

# **SUMMARY OF THE AUDITED ANNUAL REPORT OF ZAVAROVALNICA SAVA FOR 2019**

Maribor, April 2020

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## STATEMENT OF THE MANAGEMENT'S RESPONSIBILITY

In accordance with their 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.

With their signatures, the members of the Management Board of the insurance company confirm their full responsibility and agreement with the presented audited Annual Report of Zavarovalnica Sava, d.d., for 2019, of 24 March 2020.

Maribor, 24 March 2020

Company management:

*David KASTELIC, Chairman of the Management Board*



*Primož MOČIVNIK, Member of the Management Board*



*Rok MOLJK, Member of the Management Board*



*Miha PAHULJE, Member of the Management Board*



*Robert CIGLARIČ, Member of the Management Board*



# REPORT OF THE INDEPENDENT AUDITOR



KPMG Slovenija, podjetje za revidiranje, d.o.o.  
Železna cesta 8a  
SI-1000 Ljubljana

Telefon: +386 (0) 1 420 11 60  
Internet: <http://www.kpmg.si>

## Report of the independent auditor on the summary financial statements

To the owner of Zavarovalnica Sava, d.d.

### *Opinion*

The summary financial statements, which comprise the summary statement of balance sheet as at December 31, 2019, the summary statement of income statement for the year then ended, the summary of other comprehensive income for the year then ended, the summary statement of cash flows for the year then ended and the summary statement of changes in equity for the year then ended, are derived from the audited financial statements of the company Zavarovalnica Sava, d.d. for the year ended December 31, 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the International Financial Reporting Standards as adopted by the European Union.

### *Summary Financial Statements*

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards as adopted by the European Union. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and audited financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited financial statements.

### *The Audited Financial Statements and Our Report Thereon*

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 23, 2020. That report also includes the communication of key audit matter.

### *Responsibility of Those Charged with Governance for the Summary Financial Statements*

Those Charged with Governance are responsible for the preparation of the summary separate financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union.

KPMG Slovenija, podjetje za revidiranje, d.o.o., slovenska družba  
z omejeno odgovornostjo in članica KPMG mreže neodvisnih družb  
članic, ki so povezane s švicarskim združenjem KPMG International  
Cooperative ("KPMG International").

TRR: SI 56 2900 0000 1851 102  
vpis v sodni register: Okrožno sodišče v Ljubljani  
SI, reg. vl.: 0611/2062/000  
osnovni kapital: 54.892,00 EUR  
ID za DDV: SI20437145  
matična št.: 5648556



#### *Auditor's Responsibility*

Our responsibility is to express an opinion on whether the summary separate financial statements are consistent, in all material respects, with the audited separate and consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

On behalf of the auditing company

**KPMG SLOVENIJA,**  
podjetje za revidiranje, d.o.o.

Metka Sedej, FCCA  
Certified Auditor

Barbara Kunc  
Certified Auditor  
Partner

Ljubljana, April 24, 2020

**KPMG Slovenija, d.o.o.**  
**1**

## ADDRESS OF THE MANAGEMENT BOARD

### LOOKING BACK FOR A CLEAR VIEW FORWARD

We look back only to realise that Zavarovalnica Sava has already had three years of collective achievement of objectives and building of future on its shoulders. The distance we have travelled is not long in terms of duration, but it is rich and successful. A part of it is also 2019, which went by in the spirit of good cooperation, expansion of the market share and new challenges in the area of innovation.

A lot of power and energy was invested in intensive development of the innovation culture at Zavarovalnica Sava, which is seen as a great potential and competitive advantage in the market. We contacted startups, because we believe that these very partnerships will have a significant impact on the development of competitive products in the future. The product of the first cooperation of the kind was Vigo insurance for motorcycles, which was launched in April 2019. We are particularly proud of the innovation potential within the company, where amazing ideas and solutions are created by teams at Innovation Jams that put our insurance holders at the very centre.

In 2019 we additionally focused on one of our corporate values – ethical and transparent business, which is our guiding principle on every step of activity. We upgraded the ethical code of the company and committed to respecting its standards also in the future. This is the basic send-off to a new business year and the foundation for excellent performance in 2020.

We also directed our vision in a sustainable way – further to the future. In business decisions, plans and changes our focus was on the creation of conditions that will represent healthy growth and firm basis for the preservation and strengthening of the position of Zavarovalnica Sava in the Slovenian and Croatia space even in the period that is challenging for business. Therefore, as the most successful part of the Sava Group, we will stand shoulder to shoulder with domestic and foreign insurance companies in the future as well.

Our objectives are audacious, yet achievable. We believe that with a thoughtfully set-out strategy and consistent respect for values of our company they will lead us to future business excellence.

We know where we are going and who we are going with. We believe this contributes to the formula of success for the creation of a successful, safe, trustworthy and stable Zavarovalnica Sava for all our stakeholders.

#### Management Board

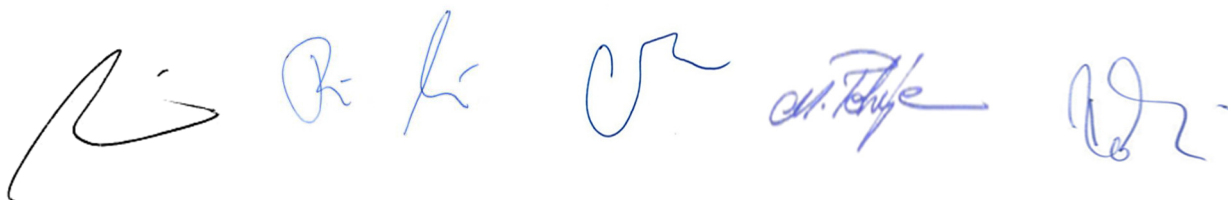
David KASTELIC  
*Chairman of the  
Management  
Board*

Primož MOČIVNIK  
*Deputy Chairman of  
the Manag. Board*

Rok MOLJK  
*Member of  
Management  
Board*

Miha PAHULJE  
*Member of the  
Management  
Board*

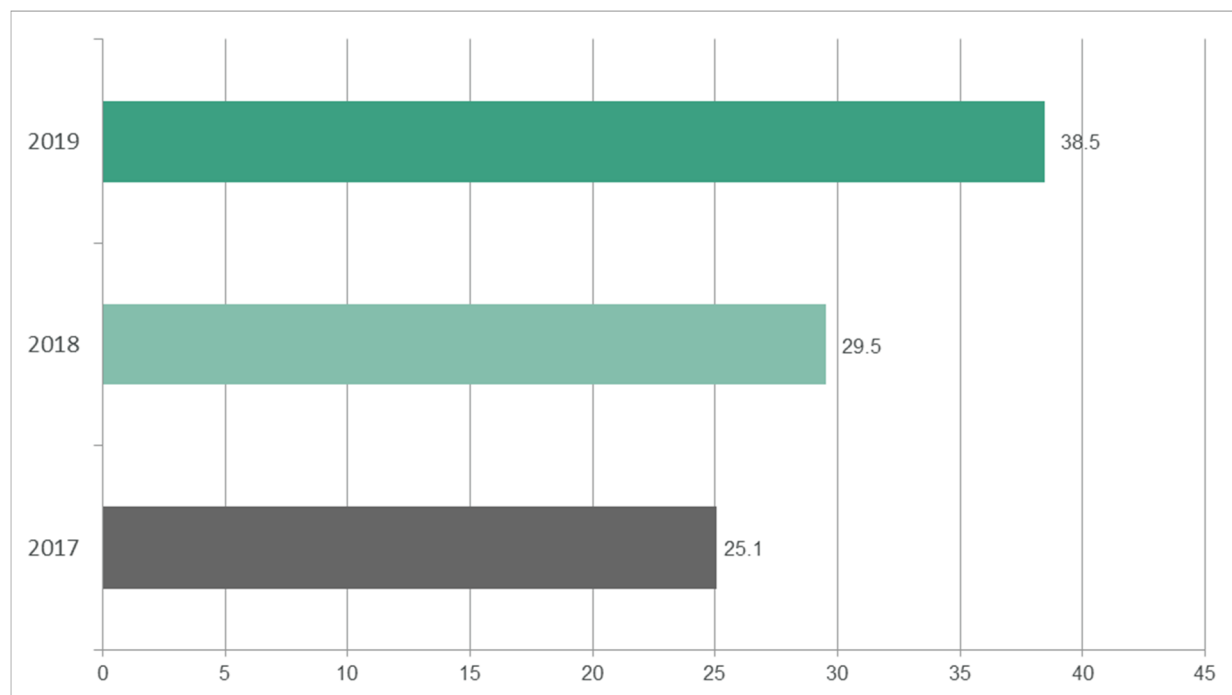
Robert CIGLARIČ  
*Member of the  
Management  
Board,  
Worker-Director*



