



**Statement of unaudited results  
of the Sava Insurance Group  
for 2023**

Ljubljana, March 2024

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## Financial highlights

EUR	2023	2022	Change	Index
Business volume	910,113,382	795,535,596	114,577,786	114.4
Insurance revenue	697,562,811	608,987,793	88,575,018	114.5
Insurance service result	83,477,762	76,073,417	7,404,345	109.7
Finance result	18,097,793	1,511,878	16,585,915	-
Net profit	64,657,172	46,923,441	17,733,731	137.8
	31 December 2023	31 December 2022	Change	Index
Equity	585,663,613	531,463,677	54,199,936	110.2
Net contractual service margin (CSM)	149,351,142	129,365,490	19,985,652	115.4
Investment portfolio position	1,503,282,095	1,415,231,399	88,050,696	106.2
Total assets	2,568,546,136	2,312,140,248	256,405,888	111.1
Assets under management	2,411,800,065	2,006,528,479	405,271,586	120.2
	2023	2022	Change	Index
Combined ratio	93.1%	92.6%	+0.5 p.p.	-
Return on equity (ROE)	10.8%	8.3%	+2.5 p.p.	-
Return on investment portfolio	2.1%	0.6%	+1.5 p.p.	-
Solvency ratio	182%–188%	183%	-	-

For definitions and calculations, please refer to the appended glossary.

The financial results for 2023 with comparative data for 2022 have been prepared in accordance with IFRS 17 and IFRS 9, which entered into force on 1 January 2023.

## Impact of the environment on the Group's business

After 2022, the impact of claims inflation on the Group's business in 2022 increased as the inflation rate rose sharply, and the Group's insurers responded by increasing their premium rates, reducing the impact of claims inflation on the Group's business in 2023. Continued high inflation increased the expenses of Group companies.

In the summer, Slovenia and some other countries in which the Group operates were hit by a wave of storms and floods that caused significant damage to property. The gross claims resulting from these events totalled EUR 88.3 million in 2023 and, taking into account reinsurance protection, the impact of these events on the Group's result was EUR 27.4 million. The largest impact on the financial performance was reported by Zavarovalnica Sava (EUR 26.4 million).

The finance result of insurance companies and the performance of pension and asset management companies benefited from favourable developments in the financial markets, which increased interest income, assets under management and fund inflows.

## Group results

### Business volume

**Business volume** grew by 14.4% to EUR 910.1 million in 2023, mainly driven by growth in non-life and life gross premiums written. In non-life insurance, this growth was generated by higher prices and organic business growth, and in life insurance by strong sales of new policies and additional payments made to existing policies. Business volume increased in all segments. **Gross written premiums** increased by 14.3% to EUR 884.6 million in 2023.

### Performance

#### Consolidated income statement

EUR	2023	2022	Change	Index
Insurance revenue	697,562,811	608,987,793	88,575,018	114.5
Insurance service expenses	-657,125,518	-537,510,550	-119,614,968	122.3
Claims incurred	-465,474,154	-368,309,774	-97,164,380	126.4
Operating expenses	-189,565,020	-165,031,036	-24,533,984	114.9
Onerous contracts	-2,086,344	-4,169,740	2,083,396	50.0
<b>Insurance service result before reinsurance</b>	<b>40,437,293</b>	<b>71,477,243</b>	<b>-31,039,950</b>	<b>56.6</b>
Reinsurance result	43,040,469	4,596,174	38,444,295	936.4
<b>Insurance service result</b>	<b>83,477,762</b>	<b>76,073,417</b>	<b>7,404,345</b>	<b>109.7</b>
Net investment result	27,923,277	6,536,061	21,387,216	427.2
Net insurance finance result	-13,304,198	-9,140,857	-4,163,341	145.5
Net exchange gains	1,192,505	1,836,939	-644,434	64.9
<b>Finance result</b>	<b>15,811,584</b>	<b>-767,857</b>	<b>16,579,441</b>	<b>-</b>
Non-insurance revenue	25,551,080	21,404,517	4,146,563	119.4
Other expenses	-51,014,545	-44,382,684	-6,631,861	114.9
Income from investments in subsidiaries and associates	2,286,209	2,279,735	6,474	100.3
Other net income	3,501,264	3,894,917	-393,653	89.9
<b>Profit before tax</b>	<b>79,613,353</b>	<b>58,502,045</b>	<b>21,111,308</b>	<b>136.1</b>
Income tax expense	-14,956,182	-11,578,604	-3,377,578	129.2
<b>Net profit</b>	<b>64,657,171</b>	<b>46,923,441</b>	<b>17,733,730</b>	<b>137.8</b>

	2023	2022	Change	Index
Combined ratio	93.1%	92.6%	+0.5 p.p.	-
Loss ratio	64.5%	64.4%	+0.1 p.p.	-
Expense ratio	28.6%	28.2%	+0.4 p.p.	-
Return on investment portfolio	2.1%	0.6%	+1.5 p.p.	-
Return on equity	10.8%	8.3%	+2.5 p.p.	-

#### Insurance service result

The **insurance service result before reinsurance** was EUR 31.0 million lower than in the previous year, reflecting the high volume of claims related to the summer extreme weather events. Reinsurance protection significantly mitigated the impact of these claims on the **insurance service result**, and the Group also significantly increased its insurance revenue, both of which contributed to a stronger

insurance service result than in the previous year. It is also important to note that the insurance service result in 2022 was impacted by inflation and the resulting increase in incurred claims.

**Insurance revenue** grew by EUR 88.6 million, driven by premium growth, particularly in the non-life business, where it increased by EUR 72.3 million due to price increases resulting from claims inflation and due to organic growth. In the reinsurance segment, revenue was up EUR 11.2 million due to a change in its composition towards the more profitable non-proportional business. In the life segment, revenue increased by EUR 4.9 million due to growth in gross premiums and a shift in the portfolio composition towards life risk insurance products. These products have a higher share of premiums counted as insurance revenue compared to those with a savings component.

**Claims incurred** increased by EUR 97.2 million in 2023. The non-life business accounted for the majority of the increase, with EUR 82.9 million, mainly due to the extreme summer weather events that hit Slovenia, Croatia and Serbia.

**Operating expenses** increased by EUR 24.5 million in 2023. Acquisition costs were up EUR 12.1 million due to higher sales, while administrative costs increased by EUR 12.4 million, particularly due to higher business volume and general price increases driven by inflation.

**Expenses for onerous contracts** decreased significantly (by EUR 2.1 million or 50.0%). In 2022, the life business incurred more of these expenses as part of the portfolio moved from profitable to unprofitable following the update of mortality assumptions. However, in 2023, the trend was reversed due to the improved profitability of the non-life business.

The **reinsurance result** for 2023 showed a higher surplus due to the difference in the volume of claims between the two years that triggered the reinsurance protection. In 2023, the amounts recovered from reinsurance were significantly higher than in the previous year because of the severe summer weather events.

#### Finance result and investment return

The **net investment result** was EUR 27.9 million, up EUR 21.4 million from the previous year. Consequently, the **return on the investment portfolio** was also higher, at 2.1%. The result improved mainly due to higher interest income from investing at higher interest rates and the increase in the fair value of investments recognised through profit or loss. The **net insurance finance result** decreased by EUR 4.2 million due to higher discount rates, which reflect the increase in market interest rates.

#### Other net expenses

**Non-insurance revenue** increased by EUR 4.1 million to EUR 25.6 million. The major part of this revenue originated from asset management (EUR 19.6 million), where revenue increased by EUR 1.6 million due to more assets under management in pension funds and in funds of a mutual fund management company. The remainder (EUR 6.0 million) was mainly generated by assistance services, where revenue increased by EUR 2.5 million as a result of a higher volume of assistance cases and inflation-adjusted price increases.

**Other expenses** amounted to EUR 51.0 million, up EUR 6.6 million. These expenses included non-attributable expenses (EUR 29.4 million) and expenses of non-insurance companies (EUR 21.6 million). The rise in personnel costs, an increase in the volume of assistance cases due to a higher claims volume and inflation, and the increased IT service costs were the main reasons for this.

