



STRATEGIC PLAN

of the SAVA RE GROUP for the period 2017–2019

#NEVER ALONE

WE ARE CREATING

A MODERN, DIGITAL,
SOCIALY-AND SUSTAINABLE-
ORIENTED INSURANCE GROUP.

**SCOPE OF STRATEGY
ON THE GROUP LEVEL**

**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

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%

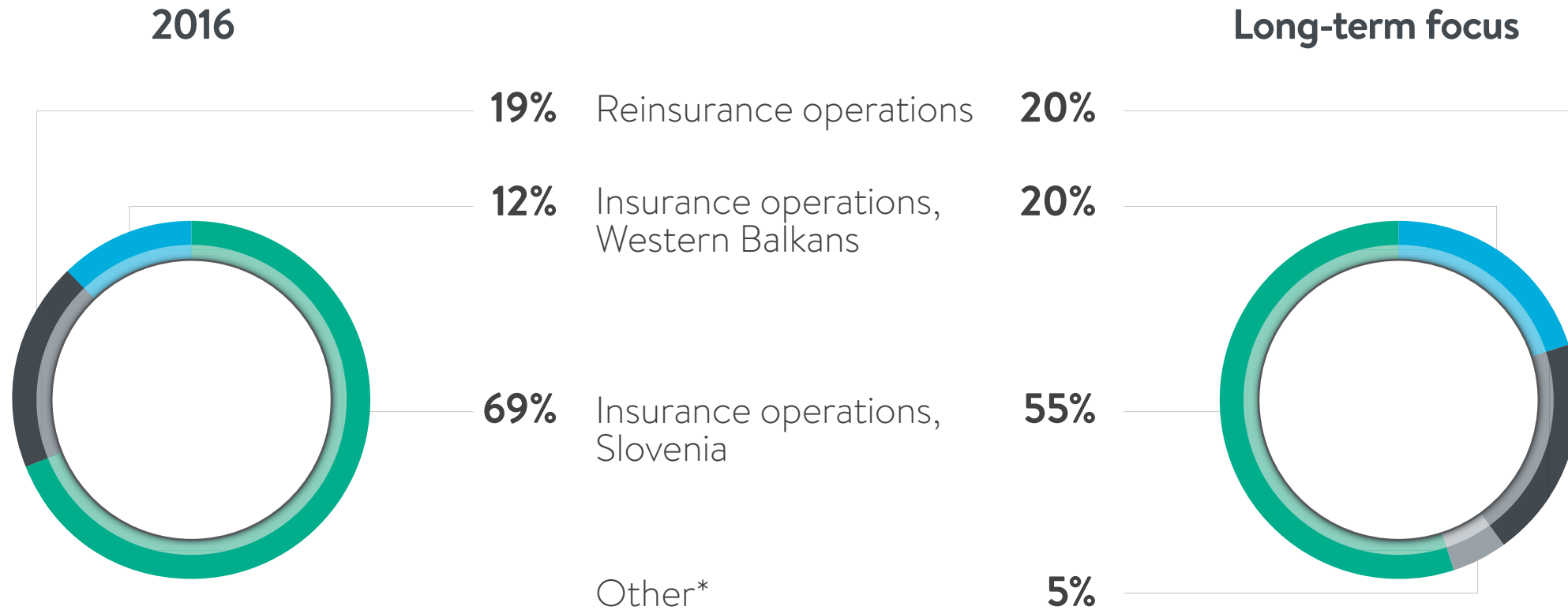
COMBINED RATIO, reinsurance: < 93%

■ PROFITABILITY OF NEW LIFE POLICIES:

