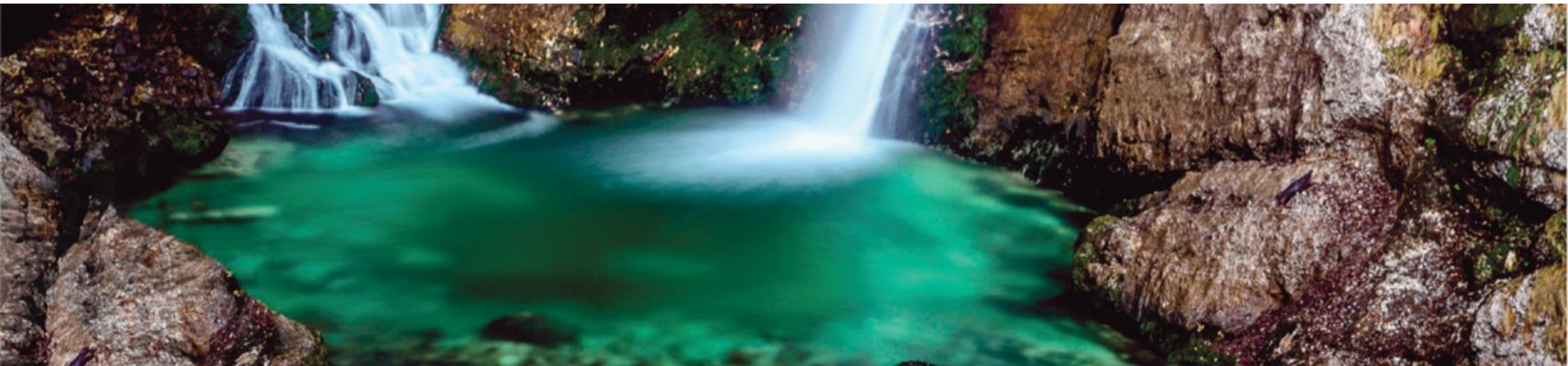




# Sava Insurance Group presentation

November 2021



# Contents

- Overview
- Profile of business pillars
- 2020 results
- 2021 plan
- Strategy 2020-2022

# Business profile

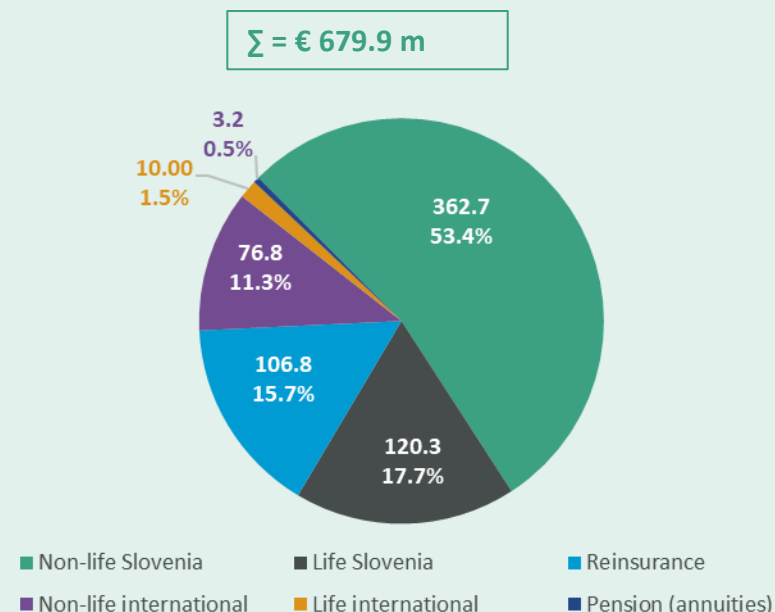
## Sava Insurance Group GPW and market shares (insurance) 2020 by country



## Key facts

- The 3rd largest insurance group in the Adria region (total GWP of € 680 million in 2020).
- Presence in 6 Adria countries with strong position in underpenetrated markets alike Montenegro, North Macedonia and Kosovo.
- The largest non-captive reinsurer in the region with business spanning worldwide.
- After the takeover of Slovenian fund management company in 2019 Sava Insurance Group has over € 3 billion assets under management.

## Breakdown of 2020 consolidated GPW by segments

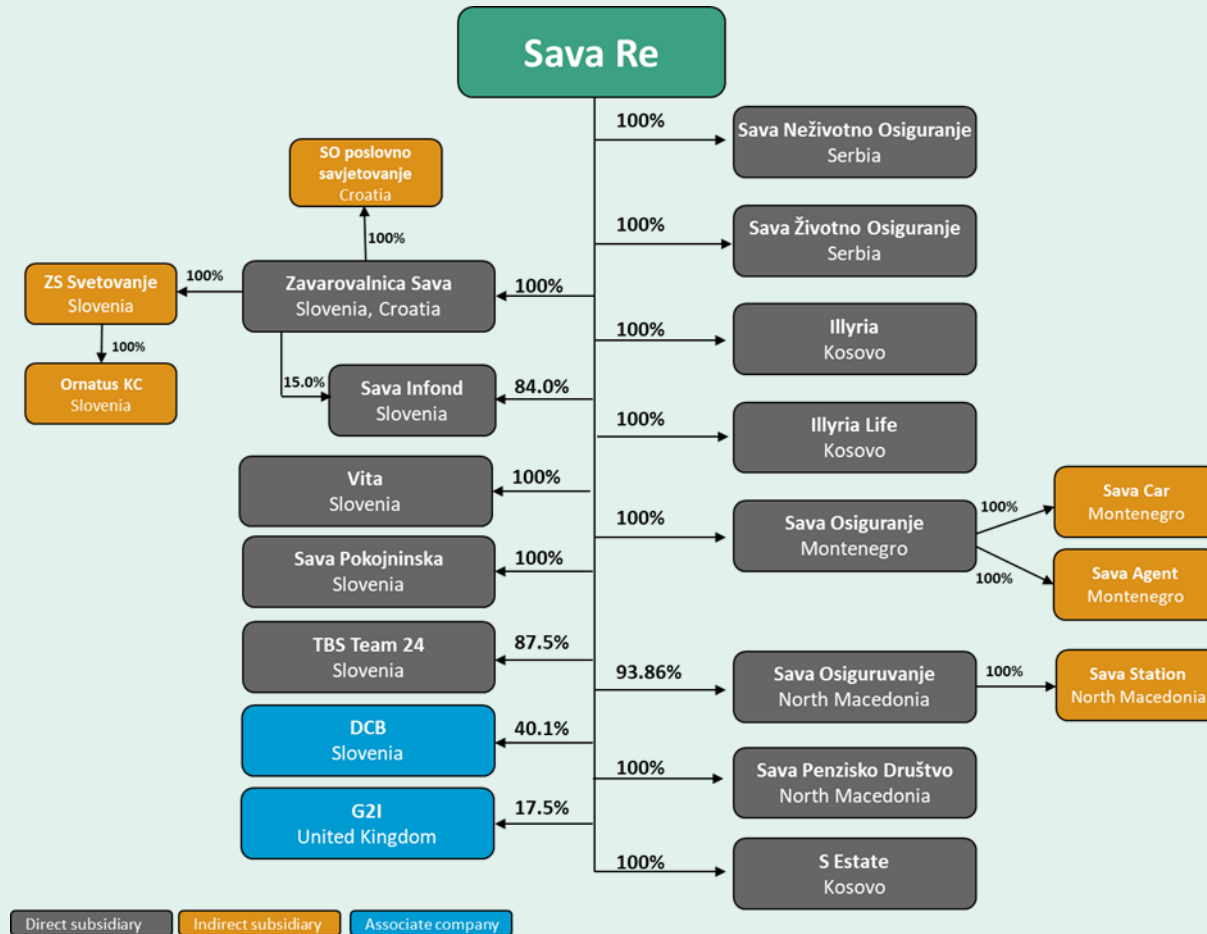


- Rating: S&P A, stable outlook (Sep 2021), AM Best A, stable outlook (Oct 2021)
- Listed on the prime market of the Ljubljana Stock Exchange (POSR symbol)
- Solvency position of Sava Insurance Group at 31 Dec 2020: SII: 198%



# Sava Insurance Group

## Composition of the Sava Insurance Group as of September 30, 2021



The percentages in the figure relate to equity stakes. G2I, Sava Infond and DCB also hold own shares, which is why voting rights do not equal equity stakes.

# Equity story full outline

1

Strong #3 market position in the region as demonstrated by the market shares

7

Experienced management with clear vision and measurable business objectives in-place

6

Well positioned to capture growth on the reinsurance markets

5

Commitment to shareholder return

- dividend policy: 10% yoy growth (from 35% to 40% of consolidated net profit)

4

Solid solvency ratios and stable ratings outlook

- solvency ratio SII: **198%** (31/12/2020)
- rating: S&P **A** (Sep 2021), AM Best **A** (Oct 2021)

2

Unique positioning to capture expected growth of Adria region insurance market

- foothold in the key markets
- track-record of successful M&A and joint venture execution
- strengthened brand resulting from merger of EU-based insurers into Zavarovalnica Sava.

