

SAVA RE GROUP

1-3/2017 RESULTS

16 MAY 2017



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- Sava Re Group – Business profile
- Sava Re Group – Performance
- Sava Re Group – Investment structure and return
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BUSINESS PROFILE

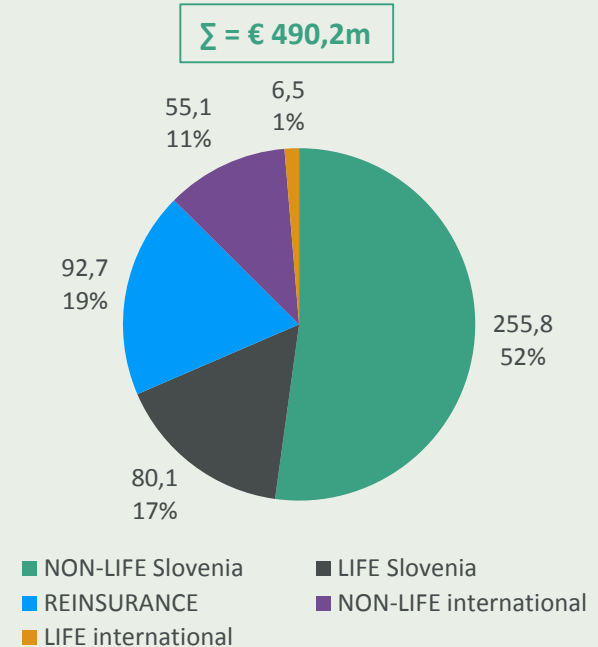
Sava Re Group GPW and market shares 2016 by country



Key facts

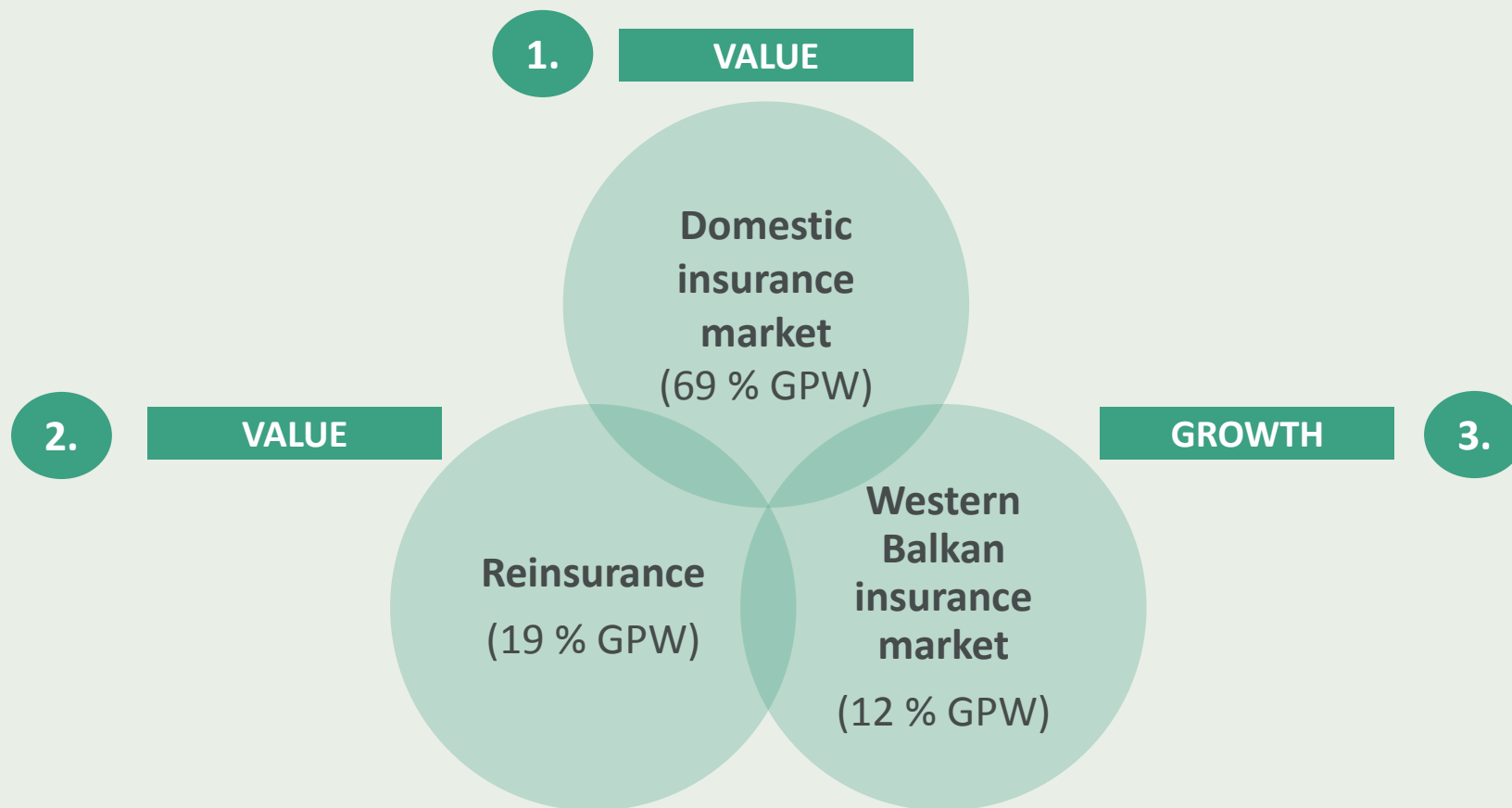
- The 2nd largest insurance group in the Adria region (total GWP of € 490m in 2016)
- On 2 November 2016 the process of merging the four insurance companies Zavarovalnica Maribor, Zavarovalnica Tilia, Velebit osiguranje and Velebit životno osiguranje, all members of the Sava Re Group, was officially completed. The name of the merged insurance company is Zavarovalnica Sava.
- Presence in 6 Adria countries with strong position in underpenetrated markets alike Montenegro, Macedonia and Kosovo
- The largest non-captive reinsurer in the region with business spanning worldwide

