SeeNews

Business Intelligence for Southeast Europe

10th annual edition

TOP 100 companies South East Europe

2017

VISION 2025	VISION 2025	VISION 2025
Ps	**Pg**	**Tg**
Passion for metallurgy	Metals for **progress**	**Together** with you

WE EXCEL IN METALLURGY:
Fostered by innovation, we are the leader in sustainable processing of primary and secondary raw materials.

WE GROW:
Building on our copper expertise, we expand our business model and strengthen our geographical footprint, ensuring superior financial performance.

WE ARE THE PARTNER OF CHOICE:
Together with our customers and suppliers, we develop value-creating solutions.

WE ACT AS ONE TEAM:
While strengthening the individual capabilities of each employee, we shape the future of Aurubis as one team.

WE IMPROVE EVERY DAY:
In everything we do, we set continuous improvement as a guiding principle.

Our Vision 2025

Passion for metallurgy. Metals for progress.
Together with you.

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Letter from the editor

Strong growth potential, low production costs, obsolete infrastructure and widespread corruption – these phrases appear repeatedly on the pages of our SEE TOP 100 publication over the past ten years to describe a region that businesses find exciting and yet often frustrating.

When SeeNews first published its ranking of the top companies in Southeast Europe in 2008 the region was enjoying robust growth and foreign investors were rushing to grab a slice of its lucrative markets.

"Very diverse and very dynamic with a strong upward trend...Big room for growth and consolidation...luring foreign investors with high yields, a skilled labour force, flexible labour policy and low production costs...a new frontier for investment within Europe," we said back then.

"While there are still stumbling blocks in these markets in terms of infrastructure and governance issues, legislative framework and the level of political stability, Southeast Europe deserves serious attention as a region with considerable potential," we concluded at the time.

Ten years later and following a painful economic downturn which wiped out profits and much of the euphoria, economic growth in Southeast Europe is once again picking up, businesses are reaping the benefits of rising consumption, and foreign investors are returning - despite the same old problems.

All these years, in our analyses, rankings, interviews and feature stories, we have been trying to answer the question what is it that makes a company in our region successful. The answers varied through the years – large-scale investments in production, fiscal prudence, energy efficiency and sustainability have been coming into sharper focus at different points in time.

Looking at the top performers today, we can point to three essential features of the profile of a successful SEE-based company: access to big foreign markets - often the result of foreign ownership, integration of the full range of business-specific activities, and willingness to embrace innovations.

Southeast Europe's top company in terms of total revenue this year, car maker Automobile Dacia, has them all.

We pick up this thread from our flagship ranking of the biggest non-financial companies in the region and take it through the list of the leading banks and insurers, interviews with the chart toppers and analyses of the most profitable industries, weaving different success stories into the picture of facts and figures.

For those of you who want the brief tour, Vazil Hudak, vice-president of the European Investment Bank, the biggest international lender to the region, sums it up: "The countries in the region are small, so they need to broaden their market, and that means they need to be able to work across borders […] To be competitive you need to invest in R&D and technology."

Nevena Krasteva
Editor-in-chief

in millions of euro

2016	2015	Company name	Country	Industry	Total revenue 2016	Total revenue 2015	Y/Y change in revenue	Net profit/ loss 2016	Net profit/ loss 2015	Rank by net profit/ loss
1	1	Automobile-Dacia SA	Romania	Automobiles	4 619	4 290	8.07%	100.5	99.0	16
2	4	Petrol d.d.	Slovenia	Petroleum/Natural Gas	3 214	3 114	3.20%	43.7	30.1	32
3	3	OMV Petrom Marketing SRL	Romania	Petroleum/Natural Gas	3 211	3 322	-2.97%	84.9	73.2	18
4	2	OMV Petrom SA	Romania	Petroleum/Natural Gas	3 100	3 554	-12.46%	199.9	-139.4	3
5	5	Lukoil Neftochim Burgas AD	Bulgaria	Petroleum/Natural Gas	2 300	2 614	-12.01%	60.9	-62.4	26
6	9	Kaufland Romania SCS	Romania	Wholesale/Retail	2 143	2 038	5.53%	143.9	143.4	8
7	19	JP Elektroprivreda Srbije (JP EPS)	Serbia	Electricity	2 089	1 381	53.57%	71.2	98.6	23
8	6	INA d.d.	Croatia	Petroleum/Natural Gas	1 998	2 328	-15.05%	21.2	-157.4	53
9	8	Rompetrol Rafinare SA	Romania	Petroleum/Natural Gas	1 985	2 167	-8.06%	15.4	18.6	63
10	11	Rompetrol Downstream SRL	Romania	Petroleum/Natural Gas	1 820	1 845	-0.95%	13.7	-30.7	66
11	15	British American Tobacco (Romania) Trading SRL	Romania	Food/Drinks/Tobacco	1 811	1 632	11.37%	148.1	96.3	7
12	7	Aurubis Bulgaria AD	Bulgaria	Metals	1 682	2 204	-23.67%	100.6	112.0	15
13	12	GEN-I d.o.o.	Slovenia	Electricity	1 656	1 791	-7.53%	8.6	8.1	73
14	14	Natsionalna Elektricheska Kompania EAD	Bulgaria	Electricity	1 576	1 659	-5.04%	-65.8	-45.6	98
15	13	Naftna Industrija Srbije AD	Serbia	Petroleum/Natural Gas	1 546	1 763	-10.94%	130.6	132.8	9
16	17	Lukoil-Bulgaria EOOD	Bulgaria	Petroleum/Natural Gas	1 404	1 536	-8.60%	-2.0	-3.2	85
17	24	Johnson Matthey DOOEL	Macedonia	Chemicals	1 346	1 200	11.95%	121.3	91.3	11
18	18	Poslovni Sistem Mercator d.d.	Slovenia	Wholesale/Retail	1 342	1 408	-4.67%	-77.4	-3.8	99
19	20	Holding Slovenske Elektrarne d.o.o.	Slovenia	Electricity	1 294	1 325	-2.35%	44.4	-323.1	31
20	25	Carrefour Romania SA	Romania	Wholesale/Retail	1 277	1 155	10.99%	36.1	28.2	38
21	28	Lidl Discount SRL	Romania	Wholesale/Retail	1 243	1 061	17.53%	47.9	38.0	29
22	23	Lukoil Romania SRL	Romania	Petroleum/Natural Gas	1 182	1 206	-1.57%	-3.6	7.7	87
23	36	Dedeman SRL	Romania	Wholesale/Retail	1 172	975.6	20.57%	157.0	124.4	6
24	21	Hrvatska Elektroprivreda d.d.	Croatia	Electricity	1 172	1 246	-6.94%	175.2	212.7	4
25	26	Krka d.d.	Slovenia	Pharmaceuticals	1 153	1 147	0.57%	102.9	146.3	14
26	22	FCA Srbija DOO	Serbia	Automobiles	1 107	1 215	-7.55%	17.2	19.7	60
27	31	Orange Romania SA	Romania	Telecommunications	1 106	1 034	7.34%	84.5	57.9	19
28	27	E.ON Energie Romania SA	Romania	Petroleum/Natural Gas	1 103	1 107	0.05%	38.2	24.7	37
29	30	Revoz d.d.	Slovenia	Automobiles	1 089	1 035	5.14%	15.9	11.6	62
30	34	Auchan Romania SA	Romania	Wholesale/Retail	1 082	986.6	10.05%	-5.3	11.7	89
31	29	Engie Romania SA	Romania	Petroleum/Natural Gas	1 075	1 054	2.35%	81.4	82.2	20
32	35	MOL Romania Petroleum Products SRL	Romania	Petroleum/Natural Gas	1 054	983.6	7.51%	33.7	15.9	43
33	42	Compania Nationala de Administrare a Infrastructurii Rutiere SA - CNAIR	Romania	Construction	1 011	897.1	13.07%	59.9	81.5	28
34	38	Petrotel - Lukoil SA	Romania	Petroleum/Natural Gas	996.3	955.0	4.71%	65.9	3.3	24
35	33	Metro Cash & Carry Romania SRL	Romania	Wholesale/Retail	967.3	1 000	-2.93%	22.8	7.8	51
36	50	Mega Image SRL	Romania	Wholesale/Retail	955.7	790.5	21.34%	29.7	22.7	45
37	40	Electrica Furnizare SA	Romania	Electricity	927.0	929.5	0.09%	38.7	29.0	36
38	43	Lek d.d.	Slovenia	Pharmaceuticals	901.1	894.7	0.71%	74.8	115.9	21
39	39	Mercator-S DOO	Serbia	Wholesale/Retail	897.4	945.1	-3.60%	-14.6	3.1	93
40	54	Mediplus Exim SRL	Romania	Wholesale/Retail	884.0	752.4	17.92%	22.6	19.5	52
41	32	Romgaz SA	Romania	Petroleum/Natural Gas	880.3	1 001	-11.76%	225.6	264.0	2
42	41	HEP-Operator Distribucijskog Sustava d.o.o.	Croatia	Electricity	875.8	919.2	-5.69%	88.3	95.0	17
43	44	Ford Romania SA	Romania	Automobiles	867.2	881.0	-1.20%	6.4	-18.0	77
44	69	Profi Rom Food SRL	Romania	Wholesale/Retail	861.2	654.3	32.11%	27.9	11.6	46
45	53	Kaufland Bulgaria EOOD & Co KD	Bulgaria	Wholesale/Retail	851.3	762.6	11.63%	45.0	41.8	30
46	56	RCS & RDS SA	Romania	Telecommunications	841.1	739.6	14.15%	-13.1	-5.1	92
47	55	Selgros Cash & Carry SRL	Romania	Wholesale/Retail	829.1	746.5	11.46%	5.6	9.6	78
48	49	Vodafone Romania SA	Romania	Telecommunications	821.9	812.9	1.48%	41.7	39.9	34
49	51	Hrvatski Telekom d.d.	Croatia	Telecommunications	812.2	787.8	2.05%	120.2	117.0	12
50	37	Complexul Energetic Oltenia SA	Romania	Electricity	810.0	966.5	-15.89%	-30.8	-212.4	95

in millions of euro

2016	2015	Company name	Country	Industry	Total revenue 2016	Total revenue 2015	Y/Y change in revenue	Net profit/ loss 2016	Net profit/ loss 2015	Rank by net profit/ loss
51	New	Continental Automotive Romania SRL	Romania	Automobiles	808.4	599.6	35.32%	35.6	-11.2	39
52	57	Samsung Electronics Romania SRL	Romania	Electronics	805.9	736.2	9.86%	12.0	13.3	69
53	62	J.T. International (Romania) SRL	Romania	Food/Drinks/Tobacco	795.7	712.9	12.03%	35.3	15.9	40
54	64	Autoliv Romania SRL	Romania	Automobiles	793.3	694.6	14.64%	25.1	20.8	47
55	46	Arcelormittal Galati SA	Romania	Metals	767.0	849.4	-9.37%	-59.8	-65.8	97
56	78	ADM Romania Trading SRL	Romania	Agriculture	762.5	547.8	39.69%	-7.1	-2.6	91
57	48	Telekom Srbija AD	Serbia	Telecommunications	760.9	820.5	-5.86%	123.2	134.6	10
58	58	Hidroelectrica SA	Romania	Electricity	747.9	735.9	2.01%	270.3	198.8	1
59	96	EPS Distribucija DOO	Serbia	Electricity	742.1	460.2	63.68%	-3.0	50.7	86
60	60	Gorenje d.d.	Slovenia	Electronics	732.4	714.8	2.46%	3.7	-4.0	80
61	52	OMV Petrom Gas SRL	Romania	Petroleum/Natural Gas	703.5	786.5	-10.22%	16.3	6.1	61
62	45	CFR SA	Romania	Transportation	701.1	876.6	-19.73%	110.4	24.3	13
63	68	Delhaize Serbia DOO	Serbia	Wholesale/Retail	698.8	660.1	7.48%	10.3	18.3	70
64	65	Telekom Slovenije d.d.	Slovenia	Telecommunications	677.1	685.1	-1.17%	40.5	48.3	35
65	70	Continental Automotive Products SRL	Romania	Rubber/Rubber Products	658.1	638.8	3.41%	166.4	156.9	5
66	61	CEZ Elektro Bulgaria AD	Bulgaria	Electricity	650.4	716.7	-9.24%	0.342	4.4	84
67	72	Farmexpert D.C.I. SRL	Romania	Wholesale/Retail	637.7	627.5	2.01%	19.9	16.6	57
68	76	REWE (Romania) SRL	Romania	Wholesale/Retail	634.7	589.8	8.01%	5.2	2.8	79
69	New	Nelt Co DOO	Serbia	Transportation	622.5	422.0	49.75%	7.9	9.2	74
70	New	Altex Romania SRL	Romania	Wholesale/Retail	614.5	436.2	41.38%	8.8	3.6	72
71	47	JP Srbijagas	Serbia	Petroleum/Natural Gas	613.3	830.3	-25.01%	17.6	24.4	59
72	67	Transelectrica SA	Romania	Electricity	606.1	670.6	-9.28%	60.0	79.6	27
73	75	IMPOL d.o.o.	Slovenia	Metals	589.2	596.2	-1.17%	15.4	6.4	64
74	79	Ameropa Grains SA	Romania	Agriculture	587.0	538.6	9.38%	3.2	3.1	82
75	81	Takata Romania SRL	Romania	Automobiles	577.7	520.3	11.44%	24.8	-0.021	48
76	87	Renault Commercial Roumanie SRL	Romania	Automobiles	565.0	495.1	14.54%	6.7	7.6	75
77	71	Petrol d.o.o.	Croatia	Petroleum/Natural Gas	564.9	638.2	-12.38%	13.1	9.1	68
78	82	Pliva Hrvatska d.o.o.	Croatia	Pharmaceuticals	561.1	519.9	6.83%	73.4	22.3	22
79	97	Porsche Romania SRL	Romania	Automobiles	551.8	454.8	21.78%	23.2	18.1	49
80	New	Dante International SA	Romania	Wholesale/Retail	551.4	381.6	45.05%	-18.8	-26.4	94
81	New	Tinmar Energy SA	Romania	Electricity	548.3	44.3	1141.5%	3.2	-0.911	81
82	84	Express Logistic And Distribution EOOD	Bulgaria	Wholesale/Retail	546.7	507.1	7.80%	1.9	-0.260	83
83	77	Daewoo-Mangalia Heavy Industries SA	Romania	Transportation	544.1	581.8	-6.15%	-106.6	-113.9	100
84	74	OMV Slovenija d.o.o.	Slovenia	Petroleum/Natural Gas	543.0	600.6	-9.58%	21.0	18.0	54
85	New	Fildas Trading SRL	Romania	Wholesale/Retail	539.6	375.2	44.34%	20.7	13.9	56
86	73	Alro SA	Romania	Metals	532.1	602.5	-11.36%	14.8	-5.3	65
87	89	Lidl Hrvatska d.o.o. k.d.	Croatia	Wholesale/Retail	529.3	486.3	7.75%	32.1	24.3	44
88	85	JP Elektroprivreda BiH d.d.	Bosnia and Herzegovina	Electricity	528.8	503.0	5.12%	6.6	1.9	76
89	New	Hella Romania SRL	Romania	Automobiles	518.7	387.3	34.40%	34.7	26.1	41
90	59	Bulgargaz EAD	Bulgaria	Petroleum/Natural Gas	518.2	721.1	-28.15%	18.8	10.4	58
91	83	Plodine d.d.	Croatia	Wholesale/Retail	511.9	508.1	-0.27%	10.1	4.6	71
92	91	Coca-Cola HBC Romania SRL	Romania	Food/Drinks/Tobacco	503.2	482.7	4.63%	61.4	53.6	25
93	93	Michelin Romania SA	Romania	Rubber/Rubber Products	502.2	478.8	5.28%	22.8	16.4	50
94	86	Philip Morris Trading SRL	Romania	Food/Drinks/Tobacco	493.2	498.4	-0.69%	20.9	5.6	55
95	95	Holzindustrie Schweighofer SRL	Romania	Furniture/ Decoration	484.9	462.2	5.28%	41.8	45.6	33
96	New	Engrotus d.o.o.	Slovenia	Wholesale/Retail	481.7	489.2	-1.54%	-4.3	3.0	88
97	92	Cargill Agricultura SRL	Romania	Agriculture	474.7	481.0	-0.95%	-6.4	-18.3	90
98	100	Telekom Romania Mobile Communications SA	Romania	Telecommunications	474.0	440.1	8.10%	-47.7	-52.5	96
99	New	Bingo d.o.o. Tuzla	Bosnia and Herzegovina	Wholesale/Retail	468.2	412.7	13.46%	34.5	28.7	42
100	80	OMV Bulgaria OOD	Bulgaria	Petroleum/Natural Gas	464.7	525.2	-11.51%	13.3	17.1	67

2016: Rising consumption puts wind in the sails of retailers, car makers

By Nevena Krasteva

Growing domestic demand amid historically low inflation and a pick-up in private investment and employment continued to drive economic growth in Southeast Europe (SEE) in 2016. Economic tailwinds benefited most retailers and car makers – the two industries most sensitive to changes in disposable income and consumer sentiment. At the same time oil and gas majors, which traditionally dominate the ranking of the biggest companies in the region, continued to suffer losses, impacting the aggregate revenue of the SEE TOP 100 entrants. The combined net profit of the 100 biggest companies, however, rose by a hefty 39% as compared to the profit of the prior-year entrants, largely as a result of improved operational efficiency, integration of various business-specific activities and economies of scale.

Economic growth in SEE quickened to 3% in 2016 from 2.5% a year earlier on the back of rising private consumption. Corporate investment grew, underpinned by ample liquidity and favourable financing conditions. Falling unemployment also contributed to improved economic sentiment.

In Romania, the frontrunner with 4.8% gross domestic product (GDP) growth, retail and services contributed strongly to economic expansion as improved income growth prospects following tax cuts and public sector wage hikes fuelled demand.

Foreign direct investment (FDI) inflow to Romania, Croatia and Serbia rose and these countries are poised to continue to benefit from EU funds, which provided an additional boost to public investment in Bulgaria as well.

As economic growth picked up, so did M&A activity - both in terms of the number of deals and value - with Romania and Bulgaria leading the way.

Political volatility, however, remained a drag, particularly in Macedonia, denting investor confidence and delaying reforms. General elections were held in Romania, Serbia, Croatia, Macedonia and Montenegro, putting fiscal discipline into question. Progress on structural reforms remained slow in the Western Balkans. Corruption and weak rule of law continued to curb economic growth. Anti-monopoly policies in some countries were weak and infrastructure, despite large scale public investments in upgrades in recent years, remained underdeveloped. The small size of the markets in the region was another constraint on business, with the notable exception of Romania.

Romanian companies expand foothold, Dacia leads the pack

Unsurprisingly, companies from Romania - the region's biggest and fastest growing economy - again occupied over half of the seats – 59, up from 55 in 2015, and dominated all subrankings. The three most profitable companies in the ranking - Hidroelectrica, Romgaz and Continental Automotive Products – are Romanian, as is the leader, Automobile Dacia.

The car maker leads in the ranking for a third year running. It raised its revenue by 8% to 4.619 billion euro and increased its net profit to 100.5 million euro from 99 million euro in 2015. Dacia brand sales rose by 10.6% to record 415,010 registrations in 2016. The company's robust performance came on the back of improved operations and efficient use of resources, according to Yves Caracatzanis, managing director of Groupe Renault Romania. “Groupe Renault Romania, employing 16,700 colleagues, is the only company in the country integrating all activities specific for a car manufacturer, something which has generated a steady economic performance and a wide range of job offers in different fields,” he commented. (Read the full interview with Caracatzanis on p. 12).

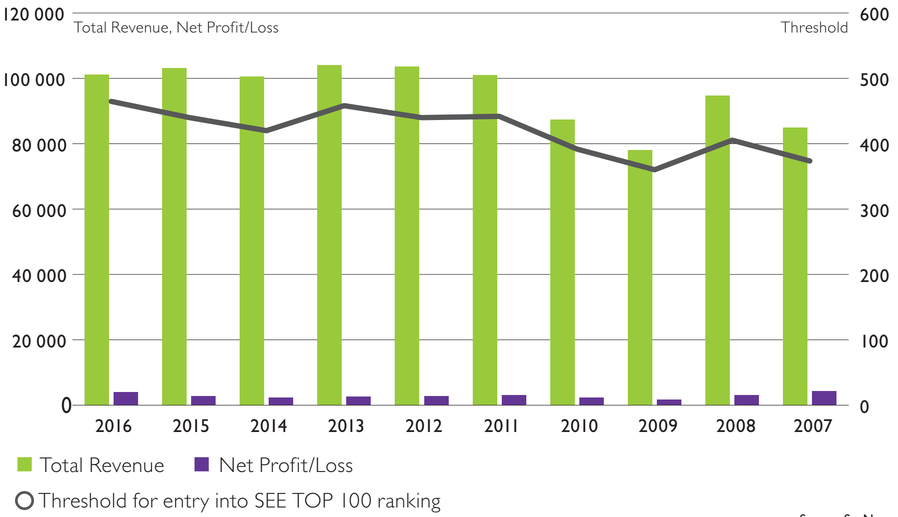
Automobile Dacia’s performance reflects the growth of the automotive sector across the region, which has been making the most of its strategic advantages - skilled workers, low production costs and easy access to EU markets, while riding the wave of people's growing purchasing power. Car makers in Romania and Serbia also draw on extensive past experience in the industry. In Romania the sector also benefits from government support schemes. The total revenue of the automotive sector in SEE TOP 100 rose to 11.5 billion euro from 9.6 billion euro in 2015. It should be noted here that the most profitable industry according to the ranking is rubber and rubber products, which is represented by two Romanian tyre makers - Continental Automotive Products Romania and Michelin Romania - with a

Top 3 of the Top 100 companies 2007 - 2016

2016	1. Automobile-Dacia SA	2. Petrol d.d.	3. OMV Petrom Marketing SRL
2015	1. Automobile-Dacia SA	2. OMV Petrom SA	3.OMV Petrom Marketing SRL
2014	1. Automobile-Dacia SA	2. OMV Petrom SA	3.Lukoil Neftochim Burgas AD
2013	1. OMV Petrom SA	2. Automobile-Dacia SA	3. Lukoil Neftochim Burgas AD
2012	1. OMV Petrom SA	2. Lukoil Neftochim Burgas AD	3. INA d.d.

TOP 100 COMPANIES COMBINED FINANCIAL RESULTS 2007-2016

(in millions of euro)



Source: SeeNews

16.3% return on revenue.

Full pockets for retailers

Wholesalers and retailers are also reaping the benefits of rising private consumption. For the first time this sector has more representatives in the ranking, 24, than the oil and gas industry. The aggregate revenue of wholesalers and retailers in the ranking rose to 20.719 billion euro from 18.647 billion euro.

The uptrend in the sector puts premium on retail chains that are better managed and in a position to develop their own logistics. Romania, being the largest market and the first expansion target of international majors, leads the way here again.

Notably, five of the nine new entrants in this year's edition are wholesalers and two are automobile manufacturers.

Oil and gas companies struggle

Oil and gas companies continued to suffer heavy losses from unfavourable global market conditions. Their combined revenue fell to 30.28 billion euro in 2016 from 34.1 billion euro a year earlier and their number declined to 21 from 24. Despite the continuing fall in individual revenues, however, the combined revenue of oil and gas companies remains almost a third of the entrants' total and nearly 50% higher than that of wholesalers and retailers.

Profit grows, revenues flattish

The combined revenue of the entrants in the ranking for 2016 fell 1.8% year-on-year to 101.2 billion euro. Excluding the results of the oil and gas heavyweights, however, the entrants saw their combined revenue grow to 71 billion euro from 68 billion euro. At the same time, the aggregate profit of the top 100 companies leapt by 39%, suggesting that they have managed to make the best of the difficult environment in which their operate to streamline business processes, raise efficiency and improve bottom lines.

The most profitable company among the SEE TOP 100 entrants was Romanian power producer Hidroelectrica with a return on revenue of 36.2%. After going insolvent twice, the state-controlled company went through a radical restructuring process, generating a cumulative profit of 1 billion euro for 2013-2016 and doubling its market value to 4 billion euro. In April 2017, Hidroelectrica exited insolvency, paving the way for an IPO seen as the biggest in Romania's history.

In a sign of tight competition the thresh-

METHODOLOGY

SEE TOP 100 ranks the biggest companies in Southeast Europe by total revenue for the fiscal year ended December 31, 2016. Both 2016 figures and 2015 comparative counterparts are sourced from 2016 annual non-consolidated reports.

The SEE TOP 100 ranking covers non-financial companies registered in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, 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 2,700. 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 2016 and 2015. 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.

2011
1. OMV Petrom SA
2. INA d.d.
3. Lukoil Neftochim Burgas AD

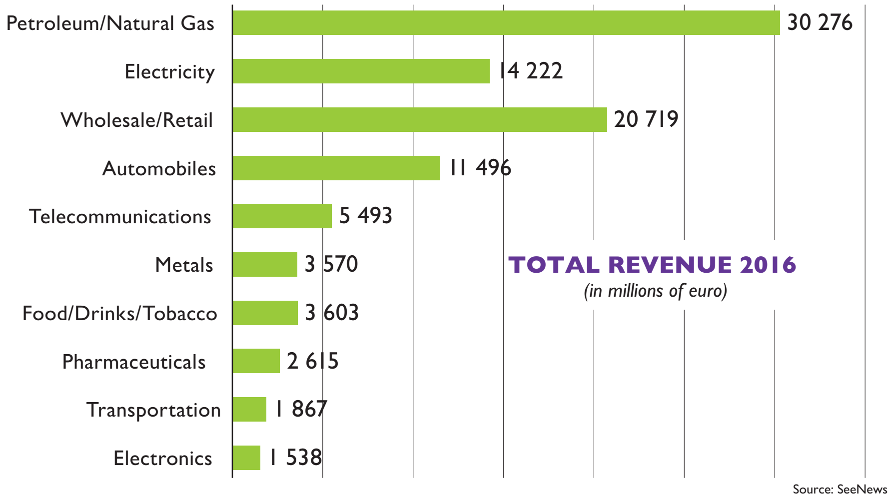
2010
1. OMV Petrom SA
2. INA d.d.
3. Lukoil Neftochim Burgas AD

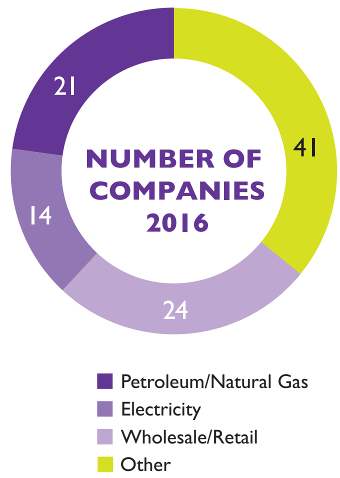
2009
1. OMV Petrom SA
2. INA d.d.
3. Lukoil Neftochim Burgas AD

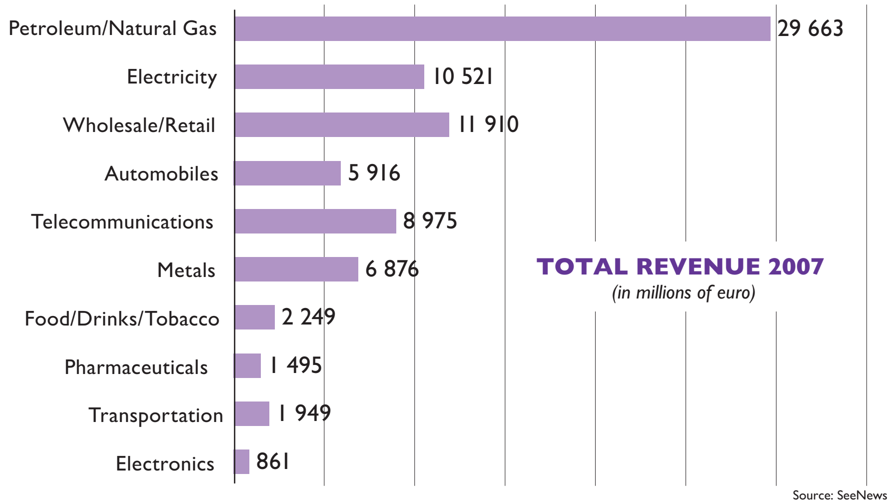
2008
1. OMV Petrom SA
2. INA d.d.
3. Lukoil Neftochim Burgas AD

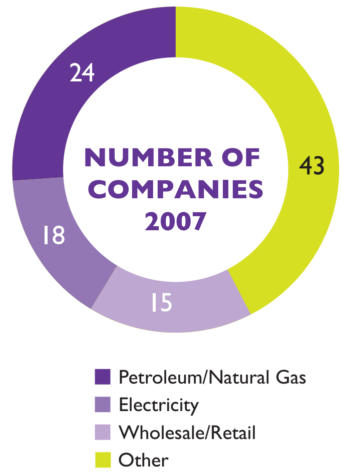
2007
1. OMV Petrom SA
2. INA d.d.
3. Naftna Industrija Srbije AD

BREAKDOWN OF INDUSTRIES IN 2007 - 2016
by revenue and by number of companies









old for entry into the ranking rose to 464.7 million euro from 440.1 million euro a year earlier. The ranking also welcomed less newcomers than in previous years in yet another sign that the corporate landscape in SEE is becoming increasingly competitive.

Ten years after

When SeeNews started compiling this ranking ten years ago the global economic crisis had still not reached SEE. The economies in the region were in a strong upward mode. Romania and Bulgaria were caught up in the optimism of their accession to the EU in 2007 and the countries of former Yugoslavia were still recovering from the recent wars. Bulgarian and Romanian stocks were yielding two-digit profits, their blue-chip indices soaring to all-time highs.

Oil and gas companies had a much stronger hold over the ranking at the time, accounting for a quarter of all entrants and 35% of the total revenue of the top 100 companies. They were comfortably settled at the top, taking up the leading four places. The biggest company in the region in terms of total revenue was Romania's OMV Petrom, while Croatia's INA was no.1 in terms of net sales. (In the first edition of SEE TOP 100 the companies were ranked by net sales for the fiscal year ended December 31, 2007. The following year we changed the methodology and started ranking them by total sales instead. The change reflected our assumption that total revenue is a more accurate gauge of the size of any business because apart from sales revenue it comprises financial and other income, which is often an essential part of the income generated.)

Notably, six of the entrants in the top 10 in 2007 were the same ten years later. The global crisis reached SEE somewhat late and the local economies were spared its full impact thanks to their weaker integration with world markets at the time. Still, the SEE countries, most of which are net energy importers, were severely hit by the sharp rise in global prices of oil, gas and metals and the ensuing drop in consumption. Stock markets in the region saw most of their value evaporating as in 2008 their capitalisation collapsed some 70 - 80%. Banks in the region, mostly owned by Western European peers, tightened their lending policies, dampening the real estate market that used to be one of the engines behind the robust growth of the local economies. Private consumption too shrank.

The crisis was in full swing in the region by 2009, when the top 100 companies' aggregate revenues hit a low of 77.99 billion euro as profits tumbled to 1.699 billion euro.

Recovery was sluggish in the following

SEE TOP 100 in headlines through the years:

2008 *Oil and gas companies lead Southeast Europe TOP 100 ranking*

2009 *Looking for growth... mobilising the strengths*

2010 *Pushing off the bottom: Lowered costs, prudent spending key for the success of SEE companies*

2011 *On the path of recovery*

2012 *Taking bitter with sweet*

2013 *Bottomlines under more pressure as competition intensifies*

2014 *Tepid recovery in SEE stops short of recharging corporate batteries*

2015 *SEE corporate sector makes shy steps to growth, retailers lead the way*

years, the big companies weathering better the adverse factors. Oil and gas companies maintained their hegemony, yet they started steadily losing ground as automobile makers picked up speed. A new milestone in this direction was reached in 2013 when Dacia overtook OMV Petrom as the top company in the region.

As businesses in SEE made unsteady strides forward during the years, they also had to overcome other hurdles such as obsolete infrastructure, cumbersome regulations and unpredictable legislative changes, widespread corruption and political turmoil.

Innovate, integrate, work across borders

In this complex environment, foreign ownership has emerged as a major factor for the success of local companies, helping them avoid many of the pitfalls of the local scene, while giving them access to big markets. Unsurprisingly, seven of the top ten companies in this year's ranking are foreign-owned. The winner, Automobile Dacia, exports 93% of its output. For domestically-owned companies, capacity to work across borders is crucial to offset the limitations of the small size of the local markets.

Integration of the full range of activities specific to a certain business is another key ingredient of success, and here again we do not need to look further than the top of the ranking for proof.

Capacity for innovation too has emerged as crucial for a company's success, and an area in which countries in SEE have a lot to catch up on.

Focusing on these could help the local business harness the potential of a market that enjoys upbeat prospects and seems set for expanding consumption on the back of economic growth and rising disposable incomes.

Retailers and wholesalers and automobile manufacturers have already taken the lead in this race and will most likely continue to pace the growth of the region's business.

Other industries, however, such as IT, are still conspicuously missing from the list of the top performers despite being one of the most dynamic economy branches, international in essence and long present in the radar of foreign investors.

Another industry, traditionally strong in SEE but weakly represented in the ranking is agriculture. Its whose progress, however, will depend very much on its ability to modernise.

Looking at the M&A scene in Romania - the region's leading market that often serves as a testing ground for international majors planning to expand in the SEE and is thus very indicative of future developments – health services are one industry whose growth potential has not escaped the attention of foreign investors. Real estate too is expected to rise strongly as growing regional businesses seek more office and commercial space.

“We are covering four accordant and synergic business areas – oil, gas, energy, ecology [...] Petrol Group understands the specifics of the market and also has good network of people, as well as a good network of local companies. Our advantages on the market of Southeastern Europe - familiar language, similar cultural circle and historical background, large network of friends - are actually a guarantee for our success. ”

Marko Kryžanowski,
Management Board Chairman of Petrol d.d.
2008

“Our challenges come from four directions. Firstly, the structural changes of the global gas and energy market which will impact all parts of our business. Secondly, the context in which we operate and I would mention here the volatility of the fiscal and regulatory environment in Romania. […] Thirdly, there is the depressed market for gas, electricity and fuels in Romania, our main market. [...]. Furthermore, our portfolio is composed of mainly mature fields that exceeded their production life.”

Mariana Gheorghe,
CEO Petrom Group
2014

“Innefficient public sector, poor infrastructure, need for improved connectivity curb growth in SEE.”

Tomasz Telma,
IFC regional director for Europe and Central Asia
2016

Only by looking beyond short-term political objectives, confronting vested interests and seeking the longer-term good of the economy can this path to growth, jobs and prosperity be resumed.

Sir Suma Chakrabarti,
EBRD President,
2012

Companies in SEE need to invest more in innovation, work across borders

By Nevena Krasteva

The European Investment Bank (EIB) is the leading investor in Southeast Europe (SEE). In 2016, it extended loans and guarantees of 467 million euro to Bulgaria and lent 1.1 billion euro to Romania. Since 2006, the bank has financed projects totalling 6.4 billion euro in the Western Balkans. In 2016, the EIB signed financing contracts amounting to 427 million euro in the Western Balkans.

Vazil Hudák
EIB vice president

The EIB has said that in Bulgaria it will look to diversify into sectors such as agriculture and pharmaceuticals. What about the rest of Southeast Europe, will there be a change in the priority sectors that the bank will be financing in the short and the medium term?

I would not say that there will be a major change because our priorities are basically the general priorities of the bank, as we will continue to support cohesion, innovations, SMEs, and energy efficiency.

The specific situation in each country requires a different approach. In Bulgaria until now we were mostly focused on supporting SMEs by working with local banks. Now, we want to focus more on doing some projects directly with larger companies in sectors like agriculture, pharmaceuticals and tourism.

This means that these projects have to be bigger. Basically, we finance projects directly if they are more than 40 million euro in total amount, as we usually finance 50%, i.e. the minimum budget for our part of the funding is around 20 million euro. In countries like Bulgaria, Hungary, Slovakia, the Czech Republic or Romania, this is a problem as you do not find too many projects worth more than 40 million euro which are managed by private companies.

In Romania, the government wants us to do much more in the area of healthcare, so we have agreed to a programme to help finance and develop regional hospitals. In other countries we have other priorities.

One new area where we want to do more is crossborder projects. For example, the gas interconnection between Bulgaria and Greece is one such project that we are ready to support.

Earlier this year the countries of the Western Balkans agreed to enhance economic cooperation in the region as a step towards their EU accession. How will the EIB support their efforts?

We do a lot in private sector development, in support of SMEs in the region. We are also working on supporting infrastructure projects, in particular the so called trans-European corridors, which go through the Western Balkans, and we are participating in some other projects to build railway or highway networks. For example, one such project is in Slovenia, the Koper – Divaca railway link, connecting the port of Koper with Divaca, which is a transport and logistics centre in Slovenia.

Which are the biggest risks, both external and domestic, to Southeast Europe's economic development?

One issue is stability and this is a traditional issue for the Western Balkans - to make sure that the area is stable, that there are no conflicts and that investors can feel comfortable investing in this region. The other issue is corruption – to make sure that you can invest without having to bribe officials, and also the rule of law – making sure that if you have any problems you can go to the local court of law and protect your rights.

So I think these issues continue to be important for the investors in the region, and we are investors as well, so for us this is important as well.

Looking at the local businesses, what are the main issues that they need to address to become more competitive?

To be competitive you need to invest in R&D and innovation. You cannot just stay a traditional local business. And this is one area in which businesses in Southeast Europe are lagging behind.

The countries in the region are small so they need to broaden their market and that means they need to be able to work across borders. Businesses in this region need to get together much more. What we have now is more a mentality of competition rather than cooperation.

