



Short Overview of key indicators of Russian Trade Credit Insurance market

1st half 2020



Foreword



The purpose of this Overview is to provide objective information on the Russian Trade Credit Insurance market and its participants.

This Overview is not intended to provide any advice, nor does it contain direct or indirect statements, appeals or otherwise.

The Overview is based on open sources of information, including but not limited to the following: information disclosed by insurance companies on their websites, information provided by insurance companies to the Central Bank of the Russian Federation and published by the latter, arbitration cases database, other Internet resources that, in our opinion, are reliable. Despite the listed sources of information, we admit that the data presented in the Overview may have some errors, but according to our estimates within a 5% threshold.

The use of information contained in this Overview means that you have full understanding that you voluntarily assume all risks and consequences that may arise from its use.

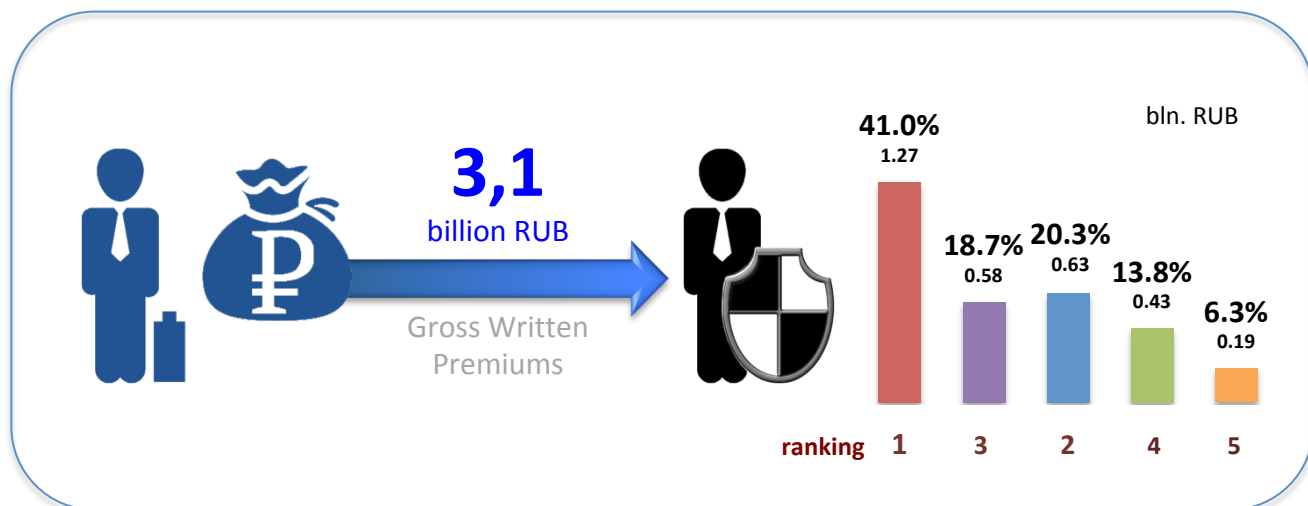
Director General «TCI» LLC

Petrenko D.

Gratitude:

