

Unaudited financial statements

OF THE SAVA
INSURANCE
GROUP
2019



Ljubljana,
28 February 2020

Key unaudited figures of the Sava Insurance Group

EUR, except percentages	2019	2018
Total of all operating segments		
Operating revenues	584,902,191	531,343,205
Year-on-year change	10.1%	9.7%
Profit or loss before tax	60,744,015	55,260,572
Year-on-year change	9.9%	38.6%
Profit or loss, net of tax	50,194,588	43,011,849
Year-on-year change	16.7%	38.3%
Comprehensive income	59,589,363	36,448,443
Year-on-year change	63.5%	11.2%
Return on revenue*	8.6%	8.1%
Net expense ratio*	31.2%	32.8%
Return on equity	13.8%	13.1%
Earnings or loss per share	3.22	2.76
Return on the investment portfolio*	1.9%	1.7%
Reinsurance + non-life		
Gross premiums written	508,530,894	457,228,348
Year-on-year change	11.2%	7.0%
Net incurred loss ratio*	61.7%	57.0%
Net expense ratio	32.3%	34.2%
Net combined ratio*	93.8%	92.9%
Profit or loss before tax	40,462,907	40,837,674
Year-on-year change	-0.9%	42.5%

EUR, except percentages	2019	2018
Life business		
Gross premiums written	87,668,880	86,852,148
Year-on-year change	0.9%	-1.3%
Net expense ratio	28.8%	27.9%
Profit or loss before tax	16,601,413	12,355,948
Year-on-year change	34.4%	13.8%
Total of all operating segments	31 Dec 2019	31 Dec 2018
Total assets	1,887,861,284	1,706,023,490
Change on 31 Dec of prior year	10.7%	-0.1%
Shareholders' equity	384,776,847	340,175,455
Change on 31 Dec of prior year	13.1%	7.6%
Net technical provisions	1,117,882,710	1,103,231,374
Change on 31 Dec of prior year	1.3%	-2.1%
Book value per share	24.83	21.95
Number of employees (full-time equivalent basis)	2,723.3	2,416.7
Solvency ratio under Solvency II rules	-	218.0%

Note:
* Excluding the effect of exchange differences. The return on the investment portfolio does not include subordinated debt expenses.

Unaudited statement of financial position

EUR	31 Dec 2019	31 Dec 2018
ASSETS	1,887,861,284	1,706,023,490
Intangible assets	62,968,348	37,121,118
Property, plant and equipment	47,615,710	42,893,432
Right-of-use assets	9,974,252	0
Deferred tax assets	2,044,124	2,026,472
Investment property	16,695,132	20,643,019
Financial investments in associates	581,104	462,974
Financial investments:	1,066,811,082	1,008,097,470
- loans and deposits	53,363,639	33,542,347
- held to maturity	42,458,632	77,122,037
- available for sale	943,663,578	885,017,410
- at fair value through profit or loss	27,325,233	12,415,676
Assets held for the benefit of policyholders who bear the investment risk	213,159,889	204,818,504
Reinsurers' share of technical provisions	38,620,539	27,292,750
Investment contract assets	149,260,261	135,586,965
Receivables	159,413,917	140,550,011
Receivables arising out of primary insurance business	139,954,356	126,533,761
Receivables arising out of reinsurance and co-insurance	6,734,564	5,835,798
Current tax assets	3,002,507	169,727
Other receivables	9,722,490	8,010,725
Deferred acquisition costs	23,500,521	19,759,234
Other assets	2,841,516	2,064,220
Cash and cash equivalents	93,804,031	64,657,431
Non-current assets held for sale	570,858	49,890

The statement of financial position for 2018 has changed by an amount of EUR 76,227 in the deferred tax assets and deferred tax liabilities items due to a partial reversal of previously incorrectly netted deferred taxes.

