

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**

2017.12.31

General Manager Dr. Kęstutis Bagdonavičius

Chief accountant Jelena Panfilova

Chief actuary Dr. Gintaras Bakštys

Balance sheet

No.	Articles	Financial Year	
		1	2
1	INTANGIBLE NON-CURRENT ASSETS	1 111 301,00	1 384 631,00
2	Goodwill	0,00	0,00
3	Software	1 039 149,00	1 200 875,00
4	Other intangible non-current assets	72 152,00	183 756,00
5	INVESTMENTS	248 091 638,00	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	6 072 463,00	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	0,00	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	241 789 330,00	251 414 215,00
20	Shares, other variable interest securities and units of unit trust	23 871 766,00	23 485 546,00
21	Listed	19 205 677,00	19 132 651,00
22	Not listed	4 666 089,00	4 352 895,00
23	Debt and other fixed interest securities	211 702 785,00	221 903 491,00
24	Government, central bank and municipal securities	175 823 578,00	179 282 701,00
25	Securities issued by other business entities	35 879 207,00	42 620 790,00
26	Loans secured in with mortgages	0,00	0,00
27	Other loans	6 214 779,00	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	36 173 947,00	26 533 947,00
33	Life insurance investments with investments risk taken by the insured	20 460 092,00	16 129 655,00
34	Investments for unit linked life insurance	15 713 855,00	10 404 292,00
35	Professional pension accumulation investment		
36	REINSURANCE ASSETS	139 650,00	175 674,00

37	Provision for unearned premiums	0,00	0,00
38	Outstanding claims technical provision	139 650,00	174 239,00
39	Life insurance mathematical technical provision	0,00	1 073,00
40	Technical provision for rebates	0,00	362,00
41	Other technical provision	0,00	0,00
42	ACCOUNTS RECEIVABLE	9 871 958,00	10 463 450,00
43	Amounts receivable from insurance activities	9 607 310,00	9 806 476,00
44	The insured	9 605 801,00	9 801 780,00
45	Intermediaries	1 509,00	4 696,00
46	Others	0,00	0,00
47	Accounts receivable from inward and outward reinsurance activities	60 637,00	4 531,00
48	The reinsured	0,00	0,00
49	Reinsurers	60 637,00	4 531,00
50	Intermediaries	0,00	0,00
51	Others	0,00	0,00
52	Other accounts receivable	204 011,00	652 443,00
53	OTHER ASSETS	9 511 212,00	6 609 446,00
54	Tangible assets and inventories	491 197,00	842 931,00
55	Motor vehicles	92 477,00	130 129,00
56	Office and other equipment	180 160,00	211 063,00
57	Inventories	28 011,00	25 858,00
58	Prepayments	60 862,00	55 365,00
59	Deferred profit tax assets	129 687,00	420 516,00
60	Prepaid profit tax	0,00	0,00
61	Cash at bank and in hand	9 020 015,00	5 766 515,00
62	Other assets	0,00	0,00
63	ACCRUED INCOME AND DEFERRED COSTS	7 114 430,00	8 012 207,00
64	Accrued interest and rental income	0,00	0,00
65	Deferred acquisition costs	6 967 293,00	7 911 214,00
66	Other accrued income	0,00	0,00
67	Other deferred costs	147 137,00	100 993,00
68	TOTAL ASSETS	312 014 136,00	310 932 046,00
69	CAPITAL AND RESERVES	63 787 935,00	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	26 225 722,00	30 599 690,00
74	Intangible assets	0,00	0,00
75	Long term tangible	0,00	0,00
76	Financial assets	26 225 722,00	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 (+/-)	3 717 254,00	2 043 216,00
82	FINANCING (GRANTS AND SUBSIDIES)	0,00	0,00
83	SUBORDINATED LIABILITIES	0,00	0,00
84	TECHNICAL PROVISIONS	240 262 830,00	237 713 037,00
85	For insurance liabilities	224 548 975,00	227 308 745,00
86	Provision for unearned premiums	12 196 101,00	11 946 603,00
87	Outstanding claims technical provision	6 319 135,00	3 866 832,00
88	Life insurance mathematical technical provision	182 431 243,00	191 791 558,00
89	Technical provision for rebates	3 099 260,00	3 574 097,00
90	Other technical provision	43 144,00	0,00
91	Technical provision for life insurance with the investment risk borne by the insured	20 460 092,00	16 129 655,00
92	Other technical provision for insurance liabilities	0,00	0,00
93	For financial liabilities	15 713 855,00	10 404 292,00
94	Technical provision for financial liabilities, where the investment risk borne by the insured	15 713 855,00	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	7 963 371,00	7 774 360,00
104	Liabilities from insurance activities	4 688 056,00	4 486 386,00
105	Liabilities to the insured	3 713 847,00	3 696 266,00
106	Liabilities to intermediaries	974 209,00	790 120,00
107	Other liabilities from insurance activities	0,00	0,00
108	Liabilities from inward and outward reinsurance activities	157 401,00	352 711,00
109	Liabilities to the reinsured	0,00	0,00
110	Liabilities to the reinsurers	157 401,00	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	3 117 914,00	2 935 263,00
117	Taxes	436 567,00	323 881,00