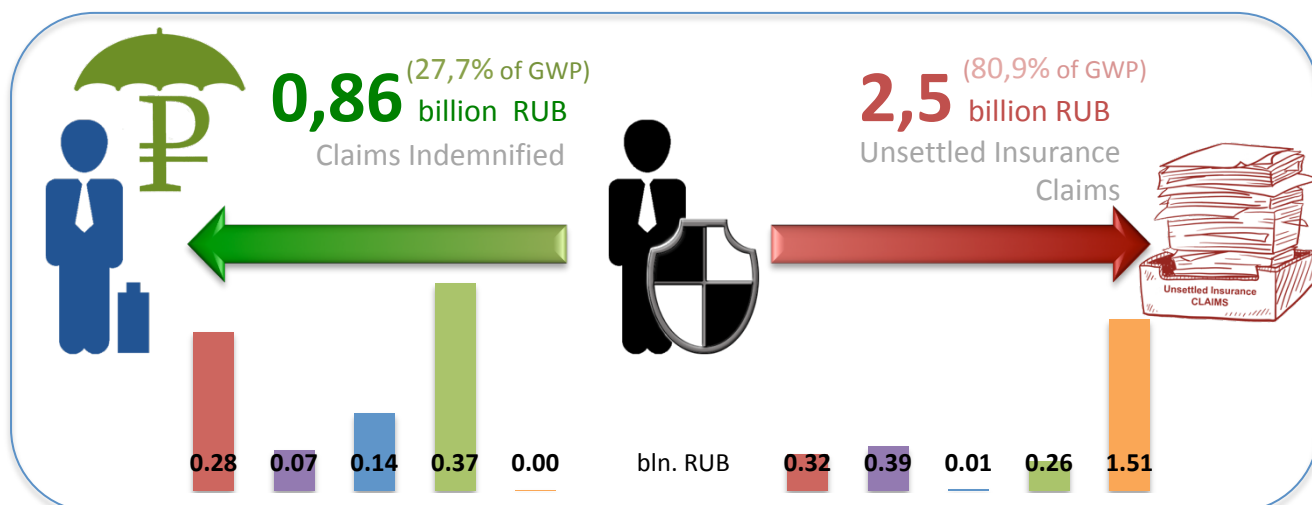
We express our gratitude to the management of the companies "Atradius Rus Credit Insurance", "Credendo - Ingosstrakh Credit Insurance", "Insurance company "Euler Hermes Ru "and "Insurance company "Soglasie" for their contribution to improving the information content of these overviews.

Key Indicators of Russian Trade Credit Insurance market **1st half 2020**



+10.0% insurance premium growth in 1st half 2020 compared to 1st half 2019.

The best growth was demonstrated by Atradius Rus Credit Insurance LLC **+29.2%**



1,51 bln. RUB unsettled insurance claims were reported by Soglasie LLC as at the end of 1st half 2020 (should be noted that the reported amount is consolidated on entrepreneurial risk insurance, means that not necessarily all amount is related to TCI).

Unsettled insurance claims does not include IBNR and LAE reserves.

