tips for improving driving style, allowing customers to both improve driving safety and increase their cashback payments. All data is of course recorded with the explicit consent of the users and secured separately. This is a great way of presenting and offering additional benefits to our customers. It is important to be constantly present for them, not only as a claim recipient, but as someone they can trust at all times. Right now, the telematics app is being offered as an innovative service by our Czech Group company Kooperativa, but we are watching how well the customers accept it and may roll out the service to other Group companies in the future.

The trend is towards hybrid customer care, a mixture of personal and digital contact

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WE ARE **NUMBER 1**
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Protecting what matters.

We will develop our business in SEE through Euroins Bulgaria

Todor Danailov,
Executive Director, EIG

Euroins Insurance Group AD (EIG) is an independent insurance group in Central and Southeast Europe (CESEE). It is part of Eurohold, a leading holding company in the region, also owner of Electrohold, a large energy group in Bulgaria. The Sofia-based holding operates in ten European countries and its shares are listed on the stock exchanges in Sofia and Warsaw. EIG operates through its subsidiaries in Bulgaria, North Macedonia, Ukraine and Georgia. The insurance group provides services through its Bulgarian subsidiary - Euroins Insurance Company AD (Euroins Bulgaria), in Greece (branch), Poland, Spain, Italy, Germany and the Netherlands. EIG provides services to 2 million clients and has 2000 employees. Todor Danailov is an executive director and a board member of EIG since August 1, 2023. He is a long-time employee of the company and has over 20-year experience in the sector. He has been managing the whole reinsurance business of the group since 2007. Danailov holds a master's degree in Actuarial science from Dimitar A. Tsenov Academy of Economics - Svishtov.

How do you assess 2022 for EIG companies and what challenges do you face?

Initially, we were worried about the war in Ukraine - we have two units there. Fortunately, we moved our Ukrainian colleagues and their families to Bulgaria in March. Employees from our other subsidiaries also helped us in this mission. We are grateful to them for their support and solidarity. We are also grateful to our Ukrainian colleagues who continue to maintain Euroins' operations in the country and serve our clients. Both our Ukrainian units have retained their employees and have been generating positive results.

Despite the conflict in Ukraine, the sale of our business in Russia and Belarus, as well as the cease of our operations in the volatile and crisis-ridden Romanian motor insurance market, our group continues to be very well positioned in the region. All other units within our structure are performing well and developing their business steadily. This trend has been confirmed by the leading rating agency, Fitch Ratings, which in August affirmed the 'B+' Insurer Financial Strength Rating with stable outlook of Euroins Bulgaria, the group's largest subsidiary. The rating agency's assessment is that the business of the group's entities remains stable even after our withdrawal from the Romanian motor insurance market. Fitch also affirmed the same ratings of the holding company.

EIG's Bulgarian subsidiary is

a leader in Bulgaria with 25 years of experience and is developing its business on foreign markets, including Greece and Poland. In line with the further development of its operations abroad, Euroins Bulgaria's capital has been increased by 15 million leva (7.7 million euro), which has been already paid in. This capital hike will further improve the solvency ratio of EIBG to a level that fully corresponds with and even surpasses the risk appetite of the company. Through EIBG and under the Freedom of Services (FoS), Euroins has already started offering non-motor insurance services in Romania. Basically, we retained the core of our long-standing employees there and with their cooperation we remain on the Romanian market but in segments which are much more stable than motor insurance and which we know very well, thus further diversifying our portfolio.

We gained solid experience and we are well prepared for the future. The EBRD continues to be our partner in the insurance business and a key minority shareholder in EIG. Additionally, we are part of a large holding, owner of the leading Bulgarian energy group – Electrohold, which controls the largest distributor, supplier and trader of electricity in the country. This expands further the potential for synergies and provides us with even more opportunities for development of our insurance business.

As a long-time head of the group's reinsurance business, what is your opinion about the case of Euroins Romania (EIRO) with the Romanian regulator, in which the topic of reinsurance contracts was a leading one?

The reinsurance contracts, disputed by ASF, are actually widely accepted and practiced throughout Europe. They have been available in our Romanian subsidiary since 2014. Just to illustrate it, previously, these contracts had been subjected to seven annual audits, two balance sheet reviews by independent auditors appointed by the regulator, as well as two thematic inspections by the regulator itself. They have never been challenged in any way by anyone. Out of the blue, in mid-2022, we received instructions from ASF to change certain parameters in them. We started implementing changes according to the instructions of ASF immediately as of July 1, 2022. These changes were duly communicated to the regulator and approved by the supervisors. We jointly developed a compliance plan to fulfill the requirements. We have been adhering to the plan correctly, including renewing the contracts as of January 1, 2023. So, ASF's decision to radically change its approach to these reinsurance contracts, taken at the end of January 2023, has left us with too few options.

Despite the obstacles mentioned above, we proposed a solution and the revocation of the company's license on March 17, 2023, in which EIG was not provided with an option to defend itself, left us with the bitter feeling of lost trust in the power of law. EIRO is not a closed case for us and we are determined to seek justice and protect our rights in competent international courts after exercising all available options in the law court in Romania.

What are your expectations for EIG's financial performance in 2023?

The large number of uncertainties due to the geopolitical reality and the challenging economic environment, limits the ability to predict our performance. The group's gross written premiums have declined after we ceased our operations in the Romanian motor insurance market but this is offset by the improved risk profile and increased profitability. We have a good handle on the high inflation demonstrated by the improving technical indicators.

Euroins Bulgaria, our group's largest subsidiary, has been developing steadily and sustainably. Non-motor insurance has been accumulating an increasingly large part of its portfolio. Liability, cargo and property insurance segments have reported strong growth. We are among the leading players in the travel insurance segment which has registered an increased demand due to the post-pandemic travel boom.

What are the highlights of your development strategy for the next few years?

We aim to consolidate our positions on the markets in which we operate. Our business will grow sustainably, organically and under FoS. For this purpose, we will build up on the well-established and fast-growing platform of Euroins Bulgaria which currently offers 63 insurance products in all 18 segments of the sector we operate in. We will further diversify our portfolio by increasing the share of non-motor insurance. We aim to retain our strong position in motor insurance, improving its profitability. We would like to make EIG more digital and sustainable. We rely more and more on direct online distribution channels to reach clients. Synergies with the parent company's energy business will expand, adding value for our customers. Our goal is to remain a leading insurance group in CESEE with a diversified portfolio of general and life insurance services.

Energy companies fuel revenue rev-up in SEE TOP 100 ranking

By Antonia Kokalova-Gray

In a year marked by Russia's invasion of Ukraine – the biggest attack on a European country since WWII - traditional geopolitical alignments and economic trajectories were thrown off kilter, not least in frontline Southeast European states, whose energy sectors had historically been heavily dependent on Russia. With energy security and diversification taking precedence, it comes as no surprise that 2022 was a blockbuster year for petroleum and natural gas, and electricity companies.

The oil and gas industry, which includes the SEE TOP 100 lead performer, OMV Petrom, saw its aggregate revenue soar over 92% to 87.2 billion euro, as the war in Ukraine drove a surge in energy prices. The combined revenue of the oil and gas companies in the ranking is double that of the second biggest sector, electricity. More than a quarter of all companies in the ranking operate in the oil and gas sector, generating 39% of the total revenue of the listed entrants.

The electricity sector recorded revenue growth of roughly 85% to 44.7 billion euro and entered twenty companies in the ranking. Revenue gains stemmed from bumper prices on wholesale markets, which were not counterweighted by increases in costs linked to gas.

Together, the two industries have nine representatives among the top ten companies in this year's ranking. Also, energy companies made up the top ten in terms of revenue growth. Furthermore, most new additions to the SEE TOP 100 list are energy companies. The subsidiaries of large foreign-owned power trading companies Axpo and MET Group impressed with revenue growth in triple digits.

In terms of profitability, however, the region's electricity, and petroleum and natural gas sectors occupied fifth and sixth place, respectively.

In the power sector, revenue gains were offset by expenditures related to renewables development and grid improvements as well as costs linked to electricity imports or thermal coal use. Unfavourable weather, too, dented the bottom lines of some electricity companies. Droughts led to a drop in the output of hydro power plants, forcing power utilities in Slovenia and Serbia to increase imports of electricity at high prices. In addition, countries like Bulgaria levied tax on windfall profits in the energy sector, using the funds to compensate energy expenses of local businesses.

Windfall profits in oil and gas also spurred tax action from politicians seeking ways to foot high energy bills for household consumers. Profitability in the sector was not commensurate with the revenue spike not least because of bigger production costs, additional investments in improving or developing infrastructure and higher risk-hedging costs due to energy price or foreign currency fluctuations. Still, the petroleum and natural gas industry improved its return on revenue (RoR) to over 5% from 4.4%.

The wholesale and retail companies, which generated the biggest revenue combined two years ago and the second biggest last year, slid to the third place by this indicator in this year's ranking. Twenty-two sector players generated a revenue of 3.6 billion euro, boosted by soaring inflation and growth in e-commerce. Dominated by supermarket operators Lidl, Kaufland, Carrefour and Konzum, the sector's return on revenue inched up to just 3.4% from 3.3% and took eighth place in the profitability ranking, unchanged from a year earlier.

Pharma retains lead in profitability ranking

The pharmaceutical industry, represented by only two members in the SEE TOP 100 ranking, grew its comfortable double-digit lead in terms of profitability and upheld its top place for the fourth year running. The pharma sector's RoR reached 16.25% in 2022, up from 14.60% a year earlier.

This strong performance was driven by a 23% jump in revenue for Slovenia's Lek to 1.6 billion euro, with rival Slovenian drug maker Krka growing revenue 10% to 1.72 billion euro. However, both slipped lower in the ranking in terms of net profit and Krka took 11th place, while Lek finished 18th.

Telecommunications emerged as the second most profitable sector in the region, moving up one notch from a year earlier. Helped by broadband rollout programmes and an uptick in digital services, telecommunications was among only six out of sixteen industry sectors in the profitability rankings which grew their RoR compared to the previous year. Furthermore, it showed the biggest improvement in RoR, to 9.91% from 5.97%. The sector is represented by four companies, of which three are Romanian operators.

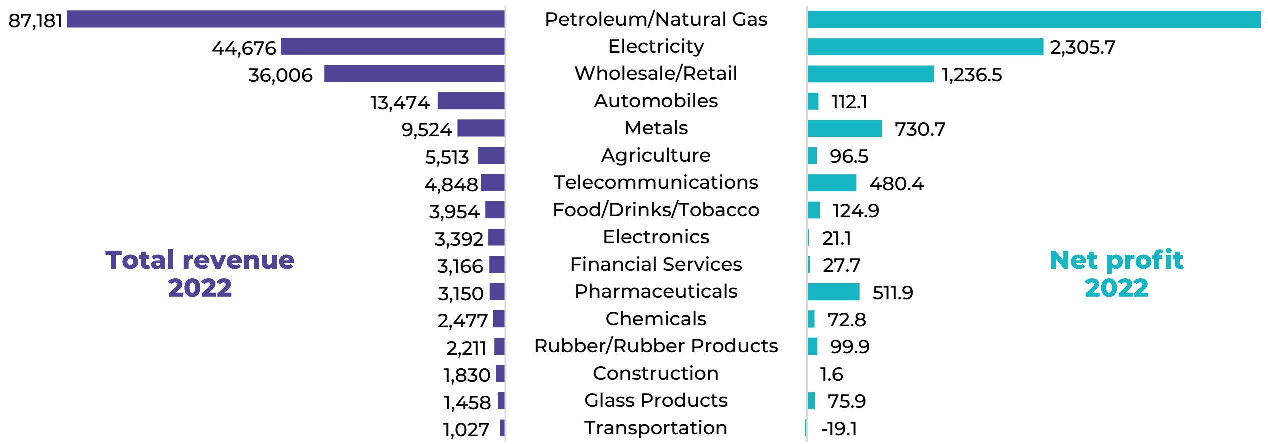
Despite a 15% annual rise in total revenue to 4.8 billion euro, telecommunications dropped to seventh spot from sixth in terms of revenue, outshone by the more lucrative energy, automobile, metals and agricultural sectors.

Boasting a RoR of 7.7%, the metals industry, with five entrants, rounded off the top three most profitable sectors. The profitability indicator in metals, however, eased from 11.9% in 2021, amidst iron shortages and high energy prices.

Romania's Liberty Galati, part of UK steel magnate Gupta's GFG Alliance, booked a 10% drop in revenue and swung to a net loss of some 166 million euro. Demand for copper and high global prices propelled Aurubis Bulgaria to eleventh place as its revenue grew by nearly a quarter to 4.2

BREAKDOWN BY INDUSTRY

(In millions of euro)



billion levs. At the same time the company's net profit surged to a record-high 255 million euro from 149 million euro a year earlier.

Glass, represented in the rankings by Portuguese BA Group's Bulgarian unit, entered the profitability table again this year, increasing the number of observed industries to sixteen and pushing rubber from fourth to seventh place. In 2022, BA Group Bulgaria significantly boosted output capacity after launching a new furnace for a 60 mln euro investment. As many food and beverage producers recorded a spike in sales in 2022, demand for glass packaging rose, contributing to a revenue growth at the company of 42% year-on-year. However, the glass industry's RoR was 5.2% in 2022 compared to 6.3% a year earlier. Its place in the table could more plausibly be justified by narrower RoR increases in other sectors.

The high prices for natural gas and supply disruptions caused chemicals to drop to tenth from seventh place. The only chemicals company in the ranking, Johnson Matthey in North Macedonia, recorded a dip in net profit despite a 19% climb in revenue. On the other hand, rubber, which is present in the TOP 100 rankings through Serbia's Tigar Tyres and Michelin Romania, occupied the seventh spot.

As Ukraine struggled to harvest and export its agricultural produce, the aggregate revenue of the four agricultural companies in SEE TOP 100 - Ameropa Grains, Cofco, Cargill and Viterra in Romania – shot up over 41% to 5.5 billion euro. Agriculture jumped to eleventh from fourteenth place in terms of profitability, with RoR improving to 1.75% from 0.09%.

The automobile industry slipped to thirteenth from eleventh position in the current rankings, its RoR declining to 0.8% from 1.4%, with seven companies among the top 100. An uptick in vehicle production and demand was offset by challenges in the supply of electronic components in an industry where transformation will greatly depend on adapting production to new carbon emissions regulations and the rise in electric mobility.

Transportation was the biggest decliner in profitability in the region, finishing last in this year's rankings. The sector's sole representative, Romanian national railway operator CFR, widened its net loss more than tenfold despite a 28% annual revenue increase. This led to the sole negative RoR value, of minus 1.86%, in the overall 2022 industry profitability rankings.

METHODOLOGY

The SEE industrial ranking pools together the revenue generated by all companies in SEE TOP 100 and ranks sectors by cumulative revenue. Year-on-year changes in the sectors' total revenue have been calculated using the figures in euro. The comparative figures for 2021 are revised to allow a fair comparison.