#### Net profit

**Net profit** increased by EUR 17.7 million to EUR 64.7 million in 2023. This increase was primarily due to the improved finance result driven by favourable financial markets and partly due to the insurance service result explained earlier. All business segments ended 2023 with higher profits than in 2022. As a result, the **return on equity** was higher at 10.8%.

## Combined ratio

The **combined ratio** increased due to both the loss and expense ratios. The level of the **loss ratio** was a result of an increased claims experience in the non-EU markets caused by extreme weather events during the summer, some larger claims and claims inflation, and major loss events in the reinsurance segment in early 2023. The movement in the **expense ratio** was primarily attributable to the extraordinary income in 2022. Without factoring this in, the expense ratio for 2022 would have been 28.5%.

## Non-life segment

EUR	2023	2022	Change	Index
<b>Gross premiums written</b>	<b>572,614,385</b>	<b>477,626,640</b>	<b>94,987,745</b>	<b>119.9</b>
EU	474,543,582	397,063,411	77,480,171	119.5
Non-EU	98,070,803	80,563,229	17,507,574	121.7
<b>Insurance service result</b>	<b>39,492,006</b>	<b>33,769,867</b>	<b>5,722,140</b>	<b>116.9</b>
EU	32,526,322	27,765,359	4,760,963	117.1
Non-EU	6,965,685	6,004,508	961,176	116.0
<b>Finance result</b>	<b>7,192,077</b>	<b>40,659</b>	<b>7,151,418</b>	-
EU	4,735,833	-1,521,324	6,257,157	-
Non-EU	2,456,244	1,561,983	894,261	157.3
<b>Other net income/expenses</b>	<b>-15,568,022</b>	<b>-12,802,482</b>	<b>-2,765,540</b>	<b>121.6</b>
EU	-11,934,216	-11,181,301	-752,915	106.7
Non-EU	-3,633,807	-1,621,181	-2,012,625	224.1
<b>Profit before tax</b>	<b>31,112,307</b>	<b>21,008,044</b>	<b>10,104,264</b>	<b>148.1</b>
EU	25,324,185	15,062,734	10,261,451	168.1
Non-EU	5,788,122	5,945,310	-157,188	97.4
<b>Combined ratio</b>	<b>95.4%</b>	<b>95.4%</b>	<b>+0.0 p.p.</b>	-
EU	95.3%	95.6%	-0.3 p.p.	-
Non-EU	96.1%	93.9%	+2.2 p.p.	-

## Gross premiums written

**Gross written premiums** of the non-life segment increased by EUR 95.0 million, or 19.9%. Growth was achieved in all markets, with a 19.5% increase in the EU markets and a 21.7% increase in the non-EU markets. The motor insurance market saw the highest nominal growth across all markets, primarily due to an increase in the price of insurance services in response to the rise in the price of car repair services. In addition, this growth was driven by the acquisition of new policyholders and an upswing in the number of policies sold. In the EU markets, motor insurance experienced the strongest growth in the personal lines segment. In the non-EU markets, in addition to motor premiums, health (up 50.3%) and property (up 18.0%) insurance premiums increased significantly.

## Insurance service result – non life

EUR	2023	2022	Change	Index
<b>Insurance revenue</b>	<b>526,708,126</b>	<b>454,382,860</b>	<b>72,325,266</b>	<b>115.9</b>
EU	436,996,472	380,796,268	56,200,204	114.8
Non-EU	89,711,654	73,586,592	16,125,062	121.9
<b>Insurance service expenses</b>	<b>-529,588,320</b>	<b>-425,530,465</b>	<b>-104,057,855</b>	<b>124.5</b>
<b>Claims incurred</b>	<b>-376,489,416</b>	<b>-293,595,276</b>	<b>-82,894,140</b>	<b>128.2</b>
EU	-324,341,925	-255,758,019	-68,583,906	126.8
Non-EU	-52,147,491	-37,837,257	-14,310,234	137.8
<b>Operating expenses</b>	<b>-150,333,728</b>	<b>-129,728,534</b>	<b>-20,605,194</b>	<b>115.9</b>
EU	-118,758,015	-102,624,831	-16,133,184	115.7
Non-EU	-31,575,713	-27,103,703	-4,472,010	116.5
<b>Onerous contracts</b>	<b>-2,765,176</b>	<b>-2,206,655</b>	<b>-558,521</b>	<b>125.3</b>
EU	-2,856,770	-2,185,670	-671,100	130.7
Non-EU	91,594	-20,985	112,579	-436.5
<b>Insurance service result before reinsurance</b>	<b>-2,880,194</b>	<b>28,852,395</b>	<b>-31,732,589</b>	<b>-10.0</b>
EU	-8,960,238	20,227,748	-29,187,986	-44.3
Non-EU	6,080,044	8,624,647	-2,544,603	70.5
<b>Reinsurance result</b>	<b>42,372,200</b>	<b>4,917,472</b>	<b>37,454,729</b>	<b>861.7</b>
EU	41,486,560	7,537,611	33,948,949	550.4
Non-EU	885,641	-2,620,139	3,505,779	-33.8
<b>Insurance service result</b>	<b>39,492,006</b>	<b>33,769,867</b>	<b>5,722,140</b>	<b>116.9</b>
EU	32,526,322	27,765,359	4,760,963	117.1
Non-EU	6,965,685	6,004,508	961,176	116.0

The **insurance service result before reinsurance** was EUR 31.7 million lower than in the previous year due to claims events related to summer storms and floods. Reinsurance protection significantly reduced the impact of these large claims on the **insurance service result**. This result was EUR 5.7 million higher compared to the figure from the previous year. The main reason for this was the increase in **insurance revenue**, which rose by EUR 72.3 million as a result of growth in gross premiums described earlier. The Group's revenue grew both in its EU markets (EUR 56.2 million) and in its non-EU markets (EUR 16.1 million). It is important to note that in 2022 the insurance service result was impacted by claims inflation and the resulting increase in incurred claims.

**Insurance service expenses** were up EUR 104.1 million, with EUR 85.4 million in the EU markets and EUR 18.7 million in the non-EU markets. The level of **claims incurred** was mainly affected by loss events resulting from summer storms and floods. These adverse weather events had the greatest impact on land motor vehicles insurance and property insurance. **Operating expenses** rose by EUR 20.6 million, due to growth in the insurance portfolio, inflationary increases in labour and other costs, and an increase in the statutory fire brigade charge. **Expenses for onerous contracts** were up EUR 0.6 million due to a lower combined ratio in the property segment resulting from the increased frequency of adverse weather events.

Furthermore, the insurance service result was impacted by an improved **reinsurance result**. The volume of claims reinsured in 2023 was significantly higher than in the previous year due to summer storms and floods.

## Finance result and investment return – non life

EUR	2023	2022	Change	Index
<b>Net investment result</b>	<b>10,976,899</b>	<b>1,400,265</b>	<b>9,576,634</b>	<b>783.9</b>
EU	7,882,690	-562,285	8,444,975	-1,401.9
Non-EU	3,094,209	1,962,550	1,131,659	157.7
<b>Net insurance finance result</b>	<b>-3,699,927</b>	<b>-1,309,186</b>	<b>-2,390,740</b>	<b>282.6</b>
EU	-3,070,764	-930,698	-2,140,067	329.9
Non-EU	-629,162	-378,489	-250,674	166.2
<b>Net exchange losses</b>	<b>-88,650</b>	<b>-50,420</b>	<b>-38,230</b>	<b>175.8</b>
EU	-79,847	-28,341	-51,506	281.7
Non-EU	-8,803	-22,079	13,276	39.9
<b>Finance result</b>	<b>7,188,323</b>	<b>40,659</b>	<b>7,147,664</b>	<b>17,679.7</b>
EU	4,732,079	-1,521,324	6,253,403	-311.1
Non-EU	2,456,244	1,561,983	894,261	157.3
	2023	2022	Change	Index
<b>Return on investment portfolio</b>	<b>1.8%</b>	<b>0.2%</b>	<b>+1.6 p.p.</b>	-
EU	1.5%	-0.1%	+1.6 p.p.	-
Non-EU	3.4%	2.3%	+1.1 p.p.	-

The **finance result** was up EUR 7.1 million due to an improved **net investment result**. The latter increased by EUR 9.6 million year on year due to the more favourable conditions in financial markets. In 2022, the result was impacted by negative revaluation of equity securities at fair value through profit or loss, whereas last year these securities had a positive impact, mainly due to higher interest income. The **net insurance finance result** decreased by EUR 2.4 million due to higher discount rates on insurance contracts resulting from the increase in market interest rates. The **return on the investment portfolio** improved by 1.6 percentage points to 1.8%.