We at the EIB are financing many projects in the Western Balkans, some of them quite large, where the suppliers or construction companies could be from Bulgaria or Romania, for example, but they are usually not big enough. If they come together maybe they would have a better opportunity to compete against German or French or Italian companies. But I think that the businesses are still not ready to team up.

In which sectors in the region do you see the biggest growth potential?

Given the fact that this region has a strong history of good technical education and also computer science in Bulgaria, I think there is a good potential for IT and the so called big tech startups - specialised startups based on some specific technical solutions. I think that if these countries create a good environment to support such innovative companies including financial framework in terms of venture capital funds and growth equity funds, then there is a good potential to develop a strong sector of IT and technological innovations.

I think that the region has a good potential to be a strong energy market for Europe but again it has to cooperate through interconnections between the east and west, north and south. Whether it is gas corridors or electricity corridors, they have to be coordinated and the region itself should develop its own strategy for energy, energy cooperation, and energy competitiveness.

I think the car industry is already in a top and very strong position here.

The different countries have their own areas in which they can be strong, In Bulgaria, I think tourism can become a very competitive high-added value industry for the country, pharmaceuticals are very strong, agriculture too, if it could be modernized. It is very difficult to generalise for the whole region as different countries can become competitive in different sectors.

One new area where we want to do more is crossborder projects.

Ensuring a stable and corruption-free environment is crucial for investors.

IT, energy, automotive sectors hold strong potential.

To be competitive you need to invest in R&D and technology.

Bundling all carmaker-specific activities boosts Automobile Dacia's results

by Nicoleta Banila

Romanian car maker Dacia, a unit of France's Groupe Renault since 1999, posted a turnover of 4.6 billion euro in 2016. In 2016 Dacia brand sales rose by 10.8% to a record-high 415,010 registrations.

Yves Caracatzanis,
Managing Director
Groupe Renault
Romania

Dacia has been the top company in Southeast Europe (SEE) in terms of total revenue over the past three years. What are the key factors impacting your performance?

Indeed, last year Automobile Dacia had a turnover of 4.6 billion euro, while Groupe Renault Romania reached a 5.1 billion euro turnover. In 2016, the result of Automobile Dacia before tax was 111 million euro (506 million lei), higher than in 2015. It was generated by a positive operating result of 532 million lei, up by 15% versus 2015, and a negative financial result of -27 million lei triggered, mostly, by the negative impact of the exchange rate. The excellent dynamic of the operating profit has been indicating a healthy business, with improved operations and efficient use of the company's resources. We export 93% of our production.

Success factors? Groupe Renault Romania, employing 16,700 colleagues, is the only company in the country integrating all activities specific for a car manufacturer, something which has generated a steady economic performance and a wide range of job offers in different fields: market studies, design, engineering, technical centre, manufacturing and supply chain, sales and after-sales, business services and financing. The Global Access range, which includes Dacia models manufactured in Mioveni, is a worldwide success. Our models meet customer expectations: reliability, affordability and modernity. We have in Romania a strong dealer network with a very good country coverage. We have developed in Romania a strong 1000 suppliers network.

Well, in terms of sales, the Duster sales increased in Europe, with a positive impact on the number of Duster units manufactured in Romania. In addition, we also sell parts to other plants in Groupe Renault that assemble Global Access models. I am referring to engines, gearboxes, chassis and other spare parts manufactured in Mioveni but as well full cars that are sent disassembled to the Oran plant in Algeria, to be built up there. Last year, the volumes for all these increased, and more specifically for the kits delivered to Algeria even doubled.

What are your expectations in terms of net profit and turnover for 2017?

The financial results for the current year shall be announced in the first months of 2018.

What are the highlights of your short and medium-term

investment plans?

Since 2000, the total investments Groupe Renault has made in Romania amount to 2.5 billion euro. They were channeled into new products - vehicles, engines, gearboxes, mechanical parts - and into increased competitiveness of the manufacturing processes - working conditions, capacity increase, automation processes, quality and cost reduction. Although the biggest share was, of course, directed to the Mioveni industrial site, the Groupe also remarkably developed in Romania all business units specific for a carmaker: from design and engineering, to testing and manufacturing, and as well sales and after sales.

Last year alone the Groupe invested in its Romanian operations some 200 million euro.

Groupe Renault Romania has proved its high capacity to generate performance, having an essential contribution to the Romanian economy. We want to continue this success. And, let's not forget that we operate in a competitive industry which evolves extremely rapidly and that we are challenged both externally and internally.

That is why our current focus is on maintaining the competitiveness on a medium and long term, which implies continuous innovation for the development of the Global Access range; quality of production; productivity and competitive manufacturing costs on the long term; improved competencies in manufacturing, engineering, design and services in Groupe Renault. These directions concern both the activities from the Mioveni industrial site, and the ones conducted by our network of suppliers and dealers.

What are your expectations regarding the development of the automotive market in Romania and in the region in the coming years?

In recent years, the automotive market in Romania has seen important fluctuations. In 2007, the new vehicle market was of 350,000, and at the end of 2016, the total new car market was of 132,000 units. Nonetheless, Groupe Renault Romania managed to keep its market leader position with the Dacia brand. Moreover, in only ten years, Dacia has become from a local brand a European one, recognised worldwide.

93%

Share of Automobile Dacia's production which is exported.

200 mln euro

Groupe Renault investments in Romania in 2016

In the first five months of this year, Sandero is the bestselling model to physical persons in France and second in Europe. Duster comes on the third position in sales to physical persons on the C SUV segment in Europe.

Although the last three years have seen a revival on the new car market in Romania, the import of very old second hand cars reached alarming peaks, especially following the removal of the environmental tax in February 2017. Some figures: strong increase of second hand cars - in the first four months of 2017 for each new car there were some 5.8 second hand cars registered; the average age of the national car fleet is 14; the new car market remains at a three times lower level than in 2007; as much as 73.5% of imported second hand cars are older than ten years. What we are saying is that it is important to have a fair second hand car market in order to guarantee transparency with respect to the car's technical situation, and thus safety. Of course, this would also support the protection of the environment and tax collection.

Groupe Renault will continue its product offensive in order to meet the customers' demands in terms of performance and price, while respecting the safety and environmental standards.

Do you think services such as ride-hailing and ride-sharing may curb demand for car ownership in the region in the coming years?

Groupe Renault Romania encourages any form of mobility. In the medium term, I do not think there is a threat coming from this type of trends. In Romania, the car fleet is extremely old.

How do you expect anti-diesel regulations in Western Europe to affect your performance in the coming years?

Car manufacturers, in a way or another, will be expected to permanently innovate in order to offer new solutions to communities. The Renault-Nissan Alliance innovates for the present, but also for the future. We are talking about the car of the future that shall be electric, connected and autonomous. The Renault brand is no. 1 in Europe on the market of electric cars, and Zoe is the bestselling model in Europe. Groupe Renault is in tune with tendencies, and our clients can get cars equipped with petrol, diesel or electric engines.

With demand for electric vehicles growing, do you have production plans in this area?

Not for the moment.

What future do you see for self-driving vehicles in SEE?

Within an open- to- innovation approach, the development of autonomous cars is managed by the Groupe Renault. with the support of best experts. Companies work together to craft the car of tomorrow, integrating infrastructures, connecting cars among them and with the infrastructure (V2X) within the SCOOP European project. This experiment, carried out in France, with autonomous prototypes developed by Renault represents a first phase that shall be extended to other countries as well. With the emergence of adaptive driving aids, and of the autonomous car, tests and simulation become strategic for the automotive industry. Tests and simulation are embedded in the process of autonomous car development. In order to reach the required reliability level, test cars have to run a significant number of kilometers which normally represent years of driving. More than tests in real situation and accelerated testing methods, simulations allow for important time saving and ensure an efficient planning.

Romania's top power producer Hidroelectrica leads money makers, shipbuilder DMHI paces losers

by Ivaylo Mihaylov

The SEE Most Profitable companies ranking for 2016 was again dominated by Romania, taking all the podium positions. The country's largest power producer Hidroelectrica emerged as a clear leader with a return on revenue of 36.2%, up by an impressive 9.1 pps from 2015, well ahead of the silver and bronze medallists - natural gas producer Romgaz with 25.6% and auto parts supplier Continental Automotive Products with 25.3%.

After going insolvent twice – in 2012 and 2014 - state-controlled Hidroelectrica, which operates 207 hydro power plants with an installed capacity of some 6.4 GW, went through a radical restructuring process, generating a cumulative profit of 1 billion euro for 2013-2016. During the five-year period of insolvency proceedings, the market value of the company has doubled, reaching some 4 billion euro in 2016. In April 2017, Hidroelectrica exited insolvency, paving the way for a long awaited listing in Bucharest and London, seen as the biggest in Romania's history.

Majority state-owned Romgaz climbed one spot higher despite a slight decrease in profitability, which reflected unfavourable market conditions such as lower gas prices and weaker domestic demand.

Romania accounted for six out of the top 10 profit makers in Southeast Europe, including state-owned railway infrastructure operator CFR, which joined the ranking at no.5.

Looking at the ownership structure, half of the top ten money makers are state-controlled, whereas four are units of major international players.

Among the ten biggest money losers, we have four wholesale/retail companies, two power utilities and two telecoms. Seven out of the 10 top money losers are based in Romania, however five of those companies cut their losses from 2015.

The most prominent money loser was Romanian shipyard Daewoo-Mangalia Heavy Industries (DMHI), part of the South Korean conglomerate, with a 107 million euro loss in 2016, slightly lower than in 2015. Since 2012, the company has accumulated a loss of 660 million euro and its total debt exceeded 800 million euro by end-2016.

Slovenian retailer Mercator followed second with its 2016 net loss soaring to 77 million euro from 3.8 million euro a year earlier. The company's results were affected by the financial problems of its majority owner, indebted Croatian food and retail concern Agrokor. Mercator had to recognise additional impairments for its receivables from the companies within the owner's structure, which had a material negative effect on its key performance indicators. The Serbian unit of Mercator is also included in the non-prestigious ranking under no.8 as the only company, which turned to a net loss from previously recording positive result.

The third biggest money loser was Bulgarian state-owned National Electricity Company (NEK), which saw its loss widen 44% to 66 million euro. Last year, NEK paid 601.6 million euro to Russia's Atomstroyexport as compensation for the equipment manufactured by the Russian company for the scrapped Belene nuclear power plant project.

To end on a positive note, the total loss of the entrants in the disreputable ranking shrank significantly, to 442 million euro, from 1.3 billion euro in last year's edition.

MOST PROFITABLE COMPANIES

in millions of euro

No	SEE TOP 100 No	Company name	Country	Industry	Return on revenue 2016	Return on revenue 2015
1	58	Hidroelectrica SA	Romania	Electricity	36.15%	27.01%
2	41	Romgaz SA	Romania	Petroleum/Natural Gas	25.63%	26.36%
3	65	Continental Automotive Products SRL	Romania	Rubber/Rubber Products	25.28%	24.57%
4	57	Telekom Srbija AD	Serbia	Telecommunications	16.19%	16.40%
5	62	CFR SA	Romania	Transportation	15.75%	2.77%
6	24	Hrvatska Elektroprivreda d.d.	Croatia	Electricity	14.95%	17.07%
7	49	Hrvatski Telekom d.d.	Croatia	Telecommunications	14.81%	14.86%
8	23	Dedeman SRL	Romania	Wholesale/Retail	13.40%	12.76%
9	78	Pliva Hrvatska d.o.o.	Croatia	Pharmaceuticals	13.08%	4.28%
10	92	Coca-Cola HBC Romania SRL	Romania	Food/Drinks/Tobacco	12.21%	11.11%

MONEY LOSERS

No	SEE TOP 100 No	Company name	Country	Industry	Net loss 2016	Net profit/ loss 2015
1	83	Daewoo-Mangalia Heavy Industries SA	Romania	Transportation	-106.6	-113.9
2	18	Poslovni Sistem Mercator d.d.	Slovenia	Wholesale/Retail	-77.4	-3.8
3	14	Natsionalna Elektricheska Kompania EAD	Bulgaria	Electricity	-65.8	-45.6
4	55	Arcelormittal Galati SA	Romania	Metals	-59.8	-65.8
5	98	Telekom Romania Mobile Communications SA	Romania	Telecommunications	-47.7	-52.5
6	50	Complexul Energetic Oltenia SA	Romania	Electricity	-30.8	-212.4
7	80	Dante International SA	Romania	Wholesale/Retail	-18.8	-26.4
8	39	Mercator-S DOO	Serbia	Wholesale/Retail	-14.6	3.1
9	46	RCS & RDS SA	Romania	Telecommunications	-13.1	-5.1
10	56	ADM Romania Trading SRL	Romania	Agriculture	-7.1	-2.6

SEE banking sector profit hits 8-year high, Romania's BCR returns to top

by Siana Mishkova

Surging profits, declining non-performing loan (NPL) ratios, and accelerating assets growth amid improving macroeconomic environment and generally upbeat sentiment – those were the key facets, depicting the performance of Southeast Europe's banking industry in 2016 and still this year. At the same time, the tight regulations, the strict capital requirements and the low interest rate environment remained in place, forming the "new normal" that sector players have to live with.

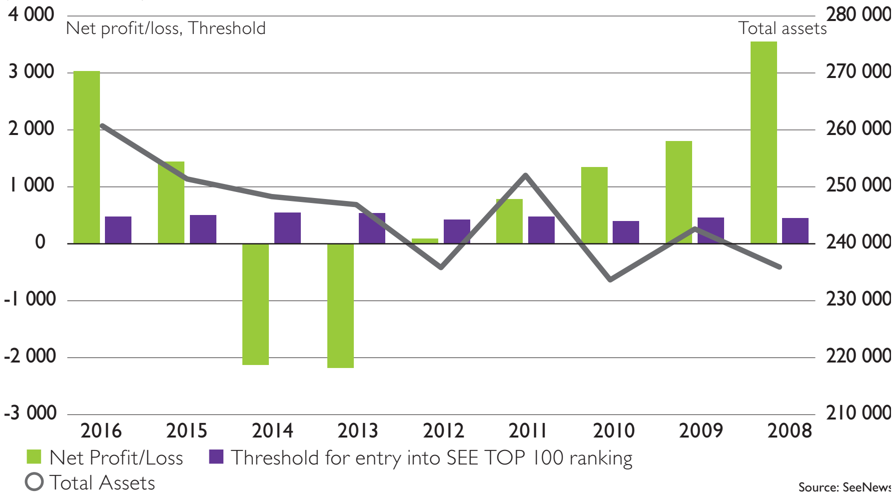
The combined net profit of the Top 100 SEE banks more than doubled in 2016 to 3.03 billion euro, reaching its highest value since 2008, the year before the global financial crisis hit the local industry. Remarkably, all of the 10 biggest lenders made profits last year.

Besides the upsurge in profitability, demonstrated also by a smaller number of loss-making banks and a higher number of lenders with better bottom-line results, the strengthening of the SEE banking sector is also evidenced by improvement of assets, both in terms of quality and quantity. Bad loans, which have been burdening the industry over the last several years, are now falling across the region, helped by both the stabilising operating environment and regulatory interference, as well as by sales of toxic assets portfolios by a large number of lenders that are cleaning up their balance sheets in an effort to bolster lending.

The total assets of SEE's 100 biggest banks rose 3.7% in 2016 to 260.7 billion euro, with the growth rate nearly tripling from 1.3% in 2015. A total of 72 lenders reported growth, significantly up from 62 last year. Romania's biggest lender, Banca Comerciala Romana

TOP 100 BANKS COMBINED FINANCIAL RESULTS 2008-2016

(in millions of euro)



Source: SeeNews

(BCR), majority-owned by Austria's Erste Group, recorded a solid 7.8% rise in assets, more than enough to regain the first place after ceding it to Croatia's leader Zagrebacka Banka (Zaba) for two years. Zaba, which is part of Italy's UniCredit group, managed to return to profit last year, but saw its assets shrink 0.8%.

Looking at the wider top 100 ranking, Romania's Libra Internet Bank, owned by closed-end American investment fund New Century Holdings, was the best performer, advancing by 18 spots to number 78 with a 39% increase in assets. Last year, the small lender, which focuses on the use of online applications and new technologies, entered our list with an impressive 45% growth. Its continuous organic expansion – a 22% rise in assets over the first half of 2017 and crossing the 1.0% market share threshold with only 50 physical branches in a country of nearly 20 million - underlines the huge opportunities that digital banking offers to traditional players. On the negative side, the assets of Romania's Banca Comerciala Carpatica (BCC) shrank 15%, dragging it 15 positions down to the bottom of the table. In May 2017, Bucharest-listed Patria Bank, formerly known as Nextebank, completed the acquisition of a 55% stake in BCC.

In terms of profit, Banca Transilvania remained the leader with earnings of 270.5 million euro in 2016, although halving it from a record high of 534 million euro in 2015. On the other pole, the Romanian unit of bankrupt Italian bank Veneto Banca (which was acquired by Italy's Intesa Sanpaolo in mid-2017) posted the biggest loss of 68 million euro. Out of the total Top 100, only 12 banks made losses in 2016, amounting to a combined 304 million euro, while 88 made profits of an aggregate 3.3 billion euro. As much as 14 lenders swung to profit last year, while just four turned to loss.

The region's most populated country Romania was best represented in the Top 100 ranking with 21 banks. Romania was also a leader in terms of assets with an 83.2 billion euro aggregate balance sheet of its Top 100 SEE representatives, up 4.0% on the year, equal to almost a third of the region's total.

in millions of euro

2016	2015	Company name	Country	Total assets 2016	Y/Y change in assets	Net profit/loss 2016	Net profit/ loss 2015
1	2	Banca Comerciala Romana SA	Romania	14 109	7.75%	195.1	212.9
2	1	Zagrebacka Banka d.d.	Croatia	13 910	-0.82%	226.2	-68.0
3	4	Banca Transilvania SA	Romania	11 400	9.35%	270.5	534.4
4	3	BRD – Groupe Societe Generale SA	Romania	11 155	2.98%	160.4	98.4
5	5	Privredna Banka Zagreb d.d.	Croatia	9 533	4.10%	212.4	25.3
6	6	UniCredit Bulbank AD	Bulgaria	9 523	7.24%	149.0	148.3
7	7	Nova Ljubljanska Banka d.d.	Slovenia	8 778	0.82%	63.8	43.9
8	8	Erste&Steiermarkische Bank d.d.	Croatia	7 425	-4.87%	83.0	-132.5
9	9	Raiffeisen Bank SA	Romania	7 359	6.29%	99.5	96.7
10	10	UniCredit Bank SA	Romania	7 198	6.78%	58.7	49.1
11	11	CEC Bank SA	Romania	6 209	2.50%	2.1	2.4
12	13	ING Bank N.V. Amsterdam Branch Bucharest	Romania	6 137	19.25%	96.5	59.6
13	12	DSK Bank EAD	Bulgaria	5 953	4.78%	144.3	156.4
14	18	Nova KBM d.d.	Slovenia	4 832	35.60%	33.0	34.4
15	14	First Investment Bank AD	Bulgaria	4 526	1.97%	46.1	6.4
16	16	Banca Intesa AD	Serbia	4 479	13.04%	80.6	70.8
17	15	Raiffeisenbank Austria d.d.	Croatia	4 157	0.75%	60.9	-31.6
18	17	Abanka d.d.	Slovenia	3 612	-5.64%	76.7	42.8
19	19	Splitska Banka d.d. (formerly Societe Generale - Splitska Banka d.d.)	Croatia	3 577	-0.05%	48.3	15.8
20	20	United Bulgarian Bank AD	Bulgaria	3 493	4.39%	56.9	25.0
21	26	Eurobank Bulgaria AD	Bulgaria	3 486	18.52%	61.1	43.0
22	24	Komercijalna Banka AD	Serbia	3 249	1.67%	-65.5	-50.0
23	22	Alpha Bank Romania SA	Romania	3 244	-1.86%	25.2	-5.9
24	23	Raiffeisenbank (Bulgaria) EAD	Bulgaria	3 233	-2.10%	67.8	31.5
25	27	Societe Generale Expressbank AD	Bulgaria	3 038	12.28%	46.2	37.5
26	32	Banka Kombetare Tregtare Sh.a. (National Commercial Bank)	Albania	2 861	12.67%	55.4	45.7
27	28	SKB Banka d.d.	Slovenia	2 803	9.45%	61.4	34.2
28	21	Addiko Bank d.d. (formerly Hypo Alpe-Adria-Bank d.d.)	Croatia	2 778	-17.64%	7.8	-332.6
29	30	Unicredit Bank Srbija AD	Serbia	2 699	7.77%	50.6	52.5
30	29	UniCredit Banka Slovenija d.d.	Slovenia	2 571	1.03%	13.9	9.7
31	31	Bancpost SA	Romania	2 567	2.37%	5.7	7.8
32	34	Hrvatska Postanska Banka d.d.	Croatia	2 559	9.31%	24.9	16.1
33	25	SID – Slovenska Izvozna in Razvojna Banka d.d.	Slovenia	2 549	-20.33%	21.4	10.5
34	33	Central Cooperative Bank AD	Bulgaria	2 541	7.03%	13.6	3.4
35	36	UniCredit Bank d.d. Mostar	Bosnia and Herzegovina	2 410	7.73%	41.7	40.7
36	35	Banka Intesa Sanpaolo d.d. (formerly Banka Koper d.d.)	Slovenia	2 326	2.34%	20.2	11.8
37	39	OTP Banka Hrvatska d.d.	Croatia	2 084	-0.57%	16.3	-10.4
38	41	Raiffeisen Banka AD	Serbia	2 064	8.36%	44.0	35.8
39	44	Raiffeisen Bank d.d. Sarajevo	Bosnia and Herzegovina	2 006	5.92%	26.9	34.3
40	38	Raiffeisen Bank Sh.a.	Albania	1 997	-6.81%	-32.9	12.9
41	37	Garanti Bank SA	Romania	1 973	-6.46%	-8.5	9.7
42	43	Societe Generale Bank Srbija AD	Serbia	1 915	2.28%	29.9	17.0
43	42	Sberbank Banka d.d.	Slovenia	1 846	-2.92%	1.1	-3.5
44	45	OTP Bank Romania SA	Romania	1 808	-4.07%	18.6	-24.3
45	46	Komercijalna Banka AD	Macedonia	1 639	3.70%	12.7	8.5
46	53	CIBANK EAD	Bulgaria	1 586	15.44%	16.8	13.8
47	51	Gorenjska Banka d.d.	Slovenia	1 513	4.23%	6.3	3.2
48	40	Citibank Europe Plc Dublin - Romania Branch	Romania	1 501	-22.83%	50.5	44.4
49	48	AIK Banka AD	Serbia	1 493	2.60%	35.2	28.1
50	50	Piraeus Bank Bulgaria AD	Bulgaria	1 488	2.14%	-33.5	-78.4
51	47	Piraeus Bank Romania SA	Romania	1 447	-7.34%	-6.9	-55.8
52	52	Stopanska Banka AD - Skopje	Macedonia	1 427	1.54%	40.7	36.4
53	54	Addiko Bank d.d. (formerly Hypo Alpe-Adria-Bank d.d.)	Slovenia	1 414	5.15%	12.9	-52.2
54	49	Banca Romaneasca SA	Romania	1 404	-3.76%	5.3	-1.0

in millions of euro

2016	2015	Company name	Country	Total assets 2016	Y/Y change in assets	Net profit/loss 2016	Net profit/ loss 2015
55	56	Allianz Bank Bulgaria AD	Bulgaria	1 258	6.05%	15.5	5.2
56	62	Credins Bank Sh.a.	Albania	1 234	15.37%	2.5	-0.3
57	55	Sberbank d.d.	Croatia	1 226	-4.84%	5.7	-26.0
58	57	Eurobank AD	Serbia	1 224	7.15%	16.7	24.0
59	59	Banka Sparkasse d.d.	Slovenia	1 166	7.09%	9.3	6.5
60	58	NLB Banka AD Skopje (formerly NLB Tutunska Banka AD Skopje)	Macedonia	1 165	3.38%	25.7	13.5
61	67	Erste Bank AD	Serbia	1 161	21.64%	16.8	9.8
62	63	Intesa Sanpaolo Bank Albania Sh.a.	Albania	1 106	5.73%	16.9	16.1
63	60	Banka Postanska Stedionica AD	Serbia	1 081	2.49%	-51.4	3.2
64	74	Nova Banka a.d. Banja Luka	Bosnia and Herzegovina	1 033	3.58%	6.7	6.2
65	66	Vojvodjanska Banka AD	Serbia	1 023	4.63%	2.4	0.3
66	65	Investbank AD	Bulgaria	979.7	-2.03%	0.5	0.8
67	75	Bulgarian Development Bank AD	Bulgaria	977.6	18.42%	21.9	19.3
68	77	ProCredit Bank Bulgaria AD	Bulgaria	945.9	21.37%	19.2	14.6
69	71	Moldova Agroindbank SA	Moldova	945.3	8.31%	19.5	17.6
70	64	Credit Europe Bank (Romania) SA	Romania	945.3	-5.51%	6.8	11.2
71	72	Banca de Export-Import a Romaniei – Eximbank SA	Romania	940.7	11.63%	1.2	9.2
72	76	Intesa Sanpaolo Banka d.d.	Bosnia and Herzegovina	911.4	15.35%	13.9	13.3
73	61	Veneto Banca Scpa Italia Montebelluna Branch Bucharest	Romania	905.3	-14.79%	-68.4	-0.1
74	68	Intesa Sanpaolo Romania SA	Romania	900.3	-3.94%	3.3	2.4
75	70	Sberbank Srbija AD	Serbia	878.6	1.24%	3.5	-4.1
76	69	Dezelna Banka Slovenije d.d.	Slovenia	845.9	-5.21%	2.5	2.0
77	73	Addiko Bank AD Beograd (formerly Hypo Alpe-Adria-Bank AD Beograd)	Serbia	790.8	-4.10%	-10.4	-65.4
78	96	Libra Internet Bank SA	Romania	747.0	39.00%	7.2	5.3
79	80	ProCredit Bank AD	Serbia	725.7	8.84%	13.0	15.1
80	85	UniCredit Banka a.d. Banja Luka	Bosnia and Herzegovina	715.8	11.56%	11.4	10.9
81	78	Moldindconbank SA	Moldova	687.9	-7.17%	7.7	6.7
82	79	BCR Banca Pentru Locuinte SA	Romania	684.8	1.40%	-2.0	3.3
83	87	Municipal Bank AD	Bulgaria	675.2	9.95%	1.2	2.9
84	88	International Asset Bank AD	Bulgaria	665.9	8.68%	5.3	2.2
85	86	NLB Banka a.d. Banja Luka	Bosnia and Herzegovina	635.8	3.68%	14.7	9.7
86	92	Credit Agricole Banka Srbija AD	Serbia	629.8	8.36%	1.6	1.1
87	89	Sparkasse Bank d.d. Sarajevo	Bosnia and Herzegovina	606.2	1.83%	9.6	7.4
88	90	Crnogorska Komercijalna Banka A.D.	Montenegro	606.0	1.87%	6.0	6.8
89	83	Alpha Bank Srbija AD	Serbia	603.9	-8.41%	5.5	-7.9
90	94	Victoriabank SA	Moldova	603.8	4.37%	10.6	5.2
91	91	Tirana Bank Sh.a.	Albania	601.7	-0.12%	-3.8	-24.2
92	98	Banka Societe Generale Albania Sh.a.	Albania	600.6	10.84%	2.2	1.8
93	93	Sberbank BH d.d.	Bosnia and Herzegovina	594.0	5.54%	4.2	3.2
94	97	Ohridska Banka AD	Macedonia	582.6	8.82%	7.1	6.5
95	New	Halk Banka AD Skopje (formerly Izvozna i Kreditna Banka AD)	Macedonia	582.0	18.60%	7.7	6.0
96	81	Patria Bank SA (formerly Banca Comerciala Carpatica SA)	Romania	573.3	-14.81%	-9.9	-16.7
97	99	Bulgarian-American Credit Bank AD	Bulgaria	547.6	5.26%	3.0	0.4
98	100	Alpha Bank Albania Sh.a.	Albania	545.8	6.61%	-10.3	-12.0
99	New	NLB Banka d.d. Sarajevo	Bosnia and Herzegovina	498.6	4.58%	5.4	3.9
100	New	NLB Banka A.D. (formerly NLB Montenegrobanka A.D.)	Montenegro	475.0	-2.38%	6.0	1.6

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, 2016.

To allow comparison, all local currencies have been converted into euro, using the central banks' official exchange rates on the last working day of 2016 and 2015, 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 260 banks registered in the region including branches and representative offices of foreign banks.

Social corporate responsibility – a new aspect of banking activity

Moldova Agroindbank has been recently conferred the title Best Social Impact Bank – Moldova 2017 by the London-based publication Capital Finance International (CFI). According to the CFI assessment committee, "Moldova Agroindbank conducts its business in line with corporate responsibility principles, making sure its impact on the community is managed with high responsibility". From the very outset, the bank committed to operate responsibly within society and produce long-term positive effects. After a quarter of century of activity, the bank fully meets these goals.

Serghei Cebotari,
Chairman of the Management Board,
Moldova Agroindbank

Large companies have become increasingly involved in the life of society over the past years. How do you explain the enhanced interest on the part of the business in this area?

Accelerated social and economic changes across the world compel companies, in our case commercial banks, to change their business models, along with the way they interact with customers and stakeholders. Social corporate responsibility (SCR) is no longer an abstract concept in Moldova, it is an important element of healthy development strategies of companies and commercial banks. Moreover, SCR is now considered to be a long-term investment, which shall be planned and focused on quantifiable results. What do we mean by SCR? There are several ways to define this concept. I would say that companies implement various social responsibility projects in order to add to the state's efforts to develop society and improve living standards.

To Moldova Agroindbank (MAIB), SCR is a responsible business approach on which relationships with stakeholders are built. We organise our activity to ensure that everyone interacting with the bank is able to reach their objectives: provide customers with access to high-quality banking services to help them achieve their plans; provide our company's employees with opportunities to develop their potential; offer stakeholders a sustainable and profitable object for long-term investments; provide society with development and life improvement opportunities.

What are the most important SCR projects carried out by MAIB?

Nowadays, banks are assessed not only by their services and profit obtained, but also by their ability to back society. MAIB actively backs a number of social responsibility projects, contributing to the cultural, education, sport and social development of the communities in which it operates. I am proud to say that Moldova Agroindbank has been providing financial support and maintaining partnership ties for a long time with the Charity Social-Medical Foundation Angelus Moldova, Clipa Siderala Foundation and the National Olympic Committee, which enhances our efforts to participate in the community life.

One of our social missions is to bring a positive change to Moldova's child and youth education. To this end, MAIB backs the National Business Plan Contest, which is annually organised in partnership with the National Association of Young Managers. For more than 16 years, the bank has been providing support to the Educational Advising Centre to organise the Merit Scholarships programme, within which the best 50 Moldovan students are granted special study scholarships. The bank undertakes the same level of responsibility within the Scholarships for Your Future programme as well. The project is designed to help students from socially-vulnerable families, with the best 30 of them being granted scholarships to continue their studies.

Significant efforts have been taken lately at world level to improve young people's financial education. What is the contribution of MAIB in this sector?

One of our social missions is to bring a positive change to Moldova's child and youth education.

Moldova Agroindbank is an active participant in events held during the Global Money Week, including the ones organised by the National Bank of Moldova. MAIB volunteers during youth financial education activities in order to improve youth's financial knowledge and provide them with the necessary tools to shape their future. Thus, MAIB specialists have been teaching financial education classes in various Moldovan universities and pre-university education institutions for several years, sharing their professional experience with students and helping them to achieve a better understanding of the financial sector. Therefore, they are very receptive to such trainings.

What other programmes does the bank support?

Taking into account that micro, small and medium-sized enterprises are a key sector of the national economy, MAIB became a traditional partner of the International Conference of SMEs, organised by the Economics Ministry and the Organisation for Small and Medium Enterprises Sector Development. MAIB also backs various local and regional contests, designed to award the best entrepreneurs from various communities and encourage the local business development. We also provide SMEs with access to funds needed to ensure development in a highly-competitive environment.

Accelerated social and economic changes compel businesses to change their business models and how they interact with customers and stakeholders.

Our corporate responsibility also aims to ensure safe working conditions for our employees and invest in environment protection.

Moldova Agroindbank has been recently conferred an award, which is an international acknowledgment in the field of SCR. Could you please provide more details on this?

The British magazine Capital Finance International (CFI) has recently conferred the title of "Best Social Impact Bank – Moldova 2017" on Moldova Agroindbank as a sign of recognition of the bank's active involvement in social responsibility projects. Of course, we have always been aware of the impact our daily actions have on people's lives, but this high appreciation from CFI proves that our banking business is wisely managed and that it responds to the needs of Moldova's society, improving people's lives.

We have committed to contribute to the development of society and we understand how important this is for the development of the whole country, and hence, of the bank I have the honour to manage. As the famous British Prime Minister Winston Churchill said, for a good reason, "The price of greatness is responsibility".

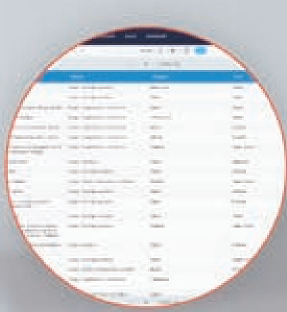
What, in your view, will the future of SCR look like in Moldova?

The insistent involvement in the SCR sector of a small group of companies, at the end of the day aroused the awareness of most Moldova-based businesses. Currently, most companies are aware of the importance to take action and back communities. Therefore, I am confident that social corporate responsibility in Moldova has great development prospects.

PDS.BG PROJECTS DATABASE SYSTEM

INTEGRATED DIGITAL DATABASE FOR THE CURRENT **BUILDING** AND **INFRASTRUCTURE** PROJECTS IN BULGARIA, AND THE RELATED **COMPANIES**

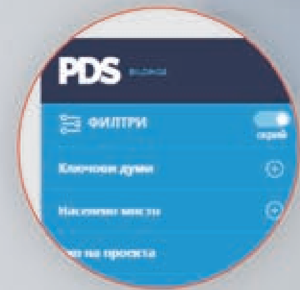
- Access to profiles of current public and private Building projects (all types) of different stage of their realization with information for built-up area, costs, terms, gallery and contractors related to the project (investor, architects, constructor, suppliers, etc.)



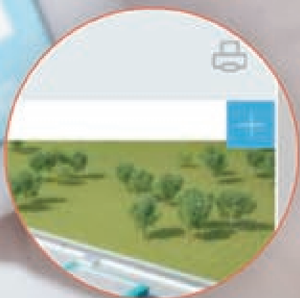
- Access to profiles of actual public and private Infrastructure projects (all types) of different stage of their realization with information for costs, volume, terms, gallery and contractors related to the project (investor, designers, constructor, suppliers, etc.)

