

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**

2016.12.31

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	1 384 631,00	1 416 122,00
2	Goodwill	0,00	0,00
3	Software	1 200 875,00	1 145 719,00
4	Other intangible non-current assets	183 756,00	270 403,00
5	INVESTMENTS	257 752 691,00	215 347 296,00
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	6 108 631,00	2 190 372,00
15	Debt securities of subsidiaries and loans granted to subsidiaries	4 677 870,00	927 870,00
16	Debt securities issued by associated companies and loans granted to associated companies	500 692,00	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	251 414 215,00	212 927 080,00
20	Shares, other variable interest securities and units of unit trust	23 485 546,00	25 505 134,00
21	Listed	19 132 651,00	24 619 681,00
22	Not listed	4 352 895,00	885 453,00
23	Debt and other fixed interest securities	221 903 491,00	187 341 094,00
24	Government, central bank and municipal securities	179 282 701,00	155 571 510,00
25	Securities issued by other business entities	42 620 790,00	31 769 584,00
26	Loans secured in with mortgages	0,00	0,00
27	Other loans	6 025 178,00	0,00
28	Deposits in credit institution	0,00	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	26 533 947,00	20 109 749,00
33	Life insurance investments with investments risk taken by the insured	16 129 655,00	13 844 121,00
34	Investments for unit linked life insurance	10 404 292,00	6 265 628,00
35	Professional pension accumulation investment	0,00	0,00
36	REINSURANCE ASSETS	175 674,00	191 452,00

37	Provision for unearned premiums	0,00	1 163,00
38	Outstanding claims technical provision	174 239,00	188 892,00
39	Life insurance mathematical technical provision	1 073,00	1 045,00
40	Technical provision for rebates	362,00	352,00
41	Other technical provision	0,00	0,00
42	ACCOUNTS RECEIVABLE	10 463 450,00	9 527 155,00
43	Amounts receivable from insurance activities	9 806 476,00	8 778 471,00
44	The insured	9 801 780,00	8 778 361,00
45	Intermediaries	4 696,00	110,00
46	Others	0,00	0,00
47	Accounts receivable from inward and outward reinsurance activities	4 531,00	279 141,00
48	The reinsured	0,00	0,00
49	Reinsurers	4 531,00	279 141,00
50	Intermediaries	0,00	0,00
51	Others	0,00	0,00
52	Other accounts receivable	652 443,00	469 543,00
53	OTHER ASSETS	6 609 446,00	6 610 925,00
54	Tangible assets and inventories	842 931,00	664 395,00
55	Motor vehicles	130 129,00	168 075,00
56	Office and other equipment	211 063,00	198 027,00
57	Inventories	25 858,00	12 196,00
58	Prepayments	55 365,00	40 988,00
59	Deferred profit tax assets	420 516,00	245 109,00
60	Prepaid profit tax	0,00	0,00
61	Cash at bank and in hand	5 766 515,00	5 946 530,00
62	Other assets	0,00	0,00
63	ACCRUED INCOME AND DEFERRED COSTS	8 012 207,00	8 240 091,00
64	Accrued interest and rental income	0,00	0,00
65	Deferred acquisition costs	7 911 214,00	8 129 128,00
66	Other accrued income	0,00	0,00
67	Other deferred costs	100 993,00	110 963,00
68	TOTAL ASSETS	310 932 046,00	261 442 790,00
69	CAPITAL AND RESERVES	65 444 649,00	36 474 224,00
70	Share capital	4 380 213,00	4 380 213,00
71	Share premium (surplus of nominal value)	15 129 289,00	15 129 290,00
72	Own shares (-)	0,00	0,00
73	Revaluation reserve	30 599 690,00	3 122 480,00
74	Intangible assets	0,00	0,00
75	Long term tangible	0,00	0,00
76	Financial assets	30 599 690,00	3 122 480,00
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(+/-)	12 552 030,00	9 622 070,00
81	Retained earnings (losses) of the current year (+/-)	2 043 216,00	3 479 960,00
82	FINANCING (GRANTS AND SUBSIDIES)	0,00	0,00
83	SUBORDINATED LIABILITIES	0,00	0,00
84	TECHNICAL PROVISIONS	237 713 037,00	218 021 065,00
85	For insurance liabilities	227 308 745,00	211 755 437,00
86	Provision for unearned premiums	11 946 603,00	10 782 451,00
87	Outstanding claims technical provision	3 866 832,00	4 731 746,00
88	Life insurance mathematical technical provision	191 791 558,00	178 455 996,00
89	Technical provision for rebates	3 574 097,00	3 941 123,00
90	Other technical provision	0,00	0,00
91	Technical provision for life insurance with the investment risk borne by the insured	16 129 655,00	13 844 121,00
92	Other technical provision for insurance liabilities	0,00	0,00
93	For financial liabilities	10 404 292,00	6 265 628,00
94	Technical provision for financial liabilities, where the investment risk borne by the insured	10 404 292,00	6 265 628,00
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	7 774 360,00	6 947 501,00
104	Liabilities from insurance activities	4 486 386,00	4 011 787,00
105	Liabilities to the insured	3 696 266,00	3 260 882,00
106	Liabilities to intermediaries	790 120,00	750 905,00
107	Other liabilities from insurance activities	0,00	0,00
108	Liabilities from inward and outward reinsurance activities	352 711,00	4 785,00
109	Liabilities to the reinsured	0,00	0,00
110	Liabilities to the reinsurers	352 711,00	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	2 935 263,00	2 930 929,00
117	Taxes	323 881,00	561 417,00

