



Sava Re Group

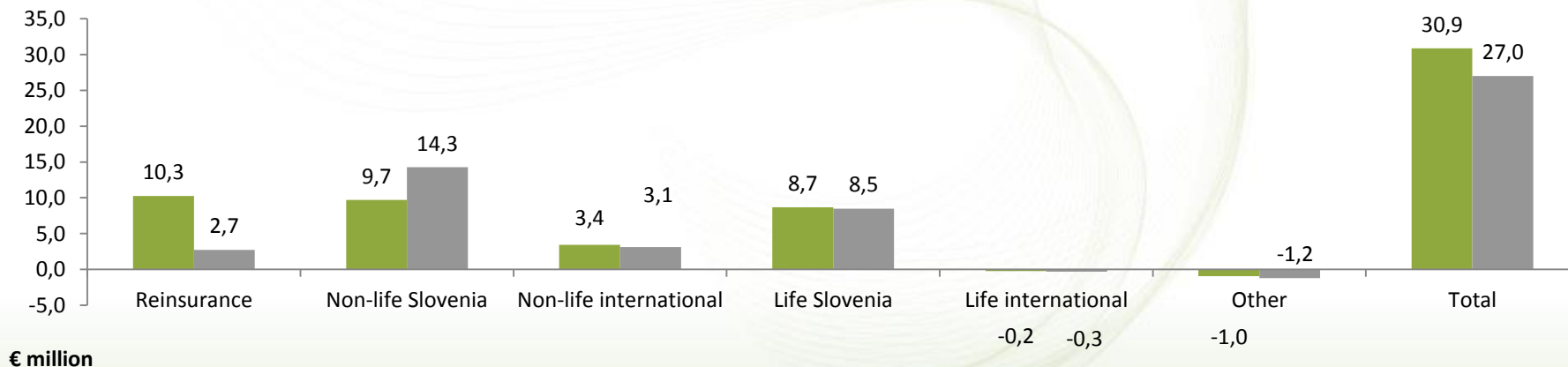
1-9/2015 Results

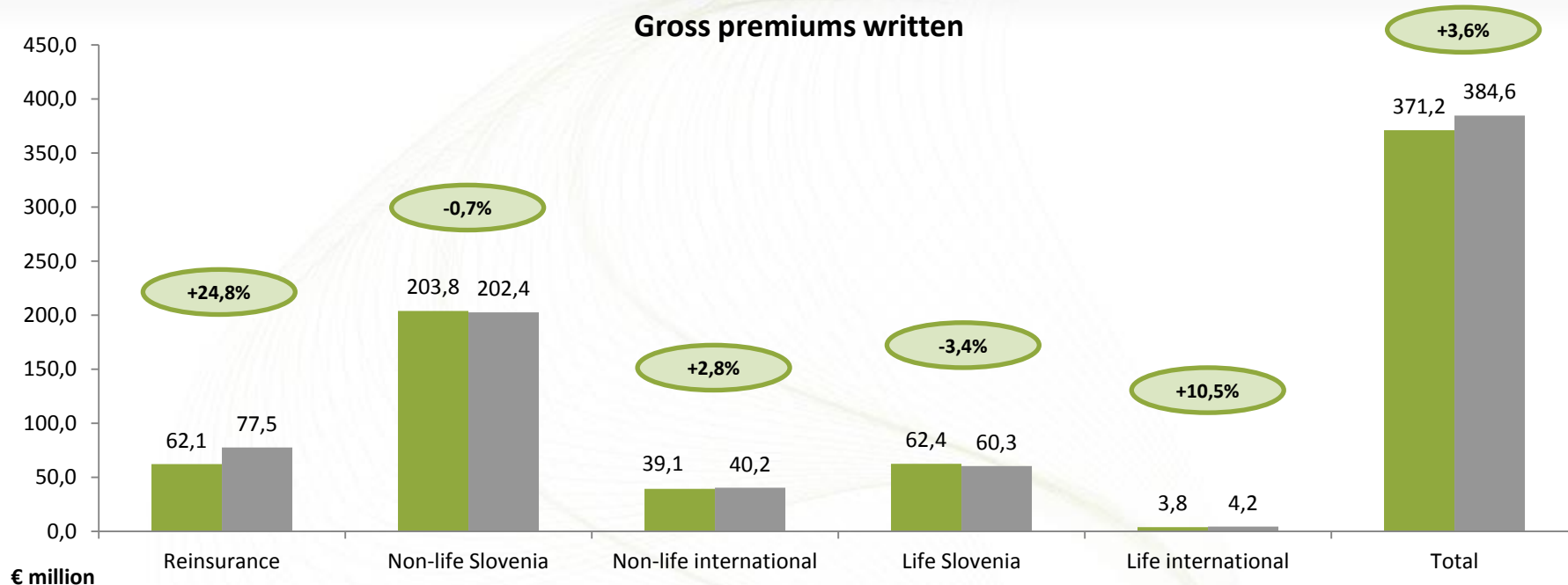
- ▶ Rating agency S&P has upgraded Sava Re's rating to A-
- ▶ CAT loss in China (explosion) - € 5 million in provisions for outstanding claims
- ▶ The announcement of the intent to merge the EU-based Sava Re Group Companies

Sava Re Group	1-9 2014	1-9 2015	Plan 2015	Change 2015/2014	Actual/plan
Gross premiums written (€ million)	371,2	384,6	476,5	3,6%	80,7%
Net expense ratio	32,2%	31,4%	32,4%	-0,8 p.p.	-1,0 p.p.
Net combined ratio S&P*	97,0%	97,2%	96,5%	+0,2 p.p.	+0,7 p.p.
Net combined ratio (excluding foreign exchange differences)*	96,1%	96,6%	96,5%	+0,5 p.p.	+0,1 p.p.
Return on financial portfolio	3,6%	2,7%	2,3%	-0,9 p.p.	+0,4 p.p.
Return on financial portfolio (excluding foreign exchange differences)	3,4%	2,4%	2,3%	-1,0 p.p.	+0,1 p.p.
Net profit/loss (€ million)	25,0	23,0	30,1	-7,9%	76,4%
Annualised ROE	13,0%	11,2%	10,8%	-1,8 p.p.	+0,4 p.p.
	31.12.2014	30.9.2015	Plan 31.12.2015		
Shareholders' equity (€ million)	271,5	275,7	282,9	1,5%	97,5%

*The combined ratio does not include life business

Consolidated results before tax by segment



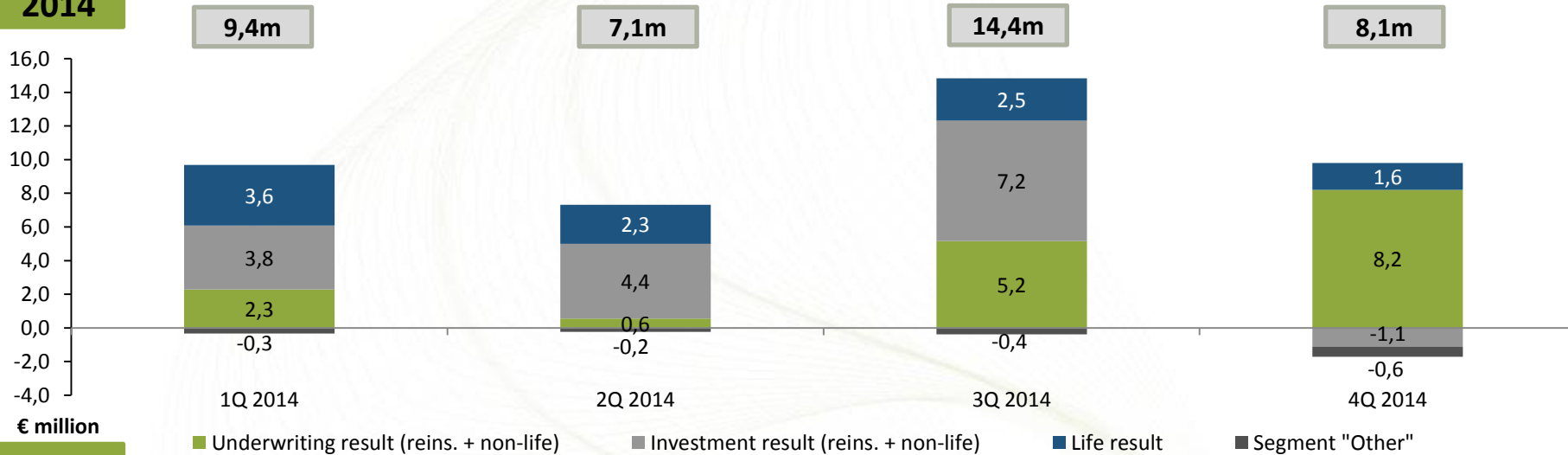


Factors causing deviations from the 1-9 2014:

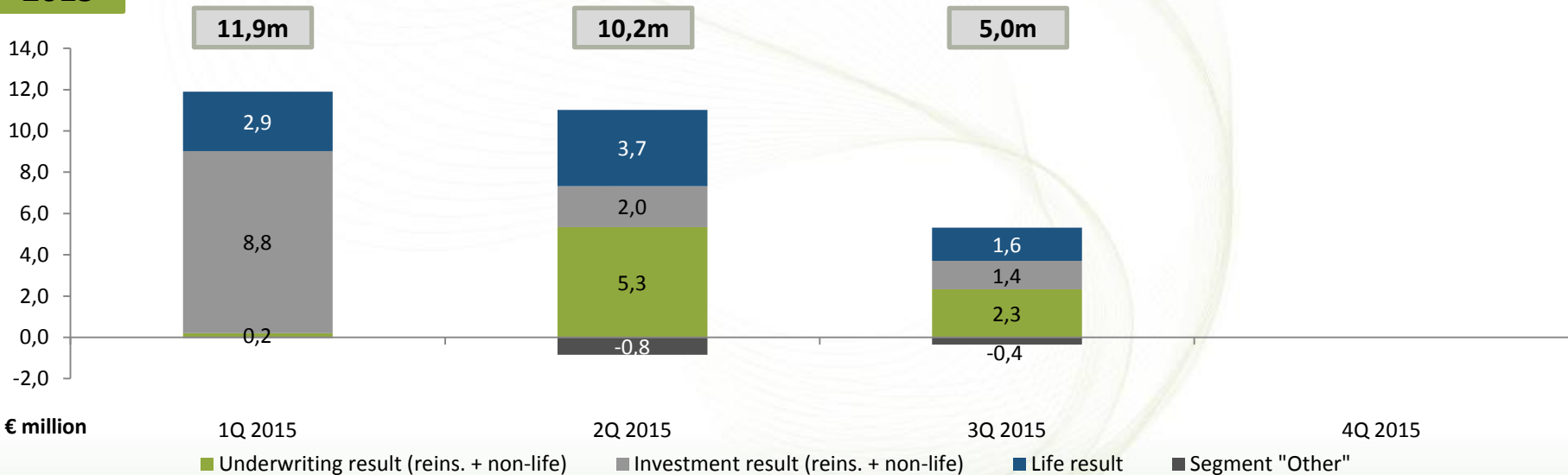
- Reinsurance:** growth on international reinsurance markets (especially in South Korea).
- Non-life Slovenia:** Zavarovalnica Tilia recorded 3,5 % decline in premiums (mostly due to early renewal of some policies in December 2014), while Zavarovalnica Maribor recorded 0,5 % growth in premiums.
- Non-life International:** growth of premiums in Serbian and Macedonian insurance companies, while others recorded a decline, especially Velebit osiguranje, where the influence of MTPL market liberalisation can still be seen.
- Life Slovenia:** lower premiums in Zavarovalnica Tilia (premiums of new policies are insufficient to compensate for the premiums of policies that expired or have been cancelled) and Zavarovalnica Maribor (greater focus of sales activities on personal lines products that are included in the non-life segment).
- Life International:** Croatian and Serbian insurance companies recorded growth in premiums (21,4 % and 8,3%), while the Kosovo insurance company recorded a 7,2 % decline because of the deteriorating economic situation in Kosovo.

Breakdown of the consolidated profit before tax by quarters (non-cumulative)

2014



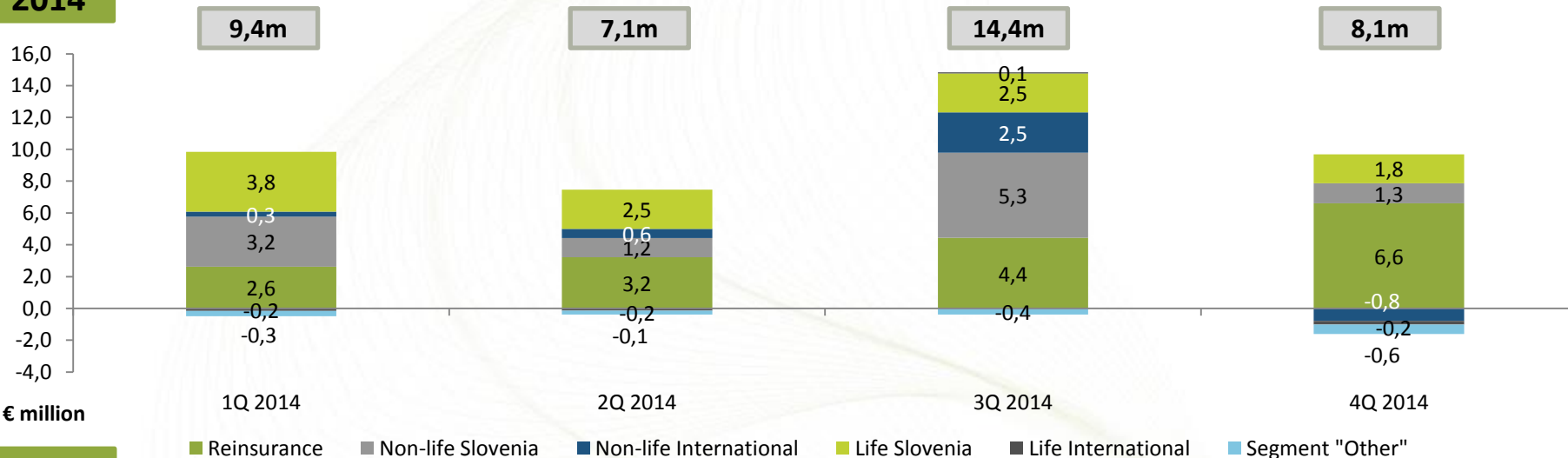
2015



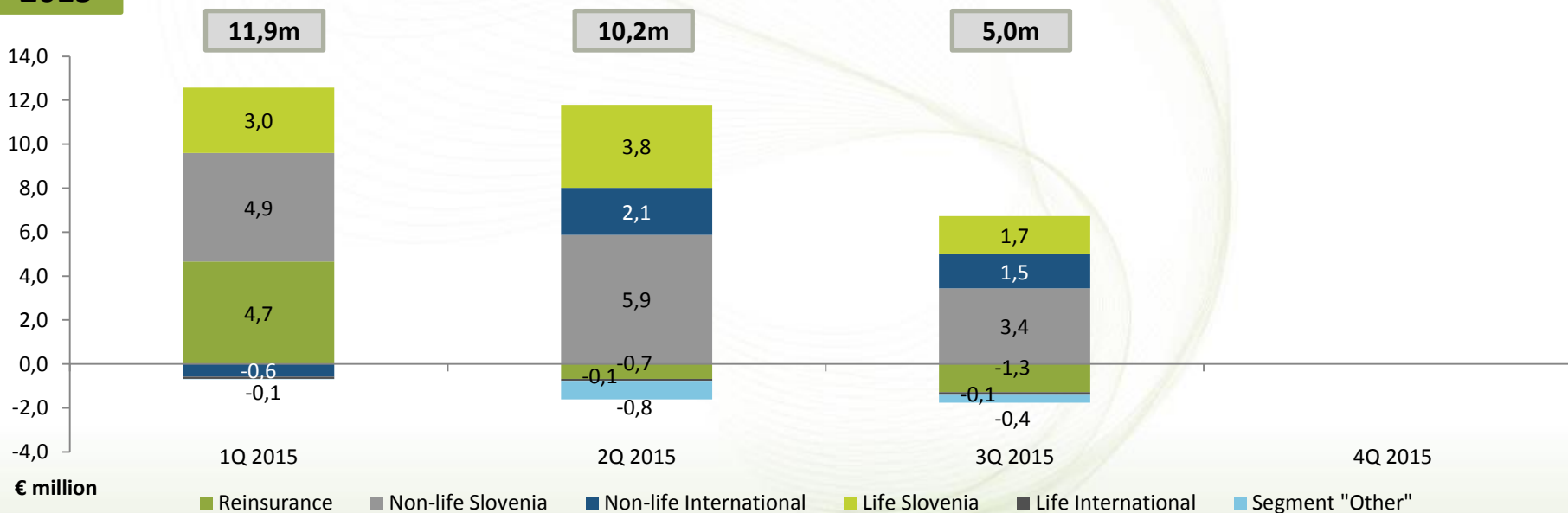
*Underwriting result includes other income and expenses

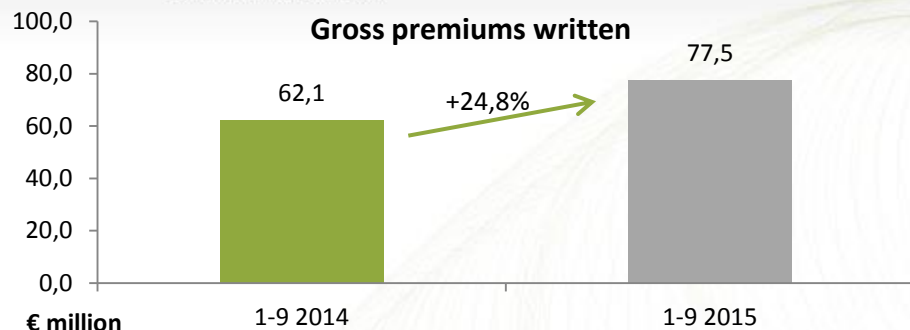
Consolidated profit before tax by operating segments and quarters (non-cumulative)

