SEEtop100 by SeeNews

Revenues come off peaks for Southeast Europe's biggest companies in 2023

17th annual edition

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Letter from the editor

“Inflation is a monster that we need to knock on the head,” the European Central Bank chair, Christine Lagarde, said in early 2023. That monster, however, remained alive and kicking throughout the year, gnawing at personal incomes and the balance sheets of the companies across Europe, including its southeastern corner.

Inflation was not all bad news though. It forced companies to rush to streamline their supply chains, optimise processes and premises, embrace digitalisation and seek energy-saving solutions. Due to the very nature of their business, for some companies this was easier to achieve than for others.

With operations spanning the full value cycle from production and sales to recycling, the top retailers in our region had ample room for cost optimisation. To keep prices affordable, they focused on private-label products, introduced self-service checkout desks and kept staff numbers tight. Aggressive expansion further firmed their market foothold. Consequently, the combined revenue of the wholesalers and retailers in the SEE TOP 100 ranking grew in double digits in 2023.

Energy companies, on the other hand, had less room to offset lower commodity prices and shrunken sales volumes as markets cooled down after experiencing unprecedented volatility in 2022. Their combined revenues shrank by a fifth but they continued to generate the largest share of the revenues of the biggest companies in our region. They thus take centre stage in this publication.

“We have a bold roadmap to reach our Strategy 2030 objectives and ultimately ensure low-carbon energy for our customers – our ambition is to lead the energy transition in Romania and Southeast Europe,” Christina Verchere, the CEO of OMV Petrom, the biggest company in our region, tells us.

In our interviews with other sector players we tried to understand what decarbonisation means for their local operations, how energy storage systems are becoming an integral part of this transition and in what ways the risks associated with large-scale renewable energy projects can be mitigated.

The protagonists of our edition do not have a magic bullet against monsters. They have to mobilise their resources and be inventive as growth is becoming harder to achieve and more perils - economic, geopolitical and environmental – are lurking in the shadows.

Nevena Krasteva,
Editor-in-chief

in millions of euro

Rank 2023	Rank 2022	Company name	Country	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022	Rank by net profit/ loss
1	1	OMV Petrom SA	Romania	Petroleum/Natural Gas	7,740.2	13,387.0	-41.86%	792.8	2 079.4	3
2	2	Petrol d.d.	Slovenia	Petroleum/Natural Gas	5,587.8	7,961.8	-29.82%	92.8	19.4	28
3	5	Automobile-Dacia SA	Romania	Automobiles	5,302.0	5,261.8	1.32%	106.4	106.5	25
4	3	Holding Slovenske Elektrarne d.o.o.	Slovenia	Electricity	5,172.7	5,591.5	-7.49%	366.4	-319.7	7
5	4	OMV Petrom Marketing SRL	Romania	Petroleum/Natural Gas	4,656.7	5,493.6	-14.77%	124.8	112.3	22
6	13	Lidl Discount SRL	Romania	Wholesale/Retail	4,491.4	3,842.1	17.54%	216.8	213.2	14
7	83	Lukoil Neftochim Burgas AD	Bulgaria	Petroleum/Natural Gas	4,418.7	1,112.7	297.10%	104.1	66.3	26
8	18	Elektroprivreda Srbije AD	Serbia	Electricity	4,386.5	3,152.3	38.98%	962.5	-621.0	2
9	7	INA - Industrija Nafte d.d.	Croatia	Petroleum/Natural Gas	3,863.8	4,645.8	-16.83%	224.0	243.8	13
10	16	Kaufland Romania SCS	Romania	Wholesale/Retail	3,719.8	3,256.2	14.86%	173.9	178.7	16
11	11	Aurubis Bulgaria AD	Bulgaria	Metals	3,678.1	4,214.6	-12.73%	112.2	255.3	24
12	31	Hrvatska Elektroprivreda d.d.	Croatia	Electricity	3,661.7	2,475.2	47.93%	-47.1	-683.7	97
13	6	Rompetrol Rafinare SA	Romania	Petroleum/Natural Gas	3,599.6	5,019.5	-27.89%	-110.6	134.7	100
14	9	Prvo Plinarsko Drustvo d.o.o.	Croatia	Petroleum/Natural Gas	3,501.5	4,368.1	-19.84%	30.4	38.8	55
15	10	Naftna Industrija Srbije AD	Serbia	Petroleum/Natural Gas	3,446.7	4,324.2	-20.39%	358.8	799.0	8
16	17	Belektron d.o.o.	Slovenia	Financial Services	3,306.0	3,165.5	4.44%	29.8	27.7	56
17	14	Lukoil-Bulgaria EOOD	Bulgaria	Petroleum/Natural Gas	3,226.6	3,771.7	-14.45%	55.0	76.3	41
18	8	GEN-I d.o.o.	Slovenia	Electricity	2,953.2	4,435.5	-33.42%	8.4	30.8	82
19	15	Rompetrol Downstream SRL	Romania	Petroleum/Natural Gas	2,940.4	3,395.6	-12.93%	37.6	38.4	53
20	22	Ford Otosan Romania SRL	Romania	Automobiles	2,838.4	2,907.9	-1.85%	-3.1	-4.9	89
21	29	Profi Rom Food SRL	Romania	Wholesale/Retail	2,758.3	2,496.5	11.09%	-42.8	-57.8	96
22	38	Hidroelectrica SA	Romania	Electricity	2,560.5	1,999.7	28.75%	1 277.0	888.2	1
23	34	Gorenje d.o.o.	Slovenia	Electronics	2,546.3	2,224.8	14.45%	21.0	3.7	63
24	30	Johnson Matthey DOOEL	North Macedonia	Chemicals	2,383.0	2,477.3	-3.80%	76.3	72.8	31
25	33	Dedeman SRL	Romania	Wholesale/Retail	2,351.1	2,274.9	3.92%	308.5	344.1	9
26	35	Carrefour Romania SA	Romania	Wholesale/Retail	2,319.7	2,140.5	8.97%	50.1	63.5	43
27	45	Compania Nationala de Administrare a Infrastructurii Rutiere SA - CNAIR	Romania	Construction	2,267.4	1,830.1	24.58%	14.9	1.6	73
28	25	Lukoil Romania SRL	Romania	Petroleum/Natural Gas	2,242.0	2,708.4	-16.77%	71.1	47.5	33
29	19	Engie Romania SA	Romania	Petroleum/Natural Gas	2,238.0	3,128.3	-28.07%	125.6	128.9	21
30	32	Electrica Furnizare SA	Romania	Electricity	2,190.6	2,290.9	-3.85%	13.0	74.9	77
31	23	E.ON Energie Romania SA	Romania	Petroleum/Natural Gas	2,132.8	2,860.5	-25.03%	26.8	-72.5	60
32	41	Metro Cash & Carry Romania SRL	Romania	Wholesale/Retail	2,132.1	1,902.8	12.67%	8.3	7.7	83
33	12	Astra Bioplant EOOD	Bulgaria	Petroleum/Natural Gas	2,063.1	3,725.9	-44.63%	-75.1	46.0	99
34	44	Star Assembly SRL	Romania	Automobiles	2,033.5	1,849.8	10.54%	83.0	72.4	29
35	47	Mega Image SRL	Romania	Wholesale/Retail	1,993.6	1,768.4	13.36%	44.0	28.2	49
36	51	Konzum Plus d.o.o.	Croatia	Wholesale/Retail	1,874.0	1,595.4	17.46%	18.4	17.7	68
37	24	Romgaz SA	Romania	Petroleum/Natural Gas	1,867.1	2,747.4	-31.67%	532.6	511.8	5
38	43	MOL Romania Petroleum Products SRL	Romania	Petroleum/Natural Gas	1,849.7	1,886.4	-1.41%	48.9	32.7	44
39	26	Natsionalna Elektricheska Kompania EAD	Bulgaria	Electricity	1,801.1	2,698.7	-33.26%	48.6	553.9	45
40	55	HEP-Proizvodnja d.o.o.	Croatia	Electricity	1,716.9	1,511.2	13.61%	10.4	0.6	80
41	61	REWE (Romania) SRL	Romania	Wholesale/Retail	1,679.5	1,455.0	16.07%	45.1	30.9	47
42	54	Krka d.d.	Slovenia	Pharmaceuticals	1,676.2	1,558.2	7.57%	294.5	348.2	10
43	62	Robert Bosch SRL	Romania	Automobiles	1,667.6	1,444.5	16.08%	38.6	38.3	52
44	48	Ameropa Grains SA	Romania	Agriculture	1,655.2	1,760.2	-5.45%	4.1	21.4	85
45	53	Lek d.d.	Slovenia	Pharmaceuticals	1,626.1	1,597.5	1.78%	135.7	163.7	19
46	66	Nuclearelectrica SA	Romania	Electricity	1,608.3	1,350.5	19.74%	503.9	558.8	6
47	57	Dante International SA	Romania	Wholesale/Retail	1,572.9	1,460.2	8.31%	23.9	25.0	61
48	39	Complexul Energetic Oltenia SA	Romania	Electricity	1,545.0	1,934.4	-19.69%	206.5	707.4	15
49	40	JP Srbijagas	Serbia	Petroleum/Natural Gas	1,543.6	1,919.7	-19.69%	103.0	46.9	27
50	59	BA Glass Bulgaria EAD	Bulgaria	Glass Products	1,533.6	1,457.9	5.19%	137.5	94.3	18

in millions of euro

Rank 2023	Rank 2022	Company name	Country	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022	Rank by net profit/ loss
51	58	Oscar Downstream SRL	Romania	Petroleum/Natural Gas	1,493.2	1,459.8	2.85%	68.7	71.0	35
52	64	Auchan Romania SA	Romania	Wholesale/Retail	1,462.9	1,412.5	4.14%	17.4	20.3	70
53	68	Altex Romania SRL	Romania	Wholesale/Retail	1,434.5	1,341.6	7.51%	29.3	23.2	57
54	75	Fildas Trading SRL	Romania	Wholesale/Retail	1,428.8	1,226.6	17.12%	64.2	49.9	37
55	86	Telekom Srbija AD	Serbia	Telecommunications	1,425.1	1,066.4	33.47%	292.3	114.0	11
56	52	Cofco International Romania SRL	Romania	Agriculture	1,394.6	1,593.1	-11.98%	13.5	22.4	76
57	76	Delhaize Serbia DOO	Serbia	Wholesale/Retail	1,357.0	1,176.1	15.24%	66.2	57.7	36
58	73	Poslovni Sistem Mercator d.d.	Slovenia	Wholesale/Retail	1,312.5	1,270.2	3.33%	-47.8	12.2	98
59	28	Bulgargaz EAD	Bulgaria	Petroleum/Natural Gas	1,312.0	2,096.2	-37.41%	-26.8	-47.8	94
60	70	Orange Romania SA	Romania	Telecommunications	1,308.7	1,332.4	-1.24%	57.0	121.7	39
61	20	AETs Kozloduy EAD	Bulgaria	Electricity	1,304.1	3,107.9	-58.04%	274.6	373.0	12
62	56	PPC Energie SA (formerly known as Enel Energie SA)	Romania	Electricity	1,301.7	1,489.5	-12.13%	-9.4	-79.0	92
63	81	Kaufland Bulgaria EOOD & Co KD	Bulgaria	Wholesale/Retail	1,246.2	1,135.0	9.80%	59.6	61.7	38
64	94	Autoliv Romania SRL	Romania	Automobiles	1,242.5	1,018.3	22.69%	28.8	-33.3	58
65	72	MET Croatia Energy Trade d.o.o.	Croatia	Electricity	1,239.2	1,281.1	-3.27%	14.8	2.8	74
66	89	Interbrands Orbico SRL	Romania	Wholesale/Retail	1,228.6	1,053.1	17.31%	10.8	8.3	79
67	90	Lidl Hrvatska d.o.o. k.d.	Croatia	Wholesale/Retail	1,192.5	1,047.0	13.91%	56.6	52.0	40
68	74	Petrol d.o.o.	Croatia	Petroleum/Natural Gas	1,185.2	1,227.5	-3.44%	19.9	-2.8	65
69	91	Serbia Zijin Mining DOO	Serbia	Metals	1,165.2	1,043.6	11.52%	704.8	641.4	4
70	93	Lidl Bulgaria EOOD and Co. KD	Bulgaria	Wholesale/Retail	1,163.9	1,022.1	13.88%	45.8	45.7	46
71	77	Samsung Electronics Romania SRL	Romania	Electronics	1,146.7	1,167.4	-1.23%	34.0	17.4	54
72	96	Viterra Romania SRL	Romania	Agriculture	1,133.5	1,003.9	13.52%	9.5	14.0	81
73	95	Vodafone Romania SA	Romania	Telecommunications	1,124.2	1,007.2	12.23%	-36.6	-24.6	95
74	63	Digi Romania SA (formerly known as RCS & RDS SA)	Romania	Telecommunications	1,117.2	1,441.9	-22.10%	122.5	269.2	23
75	100	Spar Slovenija d.o.o.	Slovenia	Wholesale/Retail	1,107.1	975.6	13.48%	19.6	16.9	67
76	80	Tigar Tyres DOO	Serbia	Rubber/Rubber Products	1,103.8	1,154.0	-4.47%	44.6	75.6	48
77	67	PPC Energie Muntenia SA (formerly known as Enel Energie Muntenia SA)	Romania	Electricity	1,092.4	1,341.6	-18.13%	-1.0	-76.3	88
78	new	Renault Commercial Roumanie SRL	Romania	Automobiles	1,092.3	965.8	13.72%	14.3	8.4	75
79	88	Michelin Romania SA	Romania	Rubber/Rubber Products	1,092.0	1,057.1	3.87%	-15.6	24.3	93
80	new	Serbia Zijin Copper DOO	Serbia	Metals	1,089.4	919.0	18.39%	164.4	300.6	17
81	79	Cargill Agricultura SRL	Romania	Agriculture	1,053.8	1,155.8	-8.32%	6.6	38.7	84
82	60	Geoplin d.o.o.	Slovenia	Petroleum/Natural Gas	1,039.5	1,455.0	-28.55%	22.2	-28.6	62
83	new	Saksa OOD	Bulgaria	Petroleum/Natural Gas	1,026.3	1,362.7	-24.69%	0.2	24.5	87
84	69	Impol d.o.o.	Slovenia	Metals	1,023.5	1,334.6	-23.31%	39.6	42.5	51
85	85	YugoRosGaz AD	Serbia	Petroleum/Natural Gas	1,008.0	1,077.6	-6.58%	20.7	19.8	64
86	new	Elektrodistribucija Srbije DOO	Serbia	Electricity	997.7	897.0	11.09%	-9.0	2.1	91
87	new	Alliance Healthcare Romania SRL	Romania	Wholesale/Retail	993.8	945.7	5.66%	16.3	17.3	71
88	27	British American Tobacco (Romania) Trading SRL	Romania	Food/Drinks/Tobacco	978.6	2,601.1	-62.17%	19.6	18.5	66
89	new	Bingo d.o.o. Tuzla	Bosnia and Herzegovina	Wholesale/Retail	973.6	819.8	18.76%	81.0	59.9	30
90	71	Transelectrica SA	Romania	Electricity	958.0	1,283.8	-24.97%	42.9	104.0	50
91	new	Porsche Romania SRL	Romania	Automobiles	946.6	734.8	29.53%	72.0	49.6	32
92	new	Continental Automotive Products SRL	Romania	Rubber/Rubber Products	937.9	928.8	1.53%	128.6	136.6	20
93	new	Spar Hrvatska d.o.o.	Croatia	Wholesale/Retail	918.8	763.5	20.35%	0.8	-0.9	86
94	97	Continental Automotive Systems SRL	Romania	Automobiles	910.1	991.8	-7.73%	11.0	-66.9	78
95	new	Selgros Cash & Carry SRL	Romania	Wholesale/Retail	906.9	898.5	1.49%	18.1	21.0	69
96	new	Pirelli Tyres Romania SRL	Romania	Rubber/Rubber Products	902.1	949.3	-4.44%	27.1	26.2	59
97	new	HEP Elektra d.o.o.	Croatia	Electricity	894.9	717.6	24.71%	70.5	-64.4	34
98	new	Lidl Srbija KD	Serbia	Wholesale/Retail	890.8	804.4	10.59%	15.4	17.5	72
99	new	Plodine d.d.	Croatia	Wholesale/Retail	890.0	789.9	12.66%	52.2	32.8	42
100	new	Energocom SA	Moldova	Electricity	889.7	429.3	96.85%	-6.6	7.0	90

2024: SEE TOP 100 sales come off peaks

By Nevena Krasteva

Economic growth in Southeast Europe (SEE) slowed down to 2.7% in 2023, as energy prices in Europe remained high and inflation put strong pressure on purchasing power. Geopolitical tensions, the war on Ukraine in particular, continued to disrupt supply chains and investments, while defence spending increased. As the German economy continued to struggle, the region's exports to the European Union stayed low.

On the positive side, pent-up demand for travel after the Covid lockdowns supported the economies in which tourism is a key sector. Croatia's economy also benefitted from accession to the Eurozone, which added stability to the banking sector and made the country more attractive to investments. Meanwhile, the six Western Balkan countries - Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia - agreed to align their regulations with those of countries in the Single Euro Payments Area (SEPA) and cut financial transaction fees across the region - a key issue which they needed to resolve in order to access 6 billion euro in EU financing. In the four EU member states in the region EU funds also remained a major prop for the economy.

Against this backdrop, the combined revenues of the biggest companies in SEE dropped, following a record-high increase the year before. Profits, however, rose marginally. As inflation brought pricing into sharp focus, retailers with competitive pricing models emerged as top performers. Metal companies too continued their strong performance, as demand for raw materials remained high.

The combined revenue of the SEE TOP 100 companies fell to 198.4 billion euro in 2023, from 223.9 billion euro booked by the region's biggest companies a year earlier. Their total profit, however, rose slightly – to 10.5 billion euro, from 10.3 billion euro.

Almost half of the top 100 companies in the region reported lower revenues and thirteen were loss-making last year. Consequently, the threshold for entry into the ranking fell for the first time since 2020 – the year the Covid pandemic broke out. The revenue of the last entrant in last year's ranking would have put it at 89th place this year.

This uninspiring performance, however, comes after a year of record high gains. In 2022, the total revenue of the SEE TOP 100 companies grew by 46% and their profit jumped 61%, as energy companies capitalised on unprecedented volatility on global markets.

OMV retains lead despite sharp drop in revenues

Romania's largest oil and gas producer, OMV Petrom, held its top position in the region for a third consecutive year, despite a 42% decrease in revenue to 7.7 billion euro, resulting from a drop in commodity prices and lower sales volumes of electricity. In 2023, OMV Petrom's net profit plummeted 61% to 793 million euro.

The company, in which Austria's OMV holds a majority stake, is active along the entire energy value chain - from exploration and production of oil and gas, to oil refining and fuel distribution, and further on to power generation and marketing of gas and power. Its key project, the Neptun Deep, which it is developing offshore in the Black Sea together with Romanian natural gas producer Romgaz, is one of the largest gas projects in the EU, expected to supply approximately 100 billion cu m of natural gas starting in 2027. Furthermore, at the end of 2023, OMV Petrom took over from French energy major TotalEnergies the operational control of Bulgaria's Han Asparuh oil and gas block in the Black Sea and later acquired TotalEnergies' majority stake in the project.

At the same time, OMV Petrom is heavily investing in renewables. Earlier this year, it increased its renewables target capacity from over 1 GW to around 2.5 GW, including partnerships, by 2030. In line with this goal, the company has said it will buy a 50% stake in Electrocentrale Borzesti, which owns a 1 GW portfolio of wind and solar energy, and will fully acquire Renovatio Asset Management, the owner of Romania's leading electric vehicle (EV) charging network. The company plans to have more than 5,000 charging points by 2030, up from over 750 currently installed in Romania, Bulgaria, Serbia and Moldova. OMV Petrom is also taking steps to reposition its Petrobrazi refinery as the top producer of sustainable aviation fuel and renewable diesel in Southeast Europe by 2028.

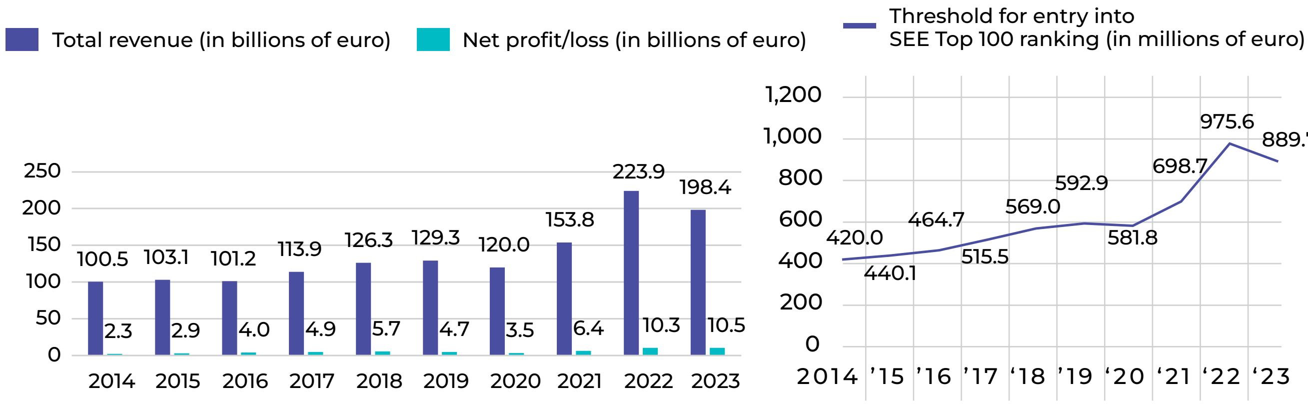
Energy companies step back

OMV Petrom was not the only oil and gas company to see its sales drop in 2023. As global prices of oil and gas prices moderated, the combined sales of the region's biggest sector players fell by a fifth as compared to the sales booked by the entrants in the ranking a year earlier while their combined profit shrank by 40%.

Electricity companies too booked lower results. After recording a revenue growth rate of 85% in 2022, their combined sales edged down by 4.5%. Their profits, however, rose.

One company that deserves special mention is Hidroelectrica, No. 1 by profit in the SEE TOP 100 ranking for 2023. The majority state-owned electricity producer increased its revenues by 29% as profit rose 44%. The company has attributed the increase to favourable hydrological conditions, which allowed for a rise in energy output. In 2023

TOP 100 COMPANIES COMBINED FINANCIAL RESULTS IN 2014-2023



the company held an IPO, the biggest in the history of the Bucharest Stock Exchange, raising 1.9 billion euro. The offering put the company's market capitalisation at 9.4 billion euro.

Lean prices bring hefty profits to retailers

Just like in the pandemic year 2020, when amid the general downturn retailers registered a strong performance, last year was especially good for this sector. And again, revenue growth came primarily on the back of rising disposable incomes that outpaced inflation. In Romania, the biggest market in the region, at the end of 2023 the average personal income was 15.5% higher year-on-year, while consumer price growth had moderated to an annual 6.6%. Unsurprisingly, 15 of all 18 retailers in the ranking are Romanian companies. The sector generated more than a fifth of the total revenue of the SEE TOP 100 companies in 2023.

High price sensitivity among consumers prompted retailers to focus on cost efficiency - streamlined supply chains, optimised store layouts, self-service checkout counters and lean staffing. Special deals and private labels were an important part of the stores' offering. Aggressive expansion strategies and large investments in infrastructure, including the installation of photovoltaic systems and charging infrastructure for electric vehicles complemented the retailers' successful strategies.

Last year was particularly good for the subsidiaries of Germany's Schwarz Group – Europe's largest retailer. Four of its units - Lidl and Kaufland store operators - made it into the ranking, as the Romanian-registered Lidl Discount was the top performer. Lidl Discount moved to 6th place from 13th following a 17.5% rise in revenues.

Inflation-induced higher retail prices, improved business processes and further digitalisation made it possible to generate additional revenue with the same number of employees, Schwarz Group has said. The impact of higher purchase prices, in particular for merchandise, raw materials, energy and transport, as well as higher interest rates, was partially absorbed thanks to efficient process and cost management. Another factor for the group's strong performance is that its operations cover the full value cycle - from production and retail to recycling and digitalisation. Schwarz Group continued to expand its retail and logistics network across Southeast Europe, with plans to open its first store in Montenegro and enter Albania.

Metal companies most profitable

High energy costs and lower metal prices on global markets dented the results of metal companies but they remained the sector with the highest return on revenue, 15%, in this year's edition of SEE TOP 100. The combined revenues of the metal companies in the ranking dropped by 7.4% and their profits decreased by 18% in 2023.

The sector's top performer, German copper producer Aurubis, saw its revenues decrease by 13%, while profit more than halved. However, it should be noted that the company is implementing an ambitious investment programme. Over the next few years it will be investing more than 400 million euro in increasing capacity, improving sustainability and further expanding production at its Pirdop copper smelter in central Bulgaria.

METHODOLOGY

SEE TOP 100 ranks the biggest companies in Southeast Europe by total revenue for the fiscal year ended December 31, 2023. Both 2023 figures and 2022 comparative counterparts are sourced from 2023 annual non-consolidated reports.

The SEE TOP 100 ranking covers non-financial companies registered in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, North Macedonia, Moldova, Montenegro, Romania, Serbia and Slovenia. Banks, investment intermediaries, insurers and real estate investment trusts (REITs) are excluded from the ranking as total revenue is not an accurate indicator of their performance. We have compiled separate rankings of the largest 100 banks and insurers. Holding companies, on the other hand, are represented in the ranking by their subsidiaries.
All data is sourced from national commercial registers, stock exchanges, government and corporate websites, industry regulators, local business information providers and companies themselves.

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

To allow comparison, all local currencies in the rankings have been converted into euro, using the respective central bank's official exchange rate on the last working day of 2023 and 2022. In the case of Croatia, which adopted the euro on Jan 1, 2023 as its currency, 2022 figures were taken from the revised 2023 reports directly in euro. 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.

Our ambition is to lead the energy transition in Southeast Europe

Christina Verchere,
OMV Petrom,
CEO

By Bogdan Todasca

OMV Petrom's net profit more than halved in 2023 but saw a 178% increase in the first half of this year. How do you expect your performance to trend by the end of 2024 and what will be the key factors influencing it?

Looking at our Clean CCS Operating Result, our financial performance in the first half of this year came in strong, above our last five years' average for first halves, supported by our integrated business model and recovering market demand across all our products. Our 2023 net profit was lower year-on-year, mainly due to weaker refining margins and lower utilisation rates of our refinery and of the power plant, which went through major planned turnarounds. There was also a one-off impact coming from the solidarity contribution on refined crude oil, booked starting in the second quarter of 2023. The latter led to a low base effect when comparing the first half of 2024 results with the similar period of last year.

For the full year 2024, we expect a lower operating result in the context of lower commodity prices, lower hydrocarbon production and gas sales volumes, partly compensated by the good availability of our refinery and power plant and mild recovery of gas and power demand.

With all execution contracts awarded, the Neptun Deep offshore gas project is set to deliver first gas in 2027. What are the key milestones for staying on track?

I am very proud to share the tremendous progress we have achieved in the development of the Neptun Deep project, just over a year after having taken the final investment decision.

Some highlights include the awarding of all major execution contracts. Engineering works are on track. We have cut first steel on the platform topsides in Indonesia, and plan the jacket steel cut later this year in Italy. The Transocean Barents drilling rig will arrive in the Black Sea towards the end of this year, while all key well services contractors are preparing for spudding the first well in 2025. We remain focused on the continued delivery of the permitting plan and the construction works on the natural gas metering station in Tuzla in the fourth quarter. The installation of the platform, pipeline and subsea infrastructure in the Black Sea is scheduled through 2025 and 2026 and, finally, the hook up and commissioning activities leading to first gas as planned in 2027. As you can see, we have exciting times ahead and our focus is to deliver this project safely, on time and on budget.

