

Sava Insurance Group

2021 unaudited results

23 March 2022



Presenting and Q&A:



Polona Pirš
Zupančič,
Member of the
Management
Board

Q&A:



Tadej
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2021 unaudited results

Highlights of 2021

Growth in operating revenue of **7.6%**

Record net profit of **€76.2 million**, which exceeds planned net profit by 43.8%

Net expense ratio of **29.0%** (last year 29.5%)

Net combined ratio (excluding FX differences) of **88.3%** (last year 93.9%)

All segments ended the year with a profit, except for the “other” segment, which includes subordinated debt expenses

Improved performance of non-life segments due to favourable claims development, improved performance of the Pensions & AM segment due to higher inflows and favourable conditions on the stock markets with a positive impact on the amount of AUM

S&P and AM Best **“A” ratings**, stable outlook, affirmed

Unaudited data.

Achievement of the 2021 plan

	2020 actual	2021 plan	2021 actual*
Group			
Operating revenue	€680.8 m	> €685 m	€732.7 m
Profit, net of tax	€56.4 m	> €53 m	€76.2 m
Return on equity (ROE)	13.3%	>= 11.5%	15.8%
Net expense ratio**	29.5%	32–33%	29.0%
Investment return**	1.6%	1.5%	1.8%
Gross premiums written	€679.7 m	> €685 m	€729.9 m
Net incurred loss ratio** (reins. + non-life)	61.6%	59–60%	55.6%
Net combined ratio** (reins. + non-life)	93.9%	< 94%	88.3%

* Unaudited data.

** Impact of exchange rate differences excluded. The investment return does not include subordinated debt expenses. The net expense ratio does not include amortisation of contractual relationships with clients. The Group net expense ratio in 2020 does not include the positive difference between the fair value of net assets acquired and the purchase price of the investment in Vita.

2021 financial position

€ million	31/12/2020	31/12/2021*	Change 2021/2020
Group			
Total assets	2,467.3	2,658.3	7.7%
Shareholders' equity	460.2	504.1	9.5%
Net technical provisions	1,600.3	1,703.9	6.5%
Book value per share (€)	29.70	32.53	9.5%

* Unaudited data.

