

DFA1 form approved
By Board of the Bank of Lithuania
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ERGO Life Insurance SE

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**FINANCIAL STATEMENTS OF INSURANCE AND REINSURANCE
ACTIVITY**

2016.03.31

General Manager Dr. Kęstutis Bagdonavičius

Chief accountant Jūratė Muckienė

Chief actuary Dr. Gintaras Bakštys

Balance sheet

No.	Articles	Financial Year	
		1	2
1	INTANGIBLE NON-CURRENT ASSETS	1 308 906,00	1 416 122,00
2	Goodwill	0,00	0,00
3	Software	1 065 964,00	1 145 719,00
4	Other intangible non-current assets	242 942,00	270 403,00
5	INVESTMENTS	250 332 903,00	239 085 219,00
6	Land, buildings and other real estate	229 845,00	229 844,00
7	Occupied by insurance company for its own activities	0,00	0,00
8	Land	0,00	0,00
9	Buildings	0,00	0,00
10	Other	0,00	0,00
11	Investment property	229 845,00	229 844,00
12	Land	18 935,00	18 935,00
13	Buildings	210 910,00	210 909,00
14	Investments in subsidiaries and associates	2 513 692,00	2 190 372,00
15	Debt securities of subsidiaries and loans granted to subsidiaries	927 870,00	927 870,00
16	Debt securities issued by associated companies and loans granted to associated companies	655 753,00	650 959,00
17	Shares issued by associated companies	930 069,00	611 543,00
18	Debt securities issued by associated companies and loans granted to associated companies	0,00	0,00
19	Other financial investments	247 589 366,00	236 665 003,00
20	Shares, other variable interest securities and units of unit trust	19 059 114,00	25 514 988,00
21	Listed	18 135 490,00	24 629 535,00
22	Not listed	923 624,00	885 453,00
23	Debt and other fixed interest securities	228 500 089,00	211 069 163,00
24	Government, central bank and municipal securities	192 041 496,00	184 690 014,00
25	Securities issued by other business entities	36 458 593,00	26 379 149,00
26	Loans secured in with mortgages	0,00	0,00
27	Other loans	0,00	0,00
28	Deposits in credit institution	30 163,00	32 398,00
29	Financial instruments derivatives	0,00	0,00
30	Other investments into real estate	0,00	48 454,00
31	Deposits at the reinsured	0,00	0,00
32	OTHER LIFE INSURANCE INVESTMENTS	20 511 221,00	20 099 895,00
33	Life insurance investments with investments risk taken by the insured	20 511 221,00	20 099 895,00
34	Investments for unit linked life insurance	0,00	0,00
35	Professional pension accumulation investment		
36	REINSURANCE ASSETS	152 320,00	191 452,00

37	Provision for unearned premiums	866,00	1 163,00
38	Outstanding claims technical provision	149 294,00	188 892,00
39	Life insurance mathematical technical provision	1 805,00	1 045,00
40	Technical provision for rebates	355,00	352,00
41	Other technical provision	0,00	0,00
42	ACCOUNTS RECEIVABLE	9 021 001,00	9 527 155,00
43	Amounts receivable from insurance activities	8 644 792,00	8 778 471,00
44	The insured	8 644 740,00	8 778 361,00
45	Intermediaries	52,00	110,00
46	Others	0,00	0,00
47	Accounts receivable from inward and outward reinsurance activities	40 087,00	279 141,00
48	The reinsured	0,00	0,00
49	Reinsurers	40 087,00	279 141,00
50	Intermediaries	0,00	0,00
51	Others	0,00	0,00
52	Other accounts receivable	336 122,00	469 543,00
53	OTHER ASSETS	6 289 603,00	6 610 925,00
54	Tangible assets and inventories	411 144,00	419 286,00
55	Motor vehicles	153 978,00	168 075,00
56	Office and other equipment	179 461,00	198 027,00
57	Inventories	13 990,00	12 196,00
58	Prepayments	63 715,00	40 988,00
59	Deferred profit tax assets	0,00	0,00
60	Prepaid profit tax	0,00	0,00
61	Cash at bank and in hand	5 421 527,00	5 946 530,00
62	Other assets	456 932,00	245 109,00
63	ACCRUED INCOME AND DEFERRED COSTS	8 417 237,00	8 642 005,00
64	Accrued interest and rental income	0,00	0,00
65	Deferred acquisition costs	8 329 935,00	8 531 042,00
66	Other accrued income	0,00	0,00
67	Other deferred costs	87 302,00	110 963,00
68	TOTAL ASSETS	296 033 191,00	285 572 773,00
69	CAPITAL AND RESERVES	67 906 491,00	52 342 065,00
70	Share capital	4 380 213,00	4 380 213,00
71	Share premium (surplus of nominal value)	15 129 290,00	15 129 290,00
72	Own shares (-)	0,00	0,00
73	Revaluation reserve	34 646 576,00	19 052 024,00
74	Intangible assets	0,00	0,00
75	Long term tangible	0,00	0,00
76	Financial assets	34 646 576,00	19 052 024,00
77	Reserves	740 211,00	740 211,00