The acquisition of TotalEnergies' stake in Bulgaria's Han Asparuh oil and gas block in the Black Sea has made OMV Petrom the sole owner of the exploration licence. What are your expectations for this project?

Indeed, OMV Petrom became

operator of the block at the end of 2023, after TotalEnergies' withdrawal from the joint operating agreement, and in the middle of this year the rights and obligations in the license were transferred to us. We believe the Black Sea in Bulgaria holds significant hydrocarbons potential, however it is too early to discuss any details or expectations.

Our more than 40 years of experience as an operator in the Black Sea give us the knowledge and expertise that could help unlock potential for further growth beyond Romania. We are continuing the exploration works in the licence and look forward to positive developments. At the same time, in line with best practices in the exploration phase, we continue looking for a partner, to share the risks and returns.

With investments in a sustainable aviation fuels (SAF) and renewable diesel (HVO) plant along with two green hydrogen units underway, what motivated your focus on biofuels? What is your outlook on biofuels within the broader fuels market and what role will OMV Petrom play in the region in this segment?

We have a bold roadmap to reach our Strategy 2030 objectives and ultimately to ensure low-carbon energy for our customers – our ambition is to lead the energy transition in Romania and Southeast Europe. And if we look to the needs of the end consumers, we must supply natural gas for heating, electricity, and mobility products for transportation. So, our efforts focus on the decarbonisation of all these areas, by means of reducing the emissions from operations and by including low-carbon products in our portfolio.

When it comes to transportation, customers require a mix of products that includes conventional fuels, e-mobility and sustainable solutions. Decarbonisation of transportation is a key objective for which we plan to invest 1 billion euro under the Strategy 2030. In this respect, we are preparing our refinery for the increased renewable fuels demand in the region and our aim is to position Petrobrazi as the first major producer of sustainable aviation fuel and renewable diesel in Southeast Europe by 2028.

This year we took the final investment decision for a 250 kiloton-per-year capacity to produce sustainable aviation fuel, also known as SAF, and hydrotreated vegetable oil or HVO. The high flexibility of the installation will allow us to adjust the product mix according to market demand and available feedstock. In addition, we took the final investment decision for two electrolysers totalling 55 MW capacity, ensuring around 70 percent of the necessary hydrogen input for the SAF/HVO unit.

In terms of e-mobility we aim to have more than 5,000 charging points by 2030 and thus become the largest provider of e-mobility services in Romania – we currently have more than 750 charging points installed in our regional network that covers Romania, Bulgaria, Serbia and Moldova.

Recent solar and wind power acquisitions have recalibrated your renewable capacity ambitions from a target of over 1 GW by 2030 to about 2.5 GW. What target do you consider achievable by the end of this year and in 2025?

In June this year we updated on our progress on our Strategy 2030 including an acceleration of our renewables target from over 1GW of capacity to around 2.5 GW, including partnerships. We were able to do so as we had identified both solar and wind opportunities allowing us to capture sizeable renewable power market share, organic and inorganic, striving for an even stronger leading position in Romania. We are capitalising on the market opportunities, potential to attract EU funding and increasing green power demand. These projects are in various stages of development so, at this point, we are looking at capacities coming on stream gradually between 2024 and 2027, with the majority of them in the later part of this period.

Do you plan to also invest in energy storage solutions as your operational portfolio grows?

We see our role as an important supplier of energy in Romania as well as the region. As such, it is our belief that our consumers can benefit from our integrated portfolio of renewable power generation, together with our Brazi gas-fired power plant and power storage.

Energy storage is a key component that addresses the challenges of renewable energy's variability and ensures a stable energy supply. To this end, as part of the PNRR call for projects, we have submitted a project for 18 MW/ 36 MWh battery. This is to be installed at our solar project in Isalnita, with an installed capacity of 89 MW, for which we have taken final investment decision in June of this year. We are awaiting the awarding of this financing.

Following your acquisition of Renovatio Asset Management, you are targeting 1,000 installed EV charging points by the end of 2024. How is this progressing and what will their distribution look like across the region?

Our current network reached more than 750 charging points by the middle of this year and we are rapidly advancing to meet our ambition for 2024 of around 1,000 charging points in Romania.

In addition, in our networks in Bulgaria and Serbia, we have over 50 charging points available through the local partnerships: with Eldrive in Bulgaria and with Charge&Go and EasyPark in Serbia.

REZOLV ENERGY

SEE is now on the European map when it comes to renewable energy buying

Alastair Hammond,
Rezolv Energy
CEO

Rezolv Energy was launched in 2022 by Actis, a leading global investor in sustainable infrastructure, and already has well over 2GW of clean energy under construction, or being prepared for construction, in SEE. The company's projects include Dama Solar in western Romania which, at 1,044MW, will be the largest solar plant anywhere in Europe once it is built, and St. George which will be one of the largest solar projects in Bulgaria once it is operational in the summer of 2025. Rezolv also has more than 1GW of wind power under construction or in late-stage development in Romania.

The power from these projects will be sold to commercial and industrial users through long-term Power Purchase Agreements (PPAs).

A year ago, in this report, you said that "a new era of renewable energy PPAs is coming to SEE". 12 months on, are there signs that this is happening?

Absolutely – the PPA market is now very much up and running in SEE. Since June, Rezolv alone has signed six Virtual PPAs (VPPAs) – with industry leaders including T-Mobile Czech Republic, Slovak Telekom, Bekaert and Ardagh.

These deals are genuinely pioneering. For instance, the T-Mobile and Slovak Telekom agreements were the first cross-border VPPAs ever signed by Czech or Slovak companies. The Ardagh agreement was one of the first VPPAs to be signed in Bulgaria.

Together, they cover well over 450 GWh of clean power, and they have catapulted Rezolv into the position of market leader when it comes to PPAs in the Balkans. They have also put SEE on the European map when it comes to renewable energy procurement.

In June 2024, Rezolv signed cross-border VPPAs with T-Mobile Czech Republic, Slovak Telekom and CE Colo Czech Republic, all part of the Deutsche Telekom Group

Can you explain the concept of a 'Virtual' PPA?

Prior to this summer, most of the PPAs signed in SEE have been Physical PPAs, where the buyer actually uses the clean power that is generated by the wind or solar plant – so there must be a physical delivery of the electricity.

With a Virtual PPA, the buyer does not actually use the power which is generated by the renewable energy project, so there is no physical delivery of electricity. Instead, it is a financial contract, with the buyer receiving certificates to prove that the energy purchased came from a specific wind or solar farm. These certificates can be used for sustainability reporting. The clean power itself is fed into the grid. VPPAs can be local – in the same country as the wind or solar farm – or cross-border, like those Rezolv has signed over the last few months.

Why were these companies attracted to the option of buying renewable power from wind and solar farms in SEE? And why from Rezolv's projects specifically?

It is important to understand that PPAs help enable the construction of renewable energy projects. The companies that sign them are therefore contributing directly to the energy transition in the countries where the projects are situated – in our case, to the decarbonisation of the energy sector in Romania and Bulgaria, which have historically relied on fossil fuels for most of their energy needs. All of these companies were motivated by the opportunity to deliver real impact in this way.

Why Rezolv? We have more flexibility than any other developer in the region to shape PPAs to customers' exact power demand and sustainability goals. This is partly because of the size of our projects, and the fact that we have both wind and solar.

The second major reason these companies chose us was our commitment to sustainability. We intend for our projects to become the benchmark for the responsible development of renewable energy projects in this region. That has been a really important factor for all of our customers so far.

What impact have these deals had on the construction timetable for your projects in SEE?

All of our wind and solar parks are very large, and projects on this scale require a lot of financing. PPAs are an important component in this.

For example, five of the six VPPAs we have signed so far have been connected to our VIFOR wind farm in Buzău County, Romania. They helped us, in June, to secure finance loan facilities of up to €291 million from a consortium of lenders to support the construction of the first phase of that project. We broke ground almost immediately after that.

The sixth VPPA, with Ardagh, was connected to our St. George solar project in Bulgaria, and it is a similar situation there. The three companies that will build St. George – CMC Europe, Solarpro and Green Solar Energy – will start the construction work very shortly in Silistra.

How do you expect the PPA market to evolve now in SEE?

The PPAs that Rezolv has signed so far are just the start, but they are an important signal to the business community that serious renewable energy capacity is coming onstream in this region.

That clean power is, of course, available to companies in SEE but it is also, through the VPPA model, available to companies whose energy consumption is concentrated in other European countries. That's a real game-changer because it means that corporate buyers do not need to wait for renewable energy capacity to start coming onstream in volume in their home market.

The widespread – and growing – corporate demand for green electricity can be met right now. And the path is open for SEE to become Europe's next big hotspot for renewable energy PPAs.

Rezolv Energy and project partners break ground at the VIFOR wind farm in Buzău County, Romania

rezolv.energy

Energy again in spotlight of SEE TOP 100 most dynamic companies

By Annie Tsoneva

The energy sector continued to dominate the ranking of the SEE TOP 100 fastest growing companies in 2023, despite ceding positions. A petroleum refiner, five electricity utilities, two companies from the automotive sector, a telecom and a road management company made it into the list of ten companies with the highest rate of revenue growth. A year earlier, no other sectors entered the ranking, which included seven energy traders, a thermal power plant, an oil refiner and a biodiesel producer.

In 2023, Lukoil Neftochim Burgas, a unit of Russia's Lukoil and the operator of Bulgaria's sole petroleum refinery, topped the most dynamic ranking after its revenue quadrupled to 4.4 billion euro. The Neftochim refinery, located on the Black Sea coast, has a processing capacity of 196,000 barrels per day, making it the largest such facility on the Balkan peninsula. In 2023, the refinery continued to process seaborne Russian crude oil after it was granted exemption from an EU-wide ban on Russian imports. Bulgaria was the fourth largest buyer of seaborne Russian oil in 2023, purchasing over 100,000 bpd. However, as the derogation expires, Lukoil has said it is considering selling its assets in Bulgaria, which, apart from the refinery, include 220 fuel stations, nine oil depots, and ship and aviation bunkering facilities.

Another company to be profoundly impacted by the consequences of Russia's war on Ukraine was Moldovan state-owned energy trader Energocom, a newcomer to the SEE TOP 100. The company ranked second in terms of growth of revenue, which almost doubled to 889.7 million euro in 2023. Moldova, one of the European countries most dependent on Russian gas before the war, stopped buying gas from Gazprom at the end of 2022 and developed alternative supply routes securing gas from European suppliers at a better price.

Croatian state-owned power utility Hrvatska Elektroprivreda (HEP) was third by revenue growth, of almost 48% to 3.661 billion euro. Even though its sales soared, HEP ended 2023 in the red due to government caps on electricity prices as part of measures to help households and businesses cushion the impact of rising energy costs.

Serbia's state-owned electricity producer Elektroprivreda Srbije (EPS) booked revenue growth of some 39% as exports surged more than ten times, to 125 million euro in 2023.

Another state-controlled Serbian company, Telekom Srbija, is the only telco among the SEE TOP 100 fastest growing companies, as its revenue went up by one-third to 1.425 billion euro.

Porsche Romania, the general importer of the Volkswagen Group brands, took the sixth place among the SEE TOP 100 most dynamic companies last year as its revenue rose almost 30% to 946.6 million euro.

Romanian hydropower producer Hidroelectrica followed with a revenue growth of some 29%, to 2.560 billion euro.

One more newcomer to the top 100 ranking, Croatia's HEP Elektra, the power distribution subsidiary of HEP, joined the list of the fastest growing companies as its revenue last year rose almost 25%, to 895 million euro.

Romania's road infrastructure company CNAIR registered the ninth strongest revenue growth in the region last year, by 25% to 2.267 billion euro.

Autoliv Romania, a subsidiary of Swedish car safety equipment manufacturer Autoliv, ranked tenth among the SEE TOP 100 fastest growing companies last year. Its revenue increased 23% to 1.243 billion euro.

METHODOLOGY

Most dynamic companies is a ranking of the top 10 companies with the highest increase in revenue in SEE TOP 100. Change in revenue is calculated as a year-on-year change of total revenue, calculated in local currencies. In order to ensure fair comparison, companies established after December 31, 2021 are omitted.

MOST DYNAMIC COMPANIES

in millions of euro

No	SEE TOP 100 No	Company name	Country	Industry	Y/Y Change in revenue 2023
1	7	Lukoil Neftochim Burgas AD	Bulgaria	Petroleum/Natural Gas	297.10%
2	100	Energocom SA	Moldova	Electricity	96.85%
3	12	Hrvatska Elektroprivreda d.d.	Croatia	Electricity	47.93%
4	8	Elektroprivreda Srbije AD	Serbia	Electricity	38.98%
5	55	Telekom Srbija AD	Serbia	Telecommunications	33.47%
6	91	Porsche Romania SRL	Romania	Automobiles	29.53%
7	22	Hidroelectrica SA	Romania	Electricity	28.75%
8	97	HEP Elektra d.o.o.	Croatia	Electricity	24.71%
9	27	Compania Nationala de Administrare a Infrastructurii Rutiere SA - CNAIR	Romania	Construction	24.58%
10	64	Autoliv Romania SRL	Romania	Automobiles	22.69%

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THE ACCESSIBLE SECURITY

INSURANCE

China-owned mining company leads SEE TOP 100 most profitable ranking

by Alexandru Cristea

As the war in Ukraine continued into 2023 and the energy crisis, although less severe, lingered on, many energy companies once again posted either outstanding returns on revenue or significant losses. At the same time, demand for copper and other metals and minerals which are key to the Green Transition continued to grow, boosting mining companies' bottom lines. As a result, the region's three most profitable companies in 2022 reprised their places on the podium in 2023 while also improving their overall standings in the SEE TOP 100 ranking.

Gold-copper producer Serbia Zijin Mining, a wholly-owned subsidiary of China's state-owned Zijin Mining Group, continues to lead the most profitable companies' chart with a 60% return on revenue (RoR). Its sister company Serbia Zijin Copper also made it into the ranking with a 15% RoR, placing ninth. The two mining firms increased their combined copper output by an annual 17% to 238,909 tonnes, turning the Chinese group into the second largest producer of mine-derived copper in Europe in 2023, as per its annual report.

The next three spots in the chart are once more occupied by Romanian state-controlled energy producers. Hydro power producer Hidroelectrica placed second, expanding its profitability to 49.87% in 2023 from 44.42% in the previous year. Its profit jumped by an annual 45%, supported by a rise in electricity output and sales. Hidroelectrica's performance was underscored by its successful IPO, which put the company's market capitalisation at 9.4 billion euro.

Nuclearelectrica, the operator of Romania's sole nuclear power plant Cernavoda, held on to the third place though its RoR contracted by 10 percentage points to 31.33% and its net profit declined by 9%. The company's income grew by an annual 17% thanks to a rise in the weighted average price of electricity, but its bottom line was burdened by the increased cost of the contribution to the Energy Transition Fund.

Romanian natural gas producer Romgaz climbed to the fourth spot in the ranking of the most profitable companies, with its RoR jumping by 10 percentage points to 28.52%. While many of its operating metrics, including revenue, natural gas output and electricity production, saw a decline, its net profit increased as a result of much lower royalties and windfall tax paid on gas in 2023 compared to the previous year.

Romanian petroleum company Rompetrol Rafinare took the first place on the list of money losers after swinging to a net loss of 110.6 million euro from a net profit of 134.7 million euro. Rompetrol ascribed the loss to a decrease in refinery margins caused by lower quotations for oil products on a volatile international market.

The second biggest money loser was Bulgarian vegetable oils and biodiesel producer Astra Bioplant, which booked a net loss of 75.1 million euro in 2023. The company, which also posted a 45% annual drop in revenue, attributed the negative result to unfavourable market conjuncture.

Slovenian fast-moving consumer goods retailer Poslovni Sistem Mercator came in third, turning to a 47.8 million euro net loss in 2023 from a 12.2 million-euro net profit in 2022. The company was impacted by considerable cost inflation, leading to an increase in expenses, with rising labour costs and utility prices being particularly burdensome to the retailer.

METHODOLOGY

Most profitable companies is a ranking of the top 10 companies with the highest return on revenue in SEE TOP 100. Return on revenue is calculated as net profit divided by total revenue, both in euro terms. To allow comparison, all local currencies have been converted into euro, using the central banks' official exchange rates on the last working day of 2023 and 2022, respectively. In the case of Croatia, which adopted the euro on Jan 1, 2023 as its currency, 2022 figures were taken from the revised 2023 reports directly in euro.
Money losers is a ranking of 10 companies with the most significant losses in SEE TOP 100. To allow comparison, all local currencies have been converted into euro, using the central banks' official exchange rates on the last working day of 2023 and 2022, respectively. In the case of Croatia, which adopted the euro on Jan 1, 2023 as its currency, 2022 figures were taken from the revised 2023 reports directly in euro.

MOST PROFITABLE COMPANIES

in millions of euro

Rank	SEE TOP 100 Rank	Company name	Country	Industry	Return on revenue 2023	Return on revenue 2022
1	69	Serbia Zijin Mining DOO	Serbia	Metals	60.48%	61.46%
2	22	Hidroelectrica SA	Romania	Electricity	49.87%	44.42%
3	46	Nuclearelectrica SA	Romania	Electricity	31.33%	41.37%
4	37	Romgaz SA	Romania	Petroleum/Natural Gas	28.52%	18.63%
5	8	Elektroprivreda Srbije AD	Serbia	Electricity	21.94%	-19.70%
6	61	AETs Kozloduy EAD	Bulgaria	Electricity	21.06%	12.00%
7	55	Telekom Srbija AD	Serbia	Telecommunications	20.51%	10.69%
8	42	Krka d.d.	Slovenia	Pharmaceuticals	17.57%	22.35%
9	80	Serbia Zijin Copper DOO	Serbia	Metals	15.09%	32.71%
10	92	Continental Automotive Products SRL	Romania	Rubber/Rubber Products	13.71%	14.71%

MONEY LOSERS

in millions of euro

Rank	SEE TOP 100 Rank	Company name	Country	Industry	Net loss 2023	Net profit/ loss 2022
1	13	Rompetrol Rafinare SA	Romania	Petroleum/Natural Gas	-110.6	134.7
2	33	Astra Bioplant EOOD	Bulgaria	Petroleum/Natural Gas	-75.1	46.0
3	58	Poslovni Sistem Mercator d.d.	Slovenia	Wholesale/Retail	-47.8	12.2
4	12	Hrvatska Elektroprivreda d.d.	Croatia	Electricity	-47.1	-683.7
5	21	Profi Rom Food SRL	Romania	Wholesale/Retail	-42.8	-57.8
6	73	Vodafone Romania SA	Romania	Telecommunications	-36.6	-24.6
7	59	Bulgargaz EAD	Bulgaria	Petroleum/Natural Gas	-26.8	-47.8
8	79	Michelin Romania SA	Romania	Rubber/Rubber Products	-15.6	24.3
9	62	PPC Energie SA (formerly known as Enel Energie SA)	Romania	Electricity	-9.4	-79.0
10	86	Elektrodistribucija Srbije DOO	Serbia	Electricity	-9.0	2.1

1924 · 1954 TOTAL · 1963 TOTAL · 1970 TOTAL · 1982 TOTAL · 2000 TOTAL FINA ELF · 2003 TOTAL · 2021 TotalEnergies

Pioneers for 100 years

in millions of euro

2023	2022	Bank Name	Country	Total Assets 2023	Y/Y change in assets	Net profit/loss 2023	Net profit/loss 2022
1	1	Banca Transilvania SA	Romania	32,522	20.77%	500.7	440.2
2	3	Banca Comerciala Romana SA	Romania	21,712	10.49%	500.0	369.9
3	2	Zagrebacka Banka d.d.	Croatia	20,373	2.03%	450.4	237.7
4	15	United Bulgarian Bank AD	Bulgaria	17,405	94.22%	213.4	77.5
5	12	CEC Bank SA	Romania	16,796	35.17%	103.7	85.8
6	5	DSK Bank AD	Bulgaria	16,757	13.14%	514.4	289.8
7	6	UniCredit Bulbank AD	Bulgaria	16,425	11.20%	412.5	238.2
8	7	BRD – Groupe Societe Generale SA	Romania	16,359	13.78%	328.5	259.9
9	4	Privredna Banka Zagreb d.d.	Croatia	16,153	2.04%	314.1	189.2
10	8	Nova Ljubljanska Banka d.d.	Slovenia	16,015	14.89%	514.3	159.6
11	10	ING Bank N.V. Amsterdam - Branch Bucharest	Romania	14,419	15.10%	311.2	252.6
12	11	Raiffeisen Bank SA	Romania	14,103	13.13%	345.7	249.6
13	13	UniCredit Bank SA	Romania	13,612	12.02%	260.1	177.7
14	9	Erste&Steiermarkische Bank d.d.	Croatia	13,257	-2.62%	219.2	129.7
15	14	Nova Kreditna Banka Maribor d.d.	Slovenia	10,806	3.76%	189.3	115.6
16	16	Eurobank Bulgaria AD	Bulgaria	9,914	18.48%	157.5	105.7
17	17	OTP Banka d.d.	Croatia	8,025	5.08%	134.8	89.6
18	18	Banca Intesa AD	Serbia	7,927	12.27%	180.1	108.4
19	19	First Investment Bank AD	Bulgaria	7,101	9.24%	69.0	41.5
20	20	OTP Banka Srbija AD	Serbia	7,094	11.38%	143.3	92.9
21	27	Hrvatska Postanska Banka d.d.	Croatia	7,046	54.41%	80.6	17.6
22	21	Raiffeisenbank Austria d.d.	Croatia	6,600	3.87%	95.9	37.0
23	26	Raiffeisen Banka AD	Serbia	5,681	24.26%	182.8	82.9
24	23	Unicredit Bank Srbija AD	Serbia	5,463	9.49%	158.0	71.6
25	25	Exim Banca Romaneasca SA	Romania	5,317	15.19%	11.7	8.7
26	24	NLB Komercijalna Banka AD	Serbia	5,043	7.45%	128.9	71.6
27	30	Alpha Bank Romania SA	Romania	4,738	11.55%	37.5	26.1
28	29	Banka Kombetare Tregtare Sh.a.	Albania	4,674	-1.44%	64.2	71.4
29	28	SKB Banka d.d.	Slovenia	4,575	3.50%	82.9	63.6
30	32	Central Cooperative Bank AD	Bulgaria	4,187	5.07%	43.6	19.5
31	33	Banka Intesa Sanpaolo d.d.	Slovenia	3,991	8.09%	71.5	16.4
32	31	OTP Bank Romania SA	Romania	3,971	-0.63%	49.0	13.9
33	35	Banka Postanska Stedionica AD	Serbia	3,965	16.15%	36.1	29.5
34	34	AIK Banka AD	Serbia	3,926	11.24%	69.9	223.4
35	37	UniCredit Bank d.d. Mostar	Bosnia and Herzegovina	3,664	9.63%	82.8	57.5
36	36	UniCredit Banka Slovenija d.d.	Slovenia	3,576	6.87%	46.7	41.4
37	38	Erste Bank AD	Serbia	3,246	7.60%	47.5	20.0
38	42	Credins Bank Sh.a.	Albania	3,170	8.26%	16.8	9.5
39	41	Garanti Bank SA	Romania	3,065	14.16%	35.7	40.1
40	45	Raiffeisen Bank Sh.a.	Albania	2,908	7.15%	63.1	32.4
41	39	Citibank Europe Plc Dublin - Romania Branch	Romania	2,850	-1.20%	116.1	70.7
42	43	Eurobank Direktna AD	Serbia	2,755	6.19%	14.8	2.8
43	49	Moldova Agroindbank SA	Moldova	2,697	21.31%	63.1	55.5
44	40	SID – Slovenska Izvozna in Razvojna Banka d.d.	Slovenia	2,686	-4.07%	15.6	8.3
45	46	Komercijalna Banka AD	North Macedonia	2,660	8.37%	58.2	34.9
46	44	Raiffeisen Bank d.d. Sarajevo	Bosnia and Herzegovina	2,656	3.39%	62.4	51.5
47	47	Gorenjska Banka d.d.	Slovenia	2,435	5.37%	50.4	27.9
48	52	Libra Internet Bank SA	Romania	2,249	15.14%	63.8	48.1
49	48	Addiko Bank d.d.	Croatia	2,205	-3.55%	9.2	6.8
50	51	Stopanska Banka AD Skopje	North Macedonia	2,136	6.99%	56.4	38.6

in millions of euro

2023	2022	Bank Name	Country	Total Assets 2023	Y/Y change in assets	Net profit/loss 2023	Net profit/loss 2022
51	53	ProCredit Bank (Bulgaria) EAD	Bulgaria	2,130	11.75%	32.8	20.2
52	50	Allianz Bank Bulgaria AD	Bulgaria	2,017	-1.27%	29.4	11.9
53	58	Vista Bank (Romania) SA	Romania	1,908	17.03%	12.6	4.8
54	54	NLB Banka AD Skopje	North Macedonia	1,906	2.97%	44.2	37.9
55	56	Intesa Sanpaolo Bank Albania Sh.a.	Albania	1,880	1.30%	29.4	11.3
56	55	Banka Sparkasse d.d.	Slovenia	1,744	0.13%	17.4	11.7
57	57	Crnogorska Komercijalna Banka A.D.	Montenegro	1,733	4.49%	55.6	30.9
58	61	Banka OTP Albania Sh.a.	Albania	1,707	0.40%	32.5	27.6
59	60	First Bank SA	Romania	1,680	8.17%	11.5	11.7
60	63	Investbank AD	Bulgaria	1,618	11.32%	30.9	25.0
61	75	Moldindconbank SA	Moldova	1,605	20.20%	48.0	44.2
62	67	Halk Banka AD Skopje	North Macedonia	1,595	16.90%	20.3	12.1
63	65	ASA Banka d.d.	Bosnia and Herzegovina	1,543	7.78%	23.5	9.6
64	69	Sparkasse Banka AD	North Macedonia	1,531	13.28%	23.8	16.8
65	82	TBI Bank EAD	Bulgaria	1,499	39.47%	60.7	67.0
66	62	Intesa Sanpaolo Romania SA	Romania	1,493	-3.20%	8.3	6.2
67	64	Nova Banka a.d. Banja Luka	Bosnia and Herzegovina	1,468	1.96%	28.4	21.0
68	70	Addiko Bank d.d.	Slovenia	1,448	8.89%	25.9	19.6
69	68	Bulgarian-American Credit Bank AD	Bulgaria	1,427	5.05%	28.1	22.3
70	73	Raiffeisen Bank Kosovo Sh.a.	Kosovo	1,425	9.79%	30.4	29.4
71	59	Bulgarian Development Bank EAD	Bulgaria	1,425	-9.08%	16.1	10.3
72	77	Dezelna Banka Slovenije d.d.	Slovenia	1,415	18.86%	24.3	7.4
73	74	ProCredit Bank AD	Serbia	1,393	9.40%	20.0	10.5
74	71	Intesa Sanpaolo Banka d.d.	Bosnia and Herzegovina	1,340	2.46%	14.0	13.3
75	78	International Asset Bank AD	Bulgaria	1,272	11.76%	21.4	7.8
76	86	American Bank of Investments Sh.a.	Albania	1,260	14.52%	25.2	18.0
77	85	Tirana Bank Sh.a.	Albania	1,256	13.72%	18.7	9.2
78	80	NLB Banka Sh.a. Prishtina	Kosovo	1,230	13.48%	36.0	32.4
79	79	Municipal Bank AD	Bulgaria	1,211	9.83%	14.0	2.8
80	84	Banka Kombetare Tregtare Kosove Sh.a.	Kosovo	1,190	17.59%	23.6	19.7
81	81	Sparkasse Bank d.d. Sarajevo	Bosnia and Herzegovina	1,157	7.09%	16.7	13.1
82	76	Nova Hrvatska Banka d.d. - non-existent	Croatia	1,155	-6.35%	3.6	-33.0
83	91	Victoriabank SA	Moldova	1,123	18.16%	34.7	31.5
84	90	OTP Bank SA	Moldova	1,106	15.53%	39.4	19.8
85	88	Halkbank AD	Serbia	1,093	13.38%	18.2	11.0
86	83	ProCredit Bank Sh.a.	Kosovo	1,093	6.18%	22.3	20.7
87	87	NLB Banka a.d. Banja Luka	Bosnia and Herzegovina	1,043	4.33%	25.1	19.1
88	93	NLB Banka A.D.	Montenegro	972	14.07%	26.6	15.5
89	98	Union Bank Sh.a.	Albania	956	8.13%	7.7	8.0
90	92	Addiko Bank AD	Serbia	944	7.49%	5.7	5.0
91	96	Hipotekarna Banka A.D.	Montenegro	921	11.98%	12.3	6.0
92	95	NLB Banka d.d. Sarajevo	Bosnia and Herzegovina	914	9.34%	12.7	11.3
93	89	Citibank Europe AD, Bulgaria Branch	Bulgaria	893	-4.69%	32.1	12.2
94	100	TEB Sh.a.	Kosovo	859	12.93%	22.9	21.0
95	97	D Commerce Bank AD	Bulgaria	849	4.90%	22.6	11.1
96	new	Erste Bank A.D.	Montenegro	819	8.91%	15.6	11.6
97	94	Patria Bank SA	Romania	811	-2.98%	4.7	4.1
98	new	ProCredit Banka AD	North Macedonia	809	17.66%	9.6	4.4
99	new	Bosna Bank International d.d. Sarajevo	Bosnia and Herzegovina	789	5.23%	11.9	7.5
100	new	Istarska Kreditna Banka Umag d.d.	Croatia	746	6.31%	11.3	5.5

2023: Banner year for banking sector in SEE

By Valentin Vasilev

In 2023, banks in Southeast Europe continued to enjoy a favourable environment that helped increase profits and grow assets. With the Covid-related disruption already a thing of the past, an unprecedented series of interest rate hikes by central banks supported the local lenders' bottom lines. As the year progressed, however, easing inflation and evidence of economic softening prompted regulators to signal an end to their rate tightening cycle, dimming the outlook for commercial banks. At the same time, consolidation in the sector continued at a steady pace as local lenders sought to strengthen their positions amid tighter capital requirements, while big players such as Italy's UniCredit and Intesa Sanpaolo moved to solidify their presence in the region.

