

BEST'S CREDIT REPORT

Pozavarovalnica Sava d.d.

Dunajska 56, 1000 Ljubljana, Slovenia

AMB #: 083846

NAIC #: N/A

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Pozavarovalnica Sava d.d.

Credit Report

Report Release Date:
December 21, 2018

Group Members Rating Effective Date:
November 30, 2018

Disclosure Information: Refer to rating unit members for each company's Rating Disclosure Form

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Associated Ultimate Parent: 083847 - Pozavarovalnica Sava d.d.

A.M. Best Rating Unit: 083846 - Pozavarovalnica Sava d.d.

Best's Credit Ratings for Group Members:

Rating Effective Date: November 30, 2018

AMB#	Company	Rating Unit	Best's Financial Strength Ratings			Best's Issuer Credit Ratings		
			Rating	Outlook	Action	Rating	Outlook	Action
083846	Pozavarovalnica Sava d.d.	<i>Rating Unit</i>						
083847	Pozavarovalnica Sava d.d.		A	Stable	Upgraded	a	Stable	Upgraded

Rating Rationale:

Balance Sheet Strength: Very Strong

- Pozavarovalnica Sava d.d. (Sava Re) benefits from consolidated risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio (BCAR), at the strongest level at year-end 2017.
- BCAR is expected to remain at the strongest level in the short-to-medium term, supported by solid internal capital generation.
- Other supporting balance sheet factors include low reliance on retrocession, prudent reserving and good financial flexibility with access to capital and debt markets.
- Offsetting factors include the company's life insurance portfolio with guarantees considering the current low interest rate environment, although A.M. Best notes that Sava Re has taken actions to limit the impact this could have on its prospective capital base.

Operating Performance: Strong

- Track record of strong operating performance following the acquisition of Zavarovalnica Maribor d.d. in May 2013, as evidenced by a five-year (2013-2017) weighted average combined ratio of 94% and five-year weighted average return on equity of 10%.

- Strong operating performance is driven by solid technical profitability, with an excellent five-year (2013-2017) weighted average loss ratio of 60%.
- The group originates a material proportion of its non-life business in Slovenia's market (52% of its gross written premiums in 2017), where its leading competitive position and prudent underwriting enables it to generate strong and relatively stable underwriting earnings.
- Offsetting factors include a relatively elevated expense base compared with peers, which translated in an expense ratio of 34% in 2017 (2016: 36%), impacted by the company's operations in the West Balkan markets.
- A.M. Best expects Sava Re's operating performance to remain strong over the medium term, supported by disciplined underwriting and good risk selection.

Business Profile: Neutral

- Sava Re benefits from a strong position in its core market of Slovenia, where it had an 18% market share (in terms of gross written premiums) in 2017.
- The group also has a solid profile within the smaller insurance markets of the West Balkans and continues to cautiously develop its competitive position in the international reinsurance market.
- A.M. Best expects growth in premium volume to be moderate over the medium term, reflecting the combination of improving operating conditions in Slovenia, and the highly competitive nature of the international reinsurance market.

Enterprise Risk Management: Appropriate

- Risk management framework and capabilities are deemed appropriate considering the complexity of the operations.
- The group has well-defined risk tolerance levels and developed management controls, in line with the Solvency II regulatory regime.
- Risk management capability, risk identification and governance are embedded across the entire group.

Outlook

The stable outlooks reflect A.M. Best's expectation that Sava Re will maintain its rating fundamentals over the short-to-medium term. Risk-adjusted capitalisation is expected to remain at the strongest level supported by solid capital generation. Operating performance is anticipated to remain strong supported by the group's focus on underwriting profitability. Sava Re is expected to maintain a leading position in the Slovenian (re)insurance and continue to cautiously grow in the West Balkan insurance market.

Rating Drivers

Positive rating actions could occur if Sava Re were to expand its business profile whilst maintaining consolidated risk-adjusted capitalisation at the strongest level and strong operating performance.

