

DFA1 form approved
By Board of the Bank of Lithuania
2015 November 12 Resolution No. 03-174

ERGO Life Insurance SE

110707135, Geležinio Vilko 6A, 8 5 2683000, info@ergo.lt

**FINANCIAL STATEMENTS OF INSURANCE AND REINSURANCE
ACTIVITY**

2017.06.30

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	1 564 716,00	1 384 631,00
2	Goodwill	0,00	0,00
3	Software	1 437 034,00	1 200 875,00
4	Other intangible non-current assets	127 682,00	183 756,00
5	INVESTMENTS	254 994 323,00	257 752 691,00
6	Land, buildings and other real estate	229 845,00	229 845,00
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	229 845,00
12	Land	18 935,00	18 935,00
13	Buildings	210 910,00	210 910,00
14	Investments in subsidiaries and associates	6 580 155,00	6 108 631,00
15	Debt securities of subsidiaries and loans granted to subsidiaries	4 677 869,00	4 677 870,00
16	Debt securities issued by associated companies and loans granted to associated companies	507 692,00	500 692,00
17	Shares issued by associated companies	1 394 594,00	930 069,00
18	Debt securities issued by associated companies and loans granted to associated companies	0,00	0,00
19	Other financial investments	248 184 323,00	251 414 215,00
20	Shares, other variable interest securities and units of unit trust	23 959 404,00	23 485 546,00
21	Listed	19 244 497,00	19 132 651,00
22	Not listed	4 714 907,00	4 352 895,00
23	Debt and other fixed interest securities	218 102 049,00	221 903 491,00
24	Government, central bank and municipal securities	177 090 312,00	179 282 701,00
25	Securities issued by other business entities	41 011 737,00	42 620 790,00
26	Loans secured in with mortgages	0,00	0,00
27	Other loans	6 122 870,00	6 025 178,00
28	Deposits in credit institution	0,00	0,00
29	Financial instruments derivatives	0,00	0,00
30	Other investments into real estate	0,00	0,00
31	Deposits at the reinsured	0,00	0,00
32	OTHER LIFE INSURANCE INVESTMENTS	29 799 030,00	26 533 947,00
33	Life insurance investments with investments risk taken by the insured	17 578 408,00	16 129 655,00
34	Investments for unit linked life insurance	12 220 622,00	10 404 292,00
35	Professional pension accumulation investment		
36	REINSURANCE ASSETS	283 378,00	175 674,00