118	Compulsory social security contributions	89 960,00	90 765,00
119	Salaries	84 132,00	75 387,00
120	Other liabilities	2 437 290,00	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	310 932 046,00	261 442 790,00

Income statement and statement of comprehensive income

No.	Articles	Financial Year	
		1	2
1	EARNED PREMIUMS NET OF REINSURERS' SHARE	59 752 232,00	55 771 606,00
2	Gross premium written	61 626 014,00	58 575 377,00
3	Outward premiums (-)	(708 467,00)	(1 196 956,00)
4	Change in technical provision for premiums unearned (-/+)	(1 164 152,00)	(1 533 266,00)
5	Change in the reinsurers' share in technical provision for premiums unearned (-/+)	(1 163,00)	(73 549,00)
6	Income of contract management (fee and commission income)	3 315 498,00	2 715 739,00
7	INSURANCE CLAIM, NET OF REINSURERS' SHARE EXPENSES (-)	(38 384 350,00)	(34 809 499,00)
8	Claim paid (-)	(34 403 907,00)	(29 515 864,00)
9	Redeemable amounts (-)	(3 481 026,00)	(3 478 226,00)
10	Claims settlement expenses (-)	(1 406 244,00)	(1 273 450,00)
11	Amounts recovered (+)	15 771,00	1 792,00
12	Reinsurers' share (+)	40 795,00	565 396,00
13	Change in the technical provision for claims outstanding (-/+)	864 914,00	(1 121 360,00)
14	Reinsurers' share (+)	(14 653,00)	12 213,00
15	RETURNED (PAYABLE) INSURANCE PREMIUMS (PROFIT PARTICIPATION), NET OF REINSURERS' SHARE (-)	367 026,00	492 310,00
16	Change in life insurance mathematical technical provision, net of reinsurers share +/-	(13 335 534,00)	(18 899 404,00)
17	Change in technical provision for rebates (-/+)	0,00	0,00
18	Reinsurers' share (+)	(1 344 837,00)	(586 486,00)
19	Change in technical provision for life insurance with the investment risk borne by the insured (+/-)	(464 878,00)	(47 180,00)
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 (-)	(13 868 809,00)	(12 335 862,00)
23	Acquisition costs (-)	(10 751 198,00)	(10 848 307,00)
24	Change in deferred acquisition costs (-/+)	(217 914,00)	1 188 449,00
25	Administrative expenses (-)	(3 243 054,00)	(3 320 956,00)
26	Reinsurance commissions and reinsurers' profit share (+)	343 357,00	644 952,00

