

Translation from Bulgarian

Insurance Company LEV INS AD

**INDIVIDUAL FINANCIAL STATEMENTS**

**For the year ended 31 December 2020  
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 2020

ASSETS	Notes	31 December 2020 BGN'000	31 December 2019 BGN'000
Intangible assets	4	363	809
Investments in subsidiaries	2	14,030	9,500
Other interests	2	360	6,720
Investment property	1	65,946	66,267
Property, plant and equipment	3.1	1,388	1,536
Assets with right of use	3.2	1,475	2,722
<i>Financial assets</i>			
<b>Bank deposits</b>	9	<b>14,131</b>	<b>8,124</b>
<b>Financial assets held to maturity</b>	7	<b>2,593</b>	<b>2,542</b>
<b>Financial assets available for sale</b>	9	<b>172</b>	<b>171</b>
		16,896	10,837
Reinsurers' share			
<b>Unearned premium reserve, incl.</b>	12	<b>46,592</b>	<b>45,938</b>
<b>Loss reserve</b>	12	<b>302,250</b>	<b>292,520</b>
		348,842	338,458
Receivables on insurance and reinsurance transactions			
<b>Receivables on insurance transactions</b>	8	<b>123,845</b>	<b>118,795</b>
		123,845	118,795
Other receivables	8	42,074	49,659
Cash and cash equivalents	10	6,375	6,096
<b>TOTAL ASSETS</b>		<b>621,594</b>	<b>611,399</b>

IC LEV INS AD  
INDIVIDUAL STATEMENT OF FINANCIAL POSITION  
**AS AT 31 DECEMBER 2020 – CONTINUED**

EQUITY AND LIABILITIES	Notes	31 December 2020 BGN'000	31 December 2019 BGN'000
Equity			
<b>Share capital</b>	<b>13</b>	<b>47,300</b>	<b>47,300</b>
<b>Retained earnings</b>		<b>28,402</b>	<b>26,748</b>
<b>Profit for the financial year</b>		<b>5,275</b>	<b>1,654</b>
<b>Reserve</b>		<b>1,170</b>	<b>1,170</b>
		<hr/> 82,147	<hr/> 76,872
Gross insurance reserves			
<b>Unearned premium reserve (UPR), incl.</b>	<b>12</b>	<b>117,342</b>	<b>119,532</b>
<b>Outstanding claims reserve (OCR)</b>	<b>12</b>	<b>401,542</b>	<b>393,111</b>
<b>Equalisation reserve</b>		<b>84</b>	<b>84</b>
		<hr/> 518,968	<hr/> 512,727
Deferred tax liabilities	<b>14</b>	4,842	4,895
<b>Liabilities on insurance transactions</b>	<b>15</b>	<b>123</b>	
<b>Reinsurance liabilities</b>	<b>15</b>	<b>16</b>	
		<hr/> <b>139</b>	<hr/> -
Subordinated debt	<b>11</b>	4,845	4,845
Other liabilities	<b>15</b>	10,653	12,060
<b>TOTAL LIABILITIES</b>		<hr/> 539,447	<hr/> 534,527
<b>TOTAL EQUITY AND LIABILITIES</b>		<hr/> 621,594	<hr/> 469,223

*The notes on pages 8 to 66 are an integral part of the financial statements.*

Representative:

Sofiya Antonova

Pavel Dimitrov

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MIROSLAVA SPASOVA

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Date of preparation:

15 April 2021

IC LEV INS AD  
INDIVIDUAL STATEMENT OF PROFIT OR LOSS  
FOR **2020**

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	Notes	31 December 2020 BGN'000	31 December 2019 BGN'000
<b>Gross premiums written</b>	<b>1</b>	<b>306,520</b>	<b>316,686</b>
<b>Premiums ceded to reinsurers</b>	<b>1</b>	<b>(120,177)</b>	<b>(118,007)</b>
Net premiums written	1	186,343	198,679
<b>Change in gross amount of UPR, incl.</b>	<b>12</b>	<b>2,190</b>	<b>(8,050)</b>
<b>Change in the reinsurer's share in UPR., incl.</b>	<b>12</b>	<b>655</b>	<b>2,028</b>
Net change in UPR		2,845	(6 022)
Premiums earned, net of reinsurance		189 188	192 657
<b>Reinsurance commissions and share in the result</b>	<b>7</b>	<b>48,526</b>	<b>48,720</b>
<b>Investment yield, net</b>	<b>8</b>	<b>(3,258)</b>	<b>2,798</b>
<b>Other income</b>		<b>45</b>	<b>202</b>
TOTAL INCOME		234,501	244,377

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IC LEV INS AD  
INDIVIDUAL STATEMENT OF PROFIT OR LOSS  
FOR 2020 - CONTINUED

