



Sava Re Group

Presentation of 2012 results



**SAVA RE GROUP
AND
SAVA REINSURANCE COMPANY, d.d.
RESULTS 2012**

25.3.2012

Presentation to investors & analysts

Overview

- ▶ 10 Companies doing reinsurance & insurance business
- ▶ Reinsurance business worldwide
- ▶ Insurance business in 6 insurance markets of Western Balkans
- ▶ Gross Premium Written: EUR m 271
- ▶ Rating: S&P BBB+; Am Best A-



Main 2012 Achievements

- ▶ Signing the SPA for 50,9% share in Maribor Insurance Company
- ▶ Growth on foreign reinsurance markets
- ▶ Achieving A- rating from AM best
- ▶ Improving return on equity and improvement in subsidiaries' results
- ▶ Transfer of Sava RE POSR share to Prime market

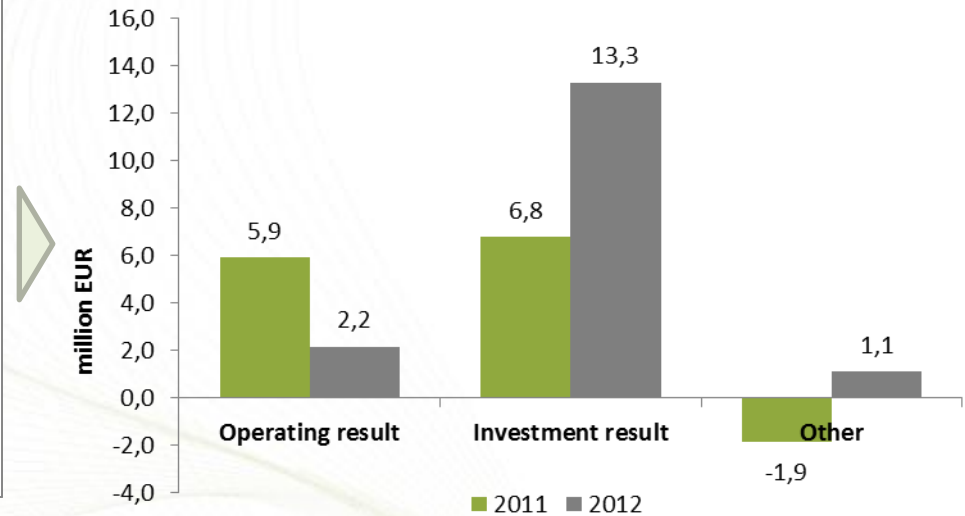
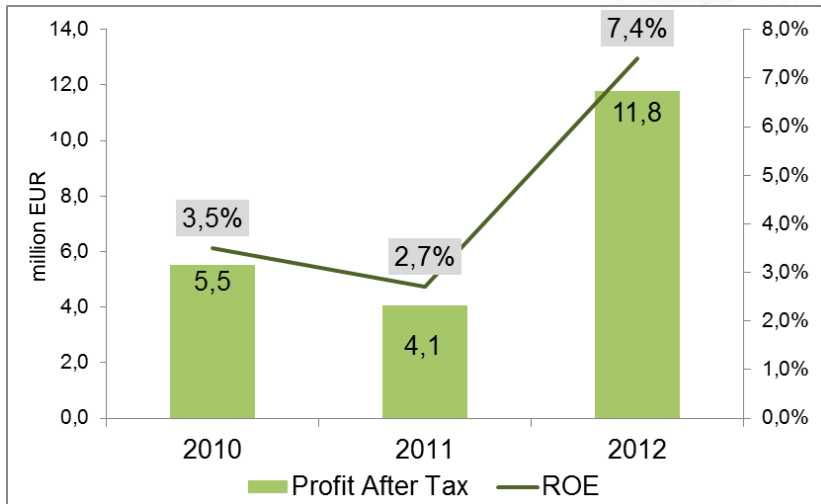


(EUR)	2011	Plan 2012	2012	Change 2012/2011	% of plan
Gross Premium written	258.415.194	271.148.318	270.763.193	+4,8 %	99,9 %
Underwriting result*	5.912.230	6.659.153	2.154.990	-63,6	32,4 %
Net investment result*	6.764.553	13.350.419	13.181.309	+94,9 %	99,4 %
Net combined ratio S&P ¹	98,3 %	97,8 %	98,7 %	+0,4 o.t.	+0,9 o.t.
Profit after tax	4.066.402	10.588.677	11.788.457	+189,9 %	111,3 %

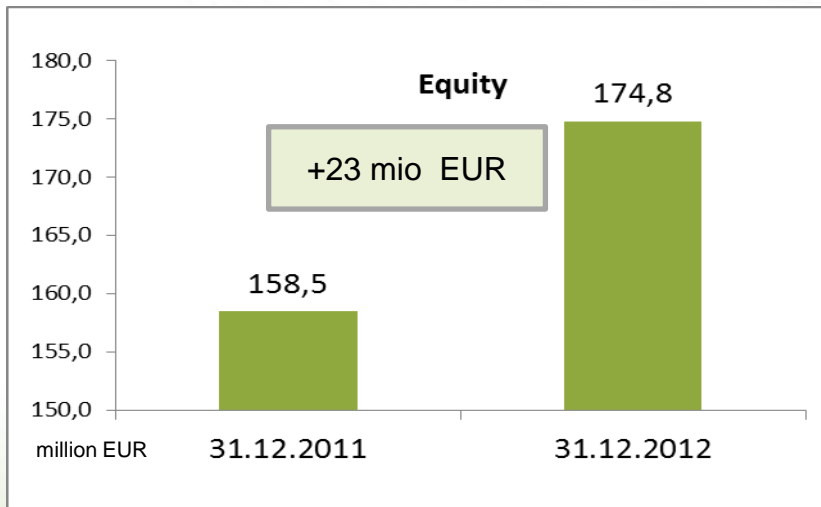
* Does not include unit linked items.



Improvement of results due to better investment return & improved subsidiaries' results