> 5% Slovenia

> 2.5% other markets

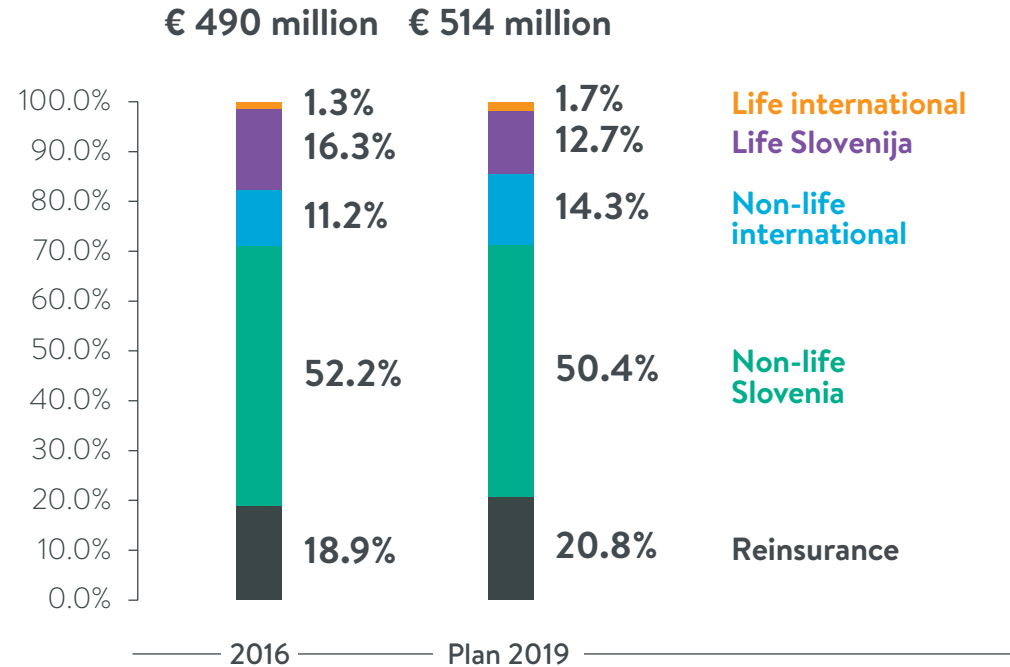
STRUCTURE : GOALS



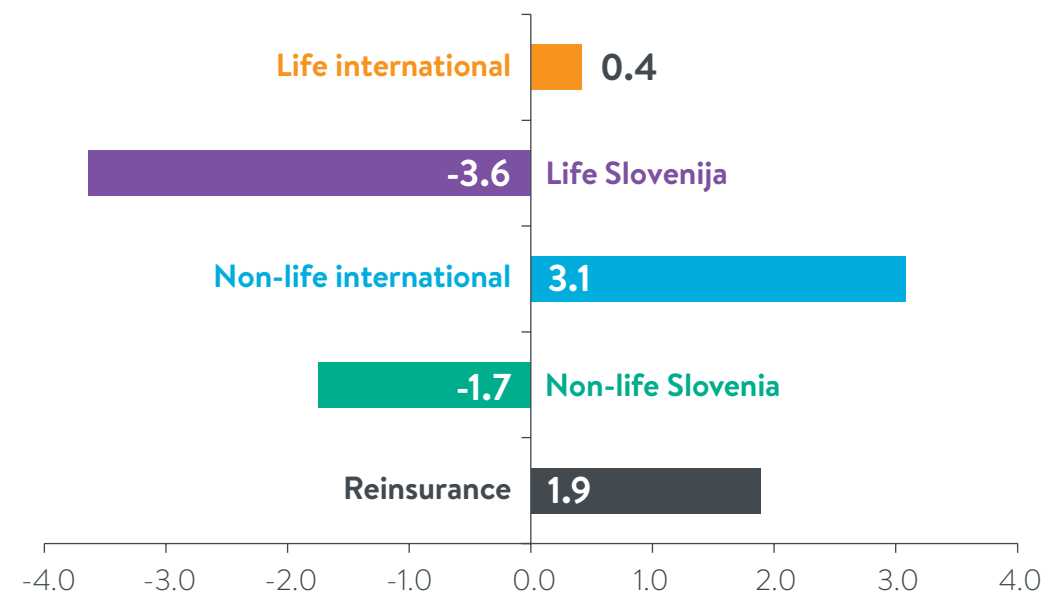
*The "other" item includes health, assistance and pension business

