

Sigma InterAlbanian Vienna Insurance Group Sh.a
-Kosovo Branch

Financial Statements as at and for the year

ended

31 December 2015

(With independent auditor's report thereon)



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Independent Auditors' Report

To the shareholders and management of
Sigma InterAlbanian Vienna Insurance Group- Kosovo Branch Sh.a

Pristina, 6 April 2016

We have audited the accompanying financial statements of Sigma InterAlbanian Vienna Insurance Group Kosovo Branch Sh.a ("the Branch"), which comprise the statement of financial position as at 31 December 2015, the statements of profit or loss and other comprehensive income, changes in payable to shareholder 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 Branch as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on regulatory requirements of the supervisory authority, the Central Bank of Kosovo, for Solvency Margin and Assets Covering Technical Reserves.

Pursuant to the requirements of the Central Bank of Kosovo ("CBK"), we have read the accompanying Supplementary Schedules of Solvency Margin and Assets Covering Technical Reserves ("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 2015, 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.

KPMG Albania Sh.p.k. Kosovo Branch

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6 Pashko Vasa Street
Pristina, Kosovo

Sigma Interlbanian Vienna Insurance Group sh.a-Kosova Branch
Statement of financial position

(amounts in EUR, unless otherwise stated)

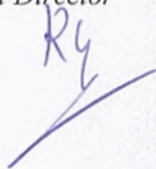
Statement of financial position		31December 2015	31December 2014
Assets			
Cash and cash equivalents	9	935,632	1,367,365
Term deposits	10	8,295,341	11,620,021
Investment securities	11	3,199,038	-
Insurance receivables	12	467,179	452,644
Deferred acquisition costs	13	607,699	539,142
Reinsurance assets	14	3,084,667	3,026,388
Equipment	15	281,898	246,752
Intangible assets	16	64,735	50,584
Other assets	17	436,937	300,056
Total Assets		17,373,126	17,602,952
Payable to shareholder			
Due from the parent company	18	3,000,000	3,000,000
Retained earnings	18	1,989,227	2,425,234
		4,989,227	5,425,234
Liabilities			
Liabilities for losses and loss adjustments expenses	19	6,724,359	5,673,944
Provision for unearned premium	20	3,369,769	3,455,895
Reinsurance deposit	21	1,679,886	1,532,970
Insurance and other payables	22	609,885	1,514,909
Total liabilities		12,383,899	12,177,718
Total liabilities and payable to shareholder		17,373,126	17,602,952

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

These financial statements were authorized for issue on 6 April 2016 by:

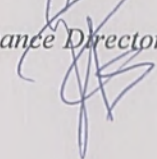
Mr. Roland Kacani

General Director



Ms. Gylsa Reka

Finance Director




Sigma InterAlbanian Vienna Insurance Group sh.a-Kosova Branch
Statement of profit and loss and other comprehensive income
(amounts in EUR, unless otherwise stated)

	Notes	For the year ended 31 December 2015	For the year ended 31 December 2014
Gross written premiums	23	10,874,428	11,051,592
Premiums ceded to reinsurers	24	(4,408,310)	(4,432,596)
Change in provision for unearned premiums	20	86,126	(863,180)
Change in provision for unearned premiums -reinsurance	14	(68,992)	(430,797)
Premium Reserve Portfolio		(20,485)	148,129
Net Earned Premiums		6,462,767	5,473,148
Other (expense)/income		(2,358)	6,868
Net Income		6,460,409	5,480,016
Losses and loss adjustment expenses	19	(4,443,725)	(3,692,974)
Losses ceded to reinsurance	19	1,018,009	657,331
Change in claims reserves, net of reinsurance share	19	(923,145)	(279,444)
Total losses and loss adjustment expenses		(4,348,861)	(3,315,087)
Commission expenses	25	(888,094)	(893,518)
Change in deferred acquisition costs	26	68,556	(72,922)
Marketing and administrative Expenses	27	(2,105,652)	(2,203,363)
Reinsurance commission	29	1,344,706	1,383,245
Total Expenses		(1,580,484)	(1,786,558)
Interest income	29	216,357	368,109
Interest expense	29	(71,821)	(72,014)
Foreign exchange gains		1,500	2,704
Net financial income		146,036	298,799
Profit before income tax		677,100	677,170
Interest income tax expense		(17,136)	(36,811)
Premium tax expense		(543,721)	(554,528)
Profit for the year		116,243	85,831
Other comprehensive income for the year, net of tax		-	-
Other comprehensive income		-	-
Total comprehensive income		116,243	85,831

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

Sigma InterAlbanian Vienna Insurance Group sh.a-Kosova Branch
 Statement of Payable to Shareholder for the year ended 31 December 2015

(all amounts are expressed in EUR)

	Due to Parent Company	Retained Earnings	Total
Balance at 1 January 2014	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 Company			
Transfer to parent company	-	(559,047)	(559,047)
Total contributions by and distributions to owners of the Company	-	(559,047)	(559,047)
Balance at 31 December 2014	3,000,000	2,425,234	5,425,234
Current year profit	-	116,243	116,243
Other comprehensive income	-	-	-
Total comprehensive income	-	116,243	116,243
Contributions by and distributions to owners of the Company			
Transfer to parent company	-	(552,250)	(552,250)
Total contributions by and distributions to owners of the Company	-	(552,250)	(552,250)
Balance at 31 December 2015	3,000,000	1,989,227	4,989,227

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