The sub-ranking of the industries with the highest return on revenue was calculated by dividing the cumulative net profit/loss within each industry by the cumulative revenue. We have based our rankings on an industry classification which treats filling station operators and gas trading/distribution companies as Petroleum/Natural Gas companies, pharmacies and pharmaceutical distributors as Wholesale/Retail, and automotive and car parts manufacturers and sellers as Automobiles.

Year-on-year changes in the companies' financial indicators have been calculated using the figures in the original currency. Elsewhere, local currency figures referencing past periods have been converted into euro using the respective central bank exchange rate as of the end of the relevant period while all other local currency figures have been converted using the exchange rate as of the date the relevant editorial content was finalised.

	Return on Revenue 2022
Pharmaceuticals	16.25%
Telecommunications	9.91%
Metals	7.67%
Glass Products	5.21%
Electricity	5.16%
Petroleum/Natural Gas	5.08%
Rubber/Rubber Products	4.52%
Wholesale/Retail	3.43%
Food/Drinks/Tobacco	3.16%
Chemicals	2.94%
Agriculture	1.75%
Financial Services	0.87%
Automobiles	0.83%
Electronics	0.62%
Construction	0.09%
Transportation	-1.86%

We are bringing responsibility to the market

Adrian Paraschiv,
Country Manager for Romania,
Photomate

Photomate is active in the field of solar inverters for commercial and residential customers and has a team of more than 140 employees in 23 countries in Central, Eastern, Northern Europe, Caucasus and Central Asia. The company is a Huawei Value Added Partner solar inverter and energy storage systems distributor for CEE, Scandinavia and Baltics and Certified Service Partner. Adrian Paraschiv is Country Manager for Romania.

Can you tell us more about your partnership with Huawei and how it enhances your position in the Romanian solar inverter market?

In a dynamic and competitive business environment, you need to constantly look for ways to create value, differentiate yourself, and gain an edge over your rivals. One of the most effective ways to do that is to form strategic alliances and partnerships with other organisations that can complement your strengths and enhance your offerings, and this is why Photomate has became Huawei VAP in 2015.
Huawei is the largest inverter producer in the world, with top tier quality products on which, we Photomate, add top tier services for our customer. The combination of the two puts us in a lead position in Romanian market.

The company's portfolio includes revolutionary energy storage solutions like the Huawei FusionSolar battery Luna2000. How do these solutions address the growing demand for energy storage in Romania?

Luna2000 is covering a large range of energy storage from 5kWh for residential sector, 100kWh to 200kWh for commercial and 2MWh for large scale utility and grid services. At this moment the range of Huawei energy storage system can cover all market requirements and any type of project.

Could you share some insights into the latest products or innovations that Photomate plans to introduce in Romania to further enhance the country's transition to renewable energy sources?

We are already present the distribution of hydrogen production equipment and in the end of this year we will present our new energy management system which will put Photomate in the unique position of being able to provide a full integrated system of green hydrogen production.

With a presence in 23 countries, what specific strategies does Photomate employ to tailor its smart solar equipment to the unique needs of the Romanian market?

The Romanian market is maturing and top quality products services are requested. Photomate offers PV farm sizing services, from sizing arrays of panels to ensure maximum inverter efficiency, to designing PV panels on the available area. We also provide support in the sizing of energy storage systems, based on the input data of a consumption site, such as hourly consumption (IBD) and ensure the maximization of self-consumption or the coverage of load peaks where the electricity network is undersized. At the same time, because reactive energy represents an important component in the electricity bill, we offer services for dynamic compensation of reactive energy, appropriately sizing the photovoltaic system and energy storage systems.
Commissioning services are provided for any large-scale project and include the commissioning service of inverters, transformer stations and energy storage systems in Romania.

What is Photomate's long-term vision for the Romanian market, and how do you envision contributing to the sustainable energy future of the region in the coming years?

Romania is an important market for Photomate and we intend to increase our presence here. We consider that responsibility is a key factor for future development, and this is what we are bringing to the market. Through our partners we have a 2 GW of PV projects pipeline, projects that will be developed in the next years.

photomate

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PHOTOMATE is a regional VAP (Value Added Partner) and CSP (Certified Service Partner) HUAWEI partner for solar energy in the CEE countries, Eurasia, Scandinavia and the Baltics

BALFIN

Growing steadily while investing in new ideas and new markets

Edlira Muka
BALFIN Group CEO

In the Western Balkans, BALFIN Group is a significant economic player. How would you comment on its performance in 2022?

BALFIN Group maintained a steady growth throughout 2022, with our banking, real estate and retail industries leading the way, despite the fluctuations on the international markets. Our economic activity increased by 11% as compared to the previous year. We served over 80,000 clients every day, in more than 230 points of sale or offices in all countries where we operate. The main reason for this positive performance is a series of investments made as part of a long-term strategy. We invested about 85 million euro in 2022, mostly in Austria, Switzerland, Albania, Bosnia and Herzegovina, Kosovo, and North Macedonia. Another essential factor for our continued success is our dedicated workforce of over 5,000 professionals spread across ten countries. They play a pivotal role in overcoming challenges and proactively pursuing new opportunities.

How is BALFIN Group's performance progressing in 2023?

2023 marks a significant milestone for us, as it is the 30th anniversary of BALFIN Group. This year, we anticipate growth across all our companies, and the current figures bolster our confidence in achieving this year's objectives. Our retail business is experiencing growth through a multi-faceted approach. We've expanded our physical presence by adding new points of sale that offer a wider array of products and services, while also increasing the area of our shopping malls. Simultaneously, we are actively transitioning our services into the digital realm. Our shopping malls in Tirana and Skopje continue to witness a consistent year-over-year increase in visitor footfall. Tirana Bank is performing very well this year, consistently exceeding industry benchmarks and demonstrating remarkable financial stability. Tirana Bank is the fastest growing bank in Albania. Our real estate development projects in the Balkan region and Austria are advancing according to schedule, encompassing both residential and commercial properties. We are currently spearheading distinctive initiatives that introduce novel concepts and innovative solutions to cater to our customers' evolving needs.

BALFIN Group is present in ten countries and in different industries. How would you assess the business environment in the Balkan region?

Although the Balkan region offers a diverse landscape for businesses, each country with its unique opportunities and challenges, the region has been on a collective trajectory for several years, aligning itself with larger economic markets such as the EU. Different countries in the region are progressing at varying speeds, but they are all moving in the same direction.

The region has a significant growth potential due to its strategic location as a gateway between Europe and Asia. The presence of diverse industries, including banking, services, hospitality and tourism, real estate, manufacturing, and technology, reflects its versatility. The region has made substantial strides in improving the regulatory frameworks, in line with EU recommendations, enhancing infrastructure, and attracting foreign investments, making the business environment more conducive to expansion. We can feel it in all the countries where we are present and other countries we are considering entering. The Balkans offer a burgeoning consumer market with a growing middle class, which presents an attractive prospect for industries ranging from retail, real estate to financial services. Moreover, the region's commitment to infrastructure development, including transportation and energy projects, opens up new avenues for investment and collaboration. For investors, navigating the Balkan business environment successfully requires a tailored approach for each country and building strong relationships with local partners. Our group's diversified presence across industries and countries positions us well to leverage the opportunities while effectively addressing the challenges that come with operating in this dynamic region.

Could you share some insights into BALFIN Group's upcoming plans for the near future?

At BALFIN Group, our vision is centered on investment in innovative concepts, the exploration of new projects, and the creation of novel opportunities. We are strategically focused on consolidating our core industries, including retail, real estate, and banking, which have been the cornerstones of our success over the past three decades. Our proven track record as a trusted partner for international companies investing in the Western Balkans gives us the confidence that our future partnerships will prosper, benefiting from our deep regional expertise and extensive network.

One such area of opportunity lies in the premium segment of the tourism and hospitality industry, which remains relatively untapped in some countries from the region. In partnership with global leaders like Marriott and Accor, we are making strategic investments in luxury hotels. Ambitious projects like Green Coast and Vlora Marina are poised to transform and elevate the tourism offerings not only in Albania but across the wider Western Balkans region.
Real estate continues to hold a pivotal place in our group's portfolio and our forward-looking investment strategies. Our companies are at the forefront of pioneering and presenting innovative concepts in residential developments, mixed-use properties, tourist complexes, commercial infrastructure, and hotels. Alongside our ongoing commitments, we are actively exploring future investment opportunities in markets such as Croatia, Greece, and the U.S.

Within the retail sector, we are expanding our network and elevating our digital footprint to address the evolving needs of our customers more effectively, particularly the younger generations. Collaborating closely with our international and regional partners, we aim to introduce fresh brands and innovative services to the countries we are present. Notably, our successful introduction of the retail park concept in Albania is a model we intend to replicate in various cities across Albania and North Macedonia.

Furthermore, Tirana Bank is not only enhancing its digital services but also considering the possibility of expanding its operations into new markets. Our commitment to expanding the bank's portfolio reflects our proactive approach and willingness to explore new horizons.

We are proactively exploring the opportunity to invest in renewable energy sources, with a specific focus on harnessing solar and wind energy to generate electricity. By considering investments in renewable energy, we aim to contribute to a greener future while simultaneously diversifying our portfolio and seizing opportunities in the evolving energy sector.

As logistics gains increasing prominence in the region, owing to the strategic location of the Balkans, we are actively engaging in collaborations with international partners and aspire to expand our presence significantly. Our aim is to scale up our operations and leverage the strategic advantage of the Balkan region to its fullest potential.

I want to emphasize our enthusiasm for the future of the region and our firm commitment to exploring new horizons and opportunities. At BALFIN Group, our mission is clear: to establish robust companies, foster innovation, promote equal opportunities for all, and make a lasting positive impact on society. We look forward to contributing to the continued growth and prosperity of our region and beyond, in all the ten countries we are present, and are excited about the exciting possibilities that lie ahead.

About BALFIN Group

BALFIN Group is a prominent and highly successful investment conglomerate, with a rich history spanning over three decades, operating primarily in the Western Balkans. It was established in Vienna in 1993 by Mr. Samir Mane and has since expanded its footprint in Austria, Albania, Kosovo, Bosnia and Herzegovina, North Macedonia, Montenegro, Switzerland, Croatia, the Netherlands, and the United States of America. Diversification is a hallmark of BALFIN Group, with active involvement in nine industries: real estate, wholesale and retail, banking, asset management, hospitality, education, energy, and logistics. The Group's remarkable journey is powered by the dedication and passion of its approximately 5,000 employees, who have played an instrumental role in shaping its success story over the past 30 years. BALFIN Group's reputation as a reliable partner is built on conducting international business operations at the highest ethical and professional standards for 30 years. It boasts substantial financial resources, a highly skilled workforce, and a constant commitment to innovation. The Group's impact extends beyond financial success, as it actively contributes to economic development, job creation, innovation, and community welfare.

Key Facts and Figures:

- Presence across nine diverse industries and in ten countries.
- Total Group Assets to date (including financial institutions): 2.1 bln euro.
- Total Group Capital Investments to date: 819 mln euro.
- A dedicated workforce of over 5,000 individuals.
- Approximately 35,000 beneficiaries from CSR projects annually.
- A robust network comprising over 230 points of sale.
- Daily engagement with 80,000 clients for goods and services.
- Tirana Bank, the fastest growing bank in Albania.
- Over 28 million annual visitors to shopping malls.
- Leading consumer electronics chain in the Western Balkans, with over 70 stores.

VLORA MARINA

Vlora Marina, Albania's key tourism project between two seas

Vlora Marina, a symbol of modernity in Albania, is triggering interest with its visionary architectural concept and extraordinary potential. It enjoys a prime location in Vlora, placed between the Adriatic and Ionian seas, offering stunning views of Italy and proximity to Corfu. Investment in Vlora Marina stands at 350 million euro, as 45 million euro were dedicated to the marina's construction. Accessible via a well-connected highway and just ten minutes from Vlora International Airport, this mixed-use project hosts Albania's largest marina, featuring 438 mooring spots for yachts and mega-yachts, ready to welcome global visitors to experience Albania's unmatched beauty and hospitality.

The mixed-use complex features premium apartments boasting exclusive sea views, 4 and 5-star branded hotels, and a promenade with various facilities. The project attracts keen interest from Italy, Switzerland, Germany, and Sweden, along with neighboring North Macedonia and Kosovo. Prospective buyers view it as a secure investment, given the surge in tourism along Albania's coastline in recent years.

Projections indicate that Vlora Marina will attract over 200,000 foreign tourists yearly, solidifying its position as an elite international destination.

"Vlora Marina, strategically located in the centre of Vlora with a state-of-the-art marina, will become a premium tourist destination. This investment is set to elevate Vlora into a leading Mediterranean city and a trailblazer in Albania's blue economy," said Ardiana Sokoli, Vice President for Real Estate at Balfin Group.

Vlora Marina, a truly unique project, has been brought to life by the prestigious Belgian design studio, XDGA–Xaveer De Geyter Architects. Its director, Xaveer De Geyter, explains what makes Vlora Marina stand out:

"Density defines it, resulting in a truly vibrant urban environment. The unusual building form is inspired by the city and waterfront, resulting in a tiered design with ample outdoor space for each apartment. We are confident that with all its elements, this project will transform the entire city of Vlora."

An attractive investment for the Marriott network

Vlora Marina's promise and BALFIN's reputation attracted global giant Marriott to join in. This partnership, sealed with a 100 million euro investment, introduces a revolutionary concept: branded apartments, a pioneering venture not only in the country and the region, but worldwide.

"This is a concept we are introducing for the first time in Albania, and we are very proud of it," said Silvija Lovreta, Director for Southeastern Europe, Marriott International, during the signing ceremony. Julien Laloye, Director of Mixed-Use Development at Marriott International, believes that *"our first project in Albania concerning branded residences will be a real success."*

For Ardiana Sokoli, the introduction of branded apartment concepts is something new not only for Albania but also for the region. She explains, *"This is a new concept, both in Albania and the region, and furthermore, it's a global novelty."*

First yacht mooring anticipated soon

The project, featuring residences, branded hotels, a marina with 438 mooring spots, a promenade, and green areas, is set to transform the city into a premium leisure destination. The marina expects to welcome its first yachts very soon.

"Phase one is slated for completion by November 2023, ensuring readiness for next year's yacht season. Additionally, the marina will be managed by a globally esteemed company, ranked among the top 5 elite operators," noted Ervin Bacaj, Project Manager of Vlora Marina.

NIRO Investment Group

Our resorts differentiate through dedicated adult and family segments

Christophe Chamboncel,
Head of Hospitality & Development,
Niro Investment Group

The Maldivian luxury resort is Niro Investment Group's first major international investment in the hospitality industry. What was the business rationale behind your choice of location and business partner?

The choice of the Maldives for Niro Investment Group's inaugural international investment in the hospitality industry with Corinthia Maldives luxury resort was driven by a strategic and comprehensive business rationale. Renowned for its perpetual sunny weather, warm ocean waters, and pristine beaches, the Maldives holds a preeminent position as the World's Leading Destination for three consecutive years at the prestigious World Travel Awards 2022, indicating its immense allure to global travelers.

