

Modra zavarovalnica, d. d.

Company profile

September 2012



Contents

- Company Overview
- Establishment of the Insurance Company
- Bodies of the Insurance Company
- Mission and Vision
- Activities of the Insurance Company
- Assets under Management
- The Pension System in the Republic of Slovenia
- Voluntary Supplementary Pension Insurance
- Mutual Pension Funds under Management
- Paying Pension Annuities



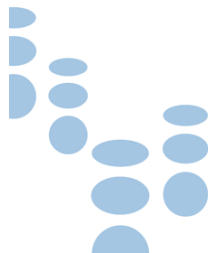
Company Overview

Registered office	Dunajska cesta 119, Ljubljana, Slovenia
Chairman of the Management Board	Borut Jamnik
Member of the Management Board	Matija Debelak
Number of employees	53
Company's initial capital	152.2 million Euros
Assets	278 million Euros
Mutual pension funds under management	KVPS, ZVPSJU, PPS
Guarantee funds under management	KS PPS, KS modra renta
Number of insured members of mutual pension funds	263,612
Number of pension annuity recipients	9,206



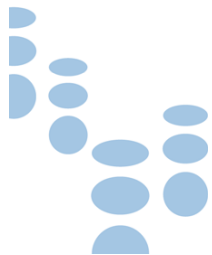
Establishment of the Insurance Company

- The Company was established on 3rd October 2011 following its spin-off from Kapitalska družba (KAD) according to the Act governing conversion of the pension fund management and investment policy of Pension Fund Management (KAD) and the Slovenian Compensation Company (SOD)
- Following its contribution of 152.2 million Euros of initial capital, KAD is the sole shareholder and founder of Modra zavarovalnica



The Insurance Company - a Strategic Investment of the RS

- As long as the Insurance Company manages the ZVPSJU fund, it shall be considered a strategic investment. As a result, the combined shareholding of the Republic of Slovenia and KAD must represent the majority of the Insurance Company's capital
- Any change of ownership is subject to public tender and prior approval of the Government of the RS
- Preferential right to acquire shares in public offering: **Members** of funds managed by the Insurance company, **trade unions** representing members and **employers** who finance the pension plans



Bodies of the Insurance Company

Management Board

- Modra zavarovalnica is managed by its Management Board, comprised of two members
- Chairman of the Management Board: Borut Jamnik
- Member of the Management Board: Matija Debelak

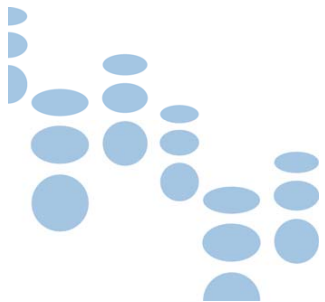
Supervisory Board

- The Supervisory Board of Modra zavarovalnica is comprised of six members
- 3 members that represent insured persons are appointed at the initiative of the latter, while the other 3 members represent the owners
- Chairman of the Supervisory Board: Aleš Groznik



Mission

To offer a full range of competitive and complementary insurance products, allowing us to enhance the social security of each individual and their families in all stages of life and allowing the individual to retain their lifestyle after retirement through long-term, gradual saving.



Vision

To become a respectable, reliable and trustworthy life insurance company, whose responsible, professional and motivated employees reflect the quality of the company's products and member satisfaction.

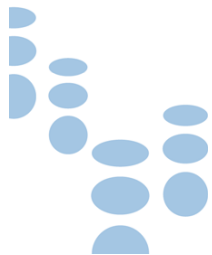
In collaboration with trade unions, consolidate our position as Slovenia's leading provider of voluntary pension insurance, Round-off our integrated approach to an individual when planning his/hers social security and financial security later in life, with additional insurance products and services.



