

SUMMARY OF THE AUDITED ANNUAL REPORT OF ZAVAROVALNICA SAVA FOR 2018

The summary of the audited annual report was compiled on the basis of the Annual Report of Zavarovalnica Sava for 2018. The complete report is published on our website: <https://www.zav-sava.si>.

Maribor, March 2019

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STATEMENT OF THE MANAGEMENT'S RESPONSIBILITY

In accordance with the responsibility for the preparation of financial statements of Zavarovalnica Sava d.d., the Management Board of Zavarovalnica Sava d.d. hereby confirms that the financial statements, including the notes, are compiled under the business continuity assumption and are compliant with the valid legislation in Slovenia and International Financial Reporting Standards, as adopted by EU. Relevant assessments, estimates and assumptions, including actuarial assessments, which observe the most appropriate methods for the insurance company under the given circumstances and enable us to give the assurances below, were applied in the compilation of the presented financial statements.

To the best of their knowledge, the members of the Management Board of the insurance company declare:

- The financial report, including financial statements with notes, is compiled in accordance with the adopted reporting principles of the insurance company and presents a true and fair view of assets, liabilities, financial position and profit or loss of the insurance undertaking;
- The business report presents a fair view of the development and performance of the insurance company and its financial position, including a description of the principal risks and opportunities the company is exposed to, and a description of all other information, which are relevant for a true and fair view of the operations of the insurance company.

The Management is responsible for keeping relevant records, which in each moment represent the company's financial position with a reasonable precision, and for ensuring that the company's financial statements are consistent with IFRS adopted by the EU. The management is also responsible for protecting the company's assets and preventing and detecting fraud and other irregularities.

The tax authorities may at any time inspect the operations of the company and records within 5 years subsequent to the reported tax year, which may impose additional tax assessments and penalties arising from corporate income tax, other taxes and charges. The Company's management board is not aware of any circumstances which may give rise to a potential material liability in this respect.

Zavarovalnica Sava complies with the Insurance Code, which was adopted by the majority of insurance companies in the country.

By signing below, the members of the Management Board of the insurance company confirm their full responsibility and agreement with the summary of the annual report of Zavarovalnica Sava for 2018, dated 1 March 2019.

Maribor, 1 March 2019

Management Board:

David KASTELIC, Chairman of the Management Board



Primož MOČIVNIK, Member of the Management Board



Rok MOLJK, Member of the Management Board



Robert CIGLARIČ, Member of the Management Board



This is a translation of the original report in Slovene language

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the owner of Zavarovalnica Sava, d.d.

The accompanying summary financial statements, which comprise the summary statement of financial position as at 31 December 2018, the summary income statement, summary statement of comprehensive income, summary cash flow statement, and summary statement of changes in equity for the year then ended, are derived from the audited financial statements of Zavarovalnica Sava, d.d. for the year ended 31 December 2018. We expressed an unmodified audit opinion on those financial statements in our report dated 1 March 2019.

Financial statements and summary financial statements do not take into account any events that occurred after the date of our audit report issued on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the EU. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Zavarovalnica Sava, d.d.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary statement of financial position as at 31 December 2018, summary income statement, summary statement of comprehensive income, summary cash flow statement and summary statement of changes in equity for the year then ended in accordance with International Financial Reporting Standards.


Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Zavarovalnica Sava, d.d. for the year ended 31 December 2018 are consistent, in all material respects, with those financial statements.

Ljubljana, 1 March 2019



Janez Uranič
Director
Ernst & Young d.o.o.
Dunajska 111, Ljubljana

ERNST & YOUNG
Revizija, poslovno
svetovanje d.o.o., Ljubljana 1



Primož Kovačič
Certified auditor

ADDRESS OF THE MANAGEMENT BOARD

Dear Shareholder, Dear Business Partner,

Once we finalised the merger, the year 2018 was dedicated to further strengthening the Zavarovalnica Sava brand – both with our customers, who we make sure to put at the centre of our work, and with our employees. We were pleased to find that the divides between our staff were soon overcome and that we are now all committed to our common Zavarovalnica Sava brand.

On 1 January 2018, we launched our own assistance services, which made it easier to arrive at service confirmations and increased policyholder satisfaction, as response times were shortened to minimum and services improved in all areas.

We redesigned and upgraded our property policies so that in March, we could present the new “DOM” policy, which includes the “Asistim” service, to our policyholders. Under this service, we take care of and immediately repair any property damage, which proved to be an excellent competitive advantage, taking us further ahead of our competitors in the Slovenian insurance market. In addition to this new property policy, we kept updating and refreshing our other products throughout the year, bringing them closer to market requirements and the wishes of our policyholders. In this way, we can grow and put the policyholder at the centre of our work throughout the policy term – from policy inception to claims settlement.

In April, we signed a purchase contract for the acquisition of 100% of the Croatian companies ERGO Osiguranje d.d. and ERGO Životno Osiguranje d.d. We did not receive any approval from the Croatian regulator in 2018, so the acquisition will only be finalised in 2019.

In addition to our efforts devoted to our policyholders and our staff at Zavarovalnica Sava, much energy is dedicated to environmental concerns. Our product development projects aim at providing our policyholders with products that will take into account those environmental changes imminent in certain areas. In 2018, our policyholders were impacted by a number of hailstorms. The strongest hit areas lay in south-east Slovenia (Črnomelj), where an exceptionally large amount of hail and rain fell on a narrow strip of land within a very short period of time. It is for these reasons, we believe that the insurance industry will need to take a closer look at environmental changes over the coming years.

In 2019, we will keep up the good work, making further improvements to our services in all areas of our business. Relying on the professionalism and dedication of our people, we will offer our customers stability and deliver on our #neveralone (#nikolisami) promise.

Management Board

David KASTELIC
Chairman of the
Management Board

Primož MOČIVNIK
Deputy Chairman of the
Management Board

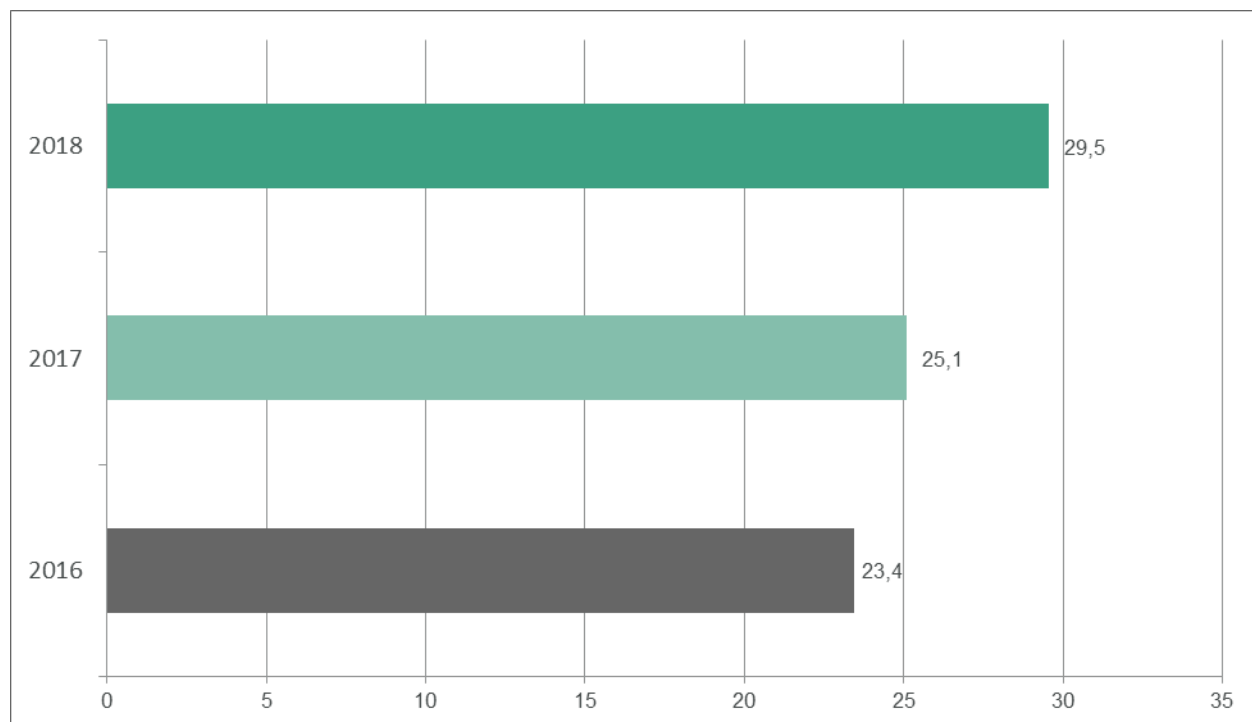
Rok MOLJK
Member of the
Management Board

