



 **GRAWE** Group

2016
Annual Report
GRAWE osiguranje a.d.o. **2016**



The GRAWE Group – grown strength.

Insurances, financial services and real estate are the core competence of GRAWE. Thirteen Central and Eastern European insurance subsidiaries bear testimony to our international orientation. A solid foundation and financial stability are the expression of a success story lasting more than 185 years. With customer-friendly, individual consulting and customised products in line with requirements, GRAWE is a guarantor for international quality coupled with Austrian standards of security.

GRAWE Group

Chairman's Letter	5
Group Profit and Loss Account	6
Group Balance Sheet	7
Group Investments / Auditor's Opinion	8

GRAWE osiguranje a.d.o.

Statement by the Management Board	09
Profit and Loss Account	10
Premium Development	11
Auditors' Opinion	11



The GRAWE Insurance Companies in 2016

 1828
Austria

 **GRAZER WECHSELSEITIGE**
Versicherung Aktiengesellschaft

 2000
Bulgaria

 **ГРАВЕ БЪЛГАРИЯ**
Застрахователно ЕАД

 1991
Slovenia


 **GRAWE**
Zavarovalnica d.d.

 2000
Romania

 **GRAWE ROMÂNIA**
Asigurare SA

 1993
Croatia

 **GRAWE HRVATSKA**
osiguravajuće d.d.

 2001
Banja Luka

 **GRAWE**
osiguranje a.d.

 1997
Hungary

 **GRAWE**
Életbiztosító Zrt.

 2004
Moldova

 **GRAWE CARAT**
Asigurări SA

 1997
Beograd

 **GRAWE**
osiguranje a.d.o.

 2004
Podgorica

 **GRAWE**
osiguranje a.d.

 1998
Sarajevo

 **GRAWE**
osiguranje d.d.

 2007
Skopje

 **ГРАВЕ**
осигурување ад Скопје

 1998
Ukraine

 **ГРАВЕ УКРАЇНА**
Страхове АТ



It is nice when people share the same values.

Security, stability, dynamism or growth: For many decades, we at GRAWE have consistently adhered to values like these, whilst at the same time responding to the continuous changes around the world and actively shaping them.

That these are fundamentally precisely the same values that also define the life and work of our customers, partners and also our employees makes it even easier for us to understand and support them.

And that may also be one of the secrets to our success that led to GRAWE in 2016 being presented for the ninth time in ten years with the renowned "Recommender Award" of the Austrian Finance Market Association (FMVÖ) for the highest willingness among customers to recommend the company to others in the category "Insurances nationwide".

Today, more than one million people in 13 Central and Eastern European countries put their faith in our expertise. One fact that we are particularly pleased about: We have looked after a large percentage of our customers for many years, and some families even for generations. Your trust is that particularly precious asset on which GRAWE is based and that will be the focus of our efforts in future too.

Note regarding rounding and figures in this annual report: There may be mathematical differences due to computerised rounding when aggregating amounts and percentages.

Gender-specific formulations: To make it easier to read, gender-specific differentiation is waived in this report. In the interests of equal treatment, corresponding terms apply for both genders.



Members of the Board
(from left to right):

Mag. Klaus Scheitegel
Vice Chairman of the Board

DDI Mag. Dr. Günther Puchtler
Member of the Board

Mag. Dr. Othmar Ederer
Chairman of the Board

Dipl. Techn. Erik Venningdorf
Member of the Board

Foreword by the Chairman of the Board

Dear Readers,

The GRAWE Group is an international corporation that combines insurances, real estate and financial services under one roof. We currently employ around 4,600 staff in 13 Central and Eastern European countries and thus bring a host of different fields of expertise, languages and cultures together.

Despite the many differences, however, we also have a lot in common, particularly our values. Security, stability, dynamism and growth are just a few of our common values and objectives that bind us together in the GRAWE Group and are also lived on a daily basis by our managers and employees. Even if our environment is constantly changing, we have been adhering to these values for many decades – and the success of the past years confirms our approach.

Premium income of the GRAWE Group increased in the 2016 financial year by 2.3 %, whereby a slight decline in the premiums in life insurance of 0.4 % was overcompensated for by an increase in the premiums in non-life insurance by 5.1 %. The GRAWE Group was thus able to prove itself once again in 2016 as a reliable and stable partner on the market.

But growth also needs a fertile ground. At GRAWE that is primarily our employees who with their knowledge, experience and commitment also made a fundamental contribution to our success in the past year. Our sincere thanks for that!

