ACTIVITIES OF FINANCIAL MARKET PARTICIPANTS

LIETUVOS BANKAS
EUROSISTEMA

Review of Lithuania's Insurance Market

1st Quarter of 2016

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New legal environment requirements regulating the conduct of insurance activities and supervision came into effect on 1 January 2016. They are applicable to undertakings providing insurance services across the EU countries. Accounting standards following which insurance undertakings registered in Lithuania must manage their accounting and prepare financial statements have been changed. The insurance market growth rate has decelerated yet continued to be significant, at nearly 6 per cent. Insurance and insurance brokerage firms operated at a profit. All insurance undertakings met capital requirements.

1. CHANGES IN THE LEGAL ENVIRONMENT OF THE INSURANCE MARKET

Requirements of the Solvency II Directive for the activities and supervision of insurance undertakings, based on risk assessment, were first applied on 1 January 2016 in Lithuania, as in other European Union (EU) countries. Under the new requirements, an insurance undertaking's solvency ratios are calculated considering the actual value of its assets and liabilities, as well as all potential risks for the insurance undertaking's operation that may generate contingent losses. Accumulation of capital sufficient to cover those losses will help insurers withstand various likely shocks in their operations, financial market downturns, and meet their liabilities to insurance policy holders on time. Solvency II also means higher requirements for publicly announced information, indicators and explanations, as well as higher insurance market transparency. Higher disclosure requirements will provide users of insurance products with more useful information for decision-making. It will be easy to compare the performance indicators of insurance undertakings operating in different EU countries.

As of 1 January 2016, insurance undertakings registered in Lithuania must follow International Accounting Standards (IAS) in managing their accounting and preparing financial statements. Before 1 January 2016, undertakings had followed local business accounting standards in managing accounting and preparing financial statements. As the Solvency II framework came into effect as of 2016, insurance undertakings must draw up a Solvency II balance sheet statement, in which insurance technical provisions should be evaluated according to Solvency II framework requirements, while all Assets and Liabilities items other than technical provisions — at actual value, and giving preference to IAS evaluation methods, if they correspond to the actual value. To implement different objectives (ensure adequate public information, drawing up statements on a consolidated basis, evaluation of solvency capital requirements for supervisory purposes and the amount of available capital to cover it), insurance undertakings had to adjust their financial data even a few times and draw up different statements; therefore, the decision was taken to migrate to the application of IAS in drawing up financial statements, thereby easing the burden of the drawing up of statements.

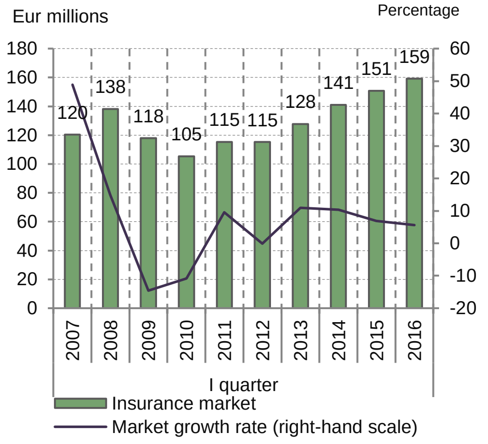
The Bank of Lithuania, seeking to address issues identified in the field of unit-linked life assurance, in 2015 worked out Proposals on the Regulation of Unit-Linked Life Assurance and Improvement of Supervision[1]. After a discussion with financial market participants and other parties concerned, a Law on the Amendment of the Law of the Republic of Lithuania on Insurance was drafted; it which was submitted in February to the Ministry of Finance of the Republic of Lithuania for consideration. The draft proposes to clearly define the obligation of insurers and insurance intermediaries to avoid conflicts of interest that could negatively affect their clients' interests, operate under the best conditions for the client and to their interests, set requirements for the management of investment directions in order for investment to be effective and enable to achieve the best result for the client (if insurers do not manage investment directions, they will not be able to charge a fee for investment direction management), establish the obligation for insurers, prior to entering into an endowment assurance contract, to disclose information about all fees related to the insurance contract and submit an example illustrating the impact of inflation, set a period of at least 3 years during which the insurer will have to lay out and deduct the acquisition and distribution costs being incurred, related to the conclusion of the en-

[1] See.: http://www.lb.lt/Proposals on the Regulation of Unit-Linked Life Assurance and Improvement of Supervision

dowment assurance contract, from the insurance premiums payable by the insurance policy holder, and regulate the calculation of surrender value and the fee for the termination of the contract.

