



Sava Insurance Group **1–9/2023 unaudited results**

17 November 2023

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.



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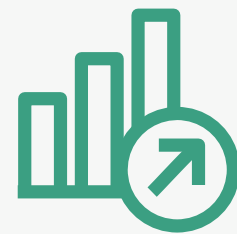
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GROUP
RESULTS

01



Highlights 1–9/2023



Growth in gross written premiums of 13.7%

strongest growth in **motor business**, reflecting more policies sold and higher average premiums

and in **reinsurance** driven by higher rates in global reinsurance markets, and the capture of new business opportunities



In the summer of 2023, Slovenia and the wider region were hit by a **wave of storms and floods** with a significantly impact on Q3 earnings of **€27.1 million**

Due to the favourable development of reinsurance results in international markets, asset management and pensions, **the Company estimates that the result could be closer to the original plan by the end of the year**



Net profit of €36.5 million (1–9/2022: €35.0 million)

Weaker insurance service result for non-life, EU: this year impact of storms and floods, last year claims inflation

Better insurance service result for reinsurance: higher insurance revenue, different claims structure (major claims covered by reinsurance) and a lower impact of inflation than in the previous year

Better investment result: in 1–9/2022, a significant negative impact of financial market developments on the net investment return from fair value losses on FVTPL investments

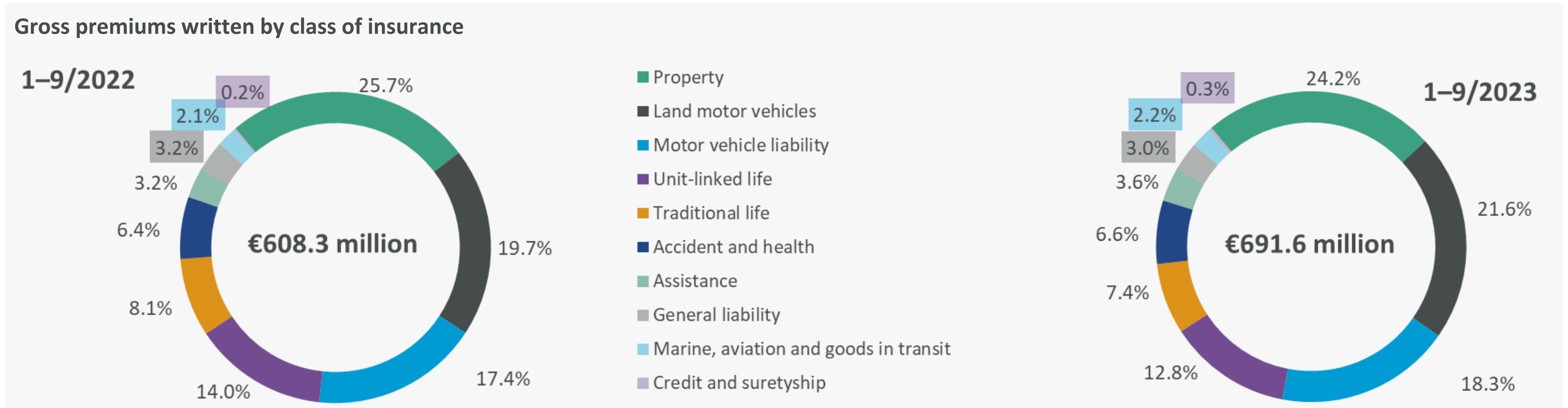
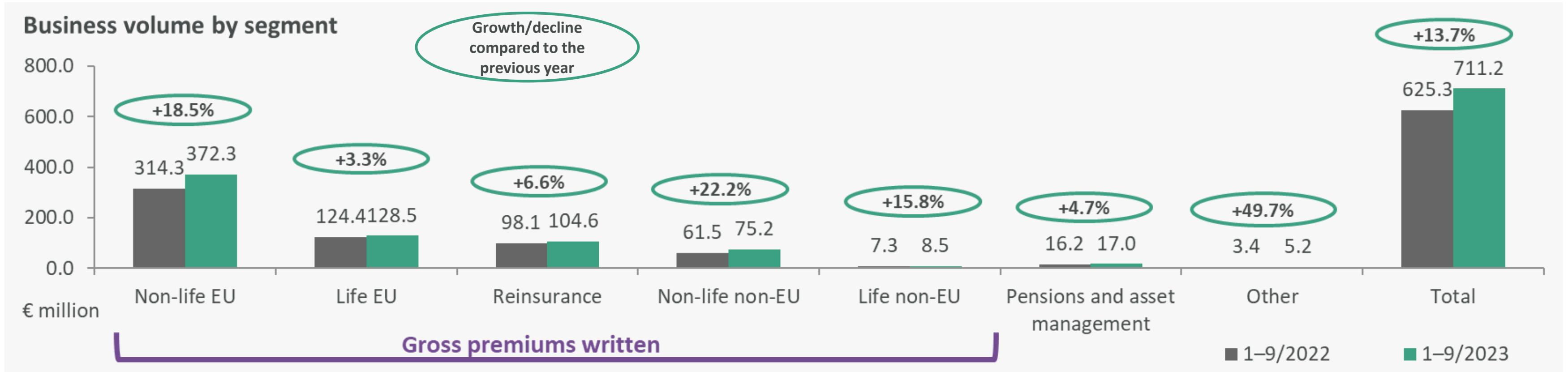
Key figures

€ million, except %	1–9/2022	1–9/2023	2023 plan	Change 2023/2022
Business volume	625.3	711.2	> 800	13.7%
Gross premiums written	608.3	691.6		13.7%
Insurance revenue	447.9	517.7		15.6%
Profit, net of tax	35.0	36.5	> 53	4.5%
Return on equity*	8.2%	8.2%	> 9.5%	-0.0 p.p.
Combined ratio (non-life and reinsurance)	92.6%	96.2%	< 95%	+3.7 p.p.
Return on the investment portfolio*	0.5%	2.0%	> 1.5%	+1.5 p.p.
	31/12/2022	30/9/2023	31/12/P2023	
Equity	530.6	548.2		3.3%
Net contractual service margin (CSM)	129.4	138.1		6.7%
Total investment portfolio	1,415.2	1,476.6		4.3%
Assets for the benefit of policyholders who bear the investment risk	498.8	561.0		12.5%
Assets in pension company savings funds	1,013.3	1,119.9		10.5%
Assets under management at fund management company	494.4	570.9		15.5%
Net liabilities from insurance and reinsurance contracts	1,410.1	1,512.5		7.3%

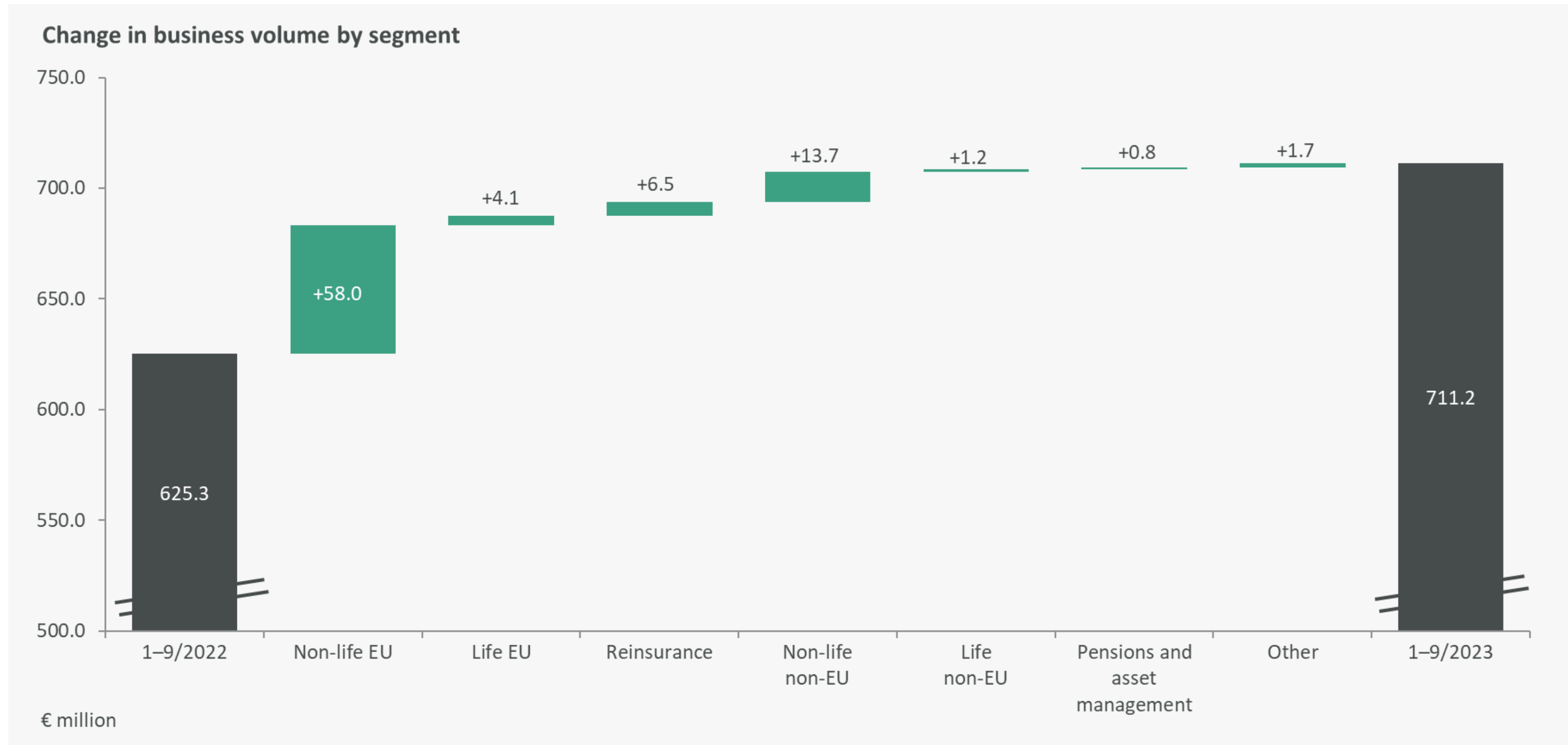
* Return on equity excludes accumulated other comprehensive income/loss. Investment portfolio return excludes subordinated debt expense.



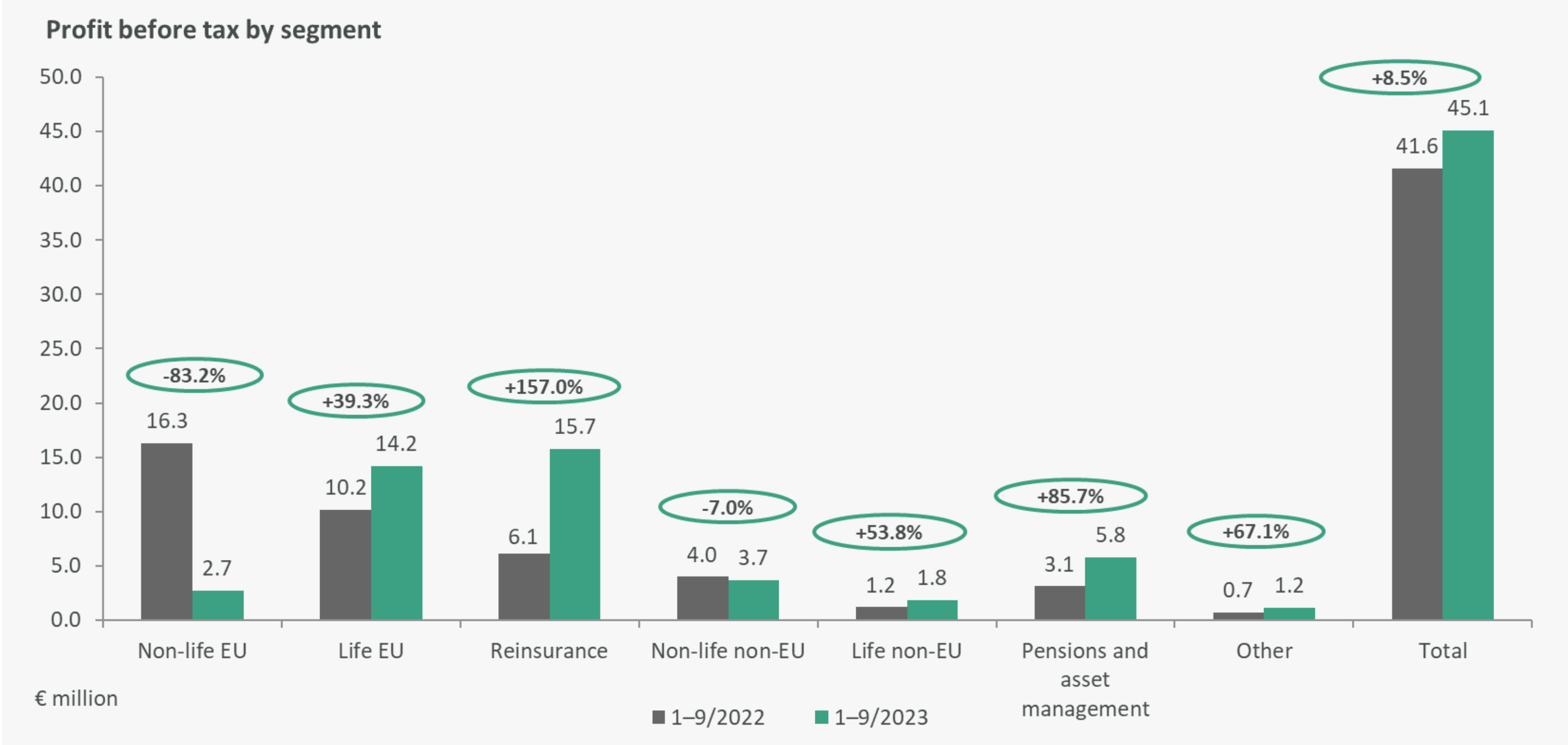
Continued growth across all operating segments



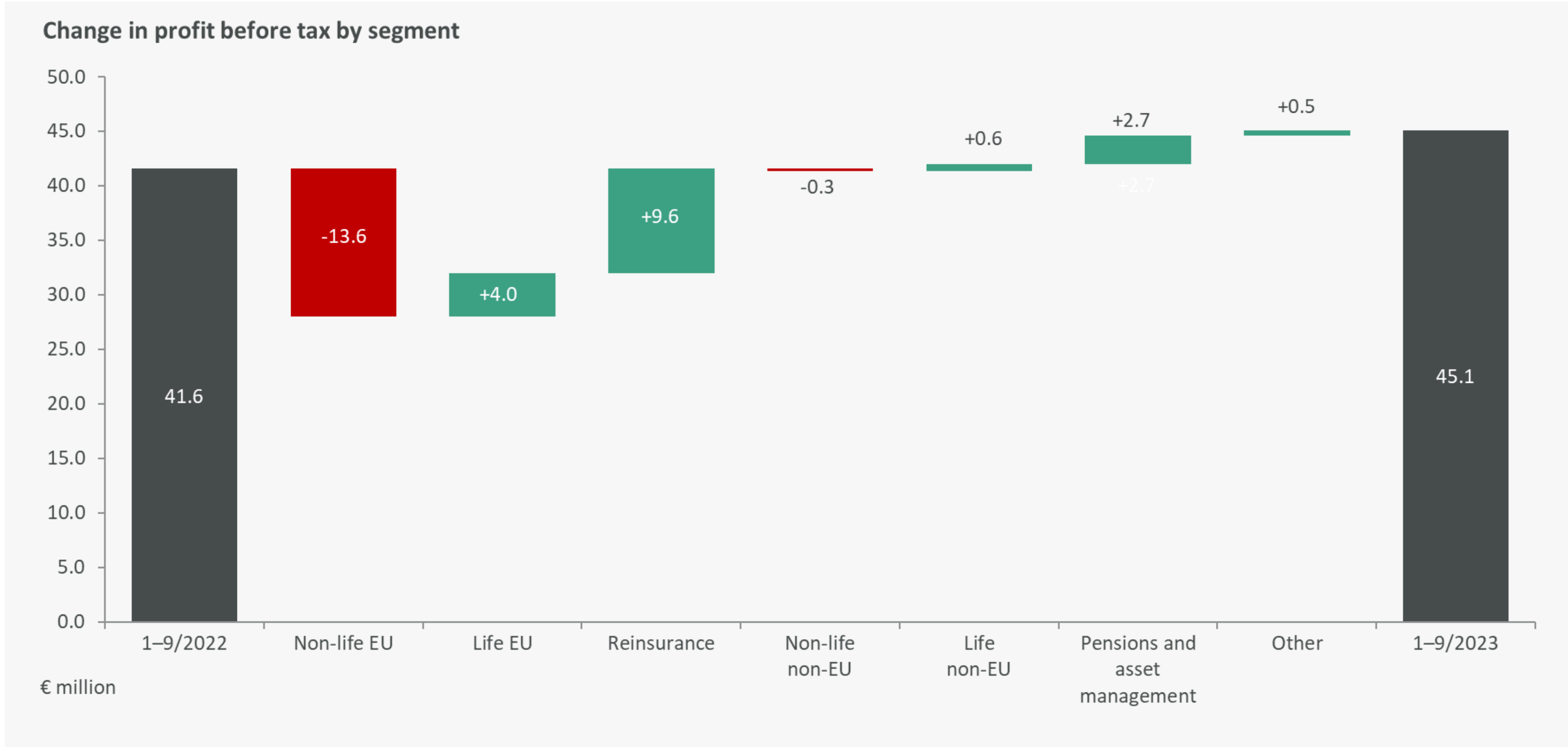
Business volume: organic growth and price adjustment for inflation



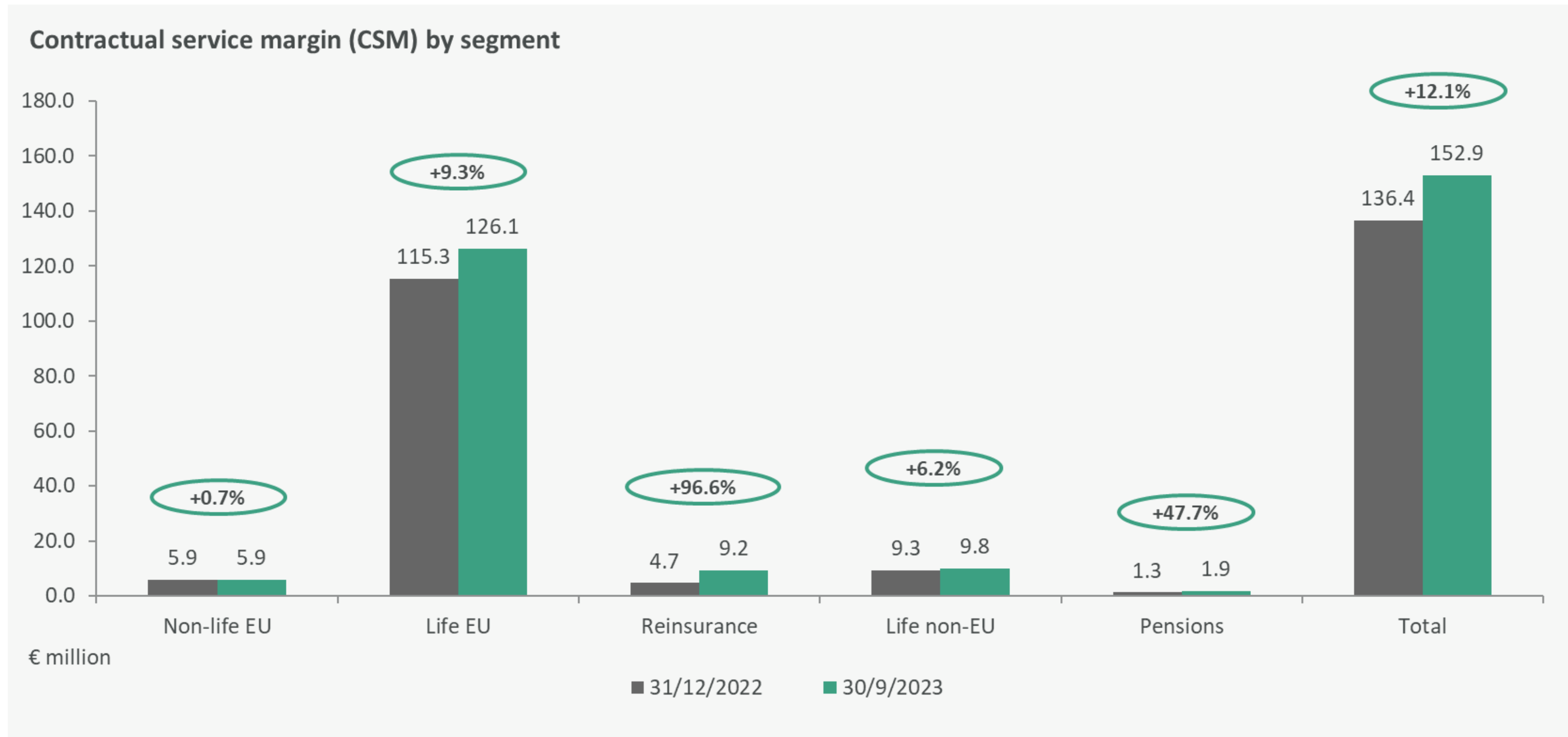
Adverse impact of weather events and strong profit growth in reinsurance



