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**Translation of the  
UNAUDITED FINANCIAL REPORT OF THE  
SAVA RE GROUP AND  
POZAVAROVANICA SAVA D. D.  
FOR THE THREE MONTHS TO 31 MARCH 2015**

**Ljubljana, 18 May 2015**



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# INTRODUCTION



## 1 INTRODUCTION

In accordance with the Financial Instruments Market Act and the Rules of the Ljubljana Stock Exchange, Pozavarovalnica Sava d.d. ("Sava Reinsurance Company"), with registered office at Ljubljana, Dunajska 56, hereby publishes the Unaudited Financial Report of the Sava Re Group and Pozavarovalnica Sava d.d. for the Three Months to 31 March 2015.

The Unaudited Financial Report of the Sava Re Group and Pozavarovalnica Sava d.d. for the Three Months to 31 March 2015 will be available as a hardcopy for viewing at the registered office of Sava Reinsurance Company at Dunajska 56, 1000 Ljubljana on every workday between 9:00 and 15:00, and as a softcopy on the Company's website at [www.sava-re.si](http://www.sava-re.si) as from 29 May 2015.

### *Declaration of the management board of Sava Reinsurance Company*


To the best of our knowledge, the summary financial statements of the Sava Re Group with notes have been prepared to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The interim financial statements for the Sava Re Group and the separate financial statements of Sava Reinsurance Company, which are both condensed, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", adopted by the European Union, and should be read together with the annual financial statements for the financial year ended 31 December 2014. The interim financial statements have not been audited.

The business report gives a fair view of the development and performance of the Group and the Company, and their financial position, including a description of the principal risks that the consolidated companies are exposed to.

Zvonko Ivanušič, chairman of the management board



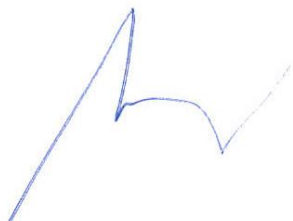
Srečko Čebren, member of the management board



Jošt Dolničar, member of the management board



Mateja Treven, member of the management board



Ljubljana, 18 May 2015



## 1.1 Key financials

(€)	Sava Re Group		Sava Reinsurance Company	
	1–3/2015	1–3/2014	1–3/2015	1–3/2014
<b>Gross premiums written</b>	<b>152,529,643</b>	<b>145,987,351</b>	<b>57,267,173</b>	<b>49,996,276</b>
Year-on-year change	4.5 %	70.1 %	14.5 %	-5.6 %
<b>Net premiums earned</b>	<b>111,721,324</b>	<b>106,464,352</b>	<b>29,875,167</b>	<b>24,843,829</b>
Year-on-year change	4.9 %	84.8 %	20.3 %	-15.1 %
<b>Gross claims paid</b>	<b>71,916,424</b>	<b>69,728,196</b>	<b>25,806,673</b>	<b>20,398,652</b>
Year-on-year change	3.1 %	113.3 %	26.5 %	13.4 %
<b>Net claims incurred</b>	<b>74,168,320</b>	<b>64,520,819</b>	<b>22,972,878</b>	<b>12,194,772</b>
Year-on-year change	15.0 %	101.1 %	88.4 %	-22.5 %
<b>Net incurred loss ratio</b>	<b>66.8 %</b>	<b>63.2 %</b>	<b>76.9 %</b>	<b>49.1 %</b>
<b>Net incurred loss ratio, excluding the effect of exchange differences</b>	<b>60.5 %</b>	<b>61.1 %</b>	<b>54.7 %</b>	<b>50.8 %</b>
<b>Operating expenses, including reinsurance commission income</b>	<b>34,434,690</b>	<b>32,344,810</b>	<b>9,310,941</b>	<b>7,697,137</b>
Year-on-year change	6.5 %	71.2 %	21.0 %	-22.6 %
<b>Net expense ratio</b>	<b>30.8 %</b>	<b>30.4 %</b>	<b>31.2 %</b>	<b>31.0 %</b>
<b>Net expense ratio, excluding the effect of exchange differences</b>	<b>30.7 %</b>	<b>30.4 %</b>	<b>30.8 %</b>	<b>31.1 %</b>
<b>Net combined ratio</b>	<b>99.8 %</b>	<b>97.4 %</b>	<b>104.3 %</b>	<b>81.4 %</b>
<b>Net combined ratio, excluding the effect of exchange differences</b>	<b>93.6 %</b>	<b>97.9 %</b>	<b>86.8 %</b>	<b>83.1 %</b>
Net inv. income of the investment portfolio	11,471,054	8,663,099	7,247,667	1,376,326
Investment return	4.8 %	3.8 %	7.0 %	1.4 %
Net inv. income of the investment portfolio, excluding foreign exchange differences	5,924,717	8,862,355	1,693,830	1,619,948
Return on the investment portfolio, excluding foreign exchange differences	2.5 %	3.9 %	1.6 %	1.6 %
<b>Profit/loss, net of tax</b>	<b>9,985,453</b>	<b>7,546,126</b>	<b>4,922,456</b>	<b>5,180,787</b>
Year-on-year change	32.3 %	-3.2 %	-5.0 %	0.4 %
<b>Comprehensive income</b>	<b>14,474,710</b>	<b>13,229,102</b>	<b>6,697,832</b>	<b>7,522,798</b>
<b>Annualized return on equity</b>	<b>13.9 %</b>	<b>11.9 %</b>	<b>6.3 %</b>	<b>7.6 %</b>
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
<b>Total assets</b>	<b>1,535,921,220</b>	<b>1,454,374,935</b>	<b>591,360,349</b>	<b>547,413,684</b>
% change on 31 Dec. of prior year	5.6 %	5.5 %	8.0 %	3.2 %
<b>Shareholders' equity</b>	<b>284,425,735</b>	<b>271,528,623</b>	<b>264,701,505</b>	<b>258,135,674</b>
% change on 31 Dec. of prior year	4.7 %	13.1 %	2.5 %	4.9 %
<b>Net technical provisions</b>	<b>1,074,039,465</b>	<b>1,026,994,619</b>	<b>202,970,390</b>	<b>185,794,402</b>
% change on 31 Dec. of prior year	4.6 %	4.4 %	9.2 %	1.9 %
No. of employees (full-time equivalent basis)	2,489	2,442	80	79
Book value per share	17.26	15.01	16.06	15.04
Net earnings/loss per share	0.61	0.45	0.30	0.31

Notes:

-For details on the calculation of ratios and the net investment income, see the appended glossary.

-The calculation method for the net combined ratio was changed at year-end 2014. The new ratio is calculated for the reinsurance and non-life operating segments.

-The net investment income of the investment portfolio does not include the net investment income from assets pertaining to policyholders who bear the investment risk since such assets do not affect the income statement. The mathematical provision of policyholders who bear the investment risk moves in line with this line item.

**In the first quarter of 2015, there was a large negative effect of exchange differences on the underwriting result of reinsurance business and a large positive effect on the net investment result. The net effect on net profit for the period, however, was relatively minor since the Company is carrying out a strict policy of matching asset and liabilities.**

The table below gives realized figures together with full-year 2015 planned figures:

(€ million)	1–3/2015	Plan 2015	As % of plan
Consolidated gross premiums written	152.5	477	32.0 %
Net profit/loss for the year	10.0	30	33.2 %
Shareholders' equity	284.4	283	100.5 %
Annualized return on equity	13.9 %	10.8 %	✓
<b>Net combined ratio, excluding the effect of exchange differences</b>			
	93.6 %	96.5 %	✓
<b>Net expense ratio</b>			
	30.8 %	32.4 %	✓
<b>Annualized investment return, excluding the effect of exchange differences</b>			
	2.5 %	2.3 %	✓

The calculation method for the net combined ratio was changed at year-end 2014. The new ratio is calculated for the reinsurance and non-life operating segments.

Since exchange differences had not been included in the plan, the table shows ratios, excluding the effect of exchange differences.

In the first quarter 2015, the Group exceeded planned targets set in all operating segments of the result. Nevertheless, in view of potential interim fluctuations in loss ratios, projections indicate no significant deviations from the 2015 plan.

## 1.2 Company Profile of Sava Reinsurance Company

Company name	Pozavarovalnica Sava, d.d.
Business address	Dunajska 56 1000 Ljubljana Slovenia
Telephone (switchboard)	+386 1 47 50 200
Facsimile	+386 1 47 50 264
E-mail	<a href="mailto:info@sava-re.si">info@sava-re.si</a>
Website	<a href="http://www.sava-re.si">www.sava-re.si</a>
Company ID number	5063825
Tax number	17986141
Share capital	€ 71,856,376
Shares	17,219,662 no-par-value shares
Governance and supervision bodies	<u>MANAGEMENT BOARD</u> Zvonko Ivanušič (chairman) Srečko Čebren Jošt Dolničar Mateja Treven <u>SUPERVISORY BOARD</u> Branko Tomažič (chairman) Mateja Lovšin Herič (deputy chairperson) Slaven Mičković Keith Morris Martin Albreht (employee representative) Andrej Gorazd Kunstek (employee representative)
Date of entry into court register	28 December 1990 Ljubljana District Court
Certified auditor	Ernst & Young d.o.o. Dunajska 111 1000 Ljubljana Slovenia
Largest shareholder and holding	Slovenski državni holding, d.d. (Slovenian Sovereign Holding) 25 % + 1 share (no. of no-par value shares: 4,304,917)
A.M. Best credit rating	A– /stable/ October 2014
S&P credit rating	BBB+ /stable/ July 2014
The Company has no branches.	

## 1.3 Bodies of the Company

### *Management board*

In accordance with its articles of association, Sava Reinsurance Company is managed and represented by a two- to five-member management board. In order to transact business, the Company must be represented jointly by at least two members.

In the three months to 31 March 2015, there were no changes in the composition of the management board.

#### *Members of the management board as at 31 March 2015*

Member	Title	Beginning of term of office	Duration of term of office
Zvonko Ivanušič	chairman	01/06/2013	5 years
Srečko Čebtron	member	01/06/2013	5 years
Jošt Dolničar	member	01/06/2013	5 years
Mateja Treven	member	01/06/2013	5 years

#### Notes on membership of governance or supervisory bodies of third parties:

Jošt Dolničar:

-  Slovenian Rowing Federation, Župančičeva cesta 9, Bled – President.

### *Supervisory board*

Pursuant to the Company's articles of association and the applicable legislation, the supervisory board is composed of six members, of which four (shareholder representatives) are elected by the Company's general meeting, and two (employee representatives) are elected by the workers' council.

In the three months to 31 March 2015, there were no changes in the composition of the supervisory board.

#### *Composition of the supervisory board at 31 March 2015*

Member	Title	Beginning of term of office	Duration of term of office
Branko Tomažič	chairman	15/07/2013	4 years
Mateja Lovšin Herič	deputy chairperson	15/07/2013	4 years
Slaven Mičković	member	15/07/2013	4 years
Keith Morris	member	15/07/2013	4 years
Martin Albreht	member (employee representative)	10/06/2011	4 years
Andrej Gorazd Kunstek	member (employee representative)	23/01/2013	10/06/2015

#### Notes on membership of governance or supervisory bodies of third parties:

The supervisory board members do not serve on any other management or supervisory body of any other legal entity.

## Supervisory board committees

### Audit committee

In the three months to 31 March 2015, there were no changes in the composition of the supervisory board audit committee.

#### Members of the supervisory board's audit committee at 31 March 2015

Member	Title
Mateja Lovšin Herič	chairperson
Slaven Mičković	member
Ignac Dolenšek	external member

### General meeting of shareholders

The general meeting of shareholders did not meet in the first quarter of 2015.

#### 1.4 Significant events in the three months to 31 March 2015

- S** On 14 January 2015, Sava Reinsurance Company jointly with a consortium of companies filed an action against the Bank of Slovenia, challenging the decision on the extraordinary measures issued to Banka Celje. The claim amount of Sava Reinsurance Company under this claim was € 1,700,000, and € 6,982,200 in respect of Zavarovalnica Maribor. The total amount of claims against the Bank of Slovenia relating to emergency measures totals € 10,038,000 for Sava Reinsurance Company and € 22,957,200 for Zavarovalnica Maribor.
- S** From 1 January 2015 to 31 March 2015, Sava Reinsurance Company bought 8,236 own shares for a total amount of € 132,001 on the Ljubljana Stock Exchange. The total number of own shares at 31 March 2015 after the said purchases was 736,066, representing 4.2745 % of all issued shares.
- S** On 30 March 2015, Sava Reinsurance Company acquired 74,321 shares of Velebit osiguranje previously owned by Velebit životno osiguranje and 25,328 shares of Velebit životno osiguranje owned by Velebit osiguranje. In this way, Sava Reinsurance Company became the direct owner of these interests.

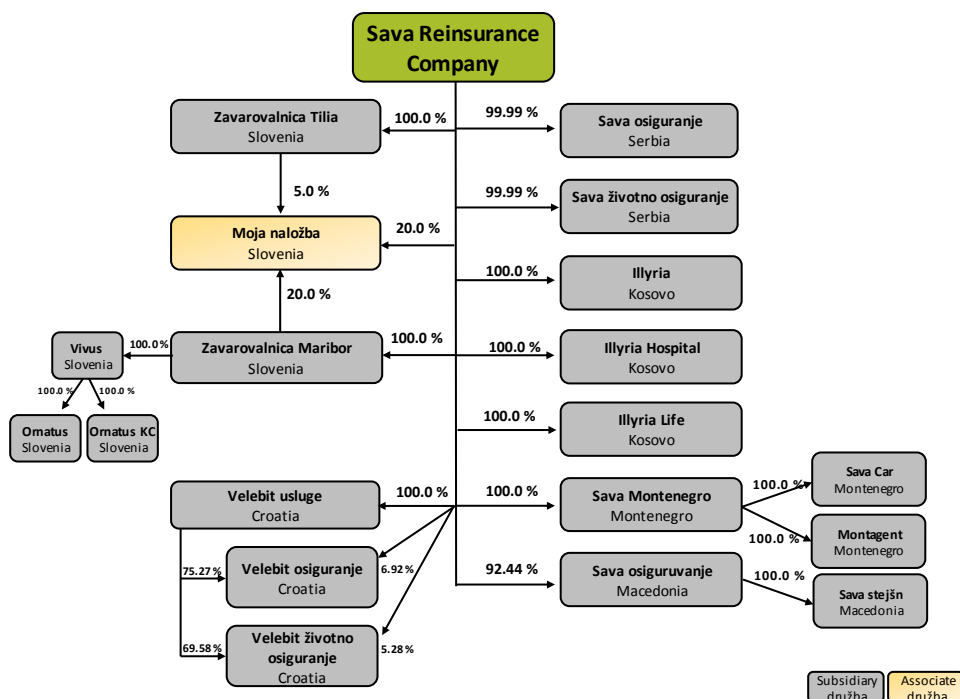
#### 1.5 Significant events after the reporting period

- S** In the period from 31 March 2015 to 18 May 2015, Sava Reinsurance Company did not repurchase any own shares.
- S** At their session dated 8 April 2015, the supervisory and the management boards of Sava Reinsurance Company have prepared a proposed resolution for the general meeting to the effect that shareholders be paid a dividend of € 0.55 gross per share, representing a 112 % increase over the previous year's dividend per share (€ 0.26 gross per share). According to this proposed resolution, the dividend is to be paid out of part of the distributable profit of Sava Reinsurance Company for the year 2014 in the amount of € 9,065,977.80. The 30th regular general meeting of shareholders is to take place on 28 May 2015.

## 1.6 Sava Re Group structure, including associate companies

At 31 March 2015, in addition to the controlling company Sava Reinsurance Company, the insurance part of the Sava Re Group comprised ten insurers based in Slovenia and other Western Balkan countries as well as one associate company, a pension company based in Slovenia.

*Sava Re Group structure, including associates, as at 31 March 2015*



### Company names of subsidiary and associate companies

Long company name	Short name in this document
Sava Re Group	Sava Re Group
1 Pozavarovalnica Sava d.d.	Sava Reinsurance Company
2 Zavarovalnica Tilia, d.d., Novo mesto	Zavarovalnica Tilia
3 Zavarovalnica Maribor d.d.	Zavarovalnica Maribor or ZM
4 Moja naložba pokojninska družba d.d.	Moja naložba
5 Sava osiguranje, a.d.o. Beograd	Sava osiguranje Beograd
6 Sava životno osiguranje, a.d.o. Beograd	Sava životno osiguranje
7 Kompania e Sigurimeve Illyria sh.a.	Illyria
8 Kompania për Sigurimin e Jetës Illyria Life sh.a.	Illyria Life
9 Sava Montenegro AD Podgorica	Sava Montenegro
10 SAVA osiguruvanje, a.d. Skopje	Sava osiguruvanje Skopje
11 VELEBIT USLUGE d.o.o.	Velebit usluge
12 VELEBIT OSIGURANJE d.d.	Velebit osiguranje
13 VELEBIT ŽIVOTNO OSIGURANJE d.d.	Velebit životno osiguranje
14 Illyria Hospital sh.p.k.	Illyria Hospital
15 Sava Car doo	Sava Car
16 Vivus d.o.o.	Vivus
17 Ornatus d.o.o.	Ornatus
18 Ornatus KC d.o.o.	Ornatus KC
19 Montagent DOO	Montagent
20 Sava stejšn DOOEL Skopje	Sava stejšn

## 2 SHAREHOLDERS AND SHARE TRADING

Movement in the POSR share price in the period 1 April 2014 to 31 March 2015 compared to the SBITOP stock index.



### Basic details about the POSR share

	31/03/2015	31/03/2014
Share capital	71,856,376	71,856,376
No. of shares	17,219,662	17,219,662
Ticker symbol	POSR	POSR
No. of shareholders	5,086	4,974
Type of share	ordinary	
Listing	Ljubljana Stock Exchange, prime market	
Number of treasury shares	736,066	346,643
Net earnings/loss per share (€)	0.30	0.31
Consolidated net earnings per share (€)	0.61	0.45
Book value per share (€)	16.06	15.04
Consolidated book value per share (€)	17.26	15.01
Share price at end of period (€)	16.26	9.91
	1-3/2015	1-3/2014
Average share price in reporting period (€)	16.20	8.38
Minimum share price in reporting period (€)	15.40	7.00
Maximum share price in reporting period (€)	16.85	10.35
Trade volume in reporting period (€)	4,610,553	14,327,129

In the first quarter 2015, the Company did not pay out any dividends. Neither did it hold conditional equity.

At 31 March 2015, 70.3 % of shareholders were Slovenian and 29.7 % were foreign. The largest shareholder of the POSR share is the Slovenian Sovereign Holding (Slovenski državni holding) with 25 % plus one share.

The share price on 31 December 2014 was € 15.98 against € 16.26 at 31 March 2015, representing a 1.7 % growth over the period.

#### *Shareholder structure of Sava Reinsurance Company at 31 March 2015*

Type of Investor	Domestic investors	Foreign investors
Other financial institutions	25.1 %	0.0 %
Insurers and pension companies	14.4 %	0.2 %
Natural persons	9.3 %	0.2 %
Banks	6.9 %	25.3 %
Investment funds and mutual funds	8.5 %	3.1 %
Other commercial companies	6.2 %	1.0 %
<b>Total</b>	<b>70.3 %</b>	<b>29.7 %</b>

The other financial institutions item includes the Slovenian Sovereign Holding with a stake of 25 % plus one share.

Source: Central securities register KDD d.d. and own sources.

#### *Top ten shareholders of Sava Reinsurance Company at 31 March 2015*

Shareholder	No. of shares	Holding
SDH d.d.	4,304,917	25.0 %
Societe Generale – Splitska banka d.d. (fiduciary account)	1,705,447	9.9 %
European Bank for Reconstruction and Development	1,071,429	6.2 %
Raiffeisen Bank Austria d.d. (fiduciary account)	764,606	4.4 %
Sava Reinsurance Company	736,066	4.3 %
Modra Zavarovalnica d.d.	714,285	4.1 %
Abanka d.d.	655,000	3.8 %
Skandinaviska Enskilda Banken SA Luxemburg	554,821	3.2 %
Adriatic Slovenica d.d., liability fund	500,891	2.9 %
KD Galileo	430,073	2.5 %
<b>Total</b>	<b>11,437,535</b>	<b>66.4 %</b>

#### *Treasury shares*

As at 31 March 2015, the Company held 736,066 treasury shares, representing 4.27 % of share capital. The total value of purchases made in the first quarter 2015 was € 132,001. All shares were acquired on the regulated market.



# SAVA RE GROUP INTERIM BUSINESS REPORT



### 3 SAVA RE GROUP REVIEW OF OPERATIONS

Business is presented by operating segments (non-life insurance, life insurance, reinsurance business and the "other" segment) and by geography (Slovenia and international). "Slovenia" includes Zavarovalnica Maribor and Zavarovalnica Tilia, while "international" includes the other subsidiaries. The reinsurance segment was not broken down geographically, as – after the elimination of transactions with Zavarovalnica Maribor and Zavarovalnica Tilia – the majority of the remaining transactions relates to Sava Reinsurance Company's business in international reinsurance markets.

In addition to said segment breakdown, the segment reporting information also reflects the effects of consolidation elimination and reallocation within certain income statement items:

- S** In the consolidation process, reinsurance effects were reallocated from the reinsurance segment to the non-life and life segments (Sava Reinsurance Company as the controlling company handles the reinsurance of most risks of the subsidiaries within the Sava Re Group): in the segment reporting information, reinsurance premiums received by the reinsurer from the subsidiaries were reallocated to the segment from where they arose (the same applied by analogy to reinsurance-related claims, commission income, change in unearned premiums, claims provisions and deferred acquisition costs). In the elimination process, the portion of business retroceded by Sava Reinsurance Company to foreign reinsurers was not allocated to the non-life and life segments. Retrocession-related expenses usually exceed income (except in the case of catastrophe claims). To provide a more adequate presentation of segment profitability, the result of the retroceded business was also allocated to the segment to which it related (non-life or life). All said items were adjusted only in the part relating to the risks of subsidiaries retroceded by Sava Reinsurance Company to foreign reinsurers.
- S** Profits from investments in equity-accounted associate companies were reallocated to the "other" segment. Other operating expenses of the reinsurance segment were reduced by the portion of expenses attributable to the administration of the Sava Re Group. Sava Reinsurance Company operates as a virtual holding company so part of its expenses relate to the administration of the Group. This portion was reallocated from the reinsurance segment to other segments based on gross premiums written.

In the statement of financial position, the following adjustments were made in addition to the eliminations made in the consolidation process:

- S** Intangible assets – goodwill was allocated to the segment from which it arose (it was reallocated from the reinsurance segment to the non-life and life segments depending on which subsidiary it related to).
- S** Financial investments in associates – the amount of the investment in the associate Moja naložba – were transferred to the "other" segment on 1 April 2014. All items in this section are presented in the notes to the accounts.
- S** Reinsurers' share of technical provisions (reinsurers' share of unearned premiums, claims provisions and other provisions) and deferred acquisition costs – the same reasoning was applied as described in point one of adjustments to income statement items.
- S** Equity was reallocated from the reinsurance segment to the non-life and life segments based on the carrying amount of investments in subsidiaries (the sum total of carrying amounts of non-life insurers was reallocated to the non-life segment, and that of life insurers was reallocated to the life segment).

Below we first give a rough overview of key performance categories at the consolidated level and then discuss individual operating segments.

### *Summary of the consolidated income statement*

(€)	1–3/2015	1–3/2014	Index
Net earned premiums	111,721,324	106,464,352	104.9
Income from investments in associates	88,739	35,092	252.9
Investment income	12,554,451	10,092,363	124.4
Net unrealized gains on investments of life insurance policyholders who bear the investment risk	11,536,076	3,460,974	333.3
Other technical income	5,726,958	2,251,950	254.3
- Of which investment property	95,054	39,248	242.2
Other income	2,189,977	1,065,747	205.5
- Of which investment property	112,748	90,153	125.1
Net claims incurred	-74,168,320	-64,520,819	115.0
Change in other technical provisions	-434,036	-2,741,430	15.8
Change in technical provisions for policyholders who bear the investment risk	-14,162,829	-4,750,063	298.2
Expenses for bonuses and rebates	62,549	-75,178	-83.2
Operating expenses	-35,270,754	-33,282,279	106.0
Expenses for financial assets and liabilities	-1,212,996	-1,474,442	82.3
Net unrealized losses on investments of life insurance policyholders who bear the investment risk	-259,106	-2,536,409	10.2
Other technical expenses	-6,042,130	-4,268,776	141.5
- Of which investment property	69,044	22,556	306.1
Other expenses	-445,793	-370,462	120.3
- Of which investment property	53,143	72,764	73.0
Profit/loss before tax	11,884,110	9,350,620	127.1

### *Consolidated operating ratios*

	1–3/2015	1–3/2014
Net incurred loss ratio	66.8 %	63.2 %
<i>Net incurred loss ratio, excluding the effect of exchange differences</i>	<i>60.5 %</i>	<i>61.1 %</i>
Net expense ratio	30.8 %	30.4 %
<i>Net expense ratio, excluding the effect of exchange differences</i>	<i>30.7 %</i>	<i>30.4 %</i>
Investment return	4.8 %	3.8 %
<i>Investment return, excluding the effect of exchange differences</i>	<i>2.5 %</i>	<i>3.9 %</i>
Annualized return on equity	13.9 %	11.9 %

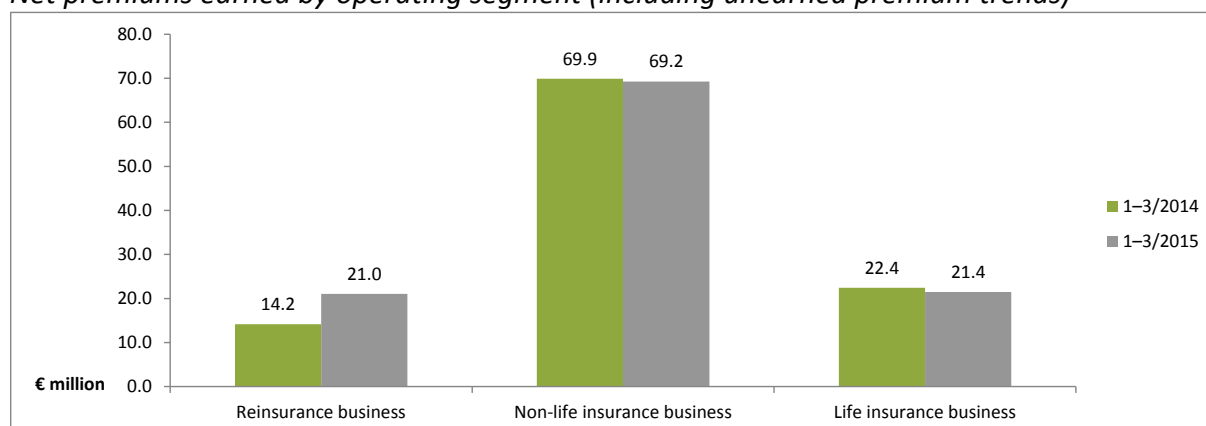
In the first quarter of 2015, there was a large negative effect of exchange differences on the underwriting result of reinsurance business and a large positive effect on the net investment result. The net effect on net profit for the period, however, was relatively minor since the Company is carrying out a strict policy of matching assets and liabilities. As both effects on profit mainly relate to international reinsurance operations, detailed figures are presented in the section covering reinsurance business later in this report.