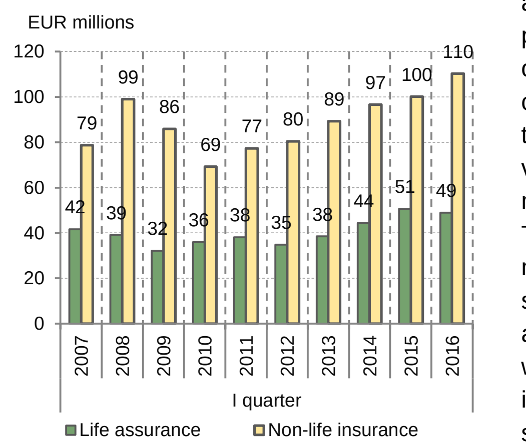
Directive (EU) 2016/97 of the European Parliament and of the Council on insurance distribution was adopted on 20 January 2016. Its provisions must be transposed into national law by 23 February 2018. The aim of the Directive is to expand the scope of application of Directive 2002/90/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation to a wider group of entities and also to set tighter qualification, organisational, and client interest protection requirements.

Chart 1. Dynamics and growth rate of premiums within the entire insurance market



Source: Bank of Lithuania.

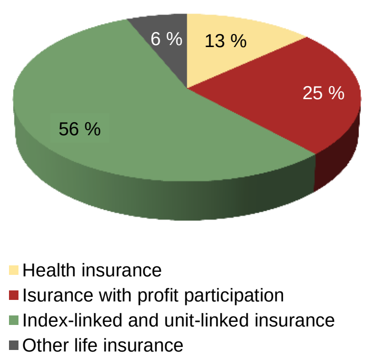
Chart 2. Dynamics of life assurance and non-life insurance premiums



Source: Bank of Lithuania.

Chart 3. Distribution of life assurance premiums by type

Q1 2016



Source: Bank of Lithuania.

2. DEVELOPMENT OF THE INSURANCE MARKET

Insurance premiums, contracts, claims

In the first quarter of 2016, growth in the volumes of insurance premiums decelerated. Insurance premiums amounted to EUR 159.2 million, a year-on-year increase of 5.6 per cent. Market volume has been expanding for the last five years, but the growth rate has been gradually decelerating on account of the larger database of the previous comparable period. In assessing the changes in the first quarters of the last ten years, we see that they coincide precisely enough with the trends of the economic cycle in the country, albeit with a lag of two years, as is typical of the insurance market.

The share of life assurance premiums contracted to 30.7 per cent of the entire insurance market, a fall of nearly 6 p.p. compared to the data as of 31 December 2015. This market is characterised by seasonal fluctuations, thus the results for the different quarters of the same year are usually highly variable. EUR 48.9 million in premiums were written in the life assurance market in the first quarter of 2016, a decrease of 3.4 per cent year on year. The decline in the result for the first quarter was due to the absence of the usual flow of single premiums, which almost halved, comparing the respective two-year periods. This trend was observed throughout the initial months of this year, which shows that even if insurance policy holders meet their long-term liabilities paying steadily periodical fees, they tend to choose investment products other than life assurance in investing spare funds. Moreover, disruptions in payments of insurance premiums that were executed via direct debit transactions were observed. These disruptions were due to the coming into effect of Single Euro Payments Area (SEPA) requirements in Lithuania as of 1 January 2016. Considering premium volumes by separate types of insurance, the life assurance market is dominated by index and investment unit-related insurance, which accounts for 55.7 per cent of the life assurance market. After migrating as of 2016 to a new classification of insurance products into types and sub-types in line with the subject matter of Solvency II (when the premium is diversified by assessing prohibited risks by subject matter or origin rather than the contract concluded to be considered as an integral unit), this product group basically corresponds to the previous type of unit-linked life assurance, without considering, however, premiums paid for addition health risk, which is included in the health risk type. One-fourth of the life assurance market consists of products the contracts for which provide a possibility for insurers to share profits earned with insurance policy holders.