Robert CIGLARIČ
Member of the Manag. Board,
Labour Director



1. KEY BUSINESS INDICATORS OF ZAVAROVALNICA SAVA

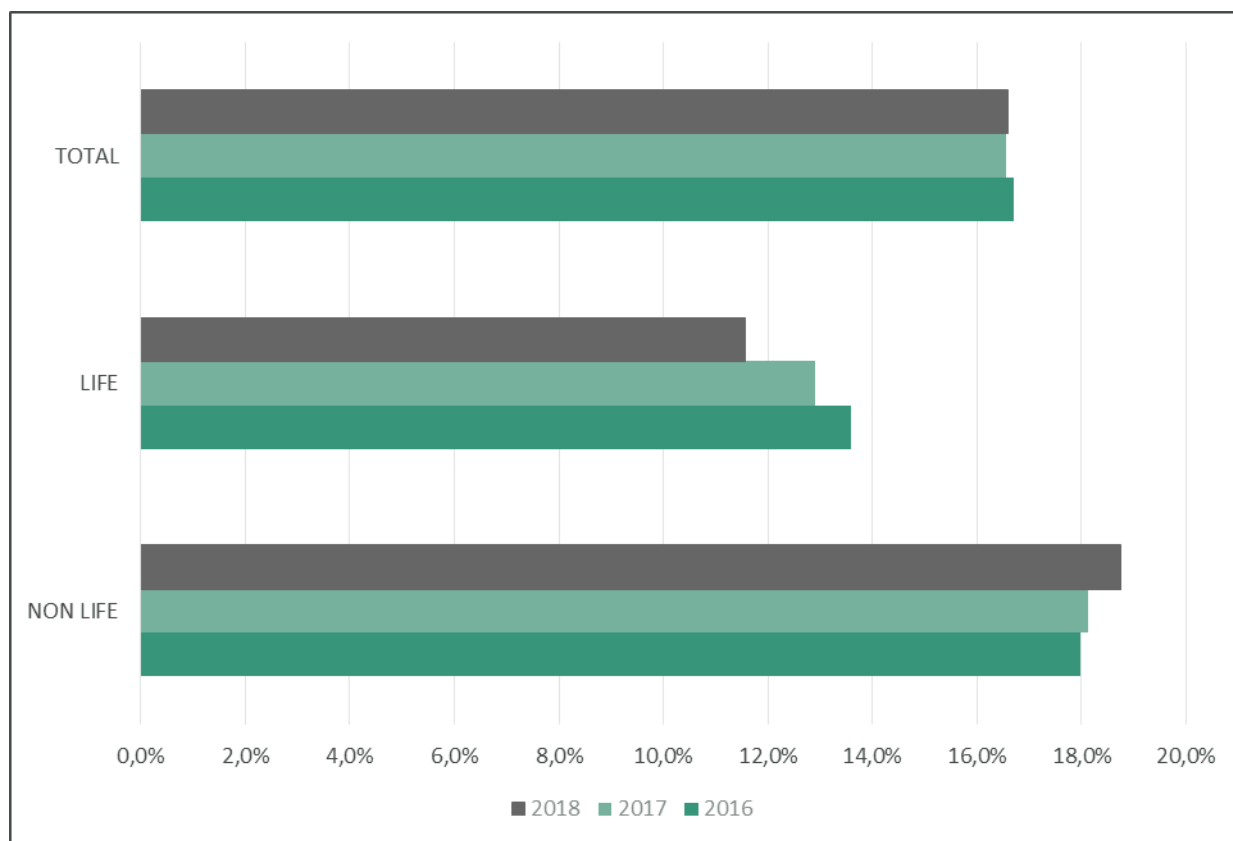
Trend in net profit or loss (in million eur)



The year 2018 ended again very successfully. In 2018, net profit of Zavarovalnica Sava is 4,5 million eur or 17,8 percent higher than net profit generated in 2017. The non-life insurance segment and the life insurance segment accounted for 18,4 million eur and 11,2 million eur of net profit, respectively.

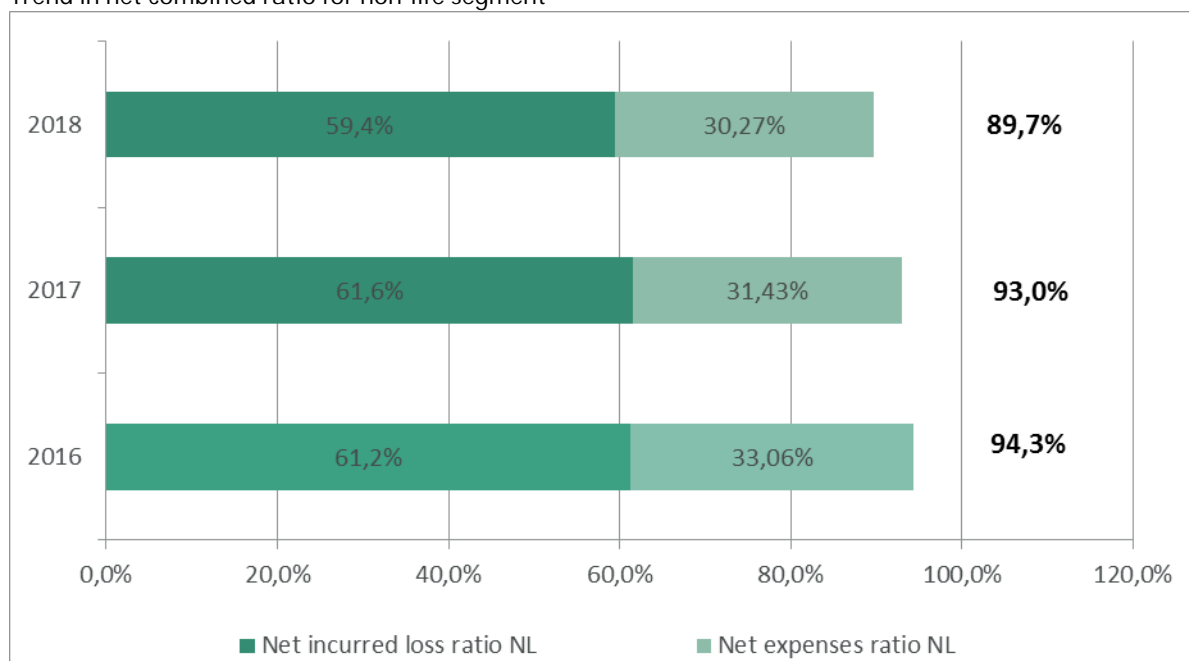
In non-life insurance segment higher profit is mainly the result of higher net premiums (higher gross insurance premium for 11,2 percent) and improvement of expense ratio. The year 2018 was also characterised by numerous natural disasters. They are effect of climat changes and became regular feature. Even though none of the disasters resulted in losses that would require CAT coverage, a large number of these events significantly impacted profit and loss.

