



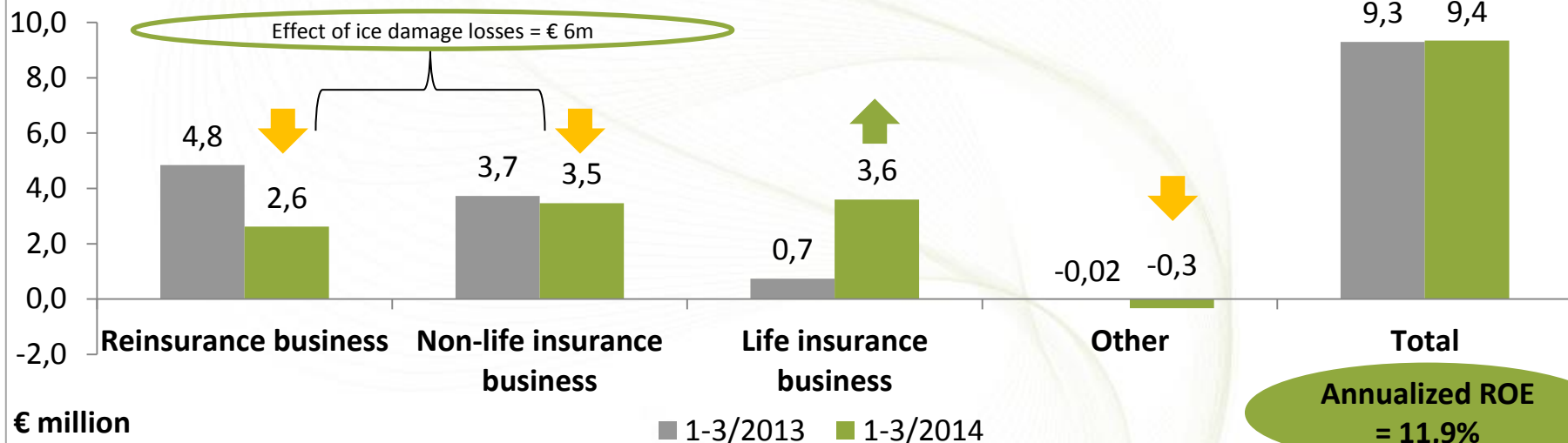
Sava Re Group

1-3/2014 Results

May 2014

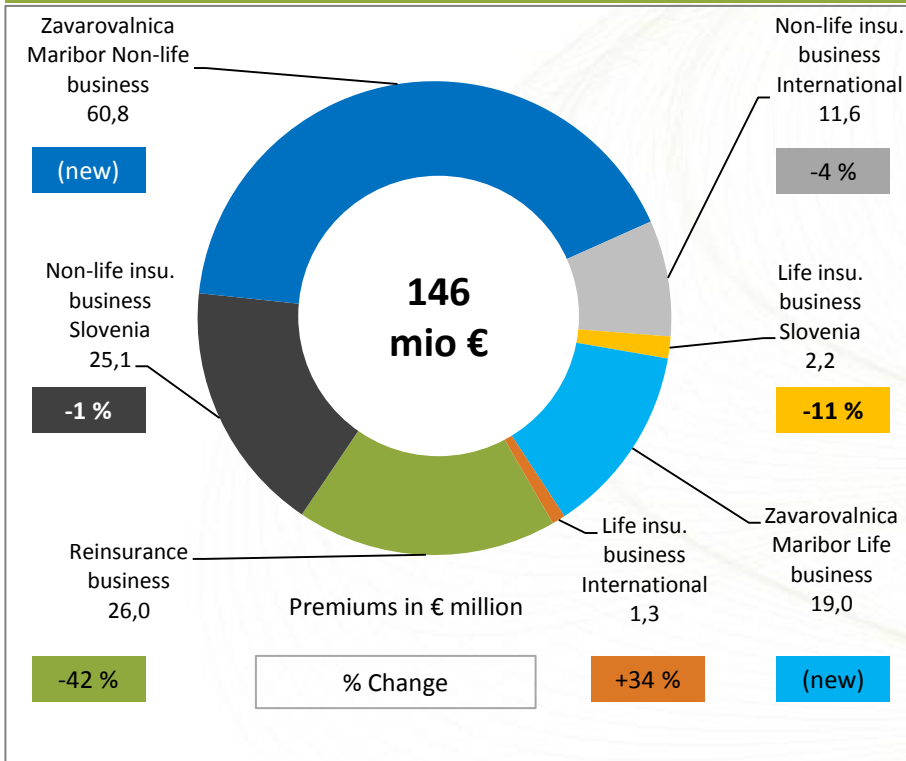
Sava Re Group	1-3/2013	1-3/2014	Plan 2014	% Change 1-3 14/1-3 13
Gross premiums written (€ m)	85,8	146,0	>445	70,1%
Net profit/loss (€ m)	7,8	7,5	>24	-3,2%
Combined ratio	92,2%	95,9%	< 98%	+3,7 o.t.
ROE	4,5%	3,1%	>9,6%	-1,4 o.t.
	<b>31.12.2013</b>	<b>31.3.2014</b>	<b>Plan 31.12.2014</b>	
Equity (€ m)	240,1	253,3	>250	5,5%