The non-life insurance market grew by 10.2 per cent, posting the strongest growth over the last decade and offsetting the life assurance market trend. Premiums written amounted to EUR 110.3 million, with motor third party liability insurance dominating — EUR 34.6 million (a year-on-year increase of 8.6%), other motor third part liability insurance (comprising Casco and railway rolling stock insurance) — EUR 25.6 million (an increase of 15.6%) and property insurance — EUR 25.5 million (an increase of 11.9%). Compared to changes in the first quarters of previous years, only property insurance premiums grew at a similar rate, while crop and livestock insurance posted the strongest growth rate among this product type. Two types of transport insurance, accounting for almost 55 per cent of non-life insurance market premiums, boosted by over EUR 6 million from the first quarter of the previous year, to account for 60 per cent of the entire market growth volume. Average premium for motor third party liability and Casco insurance products, which account for the largest share of transport insurance types, increased over the quarter.

The increase in Casco insurance premium was faster and one of the likely reasons to have driven its increase was an increase in the number of new transport vehicles registered for the first time in the country by 33 per cent.

1.24 million insurance contracts were concluded over the quarter. No significant changes occurred in the composition of contracts concluded: even 96 per cent of total contracts were concluded in the non-life insurance market, with the contracts prohibiting motor third party liability dominating (43.6%). With regard to the contracts in force portfolio, higher significance is attached to life assurance contracts: their number accounted for slightly above 20 per cent. 29 per cent of total contracts have been concluded through the mediation of insurance brokerage firms. Independent intermediaries were more active in the non-life insurance market, with over 30 per cent of contracts concluded through their mediation. Insurance brokerage firms were not active in concluding life assurance contracts, with only 1.3 per cent of contracts concluded.

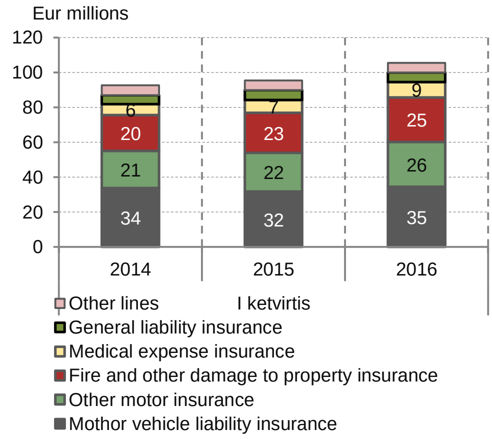
EUR 88.4 million in claims were paid over the quarter, an increase of 7 per cent. The share of life assurance in the composition of claims paid accounted for almost 32 per cent, being slightly larger than that in the composition of premiums. EUR 27.9 million was paid under life assurance contracts, an increase of 9.6 per cent year on year. The number of claims paid due to increased termination of life assurance contracts or partial payment of accumulated amount grew by almost 23 per cent, of claims paid under the index and investment unit-related type of insurance — by even 25.6 per cent. This indicator had the greatest influence on growth in claims paid. EUR 60.4 million was paid in the non-life insurance market, an increase of 5.9 per cent year on year. Overall, EUR 2.8 million more were paid under MTPL and Casco insurance contracts and EUR 2.0 million more due to insured events that occurred under property insurance contracts.

Insurance market participants

As of 31 March 2016, insurance services were provided by 22 insurers, of which 9 undertakings and 13 branches of undertakings registered in other EU countries. By decision of the Board of the Bank of Lithuania, the insurance business licence was revoked for *UAB Būsto paskolų draudimas* on 28 January 2016. *UAB DK PZU Lietuva* changed is name and legal form as of 1 March to provide market services under the name of *ADB Gjensidige. UADB Compensa Vienna Insurance Group*, which was established last year, took over the insurance portfolio of the branch established by this group's undertaking in Lithuania, but this branch is not active in providing insurance yet. 97 insurance brokerage firms mediate in concluding insurance contracts by insurers. One license was issued to the mediators undertaking *UADBB SST brokeris* over the first quarter.

As regards insurance market developments, this Review provides an overview of the activities of all market participants carried out in Lithuania. With regard to compliance with financial and capital ratios as well as the dynamics of these indicators, the Review only covers the activities of insurance undertakings and insurance brokerage firms registered in Lithuania, as the financial supervision of branches is carried out by the supervisory authority of the host country of the undertaking which has established a branch. Undertakings' financial performance is not to be dissociated from their activities beyond Lithuania. A few insurance undertakings registered in Lithuania have established branches in the neighbouring countries; an overview

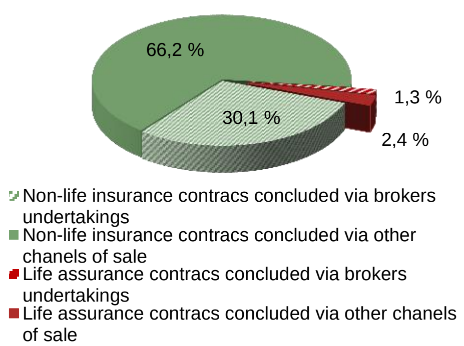
Chart 4. Dynamics of non-life insurance premiums



Source: Bank of Lithuania.