37	Provision for unearned premiums	0,00	0,00
38	Outstanding claims technical provision	281 929,00	174 239,00
39	Life insurance mathematical technical provision	1 081,00	1 073,00
40	Technical provision for rebates	368,00	362,00
41	Other technical provision	0,00	0,00
42	ACCOUNTS RECEIVABLE	8 483 401,00	10 463 450,00
43	Amounts receivable from insurance activities	8 273 575,00	9 806 476,00
44	The insured	8 273 010,00	9 801 780,00
45	Intermediaries	565,00	4 696,00
46	Others	0,00	0,00
47	Accounts receivable from inward and outward reinsurance activities	12 294,00	4 531,00
48	The reinsured	0,00	0,00
49	Reinsurers	12 294,00	4 531,00
50	Intermediaries	0,00	0,00
51	Others	0,00	0,00
52	Other accounts receivable	197 532,00	652 443,00
53	OTHER ASSETS	7 766 667,00	6 609 446,00
54	Tangible assets and inventories	868 044,00	842 931,00
55	Motor vehicles	116 296,00	130 129,00
56	Office and other equipment	188 482,00	211 063,00
57	Inventories	29 688,00	25 858,00
58	Prepayments	100 133,00	55 365,00
59	Deferred profit tax assets	433 445,00	420 516,00
60	Prepaid profit tax		
61	Cash at bank and in hand	6 898 623,00	5 766 515,00
62	Other assets	0,00	0,00
63	ACCRUED INCOME AND DEFERRED COSTS	7 793 141,00	8 012 207,00
64	Accrued interest and rental income	0,00	0,00
65	Deferred acquisition costs	7 659 111,00	7 911 214,00
66	Other accrued income	0,00	0,00
67	Other deferred costs	134 030,00	100 993,00
68	TOTAL ASSETS	310 684 656,00	310 932 046,00
69	CAPITAL AND RESERVES	61 633 746,00	65 444 649,00
70	Share capital	4 380 213,00	4 380 213,00
71	Share premium (surplus of nominal value)	15 129 289,00	15 129 289,00
72	Own shares (-)	0,00	0,00
73	Revaluation reserve	25 108 841,00	30 599 690,00
74	Intangible assets	0,00	0,00
75	Long term tangible	0,00	0,00
76	Financial assets	25 108 841,00	30 599 690,00
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(+/-)	13 595 246,00	12 552 030,00
81	Retained earnings (losses) of the current year (+/-)	2 679 946,00	2 043 216,00
82	FINANCING (GRANTS AND SUBSIDIES)	0,00	0,00
83	SUBORDINATED LIABILITIES	0,00	0,00
84	TECHNICAL PROVISIONS	243 181 440,00	237 713 037,00
85	For insurance liabilities	230 960 819,00	227 308 745,00
86	Provision for unearned premiums	12 214 860,00	11 946 603,00
87	Outstanding claims technical provision	4 329 925,00	3 866 832,00
88	Life insurance mathematical technical provision	193 394 683,00	191 791 558,00
89	Technical provision for rebates	3 422 349,00	3 574 097,00
90	Other technical provision	20 594,00	0,00
91	Technical provision for life insurance with the investment risk borne by the insured	17 578 408,00	16 129 655,00
92	Other technical provision for insurance liabilities		
93	For financial liabilities	12 220 621,00	10 404 292,00
94	Technical provision for financial liabilities, where the investment risk borne by the insured	12 220 621,00	10 404 292,00
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	5 869 470,00	7 774 360,00
104	Liabilities from insurance activities	3 441 770,00	4 486 386,00
105	Liabilities to the insured	2 660 982,00	3 696 266,00
106	Liabilities to intermediaries	780 788,00	790 120,00
107	Other liabilities from insurance activities	0,00	0,00
108	Liabilities from inward and outward reinsurance activities	253 290,00	352 711,00
109	Liabilities to the reinsured	0,00	0,00
110	Liabilities to the reinsurers	253 290,00	352 711,00
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	2 174 410,00	2 935 263,00
117	Taxes	337 059,00	323 881,00

118	Compulsory social security contributions	90 773,00	89 960,00
119	Salaries	88 932,00	84 132,00
120	Other liabilities	1 657 646,00	2 437 290,00
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	310 684 656,00	310 932 046,00

Income statement and statement of comprehensive income

No.	Articles	Financial Year	Previous financial Year
		1	2
1	EARNED PREMIUMS NET OF REINSURERS' SHARE	32 578 697,00	29 508 065,00
2	Gross premium written	33 270 004,00	28 892 195,00
3	Outward premiums (-)	-423 050,00	-334 566,00
4	Change in technical provision for premiums unearned (-/+)	-268 257,00	949 851,00
5	Change in the reinsurers' share in technical provision for premiums unearned (-/+)	0,00	585,00
6	Income of contract management (fee and commission income)	2 125 323,00	1 559 947,00
7	INSURANCE CLAIM, NET OF REINSURERS' SHARE EXPENSES (-)	(22 942 003,00)	(17 369 790,00)
8	Claim paid (-)	-19 653 248,00	-16 752 775,00
9	Redeemable amounts (-)	-2 214 573,00	-1 661 986,00
10	Claims settlement expenses (-)	-756 694,00	-670 155,00
11	Amounts recovered (+)	2 386,00	12 573,00
12	Reinsurers' share (+)	35 529,00	35 873,00
13	Change in the technical provision for claims outstanding (-/+)	-463 093,00	1 704 322,00
14	Reinsurers' share (+)	107 690,00	-37 642,00
15	RETURNED (PAYABLE) INSURANCE PREMIUMS (PROFIT PARTICIPATION), NET OF REINSURERS' SHARE (-)	151 748,00	209 269,00
16	Change in life insurance mathematical technical provision, net of reinsurers share +/-	-1 603 125,00	-8 009 864,00
17	Change in technical provision for rebates (-/+)	-20 594,00	
18	Reinsurers' share (+)	-1 448 753,00	-125 661,00
19	Change in technical provision for life insurance with the investment risk borne by the insured (+/-)	-1 816 330,00	-1 371 600,00
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 (-)	(7 348 393,00)	(6 315 201,00)
23	Acquisition costs (-)	-5 318 838,00	-5 084 709,00
24	Change in deferred acquisition costs (-/+)	-252 103,00	228 573,00
25	Administrative expenses (-)	-1 829 921,00	-1 501 121,00
26	Reinsurance commissions and reinsurers' profit share (+)	52 469,00	42 056,00