### Consolidated results before tax by segment

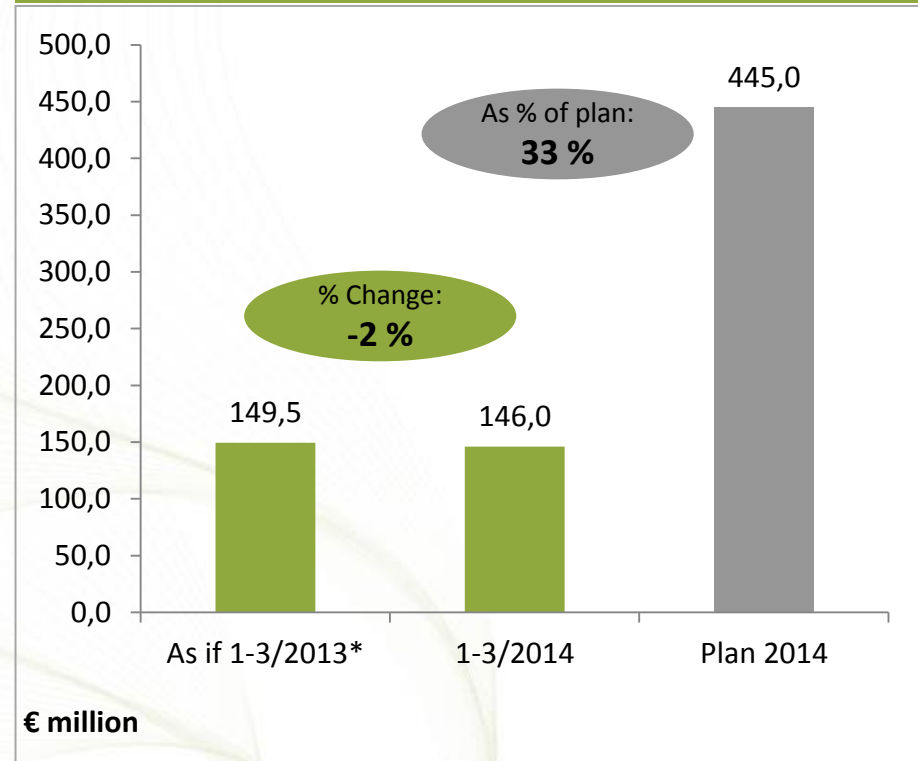


- Impact of February losses on profit (€ 5m ZM; € 1m Sava Re); 1 catastrophe event has been factored into the plan of the Sava Re Group.
- Group investing activities encountered no extraordinary events in this quarter (3,8% yield ann.)
- Annualized ROE 11,9% (planned at 9,6%)

