



Sava Re Group

2018 unaudited results and 2019 plan

8 March 2019



2018 unaudited results

Highlights of 2018

Premium growth of **6%**, growth in operating revenues of **10%**

Record profit of €43 million and **13.1%** return on equity (lower end of target range exceeded by 2.1 p.p.)

Benign year in terms of claims – **combined ratio** of **92.9%** at a record low

Improved credit ratings by Standard & Poor's and AM Best from “A-” to “**A**”, outlook stable

Four companies added to the Sava Re Group: TBS Team 24, Sava Penzisko Društvo, Energoprojekt Garant (merged with the Serbian insurer in December 2018), and Sava Terra

Signed deals for the acquisition of the Croatian companies **ERGO Osiguranje** and **Ergo Životno Osiguranje**, and Slovenia-based **KBM Infond**

*Unaudited data.

Achievement of the 2018 plan

	2017	2018 plan	Unaudited 2018*
Group			
Gross premiums written	€517.2 m	> €520 m	€31.1 m
Profit or loss, net of tax	€31.1 m	> €505 m	€31.1 m
Return on equity	10.1%	> 11%	13.1%
Investment return**	2.0%	1.7%	1.7%
Book value per share	€20.40	n.a.	€21.95
(Re)insurance part (+ annuities)			
Net expense ratio (reins. + non-life + life)	32.6%	31.4–31.7%	33.1%
Net incurred loss ratio** (reins. + non-life)	60.5%	59.4–59.9%	57.0%
Net combined ratio** (reins. + non-life)	95.6%	94.0–94.5%	92.9%

** Excluding the effect of exchange differences.

*Unaudited data.

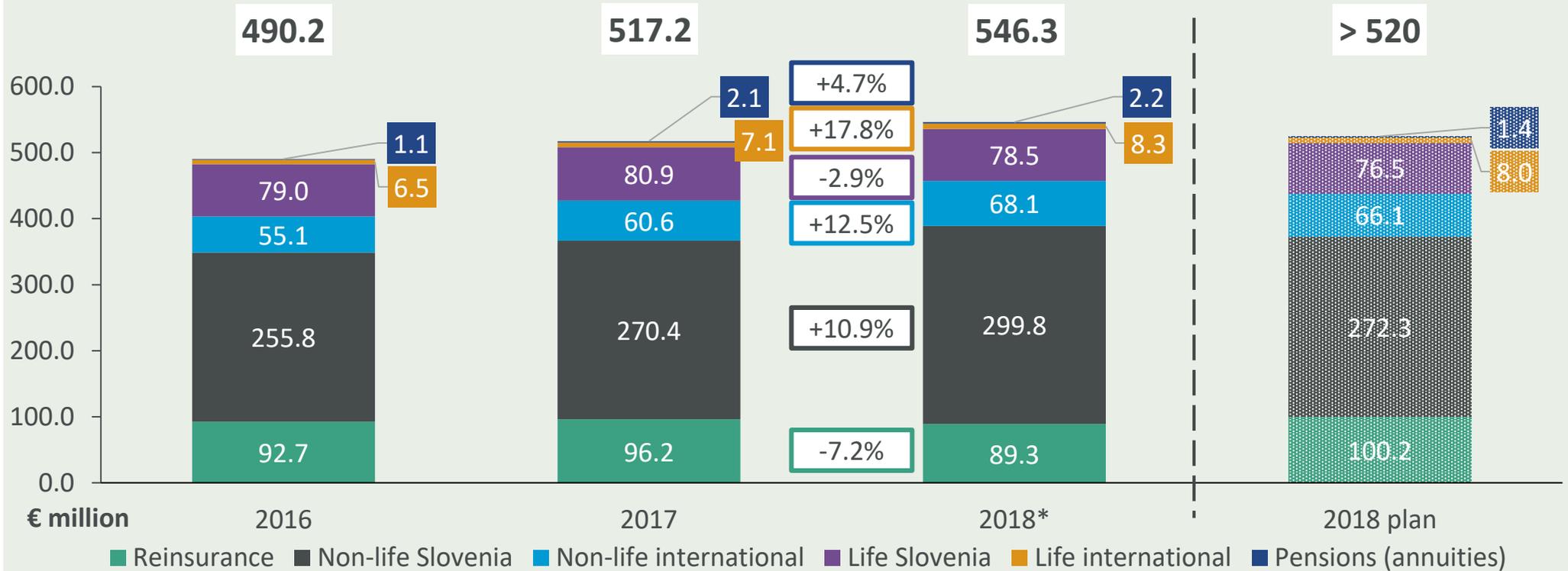
2018 – Growth in consolidated gross premiums written

Consolidated gross premiums written

€31.1 m

18/17: **5.6% growth**

Plan achieved



*Unaudited data.

2018 – Strong growth in GPW in all insurance markets

Insurance and pension companies

Slovenia

Insurance company
Premiums: €378.4 m
18/17: +7.7%
Pension company
Pension fund inflows:
€11.5 m
18/17: +4.6%

Croatia

Premiums: €16.7 m
18/17: +16.4%

Montenegro

Premiums: €12.8 m
18/17: +3.6%

Serbia

Premiums: €22.5 m
18/17: +23.4%

Kosovo

Premiums: €11.5 m
18/17: +14.7%

North Macedonia

Insurance company
Premiums: €13.0 m
18/17: +2.3%
Pension company
Pension fund inflows: €57.2 m

Reinsurance company



Global markets

(Sava Re reinsurance
premiums in global
markets)
Non-Group premiums:
€89.3 m
18/17: -7.2%

Unaudited data.

