

BUSINESS REPORT 2017





MANAGEMENT REPORT 2017

for the year ended 31 december 2017

BOARD OF DIRECTORS

Wolfgang Felser - Chairman
Petros Petrides
Christos Michael
Aristodemos Aristodemou
Daniela Uhlmann
Peter Hronovsky

The Board of Directors of Medlife Insurance Limited presents to the member its management report and audited financial statements of the Company for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of Medlife Insurance Ltd. (the Company) is the sale of life assurance policies.

RESULTS

The income statement of the year is presented on page 11 of the financial statements. The Company shows profits before taxation charge in the amount 11.3 Mio USD in 2017 (2016: 9.1 Mio USD).

DIVIDENDS

On 17 November 2017, the Board of Directors approved the payment of an interim dividend from the profits of 2017 of USD 1.12994 per share (2016: USD 0.50847 per share), amounting to USD 10 000 000 (2016: USD 4 500 000) in total.

BOARD OF DIRECTORS

The members of the Board of Directors as at 31 December 2017 and at the date of this report are presented on page 2. All of them were members of the Board of Directors throughout the year ended 31 December 2017. In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office. There were no significant changes in the remuneration of the members of the Board of Directors.

INDEPENDENT AUDITOR'S REPORT

The independent auditors, Deloitte limited, state in their report a clean audit opinion for the year 31 December 2017.

BY ORDER OF THE BOARD OF DIRECTORS

Wolfgang Felser
Chairman



Nicosia, 29 March 2018





MEDLIFE BUSINESS REPORT 2017

FINANCIAL POSITIONS AND RESULTS

The information included in the summarized financial position and results of Medlife Insurance Ltd. for 2017 have been extracted from the Financial Statements of Medlife Insurance Ltd. for 2017 which were audited by Deloitte Limited, Certified Public Accountants and registered Auditors in Cyprus, 24 Spyrou Kyprianou Avenue, 1075 Nicosia, Cyprus. A clean (unqualified) audit report dated 29 March 2018 has been rendered on the Financial Statements.

MEDLIFE BUSINESS REPORT 2017

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

2017	2016	USD
39 715 563	42 505 816	Gross written premiums
537 614	3 477 866	Change in gross unearned premium reserve
40 253 177	45 983 682	Gross change earned premiums
(1 417 850)	(1 510 521)	Reinsurance premiums
(88 360)	(197 486)	Change in reinsurance share in gross unearned premium reserve
38 746 967	44 275 675	Net earned premiums
15 561 857	16 298 824	Net investment income
496 543	563 500	Commission income
170 163	147 895	Other income
54 975 530	61 285 894	Total income

INSURANCE BENEFITS





INCOME STATEMENT

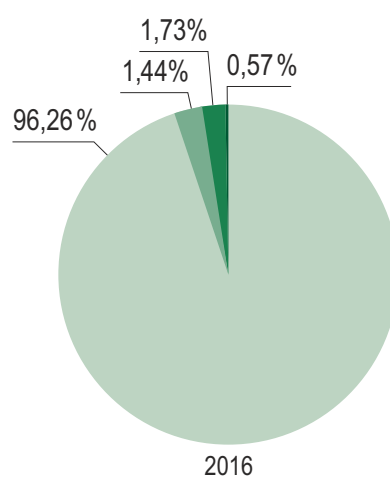
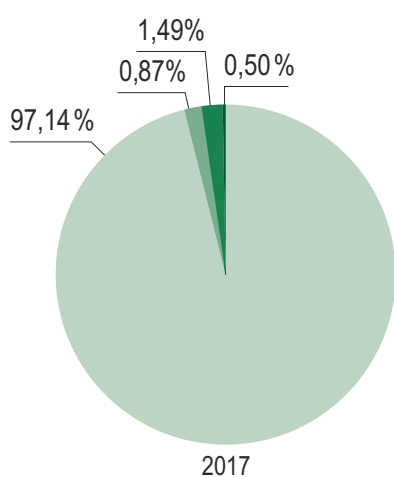
FOR THE YEAR ENDED 31 DECEMBER 2017

USD	2017	2016
Surrenders paid	(20 619 368)	(33 620 487)
Maturities paid	(31 302 587)	(25 150 975)
Other claims paid	(1 004 100)	(1 138 304)
R/I share on claims paid	194 818	109 238
Net claims paid	(52 731 237)	(59 800 528)
Net change in outstanding claims reserve	1 443 757	2 368 256
Net claims incurred	(51 287 480)	(57 432 272)
Aquisition expenses	(7 037 756)	(5 914 661)
Change in Life assurance funds - net	20 017 234	14 232 733
Impairment loss on PPE	-	(42 000)
Administration expenses	(3 172 729)	(3 083 597)
Interest on policyholders prepayments	(268 984)	(254 368)
Foreign exchange (loss) / gain	(1 940 372)	319 804
Total expenses	(43 690 087)	(52 174 361)
Profit before taxation	11 285 443	9 111 533
Taxation charge	(1 258 561)	(612 928)
Profit of the year	10 026 882	8 498 605