The combined net profit of the 100 largest banks in Southeast Europe (SEE) amounted to 8.9 billion in 2023, significantly higher than the 5.9 billion euro net profit reported by the top lenders in 2022 and well above the 4.673 billion euro achieved in the pre-pandemic year 2019.

Boosted by the tailwind of higher interest rates, the region's largest lenders saw their profits increase in 2023. Among the top 100 banks in SEE, 94 reported higher net profit in 2023 and one returned to profitability. Not a single lender in the ranking reported a loss for the period.

As a result, the region's biggest banks expanded their assets. The combined assets of the top 100 banks reached 467.3 billion euro in 2023, compared with 428.9 billion euro a year earlier. Eleven banks reported a decline in assets, compared with ten in 2022.

Banca Transilvania retains top spot

Romania's Banca Transilvania retained its leading position among SEE's biggest lenders. The bank's assets rose by a whopping 21% in 2023 to some 32.5 billion euro, as loans and advances to customers expanded by almost 13%, while deposits increased by 15.4%.

In terms of net profit, Banca Transilvania was the region's third top performer with 500.7 million euro, up from 440.2 million euro a year earlier, on the back of intensive corporate and retail financing and an increase in the number of new customers.

The strong performance was rewarded by investors, with Banca Transilvania shares gaining nearly 34% in 2023 to reach a market capitalisation of 3.9 billion euro. Dutch-based insurer NN Group held the largest stake in the Romanian lender as of the end of 2023, at 9.36%, followed by the European Bank for Reconstruction and Development (EBRD) with 6.87%.

Bulgaria's DSK bank emerged as the leader in terms of net profit with 514.4 million euro in 2023, up 68% from a year earlier. DSK, part of Hungary's OTP Group, saw its net interest income jump by 56%, supported by both dynamic volume growth and widening margin. Assets increased by 13% year-on-year to 16.5 billion euro.

Romania, the biggest economy in Southeast Europe, continued to dominate the ranking with 17 banks on the list. The robust performance of banks in the country came despite a drop in economic growth to 2.1% in 2023, compared with a 4.1% expansion recorded in 2022.

The country's central bank BNR increased its key rate from 6.75% to 7% in January 2023 and kept it at that level for the rest of the year in a bid to slow the pace of inflation. Consumer prices in the country rose by 6.6% on the year in December 2023, slowing from 16.37% in December 2022.

Romanian banks held assets of 157.6 billion euro, which is about a third of the total assets of the region's largest banks. Their combined net profits came in at 2.7 billion euro, equivalent to nearly a third of the total.

By number of entrants in the ranking, Romania was followed by Bulgaria and Serbia with 16 and 12 banks, respectively.

Top 10 reshuffles

Romania's Banca Comerciala Romana (BCR), a unit of Austria's Erste, returned to the second spot, replacing Croatia's Zagrebacka Banka, part of Italy's UniCredit Group. BCR's assets increased by 10% year-on-year in 2023 to 21.7 billion euro. In terms of profit, it ranked fourth, within touching distance of Banca Transilvania.

For its part, Zagrebacka Banka saw its assets edge up by 2% to 20.3 billion euro. In terms of profit, it ranked fifth. Its profit almost doubled to 450 million euro in 2023 from 237.7 million euro in the prior year, thanks to a 79% jump in net interest income.

At the same time, BCR's net profit climbed to 500 million euro, from 370 million euro a year earlier, driven by an advance in customer business.

The 2023 ranking saw four new entrants - from Montenegro, Bosnia and Herzegovina, North Macedonia, and Croatia, all positioned at the lower end of the table. Montenegro's Erste Bank, part of Erste Group, joined the ranking at the highest position, in 96th place. Erste Group has been operating in Montenegro since March 2009, when it acquired the former Opportunity Bank.

State-owned Bulgarian Development Bank saw the largest drop in assets among the region's top lenders, by 9% to some 1.4 billion euro, and dropped from 59th to 71st place. The bank's cash balances and non-current assets decreased significantly, despite some gains in receivables from banks.

In 2023, United Bulgarian Bank (UBB) and KBC Bank Bulgaria completed their merger. Consequently, UBB climbed to fourth place from 15th spot in 2022 and became the country's largest lender by assets, eclipsing DSK Bank. A year earlier, KBC acquired the Bulgarian operations of Austria's Raiffeisen Bank International for just over 1 billion euro.

Romania's state-owned savings bank CEC also made a significant leap in the ranking, climbing to fifth place from 12th. CEC's assets grew by 35% in 2023, reaching 16.7 billion euro, following its acquisition of the Rural Credit Guarantee Fund (FGCR) from BRD Groupe Societe Generale, BCR, and Raiffeisen Bank. The acquisition positioned CEC among the top three lenders in the Romanian banking sector.

Zagreb-based Erste & Steiermarkische Bank, part of Erste Group, slipped from ninth place to 14th, after its assets declined by almost 3% to 13.3 billion euro. Loans to customers grew 9%, but deposits increased by only 1%. Net profit, however, surged to 219 million euro from 130 million euro in 2022, driven by higher interest income.

Consolidation continues, Italian lenders expand presence

The banking sector in Southeast Europe continued to experience steady consolidation throughout 2023, with Bulgaria, Croatia and Romania standing out as the most active markets.

UniCredit, which has been pursuing smaller-scale acquisitions in the SEE region to strengthen its position as one of the largest banks here, agreed to buy the Romanian unit of Greece's Alpha Bank for 300 million euro. Alpha Bank is exiting the region as part of a broader restructuring strategy following the Greek debt crisis that started in 2010. As part of the same process, in Serbia privately owned AIK Banka agreed to buy Eurobank Direktna, the local subsidiary of Greece's Eurobank, for 280 million euro.

In another major development, Intesa Sanpaolo, which has been present in Romania since 1996, announced that it would acquire First Bank from US private equity fund J.C. Flowers as part of a plan to expand in European countries where it already has operations.

In April 2023, Montenegro's Adriatic Bank acquired Serbia's Expobank, a subsidiary of Czech lender Expobank CZ. The merger between Raiffeisen Bank and RBA Banka, formerly a subsidiary of France's Credit Agricole, was also completed in 2023.

In Croatia, Nova Hrvatska Banka (NHB), formerly a unit of Russia's Sberbank, merged with Hrvatska Postanska Banka (HPB). The move came after Sberbank withdrew from the European banking market due to sweeping Western sanctions triggered by the invasion of Ukraine.

Of all the lenders in the ranking, a little over two-thirds are owned by foreign entities.

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, 2023.

To allow comparison, all local currencies have been converted into euro, using the central banks' official exchange rates on the last working day of 2023 and 2022, respectively. In the case of Croatia, which adopted the euro on Jan 1, 2023 as its currency, 2022 figures were taken from the revised 2023 reports directly in euro. 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 180 active banks registered in the region including branches and representative offices of foreign banks.

UniCredit Bulbank's International Center makes business life easier

Maya Alexova,
Head of International Center
UniCredit Bulbank

Maya Alexova was appointed as Head of International Center of UniCredit Bulbank on September 1, 2024. Previously, she was leading the Credit Risk Department of the bank. Between 2013 and 2018, she was head of the bank's financing department in corporate banking. Before that, she held various management roles related to customer relationship management of large and international clients in corporate banking. She started her career in corporate banking in 2006 at HVB Bank Biochim.

How are your services designed to meet the needs of your international corporate clients and in what way International Center supports your clients?

UniCredit Bulbank is the Number 1 corporate bank in Bulgaria and a member of UniCredit, a successful pan-European commercial bank. We provide solutions for all challenges our clients face in their everyday activities. We strive to be the easy-to-work with financial partner, to create real value for our customers and partners. The bank has a tailor-made service model, based on a relationship management approach, aiming at better knowing individual needs of the international groups based in Bulgaria.

The international clients relationship manager is a single point of contact for all international client requests, providing comprehensive support in the selection of banking solutions, tailored to the specific needs of the company - from cross-border current account opening, through online banking advisory to more complex structured financial solutions.

Despite the focus on digitisation and transformation, the customer remains in the centre of everything we do. The choice of the business proves that we are moving in the right direction as we have approximately 70% UniCredit coverage of TOP 100 companies in Bulgaria.

In order to further facilitate the operations of the international business in Bulgaria we created this unique location - International Center in Sofia, where our clients can meet their partners and clients, can receive advice on the set-up of their operations locally and other relevant topics. It's all about speeding up opportunities and making business life easier. Here our clients have the opportunity to use spectacular open space and arrange product presentations for partners and clients.

What digital solutions do you offer?

We regularly seek and obtain our customers' views on the services they receive and the expectations they have of their bank of the future and build on our performance. Over the years, we have also developed our digital channels significantly, and this year we were named the country's best digital bank in Global Finance's international rankings. We also have the recognition of our customers, which is clearly demonstrated by the data – approximately 95% of our corporate customers are active users of Bulbank Online, 97% of all transactions are online, in other words more than 25 million in 2023.

We are investing in the development of our virtual banking ecosystem for legal entities - Bulbank Online, which provides fully digital access to most of the services for companies. This year, we were the first on the banking market to launch the Digital Document Exchange Platform - which allows clients to exchange and sign documents digitally with the bank from anywhere in the world, further facilitating their work with UniCredit Bulbank.

What are the highlights of your ESG strategy?

A significant part of our ESG strategy is digitalising crucial services important for the clients. UniCredit Bulbank is the leading corporate bank in the country and we are aware of our crucial role in the financing of the sustainable transition of the business models of our clients. We also have internal initiatives to become a greener organisation and reduce the carbon footprint, and we are also part of the Net-Zero Banking Alliance, with specific commitments and targets for carbon neutrality.

UniCredit Bulbank, as part of UniCredit, has signed a three-year agreement to purchase electricity from a photovoltaic power plant, aligning with its sustainability goals and green energy initiatives. This move allows the bank to reduce its carbon footprint significantly, 75% of the used energy to be green and demonstrates our commitment to sustainable development. We also invest in digital channels and provide our clients with paperless processes. As a result, over 97% of transfers are made electronically, and digital sales have grown by over 71%. Online card payments have grown over 160% annually. In 2023 we started a series of workshops for our clients with the main goal to deep dive on different ESG topics like new regulations, best case practices from the most exposed sectors, green investments, energy efficiency, social engagement, etc.

Bulbank Online.
The complete virtual ecosystem for the business

Maximum spectrum of financial services and digitalized processes for all legal entities* registered in Bulbank Online

*according to the bank's Tariff for Legal entities

STANDARD version of Bulbank Online

Digital exchange and e-signing of documents with Digital Document Exchange Platform (DDE)

Investments and markets
buy or sell stocks and bonds with real-time trade status

Trade Finance Module
payment with the bank guarantees, letters of credit, documentary collection

Financial analysis for company and industry
comparative analysis with graphical visualization of main financial KPI's

FX deals for confirmation
buy or sell with the maximum range of currencies

Host-to-Host (H2H)
package payments through in Bulbank Online through API integration with your ERP system

Automated disbursement and repayment of revolving loan

Reports for transactions through a POS terminal device with a retailer legal entity (LE)

Request for Change in loan condition

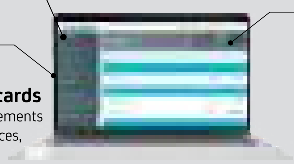
Bank reference

Request for current account

LIGHT version of Bulbank Online

Payments
package payments and salaries, periodic payments, utility bills and taxes

Accounts and cards
information for movements and turnovers, balances, deposits; debit and credit cards details



Loan information
type of loans, upcoming instalments and remaining repayments amount

Update of customer data
Digital Know Your Customer Questionnaire (KYC)

UniCredit Bulbank

Green energy in EBRD's focus in SEE

Charlotte Ruhe,
managing director
for Central and Southeast Europe,
European Bank for Reconstruction
and Development

By Nevena Krasteva

Growth in most economies in Southeast Europe (SEE) is expected to pick up again after a slowdown last year. Yet challenges – macroeconomic, fiscal, administrative and political – remain. In this context, what will be the main areas of EBRD support for the region?

We are a really important partner for our countries of operations in Southeast Europe. Especially in the Western Balkans, EBRD is the largest international investor and we play an important role across the waterfront - on the infrastructure, on the policy elements, on the private sector finance, we are very active in all areas. In the EU countries, we are very active in the private sector. We have been focused on green energy, and renewables have been a big part of that. Also, to accommodate the increase of renewable energy, we have a strong pipeline in transmission and distribution systems because they also need to be upgraded in these countries.

So far this year, we have signed 200 million euro in energy investments in the region, we have a pipeline of 600 million euro this year - a combination of renewable energy, about 60%, and distribution and transmission this year. We had a really big year last year and I expect that we will do more than 2 billion euro in the region this year.

Last year, we had a very large loan to [the state-owned power utility] EPS in Serbia, where the government committed to a coal-exit date.

We are also helping with the municipal investments. Our Green Cities programme is very active in the whole region. In Romania, we have a very strong franchise in the water sector. In Bulgaria, we financed the airport and we are looking at some port infrastructure. In the Western Balkans, we are very active in both the rail and road corridors, but also in the Green Cities. Actually, the most active Green City of EBRD is Sarajevo canton.

We are financing the private sector both directly, with some very large projects in Bulgaria, Romania, and Serbia, and smaller projects in other Western Balkans countries. We also do a lot of financing through the commercial banks for the SMEs, with a very strong green focus.

To accommodate the increase of renewable energy, we have a strong pipeline in transmission and distribution systems

You have been helping with renewable auctions in Albania, Serbia and Romania. Are you providing any other advisory support in renewables in your countries of operations in SEE?

We are also working with the government of Bulgaria on battery storage and we've been working with North Macedonia on the just energy transition platform. We helped them to raise 80 million euro of donor financing to help with the exit from coal and to help the communities where they will be affected by the closure of the coal mines.

We are working on a number of fronts. I would say that it was challenging initially because in some countries there was a preference for the state-owned power utility to do the renewables and it is the private sector that has the know-how and can raise the capital. We do support some investments with SOEs but we are mainly working with private investors in the renewables space. We are thrilled by the results. I must say that Albanians have led the way with things going very, very well in Serbia and I now see things moving quickly in Romania. We have a tremendous pipeline, lots of interest in the market, so it's a very exciting time.

You mentioned Albania. The EBRD is supporting a floating solar park project, the first in SEE. Do you think we could

see such parks in other places in the region?

We are already preparing one in Montenegro.

Recently, the EBRD supported a green bond in Croatia, the first of its kind. Are you planning other green bonds in other countries in the region?

We also signed one green bond this year with Gen-E in Slovenia. In the Western Balkans, bond markets are not well developed yet. I would watch for green bonds in Romania, Bulgaria, Croatia and Slovenia. I think for the Western Balkans it is a bit early. With capital market transactions basically the client decides when to go to the market when they see an opportunity.

And how about covered bonds?

With covered bonds, we are very happy that Croatia and Bulgaria adopted the respective legislation. It's a wonderful instrument, very successful in Slovakia, Poland, in Hungary. We had a covered bond in Romania a couple of years ago. But in Bulgaria we have had no takers, nor in Croatia. I think it is because the banks are very liquid, they have all the cash they need from deposits. They do not understand the natural benefits when markets are not so good of having a covered bond instrument. A covered bond is the safest investment that an investor can have and they are priced very attractively.

In the Western Balkans, as I mentioned, the bond markets are a bit underdeveloped. They have other legislation that they need to adopt for the acquis communautaire as they move towards the EU but I think that covered bonds would come down the road. We will probably see that in the future but probably not in the next couple of years.

The EBRD has invested in Croatia's MPlus, a BPO company, and more recently in Romania, in a renewable energy company. Are these the sectors where you are looking with priority to make equity investments?

I would say that we are sector-agnostic when it comes to equity, we look at the individual project and opportunity to see if it makes sense. We do a lot of equity in the property sector because those projects require more equity than many others. The leverage is lower for the property sector because of its development risks. We do equity in the financial sector, in ICT, in companies like MPlus, in the agribusiness and retail.
I cannot talk about future opportunities but I can tell you that the pipeline is strong.

I will mention that we had very good success in Bulgaria in recent years and now our portfolio is 28% equity. In Slovenia it is also very high because of the investments of equity funds.

What are the constraints to more equity investments elsewhere in the region?

In the Western Balkans, I would say that the companies tend to be a bit smaller and you also have family-owned companies where the owner does not necessarily want to bring in an external investor. We have equity in Adriatic Metals, a mine, and we are also an equity investor in Bony, a retailer in Montenegro. We have had good success with equity investments in Serbia over the years partnering with Mid-Europe Partners, a food and beverage company. That has gone very well because Serbia is a bigger market and we see more opportunities but in the other countries the investments tend to be on the small side.

In the context of geopolitical turbulences and supply chain disruptions, where should governments in Southeast Europe focus their efforts to make their countries more appealing to investors?

Governments should reduce the bureaucracy for the investor. If you have a very straightforward, simple and fast process for the registration of a business, for licensing, or if you have to change the purpose of land, especially if it is digitalised and no bribes are being asked of companies, this is the best thing because that is the first thing that investors see.

Then I would look at the labour law at the level of social taxation. In some countries it can be quite high and I think that that can be a bit off-putting for investors. But generally in Southeast Europe I do not think that taxation is such an issue in most countries.

Another important element is the bankruptcy and commercial courts, to make sure that the judges are well educated, that their decisions are seen as fair and not as the result of some corrupt process. I know there is a lot of pressure from the EU in the Western Balkans on the rule of law and the judiciary. I think this is a really important element.

Then the last thing is to have good infrastructure. Increasingly, the foreign investors coming into a market want to have access to green energy. In the Western Balkans, green lanes were introduced during the Covid pandemic to move goods across borders more efficiently. It would be excellent to expand these because companies get access to a market of 18 million people.

MFG

Finance from the Future: How Technology is Transforming MFG's Business

Apostol Mushmov,
Director of Credit Risk and Revenue Optimization at MFG

Tsvetan Krastev
CEO and Co-founder of Access Finance AD

MFG is a group of fintech and insuretech companies whose mission is to provide easy access to finance and insurance for everyone regardless of their current social and financial condition. The group is active in seven countries so far: Bulgaria, Romania, Ukraine, Poland, North Macedonia, Spain and Croatia, and some of the businesses date as far back as 2005. The planned large-scale geo-expansion of MFG includes key international markets such as Germany, India, Mexico and USA.

The group is the responsible employer of more than 8,300 people in more than 450 offices in the countries in which it operates. The main focus of MFG is to offer fintech and insuretech products for individuals and small and medium-sized businesses. The companies in the group have active registrations and licenses for various regulated activities - lending, credit intermediation, postal money orders, payment services and issuance of electronic money, general insurance, which are issued by the relevant supervisory institutions.

The group's portfolio includes companies and brands such as Easy Credit, Biala Karta (White Card), AXI Card, Viva Credit, Fintrade, ACOD, the P2P lending platform iuvo, the investment company MFG Invest that is traded on the beam market of the Bulgarian Stock Exchange under MFG, Instinct insurance company, etc.

Technology is reshaping industries in today's rapidly evolving digital landscape, and the financial sector is no exception. For the average consumer, the transformation in finance has been nothing short of revolutionary. Fintech solutions are breaking down the barriers of traditional banking, empowering users to manage their funds with unprecedented ease and control. A decade ago, having this autonomy over savings, spending, and investments via mobile apps or digital platforms would have been impossible. But today, financial products are not only accessible but also tailored to meet the evolving needs of consumers across all generations.

MFG's Role in the Digital Transformation

Fintech may now be a buzzword, but companies within the MFG group were pioneers of digital transformation long before it became a business imperative. By adopting machine learning (ML), artificial intelligence (AI), and Big Data, MFG has continuously enhanced its products and services, ensuring robust security for customers' funds and personal data.

AI in Customer Communication

According to Apostol Mushmov, Director of Credit Risk and Revenue Optimization at MFG, AI's role in customer communication will be crucial in the coming years. As large language models (LLMs) evolve, they pave the way for AI assistants to take over various processes in customer support. Access Finance, part of the MFG group, is already integrating AI-based communication systems, starting with chat services and soon expanding into phone-based interactions. The goal is to provide consumers with more intuitive, responsive, real-time support, even for complex inquiries.

Revolutionizing the Credit Process with Digitalization

In June 2024, Access Finance achieved a significant milestone by launching a fully digital application, instant approval, and fund disbursement process for its White Card product. With this innovation, customers can apply, be approved, and receive credit within 5 minutes while enjoying the convenience of 24/7 service. The fully automated system relies on predictive models powered by machine learning (ML), drawing from a rich pool of external data to assess risk efficiently.

Tsvetan Krastev, CEO and Co-founder of Access Finance AD, highlights the centrality of data in decision-making:

"Our business decisions are driven by data analysis, but we never exclude an individualized approach when necessary. For many years, machine learning has been integral to our risk management and customer service."

AI and Risk Management: Facing Unique Challenges

Easy Credit – a household name regarding consumer lending in Bulgaria, and Viva Credit, both part of the MFG group, have deep expertise in traditional credit assessment. Yet even they sometimes face challenges, particularly in atypical situations — like determining the creditworthiness of individuals for whom there is limited data, a scenario often encountered in non-European markets. Apostol Mushmov emphasizes that while credit risk evaluation is routine, unique situations still present obstacles.

In cases where conventional data is scarce, AI agents — specifically Reinforcement Learning Agents — come into play. These AI models learn through environmental interaction to achieve optimal results. This technology allows MFG to enter new markets with minimal risk and extend better lending conditions to underserved customers who would otherwise remain excluded from traditional financial systems.

AI in Marketing and Human Capital Management

AI's impact is not limited to customer support and credit assessment. Access Finance also uses AI to improve marketing communication, targeting, and segmentation. The company can scale operations without expanding its workforce by automating marketing efforts. This creates opportunities for growth while optimizing resources.

As Tsvetan Krastev explains:

"People remain central to our business. By automating mundane tasks through AI, our teams can focus on developing innovative products and services."

In human resources, AI contributes by streamlining recruitment processes and helping develop personalized training programs that boost employee satisfaction. Additionally, AI monitors employee engagement and provides real-time feedback to improve performance.

Addressing Ethical and Regulatory Challenges

With AI's increasing role, MFG is committed to ensuring its activities comply with ethical and legal standards. As the EU Act on Artificial Intelligence is set to be implemented in Bulgaria, MFG is preparing for new regulations and adhering to existing frameworks like the European Charter of Human Rights and the Ethical Guidelines for Trustworthy AI.

As Apostol Mushmov notes:

"We are working diligently to meet the responsibilities of AI creators, safeguard consumer rights, and comply with data protection regulations. AI is a complex system of technical, ethical, and regulatory challenges that must be addressed."

The Future of MFG: A Smart, Connected World

Through intelligent automation, MFG remains competitive in an increasingly digital world. The company's focus on innovation and AI positions it at the forefront of the industry, ensuring a seamless and efficient customer experience.

Multibanking is key element of Investbank's innovation strategy

Investbank is a dynamically growing Bulgarian commercial bank, which is set to celebrate its 30th anniversary in December 2024.

The financial institution is recognised for providing its clients and partners with innovative products and cutting-edge services and solutions. The bank's trademark is its personalised approach tailored to the needs of each client.

Investbank was the first all-Bulgarian bank to introduce the Multibanking service as early as 2022. This innovative feature, comparable to those offered by fintech companies, allows customers to manage accounts from multiple banks by using the digital platforms of the financial institution - mobile and internet banking. The Multibanking service won the Innovation Award at the Digitalk & A1 Awards, as well as two additional awards in the Digital Transformation Leader and Innovation categories at the annual Company of the Year Awards. Multibanking is a key component of Investbank's innovation and technology development strategy and is a natural progression in the digital transformation of the financial institution. At this year's Bank of the Year forum, Investbank received the Best Digital Project Award for its Multibanking service. Last year, the bank was also recognised as Digital Bank of the Year at the Mr. and Mrs. Economy contest.

In 2024, Investbank became the first bank in Bulgaria to launch the blink parking service for its mobile banking users. The new feature not only simplifies the parking payment process but also provides an alternative to SMS payments for parking. With the Ibank Mobile app, users can pay for blue and green zone parking in Sofia and other major cities without being charged additional fees typically charged for SMS transactions. Moreover, there is also no charge for the banking transaction itself – users only pay the cost of parking.

Investbank is also one of the pilot banks that introduced Blink P2P - instant payments by mobile number, similar to fintech companies. Blink P2P is the next step in the financial institution's strategy to maximize customer satisfaction by allowing transactions via mobile number within 10 seconds, 24/7, 365 days a year.

The financial institution's digital portfolio also features Ibank mToken, a mobile application for authorising transfers, which can also be used offline. The bank also offers digital onboarding to business customers.

In recent years, the financial institution has digitised nearly all of its services and products, ensuring they are highly secure, time-saving and available 24/7, eliminating the need for in-person visits to a financial center. Among the bank's online services are: opening a debit card, applying for a credit card entirely online with a fast approval process of up to 15 minutes, opening an online deposit in a simplified procedure that takes only but a few minutes, and applying for a consumer loan through an online application.