78	Mandatory reserve	450 591,00	450 591,00
79	Other reserves	289 620,00	289 620,00
80	Profit (loss) to be carried forward from previous year(+/-)	13 040 327,00	16 418 547,00
81	Retained earnings (losses) of the current year (+/-)	(30 126,00)	(3 378 220,00)
82	FINANCING (GRANTS AND SUBSIDIES)	0,00	0,00
83	SUBORDINATED LIABILITIES	0,00	0,00
84	TECHNICAL PROVISIONS	222 052 994,00	226 154 751,00
85	For insurance liabilities	222 052 994,00	226 154 751,00
86	Provision for unearned premiums	11 449 830,00	10 782 451,00
87	Outstanding claims technical provision	3 761 029,00	4 741 600,00
88	Life insurance mathematical technical provision	182 601 155,00	186 746 323,00
89	Technical provision for rebates	3 729 759,00	3 784 482,00
90	Other technical provision	0,00	0,00
91	Technical provision for life insurance with the investment risk borne by the insured	20 511 221,00	20 099 895,00
92	Other technical provision for insurance liabilities	0,00	0,00
93	For financial liabilities	0,00	0,00
94	Technical provision for financial liabilities, where the investment risk borne by the insured	0,00	0,00
95	Technical provision for professional pension accumulation activities	0,00	0,00
96	Technical provision for pension accumulation activities	0,00	0,00
97	Technical provision for other financial liabilities	0,00	0,00
98	PROVISIONS	0,00	0,00
99	Provision for pensions and similar liabilities	0,00	0,00
100	Provision for taxation	0,00	0,00
101	Other provision	0,00	0,00
102	DEPOSITS OF REINSURERS	0,00	0,00
103	LIABILITIES	6 073 706,00	7 075 957,00
104	Liabilities from insurance activities	3 331 093,00	4 011 787,00
105	Liabilities to the insured	2 508 507,00	3 260 882,00
106	Liabilities to intermediaries	822 586,00	750 905,00
107	Other liabilities from insurance activities	0,00	0,00
108	Liabilities from inward and outward reinsurance activities	174 264,00	4 785,00
109	Liabilities to the reinsured	0,00	0,00
110	Liabilities to the reinsurers	174 264,00	4 785,00
111	Liabilities to intermediaries	0,00	0,00
112	Other liabilities from inward and outward reinsurance activities	0,00	0,00
113	Issued debt securities converted debts to be specified separately	0,00	0,00
114	Debts to credit institutions	0,00	0,00
115	Financial instruments derivatives	0,00	0,00
116	Taxes, social security and other liabilities	2 568 349,00	3 059 385,00
117	Taxes	195 188,00	689 873,00