Breakdown of 2016 consolidated GPW by segments, € m and % total



- Rating: S&P A- (Jul 2016)
- AM Best A- (Nov 2016)
- Listed on the prime market of the Ljubljana Stock Exchange since 2008 (POSR symbol)
- Solvency position of Sava Re Group at 1 Jan. 2016: SII: 201,0 %

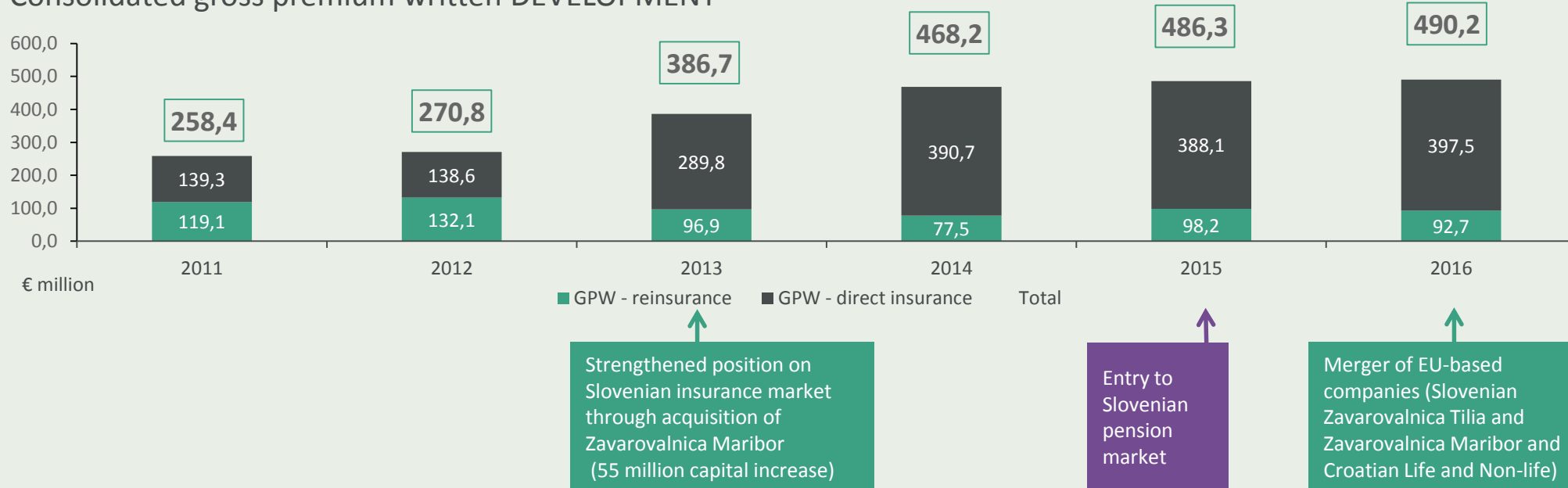
BUSINESS SEGMENTS - BALANCE BETWEEN VALUE & GROWTH



Sava Re Group has diversification benefits coming from three segments: Non-Life, Reinsurance, Life and from the geographical spread: Slovenia, W Balkans, global reinsurance market