Investbank's corporate policy is focused on sustainable development as part of the financial institution's successful business model. The integration of Environmental, Social and Governance (ESG) policies is embedded in the development strategy and their implementation in all processes as a key factor that ensures long-term growth and aligns with the evolving market expectations.

Investbank is a socially responsible institution and as such actively participates in a range of initiatives. The bank supports the MOST competition, organised by Vivacom Art Hall Oborishte 5 gallery, which promotes contemporary Bulgarian art. The initiative has been held for eight consecutive years and aims to encourage innovation and support Bulgarian artists in the country and abroad to showcase their work and achieve professional recognition both locally and internationally.

Additionally, Investbank has joined the fight against global warming and climate change through a collaborative project with Visionary Foundation, titled Seasons. Combining creativity and responsibility, Investbank and Hedgehog Art & Design embarked on a project to restore old electrical panels. This initiative reflects their commitment to contribute to making Sofia greener and more visually appealing.

This year the bank proudly served as the main sponsor of L'Etape Bulgaria by Tour de France. "We are aware that achieving full sustainability is a complex and challenging journey. However, thanks to our experience in corporate governance, our commitment to innovation and our dedication to act ethically and responsibly, we are confident in our ability to navigate these challenges," the bank has stated.

The financial institution believes that each of the initiatives outlined not only reflects Investbank's commitment to society and the environment, but also plays a vital role in fostering a sustainable and promising future for both society and the planet. This is a responsibility that every business, regardless of the sector in which it operates, should embrace.


When
others stay
the same,
ibank
Mobile
БЪЛГАРСКА НАРОДНА БАНКА
iBank
is making
progress.
30
ibank
years by your side
30 years of trust

in millions of euro

2023	2022	Company Name	Country	Gross written premium 2023	Y/Y Change in GWP 2023 (%)	Net profit/ loss 2023	Net profit/loss 2022
1	1	Zavarovalnica Triglav d.d.	Slovenia	982.8	13.11%	38.7	8.9
2	2	Groupama Asigurari SA	Romania	821.5	37.42%	43.8	26.5
3	3	Allianz - Tiriac Asigurari SA	Romania	702.0	21.31%	69.5	48.8
4	5	Zavarovalnica Sava d.d.	Slovenia	538.1	16.21%	26.3	21.2
5	4	Generali Zavarovalnica d.d.	Slovenia	512.6	7.52%	1.4	7.5
6	6	Omniasig Vienna Insurance Group SA	Romania	478.8	12.37%	5.6	5.7
7	7	Croatia Osiguranje d.d.	Croatia	385.5	10.66%	46.9	45.6
8	9	Dunav Osiguranje AD	Serbia	344.8	14.30%	16.5	11.0
9	10	Asirom Vienna Insurance Group SA	Romania	322.1	39.64%	3.0	-0.5
10	8	Vzajemna Zdravstvena Zavarovalnica d.v.z.	Slovenia	311.0	-8.30%	-19.5	0.9
11	18	Generali Romania SA	Romania	289.3	58.72%	11.5	18.2
12	12	Lev Ins AD	Bulgaria	256.1	12.23%	0.0	0.5
13	13	Generali Osiguranje Srbija AD	Serbia	248.0	16.63%	26.5	25.1
14	15	Euroherc Osiguranje d.d.	Croatia	228.8	12.21%	16.6	17.6
15	11	Euroins AD	Bulgaria	225.9	-2.58%	5.1	-9.9
16	19	Adriatic Osiguranje d.d.	Croatia	209.6	17.15%	3.6	5.4
17	14	Triglav Zdravstvena Zavarovalnica d.d.	Slovenia	206.5	1.12%	-24.4	-2.6
18	16	NN Asigurari de Viata SA	Romania	204.9	5.08%	20.5	18.4
19	17	Allianz Hrvatska d.d.	Croatia	204.6	4.42%	19.8	15.2
20	27	Grawe Romania Asigurare SA	Romania	198.3	83.96%	5.2	4.7
21	20	Bulstrad Vienna Insurance Group AD	Bulgaria	195.7	12.25%	24.1	22.6
22	22	DZI - General Insurance EAD	Bulgaria	181.2	21.83%	22.1	15.6
23	28	Dall Bogg Zhivot i Zdrave EAD	Bulgaria	165.8	57.10%	0.0	1.8
24	24	Wiener Stadtische Osiguranje AD	Serbia	149.6	11.39%	10.7	10.2
25	26	Armeec AD	Bulgaria	143.0	19.19%	6.0	7.0
26	47	DZI - Life Insurance AD	Bulgaria	138.7	200.17%	12.2	28.0
27	25	DDOR Novi Sad AD	Serbia	138.3	0.54%	5.5	1.1
28	21	Wiener Osiguranje Vienna Insurance Group d.d.	Croatia	132.7	-21.30%	3.6	4.9
29	23	Generali Osiguranje d.d.	Croatia	121.9	-4.73%	2.8	1.2
30	31	OZK - Insurance AD	Bulgaria	115.3	20.00%	6.4	9.1
31	29	Generali Insurance AD	Bulgaria	113.9	14.60%	6.3	3.8
32	33	Vita d.d.	Slovenia	107.0	13.78%	9.0	11.4
33	30	Bul Ins AD	Bulgaria	105.2	14.00%	0.1	4.9
34	new	EIG Re EAD	Bulgaria	103.7	785.56%	0.0	0.1
35	35	Allianz Bulgaria AD	Bulgaria	103.3	16.00%	10.2	5.5
36	36	UNIQA Osiguranje d.d.	Croatia	99.9	13.13%	6.9	0.8
37	37	Triglav Osiguranje AD	Serbia	97.2	21.05%	2.9	1.5
38	34	BCR Asigurari de Viata Vienna Insurance Group SA	Romania	96.2	4.07%	2.6	8.7
39	39	Bulstrad Life Vienna Insurance Group AD	Bulgaria	92.0	23.94%	6.4	4.0
40	32	Triglav Osiguranje d.d.	Croatia	90.7	-4.02%	-3.9	-1.3
41	41	Modra Zavarovalnica d.d.	Slovenia	83.5	30.07%	22.7	-31.6
42	38	UNIQA Asigurari SA	Romania	83.4	8.55%	5.3	3.3
43	40	Grawe Hrvatska d.d.	Croatia	74.6	13.00%	4.9	-0.4
44	74	Allianz Bulgaria Life AD	Bulgaria	63.5	158.70%	2.4	2.1
45	49	Globos Osiguranje AD	Serbia	62.0	36.97%	2.0	2.8
46	42	Merkur Zavarovalnica d.d.	Slovenia	60.4	4.76%	11.3	4.0
47	46	BRD Asigurari de Viata SA	Romania	59.3	27.05%	3.1	3.6
48	44	Grawe Zavarovalnica d.d.	Slovenia	58.4	19.04%	-4.5	0.8
49	72	ASA Central Osiguranje d.d.	Bosnia and Herzegovina	55.9	111.82%	2.4	1.3
50	51	Signal Iduna Asigurare Reasigurare SA	Romania	55.1	33.67%	7.1	-1.5

in millions of euro

2023	2022	Company Name	Country	Gross written premium 2023	Y/Y Change in GWP 2023 (%)	Net profit/ loss 2023	Net profit/loss 2022
51	45	AMS Osiguranje AD	Serbia	55.0	15.66%	2.3	1.8
52	43	Agram Life Osiguranje d.d.	Croatia	53.8	0.21%	6.3	6.5
53	48	Sigal UNIQA Group Austria Sh.a.	Albania	52.9	5.38%	3.2	4.1
54	50	Grawe Osiguranje AD	Serbia	52.9	14.74%	6.9	5.2
55	55	UNIQA AD	Bulgaria	52.2	29.54%	0.0	-3.8
56	53	UNIQA Nezivotno Osiguranje AD	Serbia	49.2	19.52%	-0.7	1.1
57	52	Adriatic Osiguranje d.d.	Bosnia and Herzegovina	48.9	18.31%	4.0	3.6
58	58	HOK - Osiguranje d.d.	Croatia	47.4	28.64%	2.2	1.0
59	59	Milenijum Osiguranje AD	Serbia	43.3	18.49%	4.6	2.2
60	61	Pool-ul de Asigurare Impotriva Dezastrelor Naturale SA	Romania	41.3	15.35%	0.5	7.9
61	57	Wiener Stadtische Versicherung AG - Branch Ljubljana	Slovenia	40.9	7.70%	0.0	6.9
62	56	UNIQA Osiguranje d.d. Sarajevo	Bosnia and Herzegovina	40.8	7.38%	2.6	1.5
63	64	Euroherc Osiguranje d.d.	Bosnia and Herzegovina	39.9	13.05%	4.4	4.4
64	69	Sava Nezivotno Osiguranje AD	Serbia	39.7	33.22%	1.1	1.4
65	68	Albsig sh.a.	Albania	39.4	16.48%	2.0	2.6
66	60	Triglav Osiguranje d.d. Sarajevo	Bosnia and Herzegovina	38.7	6.98%	1.4	1.3
67	63	Triglav Pokojninska Druzba d.d.	Slovenia	38.3	8.06%	4.6	-4.7
68	66	Merkur Osiguranje d.d.	Croatia	38.2	12.54%	5.5	4.3
69	54	Lovcen Osiguranje AD	Montenegro	36.5	1.31%	2.2	2.3
70	65	Sarajevo Osiguranje d.d.	Bosnia and Herzegovina	35.9	3.00%	1.1	0.3
71	75	Allianz Slovenija Zavarovalna Podruznica	Slovenia	35.6	48.23%	-2.2	-1.0
72	67	UNIQA Asigurari de Viata SA	Romania	35.6	14.97%	2.2	2.2
73	76	Groupama Insurance EAD	Bulgaria	34.8	51.94%	3.4	1.9
74	70	Grawe Osiguranje d.d. Sarajevo	Bosnia and Herzegovina	30.1	1.72%	1.8	1.2
75	62	UNIQA Life Insurance AD	Bulgaria	30.0	-16.30%	0.0	-3.4
76	77	Eurosig Sh.a.	Albania	27.7	10.34%	9.8	1.8
77	79	Sigma Interalbanian Vienna Insurance Group Sh.a.	Albania	24.9	7.41%	3.4	2.4
78	80	Vienna Osiguranje d.d.	Bosnia and Herzegovina	24.9	20.91%	0.6	0.3
79	73	Triglav Osiguruvanje AD	North Macedonia	23.9	-2.98%	0.8	0.7
80	81	Croatia Osiguranje d.d.	Bosnia and Herzegovina	23.1	13.16%	1.0	0.6
81	83	Moldasig SA	Moldova	23.0	12.63%	1.4	-0.7
82	78	GRAWE Bulgaria Life Insurance EAD	Bulgaria	22.5	3.86%	5.3	-1.9
83	82	Allianz-Tiriac Unit SA	Romania	22.3	11.15%	-1.0	0.1
84	91	Asterra Grup SA	Moldova	22.3	25.93%	3.4	0.7
85	88	Grawe Carat Asigurari SA	Moldova	22.0	17.82%	2.7	2.5
86	87	Eurolink Osiguruvanje AD	North Macedonia	21.8	19.00%	1.6	1.4
87	93	General Asigurari SA	Moldova	21.6	24.44%	2.0	2.2
88	85	Uniqa AD	North Macedonia	21.2	14.36%	1.0	0.6
89	90	Sava Osiguranje AD	Montenegro	20.7	18.85%	2.7	2.1
90	89	Sava Osiguruvanje AD	North Macedonia	20.5	17.25%	0.1	1.6
91	86	Grawe Osiguranje a.d. Banja Luka	Bosnia and Herzegovina	20.1	7.94%	0.5	0.4
92	92	Sigal Uniqa Group Austria Sh.a.	Kosovo	19.0	15.48%	1.1	0.2
93	97	Winner Vienna Insurance Group AD	North Macedonia	18.9	18.01%	0.0	0.4
94	94	Makedonija Osiguruvanje AD Skopje - Vienna Insurance Group	North Macedonia	18.8	16.03%	0.6	0.7
95	new	Signal Iduna Asigurari SA	Romania	18.7	32.45%	0.7	0.7
96	99	Donaris Vienna Insurance Group SA	Moldova	18.7	13.30%	1.7	0.7
97	98	Intersig Vienna Insurance Group Sh.a.	Albania	18.6	6.66%	1.3	1.0
98	71	Onix Asigurari SA	Romania	18.1	-34.28%	12.2	10.5
99	95	Scardian Sh.a.	Kosovo	17.9	10.28%	2.2	1.4
100	new	Croatia Osiguruvanje AD	North Macedonia	17.8	15.77%	0.4	0.4

SEE top insurers' premium growth picks up speed

By Bogdan Todasca

The increase of gross written premiums (GWPs) of Southeast Europe's top insurers accelerated last year despite mounting global geopolitical instability and regional economic slowdown, while combined profits showed a slight annual decline.

The cumulative GWPs of the region's largest 100 insurers reached 12.4 billion euro in 2023, up from 10.6 billion euro reported by entrants in the ranking a year earlier. These figures translate into annual growth of 16.7%, accelerating from the 9.3% increase registered in 2022.

The median GWP stood at 55.1 million euro in 2023, significantly below the average of 124 million euro, highlighting the dominance of the top ten insurers. The Big Ten accounted for 44% of the combined GWP, each exceeding 300 million euro.

The combined net profit of the region's top insurers edged down by 1.9% to 622.1 million euro in 2023. In 2022, the net profit of SEE's largest insurers increased by 5.8%.

Slovenia's Zavarovalnica Triglav maintained its lead in 2023 as its GWP rose 13% year-on-year to 982.8 million euro. However, its profitability was relatively weaker, as its net profit ranked fourth despite more than a fourfold annual increase to 38.7 million euro. Net earnings fell short of the company's target, curbed by one-off events mainly consisting of regulated prices of supplemental health insurance and extreme catastrophic events. Despite challenges, insurance revenue grew across all three segments and markets where the Triglav Group is active. The group also strengthened its lead in Slovenia's insurance market, increasing its market share to 39.5% from 38.9% the previous year.

Romania's Groupama Asigurari kept its runner-up position, gaining momentum and closing in on Zavarovalnica Triglav as its GWP gained 37% on the year, reaching 821.5 million euro. Nominally, the insurer recorded the largest annual increase in GWP, of 220.4 million euro. Groupama Asigurari's net profit was the third largest in the region as it soared by 65% on the year to 43.8 million euro in 2023. The company captured 22.5% of the Romanian market, up from 18% the previous year. Without Motor Third Party Liability Insurance (MTPL) premiums, which accounted for over 60% of its GWP, Groupama Asigurari would rank as the second-largest player in the local market.

Romanian insurer Allianz – Tiriac Asigurari secured third place for a second year in a row, following its two-spot climb in 2022. The insurer's GWP reached 702 million euro in 2023, after jumping by an annual 21.3% and recording the second-largest nominal increase, of 120.2 million euro. Life insurance fueled GWP growth, with the segment's premiums rising 30% year-over-year. In 2023, Tiriac Asigurari introduced the first life insurance product in Romania fully available online without prior medical evaluation. The company led the regional insurer ranking by net profit after its bottom line surged by 42.5% on the year to 69.5 million euro. Allianz – Tiriac Asigurari held a 19.22% share of Romania's insurance market in 2023, making it the second-largest local player after Groupama Asigurari.

Bulgarian insurer EIG Re, a new entrant at 34th position in the ranking, saw the steepest GWP growth, skyrocketing nearly ninefold to 103.7 million euro.

At the opposite end of the spectrum, Romania's Onix Asigurari suffered the sharpest annual decline in GWP, of 34% to 18.1 million euro. Consequently, the insurer also sustained the most significant drop in the ranking, falling 27 places to 98th position.

Slovenian and Romanian insurers continued to dominate the top ten positions in the ranking, each with four representatives. Bulgaria had the largest footprint among the top 100 insurers with 18 companies.

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 2023. To allow comparison, all local currencies have been converted into euro, using the central banks' official exchange rates on the last working day of 2023 and 2022, respectively. In the case of Croatia, which adopted the euro on Jan 1, 2023 as its currency, 2022 figures were taken from the revised 2023 reports directly in euro. Local currency figures have been used when calculating year-on-year changes. All data is sourced from central banks, national commercial registers, financial supervisors, insurance associations, government and corporate websites, and companies themselves. The initial pool of companies exceeds 180 active insurers based in the region.

We focus on local expertise, respond to specific market needs

Photo: Ian Ehm

Hartwig Löger
Vienna Insurance Group
CEO

For VIG, 2023 has been another very successful year. What are the pillars of your growth strategy in Southeast Europe?

First and foremost, there is our strategic positioning. We do not operate as a centralised corporate, but as a group on equal footing with each other. We follow on a local multi-brand strategy and local entrepreneurship which means that we deliberately focus on local expertise and retain well-established local brands. We have very inhomogeneous markets in Southeast Europe and the whole Central and Eastern Europe (CEE) region. To act according to the different local requirements and needs of the respective markets is a key success factor for our group and a pillar for our further growth strategy.

We naturally also benefit from the still low insurance density compared to the Western European markets. We still have enormous potential here in all areas of insurance, but particularly in pension and healthcare provision as well as in corporate business. This also favours our growth strategy based on a high financial stability and profitability of our group.

SEE holds enormous insurance potential in pension and healthcare provision, as well as in corporate business

Sustainability has been underlying your operations over the past years. Going forward, where will you focus your sustainability efforts?

Insurance companies are important providers of capital for national economies and make a valuable contribution to a sustainable and modern society. As a group with more than 50 companies in 30 countries, we also influence the lives of many people. Our sustainability programme aims to ensure that this impact is positive and sustainable and we have the necessary culture and structure to do so. Therefore, we are implementing numerous environmental and social measures to this end.

Since its origins in 1824, the group has lived a culture of social responsibility and solidarity

We have defined three areas of activity with an ecological focus: investment, underwriting, office operations and three with a social focus: employees, customers and society. Specific work priorities have been defined for each area of activity, which are followed by concrete measures. In the environmental area, we are aiming for net zero by 2050 in line with the EU's climate targets. We want to reduce our greenhouse gases as much as possible and we have defined exclusion rules for investments and underwriting.

We also place a great deal of emphasis on social sustainability measures. Since its origins in 1824, the group has lived a culture of social responsibility and solidarity. This tradition is continued in the sustainability programme. For example, we have been emphasising this for more than ten years with the Social Active Day, where every employee is given one day off a year for social commitment. However, we also want to improve risk literacy of the population in our markets so that they can make responsible decisions and better deal with the risks of modern life. We see many opportunities and potential in all sustainability issues to actively make our contribution to a society and environment worth living in.

We are aiming for net zero by 2050 in line with the EU's climate targets

A key concept for VIG is customer centricity. What does this mean in practice?

We see a changing of the role of an insurer to take care of a hybrid customer which means a mix of personal and digital contact. I see our future in a combination of top-quality advice, which we enhance with digital services and benefits. The aim is to create added value for customers in addition to traditional insurance cover. Digital services are becoming increasingly sophisticated and relevant. Anyone who is not well positioned in this area will not be competitive in the future. That is the expansion of digital services as a key topic within our group. A digital presence also makes a significant contribution to increasing customer service and ultimately customer loyalty.

We will continue to work on automating processes and increasing productivity

Digitalisation and AI are increasingly making their way into insurance. What is their role in your products and services?

As an insurance company, we will continue to be required to work on cost and process optimisation programmes to remain fit for the future and competitive. In other words, we will continue to work on automating processes and increasing productivity, and digitalisation and artificial intelligence will continue to play an important role in this. We also already use artificial intelligence within the group in claims processing, quotation preparation, data collection and rate calculation.

Diversity is another pillar of our success strategy and a competitive advantage

And as I have mentioned before we see also a changing of the demand for insurance services. While insurance cover alone used to be the decisive factor, digital services relating to the insurance product are now indispensable. Ultimately, it's a win-win situation: customers benefit from an expanded range of services, while insurers benefit from even more satisfied and loyal customers.

VIG is present in more than twenty markets. How is diversity impacting your operations?

I see diversity as another pillar of our success strategy and a competitive advantage. Our diversity also results in an incredible variety of innovative ideas and opportunities that we can use within our group. It supports us in our primary goal of further strengthening our clear market leadership in the CEE region. We intend to leverage our diversity even more in future by intensifying our collaboration and strengthening relationships within the group.

The roots of the group go back 200 years and the 200th anniversary is being celebrated this year. What lies at the core of your resilience?

This special birthday is preceded by 200 years of experience, security, expertise, customer proximity and social responsibility. These are the values that are also firmly anchored in our group DNA. With our 200th anniversary, we are all showing very clearly that the group can handle challenges well and that we are very good at managing change. This makes me very confident that we will continue to fulfil our ambition of being the first choice for our customers and the clear number one in CEE.

Our future lies in top-quality advice, enhanced with digital services and benefits

ALBANIA
SIGMA – VIENNA INSURANCE GROUP
INTERSIG – VIENNA INSURANCE GROUP

AUSTRIA
VIG – VIENNA INSURANCE GROUP
WIENER STÄDTISCHE – VIENNA INSURANCE GROUP
Donau – VIENNA INSURANCE GROUP

BELARUS
КУПАЛА – VIENNA INSURANCE GROUP

BOSNIA-HERZEGOVINA
WIENER OSIGURANJE – VIENNA INSURANCE GROUP
vienna osiguranje – VIENNA INSURANCE GROUP

BULGARIA
BULSTRAD – VIENNA INSURANCE GROUP
BULSTRAD Life – VIENNA INSURANCE GROUP
PENSION ASSURANCE COMPANY DOVERIE – VIENNA INSURANCE GROUP

CROATIA
WIENER OSIGURANJE – VIENNA INSURANCE GROUP

CZECH REPUBLIC
Kooperativa – VIENNA INSURANCE GROUP
ČPP – VIENNA INSURANCE GROUP
VIG Re – VIENNA INSURANCE GROUP

DENMARK
VIG – VIENNA INSURANCE GROUP

ESTONIA
bta – VIENNA INSURANCE GROUP
COMPENSA – VIENNA INSURANCE GROUP
Seesam – VIENNA INSURANCE GROUP

FINLAND
VIG – VIENNA INSURANCE GROUP

FRANCE
VIG Re – VIENNA INSURANCE GROUP

GEORGIA
GPI – VIENNA INSURANCE GROUP
IRAO – VIENNA INSURANCE GROUP

GERMANY
InterRisk – VIENNA INSURANCE GROUP
VIG Re – VIENNA INSURANCE GROUP

HUNGARY
UNION – VIENNA INSURANCE GROUP
ALFA – VIENNA INSURANCE GROUP

KOSOVO
SIGMA – VIENNA INSURANCE GROUP

LATVIA
bta – VIENNA INSURANCE GROUP
COMPENSA – VIENNA INSURANCE GROUP

LIECHTENSTEIN
VIENNA-LIFE – VIENNA INSURANCE GROUP

LITHUANIA
bta – VIENNA INSURANCE GROUP
COMPENSA – VIENNA INSURANCE GROUP

MOLDOVA
DONARIS – VIENNA INSURANCE GROUP

MONTENEGRO
Život WIENER STÄDTISCHE – VIENNA INSURANCE GROUP

NORTH MACEDONIA
WINNER Life – VIENNA INSURANCE GROUP
МАКЕДОНИЈА ОСИГУРУВАЊЕ – VIENNA INSURANCE GROUP

NORWAY
VIG – VIENNA INSURANCE GROUP

POLAND
COMPENSA – VIENNA INSURANCE GROUP
InterRisk – VIENNA INSURANCE GROUP
Vienna Life – VIENNA INSURANCE GROUP
Vienna PTE – VIENNA INSURANCE GROUP

ROMANIA
OMNIASIG – VIENNA INSURANCE GROUP
Asirom – VIENNA INSURANCE GROUP
BCR ASIGURARI DE VIATA – VIENNA INSURANCE GROUP
Carpathia PENSII – VIENNA INSURANCE GROUP

SERBIA
WIENER STÄDTISCHE – VIENNA INSURANCE GROUP
WIENER RE Beograd – VIENNA INSURANCE GROUP

SLOVAKIA
Kooperativa – VIENNA INSURANCE GROUP
KOMUNÁLNA POISŤOVŇA – VIENNA INSURANCE GROUP

SLOVENIA
WIENER STÄDTISCHE – VIENNA INSURANCE GROUP

SWEDEN
VIG – VIENNA INSURANCE GROUP

TÜRKIYE
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Protecting what matters.

Euroins continues to develop its international business

Daniela Nicolae-Pora,
general manager of Phoenix MGA Services S.R.L.

Euroins Insurance Company AD (Euroins Bulgaria), the largest Bulgarian insurer by GWP and part of Euroins Insurance Group AD (EIG), Eurohold's insurance subholding, has been operating successfully on the European market for 25 years. Euroins continues to develop its international business and has recently set foot on the Romanian market under the freedom to provide services (FoS). PHOENIX MGA SERVICES, owned by EIG, acts as a Managing Agent of the Bulgarian company in Romania. Daniela Nicolae-Pora is the general manager of Phoenix MGA Services S.R.L.

What is your mission and strategic goal in Romania?

Romania has always been a key market for EIG and the group has had an important local presence since 2007 via Euroins Romania, its local subsidiary. The expansion in Romania is a logical step for Euroins Insurance Company in the context of its international business. The Bulgarian insurer has already been operating successfully in seven European countries - Greece (a branch), Poland, the Netherlands, Spain, Italy, the UK and Germany, gaining solid experience. It's also in line with the company's aim to be a leading insurer in the CEE and SEE region, considering its strong regional focus and solid capital position. Phoenix MGA Services, through its team of local top insurance professionals, assists Euroins in getting local knowledge and expertise to assess the risks to be insured and build a deep understanding of the local market dynamics, consumer preferences and competitive landscapes.

We are a highly adaptive team, covering a complete range of competences (underwriting, reinsurance, actuarial, IT, finance and accounting, compliance, sales and marketing). We have been active on the Romanian insurance market for more than 15 years. We have also been working for EIG for over 10 years, managing to build in our previous activity an insurance portfolio at the amount of half a billion euro annually. Our goal is to provide Euroins with all the necessary information, advice and tools to take full advantage of the market opportunities and to build a strong presence on the Romanian market through FoS.

What is your value proposition to the Romanian market?

Euroins' portfolio includes over 70 products that cover 18 types of insurance. In Romania, we offer a wide range of reliable, affordable and qualitative non-MTPL insurance services for individual and corporate clients, including surety, property damage and business interruption, casualty, liability and other widely used insurance services. The goal is to assist Euroins in developing and launching products tailored to the needs of the Romanian market and to implement effective strategies matched to the local context.

Euroins' services are available indirectly through a broad network of brokers and intermediaries. Phoenix team selected the best and most reliable local partners for the business of Euroins and we will continue to develop the sales network and grow its performance by setting clear objectives, effective communication channels, by defining and monitoring performance indicators that will in turn generate services at the highest quality standards for Euroins' customers.

Does the FoS regime suppose a higher risk for the insured person?

Euroins has been licensed by the Bulgarian Financial Supervision Commission more than 25 years ago and is strictly regulated by the Bulgarian financial regulator daily and according to the EU legislation and directives. Providing services under FoS is a core value and main principle in the EU market - one of the reasons the EU exists. Users' rights are more than well protected. On top of this, Euroins's portfolio is also backed by A rated reinsurers, thus diminishing any risks to the customers even further.

How has Euroins Bulgaria performed financially and what are the expectations for 2024?