118	Compulsory social security contributions	93 345,00	90 765,00
119	Salaries	86 131,00	75 387,00
120	Other liabilities	2 193 685,00	2 203 360,00
121	ACCRUED COSTS AND DEFERRED INCOME	0,00	0,00
122	Accrued costs	0,00	0,00
123	Deferred income	0,00	0,00
124	TOTAL EQUITY AND LIABILITIES	296 033 191,00	285 572 773,00

Income statement and statement of comprehensive income

No.	Articles	Financial Year	
		1	2
1	EARNED PREMIUMS NET OF REINSURERS' SHARE	14 233 582,00	15 210 791,00
2	Gross premium written	15 103 140,00	16 424 768,00
3	Outward premiums (-)	-201 882,00	-278 997,00
4	Change in technical provision for premiums unearned (-/+)	-667 379,00	-921 654,00
5	Change in the reinsurers' share in technical provision for premiums unearned (-/+)	-297,00	-13 326,00
6	Income of contract management (fee and commission income)	763 705,00	4 756,00
7	INSURANCE CLAIM, NET OF REINSURERS' SHARE EXPENSES (-)	(8 694 452,00)	(8 328 586,00)
8	Claim paid (-)	-8 507 752,00	-6 536 651,00
9	Redeemable amounts (-)	-855 415,00	-1 227 923,00
10	Claims settlement expenses (-)	-301 021,00	-276 733,00
11	Amounts recovered (+)	131,00	101,00
12	Reinsurers' share (+)	28 632,00	79 622,00
13	Change in the technical provision for claims outstanding (-/+)	980 572,00	-373 337,00
14	Reinsurers' share (+)	-39 599,00	6 335,00
15	RETURNED (PAYABLE) INSURANCE PREMIUMS (PROFIT PARTICIPATION), NET OF REINSURERS' SHARE (-)	142 101,00	253 398,00
16	Change in life insurance mathematical technical provision, net of reinsurers share +/-	-4 144 409,00	-6 163 045,00
17	Change in technical provision for rebates (-/+)	0,00	0,00
18	Reinsurers' share (+)	232 891,00	-2 184 734,00
19	Change in technical provision for life insurance with the investment risk borne by the insured (+/-)	-644 217,00	0,00
20	Change in technical provision for financial liabilities, where the investment risk borne by the insured (+/-)	0,00	0,00
21	Change in other technical provision for insurance liabilities (+/-)	0,00	0,00
22	NET OPERATING EXPENSES (-)	(3 163 469,00)	(3 058 945,00)
23	Acquisition costs (-)	-2 657 389,00	-2 481 224,00
24	Change in deferred acquisition costs (-/+)	201 107,00	125 947,00
25	Administrative expenses (-)	-731 512,00	-747 521,00
26	Reinsurance commissions and reinsurers' profit share (+)	24 325,00	43 853,00