Also, industry experts expressed optimism in the Maldives' hotel sector, citing its robust growth and resilience even during crises like the COVID-19 pandemic, as well as the Maldivian government's sustained efforts in supporting foreign direct investments and bolstering tourism infrastructure. Additionally, the expected slowdown in resort room supply growth and gradual growth rates over the next years underscored an attractive investment scenario in the Maldives.

Could you share more details about the project?

Our luxury resort project in the Maldives is an ambitious endeavor that requires building four islands within the picturesque Kaafu Atoll lagoon, with a combined shoreline stretching over 6 km, adorned by pristine white sandy beaches, swaying palm trees, and lush vegetation.

The first island will host a tranquil haven exclusively for adults, perfect for private retreats and romantic getaways. Additionally, it will offer a vibrant array of activities for those seeking dynamic and engaging experiences, such as a superb indoor golf simulator area.

The second resort is tailored for family and friends holidays, offering a vibrant atmosphere and a multitude of entertainment facilities, including an interactive recreational center for kids, a spectacular flow rider, padel & tennis courts.

The third island epitomizes privacy and exclusivity, providing an intimate sanctuary for a select few seeking a luxurious retreat. Lastly, the fourth island is dedicated to vibrant parties and ultimate luxury events, hosting also a water-sport centre for diving and other nautical sport activities.

What are the differentiators from other hospitality projects in Maldives?

Corinthia Maldives truly sets itself apart in the industry through several distinct features that strategically position it within the market. First and foremost, our prime location: situated within the Malé Atoll, a short 15-minute boat ride from Velana International Airport, our project enjoys a strategic position that strikes a balance between accessibility and tranquility, ensuring a sense of privacy.

Our resorts differentiate through dedicated adult and family segments, enhancing guest experience. Diverse villa options cater to varied preferences. We have proactively addressed the evolving trend of intergenerational family travel by incorporating spacious villas accommodating all generations for shared memorable vacations.

Worth mentioning the generous villa interiors that exceed expectations, providing a heightened level of comfort and luxury. These assets coupled with the wide array of dining options across the entire resort, with different themed culinary delights such as Japanese, Argentinian grill, Chinese, Italian and Lebanese are meant to add a remarkable dimension to our guests' stay.

What other major projects has Niro Investment Group's in the hospitality industry?

Niro Investment Group embarked on its venture into the hospitality sector five years ago, initiating two groundbreaking projects.

Corinthia Grand Hotel Boulevard Bucharest, located in an iconic building in the very heart of the city, will epitomize the first luxury boutique hotel under the Corinthia brand in Romania. With 30 opulent suites, a Grand Ballroom, an internationally renowned F&B Operator, personalized meeting spaces, and exclusive amenities, this establishment seeks to revive the building's initial grandeur in harmony with Corinthia's hallmark standards.

In parallel, Niro Investment Group is building a premium hotel in northern Bucharest under the Swissôtel brand, a flagship of the largest European hotel operator, Accor. Projected to be Romania's tallest hotel, Swissôtel Bucharest will boast 224 rooms and suites, two dining venues including a roof-top restaurant offering breathtaking panoramic city views, a 22nd-floor swimming pool and dedicated spaces for business meetings and corporate events.

Corinthia Grand Hotel Boulevard Bucharest, Swissôtel Bucharest, and Corinthia Maldives underscore Niro Investment Group's dedication to enhancing Romania's hospitality sector and positioning the country prominently in the global luxury tourism landscape.

Sirma Group

We remain committed to expanding in 2023

Tsvetan Alexiev
Sirma Group CEO

Sirma Group experienced significant revenue growth in 2022 but ended the year with a loss. Is the outlook for this year optimistic?

In 2022, Sirma achieved a growth rate of 25.8%, we won several new customers and expanded into new markets. Additionally, we completed a major deal that resulted in the majority stake of Sirma AI (trading as Ontotext) being sold. Later, we negotiated with the European Bank for Reconstruction and Development (EBRD) to sell our remaining stake, which we finalised in early 2023. The transaction resulted in a negative impact on consolidated earnings.

We must address our concerns about the 2023 outlook head-on and prioritise independent growth. Our M&A plans are subject to change, and we have postponed investment in Turkey. Instead, we are currently in talks with a Romanian company. Despite the challenges on global markets, we remain committed to expanding in 2023, but we must acknowledge that it will take work.

What benefits do you anticipate from the recent acquisition of Sciant?

Sirma Group has shifted to a service-oriented structure following the sale of Sirma AI. We recognised that funding product development through a small and illiquid local stock exchange is not feasible. Therefore, the company has focused on providing specialised solutions in key areas, strongly emphasising its strategic verticals. The acquisition of Sciant has expanded Sirma's expertise in the hospitality, transport, and logistics industries. Now, we have access to Sciant's impressive client roster, which includes major global hotel chains and logistics companies. Adding 140 specialists brings experience working with global companies and a strong position in strategic verticals. Sirma plans to maximise the benefits of this acquisition through marketing and sales, resource utilisation, and technological innovation. Sciant achieved excellent results in 2022 and has maintained its growth pace into 2023.

What adjustments will you make to your acquisition strategy amidst the global uncertainty in the IT market?

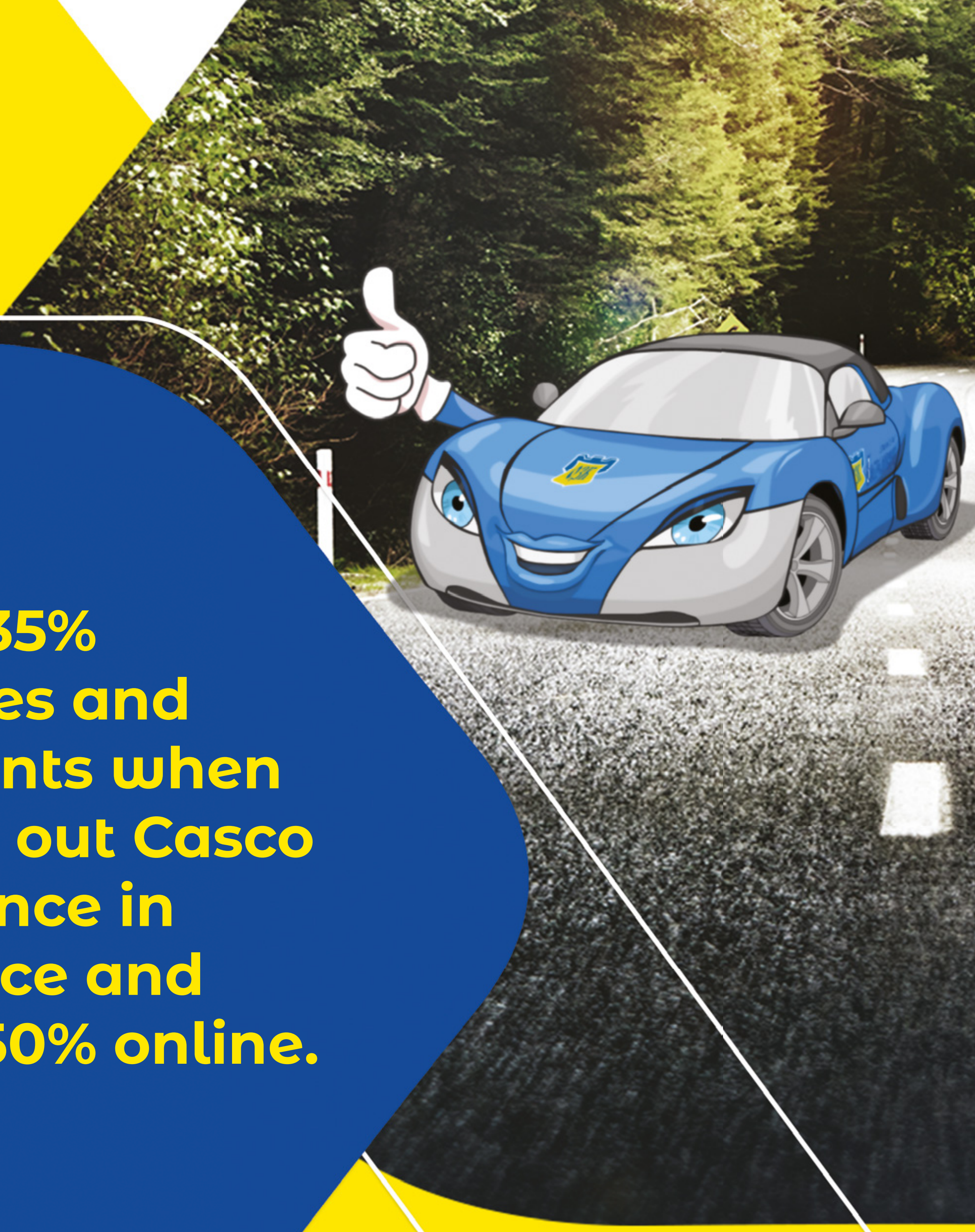
Sirma's strategy is to grow organically and inorganically, including through acquisitions. We're cautious when selecting potential companies due to the current struggles in the IT market. Sirma is not interested in acquiring companies with declining business. We focus on finding companies with prominent clients, successful sales, and profits that are not micro-sized. We aim to create synergies within our strategic verticals and ensure technological compatibility. While these companies may be more expensive, having them in our portfolio aligns with our strategy.

The past months have brought breakthroughs in AI. Where will your focus on R&D be?

The process is natural, as with all new technologies. Whilst large language models (LLM) are not a new technology, Open AI has done an excellent job developing and popularising the possibilities of Chat GPT. LLM needs to be combined with other AI technologies to do real work. Our team is currently working on solutions that would work for our clients.

We have been selling our Melinda chatbot to our clients - large organisations, and we are currently integrating LLM technology into it. We are also developing other interesting pilots for using LLM, but we have yet to reach a commercial solution. From its inception, Sirma has had a strong affinity towards AI - it was founded in 1992 as Sirma AI - we continue to work hard on R&D in this area.

www.sirma.com



REZOLV ENERGY

A new era of renewable energy PPAs is coming to SEE

Alastair Hammond
Rezolv Energy CEO

Rezolv Energy is a clean power producer established to build a multi-gigawatt portfolio of wind, solar and energy storage projects in South Eastern Europe. Backed by 500 million euro from investment firm Actis, Rezolv already has well over 2GW of clean energy being prepared for construction. This includes St. George, which will become one of Bulgaria's largest solar plants, and Dama Solar, which will be the largest solar project anywhere in Europe once it is operational. Rezolv also has more than 1GW of wind power being prepared for construction in Romania. The company's plan is to grow its pipeline to 4GW within the next three to five years. The power from these projects will be sold to commercial and industrial users through long-term Power Purchase Agreements (PPAs).

What is a PPA?

PPAs are long-term electricity contracts for a fixed or indexed price, meaning that customers have certainty about the price they will pay – for up to twenty years. At a time of wildly fluctuating energy prices, this is a very attractive proposition.

Crucially, these deals can also be made cross-border, so the energy can be produced in one country but the off-taker can be based elsewhere. This makes PPAs an option even for companies that cannot source their renewable energy needs locally.

Are there some business sectors that are particularly attracted to PPAs?

As you would expect, energy-intensive businesses have been among the first movers. We are in discussions, for example, with automotive companies, breweries and telecoms firms – but businesses from other sectors as well.

So far, the greatest interest is from multinational companies because so many of them have net-zero targets. In 2015, the year the Paris Agreement was adopted, only six of the world's largest publicly-traded companies had committed to net-zero targets. Today, more than 700 have done so.

PPAs are still quite a new concept in SEE. How confident are you that we will see a significant volume of deals being signed in the near future?

Romania signed its first PPA contract in 2021, Bulgaria only last year, so it's true that it is a relatively new concept in this region. But things are moving very quickly and I believe that we are on the cusp of a major era of PPA deals in SEE. I say that because three vital elements are coming into alignment for the first time. First, the regulatory environment for PPAs is improving, led by an ever more ambitious EU policy agenda. Second, renewable energy capacity is coming onstream in volume. I am proud that Rezolv is in the vanguard of that green energy revolution.

And third, we are seeing strong, widespread corporate demand for clean power – with demand growing all the time.

What would you say to companies in SEE that are interested in procuring green power?

Get in touch!

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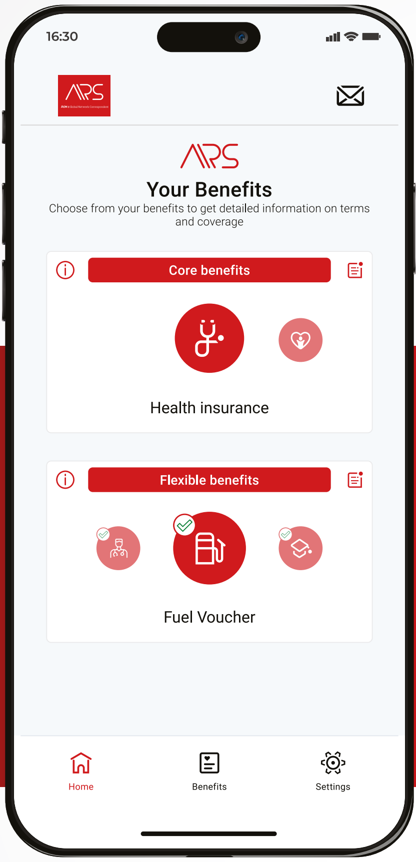

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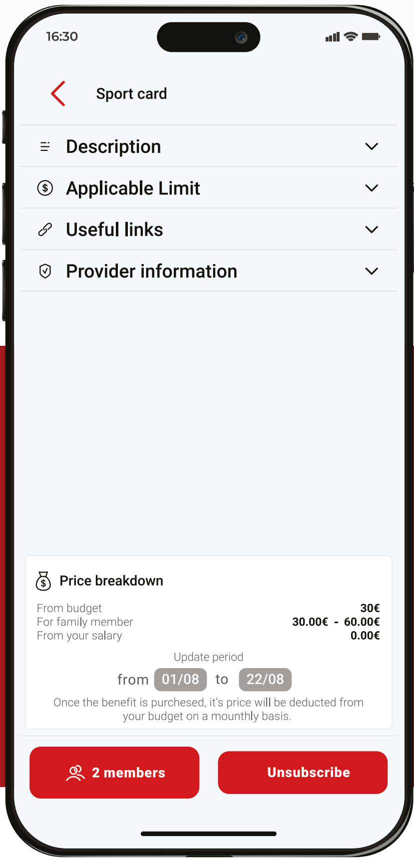

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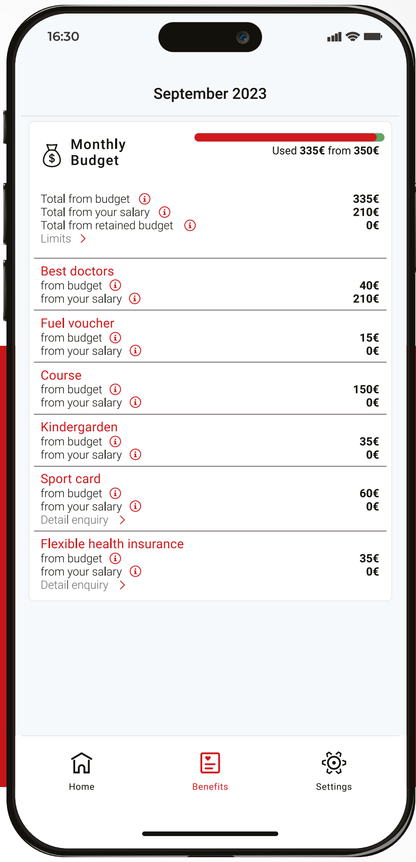

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Grain imports from Ukraine upset SEE markets

By Bogdan Todasca

Russia's invasion of Ukraine in February 2022 trapped approximately 20 million tonnes of grain in Ukrainian ports. Given Ukraine's critical role both as a major producer and exporter of key agricultural products, global food supply chains faced immense pressure and food prices soared. As a result, a series of measures were taken to alleviate the impact of Russian blockages on Ukrainian grain exports. In May 2022, the European Commission (EC) launched the Solidarity Lanes Action Plan to establish alternative logistics routes. A month later, the EU lifted tariffs on imports from Ukraine for twelve months, with the moratorium being extended for an additional year in April 2023.

