



# Sava Insurance Group presentation

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April 2024

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- 04 | 2023–2027 strategy
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OVERVIEW

01



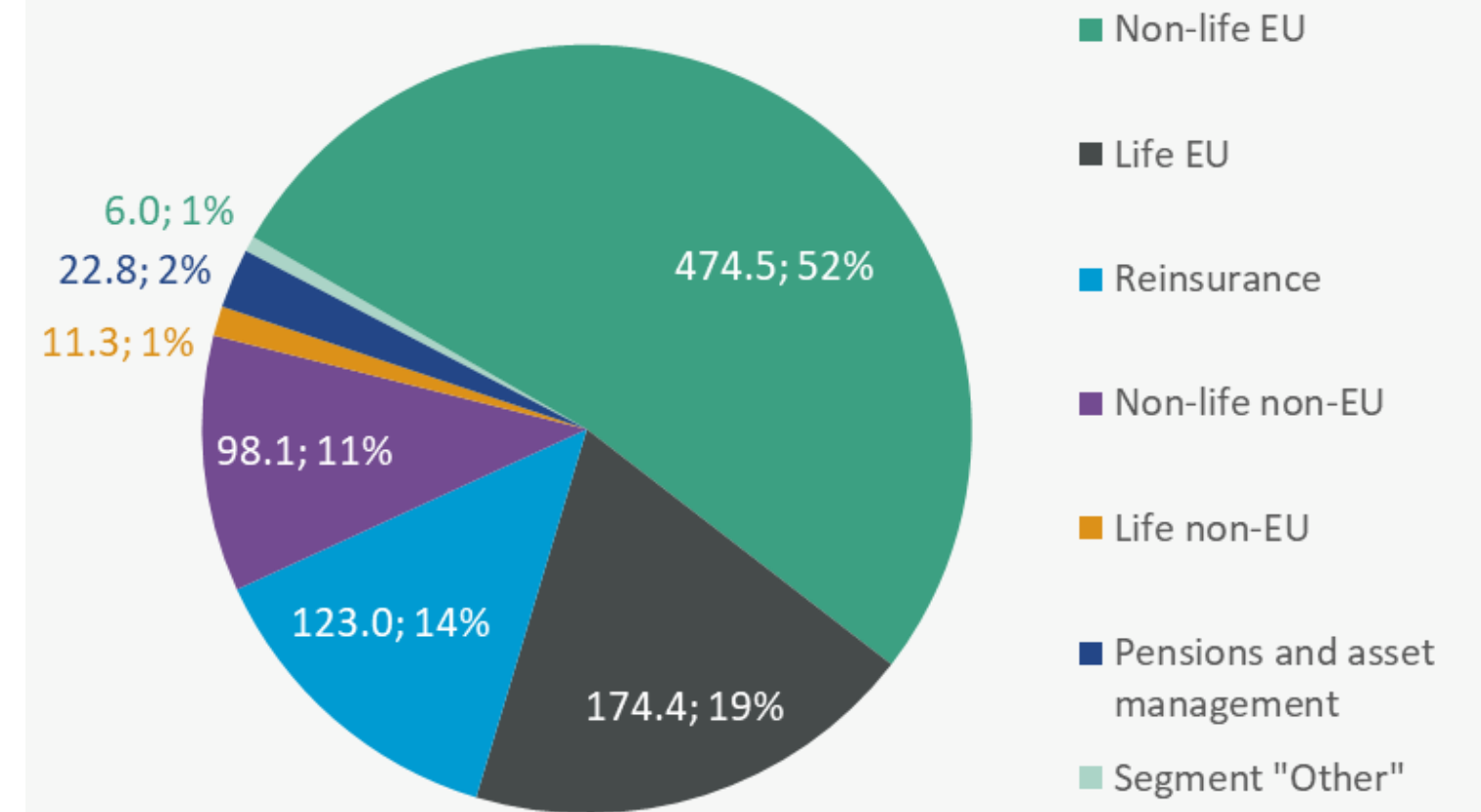
# Business profile

## Sava Insurance Group GPW and market shares (insurance) 2023 by country



\* 1–9/2023 as data for the full year 2023 have not yet been published.

## Breakdown of 2023 business volume (€910.1m)



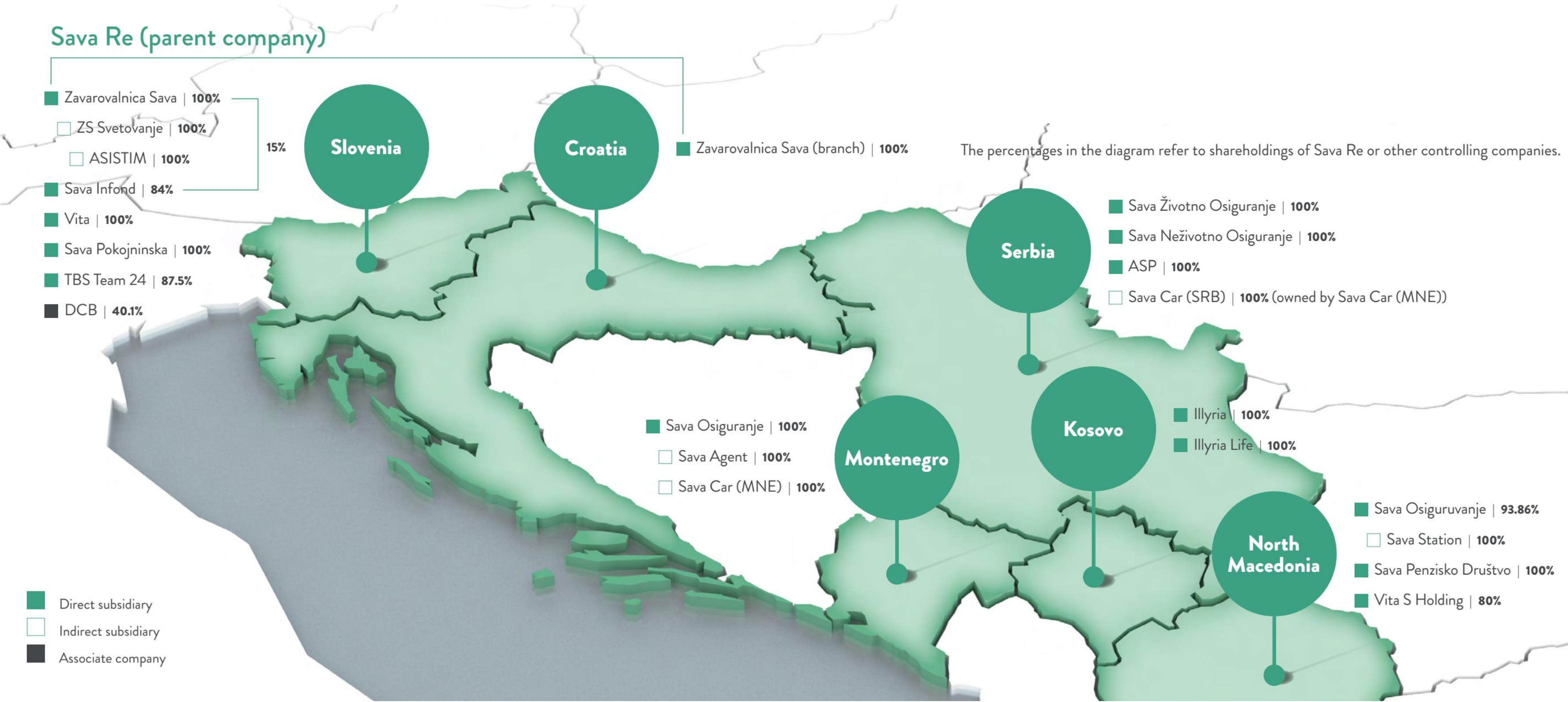
### Key facts

- The 3rd largest insurance group in the Adria region (total GPW of € 884.6m in 2023).
- 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 close to €4b assets under management.

- Rating: S&P A, stable outlook (Sep 2023), AM Best A, stable outlook (Sep 2023)
- Listed on the prime market of the Ljubljana Stock Exchange (POSR symbol)
- Solvency position of Sava Insurance Group at 31 Dec 2022: SII: 183%



# Composition of the Sava Insurance Group as of December 31, 2023



# Equity story full outline



**1** | Strong market position (#3) in the region.

**2** | Unique positioning to capture expected growth of Adria region insurance market.

**3** | Historical achievement of high return on equity.

**4** | Strong financial position and credit rating rated "A" with a stable outlook.

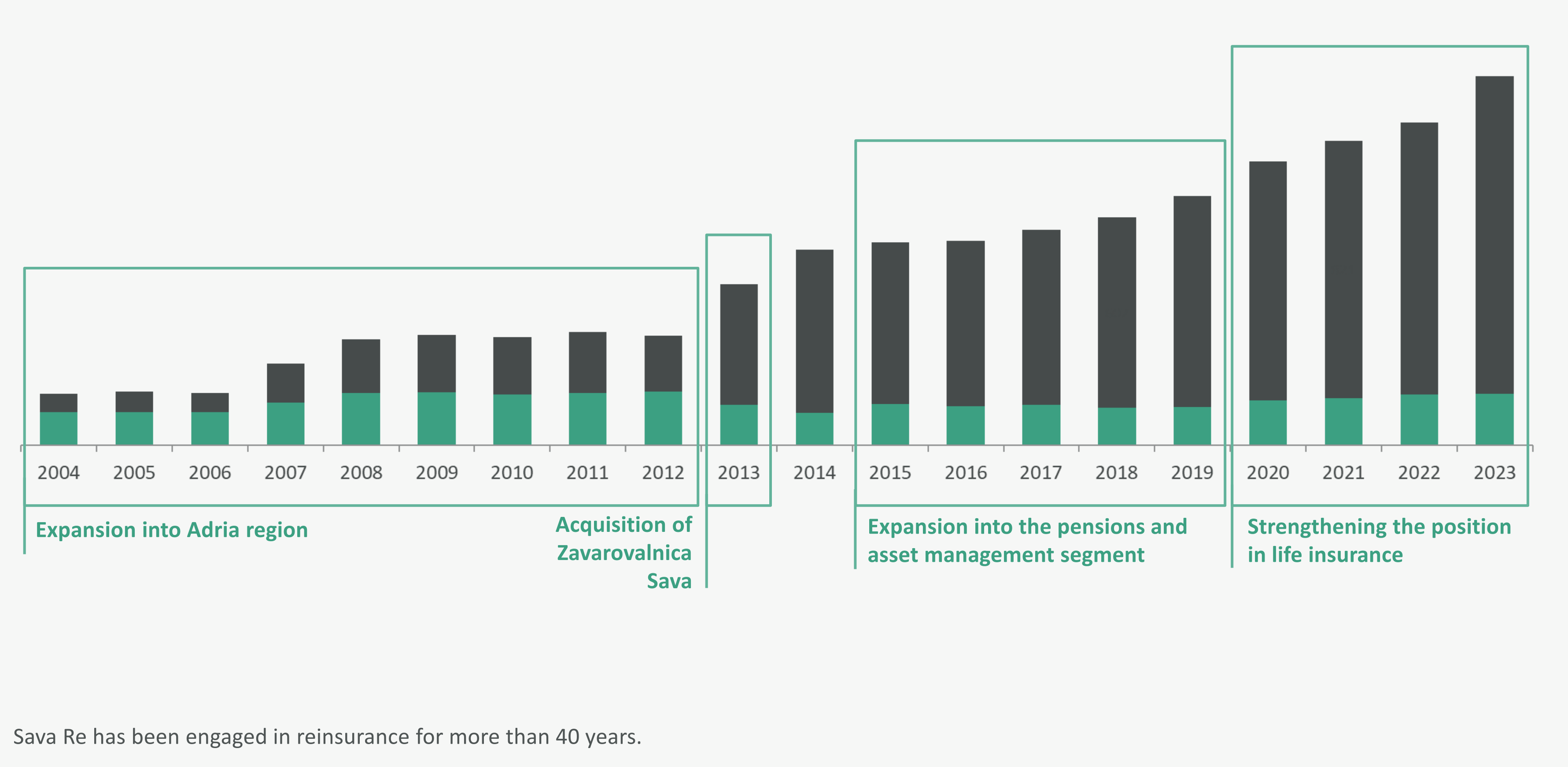
**5** | A model for the transfer of good practices in Slovenia to other markets – close connection of processes.

**6** | Reputation on international reinsurance markets.

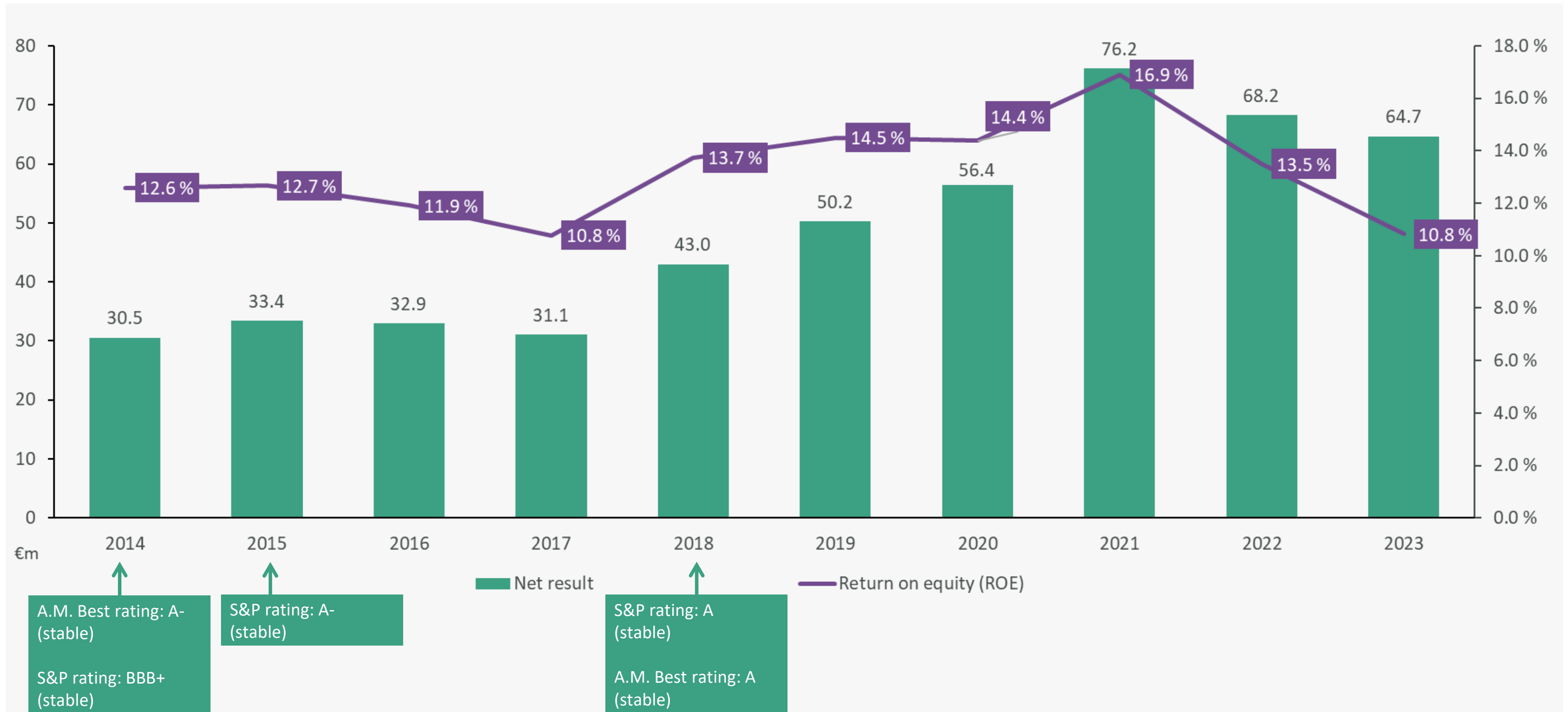
**7** | Experienced leadership with a clear vision and measurable business goals.



# Sava Insurance Group growth through acquisitions



# Sava Insurance Group history - Consolidated net result & ROE



Change in accounting standards in 2023 (previously IFRS 4 and IAS 39, from 2023 onwards IFRS 17 and IFRS 9).





# The management board



**Marko Jazbec**  
Chairman

He is responsible for human resources; general, organisational and legal affairs; public relations; compliance; internal audit; information technology, sustainability and the management of strategic investments in Slovenia-based subsidiaries.



**Polona Pirš Zupančič**  
Member

She is responsible for corporate finance, strategic planning and controlling, accounting, investor relations, risk and capital management, actuarial affairs and modelling.



**Peter Skvarča**  
Member

He is responsible for reinsurance operations and management of strategic investments in non-Slovenian insurance subsidiaries.



**David Benedek**  
Member

He is responsible for financial operations and asset management, management of strategic investments in pension companies, asset management companies (DZUs), healthcare companies and management of cross-sectoral cooperation with commercial banks at Group level.

# Book value per share and POSR share price performance

Book value per share

**€37.79**

2023/2022: **+10.2%**

Share price at 31/12/2023

**€28.00**

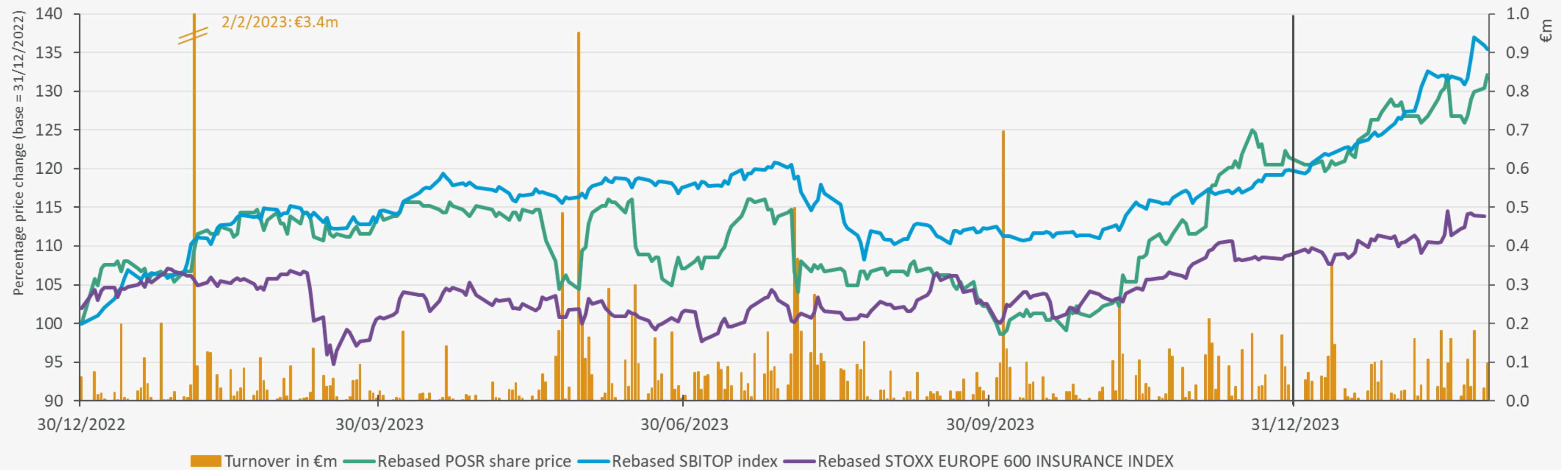
2023/2022: **+25.0%**

Total share return

**32.1%**

2023/2022: **+46.5 p.p.**

Price performance of POSR, SBITOP index and STOXX EUROPE 600 INSURANCE INDEX

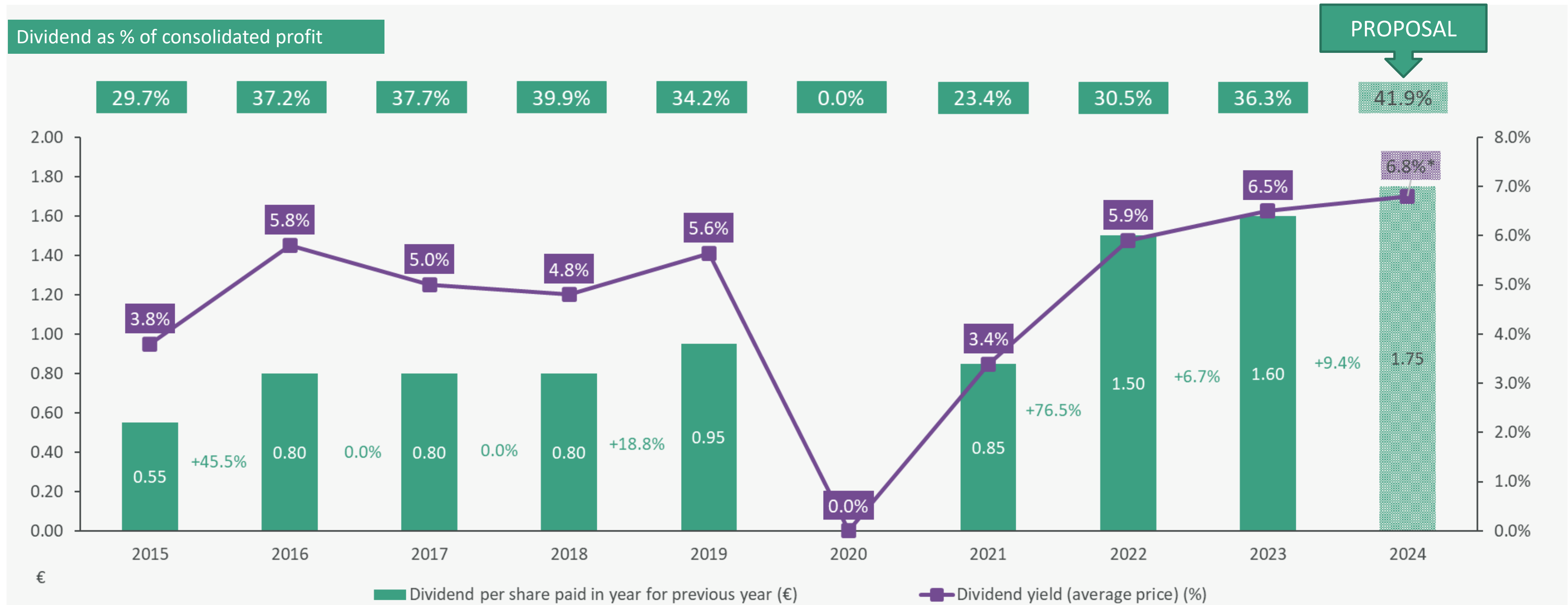


More information on POSR share performance and returns is available at: <https://www.sava-re.si/en-si/investor-relations/our-share/>