Market position of Zavarovalnica Sava in the years 2016, 2017 and 2018 for slovenian insurance companies



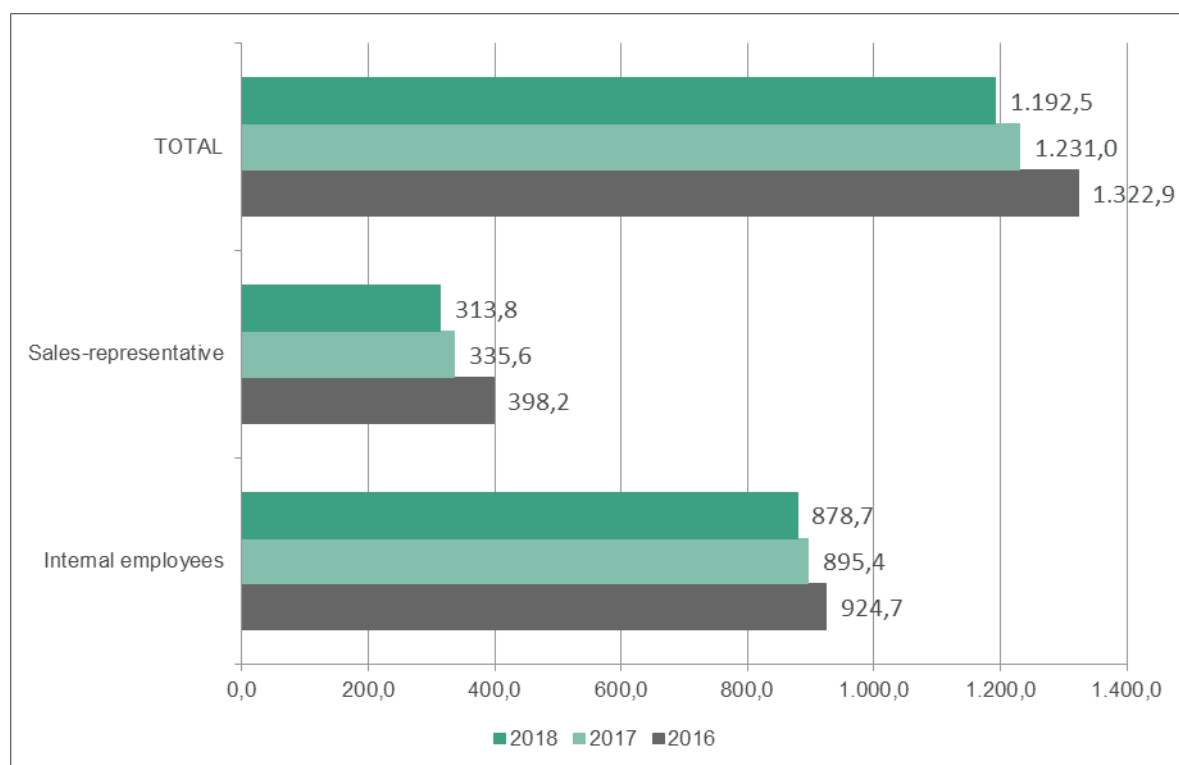
In year 2018 we successfully defended our market position. With a 16.6 percent market share, Zavarovalnica Sava remains the second largest insurance company in the market. Market share, calculated on the basis of gross premiums written, amounts to 16.6% (2017: 16.6%). In the non-life insurance segment and in the life insurance segment, it amounts to 18.8% (2017: 18.1%) and 11.6% (2017: 12.9%), respectively. Decrease of market position in the life insurance segment is mainly the consequence of maturity of the life insurance contracts in the last two years.

Trend in net combined ratio for non-life segment



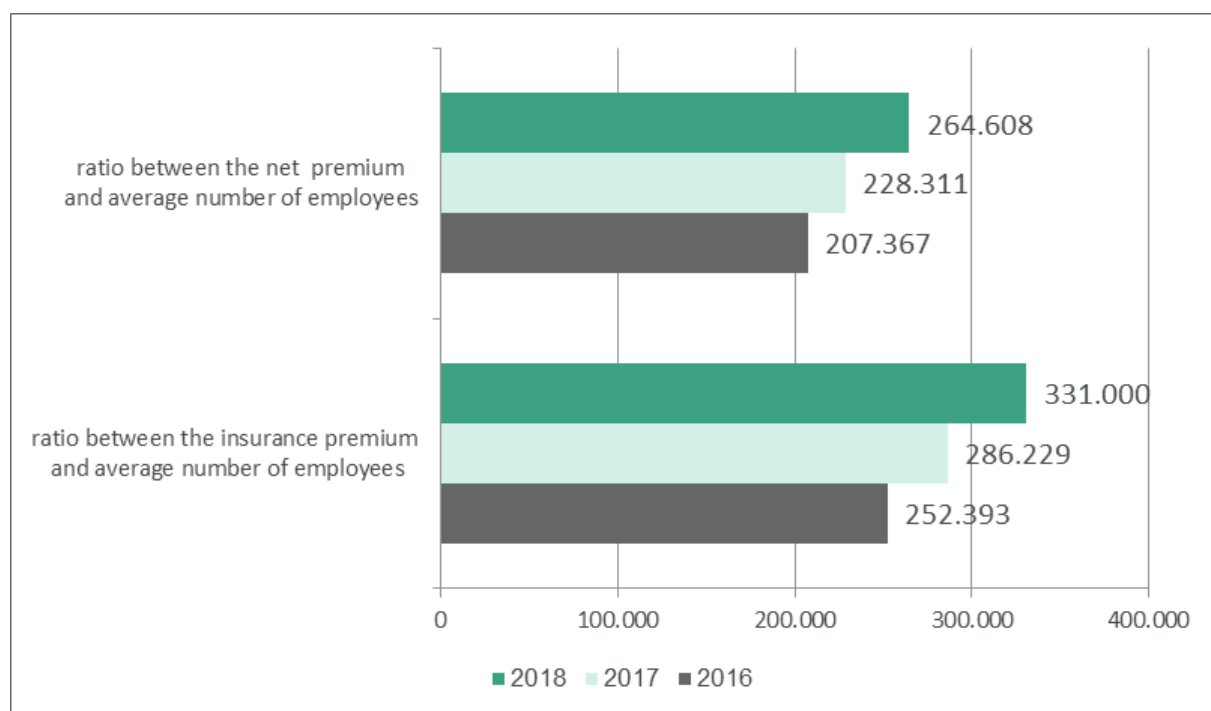
The net combined ratio for non-life insurance improved by 3.3 percentage points in comparison to 2017. Incurred loss ratio (2.2 %) and net expense ratio (1.1 %) have also improved.

Number of employees according to the full-time equivalence as at 31 December 2016, 2017 and 2018