## **I. BUSINESS REPORT**

## 1. KEY BUSINESS INDICATORS OF ZAVAROVALNICA SAVA

*Trend in net profit or loss (in million eur)*



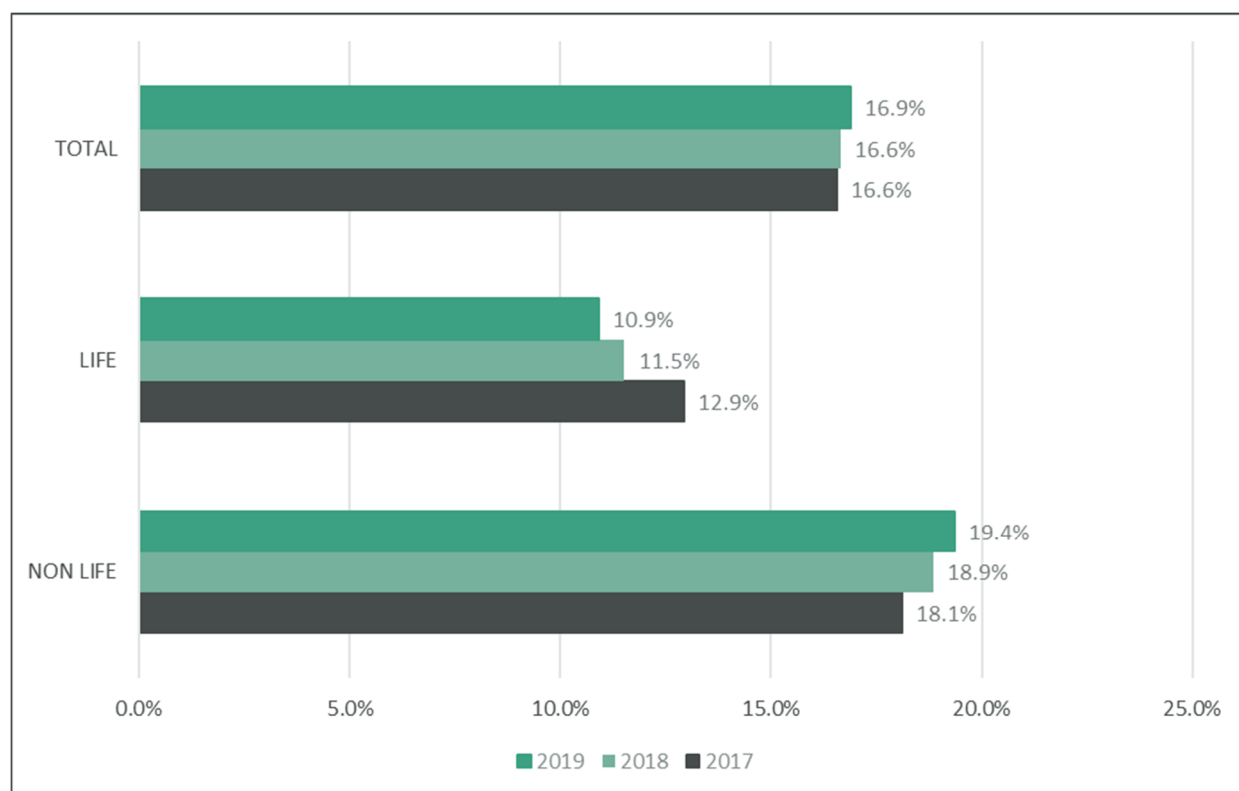
2019 was another extremely successful year. Net profit in 2019 is as much as 8.9 million EUR or 30.3 percent higher than the same achieved in 2018. The non-life insurance segment and the life insurance segment accounted for 25.8 million Euros and 12.7 million Euros of net profit, respectively.

In the non-life insurance segment higher profit is mainly the result of higher net premiums earned (increase in gross premium by 13.0 percent) upon simultaneous improvement of net expense ratio. In 2019 we additionally increased the scope of portfolio, which is concluded pursuant to FOS principles. 2019 was also characterised by natural disasters. They are the result of climate changes and have actually become commonplace. Even though none of the natural disasters achieved the amount of damage which may give rise to CAT reinsurance coverage, the events had a significant impact on profit or loss.

In the life insurance segment, despite a large number of matured policies, we nearly retained the scope of gross premium income and somewhat increased net profit.