2014

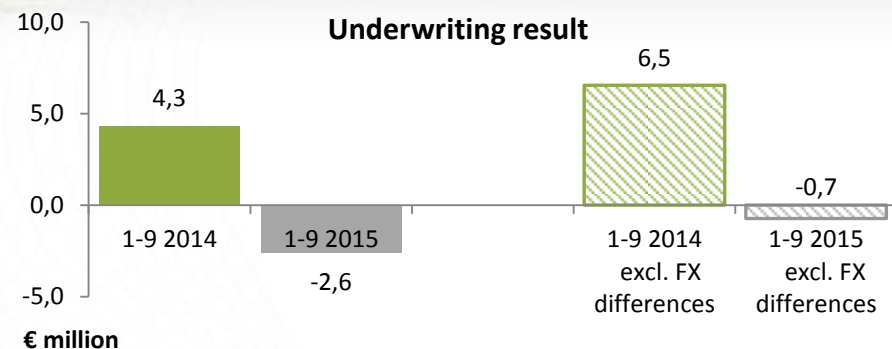


2015

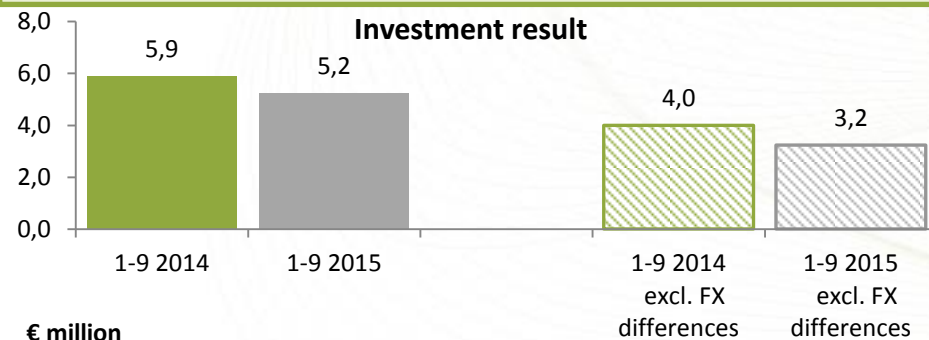




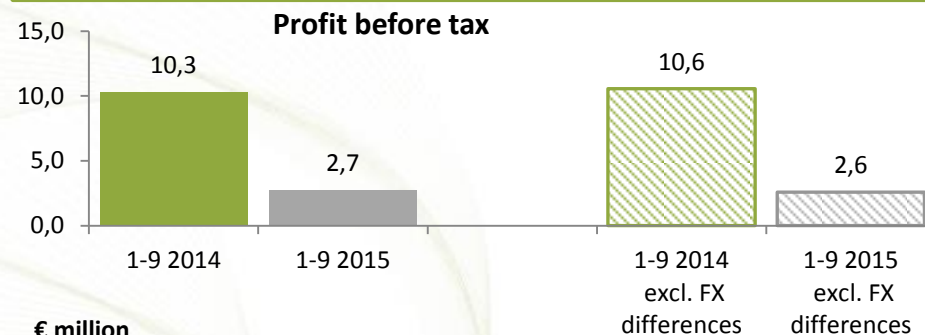
The difference is mostly due to growth of premium from South Korea (€8 million).



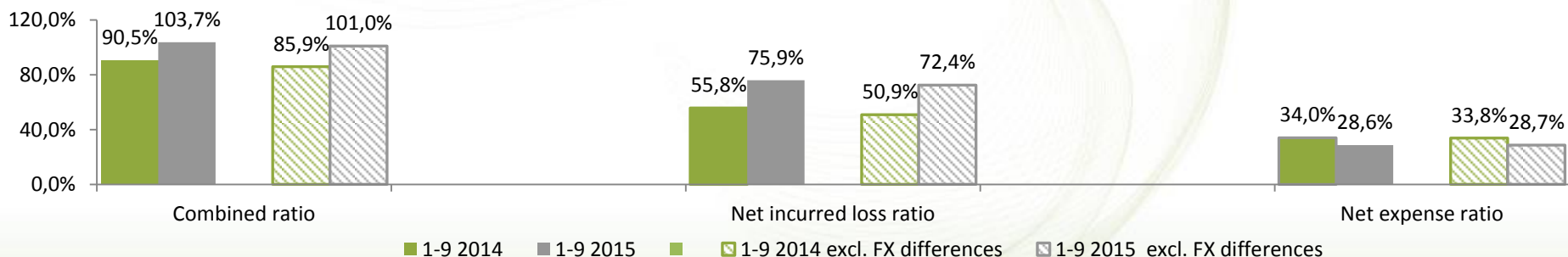
Last year the underwriting result (excluding effects of exchange differences) was better than this year due to a favourable loss development in 2012. 2015 was a year with a heavy claims burden (Asia).



The weaker investment result is a result of lower gains on the sale of investments.

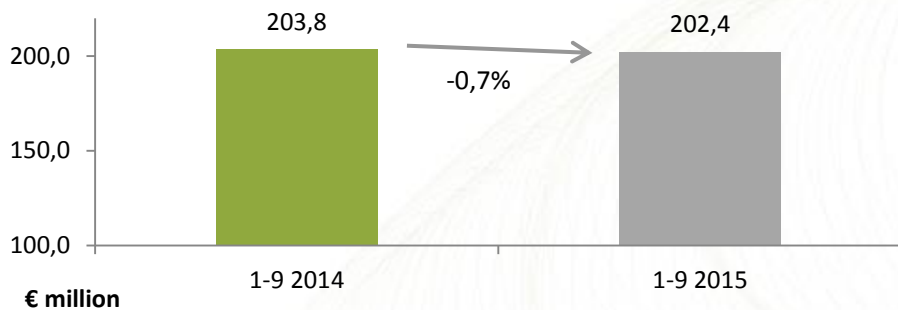


The profit is lower because of both a weaker underwriting result and a deteriorated investment result.



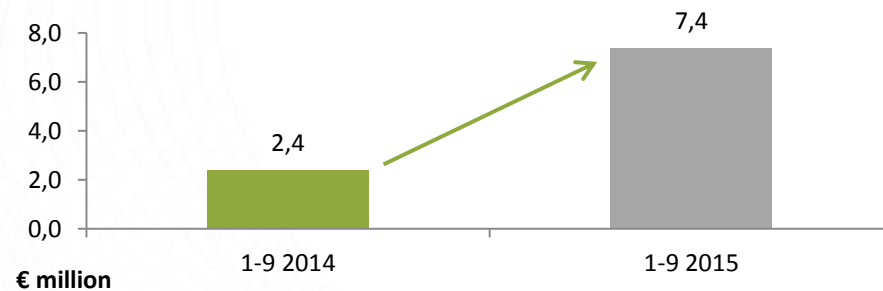
*Figures are consolidated and after the transfer of reinsurance effects to operating segments.

Gross premiums written



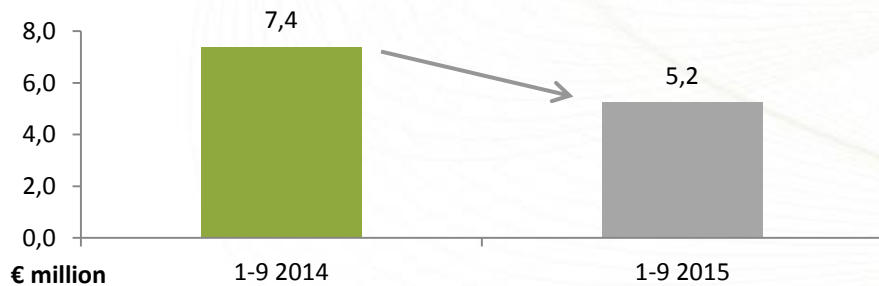
Drop in Tilia's gross premiums of € 2.1 million, while ZM generated growth of € 0.8 million (total decline of 0.7 %; the Slovenian insurance market shrank by 0.2 %).

Underwriting result



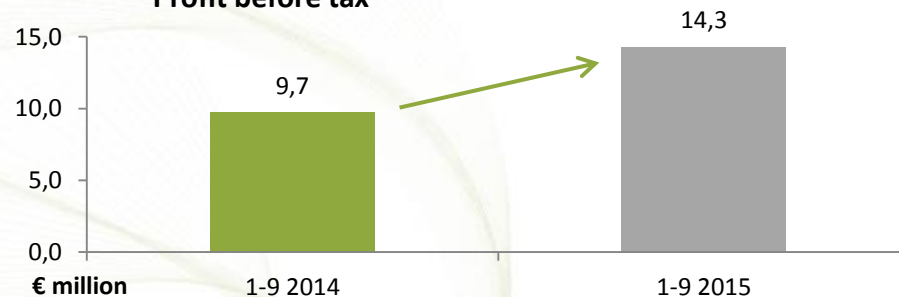
The better underwriting result was mainly due to an improvement in ZM (in 2014 weaker result due to ice damage).

Investment result

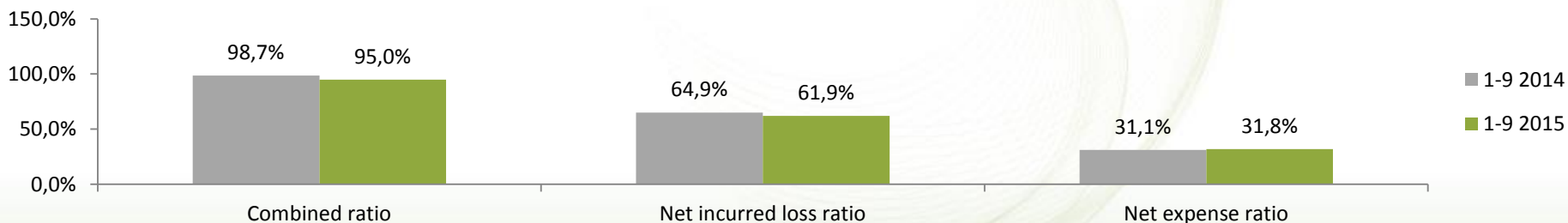


The poor investment result was mainly a result of falling interest rates.