## Consolidated net earned premiums

### Consolidated net earned premiums

(€)	1–3/2015	1–3/2014	Index
Gross premiums written	152,529,643	145,987,351	104.5
Net premiums written	140,348,668	134,248,470	104.5
Change in net unearned premiums	-28,627,344	-27,784,118	103.0
<b>Net earned premiums</b>	<b>111,721,324</b>	<b>106,464,352</b>	<b>104.9</b>

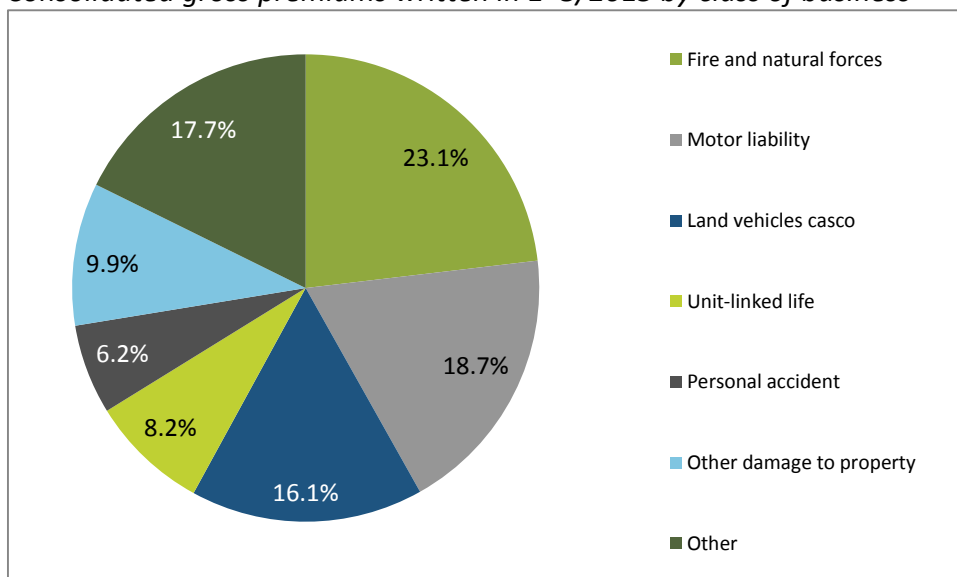
### Net premiums earned by operating segment (including unearned premium trends)



### Consolidated net premiums earned by class of business (including unearned premium trends)

(€)	1–3/2015	1–3/2014	Index
Personal accident	8,495,182	8,606,597	98.7
Health	1,053,297	554,768	189.9
Land vehicles casco	20,866,371	19,486,122	107.1
Railway rolling stock	10,944	0	-
Aircraft hull	155,425	91,436	170.0
Ships hull	1,717,489	1,309,269	131.2
Goods in transit	782,160	1,061,857	73.7
Fire and natural forces	19,970,485	15,144,196	131.9
Other damage to property	5,356,647	5,045,170	106.2
Motor liability	25,384,982	25,991,851	97.7
Aircraft liability	-42,511	-38,738	109.7
Liability for ships	151,610	157,336	96.4
General liability	3,745,406	3,789,374	98.8
Credit	592,450	683,644	86.7
Suretyship	116,997	89,840	130.2
Miscellaneous financial loss	340,955	341,064	100.0
Legal expenses	77,880	76,808	101.4
Assistance	1,134,037	1,331,489	85.2
<b>Total non-life</b>	<b>89,909,806</b>	<b>83,722,083</b>	<b>107.4</b>
Life insurance	9,291,332	9,685,719	95.9
Unit-linked life	12,516,337	13,052,892	95.9
Capital redemption	3,849	3,658	105.2
<b>Total life</b>	<b>21,811,518</b>	<b>22,742,269</b>	<b>95.9</b>
<b>Total</b>	<b>111,721,324</b>	<b>106,464,352</b>	<b>104.9</b>

*Consolidated gross premiums written in 1–3/2015 by class of business*

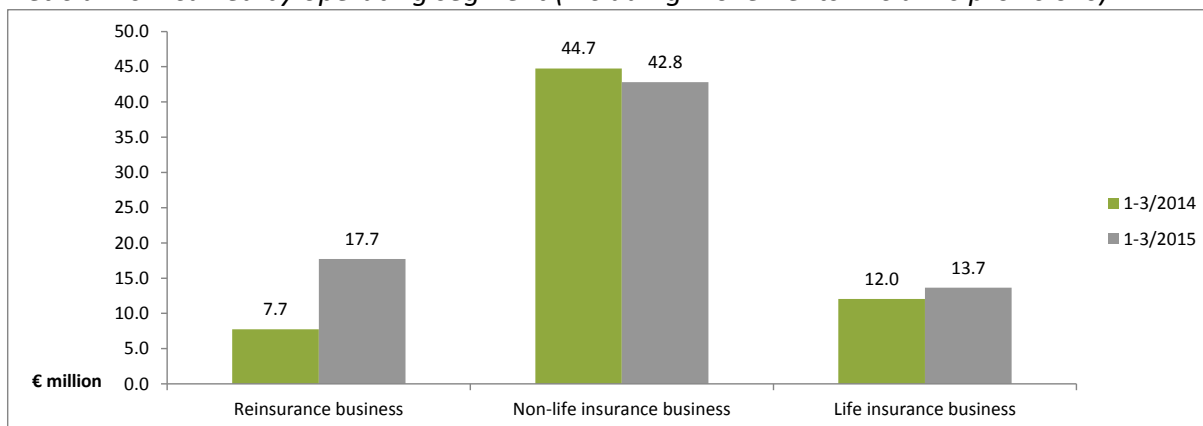


*Consolidated net claims incurred*

*Consolidated net claims incurred*

(€)	1–3/2015	1–3/2014	Index
Gross claims paid	71,916,424	69,728,196	103.1
Net claims paid	69,983,210	69,075,609	101.3
Change in the net provision for outstanding claims	4,185,110	-4,554,790	-91.9
Net claims incurred	74,168,320	64,520,819	115.0

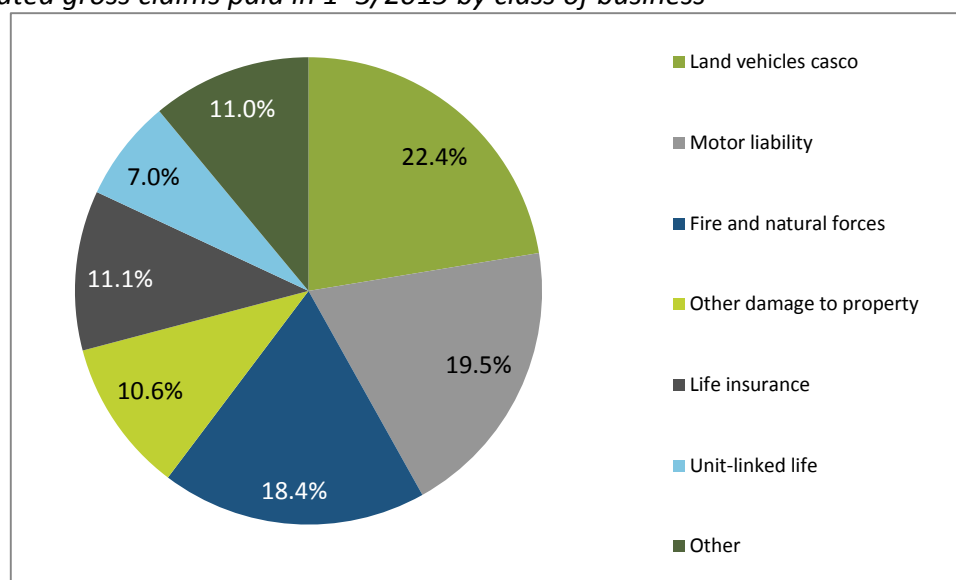
*Net claims incurred by operating segment (including movements in claims provisions)*



*Consolidated net claims incurred by operating segment (including movements in claims provisions)*

(€)	1–3/2015	1–3/2014	Index
Personal accident	4,986,056	4,412,102	113.0
Health	816,344	222,416	367.0
Land vehicles casco	14,881,965	14,940,256	99.6
Railway rolling stock	0	1,076	0.0
Aircraft hull	193,780	126,537	153.1
Ships hull	1,217,717	428,918	283.9
Goods in transit	1,292,014	1,507,315	85.7
Fire and natural forces	11,196,802	12,056,775	92.9
Other damage to property	6,050,030	805,097	751.5
Motor liability	16,658,720	15,671,783	106.3
Aircraft liability	12,631	85,566	14.8
Liability for ships	104,296	71,646	145.6
General liability	2,508,373	1,804,362	139.0
Credit	-202,626	-207,393	97.7
Suretyship	212,534	27,099	784.3
Miscellaneous financial loss	206,577	50,385	410.0
Legal expenses	204	367	55.6
Assistance	277,151	112,937	245.4
<b>Total non-life</b>	<b>60,412,568</b>	<b>52,117,244</b>	<b>115.9</b>
Life insurance	8,268,437	7,868,869	105.1
Unit-linked life	5,487,315	4,534,706	121.0
<b>Total life</b>	<b>13,755,752</b>	<b>12,403,575</b>	<b>110.9</b>
<b>Total</b>	<b>74,168,320</b>	<b>64,520,819</b>	<b>115.0</b>

*Consolidated gross claims paid in 1–3/2015 by class of business*

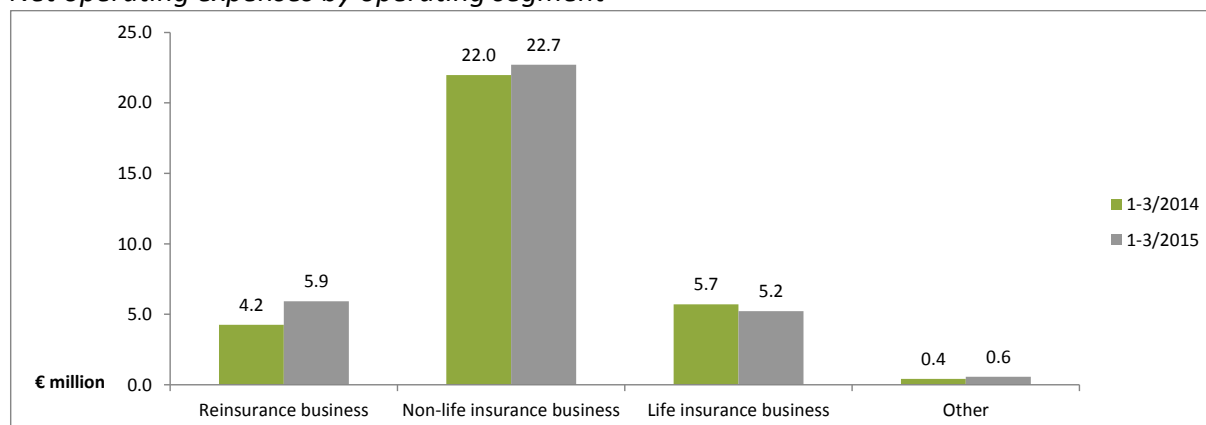


## Consolidated operating expenses

### Consolidated operating expenses

(€)	1–3/2015	1–3/2014	Index
Acquisition costs	13,726,798	10,907,856	125.8
Change in deferred acquisition costs (+/-)	-2,831,614	-1,271,867	222.6
Other operating expenses	24,375,570	23,646,290	103.1
<b>Gross operating expenses</b>	<b>35,270,754</b>	<b>33,282,279</b>	<b>106.0</b>
Income from reinsurance commission	-836,064	-937,469	89.2
<b>Net operating expenses</b>	<b>34,434,690</b>	<b>32,344,810</b>	<b>106.5</b>

### Net operating expenses by operating segment



Other operating expenses include costs relating to the management of the Group. Sava Reinsurance Company allocated 47.8 % of other operating expenses to operating segments by premium structure.

### Allocation of administrative costs to operating segments

(€)	Reinsurance business	Non-life business Slovenia	Non-life business International	Life, Slovenia	Life, intern.
1–3/2015	-959,484	682,396	101,321	165,352	10,415
1–3/2014	-766,766	548,972	73,894	135,373	8,527

## Consolidated net investment income

### Net inv. income of the investment portfolio

(€)	1–3/2015	1–3/2014	Nominal change
Income from financial investments	12,554,451	10,092,363	+2,462,088
Expenses for financial investments	1,212,996	1,474,442	-261,446
<b>Net investment income of financial investments</b>	<b>11,341,455</b>	<b>8,617,921</b>	<b>+2,723,534</b>
Net investment income from investments in associates	88,739	35,092	+53,647
Net investment income of investment property	40,860	10,086	+30,774
<b>Net inv. income of the investment portfolio</b>	<b>11,471,054</b>	<b>8,663,099</b>	<b>+2,807,955</b>
Net inv. income of the investment portfolio, excluding foreign exchange differences	5,924,717	8,862,355	-2,937,638

The realized net investment income of the investment portfolio is strongly affected by income and expenses from exchange differences, which are a result of asset-liability currency matching. In the period 1–3/2015, the Group realized € 5.5 million of net exchange gains.



Since at 31 March 2015 assets and liabilities were 98.2 % matched<sup>1</sup>, the realized exchange losses from liabilities were largely offset by exchange gains from investments so profits were affected only to a minor degree. The impact on profit for the year was € 0.5 million.

*Income, expenses and the net investment income related to the investment portfolio*

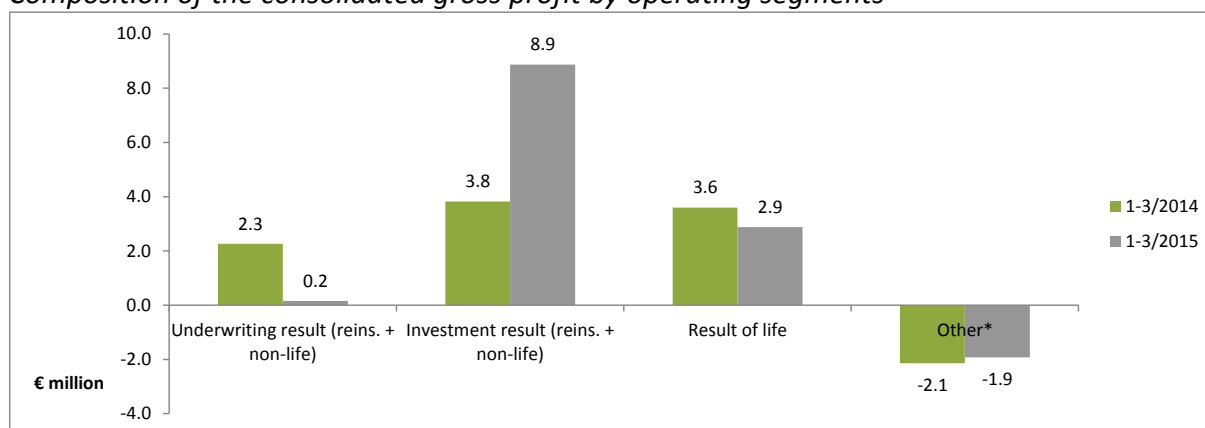
(€)	1–3/2015	1–3/2014	Nominal change
<b>Income</b>			
Interest income	5,576,930	6,476,514	-899,584
Change in fair value and gains on disposal of FVPL assets	535,186	280,218	+254,968
Gains on disposal of other IFRS asset categories	178,251	2,756,527	-2,578,276
Income from associate companies	88,739	35,092	+53,647
Income from dividends and shares – other investments	0	24,552	-24,552
Foreign exchange gains	6,223,161	494,029	+5,729,132
Other income	115,014	116,536	-1,522
<b>Income from the investment portfolio</b>	<b>12,717,281</b>	<b>10,183,468</b>	<b>+2,533,813</b>
Net unrealized gains on investments of life insurance policyholders who bear the investment risk	11,536,076	3,460,974	+8,075,102
<b>Expenses</b>			
Interest expenses	328,227	375,338	-47,111
Change in fair value and losses on disposal of FVPL assets	26,649	125,823	-99,174
Losses on disposal of other IFRS asset categories	165,886	222,206	-56,320
Impairment losses on investments	9,270	27,345	-18,075
Foreign exchange losses	676,824	693,285	-16,461
Other	39,371	76,372	-37,001
<b>Expenses for the investment portfolio</b>	<b>1,246,227</b>	<b>1,520,369</b>	<b>-274,142</b>
Net unrealized losses on investments of life insurance policyholders who bear the investment risk	259,106	2,536,409	-2,277,303
<b>Net investment income</b>			
<b>Net inv. income of the investment portfolio</b>	<b>11,471,054</b>	<b>8,663,099</b>	<b>+2,807,955</b>
<b>Net inv. income of the investment portfolio, excluding foreign exchange differences</b>	<b>5,924,717</b>	<b>8,862,355</b>	<b>-2,937,638</b>
<b>Net inv. income from investments for the benefit of life-insurance policyholders who bear the investment risk</b>	<b>11,276,970</b>	<b>924,565</b>	<b>+10,352,405</b>

The net investment income (excluding net exchange differences) decreased by € 2.9 million year-on-year. The lower net investment income is due to lower gains on the realization of investments (€ -2.6 million) and declined interest income (€ -0.9 million) because of the low-interest-rate environment.

<sup>1</sup> The percentage represents currency matching in the reinsurance segment but does not include effects occurring on translation of investments in subsidiaries into the reporting currency.

## Consolidated net profit/loss

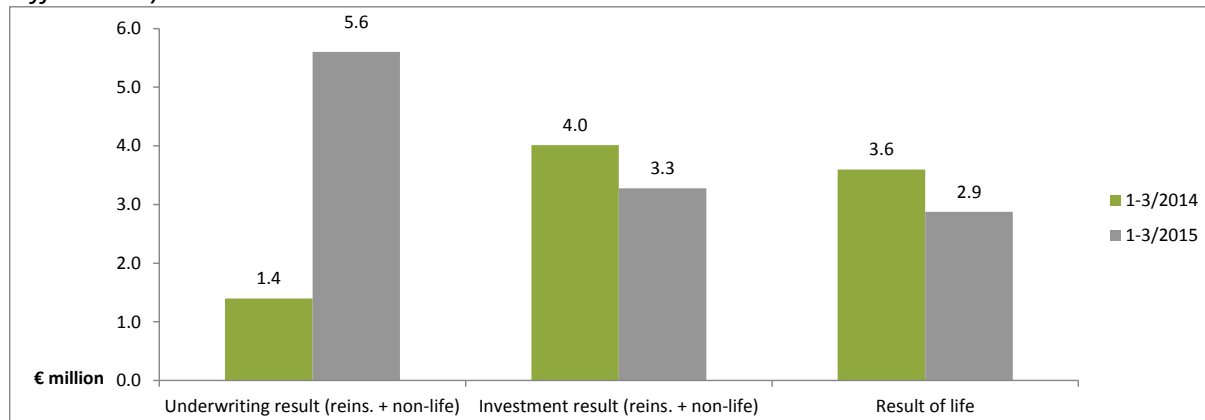
### Composition of the consolidated gross profit by operating segments



\*The "other" item includes the net profit/loss of the "other" operating segment and tax relating to all operating segments.

In the first quarter of 2015, exchange differences had a significant impact on the structure of the result, so below we set out results, excluding the effect of exchange differences. The impact on the result by operating segment was as follows: a negative effect of € 6.1 million from technical categories and a positive effect of € 5.6 million from investing activities. The total negative effect of exchange differences on the result of 1–3/2015 amounted to € 0.5 million.

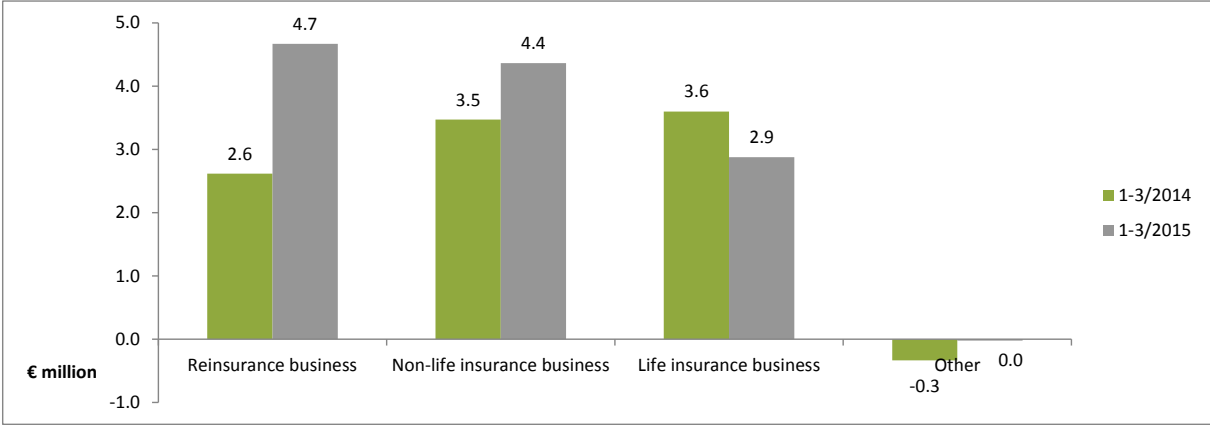
### Composition of the consolidated gross operating profit (excluding the effect of exchange differences)



The improved underwriting result is due to better technical performance of both reinsurance business as well as non-life insurance business in Slovenia.

The net investment income in the first quarter 2015 is marginally lower because of lower realization of gains on sales of investments and due to falling interest rates in the market.

Composition of the consolidated gross income statement by operating segment

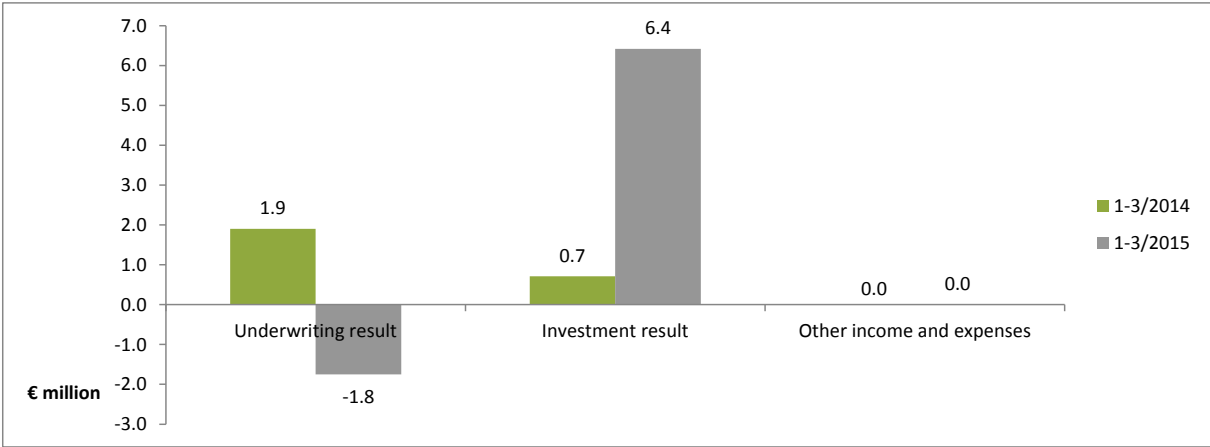


Following are comments to the results of each operating segment.

### 3.1 Reinsurance business

This segment chiefly reflects developments of business written abroad.

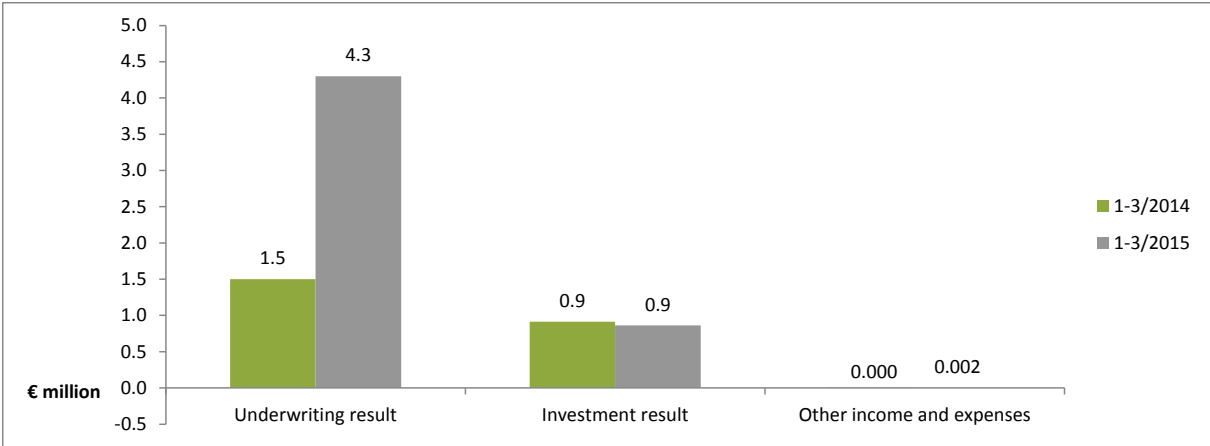
*Composition of the consolidated gross income statement; reinsurance business*



The income statement of the reinsurance segment is affected by exchange differences due to the impact of exchange rate changes on various statement of financial position items. In the period 1–3/2015, this operating segment was significantly impacted by movements in exchange rates in terms of the amount of individual result categories. When assets and liabilities are 100 % matched in terms of currencies, changes in exchange rates of foreign currencies that income statement items are denominated in have no impact on profit or loss. This is because any change in the value of assets denominated in a foreign currency due to a change in the exchange rate is offset by the change in the value of liabilities denominated in that foreign currency. As Sava Reinsurance Company's assets and liabilities are 98.2 % currency matched, changes in foreign exchange rates do affect profit or loss. The effect of exchange differences on the income statement for 1–3/2015 totalled € 0.5 million.

