



# Sava Re Group

Unaudited Results 2015  
and  
Plan2016

# CONTENTS

**1) Preliminary unaudited results 2015**

2) Plan 2016

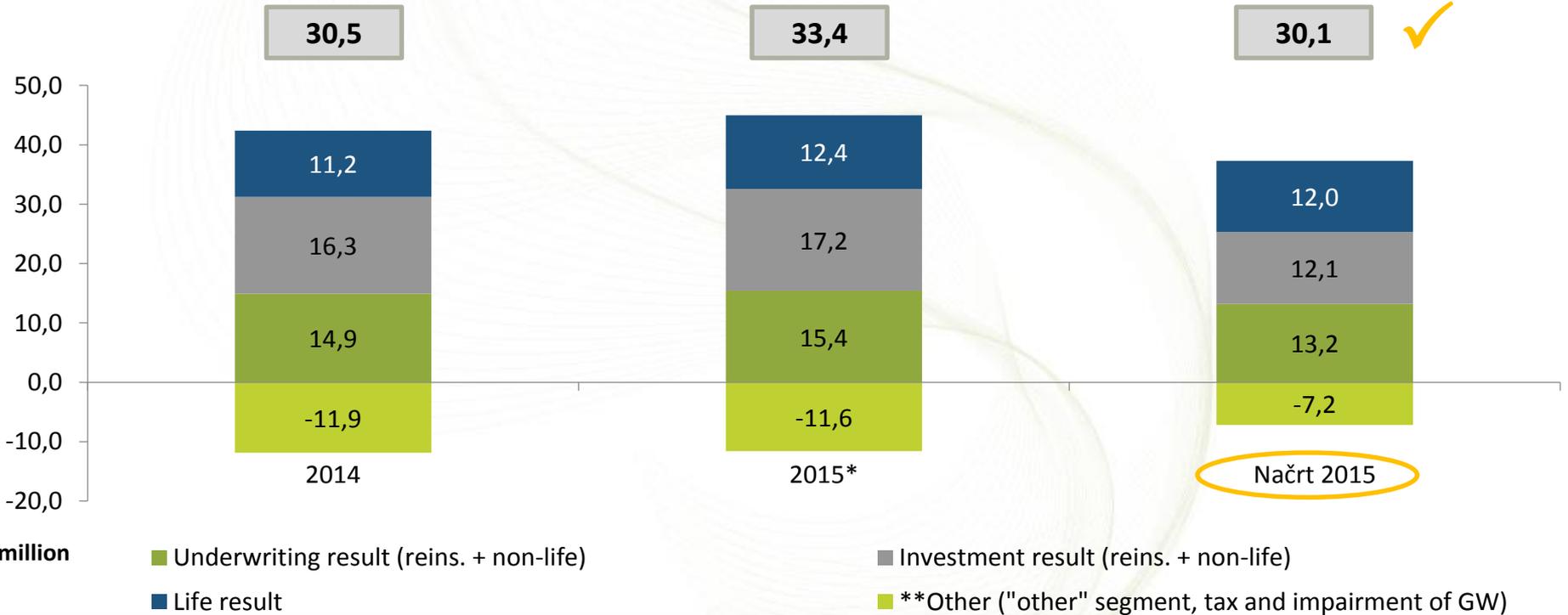
3) Strategy guidelines

- ▶ Very good result: achieved profit before tax of € 40m and 12 % ROE
- ▶ Growth of GPW by 3,9 %
- ▶ Formation of a new insurer started by combining Sava Re insurers in Slovenia and Croatia
- ▶ S&P rating upgraded to "A–" with stable outlook; A.M. Best rating of "A–" with stable outlook affirmed
- ▶ Moja naložba wholly owned by Sava Re