Key Indicators of Russian Trade Credit Insurance market **1st half 2020**



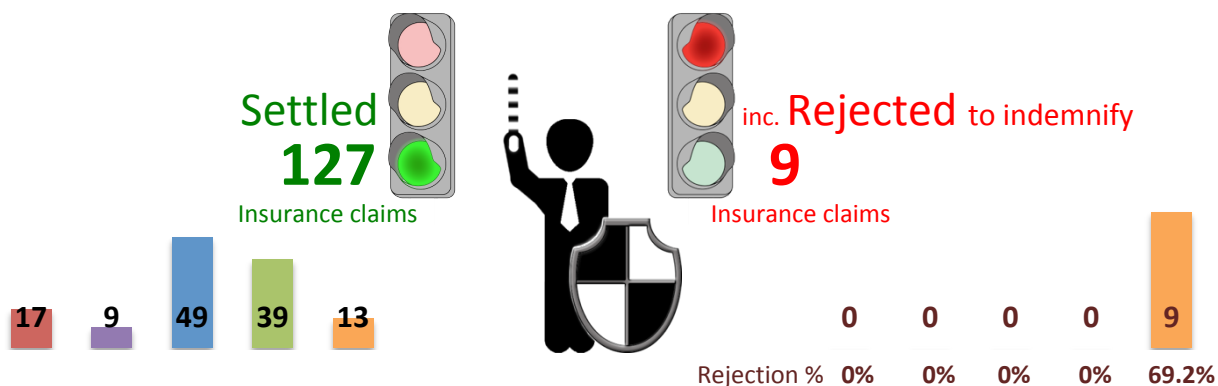
Atradius Rus

Credendo-Ingosstrakh

Euler Hermes Rus

Coface Rus

Sogalsie IC

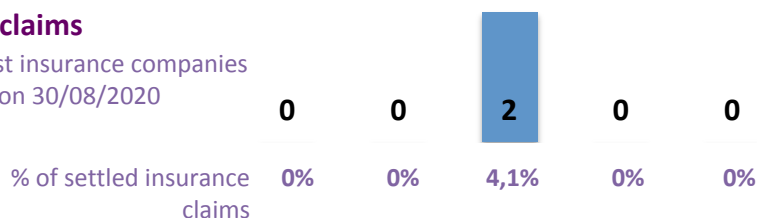


Overall rejection rate in the 1st half of 2020 amounted to **7.1%** of all claims settled.



2 legal claims

filed against insurance companies
in 2020 as on 30/08/2020



The number of legal claims filed against insurance companies in comparison to the overall amount of settled insurance claims in 1st half of 2020 amounted to **1.6%**



Comparative charts

Gross Written Premiums **2016 – 1st half 2020** in mln. RUB

Insurance companies with GWP >**1bln.** RUB annually

Chart 1.

Atradius Rus
GWP
2016-1hy2020

1Q 2Q 3Q 4Q

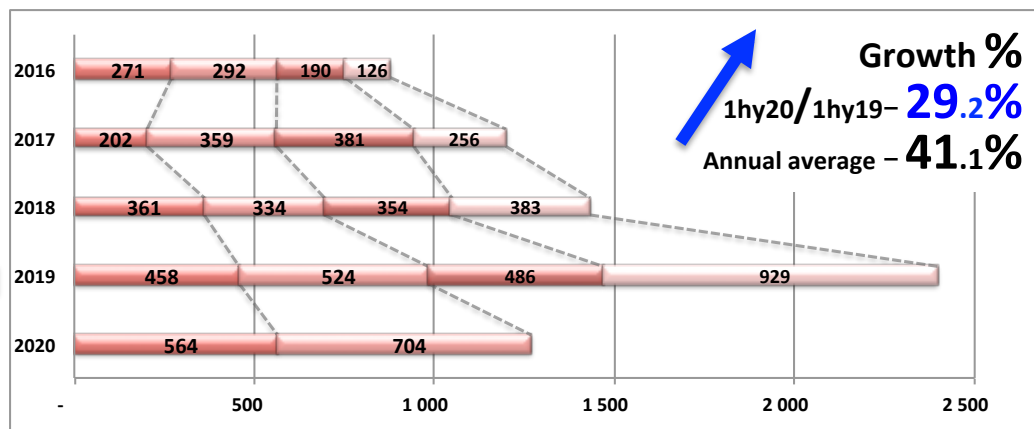


Chart 2.