# Dividend policy

**Dividend policy:** distribution of between 35% and 45% of the net profit of the Sava Insurance Group.

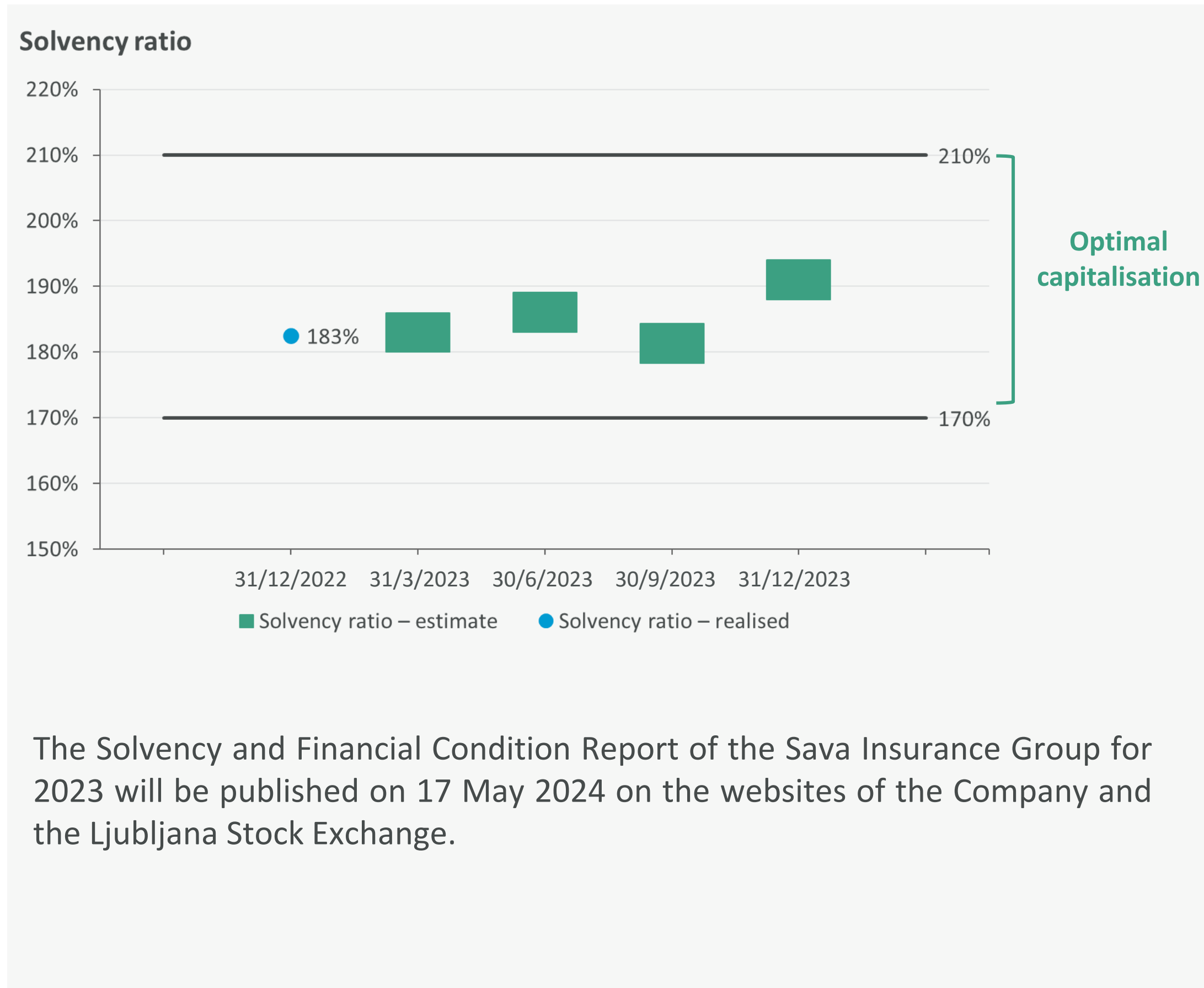


\* The 2024 dividend yield depends on the share price movement in the period between the date the dividend is declared and the ex-dividend date.

- Proposed dividend payout in 2024 in respect of the 2023 profit: €27,120,968.00 or €1.75 gross per share. The general meeting of shareholders will be held on 27 May 2024.



# Solid solvency position

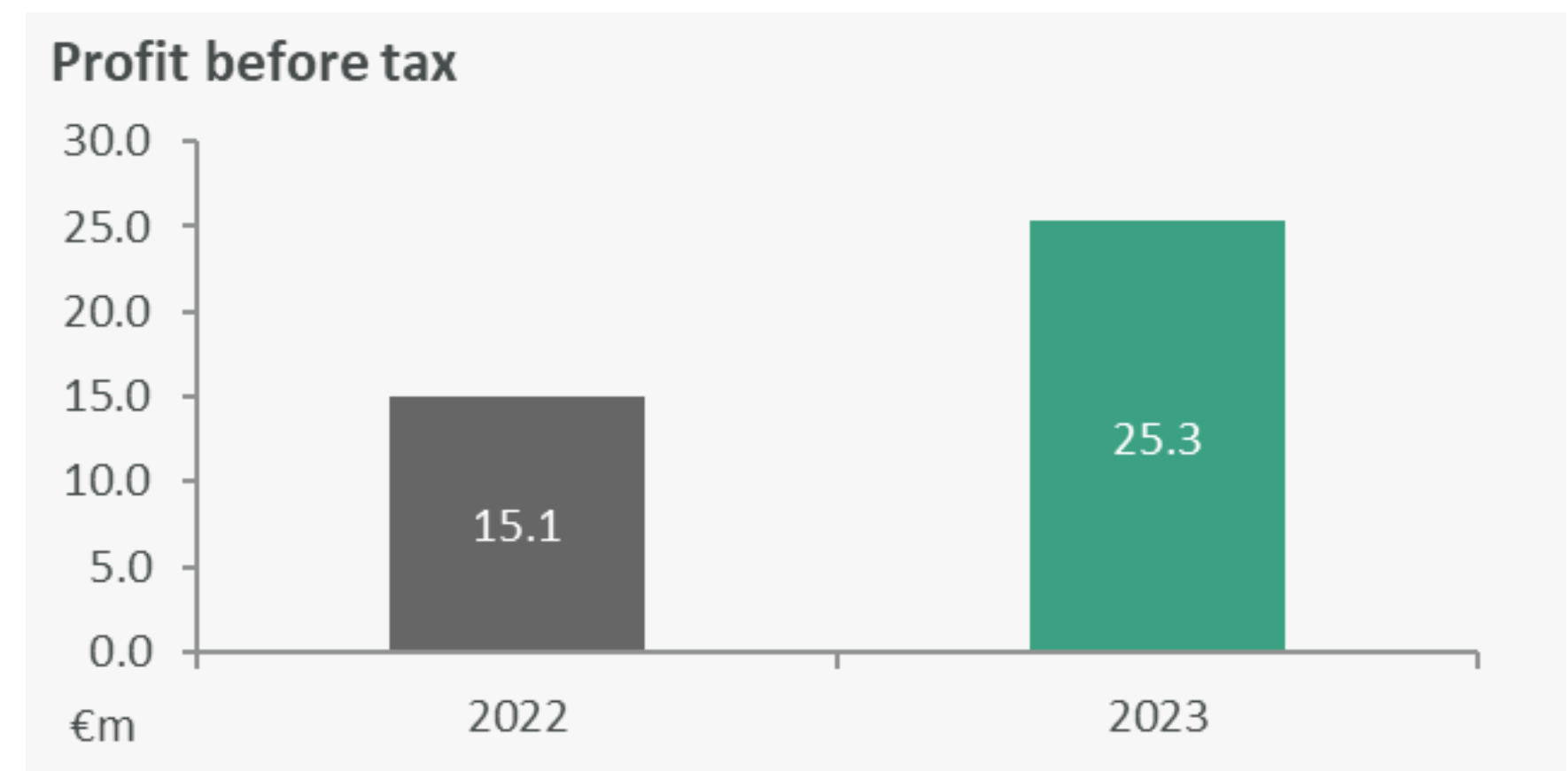
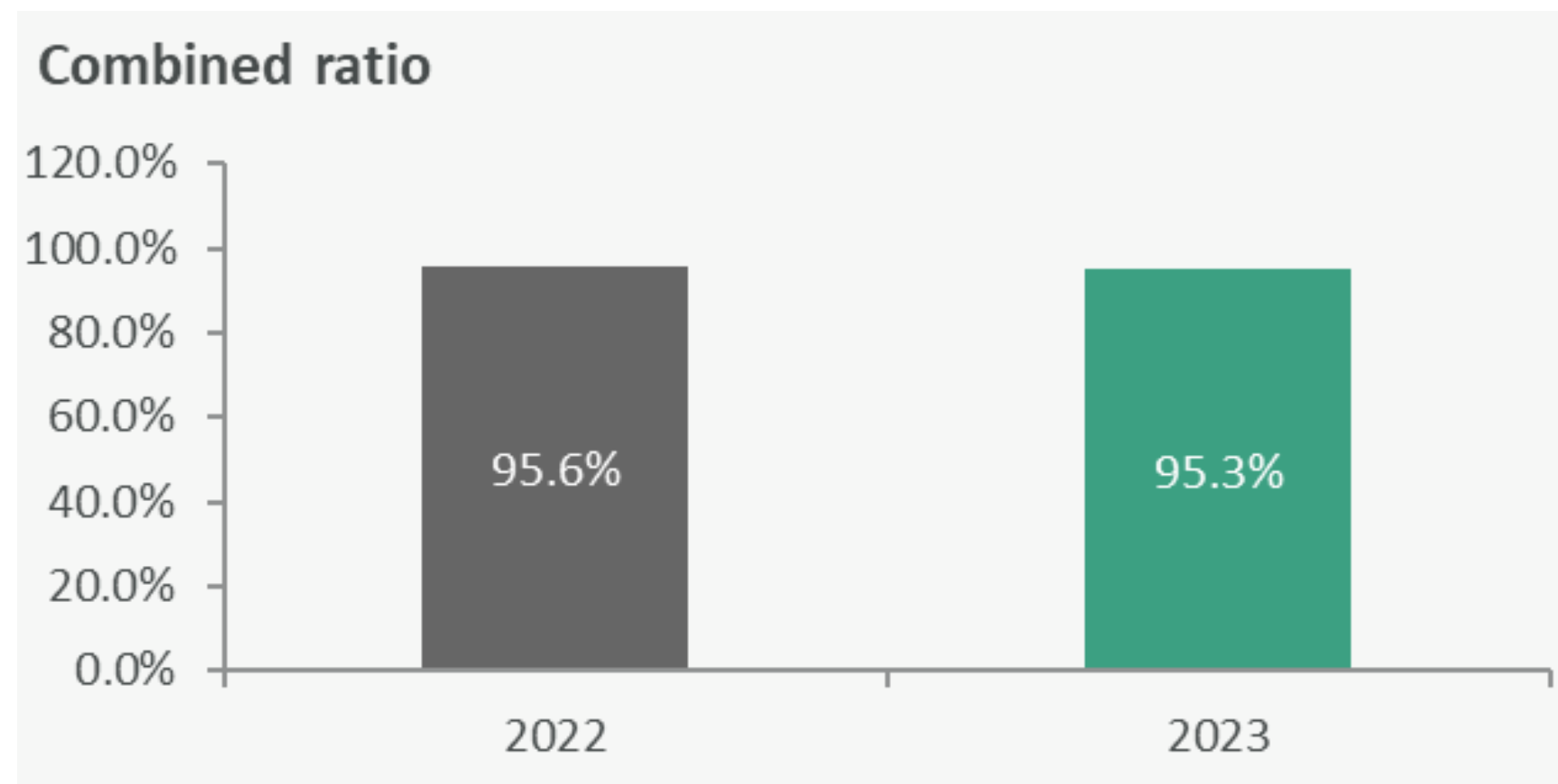
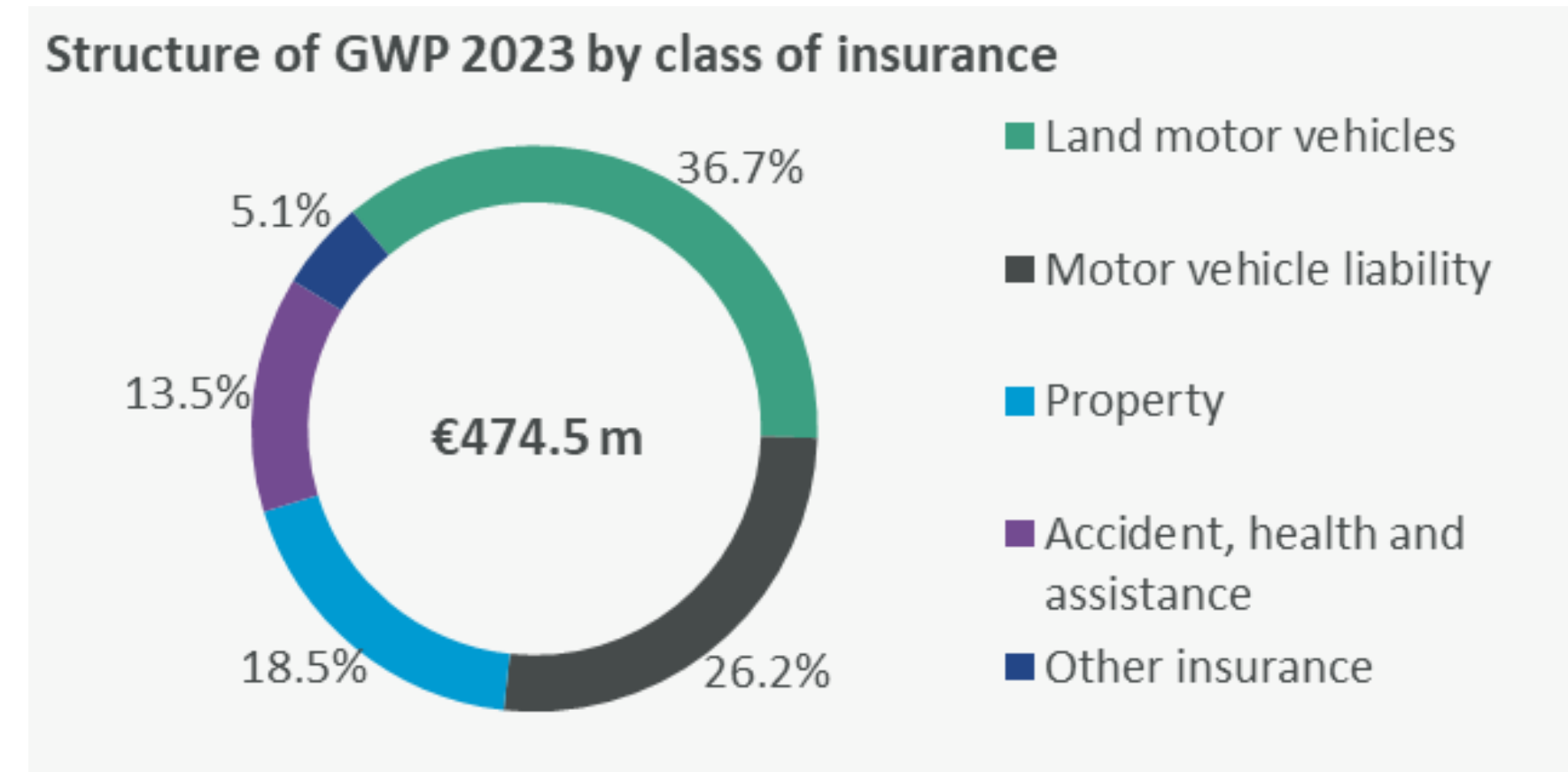
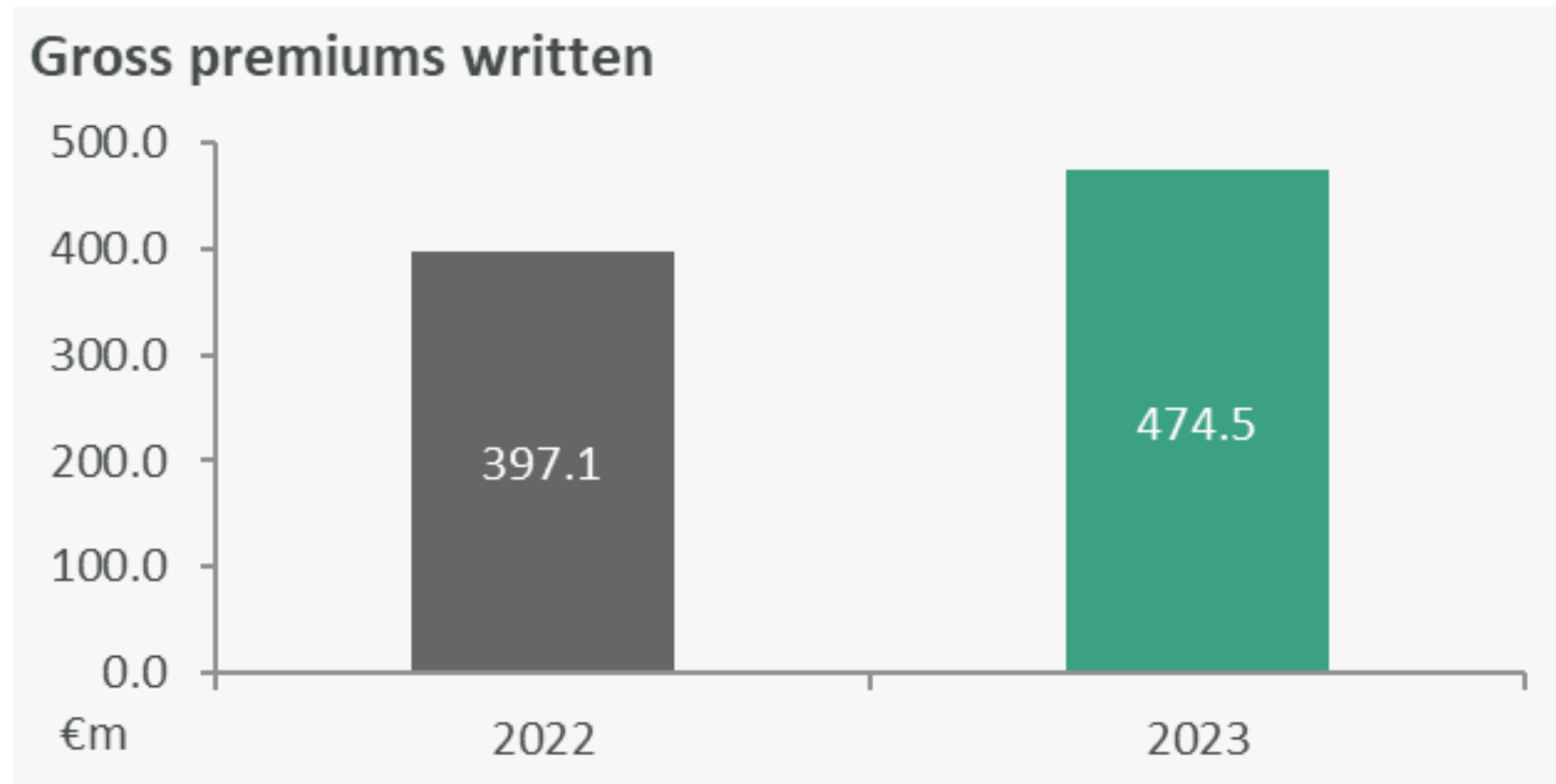


