



Sava Insurance Group

2020 unaudited results

24 March 2021



2020 unaudited results

Highlights of 2020

Growth in operating revenues of **15.5%**

Net profit of **€56.4 million** and ROE of **13.3%**, which includes gain on the acquisition of Vita d.d. of €9.9 m

Net combined ratio (excl. FX) of **93.9%**, which is within the target range

Completed acquisition of NLB **Vita** d.d. in May 2020, later renamed Vita d.d.

Emergency situation due to **Covid-19** pandemic with large impacts on lives and global capital markets

Publication of revised plan for 2020–2022, adapted to the new circumstances due to the corona crisis and the takeover of Vita

Standard & Poor's and AM Best's **“A” ratings**, stable outlook, affirmed

Increase in claims events in reinsurance and FoS business

Unaudited data.

Achievement of the 2020 revised plan

	2019 actual	2020 revised plan	2020 actual*
Group			
Operating revenue	€584.2 m	> €640 m	€674.9 m
Profit or loss, net of tax	€50.2 m	> €50 m	€56.4 m
Return on equity (ROE)	13.8%	> 12%	13.3%
Net expense ratio**	31.6%	32–33%	29.5%
Investment return**	1.9%	1.4%	1.6%
(Re)insurance part			
Gross premiums written	€596.2 m	> €640 m	€676.5 m
Net incurred loss ratio** (reins. + non-life)	61.7%	59–60%	61.6%
Net combined ratio** (reins. + non-life)	93.8%	< 94%	93.9%

* Unaudited data.

** Excluded effect of exchange differences. The investment return does not include subordinated debt expenses. The net expense ratio does not include any gains on acquisitions (2019: ERGO, 2020: Vita) or amortisation on customer lists.

2020 financial position

€ million	31/12/2019	31/12/2020*	Change 2020/2019
Group			
Total assets	1,886.0	2,467.3	30.8%
Shareholders' equity	384.8	460.2	19.6%
Net technical provisions	1,115.9	1,600.3	43.4%
Book value per share (€)	24.83	29.70	19.6%

* Unaudited data.

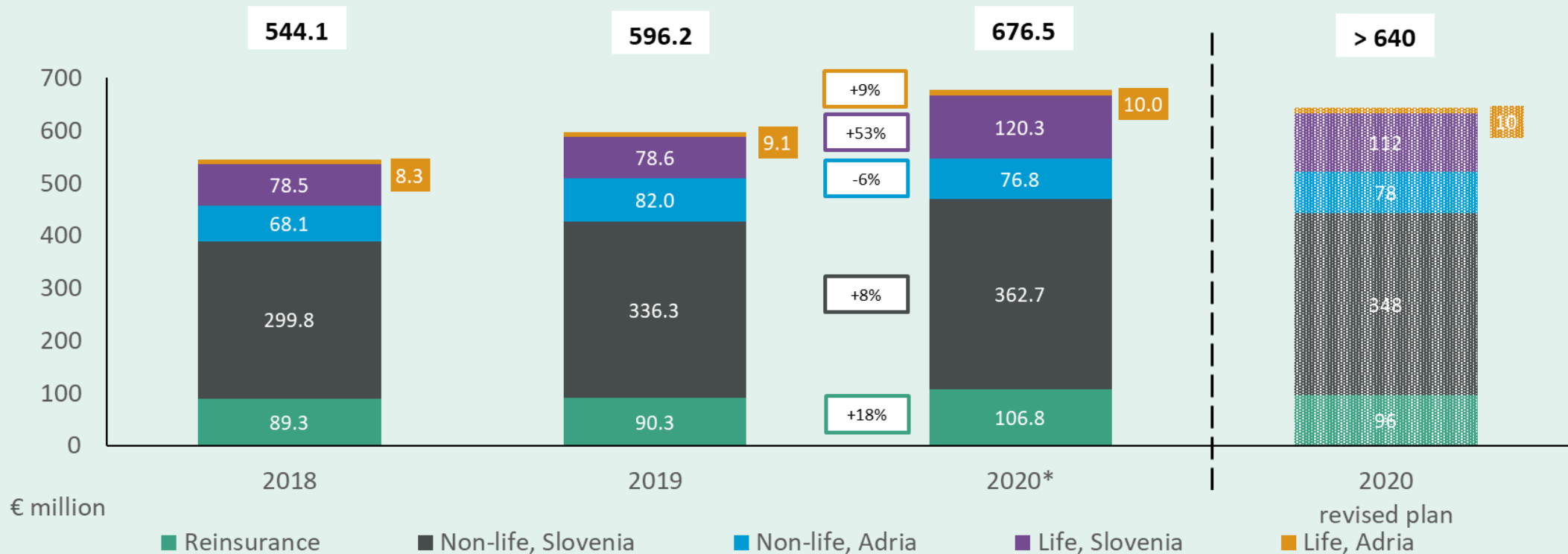
Development of consolidated GPW, (re)insurance part