The following graph shows profits, excluding the impact of exchange differences.

*Composition of the consolidated gross income statement; reinsurance business, excluding the effect of exchange differences*



In the first quarter 2015, the underwriting result (excluding the effect of exchange differences) improved as a result of profitable international business, while profits from

investing activities (excluding the effect of exchange differences) were approximately on the same level year-on-year.

### Gross premiums written

#### Consolidated gross premiums written by region; reinsurance business

(€)	1–3/2015	1–3/2014	Index
Slovenia	133,605	134,892	99.0
International	34,664,864	25,836,385	134.2
<b>Total</b>	<b>34,798,469</b>	<b>25,971,277</b>	<b>134.0</b>

Gross premiums written in this segment grew due to growth in international markets, with largest growth contributions coming from South Korea (€ 4.7 million), Russia (€ 1.8 million) and Belgium (€ 1.0 million).

The bulk of reinsurance premiums from Slovenia relates to premiums from the two Slovenian subsidiaries. These premiums are retroceded, which is why consolidated reinsurance premiums from Slovenia are very small.

### Gross claims paid

#### Consolidated gross claims paid by region; reinsurance business

(€)	1–3/2015	1–3/2014	Index
Slovenia	142,270	393,531	36.2
International	17,446,350	13,485,274	129.4
<b>Total</b>	<b>17,588,621</b>	<b>13,878,805</b>	<b>126.7</b>

Consolidated gross reinsurance claims rose by 26.7 %, reflecting the growth of this business segment (premiums grew by 34.2 %).

Gross claims paid from Slovenia (like premiums) comprise relatively small amounts because they relate to claims of subsidiaries covered by reinsurance.

### Operating expenses

#### Consolidated operating expenses; reinsurance business

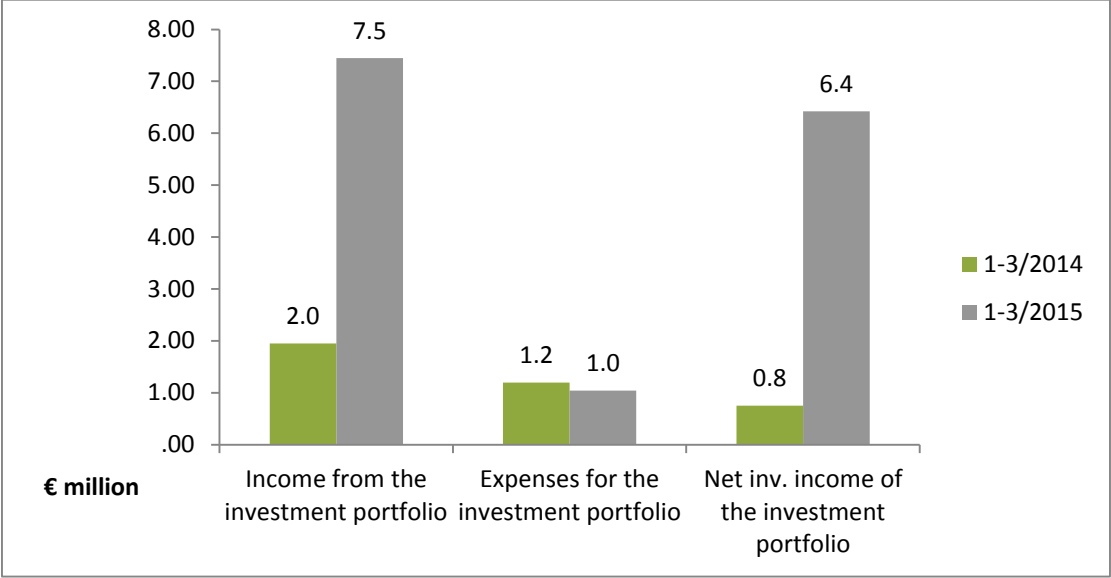
(€)	1–3/2015	1–3/2014	Index
Acquisition costs	6,372,587	3,831,794	166.3
Change in deferred acquisition costs (+/-)	-1,445,891	-513,719	281.5
Other operating expenses	1,047,805	967,998	108.2
<b>Gross operating expenses</b>	<b>5,974,501</b>	<b>4,286,073</b>	<b>139.4</b>
Income from reinsurance commission	-43,215	-36,105	-80.3
<b>Net operating expenses</b>	<b>5,931,286</b>	<b>4,249,969</b>	<b>139.6</b>

In the first quarter of 2015, consolidated acquisition costs grew by 66.3 %, reflecting the growth of the international portfolio. In absolute terms, the highest growth was with non-proportional reinsurance business from abroad, while the share of commissions as a percentage of proportional reinsurance premiums increased by 10.1 p.p. in the first quarter.

The change in deferred acquisition costs in 1–3/2015 increased year-on-year primarily due to the growth in gross premiums written. Other operating expenses increased primarily due to the increase in labour costs as a result of new recruitments at Sava Reinsurance Company.

**Net investment income**








*Income, expenses and the net investment income related to the investment portfolio (€)*



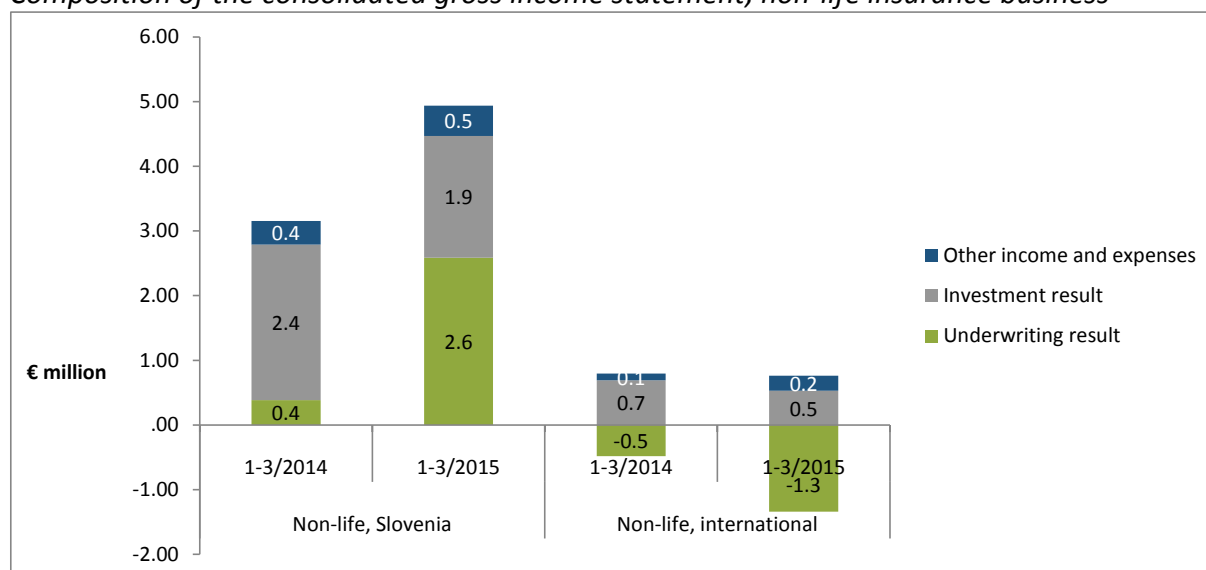
Compared to the same period last year, the net investment income of the investment portfolio increased by € 5.7 million. This is mainly due to the realization of net exchange gains arising from asset-liability currency matching at Sava Reinsurance Company. In the period 1–3/2015, the net investment income of the investment portfolio increased by € 0.1 million year-on-year, excluding gains from exchange differences.

## 3.2 Non-life insurance business

The non-life insurance segment comprises the operations of the following companies:

-  Zavarovalnica Maribor, non-life
-  Zavarovalnica Tilia, non-life
-  Sava Montenegro
-  Sava osiguranje, Belgrade
-  Sava osiguruvanje, Skopje
-  Velebit osiguranje
-  Illyria

*Composition of the consolidated gross income statement; non-life insurance business*



The non-life insurance segment recorded a better result in 1–3/2015 than in the same period last year. It improved largely due to the underwriting results of the Slovenian insurers (both companies improved their underwriting result), while the underwriting result of international companies deteriorated mainly because of poor technical performance of the Serbian non-life insurer. The investment result of Slovenian non-life insurers declined by € 0.5 million as a result of both less realized gains on sales of investments and falling interest rates.

### *Gross premiums written*

#### *Consolidated gross non-life premiums by region*

(€)	1–3/2015	1–3/2014	Index
Slovenia	83,731,708	85,926,511	97.4
International	12,432,367	11,566,015	107.5
<b>Total</b>	<b>96,164,075</b>	<b>97,492,526</b>	<b>98.6</b>

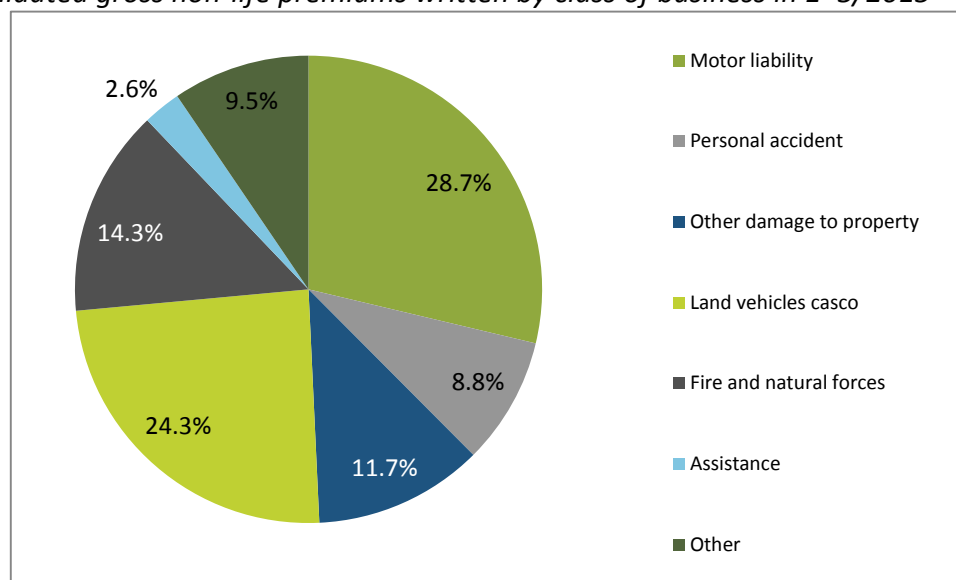
In the first quarter of 2015, Slovenian non-life insurance premiums were lower 2.6 % year-on-year as both Slovenian non-life subsidiaries wrote less business. Sava Re insurers abroad (except in Croatia) wrote more gross premiums than in the same period last year.

### Unconsolidated gross non-life premiums of Sava Re Group companies

(€)	1–3/2015	1–3/2014	Index
Zavarovalnica Maribor (non-life)	59,883,372	60,842,083	98.4
Zavarovalnica Tilia (non-life)	23,940,915	24,650,642	97.1
Sava osiguranje, Belgrade	3,149,082	2,478,179	127.1
Sava Montenegro	2,694,469	2,457,457	109.6
Sava osiguruvanje, Skopje	2,662,622	2,421,515	110.0
Illyria	2,006,369	2,001,203	100.3
Velebit osiguranje	1,920,775	2,208,477	87.0
<b>Total</b>	<b>96,257,604</b>	<b>97,059,555</b>	<b>99.2</b>

Total unconsolidated gross non-life insurance premiums decreased modestly year-on-year. The largest absolute decline in gross premiums written was recorded by Zavarovalnica Maribor (mainly due to the timing of writing business with major clients) and Zavarovalnica Tilia (loss of a few clients and renewal of certain major policies in December). In the first quarter of 2015 non-life premiums in the Slovenian insurance market dropped by 1.9 %. The Serbian non-life insurer recorded the highest absolute premium growth due to increased motor third-party liability rates on the market.

### Unconsolidated gross non-life premiums written by class of business in 1–3/2015



### Gross claims paid

#### Consolidated gross non-life claims by region

(€)	1–3/2015	1–3/2014	Index
Slovenia	36,600,386	38,882,424	94.1
International	5,112,833	4,865,209	105.1
<b>Total</b>	<b>41,713,219</b>	<b>43,747,633</b>	<b>95.3</b>

Gross claims paid for Slovenian business in the first quarter were lower due to the decline in gross claims paid of Zavarovalnica Maribor (in 1–3/2014 claims from ice damage). Zavarovalnica Tilia recorded a rise in motor third-party liability claims. International gross claims paid were higher primarily due to the increase in claims of the Serbian insurer (mostly in motor third-party liability).



### *Unconsolidated gross non-life claims paid of Sava Re Group companies*

(€)	1–3/2015	1–3/2014	Index
Zavarovalnica Maribor (non-life)	25,880,236	29,630,998	87.3
Zavarovalnica Tilja (non-life)	10,871,311	8,996,915	120.8
Sava osiguranje, Belgrade	1,419,885	1,064,790	133.3
Illyria	994,494	1,196,332	83.1
Sava osiguruvanje, Skopje	1,176,488	1,107,995	106.2
Sava Montenegro	826,297	786,481	105.1
Velebit osiguranje	720,743	808,845	89.1
Total	41,889,455	43,592,355	96.1

Most Group companies improved their gross paid loss ratios for non-life business.

### *Operating expenses*

#### *Consolidated operating expenses; non-life insurance business*

(€)	1–3/2015	1–3/2014	Index
Acquisition costs	5,775,610	5,221,100	110.6
Change in deferred acquisition costs (+/-)	-1,355,521	-965,646	140.4
Other operating expenses	19,079,101	18,611,568	102.5
Gross operating expenses	23,499,190	22,867,022	102.8
Income from reinsurance commission	-791,455	-896,570	88.3
Net operating expenses	22,707,735	21,970,452	103.4

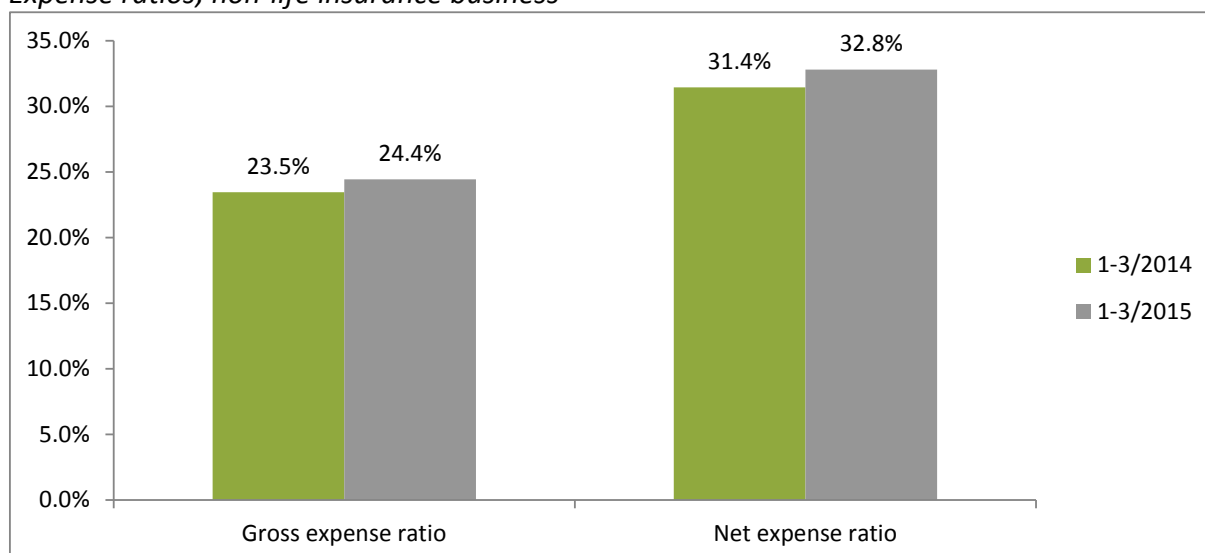
Total gross operating expenses of non-life insurance rose marginally as a result of the growth of acquisition costs (premium growth in certain markets) and other operating costs (specifically, the timing of pay for annual leave and the establishing of provisions for employees in Zavarovalnica Maribor).

Consolidated gross expenses (net of changes in deferred acquisition costs) of non-life insurance grew by 4.3 %, while gross premiums written were lower by 1.4 %. The ratio of expenses to premiums deteriorated in 1–3/2015 year-on-year. In addition to the reasons given above, the ratio of premiums to expenses is affected by diverse timing of premium payment by large clients of Zavarovalnica Maribor.

#### *Unconsolidated gross non-life operating expenses of Sava Re Group companies*

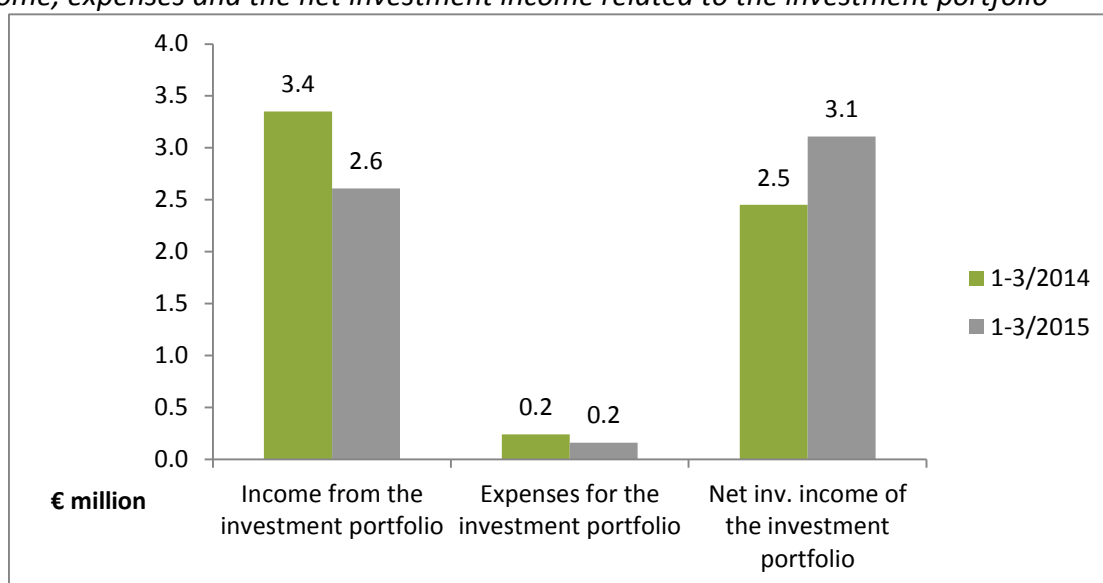
(€)	1–3/2015	1–3/2014	Index
Zavarovalnica Maribor (non-life)	12,938,105	12,274,628	105.4
Zavarovalnica Tilja (non-life)	5,224,892	5,328,013	98.1
Other Group insurers	5,315,665	5,219,215	101.8

### Expense ratios; non-life insurance business



### Net investment income






#### Income, expenses and the net investment income related to the investment portfolio



The net investment income of the investment portfolio of non-life insurance business declined by € 0.7 million year-on-year. The deteriorated net investment income is mainly due to lower interest income (€ -0.4 million) and lower realized gains on the sale of investments (€ -0.5 million).

### 3.3 Life insurance business

The life insurance segment comprises the operations of the following companies:

-  Zavarovalnica Maribor, life business
-  Zavarovalnica Tilia, life business
-  Sava životno osiguranje
-  Illyria Life
-  Velebit životno osiguranje

#### *Gross premiums written*

##### *Consolidated gross life insurance premiums by region*

(€)	1–3/2015	1–3/2014	Index
Slovenia	20,289,106	21,188,912	95.8
International	1,277,993	1,334,636	95.8
<b>Total</b>	<b>21,567,099</b>	<b>22,523,548</b>	<b>95.8</b>

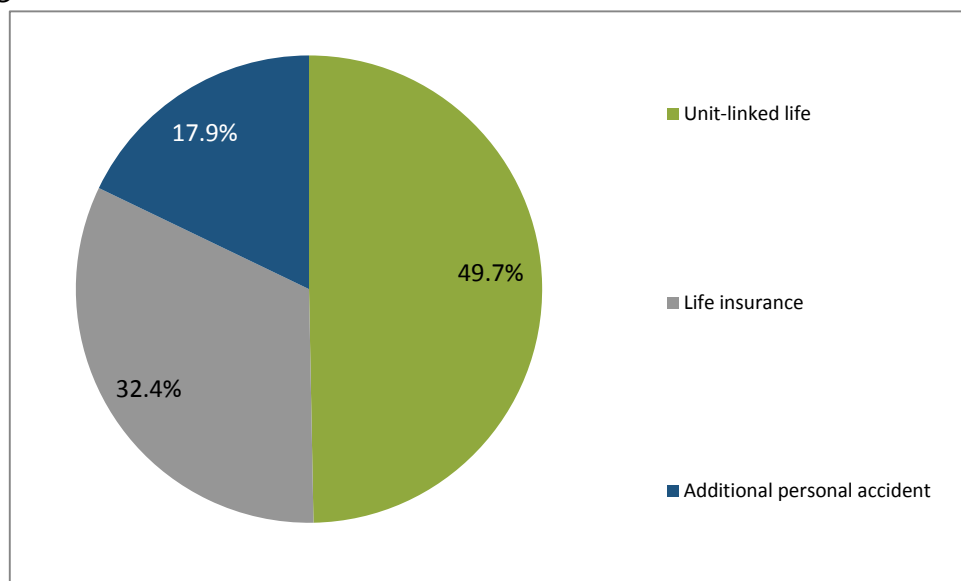
Life insurance premiums from Slovenia were lower in both Zavarovalnica Tilia as well as in Zavarovalnica Maribor. Premiums were lower because new business was not sufficient to offset expired business (through maturity or terminations). Both insurers recorded a decline in premiums larger than the local life insurance market, which shrank by 0.43 %.

Gross premiums written by Group life insurance companies outside Slovenia declined only in the Kosovan life insurer, while they increased in Croatia and Serbia.

##### *Unconsolidated gross life premiums written by Sava Re Group companies*

(€)	1–3/2015	1–3/2014	Index
Zavarovalnica Maribor (life)	18,254,431	19,006,268	96.0
Zavarovalnica Tilia (life)	2,034,675	2,755,689	73.8
Velebit životno osiguranje	654,239	614,169	106.5
Illyria Life	341,311	450,684	75.7
Sava životno osiguranje	282,529	269,782	104.7
<b>Total</b>	<b>21,567,185</b>	<b>23,096,592</b>	<b>93.4</b>

*Unconsolidated gross life insurance premiums by class of business  
1–3/2105*



*Gross claims paid*

*Consolidated gross life insurance premiums by region*

(€)	1–3/2015	1–3/2014	Index
Slovenia	12,349,644	11,918,660	103.6
International	264,940	183,098	144.7
<b>Total</b>	<b>12,614,584</b>	<b>12,101,758</b>	<b>104.2</b>

The growth in gross claims paid relating to Slovenian business is due to increased claims by Zavarovalnica Maribor (more surrenders and maturities); Zavarovalnica Tilia recorded a decline in gross claims paid. International gross claims paid rose in all non-Slovenian Group companies.

*Unconsolidated gross claims paid for life business by Sava Re Group companies*

(€)	1–3/2015	1–3/2014	Index
Zavarovalnica Maribor (life)	10,672,221	10,191,616	104.7
Zavarovalnica Tilia (life)	1,677,423	2,043,787	82.1
Sava životno osiguranje	119,768	57,827	207.1
Illyria Life	47,966	36,241	132.4
Velebit životno osiguranje	97,206	89,030	109.2
<b>Total</b>	<b>12,614,584</b>	<b>12,418,501</b>	<b>101.6</b>

## Operating expenses

### Consolidated operating expenses; life insurance business

(€)	1–3/2015	1–3/2014	Index
Acquisition costs	1,578,601	1,854,962	85.1
Change in deferred acquisition costs (+/-)	-30,202	207,498	-14.6
Other operating expenses	3,676,113	3,647,146	100.8
Gross operating expenses	5,224,512	5,709,606	91.5
Income from reinsurance commission	-1,393	-4,795	29.1
Net operating expenses	5,223,119	5,704,811	91.6

Acquisition costs dropped due to lower premiums written.