Profit before tax



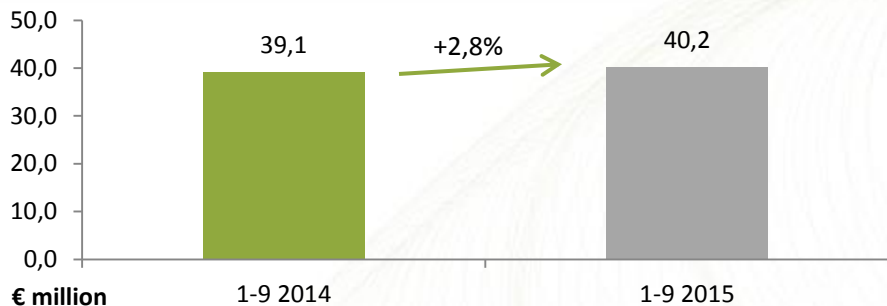
The improved result was due to a better underwriting result.



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

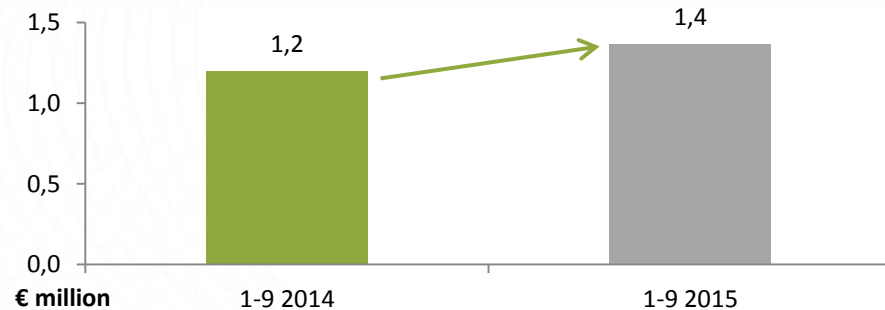
RESULTS BY OPERATING SEGMENT – NON-LIFE INTERNATIONAL 9

Gross premiums written



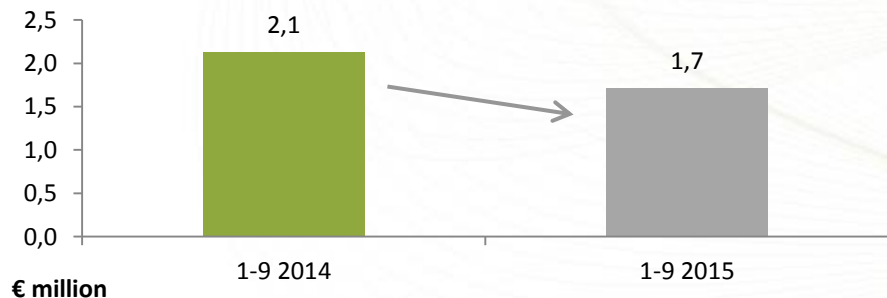
Premiums grew in Sava osiguranje (€ 1.9 million) and Sava osiguruvanje (€ 0.4 million), but fell in other insurance companies (in Sava Montenegro and Illyria by € 0.3 million, in Velebit osiguranje by € 0.5 million).

Underwriting result



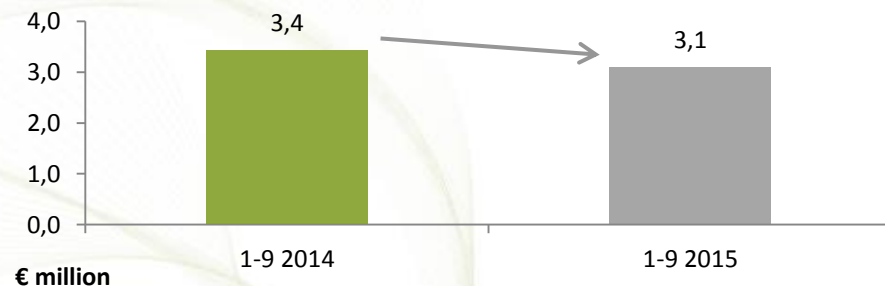
Sava Montenegro, Velebit and Sava osiguruvanje Skopje improved their underwriting results, but the latter two still have an underwriting loss. Illyria and Sava Skopje recorded a decline in a still positive underwriting result.

Investment result

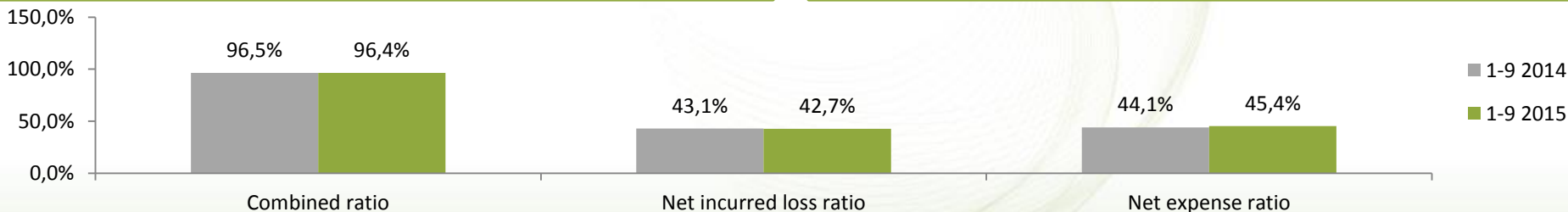


The investment result deteriorated in all subsidiaries as a result of declining interest rates.

Profit before tax

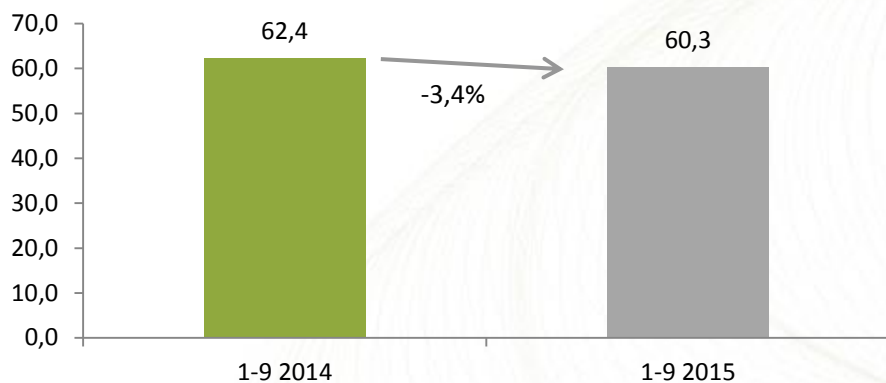


The improved result was affected by the deteriorated investment result. Sava Montenegro, Sava osiguranje Belgrade and Velebit osiguranje recorded an improved business result.



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

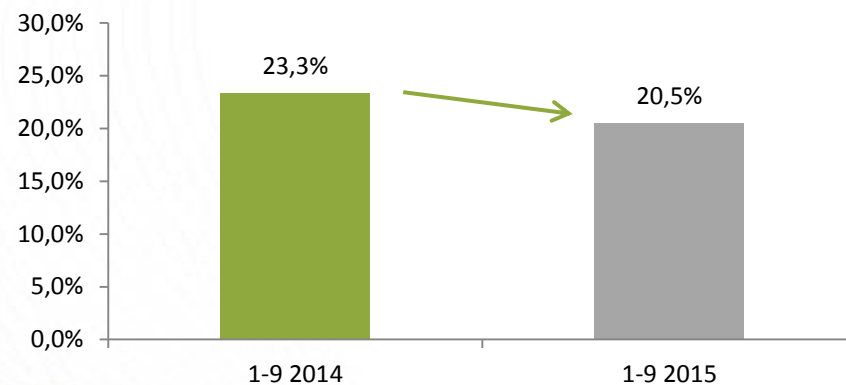
Gross premiums written



€ million

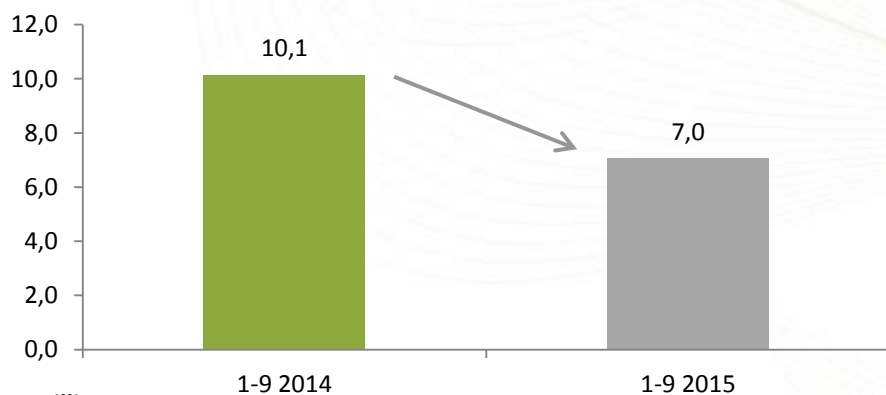
Premium income fell in both Slovenian insurers (by 3.4 % in total), while the market grew by 5.1 %.