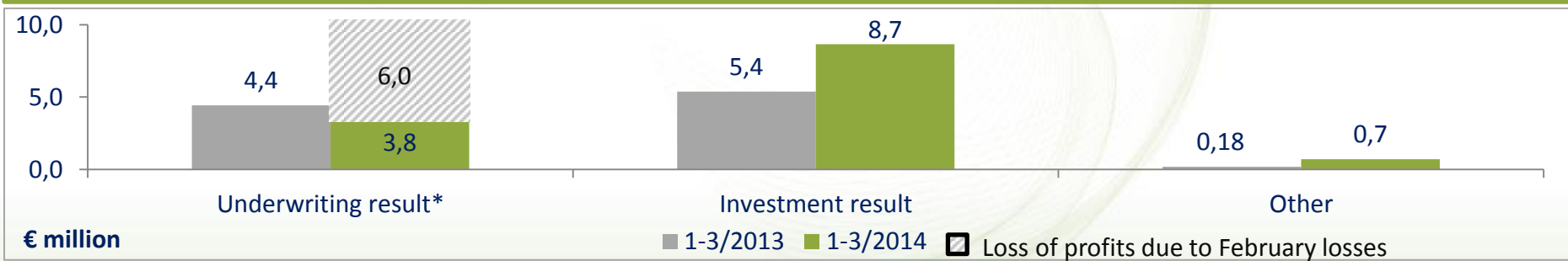
**Consolidated premiums by segment**



**1Q GPW As – If Zavarovalnica Maribor consolidated\***



**Consolidated results**

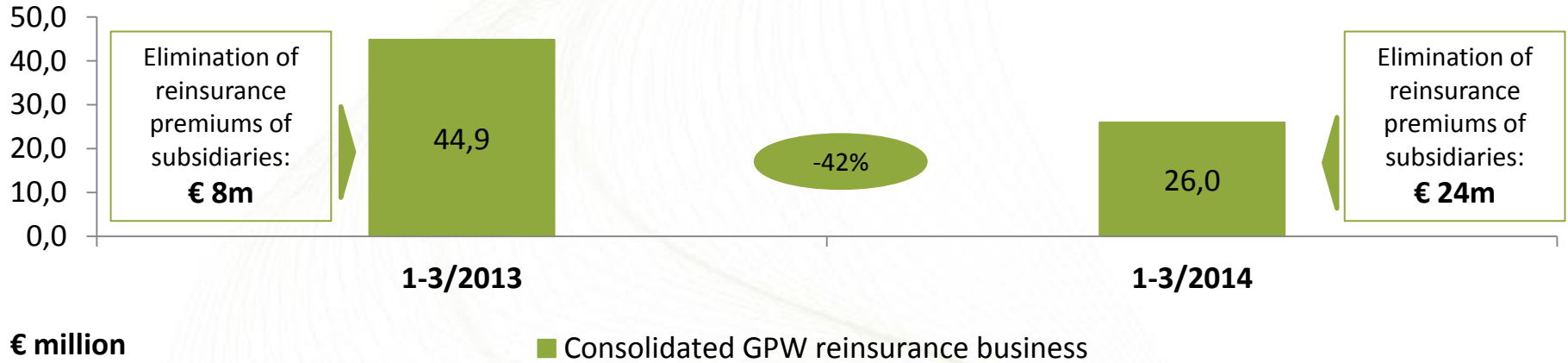


Figures are consolidated and after the transfer of reinsurance effects to operating segments.

\*The UW result does not include unit-linked business.

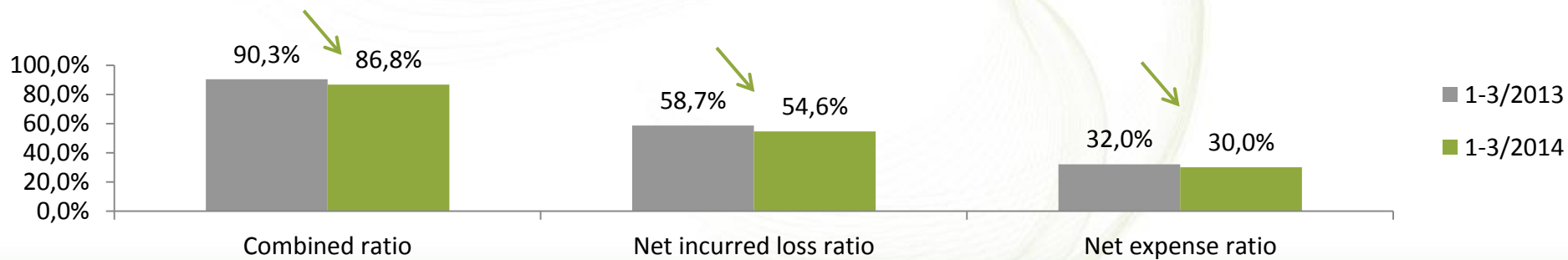
**GPW**

**GPW 1Q 2014: €26,0 m**



Drop in premiums in the reinsurance segment, which is a result of the elimination of reinsurance premiums written by Zavarovalnica Maribor, which has been fully consolidated as from 1 May 2013.

**RATIOS**



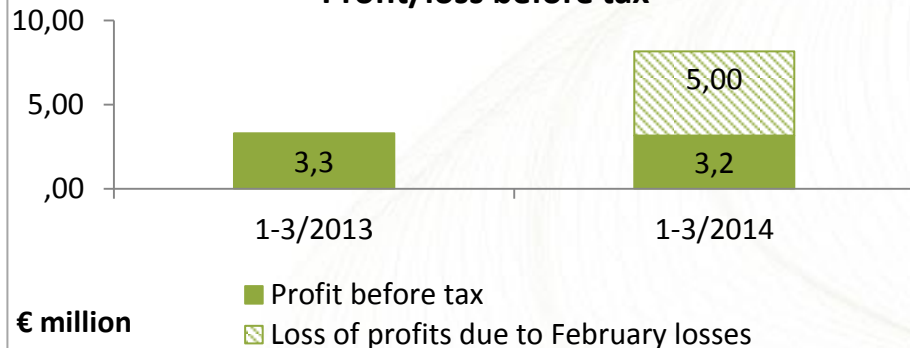
Figures are consolidated and after the transfer of reinsurance effects to operating segments.