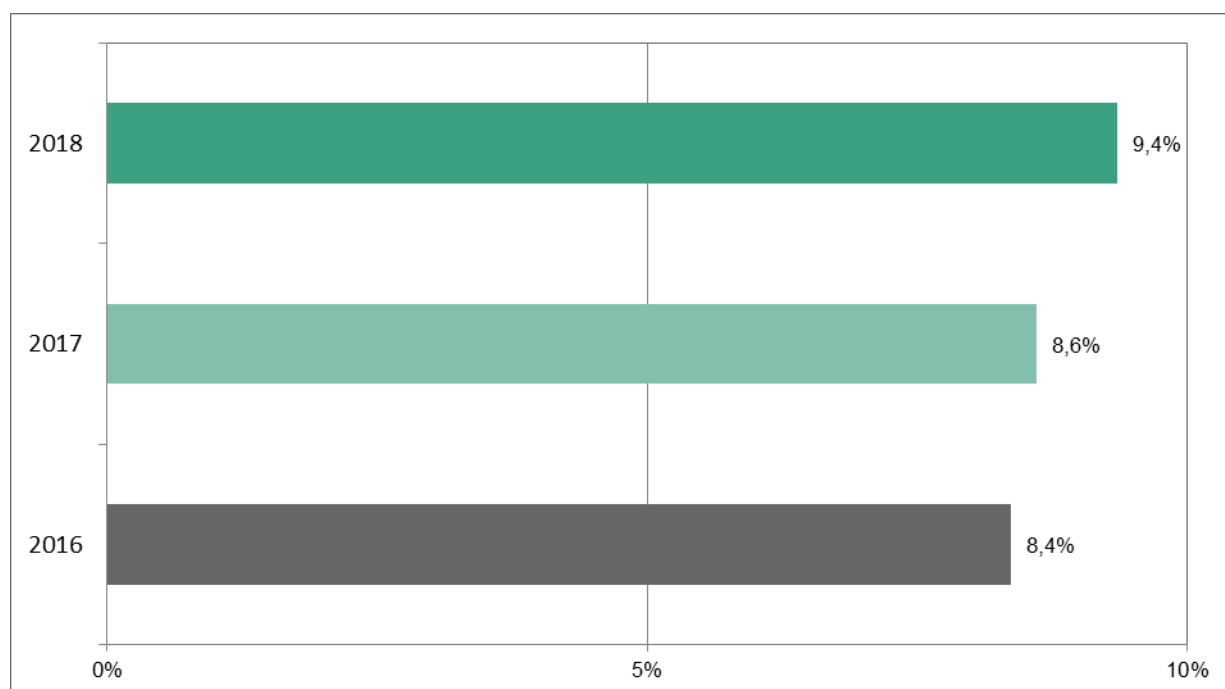
On the last day of the reporting period in 2018, the total number of employees decreased by 41 and full-time equivalent dropped by 38.5 employees. The average full-time equivalent (FTE), calculated from monthly balances in 2018, amounted to 1,192.5 and thereby decreased by 84.02 employees in comparison to 2017. Decreasing number of employees is still the consequence of merger of four insurance companies in the November of year 2016 (Zavarovalnica Maribor, Zavarovalnica Tilia, Velebit živотно osiguranje, velebit neživотно osiguranje).

Employee productivity 2016 – 2018 (in Euros, no cents)



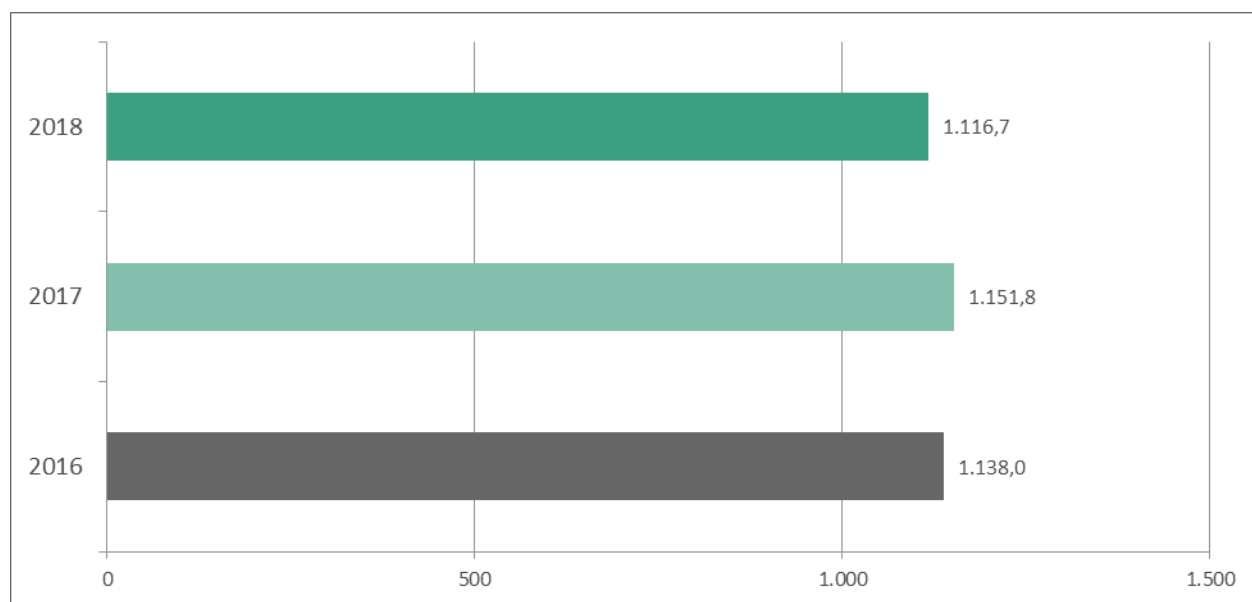
Employee productivity, measured as the ratio between net or gross earned premiums and the average number of employees, calculated on the basis of monthly balances of the number of employees from all hours actually worked (FTE – full-time equivalent), significantly improved in the reporting period. Improved ratio is the result of higher premiums collected and lower average full-time equivalent balance.

Return on revenue (ROR) in 2016, 2017 and 2018



In 2018, return on revenue (ROR), measured as net profit from net premiums earned, improved by 0.75 percentage point.

Movement in balance sheet total (in million eur)



In 2018, balance sheet total decreased by 0.3 percent. The decrease in balance sheet total is the consequence of the maturity of the life insurance contracts and consequently the negative cash flow. In the life insurance segment, where the insurance take investment risk, the worth of investment have decreased for 18.6 million eur in comparison to 2017. Decrease is the consequence of negative cash flow in amount of 11.6 million eur and negative change of market values of investments in amount of 7.8 million eur.

Financial indicators

in Euros, no cents

TEXT	2018	2017	2016	Index 2018/2017	Index 2017/2016
Gross Insurance premium with received co-insurance	395.134.724	365.738.992	347.255.114	108,0	105,3
Net premium earned	315.878.861	291.732.428	280.232.733	108,3	104,1
Gross claims with received co-insurance	275.701.977	236.634.996	197.983.828	116,5	119,5
Net claims incurred	223.907.602	198.592.471	168.089.016	112,7	118,1
Operating costs	103.989.733	97.120.860	98.733.451	107,1	98,4
Gross claims ratio Non-life insurance	60,7%	58,8%	58,0%	103,2	101,4
Gross incurred loss ratio Non-life insurance	57,4%	60,2%	59,6%	95,4	101,0
Net incurred loss ratio Non-life insurance	59,4%	61,6%	61,2%	96,5	100,5
Gross expense ratio	26,3%	26,6%	28,4%	99,1	93,4
Net expenses ratio	28,8%	29,0%	30,3%	99,4	95,9
Net combined ratio	99,7%	97,1%	90,2%	102,7	107,6
Net combined ratio Non-life insurance	89,7%	93,0%	94,4%	96,4	98,5
Profit or loss before tax	37.555.651	31.742.878	28.900.317	118,3	109,8
Net profit or loss	29.540.622	25.080.999	23.430.774	117,8	107,0
Net technical provisions (including technical provisions in respect of life insurance holders, which bear investment risk)	818.095.770	846.765.721	839.083.959	96,6	100,9
Assets	1.116.725.121	1.151.811.161	1.138.039.266	97,0	101,2
Equity balances	151.146.017	158.055.080	157.829.165	95,6	100,1
Return on average assets (after taxation) - ROA	2,6%	2,2%	2,1%	118,9	104,3
Return on average equity (after taxation) - ROE	19,1%	15,9%	15,0%	120,3	105,9
Return on revenue (after taxation) - ROR	9,4%	8,6%	8,4%	108,8	102,8

2. DEVELOPMENT STRATEGY OF ZAVAROVALNICA SAVA

2.1. MISSION, VISION, VALUES

MISSION

Our mission is to take a good care of a continuous progress and create as high quality of life as possible. This is the only way enabling our employees and our policyholders to develop their potentials in a safe manner. This goal can only be achieved through professional and committed relations with customers, business partners, and the environment, while complying with the highest standards.

Zavarovalnica Sava relies on its people and, as the key insurance company in the region, we are aware that insurance goes far beyond an insurance contract. It is a relationship, which needs to be mutually respected and nurtured in order to become a lasting and stable partnership providing the feeling of security.

VISION

We are creating a modern, society-oriented, and sustainable insurance company.