EUR	31 Dec 2019	31 Dec 2018
EQUITY AND LIABILITIES	1,887,861,284	1,706,023,490
Equity	384,776,847	340,175,455
Share capital	71,856,376	71,856,376
Capital reserves	43,035,948	43,035,948
Profit reserves	202,170,501	183,606,914
Own shares	-24,938,709	-24,938,709
Fair value reserve	20,718,610	11,613,059
Reserve due to fair value revaluation	924,038	836,745
Retained earnings	42,128,483	35,140,493
Net profit or loss for the period	31,546,718	21,843,940
Translation reserve	-3,168,414	-3,368,928
Equity attributable to owners of the controlling company	384,273,551	339,625,838
Non-controlling interest in equity	503,296	549,617
Subordinated liabilities	74,822,710	0
Technical provisions	935,889,551	920,491,487
Unearned premiums	207,895,397	184,101,835
Technical provisions for life insurance business	213,813,945	254,849,366
Provision for outstanding claims	502,914,277	470,057,561
Other technical provisions	11,265,932	11,482,725
Technical provision for the benefit of life insurance policyholders who bear the investment risk	220,613,698	210,032,637
Other provisions	8,705,469	7,730,247
Deferred tax liabilities	7,202,943	3,605,462
Investment contract liabilities	149,103,801	135,441,508
Other financial liabilities	355,908	243,095
Liabilities from operating activities	61,290,549	54,736,601
Liabilities from primary insurance business	50,356,998	44,278,514
Liabilities from reinsurance and co-insurance business	9,300,437	6,176,032
Current income tax liabilities	1,633,114	4,282,055
Lease liabilities	10,448,915	0
Diverse liabilities	34,650,893	33,566,998

Unaudited income statement

EUR	1-12/2019	1-12/2018
Net earned premiums	548,764,109	504,669,701
Gross premiums written	599,250,231	546,299,539
Written premiums ceded to reinsurers and co-insurers	-36,146,607	-26,942,852
Change in gross unearned premiums	-19,266,582	-11,415,695
Change in unearned premiums, reinsurers’ and co-insurers’ shares	4,927,067	-3,271,291
Income from investments in associates	2,717,909	0
Other income	2,717,909	0
Investment income	20,392,945	20,385,617
Interest income	14,063,120	16,459,186
Other investment income	6,329,825	3,926,431
Net unrealised gains on investments of life insurance policyholders who bear the investment risk	23,278,584	0
Other technical income	12,736,452	15,758,511
Commission income	4,291,946	3,634,682
Other technical income	8,444,506	12,123,829
Other income	27,693,576	14,549,676
Net claims incurred	-399,436,917	-320,760,586
Gross claims paid, net of income from recourse receivables	-392,277,692	-342,556,518
Reinsurers’ and co-insurers’ shares	10,559,367	12,460,118
Change in the gross provision for outstanding claims	-23,869,642	9,913,517
Change in the provision for outstanding claims, reinsurers’ and co-insurers’ shares	6,151,050	-577,703
Change in other technical provisions	45,976,038	13,207,584
Change in technical provisions for policyholders who bear the investment risk	-12,825,182	15,962,680

EUR	1-12/2019	1-12/2018
Expenses for bonuses and rebates	227,917	288,628
Operating expenses	-186,957,563	-178,131,437
Acquisition costs	-65,793,677	-58,372,509
Change in deferred acquisition costs	2,908,414	1,598,536
Other operating expenses	-124,072,300	-121,357,464
Expenses for investments in associates and impairment losses on goodwill	-54,721	-151,130
Impairment loss on goodwill	0	-94,906
Loss arising out of the investment in the equity-accounted associate company	-54,721	-56,224
Expenses for financial assets and liabilities	-1,758,302	-3,187,907
Impairment losses on financial assets not at fair value through profit or loss	0	-1,943,975
Interest expense	-682,017	-28,445
Other investment expenses	-1,076,285	-1,215,487
Net unrealised losses on investments of life insurance policyholders who bear the investment risk	0	-6,630,921
Other technical expenses	-15,449,527	-17,825,983
Other expenses	-4,561,302	-2,873,861
Profit or loss before tax	60,744,016	55,260,572
Income tax expense	-10,549,428	-12,248,723
Net profit or loss for the period	50,194,588	43,011,849
Net profit or loss attributable to owners of the controlling company	49,977,170	42,790,617
Net profit or loss attributable to non-controlling interests	217,418	221,232
Earnings per share (basic and diluted)	3.22	2.76

The income statement for 2018 included netted exchange differences for investment income and expenses, other technical income and expenses, and unrealised gains and losses on investments of life insurance policyholders who bear the investment risk.