- Statistics based on gross floor area

- Browse quickly by using your customized filters and save your search



- Receive PDS Daily, PDS Weekly and/or PDS Monthly Reports with information corresponding to customer's filters applied and/or receive the latest projects added in the system



- Access to the profiles of active companies (investors, designers, architects, building companies, suppliers, consultants, etc.) with their contacts (name, website, address, phone, emails, etc.) and referent projects

- Choose your preview type — photo gallery, list view, map view, table view. Format the table and choose the columns with selectable information

- Complete your search with a flexible and quick access to current profiles of the companies and by choosing type, stage, location, built-up area, costs of the project in the system

- Create your own lists with projects

- Export results from search and/or project profile in a suitable format

- English Version

in millions of euro

2016	2015	Company name	Country	Gross written premium 2016	Y/Y change in GWP	Net profit/loss 2016	Net profit/ loss 2015
1	1	Zavarovalnica Triglav d.d.	Slovenia	593.1	1.17%	75.3	58.5
2	5	Zavarovalnica Sava d.d. (formerly Zavarovalnica Maribor d.d.)*	Slovenia	345.0	1.47%	23.4	27.9
3	2	Croatia Osiguranje d.d.	Croatia	301.0	-1.14%	6.8	6.7
4	3	Adriatic Slovenica d.d.	Slovenia	298.8	0.73%	11.9	14.3
5	4	Vzajemna Zdravstvena Zavarovalnica d.v.z.	Slovenia	275.7	0.14%	1.6	4.4
6	6	Allianz - Tiriac Asigurari SA	Romania	270.3	16.74%	21.5	15.4
7	14	Asirom Vienna Insurance Group SA	Romania	241.5	75.80%	7.3	-8.4
8	7	Omniasig Vienna Insurance Group SA	Romania	238.5	10.91%	8.5	2.9
9	9	Groupama Asigurari SA	Romania	205.3	22.88%	7.1	3.7
10	10	Euroins Romania Asigurare Reasigurare SA	Romania	191.7	21.17%	6.4	-66.3
11	8	Dunav Osiguranje AD	Serbia	186.0	6.67%	7.3	3.2
12	16	City Insurance SA	Romania	173.9	51.00%	-8.8	-1.2
13	12	Generali Osiguranje Srbija AD	Serbia	161.1	6.43%	21.9	21.0
14	11	Allianz Zagreb d.d.	Croatia	147.7	-5.96%	10.4	13.5
15	13	NN Asigurari de Viata SA	Romania	145.7	5.24%	5.6	4.1
16	19	Generali Romania SA	Romania	141.6	32.68%	14.9	13.2
17	17	Triglav Zdravstvena Zavarovalnica d.d.	Slovenia	114.8	5.37%	1.2	3.1
18	18	Euroherc Osiguranje d.d.	Croatia	111.5	2.81%	14.1	14.3
19	28	UNIQA Asigurari SA	Romania	104.9	30.93%	-1.2	1.7
20	25	Lev Ins AD	Bulgaria	99.9	20.02%	0.223	5.4
21	15	Carpatica Asig SA - in bankruptcy proceedings	Romania	99.5	-22.61%	-6.8	-45.2
22	22	Bulstrad Vienna Insurance Group AD	Bulgaria	97.5	2.94%	3.2	-7.5
23	20	Armeec AD	Bulgaria	93.2	-12.24%	4.3	5.1
24	23	Generali Zavarovalnica d.d.	Slovenia	92.2	2.71%	4.0	5.6
25	26	DZI - General Insurance EAD	Bulgaria	86.6	6.08%	5.1	4.6
26	30	DDOR Novi Sad AD	Serbia	83.9	9.79%	2.7	1.8
27	29	Allianz Bulgaria AD	Bulgaria	83.4	3.85%	4.2	5.3
28	31	Wiener Osiguranje Vienna Insurance Group d.d.	Croatia	78.3	8.58%	3.5	3.5
29	33	Wiener Stadtische Osiguranje AD	Serbia	77.3	20.81%	2.2	2.9
30	24	UNIQA Osiguranje d.d.	Croatia	76.1	-13.77%	3.4	7.2
31	32	Jadransko Osiguranje d.d.	Croatia	72.5	4.88%	6.8	6.8
32	37	Bul Ins AD	Bulgaria	72.3	13.62%	0.034	0.097
33	45	Generali Insurance AD	Bulgaria	71.3	85.98%	0.619	-6.9
34	34	Generali Osiguranje d.d.	Croatia	66.0	4.48%	1.4	1.5
35	35	NLB Vita d.d.	Slovenia	63.8	2.16%	7.4	7.1
36	27	Zavarovalnica Tilia d.d.**	Slovenia	63.4	-20.49%	0.000	4.3
37	36	Euroins AD	Bulgaria	59.9	-1.06%	0.473	1.6
38	38	BCR Asigurari De Viata Vienna Insurance Group SA	Romania	54.8	-5.43%	4.6	6.1
39	40	Grawe Hrvatska d.d.	Croatia	50.8	-3.03%	6.0	5.8
40	42	Triglav Osiguranje d.d.	Croatia	48.8	7.20%	0.028	-4.5
41	41	Merkur Zavarovalnica d.d.	Slovenia	46.9	1.90%	2.6	2.9
42	47	Grawe Zavarovalnica d.d.	Slovenia	41.6	16.12%	1.3	1.9
43	58	Agram Life d.d.	Croatia	40.5	45.38%	5.4	3.6
44	44	OZK - Insurance AD	Bulgaria	39.9	0.29%	1.2	0.726
45	55	Croatia Zdravstveno Osiguranje d.d.	Croatia	38.5	29.28%	0.935	1.1
46	51	Bulstrad Life Vienna Insurance Group AD	Bulgaria	37.0	8.48%	1.2	1.0
47	46	Merkur Osiguranje d.d.	Croatia	35.8	-2.84%	3.1	3.1
48	92	Dall Bogg Zhivot i Zdrave EAD	Bulgaria	35.0	166.44%	0.573	0.438
49	57	Triglav Osiguranje AD	Serbia	34.4	24.21%	1.0	0.002
50	54	Pool-ul de Asigurare Impotriva Dezastrelor Naturale SA	Romania	32.3	8.90%	7.9	6.0

(*) Zavarovalnica Sava d.d is a merger of Slovenian Zavarovalnica Maribor d.d., Zavarovalnica Tilia d.d and Croatian Velebit Osiguranje d.d. and Velebit Zivotno Osiguranje d.d.
(**) Data up to Sept 30, 2016

in millions of euro

2016	2015	Company name	Country	Gross written premium 2016	Y/Y change in GWP	Net profit/loss 2016	Net profit/ loss 2015
51	59	UNIQA Life Insurance AD	Bulgaria	31.6	15.15%	0.334	0.638
52	56	Lovcen Osiguranje AD	Montenegro	29.9	2.24%	0.000	-6.6
53	62	UNIQA Osiguranje d.d. Sarajevo	Bosnia and Herzegovina	29.9	9.84%	1.0	0.902
54	60	Sigal UNIQA Group Austria sh.a.	Albania	29.8	7.16%	2.7	2.2
55	63	Grawe Osiguranje AD	Serbia	29.4	10.28%	5.4	2.6
56	48	UNIQA Nezivotno Osiguranje AD	Serbia	29.0	-14.76%	0.539	-1.9
57	52	UNIQA AD	Bulgaria	28.6	-10.65%	-1.3	0.062
58	New	Wiener Stadtische Versicherung AG - Branch Ljubljana	Slovenia	28.4	5.44%	5.2	3.3
59	53	Sarajevo Osiguranje d.d.	Bosnia and Herzegovina	28.2	-8.43%	0.028	0.231
60	43	Allianz Bulgaria Life AD	Bulgaria	28.2	-6.07%	3.2	4.5
61	61	Euroherc Osiguranje d.d.	Bosnia and Herzegovina	27.5	0.66%	3.1	2.6
62	68	Hrvatska Osiguravajuca Kuca d.d.	Croatia	24.7	4.46%	1.5	2.2
63	70	Croatia Osiguranje d.d.	Bosnia and Herzegovina	23.9	8.28%	1.2	0.335
64	69	Erste Osiguranje Vienna Insurance Group d.d.	Croatia	23.2	2.11%	1.7	1.6
65	74	BRD Asigurari de Viata SA	Romania	23.1	17.92%	3.5	3.1
66	73	AMS Osiguranje AD	Serbia	23.0	13.94%	0.710	0.133
67	67	Bosna-Sunce Osiguranje d.d. Sarajevo	Bosnia and Herzegovina	22.9	2.59%	1.2	1.1
68	71	Milenijum Osiguranje AD	Serbia	22.6	9.12%	2.3	0.198
69	75	UBB-Metlife Life Insurance Company AD	Bulgaria	22.6	19.32%	3.2	3.6
70	49	Energia AD	Bulgaria	22.5	-34.29%	8.9	8.9
71	72	Triglav Insurance AD	Macedonia	21.6	2.61%	0.887	0.303
72	77	Gothaer Asigurari Reasigurari SA	Romania	21.6	19.41%	-7.3	-5.6
73	76	Triglav Osiguranje d.d. Sarajevo	Bosnia and Herzegovina	20.4	11.03%	0.591	0.554
74	New	ERGO Asigurari SA	Romania	20.2	180.79%	-0.323	-0.130
75	80	Olympic Insurance Company - Bulgaria Branch Office	Bulgaria	20.2	24.78%	-11.1	-7.1
76	87	Eurosig sh.a.	Albania	16.6	13.22%	-0.499	-0.620
77	83	Grawe Osiguranje d.d. Sarajevo	Bosnia and Herzegovina	16.6	7.52%	1.0	1.0
78	66	Modra Zavarovalnica d.d.	Slovenia	16.6	-32.58%	6.6	4.7
79	79	Wiener Osiguranje Vienna Insurance Group a.d. Banja Luka (formerly Jahorina Osiguranje Vienna Insurance Group a.d.)	Bosnia and Herzegovina	16.1	-0.55%	-2.9	-1.6
80	New	AXA Zivotno Osiguranje AD	Serbia	15.6	48.41%	-1.6	-4.4
81	64	Sigma Interalbanian Vienna Insurance Group sh.a.	Albania	15.4	-2.55%	-0.179	-0.220
82	86	Osiguruvanje Makedonija Vienna Insurance Group AD	Macedonia	15.2	1.62%	2.2	3.9
83	85	UNIQA Zivotno Osiguranje AD	Serbia	14.9	0.74%	0.778	1.0
84	84	Merkur BH Osiguranje d.d.	Bosnia and Herzegovina	14.8	-2.83%	1.1	1.3
85	New	Sava Nezivotnno Osiguranje AD	Serbia	14.7	3.96%	0.117	-0.578
86	91	GRAWE Bulgaria Life Insurance EAD	Bulgaria	14.7	9.76%	1.1	0.360
87	82	SID – Prva Kreditna Zavarovalnica d.d.	Slovenia	14.4	-6.72%	1.7	0.932
88	89	Eurolink Osiguruvanje AD	Macedonia	13.8	-4.10%	0.774	0.800
89	65	DZI - Life Insurance AD	Bulgaria	13.4	-7.96%	6.1	4.2
90	90	Certasig - Societate De Asigurare Si Reasigurare SA	Romania	13.4	-5.92%	0.692	0.366
91	New	Signal Iduna Asigurari de Viata SA	Romania	13.2	28.89%	-1.4	-2.2
92	New	Winner Vienna Insurance Group AD	Macedonia	13.0	17.26%	0.686	0.678
93	96	VGT Osiguranje d.d. Visoko	Bosnia and Herzegovina	13.0	9.40%	0.022	0.031
94	New	Albsig sh.a.	Albania	12.8	34.28%	0.688	0.755
95	81	Eurolife ERB Asigurari de Viata SA	Romania	12.5	-22.65%	0.321	0.747
96	95	Drina Osiguranje a.d.	Bosnia and Herzegovina	12.5	4.79%	2.3	2.1
97	93	Prva Osebna Zavarovalnica d.d.	Slovenia	12.4	-3.58%	3.3	3.7
98	New	Societe Generale Osiguranje AD	Serbia	12.2	223.76%	0.519	0.206
99	99	Sava Osiguruvanje AD	Macedonia	12.2	6.91%	0.466	0.453
100	97	Intersig Vienna Insurance Group sh.a.	Albania	11.8	2.10%	0.316	0.436

SEE insurers pocket record high earnings, premiums despite challenging market

by Siana Mishkova

Supported by a robust macroeconomic environment, stable fiscal conditions and buoyant consumption, Southeast Europe's (SEE) insurance industry remained resilient to pressure stemming from the persistent record low interest rate environment, financial market volatility, stricter regulatory requirements, and demographic changes. In the words of top insurance managers, 2016 was "once again extremely challenging" for the sector, however, the Top 100 SEE insurers booked the highest combined earnings and gross written premiums (GWP) in the history of our annual rankings. Moreover, the annual growth in premiums was the highest for the last eight years, while the aggregate net profit rose by a substantial 56%.

6.3%

Rise in GWPs booked by SEE's top 100 insurers

7.2 bln euro

GWP booked by SEE's top 100 insurers in 2016

Romania and Serbia shined with a double-digit growth in premiums and a remarkable improvement in profitability, while Albania stood out with above average performance.

Looking ahead, the sector confronts both challenges and opportunities in the face of ageing population and migrations, regulatory and political interference in view of the necessary changes in the pension and healthcare systems in the region, as well as rapid technological development that requires fast and adequate response to customer needs.

The Top 100 insurers in SEE recorded a combined net profit of 365 million euro for 2016, up 56% from the earnings made in 2015 by last year's ranking entrants. If we look at the same 100 companies in the 2017 list, their profit growth is even more impressive - 83%. The significant improvement is also evidenced by the higher number of profitable insurers – 89 companies were in the black last year, reporting aggregate earnings of 408 million euro, versus 83 in the 2016 list with a profit of 403 million euro.

The GWP booked by the region's 100 biggest insurers biggest insurers reached a record high of 7.2 billion euro in 2016, up 6.3% on the year, the fastest growth rate in at least eight years. Ljubljana-based Zavarovalnica Triglav remained firmly on the top of the ranking also in 2016 with premiums and earnings well ahead of its nearest competitors. The Slovenian insurer with operations across the region, which has been occupying the ranking's first place over the last decade, collected 593 million euro in premiums last year, up 1.2% from 2015, and made a net profit of 75 million euro, up 29%. Its earnings were more than twice as high as those of its nearest competitor, compatriot Zavarovalnica Sava, which, despite a 16% drop in profit, climbed by three spots in the ranking thanks to a 1.5% increase in GWP to 345 million euro. The bronze medal was grabbed by Zagreb-based Croatia Osiguranje, which lost one place due to a 1.1% decline in premiums.

The improvement in profitability of the region's biggest insurers was also aided by the lack of the huge losses recorded by two major Romanian players in 2015. The country's fifth-largest insurer, Bulgarian-owned Euroins, returned to a small profit in 2016 after a massive 66 million euro loss in 2015, when it was forced by Romania's financial supervision authority, ASF, to implement a financial recovery plan after failing to comply with the Solvency II regime's capital requirements. At the same time, the net loss of Dutch-owned Carpatica Asig, which entered bankruptcy proceedings in mid-2016, was cut substantially.

Romania's insurance market enjoyed a 10% increase in GWP, to a post-crisis peak of 2.3 billion euro, according to ASF data. The 18 Romanian insurers that entered the Top 100 SEE ranking had combined premiums of 2.0 billion euro, up 10.9% from last year's list, which is well above the average 6.3% growth for the total ranking. Notably, the premiums of each of the five Romanian insurers in the top 10 saw a double-digit annual percentage growth, with those of Vienna Insurance Group's (VIG's) Asirom soaring 76%. The flourishing of Romania's insurance market is also visible by the considerable improvement in the aggregate profit of its Top 100 SEE entrants to 63 million euro, compared to a loss of 31 million euro by last year's 19 participants.

Insurance is the only ranking in which Romania, the region's biggest economy, comes as runner-up. With a 27.8% market share by GWP, it followed Slovenia by 0.1 percentage point. mainly because Slovenian insurers' operations have spread across the less developed former Yugoslav markets, while the Romanian ones are focused domestically. Slovenia had 14 entrants in the 2017 list with GWP of 2.0 billion euro and net profit of 145 million euro, the largest by country. Compared to last year's ranking, the number of Slovenian participants rose by one, while their premiums grew 6.5% and earnings climbed 7.7%.

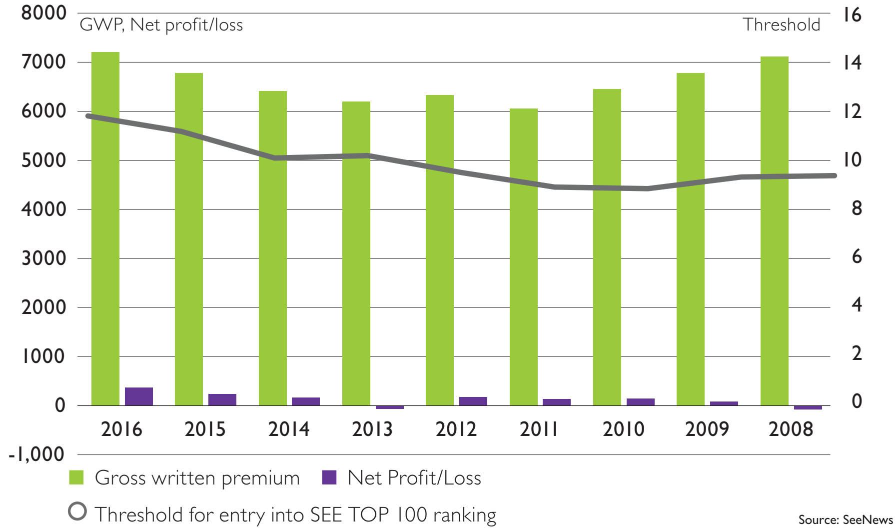
The third biggest insurance market in SEE, according to our ranking, is Croatia with a 15.5% share by GWP, followed by Bulgaria with 13.3%, and Serbia with 9.8%. The number of Croatian entrants remained unchanged at 14, while their premiums edged up 2.4% on the year and their earnings fell 1.2% to 65 million euro. At the same time, the number of Bulgarian participants decreased by three and their assets shrank 0.1%, but their profit jumped 36% to 32 million euro. Serbia achieved the biggest growth in GWP among the top five markets – by 11.1% - with two new entrants, boosting the total number to 13, and a profit of 44 million euro, up 45% year-on-year.

Of the smaller markets, Albania shined as its five entrants recorded premiums of 87 million euro and a profit of 3.0 million euro, up from 80 million euro and 1.3 million euro, respectively, reported by last year's four participants. The number of Bosnian entrants remained unchanged at 11, that of Macedonian rose by one to five, whereas that of Montenegrin fell by one to one. Bosnia's GWP rose 2.3% to 226 million euro, but its earnings edged down 0.6%, Macedonia achieved a remarkable 23% GWP growth, accompanied by a disappointing 9% profit drop, whereas Montenegro's bottom line improved to a breakeven, but its premiums shrank 26%.

The biggest gainer in the 2017 Top 100 insurers ranking was Bulgaria's Dall Bogg Zhivot i Zdrave, which climbed 44 places to number 48 with a 166% rise in premiums, after entering the list last year with a striking 848% jump. On the opposite end, Bulgarian DZI Life Insurance, a unit of Belgium's KBC Group, was the biggest loser, shedding 24 places to 89th position, as its GWP plummeted 47% from the result reported last year due to a self-made correction in the 2015 figures. The company reclassified two major products from 'insurance' to 'investment', thus severing roughly 10 million euro from its 2015 GWP. In February 2017, Bulgaria announced the results of an asset quality review and stress tests of local insurers and reinsurers, saying that the sector is adequately capitalised and stable.

TOP 100 INSURERS COMBINED FINANCIAL RESULTS 2008-2016

(in millions of euro)



Source: SeeNews

There were eight newcomers to the 2017 ranking, with Serbia's Societe Generale Osiguranje at number 98 standing out with a 224% growth in premiums. The entry threshold increased to 11.8 million euro from 11.2 million euro last year.

On the M&A front, Vienna-headquartered VIG was an active player, strengthening its position as a leading insurer in the region. In the summer of 2016, VIG announced the purchase of the Romanian life and savings insurance operations and the Serbian life and non-life insurance operations of France-based global insurer AXA Group. At the beginning of 2016, it finalised the acquisition of Bulgarian bank insurance company UBB AIG. In March 2017, the group said it plans to expand its health insurance portfolio in Romania, Bulgaria and three other European countries.

Another ambitious player, Euroins, which aims at a market share of 6%-10% in the non-life insurance sector in Central and Eastern Europe, agreed at the beginning of 2017 to buy the non-life insurance portfolio of ATE Insurance Romania, a subsidiary of Greece's Piraeus Bank. Over the previous three years, it purchased several businesses in Bulgaria, Romania, and Ukraine, and plans to look for more opportunities on the markets where it is present as well as on new ones in the region.

In Croatia, the top insurer Croatia Osiguranje completed in 2017 the acquisition of the local unit of French BNP Paribas Cardif Insurance and that of reinsurer Croatia Lloyd. Its efforts for more than a year to get a third of Zavarovalnica Sava remain, however, fruitless.

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 2016.
To allow comparison, all local currencies have been converted into euro, using the central banks' official exchange rates on the last working day of 2016 and 2015, 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 270 insurers.

Triglav to keep focus on core business, profitability, put more emphasis on digitalisation of processes

By Nevena Krasteva

Slovenian insurance-financial group Triglav Group posted a consolidated net profit of 82.3 million euro in 2016. Gross written premiums from insurance and co-insurance grew 2% to 936 million euro in 2016. The group, listed on the Ljubljana Stock Exchange, is active in Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, and Macedonia. Zavarovalnica Triglav, the controlling company of the Triglav Group, evolved from Vzajemna Zavarovalnica, a Ljubljana mutual insurer established in 1900.

Uroš Ivanc,
Member of the Management Board, Zavarovalnica Triglav

The Triglav Group achieved premium growth and maintained a high capital adequacy for a second year running in 2016. What were the pillars of your strategy?

Last year, Triglav Group achieved premium growth for the second consecutive year, and the trend has continued this year. I believe that the good results are the consequence of our strategic focus on core businesses and profitability, on safety of our operations and on maintaining the financial stability of Triglav Group. These were the cornerstones of our former strategy, and we have brought them forward also in our new four-year strategy period. All insurance and asset management subsidiaries of the group consistently carry out client-oriented sales activities, increase effectiveness, develop both internal and external sales networks, and implement a proactive marketing strategy. In general, the situation on the insurance markets of the region is slowly improving, mainly as a result of more favourable macroeconomic conditions.

This year, we have recorded growth in our insurance portfolios, gained new clients and expanded the scope of insurance coverage with existing clients. This is partly a consequence of the improvement of the environment, but it is also a result of our consistent work. Our growth in Slovenia, the largest and the most developed market of Triglav Group, was higher than market growth.

In the new strategy, an additional emphasis has been given on business development and digitalisation of our processes, whilst a greater focus is on present and future needs of our clients.

As the leading insurance/financial group in the region, we exploit our competitive advantages and use experiences gained through our long-standing presence on the local markets. We know them well and, therefore, we are able to tailor our range of new and innovative products and services, upgraded with assistance services, to each individual market.

Demographic changes, record-low interest rates and volatility on financial markets continue to constrain the operations of insurers in Southeast Europe (SEE). How do you plan to offset their adverse impact?

Yes, our environment is changing and bringing new challenges. We see them more as opportunities for our future development and growth than threats to our current market position, though. Our vision is to dynamically develop new ways of doing business as the foundation of the group's responsible long-term development, while at the same time operating profitably and safely. In SEE, our aim is to continue to establish ourselves as the leading provider of innovative and comprehensive insurance and service products and asset management services, while having a well-regulated and efficient management and governance system of the group, effectively managing the risks and ensuring the financial stability of the group. In the new strategy period, special attention is given to the development of the group into a modern, innovative and dynamic insurance/financial group.

As regards the situation in the capital markets, no improvement is expected in the short term. The group will maintain

Serbia is one of the most promising insurance markets in the region.

Triglav Group will maintain a relatively conservative investment policy.

its existing relatively conservative investment policy, placing emphasis on fixed-rate investments. Furthermore, it will continue to invest on financial markets that ensure adequate liquidity, diversification and the expected return.

Triglav Group's operations are very dynamic and impacted by the demographic changes such as the ageing population and migrations, uncertainty of the economic environment, as well as by rapid technological, business-ecosystem, regulatory and broad social changes. As a result of the ageing of the population, new reforms in mandatory pension and health insurance are expected, which will lead to further limitation of social benefits. For insurers, a longer life expectancy brings not only threats but also opportunities, and the fact is that client needs will change significantly.

In addition, insurers are also faced with challenges posed by young generations, who require faster and easier access to our services, which are adapted to their needs by taking a comprehensive and personal approach. Therefore, in accordance with the new strategy, the group is developing omni-channel sales, services tailored to the clients throughout their whole life span and upgraded with broad scope of assistance services.

Which segments – both on the domestic market and outside Slovenia – do you view as the most promising in terms of premium growth?

We see opportunities for growth in health and pension insurance market. Due to the relatively low level of development of the pension system in Slovenia and the increasingly unfavourable age structure of the population, I believe that further pressures on the public pension system can be expected and consequently the second pension pillar needs to be strengthened. The growth dynamics of the Slovenia market depends on the dynamics of the changes to the existing pension system.

We expect that in the long run our markets outside Slovenia will grow faster than the Slovenian market, primarily due to the current differences in the development of individual insurance markets. We will continue to actively develop the insurance markets in the region as our interest is long-term. The markets of SEE represent foremost potential growth in the non-life insurance segment (excluding motor vehicle insurance) and various life and health insurance classes.

Triglav has been the top insurer by gross written premium in SEE over the past decade. What were the biggest challenges you faced during this period?

The greatest challenges are the diversity of markets, various consumer habits, different regulatory frameworks and specific risks. We are aware that we are operating in a highly competitive and demanding environment, in which the specificities of individual insurance markets of Adria region play an important role. We strive to continuously transfer good practices among the group members. In the markets where the group holds a high market share and a leading position, the consolidation strategy has been and will continue to be pursued, whilst on the remaining markets, where our presence is still being built, focus will be on strengthening the group's market position. In all markets, however, our goal is to make good use of the group's competitive advantages, such as effective and rapid claim settlement, a strong and trusted brand, our size and capital strength, a broad portfolio of products, services and clients, branched and developed sales channels. An important distinction from our regional competitors is our attitude towards the market, while ensuring a long-term return on invested assets and increasing productivity through synergistic effects.

What key factors do you expect to impact your development by 2020 – both at home and on the wider SEE market?

The insurance industry embodies stability, but at the same time the environment requires us to change, to be dynamic. The penetration of digitisation of business, integration with other sectors of the economy and the development of methods of use of various data open up new possibilities. The environment in which we operate is characterised by rapid market changes and low interest rates. Financial stability, profitability, increasing the value of the group, effective management of assets of the policyholders and the company remain the continuous focus of our operations.

The insurance industry is increasingly faced with various challenges, such as additional regulations, digital business models, the need to connect with complementary players and technological development, e.g. smart homes, self-driving cars. Of course, not all this will be a reality by 2020, but some client needs in connection with the above are already emerging. Changes will not happen overnight; however, our long-term competitiveness would be threatened if we believed that we could adapt to them overnight. A necessary step for our future success is therefore the realisation that the current favourable market situation does not ensure long-term success and that we must now begin with the transformation of our business operations by adopting modern and innovative approaches.

New mergers and acquisitions took place on the regional insurance market in 2016. Are you considering potential takeovers?

Our goal is to grow organically in the region, however potential takeovers are not ruled out should an appropriate opportunity present itself.

The share of gross written premiums booked by the Triglav Group on the markets outside Slovenia has been increasing. Do you expect to sustain this trend? Do you expect Serbia to continue to pace growth in premiums by 2020?

Digitisation will be one of the key future elements of operational efficiency.

We operate in six countries of Adria region. Our growth and development are more and more recognised in markets outside Slovenia, where Triglav Group booked 17.3% of total premium in 2016. We are pleased that macroeconomic conditions are improving, resulting in growth in insurance markets, which we as the leading insurance/financial group in the region have also recorded. This trend is expected to continue. Attention is also paid to other factors of our business environment, such as significant changes in the regulatory environment and the political and economic situation. Triglav Group assesses and evaluates all these potential changes in the environment in terms of risks and duly takes them into account in its operations.

In general, the insurance markets of SEE, including Serbia, have an enormous potential for development, therefore strengthening the group's position and increasing the volume of business in these markets is important to us. In total written premium, by far the largest segment remained non-life insurance, the bulk of which was accounted for by motor vehicle insurance. The life insurance market continues to increase gradually and consistently. As a consequence, the awareness about safety is rising and thereby the need for insurance, which people increasingly perceive as an investment in a safe future.

Serbia is one of the most promising insurance markets in the region. Total premium in the overall market increased by almost 44% in the last three years, because with the approximation to the EU the need for insurance services in Serbia is growing and thereby the market. Since the group recognised this potential in due time, it appropriately responded to it. Over the last three years, we achieved an 88% growth in written premiums, which is significantly higher than the average growth of the insurance market. As a result, the group's share in the Serbian insurance market went up from 1.8% to 5.7% as at 31 March 2017, ranking us fifth among the 19 insurers registered in Serbia.

Triglav has been developing advanced telematics solutions over the past years. In what ways will new technologies affect your operations in the short and medium term?

The insurance industry follows innovations but in the areas where this is feasible. I estimate that digitisation will be one of the most important future elements of operational efficiency. Through the development and introduction of advanced technologies, we can optimise business processes and promote their transparency and simplicity. The digital environment also enables us to continuously improve our services. In cooperation with start-ups, we develop and transfer to practice advanced solutions in telematics, traffic safety promotion, etc. for the benefit of our policyholders.

In Triglav Group, we are very open to all technological solutions that improve our operations and provide the opportunity to offer our clients better services. Therefore, they are systematically introduced into our operations, with priority given to e-business. On the Slovenian market in particular, and gradually on other markets, we continuously expand options of concluding insurance contracts and reporting claims online, managing insurance policies (i.triglav) and other forms of interactions with our clients.

Furthermore, modern technologies are being introduced into other parts of the group's operations. For example, in 2015 Triglav, as the first insurance company in the region, entered the world of telematics with its DRAJV mobile application, which enables drivers to improve their driving; last year DRAJV was introduced in Croatia and this year on the Serbian market. The penetration of the digitisation of business, integration with other sectors of the economy and the development of the use of big data open up new possibilities and opportunities for further development of the Triglav Group.

Reported positive results give Euroins solid ground for further growth

Mihnea Tobescu
Euroins Romania CEO

Euroins Romania is one of the leading insurance companies in Romania. It is the largest subsidiary of Bulgaria-based Euroins Insurance Group (EIG), which is an independent insurance group, operating in Central and Southeast Europe (CSEE) and providing a full range of products in the areas of general, health and life insurance. EIG provides services in seven European countries and owns insurance subsidiaries in Bulgaria, Romania, Macedonia and Ukraine. The insurance group has been operating in Greece since 2014. It has over 2 million clients, 1600 employees and almost 300 million euro in gross written premiums (GWP). EIG is a subsidiary of Eurohold Bulgaria, a leading Bulgarian company listed on BSE-Sofia and WSE. Eurohold Bulgaria operates across CSEE with a focus on non-banking financial services and asset management.
WWW.EIG.BG;
WWW.EUROHOLD.BG

How did you manage to maintain a leading position in Romania at a time when new rules and increased capital requirements put a pressure on the local players?

As you know, all rules, regulations and requirements are in the benefit of consumers and customers as well as the companies. All of the above mentioned were conditions for the improvement of our business and our portfolio of products, with direct effect on the increased quality of relationship with our beneficiaries. Euroins Romania managed to improve its position in the last years thanks to a mix of shareholders' support, management skills, and insurance products savvy. I am fortunate to work shoulder to shoulder with the best team of managers in the insurance industry. We invested a lot of time and effort into redesigning the products portfolio with a sharp eye on the risk categories and other criteria, which gave us an edge over the market. Euroins Romania's GWP grew by an annual 22% in 2016 to almost 200 million euro and it posted 6.5 million euro profit before tax. Our combined ratio value declined to 92% which is quite below the average level in the sector (100%). Euroins Romania also turned out to be one of the most sufficiently reserved companies. Actually, last year was a turning point for the business of the whole group as EIG put up a remarkable performance on all of its markets. Profitability has been rising and the achieved solvency and capital ratios are in line with the regulatory requirements. The reported positive results ensure a solid ground for further future growth that will provide coverage of the solvency and capital requirements in the next years.

What are your expectations and goals for the following period?

We are looking to a growing market on which Euroins Romania is acting in the best interest of its customers. Euroins Romania reported in the first quarter of 2017 a nearly 47% annual rise in GWP and is expected to further sustain a high growth rate driven by the strengthening economic growth. On a group level, we expect a total premium income of 350 million euro for the whole year. In the segment of motor insurance where we hold a high market share, we will pursue a consolidation strategy, while on the remaining segments - non-motor and life insurance, where the group's presence is still being built, the focus will be on strengthening the group's market position.

Do you see any further consolidation taking place in Romania and on the other CSEE markets and does Euroins plan to enter new markets in the region?

Euroins Romania has recently acquired the non-life insurances portfolio of ATE Insurance Romania, a subsidiary of Piraeus Bank, the biggest bank in Greece. Acquisitions are part of EIG's strategy. The group acquired businesses in the region in the past years and will continue to look for more opportunities on the markets where it is present as well as new ones in the region. The goal is to grow EIG as the leading independent insurance group in CSEE. Our plan is to further expand in these markets, both through organic growth and potential acquisitions, should an appropriate opportunity arise. They help us diversify and improve the quality of our insurance portfolio.

How do you see the future of the insurance business in the light of the new and upcoming technological changes?

Digitalisation will be among the most important future elements of the industry. Euroins is digitalizing its business by introducing modern technology in its operations. The process has already started.

Sigal Uniqa Group Austria puts client needs, digitalisation at centre of strategy

Regional insurance group Sigal Uniqa Group Austria is composed of seven insurance companies (life, non-life, reinsurance) and one pension fund that operate successfully in Albania, Kosovo and Macedonia. Sigal Uniqa is the market leader in Albania since 2002 with an average market share of 30%. Since 2007 Sigal Uniqa is part of Uniqa Insurance Group, which is one of the leading insurance groups in its core markets of Austria and Central and Eastern Europe. Around 20,000 employees and exclusive sales partners serve over 9.6 million customers in 18 countries.

Avni Ponari, Sigal Uniqa Group Austria (Albania, Kosovo, Macedonia) CEO

Sigal Uniqa posted healthy growth in pre-tax profit and total gross written premiums in 2016. What are your expectations for 2017?

2016 has been a positive year for Sigal Uniqa Group Austria despite the many challenges in the market and economic Client needs, digitalisation in Sigal Uniqa Group Austria's focus Avni Ponari, Sigal Uniqa Group Austria (Albania, Kosovo, Macedonia) CEO Regional insurance group Sigal Uniqa Group Austria is composed of seven insurance companies (life, non-life, reinsurance) and one pension fund that operate successfully in Albania, Kosovo and Macedonia. Sigal Uniqa is the market leader in Albania since 2002 with an average market share of 30%. Since 2007 Sigal Uniqa is part of Uniqa Insurance Group, which is one of the leading insurance groups in its core markets of Austria and Central and Eastern Europe. Around 20,000 employees and exclusive sales partners serve over 9.6 million customers in 18 countries. environment. Being the market leader since 2002 puts us on the front row when it comes to finding proper solutions and ways to effectively overcome obstacles. In this regard, I am happy to say that Sigal Uniqa is well positioned and prepared for a successful 2017.

In its strategy, Sigal Uniqa Group Austria sets the main emphasis on the core insurance business, paying special attention to voluntary insurance and pension funds. Bearing this in mind, we are focused on, and strongly oriented to, addressing client needs as well as digitalisation. We effectively achieve the set strategic objectives, which is reflected in the business results, in premium growth.

Satisfied clients will continue to be our main concern and focus of activities. We will put an emphasis on the development of our services, the availability and diversity of sales channels, which are increasingly supported through online operations and strengthening the sales network on all markets of the group.

Digitalisation will be very important in the future and I think will play a big role for a company's success. In 2016 we launched online sales for the first time in Albania and we have since received a very positive feedback. We have alreadystarted to see concrete results of our digitalisation strategy.

Such an environment allows us not only to continuously improve our product range tailored to client needs but also to introduce modern technology so as to optimise business processes and promote their transparency and simplicity, all of which keeps changing our relationship with clients and our business operations.

What are the main factors impacting your performance?

We are straightforward; we shape; we develop and we inspire: this is our basic attitude. We try to show this behavior in our everyday work, while striving to offer innovative products, quality customer service, prompt claims handlingand continuous honest communication.

Another important factor is our keyshareholder: Uniqa Insurance Group, one of the biggest financial groups in Europe, which we entered in 2007. Uniqa has provided both financial support and expertise to the entire local market by investing its 180 years of experience in Sigal Uniqa Group (Albania, Kosovo and Macedonia).

Additionally, one of the main assets of a company is its staff. That's why we continually invest in recruiting and developing our people, especially abroad with the best insurance companies in the U.S., Germany, Switzerland, France and the countries in the region. They bring new knowledge, experience and best practices at Sigal Uniqa so that we can we guarantee quality and a competitiveedge for the future.

Non-life insurance accounts for over 90% of Albania's market. On which other segments do you see biggest untapped potential for growth?

20 euro per capita

Albania's insurance density, with 18 euro per capita spent on compulsory motor insurance

2%

Share of Albanians with life insurance

Albania has an insurance density of about 20 euro per capita, meaning that approximately 18 euro per capita is spent on obligatory insurance, on compulsory motor insurance in particular. This means that Albania has indeed a very high potential for market development, especially in the life and health insurance segment. With less than 2% of Albanians having life insurance, this market is of high interest for insurance companies per se and foreign investors that have entered the market since 2003. Several life insurance products, similar to the ones offered all over the Europe, are also provided in Albania through Sigal Uniqa Group Austria.

In the non-life segment, both property and health insurance are of high interest. Albania's location in a seismic zone, as well as uncontrolled construction in the last two decades, urge the need for home and casualty insurances.

Health insurance has been experiencing solid growth in the Albanian insurance market in terms of gross written premiums (GWP) and number of customers but also in terms of benefits of health insurance packages both in Albania and abroad. Additionally, the improved health infrastructure in Albania especially in the private sector, has pushed the need for private health coverage.

In the long run, I see growth potential also in the private pension sector. Due to the relatively underdeveloped pension system in Albania and the increasingly unfavourable age structure of the population, I believe that we can expect further pressures on the Albanian public pension system, and consequently the need to strengthen the second pension pillar. The growth rate of the Albanian market will depend on the dynamics of changes to the existing pension system.

GWP growth on Albania's insurance market has accelerated. What are your expectations about its development in the short and medium term and what key trends will influence it?

I strongly believe that the insurance market is one of the most important pillars of a country's economy because a well-developed financial market is a major support to every government. As such, the insurance market should be supported by tangible incentives and clear policies of state institutions in accordance with the market needs. For the time being, there is a gap in the insurance legislation and in general in the entire insurance infrastructure that impedes such development. As I mentioned before, I see a huge potential in voluntary insurance and in this regard there is a great need for concrete state reforms in private pension schemes, property and health insurance. These reforms would boost a more rapid development that would serve both the customers, state institutions and private companies.

Since its liberalisation almost 20 years ago, the Albanian insurance market has experienced sustainable growth, yet it remains a small market with a great potential. Important European investors entered the market 10 years ago thus bringing excellent know-how that is being implemented and we will soon see additional results and benefits of such investments.

Additionally, public awareness and the general attitude toward insurance has been improving and now there is better understanding of insurance and a greater need for it. As a result, increasing demand for insurance will push all actors on the market, both companies and authorities, to deliver effective strategies and results both in the short and medium term.

Slovenia remains at top of SEE per capita rankings, Petrol strengthens lead

by Ivaylo Mihaylov

Over the last decade, Slovenia has been dominating the SEE per capita ranking, which demonstrates the importance of individual companies for the local economies. The former Yugoslav republic of some two million, which has the best developed economy and was the first in the region to join the EU and the Eurozone, occupied 11 positions in the 2017 SEE TOP 20 per capita ranking, including the medal winners, the same as last year.