Modern:

In Zavarovalnica Sava, customers are placed in the heart of all our activities, and we develop high-quality and competitive solutions to meet their needs. We provide high-quality services and manage risks effectively, which makes us one of the most trusted companies in the industry. Being a united European insurance company, we have our business system organised in a transparent and modern way, providing high-quality services and long-term development.

Society-oriented:

We are an understanding and trustworthy partner. We listen to each person and deeply engage in a relationship, as we know that even small things can make a difference. By ensuring stable and secure operations, professional competence of our employees, and by taking care of the quality of life of individuals and communities, we want to be a constant in the lives of our partners, customers, and employees.

Sustainable:

In Zavarovalnica Sava, we will make sure that you will never be alone, because through our commitment and efforts, we are paying back to the environment where we operate, giving special attention to the most vulnerable.

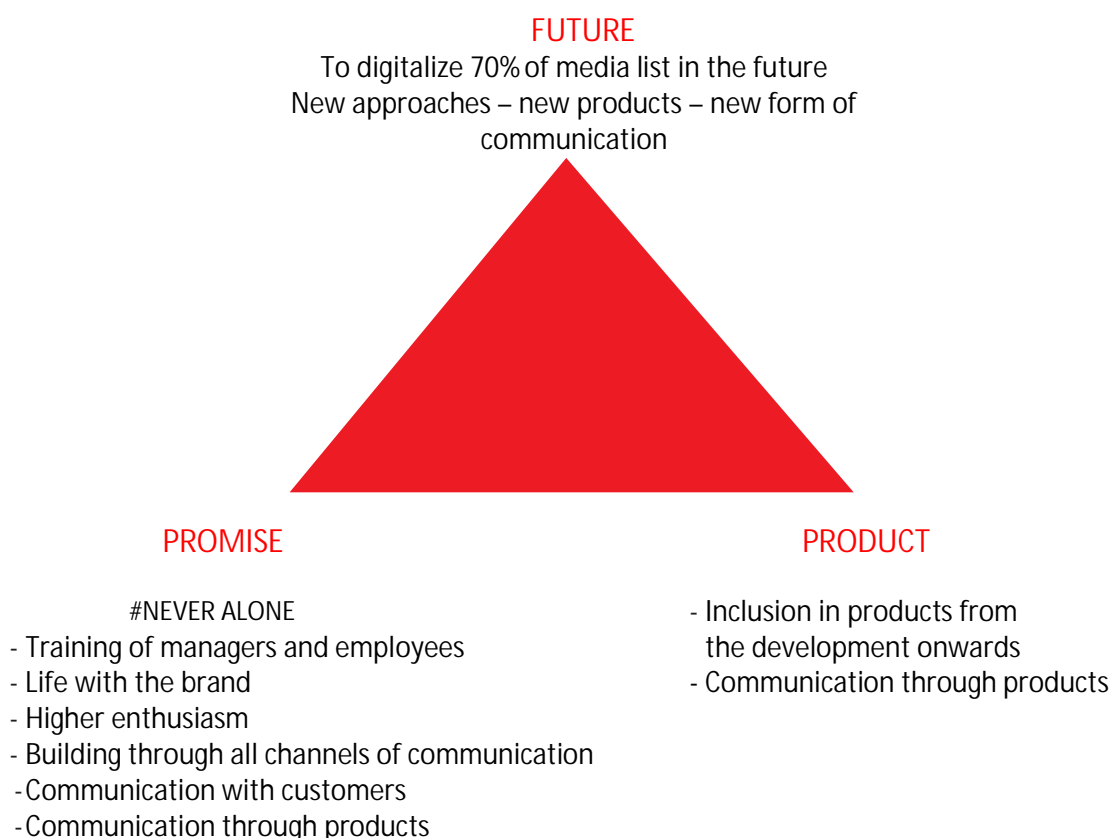
VALUES

We adhere to the Company's values in all areas of our operations. We live them under the tagline #NEVERALONE, both in relation to our employees and externally, to our customers and the environment where we operate.

Our values:

- Respectful, fair and honest attitude,
- Professionalism,
- Ethical and transparent operations,
- Accessibility and responsiveness,
- Responsibility.

2.2. ZAVAROVALNICA SAVA BRAND



Objectives of the Zavarovalnica Sava brand

With our actions and communication continually demonstrate that we do things differently – insurance contract is upgraded to a comprehensive customer relationship. We are building an extensive customer relationship. We are a different, good insurance company, which is there for people and takes over their concerns.

Challenge

To make sure that the promise #NEVERALONE would be generated from the product, the contact with an insurance agent or a consultant, in a place of business, online, in media, through sponsorships and other activities in the company, and would build the image of a new insurance company in the Slovenian market.

Strong brand as the umbrella element of the strategy

Business policy and marketing strategy focus on the creation of the state-of-the-art brand of Zavarovalnica Sava and its promise #NEVERALONE. By placing the brand in the centre of attention, the marketing activities of the company will get a common denominator and thereby also the basis for higher efficiency of invested resources. Therefore, in the eyes of all groups of stakeholders, the company will become more clearly defined and more convincing in its communication.

Consistent functioning in the reinforcement of the desired position

Brand is merely an aggregate of messages and symbols, until its value is recognized and until all key target groups of stakeholders believe in it. Therefore, Zavarovalnica Sava will place consistency among the key modes of action – on all levels of operation it will inform and operate in accordance with the declared concepts and promises of

the brand, in order to establish itself as a competent, trustworthy and interesting co-speaker of everyone, who expect an optimum insurance solution.

Placing the user experience at the centre of attention

The strategic priority of Zavarovalnica Sava is products and services required by customers that are classified by customers among optimum solutions in the Slovenian market. For that reason, the insurance company carefully plans all elements, which impact user experience throughout the customer's journey through a service. Doing this, the company utilizes its strength – developed and successful sales network of representatives and partners, as well as new technologies.

CREATING A MODERN,
SOCIETY-FOCUSED AND
SUSTAINABILITY-
ORIENTED INSURANCE
COMPANY

#NEVERALONE

3. ZAVAROVALNICA SAVA COMPANY ID

Registered name:	Zavarovalnica Sava, zavarovalna družba d.d.
Registered office:	Cankarjeva ulica 3, 2000 Maribor
Phone:	+386 2/2332 100
Fax:	+386 2/2332 530
Free of charge number for principals:	080 19 20
Year of entry into the court register:	2016 Entry number 1/03762/00 District Court in Maribor
Tax number:	44814631
VAT ID:	SI44814631
Registration number:	5063400
Share capital:	68.417.377,44
Body competent for insurance supervision	Insurance Supervision Agency, Trg republike 3, 1000 Ljubljana
E-mail:	info@zav-sava.si
Website:	www.zav-sava.si

Registered name:	SAVA OSIGURANJE D.D. Podružnica Hrvatska za osiguranje
Registered office:	Savska cesta 144a, 10000 Zagreb, Hrvatska
Phone:	+385 (0)1 66 66 300
Free of charge number for principals:	0800 913 023
OIB:	45237012600
MBS (company's registration number):	081032510, Zagreb Commercial Court
Registration number:	2269937
Website:	www.sava-osiguranje.hr

4. ORGANIZATIONAL STRUCTURE AS AT 31 DECEMBER 2018

MARKETING AND SALES SECTOR	PERSONAL INSURANCE SECTOR	SUPPLY SECTOR	CLAIMS SECTOR	NON-LIFE INSURANCE SECTOR
PROCESSES AND OPERATING SUPPORT SECTOR	INFORMATION TECHNOLOGY SECTOR	BRANCH OFFICE CROATIA	FINANCIAL SECTOR	ACCOUNTING SECTOR

COMPANY MANAGEMENT

Non-life insurance actuary department	Controlling department	Human resources
Life insurance actuary department	Risk management department	New generation insurance department
Compliance department	Legal department	Customer assistance centre