Activities of the Insurance Company

Modra zavarovalnica provides the following life insurance services:

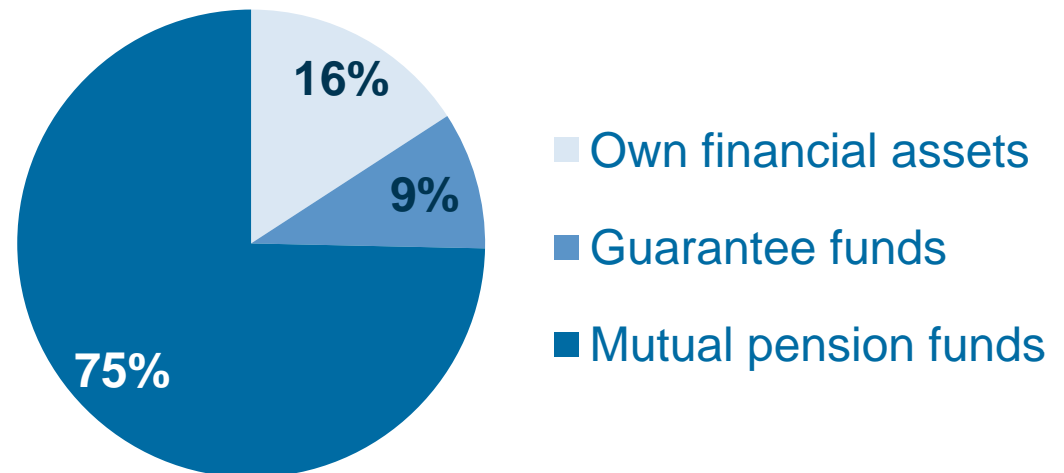
- managing mutual pension funds
- paying-out pension annuities
and will soon offer
- accident insurance in the field of non-life insurance
- investment life insurance



Assets under Management

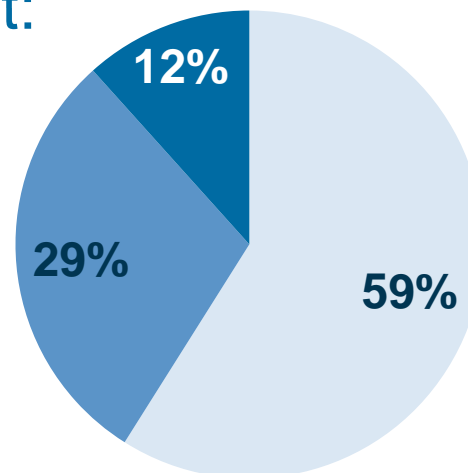
(as at 30th June 2012)

- Total assets under management: **1,019.4 million Euros**
 - Own financial assets: **161.3** million Euros
 - Assets of both guarantee funds: **96.9** million Euros
 - Financial assets of the three mutual pension funds: **761.2** million Euros (off-balance sheet)
- Composition of financial assets under management:



Own Financial Assets under Management (as at 30th June 2012)