Fuel distributor Petrol, one of the largest in Slovenia and the Western Balkans, led the ranking for the tenth consecutive year with per capita revenue of 1,557 euro, up 3.1% year-on-year, firming its already strong lead to its nearest competitor, electricity and gas trader GEN-I, which saw a 7.6% drop to 802 euro. The bronze medallist, retailer Mercator, maintained its position despite a 4.7% decline in per capita revenue to 650 euro. In addition to the 11 Slovenian companies, the ranking features two entrants from Croatia, Montenegro and Bulgaria, each, as well as one member from Macedonia, Romania and Serbia, each.

Impressively, Macedonia's entry, the local subsidiary of UK chemicals specialist Johnson Matthey, achieved a 12% jump in per capita revenue, climbing one position further to number four, well above its eighth position two years ago. This underlines the importance of the recently attracted foreign investments for the small country that is not EU or NATO member.

Another remarkable entry, Serbia's state-owned power utility Elektroprivreda Srbije (EPS), leapt by 14 spots to take the 15th position, recording the largest year-on-year increase in per capita revenues of 52.7%. This outstanding result come after in 2015 the Serbian government adopted a large-scale restructuring plan, including enhanced bill collections, lower technical and commercial losses, regulated tariff increases and a reduction of operating costs through increased efficiency, optimisation of the supply mix, and staff cuts.

At the opposite end of the spectrum, the Bulgarian smelter of Hamburg-based copper producer Aurubis recorded the largest drop in revenue per capita – of 23.2%, losing four places to 19th position. The other Bulgarian representative, Russian-owned refinery Lukoil Neftochim Burgas, lost two places to number 14 with an 11.5% decline in revenue.

Croatia's best performer, oil and gas group INA, posted a 13.5% decrease in per capita revenue, falling one place to no.8, after losing five places last year. Its other representative, state-owned power utility Hrvatska Elektroprivreda (HEP), maintained its 17th position despite a 5.2% fall in revenue.

TOP 100 REVENUE PER CAPITA *in euro*

No.	SEE TOP 100 No.	Company name	Country	Per capita 2016	Per capita 2015
1	2	Petrol d.d.	Slovenia	1 557	1 509.7
2	13	GEN-I d.o.o.	Slovenia	802.4	868.2
3	18	Poslovni Sistem Mercator d.d.	Slovenia	650.2	682.4
4	17	Johnson Matthey DOOEL	Macedonia	649.1	579.3
5	19	Holding Slovenske Elektrarne d.o.o.	Slovenia	626.8	642.2
6	25	Krka d.d.	Slovenia	558.8	555.8
7	29	Revoz d.d.	Slovenia	527.4	501.9
8	8	INA d.d.	Croatia	479.1	553.8
9	38	Lek d.d.	Slovenia	436.6	433.7
10	209	Elektroprivreda Crne Gore A.D.	Montenegro	423.3	412.9
11	60	Gorenje d.d.	Slovenia	354.9	346.5
12	64	Telekom Slovenije d.d.	Slovenia	328.1	332.2
13	284	Voli Trade D.O.O.	Montenegro	323.43	306.4
14	5	Lukoil Neftochim Burgas AD	Bulgaria	323.3	365.4
15	7	JP Elektroprivreda Srbije (JP EPS)	Serbia	297.5	194.9
16	73	IMPOL d.o.o.	Slovenia	285.5	288.9
17	24	Hrvatska Elektroprivreda d.d.	Croatia	281.0	296.5
18	84	OMV Slovenija d.o.o.	Slovenia	263.1	291.3
19	12	Aurubis Bulgaria AD	Bulgaria	236.5	308.2
20	1	Automobile-Dacia SA	Romania	233.8	215.9

Montenegro's top entry was majority state-owned power utility Elektroprivreda Crne Gore (EPCG), which climbed one place higher to no.10 thanks to a 2.5% increase in per capita revenue. Wholesaler and retailer Voli Trade, which was among the most remarkable newcomers two years ago, advanced by three spots to number 13 with a 5.5% revenue growth.

Notably, Romania, the region's biggest economy and most populated country with 20 million people, had only one entry, car maker Dacia.

METHODOLOGY

SEE TOP 100 per capita is a ranking based on the same pool of 2,700 companies as in SEE TOP 100. The ranking is compiled by dividing the total revenue in euro of each company by the population estimate in the country of registration. This benchmark indicates the importance of individual companies for the local economies.

Serbia comes out on top in revenue gainers list

by Ivaylo Mihaylov

The 2017 Top 10 ranking of the most dynamic companies was dominated by Romania with seven entrants, however Serbia took all the medals. The gold and silver went to state-controlled power grid operator EPS Distribucija, and its parent Elektroprivreda Srbije (EPS), while private logistics group Nelt took the bronze.

EPS Distribucija recorded a 64% annual jump in revenue in 2016, while EPS saw a 54% growth, mainly thanks to restructuring of their businesses. In 2015, the Serbian government adopted a large-scale restructuring plan in order to improve the efficiency of the country's electricity sector. The three-year plan included enhanced bill collections, lower technical and commercial losses, regulated tariff increases, and a reduction of operational cost through increased efficiency, optimisation of the supply mix, and staff cuts. EPS Distribucija thus limited the losses on the electricity transmission and distribution network to 12.96% of total output last year from 14.02% in 2015, which resulted in savings of more than 6.5 million euro. For its part, EPS achieved a 2.5% rise in electricity output in 2016, with coal production at EPS-operated mines up by 2%. Nelt also impressed with a 50% increase in revenue, entering the Top 100 companies list at 69th position.

The rest of the table was occupied by Romania with five retailers and wholesalers and two auto parts suppliers. The dominance of retailers and wholesalers clearly expanded this year, as there were only three sector members in the 2016 ranking. This is hardly surprising, given that rising consumption is one of the main drivers of the region's accelerating economic growth. Even less surprising is the fact that all wholesalers and retailers in the ranking operate in Romania – the region's biggest market and top economic performer, which posted a 4.8% GDP growth last year mainly on the back of strengthening household consumption.

MOST DYNAMIC COMPANIES IN 2016

No	SEE TOP 100 No	Company name	Country	Industry	Y/Y Change in revenue 2016
1	59	EPS Distribucija DOO	Serbia	Electricity	63.68%
2	7	JP Elektroprivreda Srbije (JP EPS)	Serbia	Electricity	53.57%
3	69	Nelt Co DOO	Serbia	Transportation	49.75%
4	80	Dante International SA	Romania	Wholesale/Retail	45.05%
5	85	Fildas Trading SRL	Romania	Wholesale/Retail	44.34%
6	70	Altex Romania SRL	Romania	Wholesale/Retail	41.38%
7	56	ADM Romania Trading SRL	Romania	Agriculture	39.69%
8	51	Continental Automotive Romania SRL	Romania	Automobiles	35.32%
9	89	Hella Romania SRL	Romania	Automobiles	34.40%
10	44	Profi Rom Food SRL	Romania	Wholesale/Retail	32.11%

MOST DYNAMIC COMPANIES IN 2009-2016

Rank	Company	Country	Average annual growth rate
1	Ford Romania SA	Romania	58.0%
2	Mercator-S DOO	Serbia	52.7%
3	OMV Petrom Marketing SRL	Romania	42.0%
4	Compania Nationala de Administrare a Infrastructurii Rutiere SA - CNAIR (formerly Compania Nationala De Autostrazi Si Drumuri Nationale Din Romania Sa - CNADNR)	Romania	34.1%
5	OMV Petrom Gas SRL	Romania	30.8%
6	Oltchim SA	Romania	30.1%
7	Zeleznice Srbije AD	Serbia	27.8%
8	EPS Distribucija DOO (formerly Elektrodistribucija-Beograd DOO)	Serbia	27.1%
9	GEN-I d.o.o.	Slovenia	26.1%
10	Dedeman SRL	Romania	24.3%

The highest ranked wholesale/retail company with a 45% revenue growth on the fourth place was Dante International, the South African-owned operator of online stores, among which are the popular eMAG and Fashion Days, active on the Bulgarian and Romanian markets. The e-tailer is new to the SEE top 100 companies ranking, entering at the 80th position.

The other wholesalers/retailers in the list operate in various sectors, including pharmaceutical distribution (Fildas Trading), electronics and IT stores (Altex), agricultural products wholesale (ADM Romania Trading), and supermarkets (Profi).

The auto industry has managed to draw in two companies in the Top 10 most dynamic list after having no representatives last year. German-owned Continental Automotive Romania and Hella Romania ranked eighth and ninth, respectively.

Although lacking companies with year-on-year revenue growth in the three-digit category, this year's ranking features an increased entry threshold, as the no.10 company came in with a 32.11% revenue growth versus 28.33% the previous year. The differences in growth among the top 10 revenue gainers diminished drastically compared to last year - an indication of greater competitiveness on the markets.

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 millions of euro

2016	2015	Company name	Country	Stock exchange	Stock symbol	Market capitalisation 2016	Y/Y change
1	1	Ina-Industrija Nafte d.d.	Croatia	Zagreb Stock Exchange	INA-R-A	3 837	-1.74%
2	2	OMV Petrom SA	Romania	Bucharest Stock Exchange	SNP	3 256	-10.00%
3	8	Zagrebacka Banka d.d.	Croatia	Zagreb Stock Exchange	ZABA-R-A	2 288	46.03%
4	3	S.N.G.N. Romgaz SA	Romania	Bucharest Stock Exchange	SNG	2 122	-8.09%
5	10	Privredna Banka Zagreb d.d.	Croatia	Zagreb Stock Exchange	PBZ-R-A	1 941	28.38%
6	7	Banca Transilvania SA	Romania	Bucharest Stock Exchange	TLV	1 915	18.26%
7	5	Fondul Proprietatea SA	Romania	Bucharest Stock Exchange	FP	1 888	-5.42%
8	9	Hrvatski Telekom d.d.	Croatia	Zagreb Stock Exchange	HT-R-A	1 831	17.04%
9	6	BRD - Groupe Societe Generale SA	Romania	Bucharest Stock Exchange	BRD	1 823	-1.82%
10	4	Krka d.d.	Slovenia	Ljubljana Stock Exchange	KRKG	1 735	-18.87%
11	11	Electrica SA	Romania	Bucharest Stock Exchange	EL	1 003	7.87%
12	12	Naftna Industrija Srbije A.D.	Serbia	Belgrade Stock Exchange	NIIS	980.2	23.33%
13	13	Crnogorska Komercijalna Banka A.D.	Montenegro	Montenegro Stock Exchange	CKBP	792.3	0.00%
14	15	Adris Grupa d.d.	Croatia	Zagreb Stock Exchange	ADRS-R-A	763.4	9.09%
15	14	S.N.T.G.N. Transgaz SA	Romania	Bucharest Stock Exchange	TGN	762.3	6.14%
16	16	Jadranski Naftovod d.d.	Croatia	Zagreb Stock Exchange	JNAF-R-A	706.6	17.78%
17	19	Petrol d.d.	Slovenia	Ljubljana Stock Exchange	PETG	678.0	27.05%
18	29	Valamar Riviera d.d. (formerly Riviera Adria d.d.)	Croatia	Zagreb Stock Exchange	RIVP-R-A	581.3	44.83%
19	21	Rompetrol Rafinare SA	Romania	Bucharest Stock Exchange	RRC	553.7	15.85%
20	18	Zavarovalnica Triglav d.d.	Slovenia	Ljubljana Stock Exchange	ZVTG	527.5	-1.28%
21	17	BH Telecom d.d.	Bosnia and Herzegovina	Sarajevo Stock Exchange	BHTSR	491.5	-17.21%
22	23	C.N.T.E.E. Transelectrica SA	Romania	Bucharest Stock Exchange	TEL	471.4	0.17%
23	22	Telekom Slovenije d.d.	Slovenia	Ljubljana Stock Exchange	TLSG	464.7	-2.62%
24	30	Ledo d.d.	Croatia	Zagreb Stock Exchange	LEDO-R-A	443.0	18.05%
25	20	Poslovni Sistem Mercator d.d.	Slovenia	Ljubljana Stock Exchange	MELR	414.2	-17.07%
26	35	Adris Grupa d.d.*	Croatia	Zagreb Stock Exchange	ADRS-P-A	412.8	26.00%
27	32	Jamnica d.d.	Croatia	Zagreb Stock Exchange	JMNC-R-A	409.9	21.85%
28	23	Makedonski Telekom AD	Macedonia	Macedonian Stock Exchange	TEL	405.3	-10.30%
29	39	Plava Laguna d.d.	Croatia	Zagreb Stock Exchange	PLAG-R-A	397.6	23.94%
30	25	Elektorprivreda Crne Gore A.D.	Montenegro	Montenegro Stock Exchange	EPCG	393.7	-13.64%
31	31	Atlantic Grupa d.d.	Croatia	Zagreb Stock Exchange	ATGR-R-A	389.1	5.90%
32	33	Maistra d.d.	Croatia	Zagreb Stock Exchange	MAIS-R-A	366.4	10.05%
33	40	Podravka Prehrambena Industrija d.d.	Croatia	Zagreb Stock Exchange	PODR-R-A	355.6	13.02%
34	36	Luka Koper d.d.	Slovenia	Ljubljana Stock Exchange	LKPG	350.0	8.70%
35	34	Aerodrom Nikola Tesla A.D.	Serbia	Belgrade Stock Exchange	AERO	322.0	0.26%
36	27	S.N. Nuclearelectrica SA	Romania	Bucharest Stock Exchange	SNN	319.0	-25.16%
37	38	Croatia Osiguranje d.d.	Croatia	Zagreb Stock Exchange	CROS-R-A	309.1	-4.64%
38	28	Telekom Srpske a.d. Banja Luka	Bosnia and Herzegovina	Banja Luka Stock Exchange	TLKM-R-A	256.3	-36.65%
39	44	Komercijalna Banka A.D.	Serbia	Belgrade Stock Exchange	KMBN	237.4	7.02%
40	45	Koncar - Elektroindustrija d.d.	Croatia	Zagreb Stock Exchange	KOEI-R-A	234.8	3.30%
41	46	Pozavarovalnica Sava d.d.	Slovenia	Ljubljana Stock Exchange	POSR	227.6	2.08%
42	50	SIF Banat Crisana SA	Romania	Bucharest Stock Exchange	SIF1	223.4	9.48%
43	73	Stopanska Banka AD Skopje	Macedonia	Macedonian Stock Exchange	STB	220.6	82.76%
44	48	SIF Oltenia SA	Romania	Bucharest Stock Exchange	SIF5	208.2	-3.55%
45	53	Cementarnica USJE AD	Macedonia	Macedonian Stock Exchange	USJE	206.8	12.18%
46	43	Sopharma AD	Bulgaria	Bulgarian Stock Exchange	3JR	205.4	-10.73%
47	54	Ericsson Nikola Tesla d.d.	Croatia	Zagreb Stock Exchange	ERNT-R-A	205.1	11.38%
48	85	Chimimport AD	Bulgaria	Bulgarian Stock Exchange	6C4	204.6	93.64%
49	62	Tchaikapharma High Quality Medicines AD	Bulgaria	Bulgarian Stock Exchange	7TH	201.7	45.94%
50	56	Hrvatska Postanska Banka d.d.	Croatia	Zagreb Stock Exchange	HPB-R-A	201.2	17.34%

(*) Peferred shares

in millions of euro

2016	2015	Company name	Country	Stock exchange	Stock symbol	Market capitalisation 2016	Y/Y change
51	72	Croatia Airlines d.d.	Croatia	Zagreb Stock Exchange	CRAL-R-A	196.5	57.89%
52	41	JP Elektroprivreda BiH d.d.	Bosnia and Herzegovina	Sarajevo Stock Exchange	JPESR	193.1	-31.91%
53	57	Monbat AD	Bulgaria	Bulgarian Stock Exchange	5MB	192.6	15.00%
54	58	First Investment Bank AD	Bulgaria	Bulgarian Stock Exchange	5F4	188.4	14.73%
55	49	Alro SA	Romania	Bucharest Stock Exchange	ALR	183.9	-11.36%
56	51	Zentiva SA	Romania	Bucharest Stock Exchange	SCD	179.0	-4.41%
57	55	SIF Moldova SA	Romania	Bucharest Stock Exchange	SIF2	178.3	-0.76%
58	64	CEZ Distribution Bulgaria AD	Bulgaria	Bulgarian Stock Exchange	3CZ	170.8	25.98%
59	82	HUP - Zagreb d.d.	Croatia	Zagreb Stock Exchange	HUPZ-R-A	160.0	45.78%
60	42	Bulgartabac Holding AD	Bulgaria	Bulgarian Stock Exchange	57B	150.3	-38.47%
61	60	Conpet SA	Romania	Bucharest Stock Exchange	COTE	150.2	2.34%
62	59	Liburnia Riviera Hoteli d.d.	Croatia	Zagreb Stock Exchange	LRH-R-A	148.2	-6.32%
63	78	Gorenje d.d.	Slovenia	Ljubljana Stock Exchange	GRVG	146.4	30.33%
64	71	Turisthotel d.d.	Croatia	Zagreb Stock Exchange	TUHO-R-A	143.2	13.45%
65	92	Arenaturist d.d.	Croatia	Zagreb Stock Exchange	ARNT-R-A	135.3	37.80%
66	76	Albena AD	Bulgaria	Bulgarian Stock Exchange	6AB	134.3	17.92%
67	New	Alcomet AD	Bulgaria	Bulgarian Stock Exchange	6AM	133.5	117.07%
68	52	Crnogorski Telekom A.D.	Montenegro	Montenegro Stock Exchange	TECG	133.3	-27.69%
69	80	M+S Hydraulic AD	Bulgaria	Bulgarian Stock Exchange	5MH	132.7	20.85%
70	New	Cinkarna Celje d.d.	Slovenia	Ljubljana Stock Exchange	CICG	132.0	113.16%
71	94	Energoprojekt Holding A.D.	Serbia	Belgrade Stock Exchange	ENHL	127.1	37.99%
72	69	Alkaloid AD	Macedonia	Macedonian Stock Exchange	ALK	125.4	-1.06%
73	63	Dukat Mlijecna Industrija d.d.	Croatia	Zagreb Stock Exchange	LURA-R-A	123.1	-11.39%
74	87	NLB Banka AD (formerly NLB Tutunska Banka AD)	Macedonia	Macedonian Stock Exchange	TNB	120.9	15.93%
75	67	SIF Transilvania SA	Romania	Bucharest Stock Exchange	SIF3	120.3	-8.59%
76	70	AIK Banka A.D.	Serbia	Belgrade Stock Exchange	AIKB	117.8	-4.79%
77	66	SIF Muntenia SA	Romania	Bucharest Stock Exchange	SIF4	116.6	-11.83%
78	New	MedLife SA	Romania	Bucharest Stock Exchange	M	116.4	N/A
79	61	Crnogorski Elektroprenosni Sistem A.D.	Montenegro	Montenegro Stock Exchange	PREN	115.7	-16.71%
80	97	Aerostar SA	Romania	Bucharest Stock Exchange	ARS	109.7	20.22%
81	New	Messer Tehnogas A.D.	Serbia	Belgrade Stock Exchange	TGAS	109.5	49.49%
82	83	Tvornica Cementa Kakanj d.d.	Bosnia and Herzegovina	Sarajevo Stock Exchange	TCMKR	109.0	2.23%
83	93	Sopharma Trading AD	Bulgaria	Bulgarian Stock Exchange	SO5	106.0	13.31%
84	New	Komercijalna Banka AD	Macedonia	Macedonian Stock Exchange	KMB	105.8	24.36%
85	84	Speedy AD	Bulgaria	Bulgarian Stock Exchange	0SP	98.9	-7.05%
86	99	Kras Prehrambena Industrija d.d.	Croatia	Zagreb Stock Exchange	KRAS-R-A	98.2	9.10%
87	91	Velgraf Asset Management AD	Bulgaria	Bulgarian Stock Exchange	1VX	96.8	-0.82%
88	65	JP Elektroprivreda HZHB Mostar	Bosnia and Herzegovina	Sarajevo Stock Exchange	JPEMR	96.0	-29.17%
89	New	Atlas Banka A.D.	Montenegro	Montenegro Stock Exchange	ATBA	95.6	22.66%
90	New	Adriatic Croatia International Club d.d.	Croatia	Zagreb Stock Exchange	ACI-R-A	94.0	9.89%
91	75	Advance Terrafund REIT	Bulgaria	Bulgarian Stock Exchange	6A6	90.9	-20.53%
92	New	Cakovecki Mlinovi d.d.	Croatia	Zagreb Stock Exchange	CKML-R-A	88.9	28.00%
93	New	Central Cooperative Bank AD	Bulgaria	Bulgarian Stock Exchange	4CF	88.5	29.66%
94	New	Holding Varna AD	Bulgaria	Bulgarian Stock Exchange	5V2	88.3	35.27%
95	100	Tankerska Next Generation d.d.	Croatia	Zagreb Stock Exchange	TPNG-R-A	86.7	0.00%
96	New	Luka Rijeka d.d.	Croatia	Zagreb Stock Exchange	LKRI-R-A	86.5	8.97%
97	New	Neochim AD	Bulgaria	Bulgarian Stock Exchange	3NB	80.9	28.45%
98	77	JP Hrvatske Telekomunikacije d.d.	Bosnia and Herzegovina	Sarajevo Stock Exchange	HTKMR	80.7	-28.57%
99	New	Antibiotice S.A.	Romania	Bucharest Stock Exchange	ATB	76.9	-2.26%
100	New	AD Plastik d.d.	Croatia	Zagreb Stock Exchange	ADPL-R-A	76.7	40.15%

Total capitalisation of Top 100 listed companies edges up, no change at the top

by Mario Tanev

The combined capitalisation of the 100 biggest listed companies in Southeast Europe (SEE) rose slightly to 45.762 billion euro in 2016 from 44.886 billion euro of the entrants in the ranking a year earlier, reflecting cautious optimism among investors amid an improving macroeconomic climate.

The ranking traditionally sees little change, and 2016 produced no surprises. Croatian oil and gas company INA retained its top position, despite a slight drop in its capitalisation, by 1.74% to 3.837 billion euro. The oil and gas heavyweight turned to a consolidated net profit of 13.6 million euro in 2016, from a net loss of 183.5 million euro last year, on the back of strong exploration and production. The Croatian government owns a 44.84% stake in INA, with a further 6.08% held by institutional and private investors. In August 2017, the government in Zagreb announced it hired an adviser in the possible purchase of the remaining 49.08% stake, held by Hungary's MOL.

The top ten companies too remained the same, for a third year in a row. However, Croatian lenders Zagrebacka Banka and Privredna Banka Zagreb gained five positions each compared to the 2015 ranking, ending up third and fifth. Zagrebacka Banka's market capitalisation rose 46.03% to 2.29 billion euro, while Privredna Banka Zagreb recorded a 28.38% increase to 1.94 billion euro.

The total market capitalisation of the top ten companies rose by an annual 2.7% to 22.6 billion euro at end-2016. A total of six companies from the top ten saw their market capitalisation drop in 2016, while four recorded an increase.

The banking sector was most heavily represented in the top ten with four companies, while the oil and gas sector followed with three representatives.

As in 2015, five Romanian companies made it to the top ten, while another four came from Croatia. Slovenian drug maker Krka was the only company outside the two countries to make it to the top ten, as it took the tenth place, falling six positions compared to the 2015 ranking.

Croatian and Romanian entrants also formed the majority in the wider Top 100 ranking, with 30 and 21 companies from the two countries, respectively, featured in the 2016 edition. In the 2015 edition, a total of 27 Croatian and 20 Romanian firms were included in the ranking. Bulgaria came third, with 17 companies included, the same number as in 2015.

A total of 61 companies from the Top 100 saw their market capitalisation rise in 2016. Bulgarian diversified group Chimimport recorded the sharpest increase among the top listed companies, as its market capitalisation nearly doubled to 204.6 million euro as at end-2016, bringing it to 48th place in the 2016 ranking, from 85th place in 2015.

Bulgarian aluminum products manufacturer Alcomet shined as the top newcomer, taking the 67th place in the ranking. The 2016 edition of the ranking saw a total of 12 new companies enter the Top 100, up from 11 in 2015. Bulgarian and Croatian firms formed the majority of the newcomers, with four companies from each of the two countries entering the 2016 ranking.

The entry threshold decreased 10.8% year-on-year to 76.7 million euro, as Croatian plastic products manufacturer AD Plastik took the last position in the 2016 edition.

The Romanian bourse remained the biggest in the region, with a market capitalisation of 32.3 billion euro at end-2016, unchanged from a year earlier. The Zagreb Stock Exchange and Ljubljana Stock Exchange followed in second and third place.

Following a 12.75% increase to 4.9 billion euro at end-2016, the Bulgarian Stock Exchange surpassed the Belgrade bourse as the fourth largest in the region, as the Serbian bourse recorded a 14.6% drop in its market capitalisation to 4.8 billion euro.

The combined market capitalisation of the nine bourses in SEE rose by an annual 4.7% to 108.55 billion euro at end-2016, quickening from a 3.6% growth in 2015.

The blue-chip indices of all bourses across SEE recorded increases in 2016.

METHODOLOGY

SEE TOP 100 listed companies ranks the biggest companies in Southeast Europe by market capitalisation as of December 31, 2016, sourced by Banja Luka Stock Exchange (BLSE), Belgrade Stock Exchange (BELEX), Bucharest Stock Exchange (BVB), Bulgarian Stock Exchange (BSE), Ljubljana Stock Exchange (LjSE), Macedonian Stock Exchange (MSE), Montenegro Stock Exchange (MNSE), Sarajevo Stock Exchange (SASE) and Zagreb Stock Exchange (ZSE). Our pool of listed companies, monitored in 2016 includes more than 1 200 public companies, located in South East Europe with their regular shares. We excluded from the ranking both companies, listed on the Bucharest Stock Exchange, but not headquartered in SEE countries such as Erste Group Bank AG. To allow comparison, all local currencies in the ranking have been converted into euro, using the respective central bank's official exchange rate on the last working day of 2016 and 2015.

Rubber firms regain top spot in most profitable industries ranking

by Radomir Ralev

The rubber and rubber product makers in Southeast Europe regained the top spot in the most profitable industries ranking for 2016, ousting the chemicals sector, which slid to the third place. Represented by two Romanian tyre makers in the SEE TOP 100 ranking, the rubber sector managed to increase its return on revenue to 16.31% from 15.51% in 2015. The chemicals took the leadership place of the rubber makers last year thanks to a controversial large state debt write-off.

The pharmaceutical sector gained one level on the podium and ranked second, although its return on revenue declined to 9.6% from 11.1%. The decrease was caused by the slump in revenue return of Slovenia's Lek and Krka, to 8.92% and 8.30%, respectively, which was only partially offset by the positive performance of Croatia's Pliva.

The chemicals industry, which took the gold in 2015 chiefly due to the one-off effect of the debt cancellation at insolvent Romanian company Oltchim, saw its return on revenue plummet to 9.02% from 31.54%. This year, Oltchim departed from the SEE TOP 100 ranking, leaving the chemicals industry with only one representative, namely the Macedonian unit of UK Johnson Matthey.

The furniture industry managed to retain its fourth place, although its revenue return fell to 8.61% from 9.86%. The return on revenue of the only representative of the industry in the SEE TOP 100 ranking, the Romanian unit of Austria's Holzindustrie Schweighofer, declined for the fourth year in a row, while the company slid by 10 positions to the 95th place.

MOST PROFITABLE INDUSTRIES 2016

	Industry	Return on revenue 2016
1	Rubber/Rubber Products	16.31%
2	Pharmaceuticals	9.60%
3	Chemicals	9.02%
4	Furniture/ Decoration	8.61%
5	Food/Drinks/Tobacco	7.37%
6	Telecommunications	6.36%
7	Construction	5.93%
8	Electricity	4.69%
9	Petroleum/Natural Gas	3.67%
10	Wholesale/Retail	2.71%

The reshuffle among the top five in the 2017 SEE industrial ranking was completed by the food, drinks and tobacco industry, which climbed up to the fifth spot, displacing the construction sector. With an 8.33% increase in total revenue and a rise in return on revenue to 7.37% in 2016 from 5.16%, the food, drinks and tobacco sector has been steadily improving its financial performance since 2013. Four Romanian companies represented the industry in the SEE TOP 100 ranking.

The auto industry gave up its top 10 place, although its revenue return rose to 2.52% from 1.65%. The sector got two new representatives in the SEE TOP 100 ranking, namely German-owned Continental Automotive Romania and Hella Romania, while its total revenue rose 8.73%. The industry had a total of 10 entrants in the SEE TOP 100 ranking, including the leader - Renault's Automobile Dacia, seven other Romanian firms, as well as one Serbian and one Slovenian car maker.

The construction industry dropped out of the top five in the industrial ranking, losing two positions to the seventh place. The sector's only representative in the top 100 ranking, Romanian public roads authority, CNADNR, saw its revenue return decline to 5.93% from 9.09% in 2015. The negative return on revenue of the agriculture sector narrowed to 0.57%. The units of US conglomerates ADM and Cargill, recorded a combined loss of 13.5 million euro, while Swiss-based Ameropa's revenue return declined to 0.54% from 0.58%.

The wholesale and retail industry ended the dominance of the oil and gas companies in the Top 100 SEE 2016 ranking, as the number of its representatives rose to 24 from 19, thanks to three new entrants from Romania and one from Slovenia and Bosnia each. The combined revenue of the wholesale and retail firms grew 10.5% in 2016 amid rising household consumption across the region. The number of oil and gas companies in the top 100 fell to 21 from 24, whereas their total revenue dropped 7.3%.

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 2015 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 as Automobiles.

SEE auto sector booms on lower production costs, friendly investment climate

By Radomir Ralev

The automotive industry generates an ever increasing share of the value added of the economies of Southeast Europe (SEE) – a region where strategic investors can find ample opportunities to expand.

A total of 573,328 motor vehicles were produced in the region last year, up 52% on 2006, according to data of the International Organization of Motor Vehicle Manufacturers (OICA).

Some of the countries in SEE have a significant advantage in attracting large investors than others, Lyubomir Stanislavov, CEO of Automotive Cluster Bulgaria, told SeeNews in a recent e-mailed interview.

Romania was the biggest manufacturer of motor vehicles in the region last year, followed by Slovenia and Serbia. In 2016, Romanian exports of machinery and transport equipment accounted for 47% of the country's total exports, up from 44.5% in 2015, according to data of the office of national statistics.

The Romanian government launched two schemes for support of companies in the automotive sector with a total budget of some 600 million euro. The car and auto part makers operating in the country amounted to about 600, with 203,600 employees last year.

"In Romania, the automotive industry generates between 7% and 10% of the gross domestic product (GDP). Two large companies have factories there – Renault (Dacia) and Ford," Stanislavov said. In comparison, the share of the automotive industry of Bulgaria's GDP stands at 4%, he noted.

MANUFACTURED VEHICLES BY COUNTRY

	2016	2015	2006
Serbia	80 320	83 630	11 182
Romania	359 306	387 177	213 597
Slovenia	133 702	133 092	150 320

Source: http://www.oica.net/category/production-statistics/

Source: Fiat Chrysler Automobiles N.V.

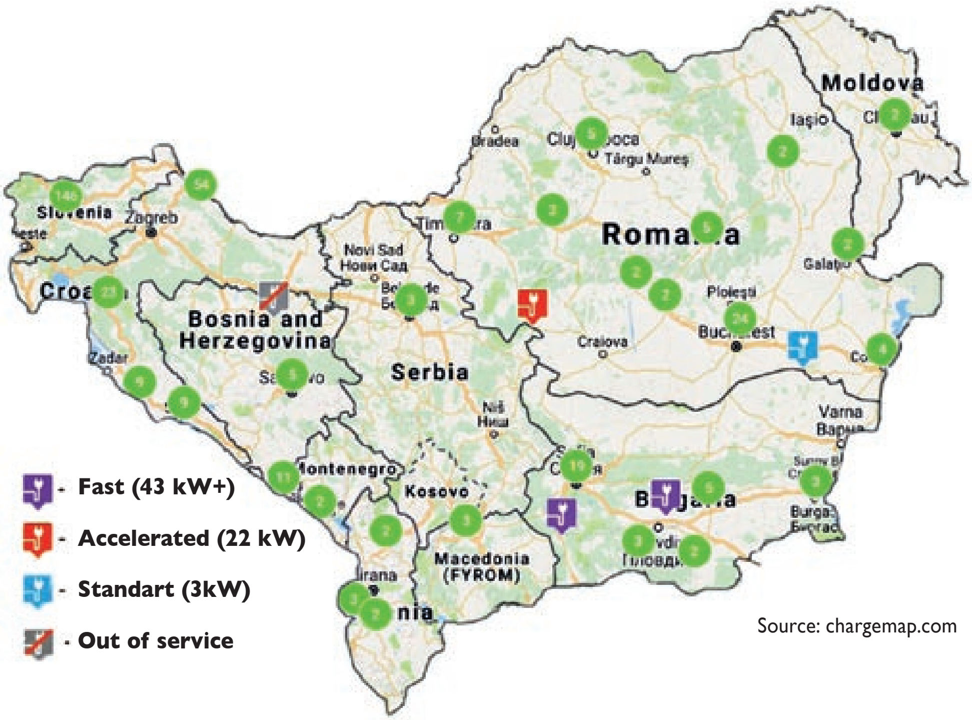
> In 2016, Romanian exports of machinery and transport equipment accounted for 47% of total exports.

Investors wanted!

No passenger cars were manufactured in Bulgaria last year, as Chinese automaker Great Wall suspended production in the country in January with a large number of its vehicles remaining unsold. The car assembly plant near Lovech, in northern Bulgaria, opened officially in February 2012. Its output was sold in several neighbouring markets, including Romania, Macedonia and Serbia.

"The lack of a large car manufacturer by itself is an advantage for attracting one," according to Stanislavov. "The first who sets foot in our country will have the advantage of choosing from and developing a wide network of suppliers without worrying about competition from the biggest companies in the industry."

Serbia has boosted its motor vehicle production nearly eight-fold in the last ten years. FCA Srbija, a joint venture of the Serbian government and Italian carmaker Fiat, has invested more than 1 billion euro in the production of the FIAT 500L model in Kragujevac since 2008, according to the South East Europe Regular Economic Report (SEE RER) of the World Bank, issued in the spring of 2016. FCA Srbija was the biggest exporter from the country with exports of 1.068 billion euro last year, the country's finance ministry said in February 2017.



Source: chargemap.com

Chinese automaker Great Wall suspended production activites in Bulgaria in 2016.

In the opinion of Stanislavov, Slovakia can serve as an example for the countries in SEE. The automotive industry generates 60% of GDP of the country where six factories of large manufacturers operate and a seventh one is under construction.

Greenfield investment

Automotive parts manufacturing is one of the fastest growing sectors in SEE, as the region is attractive to foreign investors. The production of car parts in SEE ranges from electrical and electronic equipment to aluminium and steel wheel rims, batteries, tires, windshields, paints, filters, etc.

For manufacturers, the low cost of construction, land and services in SEE is essential, Stanislavov said. Therefore, the automotive industry in the region is attracting a lot of greenfield investment.

Serbia leads the global greenfield foreign direct investment index compiled by fDi Intelligence, a data division of the Financial Times. Serbia's "otherwise disappointing economic performance" has been outweighed by regulatory reform, low labour costs and access to the EU single market, the Financial Times said in August. "Most investors are attracted to Serbia as an export platform rather than as a market in its own right," the newspaper pointed out. The number of greenfield projects in Serbia announced by foreign investors rose to 77 last year from 57 in 2015, and 53% of them were in manufacturing, primarily in electronic components and car parts, followed by real estate and textiles.

Serbia attracted a significant amount of investments in its car parts industry in 2016. Chinese company Mei Ta announced plans to invest 60 million euro in the construction of a factory near Belgrade, with financial support from the Serbian government. Sector players such as Teklas, IG Bauerhin, Mecafor, Delphi Packard, Yazaki also revealed investment projects in the country last year. According to the World Bank, car part manufacturers created 3,000 jobs, or 0.1% of Serbia's total employment.

Serbia boosted its motor vehicle production nearly eight-fold in the last ten years.

Advantages

The low cost of labour is among the advantages which the region is offering to investors, according to many of the investment promotion government agencies in SEE. Romania and Bulgaria were the countries with the lowest average monthly salary in the European Union (EU) in 2016, while Slovenia and Croatia ranked 15th and 21st, respectively, according to data by Eurostat. Non-EU Macedonia and Serbia were at par with Bulgaria in terms of the average monthly salary last year.

Still, the salaries in the automotive industry in SEE are significantly higher than the ones in other sectors, according to Stanislavov.

SEE countries should not lose the gained momentum.

“The most important factor for the development of car industry in Bulgaria is the favourable economic climate, the overall good economic environment due to the 10% flat tax, the stability of the lev currency and the membership in the European Union,” Stanislavov said.

Another country in SEE, Macedonia, ranked third in the global greenfield foreign direct investment index compiled by fDi Intelligence with 9.18 points. Similarly to Bulgaria, the Macedonian investment agency highlights the flat corporate and income tax, which also stands at 10%, as one of the country’s advantages. The current account deficit of Macedonia was more than fully financed by net foreign direct investments, largely concentrated in the automotive industry, the World Bank said in its SEE RER report issued in the spring of 2017.

“Companies value highly qualified executives, with a large number of manufacturers mainly employing development staff, IT engineers and digital professionals,” Stanislavov said. “The highly qualified staff and the competitive economic environment make Bulgaria a preferred country for investments even in the face of traditional leaders such as China."

More than 120 companies produce over 1,400 parts and components for almost all international car brands in Bulgaria. Wages in the sector grew by 4.8% year-on-year in 2016. Since starting operations in Bulgaria, many businesses have doubled or tripled their manufacturing capacities and this process will continue, Stanislavov added.

Research and development (R&D) companies are focused on improving the automation of manufacturing, as well as designing contemporary electronic systems, according to a report by Colliers International for 2016. The total revenue of the industry in Bulgaria represented 3.5% of its GDP last year, according to the report.

