

Translation from Bulgarian

Insurance Company LEV INS AD

INDIVIDUAL FINANCIAL STATEMENTS

**For the year ended 31 December 2019
WITH AN INDEPENDENT AUDITOR'S REPORT**

**Representative
SOFIYA ANTONOVA
PAVEL DIMITROV**

**Prepared by:
MIROSLAVA SPASOVA**

**Audit Firms:
Ecovis Audit Bulgaria OOD
Audit-Correct OOD**

IC LEV INS AD
INDIVIDUAL STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

ASSETS	Notes	31 December 2019 BGN'000	31 December 2018 BGN'000
Intangible assets	4	809	57
Investments in subsidiaries	2	9,500	10,103
Other interests	2	6,720	2,720
Investment property	1	66,267	61,002
Property, plant and equipment	3.1	1 536	248
Assets with right of use	3.2	2 722	-
<i>Financial assets</i>			
Bank deposits	9	8,124	7,124
Financial assets held to maturity	7	2,542	2,481
Financial assets available for sale	9	171	196
		10,837	9,801
Reinsurers' share			
Unearned premium reserve, incl.	12	45,938	43,909
Loss reserve	12	292,520	180,619
		338,458	224,528
Receivables on insurance and reinsurance transactions			
Receivables on insurance transactions	8	118,795	112,342
		118,795	112,342
Other receivables	8	49,659	42,656
Cash and cash equivalents	10	6,096	5,766
TOTAL ASSETS		611,399	469,223

IC LEV INS AD
INDIVIDUAL STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 – CONTINUED

EQUITY AND LIABILITIES	Notes	31 December 2019 BGN'000	31 December 2018 BGN'000
Equity			
Share capital	13	47,300	43,300
Retained earnings		26,748	24,962
Profit for the financial year		1,654	1,786
Reserve		1,170	1,170
		<hr/> 76,872	<hr/> 71,218
Gross insurance reserves			
Unearned premium reserve (UPR), incl.	12	119,532	111,482
Outstanding claims reserve (OCR)	12	393,111	267,985
Equalisation reserve		84	84
		<hr/> 512,727	<hr/> 379,551
Deferred tax liabilities	14	4,895	4,397
Liabilities on insurance transactions	15		2
			<hr/> 2
Subordinated debt	11	4,845	4,845
Other liabilities	15	12,060	9,210
TOTAL LIABILITIES		<hr/> 534,527	<hr/> 398,005
TOTAL EQUITY AND LIABILITIES		<hr/> 611,399	<hr/> 469,223

The notes on pages 9 to 61 are an integral part of the financial statements.

Representatives:

Sofiya Antonova

[Seal of Insurance company Lev Ins AD and signatures]

Pavel Dimitrov

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Georgi Trenchev

Rositsa Rangelova

[Seal of Audit Firm Ecovis

Audit Bulgaria OOD, reg.

No. 114, Sofia]

Audit-Correct OOD

Rositsa Trichkova

[Seal of Audit- Correct OOD, reg. No. 064, Sofia]

Date of preparation:

15 May 2020

IC LEV INS AD
INDIVIDUAL STATEMENT OF PROFIT OR LOSS
FOR **2019**

	Notes	31 December 2019 BGN'000	31 December 2018 BGN'000
Gross premiums written	1	316,686	280,229
Premiums ceded to reinsurers	1	(118,007)	(106,563)
Net premiums written	1	198,679	173,666
Change in gross amount of UPR, incl.	12	(8,050)	(25,516)
Change in the reinsurer's share inUPR., incl.	12	2,028	13,827
Net change inUPR		(6 022)	(11 689)
Premiums earned, net of reinsurance		192 657	161 977
Reinsurance commissions and share in the result	7	48,720	37,706
Investment yield, net	8	2,798	3,878
Other income		202	116
TOTAL INCOME		244,377	203,677

