



**STRATEGIC PLAN**  
of the SAVA RE GROUP for the period 2017–2019

# #NEVER ALONE

WE ARE CREATING  
A MODERN, DIGITAL,  
SOCIALLY-AND SUSTAINABLE-  
ORIENTED INSURANCE GROUP.

**SCOPE OF STRATEGY  
ON THE GROUP LEVEL**

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**SAVA RE  
GROUP**

**INTEGRAL RISK MANAGEMENT**

**INSURANCE  
OPERATIONS**

**REINSURANCE  
OPERATIONS**

**ASSET  
MANAGEMENT**

**CAPITAL  
GROWTH  
AND USE**

**BUSINESS SUPPORT ACTIVITIES**

**Long-term focus**

- 1** **DIGITALISATION AND TECHNOLOGICAL MODERNISATION**  
of operations to place the client in the centre
- 2** **GROWTH THROUGH ACQUISITIONS**
- 3** **SEEKING OPPORTUNITIES**  
in environmental/sustainable-oriented investment projects
- 4** **CLOSING THE GAP**  
between intrinsic value and market price of shares

## KEY TARGETS

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## DIRECTION AS PER RISK STRATEGY

### ■ RETURN ON EQUITY

10.4% (+/- 0.5 p.p.)

### ■ SOLVENCY RATIO: between 170% and 230%

(between the lower limit of the optimal range and the upper limit of the adequate range of capital)

### ■ COMBINED RATIO, non-life: < 95%

COMBINED RATIO, reinsurance: < 93%

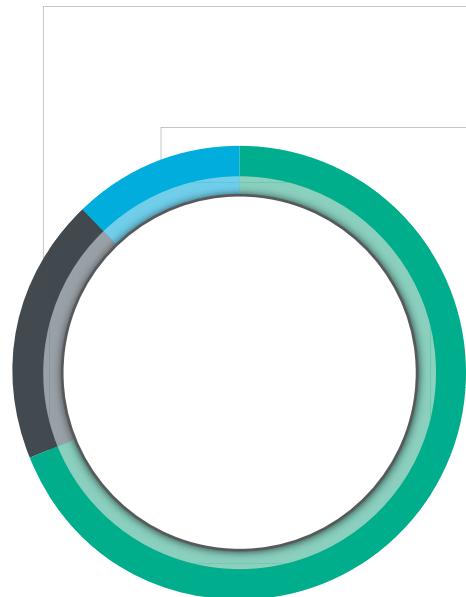
### ■ PROFITABILITY OF NEW LIFE POLICIES:

> 5% Slovenia

> 2.5% other markets

## STRUCTURE : GOALS

2016



19% Reinsurance operations

12% Insurance operations,  
Western Balkans

69% Insurance operations,  
Slovenia

Other\*

Long-term focus

20%

20%

55%

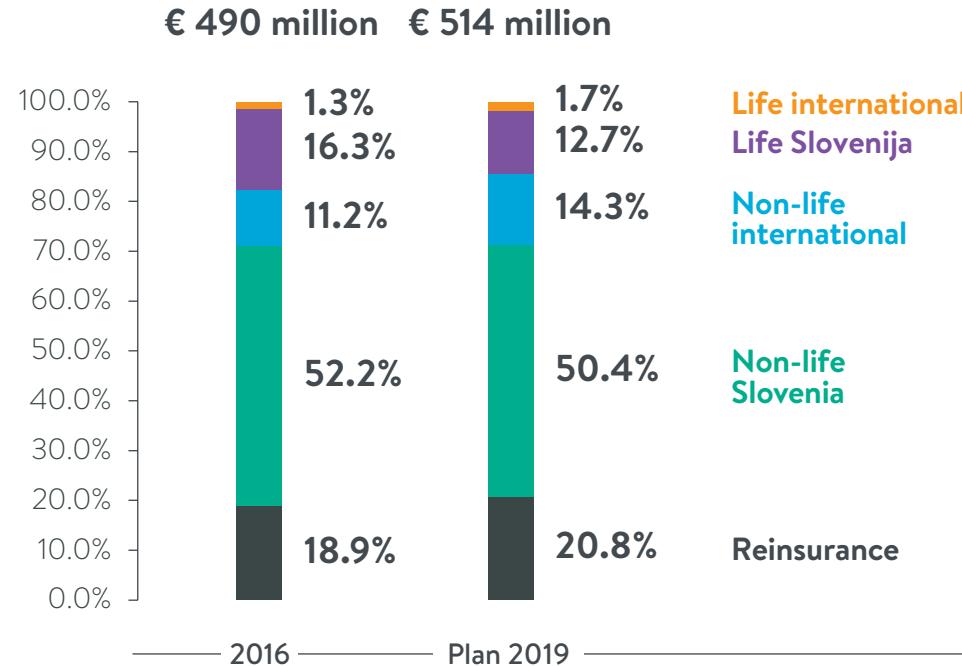
5%



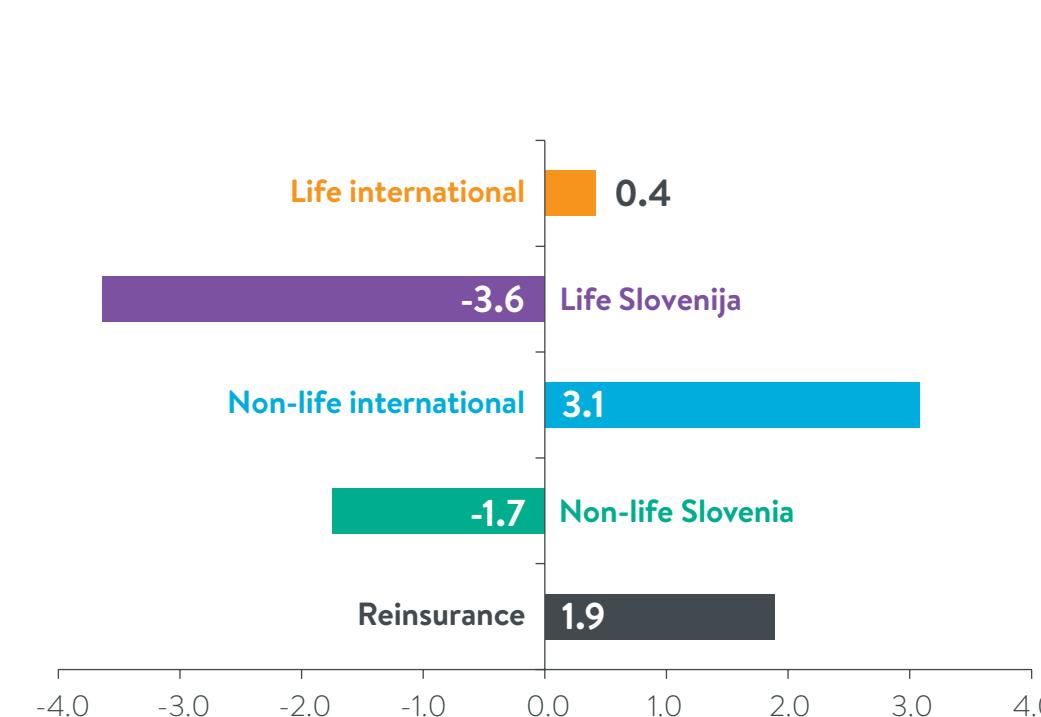
\*The "other" item includes health, assistance and pension business

# STRUCTURE : GOALS

Gross premiums written  
by operating segment



Structural change:  
2019 plan vs. 2016 (p.p.)



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# CLIENT: GOALS

## NEEDS

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Developing products tailored to client's needs  
(e.g. assistance services in addition to insurance)

## ACCESSIBILITY

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Multi-channel approach  
(clients opt for their favoured channel)

## SATISFACTION

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Measuring client satisfaction using acknowledged methods

## TRANSPARENCY

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Providing clients with an insight into the processing of business

## PERCEPTION

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Strengthening brand recognition

# DIGITALISATION : GOALS

## ONLINE

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Setting up online policy sales and claims reporting

## COMPREHENSIVE

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Setting up a new service centre with a comprehensive customer relationship management tool (CRM)

## INNOVATION

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Developing innovative services and IT-supported products