118	Compulsory social security contributions	119 288,00	89 960,00
119	Salaries	105 722,00	84 132,00
120	Other liabilities	2 456 337,00	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	312 014 136,00	310 932 046,00

Income statement and statement of comprehensive income

No.	Articles	Financial Year	
		1	2
1	EARNED PREMIUMS NET OF REINSURERS' SHARE	63 899 145,77	59 752 232,00
2	Gross premium written	65 022 430,77	61 626 014,00
3	Outward premiums (-)	-873 787,00	-708 467,00
4	Change in technical provision for premiums unearned (-/+)	-249 498,00	-1 164 152,00
5	Change in the reinsurers' share in technical provision for premiums unearned (-/+)	0,00	-1 163,00
6	Income of contract management (fee and commission income)	4 605 462,26	3 315 498,00
7	INSURANCE CLAIM, NET OF REINSURERS' SHARE EXPENSES (-)	(62 654 192,00)	(38 384 350,00)
8	Claim paid (-)	-53 807 971,00	-34 403 907,00
9	Redeemable amounts (-)	-4 811 384,00	-3 481 026,00
10	Claims settlement expenses (-)	-1 593 107,00	-1 406 244,00
11	Amounts recovered (+)	7 931,00	15 771,00
12	Reinsurers' share (+)	37 231,00	40 795,00
13	Change in the technical provision for claims outstanding (-/+)	-2 452 303,00	864 914,00
14	Reinsurers' share (+)	-34 589,00	-14 653,00
15	RETURNED (PAYABLE) INSURANCE PREMIUMS (PROFIT PARTICIPATION), NET OF REINSURERS' SHARE (-)	474 475,00	367 026,00
16	Change in life insurance mathematical technical provision, net of reinsurers share +/-	9 359 242,00	-13 335 534,00
17	Change in technical provision for rebates (-/+)	-43 144,00	0,00
18	Reinsurers' share (+)	-1 369 795,51	-1 344 837,00
19	Change in technical provision for life insurance with the investment risk borne by the insured (+/-)	-504 541,96	-464 878,00
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 (-)	(15 526 117,00)	(13 868 809,00)
23	Acquisition costs (-)	-11 162 508,00	-10 751 198,00
24	Change in deferred acquisition costs (-/+)	-943 921,00	-217 914,00
25	Administrative expenses (-)	-3 830 984,00	-3 243 054,00
26	Reinsurance commissions and reinsurers' profit share (+)	411 296,00	343 357,00

27	INVESTING INCOME	6 864 993,97	7 730 896,00
28	Income from participating in other companies	160 000,00	86 800,00
29	Income from land and buildings	12 673,00	12 521,00
30	Income from other investments	5 490 007,97	5 713 912,00
31	Reverse of impairment	0,00	0,00
32	Profit from transfer of investments	1 202 313,00	1 917 663,00
33	INVESTMENTS EXPENSES (-)	(938 973,00)	(1 858 584,00)
34	Investment management expenses including interest (-)	-477 477,00	-456 380,00
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 (-)	-461 496,00	-1 402 204,00
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	886 435,00	314 338,00
42	Income from pension accumulation activity	0,00	0,00
43	Finance income (+)	228 582,00	174 810,00
44	Other income (+)	657 853,00	139 528,00
45	OTHER EXPENSES (-)	(1 001 941,53)	(290 325,00)
46	Expenses from pension accumulation activity (-)	0,00	0,00
47	Finance expenses (-)	-380 071,00	-145 682,00
48	Other expenses (-)	-621 870,53	-144 643,00
49	CURRENT YEAR RESULT - PROFIT (LOSS) BEFORE TAXATION	4 051 049,00	1 932 673,00
50	PROFIT TAX (-)	(333 795,00)	110 543,00
51	Income tax expense for the reporting year	-42 966,00	-64 864,00
52	Deferred income tax expense (income)	-290 829,00	175 407,00
53	CURRENT YEAR RESULT - PROFIT (LOSS)	3 717 254,00	2 043 216,00
54	Statement of comprehensive income	(4 373 967,00)	27 477 210,00
55	Change in the value of available-for-sale financial assets	-4 373 967,00	27 477 210,00
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	(4 373 967,00)	27 477 210,00
62	CURRENT YEAR RESULT - PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME	-656 713,00	29 520 426,00