Adverse impact of weather events and strong profit growth in reinsurance



CSM growth across all business segments

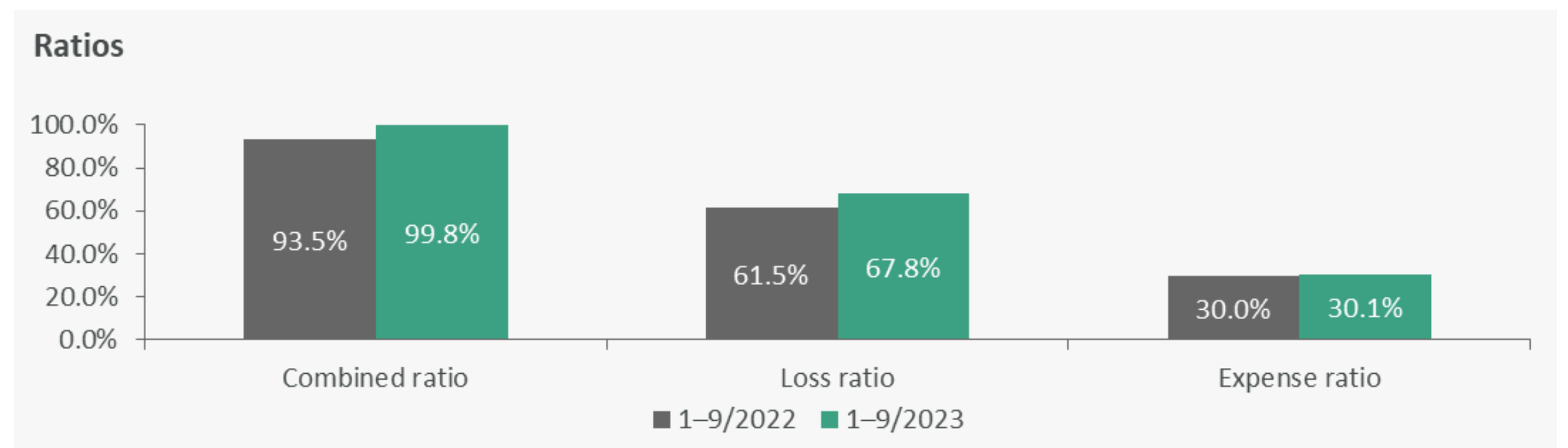
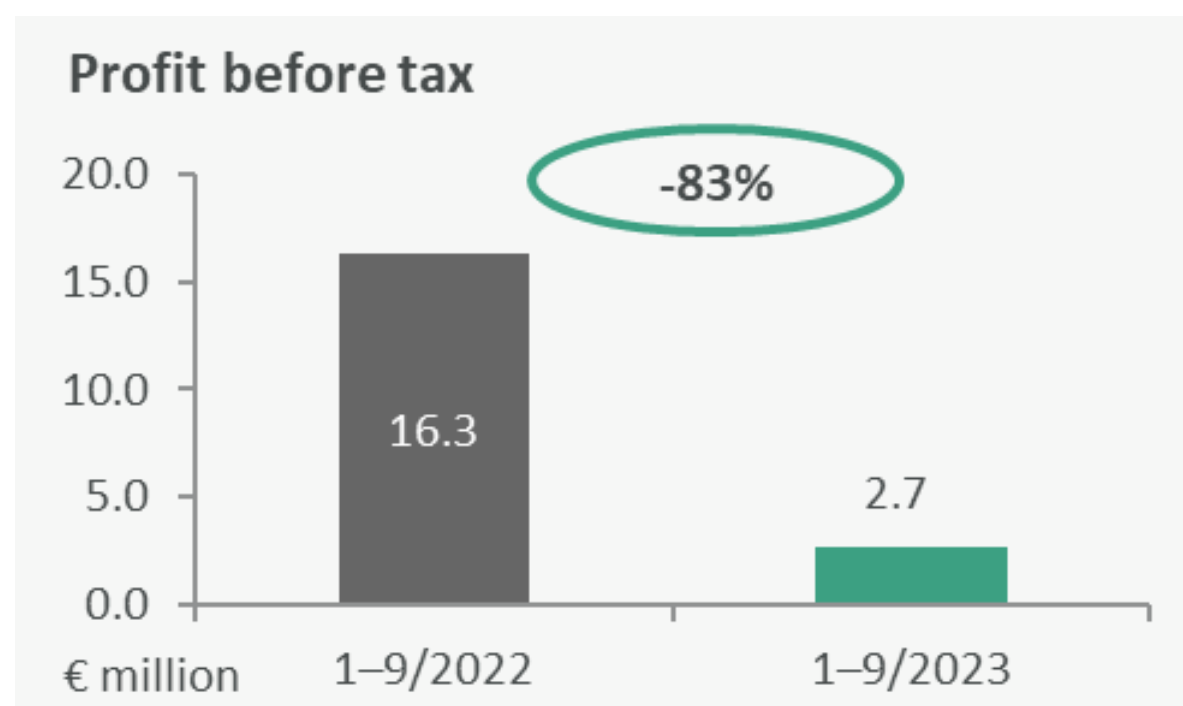
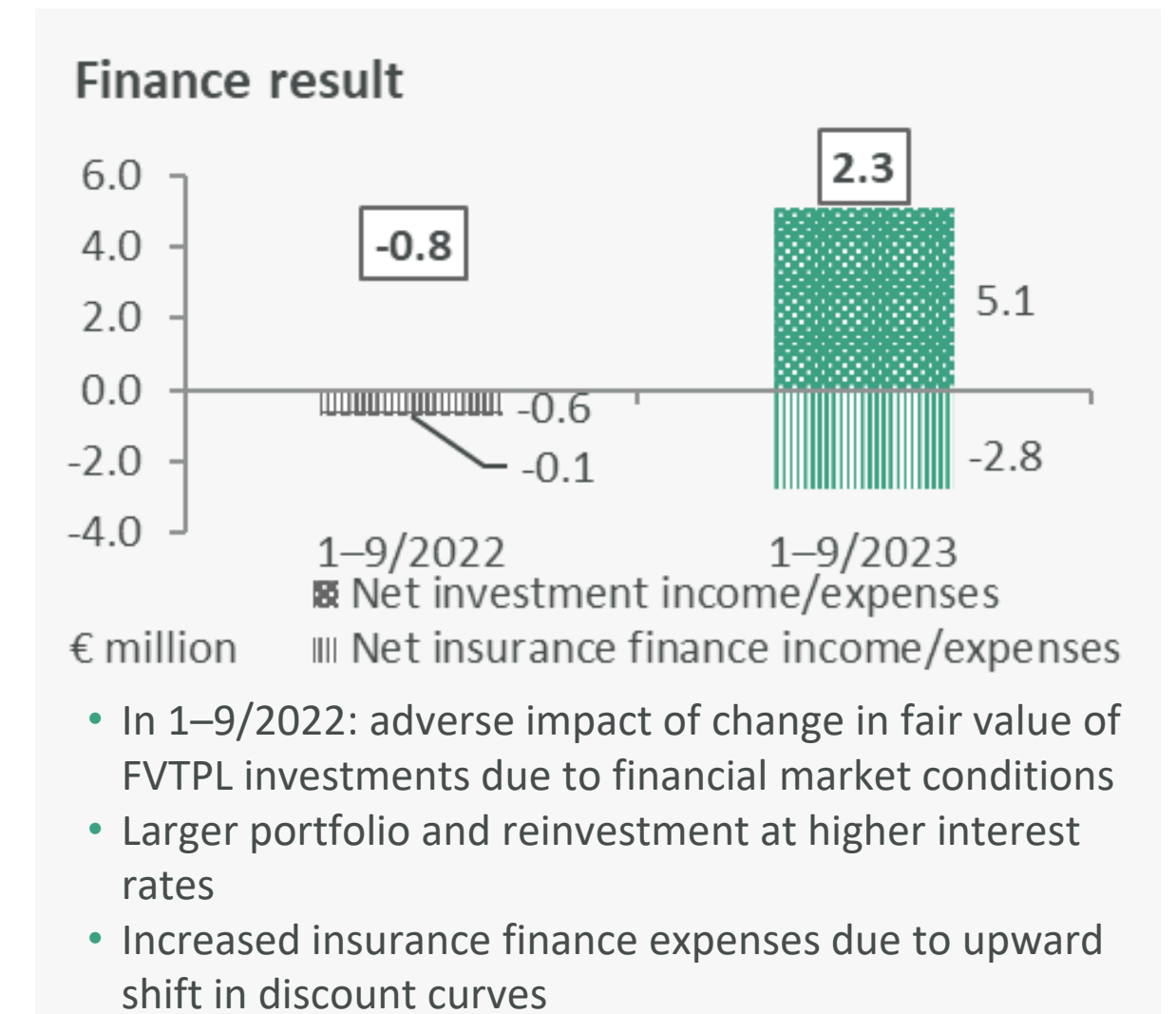
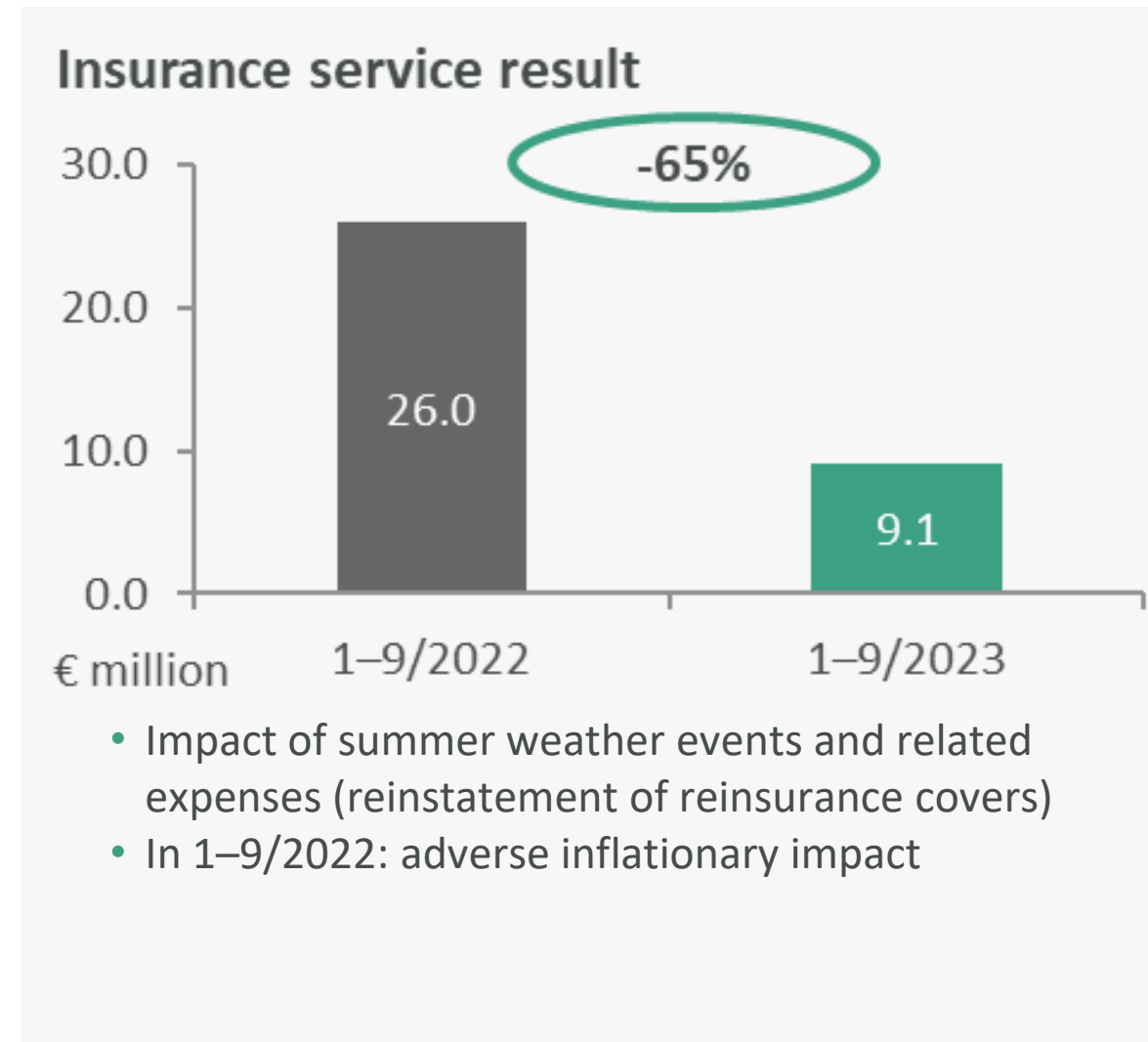
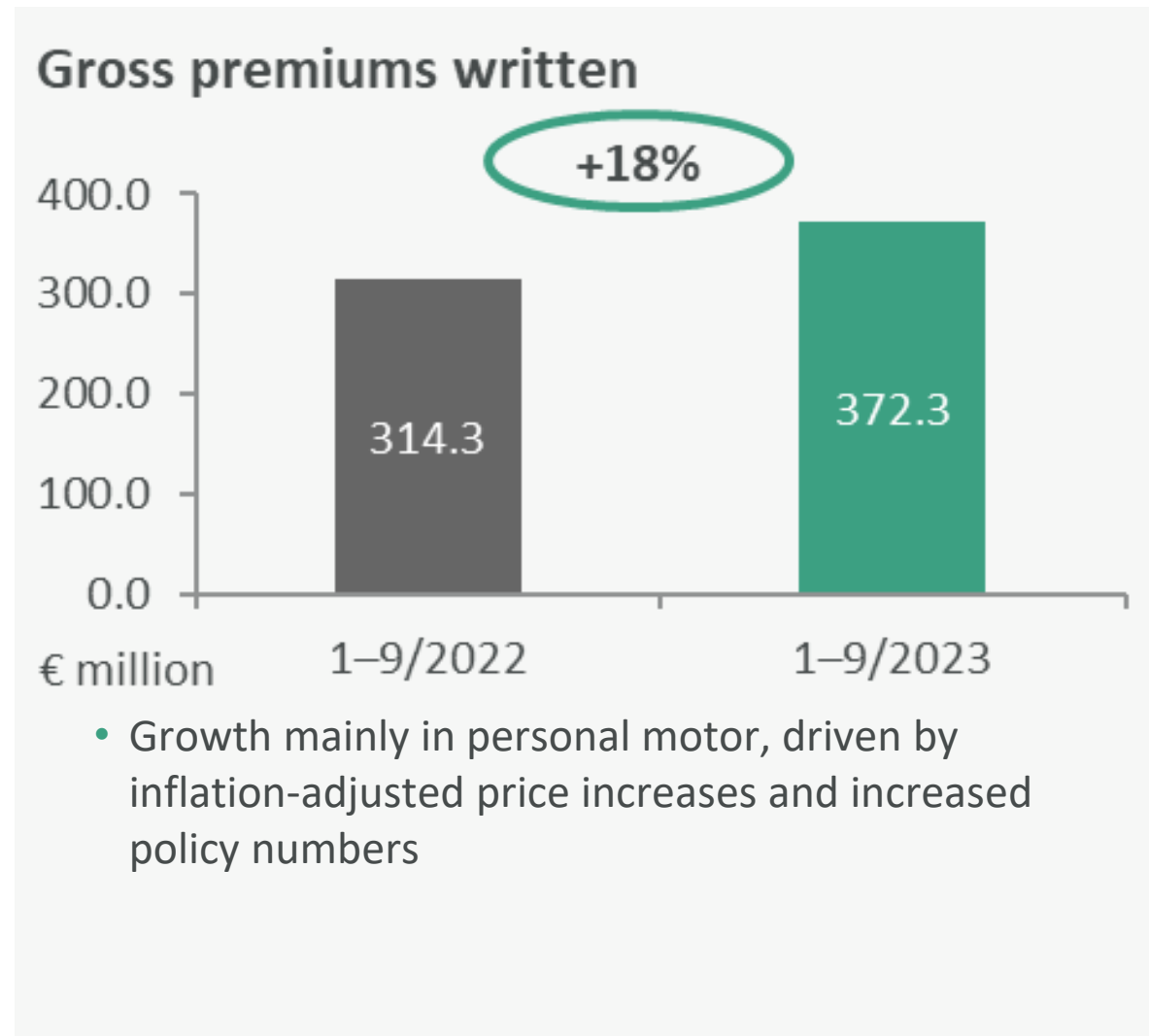