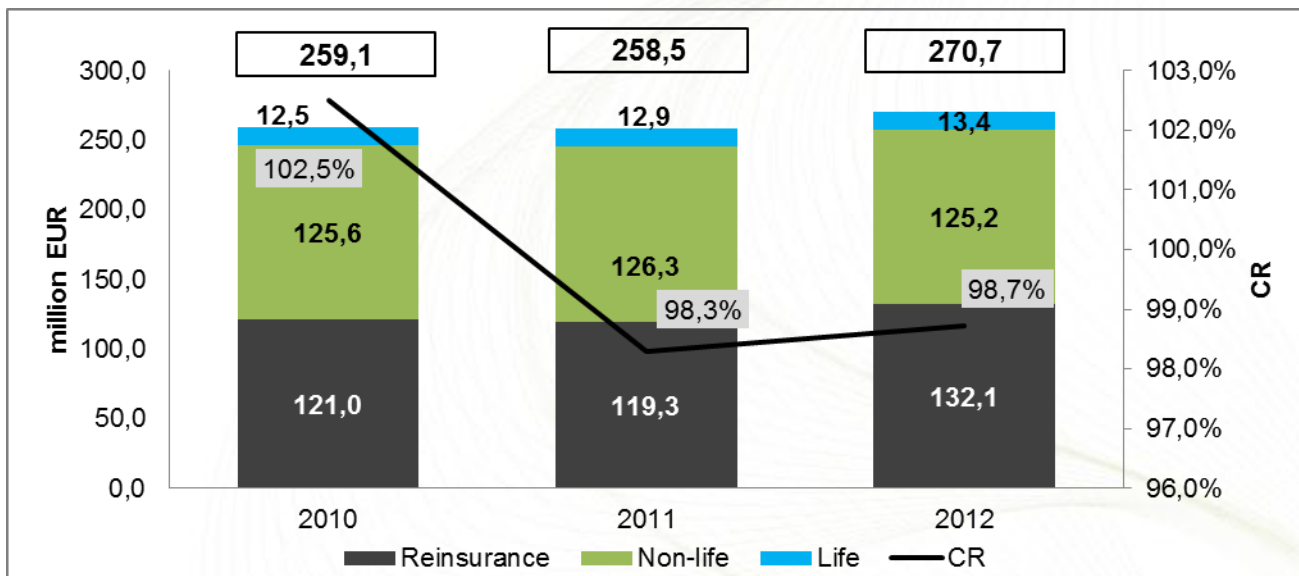


Growth of book & market value of share

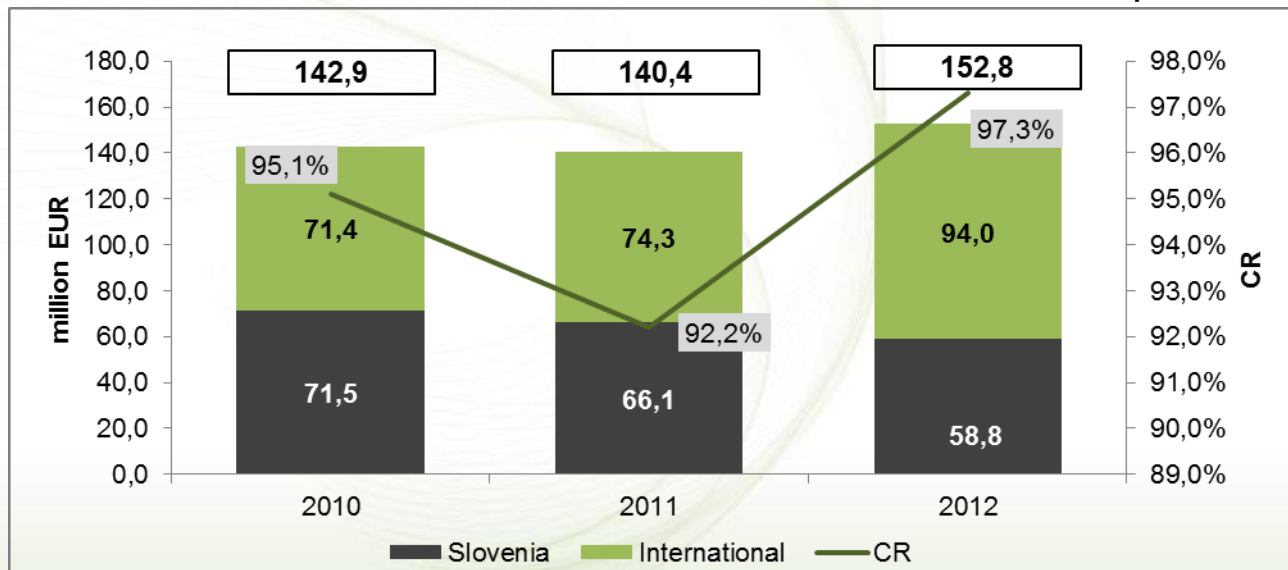


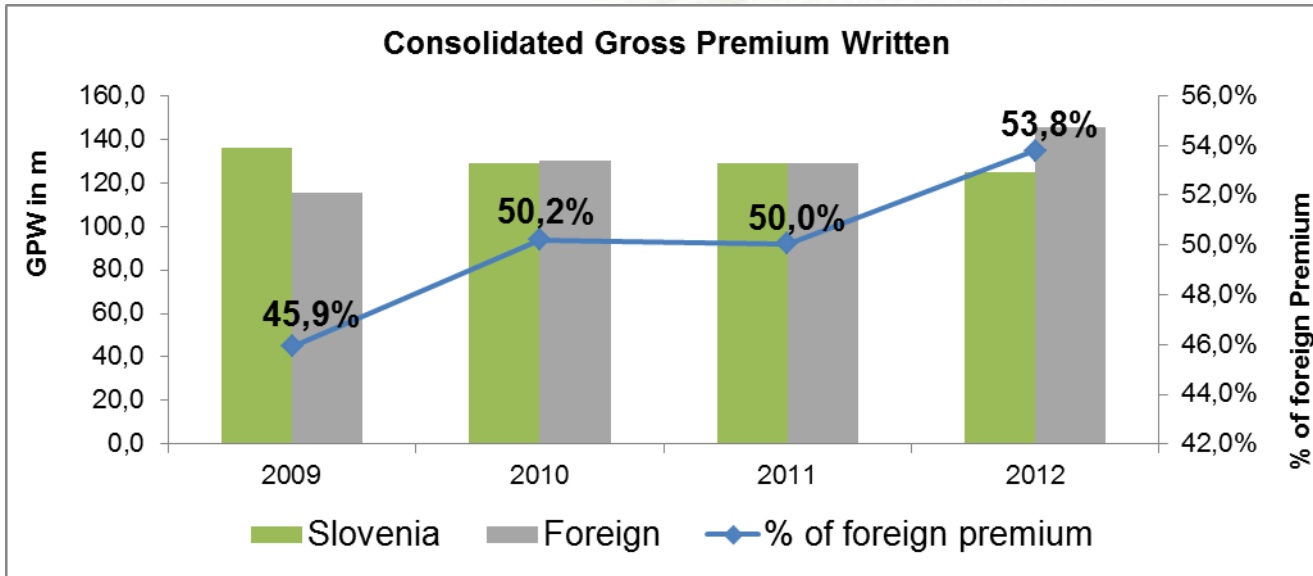
(v EUR)	31.12.2011	31.12.2012	Change in %
Book value of share	16,92	18,67	10,3%
Market vale of share	5,81	7,12	22,5%
P/B	0,34	0,38	11,1%
P/E	13,58	5,65	-58,4%