**Non-Life Slovenia**

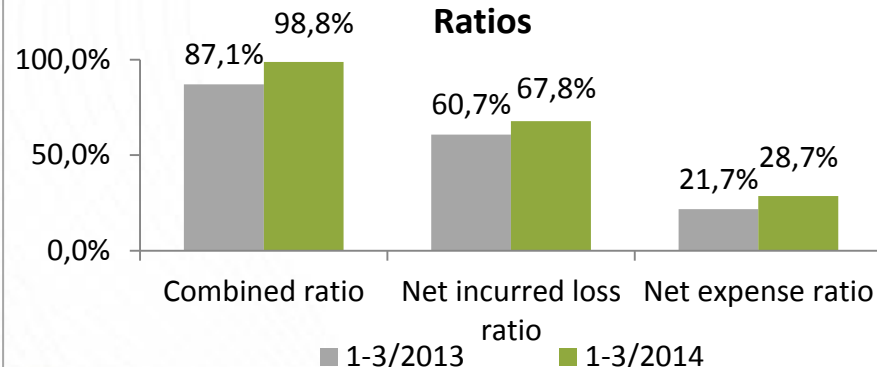
**GPW 1Q 2014: €85,9m**

**ZM 71 % of total NL GPW**

**Profit/loss before tax**



**Ratios**

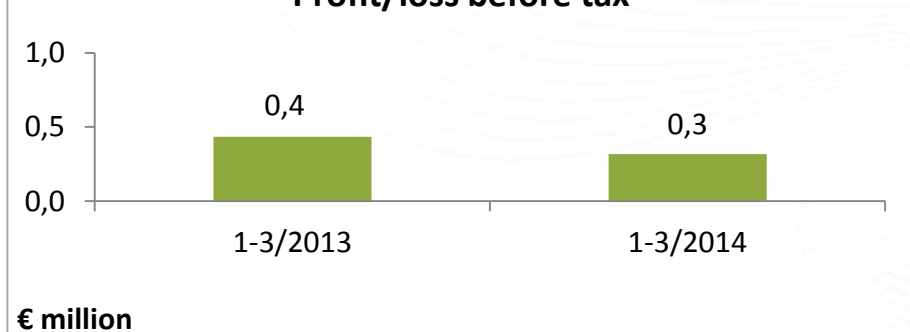


The current period profit was impacted by claim payments resulting from ice damage of € 5m. Slovenian non-life insurance premiums decreased by 1% in 1Q2014.

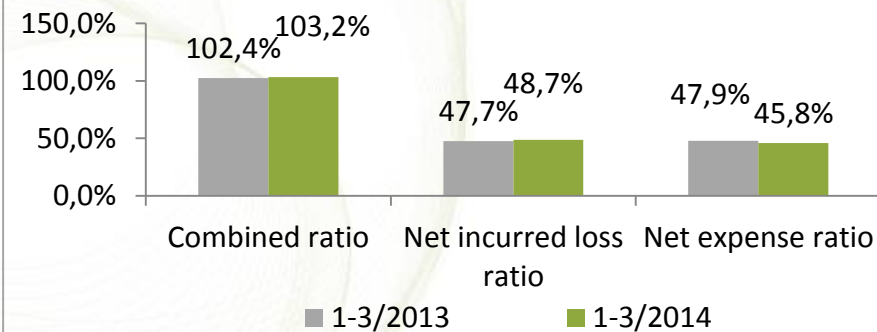
**Non-Life International**

**GPW 1Q 2014: €11,6m**

**Profit/loss before tax**



**Ratios**



**Life Slovenia**

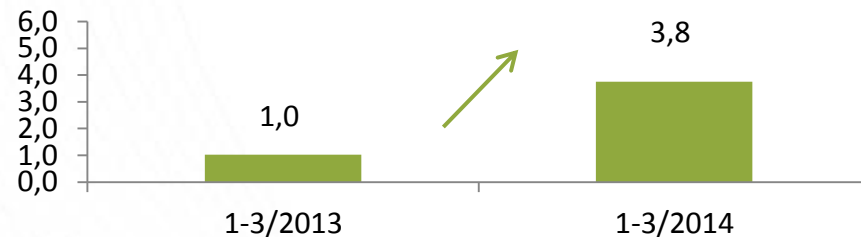
**GPW 1Q 2014: €21,2m**

ZM 90% of total life GPW

**Gross premiums written**



**Profit/loss before tax**

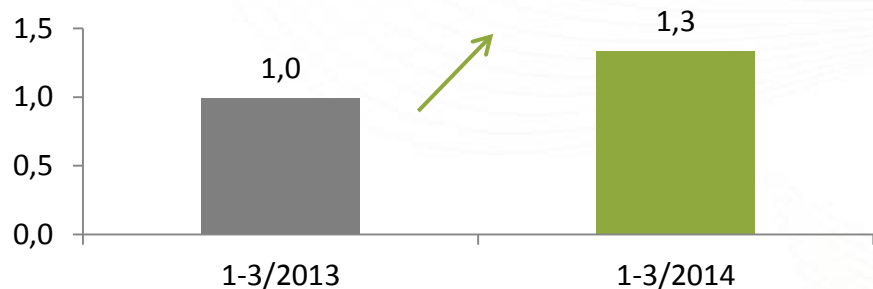


The profit figure was affected by the consolidation of ZM.  
Slovenian life insurance premiums decreased by 4,3% in 1Q2014.