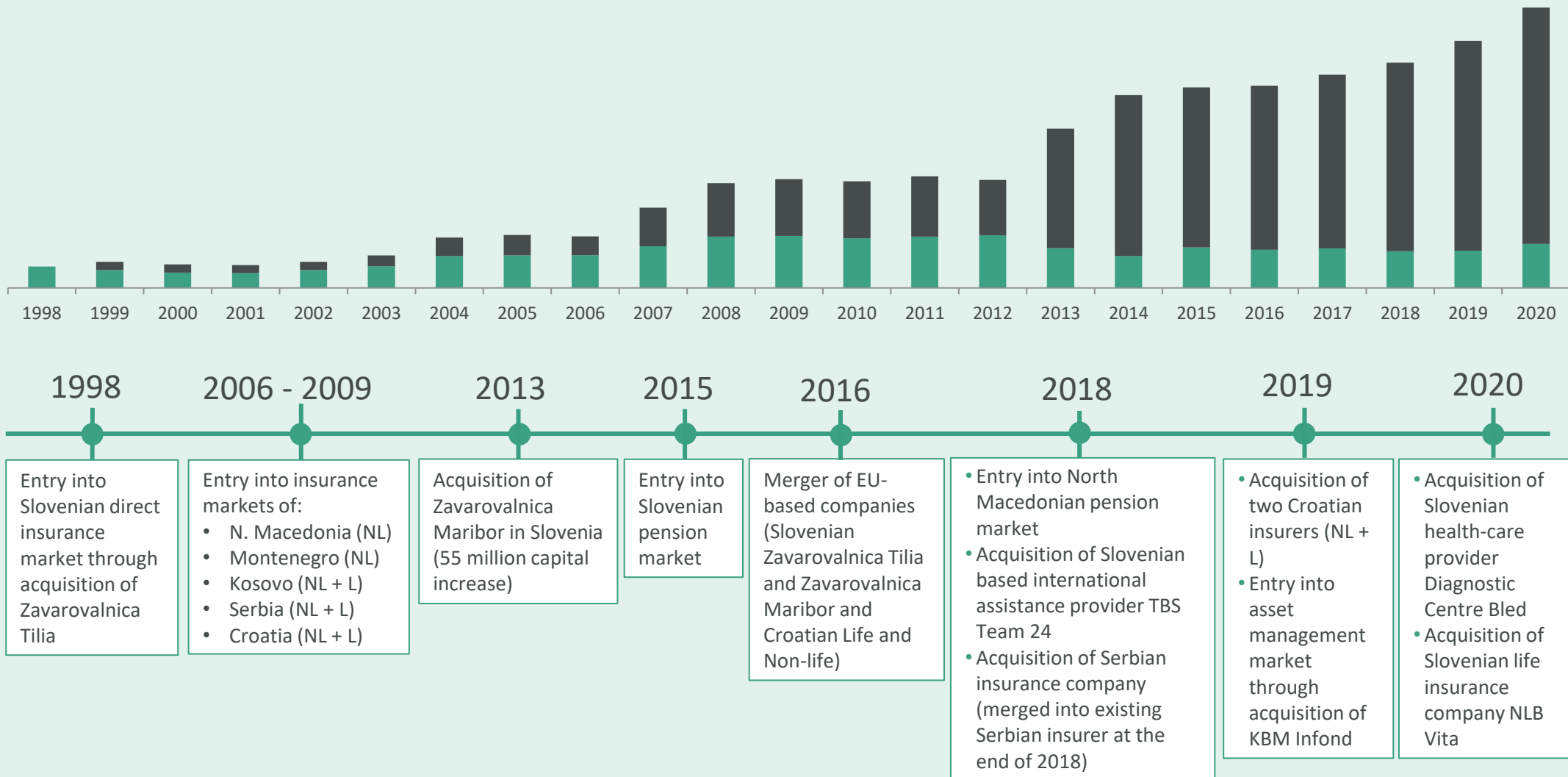
3

High profitability and further potential gains

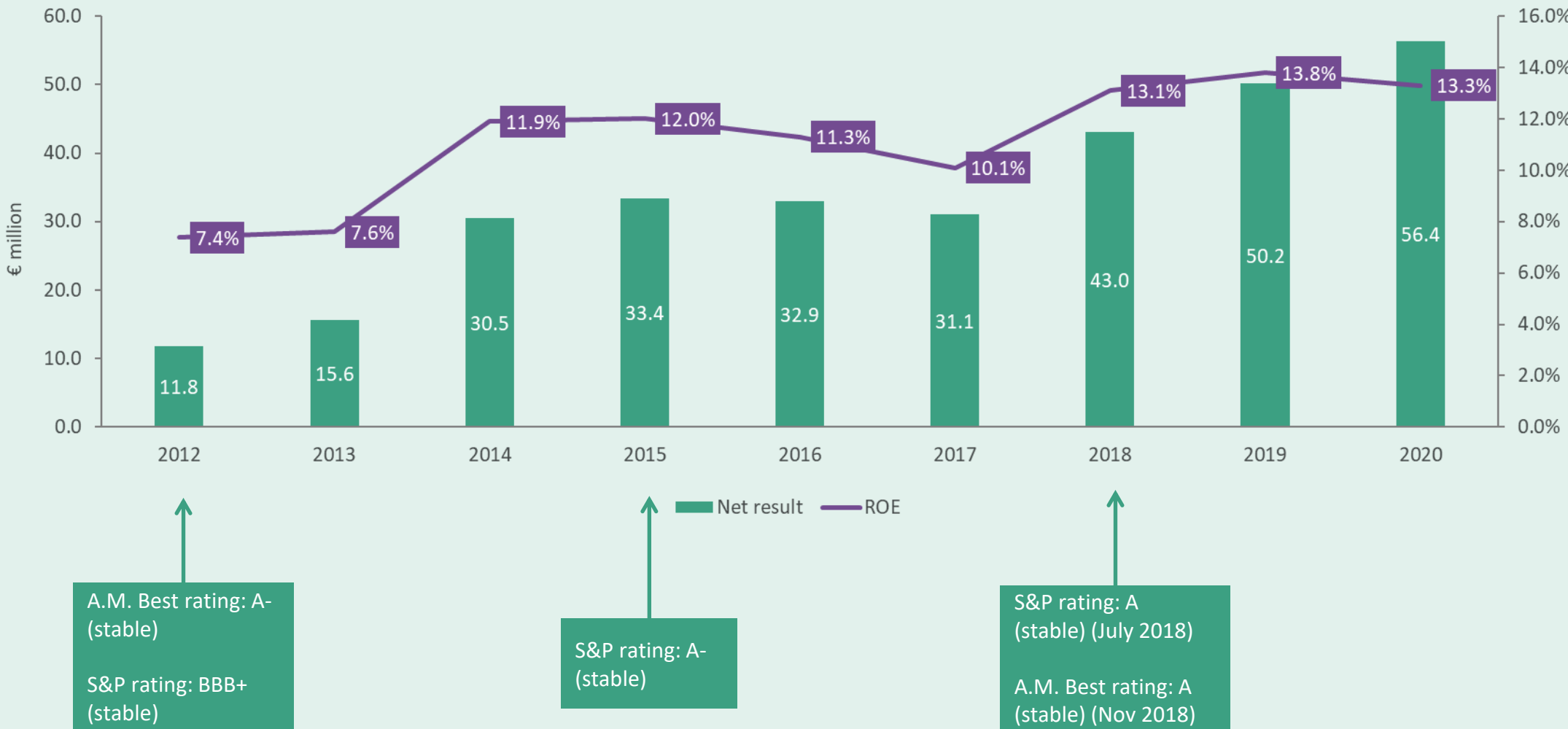
- Realizing economics of scale in insurance business
- Declining combined ratio in reinsurance segment



# Sava Insurance Group growth through acquisitions



# Sava Insurance Group history - Consolidated net result & ROE



# The management board



**Marko Jazbec**  
Chairman

- Marko Jazbec took up the leadership of Sava Re in May 2017. He has years of experience in senior and top management positions, notably at the Bank of Slovenia; SKB banka, d.d.; Droga Kolinska, d.d.; Intereuropa, d.d.; NLB, d.d. and Hoteli Bernardin, d.d. Until mid-July 2016, he headed up Slovenian Sovereign Holding, d.d.
- During his career, Marko has gained valuable experience in the corporate governance of banks and companies, and significant expertise in asset management, risk management, treasury finance, corporate finance and corporate banking.
- Marko holds a degree in economics from the University of Ljubljana.



**Jošt Dolničar**  
Member

- Jošt Dolničar has been with Sava Re since 2006, first as a senior executive responsible for overseeing the Group's subsidiaries, and since December 2008 as a member of the management board responsible for the Group's strategic investments in subsidiaries, and for processes and IT.
- He headed the Sava Re management board from August 2016 to May 2017. Before joining Sava Re, Jošt worked for Zavarovalnica Triglav, most recently as the executive manager of the non-life business.
- Jošt graduated in law from the University of Ljubljana



**Polona Pirš Zupančič**  
Member

- Polona Pirš Zupančič has served on the management board of Sava Re since January 2018. In her role she is responsible for finance, controlling, accounting, risk management, investor relations and actuarial affairs.. She began her career at Sava Re in 1999. Since 2009 she has headed the corporate finance and controlling department as executive director.
- In addition to her long-term experience in reinsurance underwriting, Polona brings with her a proven track record in managing and supporting complex projects of strategic importance to the Company and the Group.
- Polona holds a master's degree in economics from the University of Ljubljana.



**Peter Skvarča**  
Member

- Peter Skvarča became a member of the Sava Re management boards, with responsibility for reinsurance, in June 2020. He joined the Group in 2007 as deputy chief operating officer of the subsidiary Sava Osiguruvanje in Macedonia, where he took over as chief executive in 2011 and led the company until 2019.
- Peter started his career at the Slovenian Ministry of Economic Relations and Development and was later economic counsellor to the Slovenian ambassador to Macedonia.
- In addition to Slovenian, he is fluent in English, French, Serbian and Macedonian. Peter holds a degree in political science (University of Ljubljana) and a master's degree in European integration (University of Limerick).

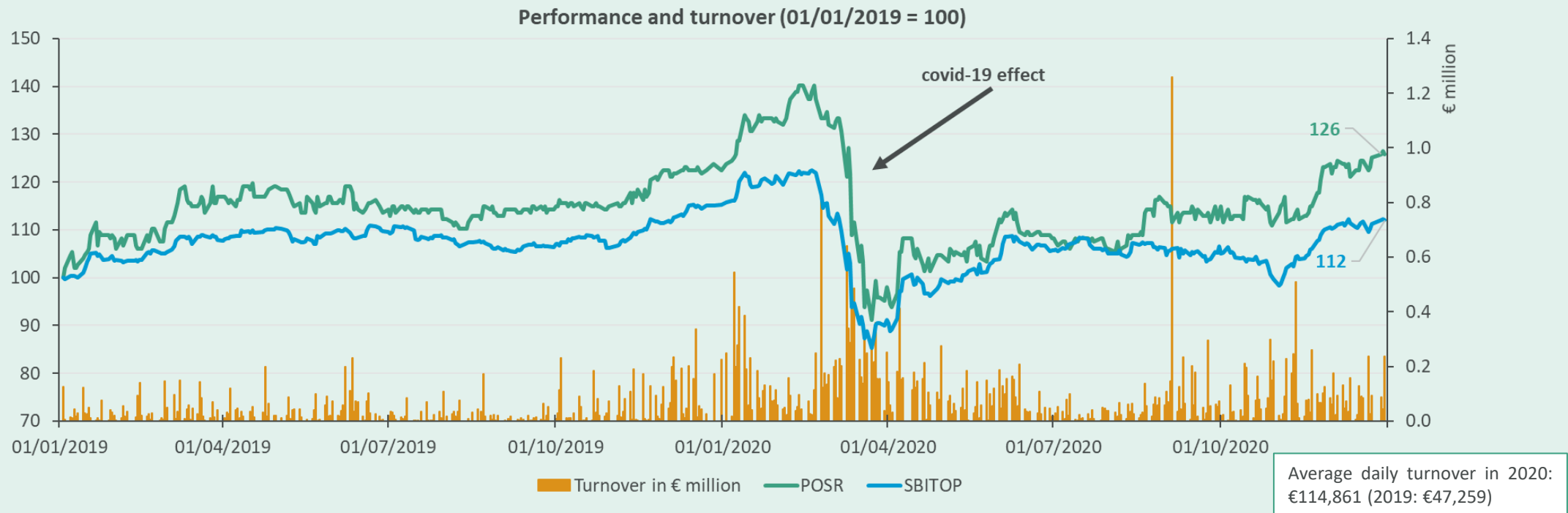


# Growth in book value of share

## Book value of share

**€29.70**

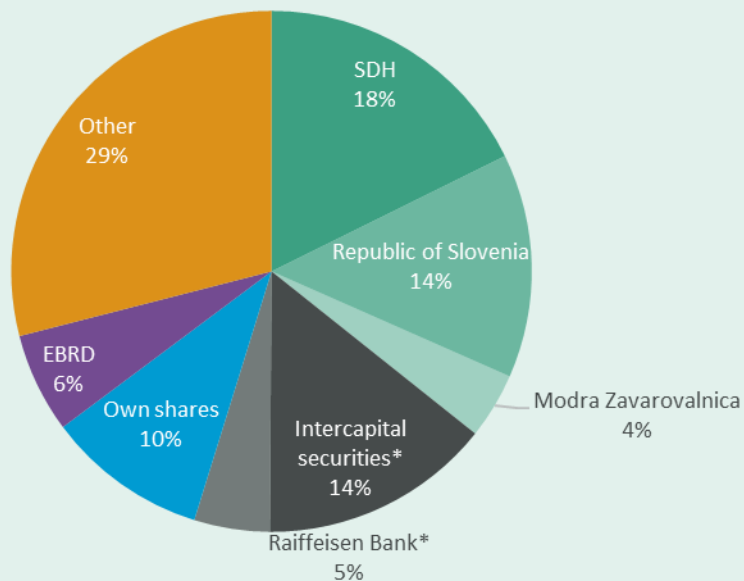
2020/19: **+19.6%**



More information on POSR share performance and returns is available at: <https://www.sava-re.si/en-si/investor-relations/our-share/>

# Ownership structure

## Shareholders as at 31 December 2020



\* Fiduciary account.

\*\* Sava Re was informed on 2 June 2016 that Adris Grupa, together with its subsidiaries, holds 19.04% of shares of Sava Re's share capital (21.15% of all shares with voting rights) in fiduciary accounts.

31/12/2020	
Share capital (€ million)	71.9
Market capitalisation (€ million)	318.6
Trading symbol	POSR
No. of shares	17,219,662
No. of own shares	1,721,966
No. of shareholders	4,248

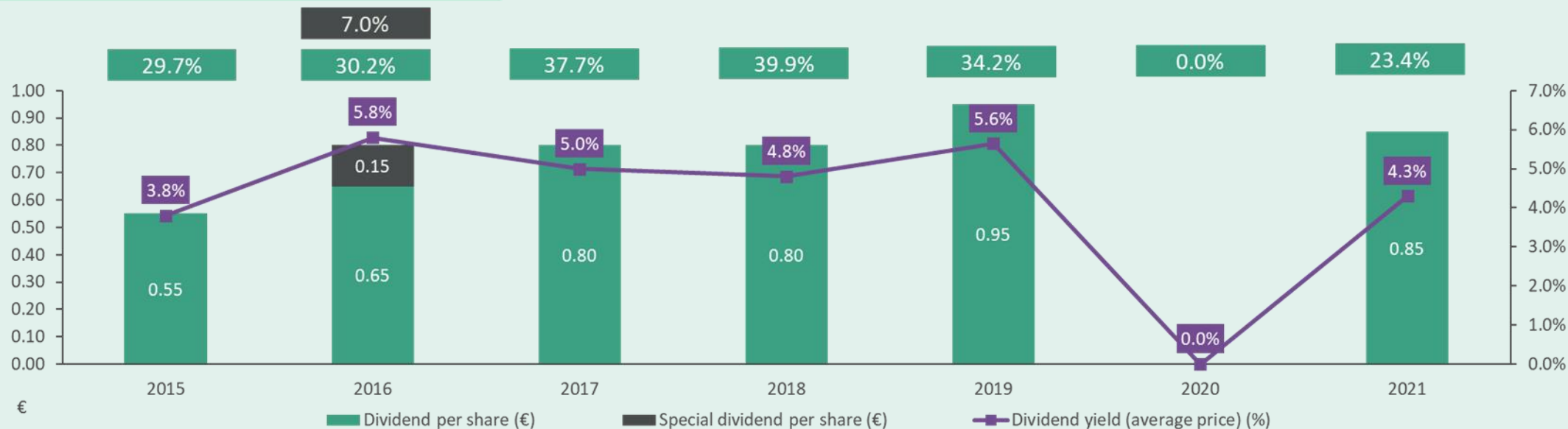
Investor type	Local investor	Foreign investor
Insurance undertakings and pension companies	18.2%	0.0%
Other financial institutions*	17.9%	14.5%
Republic of Slovenia	13.9%	0.0%
Individuals	10.3%	0.2%
Investment companies and mutual funds	3.1%	2.0%
Other non-financial corporations	2.6%	1.1%
Banks	0.1%	16.0%
<b>Total</b>	<b>66.1%</b>	<b>33.9%</b>

\* Within other financial institutions SDH holds 17.7% of all shares.

