

Sigma Vienna Insurance Group Sh.a
-Kosovo Branch

Financial Statements as at and for the year
ended

31 December 2014

(With independent auditor's report thereon)



KPMG Albania Sh.p.k., Kosovo Branch
14, Sulejman Vokshi Street
Pristina, Kosovo

Telephone +381(38)246771
Telefax +381(38)246772
E-mail al-kosovo@kpmg.com
Internet www.kpmg.al

Independent Auditors' Report

To the shareholders of
Sigma Vienna Insurance Group Sh.a - Kosova Branch

Prishtina, 9 March 2015

We have audited the accompanying financial statements of Sigma Vienna Insurance Group Sh.a - Kosova Branch ("the Company"), which comprise the statement of financial position as at 31 December 2014, the statement of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Report on regulatory requirements of the supervisory authority, the Central Bank of Kosovo, for Solvency Margin and Assets Deemed to Back Insurance Liabilities.

Pursuant to the requirements of the Central Bank of Kosovo (“CBK”), we have read the accompanying Supplementary Schedules of Solvency Margin and Assets Deemed to Back Insurance Liabilities (“Supplementary Schedules”). These Supplementary Schedules prepared by management are not part of the accompanying financial statements. The historical financial information, presented in the Supplementary Schedules prepared by management, is consistent, in all material respects, with the annual financial information disclosed in the accompanying financial statements of the Company as of 31 December 2014, prepared in accordance with International Financial Reporting Standards, applicable for insurance companies in Kosovo. Management is responsible for the preparation of the Supplementary Schedules, in accordance with CBK Rule No.8 “On Capital Adequacy” dated 1 January 2007.

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Sigma Vienna Insurance Group sh.a-Kosova Branch
Statement of financial position
(amounts in EUR, unless otherwise stated)

Statement of financial position		31 December 2014	31 December 2013
Assets			
Cash and cash equivalents	7	1,367,365	832,187
Term Deposits	8	11,620,021	10,270,051
Insurance receivables	9	452,644	353,212
Deferred Acquisition Costs	10	539,142	612,063
Reinsurance assets	11	3,026,388	3,041,385
Equipment	12	246,752	224,719
Intangible assets	13	50,584	56,933
Other assets	14	300,056	408,813
Total Assets		17,602,952	15,799,363
Equity and liabilities			
Equity			
Payable to shareholder	15	(3,000,000)	(3,000,000)
Retained earnings	15	(2,425,234)	(2,898,450)
Total equity		(5,425,234)	(5,898,450)
Liabilities			
Liabilities for losses and loss adjustments expenses	16	(5,673,944)	(4,978,700)
Provision for unearned premium	17	(3,455,895)	(2,592,715)
Reinsurance deposit	18	(1,532,970)	(1,421,653)
Insurance and other payables	19	(1,514,909)	(907,845)
Total liabilities		(12,177,718)	(9,900,913)
Total equity and liabilities		(17,602,952)	(15,799,363)

The notes on pages 5 to 31 are an integral part of these financial statements.

These financial statements were authorized for issue on 9 March 2015 by:

Mr. Roland Kaçani

General Director

Ms. Gylsa Reka

Finance Director

Sigma Vienna Insurance Group sh.a-Kosova Branch
Statement of profit and loss and other comprehensive income for the year ended 31 December 2014
(amounts in EUR, unless otherwise stated)

	Notes	2014	2013
Gross written premiums	20	11,051,592	8,915,555
Premiums ceded to reinsurers	21	(4,432,596)	(3,136,444)
Change in provision for unearned premiums	17	(863,180)	(225,539)
Change in provision for unearned premiums reinsurance	11	(430,797)	991,861
Premium Reserve Portfolio		148,129	196,060
Net Earned Premiums		5,473,148	6,741,493
Other income		6,868	11,482
Net Income		5,480,016	6,752,975
Losses and loss adjustment expenses	16	(3,692,974)	(8,210,120)
Losses ceded to reinsurance	16	657,331	5,504,747
Change in claims reserves, net of reinsurance share	16	(279,444)	(1,281,150)
Total losses and loss adjustment expenses		(3,315,087)	(3,986,523)
Commission expenses	22	(893,518)	(862,678)
Change in deferred acquisition costs	23	(72,922)	105,694
Marketing and administrative expenses	24	(2,203,363)	(2,186,660)
Reinsurance commission	25	1,383,245	874,812
Total Expenses		(1,786,558)	(2,068,832)
Interest income	26	368,109	534,802
Interest expense	26	(72,014)	(79,077)
Foreign exchange gains		2,704	(487)
Net financial income		298,799	455,238
Profit before income tax		677,170	1,152,858
Interest income tax expense		(36,811)	(51,315)
Premium tax expense		(554,528)	(443,840)
Profit for the year		85,831	657,703
Other comprehensive income for the year, net of tax		-	-
Other comprehensive income		-	-
Total comprehensive income		85,831	657,703

The notes on pages 5 to 31 are an integral part of these financial statements.

Sigma Vienna Insurance Group sh.a-Kosova Branch
Statement of Payment to Shareholder for the year ended 31 December 2014
(all amounts are expressed in EUR)

	Due to Shareholder	Retained Earnings	Total
Balance at 1 January 2013	3,000,000	3,440,747	6,440,747
Current year profit		657,703	657,703
Other comprehensive income		-	-
Total comprehensive income	-	657,703	657,703
Contributions by and distributions to owners of the Branch			
Dividend to owners	-	(1,200,000)	(1,200,000)
Total contributions by and distributions to owners of the Branch	-	(1,200,000)	(1,200,000)
Balance at 31 December 2013	3,000,000	2,898,450	5,898,450
Current year profit	-	85,831	85,831
Other comprehensive income	-	-	-
Total comprehensive income	-	85,831	85,831
Contributions by and distributions to owners of the Branch			
Dividend to owners	-	(559,047)	(559,047)
Total contributions by and distributions to owners of the Branch	-	(559,047)	(559,047)
Balance at 31 December 2014	3,000,000	2,425,234	5,425,234

The notes on pages 5 to 31 are an integral part of these financial statements.