Segmentation of consolidated premium



Structure of reinsurance premium

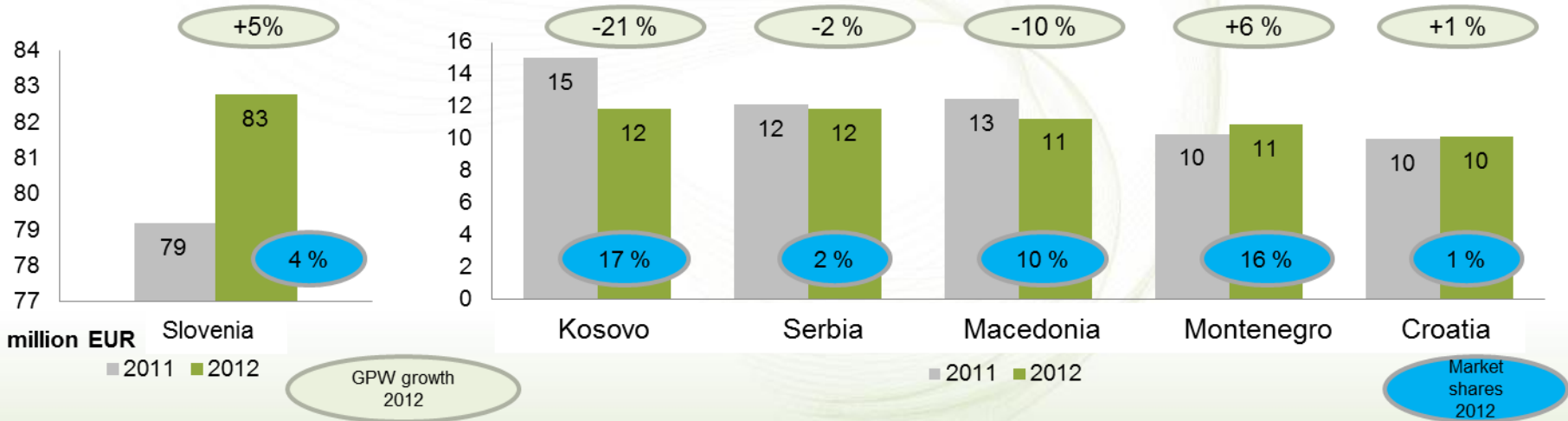




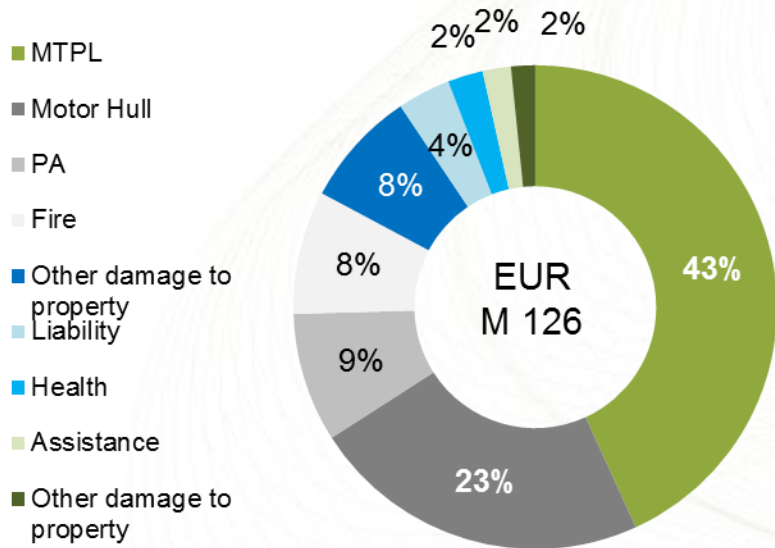
Growth abroad; mostly in Asia

Similar in size; different market shares

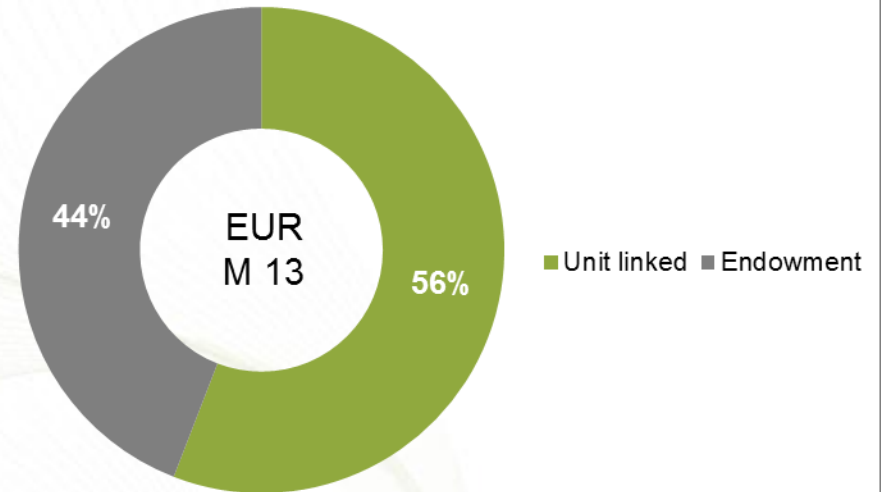
Premium by market



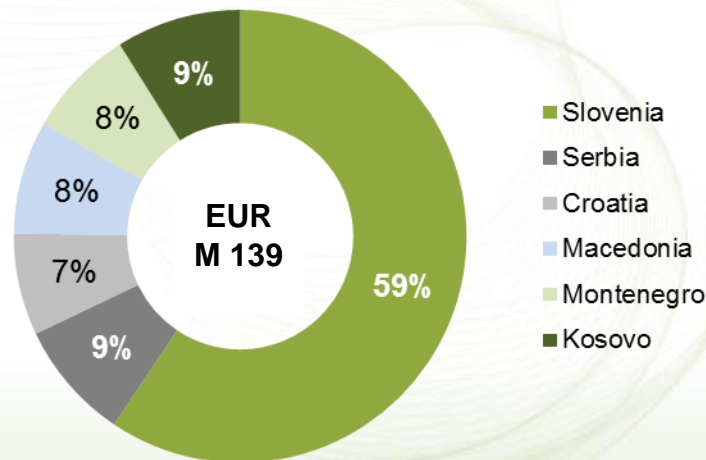
Non-Life (2012)



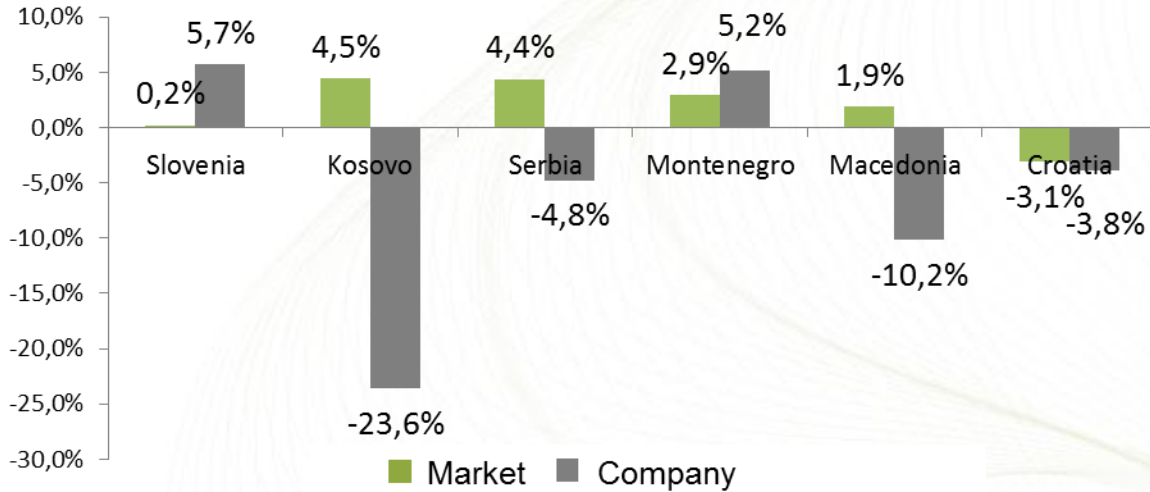
Life (2012)



Geographic split(2012)