## CONNECTION

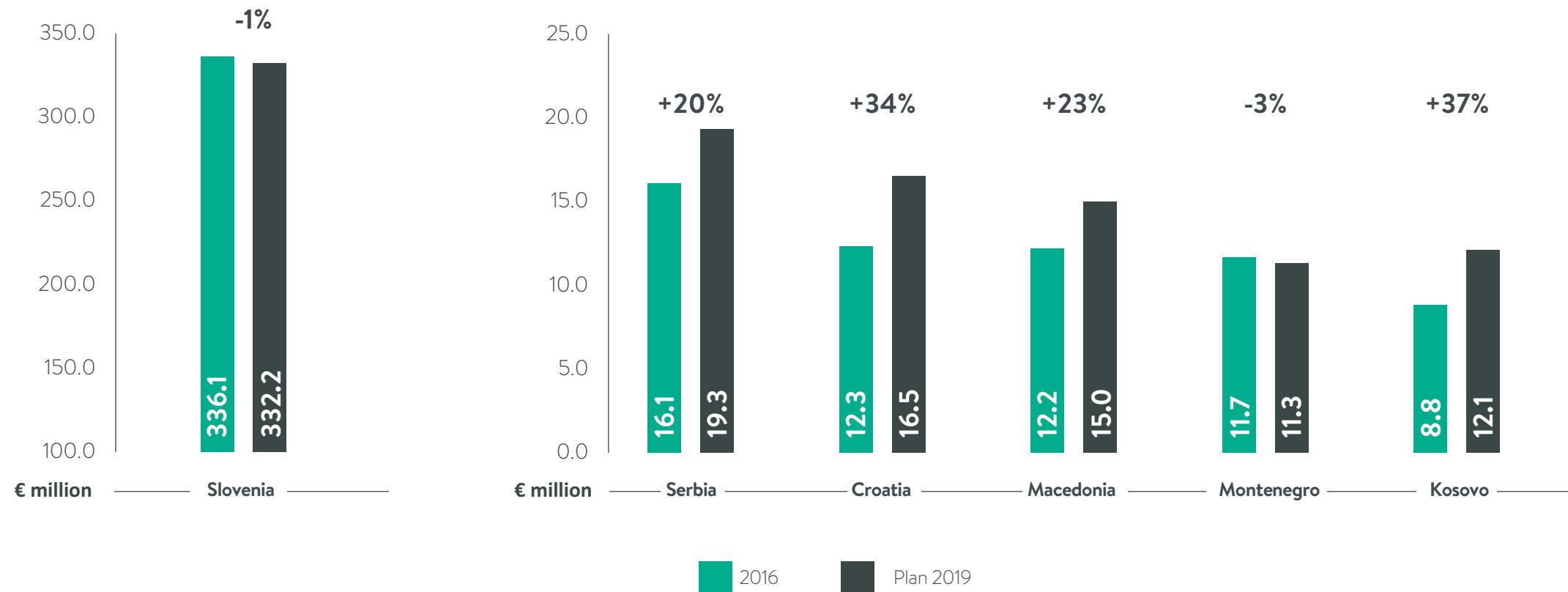
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Providing additional support to clients  
(assistance companies and call centres for home, motor and medical assistance and other services)

# GROWTH : GOALS

Premiums and growth plan 2019 vs. 2016  
by insurance market

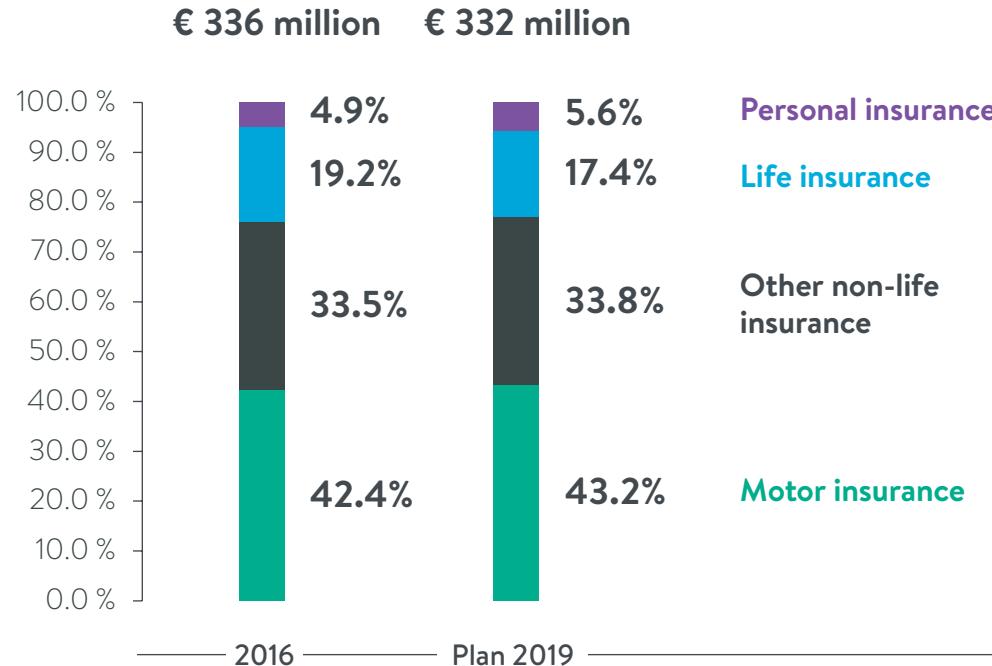
3-year growth  
(plan 2019 / 2016)