MEDLIFE BUSINESS REPORT 2017

STATEMENT OF FINANCIAL POSITION ASSETS

2017	2016	USD
		ASSETS
4 682 298	7 806 739	Cash and cash equivalents
7 541 549	6 748 570	Investments held at fair value through profit or loss
7 976 314	9 369 345	Amounts receivables
2 307 920	2 784 807	Reinsurance assets
493 589 255	466 376 127	Investments available for sale
20 588 643	48 108 686	Held-to-maturity investments
395 314	311 158	Property, plant and equipment
537 081 293	541 505 432	Total assets



- Investments
- Cash and bank deposits
- Debtors
- Others

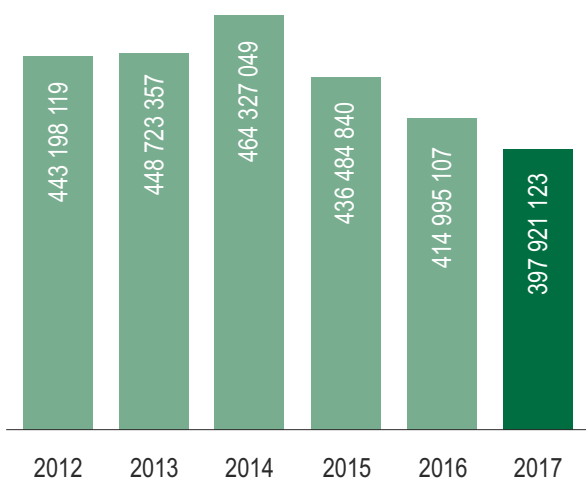


STATEMENT OF FINANCIAL POSITION

LIABILITIES AND EQUITY

USD	2017	2016
LIABILITIES		
Amounts due to reinsurers	729 621	834 601
Creditors and accrued liabilities	11 368 635	5 817 758
Prepaid premiums	32 108 241	31 825 697
Taxation	633 174	228 181
Insurance contract liabilities	397 921 123	414 995 107
Total liabilities	442 760 794	453 701 344
EQUITY		
Issued Capital	15 018 221	15 018 221
Retained Earnings	41 873 328	35 196 446
Other Reserves	37 428 950	37 589 421
Total equity	94 320 499	87 804 088
Total liabilities and equity	537 081 293	541 505 432

INSURANCE CONTRACT LIABILITIES





NOTES TO THE FINANCIAL STATEMENT

31 December 2017

INCORPORATION AND PRINCIPAL ACTIVITIES

Medlife Insurance Ltd. was incorporated in Cyprus on 2 December 1994 as a private company with shares in accordance with the provisions of the Companies Law, Cap 113. The principal activity of the Company is the sale of life assurance policies.

The Company's registered office is at 27 Pindarou Street, Alpha Business Centre, 1060 Nicosia, Cyprus.

AMOUNTS DUE TO REINSURERS

The Company has a reinsurance treaty with Grazer Wechselseitige Versicherung AG (GRAWE) of Austria and a reinsurance treaty with Grawe Reinsurance Limited covering all risk policies.

The Company also has an excess of loss re occurrence reinsurance treaty with Grazer Wechselseitige Versicherung AG (GRAWE) which covers general accident insurance riders in life insurance policies. According to the principles of excess loss reinsurance, the reinsurer indemnifies the ceding company for a portion of the final net loss in excess of the stipulated primary retention.

CREDITS AND ACCRUED LIABILITIES (USD)

The following amounts are included in creditors. Creditors and accrued liabilities (USD)

2017	2016	
10 147 430	4 654 696	Amounts due to related companies
91 199	95 295	Other creditors
235 024	205 712	Accrued expenses
894 982	862 055	Amounts due to insurance brokers
11 368 635	5 817 758	

LIFE ASSURANCE RESERVES

A valuation of the liabilities of the life reserve of the Company is carried out every year by the Company's actuary. The Directors of the Company have been informed by the Company's actuary that the assets of the life fund are at least enough to cover the liabilities to the insured persons at 31 December 2017.

SHARE CAPITAL (USD)

2017	2016
15 018 221	15 018 221

Authorized, issued and fully paid 8 850 000 shares of EUR 1.71 each (2016: EUR 1.71 each).



HEAD OFFICE:
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