Negative rating actions could occur as a result of sustained deterioration in Sava Re's consolidated risk-adjusted capitalisation that would lead to a revision of its balance sheet strength assessment.

A sustained decline in operating performance could result in negative rating pressure.

Financial Data Notes:

Time Period: Annual - 2017

Status: A.M. Best Quality Cross Checked

Key Financial Indicators:

Key Financial Indicators (000)

	Year End				
	2017	2016	2015	2014	2013
Premiums					
Direct Premiums Written - combined	421,012	397,521	388,113	390,692	289,840
Direct premiums written - non life	330,628	311,117	300,586	300,467	224,346
Direct premiums written - life	90,384	86,404	87,527	90,225	65,494
Gross premiums written - combined	517,233	490,205	486,264	468,179	386,705
Gross premiums written - non life	426,849	403,801	398,737	377,954	321,211
Net premiums written - combined	482,990	458,963	455,949	440,777	364,072
Net premiums written - non life	393,064	373,451	370,643	352,325	298,993
Net premiums written - life	89,926	85,512	85,306	88,452	65,079
Capital & Surplus	315,799	296,277	285,438	269,614	238,134
Total Assets	1,708,348	1,671,189	1,607,281	1,454,375	1,378,300

Source: Bestlink - Best's Statement File - Global

Local Currency: Euro

US \$ per Local Currency Unit 1.19804 = 1 Euro (EUR)

Key Financial Indicators - A.M. Best Ratios (%)

	Year End				
	2017	2016	2015	2014	2013
Combined Ratio	93.3	94.8	95.3	93.9	94.9
Net Premiums Written to Equity	152.9	154.9	159.7	163.5	152.9
Liquidity					
Liquid Assets to Total Liabilities	102.1	101.5	100.9	98.9	95.9
Total Investments to Total Liabilities	106.4	105.9	105.0	103.3	100.6

Source: Bestlink - Best's Statement File - Global

(*) Data reflected within all tables of this report has been compiled from the consolidated financial statements of this company (Source: Company Financial Statement).

Best's Capital Adequacy Ratio Summary - AMB Rating Unit (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	70.5	58.3	53.2	51.6

Source: Best's Capital Adequacy Ratio Model - Universal

Credit Analysis:

Balance Sheet Strength: Very Strong

Sava Re' consolidated balance sheet strength is assessed as very strong. Its risk-adjusted capitalisation is aligned with the keyword of strongest on both a standard and CAT stressed basis. The group benefits from solid internal capital generation, low reliance on retrocession and good financial flexibility. Offsetting factors include the company's life insurance portfolio with embedded guarantees considering the current low interest rate environment, although A.M. Best notes that Sava Re has taken actions to limit the impact this could have on its prospective capital base.

The BCAR scores presented under the "Best's Capital Adequacy Ratio Summary - AMB Rating Unit (%)" section of this report are based on the year-end 2017 audited consolidated financial statements of the company.

Capitalization:

Sava Re' risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio (BCAR), is consistent with A.M. Best's strongest assessment and is expected to remain at this level in the short-to-medium term. The group's risk-adjusted capitalisation incorporates large capital base, which has been supplemented by the strong earnings generation and partial equity credit given to the value-in-force business related to the group's life portfolio. The quality of capital has remained strong, despite goodwill and intangibles accounting for 11% of shareholders' funds as of 30 September 2018.

Shareholders' funds increased by 4% to EUR 327 million as of 30 September 2018 (year-end 2017: EUR 316 million) mainly due to the operating profits of EUR 29 million for the first nine months of 2018 (9M18) which were partly mitigated by a dividend payment (including to minority shareholders) of EUR 13 million for year 2017.

Capital is managed at the group level and it is considered to be fungible across group subsidiaries. Sava Re's capital management strategy focuses on regulatory solvency requirements, with the group targeting Solvency II ratio, under standard formula, of 170-200% as an optimal level. As of 30 June 2018, Sava Re reported a consolidated Solvency II ratio of 211%, which is considered in excess of the company's internal capital targets.

