



# 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*
<b>Group</b>			
Gross premiums written	€517,2 m	> €520 m	€546,3 m
Profit or loss, net of tax	€31,1 m	€37–39 m	€43,0 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
<b>Re/insurance part (+ annuities)</b>			
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.

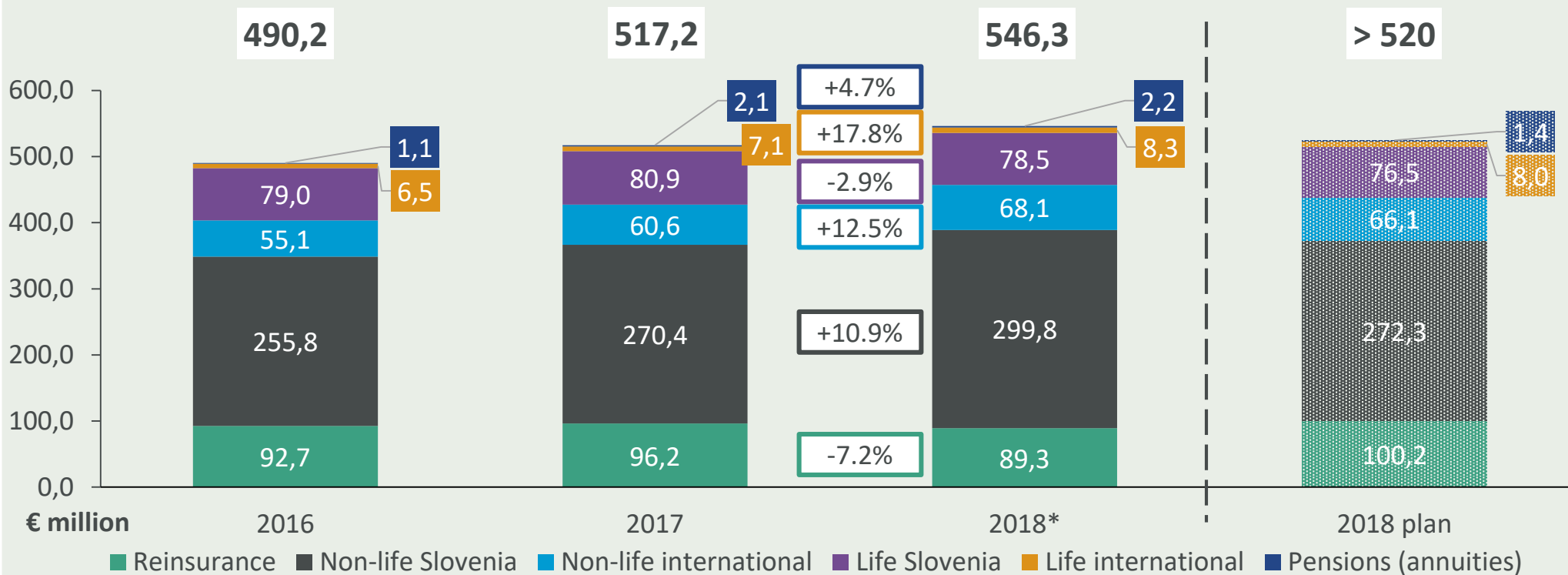
# 2018 – Growth in consolidated gross premiums written

Consolidated gross premiums written

**€546,3 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%



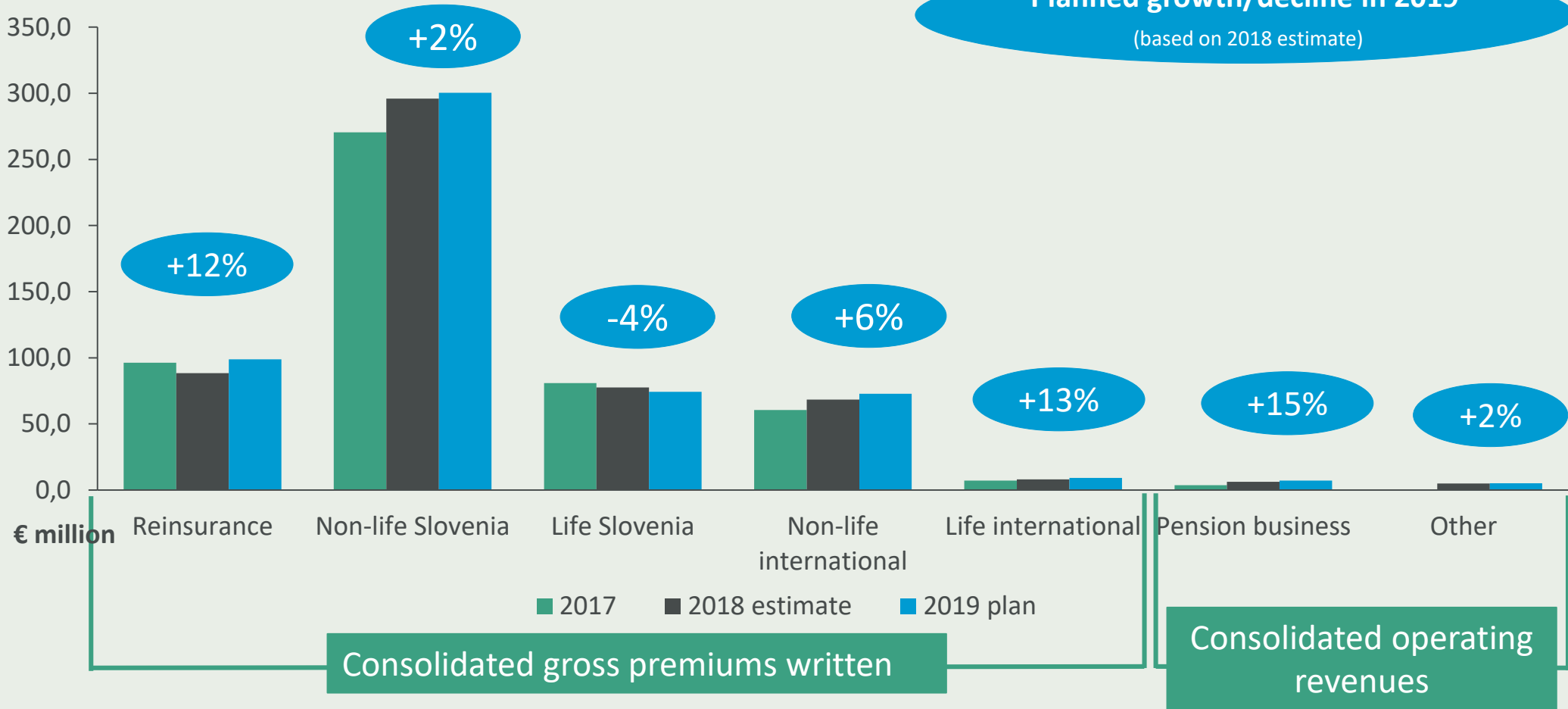
# Key performance indicators of the 2019 Group plan

€ million	2017	Unaudited 2018*	2019 plan
<b>Group</b>			
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%
<b>Re/insurance part (+ annuities)</b>			
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**

Sava Re assumes no obligation to adjust any forward-looking statements or other information contained in this document to future events or developments.