27	INVESTING INCOME	1 655 685,00	1 681 435,00
28	Income from participating in other companies	0,00	0,00
29	Income from land and buildings	3 549,00	3 816,00
30	Income from other investments	1 596 863,00	1 629 796,00
31	Reverse of impairment	0,00	0,00
32	Profit from transfer of investments	55 273,00	47 823,00
33	INVESTMENTS EXPENSES (-)	(1 247 375,00)	(645,00)
34	Investment management expenses including interest (-)	-110 888,00	-97 473,00
35	Costs related to participation in other companies activity and other investments (-)	0,00	0,00
36	Loss due to decrease in value (-)	0,00	0,00
37	Loss on transfer of investments (-)	-1 136 487,00	96 828,00
38	LOSS FROM OTHER INVESTMENT OF LIFE INSURANCE (-)	0,00	1 555 602,00
39	Profit from investment when the investment risk borne by the insured	0,00	1 555 602,00
40	Profit from professional pension accumulation investment	0,00	0,00
41	OTHER INCOME	332 092,00	151 977,00
42	Income from pension accumulation activity	0,00	0,00
43	Finance income (+)	44 593,00	143 741,00
44	Other income (+)	287 499,00	8 236,00
45	OTHER EXPENSES (-)	35 773,00	(305 618,00)
46	Expenses from pension accumulation activity (-)	0,00	0,00
47	Finance expenses (-)	8 877,00	-231 362,00
48	Other expenses (-)	26 896,00	-74 256,00
49	CURRENT YEAR RESULT - PROFIT (LOSS) BEFORE TAXATION	(498 093,00)	(1 183 614,00)
50	PROFIT TAX (-)	467 967,00	113 546,00
51	Income tax expense for the reporting year	256 144,00	0,00
52	Deferred income tax expense (income)	211 823,00	113 546,00
53	CURRENT YEAR RESULT - PROFIT (LOSS)	(30 126,00)	(1 070 068,00)
54	Statement of comprehensive income	7 831 034,00	8 368 590,00
55	Change in the value of available-for-sale financial assets	7 831 034,00	8 368 590,00
56	From cash flow hedges	0,00	0,00
57	Revaluation of assets	0,00	0,00
58	Actuarial gains (losses) of defined benefit pension plans	0,00	0,00
59	Other comprehensive income	0,00	0,00
60	PROFIT TAX FROM OTHER COMPREHENSIVE INCOME (-)	0,00	0,00
61	OTHER COMPREHENSIVE INCOME, MINUS PROFIT TAX	7 831 034,00	8 368 590,00
62	CURRENT YEAR RESULT - PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME	7 800 908,00	7 298 522,00

Cash flows statement

No.	Articles	Financial Year	
		1	2
		1	2
1	CASH FLOWS FROM OPERATING ACTIVITIES +/-	2 414 781,00	2 810 395,00
2	Insurance and inward reinsurance premiums received	16 153 537,00	12 905 288,00
3	Insurance premiums	16 153 537,00	12 893 122,00
4	Inward reinsurance premiums	0,00	12 166,00
5	Component of deposit	0,00	0,00
6	Coinsurance premiums	0,00	0,00
7	Share of insurance undertakings in coinsurance premiums received	0,00	0,00
8	Share in coinsurance premiums received of other insurance undertakings involved in coinsurance operations	0,00	0,00
9	Amounts paid to other insurance undertakings involved in coinsurance operations (-)	0,00	0,00
10	Amounts received from other insurance undertakings involved in coinsurance operations	0,00	0,00
11	Outward reinsurance premiums (-)	0,00	-882 715,00
12	Proportional outward reinsurance premiums (-)	0,00	-882 715,00
13	Non-proportional outward reinsurance premiums (-)	0,00	0,00
14	Amounts paid under insurance and reinsurance contracts (-)	-5 747 084,00	-6 052 700,00
15	Rebates upon cancellation of contracts (-)	-3 867,00	-6 584,00
16	Insurance (-)	-3 867,00	-6 584,00
17	Reinsurance (-)	0,00	0,00
18	Claims paid (-)	-5 743 217,00	-3 740 868,00
19	Insurance (-)	-5 762 132,00	-3 887 221,00
20	Reinsurance (-)	18 915,00	146 353,00
21	Amounts recovered by way of subrogation and salvage (+)	5 394,00	3 117,00
22	Insurance (+)	5 394,00	3 117,00
23	Reinsurance (+)	0,00	0,00
24	Surrender values paid (-)	-3 617 619,00	-2 297 124,00
25	Insurance (-)	-3 617 619,00	-2 297 124,00
26	Reinsurance (+)	0,00	0,00
27	Claim handling expenses paid (-)	-1 350,00	-1 911,00
28	Insurance (-)	-1 350,00	-553,00
29	Reinsurance (-)	0,00	0,00
30	Amounts paid for life insurance with the investment risk borne by the insured (-)	-14 762,00	-19 309,00
31	Amounts paid for other financial liabilities (-)	1 638,00	8 622,00
32	Other amounts transferred to reinsurers (-)	0,00	0,00
33	Other amounts received from reinsurers	239 052,00	4 814,00
34	Other amounts transferred to the reinsured (-)	0,00	0,00
35	Other amounts received from the reinsured	0,00	0,00