27	INVESTING INCOME	7 730 896,00	11 834 572,00
28	Income from participating in other companies	86 800,00	1 430 052,00
29	Income from land and buildings	12 521,00	12 172,00
30	Income from other investments	5 713 912,00	9 199 623,00
31	Reverse of impairment	0,00	0,00
32	Profit from transfer of investments	1 917 663,00	1 192 725,00
33	INVESTMENTS EXPENSES (-)	(1 858 584,00)	(696 825,00)
34	Investment management expenses including interest (-)	(456 380,00)	(446 614,00)
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 (-)	(1 402 204,00)	(250 211,00)
38	LOSS FROM OTHER INVESTMENT OF LIFE INSURANCE (-)	0,00	0,00
39	Profit from investment when the investment risk borne by the insured	0,00	0,00
40	Profit from professional pension accumulation investment	0,00	0,00
41	OTHER INCOME	314 338,00	393 118,00
42	Income from pension accumulation activity	0,00	0,00
43	Finance income (+)	174 810,00	225 495,00
44	Other income (+)	139 528,00	167 623,00
45	OTHER EXPENSES (-)	(290 325,00)	(493 991,00)
46	Expenses from pension accumulation activity (-)	0,00	0,00
47	Finance expenses (-)	(145 682,00)	(101 124,00)
48	Other expenses (-)	(144 643,00)	(392 867,00)
49	CURRENT YEAR RESULT - PROFIT (LOSS) BEFORE TAXATION	1 932 673,00	3 338 098,00
50	PROFIT TAX (-)	110 543,00	141 862,00
51	Income tax expense for the reporting year	(64 864,00)	(25 544,00)
52	Deferred income tax expense (income)	175 407,00	167 406,00
53	CURRENT YEAR RESULT - PROFIT (LOSS)	2 043 216,00	3 479 960,00
54	Statement of comprehensive income	27 477 210,00	(1 056 803,00)
55	Change in the value of available-for-sale financial assets	27 477 210,00	(1 056 803,00)
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	27 477 210,00	(1 056 803,00)
62	CURRENT YEAR RESULT - PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME	29 520 426,00	2 423 157,00