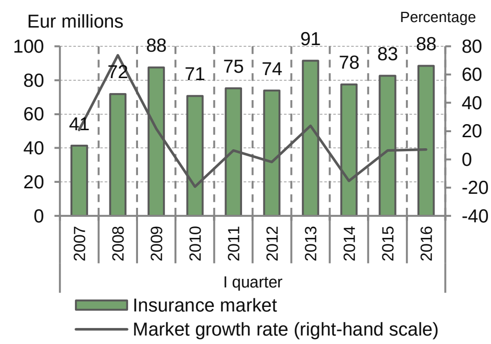
Chart 5. Insurance contracts concluded

Q1 2016



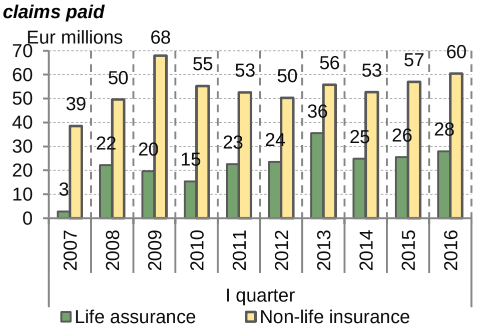
Source: Bank of Lithuania.

Chart 6. Dynamics and growth rate of claims paid within the entire market



Source: Bank of Lithuania.

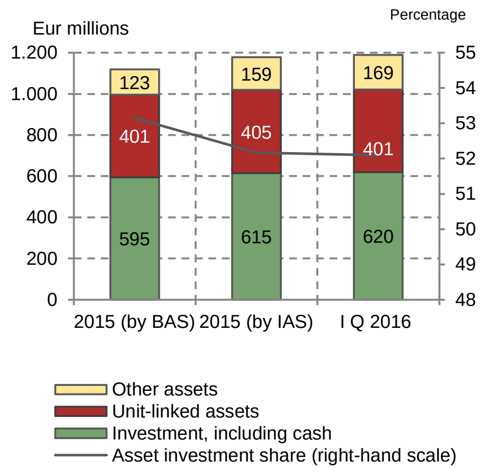
Chart 7. Dynamics of life assurance and non-life insurance claims paid



Source: Bank of Lithuania

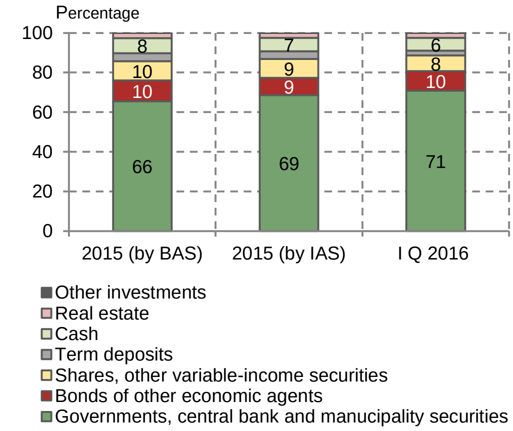
Supervision Service of the Bank of Lithuania. Contact person: A. Tamošėtienė, Tel.: (8 5) 2680 582, e-mail: atamoseti

Chart 8. Composition of insurance undertakings' assets



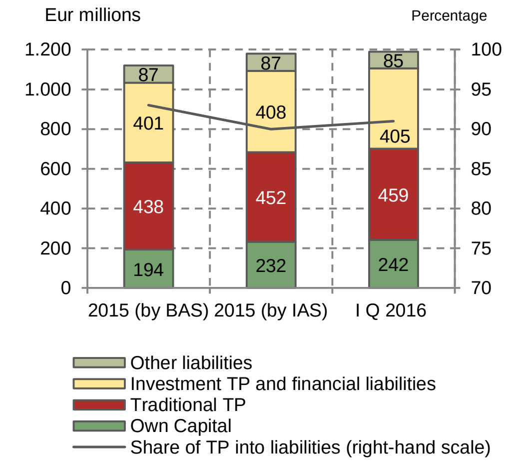
Source: Bank of Lithuania.