In 2023, Euroins Bulgaria generated a total volume premium of approx. 196 million euro, up by nearly 3% compared to the previous year. Euroins is the largest and the best performing Bulgarian insurer in Southeast Europe by GWP, according to the annual rankings in the SEE region. Since the start of 2024, the company has continued to grow sustainably, and we expect to keep this positive trend for the whole year despite the continuing geopolitical and economic challenges. Additionally, in December 2023, Fitch Ratings, one of the leading rating agencies worldwide, affirmed 'B+' Insurer Financial Strength Rating with stable outlook to Euroins Bulgaria. Two months earlier, the Bulgarian insurer increased its capital by 7.7 million euro to finance the further development of the insurer in Europe.

Leading the Renewable Energy Insurance Sector with 24 Years of Experience

Delyan Iliev,
Managing Director,
Renewable Energy Insurance Broker

Delyan Iliev has over 24 years of insurance experience. For more than 13 of those years, he focused on renewable energy. As Managing Director of Renewable Energy Insurance Broker (REIB), he plays a key role in renewable energy insurance in Bulgaria and abroad. Before founding REIB, Delyan worked as a Business Development Manager at a leading international insurance broker. He is one of the co-founders of the Bulgarian Association for Production, Storage, and Trade of Electricity (APSTE). He also helps advance the European solar industry through his memberships in Solar Power Europe and the Polish Photovoltaic Association. Additionally, he has supported the development of multiple solar projects for start-up companies in Bulgaria.

REIB: One of the leaders in Renewable Energy Insurance
Established in 2011, Renewable Energy Insurance Broker (REIB) specializes in insurance for solar energy projects. It has quickly become a key player in the renewable energy insurance sector. With over a decade of experience, REIB has offices in New York, Berlin, and Sofia. It has insured over 4 GWp of photovoltaic (PV) power plants across four continents and has worked with partners from the USA, Germany, the UK, Poland, Romania, and more. One of REIB's major markets is Romania, where the company holds over 30% of the local solar market share (installed and in construction PV projects). The company is also expanding its presence in North Macedonia and Serbia, where significant growth in the solar sector is anticipated in the near future. In Bulgaria, REIB is a leader in the solar insurance market and holds over 50% + market share.

Southeast Europe has seen significant growth in the solar energy sector in recent years. Given REIB's extensive experience in the region, what are the key trends you've observed, and how do you see the role of energy storage evolving in this rapidly developing market?

Indeed, Southeast Europe is experiencing a surge in the solar energy sector, primarily driven by the increasing demand for renewable energy and a clear focus on energy independence. At REIB, we insure assets in many countries in the region and we've observed strong momentum in infrastructure development. Governments and private investors are speeding up efforts to expand solar capacity. However, it is equally crucial to integrate energy storage systems.

The need for investment in energy storage is becoming more pressing as we see a greater shift toward renewables. Solar and wind energy are intermittent by nature, and storage is the future that will allow us to meet energy demands more effectively.

Can you explain the different types of energy storage solutions available, and why they are so crucial for the future of solar energy?

Energy storage plays a critical role in optimizing the performance of renewable energy projects, especially in solar power. There are two main types of energy storage systems in the solar sector - co-located and stand-alone storage. The main difference between them lies in their operational dynamics and efficiency.

Stand-alone Battery Energy Storage Systems (BESS) functions separately from energy generation sources. These systems often require separate land, infrastructure, and connections to the grid, which can lead to higher operational and maintenance costs.

Co-located Storage Systems are integrated with solar or wind farms, allowing for seamless energy storage and use. These systems provide significant cost savings, as it shares infrastructure with the renewable energy power plant, reduces curtailment, and enhances energy management. Energy is stored when production exceeds demand and can be released during periods of low generation, thus balancing supply and demand more efficiently.

This capability not only stabilizes energy supply but also enhances the efficiency of renewable energy systems. By maximizing the use of generated energy and minimizing waste, co-located storage supports grid stability and energy reliability. It gives solar power producers more financial flexibility and they can take advantage of the price difference per MWh during the day and increase their profit. Renewable energy systems are essential for meeting modern energy demands and reducing dependence on fossil fuels.

Investing in energy storage sounds promising, but it also comes with risks. What challenges do investors face, and how can they mitigate these risks through insurance?

Investing in energy storage certainly holds great potential, but it also comes with a unique set of challenges. The most common risks involve technological issues, such as equipment failure, and financial risks, like loss of income due to reduced energy generation or downtime. Investors are also concerned about long-term performance, especially in cases where storage doesn't deliver the expected yield.

At REIB we offer a wide range of insurance solutions for storage investors, covering risks that financial institutions often overlook. These include:

• Loss of income (instead of profit) - the difference in this case is significant because, in the same event, the client will receive a bigger compensation.
• Extended Loss of Revenue Indemnity Period – up to 18 months.
• Coverage for reduced yield, protecting investors when energy generation falls below expectations.
• Insurance cover for energy storage systems that are not yet officially grid-connected, ensuring protection from the earliest stages of project development.

What sets us apart from financial institutions is our deep understanding of the renewable energy sector. Our expertise, especially in energy storage, allows us to offer better, more focused coverage for our clients.

As an insurance broker, REIB works with A+ rated, market-leading insurers in the USA and Europe. They provide top-notch risk management to developers, asset managers, and EPC/O&M firms.

REIB is known not only as an insurance provider but also as an investor in renewable energy projects. How does this dual role benefit your clients?

Our dual role means that we are familiar with all aspects of the renewable energy industry, from the technical and operational challenges to the financial risks. This means we can provide far more than just insurance—we offer valuable insights and expertise that help our partners optimize their projects.

For example, at REIB we've invested in several co-located storage projects ourselves, including the Nikolichevtsi project (a 5.1 MWp solar plant paired with an 8 MWh BESS) and the Bagrentsi project (a 5 MWp solar plant with a 12 MWh BESS). This hands-on experience gives us a deeper understanding of the risks associated with both the investment and operational sides of such projects.

By being both an investor and an insurance expert, we can provide our partners with holistic support—helping them mitigate risks, optimize project performance, and ensure long-term success.

www.reib-us.com

We put consumers at centre of innovation

Denys Strobykin,
PMI Bulgaria general manager

In your new position as general manager of Philip Morris Bulgaria, where will your priorities lie?

Firstly, I feel truly privileged to join the amazing team of Philip Morris Bulgaria and continue together towards the fulfilment of our vision to build a smoke-free future in Bulgaria. Our most important priority as a team remains unchanged – to offer to the adult smokers in the country, who would otherwise continue to smoke, a scientific based reduced risk alternatives to cigarettes. Consumer centricity is the foundation of our innovation and product development, that's why we will continue to place at the centre of our universe our consumers, their diverse needs, preferences and feedback.

While keeping up with our consumers is key, I realise the inevitable connection between the success of the organisation and the drive and inspiration of our team. That's why we will continue working on the development our colleagues, celebrating their achievements, and overcoming milestones, pushing boundaries together, and, of course, having fun as a team. By focusing on our shared goals and the well-being of our colleagues and business, I believe that we have the potential to achieve remarkable results.

The introduction of smoke-free products has deeply transformed the industry over the past years. Going forward, what key factors do you expect to impact your company's performance?

In the past ten years, we have made significant progress toward a smoke-free future, and we remain committed to our vision to replace cigarettes with scientifically substantiated smoke-free alternatives all around the world. So far it has been an uninterrupted journey of reinvention and a continuous journey of growth. The world is constantly changing, and adult consumers are increasingly exploring various smoke-free alternatives to cigarettes, such as tobacco heating systems, vaping products, nicotine products. That's why to accelerate the shift from combustible tobacco products to a variety of smoke-free products, we must embrace a multi-category approach. Now, with a substantial evolution of smoke-free products presence in Bulgaria, we must contemplate how to conduct our business distinctively to respond to the expectations of the majority of adult smokers in the country.

It has been ten years since your first smoke-free alternative was introduced to the market in Japan – what does this anniversary mean to your ever-growing community around the world?

Our portfolio of scientifically backed smoke-free alternatives, led by our number 1 tobacco heating system globally IQOS, has received a positive acceptance by many adult consumers and those around them. Today, IQOS is a world leader in its category, with more than 30.8 million adult users on 90 markets, who have taken the life-changing decision to switch away from cigarettes or are at various stages of their smoke-free journey. Our ten-year anniversary is a milestone dedicated to our diverse and ever-growing IQOS community – adult smokers who value progress, who are conscious about their choices, who want to reduce the exposure to harmful emissions for themselves and their loved once.

How about the impact of your business strategy over society at large?

We remain committed to positively impacting the trajectory of public health for the 1.2 billion smokers around the world and society at large. Despite the campaigns focused solely on smoking cessation and increasing tobacco control measures, this number is not expected to change in the near future according to the international health authorities. Through the course of the years, it is the industry and especially our company that have continuously innovated and diversified the portfolios of smoke-free products driven by consumers' needs and backed by science. We believe that harnessing science and technological innovation, like smoke-free products that have the potential to reduce the harm compared to cigarette smoking, when combined with the traditional tobacco control measures to discourage smoking, these innovations may be the public health opportunity of this century. As such, we are continuing to transform our company and are ready to support an industry-wide gradual phaseout of cigarettes as soon as a majority of smokers in a country have switched to scientifically backed smoke-free products, if they would not quit tobacco and nicotine use altogether.

Energy and retail companies dominate SEE TOP 100

By Mihaela Miteva

The total revenue of the biggest oil and gas companies in SEE dropped by 21% to 63.98 billion euro in 2023 as they faced ongoing geopolitical tensions, lower commodity prices and the need to balance energy security with environmental sustainability. Yet, the sector remained the largest revenue generator in the SEE TOP 100 ranking.

The oil and gas sector continued to be a key player in the region's economy, bringing 23 companies onto the SEE TOP 100 list, including OMV Petrom, which once again led the ranking. Altogether, these companies accounted for 32% of the total revenue generated by the entrants.

In second place, the wholesale and retail sector saw a nearly 12% annual increase in revenue, which reached 43.4 billion euro. The sector contributed the largest portion of companies to the list, 26. Increased prices of food, fuel and other consumer goods impacted consumers' purchasing power but also resulted in higher overall revenue for retailers. The sector's return on revenue (RoR), however, slipped to 3.11% from 3.46%.

With a revenue of some 36.3 billion euro, down by an annual 4.5%, the electricity sector took up third place, sending 18 companies to the ranking. Despite market volatility, the energy crisis in Europe fuelled a surge in the adoption of renewables in Southeast Europe, leading to increased investment in solar, wind and hydropower projects, along with initiatives to expand natural gas infrastructure in order to ensure energy security.

When it comes to return on revenue, however, the SEE's electricity, and petroleum and natural gas sectors slid to third and seventh place, respectively. The electricity sector grew its RoR significantly, to 10.27% last year from 3.84% in 2022, whereas the oil and gas sector's RoR narrowed to 4.14% from 5.41%. Capital expenditures remained high as companies made strides to expand their green portfolios and ramp up renewable power production.

The metals industry, despite a decline in revenue, claimed the top spot in terms of profitability, surpassing pharmaceuticals with a RoR of 14.68%, down from 16.50% in 2022.

High energy prices and increased labour and material costs squeezed profit margins, particularly for steel manufacturers in the region. The automotive and construction sectors, which are major steel consumers, saw fluctuating demand due to economic uncertainties and issues with supply chains leading to lower demand for steel and further pressuring the whole sector.

With four entrants in the ranking, the metals industry's total revenue dropped to 6.96 billion euro from 7.51 billion euro, as the region's biggest player in the sector, Aurubis Bulgaria, part of German copper producer Aurubis, saw its revenue decline 12.7% to 3.68 billion euro.

Agriculture was the least profitable industry in SEE in 2023, with a RoR of just 0.64%. The sector's four entrants reaped a combined revenue of 5.24 billion euro, which was 5% lower year-on-year. Rising input costs, especially for fertilisers and energy, and intense river floods weighed on agricultural output and earnings in Southeast Europe although overall agricultural production showed some signs of stabilisation following the disruptions from the pandemic and the war in Ukraine.

The construction sector topped the ranking in terms of year-on-year revenue growth, with its sole entrant, Romania's road infrastructure company CNAIR, marking a 25% surge in revenue to 2.27 billion euro.

The sharpest revenue drop was posted by the food, drinks and tobacco industry, at 62% to 979 million euro. This sector sent only one company to the ranking - Romania's British American Tobacco Trading. The sector's RoR rose to 2.01% from 0.71% in 2022.

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 2022 are revised to allow a fair comparison.

The sub-ranking of the industries with the highest return on revenue was calculated by dividing the cumulative net profit/loss within each industry by the cumulative revenue.

We have based our rankings on an industry classification which treats filling station operators and gas trading/distribution companies as Petroleum/Natural Gas companies, pharmacies and pharmaceutical distributors as Wholesale/Retail, and automotive and car parts manufacturers, and sellers as Automobiles.

TotalEnergies

We plan to expand operations in Bulgaria, focus on multi-energy projects

Fanny Bourdin,
Managing Director in Bulgaria,
TotalEnergies

TotalEnergies is a global multi-energy company that produces and markets energies: oil and biofuels, natural gas and green gases, renewables electricity. Our more than 100,000 employees are committed to provide to as many people as possible an energy that is ever more affordable, more sustainable, more reliable and accessible. In Bulgaria, TotalEnergies is active through its retail activities and aims also to establish itself as a key player in the local renewable energy market.

Following your recent appointment as managing director to Bulgaria, where will TotalEnergies' priorities lie and what are your most immediate tasks?

I previously worked in Ivory Coast, an African country with a highly different cultural context, as Network Commercial Director. My priority will therefore be to understand the local market, opportunities, and challenges to pursue the subsidiary's strategy for the next five years. I also aim to meet both external and internal stakeholders as soon as possible, as I believe that strong relationships are key to the subsidiary's success.

TotalEnergies' global ambition is to lead the energy transition to carbon neutrality in the power industry by 2050. How do you plan to achieve this?

TotalEnergies has a clear ambition: to reach carbon neutrality by 2050, based on two pillars which are Fuels and Electricity. This goal focuses on two main areas: reducing greenhouse gas emissions and providing a less carbon-intensive energy mix. To achieve this, the company is making significant investments in renewable energies (almost $6 billion in low-carbon energy projects in 2023), such as solar and wind power, with the aim of becoming one of the top five global producers of renewable energy by 2030. Simultaneously, TotalEnergies supports the development of natural gas, hydrogen, biogas, and biofuels to decarbonise the transportation sector. Carbon capture and storage as well as Nature-based solutions are also key components of their strategy to eliminate residual emissions.

What does this mean for your operations in Bulgaria?

Since the acquisition of Novenergia in 2023, TotalEnergies operates two solar farms, Vinogradets and Dulovo, with a photovoltaic capacity of 14.4 MW. This acquisition marks the beginning of our deeper commitment to the renewable energy sector in the country.

In line with our global strategy, we plan to continue and expand our projects in Bulgaria by focusing on multi-energy projects, ideally incorporating hybrid solutions that combine renewable energy production (solar or wind) with energy storage systems (such as Saft batteries) or flexible sources like combined cycle gas turbines (CCGT).

More specifically regarding the Marketing & Services Division, sustainable transformation also involves engaging our customers in our carbon-neutral goal by providing them with low-carbon products and energy solutions, helping them to reduce their own carbon footprint. In two years, we installed 40 EV charging stations at our customer's premises, serving both their own fleets, but also any EV customer needs, and financed photovoltaic installations to help them reduce their CO2 emissions. We are also providing products to reduce carbon emissions as ClearNOx and Adblue, and innovative lubricants of premium quality made with Re-Refined Base Oils.

Finally, we are implementing training programmes for our employees, such as Visa for TotalEnergies, to enhance our in-house expertise in renewable energies, with a clear focus on electricity, and to ensure an effective and sustainable energy transition.

Your sustainability programme has four main axes – energy and climate; environment; safety, respect and well-being, and positive impact for stakeholders. How do they translate into local terms?

TotalEnergies aims to reach carbon neutrality by 2050 based on two pillars - fuels and electricity

In Bulgaria, TotalEnergies' employees have fully embraced the company's values of sustainability as their own. For the past three years, we have actively planted and nurtured our TotalEnergies forest in the Vitosha mountain. This initiative has provided a wonderful opportunity to bring our teams together in an informal setting. Additionally, we have adopted beehives and continue to support the To Clean Bulgaria in One Day initiative by BTV Media Group.

Regarding Safety, this is not only a priority at TotalEnergies, but also a core commitment. In Bulgaria, we offer employees premium regular First Aid training, and SafeDriving courses. We also promote road safety through regular trainings to our teams but also to our stakeholders. In 2024, 200 pupils were taught about Road Safety in Sofia and Plovdiv through our programme Via. We participated in the Red Cross First Aid competition, providing prizes and promoting road safety at our branded checkpoint.

Finally, the company's commitment to social responsibility is reflected in the Care Together by TotalEnergies programme. This programme ensures compliance with high social standards for all employees worldwide, regardless of local legislation. It is based on four essential pillars: social protection, health, the family sphere, and well-being at the workplace.

In Bulgaria, support for sports subscriptions, additional days off, facilitation of teleworking and VIP health insurance covering the whole family are particularly appreciated by employees.

In 2024, TotalEnergies celebrates the 100th anniversary of the company's creation. How did Bulgaria commemorate this milestone?

On March 28, 2024, TotalEnergies celebrated its 100th anniversary, tracing its origins back to the founding of Compagnie Française des Pétroles in 1924. Initially established in France, a country with no oil resources, the company embarked on a global journey to secure energy supplies, adapting through technological and geopolitical changes.

All over the world, the affiliates have celebrated the event and each employee received a hundred free shares to thank them for their commitment. Bulgarian affiliate shared this moment with their stakeholders, inviting them to the National Museum of History for a private event. Our 300 guests were presented the milestones of the company in a symbolic place loaded with the country's history and enjoyed quality cuisine and music, as well as the presence of a local celebrity Mihaela Marinova. We are now looking forward to the next 100 years !

BALFIN

Operating on two continents, what makes BALFIN distinctive

Edlira Muka,
BALFIN Group CEO

Since its inception in Vienna 30 years ago, BALFIN has become a key player across multiple industries and continents. Operating in diverse sectors such as retail, real estate development, and banking, its strategic adaptability and commitment to innovation have ensured its competitive edge globally.

Reflecting on BALFIN Group's 30-year journey, how has BALFIN Group evolved since its founding in 1993 in Vienna?

Upon inception in 1993 in Vienna, the business focus has been more concentrated, yet the ambition was there. As opportunities arose, we expanded across multiple business sectors and regions. In time, the strategy has evolved to meet the demands of an increasingly complex global market, while remaining true to innovation, strategic partnerships, and a commitment to excellence.

Today, retail, real estate development, banking and asset management are among the array of industries that BALFIN Group belongs to. This diversification has solidified our presence in many markets and enhanced our resilience. We have managed to blend the local expertise of the respective markets with international standards and thus have maintained our competitive edge even in the face of global challenges.

Our corporate governance, supported by visionary shareholder, collaborative partnerships, and professional teams, continues to drive our success.

How does BALFIN Group manage its operations across such a diverse range of countries, from Europe to North America? What benefits and challenges arise from operating in multiple countries with varied economic and regulatory environments?

In order to remain competitive and innovative in each market, we need to be strategic and adaptable. We employ the best local expertise to that specific market, coupled with international standards that we apply uniformly across our group. This crucial role is played by our cross-border teams that collaborate to gather insight, spot opportunities and maintain leadership position in the respective markets.

This geographic presence offers significant benefits such as risk mitigation and new potential growth avenues. Being active in one industry in a given market or country provides the necessary ground to expand into complementary trades, further strengthening the market position.

However, operating in varied legal and regulatory environments presents challenges as well. To navigate these complexities, we have developed a robust legal team and established regional working groups, ensuring compliance and optimising operations.

Tourism is back at almost pre-pandemic levels globally, and Southeast Europe is emerging as a hotspot. Could you share some insights into your investment plans in this priority sector for BALFIN Group?

The industry is rebounding globally and yes, the Western Balkan countries are enjoying their moment of unprecedented attention for their tourism potential. The countries are heavily investing in infrastructure, and there is considerable room for further development. It is no surprise that Asset management and Hospitality is a key focus for BALFIN Group. Our investment strategies in this sector are driven by over 20 years of experience in the construction industry, which we have effectively transferred to the development of hospitality facilities.

The Green Coast project in Albania exemplifies our commitment to creating sustainable, high-quality tourism infrastructure that complements the natural

beauty of the region. This project of over 1 billion Euros is central to our strategy of harnessing Albania's coastline development potential. In addition to Green Coast, our partnership with Accor for the development of a MGallery hotel brings world-class hospitality standards to Albania, attracting a more diverse and upscale tourist demographic.

Our hospitality investment strategies are further strengthened by partnerships with international financial institutions. These collaborations ensure the financial sustainability of our projects and adherence to international best practices. Environmental stewardship is a cornerstone of our tourism investments. We are committed to preserving the natural environment and ensuring that our projects positively impact the communities in which we operate. This includes adopting sustainable building practices and promoting eco-friendly tourism.

Looking ahead, we are exploring opportunities to replicate our successful models in other markets within the region.

How does BALFIN Group identify and prioritise its strategic investment opportunities? Could you provide some details on the group's investments for 2024-2025?

Rigorous market analysis and understanding of global trends help us pinpoint investment opportunities. Of course, it helps that we have accumulated enough experience in the existing industries and markets. The final aim is growth and sustainable value creation.

In the sectors that are of key importance to us, we are striving to sustain double-digit organic growth. Our international expansion will be centered around asset management, in collaboration with local partners that possess the right experience.

The retail strategy is to maintain leadership in the Western Balkans through new retail park additions in the network and becoming the local franchise partner for many other international brands that we believe have a proven concept for the success in the region. Also, Tirana Bank is working to make the most of its 21% growth of last year, by introducing new digital products and services and aiming at a bigger geographical footprint.

Looking at the bigger picture, BALFIN Group is actively exploring new economic sectors and countries of activity. These ambitious plans are supported by a fundraising target of 450 million euro, mobilised through our network of investment partners and financial institutions. As we look ahead, we are committed to build a better future, with lasting impact on society.

photomate

We see immense potential in large-scale PV projects, energy storage solutions

Nikolay Ivanov,
Country Manager for Bulgaria,
Photomate

Photomate, a Czech company, specialises in providing smart solar technologies for commercial, industrial, and residential customers. Active in the renewable energy market since 2008, Photomate has earned the status of Value Added Partner (VAP) and Certified Service Partner (CSP) with Huawei. As part of its portfolio, the company offers Huawei inverters, transformer stations, and batteries, while also delivering expert technical support for those products. Over the years, Photomate expanded its business to numerous European markets, including Bulgaria since 2019. Nikolay Ivanov, Country Manager for Bulgaria, has led the local team and managed partner relations and projects execution since the company entered the local market.

Photomate is a leading provider of services and equipment for solar energy projects in Bulgaria. What specific customer needs do you address?

Since 2008, Photomate has established a strong presence in the renewable energy markets of Central, Eastern, and Northern Europe, as well as the Caucasus and Central Asia. We are currently active in 23 countries, where we have partnered with Huawei to implement numerous key energy and infrastructure projects. In Bulgaria, we offer smart, reliable solar products, including inverters and energy storage batteries for both industrial and residential purposes. Our clear strengths are offering complete solutions and providing professional technical support. Our clients range from traders and households to large companies, investors in the energy sector, and enterprises focused on sustainable energy production and consumption.

With the boom of renewable energy, energy storage has acquired topmost importance. What energy storage solutions does Photomate offer in Bulgaria?

In the past two years, we have observed significant interest from both Bulgarian and international companies operating in Bulgaria in energy storage solutions. As a certified Value Added Partner (VAP) and Certified Service Partner (CSP) of Huawei, we offer a wide range of batteries with proven efficiency. One standout product in our portfolio is the HUAWEI SMART STRING ESS SOLUTION, an industrial-grade energy storage battery. With its flexible, modular, and smart design, it helps customers like transmission system operators balance the grid and manage fluctuating energy consumption. Another solution available for residential users is Huawei's LUNA2000-S1 smart home battery. Its main advantages are enhanced safety, modular design, and flexible power expansion ranging from 7 to 84 kWh. Each battery has an integrated energy optimiser and supports independent management of charging and discharging.

What is the reason behind Photomate's decision to add Energy Management Systems (EMS), EV chargers and heat pumps to its portfolio?

There are two reasons why we decided to add EMS, charging stations and heat pumps to our portfolio of products and services. The first is related to the company's and management's philosophy of being innovators, discovering, and offering next-generation flexible solutions that pave the way for a greener, more environment-friendly future. The second reason is more practical, driven by the increasing demand from households and businesses for comprehensive energy-efficient solutions, such as EM systems, EV chargers and heat pumps.

How do you see the development of the local market in the next few years?

The energy sector in Bulgaria, particularly in the renewable energy segment, is highly challenging but also offers vast opportunities. Together with our clients, who are also our partners, we see immense potential in upcoming large-scale projects involving the construction of photovoltaic systems and the supply of energy storage solutions. Since the beginning of the year, in Bulgaria, we have supplied more than 800MW photovoltaic (PV) equipment and more than 240 MWh energy storage systems (BES) in residential, commerce and industry and utility scale. The inquiries our team receives for Huawei products and the technical services we provide suggest that Bulgaria will be an attractive destination for renewable energy investments in the coming years.

SOG in cooperation with KINSTELLAR

Our Western Balkans Hub will offer single point of contact to multiple markets

Miloš Velimirović, Managing Partner, SOG in cooperation with Kinstellar

In 2023, SOG merged with Kinstellar. What did this move mean for your law firm?

The merger between SOG and Kinstellar in 2023 marked a significant transformation for our firm. Previously, SOG's portfolio primarily consisted of local clients, whereas Kinstellar's was largely composed of referrals from other law firms. The merger has empowered us to handle larger, more complex international projects, while also enhancing our brand recognition, especially among our local clients. This synergy combines the strengths of a firm deeply rooted in the Serbian market with the expansive reach and expertise of Kinstellar, allowing us to engage more effectively with international clients.

This merger also opened doors for us to work on more substantial cross-border deals. Additionally, it has made our firm more attractive to domestic legal talent, helping us recruit top-tier professionals. The merger has also allowed us to refine and complete our corporate structure, aligning our procedures more closely with international standards. For Kinstellar, this partnership introduced an entrepreneurial spirit into a well-established corporate environment.

How are you restructuring the firm's operations to meet your strategic goals?

From day one, we implemented a comprehensive integration plan that addressed every aspect of the newly merged entity. This plan covered all key areas of the business, including business development, human resources, finance, administration, and IT. We meticulously mapped out each process and subprocess to ensure a seamless integration. Interestingly, after years of advising on mergers and acquisitions within the market, we found ourselves in the unique position of being the subject of an M&A.

This experience gave us a new perspective, particularly regarding the integration of different company cultures. SOG's culture has always been highly entrepreneurial, while the Kinstellar team has a more traditional corporate atmosphere. Aligning these two distinct cultures has been challenging, especially since company culture is an intangible yet impactful aspect of any business. Our goal is to harmonise these cultural differences to create a unified and effective corporate environment.

Your firm is shifting to sector-focused expertise. What is the reasoning behind this decision?

The shift to sector-focused expertise is driven by our commitment to more efficiently meet our clients' needs. Clients are primarily focused on maximizing their profits, and the legal aspects of their business are simply mechanisms to achieve that goal.

Traditional legal service divisions often create a disconnect between our capabilities and the clients' needs, as they force clients into the realm of legal terminology and processes. By focusing on specific sectors, we can become industry experts, speaking the same language as our clients. This approach allows us to offer solutions that address all legal aspects of the challenges our clients face within the specific context of their industry. Essentially, this sector-focused model enables us to provide more direct and effective solutions, with lawyers who understand not just the legal elements but also the broader trends and dynamics of the client's business. This alignment means our clients don't have to step out of their comfort zone to get the legal support they need.