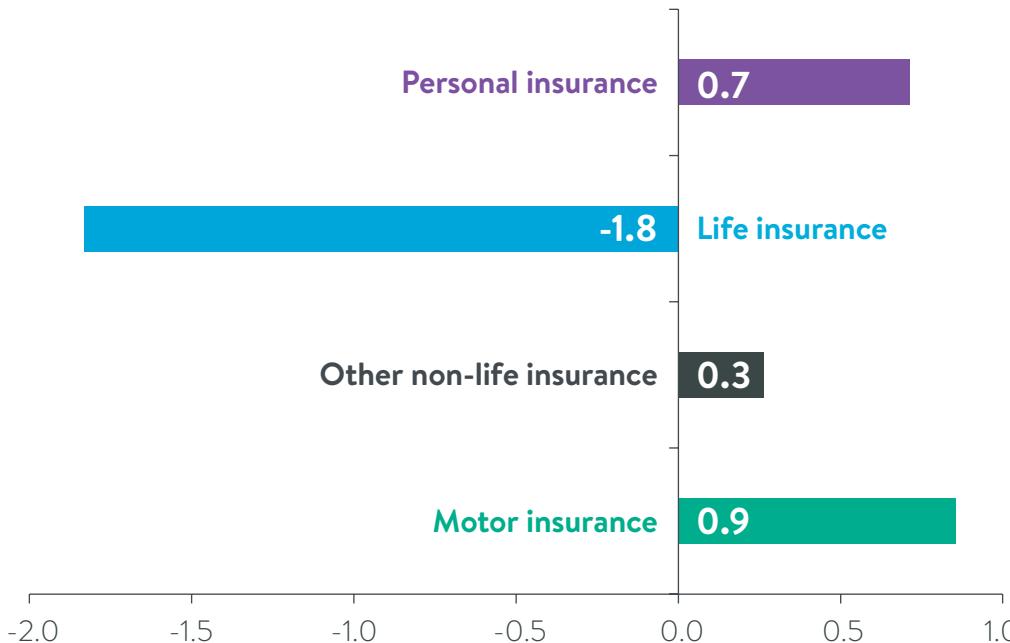
# STRUCTURE : GOALS

SLOVENIA

GPW by class of business



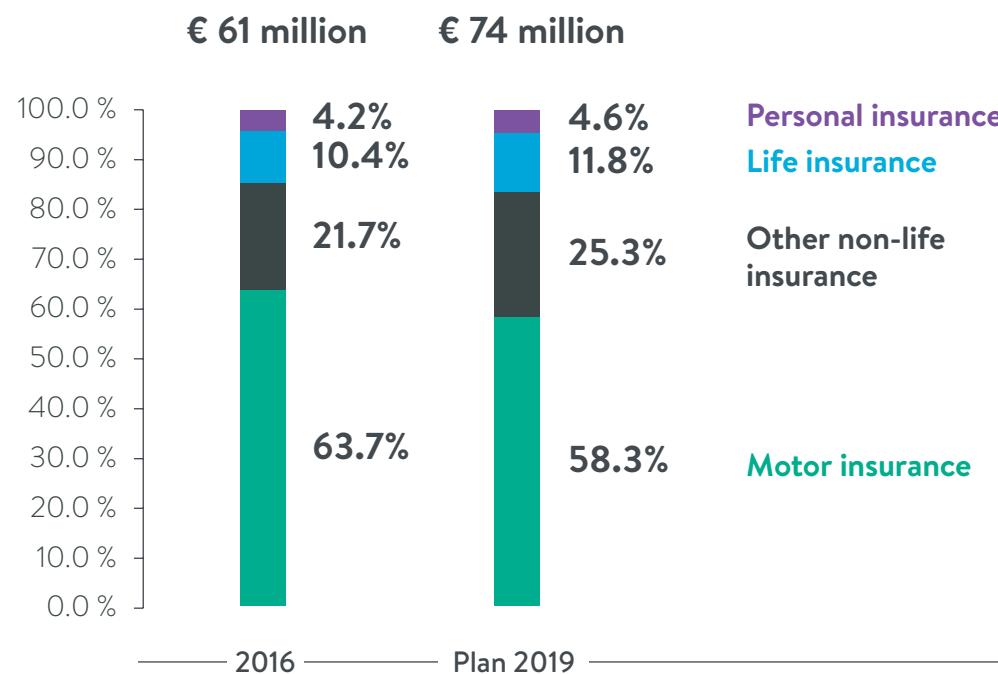
Structural change:  
2019 plan vs 2016 (p.p.)