STRUCTURE : GOALS

**Gross premiums written
by operating segment**



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



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CLIENT : GOALS

NEEDS

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

ACCESSIBILITY

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

SATISFACTION

Measuring client satisfaction using acknowledged methods

TRANSPARENCY

Providing clients with an insight into the processing of business

PERCEPTION

Strengthening brand recognition

DIGITALISATION : GOALS

ONLINE

Setting up online policy sales and claims reporting

COMPREHENSIVE

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

INNOVATION

Developing innovative services and IT-supported products

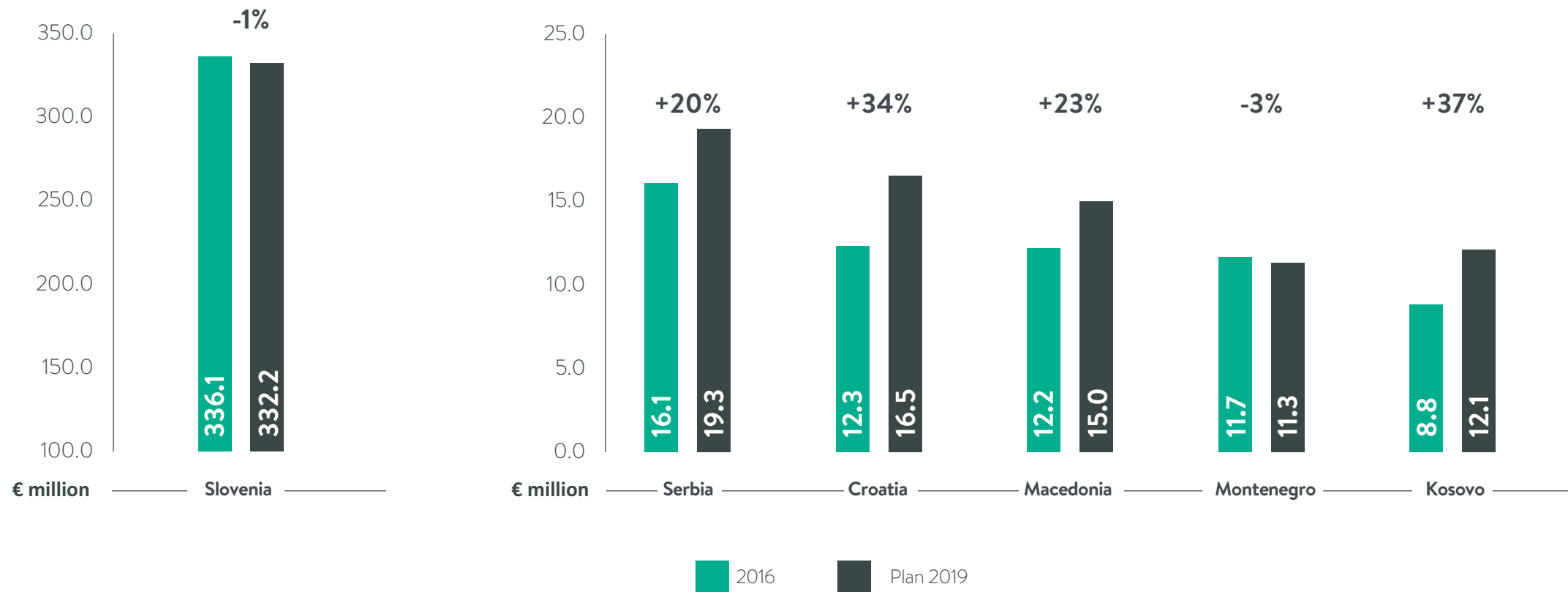
CONNECTION

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

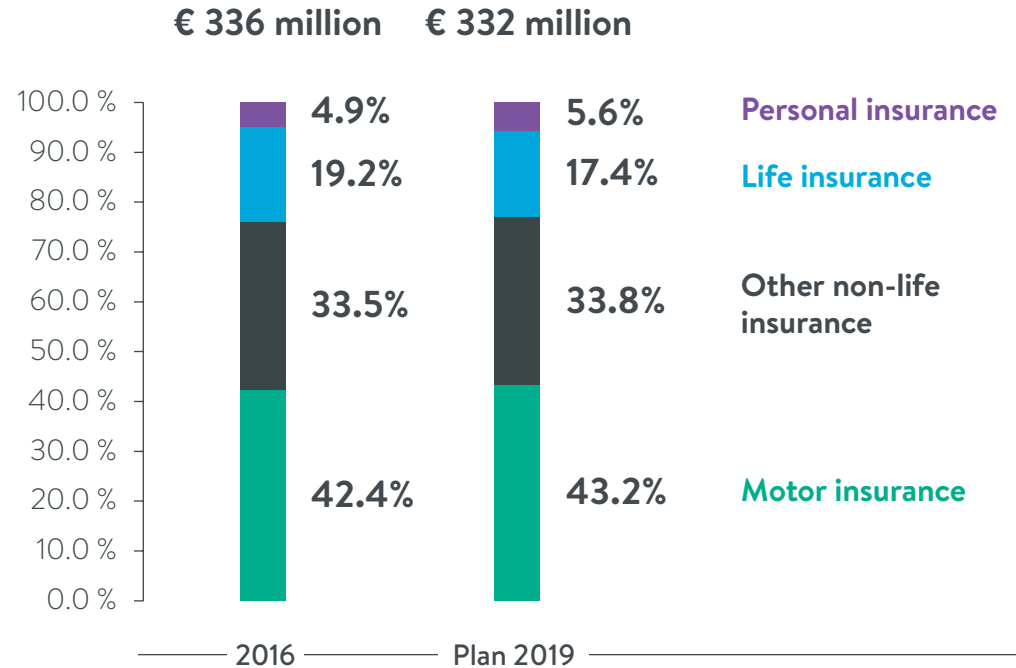
3-year growth
(plan 2019 / 2016)