# Dividend policy

Special dividend as % of consolidated profit

Regular dividend as % of consolidated profit



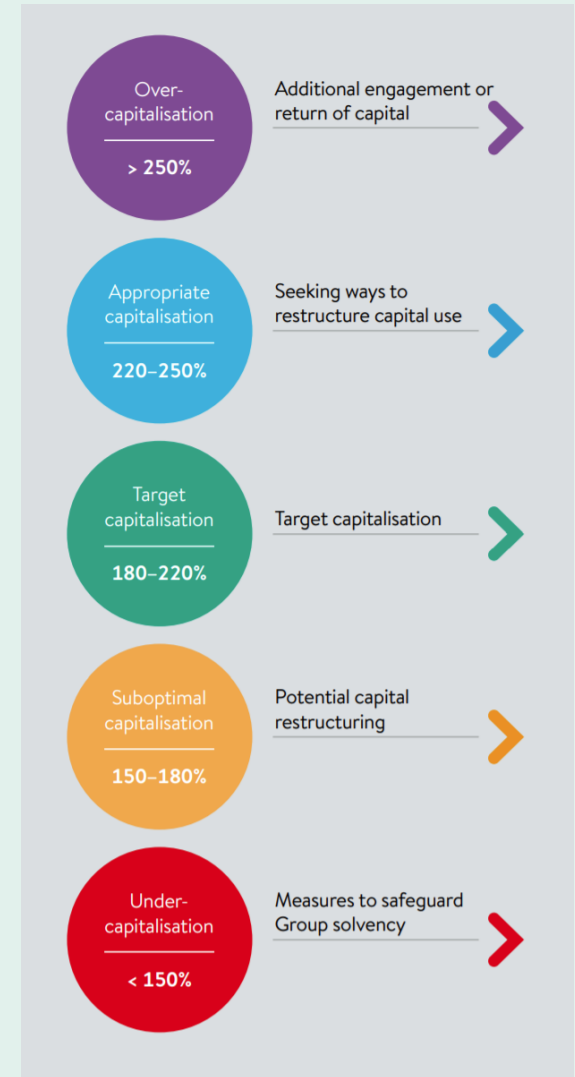
- **Dividend policy:** 10% average increase in dividend per year; distribution of between 35% and 45% of the net profit of the Sava Insurance Group.
- Sava Re did not pay any dividends in 2020 because of increased Covid-19-related risks identified and due to special caution in response to recommendations by the Insurance Supervision Agency.
- On 25 May 2021, the general meeting of shareholder adopted the proposal of the management and supervisory boards to use €13,173,041.60 of the profits for dividends. The dividend was **€0.85** gross per share and was paid out on 10 June 2021 to the shareholders entered in the shareholders' register as at 9 June 2021.
- Sava Re submitted to the Insurance Supervision Agency a report demonstrating its ability to pay dividends, which in addition to all other criteria (solvency, liquidity and financial strength) took into consideration the special business model of the Company (as reinsurer and parent). The Sava Re management board believes that the dividend of €0.85 per share did not compromise the Company's solvency, liquidity or financial stability.

# Capital adequacy

€ million	31/12/2020
Eligible own funds	567.8
Solvency capital requirement (SCR)	287.4
<b>Solvency ratio</b>	<b>198%</b>

€ million	31/12/2019
Eligible own funds	522.0
Solvency capital requirement (SCR)	237.7
<b>Solvency ratio</b>	<b>220%</b>

The Sava Insurance Group's Solvency and financial condition report 2020 was posted on the Sava Re website and that of the Ljubljana stock exchange (SEONet) on 20 May 2021.



# Contents

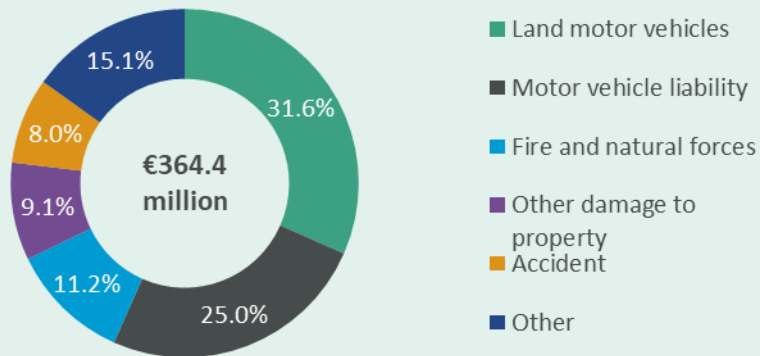
- Overview
- Profile of business pillars
- 2020 results
- 2021 plan
- Strategy 2020-2022



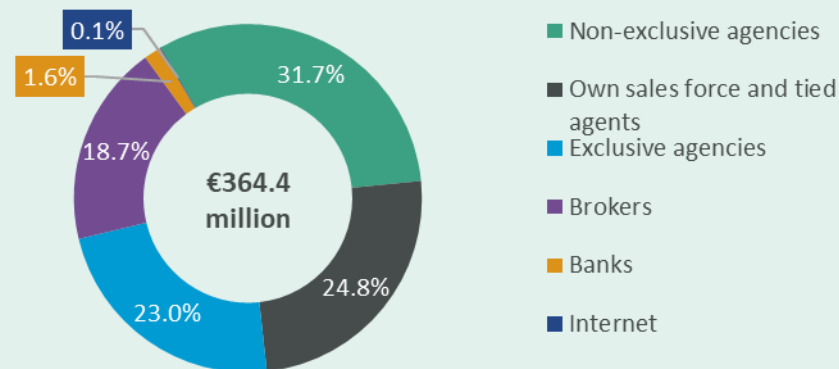
# Slovenian insurance business – non-life (non-consolidated)

Data for Vita are shown for all years, although Vita has been included in the consolidated accounts since June 2020.

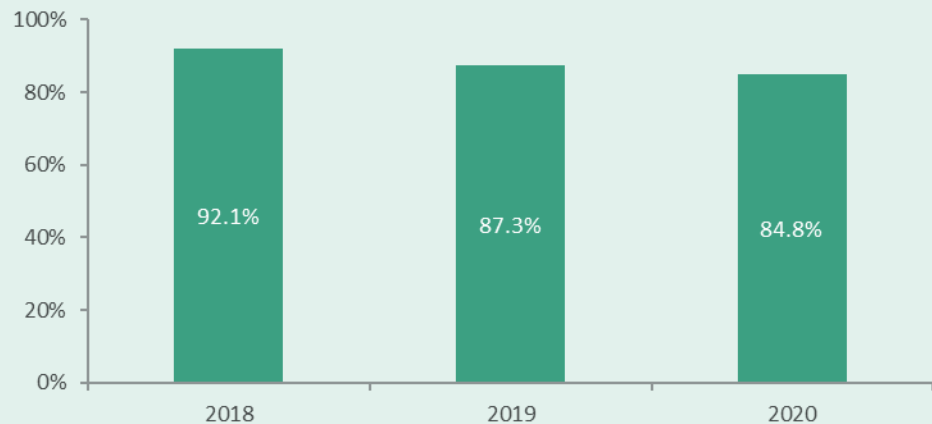
Structure of GWP 2020 by class of insurance



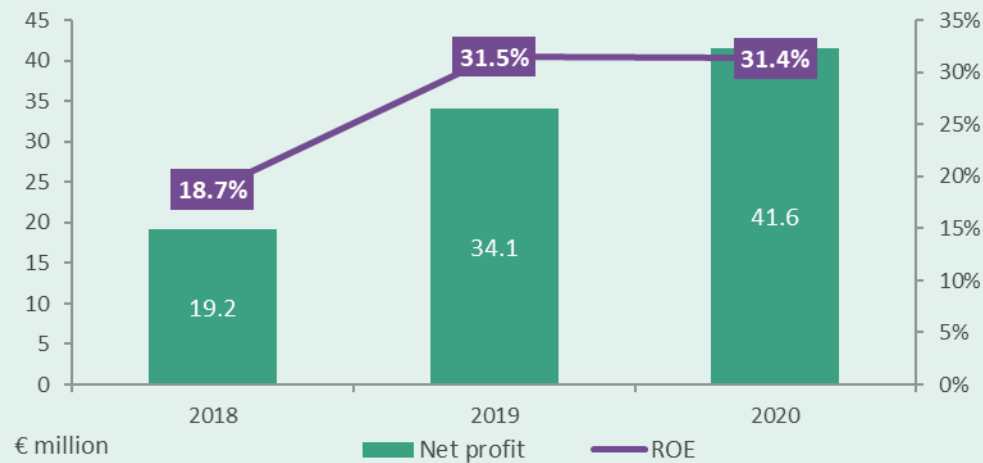
Structure of GWP 2020 by sales channel



Combined ratio



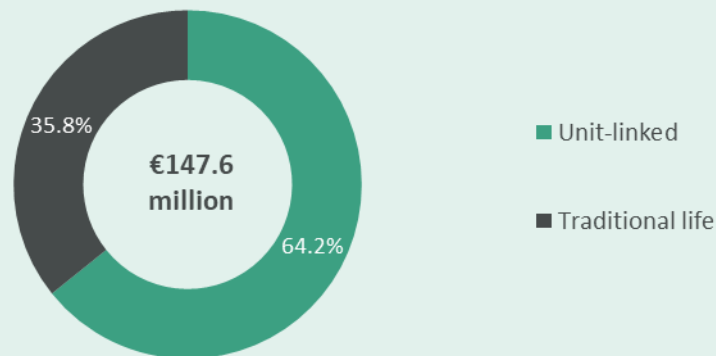
Net profit and ROE



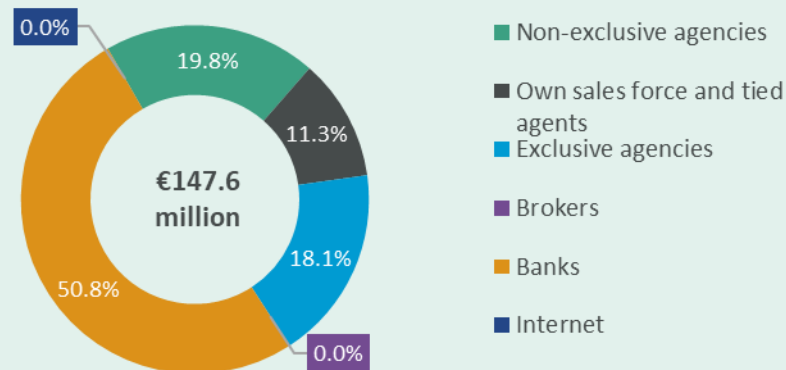
# Slovenian insurance business – life (non-consolidated)

Data for Vita are shown for all years, although Vita has been included in the consolidated accounts since June 2020.