Chart 9 Composition of insurance undertakings' investment portfolio



Source: Bank of Lithuania.

Chart 10. Changes in insurance undertakings' liabilities and equity



Source: Bank of Lithuania.

of their financial performance is given in a complex manner, without segmenting them by the territory of operation.

Assessment in terms of insurance premium volumes shows equal distribution between the share of undertakings and branches registered in the country; in the life assurance market, however, registered undertakings hold higher premium volumes (59.6%), while the non-life insurance market is dominated by branches of undertakings registered in other EU countries (54.1% of total premiums).

3. FINANCIAL PERFORMANCE OF INSURANCE UNDERTAKINGS

Assets and investment

According to the data as of 31 March 2016, the assets managed by undertakings amounted to EUR 1,189.9 million, of which EUR 416.5 million belonged to non-life assurance undertakings. The main share (51.9%) of EUR 773.4 million in assets managed by life assurance undertakings comprised insurance policy holders' assets entrusted to undertakings under unit-linked life assurance contracts. As of 1 January 2016, insurance undertakings' accounting is managed following IAS. Migration from Business Accounting Standards (BAS) to IAS and changed other items of financial statements had a significant enough influence on changes in asset volumes: as of 31 December 2015, assets grew by 5.3 per cent in value due to the above-named changes. The changed recording of re-insurers' assets in financial statements accounted for more than half of this change. Financial statements which had been drawn up before 2016 reflected the re-insurers' share in technical provisions on the Liabilities side of the balance sheet, reducing insurance undertakings' liabilities. New financial statements include full coverage technical provisions and are reflected in Liabilities items of the balance sheet, while the re-insurers' share in technical provisions is reflected in balance sheet items as the undertaking's assets on the reporting date. Other changes in balance sheet items were due to changes in the evaluation of financial assets. The majority of undertakings have evaluated their financial assets at fair value in drawing up financial statements. This evaluation method must be applied in drawing up the balance sheet according to Solvency II requirements; hence, the differences between financial statements and assets evaluated according to Solvency II requirements will not be significant.

Changes in the composition of undertakings' investment portfolio were marginal. Investments managed by undertakings accounted for 85 per cent of total assets' value. This value accounted for even 96.6 per cent of total assets within life assurance undertakings, while the funds of insurance policy holders (under unit-linked life assurance contracts) — for 53.7 per cent of the total investment portfolio. After migrating to risk assessment-based assessment of the activities and supervision of insurance undertakings, there remained no previous quantitative restrictions on insurance undertakings' investments that had been used to cover traditional technical provisions. Under the new Solvency II framework, undertakings are not limited in what investment products to choose; however, capital requirements will increase as they will seek higher returns and choose products involving higher risk, and they will have to hold sufficient adequate quality equity capital to satisfy them.

According to the data as of 31 March 2016, the assets of insurance brokerage firms equalled to EUR 24.2 million, an increase

of 3 per cent. The main share of these undertakings' assets (nearly 33%) consisted of cash. Cash, held in a separate account, amounted to EUR 2.0 million — and was well above the intermediaries' liabilities to insurance undertakings.

Own capital and liabilities

As of 31 March 2016, the equity capital of insurance undertakings amounted to EUR 241.9 million, an increase of 2.8 per cent from late 2015. Own capital, according to the data as of 31 December 2015, grew by almost 20 per cent in volume due to changed accounting standards. In drawing up financial statements according to IAS requirements, undertakings included their financial assets in accounting at fair value and a revaluation provision was built up due to these assets' value change. The main share of insurance undertakings' liabilities (72.6%, or EUR 863.2 million) consisted of an insurance technical provision and financial liabilities arising from unit-linked life assurance contracts. Within life assurance undertakings, technical provisions and financial liabilities accounted for even 82 per cent of asset value, or EUR 634.4 million. After migration to accounting under IAS, technical provision changes were insignificant, with technical provisions having contracted by 1 per cent as of 31 December 2015, while technical provisions built up under unit-linked life assurance contracts picked up by 0.8 per cent.