BUSINESS PROFILE - SAVA RE GROUP HISTORY

Consolidated gross premium written DEVELOPMENT



	2011	2012	2013	2014	2015	2016
Net result (€ million)	4,1	11,8	15,6	30,5	33,4	32,9
ROE (%)	2,7%	7,4%	7,6%	11,9%	12,0%	11,3%
Net combined ratio % (reinsurance+non-life)	98,3%	98,4%	96,8%	95,5%	95,8%	95,0%

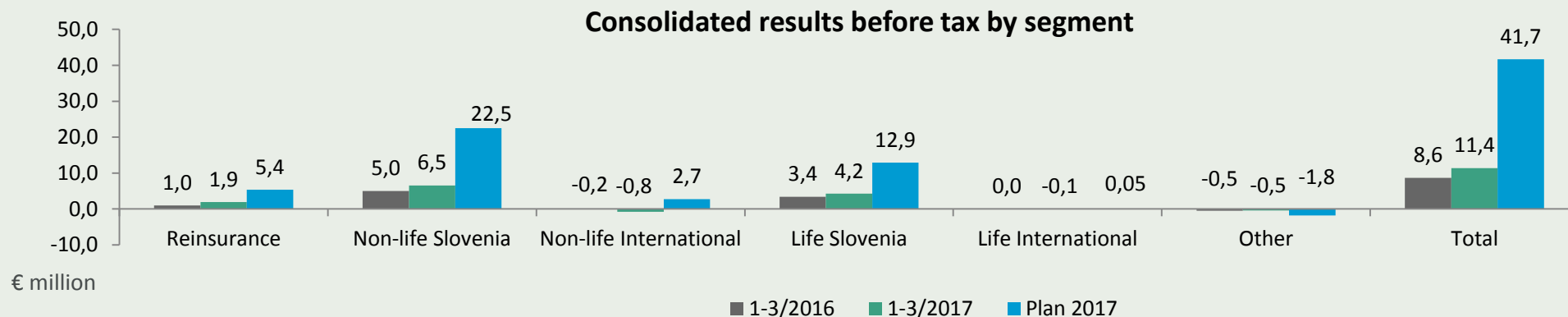
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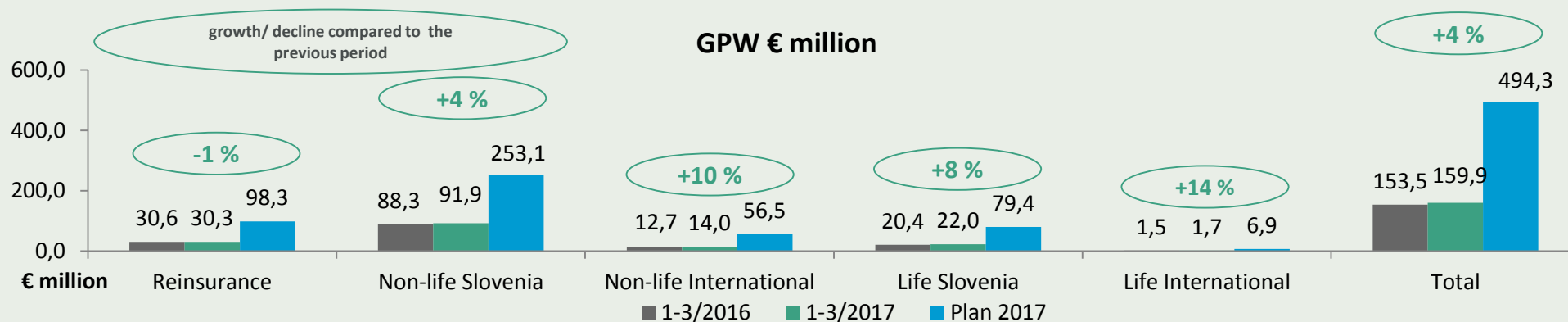
RESULTS SAVA RE GROUP