Another strategic decision is the establishment of a Western Balkans Hub. What will be the scope of its services?

Even before our merger, Kinstellar had already established a presence in Croatia, covering two Western Balkan markets—Serbia and Croatia. We recognised the opportunity to leverage both our experience and that of our Croatian colleagues to meet the needs of clients not only in our home markets but across the entire Western Balkans.

Our clients often require legal services across multiple jurisdictions in the region, where legal systems share a common foundation, particularly among the former Yugoslavian states. Albania, although distinct, is also progressing towards EU accession, aligning it more closely with these other markets. Croatia and Slovenia are already EU members, while the remaining countries are candidates, further unifying the region under a shared legal trajectory.

Through the Western Balkans Hub (WBH), we aim to offer a unique service: a single point of contact for clients needing assistance across multiple markets in the region. Whether a client needs to conduct business in Slovenia, Montenegro, or Bosnia and Herzegovina, they can deal with one lawyer who ensures consistent, high-quality service across all these jurisdictions.

Additionally, the hub allows us to deepen our relationships with exceptional attorneys in areas where we do not have a direct presence, ensuring that the quality, format, and style of legal services provided in Bosnia or North Macedonia align with those offered in Serbia or Croatia.

Bulgarian IT leader Sirma announces successful corporate transformation

Tsvetan Alexiev,
CEO of Sirma Group Holding

What is the rationale behind the ongoing consolidation of companies within Sirma Group?

We have undertaken this corporate restructuring to fuel future growth by streamlining operations, improving efficiency, and enhancing our competitive advantage.

This consolidation is aligned with SGH's growth strategy, which aims to fully integrate the intellectual property, operational and financial activities and the ownership of the group's subsidiaries. All companies providing software application and development services will be merged into a single entity. This move will strengthen the subsidiaries' specialised services within the holding structure and fill the listed company with direct business substance. Thus, we shall increase crosssales, hence organic growth, and the foreseen operational optimization shall support our acquiring capacity.

Once the consolidation process is finalised, the holding will become an operational company in the second half of 2024. Operational companies are better received on the stock market than holding companies, which will positively affect our listing on an international exchange in the near future. The strategic goal is to reach close to 100 million levs in revenue this year and to further expand organically and through acquisitions next year. The company plans to get listed on NASDAQ or the like, once it exceeds $100 million in annual revenue.

How will stakeholders benefit from this transformation?

We have updated our business strategy for growth and international expansion. Our entire management team is committed to consolidating and implementing the planned steps. The immediate benefits include improved processes within the organisation.

Additionally, we can leverage our know-how and ready-made solutions by adopting a more specialised approach to work, focusing on key industries such as the financial sector, insurance, healthcare, transport and logistics, and hospitality. By uniting our sales, marketing, and development teams, we can significantly improve our sales propositions, gain larger projects at top-rated clients and achieve better prices.

Sirma's growth strategy builds on ambitious expansion plans. Where do you see the potential for acquisitions?

In mid-2024, we agreed to acquire a majority stake (51%) in the Romanian software company Roweb Development SRL. This acquisition will enhance Sirma Group's IT services portfolio and expand its presence in the Balkan and Western markets. We are also actively exploring potential acquisitions in the Nordic region, and our negotiations with an IT company from the Nordic region are quite promising. Should both deals go through, Sirma would firmly establish itself as a major IT development shop in SEE and a recognizable IT solutions vendor in Western Europe and the UK.

Has the shrinking of the IT business globally affected your plans to list on an international stock market?

This year has been quite challenging for us due to economic and geopolitical factors. Our IT business, particularly in the US, has faced a downturn in H2 of 2023. This is mainly because our US company provides IT consulting services to rapidly growing businesses, many of which have been affected by the global decrease in IT investment. Despite these challenges, Sirma has started 2024 with new clients and a well-charged pipeline from other regions. In Q2 of 2024, we achieved relatively strong financial results and steady growth. Sirma moved up two places to 14th in Digitalk's Top 100 ICT ranking for Y2023, surpassing many international software players in revenue.

As the CEO of SGH since 2002, Tsvetan Alexiev has led its successful consolidation, transforming Sirma into the largest Bulgarian IT group.

ARIR

Best Practices in Investor Communications
And Corporate Governance

ARIR is the promoter of the Investor Relations (IR) concept in Romania and we believe that by following standards of transparency, corporate governance and proactivity in communicating with investors, our members will benefit from added value, attract funding more easily, have the reputation and trust necessary for the continued development of their business.

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Daniela Maior

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Associate members

Affiliate members

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SUNOTEC – One step ahead of the market

Kaloyan Velichkov,
SUNOTEC CEO and Founder

SUNOTEC is the largest Bulgarian company in photovoltaic plant construction by revenue for 2023. How did this happen?

Indeed, SUNOTEC has quickly become a global player in the solar project sector. We are a Bulgarian-German company, but our workforce, at all levels of the organisation, is predominantly Bulgarian. However, our German colleagues in our offices in Munich and Sofia are very important to us because this growth is largely driven by external markets. Germany is a huge market for SUNOTEC, where we are a strategic turnkey partner for major investors in the construction of their solar projects and where we are also developing our own projects.

SUNOTEC's success is due to a number of factors, but I believe the leading one is our ability to rapidly upgrade and enhance the processes and services we offer to our clients. The construction of photovoltaic plants and the accompanying systems is a highly dynamic process. Standards and requirements are getting more demanding with each project, as are the expectations of society and businesses. Having the second-largest fleet of construction equipment in the sector in Europe is a huge advantage for us, as is the fact that we are one step ahead of market developments. We manage to secure timely implementations of the latest technologies, while aggressively developing our software and hardware engineering, improving the quality of our management and maintenance services, and striving to maintain an exceptional level of our design capabilities. Moreover, we are known to be good at handling all kinds of challenges, regardless of project size—whether it's highly toxic soils, colossal vertical planning, fragmented plots, difficult-to-reach terrains, or urban environments. The sector is developing at an incredible speed, and new opportunities for solar panel coverage are constantly emerging, while the need for high-quality, comprehensive, and precise service is growing. Not many companies can provide all this simultaneously and consistently in multiple locations around the world. That is SUNOTEC's strength.

What is SUNOTEC looking forward to?

Last year, we undertook a major restructuring of the company to make the transition from a construction company in the renewable energy sector to a turnkey service provider for the solar industry. SUNOTEC's horizon involves expanding into more markets on other continents where it already has a presence, such as Africa, Australia, and the Middle East, and touching down on different types of territories and terrains. However, the horizon, not only for SUNOTEC but also for other market players, is linked to energy storage systems (BESS); covering new types of spaces; bringing technologies down to consumer level so that solar energy becomes an integral part of people's lives, not just industry; addressing climate change, and contributing to its mitigation; harnessing artificial intelligence in more stages of the process, not just in project design and consumption forecasting. SUNOTEC will be part of each of these facets of the industry.

What are the main challenges for fast-growing companies such as SUNOTEC?

Staffing is a challenge. In Bulgaria, I often hear criticism that solar power plants, once built, do not require people for maintenance and operation, and do not create jobs, and I disagree. SUNOTEC employs over 2,000 people, about 500 of whom are highly qualified specialists in various fields. Of course, engineers and construction workers are key, but companies of our scale, with such complex portfolios of services, clients, and projects, require the full spectrum of business expertise to be able to deliver consistent quality, and to do it fast.

The challenge is how to simultaneously maintain the scale and forward-thinking required of such a large sector player; to predict, set, and lead the development of the sector; how to continue to be constantly innovative and always one step ahead of the others, including by designing processes, technologies, and services that but you know will be essential for the sector in three to five years. At the same time, it is crucial to consistently deliver high-quality project execution in many locations around the world simultaneously.

SUNOTEC is also a huge employer, and the daily lives of our employees are very important to us. Safety and security measures on our sites are constantly being updated. Our colleagues are regularly exposed to a wide range of weather and terrain conditions, which lead to various challenges since we operate everywhere from South Africa to the Baltic region.

SUNOTEC has already become an entire world of people, intentions, solutions, and opportunities but in the end, we want all of this to lead in one direction—to being useful. To give, and not to take.

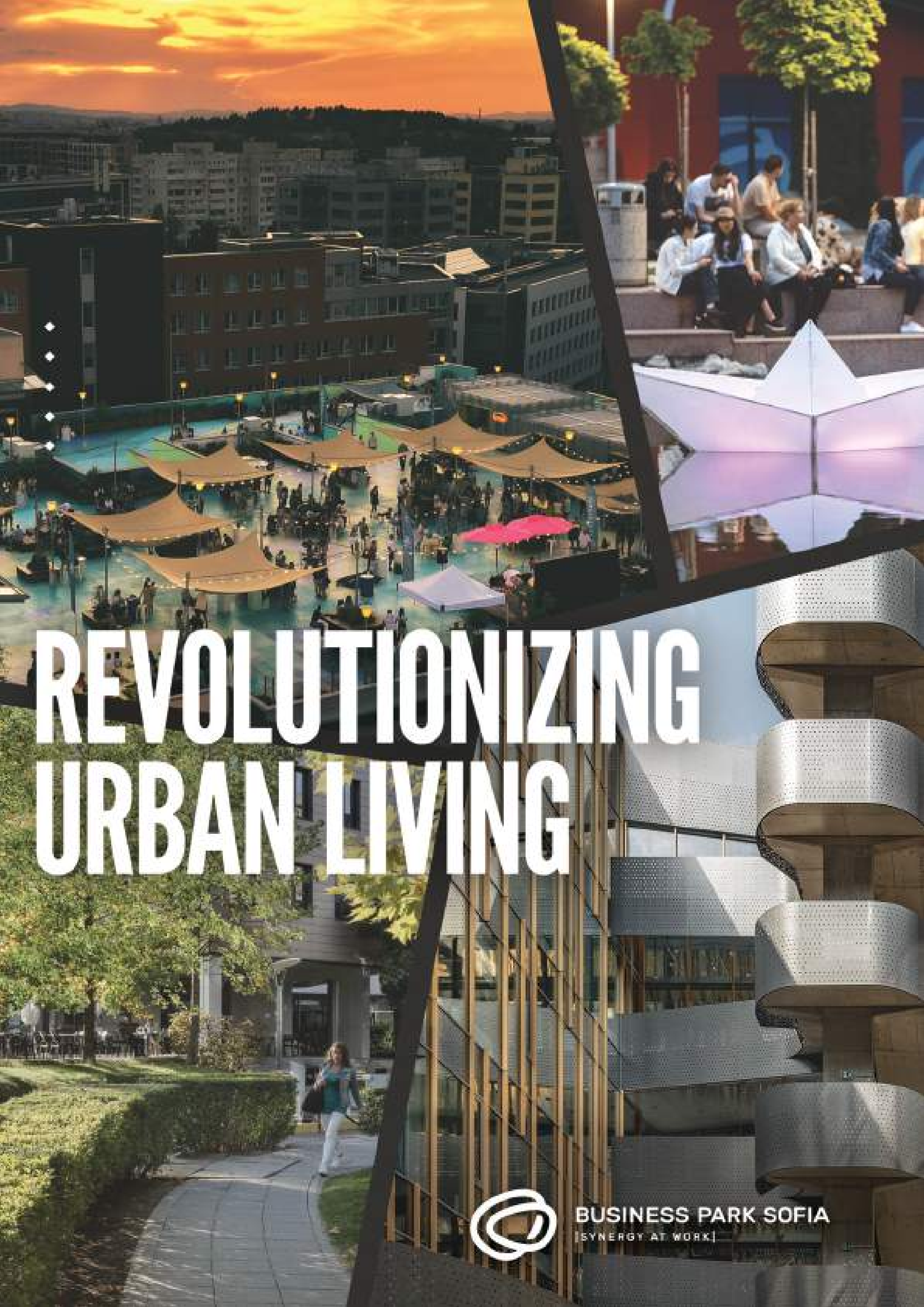
Where does Bulgaria stand on the map of renewable energy?

Bulgaria is a very interesting and dynamic market that is full of opportunities. Yes, Germany is much more predictable and very important to us. However, in purely administrative and operational terms, and in terms of niche project opportunities, Bulgaria is far from the point of saturation, and that is very exciting.

We always try when we start working on something technologically and conceptually new to implement a pilot project in Bulgaria. For example, for our upcoming first urban projects, we will have four in Germany and one in Bulgaria. The same goes for batteries. The first such site for Solaris Group, which is a joint venture between SUNOTEC and investors in Eurohold Bulgaria, is near Pernik, and we only just launched it in September 2024. It was developed on an old landfill site of the local steel industry. The entire topography of the site, with all its features and the excavation activities carried out on it over time made the design of the Pernik solar plant a real challenge. When we designed it and ordered the batteries from Huawei, they were the absolute pinnacle of energy storage technology. One year later, there are already several higher-grade technologies to which we again have access and are already implementing in current projects, including in Bulgaria.

So, Bulgaria receives exactly the same quality of technology and services from us and other investors, contractors, and suppliers as all other places around the world where sustainable energy is being developed.

As for the batteries, if Bulgaria continues to develop at the current pace and the state manages to implement its programme for 3,000 megawatt-hours under the Recovery and Resilience Plan, together with all the planned private initiatives in this direction, this country will be a pioneer in the European Union. In Europe, the installation of such facilities is still slow, while here they are developing very quickly and dynamically. The storage systems will be of great benefit for subsequent solar and wind energy projects, as well as for balancing our system to smooth out fluctuations in supply and demand. The state is trying to facilitate us in terms of procedures. One of the main obstacles, however, is that Bulgarian financial institutions are still not well acquainted with energy storage. This should not be underestimated. It is important that all sectors involved in this process move at the same pace.



REVOLUTIONIZING URBAN LIVING

BUSINESS PARK SOFIA
[SYNERGY AT WORK]

Business Park Sofia redefines role of office parks in urban landscape

Jordan Krastev,
Business Park Sofia,
Chief Commercial Officer and Managing Director

Business Park Sofia has been undergoing an extensive transformation over the past year. What shifts in work habits prompted this process?

Traditionally designed solely as hubs for business activity, office parks such as Business Park Sofia (BPS) are now being reimagined as mixed-use campuses that incorporate office, retail, and residential elements. This shift is driven by the changing needs of tenants and the broader community.

The goal of these mixed-use campuses is to create a tenant-friendly environment that goes beyond traditional office spaces. By integrating office areas with retail stores, restaurants, cafes, and residential units, these projects aim to create vibrant communities where people can live, work, and play. This integrated approach is designed to attract employees by offering them a more engaging and convenient environment that encourages them to spend more time on-site. These changes attract local communities as well. The presence of diverse amenities within walking distance of the office can enhance employee satisfaction, foster a sense of community, and ultimately improve productivity. This transformation creates new social spaces for all visitors.

Which is the architecture firm in charge of this transformation?

We have been working closely with the renowned architectural firm Gensler, one of the largest architectural companies in the world. They bring a fresh perspective and a new global view to the project, understanding that new working standards require a complete redesign of traditional architectural concepts. It's not just about reshaping buildings but also about reimagining spaces to accommodate pedestrians, public and private transport, and green areas. This approach aligns with the latest environmental, social, and governance (ESG) standards. Collaboration with local authorities and partners is also essential for office parks like BPS as they navigate this transformation. Working closely with the city of Sofia and local stakeholders ensures that the redevelopment meets regulatory standards and aligns with the city's broader urban planning goals. This cooperation also fosters a sense of partnership between the business park and the community, helping to ensure that the new mixed-use campus benefits both the tenants and the wider public.

As part of this process, BPS has expanded with a rooftop terrace hosting a growing number of events and shared workspace. Tell us more about the amenities they offer.

In 2023 we transformed the upper floor of our parking garage into a rooftop terrace, which offers stunning views and an ideal location for various events. This outdoor space is designed for both formal and informal gatherings, from corporate functions to social events and for everybody to enjoy.

With businesses across the board focused on sustainability in the past years, how is Business Park Sofia responding to its tenants' needs in this area?

At BPS we believe in creating long-term value through ethics and green initiatives. We have made significant strides in promoting sustainability to meet the growing needs of both our tenants and the neighbouring community. Some of the key sustainability initiatives include green building practices by incorporating energy-efficient building designs, using materials and technologies that reduce energy consumption and environmental impact. We are proud to announce that to this day the campus and four of the office buildings achieved LEED Platinum level of certification. By the end of 2025 all the buildings on campus will be LEED certified. Sustainable waste management is another priority at BPS, with comprehensive recycling programs in place. Dedicated facilities and systems allow for the proper disposal and recycling of paper, plastic, and other waste materials to reduce landfill contribution. BPS employs water-saving technologies, such as low-flow fixtures and efficient irrigation systems, to minimize water usage throughout the park. The beautifully landscaped gardens and walking areas not only enhance the aesthetic appeal but also contribute to the reduction of heat island effects and promote biodiversity. And last but not least, BPS works closely with its tenants to foster sustainability awareness, providing resources and initiatives that encourage environmentally responsible practices within their own operations.

Going forward, what are your investment plans?

The transformation of BPS into a mixed-use campus could serve as a benchmark for similar projects across Central and Eastern Europe. Its success could provide a valuable model for integrating office, retail, and residential elements to create vibrant, tenant-friendly environments. By focusing on the needs of both employees and local communities, and by adopting innovative architectural designs that prioritize sustainability, these projects have the potential to redefine the role of office parks in urban landscapes, making them key contributors to the economic and social vitality of their cities.

Raiffeisen Bank International

We are building bridges

Tanja Glišin,
Member of the Managing Board,
Raiffeisen banka a.d. Beograd

Petra Rauscher,
Executive Director, Head of Export & Investment Finance,
Raiffeisen Bank International

Raiffeisen Bank International (RBI) is a strong player in CEE and on the Western Balkans. What recent developments have Raiffeisen Banka a.d. Beograd undertaken in the Serbian banking sector?

Tanja Glišin: The recent acquisition of ex Crédit Agricole Bank underscores RBI's strategic focus on the Serbian market and significantly contributes to the country's further financial consolidation. Raiffeisen Banka a.d. Beograd is among Serbia's leading banks across all significant criteria. As part of the Raiffeisen Group, one of Central and Eastern Europe's largest banking entities, we have tailored our banking model to meet the highest Western standards while adapting to the local market's unique attributes and prospects. Thus, we are recognised as a reliable partner, particularly valued by multinational clients.

What trends do you observe in investment activities in the Western Balkans market from an international perspective?

Petra Rauscher: We are witnessing increasing interest in sectors such as renewable energy, infrastructure, digitalisation, and manufacturing. The region's strategic geographical position, coupled with continuous economic reforms and a favourable investment environment, makes it an attractive destination. Moreover, efforts towards regional integration and the prospect of EU accession are acting as catalysts, significantly boosting export, import and investment activities.

Renewable energy, infrastructure, digitalisation, and manufacturing in the Western Balkans attract growing interest

What factors make Serbia particularly attractive for foreign direct investments?

Tanja Glišin: Serbia's supportive business climate, ongoing economic reforms, integration efforts with the European Union, and high-quality workforce attract foreign direct investments of 4.5 billion euro per year from both the West and the East.

Additionally, public and infrastructure investments bolster industrial development, with the information and communication technology sector being a crucial pillar. Despite potential impacts from geopolitical tensions, global inflation, and fluctuating energy and commodity prices on the planned GDP growth of 3.8% in 2024, local monetary policy representatives assert the resilience of macroeconomic factors, including a stable EUR/RSD exchange rate. While Fitch agency rate Serbia with BB+ and Moody`s as a Ba2 country, with prospects for credit rating improvement respectfully, Standard & Poor's just improved it to BBB- with stable prospects.

How is the European Union influencing the development of the Western Balkans?

Petra Rauscher: European funds and subsidies are critical to the economic development of the Western Balkans. Especially the EU Economic and Investment Plan (EIP) and New Growth Plan for the Western Balkans, launched to propel the region and support infrastructure projects, technological advancements and capacity-building initiatives that drive sustainable growth. These funds are essential in multiple sectors and helping to create a conducive environment for private investments by addressing key developmental gaps. RBI jointly with our local experts assists its clients in navigating the complexities of EU Funds and subsidies. We closely collaborate with regional stakeholders to identify and capitalise on available funding opportunities, ensuring that our clients have access to the necessary financial resources to facilitate successful and sustainable investment projects.

How does Raiffeisen Banka a.d. Beograd differentiates itself on the Serbian market with its banking offers to support its customers?

Tanja Glišin: Raiffeisen Banka a.d. Beograd stands out as the only bank in Serbia to have developed a corporate digital platform, "Info Portal", providing corporate clients with a 24/7, 360-degree real-time view. This innovation supports the growing number of quality customer partnerships and complements our standard product offerings. In addition we can offer the full expert services from our Vienna headquarters, including Acquisition, Syndicated, ESG, and Project Financing, also for complex investments.

How does RBI support companies in their export endeavors to the Western Balkans region?

Petra Rauscher: Raiffeisen is building bridges between the East and West. Therefore, especially in RBI, we offer a comprehensive suite of support services for companies aiming to expand also into the Western Balkan region. This includes multiple project, export, and trade financing solutions. Deep knowledge of the local markets and strong regional presence enable us to provide not only valuable market insights, but facilitating smooth entry and growth for Austrian, Western or any other businesses in these dynamic markets.

What risks are companies facing today in their export and trade businesses, and can those risks be mitigated?

Petra Rauscher: Companies face a variety of risks, including credit risk, country risk, currency risk, transport risk, and compliance risk. Effective risk management is crucial for successful international trade operations. RBI provides a robust portfolio of services to support exporters, including letters of credit that guarantee payment to sellers, export credit and insurance solutions to guard against payment defaults, and forfaiting and factoring services for improved cash flow. Export credit agencies such as OeKB (Oesterreichische Kontrollbank AG) play a vital role in mitigating these risks by offering insurances and guarantees that protect exporters against payment defaults, and boosts long term financing for imports.

With the "Shopping Line" of OeKB, RBI can provide long-term financing for capital and investment goods. This financing option bundles deliveries from various suppliers and at least 50% from Austria into a single credit facility, offering a flexible solution for companies looking to enhance their capacities.

What are the strategic priorities of Raiffeisen Banka a.d. Beograd?

Tanja Glišin: Our strategy prioritises delivering a superior customer experience through expert relationships, service excellence, and digital solutions. We hope the number of quality customer partnerships will increase in the years to come. As a member of the Raiffeisen Group, we can combine the understanding of regional and local needs in business and leverage the expertise and potential from our Vienna Headquarters. Consequently, we are a trusted partner, for national and international customers.

Raiffeisen Bank International

EU Investment and Growth Plans: A Game Changer for the Western Balkans

By Ivona Zametica, Head of Research, Strategy and ESG Steering, Chief Economist
Fjorent Rrushi, Head of ALM and Research, Strategy and Innovation Department

The Western Balkans, a region historically intertwined with the European Union, stands on the cusp of a significant transformation. This transformation is embodied by the comprehensive **EU Economic and Investment Plan (EIP) and EU Western Balkans Growth Plan (EGP), launched to propel the region toward sustainable growth and deeper integration with the EU.**

Economic Impact and Funding

Launched in 2020, the EIP is backed by a significant financial commitment of 9 billion euro under the Instrument for Pre-Accession Assistance (IPA III). This funding is complemented by the Western Balkans Guarantee, which has the potential to leverage up to €20 billion in investments. Launched in 2024, the EU Growth for Western Balkans set up an additional financial instrument in amount of EUR 6 bn in period up to 2027 for supporting reforms around 5 key pillars: rule of law, public administration reform, business environment, energy and digital transition and human capital. The combined impact of **these initiatives is expected to boost the region's GDP growth by approximately 1.3% annually.**

The EIP places a strong emphasis on enhancing the private sector, recognizing its crucial role in job creation and economic growth. A robust private sector is essential for the socio-economic development and regional integration of the Western Balkans. Small and Medium Enterprises (SMEs) are the backbone of this sector, representing 99% of all enterprises, generating roughly 65% of business sector value added, and accounting for 73% of employment. The EU plans to improve access to finance and risk capital for SMEs through various programs and guarantee schemes. In addition, the development of a Common Regional Market is strongly encouraged, as it can deliver substantial economic benefits. According to a World Bank study, such a market union could result in an additional 6.7% GDP growth. The Plan dedicates 50% of the EU private sector funding to innovation and green growth, emphasizing the importance of sustainable development.

Rule of Law and EU Integration

The rule of law is a cornerstone for attracting foreign direct investments (FDIs) and fostering the economic recovery of the Western Balkans. The EU's performance-based assessment adjusts funding based on reform progress.

Key reform areas include the free movement of capital, reduction of tax burdens, public administration and judiciary reforms and affordable cross-border payments. Preparations for joining the Single Euro Payment Area (SEPA) are underway. Additionally, initiatives like trade liberalization, regional e-commerce, a unified tourist package, and upgrading automotive value chains aim to attract further FDI.

Geostrategic Importance and the EU Integration

The Western Balkans is a region of geostrategic importance for the EU. Despite recent challenges in the integration process, the EU remains committed to supporting the region's path towards EU membership.

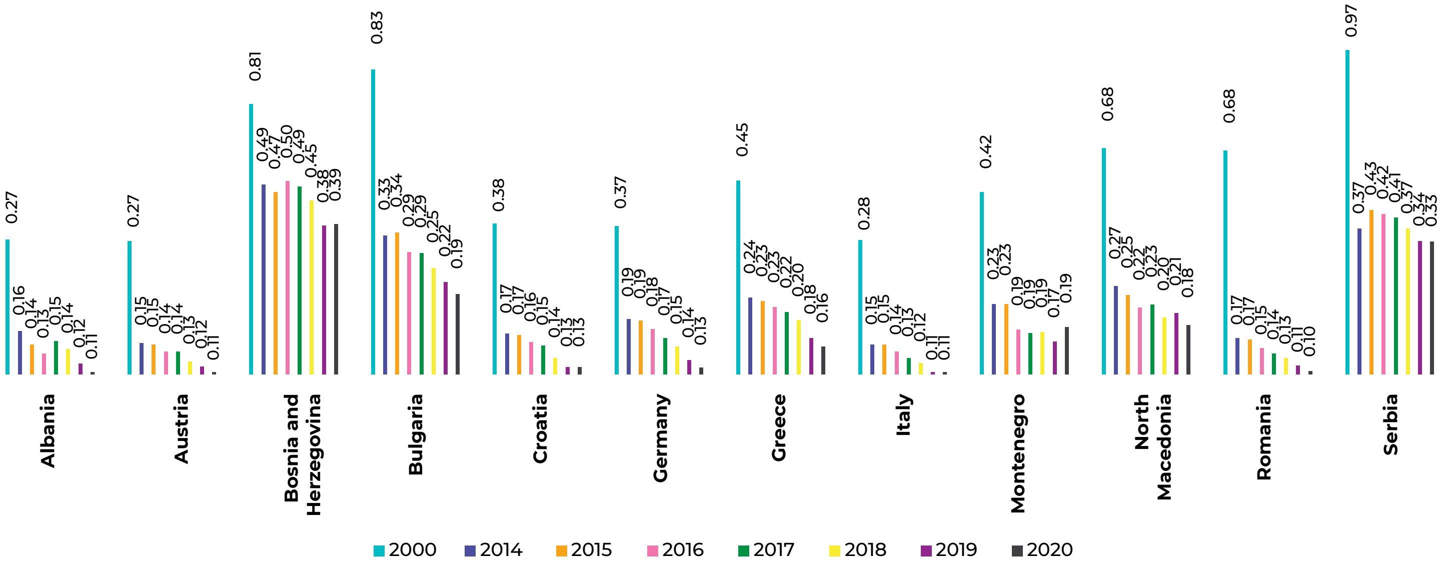
Progress and Implementation

The EU Investment Plan has already seen substantial progress, with several flagship infrastructural projects underway. For instance, the Peace Highway between Niš (Serbia) and Pristina (Kosovo) is being constructed to **enhance regional trade and mobility** (more info here: https://www.wbif.eu/storage/app/media/Library/12.%20Economic%20and%20Investment%20Plan/WBIF%20Endorsed%20Flagship%20Investments_July%202024.pdf).