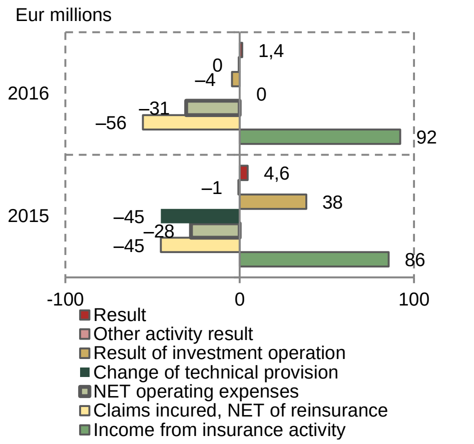
Operating result

According to the data as of 31 March 2016, the profits earned by insurance undertakings amounted to EUR 1.4 million. The profits of life assurance undertakings equalled to EUR 4.4 million, while non-life insurance undertakings operated at a loss, which amounted to almost EUR 3 million. Compared to the adjusted operating result for the first quarter of 2015, the profits earned by undertakings fell by nearly 69 per cent. As of 31 March 2015, the calculated operating result of life assurance undertakings — profit — fell from EUR 5.1 million to EUR 3.6 million due to changed accounting standards. Changes in the non-life insurance market were more significant and were not only driven by changed accounting standards but the changed comparable database as well; hence, the data is not comparable with previous periods. As of 31 March 2016, two insurance undertakings that had operated in 2015 — *UAB Būsto paskolų draudimas* and *UADB Industrijos garantas* — are no longer engaged in the insurance activity, while *UADB Compensa Vienna Insuranse Group* was established in July. The negative impact on the operating result of non-life insurance undertakings for the first quarter stemmed also from the reorganisation or restructuring processes, taking place in some undertakings. The investment activity result both for life assurance and non-life insurance undertakings, calculated with enterprises investing their equity capital and funds in line with the amount of technical provisions formed, was profit; it was slightly above EUR 0.5 million for non-life insurance undertakings and EUR 1.4 million for life assurance undertakings. These funds are invested in investment products involving low risk but also generating lower returns. The main portion of these funds (even 71%) has been invested in government security products. The overall result of investment activity was a loss, which was driven by a loss of EUR 6.3 million from investment of insurance policy holders' funds managed under unit-linked life assurance contracts. These funds are mainly invested in collective investment undertakings of different risk level, and the return on them shows unfavourable trends developing in financial markets.

The operations of insurance brokerage firms in the first quarter were profitable, with the profit earned amounting to EUR 964 thousand; the earned profit for this year, however, decreased by 27 per cent year on

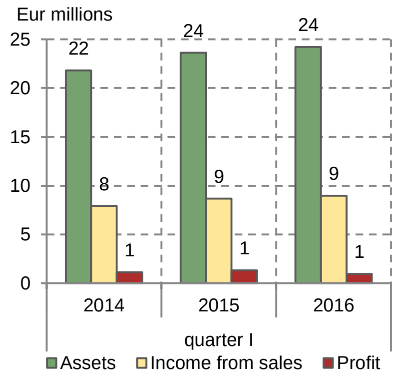
Chart 11. Operating result of insurance undertakings

Q1 2015 and Q1 2016



Source: Bank of Lithuania.

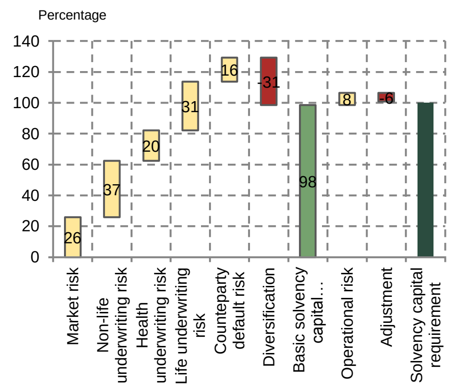
Chart 12. Income and operating result of insurance brokerage firms



Source: Bank of Lithuania.

Chart 13. Distribution of insurance undertakings' capital requirements

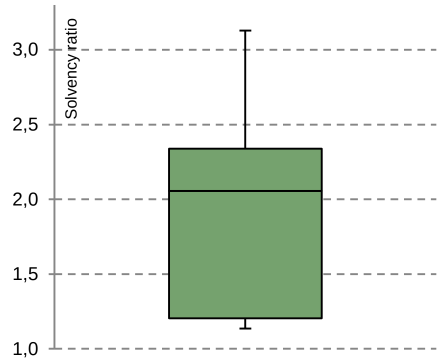
1 January 2016



Source: Bank of Lithuania.

Chart 14. Distribution of the solvency ratio

1 January 2016



25–75 per cent of data is covered by the green area; the middle line marks the median (the middle element of the data series); the lower and the upper limits mark the minimum and maximum respectively.