€ million	1-3/2016	1-3/2017	Plan 2017	Change 2017/2016	Actual/plan
Gross premiums written (€ million)	153,5	159,9	494,3	4,2%	32,4%
Net expense ratio	31,2%	31,0%	32,6%	-0,2 o.t.	-1,6 o.t.
Net combined ratio* (excluding foreign exchange differences)*	97,4%	94,5%	94,6%	-2,9 o.t.	-0,1 o.t.
Return on financial portfolio (excluding foreign exchange differences)	2,2%	2,3%	1,8%	+0,1 o.t.	+0,5 o.t.
Net profit/loss (€ million)	7,1	9,2	32,6	29,0%	28,2%
Annualised ROE	9,6%	11,6%	10,3%	+2,0 o.t.	+1,3 o.t.
	31.12.2016	31.3.2017	Plan 31.12.2017		
Shareholders' equity (€ million)	297,0	304,2	326,3	2,4%	93,2%

*The combined ratio does not include life business



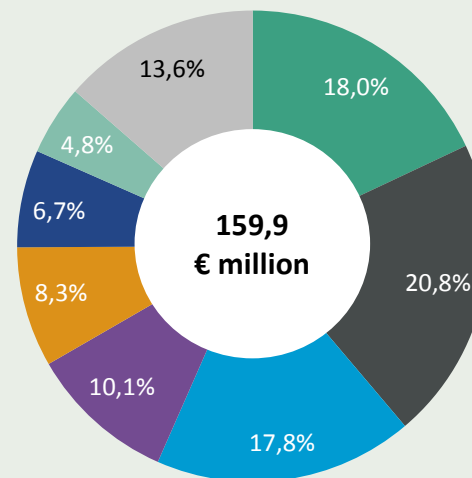
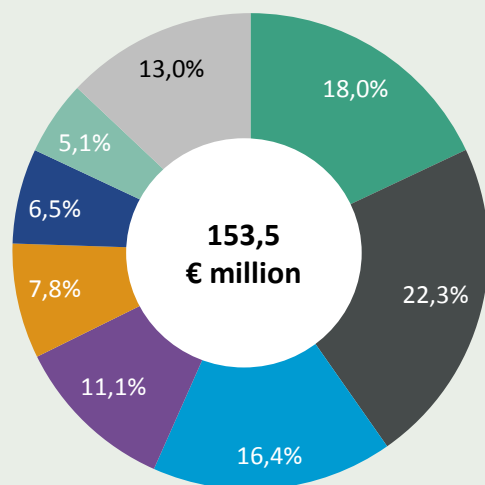
BREAKDOWN OF THE CONSOLIDATED GPW