It is important for Bulgaria to respond with attractive conditions to the interest of investors and seize the opportunity by offering them developed industrial parks, tackling corruption and providing tax incentives, Stanislavov opined.

Bulgaria's Trakia Economic Zone has attracted a greenfield investment of 500 million euro in the automotive industry. Sensata Technologies, an international manufacturer of sensors and controls for the automotive industry, has opened a $40 million plant in the economic zone near Plovdiv. The employment in Bulgaria's automotive sector has been constantly growing since 2000. One of the main growth drivers of the car parts manufacturing industry are well developed infrastructure including easy access to main roads and railway lines. Other advantages are the competitive salary, the flat tax rate of 10% and tax benefits for making business in regions with a high unemployment rate, the Colliers report shows.

"Automobile production is among the industrial activities promoted with priority by the state. It pays off with many jobs and rich opportunities to build chains of suppliers and subcontractors," Stanislavov said. "This results in a chain of production with high added value and a large number of employees, and directly affects the quality of life of entire regions."

Source: Automobile Dacia

Dacia is the most popular brand in four SEE countries

Dacia was the most popular brand in terms of sales in three countries in Southeastern Europe in 2016, namely Romania, Moldova and Bulgaria. The Dacia Logan model was the most popular in Romania for the 12th year in a row, although its market share declined to 17.8% in 2016 from 20% in 2015. The second place was for the Dacia Duster model, followed by Skoda Octavia.

Renault Clio remained the most popular model in Slovenia in 2016, although Volkswagen kept the top spot as the most popular brand in terms of sales. As a result of the rising orders and the inability by its current assembly lines in Flins, France, and Bursa, Turkey, to keep up with demand, Revoz announced in March 2016 plans to relaunch the output of Renault Clio at its production site in Novo Mesto.

The Fiat 500L model kept its leadership in Serbia.

The highest number of new passenger car registrations in 2016 was recorded in Romania, the biggest country in SEE. However, the largest annual rate of increase was registered in Bosnia and Herzegovina and Moldova, where car registrations increased by 30.8% and 24.3%, respectively, according to data of ACEA and Moldova's statistical office.

As for commercial vehicles, Serbia, Slovenia, Croatia and Romania are the only producers in the region. In 2016, the output of Serbia stood at 960 units and the production of Romania totalled 445. Serbian bus maker Ikarbus is the largest producer of commercial

MOST POPULAR PASSENGER CAR MODELS IN SEE

	2016	2015
Bosnia and Herzegovina	Skoda Octavia	Skoda Octavia
Bulgaria	Dacia Dokker	Dacia Dokker
Croatia	VW Golf	VW Golf
Macedonia	Dacia Duster	olkswagen Passat
Moldova	Dacia Logan	Dacia Logan
Romania	Dacia Logan	Dacia Logan
Serbia	Fiat 500L	Fiat 500L
Slovenia	Renault Clio	Renault Clio

Source: http://bestsellingcarsblog.com/

NEW PASSENGER CAR REGISTRATIONS IN SEE

	2016	2015	y/y pct change
Bulgaria	26 370	23 500	+12.2
Croatia	43 015	34 820	+23.5
Macedonia	4 847	--	--
Montenegro	15 927	13 718	+16.1
Serbia	19 166	16 017	+19.7
Slovenia	63 674	59 450	+7.1
Bosnia	7 478	5 715	+30.8
Romania	94 924	81 162	+17.0
Moldova	4 195	3 376	+24.3

Source: European Automobile Manufacturers Association (ACEA) and national statistical offices

SALES OF PASSENGER CARS OF MOST POPULAR BRANDS BY COUNTRY

	Dacia	Volkswagen	Renault	Skoda	Fiat	Hyundai	Opel
Bulgaria	3 914	3 778	3 778	-	-	-	-
Croatia	-	6 445	3 715	-	-	-	4 135
Serbia	-	-	-	3 759	3 118	-	-
Slovenia	-	10 511	8 610	5 906	-	-	-
Bosnia and Herzegovina	-	1 293	-	1 221	-	-	789
Romania	35 448	11 983	-	10 268	-	-	-
Moldova	670	-	-	650	-	536	-

Source: http://ceauto.at/

vehicles in the region, with revenue of 1.226 billion dinars in 2016. In Romania, Roman SA produces trucks and military vehicles, while in Slovenia, TAM-DuraBus d.o.o. makes buses under the TAM-Europe brand. In 2016, Croatia's Crobus signed a ten-year agreement for the delivery of 2,000 buses to Iraq.

Electric mobility deployment in SEE still in initial phase

Although SEE is still in the initial phase of electric mobility development, sales of alternative fuel vehicles in some countries in the region exceeded 2% of all new car sales in 2016. In Bulgaria, 593 hybrid and electric vehicles registered in 2016 represented 2.25% of new passenger car registrations last year, while in Romania the share of those cars was 2.1%.

The low purchasing power of the population and lax control over emissions is the main reason for the still low share of electric cars, according to Kamen Vasilev, member of the executive board of the Bulgarian Electric Vehicles Association (BAEPS).

"Test drives should be carried out more often to make customers acquainted with the advantages of electric cars," Vasilev told SeeNews. People think of electric vehicles as an expensive whim of the wealthiest parts of society, but when they drive them for the first time, they see the difference, he said.

According to data of Romanian Automotive Manufacturers and Importers Association (APIA), a total of 167 electric vehicles were registered in the country in 2016, up a whopping 263%. The registrations of hybrid vehicles in Romania rose 125.8% to 1,016. In Slovenia, the number of electric vehicles rose to 457 at the end of 2016 from 288 a year earlier. Yet, the sales of electric vehicles appear to be negligible in SEE, well below 1% of total.

Some governments in the region are promoting the sales of electric vehicles by providing a range of subsidies and other incentives, both on the demand and supply side. For example, in Romania electric and hybrid vehicles are exempt from registration tax, while the owners of electric vehicles do not pay annual circulation tax.

However, the lack of direct subsidies for the purchase of electric cars in Bulgaria is not a determining factor, as subsidies usually distort the market and have a negative long-term effect, Vasilev said.
In Bulgaria, electric vehicles are also exempt from annual circulation tax. The Bulgarian government cut the registration tax for electric vehicles by 30% in April 2016. The country's environment ministry also introduced a scheme for financing 20% of the purchase price of electric vehicles acquired by the public administration.

The number of electric vehicles in Bulgaria is expected to stand in the range of 3,000 – 8,000 units by the end of 2020, an increase driven mainly by falling prices of second-hand electric cars on the European markets, BAEPS said in a market analysis in October 2016.

Cleaner & cheaper

Electric vehicles are cleaner, noiseless and more efficient. For example, given the current electricity prices in Bulgaria, a distance of 100 km can be travelled in an electric vehicle at a cost of 2-3 levs (1.0-1.5 euro), Vasilev said.

In SEE, Slovenia had the largest number of electric vehicle (EV) charging stations in 2016, nearly twice more than second-ranked Croatia, according to data of the European Alternative Fuels Observatory. The number of EV charging stations grew the most in Croatia, where it more than trebled last year. Romania and Bulgaria remain behind but are taking steps to improve their electric mobility infrastructure.

Slovenia relies on a large number of fast AC chargers, as around 250,000 residents of the country drive a smaller distance per day than the average range of the most popular electric vehicles. Ljubljana city administration targets a total of 400 chargers in the capital in 2020. In 2015, the Slovenian energy ministry adopted a plan for energy sector development which envisages all vehicles in the country to be electric in 2055.

A programme for developing electric mobility infrastructure of the Romanian Environment Fund Administration (AFM) has the ambition to support the installation of 600 stations by 2020. The first call for projects launched by AFM between September 15 and November 15 last year attracted 49 projects from 39 companies and administrations. Participants applied for funding for installation of 150 normal power and 109 high-power charging stations in 23 counties. As expected, the strongest demand came from Bucharest, 12 applications for 98 stations, the Association for Promoting Electric Vehicles in Romania said.

In April 2016, Bulgarian company Emobility International launched its Eldrive project to demonstrate in a convincing and attractive manner the benefits of driving electric cars and raising awareness of electric vehicles in the cities of Plovdiv, Varna and Burgas, with support from the JESSICA financial engineering instrument of the EU. The company plans to install over 500 chargers in Bulgaria, Romania, Macedonia, Greece and Albania, including two types of stations - fast charging of 50 kW DC and standard of 22 kW AC.

Optimism, after all

"The owners of electric cars need more electric charging stations, but we should have in mind that any distribution board could become a charger. Many large retailers install chargers at parking lots, in order to attract customers with a higher purchasing power," Vasilev said.

In this way, even if the charging is for free, customers pay it through their bill at the supermarket, he added. According to Vasilev, there are around 70 electric car chargers in Bulgaria at present, including fast chargers.

Last year, the Central European Green Corridors (CEGS) launched a project to deploy 115 high power charging stations in Austria, Croatia, Germany, Slovakia, and Slovenia to create a recharging network with country-wide coverage in Austria, Slovenia and Slovakia. A limited number of the high- power charging stations will provide connections from this network to major cities in Croatia (Zagreb) and Germany (Munich). At each charging station, service for vehicles with AC/Type 2, DC/Combo 2 as well as DC/CHAdeMO interfaces will be provided, thus being compatible with most electric vehicles with high-power charging technology on the market. All charging stations will form one interoperable network.

IT, retail, real estate deals to dominate M&A scene in SEE

Robin Jowitt,
EY Capital Transformation Leader, CSE

How did the M&A market in Southeast Europe (SEE) evolve over the past decade?

In the past couple of years, M&A activity in most SEE countries suffered to a different degree from the small size of the national consumer markets and political instability. Nevertheless, we saw M&A deals in Southeast Europe steadily growing over the last ten years. 2014 has seen a decrease in most of the countries in the region excluding Romania while in 2015, 2016 and 2017 we see more of a steady state of growth. We estimate the SEE market size at about 6 billion dollars.

Which are the main factors influencing its development?

In the last years European economy has returned to a steady growth. With local SEE economies being much dependent on the state of European economy we have seen a positive correlation with transactions in the region. Strategic investors have been dominating and forming the M&A market in SEE. Together with this a lot of regional investors keep looking for new markets and contribute to the development of the region - Acibadem buying into the health sector in Bulgaria is a good example. There have also been great local success stories such as SBB and Danube Foods in Serbia which drive others to pursue investment opportunities. Last but not least lots of local businesses are getting to the stage of maturity and founders are looking to monetize their hard work in surviving the recession and delivering good businesses. Successful local businesses will continue to form and have a greater impact over the M&A market in the region.

What are your estimates regarding the volume and number of deals in the region in 2017 and in the next years?

Following on the trend from the last years I expect deals to go for similar numbers (5.5 - 6 billion dollars) but definitely increasing in size.

Which sectors are most active in terms of M&A deals? Do you see any new sectors emerging as leaders?

According to the most recent M&A Barometer published by EY, in the first half of 2017 each country in SEE had its own favored industry, however real estate, manufacturing and retail were most active sectors in the region. IT has been traditionally very active in the countries of SEE being very international in its core and therefore very open to transaction activity. Traditionally IT sector closes a large number of smaller deals and I expect IT to continue to grow in the future. Another growing sector is Retail & Consumer Products (RCP) – in line with growing consumption and disposable income I expect RCP deals to also increase.

Real estate will also have a boom as office and commercial space will be required for growing regional businesses.

On which markets in the region do you see untapped growth potential?

Strategic investors with solid cash position will continue to screen the SEE market for consolidation opportunities going forward, whilst interest would be dominantly limited to sector national champions or high value-added niche product companies. Former Yugoslav states, excluding EU countries and smaller markets, will become the next growth frontier. As local companies continue to grow they will more often appear on the radar of acquirers. Romania will keep its position as the main market in SEE. Private equity will continue to provide opportunities for consolidation activity in the region and will continue to seek to back good management teams.

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M&A deals volume in Bulgaria seen rising on good liquidity in financial markets, real economy growth

Diana Nikolaeva,
Partner, Transaction Advisory Services,
EY Bulgaria

What key trends are currently impacting the development of Bulgaria's M&A market?

During the last two years there has been a strong pipeline of M&A deals and while specific industry concentration is not that obvious and deal size vary within a wide range, I would identify two distinctive trends:

The structure of the market in various industries suggests a continuous consolidation among industry players to achieve synergies and enhance competitive strength.

Many companies have reached a level of development where their further growth would be best realized by partnering with a strategic investor.

Which sectors do you see dominating Bulgaria's M&A market in the coming years?

Strengthening M&A activity was especially visible in the real estate sector. We have seen a number of large deals in commercial real estate. Food and beverage is also an industry witnessing investor interest and the IT sector, of course.

What are your estimates regarding the volume and number of M&A deals on the Bulgarian market in 2017 and how would they compare to 2016? What are your expectations for 2018?

The activity so far suggests that the value of deals will probably exceed 2016 deal volume. The good liquidity in the financial markets, the growth of the real economy, the disruptive effect of technology on all aspects of business suggest that this trend will continue in the near terms at least.

FMCG landscape in SEE: Consumer health segment set for strongest growth

By Giedrius Daujotas,
Analytics Manager at Euromonitor International

Southeastern Europe (SEE) is becoming more attractive for consumer goods companies. While growth in the historic 2011-2016 period in SEE was hampered by the macroeconomic headwinds – especially in Slovenia, Serbia, and Croatia, where it averaged less than 1% in annual real terms over the last five years, it is expected to recover during 2016-2021, and the consumer market is set to benefit from stronger growth momentum. This profile presents a number of developments in consumer markets across SEE countries as well as its retail environment.

Market sizes for consumer goods in SEE

When thinking of SEE's consumer markets, Romania and Bulgaria usually get the most attention, as these two are the largest market sizes for many goods, and have been targeted by international companies first for expansion. Romania, for example, has a very competitive retail landscape, with the presence of major international chains – Kaufland, Lidl, Carrefour and Auchan. The Balkan states, however, offer much potential that should not be overlooked. Market size for packaged food and other consumer goods in Serbia and Croatia is in fact even leading Bulgaria currently.

The largest consumer market across the seven countries researched by Euromonitor International is packaged food, worth 22.3 billion U.S. dollars.

> The largest retailers are expanding their share of the SEE markets, except in Slovenia.

This market has grown steadily and is set to continue enjoying a 4% growth in the 2016-2021 period, which looks very healthy as compared to the flatter western European markets. Alcoholic Drinks is the second largest market, worth 6.5 billion U.S. dollars, followed by soft Drinks and Beauty and Personal Care.

Consumer Health, in the meantime, is set to record the largest growth during 2016-2021 at 6% annual growth. The industry includes many over the counter medications and nutritional supplements, which have enjoyed fast growth globally recently, and is also performing well in SEE region. Remarkably, Consumer Health is a strong performer in slower growth environment, as well as higher growth environment.

A mix of international and local companies

In terms of companies, we have selected Packaged Foods as industry to preview, as it tends to have a good mix of local and international companies, showing consumer preferences.

Romania and Bulgaria have a stronger share of multinationals- Mondelez Inc., Lactalis group, Unilever and Danone have a strong presence. The rest of the markets are more fragmented, with strong presence of Agrokor across Balkan countries.

Retailing landscape

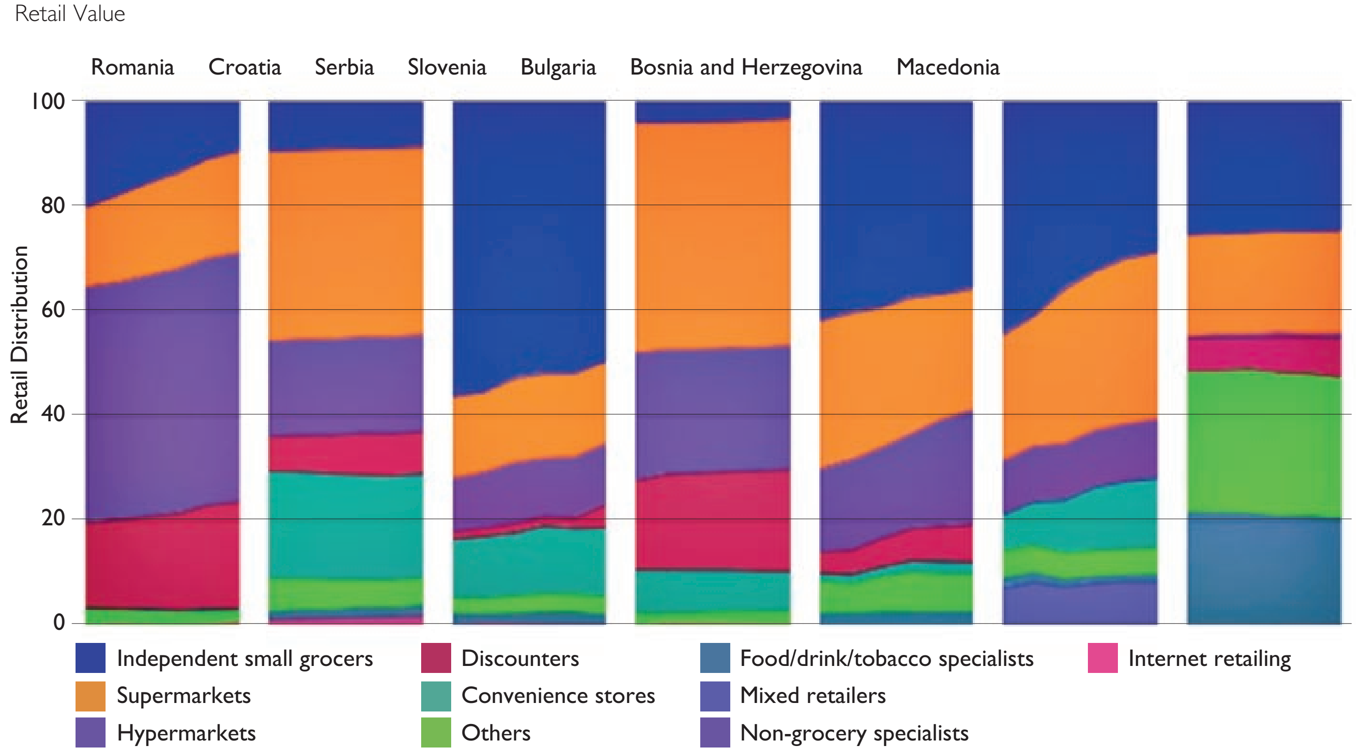
While there is some homegenuity among SEE markets, the route to market is very different depending on which country you are targeting. If you take a dairy sector as an example and look where people go to do their

FASTEST GROWING CONSUMER INDUSTRIES, 2016-2021
(SELECTED MARKETS)

	2016 market size (USD million)	CAGR % (11-16)	CAGR % (16-21)
Consumer Health	1 761.9	7.0%	6.1%
Soft Drinks	3 922.6	2.1%	5.3%
Alcoholic Drinks	6 583.5	2.1%	5.2%
Beauty and Personal Care	3 136.0	2.8%	5.0%
Home Care	1 427.4	2.5%	4.9%
Hot Drinks	1 435.0	1.5%	4.7%
Packaged Food	22 300.2	3.1%	4.0%

Note: The data refers to Romania, Bulgaria, Serbia, Croatia, Slovenia, Bosnia-Herzegovina and Macedonia.
Source: Euromonitor International

WHERE PEOPLE SHOP FOR DAIRY PRODUCTS IN SEE, 2012-2017



Source: Euromonitor International

daily grocery shopping several things emerge. Serbia for example is still very fragmented from the retail perspective and small independent grocers account for the majority of retail sales. Slovenia, on the other hand, has the strongest modern grocery channel among all countries, with supermarket/hypermarkets and discounters together accounting for the vast majority of retail sales. In Romania – Hypermarkets are the dominant channel, thanks to strong expansion by international chains such as Auchan, and the independent small groceries segment is shrinking fast.

Modern grocery expansion is a trend to watch in the region, especially in countries outside of Romania and Slovenia where there is less presence of the chains.

> Romania and Slovenia lead the SEE region in terms of internet retailing development

Retailing industry consolidation

There expansion of modern grocery also brings a consolidation in the retailing industry, which is likely to continue. The clear trend is that largest retailers are capturing more market, with the exception of Slovenia, where retail is already very consolidated, and there is preference for alternative channels. The share of top 5 companies has been rising fast in Romania, Croatia and Bulgaria.

Internet Retailing

Internet retailing has been one of the great growth stories in FMCG market globally. Its influence is multi-fold, on one-hand, it has made market entry easier for international companies, especially those that are not big enough to have direct presence in the country, with cross-country retailers like Amazon making it easier to bring products to many markets at once. There are less logistical headaches and less marketing expenses fighting for the shelf space.

Romania and Slovenia lead the SEE re-

TOP PACKAGED FOODS COMPANIES IN SEE COUNTRIES, 2016 MARKET SHARE %, RETAIL VALUE

Romania		Bulgaria		Serbia		Croatia		Slovenia		Bosnia-Herzegovina		Macedonia	
Lactalis, Groupe	3.8	Bella Bulgaria AD	4.7	Danube Foods Group BV	11.3	Agrokor dd	9.4	Lactalis, Groupe	9.2	Agrokor dd	6.7	IMB Mlekara Bitola ad	7.4
Mondelez International Inc	2.3	Mondelez International Inc	3.7	Beogradska Pekarska Industrija ad	6	Lactalis, Groupe	9.2	Podravka dd	5.8	Danube Foods Group BV	6.4	Lactalis, Groupe	4.3
Danone, Groupe	2.2	Chipita SA	3.4	Agrokor dd	5.2	Podravka dd	5.1	Pomurske Mlekarne dd	3.5	Lactalis, Groupe	5.2	Pekabesko ad	2.5
Cristim 2 Prodcom SRL	2.1	Karol-Fernandez Meat Ltd	2.4	Neoplanta ad	4.3	Vindija dd	4.9	Mlekarna Celeia doo	2.9	Meggle GmbH	4.6	Brilijant doo	2.3
Royal Friesland Campina NV	2	Unilever Group	2.4	Carnex ad	4.3	Kraš dd	2.8	Agrokor dd	2.8	Podravka dd	4.3	Ideal Sipka ad	2.2

Source: Euromonitor International

LEADING INTERNET RETAILING COMPANIES IN SEE

Bosnia-Herzegovina	Bulgaria	Croatia	Macedonia	Serbia	Slovenia	Romania
Ebay	eMAG (Naspers)	Ekupi	Market Konekt (RZ Infomedia)	Tehnomanija	Mimovrste	eMAG (Naspers)
Imtec	Technopolis (Videolux hold.)	eBay	Sport Vision	ComTrade	Enaa (Gambit Trade)	Altex
Ekupi	Amazon	A007	Grouper (Vebspot)	Win Win	eBay	Fashion Days (Naspers)

Source: Euromonitor International

gion in terms of internet retailing development, with 3.2% of total retail sales online, for both countries and per household spend of 141 euro and 240 euro, respectively. This is still comparatively low in global context, so we can expect internet retailing to outpace store-based retailer growth. In the UK, for example, internet retailing accounted for 15% of all retail sales, and in France – 7.5%, yet at the same time, only 3% in Italy. The proportion of internet retailing is set to gradually increase in all SEE countries, in Romania, for example, internet retailing is expected to account for 6% of total sales in 2021.

Outlook

The consumer goods outlook is generally pointing towards a stronger growth mode, as disposable incomes are set to grow in the region, providing a growth window for many local and international companies.

Among the headwinds to look after is the population decline, as all countries in the region with the exception of Slovenia and Macedonia are expected to see a decline in population 2016-2021. The demographic change is most noticeable in Bulgaria where population is expected to decline by 3.5% until 2021.

The demographic development can spur consolidation in the retail environment, especially in markets that have over-expanded, prompting stores closures to maxime footfall in existing stores. Croatia and Slovenia had the highest grocery retail space per capita in 2016, 532m^2 and 492m^2 per 1,000 people, respectively. This puts them in similar range to Germany and Finland, in terms of retail space per capita. Interestingly, Romania, despite the strong presence of international retail chains, still shows room for grow with 245m^2 per capita. The retail consolidation could in turn benefit the expansion of internet retailers even more.

As more global FMCG companies are coming to the SEE region, consumers will be looking for variety and local brands stand to benefit here, as they have brand loyalties established from childhood. Despite the presence of private label products, the branding will remain one of the strongest growth drivers.

Institutional investors to dominate Bulgaria's real estate market

Yuri Katanov,
Landmark Holdings CEO

Landmark Holdings consolidates the business interests of Alfa Finance Holding in the real estate sector in Southeast Europe (SEE). The company provides comprehensive asset management services starting from conceptual design to fully operational buildings. The list of projects for which Landmark has provided services includes Business Park Sofia, Bulgaria Mall, Ellipse Centre, Plovdiv Retail Park, Landmark Centre Sofia, Landmark Centre Varna and many others.

Which are the main trends on Bulgaria's office space market?

Lack of new supply of offices in the last few years brought about a shortage of quality office spaces in Sofia. At the same time the capital continued to attract young urban population and new companies opened offices in the country. However, the master factor on the market is Bulgaria's demographic development. Despite the macro challenges in this area we tend to think that over the next two or three years big cities will continue to grow as a result of intranational migration. The new offices expected to be delivered in the medium term will partly offset the supply-side pressure and will balance out prices.

At the same time, the IT/BPO companies, the tech environment and the drive towards a shared economy face us with new market demands. As our services' bundle remains client-oriented, we no longer provide just the premises but offer support for all basic modern office needs including administration personnel lease, wholistic environment-friendly and sustainable energy supply solutions, even electro mobility - helped by our sister companies.

The market uptrend and higher client expectations prompt us to upgrade our assets quality – we are changing the systems wherever needed and implementing modern CRM technological solutions to cater to our tenants' needs. One showcase example is our Bulgaria Center project, which was recently upgraded to a real class A building.

Which type of office spaces are in highest demand and companies from which sectors are most active in the search of new premises?

Location, location, location - the old rule is still true, and all new facilities developed in areas with good city transportation attract high demand. Competition and city development have led to the emergence of several preferred zones. However, the final mile run to a successful deal with clients remains the human touch. It is the extra effort in customer care - user experience, if you wish the technological and eco-friendly solutions and modern approach to fit-outs that win over the client.

Naturally, projects frozen for years have been restarted - we see this among all major transport arteria roads, incuding our new external project - Ellipse Centre. It is an example of a professional and mutually beneficial partnership between the developer Ilpa Development and Landmark as a Property Manager.

What are your expectations regarding Bulgaria's market of industrial space in 2017 and 2018? Do you see any new regions emerging as hot locations for large investors?

We are witnessing increased demand for new logistic parks, warehouses with good adjacent infrastructure and quick access to highways and Sofia, including intracity warehousing. Logistic and industrial parks with sufficient electricity capacity, access for heavy trucks and good transportation links are well-positioned to find tenants in competition with companies across the whole SEE region.

Large investors are eyeing less popular areas with sufficient human capital. Varna is one location whose importance is more widely acknowledged. Blagoevgrad, Razlog and the nearby towns could be identified as the new industrial centres for many Greek companies. Northern Bulgaria is posed to attract the attention of West European and CEE companies seeking to expand their premises.

Several shopping centres in Bulgaria changed their ownership over the past year. Do you expect this trend to continue?

We expect the inflow of foreign capital to continue, not only to shopping centres but also to all real estate asset classes. Market sentiment has changed in the last two years and investors that have stayed for a while on assets would like to divest, while newcomers are looking for opportunities. Most deals will target assets suitable for institutional investors, predominantly in Sofia. Secondary locations will have to wait but in a mid-term perspective we are bullish on our market.

ZAGORKA

We believe in the long-term approach to creating sustainable value for our business and our stakeholders

Nikos Zois, General Manager of Zagorka AD

Zagorka brewery, established in Stara Zagora, enters in its second century of operation. In 1994, Zagorka AD became part of the HEINEKEN global family. Since then, for more than 20 years now, over 133 million euro have been invested in Zagorka AD for processes modernisation and increase of the production capacity. Currently, the brewery in Stara Zagora is one of the most modern and innovative in the region of Central and Eastern Europe.
Nikos Zois is General Manager of Zagorka AD since June, 2016.

Sustainability has been at the core of Zagorka's business strategy for years. Where do you focus your sustainable development efforts at present and what goals are you striving to achieve?

We at Zagorka believe that a successful business is a sustainable business. As a company with over 110 years of history, a company with a portfolio of brands that Bulgarians love, a company which is part of the most international brewer worldwide – Heineken, we believe in the long-term approach to creating sustainable value for our business and our stakeholders.

Our corporate social responsibility is incorporated within the Brewing a Better World platform, which is a business imperative for Heineken, and Zagorka applies it in Bulgaria.

A long-term project in Bulgaria, which we take very seriously is Zagorka Green Fund. We launched Zagorka Green Fund in 2011, and this year marks its seventh edition.

In 2016, we also commenced with initiatives related to responsible consumption. These initiatives include our own campaign Game Over – Alcohol is not a Game, which focuses upon the harm of underage alcohol consumption. In 2016 Heineken announced a significant global partnership with Formula One Management, and ran the campaign for responsible consumption stating "If you drive, never drink" with ambassador Sir Jackie Stewart." In 2017 we continue to actively communicate the problem related to alcohol consumption by minors.

In 2017 we published our third annual Sustainability Report, where we summarise the progress related to the platform Brewing a Better World. At Zagorka we set focus on protecting water resources, reducing CO2 emissions, sourcing sustainability, promoting health and safety, advocating responsible consumption and support for the local communities. A major goal for the company is to have influence in the spheres in which it operates and to which it can bring positive change.

Also, 100% of the fridges purchased by Zagorka over the past year are energy efficient. This is part of the long term Heineken policy to have "green" fridges, which save 30% energy.

In regard to sustainable resources, the endeavors of Zagorka are directed to maintaining a sustainable supply chain, based on buying materials from Bulgarian suppliers and support for the Bulgarian economy.

Zagorka reported a recordhigh operating profit in 2016. What are the main factors influencing your performance?

Zagorka AD continues to maintain its excellent financial performance as a company oriented towards providing high quality and innovative products, inspirational campaigns, and implementing very good green initiatives, which are part of the platform Brewing a Better World. We are also oriented toward efficient processes, and rely on our very capable and engaged people. The last green action through our brand Ariana was to remove the upper paper label from our PET bottles, having partnership with ECOPACK

Bulgaria and WWF Bulgaria – we help nature in a positive campaign, which is very well accepted from our consumers.

> Protecting water resources, reducing CO_2 emissions and advocating responsible consumption is Zagorka's focus.

73 litres

Average annual per capita consumption of beer in Bulgaria.

Which segments do you view as the most promising in terms of sales growth?

The trend we actively see in the premium beers segment is related to new tastes and ingredients. The global trend regarding health, which is coming to Bulgaria as well, is focused in the low and no alcohol products. Bulgaria's beer sales hit an eight-year high in 2016.

What main trends do you see shaping up the local beer market in the short term?

Bulgaria has long brewing traditions and consumers are well aware of the qualities of good beer. According to data of the Union of Brewers in Bulgaria, in 2016, the volume of the beer market has reached 5.2 million hectolitres and average consumption per capita of 73 litres.

When we refer to trends and development, at the present moment, they are directed toward innovations in main segments, which are to answer to the needs of the consumers. We can expect new offers, as well as we hope for active discussion related to the positive story of beer.

What are your investment plans for the next three years?

We plan additional investments in our brewery in Stara Zagora, we also focus on responsible energy and water use and applying state-ofthe art practices within the working process.

The health and safety of our employees will continue to be very important to us, alongside the care for the local community and responsible consumption. No business plan will work without people, and our priority will be precisely this – the development and care for the people.

The Zagorka brewery is one of the most modern and innovative enterprises within the Heineken group and we are very proud of the fact that we have a brewery, which has managed to keep its traditions and identity and at the same time creates innovations.

Going renewable in SEE:

Multinational companies slowly drive demand up

by **Mariyana Yaneva,** Renewables Now Managing Editor

Viewed in a climate change context, energy consumption frequently represents businesses' single largest contribution to greenhouse gas emissions. Hence, turning to renewable energy is the obvious solution for all companies that want to decarbonize their electricity use faster than the national grid would allow. This is especially true in Southeast Europe (SEE), where the utility power sector is still heavily dominated by fossil-fuel power plants.

Over the last decade, technological advances and increased implementation have helped bring down prices of renewable energy technologies, wind and photovoltaic (PV) power, in particular. Wind turbine prices have fallen by almost a third since 2009 while solar panels costs have plummeted as much as 80%, allowing business to make their sustainability goals cost-effective as well.

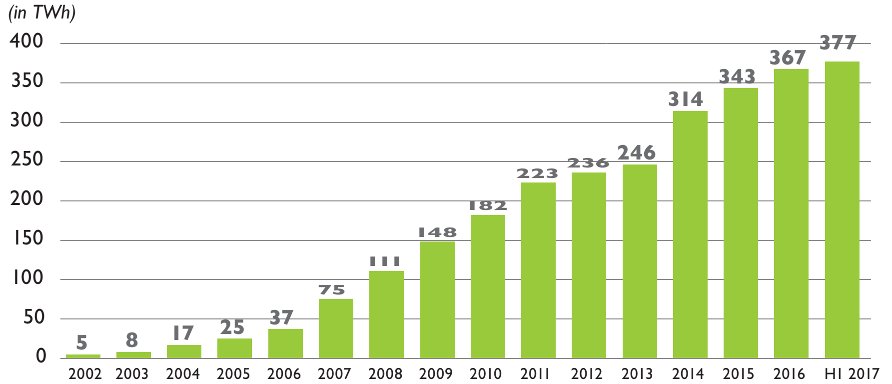
Worldwide, corporate demand for renewable power is strongly on the rise.

Many of the world's most influential companies have committed to using 100% renewable energy sourced (RES) electricity by 2020 under the RE100 initiative created in 2015. By mid-July this year, the initiative has already passed 100 members, three years ahead of schedule, and has created a demand for 146 TWh of renewable power per year. This combined demand is roughly equal to the annual electricity consumption of Poland.

Companies in SEE, especially the larger commercial and industrial (C&I) consumers, are generally less concerned with their carbon footprint and corporate renewable energy buyers are scarce at present. Yet, the region is following the worldwide trend with steadily growing interest in RES electricity strategies. These can vary from investing directly in a generation asset, or purchasing the power from a third party's project to buying renewable certificates.

Investing directly in a renewable energy installation on site, mostly PV, is common for small businesses. Corporate power purchase agreements (PPA) - long-term contract, under which a business agrees to purchase electricity directly from a renewable power producer, are very uncommon in the region. Even in EU-member states Bulgaria, Romania, Croatia and Slovenia, the electricity market regulations are not sufficiently liberalised to facilitate such contracts. National power markets in SEE are largely dominated by state-owned utility companies and renewable power projects are financed through state support schemes like the feed-in tariff in Bulgaria and the green certificates system in Romania, Plamen Popov, Head of Trading South East Europe at Statkraft Markets GmbH, tells Renewables Now.

MARKET FOR GO-DOCUMENTED RENEWABLE ELECTRICITY IN EUROPE
(in TWh)



Source: based on statistics from the Association of Issuing Bodies (AIB).

The most popular way to go green on electricity in SEE seems to be buying renewable power through the European Energy Certificate System (EECS).

Managed by a non-profit Association of Issuing bodies (AIB), EECS is the basis for certificate schemes in 20 European countries and enables international trade.

Slovenia-based GEN-I group, a member of AIB with operations in more than 20 European countries, says that the number of clients who opt for 100% RES supply grows each year but **in SEE the private sector's main criteria when buying electricity is still price, not origin of electricity.** Only certain segments, like companies from tourism sector or smaller consumers, which have relatively low energy bill, are more likely to purchase green electricity, Tjana Kozlin of GEN-I group tells Renewables Now.

"In SEE, demand for certified renewable power is primarily driven by sustainable development and corporate responsibility strategies of multina-

tional corporations with local footholds," Simeon Valchev of Nvalue Energia commented for Renewables Now.

Europe-wide, the GO markets have grown consistently over the last decade. Demand for GO-documented renewable electricity in Europe, marked a 39% year-on-year growth in the second quarter of 2017, AIB figures show. By the end of June 2017, 377 TWh of GO-documented renewable power was purchased, already exceeding the total volume for all of last year with 11 TWh. "Given that this development continues at the same pace, total demand for 2017 will likely reach nearly 500 TWh," says Tom Lindberg, managing Director in ECOHZ, a Norway-based company which sold and delivered more than 55 TWh of documented renewable electricity in 2016.

The Association of traders with electricity in Bulgaria (ATEB) tells Renewables Now that local companies have started to show interest in buying renewable energy over the past few years. Some of its members do handle such contracts but these deals account for a very small fraction of the market. Demand is driven almost exclusively by international companies and their environmental policies and there are a few roadblocks on the way that may trip less motivated buyers.

"In SEE, demand for certified renewable power is primarily driven by sustainable development and corporate responsibility strategies of multinational corporations with local footholds."

Simeon Valchev, Nvalue Energia

A few roadblocks on the way

The industry body notes that current design of the electricity market in the country does not really encourage trade in green electricity. All major renewable energy producers, especially wind and PV power producers, have long-term power purchase contracts to sell their output at feed-in tariffs. When the limit for electricity output which is guaranteed an off-take under the feed-in tariff is reached, then the producers can start offering their energy on the free market. PV plants, for example, reach their limit around August or September, thus leaving a limited amount of electricity that can be sold, along with its guarantees of origin, to traders.

Green electricity trading faces another red-tape hurdle when it comes to transferring the guarantees of origin between traders. In a free market environment, electricity can be sold from one trader to another several times before reaching the end customer. To certify that the electricity comes from renewable energy sources, each time the power is sold, the trader must apply for transfer of the associated guarantees of origin with the Sustainable Energy Development Agency (SEDA). It is currently a lengthy process that could be costly as well. If this transfer process is streamlined and "intra-day" power trading is introduced on the power exchange, renewable energy producer would be able to cut on balancing costs and offer a more competitive price to spur green electricity trading, ATEB notes.

