

Translation from Bulgarian

Insurance Company LEV INS AD

INDIVIDUAL FINANCIAL STATEMENTS

**For the year ended 31 December 2018
WITH AN INDEPENDENT AUDITOR'S REPORT**

**Representative
MARIA MASLAROVA – GARKOVA
PAVEL DIMITROV**

**Prepared by:
MIROSLAVA SPASOVA**

**Audit Firms:
Zaharinoxa Nexia OOD
Ecovis Audit Bulgaria OOD**

IC LEV INS AD
INDIVIDUAL STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

ASSETS	Notes	31 December 2018 BGN'000	31 December 2017 BGN'000
Intangible assets	4	57	60
Investments in subsidiaries	2	10,103	10,103
Other interests	2	2,720	2,720
Investment property	1	61,002	55,714
Property, plant and equipment	3	248	366
<i>Financial assets</i>			
Bank deposits	9	7,124	2,616
Financial assets held to maturity	7	2,481	2,434
Financial assets available for sale	9	196	221
		9,801	5,271
Reinsurers' share			
Unearned premium reserve, incl.	12	43,909	30,082
Loss reserve	12	180,619	134,027
		224,528	164,109
Receivables on insurance and reinsurance transactions			
Receivables on insurance transactions	8	112,342	70,535
		112,342	70,535
Other receivables	8	42,656	67,056
Cash and cash equivalents	10	5,766	6,633
TOTAL ASSETS		469,223	382,567

IC LEV INS AD
INDIVIDUAL STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018 – CONTINUED

EQUITY AND LIABILITIES	Notes	31 December 2018 BGN'000	31 December 2017 BGN'000
Equity			
Share capital	13	43,300	43,300
Retained earnings		24,962	24,601
Profit for the financial year		1,786	361
Reserve		1,170	1,170
		71218	69,432
Gross insurance reserves			
Unearned premium reserve (UPR), incl.	12	111,482	85,966
Outstanding claims reserve (OCR)	12	267,985	212,743
Equalisation reserve		84	84
		379,551	298,793
Deferred tax liabilities	14	4,397	3,954
Liabilities on insurance transactions	15	2	2,412
		2	2,412
Subordinated debt	11	4,845	
Other liabilities	15	9,210	7,976
TOTAL LIABILITIES		398,005	313,135
TOTAL EQUITY AND LIABILITIES		469,223	382,567

The notes on pages 9 to 49 are an integral part of the financial statements.

Representative: *[signature /illegible/]*

Maria Maslarova-Garkova *[Seal of Insurance company Lev Ins AD]*

Pavel Dimitrov

Prepared by:

MIROSLAVA SPASOVA

Audit Firms:

Zaharinova Nexia OOD *[signature /illegible/]* *[Seal of Audit Firm Zaharinova Nexia OOD, reg. No. 138, Sofia]*

Ecovis Audit Bulgaria OOD *[signature /illegible/]* *[Seal of Audit Firm Ecovis Audit Bulgaria OOD, reg. No. 114, Sofia]*

Date of preparation:

31 March 2019

IC LEV INS AD
INDIVIDUAL STATEMENT OF PROFIT OR LOSS
FOR **2018**

	Notes	31 December 2018 BGN'000	31 December 2017 BGN'000
Gross premiums written	1	280,229	204,680
Premiums ceded to reinsurers	1	(106,563)	(62,600)
Net premiums written	1	173,666	142,080
Change in gross amount of UPR, incl.	12	(25,516)	(3,384)
Change in the reinsurer's share in UPR., incl.	12	13,827	8,009
Net change in UPR		(11,689)	4,625
Premiums earned, net of reinsurance		161,977	146,705
Reinsurance commissions and share in the result	7	37,706	23,443
Investment yield, net	8	3,878	582
Other income		116	255
TOTAL INCOME		203,677	170,985

IC LEV INS AD
INDIVIDUAL STATEMENT OF PROFIT OR LOSS
FOR 2018 - CONTINUED

Claims paid	2	(161,315)	(100,703)
Reinsurer's share in claims paid	2	100,396	49,081
Claims paid, net	2	(60,919)	(51,622)
Change in gross amount of OCR	12	(55,242)	(57,070)
Change in the reinsurer's share in OCR	12	46,592	52,719
Net change in OCR		(8,650)	(4351)
Claims incurred, net of reinsurance		(69,569)	(55,973)
Acquisition costs	3	(63,140)	(46,232)
Net change in deferred acquisition costs			(4,941)
Administrative expenses	4	(11,738)	(10,531)
Other technical expenses	5	(51,177)	(14,688)
Other non-technical expenses	6	(5,824)	(37,731)
TOTAL EXPENSES		(201,448)	(170,096)
OPERATING PROFIT		2,229	889
Tax (expenses) / benefits	9	(443)	(528)
PROFIT /(LOSS) FOR THE YEAR		1,786	361

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31 March 2019

IC LEV INS AD
INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME
FOR 2018

	2018 BGN'000	2017 BGN'000
Profit for the year	1,786	361
Total comprehensive income for the year	1,786	361

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Date of preparation:

31 March 2019

IC LEV INS AD
INDIVIDUAL STATEMENT OF CASH FLOWS
FOR 2018

	2018 BGN'000	2017 BGN'000
CASH FLOWS FROM OPERATING ACTIVITY		
Direct insurance	234,495	184,998
Reinsurance premiums paid	(1,689)	(2,549)
Claims and amounts paid	(161,315)	(100,703)
Amounts refunded by reinsurer	12,587	5,952
Payments to suppliers and employees	(10,031)	(11,798)
Acquisition costs paid	(55,691)	(46,232)
Tax on premiums and income paid	(3,711)	(3,714)
Other cash flows from operating activity	(19,862)	(22,766)
Net cash flows from operating activity	(5,217)	3,188
CASH FLOWS FROM INVESTING ACTIVITY		
Proceeds from sale of property, plant and equipment, intangible and other fixed assets		24
Acquisition of property, plant and equipment, intangible and other fixed assets	(45)	(272)
Other cash flows from investing activity, including interest on deposits	(444)	(382)
Net cash flows from investing activity	(489)	(630)

IC LEV INS AD
INDIVIDUAL STATEMENT OF CASH FLOWS
FOR 2018 - CONTINUED

	2018 BGN'000	2017 BGN'000
CASH FLOWS FROM FINANCING ACTIVITY		
Cash flows relating to loans received	4,839	(20)
Net cash flows from financing activity	4,839	(20)
(Decrease) / Increase in cash and cash equivalents	(867)	2,538
Cash and cash equivalents at the beginning of the year	6,633	4,095
Cash and cash equivalents at the end of the year	5,766	6,633

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31 March 2019

IC LEV INS AD
INDIVIDUAL STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Reserves		Financial result	
	Share capital	General reserves	Profit	Total equity
	BGN'000	BGN'000	BGN'000	BGN'000
On 31 December 2016	43 300	1 170	24 601	69 071
Total comprehensive income for the year				
<i>Financial result for the year</i>			361	361
<i>Total comprehensive income for the year</i>	-	-	361	361
Cover of loss carried forward				
On 31 December 2017	43 300	1 170	24 962	69 432
	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

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31 March 2019

I, the undersigned Dobrinka Petrova Krasteva hereby certify the correctness of the translation made by me from Bulgarian into English of the document herewith enclosed / Financial statements for the year ended 31 December 2018 of Insurance Company Lev Ins AD. The translation consists of 9 (nine) pages. Translator: Dobrinka Petrova Krasteva