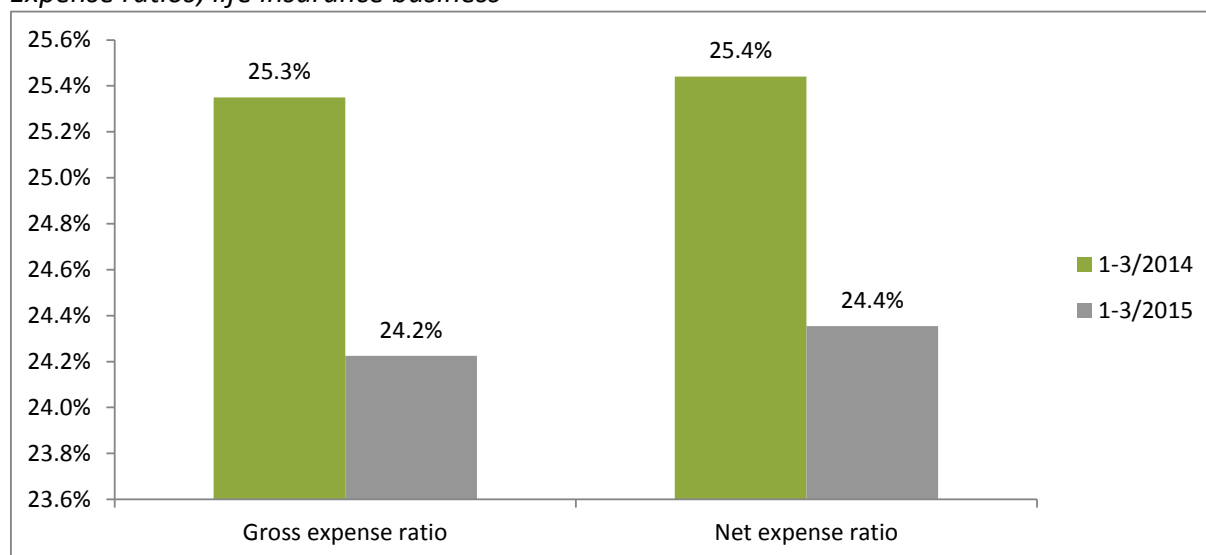
Other operating costs for the first quarter of 2015 were approximately on the same level year-on-year.

Consolidated gross expenses in 1–3/2015 (excluding changes in deferred acquisition costs) as a percentage of premiums remained on the same level year-on-year.

### Unconsolidated gross life operating expenses of Sava Re Group companies

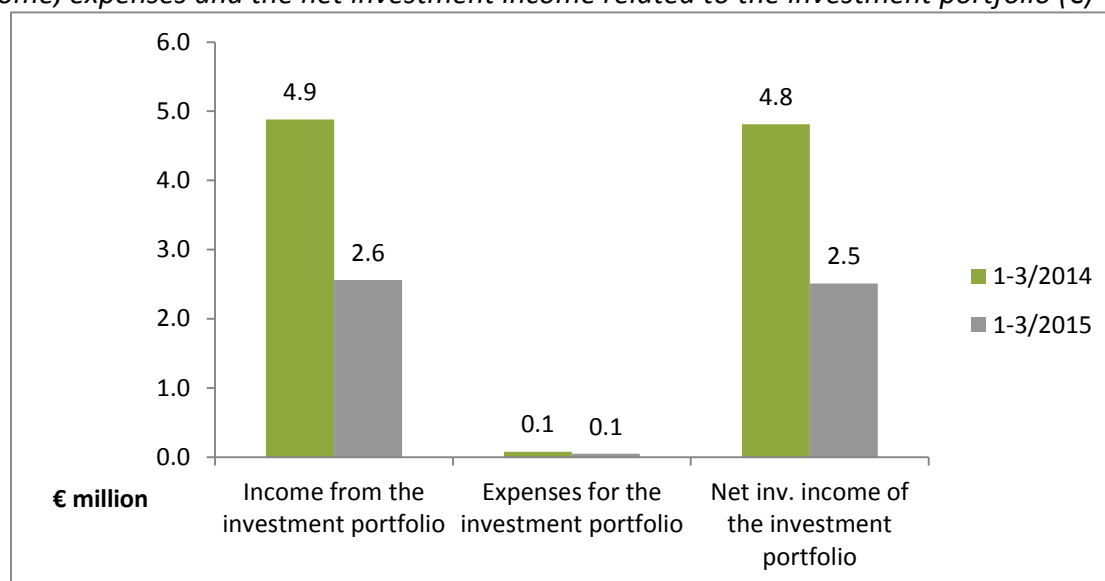
(€)	1–3/2015	1–3/2014	Index
Zavarovalnica Maribor (life)	3,771,120	4,050,285	93.1
Zavarovalnica Tilia (life)	564,650	512,283	110.2
Other Group insurers	754,774	805,892	93.7

### Expense ratios; life insurance business



## Net investment income

Income, expenses and the net investment income related to the investment portfolio (€)



The net investment income of the investment portfolio of life insurance business declined by € 2.3 million year-on-year. The net investment income declined mainly due to lower interest income (€ -0.5 million) and lower realized gains on the sale of investments (€ -1.8 million).

## 4 FINANCIAL POSITION OF THE SAVA RE GROUP

At 31 March 2015, total assets of the Sava Re Group stood at € 1,535.9 million, an increase of 5.7 % over year-end 2014. Below we set out items of assets and liabilities in excess of 10 % of total assets/liabilities at 31 March 2015.

### 4.1 Assets

#### *Consolidated total assets by type*

(€)	31/03/2015	AS % of total at 31/03/2015	31/12/2014	AS % of total at 31/12/2014
<b>ASSETS</b>	<b>1,535,921,220</b>	<b>100.0 %</b>	<b>1,454,374,935</b>	<b>100.0 %</b>
Intangible assets	34,276,782	2.2 %	34,940,960	2.4 %
Property and equipment	44,649,280	2.9 %	44,473,638	3.1 %
Deferred tax assets	1,417,105	0.1 %	1,202,381	0.1 %
Investment property	5,051,057	0.3 %	5,103,325	0.4 %
Financial investments in associates	3,201,357	0.2 %	3,072,497	0.2 %
Financial investments	998,365,613	65.0 %	974,668,382	67.0 %
Funds for the benefit of policyholders who bear the investment risk	219,709,602	14.3 %	202,913,059	14.0 %
Reinsurers' share of technical provisions	42,653,059	2.8 %	38,672,645	2.7 %
Receivables	159,470,826	10.4 %	124,395,153	8.6 %
Deferred acquisition costs	19,240,891	1.3 %	17,489,101	1.2 %
Other assets	2,152,282	0.1 %	1,351,244	0.1 %
Cash and cash equivalents	5,291,113	0.3 %	5,643,200	0.4 %
Non-current assets held for sale	442,253	0.0 %	449,350	0.0 %

#### **4.1.1 Financial investments and financial investments in associates (investment portfolio)**

The investment portfolio consists of the following statement of financial position items: financial investments, investments in associates, investment property and cash.

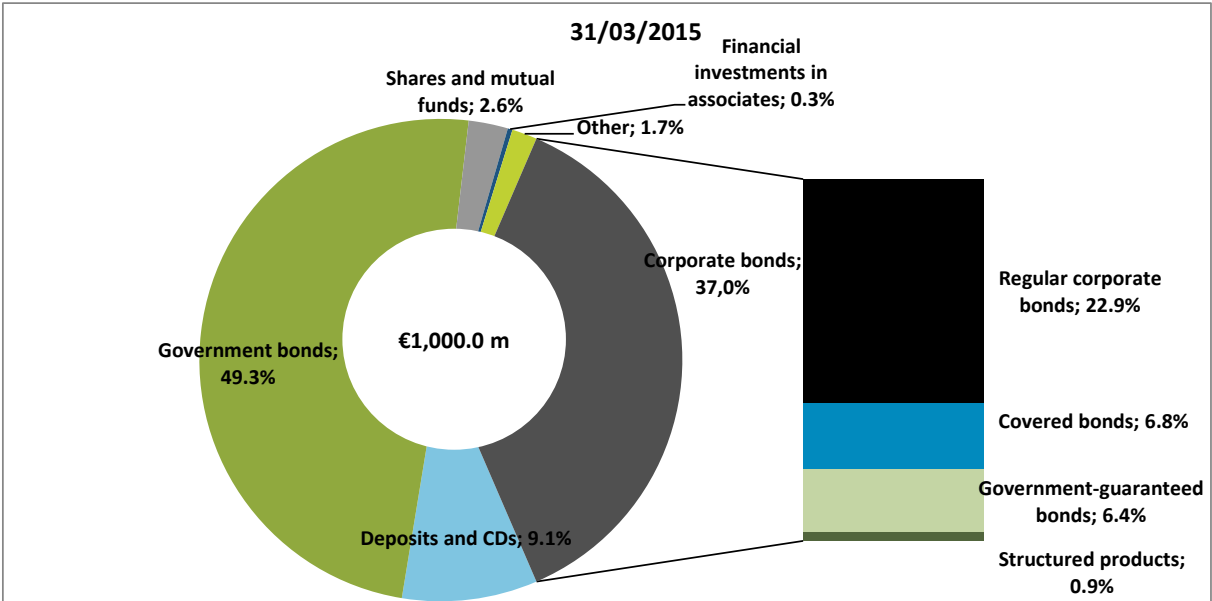
#### *Sava Re Group investment portfolio by class of asset*

(€)	31/03/2015	31/12/2014	Nominal change	Index
Deposits and CDs	91,756,664	95,569,619	-3,812,955	89.8
Government bonds	498,451,185	486,946,870	+11,504,315	103.4
Corporate bonds	374,803,480	358,991,267	+15,812,213	101.1
Shares	21,505,682	21,030,349	+475,333	98.4
Mutual funds	5,147,886	5,671,611	-523,725	78.6
Loans granted and other	979,634	871,156	+108,478	108.6
Deposits with cedants	5,721,082	5,587,510	+133,572	102.4
<b>Total financial investments</b>	<b>998,365,613</b>	<b>974,668,382</b>	<b>+23,697,231</b>	<b>100.9</b>
Financial investments in associates	3,201,357	3,072,497	+128,860	111.0
Investment property	5,051,057	5,103,325	-52,268	82.2
Cash and cash equivalents	5,291,113	5,643,200	-352,087	0.0
<b>Total investment portfolio</b>	<b>1,011,909,140</b>	<b>988,487,404</b>	<b>+23,421,736</b>	<b>101.3</b>
Investments for the benefit of life-insurance policyholders who bear the investment risk	219,709,602	202,913,059	+16,796,543	109.0

In the first quarter the Group investment portfolio grew by € 23.4 million to € 1.0 billion at 31 March 2015.

- The increase of the investment portfolio is due to:
- + cash flow from (re)insurance business totalling € 7.7 million;
  - + net exchange differences (the exposure largely relates to Sava Reinsurance Company) totalling € 5.5 million;
  - + change in fair value reserve of € 4.4 million;
  - + change in accrued interest totalling € 6.1 million;
  - interest relating to financing of € 0.3 million.

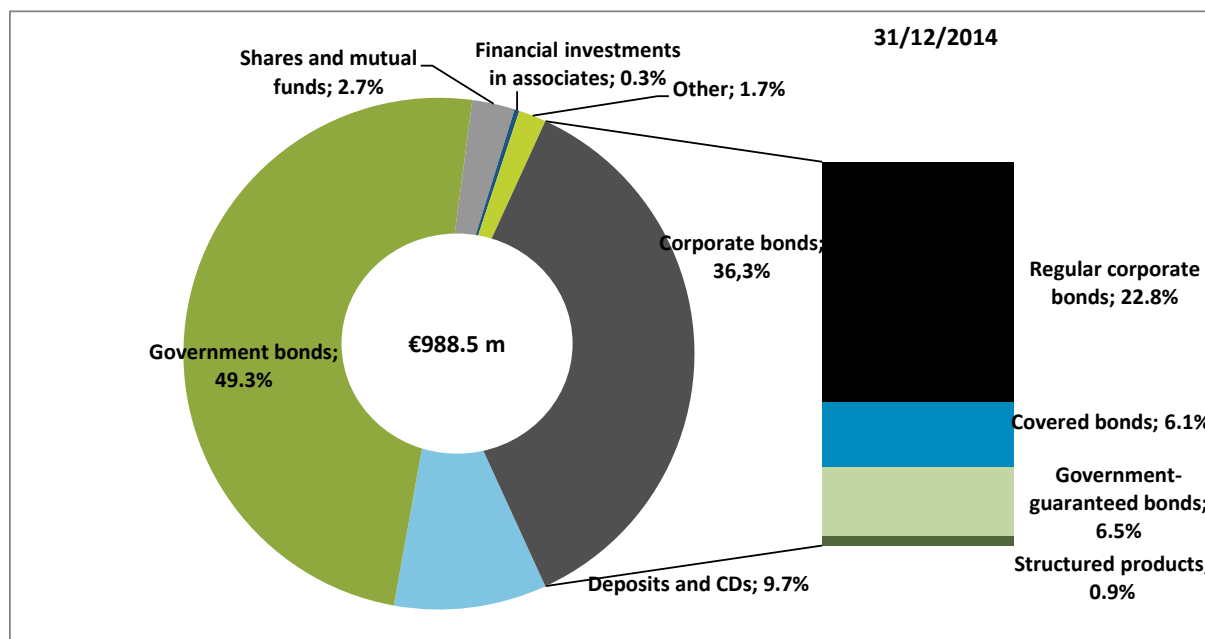
*Composition of investments at 31 March 2015*



Compared to the end of last year, the main change in the composition of the investment portfolio was an increased proportion of corporate bonds with no significant changes within this asset type. There was only a marginal increase in covered bonds (+0.7 percentage points), which accounted for 6.8 % of the investment portfolio at 31 March 2015. The largest type of corporate bonds are still regular corporate bonds, accounting for 22.9 % of the investment portfolio.



## Composition of investments at 31 December 2014



### 4.1.2 Funds for the benefit of policyholders who bear the investment risk

Funds for the benefit of policyholders who bear the investment risk is a major asset item. Compared to 31 December 2014, these funds increased by 8.3 %, or € 16.8 million, to € 219.7 million at 31 March 2015. Three Group companies market life products where the investment risk is borne by policyholders: Zavarovalnica Maribor, Zavarovalnica Tilia and Velebit životno osiguranje. At 31 March 2015, funds for the benefit of policyholders who bear the investment risk relating to Zavarovalnica Maribor totalled € 183.4 million (31 December 2014: € 169.8 million), funds relating to Zavarovalnica Tilia € 36.3 million (31 December 2014: € 33.1 million), while such funds of Velebit životno osiguranje are negligible.

### 4.1.3 Receivables

Receivables, the third largest assets item, increased by 28.2 % or € 35.1 million compared to year-end 2014. This asset type also increased in relative terms.

This increase was a result of both an increase in receivables arising out of primary insurance business as well as an increase in receivables arising out of reinsurance and coinsurance business. Receivables arising out of primary insurance business increased by € 17.5 million due to the annual renewal of insurance contracts with legal entities. Receivables from reinsurance and coinsurance business rose by € 16.2 million as a result of the annual renewal of reinsurance contracts with cedants and the dynamics of assessing reinsurance business.

## 4.2 Liabilities

### Consolidated equity & liabilities by type

(€)	31/03/2015	AS % of total at 31/03/2015	31/12/2014	AS % of total at 31/12/2014
<b>EQUITY AND LIABILITIES</b>	<b>1,535,921,220</b>	<b>100.0 %</b>	<b>1,454,374,935</b>	<b>100.0 %</b>
Equity	284,425,735	18.5 %	271,528,623	18.7 %
Share capital	71,856,375	4.7 %	71,856,376	4.9 %
Capital reserves	44,412,669	2.9 %	44,638,799	3.1 %
Profit reserves	115,312,768	7.5 %	115,146,336	7.9 %
Treasury shares	-10,247,024	-0.7 %	-10,115,023	-0.7 %
Fair value reserve	22,890,755	1.5 %	18,448,741	1.3 %
Retained earnings	32,028,222	2.1 %	15,652,780	1.1 %
Net profit/loss for the period	9,830,447	0.6 %	17,474,558	1.2 %
Translation reserve	-3,448,920	-0.2 %	-3,489,433	-0.2 %
Equity attributable to owners of the controlling company	282,635,292	18.4 %	269,613,133	18.5 %
Non-controlling interest in equity	1,790,443	0.1 %	1,915,490	0.1 %
Subordinated liabilities	28,707,999	1.9 %	28,699,692	2.0 %
Technical provisions	906,443,206	59.0 %	869,982,633	59.8 %
Technical provision for the benefit of life insurance policyholders who bear the investment risk	210,249,318	13.7 %	195,684,631	13.5 %
Other provisions	7,719,254	0.5 %	6,940,650	0.5 %
Deferred tax liabilities	7,084,881	0.5 %	5,749,180	0.4 %
Other financial liabilities	79,310	0.0 %	78,870	0.0 %
Liabilities from operating activities	65,677,085	4.3 %	49,364,797	3.4 %
Other liabilities	25,534,432	1.7 %	26,345,859	1.8 %

\*Net profit for the period in the table differs from the net profit for the period given in the income statement due to own shares and the strengthening of credit and catastrophe risk equalization reserves.

#### 4.2.1 Technical provisions

Gross technical provisions are the largest item of liabilities. The figure at 31 March 2015 was an increase of 4.2 % or € 36.5 million compared to year-end 2014. The largest increase was in unearned premiums (€ 33.8 million) as a result of underwriting trends during the year.

Gross provisions of the reinsurance segment increased by 10.7 % or € 13.8 million compared to year-end 2014, mainly as a result of seasonal trends in unearned premiums (an increase of € 13.1 million). The movement in claims provisions (increase of 0.7 %) is a result of two effects that chiefly offset each other:

- the reduction of claims provisions because of claim payments relating to previous underwriting years and positive run-off development,
- and increase due to exchange differences of € 6.4 million, which is largely matched against the movements of the investment portfolio.

The gross technical provisions attributable to the non-life insurance segment recorded an increase of 4.6 % or € 21.6 million compared to year-end 2014. The largest increase was in unearned premiums (€ 20.7 million).

The gross provision for traditional life policies increased by 0.4 % compared with year-end 2014. The bulk of new business comprises unit-linked life insurance; therefore, provisions for

the benefit of policyholders who bear the investment risk increased by 7.4 % or € 14.6 million compared to year-end 2014.

*Movements in consolidated gross technical provisions*

(€)	31/03/2015	31/12/2014	Index
Gross unearned premiums	181,996,881	148,169,690	122.8
Gross mathematical provisions	256,726,859	256,292,141	100.2
Gross provision for claims	457,416,735	454,759,004	100.6
Gross provision for bonuses, rebates and cancellations	686,371	854,819	80.3
Other gross technical provisions	9,616,360	9,906,979	97.1
Gross technical provisions	906,443,206	869,982,633	104.2
Gross technical provisions for the benefit of policyholders who bear the investment risk (UL)	210,249,318	195,684,631	107.4
Gross technical provisions, including UL	1,116,692,524	1,065,667,264	104.8

#### 4.2.2 Equity

The second largest item on the liabilities side is equity, which increased by 4.7 % or € 12.9 million from year-end 2014. The increase in equity is mainly due to the fair value reserve of € 4.4 million (positive trends in capital markets) and the net profit for the period of € 9.8 million.

#### 4.2.3 Technical provision for the benefit of life insurance policyholders who bear the investment risk

Technical provisions for the benefit of policyholders who bear the investment risk at 31 March 2015 grew by 7.4 % or € 14.6 million compared to year-end 2014. These provisions move in line with assets of policyholders who bear the investment risk.

### 4.3 Insolvency risk

Sava Reinsurance Company meets capital adequacy requirements and so do all its subsidiary companies under local regulations. At 31 March 2015 the available solvency margin of Sava Reinsurance Company exceeded the required solvency margin by € 34.6 million. Sava Reinsurance Company's surplus of available solvency margin over the required solvency margin increased by € 5.2 million compared to 31 December 2014.

The solvency ratio stood at 226.8 % at year-end 2014 and at 248.5 % at 31 March 2015.

#### *Statement of capital adequacy for Sava Reinsurance Company*

(€)		31/03/2015	31/12/2014
<b>CORE CAPITAL (Article 106 of the Slovenian Insurance Act ("ZZavar"))</b>			
Paid-up share capital, other than paid-up share capital arising from cumulative preference shares, or initial capital	1	71,856,376	71,856,376
Capital reserves, other than capital reserves arising from cumulative preference shares	2	54,239,757	54,239,757
Profit reserves, other than the reserves for credit and catastrophe risk equalisation	3	105,263,681	105,131,679
Net profit brought forward from previous years	4	21,835,624	15,713,039
Fair value reserve relating to assets not financed from technical provisions	5	1,474,758	1,332,577
Treasury shares and own interests	6	10,247,024	10,115,024
Intangible assets	7	585,443	467,422
<b>Core capital (1 + 2 + 3 + 4 + 5 – 6 – 7)</b>	<b>8</b>	<b>243,837,729</b>	<b>237,690,982</b>
<b>Guarantee fund</b>	<b>9</b>	<b>7,768,743</b>	<b>7,725,010</b>
<b>Compliance with Article 106 (4) of the ZZavar (8 – 9)</b>	<b>10</b>	<b>236,068,986</b>	<b>229,965,972</b>
<b>ADDITIONAL CAPITAL (Article 107 of the ZZavar)</b>			
Subordinated debt instruments	11	5,826,557	5,793,758
<b>Additional capital (15), however not more than 50 % of the lower of core capital and required solvency margin</b>	<b>12</b>	<b>5,826,557</b>	<b>5,793,758</b>
<b>AVAILABLE SOLVENCY MARGIN AND STATEMENT OF CAPITAL ADEQUACY (Article 108 of the ZZavar)</b>			
Total of core and additional capital (8 + 12)	13	249,664,286	243,484,740
Participations within the meaning of Article 108(1), point 1 of the ZZavar	14	190,223,829	189,382,854
Participations within the meaning of Article 108(2), point 1 of the ZZavar	15	1,534,952	1,534,952
<b>Available solvency margin of insurer (13 – 14 – 15)</b>	<b>16</b>	<b>57,905,505</b>	<b>52,566,934</b>
<b>Required solvency margin</b>	<b>17</b>	<b>23,306,230</b>	<b>23,175,032</b>
<b>Surplus/deficit of available solvency margin (16 – 17)</b>	<b>18</b>	<b>34,599,275</b>	<b>29,391,902</b>

### 4.4 Capital structure

At 31 March 2015, the Sava Re Group held € 284.4 million of equity, € 28.7 million of subordinated liabilities and € 79,310 of other financial liabilities. Thus debt accounted for 9.2 % of total equity.

Subordinated liabilities mainly relate to the subordinated debt of Sava Reinsurance Company taken out to expand to the Western Balkans. Zavarovalnica Maribor also holds subordinated debt, in the amount of € 5.2 million.

#### 4.5 Cash flow

Net cash from operating activities of the Sava Re Group in the period 1–3/2015 totalled € 14.4 million (1–3/2014: € 10.8 million).

Net cash from investing activities of € 13.4 million reflects the positive cash flow of the Group.

Net disbursements used in financing activities of the Sava Re Group in the period 1–3/2015 totalled € 1.3 million (1–3/2014: € 13.1 million). In the first quarter of 2015, net disbursements used in financing activities were a result of (i) the payment of interest on subordinated debt and (ii) cost of equity stakes acquired in the Croatian Group companies with cross-ownership arrangements.

#### 4.6 Credit ratings of Sava Reinsurance Company

Sava Reinsurance Company has two credit ratings, one from Standard & Poor's and one from A.M. Best.

##### Credit ratings of Sava Reinsurance Company

Agency	Rating <sup>2</sup>	Outlook	Latest review
Standard & Poor's	BBB+	stable	July 2014: affirmed existing rating
A.M. Best	A–	stable	October 2014: affirmed existing rating

A summary of the two reports is posted on the Company's website: [www.sava-re.si](http://www.sava-re.si).

<sup>2</sup> Credit rating agency Standard & Poor's uses the following scale for assessing financial strength: AAA (extremely strong), AA (very strong), A (strong), BBB (adequate), BB (less vulnerable), B (more vulnerable), CCC (currently vulnerable), CC (highly vulnerable), R (under regulatory supervision), SD (selectively defaulted), D (defaulted), NR (not rated). Plus (+) or minus (–) following the credit rating from AA to CCC indicates the relative ranking within the major credit categories.

## 5 PERSONNEL

### *Employment figures for Group members*

	31/03/2015	31/12/2014	Change
Zavarovalnica Maribor	752.54	767.18	-14.64
Zavarovalnica Tilia	366.51	368.62	-2.11
Sava osiguranje, Belgrade	297.00	293.50	3.50
Illyria	220.00	171.00	49.00
Sava osiguruvanje, Skopje	168.75	162.00	6.75
Velebit osiguranje	135.89	146.13	-10.24
Illyria Life	142.00	137.00	5.00
Sava Montenegro	142.00	135.75	6.25
Sava Reinsurance Company	79.75	78.63	1.13
Sava životno osiguranje	70.50	71.00	-0.50
Velebit životno osiguranje	60.51	65.01	-4.50
Sava Car	31.25	28.50	2.75
Montagent	19.50	18.00	1.50
Sava stejšn	3.25	0.00	3.25
<b>Total</b>	<b>2,489.45</b>	<b>2,442.32</b>	<b>43.88</b>

The table above shows the number of employees calculated on a full-time equivalent basis. The number of employees in the Group is subject to fluctuations mainly due to fluctuation in the agency network. The change in the number of employees in Illyria is a result of the change in the measurement method applied.

## 6 RISK MANAGEMENT

The most important risks that Group members are exposed to are underwriting risks, market risks, insolvency risk, credit risk and operational risks.

### 6.1 Underwriting risks

All Group subsidiaries assume risks from policyholders and mostly transfer excess risks to Sava Reinsurance Company. Sava Reinsurance Company also assumes risks from other cedants; any excess is retroceded to other reinsurers.

In terms of underwriting process risk, losses may be incurred because Sava Re Group members incorrectly select or approve risks to be assumed for (re)insurance. This risk is mitigated mainly by complying with established and prescribed underwriting procedures; correctly determining the probable maximum loss (PML) for each risk; complying with underwriting guidelines and instructions; complying with the authorization system; having in place an appropriate pricing and reinsurance policy; and through actuarial reviews. Underwriting risks in excess of the Group's capacity are also reduced through retrocession contracts.

The pricing risk is monitored by Sava Re Group members by conducting actuarial analyses of loss ratios and identifying their trends and by making appropriate corrections. When premium rates are determined for new products, the pricing risk can be monitored by

prudently modelling loss experience, by comparing against others' experience, and by comparing the actual loss experience against estimates.