### Other net expenses

Other net expenses mainly comprise non-attributable operating expenses and income not related to the insurance business. In 2023, net expenses increased by EUR 2.8 million. The majority of the increase in the non-EU markets, which totalled EUR 2.0 million, was attributable to a one-time event that occurred in 2022 with one of the insurers. At that time, the Group received a one-off income as a result of a court case related to a previous major accident that was settled in the insurer's favour. The remaining EUR 0.8 million largely relates to higher non-attributable expenses.

### Profit before tax

**Profit before tax** increased by EUR 10.1 million to EUR 31.1 million in 2023. As previously stated, the increase was primarily due to the improved finance and insurance service results.



## Combined ratio – non life

	2023	2022	Change
<b>Combined ratio</b>	<b>95.4%</b>	<b>95.4%</b>	<b>+0.0 p.p.</b>
EU	95.3%	95.6%	-0.3 p.p.
Non-EU	96.1%	93.9%	+2.2 p.p.
<b>Loss ratio</b>	<b>64.0%</b>	<b>64.0%</b>	<b>-0.0 p.p.</b>
EU	65.4%	65.8%	-0.4 p.p.
Non-EU	57.0%	55.0%	+2.0 p.p.
<b>Expense ratio</b>	<b>31.5%</b>	<b>31.3%</b>	<b>+0.2 p.p.</b>
EU	29.9%	29.9%	+0.0 p.p.
Non-EU	39.1%	38.9%	+0.2 p.p.

The **combined ratio** remained at the same level as last year, at 95.4%. The combined ratio improved by 0.3 percentage points in the EU markets but deteriorated by 2.2 percentage points in non-EU markets. The improvement in the EU markets was driven by a better **loss ratio** resulting from higher insurance revenue and a more favourable reinsurance result from the effective reinsurance cover of the storm and flood claims. The decline in the non-EU markets was due to a higher loss ratio caused by claims from the summer storms, some large individual claims, and increased average claims due to claims inflation. The **expense ratio** remained unchanged. In the non-EU markets, it outperformed in 2022 as a result of the aforementioned extraordinary income. Without factoring in this one-off income, the expense ratio in the non-EU markets for 2022 would have been 40.7%.

## Life segment

EUR	2023	2022	Change	Index
<b>Gross premiums written</b>	<b>185,767,542</b>	<b>172,175,270</b>	<b>13,592,272</b>	<b>107.9</b>
EU	174,441,547	162,202,436	12,239,110	107.5
Non-EU	11,325,996	9,972,834	1,353,162	113.6
<b>Insurance service result</b>	<b>20,434,704</b>	<b>19,487,106</b>	<b>947,598</b>	<b>104.9</b>
EU	18,724,682	18,842,269	-117,587	99.4
Non-EU	1,710,022	644,837	1,065,185	265.2
<b>Finance result</b>	<b>6,369,936</b>	<b>1,176,784</b>	<b>5,193,153</b>	<b>541.3</b>
EU	5,799,629	719,483	5,080,146	806.1
Non-EU	570,307	457,300	113,007	124.7
<b>Other net expenses</b>	<b>-6,181,819</b>	<b>-5,748,157</b>	<b>-433,662</b>	<b>107.5</b>
EU	-5,669,054	-5,715,108	46,054	99.2
Non-EU	-512,766	-33,050	-479,716	1,551.5
<b>Profit before tax</b>	<b>20,622,821</b>	<b>14,915,732</b>	<b>5,707,089</b>	<b>138.3</b>
EU	18,855,257	13,846,644	5,008,613	136.2
Non-EU	1,767,563	1,069,088	698,476	165.3
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>Change</b>	<b>Index</b>
<b>Contractual service margin (CSM)</b>	<b>141,629,289</b>	<b>124,608,539</b>	<b>17,020,750</b>	<b>113.7</b>
EU	132,599,225	115,335,766	17,263,459	115.0
Non-EU	9,030,064	9,272,773	-242,709	97.4

## Gross premiums written

**Gross written premiums** of life insurers in the EU increased by 7.5% year on year due to higher sales of both life risk and unit-linked insurance products. Non-EU life insurers managed to increase gross written premiums by a remarkable 13.6%. In addition to maintaining the existing portfolio, sales of life risk and unit-linked insurance products, which had not been sold in the previous year, also increased.

### Insurance service result - life

EUR	2023	2022	Change	Index
<b>Insurance revenue</b>	<b>66,403,513</b>	<b>61,496,184</b>	<b>4,907,329</b>	<b>108.0</b>
EU	59,872,919	56,462,308	3,410,611	106.0
Non-EU	6,530,594	5,033,876	1,496,718	129.7
<b>Insurance service expenses</b>	<b>-45,730,102</b>	<b>-41,518,952</b>	<b>-4,211,150</b>	<b>110.1</b>
<b>Claims incurred</b>	<b>-17,469,137</b>	<b>-12,950,460</b>	<b>-4,518,677</b>	<b>134.9</b>
EU	-15,502,210	-11,447,246	-4,054,964	135.4
Non-EU	-1,966,927	-1,503,214	-463,713	130.8
<b>Operating expenses</b>	<b>-28,800,168</b>	<b>-26,502,721</b>	<b>-2,297,447</b>	<b>108.7</b>
EU	-25,752,177	-23,970,652	-1,781,525	107.4
Non-EU	-3,047,991	-2,532,069	-515,922	120.4
<b>Onerous contracts</b>	<b>539,203</b>	<b>-2,065,771</b>	<b>2,604,974</b>	<b>-26.1</b>
EU	344,857	-1,712,015	2,056,872	-20.1
Non-EU	194,346	-353,756	548,102	-54.9
<b>Reinsurance result</b>	<b>-238,707</b>	<b>-490,126</b>	<b>251,419</b>	<b>48.7</b>
<b>Insurance service result</b>	<b>20,434,704</b>	<b>19,487,106</b>	<b>947,598</b>	<b>104.9</b>
EU	18,724,682	18,842,269	-117,587	99.4
Non-EU	1,710,022	644,837	1,065,185	265.2

The **insurance service result** improved by EUR 0.9 million. In the non-EU markets, the result increased due to portfolio growth and lower-than-expected realised claims, whereas in the EU markets it decreased by EUR 0.1 million due to a higher volume of incurred claims.

**Insurance revenue** grew by 6.0% in the EU markets due to increased sales and a shift in premium composition towards life risk insurance products. These products have a higher share of premiums counted as insurance revenue compared to those with a savings component. Insurance revenue outside the EU increased by 29.7% due to higher sales in the Serbian market and updates to actuarial models and assumptions.

**Insurance service expenses** rose by 10.1%, mainly as a result of an increase in **incurred claims**. The latter increased due to the higher volume of business and a slight rise in claims from riders and death benefits on existing policies (e.g. accidental disability and critical illness). This was mainly due to the more favourable claims experience during the Covid-19 pandemic, but after all restrictions were lifted, population activity increased, leading to an increase in accidents. **Operating expenses** also increased due to both higher acquisition costs resulting from increased sales and higher administrative costs resulting mainly from inflationary increases in personnel costs, and depreciation and amortisation costs (the start of amortisation of intangible assets related to major projects and depreciation of new premises). The rise in insurance service expenses was slightly offset by a positive change in **expenses from onerous contracts** of EUR 2.6 million, resulting from the improved expected profitability of the portfolio.