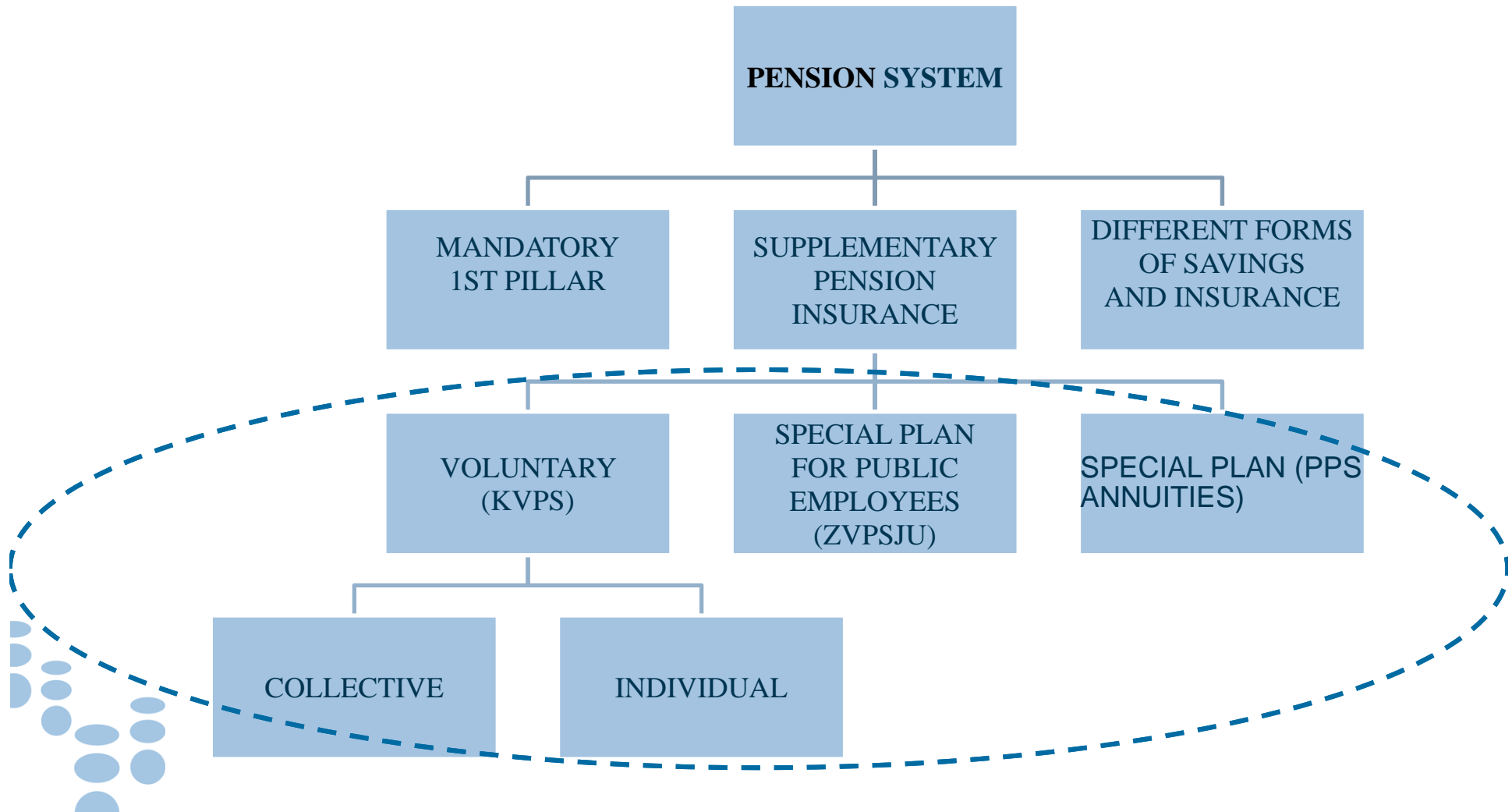
- Total own financial assets: **161,3 million Euros**
 - Equity investments: **95.1 million Euros**
 - Debt investments: **47.4 million Euros**
 - Cash and cash deposits: **18.8 million Euros**
- Composition of financial assets under management:



- Equity investments
- Debt investments
- Cash and cash deposits



The Pension System in the Republic of Slovenia



Voluntary Supplementary Pension Insurance

- Only people insured or claiming rights under mandatory insurance
- Investment risk with minimum yield guaranteed
- Entitlement to supplementary old-age pension in the form of a monthly pension annuity
- Individual or collective insurance
- Tax allowances, granted by the state – 5.844% gross salary



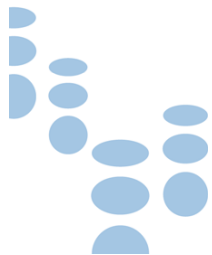
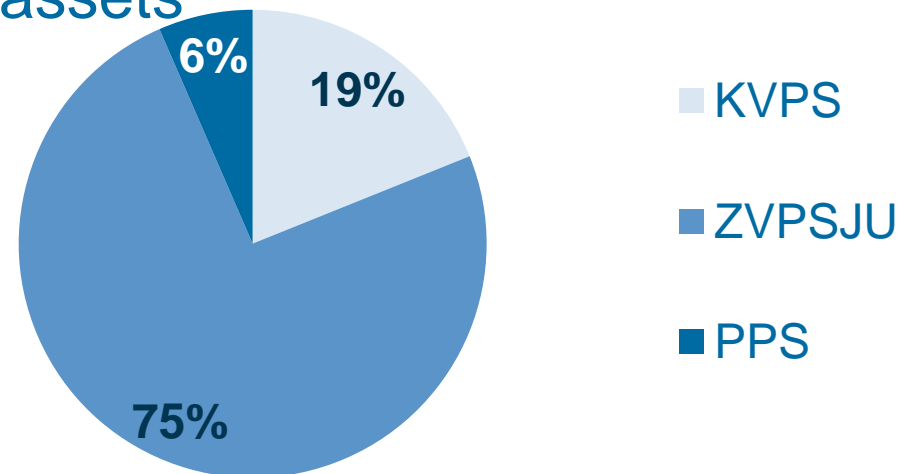
Mutual Pension Funds under the Insurance Company's Management