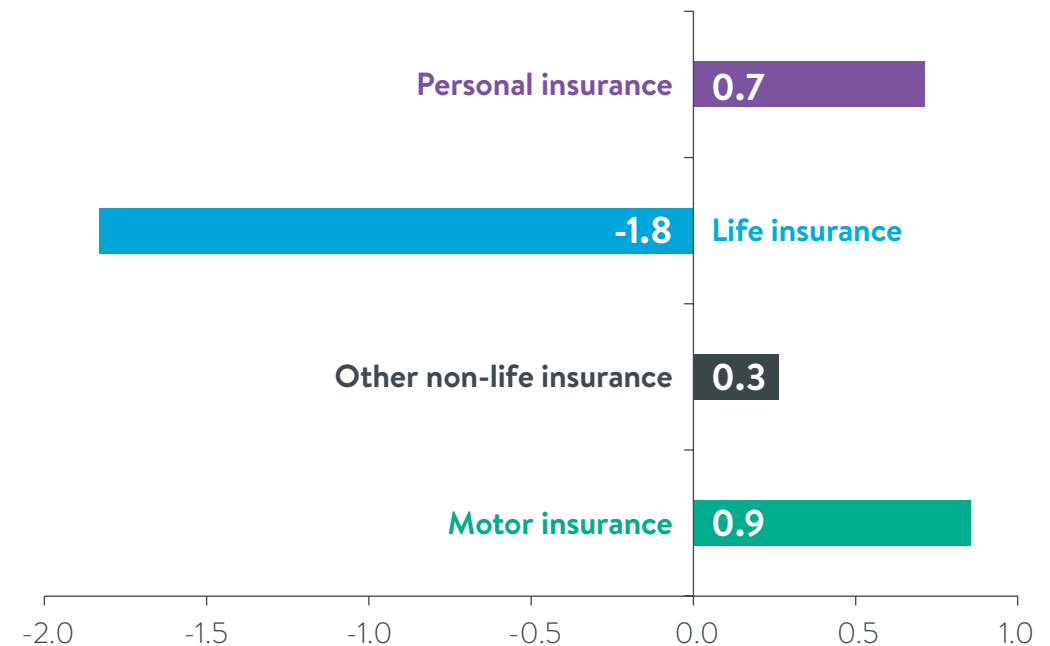
STRUCTURE : GOALS

SLOVENIA

GPW by class of business



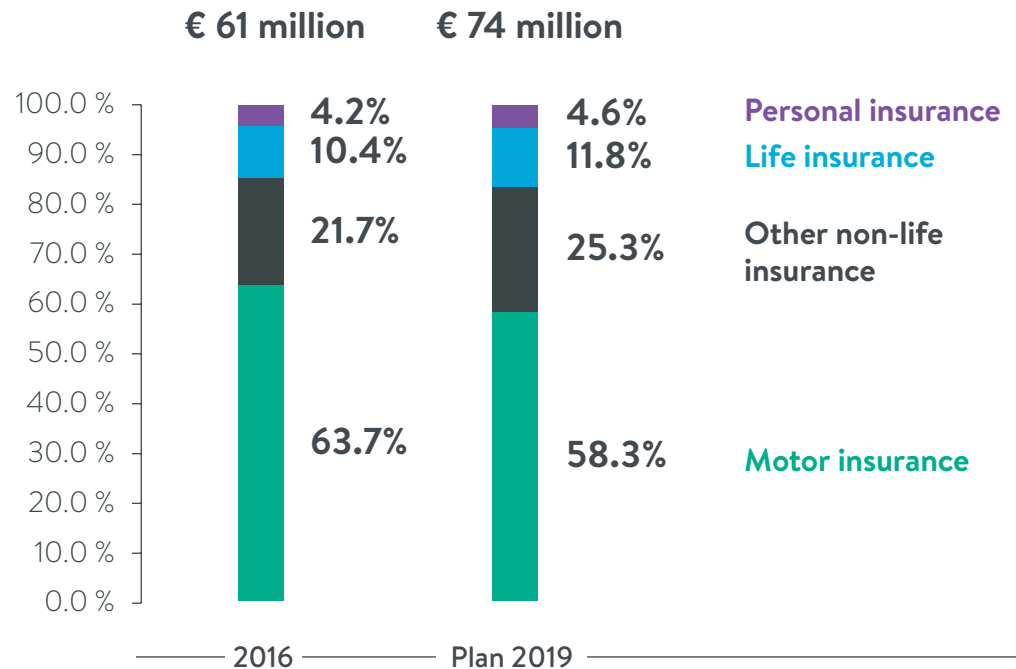
Structural change:
2019 plan vs 2016 (p.p.)