PROFILE OF BUSINESS  
PILLARS

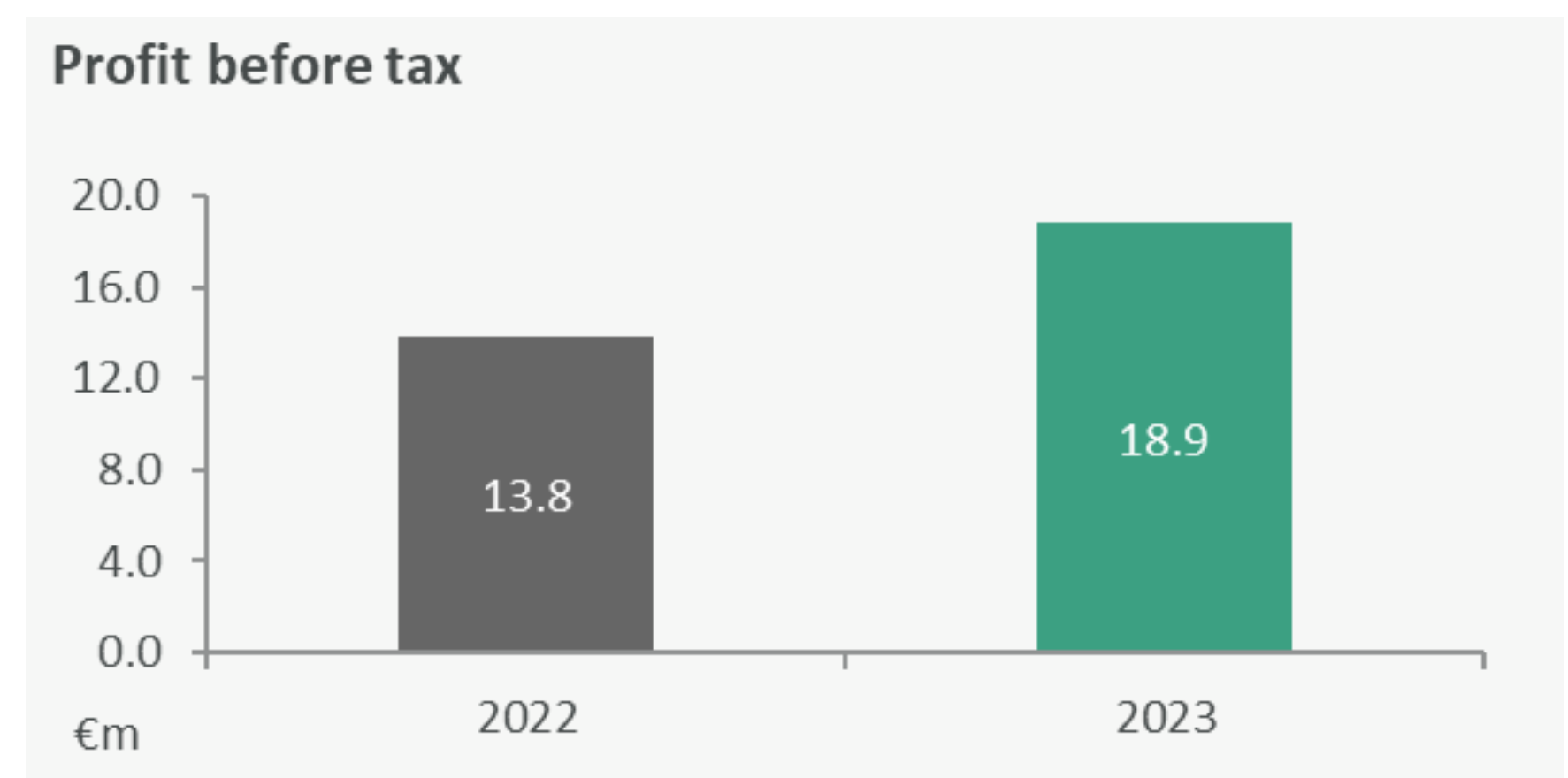
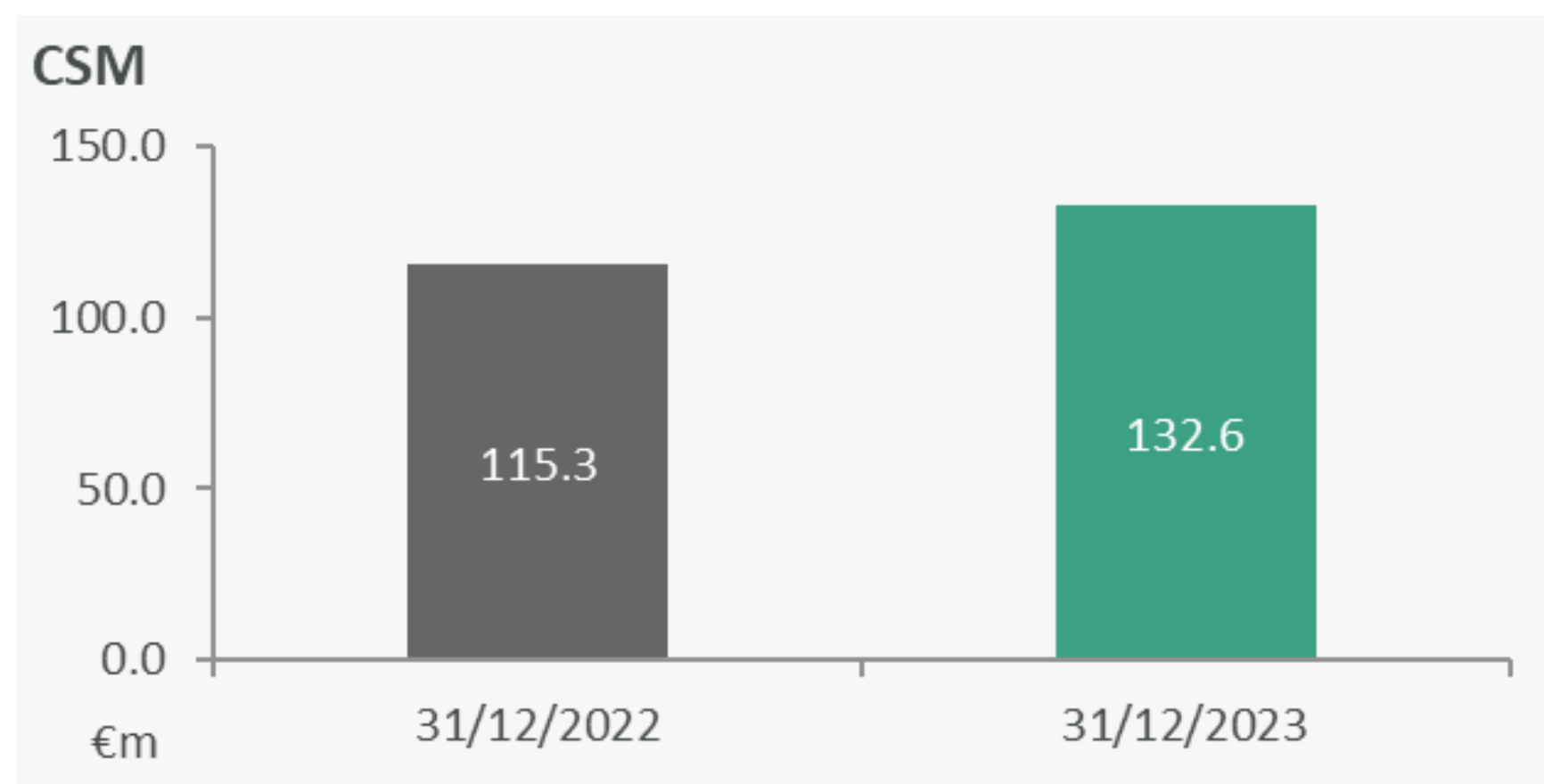
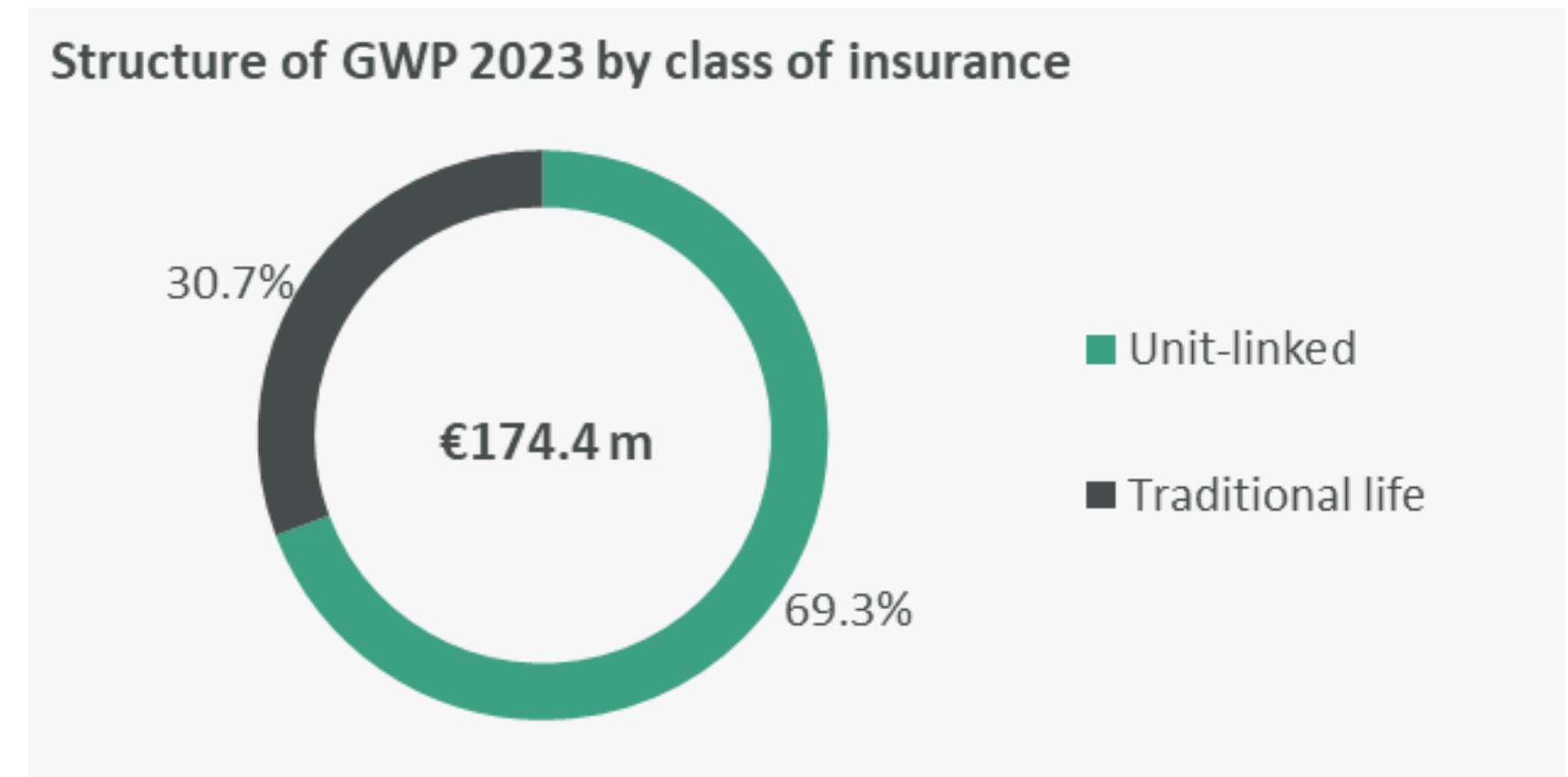
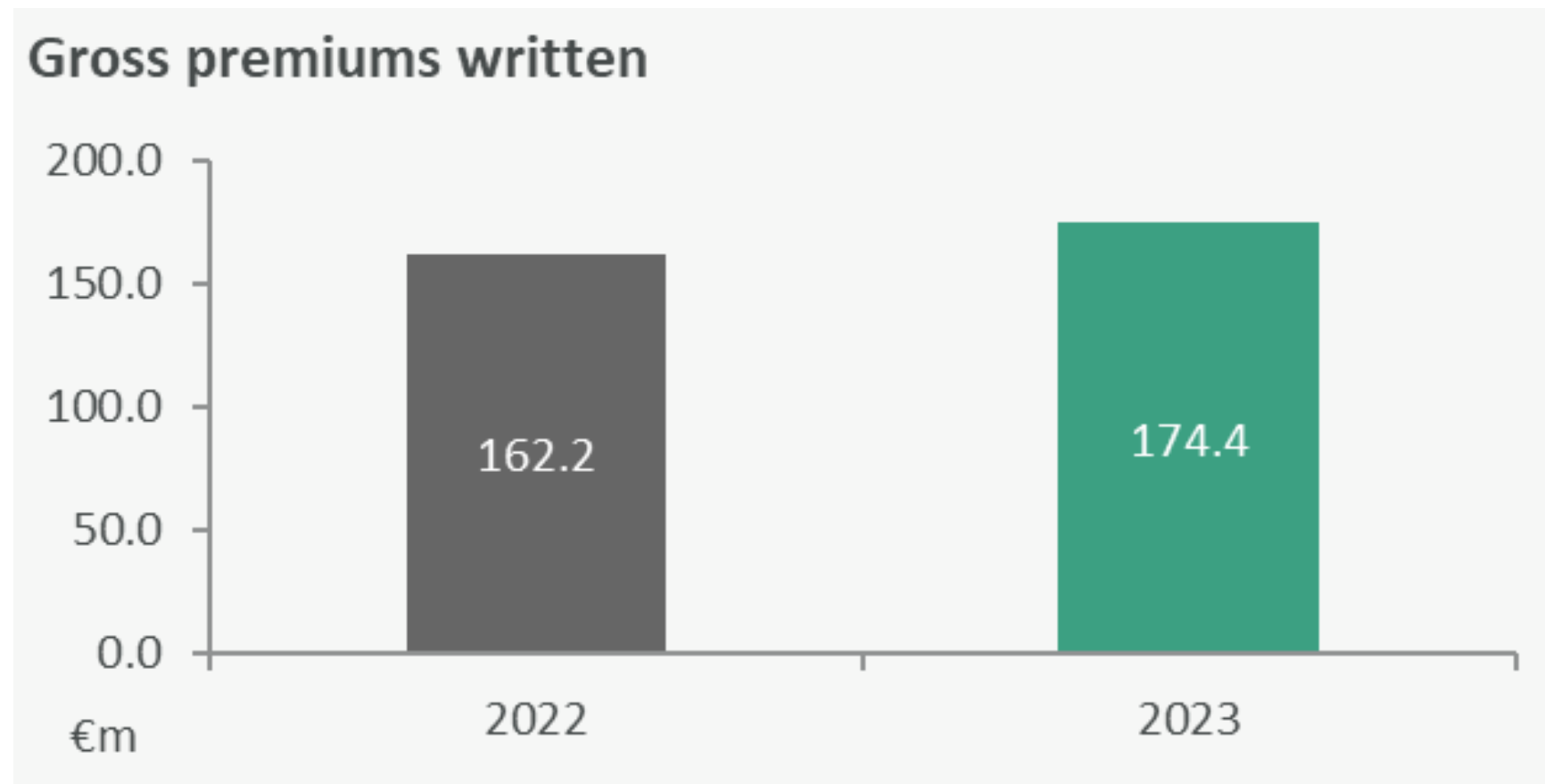