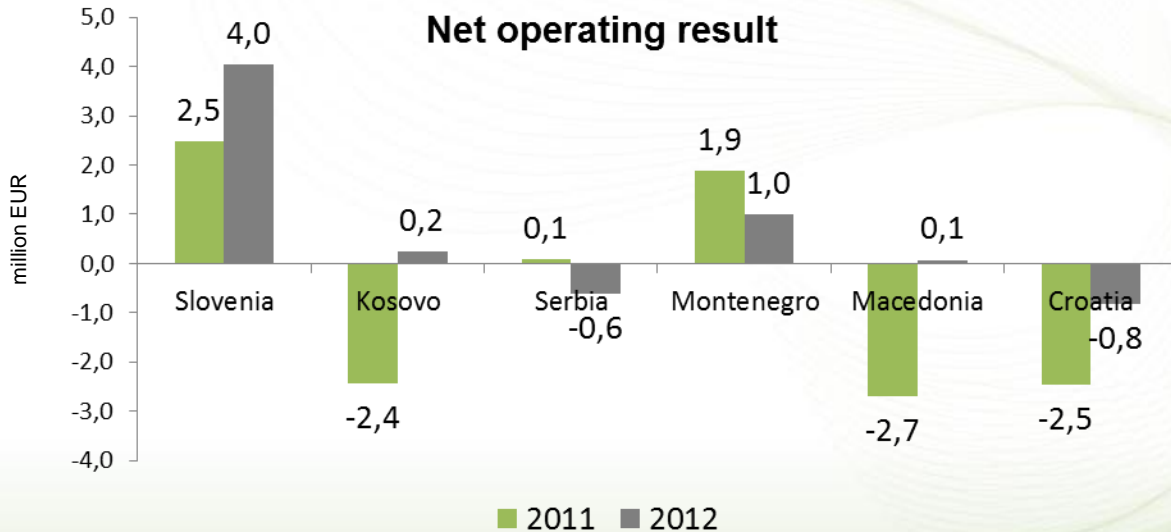


Growth of GPW compared to market growth 2012



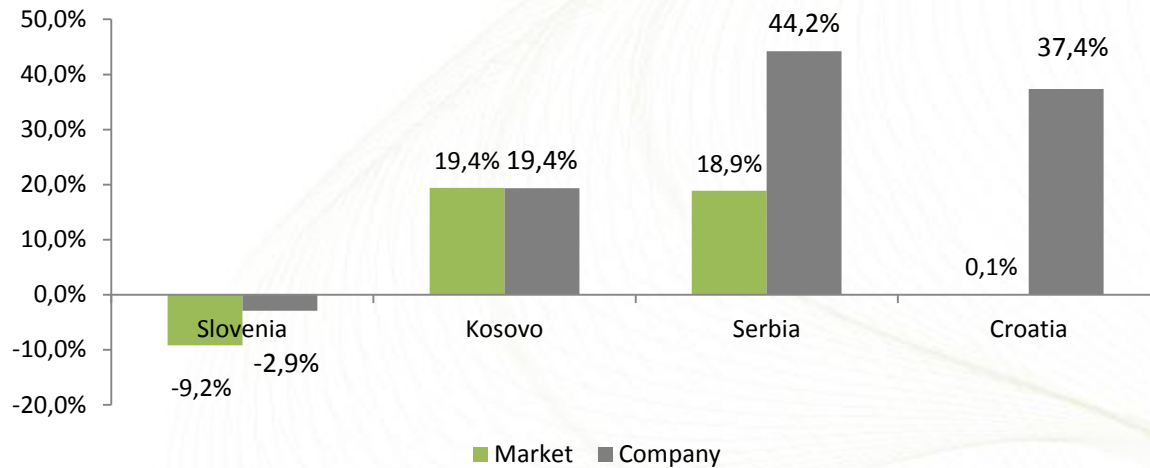
Different growth strategies

Net operating result



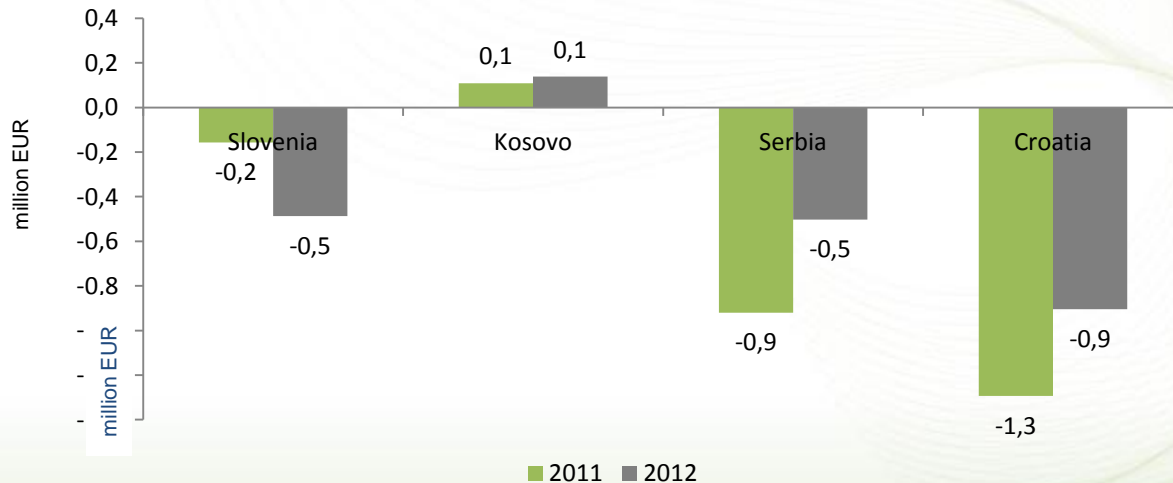
Slovenia: favorable technical result
 Kosovo: major improvement from last year
 Serbia: adjusting reserving levels
 Montenegro: good result 2 year in a row
 Macedonia: reached break even
 Croatia: improving; coming closer break even

Growth of GPW compared to market growth 2012



Growth of life premium above market growth

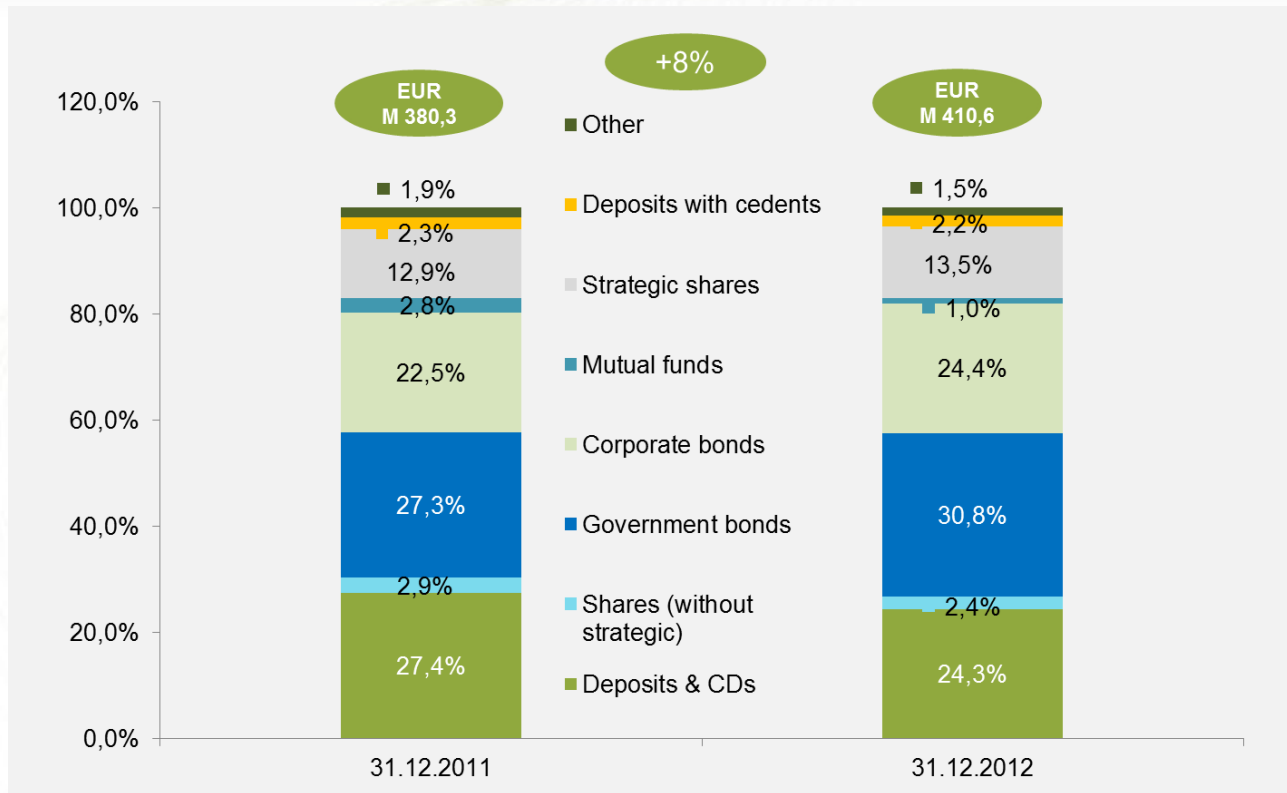
Net operating result



Slovenia: worsening of results due to lowering of yields (LAT)
Other markets: improvement of results; approaching break even points