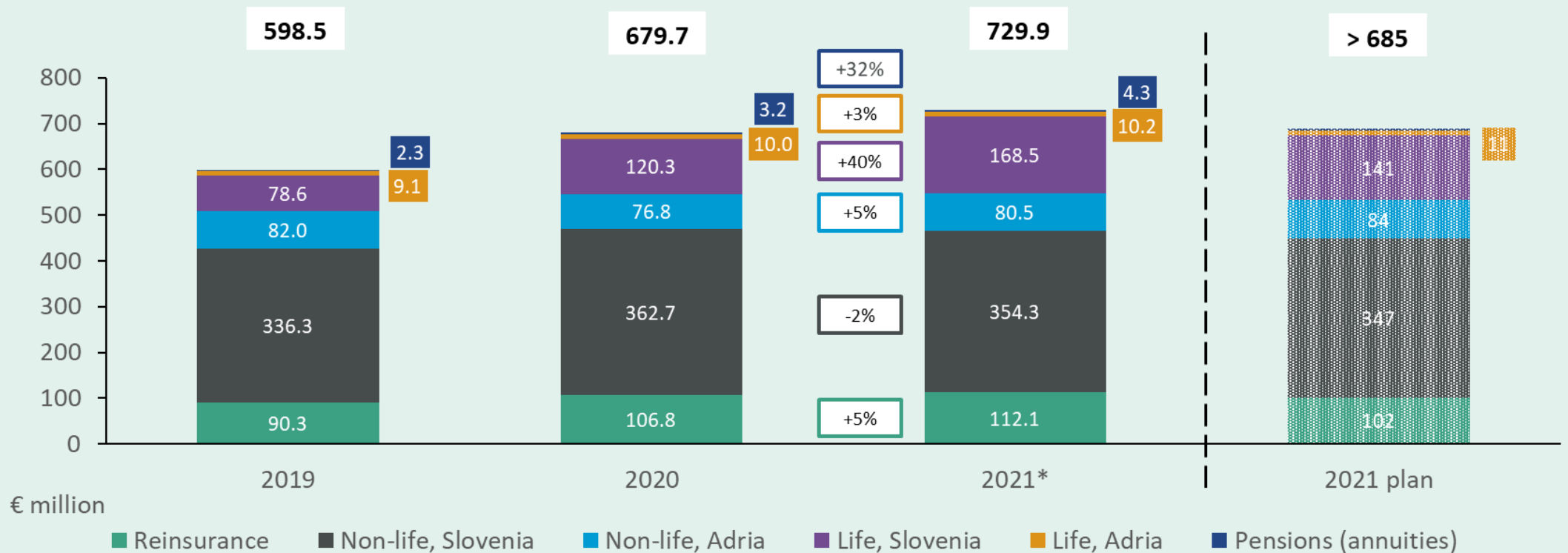
Development of consolidated GPW

Consolidated gross premiums written in 2021

€729.9 m

2021/20: **7.4% growth**

Plan achieved



* Unaudited data.

Development of consolidated GPW by insurance market

Insurance, pension and asset management companies

Slovenia

Insurance company

Premiums: €523.0 m

2021/20: +8.3%*

Pension company

Savings fund inflows:

€13.4 m

2021/20: +6.0%

Asset management company

AuM: €570.5 m

2021/20: +39.4%

Croatia

Premiums: €16.4 m

2021/20: -24.7%

Montenegro

Premiums: €14.4 m

2021/20: +12.2%

Serbia

Premiums: €27.7 m

2021/20: +13.1%

Kosovo

Premiums: €17.0 m

2021/20: +22.4%

North Macedonia

Insurance company

Premiums: €15.3 m

2021/20: +11.0%

Pension company

Pension fund inflows:

€75.2 m

2021/20: +3.3%

Reinsurance company



Global markets

Sava Re reinsurance
business

Non-Group premiums:
€112.1 m

2021/20: +5.0%

* Vita included from 31 May 2020 (if Vita were included the whole year 2020: +2.2%).

Unaudited data.

Structure of the investment portfolio

	31/12/2020	31/12/2021*
Investment portfolio (€ million)	1,535.3	1,581.4
Government bonds	43.0%	45.4%
Corporate bonds	40.3%	37.4%
Cash and cash equivalents	4.8%	4.7%
Infrastructure funds	1.8%	2.8%
Mutual funds	2.5%	2.3%
Shares	2.5%	2.3%
Deposits & CDs	1.5%	1.2%
Real estate funds	0.9%	1.0%
Investment property	1.1%	0.9%
Other	1.6%	2.0%
Total investment portfolio	100.0%	100.0%

Investment grade assets accounted for 84.5 % of fixed rate investments.

* Unaudited data.

2022 plan

Major development areas in 2022



DIGITAL TRANSFORMATION & PLACING THE CUSTOMER AT THE CENTRE

- Continued work on introducing remote solutions supporting insurance operations & expanding remote business
- 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 OVERHAUL

- Overhaul activities on the core IT solution supporting reinsurance operations
- Completed overhaul of the core IT solution for the Croatian branch office of Zavarovalnica Sava
- Work on the content expansion of data warehouses relating to insurance business
- Continuing technological and process upgrades in cyber security, with an emphasis on end-user training