1-3/2016

Consolidated gross premiums written by class of business

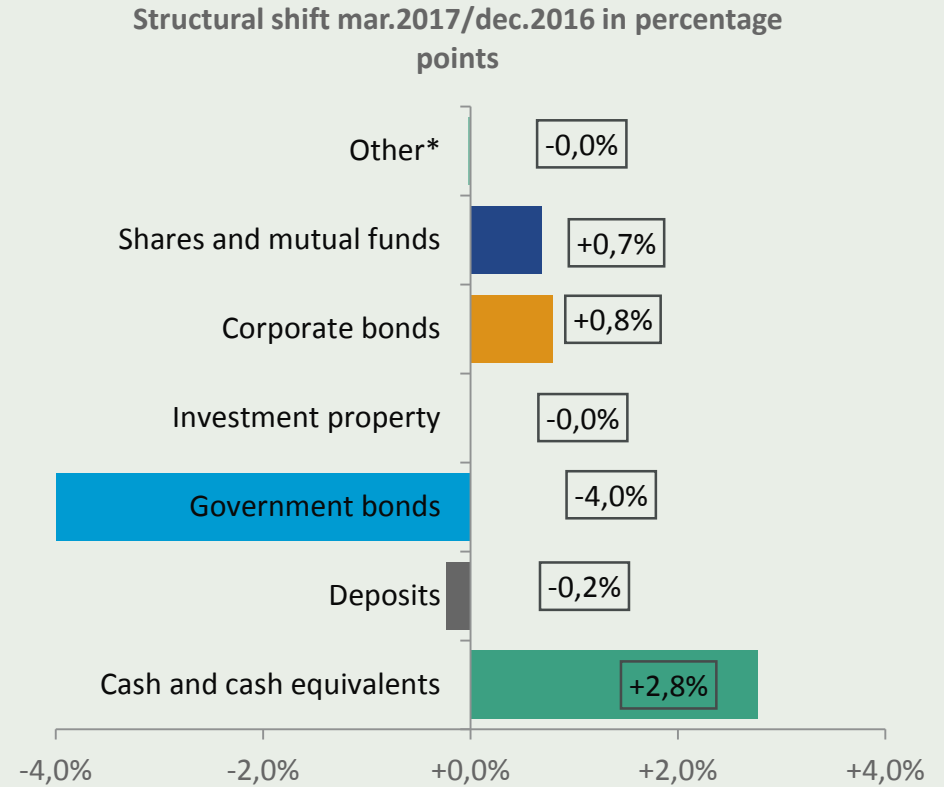
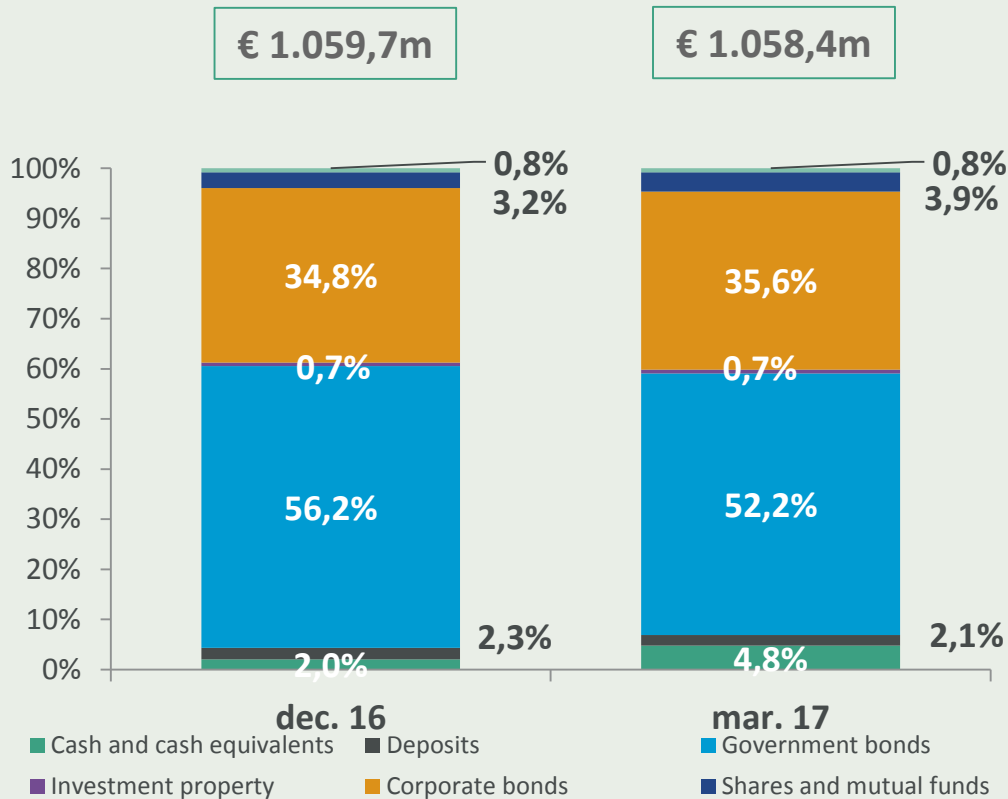
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INVESTMENT PORTFOLIO STRUCTURE