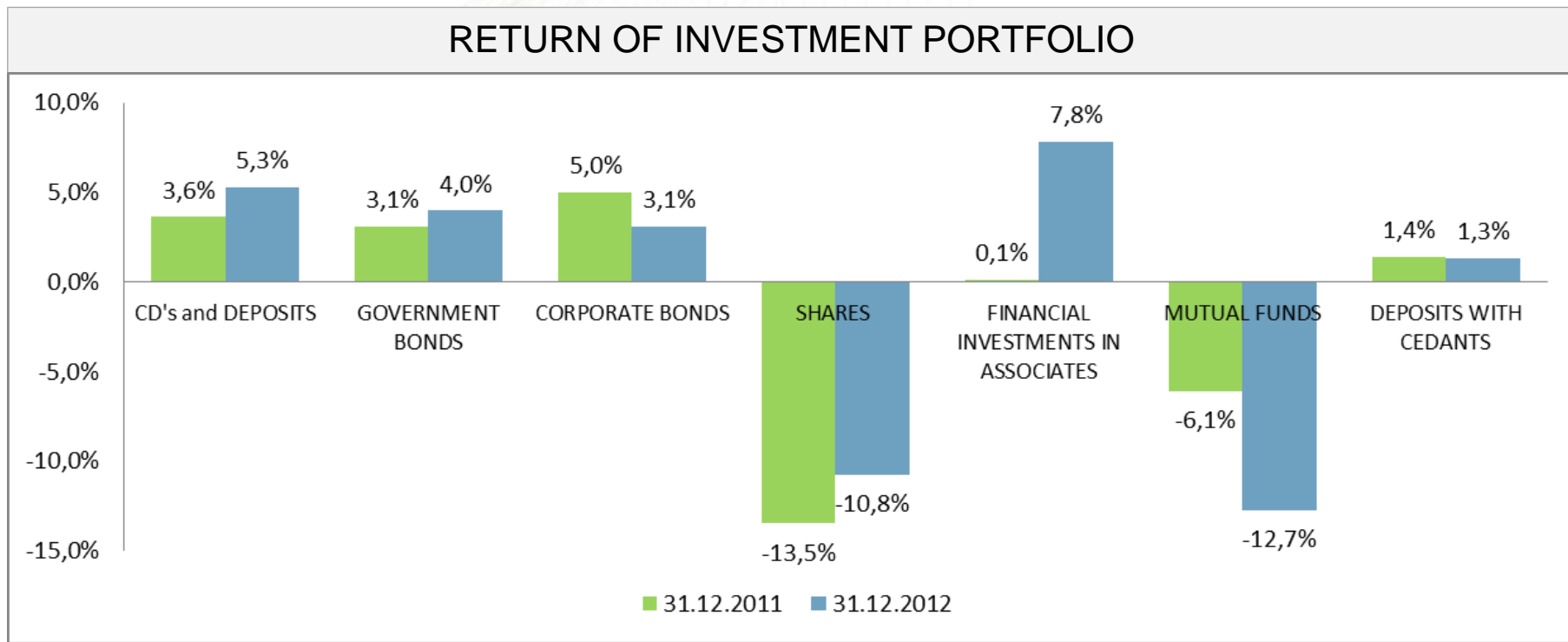
(mio EUR)	31.12.2011	31.12.2012	Index 31.12.2012/31.12.2011
Deposits and money market instruments	104,2	100,0	95,9
Government bonds	104,0	126,5	121,7
Corporate bonds	85,7	100,1	116,8
<i>Regular corporate bonds</i>	71,4	66,7	93,5
<i>Covered bonds</i>	5,1	18,7	369,1
<i>Government-guaranteed bonds</i>	9,3	14,7	157,7
Shares (excluding strategic shares)	11,0	9,7	88,0
Mutual funds	10,5	4,1	39,1
Given loans	1,1	0,8	72,1
Other	0,1	0,1	111,8
Deposits with cedants	8,6	9,0	105,1
Total	325,2	350,2	107,7
Land & buildings	6,1	5,1	84,1
Financial investments in associates	49,1	55,3	112,6
Total	380,3	410,6	108,0
Unit linked assets	24,1	27,6	114,4
Total	404,5	438,2	108,3

- Total value of financial investment increased by 30,3 mio EUR or 8,3%.
- Main reason if positive cash flow from operations and positive revaluation surplus
- Biggest increase of covered bonds & government bonds (outside Slovenia)
- Amount of deposits decreased



RETURN			
(EUR)	31.12.2011	31.12.2012	Growth/Decline 2012/2011
Investment income	20.552.403	21.999.217	7,0%
Investment expenses	11.950.692	6.786.310	-43,2%
Net income of investment portfolio (excl. financing costs)	8.601.710	15.212.907	76,9%
Investment return (excl. financing costs)	2,3%	3,9%	+1,6 o.t.

- OTHER: LOANS, LAND&PROPERTY, OTHER.
- DOES NOT INCLUDE UNIT LINKED ASSETS



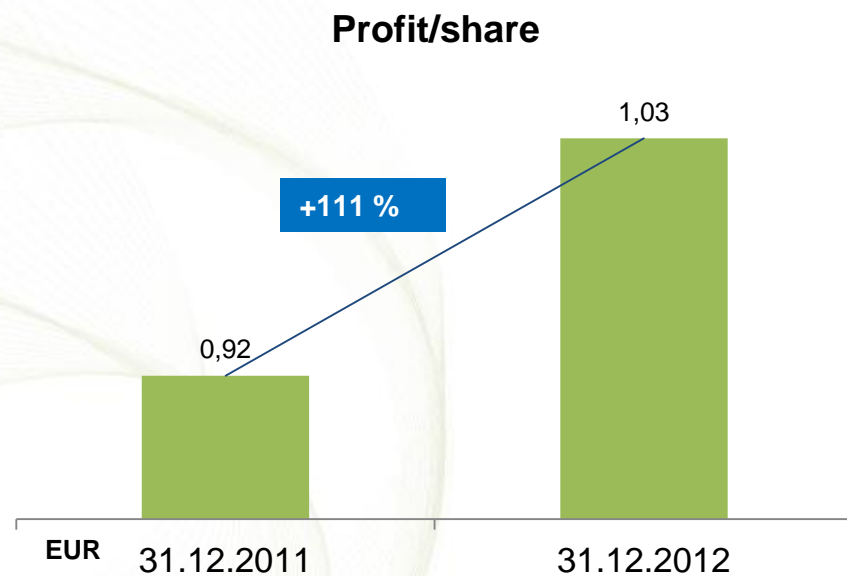
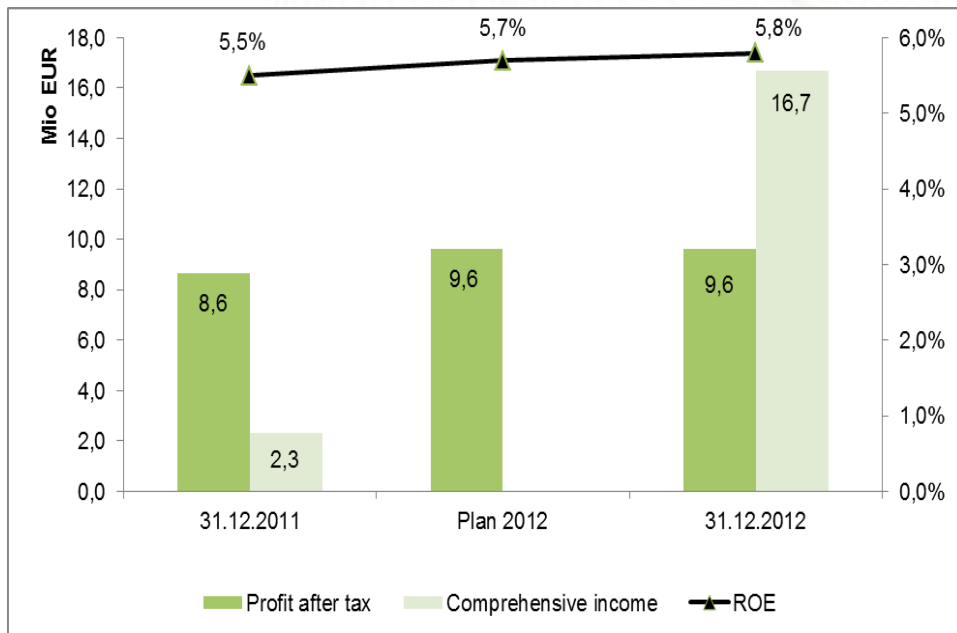
All asset types had a positive return (except from shares & mutual funds) total return at 3,3% (1,8% in 2011)
Higher yield result of smaller impairments of strategic shares (2011 EUR m 5,2, 2012 EUR m 0,3)