Consolidated gross premiums written in 2020

€676.5 m

2020/19: **13.5% growth**

Plan achieved



* Unaudited data.

Development of consolidated GPW by insurance market

Insurance, pension and asset management companies

Slovenia

Insurance company

Premiums: €483.0 m

2020/19: +16.4%*

Pension company

Pension fund inflows:

€12.6 m

2020/19: +5.1%

Asset management company

AuM: €409.2 m

2020/19: +8.6%

Croatia

Premiums: €21.8 m

2020/19: -12.5%

Montenegro

Premiums: €12.8 m

2020/19: -6.7%

Serbia

Premiums: €24.5 m

2020/19: -3.5%

Kosovo

Premiums: €13.9 m

2020/19: +9.6%

North Macedonia

Insurance company

Premiums: €13.8 m

2020/19: -4.4%

Pension company

Pension fund inflows:

€72.8 m

2020/19: +1.8%

Reinsurance company



Global markets

Sava Re reinsurance
business

Non-Group premiums:
€106.8 m

2020/19: +18.3%

* Including of Vita (excluding Vita +4.7%).

Unaudited data.

2021 plan

Major development areas in 2021



DIGITAL TRANSFORMATION & PLACING THE CUSTOMER AT THE CENTRE

- Continuing projects for implementing online solutions to support insurance operations
- Facilitating customer communication, exploring omni-channel marketing and replacing paper-based communication with electronic means
- Introducing new digital avenues: offering a wider array of online sales options, informative solutions, service subscriptions and information points providing advice on selecting optimal coverage for individual customer segments



IT TRANSFORMATION

- Starting the renovation of the IT system supporting reinsurance, non-life and life insurance operations in Slovenia and life operations in Serbia
- Completing the core business IT solution for the Croatian branch office of Zavarovalnica Sava
- Technically consolidating data warehouses supporting insurance operations
- Continuing technological and process upgrades in cyber security, with an emphasis on end-user training
- Implementing an IT service management solution



ACQUISITIONS-BASED GROWTH

- Exploring opportunities for growth through acquisitions in the areas and countries where the Group is present