Claims risk is managed by appropriate (re)insurance conditions and pricing, adequate underwriting, controlling risk concentration, and especially adequate reinsurance programmes for subsidiaries and an adequate retrocession programme for Sava Reinsurance Company.

Sava Re Group members mitigate net retention risk by setting appropriate maximum net retention limits and by designing adequate reinsurance or retrocession programmes. In managing these risks, due consideration is given to the fact that maximum net aggregate losses in any one year are affected both by the maximum net claim arising from a single catastrophe event as well as by the frequency of such events.

Sava Re Group members manage reserving risk by comparing historic reserving figures with actual amounts, by applying the latest actuarial methods and by adopting a prudent approach in setting the levels of technical provisions.

Retrocession programme: The Group concludes reciprocal contracts with other reinsurers to further disperse underwriting risks.
































## 6.2 Financial risks

In the course of their financial operations, individual Group companies are exposed to financial risks, such as market risk, liquidity risk and credit risk.

Insurers are not exposed to the investment risk relating to the life insurance business fund for which policyholders define the investment policy and also fully assume any financial risks. For this reason, these assets are excluded from the below discussion of financial risks.

### 6.2.1 Market risks

#### *Own estimate of changes in risk*

Type of investment	31.03.2015	31.12.2014	Absolute difference 31/03/2015 & 31/12/2014	Market risks			Liquidity risk	Credit risk
				Interest rate risk	Equity risk	Currency risk		
Deposits and CD's	91,756,664	95,569,619	-3,812,955					
Government bonds	498,451,185	486,946,870	11,504,315					
Corporate bonds	374,803,480	358,991,267	15,812,213					
Shares	21,505,682	21,030,349	475,333					
Mutual funds	5,147,886	5,671,611	-523,725					
bond and money market	1,889,521	2,267,493	-377,972					
mixed	0	0	0					
equity	3,258,365	3,404,118	-145,753					
Other financial investments	979,634	871,156	108,478					
Deposits with cedants	5,721,082	5,587,510	133,572					
<b>Total financial investments</b>	<b>998,365,613</b>	<b>974,668,382</b>	<b>23,697,231</b>					
<b>Legend</b>								
Low risk		Neutral risk 		High risk 				

In the first quarter, the value of assets sensitive to financial risks increased by € 23.7 million. The table below shows the changes in own risk assessments at year-end 2014 as a result of structural changes in financial investments discussed in greater detail below.

#### 6.2.1.1 Interest rate risk

***Interest rate risk is the risk of exposure to losses resulting from fluctuations in interest rates. These can cause a decrease in investments or an increase in liabilities.***

Interest rate risk is measured through a sensitivity analysis, by observing the change in the value of investments in bonds or the value of mathematical provisions if interest rates change by two percentage points. The analysed investments do not include held-to-maturity bonds as they are measured at amortised cost.

#### **Non-life insurance interest rate risk**

At 31 March 2015 interest-sensitive assets totalled € 497.2 million, an increase of € 29.0 million over 31 December 2014.

The sensitivity analysis at 31 March 2015 showed that in the event of an upward shift in the interest rate curve by 200 basis points, the value of non-life insurance investments would have dropped by € 26.9 million or 5.4 % (31 December 2014: € 21.7 million or 4.6 %).

#### **Life insurance interest rate risk**

At 31 March 2015 interest-sensitive assets totalled € 219.1 million, an increase of € 5.1 million over 31 December 2014.

The sensitivity analysis at 31 March 2015 showed that in the event of an upward shift in the interest rate curve by 200 basis points, the value of life insurance investments would have dropped by € 14.1 million or 6.4 % (31 December 2014: € 12.7 million or 5.9 %).

#### 6.2.1.2 Equity risk

***Equity risk is the risk that the value of investments will decrease due to fluctuations in equity markets.***

Equity risk is measured through a stress test assuming a 10-percent drop in equity prices. Equity risk affects shares, equity mutual funds and mixed mutual funds (in stress tests, we include half of the amount).

In case of a 10 % drop in the market prices of equity securities at 31 March 2015, the value of investments would have decreased by € 2.5 million (31 December 2014: € 2.6 million).

#### 6.2.1.3 Currency risk

***Currency risk is the risk that changes in exchange rates will decrease foreign investments or increase liabilities denominated in foreign currencies.***



The Sava Re Group manages currency risk through the efforts of each Group member to optimize asset-liability currency matching. Sava Reinsurance Company is the Sava Re Group member with the largest exposure to currency risk due to its increased international presence. Group companies whose local currency is the euro (companies based in Slovenia, Montenegro and Kosovo) have all liabilities and investments denominated in euro, meaning that these companies are not affected by currency risk. Other Group companies whose local currency is not the euro, transact most business in their respective local currencies, while due to Group relations, they are to a minor extent subject to euro-related currency risk and translation risk in respect to equity.

Sava reduces its currency risk by matching assets and liabilities denominated in foreign currencies. Currency matching is performed based on the accounting currency<sup>3</sup>, only if capital markets are not available in the accounting currency, it is performed based on transaction currency<sup>4</sup>.

The tables below show currency matching of Sava Reinsurance Company with effects on the statement of financial position and profit and loss statement.

*Currency matching of assets and liabilities at 31 March 2015*

Currency	Assets	Liabilities	Mismatch	% of matched liabilities
<b>Euro (€)</b>	<b>500,243,501</b>	<b>489,701,458</b>		
<b>Foreign currencies</b>	<b>91,116,848</b>	<b>101,658,891</b>	<b>10,542,043</b>	<b>89.6</b>
US dollar (USD)	47,784,557	48,568,705	784,147	98.4
Korean won (KRW)	12,314,742	12,901,930	587,188	95.4
Chinese yuan (CNY)	8,331,406	8,569,088	237,682	97.2
Indian rupee (INR).	6,847,586	7,304,983	457,397	93.7
Russian ruble (RUB)	4,022,600	4,608,305	585,705	87.3
Other	11,815,957	19,705,881	7,889,924	60.0
	<b>591,360,349</b>	<b>591,360,349</b>	<b>0</b>	<b>100</b>
<b>% of currency matched liabilities</b>				<b>98.2 %</b>

The Company managed to directly match assets and liabilities in most foreign currencies with a mismatch of over € 2 million. At 31 March 2015, the Company had a surplus of assets over liabilities in US dollar. This surplus was due to asset-liability management practices where the company ties to the US dollars a number of foreign currencies that are at least 90 % correlated with the US dollar. When these correlations are taken into account, the surplus of assets over liabilities in US dollar is reduced to € 0.8 million.

Currency mismatch also affects the income statement of Sava Reinsurance Company through accounting for exchange differences due to the impact of exchange rate changes on various statement of financial position items.

When assets and liabilities are 100 % matched in terms of foreign currencies, changes in foreign exchange rates have no impact on profit or loss. This is because any change in the value of assets denominated in a foreign currency due to a change in the exchange rate is offset by the change in the value of liabilities denominated in that foreign currency. As Sava

<sup>3</sup> The accounting currency is a local currency used in the accounting documentation. Reinsurance contracts may be accounted for in various accounting currencies. Generally, this is the currency of liabilities and receivables in relation to the cedant, and hence also the reinsurer.

<sup>4</sup> The transaction currency is the currency in which reinsurance contract transactions are processed.

Reinsurance Company's assets and liabilities are 98.2 % currency matched, changes in foreign exchange rates do affect profit or loss. The table below shows the impact of foreign currency differences.

*Effect of foreign exchange differences on the income statement*

Statement of financial position item Euro (€)	Foreign exchange differences	
	1–12/2014	1–3/2015
Investments	2,136,691	5,553,837
Technical provisions and deferred commissions	-2,084,979	-6,803,242
Receivables and liabilities	135,572	733,568
<b>Total effect on the income statement</b>	<b>187,284</b>	<b>-515,837</b>

## 6.2.2 Credit risk

***Credit risk is the risk that issuers or other counterparties will fail to meet their obligations to the Company.***

The Group mitigates credit risk by investing in highly rated debt securities. Accordingly, at 31 March 2015 a share of 81.0 % of the fixed income portfolio exposed to credit risk was rated BBB– or better ("investment grade"), and 49.8 % of investments were rated A– or better.

Credit risk due to issuer default includes concentration risk representing the risk of excessive concentration in a geographic area, economic sector or issuer.

The investment portfolio of the Sava Re Group is reasonably diversified in accordance with local law and Group internal rules in order to avoid large concentration of a certain type of investment, large concentration with any counterparty or economic sector or other potential forms of concentration. We consider that concentration risk did not change significantly compared to year-end 2014.

## 6.2.3 Liquidity risk

The Group manages liquidity risk by having Group companies draw up annual liquidity plans with daily planned cash-flows (investments, reinsurance, expenses). In addition, the Group mitigates liquidity risk by diversifying the maturities of deposits that serve to meet day-to-day liquidity needs. The bond portfolio consists mainly of highly liquid and listed bonds.

In the event of large losses, so-called cash call provisions in reinsurance contracts are triggered and provide for immediate payments in the chain cedant – controlling company – retrocessionaire.

For extraordinary liquidity situations, the controlling company has arranged a credit line with a commercial bank in the total amount of € 5 million.

Sudden liquidity needs arising in any Group subsidiary could be met by the controlling company through short-term bridge loans.

### 6.3 Operational risks

Operational risk includes human capital risk, risk of business disruption and system failures, process management and execution risk, compliance risk, legal risk and such like.

Sava Re Group members mitigate operational risk by having in place adequate IT-supported procedures and controls in the most important business areas. In addition, this risk is managed through the internal audit function and through staff training.

### 6.4 Exposure to risk up until year-end 2015

We expect that in the remaining nine months of the year, the exposure of Sava Reinsurance Company and the Sava Re Group to risks will not change significantly. Due to the nature of its business, the main risks that the Group is exposed to are underwriting risks followed by market risks. The realisation of underwriting risks is fortuitous and only for certain classes of insurance seasonal. A major increase in realized risks could be expected as a result of an increased frequency of storms with massive losses or as a result of unfavourable trends in financial markets.



**SUMMARY OF SAVA RE GROUP  
FINANCIAL STATEMENTS WITH  
NOTES**



## 7 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 7.1 Unaudited consolidated statement of financial position

(€)	31/03/2015	31/12/2014
<b>ASSETS</b>	<b>1,535,921,220</b>	<b>1,454,374,935</b>
Intangible assets	34,276,782	34,940,960
Property and equipment	44,649,280	44,473,638
Deferred tax assets	1,417,105	1,202,381
Investment property	5,051,057	5,103,325
Financial investments in associates	3,201,357	3,072,497
Financial investments:	998,365,613	974,668,382
- loans and deposits	97,904,960	101,457,439
- held to maturity	157,479,895	164,317,392
- available for sale	727,685,045	692,418,016
- at fair value through profit or loss	15,295,713	16,475,535
Funds for the benefit of policyholders who bear the investment risk	219,709,602	202,913,059
Reinsurers' share of technical provisions	42,653,059	38,672,645
Receivables	159,470,826	124,395,153
Receivables arising out of primary insurance business	71,740,785	54,233,024
Receivables arising out of reinsurance and co-insurance business	75,675,505	59,502,227
Current tax assets	166,091	353,016
Other receivables	11,888,445	10,306,886
Deferred acquisition costs	19,240,891	17,489,101
Other assets	2,152,282	1,351,244
Cash and cash equivalents	5,291,113	5,643,200
Non-current assets held for sale	442,253	449,350
<b>EQUITY AND LIABILITIES</b>	<b>1,535,921,220</b>	<b>1,454,374,935</b>
Equity	284,425,735	271,528,623
Share capital	71,856,376	71,856,376
Capital reserves	44,412,669	44,638,799
Profit reserves	115,312,768	115,146,336
Treasury shares	-10,247,024	-10,115,023
Fair value reserve	22,890,755	18,448,741
Retained earnings	32,028,222	15,652,780
Net profit/loss for the period	9,830,447	17,474,558
Translation reserve	-3,448,920	-3,489,433
Equity attributable to owners of the controlling company	282,635,292	269,613,133
Non-controlling interest in equity	1,790,443	1,915,490
Subordinated liabilities	28,707,999	28,699,692
Technical provisions	906,443,206	869,982,633
Unearned premiums	181,996,881	148,169,690
Mathematical provisions	256,726,859	256,292,141
Provision for outstanding claims	457,416,735	454,759,004
Other technical provisions	10,302,731	10,761,798
Technical provision for the benefit of life insurance policyholders who bear the investment risk	210,249,318	195,684,631
Other provisions	7,719,254	6,940,650
Deferred tax liabilities	7,084,881	5,749,180
Other financial liabilities	79,310	78,870
Liabilities from operating activities	65,677,085	49,364,797
Liabilities from primary insurance business	12,158,035	11,728,377
Liabilities from reinsurance and co-insurance business	47,857,466	32,866,047
Current income tax liabilities	5,661,584	4,770,373
Other liabilities	25,534,432	26,345,859

## 7.2 Unaudited consolidated income statement

(€)	1–3/2015	1–3/2014
<b>Net earned premiums</b>	<b>111,721,324</b>	<b>106,464,352</b>
Gross premiums written	152,529,643	145,987,351
Written premiums ceded to reinsurers and co-insurers	-12,180,975	-11,738,881
Change in gross unearned premiums	-33,721,814	-33,552,800
Change in unearned premiums for the reinsurance and co-insurance part	5,094,470	5,768,682
<b>Income from investments in associates</b>	<b>88,739</b>	<b>35,092</b>
Profit from investments in equity-accounted associate companies	88,739	35,092
<b>Investment income</b>	<b>12,554,451</b>	<b>10,092,363</b>
Interest income	5,576,930	6,476,514
Other investment income	6,977,521	3,615,849
<b>Net unrealized gains on investments of life insurance policyholders who bear the investment risk</b>	<b>11,536,076</b>	<b>3,460,974</b>
<b>Other technical income</b>	<b>5,726,958</b>	<b>2,251,950</b>
Commission income	836,064	937,469
Other technical income	4,890,894	1,314,481
<b>Other income</b>	<b>2,189,980</b>	<b>1,065,747</b>
<b>Net claims incurred</b>	<b>-74,168,320</b>	<b>-64,520,819</b>
Gross claims payments less income from recourse receivables	-71,916,424	-69,728,196
Reinsurers' and co-insurers' shares	1,933,214	652,587
Change in the gross claims provision	-3,069,826	-7,070,011
Change in the provision for outstanding claims for the reinsurance and co-insurance part	-1,115,284	11,624,801
<b>Change in other technical provisions</b>	<b>-434,036</b>	<b>-2,741,430</b>
<b>Change in technical provisions for policyholders who bear the investment risk</b>	<b>-14,162,829</b>	<b>-4,750,063</b>
<b>Expenses for bonuses and rebates</b>	<b>62,549</b>	<b>-75,178</b>
<b>Operating expenses</b>	<b>-35,270,754</b>	<b>-33,282,279</b>
Acquisition costs	-13,726,798	-10,907,856
Change in deferred acquisition costs	2,831,614	1,271,867
Other operating expenses	-24,375,570	-23,646,290
<b>Expenses for financial assets and liabilities</b>	<b>-1,212,996</b>	<b>-1,474,442</b>
Impairment losses on financial assets not at fair value through profit or loss	-1,036	-27,345
Interest expense	-328,227	-375,338
Other investment expenses	-883,733	-1,071,759
<b>Net unrealized losses on investments of life insurance policyholders who bear the investment risk</b>	<b>-259,106</b>	<b>-2,536,409</b>
<b>Other technical expenses</b>	<b>-6,042,130</b>	<b>-4,268,776</b>
<b>Other expenses</b>	<b>-445,792</b>	<b>-370,462</b>
Profit/loss before tax	11,884,114	9,350,620
<b>Income tax expense</b>	<b>-1,898,661</b>	<b>-1,804,494</b>
<b>Net profit/loss for the period</b>	<b>9,985,453</b>	<b>7,546,126</b>
<b>Net profit/loss attributable to owners of the controlling company</b>	<b>9,996,879</b>	<b>7,572,871</b>
<b>Net profit/loss attributable to non-controlling interests</b>	<b>-11,426</b>	<b>-26,745</b>
<b>Basic and diluted earnings per share</b>	<b>0.61</b>	<b>0.45</b>

The change in the weighted average number of shares outstanding is shown in section 8.8.7 "Net earnings/loss per share".



### 7.3 Unaudited consolidated statement of comprehensive income

(€)	1-3/2015			1-3/2014		
	Attributable to owners of the controlling company	Attributable to non-controlling interest	Total	Attributable to owners of the controlling company	Attributable to non-controlling interest	Total
<b>PROFIT/LOSS FOR THE PERIOD, NET OF TAX</b>	<b>9,996,879</b>	<b>-11,426</b>	<b>9,985,453</b>	<b>7,572,871</b>	<b>-26,745</b>	<b>7,546,126</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>4,482,527</b>	<b>6,730</b>	<b>4,489,257</b>	<b>5,686,500</b>	<b>-3,525</b>	<b>5,682,976</b>
<b>b) Items that may be reclassified subsequently to profit or loss</b>	<b>4,482,527</b>	<b>6,730</b>	<b>4,489,257</b>	<b>5,686,500</b>	<b>-3,525</b>	<b>5,682,976</b>
<b>Net gains/losses on remeasuring available-for-sale financial assets</b>	<b>4,851,838</b>	<b>4,711</b>	<b>4,856,549</b>	<b>7,205,403</b>	<b>164</b>	<b>7,205,567</b>
Net change recognized in the fair value reserve	4,542,590	4,711	4,547,301	9,139,971	164	9,140,135
Net change transferred from fair value reserve to profit or loss	309,248	0	309,248	-1,934,568	0	-1,934,568
<b>Net gains/losses attributable to the Group recognized in fair value reserve and retained profit/loss relating to investments in equity-accounted associate companies</b>	<b>40,122</b>	<b>0</b>	<b>40,122</b>	<b>-55,473</b>	<b>0</b>	<b>-55,473</b>
<b>Tax on items that may be reclassified subsequently to profit or loss</b>	<b>-449,946</b>	<b>0</b>	<b>-449,946</b>	<b>-1,323,352</b>	<b>0</b>	<b>-1,323,352</b>
<b>Net gains/losses from translation of financial statements of non-domestic companies</b>	<b>40,513</b>	<b>2,019</b>	<b>42,532</b>	<b>-140,077</b>	<b>-3,689</b>	<b>-143,766</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>14,479,406</b>	<b>-4,696</b>	<b>14,474,710</b>	<b>13,259,371</b>	<b>-30,270</b>	<b>13,229,102</b>
<b>Attributable to owners of the controlling company</b>	<b>14,479,406</b>	<b>0</b>	<b>14,479,406</b>	<b>13,259,371</b>	<b>0</b>	<b>13,259,371</b>
<b>Attributable to non-controlling interest</b>	<b>0</b>	<b>-4,696</b>	<b>-4,696</b>	<b>0</b>	<b>-30,270</b>	<b>-30,270</b>

## 7.4 Unaudited consolidated statement of cash flows

(€)	1–3/2015	1–3/2014
<b>A. Cash flows from operating activities</b>		
<b>a.) Items of the income statement</b>	<b>33,603,221</b>	<b>29,400,013</b>
1. Net premiums written in the period	140,348,668	134,248,470
2. Investment income (other than financial income), financed from:	40,923	60,523
- technical provisions	13,945	43,841
- other sources	26,978	16,682
3. Other operating income (excl. revaluation income and releases from provisions) and financial income from operating receivables	7,913,938	3,317,697
4. Net claims payments in the period	-69,983,210	-69,075,609
5. Expenses for bonuses and rebates	62,549	-75,178
6. Net operating expenses excl. depreciation/amortisation and change in deferred acquisition costs	-36,255,025	-32,601,713
7. Investment expenses (excluding depreciation/amortisation and financial expenses), financed from:	-6,137	-30,445
- technical sources	-6,102	-23,766
- other sources	-35	-6,679
8. Other operating expenses excl. depreciation/amortisation (other than for revaluation and excl. additions to provisions)	-6,487,922	-4,639,238
9. Tax on profit and other taxes not included in operating expenses	-2,030,563	-1,804,494
<b>Changes in net operating assets (receivables for premium, other receivables, other assets and deferred tax assets/liabilities) of operating items of the income statement</b>	<b>-19,249,564</b>	<b>-18,637,053</b>
1. Change in receivables from primary insurance	-17,507,761	-16,664,851
2. Change in receivables from reinsurance	-16,173,278	-16,133,655
3. Change in other receivables from (re)insurance business	259,723	-94,984
4. Change in other receivables and other assets	-4,195,448	569,937
5. Change in deferred tax assets	-214,724	-1,408,996
6. Change in inventories	-11,737	-42,889
7. Change in liabilities arising out of primary insurance	429,658	-387,394
8. Change in liabilities arising out of reinsurance business	14,991,419	11,320,775
9. Change in other operating liabilities	5,770,386	1,171,205
10. Change in other liabilities (except unearned premiums)	-4,065,405	329,975
11. Change in deferred tax liabilities	1,467,603	2,703,824
<b>c.) Net cash from/used in operating activities (a + b)</b>	<b>14,353,657</b>	<b>10,762,960</b>
<b>B. Cash flows from investing activities</b>		
<b>a.) Cash receipts from investing activities</b>	<b>213,524,544</b>	<b>212,541,095</b>
1. Interest received from investing activities relating to:	5,576,930	6,471,444
- investments financed from technical provisions	5,326,869	6,195,379
- other investments	250,061	276,065
2. Proceeds from dividends and shares in the profit of others, relating to:	0	59,644
- investments financed from technical provisions	0	24,552
- other investments	0	35,092
3. Proceeds from sale of intangible assets, financed from:	63,147	276,738
- other sources	63,147	276,738
4. Proceeds from sale of property and equipment, financed from:	207,977	291,055
- technical provisions	191,831	0
- other sources	16,146	291,055
5. Proceeds from sale of long-term financial investments, financed from:	79,921,705	83,660,303
- technical provisions	78,425,417	77,392,672
- other sources	1,496,288	6,267,631
6. Proceeds from sale of short-term financial investments, financed from:	127,754,785	121,781,911
- technical provisions	122,210,201	102,869,201
- other sources	5,544,584	18,912,710
<b>b.) Cash disbursements in investing activities</b>	<b>-226,929,086</b>	<b>-207,740,383</b>
1. Purchase of intangible assets	-360,731	-172,911
2. Purchase of property and equipment, financed from:	-1,313,362	-483,729
- technical provisions	-3,591	-85,857
- other sources	-1,309,771	-397,872
3. Purchase of long-term financial investments, financed from:	-69,630,048	-46,310,924
- technical provisions	-67,227,774	-41,975,601
- other sources	-2,402,274	-4,335,323
4. Purchase of short-term financial investments, financed from:	-155,624,945	-160,772,819
- technical provisions	-151,118,500	-150,347,326
- other sources	-4,506,445	-10,425,493
<b>c.) Net cash from/used in investing activities (a + b)</b>	<b>-13,404,542</b>	<b>4,800,712</b>
<b>C. Cash flows from financing activities</b>		
<b>b.) Cash disbursements in financing activities</b>	<b>-1,301,203</b>	<b>-13,121,294</b>
1. Interest paid	-328,227	-375,338
3. Repayment of long-term financial liabilities	-840,975	-8,020,956
4. Repayment of short-term financial liabilities	0	-4,725,000
6. Own share repurchases	-132,001	0
<b>c.) Net cash from/used in financing activities (a + b)</b>	<b>-1,301,203</b>	<b>-13,121,294</b>
<b>C2. Closing balance of cash and cash equivalents</b>	<b>5,291,113</b>	<b>4,035,669</b>
<b>Net increase/decrease in cash and cash equivalents for the period (Ac + Bc + Cc)</b>	<b>-352,088</b>	<b>2,442,378</b>
<b>Opening balance of cash and cash equivalents</b>	<b>5,643,201</b>	<b>1,593,291</b>

## 7.5 Unaudited consolidated statement of changes in equity

### Unaudited consolidated statement of changes in equity for the three months to 31 March 2015

(€)	I. Share capital	II. Capital reserves	III. Profit reserves					IV. Fair value reserve	V. Retained earnings	VI. Net profit/loss for the period	VII. Treasury shares	VIII. Translation reserve	IX. Equity attributable to owners of the controlling company	X. Non-controlling interest in equity	Total (14 + 15)
			Legal reserves and reserves provided for in the articles of association	Reserve for treasury shares	Reserves for credit risks	Catastrophe equalisation reserve	Other								
	1.	2.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
<b>Opening balance in the financial year</b>	<b>71,856,376</b>	<b>44,638,799</b>	<b>11,140,269</b>	<b>10,115,023</b>	<b>876,938</b>	<b>11,744,474</b>	<b>81,269,632</b>	<b>18,448,741</b>	<b>15,652,780</b>	<b>17,474,558</b>	<b>-10,115,023</b>	<b>-3,489,433</b>	<b>269,613,133</b>	<b>1,915,490</b>	<b>271,528,623</b>
Prior-period adjustments	0	0	0	0	0	0	0	0	-1,099,114	0	0	0	-1,099,114	0	-1,099,114
<b>Opening balance in the financial period</b>	<b>71,856,376</b>	<b>44,638,799</b>	<b>11,140,269</b>	<b>10,115,023</b>	<b>876,938</b>	<b>11,744,474</b>	<b>81,269,632</b>	<b>18,448,741</b>	<b>14,553,666</b>	<b>17,474,558</b>	<b>-10,115,023</b>	<b>-3,489,433</b>	<b>268,514,019</b>	<b>1,915,490</b>	<b>270,429,509</b>
<b>Comprehensive income for the period, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,442,014</b>	<b>0</b>	<b>9,996,879</b>	<b>0</b>	<b>40,513</b>	<b>14,479,406</b>	<b>-4,696</b>	<b>14,474,710</b>
a) Net profit/loss for the period										9,996,879			9,996,879	-11,426	9,985,453
b) Other comprehensive income								4,442,014				40,513	4,482,527	6,730	4,489,257
Net purchase/sale of treasury shares	0	0	0	132,001	0	0	0	0	0	-132,001	-132,001	0	-132,001	0	-132,001
Additions/uses of credit risk equalisation reserve and catastrophe equalisation reserve	0	0	0	0	8,227	26,204	0	0	0	-34,431	0	0	0	0	0
Transfer of profit	0	0	0	0	0	0	0	0	17,474,558	-17,474,558	0	0	0	0	0
Acquisition of non-controlling interest	0	-226,130	0	0	0	0	0	0	0	0	0	0	-226,130	-120,352	-346,482
<b>Closing balance in the financial period</b>	<b>71,856,376</b>	<b>44,412,669</b>	<b>11,140,269</b>	<b>10,247,024</b>	<b>885,165</b>	<b>11,770,678</b>	<b>81,269,632</b>	<b>22,890,755</b>	<b>32,028,222</b>	<b>9,830,447</b>	<b>-10,247,024</b>	<b>-3,448,920</b>	<b>282,635,292</b>	<b>1,790,443</b>	<b>284,425,735</b>