Reinsurance Company Sava 2012 Results

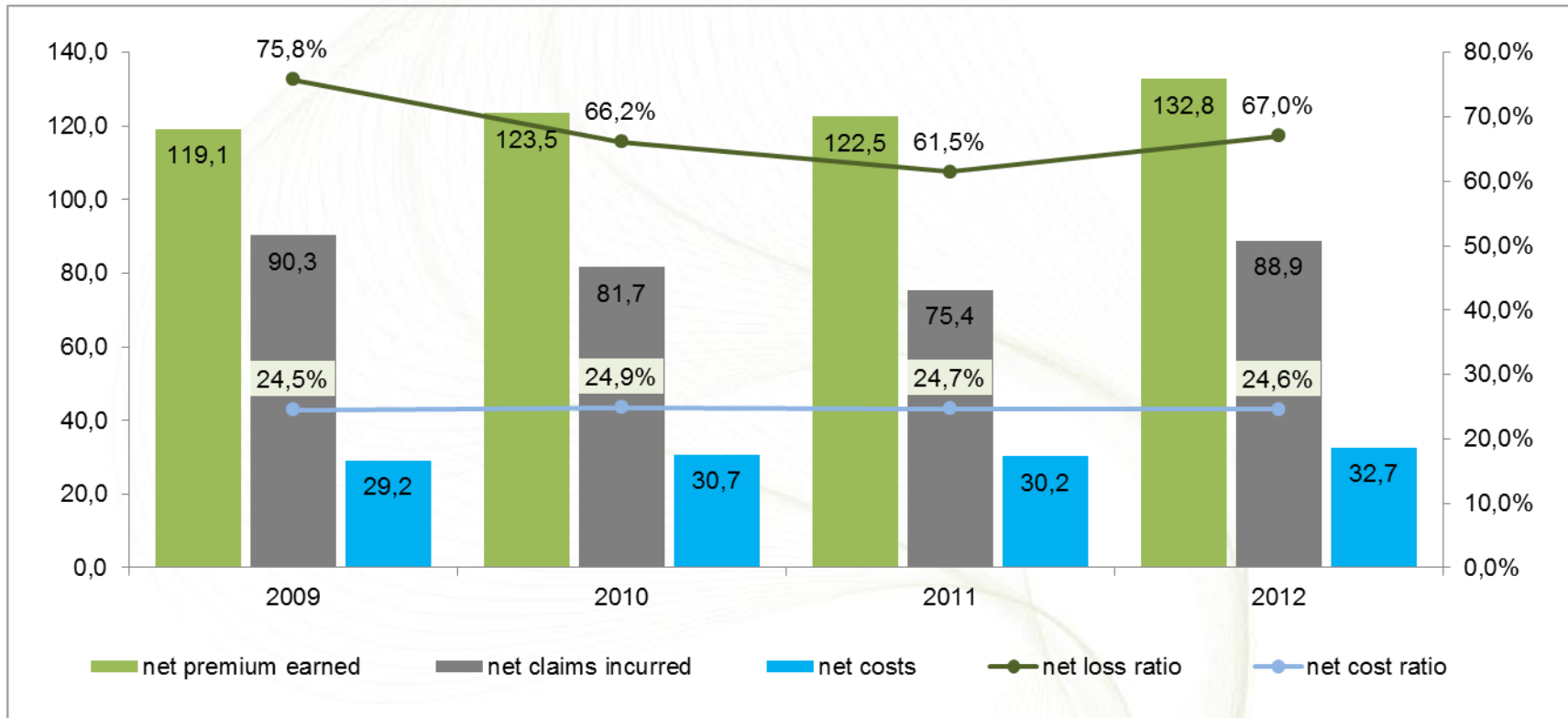
March 25th 2013

(EUR)	2011	2012	CHANGE 2012/2011
Gross Premium written	140.350.370	152.827.900	+8,9 %
Tehcnical result	9.843.486	3.613.574	-63,3 %
Investment return*	1.429.011	7.558.877	+429,0 %
Net Combined Ratio S&P ¹	92,2 %	97,3 %	+5,1 o.t.
Prosit after tax	8.637.293	9.604.981	+11,2 %

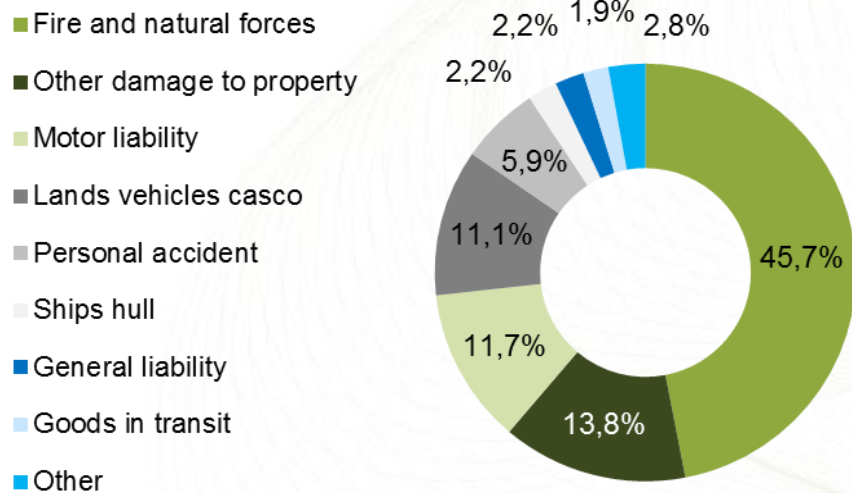


Effects on the 2012 result:

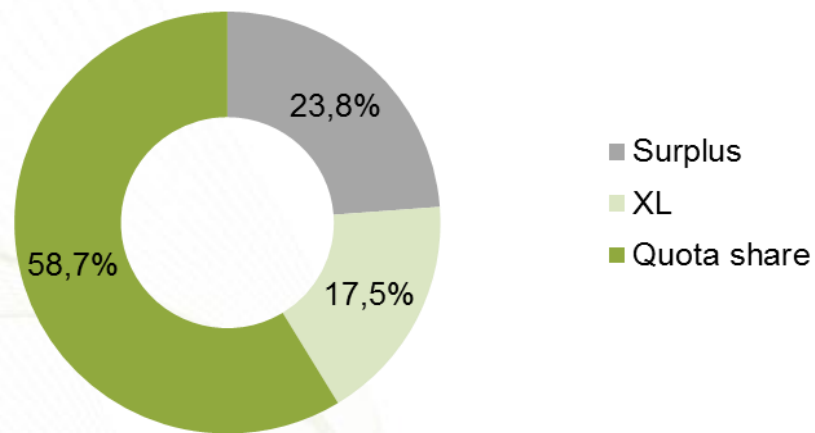
Losses (Thai floods, hurricane Sandy, slovenian floods)



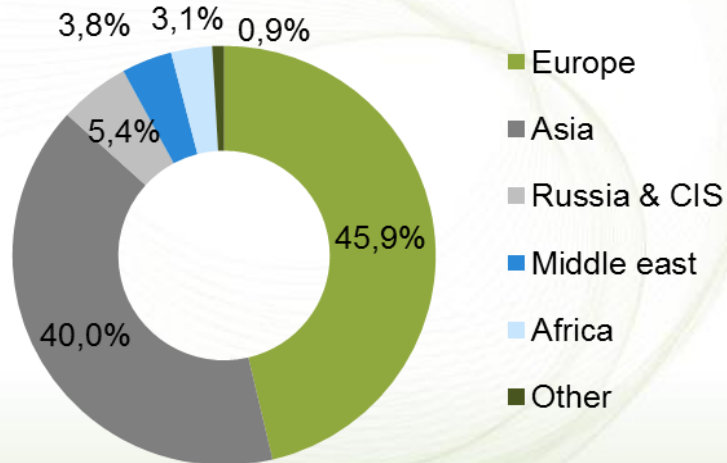
BY BUSINESS LINE (2012)



BY TYPE OF REINSURANCE (2012)

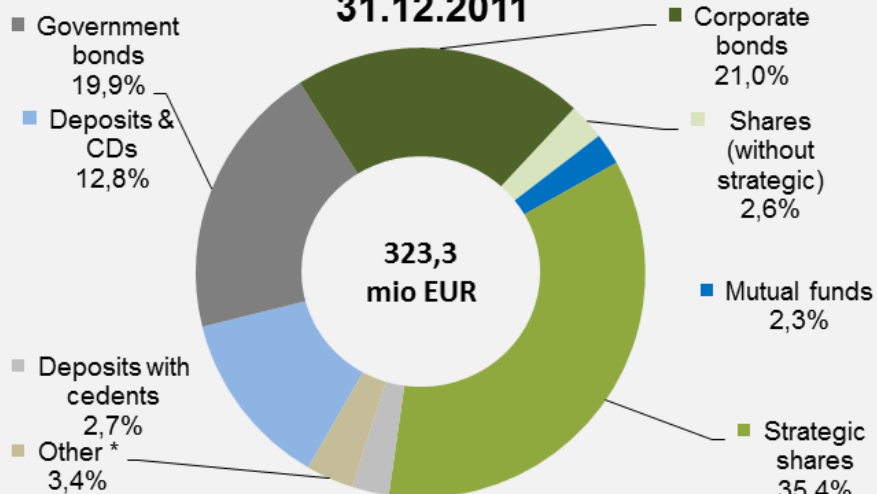


BY REGION (UW Y 2012)