SEGMENT
REPORTING

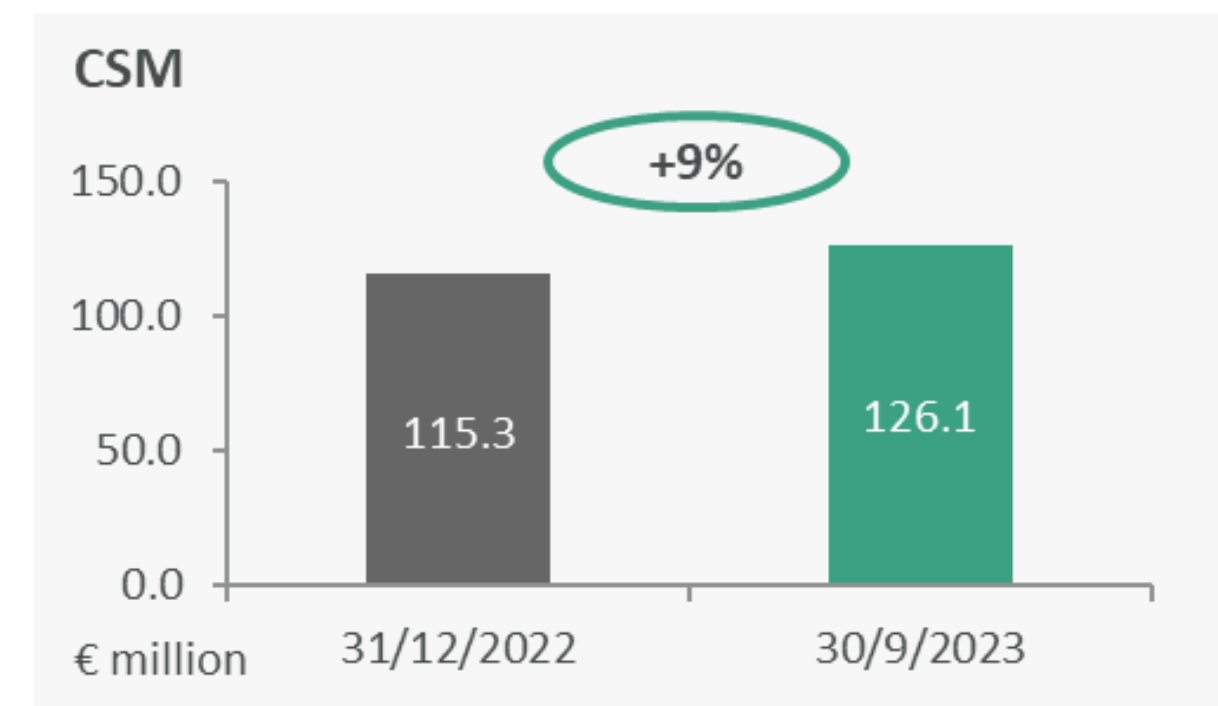
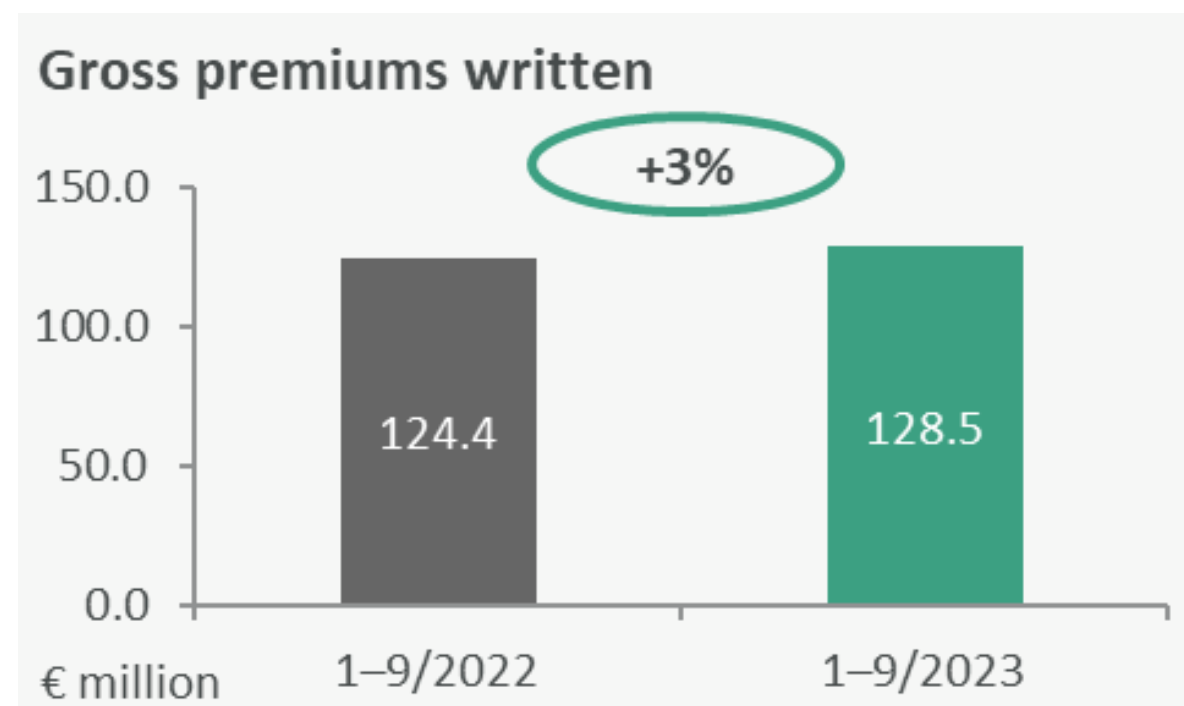
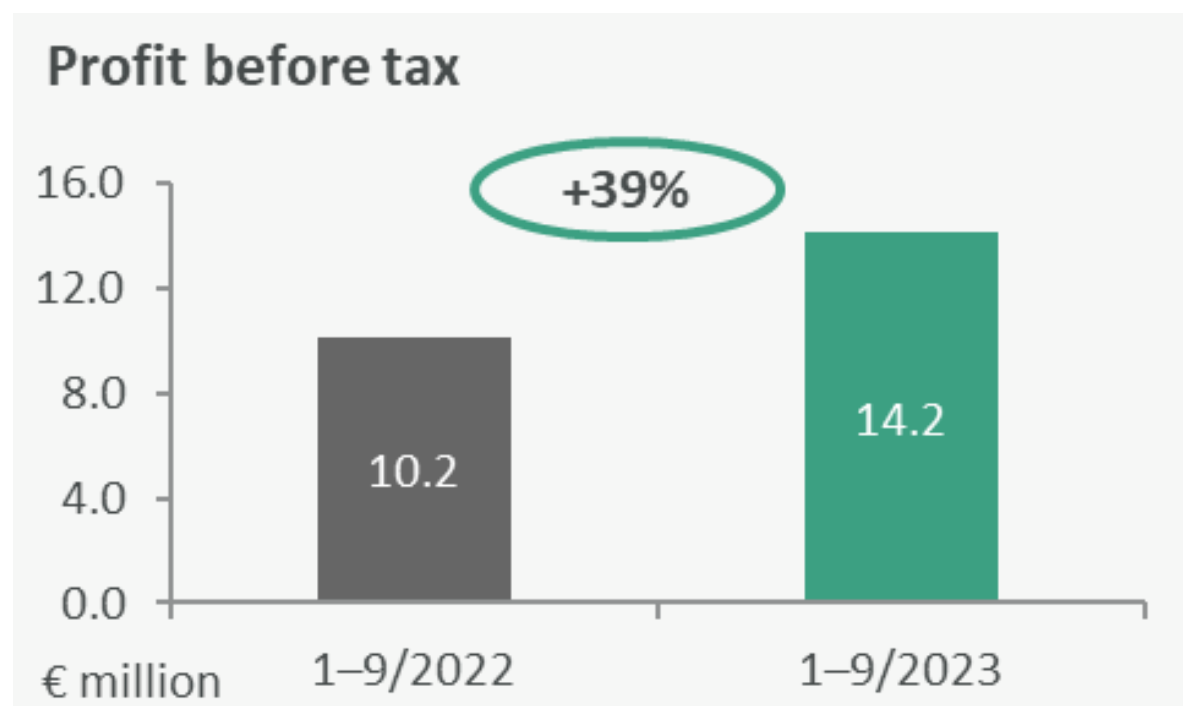
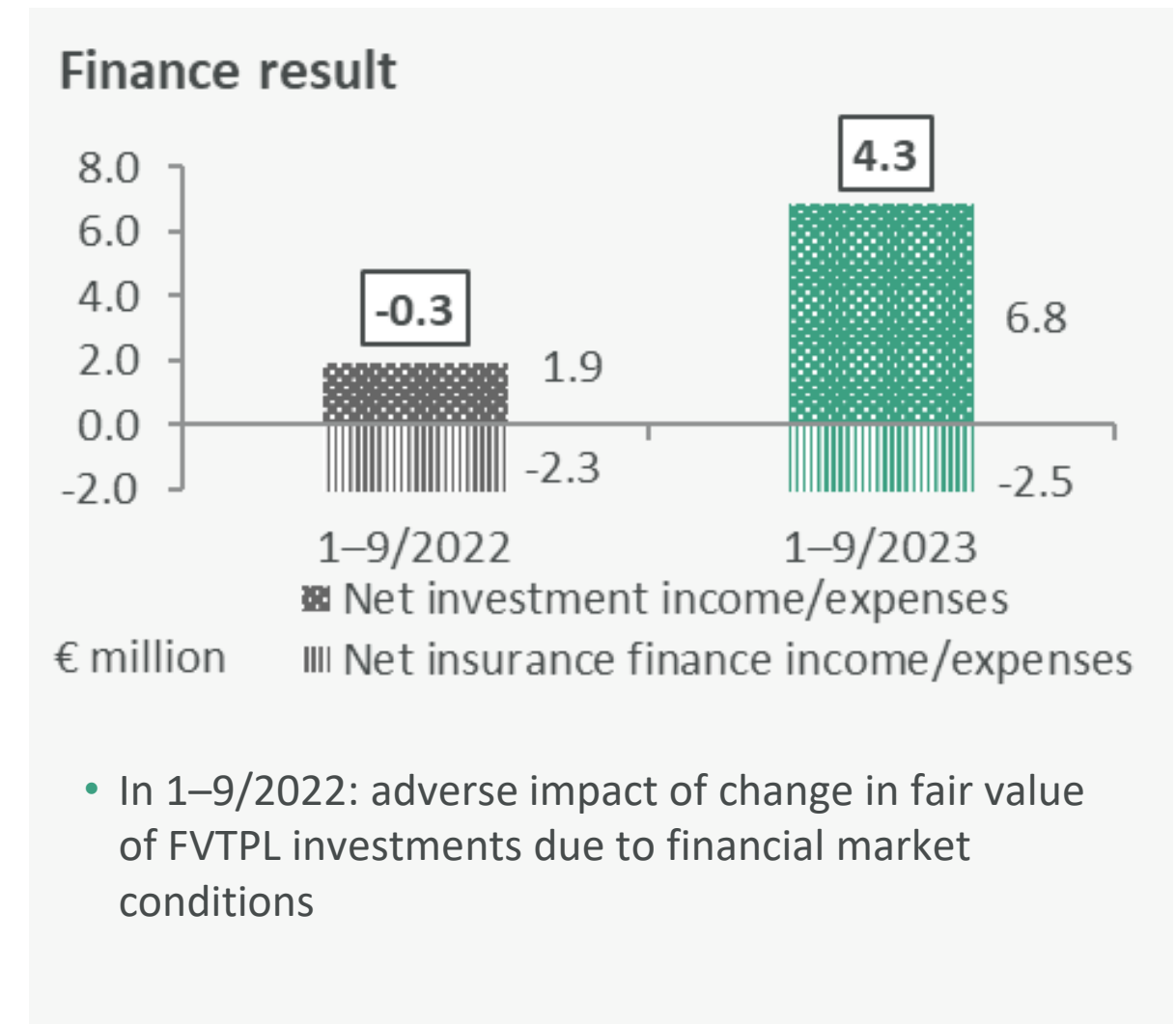
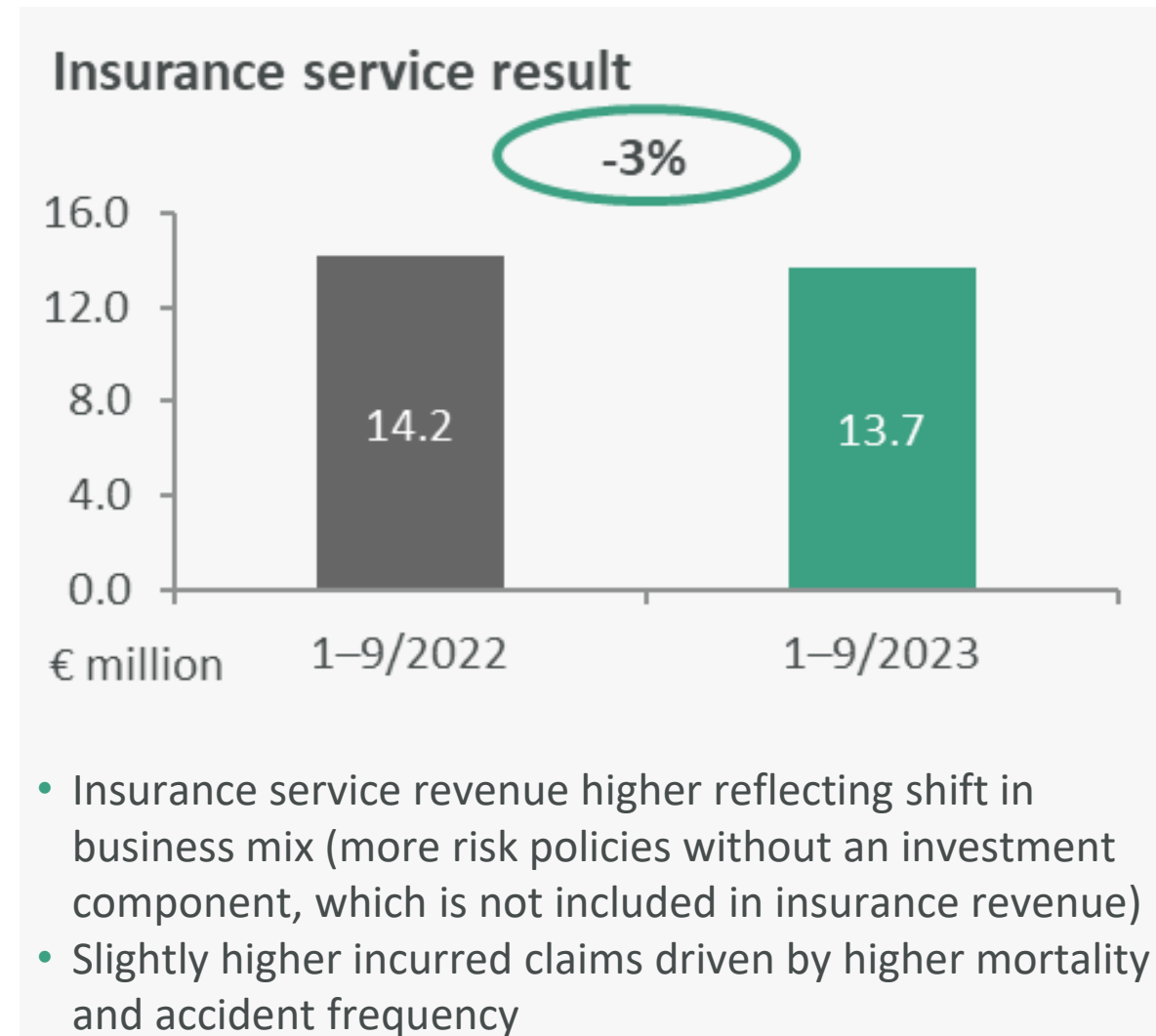
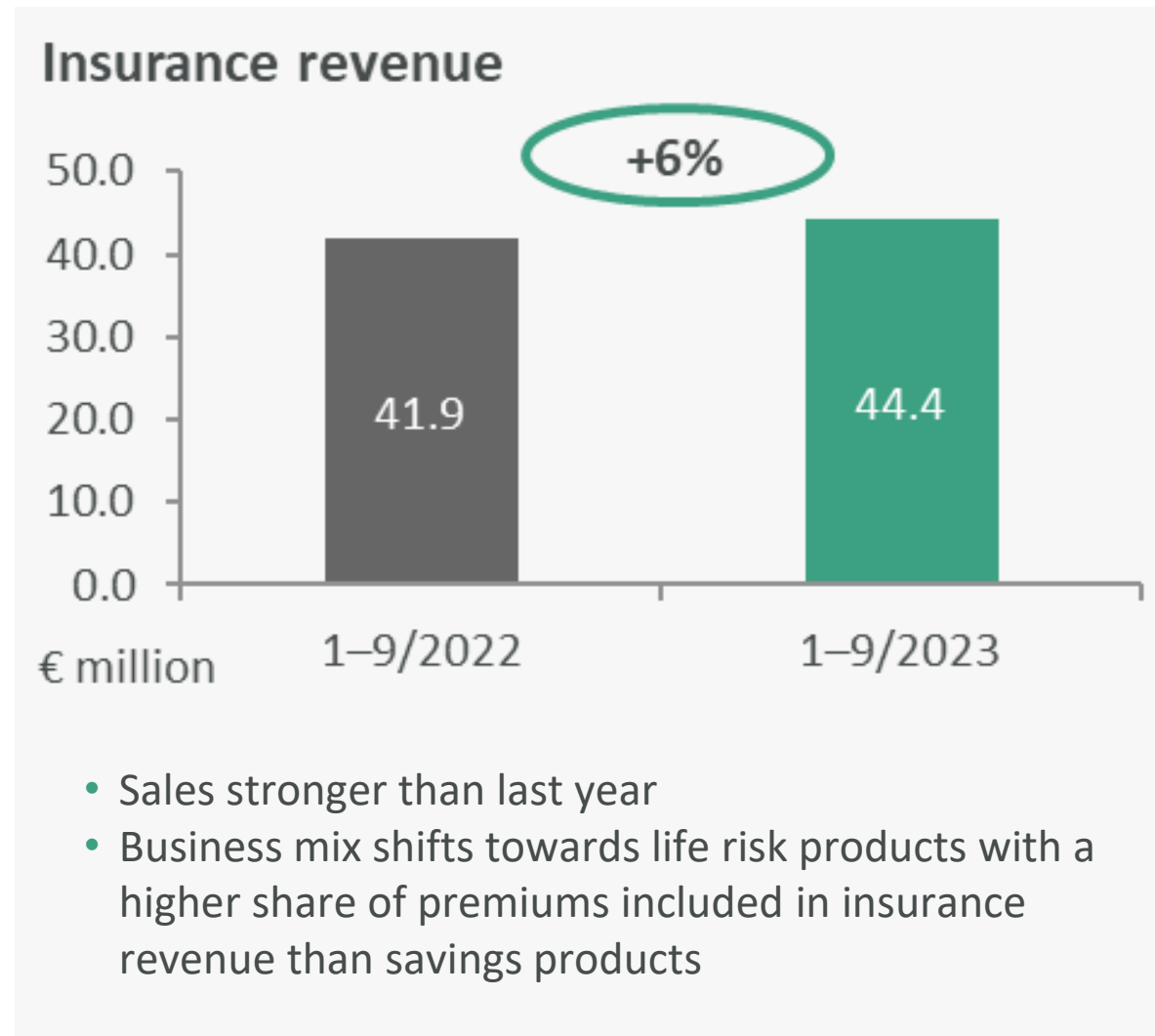
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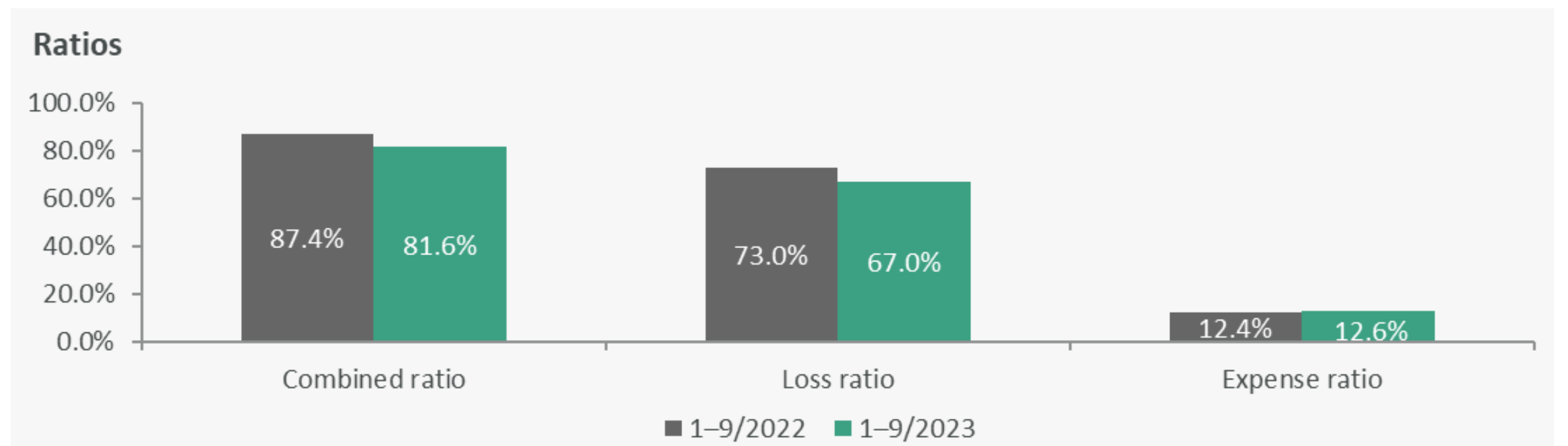
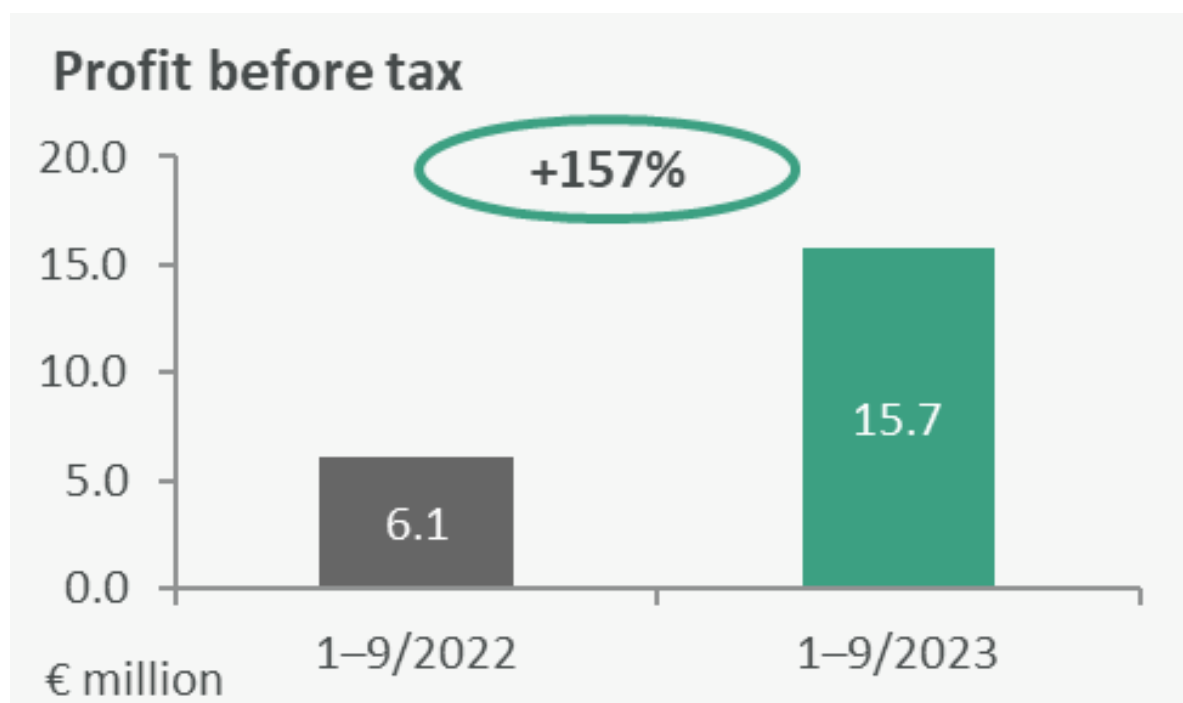
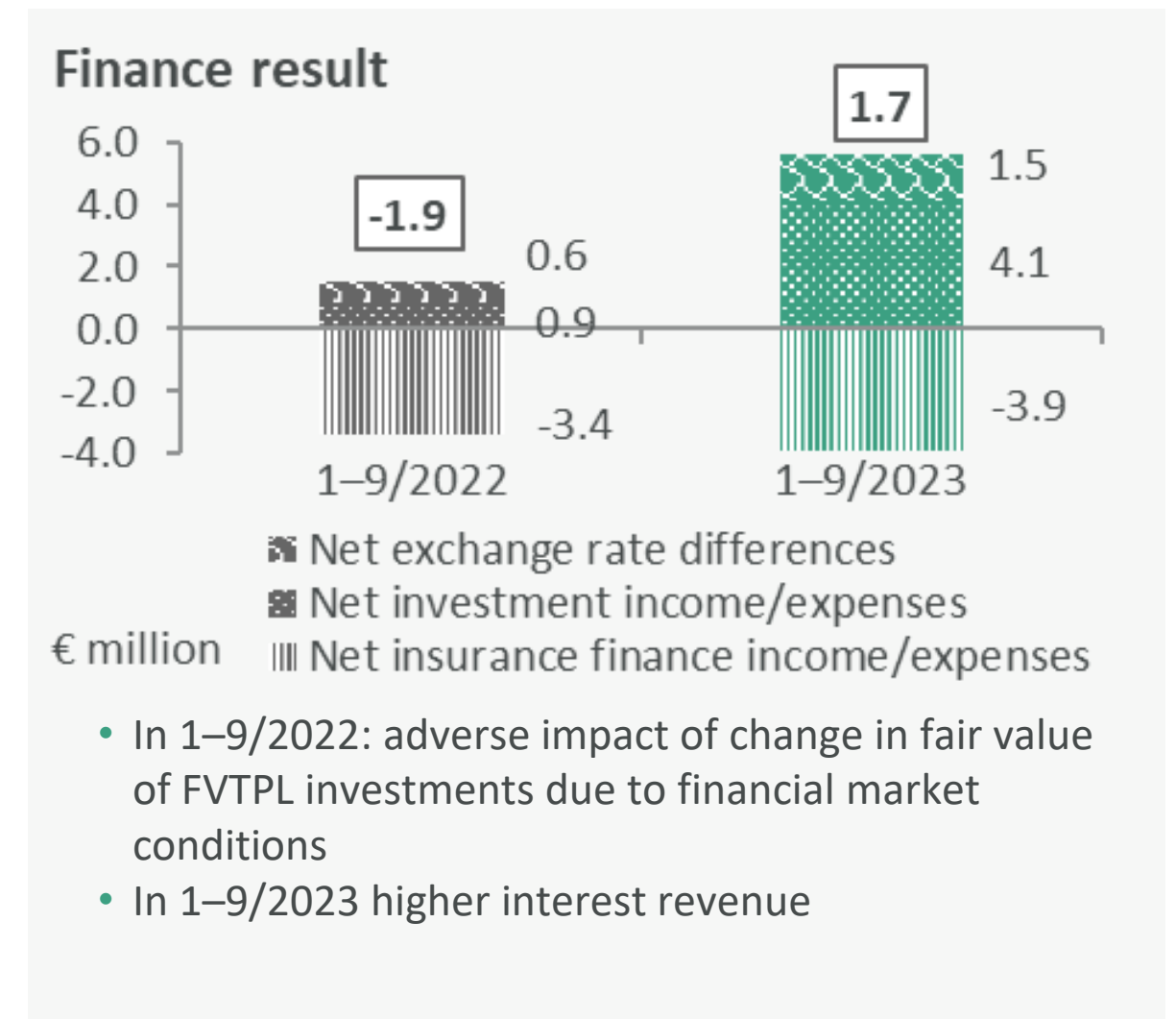
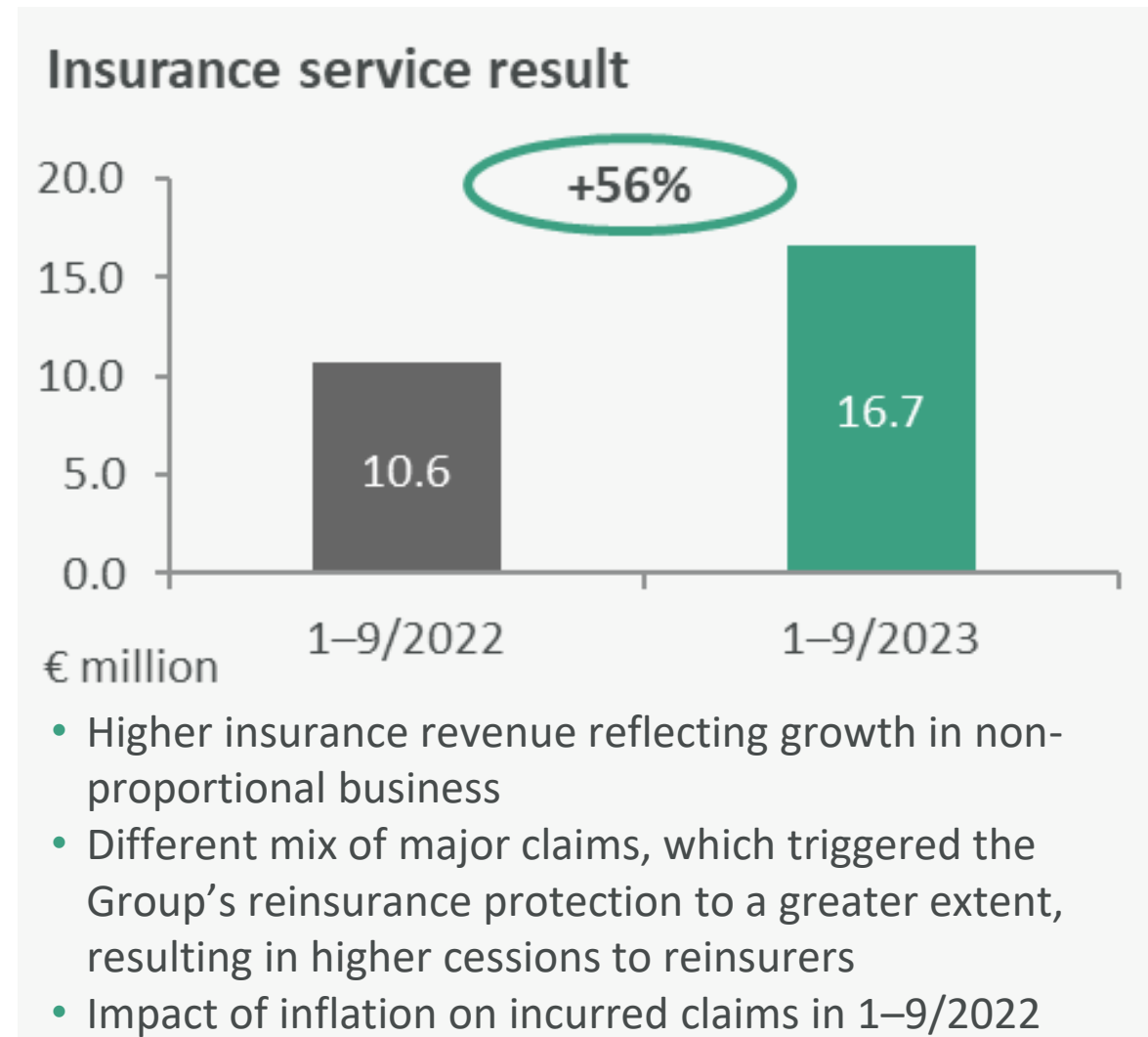
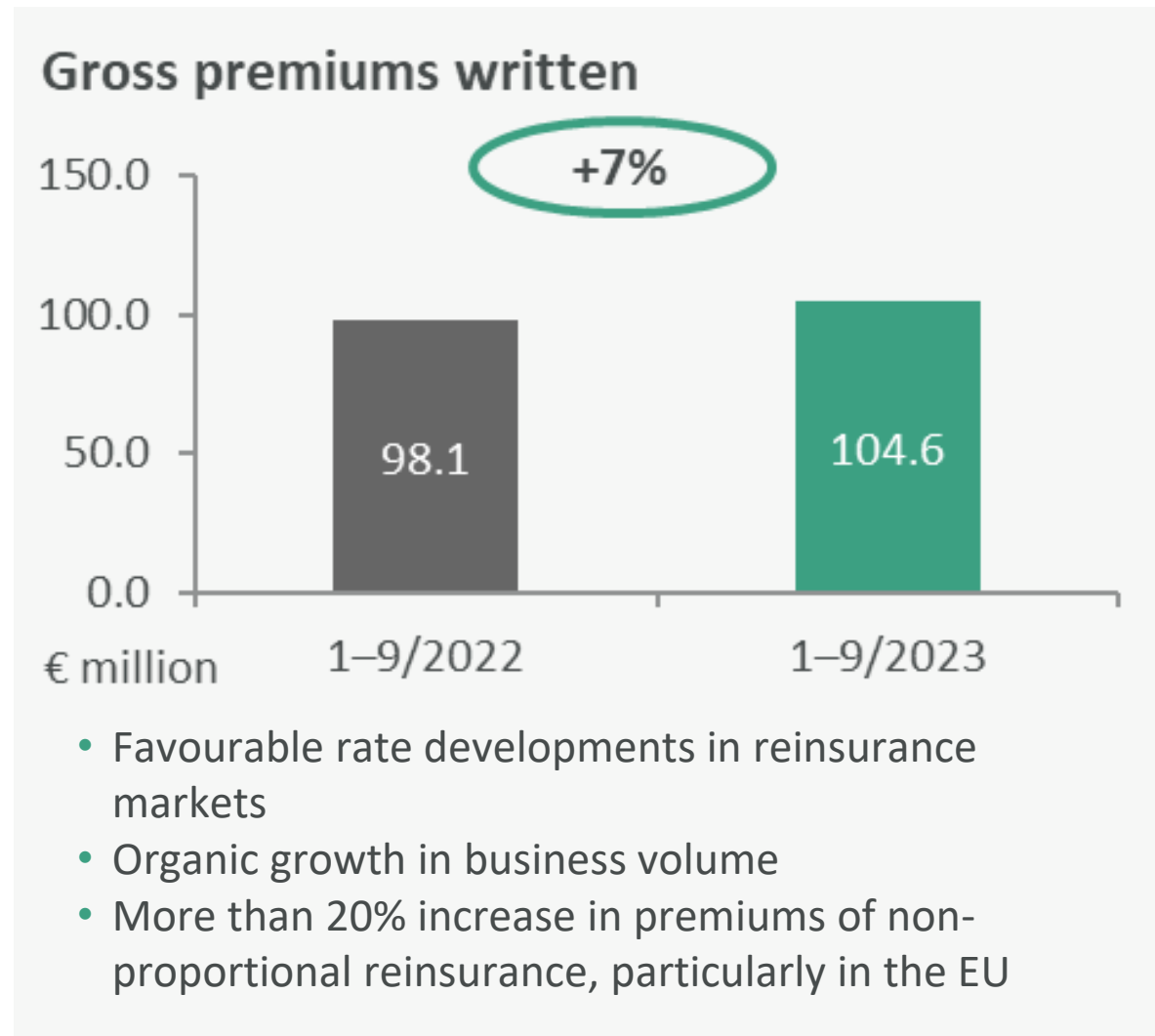
Non-life EU: profits impacted by severe weather events in the summer