**GROWTH OF PROFIT**

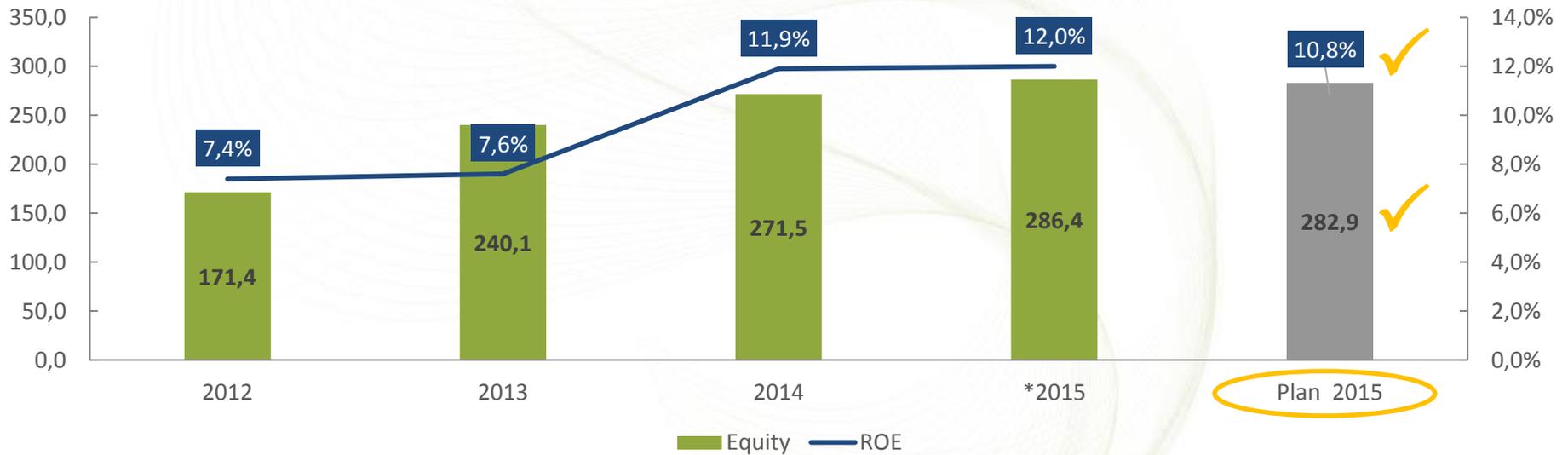
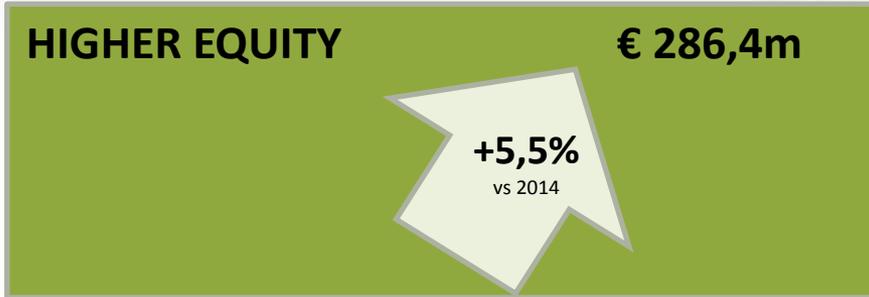
**€ 33,4m**