Claims paid	2	(159,188)	(159,705)
<b>Reinsurer's share in claims paid</b>	<b>2</b>	<b>68,228</b>	<b>72,112</b>
Claims paid, net	2	(90,960)	(87,593)
<b>Change in gross amount of OCR</b>	<b>12</b>	<b>(8,431)</b>	<b>(125,126)</b>
<b>Change in the reinsurer's share in OCR</b>	<b>12</b>	<b>9,730</b>	<b>111,902</b>
Net change in OCR		1,299	(13,224)
Claims incurred, net of reinsurance		(89,661)	(100,817)
<b>Acquisition costs</b>	<b>3</b>	<b>(73,654)</b>	<b>(69,639)</b>
<b>Net change in deferred acquisition costs</b>			
<b>Administrative expenses</b>	<b>4</b>	<b>(16,079)</b>	<b>(12,344)</b>
<b>Other technical expenses</b>	<b>5</b>	<b>(43,975)</b>	<b>(47,293)</b>
<b>Other non-technical expenses</b>	<b>6</b>	<b>(5,245)</b>	<b>(11,368)</b>
TOTAL EXPENSES		(228,614)	(241,461)
OPERATING PROFIT		5,887	2,916
<b>Tax (expenses) / benefits</b>	<b>9</b>	<b>(612)</b>	<b>(1 262)</b>
PROFIT /(LOSS) FOR THE YEAR		5,275	1,654

*The notes on pages 8 to 66 are an integral part of the financial statements.*

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15 April 2021

IC LEV INS AD  
INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME  
FOR **2020**

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	2020 BGN'000	2019 BGN'000
Profit for the year	5,275	1,654
Total comprehensive income for the year	5,275	1,654

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INDIVIDUAL STATEMENT OF CASH FLOWS  
FOR 2020

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	2020 BGN'000	2019 BGN'000
CASH FLOWS FROM OPERATING ACTIVITY		
<b>Direct insurance</b>	<b>302,904</b>	<b>288,252</b>
<b>Reinsurance premiums paid</b>	<b>(7,902)</b>	<b>(4,633)</b>
<b>Claims and amounts paid</b>	<b>(184,330)</b>	<b>(183,334)</b>
<b>Amounts refunded by reinsurer</b>	<b>4,498</b>	<b>7,358</b>
<b>Payments to suppliers and employees</b>	<b>(15,506)</b>	<b>(12,041)</b>
<b>Acquisition costs paid</b>	<b>(73,654)</b>	<b>(69,639)</b>
<b>Tax on premiums and income paid</b>	<b>(8,331)</b>	<b>(5,319)</b>
<b>Other cash flows from operating activity</b>	<b>(10,427)</b>	<b>(19,300)</b>
Net cash flows from operating activity	7,252	1,344
CASH FLOWS FROM INVESTING ACTIVITY		
<b>Sale of shares</b>		<b>(4 000)</b>
<b>Acquisition</b> of property, plant and equipment, intangible and other fixed assets		<b>(78)</b>
<b>Other cash flows from investing activity, including interest on deposits</b>	<b>-6789</b>	<b>-618</b>
Net cash flows from investing activity	(6 789)	(4 696)

IC LEV INS AD  
INDIVIDUAL STATEMENT OF CASH FLOWS  
FOR 2020 - CONTINUED

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	2020 BGN'000	2019 BGN'000
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issued securities		<b>4 000</b>
Cash flows relating to loans received	<b>(184)</b>	<b>(318)</b>
Net cash flows from financing activity	(184)	3,682
<b>(Decrease) / Increase in cash and cash equivalents</b>	279	330
Cash and cash equivalents at the beginning of the year	<b>6,096</b>	<b>5,766</b>
<b>Cash and cash equivalents at the end of the year</b>	6,375	6,096

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IC LEV INS AD  
INDIVIDUAL STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	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
<b>Total comprehensive income for the year</b>				
<i>Financial result for the year</i>			1 654	1 654
<i>Total comprehensive income for the year</i>	-	-	<b>1 654</b>	<b>1 654</b>
<b>Capital increase at the expense of owners</b>	4 000			
On 31 December 2019	47 300	1 170	28 402	76 872
	Reserves		Financial result	
	Share capital	General reserves	Profit	Total equity
	BGN'000	BGN'000	BGN'000	BGN'000
On 31 December 2019	47 300	1 170	28 402	76 872
<b>Total comprehensive income for the year</b>				
<i>Financial result for the year</i>			5 275	5 275
<i>Total comprehensive income for the year</i>	-	-	<b>5 275</b>	<b>5 275</b>
On 31 December 2019	47 300	1 170	33 677	82 147

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