

BUSINESS REPORT 2018



MANAGEMENT REPORT 2018

for the year ended 31 december 2018

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 members its management report and audited financial statements of the Company for the year ended 31 December 2018.

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 7.9 Mio USD in 2018 (2017: 11.3 Mio USD).

DIVIDENDS

On 12 December 2018, the Board of Directors approved the payment of an interim dividend from the profits of 2018 of USD 0.79096 per share (2017: USD 1.12994 per share), amounting to USD 7 000 000 (2017: USD 10 000 000) in total.

BOARD OF DIRECTORS

The members of the Board of Directors as at 31 December 2018 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 2018. 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.

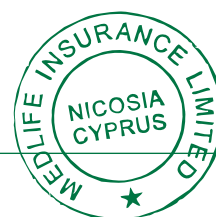
INDEPENDENT AUDITOR'S REPORT

The independent auditors, KPMG Limited, state in their report a clean audit opinion for the year 31 December 2018.

BY ORDER OF THE BOARD OF DIRECTORS



Wolfgang Felser
Chairman



Nicosia, 19 April 2019





MEDLIFE BUSINESS REPORT 2018

FINANCIAL POSITIONS AND RESULTS

The information included in the summarized financial position and results of Medlife Insurance Ltd. for 2018 have been extracted from the Financial Statements of Medlife Insurance Ltd. for 2018 which were audited by KPMG Limited, Certified Public Accountants and registered Auditors in Cyprus, 14 Esperidon Street, 1087 Nicosia, Cyprus. A clean (unqualified) audit report dated 19 April 2019 has been rendered on the Financial Statements.

MEDLIFE BUSINESS REPORT 2018

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

2018	2017	USD
37 283 966	39 715 563	Gross written premiums
2 186 806	537 614	Change in gross unearned premium reserve
39 470 772	40 253 177	Gross change earned premiums
(634 606)	(1 417 850)	Reinsurance premiums
(657 456)	(88 360)	Change in reinsurance share in gross unearned premium reserve
38 178 710	38 746 967	Net earned premiums
14 259 268	15 561 857	Net investment income
426 184	496 543	Commission income
129 030	170 163	Other income
52 993 192	54 975 530	Total income

INSURANCE BENEFITS





INCOME STATEMENT

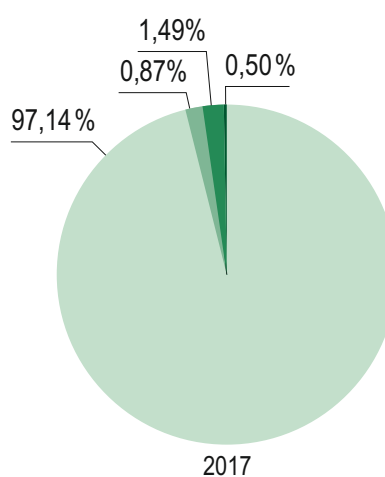
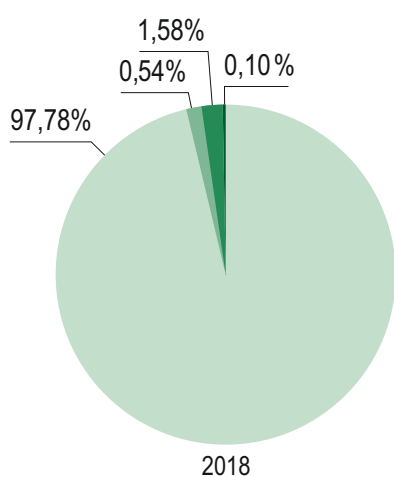
FOR THE YEAR ENDED 31 DECEMBER 2018

USD	2018	2017
Surrenders paid	(17 001 939)	(20 619 368)
Maturities paid	(34 222 140)	(31 302 587)
Other claims paid	(833 170)	(1 004 100)
R/I share on claims paid	156 747	194 818
Net claims paid	(51 900 502)	(52 731 237)
Net change in outstanding claims reserve	315 981	1 443 757
Net claims incurred	(52 216 483)	(51 287 480)
Aquisition expenses	(5 158 073)	(7 037 756)
Change in Life assurance funds - net	14 594 713	20 017 234
Impairment loss on PPE	-	-
Administration expenses	(2 943 105)	(3 172 729)
Interest on policyholders prepayments	(257 693)	(268 984)
Foreign exchange (loss) / gain	873 185	(1 940 372)
Total expenses	(45 107 456)	(43 690 087)
Profit before taxation	7 885 736	11 285 443
Taxation charge	(295 171)	(1 258 561)
Profit of the year	7 590 565	10 026 882

MEDLIFE BUSINESS REPORT 2018

STATEMENT OF FINANCIAL POSITION ASSETS

2018	2017	USD
		ASSETS
2 664 533	4 682 298	Cash and cash equivalents
7 274 549	7 541 549	Investments held at fair value through profit or loss
7 834 779	7 976 314	Amounts receivables
0	2 307 920	Reinsurance assets
471 179 933	493 589 255	Investments available for sale
5 968 837	20 588 643	Held-to-maturity investments
360 322	395 314	Property, plant and equipment
152 993	0	Taxation
495 435 946	537 081 293	Total assets



- Investments
- Cash and bank deposits
- Debtors
- Others

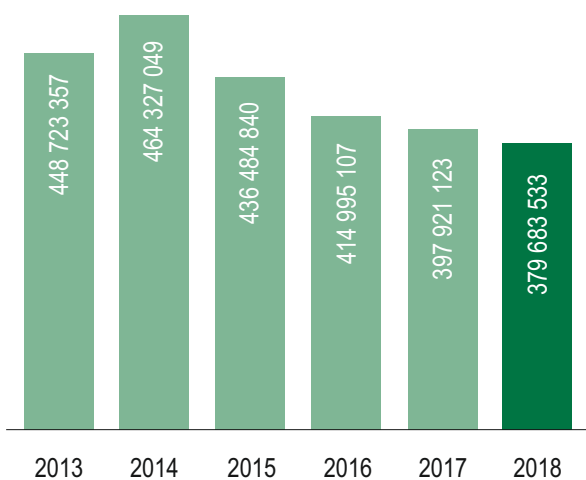


STATEMENT OF FINANCIAL POSITION

LIABILITIES AND EQUITY

USD	2018	2017
LIABILITIES		
Amounts due to reinsurers	0	729 621
Creditors and accrued liabilities	7 842 978	11 368 635
Prepaid premiums	28 103 341	32 108 241
Taxation	4 329	633 174
Insurance contract liabilities	379 683 533	397 921 123
Total liabilities	415 634 181	442 760 794
EQUITY		
Issued Capital	15 018 221	15 018 221
Retained Earnings	42 463 893	41 873 328
Other Reserves	22 319 651	37 428 950
Total equity	79 801 765	94 320 499
Total liabilities and equity	495 435 946	537 081 293

INSURANCE CONTRACT LIABILITIES





NOTES TO THE FINANCIAL STATEMENT

31 December 2018

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.

CREDITS AND ACCRUED LIABILITIES (USD)

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

2018	2017	
7 096 808	10 147 430	Amounts due to related companies
85 730	91 199	Other creditors
162 616	235 024	Accrued expenses
497 823	894 982	Amounts due to insurance brokers
7 842 977	11 368 635	

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 enough to cover the liabilities to the insured persons at 31 December 2018.

SHARE CAPITAL (USD)

2018	2017
15 018 221	15 018 221

Authorized, issued and fully paid 8 850 000 shares of EUR 1.71 each (2017: EUR 1.71 each).



HEAD OFFICE:
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