Source: Bank of Lithuania.

year. Undertakings' sales revenues equalled to almost EUR 9 million and, albeit increasing by more than 3 per cent from the first quarter of the previous year, the increase in their operating cost was more pronounced, which resulted in in lower profits for this year. Most undertakings — 68 out of 97 — operated at a profit.

4. MEETING OF CAPITAL REQUIREMENTS FOR UNDERTAKINGS

Capital requirements for insurance undertakings

Application of risk assessment-based Solvency II requirements changes the procedure for the calculation of capital adequacy. As of to date, assessment of an insurance undertaking's capital adequacy takes into account the overall risk faced by the insurance undertaking, i.e. not only insurance risk, but market, credit and operational risk as well. An insurance undertaking must hold sufficient assets to cover contingent losses that may arise due to catastrophes, investment depreciation, mismatch between assets and liabilities, cost increases or default on re-insurers' liabilities. The main part of both a life assurance undertaking's and a non-life insurance undertaking's capital requirement consists of the risk of its operating activities. As of 1 January 2016, the solvency ratio of life assurance undertakings was 2.6, of non-life insurance undertakings — 1.6.

Capital requirements for insurance brokerage firms

The equity capital of insurance brokerage firms amounted to EUR 13.6 million, a year-on-year increase of 8.6 per cent. The minimum capital requirement for insurance brokerage firms is EUR 18,760, or not less than 4 per cent of an insurance brokerage firm's insurance premiums payable to insurers received over a year. One firm did not meet minimum capital requirements on the reporting date; its shareholders took action though and the amount of required capital was restored after the reporting period. Another three insurance brokerage firms took preventive action to enforce capital requirements: the shareholders of these firms contributed funds to cover the loss.

5. SETTLEMENT OF DISPUTES BETWEEN CONSUMERS AND INSURANCE MARKET PARTICIPANTS

It should be noted that, **when settling disputes arising in the insurance sector,** in cases when an insurance contract is being concluded through the mediation of an independent insurance intermediary, questions arise regarding the intermediary's obligation and responsibility in introducing the insurer to the insurance policy terms and conditions defining the coming into force of the insurance contract. Adequate discharge of the above-named obligation is significant, as the standard contractual terms are only mandatory to the other party in case it was provided a proper possibility to get introduced to those contractual terms (Art. 6.185 (2) of the Civil Code of the Republic of Lithuania). It should also be noted that the provisions of the insurance policy terms and conditions on the moment of coming into force of insurance contracts are often ambiguous and conflicting, i.e. it is not clear whether the moment of an insurance contract coming in force should relate to the payment of an insurance premium or to the date specified in the insurance policy. Therefore, in concluding an insurance contract, the insurance policy holder should be explained not only the terms of and procedure for the payment of insurance premiums, but the legal consequences for not paying an insurance premium within specified time limits.

In the first quarter of 2016, the Bank of Lithuania received 108 applications concerning disputes that arose from the contractual relationship of financial services, most of which (81) concerned disputes within the insurance sector. Among the disputes settled in the first quarter of 2016 which arose from the legal relationship of insurance, disputes concerning the application of the terms and conditions of not full coverage insurance in calculating the claim to be paid should be singled out. In the assessment of such disputable situations, it is important to take into account the terms and conditions of the insurance contract agreed by the parties to the insurance contract. Where the parties to an insurance contract, in concluding the insurance contract, do not agree that the insurance amount and the insurance value mismatch, also where the individual contractual terms (insurance policy) do not specify that the insurance object has not full coverage insurance, then, in the case of occurrence of an insured event, the insurer cannot apply the proportion rule laid down in Article 6.999 (1) of the Civil Code of the Republic of Lithuania and pay a claim compensating only part of the loss incurred by the insurance policy holder in proportion to the ratio of the insurance amount to the insurance value.

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Annex: Key indicators of the insurance sector

Table 1. Insurance premiums

Seq. No	Insurance branches	31/03/2014	31/03/2015	31/03/2016	Growth rate in 2015	Growth rate in 2016
		Amount, EUR millions			%	
1	Life assurance	44.46	50.68	48.94	14.0	–3.4
2.	Non-life insurance	96.53	100.04	110.27	3.6	10.2
3.	**Total**	**140.99**	**150.72**	**159.21**	**6.9**	**5.6**

Source: Bank of Lithuania.