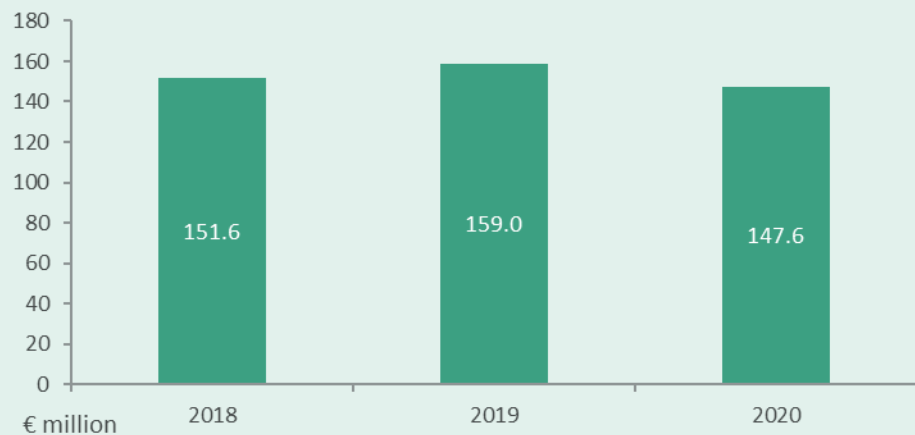
Structure of GWP 2020 by class of insurance



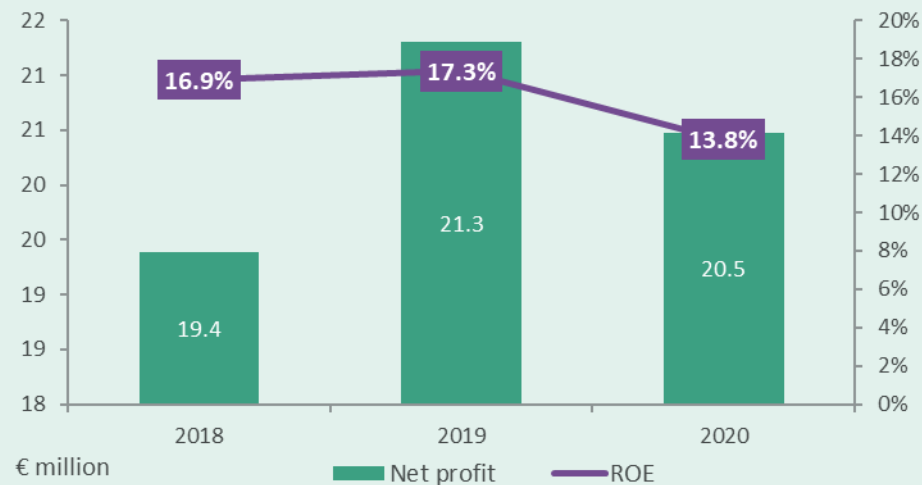
Structure of GWP 2020 by sales channel



Gross premiums written

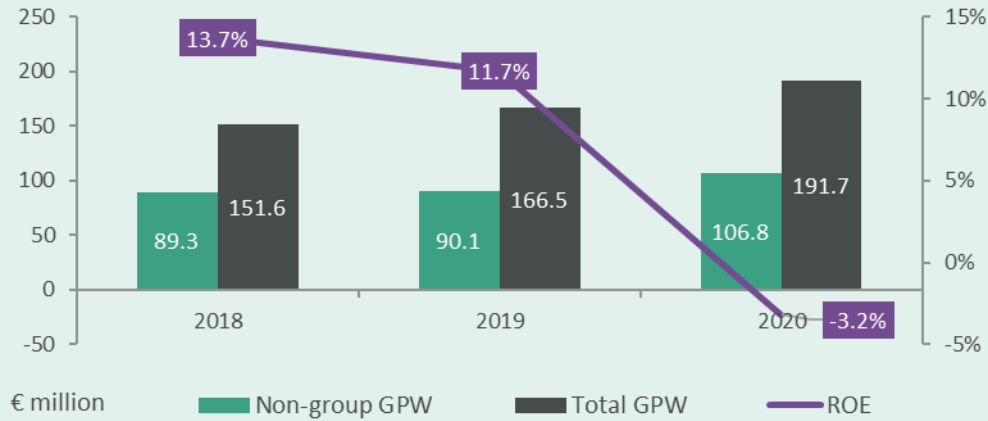


Net profit and ROE

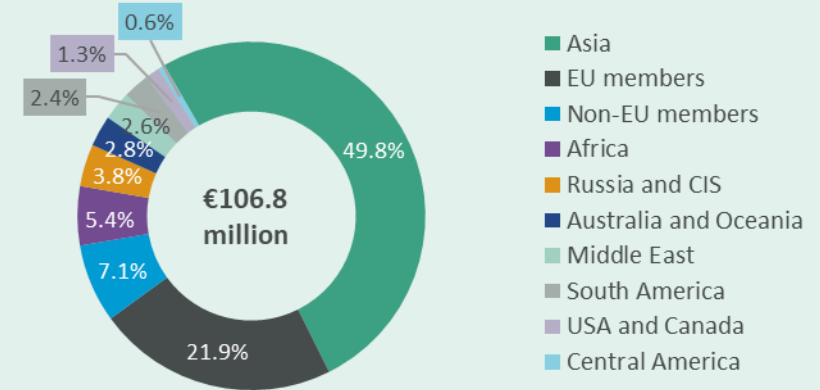


# Sava Re (non-consolidated)

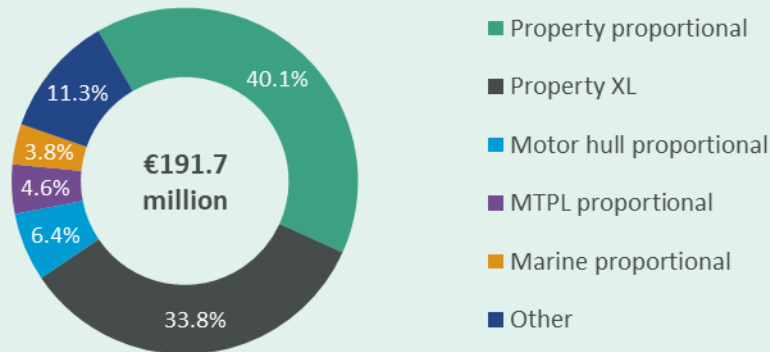
Gross premiums written and ROE



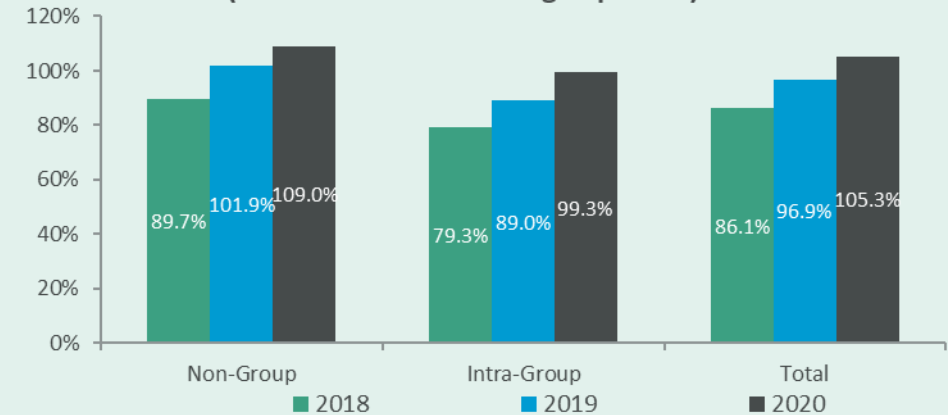
Geographical split of non-group GPW 2020



Split of total GPW 2020 by type

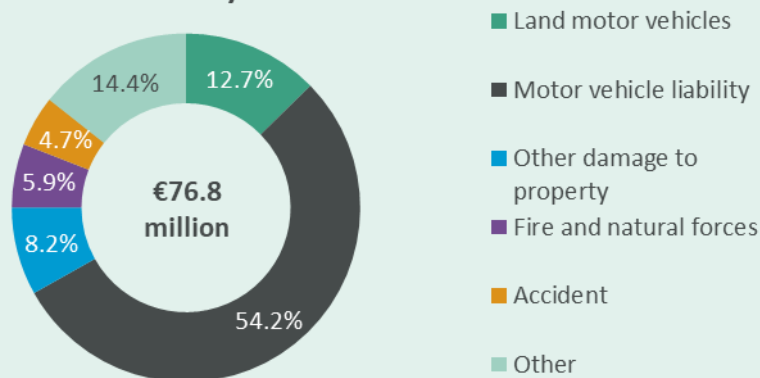


Combined ratio (excl. FX diff. and holding expenses)

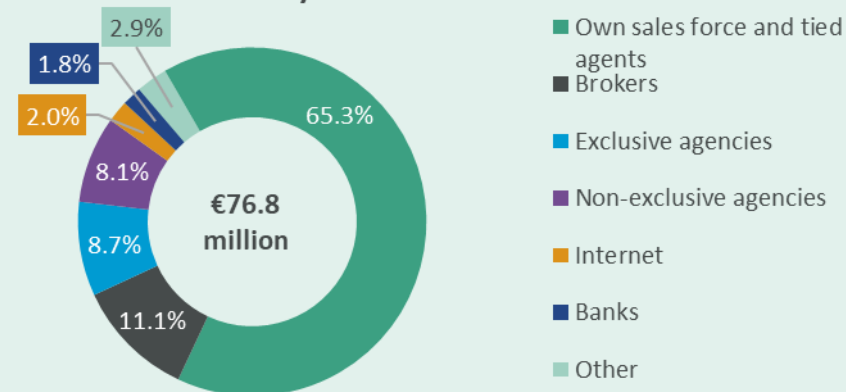


# International insurance business – non-life (non-consolidated)

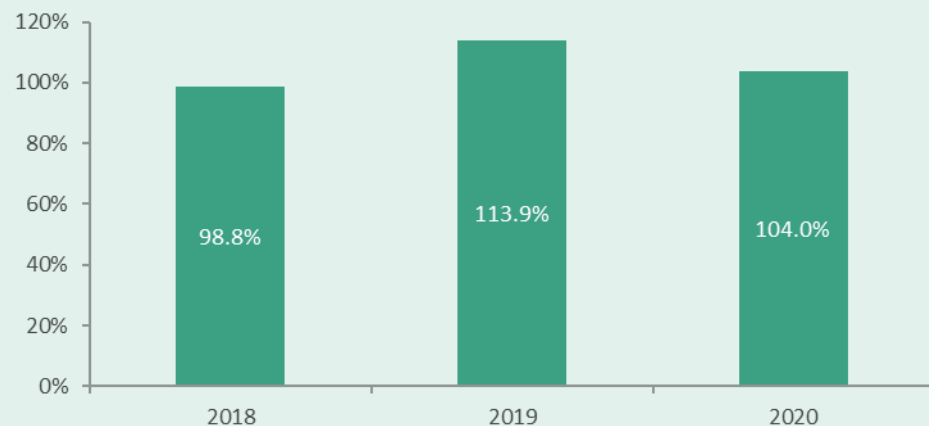
Structure of GWP 2020 by class of insurance



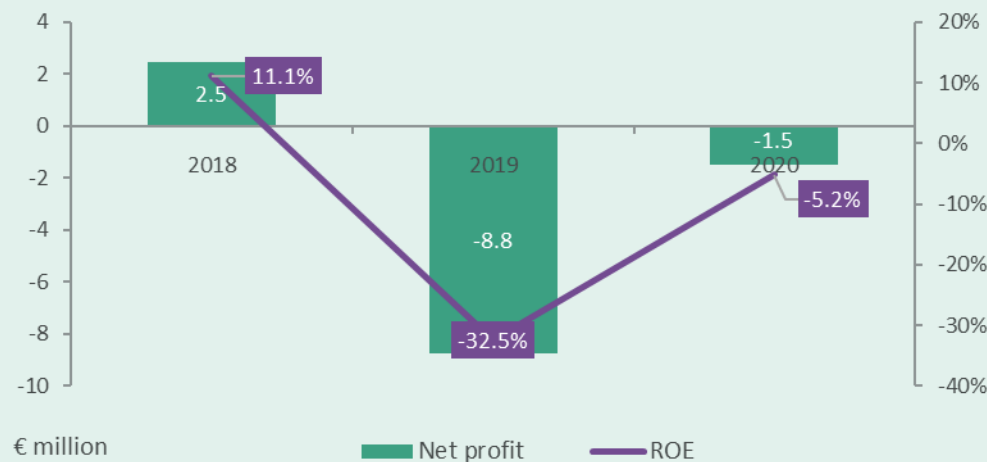
Structure of GWP 2020 by sales channel



Combined ratio

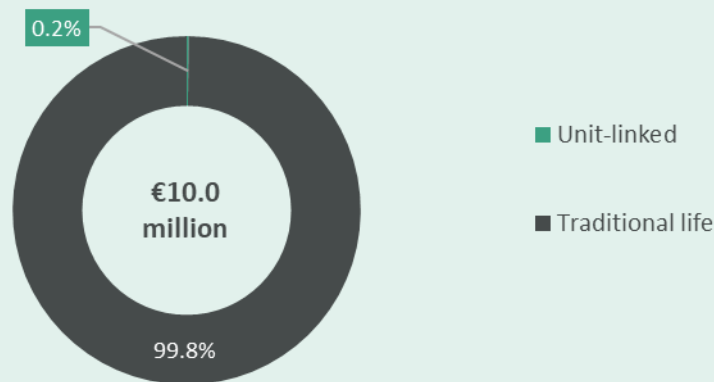


Net profit and ROE

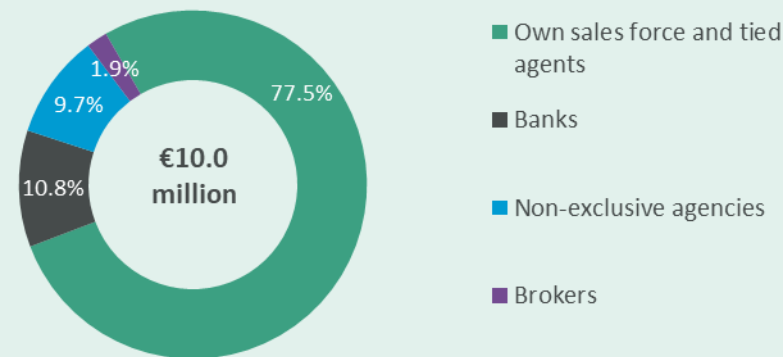


# International insurance business – life (non-consolidated)

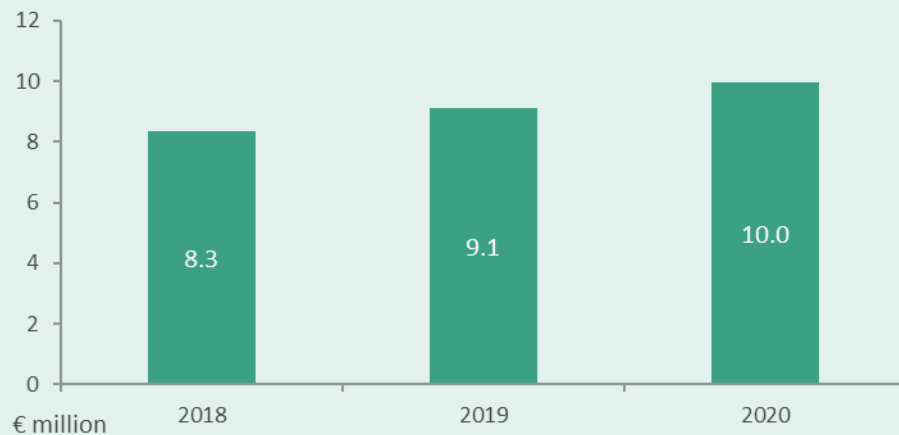
Structure of GWP 2020 by class of insurance