- Closed Mutual Pension Fund for Civil Servants (ZVPSJU)
- Capital Mutual Pension Fund (KVPS)
- The First Pension Fund of the Republic of Slovenia (PPS)



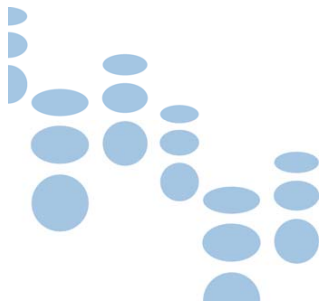
Financial Assets of Mutual Pension Funds under Management (as at 30th June 2012)

- Total assets of the three mutual pension funds: **761.2 million Euros**
 - KVPS fund: **143.9** million Euros
 - ZVPSJU fund: **567.6** million Euros
 - PPS fund: **49.7** million Euros
- Composition of financial assets under management:



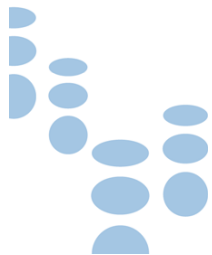
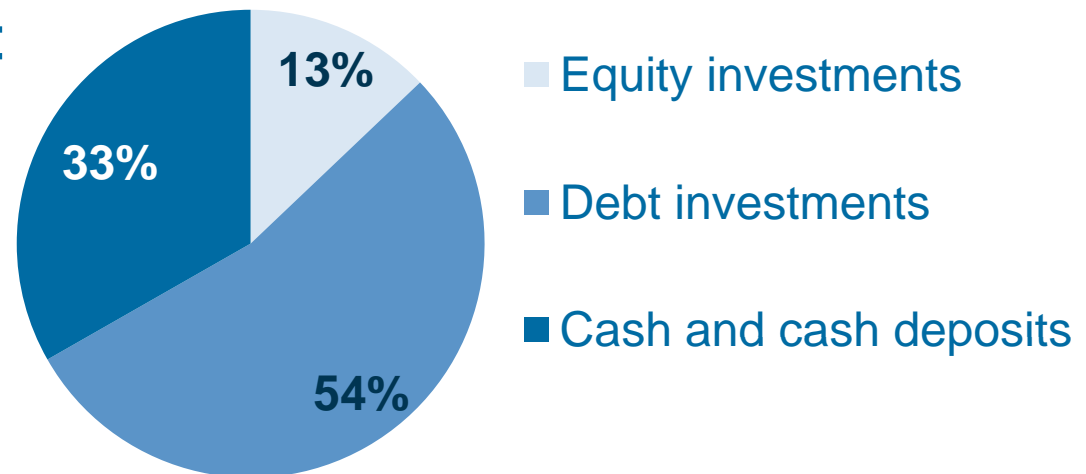
Closed Mutual Pension Fund for Civil Servants - ZVPSJU (June 2012)

- Fund establishment: May 2004
- Actual rate of return: 35.80%
- Guaranteed rate of return: 17.68%
- Number of members: 205,091



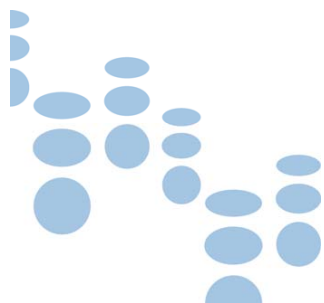
Financial Assets of the ZVPSJU Fund Under Management (as at 30th June 2012)