**+9,3%**  
vs 2014



\*Preliminary unaudited results 2015

\*\*Mostly income tax



\*Preliminary unaudited results 2015

**GROWTH OF GPW**

**€ 486,3m**

**+3,9%**  
vs 2014

**Reinsurance business:**

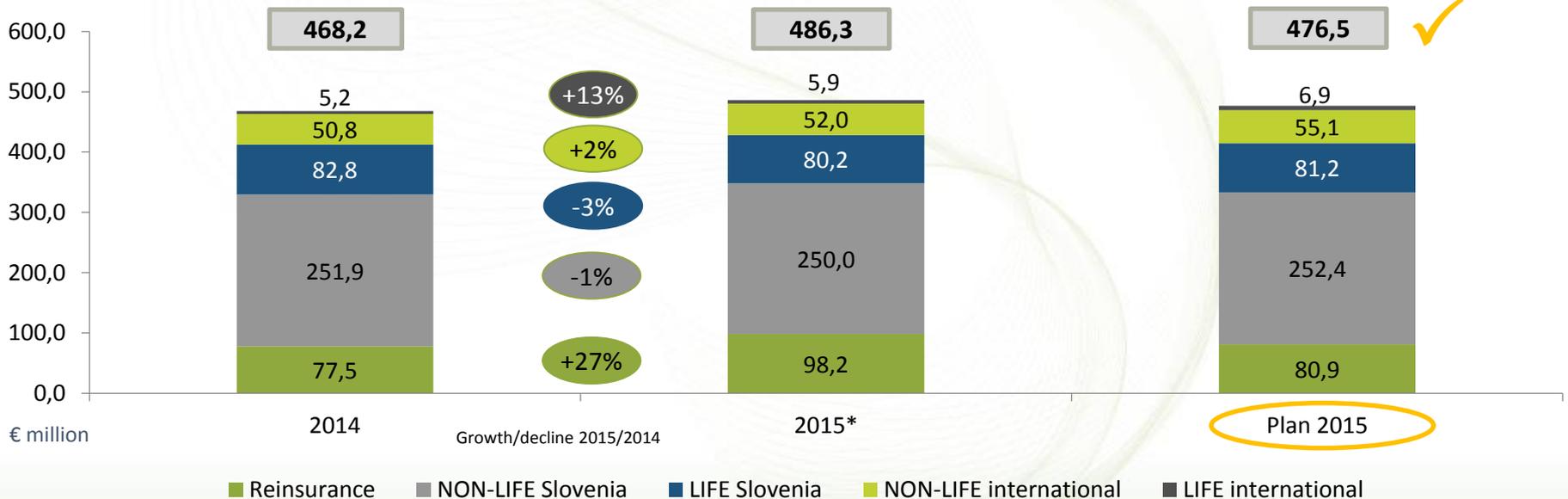
- The premiums written by Sava Reinsurance Company in 2015 exceeded the prior year volume and the planned figure because the company exceeded the planned GPW in international markets. The growth was generated primarily in South Korea.

**Non-life business:**

- Slovenia: lower premium volume of Tilia due to an earlier conclusion of some major policies in 2014 rather than in January 2015 and due to the terminated cooperation with several agencies.
- International: a decline in premiums was recorded by the insurers Velebit osiguranje (liberalization of MTPL market), Illyria (drop in MTPL premiums due to decline in border business and introduction of a bonus-malus system) and Sava Montenegro (drop in MTPL premiums due to a revised presentation of green card premiums that are no included in GPW).

**Life business:**

- Slovenia: new business does not fully compensate for the losses in premiums due to maturities and surrenders of existing business.
- International: the Croatian and Serbian insurers recorded growth, while the Kosovan recorded a decline in premiums (increased number of surrenders).



Plan 2015

\*Preliminary unaudited results 2015

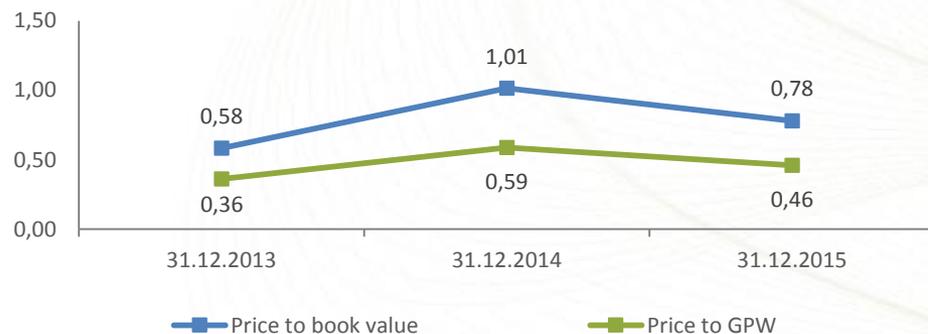
**DECREASED EXPENSE RATIO****32,5%****-0,3 o.t.**  
vs 2014