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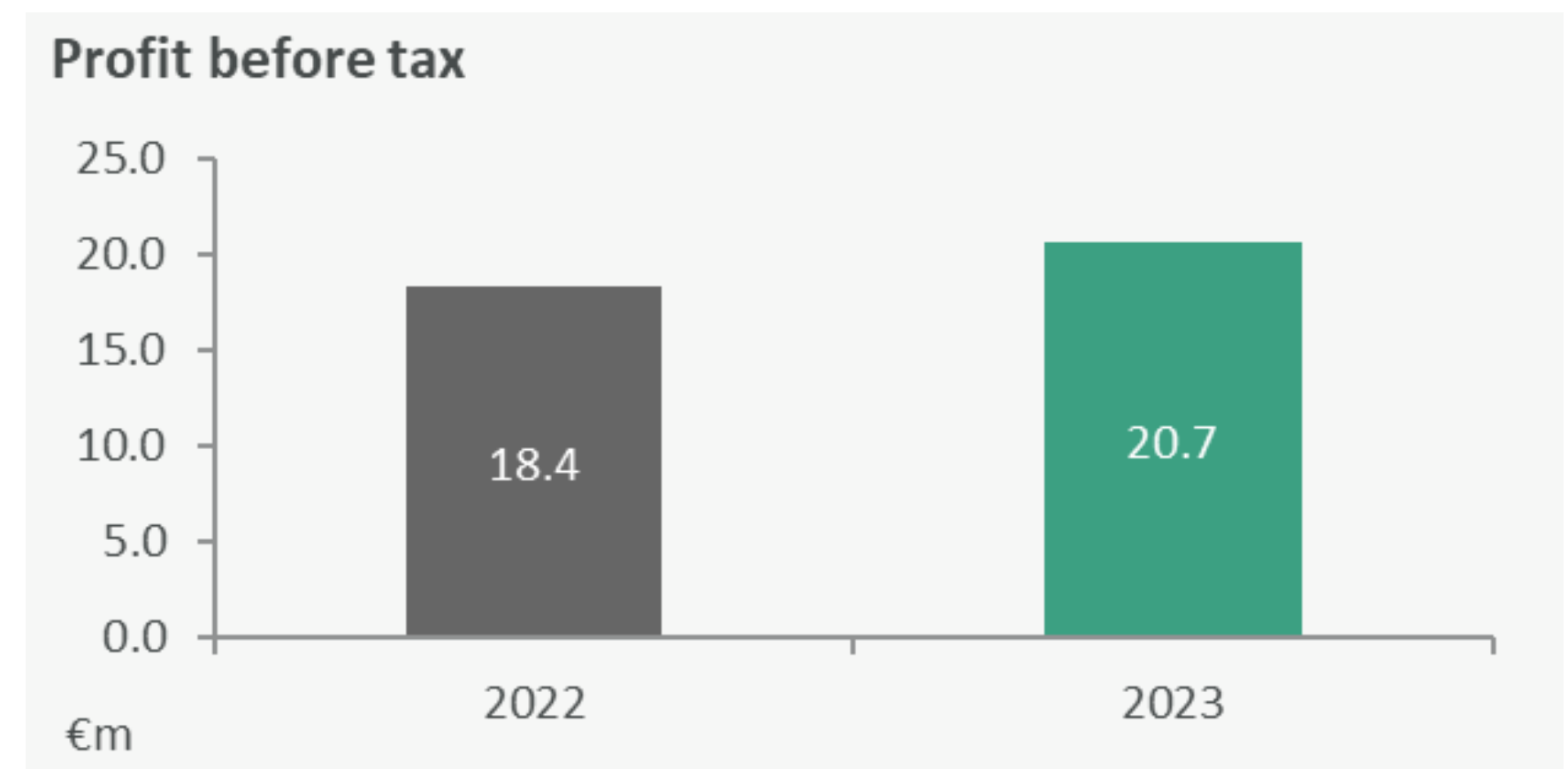
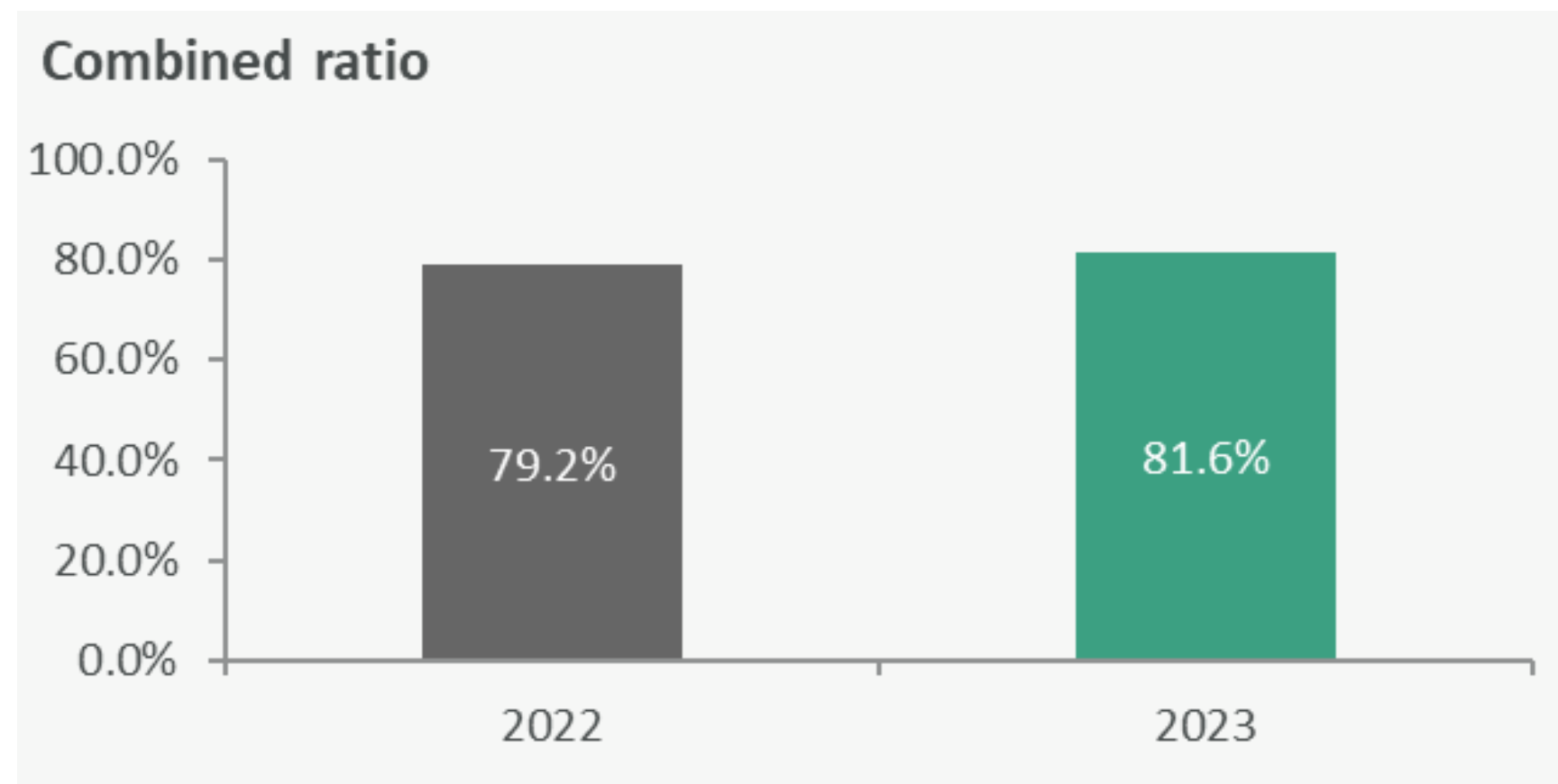
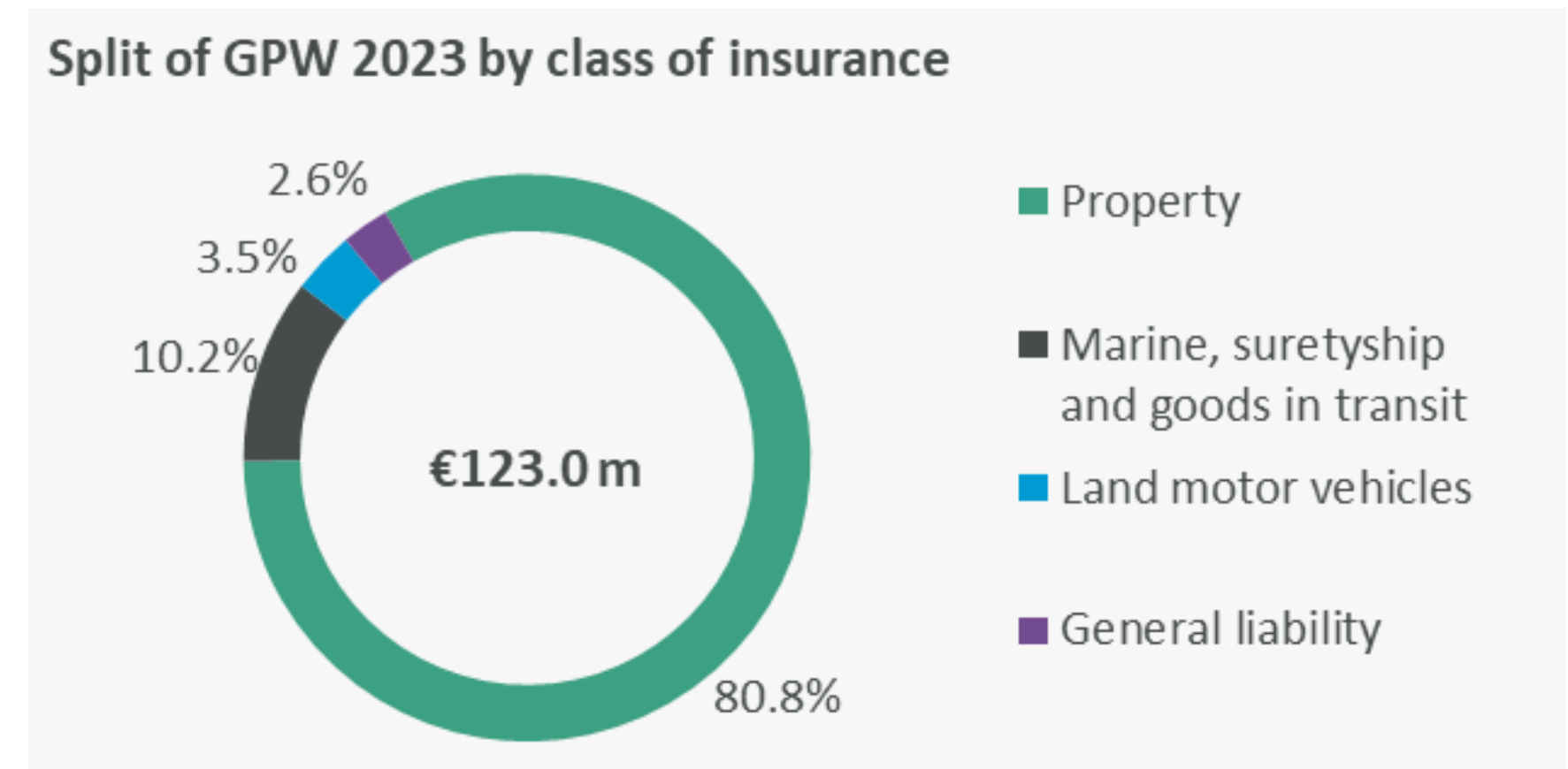
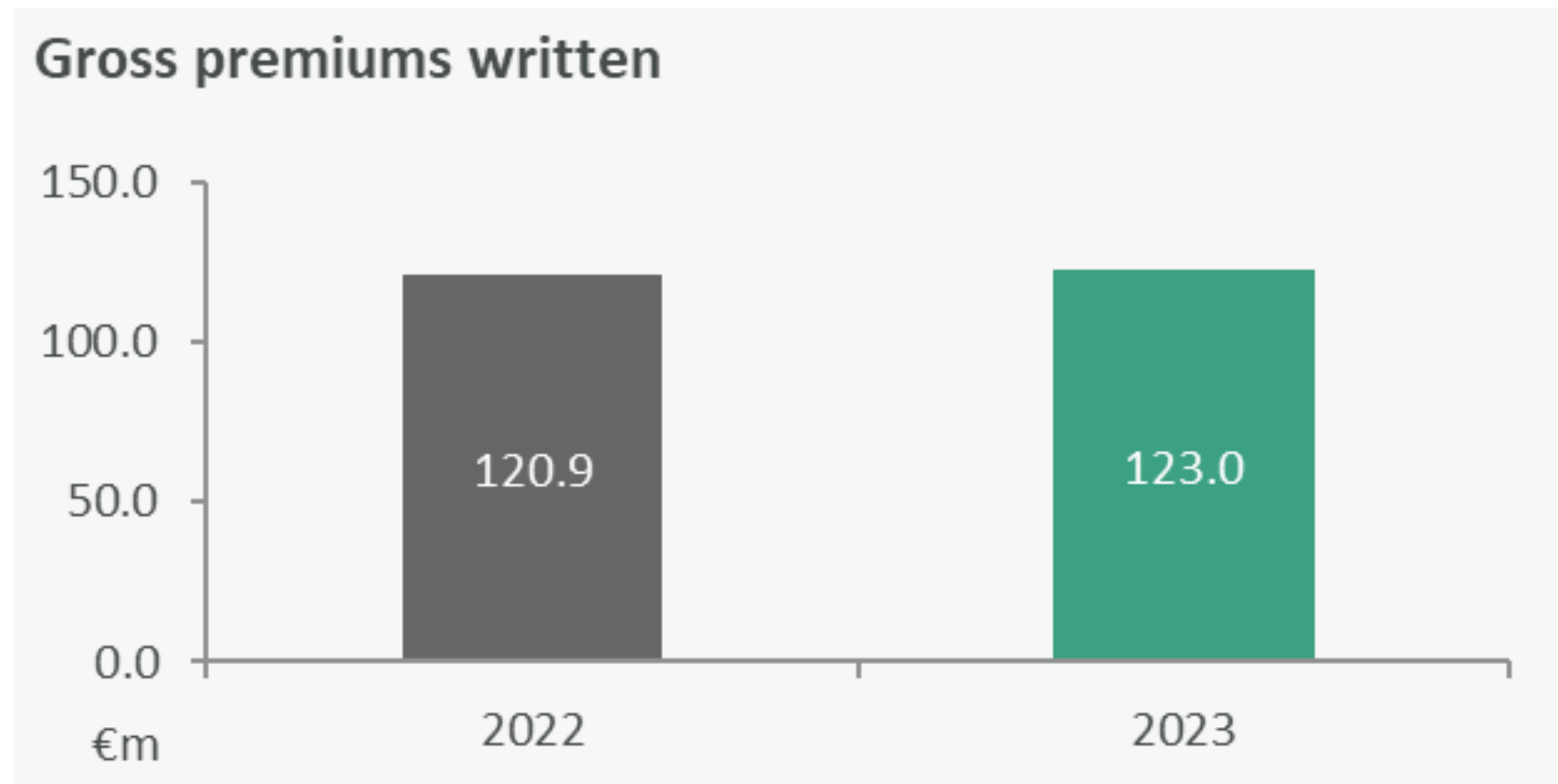
# Non-life EU