Net expense ratio



In Zavarovalnica Maribor, the expense ratio improved by 4.6 p.p., in Tilia it dropped by 0.3 p.p.

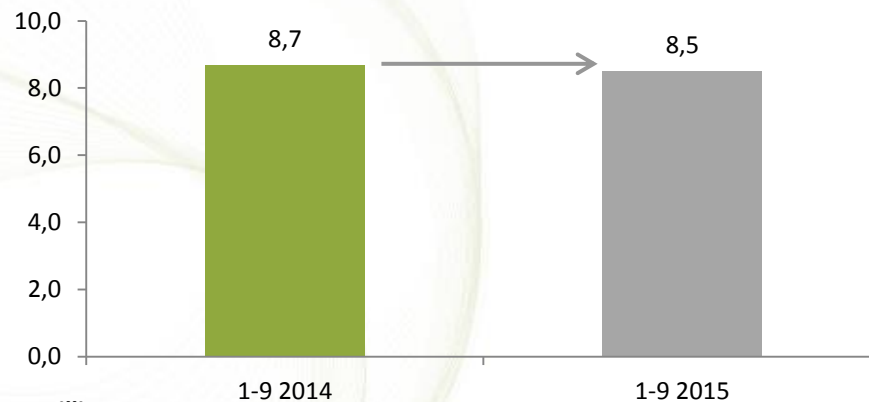
Investment result



€ million

The investment result declined primarily in Zavarovalnica Maribor, where large capital gains were realized in the period 1–9/2014 on the sale of securities.

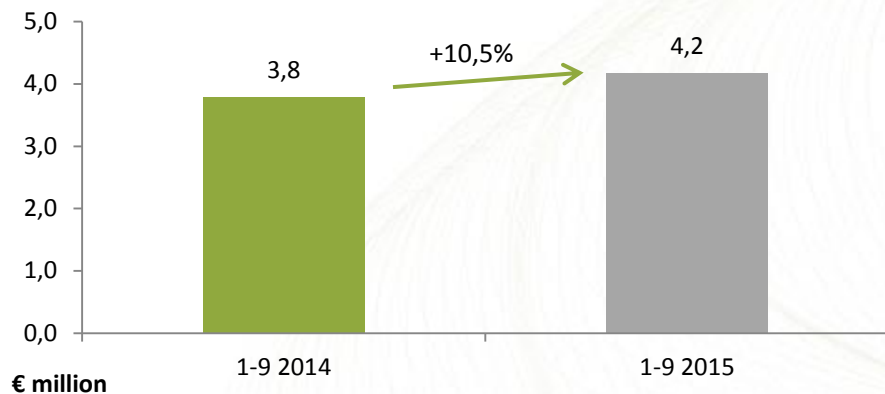
Profit before tax



€ million

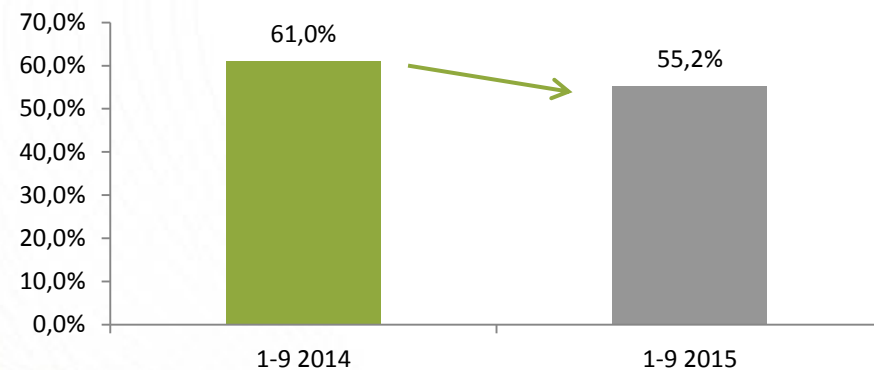
Zavarovalnica Tilia improved its profit this year, while Zavarovalnica Maribor has a slightly lower profit.

Gross premiums written



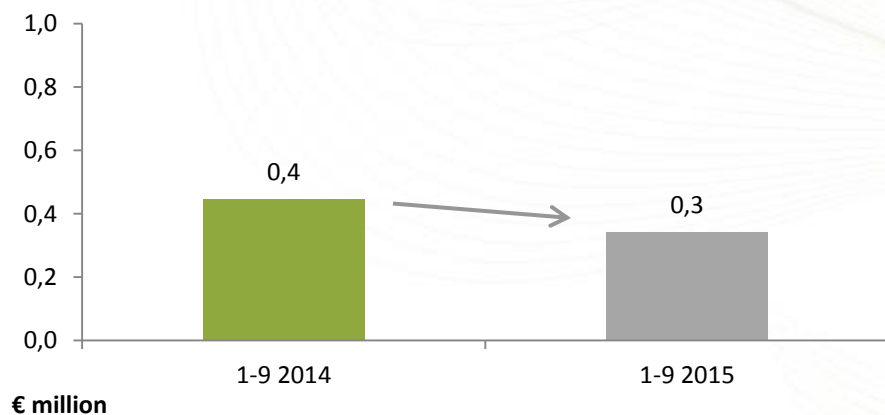
Illyria Life recorded a decline in premium income; Velebit životno and Sava Life recorded premium growth.

Net expense ratio



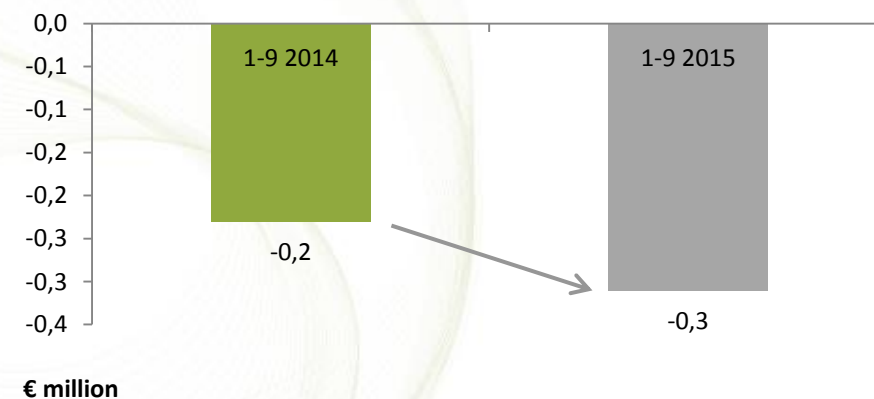
All three companies improved their expense ratios – Velebit životno by 11.6 p.p., Sava životno by 4.9 p.p. and Illyria Life by 1.4 p.p.

Investment result



All three companies had slightly weaker investment results.

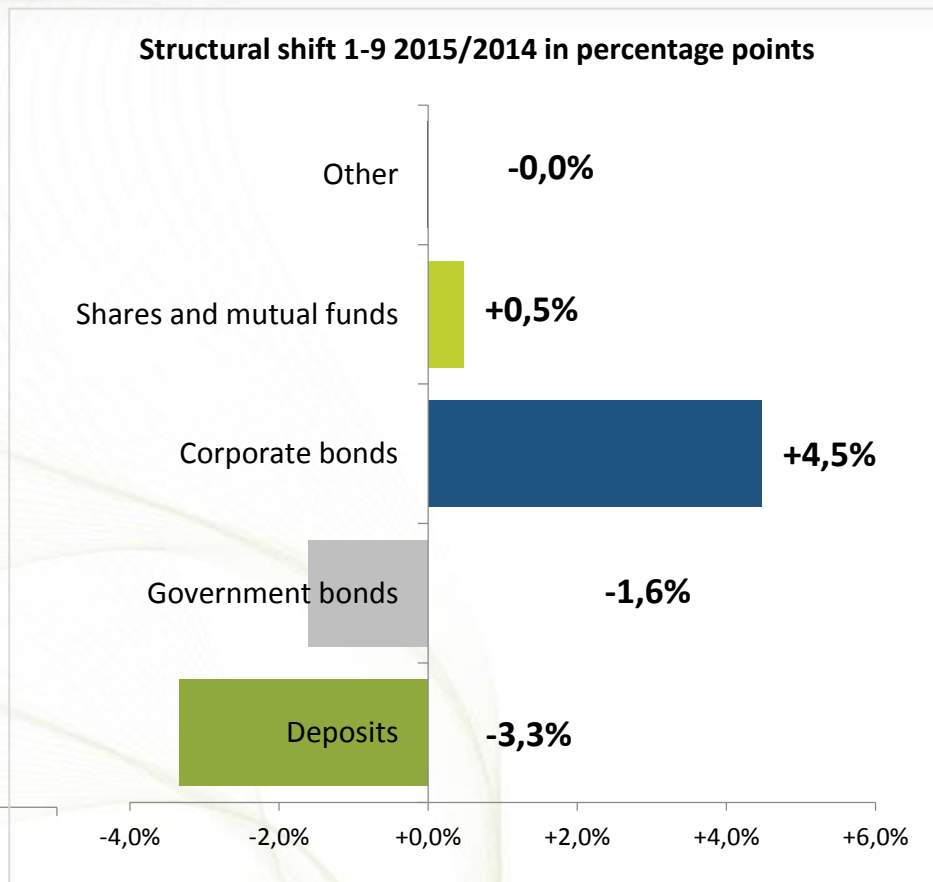
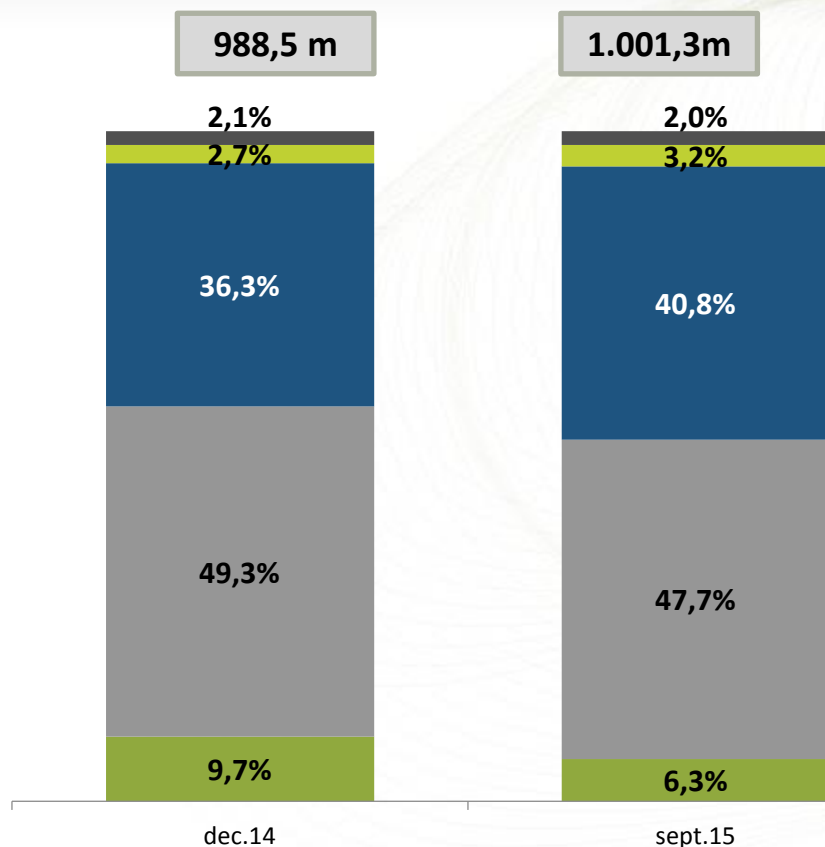
Loss before tax