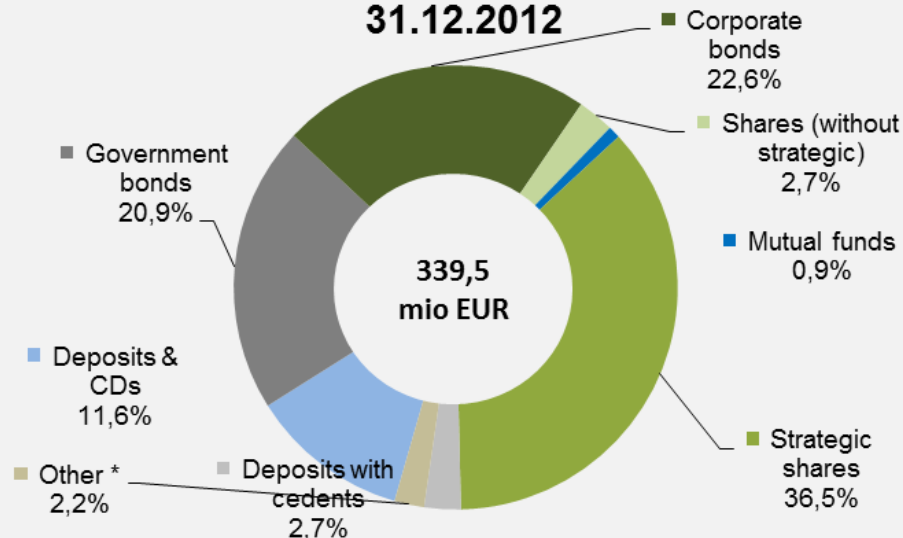


STRUCTURE

31.12.2011



31.12.2012



RETURN

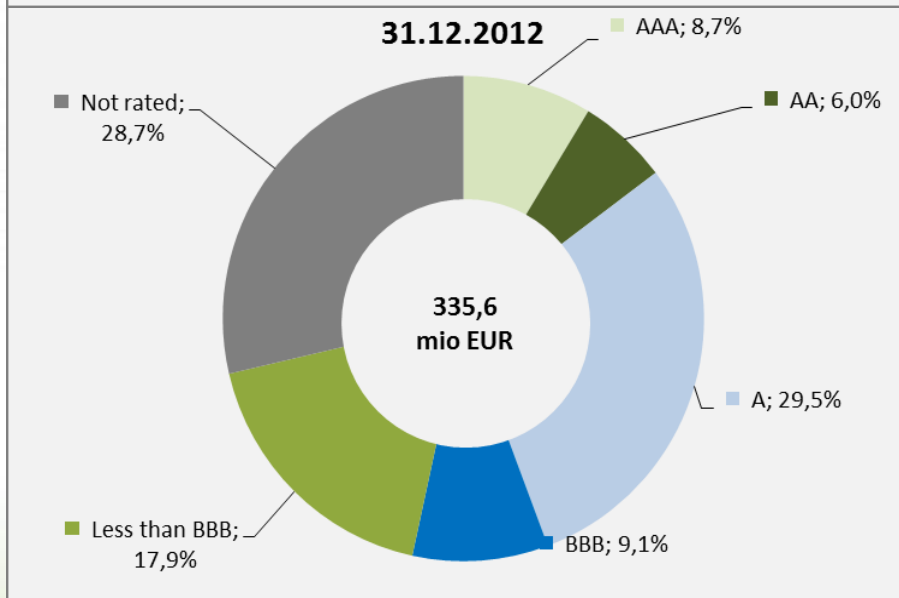
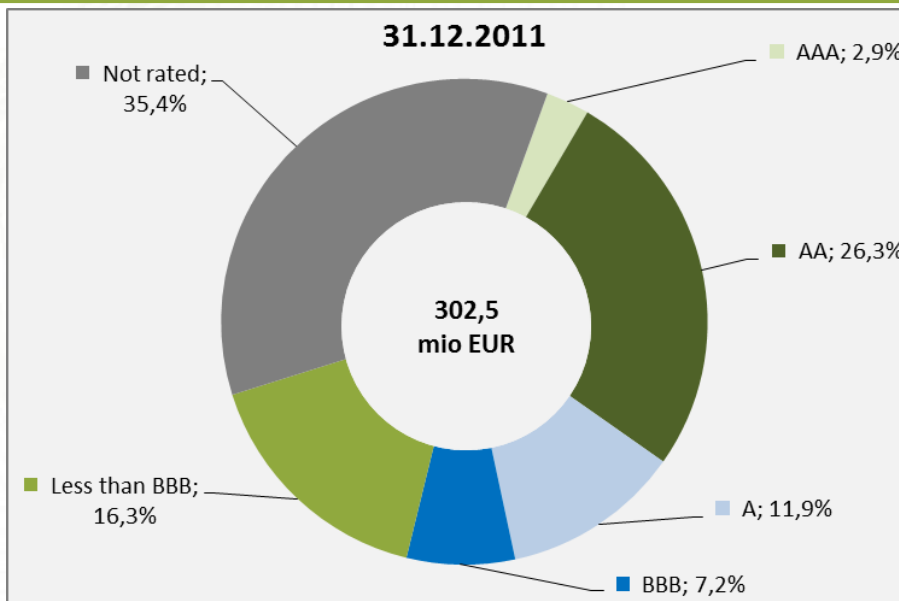
(EUR)	31.12.2011	31.12.2012	2012/2011
Investment income	12.978.166	14.640.141	12,8%
Investment expenses	9.786.961	5.632.762	-42,4%
Net income without financing expenses	3.191.205	9.007.379	182,3%
Investment yield without financing expenses	1,0%	2,7%	+1,7 pc.p.



Thank you for
your attention

Appendix

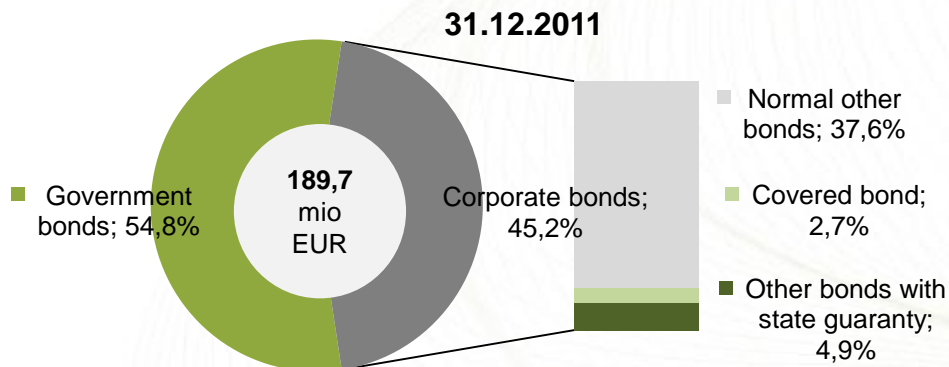
Rating structure of deposits and bonds



Increased % of A and higher rated investments (for 3,2 pc.p.), decrease of non-rated investments (for 6,8 pc.p.)

Bonds

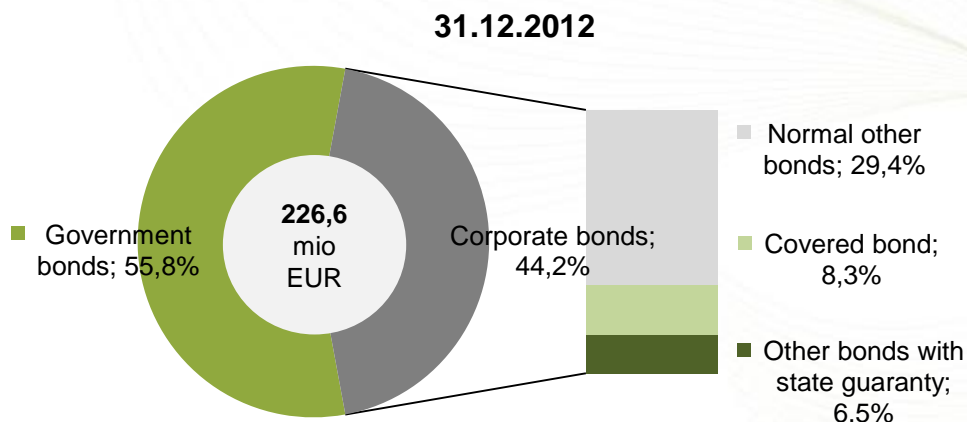
31.12.2011



Rating 30.12.2011

AAA	4,6 %
AA	41,6 %
A	17,6 %
BBB	9,3 %
Less than BBB	16,0 %
No rating	10,8 %

31.12.2012



Changed structure of corporate bonds as consequence of the strategic guideline to invest in higher rated investments

