

Revised annual plan

OF THE SAVA
INSURANCE
GROUP 2020



REASONS FOR THE REVISION OF THE 2020 PLAN

Acquisition of NLB Vita d.d.

- Vita was included in the 2020 plan of the Sava Insurance Group as of 31 May 2020.

Impacts of Covid-19 on the operations of Group companies

- The Slovenian Institute of Macroeconomic Analysis and Development (IMAD) predicts a 7.6% decline in GDP (initial forecast: 1.5% growth) and 4.5% growth in 2021. Similar declines in GDP in 2020 are also expected in other countries where the Sava Insurance Group operates.
- The Group's non-life insurers will see a slight decline in gross premiums in 2020 due to a slowdown in economic activity in certain sectors, while the Group's life insurers are still expecting gross premiums to grow, although more modestly compared to the originally planned. The Group's reinsurer will also see a decline in the expected business growth, as cooling is expected of the majority of economies abroad where it operates. The Group's assistance business will be under the negative impact of the decline in the tourism and travel industry. On the other hand, the loss rate in the loss frequency of the motor insurance class has decreased. Covid-19 has had a strong impact also on financial markets, which in turn reduced the value of assets under management in the segment "Pension and asset management companies".

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

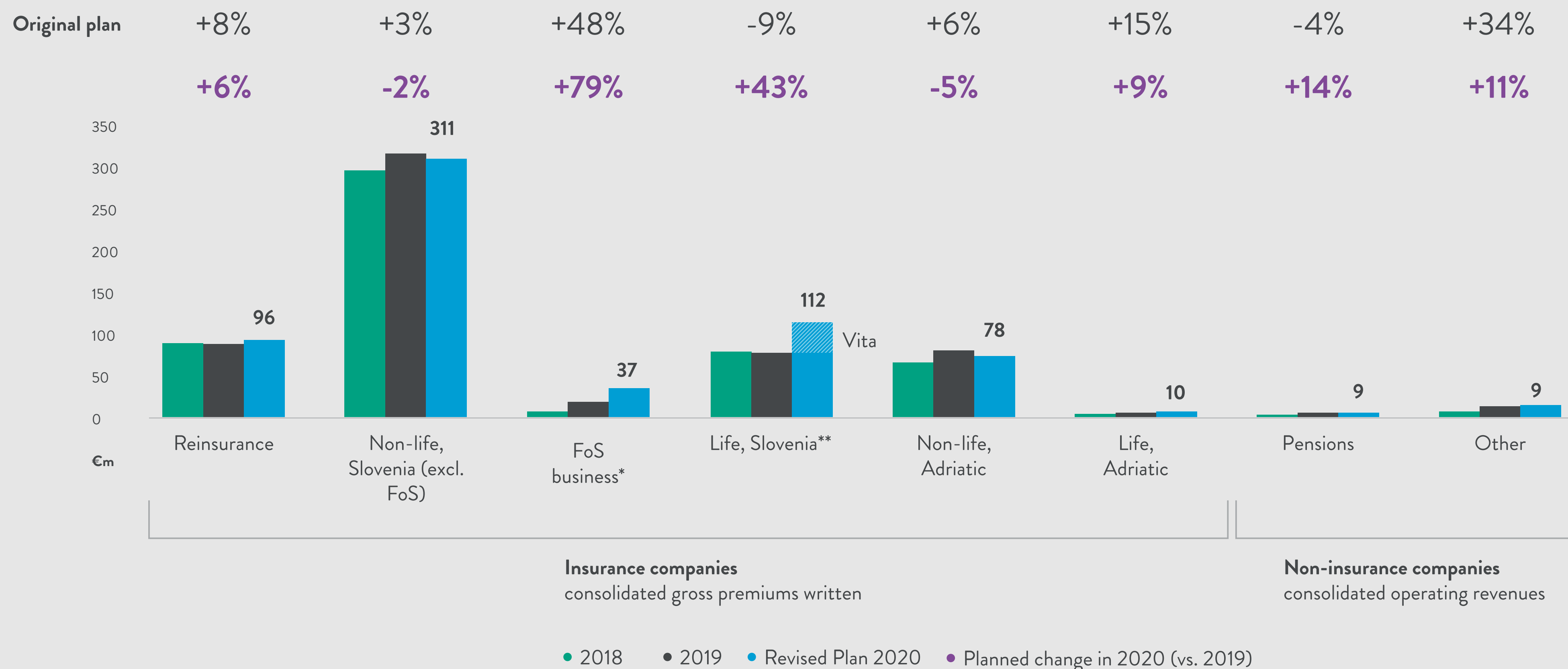
- Starting implementation of the new core business IT solutions for non-life and life insurance in Croatia and the core business IT solution for reinsurance operations
- Introduction of digital web platforms and support for various online channels

KEY PERFORMANCE METRICS OF THE GROUP

	2019	2020 plan	2020 revised plan
Sava Insurance Group			
Operating revenues	€584.2 m	> €610 m	> €640 m (> €590 m excl. Vita)
Profit or loss, net of tax	€50.2 m	> €45 m	> €50 m
Return on equity (ROE)	13.8%	> 11%	> 12%
Return on revenue (ROR)*	8.6%	> 7%	> 8%
Net expense ratio	31.7%	33–34%	32–33%
Investment return*	1.9%	1.3%	1.4%
(Re)insurance part			
Gross premiums written	€596.2 m	> €620 m	> €640 m (> €590 m excl. Vita)
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. The net expense ratio of the Group for 2019 and 2020 does not include the positive difference between fair value of net assets acquired and purchase value of the investment (2019: ERGO, 2020: Vita).

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.

** Vita included as from 31 May 2020. If Vita was excluded, gross premiums written would be 10% lower.

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.