All three companies recorded weaker profit/loss figures with the largest decline in Velebit životno osiguranje.

(€ million)	Investment portfolio*	Main factors of change
31 December 2014	988,5	+ cash flow of (re)insurance business (€ 17,1 million); + net foreign exchange differences (€ 2,0 million); + change in accrued interest (€ 16,1 million); +dividend income from financial investments (€ 1,2 million);
	+12,8	- financing interest expense (€ 0,9 million); - change in fair value reserve of investments (€ 6,6 million); - dividend payouts to shareholders (€ 9,1 million)
30 September 2015	1.001,3	- repayment of subordinated debt of Zavarovalnica Maribor (€ 5,2 million)

*The investment portfolio includes financial investments, investment property, cash and investments in associates. Excluded are funds for the benefit of policyholders who bear the investment risk.

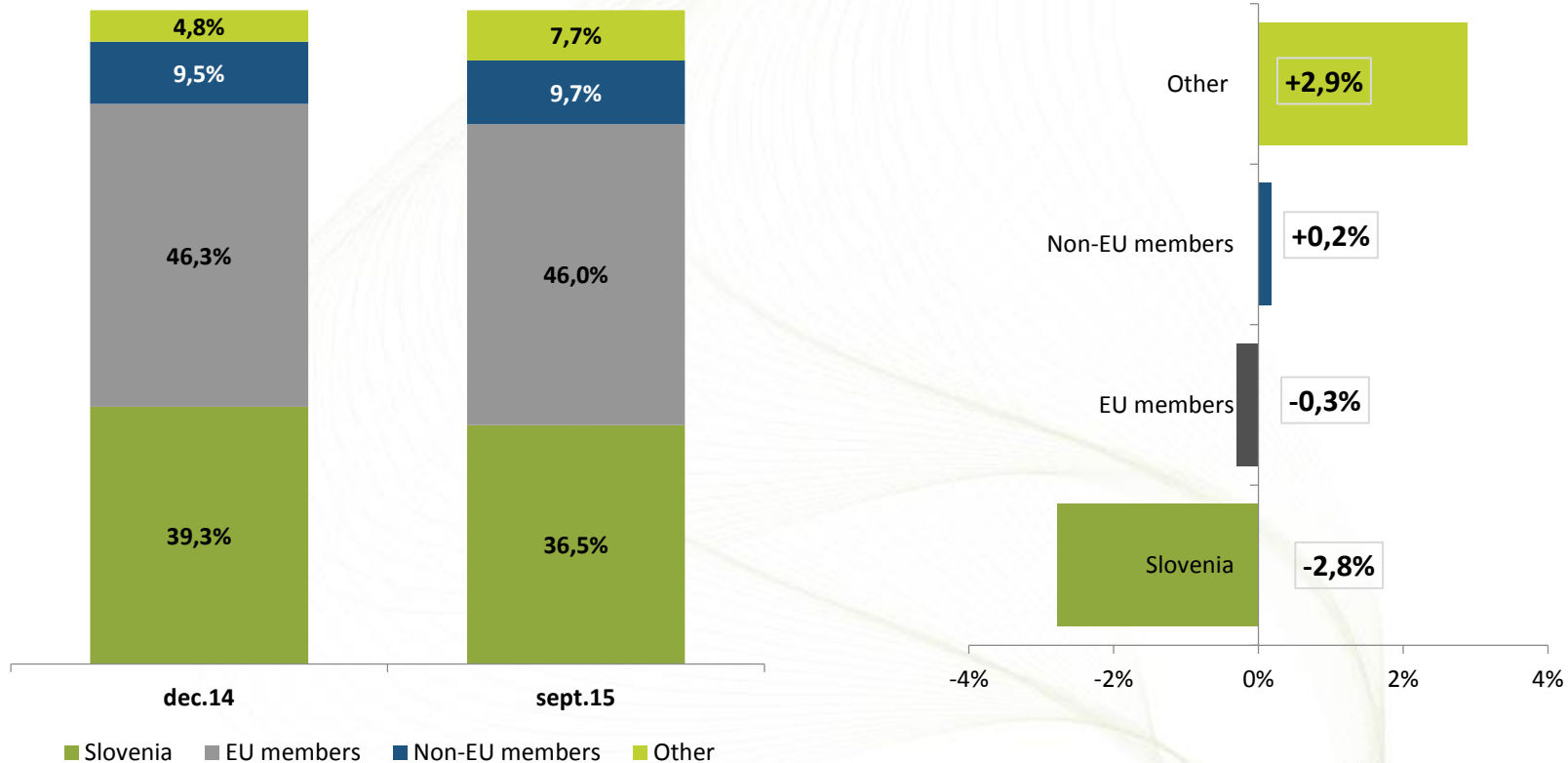


■ Deposits
 ■ Government bonds
 ■ Corporate bonds
 ■ Shares and mutual funds
 ■ Other

Compared to 31 Dec 2014:

- decreased allocation to government bonds and deposits due to reinvestment of matured investments in corporate bonds, mostly covered bonds (+ € 39,3 million) and regular corporate bonds (+ € 17,7 million);
- increased allocation to mutual funds due to investments in ETF funds (exchange traded funds).

Structural shift Sep 2015/Dec 2014



Compared to 31 Dec 2014:

- decreased exposure to Slovenia (-2,8 percentage points) which is in line with investment policy of decreasing concentration by region
- increased exposure to USA (Other) due to currency matching of Sava Reinsurance Company

(€ million)	1-9/2014	1-9/2015	Plan
Investment portfolio income	29,53	29,19	20,35
Investment portfolio expenses	3,26	9,23	2,94
Net inv. income of the investment portfolio	26,27	19,96	17,42
Net inv. income of financial investments excluding exchange differences	24,22	18,00	17,42

Net investment income, excluding exchange difference, exceeded the plan by € 0,6 million.