**Life International**

**GPW 1Q 2014: €1,3m**

**Gross premiums written**



**Profit/loss before tax**

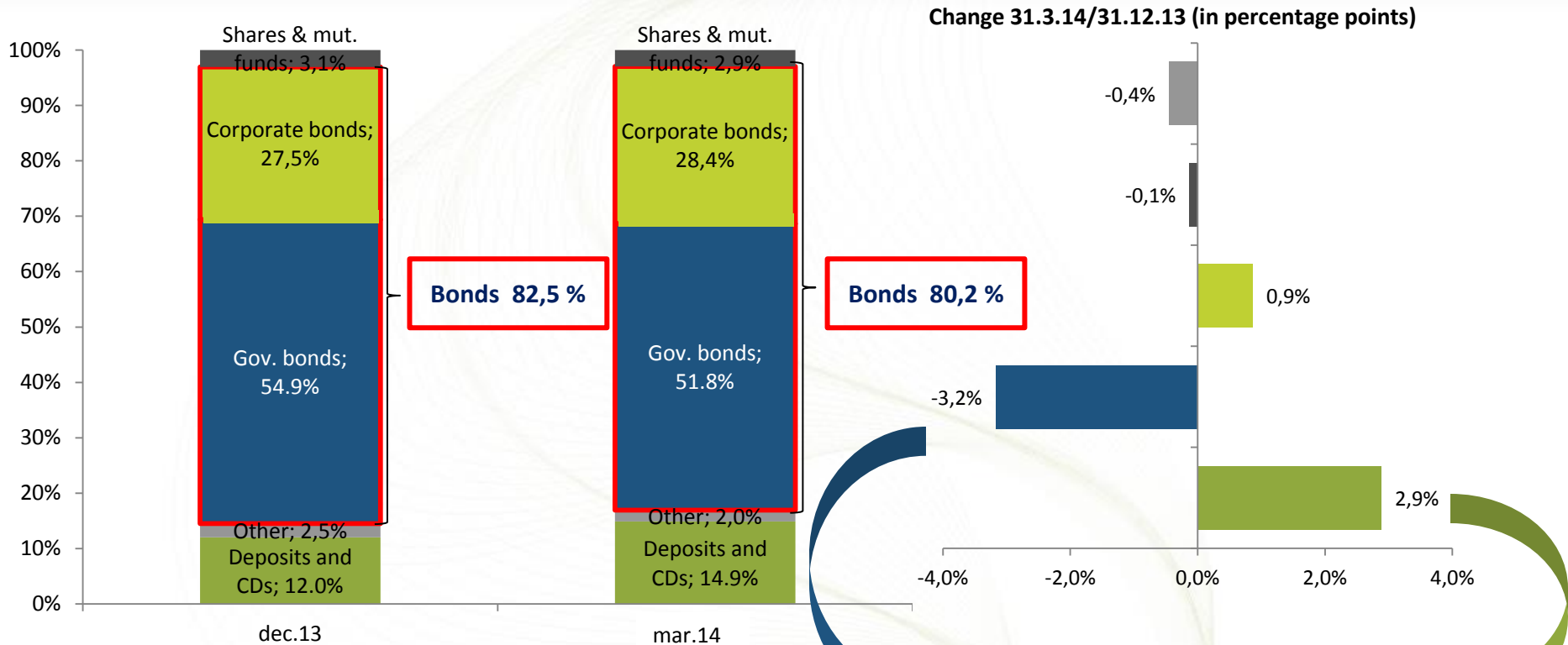


All companies generated premium growth with the largest growth (52%) achieved by Velebit životno osiguranje.

(in million €)	31.12.2013	31.3.2014	Change 31.3.14/31.12.13	
Total financial investments	931,1	920,7	-10,4	↓
Financial investments in associates	2,9	2,9	0,0	≡
Investment property	5,6	5,5	-0,1	↓
Cash and cash equivalents	3,4	4,0	0,6	↑
Receivables from maturing investments	0,0	11,1	11,1	↑
<b>Total investment portfolio</b>	<b>943,0</b>	<b>944,3</b>	<b>1,2</b>	<b>↑</b>
Investments for benefit of life insurance policyholders who bear the investment risk	175,8	182,6	6,9	↑

**CHANGE IN VALUE DUE TO:**

- + cash flow from core business (€ 10,6m)
- payment of the obligations according to the contracts of prepayment of subordinated debt (€ 6,2m Sava Re + € 1,8m ZM)



Change in investment structure in **April** by **decreasing** deposits.  
 Call deposits in the amount of € 30,3m were invested in bonds of foreign issuers with the ratings A or higher.

Due to maturities of government bonds

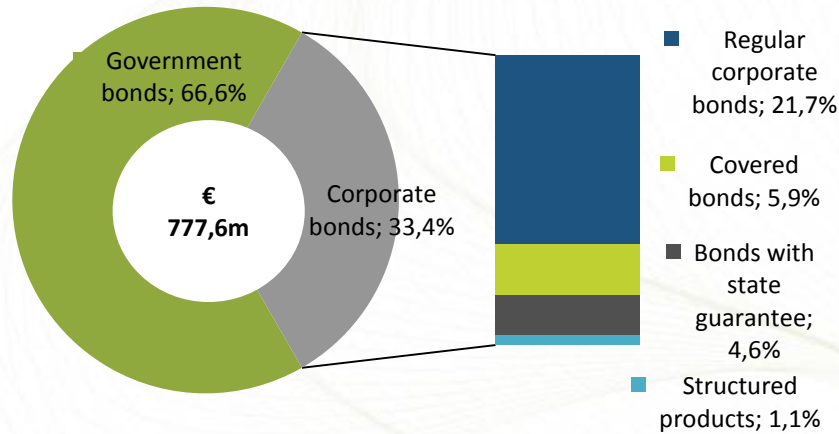
Temporary increase in call deposits

\*Investments without Investments for the benefit of life insurance policyholders who bear the investment risk.