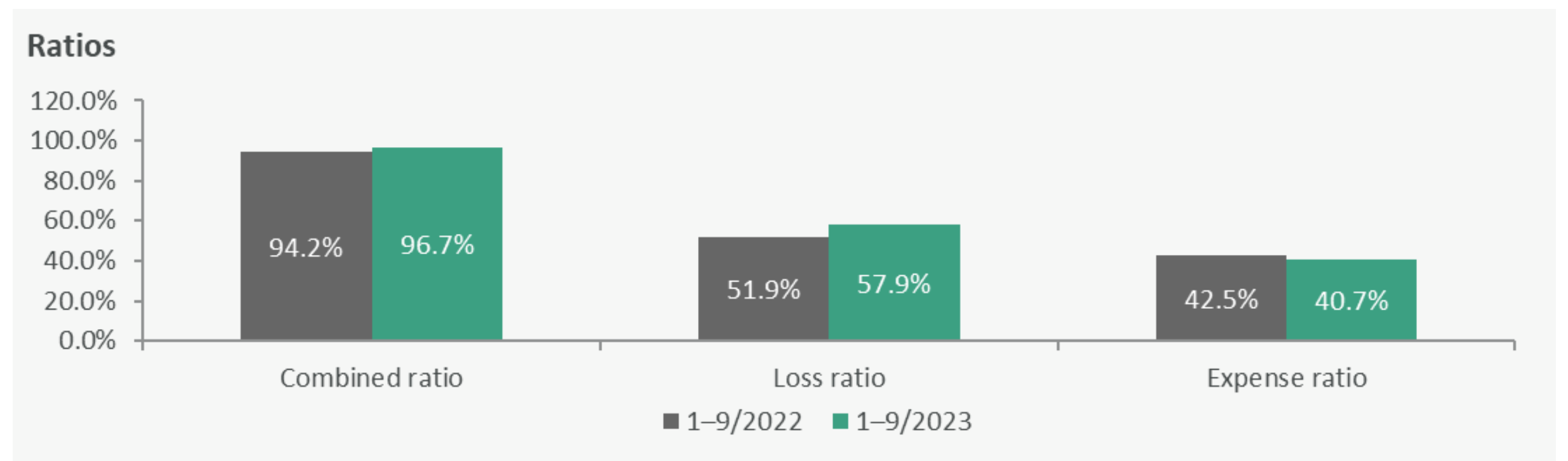
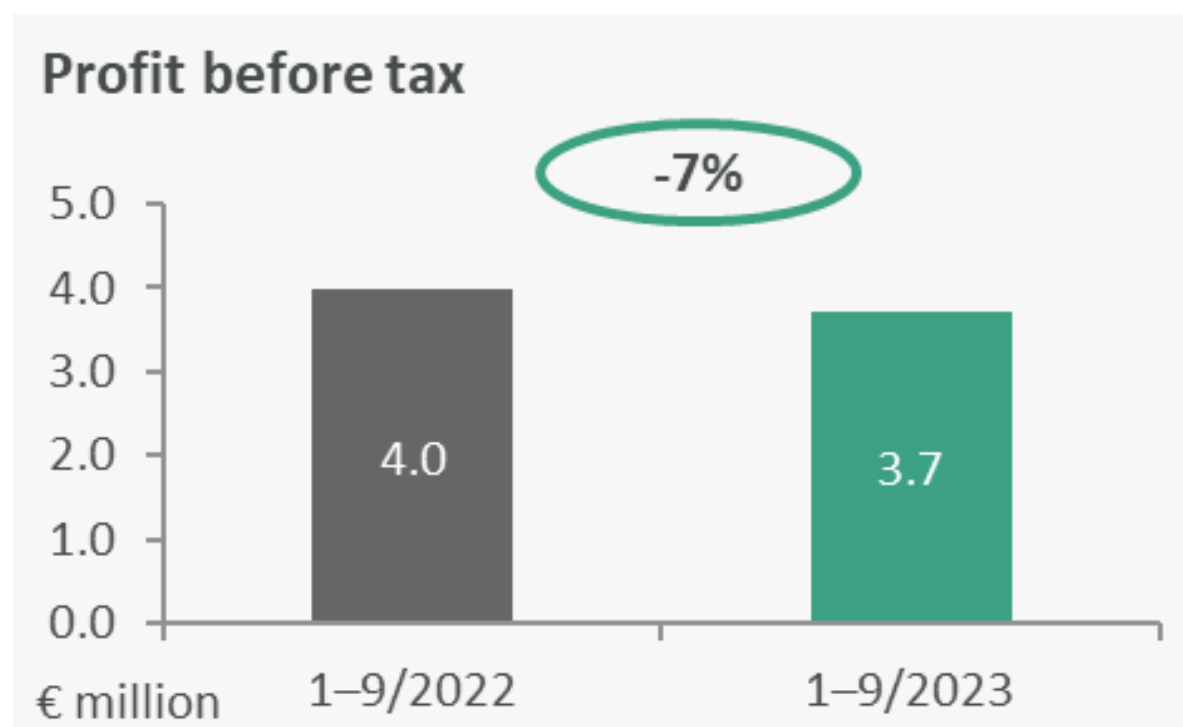
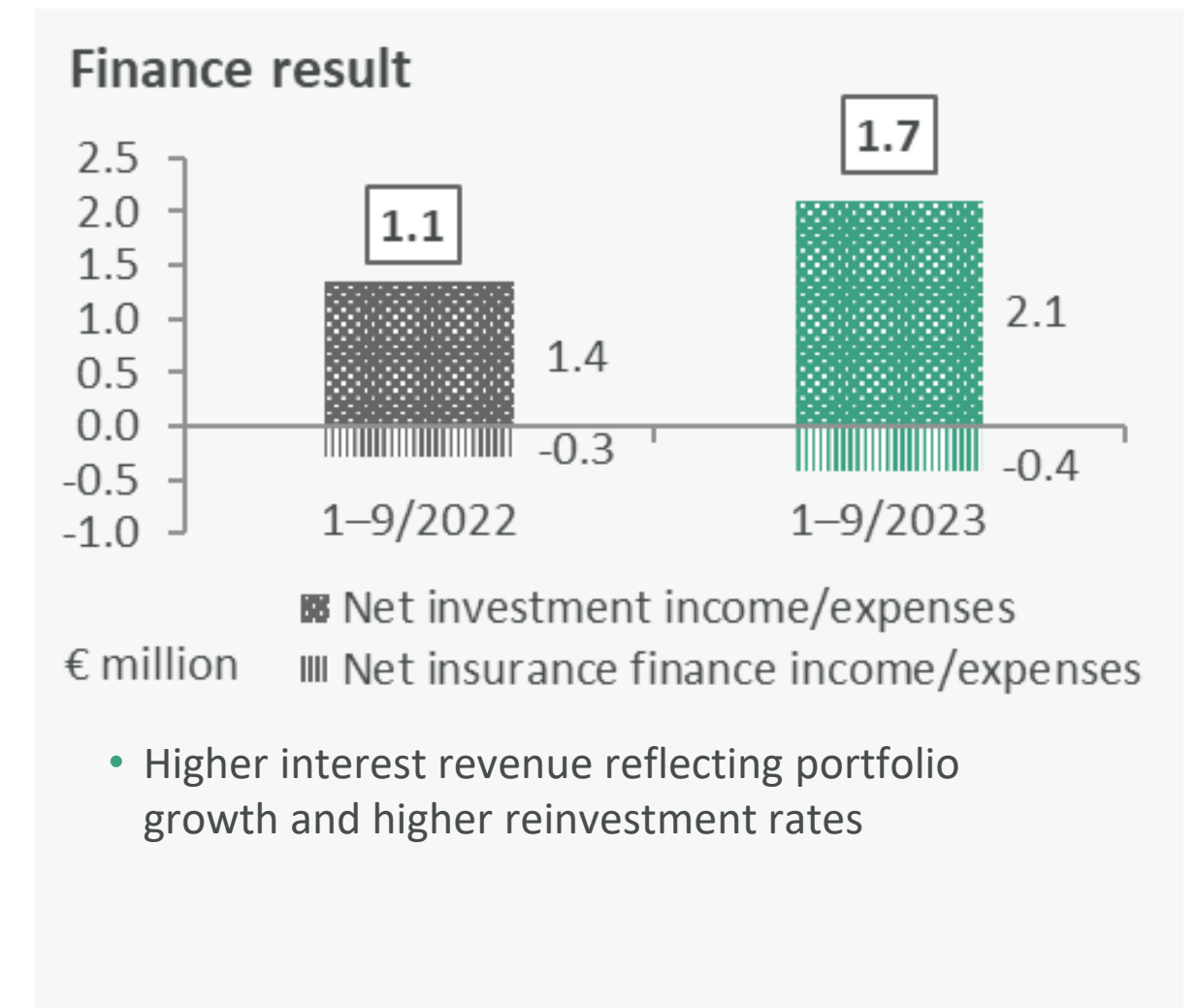
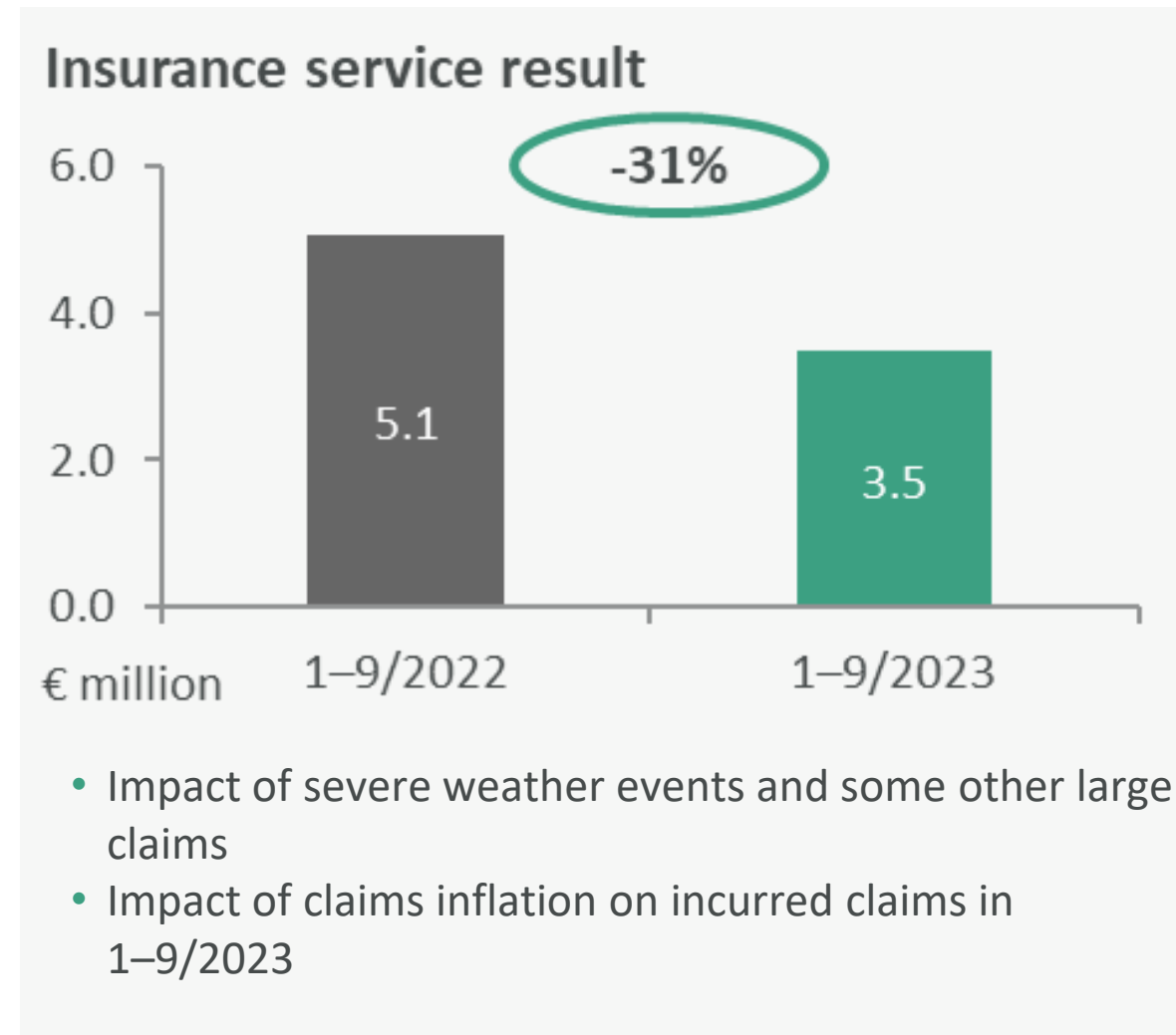
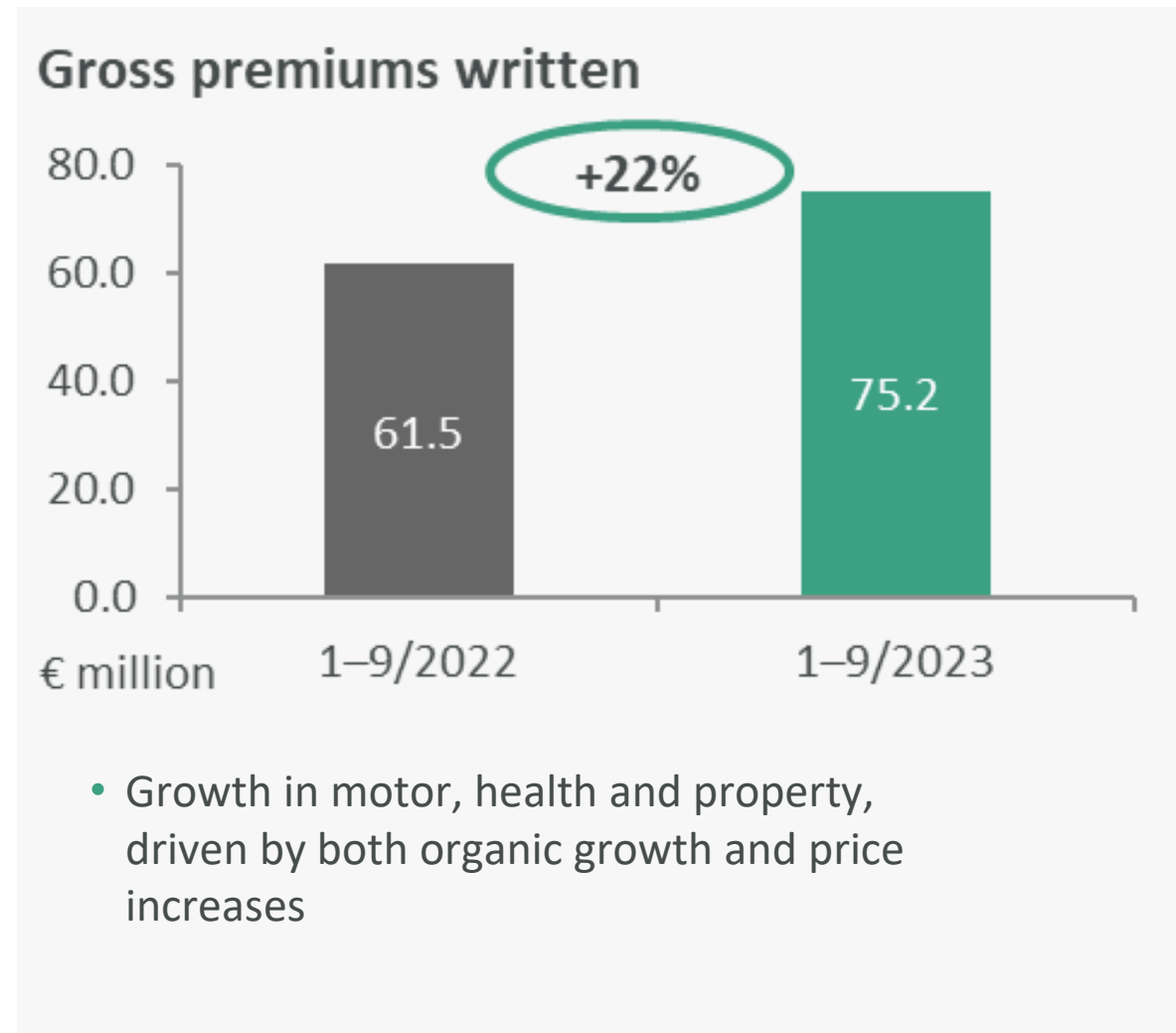
Life EU: higher profit due to improved financial market developments