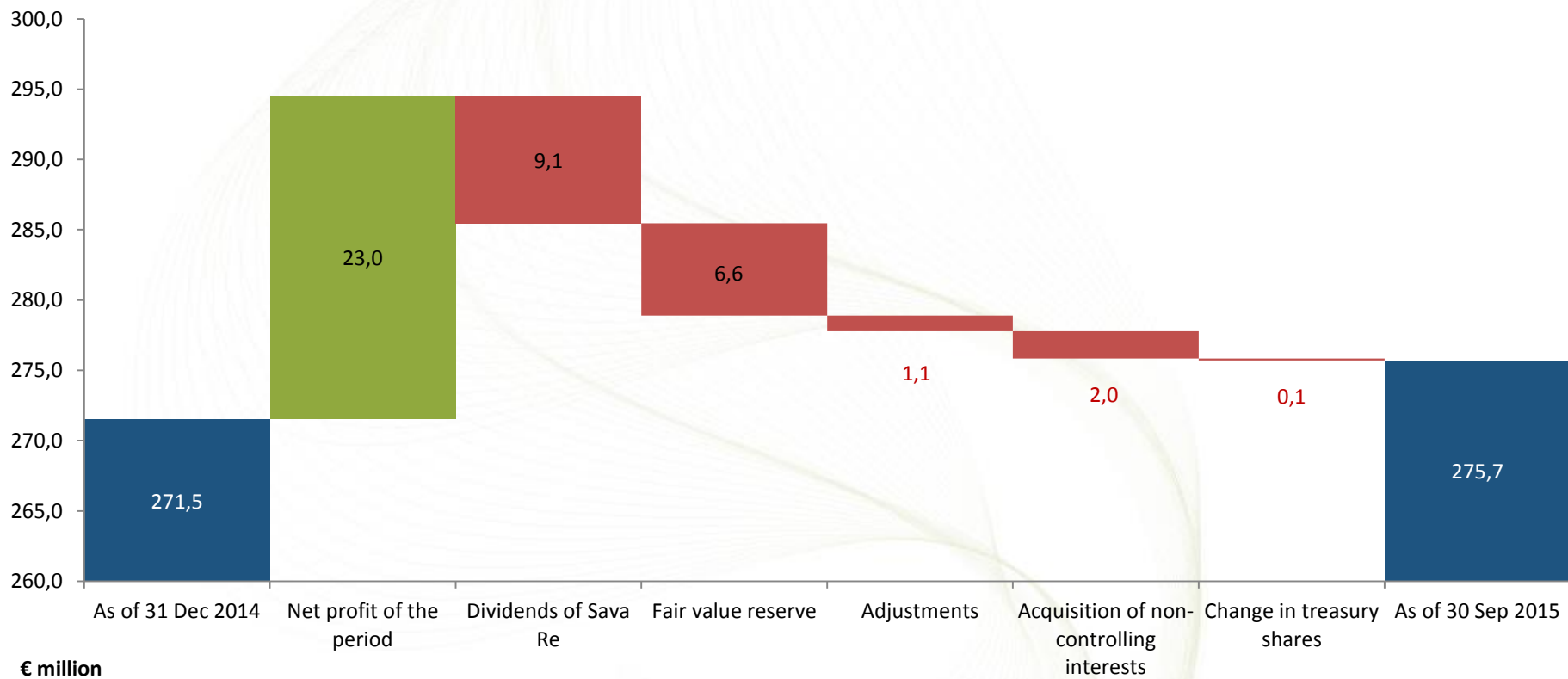
Compared year-on-year, net investment income decreased by € 6 million. Comparing these two periods is difficult since market conditions are not comparable. Interest rates used for reinvestments in 2015 are different from those in 2014. Also, selling assets for capital gains now and foregoing higher future gains does not seem a meaningful option.

(in %)	1-9/2014	1-9/2015	Plan
Return on the financial portfolio*	3,63 %	2,65 %	2,35%
Return on the financial portfolio, excluding exchange differences*	3,35 %	2,39 %	2,35%
Return on funds for the benefit of policyholders who bear the investment risk	8,19 %	-2,73 %	0,57%

*Return is calculated on accounting return basis.

MOVEMENTS IN EQUITY

+ 1,5 %

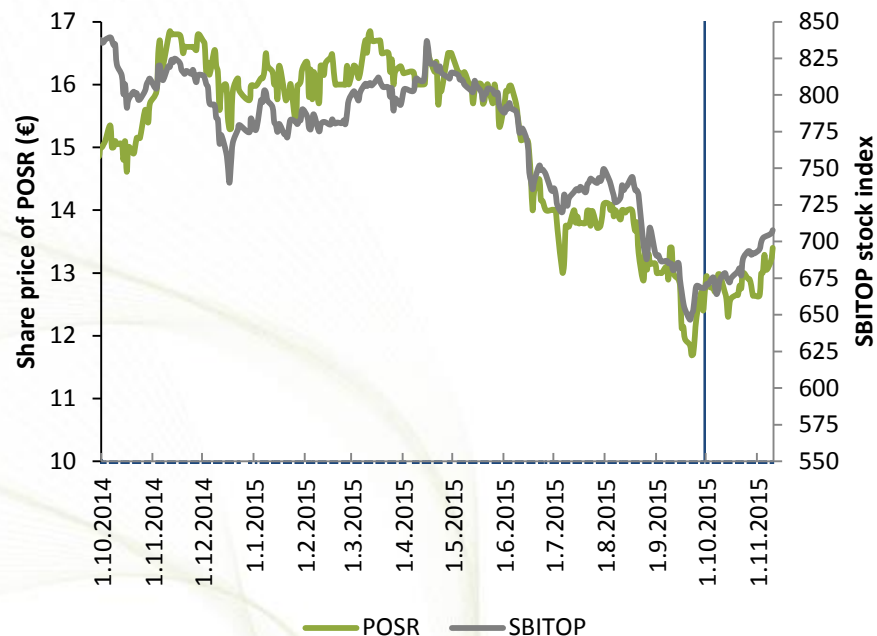


Basic details about the POSR share

	30.9.2015
Share capital (€)	71.856.376
No. of shares	17.219.662
Number of treasury shares	736.066
Trading symbol	POSR
No. of shareholders	5.057
Price to book value (P/B)*	0,79
Market capitalization (€)	218.689.707
Price to premium (P/GPW)	0,57

*P/B = market capitalization/ value of equity

The movement in the POSR share price compared to the SBI TOP stock index



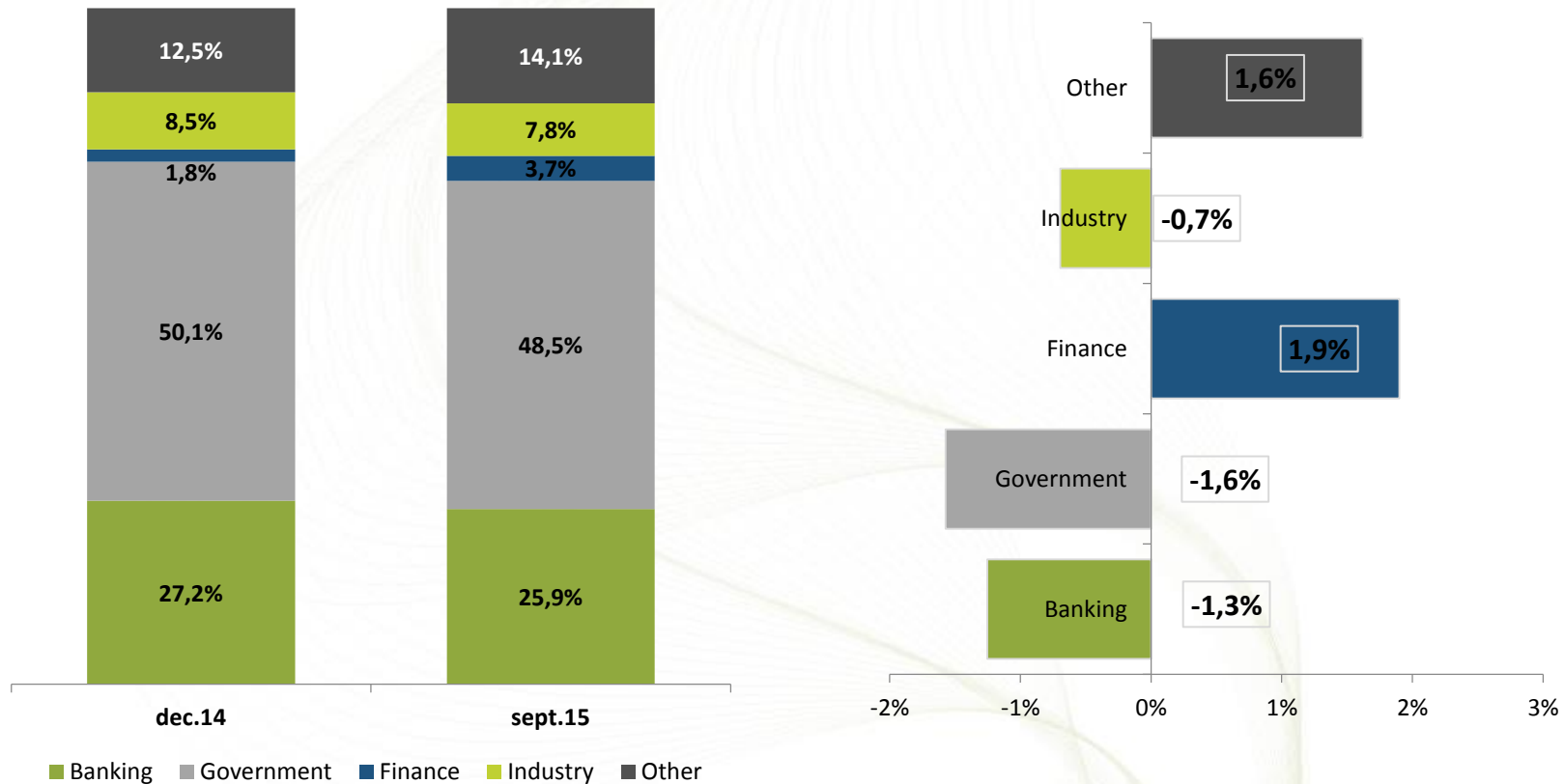
*SBI TOP Slovene Blue-chip index.

**THANK YOU FOR YOUR
ATTENTION!**

(€ million)	31 Dec 2014		30 Sep 2015	
Asset class	Amount	Structure	Amount	Structure
Deposits	51,75	5,3%	28,73	2,9%
Government bonds	226,34	23,2%	224,48	22,7%
Corporate bonds	80,05	8,2%	84,72	8,6%
Shares	19,76	2,0%	17,74	1,8%
Mutual funds	5,02	0,5%	4,64	0,5%
Other	0,45	0,0%	0,60	0,1%
Total	383,37	39,3%	360,90	36,5%

Compared to 31 Dec 2014, there was a decrease in exposure to deposits in Slovenian banks.