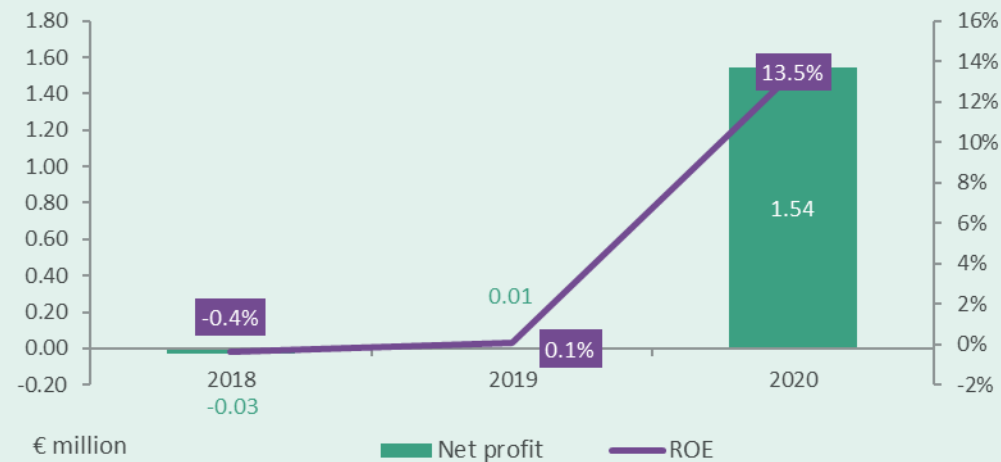
Structure of GWP 2020 by sales channel



Gross premiums written



Net profit and ROE

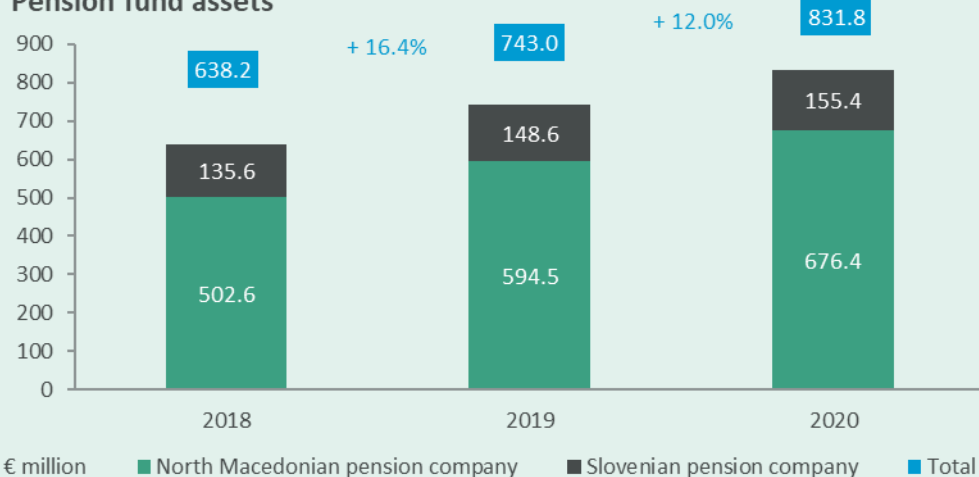




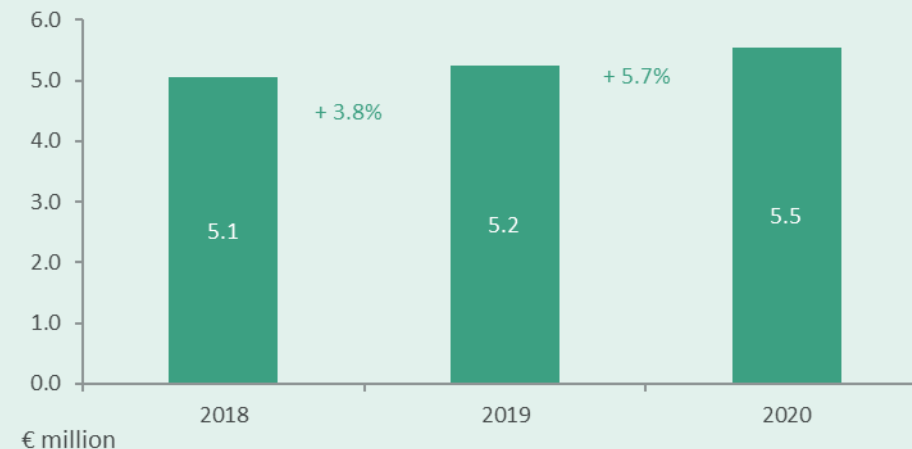
# Pension business (non-consolidated)

Sava Penzisko from North Macedonia has been included in all years, even though it was included in the consolidated accounts in April 2018.

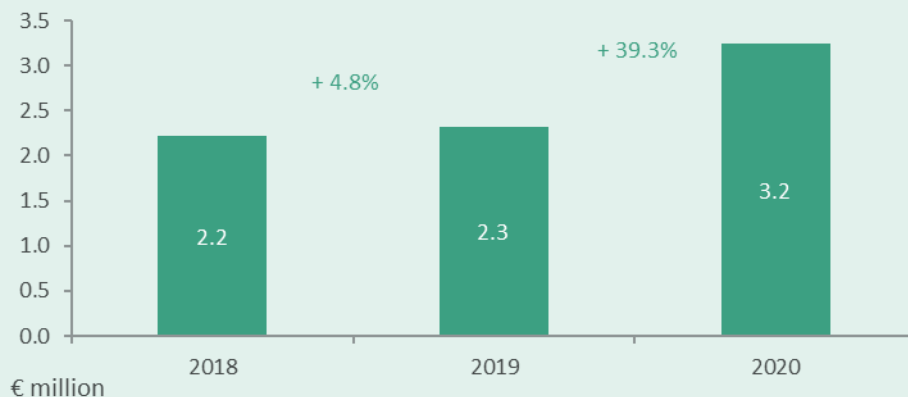
## Pension fund assets



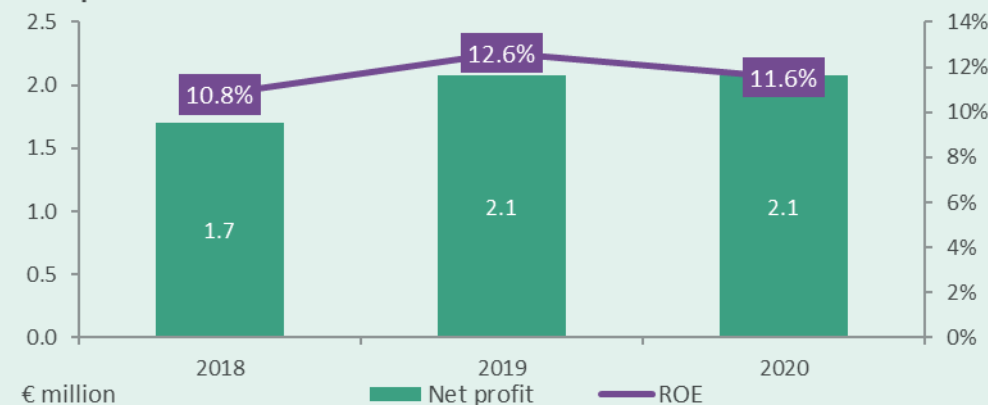
## Revenue from managing funds



## Gross premiums written (Slovenian company annuities)



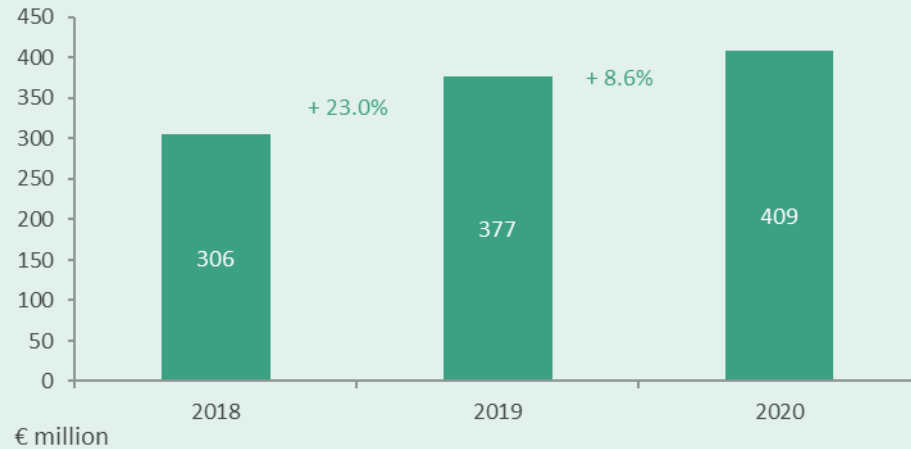
## Net profit and ROE



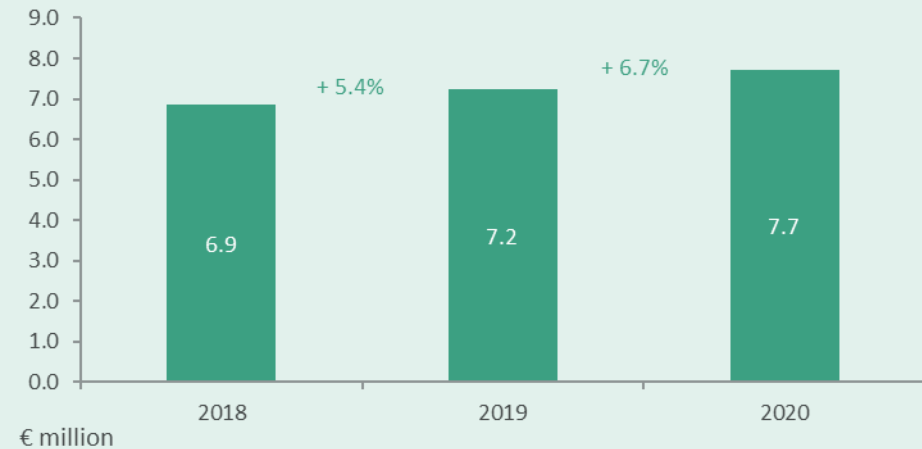
# Mutual fund management (non-consolidated)

Data shown for all years, even though Sava Infond was included in the consolidated accounts in July 2019.