Sava Re's dividend policy is to pay up to 40% of net profits, targeting a 10% dividend growth in the period 2017-2019, subject to an adequate level of capital to support its strategy. In 2018, the group paid an ordinary dividend of 40% of net profits (2017: 38%).

Sava Re's financial flexibility is good, with demonstrated ability to access capital markets to raise equity and debt when required, including Sava Re's EUR 55 million rights issue undertaken in 2013 that was partly used to purchase the shares of a Slovenian subsidiary Maribor. After Sava Re recalled the last outstanding tranche of EUR 12 million of its subordinated debt in June 2017, the group now boasts an unlevered balance sheet.

Capital Generation Analysis (000)

	Year End				
	2017	2016	2015	2014	2013
Capital & surplus brought forward	297,038	286,402	271,529	240,099	171,353
Change in share capital	32,787
Change in non-distributable reserves	16,008	9,588	6,773	8,294	17,181
Change in claims equalisation reserve	...	-976	402	-249	2,168
Change in other reserves	-16,654	-8,319	-8,426	-8,045	-2,278
Currency exchange gains	501	-387	22	-360	-114
Profit or loss for the year	31,095	32,918	33,365	30,538	15,622
Capital gains or (losses)	1,189	5,126	-5,764	10,709	6,211
Dividend to shareholders	-12,464	-12,398	-9,066	-4,387	...
Other changes	-596	-14,916	-2,433	-5,070	-2,831
Total change in capital & surplus	19,079	10,636	14,873	31,430	68,746
Capital & surplus carried forward	316,117	297,038	286,402	271,529	240,099

Source: Bestlink - Best's Statement File - Global

Local Currency: Euro

US \$ per Local Currency Unit 1.19804 = 1 Euro (EUR)

Asset Liability Management – Investments:

Sava Re's investment strategy has remained fairly conservative with a focus on government bonds (49% of the investment portfolio excluding unit-linked investments as of 30 September 2018), corporate bonds (36%), cash, deposits and money-market instruments (6%), mutual funds (5%), shares (2%) and real estate (2%). The group closely monitors its investment exposure and has demonstrated its ability to adjust its strategy to reduce potential market risks inherent within its portfolio.

Following the downgrades of the Slovenian sovereign rating and banking system bail out in 2013, Sava Re has attempted to diversify the geographical spread of investments in order to reduce concentration risk. The group has reduced its exposure to Slovenian investments to 19% of total investments as of 30 September 2018 (year-end 2013: 46%), while increasing its investments in other European countries, mainly the member states of the European Union. In addition, Sava Re has recently decreased its reliance on government bonds to 49% as of 30 September 2018 (year-end 2017: 52%), while increasing the weight of mutual funds to 5% (3%), deposits and CDs to 3% (2%) and infrastructure funds to 1% (0%).

Going forward, Sava Re's investment portfolio is expected to remain broadly similar, with a focus on government and corporate bonds and cash and deposits.

Sava Re's liquidity levels have been maintained at an adequate level, as demonstrated by the ratio of total investments to total liabilities (excluding assets and liabilities relating to unit-linked business) of 106% as of year-end 2017, with the expectation that liquidity will remain at a similar level in 2018.

Sava Re has interest rate risk through its life business. The group provides guaranteed investment returns for part of its traditional life business of up to 2.75%. The average rate of investment guarantee is much lower and has decreasing trend, also due to lower new business guarantees (1.5% from June 2015), and shift in new business mix into protection and unit-linked business. In addition, Sava Re has taken actions to limit the impact of an unfavourable investment development, currently considered unlikely, on its prospective capital base. The portfolio is considered well managed and the company is expected to meet all its guaranteed obligations.

Reserve Adequacy:

Sava Re has maintained a conservative reserving strategy supported by the use of traditional actuarial methods to calculate provisions. Reserves at each subsidiary are determined in accordance with group standards. Sava Re's reserves are independently assessed periodically by third-party actuaries, and the latest external reviews supported the adequacy of the group's reserves.

