

Annual plan

OF THE SAVA
INSURANCE
GROUP 2020



MAJOR DEVELOPMENT AREAS IN 2020



DIGITAL TRANSFORMATION & PLACING THE CUSTOMER AT THE CENTRE

- Intensive monitoring of customer life cycles and focus on customer satisfaction
- Re-engineering and streamlining business processes and developing new communication and sales channels



IT TRANSFORMATION

- Starting implementation of the new core business IT solutions for non-life and life insurance in Croatia and the core business IT solution for reinsurance operations
- Introduction of digital web platforms and support for various online channels

KEY PERFORMANCE METRICS OF THE GROUP

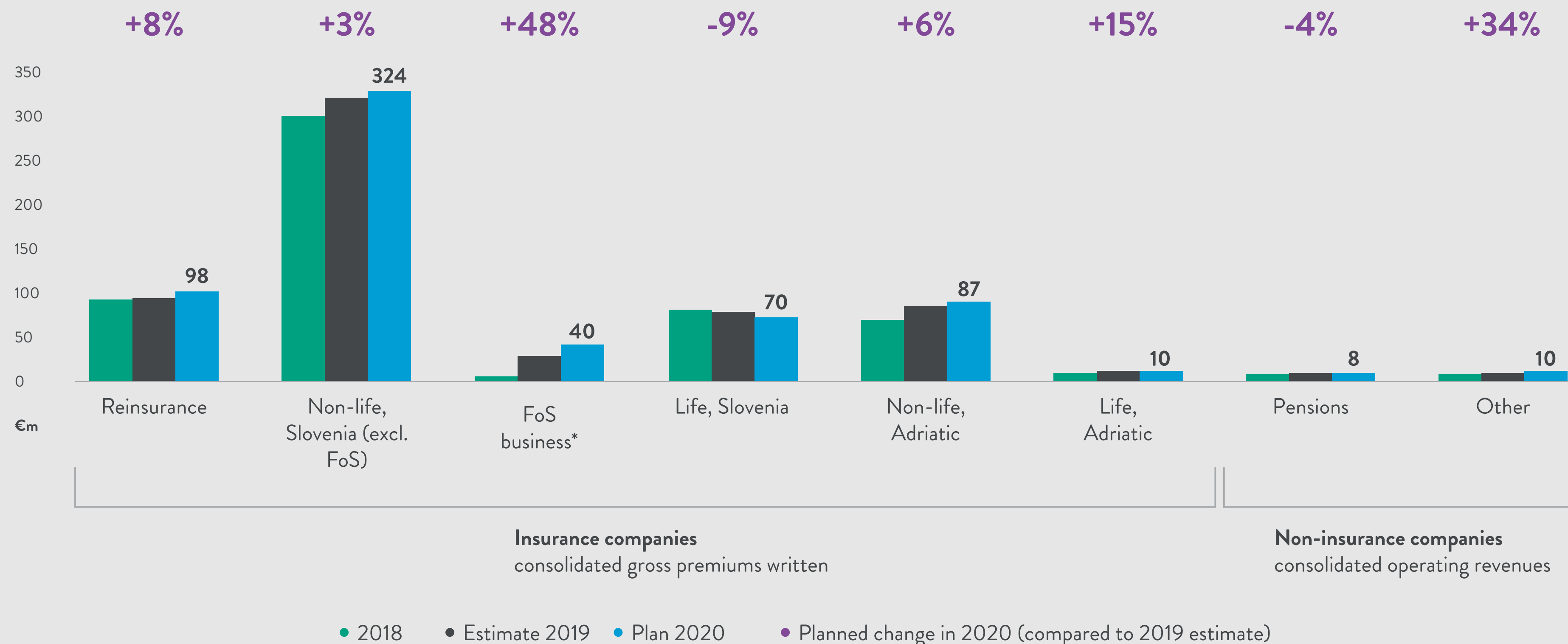
	2018	2019 plan	Achievement of 2019 plan	2020 plan
Sava Insurance Group				
Operating revenues	€536.8 m	> €535 m	✓	> €610 m
Profit or loss, net of tax	€43.0 m	> €43 m	✓	> €45 m
Return on equity (ROE)	13.1%	> 12%	✓	> 11%
Return on revenue (ROR)*	8.1%	n/a		> 7%
Net expense ratio	32.5%	n/a		33–34%**
Investment return*	1.7%	1.7%	✓	1.3%
(Re)insurance part				
Gross premiums written	€544.1 m	> €555 m	✓	> €620 m
Net incurred loss ratio (reins. + non-life)*	57.0%	59.2–59.7%	✗	59–60%
Net combined ratio (reins. + non-life)*	92.9%	93.6–94.1%	✓	< 94%

* 2018, excluding exchange differences. The rate of return on investment does not include subordinated debt expenses.

** About 2 p.p. relate to the cost of digitalisation and the IT transformation.

✗ ✓ = achievement of the 2019 plan against own estimates for 2019

CONSOLIDATED GROSS PREMIUMS WRITTEN / OPERATING REVENUES BY SEGMENT



* FoS business. Freedom of Services business. Business written within the European Economic Area based on the freedom of services right to provide services on a cross-border basis.

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.