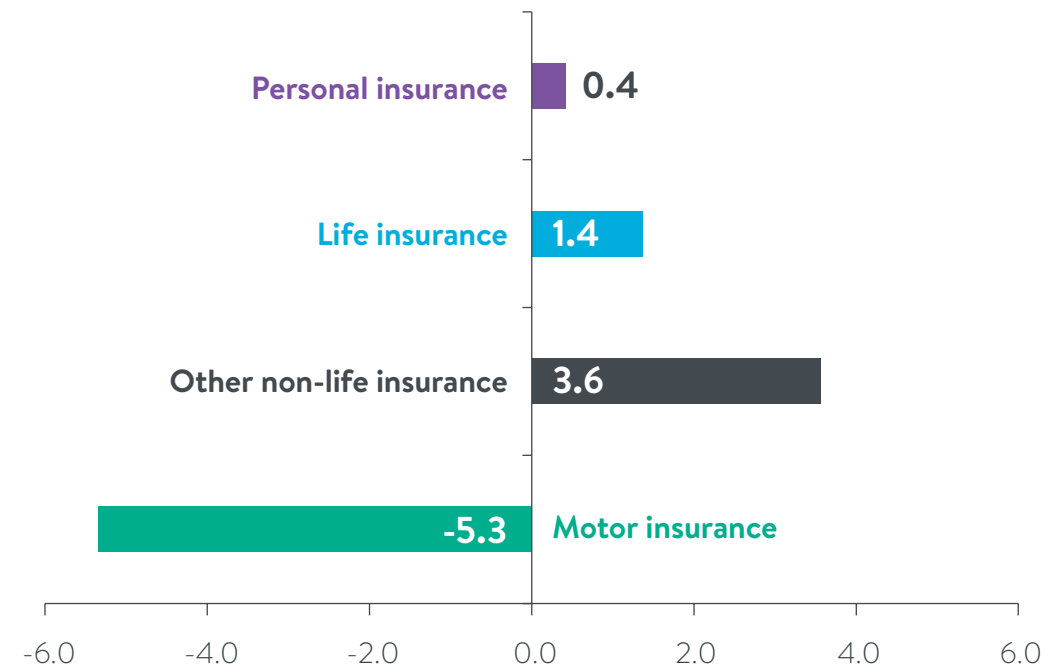
STRUCTURE : GOALS

INTERNATIONAL

GPW by class of business

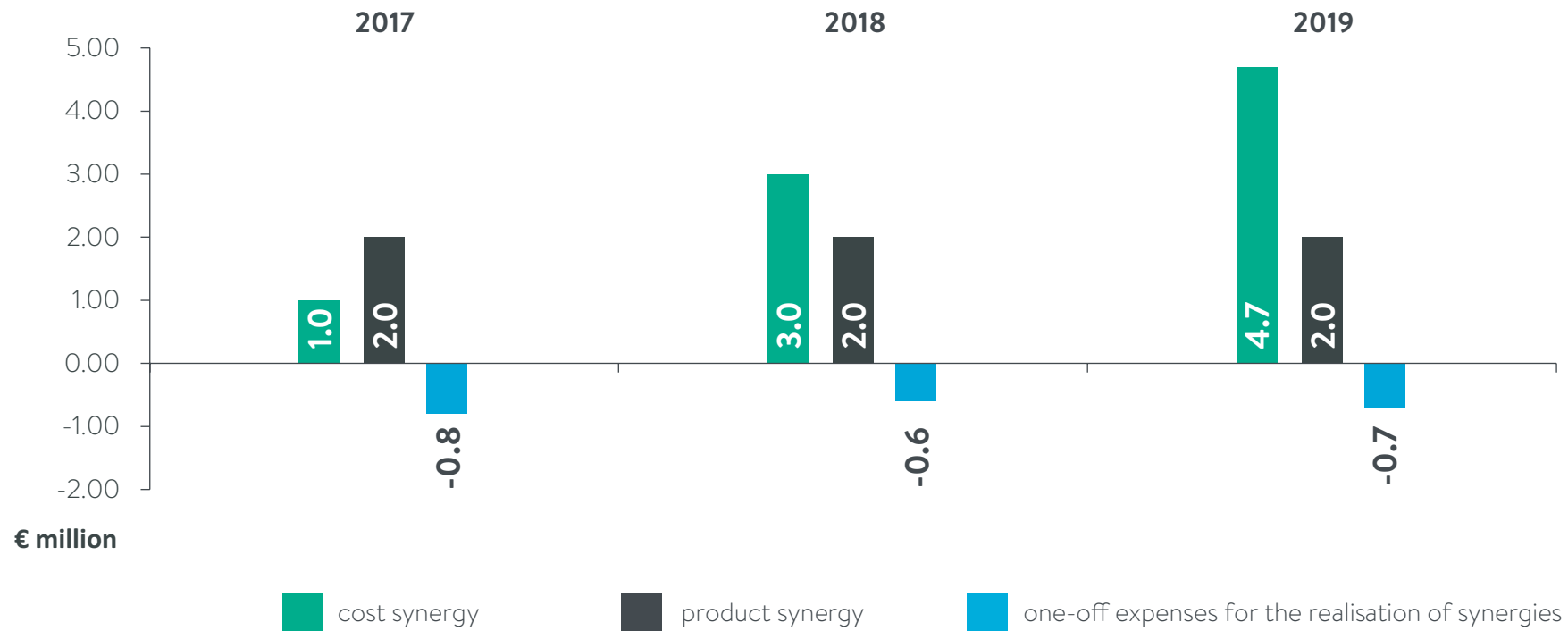


Structural change:
2019 plan vs. 2016 (p.p.)