Operating Performance: Strong

Sava Re has a track record of strong operating performance, as evidenced by a five-year (2013-2017) consolidated return on equity averaging 10%. The results have been driven by solid underwriting performance, stemming primarily from the non-life Slovenian business, and supported by adequate investment income.

The group reported a 37% increased pre-tax profit to EUR 37 million in 9M18 (9M17: EUR 27 million), which reflected the improved operating earnings in all segments, primarily driven by the improved results in its non-life Slovenian operations and global reinsurance business.

Sava Re's operating performance for the full-year 2018 is expected to remain largely in line with the planned net profit between EUR 37 million and EUR 39 million.

Underwriting Results

Sava Re's underwriting performance is solid with a five-year (2013-2017) weighted average combined ratio of 94%, mainly reflecting the strong performance of its Slovenian non-life insurance business, where the group originates a material proportion of its business (56% of its gross written premiums (GWP) in 9M18). The group's leading competitive position in its domestic market and prudent underwriting enabled it to generate strong and relatively stable underwriting earnings with an excellent five-year (2013-2017) weighted average loss ratio of 60%.

The global reinsurance business has been profitable, although it exposes the group to a potential volatility inherent for reinsurance business. However, the group's focus on underwriting profitability, quality portfolio selection, as well as the non-renewal of unprofitable risks is expected to lead to good results. This has been evidenced in the last two years when, despite the exceptional high nat cat activity

impacting the reinsurance market, Sava Re reported very good combined ratios of its reinsurance business (93.7% in 9M18 and 90.4% in 2017).

More negatively, Sava Re operates with a relatively elevated expense base compared with peers, which translated in an expense ratio of 34% in 2017 (2016: 36%), impacted by the company's operations in the West Balkan markets. However, contributions from Sava Re's international direct portfolios are expected to modestly improve going forward, as the operations become more established and premium volumes grow. A.M. Best notes that the pre-tax profit of the group's foreign direct operations has improved to EUR 10 million in 9M18 (9M17: EUR 8 million).

In 9M18, the combined ratio excluding exchange differences, improved to 94% (9M17: 96%), which was driven by improved underwriting results in the non-life Slovenian segment.

Underwriting earnings are expected to remain strong in the short-to-medium term, as the group is expected to benefit from improved conditions in its domestic market and prudent underwriting.

Investment Results

Sava Re's investment returns have been modest, reflective of its conservative investment strategy and the persistently low interest rate environment. This is demonstrated by a five-year (2013-2017) average investment return (excluding net fair value gains and losses) of 2.1%.

Financial Performance Summary (000)

	Year End				
	2017	2016	2015	2014	2013
Pre-Tax Income	39,881	40,670	40,098	38,956	15,774
Net income (after noncontrolling interests)	30,623	32,825	33,378	30,596	15,660

Source: Bestlink - Best's Statement File - Global

Local Currency: Euro

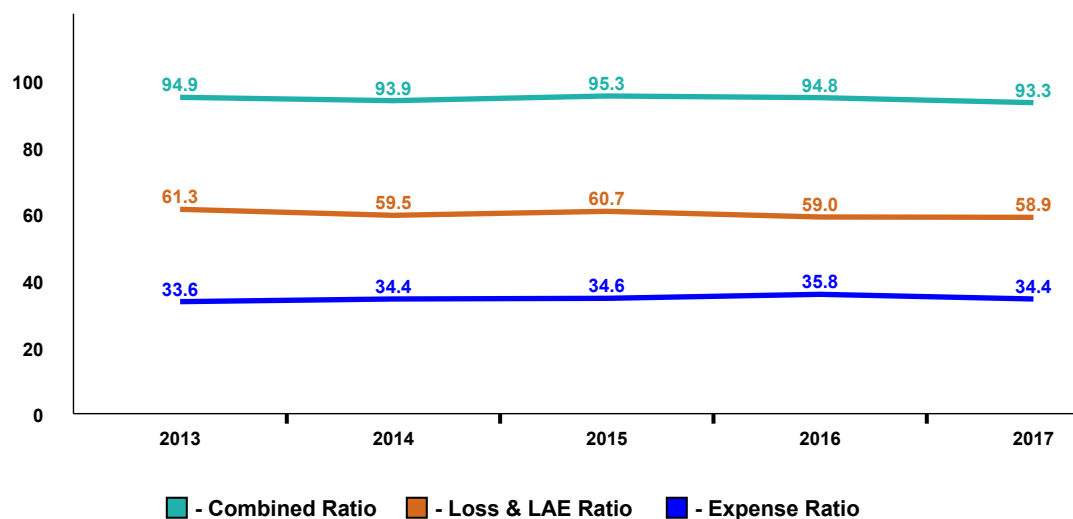
US \$ per Local Currency Unit 1.19804 = 1 Euro (EUR)