## GROWTH OF BOOK VALUE per share

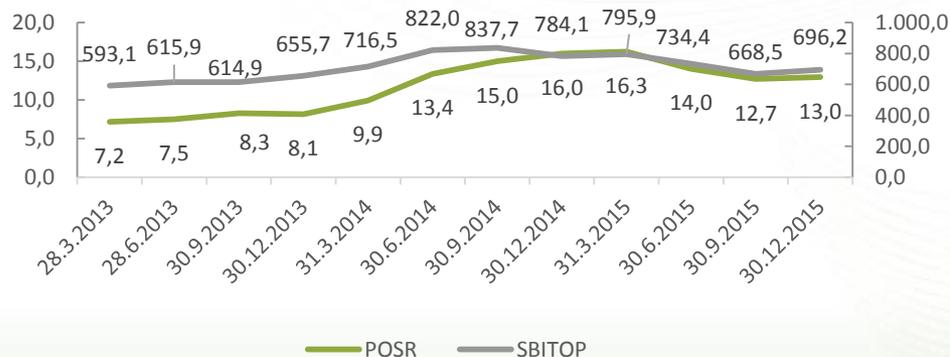
### € 17,38

**+5,6%**  
vs 2014

## Movement of POSR share



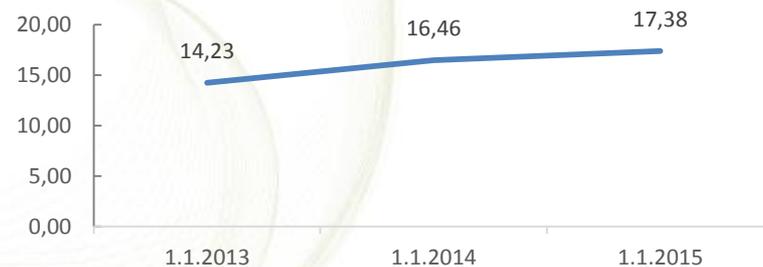
## POSR share price compared to SBITOP stock index



## Basic details about the POSR share

€ million	31.12.2015
Equity	286,4
Share capital	71,9
Market capitalization	223,0
Price to book value (P/B) (€)	0,78
Price to GPW (€)	0,46
Price to earnings (P/E) (€)	6,4
Ticker symbol	POSR
No. of shares	17.219.662
Number of treasury shares	740.842
No. of shareholders	4.857

