

**OPINION OF THE SUPERVISORY BOARD TO THE ANNUAL REPORT OF THE
SAVA RE GROUP INTERNAL AUDIT ON INTERNAL AUDITING IN 2010**

In 2010, the Sava Re Group Internal Audit ("GIA") carried out audits in all areas set out in the annual plan adopted by the Management Board and approved by the Supervisory Board in its meeting on 11 February 2010.

The audit goals pursued by the GIA were to ensure that the system of internal controls in the most important business segments were appropriate and efficient. Furthermore, the GIA reviewed whether business events are recorded and other records maintained in compliance with the law, internal and other regulations.

Based on all tests and methods used in individual areas of auditing, it is our opinion that internal controls are mostly in place and that the degree of their reliability is adequate. Furthermore, it is our opinion that business events are recorded in compliance with regulations.

In our audits, we found no major irregularities; nevertheless, some deficiencies were observed, which, however, have no direct impact on the 2010 results, but their elimination would contribute towards greater efficiency of internal controls and improved administration of operations.

The performance and efficiency of the GIA has been reviewed by the Supervisory Board through quarterly and annual reports on activities of the GIA.

Based on the above, the Supervisory Board hereby gives its unqualified opinion to the annual report of the GIA on internal auditing in 2010.

Ljubljana, 10 February 2011

The Supervisory Board of
Pozavarovalnice Sava, d.d.

Chairman
Branko Tomažič