- Total financial assets of the ZVPSJU fund: **567.6 million Euros**
 - Equity investments: **73.2 million Euros**
 - Debt investments: **305.7 million Euros**
 - Cash and cash deposits: **188.7 million Euros**
- Composition of financial assets under management:



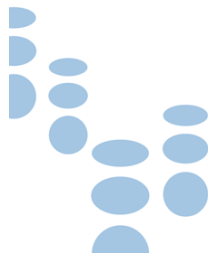
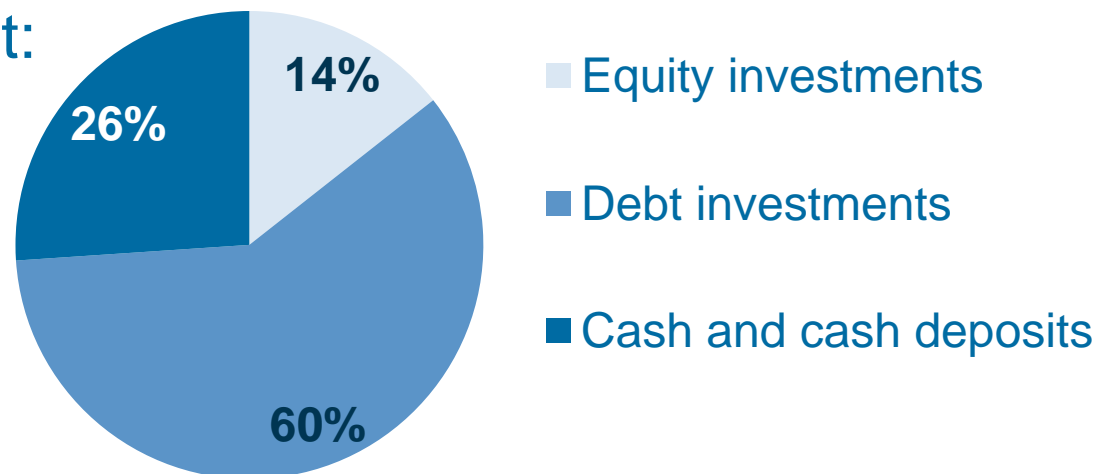
Capital Mutual Pension Fund - KVPS (June 2012)

- Fund establishment: March 2001
- Actual rate of return: 68,61%
- Guaranteed rate of return: 47,14%
- Number of members: 29,520



Financial Assets of the KVPS Fund under Management (as at 30th June 2012)

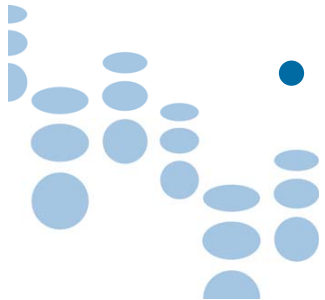
- Total financial assets of the KVPS fund: **143.9 million Euros**
 - Equity investments: **20.7** million Euros
 - Debt investments: **85.7** million Euros
 - Cash and cash deposits: **37.5** million Euros
- Composition of financial assets under management:



First Pension Fund – PPS

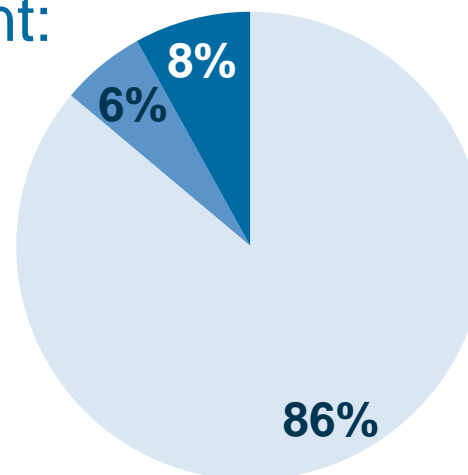
(June 2012)