## Book value per share



# CONTENTS

1) Preliminary unaudited results 2015

**2) Plan 2016**

3) Strategy guidelines

## BASIC TARGETS OF THE 2016 PLAN (CONSOLIDATED)

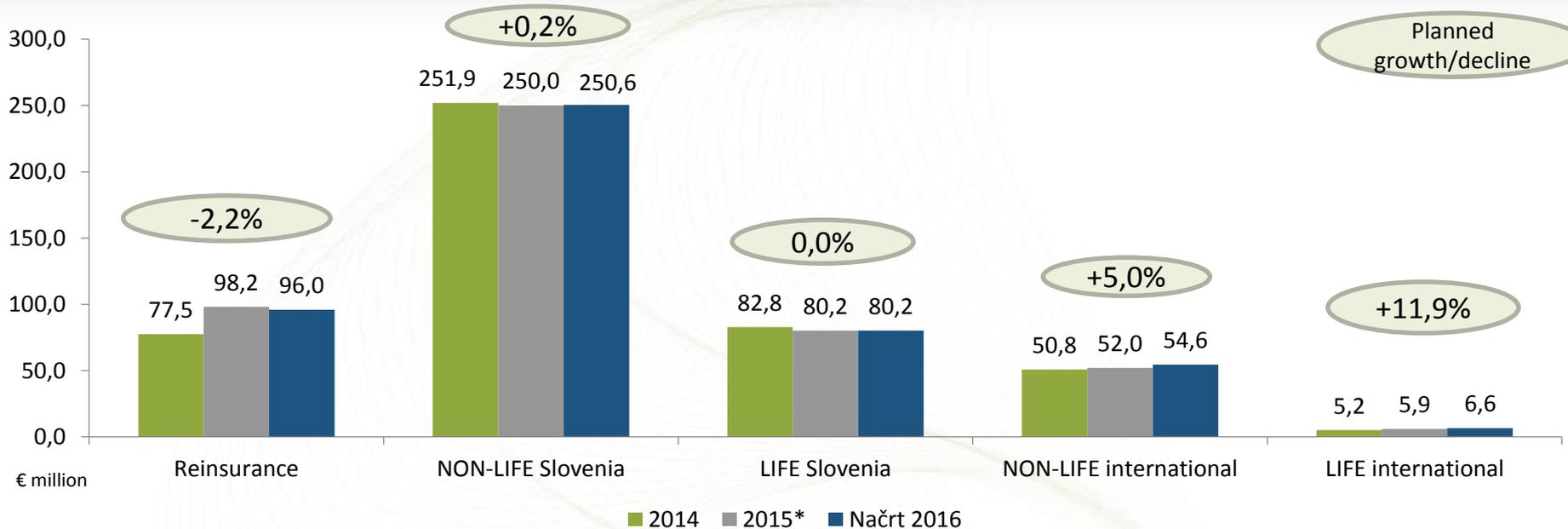
(€ million)	2014	2015*	Plan 2016	Change P2016/2015*
Gross premiums written	468,2	486,3	<b>487,9</b>	0,3%
<i>Growth/decline of GPW</i>	<i>21,1%</i>	<i>3,9%</i>	<b>0,3%</b>	-
Net expense ratio	32,8%	32,5%	<b>33,2%</b>	+0,7 p.p.
Net incurred loss ratio (reinsurance + non-life)	59,4%	61,3%	<b>58,2%</b>	-3,1 p.p.
Net combined ratio (reinsurance + non-life)	95,5%	95,9%	<b>94,8%</b>	-1,1 p.p.
Net profit/loss	30,5	33,4	<b>33,4</b>	0%
Return on the investment portfolio, excluding foreign exchange differences	2,8%	2,4%	<b>2,1%</b>	-0,3 p.p.
Return on equity (ROE)	11,9%	12,0%	<b>11,6%</b>	-0,4 p.p.
Return on revenues (ROR)	7,0%	7,5%	<b>7,3%</b>	-0,2 p.p.

**GPW growth** – especially in non-Slovenian markets (non-life intern. +4,8 %, life intern. +11,7 %)

**Higher expense ratio** – due to planned purchase of premises for Sava Re and Zavarovalnica Maribor

**Improvement in combined ratio** – due to planned optimisation of non-life portfolios in Slovenia

**Lower return on investments** – as a result of the low-interest-rate environment



\*Preliminary unaudited results 2015

### Reinsurance business:

- Decline in international GPW because of the soft market despite the increase in the number of policies and business partners