M&A in SEE – Strong 2016 and Accelerating Investment Activity

by **Julian Gikov, Aleksander Biesaga, Richard Golden,** Raiffeisen Bank International

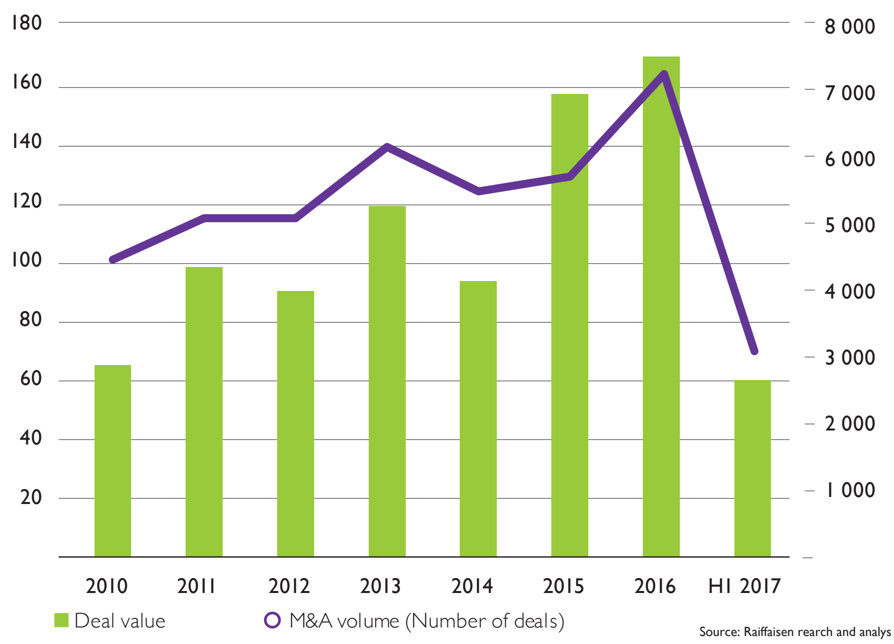
Julian Gikov,
M&A Director Southeast Europe, Raiffeisen Bank International

Raiffeisen Bank International AG (RBI) considers Austria as well as Central and Eastern Europe (CEE) as its home market, where it is a leading corporate and investment bank. 15 markets of the region are covered by subsidiary banks. Additionally, the Group comprises numerous other financial service providers, for instance in the fields of leasing, asset management as well as mergers and acquisitions.
In total, around 51,000 employees service 14.2 million customers through around 2,600 business outlets, the great majority of which are located in CEE. RBI has 119 billion euro of total assets and a top 5 market position in 11 countries. RBI is also present in the largest global financial centers.
As part of the Investment Banking activity, RBI has been a leading M&A advisor in Austria, CEE, Russia and Turkey.

In the past couple of years, M&A activity in most countries in Southeast Europe (SEE) was influenced by political headwinds, persistent global economic uncertainty as well as the limited size of the respective domestic markets. Romania kept its lead as the hands down market leader in the region supported by sound economic performance and sector maturity.

Following an improved 2016, in the current year Bulgaria's M&A activity is set to outperform on the basis of robust GDP growth and political stability, whereas Croatia's political volatility affected deal flow. The slow recovery of the Serbian economy still depresses transaction flow, whilst privatization may improve the M&A landscape. Slovenia continued its multi-year M&A activity climb on the back of improving economic outlook attracting deals in manufacturing and financial sectors. From sector perspective, in 2016 and 2017 SEE sees a surge in interest in FMCG, technology and media, and infrastructure.

M&A DEALS IN SEE (2010-2017)



Source: Raiffeisen rearch and analys

BULGARIA

The stable level of M&A activity in Bulgaria significantly accelerated in 2016 and 2017. Among numerous favourable macroeconomic factors, the rise in M&A deals value has been supported by increasing GDP growth and shrinking unemployment.

Major M&A deals in Bulgaria last year included telco BTC's corporate restructuring driven sale to Viva Telecom for a consideration of 330 million euro,

VOLUME OF M&A TRANSACTIONS *in millions of euro*

	Albania	Bosnia	Bulgaria	Croatia	Macedonia	Moldova	Montenegro	Romania	Serbia	Slovenia	TOTAL
2010	6	2	18	12	-	1	2	40	10	9	100
2011	1	3	20	20	3	2	1	32	18	14	114
2012	2	4	34	14	3	1	-	31	9	16	114
2013	3	2	27	16	-	-	3	51	13	23	138
2014	1	5	21	18	2	1	2	44	9	20	123
2015	1	2	26	17	2	-	2	39	12	27	128
2016	7	3	28	23	1	-	2	62	13	23	162
YTD 2017	-	-	11	6	1	1	2	34	9	6	70

M&A TRANSACTIONS TOTAL VALUE

Albania	Bosnia	Bulgaria	Croatia	Macedonia	Moldova	Montenegro	Romania	Serbia	Slovenia	TOTAL	TOTAL
2010	57	11	920	592	-	12	18	455	145	659	2 869
2011	-	-	1,650	290	78	7	20	410	1,506	375	4 336
2012	850	20	2,080	160	19	13	-	365	149	319	3 975
2013	4	-	1,360	285	-	-	20	490	1,160	1,927	5 246
2014	100	79	820	584	4	-	65	1 480	224	770	4 126
2015	-	45	1,003	1,004	-	-	47	3 074	715	1,038	6 926
2016	585	7	1,382	796	8	-	8	3 442	185	1,076	7 489
YTD 2017	-	46	1,430	273	-	-	124	452	171	146	2 642

the acquisition of the largest glass container producer Drujba Staklarski Zavodi by the Portuguese group BA Vidro from Yioula as part of a regional package deal, the sale of the Japanese-owned hospital operator Tokuda Group and Citi Clinic Group by the hospital operator Acibadem, HHI Holding's gaining control of Overgas through a capital increase, the 50% stake sale in the largest consumer electronics retailer Technomarket, the acquisition of MAN trucks distributor MVB Trucks & Bus by M-trucks. The financial institutions sector, commercial real estate and renewable energy sector shaped the small- to mid-cap transactions segment.

The number and value of deals already announced in 2017 demonstrate a significant acceleration in the country' s M&A activity. The ten top deals had a total value of disclosed transactions north of 1,450 million euro in the first half of 2017, which is already more than the value of the entire previous year. So far, the largest deals announced this year were the closing of the consolidation driven acquisition of UBB and Interlease by KBC Group for 610 million euro, and the acquisitions of Mall Serdika and The Mall by the South-African Fund NEPI. Another indication of strengthening foreign investors' confidence in consumer purchasing power are the acquisitions of the largest bottled water producer Devin by Belgium's Spadel for 120 million euro, as well as the purchase of the exclusive Pepsi beverages and Prisun juices producer and distributor by the leading CEE water and beverage player KMV. In addition, British American Tabaco (BAT) acquired the most popular cigarettes brands from Bulgartabak for a price of 105 million euro.

In the past twenty months, the financial services sector was on top in terms of number of closed deals. In the banking sector, KBC's acquisition of UBB was followed by TBI Bank's sale to the Latvian 4finance Holding at a price of 69 million euro. The leasing sector was particularly active with the sale of Pireaus Leasing, TBI Rent, BM Leasing, and the package purchase of MKB Autopark by the French-German ADL Automotive. In the insurance sector Generali sold their life-insurance portfolio to the local competitor Saglasie, whilst AIG sold their operations to Fairfax Financial Holdings.

All real estate segments attracted significant foreign and local interest. Targets included Serdica Mall, Sofia Mall, The Mall, Sofia Airport Center, Galeria – Varna, Somat Logistic Center. Moreover, the trend was complimented by numerous acquisitions of hotels in the Black Sea resorts.

The most notable public sector investment opportunities are select pending concessions with key highlight being the rescheduled tender process for Sofia Airport.

Recent developments on the Bulgarian M&A market seem to indicate two general trends: a return of international investors in select sectors, and an increasing significance of local players. Following a few years of foreign investors interest focused on scalable export-oriented or small-to-mid cap niche players, an encouraging recent trend is the gradual recovery of trust in local purchasing power thus inbound M&A targets are increasingly players with solid positions on the domestic consumer markets. The continued robust GDP growth in 2017 and the country's political stability are expected to support the positive momentum of M&A activity in the medium term.

CROATIA

Croatia continues to experience elevated levels of deal making activity especially in the mid-sized segment with 2016 being a record-breaking year in terms of M&A volume, up by 24% from 2015. This stable performance is underpinned by a continuously improving economic situation. At the same time it should be noted that although the number of deals continued to increase, the deal value sunk by over 20% in 2016. The overwhelming political instability in 2016 has contributed to the limited investment in the private sector and has practically blocked the initiated privatisation attempts.

Key industries driving private sector M&A are traditionally tourism and hospitality, real estate, food and consumer goods, financial services as well as energy. The largest deals materialized in the commercial real estate sector with the acquisition of Arena Centar by the South-African fund NEPI for consideration of 237.5 million euro, as well as the takeover of City Center One Zagreb by Morgan Stanley RE at a value of 220 million euro.

There has been increasing activity in the energy sector as investors in renewable energy sources have faced damaging regulatory changes. This has resulted in a number of distressed asset sales and significantly halted the development of new wind farms.

Financial services is the sector that featured arguably the largest Croatian deal of 2016, when Societe Generale decided to sell Splitska Banka to OTP banka Hrvatska.

In addition, the government has recently restarted the restructuring process of fertilizer producer Petrokemija. Additional potential transactions include a planned repurchase of MOL's stake in the oil and gas company INA by the Croatian government as well as the potential coinciding sale of a 25% stake in the national utility HEP. Other state-owned companies earmarked for privatisation are food producer Podravka, electrical equipment producer Koncar, marina operator ACI, Croatia Banka as well as the port of the northern Adriatic city of Rijeka.

Going forward, it could be expected that the M&A activity will rebound due to the positive development in GDP growth. Furthermore, Croatia's accession to the EU is expected to have a positive impact by increasing investor confidence and providing access to long-term EU funding, which is likely to particularly benefit construction-related sectors. The ongoing consolidation and privatisation in the tourism and hospitality sector is another driver of M&A activity.

ROMANIA

Romania is the leader in M&A activity within SEE, accounting for more than a third of the number of deals in the region. M&A activity is taking place in many sectors of the economy – financial services, real estate, transportation and consumer goods being among the main drivers. The interest of financial sponsors is growing from year to year, whereas private equity funds backed deals made up over half of the total deal value in 2016.

Deals in the energy sector represent the major part of recent M&A activity, including the acquisition of a 51% stake in KMG International, owner of Rompetrol, by CEFC China Energy Company for 596 million euro. Another high profile transaction in the power sector involved Allianz Capital Partners which acquired a 30% stake in the power and gas distribution system operator E.ON Distributie Romania from E.ON for a total consideration of 270 million euro.

A sector which accounted for a significant part of recent M&A activity is wholesale and retail. The acquisition of Profi Rom Food by Mid Europa Partners for 533 million euro was the largest Romanian deal in 2016. Other sizeable transactions included the acquisitions of dairy products producers Albalact and S.C Covalact S.A. by the French Groupe Lactalis.

The real estate sector saw two of the largest ten deals in Romania in 2016: the 100 million euro acquisition of Shopping City Sibiu by New Europe Property Investments (NEPI), and the 50 million euro acquisition of Metropolis Center by the Czech PPF Group NV.

Romania accounts for more than a third of M&A deals in SEE.

Healthcare remains a particularly busy segment driven chiefly by private equity investments. Following Mid Europa's acquisition of Regina Maria, a network of clinics and hospitals, the fund has purchased a number of add-on investments, including Ponderas Hospital, Almedica Berlin Prahova and Ixia Medica.

Another promising sector is agriculture, where interest and room for further consolidation in the sector exists, which can set the stage for future M&A. We can already observe the above trends materialising as two sizable deals took place in 2016 and 2017. In August 2016 Iri Forest Assets acquired Prokon Hit Timber for a consideration of 40 million euro In May 2017, PHI Group, a US company, acquired a 51% stake in Maxagro.

Privatisation may well again be a significant contributor to M&A activity in Romania in the near future. Excluding the privatisation of minority interests through the stock exchange, the main pending privatisations include to the sale of postal operator Posta Romania, the national freight railway transport company CFR Marfa with planned SE listing, the chemical producer Oltchim which will potentially be up for sale again after carrying out a restructuring plan, Bucharest Airports, Constanta Sea Port and the salt producer Salrom.

The excellent economic performance of Romania in the recent years seems to make it an attractive destination for M&A in the foreseeable future. Sustained interest on the part of financial sponsors conveys confidence that doing business in the country can generate good returns for investors. The strength of Romania's M&A market is underpinned by the fact that deals are generated by many sectors across the economy, with new sectors emerging as further M&A drivers. Non-reliance on privatisation which is an unsustainable and problem-ridden source of M&A renders a further advantage.

SERBIA

M&A activity in Serbia still lacks volumes and depths compared to neighboring countries, as 2016 and 2017 did not see any single large-scaled deals. Mid-cap transactions included SBB's add-on acquisition of competitive telecom operator IKOM, a consolidation driven purchase of the dairy producer Niska Mlekara by the largest sector player Imlek, AXA's exit from their life- and non-life insurance business to Vienna Insurance Group and the takeover of the sugar producer te-To Senta by its Serbian rival Sunoko.

The single public asset transaction was the sale of the state-owned steel mill company Zelezara Smederevo after the government acceptance of the 46 million euro bid from China's Hebei Iron & Steel Co.

In 2017 transactional activity highlights the intended majority stake acquisition in sugar producer Sunoko by the Austrian-based Agrana from MK Group. The deal-flow is complemented by the increase to a majority ownership of Napred razvoj in the country's largest construction company Energoprojekt Holding. In addition, GTC acquired Belgrade Business Center, whilst the Serbian food concern Swisslion acquired the winemaker Vršaki Vinogradi. The data storage and imaging services company Data Outsourcing Centre d.o.o. was taken over by the leading US NYSE-listed data management player Iron Mountain – despite the relatively small size the transaction highlights IT sector attractiveness in the inbound M&A radar.

The Serbian government is currently making another attempt to privatise the Belgrade airport.

Other state-owned enterprises for which privatisation procedures are in preparation include the insurer Dunav Osiguranje and Komercijalna banka.

In addition, after a process of restructuring and debt-for-equity swaps, several other large state-owned companies now have good prospects to be more attractive to investors and may soon be on the privatization agenda – e.g. the pharmaceutical producer Galenika, whose privatization attempt failed in the first quarter of 2017. Metals producer RTB Bor and agricultural company PKB are among the most tangable privatization options. Some smaller state owned companies expected to be placed for sale in a longer term include the bus producer Ikarbus,, the rubber manufacturer Tigar, the furniture producer Simpo and the bus company Lasta.

One of the reasons for the low level of M&As in Serbia so far was that the country has been slow to emerge from the long recession while growth continued to be depressed due to public spending cuts. The situation is gradually improving as the economic recovery marked by country's real GDP growth turning positive in 2015 and approaching 3% in 2016 and 2017.

In the private sector, food and retail are expected to continue to drive M&A, joined by technology and software development which are increasingly attractive.

In the private sector, food and retail are expected to continue to drive M&A in Serbia.

SLOVENIA

The total transaction value in Slovenia in 2016 amounted to 1.076 million euro, up 6% from 2015. Industrial sector, banking restructuring, private equity in-bound investment and privatisation are the key M&A drivers in Slovenia. Due in part to the very limited ability of local banks to offer acquisition finance at present, private M&A activity is primarily driven by international and regional investors.

The largest share of transactions in 2016 was traditionally made up by the industrial/manufacturing segment. In the No 1 transaction on the market, Japanese paints player Kansai acquired Helios Group for a total consideration of 678 million euro. Other deals in the sector included the privatisation of the auto parts producer Cimos, which was sold to Italian TCH Cogerne group for a consideration of 110 million euro, as well as the acquisition of a 76% stake in ETI Elektroelement, a provider of electrical products and services, by Andlinger & Company, a US PE fund, for a consideration of 28 million euro.

A number of deals in the financial services sector has taken place in the past 20 months (2016 – 2017YTD) with private equity capital driving the bulk of transactions. Earlier in 2015, Apollo and EBRD acquired NKBM (Nova Kreditna Banka Maribor d.d) for a consideration of 250 million euro. Subsequent to this purchase, the buyers have are implementing a strategy to consolidate the market. In October 2016 NKBM, in turn, announced the purchase of KBS banka, from Austria's Raiffeisen Bank International. The deal represented a second transaction between RBI and Apollo in the Slovenian market, with the latter having first acquired Raiffeisen Banka d.d., RBI's Slovenian unit back in December 2015. In March 2017, Apollo Global announced the acquisition of Summit Leasing, a leasing company, from Sumitomo Corporation.

Slovenia is also rapidly becoming a darling of private equities with an unprecedented activity levels in recent years. Apart from the above mentioned transactions that had a PE backing, AGIC Capital, the China-based PE, acquired Fotona d.o.o., a company engaged in the development and manufacture of laser systems for medical applications. CEE Equity Partners have acquired an 84% stake in Javna Razsvetljava / Enlux, a company engaged in providing lightning systems. In September 2016, one of Slovenia's largest food retailers, Mercator, continued its restructuring efforts by conducting the sale of its subsidiary Intersport, a sporting goods retailer, to Enterprise Investors, the Poland-based private equity firm.

However, Slovenia still has a relatively large state-owned sector. The government plans to privatise a further 80 enterprises. However, it plans to retain significant influence (25% + 1 of the shares) in 23 of these, including energy company Petrol, gas supplier Geoplin, household appliances maker Gorenje, holding company Sava, steel group SIJ, gaming company Hit, national lottery company Loterija Slovenije, petrochemical company Nafta Lendava and reinsurer Pozavarovalnica Sava.

In addition to privatisation, a number of companies controlled by one or more banks also are for sale as a result of debt restructuring implemented during the past few years.

However, the sale of companies controlled by banks is often hindered by their significant indebtedness and the unwillingness of the shareholders to book losses as a result of the disposal, where a recent example was the freezing of sales process of the country's leading logistics company Intereuropa.

The strengthening of the country's financial infrastructure following the restructuring of the banking sector has already improved the investment climate and boosted the interest of international investors. The positive macroeconomic outlook will further boost private M&A activity which is already at high levels across many sectors.

Multinational companies must acknowledge need for expert staff in international taxation

Anastasia Sagianni,
Head of Transfer Pricing Division, Eurofast

Eurofast is a business advisory employing over 200 advisors at 21 offices in Southeast Europe (SEE) and the Middle East. With over 28-year experience, having worked with many global brands and leading institutions, operating in the manufacturing, retail, airline, and professional services sectors, Eurofast is uniquely positioned as a one-stop shop for investors looking to enter the region.
www.eurofast.eu, info@eurofast.eu

What are the latest transfer pricing developments in Southeast Europe (SEE) and particularly in countries where Eurofast is present?

Anti-avoidance rules are becoming stricter across member states of the European Union as well as beyond the union's borders. Transfer pricing (TP) rules as part of the Commission's ambitious agenda towards a more fair and effective corporate taxation in the EU are implemented and embodied in national legislations in a growing number of countries in the SEE Region.

For instance, in Bosnia and Herzegovina the nearest step towards approaching the rules of the Organisation for Economic Cooperation and Development (OECD) was made in early 2016 with the adoption of new laws in the field of taxation for legal entities. Due to a low corporate income tax rate of 10%, there was no motivation for profit shifting away from the country. Tax authorities did not pay much attention to TP until recently, but the introduction of the new legislation has made it a matter of extreme interest so as a result all regions in Bosnia introduced rulebooks on TP in order to further adopt the OECD Guidelines.

In Croatia the latest change related to the TP legislation concerns the Advance Pricing Agreements (APAs) which was introduced in the Corporate Income Tax Act provisions as of January 1, 2017. Furthermore, CbC reporting requirements were published on March 29, 2017 by the Croatian Tax Administration.

To show the increasing importance of TP rules, the Bulgarian Ministry of Finance in 2013 approved a table published by the NRA, according to which, up to March 31, 2014 every legal entity is obliged to complete and submit a table that contains information regarding related party transactions. Additionally, Bulgaria introduced the implementation of the "CbC Report" in August, 2017 in accordance with the OECD Action 13, accompanied with severe penalties for taxpayers. MNEs will submit the CbC report in Bulgaria if the ultimate parent company is tax resident in Bulgaria and the consolidated Group Revenue exceeds 51 million euro for the fiscal year immediately preceding the reporting fiscal year, or if a constituent entity of a MNE Group is tax resident in Bulgaria, the ultimate parent entity is not obliged to submit a CbC report in its jurisdiction and the total consolidated group revenue exceeds 750 million euro, under certain circumstances as well.

Serbia has developed TP rules since 2013 but not yet implemented the CbC report while Romanian Law - in accordance with the ordinance Nb. 442/2016 - defines that "large taxpayers" engaging in material transactions exceeding specific threshold amounts with related parties, should prepare TP documentation on an annual basis.

What are the key TP risk areas?

I always state that large deductible payments to related parties are in the tax authorities' focus in every country. This includes royalties, interest payments, service transactions without any justification or inconsistent with the business of the taxpayer or inconsistent with the providers' origin. Can you imagine a Greek company paying high marketing fees a company based in a jurisdiction with significant lower tax rate even if the provider is not a related party? Tax Authorities will definitely look closely into that transaction with the said provider. Another risk area includes transactions with companies registered in jurisdictions with preferential tax systems. Generally, an inconsistent profitability for the taxpayer with what might be expected for a similar uncontrolled taxpayer is indicative and can lead to an audit by the tax authorities.

How do you advise your clients to manage their risks?

A clearly designated person should be dealing with TP reporting in every entity in addition to the experts. Apart from external advisors, every company should have or should recruit a person with international tax experience. MNEs should understand that organising their departments in tax reporting is as important as organising the sales department. We tend to underestimate people who save money and time for an organisation while on the other hand we overestimate people who bring money. Of course, avoiding all the above-mentioned risks is one way to mitigate risk and adverse tax consequences as is trusting your TP advisor! At the end of the day, your TP advisor is your choice.

credissimo

Fintech company Credissimo embraces innovation to expand further

Ivelin Kamburov
CFO and board of directors member, Credissimo

Ivelin Kamburov holds an internationally recognised ACCA qualification and is a member of The Association of Chartered Certified Accountants, UK. Kamburov is winner of the CFO of the Year 2016 award in the Liquidity and Risk category granted by EY Bulgaria and Forbes magazine.

What are the main factors impacting the performance of Credissimo so far?

We believe that a company's success is above all the result of a well-established team. At present, our company employs over 120 professionals, who on a daily basis strive to improve our work processes and the products and services we offer.

As a consumer-oriented company, our primary goal is to provide our customers with convenient and quick solutions when they need short-term financing. Our achievements in recent years, related to the innovative solutions we have introduced, are another proof that we are able to respond adequately to consumer demand by continuously expanding our technology expertise and competencies in line with global trends in our sector.

Through the entrepreneurial spirit of the business model we are developing, the multiple innovations and creative concepts for our products and markets, we have become a long-standing leader in the field of online microcredit and financial services. We believe that innovation is what distinguishes us from our competitors, and this became clear from the first place we were awarded by Bulgarian consumers in the only consumer ranking in the country - My Love Marks.

You talk a lot about innovations, what are the achievements of the company in this area and what is in the pipeline?

Credissimo was the first company in Bulgaria to introduce an entirely online-based application and approval process, a new method for validation of bank accounts, and automated processing of payday loan applications. This made it possible for our clients to go through the application process in just minutes.

Our innovative technologies allow us to instantly verify the identity of a customer and the bank account they want to use to obtain their credit. The verification is carried out by means of communication with a third-party application called Instantor, which was first integrated in Bulgaria by us, laying a new milestone in the prevention of fraud and customer data protection.

Another revolutionary solution for the market was the introduction of the automated chatbot service for granting online consumer loans that is available on the most commonly used messaging platform - Facebook Messenger. There was no other similar service worldwide at the time and it was entirely developed by Credissimo's IT department. The chatbot, through a conversation with the user, completes all the necessary fields for the credit application process and in this way it saves the client time.

Earlier this year we adopted the Bitcoin cryptocurrency as an official payment tool for faster and more efficient customer service. There are no comparable solutions in the Bulgarian market.

The next steps ahead of us are related to the introduction of an artificial intelligence assistant.

After successfully positioning the company in the Macedonian market, you entered the Polish market in 2016. What are your long-term and short-term expectations?

The market of financial services targeting individual consumers in Poland is extremely developed and diversified in terms for participants, solutions, and products. We are proud that despite the big names that already have years of experience in this market, still technological solutions, such as our chatbot, are not widespread. This gives us a strong competitive advantage right from the start, and our long-term expectations are to establish ourselves and maintain leadership in our market niche. Evidence of our strong positioning in Poland is the fact that our company was accepted as a full member of the Loan Companies Association (ZFP), even before we officially started our operations in the country.

The expansion we are planning on foreign markets will be largely based on our CRM system, which can be implemented with minimal changes in every country where we begin operations, like we did in Macedonia and Poland.

Credissimo at a glance

2018
Expansion in EU and non-EU markets

2017
Expansion in 2 EU markets – Poland and Romania

2017 September
New innovative service line launched

2017 August
The only Bulgarian company featured in the European FinTech Awards 2017

2017 August
Most downloaded Viber stickers in Bulgaria

2017 August
Launched innovative Viber stickers with embedded external link to the website of Credissimo

2017 July
"Favorite Financial Institution in Bulgaria" and "Favorite Bulgarian Brand" - Award by Mylovemarks

2017 July
"Innovation of the Year", "Technology innovation", "Marketing and PR Innovation" – Awards by the b2b Media

2017 May
"The Greenest Company 2016" – Award by b2b Media

2017 May
Credit rating upgrade: BBB- (stable)

2017 April
1st in the industry to offer Bitcoin as an eligible payment alternative

2017 January
Integration of the first bank account verification service in Bulgaria

2016 December
"Overall responsibility and charity" Award by the Business Lady

2016 October
First in the industry in the world to offer Chatbot service

2016 September
International expansion in Macedonia

2016 July
"Most Innovative company for 2015" Award by b2b Media

2016 June
"The Greenest Company for 2015" – Award by b2b Media

2016 April
"Innovations in lending and online accessibility to financial services" Award by Business Lady

2015 November
1st in the industry in Bulgaria to be awarded a credit rating*
*Credit rating was awarded by Bulgarian Credit Rating Agency AD

2014 November
1st in Bulgaria to launch mobile app

2014 September
Co-founder of the Association for Responsible Non-Banking Lending (AONK)

2014 July
+250,000 loan applications and +140,000 Facebook fans reached

2014 June
Innovative new service "Pay Later" (delayed payment for online shopping)

2013 December
1st on the market to offer bill payment financing

2012 April
+ 100,000 loan applications reached

2011 November
1st on the market to offer a loan at 0% interest rate for the first 30 days (grace period)

2009 March
First on the market to offer purely online lending

2008 April
Launch of the new proprietary technology for real-time application processing

2008 April
1st on the market to offer near instant approval process (next best alternative was 24 hours)

2007 July
Company established

Manually processing massive data is like digging with pick instead of excavator

Identrics is a young technology company providing custom semantic solutions for companies in Southeast Europe (SEE), including media groups and business intelligence providers.

Iva Marinova, Data Scientist at Identrics

Why is Identrics focusing on SEE and what are the main challenges related to the adoption of Artificial Intelligence in the region?

With the growing volumes of information created every day, effective information management is a key business requirement. The problems that we solve are connected with the automation of the mundane, manual data processing tasks done practically in every business.

Processing data on a massive scale without automation is like harvesting wheat without a combine harvester. A human-only workforce is an expensive, fixed and finite resource unable to swiftly scale up to meet sudden demand or scale down at idle times. And this is where Identrics comes in. By applying smart technologies, we add value to businesses, letting them harness human expertise and grow their effectiveness.

Southeast Europe (SEE) is where Identrics is headquartered and this naturally gives us the know-how and experience of local and regional idiosyncrasies few can match. Then there are the statistics, showing growing interest for Artificial Intelligence, or AI, in Bulgaria, Croatia, Romania, Serbia and Greece. A simple check in Google Trends on search terms and topics like "machine learning" or "deep learning" shows an increase in exponential interest in the last five years. Moreover, countries like Bulgaria have long embraced machine learning when it comes to academic and scientific developments. In other words, there is a lot of potential and opportunities to help enterprises in SEE gain a competitive advantage over mature markets like those in Western Europe.

The challenges in the region are mostly connected with the richness and diversity of local languages. And not only that. Despite the huge potential of AI a large part of the business community still relies on conventional work methods and technologies. So as an innovative solution provider, we continuously put a lot of effort into educating the market and explaining the practical gain for their business. On the bright side, as we are working on more and more projects we have plenty of reason to believe the current challenges will translate into future products.

What projects is Identrics currently working on?

We are working on a number of tailor-made projects. For example, a leading provider of business news and market intelligence for SEE has asked us to align its long-stored archives of 400,000 articles and 4,000 company profiles. The client wanted to link the news stories with the profiles so that the reader could make immediate reference to the company owners, sales, executives, locations, etc.

For a publishing and financial information company we have developed software for text content analysis. Such service, for example, is machine identification of entities of special interest for the client such as individuals, companies and products in news articles.

We have also developed a product for another client with global presence, which allows common working environment for media monitoring between humans and machines. This environment solves the scalability and coherence problems in companies that use manual annotation processes to analyse huge amounts of data.

Another project we are working on is related to articles deduplication and similarity measurement for big news groups. They are now able to analyse the popularity trends and suggest the most relevant content on a particular topic to their users.

There are also some new inquiries coming from the e-commerce sector from Europe for our automated content generation solutions, which we are excited about.

What are some other more specific solutions you offer and what are their business implications?

A common and quite interesting example is our tool for sentiment analysis, which can find applications in absolutely any industry. Sentiment analysis helps discover how people feel about a particular topic. Say you want to know if people on Facebook think that restaurant X in the Romania capital Bucharest is good or bad. Facebook sentiment analysis will answer the question. You can even learn why people think the restaurant is good or bad, by extracting the exact words that indicate why people did or didn't like it.

Through such text mining solutions, you can get answers in seconds in the comfort of your office chair. This kind of analyses are pretty accurate and can easily reach above 90% precision compared with human annotations. Generally our production ready models aim to provide between 90%-99% precision which can be improved over time.

In recent years fake news have taken centre stage. How semantic technologies and deep learning can help in the fight against fake news?

The issue with classifying news as "fake" is similar to sentiment analysis. Fake news have been around since the dawn of communication, but with some recent global and local political developments online platforms are giving them the power to misinform on a larger scale, affecting the credibility of information providers, brands, companies and people.

The task is a global challenge at this time and scientists worldwide are working hard on choosing the best algorithm for the solution. Identrics too has joined the efforts to tackle fake news by working on algorithms capable of deciding whether or not specific news, comments, tweets and even profiles are fake.

In what way are you expecting Identrics to develop in the next couple of years ?

We have always set ambitious goals for ourselves. In the short-term our aim is to raise awareness of our machine learning capabilities in order to help more companies from different industries to solve their pressing problems with productivity, cost and business growth. Our work is part of the global trend to facilitate information extraction and use the power of big data. 2018 will validate this trend with best practices and routines in the business, which will lead to more acceptable business environment for companies like Identrics in the region.

Identrics is working on algorithms identifying fake news, comments, tweets and profiles.

Machine learning can help companies solve their productivity, cost and business growth problems.

SEE IT markets 2016:

Third platform technologies driving growth, legacy markets on decline

by Neli Vacheva, IDC Bulgaria Country Manager

In 2016 the ICT market in Southeast Europe (SEE) grew 2.35% on an annual basis, driven by a gradual rise in spending on IT services and software and strong performance of the smartphone segment. The market's subdued performance came after slow recovery of the economies in the region combined with political instability affected IT investments by both the public and private sectors in 2015. The IT markets in Macedonia, Montenegro and Slovenia even saw declines year on year, while the markets in Bulgaria, Romania, Croatia, Bosnia and Herzegovina and Serbia expanded only moderately. The highest growth rate, by 4.57%, was seen in Serbia, followed by Croatia with 3.23%, Romania with 1.34% and Bulgaria with 1.21%.

The IT markets in SEE are highly dependent on the performance of hardware sales. The negative trends on the hardware market continued into 2016, with a significant stagnation on the PC market, which shrank 13.63% in terms of U.S. dollars, and the tablets market, which was down 23.10% in U.S. dollars. The imaging and hardcopy device markets grew slightly after two years of declines.

In a situation of uncertainty, the business became cautious about IT investments and companies prolonged the replacement cycles. While the business in the region is faced with the need to improve its competitiveness, IT spending is primarily focused on cost savings and optimisations. At the same time the transition to the Third platform (cloud, social, mobility and BigData) shifted investments toward replacement of outdated IT infrastructure and adoption of mobility and cloud technologies. Device sales are now dominated by mobile devices, as cloud service providers represent a growing proportion of all infrastructure hardware and software sales even though the cloud market in Central and Eastern Europe (CEE) is lagging behind peer regions. The technology services market in CEE is worth over 14 billion dollars, as the cloud services market represents about one-tenth of it. Nevertheless, the uptake of cloud is about five times more dynamic and consequently the share of cloud delivery is rapidly increasing. Medium-sized business account for the largest portion of overall spending on public cloud service.

In the consumer segment, tablet and notebook sales were outpaced by smartphones. In 2016 sales of 4G smartphones in the SEE region exceeded those of 3G ones – a milestone which Western Europe reached two years ago. According to the IDC Quarterly Mobile Phone Tracker, 63.2% of smartphones shipped in CEE in 2016 were 4G/LTE, and the company forecasts that this share will reach 85.2% in 2021. All SEE countries except Bosnia and Herzegovina have 4G networks in different stages of development. The share of 4G smartphones was highest in Serbia – 74.3% versus 69.1% in Bulgaria and 63.8% in Romania. The market in CEE, and in particular in SEE, continued to be very price sensitive. The 2016 average smartphone price at 200 U.S. dollars retail before tax was less than half that in Western Europe. In the first half of 2017 stable economic performance and a recovery of foreign currency exchange rates boosted consumer confidence and demand for notebooks started to pick up in SEE.

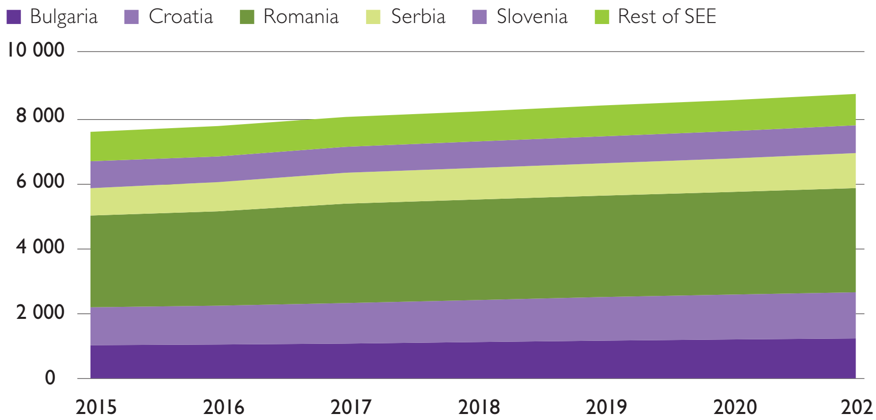
> Transition to the Third platform shifted investments toward replacement of outdated IT infrastructure and adoption of mobility and cloud technologies.

Regardless of the overall picture of cautious IT investments by the local organisations, the IT sector in SEE is one of the most dynamic economy branches. It is heavily export-oriented and home to numerous R&D and outsourcing centres of large IT vendors and innovative start-ups developing cutting-edge technologies which are competitive on global markets.

New technologies, which IDC calls "Innovation Accelerators" will provide worldwide almost 7.4 trillion U.S. dollars in aggregate industry revenue in 2015-2020, adding 1.8 trillion U.S. dollars to the overall size of the industry in terms of annual sales by the end of the forecast period. A large proportion of

TOTAL IT MARKET CAGR % FORECAST 2017-2021

in millions of U.S. dollars



Source: IDC CEE Black Book, Q1 2017

this spending will come from the fast-growing Internet of Things (IoT) market, which is forecast to reach almost 1.3 trillion U.S. dollars in annual revenue by 2020, of which more than 1 trillion U.S. dollars represents new opportunity outside of traditional technology market categories (devices, infrastructure, software, services, and telecom). Robotics, AR/VR, security, cognitive/artificial intelligence, and 3D printing will contribute the rest of this fast-growing portion of the ICT market.

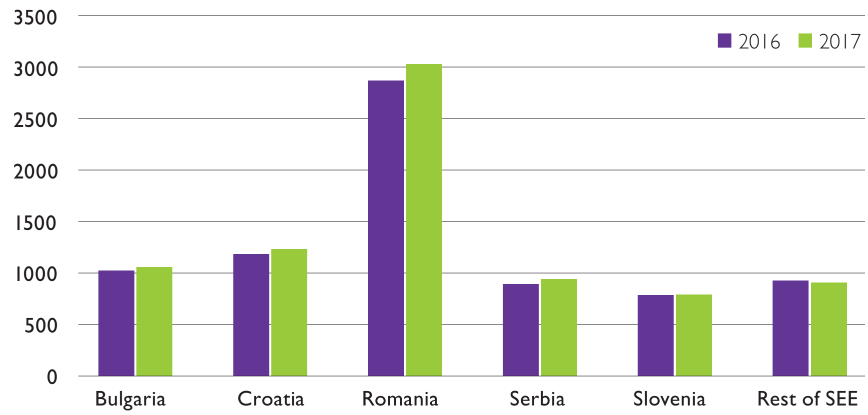
Regardless of cautious investments, the IT sector in SEE is one of the most dynamic economy branches.