Credendo-Ingosstrakh
GWP
2016-1hy2020

1Q 2Q 3Q 4Q

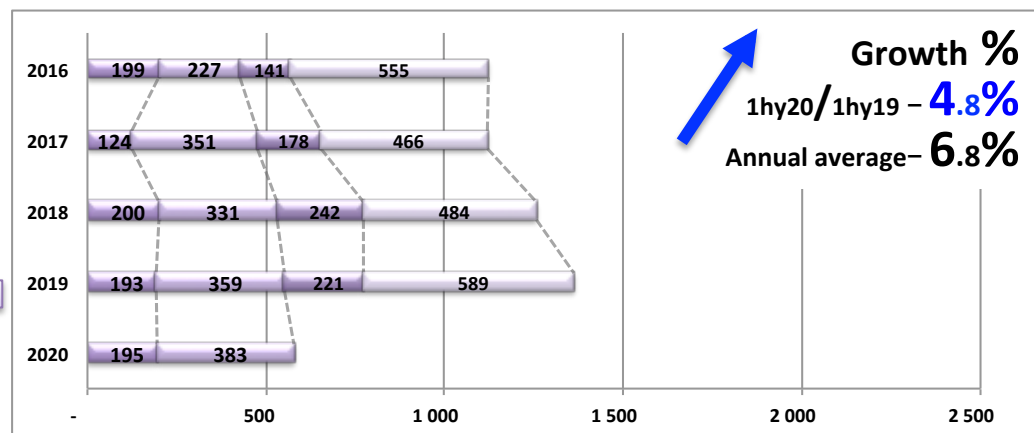
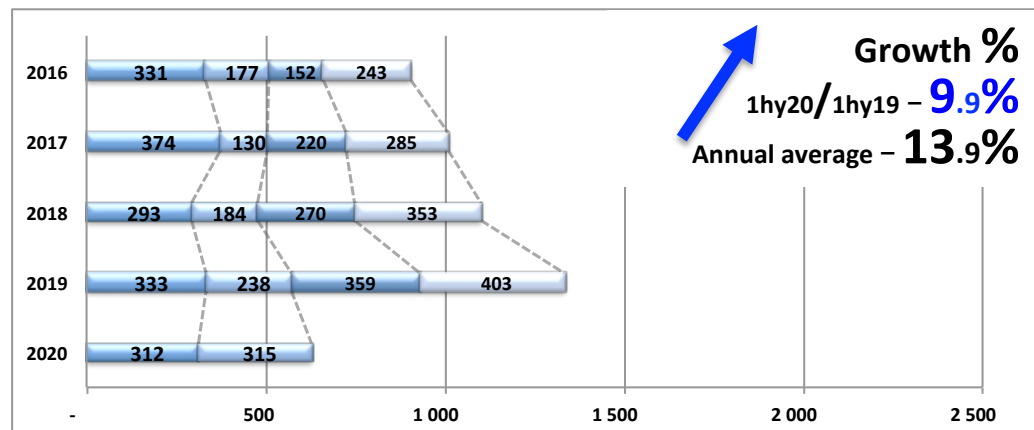


Chart 3.

Euler Hermes Rus
GWP
2016-1hy2020

1Q 2Q 3Q 4Q





Comparative charts

Gross Written Premiums **2016 – 1st half 2020** in mln. RUB

Insurance companies with GWP < **1bln.** RUB annually

Chart 4.