*Unaudited consolidated statement of changes in equity for the three months to 31 March 2014*

(€)	III. Profit reserves							IV. Fair value reserve	V. Retained earnings	VI. Net profit/loss for the period	VII. Treasury shares	VIII. Translation reserve	IX. Equity attributable to owners of the controlling company	X. Non-controlling interest in equity	Total (14 + 15)
	I. Share capital	II. Capital reserves	Legal reserves and reserves provided for in the articles of association	Reserve for treasury shares	Reserves for credit risks	Catastrophe equalisation reserve	Other								
	1.	2.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
<b>Closing balance in the previous financial year</b>	<b>71,856,376</b>	<b>42,423,360</b>	<b>11,138,541</b>	<b>2,821,391</b>	<b>800,075</b>	<b>12,070,719</b>	<b>75,192,493</b>	<b>7,739,714</b>	<b>15,018,066</b>	<b>5,023,423</b>	<b>-2,821,391</b>	<b>-3,128,947</b>	<b>238,133,820</b>	<b>1,965,501</b>	<b>240,099,321</b>
<b>Opening balance in the financial period</b>	<b>71,856,376</b>	<b>42,423,360</b>	<b>11,138,541</b>	<b>2,821,391</b>	<b>800,075</b>	<b>12,070,719</b>	<b>75,192,493</b>	<b>7,739,714</b>	<b>15,018,066</b>	<b>5,023,423</b>	<b>-2,821,391</b>	<b>-3,128,947</b>	<b>238,133,820</b>	<b>1,965,501</b>	<b>240,099,321</b>
<b>Comprehensive income for the period, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,826,577</b>	<b>0</b>	<b>7,572,871</b>	<b>0</b>	<b>-140,077</b>	<b>13,259,371</b>	<b>-30,270</b>	<b>13,229,101</b>
a) Net profit/loss for the period										7,572,871		0	7,572,871	-26,745	7,546,126
b) Other comprehensive income								5,826,577				-140,077	5,686,500	-3,525	5,682,975
Additions/uses of credit risk equalisation reserve and catastrophe equalisation reserve	0	0	0	0	16,074	-413,673	0	0	40,761	356,837	0	0	0	0	0
Acquisition of non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer of profit	0	0	0	0	0	0	0	0	5,023,419	-5,023,419	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	-23	0	0	0	-23	0	-23
<b>Closing balance in the financial period</b>	<b>71,856,376</b>	<b>42,423,360</b>	<b>11,138,541</b>	<b>2,821,391</b>	<b>816,149</b>	<b>11,657,046</b>	<b>75,192,493</b>	<b>13,566,291</b>	<b>20,082,225</b>	<b>7,929,713</b>	<b>-2,821,391</b>	<b>-3,269,024</b>	<b>251,393,171</b>	<b>1,935,230</b>	<b>253,328,398</b>

## 8 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The selected notes to the financial statements for the three months to 31 March 2015 are significant to an understanding of the changes in financial position and performance of the Group in the first three months of 2015 as compared to both the first three months of 2014 and end-of-year 2014.

### 8.1 Overview of major accounting policies

The financial statements with notes have been prepared in compliance with IAS 34 "Interim Financial Reporting".

Pursuant to IAS 34, notes are provided in relation to major business events that are required to understand the financial position and performance of the Group compared to the previous annual financial report prepared for 2014.

The financial statements with notes as at and for the three months to 31 March 2015 have not been audited.

The interim financial statements at 31 March 2015 have been prepared following the same accounting policies and computation methods as the annual financial statements for 2014.

### 8.2 Seasonality and cyclicity of interim operations

The operations of the Group are not seasonal in nature. Pursuant to technical rules, Group insurance companies defer costs/expenses and income that, by their nature, may or is required to be deferred also at the year-end.

### 8.3 The nature and amount of unusual items

There were no unusual events that by their nature, scope or manner of occurrence would affect the assets, liabilities, equity, net profit or cash flows in the first quarter of 2015.

### 8.4 Materiality

To serve as a starting point in determining a materiality threshold for the consolidated financial statements we used the equity of the Sava Re Group, specifically 2 % thereof at 31 March 2015, which is € 5.6 million. Changes in the balance of statement of financial position items that did not exceed the set materiality threshold have not been presented in detail in interim financial statements. Disclosures and notes that the Group is required to present under IAS 34 or statutory requirements are given in the report, even though they may not exceed the materiality threshold.

## 8.5 Issues, repurchases, and repayments of debt and equity securities

The Group issued no new debt securities.

## 8.6 Key accounting estimates and judgements

The Group is predominately composed of financial companies that invest their assets (those supporting liabilities as well as capital funds) in financial instruments. If the fair value of any financial instrument falls below its cost, the Group – pursuant to applicable accounting rules – examines whether the decrease is a significant and long-term one, in the event of which the financial instrument is impaired.

## 8.7 Analysis of operating segments

Operating segments as disclosed and monitored were determined based on the different activities carried out in the Group. Segments have been formed based on similar services provided by companies (features of insurance products, market networks and the environment in which companies operate).

In view of the nature, scope and organisation of work, CODM (Chief Operating Decision Maker) is a group composed of management board members, director of finance, director of controlling, and director of risk management. CODM can monitor quarterly the results of operations by segments. These results include technical results, net investment income and other aggregated performance indicators, as well as the amounts of assets, equity and technical provisions. All figures reviewed by CODM are part of the quarterly financial report submitted to the management board.

Operating segments include reinsurance business, non-life insurance business, life insurance business, and other. Performance of these segments is monitored based on different indicators, a common performance indicator for all segments being net profit, calculated in accordance with IFRSs.

Statement of financial position by operating segment – assets at 31 March 2015

31/03/2015	Reinsurance business	Non-life insurance business			Life insurance business			Other	Total
		Slovenia	International	Total	Slovenia	International	Total		
<b>ASSETS</b>	<b>343,141,345</b>	<b>504,455,480</b>	<b>107,219,565</b>	<b>611,675,045</b>	<b>553,102,566</b>	<b>19,465,326</b>	<b>572,567,892</b>	<b>8,536,938</b>	<b>1,535,921,220</b>
Intangible assets	585,443	14,727,851	13,405,720	28,133,571	5,424,890	105,364	5,530,254	27,514	34,276,782
Property and equipment	2,443,488	24,272,122	10,585,525	34,857,647	2,574,653	2,596,906	5,171,559	2,176,586	44,649,280
Deferred tax assets	586,622	453,925	18,515	472,440	357,497	546	358,043	0	1,417,105
Investment property	115,045	486,242	4,139,186	4,625,428	44,640	265,944	310,584	0	5,051,057
Financial investments in associates	0	0	0	0	0	0	0	3,201,357	3,201,357
Financial investments:	247,399,277	356,425,865	56,820,094	413,245,959	322,134,582	15,504,964	337,639,546	80,831	998,365,613
- loans and deposits	19,464,399	34,058,644	25,024,971	59,083,615	13,310,054	5,970,061	19,280,115	76,831	97,904,960
- held to maturity	1,997,233	59,128,336	5,286,210	64,414,546	88,908,471	2,159,645	91,068,116	0	157,479,895
- available for sale	221,684,932	259,884,543	25,708,530	285,593,073	213,810,343	6,592,697	220,403,040	4,000	727,685,045
- at fair value through profit or loss	4,252,713	3,354,342	800,383	4,154,725	6,105,714	782,561	6,888,275	0	15,295,713
Funds for the benefit of policyholders who bear the investment risk	0	0	0	0	219,681,634	27,968	219,709,602	0	219,709,602
Reinsurers' share of technical provisions	10,249,468	27,122,485	5,035,334	32,157,819	244,270	1,502	245,772	0	42,653,059
Receivables	75,018,053	68,173,216	11,009,654	79,182,870	2,181,227	432,870	2,614,097	2,655,806	159,470,826
- Receivables arising out of primary insurance business	0	63,397,083	7,341,250	70,738,333	882,501	119,951	1,002,452	0	71,740,785
- Receivables arising out of reinsurance and co-insurance business	73,777,493	808,193	1,089,819	1,898,012	0	0	0	0	75,675,505
- Current tax assets	0	0	139,759	139,759	26,225	0	26,225	107	166,091
- Other receivables	1,240,560	3,967,940	2,438,826	6,406,766	1,272,501	312,919	1,585,420	2,655,699	11,888,445
Deferred acquisition costs	5,309,890	11,316,982	2,307,320	13,624,302	304,742	1,957	306,699	0	19,240,891
Other assets	465,564	1,248,251	302,919	1,551,170	56,999	34,456	91,455	44,093	2,152,282
Cash and cash equivalents	968,495	225,019	3,156,567	3,381,586	97,432	492,849	590,281	350,751	5,291,113
Non-current assets held for sale	0	3,522	438,731	442,253	0	0	0	0	442,253

Statement of financial position by operating segment – equity and liabilities at 31 March 2015

31/03/2015	Reinsurance business	Non-life insurance business			Life insurance business			Other	Total
		Slovenia	International	Total	Slovenia	International	Total		
<b>EQUITY AND LIABILITIES</b>	<b>341,229,403</b>	<b>522,576,046</b>	<b>107,807,735</b>	<b>630,383,781</b>	<b>543,176,704</b>	<b>18,902,619</b>	<b>562,079,323</b>	<b>2,228,713</b>	<b>1,535,921,220</b>
Equity	121,705,035	63,104,510	34,546,888	97,651,398	53,361,275	9,722,455	63,083,730	1,985,572	284,425,735
Equity attributable to owners of the controlling company	121,705,035	63,104,510	33,813,682	96,918,192	53,361,275	8,664,641	62,025,916	1,986,149	282,635,292
Non-controlling interest in equity	0	0	733,206	733,206	0	1,057,814	1,057,814	-577	1,790,443
Subordinated liabilities	23,507,999	5,200,000	0	5,200,000	0	0	0	0	28,707,999
Technical provisions	143,605,787	424,966,586	66,315,082	491,281,668	262,964,128	8,591,623	271,555,751	0	906,443,206
- Unearned premiums	34,693,772	123,479,753	22,908,410	146,388,163	791,793	123,153	914,946	0	181,996,881
- Mathematical provisions	0	0	0	0	248,462,239	8,264,620	256,726,859	0	256,726,859
- Provision for outstanding claims	108,912,015	291,540,170	43,050,604	334,590,774	13,710,096	203,850	13,913,946	0	457,416,735
- Other technical provisions	0	9,946,663	356,068	10,302,731	0	0	0	0	10,302,731
Technical provision for the benefit of life insurance policyholders who bear the investment risk	0	0	0	0	210,221,350	27,968	210,249,318	0	210,249,318
Other provisions	273,523	5,221,386	727,742	5,949,128	1,480,457	16,146	1,496,603	0	7,719,254
Deferred tax liabilities	0	3,902,853	35,165	3,938,018	3,139,654	2,008	3,141,662	5,201	7,084,881
Other financial liabilities	71,433	301	4,044	4,345	0	3,532	3,532	0	79,310
Liabilities from operating activities	48,385,136	7,102,323	1,702,600	8,804,923	8,348,354	138,449	8,486,803	223	65,677,085
- Liabilities from primary insurance business	0	4,180,677	731,984	4,912,661	7,153,871	91,503	7,245,374	0	12,158,035
- Liabilities from reinsurance and co-insurance business	45,342,951	1,616,795	869,458	2,486,253	28,262	0	28,262	0	47,857,466
- Current income tax liabilities	3,042,185	1,304,851	101,158	1,406,009	1,166,221	46,946	1,213,167	223	5,661,584
Other liabilities	3,680,490	13,078,087	4,476,214	17,554,301	3,661,486	400,438	4,061,924	237,717	25,534,432



Statement of financial position by operating segment – assets at 31 December 2014

31/12/2014	Reinsurance business	Non-life insurance business			Life insurance business			Other	Total
		Slovenia	International	Total	Slovenia	International	Total		
<b>ASSETS</b>	<b>315,226,711</b>	<b>471,344,023</b>	<b>107,757,557</b>	<b>579,101,580</b>	<b>532,978,818</b>	<b>18,825,817</b>	<b>551,804,635</b>	<b>8,242,009</b>	<b>1,454,374,935</b>
Intangible assets	467,423	15,474,302	13,403,760	28,878,062	5,449,379	116,541	5,565,920	29,555	34,940,960
Property and equipment	2,462,813	24,139,087	10,593,841	34,732,928	2,606,806	2,615,377	5,222,183	2,055,714	44,473,638
Deferred tax assets	1,040,592	142,166	18,515	160,681	0	1,108	1,108	0	1,202,381
Investment property	115,492	538,071	4,139,365	4,677,436	44,975	265,422	310,397	0	5,103,325
Financial investments in associates	0	0	0	0	0	0	0	3,072,497	3,072,497
Financial investments:	237,189,580	345,680,388	57,068,958	402,749,346	319,824,701	14,800,409	334,625,110	104,346	974,668,382
- loans and deposits	21,251,512	32,879,774	27,911,080	60,790,854	13,679,571	5,635,156	19,314,727	100,346	101,457,439
- held to maturity	2,074,001	63,512,066	5,519,950	69,032,016	91,058,297	2,153,078	93,211,375	0	164,317,392
- available for sale	208,238,543	246,022,338	22,825,513	268,847,851	209,155,376	6,172,246	215,327,622	4,000	692,418,016
- at fair value through profit or loss	5,625,524	3,266,210	812,415	4,078,625	5,931,457	839,929	6,771,386	0	16,475,535
Funds for the benefit of policyholders who bear the investment risk	0	0	0	0	202,893,989	19,070	202,913,059	0	202,913,059
Reinsurers' share of technical provisions	10,405,986	22,859,490	5,089,628	27,949,117	314,662	2,879	317,541	0	38,672,645
Receivables	58,432,637	52,197,255	9,284,927	61,482,182	1,478,226	347,814	1,826,040	2,654,294	124,395,153
- Receivables arising out of primary insurance business	0	47,328,159	5,865,068	53,193,227	912,633	127,164	1,039,797	0	54,233,024
- Receivables arising out of reinsurance and co-insurance business	58,267,223	532,986	700,190	1,233,176	0	1,828	1,828	0	59,502,227
- Current tax assets	0	0	208,669	208,669	144,240	0	144,240	107	353,016
- Other receivables	165,414	4,336,110	2,511,000	6,847,110	421,353	218,822	640,175	2,654,187	10,306,886
Deferred acquisition costs	4,303,162	9,442,826	3,482,919	12,925,746	258,227	1,966	260,194	0	17,489,101
Other assets	296,684	675,884	257,135	933,019	30,333	44,959	75,292	46,249	1,351,244
Cash and cash equivalents	512,342	183,214	3,980,499	4,163,713	77,519	610,272	687,791	279,354	5,643,200
Non-current assets held for sale	0	11,340	438,010	449,350	0	0	0	0	449,350

Statement of financial position by operating segment – equity and liabilities at 31 December 2014

31/12/2014	Reinsurance business	Non-life insurance business			Life insurance business			Other	Total
		Slovenia	International	Total	Slovenia	International	Total		
<b>EQUITY AND LIABILITIES</b>	<b>286,400,598</b>	<b>514,731,657</b>	<b>109,848,537</b>	<b>624,580,194</b>	<b>523,709,363</b>	<b>19,366,598</b>	<b>543,075,961</b>	<b>318,182</b>	<b>1,454,374,935</b>
Equity	96,766,084	75,336,895	39,405,516	114,742,411	49,296,532	10,613,322	59,909,854	110,274	271,528,623
Equity attributable to owners of the controlling company	96,766,084	75,336,895	38,786,828	114,123,723	49,296,532	9,316,520	58,613,052	110,274	269,613,133
Non-controlling interest in equity	0	0	618,688	618,688	0	1,296,802	1,296,802	0	1,915,490
Subordinated liabilities	23,499,692	5,200,000	0	5,200,000	0	0	0	0	28,699,692
Technical provisions	129,778,575	405,021,647	64,687,629	469,709,276	262,393,907	8,100,875	270,494,782	0	869,982,633
- Unearned premiums	21,620,884	103,039,301	22,661,027	125,700,328	734,654	113,824	848,478	0	148,169,690
- Mathematical provisions	0	0	0	0	248,492,273	7,799,868	256,292,141	0	256,292,141
- Provision for outstanding claims	108,157,341	291,546,926	41,700,574	333,247,500	13,166,980	187,183	13,354,163	0	454,759,004
- Other technical provisions	350	10,435,420	326,028	10,761,448	0	0	0	0	10,761,798
Technical provision for the benefit of life insurance policyholders who bear the investment risk	0	0	0	0	195,665,561	19,070	195,684,631	0	195,684,631
Other provisions	273,590	4,513,409	822,704	5,336,113	1,314,805	16,142	1,330,947	0	6,940,650
Deferred tax liabilities	0	3,229,826	37,696	3,267,522	2,476,455	0	2,476,455	5,203	5,749,180
Other financial liabilities	74,430	299	616	915	0	3,525	3,525	0	78,870
Liabilities from operating activities	33,420,922	5,399,884	1,466,190	6,866,074	8,912,581	150,331	9,062,912	14,889	49,364,797
- Liabilities from primary insurance business	0	3,156,998	643,422	3,800,420	7,827,480	100,477	7,927,957	0	11,728,377
- Liabilities from reinsurance and co-insurance business	30,954,760	1,252,976	626,892	1,879,868	28,289	3,130	31,419	0	32,866,047
- Current income tax liabilities	2,466,162	989,910	195,876	1,185,786	1,056,812	46,724	1,103,536	14,889	4,770,373
Other liabilities	2,587,305	16,029,697	3,428,186	19,457,883	3,649,522	463,333	4,112,855	187,816	26,345,859

### Income statement by operating segment 1–3/2015

(€) 1–3/2015	Reinsurance business	Non-life insurance business			Life insurance business			Other	Total
	Total	Slovenia	International	Total	Slovenia	International	Total	Total	
<b>Net earned premiums</b>	<b>21,037,540</b>	<b>58,571,572</b>	<b>10,666,330</b>	<b>69,237,902</b>	<b>20,173,585</b>	<b>1,272,297</b>	<b>21,445,882</b>	<b>0</b>	<b>111,721,324</b>
Gross premiums written	34,798,469	83,731,708	12,432,367	96,164,075	20,289,106	1,277,993	21,567,099	0	152,529,643
Written premiums ceded to reinsurers and co-insurers	-268,905	-10,729,778	-1,093,289	-11,823,067	-88,390	-614	-89,004	0	-12,180,975
Change in gross unearned premiums	-13,072,889	-20,299,589	-325,399	-20,624,988	-19,611	-4,326	-23,937	0	-33,721,814
Change in unearned premiums for the reinsurance and co-insurance part	-419,136	5,869,231	-347,349	5,521,882	-7,520	-756	-8,276	0	5,094,470
<b>Income from investments in subsidiary and associate companies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,739</b>	<b>88,739</b>
Profit from investments in equity-accounted associate companies	0	0	0	0	0	0	0	88,739	88,739
<b>Investment income</b>	<b>7,451,727</b>	<b>1,983,104</b>	<b>555,461</b>	<b>2,538,565</b>	<b>2,413,054</b>	<b>150,324</b>	<b>2,563,378</b>	<b>781</b>	<b>12,554,451</b>
Interest income	1,107,686	1,600,089	513,493	2,113,582	2,226,142	128,739	2,354,881	781	5,576,930
Other investment income	6,344,041	383,015	41,968	424,983	186,912	21,585	208,497	0	6,977,521
<b>Net unrealized gains on investments of life insurance policyholders who bear the investment risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,535,960</b>	<b>116</b>	<b>11,536,076</b>	<b>0</b>	<b>11,536,076</b>
<b>Other technical income</b>	<b>3,556,495</b>	<b>1,003,488</b>	<b>423,980</b>	<b>1,427,468</b>	<b>284,517</b>	<b>50,850</b>	<b>335,367</b>	<b>407,627</b>	<b>5,726,958</b>
Commission income	43,215	480,642	310,813	791,455	1,349	44	1,393	0	836,064
Other technical income	3,513,280	522,846	113,167	636,013	283,168	50,806	333,974	407,627	4,890,894
<b>Other income</b>	<b>1,976</b>	<b>730,429</b>	<b>414,032</b>	<b>1,144,461</b>	<b>966,140</b>	<b>19,925</b>	<b>986,065</b>	<b>57,478</b>	<b>2,189,980</b>
<b>Net claims incurred</b>	<b>-17,707,730</b>	<b>-36,893,626</b>	<b>-5,905,262</b>	<b>-42,798,888</b>	<b>-13,380,185</b>	<b>-281,516</b>	<b>-13,661,701</b>	<b>0</b>	<b>-74,168,320</b>
Gross claims payments less income from recourse receivables	-17,588,621	-36,600,386	-5,112,833	-41,713,219	-12,349,644	-264,940	-12,614,584	0	-71,916,424
Reinsurers' and co-insurers' shares	372,949	1,291,804	235,624	1,527,428	32,837	0	32,837	0	1,933,214
Change in the gross claims provision	-754,675	6,365	-1,304,397	-1,298,032	-1,000,543	-16,576	-1,017,119	0	-3,069,826
Change in the provision for outstanding claims for the reinsurance and co-insurance part	262,617	-1,591,409	276,344	-1,315,065	-62,835	0	-62,835	0	-1,115,284
<b>Change in other technical provisions</b>	<b>0</b>	<b>152,942</b>	<b>-17,153</b>	<b>135,789</b>	<b>-101,177</b>	<b>-468,648</b>	<b>-569,825</b>	<b>0</b>	<b>-434,036</b>
<b>Change in technical provisions for policyholders who bear the investment risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14,153,978</b>	<b>-8,851</b>	<b>-14,162,829</b>	<b>0</b>	<b>-14,162,829</b>
<b>Expenses for bonuses and rebates</b>	<b>353</b>	<b>82,035</b>	<b>-19,839</b>	<b>62,196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62,549</b>
<b>Operating expenses</b>	<b>-5,974,501</b>	<b>-18,297,398</b>	<b>-5,201,792</b>	<b>-23,499,190</b>	<b>-4,470,955</b>	<b>-753,557</b>	<b>-5,224,512</b>	<b>-572,551</b>	<b>-35,270,754</b>
Acquisition costs	-6,372,587	-4,946,200	-829,410	-5,775,610	-1,345,906	-232,695	-1,578,601	0	-13,726,798
Change in deferred acquisition costs	1,445,891	1,312,926	42,595	1,355,521	30,167	35	30,202	0	2,831,614
Other operating expenses	-1,047,805	-14,664,124	-4,414,977	-19,079,101	-3,155,216	-520,897	-3,676,113	-572,551	-24,375,570
<b>Expenses for financial assets and liabilities</b>	<b>-1,035,540</b>	<b>-99,563</b>	<b>-26,727</b>	<b>-126,290</b>	<b>-3,900</b>	<b>-47,266</b>	<b>-51,166</b>	<b>0</b>	<b>-1,212,996</b>
Impairment losses on financial assets not at fair value through profit or loss	0	0	-141	-141	0	-895	-895	0	-1,036
Interest expense	-227,473	-97,500	-9	-97,509	0	-3,245	-3,245	0	-328,227
Other investment expenses	-808,067	-2,063	-26,577	-28,640	-3,900	-43,126	-47,026	0	-883,733
<b>Net unrealized losses on investments of life insurance policyholders who bear the investment risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-259,056</b>	<b>-50</b>	<b>-259,106</b>	<b>0</b>	<b>-259,106</b>
<b>Other technical expenses</b>	<b>-2,664,204</b>	<b>-2,032,555</b>	<b>-1,285,215</b>	<b>-3,317,770</b>	<b>-32,675</b>	<b>-27,481</b>	<b>-60,156</b>	<b>0</b>	<b>-6,042,130</b>
<b>Other expenses</b>	<b>0</b>	<b>-261,726</b>	<b>-179,711</b>	<b>-441,437</b>	<b>-369</b>	<b>-878</b>	<b>-1,247</b>	<b>-3,102</b>	<b>-445,786</b>
<b>Profit/loss before tax</b>	<b>4,666,116</b>	<b>4,938,703</b>	<b>-575,897</b>	<b>4,362,806</b>	<b>2,970,962</b>	<b>-94,735</b>	<b>2,876,226</b>	<b>-21,028</b>	<b>11,884,120</b>
Income tax expense	-867,781	-676,933	-101,267	-778,200	-252,680	0	-252,680	0	-1,898,661
<b>Net profit/loss for the period</b>	<b>3,798,335</b>	<b>4,261,770</b>	<b>-677,164</b>	<b>3,584,606</b>	<b>2,718,282</b>	<b>-94,735</b>	<b>2,623,546</b>	<b>-21,028</b>	<b>9,985,459</b>
Net profit/loss attributable to owners of the controlling company	3,798,335	4,261,770	-692,154	3,569,616	2,718,282	-68,896	2,649,385	-20,451	9,996,885
Net profit/loss attributable to non-controlling interest	0	0	14,990	14,990	0	-25,839	-25,839	-577	-11,426