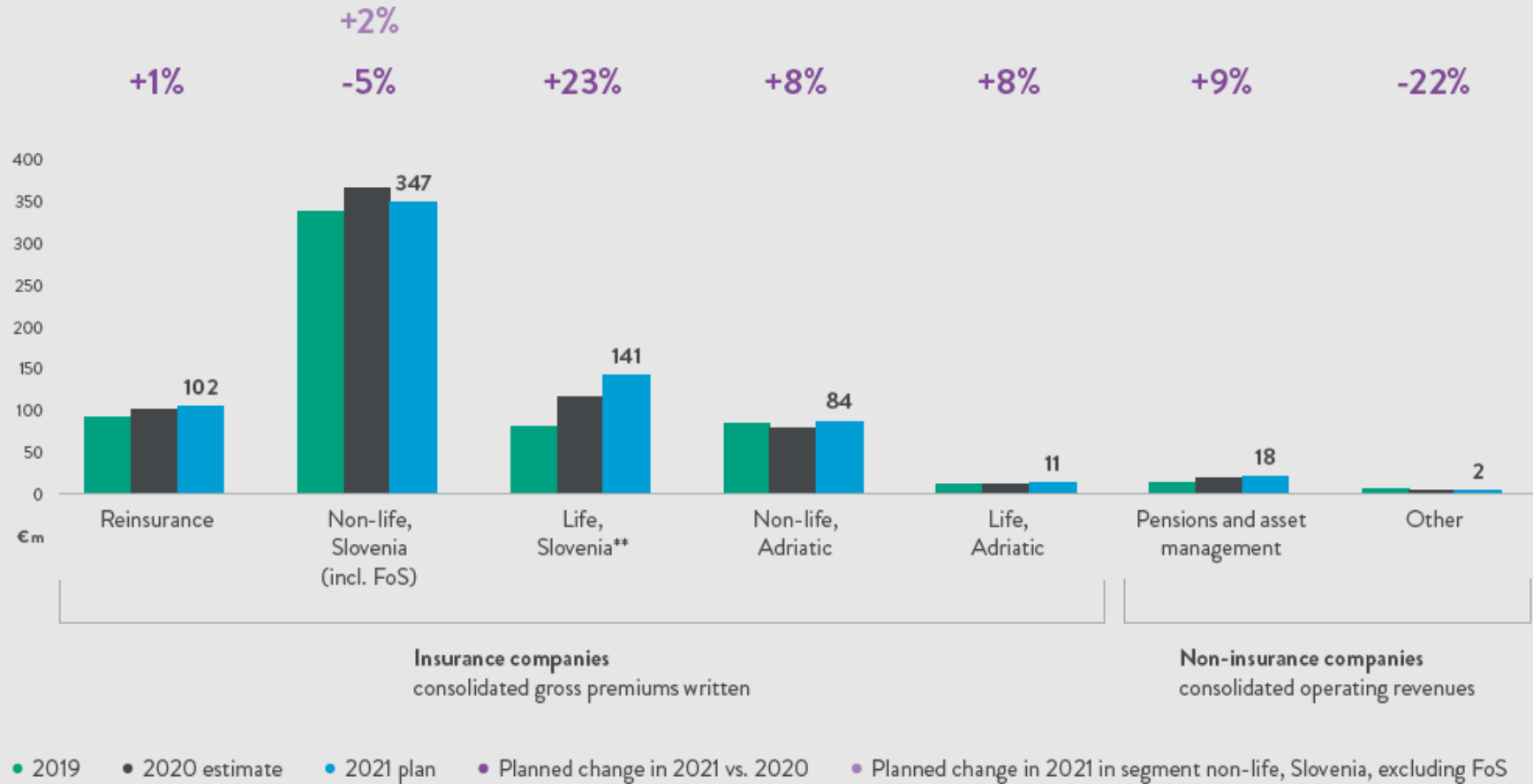
Key group performance metrics

	2019 actual	2020 actual*	2021 plan
Group			
Operating revenues	€584.2 m	€674.9 m	> €685 m
Profit or loss, net of tax	€50.2 m	€56.4 m	> €53 m
Return on equity (ROE)	13.8%	13.3%	>= 11.5%
Net expense ratio**	31.6%	29.5%	32–33%
Investment return**	1.9%	1.6%	1.5%
(Re)insurance part			
Gross premiums written	€596.2 m	€676.5 m	> €685 m
Net incurred loss ratio** (reins. + non-life)	61.7%	61.6%	59–60%
Net combined ratio** (reins. + non-life)	93.8%	93.9%	< 94%

* Unaudited data.

** Excluded effect of exchange differences. The investment return does not include subordinated debt expenses. The net expense ratio does not include any gains on acquisitions (2019: ERGO, 2020: Vita) or amortisation on customer lists.

Consolidated GPW / operating revenues by segment



* FoS business. Freedom of Services business. Business written within the European Economic Area based on the freedom of services right to provide services on a cross-border basis.

** Vita included as from 31 May 2020.

A scenic view of a river flowing through a dense forest. The river is surrounded by lush green trees and foliage. In the foreground, there are large, light-colored rocks that the river flows over, creating white water and splashes. The water has a greenish tint, possibly due to algae or the surrounding vegetation. The overall atmosphere is peaceful and natural.

Thank you for your attention.

Disclaimer

Forward-looking statements

This document may contain forward-looking statements relating to Sava Re's expectations, plans or goals, which are based on assumptions made by Sava Re management. By their nature, forward-looking statements involve risk and uncertainty. As a result, actual developments, in particular performance, may differ materially from expectations, plans and goals set out in this document; therefore, persons should not rely on forward-looking statements.

Duty to update

Sava Re assumes no obligation to adjust any forward-looking statements or other information contained in this document to future events or developments.