Also, Corridor VC main infrastructural high-way project in Bosnia and Herzegovina which will connect Bosnia and Herzegovina to EU pan-European high-way network, will be fully funded by the EU money – with flagship EU investors – the EBRD and the EIB being main financers who so far invested 1.5 billion euro in its construction.

The EU Economic and Investment Plan (EIP) and the New Growth Plan emphasize **green investments, recognizing the critical role of sustainable development** in the future of the Western Balkans. The plans envision substantial investments in renewable energy projects, such as wind farms and solar power plants, particularly in North Macedonia, Albania, Bosnia and Herzegovina and North Bosnia as Bosnia and Herzegovina has one of the most intensive CO2 prints due to its 65% thermo-plan in its state energy mix. These initiatives aim to reduce the region's carbon footprint and transition to cleaner energy sources. By prioritizing green growth and innovation, these EU initiatives aim not only to address environmental challenges but also to create **new economic opportunities, making the Western Balkans a competitive, environmentally sustainable, and resilient region.**

CO2 emissions (kg per PPP $ of GDP)



The EU Growth Plan aims to bolster sustainable economic development, enhance competitiveness, and create jobs in the Western Balkans, ultimately facilitating their path towards EU membership. A key component of this plan is the gradual integration of the Western Balkan countries into the EU single market in specific areas, providing them with early access to some of the benefits of full membership. This phased approach targets critical sectors such as the **free movement of goods and services, road transport, energy, electricity, and digital economy, including e-commerce and cybersecurity.** By incrementally aligning these sectors with the EU standards, the plan seeks to bridge economic gaps, stimulate growth, and foster regional cooperation, accelerating the convergence of the Western Balkans with the broader European market.

Conclusion

The EIP and the EGP for Western Blakns represent a pivotal moment offering a roadmap for sustainable growth, enhanced connectivity, and regional stability. These initiatives **address critical infrastructural and economic challenges,** paving the way for the region's integration into the EU, **with potential enlargement by 2030.**

The journey toward EU integration is complex and requires overcoming political instability, corruption, and ensuring strong institutional capacities and rule of law. By addressing these challenges and effectively implementing these plans, the Western Balkans can achieve sustainable economic growth and accelerate their convergence with the EU.

Albania

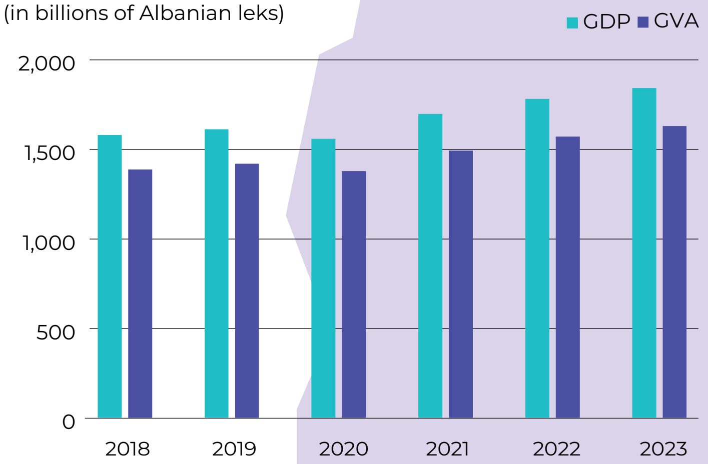
TOP 10

(in millions of euro)

Rank	Company name	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022
1	Kastrati Group Sh.a.	Petroleum/Natural Gas	679.61	819.69	-24.60%	12.95	-8.90
2	Kurum International Sh.a.	Metals	363.28	404.14	-18.26%	42.96	68.29
3	Gega Oil Group Sh.a.	Petroleum/Natural Gas	351.38	387.68	-17.58%	1.09	1.30
4	Info-Telecom Sh.p.k.	Telecommunications	333.02	403.57	-24.96%	3.79	9.17
5	Europetrol Durres Albania Sh.a.	Petroleum/Natural Gas	212.77	173.40	11.59%	1.01	0.39
6	Kastrati Sh.p.k.	Petroleum/Natural Gas	193.31	188.66	-6.82%	4.49	-3.43
7	Inter Distribution Services Sh.p.k.	Wholesale/Retail	186.87	154.91	9.70%	2.28	2.02
8	AV International Group Sh.a.	Petroleum/Natural Gas	154.56	145.28	-3.25%	1.44	1.11
9	Agna Sh.a.	Wholesale/Retail	152.67	154.28	-10.01%	6.61	4.65
10	Philip Morris Albania Sh.p.k.	Food/Drinks/Tobacco	145.08	118.92	10.95%	2.30	1.35

GDP and GVA

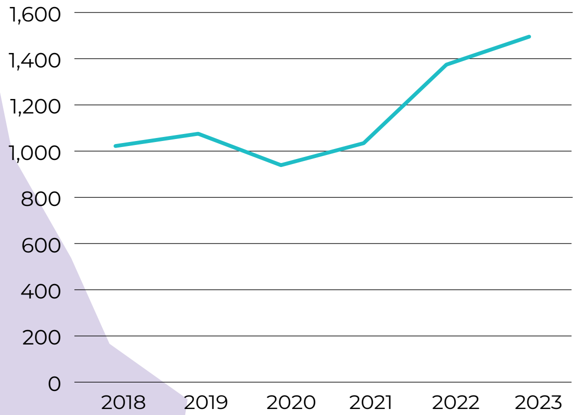
(in billions of Albanian leks)



Source: Institute of Statistics

FDI

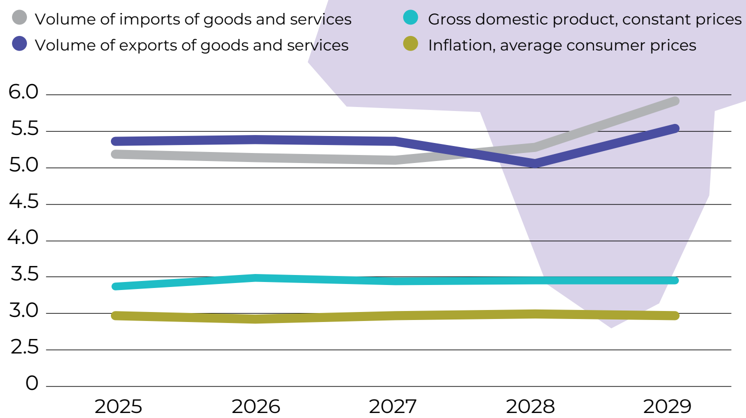
(in millions of euro)



Source: Bank of Albania

ALBANIA ECONOMY FORECAST

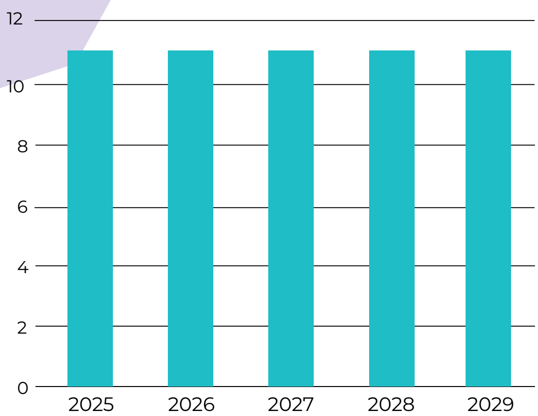
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

UNEMPLOYMENT RATE FORECAST

(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

Bosnia and Herzegovina

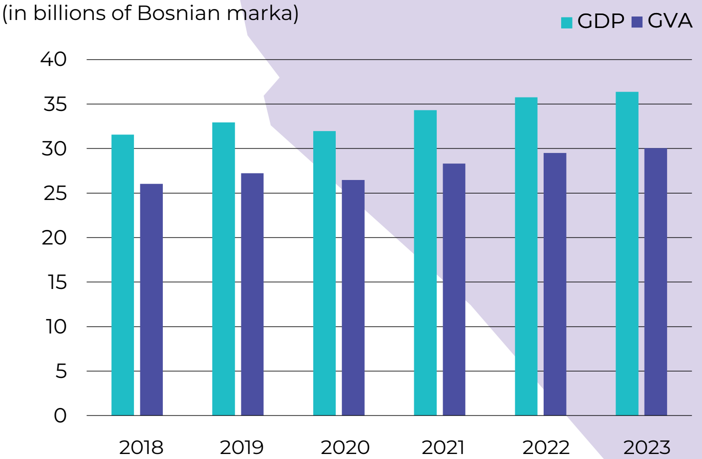
TOP 10

(in millions of euro)

Rank	Company name	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022
1	Bingo d.o.o.*	Wholesale/Retail	973.56	819.79	18.76%	80.97	59.89
2	Holdina d.o.o.*	Petroleum/Natural Gas	703.64	812.26	-13.37%	5.27	2.37
3	JP Elektroprivreda BiH d.d.*	Electricity	596.11	668.20	-10.79%	-169.64	3.14
4	MH Elektroprivreda Republike Srpske MP a.d.*	Electricity	561.25	536.94	4.53%	74.06	3.20
5	Optima Grupa d.o.o.*	Petroleum/Natural Gas	446.08	443.57	0.57%	28.71	-14.46
6	Hifa-Oil d.o.o.*	Petroleum/Natural Gas	385.11	415.79	-7.38%	7.70	10.26
7	Boreas d.o.o.*	Wholesale/Retail	375.33	335.80	11.77%	2.81	2.47
8	ArcelorMittal Zenica d.o.o.*	Metals	373.57	526.12	-28.99%	0.00	21.05
9	Hifa - Petrol d.o.o.*	Petroleum/Natural Gas	372.75	370.86	0.51%	3.82	8.00
10	G-Petrol d.o.o.*	Petroleum/Natural Gas	329.69	398.44	-17.25%	0.00	1.19

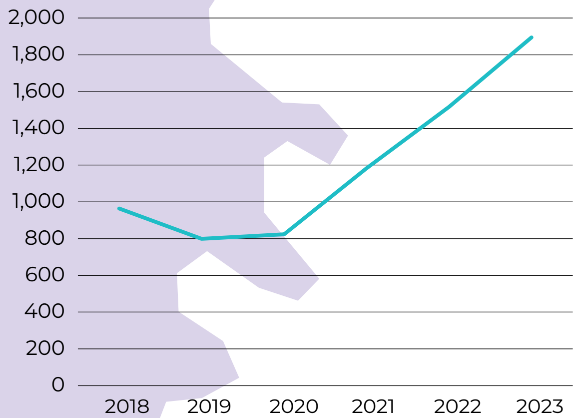
* net sales revenue instead of total revenue for 2023

GDP and GVA
(in billions of Bosnian marka)



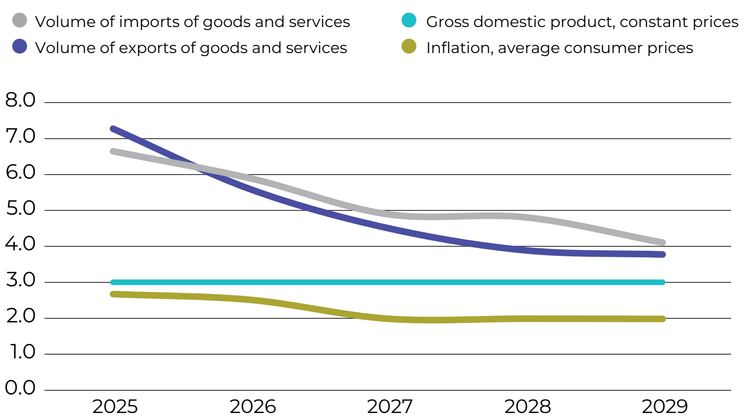
Source: Agency for Statistics of Bosnia and Herzegovina

FDI
(in millions of Bosnian marka)



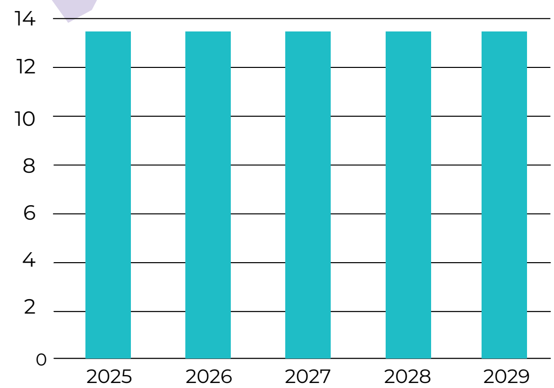
Source: Central Bank of Bosnia and Herzegovina

BOSNIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database - April 2024

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database - April 2024

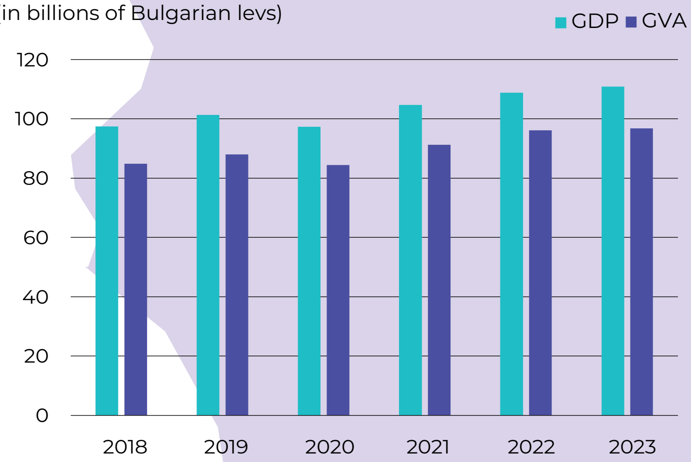
Bulgaria

TOP 10

(in millions of euro)

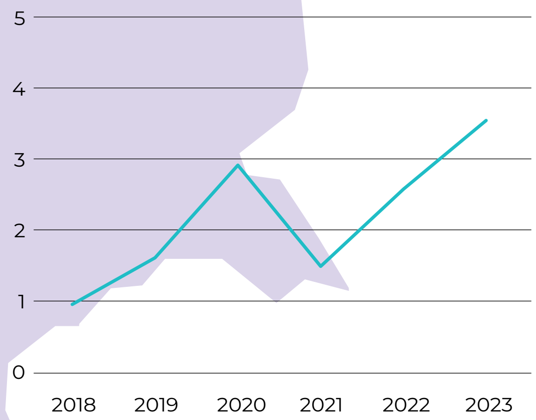
Rank	Company name	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022
1	Lukoil Neftochim Burgas AD	Petroleum/Natural Gas	4,418.67	1,112.73	297.10%	104.12	66.26
2	Aurubis Bulgaria AD	Metals	3,678.05	4,214.58	-12.73%	112.21	255.27
3	Lukoil-Bulgaria EOOD	Petroleum/Natural Gas	3,226.58	3,771.73	-14.45%	55.03	76.29
4	Astra Bioplant EOOD	Petroleum/Natural Gas	2,063.07	3,725.92	-44.63%	-75.07	46.03
5	Natsionalna Elektricheska Kompania EAD	Electricity	1,801.06	2,698.67	-33.26%	48.58	553.86
6	BA Glass Bulgaria EAD	Glass Products	1,533.56	1,457.87	5.19%	137.54	94.34
7	Bulgargaz EAD	Petroleum/Natural Gas	1,311.97	2,096.20	-37.41%	-26.78	-47.80
8	AETs Kozloduy EAD	Electricity	1,304.14	3,107.85	-58.04%	274.59	372.97
9	Kaufland Bulgaria EOOD & Co KD	Wholesale/Retail	1,246.23	1,135.00	9.80%	59.63	61.68
10	Lidl Bulgaria EOOD and Co. KD	Wholesale/Retail	1,163.95	1,022.10	13.88%	45.76	45.67

GDP and GVA
(in billions of Bulgarian levs)



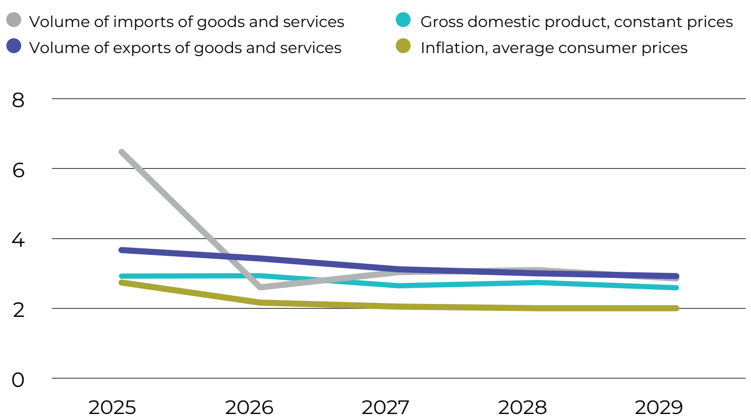
Source: National Statistical Institute

FDI
(in billions of euro)



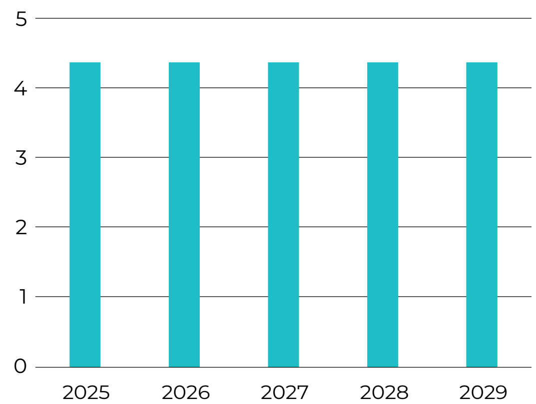
Source: Bulgarian National Bank

BULGARIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF)
World Economic Outlook Database – April 2024

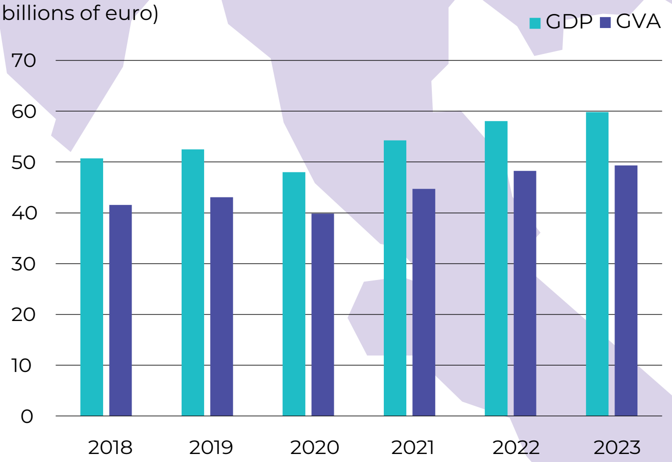
Croatia

TOP 10

(in millions of euro)

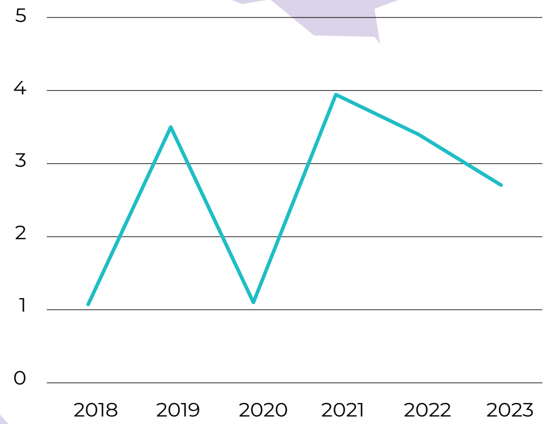
Rank	Company name	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022
1	INA - Industrija Nafte d.d.	Petroleum/Natural Gas	3,863.84	4,645.82	-16.83%	224.01	243.76
2	Hrvatska Elektroprivreda d.d.	Electricity	3,661.67	2,475.21	47.93%	-47.13	-683.71
3	Prvo Plinarsko Drustvo d.o.o.	Petroleum/Natural Gas	3,501.54	4,368.08	-19.84%	30.40	38.85
4	Konzum Plus d.o.o.	Wholesale/Retail	1,874.03	1,595.41	17.46%	18.42	17.67
5	HEP-Proizvodnja d.o.o.	Electricity	1,716.94	1,511.21	13.61%	10.39	0.57
6	MET Croatia Energy Trade d.o.o.	Electricity	1,239.23	1,281.06	-3.27%	14.76	2.76
7	Lidl Hrvatska d.o.o. k.d.	Wholesale/Retail	1,192.55	1,046.96	13.91%	56.64	52.02
8	Petrol d.o.o.	Petroleum/Natural Gas	1,185.25	1,227.48	-3.44%	19.87	-2.85
9	Spar Hrvatska d.o.o.	Wholesale/Retail	918.85	763.46	20.35%	0.79	-0.86
10	HEP Elektra d.o.o.	Electricity	894.87	717.55	24.71%	70.49	-64.37

GDP and GVA
(in billions of euro)



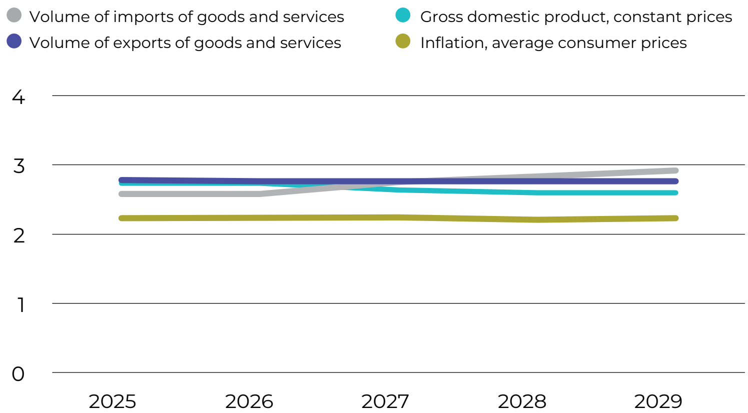
Source: Croatian Bureau of Statistics

FDI
(in billions of euro)



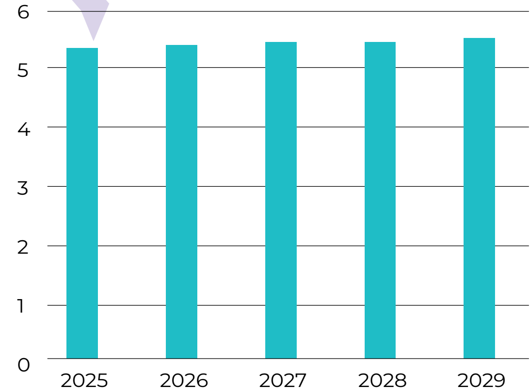
Source: Croatian National Bank

CROATIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

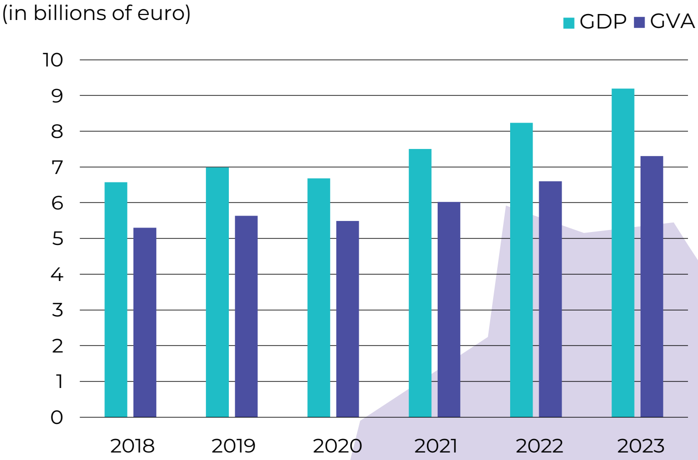
UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

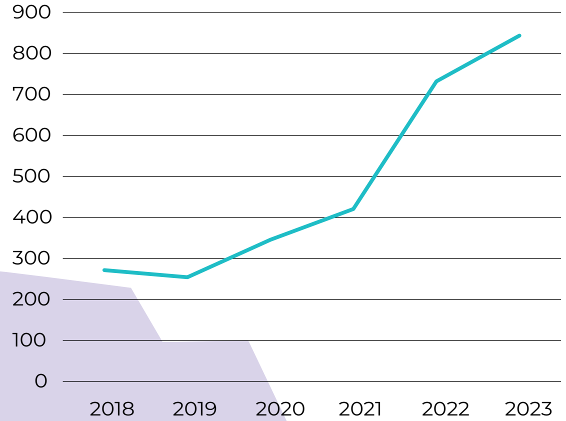
Kosovo

GDP and GVA
(in billions of euro)



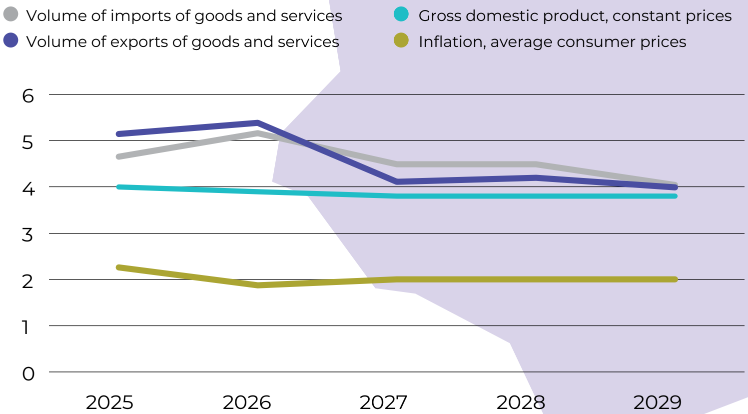
Source: Kosovo Agency of Statistics

FDI
(in millions of euro)



Source: Central Bank of the Republic of Kosovo

KOSOVO ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

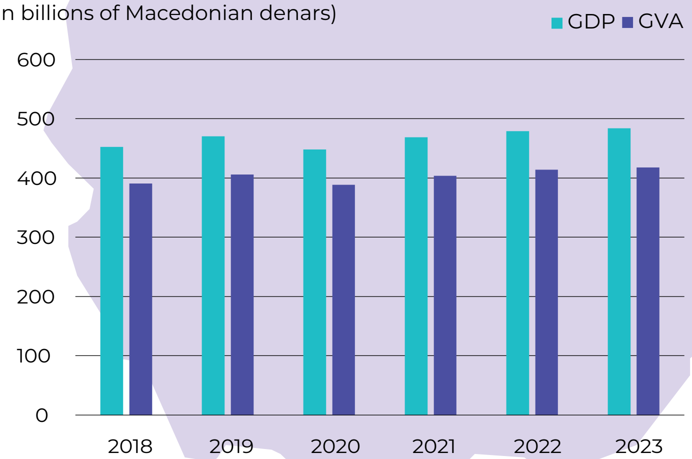
North Macedonia

TOP 10

(in millions of euro)