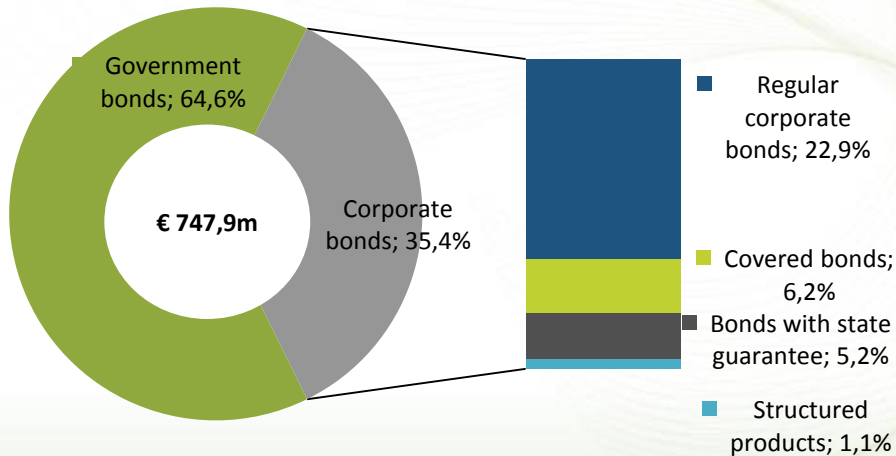
Category Other financial investments includes financial investments in associates, loans granted, deposits with cedants, investment property, cash and cash equivalents and other fin. investments.



**Structure 31.12.2013**



**Structure 31.3.2014**



**Government bonds**

**- € 29,7m (2 percentage points)**

**Reason:**

- Maturity of Slovene government bonds
- Temporary investments in call deposits

Net investment income (in million €)	1-3/2013	1-3/2014	Index
<b>Total financial investments</b>	<b>4,2</b>	<b>9,0</b>	<b>215,6</b>
Financial investments in associates	1,5	0,0	1,9
<b>Total investment portfolio</b>	<b>5,7</b>	<b>9,0</b>	<b>158,4</b>
Expences from financial liabilities	0,3	0,4	113,8
<b>Total investment portfolio incl. exp. from fin. liabilities</b>	<b>5,4</b>	<b>8,7</b>	<b>161,2</b>
Investments for the benefit of life insurance policyholders who bear the investment risk	0,8	0,9	121,3

Return on investments (%)	1-3/2013	1-3/2014
Total financial investments	5,1%	4,0%
Total investment portfolio	5,9%	4,0%
Total investment portfolio incl. exp. from fin. liabilities	5,5%	3,8%

**Most of the net investment income / return on investments is due to:**

- Net interest income € 6,1m (70,4 % of net investment income)
- Net capital gains € 2,7m (27 % of net investment income)

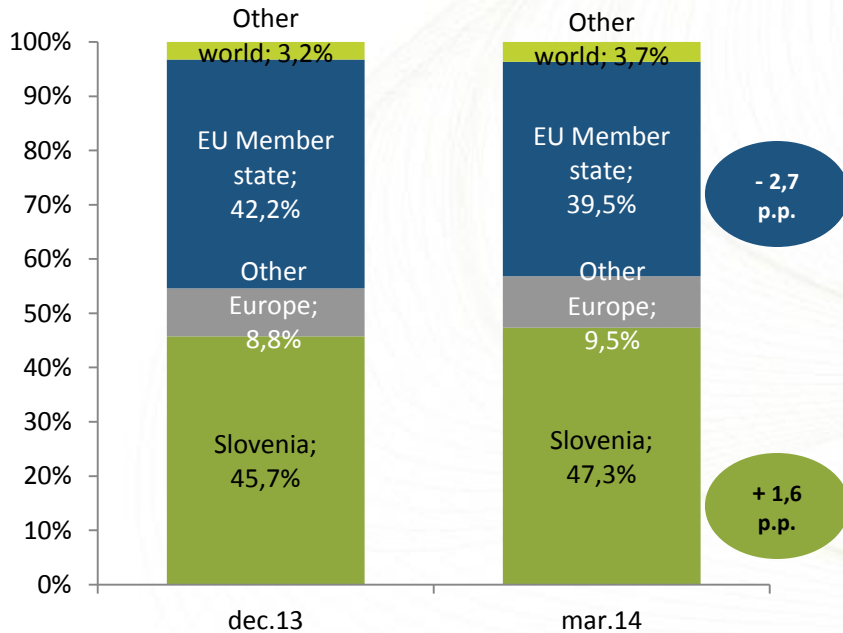
## Exposure to Slovenia

(in million €)	31.12.2013	31.03.2014	Difference
Deposits and CD's	63,5	83,6	20,2
Government bonds	269,5	250,1	-19,4
Corporate bonds	65,5	75,4	9,9
Shares	18,2	19,5	1,3
Mutual funds	8,6	6,4	-2,2
Other	0,7	0,6	-0,1
<b>Total Slovenia</b>	<b>425,9</b>	<b>435,6</b>	<b>9,7</b>
<b>Total investment portfolio</b>	<b>943,0</b>	<b>933,1</b>	<b>-9,9</b>
<b>Slovenia as % of inv. portfolio</b>	<b>45,2 %</b>	<b>46,7 %</b>	