A.M. Best Ratios (%)

	Year End				
	2017	2016	2015	2014	2013
Overall Performance:					
Return on Assets	2.1	2.3	2.5	2.5	1.7
Return on Equity	10.0	11.3	12.0	12.1	7.7
Non-Life Performance:					
Loss & LAE Ratio	58.9	59.0	60.7	59.5	61.3
Expense Ratio	34.4	35.8	34.6	34.4	33.6
Combined Ratio	93.3	94.8	95.3	93.9	94.9
Combined less Investment Ratio	92.5	93.3	93.8	93.4	90.8

Source: Bestlink - Best's Statement File - Global

Combined Ratio (%)



Business Profile: Neutral

Sava Re is a leading insurance group in Slovenia, benefiting from a very strong market position in its domestic insurance market as the second largest insurance company with a market share of 18% in 2017. The group is also the biggest Slovenian-based reinsurer and has leading presence in smaller West Balkan markets, including Kosovo, Montenegro and Macedonia.

Sava Re has a well-diversified business profile, underwriting Slovenian non-life insurance business (which represented 56% of consolidated GWP in 9M18), global reinsurance (17%), Slovenian life insurance (14%), regional direct non-life insurance (12%) and international life insurance (1%).

The consolidated portfolio was largely dominated by the motor account (41% of consolidated GWP in 9M18), property (26%), life insurance (15%), and personal accident (5%). The life business is dominated by the unit-linked products which represented 48% of life GPW in 9M18, with the remaining mainly endowment products (35%) and personal accident riders (17%).

Foreign reinsurance business is mainly sourced from high-growth markets across the world. Prospectively, growth of the group's inwards reinsurance premiums will be focused within Africa and the Asian reinsurance markets. Sava Re partners with local players within the new markets, benefiting from their knowledge and expertise. Nonetheless, there remains some execution risk with this strategy due to Sava Re's developing profile outside Slovenia and the highly competitive nature of the global reinsurance market.

Sava Re operates in the non-life and life insurance markets of the South-east Europe (SEE), which accounted for 14% of the consolidated GWP in 9M18. These operations are spread across the countries of the former Yugoslavian states, which include Croatia, Serbia, Montenegro, Republic of Macedonia and Kosovo. The group has increased its presence in these markets largely through acquisitions and is actively seeking opportunities to make further purchases in the near term. The targeted markets of the SEE are generally underdeveloped and as such are characterised by their low insurance penetration, weak regulatory regime, and political and economic instability. Additionally, the high costs and practical difficulties of transacting business in these markets constrain Sava Re's ability to compete profitably in the SEE. Despite the developmental challenges faced by the group, A.M. Best believes that growth outside Slovenia is likely to mirror the cautious approach taken in the domestic market, partly alleviating the significant execution risks inherent within Sava Re's expansionary plans in the SEE.

In 9M18, the group reported GWP of EUR 430 million (9M17: EUR 409 million). The rise in premium income was driven by growth in non-life markets, mitigating a decline in the reinsurance business, which continues to be affected by the soft conditions of the international reinsurance market.

Near-term growth is expected to target all markets and driven by the growth in the non-life Slovenian market and the international reinsurance markets.