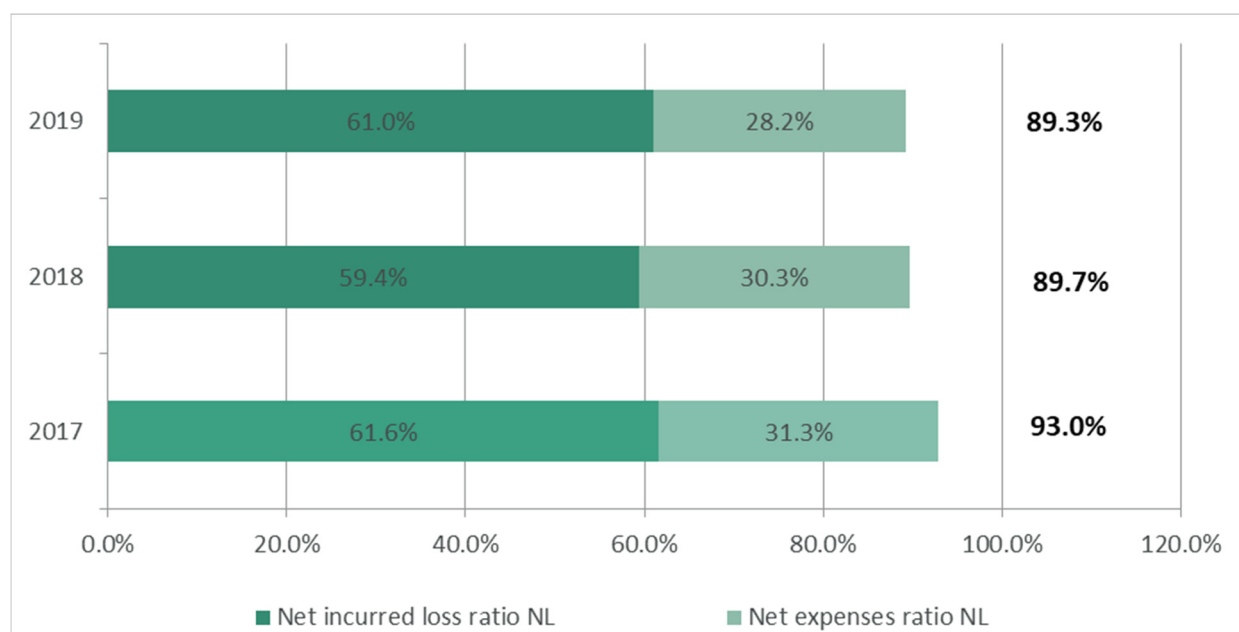


**Market position of Zavarovalnica Sava in the years 2017, 2018 and 2019 for slovenian insurance companies**



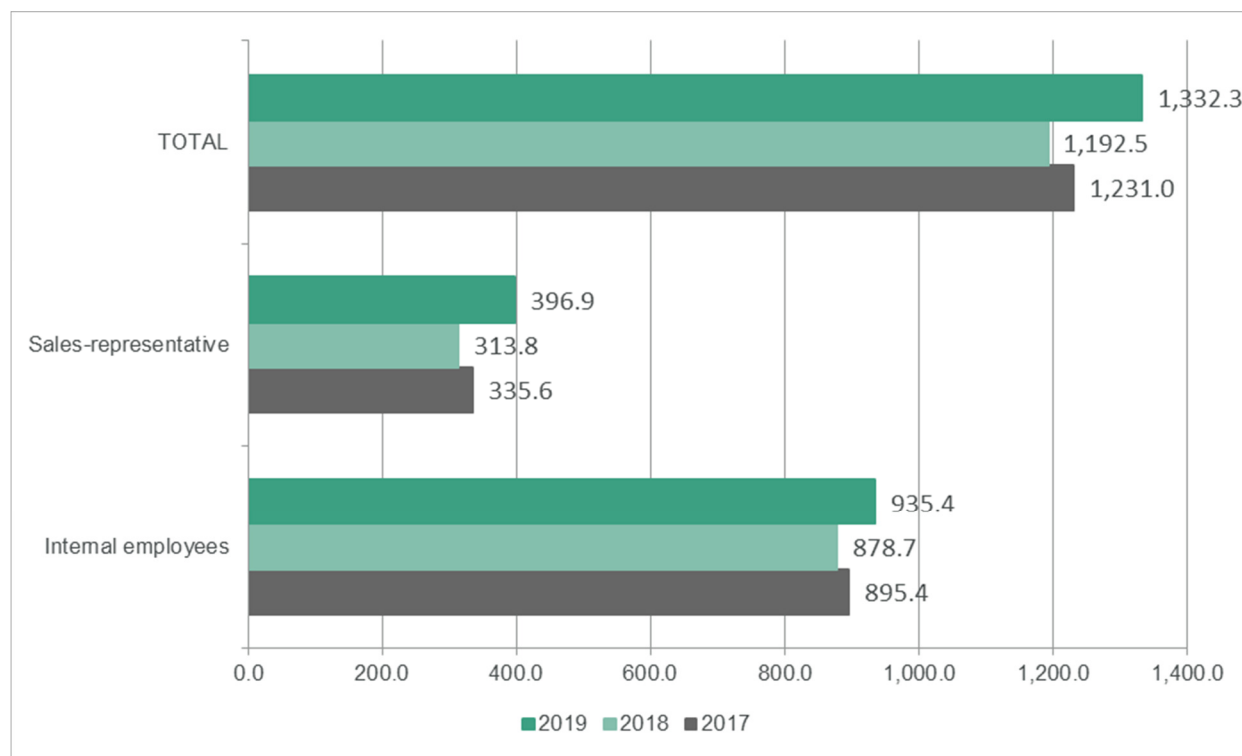
Even in 2019 we successfully preserved and further strengthened our market position. With a 16.9-percent market share, Zavarovalnica Sava remains the second largest insurance company in the market. Market share, calculated on the basis of gross premium, equals 16.9 percent (in 2018: 16.6 percent). In the area of non-life insurance it equals 19.4 percent (in 2018: 18.9 percent), and in the area of life insurance it equals 10.9 percent (in 2018: 11.5 percent). The drop of the life insurance market share is mainly the result of an increased scope of matured non-life insurance policies within the last three years.

**Trend in net combined ratio for non-life segment**



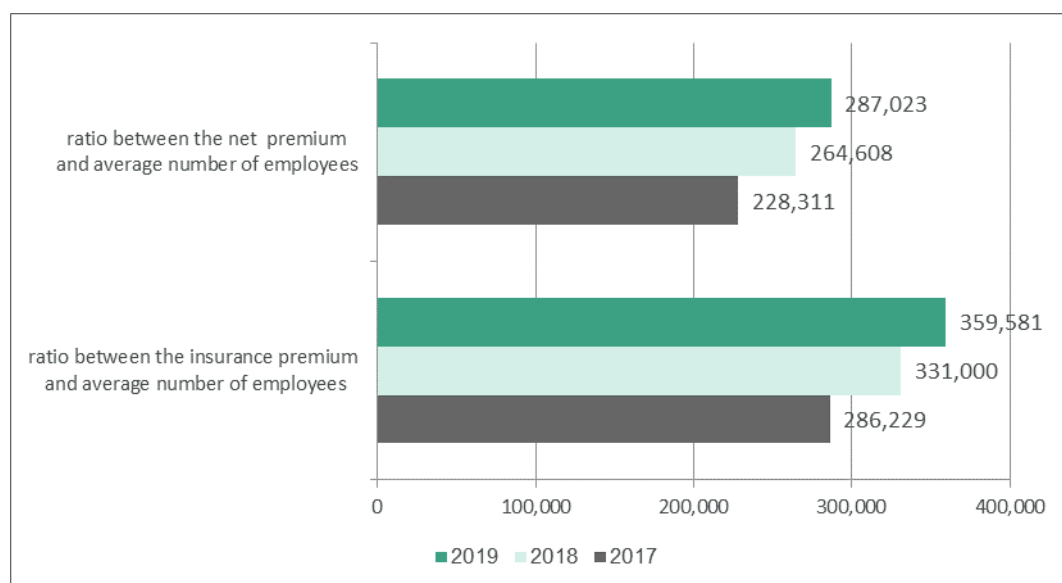
In comparison to 2018, net combined ratio of non-life insurance improved by 0.6 percentage points. Even though the net incurred loss ratio of non-life insurance is somewhat worse than in the previous year (by 0.6 percentage points), the net expense ratio improved (by 2.1 ntage points).

**Number of employees according to the full-time equivalence as at 31 December 2017, 2018 and 2019**



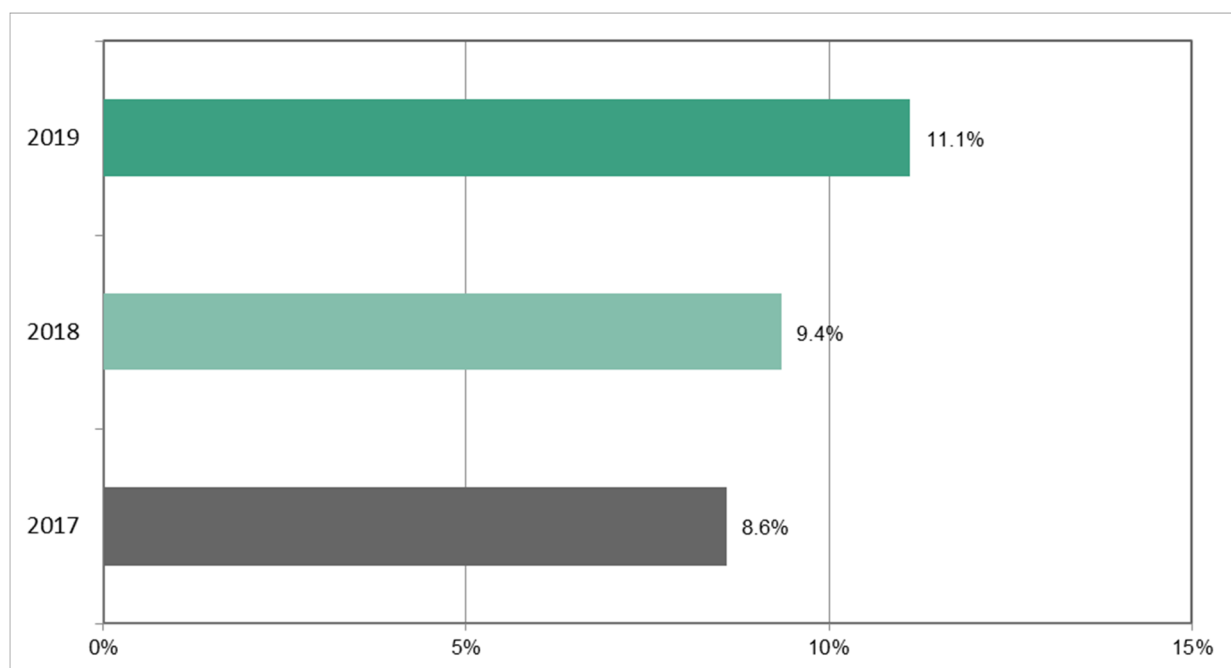
At the end of 2019, the company employed 1,420 workers, which is 151 more than in the previous year. The average full-time equivalence (FTE) as at 31 December 2019 amounted to 1,332.3 and increased by 139.8 employees in comparison to 2018. At the end of the year, the number of employees increased mainly due to the transfer of portfolio and, consequently, the transfer of employees in the companies ERGO osiguranje and ERGO životno osiguranje to Zavarovalnica Sava, the Branch Office Croatia. The number of internally employed and the number of representatives thus increased.