Coface Rus

GWP

2016-1hy2020

1Q 2Q 3Q 4Q

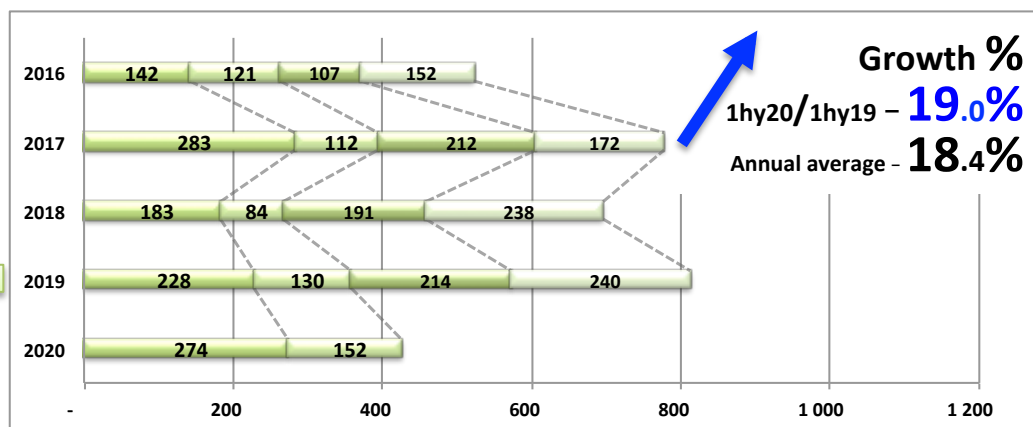


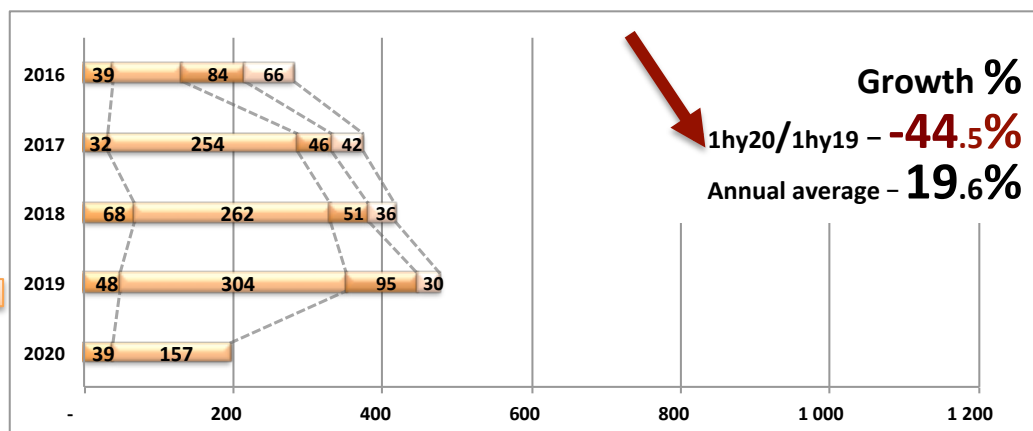
Chart 5.