5. BUSINESS NETWORK AS AT 31 DECEMBER 2018

The business network of Zavarovalnica Sava is present in all regions of the Republic of Slovenia and in all regions of the Republic of Croatia. Business operations in Slovenia are organized through 9 business units, 9 representative offices, 8 establishments and 74 agencies. Operations in Croatia are organized through 8 business units, 9 representative offices and 14 agencies. Further, the business network of Zavarovalnica Sava consists of regularly employed representatives – own sales network, and insurance representation and broker agencies – external sales network. Zavarovalnica Sava also cooperates with specialised sellers, such as companies, which carry out roadworthiness tests for motor vehicles, forwarding agents and tourist agencies

5.1. SLOVENIA – BUSINESS UNITS

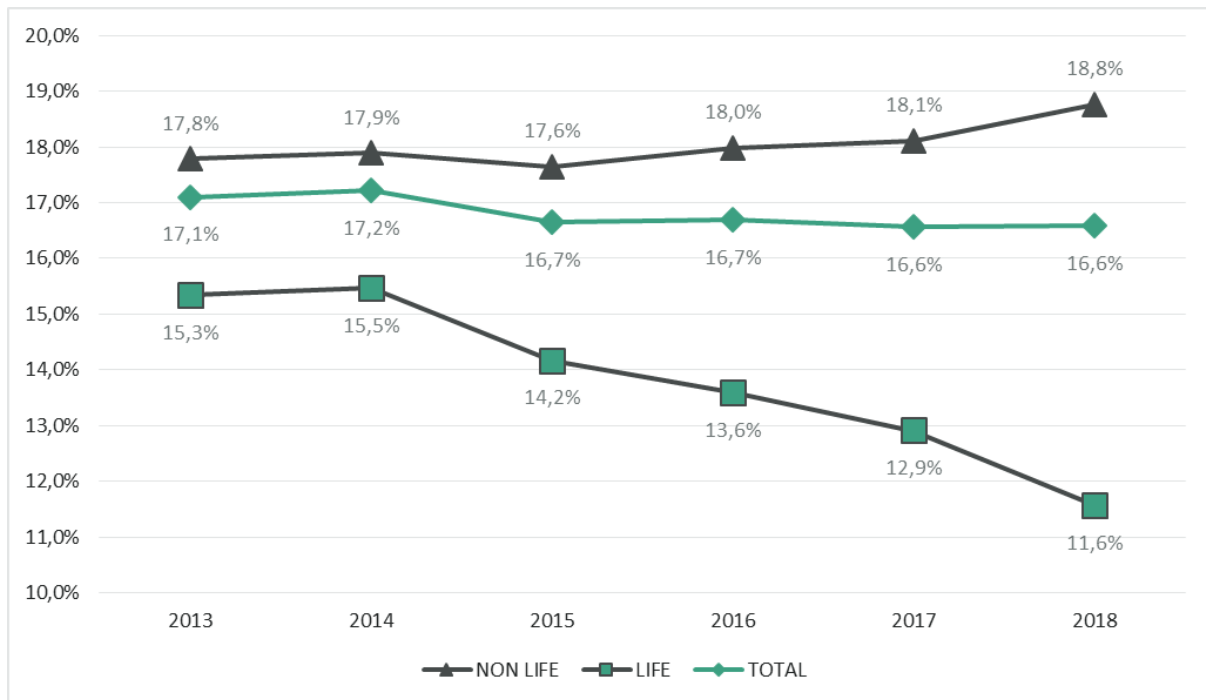


5.2. CROATIA – BUSINESS UNITS



6. MARKET SHARE OF ZAVAROVALNICA SAVA

Movement of market share of Zavarovalnica Sava in 2013–2018*



SOURCE: Slovensko zavarovalno združenje, January 2019

With a 16.6 percent market share, Zavarovalnica Sava remains the second largest insurance company in the market. Market share, calculated on the basis of gross premium, amounts to 16.6 percent (2017: 16.6%). In the non-life insurance and the life insurance segment, market share equals 18.8 percent (2017: 18.1%) and 11.6 percent (2017: 12.9%), respectively.

7. NET PREMIUMS EARNED

Insurance class	in Euros, no cents			
	2018	2017	18-17	Growth index 18/17
1 Accident insurance	20.281.950	19.764.519	517.431	102,6
2 Health insurance	738.795	530.094	208.701	139,4
3 Land vehicles casco insurance	79.186.551	68.183.631	11.002.920	116,1
4 Railway rolling stock insurance	10.806	-5.273	16.079	-204,9
5 Aircraft casco insurance	41.524	38.454	3.070	108,0
6 Marine hull insurance	215.451	212.479	2.972	101,4
7 Goods in transit insurance	1.736.824	1.588.693	148.131	109,3
8 Fire and natural forces insurance	18.685.654	18.186.903	498.751	102,7
9 Other damage to property insurance	16.426.771	15.636.911	789.860	105,1
10 Motor liability insurance	70.475.541	63.284.403	7.191.138	111,4
11 Aircraft liability insurance	13.054	-10.005	23.059	-130,5
12 Liability for ships insurance	240.603	250.490	-9.887	96,1
13 General liability insurance	12.432.456	11.733.786	698.670	106,0
14 Credit insurance	3.292.275	3.531.899	-239.624	93,2
15 Suretyship insurance	85.298	112.077	-26.779	76,1
16 Miscellaneous financial loss insurance	1.503.762	1.297.577	206.185	115,9
17 Legal expenses insurance	169.566	213.571	-44.005	79,4
18 Assistance insurance	8.340.492	3.022.560	5.317.932	275,9
19 Life insurance	37.149.783	36.279.044	870.740	102,4
21 Unit-linked life insurance	44.851.710	47.880.618	-3.028.908	93,7
Total	315.878.861	291.732.428	24.146.434	108,3
Non-life	233.877.370	207.572.767	26.304.603	112,7
Life	82.001.491	84.159.661	-2.158.170	97,4

The majority of revenues are generated by the company in respect of insurance premiums. Net premiums earned in 2018 have gone up in comparison to 2017. In 2018, the company generated 315.9 million eur of net premiums earned, which is 8.3 percent higher than in the previous accounting period. Net premiums earned are significantly higher in 2018 in comparison to the previous year in all non-life insurance classes, especially in car insurance segment, which is the consequence of higher average premium and higher number of insurances. Additionally we have some extra insured persons and increased portfolio because of FOS. In the life segment insurance is decrease of net premiums earned in insurance class 21 – Unit-linked life insurance because of the maturity of the contracts in the last two years.

8. NET CLAIMS INCURRED

Insurance class	in Euros, no cents			
	2018	2017	18-17	Growth index 18/17
1 Accident insurance	7.671.990	7.701.991	-30.001	99,6
2 Health insurance	113.696	22.066	91.630	515,3
3 Land vehicles casco insurance	58.027.147	51.211.002	6.816.145	113,3
4 Railway rolling stock insurance				
5 Aircraft casco insurance	-29.691	82.861	-112.552	-35,8
6 Marine hull insurance	122.853	-102.115	224.968	-120,3
7 Goods in transit insurance	552.105	689.840	-137.735	80,0
8 Fire and natural forces insurance	10.621.829	16.533.962	-5.912.133	64,2
9 Other damage to property insurance	8.197.597	9.278.891	-1.081.294	88,3
10 Motor liability insurance	45.067.526	37.638.061	7.429.465	119,7
11 Aircraft liability insurance	-9.224	-3.016	-6.208	305,9
12 Liability for ships insurance	-4.314	-14.780	10.466	29,2
13 General liability insurance	3.218.633	4.069.660	-851.027	79,1
14 Credit insurance	-148.968	-583.593	434.625	25,5
15 Suretyship insurance	-11.615	46.726	-58.341	-24,9
16 Miscellaneous financial loss insurance	662.166	609.601	52.565	108,6
17 Legal expenses insurance	1.023	1.307	-284	78,3
18 Assistance insurance	4.878.588	620.055	4.258.533	786,8
19 Life insurance	46.353.921	32.013.682	14.340.239	144,8
21 Unit-linked life insurance	38.622.340	38.776.272	-153.932	99,6
Total	223.907.602	198.592.471	25.315.131	112,7
Non-life	138.931.341	127.802.518	11.128.823	108,7
Life	84.976.261	70.789.953	14.186.308	120,0

Net claims incurred are higher than in the previous accounting period, specifically, by 12.7 percent or 25.3 million eur. In the net claims incurred segment, gross claims paid are higher than in 2017 (16.5 %), while change in net provisions for claims outstanding is lower (11.7 million eur). High net claims incurred are mainly the result of the impact of the life insurance segment. In 2018, these were 14.2 million eur (20.0 %) higher than the year before. Net claims incurred in the non-life insurance segment are higher than the year before, specifically, by 11.1 million eur or 8.7 percent.