### Employee productivity 2017 – 2019 (in Euros, no cents)



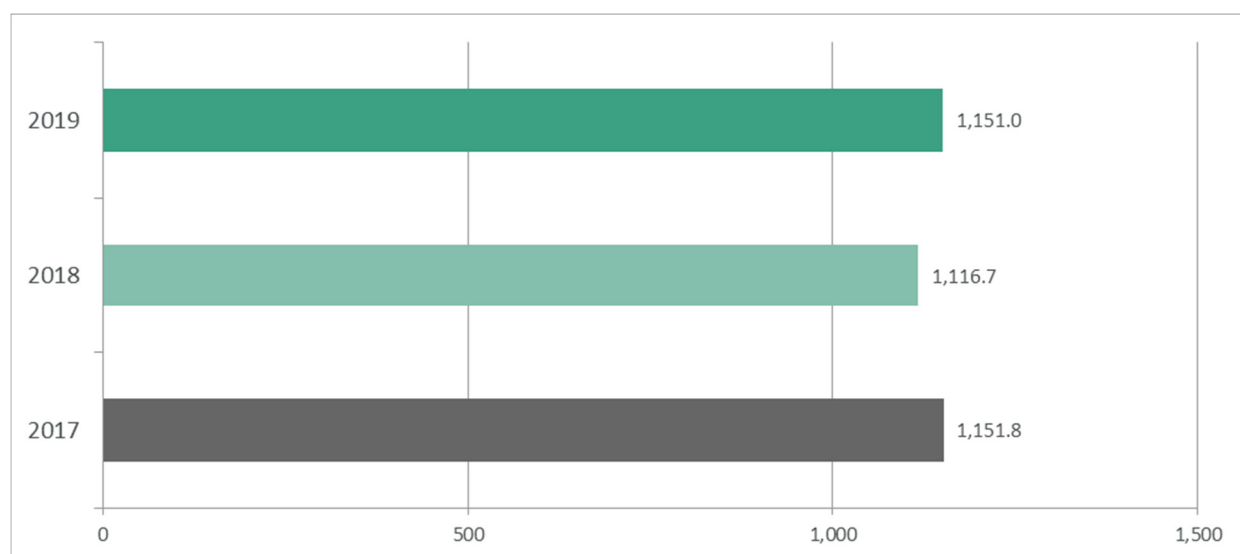
Employee productivity, measured as the ratio between net or gross premium earned and the average number of employees, calculated on the basis of monthly balances of the number of employees from all hours actually worked improved in the reporting period again. Improvement of the ratio is the result of higher gross premium income and minimum increase in the average full-time equivalence balances.

### Return on revenue (ROR) in 2017, 2018 and 2019



In 2019, return on revenue (ROR), measured as net profit from net premiums earned, improved by 1.7 percentage points in comparison to 2018 and amounts to 11.1 percent.

***Movement in balance sheet total (in million eur)***



In 2019, balance sheet total again increased by 3.1 percents. The growth in balance sheet total derives from the non-life insurance segment, which is the result of positive cash flow in non-life insurance and increase in balance of receivables.

The increase in balance sheet total is additionally attributed to the recognition of values of the real property from the receiving company Sava Terra and the increase of rented land and buildings.

Additional impact can be attributed to the transfer of the insurance portfolio of the companies Ergo Osiguranje and Ergo životno osiguranje to Zavarovalnica Sava, the Branch Office Croatia.

## Financial indicators

in Euros, no cents

TEXT	2019	2018	2017	Index 2019/2018	Index 2018/2017
Gross insurance premium with received co-insurance	433,694,364	395,134,724	365,738,992	109.8	108.0
Net premium earned	346,181,822	315,878,861	291,732,428	109.6	108.3
Gross claims with received co-insurance	311,009,488	275,701,977	236,634,996	112.8	116.5
Net claims incurred	273,071,646	223,907,602	198,592,471	122.0	112.7
Operating costs	112,419,564	103,989,733	97,120,860	108.1	107.1
Gross claims ratio Non-life insurance	55.8%	60.7%	58.8%	91.9	103.2
Gross incurred loss ratio Non-life insurance	59.6%	57.4%	103.7%	95.4	95.4
Net incurred loss ratio Non-life insurance	61.0%	59.4%	61.6%	102.8	96.5
Gross expense ratio	25.9%	26.3%	26.6%	98.5	99.1
Net expenses ratio	27.6%	28.8%	29.0%	95.6	99.4
Net combined ratio	106.4%	99.7%	97.1%	106.8	102.7
Net combined ratio Non-life insurance	89.3%	89.7%	93.0%	99.5	96.4
Profit or loss before tax	47,386,567	37,555,651	31,742,878	126.2	118.3
Net profit or loss	38,477,269	29,540,622	25,080,999	130.3	117.8
Net technical provisions (including technical provisions in respect of life insurance holders, which bear investment risk)	806,929,577	818,095,770	846,765,721	98.6	96.6
Assets	1,151,013,241	1,116,725,121	1,151,811,161	103.1	97.0
Equity balances	161,300,721	151,146,017	158,055,080	106.7	95.6
Return on average assets (after taxation) - ROA	3.4%	2.6%	2.2%	130.3	118.9
Return on average equity (after taxation) - ROE	24.6%	19.1%	15.9%	128.9	120.3
Return on revenue (after taxation) - ROR	11.1%	9.4%	8.6%	118.9	108.8