Between 2015 and 2020, overall ICT spending, excluding the Innovation Accelerators, will see a compound annual growth rate (CAGR) of just 1% in constant currency terms. Including the Innovation Accelerators, ICT spending will increase by 5% over the same period. In total, the Innovation Accelerators will post a CAGR of 18%. Asia/Pacific excluding Japan represents the largest market for Innovation Accelerators, forecast to reach more than 600 billion dollars by 2020, as CEE will be one of the regions that will see fastest growth over the review period.

In CEE, according to IDC forecasts, spending on IoT will grow 20.6% year on year in 2017, reaching just over 12 billion U.S. dollars. By 2021, CEE IoT spending is expected to total nearly 27 billion U.S. dollars as organisations continue to invest in the hardware, software, services, and connectivity that enable the IoT. The IoT use cases that are expected to attract the largest investments in 2017 include freight monitoring, smart grid technologies for electricity, gas, and water, and manufacturing operations. Production asset management and smart home technologies are also forecast to attract significant investments this year. While these use cases will remain the largest areas of IoT spending in 2021, smart building technologies are predicted to experience strong growth of 34.4% CAGR over the five-year forecast. The use cases that will see the fastest spending growth are smart grid technologies for water, insurance telematics, and electric vehicle charging, though all will start from a relatively small initial base.

COUNTRY IT MARKETS GROWTH FORECAST 2017/2016

in millions of U.S. dollars



Source: IDC CEE Black Book, Q1 2017

According to a survey among attendees of the IDC CIO events in SEE and the framework for assessment of the digital maturity of organizations IDC's DX Maturity Scape, most of the organisations in SEE are in the "Repeatable" stage of their digital maturity. The DX Maturity Scape framework enables organisations to assess and benchmark their digital maturity across five key dimension: Leadership, Omni-experience, Information, Operating Model, and Work source. A typical stage of the Repeatable stage of maturity is that business and IT strategies are aligned at the enterprise level to achieve near-term goals. Digital customer product and experience initiatives are under way, but the business is not yet focused on the disruptive potential of digital initiatives. Information is managed as an asset and its intrinsic DX value is established. Enterprise-wide DX operations are emerging and architecture and standards are organized to implement the best DX practices.

* * *

International Data Corporation (IDC) is a global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. IDC is a wholly-owned subsidiary of International Data Group (IDG), a technology media, research, and events company.

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On-demand business intelligence:

Transforming data into actionable insights

Valentina Gerasimova,
Head of Research
SeeNews On-demand services

You have been long in market intelligence, how has your business evolved in the age of Big Data?

Data has been around for decades but what has made it big are the new technologies and the user needs. More than 15 years ago we started as a research and market consultancy with the sole purpose to provide a comprehensive database of company profiles, industry and macroeconomic reports for Southeast Europe (SEE). We sought to support local and overseas businesses in getting a complete picture of the marketplace.

Nowadays, clients expect us not only to provide information on market size, potential, trends and players but also to transform it into actionable insights to help them discover unmet customer needs, competitive advantages, and unforeseen obstacles. Now, we are more than a data and analytics provider, but a trusted business partner offering one-stop-shop business intelligence tailored to the specific needs of every client looking for partners, reviewing competitors or considering entry in new markets.

How can research on-demand help companies face the challenges of business growth?

We help companies find solutions in critical situations. We address issues which cannot be solved by traditional approaches because they require knowledge of the industries in the SEE region, the specifics of the Balkans. For example, after frost damaged the walnut crops in the region we had a request for a report on the walnut and almonds market by a businessman who wanted to sound out the competition and develop an import strategy for the region.

Our report on outdoor pig breeding regulations in neighbouring and western European countries was prompted by the lack of EU standards for free-range pork. The research found out that in the western countries the free-range system was a well-established practice and raised the issue of introducing such regulations.

It is not only emergencies that we attend to but we also respond to current or anticipated customer demand. The onslaught of low-cost carriers on the Balkans and the fast growth of the segment in SEE has raised interest in their business and operational practices, their impact on the leisure and travel market, prompting us to come up with a report which can be accessed freely.

We are the only researcher that has the resources and the expertise to support a company to find a solution for the SEE market. We have the data corpus, the real time information, as well as long-term partnerships with local information providers, analysts and consultants.

You have mentioned requests for research-on demand for some niche markets. Is this always the case?

Our expertise ranges from energy and transport to IT and agriculture. We have produced more than 3,000 tailor-made reports so far, most of them are on specific segments or subsectors. They include, for example, outdoor advertising in Bulgaria, ceramic tiles in Macedonia, legal expenses insurance in Bulgaria, Germany and the UK, medical diagnostic laboratories in Bulgaria, automotive lubricants, outsourcing in SEE, etc.

We are not confined to niche markets, part of our research is focused on the leading industries in the region - energy, banking, chemicals, transports, wholesale and retail. The annual ranking of the big players in the region of the TOP 100 SEE edition is also based on our research.

Among our recent clients are IBM, the Bulgarian Outsourcing Association, the Bulgarian Association for People Management, the Bulgarian Mining Chamber, embassies, PR and investment agencies, banks and other large companies.

What is 2018 holding for SeeNews in terms of market intelligence?

Our latest development project aims at turning Big Data into an affordable business intelligence tool for companies, especially SMEs, which do not have big market intelligence budgets. It will combine data with ontologies, tailored for each client, to generate sector reports using automatic extraction, storage, analysis and visualization.

It will help companies to navigate in the business environment by highlighting sector trends, market potential and opportunities.

In-depth knowledge of country specifics key to grasping SEE communications market

Tomislav Tsolov,
Founder and General Manager
APRA Porter Novelli

APRA Porter Novelli is a private communications company founded in 1994 in Bulgaria. In 2012 the company expanded by entering Albania, Kosovo, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia. In order to further develop the synergy between all regional offices in the network, in 2015 they were all incorporated in APRA Porter Novelli Balkans Communication Group. The agency is among the founders of the Bulgarian Association of PR Agencies, the Institute for Risk Management and Crisis Communications (IRMCC) and APRA PN Academy - the educational centre of the agency, certified by the Ministry of Education and Science.

How did the PR market in Southeast Europe (SEE) evolve over the past decade and what key trends are shaping up its development at present?

For more than 20 years we have had the chance to observe, analyse, and to some extent drive the communications market evolution in Bulgaria and the region. Back then there was neither a clear definition, nor a clear understanding of our business. There was little competition and fewer and mostly traditional media. We offered fewer services in our portfolio, had fewer communication channels available and more time to react. Everything is quite different now.

Everything is shorter, faster and more visual. Research shows that humans now have a shorter attention span than goldfish. Our work as PR professionals nowadays is pretty much dominated by the need to grab this attention and keep it for as long as possible in the context of different markets, platforms, cultures and languages.

In 2015 we united our offices in the region into APRA Porter Novelli Balkans Communication Group in order to provide professional consultancy and solutions across markets by a multinational team of local experts familiar with the specifics of each country in the network. In 2017 we are already looking towards the successful completion of numerous trans-border projects of the group and have many more planned ahead.

Which industries are most generous in spending on PR and advertising in SEE and has there been a change in this department over the past decade?

In our region these would traditionally be the banking and finance, telecom and FMCG industries. In the last years we are witnessing a growing interest in our services on the part of companies operating in the areas of outsourcing, construction and defence.

What country-specific challenges do you see on the SEE markets on which APRA operates?

The network operates on different markets within and outside the EU. These countries are relatively small and have significant differences in terms of legislation, media landscape, political and economic environment. Probably the greatest challenge in our work is the in-depth knowledge of these differences, keeping up with their dynamic alterations and the ability to adapt our communication and content in the most effective way. The key to this knowledge are the strong local teams and the synergy between the offices. I strongly believe that this is what gives us the competence and expertise that make us the preferred regional partner to companies and brands such as Coca-Cola, Nestle, Microsoft, Telenor,

Everything is shorter, faster and more visual.

Beiersdorf, Bridgestone, GlaxoSmithKline, YTONG, Samsung and many more, with some of which we have a long-term partnerships over the years.

On which SEE markets do you see untapped growth potential?

Naturally, we consider economic growth as the basis for growth potential in our business. At present, the regional leaders in terms of economic growth are Slovenia, Croatia and Romania, which I believe hold a lot of opportunities. From our point of view, the Balkans are a huge market in which we expect consolidation and growth. Therefore, we are constantly following the trends and transformation processes in the region. As every market has a different level and pace of development, we are focused on both targeting local clients and offering our regional expertise to international brands.

Nostalgia, country-of-origin preferences drive social media perception of car brands in SEE

By Petar Galev, Viktor Laskov, Boyan Ivanovich, Maria Simeonova,
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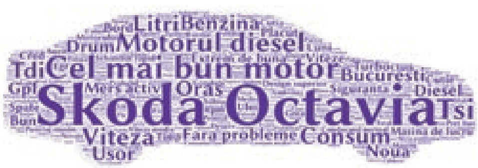
The automotive market in Southeast Europe (SEE) offered some interesting dynamics in 2016, as locally produced models vied for the consumers' attention with some of the global leaders in the field. Thus, the Dacia Logan and the Fiat 500L emerged as the best performers in Romania and Serbia respectively. The likes of the Skoda Octavia, on the other hand, offered a much praised price-quality ratio that helped propel the models to the top three in a number of SEE countries.

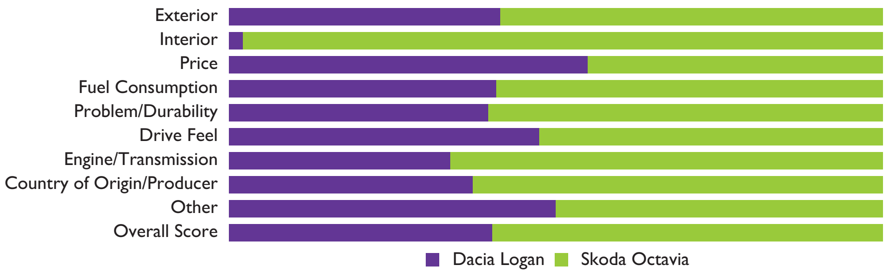
This analysis focuses on the top ten bestselling models in five key markets: Romania, Slovenia, Croatia, Bulgaria, Serbia. Our team of expert analysts then proceeded with assessing their social media performance, pinpointing the two best performing models. During the process, we also had to exclude vehicles that were not comparable to the rest (e.g. SUVs like the Dacia Duster and the Nissan Qashqai). The final stage featured an in-depth analysis of the social media opinion of the two top models in eight key areas plus all other additional comments grouped under the 'Other' category. The overall performance under all criteria formed a total social media score that helped determine the best model for each country.



Romania

The Romanian automotive market has been growing in size in the last couple of years thanks to both the country's robust GDP growth and to a change in local legislation abolishing the environment tax on vehicles without introducing an alternative.

Romania



The locally produced Dacia Logan and the imported Skoda Octavia have led the sedan segment, sharing a large consumer base offering their owners low tax rates coupled with relatively low maintenance costs. Sedan vehicles being traditionally the predominant choice for drivers, the Logan and the Octavia are often featured in discussions when it comes to buying a new car. The people mention the low price of Dacias as a main reason for purchase while Octavia is often chosen because people trust the German quality of its car parts.

The new Skoda Octavia is praised for having a high quality engine featuring a lower-than-expected fuel consumption. People discuss the vehicle's performance in urban environments and mention they have used the car intensively and find it a reliable and problem-free solution for anyone looking for a new car. Both the TSI and the TDI version of the engine are being discussed, with customers praising both and noting that even inexperienced drivers manage to keep consumption low with these engine versions.

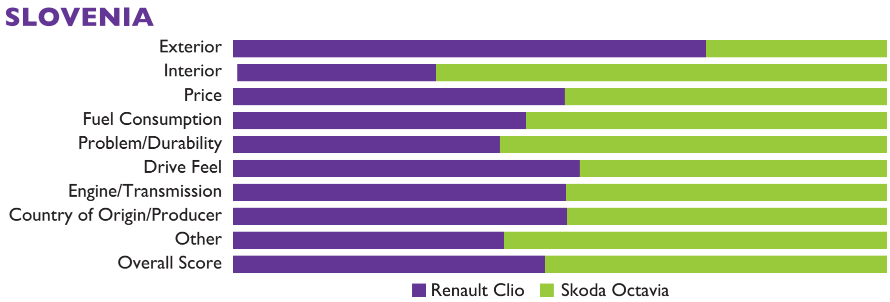
The sentiment analysis pitting the two cars in a head-to-head race shows that Skoda Octavia is preferred in seven of the eight categories on which the analysis is based. The largest difference concerns interior design discussion where the Octavia is praised for the quality and comfort it offers, while Dacia is attacked by unhappy customers complaining about the plastic interior.

The Logan prevailed only in the price category due to its low cost profile which fits well a Romanian market that favours strongly cheap vehicles. The Octavia comes with a significantly higher price in comparison, thus it appears that this category is not a selling point for the Czech vehicle, at least among Romanian customers.

In the more technical discussions about consumption, engine and durability, the Skoda is consistently regarded as the better car compared to Dacia. Both cars have low fuel consumption rates, but Octavia manages to tie them up with a more powerful engine, while Logan is criticised for its weak engine, often compared to one of a small motorbike. Both cars are mentioned as durable and reliable, but Dacia is held back by some negative stories from people who had problems with Logans while Skoda benefits from the German automotive industry's overall positive image. Many customers see the Octavia as an affordable Czech car offering German quality and reliability.

Slovenia

Despite decidedly positive mainstream coverage of the models, Slovenian con-



sumers came across as both a discerning and highly sceptical audience in the process of media analysis. Besides being knowledgeable with regards to pricing and technology, Slovenians were also very concerned with the origin of the vehicles they drove.

As was the case with other countries in the region, the final contest of the two most popular models on Social Media came down to a showdown between the Skoda Octavia and the Renault Clio. Despite the latter's stark advantage in terms of design, the Octavia performed better than the Clio in the majority of monitored categories in social media comments. The car was praised for its sturdiness and affordability, and was often compared favourably to the more expensive Volkswagen. Many commenters described themselves as lifelong Skoda fans, and the fact that the Octavia is produced in the Czech Republic was frequently pointed out as one of its many advantages.

The country of origin was also actively discussed with regards to the Renault Clio, as the car is produced in Slovenia. However, commenters also lamented Renault's poor car sales and factory conditions, while they celebrated the boost in production, which was expected to contribute to the country's GDP.

In comparative analysis, the Skoda Octavia's interior was praised across the board, as the car was seen as spacious and comfortable, almost luxurious, on the inside despite its "boring" exterior. In contrast, the Renault Clio was said to look good on the outside, but its seats were often seen as less than comfortable.

The Renault Clio was seen as more fun to drive than the Skoda Octavia, which was said to be a reliable, but boring car. This was reflected in the disparity between the models in the problems/durability category, where the Skoda Octavia performed far better than the Renault Clio. The two cars performed equally well in terms of energy/transmissions, albeit for different reasons – the Clio won out in terms of drive feel, while the Octavia stood out in terms of reliability.

Croatia

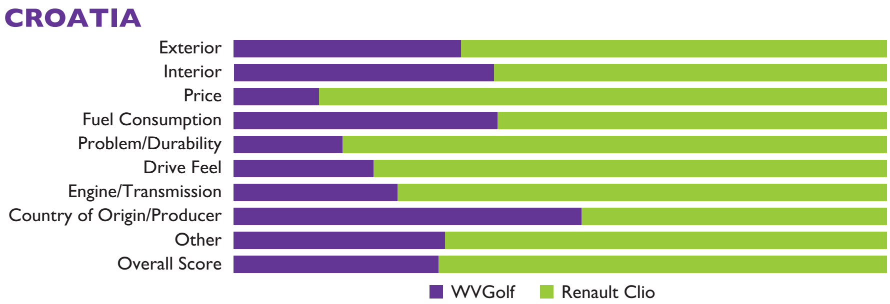
Croatia boasts a well-developed automotive industry with a long track record in components manufacturing, excellent infrastructure and proximity to the bigger markets and production facilities in Western and Central Europe.

New car sales in Croatia soared 23% year-on-year in 2016 to 43,015 registrations, with Volkswagen and Opel remaining in control of the top selling charts. Renault also surged 33% to overtake the regional favourite Skoda. The situation is a little bit different when comparing particular car models. In the models ranking, the VW Golf took the first spot for the third time in the past four years, followed by the Renault Clio and the Skoda Octavia. Despite winning in the sales category, the Golf was overtaken by the Clio in terms of social media performance where the latter was the undisputed leader.

The Clio managed to beat the Golf in almost all categories, except for country of origin. The VW Golf was often an object of mockeries by users who voiced their discontent with its features. The repetitive design, often described as "plain boring", limited interior space and the price of the newer models were among the biggest negative reputation drivers. Social media users also believe that choosing the Golf was equal to choosing to engage in and support certain distinctive national psychology characteristics.

On the other hand, the Clio registered mostly positive comments, topping charts in eight of nine categories. Key to its popularity was the low fuel consumption which, when combined with "fresh" and innovative design choices (both on the inside and the outside), helped secure the first place in Croatia.

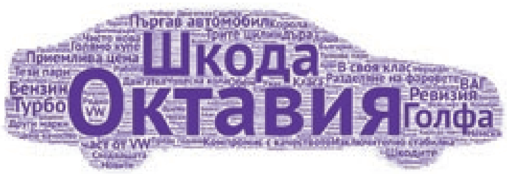
Media analysis showed an interesting drive behind people's choices when it came to picking a brand. While the Clio was portrayed as a great "urban car" thanks to its comfortable front seats, low fuel consumption and price-quality ratio, the Golf emerged as a vehicle favoured by manual labourers. This led to social media concluding that Renault successfully implemented the idea that the invoked emotions and overall drive feel were more important than raw characteristics such as engine type, horsepower and transmission. This is exactly where the model shines – users believe that the brand managed to strike to the right balance between price, quality and performance.



Bulgaria

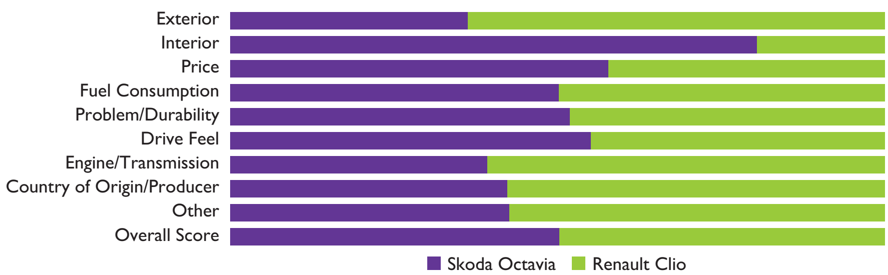
Bulgaria's automobile market offered some interesting developments in 2016, which further added to some specifics of local car sales. The Dacia Dokker sat comfortably at the top of the rankings in terms of sales for the fourth consecutive year. However, the fact that it is almost universally used as a company car means that it is also virtually absent from social media discussions. Users tend to only discuss their personal cars, leaving company ones behind.

Thus, the Nissan Qashqai, the Skoda Octavia, and the Renault Clio emerged as the most popular models in the country – both in terms of sales and social media presence. We chose to look into the performance of the two vehicles that belong to roughly the same class – the Octavia and the Clio. The differences between the two in terms of social media score were practically non-existent, with the Octavia managing to oust the Clio by the slimmest of margins.



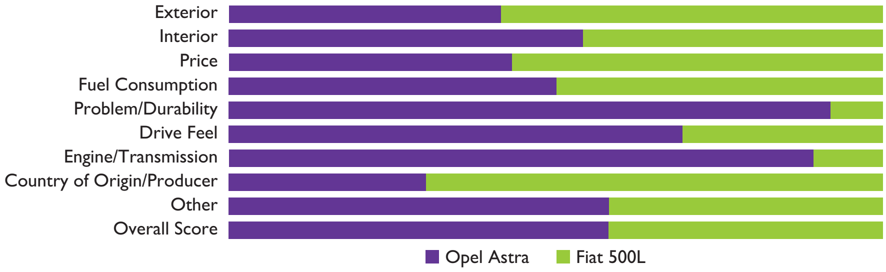
The exterior design seemed to be one of the focal points of social media discussions. While there was little to criticize about the appearance of the Clio, the Octavia was subject to some negative reviews. This mostly had to do with the designer's decision to split the front lights in two in the restyle version from 2016. The move was viewed as unfortunate by the majority of users. As is often the case, the Octavia managed to make up for the exterior shortcomings with its spacious interior.
Elsewhere, the Octavia also excelled thanks to its great price-quality ratio, durability, the great drive feel (especially important for Bulgaria's less than ideal roads), and to some extent – its reasonable fuel consumption. On the other hand, its three-cylinder engine (described as suitable only for the smallish Smart) almost handed the first place to the Clio. The country of origin and the manufacturer are also an important factor for Bulgarian buyers. Perhaps curiously, social media users seem to prefer the French car (the Clio) to the one manufactured by the German VAG concern.

BULGARIA



Serbia

SERBIA



The automotive industry in Serbia has a long tradition and is one of the most prominent economic sectors, supplying numerous European and Asian car manufacturers. Given its history with brands such as the Zastava, it comes as no surprise that the best-selling car in the country for the last year was the locally-assembled Fiat 500L. The brand holds onto the first place for a second consecutive year despite seeing its sales drop 6% to 1,709. Skoda Octavia managed to climb to the second place followed by the traditionally popular in the country Opel Astra. Despite Fiat holding the first place in terms of sales, the brand was overshadowed by Opel Astra which took its crown in terms of social media score.

It would be an exaggeration to say the only reason behind the local success of Fiat is nostalgia, but the country of origin theme was certainly one of the most popular in terms of share of voice. Serbs' strong patriotic feelings continue to play a vital role when making a decision on buying new cars with users seeing the purchase as a way to support the local economy.

Nevertheless, the media analysis revealed a number of problems related to new cars purchases, such as Serbs' low income, the rather uninteresting exterior design and poor interior choices. Although Fiat scored better than Astra in the exterior department, it was considered more repetitive than truly revolutionary.

In the eyes of social media, Astra had two traits to brag about – its proven durability and its formidable engine performance. Those themes were also amongst the lowest performing for Fiat. None of the models exceeded the others in terms of fuel consumption, with users from both sides saying they considered purchasing them because of it. On the other hand, users felt vexed about Fiat's price policy, especially when compared to other brands. Even some of the most supportive commenters admitted that there was a large portion of users who bought the Fiat out of nostalgia about Serbia's market position in car making and not explicitly because of its advantages over the competition.

* * *

Perceptica (www.perceptica.com) is a team of professionals specialised in creating innovative in-depth reports based on online media analytics. Mapping brand perceptions among customers provides valuable insights for helping brands, individuals and organisations thrive.

Albania

TOP 10

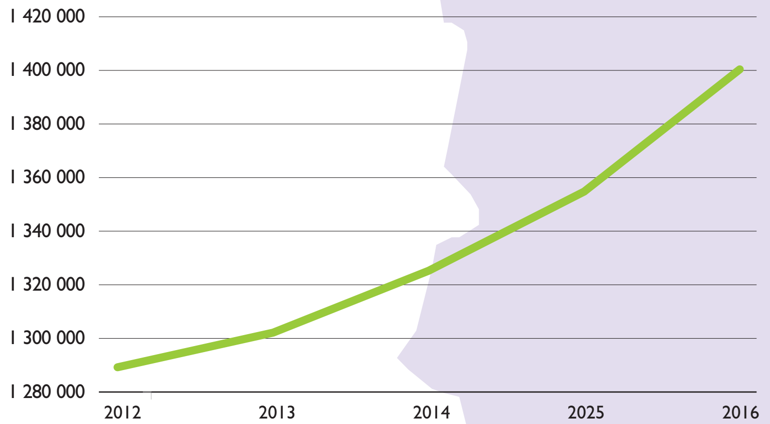
in millions of euro

No	SEE TOP 100 No	Company name	Industry	Total revenue 2016	Y/Y change in revenue	Gross profit/ loss 2016	Gross profit/ loss 2015
1	125	Operatori i Shperndarjes se Energjise Elektrike (OSHEE) Sh.a.	Electricity	385.5	2.14%	N/A	108.7
2	164	Kastrati Sh.a.	Petroleum/Natural Gas	328.6	-13.60%	9.7	9.1
3	392	Bankers Petroleum Albania Ltd.	Petroleum/Natural Gas	151.4	-43.16%	-79.7	-34.3
4	443	Korporata Elektroenergjitike Shqiptare Sh.a. (KESH)	Electricity	131.0	-12.03%	13.2	10.5
5	448	Vodafone Albania Sh.a.	Telecommunications	127.3	8.42%	3.0	4.3
6	470	Genklaudis Sh.a.	Petroleum/Natural Gas	118.0	-10.94%	1.4	0.7
7	481	Europetrol Durres Albania Sh.a.*	Petroleum/Natural Gas	113.6	-17.46%	0.484	0.843
8	490	Spiecapag - Albania Branch	Construction	111.2	N/A	13.6	N/A
9	507	Kurum International Sh.a.	Metals	101.8	-36.06%	-3.7	-33.2
10	533	Agna Sh.a.	Wholesale/Retail	95.0	11.26%	4.4	4.5

(*) Net profit/loss
Source: Media Union Group, Monitor magazine-Albania estimations based on the data provided by the tax office.

GDP

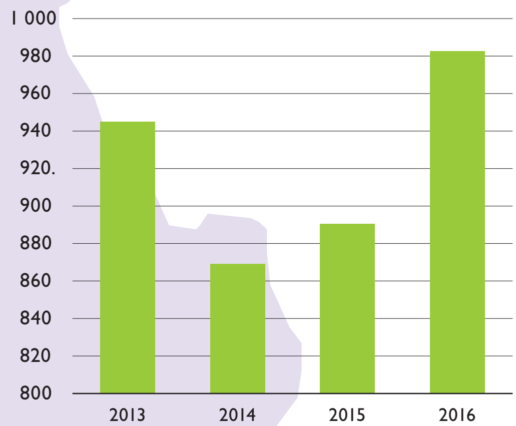
(in billions of Albanian leks)



Source: Institute of Statistics

FDI

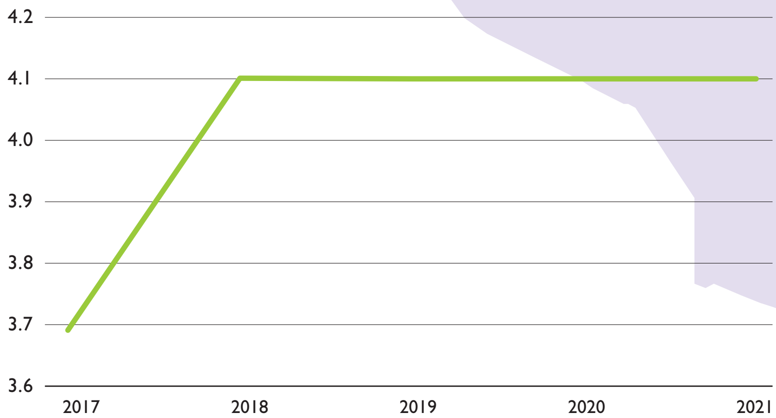
(in millions of euro)



Source: Bank of Albania

GDP FORECAST

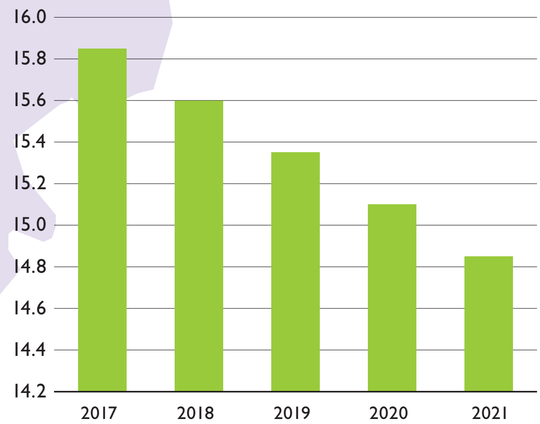
(y/y change, in constant prices)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

UNEMPLOYMENT RATE FORECAST

(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

Bosnia and Herzegovina

TOP 10

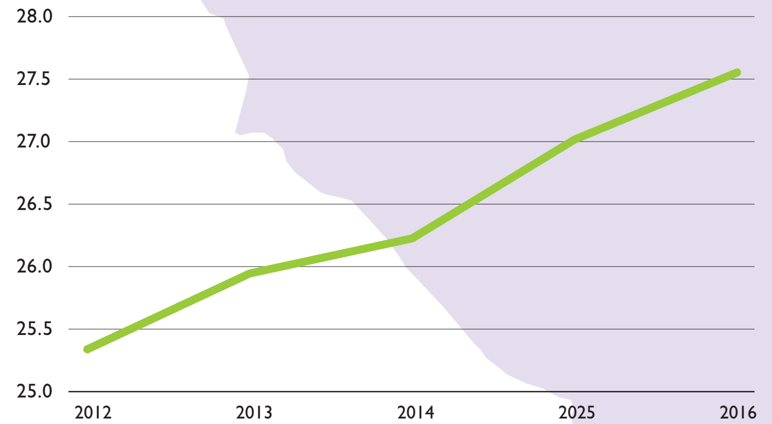
in millions of euro

No	SEE TOP 100 No	Company name	Industry	Total revenue 2016	Y/Y change in revenue	Net profit/ loss 2016	Net profit/ loss 2015
1	88	JP Elektroprivreda BiH d.d.	Electricity	528.8	5.12%	6.6	1.9
2	99	Bingo d.o.o. Tuzla	Wholesale/Retail	468.2	13.46%	34.5	28.7
3	122	Holdina d.o.o. Sarajevo	Petroleum/Natural Gas	387.9	-11.05%	4.3	2.1
4	126	Konzum DOO	Wholesale/Retail	384.5	-11.84%	-21.5	0.952
5	168	Optima Grupa d.o.o. Banja Luka	Petroleum/Natural Gas	320.1	-17.09%	-116.8	-70.4
6	192	BH Telecom d.d.	Telecommunications	279.1	-0.36%	47.4	41.0
7	194	Arcelormittal d.o.o. Zenica	Metals	277.6	-14.29%	-0.394	-9.8
8	241	Telekomunikacije Republike Srpske a.d.	Telecommunications	228.9	-3.52%	35.9	41.7
9	250	Elektroprivreda Republike Srpske a.d.	Electricity	223.3	5.78%	3.0	1.0
10	267	Petrol BH Oil Company d.o.o. Sarajevo	Petroleum/Natural Gas	213.5	-11.84%	4.2	1.2

Source: LRC Engineering Ltd, Sarajevo

GDP

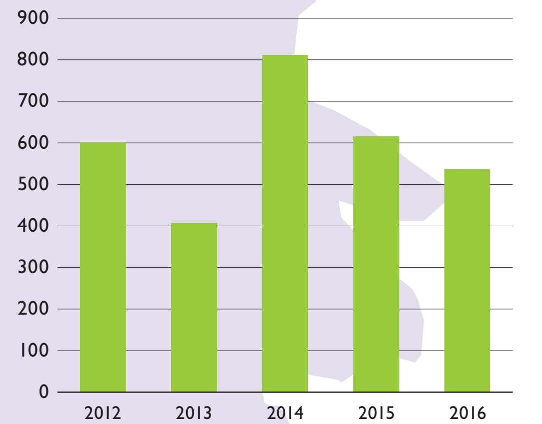
(in billions of Bosnian marka)



Source: Agency for Statistics of Bosnia and Herzegovina

FDI

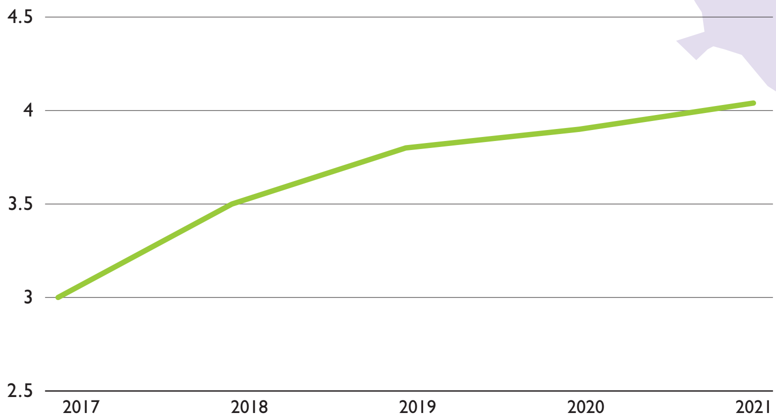
(in millions of Bosnian marka)



Source: Central Bank of Bosnia and Herzegovina

GDP FORECAST

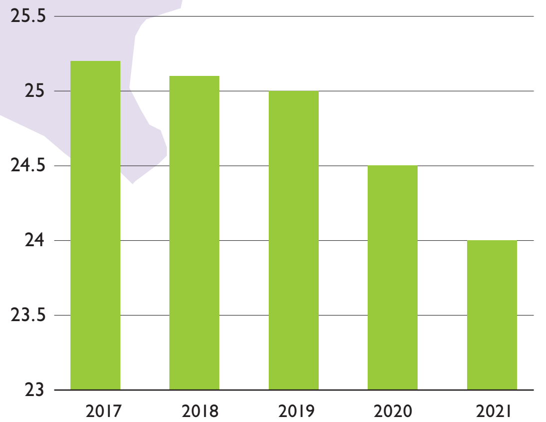
(y/y change, in constanty prices)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

UNEMPLOYMENT RATE

(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

Bulgaria

TOP 10

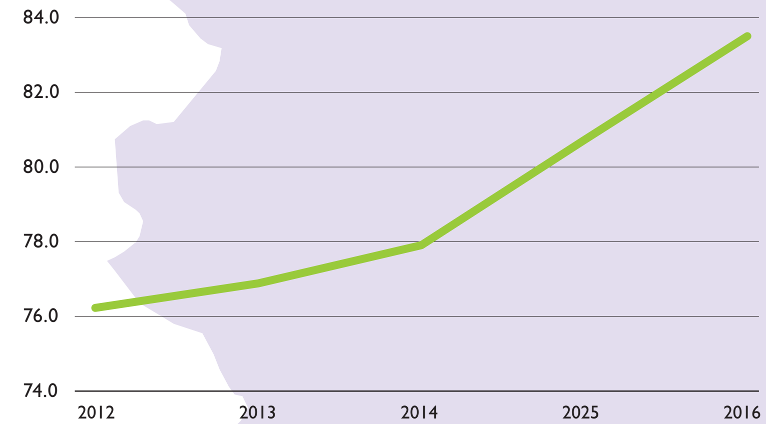
in millions of euro

No	SEE TOP 100 No	Company name	Industry	Total revenue 2016	Y/Y change in revenue	Net profit/ loss 2016	Net profit/ loss 2015
1	5	Lukoil Neftochim Burgas AD	Petroleum/Natural Gas	2 300	-12.01%	60.9	-62.4
2	12	Aurubis Bulgaria AD	Metals	1 682	-23.67%	100.6	112.0
3	14	Natsionalna Elektricheska Kompania EAD	Electricity	1 576	-5.04%	-65.8	-45.6
4	16	Lukoil-Bulgaria EOOD	Petroleum/Natural Gas	1 404	-8.60%	-2.0	-3.2
5	45	Kaufland Bulgaria EOOD & Co KD	Wholesale/Retail	852	11.63%	45.0	41.8
6	66	CEZ Elektro Bulgaria AD	Electricity	650	-9.24%	0.342	4.4
7	82	Express Logistic And Distribution EOOD	Wholesale/Retail	547	7.80%	1.9	-0.260
8	90	Bulgargaz EAD	Petroleum/Natural Gas	518	-28.15%	18.8	10.4
9	100	OMV Bulgaria OOD	Petroleum/Natural Gas	465	-11.51%	13.3	17.1
10	109	AETs Kozloduy EAD	Electricity	433	-1.48%	0.695	42.1

Source: SeeNews

GDP

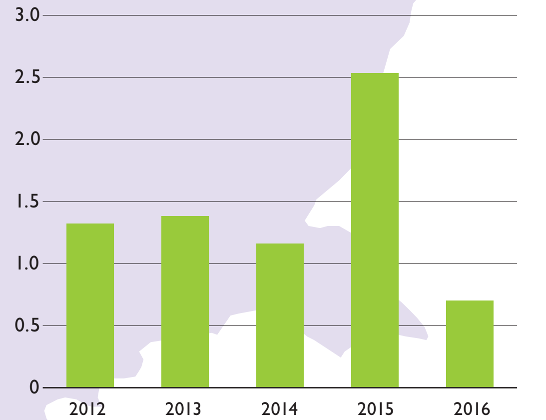
(in billions of Bulgarian levs)



Source: National Statistical Institute

FDI

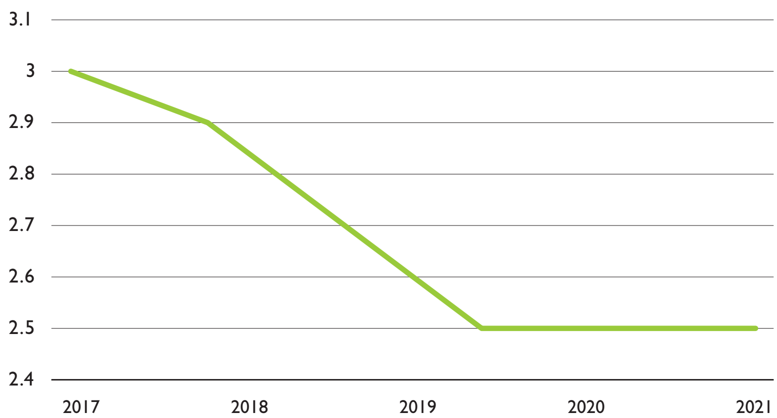
(in billions of Bulgarian levs)