Rating 30.12.2012

AAA	12,9 %
AA	9,0 %
A	40,3 %
BBB	10,0 %
Less than BBB	20,9 %
No rating	7,0 %

Deposits

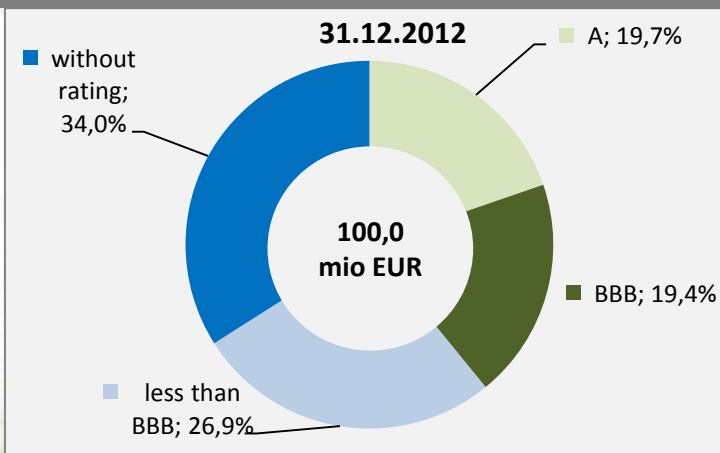
Exposure by country

Domicile of banking group	Value in million EUR	Structure (%)
Slovenia	25,2	25,2%
Austria	22,3	22,3%
France	14,5	14,5%
Russia	8,6	8,6%
Italy	7,8	7,8%
Kosovo	4,5	4,5%
Montenegro	4,4	4,4%
Turkey	3,6	3,6%
Serbia	2,7	2,7%
Greece	2,0	2,0%
Hungary	1,7	1,7%
Croatia	1,3	1,3%
Germany	1,0	1,0%
Macedonia	0,4	0,4%
TOTAL	100,0	100,0%

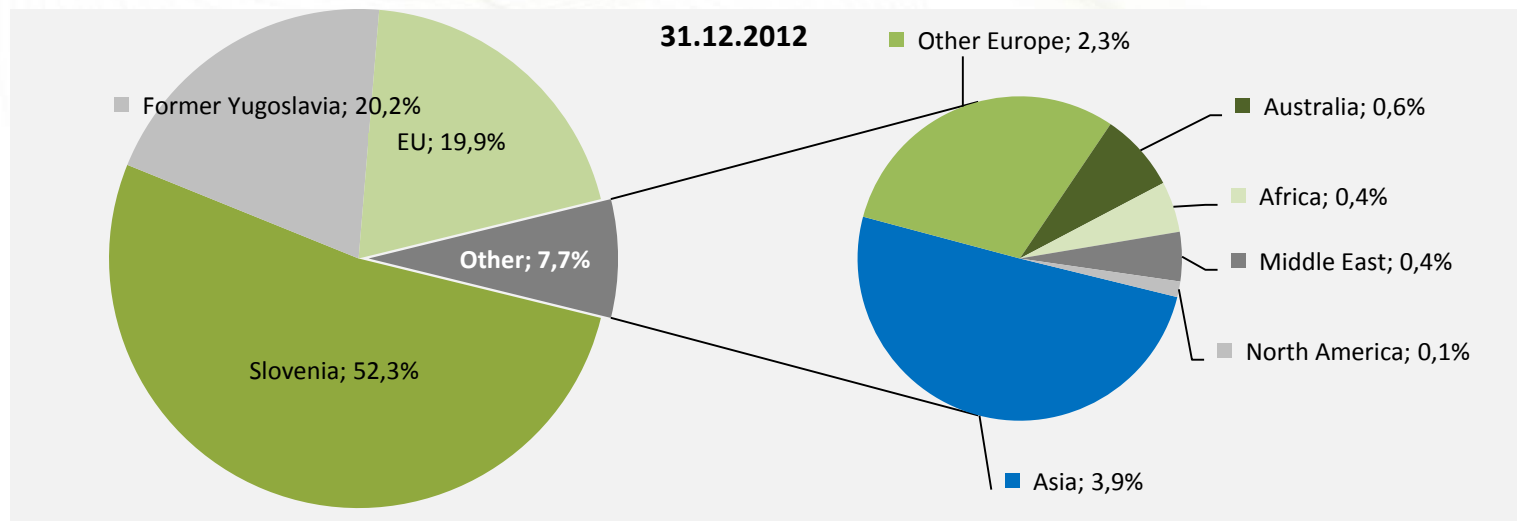
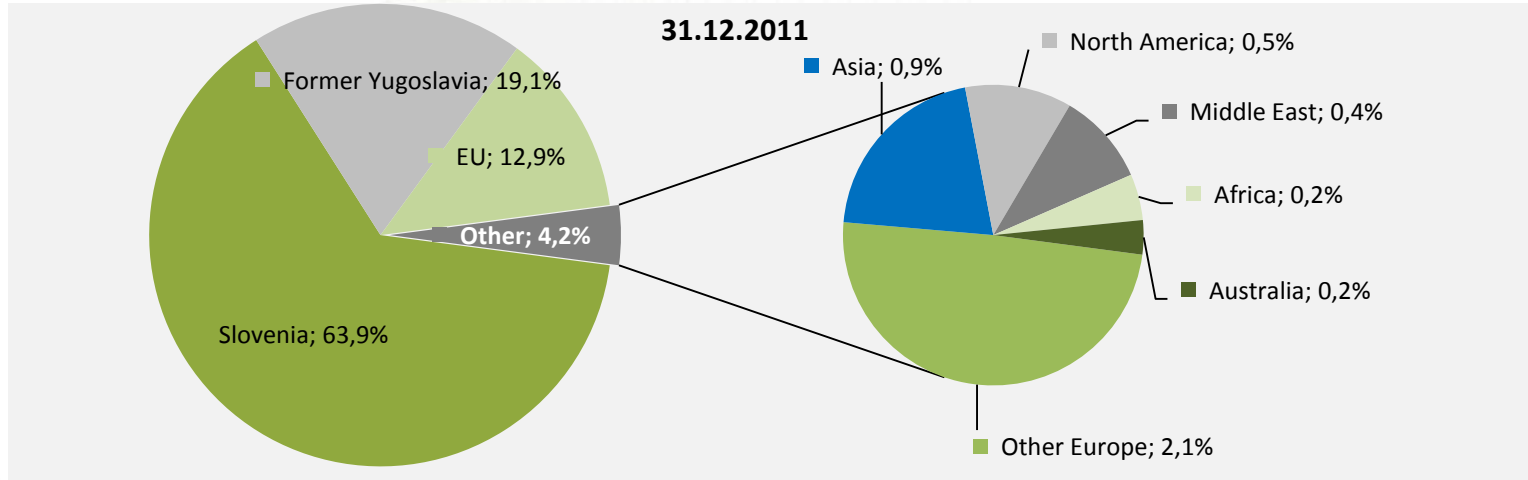
Maturity

Months	Value in million EUR	Structure (%)
Call deposit	3,7	3,7%
0-3	22,1	22,1%
3-6	20,0	20,0%
6-9	18,8	18,8%
9-12	17,6	17,6%
12-15	6,9	6,9%
More than 15	10,9	10,9%
Total	100,0	100,0%

Structure of deposits by bank's credit rating



Structure of investments by region



Exposure to Slovenia reduced by 11,6 pct points.

* The charts do not include: investments in affiliates and unit linked assets

Exposure to Slovenia

31.12. 2011

Country of risk	Type of issuer	Value in mio EUR
Slovenia	bank	104,3
	governments	73,6
	other	32,6
TOTAL		210,5

31.12.2012

Country of risk	Type of issuer	Value in mio EUR
Slovenia	bank	98,0
	governments	60,1
	other	27,7
TOTAL		185,8

Financial investments in Slovenia decreased by EUR m 25 due to purchase of bonds outside Slovenia

Exposure to PIIGS

31.12. 2011

Country of risk	Type of investment	Value in EUR m
Italy	Corporate bond	1,56
Spain	Corporate bond	1,82
Greece	Government bond	0,88
Ireland	Government bond	0,46
TOTAL		4,7

31.12.2012

Country of risk	Type of investment	Value in EUR m
Italy	Corporate bond	1,0
TOTAL		1,0