## 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.

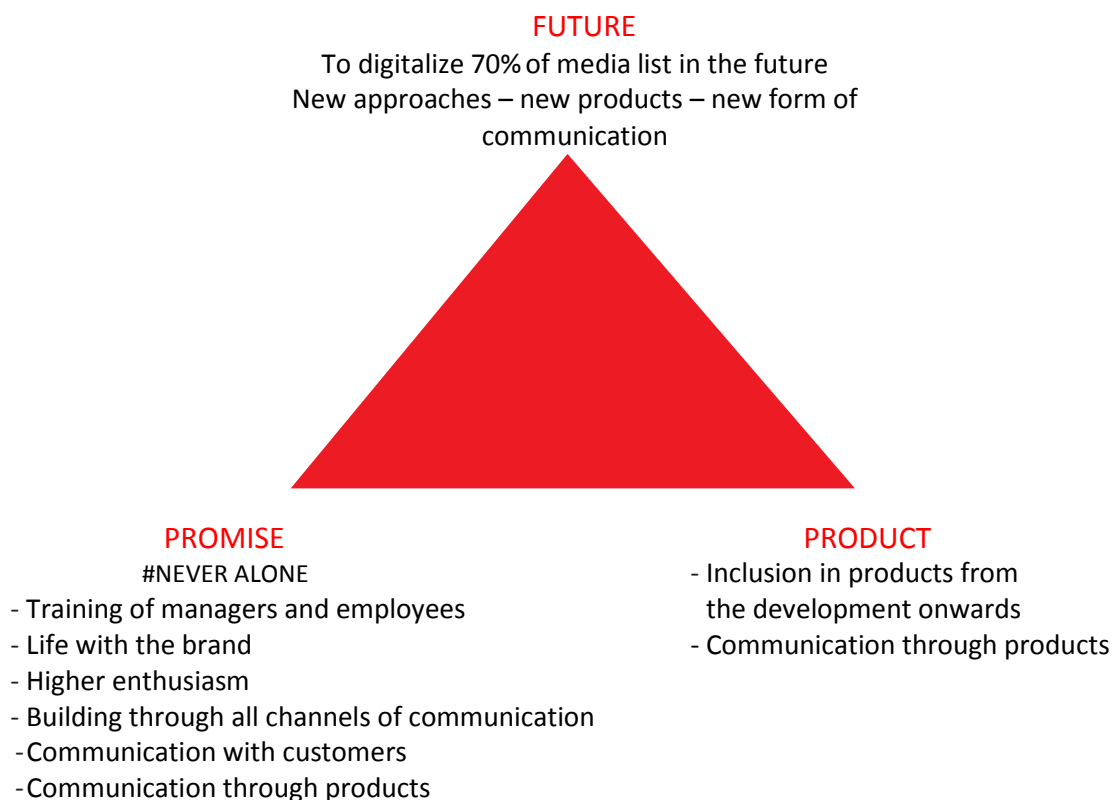
#### **VALUES**

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**

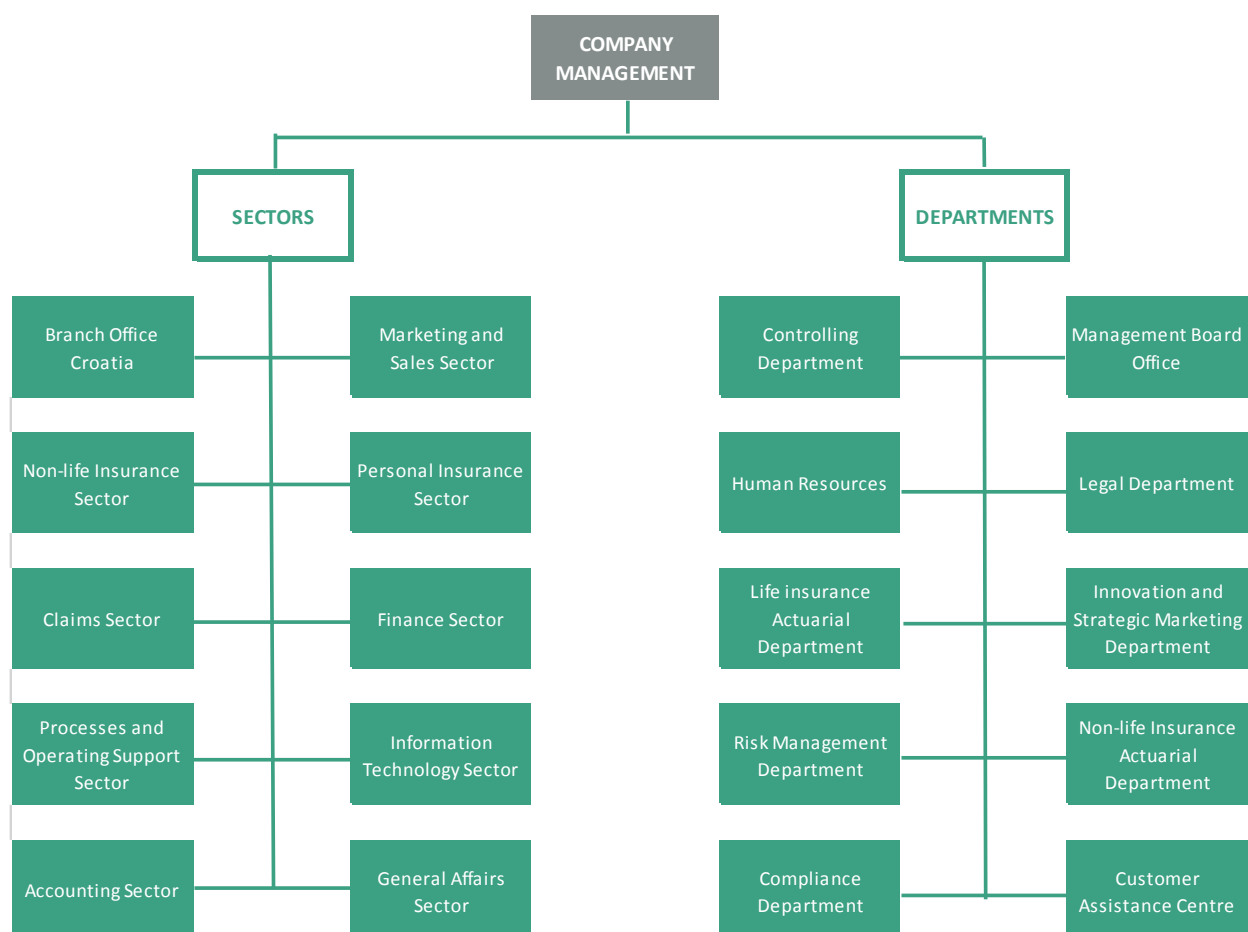


### 3. ZAVAROVALNICA SAVA COMPANY ID

<b>Registered name:</b>	<b>Zavarovalnica Sava, zavarovalna družba d.d.</b>
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

<b>Registered name:</b>	<b>SAVA OSIGURANJE D.D. Podružnica Hrvatska za osiguranje</b>
Registered office:	R. Frangeša Mihanovića 9, 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 2019



## **5. BUSINESS NETWORK AS AT 31 DECEMBER 2019**

The business network of Zavarovalnica Sava is present in all regions of the Republic of Slovenia and in some regions of the Republic of Croatia. Business operations in Slovenia are organized through 9 business units, 9 agencies, 13 branch offices and 56 representative offices. Operations in Croatia are organised through 8 business units, 18 agencies and 25 representative offices. Further, the business network of Zavarovalnica Sava includes representatives in permanent employment relationship – own sales network, and insurance representation and brokerage agencies – external sales network. Zavarovalnica Sava also cooperates with specialised sellers, such as companies that perform roadworthiness tests for motor vehicles, forwarding agents and tourist agencies.