SYNERGIES : GOALS

Realisation of synergies by year



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

PENSION : GOALS

GROWTH

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

Seeking opportunities for companies/portfolios
in Slovenia and the Balkans

SALES

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

SYNERGY

Use of marketing and sales synergies in the group

ANNUITIES

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

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PARTNERS : GOALS

TRUST

Nurturing long-term partnerships

NEW MARKETS

Gradual entry into new markets

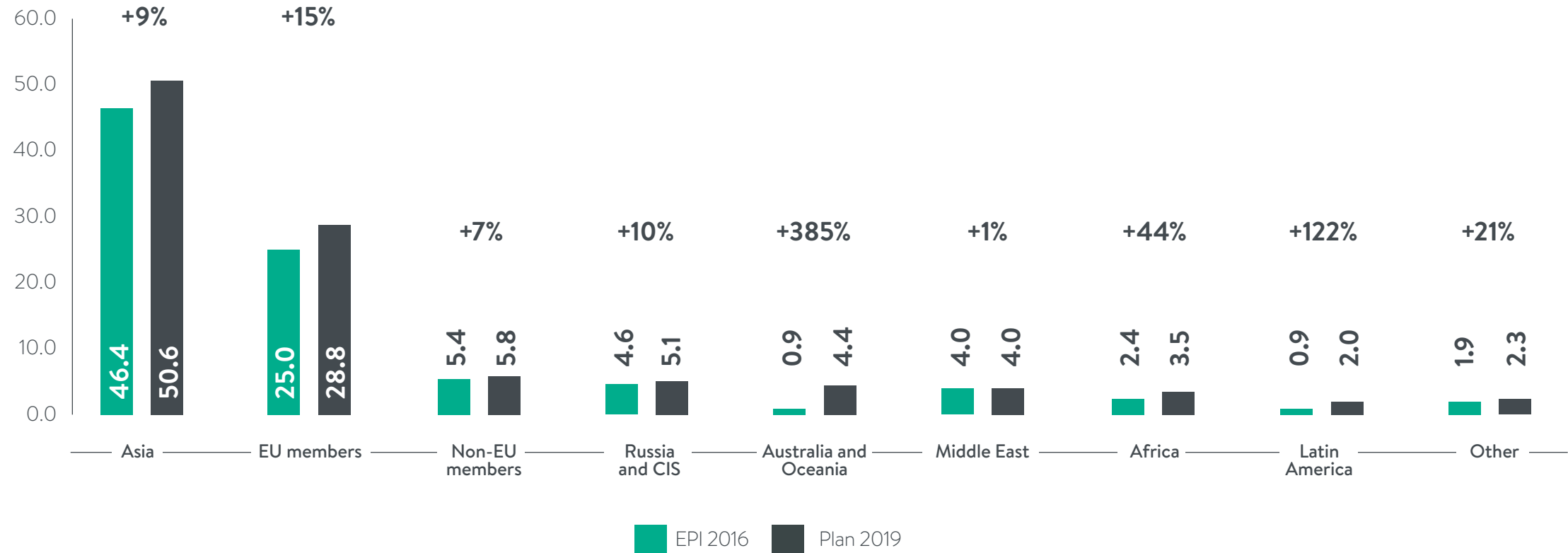
PROFITABILITY

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

Ensuring funds to meet all obligations arising out of insurance contracts

LIQUIDITY

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

DIVERSIFICATION

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

ALM

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

MANAGEMENT : CILJI

RATE OF RETURN

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

STRUCTURE

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

OPTIMISATION

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

MACHINE LEARNING

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

ESG

Focus on environmentally and socially responsible investments while maintaining target return

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USE OF CAPITAL : GOALS

REGION

Strengthening the position in the Western Balkan markets
(e.g. Serbia, Croatia)

PENSIONS

Strengthening the position in Slovenia;
entering foreign markets

ANCILLARY SERVICES

Companies that could take the client-insurer relation to a
higher level

HEALTH BUSINESS

Companies associated with the provision of health services,
health insurers, medical centres

START-UPS

Looking for growth opportunities through newly established
companies that offer innovative solutions / customer service

OTHER EU MARKETS

Entering other emerging EU markets