### Finance result and investment return - life

EUR	2023	2022	Change	Index
<b>Net investment result</b>	<b>10,059,429</b>	<b>4,460,089</b>	<b>5,599,340</b>	<b>225.5</b>
EU	9,103,691	3,709,640	5,394,050	245.4
Non-EU	955,738	750,448	205,290	127.4
<b>Net insurance finance result</b>	<b>-3,702,612</b>	<b>-3,242,471</b>	<b>-460,141</b>	<b>114.2</b>
EU	-3,302,541	-2,974,900	-327,641	111.0
Non-EU	-400,071	-267,571	-132,500	149.5
<b>Net exchange gains/losses</b>	<b>13,120</b>	<b>-40,834</b>	<b>53,954</b>	<b>-32.1</b>
EU	-1,520	-15,257	13,737	10.0
Non-EU	14,640	-25,577	40,217	-57.2
<b>Finance result</b>	<b>6,369,936</b>	<b>1,176,784</b>	<b>5,193,153</b>	<b>541.3</b>
EU	5,799,629	719,483	5,080,146	806.1
Non-EU	570,307	457,300	113,007	124.7
	2023	2022	Change	Index
<b>Return on investment portfolio</b>	<b>2.0%</b>	<b>0.8%</b>	<b>+1.2 p.p.</b>	-
EU	1.9%	0.7%	+1.2 p.p.	-
Non-EU	2.9%	2.4%	+0.5 p.p.	-

The **finance result** was up EUR 5.2 million, mainly due to the improved **net investment result**, which was EUR 5.6 million higher in 2023 because of more favourable conditions in financial markets. In 2022, the result was impacted by negative revaluation of equity securities at fair value through profit or loss, whereas in 2023 these securities had a positive impact, mainly due to higher interest income. The **return on the investment portfolio** increased to 2.0%, in line with the improved net investment result. On the other hand, the more favourable financial market conditions had a negative impact on the **net insurance finance result**, which decreased by EUR 0.5 million due to the rise in discount rates.

### Other net expenses

**Other net expenses** increased by EUR 0.4 million as a result of the updated methodology for calculating the insurance service result for the non-EU insurers in 2023. Non-attributable expenses also increased due to inflation.

### Profit before tax

The increase in **profit before tax** of 38.3% was primarily attributable to the improved finance result in the EU markets from the previous year. Meanwhile, the increase in the non-EU markets was mainly a reflection of the improved insurance service result.

### Contractual service margin - life

	31 December 2023	31 December 2022	Change	Index
<b>Contractual service margin (CSM)</b>	<b>141,629,289</b>	<b>124,608,539</b>	<b>17,020,750</b>	<b>113.7</b>
EU	132,599,225	115,335,766	17,263,459	115.0
Non-EU	9,030,064	9,272,773	-242,709	97.4

The 13.7% growth in the **contractual service margin** was achieved through new business written, maintaining the profitability of the life insurance portfolio. The expected higher future profits were also driven by positive developments in financial markets, which boosted the value of unit-linked life insurance assets and, consequently, the future income from managing these assets. The contractual service margin also increased due to additional single-premium payments to existing policies. The contractual service margin on new business written was EUR 23.3 million, exceeding its release to profit (EUR 17.2 million) by 35.6%, which reflects strong sales and increased profitability.

## Reinsurance segment

EUR	2023	2022	Change	Index
Gross premiums written	122,966,992	120,876,083	2,090,909	101.7
Insurance service result	23,442,000	22,651,373	790,626	103.5
Finance result	1,581,486	-898,616	2,480,102	-
Other net expenses	-2,422,611	-965,742	-1,456,869	250.9
Profit before tax	20,699,290	18,369,768	2,329,522	112.7
Combined ratio	81.6%	79.2%	+2.4 p.p.	-
	31 December 2023	31 December 2022	Change	Index
Contractual service margin (CSM)	5,455,348	4,671,184	784,164	116.8

### Gross premiums written

Gross written premiums grew by EUR 2.1 million, the most important being the positive shift in premium composition towards more profitable non-proportional contracts. The premiums for these contracts increased by 19.4%. This growth in gross written premiums was achieved through both rate increases in line with global reinsurance market developments and organic volume growth.

### Insurance service result – reinsurance

EUR	2023	2022	Change	Index
<b>Insurance revenue</b>	<b>104,029,407</b>	<b>92,799,955</b>	<b>11,229,632</b>	<b>112.1</b>
<b>Insurance service expenses</b>	<b>-81,494,383</b>	<b>-70,317,410</b>	<b>-11,176,973</b>	<b>115.9</b>
Claims incurred	-71,430,181	-61,697,514	-9,732,667	115.8
Operating expenses	-10,318,051	-8,703,623	-1,614,428	118.5
Onerous contracts	253,849	83,727	170,122	303.2
<b>Reinsurance result</b>	<b>906,976</b>	<b>168,828</b>	<b>738,147</b>	<b>537.2</b>
<b>Insurance service result</b>	<b>23,442,000</b>	<b>22,651,373</b>	<b>790,626</b>	<b>103.5</b>

The **insurance service result** improved by EUR 0.8 million due to increased insurance revenue and a more favourable reinsurance result.

**Insurance revenue** increased by EUR 11.2 million as a result of improved premium composition towards non-proportional reinsurance because these premiums are recognised more quickly in revenue.

**Insurance service expenses** rose by EUR 11.2 million, with **incurred claims** accounting for EUR 9.7 million. This increase was mainly due to a major loss event earlier in the year. **Operating expenses** were up EUR 1.6 million, primarily due to acquisition costs and partly due to inflation.

The **reinsurance result** improved by EUR 0.7 million. Revenue from reinsurance contracts held increased by EUR 3.0 million (recoverable income from a major loss event in 2023), whereas expenses from reinsurance contracts held rose by EUR 2.3 million as a result of the increased volume of reinsurance protection and higher prices.

### Finance result and investment return - reinsurance

EUR	2023	2022	Change	Index
Net investment result	5,521,148	1,545,065	3,976,083	357.3
Net insurance finance result	-5,210,186	-4,386,386	-823,799	118.8
Net exchange gains	1,270,540	1,942,705	-672,165	65.4
<b>Finance result</b>	<b>1,581,486</b>	<b>-898,616</b>	<b>2,480,102</b>	<b>-</b>
	2023	2022	Change	Index
Return on investment portfolio	2.1%	0.6%	+1.5 p.p.	-

The **finance result** improved as a result of a stronger **net investment result**, which increased by EUR 4.0 million in 2023 due to higher interest income (reinvestment at higher interest rates) and positive revaluation of equity investments at fair value through profit or loss. As a result, the **return on the investment portfolio** was also higher, at 2.1%. The **net insurance finance result** was lower in 2023 due to higher discount rates, reflecting the changed situation in financial markets.

### Other net expenses

**Other net expenses** rose by EUR 0.9 million, mainly driven by higher non-attributable expenses resulting from inflation and development activities.

### Profit before tax

**Profit before tax** increased by EUR 2.3 million as a result of the improved insurance service and net investment results.

### Combined ratio - reinsurance

	2023	2022	Change
Combined ratio	81.6%	79.2%	+2.4 p.p.
Loss ratio	67.5%	66.2%	+1.3 p.p.
Expense ratio	14.1%	13.0%	+1.1 p.p.

The **combined ratio** remained at a very favourable level but increased due to both the loss ratio (impacted by a major loss event at the beginning of the year) and the expense ratio (impacted by higher acquisition and other operating costs).

### Contractual service margin

As at 31 December 2023, the contractual service margin totalled EUR 5.5 million. In 2023, the CSM increased by EUR 0.8 million, or 16.8%. The newly recognised CSM was EUR 5.4 million lower than the CSM released, reflecting a higher volume of recognised non-proportional reinsurance contracts in 2023. The level of CSM was mainly positively impacted by onerous contracts that became profitable during the reporting period (EUR 1.8 million) as a result of the positive development of the proportional portfolio for the previous underwriting years.