## 5.1. SLOVENIA – BUSINESS UNITS

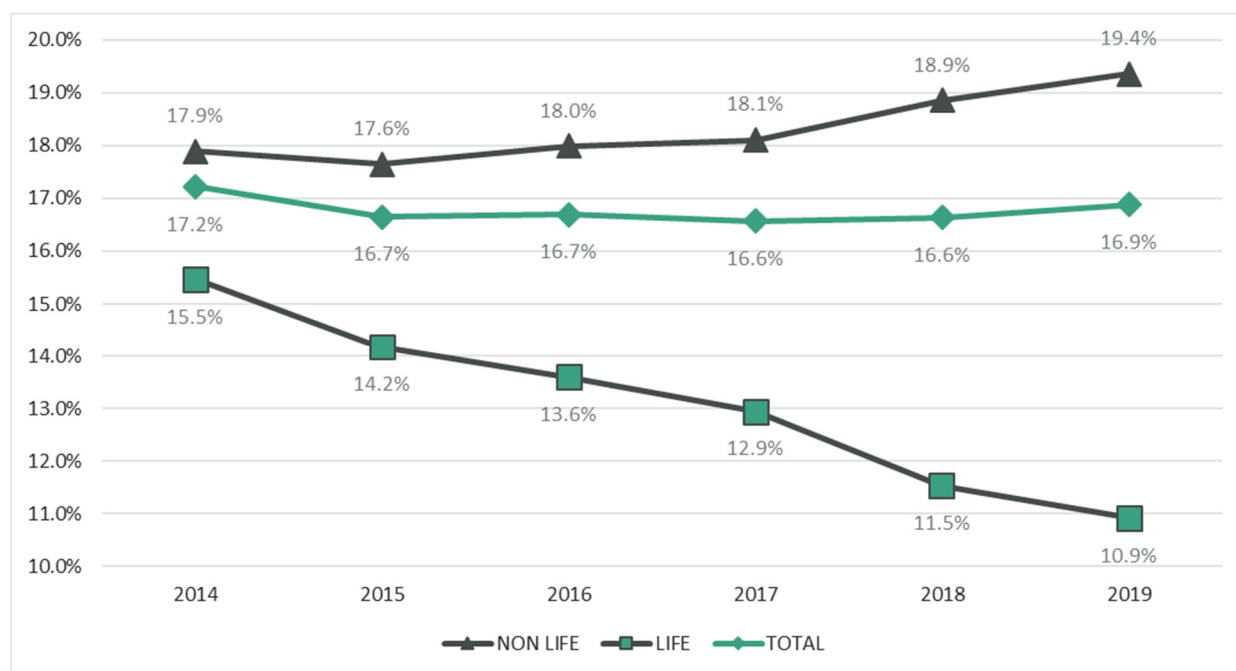


## 5.2. CROATIA – BUSINESS UNITS



## 6. MARKET SHARE OF ZAVAROVALNICA SAVA

*Movement of market share of Zavarovalnica Sava in 2014–2019\**



SOURCE: Slovensko zavarovalno združenje, January 2020

With a 16.9-percent market share, Zavarovalnica Sava remains the second largest insurance company in the market. The market share, calculated on the basis of gross premium, equals 16.9 percent (in 2018: 16.6 percent). In the area of non-life insurance and life insurance, the market shares equal 19.4 percent (in 2018: 18.9 percent) and 10.9 percent (in 2018: 11.5 percent), respectively.

## 7. NET PREMIUMS EARNED

Insurance class	in Euros, no cents			
	2019	2018	razlika 19-18	indeks 19/18
1 Accident insurance	21,492,176	20,281,950	1,210,226	106.0
2 Health insurance	883,737	738,795	144,942	119.6
3 Land vehicles casco insurance	89,886,083	79,186,551	10,699,533	113.5
4 Railway rolling stock insurance	15,729	10,806	4,923	145.6
5 Aircraft casco insurance	44,501	41,524	2,977	107.2
6 Marine hull insurance	327,702	215,451	112,250	152.1
7 Goods in transit insurance	1,523,428	1,736,824	-213,396	87.7
8 Fire and natural forces insurance	19,934,234	18,685,654	1,248,579	106.7
9 Other damage to property insurance	18,983,047	16,426,771	2,556,276	115.6
10 Motor liability insurance	79,922,474	70,475,541	9,446,933	113.4
11 Aircraft liability insurance	8,316	13,054	-4,738	63.7
12 Liability for ships insurance	254,122	240,603	13,519	105.6
13 General liability insurance	13,129,494	12,432,456	697,038	105.6
14 Credit insurance	2,794,970	3,292,275	-497,305	84.9
15 Suretyship insurance	74,343	85,298	-10,955	87.2
16 Miscellaneous financial loss insurance	1,704,189	1,503,762	200,427	113.3
17 Legal expenses insurance	119,765	169,566	-49,801	70.6
18 Assistance insurance	13,278,378	8,340,492	4,937,887	159.2
19 Life insurance	36,873,152	37,149,783	-276,630	99.3
21 Unit-linked life insurance	44,931,982	44,851,710	80,272	100.2
<b>Total</b>	<b>346,181,821</b>	<b>315,878,861</b>	<b>30,302,960</b>	<b>109.6</b>
<b>Non-life</b>	<b>264,376,687</b>	<b>233,877,372</b>	<b>30,499,315</b>	<b>113.0</b>
<b>Life</b>	<b>81,805,134</b>	<b>82,001,491</b>	<b>-196,357</b>	<b>99.8</b>

The majority of revenues are generated by the company in respect of insurance premium. Net premiums earned in 2019 increased in comparison to 2018. In 2019, the company generated 346.2 million Euros of net premiums, which is 9.6 percent higher than in the previous accounting period. Increase in net premiums earned is registered in nearly all insurance classes of non-life insurance, mainly in the car insurance segment, which is the result of higher average premium and increase in the number insurances, and we also acquired some new insurance holders and increased the portfolio from the transactions concluded pursuant to the FOS principles. A drop in net premium earned was registered in the life insurance segment, with regard to the insurance class 19 – Life insurance, which is a result of matured policies in recent years, for which we paid out endowments, whereby no payments of new premiums are made from such policies. As of 1 December 2019, we have transferred portfolio of the companies ERGO osiguranje and ERGO životno osiguranje to Zavarovalnica Sava, the Branch Office Croatia, which has lower influence on net premiums earned in 2019.

## 8. NET CLAIMS INCURRED

in Euros, no cents				
Insurance class	2019	2018	razlika 19-18	indeks 19/18
1 Accident insurance	7,605,291	7,671,990	-66,699	99.1
2 Health insurance	123,190	113,696	9,494	108.3
3 Land vehicles casco insurance	63,326,147	58,027,147	5,299,000	109.1
4 Railway rolling stock insurance	0			
5 Aircraft casco insurance	62,728	-29,691	92,419	-211.3
6 Marine hull insurance	257,516	122,853	134,663	209.6
7 Goods in transit insurance	516,030	552,105	-36,075	93.5
8 Fire and natural forces insurance	12,834,694	10,621,829	2,212,865	120.8
9 Other damage to property insurance	10,314,564	8,197,597	2,116,967	125.8
10 Motor liability insurance	53,220,828	45,067,526	8,153,302	118.1
11 Aircraft liability insurance	4,425	-9,224	13,649	-48.0
12 Liability for ships insurance	59,803	-4,314	64,117	-1,386.2
13 General liability insurance	3,613,689	3,218,633	395,056	112.3
14 Credit insurance	-32,645	-148,968	116,323	21.9
15 Suretyship insurance	18,003	-11,615	29,618	-155.0
16 Miscellaneous financial loss insurance	547,274	662,166	-114,892	82.6
17 Legal expenses insurance	11,219	1,023	10,196	1,096.7
18 Assistance insurance	8,918,429	4,878,588	4,039,841	182.8
19 Life insurance	76,420,898	46,353,921	30,066,977	164.9
21 Unit-linked life insurance	35,249,564	38,622,340	-3,372,776	91.3
<b>Total</b>	<b>273,071,646</b>	<b>223,907,602</b>	<b>49,164,044</b>	<b>122.0</b>
<b>Non-life</b>	<b>161,401,185</b>	<b>138,931,341</b>	<b>22,469,844</b>	<b>116.2</b>
<b>Life</b>	<b>111,670,462</b>	<b>84,976,261</b>	<b>26,694,201</b>	<b>131.4</b>

Net claims incurred are higher than in the previous accounting period by 22.0 percent or 49.2 million Euros. In the non-life insurance segment net claim amounts are higher than in 2018 (by 8.9 million Euros), also the change in net claims provisions (by 13.5 million Euros). In the life insurance segment, higher net claims incurred (increase by 26.7 million Euros) are mainly the result of matured policies.



## 9. EMPLOYEES

At the end of 2019, the company registered 1,420 employees, which is 151 more than the year before.