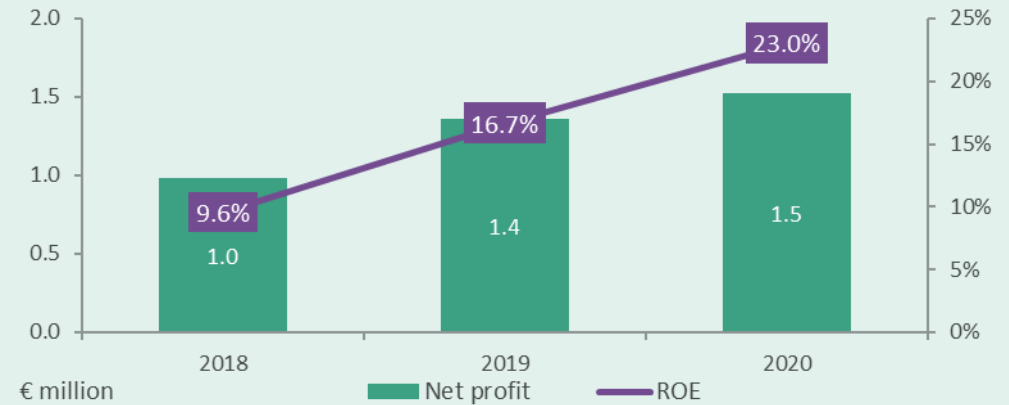
## Mutual fund assets



## Revenues from managing funds



## Net profit and ROE



# Contents

- Overview
- Profile of business pillars
- 2020 results
- 2021 plan
- Strategy 2020-2022

# 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 million

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 the **Covid-19** pandemic with large impacts on lives and global capital markets

Publication of the 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

# Record profit for year

Gross result

€67.7 m

2020/19: +11.5%

Net result

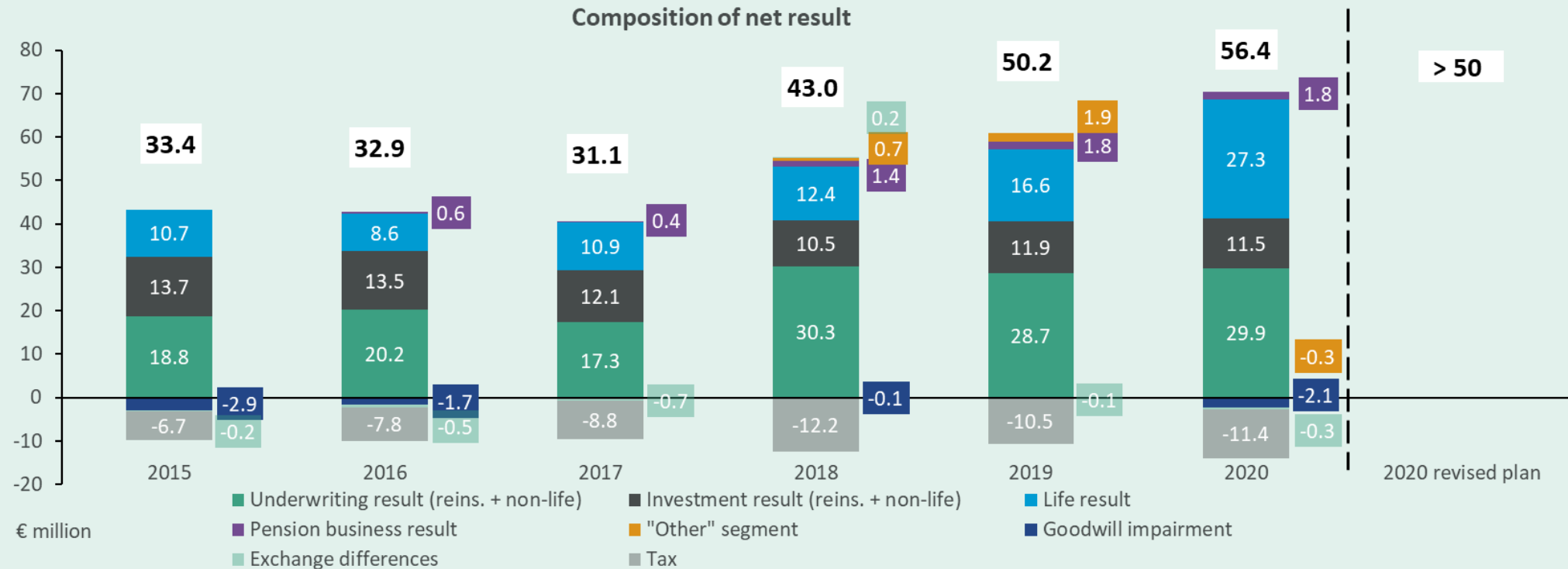
€56.4 m

2020/19: +12.3%

Plan achieved



Composition of net result





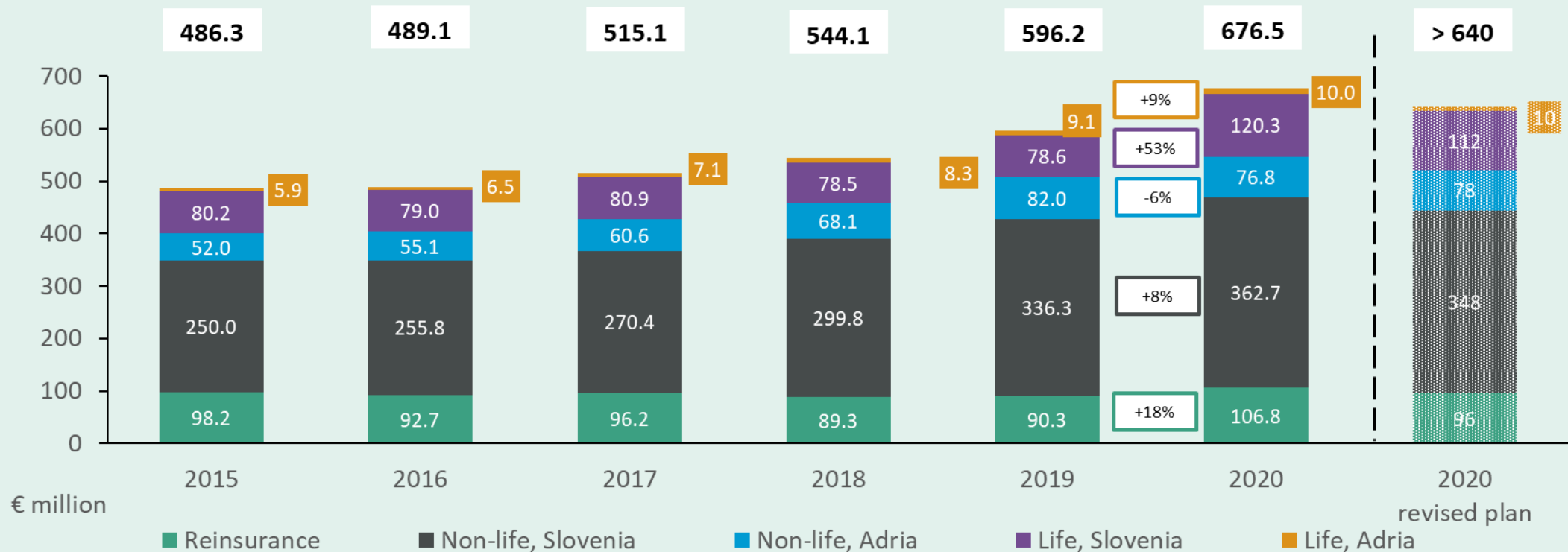
# Development of consolidated GPW, (re)insurance part

Consolidated gross premiums written

**€676.5 m**

2020/19: **13.5% growth**

Plan achieved



# Development of consolidated GPW by insurance market

## Insurance, pension and asset management companies

### Slovenia

#### Insurance companies

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 Vita (excluding Vita +4.7%).

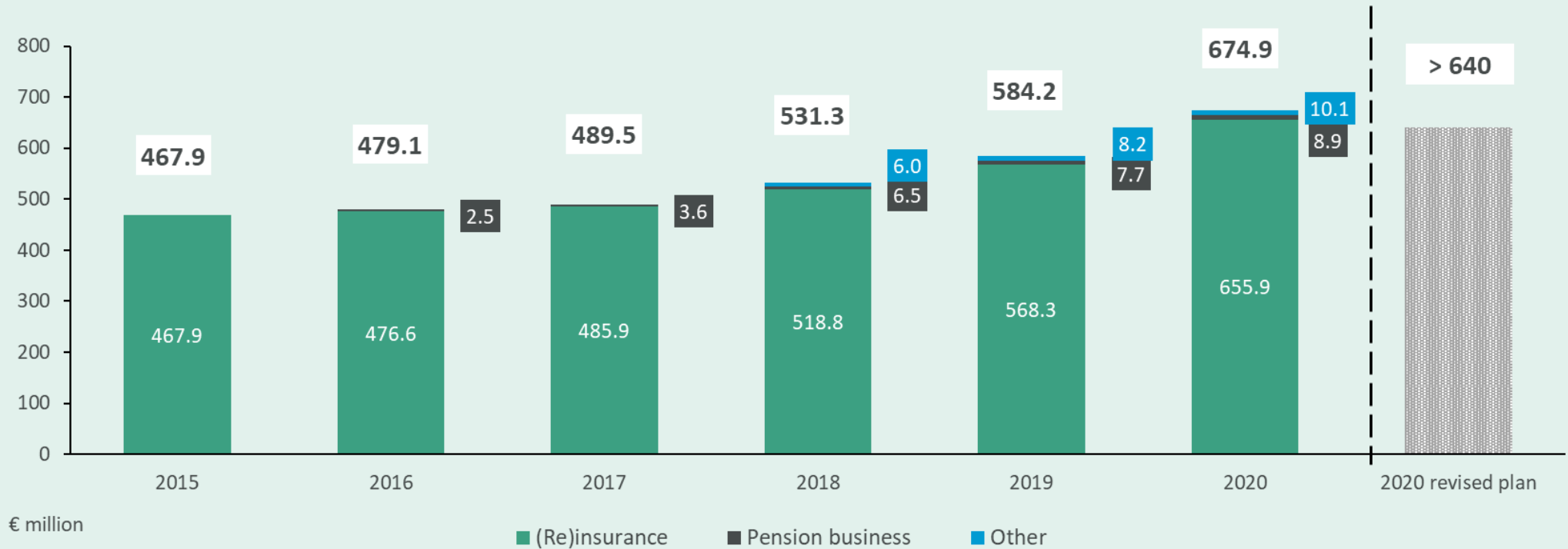
# Higher operating revenue reflecting expansion of the group

## Operating revenue

€674.9 m

2020/19: +15.5%

Plan achieved



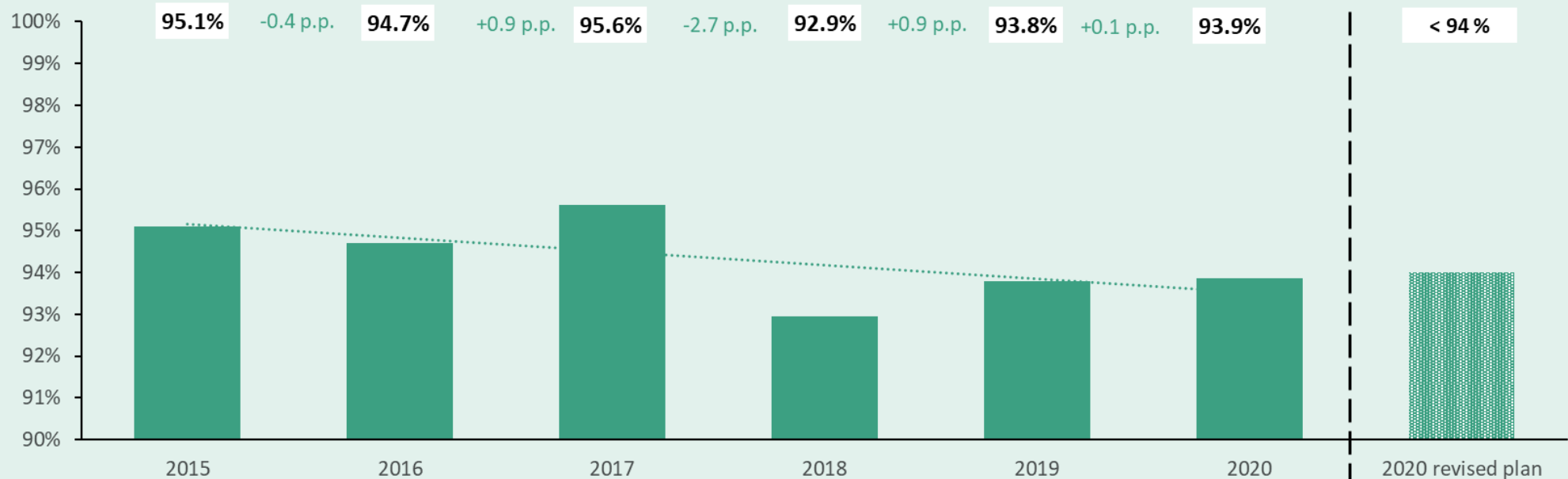
# Combined ratio within target range

Net combined ratio\*

**93.9%**

2020/19: **+0.1 p.p.**

Plan achieved



\* Excluding the effect of exchange differences.

Net combined ratio: all expenses (other than from investments) as percentage of total income (other than from investments) – calculated for the non-life and reinsurance segments.