Cash flows statement

No.	Articles	Financial Year	
		1	2
1	CASH FLOWS FROM OPERATING ACTIVITIES +/-	13 947 900,00	13 439 650,96
2	Insurance and inward reinsurance premiums received	68 107 876,00	63 031 922,96
3	Insurance premiums	68 107 876,00	63 137 932,96
4	Inward reinsurance premiums	0,00	(106 010,00)
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 (-)	(3 651,00)	(23 400,00)
12	Proportional outward reinsurance premiums (-)	0,00	0,00
13	Non-proportional outward reinsurance premiums (-)	(3 651,00)	(23 400,00)
14	Amounts paid under insurance and reinsurance contracts (-)	(38 706 497,00)	(33 987 554,00)
15	Rebates upon cancellation of contracts (-)	(22 188,00)	(15 807,00)
16	Insurance (-)	(22 188,00)	(15 807,00)
17	Reinsurance (-)	0,00	0,00
18	Claims paid (-)	(23 973 483,00)	(21 143 798,00)
19	Insurance (-)	(23 995 201,00)	(21 328 502,00)
20	Reinsurance (-)	21 718,00	184 704,00
21	Amounts recovered by way of subrogation and salvage (+)	14 236,00	1 531,00
22	Insurance (+)	14 236,00	1 531,00
23	Reinsurance (+)	0,00	0,00
24	Surrender values paid (-)	(14 681 517,00)	(12 746 986,00)
25	Insurance (-)	(14 681 517,00)	(12 746 986,00)
26	Reinsurance (+)	0,00	0,00
27	Claim handling expenses paid (-)	(12 415,00)	(11 746,00)
28	Insurance (-)	(12 415,00)	(11 746,00)
29	Reinsurance (-)	0,00	0,00
30	Amounts paid for life insurance with the investment risk borne by the insured (-)	(33 050,00)	(84 804,00)
31	Amounts paid for other financial liabilities (-)	1 920,00	14 056,00
32	Other amounts transferred to reinsurers (-)	0,00	(291 906,00)
33	Other amounts received from reinsurers	235 968,00	134 982,00
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 (-)	(13 734 256,00)	(13 768 353,00)
37	Taxes on ordinary activities paid (-)	(2 146 753,00)	(2 093 336,00)
38	Amounts received from other operating activities	206 189,00	438 507,00
39	Amounts paid on other operating activities (-)	(10 976,00)	(1 212,00)
40	CASH FLOWS FROM INVESTING ACTIVITIES +/(-)	(13 580 345,00)	(12 350 385,96)
41	Amounts received from investing activities	8 707 481,00	9 837 186,00
42	Subsidiaries and associated companies	236 800,00	1 430 052,00
43	Shares, other variable-yield securities and income units in unit trusts	3 033 077,00	2 056 263,00
44	Debt and other fixed-interest securities	5 432 033,00	6 051 750,00
45	Land	0,00	0,00
46	Buildings	2 161,00	6 077,00
47	Loans secured with mortgages	0,00	150 000,00
48	Other secured loans	0,00	0,00
49	Unsecured loans	2 150,00	14 898,00
50	Deposits with credit institutions	287,00	309,00
51	Other investments	973,00	127 837,00
52	Amounts received on maturity or realization of investments	48 650 929,00	22 963 938,04
53	Subsidiaries and associates	0,00	1 727 854,04
54	Shares, other variable-yield securities and units in unit trusts	4 505 556,00	3 829 972,00
55	Debt securities and other fixed-interest securities	44 124 506,00	17 381 964,00
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	20 867,00	20 548,00
61	Deposits with credit institutions	0,00	3 600,00
62	Other investments	0,00	0,00
63	Amounts paid on investment (-)	(70 658 234,00)	(45 498 280,00)
64	Subsidiaries and associates (-)	(4 533 050,00)	0,00
65	Shares, other variable-yield securities and units in unit trusts (-)	(21 320 304,00)	(15 645 784,00)
66	Debt securities and other fixed-interest securities (-)	(38 675 538,00)	(29 836 979,00)
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 (-)	(6 000 000,00)	0,00
71	Unsecured loans (-)	(8 853,00)	(15 517,00)
72	Deposits with credit institutions (-)	0,00	0,00
73	Other investments (-)	(120 489,00)	0,00
74	Taxes paid on investing activities (-)	(74 646,00)	(109 104,00)
75	Amounts generated from other investing activities	0,00	0,00
76	Amounts paid on other investing activities (-)	(205 875,00)	455 874,00

77	CASH FLOWS FROM FINANCING ACTIVITIES +/-	(547 570,00)	(1 395 652,00)
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 (-)	(550 000,00)	(1 400 000,00)
85	Taxes paid on financing activities (-)	0,00	0,00
86	Amounts generated from other financing activities	2 430,00	4 348,00
87	Amounts paid on other financing activities (-)	0,00	0,00
88	CURRENCY EXCHANGE IMPACT	0,00	0,00
89	INCREASE (DECREASE) IN CASH	(180 015,00)	(306 387,00)
90	CASH AND CASH EQUIVALENTS IN THE BEGINNING OF THE PERIOD	5 946 530,00	6 252 917,00
91	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5 766 515,00	5 946 530,00