Benefiting from the Dnipro river, which cuts through the middle of the country and stretches to key ports that facilitate access to the Black Sea and the rest of the world, Ukraine has relied heavily on exporting its grains by sea or river. Despite Russia's suppression of Ukraine's maritime trade routes, moving goods out of the country by rail was not as feasible due to greater costs, a relatively underdeveloped rail infrastructure and rail gauge differences that impede connections with the EU's railway network.

To ease Russia's stranglehold on Ukrainian exports, the Black Sea Grain Initiative was launched on July 22, 2022. Brokered by the United Nations and Turkey, the deal enabled Ukraine to resume shipments of millions of metric tonnes of grains through the Black Sea, while also facilitating exports of Russian food and fertilisers. Bulgaria and Romania were the only two countries in Southeast Europe (SEE) to be cargo destinations for Ukrainian grains, with the former receiving 68,836 tonnes and the latter 285,096 tonnes. The cumulative effect of the newly established trade routes led to a gradual decrease of global food prices, including those of cereals. Despite several attempts to negotiate a further extension, the Black Sea Grain Initiative was not renewed after July 17, 2023.

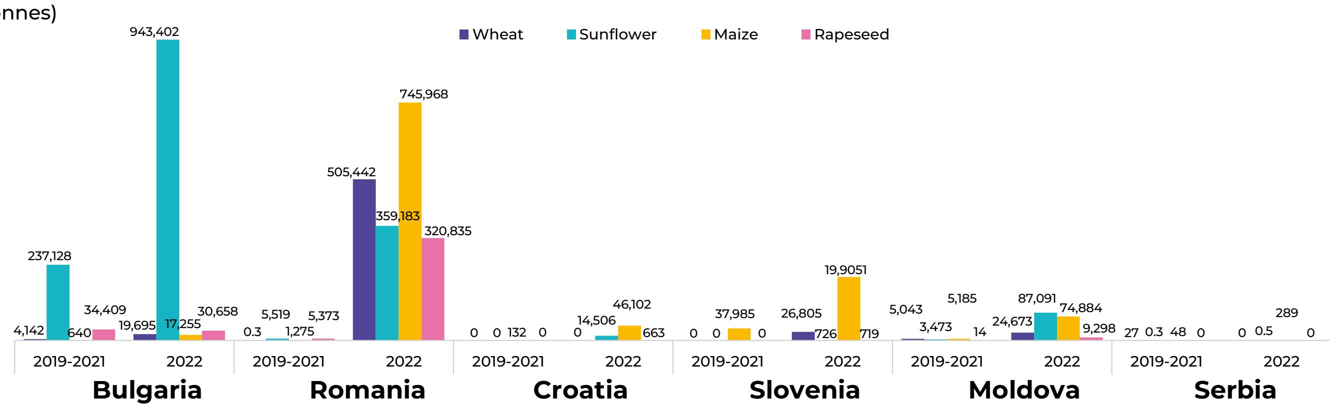
Following the implementation of the Black Sea Grain Initiative, farmers in several SEE and Central and Eastern European (CEE) countries voiced their discontent with the increased influx of Ukrainian grain, which has led to logistical bottlenecks and weakened their ability to remain competitive on local markets. In response, the European Commission suspended imports of Ukrainian wheat, maize, rapeseed and sunflower seed into Bulgaria, Romania, Hungary, Poland and Slovakia until September 15, 2023.

An X-ray of grain trade in SEE

The inflow of Ukrainian grain into SEE has soared in lockstep with the launch of the Black Sea Grain initiative and the creation of additional logistics routes. In the three years prior to Russia's invasion, Bulgaria, Moldova and Romania were the main SEE destinations for Ukrainian grain, but the war has led to an exponential uptick in most of the region.

IMPORTS FROM UKRAINE

(In tonnes)



With respect to imports of the four key crops that have been subject to temporary suspensions in five CEE countries, Romania's imports of those crops from Ukraine saw the sharpest climb in the SEE region. In 2022, wheat imports from Ukraine surged to 505,442 tonnes, from a cumulative imported quantity of just 338 kg in the three years leading up to the war. Maize imports from Ukraine recorded the second-highest upswing after soaring to 745,968 tonnes in 2022 – roughly 585 times higher than the cumulative quantity imported during 2019-2021. Following a 65-fold increase, sunflower imports reached 359,183 tonnes in 2022, while rapeseed imports jumped almost 60 times to 320,835 tonnes.

In the three-year period preceding the war, wheat and maize imports from Ukraine amounted to insignificant fractions of Romania's total imports of these grains. However, in 2022, Ukrainian wheat accounted for 48.2% of Romania's total wheat imports and Ukrainian maize made up 55.7% of overall maize imports. Rapeseed imports from Ukraine, which had a meagre 2.2% share in Romania's total rapeseed imports during 2019-2021, cut an 80.6% share in 2022. Sunflower imports from Ukraine surged to 54.9% from just 0.7%.

In Bulgaria, maize imports from Ukraine recorded the steepest climb of the four crops in 2022, soaring almost 27 times compared to the 2019-2021 period to reach 17,255 tonnes. Wheat imports from Ukraine recorded close to a five-fold jump to 19,695 tonnes, while sunflower imports quadrupled to 943,402 tonnes. Rapeseed imports from Ukraine amounted to 30,658 tonnes in 2022 after falling 10.9% from the total quantity imported in the three years that preceded the war. In contrast to 2021, however, Bulgaria's rapeseed imports from Ukraine jumped by 42.1%. As a share of the total imports for each of the four crops in review, Ukrainian rapeseed rose from 24.1% in 2019-2021, to 85% in 2022, sunflower increased from 10.8% to 70.5%, wheat from 3.1% to 35.3%, and maize from 0.4% to 18%.

Last year, Ukraine also became a significant trade partner for Croatia and Slovenia, marking a significant change of pace from the three-year period that preceded the war, when trading in the four crops was virtually non-existent. Croatia's maize imports from Ukraine reached 46,102 tonnes in 2022, skyrocketing from only 131.7 tonnes in the 2019-2021 period. After no recorded imports of Ukrainian sunflower and rapeseed in the three years prior to the war, these rose to 14,506 tonnes and 663 tonnes, respectively, in 2022. Ukrainian wheat, on the other hand, did not find its way into Croatia's granaries between 2019 and 2022. Ukraine was the source of 39.7% of Croatia's maize imports in 2022, compared to a share of 0.1% in 2019-2021. Ukrainian sunflower made up 29.1% of all sunflower imports into Croatia during 2022, while rapeseed sliced a 5.1% share in the country's total imports of that crop.

Slovenia's grain trade dynamics with Ukraine was similar to Croatia's, with maize imports swiftly accelerating in 2022, while sunflower and rapeseed imports going from being absent in the three years prior to the war to making significant contributions in the overall trade landscape. Maize imports from Ukraine rose over five-fold to 199,051 tonnes in 2022, compared to the total quantity imported in 2019-2021. Sunflower imports from Ukraine totalled 726 tonnes, while Ukrainian rapeseed trailed closely behind, at 719 tonnes. Slovenia was also the recipient of 26,805 tonnes of Ukrainian wheat in 2022 – 5.6% of the country's total wheat imports that year. After three years of absence from Slovenia's import mix, Ukrainian rapeseed and sunflower made up 88.6% and 25.4% of the country's total imports in 2022. Maize imports galloped from a share of just 1.8% in total maize imports in 2019-2021, to 28% in 2022.

In Moldova, Ukraine's role as a major trade partner continued to grow further in the months following the Russian invasion. Despite recording the lowest quantity among the four crops in 2022, rapeseed imports from Ukraine saw the fastest acceleration compared to the total value recorded from 2019 to 2021 – a 664-fold jump to 9,298 tonnes. This amount constituted a staggering 97.3% of Moldova's total rapeseed imports in 2022, jumping from a share of just 2.2% in the cumulative quantity imported in the three years prior to the war.

Sunflower imports from Ukraine came in at the largest volume in 2022, of 87,091 tonnes, growing over 25 times. Ukrainian sunflower made up 95.7% of Moldova's total sunflower imports in 2022, compared to a share of 24.2% in 2019-2021. The quantity of Ukrainian maize imported into Moldova reached 74,884 tonnes in 2022, growing 14.5 times compared to the 2019-2021 period. While Ukraine accounted for delivering 11.2% of Moldova's maize imports in 2019-2021, in 2022 its share rose to to 93%. Moldova's wheat imports from Ukraine climbed at a relatively slower place compared to other crops in 2022, as they had already made up 74.7% of Moldova's total wheat imports from 2019 to 2021. Thus, in 2022, imports of Ukrainian wheat saw close to a five-fold increase to 24,673 tonnes, or 98.4% of Moldova's total wheat imports.

Despite bumps on NGEU road, investments that mostly rely on EU funds seen as key growth driver*

By Elizabeta Sabolek Resanovic

Economic analyst, Raiffeisen Research

NGEU supposed to lift growth prospects further

Designed as a temporary funding instrument of the European Union that can mobilise up to 723 billion euro (at 2022 prices) in grants and loans, the NGEU was established to encourage the completion of investments and structural reform measures. The ECB staff estimate that, the NGEU may increase the level of real GDP in the euro area by up to 1.5% by 2026 if fully implemented (**The economic impact of Next Generation EU: a euro area perspective (europa.eu)**). This makes quite a difference as it will lift growth prospects further.

Two and a half years into the life of the programme, the question should be asked: "Is the NGEU on track? "

The RRF disbursements of **grants** to EU countries have so far reached 107 billion euro. This amounts to more than 30% of the total envelope expected to be requested by EU countries in the period 2021-2026. At EU level, the most successful country in terms of funds withdrawal is Spain where the third payment has been disbursed already while Greece, Italy and Croatia have submitted a request for the third tranche. Among the CEE countries, **the second payment has been disbursed only to Croatia and Slovakia.** Up to now, only Croatia has submitted an application for the third payment. In some countries, the required structural reforms were delayed, and as these are the preconditions for funds disbursement, there has been a knock-on effect on the schedule for payments. This, above all, refers to the situation in **Poland** and **Hungary**. Poland is still in the process of fulfilling the milestones required to release the NGEU funds. Within this process, a bill that should support an agreement with the EU was sent by the President for an assessment to the Constitutional Tribunal. The Tribunal itself is at the heart of the disputed judiciary reform and has not been able to gather and decide on the bill. As a result, this again delays the release of the funds. Moreover, the upcoming Parliamentary elections in October additionally complicate the process from a political point of view. As of now, it cannot be excluded that no agreement is reached before the elections which would mean that any payments would come only in 2024. In the case of Hungary, although the country has managed to avoid the worst-case scenario (i.e. irreversible loss of EU funds) towards the end of 2022, there is still no agreement on the contentious issues and, accordingly, the RRF and cohesion funds are still to be released. Like in the case of Poland, access to the funds is secured only if the Hungarian government fulfils 27 "super milestones". Bottom line: EU funds are unlikely to support Hungary's economic growth in 2023.

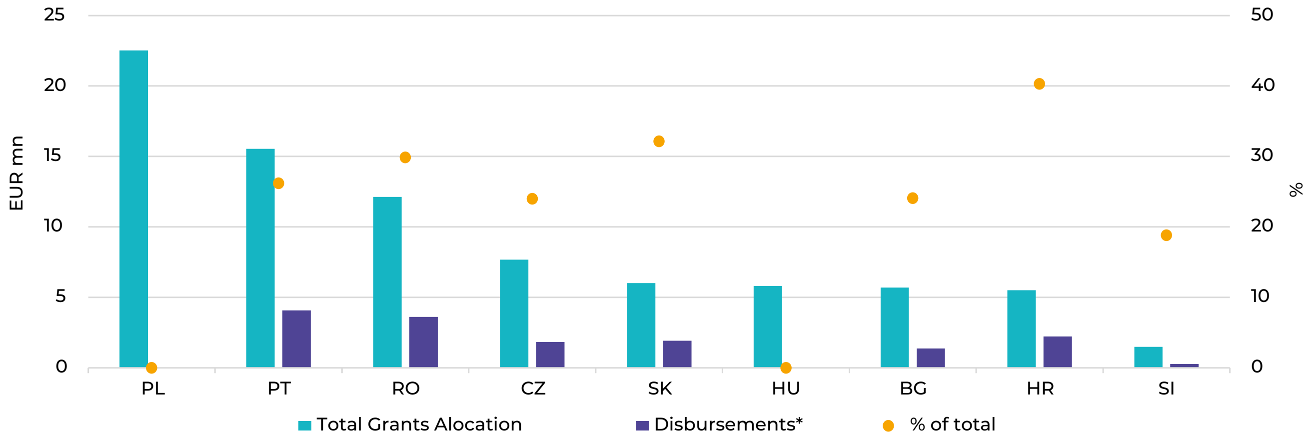
Strengthening of the power of the RRF in the framework of the REPowerEU plan

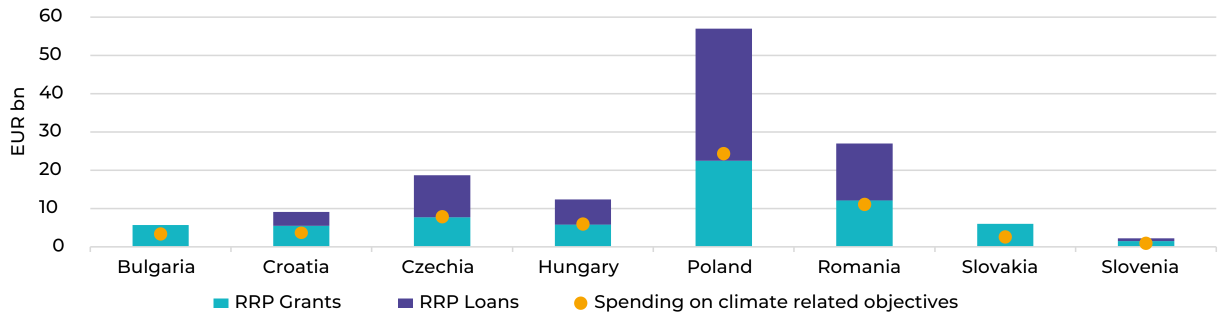
A significant change in the geopolitical situation, particularly the war in Ukraine, prompted the European Commission (EC) to propose a strengthening of the power of the RRF in the framework of the REPowerEU plan. The REPowerEU Plan aims to rapidly decrease the European Union's dependency on Russian fossil fuels. Under the REPowerEU regulation, which entered into force in March 2023, Member States wishing to benefit from the increased financial envelope of the RRF have to modify their recovery and resilience plan to include a REPowerEU chapter, listing reforms and investments that will deliver on the objectives of the REPowerEU Plan. The modified plans (containing REPowerEU chapters) had to be submitted no later than August 2023.