IC LEV INS AD
INDIVIDUAL STATEMENT OF PROFIT OR LOSS
FOR 2019 - CONTINUED

Claims paid	2	(159,705)	(161,315)
Reinsurer's share in claims paid	2	72,112	100,396
Claims paid, net	2	(87,593)	(60,919)
Change in gross amount of OCR	12	(125,126)	(55,242)
Change in the reinsurer's share in OCR	12	111,902	46,592
Net change in OCR		(13,224)	(8,650)
Claims incurred, net of reinsurance		(100,817)	(69,569)
Acquisition costs	3	(69,639)	(63,140)
Net change in deferred acquisition costs			
Administrative expenses	4	(12,344)	(11,738)
Other technical expenses	5	(47,293)	(51,177)
Other non-technical expenses	6	(11,368)	(5,824)
TOTAL EXPENSES		(241,461)	(201,448)
OPERATING PROFIT		2,916	2,229
Tax (expenses) / benefits	9	(1 262)	(443)
PROFIT /(LOSS) FOR THE YEAR		1,654	1,786

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Sofiya Antonova [Seal of Insurance company Lev Ins AD]
Pavel Dimitrov

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Rositsa Rangelova
[Seal of Audit Firm Ecovis
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Rositsa Trichkova
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IC LEV INS AD
INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME
FOR **2019**

	2019 BGN'000	2018 BGN'000
Profit for the year	1,654	1,786
Total comprehensive income for the year	1,654	1,786

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IC LEV INS AD
INDIVIDUAL STATEMENT OF CASH FLOWS
FOR 2019

	2019 BGN'000	2018 BGN'000
CASH FLOWS FROM OPERATING ACTIVITY		
Direct insurance	288,252	234,495
Reinsurance premiums paid	(4,633)	(1,689)
Claims and amounts paid	(183,334)	(161,315)
Amounts refunded by reinsurer	7,358	12,587
Payments to suppliers and employees	(12,041)	(10,031)
Acquisition costs paid	(69,639)	(55,691)
Tax on premiums and income paid	(5,319)	(3,711)
Other cash flows from operating activity	(19,300)	(19,862)
Net cash flows from operating activity	1,344	(5,217)
CASH FLOWS FROM INVESTING ACTIVITY		
Sale of shares	(4 000)	
Acquisition of property, plant and equipment, intangible and other fixed assets	(78)	(45)
Other cash flows from investing activity, including interest on deposits	-618	-444
Net cash flows from investing activity	(4 696)	(489)

IC LEV INS AD
INDIVIDUAL STATEMENT OF CASH FLOWS
FOR **2019 - CONTINUED**

	2019 BGN'000	2018 BGN'000
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issued securities	4 000	
Cash flows relating to loans received	(318)	4,839
Net cash flows from financing activity	3,682	4,839
(Decrease) / Increase in cash and cash equivalents	330	(867)
Cash and cash equivalents at the beginning of the year	5,766	6,633
Cash and cash equivalents at the end of the year	6,096	5,766

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15 May 2020

IC LEV INS AD
INDIVIDUAL STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Reserves		Financial result	
	Share capital	General reserves	Profit	Total equity
	BGN'000	BGN'000	BGN'000	BGN'000
On 31 December 2017	43 300	1 170	24 962	69 432
Total comprehensive income for the year				
<i>Financial result for the year</i>			1 786	1 786
<i>Total comprehensive income for the year</i>	-	-	1 786	1 786
Cover of loss carried forward				
On 31 December 2018	43 300	1 170	26 748	71 218
	Reserves		Financial result	
	Share capital	General reserves	Profit	Total equity
	BGN'000	BGN'000	BGN'000	BGN'000
On 31 December 2018	43 300	1 170	26 748	71 218
Total comprehensive income for the year				
<i>Financial result for the year</i>			1 654	1 654
<i>Total comprehensive income for the year</i>	-	-	1 654	1 654
Cover of loss carried forward				
Capital increase at the expense of owners	4 000			
On 31 December 2019	47 300	1 170	28 402	76 872

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