Reinsurance: benign loss ratio

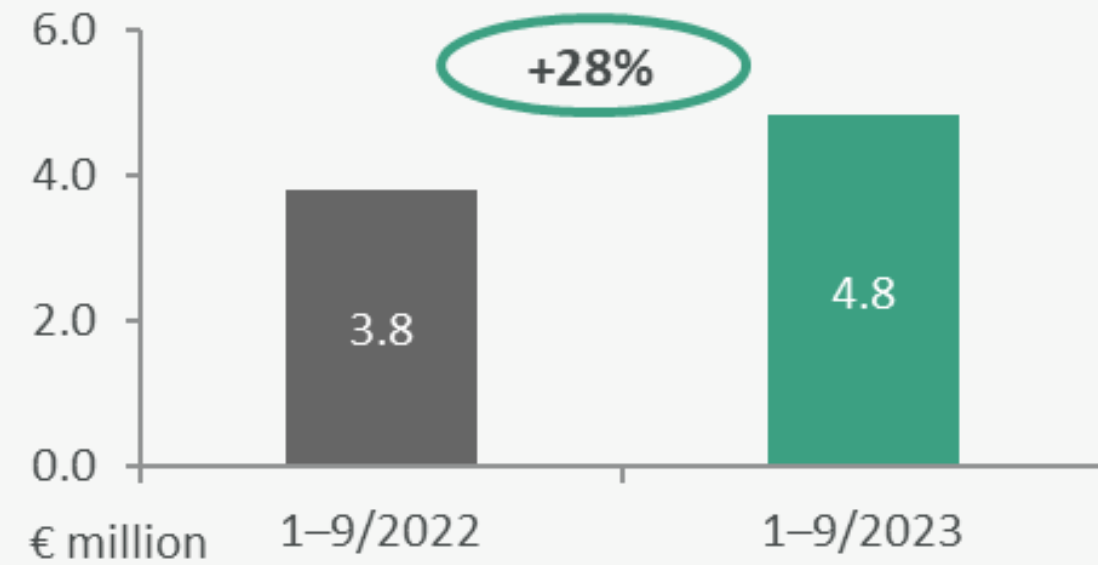


Non-life non-EU: adverse loss experience



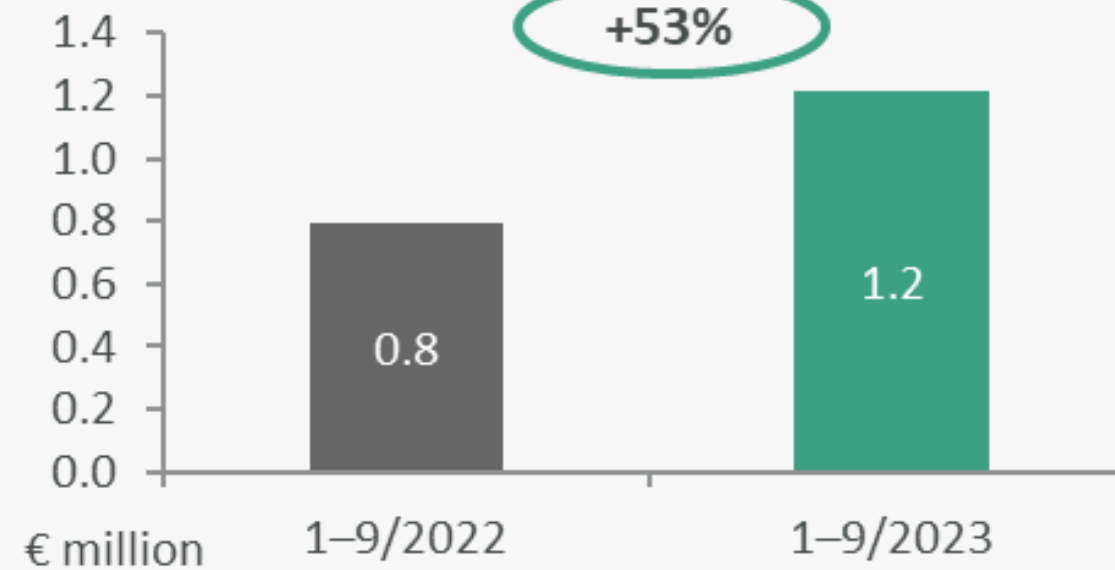
Life non-EU: strong revenue growth

Insurance revenue



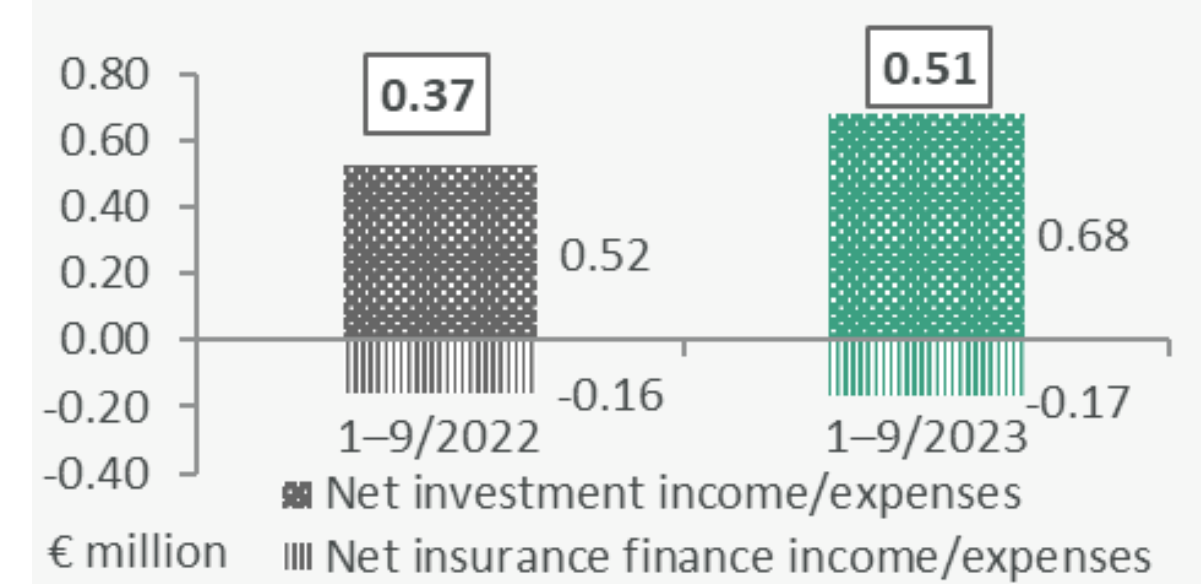
- Increased sales through own distribution channels as well as through agencies and banks

Insurance service result



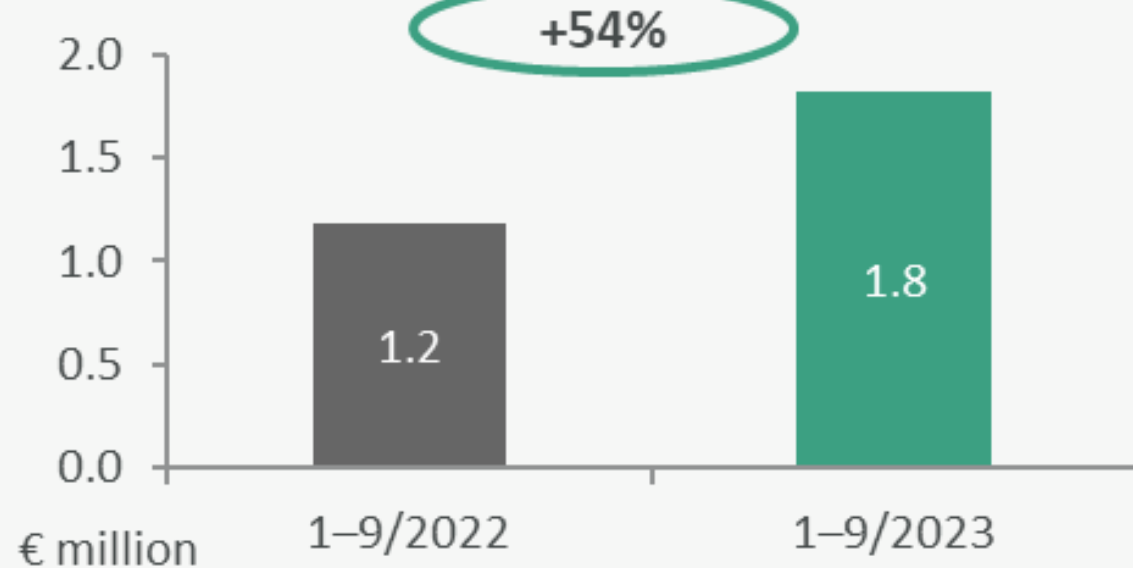
- Higher insurance revenue due to portfolio growth

Finance result

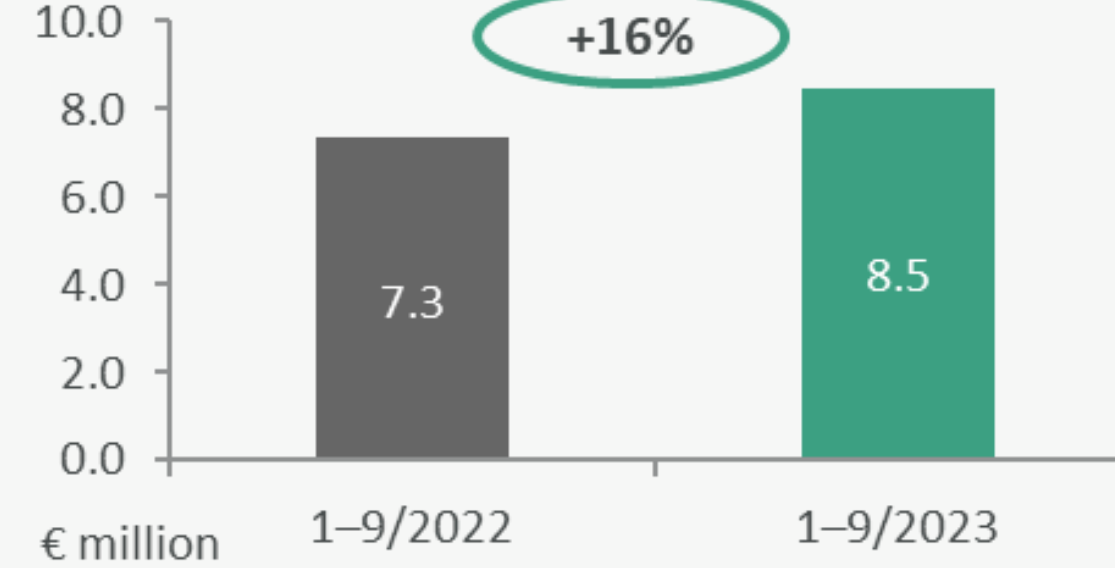


- Higher interest revenue reflecting portfolio growth and higher reinvestment rates