Table 2. Claims paid

Seq. No	Insurance branches	31/03/2014	31/03/2015	31/03/2016	Growth rate in 2015	Growth rate in 2016
		Amount, EUR millions			%	
1	Life assurance	24.94	25.50	27.95	2.3	9.6
2.	Non-life insurance	52.64	57.04	60.41	8.4	5.9
3.	**Total**	**77.58**	**82.54**	**88.36**	**6.4**	**7.0**

Source: Bank of Lithuania.

Table 3. Main items of balance sheet statement

Seq. No	Indicator	Life insurance undertakings			Non-life insurance undertakings		
		31/12/2015*	31/03/2016	change over Q1	31/12/2015*	31/03/2016	change over Q1
		Amount, EUR millions		%	Amount, EUR millions		%
1	**Assets**	763.71	773.36	1.3	415.31	416.50	0.3
1.1.	Intangible assets	2.20	2.07	–5.9	17.81	18.09	1.6
1.2.	Investment	316.12	324.96	2.8	257.21	254.74	–1.0
1.2.1.	Land, buildings and other real estate	0.25	0.25	0.0	15.26	15.13	–0.8
1.2.2.	Equity securities	30.07	23.75	-21.0	28.29	25.02	–11.6
1.2.3.	Debt securities	278.35	293.24	5.3	196.46	206.32	5.0
1.2.4.	Deposits with credit institutions	6.75	7.06	4.5	17.21	8.27	–52.0
1.2.5.	Other investment	0.70	0.66	–6.2	0	0	0
1.3.	Life assurance investment when investment risk is borne by insurance policy holder	404.55	401.21	–0.8	0	0	0
1.4.	Other asset positions	40.84	45.12	10.5	140.29	143.67	2.4
1.4.1.	Cash and cash equivalents	16.76	20.88	24.6	25.00	19.28	–22.9
2.	**Owners' equity and liabilities**	763.71	773.36	1.3	415.31	416.50	0.3
2.1.	Capital and provisions	115.51	127.78	10.6	116.29	114.07	–1.9
2.2.	Technical provisions	633.83	634.42	0.1	226.58	228.83	1.0
2.3.	Other positions of liabilities	14.36	11.16	–22.3	72.44	73.60	1.6

**Balance sheet statement data is presented as reflected in the comparability column of statements submitted by undertakings as of 31 March 2016, i.e. adjusted according to IAS requirements.*

Source: Bank of Lithuania.

Supervision Service of the Bank of Lithuania. Contact person: A. Tamošėtienė, Tel.: (8 5) 2680 582, e-mail: atamosetiene@lb.lt

Table 4. Main items of Profit (loss) and other comprehensive income statement

Seq. No	Indicator	Life assurance undertakings			Non-life insurance undertakings		
		31/03/2015*	31/03/2016	change over the year	31/03/2015*	31/03/2016	change over the year
		Amount, EUR millions		%	Amount, EUR millions		%
1	Income from insurance activity	34.15	34.11	–0.1	51.38	58.03	12.9
2.	Cost of insurance claims paid	–15.64	–17.28	10.5	–29.60	–38.24	29.2
3.	Change in technical provisions not included in other items	–44.04	–0.19	–99.6	–1.20	0.58	–148.8
4.	Net operating cost	–7.64	–7.76	1.5	-20.36	–22.92	12.6
5.	Investment profit (loss)	36.46	–4.92	–113.5	1.78	0.51	–71.4
6.	Operating result of other activities	0.24	0.25	7.8	–0.55	–0.59	7.1
7.	Income tax	0.09	0.19	100.4	–0.43	–0.34	–20.4
8.	**Result for reporting period**	3.62	4.41	21.8	1.02	–2.97	–390.9

Data of Profit (loss) and other comprehensive income statement is presented as reflected in the comparability column of undertakings' statements for 31/30/2016, i.e. adjusted according to IAS requirements.

Source: Bank of Lithuania.

Table 5. Key indicators of activities of insurance brokerage firms

Seq. No	Indicators	31/03/2014	31/03/2015	31/03/2016	Growth rate in 2015	Growth rate in 2016
		Amount, EUR millions			%	
1	Insurance contracts concluded, units	303,364	327,914	361,022	8.1	10.1
2.	Sales revenues	7.93	8.66	8.98	9.7	3.3
3.	Result for reporting period	1.12	1.32	0.96	18.6	–27.1

Source: Bank of Lithuania.

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