Source: Bulgarian National Bank

GDP FORECAST

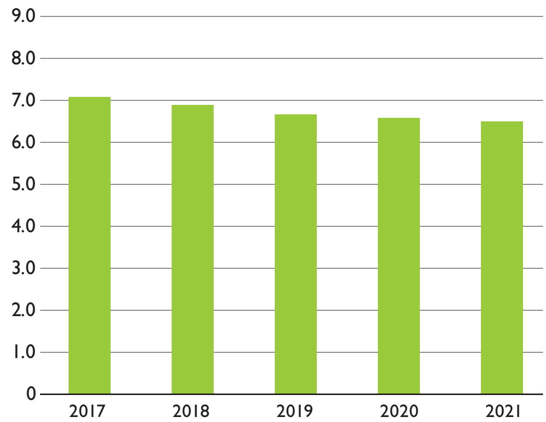
(y/y change, in constant prices)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

UNEMPLOYMENT RATE FORECAST

(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 201

Croatia

TOP 10

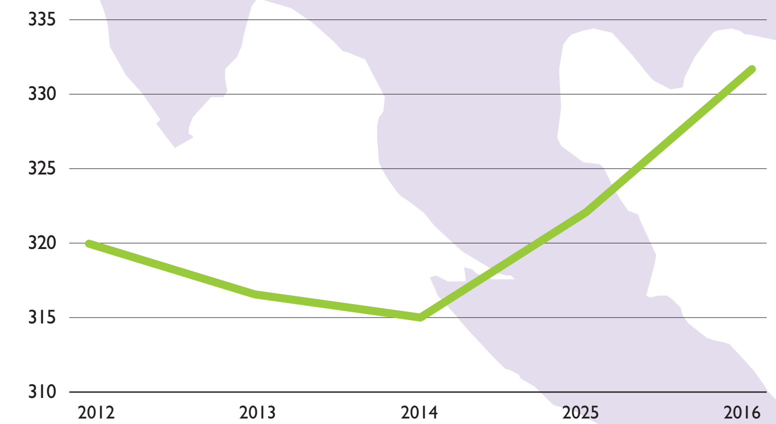
in millions of euro

No	SEE TOP 100 No	Company name	Industry	Total revenue 2016	Y/Y change in revenue	Net profit/ loss 2016	Net profit/ loss 2015
1	8	INA d.d.	Petroleum/Natural Gas	1 998	-15.05%	21.2	-157.4
2	24	Hrvatska Elektroprivreda d.d.	Electricity	1 172	-6.94%	175.2	212.7
3	42	HEP-Operator Distribucijskog Sustava d.o.o.	Electricity	875.8	-5.69%	88.3	95.0
4	49	Hrvatski Telekom d.d.	Telecommunications	812.2	2.05%	120.2	117.0
5	77	Petrol d.o.o.	Petroleum/Natural Gas	564.9	-12.38%	13.1	9.1
6	78	Pliva Hrvatska d.o.o.	Pharmaceuticals	561.1	6.83%	73.4	22.3
7	87	Lidl Hrvatska d.o.o. k.d.	Wholesale/Retail	529.3	7.75%	32.1	24.3
8	91	Plodine d.d.	Wholesale/Retail	511.9	-0.27%	10.1	4.6
9	104	Kaufland Hrvatska k.d.	Wholesale/Retail	446.0	4.65%	-3.9	0.883
10	108	Prvo Plinarsko Drustvo d.o.o.	Petroleum/Natural Gas	437.0	-11.98%	23.8	27.0

Source: SeeNews

GDP

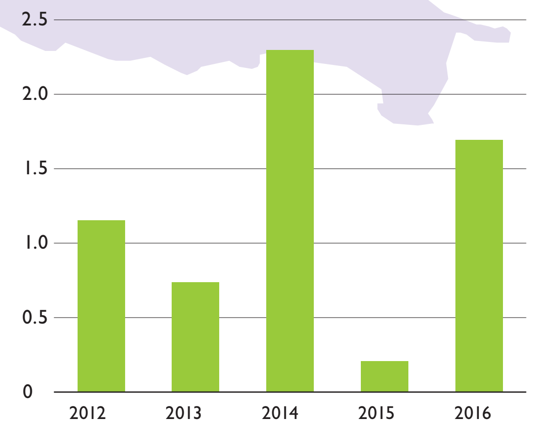
(in billions of Croatian kuna)



Source: Croatian Bureau of Statistics

FDI

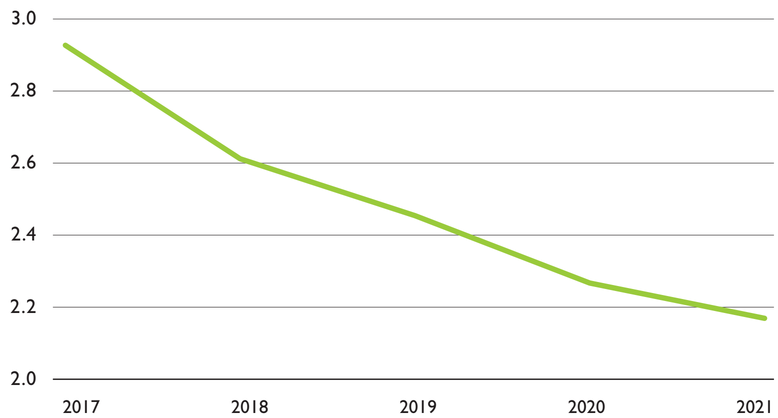
(in billions of Croatian kuna)



Source: National Bank of Moldova

GDP FORECAST

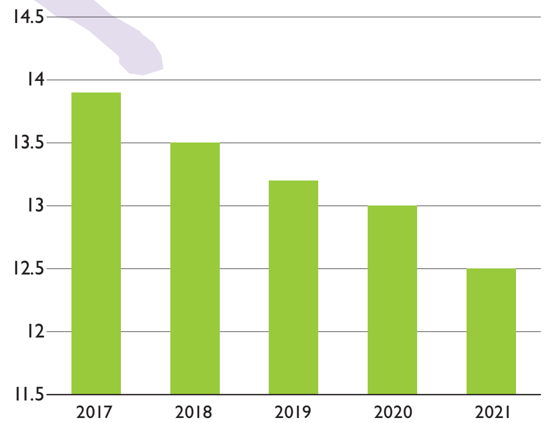
(y/y change, in constant prices)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

UNEMPLOYMENT RATE FORECAST

(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

Macedonia

TOP 10

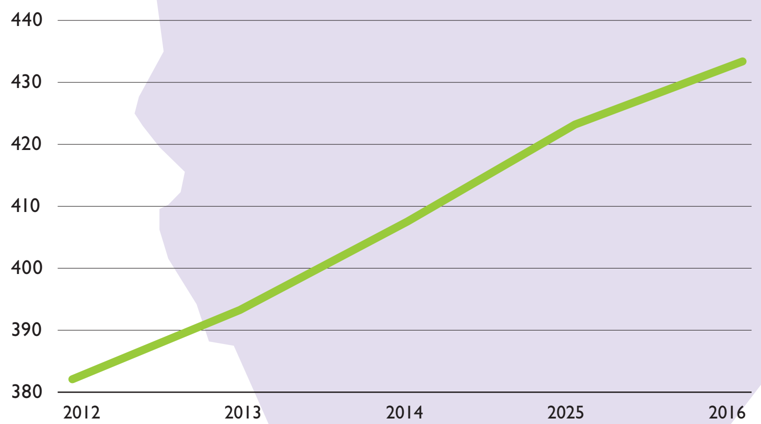
in millions of euro

No	SEE TOP 100 No	Company name	Industry	Total revenue 2016	Y/Y change in revenue	Net profit/ loss 2016	Net profit/ loss 2015
1	17	Johnson Matthey DOOEL	Chemicals	1 345.6	11.95%	121.3	91.3
2	124	EVN Elektrostopanstvo na Macedonija AD	Electricity	385.9	-5.97%	28.1	28.4
3	174	Okta AD	Petroleum/Natural Gas	311.1	-5.60%	5.4	1.3
4	202	Makpetrol AD	Petroleum/Natural Gas	269.4	-10.79%	6.1	0.212
5	244	Elektrani na Makedonija AD	Electricity	226.8	-13.28%	13.7	6.7
6	341	Makedonski Telekom AD	Telecommunications	173.1	-1.01%	20.4	23.9
7	374	Sinohydro Corporation Limited - Skopje Branch	Construction	158.2	N/A	31.1	N/A
8	445	Van Hool Makedonija DOOEL	Automobiles	129.0	N/A	8.9	N/A
9	459	ONE.VIP DOO Skopje	Telecommunications	123.3	N/A	-17.6	N/A
10	495	Alkaloid AD	Pharmaceuticals	108.8	5.40%	11.5	10.5

Source: Central register of the Republic of Macedonia

GDP

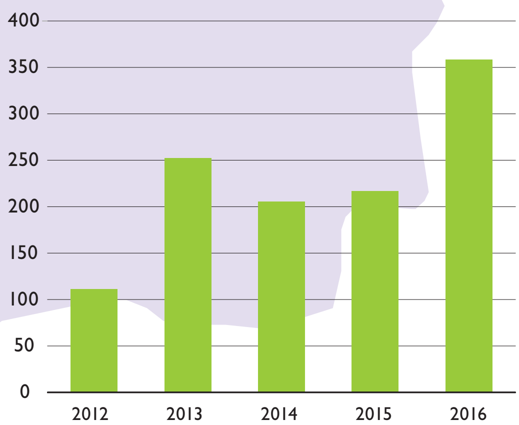
(in billions of Macedonian denars)



Source: State Statistical Office of the Republic of Macedonia

FDI

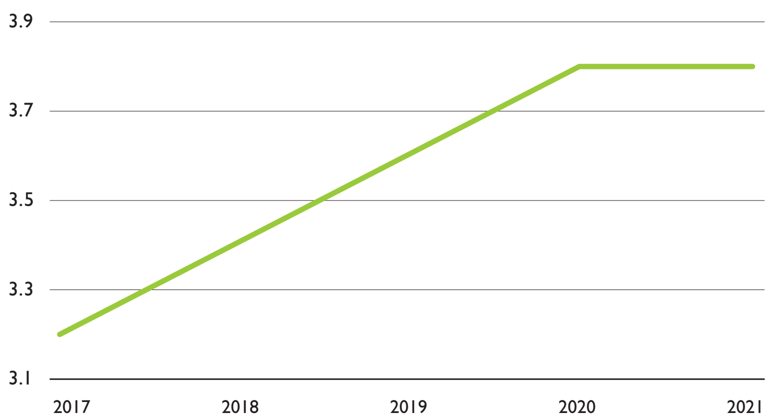
(in millions of euro)



Source: National Bank of the Republic of Macedonia

GDP FORECAST

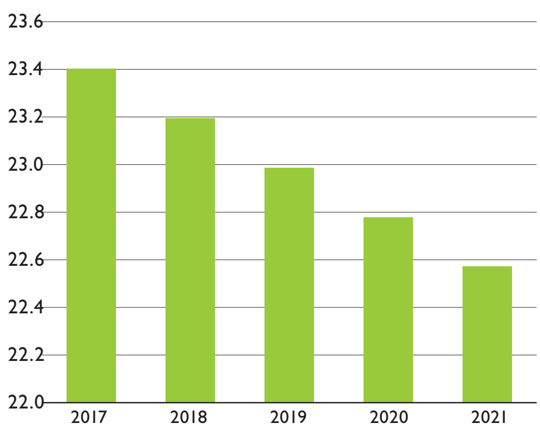
(y/y change, in constant prices)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

UNEMPLOYMENT RATE FORECAST

(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

Moldova

TOP 10

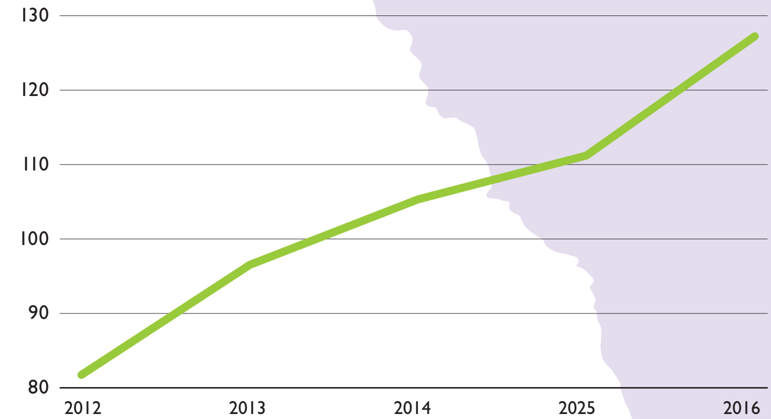
in millions of euro

No	SEE TOP 100 No	Company name	Industry	Total revenue 2016	Y/Y change in revenue	Net profit/ loss 2016	Net profit/ loss 2015
1	195	Moldovagaz SA	Petroleum/Natural Gas	276.4	11.45%	12.6	-144.9
2	358	Energocom SA	Electricity	167.1	-18.57%	1.0	0.114
3	469	Termoelectrica SA (formerly known as CET 2 SA)	Electricity	118.1	4.52%	-3.4	-16.8
4	475	Orange Moldova SA	Telecommunications	116.1	-4.56%	N/A	N/A
5	493	Moldtelecom SA	Telecommunications	109.6	-1.12%	3.5	4.4
6	624	Sudzucker Moldova SA	Food/Drinks/Tobacco	70.1	40.78%	4.3	-1.0
7	681	Floarea Soarelui SA	Food/Drinks/Tobacco	58.7	55.93%	0.098	-0.163
8	706	Moldcell SA	Telecommunications	53.3	-2.04%	N/A	N/A
9	713	Supraten SA	Building materials	52.8	-1.67%	0.666	0.652
10	737	Tirex-Petrol SA	Petroleum/Natural Gas	49.0	-32.42%	0.584	1.1

Source: SeeNews

GDP

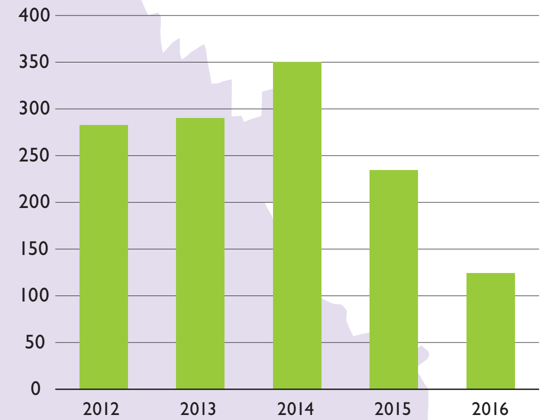
(in billions of Moldovan lei)



National Bureau of Statistics of the Republic of Moldova

FDI

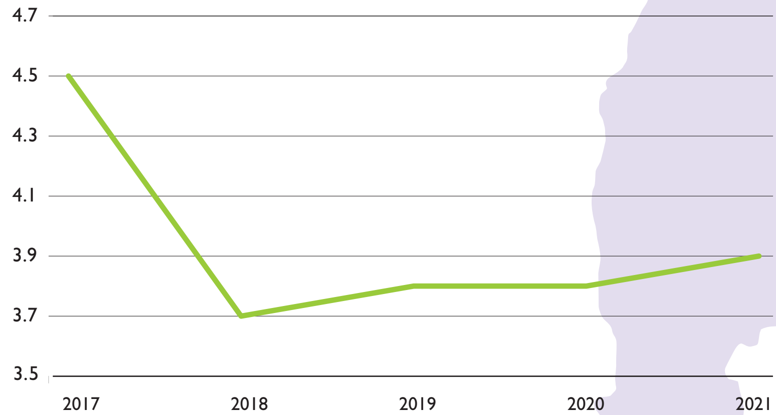
(in millions of US dollars)



Source: National Bank of Moldova

GDP FORECASTS

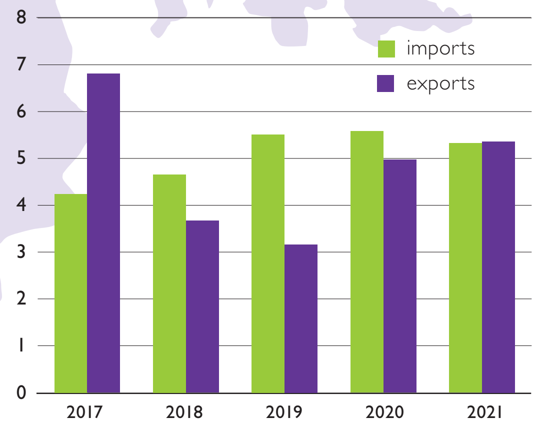
(y/y change, in constant prices)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

IMPORTS, EXPORTS FORECASTS

(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database - April 2017

Montenegro

TOP 10

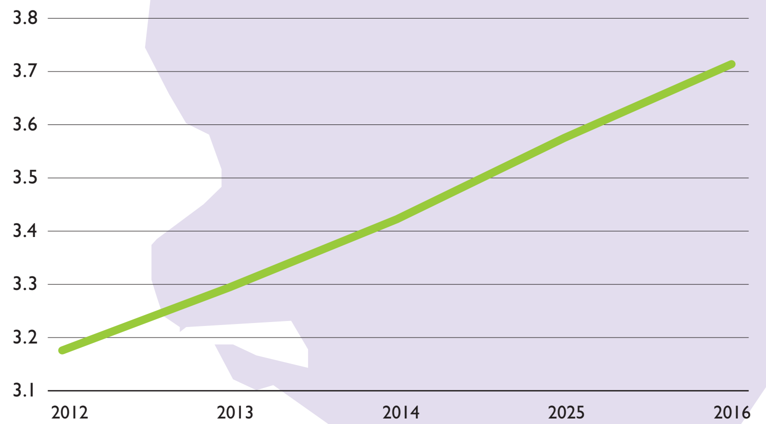
in millions of euro

No	SEE TOP 100 No	Company name	Industry	Total revenue 2016	Y/Y change in revenue	Net profit/ loss 2016	Net profit/ loss 2015
1	209	Elektroprivreda Crne Gore A.D.	Electricity	263.7	2.69%	21.9	10.8
2	284	Voli Trade D.O.O.	Wholesale/Retail	201.4	5.72%	3.4	2.8
3	451	Mercator-CG D.O.O.	Wholesale/Retail	126.0	7.50%	1.9	2.0
4	462	Hard Discount Lakovic D.O.O.	Wholesale/Retail	120.0	16.93%	4.1	4.0
5	474	Jugopetrol A.D.	Petroleum/Natural Gas	117.4	-15.06%	5.0	4.9
6	540	Crnogorski Telekom A.D.	Telecommunications	93.3	-7.45%	9.4	15.9
7	634	Montenegro Airlines A.D.	Transportation	68.5	-0.21%	-11.5	-10.4
8	641	Telenor D.O.O.	Telecommunications	67.5	-32.19%	14.9	46.9
9	654	Franca Marketi D.O.O.	Wholesale/Retail	64.8	8.33%	0.846	0.839
10	709	Meso-promet D.O.O.	Wholesale/Retail	53.1	-5.56%	1.6	1.8

Source: SeeNews

GDP

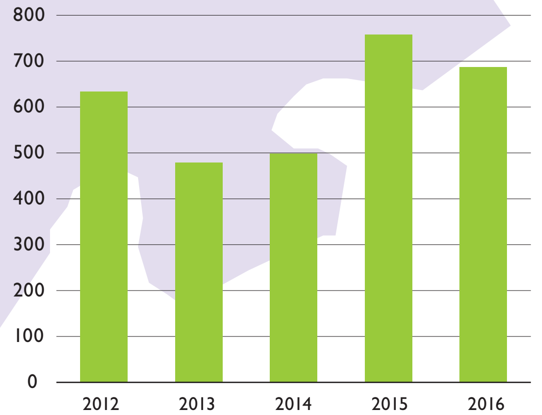
(in billions of euro)



Source: Statistical Office of Montenegro

FDI

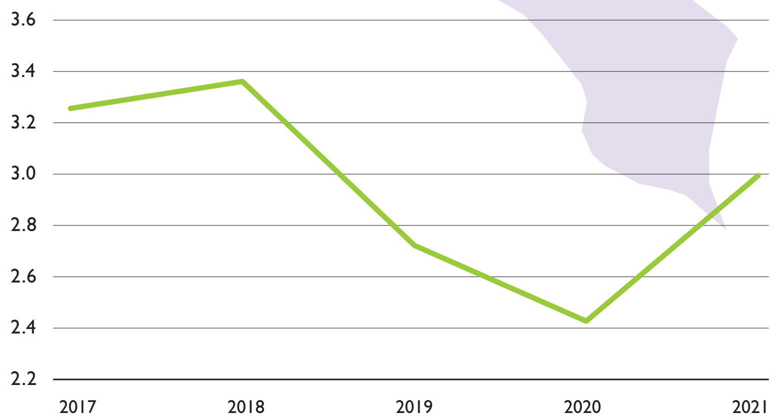
(in millions of euro)



Source: Central Bank of Montenegro

GDP FORECAST

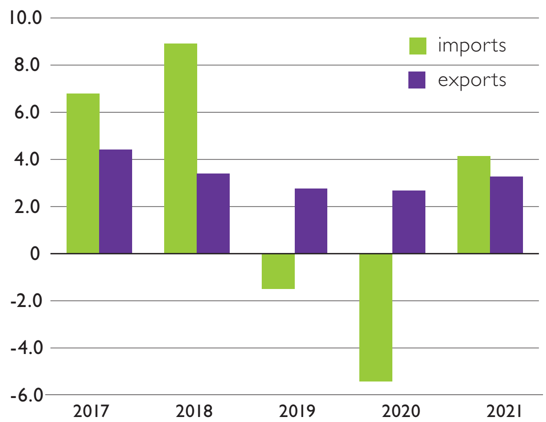
(y/y change, in constant prices)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

IMPORTS, EXPORTS FORECAST

(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 201

Romania

TOP 10

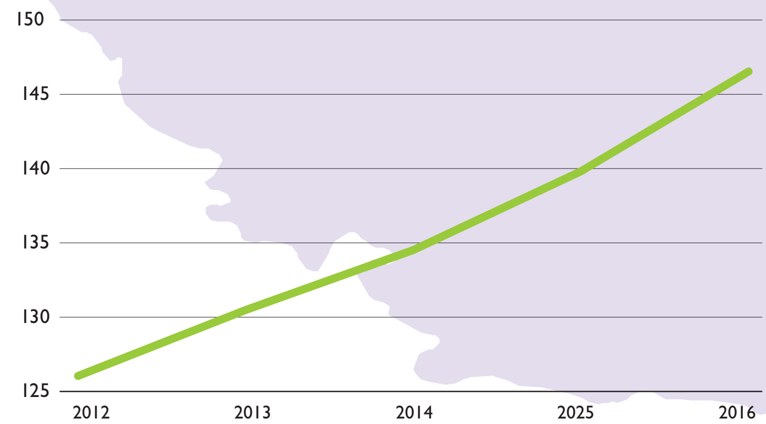
in millions of euro

No	SEE TOP 100 No	Company name	Industry	Total revenue 2016	Y/Y change in revenue	Net profit/ loss 2016	Net profit/ loss 2015
1	1	Automobile-Dacia SA	Automobiles	4 619	8.07%	100.5	99.0
2	3	OMV Petrom Marketing SRL	Petroleum/Natural Gas	3 211	-2.97%	84.9	73.2
3	4	OMV Petrom SA	Petroleum/Natural Gas	3 100	-12.46%	199.9	-139.4
4	6	Kaufland Romania SCS	Wholesale/Retail	2 143	5.53%	143.9	143.4
5	9	Rompetrol Rafinare SA	Petroleum/Natural Gas	1 985	-8.06%	15.4	18.6
6	10	Rompetrol Downstream SRL	Petroleum/Natural Gas	1 820	-0.95%	13.7	-30.7
7	11	British American Tobacco (Romania) Trading SRL	Food/Drinks/Tobacco	1 811	11.37%	148.1	96.3
8	20	Carrefour Romania SA	Wholesale/Retail	1 277	10.99%	36.1	28.2
9	21	Lidl Discount SRL	Wholesale/Retail	1 243	17.53%	47.9	38.0
10	22	Lukoil Romania SRL	Petroleum/Natural Gas	1 182	-1.57%	-3.6	7.7

Source: SeeNews

GDP

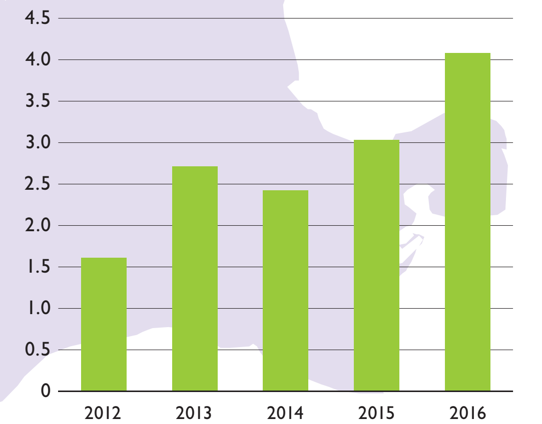
(in billions of Romanian lei)



Source: National Institute of Statistics

FDI

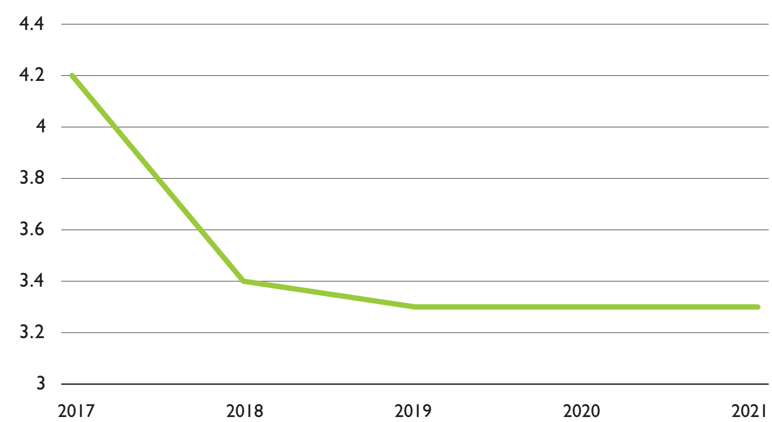
(in millions of euro)



Source: National Bank of Romania

GDP FORECAST

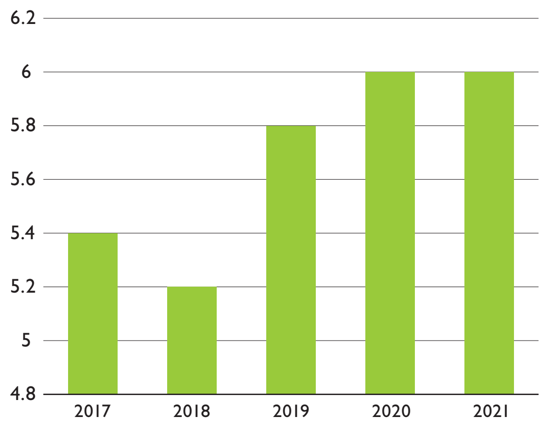
(y/y change, in constant prices)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

UNEMPLOYMENT RATE FORECAST

(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

Serbia

TOP 10

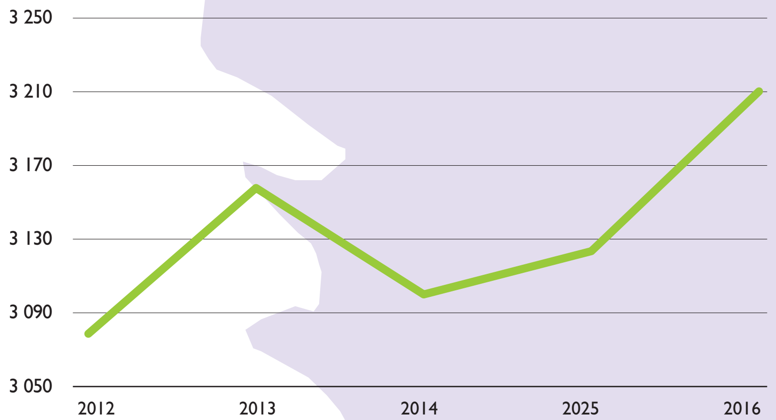
in millions of euro

No	SEE TOP 100 No	Company name	Industry	Total revenue 2016	Y/Y change in revenue	Net profit/ loss 2016	Net profit/ loss 2015
1	7	JP Elektroprivreda Srbije (JP EPS)	Electricity	2 089	53.57%	71.2	98.6
2	15	Naftna Industrija Srbije AD	Petroleum/Natural Gas	1 546	-10.94%	130.6	132.8
3	26	FCA Srbija DOO	Automobiles	1 107	-7.55%	17.2	19.7
4	39	Mercator-S DOO	Wholesale/Retail	897.4	-3.60%	-14.6	3.1
5	57	Telekom Srbija AD	Telecommunications	760.9	-5.86%	123.2	134.6
6	59	EPS Distribucija DOO	Electricity	742.1	63.68%	-3.0	50.7
7	63	Delhaize Serbia DOO	Wholesale/Retail	698.8	7.48%	10.3	18.3
8	69	Nelt Co DOO	Transport	622.5	49.75%	7.9	9.2
9	71	JP Srbijagas	Petroleum/Natural Gas	613.3	-25.01%	17.6	24.4
10	131	Telenor DOO	Telecommunications	379.2	0.27%	72.4	79.8

Source: SeeNews

GDP

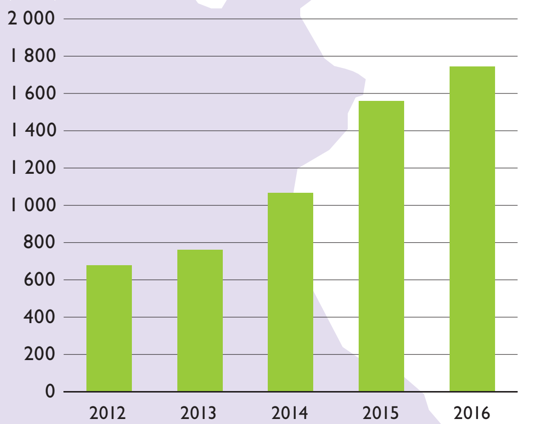
(in billions of Serbian dinars)



Source: Statistical Office of the Republic of Serbia

FDI

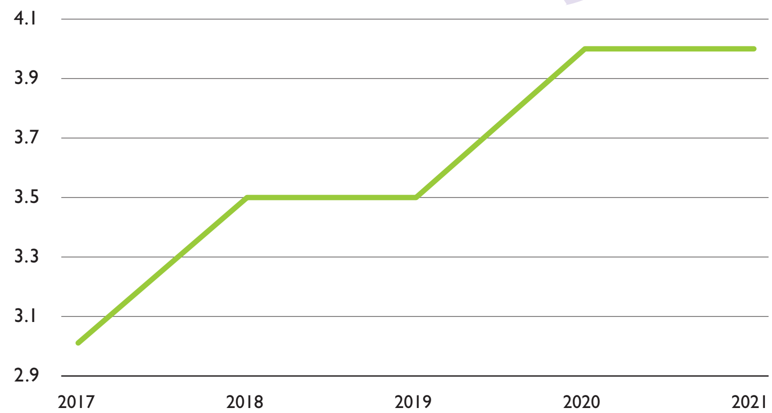
(in millions of euro)



Source: National Bank of Serbia

GDP FORECAST

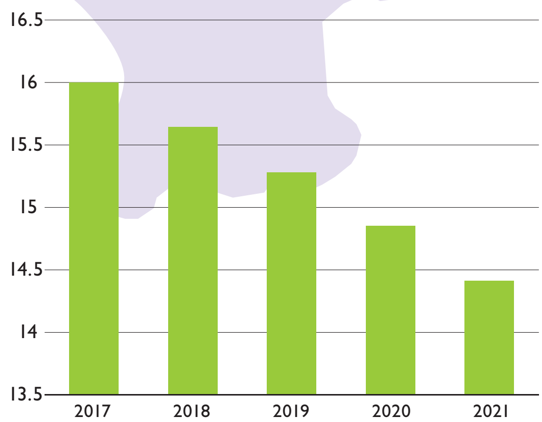
(y/y change, in constant prices)



Source: International Monetary Fund (IMF) World Economic Outlook Database - April 2017

UNEMPLOYMENT RATE FORECAST

(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

Slovenia

TOP 10

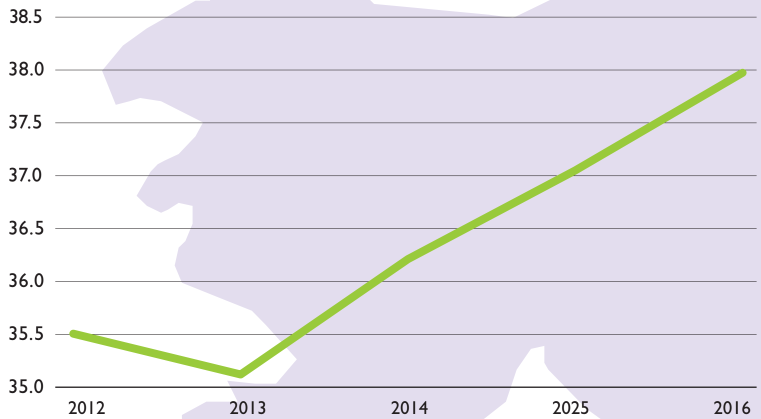
in millions of euro

No	SEE TOP 100 No	Company name	Industry	Total revenue 2016	Y/Y change in revenue	Net profit/ loss 2016	Net profit/ loss 2015
1	2	Petrol d.d.	Petroleum/Natural Gas	3 214	3.20%	43.7	30.1
2	13	GEN-I d.o.o.	Electricity	1 656	-7.53%	8.6	8.1
3	18	Poslovni Sistem Mercator d.d.	Wholesale/Retail	1 342	-4.67%	-77.4	-3.8
4	19	Holding Slovenske Elektrarne d.o.o.	Electricity	1 294	-2.35%	44.4	-323.1
5	25	Krka d.d.	Pharmaceuticals	1 153	0.57%	102.9	146.3
6	29	Revoz d.d.	Automobiles	1 089	5.14%	15.9	11.6
7	38	Lek d.d.	Pharmaceuticals	901.1	0.71%	74.8	115.9
8	60	Gorenje d.d.	Electronics	732.4	2.46%	3.7	-4.0
9	64	Telekom Slovenije d.d.	Telecommunications	677.1	-1.17%	40.5	48.3
10	73	IMPOL d.o.o.	Metals	589.2	-1.17%	15.4	6.4

Source: SeeNews

GDP

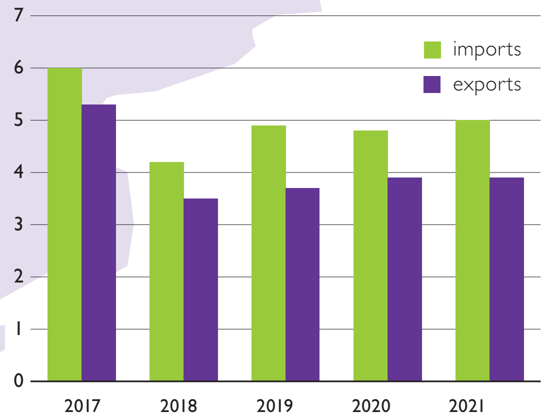
(in billions of euro)



Source: Statistical Office of the Republic of Slovenia

IMPORTS, EXPORTS FORECAST

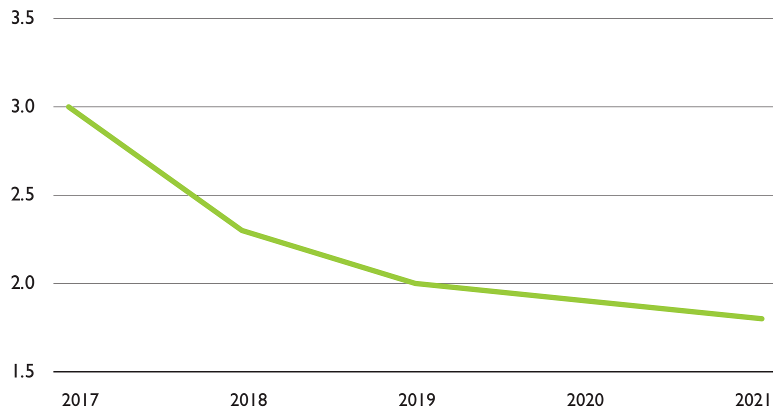
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database - April 2017

GDP FORECAST

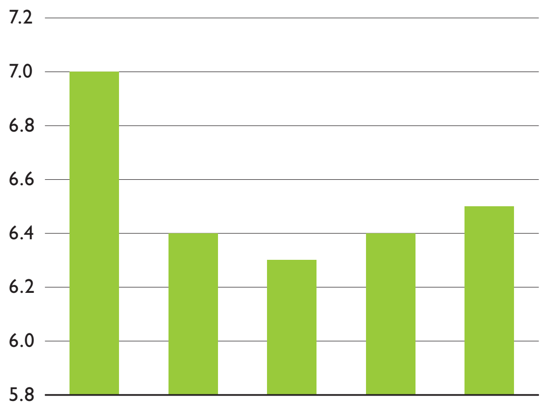
(y/y change, in constant prices)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2017

UNEMPLOYMENT RATE FORECAST

(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database - April 2017

ЗАГОРКА

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КОЯТО **БЪЛГАРИТЕ**
ОБИЧАТ.