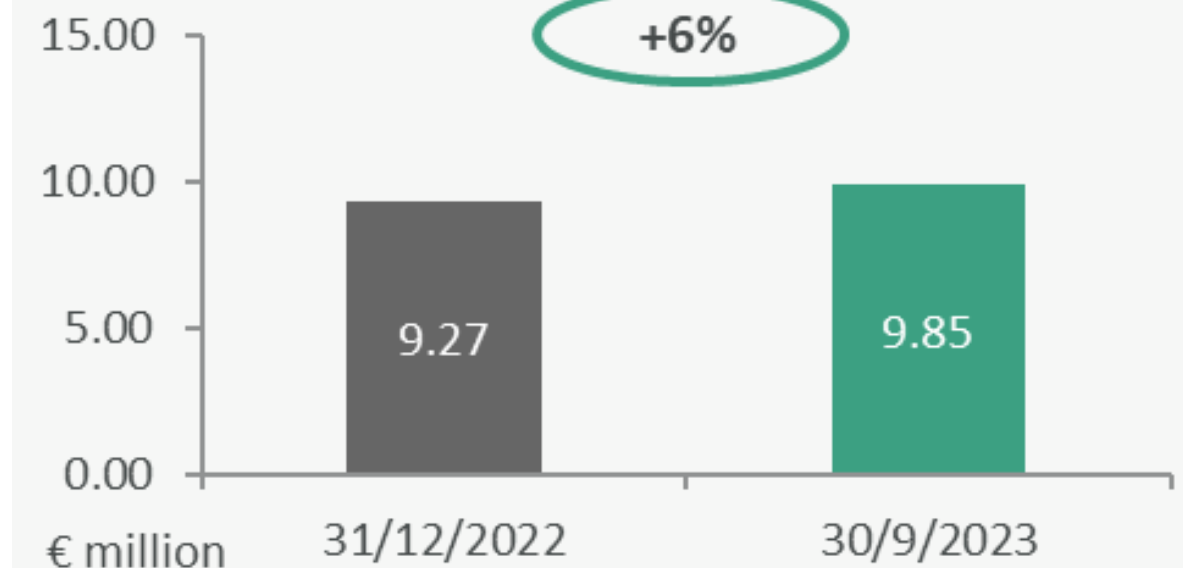
Profit before tax



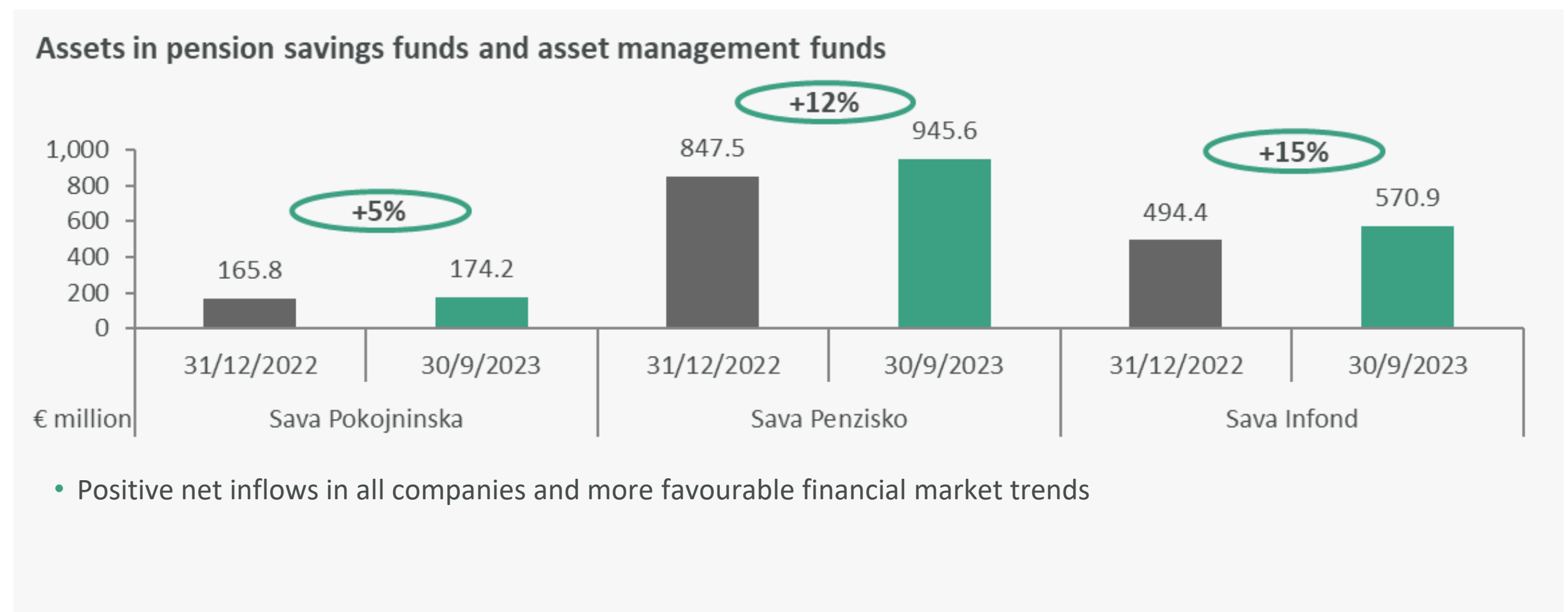
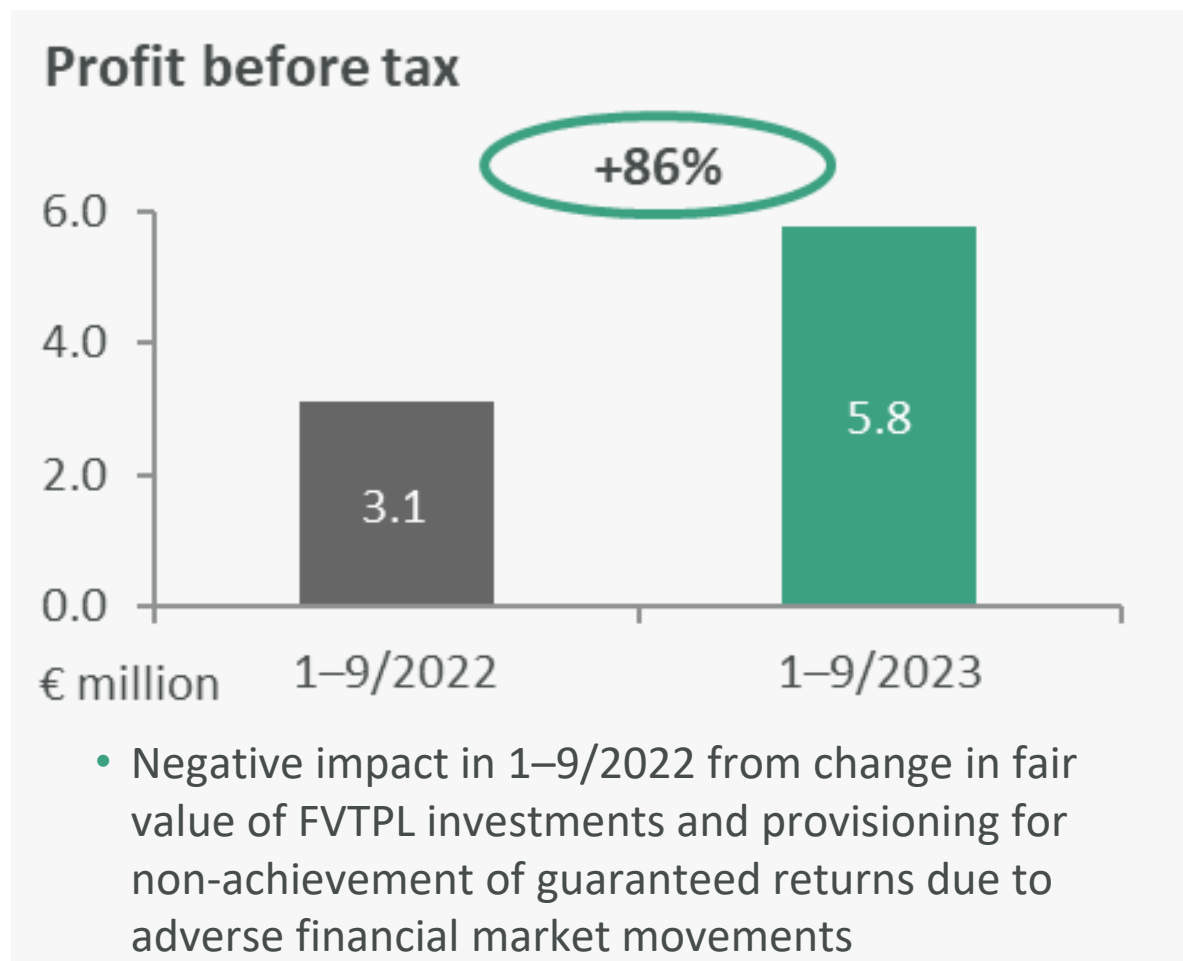
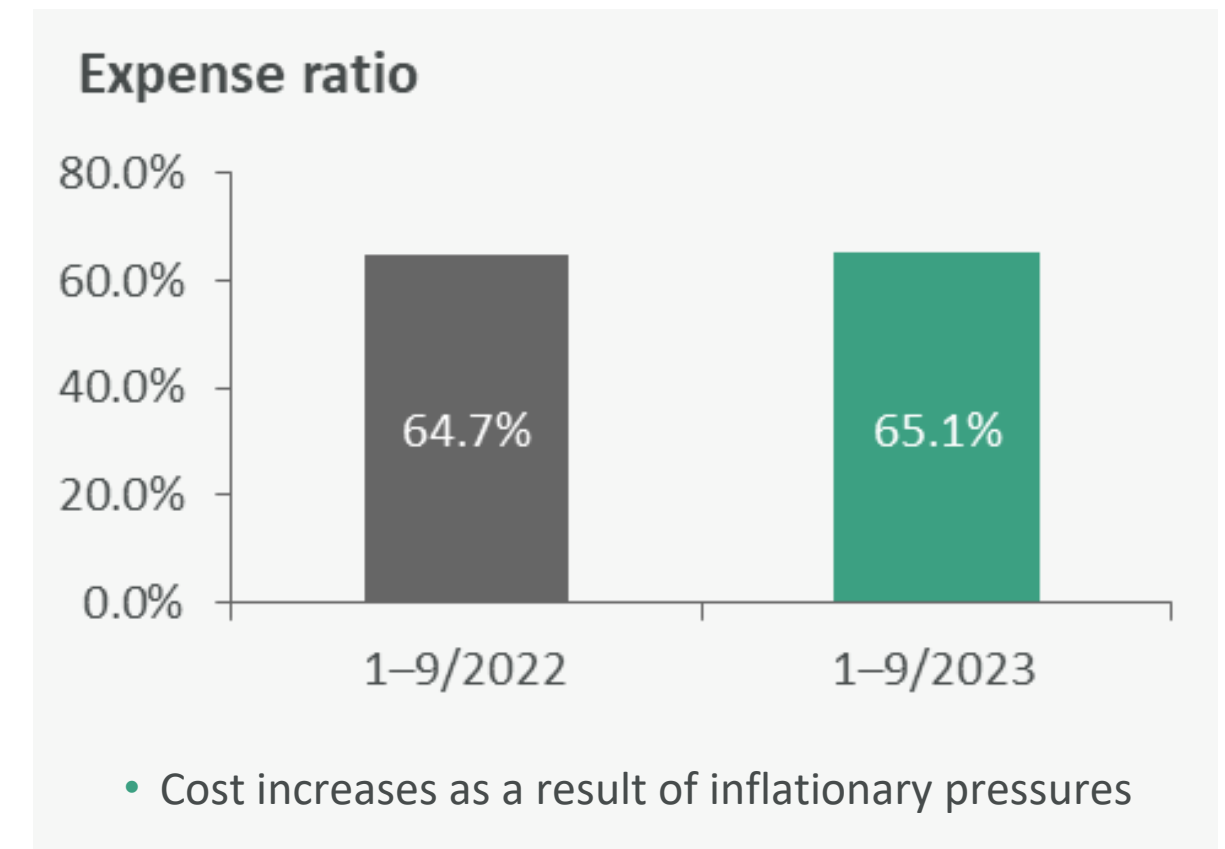
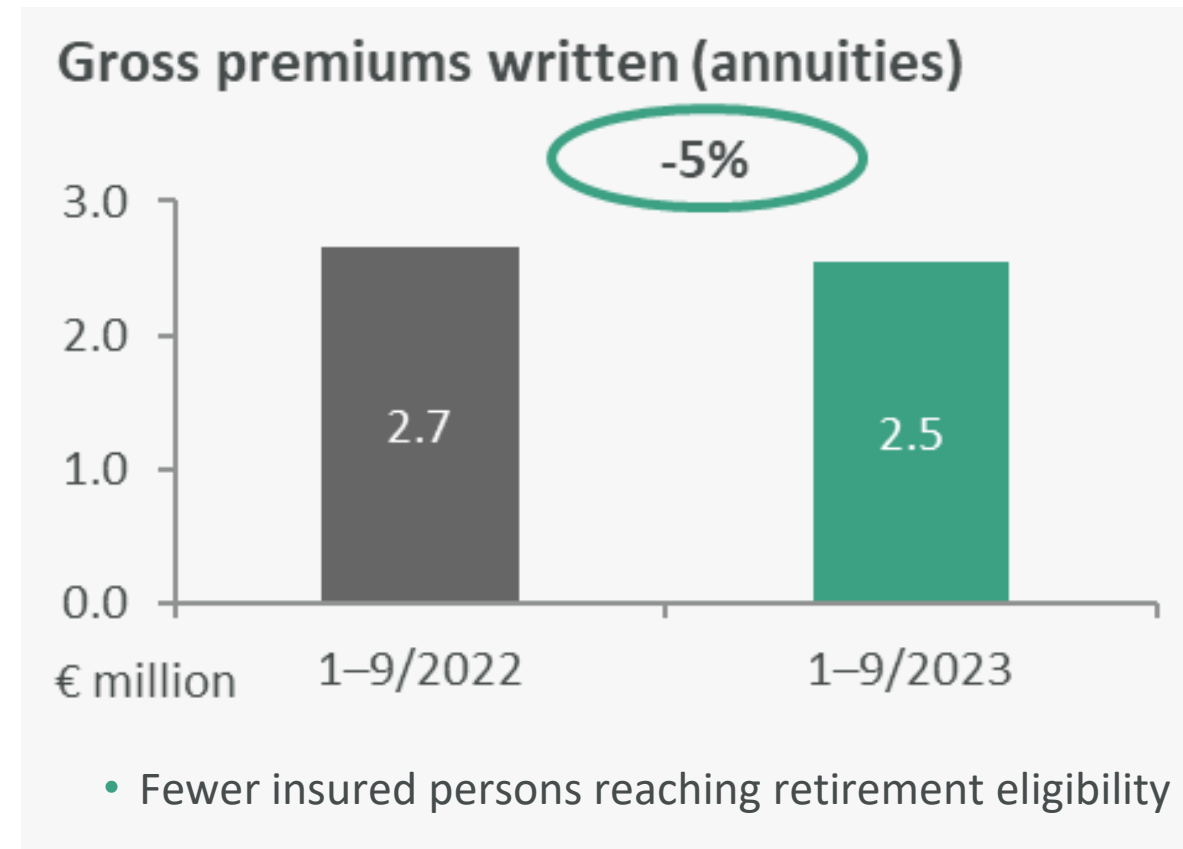
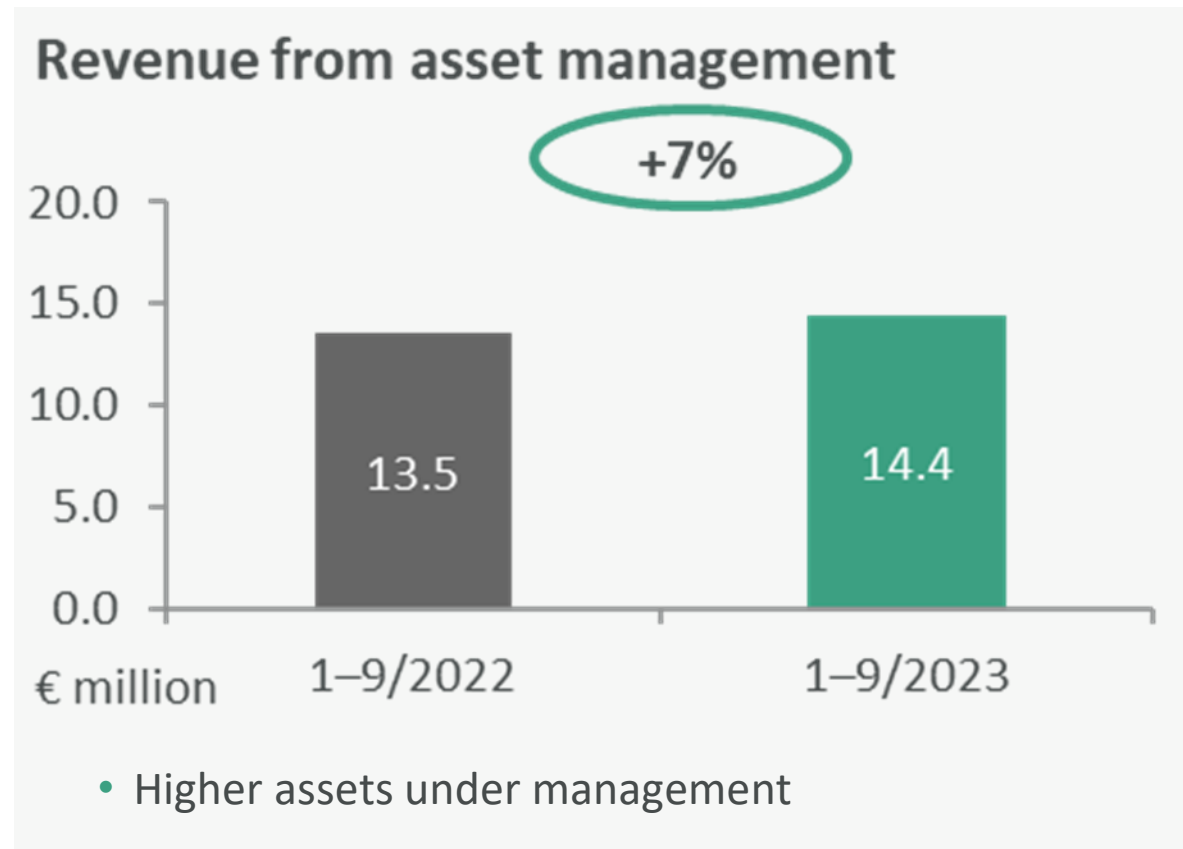
Gross premiums written



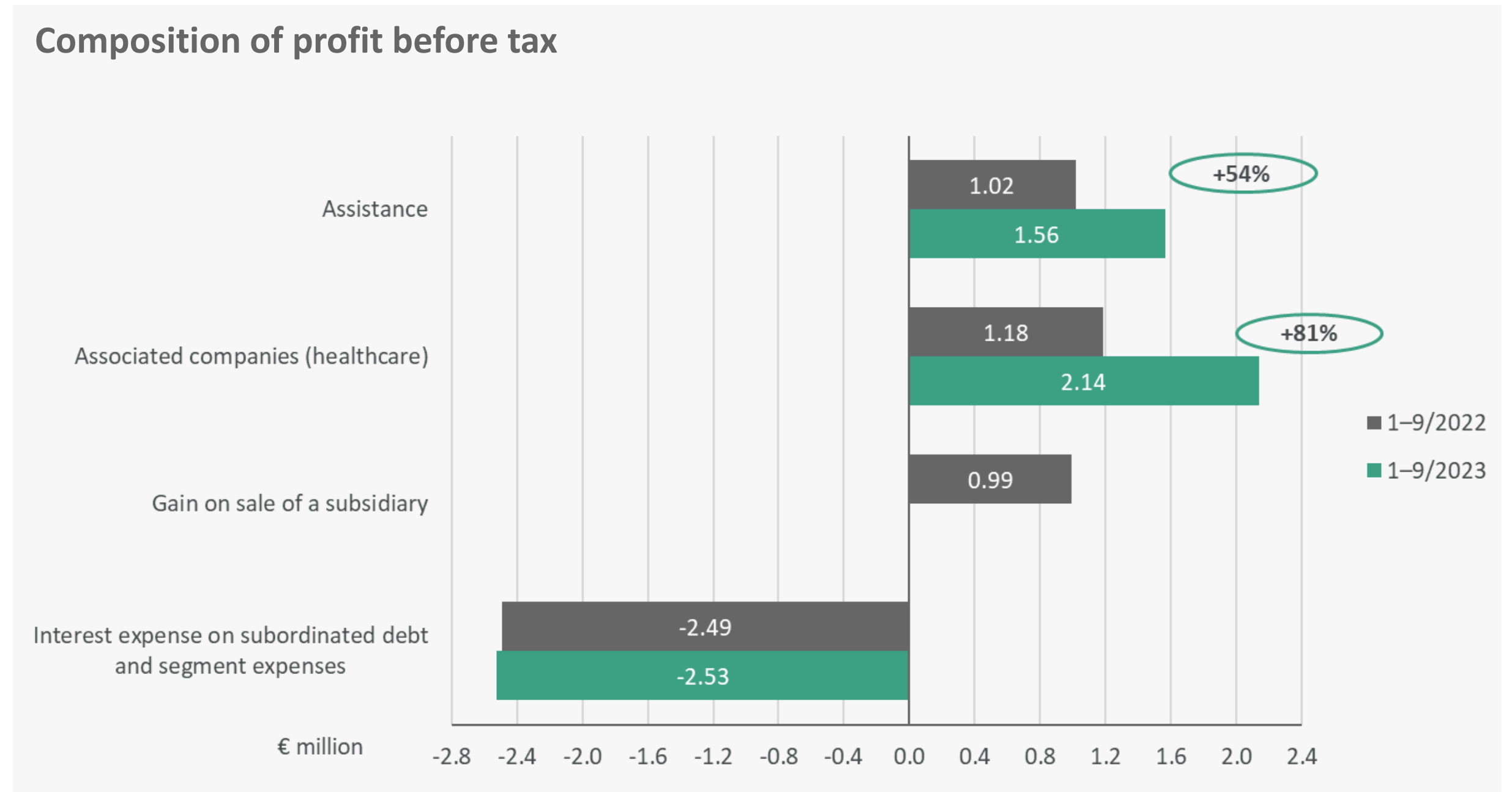
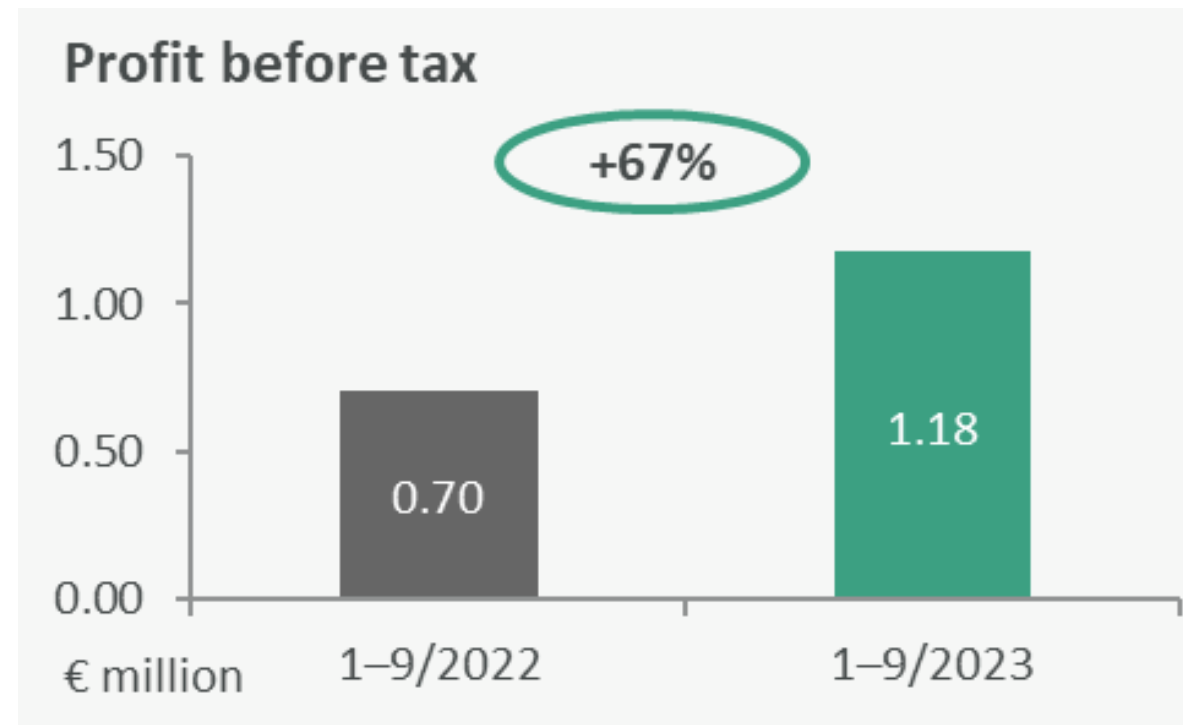
CSM



Pensions and asset management: robust growth in net fund inflows



“Other” segment: higher profits for healthcare and assistance services

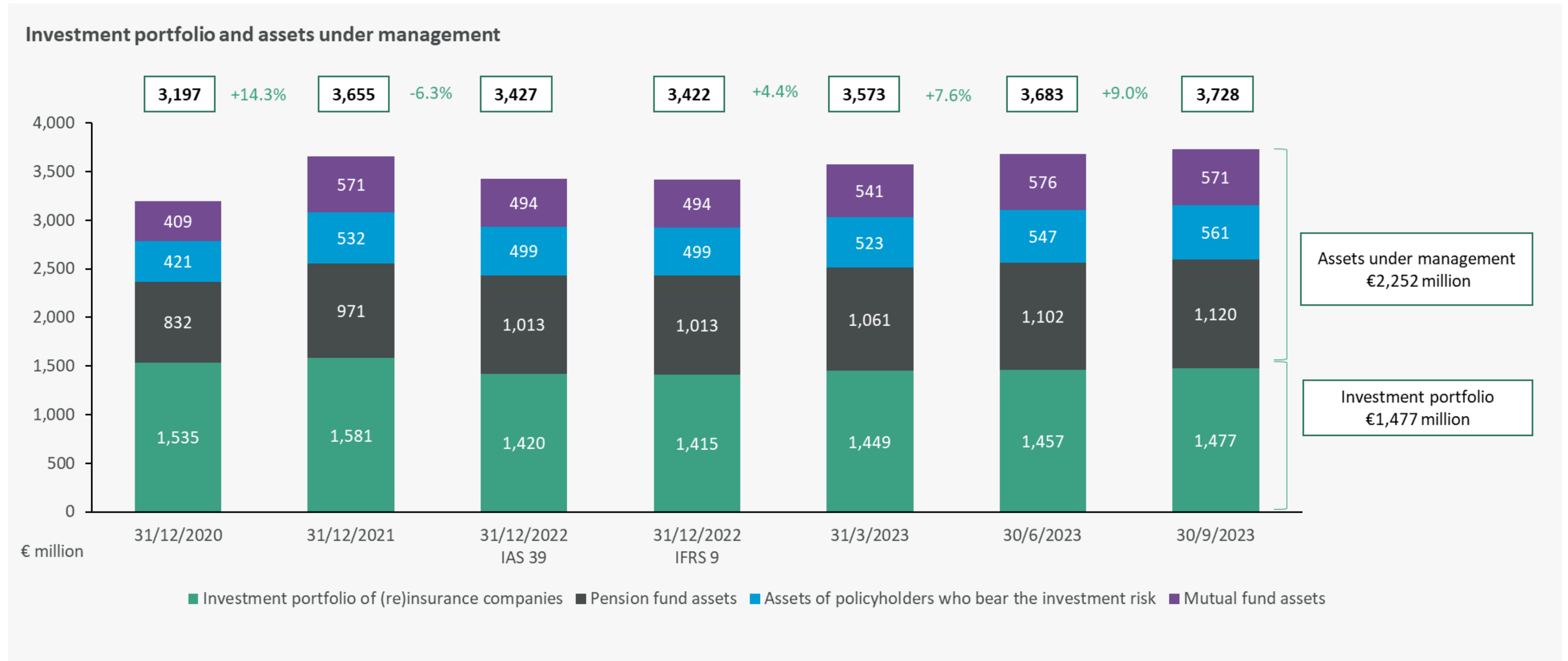


FINANCIAL
INVESTMENTS

03



Growth in assets under management



± x.y% – growth/decline compared to the end of the previous year.



Improved return on the investment portfolio

€ million	1–9/2022	1–9/2023	Difference
Interest income at the effective interest rate	11.2	14.7	3.5
Change in fair value of FVTPL assets	-10.3	1.4	11.7
Gains/losses on disposal of assets	0.0	-0.3	-0.3
Change in expected credit losses (ECL)	0.2	0.2	-0.1
Other income/expenses from investments	4.5	5.8	1.3
Net investment income	5.6	21.8	16.2
Rate of return	0.5%	2.0%	+1.5 p.p.