## Pensions and asset management segment

EUR	2023	2022	Change	Index
<b>Business volume</b>	<b>22,802,778</b>	<b>21,434,886</b>	1,367,892	106.4
Asset management revenue	19,589,410	17,978,588	1,610,822	109.0
Gross premiums written (annuities)	3,213,368	3,456,298	-242,930	93.0
Insurance revenue	421,765	308,794	112,971	136.6
Claims incurred	-85,420	-66,524	-18,896	128.4
Operating expenses	-13,483,703	-11,977,899	-1,505,805	112.6
Finance result	674,344	-1,072,171	1,746,515	-
Other net income/expenses	399,810	-302,421	702,231	-132.2
<b>Profit before tax</b>	<b>7,516,206</b>	<b>4,868,367</b>	<b>2,647,838</b>	<b>154.4</b>
Cost-to-income ratio (CIR)	67.0%	65.2%	+1.8 p.p.	-
EUR	31 December 2023	31 December 2022	Change	Index
Assets under management	1,803,264,665	1,507,752,304	295,512,361	119.6

**Business volume** increased by EUR 1.4 million due to higher **asset management revenue**. This increase was mainly driven by management fee income, although there was also a rise in income from entry fees.

**Insurance revenue** was up EUR 0.1 million due to more profitable new business written and gains from exceeding guaranteed returns on annuity accounts.

**Claims incurred** were slightly higher, which was in line with growth in the part of the portfolio relating to annuities.

**Operating expenses** rose by EUR 1.5 million due to the inflationary effects, which led to higher service and personnel costs. As a result, the **cost-to-income ratio**, which excludes one-off income, increased by 1.8 percentage points.

The **finance result** improved by EUR 1.7 million due to a positive revaluation of equity investments at fair value through profit or loss of EUR 2.2 million. On the other hand, finance expenses from insurance contracts increased by EUR 0.5 million due to higher discount rates. The rate of investment return was also higher, at 2.7%.

**Other net income/expenses** improved by EUR 0.7 million as a result of the sale of a property and the release of provisions for non-achievement of guaranteed returns.

**Profit before tax** was up EUR 2.6 million, primarily due to higher asset management revenue and an improved investment result driven by favourable financial market conditions.

**Assets under management** rose by EUR 295.5 million. The main reasons for this increase were the high net inflows into the funds and the 10.2% return achieved. Assets under management increased for all companies in this segment.

## Other segment

EUR	2023	2022	Change	Index
Income	8,270,833	5,722,565	2,548,268	144.5
Expenses	-8,608,103	-6,382,431	-2,225,671	134.9
<b>Profit or loss before tax</b>	<b>-337,270</b>	<b>-659,866</b>	<b>322,597</b>	-

**Revenue** grew by EUR 2.5 million due to higher business volumes in assistance and healthcare services. In 2022, revenue also included the one-time sale of a subsidiary. Without factoring this in, revenue growth in 2023 would have been EUR 1 million higher.

**Expenses** were up EUR 2.2 million due to higher business volumes and inflationary pressures. Expenses of this segment in both periods also include subordinated debt expenses of EUR 2.9 million, which is the reason this segment had a negative result.

**The loss** of the segment decreased by EUR 0.3 million due to higher profits from assistance and healthcare services.

## Financial position

EUR	31 December 2023	31 December 2022	Change	Index
Equity	585,663,613	531,463,677	54,199,936	110.2
Contractual service margin (CSM)	155,307,485	136,396,088	18,911,397	113.9
Investment portfolio position	1,503,282,095	1,415,231,399	88,050,696	106.2
Total assets	2,568,546,136	2,312,140,248	256,405,888	111.1
Assets under management	2,411,800,064	2,006,528,480	405,271,584	120.2

## Equity and solvency

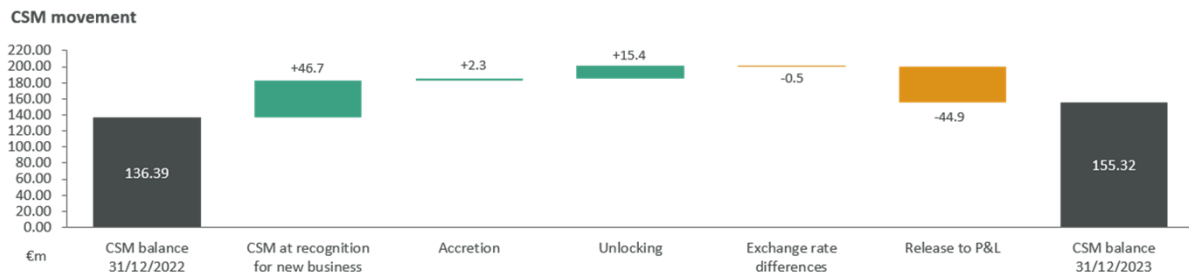
Equity amounted to EUR 585.7 million, up EUR 54.2 million compared to the end of 2022. The increase in profits in 2023 and a positive change in other comprehensive income were the primary reasons for the overall increase, while the decrease was mainly due to the dividend payouts.

The Group's estimated solvency position as at 31 December 2023 shows that the Group is well capitalised, with an expected solvency ratio of between 182% and 188% (31 December 2022: 183%). The estimate indicates that the Group's solvency position as at 31 December 2023 remains at a high level, well above the regulatory requirement and in line with the internal rules of an optimal solvency ratio range between 170 % in 210 %.

## Contractual service margin

The contractual service margin (CSM) is an estimate of future profits from insurance contracts that relate to future periods and have not yet been recognised in profit or loss. As at 31 December 2023, it totalled EUR 155.3 million (net of reinsurance, EUR 149.4 million). The majority of the contractual service margin (EUR 141.6 million or 91.2% of the total CSM) arose from the life business, followed by the non-life business with EUR 6.3 million (4.1%) and the reinsurance business with EUR 5.5 million (3.5%), with the remainder attributable to the pensions business (EUR 1.9 million or 1.2%). In 2023, the contractual service margin increased by EUR 18.9 million or 13.9%. In the life business, the increase was EUR 17.0 million, or 13.7%. The newly written contracts had a slightly higher contractual service margin than the amount released to profit or loss (specifically, the newly recognised CSM was EUR 46.7 million, whereas the release was EUR 44.9 million). In the life segment, the newly recognised CSM exceeded the release by EUR 6.1 million, and in the reinsurance segment the newly recognised CSM was EUR 5.4 million lower than the release due to the volume of non-proportional reinsurance contracts recognised in 2023. The increase in the contractual service margin was also positively affected by the change in future cash flow assumptions of EUR 15.4 million (primarily in the life segment) due to improved financial market conditions and additional single-premium payments to existing policies. The remainder of the change related to interest and foreign exchange differences.

### Movement in the contractual service margin



## Investment portfolio

EUR	31 December 2023	31 December 2022	Change	Index
Deposits and CDs	25,616,171	18,848,261	6,767,910	135.9
Government bonds	818,836,368	721,024,386	97,811,982	113.6
Corporate bonds	457,974,606	433,777,269	24,197,337	105.6
Shares	21,754,273	24,883,924	-3,129,651	87.4
Mutual funds	18,564,549	22,157,732	-3,593,182	83.8
Infrastructure funds	57,339,858	53,856,376	3,483,482	106.5
Real estate funds	13,888,193	16,497,061	-2,608,868	84.2
Loans granted	754,141	1,194,821	-440,680	63.1
<b>Total financial investments</b>	<b>1,414,728,159</b>	<b>1,292,239,830</b>	<b>122,488,329</b>	<b>109.5</b>
Financial investments in associates	23,834,619	21,856,109	1,978,510	109.1
Investment property	24,890,278	22,795,759	2,094,519	109.2
Cash and cash equivalents	39,829,039	78,339,699	-38,510,660	50.8
<b>Total investment portfolio</b>	<b>1,503,282,095</b>	<b>1,415,231,397</b>	<b>88,050,699</b>	<b>106.2</b>

The investment portfolio increased by EUR 88.0 million compared to year-end 2022. The major change in the value of investments was mainly in government and corporate bonds, as available funds from operations and investment maturities and disposals were invested mainly in these types of assets. The level of cash and cash equivalents decreased by almost half as cash was invested in higher-yielding assets. The value of shares and mutual funds fell slightly as a result of the disposals.