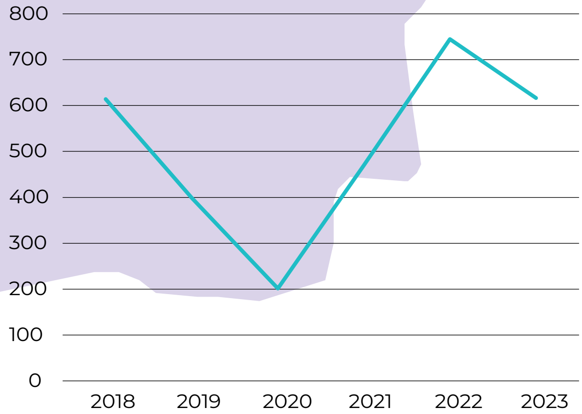
Rank	Company name	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022
1	Johnson Matthey DOOEL	Chemicals	2,383.02	2,477.32	-3.80%	76.28	72.76
2	Okta AD	Petroleum/Natural Gas	801.69	976.34	-17.89%	3.12	8.88
3	Elektrani na Severna Makedonija AD	Electricity	500.28	554.42	-9.76%	5.08	36.60
4	Makpetrol AD	Petroleum/Natural Gas	494.41	611.52	-19.15%	12.53	20.99
5	EVN Home DOO	Electricity	411.16	500.65	-17.87%	20.43	8.90
6	Kromberg & Schubert Makedonija BT DOOEL	Automobiles	352.69	250.47	40.82%	5.84	4.38
7	Kam DOO	Wholesale/Retail	268.91	232.70	15.56%	7.34	4.95
8	Van Hool Makedonija DOOEL	Automobiles	246.95	124.10	99.00%	8.76	4.21
9	Supertrade DOOEL	Petroleum/Natural Gas	216.18	202.49	6.76%	0.43	0.42
10	Alkaloid AD	Pharmaceuticals	209.71	188.06	11.52%	24.73	22.95

GDP and GVA
(in billions of Macedonian denars)



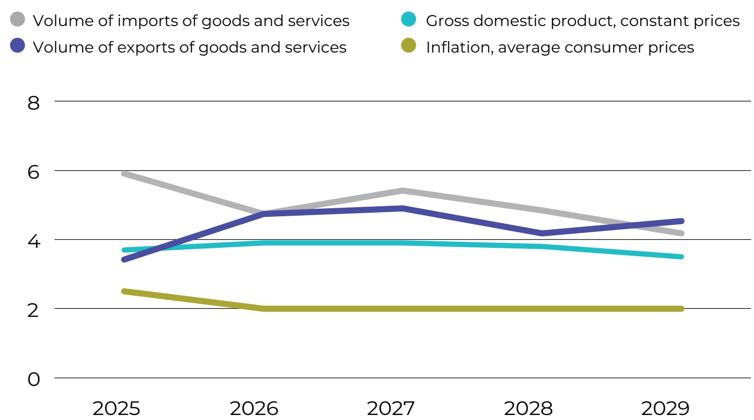
Source: State Statistical Office of the Republic of Macedonia

FDI
(in millions of euro)



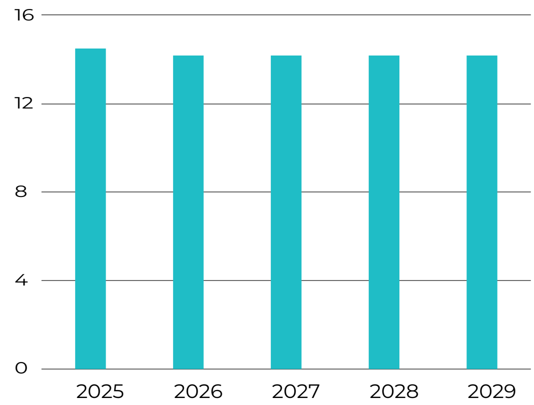
Source: National Bank of the Republic of Macedonia

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



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

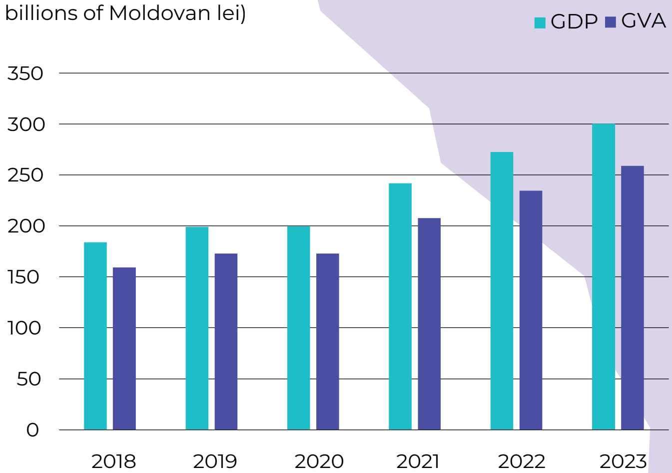
Moldova

TOP 10

(in millions of euro)

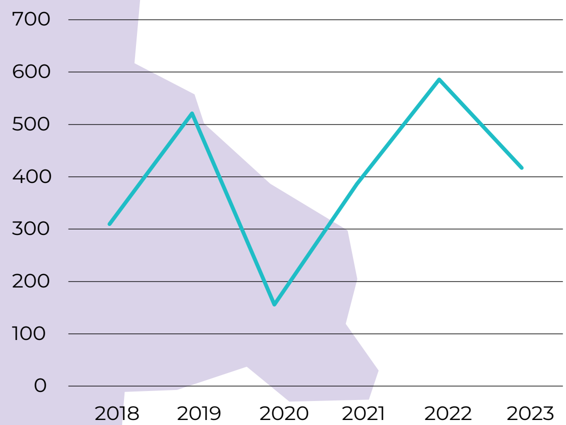
Rank	Company name	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022
1	Energocom SA	Electricity	889.66	429.28	96.85%	-6.58	6.99
2	Moldovagaz SA	Petroleum/Natural Gas	724.49	812.36	-15.29%	56.50	-15.86
3	Moldretail Group SRL	Wholesale/Retail	500.26	403.58	17.74%	19.78	15.19
4	Rompetrol Moldova SA	Petroleum/Natural Gas	478.82	491.96	-7.55%	3.53	1.09
5	Lukoil - Moldova SRL	Petroleum/Natural Gas	449.08	580.35	-26.50%	3.82	2.59
6	Loteria Nationala a Moldovei SA	Entertainment	431.96	348.97	17.57%	10.21	8.35
7	Premier Energy SRL	Electricity	381.57	364.48	-0.56%	-8.90	18.62
8	Termoelectrica SA	Electricity	290.12	227.71	21.02%	-2.22	-11.43
9	Floarea Soarelui SA	Food/Drinks/Tobacco	265.03	381.18	-33.96%	-11.99	32.88
10	Petrom Moldova SRL	Petroleum/Natural Gas	194.29	263.49	-29.96%	3.95	-3.39

GDP and GVA
(in billions of Moldovan lei)



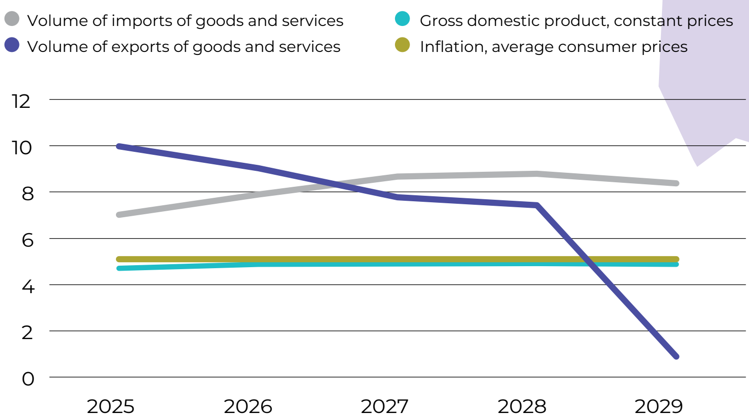
Source: National Bureau of Statistics of the Republic of Moldova

FDI
(in millions of US dollars)



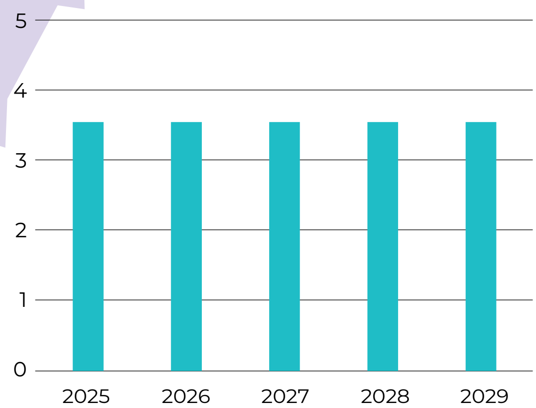
Source: National Bank of Moldova

MOLDOVA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

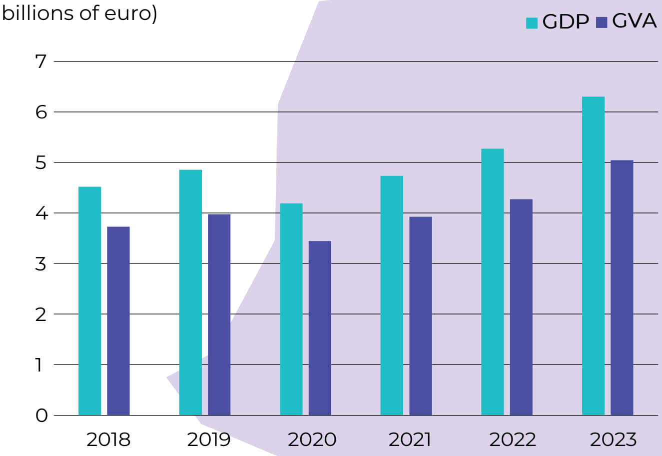
Montenegro

TOP 10

(in millions of euro)

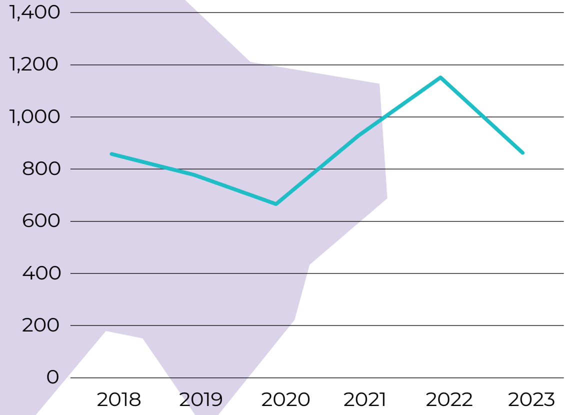
Rank	Company name	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022
1	Elektroprivreda Crne Gore A.D.	Electricity	499.28	526.78	-5.22%	52.49	4.29
2	Voli Trade D.O.O.	Wholesale/Retail	356.31	312.43	14.04%	15.63	11.61
3	Jugopetrol A.D.	Petroleum/Natural Gas	254.19	314.94	-19.29%	7.07	11.97
4	Hard Discount Lakovic D.O.O.	Wholesale/Retail	236.86	197.13	20.15%	9.89	5.60
5	Idea-CG D.O.O. (formerly known as Mercator-CG D.O.O.)	Wholesale/Retail	183.95	146.12	25.89%	1.95	-0.76
6	Zdravstvena Ustanova Apoteke Crne Gore Montefarm	Wholesale/Retail	143.26	113.15	26.60%	0.65	1.13
7	Glosarij D.O.O.	Wholesale/Retail	128.29	112.81	13.72%	5.69	5.13
8	Domaca Trgovina D.O.O.	Wholesale/Retail	123.17	100.94	22.03%	2.23	0.93
9	Crnogorski Elektrodistributivni Sistem D.O.O.	Electricity	116.92	121.25	-3.57%	1.40	-11.68
10	INA - Crna Gora D.O.O.	Petroleum/Natural Gas	115.28	122.59	-5.97%	-0.03	-0.02

GDP and GVA
(in billions of euro)



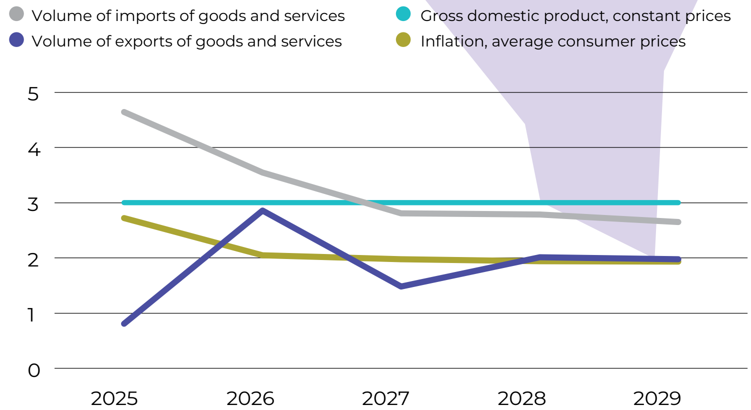
Source: Statistical Office of Montenegro

FDI
(in millions of euro)



Source: Central Bank of Montenegro

MONTENEGRO ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

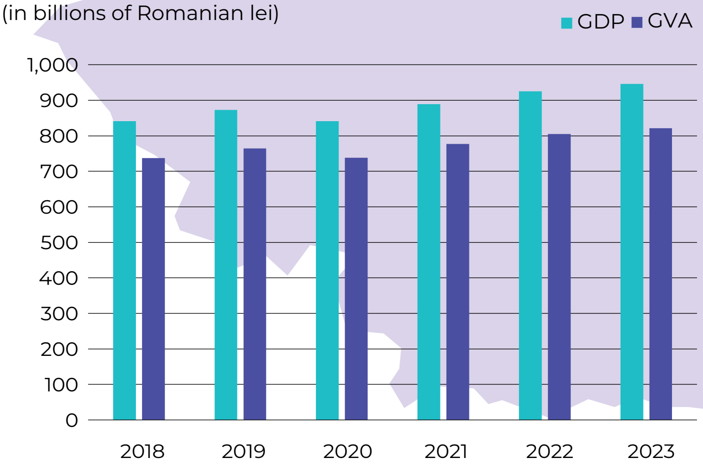
Romania

TOP 10

(in millions of euro)

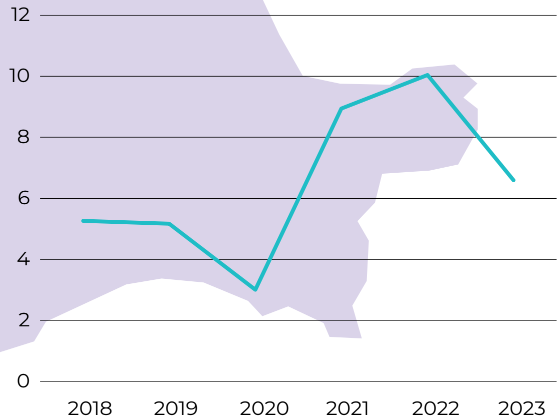
Rank	Company name	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022
1	OMV Petrom SA	Petroleum/Natural Gas	7,740.23	13,386.95	-41.86%	792.84	2,079.39
2	Automobile-Dacia SA	Automobiles	5,302.02	5,261.81	1.32%	106.39	106.48
3	OMV Petrom Marketing SRL	Petroleum/Natural Gas	4,656.69	5,493.59	-14.77%	124.83	112.35
4	Lidl Discount SRL	Wholesale/Retail	4,491.42	3,842.07	17.54%	216.78	213.16
5	Kaufland Romania SCS	Wholesale/Retail	3,719.76	3,256.24	14.86%	173.86	178.75
6	Rompetrol Rafinare SA	Petroleum/Natural Gas	3,599.64	5,019.48	-27.89%	-110.63	134.67
7	Rompetrol Downstream SRL	Petroleum/Natural Gas	2,940.45	3,395.57	-12.93%	37.57	38.41
8	Ford Otosan Romania SRL	Automobiles	2,838.44	2,907.92	-1.85%	-3.05	-4.94
9	Profi Rom Food SRL	Wholesale/Retail	2,758.26	2,496.53	11.09%	-42.82	-57.80
10	Hidroelectrica SA	Electricity	2,560.48	1,999.68	28.75%	1,276.95	888.22

GDP and GVA
(in billions of Romanian lei)



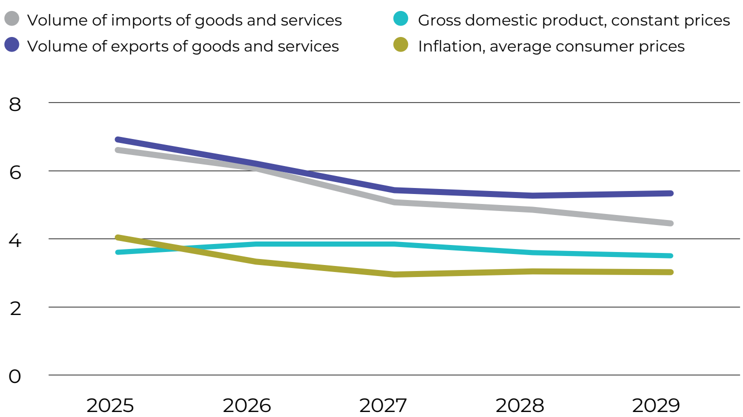
Source: National Institute of Statistics

FDI
(in billions of euro)



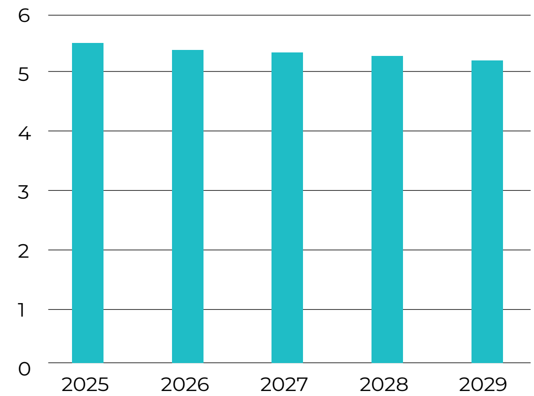
Source: National Bank of Romania

ROMANIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF)
World Economic Outlook Database – April 2024

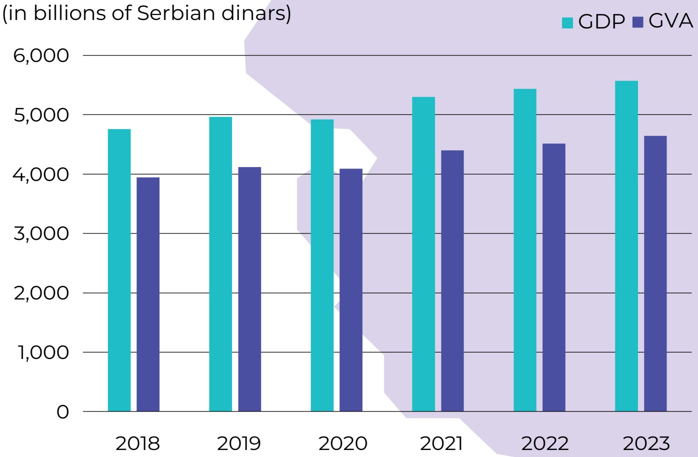
Serbia

TOP 10

(in millions of euro)

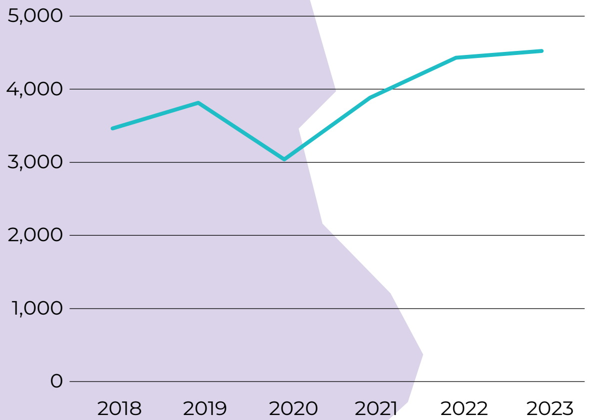
Rank	Company name	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022
1	Elektroprivreda Srbije AD	Electricity	4,386.51	3,152.29	38.98%	962.55	-620.96
2	Naftna Industrija Srbije AD	Petroleum/Natural Gas	3,446.71	4,324.24	-20.39%	358.79	798.98
3	JP Srbijagas	Petroleum/Natural Gas	1,543.56	1,919.68	-19.69%	102.98	46.92
4	Telekom Srbija AD	Telecommunications	1,425.14	1,066.39	33.47%	292.35	114.02
5	Delhaize Serbia DOO	Wholesale/Retail	1,357.03	1,176.10	15.24%	66.23	57.69
6	Serbia Zijin Mining DOO	Metals	1,165.25	1,043.56	11.52%	704.77	641.41
7	Tigar Tyres DOO	Rubber/Rubber Products	1,103.83	1,154.00	-4.47%	44.63	75.62
8	Serbia Zijin Copper DOO	Metals	1,089.39	919.02	18.39%	164.37	300.62
9	YugoRosGaz AD	Petroleum/Natural Gas	1,008.02	1,077.62	-6.58%	20.67	19.76
10	Elektrodistribucija Srbije DOO	Electricity	997.75	897.04	11.09%	-9.02	2.14

GDP and GVA
(in billions of Serbian dinars)



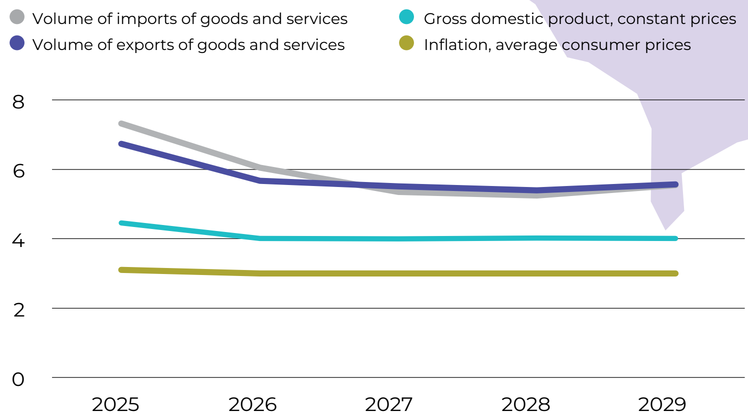
Source: Statistical Office of the Republic of Serbia

FDI
(in millions of euro)



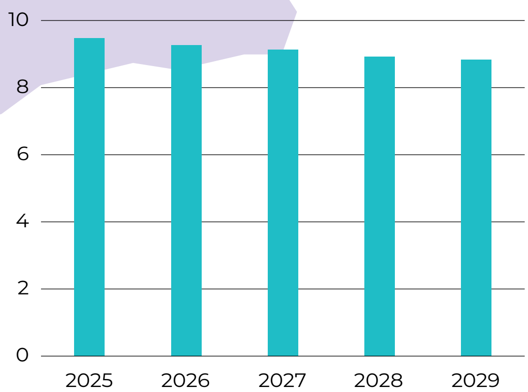
Source: National Bank of Serbia

SERBIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

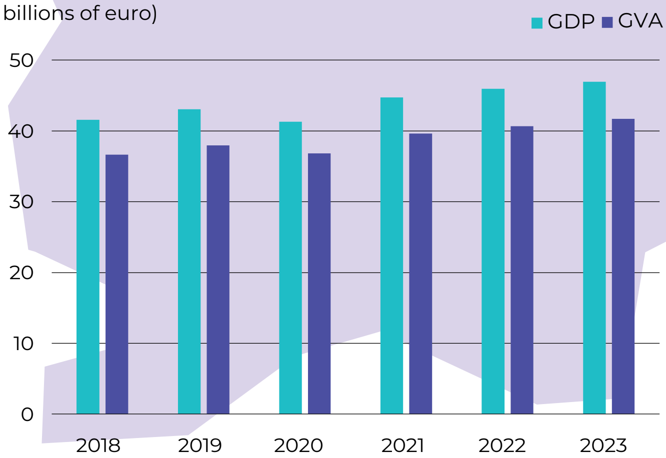
Slovenia

TOP 10

(in millions of euro)

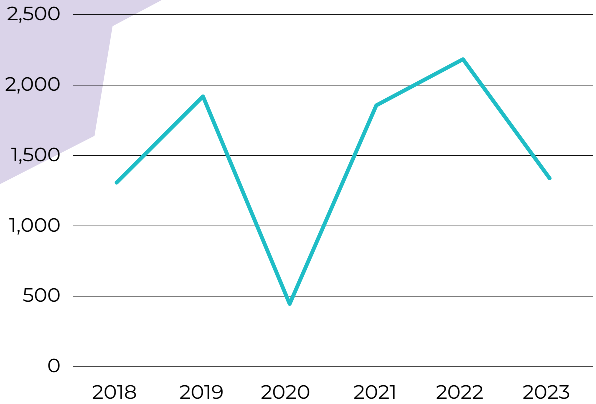
Rank	Company name	Industry	Total revenue 2023	Total revenue 2022	Y/Y change in revenue	Net profit/ loss 2023	Net profit/ loss 2022
1	Petrol d.d.	Petroleum/Natural Gas	5,587.81	7,961.81	-29.82%	92.81	19.38
2	Holding Slovenske Elektrarne d.o.o.	Electricity	5,172.71	5,591.47	-7.49%	366.45	-319.68
3	Belektron d.o.o.	Financial Services	3,305.99	3,165.46	4.44%	29.81	27.71
4	GEN-I d.o.o.	Electricity	2,953.24	4,435.45	-33.42%	8.45	30.76
5	Gorenje d.o.o.	Electronics	2,546.34	2,224.76	14.45%	20.98	3.68
6	Krka d.d.	Pharmaceuticals	1,676.21	1,558.21	7.57%	294.48	348.22
7	Lek d.d.	Pharmaceuticals	1,626.06	1,597.55	1.78%	135.71	163.66
8	Poslovni Sistem Mercator d.d.	Wholesale/Retail	1,312.52	1,270.20	3.33%	-47.84	12.24
9	Spar Slovenija d.o.o.	Wholesale/Retail	1,107.09	975.56	13.48%	19.60	16.89
10	Geoplin d.o.o.	Petroleum/Natural Gas	1,039.52	1,454.97	-28.55%	22.19	-28.62

GDP and GVA
(in billions of euro)



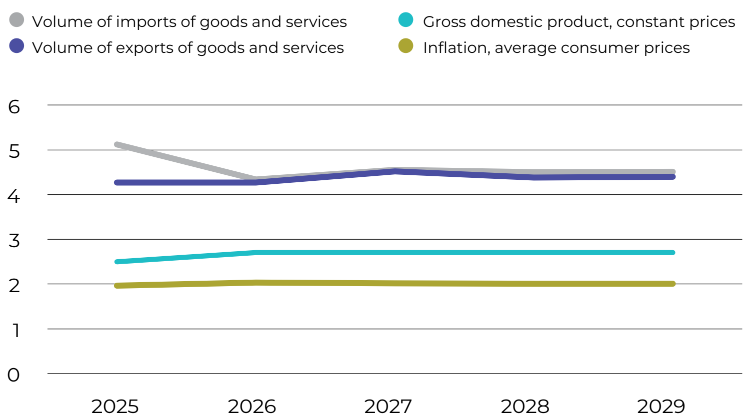
Source: Statistical Office of the Republic of Slovenia

FDI
(in millions of euro)



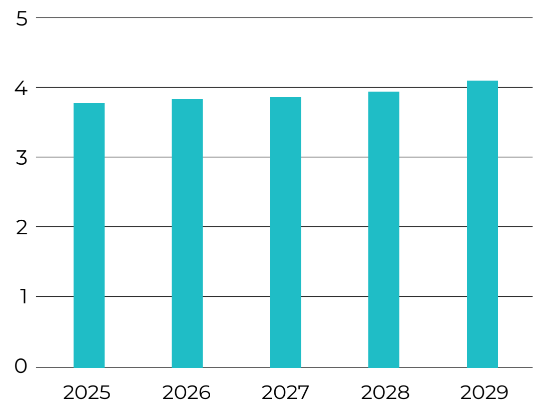
Source: Bank of Slovenia

SLOVENIA ECONOMY FORECAST
(y/y change in %)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

UNEMPLOYMENT RATE FORECAST
(% of total labour force)



Source: International Monetary Fund (IMF) World Economic Outlook Database – April 2024

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