9. EMPLOYEES

At the end of 2018, the company registered 1,269 employees, which is 41 less than the year before.

Number of employees on the last day of the year

	Total number 31.Dec.2018	Total number 31.Dec.2017	Difference 31 Dec.2018 & 31 Dec 2017	Index 31 Dec 2018 / 31 Dec 2017
Internal employees	930	940	-10	98,9
Sales – representatives	339	370	-31	91,6
TOTAL	1.269	1.310	-41	96,9

Full-time equivalence on the last day of the year

	FTE 31.Dec.2018	FTE 31.Dec.2017	Difference 31 Dec.2018 & 31 Dec 2017	Index 31 Dec 2018 / 31 Dec 2017
Internal employees	878,67	895,42	-16,75	98,1
Sales – representatives	313,84	335,60	-21,76	93,5
TOTAL	1.192,51	1.231,02	-38,51	96,9

10. BALANCE SHEET

in Euros, no cents

	31.Dec.2018	31.Dec.2017
ASSETS	1.116.725.121	1.151.811.161
A. Non-current assets	6.706.336	5.940.734
B. Property, plant and equipment	21.962.761	22.664.227
C. Non-current assets held for sale and discounted operations	49.890	684
D. Deferred tax assets	0	0
E. Investment property	3.780.473	3.906.037
F. Financial investment in group companies and in associates	2.199.805	316.367
G. Financial investments:	664.702.619	707.903.244
1 -loans and deposits	2.368.996	2.040.408
2 -held to maturity	66.472.355	97.543.053
3 -available for sale	591.709.077	607.213.260
4 -at fair value	4.152.191	1.106.523
H. Investments for the benefit of policyholders who bear the investment risk:	204.818.504	227.228.051
I. Reinsurers' share of technical provisions	78.532.175	82.305.933
K. Receivables	69.915.949	61.306.940
1 Receivables from primary insurance business	55.893.768	49.142.151
2 Receivables from co-insurance and reinsurance business	13.019.487	11.387.916
3 Other receivables	1.002.694	776.873
L. Other assets	15.992.517	14.325.754
M. Cash and cash equivalents	48.064.091	25.913.189
N. Off-balance sheet items	70.821.738	56.140.451
LIABILITIES AND EQUITY	1.116.725.121	1.151.811.161
A. Equity	151.146.017	158.055.080
1 Called-up capital	68.417.377	68.417.377
2 Share premium	16.207.877	16.207.877
3 Profit reserves	8.213.896	8.213.896
4 Revaluation surplus	11.196.330	17.227.440
5 Retained earnings	17.586.414	22.943.601
6 Net profit/loss for the period	29.540.622	25.080.999
7 Translation reserve	-16.501	-36.111
C. Technical provisions	686.595.308	702.543.760
1 Unearned premiums	134.543.548	121.144.696
2 Mathematical provisions	237.148.176	257.079.789
3 Provisions for outstanding claims	304.699.890	316.431.696
4 Other technical provisions	10.203.693	7.887.579
D. Technical provisions for the benefit of life insurance policyholders who bear the investment risk	210.032.637	226.527.893
E. Other provisions	6.809.878	6.856.510
F. Deferred tax liabilities	1.742.138	3.185.600
I. Financial liabilities	0	12.786
J. Operating liabilities	29.605.298	26.036.456
1 Liabilities from primary insurance business	12.948.280	11.873.386
2 Liabilities from co-insurance and reinsurance business	15.125.626	13.945.664
3 Tax liabilities	1.531.391	217.406
K. Other liabilities	30.793.845	28.593.076
L. Off-balance sheet items	70.821.738	56.140.451

11. INCOME STATEMENT

in Euros, no cents

		1. 1. to 31. 12. 2018	1. 1. to 31. 12. 2017
A.	NET PREMIUMS EARNED	315.878.861	291.732.428
	- Gross premiums written	392.260.283	363.767.459
	- Premiums written ceded to reinsurers and co-insurers	-61.942.991	-64.734.276
	- Change in unearned premiums	-14.438.431	-7.300.755
B.	INVESTMENT INCOME FROM PARTICIPATING INTERESTS	0	0
C.	INVESTMENT INCOME	29.526.296	31.604.277
D.	OTHER TECHNICAL INCOME, of this	15.820.454	15.160.153
	- Commission income	14.119.880	13.740.075
E.	OTHER INCOME	8.400.948	6.215.790
F.	NET CLAIMS INCURRED	223.907.602	198.592.471
	- Gross claims paid	267.921.173	230.375.948
	- Reinsurers' and co-insurers' share of claims paid	-34.762.397	-34.278.702
	- Change in provisions for outstanding claims	-9.251.174	2.495.225
G.	CHANGE IN OTHER TECHNICAL PROVISIONS	-16.563.388	-1.547.615
H.	CHANGE IN TECHNICAL PROVISIONS FOR THE BENEFIT OF LIFE INSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK	-15.962.680	1.121.327
J.	EXPENSES FOR BONUSES AND REBATES	-329.549	37.804
K.	OPERATING EXPENSES, of this	103.989.733	97.120.860
	- Acquisition costs	32.383.867	27.681.523
M.	INVESTMENT EXPENSES	24.217.834	9.045.885
N.	OTHER TECHNICAL EXPENSES	5.419.876,00	4.395.393
O.	OTHER EXPENSES	7.391.479	4.203.646
P.	PROFIT BEFORE TAX	37.555.651	31.742.878
R.	CURRENT TAX	8.015.029	6.661.879
S.	NET PROFIT/LOSS FOR THE PERIOD	29.540.622	25.080.999

12. STATEMENT OF OTHER COMPREHENSIVE INCOME

in Euros, no cents						
	Non - life	Life	TOTAL	Non - life	Life	TOTAL
	1. 1. to 31. 12. 2018	1. 1. to 31. 12. 2018	1. 1. to 31. 12. 2018	1. 1. to 31. 12. 2017	1. 1. to 31. 12. 2017	1. 1. to 31. 12. 2017
I NET PROFIT/LOSS FOR THE PERIOD, NET OF TAX	18.359.007	11.181.616	29.540.622	14.601.939	10.479.059	25.080.999
II OTHER COMPREHENSIVE INCOME, NET OF TAX	-1.828.058	-4.183.442	-6.011.500	666.069	-463.455	202.615
a) a) Items that will not be reclassified subsequently to profit or loss	167.337	44	167.381	271.254	124.810	396.063
3. Actuarial net profits/losses for pension schemes	135.137	28.146	163.282	274.912	97.293	372.205
5. Other items that will not be reclassified subsequently to profit or loss	45.038	-25.428	19.610	61.302	42.596	103.898
6. Tax on items that may be reclassified subsequently to profit or loss	-12.838	-2.674	-15.512	-64.961	-15.079	-80.040
b) Postavke, ki bodo v kasnejših obdobjih razvrščene v poslovni izid (1+2+3+4+5)	-1.995.395	-4.183.486	-6.178.881	394.816	-588.264	-193.449
1. Čisti dobički/izgube iz ponovne izmere finančnega sredstva, razpoložljivega za prodajo	-2.462.878	-5.164.036	-7.626.914	481.111	-730.986	-249.875
1.1. Profits/losses and translation differences, recognized in revaluation surplus	-1.524.905	-4.637.484	-6.162.389	1.175.502	-80.102	1.095.399
1.2. Transfer of profits/losses from revaluation surplus to profit or loss	-937.973	-526.552	-1.464.525	-694.391	-650.884	-1.345.274
5. Tax on items that may be reclassified subsequently to profit or loss	467.483	980.550	1.448.034	-86.295	142.722	56.426
III. COMPREHENSIVE INCOME OF THE BUSINESS YEAR AFTER TAXATION (I+II)	16.530.949	6.998.174	23.529.123	15.268.009	10.015.605	25.283.613