Close to 270 billion euro of REPowerEU funds are available for member states, including 20 billion euro in new grants, 5.4 billion euro of funds from the Brexit Adjustment Reserve and the remaining 225 billion euro of the RRF loans that the member states can use for REPowerEU purposes. So far, 17 out of 27 countries have submitted their modified plans.

Speed and efficiency of withdrawal of the available funds as a biggest risk

Bearing in mind that the NGEU can only reach its full





potential if all national reform and investment plans are implemented in a timely, efficient, and effective way, the question of **potential risks arises, especially in terms of speed and efficiency of withdrawal of the available funds.** Besides the already mentioned postponed disbursement requests due to a delay in required structural reforms, like in the case of Poland and Hungary, some countries have postponed their investments funded by the RRF. The reason for such a development that increases implementation risk, should be sought, on the one hand, in the energy crisis and higher inflation that have been raising new challenges, such as the strong need for revision of procurement contracts or public tenders due to higher inflation or difficulties to access the necessary materials, equipment i.e. due to bottlenecks. On the other hand, the other obstacle that arises in a lot of countries relates to **limitations in administrative capacity** and political hurdles.

Past country performances in the absorption of EU funds call for a cautious stance. According to data from the European Commission, of the countries addressed in this report, by the end of 2020, only Hungary (62.4%) and Poland (60.5%) had absorbed more than 60% of EU funds under the 2014-2020 Multiannual Financial Framework. However, the possibility of using the funds from the financial envelope until 2023 (n+3 rule) leads us to a conclusion of faster absorption as the financial envelope approaches its maturity. Namely, the EC data from August 2023 show Poland (93%) and Slovenia (90%) as so far being the most successful in withdrawing funds, while Slovakia and Croatia, with 76% and 78% respectively, are at the bottom of the scale. Therefore, the question arises whether the six-year NGEU horizon will be sufficient for stronger absorption.

Summary: EU funds - supposed to be one of the key drivers of growth....

However, despite all the obstacles on the NGEU roadmap, **investments that mostly rely on EU funds are supposed to be one of the key drivers of growth** this year as well as in the years ahead. This can be read clearly already from the 2023 available economic indicators, but also from the projections of CEE countries for the upcoming period. Nevertheless, it is worth emphasizing that the generous resources available through the funds are not only an **opportunity** for the CEE countries **but also for a lot of foreign companies which operate in the CEE markets.**

*This text was first published as part of the publication: Two and half years after its adoption, is NGEU on track? (raiffeisenresearch.com)

Raiffeisen Bank International

Fostering Economic Growth and Sustainability: how to unlock EU Funds potential in CEE

Maximilian Plank,
Export & Investment Finance, RBI

Can you explain the Next Generation EU (NGEU) funding instrument and its progress?

The NGEU is a temporary funding instrument of the European Union designed to mobilise up to 723 billion euro in grants and loans to encourage investments and structural reform measures. If fully implemented, the NGEU could increase the real GDP in the euro area by up to 1.5 percentage points by 2026, significantly lifting growth prospects. As of now, two and a half years into the program, the Recovery and Resilience Facility (RRF) disbursements have reached 107 billion euro, which is more than 30% of the total expected to be requested by EU countries in the period 2021-2026.

How are Central and Eastern European (CEE) countries performing in terms of accessing these funds?

The performance varies among CEE countries. Among the CEE countries, only Croatia and Slovakia have received the second disbursement. Croatia is the only CEE country to have submitted an application for the third payment. In some countries like Poland and Hungary, required structural reforms have been delayed, affecting the disbursement schedule.

In summary, how important are the EU funds for growth in the CEE region?

Despite the obstacles, EU funds are expected to be one of the key drivers of growth in the coming years. This is evident from the 2023 economic indicators and projections for CEE countries. The funds also present significant opportunities for foreign companies operating in the CEE markets. However, the successful utilization of these funds depends on efficient management and timely implementation of necessary reforms.

Could you expand on the economic impact of EU funds?

EU funds have a significant multiplier effect on the economy. They provide much-needed capital for businesses to invest in research and development, innovation, infrastructure, environmental protection, and training. This can lead to job creation, increased competitiveness, and improved products or services, all of which contribute to economic growth.

Looking ahead to 2024, which Central and Eastern European (CEE) countries do you see as having the most potential in terms of EU Funds and the Recovery and Resilience Facility (RRF)?

As we look ahead to 2024, several Central and Eastern European (CEE) countries are emerging as frontrunners in the race for EU Funds and the Recovery and Resilience Facility (RRF). Maybe just to pick some examples: Poland, despite current delays in accessing funds due to postponed structural reforms, has a strong track record of absorbing EU funds. With its large population and robust economy, Poland possesses significant potential for future funding. Once the current issues are resolved, we can expect Poland to actively tap into the available EU funds and RRF.

Croatia, meanwhile, has shown a high level of engagement with the RRF. It is the only CEE country to have submitted an application for the third payment, suggesting a proactive approach and a high potential for further funding. This level of initiative bodes well for Croatia's future in accessing and utilising EU funds.

Lastly, Romania and Bulgaria, with their substantial development needs, are countries with high potential for EU funds. These nations have opportunities to significantly improve areas such as infrastructure, digital transformation, and the green economy, using the available EU funds.
However, it's important to note that the potential of these countries isn't just about the funds accessible to them. It also heavily depends on their ability to effectively manage and utilize these funds and implement necessary reforms. The road ahead is paved with opportunities, and these CEE countries are well-positioned to leverage EU funds for economic growth and development.

How can banks, such as Raiffeisen Bank International, support their customers and promote growth?

Banks can play a crucial role in supporting their customers and fostering growth in several ways. Firstly, they can provide Financial Advisory services, helping customers understand various EU funding programs, identify suitable opportunities, and prepare successful applications. Secondly, once the funds are received, they can assist customers in managing these funds effectively. This involves ensuring compliance with EU regulations and following best practices in financial management. Lastly, banks can offer tailored financing solutions and investment opportunities that align with their customers' business goals and the broader economic growth agenda.

Can you discuss the role of banks in supporting the necessary transition towards energy efficiency and emission reduction in the light of EU Funds?

The goal of EU funds is to support economic development across the European Union, particularly in less developed regions, and to promote cohesion and reduce disparities among various regions. The funds aim to stimulate growth, create jobs, and promote innovation and competitiveness. They also support various policy objectives of the EU, such as climate change mitigation, environmental protection, social inclusion, research and development, digital transformation, and public health.

The transition towards a more sustainable, low-carbon economy is a major challenge that requires significant investment. Banks have a crucial role to play in this transition.

Firstly, banks can provide financing for green projects. This could include loans for renewable energy projects, energy-efficient building construction, or the development of low-emission technologies. By providing capital for these projects, banks can help accelerate the transition to a greener economy.

Secondly, banks can offer advisory services to help businesses understand and navigate the complex landscape of green financing. This includes providing advice on available green grants, loans, and tax incentives, as well as assistance in applying for these funds.

Thirdly, banks can support the transition by integrating environmental, social, and governance (ESG) criteria into their lending and investment decisions. This can encourage businesses to adopt more sustainable practices.

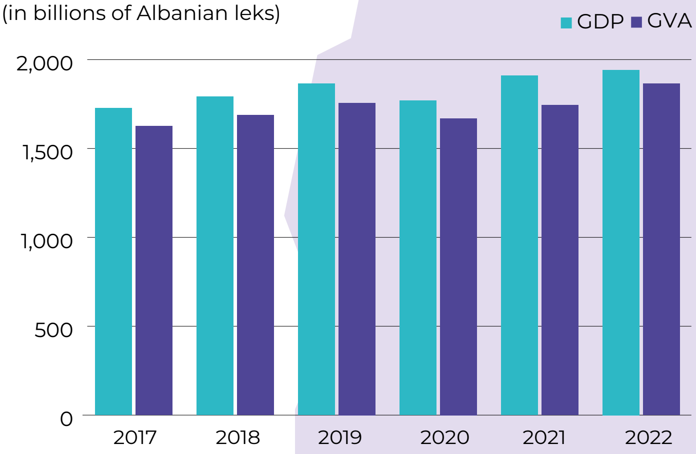
Albania

TOP 10

(in millions of euro)

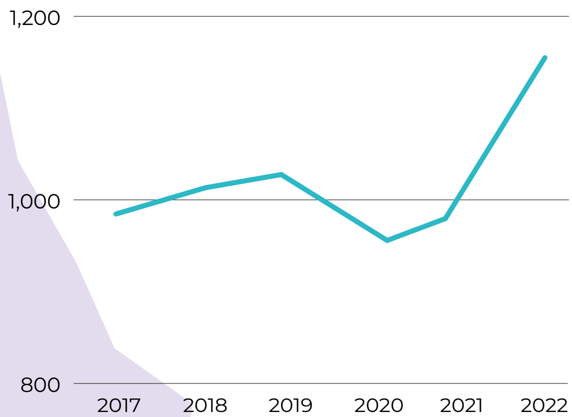
Rank	Company name	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021
1	Kastrati Group Sh.a.	Petroleum/Natural Gas	819.69	539.02	41.87%	-8.90	39.79
2	Info-Telecom Sh.p.k.	Telecommunications	403.57	298.06	26.32%	9.17	5.31
3	Gega Oil Group Sh.a.	Petroleum/Natural Gas	387.68	294.71	22.73%	1.30	1.25
4	Ener Trade Sh.p.k.	Electricity	374.24	142.67	144.71%	11.97	8.86
5	Kastrati Sh.p.k.	Petroleum/Natural Gas	188.66	126.69	38.93%	-3.43	0.58
6	Europetrol Durres Albania Sh.a.	Petroleum/Natural Gas	173.40	151.15	7.02%	0.39	0.62
7	Inter Distribution Services Sh.p.k.	Wholesale/Retail	154.91	120.42	20.02%	2.02	1.65
8	Devoll Hydropower Sh.a.	Electricity	154.66	72.76	98.30%	162.73	0.99
9	Agna Sh.a.	Wholesale/Retail	154.28	136.59	5.38%	4.65	5.00
10	AV International Group Sh.a.	Petroleum/Natural Gas	145.28	74.63	81.61%	1.11	0.37

GDP and GVA
(in billions of Albanian leks)



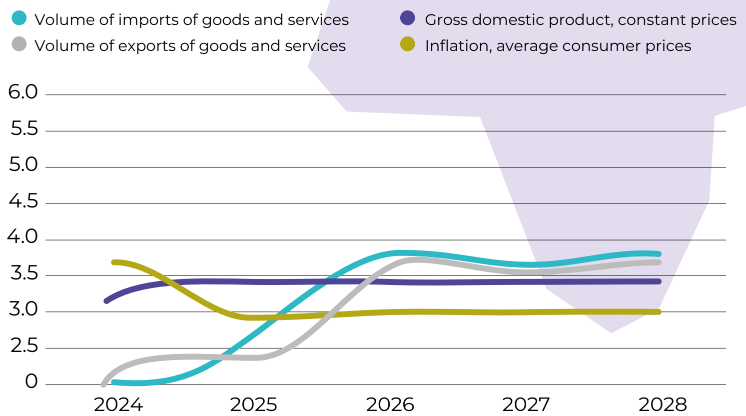
Source: Institute of Statistics

FDI
(in millions of euro)



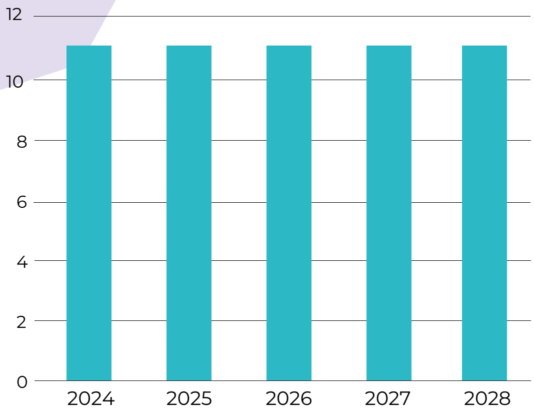
Source: Bank of Albania

ALBANIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

Bosnia and Herzegovina

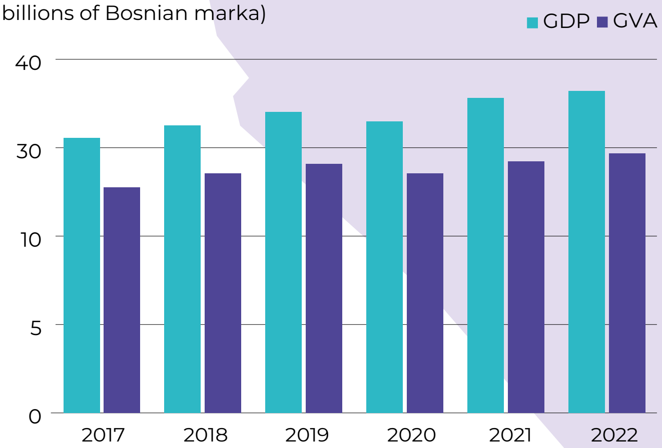
TOP 10

(in millions of euro)

Rank	Company name	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021
1	Bingo d.o.o. Tuzla *	Wholesale/Retail	819.79	716.28	14.45%	59.89	44.06
2	Holdina d.o.o. Sarajevo *	Petroleum/Natural Gas	812.26	562.99	44.28%	2.37	2.28
3	JP Elektroprivreda BiH d.d. *	Electricity	651.78	574.42	13.47%	3.14	6.34
4	MH Elektroprivreda Republike Srpske MP a.d.	Electricity	554.53	421.83	31.46%	3.20	34.96
5	ArcelorMittal Zenica d.o.o. *	Metals	526.12	490.79	7.20%	21.05	101.82
6	Aluminij Industries d.o.o. *	Metals	492.27	240.17	104.97%	28.58	15.03
7	Optima Grupa d.o.o. Banja Luka	Petroleum/Natural Gas	471.97	257.16	83.53%	-14.46	-99.34
8	Hifa-Oil d.o.o. *	Petroleum/Natural Gas	415.79	278.27	49.42%	10.26	6.83
9	G-Petrol d.o.o. Sarajevo *	Petroleum/Natural Gas	398.44	354.74	12.32%	1.19	-0.09
10	Hifa - Petrol d.o.o. *	Petroleum/Natural Gas	370.86	246.99	50.15%	8.00	6.29