Together we have forged new paths and been able to establish ourselves well in the past 25 years beyond the boundaries of Austria in many Central and Eastern European markets. Whether it is in Slovenia or Moldova – GRAWE symbolises reliability and customer orientation in all of its countries.

Our customers' trust is the most precious asset for us. That is why we are particularly proud to have been presented with the renowned "Recommender Award" in 2016 for the ninth time. The willingness to recommend us to others and the longstanding loyalty of our customers

are the best confirmation for us and also an incentive to continue on the path that we have taken. However, we also take note of new ideas and innovations in our environment and constantly try to develop our range of services further.

Environmental changes and trends such as the advancing digitalisation constitute new challenges for GRAWE but at the same time also offer opportunities in the organisation of our communications and business processes. We have our finger on the pulse of the time and also encourage others in this undertaking.

GRAWE has been supporting projects, initiatives and events in the cultural, sporting and social area for many years. However, we also promote science too, as shown by the presentation of the 2016 GRAWE Award to DI Veronika Proschek who, with her research at the Wegener Centre for Climate and Global Change, is contributing to making the measurement of greenhouse gases even more precise.

The inquisitiveness and openness of GRAWE towards new challenges and new markets also paid off again in 2016. Despite difficult boundary conditions in places, our subsidiaries in all areas of GRAWE – insurances, real estate and banks – have succeeded again in asserting their position on their markets and generating very good results.

This annual report bears testimony once again to the fact that the common values of GRAWE form a solid basis for the growth and success of our group. We will continue to remain true to our tradition but at the same time will also keenly address the developments of the future and actively help to shape them.

Yours sincerely,
Othmar Ederer

GRAWE Group Profit and Loss Account for Financial Year 2016 (summary)

Profit and Loss Account	2016	2015
	EUR	TEUR
General Insurance		
1. Earned premiums	371.454.434,27	352.980
2. Allocated investment return transferred from the non-technical account	142.792,86	228
3. Other technical income	1.684.342,92	1.623
4. Claims accrued	-247.504.461,32	-225.359
5. Increase in the technical provisions	-125.916,43	-184
6. Expenditure for non-performance-related reimbursement of premiums	-579.656,57	-550
7. Operating expenses	-116.733.217,89	-120.273
8. Other technical charges	-3.933.152,66	-3.892
9. Change in the volatility reserve	10.690.624,48	4.984
10. Technical account balance	15.095.789,66	9.558
11. Investment income and investment return	63.536.318,00	62.166
12. Investment charges and interest paid	-21.019.585,56	-19.895
13. Capital income transferred to the technical account	-142.792,86	-228
14. Other non-technical income	2.348.956,40	2.314
15. Other non-technical charges	-3.315.754,43	-5.422
16. Earnings gross before taxes (EGT)	56.502.931,21	48.493
Life Insurance		
1. Earned premiums	367.855.109,10	369.903
2. Allocated investment return transferred from the non-technical account	160.324.801,68	177.721
3. Unrealised gains on investments pursuant to asset item C.	4.368.924,80	8.652
4. Other technical income	1.652.940,73	1.232
5. Claims accrued	-277.972.496,67	-269.475
6. Increase in the technical provisions	-120.177.799,74	-146.893
7. Decrease in the technical provisions	0,00	635
8. Expenditure for non-performance-related reimbursement of premiums	-817.697,39	0
9. Expenditure for performance-related reimbursement of premiums and/or policyholders' participation in profits	-12.343.234,57	-18.032
10. Operating expenses	-77.975.976,04	-80.006
11. Other unrealised losses on investments pursuant to asset item C.	-392.767,98	-1.563
12. Other technical charges	-134.138,35	-125
13. Technical account balance	44.387.665,57	42.048
14. Investment income and investment return	179.931.152,64	195.196
15. Investment charges and interest paid	-19.697.880,78	-17.282
16. Capital income transferred to the technical account	-160.324.801,68	-177.721
17. Other non-technical income	10.859.242,98	20.180
18. Other non-technical charges	-15.061.571,28	-36.711
19. Earnings gross before taxes (EGT)	40.093.807,45	25.711
Total		
1. Earnings gross before taxes (EGT) of insurance undertakings		
General insurance	56.502.931,21	48.493
Life insurance	40.093.807,45	25.711
	96.596.738,66	74.203
2. Earnings gross before taxes (EGT) of credit institutions	60.590.540,26	41.133
3. Earnings gross before taxes (EGT) in total	157.187.278,92	115.337
4. Taxes on income	-4.156.941,18	-11.194
5. Profit / Loss for the financial year	153.030.337,74	104.143