### *Number of employees on the last day of the year*

	Total number 31.Dec.2019	Total number 31.Dec.2018	Difference 31 Dec.2019 & 31 Dec 2018	Index 31 Dec 2019 / 31 Dec 2018
Internal employees	986	930	56	106.0
Sales – representatives	434	339	95	128.0
<b>TOTAL</b>	<b>1,420</b>	<b>1,269</b>	<b>151</b>	<b>111.9</b>

### *Full-time equivalence on the last day of the year*

	FTE 31.Dec.2019	FTE 31.Dec.2018	Difference 31 Dec.2019 & 31 Dec 2018	Index 31 Dec 2019 / 31 Dec 2018
Internal employees	935.42	878.70	56.72	106.5
Sales – representatives	396.93	313.80	83.13	126.5
<b>TOTAL</b>	<b>1,332.35</b>	<b>1,192.50</b>	<b>139.85</b>	<b>111.7</b>

## **II. THE SUMMARY OF FINANCIAL STATEMENTS**

## **Summary financial statements:**

The summary financial statements are derived from the audited financial statements, prepared in accordance with International reporting standards, as adopted by EU, as at December 31, 2019 and December 31, 2018 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements. Information presented in the summary is assessed by Management as significant and important. Management prepared these summary financial statements using the following criteria:

- (a) the summary financial statements include a statement for each statement included in the audited financial statements;
- (b) information in the summary financial statements agrees with the related information in the audited financial statements;
- (c) major subtotals, totals and comparative information from the audited financial statements are included.

The audited financial statements of Zavarovalnica Sava are available on our website: <https://www.zav-sava.si>.

# 1. SUMMARY STATEMENT OF BALANCE SHEET

*in Euros, no cents*

	31.Dec.2019	31.Dec.2018
<b>ASSETS</b>	<b>1,345,107,241</b>	<b>1,116,725,121</b>
A. Intangible assets	8,149,880	6,706,336
B. Property, plant and equipment	33,866,243	21,962,761
C. Non-current assets held for sale and discounted operations	24,451	49,890
D. Deferred tax assets	874,209	0
E. Investment property	3,962,763	3,780,473
F. Financial investment in group companies and in associates	4,284,026	2,199,805
G. Financial investments:	654,076,435	664,702,619
1 - loans and deposits	4,549,422	2,368,996
2 - held to maturity	29,236,797	66,472,355
3 - available for sale	609,455,772	591,709,077
4 - at fair value	10,834,444	4,152,191
H. Investments for the benefit of policyholders who bear the investment risk:	213,159,889	204,818,504
I. Reinsurers' share of technical provisions	93,858,580	78,532,175
K. Receivables	83,580,376	69,915,949
1 Receivables from primary insurance business	67,165,219	55,893,768
2 Receivables from co-insurance and reinsurance business	14,492,168	13,019,487
3 Other receivables	1,922,989	1,002,694
L. Other assets	215,660,010	15,992,517
M. Cash and cash equivalents	33,610,375	48,064,091
<b>LIABILITIES AND EQUITY</b>	<b>1,151,013,241</b>	<b>1,116,725,121</b>
A. Equity	161,300,721	151,146,017
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	16,697,360	11,196,330
5 Retained earnings	13,306,830	17,586,414
6 Net profit/loss for the period	38,477,269	29,540,622
7 Translation reserve	-19,889	-16,501
C. Technical provisions	680,174,458	686,595,308
1 Unearned premiums	154,621,427	134,543,548
2 Mathematical provisions	191,653,363	237,148,176
3 Provisions for outstanding claims	324,779,731	304,699,890
4 Other technical provisions	9,119,938	10,203,693
D. Technical provisions for the benefit of life insurance policyholders who bear the investment risk	220,613,699	210,032,637
E. Other provisions	7,473,324	6,809,878
F. Deferred tax liabilities	3,785,006	1,742,138
I. Financial liabilities	7,143,804	0
J. Operating liabilities	39,879,743	29,605,298
1 Liabilities from primary insurance business	16,797,952	12,948,280
2 Liabilities from co-insurance and reinsurance business	22,098,231	15,125,626
3 Tax liabilities	983,559	1,531,391
K. Other liabilities	30,642,489	30,793,845

## 2. SUMMARY STATEMENT OF INCOME STATEMENT

*in Euros, no cent*

		1.1. to 31.12.2019	1.1. to 31.12.2018
A.	NET PREMIUMS EARNED	346,181,821	315,878,861
	- Gross premiums written	428,684,887	392,260,283
	- Premiums written ceded to reinsurers and co-insurers	-74,019,919	-61,942,991
	- Change in unearned premiums	-8,483,146	-14,438,431
C.	INVESTMENT INCOME	33,322,083	29,526,296
D.	OTHER TECHNICAL INCOME, of this	19,920,490	15,820,454
	- Commission income	18,115,408	14,119,880
E.	OTHER INCOME	7,370,256	8,400,948
F.	NET CLAIMS INCURRED	273,071,646	223,907,602
	- Gross claims paid	303,404,379	267,921,173
	- Reinsurers' and co-insurers' share of claims paid	-32,351,886	-34,762,397
	- Change in provisions for outstanding claims	2,019,153	-9,251,174
G.	CHANGE IN OTHER TECHNICAL PROVISIONS	-50,867,800	-16,563,388
H.	CHANGE IN TECHNICAL PROVISIONS FOR THE BENEFIT OF LIFE INSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK	13,407,371	-15,962,680
J.	EXPENSES FOR BONUSES NAD REBATES	-162,003	-329,549
K.	OPERATING EXPENSES, of this	112,419,564	103,989,733
	- Acquisition costs	38,852,547	32,383,867
M.	INVESTMENT EXPENSES	416,488	24,217,834
N.	OTHER TECHNICAL EXPENSES	6,764,610	5,419,876
O.	OTHER EXPENSES	4,358,208	7,391,479
<b>P.</b>	<b>PROFIT BEFORE TAX</b>	<b>47,386,567</b>	<b>37,555,651</b>
R.	CURRENT TAX	8,909,297	8,015,029
<b>S.</b>	<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>38,477,269</b>	<b>29,540,622</b>

### 3. SUMMARY STATEMENT OF OTHER COMPREHENSIVE INCOME

*in Euros, no cents*

	Non - life	Life	TOTAL	Non - life	Life	TOTAL
	1. 1. to 31. 12. 2019	1. 1. to 31. 12. 2019	1. 1. to 31. 12. 2019	1. 1. to 31. 12. 2018	1. 1. to 31. 12. 2018	1. 1. to 31. 12. 2018
<b>I NET PROFIT/LOSS FOR THE PERIOD, NET OF TAX</b>	<b>25,800,390</b>	<b>12,676,879</b>	<b>38,477,269</b>	<b>18,359,007</b>	<b>11,181,616</b>	<b>29,540,622</b>
<b>II OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>2,513,949</b>	<b>2,983,693</b>	<b>5,497,641</b>	<b>-1,828,058</b>	<b>-4,183,442</b>	<b>-6,011,500</b>
a) Items that will not be reclassified subsequently to profit or loss (1+2+3+4+5)	135,489	-11251,92	124,237	167,337	44	167,381
3. Actuarial net profits/losses for pension schemes	116,712	24,310	141,022	135,137	28,146	163,282
5. Other items that will not be reclassified subsequently to profit or loss	29,864	-33,253	-3,389	45,038	-25,428	19,610
6. Tax on items that may be reclassified subsequently to profit or loss	-11,088	-2,309	-13,397	-12,838	-2,674	-15,512
b) Items that will be reclassified subsequently to profit or loss (1+2+3+4+5)	2,378,460	2,994,945	5,373,405	-1,995,395	-4,183,486	-6,178,881
1. Net profits / losses from remeasuring available-for-sale financial assets	2,935,697	3,693,201	6,628,898	-2,462,878	-5,164,036	-7,626,914
1.1. Profits/losses and translation differences, recognized in revaluation surplus	3,013,555	3,962,564	6,976,120	-1,524,905	-4,637,484	-6,162,389
1.2. Transfer of profits/losses from revaluation surplus to profit or loss	-77,859	-269,363	-347,222	-937,973	-526,552	-1,464,525
5. Tax on items that may be reclassified subsequently to profit or loss	-557,237	-698,257	-1,255,493	467,483	980,550	1,448,034
<b>III. COMPREHENSIVE INCOME OF THE BUSINESS YEAR AFTER TAXATION (I+II)</b>	<b>28,314,339</b>	<b>15,660,572</b>	<b>43,974,911</b>	<b>16,530,949</b>	<b>6,998,174</b>	<b>23,529,123</b>