By-Line Business (000)

	Year End				
	2017	2016	2015	2014	2013
Other life	...	86,404	87,527	90,225	65,494
Total life	...	86,404	87,527	90,225	65,494
Accident & health	34,969	32,212	39,031	34,669	30,467
Assistance	13,985	11,654	10,249	9,307	5,841
Automobile	95,191	85,420	81,393	84,059	63,484
Automobile - liability	107,378	101,433	102,041	102,186	90,594
Aviation	455	1,058	1,077	596	544
Credit	5,589	6,411	4,226	2,329	2,317
Fire	92,403	91,848	86,979	74,472	74,346
Legal expense	756	765	752	803	613
Liability	20,679	18,808	16,464	17,524	12,293
Marine	6,758	4,336	4,573	4,736	5,087
Other classes	7,253	6,975	6,216	4,558	4,064
Pecuniary loss	3,039	3,354	6,121	1,759	1,072
Property	37,999	39,210	39,294	40,567	30,489
Surety	395	317	321	389	...
Total non-life	426,849	403,801	398,737	377,954	321,211

Source: Bestlink - Best's Statement File - Global

Local Currency: Euro

US \$ per Local Currency Unit 1.19804 = 1 Euro (EUR)

Enterprise Risk Management: Appropriate

Sava Re's enterprise risk management (ERM) framework is deemed appropriate considering the complexity of the operations. The group's risk management framework is characterised by its focus on non-life business and a conservative investment strategy, with some exposure to high investment return guarantees in its life portfolio. Sava Re's risk management function is covering solo and group risk management, headed by the chief risk officer. The group has in place clear guidelines and controls to support its underwriting and investment strategy, with an internal audit function to monitor risks within each company of the Sava Re.

Sava Re has implemented its own risk and solvency assessment model (ORSA), which is partially based on standard formula, and established corresponding policies and guidelines in accordance with Solvency II requirements. A group-wide information reporting system is constantly enhanced to support the risk monitoring framework across subsidiaries. Regular risk assessments are held to improve prioritisation of risks and to implement necessary measures. Additionally, Sava Re has established a business continuity framework. The group is also in the process of redefining appropriate committees to better serve the group's risk profile.

Modelling center is established on the group level and it is involved in developing risk models using DFA tool in order to support business decisions for core business, investments and other areas.

Reinsurance Summary:

Sava Re's reliance on retrocession is low, as evidenced by the group's retention ratio of 92% in its non-life business and 100% in its life business. The group uses a catastrophe model from an external provider to calculate its probable maximum loss (PML), including for earthquake and hailstorm catastrophe events.

Sava Re has a conservative retrocession programme in place, limiting its maximum net per catastrophe exposures to EUR 5 million (2% of shareholders' funds as of 30 September 2018). Domestic catastrophe excess of loss cover is bought up to EUR 120 million, with the main capacity driver being an earthquake event with a return period of one-in-500 years. This is supported by a quota share arrangement whereby 60% of Sava Re's domestic earthquake exposure is ceded to reinsurers. Sava Re also purchases foreign catastrophe excess of loss protection for its international exposure, covering an event with a one-in-250-year return period.

The group uses a diversified panel of highly rated reinsurers and it requires all reinsurers to have a minimum rating of 'bbb+' in respect of its insurance needs for short-tailed risks and an 'A-' rating for long-tailed business. At year-end 2017, 77% of reinsurance recoverables were derived from reinsurers rated at least A- and 81% rated at least bbb-.