13. CASH FLOW STATEMENT

in Euros, no cents	1.1. to 31.12.2018	Recalculated 1.1. to 31.12.2017
A. Cash flows from operating activities		
a) Items of the income statement	-1.258.164	18.805.374
1 Net premiums written	330.317.292	299.087.317
2 Investment income (other than financial income), financed from	234.595	23.807
3 Other operating income (excl. revaluation income and releases from provisions) and financial income from operating receivables	19.256.790	19.090.107
4 Net claims paid	-233.111.141	-196.106.672
5 Expenses arising out of liabilities relating to insurance contracts	-347.823	-29.344
6 Net operating expenses excl. depreciation/amortisation and change in deferred acquisition costs	-102.594.588	-95.439.879
7 Investment expenses (excluding depreciation/amortisation and financial expenses), financed from:	-81.575	0
8 Other operating expenses excl. depreciation/amortisation (other than for revaluation and excl. additions to provisions)	-6.916.685	-1.325.385
9 Tax on profit and other taxes not included in operating expenses	-8.015.029	-6.494.578
b) Changes in net operating assets (and in accruals/deferrals and deferred tax receivables/liabilities) of operating items of the SFP	-54.462.764	-688.186
1 Change in receivables from primary insurance	-5.530.694	746.221
2 Change in receivables from reinsurance	-2.206.674	-707.471
3 Change in other receivables from (re-)insurance business	-473.756	-250.630
4 Change in other receivables and other assets	-1.599.447	5.543.538
5 Change in deferred tax assets	0	167.302
6 Change in inventories		
7 Change in liabilities arising out of primary insurance	835.929	825.293
8 Change in liabilities arising out of reinsurance business	1.194.652	-235.421
9 Change in other operating liabilities	740.333	-2.652.687
10 Change in other liabilities (except unearned premiums)	-45.959.585	-4.301.897
11 Change in deferred tax liabilities	-1.443.462	177.566
c) Net cash from/used in operating activities	-55.720.928	18.117.188
B. Cash flows from investing activities		
a) Cash receipts from investing activities	729.347.888	671.666.664
1 Interest received from investing activities and from:	11.635.754	14.424.180
2 Cash receipts from dividends and from participation in the profit of others, relating to:	674.693	500.473
3 Proceeds from sale of intangible assets, financed from:	852.874	1.584.290
4 Proceeds from sale of property and equipment	852.874	1.584.290
5 Proceeds from sale of long-term financial investments	716.184.567	655.157.721
5.2 Other proceeds from sale of long-term financial investments	716.184.567	655.157.721
b) Cash disbursements in investing activities	-621.037.872	-659.517.382
1 Purchase of intangible assets	-923.130	-538.243
2 Purchase of property and equipment	-1.775.050	-3.768.919
3 Purchase of long-term financial investments	-618.339.692	-655.210.220
3.1 Purchase of dependant or other companies	-2.199.805	0
3.2 Other purchase of financial investments	-616.139.887	-655.210.220
c) Net cash from/used in investing activities (a + b)	108.310.016	12.149.282
C. Cash flows from financing activities		
a) Cash receipts from financing activities	0	0
b) Cash disbursements in financing activities	-30.438.186	-26.640.701
1 Interest paid	0	-26.803
3 Repayment for return equity	0	0
3 Repayment of long-term financial liabilities	0	-1.556.200
4 Repayment of short-term financial liabilities	0	0
5 Dividends and other profit participations paid	-30.438.186	-25.057.698
c) Net cash from/used in financing activities (a + b)	-30.438.186	-26.640.701
Č. Closing balance of cash and cash equivalents	48.064.090	25.913.189
x) Net increase/decrease in cash and cash equivalents for the period (Ac + Bc + Cc)	22.150.902	3.625.769
y) Opening balance of cash and cash equivalents	25.913.189	22.287.420

14. STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity for the period 1.1.2018 – 31.12.2018

		I. Share capital	II. Capital reserves	III. Profit reserves		IV. Revaluation surplus	IV_a. Cumulative translation adjustment	V. Net profit or loss brought forward	VI. Net profit or loss	TOTAL CAPITAL (from 1 to 11)
				Statutory reserves	Other reserves from profit					
in Euros, no cents		1	2	4	8	9	9a	10	11	13
1.	BALANCE AS AT THE END OF THE PREVIOUS BUSINESS YEAR	68.417.377	16.207.877	6.974.396	1.239.500	17.227.440	-36.111	22.943.601	25.080.999	158.055.080
4.	OPENING BALANCE in the business period (1+2+3)	68.417.377	16.207.877	6.974.396	1.239.500	17.227.440	-36.111	22.943.601	25.080.999	158.055.080
5.	Comprehensive income of the business year after taxation	0	0	0	0	-6.031.110	19.610	0	29.540.622	23.529.123
	a.) Net profit or loss	0	0	0	0	0	0	0	29.540.622	29.540.622
	b.) Other comprehensive income	0	0	0	0	-6.031.110	0	0	0	-6.031.110
	c.) Net profits/losses arising from the translation of financial statements of an affiliated company	0	0	0	0	0	19.610	0	0	19.610
9.	Payment (statement of accounts) of dividends/bonuses in the form of shares	0	0	0	0	0	0	-30.438.186	0	-30.438.186
12.	Distribution of net profit to profit reserves	0	0	0	0	0	0	25.080.999	-25.080.999	0
16.	CLOSING BALANCE IN THE BUSINESS PERIOD (4+5+6+7+8+9+10+11+12+13+14+15)	68.417.377	16.207.877	6.974.396	1.239.500	11.196.330	-16.501	17.586.414	29.540.622	151.146.017

Statement of changes in equity for the period 1.1.2017 – 31.12.2017

		I. Share capital	II. Capital reserves	III. Profit reserves		IV. Revaluation surplus	IV a. Cumulative translation adjustment	V. Net profit or loss brought forward	VI. Net profit or loss	TOTAL CAPITAL (from 1 to 11)
				Statutory reserves	Other reserves from profit					
in Euros, no cents		1	2	4	8	9	9a	10	11	13
1.	BALANCE AS AT THE END OF THE PREVIOUS BUSINESS YEAR	68.417.377	16.207.877	6.974.396	1.239.500	17.128.724	-140.009	24.570.525	23.430.774	157.829.165
4.	OPENING BALANCE in the business period (1+2+3)	68.417.377	16.207.877	6.974.396	1.239.500	17.128.724	-140.009	24.570.525	23.430.774	157.829.165
5.	Comprehensive income of the business year after taxation	0	0	0	0	98.716	103.898	0	25.080.999	25.283.613
	a.) Net profit or loss	0	0	0	0	0	0	0	25.080.999	25.080.999
	b.) Other comprehensive income	0	0	0	0	98.716	0	0	0	98.716
	c.) Net profits/losses arising from the translation of financial statements of an affiliated company	0	0	0	0	0	103.898	0	0	103.898
9.	Payment (statement of accounts) of dividends/bonuses in the form of shares	0	0	0	0	0	0	-25.057.698	0	-25.057.698
12.	Distribution of net profit to profit reserves	0	0	0	0	0	0	23.430.774	-23.430.774	0
16.	CLOSING BALANCE IN THE BUSINESS PERIOD (4+5+6+7+8+9+10+11+12+13+14+15)	68.417.377	16.207.877	6.974.396	1.239.500	17.227.440	-36.111	22.943.601	25.080.999	158.055.080