

Annual plan

OF THE SAVA
INSURANCE
GROUP 2021



December 2020

MAJOR DEVELOPMENT AREAS IN 2021



DIGITAL TRANSFORMATION & PLACING THE CUSTOMER AT THE CENTRE

- Continuing projects for implementing online solutions to support insurance operations
- Facilitating customer communication, exploring omni-channel marketing and replacing paper-based communication with electronic means
- Introducing new digital avenues: offering a wider array of online sales options, informative solutions, service subscriptions and information points providing advice on selecting optimal coverage for individual customer segments



IT TRANSFORMATION

- Starting the renovation of the IT system supporting reinsurance, non-life and life insurance operations in Slovenia and life operations in Serbia
- Completing the core business IT solution for the Croatian branch office of Zavarovalnica Sava
- Technically consolidating data warehouses supporting insurance operations
- Continuing technological and process upgrades in cyber security, with an emphasis on end-user training
- Implementing an IT service management solution



ACQUISITIONS-BASED GROWTH

- Exploring opportunities for growth through acquisitions in the areas and countries where the Group is present

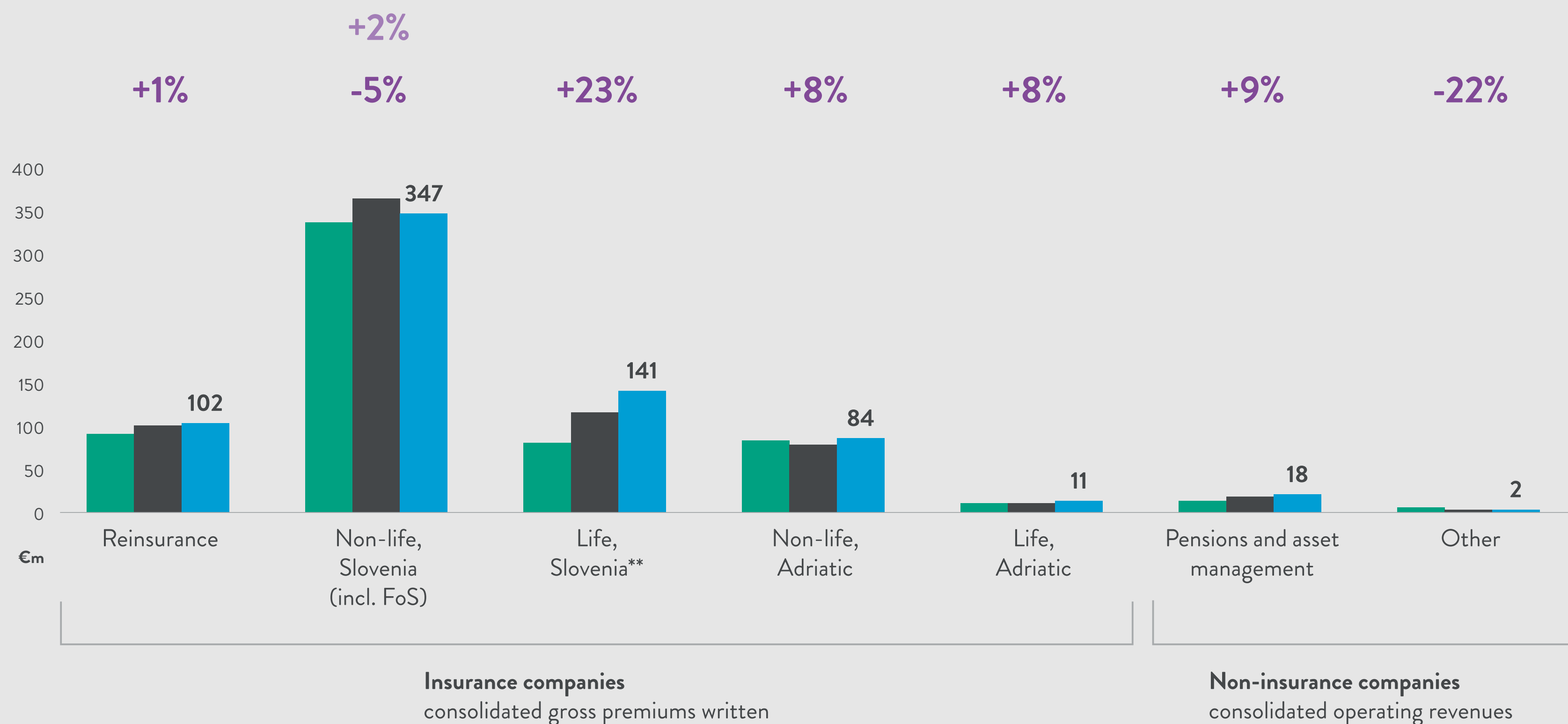
KEY PERFORMANCE METRICS OF THE GROUP

	2019	Revised 2020 plan	Estimated achievement of 2020 plan	2021 plan
Sava Insurance Group				
Operating revenues	€588.5 m	> €640 m	✓	> €685 m
Profit or loss, net of tax	€50.2 m	> €50 m	✓	> €53 m
Return on equity (ROE)	13.8%	> 12%	✓	≥ 11.5%
Net expense ratio	31.7%	32–33%	✓	32–33%
Investment return*	1.9%	1.4%	✓	1.5%
(Re)insurance part				
Gross premiums written	€596.2 m	> €640 m	✓	> €685 m
Net incurred loss ratio (reins. + non-life)*	61.7%	59–60%	✓	59–60%
Net combined ratio (reins. + non-life)*	93.8%	< 94%	✓	< 94%

* Excluded effect of exchange differences for 2019. The rate of return on investment does not include subordinated debt expenses.

This plan is based on autumn forecasts for GDP growth in the countries where the Group is present and on expected relatively stable and less volatile financial markets than those experienced in 2020. It is also premised on the projection there will be no new lockdowns in 2021 or restrictions on movement similar to those imposed in these countries in 2020.

CONSOLIDATED GROSS PREMIUMS WRITTEN / OPERATING REVENUES BY SEGMENT



● 2019 ● 2020 estimate ● 2021 plan ● Planned change in 2021 vs. 2020 ● Planned change in 2021 in segment non-life, Slovenia, excluding FoS

* 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.

** Vita included as from 31 May 2020.

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.