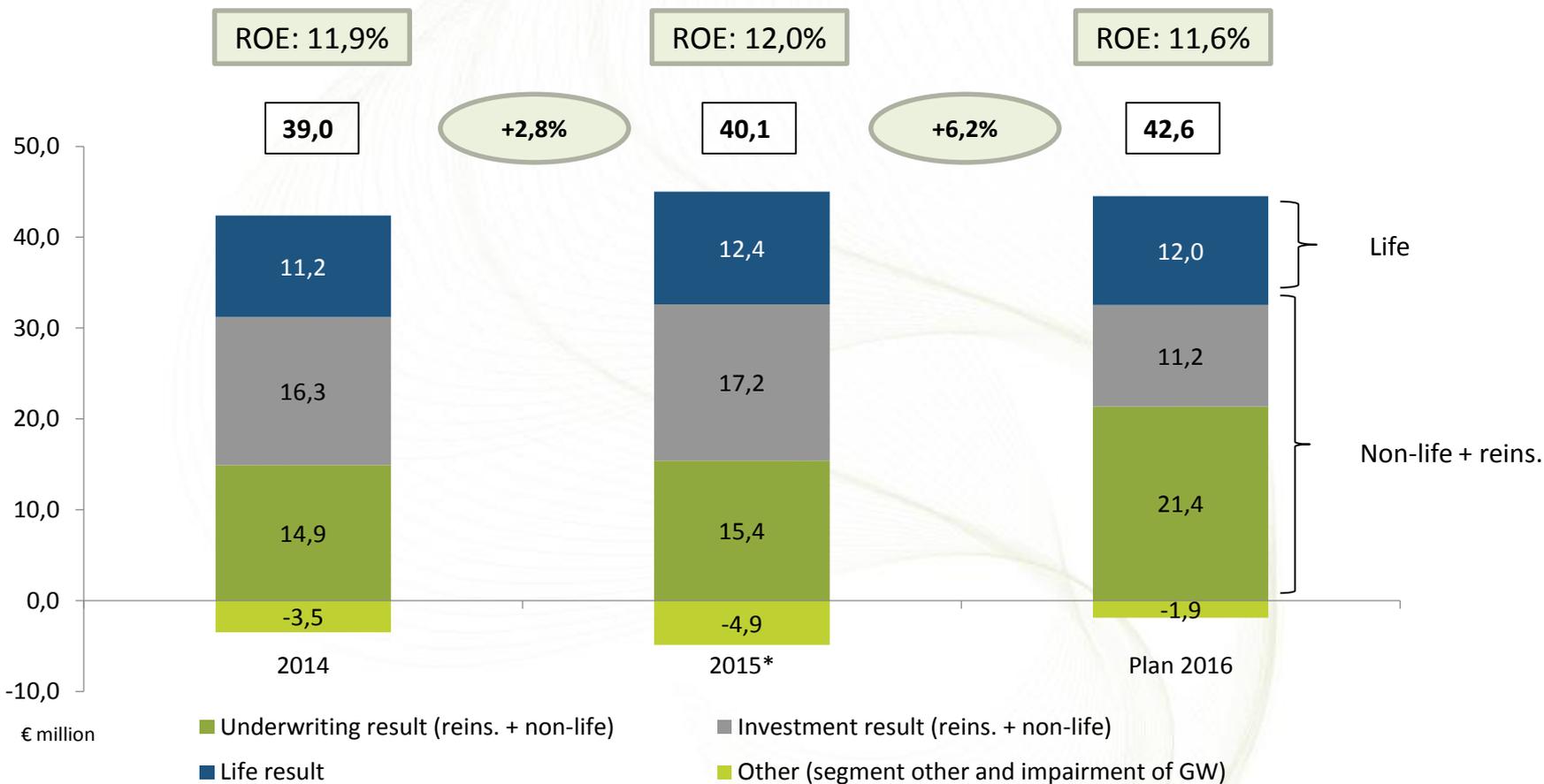
### Non-life business:

- Slovenia: limited growth opportunities
- International: building on platforms set up over previous years

### Life business:

- Slovenia: premium decline due to a larger number of maturities in Zavarovalnica Maribor
- International: large growth rates; low bases
- Pensions: the 2016 plan for Slovenia includes pension premiums of € 0,7m. The Sava Re Group transacted no pension business prior to 2016.