Soglasie IC

GWP

2016-1hy2020

1Q 2Q 3Q 4Q





Comparative charts

Gross Written Premiums **2016 – 1st half 2020** in mln. RUB

All Insurance companies consolidated

Chart 6.
GWP distribution per
Quarters

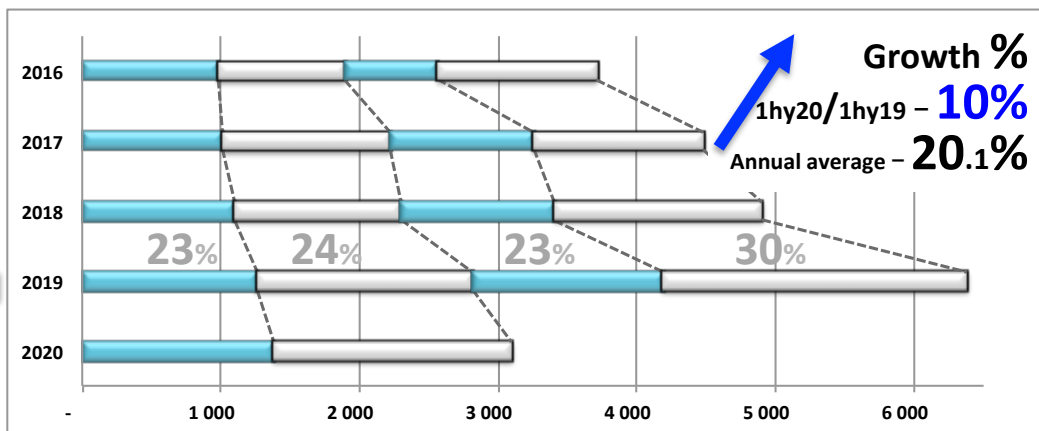


Chart 7.
GWP market share
by Insurance companies

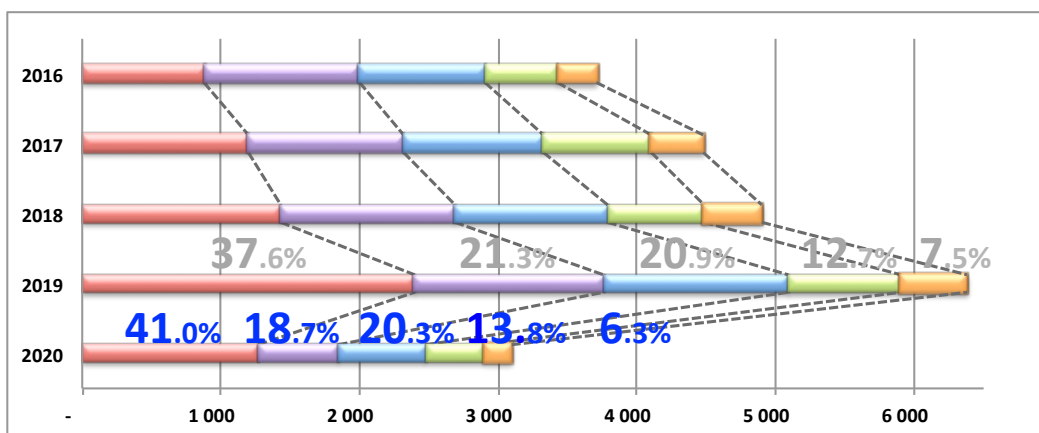
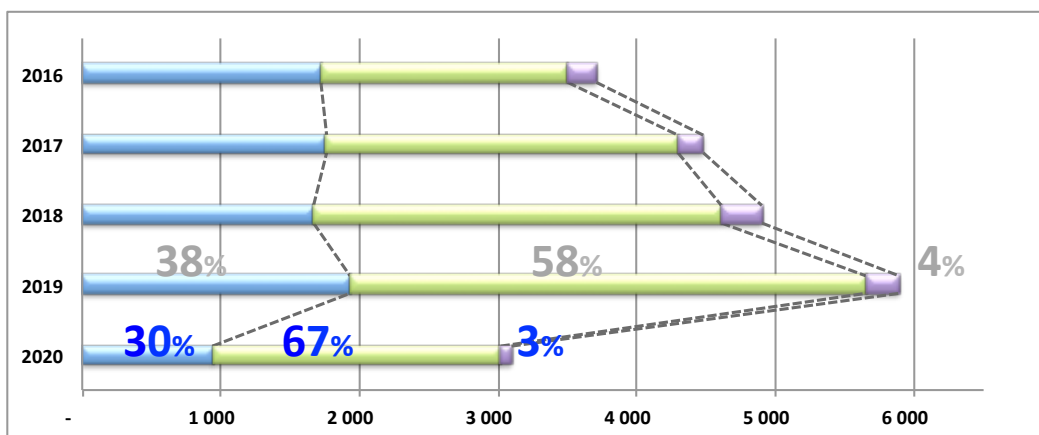