Financial Statements:

Balance Sheet:

Balance Sheet:

Assets	12/31/2017 EUR(000)	12/31/2017 % of total	12/31/2017 USD(000)
Cash & deposits with credit institutions	74,123	4.3	88,802
Bonds & other fixed interest securities	1,057,890	61.9	1,267,395
Shares & other variable interest instruments	62,530	3.7	74,913
Assets held to cover linked liabilities	227,228	13.3	272,228
Liquid assets	1,421,771	83.2	1,703,339
Unquoted investments	4,245	0.2	5,086
Mortgages & loans	592	...	709
Real Estate	15,854	0.9	18,994
Real estate for own use	39,540	2.3	47,371
Total investments	1,482,002	86.8	1,775,498
Reinsurers' share of technical reserves - unearned premiums	8,827	0.5	10,575
Reinsurers' share of technical reserves - claims	21,960	1.3	26,309
Total reinsurers share of technical reserves	30,787	1.8	36,884
Deposits with ceding companies	5,832	0.3	6,987
Insurance/reinsurance debtors	132,809	7.8	159,110
Other debtors	5,648	0.3	6,767
Total debtors	138,457	8.1	165,877
Fixed assets	5,898	0.3	7,066
Prepayments & accrued income	26,464	1.5	31,705
Other assets	4,359	0.3	5,222
Goodwill	14,549	0.9	17,430
Total assets	1,708,348	100.0	2,046,669

Balance Sheet: (Continued...)

Balance Sheet: (Continued...)

Liabilities	12/31/2017 EUR(000)	12/31/2017 % of total	12/31/2017 USD(000)
Capital	71,856	4.2	86,086
Paid-up capital	71,856	4.2	86,086
Non-distributable reserves	199,645	11.7	239,183
Other reserves	-3,353	-0.2	-4,017
Retained earnings	47,651	2.8	57,088
Capital & surplus	315,799	18.5	378,340
Minority interests	318	...	381
Gross provision for unearned premiums	171,857	10.1	205,892
Gross provision for outstanding claims	479,073	28.0	573,949
Gross provision for long term business - life	400,893	23.5	480,286
Gross provision for linked liabilities - life	226,528	13.3	271,390
Gross provision for other technical reserves	9,059	0.5	10,853
Total gross technical reserves	1,287,410	75.4	1,542,369
Short term borrowings	245	...	294
External borrowings	245	...	294
Insurance/reinsurance creditors	63,493	3.7	76,067
Other creditors	7,142	0.4	8,556
Total creditors	70,635	4.1	84,624
Accruals & deferred income	22,927	1.3	27,467
Other liabilities	11,014	0.6	13,195
Total liabilities & surplus	1,708,348	100.0	2,046,669

Source: Bestlink - Best's Statement File - Global

Local Currency: Euro

US \$ per Local Currency Unit 1.19804 = 1 Euro (EUR)

Summary of Operations:

Statement of Income

General technical account:

	12/31/2017	12/31/2017
	EUR(000)	USD(000)
Direct premiums	330,628	396,106
Reinsurance premiums assumed	96,221	115,277
Gross premiums written	426,849	511,382
Reinsurance ceded	33,785	40,476
Net premiums written	393,064	470,906
Increase/(decrease) in gross unearned premiums	13,879	16,628
Increase/(decrease) in reinsurers share unearned premiums	1,642	1,967
Net premiums earned	380,827	456,246
Other technical income	9,507	11,390
Total underwriting income	390,334	467,636
Net claims paid	221,392	265,236
Net increase/(decrease) in claims provision	2,950	3,534
Net claims incurred	224,342	268,771
Management expenses	90,083	107,923
Acquisition expenses	40,971	49,085
Net operating expenses	131,054	157,008
Other technical expenses	16,778	20,101
Total underwriting expenses	372,174	445,879
Balance on general technical account	18,160	21,756

Source: Bestlink - Best's Statement File - Global

Local Currency: Euro

US \$ per Local Currency Unit 1.19804 = 1 Euro (EUR)

Life technical account:

	12/31/2017	12/31/2017
	EUR(000)	USD(000)
Direct premiums	90,384	108,284
Gross premiums written	90,384	108,284
Reinsurance ceded	458	549
Net premiums written	89,926	107,735
Increase/(decrease) in gross unearned premiums	-113	-135
Net premiums earned	90,039	107,870
Net investment income	8,265	9,902
Realised capital gains/(losses)	685	821
Unrealised capital gains/(losses)	144	173
Other technical income	3,052	3,656
Total revenue	102,185	122,422
Net claims paid	72,482	86,836
Net increase/(decrease) in claims provision	-377	-452

Summary of Operations: (Continued...)