### Income statement by operating segment 1–3/2014

(€) 1–3/2014	Reinsurance business	Non-life insurance business			Life insurance business			Other	Total
	Total	Slovenia	International	Total	Slovenia	International	Total	Total	
<b>Net earned premiums</b>	<b>14,162,436</b>	<b>58,644,618</b>	<b>11,233,210</b>	<b>69,877,828</b>	<b>21,113,131</b>	<b>1,310,958</b>	<b>22,424,089</b>	<b>0</b>	<b>106,464,352</b>
Gross premiums written	25,971,277	85,926,511	11,566,015	97,492,526	21,188,912	1,334,636	22,523,548	0	145,987,351
Written premiums ceded to reinsurers and co-insurers	-120,684	-10,661,255	-880,795	-11,542,050	-75,512	-635	-76,147	0	-11,738,881
Change in gross unearned premiums	-11,098,700	-22,874,443	470,880	-22,403,563	-27,494	-23,043	-50,537	0	-33,552,800
Change in unearned premiums for the reinsurance and co-insurance part	-589,457	6,253,805	77,110	6,330,915	27,224	0	27,224	0	5,768,682
<b>Income from investments in subsidiary and associate companies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,092</b>	<b>35,092</b>
Profit from investments in equity-accounted associate companies	0	0	0	0	0	0	0	35,092	35,092
<b>Investment income</b>	<b>1,915,227</b>	<b>2,593,726</b>	<b>700,790</b>	<b>3,294,516</b>	<b>4,708,565</b>	<b>173,779</b>	<b>4,882,344</b>	<b>276</b>	<b>10,092,363</b>
Interest income	1,078,461	1,847,433	678,063	2,525,496	2,743,261	129,020	2,872,281	276	6,476,514
Other investment income	836,766	746,293	22,727	769,020	1,965,304	44,759	2,010,063	0	3,615,849
<b>Net unrealized gains on investments of life insurance policyholders who bear the investment risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,460,944</b>	<b>30</b>	<b>3,460,974</b>	<b>0</b>	<b>3,460,974</b>
<b>Other technical income</b>	<b>256,446</b>	<b>1,368,675</b>	<b>359,599</b>	<b>1,728,274</b>	<b>257,213</b>	<b>10,018</b>	<b>267,231</b>	<b>0</b>	<b>2,251,950</b>
Commission income	36,105	767,274	129,296	896,570	4,795	0	4,795	0	937,469
Other technical income	220,341	601,401	230,303	831,704	252,418	10,018	262,436	0	1,314,481
<b>Other income</b>	<b>231</b>	<b>578,674</b>	<b>257,238</b>	<b>835,912</b>	<b>159,531</b>	<b>19,153</b>	<b>178,684</b>	<b>50,920</b>	<b>1,065,747</b>
<b>Net claims incurred</b>	<b>-7,733,510</b>	<b>-39,299,118</b>	<b>-5,449,639</b>	<b>-44,748,757</b>	<b>-11,861,789</b>	<b>-176,763</b>	<b>-12,038,552</b>	<b>0</b>	<b>-64,520,819</b>
Gross claims payments less income from recourse receivables	-13,878,805	-38,882,424	-4,865,209	-43,747,633	-11,918,660	-183,098	-12,101,758	0	-69,728,196
Reinsurers' and co-insurers' shares	-156,503	855,024	-24,025	830,999	-21,908	0	-21,908	0	652,587
Change in the gross claims provision	7,333,351	-14,035,180	-453,296	-14,488,476	78,779	6,335	85,114	0	-7,070,011
Change in the provision for outstanding claims for the reinsurance and co-insurance part	-1,031,552	12,763,462	-107,109	12,656,353	0	0	0	0	11,624,801
<b>Change in other technical provisions</b>	<b>0</b>	<b>-446,480</b>	<b>-15,673</b>	<b>-462,153</b>	<b>-1,752,467</b>	<b>-526,810</b>	<b>-2,279,277</b>	<b>0</b>	<b>-2,741,430</b>
<b>Change in technical provisions for policyholders who bear the investment risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4,746,097</b>	<b>-3,966</b>	<b>-4,750,063</b>	<b>0</b>	<b>-4,750,063</b>
<b>Expenses for bonuses and rebates</b>	<b>4,627</b>	<b>42,406</b>	<b>-123,111</b>	<b>-80,705</b>	<b>900</b>	<b>0</b>	<b>900</b>	<b>0</b>	<b>-75,178</b>
<b>Operating expenses</b>	<b>-4,286,073</b>	<b>-17,587,504</b>	<b>-5,279,518</b>	<b>-22,867,022</b>	<b>-4,905,718</b>	<b>-803,888</b>	<b>-5,709,606</b>	<b>-419,578</b>	<b>-33,282,279</b>
Acquisition costs	-3,831,794	-4,283,511	-937,589	-5,221,100	-1,579,604	-275,358	-1,854,962	0	-10,907,856
Change in deferred acquisition costs	513,719	1,000,841	-35,195	965,646	-207,776	278	-207,498	0	1,271,867
Other operating expenses	-967,998	-14,304,834	-4,306,734	-18,611,568	-3,118,338	-528,808	-3,647,146	-419,578	-23,646,290
<b>Expenses for financial assets and liabilities</b>	<b>-1,202,425</b>	<b>-185,377</b>	<b>-10,416</b>	<b>-195,793</b>	<b>-41,726</b>	<b>-34,498</b>	<b>-76,224</b>	<b>0</b>	<b>-1,474,442</b>
Impairment losses on financial assets not at fair value through profit or loss	-11,384	-582	-493	-1,075	-604	-14,282	-14,886	0	-27,345
Interest expense	-238,988	-129,230	-1,087	-130,317	-2,166	-3,867	-6,033	0	-375,338
Other investment expenses	-952,053	-55,565	-8,836	-64,401	-38,956	-16,349	-55,305	0	-1,071,759
<b>Net unrealized losses on investments of life insurance policyholders who bear the investment risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,536,387</b>	<b>-22</b>	<b>-2,536,409</b>	<b>0</b>	<b>-2,536,409</b>
<b>Other technical expenses</b>	<b>-500,732</b>	<b>-2,339,548</b>	<b>-1,204,313</b>	<b>-3,543,861</b>	<b>-103,676</b>	<b>-120,482</b>	<b>-224,158</b>	<b>-25</b>	<b>-4,268,776</b>
<b>Other expenses</b>	<b>-322</b>	<b>-215,983</b>	<b>-151,605</b>	<b>-367,588</b>	<b>-27</b>	<b>-1,924</b>	<b>-1,951</b>	<b>-601</b>	<b>-370,462</b>
<b>Profit/loss before tax</b>	<b>2,615,904</b>	<b>3,154,088</b>	<b>316,562</b>	<b>3,470,650</b>	<b>3,752,395</b>	<b>-154,415</b>	<b>3,597,980</b>	<b>-333,917</b>	<b>9,350,620</b>
Income tax expense	-948,637	-239,934	-100,060	-339,994	-515,863	0	-515,863	0	-1,804,494
<b>Net profit/loss for the period</b>	<b>1,667,267</b>	<b>2,914,154</b>	<b>216,502</b>	<b>3,130,656</b>	<b>3,236,532</b>	<b>-154,415</b>	<b>3,082,117</b>	<b>-333,917</b>	<b>7,546,126</b>
Net profit/loss attributable to owners of the controlling company	1,667,267	2,914,154	220,822	3,134,976	3,236,532	-131,990	3,104,542	-333,917	7,572,871
Net profit/loss attributable to non-controlling interest	0	0	-4,320	-4,320	0	-22,425	-22,425	0	-26,745

*Inter-segment business*

(€)	Reinsurance business		Non-life insurance business		Life insurance business		Other	
	1-3/2015	1-3/2014	1-3/2015	1-3/2014	1-3/2015	1-3/2014	1-3/2015	1-3/2014
Net earned premiums	22,468,704	24,024,999	93,528	140,074	0	0	0	0
Net claims incurred	-8,218,052	-6,519,847	-20,091	-5,594	0	0	0	0
Operating expenses	-3,018,058	-3,175,756	-67,305	-385,160	-11,597	-10,593	-32,126	0
Investment income	54,211	53,781	1,346	2,040	0	0	0	0
Other income	4,184	4,775	44,229	16,967	54	12	1,939,239	376,126

## 8.8 Notes to significant changes in the statement of financial position

### 8.8.1 Property and equipment

*Movements in cost and accumulated depreciation/impairment losses of property and equipment assets*

(€)	Land	Buildings	Equipment	Other property and equipment	Total
<b>Cost</b>					
01/01/2015	7,200,120	44,648,118	22,938,110	421,329	75,207,677
Additions	0	0	1,000,470	127,073	1,127,543
Disposals	0	0	-244,635	0	-244,635
Impairment losses	0	-54,037	0	0	-54,037
Foreign exchange differences	1,573	13,554	3,882	608	19,617
31/03/2015	7,201,693	44,607,635	23,697,827	549,010	76,056,165
<b>Accumulated depreciation and impairment losses</b>					
01/01/2015	64,942	13,678,259	16,765,604	225,234	30,734,039
Additions	0	297,564	570,803	8,059	876,426
Disposals	0	0	-204,424	0	-204,424
Impairment losses	0	-4,505	0	0	-4,505
Foreign exchange differences	128	2,251	2,705	265	5,349
31/03/2015	65,070	13,973,568	17,134,688	233,558	31,406,885
Carrying amount as at 01/01/2015	7,135,178	30,969,859	6,172,506	196,095	44,473,638
Carrying amount as at 31/03/2015	7,136,623	30,634,067	6,563,139	315,452	44,649,280

### 8.8.2 Financial investments

In the first quarter of 2015, financial investments increased by € 23.7 million compared to year-end 2014, mainly because of positive cash flow from core operations, exchange gains and positive movements in the fair value reserve.

*Financial investments at 31 March 2015*

(€)	Held-to-maturity	At fair value through P/L		Available-for-sale	Loans and receivables	Total
		Non-derivative	Designated to this category			
31/03/2015						
Debt instruments	157,479,895	13,776,072		702,504,639	92,170,797	965,931,403
Deposits and CDs	505,941	0		0	91,250,723	91,756,664
Government bonds	156,973,954	4,217,663		337,259,568	0	498,451,185
Corporate bonds	0	9,558,409		365,245,071	0	374,803,480
Loans granted	0	0		0	920,074	920,074
Equity instruments	0	1,519,641		25,133,927	0	26,653,568
Shares	0	541,055		20,964,627	0	21,505,682
Mutual funds	0	978,586		4,169,300	0	5,147,886
Other investments	0	0		46,479	13,081	59,560
Financial investments of reinsurers i.r.o. reinsurance contracts with cedants	0	0		0	5,721,082	5,721,082
<b>Total</b>	<b>157,479,895</b>	<b>15,295,713</b>		<b>727,685,045</b>	<b>97,904,960</b>	<b>998,365,613</b>
Investments for the benefit of life-insurance policyholders who bear the investment risk	9,836,693	193,438,680		4,278,075	12,156,154	219,709,602

### Financial investments at 31 December 2014

(€)	Held-to-maturity	At fair value through P/L		Available-for-sale	Loans and receivables	Total
		Non-derivative				
		Designated to this category				
31/12/2014						
Debt instruments	164,317,392	14,671,781		667,473,331	95,718,258	942,180,762
Deposits and CDs	524,367	0		0	95,045,252	95,569,619
Government bonds	163,793,025	4,284,914		318,868,931	0	486,946,870
Corporate bonds	0	10,386,867		348,604,400	0	358,991,267
Loans granted	0	0		0	673,006	673,006
Equity instruments	0	1,803,754		24,898,206	0	26,701,960
Shares	0	580,913		20,449,436	0	21,030,349
Mutual funds	0	1,222,841		4,448,770	0	5,671,611
Other investments	0	0		46,479	151,671	198,150
Financial investments of reinsurers i.r.o. reinsurance contracts with cedants	0	0		0	5,587,510	5,587,510
<b>Total</b>	<b>164,317,392</b>	<b>16,475,535</b>		<b>692,418,016</b>	<b>101,457,439</b>	<b>974,668,382</b>
Investments for the benefit of life-insurance policyholders who bear the investment risk	10,096,564	178,717,684		3,815,356	10,283,455	202,913,059

### 8.8.3 Technical provisions ceded to reinsurers

#### Technical provisions ceded to reinsurers

(€)	31/03/2015	31/12/2014
From unearned premiums	11,840,192	6,601,969
From mathematical provisions	0	37
From provisions for claims outstanding	31,172,145	32,274,622
From other technical provisions	-359,278	-203,983
<b>Total</b>	<b>42,653,059</b>	<b>38,672,645</b>

Unearned premiums relating to technical provisions ceded to reinsurers are higher than at year-end 2014. This is due to new business written and renewals of retrocession contracts with foreign reinsurers.

### 8.8.4 Receivables

Receivables increased by € 35.0 million compared to year-end 2014. Receivables arising out of primary insurance business increased by € 17.5 million due to the annual renewal of insurance contracts with legal entities. There was also an increase of € 16.2 million in receivables arising out of reinsurance and co-insurance business, which is likewise a result of the annual renewal of reinsurance contracts with cedants and the timing of estimates made for reinsurance business. Other receivables rose by € 1.5 million and mostly relate to outstanding claims from the sale of investments.

## Receivables by type

(€)	31/03/2015			31/12/2014		
	Gross amount	Allowance	Receivables	Gross amount	Allowance	Receivables
Receivables due from policyholders	101,817,064	-32,146,155	69,670,909	84,237,018	-31,697,371	52,539,647
Receivables from insurance brokers	2,451,176	-508,780	1,942,396	2,103,339	-518,685	1,584,654
Other receivables arising out of primary insurance business	261,357	-133,877	127,480	236,250	-127,527	108,723
Receivables arising out of primary insurance business	104,529,597	-32,788,812	71,740,785	86,576,607	-32,343,583	54,233,024
Receivables for premiums arising out of reinsurance and co-insurance	70,124,358	-347,861	69,776,497	55,385,872	-537,862	54,848,010
Receivables for shares in claims payments	4,254,083	-85,282	4,168,801	3,994,006	-85,282	3,908,724
Other receivables from co-insurance and reinsurance	1,730,207	0	1,730,207	745,493	0	745,493
Receivables arising out of reinsurance and co-insurance business	76,108,648	-433,143	75,675,505	60,125,371	-623,144	59,502,227
Current tax assets	166,091	0	166,091	353,016	0	353,016
Other short-term receivables arising out of insurance business	28,666,393	-24,459,276	4,207,117	29,340,157	-24,873,317	4,466,840
Receivables arising out of investments	1,839,901	-1,211,707	628,194	1,880,911	-1,213,352	667,559
Other receivables	8,775,433	-1,722,299	7,053,134	6,651,116	-1,478,629	5,172,487
Other receivables	39,281,727	-27,393,282	11,888,445	37,872,184	-27,565,298	10,306,886
<b>Total</b>	<b>220,086,063</b>	<b>-60,615,237</b>	<b>159,470,826</b>	<b>184,927,178</b>	<b>-60,532,025</b>	<b>124,395,153</b>

## Movements in allowances for receivables

(€)	31/12/2014	Additions	Reversals	Write-offs	Foreign exchange differences	31/03/2015
Receivables due from policyholders	-31,697,371	-654,830	151,180	66,211	-11,345	-32,146,155
Receivables from insurance brokers	-518,685	-16,033	26,375	105	-542	-508,780
Other receivables arising out of primary insurance business	-127,527	-6,162	0	0	-188	-133,877
Receivables arising out of primary insurance business	-32,343,583	-677,025	177,555	66,316	-12,075	-32,788,812
Receivables for premiums arising out of reinsurance and co-insurance	-537,862	0	190,001	0	0	-347,861
Receivables for shares in claims payments	-85,282	0	0	0	0	-85,282
Receivables arising out of reinsurance and co-insurance business	-623,144	0	190,001	0	0	-433,143
Other short-term receivables arising out of insurance business	-24,873,317	-285,288	537,875	165,817	-4,363	-24,459,276
Receivables arising out of investments	-1,213,352	0	3,453	0	-1,808	-1,211,707
Other short-term receivables	-1,478,629	-247,457	4,795	-1	-1,007	-1,722,299
Other receivables	-27,565,298	-532,745	546,123	165,816	-7,178	-27,393,282
<b>Total</b>	<b>-60,532,025</b>	<b>-1,209,770</b>	<b>913,679</b>	<b>232,132</b>	<b>-19,253</b>	<b>-60,615,237</b>

## Receivables ageing analysis

(€)	Not past due	Past due up to 180 days	Past due more than 180 days	Total
31/03/2015				
Receivables due from policyholders	54,762,783	9,994,001	4,914,125	69,670,909
Receivables from insurance brokers	750,740	1,167,589	24,067	1,942,396
Other receivables arising out of primary insurance business	101,144	15,566	10,770	127,480
Receivables for premiums arising out of assumed reinsurance and co-insurance	54,981,436	11,320,014	3,475,047	69,776,497
Receivables for reinsurers' shares in claims	2,565,528	1,061,829	541,444	4,168,801
Other receivables from co-insurance and reinsurance	1,371,555	358,373	279	1,730,207
Current tax assets	166,091	0	0	166,091
Other short-term receivables arising out of insurance business	3,697,437	372,123	137,557	4,207,117
Short-term receivables arising out of financing	368,997	115,027	144,170	628,194
Other short-term receivables	4,846,178	891,894	1,315,062	7,053,134
<b>Total</b>	<b>123,611,889</b>	<b>25,296,416</b>	<b>10,562,521</b>	<b>159,470,826</b>

## 8.8.5 Technical provisions

Receivables increased by € 36.5 million compared to 31 December 2014. The largest increase was in gross unearned premiums (€ 33.8 million) as a result of underwriting timing during the year.



### Movements in gross technical provisions

(€)	01/01/2015	Additions	Uses and releases	Foreign exchange differences	31/03/2015
Gross unearned premiums	148,169,690	109,910,477	-77,056,719	973,433	181,996,881
Mathematical provisions	256,292,141	5,881,340	-5,457,391	10,769	256,726,859
Gross provision for claims	454,759,004	54,736,575	-58,512,164	6,433,320	457,416,735
Gross provision for bonuses, rebates and cancellations	854,819	603,513	-772,019	58	686,371
Other gross technical provisions	9,906,981	937,200	-1,228,282	461	9,616,360
<b>Total</b>	<b>869,982,635</b>	<b>172,069,105</b>	<b>-143,026,575</b>	<b>7,418,041</b>	<b>906,443,206</b>
Net technical provisions for the benefit of life insurance policyholders who bear the investment risk	195,684,631	21,129,227	-6,564,585	45	210,249,318

### 8.8.6 Liabilities from operating activities

In the first quarter 2015, liabilities from operating activities increased by € 16.3 million compared to 31 December 2014, mainly due to an increase in liabilities arising out of reinsurance business.

(€)	Maturity		
	1–5 years	Up to 1 year	Total
31/03/2015			
Liabilities to policyholders	0	2,620,005	2,620,005
Liabilities due to insurance intermediaries	0	2,060,315	2,060,315
Other liabilities from primary insurance business	300	7,477,415	7,477,715
Liabilities from primary insurance business	300	12,157,735	12,158,035
Liabilities for reinsurance and co-insurance premiums	0	10,680,749	10,680,749
Liabilities for shares in reinsurance claims		23,149,964	23,149,964
Other liabilities due from co-insurance and reinsurance		14,026,753	14,026,753
Liabilities from reinsurance and co-insurance business		47,857,466	47,857,466
Current tax liabilities		5,661,584	5,661,584
<b>Total</b>	<b>300</b>	<b>65,676,785</b>	<b>65,677,085</b>

(€)	Maturity		
	1–5 years	Up to 1 year	Total
31/12/2014			
Liabilities to policyholders	0	1,413,992	1,413,992
Liabilities due to insurance intermediaries	0	1,870,402	1,870,402
Other liabilities from primary insurance business	301	8,443,682	8,443,983
Liabilities from primary insurance business	301	11,728,076	11,728,377
Liabilities for reinsurance and co-insurance premiums	0	5,254,890	5,254,890
Liabilities for shares in reinsurance claims	0	14,920,396	14,920,396
Other liabilities due from co-insurance and reinsurance	0	12,690,761	12,690,761
Liabilities from reinsurance and co-insurance business	0	32,866,047	32,866,047
Current tax liabilities	0	4,770,373	4,770,373
<b>Total</b>	<b>301</b>	<b>49,364,496</b>	<b>49,364,797</b>

### 8.8.7 Net earnings/loss per share

The weighted average number of shares outstanding in the financial period was 16,486,004. At 31 March 2015, the controlling company owned 736,066 treasury shares, which are excluded when calculating the weighted average number of shares.

#### *Net earnings/loss per share*

(€)	1–3/2015	1–3/2014
Net profit/loss for the period	9,985,453	7,546,126
Net profit/loss for the period attributable to owners of the controlling company	9,996,879	7,572,871
Weighted average number of shares outstanding	16,486,004	16,873,019
<b>Net earnings/loss per share</b>	<b>0.61</b>	<b>0.45</b>

#### *Comprehensive income per share*

(€)	1–3/2015	1–3/2014
Comprehensive income for the period	14,474,710	13,229,102
Comprehensive income for the period attributable to owners of the controlling company	14,479,406	13,259,371
Weighted average number of shares outstanding	16,486,004	16,873,019
<b>Comprehensive income per share</b>	<b>0.88</b>	<b>0.79</b>

## 9 RELATED-PARTY DISCLOSURES

### Key management personnel

Fixed salaries of management board members for performing their function in the first quarter of 2014 totalled € 156,780 (1–3/2014: € 118,209). Fringe benefits were € 9,390 (1–3/2014: € 6,669).

Remunerations paid to supervisory board members and members of the supervisory board audit committee in the first quarter 2015 totalled € 39,724 (1–3/2014: € 36,855).

#### *Remuneration paid to management board members in 1–3/2015*

(€)	Gross salary – fixed amount	Fringe benefits – insurance premiums	Fringe benefits – use of company car	Total
Zvonko Ivanušič	39,840	1,551	2,634	44,025
Jošt Dolničar	35,850	759	1,195	37,803
Srečko Čebtron	35,850	1,307	663	37,820
Mateja Treven	35,850	1,281	0	37,131
<b>Total</b>	<b>147,390</b>	<b>4,898</b>	<b>4,492</b>	<b>156,780</b>

*Liabilities to management board members*

(€)	31/03/2015	31/12/2014
Zvonko Ivanušič	6,083	6,087
Jošt Dolničar	5,581	5,570
Srečko Čebtron	6,123	6,052
Mateja Treven	6,412	5,699
<b>Total</b>	<b>24,199</b>	<b>23,408</b>

*Remuneration paid to members of the supervisory board and the auditing committee in 1–3/2015*

(€)		Attendance fees	Remuneration for performing the function	Expenses reimbursed	Total
<b>Supervisory board members</b>					
Branko Tomažič	chairman of the SB	825	4,875	769	6,469
Mateja Lovšin Herič	deputy chair of the SB	825	3,575	0	4,400
Slaven Mičković	member of the SB	825	3,250	0	4,075
Keith William Morris	member of the SB	550	3,250	5,646	9,446
Martin Albreht	member of the SB	825	3,250	0	4,075
Gorazd Andrej Kunstek	member of the SB	825	3,250	0	4,075
<b>Total supervisory board members</b>		<b>4,675</b>	<b>21,450</b>	<b>6,415</b>	<b>32,540</b>
<b>Audit committee members</b>					
Mateja Lovšin Herič	chair of the AC	660	1,219	0	1,879
Slaven Mičković	member of the AC	660	812	0	1,472
Ignac Dolenšek	external member		3,775	58	3,833
<b>Total audit committee members</b>		<b>1,320</b>	<b>5,806</b>	<b>58</b>	<b>7,184</b>

*Liabilities to members of the supervisory board and the audit committee*

As at 31 March 2015, liabilities to members of the supervisory board and audit committee totalled € 9,090 (31 December 2014: € 9,238).

## Transactions with subsidiaries

### *Investments in and amounts due from Group companies*

(€)		31/03/2015	31/12/2014
Debt securities and loans granted to Group companies	gross	3,957,756	4,334,953
	allowance	0	0
	net	3,957,756	4,334,953
Receivables for premiums arising out of reinsurance assumed	gross	26,285,177	13,031,175
	allowance	0	0
	net	26,285,177	13,031,175
Short-term receivables arising out of financing	gross	40,368	15,985
	allowance	0	0
	net	40,368	15,985
Other short-term receivables	gross	0	4,369
	allowance	0	0
	net	0	4,369
Short-term deferred acquisition costs	gross	5,700,674	4,248,370
	allowance	0	0
	net	5,700,674	4,518,719
<b>Total</b>		<b>35,983,975</b>	<b>21,905,201</b>

### *Liabilities to Group companies*

(€)	31/03/2015	31/12/2014
Liabilities for shares in reinsurance claims	8,920,847	9,435,525
Other liabilities due from co-insurance and reinsurance	5,161,241	3,291,946
Other short-term liabilities	4,245	36,553
<b>Total (excl. provisions)</b>	<b>14,086,333</b>	<b>12,764,024</b>

### *Income and expenses relating to Group companies*

(€)	1–3/2015	1–3/2014
Gross premiums written	22,508,564	24,024,999
Gross claims payments	-8,510,612	-8,324,548
Income from gross recourse receivables	272,469	1,804,701
Other operating expenses	-125,127	-27,658
Dividend income	814,740	606,501
Other investment income	0	3,824
Interest income	55,557	53,781
Acquisition costs	-4,556,706	-4,569,970
Other non-life income	145,683	951
<b>Total</b>	<b>10,604,568</b>	<b>13,572,580</b>

## Transactions with associates

### *Operating income and expenses relating to associate companies*

(€)	1–3/2015	1–3/2014
Income from shares in associates	88,739	35,092
Additional pension insurance premium	-17,483	-16,731
<b>Total</b>	<b>71,256</b>	<b>18,361</b>

## Transactions with the state and majority state-owned entities

*Investments in and receivables due from the state and companies that are majority state-owned*

(€)	31/03/2015	31/12/2014
Interests in companies	12,546,924	11,927,070
Debt securities and loans	311,434,295	321,587,815
Receivables due from policyholders	873,969	83,729
<b>Total</b>	<b>324,855,188</b>	<b>333,598,614</b>

*Liabilities to the state and majority state-owned companies*

(€)	31/03/2015	31/12/2014
Liabilities for shares in claims	14,277	72,282

*Income and expenses relating to majority state-owned companies*

(€)	1–3/2015	1–3/2014
Gross premiums written	4,661,977	5,371,222
Gross claims payments	-3,382,056	-5,527,948
Interest income	3,464,768	3,476,746
Other investment income	348,008	1,589,449
Other investment expenses	-43,683	-20,723
<b>Total</b>	<b>5,049,014</b>	<b>4,888,747</b>

Related-party transactions were conducted on an arms-length basis.