Cash flows statement

No.	Articles	Financial Year	Previous financial Year
		1	2
1	CASH FLOWS FROM OPERATING ACTIVITIES +/-	195 285,00	13 947 900,00
2	Insurance and inward reinsurance premiums received	75 228 680,00	68 107 876,00
3	Insurance premiums	75 228 680,00	68 107 876,00
4	Inward reinsurance premiums	0,00	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 (-)	0,00	-3 651,00
12	Proportional outward reinsurance premiums (-)	0,00	0,00
13	Non-proportional outward reinsurance premiums (-)	0,00	-3 651,00
14	Amounts paid under insurance and reinsurance contracts (-)	-57 088 049,00	-38 706 497,00
15	Rebates upon cancellation of contracts (-)	-23 370,00	-22 188,00
16	Insurance (-)	-23 370,00	-22 188,00
17	Reinsurance (-)	0,00	0,00
18	Claims paid (-)	-28 062 013,00	-23 973 483,00
19	Insurance (-)	-28 068 718,00	-23 995 201,00
20	Reinsurance (-)	6 705,00	21 718,00
21	Amounts recovered by way of subrogation and salvage (+)	7 613,00	14 236,00
22	Insurance (+)	7 613,00	14 236,00
23	Reinsurance (+)	0,00	0,00
24	Surrender values paid (-)	-28 968 637,00	-14 681 517,00
25	Insurance (-)	-28 968 637,00	-14 681 517,00
26	Reinsurance (+)	0,00	0,00
27	Claim handling expenses paid (-)	-15 307,00	-12 415,00
28	Insurance (-)	-15 307,00	-12 415,00
29	Reinsurance (-)	0,00	0,00
30	Amounts paid for life insurance with the investment risk borne by the insured (-)	-27 490,00	-33 050,00
31	Amounts paid for other financial liabilities (-)	1 155,00	1 920,00
32	Other amounts transferred to reinsurers (-)	-654 661,00	0,00
33	Other amounts received from reinsurers	46 854,00	235 968,00
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 (-)	-15 574 973,00	-13 734 256,00
37	Taxes on ordinary activities paid (-)	-2 097 207,00	-2 146 753,00
38	Amounts received from other operating activities	348 420,00	206 189,00
39	Amounts paid on other operating activities (-)	-13 779,00	-10 976,00
40	CASH FLOWS FROM INVESTING ACTIVITIES +/(-)	4 208 617,00	-13 580 345,00
41	Amounts received from investing activities	7 297 861,00	8 707 481,00
42	Subsidiaries and associated companies	0,00	236 800,00
43	Shares, other variable-yield securities and income units in unit trusts	443 555,00	3 033 077,00
44	Debt and other fixed-interest securities	6 332 880,00	5 432 033,00
45	Land	0,00	0,00
46	Buildings	18 768,00	2 161,00
47	Loans secured with mortgages	500 000,00	0,00
48	Other secured loans	0,00	0,00
49	Unsecured loans	2 209,00	2 150,00
50	Deposits with credit institutions	449,00	287,00
51	Other investments	0,00	973,00
52	Amounts received on maturity or realization of investments	22 641 722,00	48 650 929,00
53	Subsidiaries and associates	0,00	0,00
54	Shares, other variable-yield securities and units in unit trusts	186 607,00	4 505 556,00
55	Debt securities and other fixed-interest securities	22 441 393,00	44 124 506,00
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	13 722,00	20 867,00
61	Deposits with credit institutions	0,00	0,00
62	Other investments	0,00	0,00
63	Amounts paid on investment (-)	-25 540 824,00	-70 658 234,00
64	Subsidiaries and associates (-)	0,00	-4 533 050,00
65	Shares, other variable-yield securities and units in unit trusts (-)	-18 698 792,00	-21 320 304,00
66	Debt securities and other fixed-interest securities (-)	-6 704 984,00	-38 675 538,00
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	-6 000 000,00
71	Unsecured loans (-)	0,00	-8 853,00
72	Deposits with credit institutions (-)	0,00	0,00
73	Other investments (-)	-137 048,00	-120 489,00
74	Taxes paid on investing activities (-)	-165 966,00	-74 646,00
75	Amounts generated from other investing activities	0,00	0,00
76	Amounts paid on other investing activities (-)	-24 176,00	-205 875,00

77	CASH FLOWS FROM FINANCING ACTIVITIES +/-(-)	-1 150 402,00	-547 570,00
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	2 430,00
87	Amounts paid on other financing activities (-)	-150 402,00	0,00
88	CURRENCY EXCHANGE IMPACT	0,00	0,00
89	INCREASE (DECREASE) IN CASH	3 253 500,00	-180 015,00
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	9 020 015,00	5 766 515,00