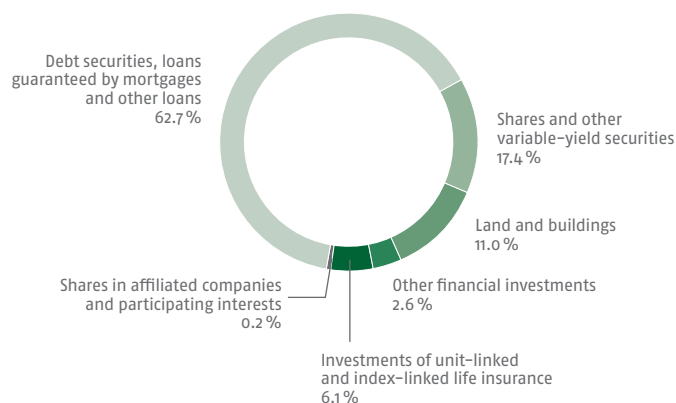
GRAWE Group Balance Sheet on 31 December 2016 (summary)

Assets	31.12.2016	31.12.2015
	EUR	TEUR
A. Intangible assets	2.343.028,47	2.532
B. Investments		
I. Land and buildings	517.189.789,64	475.048
II. Investments in affiliated undertakings and participating interests	21.585.357,92	18.261
III. Other investments	3.826.016.677,11	3.523.863
IV. Deposits with ceding undertakings	39.671,12	59
C. Investments of unit-linked and index-linked life insurance	286.704.339,16	282.939
D. Receivables	74.105.212,95	52.933
E. Accrued interest and rent	60.431.874,49	58.422
F. Other assets	81.483.796,57	118.953
G. Prepaid expenses	2.182.344,69	3.836
H. Active deferred taxes	11.681.656,26	0
H. Assets which derive from credit institutions	4.571.707.036,69	4.724.951
	9.455.470.785,07	9.261.798

Liabilities	31.12.2016	31.12.2015
	EUR	TEUR
A. Equity	1.097.652.892,20	945.289
B. Technical provisions, net of reinsurance		
I. Provision for unearned premiums	152.698.257,66	151.012
II. Life insurance provision	2.593.111.415,21	2.467.165
III. Provision for claims outstanding	791.681.609,60	767.761
IV. Provision for non-performance-related reimbursement of premiums	2.497.294,13	1.650
V. Provision for performance-related reimbursement of premiums and/or policyholders' participation in profits	96.517.777,86	94.629
VI. Volatility reserve	70.062.114,10	80.750
VII. Other technical provisions	18.456.949,64	16.231
C. Technical provisions of unit-linked and index-linked life insurance	293.444.462,36	274.726
D. Non-technical provisions	96.377.438,50	88.756
E. Deposits received from reinsurers	4.306.647,03	3.913
F. Other liabilities	131.173.672,75	130.527
G. Deferred income	73.348.320,91	1.086
H. Provisions, liabilities and deferred income, which derive from credit institutions	4.034.141.933,12	4.238.304
	9.455.470.785,07	9.261.798

GRAWE Group Investments – a Reliable Basis

At 31 December 2016 the Group's total investments amounted to EUR 4,652 million (2015: EUR 4,300 million), corresponding to a 8.2% rise with respect to the previous year.



Auditor's Opinion

We have audited the consolidated financial statements of

GRAWE – Vermögensverwaltung, Graz,

and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2016, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2016, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements for insurance companies.

In our opinion, the group management report has been prepared in accordance with legal requirements and is consistent with the consolidated financial statements.

Vienna, 27th March 2017

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Thomas Smrekar
Auditor

This report is a shortened translation of the original report in German, which is solely valid.



Izvršni direktor
Andrej Marinković

Generalni direktor
mr Christoph Czetti

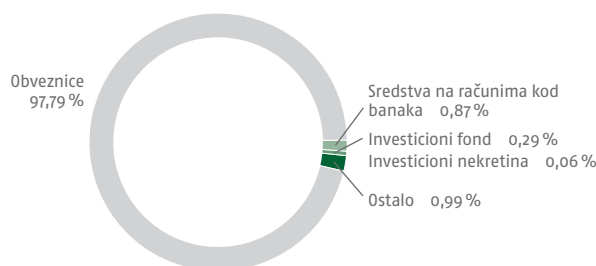
Za godišnji izveštaj 2016.

GRAWE osiguranje a.d.o. Beograd posluje u Srbiji od 1997. godine, kao prvo osiguravajuće društvo na tržištu sa inostranim kapitalom. Svojim rezultatima GRAWE osiguranje a.d.o. zauzima poziciju među liderima u oblasti osiguranja života na tržištu Republike Srbije. Vlasnik 100 % akcija je Grazer Wechselseitige Versicherung AG, austrijsko osiguravajuće društvo sa tradicijom dugom 189 godina i velikim iskustvom u poslovanju na tržištima jugoistočne Evrope.