ACQUISITIONS-BASED GROWTH

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

Key group performance metrics

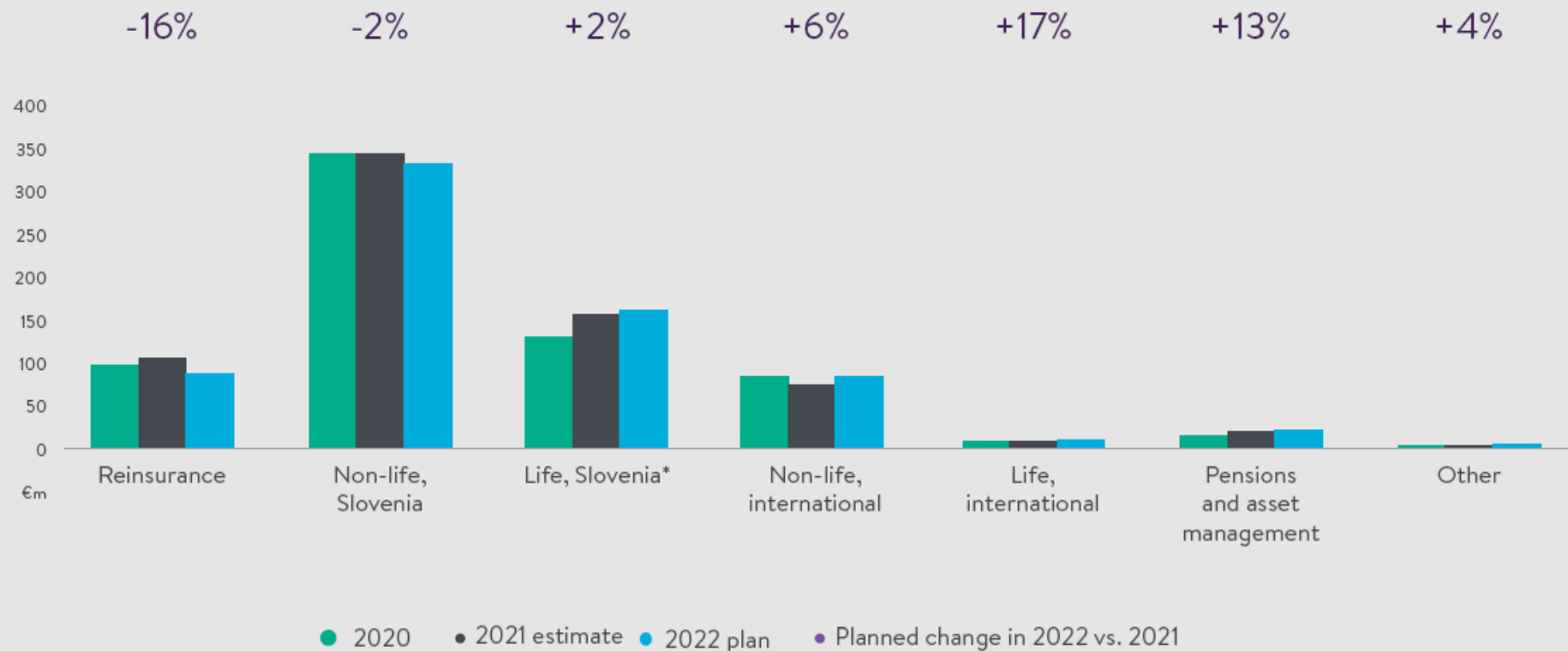
	2020 actual	2021 actual*	2022 plan
Operating revenues	€680.8 m	€732.7 m	> €700 m
Profit, net of tax	€56.4 m	€76.2 m	> €60 m
Return on equity (ROE)	13.3%	15.8%	>= 11.5%
Net expense ratio**	29.5%	29.0%	31–32%
Investment return**	1.6%	1.8%	1.4%
Net combined ratio** (reins. + non-life)	93.9%	88.3%	< 94%

* Unaudited data.

** Impact of exchange rate differences excluded. The investment return does not include subordinated debt expenses. The net expense ratio does not include amortisation of contractual relationships with clients. The Group net expense ratio in 2020 does not include the positive difference between the fair value of net assets acquired and the purchase price of the investment in Vita.

This plan is based on autumn forecasts for GDP growth in the countries where the Group is present and on expected relatively stable financial markets. It also assumes there will be no new lockdowns in 2022 or restrictions on movement like those imposed in these countries in 2020 and 2021.

Operating revenue by segment



* Vita included as from 31 May 2020.

Financial and events calendar

Upcoming financial releases and events

8 April 2022	Release of the Solvency and Financial Condition Report of Sava Re d.d. for 2021 – no auditor assurance provided
26 April 2022	Release of the Audited Annual Report of the Sava Insurance Group and Sava Re d.d. for 2021
26 April 2022	Release of the statement of compliance with the Corporate Governance Code for Public Listed Companies
26 April 2022	Release of the Solvency and Financial Condition Report of Sava Re d.d. for 2021 – with auditor assurance
19 May 2022	Release of the Unaudited Financial Report of the Sava Insurance Group and Financial Statements of Sava Re d.d. for the Three Months to 31 March 2022
19 May 2022	Release of the Solvency and Financial Condition Report of the Sava Insurance Group for 2021 – with auditor assurance
20 May 2022	Publication of the notice of the 38th general meeting of shareholders of Sava Re d.d.
23 June 2022	38th general meeting of shareholders of Sava Re d.d. and announcement of resolutions

Events for investors

26 –27 May 2022	Investor Days of Ljubljana and Zagreb Stock Exchanges (location: Zagreb)
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Contact: ir@sava-re.si Website: <https://www.sava-re.si/en-si/investor-relations/>

A scenic view of a river flowing through a dense forest. The river is surrounded by large, light-colored rocks and lush green trees. The water is a vibrant green color, and there are white rapids visible in the foreground. The text "Thank you for your attention." is overlaid on the left side of the image.

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.