- Fund formation: through the exchange of pension vouchers for insurance policies
- Last payments into the fund: 31. 12. 2002 (since then the fund is closed)
- Fund establishment: July 1999
- Actual rate of return: 10.15%
- Guaranteed rate of return: 9.91%
- Number of members: 29,001



Financial Assets of the PPS Fund under Management (as at 30th June 2012)

- Total financial assets of the PPS fund: **49.7 million Euros**
 - Equity investments: **42.8** million Euros
 - Debt investments: **2.9** million Euros
 - Cash and cash deposits: **4.0** million Euros
- Composition of financial assets under management:



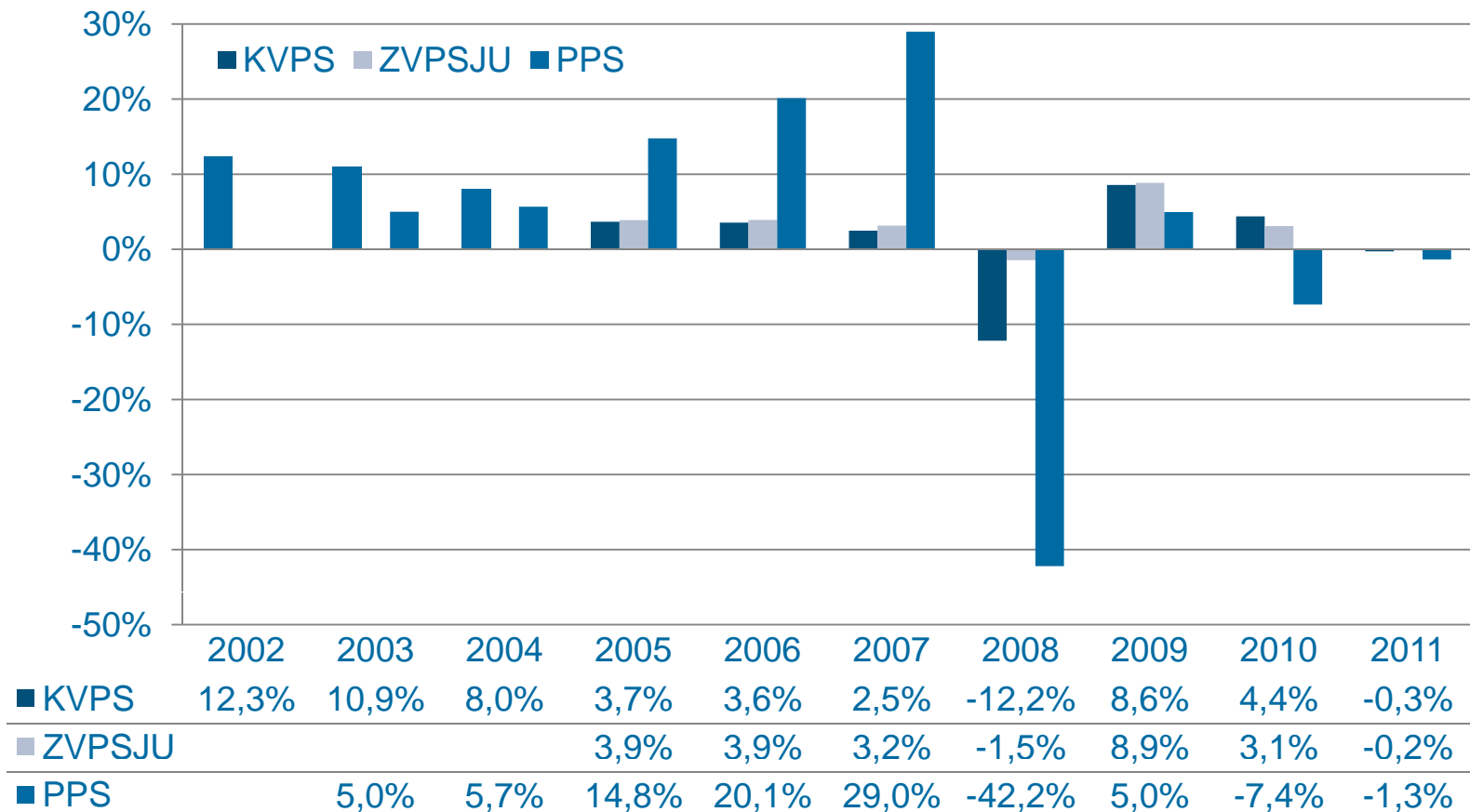
■ Equity investments

■ Debt investments

■ Cash and cash deposits

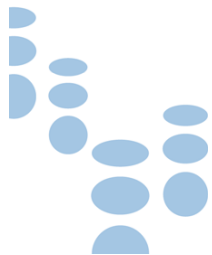
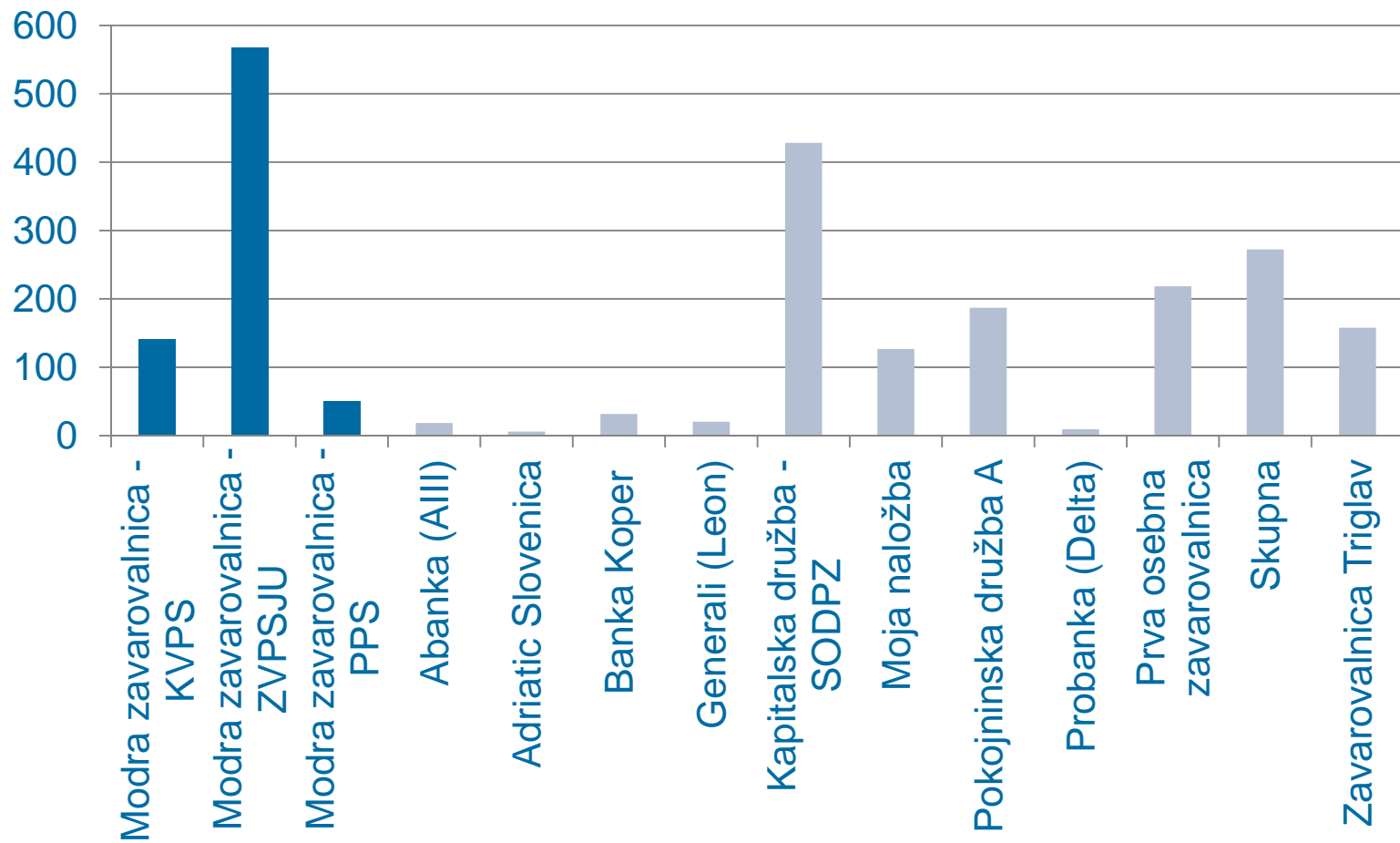