Chart 8.
GWP distribution per
Aquisition channel





Key indicators of Russian Trade Credit Insurance market

consolidated for the period 2016 – 1st half 2020



Summary for Insurance companies in total for **2016 – 1st half 2020**



Atradius Rus

Credendo-Ingosstrakh

Euler Hermes Rus

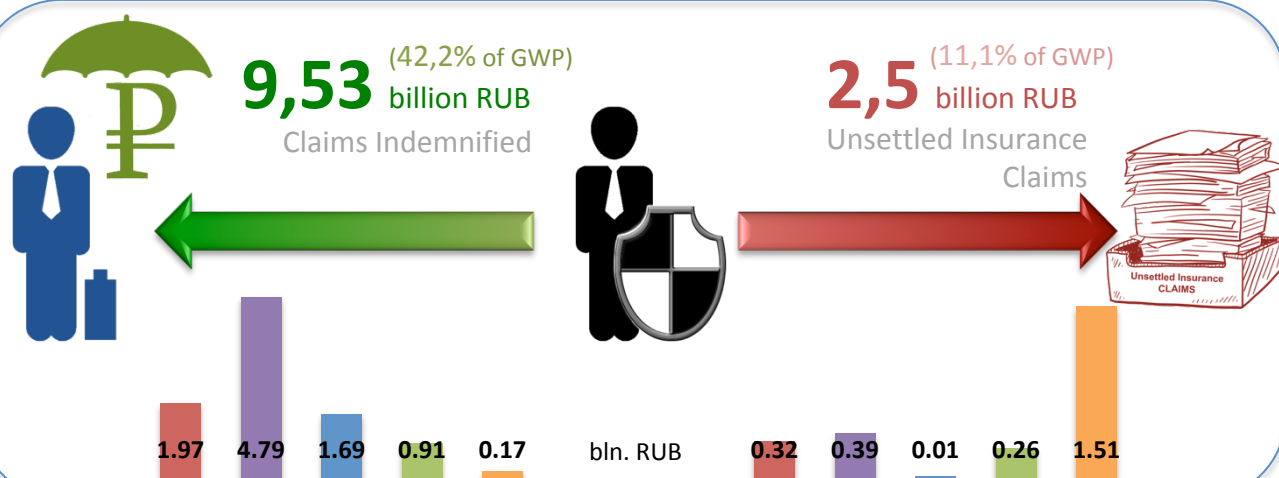
Coface Rus

Sogalsie IC



+20% annual average growth rate based on the past 3 years.

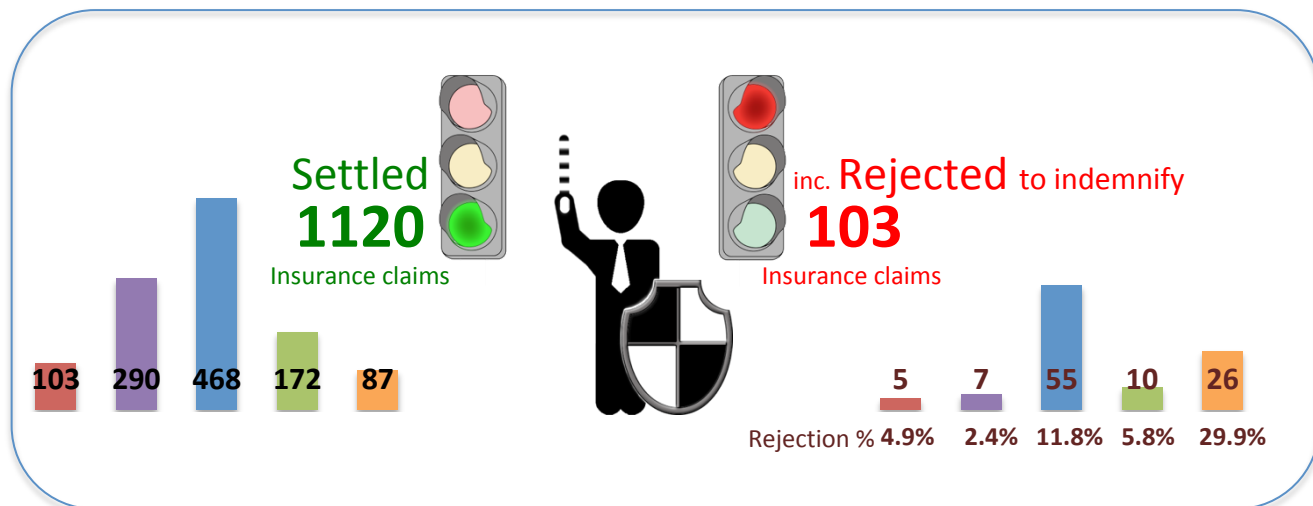
The average (for 4 years) growth rate of 1 halfyear to 1 halfyear is **+13%**



1,51 bln. RUB unsettled insurance claims were reported by Soglasie LLC as at the end of 1st half 2020 (should be noted that the reported amount is consolidated on entrepreneurial risk insurance, means that not necessarily all amount is related to TCI).