27	INVESTING INCOME	3 410 492,00	5 084 898,00
28	Income from participating in other companies	160 000,00	86 800,00
29	Income from land and buildings	6 486,00	6 305,00
30	Income from other investments	2 832 968,00	3 114 442,00
31	Reverse of impairment	0,00	
32	Profit from transfer of investments	411 038,00	1 877 351,00
33	INVESTMENTS EXPENSES (-)	(489 907,00)	(1 419 997,00)
34	Investment management expenses including interest (-)	-234 595,00	-222 303,00
35	Costs related to participation in other companies activity and other investments (-)	0,00	
36	Loss due to decrease in value (-)	0,00	
37	Loss on transfer of investments (-)	-255 312,00	-1 197 694,00
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	446 805,00	84 458,00
42	Income from pension accumulation activity	0,00	0,00
43	Finance income (+)	196 672,00	78 124,00
44	Other income (+)	250 133,00	6 334,00
45	OTHER EXPENSES (-)	(376 943,00)	(403 493,00)
46	Expenses from pension accumulation activity (-)	0,00	0,00
47	Finance expenses (-)	-324 711,00	-156 399,00
48	Other expenses (-)	-52 232,00	-247 094,00
49	CURRENT YEAR RESULT - PROFIT (LOSS) BEFORE TAXATION	2 667 017,00	1 431 031,00
50	PROFIT TAX (-)	12 929,00	211 823,00
51	Income tax expense for the reporting year	0,00	0,00
52	Deferred income tax expense (income)	12 929,00	211 823,00
53	CURRENT YEAR RESULT - PROFIT (LOSS)	2 679 946,00	1 642 854,00
54	Statement of comprehensive income	9 416 751,00	12 686 688,00
55	Change in the value of available-for-sale financial assets	9 416 751,00	12 686 688,00
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	9 416 751,00	12 686 688,00
62	CURRENT YEAR RESULT - PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME	12 096 697,00	14 329 542,00