36	Operating expenses paid (-)	-3 984 256,00	-2 828 700,00
37	Taxes on ordinary activities paid (-)	-506 953,00	-395 232,00
38	Amounts received from other operating activities	-112 816,00	76 406,00
39	Amounts paid on other operating activities (-)	0,00	-16 767,00
40	CASH FLOWS FROM INVESTING ACTIVITIES +/(-)	-2 937 959,00	-3 557 918,00
41	Amounts received from investing activities	3 785 656,00	2 166 172,00
42	Subsidiaries and associated companies	0,00	0,00
43	Shares, other variable-yield securities and income units in unit trusts	1 872 524,00	362 039,00
44	Debt and other fixed-interest securities	1 761 669,00	1 670 841,00
45	Land	0,00	0,00
46	Buildings	0,00	3 967,00
47	Loans secured with mortgages	150 000,00	0,00
48	Other secured loans	0,00	0,00
49	Unsecured loans	328,00	627,00
50	Deposits with credit institutions	162,00	185,00
51	Other investments	973,00	128 513,00
52	Amounts received on maturity or realization of investments	11 873 235,00	644 632,00
53	Subsidiaries and associates	0,00	0,00
54	Shares, other variable-yield securities and units in unit trusts	4 446 339,00	13 697,00
55	Debt securities and other fixed-interest securities	7 421 435,00	274 592,00
56	Land	0,00	0,00
57	Buildings	0,00	0,00
58	Loans secured with mortgages	0,00	0,00
59	Other secured loans	0,00	0,00
60	Unsecured loans	5 461,00	5 426,00
61	Deposits with credit institutions	0,00	350 918,00
62	Other investments	0,00	0,00
63	Amounts paid on investment (-)	-18 480 648,00	-6 196 802,00
64	Subsidiaries and associates (-)	-318 526,00	0,00
65	Shares, other variable-yield securities and units in unit trusts (-)	-8 761 884,00	-2 046 865,00
66	Debt securities and other fixed-interest securities (-)	-9 369 225,00	-4 090 234,00
67	Land (-)	0,00	0,00
68	Buildings (-)	0,00	0,00
69	Loans secured with mortgages (-)	0,00	0,00
70	Other secured loans (-)	0,00	0,00
71	Unsecured loans (-)	-3 074,00	-8 826,00
72	Deposits with credit institutions (-)	0,00	0,00
73	Other investments (-)	-27 939,00	-50 878,00
74	Taxes paid on investing activities (-)	-109 104,00	-61 976,00
75	Amounts generated from other investing activities	0,00	0,00
76	Amounts paid on other investing activities (-)	-7 098,00	-109 945,00

77	CASH FLOWS FROM FINANCING ACTIVITIES +/-	-1 827,00	273,00
78	Amounts received on issue of ordinary and preference shares	0,00	0,00
79	Amounts paid on purchase of own shares (-)	0,00	0,00
80	Amounts received on issue of debt securities	0,00	0,00
81	Amounts paid on redemption of debt securities (-)	0,00	0,00
82	Loans received	0,00	0,00
83	Loans repaid (-)	0,00	0,00
84	Dividends paid (-)	0,00	0,00
85	Taxes paid on financing activities (-)	0,00	0,00
86	Amounts generated from other financing activities	0,00	273,00
87	Amounts paid on other financing activities (-)	-1 827,00	0,00
88	CURRENCY EXCHANGE IMPACT	0,00	0,00
89	INCREASE (DECREASE) IN CASH	-525 005,00	-747 250,00
90	CASH AND CASH EQUIVALENTS IN THE BEGINNING OF THE PERIOD	5 946 532,00	5 575 221,00
91	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5 421 527,00	4 827 971,00