# Life EU

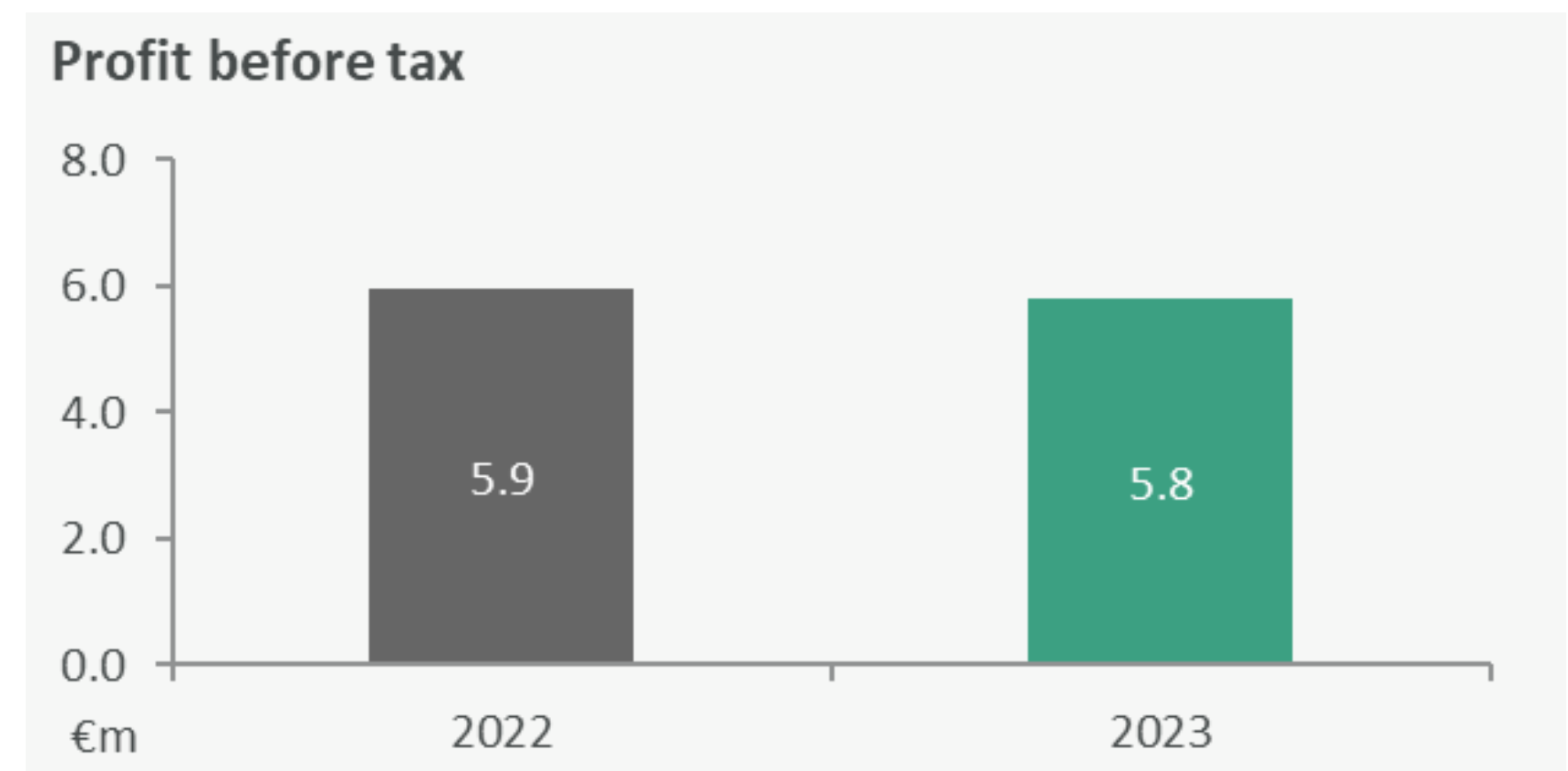
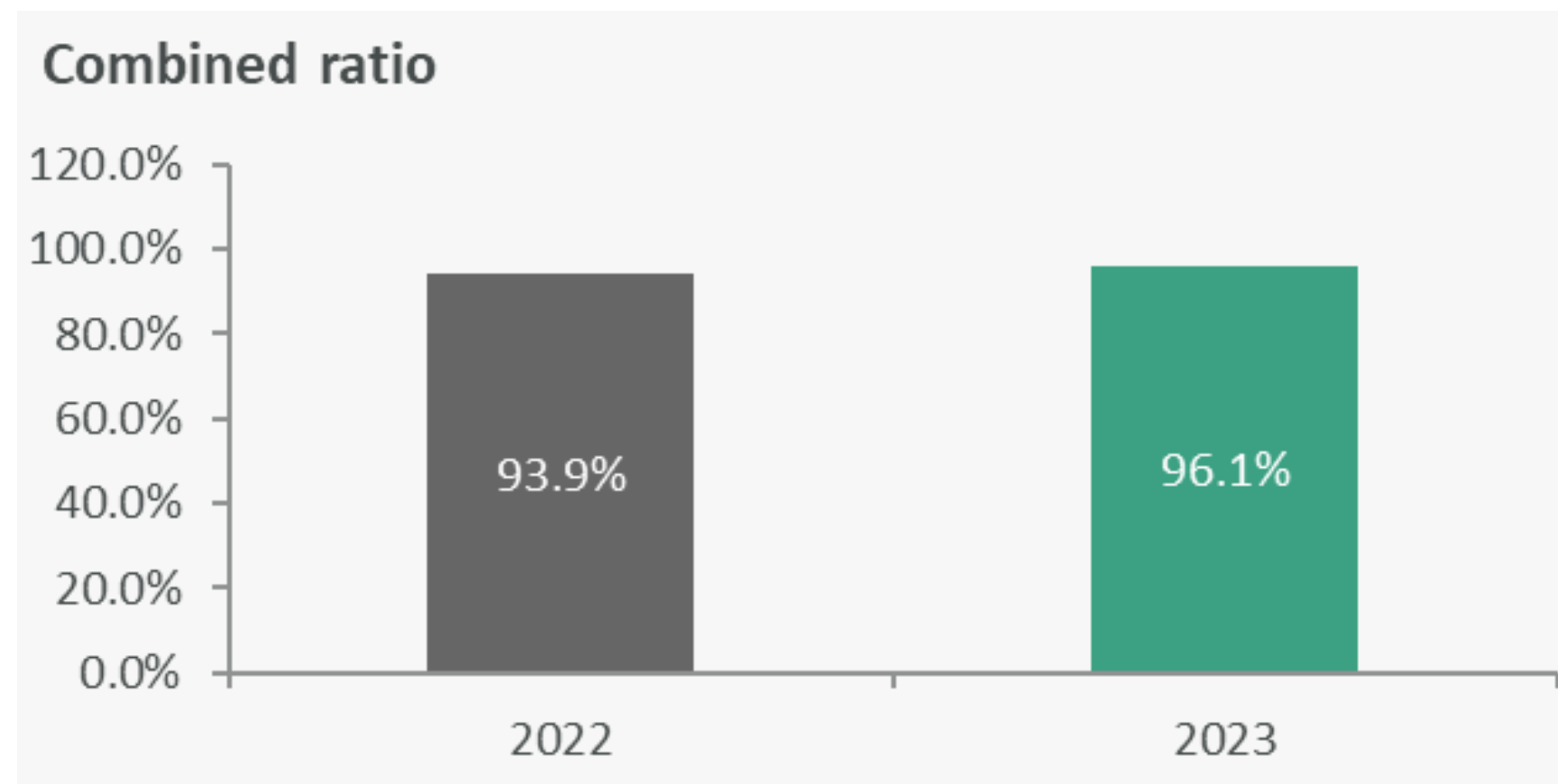
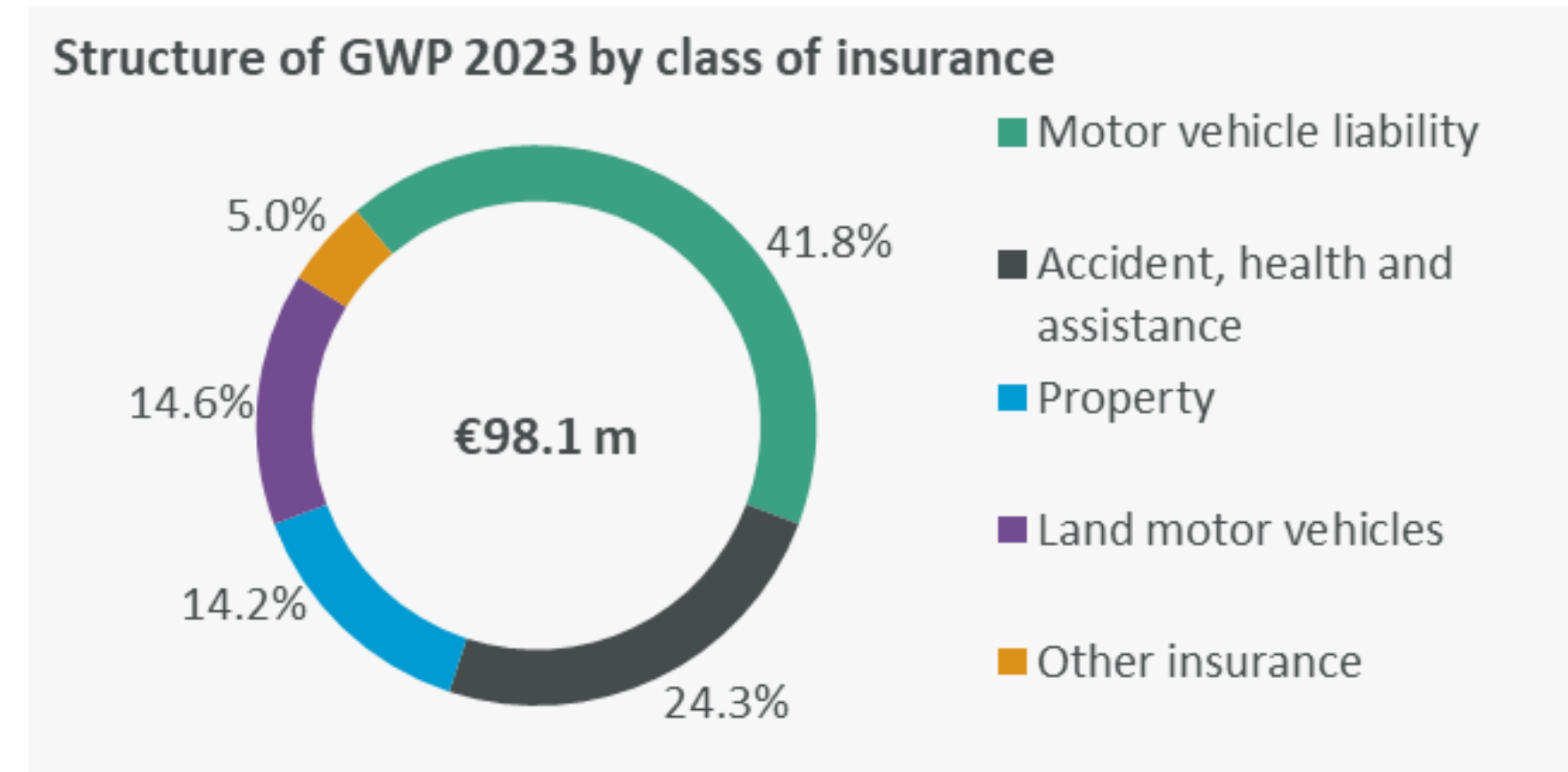
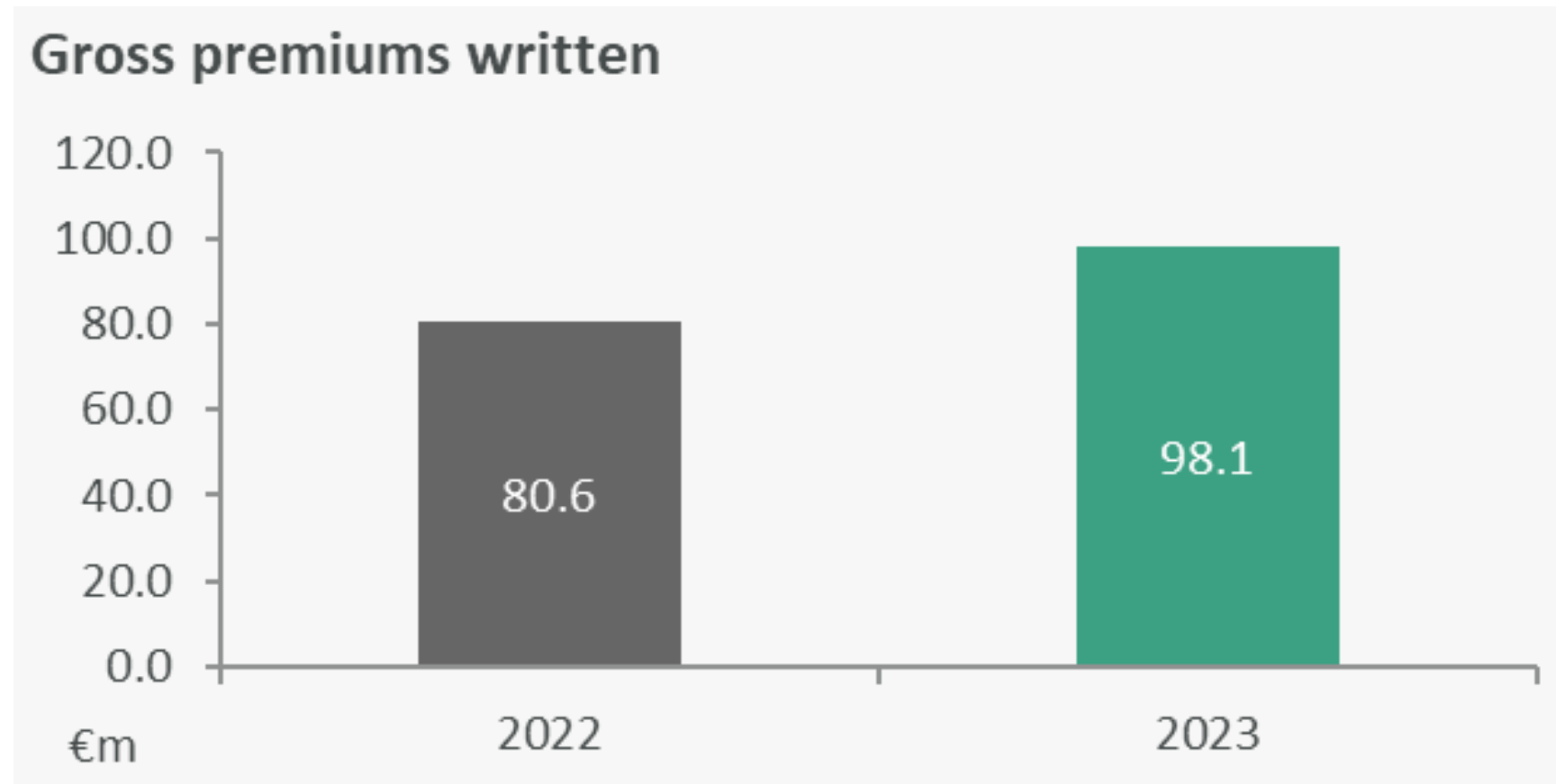


# Reinsurance

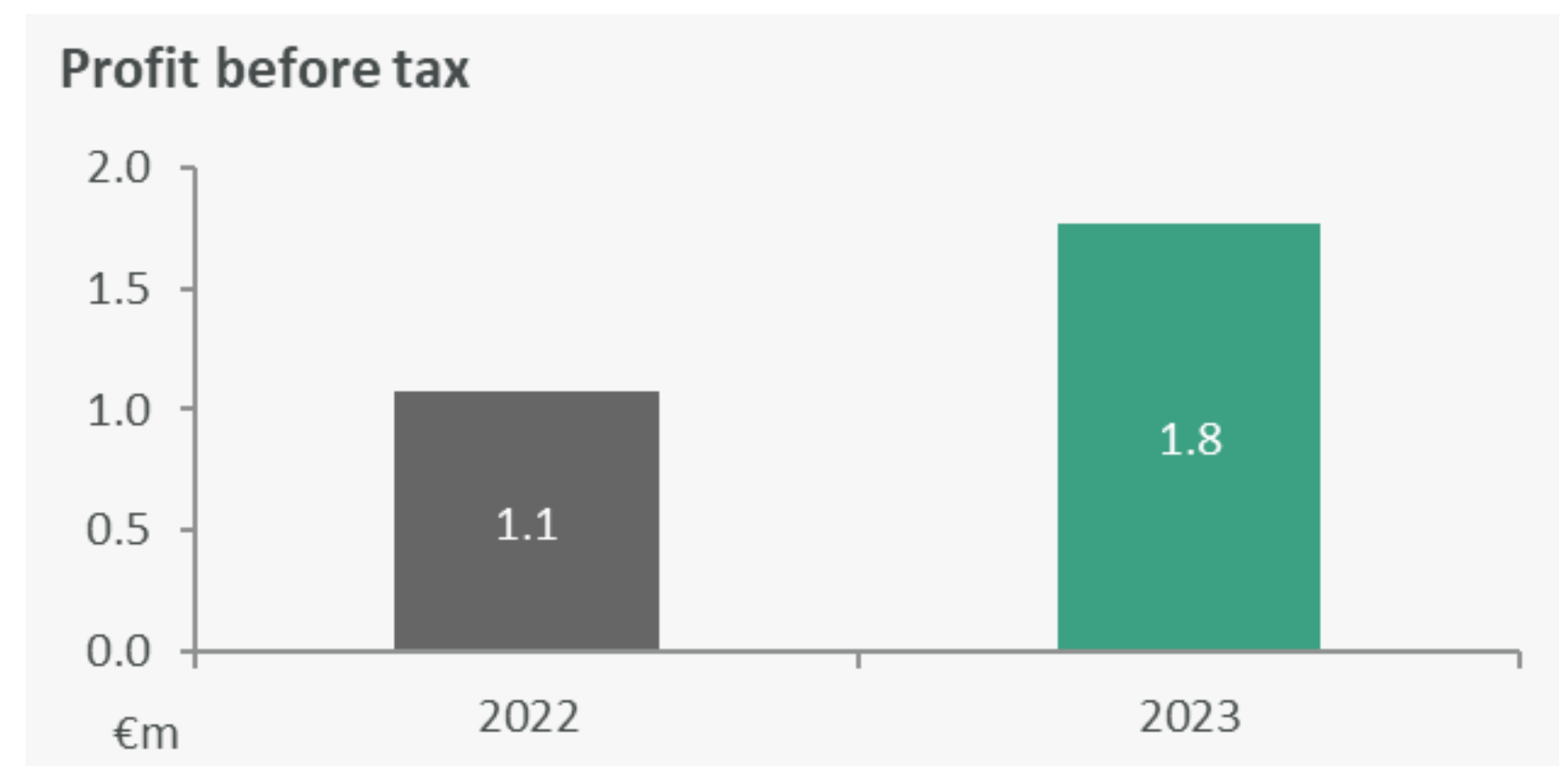
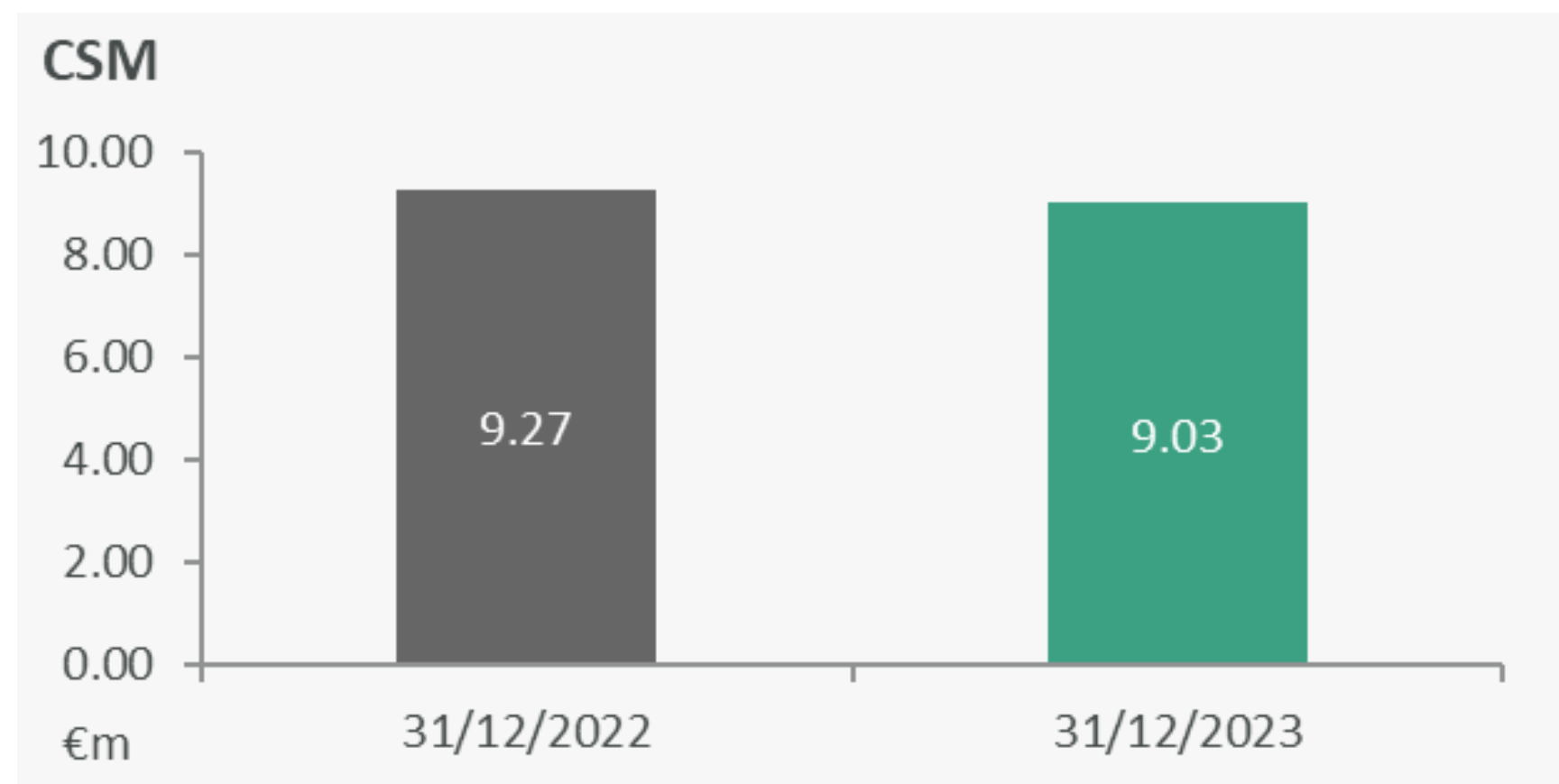
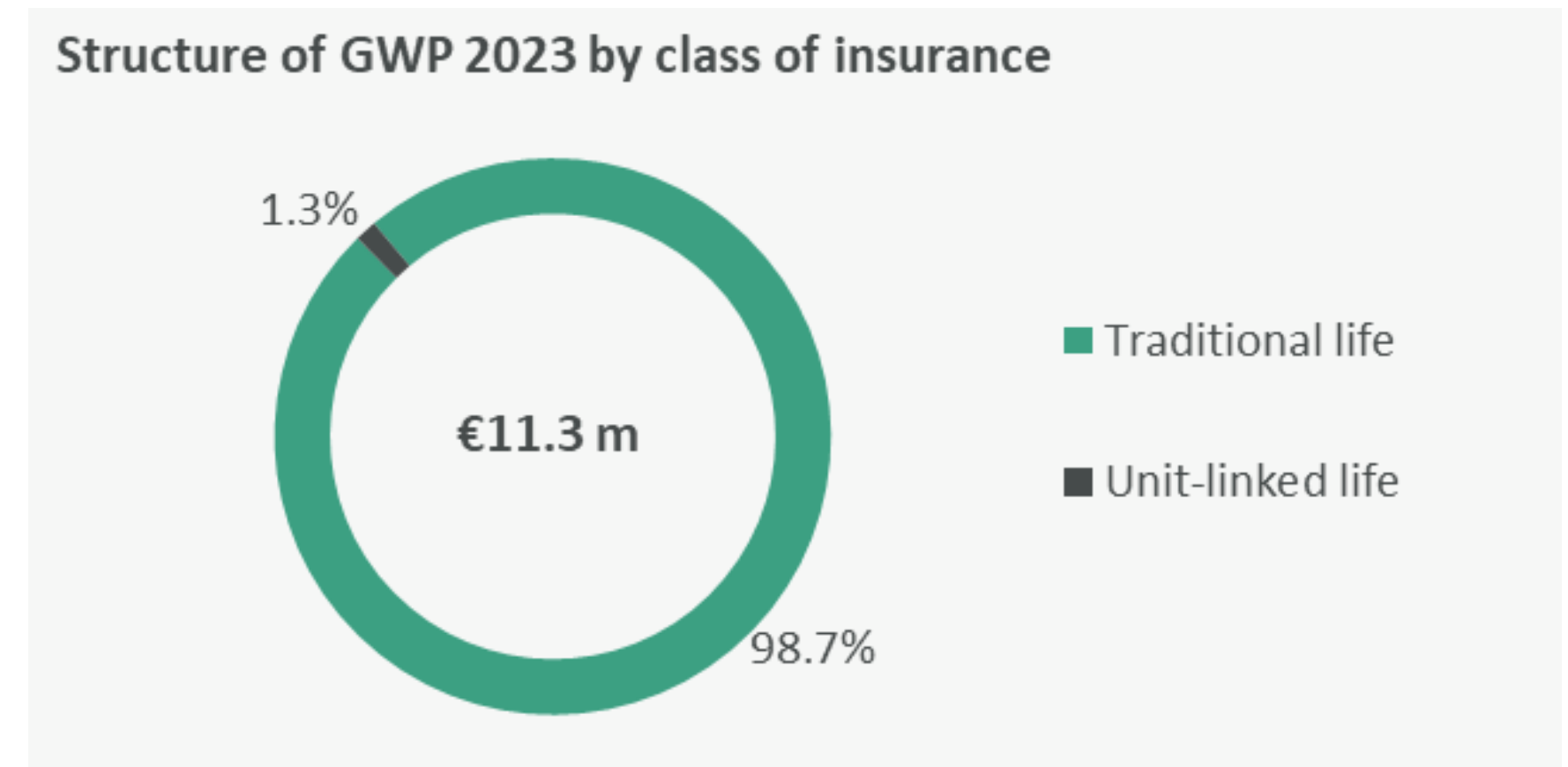
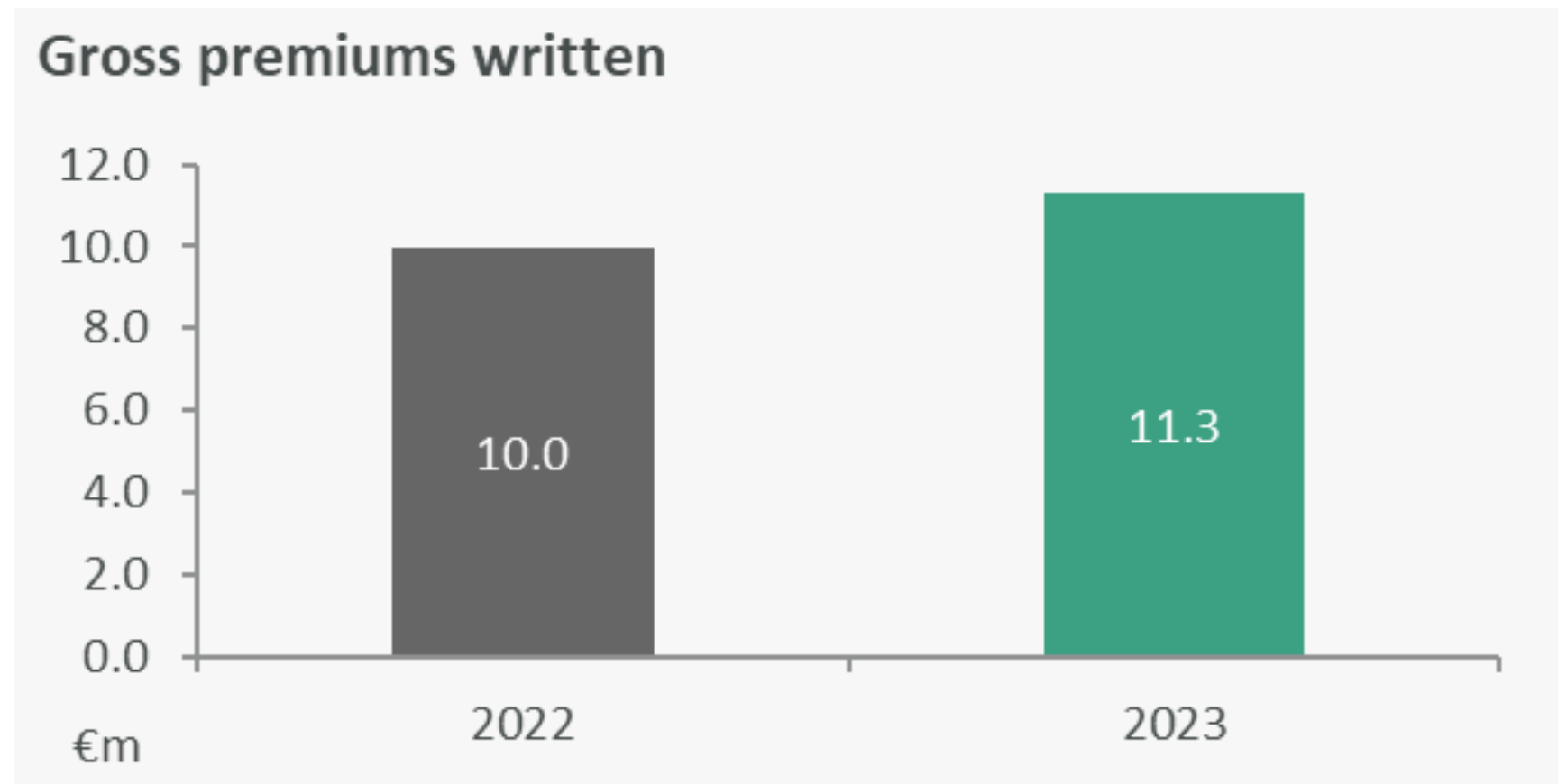