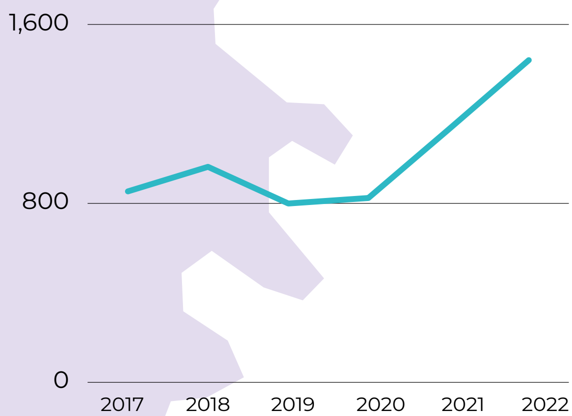
* net sales revenue instead of total revenue for 2022

GDP and GVA
(in billions of Bosnian marka)



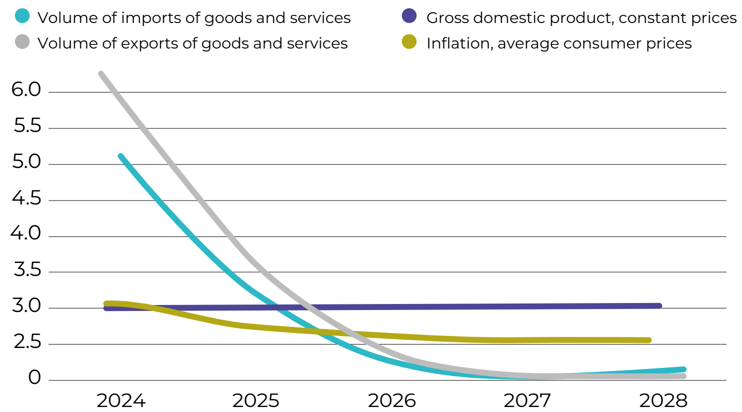
Source: Institute of Statistics

FDI
(in millions of Bosnian marka)



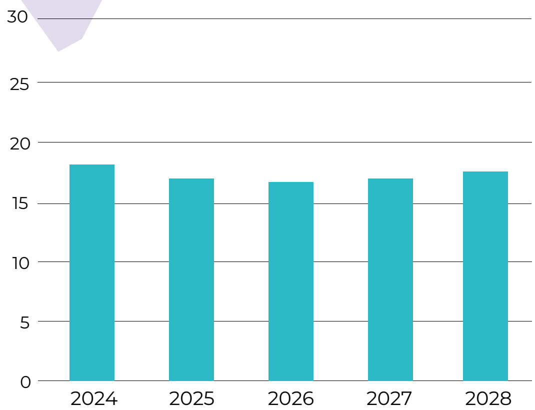
Source: Central Bank of Bosnia and Herzegovina

BOSNIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

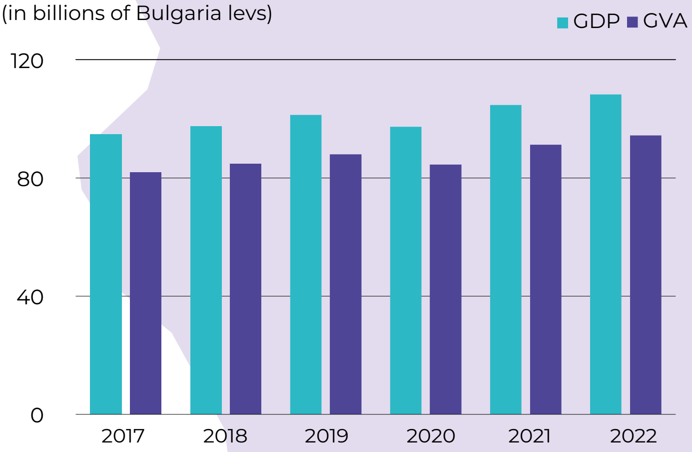
Bulgaria

TOP 10

(in millions of euro)

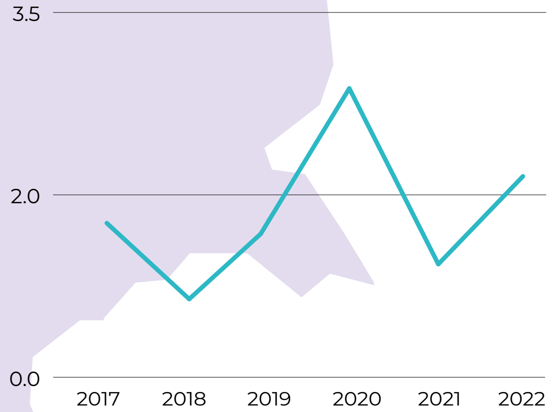
Rank	Company name	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021
1	Aurubis Bulgaria AD	Metals	4,214.41	3,399.68	23.96%	255.27	149.34
2	Astra Bioplant EOOD	Petroleum/Natural Gas	3,932.84	1,706.12	130.51%	63.67	116.13
3	Lukoil-Bulgaria EOOD	Petroleum/Natural Gas	3,771.73	1,649.73	128.63%	76.29	38.53
4	AETs Kozloduy EAD	Electricity	3,099.19	1,390.04	122.96%	372.97	455.21
5	Axpo Bulgaria EAD	Petroleum/Natural Gas	3,077.98	504.97	509.54%	20.61	9.03
6	Natsionalna Elektricheska Kompania EAD	Electricity	2,697.84	2,105.51	28.13%	553.86	332.39
7	Bulgargaz EAD	Petroleum/Natural Gas	2,520.00	1,091.94	130.78%	-51.35	32.67
8	TETs Maritsa Iztok 2 EAD	Electricity	2,049.76	686.07	198.77%	608.30	-70.26
9	MET Energy Trading Bulgaria EAD	Electricity	1,900.64	373.26	409.21%	14.34	19.67
10	BA Glass Bulgaria EAD	Glass Products	1,457.87	1,027.62	41.87%	75.93	64.76

GDP and GVA
(in billions of Bulgaria levs)



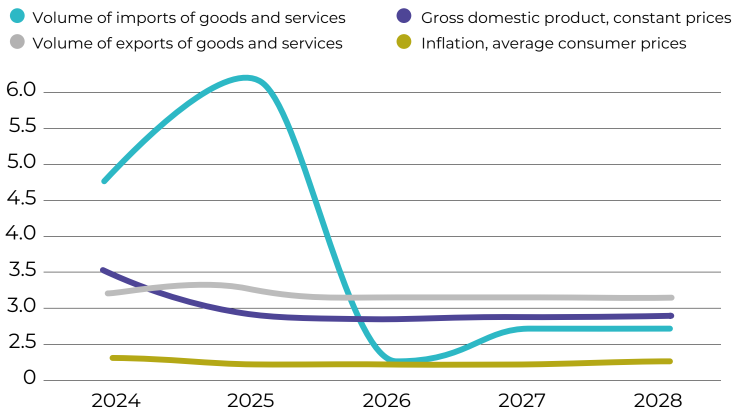
Source: Institute of Statistics

FDI
(in billions of euro)



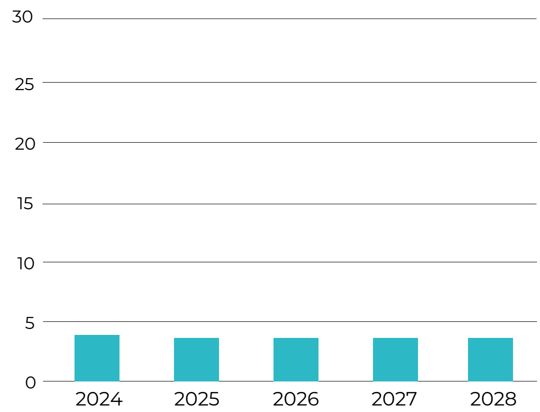
Source: Bulgarian National Bank

BULGARIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

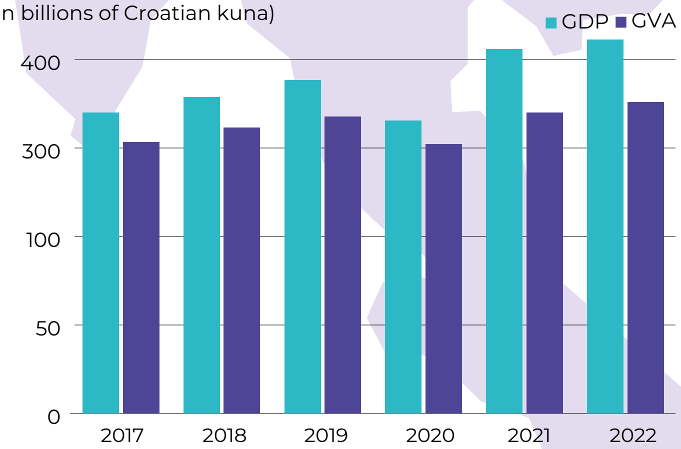
Croatia

TOP 10

(in millions of euro)

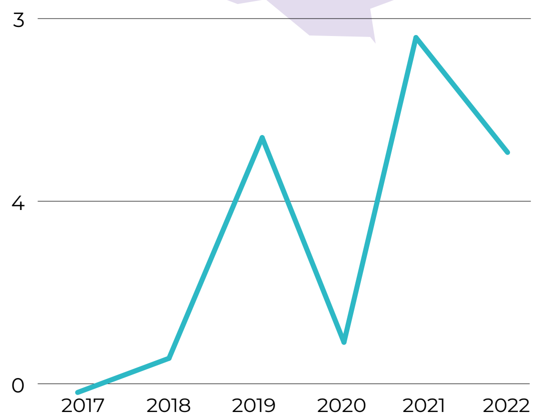
Rank	Company name	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021
1	INA d.d.	Petroleum/Natural Gas	4,644.60	2,964.57	56.93%	243.75	165.60
2	Prvo Plinarsko Drustvo d.o.o.	Petroleum/Natural Gas	4,366.92	2,798.59	56.30%	38.84	34.82
3	Hrvatska Elektroprivreda d.d.	Electricity	2,473.61	1,373.72	80.36%	-620.73	140.89
4	MVM CEEnergy Croatia d.o.o.	Electricity	1,720.59	468.40	267.93%	5.83	-18.70
5	Konzum Plus d.o.o.	Wholesale/Retail	1,597.81	1,405.20	13.89%	17.44	5.36
6	HEP-Proizvodnja d.o.o.	Electricity	1,510.23	689.79	119.30%	0.57	39.39
7	MET Croatia Energy Trade d.o.o.	Electricity	1,280.22	162.73	688.01%	2.76	3.13
8	Petrol d.o.o.	Petroleum/Natural Gas	1,227.15	567.42	116.62%	-2.85	20.86
9	Lidl Hrvatska d.o.o. k.d.	Wholesale/Retail	1,046.96	872.00	20.26%	52.02	50.55
10	Hrvatski Telekom d.d.	Telecommunications	829.43	809.79	2.59%	92.22	88.51

GDP and GVA
(in billions of Croatian kuna)



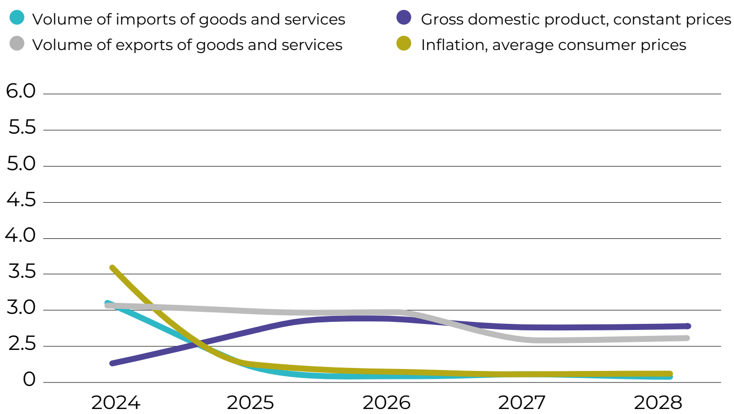
Source: Institute of Statistics

FDI
(in billions of euro)



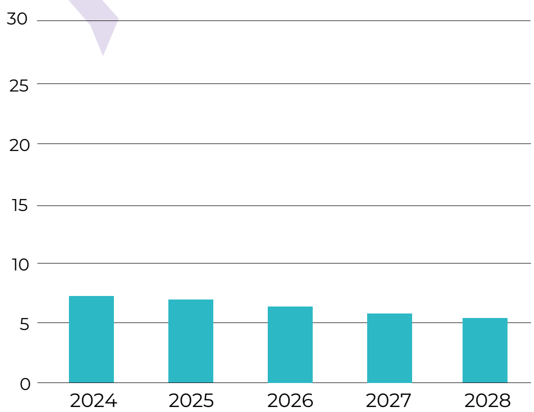
Source: Croatian National Bank

CROATIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

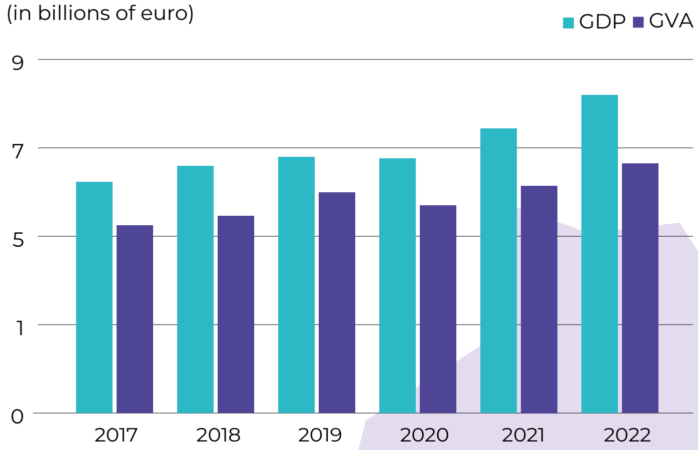
UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

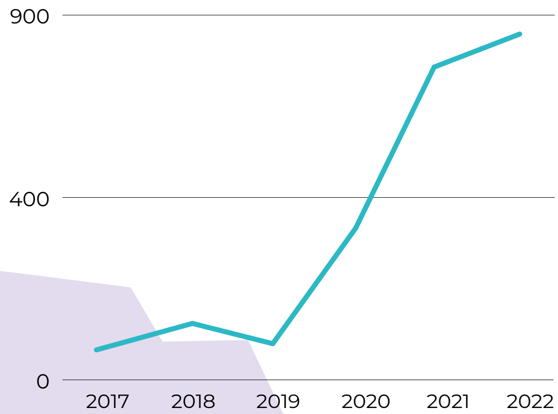
Kosovo

GDP and GVA
(in billions of euro)