## 4. SUMMARY STATEMENT OF CASH FLOW STATEMENT

in Euros, no cents	Note	From 1 Jan to 31 Dec 2019	From 1 Jan to 31 Dec 2018
<b>A. Cash flows from operating activities</b>			
<b>a) Items of the income statement</b>		<b>19,104,348</b>	<b>57,339,065</b>
Net profit or loss		38,477,269	29,540,622
Adjustments for:			
1. Realised gains/profits in disposal of subsidiaries		0	0
2. Realised gains/profits in the disposal of tangible fixed assets		-188,128	-71,664
3. Gains/losses of subsidiaries - equity method		0	0
4. Impairment of tangible/intangible assets		466,445	0
5. Unrealised net gains and other net financial expenses/revenues		-32,846,653	16,906,400
6. Depreciation and amortization		4,294,464	2,870,349
7. Tax expense		8,909,297	8,015,029
8. Net exchange difference		-8,346	78,328
<b>b) Changes in net current assets (insurance receivables, other receivables, other assets and deferred tax assets and liabilities) of operating items of balance sheet</b>		<b>-58,539,780</b>	<b>-69,414,662</b>
1. Opening less closing receivables from direct insurance		-11,250,929	-6,527,342
2. Opening less closing receivables from reinsurance		-1,472,681	-1,631,571
3. Opening less closing other receivables from insurance business		294,122	-473,756
4. Opening less closing deferred costs of insurance acquisition		-3,077,768	-1,939,926
5. Opening less closing other receivables and assets		-3,678,277	-375,270
6. Opening less closing stocks		0	-20,062
7. Closing less opening liabilities from direct insurance		3,843,840	835,929
8. Closing less opening liabilities from reinsurance		6,971,567	1,194,652
9. Closing less opening other operating liabilities		-691,404	3,130,550
10. Changes in insurance technical provisions		-39,920,890	-56,895,885
11. Cash payments for payment of tax		-9,557,360	-6,711,984
<b>c) Net receipts or net disbursement from operating activities (a + b)</b>		<b>-39,435,431</b>	<b>-12,075,598</b>
<b>B. Cash flows from investing activities</b>			
<b>a) Cash receipts from investing activities</b>		<b>243,807,092</b>	<b>318,887,928</b>
1. Receipts from interest related to investment activities		9,109,179	15,347,780
2. Receipts from dividends and share in profit of others		1,494,712	679,709
3. Receipts from disposal of intangible assets		0	0
4. Receipts from disposal of tangible fixed assets		408,457	852,874
5. Receipts from investment property		224,394	333,292
6. Receipts from disposal of financial investments		232,570,351	301,674,273
6.1. Receipts from disposal of subsidiaries or other companies		0	0
6.2. Other receipts from disposal of financial investments		232,570,351	301,674,273
<b>b) Cash disbursements from investing activities</b>		<b>-183,845,842</b>	<b>-254,223,242</b>
1. Cash payments to acquire intangibles		-1,953,207	-926,340
2. Cash payments to acquire tangible fixed assets		-3,863,786	-1,775,050
3. Cash payments to acquire investment property		-30,552	-81,575
4. Cash payments to acquire financial investments		-177,998,297	-251,440,278
4.1. Cash payments to acquire subsidiaries or other companies		-4,333,712	-2,199,805
4.2. Other cash payments to acquire financial investments		-173,664,585	-249,240,473
<b>c) Net cash or net disbursement from from investing activities (a + b)</b>		<b>59,961,250</b>	<b>64,664,686</b>
<b>C. Cash flows from financing activities</b>		<b>0</b>	<b>0</b>
<b>a) Cash receipts from financing activities</b>		<b>0</b>	<b>0</b>
1. Cash proceeds from paid-in capital		0	0
2. Cash receipts from acquired long-term loans		0	0
3. Cash receipts from acquired short-term loans		0	0
<b>b) Cash disbursements from financing activities</b>		<b>-35,013,326</b>	<b>-30,438,186</b>
1. Interests paid		-82,598	0
2. Cash repayments on equity		0	0
3. Cash repayments of long-term financial liabilities		-1,110,522	0
4. Cash repayments of short-term financial liabilities		0	0
5. Cash repayments for dividends and other profit participation		-33,820,206	-30,438,186
<b>c) Net cash or net disbursement from financing activities (a + b)</b>		<b>-35,013,326</b>	<b>-30,438,186</b>
<b>D. Closing balance of cash and cash equivalents</b>	<b>5.10.</b>	<b>33,610,375</b>	<b>48,064,091</b>
<b>x) Net cash inflow or outflow for the period (sum total of net cash Ac, Bc and Cc)</b>		<b>-14,487,508</b>	<b>22,150,902</b>
<b>y) Opening balance of cash and cash equivalents</b>		<b>48,064,091</b>	<b>25,913,189</b>
<b>Cash assets acquisition</b>		<b>33,792</b>	

## 5. SUMMARY STATEMENT OF STATEMENT OF CHANGES IN EQUITY

### Summary statement of changes in equity for the period 1.1.2019 – 31.12.2019

	I. Share capital	II. Capital reserves	III. Profit reserves		IV. Revaluation surplus	IV_a. Cumulative translation adjustment	IV_b. Other reserves	V. Retained earnings	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	9b	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	10,394,873	-16,501	801,458	17,586,414	29,540,622	151,146,017
4. OPENING BALANCE in the business period (1+2+3)	68,417,377	16,207,877	6,974,396	1,239,500	10,394,873	-16,501	801,458	17,586,414	29,540,622	151,146,017
5. Comprehensive income of the business year after taxation	0	0	0	0	5,373,405	-3,389	127,625	0	38,477,269	43,974,911
a.) Net profit or loss	0	0	0	0	0	0	0	0	38,477,269	38,477,269
b.) Other comprehensive income	0	0	0	0	5,373,405	0	127,625	0	0	5,501,030
c.) Net profits/losses arising from the translation of financial statements of an affiliated company	0	0	0	0	0	-3,389	0	0	0	-3,389
OWNER TRANSACTIONS - Payouts	0	0	0	0	0	0		-33,820,206	0	-33,820,206
9. Payment (statement of accounts) of dividends/bonuses in the form of shares	0	0	0	0	0	0	0	-33,820,206	0	-33,820,206
CHANGES IN EQUITY	0	0	0	0	0	0	0	29,540,622	-29,540,622	0
12. Distribution of net profit to profit reserves	0	0	0	0	0	0	0	29,540,622	-29,540,622	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	15,768,277	-19,889	929,083	13,306,830	38,477,269	161,300,722



## Summary 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	IV_b. Other reserves	V. Retained earnings	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	9b	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	16,573,753	-36,111	653,687	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	16,573,753	-36,111	147,771	22,943,601	25,080,999	158,055,080
5. Comprehensive income of the business year after taxation	0	0	0	0	-6,178,880	19,610	147,771	0	29,540,622	23,529,123
a.) Net profit or loss	0	0	0	0	0	0	0	0	29,540,622	29,540,622
b.) Other comprehensive income	0	0	0	0	-6,178,880	0	147,771	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	0	19,610
OWNER TRANSACTIONS - Payouts	0	0	0	0	0	0	0	-30,438,186	0	-30,438,186
9. Payment (statement of accounts) of dividends/bonuses in the form of shares	0	0	0	0	0	0	0	-30,438,186	0	-30,438,186
CHANGES IN EQUITY	0	0	0	0	0	0	0	25,080,999	-25,080,999	0
12. Distribution of net profit to profit reserves	0	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	10,394,873	-16,501	801,458	17,586,414	29,540,622	151,146,017