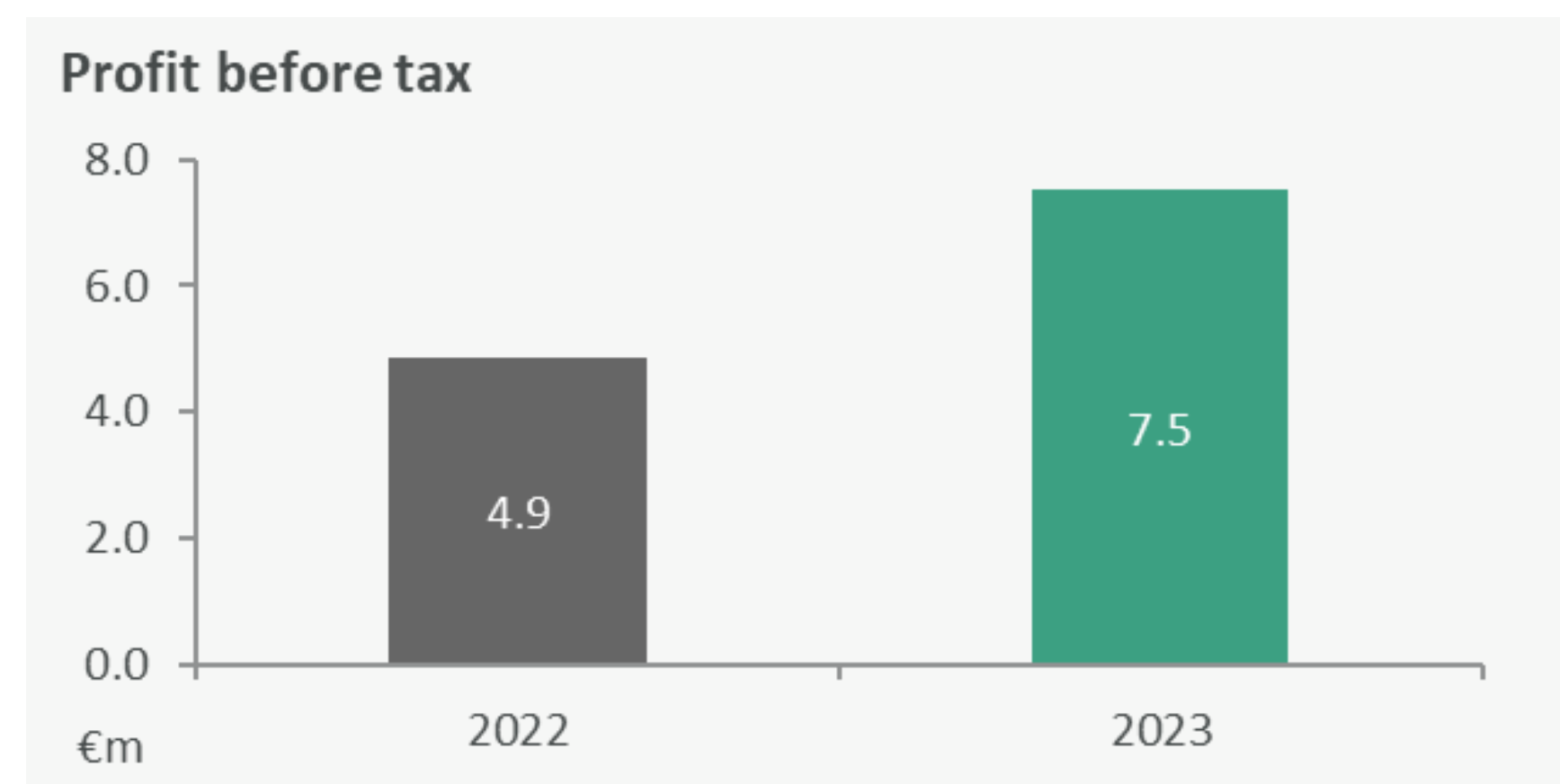
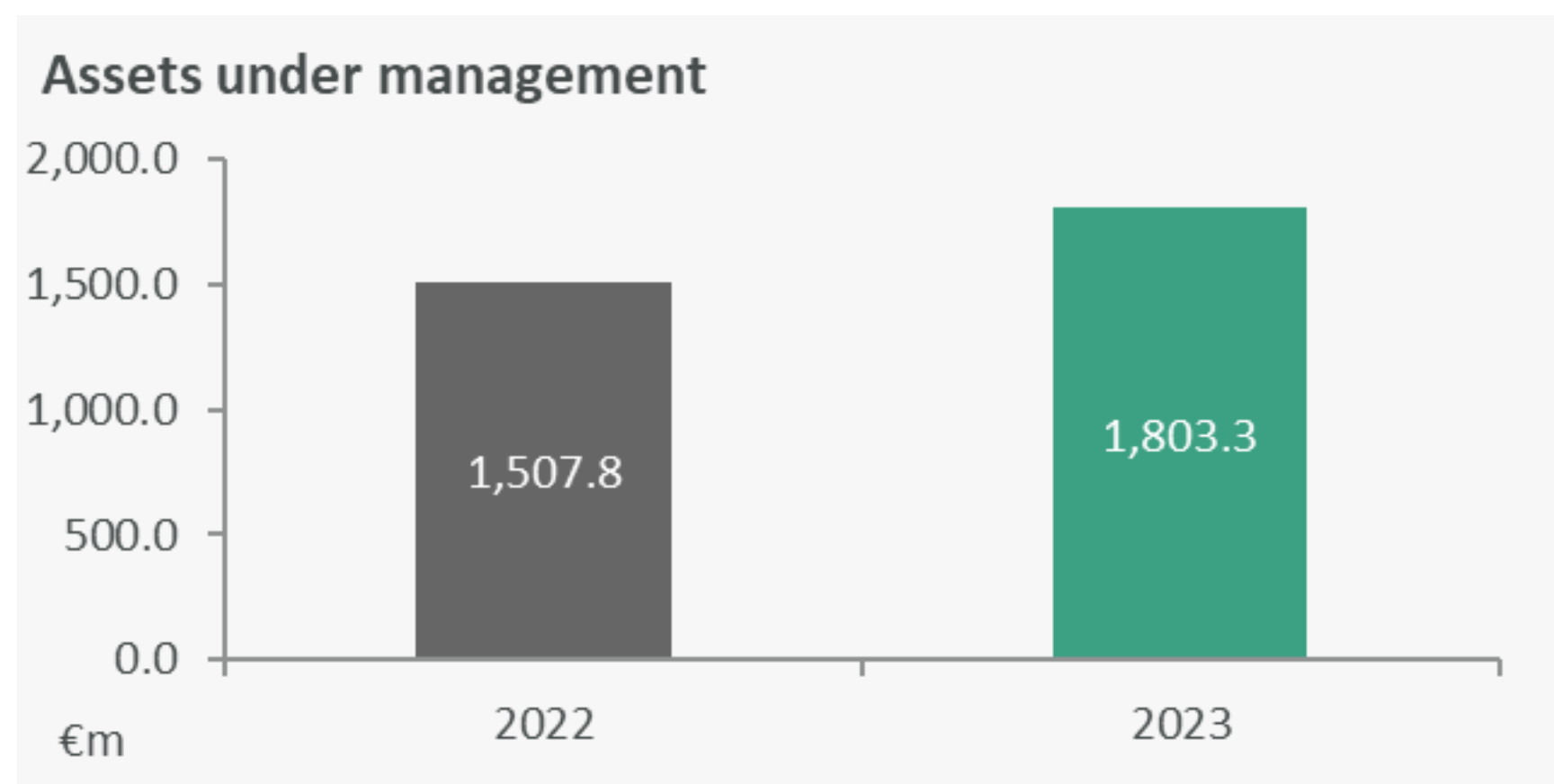
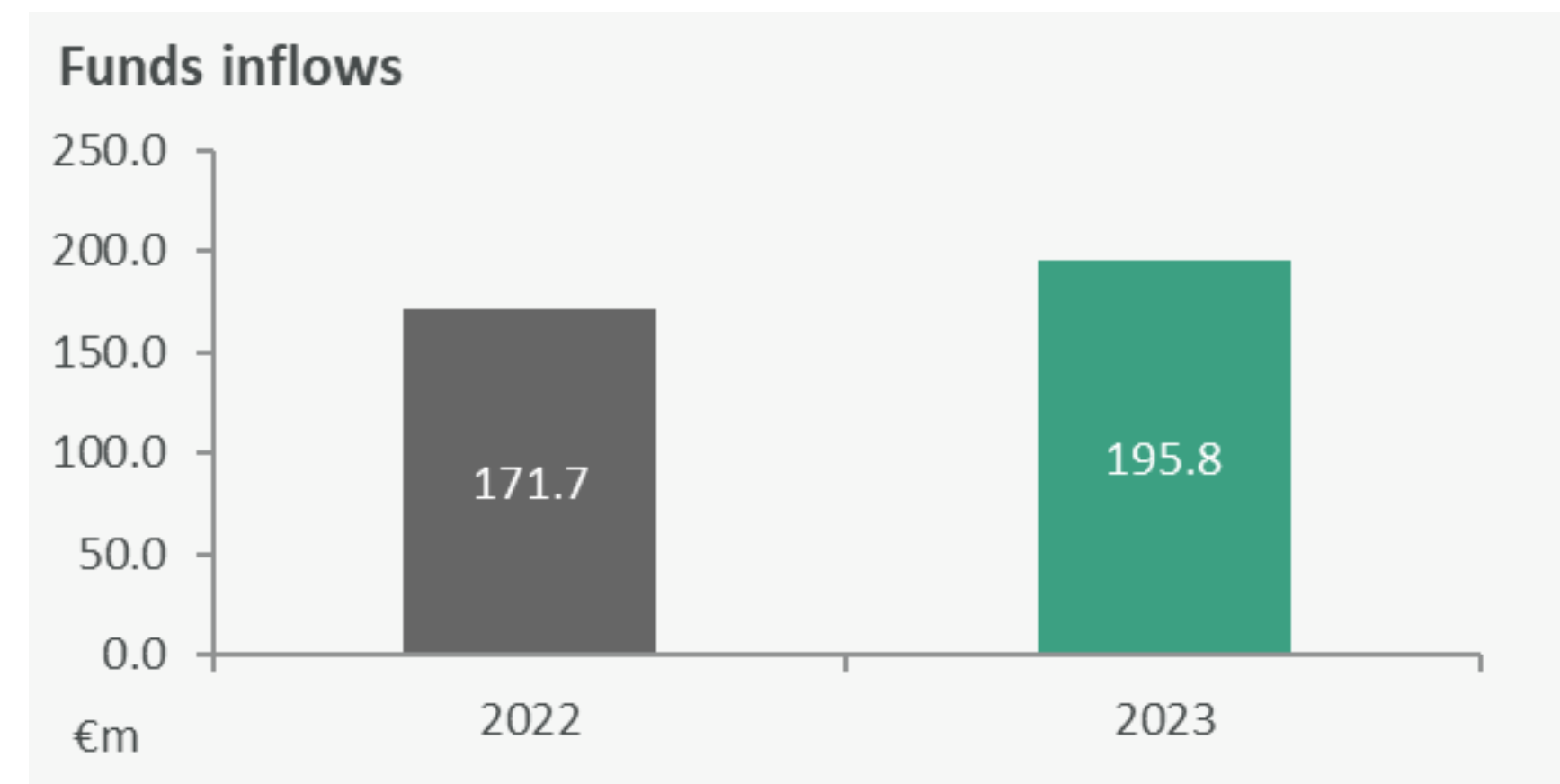
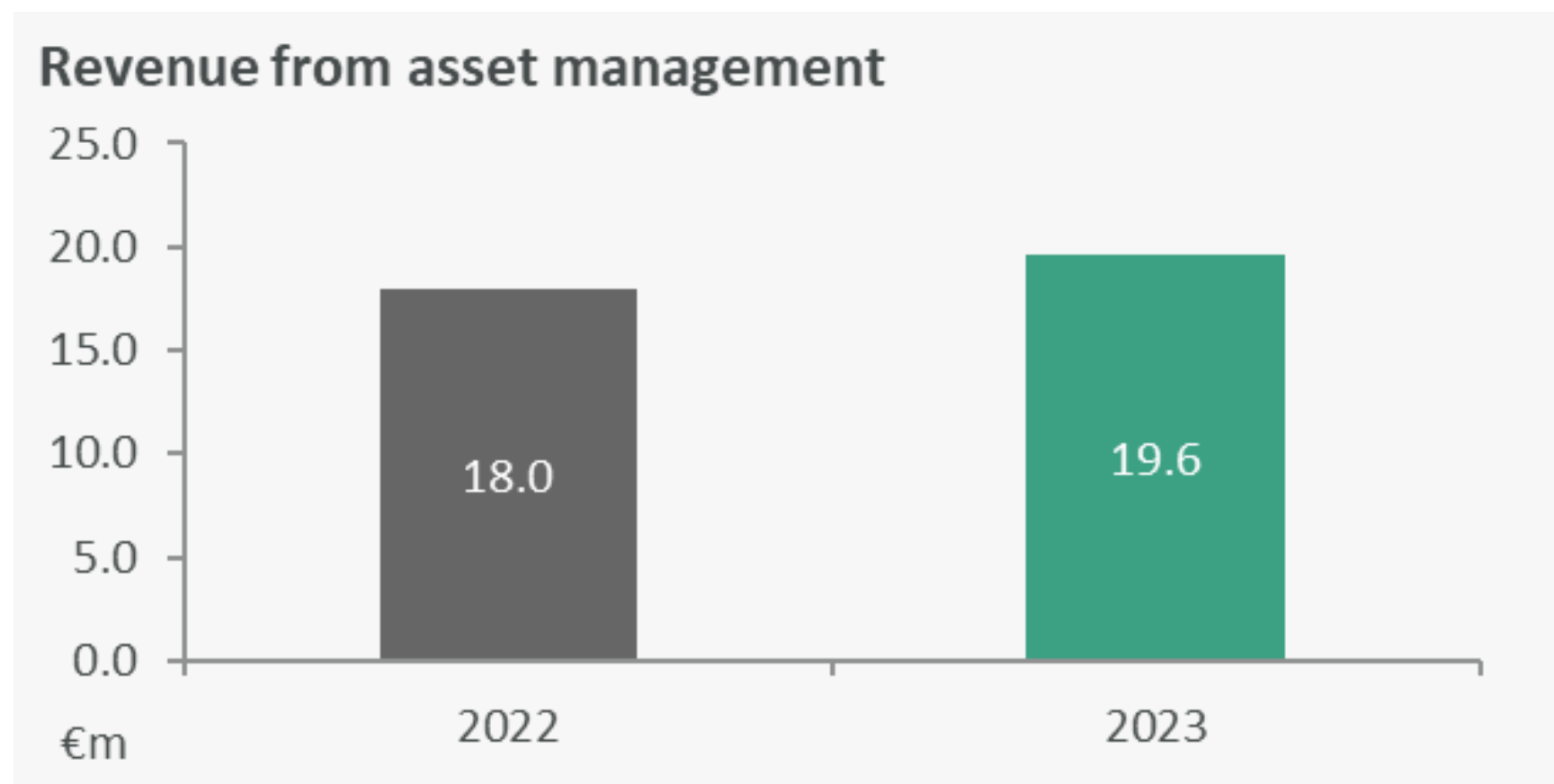
# Non-life non-EU



## Life non-EU



# Pensions and asset management





2023 RESULTS

03

# Highlights 2023



## Growth in gross written premiums of 14.3%

strongest growth in **motor business**, reflecting more policies sold and higher average premiums and in the **life segment** due to improved sales of both life risk and unit-linked life policies



In the summer of 2023, Slovenia and the wider region were hit by a **wave of storms and floods** with a significant impact on profit of **€27.4m**



## Net profit of €64.7m (2022: €46.9m)

**Lower result before reinsurance:** impact of summer storms mitigated by reinsurance protection

**Higher result after reinsurance:** growth in insurance revenue due to the adjustment of prices to reflect claims inflation, which was depressing the insurance service result in 2022, and organic growth

**Better investment result:** investment at higher interest rates and positive impact from change in the fair value of FVTPL investments (negative impact in 2022)