# High return on equity

Equity

€460.2 m

2020/19: +19.6%

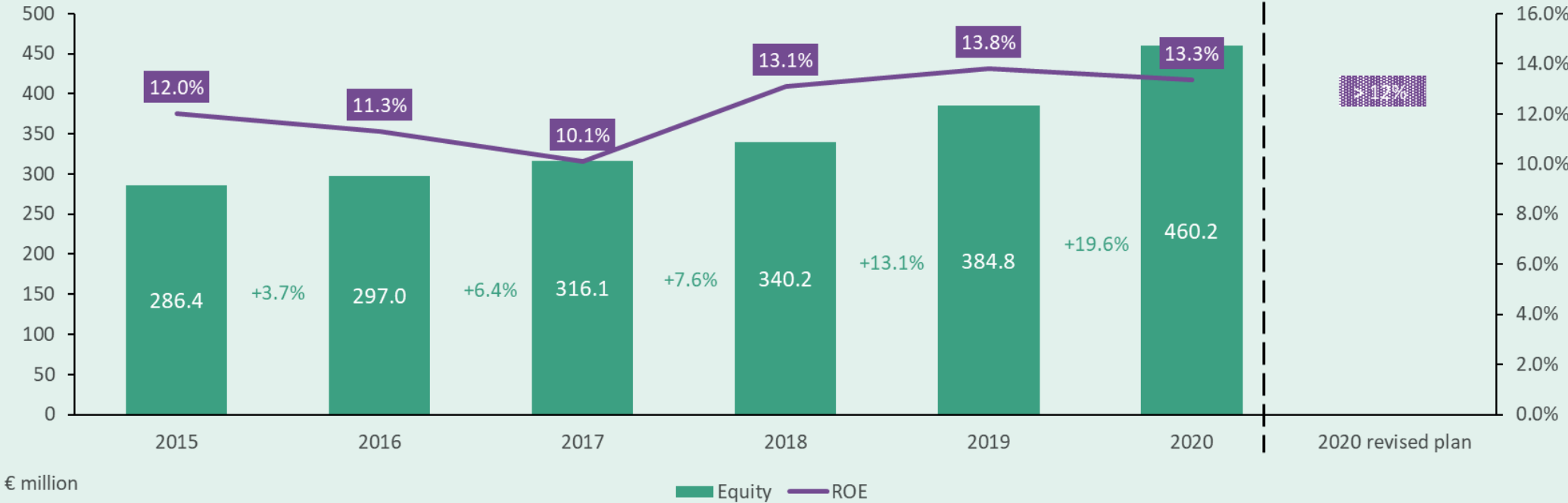
ROE

13.3%

2020/19: -0.5 p.p.

Plan achieved

✓

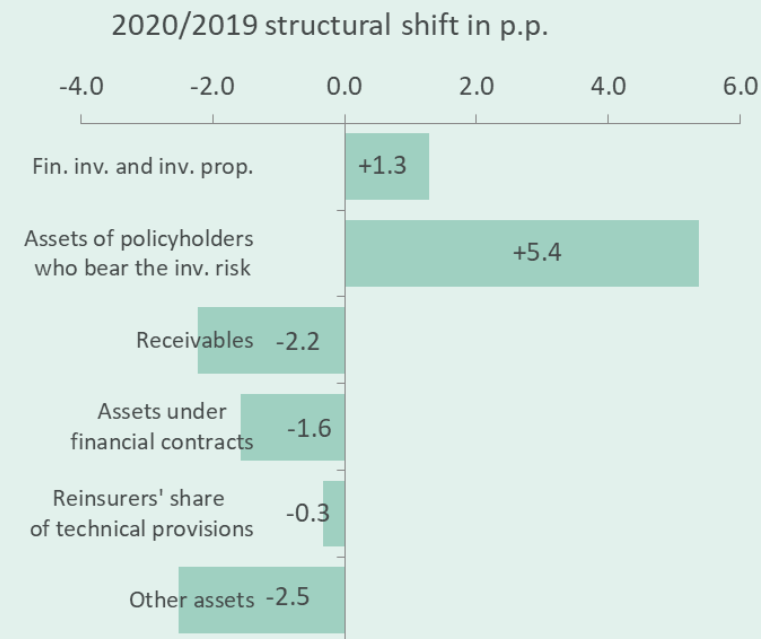




# High growth of assets due to takeover of Vita

**Assets**  
**€2,467.3 m**  
 2020/19: **+30.8%**

	2019	2020
<b>Total assets (€ million)</b>	<b>1,886.0</b>	<b>2,467.3</b>
Financial investments and investment property	57.4%	58.7%
Assets of policyholders who bear the investment risk	11.3%	16.7%
Receivables	8.5%	6.2%
Assets under financial contracts	8.0%	6.4%
Reinsurers' share of technical provisions	2.0%	1.7%
Other assets	12.8%	10.3%
<b>Total assets structure</b>	<b>100.0%</b>	<b>100.0%</b>

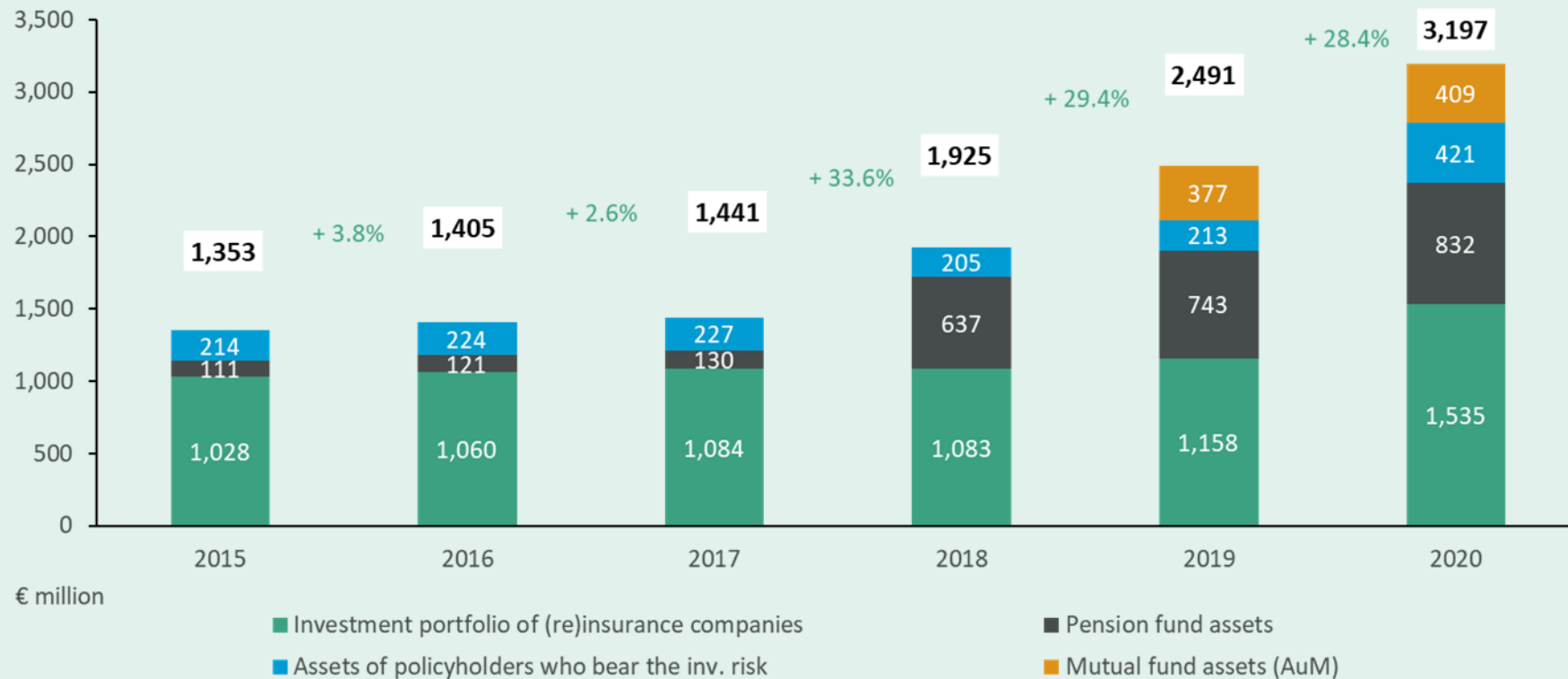


# Growth in assets under management

## Assets under management

€3,197.0 m

2020/19: +28.4%



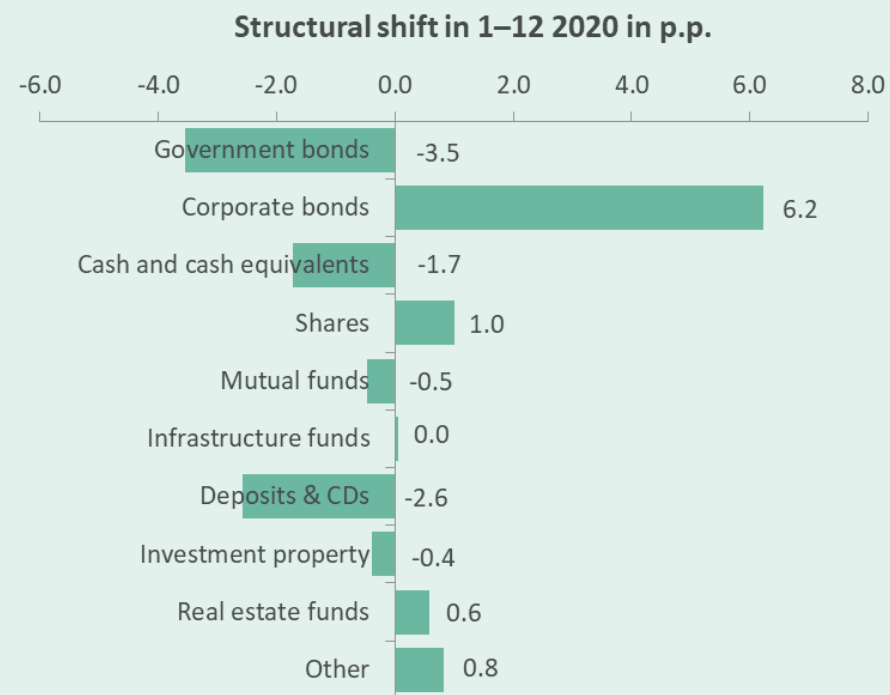
# Changes in investment portfolio structure

## Investment portfolio

€1,535.3 m

2020/19: +32.6%

	31/12/2019	31/12/2020
<b>Investment portfolio (€ million)</b>	<b>1,157.8</b>	<b>1,535.3</b>
Government bonds	46.6%	43.0%
Corporate bonds	34.1%	40.3%
Cash and cash equivalents	6.5%	4.8%
Shares	1.5%	2.5%
Mutual funds	3.0%	2.5%
Infrastructure funds	1.7%	1.8%
Deposits & CDs	4.0%	1.5%
Investment property	1.4%	1.1%
Real estate funds	0.3%	0.9%
Other	0.8%	1.6%
<b>Total investment portfolio</b>	<b>100.0%</b>	<b>100.0%</b>



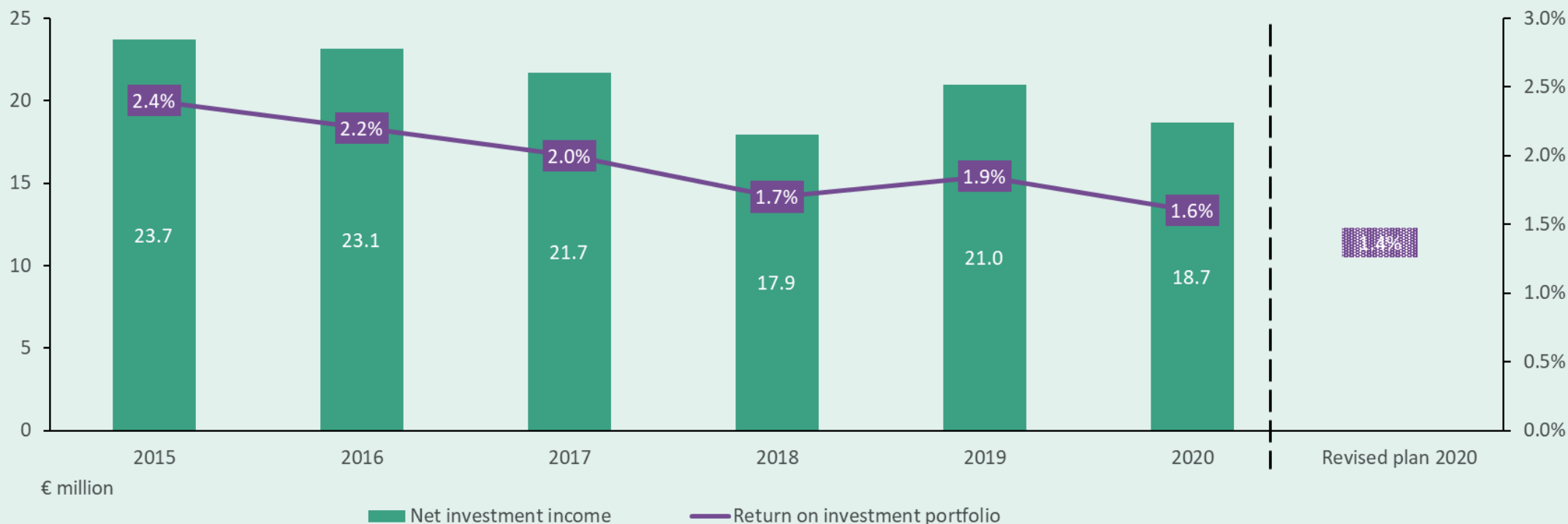
# Development of return on investment portfolio

Return on investment portfolio\*

**1.6%**

2020/19: **-0.3 p.p.**

Plan achieved



\* Excluding FX differences and expenses of subordinated debt.