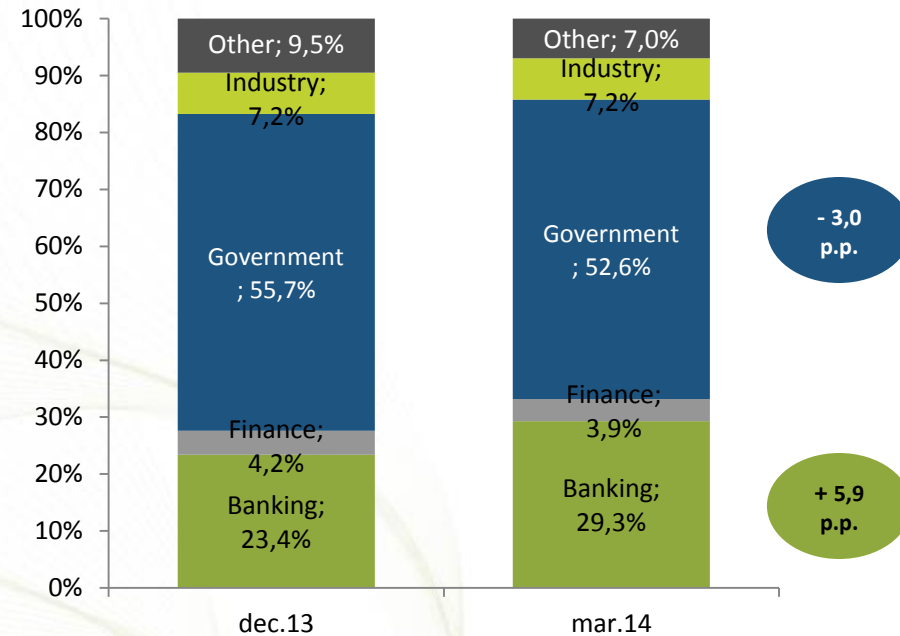
**Increase in exposure is temporary.**

High value of call deposits will be reinvested mostly outside Slovenia.