- The increase in the share of cash and cash equivalents is short term in nature. In the second quarter, Group companies are planning to pay out dividends and repay subordinated debt.
- The decline in the share of government bonds reflects the Company's tactical decision to take advantage of rising debt securities prices.

NET INVESTMENT INCOME AND RETURN OF THE INV. PORTFOLIO

€ million	1-3/2016	1-3/2017	Plan 1-3/2017	Difference R/P
Return on financial investments	4,08	6,28	4,73	1,56
Return on financial portfolio	4,15	6,33	4,86	1,47
Return on financial portfolio (FX excluded)	5,46	5,83	4,86	0,96
Return on financial portfolio (FX excluded) in %	2,2%	2,3%	1,8%	

- In 1-3/2017 the net investment income of the investment portfolio, excluding the impact of exchange differences, totalled € 5.8 million, up € 0.4 million year on year and by € 1.0 million better than planned (higher realised gains on the disposal of investments).
- The net investment income of investment property dropped by € 0.2 million year on year. The investment return was lower owing to the termination of lease contracts of Zavarovalnica Sava.
- The realised investment return, excluding the effect of exchange differences, was 2.3 % (1-3/2017: 2.2 %)

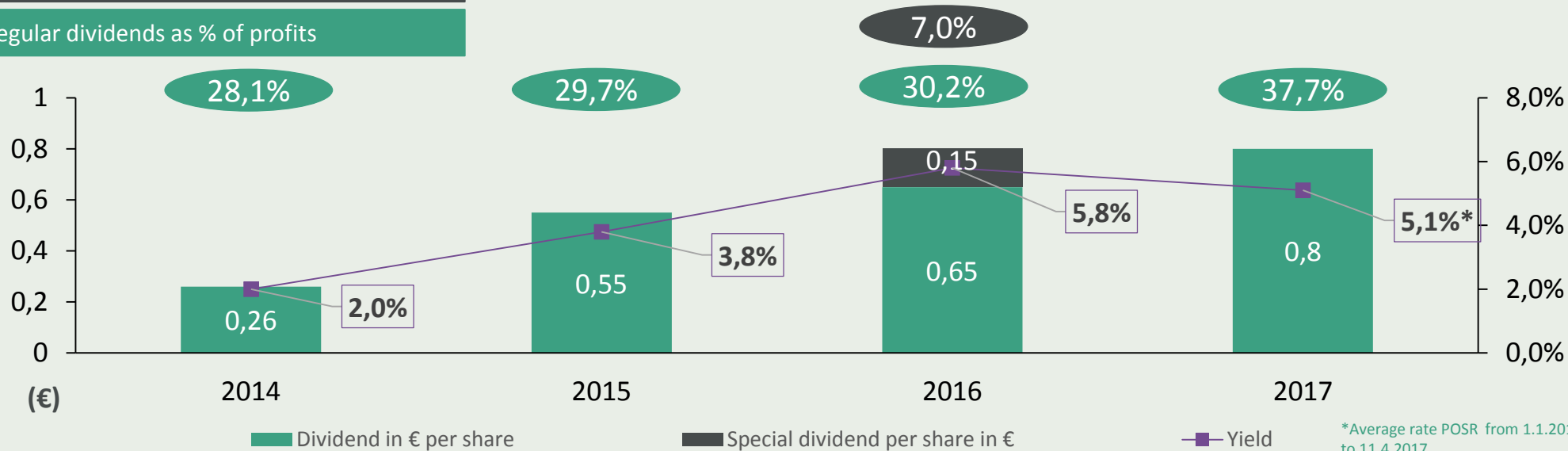
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STABLE DIVIDEND