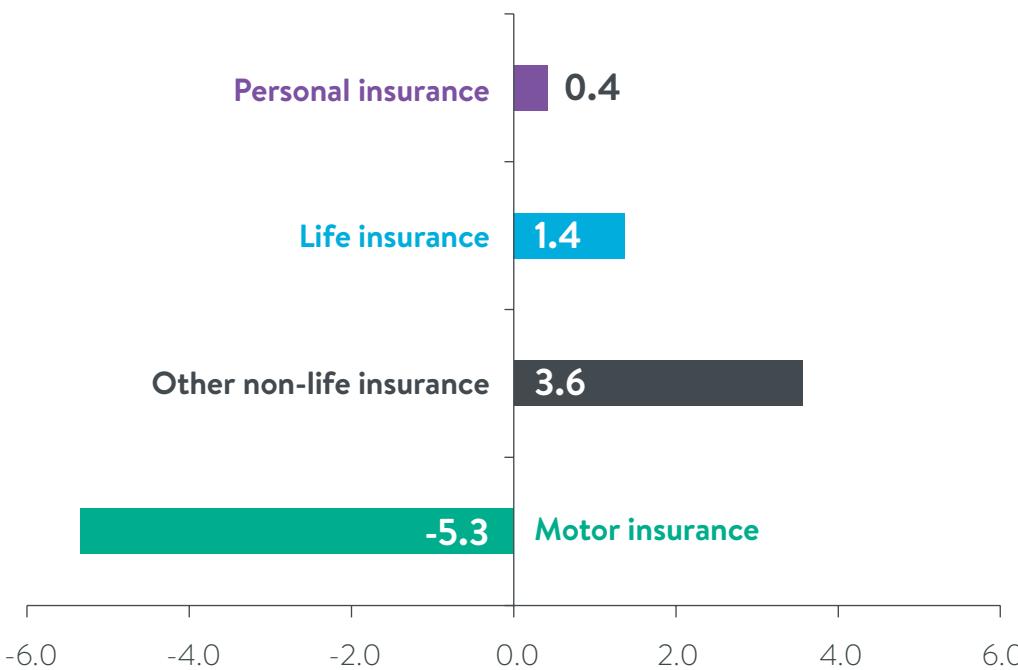
# STRUCTURE : GOALS

## INTERNATIONAL

GPW by class of business



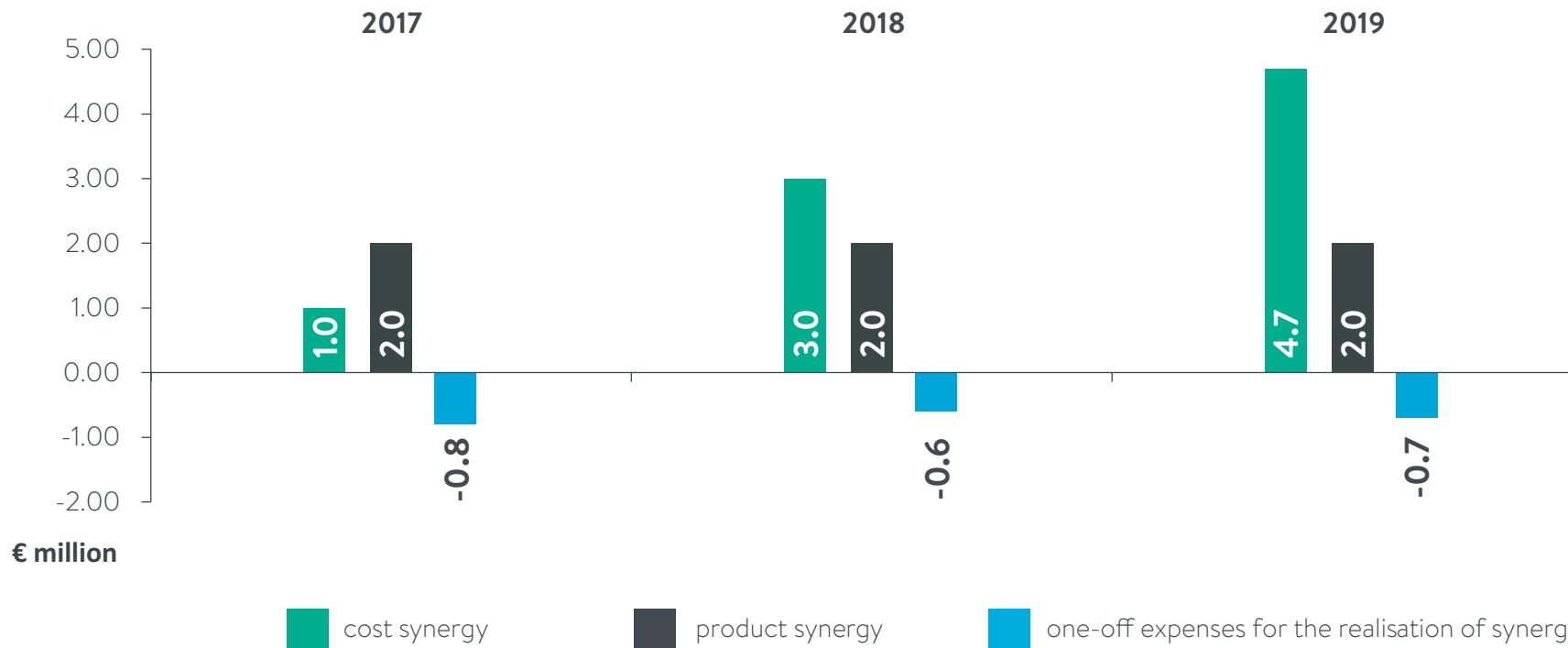
Structural change:  
2019 plan vs. 2016 (p.p.)



## SYNERGIES : GOALS

Realisation of synergies by year

Savings in 2019 and  
beyond each year:  
> € 6 million



# PENSION : GOALS

## GROWTH

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Strengthening market share in Slovenia with organic growth:  
the aim is to increase the market share in terms of the number of insured persons per p.p.

## M&A

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Seeking opportunities for companies/portfolios  
in Slovenia and the Balkans

## SALES

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Expansion of sales channels (bancassurance and the Internet)  
and enhanced communication with policyholders

## SYNERGY

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Use of marketing and sales synergies in the group

## ANNUITIES

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Increase in market share in annuity business,  
also through the acquisition of policyholders from  
other pension companies

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# PARTNERS : GOALS

## TRUST

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Nurturing long-term partnerships

## NEW MARKETS

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Gradual entry into new markets