**UNAUDITED CONDENSED  
FINANCIAL STATEMENTS OF  
SAVA REINSURANCE COMPANY**





## 10 UNAUDITED CONDENSED SEPARATE FINANCIAL STATEMENTS

### 10.1 Unaudited statement of financial position

(€)	31/03/2015	31/12/2014
<b>ASSETS</b>	<b>591,360,349</b>	<b>547,413,684</b>
<b>Intangible assets</b>	<b>585,443</b>	<b>467,423</b>
<b>Property and equipment</b>	<b>2,443,488</b>	<b>2,462,814</b>
<b>Deferred tax assets</b>	<b>586,622</b>	<b>1,040,593</b>
<b>Investment property</b>	<b>115,045</b>	<b>115,492</b>
<b>Financial investments in subsidiaries and associates</b>	<b>190,482,969</b>	<b>189,641,994</b>
<b>Financial investments:</b>	<b>251,234,230</b>	<b>241,524,533</b>
- loans and deposits	23,299,352	25,586,465
- held to maturity	1,997,233	2,074,001
- available for sale	221,684,932	208,238,543
- at fair value through profit or loss	4,252,713	5,625,524
<b>Reinsurers' share of technical provisions</b>	<b>33,686,778</b>	<b>30,863,647</b>
<b>Receivables</b>	<b>98,893,734</b>	<b>71,484,165</b>
Receivables arising out of reinsurance and co-insurance business	97,612,806	71,298,397
Other receivables	1,280,928	185,768
<b>Deferred acquisition costs</b>	<b>11,897,981</b>	<b>9,003,998</b>
<b>Other assets</b>	<b>465,564</b>	<b>296,684</b>
<b>Cash and cash equivalents</b>	<b>968,495</b>	<b>512,342</b>
<b>EQUITY AND LIABILITIES</b>	<b>591,360,349</b>	<b>547,413,684</b>
<b>Equity</b>	<b>264,701,505</b>	<b>258,135,674</b>
Share capital	71,856,376	71,856,376
Capital reserves	54,239,757	54,239,757
Profit reserves	116,111,263	115,977,201
Treasury shares	-10,247,024	-10,115,023
Fair value reserve	6,117,115	4,341,739
Retained earnings	21,835,624	15,713,039
Net profit/loss for the period	4,788,394	6,122,585
<b>Subordinated liabilities</b>	<b>23,507,999</b>	<b>23,499,692</b>
<b>Technical provisions</b>	<b>236,657,168</b>	<b>216,658,049</b>
Unearned premiums	61,998,295	39,088,756
Provision for outstanding claims	174,479,587	177,331,493
Other technical provisions	179,286	237,800
<b>Other provisions</b>	<b>273,523</b>	<b>273,590</b>
<b>Other financial liabilities</b>	<b>71,431</b>	<b>74,429</b>
<b>Liabilities from operating activities</b>	<b>62,466,093</b>	<b>46,148,390</b>
Liabilities from reinsurance and co-insurance business	59,423,908	43,682,228
Current income tax liabilities	3,042,185	2,466,162
<b>Other liabilities</b>	<b>3,682,630</b>	<b>2,623,860</b>

## 10.2 Unaudited income statement

(€)	1–3/2015	1–3/2014
<b>Net earned premiums</b>	<b>29,875,167</b>	<b>24,843,829</b>
Gross premiums written	57,267,173	49,996,276
Written premiums ceded to reinsurers and co-insurers	-8,851,489	-8,620,492
Change in gross unearned premiums	-22,909,538	-21,295,166
Change in unearned premiums for the reinsurance and co-insurance part	4,369,021	4,763,211
<b>Income from investments in subsidiaries and associates</b>	<b>774,003</b>	<b>606,501</b>
<b>Investment income</b>	<b>7,505,938</b>	<b>1,969,009</b>
Interest income	1,161,897	1,132,243
Other investment income	6,344,041	836,766
<b>Other technical income</b>	<b>4,158,095</b>	<b>755,623</b>
Commission income	641,102	531,458
Other income	3,516,993	224,165
<b>Other income</b>	<b>2,447</b>	<b>1,182</b>
<b>Net claims incurred</b>	<b>-22,972,878</b>	<b>-12,194,772</b>
Gross claims payments less income from recourse receivables	-25,806,673	-20,398,652
Reinsurers' and co-insurers' shares	1,527,778	100,712
Change in the gross claims provision	2,851,906	-3,494,686
Change in the provision for outstanding claims for the reinsurance and co-insurance part	-1,545,889	11,597,854
<b>Expenses for bonuses and rebates</b>	<b>58,515</b>	<b>79,809</b>
<b>Operating expenses</b>	<b>-9,952,043</b>	<b>-8,228,595</b>
Acquisition costs	-10,813,041	-8,401,765
Change in deferred acquisition costs	2,893,983	1,935,594
Other operating expenses	-2,032,985	-1,762,424
<b>Expenses for financial assets and liabilities</b>	<b>-1,035,540</b>	<b>-1,202,425</b>
Impairment losses on financial assets not measured at fair value through profit or loss	0	-11,384
Interest expenses	-227,473	-238,988
Diverse other expenses	-808,067	-952,053
<b>Other technical expenses</b>	<b>-2,623,467</b>	<b>-500,732</b>
<b>Other expenses</b>	<b>0</b>	<b>-5</b>
<b>Profit/loss before tax</b>	<b>5,790,237</b>	<b>6,129,424</b>
<b>Income tax expense</b>	<b>-867,781</b>	<b>-948,637</b>
<b>Net profit/loss for the period</b>	<b>4,922,456</b>	<b>5,180,787</b>
<b>Net diluted earnings/loss per share</b>	<b>0.30</b>	<b>0.31</b>

### 10.3 Unaudited statement of comprehensive income

(€)	1–3/2015	1–3/2014
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>4,922,456</b>	<b>5,180,787</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>1,775,376</b>	<b>2,342,011</b>
<b>b) Items that may be reclassified subsequently to profit or loss</b>	<b>1,775,376</b>	<b>2,342,011</b>
<b>Net gains/losses on remeasuring available-for-sale financial assets</b>	<b>2,139,007</b>	<b>2,821,700</b>
Net change recognized in the fair value reserve	1,833,161	2,472,163
Net change transferred from fair value reserve to profit or loss	305,846	349,537
<b>Tax on items that may be reclassified subsequently to profit or loss</b>	<b>-363,631</b>	<b>-479,689</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>6,697,832</b>	<b>7,522,798</b>

## 10.4 Unaudited statement of changes in equity

### Unaudited statement of changes in equity for the three months to 31 March 2015

(€)	I. Share capital	II. Capital reserves	III. Profit reserves					IV. Fair value reserve	V. Retained earnings	VI. Net profit/loss for the period	VII. Treasury shares (contra account)	Total (1–12)
			Legal reserves and reserves provided for in the articles of association	Reserve for treasury shares	Reserves for credit risks	Catastrophe equalisation reserve	Other					
	1.	2.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
<b>Closing balance in the previous financial year</b>	<b>71,856,376</b>	<b>54,239,757</b>	<b>14,986,525</b>	<b>10,115,023</b>	<b>845,522</b>	<b>10,000,000</b>	<b>80,030,132</b>	<b>4,341,739</b>	<b>15,713,039</b>	<b>6,122,585</b>	<b>-10,115,023</b>	<b>258,135,674</b>
<b>Opening balance in financial period</b>	<b>71,856,376</b>	<b>54,239,757</b>	<b>14,986,525</b>	<b>10,115,023</b>	<b>845,522</b>	<b>10,000,000</b>	<b>80,030,132</b>	<b>4,341,739</b>	<b>15,713,039</b>	<b>6,122,585</b>	<b>-10,115,023</b>	<b>258,135,674</b>
<b>Comprehensive income for the period, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,775,376</b>	<b>0</b>	<b>4,922,456</b>	<b>0</b>	<b>6,697,832</b>
a) Net profit/loss for the period	0	0	0	0	0	0	0	0	0	4,922,456	0	4,922,456
b) Other comprehensive income	0	0	0	0	0	0	0	1,775,376	0	0	0	1,775,376
Net purchase/sale of treasury shares	0	0	0	132,001	0	0	0	0	0	-132,001	-132,001	-132,001
Additions/uses of credit risk equalisation reserve and catastrophe equalisation reserve	0	0	0	0	2,060	0	0	0	0	-2,060	0	0
Transfer of profit	0	0	0	0	0	0	0	0	6,122,585	-6,122,585	0	0
<b>Closing balance in the financial period</b>	<b>71,856,376</b>	<b>54,239,757</b>	<b>14,986,525</b>	<b>10,247,024</b>	<b>847,582</b>	<b>10,000,000</b>	<b>80,030,132</b>	<b>6,117,115</b>	<b>21,835,624</b>	<b>4,788,394</b>	<b>-10,247,024</b>	<b>264,701,505</b>

*Unaudited statement of changes in equity for the three months to 31 March 2014*

(€)	III. Profit reserves											Total (1–12)
	I. Share capital	II. Capital reserves	Legal reserves and reserves provided for in the articles of association	Reserve for treasury shares	Reserves for credit risks	Catastrophe equalisation reserve	Other	IV. Fair value reserve	V. Retained earnings	VI. Net profit/loss for the period	VII. Treasury shares (contra account)	
	1.	2.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
<b>Closing balance in the previous financial year</b>	<b>71,856,376</b>	<b>54,239,757</b>	<b>14,986,525</b>	<b>1,774</b>	<b>800,075</b>	<b>10,000,000</b>	<b>73,952,993</b>	<b>253,020</b>	<b>12,717,998</b>	<b>7,382,026</b>	<b>-1,774</b>	<b>246,188,770</b>
<b>Opening balance in financial period</b>	<b>71,856,376</b>	<b>54,239,757</b>	<b>14,986,525</b>	<b>1,774</b>	<b>800,075</b>	<b>10,000,000</b>	<b>73,952,993</b>	<b>253,020</b>	<b>12,717,998</b>	<b>7,382,026</b>	<b>-1,774</b>	<b>246,188,770</b>
<b>Comprehensive income for the period, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,342,011</b>	<b>0</b>	<b>5,180,787</b>	<b>0</b>	<b>7,522,798</b>
a) Net profit/loss for the period	0	0	0	0	0	0	0	0	0	5,180,787	0	5,180,787
b) Other comprehensive income	0	0	0	0	0	0	0	2,342,011	0	0	0	2,342,011
Additions/uses of credit risk equalisation reserve and catastrophe equalisation reserve	0	0	0	0	8,658	0	0	0	0	-8,658	0	0
Transfer of profit	0	0	0	0	0	0	0	0	7,382,026	-7,382,026	0	0
<b>Closing balance in the financial period</b>	<b>71,856,376</b>	<b>54,239,757</b>	<b>14,986,525</b>	<b>1,774</b>	<b>808,733</b>	<b>10,000,000</b>	<b>73,952,993</b>	<b>2,595,031</b>	<b>20,100,024</b>	<b>5,172,128</b>	<b>-1,774</b>	<b>253,711,568</b>

## 10.5 Unaudited statement of cash flows

(€)	2015	2014
<b>A. Cash flows from operating activities</b>		
<b>a.) Items of the income statement</b>	<b>12,082,735</b>	<b>10,336,593</b>
Net premiums written in the period	48,415,684	41,375,784
Investment income (other than financial income), financed from:	880	3,232
- technical provisions	880	1,578
- other sources	0	1,654
Other operating income (excl. revaluation income and releases from provisions) and financial income from operating receivables	4,160,542	756,805
Net claims payments in the period	-24,278,895	-20,297,940
Expenses for bonuses and rebates	58,515	79,809
Net operating expenses excl. depreciation/amortisation and change in deferred acquisition costs	-12,782,594	-10,112,971
Investment expenses (excluding depreciation/amortisation and financial expenses), financed from:	-149	-18,752
- technical sources	-131	-12,073
- other sources	-18	-6,679
Other operating expenses excl. depreciation/amortisation (other than for revaluation and excl. additions to provisions)	-2,623,467	-500,737
Tax on profit and other taxes not included in operating expenses	-867,781	-948,637
<b>b.) Changes in net operating assets (receivables for premium, other receivables, other assets and deferred tax assets/liabilities) of operating items of the statement of financial position</b>	<b>-9,536,067</b>	<b>-10,204,197</b>
Change in receivables from reinsurance	-24,153,867	-26,612,876
Change in other receivables and other assets	-3,068,033	-1,072,579
Change in deferred tax assets	453,971	452,717
Change in liabilities arising out of reinsurance business	16,221,676	10,504,158
Change in other operating liabilities	481,849	5,996,368
Change in other liabilities (except unearned premiums)	528,338	528,015
<b>c.) Net cash from/used in operating activities (a + b)</b>	<b>2,546,668</b>	<b>132,397</b>
<b>B. Cash flows from investing activities</b>		
<b>a.) Cash receipts from investing activities</b>	<b>77,379,588</b>	<b>83,557,975</b>
Interest received from investing activities relating to:	1,161,897	1,132,243
- investments financed from technical provisions	1,029,183	971,158
- other investments	132,714	161,085
Proceeds from dividends and shares in the profit of others, relating to:	774,003	631,053
- investments financed from technical provisions	0	24,552
- other investments	774,003	606,501
Proceeds from sale of property and equipment, financed from:	40	40
- other sources	40	40
Proceeds from sale of long-term financial investments, financed from:	20,231,929	16,148,130
- technical provisions	18,948,613	15,046,960
- other sources	1,283,316	1,101,171
Proceeds from sale of short-term financial investments, financed from:	55,211,719	65,646,508
- technical provisions	50,579,248	47,687,201
- other sources	4,632,471	17,959,306
<b>b.) Cash disbursements in investing activities</b>	<b>-78,269,653</b>	<b>-76,942,280</b>
Purchase of intangible assets	-130,719	-1,773
Purchase of property and equipment, financed from:	-30,678	-52,190
- other sources	-30,678	-52,190
Purchase of long-term financial investments, financed from:	-24,710,076	-14,330,685
- technical provisions	-23,058,140	-11,530,368
- other sources	-1,651,936	-2,800,317
Purchase of short-term financial investments, financed from:	-53,398,179	-62,557,631
- technical provisions	-50,250,075	-58,897,057
- other sources	-3,148,104	-3,660,574
<b>c.) Net cash from/used in investing activities (a + b)</b>	<b>-890,065</b>	<b>6,615,695</b>
<b>C. Cash flows from financing activities</b>		
<b>b.) Cash disbursements in financing activities</b>	<b>-1,200,449</b>	<b>-6,459,944</b>
Interest paid	-227,473	-238,988
Repayment of long-term financial liabilities	0	-6,220,956
Repayment of short-term financial liabilities	-840,975	0
Own share repurchases	-132,001	0
<b>c.) Net cash from/used in financing activities (a + b)</b>	<b>-1,200,449</b>	<b>-6,459,944</b>
<b>C2. Closing balance of cash and cash equivalents</b>	<b>968,495</b>	<b>416,412</b>
<b>Net increase/decrease in cash and cash equivalents for the period (Ac + Bc + Cc)</b>	<b>456,154</b>	<b>288,147</b>
<b>C2. Opening balance of cash and cash equivalents</b>	<b>512,342</b>	<b>128,265</b>

Appendix – Glossary of selected  
terms and calculation  
methodologies for indicators





## Appendix – Glossary of selected terms and calculation methodologies for indicators

<b>Administrative expense ratio.</b> The ratio of operating expenses net of acquisition costs and change in deferred acquisition costs as a percentage of gross premiums written.
<b>Associate.</b> An entity over which the investor has significant influence (the power to participate in the financial and operating policy decisions) and that is neither a subsidiary nor an interest in a joint venture.
<b>Book value per share.</b> Ratio of total equity to number of shares outstanding.
<b>Capital fund.</b> Assets representing the capital of the Company.
<b>Cedant, cede, cession.</b> A cedant is the client of a reinsurance company. To cede is to transfer part of any risk an insurer has underwritten to a reinsurer. The part thus transferred to any reinsurer is called a cession.
<b>Chief Operating Decision Maker (CODM).</b> CODM may refer to a person responsible for monitoring an operating segment or to a group of persons responsible for allocating resources, and monitoring and assessing performance. CODM is a function and not a title.
<b>Claims payments.</b> Claims and benefits booked during a given period for claims resolved either fully or in part, including loss adjustment expenses. Gross/net – before/after deduction of reinsurance. <b>Gross claims paid are gross claims payments less subrogation receivables. Net claims paid is short for net claims payments.</b>
<b>Claims risk.</b> The risk that the number of claims or the average claim amount will be higher than expected.
<b>Composite insurer.</b> Insurer that writes both life and non-life business.
<b>Concentration risk.</b> The risk that due to excessive concentration of investments in a geographic area, economic sector or issuer, unfavourable movements could result in a concurrent decrease in the value of investments.
<b>Consolidated book value per share.</b> Ratio of consolidated total equity to number of shares outstanding.
<b>Consolidated earnings per share.</b> Ratio of net profit/loss attributable to equity holders of the controlling company as a percentage of the weighted average number of shares outstanding.
<b>Credit risk.</b> The risk that issuers or other counter-parties will fail to meet their obligations to the Group. The Group assesses concentration risk as part of credit risk.
<b>Currency risk.</b> The risk that changes in exchange rates will decrease the value of assets denominated in foreign currencies or increase liabilities denominated in foreign currencies.
<b>Earnings per share.</b> Ratio of net profit/loss as a percentage of the weighted average number of shares outstanding.
<b>Equity risk.</b> The risk that the value of investments will decrease due to fluctuations in equity markets. Also equity securities risk.
<b>Excess of loss reinsurance.</b> A type of reinsurance in which the insurer agrees to pay a specified portion of a claim and the reinsurer agrees to pay all or a part of the claim above the specified currency amount or "retention".
<b>Facultative reinsurance.</b> A type of reinsurance under which the ceding company has the option to cede and the reinsurer has the option to accept or decline individual risks of the underlying policy. Typically used to reinsure large individual risks or for amounts in excess of limits on risks already reinsured elsewhere.
<b>FATCA.</b> Foreign Account Tax Compliance Act; for details see <a href="http://www.sava-re.si/en/o-druzbi/FATCA/">http://www.sava-re.si/en/o-druzbi/FATCA/</a>
<b>Financial investments.</b> Financial investments do not include financial investments in associates, investment property nor cash and cash equivalents.
<b>Gross claims paid.</b> Claims and benefits booked during a given period for claims resolved either fully or in part, including loss adjustment expenses, and net of recourse receivables. Gross claims paid are claims before deduction of reinsurance.
<b>Gross expense ratio.</b> The ratio of operating expenses as a percentage of gross premiums written.
<b>Gross incurred loss ratio.</b> Gross claims paid, including the change in the gross provision for outstanding claims, as a percentage of gross premiums written gross of the change in gross unearned premiums.
<b>Gross operating expenses.</b> Operating expenses, excluding commission income.
<b>Gross premiums written.</b> The total premiums on all policies written or renewed during a given period regardless of what portions have been earned. Gross premiums written are premiums before deduction of reinsurance.
<b>Gross/net.</b> In insurance terminology, the terms gross and net usually denote figures before and after deduction of reinsurance.
<b>Guarantee fund.</b> One third of the required solvency margin.
<b>IBNER.</b> Provision for claims that are <b>Incurred But Not Enough Reported.</b>
<b>IBNR.</b> Provision for claims that are <b>Incurred But Not Reported.</b>
<b>Insurance density.</b> The ratio of gross premiums written as a percentage of the number of inhabitants.
<b>Insurance penetration.</b> The ratio of gross premiums written as a percentage of gross domestic product.
<b>Interest rate risk.</b> The risk of exposure to losses resulting from fluctuations in interest rates. These can cause a decrease in investments or an increase in liabilities.
<b>Investment portfolio.</b> The investment portfolio includes financial investments in associates, investment property, and cash and cash equivalents.
<b>Liability fund.</b> Assets covering technical provisions.
<b>Life insurance liability fund.</b> Assets covering mathematical provisions.
<b>Liquidity risk.</b> The risk that an entity will not have sufficient liquid assets to meet its obligations as they fall due, and will have to sell its less liquid assets at an inopportune time or raise loans outside the schedule.
<b>Market risks.</b> Include interest rate risk, equity risk and currency risk.
<b>Net claims incurred.</b> Net claims payments (short: net claims paid) in the period gross of the change in the net provision for outstanding claims.
<b>Net claims paid.</b> Claims and benefits booked during a given period for claims resolved either fully or in part, including loss adjustment expenses, and net of recourse receivables and reinsurers' and co-insurers' share of claims paid. <b>Gross claims paid are gross claims payments less subrogation receivables.</b>
<b>Net combined ratio.</b> Ratio of total expenses net of investment expenses as a percentage of total income net of investment income.
<b>Net expense ratio.</b> The ratio of operating expenses, net of commission income, as a percentage of net earned premiums.
<b>Net incurred loss ratio.</b> Net claims incurred gross of the change in other technical provisions as a percentage of net premiums earned.
<b>Net investment income of the investment portfolio.</b> Calculated from income statements items: income from investments in subsidiaries and associates + investment income + income from investment property – expenses for investments in subsidiaries and associates –

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expenses for financial assets and liabilities – expenses for investment property. Income from and expenses for investment property are included in the other income / other expenses item. Net investment income of the investment portfolio does not include net unrealized gains/losses on investments of life insurance policyholders who bear the investment risk as these do not affect the income statement. These items move in line with the mathematical provision of policyholders who bear the investment risk.

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**Net operating expenses.** Operating expenses net of commission income.

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**Net premiums earned.** Net premiums written for a given period adjusted for the change in net unearned premiums.

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**Net premiums written.** The total premiums on all policies written or renewed during a given period regardless of what portions have been earned. Net premiums written are premiums after deduction of reinsurance.

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**Net retention risk.** The risk that higher retention of insurance loss exposures results in large losses due to catastrophic or concentrated claims experience.

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**Net/gross.** In insurance terminology, the terms gross and net usually denote figures before and after deduction of reinsurance.

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**Non-proportional reinsurance (excess reinsurance).** A reinsurance arrangement whereby the reinsurer indemnifies a ceding company above a specified level (usually a monetary amount) of losses that the ceding company has underwritten. A deductible amount is set and any loss exceeding that amount is paid by the reinsurer.

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**Paid loss ratio.** The ratio of gross claims paid as a percentage of gross premiums written.

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**Premiums written.** The total premiums on all policies written or renewed during a given period regardless of what portions have been earned. Gross/net – before/after deduction of reinsurance.

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**Pricing risk.** The risk that (re)insurance premiums charged will be insufficient to cover future obligations arising from (re)insurance contracts.

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**Primary insurer.** Insurance company that has a direct contractual relationship with the holder of the insurance policy (private individual, firm or organization).

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**Proportional reinsurance.** A reinsurance arrangement whereby the reinsurer indemnifies a ceding company for a pre-agreed proportion of premiums and losses of each policy that the ceding company has underwritten. It can be subdivided into two main types: quota-share reinsurance and surplus reinsurance.

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**RBNS.** Provision for claims that are **Reported But Not Settled**.

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**Recourse receivables.** Amount of recourse claims which were recognized in the period as recourse receivables based on (i) any agreement with any third parties under recourse issues, (ii) court decisions, or (iii) for credit business – settlement of insurance claim.

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**Required solvency margin.** The minimum solvency margin capital requirement calculated in accordance with the rules based on Solvency I. The capital level representing the first threshold that triggers measures related to the Insurance Supervision Agency in the event that it is breached.

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**Reserving risk.** The risk that technical provisions will be inadequate.

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**Retention ratio.** Ratio of net premiums written as a percentage of gross premiums written.

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**Retention.** The amount or portion of risk (loss) that a ceding company retains for its own account, and does not reinsure. Losses and loss expenses in excess of the retention level are then paid by the reinsurer to the ceding company up to the limit of indemnity, if any, set out in the reinsurance contract. In proportional reinsurance, the retention may be a percentage of the original policy's limit. In non-proportional insurance, the retention is usually a monetary amount of loss, a percentage of loss or a loss-to-premium ratio.

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**Retrocession.** The reinsurance bought by reinsurers; a transaction by which a reinsurer cedes risks to another reinsurer.

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**Return on equity (ROE).** The ratio of net profit for the period as a percentage of average equity in the period.

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**Return on the investment portfolio.** The ratio of net investment income of the investment portfolio to average invested assets. It includes the following statement of financial position items: investment property, financial investments in subsidiaries and associates, financial investments and cash and cash equivalents. The average amount is calculated based on figures at the financial statement date and at the end of the prior year.

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**Solvency ratio.** The ratio of the available solvency margin as a percentage of the required solvency margin.

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**Subsidiary entity.** An entity that is controlled by another entity.

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**Total comprehensive income, net of tax.** The sum of net profit for the period and other comprehensive income for the period, net of tax. The latter comprises the effects of other gains and losses not recognized in the income statement that affect equity, mainly through the fair value reserve.

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**Underwriting result.** Profit or loss realized from insurance operations as opposed to that realized from investments or other items.

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**Unearned premiums.** The portion of premiums written that applies to the unexpired portion of the policy period and is attributable to and recognized as income in future years.

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