Overview of the Return of Mutual Pension Funds under Management



Comparison of the Net Value of Assets of Pension Funds in Slovenia

(in million Euros at 30th June 2012; unaudited and unofficial data)



Paying Pension Annuities

- Guarantee fund of the First Pension Fund
 - Payment of annuities to members aged 60 and over
 - Monthly lifetime annuities with or without a guaranteed pay-out period (5, 10 or 15 years)
- Modra renta guarantee fund
 - Retirement in the first pillar
 - Age at least 58
 - 120 months of inclusion in the fund



Modra renta Guarantee Fund

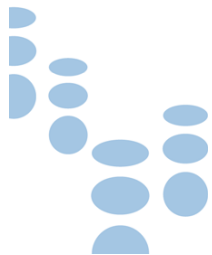
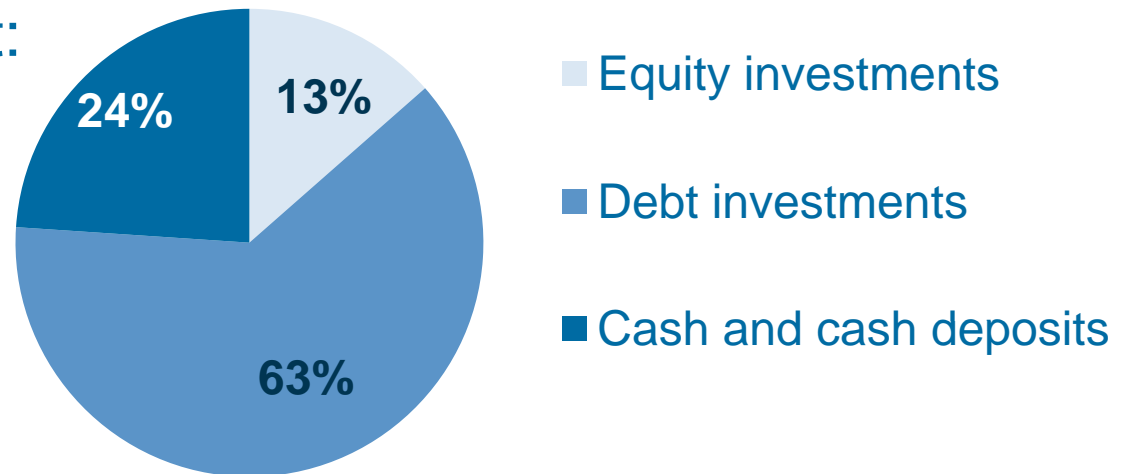
(Types of Annuities)

- **Traditional Modra renta:** Life-long monthly pension annuity without any guarantee of the pay-out period.
- **Guaranteed Modra renta:** Life-long monthly pension annuity with a guaranteed pay-out period (5, 10, 15 or 20 years).
- **Accelerated, fully guaranteed Modra renta:** Life-long pension annuity with a guaranteed number of months of pay-out (24, 48, 72, 96 or 120 months) followed by annual annuities in the amount of the previous monthly payment.
- **Accelerated, partially guaranteed Modra renta:** Life-long pension annuity with accelerated pay-out and a guaranteed monthly payment for 24, 48, 72, 96 or 120 months, followed by annual annuities of 12 Euros.



Financial Assets of both Guarantee Funds Under Management (as at 30th June 2012)

- Total financial assets of both guarantee funds: **96.9 million Euros**
 - Equity investments: **13.1 million Euros**
 - Debt investments: **60.6 million Euros**
 - Cash and cash deposits: **23.2 million Euros**
- Composition of financial assets under management:



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