## PROFITABILITY

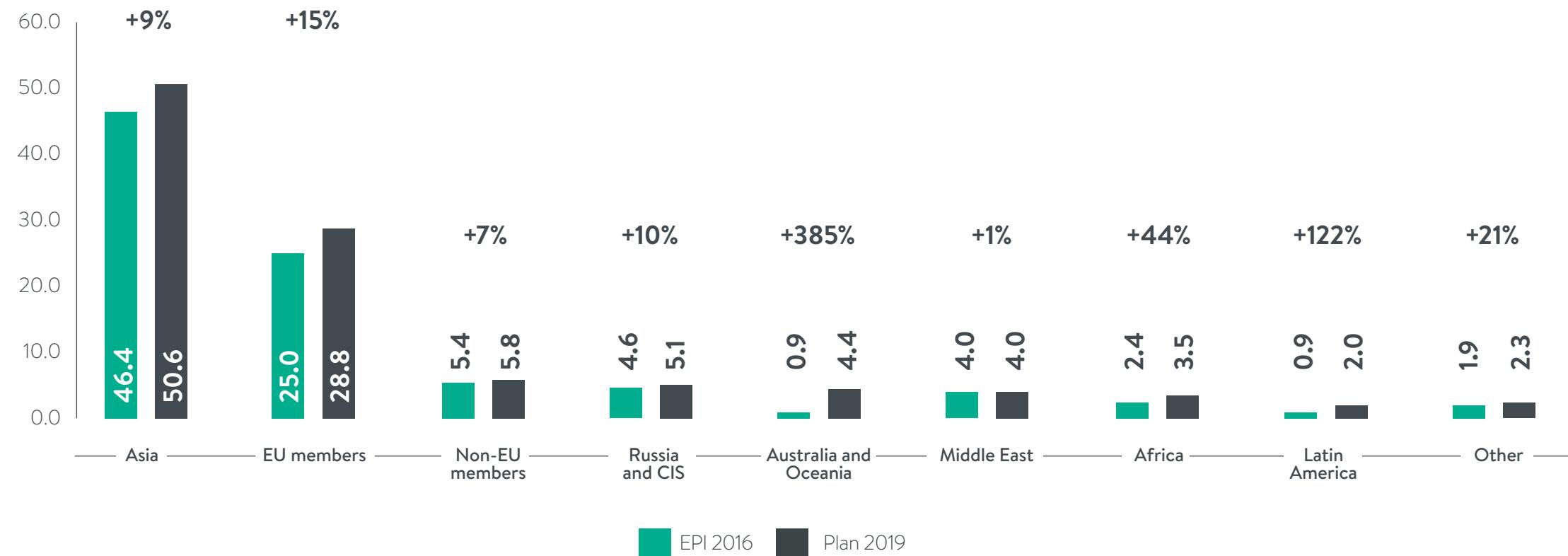
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Writing reinsurance contracts that ensure  
the achievement of the target rate of return in the long term

# GROWTH : GOALS

Premiums by UWY and premium growth by region,  
incl. growth rate (extra-group)

3-year growth  
(2019 plan vs. 2016)



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# MANAGEMENT : GOALS

## HIGH SECURITY

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Ensuring funds to meet all obligations arising out of insurance contracts

## LIQUIDITY

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Maintaining sufficient liquidity for the timely settlement of obligations under insurance contracts as well as other obligations

## DIVERSIFICATION

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Ensuring diversification of investments by class, industry, region and issuer, in order to maintain a set level of risk

## ALM

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Pursuing optimal asset and liability matching, especially in life insurance registers

# MANAGEMENT : CILJI

## RATE OF RETURN

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Maintaining a rate of return of around 2% despite low interest rates

## STRUCTURE

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Increase in the proportion of investment property and alternative investments (infrastructure projects) in place of government bonds

## OPTIMISATION

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Improved portfolio optimisation model with an emphasis on proper calibration and a link to the capital model

## MACHINE LEARNING

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Development of an internal predictive model for active management and tactical decision making

## ESG

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Focus on environmentally and socially responsible investments while maintaining target return

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**CAPITAL GROWTH AND USE**

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# USE OF CAPITAL : GOALS

<b>REGION</b>	Strengthening the position in the Western Balkan markets (e.g. Serbia, Croatia)
<b>PENSIONS</b>	Strengthening the position in Slovenia; entering foreign markets
<b>ANCILLARY SERVICES</b>	Companies that could take the client-insurer relation to a higher level
<b>HEALTH BUSINESS</b>	Companies associated with the provision of health services, health insurers, medical centres
<b>START-UPS</b>	Looking for growth opportunities through newly established companies that offer innovative solutions / customer service
<b>OTHER EU MARKETS</b>	Entering other emerging EU markets