## Assets under management

EUR	31 December 2023	31 December 2022	Change	Index
Assets held in pension company savings funds	1,174,660,423	1,013,323,087	161,337,336	115.9
Assets under management with a fund management company	628,604,242	494,429,217	134,175,025	127.1
Assets held for the benefit of policyholders who bear the investment risk	608,535,399	498,776,176	109,759,223	122.0
<b>Assets under management</b>	<b>2,411,800,064</b>	<b>2,006,528,480</b>	<b>405,271,584</b>	<b>120.2</b>

Assets under management amounted to EUR 2,411.8 million, up 20.2%. This growth was driven both by an increase in fund returns resulting from favourable developments in financial markets and by positive net inflows into all three types of funds (pension funds, funds of a mutual fund management company and unit-linked funds).

## Earnings per share

Earnings per share increased to EUR 4.16 in 2023 (up 38.1% compared to the 2022).

	2023	2022
Number of shares (excluding treasury shares)	15,497,696	15,497,696
Earnings per share (EUR)	4.16	3.01
Book value per share (EUR)	37.79	34.29



## Targets achieved in 2023

### Achievement of targets in 2023

EUR million	2023	2023 plan	As % of plan
Business volume	910.1	> 800	113.8%
Business volume growth	14.4%	> 4%	✓
Return on equity	10.8%	> 9.5%	✓
Profit, net of tax	64.7	> 53	22.1%
Solvency ratio	182%–188%	170%–210%	✓
Combined ratio	93.1%	< 95%	✓
Return on investment portfolio	2.1%	> 1.5%	✓

The Sava Insurance Group achieved all its financial targets in 2023. It increased its business volume to EUR 910.1 million, 13.8% ahead of plan. All operating segments exceeded their targets. The net profit was EUR 64.7 million, which translates in an above-target return on equity. The combined ratio increased compared to last year due to the summer storms in Slovenia and other markets in which the Group operates but remained within the target range. The Group's active management of its investment portfolio also resulted in a return well above the lower end of the target range. The reinsurance segment and the net investment result were the main contributors to the above-target performance.

## Significant events in 2023

### Changes in the management board

David Benedek was appointed as a member of Sava Re's management board on 15 December 2022; he began his five-year term of office on 22 March 2023. With the assumption of office by David Benedek, the management board of Sava Re returned to four members.

### Changes to the supervisory board and its committees

The term of office of Andrej Gorazd Kunstek and Edita Rituper, the employee representatives on the supervisory board, expired on 12 June 2023. The works council reappointed Edita Rituper for a four-year term of office, and Blaž Garbajs was appointed for the first time as the second employee representative on the supervisory board. Both the appointed members began their new terms of office on 13 June 2023. With the expiry of his term of office on the supervisory board, the term of office of Andrej Gorazd Kunstek on two supervisory board committees also came to an end. The supervisory board appointed Edita Rituper as a new member of its nominations and remuneration committee and Blaž Garbajs as a new member of its audit committee. Both took up their roles in the supervisory board committees on 13 June 2023.

### Other significant events

- In June 2023, the 39th general meeting of shareholders was held.
- In September 2023, the rating agencies S&P Global Ratings and AM Best reaffirmed the "A" ratings of Sava Re and Zavarovalnica Sava. The outlook was stable.

## Significant events after the reporting date

- On 22 February 2024, Sava Re signed a contract to acquire a 2.5% stake in TBS Team 24. Upon completion of the transaction, Sava Re holds a 90% stake in the company.

## About the Sava Insurance Group

The Sava Insurance Group is a customer-centric, flexible and sustainability-oriented insurance group doing business in over one hundred insurance and reinsurance markets worldwide. The Group is a provider of primary insurance, reinsurance, asset management and retirement solutions. Sava Re d.d., the parent company and reinsurer, serves more than 350 clients worldwide. With a presence in six countries in the Adriatic region, the Group is one of the larger insurance groups based in southeastern Europe. Sava Re's long-term financial strength ratings were affirmed by both S&P Global Ratings and AM Best at the "A" level with a stable outlook. More information about Sava Insurance Group is available at <https://www.sava-re.si/en-si/sava-insurance-group/profile/>.

## Disclaimer

### Forward-looking statements

This document may contain forward-looking statements relating to the expectations, plans or goals of the Sava Insurance Group (the Group), which are based on estimates and assumptions made by the management of Sava Re (the Company). By their nature, forward-looking statements involve known and unknown 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

The Group and the Company assume no obligation to update or revise any forward-looking statements or other information contained in this document, except to the extent required by applicable laws and regulations.

### Alternative performance measures

This document may contain certain alternative performance measures used by the Company's management to monitor the business, financial performance and financial position of the Group and provide investors with additional information that management believes may be useful and relevant to understanding the Group's results. These alternative financial indicators or benchmarks generally do not have a standardised meaning and therefore may not be comparable to similarly defined benchmarks used by other companies. Therefore, no such indicators or measures should be considered in isolation from, or in place of, the consolidated financial statements of the Group and the related notes prepared in accordance with IFRS standards.

### Legal basis for preparing this document

This document has been prepared on the basis of the Market in Financial Instruments Act, the rules of the Ljubljana Stock Exchange and other laws and regulations applicable in Slovenia.

## Appendices

### 1. Consolidated income statement by operating segment

#### Income statement by segment

EUR	Non-life, EU		Non-life, non-EU		Life, EU		Life, non-EU		Reinsurance		Pensions and asset management		Other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Insurance revenue	436,996,472	380,796,268	89,711,654	73,586,592	59,872,919	56,462,308	6,530,594	5,033,876	104,029,407	92,799,955	421,765	308,794	0	0	697,562,811
Insurance service expenses	-445,956,710	-360,568,520	-83,631,610	-64,961,945	-40,909,530	-37,129,913	-4,820,572	-4,389,039	-81,494,383	-70,317,410	-312,713	-143,723	0	0	-657,125,518	-537,510,550
Claims incurred	-324,341,925	-255,758,019	-52,147,491	-37,837,257	-15,502,210	-11,447,246	-1,966,927	-1,503,214	-71,430,181	-61,697,514	-85,420	-66,524	0	0	-465,474,154	-368,309,774
Operating expenses	-118,758,015	-102,624,831	-31,575,713	-27,103,703	-25,752,177	-23,970,652	-3,047,991	-2,532,069	-10,318,051	-8,703,623	-113,073	-96,158	0	0	-189,565,020	-165,031,036
Expenses from onerous contracts	-2,856,770	-2,185,670	91,594	-20,985	344,857	-1,712,015	194,346	-353,756	253,849	83,727	-114,220	18,959	0	0	-2,086,344	-4,169,740
<b>Insurance service result before reinsurance</b>	<b>-8,960,238</b>	<b>20,227,748</b>	<b>6,080,044</b>	<b>8,624,647</b>	<b>18,963,389</b>	<b>19,332,395</b>	<b>1,710,022</b>	<b>644,837</b>	<b>22,535,024</b>	<b>22,482,545</b>	<b>109,052</b>	<b>165,071</b>	<b>0</b>	<b>0</b>	<b>40,437,293</b>	<b>71,477,243</b>
Reinsurance result	41,486,560	7,537,611	885,641	-2,620,139	-238,707	-490,126	0	0	906,976	168,828	0	0	0	0	43,040,469	4,596,174
<b>Insurance service result</b>	<b>32,526,322</b>	<b>27,765,359</b>	<b>6,965,685</b>	<b>6,004,508</b>	<b>18,724,682</b>	<b>18,842,269</b>	<b>1,710,022</b>	<b>644,837</b>	<b>23,442,000</b>	<b>22,651,373</b>	<b>109,052</b>	<b>165,071</b>	<b>0</b>	<b>0</b>	<b>83,477,762</b>	<b>76,073,417</b>
Net investment result	7,882,690	-562,285	3,094,209	1,962,550	9,103,691	3,709,640	955,738	750,448	5,521,148	1,545,065	1,365,801	-869,358	0	0	27,923,277	6,536,061
Net insurance finance income or expenses	-3,070,764	-930,698	-629,162	-378,489	-3,302,541	-2,974,900	-400,071	-267,571	-5,210,202	-4,386,386	-691,457	-202,813	0	0	-13,304,198	-9,140,857
Net exchange gains/losses	-79,847	-28,341	-8,803	-22,079	-1,520	-15,257	14,640	-25,577	1,270,540	1,942,705	-2,505	-14,512	0	0	1,192,505	1,836,939
Finance result	4,732,079	-1,521,324	2,456,244	1,561,983	5,799,629	719,483	570,307	457,300	1,581,486	-898,616	671,839	-1,086,683	0	0	15,811,584	-767,857
Non-insurance revenue	0	0	0	3,212	0	0	0	0	0	0	19,589,410	17,978,588	5,806,493	3,422,717	25,395,903	21,404,517
Other expenses	-16,349,800	-14,842,893	-6,237,092	-5,742,288	-5,161,413	-5,092,506	-492,069	-418,355	-3,693,151	-2,908,447	-13,370,630	-11,881,741	-5,710,391	-3,496,453	-51,014,545	-44,382,684
Income from investments in subsidiaries and associates	3,754	0	0	0	0	0	0	0	0	0	0	0	2,282,455	2,279,735	2,286,209	2,279,735
Other net income/expenses	4,411,830	3,661,593	2,603,285	4,117,895	-507,641	-622,602	-20,696	385,306	-631,045	-474,542	516,535	-306,868	-2,715,827	-2,865,865	3,656,441	3,894,917
Profit or loss before tax	25,324,185	15,062,734	5,788,122	5,945,310	18,855,257	13,846,644	1,767,563	1,069,088	20,699,290	18,369,768	7,516,206	4,868,367	-337,270	-659,866	79,613,354	58,502,045
Income tax expense															-14,956,182	-11,578,604
<b>Net profit or loss for the period</b>															<b>64,657,172</b>	<b>46,923,441</b>