**Consolidated PROFIT BEFORE TAX**



\*Preliminary unaudited results 2015

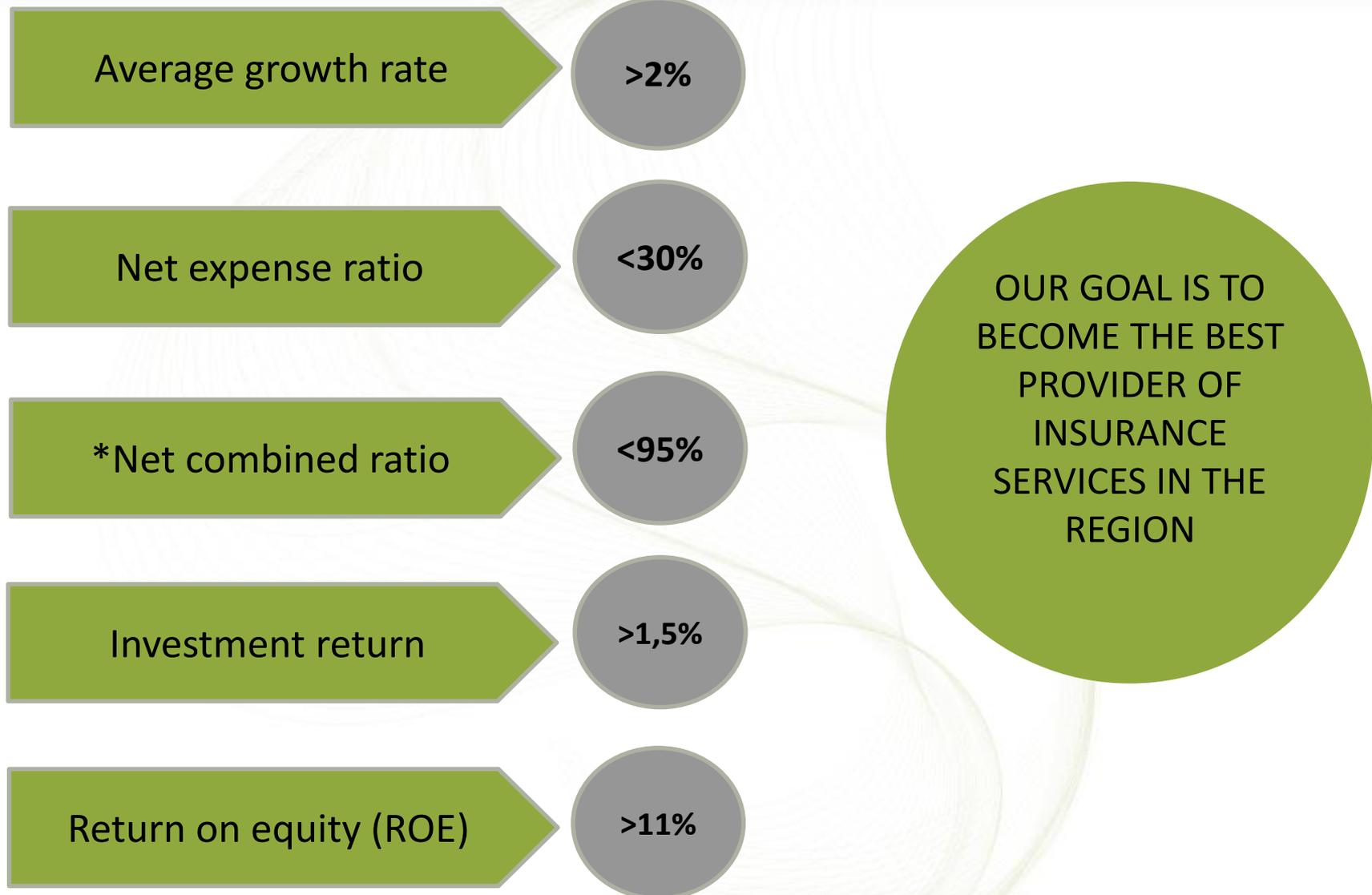
***The Company will pay out dividends in the amount of approximately 30 % of the net profit of the Sava Re Group (consolidated profit) with the management board making adjustments to their proposal for dividend payout taking into account the Company's capitalization, new development projects to engage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

# CONTENTS

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

# Appendix

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(€)	31.12.2014	31.12.2015
<b>ASSETS</b>	<b>1.454.374.935</b>	<b>1.607.281.060</b>
Intangible assets	34.940.960	30.465.315
Property and equipment	44.473.638	47.217.311
Deferred tax assets	1.202.381	2.371.857
Investment property	5.103.325	8.040.244
Financial investments in associates	3.072.497	0
Financial investments	974.668.382	1.015.056.805
Funds for the benefit of policyholders who bear the investment risk	202.913.059	214.189.117
Reinsurers' share of technical provisions	38.672.645	23.877.277
Assets from investment contracts	0	111.418.244
Receivables	124.395.153	130.663.929
Deferred acquisition costs	17.489.101	17.992.485
Other assets	1.351.244	1.173.159
Cash and cash equivalents	5.643.200	4.710.904
Non-current assets held for sale	449.350	104.413
<b>EQUITY AND LIABILITIES</b>	<b>1.454.374.935</b>	<b>1.607.281.060</b>
Equity	271.528.623	286.401.678
Subordinated liabilities	28.699.692	23.534.136
Technical provisions	869.982.633	887.068.500
Technical provision for the benefit of life insurance policyholders who bear the investment risk	195.684.631	207.590.086
Other provisions	6.940.650	7.389.695
Deferred tax liabilities	5.749.180	4.598.731
Liabilities from investment contracts	0	111.304.383
Other financial liabilities	78.870	206.047
Liabilities from operating activities	49.364.797	54.467.303
Other liabilities	26.345.859	24.720.501