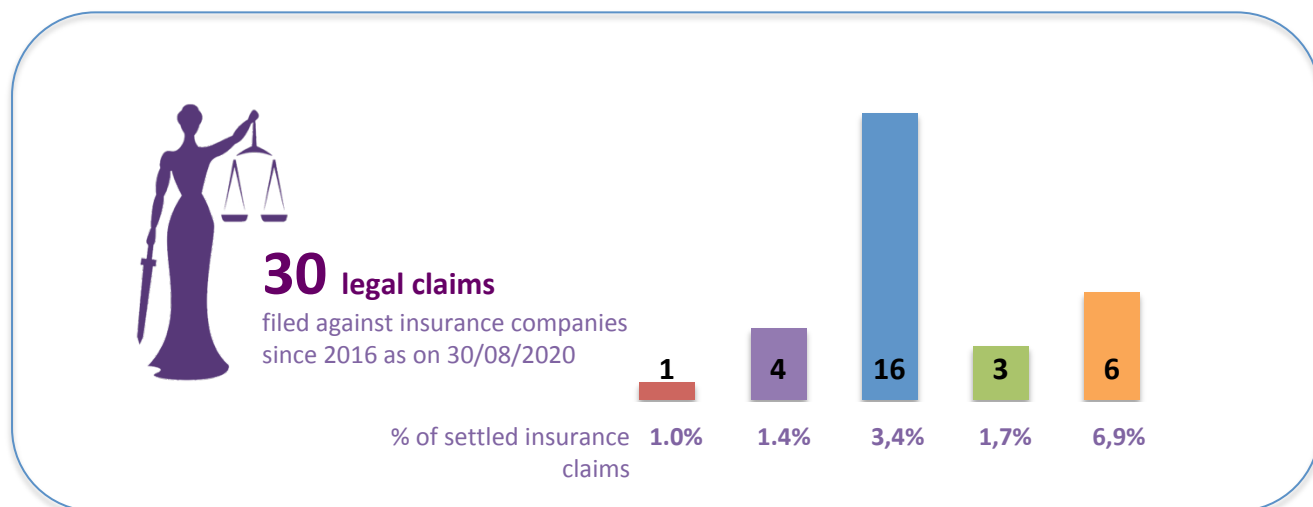
Unsettled insurance claims does not include IBNR and LAE reserves.

Summary for Insurance companies in total for **2016 – 1st half 2020**



Overall accumulated rejection rate for the past 4.5 years amounted to **9.2%** of all claims settled.

Should be noted that the reported amount of rejected claims of Soglasie LLC is consolidated on all entrepreneurial risk insurance, means that not necessarily all rejections are related to TCI.



The number of legal claims filed against insurance companies in comparison to the overall amount of settled insurance claims since 2016 amounted to **2.7%**

Conclusion



The results of the 1st half of 2020 for trade credit insurance in Russia can be described as quite good, considering the influence of the current unique epidemiological situation. Should be noted that the currently available information for analysis does not contain the figures of the amount of Insurers IBNR at the end of 1st half 2020, which can radically change the assessment of the results of the 1st half of 2020.

Key highlights for the period:

- Gross written premiums for the 1st half of 2020 compared to the 1st half of 2019 year have grown by +10,0% (+0.28 bln.RUB);
- Should be noted that Atradius Rus continues drastic growth of his portfolio by +29.2% (+0.29 bln.RUB), while Soglasie IC has a significant portfolio gap of -44,5% (-0.16 bln.RUB);
- Insurance brokers remain the dominant acquisition channel, whose share of total premiums accrued in 1st half of 2020 remains at 67%;
- Total amount of claims paid in 1st half of 2020 was 0,86 bln. RUB (which almost equals the amount of claims paid in 2019 - 0,89 bln.RUB);
- The total amount of unsettled insurance claims at the end of 1st half of 2020 amounted to 2.5 billion RUB (with 60% of this amount accounted for by Soglasie IC - 1.51 billion RUB).

In terms of forecasts for the 2nd half of 2020, in our view, we should expect from the credit insurers to continue their conservative approach in risk underwriting and somewhat cautious commercial underwriting. To what extent this approach will be justified, we shall analyze in the financial statements for 2020.

Director General «TCI» LLC



Petrenko D.

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In case you will find any errors or omissions in the overview and/or possess more accurate data, in order to increase the accuracy and objectivity of the overview, we would kindly appreciate your feedback which you may send to:

info@tci-rus.com