Statement of Income (Continued...)

Life technical account:

	12/31/2017 EUR(000)	12/31/2017 USD(000)
Net claims incurred	72,105	86,385
Net increase/(decrease) in long term business provision	1,829	2,191
Net increase/(decrease) in linked liabilities provision	-7,471	-8,951
Management expenses	17,320	20,750
Acquisition expenses	5,719	6,852
Net operating expenses	23,039	27,602
Other technical expenses	708	848
Total expenses	90,210	108,075
Balance on long-term technical account	11,975	14,347

Source: Bestlink - Best's Statement File - Global

Local Currency: Euro

US \$ per Local Currency Unit 1.19804 = 1 Euro (EUR)

Combined technical account:

	12/31/2017 EUR(000)	12/31/2017 USD(000)
Direct premiums	421,012	504,389
Reinsurance premiums assumed	96,221	115,277
Gross premiums written	517,233	619,666
Reinsurance ceded	34,243	41,024
Net premiums written	482,990	578,641
Increase/(decrease) in gross unearned premiums	13,766	16,492
Increase/(decrease) in reinsurers share unearned premiums	1,642	1,967
Net premiums earned	470,866	564,116
Net investment income	8,265	9,902
Realised capital gains/(losses)	685	821
Unrealised capital gains/(losses)	144	173
Other technical income	12,559	15,046
Total revenue	492,519	590,057
Net claims paid	293,874	352,073
Net increase/(decrease) in claims provision	2,573	3,083
Net claims incurred	296,447	355,155
Net increase/(decrease) in long term business provision	1,829	2,191
Net increase/(decrease) in linked liabilities provision	-7,471	-8,951
Management expenses	107,403	128,673
Acquisition expenses	46,690	55,936
Net operating expenses	154,093	184,610
Other technical expenses	17,486	20,949
Total underwriting expenses	462,384	553,955

Summary of Operations: (Continued...)

Statement of Income (Continued...)

Combined technical account:

	12/31/2017	12/31/2017
	EUR(000)	USD(000)
Balance on combined technical account	30,135	36,103

Source: Bestlink - Best's Statement File - Global

Local Currency: Euro

US \$ per Local Currency Unit 1.19804 = 1 Euro (EUR)

Non-technical account:

	12/31/2017	12/31/2017
	EUR(000)	USD(000)
Net investment income	10,520	12,603
Realised capital gains/(losses)	1,851	2,218
Unrealised capital gains/(losses)	-314	-376
Exchange gains/(losses)	-5,596	-6,704
Other income/(expense)	3,285	3,936
Profit/(loss) before tax	39,881	47,779
Taxation	8,786	10,526
Profit/(loss) after tax	31,095	37,253
Dividend to shareholders	12,398	14,853
Transfer to reserves	16,654	19,952
Minority interests	472	565
Retained Profit/(loss) for the financial year	1,571	1,882
Retained Profit/(loss) brought forward	46,080	55,206
Retained Profit/(loss) carried forward	47,651	57,088

Source: Bestlink - Best's Statement File - Global

Local Currency: Euro

US \$ per Local Currency Unit 1.19804 = 1 Euro (EUR)

Pozavarovalnica Sava d.d.

Report Revision Date:
December 21, 2018

Company Attributes:

Industry:	Insurance
Business Type:	Composite
Entity Type:	Operating Company
Organization Type:	Stock
Business Status:	In Business - Actively Underwriting
Marketing Type:	Not Available

Company History:

Date Incorporated: N/A

Date Commenced: N/A

Domicile: Slovenia

Regulatory:

Auditor: Ernst & Young d.o.o.

An independent audit of the company's affairs through December 31, 2017, was conducted by Ernst & Young d.o.o.

Additional Resources:

- Related News
- Rating Activity and Announcements
- Company Overview
- Archived Best's Credit Report
- Corporate Changes & Retirements
- BestAlert Service

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Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

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