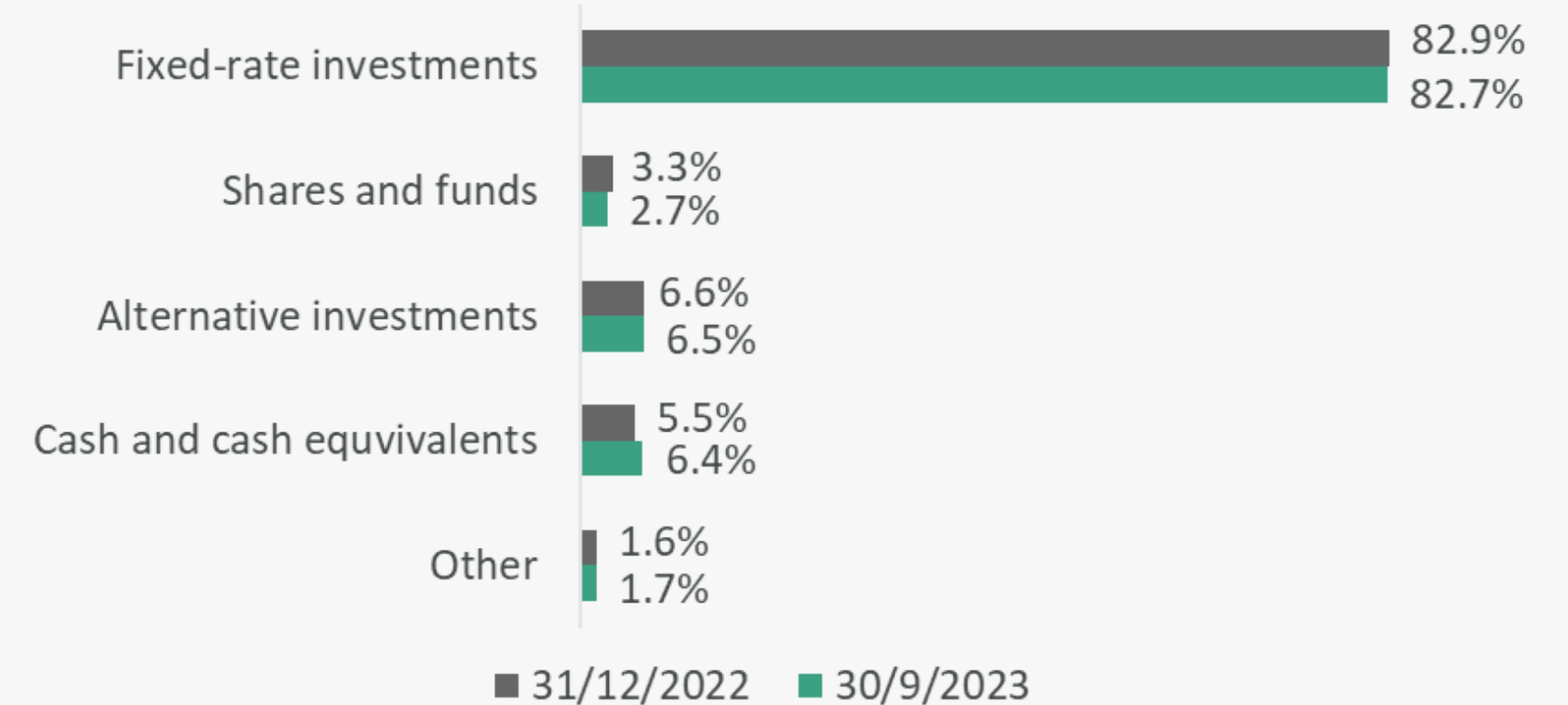


- Positive contribution from FVTPL portfolio driven by favourable performance of equity investments
- Higher interest revenue due to (re)investment in higher yielding investments

Investment portfolio: 82.7% fixed-rate

€ million	31/12/2022	30/9/2023	Difference
Fixed-rate investments	1,173.6	1,221.9	48.2
Government bonds	734.5	745.2	10.7
Corporate bonds	420.3	448.7	28.4
Deposits & CDs	18.8	28.0	9.1
Shares and funds	47.0	40.6	-6.5
Shares	24.9	23.2	-1.7
Mutual funds	22.2	17.4	-4.8
Alternative investments	93.1	95.4	2.2
Infrastructure funds	53.9	57.6	3.8
Real estate funds	16.5	15.1	-1.4
Investment property	22.8	22.6	-0.2
Cash and cash equivalents	78.3	94.2	15.9
Other	23.1	24.5	1.5
Total investment portfolio	1,415.2	1,476.6	61.3

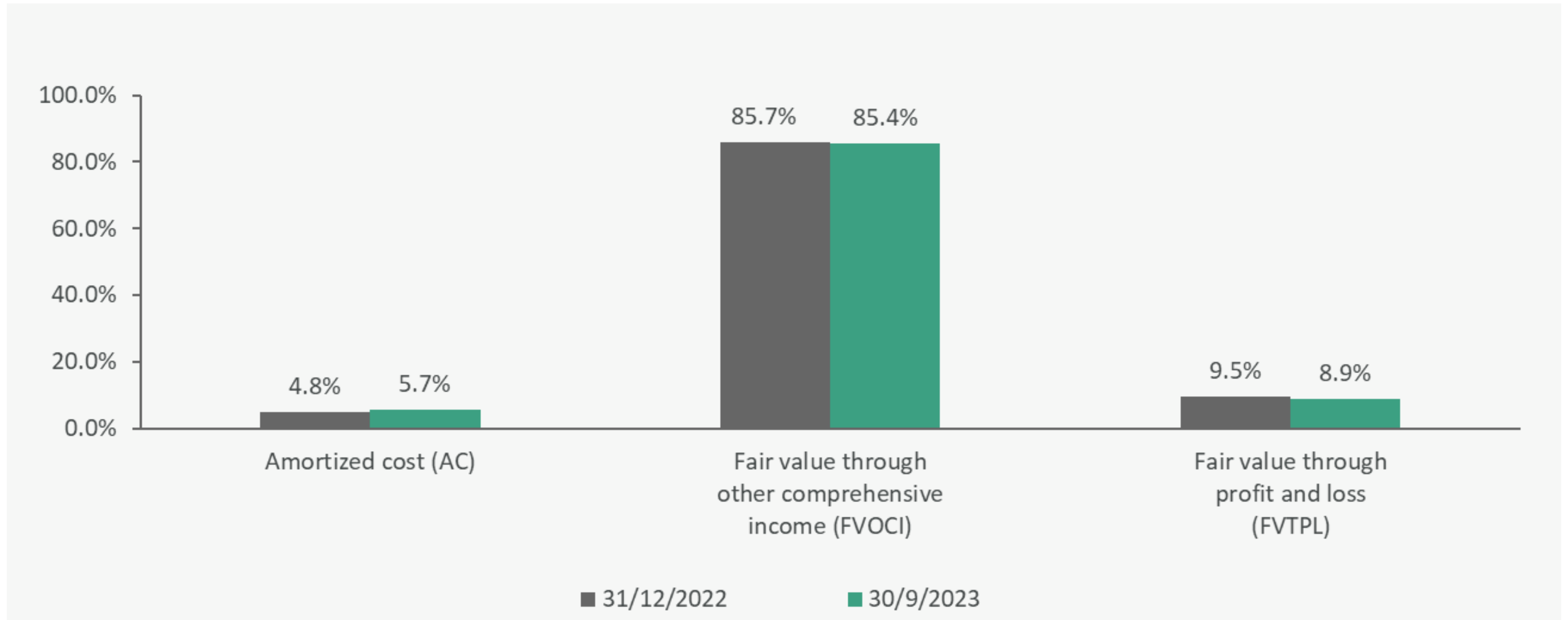
Investment structure



- Maintaining a safe and liquid portfolio by investing in top-rated government and corporate bonds
- Reduced exposure to equities
- Increased focus on providing liquidity without impacting the bottom line
- Q3 reinvestment yield of around 3.5% compared to 3.3% for 1–9/2023



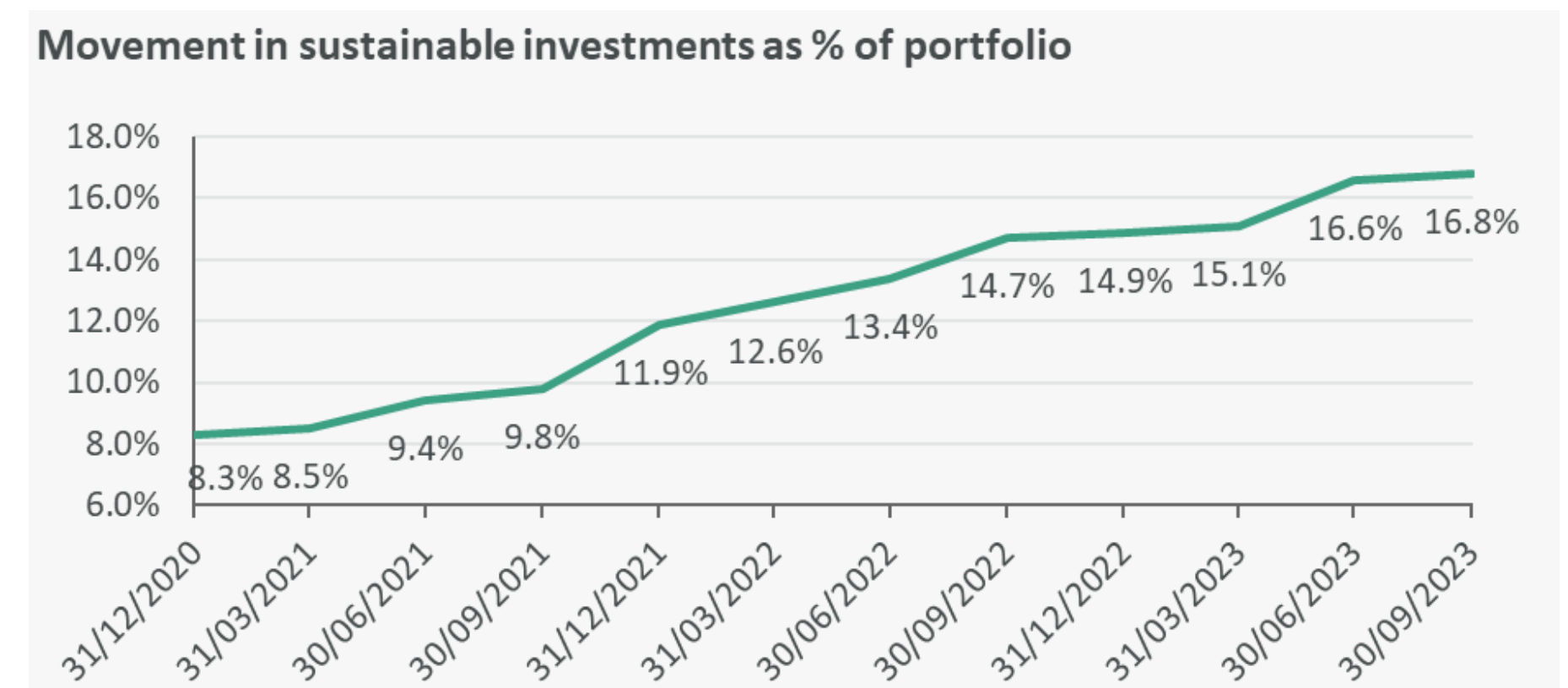
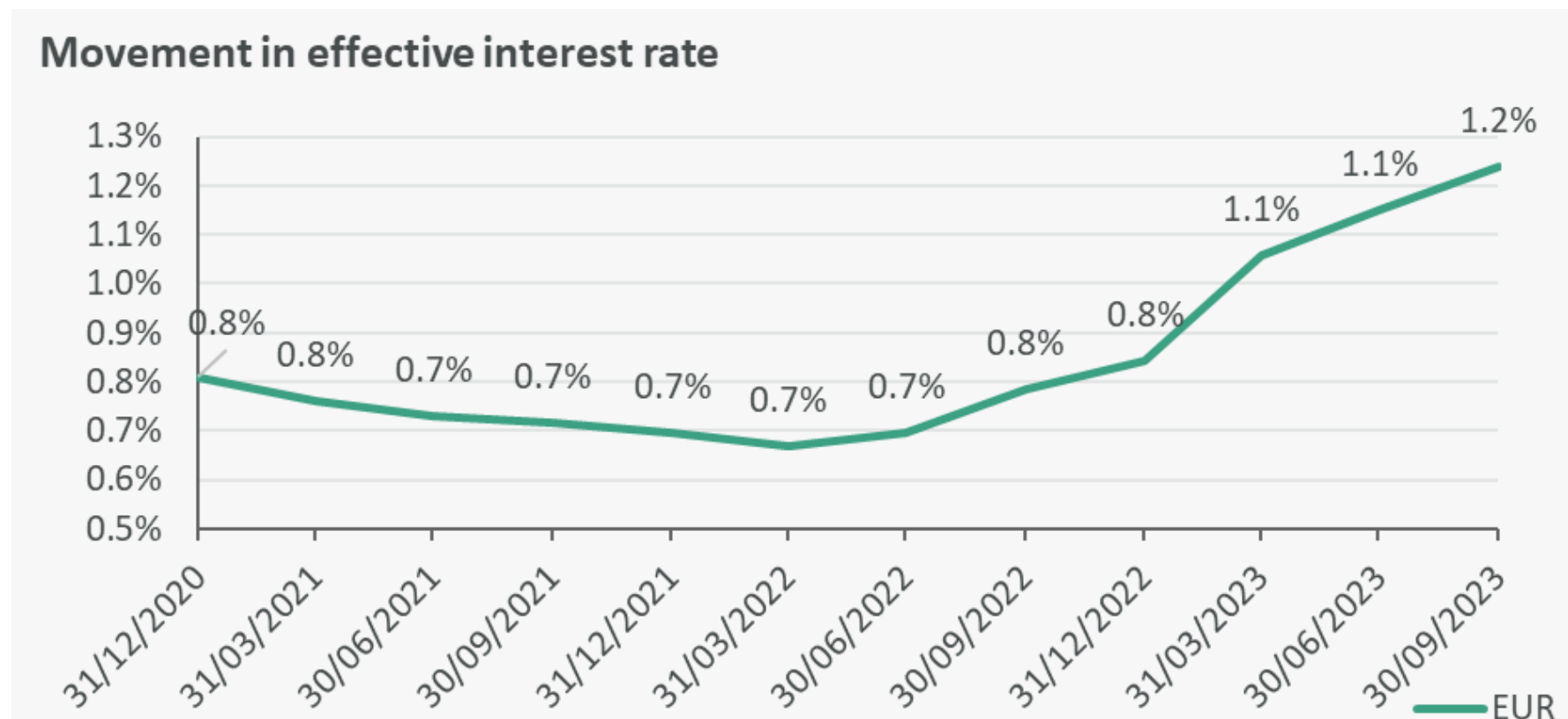
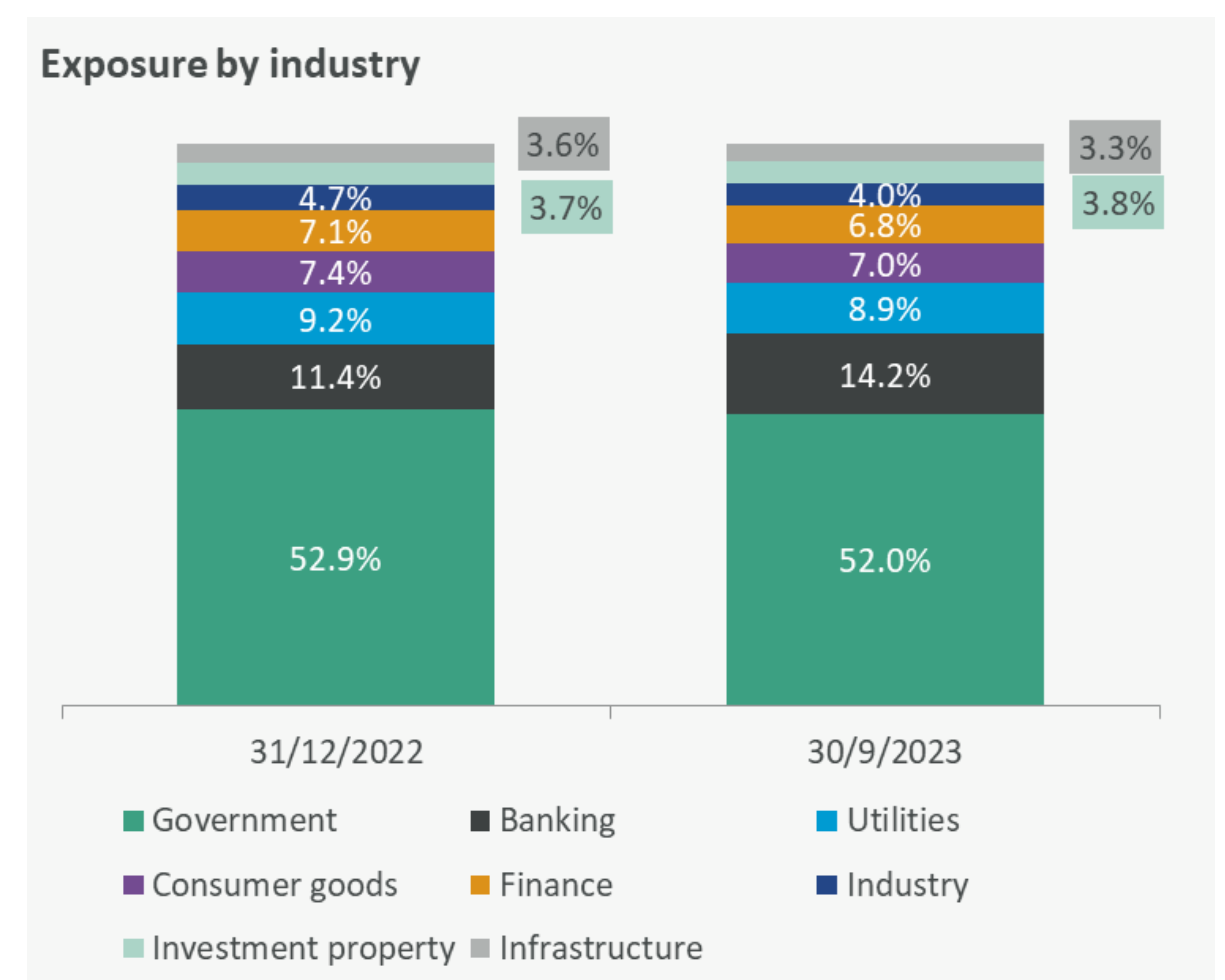
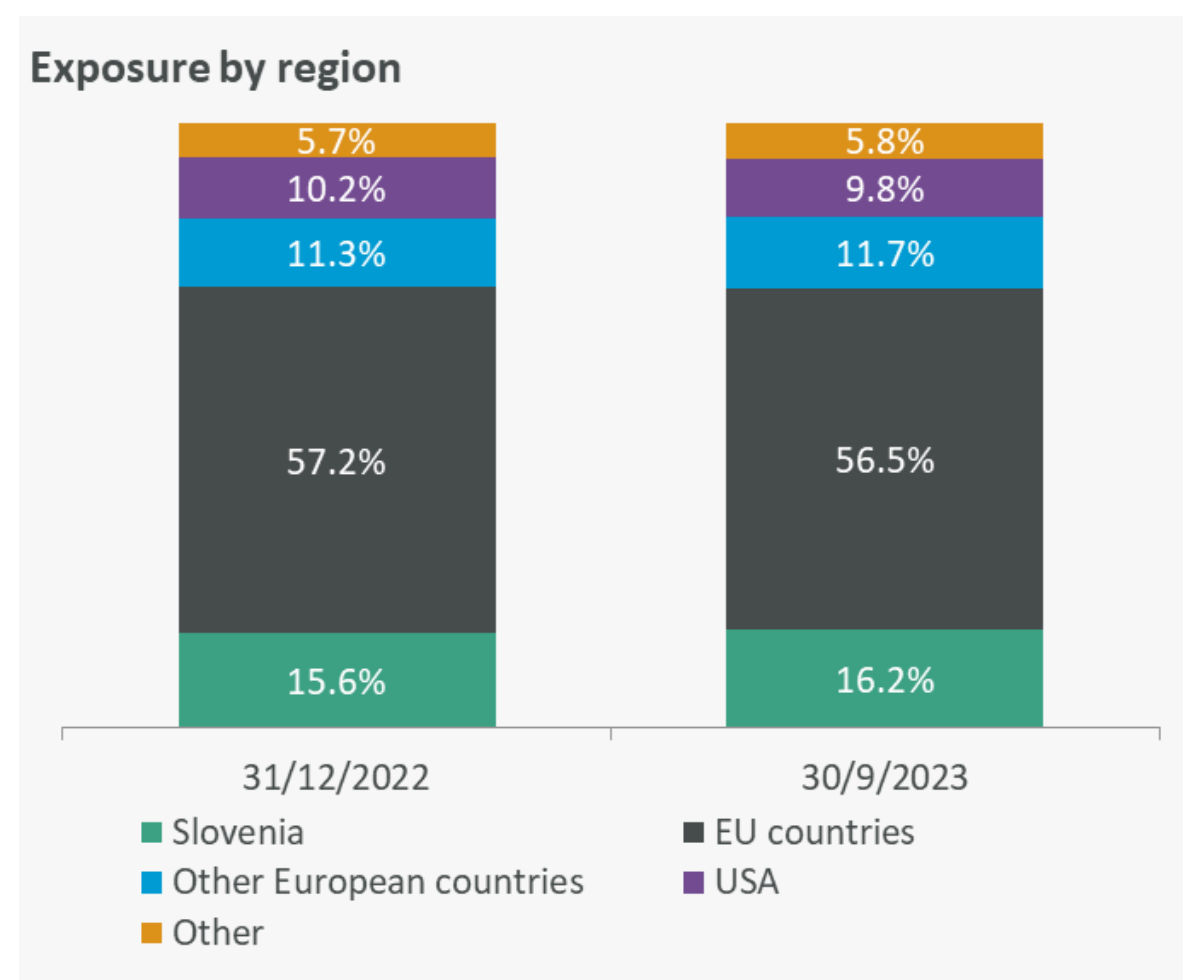
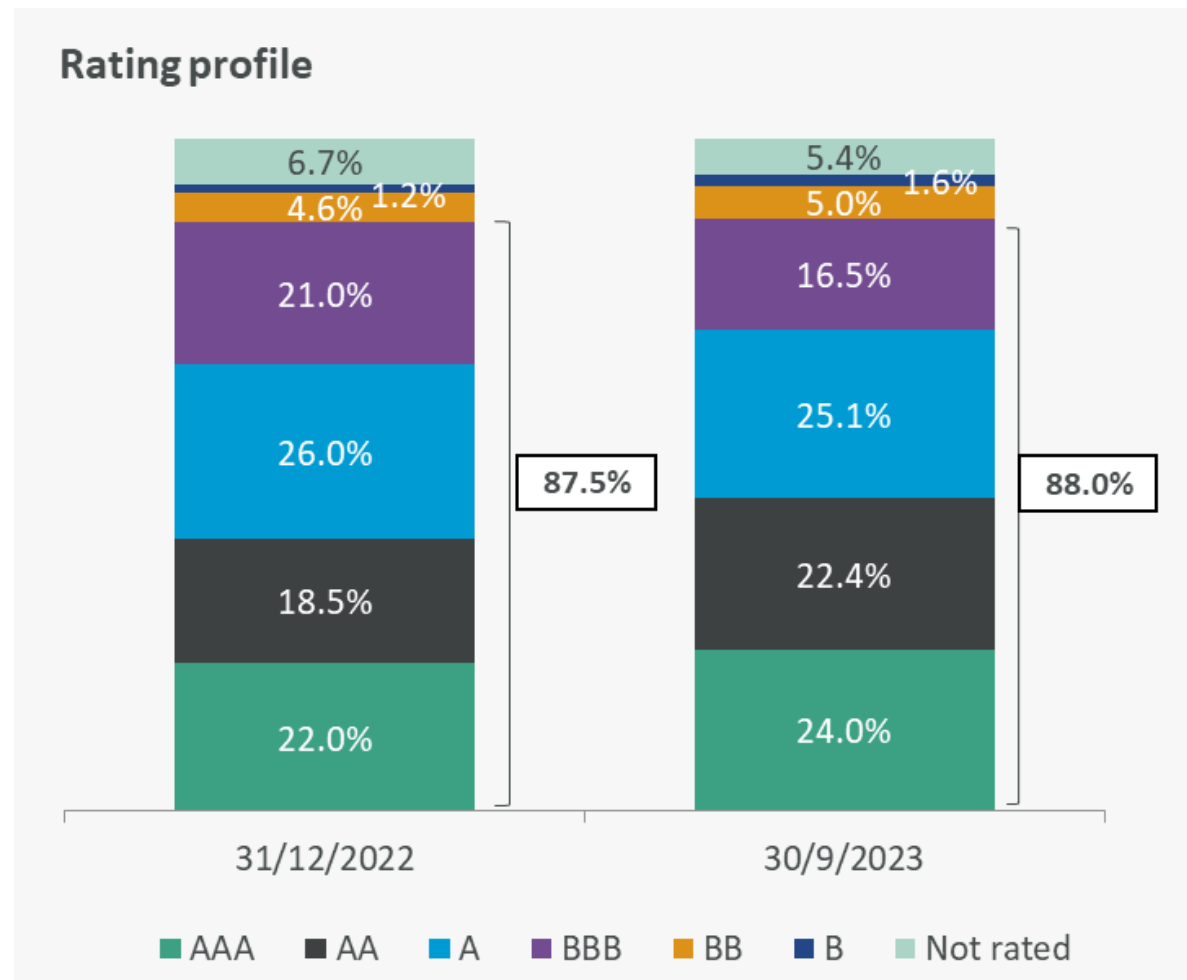
Investment portfolio: 85.4% FVOCI assets