## 2. Gross written premiums

### Consolidated gross premiums written by class of business

EUR	2023		2022	
	Amount	Share	Amount	Share
Property	201,173,345	22.7%	190,850,080	24.7%
Land motor vehicles	192,694,694	21.8%	153,629,655	19.8%
Motor vehicle liability	166,180,679	18.8%	137,553,032	17.8%
Accident, health and assistance	89,833,560	10.2%	75,076,200	9.7%
General liability	24,729,085	2.8%	23,368,600	3.0%
Marine, suretyship and goods in transit	17,488,998	2.0%	14,817,533	1.9%
Other insurance	3,212,344	0.4%	2,832,415	0.4%
<b>Total non-life</b>	<b>695,312,704</b>	<b>78.6%</b>	<b>598,127,515</b>	<b>77.3%</b>
Unit-linked life	121,013,982	13.7%	109,918,305	14.2%
Traditional life	68,235,616	7.7%	66,088,471	8.5%
<b>Total life</b>	<b>189,249,598</b>	<b>21.4%</b>	<b>176,006,776</b>	<b>22.7%</b>
<b>Total</b>	<b>884,562,302</b>	<b>100.0%</b>	<b>774,134,291</b>	<b>100.0%</b>

### Unconsolidated gross premiums written – non-life

EUR	2023	2022	Change	Index
Slovenia	457,932,561	381,780,244	76,152,317	119.9
Croatia	17,140,681	15,458,348	1,682,333	110.9
<b>EU</b>	<b>475,073,243</b>	<b>397,238,592</b>	<b>77,834,650</b>	<b>119.6</b>
Serbia	39,541,716	29,625,362	9,916,355	133.5
Montenegro	20,670,382	17,392,666	3,277,715	118.8
North Macedonia	20,451,548	17,432,536	3,019,012	117.3
Kosovo	17,436,254	16,134,131	1,302,124	108.1
<b>Non-EU</b>	<b>98,099,900</b>	<b>80,584,694</b>	<b>17,515,206</b>	<b>121.7</b>
<b>Total non-life</b>	<b>573,173,143</b>	<b>477,823,287</b>	<b>95,349,856</b>	<b>120.0</b>

### Unconsolidated gross premiums written – life

EUR	2023	2022	Change	Index
Slovenia	172,197,851	160,155,233	12,042,619	107.5
Croatia	2,243,695	2,047,204	196,491	109.6
<b>EU</b>	<b>174,441,547</b>	<b>162,202,436</b>	<b>12,239,110</b>	<b>107.5</b>
Serbia	7,062,615	5,615,038	1,447,577	125.8
Kosovo	4,263,381	4,357,796	-94,415	97.8
<b>Non-EU</b>	<b>11,325,996</b>	<b>9,972,834</b>	<b>1,353,162</b>	<b>113.6</b>
<b>Total life</b>	<b>185,767,542</b>	<b>172,175,270</b>	<b>13,592,272</b>	<b>107.9</b>

## 3. Pensions and asset management segment

### Performance of funds under management (accumulation part)

EUR	2023	2022	Index
<b>Opening balance of fund assets</b>	<b>1,507,752,304</b>	<b>1,541,670,574</b>	<b>97.8</b>
Fund inflows	195,800,605	171,692,469	114.0
Fund outflows	-50,622,078	-59,758,943	84.7
Asset transfers	-15,184,025	-13,798,074	110.0
Net investment income of funds	168,060,395	-128,126,162	-
Entry and exit charges	-2,585,551	-2,397,556	107.8
Exchange differences and fair value reserve	43,015	-1,530,006	-
<b>Closing balance of fund assets</b>	<b>1,803,264,665</b>	<b>1,507,752,304</b>	<b>119.6</b>
<b>Index in relation to period start</b>	<b>119.6</b>	<b>97.8</b>	

*Funds under management at period end (accumulation part)*

EUR	31 December 2023	31 December 2022
Sava Pokojninska	179,443,359	165,831,325.5
Sava Penzisko Društvo	995,217,064	847,491,761.5
Sava Infond	628,604,242	494,429,217.2
<b>Total</b>	<b>1,803,264,665</b>	<b>1,507,752,304</b>

#### 4. Investment portfolio of the Sava Insurance Group

*Composition of the investment portfolio*

EUR	31 December 2023	Share as at 31 December 2023	31 December 2022	Share as at 31 December 2022	Change in share (p.p.)
Fixed-rate financial investments	1,302,427,145	86.6%	1,173,649,916	82.9%	3.7
Infrastructure funds	57,339,858	3.8%	53,856,376	3.8%	0.0
Cash and cash equivalents	39,827,379	2.6%	78,339,699	5.5%	-2.9
Property	24,890,278	1.7%	22,795,759	1.6%	0.0
Financial investments in associates	23,834,619	1.6%	21,856,109	1.5%	0.0
Shares	21,754,273	1.4%	24,883,924	1.8%	-0.3
Mutual funds	18,564,549	1.2%	22,157,732	1.6%	-0.3
Real estate funds	13,888,193	0.9%	16,497,061	1.2%	-0.2
Loans granted	754,141	0.1%	1,194,821	0.1%	0.0
<b>Total</b>	<b>1,503,280,435</b>	<b>100.0%</b>	<b>1,415,231,397</b>	<b>100.0%</b>	<b>0.0</b>