**Structure by region**

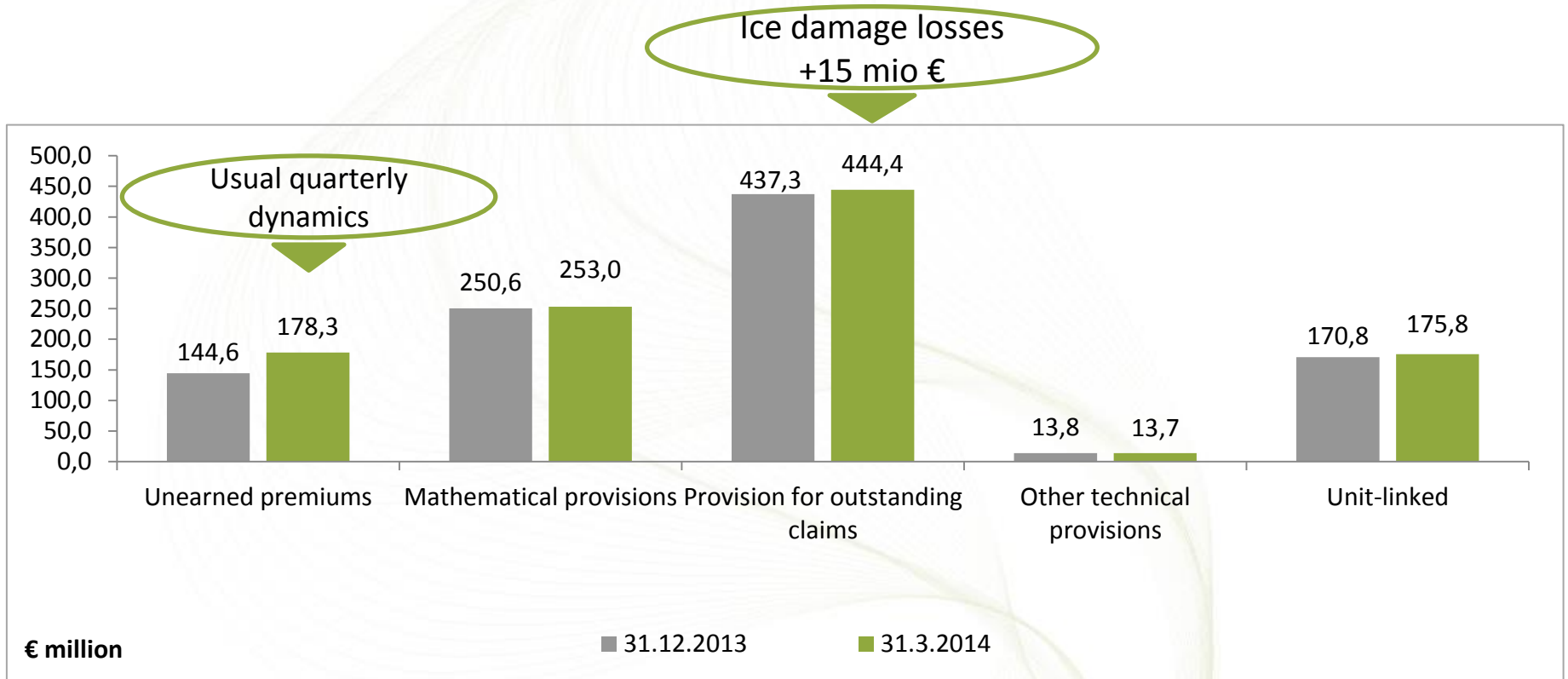


**Structure by industry**

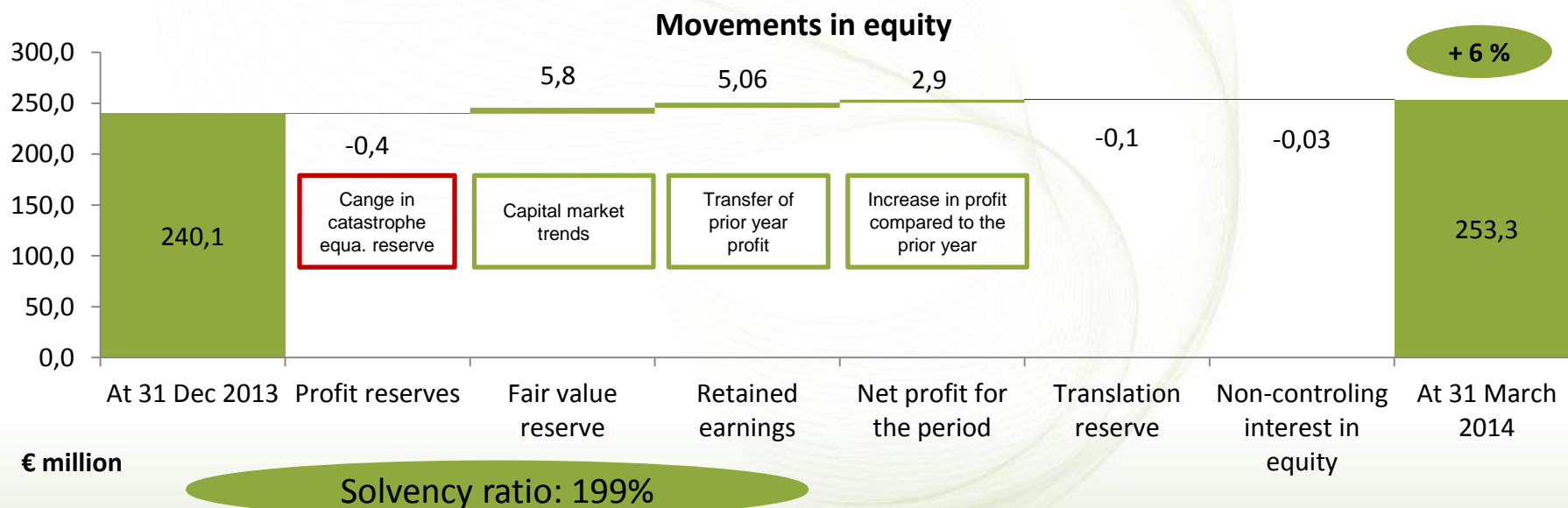


Exposure to Slovenia and banking industry increase compared to end of 2013 because assets from maturing government bonds were temporary placed into call deposits (before final reinvestment).

\* Investments without financial investments in affiliates and investments for the benefit of life insurance policyholders who bear the investment risk.



(€ million)	31.12.2013	31.3.2014	% Change 2014/2013
<b>ASSETS</b>	1.378	1.441	4,5%
Financial investments in associates	2,9	2,8	-0,71%
Financial investments	931,1	920,7	-1,12%
Reinsurer's share of technical provisions	33,5	51,1	52,46%
Receivables	116,2	162,7	40,02%
Funds of policyholders who bear the investment risk	175,8	182,6	3,90%
Other assets	118,8	120,7	1,59%
<b>EQUITY AND LIABILITIES</b>	1.378	1.441	4,53%
Equity	240,1	253,3	5,51%
Subordinated bonds	30,5	28,7	-5,88%
Technical provisions	846,2	889,5	5,11%
Net technical provisions for the benefit of life insurance policyholders who bear the investment risk	170,8	175,8	2,93%
Liabilities from operating activities	45,0	57,1	26,90%
Other liabilities	45,7	36,4	-20,51%



ALREADY IN FORCE

- ▶ Second adjustments to organisation of ZM (focus on claims handling)
- ▶ Optimisation of asset management (more centralised procedures)
- ▶ Detailed review of ZM insurance portfolio – lowering premium vs. better results
- ▶ IT strategy set – integration on all levels – timeframe 2-4 years

NEXT STEPS – 6 month horizon

Detailed review of the claims handling & sales procedures - optimization

Implementation of the centralized purchase process (SAVA/ZM/TILIA)

Implementation of the unified accounting software

ERM Group Strategy to be set



Sava Re Group

**Thank you for your attention!**