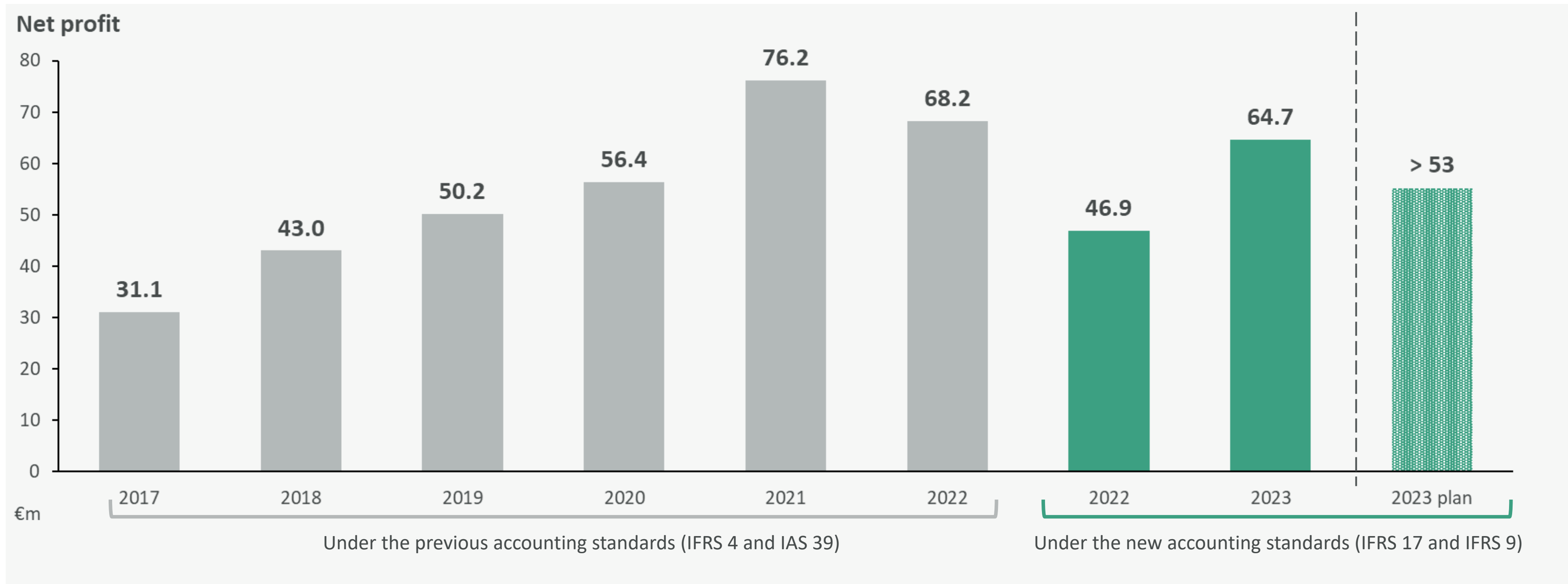
# Profit target exceeded

Profit before tax  
**€79.6m**  
 2023/2022: **+36.1%**

Net profit  
**€64.7m**  
 2023/2022: **+37.8%**



Plan achieved



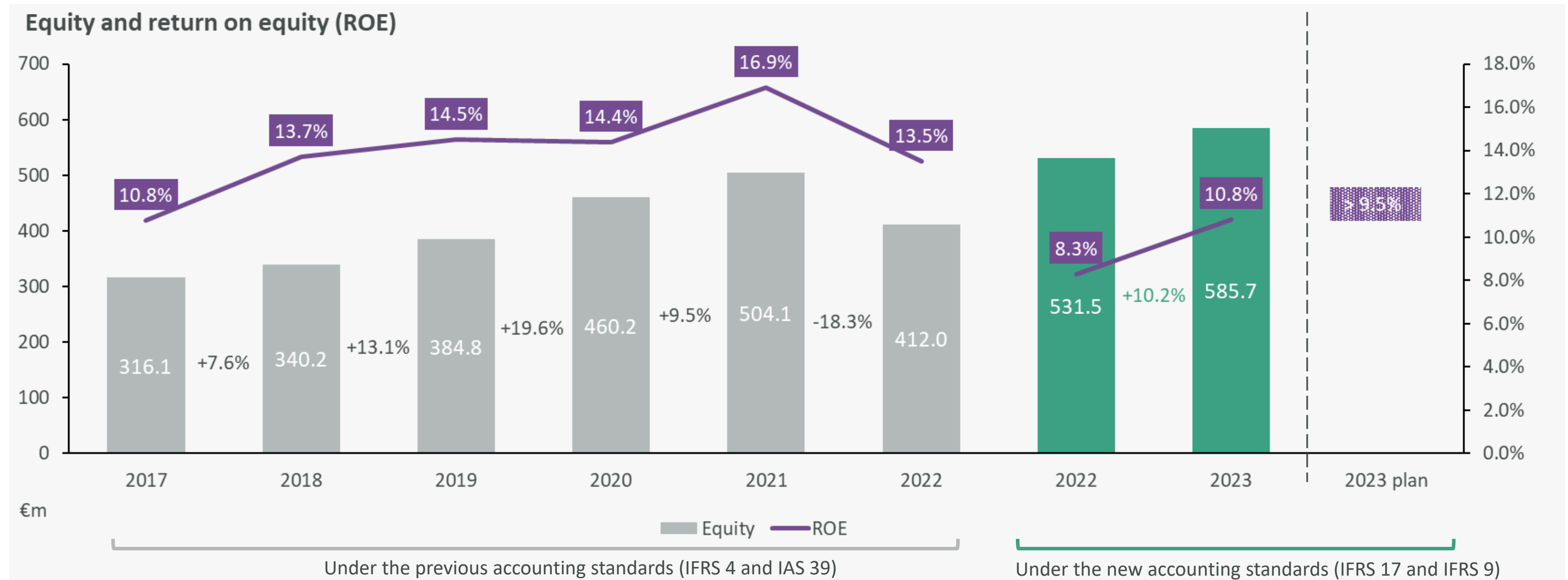
# Target return on equity exceeded

**Equity**  
**€585.7m**  
 2023/2022: **+10.2%**

**Return on equity (ROE)**  
**10.8%**  
 2023/2022: **+2.5 p.p.**



**Plan achieved**



# Growth in contractual service margin (CSM)

Contractual service margin (CSM)

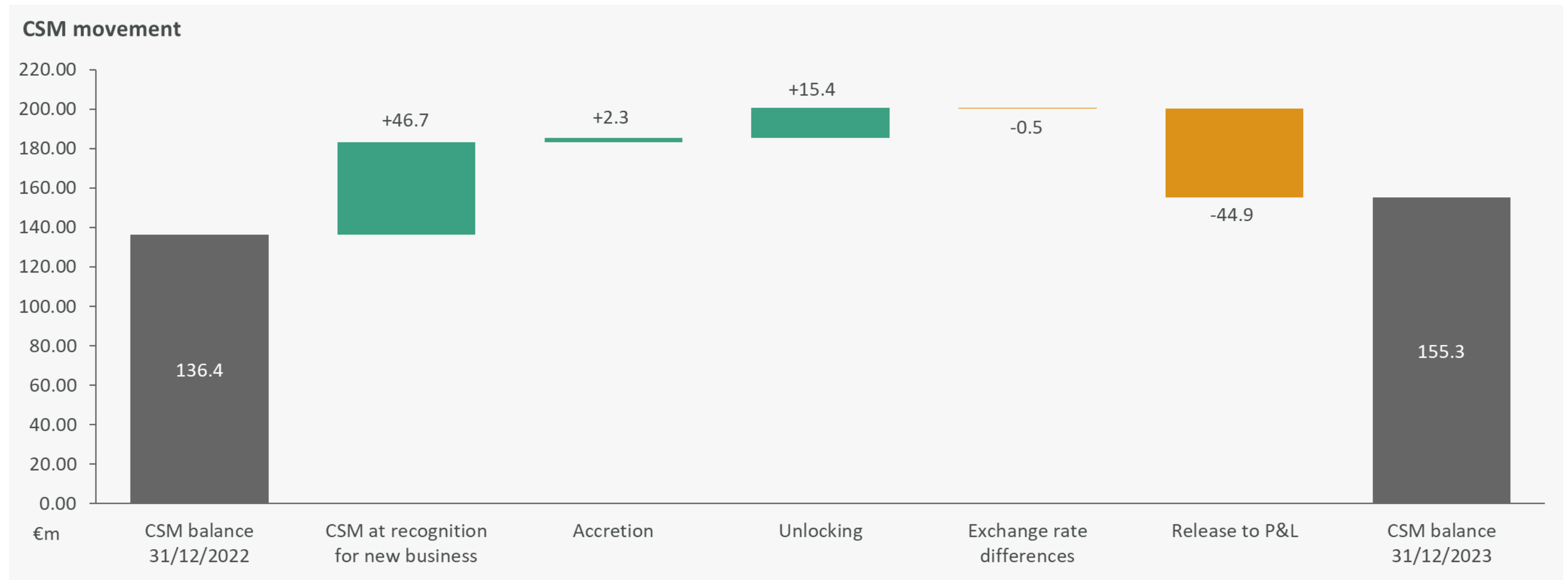
**€155.3m**

2023/2022: **+13.9%**

Net contractual service margin (CSM)

**€149.4m**

2023/2022: **+15.4%**





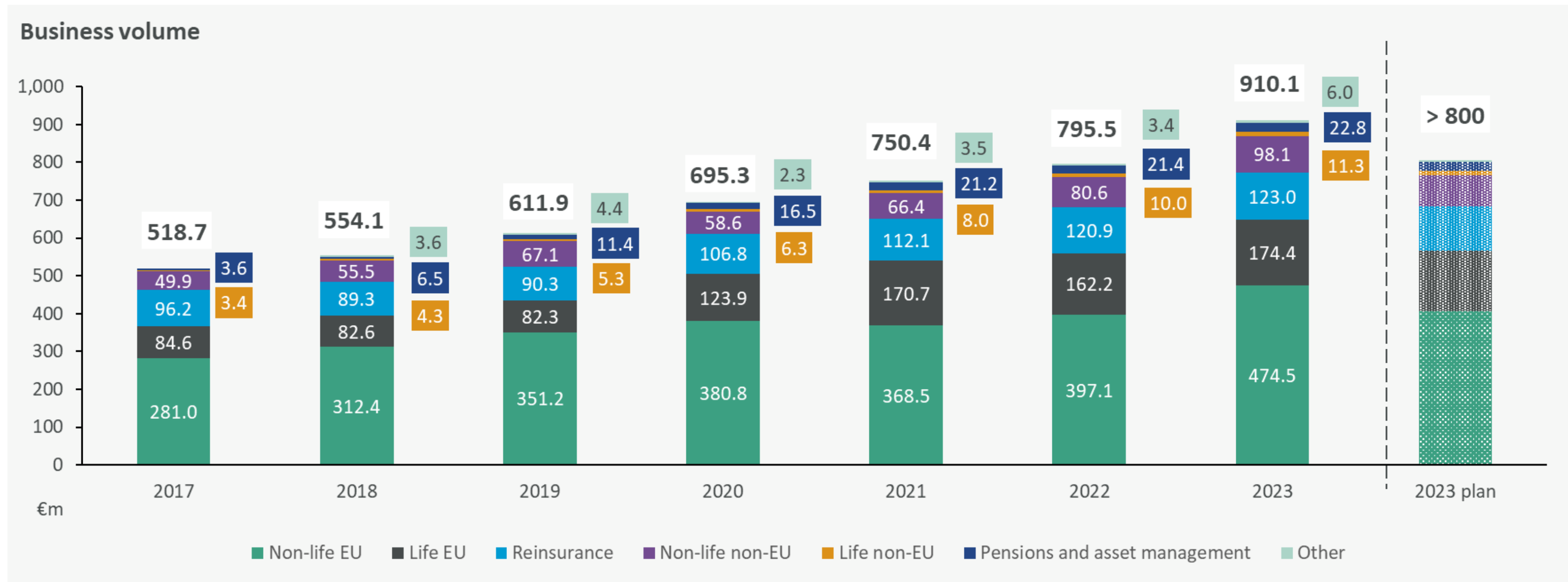
# Business volume exceeds target due to continued strong growth

**Business volume**  
**€910.1m**  
 2023/2022: +14.4%

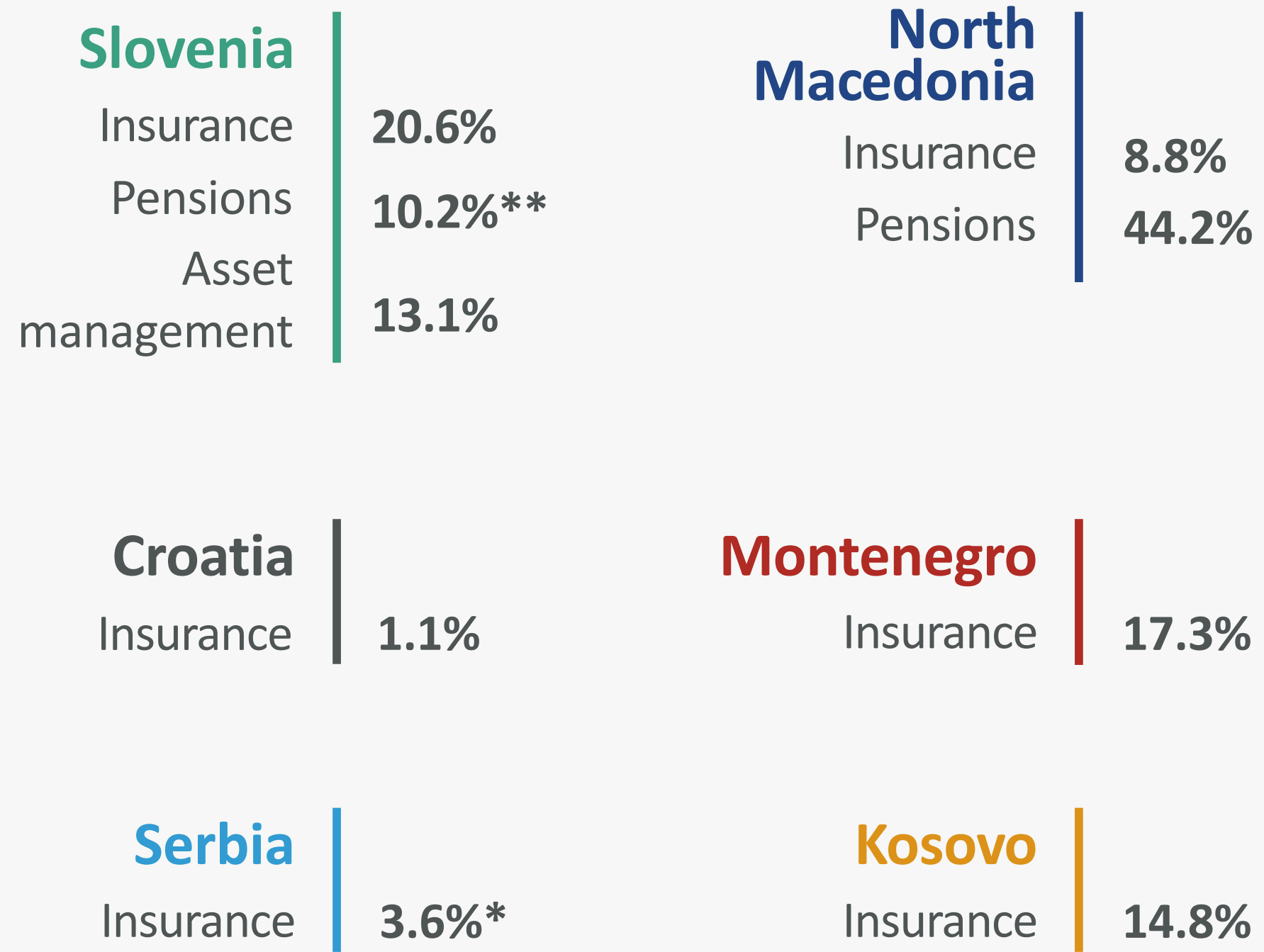
**Gross premiums written**  
**€884.6m**  
 2023/2022: +14.3%



Plan achieved



# Market shares



Sava Re operates in more than 110 reinsurance markets worldwide. It has a very small share of the global reinsurance market.

\* 1–9/2023 as data for the full year 2022 have not yet been published.

\*\* 1–12/2022 as more recent data not available.

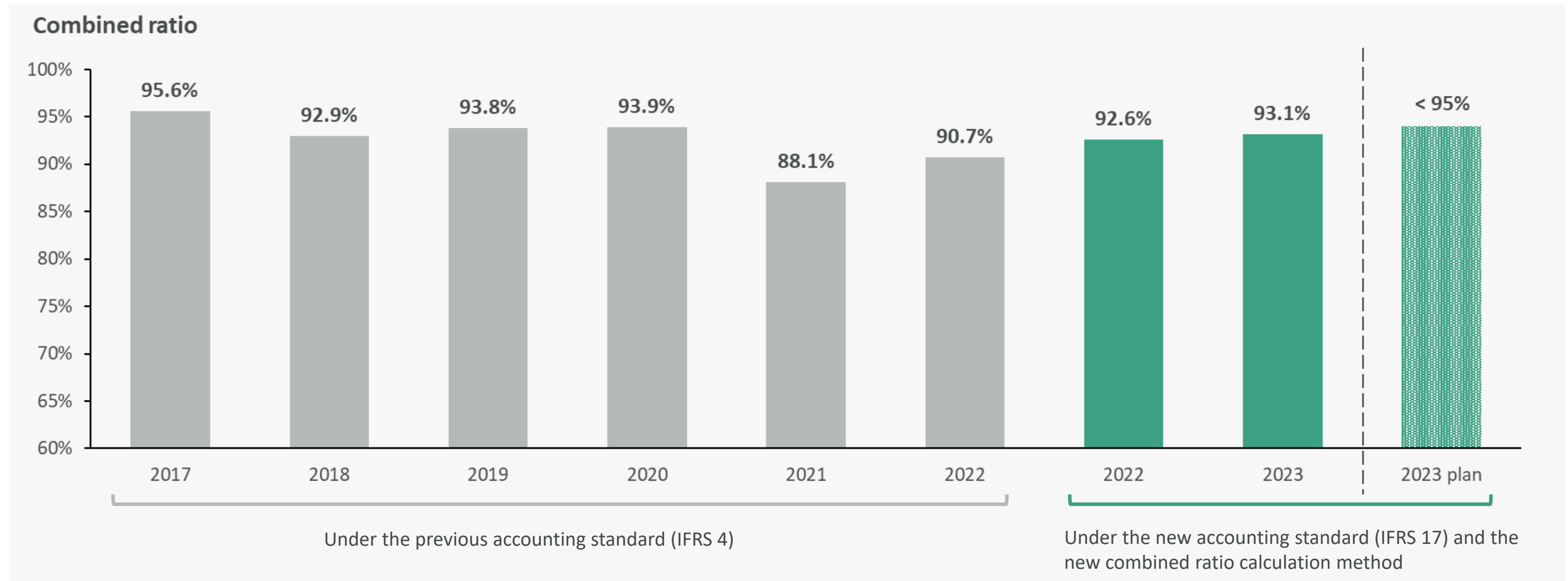


# Combined ratio within target range

Combined ratio  
**93.1%**  
 2023/2022: +0.5 p.p.



Plan achieved



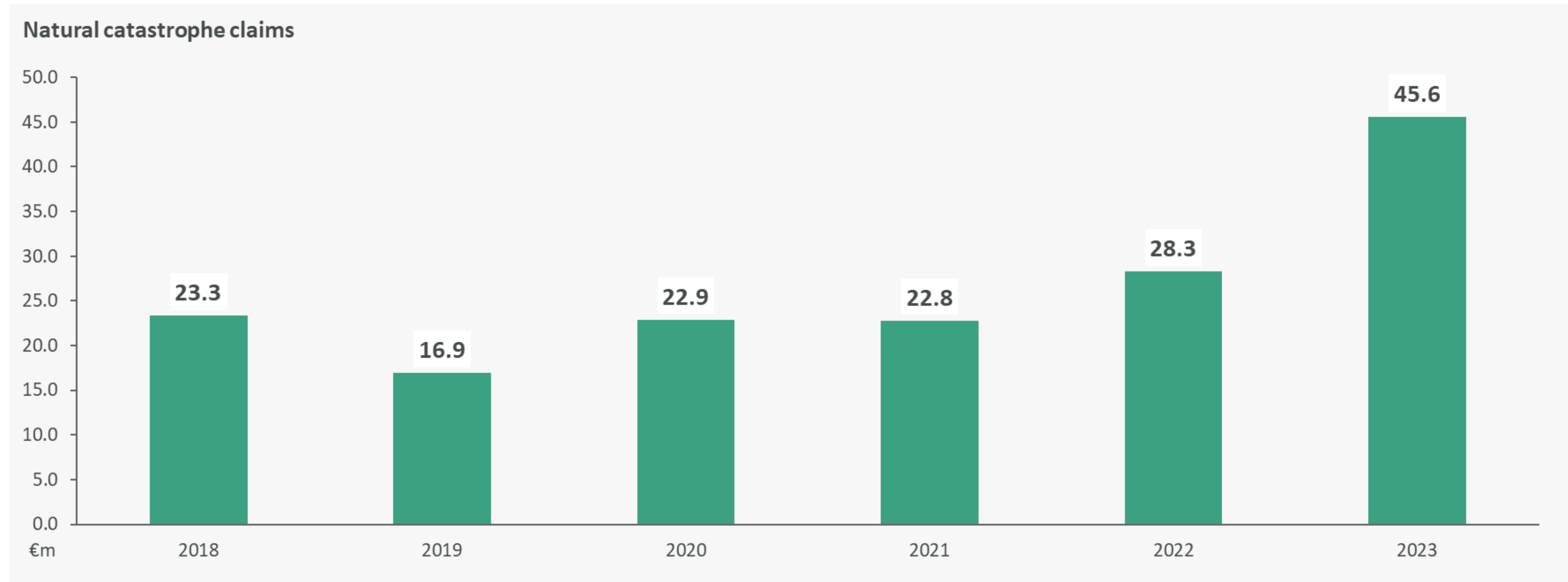
# Impact of natural catastrophe claims

Natural catastrophe claims

**€45.6m**

2023/2022: **+61.0%**

Includes net claims affecting the (re)insurance portfolios of the Group companies resulting from natural perils (such as windstorm, flood, earthquake and hail).