Cash flows statement

No.	Articles	Financial Year	
		1	2
1	CASH FLOWS FROM OPERATING ACTIVITIES +/-	3 963 170,00	4 238 618,00
2	Insurance and inward reinsurance premiums received	36 269 416,00	31 343 501,00
3	Insurance premiums	36 099 442,00	31 343 501,00
4	Inward reinsurance premiums	169 974,00	0,00
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 (-)	-130 414,00	0,00
12	Proportional outward reinsurance premiums (-)	0,00	0,00
13	Non-proportional outward reinsurance premiums (-)	-130 414,00	0,00
14	Amounts paid under insurance and reinsurance contracts (-)	-22 576 206,00	-18 854 464,00
15	Rebates upon cancellation of contracts (-)	-16 078,00	-15 087,00
16	Insurance (-)	-16 078,00	-15 087,00
17	Reinsurance (-)	0,00	0,00
18	Claims paid (-)	-14 121 166,00	-12 156 097,00
19	Insurance (-)	-14 127 787,00	-12 175 012,00
20	Reinsurance (-)	6 621,00	18 915,00
21	Amounts recovered by way of subrogation and salvage (+)	2 345,00	11 017,00
22	Insurance (+)	2 345,00	11 017,00
23	Reinsurance (+)	0,00	0,00
24	Surrender values paid (-)	-8 423 994,00	-6 665 550,00
25	Insurance (-)	-8 423 994,00	-6 665 550,00
26	Reinsurance (+)	0,00	0,00
27	Claim handling expenses paid (-)	-4 500,00	-9 571,00
28	Insurance (-)	-4 500,00	-9 571,00
29	Reinsurance (-)	0,00	0,00
30	Amounts paid for life insurance with the investment risk borne by the insured (-)	-13 955,00	-20 814,00
31	Amounts paid for other financial liabilities (-)	1 142,00	1 638,00
32	Other amounts transferred to reinsurers (-)	-330 069,00	0,00
33	Other amounts received from reinsurers	33 637,00	239 052,00
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 (-)	-8 091 057,00	-7 508 319,00
37	Taxes on ordinary activities paid (-)	-1 229 790,00	-1 111 875,00
38	Amounts received from other operating activities	17 653,00	141 700,00
39	Amounts paid on other operating activities (-)	0,00	-10 977,00
40	CASH FLOWS FROM INVESTING ACTIVITIES +/(-)	-1 675 361,00	-1 418 709,00
41	Amounts received from investing activities	4 199 072,00	5 966 390,00
42	Subsidiaries and associated companies	160 000,00	86 800,00
43	Shares, other variable-yield securities and income units in unit trusts	313 859,00	2 416 039,00
44	Debt and other fixed-interest securities	3 716 137,00	3 459 099,00
45	Land	0,00	0,00
46	Buildings	8 422,00	2 161,00
47	Loans secured with mortgages	0,00	0,00
48	Other secured loans	0,00	0,00
49	Unsecured loans	519,00	1 116,00
50	Deposits with credit institutions	135,00	202,00
51	Other investments	0,00	973,00
52	Amounts received on maturity or realization of investments	10 484 282,00	42 744 546,00
53	Subsidiaries and associates	0,00	-493 974,00
54	Shares, other variable-yield securities and units in unit trusts	26 187,00	4 446 339,00
55	Debt securities and other fixed-interest securities	10 453 727,00	38 781 287,00
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	4 368,00	10 894,00
61	Deposits with credit institutions	0,00	0,00
62	Other investments	0,00	0,00
63	Amounts paid on investment (-)	-16 284 421,00	-50 059 368,00
64	Subsidiaries and associates (-)	0,00	-4 039 067,00
65	Shares, other variable-yield securities and units in unit trusts (-)	-11 175 041,00	-11 551 262,00
66	Debt securities and other fixed-interest securities (-)	-5 034 815,00	-34 412 359,00
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 (-)	0,00	-5 760,00
72	Deposits with credit institutions (-)	0,00	0,00
73	Other investments (-)	-74 565,00	-50 920,00
74	Taxes paid on investing activities (-)	-35 299,00	-35 299,00
75	Amounts generated from other investing activities	0,00	0,00
76	Amounts paid on other investing activities (-)	-38 995,00	-34 978,00

77	CASH FLOWS FROM FINANCING ACTIVITIES +/-	-1 155 701,00	-548 926,00
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 (-)	-1 000 000,00	-550 000,00
85	Taxes paid on financing activities (-)	0,00	0,00
86	Amounts generated from other financing activities	0,00	0,00
87	Amounts paid on other financing activities (-)	-155 701,00	1 074,00
88	CURRENCY EXCHANGE IMPACT	0,00	0,00
89	INCREASE (DECREASE) IN CASH	1 132 108,00	2 270 983,00
90	CASH AND CASH EQUIVALENTS IN THE BEGINNING OF THE PERIOD	5 766 515,00	5 946 530,00
91	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6 898 623,00	8 217 513,00