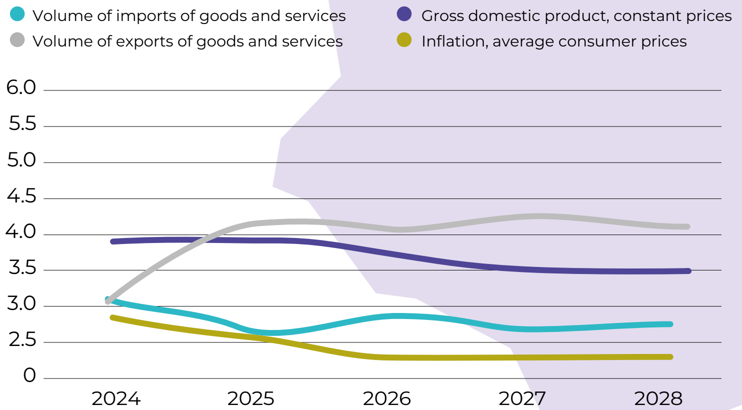
Source: Institute of Statistics

FDI
(in millions of euro)



Source: Bank of Kosovo

KOSOVO ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

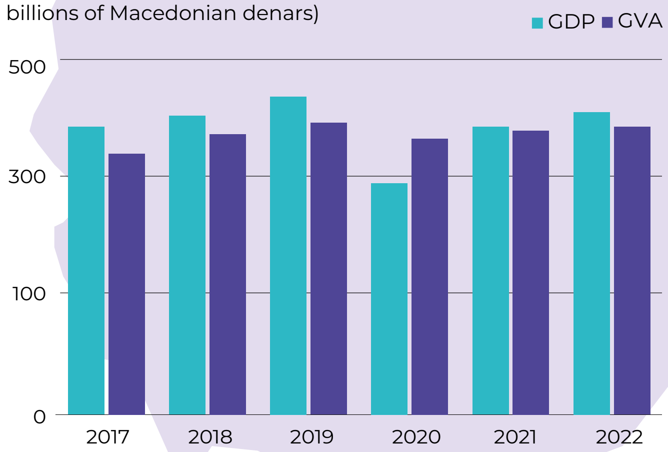
North Macedonia

TOP 10

(in millions of euro)

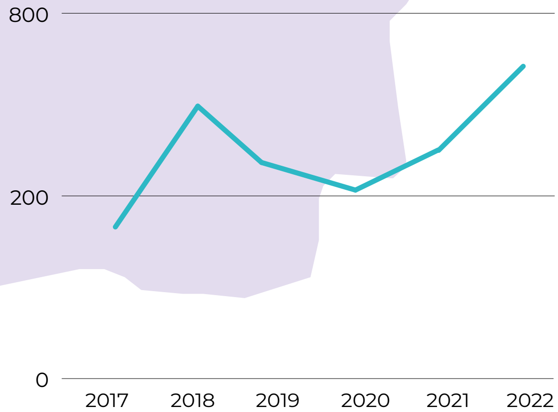
Rank	Company name	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021
1	Johnson Matthey DOOEL	Chemicals	2,477.32	2,077.13	19.10%	72.76	79.76
2	Okta AD	Petroleum/Natural Gas	976.34	425.05	129.38%	8.88	6.14
3	Makpetrol AD	Petroleum/Natural Gas	611.52	365.04	67.29%	20.99	22.31
4	Elektrani na Severna Makedonija AD	Electricity	554.42	259.13	113.65%	36.60	-28.07
5	EVN Home DOO	Electricity	500.65	335.36	49.08%	8.90	-0.70
6	GEN-I Energy Sales DOOEL	Electricity	330.87	194.75	69.66%	0.36	0.36
7	TE-TO AD	Electricity	321.59	132.33	142.69%	11.32	20.58
8	Kromberg & Schubert Makedonija BT DOOEL	Automobiles	250.47	210.54	18.80%	4.38	2.54
9	Elektrodistribucija DOOEL	Electricity	236.93	166.29	42.28%	-25.91	-39.76
10	Kam DOO	Wholesale/Retail	232.70	187.30	24.07%	4.95	5.07

GDP and GVA
(in billions of Macedonian denars)



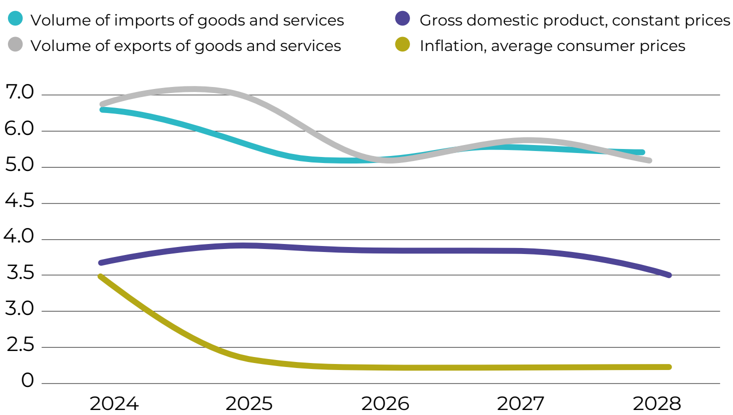
Source: Institute of Statistics

FDI
(in millions of euro)



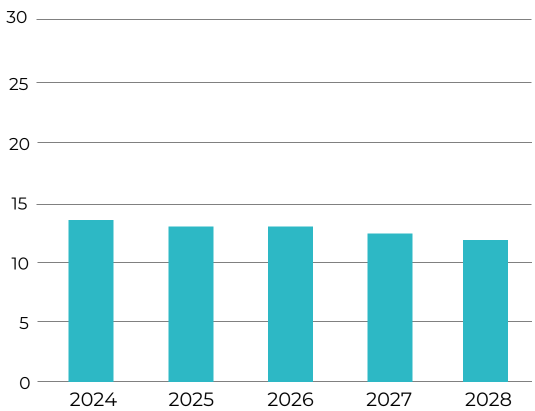
Source: Bank of North Macedonia

NORTH MACEDONIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

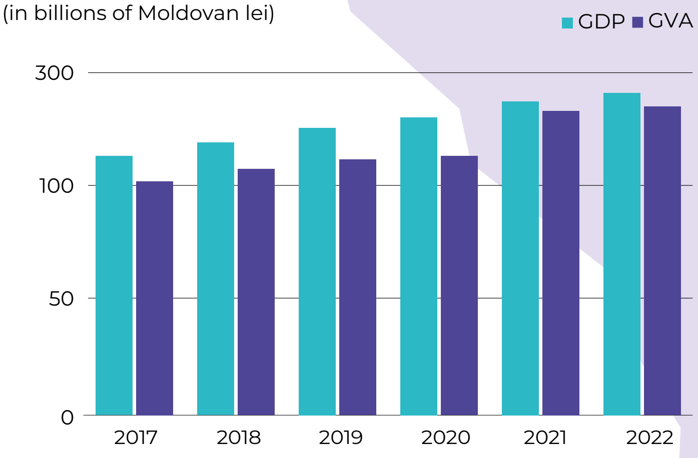
Moldova

TOP 10

(in millions of euro)

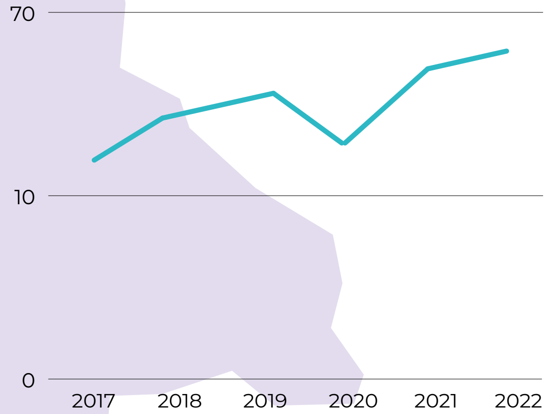
Rank	Company name	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021
1	Moldovagaz SA	Petroleum/Natural Gas	812.36	321.21	146.30%	-15.86	-9.12
2	Lukoil - Moldova SRL	Petroleum/Natural Gas	580.35	285.53	97.95%	2.59	2.88
3	Rompetrol Moldova SA	Petroleum/Natural Gas	491.96	223.41	114.45%	1.09	0.46
4	Energocom SA	Electricity	429.28	106.18	293.75%	6.99	0.42
5	Moldretail Group SRL	Wholesale/Retail	403.58	285.97	37.44%	15.19	13.25
6	Floarea Soarelui SA	Food/Drinks/Tobacco	381.18	101.16	266.98%	32.88	7.27
7	Premier Energy SRL	Electricity	364.48	205.23	72.96%	18.62	1.99
8	Loteria Nationala a Moldovei SA	Entertainment	348.97	213.04	59.53%	8.35	5.04
9	Agrofloris - Nord SRL	Agriculture	264.85	293.21	-12.03%	2.58	-8.56
10	Petrom Moldova SRL	Petroleum/Natural Gas	263.49	100.69	154.85%	-3.39	-0.21

GDP and GVA
(in billions of Moldovan lei)



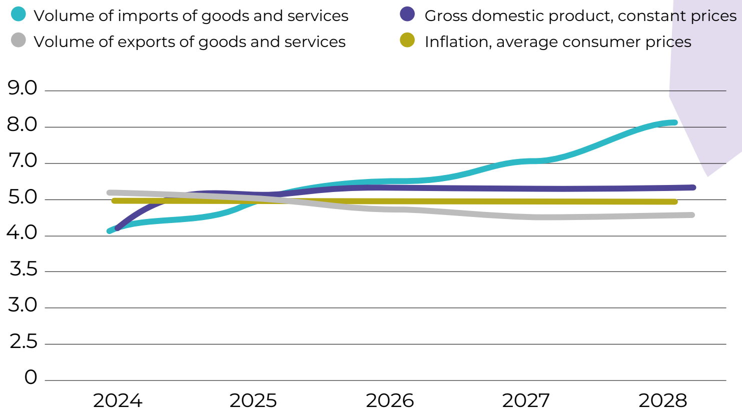
Source: Institute of Statistics

FDI
(in millions of US dollars)



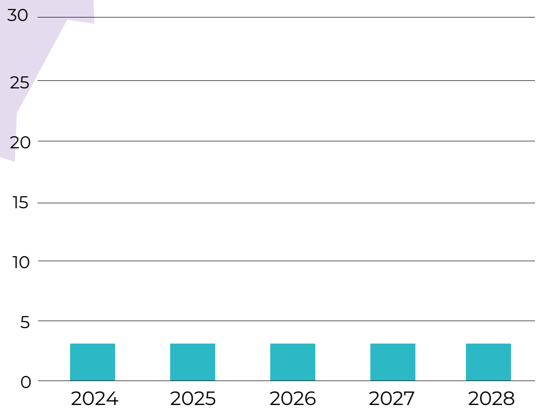
Source: Bank of Moldova

MOLDOVA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

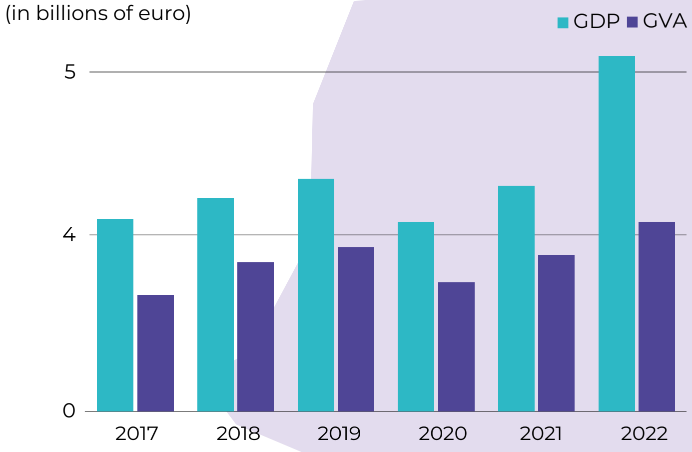
Montenegro

TOP 10

(in millions of euro)

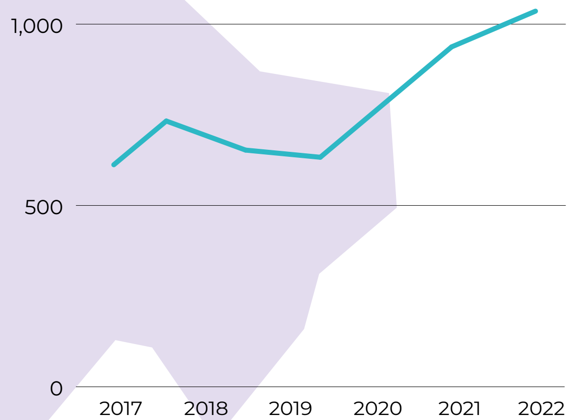
Rank	Company name	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021
1	Elektroprivreda Crne Gore A.D.	Electricity	526.78	392.08	34.36%	4.29	47.45
2	Jugopetrol A.D.	Petroleum/Natural Gas	314.94	150.98	108.60%	11.97	5.53
3	Voli Trade D.O.O.	Wholesale/Retail	312.43	256.32	21.89%	11.61	5.36
4	Hard Discount Lakovic D.O.O.	Wholesale/Retail	197.13	166.29	18.54%	5.60	4.78
5	Uniprom D.O.O.	Transportation	171.54	117.23	46.33%	18.31	8.47
6	Mercator-CG D.O.O.	Wholesale/Retail	146.12	103.51	41.16%	-0.98	-2.88
7	INA - Crna Gora D.O.O.	Petroleum/Natural Gas	122.59	86.76	41.30%	-0.02	-0.70
8	Crnogorski Elektrodistributivni Sistem D.O.O.	Electricity	121.25	105.85	14.55%	-11.68	-9.85
9	Crnogorski Elektroprenosni Sistem A.D.	Electricity	120.81	77.00	56.90%	20.28	16.85
10	Zdravstvena Ustanova Apoteke Crne Gore Montefarm	Wholesale/Retail	113.15	99.73	13.46%	1.13	0.84

GDP and GVA
(in billions of euro)



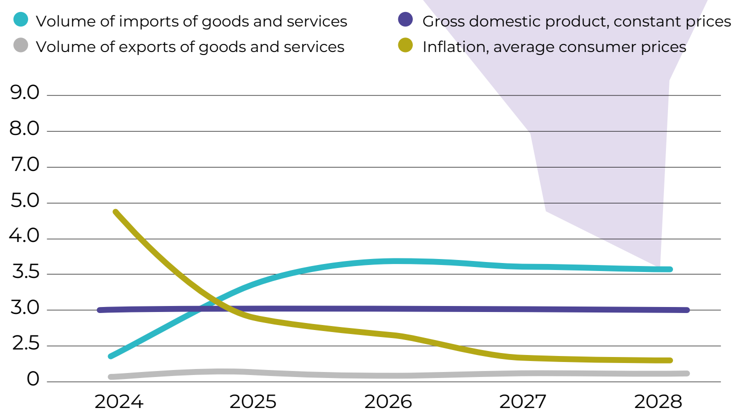
Source: Institute of Statistics

FDI
(in millions of euro)