*Composition of fixed-rate investments*

EUR	31 December 2023	Share as at 31 December 2023	31 December 2022	Share as at 31 December 2022	Change in share (p.p.)
Government bonds	760,045,073	50.6%	679,225,272	48.0%	2.6
Regular corporate bonds	374,739,651	24.9%	373,372,829	26.4%	-1.5
Government-guaranteed bonds	59,038,019	3.9%	55,047,777	3.9%	0.0
Covered bonds	52,439,089	3.5%	14,476,732	1.0%	2.5
Subordinated bonds	30,549,141	2.0%	32,679,047	2.3%	-0.3
Deposits	25,616,171	1.7%	18,848,260	1.3%	0.4
<b>Total</b>	<b>1,302,427,144</b>	<b>86.6%</b>	<b>1,173,649,918</b>	<b>82.9%</b>	<b>3.7</b>

## 5. Consolidated statement of financial position

EUR	31 December 2023	31 December 2022 (restated)	1 January 2022 (restated)
<b>ASSETS</b>			
Intangible assets and goodwill	65,148,831	65,895,292	62,609,877
Property, plant and equipment	59,686,798	62,435,626	56,332,556
Investment property	24,890,278	22,795,759	14,280,600
Right-of-use assets	8,573,398	7,425,676	7,384,816
Investments in associates and joint ventures	23,834,620	21,856,109	20,479,729
Investments in associates accounted for using equity method	23,834,620	21,856,109	20,479,729
Deferred tax assets	6,584,400	17,065	397,297
Financial investments measured at	2,012,532,633	1,776,132,075	1,987,024,393
– Fair value through other comprehensive income	1,276,147,045	1,155,401,907	1,322,371,668
– Amortised cost	76,303,166	64,428,280	62,376,074
– Fair value through profit or loss	660,082,422	556,301,888	602,276,651
Investment contract assets	180,628,137	166,374,119	168,020,989
Insurance contract assets	9,607,288	7,138,340	14,379,062
Reinsurance contract assets	107,481,560	68,133,642	64,246,006
Current tax assets	444,616	3,412,855	330,518
Trade and other receivables	14,271,358	12,282,973	8,098,004
Non-current assets held for sale	259,649	991,803	770,544
Cash and cash equivalents	50,559,964	93,223,631	88,643,990
Other assets	4,042,606	4,025,283	4,038,117
<b>Total assets</b>	<b>2,568,546,136</b>	<b>2,312,140,248</b>	<b>2,497,036,498</b>
<b>LIABILITIES</b>			
Subordinated liabilities	74,987,535	74,924,356	74,863,524
Deferred tax liabilities	3,436,591	2,811,300	17,864,866
Insurance contract liabilities	1,651,022,247	1,484,315,158	1,621,102,825
Reinsurance contract liabilities	1,642,043	1,051,614	1,376,802
Investment contract liabilities	180,437,695	166,197,363	167,844,906
Provisions	8,074,255	7,973,454	8,918,059
Lease liability	8,844,737	7,657,186	7,640,477
Other financial liabilities	737,085	548,576	561,728
Current tax liabilities	9,930,830	1,554,992	2,996,533
Other liabilities	43,769,505	33,642,572	40,329,687
<b>Total liabilities</b>	<b>1,982,882,523</b>	<b>1,780,676,571</b>	<b>1,943,499,407</b>
<b>EQUITY</b>			
Share capital	71,856,376	71,856,376	71,856,376
Capital reserves	42,702,320	42,702,320	42,702,320
Profit reserves	281,693,666	256,945,591	229,008,079
Treasury shares	-24,938,709	-24,938,709	-24,938,709
Accumulated other comprehensive income	-28,195,652	-45,138,332	1,511,123
Retained earnings	205,041,879	214,047,218	236,218,747
Net profit or loss for the period	39,702,056	18,712,745	0
Foreign currency translation reserve	-3,049,094	-3,256,083	-3,244,024
<b>Equity attributable to owners of the controlling company</b>	<b>584,812,842</b>	<b>530,931,126</b>	<b>553,113,912</b>
<b>Non-controlling interests in equity</b>	<b>850,771</b>	<b>532,551</b>	<b>423,179</b>
<b>Total equity</b>	<b>585,663,613</b>	<b>531,463,677</b>	<b>553,537,091</b>
<b>Total liabilities and equity</b>	<b>2,568,546,136</b>	<b>2,312,140,248</b>	<b>2,497,036,498</b>

## 6. Glossary of selected terms and computation methods for indicators

<b>Adriatic region.</b> Southeast European countries along the Adriatic Sea.
<b>Assets under management.</b> Assets of pension companies' pension funds, assets of mutual funds managed by the Group's asset management company and assets of policyholders who bear the investment risk.
<b>Book value per share.</b> Ratio of total equity to the weighted average number of shares outstanding.
<b>Business volume.</b> Gross premiums written and revenue of non-insurance services.
<b>Combined ratio.</b> The sum of the loss ratio and the expense ratio. The Group's ratio is calculated for the reinsurance and non-life insurance operating segments. Sava Re's ratio does not include expenses arising from holding activities. For the transition to IFRS 17, the Group has retained the existing net/net methodology for calculating the combined ratio. During 2023, in line with the approach of other comparable insurance companies, the Group decided to change its methodology to a net/gross calculation of the combined ratio, which is also consistent with the presentation of the income statement in accordance with IFRS 17. The revised methodology has been applied for the first time in this year's annual report. Under the new methodology, the net reinsurance expenses are included in the numerator, while the denominator includes insurance service revenue net of the deductible reinsurance portion. Calculations using the new methodology slightly deteriorate the combined ratio, but the previous year's combined ratio is also restated for comparison.
<b>Contractual service margin (CSM).</b> An estimate of the unearned profit on groups of insurance contracts that has not been recognised in the income statement at a reporting date because it relates to future services.
<b>Cost-to-income ratio (CIR).</b> Expense ratio for the pensions and asset management segment. It is calculated as the ratio of revenue to expenses.
<b>Dividend yield.</b> Ratio of dividend per share to the rolling average price per share in the 12-month period.
<b>Expense ratio.</b> Attributable expenses plus non-attributable expenses plus net operating income or expenses plus net other income or expenses plus net impairment losses and reversals of impairment losses on non-financial assets as a percentage of insurance service income. The Group's ratio is calculated for the reinsurance and non-life insurance operating segments. Sava Re's ratio does not include expenses arising from holding activities.
<b>FVTPL investments.</b> Financial investments measured at fair value through profit or loss.
<b>Gross premiums written.</b> The total premiums on all policies written or renewed during a given period regardless of what portions have been earned.
<b>Investment portfolio.</b> It consists of financial investments, investments in associates, investment property, and cash and cash equivalents. It does not include investments of policyholders who bear the investment risk.
<b>Loss ratio.</b> Insurance service expenses, excluding operating expenses, plus net result from reinsurance contracts held as a percentage of insurance revenue. The Group's ratio is calculated for the reinsurance and non-life insurance operating segments.
<b>Net contractual service margin.</b> Contractual service margin, net of reinsurance.
<b>Net earnings or loss per share.</b> Ratio of net profit or loss attributable to equity holders of the controlling company as a percentage of the weighted average number of shares outstanding. The Company and the Group have no potentially dilutive ordinary shares, therefore basic earnings per share equal diluted earnings per share.
<b>Net investment income of the investment portfolio.</b> The investment result plus the share of profit or loss of subsidiaries and associates. Calculated excluding returns on life insurance policies where policyholders bear the investment risk, the impact of exchange differences and expenses on subordinate debt.
<b>Return on equity.</b> Net profit for the period as a percentage of average equity during the period, excluding accumulated other comprehensive income.
<b>Return on the investment portfolio.</b> The ratio of net investment income from the investment portfolio to average invested assets. The investment portfolio position includes the following items of the statement of financial position: investment property; investments in associates and subsidiaries; financial investments, excluding unit-linked assets; and cash and cash equivalents other than those relating to unit-linked life insurance contracts. The average amount is calculated based on figures as at the reporting date and as at the end of the prior year.
<b>SCR.</b> Solvency capital requirement.
<b>Solvency ratio.</b> The ratio of eligible own funds as a percentage of the SCR. A solvency ratio in excess of 100% indicates that the firm has sufficient resources to meet the solvency capital requirement.
<b>Total share return.</b> Ratio of the share price at the end of the period, including the dividend, to the share price at the end of the previous period.