Extraordinary dividends as % of profits

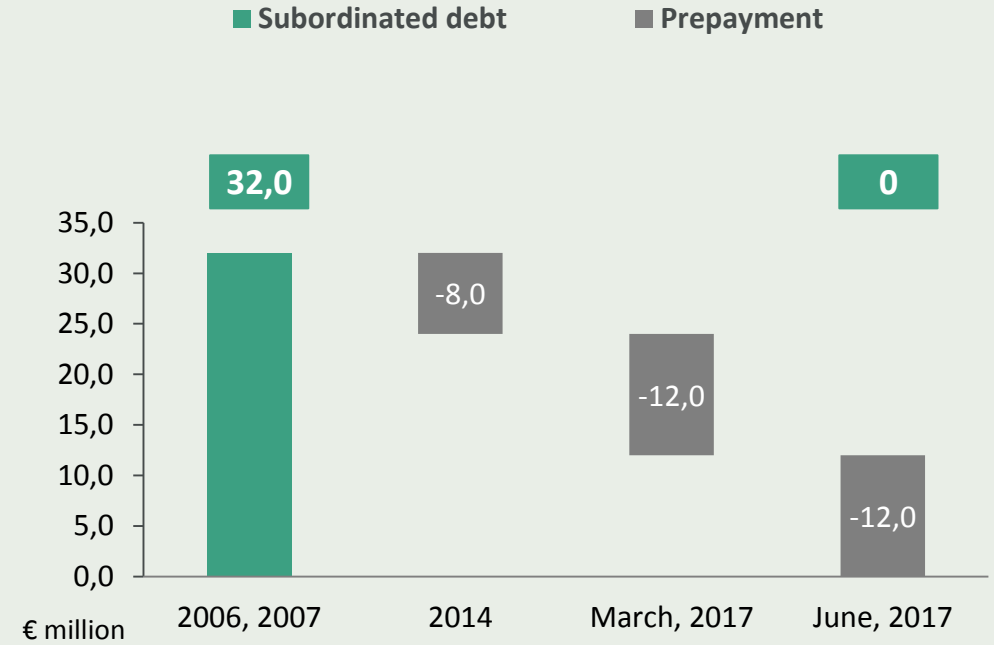
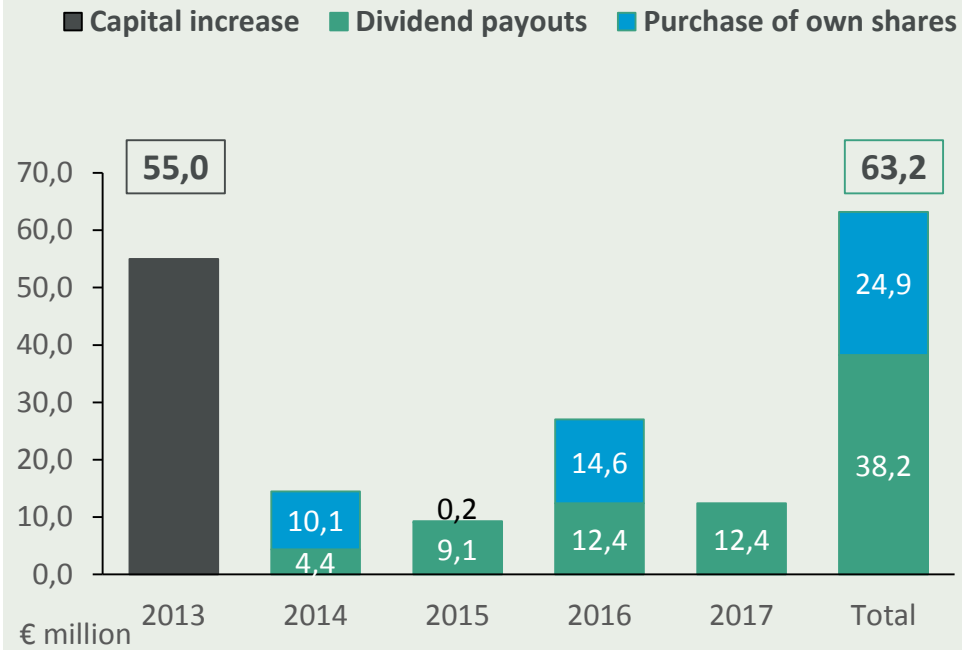
Regular dividends as % of profits