## CONSOLIDATED INCOME STATEMENT

(€)	2014	2015
Net earned premiums	437.572.337	447.559.605
Income from investments in associates	154.294	942.560
Investment income	36.125.293	39.577.855
Net unrealized gains on investments of life insurance policyholders who bear the investment risk	19.146.081	26.631.788
Other technical income	10.079.252	19.318.601
Other income	4.237.625	4.647.977
Net claims incurred	-257.080.153	-273.129.823
Change in other technical provisions	-3.565.856	-1.282.026
Change in technical provisions for policyholders who bear the investment risk	-25.455.421	-11.036.450
Expenses for bonuses and rebates	-336.879	-580.091
Operating expenses	-146.621.433	-148.918.373
Expenses for investments in associates and impairment of goodwill	-1.901.375	-2.936.678
Expenses for financial assets and liabilities	-6.896.944	-13.005.902
Net unrealized losses on investments of life insurance policyholders who bear the investment risk	-7.900.587	-25.930.786
Other technical expenses	-16.394.418	-20.113.718
Other expenses	-2.205.574	-1.646.568
Profit/loss before tax	38.956.242	40.097.971
Income tax expense	-8.418.092	-6.732.520
<b>Net profit/loss for the period</b>	<b>30.538.150</b>	<b>33.365.451</b>
Net profit/loss attributable to owners of the controlling company	30.595.945	33.377.857
Net profit/loss attributable to non-controlling interests	-57.795	-12.406
Basic and diluted earnings per share	1,82	2,02

## STATEMENT OF FINANCIAL POSITION OF SAVA RE

(€)	31.12.2014	31.12.2015
<b>ASSETS</b>	<b>547.413.684</b>	<b>570.886.710</b>
Intangible assets	467.423	666.490
Property and equipment	2.462.814	2.455.343
Deferred tax assets	1.040.593	2.285.448
Investment property	115.492	2.999.742
Financial investments in subsidiaries and associates	189.641.994	208.231.721
Financial investments	241.524.533	242.633.203
Reinsurers' share of technical provisions	30.863.647	16.026.358
Receivables	71.484.165	84.425.749
Deferred acquisition costs	9.003.998	10.496.041
Other assets	296.684	380.665
Cash and cash equivalents	512.342	285.950
<b>EQUITY AND LIABILITIES</b>	<b>547.413.684</b>	<b>570.886.710</b>
Equity	258.135.674	263.679.403
Subordinated liabilities	23.499.692	23.534.136
Technical provisions	216.658.049	220.901.954
Other provisions	273.590	347.277
Other financial liabilities	74.429	91.897
Liabilities from operating activities	46.148.390	47.871.910
Other liabilities	2.623.860	14.460.133

(€)	2014	2015
Net earned premiums	113.847.068	125.479.297
Income from investments in subsidiaries and associates	10.250.880	13.004.219
Investment income	11.784.187	18.675.409
Other technical income	4.679.785	9.809.545
Other income	18.407	82.496
Net claims incurred	-64.736.669	-86.680.582
Change in other technical provisions	12.793	-121.984
Expenses for bonuses and rebates	21.680	-83.193
Operating expenses	-38.968.467	-40.229.226
Expenses for investments in subsidiaries and associates	-2.500.000	-4.870.049
Expenses for financial assets and liabilities	-5.875.520	-11.187.465
Other technical expenses	-2.904.867	-7.139.116
Other expenses	-448	-2
Profit/loss before tax	25.628.828	16.739.349
Income tax expense	-3.270.409	-547.447
<b>Net profit/loss for the period</b>	<b>22.358.419</b>	<b>16.191.902</b>
<b>Net diluted earnings/loss per share</b>	<b>1,33</b>	<b>0,98</b>



**Sava Re Group**

Thank you for your attention!