Poverenje koje GRAWE osiguranju a.d.o. poklanja više od 59.000 porodica, gradi se godinama svakodnevnim zalaganjem i trudom svih zaposlenih. Rast i razvoj Društva rezultat je stručnosti mladog i perspektivnog kadra. Napredna znanja zaposlenih i znanje koje preuzimamo od koncerna čine da GRAWE na tržištu bude finansijski stabilno društvo sa reputacijom pouzdane osiguravajuće kuće. Godišnji bilans je najbolji pokazatelj zadovoljstva klijenata proizvodima i uslugama GRAWE osiguranja. Ostvarena neto dobit GRAWE osiguranja a.d.o. u 2016. godini iznosi 668 miliona dinara (5,4 miliona evra). Prihodi od premije osiguranja dostigli su u 2016. godini nivo od 3,624 milijardi dinara, a bilansna suma premašila 24 milijarde dinara. To jasno pokazuje da je GRAWE u Srbiji učvrstilo poziciju i istaklo među liderima na tržištu osiguranja života u Srbiji.

Broj aktivnih ugovora o osiguranju života kod GRAWE osiguranja dostigao je 53.000. Ukupna ulaganja na dan 31.12.2016. godine iznose 189.130.350 evra. U strukturi ulaganja kompanije GRAWE osiguranja na kraju 2016. godine dominirale su hartije od vrednosti izdate od strane države sa 97,8 odsto, dok nekretnine i drugi oblici ulaganja čine preostalih 2,2 odsto ukupnih ulaganja. Osnovni kapital GRAWE osiguranja u Srbiji u 2016. godini iznosi više od milijardu dinara, dok ukupni kapital premašuje iznos od 5 milijardi dinara.

Ukupna ulaganja na dan 31.12.2016. godine



GRAWE osiguranje a.d.o. Beograd ističe se kao tradicionalna kompanija koja istovremeno može da se izdvoji na tržištu kao dobar primer za savremeno korporativno upravljanje sa savremenim načinom poslovanja. Napredak Društva je rezultat stručnosti i precizno planiranih poslovnih aktivnosti u skladu sa perspektivom dugoročnog poslovanja. Društveno odgovornim poslovanjem Društvo postiže ravnotežu između ekonomskih i socijalnih interesa, otvoreno ka građanima Srbije uz visoku svest i posvećenost u nastupu na tržištu. Od početka poslovanja u Srbiji, fokusirano na podizanje svesti društva u Srbiji o značaju osiguranja za svakog pojedinca, GRAWE realizuje aktivnosti koje imaju za cilj da vrate kulturu osiguranja među građane ove zemlje. Rezultati zalaganja su već vidljivi što pokazuju, ne samo rezultati poslovanja GRAWE osiguranja u Beogradu proteklih 20 godina, već i interesovanje građana i javnosti. Sedište Društva se nalazi u GRAWE Poslovnom centru na Novom Beogradu, jednoj od najvećih investicija koncerna vrednoj preko 32 miliona evra. Kao i u svim zemljama jugoistočne Evrope u kojima GRAWE posluje, sinonimi za uspešno poslovanje su poverenje, stabilnost i tradicija sa dalekim pogledom u budućnost. Dobro postavljena organizacija, kvalitetni razvojni planovi, dobre strategije poslovanja i stručni kadar u koji stalno ulaže garantuju napredak i efikasnost!