DIVIDEND POLICY

The Company will pay out regular dividends in the amount of approximately 30 % of the net profit of the Sava Re Group (consolidated profit) with the management board making adjustments to their proposal for dividend payout taking into account the Company's capitalisation, new development projects to engage additional capital, capital requirements for the support of organic growth and other major factors that affect the financial position of the Company.

DIVIDEND PAYMENTS, OWN SHARES REPURCHASES AND SUBORDINATED DEBT



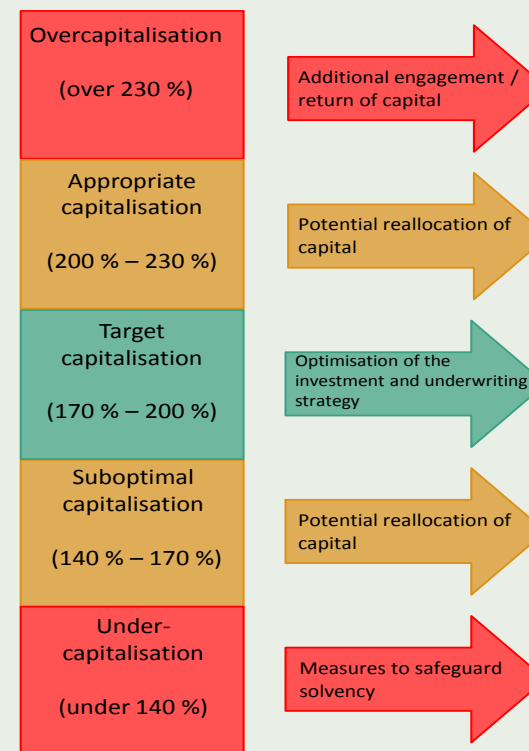
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CAPITAL ADEQUACY

(€ million)	As at 1 January 2016 (unaudited)
Eligible own funds	402,6
Solvency capital requirement (SCR)	200,1
Solvency ratio	201,2 %

(€ million)	As at 30 September 2016 (unaudited)
Eligible own funds (before deduction of foreseeable dividends)	415,6
Solvency capital requirement (SCR) – calculation at 1.1.2016	200,1
Solvency ratio - estimation	208%



- We expect that the solvency ratio as at 31 December 2016 will be on similar level as at 1 January 2016.
- The SII solvency ratio of the Sava Re Group will be published on 1 July 2017.
- Sava Re group is also in the process of development of own model for risk evaluation which will be in the first phase used for own risk and solvency assessment.

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2017 PLAN – MAIN TARGETS (CONSOLIDATED)

	2015	2016	Plan 2017
Gross premiums written	€ 486 million	€ 490 million	€ 494 million
Net combined ratio* (reinsurance + non-life)	95,8 %	95,0 %	95 %
Profit/loss, net of tax	€ 33,4 million	€ 32,9 million	between € 31 and € 33 million

*Includes all income/expenses other than relating to investments

FACTORS AFFECTING THE 2017 PROFIT:



- Challenging competitive environment
- Low interest rates
- Soft reinsurance market



- Measures to improve the profitability of the portfolio
- Synergistic effects of comb. portfolio
- Expected GDP growth in emerging markets

SAVA RE GROUP STRATEGY HIGHLIGHTS

Average growth rate

> 2 %

Net expense ratio

< 30 %

Net combined ratio

< 95 %

Investment return

> 1,5 %

Return on equity

> 11 %

OUR GOAL IS TO BECOME THE
BEST PROVIDER OF INSURANCE
SERVICES IN THE REGION

WE ARE CREATING A MODERN,
DIGITAL, SOCIALLY- AND
SUSTAINABLE-ORIENTED
INSURANCE GROUP.

*The net combined ratio includes all items except those relating to investments; excluded is life business.

THANK YOU FOR YOUR ATTENTION!