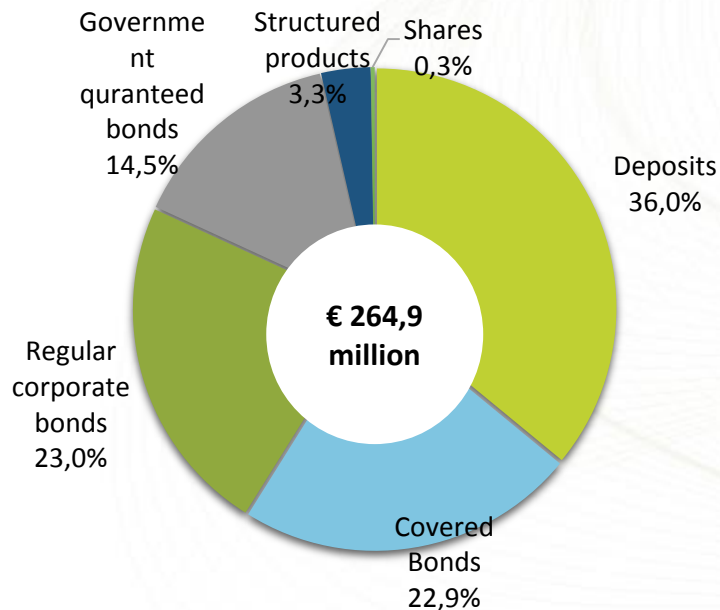
Structural shift Sep 2015/Dec 2014



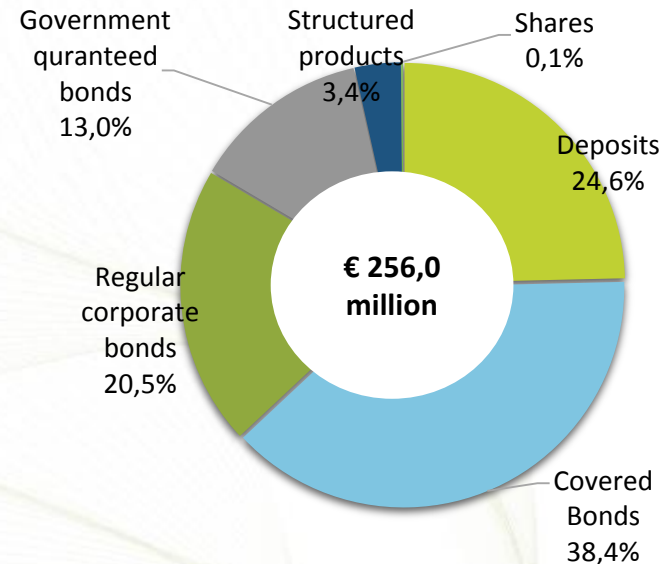
Compared to 31 Dec 2014:

- increased exposure to the "other" category (IT, consumer goods sectors);
- increased exposure to the finance sector due to investments in corporate bonds from this industry and investments in ETF funds (" exchange traded funds ");
- decreased exposure to banking, government and industry due to reinvestments in financial investments from other industries;

31 Dec 2014

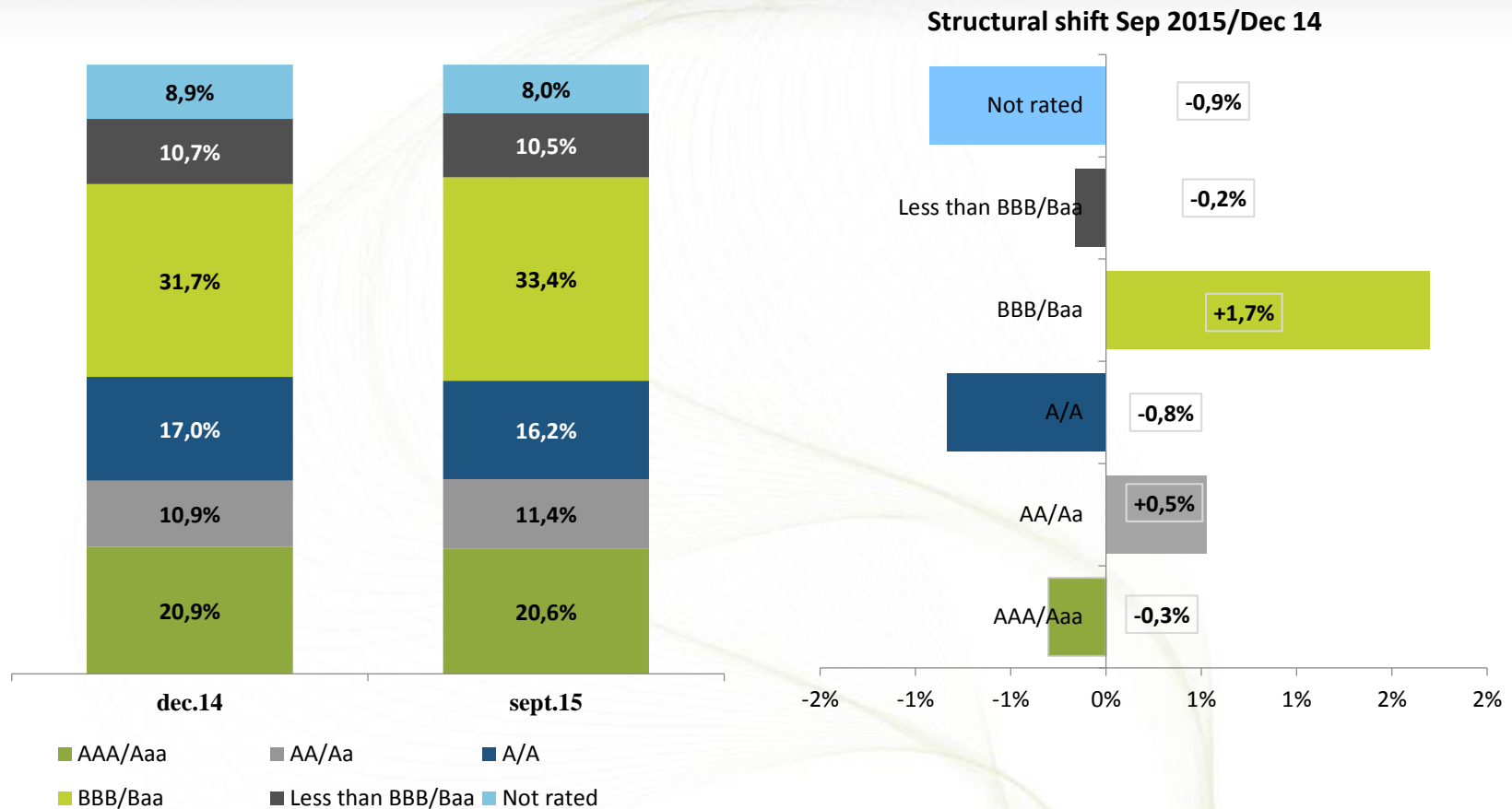


30 Sep 2015



Compared to 31 Dec 2014, there was a change in the structure of financial investments in banking:

- increased allocation to covered bonds (+15,5 p.p.);
- decreased allocation to deposits (-11,3 p.p.).



Compared to 31 Dec 2014:

- decreased investments in not rated category due to matured deposits;
- increased investments in BBB due to investments in government-guaranteed corporate bonds

The share of investment-grade financial investments did not change (81,5 %) compared to 31 Dec 2014, neither did the share of financial investments rated better than A- (48,1 %).

(€ million)	1-9/2014	1-9/2015	Absolute change
Income			
Interest income	19,78	16,98	-2,80
Change in the fair value of FVPL investments	1,21	0,98	-0,24
Gains on disposal of investments other IFRS groups	3,53	0,88	-2,65
Income from associates	0,18	0,14	-0,04
Income from dividends	0,94	1,21	0,26
Exchange gains	3,44	8,55	5,11
Other income	0,44	0,46	0,02
Total income	29,53	29,19	-0,33
Totale income excluding foreign exchange differences	26,08	20,64	-5,44
Investments for the benefit of life insurance policyholders who bear the investment risk	16,13	16,96	0,83

Compared to 31 Dec 2014:

- Lower interest income (- € 2,8 million)
- Lower gains on disposal of investments (- € 2,7 million)
- Exchange gains (+ € 5,1 million)

(€ million)	1-9/2014	1-9/2015	Absolute change
Expenses			
Interest expenses	1,07	0,96	-0,12
Change in the fair value of FVPL investments	0,32	1,03	0,71
Losses on disposal of investments other IFRS groups	0,23	0,30	0,07
Impairments	0,03	0,23	0,20
Negative foreign exchange differences	1,39	6,59	5,20
Other expenses	0,22	0,12	-0,10
Total expenses	3,26	9,23	5,97
Expenses excluding foreign exchange differences	1,87	2,64	0,77
Investments for the benefit of life insurance policyholders who bear the investment risk	4,61	21,21	16,60

Compared to 31 Dec 2014:

- Higher impact of FVPL financial investments (+ € 0,7 million)
- Higher exchange losses (+ € 5,2 million)