# Contents

- Overview
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- 2020 results
- **2021 plan**
- Strategy 2020-2022

# 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

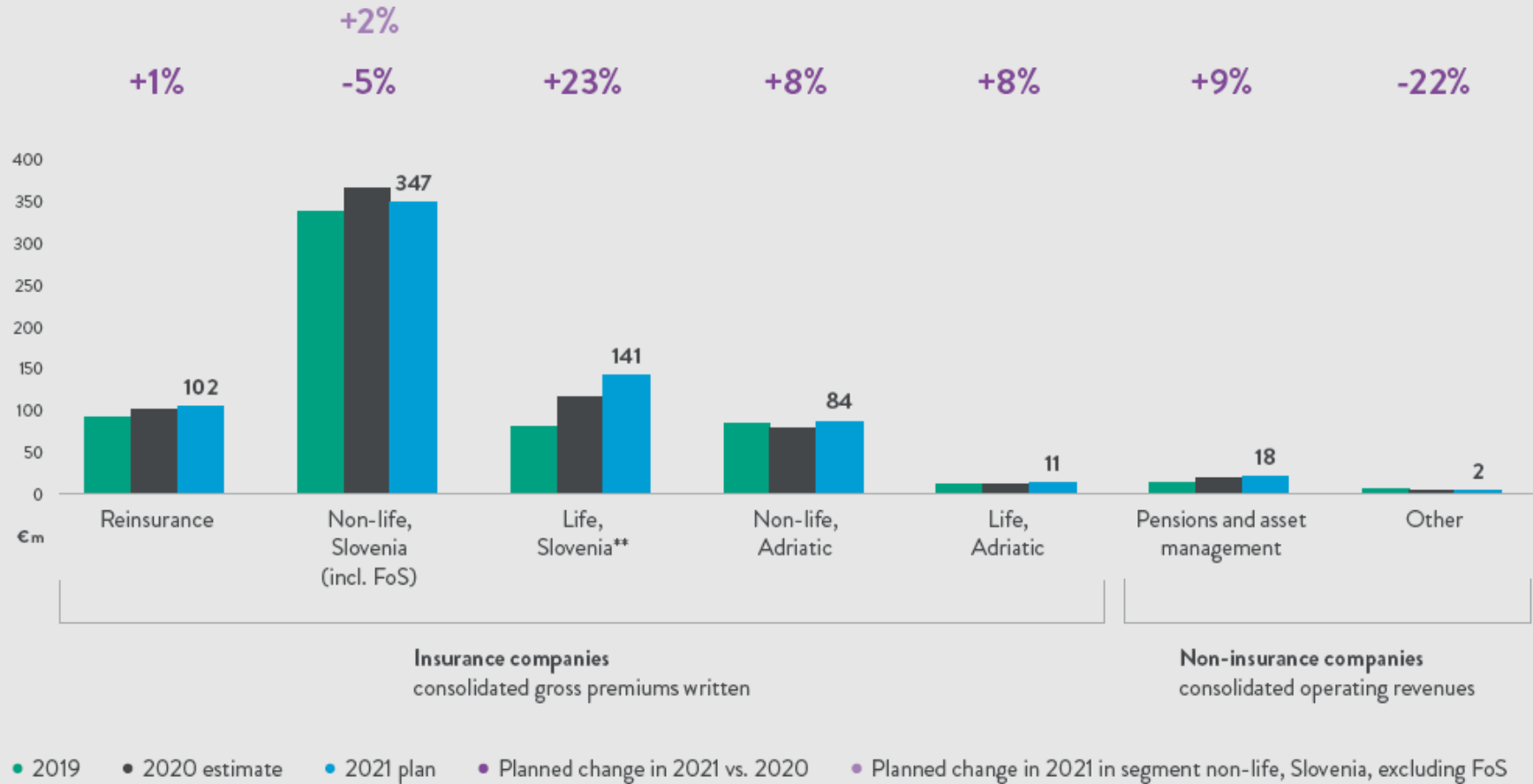
# Key group performance metrics

	2019 actual	2020 actual*	2021 plan
<b>Group</b>			
Operating revenues	€588.5 m	€680.8 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%
<b>(Re)insurance part</b>			
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%

\* 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.

# Contents

- Overview
- Profile of business pillars
- 2020 results
- 2021 plan
- **Strategy 2020-2022**

## KEY TARGETS FOR 2020–2022

### GROWTH IN REVENUES\*

> 5% annually

### HITTING THE TOTAL REVENUES MARK

of €720 m by 2022

### RETURN ON EQUITY

> 12%

### SOLVENCY RATIO

180–220%

### COMBINED RATIO (NON-LIFE + REINSURANCE)

< 95%

### RETURN ON INVESTMENT (EXCL. COST OF SUBORDINATED DEBT)

> 1.5%

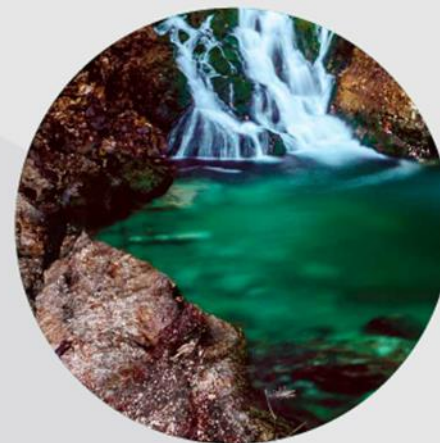
## KEY GROUP STRATEGIC FOCUS AREAS 2020–2022



**DIGITAL  
TRANSFORMATION &  
PLACING THE CUSTOMER  
AT THE CENTRE**



**IT TRANSFORMATION**



**ACQUISITIONS-  
BASED GROWTH**

## AREAS OF DIGITAL TRANSFORMATION



### CUSTOMER AT THE CENTRE

- Omni-channel approach
- Web
- Innovative products
- New sales channels
- Business process modelling tools
- Sales process development
- Business intelligence



### OPTIMISATION

- Core reinsurance business IT solution
- Core insurance business IT solution
- Document management system



### REGULATORY

- IFRS 17
- IFRS 9

# IT FOCUS AREAS 2020-2022

SHARED SERVICES/  
SOLUTIONS  
& THEIR  
CONSOLIDATION

INTEGRATED  
DATA & QUALITY  
MANAGEMENT/  
BUSINESS  
REPORTING

INTERNAL &  
EXTERNAL  
DIGITALISATION

HUMAN  
RESOURCES

CYBERSECURITY  
&  
DATA PROTECTION

VALUE-FOCUSED  
IT MANAGEMENT

TARGET TIME	REQUIRED CAPACITY
Up to 7 years	Capacity to gradually re-engineer the applications in terms of technology and generations
Up to 2 years	Capacity to integrate an elaborate core business solution in a particular company (up to two at the same time)
Up to 14 months	Capacity to introduce major process synergies arising out of the Group level
Up to 4 months	Capacity to computerise ownership control over and management of an acquired company
Up to 3 months	Capacity to develop a complex market product
Up to 45 days	Capacity to analyse in detail and to make IT decisions regarding new initiatives
Up to 5 days	80% of upgrades to processes, products or new services are chiefly configurable by qualified users
24/7	Implementation of active defence of the Company's cyberspace
Ongoing task	Adequacy and organisation of expert IT staff and IT processes for providing IT support to strategic objectives
Ongoing task	IT management with a view to achieving value-added inputs in IT

## ACQUISITIONS-BASED GROWTH

	GOALS
ADRIATIC REGION INSURERS	Strengthening market shares in existing markets (Serbia, Croatia)
NEW EU MARKET INSURERS	Entry into new markets
PENSION COMPANIES	Strengthening market position in existing markets to achieve economies of scale
HEALTH BUSINESS	Comprehensive range of health services in Slovenia; expanding to other markets where the Group is present
SUPPORTIVE ACTIVITIES	Companies that could take the customer-insurer relationship to a higher level
ASSET MANAGERS	Achieving economies of scale; keeping pace with the development of capital markets in the region
SUSTAINABILITY PROJECTS	Improving energy efficiency, development of renewable sources, advancing quality of life & promoting social cohesion

## PILLARS OF BUSINESS OPERATIONS

### INTEGRAL RISK MANAGEMENT

#### INSURANCE & PENSIONS

Slovenia non-life  
Slovenia life  
Adria non-life  
Adria life  
FoS business\*  
Assistance and other supportive activities  
Pensions

#### REINSURANCE BUSINESS

Extra-Group  
Group

#### OTHER ACTIVITIES

Sale of mutual fund units  
Health business  
Other

#### ASSET MANAGEMENT

Insurance company portfolios  
Management of mutual fund assets  
Pension portfolios

#### CAPITAL GROWTH & USE

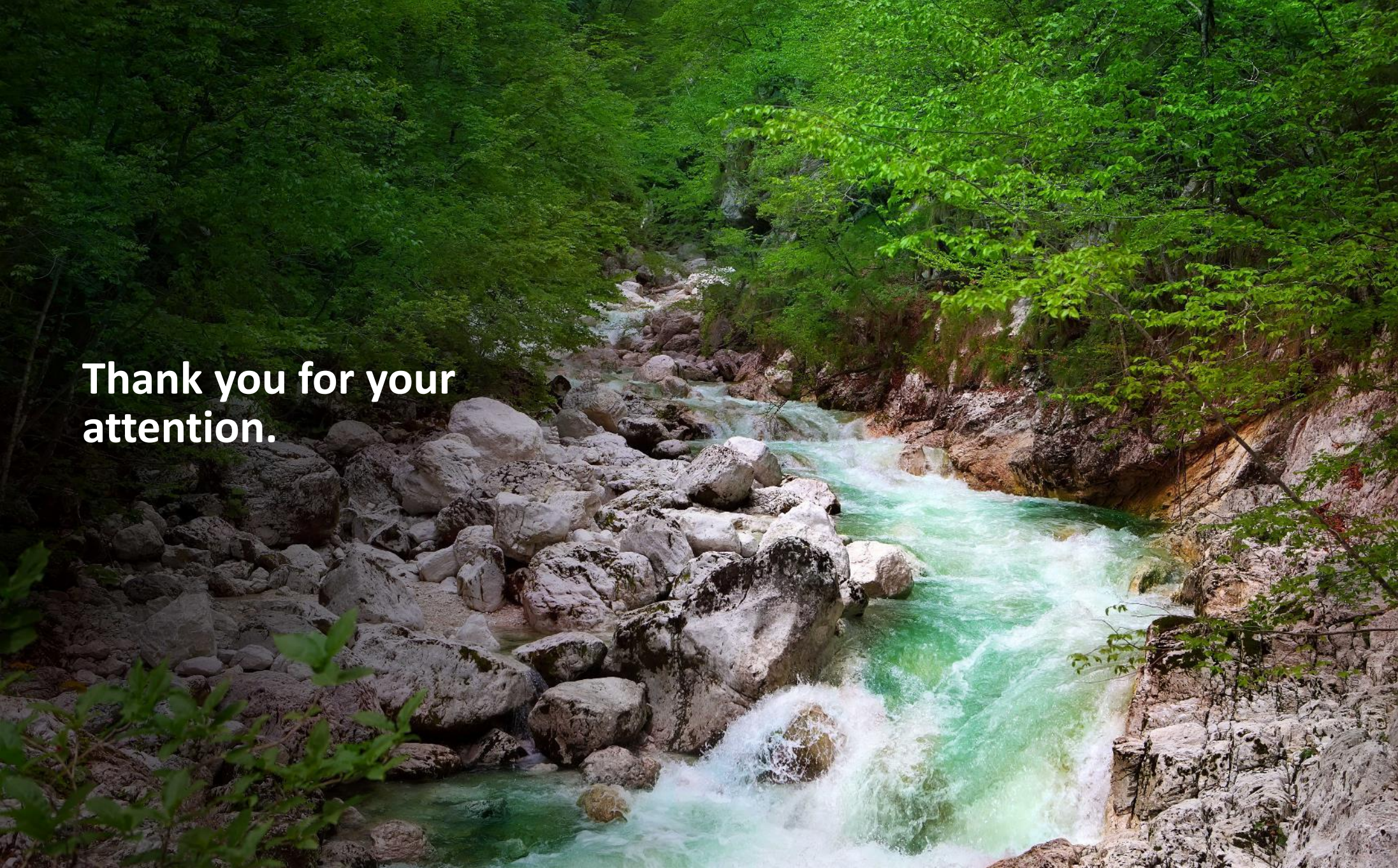
Organic growth  
Acquisitions  
Dividend policy

### SUPPORTING ACTIVITIES

\* 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.



**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.