2019 plan

Key targets of the 2019 plan

Insurance business

Client focus, digitisation of operations, development of innovative services and insurance products, assistance services in connection with insurance products, preparing for implementation of IFRS 9 and 17

Reinsurance business

Growth especially in Latin American markets, preparing for implementation of IFRS 9 and 17

Pensions

Active approach to the marketing and promotion of increasing individuals' contributions to pension funds

Ancillary services

Development of the assistance segment in Slovenia as well as in other markets; health and home assistance in addition to motor assistance

Capital growth and utilisation

Exploring new growth opportunities (in line with the strategy) in insurance markets and ancillary business viewed by clients as additional services

Key performance indicators of the Sava Re Group plan

- Return on equity > 12.0%
- Growth in Group income > 4.5%
- Solvency ratio between 170% and 200%

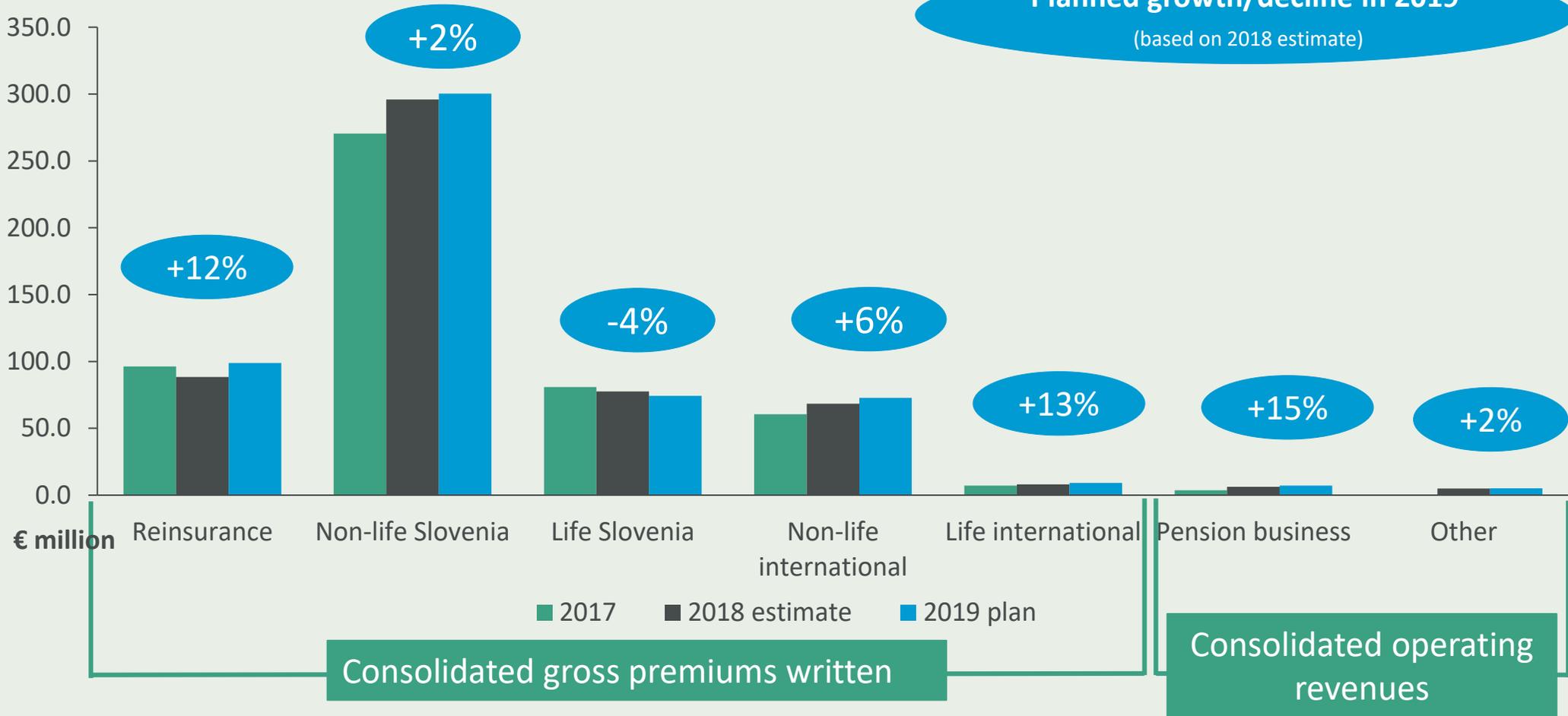
Key performance indicators of the 2019 Group plan

€ million	2017	Unaudited 2018*	2019 plan
Group			
Operating revenues	492.4	540.5	> 4.5% growth
Profit or loss, net of tax	31.1	43.0	> €43 m; > 10% growth based on 2018 estimate
Return on equity	10.1%	13.1%	> 12%
Return on investments**	2.0%	1.7%	1.7%
(Re)insurance part (+ annuities)			
Gross premiums written	517.2	546.3	> €555 m
Net premiums earned	470.9	504.7	> €515 m
Net expense ratio (reins. + non-life + life)	32.6%	33.1%	32.4–33.0%
Net incurred loss ratio** (reins. + non-life)	60.5%	57.0%	59.2–59.7%
Net combined ratio** (reins. + non-life)	95.6%	92.9%	93.6–94.1%

**Excluding the effect of FX differences.

*Unaudited data.

Consolidated gross premiums written and revenue of non-insurance companies



The 2019 plan does not include the companies KBM Infond, ERGO Osiguranje and ERGO Životno Osiguranje.

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 the expectations, plans and goals set out in this document; therefore, persons should not rely on forward-looking statements.

Duty to update

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