Bilans uspeha na dan 31.12.2016

	2015	2016
	RSD	RSD
A POSLOVNI PRIHODI I RASHODI		
I Poslovni prihodi	3.203.559.434,49	3.542.424.146,34
1 prihodi od premije osiguranja i saosigur.	3.197.618.398,35	3.536.787.868,42
3 Prih od neposredno povezanih poslova sa o.	5.941.036,14	5.636.277,92
II Poslovni rashodi	-3.009.656.346,96	-3.210.559.507,88
1 Rashodi za dugoročna rezervisanja i dop.	-2.071.437.086,61	-1.990.550.096,11
2 Rashodi naknada šteta i ugovornih iznosa	-947.961.493,44	-1.252.860.816,24
3 Rezervisane štete - promene	-11.627.884,99	-38.858.976,84
6 Smanjenje ostalih tehničkih rezervi	21.370.118,08	71.710.381,31
III BRUTO POSLOVNI REZULTAT	193.903.087,53	331.864.638,46
1 Prihodi od investiranja sred.osiguranja	1.072.805.328,40	1.530.105.740,85
2 Rashodi od investiranja sred.osiguranja	-84.349.621,30	-248.369.790,26
III (IV) Rezultat iz investicione aktivnosti	988.455.707,10	1.281.735.950,59
B TROŠKOVI SPROVOĐENJA OSIGURANJA	-708.593.746,91	-766.972.994,95
I (II) Neto poslovni rezultat	473.765.047,72	846.627.594,10
FINANSIJSKI PRIHODI I RASHODI		
III Finansijski prihodi	1.269.405,99	2.762.541,76
IV Finansijski rashodi	-1.992.443,92	-867.612,87
V Prihodi od usklađivanja vrednosti imovine	1.049.281,32	1.676.486,42
VI Rashodi od obezvređenja vrednosti imovine	-1.676.486,42	-1.175.639,29
VII Ostali prihodi	207.734,29	410.634,33
VIII Ostali rashodi	-157.907.370,13	-181.633.690,62
G (D) REZULTAT PRE OPOREZIVANJA	314.715.168,85	667.800.313,83
(E) NETO DOBITAK/GUBITAK	314.715.168,85	667.800.313,83

Razvoj premija osiguranja

Pokazatelji poslovanja govore da je GRAWE osiguranje a.d.o. sa uspehom završilo poslovnu godinu, da je poboljšana efikasnost i potvrđen profesionalizam celog tima. Visina fakturisane premije, od početka poslovanja GRAWE osiguranja a.d.o. pa sve do danas, ima tendenciju kontinuiranog rasta. Pozitivan trend rezultata

svedoči o realizovanim planovima, poboljšanju kvaliteta usluga i načina rada i dostignutim postavljenim ciljevima u godini koja je bila teška sa aspekta celokupne ekonomije. Pozitivan trend razvoja premija osiguranja karakterističan za prethodne godine očekuje se i u budućnosti.

Razvoj premije osiguranja

(u hiljadama dinara)

-.000 RSD

2016	3.536.787
2015	3.197.618
2014	2.854.043
2013	2.268.662
2012	2.136.031
2011	1.931.030
2010	1.955.211
2009	1.627.622
2008	1.517.443
2007	1.296.544
2006	907.197



Smatramo da su revizorski dokazi koje smo pribavili dovoljni i odgovarajući i pružaju osnov za izražavanje našeg mišljenja.

Mišljenje

Po našem mišljenju, finansijski izveštaji daju istinit i pošten pregled finansijskog položaja Društva na dan 31. decembra 2016. godine, rezultata njegovog poslovanja i tokova gotovine za godinu koja se završava na taj dan u skladu sa Zakonom o računovodstvu Republike Srbije i ostalim relevantnim zakonskim i podzakonskim aktima koji regulišu finansijsko izveštavanje društava za osiguranje u Republici Srbiji.

Izveštaj o drugim zakonskim i regulatornim zahtevima

Društvo je odgovorno za sastavljanje priloženog godišnjeg izveštaja o poslovanju, u skladu sa zahtevima Zakona o računovodstvu Republike Srbije i relevantnim podzakonskim aktima Narodne banke Srbije. Naša je odgovornost da izrazimo mišljenje o usklađenosti godišnjeg izveštaja o poslovanju sa finansijskim izveštajima za poslovnu 2016. godinu u skladu sa Zakonom o reviziji Republike Srbije, kao i da damo iskaz o tome da li izveštaj o poslovanju Društva sadrži dodatne elemente utvrđene relevantnim podzakonskim aktima Narodne banke Srbije, u skladu sa Odlukom o sadržini izveštaja o obavljenoj reviziji finansijskih izveštaja društava za osiguranje. U vezi sa tim, naši postupci se sprovode u skladu sa primenljivim revizorskim standardom – *Odgovornost revizora u vezi sa ostalim informacijama u dokumentima koji sadrže finansijske izveštaje koji su bili predmet revizije*, koji su ograničeni samo na ocenu usklađenosti godišnjeg izveštaja o poslovanju sa finansijskim izveštajima i davanje iskaza o tome da li izveštaj o poslovanju Društva sadrži dodatne elemente utvrđene relevantnim podzakonskim aktima Narodne banke Srbije.

Po našem mišljenju, godišnji izveštaj o poslovanju je usklađen sa finansijskim izveštajima koji su bili predmet revizije i sadrži dodatne elemente utvrđene relevantnim podzakonskim aktima Narodne banke Srbije.

Beograd, 3. mart 2017. godine



KPMG d.o.o. Beograd

Dušan Tomić
Ovlašćeni revizor