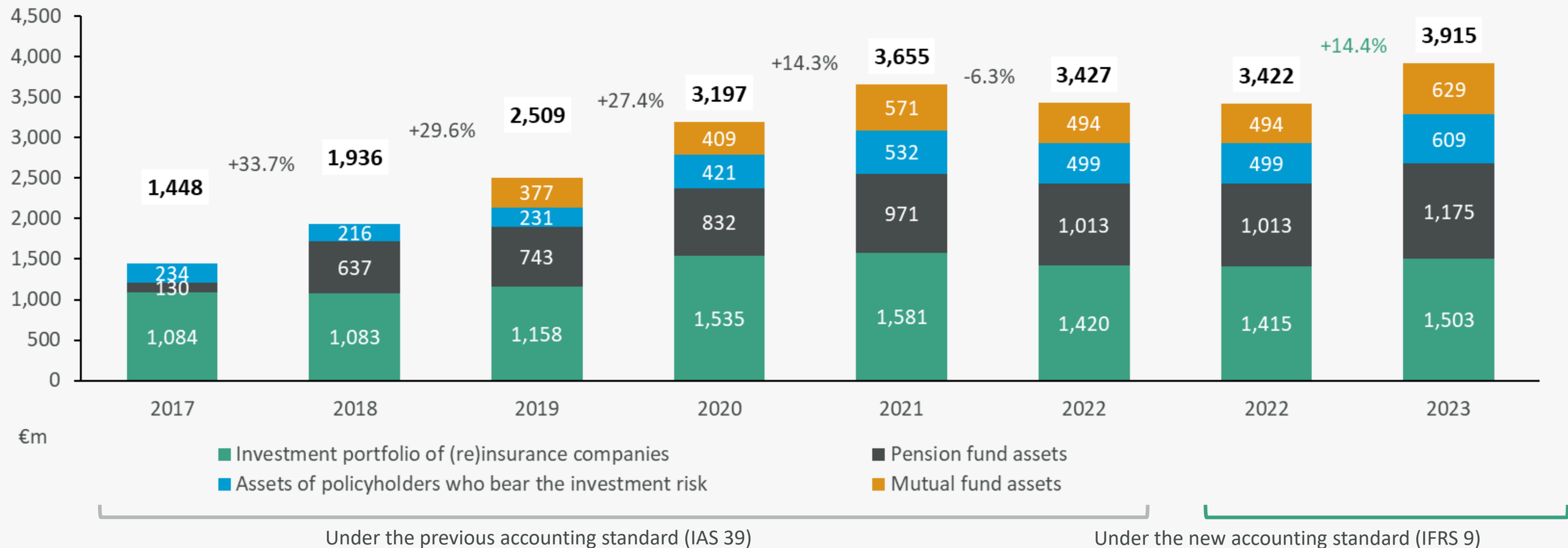


# Strong growth in assets under management

Assets under management  
**€2,411.8m**  
 2023/2022: +20.2 p.p.

Investment portfolio  
**€1,503.3m**  
 2023/2022: +6.2%

Assets under management and investment portfolio



# Target return on investment portfolio exceeded

Return on investment portfolio

**2.1%**

2023/2022: **+1.5 p.p.**

Investment portfolio

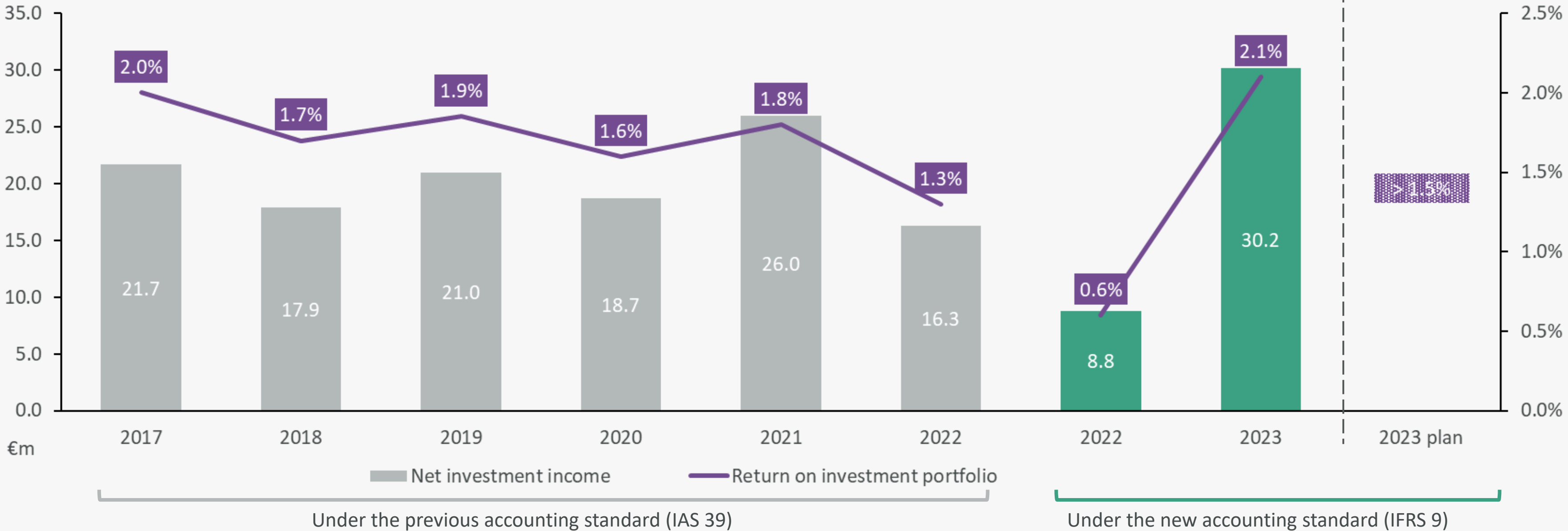
**€1,503.3m**

2023/2022: **+6.2%**



Plan achieved

Return on investment portfolio (€m and %)

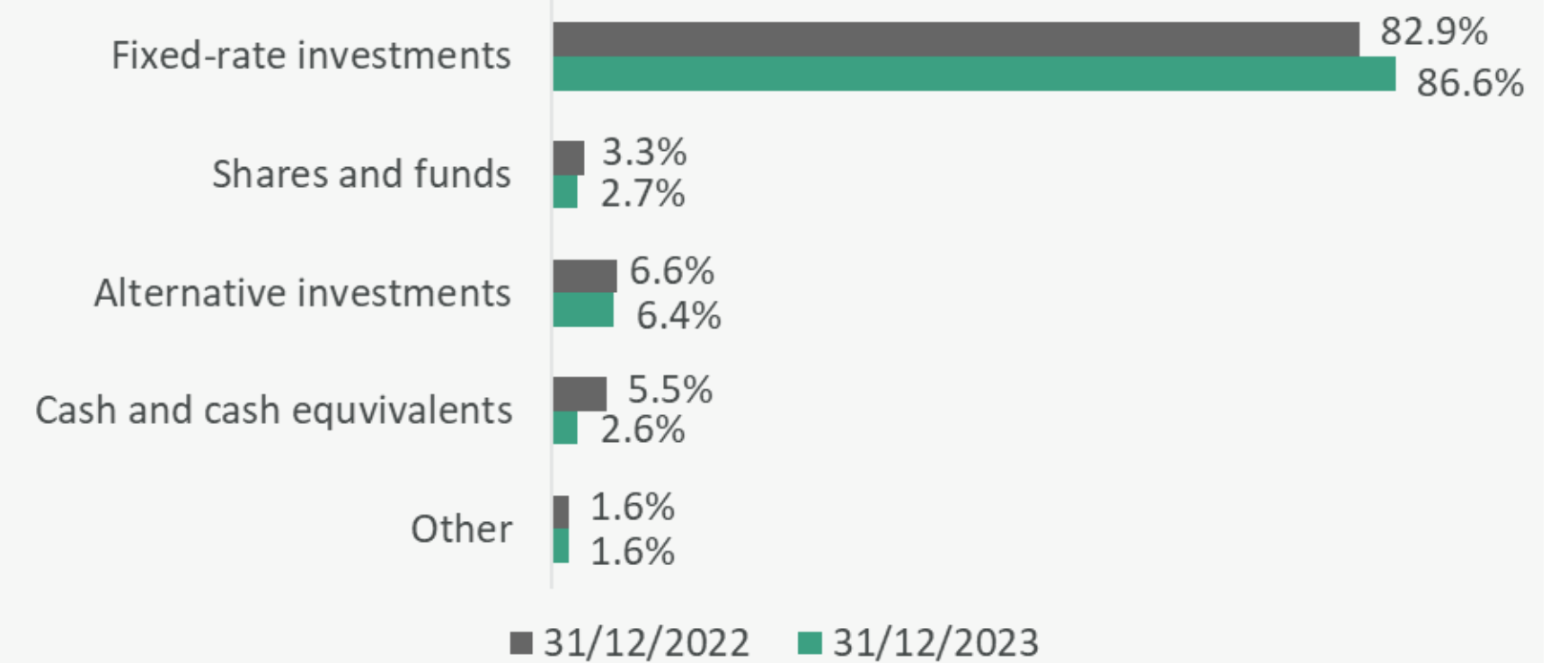


# Composition of the investment portfolio

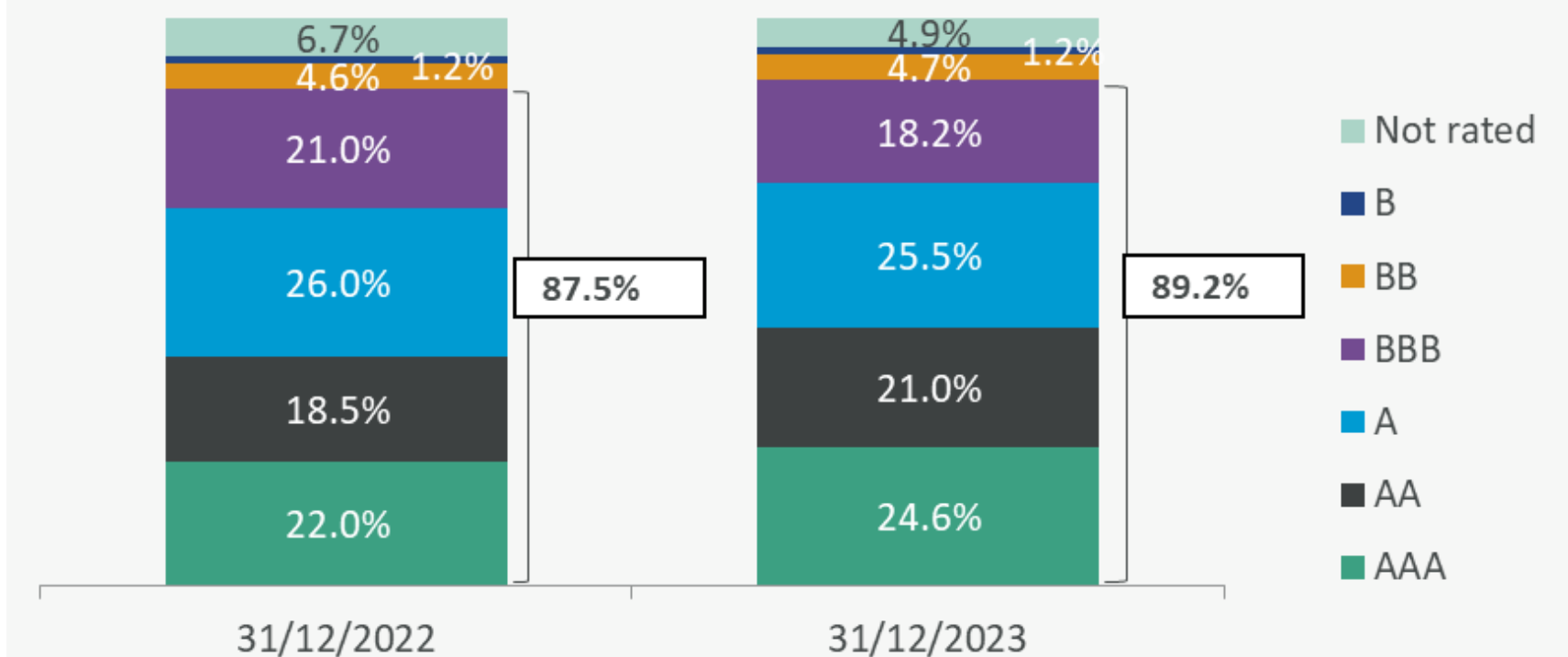
€m	31/12/2022	31/12/2023	Difference
<b>Fixed-rate investments</b>	<b>1,173.6</b>	<b>1,302.4</b>	<b>128.8</b>
Government bonds	734.5	818.8	84.3
Corporate bonds	420.3	458.0	37.7
Deposits & CDs	18.8	25.6	6.8
<b>Shares and funds</b>	<b>47.0</b>	<b>40.3</b>	<b>-6.7</b>
Shares	24.9	21.8	-3.1
Mutual funds	22.2	18.6	-3.6
<b>Alternative investments</b>	<b>93.1</b>	<b>96.1</b>	<b>3.0</b>
<b>Cash and cash equivalents</b>	<b>78.3</b>	<b>39.8</b>	<b>-38.5</b>
<b>Other</b>	<b>23.1</b>	<b>24.6</b>	<b>1.5</b>
<b>Total investment portfolio</b>	<b>1,415.2</b>	<b>1,503.3</b>	<b>88.1</b>

- Safe and liquid portfolio maintained by investing in top-rated government and corporate bonds
- Reduced exposure to equities
- Increased focus on providing liquidity without impacting the bottom line
- Q4 reinvestment yield around 3.5% and 3.3% for the full year 2023

## Investment structure



## Rating profile



# Select sustainability performance indicators

	2022	2023	Difference 2023/2022
<b>Environmental aspect</b>			
CO <sub>2</sub> emissions per employee (in tonnes)	1.60	1.45	-9.4%
Number of claims reported online	45,288	67,981	+50.1%
Group's ESG integrated investments as at 31/12	14.9%	16.9%	+2.0 p.p.
<b>Social aspect</b>			
Number of employees as at 31/12 (full-time equivalent basis)	2,704.3	2,744.8	+1.5%
Employees involved in annual performance appraisal interviews as %	49.5%	47.9%	-1.6 p.p.
Women as % of all employees as at 31/12	57.9%	59.9%	+2.0 p.p.
Employee turnover rate	16.9%	17.1%	+0.2 p.p.
Number of injuries in the workplace	9	8	-11.1%
Average hours of employee training	24.6	22.5	-8.5%
Heart for the World – corporate volunteering (no. of hours)	5,439	5,114	-6.0%
<b>Governance aspect</b>			
Women in management bodies as %	23.9%	27.7%	+3.8 p.p.
Women in supervisory bodies of Group companies as %	21.8%	19.7%	-2.1 p.p.

The 2022 CO<sub>2</sub> emissions figure is audited and therefore differs from the figure published in the 2022 annual report.



We build long-term corporate social responsibility in continuous dialogue with our stakeholders, supporting global sustainability goals, with a particular focus on climate change, the health and well-being of our customers and employees.





2023–2027  
STRATEGY

04



# Key strategic priorities for 2023–2027

**Focusing on the customer**



**Streamlining business processes**



**Building sustainability**



**Modernising information technology**



**Building teams of satisfied and motivated employees**



**Growing through acquisitions**



# Profit target exceeded

## Key performance targets planned for 2024

### Growth in business volume

average annual

**> 4%**

### Business volume

in 2027

**> €900m**

### Return on equity

**9.5–10.5%**

### Solvency ratio

optimal capitalisation range

**170–210%**

### Combined ratio

non-life insurance + reinsurance

**< 95%**

### Return on investment portfolio

rising to

**2.2%**

by 2027



# Business volume planned for 2027

Driving growth in all markets where we are present

<b>■ Slovenia</b>			
Insurance	> €600m		
Reinsurance non-Group	> €140m		
Other	> €18m		
<b>■ Croatia</b>			
Insurance	> €20m		
<b>■ Serbia</b>			
Insurance	> €45m		
<b>■ North Macedonia</b>			
Insurance	> €20m		
Pensions	> €7m		
<b>■ Montenegro</b>			
Insurance	> €20m		
<b>■ Kosovo</b>			
Insurance	> €30m		



# Dividend policy

**Sava Re aims to distribute between 35% and 45% of the net profit of the Sava Insurance Group each year over the period 2023–2027.**

**The key goal of the dividend policy is stable annual dividend growth, with due consideration of:**

- the estimated surplus of eligible own funds over the solvency capital requirement under Solvency II
- the Group's own risk and solvency assessment
- the capital models of the rating agencies S&P Global Ratings and AM Best
- the approved annual and strategic plans of the Group and the Company
- new development projects requiring additional capital
- other relevant circumstances affecting the financial situation of the Company



# Sustainable development

## Five key initiatives are identified in our Sustainable Development Strategy up to 2027.

# 1

### Reducing carbon footprint

- We are pursuing the European ambition of a 55% cut in GHG emissions by 2030 for Group operations (scope 1 and 2) and for our investment portfolio compared to 2022 levels. Achieving this target also depends on the climate action taken by the countries where we are present.

# 2

### Responsible (re)insurance underwriting

- Compliance with guidelines on responsible underwriting of non-life insurance business
- Reducing the carbon footprint of the portfolio by excluding fossil-fuel related activities (Do No Significant Harm principle)
- Developing products and activities and increasing revenue from products aligned with the taxonomy

# 3

### Sustainability in the value chain and processes

- Increasing ESG investments to exceed 20% by 2027
- Digitalising operations and lowering the carbon footprint by reducing business travel, paper consumption and waste
- Supply-chain review: assessing suppliers from a social and environmental responsibility perspective

# 4

### Improving customer satisfaction

- Net Promoter Score: establishing a uniform methodology for the Group and monitoring trends

# 5

### Satisfied and committed employees and strengthening sustainability culture

- Measuring satisfaction using a suitable HR methodology and promoting a sustainability culture through the Heart for the World initiative



2024 PLAN

05



# Approaching one billion euros in business volume

## Key performance targets planned for 2024

**Growth in business volume**

**> 5%**

**Business volume**

**> €925m**

**Return on equity**

**> 10.5%**

**Net profit for the year**

**> €70m**

**Solvency ratio**

optimal capitalisation range

**170–210%**

**Combined ratio**

non-life insurance + reinsurance

**< 95%**

**Return on investment portfolio**

**2.2%**





# Planning for continued growth in all our operating segments

## Business volume growth planned for 2024



Non-life, EU

> 6%



Life, EU

> 2%



Reinsurance

> 1%



Non-life, non-EU

> 8%



Life, non-EU

> 10%



Asset management

> 5%



# Thank you.

For more information: [ir@sava-re.si](mailto:ir@sava-re.si)



AMONG GOOD PEOPLE

[www.sava-re.si](http://www.sava-re.si)

# Disclaimer

## Forward-looking statements

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## 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.