- No significant change in asset allocation since year-end



Secure and stable investment portfolio



POSR SHARE
AND DIVIDEND
POLICY

04



Shareholders and share trading

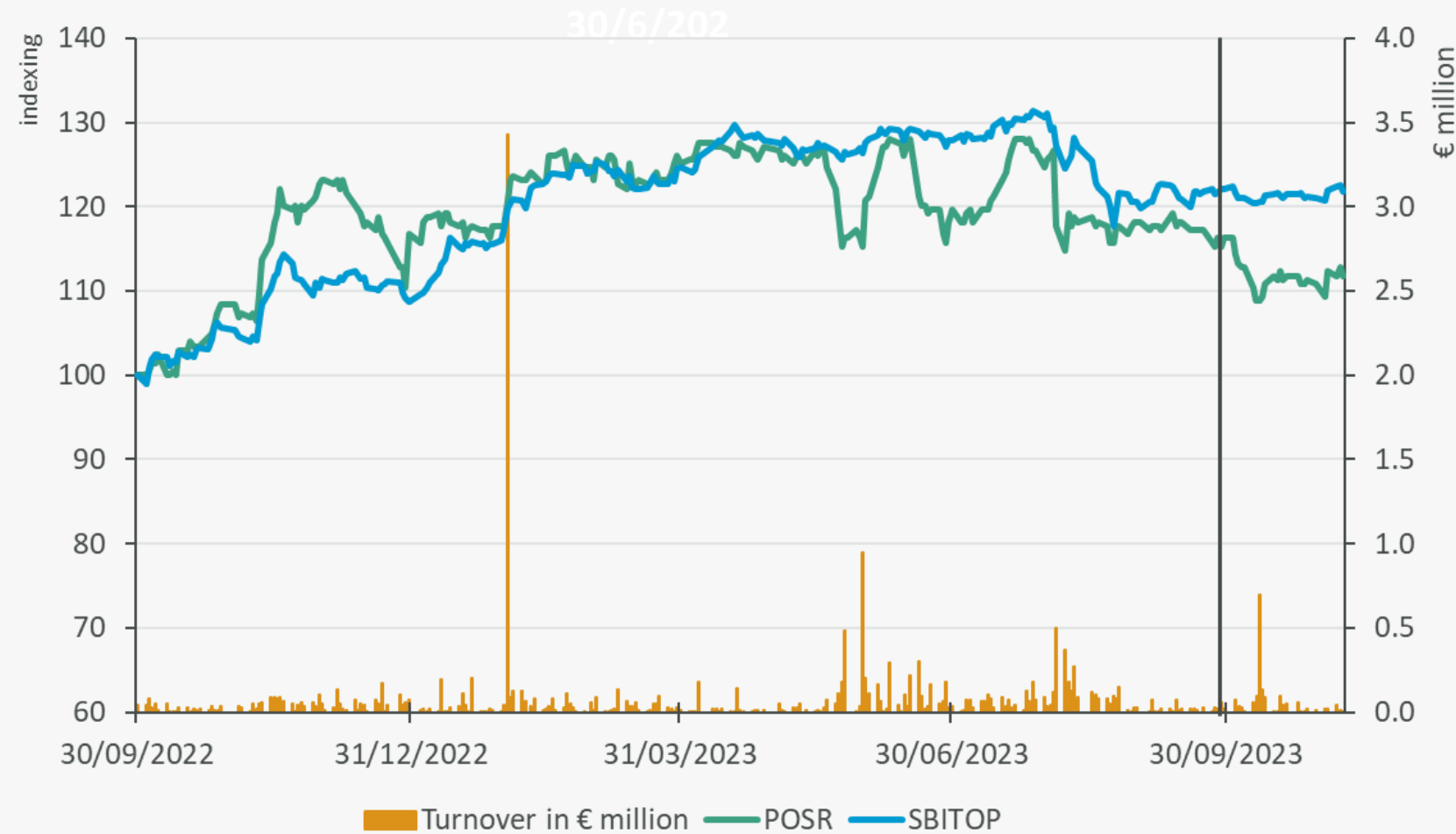


Book value of share
30 September 2023
€35.37*

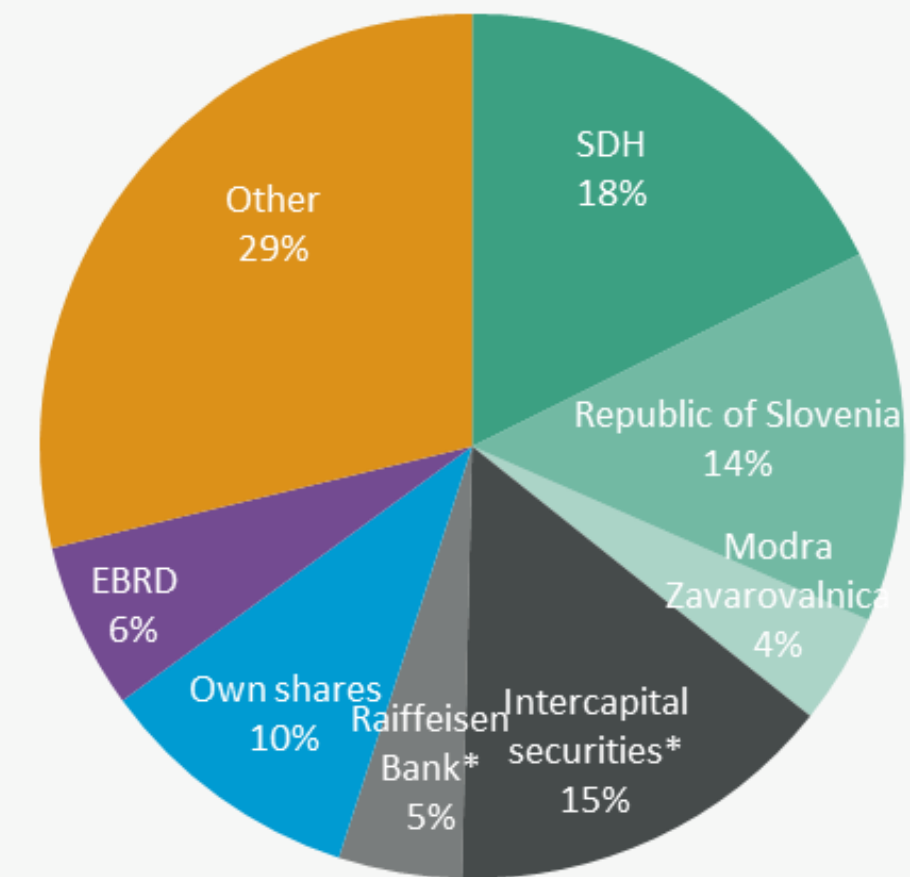
* Higher book value of share as a result of higher equity following transition to IFRS 17 and IFRS 9.

	30/9/2023
Share capital (€ million)	71.9
Market capitalisation (€ million)	365.7
Trading symbol	POSR
No. of shares	17,219,662
No. of own shares	1,721,966
No. of shareholders	4,357

Performance and turnover (30/09/2022 = 100)



Shareholders structure as at 30 September 2023



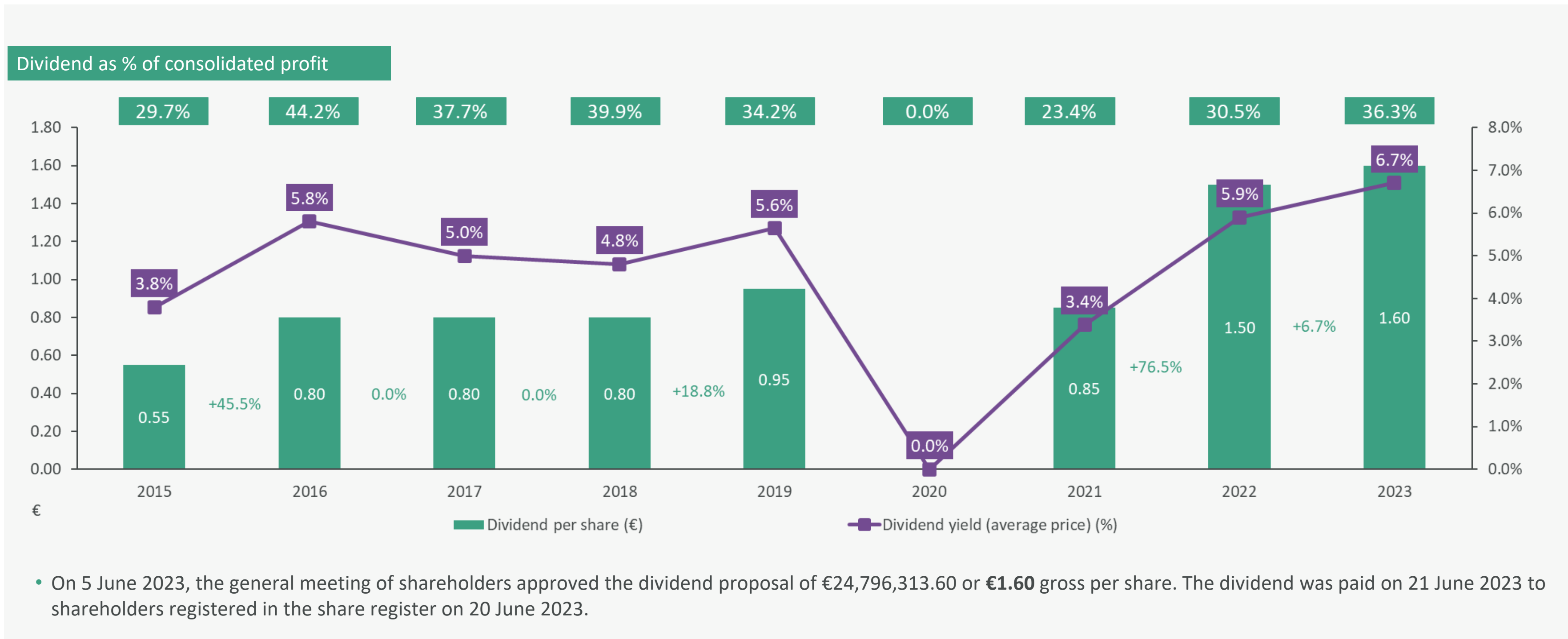
* Custody account.



Improved dividend yield



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

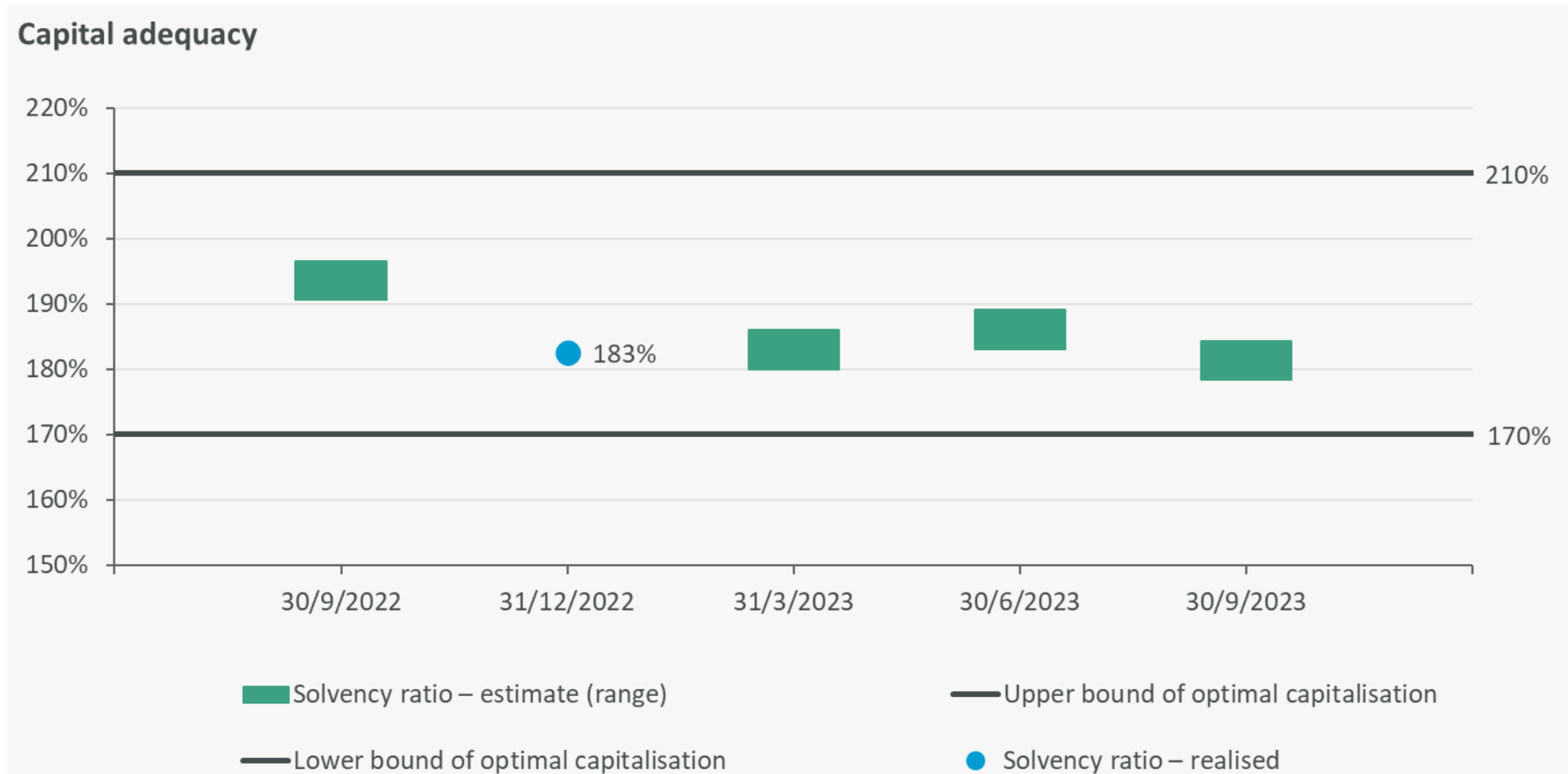


SOLVENCY
POSITION

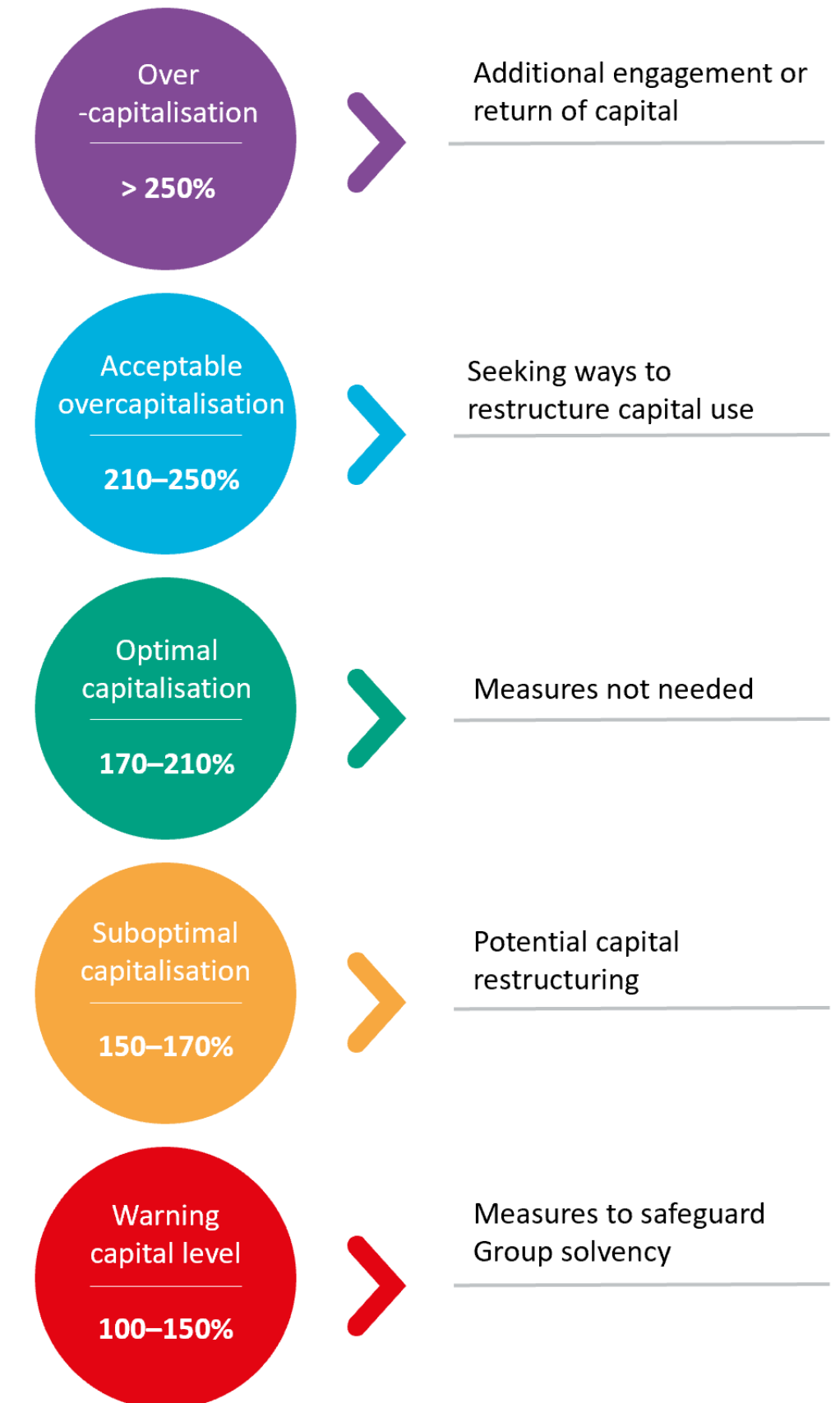
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Solid solvency position



The Sava Insurance Group’s solvency and financial condition report for 2022 was posted on the Sava Re website and that of the Ljubljana stock exchange on 12 May 2023.





Thank you.

For more information: ir@sava-re.si



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