Source: Bank of Montenegro

MONTENEGRO ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

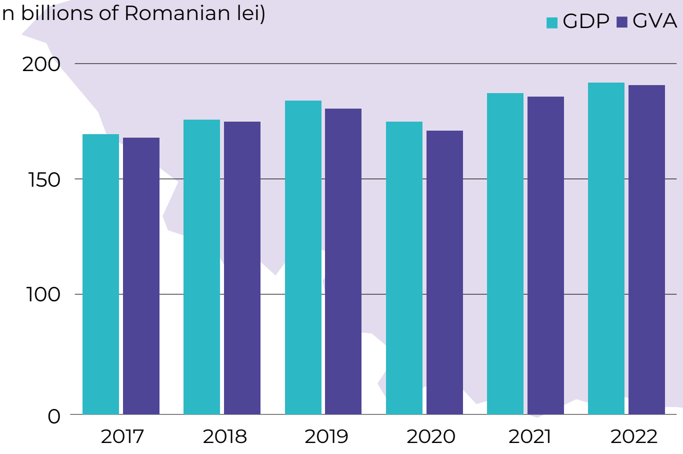
Romania

TOP 10

(in millions of euro)

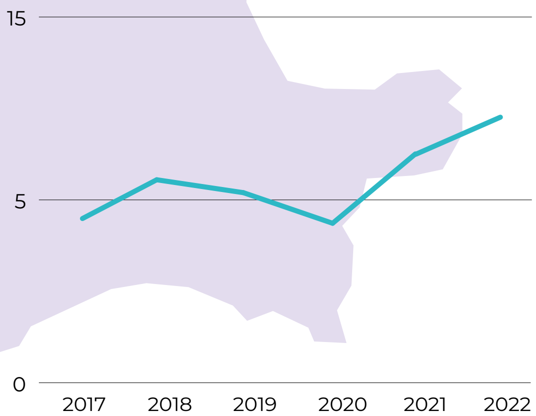
Rank	Company name	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021
1	OMV Petrom SA	Petroleum/Natural Gas	13,386.95	6,043.50	122.71%	2,079.39	546.34
2	OMV Petrom Marketing SRL	Petroleum/Natural Gas	5,493.59	3,858.83	43.13%	112.35	102.01
3	Automobile-Dacia SA	Automobiles	5,261.81	4,397.95	20.29%	106.48	101.26
4	Rompetrol Rafinare SA	Petroleum/Natural Gas	5,019.48	2,646.14	90.72%	134.67	-91.65
5	Lidl Discount SRL	Wholesale/Retail	3,842.07	3,056.50	26.38%	213.16	149.86
6	Rompetrol Downstream SRL	Petroleum/Natural Gas	3,395.57	2,510.70	35.98%	38.41	18.82
7	Kaufland Romania SCS	Wholesale/Retail	3,256.24	2,847.80	14.96%	178.75	180.26
8	Engie Romania SA	Petroleum/Natural Gas	3,128.33	1,665.05	88.90%	128.89	14.29
9	Ford Otosan Romania SRL	Automobiles	2,907.92	2,376.42	23.03%	-4.94	12.53
10	E.ON Energie Romania SA	Petroleum/Natural Gas	2,860.52	1,455.34	97.62%	-72.54	9.78

GDP and GVA
(in billions of Romanian lei)



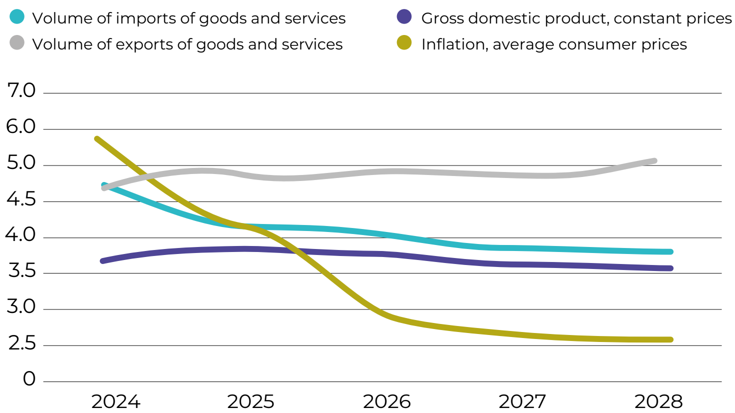
Source: Institute of Statistics

FDI
(in billions of euro)



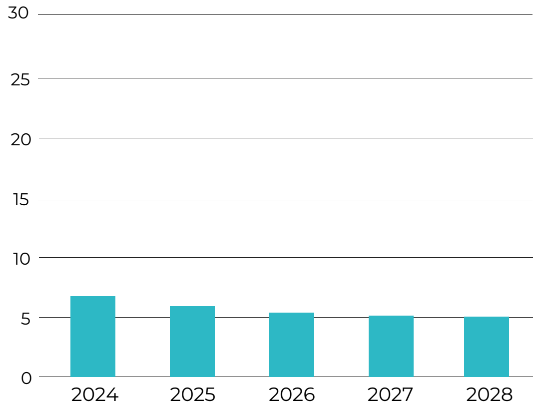
Source: Bank of Romania

ROMANIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

Serbia

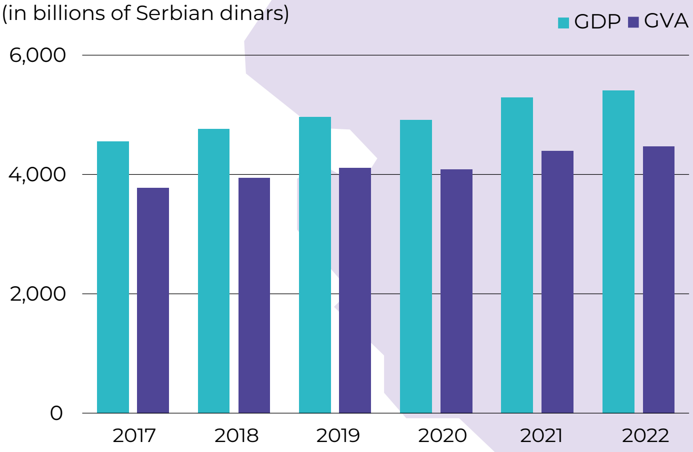
TOP 10

(in millions of euro)

Rank	Company name	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021
1	Naftna Industrija Srbije AD	Petroleum/Natural Gas	4,324.24	2,420.96	77.70%	798.98	196.74
2	Elektroprivreda Srbije AD	Electricity	3,152.29	2,808.22	11.68%	-620.81	-127.83
3	JP Srbijagas	Petroleum/Natural Gas	1,919.68	1,021.52	86.96%	46.92	32.09
4	Delhaize Serbia DOO	Wholesale/Retail	1,176.10	1,026.66	13.97%	57.69	25.29
5	Tigar Tyres DOO	Rubber/Rubber Products	1,154.00	889.91	29.01%	75.62	77.86
6	HBIS Group Serbia Iron & Steel DOO	Metals	1,115.82	1,123.14	-1.16%	-42.44	201.89
7	YugoRosGaz AD	Petroleum/Natural Gas	1,077.62	423.15	153.36%	19.76	9.07
8	Telekom Srbija AD	Telecommunications	1,066.39	954.53	11.15%	114.02	111.78
9	Serbia Zijin Mining DOO	Metals	1,043.56	472.50	119.72%	641.41	292.21
10	Serbia Zijin Copper DOO	Metals	919.02	1,064.01	-14.07%	300.62	202.20

GDP and GVA

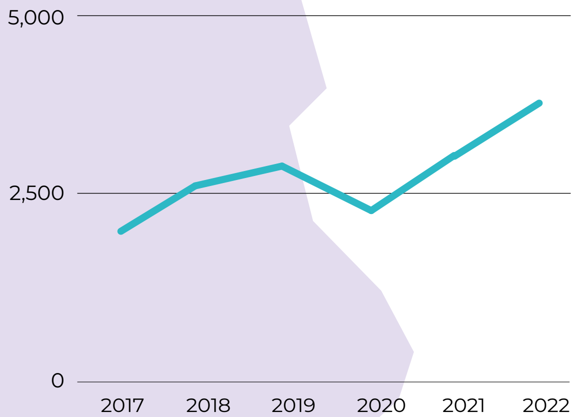
(in billions of Serbian dinars)



Source: Institute of Statistics

FDI

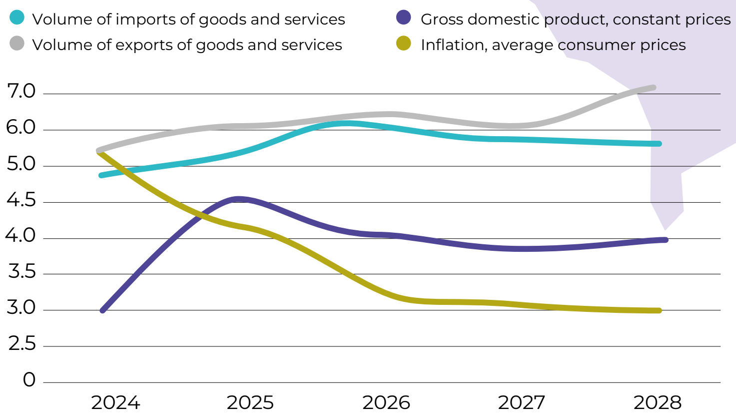
(in millions of euro)



Source: Bank of Serbia

SERBIA ECONOMY FORECAST

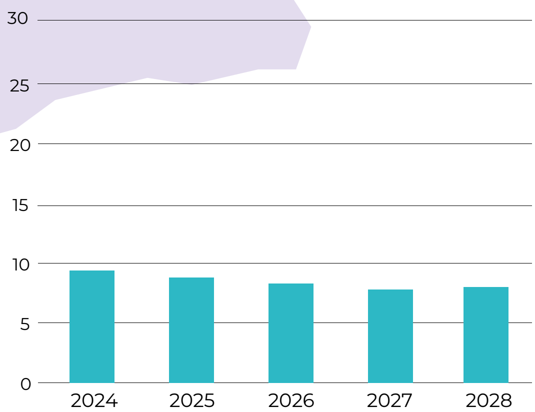
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

UNEMPLOYMENT RATE FORECAST

(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

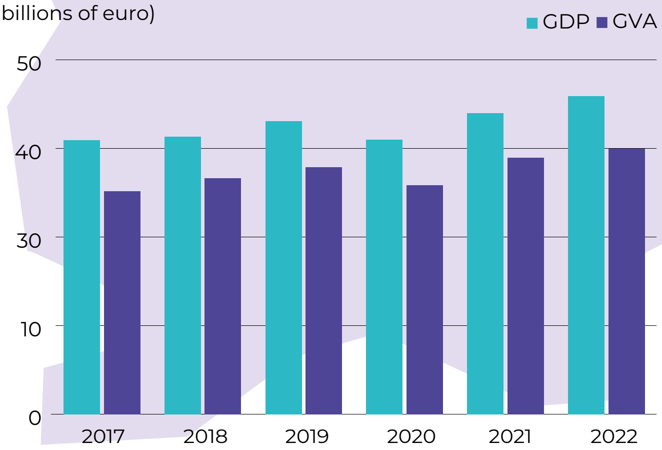
Slovenia

TOP 10

(in millions of euro)

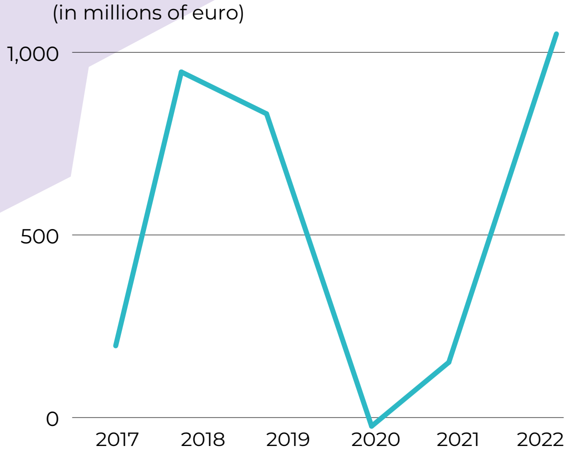
Rank	Company name	Industry	Total revenue 2022	Total revenue 2021	Y/Y change in revenue	Net profit/ loss 2022	Net profit/ loss 2021
1	Petrol d.d.	Petroleum/Natural Gas	7,961.81	3,858.60	106.34%	19.38	66.48
2	Holding Slovenske Elektrarne d.o.o.	Electricity	5,591.47	2,746.26	103.60%	-319.68	18.88
3	GEN-I d.o.o.	Electricity	4,435.45	3,554.22	24.79%	30.76	73.51
4	Belektron d.o.o.	Financial Services	3,165.46	2,460.63	28.64%	27.71	77.78
5	Gorenje d.o.o.	Electronics	2,224.76	2,062.16	7.88%	3.68	-1.17
6	Lek d.d.	Pharmaceuticals	1,591.70	1,295.60	22.85%	163.66	147.01
7	Krka d.d.	Pharmaceuticals	1,558.21	1,388.03	12.26%	348.22	245.22
8	Geoplin d.o.o.	Petroleum/Natural Gas	1,454.97	762.42	90.83%	-28.62	17.52
9	Impol d.o.o.	Metals	1,334.57	1,024.38	30.28%	42.49	36.45
10	Poslovni Sistem Mercator d.d.	Wholesale/Retail	1,276.84	1,232.32	3.61%	-10.36	-3.10

GDP and GVA
(in billions of euro)



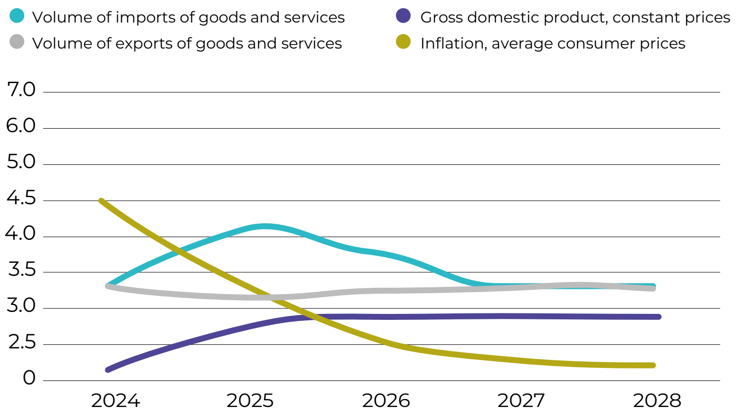
Source: Institute of Statistics

FDI
(in millions of euro)



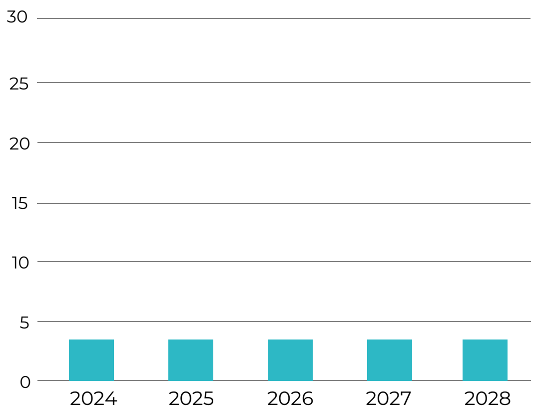
Source: Bank of Slovenia

SLOVENIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2023

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